



SIMPLIFIED PROSPECTUS

Offering Series A, Series F, Series PF, Series QF, Series I and Series D Units of

NINEPOINT CONVERTIBLE SECURITIES FUND

January 20, 2021

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise.

The Fund and the units of the Fund offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance upon exemptions from registration.

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INTRODUCTION

In this document, “we”, “us”, “our” or “the Manager” refers to Ninepoint Partners LP, the trustee and manager to Ninepoint Convertible Securities Fund (the “Fund”).

All of our mutual funds, including all classes of shares of Ninepoint Corporate Class Inc. (the “Corporation”) and individual mutual fund trusts offered under separate simplified prospectuses, with the Fund offered herein, are collectively referred to as the “Ninepoint mutual funds”. A reference in this document to “you” refers to an investor who invests in the Fund. When you invest in the Fund or another Ninepoint mutual fund established as a trust, you are buying mutual fund trust units. When you invest in a Ninepoint mutual fund that is a separate class of shares of the Corporation (offered under separate simplified prospectuses), you are buying mutual fund shares in the Corporation. We refer to units and shares of the Ninepoint mutual funds, other than the Fund, collectively as “securities” in this Simplified Prospectus.

The Fund offers six series of units: Series A, Series F, Series PF, Series QF, Series I and Series D. Series A units are available to all investors. Series F units are designed for investors who participate in fee-based programs. Series PF units are lower management fee versions of Series F units of the Fund and are available to an investor or discretionary accounts of an advisor holding in aggregate at least a \$1 million investment in the Fund. Series QF units are lower management fee versions of Series F units of the Fund and are available to an investor or discretionary accounts of an advisor holding in aggregate at least a \$5 million investment in the Fund. Series I units are special purpose units generally available only to institutional investors or as determined by the Manager on a case-by-case basis. Generally, an investor in Series I units negotiates a separate fee that will be paid directly to the Manager by the investor. Series D units are available to investors who acquire units through a discount brokerage account or other account approved by us and whose dealer has entered into an agreement with us relating to the distribution of these units.

This document contains selected important information to help you make an informed investment decision and to help you understand your rights as an investor. This document contains information about the Fund and the risks of investing in mutual funds generally, as well as the names of the firms responsible for the management of the Fund. This document is divided into two parts:

- pages 4 to 15 contain general information applicable to the Fund; and
- pages 16 to 24 contain specific information about the Fund described in this document.

Additional information about the Fund is available in the following documents: Annual Information Form, the most recently filed Fund Facts, the most recently filed annual financial statements, any interim financial statements of the Fund filed after those annual financial statements, the most recently filed annual management report of fund performance (“MRFP”) and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as part of this document. You may obtain copies of these documents upon request, and at no charge, by calling toll-free at 1-866-299-9906, or from your investment advisor directly, or via email at invest@ninepoint.com, or from our website at www.ninepoint.com.

These documents and other information about the Fund are also available on the internet site of SEDAR (the System for Electronic Document Analysis and Retrieval) at www.sedar.com.

WHAT IS A MUTUAL FUND AND WHAT ARE THE RISKS OF INVESTING IN A MUTUAL FUND?

What is a Mutual Fund?

A mutual fund is an investment vehicle that pools money of many individuals who have similar investment goals and invests it in a variety of securities in an effort to achieve specific investment objectives over time. Individuals who contribute money become unitholders of the mutual fund. Where a mutual fund issues more than one series, unitholders share in the mutual fund's income, expenses and the gains and losses allocated to the unitholders' series generally in proportion to the units of that series they own. The value of an investment in a mutual fund is realized upon redeeming units held. Mutual funds are managed by professional money managers who invest on behalf of the whole group.

Mutual funds are available in many varieties that are designed to meet the differing needs of investors. A fund may own different types of investments such as stocks, bonds, cash, derivatives or any combination of these investments, depending upon its investment objectives.

What are the Risks of Investing in a Mutual Fund?

Every individual has a different tolerance for risk. Some investors are more conservative than others. It is important to evaluate your personal tolerance for risk, as well as the amount of risk suitable for your financial goals and time horizon when making investment decisions. The risks associated with investing in a mutual fund depend on the assets and securities in which the mutual fund invests, based upon the mutual fund's particular objectives.

Investors should take into account that the value of these investments will change from day to day, reflecting changes in interest rates, exchange rates, economic conditions, market, and company news. As a result, the value of a mutual fund's units may go up or down, and the value of your investment in a mutual fund may be worth more or less upon redemption than when the units were first purchased.

The full amount of your original investment in the Fund is not guaranteed. Unlike bank accounts or GICs, mutual funds are not insured under the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. Please see "Redemptions for all Series of Units" on page 7 for more information.

The description of the Fund provided later in this Simplified Prospectus provides details of the specific risks that apply to the Fund.

PURCHASES, SWITCHES, RECLASSIFICATIONS AND REDEMPTIONS

The Fund is permitted to issue an unlimited number of series of units and may issue an unlimited number of units of each series. The Fund has created Series A, Series F, Series PF, Series QF, Series I and Series D units.

Series A units: Available to all investors.

Series F units: Available to investors who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us. You may only buy Series F units if we and your broker, dealer or advisor approve the order first.

Series PF units: Available to an investor or discretionary accounts of an advisor holding in aggregate at least a \$1 million investment in the Fund and who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors approved by us and whose dealer has signed a Series P Agreement with us. You may only buy Series PF units if we and your broker, dealer or advisor approve the order first.

Series QF units: Available to an investor or discretionary accounts of an advisor holding in aggregate at least a \$5 million investment in the Fund and who participate in fee-based programs through their dealer and whose dealer has signed a Series F Agreement with us, investors for whom we do not incur distribution costs, or individual investors

approved by us and whose dealer has signed a Series Q Agreement with us. You may only buy Series QF units if we and your broker, dealer or advisor approve the order first.

Series I units: Available to institutional investors or to other investors on a case-by-case basis, all at the discretion of the Manager.

Series D units: Available to investors who acquire units through a discount brokerage account or other account approved by us and whose dealer has signed a Series D agreement with us relating to the distribution of these units. For investors investing through a discount broker, Series D units may be the most suitable series for you to own. If you hold units of the Fund other than Series D units and they are in a discount brokerage account, you should consider instructing your dealer to reclassify your units into Series D units.

Although the money which you and other investors pay to purchase units of any series of the Fund is tracked on a series by series basis in the Fund's administrative records, the assets of all the series of the Fund are combined in a single pool to create one portfolio for investment purposes.

The Fund is available in each of the provinces and territories of Canada. You may purchase, switch, reclassify or redeem units of the Fund by contacting your investment advisor.

The minimum initial investment in Series A, Series F and Series D units of the Fund is \$500. The minimum subsequent investment in Series A, Series F and Series D units of the Fund is \$25. These minimum investment amounts may be adjusted or waived in the absolute discretion of the Manager. You must include payment with your purchase order.

Purchase orders which are deposited with a dealer will be forwarded by the dealer to the recordkeeper on the same day on which the purchase order is received, or if received after 4:00 p.m. (Eastern time), on the next business day. The dealer must send an investor's purchase order by courier, priority post or telecommunications facility *without charge to the investor*.

We have the right to accept or reject any purchase order, but must make a decision to reject an order within one business day after receiving the order. The payment received with a rejected order will be refunded immediately.

No certificates are issued for units purchased, but an investor receives, following each purchase of units, a written statement indicating all relevant details of the purchase transaction, including the dollar amount of the purchase order, the net asset value per unit applied to the purchase order and the number of units purchased.

The purchase, switch, reclassification or redemption price of a unit of the Fund is the net asset value per unit of a series prevailing at the time of purchase, switch, reclassification or redemption. The net asset value per unit (or unit price) for each series of units of the Fund is based on the value of the series' proportionate share of the net assets of the Fund, less the proportionate share of the common expenses allocated to that series and less any expenses attributable to that series, divided by the total number of units of that series outstanding. The unit price of the Fund is calculated at the end of each business day.

All requests for any purchases, switches, reclassifications or redemptions of the applicable series of units of the Fund must be received by the recordkeeper prior to 4:00 p.m. (Eastern time) on a regular business day in Toronto in order to receive that business day's unit price for that series, which is calculated as of the close of business on that day. If your request is received after 4:00 p.m. (Eastern time) or on a day that is not a regular business day in Toronto, the unit price applied to your request will be determined at the close of business on the following regular business day in Toronto. You and your advisor are responsible for the completeness and accuracy of your order. Orders will only be processed if complete.

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of either a purchase or redemption of the applicable series of units of the Fund where such dealer has the contractual right to do so.

The Fund is valued in Canadian dollars and can be purchased in Canadian dollars. Further information on the calculation of the net asset value of the Fund is described in the Fund's Annual Information Form. Please see page 3 to find out how to obtain a copy.

Your dealer is responsible to recommend the most suitable series and purchase option for you. We do not monitor the appropriateness of any series of the Fund for any investor and make no determination as to the appropriateness of any series of the Fund for any investor, including investors who hold the Fund in a discount broker account. We also do not automatically switch your units with another series of the same Fund if you attain minimum investment amounts for a series. Please note that for units that are purchased, redeemed, switched or reclassified through registered dealers approved by us, investors may be required to pay different fees and expenses. Please see "Fees and Expenses" on page 9 and "Dealer Compensation" on page 12.

Purchases of Series A Units

Series A units of the Fund are available to all investors under the Initial Sales Charge Option. Under the Initial Sales Charge Option, investors may pay a fee between 0% and 5% of the value of the units purchased to the dealer at the time of purchase. Please see "Fees and Expenses" on page 9 and "Dealer Compensation" on page 12.

Purchases of Series F, Series PF and Series QF Units

Series F, Series PF and Series QF units of the Fund are available to (i) investors who participate in fee-based programs with dealers who have signed a Series F Agreement with us, (ii) investors for whom we do not incur any distribution costs, or (iii) individual investors approved by us. In fee-based programs, instead of paying sales charges or other charges on the purchase or redemption of Series F, Series PF and Series QF units, investors pay their dealer ongoing fees for investment management or financial planning advice. We don't pay any sales commissions or trailer fees to dealers who sell Series F, Series PF and Series QF units.

If you cease to be eligible to hold Series F, Series PF, Series QF or Series I units of the Fund, we may reclassify your units into another series of units of the Fund for which you are eligible to hold after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units. If you are reclassified into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

Purchases of Series I Units

Series I units of the Fund are available to institutional investors or to other investors on a case-by-case basis, all at our discretion.

If you cease to be eligible to hold Series I units, we may reclassify your units into another series of units of the Fund for which you are eligible to hold after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units. If you are reclassified into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

Purchases of Series D Units

Series D units of the Fund are available to investors who acquire units through a discount brokerage account or other account approved by us and whose dealer has signed a Series D agreement with us relating to the distribution of these units.

If you cease to be eligible to hold Series D units of the Fund, we may reclassify your units into another series of units of the Fund for which you are eligible to hold after providing you with 5 days' notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units. If you are reclassified into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

Switches between Ninepoint mutual funds

You may, at any time, switch all or part of your investment in a series of units of the Fund to securities of another Ninepoint mutual fund of the same series and the same purchase option, provided that the series of securities you wish to switch to is offered by that other Ninepoint mutual fund, and in the case of a switch to an alternative mutual fund,

provided your financial advisor meets the proficiency standards required to advise on alternative mutual funds. You may request a switch of your series of units by contacting your registered broker or dealer.

A switch is a redemption of units of the Fund and a purchase of securities of another Ninepoint mutual fund, resulting in a taxable disposition of the units switched. Accordingly, you will realize a capital gain or loss on the switch transaction. Please see “Income Tax Considerations for Investors” on page 13.

When you switch units of any series of the Fund, your registered dealer may charge you a switch fee of up to 2% of the net asset value of the units switched. This fee is negotiated with and paid to your dealer.

Upon a switch of your series of units, the number of securities you hold will change since each series of securities of a Ninepoint mutual fund has a different security price.

Reclassification between Series of the Fund

You may, at any time, reclassify all or part of your investment in one series of the Fund to another series of the Fund, provided that you are eligible to invest in the series of units into which you are reclassifying. If you wish to reclassify all or part of your investment in Series F, Series PF, Series QF or Series I units of the Fund into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option. A reclassification between series of units of the Fund will not be considered a disposition for tax purposes and, accordingly, you will not realize a capital gain or loss. Please see “Income Tax Considerations for Investors” on page 13. You may request a reclassification of your series of units by contacting your registered broker or dealer.

When you reclassify units of any series of the Fund, your registered dealer may charge you a fee of up to 2% of the net asset value of the units reclassified. This fee is negotiated with and paid to your dealer.

Upon a reclassification of your series of units, the number of units you hold will change since each series of units of the Fund has a different unit price. If you cease to be eligible to hold Series F, Series PF and Series QF units of the Fund, we may reclassify your units into another series of units of the Fund for which you are eligible to hold after providing you with 5 days’ notice, unless you notify us during the notice period and we agree that you are once again eligible to hold your units. If you are reclassified into Series A units of the Fund, your Series A units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

Redemptions for all Series of Units

You may redeem your units of the Fund by completing a redemption request and depositing it with your registered dealer approved by us. We may require that an investor’s signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to our satisfaction. A redemption request received by the recordkeeper before 4:00 p.m. (Eastern time) on a regular business day will receive the net asset value per unit for the applicable series of units established as of the close of business on that day. A redemption request received by the recordkeeper after 4:00 p.m. (Eastern time) or on a day which is not a regular business day in Toronto, Ontario will receive the net asset value per unit for the applicable series of units established as of the close of business on the next regular business day. A dealer which receives a redemption request is required to transmit the redemption request to the recordkeeper without charge to the investor and where practicable, by courier, priority post or telecommunications facility. The redemption payments will be made in Canadian dollars.

The recordkeeper will pay redemption proceeds within two business days after the receipt of your order, provided the written request for redemption submitted to your registered dealer is complete and your registered dealer has provided correct settlement instructions to the recordkeeper.

We have the right, upon 30 days’ written notice to the investor, to redeem Series A, Series F and Series I units owned by an investor if the value of those units is less than \$500. An investor may prevent the automatic redemption by purchasing additional units to increase the value of the units to an amount equal to or greater than \$500 before the end of the 30-day notice period.

Under extraordinary circumstances, the rights of investors to redeem units of the Fund may be suspended. This would most likely occur if normal trading is suspended in the market, within or outside Canada, which represents more than

50% by value, or underlying market exposure, of the total assets of the Fund (without any allowance for liabilities) and if the assets of the Fund cannot be traded in any other market that represents a reasonably practical alternative for the Fund. The Manager may also suspend the redemption of units of the Fund with the consent of any securities commission or regulatory body having jurisdiction.

Short-Term Trading

Short-term trading in units of the Fund can have an adverse effect on the Fund. Such trading can increase brokerage and other administrative costs of the Fund and interfere with our long-term investment decisions.

We have adopted certain restrictions to deter short-term trading. For example, we may restrict your purchases if you engage in such short-term trading. Our restrictions also include charging a fee of up to 1.5% of the net asset value of the units of the Fund that are redeemed within 20 days of purchasing or switching them. In addition, if we detect excessive trading of your units in a Fund within 90 days of purchasing or switching them, we reserve the right to charge an additional 3% of the net asset value of the units. These fees are payable to the Fund.

The short-term trading fee will not be charged:

- (i) for a redemption of units acquired through automatic reinvestment of all distributions of net income or capital gains by the Fund;
- (ii) for a redemption of units in connection with a failed settlement of a purchase of units;
- (iii) as a result of reclassifying units of the Fund from one series into another series of the Fund;
- (iv) for a redemption of units by another investment fund or investment product approved by us;
- (v) for a redemption of units as a result of regular payments made from registered retirement income funds and locked-in retirement income funds; or
- (vi) in the absolute discretion of the Manager.

For purposes of the short-term trading fee, units will be considered to be redeemed on a first-in, first-out basis.

While these restrictions and our monitoring attempt to deter short-term trading, we cannot ensure that such trading will be completely eliminated.

Please see “Short Term Trading Fee” under “Fees and Expenses Payable Directly by You” on page 11.

OPTIONAL SERVICES

Pre-authorized Chequing Plan

Each series of the Fund offers an automatic investment plan to allow investors to make regular bi-weekly, monthly, quarterly, semi-annual or annual purchases of units. The minimum initial investment in Series A, Series F or Series D units of the Fund is \$500 and the minimum amount of each subsequent bi-weekly, monthly, quarterly, semi-annual or annual purchase is \$25. An investor may change the dollar amount of his or her investment, the frequency of payment or discontinue the plan by giving prior written notice to his or her registered dealer. The minimum initial investment in Series PF units of the Fund is \$1 million by an investor or discretionary accounts of an advisor. The minimum initial investment in Series QF units of the Fund is \$5 million by an investor or discretionary accounts of an advisor.

Averaging the Cost of Your Investments

Making regular investments through our pre-authorized chequing plan can reduce the cost of investing, through a technique called dollar cost averaging. Investing equal amounts of money at regular intervals on an ongoing basis ensures that an investor buys fewer units when prices are high and more units when prices are low. Over time, this can mean a lower average cost per unit than by making one lump sum purchase.

Registered Tax Plans

Units of the Fund are expected to be at all material times, qualified investments under the *Income Tax Act* (Canada) (the “Tax Act”) for registered tax plans (as defined below). We offer registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), life income funds, locked-in retirement income funds (LRIFs), locked-in retirement accounts and tax-free savings accounts (TFSA). Annuitants of RRSPs and RRIFs, holders of TFSA and registered disability savings plans and subscribers of registered education savings plans should consult with their tax advisors as to whether units of the Fund would be prohibited investments under the Tax Act in their particular circumstances. Investors should consult their tax advisors for full particulars of the tax implications of establishing, amending and terminating registered tax plans.

FEES AND EXPENSES

This table lists the fees and expenses that you may have to pay if you invest in the Fund. You may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, and as a result will reduce the value of your investment in the Fund. Your approval will be obtained if: (i) any change is made in the basis of calculation of a fee or expense charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, in a way that could result in an increase in charges to the Fund or the series of the Fund or you; or (ii) a fee or expense is introduced which is charged to the Fund or a series of the Fund, or directly to you by us or the Fund in connection with the holding of units of the Fund, that could result in an increase in charges to the Fund, a series or you. However, in each case, if the change is a result of a change made by a third party at arm’s length to the Fund or if applicable securities laws do not require the approval of investors to be obtained, we will not obtain your approval before making the change. If required under applicable securities laws, we will send you a written notice at least 60 days before the effective date of the change.

Fees and Expenses Payable by the Fund

Management Fees The Fund pays the Manager an annual management fee as set out on page 17. Management fees are unique to each series of the Fund and are subject to applicable taxes including HST. The management fee is calculated and accrued daily and is paid on the last day of each month based on the daily net asset value of the series of the Fund. The management fee for Series I units of the Fund is negotiated by the investor and paid directly by the investor, and would not exceed the management fee payable on Series A units of the Fund.

The Manager provides certain services to the Fund, including, but not limited to:

- the day-to-day management of the Fund’s business and affairs
- directing, or arranging for, the investment of the Fund’s property
- developing applicable investment policies, practices, fundamental investment objectives and investment strategies including any investment restrictions
- receiving, accepting and rejecting subscriptions of units of the Fund and setting minimum initial and subsequent subscription amounts
- offering units of the Fund for sale and determining the fees in connection with the distribution of units including sales commissions, redemption fees, distribution fees and transfer fees
- authorizing all contractual arrangements relating to the Fund, including appointing the Fund’s auditor, banker, recordkeeper, registrar, transfer agent and custodian
- establishing general matters of policy and establishing committees and advisory boards

To encourage large purchases in the Fund and to achieve effective management fees that are competitive for these investments, we may reduce the management fee payable by the Fund (a “management fee reduction”) with respect to the units held by a particular investor. These fees may be reduced based on a number of factors including the number and value of units held by an investor (eg. generally \$5,000,000) purchased during a

specified period negotiated with the investor. The amount of the reduction is negotiated with the investor. Investors who receive the benefit of a management fee reduction with the Manager will receive a proportionately larger distribution from the Fund (a “fee distribution”) so that those investors will receive the benefit of the lower fee. Fee distributions are paid first out of net income and net realized capital gains, and thereafter out of capital. All fee distributions are reinvested in additional units unless otherwise requested.

Operating Expenses The Fund pays its own operating expenses, other than advertising costs and costs of dealer compensation programs, which are paid by the Manager.

Operating expenses include, but are not limited to, brokerage commissions and fees (if applicable), taxes, audit and legal fees, member fees of the independent review committee of the Fund (the “IRC”), costs and fees in connection with the operation of the IRC (including the costs of holding meetings, insurance premiums for the IRC, and fees and expenses of any advisers engaged by the IRC), safekeeping, trustee, custodial, registrar, distribution disbursement agency, transfer agency and related services fees, fees of the recordkeepers, interest expenses, operating and administrative fees (including index licensing fees and overhead expenses of the Manager that are systems costs related to daily fund operating functions such as employee salaries, rent and utilities), investor servicing costs and costs of financial and other reports to investors, as well as prospectuses and fund facts. Operating expenses and other costs of the Fund are subject to applicable taxes including HST.

Each Ninepoint investment fund, including the Fund, pays a proportionate share of the total compensation paid to the IRC each year and reimburses members of the IRC for expenses incurred by them in connection with their services as members of the IRC. Each member of the IRC, other than the Chairman, is paid, as compensation for his services, \$21,000 per annum. The Chairman is paid \$24,500 per annum.

Incentive Fee The Fund pays us annually an incentive fee, subject to applicable taxes including HST, equal to a percentage of the daily net asset value of the applicable series of the Fund. Such percentage will be equal to 20% of the difference by which the return in the net asset value per security of the applicable series of the Fund from January 1 to December 31 exceeds the percentage return of the ICE BofA US Convertibles Index in Canadian dollar terms (or any successor index to such index) for the same period. The net asset value per unit includes all expenses and is calculated before income and capital gains are distributed. The incentive fee is calculated and accrued daily and paid annually on a calendar year basis.

If the performance of a series of the Fund in any year is less than the performance of the index (or any successor index to such index) (the “Return Deficiency”), then no incentive fee will be payable in any subsequent year until the performance of the applicable series, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Return Deficiency.

We may reduce the incentive fee payable by the Fund with respect to a particular investor. Investors who are entitled to the benefit of a lower incentive fee may receive a fee distribution from the Fund so that those investors receive the benefit of the lower incentive fee (see earlier discussion under “Management Fees”).

Investors in Series I securities may negotiate a different incentive fee than the one described in this table or no incentive fee at all.

Fees and Expenses Payable Directly by You

Sales Charges	Under the Initial Sales Charge Option, a sales charge of 0-5.0% of the amount you invest may be charged if you purchase Series A units of the Fund. You can negotiate this amount with the dealer.
Switch Fees/Reclassification Fees	A fee of 0-2.0% of the value of the units of the Fund you wish to switch or reclassify may be charged as negotiated with your dealer.
Redemption Fees	There are no redemption fees payable upon the redemption of units of the Fund (subject to a short-term trading fee, where applicable).
Short-Term Trading Fee	We may impose a short-term trading fee payable by you to the Fund of up to 1.5% of the aggregate net asset value of the units redeemed if such units are redeemed within 20 days of their date of purchase or switch. In addition, if we detect excessive trading of your units in a Fund within 90 days of purchasing or switching them, we reserve the right to charge an additional 3% of the net asset value of the units. A short term trading fee will not be charged (i) for a redemption of units acquired through automatic reinvestment of all distributions of net income or capital gains by the Fund; (ii) for a redemption of units in connection with a failed settlement of a purchase of units; (iii) as a result of reclassifying units of the Fund from one series into another series of the Fund; (iv) for a redemption of units by another investment fund or investment product approved by us; (v) for a redemption of units as a result of regular payments made from RRIFs and LRIFs; or (vi) in the absolute discretion of the Manager. For purposes of this short-term trading fee, units will be considered to be redeemed on a first-in, first-out basis.
Pre-Authorized Chequing Plan	No fee is charged to open, close or administer an account.
Registered Tax Plan Fees	No fee is charged to open, close or administer a Ninepoint registered tax plan. However, for other registered tax plans holding other investments in addition to units of the Fund, an annual trustee fee may apply. Please consult your advisor regarding this fee.
Other Expenses	No other charges apply. If applicable, you may be subject to fees and expenses by your dealer.

IMPACT OF SALES CHARGES

The following table shows the amount of fees that you would have to pay under the Initial Sales Charge Option if you made an investment of \$1,000 in Series A units of the Fund, if you held that investment for one, three, five or ten years and redeemed immediately before the end of that period.

Sales charges may apply when you purchase Series A units. These fees can be negotiated between you and the dealer. There are no sales charges payable on Series F, Series PF, Series QF or Series I units of the Fund.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option ¹ (Series A)	\$50 ²	Nil	Nil	Nil	Nil

¹ A short-term trading fee may be applicable if units of the Fund are redeemed within a certain number of days of their date of purchase or switch. See "Short Term Trading Fee" in the chart on page 11.

² Assumes the maximum initial sales charge of 5.0% for Series A units of the Fund for each \$1,000 of investment in the Fund. The actual amount of the initial sales charge will be negotiated by you and your dealer.

DEALER COMPENSATION

Your dealer may receive two types of compensation – sales commissions and trailing commissions.

Sales Commissions

For Series A units of the Fund purchased under the Initial Sales Charge Option, the dealer which distributes such units may charge you a sales commission of up to 5.0% (\$50 for each \$1,000 of investment) of the value of Series A units of the Fund you purchased.

There are no sales commissions payable to your dealer for Series F, Series PF, Series QF, Series I or Series D units of the Fund.

Trailing Commissions

Trailing commissions are paid by the Manager to dealers from management fees and are not paid by the Fund directly. We may, at our discretion, negotiate, change the terms and conditions of, or discontinue the trailing commissions with dealers. The Canadian Securities Administrators have published amendments that will prohibit the payment of trailing commissions to discount brokers if such discount brokers do not have a suitability obligation towards their clients. We will work with such dealers to ensure that we and the dealers will be compliant with the amendments when they come into force on June 1, 2022.

Series A Units

For Series A units of the Fund distributed under the Initial Sales Charge Option, a dealer that distributes units of the Fund may receive an annual trailing commission of up to 0.50% (up to \$5.00 for each \$1,000 of investment) of the value of Series A units of the Fund held by the dealer's clients. Payments are calculated and paid monthly at the rate of up to 1/12 of 0.50% of the value of Series A units held in the Fund by the dealer's clients.

Series F, Series PF, Series QF and Series D Units

There is no trailing commission payable to your dealer by us in respect of Series F, Series PF, Series QF and Series D units of the Fund. For these series, you pay a fee to your dealer for investment advice and other services.

Series I Units

For Series I units of the Fund, a dealer that distributes such units may receive an annual trailing commission based on a rate that is negotiated by the Manager and the dealer, which is up to 0.50% (\$5.00 for each \$1,000 investment) of the value of Series I units of the Fund).

Marketing support payments

We may from time to time pay permitted marketing and educational expenses of dealers. These include paying up to 50% of the costs of sales communications and investor seminars, up to 100% of the registration costs for financial advisors to attend third party educational conferences or seminars and up to 10% of the costs for dealers to hold educational seminars and conferences for their financial advisors.

We also pay for materials we give to dealers to help support their sales efforts. These materials include reports and commentaries on securities, the markets and the Fund. All of these payments are in compliance with applicable securities laws and regulations and will be paid by us and not the Fund.

Equity Interests

The general partner of Ninepoint Partners LP, the trustee and manager of the Fund, is Ninepoint Partners GP Inc.

Ninepoint Partners GP Inc. is a wholly-owned subsidiary of Ninepoint Financial Group Inc. Ninepoint Financial Group Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of Ninepoint

Partners LP. Ninepoint Financial Group Inc. is the sole limited partner and owns 100% of the issued and outstanding voting securities of Sightline Wealth Management LP.

Each of John Wilson and James Fox indirectly own 50% of all the issued and outstanding voting securities of Ninepoint Financial Group Inc.

James Fox is a dealing representative of Sightline Wealth Management LP.

DEALER COMPENSATION FROM MANAGEMENT FEES

During the financial year ended December 31, 2020, the total cash compensation paid (sales commissions, trailing commissions, and other kinds of dealer compensation such as marketing support payments) by us to dealers who distributed securities of the Ninepoint mutual funds represented approximately 24.8% in the aggregate of the total management fees of those Ninepoint mutual funds.

INCOME TAX CONSIDERATIONS FOR INVESTORS

This summary assumes that you are an individual (other than a trust) and that you are resident in Canada and hold units of the Fund as capital property for the purposes of the Tax Act. This summary is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) (“Minister”) prior to the date hereof and the published administrative practices and policies of the Canada Revenue Agency (“CRA”). This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. You should seek independent advice regarding the tax consequences of investing in units, based on your own particular circumstances. This summary assumes that the Fund will qualify as a mutual fund trust under the Tax Act effective at all material times.

For Units Held in a Registered Tax Plan

If units of the Fund are held in an RRSP, RRIF, deferred profit sharing plan, registered education savings plan (“RESP”), registered disability savings plan (“RDSP”) or TFSA (collectively, “registered tax plans”), distributions from the Fund and capital gains from a disposition of the units of the Fund are generally not subject to tax under the Tax Act until withdrawals are made from the registered tax plan (withdrawals from a TFSA are not subject to tax, and RESPs and RDSPs are subject to special rules). Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs and subscribers of RESPs, should consult with their own tax advisors as to whether the units of the Fund would be prohibited investments in their particular circumstances.

Contributions

You should be careful not to contribute more to your registered tax plan than allowed under the Tax Act or you may have to pay a penalty tax.

For Units Not Held in a Registered Tax Plan

If you hold units of the Fund outside of a registered tax plan, you must include in computing your income for tax purposes the amount of the net income and the taxable portion of the net realized capital gains paid or payable to you by the Fund in the year (including by way of a fee distribution), computed in Canadian dollars, whether you receive these distributions in cash or the amounts are reinvested in additional units. Gains and losses of the Fund from derivatives and short sales will be treated on income account or capital account depending on the particular circumstances, including whether they are used for hedging or non-hedging purposes. The Fund will generally treat gains and losses from trading in derivatives for hedging purposes in the same manner as the investments that such derivatives are under to hedge. For example, if derivatives are used to hedge investments treated on capital account, then gains and losses from trading in such derivatives, generally, will also be treated as capital gains and losses. CRA may not agree with the Fund’s position in this regard. If any transactions of the Fund are reported by it on capital account but are subsequently determined by CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and in the taxable distributions made by the Fund to unitholders, with the result that unitholders could be reassessed by CRA to increase their taxable income.

To the extent that the Fund so designates under the Tax Act, distributions of income and net taxable capital gains, paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax

treatment applicable to income of that character. To the extent that the distributions (including fee distributions) paid or payable to you by the Fund in a year exceed your share of the net income and net capital gains of the Fund allocated to you for the year, those distributions (except to the extent that they are proceeds of disposition) will be a return of capital and will not generally be taxable to you in the year of receipt but will reduce the adjusted cost base of your units in the Fund. If the adjusted cost base of your securities is reduced to less than zero you will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of your units will be increased to nil.

You will be taxed on distributions of income and capital gains by the Fund, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. This may be of particular relevance to you if you purchase units late in a calendar year or before a distribution date.

The Fund's portfolio turnover rate indicates how actively the Fund's investment advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the Fund's portfolio turnover rate in a year, the greater the chance that you will receive a distribution from the Fund that must be included in computing your income for tax purposes for the year.

Management fees paid directly to the Manager by holders of Series I units will not be deductible by those unitholders.

If you dispose of your units, whether by switching to units of another mutual fund managed by us, redemption or otherwise, you will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition, less any costs of disposition, are greater (or less) than the adjusted cost base of the units. The adjusted cost base of your units of a series is generally calculated by adding all your investments in that series (along with sales charges) and any reinvested distributions, and then subtracting any returns of capital and the adjusted cost base attributed to any previous redemptions. Generally, one-half of a capital gain must be included in your income as a taxable capital gain and one-half of a capital loss may be used to offset taxable capital gains in accordance with the provisions of the Tax Act. A reclassification of one series of units of the Fund into another series of units of the Fund will not, by itself, result in a disposition of the units being reclassified.

WHAT ARE YOUR LEGAL RIGHTS?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and receive your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form, Fund Facts or financial statements misrepresent any facts about the Fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory or consult your lawyer.

ADDITIONAL INFORMATION

Unitholder Tax Information

Pursuant to the Intergovernmental Agreement for the Enhanced Exchange of Tax Information under the Canada-U.S. Tax Convention entered into between Canada and the U.S. (the "IGA"), and related Canadian legislation, the Fund and/or registered dealers are required to report certain information with respect to unitholders who are U.S. residents, U.S. citizens (including U.S. citizens who are residents or citizens of Canada), and certain other "U.S. Persons" as defined under the IGA (excluding registered plans), to CRA. It is expected that CRA will then exchange the information with the U.S. Internal Revenue Service. In addition, in order to meet the objectives of the Organisation for Economic Co-operation and Development Common Reporting Standards (the "CRS"), the Fund and/or registered dealers will be required under Canadian legislation to identify and report to the CRA information relating to unitholders who are resident in a country outside of Canada and the U.S. (excluding tax deferred plans). The CRA

will provide that information to the relevant tax authority of any country that is a signatory of the Multilateral Component Authority Agreement on Automatic Exchange of Financial Account Information or that has otherwise agreed to a bilateral information exchange with Canada under CRS.

Index Provider Disclaimer

The Manager has entered into a license agreement with ICE Data Indices, LLC in connection with the use of the ICE BofA US Convertibles Index for the Fund.

SOURCE ICE DATA INDICES, LLC (“ICE DATA”), IS USED WITH PERMISSION. ICE® IS A REGISTERED TRADEMARK OF ICE DATA OR ITS AFFILIATES, AND BOFA® IS A REGISTERED TRADEMARK OF BANK OF AMERICA CORPORATION LICENSED BY BANK OF AMERICA CORPORATION AND ITS AFFILIATES (“BOFA”) AND MAY NOT BE USED WITHOUT BOFA’S PRIOR WRITTEN APPROVAL. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DISCLAIM ANY AND ALL WARRANTIES AND REPRESENTATIONS, EXPRESS AND/OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, INCLUDING THE INDEX, INDEX DATA AND ANY DATA INCLUDED IN, RELATED TO, OR DERIVED THEREFROM. NEITHER ICE DATA, ITS AFFILIATES NOR THEIR RESPECTIVE THIRD PARTY SUPPLIERS SHALL BE SUBJECT TO ANY DAMAGES OR LIABILITY WITH RESPECT TO THE ADEQUACY, ACCURACY, TIMELINESS OR COMPLETENESS OF THE INDEX OR THE INDEX DATA OR ANY COMPONENT THEREOF, AND THE INDEX AND INDEX DATA AND ALL COMPONENTS THEREOF ARE PROVIDED ON AN “AS IS” BASIS AND YOUR USE IS AT YOUR OWN RISK. ICE DATA, ITS AFFILIATES AND THEIR RESPECTIVE THIRD PARTY SUPPLIERS DO NOT SPONSOR, ENDORSE, OR RECOMMEND NINEPOINT PARTNERS LP, OR ANY OF ITS PRODUCTS OR SERVICES. TO THE EXTENT THAT THIS DISCLAIMER IS TRANSLATED INTO ANOTHER LANGUAGE, THE ENGLISH VERSION WILL GOVERN.

Fund Merger

The Manager proposes to merge (the “Merger”) Ninepoint Concentrated Canadian Equity Fund into the Fund, effective on or about March 19, 2021, subject to obtaining regulatory approval and unitholder approval of Ninepoint Concentrated Canadian Equity Fund at a special meeting of unitholders to be held on or about March 12, 2021.

The independent review committee of the Fund has reviewed the potential conflict of interest matters related to the Merger and provided a positive recommendation after determining that the proposed Merger, if implemented, would achieve a fair and reasonable result for each of Ninepoint Concentrated Canadian Equity Fund and the Fund.

If all necessary approvals are obtained, the Merger, will be implemented by causing Ninepoint Concentrated Canadian Equity Fund to subscribe for units of the Fund having a net asset value on the effective date equal to the cash subscription proceeds. If the requisite approvals are obtained, no further notice of the Merger will be provided to unitholders.

SPECIFIC INFORMATION ABOUT NINEPOINT CONVERTIBLE SECURITIES FUND

ORGANIZATION AND MANAGEMENT OF NINEPOINT CONVERTIBLE SECURITIES FUND

<p>Manager Ninepoint Partners LP Royal Bank Plaza, South Tower 200 Bay Street, Suite 2700 P.O. Box 27 Toronto, Ontario M5J 2J1</p> <p>Tel: 416-943-6707 Fax: 416-628-2397 Email: invest@ninepoint.com Website: www.ninepoint.com</p> <p>Toll Free: 1-866-299-9906</p>	<p>Ninepoint Partners LP acts as the manager to the Fund and is responsible for the day-to-day operations of the Fund including accounting and administration for securities of the Fund.</p>
<p>Trustee Ninepoint Partners LP Toronto, Ontario</p>	<p>The Fund is organized as a trust. Ninepoint Partners LP as trustee holds title to the property owned by the Fund on behalf of unitholders. Ninepoint Partners LP as trustee and manager has exclusive authority over the assets and affairs of the Fund and has a fiduciary responsibility to act in the best interest of unitholders.</p>
<p>Portfolio Manager Columbia Management Investment Advisers, LLC* Boston, Massachusetts</p> <p>*The Portfolio Manager is not registered in Ontario to provide portfolio management services. In certain circumstances, it may be difficult to enforce legal rights against the Portfolio Manager because it is resident outside Canada and all or substantially all of its assets are located outside Canada. The name and address of the agent for service of process of the Portfolio Manager is Osler, Hoskin & Harcourt LLP, 100 King St. West, Suite 6100, Toronto, ON M5X 1B8 .</p>	<p>The Portfolio Manager conducts research, selects, purchases, sells, and makes all investment decisions with regard to the portfolio securities of the Fund.</p>
<p>Custodian CIBC Mellon Trust Company Toronto, Ontario</p>	<p>CIBC Mellon Trust Company holds the cash and securities on behalf of the Fund and is responsible for ensuring that the cash and securities are safe and secure. CIBC Mellon Trust Company is only responsible for the Fund's assets that are directly held by it, its affiliates or appointed sub-custodians. CIBC Mellon Trust Company is independent of the Manager and the Fund.</p>
<p>Recordkeeper CIBC Mellon Global Securities Services Company Toronto, Ontario</p>	<p>The recordkeeper keeps a register of the owners of units for the Fund, processes purchase, switch, reclassification and redemption orders, issues investor account statements and issues annual tax reporting information.</p>

<p>Auditors KPMG LLP Toronto, Ontario</p>	<p>The Auditors annually audit the financial statements of the Fund to determine whether they fairly present, in all material respects, the Fund's financial position, financial performance and cash flows in accordance with applicable generally accepted accounting principles. KPMG LLP is independent of the Fund in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.</p> <p>If a decision is ever made to change auditors of the Fund, investors in the Fund will not be asked to approve this change; however, we will provide investors with at least 60 days written notice before the effective date of the change in auditors.</p>
<p>Independent Review Committee</p>	<p>The mandate of the IRC is to review conflict of interest matters referred to it by us in respect of the Ninepoint mutual funds. Each member of the IRC is independent of us and any party related to us. The IRC is currently composed of three members. The IRC prepares, at least annually, a report of its activities for investors. This report is available on our website at www.ninepoint.com or you may request a copy, at no cost to you, by contacting us at invest@ninepoint.com. Additional information about the IRC, including the names of the members, is available in the Annual Information Form.</p>
<p>Securities Lending Agent CIBC Mellon Trust Company Toronto, Ontario</p>	<p>The securities lending agent acts as agent for securities lending transactions for the Fund. The securities lending agent is independent of the Manager.</p>

FUND DETAILS

Type of Fund:	Convertible securities
Date Fund Started:	<p>Series A: January 20, 2021 Series F: January 20, 2021 Series PF: January 20, 2021 Series QF: January 20, 2021 Series I: January 20, 2021 Series D: January 20, 2021</p>
Nature of Securities Offered:	Series of units of a mutual fund trust
Registered Tax Plan Status:	Expected to be a qualified investment for registered tax plans
Management Fees:	<p>Series A: 2.25% Series F: 1.75% Series PF: 1.65% Series QF: 1.55% Series I: Negotiated by the unitholder (up to a maximum of 2.25%) Series D: 1.75%</p>
Incentive fee	Please see "Incentive Fee" under "Fees and Expenses Payable by the Fund" on page 11

WHAT DOES THE FUND INVEST IN?

Investment Objective

The investment objective of Ninepoint Convertible Securities Fund is to seek to provide unitholders with income and long-term capital appreciation by investing primarily in a portfolio of convertible securities.

Unitholder approval is required prior to a change in the fundamental investment objectives of the Fund.

Investment Strategies

To achieve the Fund's investment objective, the Portfolio Manager will look for opportunities for the Fund to participate in the potential growth of the common stocks underlying convertible securities, while seeking to earn income that is generally higher than the income those common stocks would provide.

The Fund expects to invest at least 80% of its net assets under normal conditions in convertible securities. The Fund invests primarily in U.S. securities, however the Fund may invest up to 15% of its total assets in Eurodollar convertible securities and up to an additional 20% of its total assets in other foreign securities. The Fund also may invest directly in equity securities.

All securities will be publicly traded, though some convertible securities will not be listed on an exchange and may be issued pursuant to Rule 144A promulgated under the United States' Securities Act of 1933, as amended. Most of the convertible securities in which the Fund will invest will not be rated as investment grade securities and may be referred to as "junk bonds". Active management and capital preservation are integral components of the process.

The Fund may also choose to:

- engage in securities lending as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 19 for a description of securities lending, repurchase and reverse repurchase transactions and the strategies used by the Fund to minimize the risks associated with these transactions);
- engage in short selling in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations (please see "Short selling risk" on page 20 for a description of the short selling process and the strategies used by the Fund to minimize the risks associated with the short sales of securities); and
- use derivatives instruments, such as options, futures, forward contracts and swaps, for hedging strategies, in a manner which is consistent with the investment objectives of the Fund and as permitted by securities regulations, including to hedge against losses from changes in the prices of the Fund's investments and from exposure to foreign currencies.

(please see "Derivatives risk" on page 18 for more information on the risks associated with the use of such derivatives);

The Fund does not have any geographical restrictions on its investments.

WHAT ARE THE RISKS OF INVESTING IN THE FUND?

The Fund is generally exposed to the following risks:

Convertible securities risk

Convertible securities are subject to the usual risks associated with debt instruments such as interest rate risk and credit risk. Convertible securities also react to changes in the value of the common stock into which they convert and are thus subject to market risk. The Fund may also be forced to convert a convertible security at an inopportune time, which may decrease the Fund's return

Credit risk

Mutual funds that invest in convertible and other fixed-income securities are subject to credit risk. Issuers of debt securities promise to pay interest and repay a specified amount on the maturity date. Credit risk is the risk that such issuers will not pay that obligation. Credit risk is lowest among issuers that have good credit ratings from recognized credit rating agencies. The riskiest fixed-income securities are those with a low credit rating or no credit rating at all. These securities usually offer higher interest rates to compensate for the increased risk.

Currency risk

The net asset value of the Fund is calculated in Canadian dollars. Most foreign investments and investments in commodities are purchased in currencies other than the Canadian dollar. As a result, the Canadian dollar value of those investments will be affected by the value of the Canadian dollar relative to the value of the foreign currency such that the value of foreign denominated investments within the Fund may be worth more or less, depending on changes in foreign exchange rates.

Cybersecurity risk

With the increased use of technologies, the Manager and the Fund are susceptible to operational and information security risks through breaches in cybersecurity. A breach in cybersecurity can result from either a deliberate attack or an unintentional event. In addition, cybersecurity failures by or breaches of the Manager's or the Fund's third party service providers may disrupt the business operations of the service providers and of the Manager or the Fund. Any such cybersecurity breaches or losses of service may cause the Manager or the Fund to lose proprietary information, suffer data corruption or lose operational capacity, which, in turn, could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. While the Fund, the Manager and the third party service providers have established business continuity plans and risk management systems designed to prevent or reduce the impact of cybersecurity attacks, there are inherent limitations in such plans and systems due in part to the ever changing nature of technology and cybersecurity attack tactics, and there is a possibility that certain risks have not been adequately identified or prepared for. Cybersecurity risks may also impact issuers of securities in which the Fund invests, which may cause the Fund's investments in such issuers to lose value.

Derivatives risk

A derivative is a contract between two parties whose value is "derived" from the value of an underlying asset, such as a stock, or a market index. Mutual funds may use derivatives to limit potential losses associated with currencies, stock markets and interest rates. This process is called hedging. Mutual funds may also use derivatives for non-hedging purposes – to reduce transaction costs, achieve greater liquidity, create effective exposure to international financial markets or increase speed and flexibility in making portfolio changes. Some common examples of a derivative are an option contract, a futures contract, a forward contract and a swap.

Although derivatives may be used by mutual funds to seek to minimize risk, derivatives still have risks associated with their use and do not guarantee a gain or loss. In addition, the Fund may use derivatives for hedging and non-hedging purposes as described in its investment objectives and strategies. Some examples of risks associated with the use of derivatives are as follows:

- hedging strategies may not be effective;
- a market may not exist when the fund wants to close out its position in a derivative;
- the fund may experience a loss if the other party to a derivative is unable to fulfil its obligations;
- the derivative may not perform the way the manager expects it to perform, causing the fund to lose value;
- costs of the derivative contracts with counterparties could rise; and
- the Tax Act, or its interpretation, may change in respect of the tax treatment of derivatives.

A fund may write covered call options on securities owned by that fund. The writing of covered call options provides a fund with a premium and provides the purchaser with the right to exercise the option to acquire the underlying securities at a specified exercise price. If the market price of the security goes above the exercise price, the fund will likely not participate in a gain above the exercise price on a security subject to a call option because the holder of the option will likely exercise the option. The premiums received on writing covered call options may not exceed the returns that would have resulted if a fund had remained directly invested in the securities subject to call options.

Foreign investment risk

Mutual funds that invest in securities of foreign issuers will be affected by world economic factors. Obtaining complete information about potential investments from foreign markets may also be of greater difficulty. Foreign issuers may not follow certain standards that are applicable in North America, such as accounting, auditing, financial reporting and other disclosure requirements. Political climates may differ, affecting stability and volatility in foreign markets. As a result, mutual fund prices may fluctuate to a greater degree by investing in foreign equities than if the funds limited their investments to Canadian securities.

Foreign portfolio manager risk

The Portfolio Manager is located outside of Canada. There may be difficulty enforcing any legal rights against the Portfolio Manager because it is resident outside Canada and all or a substantial portion of its assets are situated outside Canada.

High-yield investments risk

Securities and other debt instruments held by the Fund that are rated below investment grade (commonly called “high-yield” or “junk” bonds) and unrated debt instruments of comparable quality expose the Fund to a greater risk of loss of principal and income than a fund that invests solely or primarily in investment grade debt instruments. In addition, these investments have greater price fluctuations, are less liquid and are more likely to experience a default than higher-rated debt instruments. High-yield debt instruments are considered to be predominantly speculative with respect to the issuer’s capacity to pay interest and repay principal.

Inflation risk

Mutual funds are investment vehicles which generally have a long-term horizon. Many investors use them for retirement purposes. As a result of the long-term outlook for a mutual fund investment, the effects of inflation could significantly erode the value of an investor’s money over time. Managing inflation risks involves a diversified mix of investments with emphasis on equity securities, which have historically out-performed all other types of investments over the long-term.

Interest rate risk

Interest rates affect the value of convertible and other fixed-income securities, including bonds, mortgages, treasury bills and commercial paper. This value will generally rise if interest rates fall and fall if interest rates rise. Therefore, values of mutual funds which invest in fixed-income securities will change with fluctuating interest rates. Changes in interest rates may also affect the value of equity securities as investors shift between investment vehicles.

Liquidity risk

Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which a mutual fund holds may be illiquid, as they may be difficult to sell. For example, securities of small companies may be less known and may not be traded regularly. In addition, in volatile markets, securities that are generally liquid (including high yield bonds, floating rate debt instruments and other fixed income securities) may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

Market risk

The value of securities will change based on specific company developments and market conditions. Market value also varies with changes in the general economic and financial conditions in countries where investments are made, including global or regional political, economic, health and banking crises.

Preferred stock risk

Preferred stock is a type of stock that may pay dividends at a different rate than common stock of the same issuer, if at all, and that has preference over common stock in the payment of dividends and the liquidation of assets. Preferred stock does not ordinarily carry voting rights. The price of a preferred stock is generally determined by earnings, type of products or services, projected growth rates, experience of management, liquidity and general market conditions of the markets on which the stock trades. The most significant risks associated with investments in preferred stock include issuer risk, market risk and interest rate risk (the risk of losses attributable to changes in interest rates).

Regulatory risk

Regulatory risk is the potential revenue impact on a company due to laws, regulation and policies of regulatory agencies. Governmental or regulatory permits and approvals may be required to proceed with planned projects. Any delay or failure in achieving the required permits or approvals would reduce the company's growth prospects.

Rule 144A and other exempted securities risk

The Fund may invest in privately placed and other securities or instruments exempt from registration (collectively "private placements"), subject to certain regulatory restrictions. In the U.S. market, private placements are typically sold only to qualified institutional buyers, or qualified purchasers, as applicable. An insufficient number of buyers interested in purchasing private placements at a particular time could adversely affect the marketability of such investments and the Fund might be unable to dispose of them promptly or at reasonable prices, subjecting the Fund to liquidity risk. The Fund's holdings of private placements may increase the level of Fund illiquidity if eligible buyers are unable or unwilling to purchase them at a particular time. Issuers of Rule 144A eligible securities are required to furnish information to potential investors upon request. However, the required disclosure is much less extensive than that required of public companies and is not publicly available since the offering information is not filed with the U.S. Securities and Exchange Commission. Further, issuers of Rule 144A eligible securities can require recipients of the offering information (such as the Fund) to agree contractually to keep the information confidential, which could also adversely affect the Fund's ability to dispose of the security.

Securities lending, repurchase and reverse repurchase transactions risk

Mutual funds may enter into securities lending, repurchase or reverse repurchase transactions as permitted by securities legislation. Securities lending is an agreement whereby a mutual fund lends securities through an authorized agent for a fee in exchange for collateral, and can demand the return of the securities at any time. Under a repurchase transaction, a mutual fund agrees to sell securities for cash while, at the same time, assuming an obligation to repurchase the same securities for a set amount of cash at a later date. A reverse repurchase transaction is a transaction pursuant to which a mutual fund buys securities for cash while, at the same time, agreeing to resell the same securities for cash (usually at a higher price) at a later date.

The risks associated with securities lending, repurchase or reverse repurchase transactions arise when a counterparty defaults under the agreement evidencing the transaction and the mutual fund is forced to make a claim in order to recover its investment. In a securities lending or a repurchase transaction, a mutual fund could incur a loss if the value of the securities loaned or sold has increased in value relative to the value of the collateral held by the mutual fund. In the case of a reverse repurchase transaction, a mutual fund could incur a loss if the value of the securities purchased by the mutual fund decreases in value relative to the value of the collateral held by the mutual fund.

To limit these risks:

- a mutual fund must hold collateral equal to no less than 102% of the market value of the securities sold, loaned or cash paid (where the amount of collateral is adjusted each trading day to make sure that the market value of the collateral does not go below the 102% minimum level);
- the collateral to be held must consist of cash, qualified securities or securities that can be immediately converted into securities sold or loaned; and
- repurchase transactions and securities lending agreements are limited to 50% of the net asset value of the fund. Collateral held for loaned securities and cash paid for received securities are not included when making this calculation.

Series risk

The Fund is available in more than one series of units. Each series has its own fees and expenses which the Fund tracks separately. If the Fund cannot pay the expenses of one series using that series' proportionate share of the assets of the Fund, the Fund will have to pay those expenses out of the other series' proportionate share of the assets, which would lower the investment return of those other series.

The Fund may issue additional series without notice to or approval of unitholders. The creation of additional series could indirectly result in a mitigation of this risk by creating a larger pool of assets for the Fund to draw from.

Short selling risk

A short sale by the Fund involves borrowing securities from a lender which are then sold in the open market. At a future date, the securities are repurchased by the Fund and returned to the lender. While the securities are borrowed, collateral is deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities to the lender, the Fund makes a profit on the difference (less any interest the Fund is required to pay the lender). Short selling involves risk. There is no assurance that securities will decline in value during the period of the short sale and make a profit for the Fund. Securities sold short may instead appreciate in value creating a loss for the Fund. The Fund may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender may also recall borrowed securities at any time. The lender from whom the Fund has borrowed securities may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to offset these risks by short selling only liquid securities and by limiting the amount of exposure for short sales to the total market value of all securities of an issuer of the securities sold short by the Fund to 5% of the net asset value of the Fund and the total market value of all securities sold short by the Fund to 20% of the net asset value of the Fund. The Fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

Small company risk

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

Specific issuer risk

The value of all securities will vary positively or negatively with developments within the specific companies or governments which issue the securities.

Substantial unitholder risk

A single investor (including a Ninepoint mutual fund) may buy or sell large amounts of securities of the Fund. As a result, the Fund may have to alter its portfolio significantly to accommodate large fluctuations in assets. If a single investor makes a large redemption request, the Fund may be required to sell underlying portfolio assets so that it can meet the redemption obligations. This sale may impact the market value of those portfolio investments and it may potentially impact remaining investors of the Fund. A large redemption request could also force the Fund to terminate. The Fund may agree with an investor to make part of the redemptions in-kind, by transferring assets of an equal value to the large redeeming investor, if assets of the Fund cannot be sold at advantageous prices without a significant impact to the value of the asset.

Tax risk

There can be no assurance that the tax laws applicable to the Fund, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could adversely affect the Fund or the Fund's unitholders. Furthermore, there can be no assurance that CRA will agree with the Manager's characterization of the gains and losses of the Fund as capital gains or losses or ordinary income and losses in specific circumstances. If any transactions of the Fund are reported by it on capital account but are subsequently determined by CRA to be on income account, there may be an increase in the net income of the Fund for tax purposes, and in the taxable distributions made by the Fund to unitholders, with the result that unitholders could be reassessed by CRA to increase their taxable income.

If the Fund experiences a “loss restriction event,” the Fund (i) will be deemed to have a year-end for tax purposes (which would result in an allocation of the Fund’s taxable income at such time to unitholders so that the Fund is not liable for income tax on such amounts), and (ii) will become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, the Fund will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of the Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of the Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in the Fund. Generally, a person is deemed not to become a majority-interest beneficiary, and a group of persons is deemed not to become a majority-interest group of beneficiaries, of the Fund if the Fund meets certain investment requirements and qualifies as an “investment fund” under the rules.

FUND RISK CLASSIFICATION

The risk rating assigned to this Fund by the Manager is Low to Medium risk and it is appropriate if you have a long term investment horizon.

We identify the investment risk level of the Fund as an additional guide to help you decide whether the Fund is right for you. The investment risk level of the Fund is determined in accordance with the standardized risk classification methodology mandated by the Canadian Securities Administrators.

Using this methodology, we generally assign the risk rating based on the Fund’s historical volatility risk as measured by the ten-year standard deviation. Since the Fund does not have ten years of performance history, we have used the available return history of the Fund and imputed the return history of ICE BofA US Convertibles Index, which is expected to reasonably approximate the standard deviation of the Fund, for the remainder of the 10-year history. The ICE BofA US Convertibles Index consists of convertible bonds traded in the U.S. dollar denominated investment grade and non-investment grade convertible securities sold into the U.S. market and publicly traded in the United States.

This section will help you decide whether the Fund is right for you. This information is only a guide. When you are choosing investments, you should consider your whole portfolio, your investment objectives and your risk tolerance level. The Fund is assigned an investment risk rating in one of the following categories:

Low for funds with a level of risk that is typically associated with investments in money market funds and Canadian fixed income funds;

Low to Medium for funds with a level of risk that is typically associated with investments in balanced funds and global and/or corporate fixed income funds;

Medium for funds with a level of risk that is typically associated with investments in equity portfolios that are diversified among a number of large capitalization Canadian and/or international equity securities;

Medium to High for funds with a level of risk that is typically associated with investments in equity funds that may concentrate their investments in specific regions or in specific sectors of the economy; and

High for funds with a level of risk that is typically associated with investments in equity portfolios that may concentrate their investments in specific regions or in specific sectors of the economy where there is a substantial risk of loss (e.g., emerging markets).

Although monitored on a monthly basis, we review the investment risk level of the Fund on an annual basis.

The method that we use to identify the investment risk level of the Fund is available on request, at no cost, by calling us at 1-866-299-9906 or by sending an email to invest@ninepoint.com.

WHO SHOULD INVEST IN THIS FUND?

The Fund is suitable for those investors seeking income and long-term capital growth through exposure to convertible securities. Series PF units of the Fund are suitable for an investor or discretionary accounts of an advisor with an investment of at least \$1 million in the Fund. Series QF units of the Fund are suitable for an investor or discretionary accounts of an advisor with an investment of at least \$5 million of the Fund.

DISTRIBUTION POLICY

The Fund will distribute to its investors a sufficient amount of the Fund's net income and net realized capital gains so that the Fund will not pay any income tax. Distributions of net income, if any, are made quarterly and distributions of net realized capital gains, if any, are made annually in December. All distributions paid to an investor will be reinvested automatically in additional units of the same series of units of the Fund at the net asset value per unit of that series without any fee unless you ask us to be paid in cash rather than receive units of the Fund at least 5 business days in advance of the date on which distributions are payable.

FUND EXPENSES INDIRECTLY BORNE BY INVESTORS

The information below is intended to help investors compare the cost of investing in the Fund with the cost of investing in other mutual funds. Mutual funds pay certain expenses out of fund assets. Although investors do not pay these expenses directly, in actuality, they have the effect of lowering the Fund's returns.

A table would typically outline a hypothetical example of the investor's cumulative proportional share of the fees and expenses paid by the Fund, in dollars, over the time periods indicated and assuming: 1) you invested \$1,000 for the period shown (without any sales charges); 2) the Fund's return was 5.0% each year; and 3) the Fund paid the same management expense ratio (MER) in each period shown as it did in its last completed financial year.

This information is not available since this Fund is new.

See "Fees and Expenses" on page 9 for more information about the costs of investing in the Fund.

Additional information about the Fund is available in the Fund's Annual Information Form, Fund Facts, management reports of fund performance and financial statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You can get a copy of these documents, at your request, and at no cost, by calling toll free 1-866-299-9906, or from your dealer, or via email at invest@ninepoint.com.

These documents and other information about the Fund, such as information circulars and material contracts, are also available on the Ninepoint Partners LP internet site at www.ninepoint.com or at www.sedar.com.

NINEPOINT CONVERTIBLE SECURITIES FUND

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