



# Ninepoint Resource Fund Class

Ninepoint Corporate Fund Inc.

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ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2022

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

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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of Ninepoint Resource Fund Class (the “Fund”) is to seek to achieve long-term capital growth. The Fund invests primarily in equity and equity-related securities of companies in Canada and around the world that are involved directly or indirectly in the natural resource sector. To achieve the Fund’s investment objective, the sub-advisor uses macro-economic research to identify the most attractive resource sub-sectors to invest in. The sub-advisor employs an opportunistic investment approach by being able to invest across the global resource universe (oil & gas, coal, uranium, renewable energy, base metals, precious metals, agriculture, forestry, water, commodity infrastructure and service companies). The Fund may also invest in gold and/or silver in the form of bullion, coins and storage receipts and certificates relating to such metals when deemed appropriate by the sub-advisor.

As part of its investment strategy, the Fund may:

- engage in short selling in a manner that is consistent with the Fund’s investment objectives and as permitted by the securities regulations
- hold cash, overweight cash equivalents and fixed income securities based on the market outlook for the resource sector;
- use derivative instruments, such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies;
- invest in Commodity exchange-traded funds (ETFs) and in aggregate, up to 10% of its net assets in underlying ETFs as measured at the time of investment; and
- engage in securities lending, repurchase and reverse repurchase transactions as permitted by securities regulations.

Sprott Asset Management LP is the sub-advisor of the Fund.

### Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors seeking long-term capital growth. This Fund is suitable for investors with a high tolerance for risk and a long-term investment horizon.

### Results of Operations and Recent Developments

The Fund, Series A returned -31.9% since its launch to December 31, 2022. The Fund was established on November 29, 2021 and issued 15,000 Series F units to the Manager for aggregate cash consideration of \$150,000 paid to the Fund. The Fund commenced operations on February 7, 2022.

The most impactful market events for the Fund in 2022 were the Russian-Ukraine war, surging inflation, Fed tightening and China’s Covid-19 lockdowns. Early in the year, the Russian-Ukraine war drove both resource prices and resource equities higher. Supply side concerns were front and center since Russia is a net exporter of numerous commodities. However, the market quickly shifted focus to potential demand destruction as China repeatedly locked down major cities and the Fed tightened financial conditions to address inflation, which hit multi-decade highs. Resource equities gave up their early year gains and then some. The exception were energy stocks which continued to hit multi-year highs into May but then sharply reversed some of those gains as recession fears entered the investor psyche.

The Fund’s allocation to energy equities contributed to performance while allocation to gold and materials equities detracted from performance.

In terms of individual securities, Spartan Delta and Tourmaline Oil were the top contributors. Both stocks benefited from rising oil and natural gas pricing.

The top individual detractors from performance were Emerita Resources and Benchmark Metals. Both stocks depreciated along with other small capitalization mining equities.

The Fund’s net asset value was \$4.1 million as at December 31, 2022.

### Recent Developments

There were no material changes to the investment strategy, portfolio composition and features of the Fund during the period since inception to December 31, 2022. The Manager actively monitors the positioning of the Fund’s portfolio for changes in current market conditions and the economic environment.

## Related Party Transactions

### MANAGEMENT FEES

The Fund pays a management fee to the Manager at an annual rate of 2.50% for Series A units, 1.50% for Series D and Series F, and as negotiated by the unitholders for Series I. The management fee is calculated and accrued daily and is paid monthly based on the daily net asset value of that series of the Fund. For the year ended to December 31, 2022, the Fund incurred management fees (including taxes) of \$176,048. The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Resource Fund Class – Series A	51%	49%
Ninepoint Resource Fund Class – Series D	98%	2%
Ninepoint Resource Fund Class – Series F	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$158 during the year ended December 31, 2022, to Sightline Wealth Management, an affiliate of the manager.

### INCENTIVE FEES

The Fund pays the Manager an annual incentive fee, subject to applicable taxes including HST, equal to a percentage of the daily net asset value of the applicable series of the Fund. The percentage will be equal to 10% of the difference by which the return in the net asset value per security of the applicable series of the Fund from January 1 to December 31 exceeds the percentage return 50% of the daily return of the S&P/TSX Capped Materials Total Return Index and 50% of the daily return of the S&P/TSX Capped Energy Total Return Index (the "Index") of the applicable index (or any successor index to such index) for the same period. If the performance of a series of the Fund in any year is less than the performance of Index (or any successor indices to such indices) (the "Return Deficiency"), then no incentive fee will be payable in any subsequent year until the performance of the applicable series, on a cumulative basis calculated from the first of such subsequent years, has exceeded the amount of the Return Deficiency. The Manager may reduce the incentive fee payable by the Fund with respect to a particular investor. Investors who are entitled to the benefit of a lower incentive fee may receive an incentive fee rebate from the Manager. Investors in Series I securities may negotiate a different incentive fee than the one described in this table or no incentive fee at all. For the year ended December 31, 2022, the Fund did not accrue any incentive fees.

### OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as shareholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions can be terminated at any time without notice. For the year ended December 31, 2022, the Manager did not absorb any expenses.

### OTHER RELATED PARTY TRANSACTIONS

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

# Ninepoint Resource Fund Class

December 31, 2022

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period since initial issuance to December 31, 2022. For the period ended December 31, 2021, there were no Financial Highlights to present as the Fund had not yet commenced operations.

The Fund's Net Assets per Unit<sup>1</sup>

	<b>Dec 31, 2022<sup>4</sup></b>
Series A	\$
<b>Net assets, beginning of period</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	0.01
Total expenses	(0.38)
Realized gains (losses) for the period	1.18
Unrealized gains (losses) for the period	(2.78)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(1.97)</b>
<b>Distributions:</b>	
<b>Total annual distributions<sup>3</sup></b>	-
<b>Net assets, end of period</b>	<b>7.13</b>

	<b>Dec 31, 2022<sup>4</sup></b>
Series D	\$
<b>Net assets, beginning of period</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	0.01
Total expenses	(0.30)
Realized gains (losses) for the period	1.29
Unrealized gains (losses) for the period	(5.51)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(4.51)</b>
<b>Distributions:</b>	
<b>Total annual distributions<sup>3</sup></b>	-
<b>Net assets, end of period</b>	<b>7.37</b>

# Ninepoint Resource Fund Class

December 31, 2022

	<b>Dec 31, 2022<sup>4</sup></b>
Series F	<b>\$</b>
<b>Net assets, beginning of period</b>	<b>10.00</b>
<b>Increase (decrease) from operations:</b>	
Total revenue	<b>0.01</b>
Total expenses	<b>(0.29)</b>
Realized gains (losses) for the period	<b>1.20</b>
Unrealized gains (losses) for the period	<b>(3.26)</b>
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>(2.34)</b>
<b>Distributions:</b>	
<b>Total annual distributions<sup>3</sup></b>	<b>–</b>
<b>Net assets, end of period</b>	<b>7.24</b>

- 1 This information is derived from the Fund's audited annual financial statements. For financial reporting purposes, the fair value of warrants is measured using the Black-Scholes model in accordance with IFRS, whereas the valuation of warrants for Transactional NAV purposes does not require such adjustments.
- 2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net asset and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of the beginning to ending net assets per unit.
- 3 Distributions were reinvested in additional units of the Fund.
- 4 Information provided is for the period from February 7, 2022 (first issuance) for Series A, Series D and Series F, to December 31, 2022

# Ninepoint Resource Fund Class

December 31, 2022

## Ratios and Supplemental Data

For the period ended December 31, 2021, there were no Ratio and Supplemental Data to present as the Fund had not yet commenced operations.

	<b>Dec 31, 2022</b>
Series A	
Total net asset value (000's) <sup>1</sup>	<b>\$2,974</b>
Number of Units outstanding <sup>1</sup>	<b>417,377</b>
Management expense ratio <sup>2</sup>	<b>4.27%</b>
Trading expense ratio <sup>3</sup>	<b>0.43%</b>
Portfolio turnover rate <sup>4</sup>	<b>163.89%</b>
Net asset value per Unit <sup>1,5</sup>	<b>7.13</b>

	<b>Dec 31, 2022</b>
Series D	
Total net asset value (000's) <sup>1</sup>	<b>\$270</b>
Number of Units outstanding <sup>1</sup>	<b>36,657</b>
Management expense ratio <sup>2</sup>	<b>3.53%</b>
Trading expense ratio <sup>3</sup>	<b>0.43%</b>
Portfolio turnover rate <sup>4</sup>	<b>163.89%</b>
Net asset value per Unit <sup>1,5</sup>	<b>7.37</b>

	<b>Dec 31, 2022</b>
Series F	
Total net asset value (000's) <sup>1</sup>	<b>\$1,085</b>
Number of Units outstanding <sup>1</sup>	<b>149,713</b>
Management expense ratio <sup>2</sup>	<b>3.24%</b>
Trading expense ratio <sup>3</sup>	<b>0.43%</b>
Portfolio turnover rate <sup>4</sup>	<b>163.89%</b>
Net asset value per Unit <sup>1,5</sup>	<b>7.24</b>

1 Information provided is as at December 31, 2022.

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

3 The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period. The TER includes dividend expense and securities borrowing expense paid by the Fund in connection with securities sold short.

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

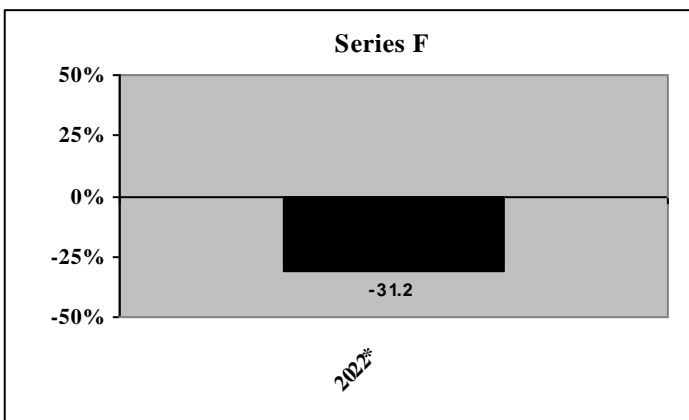
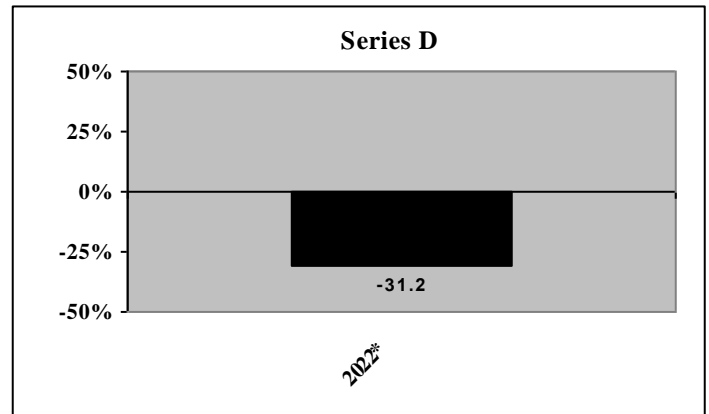
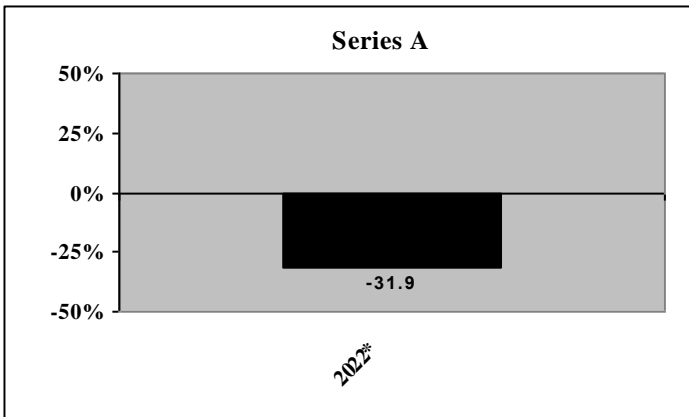
5 Transactional net asset value per share for series A is \$6.81, Series D is \$6.88 and Series F is \$6.88.

## Past Performance

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

### Year-by-Year Returns

The following charts indicates the performance of each Series of the Fund for the period since initial issuance to December 31, 2022. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding units as at the end of the period. For the period ended December 31, 2021, year-by-year return information is not available as the Fund had not yet commenced operations.



\* Return from February 7, 2022 (first issuance) for Series A, Series D and Series F, to December 31, 2022 (not annualized).

# Ninepoint Resource Fund Class

December 31, 2022

## Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of the blended index of 50% S&P/TSX Capped Materials Total Return Index and 50% S&P/TSX Capped Energy Total Return Index (the “Blended Benchmark Index”). The S&P/TSX Capped Materials Total Return Index is comprised of securities of Canadian materials sector issuers listed on the TSX. The S&P/TSX Capped Energy Total Return Index is comprised of securities of Canadian energy sector issuers listed on the TSX. Since the Fund does not necessarily invest in the same securities or in the same proportion as these indices, the performance of the Fund is not expected to equal their performance.

	1-Year	Since Inception*
Ninepoint Resource Fund Class - Series A	–	-31.9%
Blended Benchmark Index	–	15.0%
Ninepoint Resource Fund Class - Series D	–	-31.2%
Blended Benchmark Index	–	15.0%
Ninepoint Resource Fund Class - Series F	–	-31.2%
Blended Benchmark Index	–	15.0%

\* Since first issuance of February 7, 2022 for Series A, Series D and Series F.



## Summary of Investment Portfolio

As at December 31, 2022

Portfolio Allocation	% of Net Asset Value	Top 25 Long Positions	% of Net Asset Value
Long Positions	75.7	Collective Mining Limited	9.3
Materials	25.8	Uranium Energy Corporation	9.2
Energy	25.8	Arizona Metals Corporation	8.9
<b>Total Long Positions</b>	<b>101.5</b>	Canada Nickel Company Inc.	8.7
Cash	0.8	Troilus Gold Corporation	8.1
Other Net Liabilities	(2.3)	IsoEnergy Limited	7.1
<b>Total Net Asset Value</b>	<b>100.0</b>	Maple Gold Mines Limited	6.8
		Thesis Gold Inc.	6.1
		Benchmark Metals Inc.	5.7
		White Gold Corporation	5.2
		Roscan Gold Corporation	5.1
		Generation Mining Limited	4.6
		Snowline Gold Corporation	3.6
		Starr Peak Mining Limited	3.3
		Asante Gold Corporation	2.6
		Lithium Ionic Corporation	2.4
		Radio Fuels Energy Corporation	1.4
		Marathon Gold Corporation	1.1
		Cash	0.8
		NG Energy International Corporation	0.6
		Critical Elements Corporation	0.4
		Fission 3.0 Corporation	0.4
		Nighthawk Gold Corporation	0.4
		Avila Energy Corporation	0.5
		Green Shift Commodities Limited	0.2
		<b>Total 25 long positions as a percentage of Net Asset Value</b>	<b>102.5</b>

The Fund held no short positions as at December 31, 2022.

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at [www.ninepoint.com](http://www.ninepoint.com).

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## Corporate Information

### **Corporate Address**

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### **Auditors**

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