



Ninepoint Bitcoin ETF

INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2021

The interim management report of fund performance is an analysis and explanation that is designed to complement and supplement an investment fund's financial statements. This report contains financial highlights but does not contain the complete interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at www.ninepoint.com or SEDAR at www.sedar.com or by writing to us at: Ninepoint Partners LP, Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario M5J 2J1. Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of Ninepoint Bitcoin ETF (the “Fund”) is to seek to provide exposure to digital currency bitcoin (“Bitcoin”) through an institutional-quality platform that is cost-efficient to investors and to provide a secure, simpler and exchange-traded investment alternative for buying and holding Bitcoin. To achieve the Fund’s investment objective, the Fund invests directly in Bitcoin while using high quality service providers, including digital asset trading counterparties, trading platforms and custodians, and independent auditors, legal and valuation agents, in order to manage the assets of the Fund. By having in-house expertise, the Manager offers a cost-efficient structure to investors for ongoing management fees. The Fund invests in Bitcoin on a passive basis, and does not speculate with regard to changes in Bitcoin prices and sales of Bitcoin will generally only be undertaken by the Fund as required to fund expenses and redemptions. In addition, the Fund does not hedge any U.S. dollar currency exposure back to the Canadian dollar. The Fund provides investors with the ability to invest in Bitcoin without the inconvenience and additional transaction and storage costs associated with a direct investment in Bitcoin. The Fund purchases Bitcoin through established, regulated platforms as well as in the over-the-counter (“OTC”) market using regulated counterparties. The Manager has undertaken and will undertake due diligence to ensure that all counterparties and vendors adhere anti-money laundering rules and requirements. Generally, the Fund does not intend to borrow money or employ other forms of leverage to acquire Bitcoin for its portfolio but may borrow money on a temporary short-term basis to acquire Bitcoin in connection with a subscription for Units by a Dealer. Any borrowing by Ninepoint Bitcoin ETF will be made in accordance with the borrowing restrictions applicable to an alternative mutual fund under NI 81-102.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors seeking exposure to Bitcoin. This Fund is suitable for investors with a high tolerance for risk and have a medium-term investment horizon.

Results of Operations and Recent Developments

The Fund returned 4.8% since its initial public offering (“IPO”) on January 27, 2021 and commenced trading on the Toronto Stock Exchange. Gross proceeds and net proceeds raised from the IPO were \$179,904,910 and \$173,688,012, respectively.

Early in the year, the combination of loose monetary policy from the world’s central banks and growing inflation expectations from the reopening of the economy led investors to seek out stores of value that could offer diversification and potential protection against currency devaluation.

Bitcoin was a prime beneficiary of this global macroeconomic environment. This affected our mandate positively, leading to a nearly 6-fold increase in the price of Bitcoin at its peak and giving us a strong footing to grow the new Digital Asset Group at Ninepoint.

More recently, China has taken action against market participants such as Bitcoin miners and on-ramps such as Alipay, leading to a reduction in the hash rate of Bitcoin and a corresponding drop in price.

The exodus of Chinese Bitcoin miners caused a slump in the price of the cryptocurrency towards the end of the period. Though negative for the space, we view this as transitory as miners relocate to other countries.

The Fund was fully invested in Bitcoin during the period, which contributed to performance.

By way of unitholder approval, the Fund converted from a closed-ended fund to an exchange-traded fund on May 6, 2021. Units were converted on a 1:1 basis and continued to trade on the Toronto Stock exchange. There was not a change to the investment mandate.

The net asset value of the Fund was \$85.9 million as at June 30, 2021.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 0.70%. The management fee is calculated and accrued daily and is paid monthly based on the daily net asset value of the Fund. For the period ended June 30, 2021, the Fund incurred management fees (including taxes) of \$826,830. The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Bitcoin ETF	100%	0%

Out of the management fees that the Manager received from the Fund, there were no trailer commissions paid during the period ended June 30, 2021, to Sightline Wealth Management, an affiliate of the manager.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as shareholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions can be terminated at any time without notice. For the period ended June 30, 2021, the Manager absorbed \$55,061 of expenses.

OTHER RELATED PARTY TRANSACTIONS

The Fund relied on the approval, positive recommendation or standing instruction from the Fund's Independent Review Committee with respect to any related party transactions.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period ended June 30, 2021, unless otherwise indicated.

The Fund's Net Assets per Unit¹

	Jun 30, 2021⁵
	\$
Initial offering price	10.00
Agents' fee and issue expenses ²	(0.45)
Net assets, beginning of period	9.55
Increase (decrease) from operations:	
Total revenue	0.00
Total expenses	(0.12)
Realized gains (losses)	3.93
Unrealized gains (losses)	0.63
Total increase (decrease) from operations³	4.44
Distributions:	
Total annual distributions⁴	–
Net assets, end of period	10.48

1 This information is derived from the Fund's interim financial statements.

2 Agents' fee and issue expenses of the Offering were recorded as a reduction in partners' capital.

3 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net asset and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of the beginning to ending net assets per unit.

4 Distributions were reinvested in additional units of the Fund.

5 Information provided is for the period from January 27, 2021 (first issuance) to June 30, 2021.

Ninepoint Bitcoin ETF

June 30, 2021

Ratios and Supplemental Data

	Jun 30, 2021
Total net asset value (000's) ¹	\$85,912
Number of Units outstanding ¹	8,198,866
Management expense ratio ²	1.45%
Management expense ratio before waivers or absorptions ²	1.50%
Trading expense ratio ³	0.31%
Portfolio turnover rate ⁴	36.44%
Net asset value per Unit ¹	\$10.48
Closing Market Price	\$10.47

1 This information is provided as at June 30, 2021.

2 Management expense ratio ("MER") is based on total expenses (including incentive fees, if any; excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The Manager may waive or absorb a portion of the operating expenses of the Fund. Waivers and absorption can be terminated at any time.

3 The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.

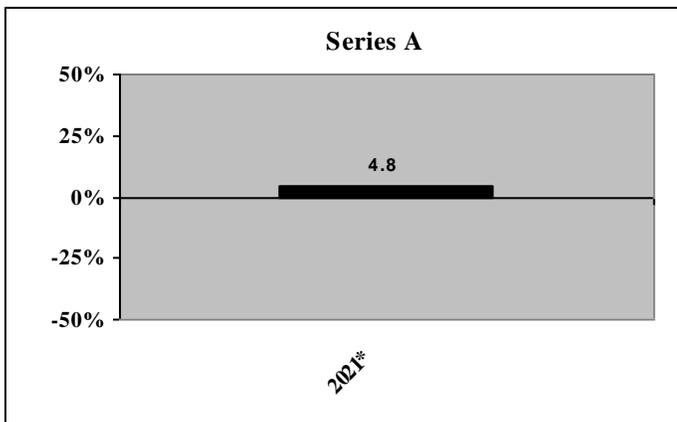
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund

Past Performance

The indicated rates of return are the historical total returns including changes in unit values and assume reinvestment of all distributions in additional units of the relevant Series of the Fund. These returns do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that may reduce returns. Please note that past performance is not indicative of future performance. All rates of returns are calculated based on the Net Asset Value of the particular Series of the Fund.

Year-by-Year Returns

The following chart indicates the performance of the Fund for the period ended June 30, 2021, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding shares as at the end of the period.



* Return from January 27, 2021 (first issuance) to June 30, 2021 (not annualized).

Summary of Investment Portfolio

As at June 30, 2021

Portfolio Allocation

	% of Net Asset Value
Bitcoin	99.3
Cash	0.8
Other Net Liabilities	(0.1)
Total Net Asset Value	100.0

All Positions

Issuer	% of Net Asset Value
Bitcoin	99.3
Cash	0.8
All positions as a percentage of Net Asset Value	100.1

The Fund held no short positions as at June 30, 2021.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.ninepoint.com.

Corporate Information

Corporate Address

Ninepoint Partners LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700, P.O. Box 27
Toronto, Ontario M5J 2J1
T 416.362.7172
TOLL-FREE 1.888.362.7172
F 416.628.2397
E invest@ninepoint.com
For additional information visit our website:
www.ninepoint.com
Call our mutual fund information line for daily closing prices:
416.362.7172 or 1.888.362.7172

Auditors

KPMG LLP
Bay Adelaide Centre
333 Bay Street
Suite 4600
Toronto, Ontario M5H 2S5

Legal Counsel

McCarthy Tétrault LLP
TD Bank Tower
66 Wellington Street West, Suite 5300
Toronto, Ontario M5K 1E6