



## **SIMPLIFIED PROSPECTUS**

*Offering Series A, Series S, Series F, Series SF, Series I, Series D and ETF Series Units of*

# **NINEPOINT ENERGY INCOME FUND**

**an alternative mutual fund**

**February 18, 2022**

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

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

All of our mutual funds, including mutual funds 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 class of shares of a corporation, 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 seven series of units: Series A, Series S, Series F, Series SF, Series I, Series D and ETF Series. Series A and Series S units are available to all investors. Series S units are lower management fee versions of Series A units and are available to all investors until the earlier of the Fund’s net asset value exceeding \$20 million and June 30, 2022. Series F and Series SF units are designed for investors who participate in fee-based programs. Series SF units are lower management fee versions of Series F units and are available until the earlier of the Fund’s net asset value exceeding \$20 million and June 30, 2022. 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. “ETF Series” refers to the exchange-traded series of units offered by the Fund and “Mutual Fund Series” refers to all other series of units offered by the Fund.

The ETF Series units of the Fund have been conditionally approved for listing on the NEO Exchange Inc. (the “NEO Exchange”). Listing is subject to the Fund fulfilling all of the requirements of the NEO Exchange in respect of the ETF Series units. Subject to satisfying the NEO Exchange’s original listing requirements, the ETF Series units will be listed on the NEO Exchange and investors will be able to buy and sell ETF Series units on the NEO Exchange or another exchange or marketplace where ETF Series units are traded through registered brokers or dealers in the province or territory where you reside. You may incur customary brokerage commissions in buying and selling the ETF Series units of the Fund. The NEO Exchange ticker symbol for the ETF Series units of the Fund is NRGI.

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 3 to 19 contain general information applicable to the Fund; and
- pages 20 to 29 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 for the Mutual Fund Series, the most recently filed ETF Facts for the ETF Series, 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](mailto:invest@ninepoint.com), or from our website at [www.ninepoint.com](http://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](http://www.sedar.com).

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

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### **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 is the ETF Series?**

The ETF Series units are an exchange-traded series of units offered by the Fund. You can buy and sell ETF Series units of the Fund on the NEO Exchange or another exchange or marketplace where ETF Series units are traded through registered brokers or dealers in the province or territory where you reside. You may incur customary brokerage commissions in buying and selling the ETF Series units of the Fund.

### **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, markets, 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 "Suspension of Redemptions" on page 11 for more information.

The Fund is considered an "alternative mutual fund" according to National Instrument 81-102 *Investment Funds* ("NI 81-102"), meaning it is permitted to use strategies generally prohibited by conventional mutual funds, such as the ability to invest up to 20% of its net asset value in securities of a single issuer, including exposure to that single issuer through specified derivative transactions or index participation units, invest in commodities, borrow cash, short sell beyond the limits prescribed for conventional mutual funds, and generally employ leverage, among other things. A maximum of 10% of the Fund's net asset value may be invested in illiquid assets.

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**

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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 S, Series F, Series SF, Series I, Series D and ETF Series units.

Series A and Series S units: Available to all investors. Series S units are lower management fee versions of Series A units and are available to all investors until the earlier of the Fund's net asset value exceeding \$20 million and June 30, 2022.

Series F and Series SF 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 or Series SF units if we and your broker, dealer or advisor approve the order first. Series SF units are lower management fee versions of Series F units and are available until the earlier of the Fund's net asset value exceeding \$20 million and June 30, 2022.

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.

ETF Series units: Available to all investors. Generally, investors purchase ETF Series units on the NEO Exchange or another exchange or marketplace where the ETF Series units are traded through a registered broker or dealer in the province or territory where the investor resides. You may incur customary brokerage commissions in purchasing or selling ETF Series units. No fees are paid by you to us or the Fund in connection with the purchasing or selling of ETF Series units on the NEO Exchange or another exchange or marketplace.

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 the Mutual Fund Series units of the Fund by contacting your investment advisor. Orders to purchase or sell ETF Series units of the Fund can be made through a registered broker or dealer on the NEO Exchange or another exchange or marketplace. You may only purchase, switch, reclassify or redeem units of the Fund from your financial advisor if your financial advisor meets the proficiency standards required to advise on alternative mutual funds.

The minimum initial investment in Series A, Series S, Series F, Series SF and Series D units of the Fund is \$500. The minimum subsequent investment in Series A, Series S, Series F, Series SF 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. There are no minimum initial or subsequent investment amounts for ETF Series units.

### **Purchases of Mutual Fund Series Units**

You must include payment with your purchase order of Mutual Fund Series units. 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 Mutual Fund Series units purchased, but an investor receives, following each purchase of Mutual Fund Series 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 Mutual Fund Series units purchased.

The purchase, switch, reclassification or redemption price of a Mutual Fund Series 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 Mutual Fund Series unit 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 Mutual Fund Series unit price of the Fund is calculated at the end of each business day.

All requests for any purchases, switches, reclassifications or redemptions of Mutual Fund Series units 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 in connection with a failed settlement of either a purchase or redemption of the applicable Mutual Fund 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 Mutual Fund Series 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 12 and "Dealer Compensation" on page 15.

#### **Purchases of Series A and Series S Units**

Series A and Series S 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 12 and "Dealer Compensation" on page 15.

#### **Purchases of Series F and Series SF Units**

Series F and Series SF 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 or Series SF 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 or Series SF units.

If you cease to be eligible to hold Series F or Series SF units of the Fund, we may reclassify your Series F or Series SF 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 or Series S units of the Fund, your Series A and Series S 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 or Series S units

of the Fund, your Series A and Series S 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 or Series S units of the Fund, your Series A and Series S units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

#### **Purchases of ETF Series Units**

##### ***To the Designated Broker and ETF Dealers***

We have entered into designated broker agreements (each, a "Designated Broker Agreement") with registered dealers (each, a "Designated Broker") pursuant to which the Designated Brokers have agreed to perform certain duties relating to the ETF Series units including, without limitation: (i) to subscribe for a sufficient number of ETF Series units to satisfy the NEO Exchange's original listing requirements; (ii) to subscribe for ETF Series units when cash redemptions of ETF Series units occur; and (iii) to post a liquid two-way market for the trading of ETF Series units on the NEO Exchange. We may, in our discretion from time to time, reimburse the Designated Broker for certain expenses incurred by the Designated Broker in performing these duties. In accordance with the Designated Broker Agreements, we may require the Designated Brokers to subscribe for ETF Series units for cash.

Generally, all orders to purchase ETF Series units directly from the Fund must be placed by a Designated Broker or a registered dealer (that may or may not be the Designated Broker (as defined above)) that has entered into continuous distribution dealer agreements with us authorizing the dealer to subscribe for, purchase, exchange and redeem ETF Series units from the Fund on a continuous basis from time to time (such dealers, the "ETF Dealers").

We reserve the absolute right to reject any subscription order placed by a Designated Broker or an ETF Dealer in connection with the issuance of ETF Series units. On the listing, issuance, exchange or redemption of ETF Series units, we may, in our discretion, charge an administrative fee to a Designated Broker or an ETF Dealer to offset the expenses incurred in listing, issuing, exchanging or redeeming the ETF Series units.

After the initial issuance of ETF Series units to a Designated Broker to satisfy the NEO Exchange's original listing requirements, the Designated Broker or an ETF Dealer may place a subscription order for a Prescribed Number of ETF Series Units (and any additional multiple thereof) on each business day and in connection with the ETF Series units, any day on which the exchange on which the ETF Series units are listed is open for trading (a "Valuation Date") or such other day as determined by us. "Prescribed Number of ETF Series Units" means the number of ETF Series units determined by us from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes. The cut-off time for subscriptions of ETF Series units is 4:00 p.m. (Eastern time) on the Valuation Date. If a subscription order is received after the cut-off time on a Valuation Date, the subscription order will be deemed to be received on the next Valuation Date and will be based on the applicable net asset value per security determined on such next Valuation Date.

For each Prescribed Number of ETF Series Units issued, an ETF Dealer must deliver payment consisting of, in our discretion: (i) cash in an amount equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units next determined following the receipt of the subscription order; or (ii) a group of securities and/or assets selected by us from time to time, representing the constituents of, and their weightings in, the portfolio of the Fund (a "Basket of Securities"), and cash in an amount sufficient so that the value of the securities and the cash received is equal to the aggregate net asset value per unit of the Prescribed Number of ETF Series Units next determined following the receipt of the subscription order.

We will make available to the Designated Broker and any ETF Dealer information as to the Prescribed Number of ETF Series Units and any Basket of Securities for the Fund for each Valuation Date. We may, in our discretion, increase or decrease the Prescribed Number of ETF Series Units from time to time.

***To the Designated Broker in Special Circumstances***

ETF Series units may also be issued to the Designated Broker in certain special circumstances, including when cash redemptions of ETF Series units occur.

***Buying and Selling ETF Series Units***

ETF Series units may be purchased over the NEO Exchange or another exchange or marketplace through registered brokers and dealers in the province or territory in which you reside. The Fund issues ETF Series units directly to the Designated Broker and ETF Dealers.

ETF Series units must be purchased, transferred or surrendered for exchange or redemption only through a CDS Clearing and Depository Services Inc. (“CDS”) participant. All rights as an owner of ETF Series units must be exercised through, and all payments or other property to which you are entitled will be made or delivered by, CDS or the CDS participant through which you hold such units. Upon purchase of any ETF Series units, you will receive only the customary confirmation.

From time to time as may be agreed by the Fund and the Designated Broker and ETF Dealers, the Designated Broker and ETF Dealers may agree to accept securities of issuers included in the portfolio of the Fund (“Constituent Securities”) as payment for ETF Series units from prospective purchasers.

**Switches between Ninepoint mutual funds**

You may, at any time, switch all or part of your investment in a Mutual Fund Series of units of the Fund to Mutual Fund Series securities of another Ninepoint mutual fund of the same series, provided that the Mutual Fund Series of securities you wish to switch to is offered by that other Ninepoint mutual fund and in the case of the Fund, your financial advisor meets the proficiency standards required to advise on alternative mutual funds. Switching into ETF Series securities of another fund or from ETF Series units to Mutual Fund Series securities of another fund is not permitted. You can only switch between securities purchased in the same currency. You may request a switch of your Mutual Fund 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 16.

When you switch units of any Mutual Fund 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 Mutual Fund Series of units, the number of securities you hold will change since each Mutual Fund Series of securities of a Ninepoint mutual fund has a different security price.

**Reclassification between Mutual Fund Series of the Fund**

You may, at any time, reclassify all or part of your investment in one Mutual Fund Series of the Fund to another Mutual Fund Series of the Fund, provided that such series is available for purchase and you are eligible to invest in the Mutual Fund Series of units into which you are reclassifying.

You cannot reclassify between ETF Series units and Mutual Fund Series units of the Fund. You may only buy and sell ETF Series units at the market price on the NEO Exchange through a registered broker or dealer subject only to customary brokerage commissions.

If you wish to reclassify all or part of your investment in Series F, Series SF, Series I or Series D units of the Fund into Series A or Series S units of the Fund, your Series A and Series S units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option. A reclassification between Mutual Fund 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 16. You may request a reclassification of your Mutual Fund Series of units by contacting your registered broker or dealer.

When you reclassify units of any Mutual Fund 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 Mutual Fund Series of units, the number of units you hold will change since each Mutual Fund Series of units of the Fund has a different unit price. If you cease to be eligible to hold Series F, Series SF, Series I or 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 or Series S units of the Fund, your Series A and Series S units of the Fund will be reclassified through your dealer under the Initial Sales Charge Option.

### **Redemptions of Mutual Fund Series Units**

You may redeem your Mutual Fund Series 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 Mutual Fund 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 Mutual Fund 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, S, Series F, Series SF, Series I and Series D 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.

### **Redemptions and Exchanges of ETF Series Units**

#### ***Redemptions for Cash***

On any Valuation Date, you may choose to redeem ETF Series securities in any number for cash at a redemption price per ETF Series unit equal to 95% of the closing exchange price of the ETF Series unit on the effective date of redemption, subject to a maximum redemption price of the applicable net asset value per ETF Series unit. As you will generally be able to sell ETF Series units at the market price on the NEO Exchange or another exchange or marketplace through a registered broker or dealer, subject only to customary brokerage commissions, you are advised to consult your broker, dealer or investment adviser before redeeming your ETF Series units for cash.

For such a cash redemption to be effective on a Valuation Date, a cash redemption request in the form prescribed by us must be delivered to the Fund at the office of the Manager through a registered broker or dealer or other financial institution that is a CDS participant and that holds ETF Series units on behalf of the beneficial owner of such ETF Series units by 9:00 a.m. (Eastern time) on the Valuation Date (or such later time on such Valuation Date as we may permit). If the cash redemption request is received after 9:00 a.m. (Eastern time) on a Valuation Date, the cash redemption request will be effective on the next Valuation Date. Payment of the redemption price will be made by no later than the second Valuation Date after the effective day of the redemption, subject to us receiving all necessary documentation. The cash redemption request forms may be obtained from us.

If you exercise this cash redemption right during the period that begins one business day prior to a date designated by us as a record date for the determination of unitholders entitled to receive a distribution from the ETF Series of the Fund (a “Distribution Record Date”) and ends on and includes that Distribution Record Date, you will be entitled to receive the applicable distribution in respect of those ETF Series units.

We will pay redemption proceeds within two business days of receiving all necessary redemption documents. If all necessary documents are not received by us within ten business days of receiving a redemption request, you will be deemed to repurchase the ETF Series units on the tenth business day at the net asset value per ETF Series unit calculated that day. The redemption proceeds will be applied to the payment of the issue price of the units. If the cost to repurchase the ETF Series units is less than the redemption proceeds, the difference will belong to the Fund. If the cost to repurchase the ETF Series units is more than the redemption proceeds, we will pay any shortfall to the Fund, but we may collect such amount, together with the charges and expenses incurred, with interest, from the broker or dealer who placed the redemption request. Your broker or dealer has the right to collect these amounts from you.

If you are redeeming more than \$25,000 of the Fund, your signature must be guaranteed by your bank, trust company or registered broker or dealer. In some cases, we may require other documents or proof of signing authority. You can contact your registered broker or dealer or us to find out the documents that are required to complete the sale.

We reserve the right to cause the Fund to redeem the ETF Series units held by you at a price equal to the net asset value per ETF Series unit on the effective date of such redemption if we believe it is in the best interests of the Fund to do so.

***Exchange of Prescribed Number of ETF Series Units***

On any Valuation Date, with our consent, you may exchange a minimum of a Prescribed Number of ETF Series Units (and any additional multiple thereof) for, in our discretion, cash only or a Basket of Securities and cash. The securities that constitute the Basket of Securities received on a redemption may not be qualified investments under the *Income Tax Act* (Canada) (the “Tax Act”) for Registered Plans. You should consult with your tax advisor before exchanging ETF Series Units held in your Registered Plan.

To effect an exchange of ETF Series units, you must submit an exchange request, in the form prescribed by us from time to time to the Fund at the office of the Manager, or as we otherwise direct. The exchange price is equal to the aggregate net asset value per ETF Series unit of the Prescribed Number of ETF Series Units on the effective day of the exchange request, payable by delivery of, in our discretion, cash only or a Basket of Securities (constituted prior to the receipt of the exchange request) and cash. On an exchange for cash, we may, in our discretion, require you to pay to the Fund an exchange transaction fee that approximates the trading expenses incurred or expected to be incurred by the Fund in connection with the sale by the Fund of units in order to obtain the necessary cash to fund the exchange price, including, but not limited to, brokerage expenses, commissions and transaction costs. On an exchange, the applicable ETF Series units will be redeemed.

The cut-off time for exchanges of ETF Series units is 4:00 p.m. (Eastern time) on a Valuation Date. Any exchange request received after the cut-off time on a Valuation Date will be deemed to be received on the next Valuation Date and will be based on the net asset value per ETF Series units determined on such next Valuation Date. Settlement of exchanges for cash or a Basket of Securities and cash, as the case may be, will be made by no later than the second Valuation Date after the effective day of the exchange request. The securities to be included in the Basket of Securities delivered on an exchange shall be selected by us in our discretion.

We will make available to the Designated Broker and any ETF Dealers information as to the Prescribed Number of ETF Series Units and the Basket of Securities for the Fund for each Valuation Date. We may, in our discretion, increase or decrease the Prescribed Number of ETF Series Units from time to time.

If Constituent Securities are cease traded at any time by order of a securities regulatory authority or other relevant regulator or stock exchange, the delivery of such securities to you on an exchange of a Prescribed Number of ETF Series Units may be postponed until such time as the transfer of the securities is permitted by law.

### ***Exchange and Redemption of ETF Series Units through CDS Participants***

The exchange and redemption rights described above must be exercised through the CDS participant through which you hold ETF Series units. Beneficial owners of ETF Series units should ensure that they provide exchange and/or redemption instructions to the CDS participants through which they hold ETF Series units sufficiently in advance of the cut-off times set by CDS participants to allow such CDS participants to notify us or as we may direct prior to the relevant cut-off time.

### ***Suspension of Redemptions***

Under extraordinary circumstances, the rights of investors to redeem Mutual Fund Series 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 Mutual Fund Series 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.

The short-term trading fees generally do not apply to ETF Series units. We do not believe that it is necessary to impose any short-term trading restrictions on ETF Series units, as such series are primarily traded in the secondary market, in the same way as other listed securities. In the few situations where ETF Series units of the Fund are not purchased in the secondary market, purchases usually involve a Designated Broker or an ETF Dealer upon whom we may impose a redemption fee, which is intended to compensate the Fund for any costs and expenses incurred in relation to the trade.

Please see “Short Term Trading Fee” under “Fees and Expenses Payable Directly by You” on page 14.

### **Special Considerations for Unitholders**

The provisions of the so-called “early warning” requirements in Canadian securities legislation do not apply if a person or company acquires 10% or more of the ETF Series units of the Fund. The Fund has obtained relief to permit unitholders to acquire more than 20% of the ETF Series units of the Fund without regard to the takeover bid requirements of applicable Canadian securities legislation.

## **OPTIONAL SERVICES**

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### **Pre-authorized Chequing Plan**

Each Mutual Fund 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 S, Series F, Series SF 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.

### **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 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 TFSAs 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**

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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 21. 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 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 and custodial fees, registrar, distribution disbursement agency, transfer agency and related services fees, fees of recordkeepers, interest expenses, operating, administrative and systems costs (including overhead expenses of the Manager that are 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, fund facts and ETF facts and fees or costs relating to the posting or listing of units of the Fund on trading platforms, marketplaces or exchanges. 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.

**Performance Fee** The Manager is entitled to receive from the Fund a quarterly performance fee equal to 15% of the amount by which the return in the net asset value per unit of the series from the calendar quarter exceeds the previous High Water Mark.

The High Water Mark is the greater of (i) the initial net asset value per unit, or (ii) the net asset value per unit at the end of the most recent calendar quarter for which a performance fee was paid after giving effect to all distributions in, and payments of performance fees for, such calendar quarter, and 1.5% for the same period (the “Hurdle Rate”). If the performance of a particular series of units in any calendar quarter is positive, but below the Hurdle Rate, the High Water Mark for the subsequent calendar quarter will be adjusted upwards to reflect such increase in the net asset value per unit of that particular series, until such time as a performance fee is paid and the High Water Mark is reset. If the performance of a particular series of units in any calendar quarter is negative, there will be no adjustment to the High Water Mark in the subsequent calendar quarter, such that it will remain the same as it was in the prior calendar quarter.

The performance fee, plus applicable taxes, is calculated and accrued daily and paid quarterly on a calendar quarter basis.

#### **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 or Series S 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.

We will not impose any short-term trading fees for the redemption of ETF Series units.

**ETF Series Administration Fee** An amount may be charged to a Designated Broker or an ETF Dealer to offset certain transaction and other costs associated with the listing, issue, exchange and/or redemption of ETF Series units. This charge, which is payable to the Fund, does not apply to you if you buy and sell your ETF Series units through the facilities of the NEO Exchange or another exchange or market place.

<b>ETF Brokerage Commissions</b>	You are able to buy or sell ETF Series units through registered brokers and dealers in the province or territory where you reside. You may incur customary brokerage commissions in buying or selling ETF Series units. The Fund issues ETF Series units directly to the Designated Broker and the ETF Dealers.
<b>Pre-Authorized Chequing Plan</b>	No fee is charged to open, close or administer an account.
<b>Registered Tax Plan Fees</b>	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.
<b>Other Expenses</b>	No other charges apply. If applicable, you may be subject to fees and expenses by your dealer.

## IMPACT OF SALES CHARGES

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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 or Series S 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 or Series S units. These fees can be negotiated between you and the dealer. There are no sales charges payable on Series F, Series SF, Series I, Series D or ETF Series units of the Fund. You may pay brokerage commission to your dealer when you purchase or sell ETF Series units and when you purchase or sell Series D units you may pay your discount broker (i) a fee based on assets in your account, (ii) brokerage commissions on the purchase and sale of Series D units, or (iii) program or platform fees.

	At Time of Purchase	1 Year	3 Years	5 Years	10 Years
Initial Sales Charge Option <sup>1</sup> (Series A and Series S)	\$50 <sup>2</sup>	Nil	Nil	Nil	Nil

<sup>1</sup> 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 14.

<sup>2</sup> Assumes the maximum initial sales charge of 5.0% for Series A and Series S 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

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

### Sales Commissions

For Series A and Series S 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 or Series S units of the Fund you purchased.

There are no sales commissions payable to your dealer for Series F, Series SF, Series I, Series D or ETF Series units of the Fund. You may pay brokerage commission to your dealer when you purchase or sell ETF Series units and when you purchase or sell Series D units you may pay your dealer (i) a fee based on assets in your account, (ii) brokerage commissions on the purchase and sale of Series D units, or (iii) program or platform fees.

### **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.

#### *Series A and Series S Units*

For Series A and Series S 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 1.00% (up to \$10.00 for each \$1,000 of investment) of the value of Series A and Series S 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 1.00% of the value of Series A and Series S units held in the Fund by the dealer's clients.

#### *Series F, Series SF, Series D and ETF Series Units*

There is no trailing commission payable to your dealer by us in respect of Series F, Series SF, Series D and ETF Series 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 1.00% (\$10.00 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**

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During the financial year ended December 31, 2021, 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 19.4% in the aggregate of the total management fees of those Ninepoint mutual funds.

### **INCOME TAX CONSIDERATIONS FOR INVESTORS**

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This summary assumes that you are an individual (other than a trust) and that for the purposes of the Tax Act you are resident in Canada and hold units of the Fund directly as capital property or in a registered plan. 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 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 generally be treated on income account.

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?**

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### ***Mutual Fund Series***

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.

### ***ETF Series***

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy ETF Series units within 48 hours after the receipt of a confirmation of a purchase of such units. In several of the provinces and territories, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation, or non-delivery of the ETF Facts, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

We have obtained relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus. As such, purchasers of ETF Series units will not be able to rely on the inclusion of an underwriter's certificate in the Simplified Prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

You should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult your lawyer.

## **ADDITIONAL INFORMATION**

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### ***Exemptions and Approvals***

The Fund has obtained relief from applicable securities laws in connection with the offering of ETF Series units to:

- relieve the Fund from the requirement to prepare and file a long form prospectus for the ETF Series units in accordance with National Instrument 41-101 *General Prospectus Requirements* in the form prescribed by Form 41-101F2 *Information Required in and Investment Fund Prospectus*, subject to the terms of the relief, provided that the Fund files a simplified prospectus and annual information form for the ETF Series units in accordance with the provisions of National Instrument 81-101 *Mutual Fund Prospectus Disclosure*, Form 81-101F1 *Contents of Simplified Prospectus* and Form 81-101F2 *Contents of Annual Information Form*, other than the requirements pertaining to the filing of a fund facts document;
- relieve the Fund from the requirement that a prospectus offering ETF Series units contain a certificate of the underwriters;
- relieve a person or company purchasing ETF Series units of the Fund in the normal course through the facilities of the NEO Exchange or another exchange from the take-over bid requirements of Canadian securities legislation;

- permit the Fund to borrow cash from the custodian of the Fund and, if required by the custodian, to provide a security interest over any of its portfolio assets as a temporary measure to fund the portion of any distribution payable to unitholders that represents, in the aggregate, amounts that are owing to, but not yet been received by, the Fund; and
- treat the ETF Series units and the Mutual Fund Series units of the Fund as if such series were two separate funds in connection with their compliance with the provisions of Parts 9, 10 and 14 of NI 81-102.

***Registration and Transfer of ETF Series Units through CDS***

Registration of interests in, and transfers of, ETF Series units will be made only through the book-entry only system of CDS. ETF Series units must be purchased, transferred and surrendered for exchange or redemption only through a CDS participant. All rights as an owner of ETF Series units must be exercised through, and all payments or other property to which you are entitled will be made or delivered by, CDS or the CDS participant through which you hold such securities. Upon purchase of any ETF Series units, you will receive only the customary confirmation. All distributions and redemption proceeds in respect of ETF Series units will be made or paid initially to CDS, which payments will be forwarded by CDS to the CDS participants and, thereafter, by such CDS participants to you. References in this Simplified Prospectus to you as a holder of ETF Series units means, unless the context otherwise requires, the owner of the beneficial interest in such ETF Series units.

Neither the Fund nor Ninepoint will have any liability for: (i) any aspect of the records maintained by CDS relating to the beneficial interests in the ETF Series units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS, whether contained in this Simplified Prospectus or otherwise, or made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS participants.

The rules governing CDS provide that it acts as the agent and depository for the CDS participants. As a result, CDS participants must look solely to CDS and persons, other than CDS participants, having an interest in the ETF Series units must look solely to CDS participants for payment made by the Fund to CDS.

Your ability to pledge ETF Series units or otherwise take action with respect to your interest in such securities (other than through a CDS participant) may be limited due to the lack of a physical certificate. The Fund has the option to terminate registration of ETF Series units through the book-entry only system, in which case certificates for ETF Series units in fully registered form will be issued to beneficial owners of such securities or to their nominees.

***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.

## SPECIFIC INFORMATION ABOUT NINEPOINT ENERGY INCOME FUND

### ORGANIZATION AND MANAGEMENT OF NINEPOINT ENERGY INCOME FUND

<p><b>Manager</b>            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><b>Trustee</b>            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><b>Portfolio Manager</b>            Ninepoint Partners LP            Toronto, Ontario</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><b>Custodian</b>            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><b>Recordkeeper</b>            CIBC Mellon Global Securities Services Company            Toronto, Ontario</p>	<p>The recordkeeper keeps a register of the owners of Mutual Fund Series units, processes purchase, switch, reclassification and redemption orders of Mutual Fund Series units, and issues investor account statements and issues annual tax reporting information.</p>
<p><b>Registrar and Transfer Agent of the ETF Series</b>            TSX Trust Company            Toronto, Ontario</p>	<p>The registrar and transfer agent for the ETF Series units keeps a record of all registered owners of those units and processes orders.</p>

<p><b>Auditors</b> 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 International Financial Reporting Standards. KPMG LLP is independent of the Fund in accordance with the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies and any applicable legislation or regulations.</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><b>Independent Review Committee</b></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 <a href="http://www.ninepoint.com">www.ninepoint.com</a> or you may request a copy, at no cost to you, by contacting us at <a href="mailto:invest@ninepoint.com">invest@ninepoint.com</a>. Additional information about the IRC, including the names of the members, is available in the Annual Information Form.</p>
<p><b>Securities Lending Agent</b> The Bank of New York Mellon New York City, New York</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**

<p>Type of Fund:</p>	<p>Alternative Energy Income Fund</p>
<p>Date Fund Started:</p>	<p>Series A: February 18, 2022 Series S: February 18, 2022 Series F: February 18, 2022 Series SF: February 18, 2022 Series I: February 18, 2022 Series D: February 18, 2022 ETF Series: February 18, 2022 (Ticker Symbol: NRG1)</p>
<p>Nature of Securities Offered:</p>	<p>Series of units of a mutual fund trust</p>
<p>Registered Tax Plan Status:</p>	<p>Expected to be a qualified investment for registered tax plans</p>
<p>Management Fees:</p>	<p>Series A: 2.50% Series S: 1.75% Series F: 1.50% Series SF: 0.75% Series I: Negotiated by the unitholder (up to a maximum of 2.50%) Series D: 1.50% ETF Series: 1.50%</p>
<p>Performance Fee</p>	<p>Please see "Performance Fee" under "Fees and Expenses Payable by the Fund" on page 14</p>

## WHAT DOES THE FUND INVEST IN?

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### ***Investment Objective***

The investment objective of the Ninepoint Energy Income Fund is to seek to provide unitholders with income and capital appreciation by investing in dividend paying energy companies.

The Fund will use derivatives, which may introduce leverage into the Fund. The Fund may also borrow cash and sell securities short. The Fund's maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of the Fund's net asset value, calculated on a daily basis.

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

### ***Investment Strategies***

The Fund will seek to achieve its investment objectives by primarily investing directly in a diversified portfolio of dividend paying energy companies located primarily in Canada while seeking to enhance yield through the writing of covered calls while at times strategically using oil futures to lower portfolio risk.

The Fund will use leverage. The Fund's aggregate exposure, calculated as the sum of the following, must not exceed 300% of its net asset value: (i) the aggregate market value of securities sold short; (ii) the value of indebtedness under any borrowing arrangements for investment purposes; and (iii) the aggregate notional value of the Fund's specified derivative positions excluding any specified derivatives used for hedging purposes.

The Fund may borrow cash up to a maximum of 50% of its net asset value and may sell securities short, whereby the aggregate market value of securities sold short will be limited to 50% of its net asset value. The combined use of short selling and cash borrowing by the Fund is subject to an overall limit of 50% of its net asset value (the "Short Selling Limitation"). The Fund has received relief from the principal regulator from the Short Selling Limitations listed above to permit the Fund to short sell "government securities" (as defined in NI 81-102) in excess of 50% of the Fund's net asset value provided that the Fund's aggregate exposure to short selling, cash borrowing and specified derivatives transactions remain within the 300% of the Fund's net asset value limit prescribed by NI 81-102. The Fund will not take legal or management control of the issuers or underlying investments.

The Fund will invest in derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging purposes, in a manner which is consistent with the investment objective of the Fund and as permitted by the Canadian Securities Administrators. Please see "Derivatives risk" on page 24 for more information on the risks associate with the use of such derivatives.

The Fund may also choose to:

- hold cash, short-term money market instruments and fixed income securities, at any time, for cash management purposes based on the market outlook for the energy sector; and
- engage in securities lending and repurchase and reverse repurchase transactions as permitted by securities regulations to seek to generate additional income (please see "Securities lending, repurchase and reverse repurchase transactions risk" on page 26 for a description and the limits of the Fund's investment in these transactions and the strategies used by the Fund to minimize the risks associated with these transactions).

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

## WHAT ARE THE RISKS OF INVESTING IN THE FUND?

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*The Fund is generally exposed to the following risks:*

### ***Absence of an active market for ETF Series risk***

Although ETF Series units will be listed on the NEO Exchange or another exchange or marketplace, there can be no assurance that an active public market for ETF Series units will develop or be sustained.

### ***Borrowing risk***

An alternative mutual fund may borrow cash or securities which could magnify the impact of any movements in the prices of underlying investments and could impact the value of your investment. As a result, the gains or losses on investments realized by an alternative mutual fund may be more volatile as compared to investing in the same asset classes and securities without making use of borrowings.

In addition, as the Fund offers ETF Series units, it may from time to time borrow cash as a temporary measure to fund the portion of a distribution payable to you that represents amounts that are owing to, but have not yet been received by, the Fund. The Fund is limited to borrowing up to the amount of the portion of the distribution that represents, in the aggregate, amounts that are payable to the Fund, but have not been received by the Fund and, in any event, not more than 5% of the net assets of the Fund. There is a risk that the Fund will not be able to repay the borrowed amount because it is unable to collect the distribution from the applicable issuer. Under these circumstances, the Fund would repay the borrowed amount by disposing of portfolio assets.

### ***Collateral risk***

An alternative mutual fund may enter into derivative transactions that require it to deliver collateral to the counterparty to the transaction or to a clearing corporation. Where the Fund is required to deliver collateral, it may be exposed to certain risks, including:

- (i) the risk that the Fund will be required to post initial margin/collateral to the derivative counterparty or clearing corporation in the form of cash, requiring the Fund to have sufficient liquid assets to meet this obligation;
- (ii) the risk that the Fund may from time to time, if the value of the derivative arrangement moves against the Fund, be required to post variation margin/collateral with the derivative counterparty or clearing corporation on an ongoing basis. The Fund must have sufficient liquid assets to satisfy margin calls made by the derivative counterparty or clearing corporation, and, if it fails to post the required margin/collateral, the counterparty may terminate the derivative arrangement; and,
- (iii) the risk that the Fund may be subject to the credit risk of the derivatives counterparty. If a counterparty were to become insolvent, any margin/collateral of the Fund held by the counterparty could be considered assets of the counterparty and the Fund would be considered an unsecured creditor ranking behind preferred creditors in respect of such assets.

### ***Commodity risk***

Mutual funds that invest in commodities such as gold, silver, other precious minerals and carbon emissions allowances will be affected by changes in commodity prices. Commodity prices tend to be cyclical and can move significantly in short periods of time, including as a result of supply and demand, speculation, international monetary and political factors, government and central bank activity and changes in interest rates and currency values. In addition, new discoveries or changes in government regulations can affect the price of commodities.

### ***Concentration risk***

The Fund will concentrate its holdings in a specialized market sector, asset class and a limited number of issuers. Investments in the Fund involve greater risk and volatility than broadly based investment portfolios since the performance of one particular market, asset class or issuer could significantly and adversely affect the overall performance of the Fund.

***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.

The Fund may write covered call options on securities owned by the Fund. The writing of covered call options provides the 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 the Fund had remained directly invested in the securities subject to call options.



***Energy risk***

The Fund may be subject to a number of risks specific to the energy sector, such as: (i) changes in industrial, government and consumer demand, which will be affected by levels of industrial and commercial activities that are associated with high levels of energy demand; (ii) price changes in alternative sources of energy; (iii) disruptions in the supply chain or in the production or supply of energy sources; (iv) adjustments to inventories; (v) variations in production and shipping costs; and (vi) costs associated with regulatory compliance, including environmental regulations. These factors interrelate in complex ways, and the effect of one factor on the Fund and the value of its units may increase or reduce the effect of another factor.

***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.

***Halted trading of ETF Series risk***

Trading of ETF Series units on certain marketplaces may be halted by the activation of individual or market-wide “circuit breakers” (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage). In the case of the NEO Exchange, trading of ETF Series units may also be halted if: (i) the ETF Series units are delisted from the NEO Exchange without first being listed on another exchange, or (ii) NEO Exchange officials determine that such action is appropriate in the interest of a fair and orderly market or to protect investors.

***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.

***Leverage risk***

When a Fund makes investments in derivatives, borrows cash for investment purposes or uses short sales on equities, fixed-income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when a Fund’s notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value of level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund’s liquidity and may cause the Fund to liquidate positions at unfavourable times. An alternative mutual fund is subject to an aggregate exposure limit of 300% of its net asset value which is measured on a daily basis as described in further detail in the investment objectives section of this Simplified Prospectus. This will operate to limit the extent to which the Fund is leveraged.

***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.

**Performance fee risk**

To the extent described in this Simplified Prospectus, the Manager receives a performance or incentive fee in respect of certain series of units. The performance or incentive fee theoretically may create an incentive for the Manager to make investments that are riskier than would be the case if such fee did not exist.

**Regulatory risk**

Regulatory risk is the potential revenue impact on an investment 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 investment's growth prospects.

**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. The termination of a series of the Fund may have the opposite effect.

***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 intended to offset these risks by short selling only liquid securities and following the short selling limits set out in NI 81-102 or in any exemptive relief order obtained by the Fund from the Canadian securities regulatory authorities. The Fund will also deposit collateral only with Canadian lenders that are regulated financial institutions or regulated dealers and only up to certain limits.

***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. Because of the way ETF Series units are bought and sold, it may not be possible for the Fund to determine if a loss restriction event has occurred. There can be no assurance that the Fund will not become subject to the loss restriction event rules and there can be no assurance when distributions resulting from a loss restriction event will be made.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property" (including derivative instruments held in its portfolio or any other property in the course of carrying on a business in Canada). The Fund will be a "SIFT trust" (as defined in the Tax Act) if it holds a "non-portfolio property" (as defined in the Tax Act). A SIFT trust will generally be subject to tax under Part I of the Tax Act at corporate income tax rates on income from a non-portfolio property and net taxable

capital gains realized on the disposition of a non-portfolio property. The total of the tax payable by a SIFT trust on its non-portfolio earnings and the tax payable by a securityholder of a SIFT trust on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the rules in the Tax Act applicable to a SIFT trust and its securityholders. The Fund is expected to restrict its investments and activities so it will not, at any time, be a “SIFT trust” under the Tax Act.

***Trading price of ETF Series risk***

ETF Series units may trade in the market at a premium or discount to the applicable net asset value per ETF Series unit. There can be no assurance that the ETF Series units will trade at prices that reflect the net asset value per ETF Series unit. The trading price of ETF Series units will fluctuate in accordance with changes in the Fund’s net asset value, as well as market supply and demand on the NEO Exchange (or such other exchange or marketplace on which ETF Series units may be traded from time to time). However, as ETF Dealers, who have entered into continuous distribution dealer agreements with us authorizing the dealer to subscribe for, purchase, exchange and redeem ETF Series units from the Fund on a continuous basis from time to time, subscribe for and exchange ETF Series units at the net asset value per ETF Series unit, large discounts or premiums are not expected to be sustained.

**FUND RISK CLASSIFICATION**

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The risk rating assigned to this Fund by the Manager is High risk and it is appropriate if you have a medium to 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. In accordance with guidelines provided by the Canadian Securities Administrators, alternative mutual funds have their fund risk classification elevated by one position from the classification produced by the standardized risk classification methodology.

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 any performance history, we have imputed the return history of the S&P/TSX Composite Energy Sector GICS Index (STENRS) (the “Index”), which is expected to reasonably approximate the standard deviation of the Fund, for the 10-year history. The Index is a subset of the S&P/TSX Composite Index which includes constituents that are classified in the GICS® energy sector.

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?**

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The Fund is suitable for those investors seeking to make an investment in a fund which seeks income and capital appreciation by investing in a diversified portfolio of dividend paying energy companies located primarily in Canada while seeking to enhance yield through the writing of covered calls while at times strategically using oil futures to lower portfolio risk.

### **DISTRIBUTION POLICY**

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The Fund will aim to distribute a fixed amount per Mutual Fund Series unit and ETF Series unit per month. The amount of the monthly distribution may be adjusted by the Manager without notice throughout the year as market conditions change. Monthly distributions will be comprised of net income, net realized capital gains and/or return of capital. Any net income and/or net realized capital gains earned by the Fund in excess of the monthly distribution will be distributed to unitholders annually in December. For all series of the Fund, the Fund will target making monthly distributions of 5% of the net asset value per unit of the series as determined on December 31 of the prior year. All distributions of net income will be paid to investors in cash.

In each taxation year, 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. To the extent that the Fund has not otherwise distributed a sufficient amount of its net income or net realized capital gains during the year, a distribution will be paid to unitholders at the end of the year. Any such distribution of net realized capital gains will be automatically reinvested in additional units for the Mutual Fund Series. For the ETF Series, immediately following such reinvestment, the number of units outstanding will be consolidated so that the net asset value per unit following the distribution and reinvestment is the same as it would have been if the distribution had not been paid. If the net income and net realized capital gains of the Fund in a year is insufficient to fund the fixed monthly cash distributions, the balance of the regular distribution will constitute a return of capital to unitholders.

If you subscribe for ETF Series units during the period that is one business day before a Distribution Record Date until that Distribution Record Date, you will not be entitled to receive the applicable distribution in respect of those ETF Series units.

### **FUND EXPENSES INDIRECTLY BORNE BY INVESTORS**

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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; 3) the Fund paid the same management expense ratio (MER) in each period shown as it did in its last completed financial year, excluding the performance fee paid in a year which would not have been paid had the Fund earned a total return of 5% in that last completed financial year.

This information is not available since this Fund is new.

See "Fees and Expenses" on page 12 for more information about the costs of investing in the Fund.

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**Additional information about the Fund is available in the Fund's Annual Information Form, Fund Facts, ETF 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](mailto: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](http://www.ninepoint.com) or at [www.sedar.com](http://www.sedar.com).**

## **NINEPOINT ENERGY INCOME FUND**

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