



**LIQUID  
ALT**

# ninepoint **alternative credit opportunities fund**

A HIGH NET WORTH STRATEGY  
FOR EVERY PORTFOLIO



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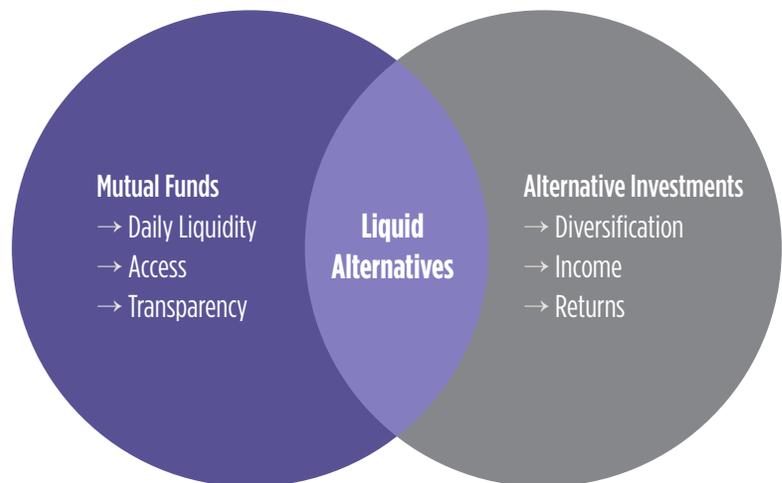
## A HIGH-NET-WORTH STRATEGY FOR EVERY PORTFOLIO

Available to every Canadian investor who seeks additional portfolio income and diversification, Ninepoint introduces a new liquid alternative fixed income fund: the **Ninepoint Alternative Credit Opportunities Fund**.

### Why we like this strategy

- 1 More opportunities for income:**  
Strategy includes use of hybrid securities (e.g. preferred shares, convertible bonds, structured notes) and ability to apply leverage to investment-grade bonds.
- 2 More flexibility to generate returns:**  
Latitude in security selection enables inclusion of bespoke securities, as well as trading strategies such as interest carry, active trading, yield curve, sector positioning, and short selling.
- 3 Active risk management:**  
Use of hedging tools to protect investors from interest rate risk and credit risk.
- 4 Easy access:**  
For all Canadian investors as a liquid alternative investment.

### The Liquid Alt Advantage



# Strategy Map

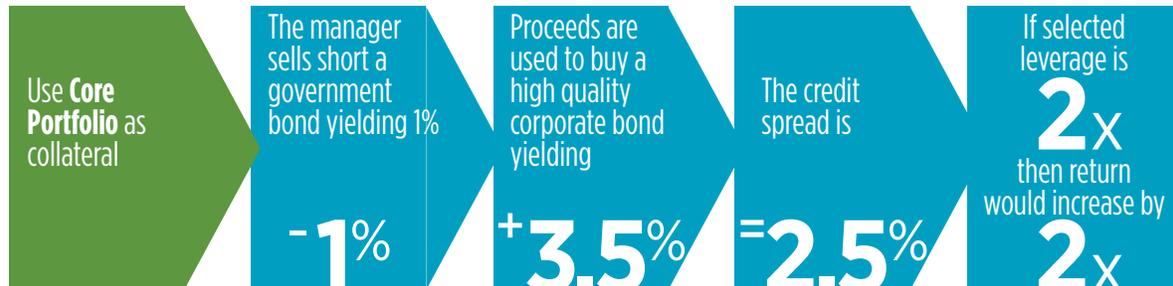
## THE SEARCH FOR YIELD



<b>Why?</b>	Significant exposure to government bonds	Diversified mix of credit, investment grade, less liquid and bespoke securities, hedging strategies and more	Over-concentration of lower grade, higher yield
<b>Use of Leverage?</b>	X	✓	X
<b>Short Selling?</b>	X	✓	X
<b>Options?</b>	X	✓	X
<b>Risk Exposure</b>	Significant exposure to government bonds	Active management, lower-duration, hedging	Default risk

### Leverage as a Tool

Leverage is used to generate attractive returns in higher quality companies, while simultaneously reducing interest rate risk. Leverage is only used to enhance the return of investment grade securities, not to produce unsustainable and risky returns.



For illustrative purposes only.

# Portfolio Construction Process

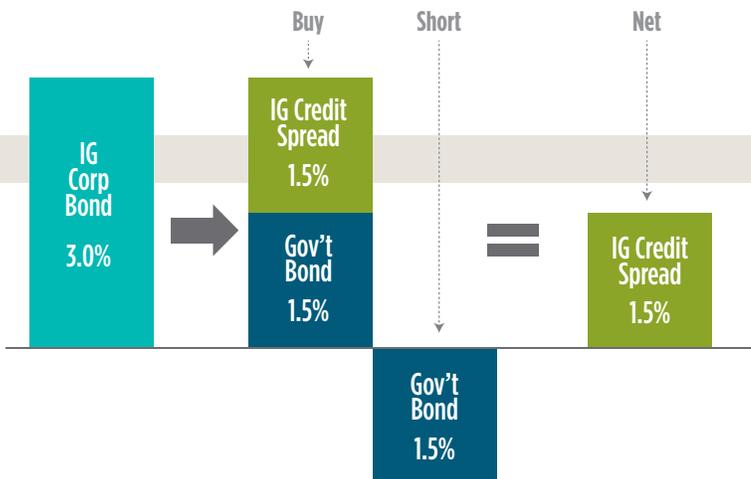
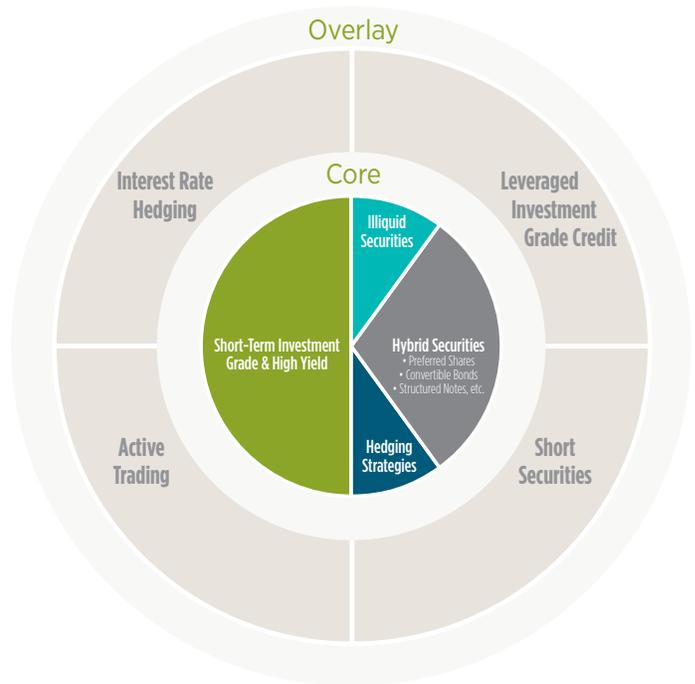
A differentiated fixed income alternative that fully utilizes the strategies and assets available within the parameters of the liquid alternative class.

The Fund functions very much like a credit multi-strategy, investing in different types of credit, employing various investment strategies.

**Core portfolio:** an allocation to less liquid securities, public credit, shorter-to-intermediate dated corporate bonds, high yield, structured notes, asset-backed securities, un-rated private placements, global credit, equity like securities and preferred shares. By blending a variety of credit greater yield can be generated.

**Overlay portfolio:** different strategies employed include interest carry, active trading, and short selling. Some leverage employed, but only on high quality investment grade credit. The overlay generates income with very little interest rate sensitivity as government bonds are short sold against all the corporate bond positions, isolating the credit spread.

## Ninepoint Alternative Credit Opportunities Fund Fund Construction



### Short Selling to Neutralize Interest Rate Risk

Government bonds are short sold against all the Corporate bond positions, isolating the credit spread.

For illustrative purposes only.  
Source: Ninepoint Partners.

[ninepoint.com](http://ninepoint.com)



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The Ninepoint Alternative Credit Opportunities Fund is generally exposed to the following risks. See the prospectus of the Fund for a description of these risks: borrowing risk; collateral risk; concentration risk; credit risk; currency risk; cybersecurity risk; derivatives risk; foreign investment risk; inflation risk; interest rate risk; liquidity risk; leverage risk; market risk; performance fee risk; securities lending, repurchase and reverse repurchase transactions risk; series risk; short selling risk; small company risk; specific issuer risk; substantial securityholder risk; tax risk.

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