



## **ANNUAL INFORMATION FORM**

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

# **NINEPOINT TARGET INCOME FUND**

**May 9, 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 Annual Information Form 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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## **THE FUND**

Ninepoint Partners LP (the “Manager” or the “Trustee”) acts as the manager, trustee and promoter of Ninepoint Target Income Fund (the “Fund”).

The Fund is an open-ended mutual fund trust governed under the laws of Ontario. The Fund was created pursuant to the terms of an amended and restated master declaration of trust dated April 16, 2018, together with amended and restated Schedule “A” dated May 9, 2022 (the “Declaration of Trust”).

All of the mutual funds managed by the Manager 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 both units and shares of the Ninepoint mutual funds, other than the Fund, collectively as “securities” in this document.

The exchange-traded series of units offered by the Fund is referred to herein as an “ETF Series”. Each series of units of the Fund other than the ETF Series is referred to herein as a “Mutual Fund Series”. ETF Series units of the Fund are issued and sold on a continuous basis. The Fund issues ETF Series units directly to designated brokers (the “Designated Brokers”) and “ETF Dealers”, which are registered dealers (that may or may not be one of the Designated Brokers) that have entered into an agreement 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. 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 for the ETF Series units of the Fund is TIF.

The head office and principal place of business of the Fund and the Manager is located at:

Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2700, P. O. Box 27  
Toronto, Ontario, M5J 2J1

## **INVESTMENT RESTRICTIONS AND PRACTICES**

### **Regular Practices and Restrictions**

The Fund is managed in accordance with the standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 *Investment Funds* (“NI 81-102”) of the Canadian Securities Administrators, other than as noted below. These restrictions and practices have been designed by the Canadian Securities Administrators to ensure that the investments of investment funds are diversified and relatively liquid and to ensure the proper administration of investment funds. NI 81-102 prescribes that unitholder approval must be obtained before any change can be made to the fundamental investment objectives of the Fund.

Units of the Fund are expected to be qualified investments under the *Income Tax Act* (Canada) (the “Tax Act”) for registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), deferred profit sharing plans, registered education savings plans (“RESPs”), registered disability savings plans (“RDSPs”) and tax-free savings accounts (“TFSA”) (collectively, “Registered Plans”). Annuitants of RRSPs and RRIFs, holders of TFSAs and RDSPs and subscribers of RESPs, should consult with their own tax advisers as to whether units of the Fund would be prohibited investments under the Tax Act in their particular circumstances. In addition, ETF Series units will also be qualified investments under the Tax Act for Registered Plans if the securities are listed on a “designated stock exchange” within the meaning of the Tax Act, which includes the NEO Exchange. The ETF Series units of the Fund have been conditionally approved for listing on the NEO Exchange.

The Fund is considered to be a “dealer managed” investment fund for the purposes of NI 81-102. Applicable securities laws impose restrictions on investments by dealer managed investment funds. In accordance with such rules, subject to certain exemptions or prior authorizations to the contrary, the Fund may not make an investment in any class of securities of any issuer (other than those guaranteed by the Government of Canada, the government of a province of Canada or an agency of the foregoing) (i) for which the Manager or its associates or affiliates have acted as underwriter (except for a small selling group participation) during the preceding 60 days; or (ii) of which any director, officer or employee of the Manager or an affiliate or associate of the Manager, is a partner, director or officer, if such person participates in the formulation of, influences or has access prior to implementation of, investment decisions made on behalf of the Fund.

### **Exceptions Regarding Regular Practices and Restrictions**

#### *Standing Instructions by the Independent Review Committee*

Subject to obtaining the approval of securities regulatory authorities and/or the independent review committee of the Ninepoint investment funds (the “IRC”) (please see “Independent Review Committee” on page 27 for more information) and compliance with the conditions set out in NI 81-102 and National Instrument 81-107 (“NI 81-107”), securities laws allow the standard practices and investment restrictions to be modified. In accordance with the requirements of NI 81-102 and NI 81-107, the Manager has obtained IRC approval in respect of transactions, including investing in equity securities and debt securities of an issuer during the offering of the securities or at any

time during the 60-day period following the completion of the offering of such securities, notwithstanding that a related dealer has acted as underwriter in the relevant offering of the same class of such securities (in accordance with the Related Dealer Relief (defined below) and in accordance with the policies and procedures relating to such investments).

### *Exemptive Relief Decisions*

#### (i) Commodity ETF Relief

The Ninepoint mutual funds have obtained relief from the Canadian securities regulatory authorities to permit such funds, subject to the limits described in each specific fund's investment strategy section in the Simplified Prospectus of the funds, to: (i) invest indirectly in physical commodities through investments in Commodity ETFs (as defined below) and (ii) invest in the following categories of ETFs (the "Underlying ETFs") traded on a stock exchange in Canada or the United States that do not qualify as "index participation units" (as defined in NI 81-102): (a) ETFs that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the "Underlying Index") by a multiple of up to 200% or an inverse multiple of up to 200%, (b) ETFs that seek to provide daily results that replicate the daily performance of their Underlying Index by an inverse multiple of up to 100%, (c) ETFs that seek to replicate the performance of gold or silver or the value of a specified derivative the underlying interest of which is gold or silver on an unlevered basis (collectively, "Unlevered Gold/Silver Interest"), by a multiple of up to 200% ("Leveraged Gold ETFs" and "Leveraged Silver ETFs", respectively) and (d) ETFs that have exposure to one or more physical commodities other than gold or silver, on an unlevered basis (together with Leveraged Gold ETFs and Leveraged Silver ETFs, "Commodity ETFs").

#### (ii) Inter-fund Trade Relief

The Ninepoint mutual funds have obtained relief from the Canadian securities regulatory authorities from the prohibition on purchasing a security from or selling a security to certain entities deemed to be related to the fund or the Manager, acting as principal, so that the fund is permitted to purchase debt securities from or sell debt securities to a pooled fund or a closed-end fund managed and/or advised by the Manager (an "Inter-fund Trade"). The conditions to the relief are as follows: (i) the IRC of the fund involved in the Inter-fund Trade has approved the transaction in accordance with NI 81-107; and (ii) at the time of the Inter-fund Trade, the transaction complies with certain conditions set out in NI 81-107.

### **Other Exemptions and Approvals**

#### (iii) ETF Series

The Fund has obtained exemptive 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 an 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 NI 81-101, 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 documents;

- relieve the Fund from the requirement that a prospectus offering ETF Series units contains 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 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.

## **DESCRIPTION OF UNITS**

### **General**

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 six series of 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 Fund's net asset value exceeds \$20 million.

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 Fund's net asset value exceeds \$20 million. For more details, see the Simplified Prospectus of the Fund.

Series I units: Available to institutional investors or other investors on a case-by-case basis, all at the discretion of the Manager.

ETF Series units: Available to all investors. Generally, investors purchase such 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 the investor resides.

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 series of the Fund are combined into a single pool to create one portfolio for investment purposes. Please refer to the Fund's Simplified Prospectus for further information pertaining to Series A, Series S, Series F, Series SF, Series I and ETF Series units of the Fund.

Units of a series of the Fund represent your ownership in the Fund. Generally, you receive distributions of the Fund's net income and net capital gains attributable to your units based on their relative net asset value per unit for each series in the Fund at the time the distribution is paid. Upon the wind-up or termination of the Fund, unitholders of the Fund will be entitled to participate pro rata in the Fund's net assets allocated to the applicable series. Units are issued as fully paid and non-assessable and are redeemable at their net asset value per unit. There are no pre-emptive or conversion rights attached to the units. If you hold units in the Fund, you will be entitled to vote at the unitholder meetings of the Fund as a whole as well as any unitholder meetings for the particular series of units that you own. Each unit, regardless of the series, will entitle the holder to one vote at all meetings of unitholders. The Fund may issue fractional units, which shall entitle the holder to similar proportionate participation in the Fund but will not entitle the holder to receive notice of, or vote at, meetings of unitholders of the Fund.

### **Meetings of unitholders**

Unitholders of the Fund will be entitled to vote to approve all matters that require unitholder approval under NI 81-102. As at the date of this document, these matters include the following:

- a change in the manager of the Fund, unless the new manager is an affiliate of the Manager;
- any change in the fundamental investment objectives of the Fund;
- any decrease in the frequency of calculating the net asset value of the Fund;
- certain material reorganizations of the Fund;
- if the basis of the calculation of a fee or expense that is charged to the Fund or a series of the Fund or directly to the unitholders of the Fund by the Fund or the Manager in connection with the holding of units of the Fund is changed in a way that could result in an increase in charges to the Fund or the series of the Fund or to the unitholders, unless the Fund is at arm's length to the person or company charging the fee or expense or if applicable securities laws do not require the approval of unitholders to be obtained and, if required by securities laws, written notice is sent to all unitholders of the Fund or the series of the Fund at least 60 days before the effective date of the change;

- if a fee or expense to be charged to the Fund, a series of the Fund or directly to the Fund's unitholders by the Fund or the Manager in connection with the holding of units of the Fund that could result in an increase in charges to the Fund or to its unitholders is introduced, unless the Fund is at arm's length to the person or company charging the fee or expense to the Fund or if applicable securities laws do not require the approval of unitholders to be obtained and, if required by securities laws, written notice is sent to all unitholders of the Fund or the series of the Fund at least 60 days before the effective date of the change; and
- any other matter which requires the approval of unitholders pursuant to the Declaration of Trust or applicable laws.

The Manager, on behalf of the Fund, has been granted exemptive relief from the requirement to deliver an information circular in connection with a unitholder meeting. Instead, the Fund is allowed to deliver a "notice-and-access" document in connection with a notice-and-access procedure. The notice-and-access document provides basic information about the subject matter of the unitholder meeting, as well as instructions for how a unitholder can access the information circular online or request delivery of the information circular.

## **VALUATION OF PORTFOLIO SECURITIES**

As at 4:00 p.m. (Eastern time) 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"), the net asset value per series of the Fund is calculated by subtracting from the series' proportionate share of the fair value of assets of the Fund its proportionate share of fair value of liabilities of the Fund and the fair value of liabilities attributable to that series. The net asset value per series of the Fund is determined in Canadian dollars. To arrive at the net asset value per unit for a series, the net asset value of the series is divided by the number of outstanding units of that series.

In determining the fair value of the assets of the Fund the following rules apply:

- (a) the value of any cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received (or to be received and declared to shareholders of record on a date before the date as of which the net asset value of the Fund is being determined), and interest accrued and not yet received, shall be deemed to be the full amount thereof unless the Manager shall have determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or interest is not worth the full amount thereof, in which event the value thereof shall be deemed to be such value as the Manager shall determine to be the reasonable value thereof;
- (b) the value of any security which is listed or dealt in upon a stock exchange shall be determined by (1) in the case of a security which was traded on the day as of which the net asset value of the Fund is being determined, the closing sale price; (2) in the case of a security which was not traded on the day as of which the net asset value of the Fund is being determined, a price which is the average of the closing recorded

bid and ask prices; or (3) if no bid or ask quotation is available, the price last determined for such security for the purpose of calculating the net asset value of the Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Trustee; and provided however that if, in the opinion of the Trustee, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by the Fund upon the disposal of shares or securities necessary to effect any redemptions of units, the Trustee may place such value upon such shares or securities as appears to the Trustee to most closely reflect the fair value of such shares or securities;

- (c) the value of any security, the resale of which is restricted or limited shall be the quoted market value less a percentage discount for illiquidity amortized over the length of the hold period;
- (d) a long position in an option or a debt-like security shall be valued at the current market value of the position;
- (e) for options written by the Fund (1) the premium received by the Fund for those options shall be reflected as a deferred credit and the option shall be valued at an amount equal to the current market value of the option that would have the effect of closing the position; (2) any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; (3) the deferred credit shall be deducted in calculating the net asset value per security of the Fund; and (4) any securities that are the subject of a written option shall be valued at their current market value;
- (f) the value of a forward contract or swap shall be the gain or loss on the contract that would be realized if, on the date that valuation is made, the position in the forward contract or swap were to be closed out;
- (g) the value of gold and any other precious metals will be based upon the active spot price;
- (h) the value of any security or other property for which no price quotations are available or in the opinion of the Trustee or the Manager, to which the above valuation principles cannot or should not be applied, shall be the fair value thereof determined from time to time in such manner as the Trustee or the Manager shall from time to time provide;
- (i) the value of all assets and liabilities of the Fund valued in terms of a currency other than the currency used to calculate the Fund's net asset value shall be converted to the currency used to calculate the Fund's net asset value by applying the rate of exchange obtained from the best available sources to the Trustee;
- (j) the value of standardized futures shall be (1) if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on the date that

valuation is made, the position in the standardized future were to be closed out; or (2) if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized future; and

- (k) margin paid or deposited on standardized futures or forward contracts shall be reflected as an account receivable, and if not in the form of cash, shall be noted as held for margin.

Pursuant to paragraph (h) above, the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a valuation date at such times as the Manager, in its discretion, deems appropriate. For money market investments, such investments are valued at cost plus accrued interest and plus or minus amortization, including foreign currency translation, if applicable, which approximates market value.

The liabilities of the Fund shall be deemed to include the following:

- (a) all bills and accounts payable;
- (b) all administrative expenses payable and/or accrued;
- (c) all obligations for the payment of money or property, including the amount of any declared but unpaid distributions;
- (d) all allowances authorized or approved by the Trustee for taxes or contingencies; and
- (e) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding units.

Portfolio transactions (investment purchases and sales) will be reflected in the first computation of the net asset value per series unit made after the date on which the transaction becomes binding.

The Manager may declare a suspension of the calculation of the net asset value per unit for each series of the Fund in the circumstances described under the heading "Redemption of Units." There will be no calculation of net asset value per unit for each series during any suspension period and the Fund will not be permitted to issue further units or redeem any units during this period.

#### **CALCULATION OF UNIT PRICE**

As at 4:00 p.m. on each Valuation Date, the net asset value per unit is calculated for each series of the Fund. The net asset value per unit (or unit price) of a series is the fair value of the series' proportionate share of the assets of the Fund, less that series' proportionate share of common liabilities and less any liabilities attributable to that series of the Fund, divided by the total outstanding units of that series. The net asset value per unit of a series is the basis for all purchases, switches, reclassifications and redemptions and for reinvestment of distributions.

The Manager will make available the net asset value per unit for each series of the Fund on the Fund's designated website at [www.ninepoint.com](http://www.ninepoint.com). Such information will also be available on request, free of charge, by calling the Manager toll free at 1-866-299-9906, by sending an email to [invest@ninepoint.com](mailto:invest@ninepoint.com) or by mailing Ninepoint Partners LP at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario, M5J 2J1.

## **PURCHASE OF UNITS**

The Fund offers Series A, Series S, Series F, Series SF, Series I and ETF Series units. The ETF Series units of the Fund have been conditionally approved for listing on 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 or selling the ETF Series units of the Fund. The NEO Exchange Ticker symbol for the ETF Series units of the Fund is TIF.

Units of the Fund may be purchased in each of the provinces and territories of Canada. You may purchase, switch, reclassify or redeem Mutual Fund Series units of the Fund directly through your registered dealer approved by the Manager. You may only purchase ETF Series units over the NEO Exchange or another exchange or marketplace through registered brokers and 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 procedures to be followed by investors who desire to purchase units of the Fund are described in the Fund's Simplified Prospectus.

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

Investors can purchase Series A and Series S units of the Fund under the Initial Sales Charge Option. Please refer to the Fund's Simplified Prospectus for a description of the Initial Sales Charge Option.

Mutual Fund Series units of the Fund may be purchased at their net asset value per unit of a specific series, computed as described under "Calculation of Unit Price." The purchase price per Mutual Fund Series unit is the net asset value per unit of a series next determined following receipt by the Fund of a completed purchase order. Any purchase order received on a Valuation Date after the cut-off time or on any day which is not a Valuation Date is deemed to have been received on the following Valuation Date. The purchase price per unit will then be the net asset value per unit of each series established on the Valuation Date following the day of actual receipt of the purchase order. If your purchase order is received by the recordkeeper before 4:00 p.m. (Eastern time) on a Valuation Date, you will pay the net asset value per unit established on that Valuation Date, or if received after 4:00 p.m., the net asset value per unit established on the next Valuation Date, subject to the recordkeeper receiving all necessary forms properly completed.

The Fund must receive full payment within two business days of processing your order. If payment is not received within that time or if the payment is returned, the Manager may deem the Mutual

Fund Series units you ordered as having been redeemed by you on the next business day. If the proceeds are less than the amount you owe the Fund, your dealer will pay the difference to the Fund, and your dealer may seek reimbursement from you for any losses caused by you in connection with such failed settlement of the purchase of units of the Fund where such dealer has the contractual right to do so.

No certificates are issued for Mutual Fund Series units purchased but an investor receives, following each purchase of units, a written statement indicating all relevant details of the purchase transaction including the number of Mutual Fund Series units purchased, cost per unit and the total dollar amount of the purchase order.

### **Purchases of 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 where you reside. ETF Series units must be purchased, transferred and surrendered for exchange or redemption only through a participant in CDS Clearing and Depository Services Inc. (“CDS”). All rights as an owner of ETF Series units must be exercised through, and all payment 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 only receive 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.

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

We, on behalf of the Fund, have entered into designated broker agreements (each, a “Designated Broker Agreement) with Designated Brokers 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 Brokers for certain expenses incurred by the Designated Brokers 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 the Designated Brokers or an ETF Dealer.

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 of the Fund. In the event that a subscription order is rejected, all monies received with the order will be returned to the Designated Broker or ETF Dealer.

No fees or commissions are payable by the Fund to a Designated Broker or an ETF Dealer in connection with the issuance of ETF Series units of the Fund. 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 of the Fund 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 any 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 subscription 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 unit 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 Brokers 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 Brokers in Special Circumstances*

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

#### **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. 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 disposition for tax purposes and a capital gain or loss will result. Please see “Income Tax Considerations” on page 28.

When you switch units of any Mutual Fund Series of the Fund, your registered dealer may charge you a switch fee of up to 2.0% 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.

### **RECLASSIFICATIONS BETWEEN 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 or Series I units of the Fund into Series A or Series S units of the Fund, your Series A and Series S units 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” on page 28. 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 2.0% 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 or Series I units of the Fund, we may reclassify your units into another series of units of the Fund 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.

## **REDEMPTION OF UNITS**

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

An investor may redeem Mutual Fund Series units of the Fund by completing a redemption request and delivering it to the investor's registered dealer approved by the Manager. The Manager may require that an investor's signature on any redemption request be guaranteed by a bank, trust company, credit union or otherwise to the satisfaction of the Manager. A redemption request received by the recordkeeper before 4:00 p.m. (Eastern time) on a Valuation Date 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 Valuation Date 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 Valuation Date. 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 the investor's order, provided the written request for redemption submitted to the registered dealer is complete and the registered dealer has provided correct settlement instructions to the recordkeeper.**

Your dealer may seek reimbursement from you for any of its losses caused by you in connection with a failed settlement of a redemption of units of the Fund where such dealer has the contractual right to do so.

The Manager reserves the right to require any unitholder of the Fund to redeem such unitholder's entire holding or a portion of the units of the Fund held by such unitholder at its sole discretion including where a unitholder is or becomes a U.S. citizen or resident of the United States or a resident of another foreign country if the Manager concludes that their participation has the potential to cause adverse regulatory or tax consequences for the Fund or other unitholders of the Fund.

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

#### ***Redemptions of ETF Series Units in Any Number for Cash***

On any Valuation Date, you may choose to redeem ETF Series units in any number for cash at a redemption price per ETF Series unit equal to 95% of the closing 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 head office of the Manager through a registered broker or dealer or other financial institution that is a participant in CDS 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 securityholders entitled to receive a distribution from the ETF Series of a 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 10th 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 Tax Act for Registered Plans. You should consult with your tax advisor before redeeming 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 the 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**

The Fund may suspend the right of unitholders to redeem units (a) for the whole or any part of a period during which normal trading is suspended on a stock exchange or options exchange within or outside Canada on which securities are listed and posted for trading, or which specified derivatives are traded (if applicable), if those securities or specified derivatives represent more than 50 percent by value, or underlying market exposure, of the total assets of the Fund (without

allowance for liabilities) and if those securities or specified derivatives, (if applicable) are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (b) with the consent of the Ontario Securities Commission.

The Fund may postpone payment during a period in which the right of unitholders to request redemption of their units is suspended, despite the Fund's obligation to pay the redemption price for units that have been redeemed in accordance with the redemption requirements.

## **RESPONSIBILITY FOR OPERATION OF THE FUND**

### **The Manager**

Ninepoint Partners LP is the manager of the Fund. The registered office of the Manager is located at the Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P. O. Box 27, Toronto, Ontario, M5J 2J1. Further contact information of the Manager is as follows:

Tel: (416) 943 6707  
Fax: (416) 628-2397  
Email: [invest@ninepoint.com](mailto:invest@ninepoint.com)  
Website: [www.ninepoint.com](http://www.ninepoint.com)  
Toll free number: 1 866 299 9906

Under the management agreement dated April 16, 2018, together with amended and restated Schedule "A" dated May 9, 2022 between the Manager and the Fund, the Manager is responsible for providing all management and administrative services required by the Fund, which includes the management of the investment portfolio, investment analysis, recommendations and decisions, the implementation of the portfolio purchase and sale transactions and arranging for the distribution of the Fund's securities and is paid a management and incentive fee for performing its duties. Pursuant to this agreement, the Manager may delegate any or all of its duties and responsibilities to one or more agents to assist it in the performance of such duties and responsibilities. The Manager may resign as manager of the Fund on 90 days' prior written notice to unitholders, other than a resignation in connection with a corporate reorganization which results in no material change to the day-to-day management, administration or operation of the Fund. The Manager will appoint a successor manager of the Fund, and unless the successor manager is an affiliate of the Manager, such appointment must be approved by a majority of the unitholders of the Fund. If prior to the effective date of the Manager's resignation, a successor manager is not appointed or the unitholders of the Fund do not approve the appointment of the successor manager as required, the Fund will be terminated in accordance with the terms of the Declaration of Trust.

The Manager is overseen by the Independent Review Committee (the "IRC") in respect of conflict of interest matters identified by the Manager. For further information on the IRC, please see page 27.

## Officers and Directors of the Manager and the General Partner of the Manager

The following are the names, municipalities of residence, offices and principal occupations or business activities during the five years preceding the date hereof of the directors and executive officers of the Manager and/or of Ninepoint Partners GP Inc. (the “GP”), the general partner of the Manager.

Name and Municipality of Residence	Position with the Manager and/or the GP	Principal Occupation for the Past 5 Years
John Wilson North York, Ontario	Senior Portfolio Manager and Managing Partner of the Manager  Co-Chief Executive Officer, Managing Partner and director of the GP	Senior Portfolio Manager and Managing Partner of the Manager and Co-Chief Executive Officer of the GP.  Until July 31, 2017, Chief Executive Officer, Co-Chief Investment Officer and Senior Portfolio Manager of Sprott Asset Management LP and Chief Executive Officer of Sprott Asset Management GP Inc.
James Robert Fox Etobicoke, Ontario	Managing Partner of the Manager  Co-Chief Executive Officer, Managing Partner and director of the GP	Managing Partner of the Manager and Co-Chief Executive Officer of the GP.  Until July 31, 2017, President of Sprott Asset Management LP and Sprott Asset Management GP Inc., registered representative of Sprott Private Wealth LP and Managing Director of Sprott PrivateWealth GP Inc.
Kirstin McTaggart Mississauga, Ontario	Chief Compliance Officer and Chief Administrative Officer of the Manager  Chief Compliance Officer, Chief Administrative Officer and Director of the GP	Chief Compliance Officer and Chief Administrative Officer of the Manager.  Until July 31, 2017, Chief Compliance Officer of Sprott Asset Management LP and Chief Compliance Officer &

Name and Municipality of Residence	Position with the Manager and/or the GP	Principal Occupation for the Past 5 Years
		Operations of Sprott Private Wealth GP Inc.
Shirin Kabani Toronto, Ontario	Chief Financial Officer of the Manager  Chief Financial Officer of the GP	Chief Financial Officer of the Manager.  Until July 31, 2017, Senior Manager of Sprott Inc. Prior thereto, Senior Financial Analyst of IBM Canada Ltd.

### Portfolio Manager

The Manager is the portfolio manager (the “Portfolio Manager”) of the Fund. Investment decisions for the Fund are made completely and solely by the Portfolio Manager. The day-to-day management of the investment portfolio is the responsibility of the Portfolio Manager.

The Portfolio Manager provides investment management services to other clients. Those client accounts may follow the same investment objective and strategy as used by the Fund. In placing an order to buy and sell securities, execution between the Fund and other accounts will be conducted in a manner which the Portfolio Manager believes is fair and equitable. The Portfolio Manager and its principals may also trade in securities for their personal accounts and may also invest in the same securities as the Fund. In doing so, the Portfolio Manager and its principals will comply with all applicable laws.

### Portfolio Management Team

Étienne Bordeleau-Labrecque  
*Vice President, Portfolio Manager*

Étienne Bordeleau-Labrecque is Vice President, Portfolio Manager with the Manager where he is part of the Fixed Income team, specializing in the application of derivatives strategies across asset classes as a way to manage risk and improve investment outcomes. Étienne joined the Former Manager in 2012, where he supported the Enhanced Equity Team, covering North American financial, energy, utility and health care sectors. Prior to joining the Former Manager, Étienne worked at the Bank of Canada’s Financial Stability Division where he focused on Canadian and International banks, their risks and the post-crisis regulatory effort. Étienne holds a Bachelor of Science in Economics from the Université de Montréal. He also obtained his MBA from the Rotman School of Management at the University of Toronto, and was awarded his CFA designation in 2015.

John Wilson

*Co-CEO, Managing Partner, Senior Portfolio Manager*

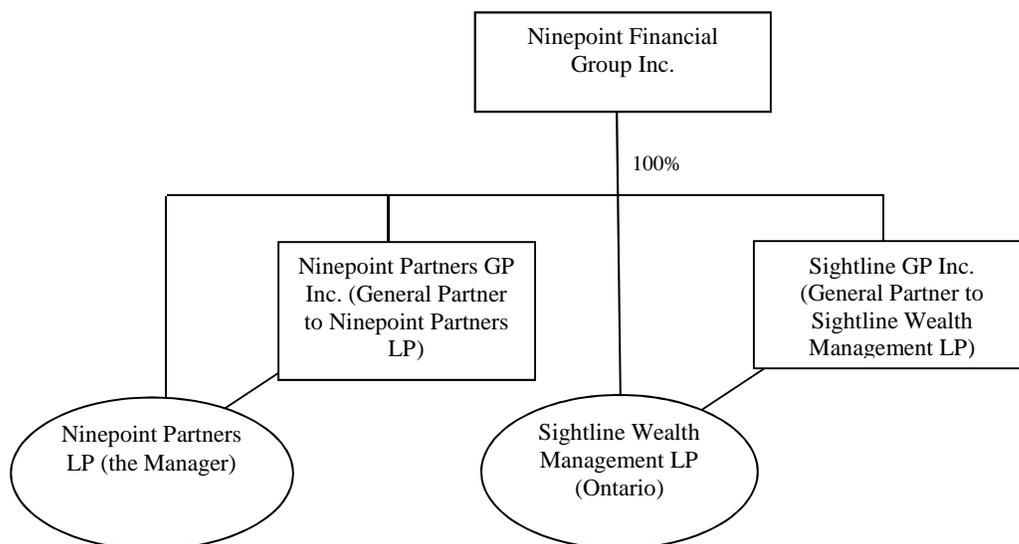
John Wilson, who is currently a Senior Portfolio Manager with the Manager, joined the Former Manager in January 2012 as a senior portfolio manager and has 25 years of investment and business experience. Most recently, Mr. Wilson was Chief Investment Officer of Cumberland Private Wealth Management. Previously, Mr. Wilson was the founder of DDX Capital Partners, an alternative investment manager. Prior to that, he was Managing Director and a technology analyst at RBC Capital Markets; and previously, a Director at UBS Canada. Mr. Wilson is an MBA graduate of The Wharton School, University of Pennsylvania.

The Manager remains wholly responsible for the management of the Fund, including the management of its investment portfolio.

There is a portfolio management committee which meets on a quarterly basis to review the economic and market outlook as well as the focus of the Fund. Investment decisions made by the portfolio management team are not subject to oversight, approval or ratification of this committee.

**Affiliated Entities**

The diagram below sets out the relationships among the affiliated entities that provide services to the Fund or to the Manager in connection with the Fund. The disclosure of the amount of fees received from the Fund by each affiliated entity that provides services to the Fund or to the Manager in relation to the Fund is provided in the audited financial statements of the Fund.



Ninepoint Partners GP Inc. is the general partner of Ninepoint Partners LP. Sightline GP Inc. is the general partner of Sightline Wealth Management LP. Each of Ninepoint Partners GP Inc. and Sightline GP Inc. are wholly owned subsidiaries of Ninepoint Financial Group Inc.

Each of the following individuals is a director and/or officer of the Manager or the general partner of the Manager, who also is a director and/or officer of an entity that provides services to the Fund or to the Manager (or of the general partner of such entity):

Name	Position with the Manager or the General Partner of the Manager	Position with Affiliated Entities
John Wilson	Senior Portfolio Manager and Managing Partner of the Manager  Co-Chief Executive Officer, Managing Partner and director of the General Partner of the Manager	Director of Sightline Wealth Management LP
James Robert Fox	Managing Partner of the Manager  Co-Chief Executive Officer, Managing Partner and director of the General Partner of the Manager	Managing Director of general partner of Sightline Wealth Management LP
Kirstin Heath McTaggart	Chief Compliance Officer and Chief Administrative Officer of the Manager  Director of the General Partner of the Manager	Director and Chief Compliance Officer & Operations of general partner of Sightline Wealth Management LP

### Trustee

Under the Declaration of Trust, Ninepoint Partners LP has assumed the role of trustee of all securities held on behalf of the Fund. Under the Declaration of Trust, the Trustee may resign as the trustee of the Fund by giving the unitholders 60 days' prior notice, and the Manager may remove the Trustee by giving the Trustee 60 days' prior notice. The Trustee holds title to the securities owned by the Fund on behalf of unitholders. The Manager and Trustee have exclusive authority over the assets and affairs of the Fund with a fiduciary responsibility to act in the best interests of the unitholders.

### Custodian

Under the custodian agreement dated April 16, 2018, as amended (the "Custodian Agreement"), CIBC Mellon Trust Company of Toronto, Ontario has been appointed the custodian for the Fund. This agreement may be terminated by either party upon providing 90 days' written notice, or

immediately if any party becomes insolvent, or makes an assignment for the benefit of creditors, or a petition in bankruptcy is filed by or against that party and is not discharged within 30 days, or proceedings for the appointment of a receiver for that party are commenced and not discontinued within 30 days. CIBC Mellon Trust Company holds cash and securities on behalf of the Fund and is responsible for ensuring that the cash and securities are safe and secure. All of such securities will be held by CIBC Mellon Trust Company. CIBC Mellon Trust Company holds title to the securities owned by the Fund on behalf of the securityholders of the Fund.

### **Recordkeeper of Mutual Fund Series**

CIBC Mellon Global Securities Services Company is the recordkeeper for the Fund. In such capacity, the recordkeeper keeps a register of the owners of the applicable units of the Mutual Fund Series, processes purchase and redemption orders of Mutual Fund Series units, and issues investor account statements and issues annual tax reporting information.

### **Registrar and Transfer Agent of ETF Series**

TSX Trust Company. acts as the registrar and transfer agent of the ETF Series units of the Fund, maintaining the register of ETF Series units of the Fund at its office in Toronto, Ontario.

### **Auditors**

The auditors of the Fund are KPMG LLP of Toronto, Ontario. The Manager will not seek the approval of unitholders before changing the auditors of the Fund; however, the Manager will provide unitholders with at least 60 days' written notice before the effective date of any such change.

### **Securities Lending Agent**

The Bank of New York Mellon of New York City, New York is the securities lending agent (the "Securities Lending Agent") for the Fund. The Securities Lending Agent is independent of the Manager. The Manager has appointed the Securities Lending Agent under the terms of a written agreement between the Manager, the Trustee and the Securities Lending Agent in order to administer any securities lending, repurchase and reverse repurchase transactions for the Ninepoint mutual fund (the "Securities Lending Agreement").

The Securities Lending Agreement complies with the applicable provisions of NI 81-102. Under the provisions of the agreement, the Securities Lending Agent will:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;
- collect lending and repurchase fees and provide such fees to the Manager;

- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that the Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and
- ensure that the Fund does not loan or sell more than 50% of the net asset value of its assets (not including the collateral held by the Fund, as applicable) through lending and repurchase transactions.

The Securities Lending Agreement may be terminated by a party on at least 30 business days' prior notice to the other parties.

### **Brokerage Arrangements**

Decisions as to the purchase and sale of portfolio assets and portfolio securities, and the execution of portfolio transactions, including the selection of the market, the selection of the broker and the negotiation of commissions, are made by the Portfolio Manager. Where appropriate, the Portfolio Manager may execute trades with broker-dealers that provide goods or services in addition to order execution.

Factors considered when selecting a broker for a specific transaction may include brokerage services provided including execution capability, commission rate, willingness to commit capital, anonymity and responsiveness, the nature of the market for the security, the timing or size and type of the transaction, the reputation, experience and financial stability of the broker, the quality of the services rendered in other transactions, other goods and services provided (where appropriate), financial strength metrics, business continuity and trade settlement capabilities. Notwithstanding the factors listed above, in effecting portfolio transactions, overall service and prompt execution of orders on favourable terms will be of primary consideration. In all circumstances, the Portfolio Manager will seek to obtain the best order execution for the Fund and to minimize transaction costs.

Provided that pricing, service and other terms are comparable or less costly than those offered by other dealers, it is anticipated that a portion of the portfolio transactions for the Fund may be arranged through Sightline Wealth Management LP, which is a registered investment dealer and an affiliate of Ninepoint Partners LP. At times, the Fund may direct a portion of portfolio transactions to Sightline Wealth Management LP.

Where brokerage transactions involving client brokerage commissions of the Fund have been or might be directed to a broker in return for the provision of any good or service by the broker or a third party, other than order execution, the names of such dealers or third parties will be provided upon request by contacting the Manager at 1-866-299-9906 or via email at [invest@ninepoint.com](mailto:invest@ninepoint.com).

### **Designated Website**

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the Fund can be found at: [www.ninepoint.com](http://www.ninepoint.com).

## **OWNERSHIP**

### **Principal Holders of Securities**

The general partner of Ninepoint Partners LP is a direct wholly owned subsidiary of Ninepoint Financial Group Inc., which is the sole limited partner of Ninepoint Partners LP. As at May 9, 2022, each of John Wilson and James Fox individually held 50% of the voting securities of Ninepoint Financial Group Inc.

As at May 9, 2022, Ninepoint Partners LP owned, beneficially and of record, 15,000 Series F units of the Fund, representing 100% of the issued and outstanding Series F units of the Fund.

As at May 9, 2022, the directors and senior officers of the Manager, in aggregate, did not beneficially own, directly or indirectly, more than 10% of the issued and outstanding units of any series of the Fund.

As at May 9, 2022, the members of the IRC did not own any securities in the Manager or any person or company that provides services to the Fund or to the Manager. In addition, the members, in the aggregate, did not own more than 10% of a series of units of the Fund.

## **FUND GOVERNANCE**

### **Generally**

Ninepoint Partners LP, as manager of the Fund, is ultimately responsible for fund governance, and is overseen by the directors and officers of the Manager and/or Ninepoint Partners GP Inc., the general partner. Details of the directors and officers of the Manager and/or of Ninepoint Partners GP Inc., the general partner of the Manager, are disclosed above under “The Manager.”

The Manager has established appropriate policies, procedures and guidelines to ensure the proper management of the Fund. The systems implemented monitor and manage the business and sales practices, risks and internal conflicts of interest relating to the Fund while ensuring compliance with regulatory and corporate requirements.

### **Securities Lending, Repurchase or Reverse Repurchase Transactions**

The Fund may engage in securities lending, repurchase and reverse repurchase transactions. Where the Fund engages in these types of investments, it will:

- hold collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be;
- adjust the amount of collateral each business day to ensure the collateral’s value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and

- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the net asset value (without including the collateral) of the Fund.

In addition, there are policies in place that set out the objectives for these particular types of investments. There are no limits or controls restricting these transactions and risk measurement or simulations are not used to test the portfolio under stress conditions. The Manager is responsible for reviewing these matters on an as-needed basis and will be independent to the agent.

### **Short Selling**

The Fund may, from time to time, engage in short selling as permitted by applicable securities legislation and in accordance with any exemptive relief granted by the Canadian securities regulatory authorities. Where the Fund engages in short selling, it will sell securities short and provide a security interest over fund assets with dealers as security in connection with such transactions. The Fund's use of short selling is subject to certain conditions including:

- (a) the securities are sold short only for cash;
- (b) the securities sold short will not be:
  - (i) a security that the Fund or underlying fund is otherwise not permitted by securities legislation to purchase at the time of the transaction;
  - (ii) "illiquid assets" as such term is defined in NI 81-102; or
  - (iii) a security of an investment fund (other than an index participation unit);
- (c) at the time the Fund sells the security short:
  - (i) the Fund has pre-arranged to borrow the securities from a lender for the purpose of such short sale;
  - (ii) the aggregate market value of all securities of the issuer of the securities sold short by the Fund does not exceed 5% of the total net asset value of the Fund; and
  - (iii) the aggregate market value of all securities sold short by the Fund does not exceed 20% of the total net asset value of the Fund.

Written policies and procedures regarding objectives and risk management procedures (including trading limits and controls) have been adopted by the Manager in connection with its short selling activities. The Manager is responsible for setting and reviewing these policies and procedures. Such policies and procedures are monitored by the Manager and are formally reviewed at least annually by the Manager and its board of directors. The Fund will adhere to controls and limits that are intended to offset the risks of short selling by short selling only liquid securities and by limiting the amount of exposure for short sales. The authorization of short selling transactions and placing limits or other controls on short selling is the responsibility of the Portfolio Manager, with

post-trade review conducted by the Manager's compliance department. No risk measurement procedures or simulations are used to test the portfolio under stress conditions.

## **Derivatives**

The Fund uses derivatives, as described under the heading "Investment Strategies" in the Fund's Simplified Prospectus. The Fund must comply with the investment restrictions and practices in NI 81-102, subject to any exemptive relief obtained, in connection with its use of these futures contracts for hedging and non-hedging purposes. The Manager has processes in place to ensure the Fund complies with such restrictions and practices when it uses derivatives. Portfolio management software is also utilized to confirm that each security transaction complies with the investment guidelines and restrictions for the Fund. The Manager has written policies and procedures in place that set out the objectives and goals for derivatives trading and the risk management procedures applicable to those transactions by the Fund. The Manager is responsible for setting and reviewing these policies and procedures at least annually. The Compliance Team of the Manager monitors the risks associated with the use of derivatives independent of the individual portfolio manager. Currently, no risk measurement procedures or simulations are used to test the Fund's portfolio under stress conditions.

## **Short Term Trading**

The Manager has adopted certain restrictions to deter short-term trading. For example, the Manager may restrict purchases if an investor engages in such short-term trading. The Manager's restrictions also include charging a fee of up to 1.5% of the net asset value of the units that are redeemed within 20 days of purchasing or switching them. In addition, if we detect excessive trading of your units in the 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 recordkeeper, on behalf of the Manager, monitors and detects short-term trading. The recordkeeper, on direction from the Manager, automatically charges a short-term trading fee on any redemption of units of the Fund that is made within 20 days of purchasing or switching those units. The Manager assesses the short-term trading fee charged to an investor on a case-by-case basis and may, at its absolute discretion, reverse a short-term trading fee that has been charged to an investor.

The short-term trading fees 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 the Manager; (v) for a redemption of units as a result of regular payments made from RRIFs and locked-in retirement income funds; or (vi) in the absolute discretion of the Manager as described above. For purposes of the short term trading fee, units will be considered to be redeemed on a first-in first-out basis.

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 involved 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.

While these restrictions and our monitoring attempt to deter short-term trading, the Manager cannot ensure that such trading will be completely eliminated.

### **Liquidity Risk Management**

The Fund has a liquidity risk management (“LRM”) committee that is responsible for the oversight of policies and procedures related to LRM. This committee is comprised of at least one member who is independent of portfolio management, in addition to representatives from the Manager, portfolio management, compliance, and product development, each of whom has relevant subject matter expertise. LRM is part of the Fund’s broader risk management process which includes documented internal policies pertaining to the measurement, monitoring, mitigation and reporting of liquidity risks within the Fund.

### **Proxy Voting Guidelines**

The Portfolio Manager is wholly responsible for establishing, monitoring and amending (if necessary) the policies and procedures relating to the voting of proxies received in connection with the Fund’s portfolio securities. The Portfolio Manager has adopted corporate governance and proxy voting principles, which outline key corporate governance issues and describe the broad principles that the Portfolio Manager considers and general approach in voting client proxies. Such principles address matters relating to shareholder rights, boards of directors, corporate governance, compensation, capital management, environmental, social and governance practices, and certain other matters.

In certain cases, proxy votes may not be cast when the Portfolio Manager determines that it is not in the best interests of unitholders of the Fund to vote such proxies. In the event a proxy raises a potential material conflict of interest between the interests of the Fund and the Manager, Portfolio Manager, affiliate or associate of the Fund or the manager or portfolio manager of such affiliate or associate, the conflict will be resolved in the best interests of the unitholders and the Fund.

The Portfolio Manager retains the discretion to depart from these policies on any particular proxy vote depending upon the facts and circumstances.

The proxy voting guidelines of the Fund are available on request, free of charge, by contacting the Manager at 1-866-299-9906 and are available on the Fund’s designated website at [www.ninepoint.com](http://www.ninepoint.com). The Manager will maintain and prepare an annual proxy voting record for the Fund. The proxy voting record for the annual period ending June 30 each year for the Fund

will be available free of charge to any investor upon request at any time after August 31 of that year and will be posted on the Fund’s designated website at [www.ninepoint.com](http://www.ninepoint.com).

### **Independent Review Committee**

In accordance with NI 81-107, an IRC has been established for all the Ninepoint investment funds, which includes the Fund. The IRC complies with applicable securities legislation, including NI 81-107. The IRC is composed of three individuals, each of whom is independent of the Ninepoint investment funds, the Manager and its affiliates. The current members of the IRC and their principal occupations are as follows:

<b>Name and municipality of residence</b>	<b>Principal Occupation</b>
Lawrence A. Ward (Chair)	Consultant
W. William Woods	Consultant
Eamonn McConnell	Consultant

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it follows when performing its functions.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Ninepoint investment funds. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Ninepoint investment funds, and refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC’s prior approval, but in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action will provide a fair and reasonable result for the Ninepoint investment funds. For recurring conflict of interest matters, the IRC can provide the Manager with standing instructions.

The IRC reports annually to securityholders of the Ninepoint investment funds on its activities, as required by NI 81-107. The reports of the IRC are available free of charge from the Manager on request by contacting the Manager at [invest@ninepoint.com](mailto:invest@ninepoint.com) and will be posted on the Fund’s designated website at [www.ninepoint.com](http://www.ninepoint.com). The annual report of the IRC in respect of the Fund will be available on or about March 31 in each year.

### **FEES AND EXPENSES**

To encourage large purchases in the Fund and to achieve effective management fees that are competitive for these investments, the Manager may reduce the management 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 type of investor and the number and value of units held by an investor (eg. generally \$5,000,000) purchased during a specified period 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 securities unless otherwise requested. See “Fees and Expenses” in the Fund’s Simplified Prospectus for more information.

The tax consequences of management fee rebates or fee distributions will generally be borne by the investors receiving these management fee rebates or fee distributions.

## **INCOME TAX CONSIDERATIONS**

This general summary applies to a trust governed by a Registered Plan and an individual (other than a trust) who, for the purposes of the Tax Act, is resident in Canada and holds 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 (“Proposed Amendments”) and the published administrative practices and policies of the Canada Revenue Agency. This summary is not exhaustive of all possible Canadian federal income tax considerations and does not deal with foreign or provincial income tax legislation or considerations.

This summary is based on the assumption that the Fund will qualify as a mutual fund trust under the Tax Act effective from the date of its creation in 2022 and at all times thereafter. The Fund expects to so qualify. If the Fund were to fail to qualify as a mutual fund trust at any time, the tax considerations would in some respects be materially different from those described herein. This summary also assumes that the Fund will not, at any time, be a “SIFT trust” under the Tax Act. If the Fund holds a “non-portfolio property” (as defined in the Tax Act) at any time during its taxation year, the Fund will be a “SIFT trust” for the purposes of the Tax Act for the taxation year. Generally a SIFT trust is subject to tax under Part I of the Tax Act at corporate income tax rates on its “non-portfolio earnings” (as defined in the Tax Act), which includes income from non-portfolio property and net taxable capital gains realized on the disposition of non-portfolio property, even when the non-portfolio earnings are paid or made payable to securityholders of the SIFT trust. Moreover, securityholders who receive a distribution of non-portfolio earnings would be deemed to receive an “eligible dividend” for tax purposes.

**This summary is of a general nature only and is not intended to constitute legal or tax advice to an investor. Investors should seek independent advice regarding the tax consequences of investing in units, based upon the investors’ own particular circumstances.**

### **Taxation of the Fund**

The Fund is subject to tax under Part I of the Tax Act in each taxation year on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it deducts in respect of amounts that are, or are deemed to be, paid or payable to investors in the year. The Fund will in each year distribute sufficient net income and net capital gains to investors so that the Fund will not be liable for income tax under Part I of the Tax Act, after taking into account

any capital gains refunds under the Tax Act. Gains and losses of the Fund from derivatives and short sales will generally be treated on income account. Reasonable administrative and other expenses incurred for the purpose of earning income can be deducted by the Fund. In certain circumstances, losses of the Fund may be suspended or restricted, and therefore would not be available to shelter capital gains or income.

The Fund may elect to have a taxation year end of December 15 and, if it so elects, net income in respect of that taxation year will be distributed between December 15 and December 31, but will be deemed to have been paid or payable to investors on December 15.

### **Taxation of the Investor**

An investor will be required to include in income for tax purposes for any year the amount of net income and net taxable capital gains paid or payable to them in the year, computed in Canadian dollars, whether such amounts are reinvested in additional units or paid by cheque. A fee distribution to an investor may include net income. Provided that the Fund makes the appropriate designations, to the extent permitted under the Tax Act, investors generally will be entitled to treat amounts of Canadian dividend income, foreign income and net taxable capital gains of the Fund paid or payable to them, if any, as if the investors received such amounts directly. Therefore, investors must include any taxable dividends from taxable Canadian corporations in income, subject to the applicable gross-up and dividend tax credit provisions of the Tax Act. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by Canadian corporations. Income of the Fund derived from foreign sources may be subject to foreign withholding tax which may, to the extent designated by the Fund and within certain limits, be credited against Canadian income taxes payable by investors. Investors will be provided with information slips reporting their share of the Fund's income, including capital gains and allowable tax credits.

An investor must include in income for tax purposes the net income and net taxable capital gains paid or payable to them in the year by the Fund, even if the income and capital gains accrued to the Fund or were realized by the Fund before the investor acquired the units and were reflected in the purchase price of the units.

To the extent that distributions (including fee distributions) paid or payable to an investor in a year by the Fund exceed the investor's share of the Fund's net income for the year, the excess (except to the extent that it is proceeds of disposition) will be a return of capital and will not generally be taxable in the investor's hands in the year of receipt but will reduce the adjusted cost base of an investor's units of the Fund. If the adjusted cost base of an investor's units is reduced to less than zero the investor will be deemed to have realized a capital gain equal to the negative amount and the adjusted cost base of the securities will be increased to nil.

Management fees paid directly to the Manager by holders of Series I units will not be deductible by those unitholders.

Upon the actual or deemed disposition of a unit of the Fund, including the redemption of a unit and a redemption to effect a transfer to another Ninepoint mutual fund, a capital gain (or a capital

loss) will be realized by the investor to the extent that the proceeds of disposition of the unit, less any costs of disposition exceed (or are exceeded by) the adjusted cost base to the investor of their unit. Generally, one-half of a capital gain must be included in an investor's 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 changed.

Generally, for the purpose of determining the adjusted cost base to an investor of units of the Fund, when a unit of the Fund is acquired, whether on the reinvestment of distributions or otherwise, the adjusted cost base of the unit is determined by averaging the cost of the newly-acquired unit with the adjusted cost base to the investor of all other identical units held by the investor immediately before that time.

Investors that realize capital gains or receive dividends may become liable for alternative minimum tax.

Provided that the Fund qualifies as a mutual fund trust under the Tax Act effective at all material times, units of the Fund will be qualified investments under the Tax Act for Registered Plans. If units of the Fund are held in a Registered Plan, distributions from the Fund and capital gains from a disposition of the units are generally not subject to tax under the Tax Act until withdrawals are made from the Registered 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 FSAs and RDSPs and subscribers of RESPs, should consult with their own tax advisers as to whether units of the Fund would be prohibited investments under the Tax Act in their particular circumstances. The securities that constitute the Basket of Securities received on a redemption of ETF Series units may not be qualified investments under the Tax Act for Registered Plans. You should consult with your tax advisor before redeeming ETF Series Units held in your Registered Plan.

## **REMUNERATION OF THE IRC**

Each member of the IRC, other than the Chairman, is paid, as compensation for his services, \$21,000 per annum and the Chairman is paid \$24,500 per annum by all the investment funds managed by the Manager. The Fund will pay its pro rata share of the fees paid to the IRC of the Ninepoint investment funds. For the financial year ended December 31, 2021 the aggregate amount of fees and expenses paid to members of the IRC for all of the Ninepoint investment funds was approximately \$69,909.

## **MATERIAL CONTRACTS**

Copies of the material contracts, listed below, are available for inspection during normal business hours at the offices of the Manager at Royal Bank Plaza, South Tower, 200 Bay Street, Suite 2700, P.O. Box 27, Toronto, Ontario:

- (1) Declaration of Trust as described under "Responsibility for Operation of the Fund – Trustee".

- (2) Management Agreement as described under “Responsibility for Operation of the Fund – The Manager”.
- (3) Custodian Agreement, as described under “Responsibility for Operation of the Fund – Custodian”.

## **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Manager was named in a complaint filed in the Supreme Court of the State of New York by O3 Industries, LLC on March 22, 2022. The complaint alleges breach of contract, among other allegations, by an investment fund managed by the Manager, as lender, under a loan agreement and seeks to join the Manager in the lawsuit. The Manager denies the allegations in the complaint and will resist the action vigorously.

Other than with respect to the foregoing, the Manager is not aware of any material legal or administrative proceedings outstanding, threatened or pending by or against the Fund or the Manager.

**NINEPOINT TARGET INCOME FUND**

**(the “Fund”)**

**CERTIFICATE OF THE FUND, THE MANAGER, THE TRUSTEE AND THE  
PROMOTER**

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: May 9, 2022

**NINEPOINT PARTNERS LP, ACTING THROUGH ITS GENERAL PARTNER,  
NINEPOINT PARTNERS GP INC., AS TRUSTEE, MANAGER AND PROMOTER OF  
THE FUND AND ON BEHALF OF THE FUND**

(signed) “John Wilson”

John Wilson  
Co-Chief Executive Officer

(signed) “Shirin Kabani”

Shirin Kabani  
Chief Financial Officer

**ON BEHALF OF THE BOARD OF DIRECTORS OF NINEPOINT PARTNERS GP INC.,  
THE GENERAL PARTNER OF NINEPOINT PARTNERS LP**

(signed) “James Fox”

James Fox  
Director

(signed) “Kirstin McTaggart”

Kirstin McTaggart  
Director

## **NINEPOINT TARGET INCOME FUND**

Manager  
Ninepoint Partners LP  
Royal Bank Plaza, South Tower  
200 Bay Street, Suite 2700  
P.O. Box 27  
Toronto, Ontario  
M5J 2J1  
Tel: 416-943-6707  
Fax: 416-628-2397

Additional information about the Fund is available in the Fund's Fund Facts, ETF Facts, management reports of fund performance and financial statements. You may obtain a copy of these documents, at no cost, by calling toll free: 1-866-299-9906, or from your dealer, or by 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 Fund's designated website at [www.ninepoint.com](http://www.ninepoint.com) or at [www.sedar.com](http://www.sedar.com).

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