Ninepoint Global Infrastructure Fund

November 2021 Commentary

Ninepoint Partners,

Year-to-date to November 30, the Ninepoint Global Infrastructure Fund generated a total return of 8.13% compared to the MSCI World Core Infrastructure Index, which generated a total return of 9.63%. For the month, the Fund generated a total return of -2.07% while the Index generated a total return of -0.61%.

After what was setting up to be solid back-to-back months, the broad equity markets wobbled over just the last few trading days of November. Two new (but not unrelated) issues rattled investors, but we believe that the Covid-19 Omicron variant and the ensuing hawkish "Powell Pivot" will prove to be mostly noise over the balance of 2021 and into 2022. We would also note that our USD exposure served its purpose during this brief period of elevated market stress and protected our portfolios against significant drawdowns through the end of the month.

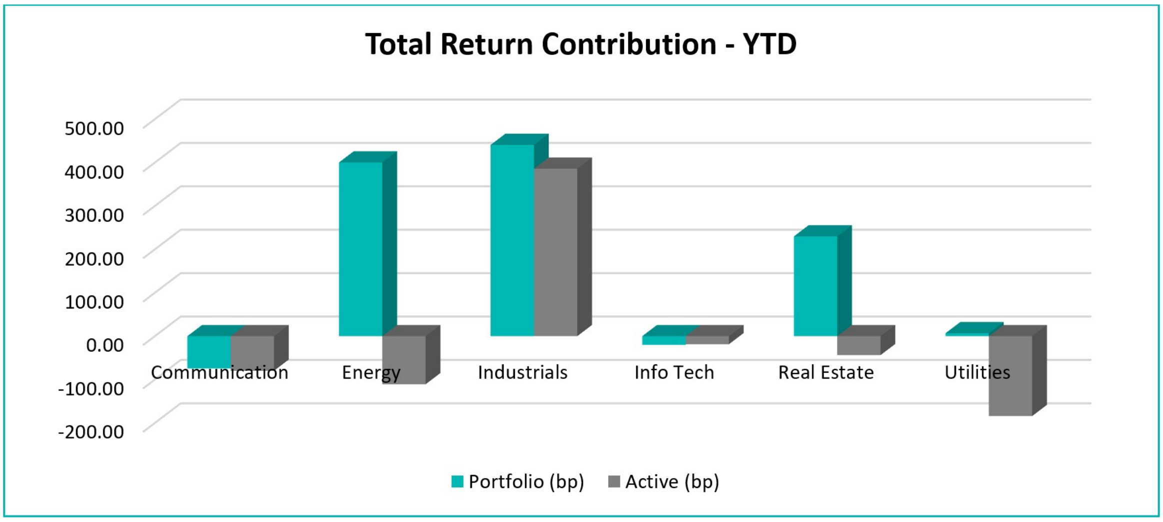
It was during the week of US Thanksgiving, a traditionally quiet period in the market, when scientists in South Africa announced the emergence of a new Covid-19 variant. With relatively low vaccination rates in the country, a jump in cases (small in absolute numbers but significant in terms of percentage increase) led to the identification of what is now known as the Omicron variant. Because of a larger number of mutations in the virus genome (relative to Delta and other previously identified variants), news reports speculated on the ability of Omicron to evade vaccines, increase infection severity and even cause a higher mortality rate. Without clear scientific data, authorities around the world implemented travel restrictions and investors panicked, selling stocks indiscriminately. Thankfully, as of the start of the second full week of December, we can report that there have been zero reported deaths attributable to the Omicron variant. We understand the need for an abundance of caution but, at this stage, Omicron will likely only pause and not derail the global economic reopening

From a medium to longer-term perspective, the hawkish "Powell Pivot" has greater implications for earnings growth, valuation multiples and the equity markets. Now that Jerome Powell has been officially nominated for a second term as Chair of the Board of Governors of the Federal Reserve, perhaps the appointment gave him the confidence to notably shift his public views on inflation. During recent testimony before the Senate Banking Committee Powell said, "it's probably a good time to retire that word (transitory)" and continued, "it is therefore appropriate in my view to consider wrapping up the taper of our asset purchases, which we actually announced at our November meeting, perhaps a few months sooner". Considering that market expectations were already leaning toward a faster taper and even two to three rate hikes in 2022, we were mildly surprised by the immediate and aggressive selling in high priced, long duration assets (unprofitable tech was hit particularly hard). From our perspective, we are still comfortable with our outlook that inflation will decline (though from relatively moderate levels), and interest rates will rise (though from extremely low levels) over the next few years.

Therefore, we see no reason to change our investment positioning and have not made any dramatic changes to our portfolios. We remain positioned for the middle phase of the investment cycle, where above-average earnings, cash flow and dividend growth should be able to compensate for some degree of multiple-compression due to rising interest rates. Today, with long-term interest rates still well below 2.0% (the US 10-year Treasury bond yield is currently trading below 1.50%) and consensus earnings growth of 9% in 2022 (according to FactSet), forward earnings multiples remain within a reasonable range. Investors need to be disciplined and remain focused on the facts that vaccination rates are up, Covid-19 hospitalizations and deaths are down, and the global economy is slowly reopening. Finally, we believe that share buybacks are set to ramp up and dividend growth is set to accelerate over the next few years. Essentially, this environment bodes well for the relative performance of our dividend and real asset strategies over the medium term.

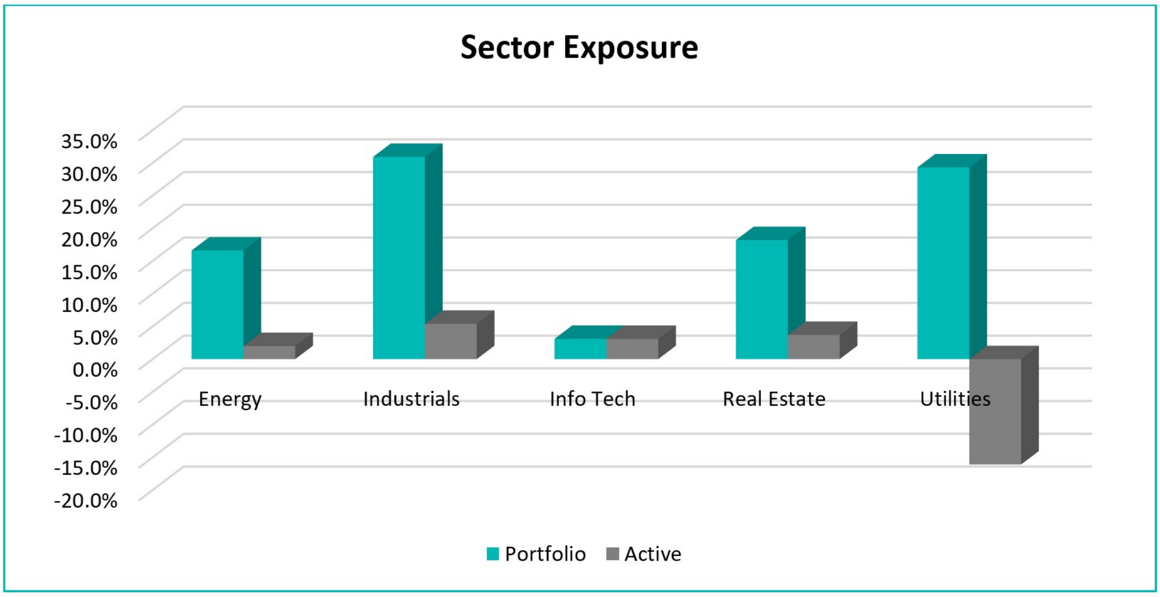
Top contributors to the year-to-date performance of the Ninepoint Global Infrastructure Fund by sector included Industrials (+441 bps), Energy (+400 bps) and Real Estate (+230 bps) while top detractors by sector included Communication (-74 bps) and Information Technology (-20 bps) on an absolute basis.

On a relative basis, a positive return contribution from the Industrials (+386 bps) sector was offset by negative contributions from the Utilities (-184 bps), Energy (-111 bps) and Communication (-80 bps) sectors.



Source: Ninepoint Partners

We are currently overweight the Industrials, Real Estate and Information Technology sectors, while underweight the Utilities sector. With the Bipartisan Infrastructure Bill signed into law, we are positioned to benefit from the increment $550 billion to be spent on traditional transportation infrastructure, broadband & 5G infrastructure and electrical power infrastructure. The pending Build Back Better Plan should provide even more capital to fund renewable energy and clean power technologies and we are looking to increase exposure to businesses that stand to benefit in 2022 and beyond.



Source: Ninepoint Partners

The Ninepoint Global Infrastructure Fund was concentrated in 30 positions as at November 30, 2021 with the top 10 holdings accounting for approximately 40.0% of the fund. Over the prior fiscal year, 21 out of our 30 holdings have announced a dividend increase, with an average hike of 6.4% (median hike of 7.5%). Using a total infrastructure approach, we will continue to apply a disciplined investment process, balancing valuation, growth and yield in an effort to generate solid risk-adjusted returns.

Jeffrey Sayer, CFA
Ninepoint Partners

NINEPOINT GLOBAL INFRASTRUCTURE FUND - COMPOUNDED RETURNS[1] AS OF NOVEMBER 30, 2021 (SERIES F NPP356) | INCEPTION DATE: SEPTEMBER 1, 2011

	1M	YTD	3M	6M	1YR	3YR	5YR	10YR	INCEPTION
Fund	-2.1%	8.1%	-0.6%	5.9%	8.9%	10.2%	9.1%	7.8%	7.7%
MSCI World Core Infrastructure NR (CAD)	-0.6%	9.6%	-1.6%	5.2%	8.3%	8.1%	9.2%	11.6%	12.0%

[1] All returns and fund details are a) based on Series F units; b) net of fees; c) annualized if period is greater than one year; d) as at November 30, 2021; e) 2011 annual returns are from 09/01/11 to 12/31/11. The index is 100% MSCI World Core Infrastructure NR (CAD) and is computed by Ninepoint Partners LP based on publicly available index information.

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