

**AMENDMENT NO. 2 DATED MAY 1, 2023  
TO THE PROSPECTUS DATED APRIL 21, 2022, AS AMENDED BY AMENDMENT NO.1  
DATED MARCH 13, 2023 (the “Prospectus”)**

**of NINEPOINT BITCOIN ETF (*ETF UNITS*)**

**(“Ninepoint Bitcoin ETF”)**

This Amendment No. 2 amends the Prospectus relating to the offering of ETF Units of Ninepoint Bitcoin ETF. All defined terms have the meanings ascribed to them in the Prospectus unless otherwise specifically defined in this Amendment No. 2.

This Amendment No. 2 to the Prospectus provides certain additional information relating to Ninepoint Bitcoin ETF. The Prospectus should be read subject to this additional information.

**INTRODUCTION**

A meeting of Unitholders of Ninepoint Bitcoin ETF was held on April 20, 2023 approving changes to Ninepoint Bitcoin ETF’s investment objectives. Effective on or about May 31, 2023, Ninepoint Bitcoin ETF will:

- (i) Change its name to Ninepoint Web3 Innovators Fund, and the tickers it trades under on the TSX will change from “BITC; BITC.U” to “TKN; TKN.U”;
- (ii) Under its new investment objectives seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies, such as Web3, the blockchain and digital asset-enabled internet (“Web3”);
- (iii) Change its investment strategies as a consequence of the change in the investment objectives;
- (iv) Change its custodian to CIBC Mellon Trust Company; and
- (v) Amend its declaration of trust to, among other things, reflect the new name and investment objectives.

The purpose of this Amendment No. 2 is to amend the Prospectus to, effective on or about May 31, 2023, reflect these changes to Ninepoint Bitcoin ETF as further described below under the heading “Details of Amendment”.

**DETAILS OF AMENDMENT**

The following technical amendments to the Prospectus are made effective on or about May 31, 2023:

1. Each reference in the Prospectus to

- (i) “Ninepoint Bitcoin ETF” is deleted and replaced with “Ninepoint Web3 Innovators Fund”;
- (ii) “BITC” is deleted and replaced with “TKN”; and
- (iii) “BITC.U” is deleted and replaced with “TKN.U”.

2. The first paragraph on page (i) of the Prospectus is deleted and replaced with the following:

“**Ninepoint Web3 Innovators Fund (“Ninepoint Web3 Innovators Fund”) invests in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet. Given the speculative nature of such investments and the volatility of markets for such investments, there is considerable risk that Ninepoint Web3 Innovators Fund will not be able to meet its investment objectives. An investment in Ninepoint Web3 Innovators Fund is not intended as a complete investment program and is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment. An investment in Ninepoint Web3 Innovators Fund is considered high risk.**”

3. The fifth through tenth paragraphs on pages (i)-(ii) of the Prospectus are deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund’s investment objectives are to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet (“Web3”). See “*Investment Objectives*”.

Ninepoint Web3 Innovators Fund seeks to achieve its investment objective by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries. See “*Investment Strategies*”.

Ninepoint Web3 Innovators Fund indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs. See “*Investment Strategies*”.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation. See “*Investment Strategies*”.”

4. The second paragraph under the heading “Additional Considerations” on page (ii) of the Prospectus is deleted and replaced with the following:

“The ETF Units are highly speculative and involve a high degree of risk. You may lose a substantial portion or even all of the money you place in Ninepoint Web3 Innovators Fund. The risk of loss in buying, holding and selling securities of companies that give exposure to emerging technologies can be substantial. In considering whether to invest in Ninepoint Web3 Innovators Fund, you should be aware that an investment in securities of companies that give exposure to emerging technologies can quickly lead to large losses as well as gains. Such investment losses can sharply reduce the net asset value of Ninepoint Web3 Innovators Fund and consequently the value of your interest in Ninepoint Web3 Innovators

Fund. Also, market conditions may make it difficult or impossible for Ninepoint Web3 Innovators Fund to liquidate a position.”

5. The fourth paragraph under the heading “Additional Considerations” on page (ii) of the Prospectus is deleted and replaced with the following:

“In the opinion of McCarthy Tétrault LLP, provided that Ninepoint Web3 Innovators Fund qualifies as a mutual fund trust within the meaning of the Income Tax Act (Canada) (the “**Tax Act**

6. Under the heading “Glossary of Terms” on pages 1, 2, 3 and 4 of the Prospectus, each of the definitions of “Bitcoin”, “Bitcoin Network”, “Bitcoin Source”, “FinCen”, “Fork Asset”, “Gemini”, “Gemini BSA/AML Program”, “HSMs”, “MVIBBR” and “the MVIBBR”, “MVIS” “OTC”, “Sub-Custodian”, and “Sub-Custodian Agreement” are deleted in their entirety.
7. Under the heading “Glossary of Terms” on page 1 of the Prospectus, each of the definitions of “Custodian”, “Custodian Agreement” and “Declaration of Trust” are deleted and replaced with the following:

““**Custodian**” means CIBC Mellon Trust Company or its successor, in its capacity as custodian under the Custodian Agreement.”

““**Custodian Agreement**” means the custodian agreement dated April 16, 2018 between the Manager on behalf of Ninepoint Web3 Innovators Fund and the Custodian, as it may be amended from time to time.”

““**Declaration of Trust**” means the master declaration of trust dated May 6, 2021, as amended and restated on January 5, 2022, as further amended and restated on or about May 31, 2023, and as it may be further amended from time to time.”

8. Under the heading “Glossary of Terms” on page 2 of the Prospectus, the following definition is added under the definition of “Extraordinary Resolution”:

““**FHSA**” means first home savings account as defined in the Tax Act.”

9. Under the heading “Glossary of Terms” on page 3 of the Prospectus, the definition of “Registered Plan” is deleted and replaced with the following:

““**Registered Plan**” means an RRSP, RRIF, DPSP, RDSP, RESP, TFSA or FHSA.”

10. The first paragraph (i) under the heading “Prospectus Summary – Issuer” on page 5 of the Prospectus; and (ii) under the heading “Overview of the Legal Structure of Ninepoint Bitcoin ETF” on page 13 of the Prospectus, is deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund (“**Ninepoint Web3 Innovators Fund**”) is an alternative mutual fund trust within the meaning of National Instrument 81-102 – *Investment Funds* (“**NI 81-102**”) created under the laws of the Province of Ontario. Ninepoint Web3 Innovators Fund was originally established as a closed-end investment trust (“**Bitcoin Trust**”) under the laws of Ontario and was converted into an exchange-traded fund as of

May 6, 2021 (the “**Conversion**”). On April 20, 2023, Unitholders approved, among other things, changes from Ninepoint Web3 Innovators Fund’s then existing investment objectives to the current investment objectives (the “**Investment Objectives Change**”). In connection with the Investment Objectives Change, Ninepoint Web3 Innovators Fund changed its name from “Ninepoint Bitcoin ETF” to “Ninepoint Web3 Innovators Fund”.”

11. The paragraph (i) under the heading “Prospectus Summary – Investment Objectives” on page 5 of the Prospectus; and (ii) under the heading “Investment Objectives” on page 13 of the Prospectus, are deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund’s investment objectives are to seek to provide Unitholders with capital appreciation by investing in a diversified portfolio comprised primarily of equity and equity-related securities of companies that give investors exposure to emerging technologies such as Web3, the blockchain and digital asset-enabled internet.”

12. The investment strategies currently set out under the heading “Prospectus Summary – Investment Strategies” on page 5 of the Prospectus, are deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund seeks to achieve its investment objectives by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries.

Ninepoint Web3 Innovators Fund indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation.”

13. The section under the heading “Prospectus Summary – Risk Factors” on page 7, 8 and 9 of the Prospectus is deleted and replaced with the following;

“There are certain risks inherent in an investment in Ninepoint Web3 Innovators Fund and ETF Units including:

#### **Risk Factors Relating to an Investment in Ninepoint Web3 Innovators Fund**

- (a) No Assurance in Achieving Investment Objectives
- (b) Loss of Investment
- (c) Active Management Risk
- (d) Concentration Risk
- (e) Asset Class Risk
- (f) Blockchain Risk

- (g) Cryptocurrency Risk
- (h) Disruptive Innovation Risk
- (i) Emerging Technologies Risk
- (j) Communication Services Companies Risk
- (k) Information Technology Companies Risk
- (l) Liquidity Risk
- (m) Equity Securities Risk
- (n) General Risks of Foreign Investments
- (o) Trading Price of ETF Units
- (p) Cease Trading of Securities Held by Ninepoint Web3 Innovators Fund Risk
- (q) Small Company Risk
- (r) Specific Issuer Risk
- (s) Trading Price of Underlying Funds Risk
- (t) Derivative Instrument Risk
- (u) Securities Lending Risk
- (v) Reliance on the Manager
- (w) Manager and Custodian Standard of Care
- (x) Potential Conflicts of Interest
- (y) Valuation of Ninepoint Web3 Innovators Fund
- (z) Currency Risk
- (aa) U.S. Currency Exposure
- (bb) Substantial Securityholder Risk
- (cc) No Ownership Interest in the Portfolio
- (dd) Changes in Legislation
- (ee) Inflation Risk
- (ff) Not a Trust Company

(gg) Cyber Security Risk

(hh) COVID-19 Outbreak

(ii) Tax Risks”

14. The section under the heading “Prospectus Summary – Taxation of Registered Plans” on page 9 of the Prospectus is deleted and replaced with the following;

“In the opinion of McCarthy Tétrault LLP, provided that Ninepoint Web3 Innovators Fund qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the ETF Units are listed on a “designated stock exchange” within the meaning of the Tax Act (which includes the TSX), ETF Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans, registered education savings plans, tax-free savings accounts and first home savings accounts (collectively, “**Registered Plans**”). Holders of tax-free savings accounts, registered disability savings plans or first home savings accounts, annuitants under registered retirement savings plans or registered retirement income funds, and subscribers under registered education savings plans should consult their own tax advisors to ensure ETF Units would not be a “prohibited investment” for the purposes of the Tax Act in their particular circumstances. See “*Canadian Federal Income Tax Considerations – Status of Ninepoint Web3 Innovators Fund*”.

15. The section under the heading “Prospectus Summary – Organization and Management Details – Auditor” on page 10 of the Prospectus is deleted and replaced with the following;

“The independent auditor of Ninepoint Web3 Innovators Fund is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants, Toronto, Ontario. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund - Auditor*”.”

16. The section under the heading “Prospectus Summary – Organization and Management Details – Custodian” on page 10 of the Prospectus is deleted and replaced with the following;

“CIBC Mellon Trust Company (the “**Custodian**”) at its principal offices in Toronto, Ontario acts as custodian of the assets of Ninepoint Web3 Innovators Fund pursuant to the Custodian Agreement and holds those assets in safekeeping. The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for certain reasonable expenses that are properly incurred by the Custodian in connection with the activities of Ninepoint Web3 Innovators Fund. The Custodian may appoint one or more sub-custodians from time to time with the consent of Ninepoint Web3 Innovators Fund in accordance with NI 81-102. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Custodian*”.”

17. The section under the heading “Prospectus Summary – Organization and Management Details – Sub-Custodian” and such heading on page 10 of the Prospectus are deleted in their entirety.

18. The section under the heading “Summary of Fees and Expenses – Fees and Expenses Payable by Ninepoint Bitcoin ETF – Operating Expenses” on page 11 of the Prospectus is deleted and replaced with the following:

“In addition to the Management Fee, Ninepoint Web3 Innovators Fund will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with National Instrument 81-102 – Investment Funds (“**NI 81-102**”), it is expected that the expenses for Ninepoint Web3 Innovators Fund will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Web3 Innovators Fund investment in its portfolio assets; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the custodian; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Web3 Innovators Fund; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Web3 Innovators Fund and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “**IRC**”); expenses related to compliance with National Instrument 81-107 – Independent Review Committee for Investment Funds (“**NI 81-107**”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the Custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Web3 Innovators Fund.

See “*Fees and Expenses – Operating Costs and Expenses*” and “*Organization and Management Details – The Trustee, Manager and Promoter – Fees and Expenses Payable Directly by the Unitholders*”.”

19. Under the heading “Investment Strategies” on page 13 of the Prospectus the six paragraphs following such heading are deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund seeks to achieve its investment objective by investing in a diversified portfolio comprised primarily of equity and equity-related securities of public companies that are leveraging Web3 and related technologies to transform their businesses and gain a competitive advantage in their respective markets and industries.

Ninepoint Web3 Innovators Fund also indirectly invests in digital assets that provide direct exposure to Web3 technology by investing in securities of Canadian cryptocurrency ETFs. Not more than 30% of Ninepoint Web3 Innovators Fund’s assets will be invested in securities of Canadian cryptocurrency ETFs. The Manager seeks to gain unique insights into the leading companies who are using these technologies in a range of industries. The Manager selects securities for Ninepoint Web3 Innovators Fund through a combination of quantitative and qualitative analysis, focusing on several factors, including but not limited to, assessing the merits of key personnel, analyzing the manner in which they are integrating Web3 and emerging technologies, and valuation.

Ninepoint Web3 Innovators Fund is actively managed, and the Manager monitors the performance of the investments and adjusts the portfolio accordingly based on several

factors including, but not limited to, the following: the underlying business fundamentals, changes in market position, liquidity, and market innovation. Ninepoint Web3 Innovators Fund may invest in equity and equity-related securities of small, medium and large capitalization companies at the Manager's discretion.

The Manager also monitors the macroeconomic environment to identify any potential risks or opportunities and regularly reviews the portfolio and adjusts as needed seeking to ensure the portfolio is well-positioned for long-term success. Ninepoint Web3 Innovators Fund's portfolio will be diversified with securities of any one issuer not exceeding 10% of Ninepoint Web3 Innovators Fund's net asset value, unless permitted under NI 81-102. The Manager also considers the liquidity of any security before investing. Ninepoint Web3 Innovators Fund does not have any geographical restrictions on its investments.

Ninepoint Web3 Innovators Fund will not use leverage. Ninepoint Web3 Innovators Fund may use listed options and will have the ability to hedge currency at the Manager's discretion.

Ninepoint Web3 Innovators Fund may also choose to:

- hold Canadian cryptocurrency ETFs, provided that not more than 30% of Ninepoint Web3 Innovators Fund's assets will be invested in securities of Canadian cryptocurrency ETFs.
- hold up to 100% of Ninepoint Web3 Innovators Fund's assets in cash short-term money market instruments, or other equivalents at any time, including, in accordance with NI 81-102, other investment funds managed by the Manager that invest all or substantially all of their assets in cash or cash equivalents, for cash management purposes based on the market outlook for the sectors where these companies operate.
- invest in private companies and other illiquid assets as permitted under NI 81-102.
- engage in securities lending and repurchase and reverse repurchase transactions as permitted under NI 81-102 to seek to generate additional income.”

20. The heading “Overview of the Sector in which Ninepoint Bitcoin ETF Invests” on page 14 of the Prospectus and all of the paragraphs associated with that heading are deleted and replaced with the following:

## **“OVERVIEW OF THE SECTOR IN WHICH NINEPOINT WEB3 INNOVATORS FUND INVESTS**

### **Summary**

Ninepoint Web3 Innovators Fund invests in accordance with its investment objectives and investment strategies. See “*Investment Objectives*” and “*Investment Strategies*”.

The Web, and with it the Internet, are entering a new era, known as Web3. Web1 was the so-called “Read-web,” a way to consume information digitally. Static and primitive by

today's standards, it was nevertheless a major breakthrough that democratized access to information for those with an internet connection. Web2, or the read/write web, built on the early success of Web1. In Web2, the web became not only a medium for the presentation of information, but also a powerful tool for communication and collaboration online. If Web1 democratized access to information, then Web2 democratized publishing for all internet users, ushering in the era of user-generated content. Web2 impacted many industries, such as media and retail, but the data and value that users generated online was largely captured by intermediaries including financial services companies and technology firms, who became gatekeepers for the digital economy, enacting tolls and limiting innovation, preventing the web from reaching its full potential, perhaps until now.

Web3, the "Read-Write-Own Web" is a decentralized Internet intended to allow individuals to securely trade assets like money, securities, intellectual property, and art privately and peer to peer. Web3 has the potential to be more fair, private, decentralized, resilient, and a more inclusive system for economic and social interactions that will empower individuals, entrepreneurs, creators, and enterprises. The Manager believes that this will be made possible through Web3's utilization of blockchain technology, the first digital medium for value, enabling the movement, storage, and management of digital assets.

In a Web3 vision for the Internet, individuals own their own data and their own digital identities in digital wallets and decide how that data is used or monetized. The Manager believes that Web3 has the potential to reimagine many businesses and industries, transform money and markets, restore digital property rights and usher in new kinds of assets known as tokens that are expected to create innovation in the economy.

As with prior eras of the Internet, the Manager expects Web3 will become an integral technology for business. As Web3 becomes more widely used, investors may capture the upside by investing in public equities and other publicly traded securities that offer exposure to the most dynamic organizations in this space.

***Figure 1: The Web, and with it the Internet, are Entering a New Era***



#### **Ninepoint Web3 Innovators Fund Benefits**

The Manager believes that Unitholders will enjoy the following benefits from investing in Ninepoint Web3 Innovators Fund:

- (1) **Convenient Way to Get Exposure to Web3:** Ninepoint Web3 Innovators Fund's investment objectives and strategies offer diversification by providing Unitholders with exposure to widespread innovation in digital assets and the emerging field of Web3. This strategy gives Unitholders access to a much larger investment universe, while remaining focused on digital asset innovation.
- (2) **Growing Investment Universe:** Increasingly, leading companies in the digital asset and Web3 industry have gone public or plan to go public, and the Manager believes that this trend will continue. As this occurs, the investment universe becomes broader and deeper across different industries. The Manager believes that this should be a tailwind for Ninepoint Web3 Innovators Fund with its investment objectives and strategies setting it up for long-term success.
- (3) **Digital Asset Exposure, Including Bitcoin:** Ninepoint Web3 Innovators Fund may indirectly own Bitcoin via other listed Canadian cryptocurrency exchange-traded funds and will get high exposure to Bitcoin from publicly listed companies operating entirely in the digital asset world. The Manager continues to believe that Bitcoin is a staple of any Web3 portfolio and believes Ninepoint Web3 Innovators Fund's portfolio approach gives it optimal exposure to the underlying asset.
- (4) **Exposure to Enterprise Adoption of Web3:** The investment objectives will allow Ninepoint Web3 Innovators Fund to invest in leading companies harnessing Web3 and related technologies to transform their industry or business. In the same way the first eras of the World Wide Web unlocked new value in the economy for those firms willing to see its potential, the Manager believes that Web3 will also deliver value for enterprise leaders.
- (5) **Uniquely Positioned in Canada:** The Ninepoint Digital Asset Group has been a leader in researching and studying digital asset transformations for years. Web3 has been a central focus of the Manager since 2021.
- (6) **Experienced Manager with Track Record in Alternative Assets:** The Manager has a long and successful track record of launching exchange-traded investment products that provide investors with exposure to novel or emerging asset classes and industries.

## Web3 Industry Overview

### *Principals of Web3:*

- (i) **Ownership:** Digital assets, or "tokens" give internet users an economic stake in their digital existence and enable property rights online allowing two or more individuals can transact peer to peer without an intermediary. Just as websites are containers for information, tokens can be thought of as containers for value. As such, there is a near infinite number of different tokens representing ownership in everything from money to stocks, art, collectibles, data, natural assets, and much more. See "*Overview of the Sector in which Ninepoint Web3 Innovator Fund Invests – Tokens*".
- (ii) **Commerce:** Web3 is enabled by blockchains, a digital medium for value. With new digital assets at their disposal, innovators can reimagine many business models and marketplaces

with this technology, across a range of industries from financial services to cultural industries. For example, in financial services, decentralized finance (or “DeFi”) is reimagining many traditional financial markets such as lending, trading, funding and the moving and storing of value while stablecoins, digital assets backed by Fiat currencies, clear trillions in dollar value per year in transactions on blockchains such as Ethereum.<sup>1</sup> In cultural industries, NFTs (non-fungible tokens) are enabling new ways for creators to monetize their art and connect with fans.

- (iii) **Identity:** In Web2, internet users create data, but they do not own that data which can create barriers from monetizing the data. Instead, that data is monetized by data aggregators like social media companies who repurpose and repackage it to advertisers. Advertising became one of Web2’s great business models, at the expense of privacy and the user experience. The Manager believes that data is one of the most important asset classes of the digital age, but until now there have been limited ways for users to safeguard it and use it for their own benefit. In Web3, individuals own their own data and can use it as identifiers, creating a self-sovereign identity.
- (iv) **Governance:** Many Web3 based products and services allow users to earn into the ownership of those products and services by way of a token. Ownership, aligns the interests of users with the products they rely on. It also gives them an economic ownership and with it a say in the governance of those platforms. For example, in DeFi, early users of applications such as Compound, Uniswap and others were rewarded for helping to bootstrap the usefulness of those applications by earning a token. The Manager believes that Web3 extends the Silicon Valley maxim that to attract the best talent, you need to share in the upside, and applies it globally to anyone who uses Web3 applications.

### ***Web3 Technology:***

#### **i. Tokens**

Tokens are the native asset class of Web3 and the essential building block in many Web3 applications and services. Tokens fall into different categories such as fungible tokens and non-fungible tokens (“NFTs”), where a fungible thing is an item that can easily be replaced with others of the same kind. NFTs, by contrast, are unique digital goods that are provably unique, provably distinct, and therefore not fungible and not interchangeable. While commonly associated with art and other rare collectibles, NFTs are also useful for expressing bespoke contracts and agreements.

#### **ii. Digital Wallets**

Wallets are one of the main ways Web3 users interface with applications. Most wallets are open-source software that generate a public key or collection of public keys that function, in effect, like a user’s account number. To move a token like Bitcoin or Ether out of a wallet requires a private key, which when paired with the public key, gives the user the ability to unlock the Bitcoin or Ether and move or spend it. This process of combining the private and public key pair is known as “signing” a transaction. However, while a public key can be derived from its corresponding private key pair, a public key cannot be used to discover the private key. In this sense, a private key is akin to a very strong password.

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<sup>1</sup> *State of the USDC Economy*, published by Circle, 2022, page 8

Other kinds of wallets include multi-signature wallets, where a collection of users each must sign a transaction before unlocking the funds.

### **iii. Consensus Algorithms**

Tokens are considered valuable because digital scarcity can be programmed into blockchains. A token cannot exist in two places at the same time. To ensure that a network only has one state at any point in time, everyone in the network needs to agree on the state.

This is done through consensus algorithms, which are used to reach agreement on the state of a distributed system without the need for a central authority. The two main kinds of consensus algorithms are (i) proof of work and (ii) proof of stake. Proof of work algorithms harness the computing power of a large decentralized network to validate transactions and update the blockchain. Proof of stake algorithms rely on existing holders of assets to pledge their value to a network. Acting with integrity ensures they receive a reward while trying to undermine the network could mean losing what they have staked (a process known as ‘slashing’).

### **iv. Smart Contracts**

A smart contract is a special type of agreement that replaces the logic of a traditional contract with self-executing software running on a blockchain. Web3 innovators are replacing the business logic of traditional agreements with smart contracts, impacting many industries. For example, in art and other cultural industries, artists can sell their work as a token, known as an NFT, and receive a stream of royalty payments paid out via a smart contract every time that piece of art is resold.

### **v. Decentralized Autonomous Organizations and Decentralized Applications**

Decentralized Autonomous Organizations (DAOs) are a new internet-native tool to pool resources and coordinate skills and talent in building something of value, akin to an open-source project like Linux, but with a way for contributors to earn fair compensation. According to DappRadar, there are over 13,000 decentralized applications (dApps) across the different blockchain networks.<sup>2</sup> There are several categories of dApps including finance (DeFi), gaming, social, supply chain, identity, and more, each providing differentiated use cases in a decentralized manner. Despite unfavourable macroeconomic conditions stemming from hacks and exploits within the industry, dApps had a reported 2.38 million daily active users (DAU) during Q1 2022, a 396% increase compared to Q1 2021.<sup>3</sup> The Manager believes that this illustrates a significantly increasing demand for dApps, and the resilience of developers to create high-quality offerings in bearish conditions, which have historically proven to be comprised of long-term-oriented builders looking to provide value rather than seek quick monetary gain in bullish markets.

## **Tokens**

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<sup>2</sup> <https://dappradar.com/blog/dapp-industry-report-2022-dapp-industry-proves-resilient-in-crypto-winter#:~:text=Currently%2C%20DappRadar%20tracks%20over%2050,over%202.5%20million%20smart%20contracts>.

<sup>3</sup> <https://ca.style.yahoo.com/dappradar-q1-2022-report-2-140000647.html>

Increasingly many businesses are harnessing digital assets, also known as tokens, to open up new markets, create new products and services and reach customers. The Manager believes that the term cryptocurrency is a misnomer, as most digital assets are not trying to be currencies in the classical sense of a medium of exchange, store of value and unit of account. Alex Tapscott, Managing Director of the Ninepoint Digital Asset Group, developed and periodically updates the token taxonomy, pictured below. The Manager's extensive research and expertise regarding Digital Assets and Web3 was illustrated in its joint research report with the Blockchain Research Institute entitled "*Digital Asset Revolution*".

**Figure 2: Web3 Token Taxonomy**

## DRIVER OF GROWTH: THE TOKENIZATION OF ASSETS

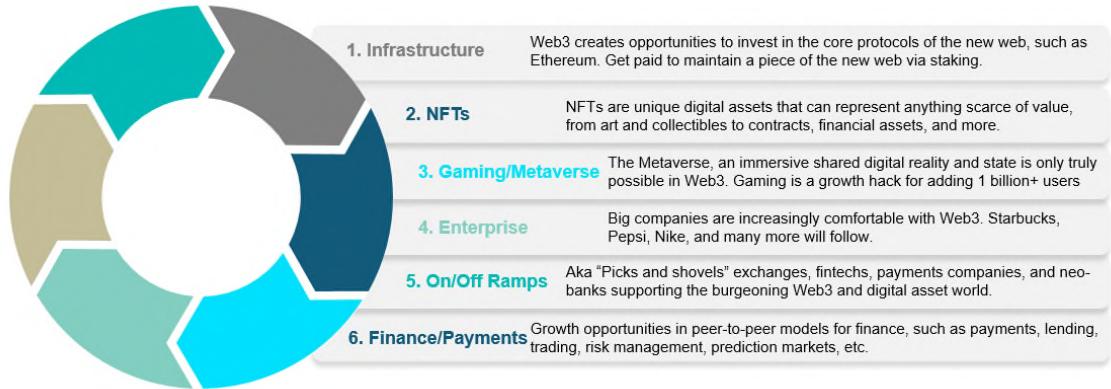


## Web3 Public Market Investment Themes

Web3 technologies are increasingly becoming integrated into the inner working of many leading businesses, including as illustrated below:

**Figure 3: Web3 Public Market Investment Themes**

## Web3 Public Market Investment Themes



### Web3 in the Finance/Payments Industries

DeFi looks to continue its current trajectory of becoming the financial system of the new internet and digital economy in its reimagination of financial services, peer-to-peer and online, in an open and more accessible way, especially for those without access to traditional financial services. DeFi is global, capital efficient, peer-to-peer, and digitally native. In the same way that cell phones allowed billions to leapfrog landlines, the Manager believes that DeFi could enable people to do the same for traditional banks and other intermediaries. Just in the last few years, DeFi has seen an explosion of innovation which the Manager believes has created billions of dollars in value; at the start of 2020, the total number of DeFi users worldwide was approximately 109,000, compared to 1.31 million in as of the start of 2021, 4.96 million in as of the start of 2022, and 6.65 million as of the start of 2023.<sup>4</sup>

Furthermore, the total value locked (“TVL”) across all DeFi projects in smart contracts currently sits around \$50 billion, which is a 72% drawdown from its all-time high of \$180 billion set in December 2021. The DeFi market capitalization as a percentage of the global cryptocurrency market was nearly 7% in early 2022, and is now sitting at approximately 4%; this metric was less than 1% in early 2020. The Manager believes that these statistics reveal a real and positive user adoption trend of DeFi, and showcase the immense value stored within these projects. As such, the Manager believes that the potential of DeFi is profound and disruptive to the status quo; reimagining how finance works without intermediaries, platforms, and other middlemen, which the Manager believes could engulf firms that fail to innovate, adapt, and embrace DeFi.

### Web3 in the Gaming Industry and the Metaverse

The Metaverse concept has garnered considerable attention in the past few years. This concept refers to a virtual world where users can interact in real-time with avatars, whether for gaming, commerce, socializing, learning, or other sought-after alternatives. Insights from a Statista study suggest that 15% of the digital economy has already shifted to the Metaverse, and its user base by 2030 is projected to be 700 million people worldwide.<sup>5</sup> In

<sup>4</sup> <https://www.statista.com/statistics/1297745/defi-user-number/>

<sup>5</sup> <https://www.weforum.org/agenda/2023/02/chart-metaverse-market-growth-digital-economy/>

addition, the same study from Statista suggests that the total addressable market (TAM) for the Metaverse by the end of this decade ranges from \$1.91 trillion in a conservative scenario to \$4.4 trillion in an optimistic scenario.<sup>6</sup> An example of the Metaverse in gaming is Roblox, an online game platform that allows users to create or enjoy others' gaming experiences; it boasts one of the largest metaverses with approximately 59 million daily active users as of the fourth quarter of 2022.<sup>7</sup>

The Metaverse's potential for impact is large in magnitude, and this has caught the eye of large enterprises, like Facebook, which completed a rebrand to "Meta" and aligned its business focus to "bring the metaverse to life." Web3 technology is an instrumental building block for the open metaverse; it offers the underlying infrastructure of decentralization so that users can freely interact, trade digital goods without centralized limitations, and create experiences for others to pay for and enjoy. Another important facet of Web3 relating to the Metaverse is non-fungible tokens (NFTs). In a Web3 world, they own and custody those assets. Ownership becomes part of the user experience for gamers and other internet users. For example, virtual real estate NFT sales exceeded \$1.4 billion in 2022 across five of the most prominent Web3 Metaverses, Decentraland, Otherside, The Sandbox, NFT Worlds, and Somnium Space, which was up from just \$0.5 billion in 2021.<sup>8</sup> The Manager believes that this highlights how the growing adoption of virtual reality ("VR") and augmented reality ("AR") technologies has fueled the development of the Metaverse and in turn, yielded a substantially increased demand for virtual real estate.

### **Web3 Funding**

The Manager believes that the venture capital ("VC") flows into the crypto industry showcase investors' rising preference to gain exposure to Web3 as it continues to develop and evolve on its strong path forward. Figure 4 below illustrates a positive crypto macroeconomic trend with consistently increasing VC inflows over the past seven years. In 2022, an all-time high of nearly \$40 billion was raised by crypto firms and this momentum has already seen around \$2 billion raised YTD in 2023 as of March 23, 2023.

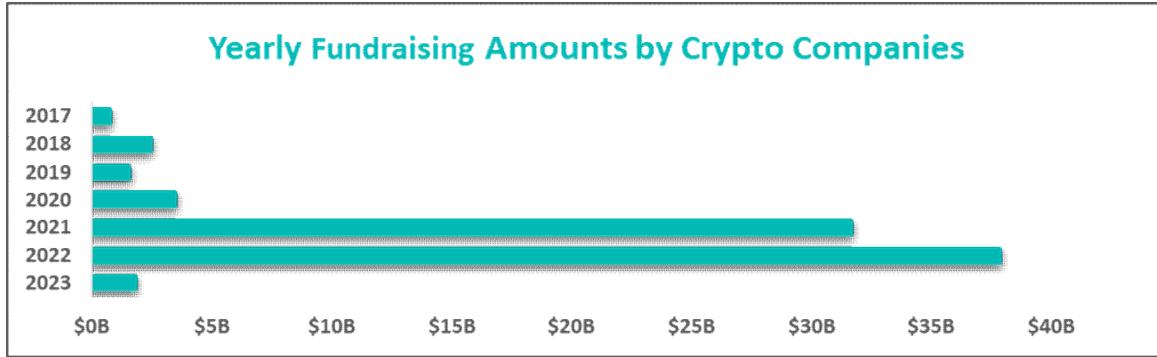
*Figure 4: Yearly Fundraising Amounts by Crypto Companies (Source: Messari)*

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<sup>6</sup> <https://www.weforum.org/agenda/2023/02/chart-metaverse-market-growth-digital-economy/>

<sup>7</sup> <https://www.statista.com/statistics/1192573/daily-active-users-global-roblox/>

<sup>8</sup> <https://ghost.parcel.so/content/files/2023/01/2022-Annual-Metaverse-Virtual-Real-Estate-Report---Parcel-2.pdf>



Figures 5 and 6 below are category-specific, depicting the VC crypto inflow breakdown between infrastructure, Web3, DeFi, CeFi, and NFTs. As illustrated in Figure 5, Web3 has seen an increased allocation relative to the total fundraising amount in each of the past three years; it was 4.67% in 2020, 7.22% in 2021, 24.96% in 2022, and as of March 14, 2023, was 36.44% for 2023. This is complemented by Figure 6 which highlights Web3 leading all categories in total fundraising rounds over the past seven years totalling 1,025. The Manager believes that Figures 5 and 6 emphasize that Web3's potential impact has attracted the attention of venture capitalists at an increasing rate. The Manager believes that Figures 4, 5 and 6 illustrate that the trend of total VC flows into crypto companies bodes well for Web3, as it looks to remain the categorical focal point of investment and embrace the support to establish solid foundational pillars for the next digital age.

Figure 5: Yearly Fundraising Allocation by Crypto Category

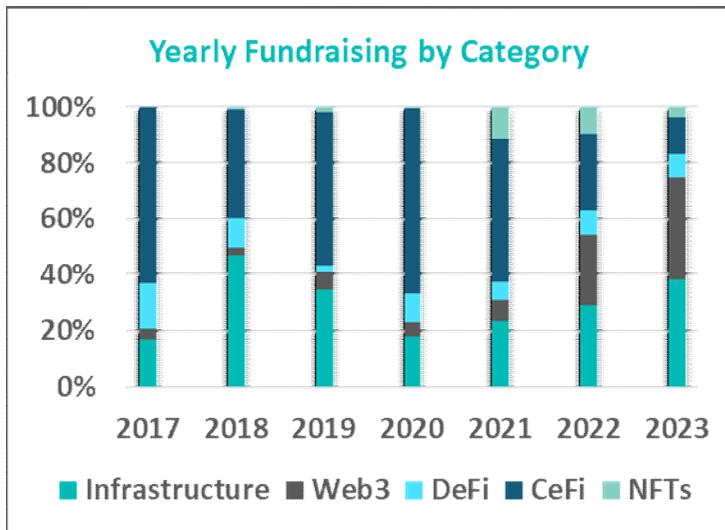
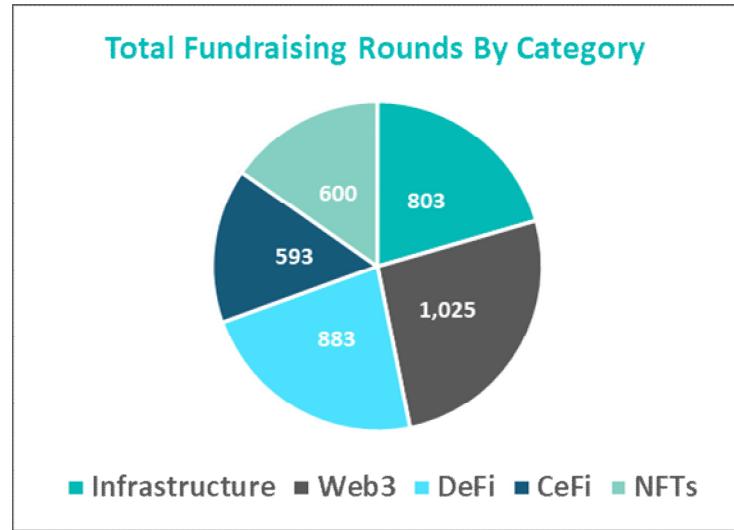


Figure 6: Total Fundraising Rounds by Crypto Category



### Enterprise Adoption of Web3 Toolkit:

In much the same way initial “internet” technology was adopted in enterprises as “intranets,” as internet technologies matured and leveraged open innovation, enterprises shifted their interest and efforts to public internet technology, industries are starting to see the same thing happen in Web3. The Manager believes that a growing number of

enterprises will start to leverage public blockchains for their state information and this will reduce the friction for enterprises to work with and coordinate their activities with ecosystems of partners. The Manager believes that Bitcoin is just the start of the Web3 revolution and that Web3 tools are impacting the businesses of large public enterprises. A few examples of large enterprise adoption of Web3 are provided below.

Microsoft is illustrative of a large-sized enterprise adopting Web3 technologies as part of its product and service offerings. Microsoft partnered with Ankr, a Web3 company offering distributed node infrastructure, to “build a strong Web3 infrastructure layer whether you’re a developer building the next big decentralized application (dApp) or an established enterprise exploring Web3,” as Rashmi Misra (Microsoft General Manager AI & Emerging Technologies) puts it.<sup>9</sup> Adding to these efforts, Microsoft has confirmed its commitment to Web3 through its blockchain investments in ConsenSys, a provider of leading blockchain products, and its proposed acquisition of Activision Blizzard to provide “building blocks for the Metaverse.”<sup>1011</sup>

Nike is another example of a company that has adopted Web3 technology through its acquisition of RTFKT, an innovative company delivering next generations of digital collectibles to merge culture and gaming to accelerate their digital transformation, footprint, and capabilities.<sup>12</sup> Afterwards, Nike launched a Web3-enabled platform “.SWOOSH” to provide members with the ability to learn, collect, and help co-create virtual creations in the form of digital goods.<sup>13</sup>

LVMH has also showcased an interest in and commitment to Web3. In April 2021, LVMH co-established Aura Blockchain, “the first blockchain solution made by luxury brands for luxury brands” alongside Prada Group and Cartier, and has since been joined by the OTB Group and Mercedes-Benz.<sup>14</sup> The Aura Blockchain Consortium aims to raise the standards of luxury through the development of blockchain technology applications. They believed that such an alliance with other dominant luxury brands would help pave the way for increased transparency and traceability and have actively voiced for other prestigious companies to join their journey.

Google has invested over \$1.5 billion cumulatively across a variety of quality Web3 firms, including Fireblocks, Dapper Labs, Voltage, and Digital Currency Group (CDG), and has a variety of Google Cloud service offerings to support blockchains and node-hosting for Web3 development.<sup>151617</sup>

Salesforce CEO Marc Benioff’s statement “blockchain is the future of apps but getting access to the core technology has been just way too difficult”<sup>18</sup> has been backed up with

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<sup>9</sup> <https://www.ankr.com/blog/ankr-and-microsoft-partner-to-offer-enterprise-node-services/>

<sup>10</sup> <https://news.microsoft.com/2022/01/18/microsoft-to-acquire-activision-blizzard-to-bring-the-joy-and-community-of-gaming-to-everyone-across-every-device/>

<sup>11</sup> <https://www.ankr.com/blog/ankr-and-microsoft-partner-to-offer-enterprise-node-services/>

<sup>12</sup> <https://about.nike.com/en/newsroom/releases/nike-acquires-rtfkt>

<sup>13</sup> <https://about.nike.com/en/newsroom/releases/nike-launches-swoosh-a-new-digital-community-and-experience>

<sup>14</sup> <https://auraluxuryblockchain.com/>

<sup>15</sup> <https://www.blockdata.tech/blog/general/top-100-public-companies-investing-in-blockchain-and-crypto-companies>

<sup>16</sup> <https://www.bnbcchain.org/en/blog/bnb-chain-and-google-cloud-collaborate-to-accelerate-the-growth-of-web3/>

<sup>17</sup> <https://cloud.google.com/blog/products/infrastructure-modernization/introducing-blockchain-node-engine>

<sup>18</sup> <https://twitter.com/Benioff/status/1384144353833078801?s=20>

Salesforce's Web3 Connect and NFT Management services to bridge Web3 with their leading customer relationship management (CRM) platform.<sup>19</sup>

Amazon Web Services unveiled its Amazon Managed Blockchain product to easily create and manage scalable blockchain networks, while NVIDIA released its NVIDIA Omniverse platform to create and operate metaverse applications.<sup>20</sup><sup>21</sup>

Payment giants Visa and Mastercard both offer crypto adjacent solutions and continue to develop blockchain related service offerings related to their existing payment networks, PayPal allows users to buy, sell, hold, and transfer crypto, and Shopify's Blockchain feature enables vendors to build for token-powered, blockchain commerce.<sup>22</sup><sup>23</sup><sup>24</sup><sup>25</sup>

This non-exhaustive list of large organizations across industries embracing Web3, either directly in product offerings or indirectly through strategic investment, is promising for the next era of the internet's future and exemplifies the expanding investment universe for Ninepoint Web3 Innovators Fund.”

21. The paragraph under the heading “Fees and Expenses – Fees and Expenses Payable by Ninepoint Bitcoin ETF – Operating Costs and Expenses” on page 21 of the Prospectus is deleted and replaced with the following:

“In addition to the Management Fee, Ninepoint Web3 Innovators Fund will pay for all ordinary expenses incurred in connection with its operation and administration. Unless otherwise waived or reimbursed by the Manager, and subject to compliance with NI 81-102, it is expected that the expenses for Ninepoint Web3 Innovators Fund will include, as applicable, without limitation: all costs and expenses associated with the execution of transactions in respect of Ninepoint Web3 Innovators Fund investment in its portfolio assets; audit fees; fees payable to third-party service providers; trustee and custodial expenses including fees payable to the Custodian; valuation, accounting and record keeping costs; legal expenses; prospectus preparation and filing expenses; costs associated with delivering documents to Unitholders of Ninepoint Web3 Innovators Fund; listing fees and expenses and other administrative expenses and costs incurred in connection with the continuous public filing requirements; costs and expenses of preparing financial and other reports, costs and expenses arising as a result of complying with all applicable laws, regulations and policies; depositary fees; bank related fees and interest charges; extraordinary expenses; reports to Unitholders of Ninepoint Web3 Innovators Fund and servicing costs; registrar and transfer agent fees; fees and expenses of the members of the Independent Review Committee (the “**IRC**”); expenses related to compliance with National Instrument NI 81-107 – *Independent Review Committee for Investment Funds* (“**NI 81-107**”); fees and expenses relating to the voting of proxies by a third party; premiums for directors’ and officers’ insurance coverage for the members of the IRC; income taxes; all applicable sales taxes; brokerage expenses and commissions; and withholding taxes. Such

<sup>19</sup> <https://www.salesforce.com/products/web3/overview/>

<sup>20</sup> <https://aws.amazon.com/managed-blockchain/>

<sup>21</sup> <https://www.nvidia.com/en-us/omniverse/>

<sup>22</sup> <https://usa.visa.com/solutions/crypto.html#2>

<sup>23</sup> <https://www.mastercard.com/global/en/business/issuers/crypto.html>

<sup>24</sup> <https://www.paypal.com/us/digital-wallet/manage-money/crypto>

<sup>25</sup> <https://blockchain.shopify.dev/#features>

expenses will also include expenses of any action, suit or other proceedings in which or in relation to which the Manager, the custodian, the IRC and/or any of their respective officers, directors, employees, consultants or agents is entitled to indemnity by Ninepoint Web3 Innovators Fund.”

22. Under the heading “Risk Factors – Risk Factors Relating to an Investment in Ninepoint Bitcoin ETF” on page 22 of the Prospectus, all of the sub-headings and paragraphs related to such heading are deleted and replaced with the following:

***“No Assurance in Achieving Investment Objectives***

There is no assurance that Ninepoint Web3 Innovators Fund will be able to achieve its investment objectives.

***Loss of Investment***

An investment in Ninepoint Web3 Innovators Fund is appropriate only for investors who have the capacity to absorb a loss on their investment.

***Active Management Risk***

Ninepoint Web3 Innovators Fund is subject to the risk that its investment management strategies may not produce the intended results. There can be no assurance that the securities selected by the Manager will produce positive returns.

***Concentration Risk***

Ninepoint Web3 Innovators Fund may concentrate its investment holdings in specialized industries, market sectors, geographical regions, asset classes or in a limited number of issuers. Investments in Ninepoint Web3 Innovators Fund involves greater risk and volatility than broadly based investment portfolios since the performance of one particular industry, market, geographical region, asset class or issuer could significantly and adversely affect the overall performance of Ninepoint Web3 Innovators Fund.

***Asset Class Risk***

Securities and other assets in Ninepoint Web3 Innovators Fund’s portfolio may underperform in comparison to the general financial markets, a particular financial market or other asset classes.

***Blockchain Risk***

Ninepoint Web3 Innovators Fund may hold securities issued by companies for which blockchain technology is essential for their business prospects. The participation and investment in blockchain, Web3 technologies and digital assets are speculative activities involving a high degree of risk. Blockchain technology is a relatively new and untested technology that operates as a distributed ledger. The risks associated with Web3 and blockchain technology may not fully emerge until the technology is widely used, and there is no assurance that a widespread adoption of blockchain technology will occur at all. Furthermore, the uncertainties inherent in Web3 and blockchain technology as well as the development and acceptance of competing platforms or technologies could cause

companies to use alternatives to Web3 and blockchain. Additionally, any future regulatory developments could adversely affect the viability and expansion of the use of blockchain technology. Given that blockchain technology systems may operate across multiple national boundaries and regulatory jurisdictions, it is possible that blockchain technology may be subject to widespread and inconsistent regulation. Digital commodities and their associated platforms are currently largely unregulated, and the regulatory environment is rapidly evolving. As a result, companies engaged in such blockchain activities may be exposed to adverse regulatory action, fraudulent activity or even failure.

Access to a given blockchain requires an individualized cryptographic key, which, if compromised, may impair the value of ownership claims that users have over the digital assets represented by a ledger, could result in loss due to theft, destruction or inaccessibility and/or adversely affect a company's business or operations if dependant on such ledger. Web3 and blockchain systems could be vulnerable to fraud, particularly if a significant minority of participants colluded to defraud the rest and there is little regulation of Web3 and blockchain technology other than the intrinsic public nature of the blockchain system. Furthermore, cyber security incidents may compromise an issuer, its operations or its business. Cyber security incidents may also specifically target a user's transaction history, digital assets, or identity, thereby leading to privacy concerns.

There are a number of companies operating competing blockchain platforms and/or attempting to apply blockchain technology in a wide variety of contexts resulting in competing and conflicting intellectual property claims potentially leading to risks to issuers in the space, their operations and businesses. Digital assets that are represented and traded on a blockchain may not necessarily benefit from viable trading markets. Stock exchanges generally have listing requirements and vet issuers. These conditions may not necessarily be replicated on a blockchain, depending on the platform's controls and other policies. The more lenient a blockchain is in vetting issuers of digital assets or users that transact on the platform, the higher the potential risk for fraud or the manipulation of digital assets, potentially resulting in a decreased liquidity or volume, or increased volatility of digital securities or other assets trading on a blockchain. Blockchain functionality relies on the Internet. As such, a significant disruption of Internet connectivity affecting large numbers of users or geographic areas could impede the functionality of blockchain technologies and adversely affect Ninepoint Web3 Innovators Fund. Blockchain technology is not a product or service that provides identifiable revenue for companies that implement, or otherwise use it. Therefore, the values of the companies included in the portfolio of Ninepoint Web3 Innovators Fund may not be a reflection of their connection to blockchain technology, but may be based on other business operations. Blockchain technology also may never be implemented to a scale that provides identifiable economic benefit to the companies whose securities are included in Ninepoint Web3 Innovators Fund's portfolio.

### ***Cryptocurrency Risk***

Cryptocurrency operates as a decentralized, peer-to-peer financial exchange and value storage. Ninepoint Web3 Innovators Fund may have exposure to cryptocurrency indirectly through the companies included in its portfolio through investment in Canadian cryptocurrency ETFs. Cryptocurrencies operate without central authority or banks and are not backed by any government. Cryptocurrencies may experience very high volatility, and related investment vehicles that invest in cryptocurrencies may be affected by such volatility. Cryptocurrency is not legal tender. Federal, provincial or foreign governments may restrict the use and exchange of cryptocurrency, and regulation in Canada is still

developing. Cryptocurrency exchanges have stopped operating and have permanently shut down due to fraud, technical glitches, hackers or malware. Cryptocurrency exchanges are new, largely unregulated, and may be more exposed to fraud.

#### ***Disruptive Innovation Risk***

Companies that the Manager believes are capitalizing on disruptive innovation and developing technologies to displace other technologies or create new markets may not in fact do so. Companies that initially develop a novel technology may not be able to capitalize on the technology. Companies that develop disruptive technologies may face political or legal attacks from competitors, industry groups or local and national governments. These companies may also be exposed to risks applicable to sectors other than the disruptive innovation theme for which they are chosen, and the securities issued by these companies may underperform the securities of other companies that are primarily focused on a particular theme. Ninepoint Web3 Innovators Fund may invest in a company that does not currently derive any revenue from disruptive innovations or technologies, and there is no assurance that a company will derive any revenue from disruptive innovations or technologies in the future. A disruptive innovation or technology may constitute a small portion of a company's overall business. As a result, the success of a disruptive innovation or technology may not affect the value of the equity securities issued by the company.

#### ***Emerging Technologies Risk***

Ninepoint Web3 Innovators Fund may invest in certain companies because of their use of emerging technologies associated with Web3. All of the risks associated with such technologies may not fully emerge until the technology is more widely used. The regulatory environment surrounding new technologies is often unclear. There is often uncertainty regarding the application of existing regulation and there can be no guarantee that new regulations will not be enacted that prohibit the use of a technology, modify its application, inhibit a technology's widespread adoption or prevent a company from realizing all of its potential benefits. Companies that initially develop or adopt a novel technology may not be able to capitalize on it and there is no assurance that a company will derive any significant revenue from it in the future. An emerging technology may constitute a small portion of a company's overall business and the success of a technology may not significantly affect the value of the equity securities issued by the company. In addition, a company's share price may be overvalued by market participants that value the company's securities based upon expectations of a technology that are never realized.

#### ***Communication Services Companies Risk***

Ninepoint Web3 Innovators Fund's portfolio assets may from time to time include securities of communication services companies. Communication services companies may be subject to specific risks associated with legislative or regulatory changes, adverse market conditions, and/or increased competition. Communication services companies are particularly vulnerable to rapid advancements in technology, the innovation of competitors, rapid product obsolescence and government regulation and competition, both domestically and internationally. Communication services companies also rely on the use of intellectual property such as patents, copyrights and trademarks owned internationally or licensed through third-parties. Legal checkups or claims regarding infringement of intellectual property could cause an adverse effect on the reputation of the company. Additionally, fluctuating domestic and international demand, shifting demographics and often

unpredictable changes in consumer tastes can drastically affect a communication services company's profitability. While all companies may be susceptible to network security breaches, certain communication services companies may be particular targets of hacking and potential theft of proprietary or consumer information or disruptions in service, which could have a material adverse effect on their businesses.

#### ***Information Technology Companies Risk***

Ninepoint Web3 Innovators Fund's portfolio assets may from time to time include securities of information technology companies. Information technology companies produce and provide hardware, software and information technology systems and services. These companies may be adversely affected by rapidly changing technologies, short product life cycles, fierce competition, aggressive pricing and reduced profit margins, the loss of patent, copyright and trademark protections, cyclical market patterns, evolving industry standards and frequent new competitive product introductions and changing customer tastes. In addition, information technology companies are particularly vulnerable to federal, state and local government regulation, and competition and consolidation, both domestically and internationally, including competition from foreign competitors with lower production costs. Information technology companies also heavily rely on intellectual property rights and may be adversely affected by the loss or impairment of those rights.

#### ***Liquidity Risk***

Liquidity is how quickly a security can be sold at a fair price and converted to cash. Some of the securities which Ninepoint Web3 Innovators Fund holds may be illiquid, as they may be difficult to sell. For example, securities of small companies may be less known and may not be traded regularly. In addition, in volatile markets, securities that are generally liquid may suddenly become illiquid. Difficulty in selling securities may result in a loss or a costly delay.

#### ***Equity Securities Risk***

Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Equity securities' prices fluctuate for several reasons, including changes in investors' perceptions of the financial condition of an issuer or the general condition of the relevant equity market, such as market volatility, or when political or economic events affecting an issuer occur. Common share prices may be particularly sensitive to rising interest rates, as the cost of capital rises and borrowing costs increase. Common shares generally subject their holders to more risks than preferred share and debt securities because common shareholders claims are subordinated to those of holders of preferred shares and debt securities upon the bankruptcy of the issuer.

#### ***General Risks of Foreign Investments***

Ninepoint Web3 Innovators Fund may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with investments in equity securities, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when Ninepoint Web3 Innovators Fund does not price its securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell ETF Units. Information about corporations not subject to Canadian or American

reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada or the United States and may not be subject to the same level of government supervision or regulation as would be the case in Canada or the United States. Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation. In addition, investment income received directly or indirectly by Ninepoint Web3 Innovators Fund from foreign investments may be subject to foreign income tax withheld at the source. The rate of the withholding may increase at any time and any potential reduced withholding tax rates or withholding tax claims may be more costly to pursue than the value of the benefits received by Ninepoint Web3 Innovators Fund.

#### ***Trading Price of ETF Units***

ETF Units may trade in the market at a premium or discount to the NAV per ETF Unit. There can be no assurance that ETF Units will trade at prices that reflect their net asset value. The trading price of the ETF Units will fluctuate in accordance with changes in Ninepoint Web3 Innovators Fund's NAV, as well as market supply and demand on the stock exchange. However, given that generally only a PNU are issued to designated brokers and dealers, and that holders of a PNU (or an integral multiple thereof) may redeem such ETF Units at their NAV, the Manager believes that large discounts or premiums to the NAV of the ETF Units should not be sustained.

#### ***Cease Trading of Securities Held by Ninepoint Web3 Innovators Fund***

If securities held by Ninepoint Web3 Innovators Fund are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, the Manager may, subject to any required regulatory approvals, suspend the exchange or redemption of Units of Ninepoint Web3 Innovators Fund until such time as the transfer of the securities is permitted. As Ninepoint Web3 Innovators Fund may hold securities traded on an exchange or other organized market it bears the risk of cease trading orders against any such security it holds.

#### ***Small Company Risk***

Investing in securities of smaller companies may be riskier than investing in larger, more established companies. Smaller companies may have limited financial resources, a less established market for their shares and fewer shares issued. This can cause the share prices of smaller companies to fluctuate more than those of larger companies. The market for the shares of small companies may be less liquid.

#### ***Specific Issuer Risk***

The value of all securities will vary positively or negatively with developments within the specific companies or governments which issue the securities.

#### ***Trading Price of Underlying Funds Risk***

Ninepoint Web3 Innovators Fund's portfolio may comprise from time to time securities of other exchange traded funds managed by Ninepoint and/or other third parties. The securities of such funds in which Ninepoint Web3 Innovators Fund may invest may trade below, at or above their respective net asset value per security. The net asset value per security will fluctuate with changes in the market value of such underlying fund's holdings. The trading prices of the securities of those underlying funds will fluctuate in accordance with changes in the applicable underlying fund's net asset value per security, as well as market supply and demand on the stock exchanges on which those underlying funds are listed. If Ninepoint Web3 Innovators Fund purchases a security of any such underlying fund at a time when the market price of that security is at a premium to the net asset value per security or sells a security at a time when the market price of that security is at a discount to the net asset value per security, Ninepoint Web3 Innovators Fund may sustain a loss.

#### ***Derivative Instrument Risk***

Ninepoint Web3 Innovators Fund may use derivative instruments from time to time in accordance with NI 81-102. The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when Ninepoint Web3 Innovators Fund wants to complete the derivative contract, which could prevent it from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent Ninepoint Web3 Innovators Fund from completing the derivative contract; (iv) Ninepoint Web3 Innovators Fund could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if Ninepoint Web3 Innovators Fund has an open position in an option, a futures contract or a forward contract or a swap with a dealer or counterparty who goes bankrupt, Ninepoint Web3 Innovators Fund could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that dealer or counterparty; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the value of the derivative.

#### ***Securities Lending Risk***

Ninepoint Web3 Innovators Fund may engage in securities lending in accordance with NI 81-102. Although it will receive collateral for the loans and such collateral will be marked-to-market, Ninepoint Web3 Innovators Fund may be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral be insufficient to reconstitute the portfolio of loaned securities.

#### ***Reliance on the Manager***

Unitholders will be dependent on the abilities of the Manager to effectively administer the affairs of Ninepoint Web3 Innovators Fund. The Manager depends, to a great extent, on a limited number of individuals in the administration of its activities as manager of Ninepoint Web3 Innovators Fund. The loss of the services of one or more of these individuals for any reason could impair the ability of the Manager to perform its duties as manager on behalf of Ninepoint Web3 Innovators Fund.

### ***Manager and Custodian Standard of Care***

Each of the Manager and the Custodian are subject to a contractual standard of care in carrying out its respective duties concerning Ninepoint Web3 Innovators Fund. In the case that Ninepoint Web3 Innovators Fund suffers a loss of its portfolio assets and each of the Manager and the Custodian satisfied its respective standard of care, Ninepoint Web3 Innovators Fund will bear the risk of loss as with respect to these parties. Under the terms of the Custodian Agreement, the Custodian is required to exercise the standard required by NI 81-102. See “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Details of the Declaration of Trust*” and “*Organization and Management Details of Ninepoint Web3 Innovators Fund – Custodian*”.

### ***Potential Conflicts of Interest***

The Manager and its directors and officers may engage in the promotion, management or investment management of one or more funds or trusts with similar investment objectives to those of Ninepoint Web3 Innovators Fund. Although none of the directors or officers of the Manager will devote his or her full time to the business and affairs of Ninepoint Web3 Innovators Fund, each director and officer of the Manager will devote as much time as is necessary to supervise the management of (in the case of the directors) or to manage the business and affairs of (in the case of officers) Ninepoint Web3 Innovators Fund and the Manager.

### ***Valuation of Ninepoint Web3 Innovators Fund***

The valuation of Ninepoint Web3 Innovators Fund may involve uncertainties and judgement determinations, and, if such valuations should prove to be incorrect, the Net Asset Value of Ninepoint Web3 Innovators Fund could be adversely affected. The Manager may face a conflict of interest in valuing the portfolio assets held by Ninepoint Web3 Innovators Fund because the values assigned will affect the calculation of the Management Fee payable by Ninepoint Web3 Innovators Fund to it.

### ***Currency Risk***

Changes in currency exchange rates affect the value of investments denominated in a foreign currency, and therefore the value of such investments in Ninepoint Web3 Innovators Fund’s portfolio. Ninepoint Web3 Innovators Fund’s net asset value could decline if a currency to which it has exposure depreciates against the Canadian dollar or if there are delays or limits on repatriation of such currency. Currency exchange rates can be very volatile and can change quickly and unpredictably. As a result, the value of an investment in Ninepoint Web3 Innovators Fund may change quickly and without warning.

### ***U.S. Currency Exposure***

Ninepoint Web3 Innovators Fund’s functional and presentation currency is in part, and the investor’s investment may be made in, U.S. dollars. Ninepoint Web3 Innovators Fund may purchase certain assets which are denominated in U.S. dollars.

Canadian investors should be aware that Ninepoint Web3 Innovators Fund will not hedge the investor’s investment in Ninepoint Web3 Innovators Fund against Canadian currency exposure. Fluctuations in the value of the Canadian dollar relative to the U.S. dollar will impact the relative value of an investor’s investment in Canadian dollars. If the value of the

Canadian dollar has increased relative to the U.S. dollar, the return on the Ninepoint Web3 Innovators Fund's portfolio assets converted into Canadian dollars may be reduced, eliminated or made negative. The opposite can also occur and if it does occur, a Canadian investor and the value of such investor's investment converted into Canadian dollars may benefit from an increase in the value of the U.S. dollar relative to the Canadian dollar.

#### ***Substantial Securityholder Risk***

Ninepoint Web3 Innovators Fund may have one or more investors (including a mutual fund managed by the Manager) who hold a significant number of securities. For example, two financial institutions may have a significant principal investment. If a financial institution makes a large redemption request, Ninepoint Web3 Innovators Fund may be required to sell underlying portfolio assets so that it can meet the redemption obligations. This sale may impact the market value of those portfolio investments and it may potentially impact remaining investors in Ninepoint Web3 Innovators Fund. Large redemption requests for institutional investors could force Ninepoint Web3 Innovators Fund to terminate.

#### ***No Ownership Interest in the Portfolio***

An investment in ETF Units does not constitute an investment by Unitholders in Ninepoint Web3 Innovators Fund's portfolio. Unitholders will not own the underlying assets in Ninepoint Web3 Innovators Fund's portfolio or the cash or cash equivalents held by Ninepoint Web3 Innovators Fund.

#### ***Changes in Legislation***

There can be no assurance that certain laws applicable to Ninepoint Web3 Innovators Fund, including income tax laws, government incentive programs and the treatment of mutual fund trusts under the Tax Act, will not be changed in a manner which adversely affects Ninepoint Web3 Innovators Fund or Unitholders.

#### ***Inflation Risk***

Inflation risk is the risk that the value of assets or income from investments will be less in the future as inflation decreases the value of money. As inflation increases, the present value of Ninepoint Web3 Innovators Fund's assets and distributions, if any, may decline.

#### ***Not a Trust Company***

Ninepoint Web3 Innovators Fund is not a trust company and, accordingly, is not registered under the trust company legislation of any jurisdiction. ETF Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that statute or any other legislation.

#### ***Cyber Security Risk***

As the use of technology has become more prevalent in the course of business, investment funds like Ninepoint Web3 Innovators Fund have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause Ninepoint Web3 Innovators Fund to lose proprietary information or other information subject to privacy laws, suffer data corruption, or lose operational capacity. This in turn could cause Ninepoint Web3

Innovators Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures and/or financial loss. Cyber security breaches may involve unauthorized access to Ninepoint Web3 Innovators Fund’s digital information systems (e.g. through “hacking” or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e. efforts to make network services unavailable to intended users). In addition, cyber security breaches of Ninepoint Web3 Innovators Fund’s third-party service providers (e.g. the Registrar and Transfer Agent and the Custodian) can also subject Ninepoint Web3 Innovators Fund to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, Ninepoint Web3 Innovators Fund has established risk management systems designed to reduce the risks associated with cyber security.

### ***COVID-19 Outbreak***

The novel coronavirus (COVID-19) outbreak was characterized as a pandemic by the World Health Organization on March 11, 2020. The outbreak has spread throughout Asia, Europe, the Middle East, Canada and the United States, causing companies and various governments to impose restrictions, such as quarantines, closures, cancellations and travel restrictions. The effects of COVID-19 and the measures taken by companies and governments to combat the coronavirus have negatively affected asset values and increased volatility in the financial markets.

### ***Tax Risks***

***“Change of Law”*** - There is no assurance that Canadian federal or provincial tax laws, foreign tax laws or the administrative policies or assessing practices of the CRA respecting the treatment of mutual fund trusts will not be changed in a manner that adversely affects Ninepoint Web3 Innovators Fund or Unitholders.

***“Mutual fund trust” status*** - In order to qualify as a mutual fund trust under the Tax Act, Ninepoint Web3 Innovators Fund must comply with various requirements contained in the Tax Act, including to restrict its undertaking to the investment of its funds in property. If Ninepoint Web3 Innovators Fund were to cease to qualify as a mutual fund trust (whether as a result of a change in law or administrative practice, or due to its failure to comply with the Canadian requirements for qualification as a mutual fund trust), it may experience various potential adverse consequences, including: potentially becoming subject to a requirement to withhold tax on distributions made to non-resident Unitholders of any taxable capital gains; Ninepoint Web3 Innovators Fund no longer having the ability to use the capital gains refund mechanism contained in the Tax Act; and ETF Units ceasing to qualify as “Canadian securities” for the purposes of the election provided in subsection 39(4) of the Tax Act.

***“SIFT Rules”*** - The SIFT Rules apply to trusts that are resident in Canada for the purposes of the Tax Act and that hold one or more “non-portfolio properties” (as defined in the Tax Act) and the units of which are listed or traded on a stock exchange or other public market (“**SIFT trust**”). Under the SIFT Rules, if Ninepoint Web3 Innovators Fund were a SIFT trust it would generally be subject to tax at rates applicable to a Canadian corporation on income from a non-portfolio property (other than a taxable dividend) and net taxable capital gains realized on the disposition of a non-portfolio property (generally, “non-portfolio earnings” under the Tax Act). Unitholders who receive distributions from Ninepoint Web3 Innovators Fund of this income and gain are deemed to receive an eligible dividend from a

Canadian corporation for tax purposes. The total of the tax payable by Ninepoint Web3 Innovators Fund on its non-portfolio earnings and the tax payable by a Unitholder on the distribution of those earnings will generally be more than the tax that would have been payable in the absence of the tax rules that apply to a SIFT trust. The Manager intends to manage the affairs of Ninepoint Web3 Innovators Fund such that it will not become a SIFT Trust although there is no assurance that the Manager will be successful in this regard.

*Treatment of gains and losses-* The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any transactions of Ninepoint Web3 Innovators Fund are reported by it on capital account, but are subsequently determined by the CRA to be on income account, there may be an increase in the net income of Ninepoint Web3 Innovators Fund, which is automatically distributed by Ninepoint Web3 Innovators Fund to its Unitholders under the terms of the Declaration of Trust at Ninepoint Web3 Innovators Fund's taxation year end with the result that Canadian-resident Unitholders could be reassessed by the CRA to increase their taxable income by the amount of such increase, and non-resident Unitholders potentially could be assessed directly by the CRA for Canadian withholding tax on the amount of net gains on such transactions that were treated by the CRA as having been distributed to them. The CRA could assess Ninepoint Web3 Innovators Fund for a failure of Ninepoint Web3 Innovators Fund to withhold tax on distributions made by it to non-resident Unitholders that are subject to withholding tax, and typically would do so rather than assessing the non-resident Unitholders directly. Accordingly, any such redetermination by the CRA may result in Ninepoint Web3 Innovators Fund being liable for unremitted withholding taxes on prior distributions made to Unitholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. As Ninepoint Web3 Innovators Fund may not be able to recover such withholding taxes from the non-resident Unitholders whose ETF Units are redeemed or sold in the market, payment of any such amounts by Ninepoint Web3 Innovators Fund would reduce the net asset value of Ninepoint Web3 Innovators Fund.

*“Loss restriction event”* - If Ninepoint Web3 Innovators Fund experiences a “loss restriction event”, it will: (i) be deemed to have a year-end for tax purposes (which would result in an allocation of Ninepoint Web3 Innovators Fund’s taxable income at such time to Unitholders so that Ninepoint Web3 Innovators Fund is not liable for income tax on such amounts); and (ii) become subject to the loss restriction rules generally applicable to corporations that experience an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on their ability to carry forward losses. Generally, Ninepoint Web3 Innovators Fund will be subject to a loss restriction event when a person becomes a “majority-interest beneficiary” of Ninepoint Web3 Innovators Fund, or a group of persons becomes a “majority-interest group of beneficiaries” of Ninepoint Web3 Innovators Fund, as those terms are defined in the affiliated persons rules contained in the Tax Act, with appropriate modifications. Generally, a majority-interest beneficiary of Ninepoint Web3 Innovators Fund will be a beneficiary who, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, has a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, respectively, in Ninepoint Web3 Innovators Fund.”

23. Under the heading “Risk Factors”, the heading “Risk Factors Associated with Investing in Bitcoin” on page 27 of the Prospectus and all of the sub-headings and paragraphs related to that heading are deleted.

24. Under the heading “Risk Factors”, the heading “Risks Associated with the Bitcoin Network” on page 31 of the Prospectus and all of the sub-headings and paragraphs related to that heading are deleted.
25. Under the heading “Risk Factors”, the heading “Risks Associated Bitcoin Trading Platforms” on page 33 of the Prospectus and all of the sub-headings and paragraphs related to that heading are deleted.
26. Under the heading “Risk Factors – Risk Rating of Ninepoint Bitcoin ETF” on page 35 of the Prospectus, the fourth paragraph is deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund’s risk rating is determined by calculating its standard deviation for the most recent 10 years using monthly returns and assuming the reinvestment of all income and capital gains distributions in additional ETF Units. As Ninepoint Web3 Innovators Fund does not have at least 10 years of performance history, the Manager uses a reference index that is reasonably expected to approximate, the standard deviation of Ninepoint Web3 Innovators Fund as a proxy. There may be times when the Manager believes this methodology produces a result that does not reflect Ninepoint Web3 Innovators Fund’s risk based on other qualitative factors. As a result, the Manager may place Ninepoint Web3 Innovators Fund in a higher risk rating category, as appropriate. In determining the risk rating following the implementation of the Investment Objectives Change, the Manager has used a reference index for the entire 10-year period. The Manager will review the risk rating for Ninepoint Web3 Innovators Fund on an annual basis or if there has been a material change to Ninepoint Web3 Innovators Fund’s investment objectives or investment strategies.”

27. Under the heading “Risk Factors – Risk Rating of Ninepoint Bitcoin ETF” on page 35 of the Prospectus the sixth paragraph is deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund’s risk classification is based on a reference blended index comprised of fifteen percent (15%) *S&P Bitcoin Index*, fifteen percent (15%) *S&P Ethereum Index* and seventy percent (70%) *Nasdaq 100 Index*.”

28. Under the heading “Canadian Federal Income Tax Considerations” on page 42 of the Prospectus, all of the sub-headings and paragraphs related to such heading are deleted and replaced with the following:

“The following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act for Ninepoint Web3 Innovators Fund and for a prospective investor in Ninepoint Web3 Innovators Fund who, for the purpose of the Tax Act at all relevant times, is an individual (other than a trust), is resident in Canada, holds ETF Units as capital property, is not affiliated and deals at arm’s length with Ninepoint Web3 Innovators Fund, and has not entered into a “derivative forward agreement” (as defined in the Tax Act) with respect to ETF Units. Generally, ETF Units will be considered to be capital property to a Unitholder provided that the Unitholder does not hold such ETF Units in the course of carrying on a business of trading or dealing in securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Unitholder whose ETF Units might not otherwise be considered to be capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such ETF Units, and any other “Canadian security”, as defined in the Tax Act, owned by such Unitholder in the taxation

year in which the election is made or any subsequent taxation year, deemed to be capital property. Unitholders who do not hold their ETF Units as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is based upon the current provisions of the Tax Act and regulations thereunder, the Tax Proposals and the Manager's understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action, or changes in CRA's administrative policies and assessment practices, and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below. This summary assumes that the Tax Proposals will be enacted as currently proposed, but no assurances can be given that this will be the case.

**This summary is of a general nature only and is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in the ETF Units. The income and other tax consequences of acquiring, holding or disposing of ETF Units will vary depending on a Unitholder's particular status and circumstances, including the province or territory in which the Unitholder resides or carries on business. In addition, this summary does not address the deductibility of interest by a Unitholder who has borrowed money to acquire ETF Units. This summary is not intended to be, and should not be construed to be, legal or tax advice to any particular Unitholder. Prospective investors should therefore consult their own tax advisors about their individual circumstances.**

### **Status of Ninepoint Web3 Innovators Fund**

#### *Qualification as a "Mutual Fund Trust"*

This summary is based on the assumption that Ninepoint Web3 Innovators Fund will comply at all material times with the conditions prescribed in the Tax Act to qualify as a "mutual fund trust" as defined in the Tax Act. Ninepoint Web3 Innovators Fund is expected to qualify as a "mutual fund trust" under the Tax Act at all material times. If Ninepoint Web3 Innovators Fund were not to qualify as a "mutual fund trust" for the purposes of the Tax Act for any period of time, the tax considerations could be materially different from those described below.

#### *SIFT Rules*

This summary assumes that at no time will Ninepoint Web3 Innovators Fund be a SIFT trust. The Manager intends to manage the affairs of Ninepoint Web3 Innovators Fund such that it will not become a SIFT Trust although there is no assurance that the Manager will be successful in this regard.

#### *Eligibility for Registered Accounts*

Based on the current provisions of the Tax Act, provided that Ninepoint Web3 Innovators Fund qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the ETF Units continue to be listed on a "designated stock exchange" within the meaning of

the Tax Act (which includes the TSX), ETF Units will be qualified investments for Registered Plans.

However, in the case of a TFSA, RDSP, FHSA, RRSP, RRIF or RESP, if the holder of such TFSA, RDSP or FHSA, the annuitant under such RRSP or RRIF or the subscriber of such RESP, as the case may be, holds a “significant interest” in Ninepoint Web3 Innovators Fund, or if such holder, annuitant or subscriber does not deal at arm’s length with Ninepoint Web3 Innovators Fund for purposes of the Tax Act, the ETF Units will be a “prohibited investment” for such TFSA, RDSP, FHSA, RRSP, RRIF or RESP. If ETF Units are a “prohibited investment” for a TFSA, RDSP, FHSA, RRSP, RRIF or RESP that acquires such ETF Units, the holder of the TFSA, RDSP or FHSA, annuitant under the RRSP or RRIF or subscriber of the RESP will be subject to a penalty tax as set out in the Tax Act. Generally, a holder, annuitant or subscriber will not be considered to have a “significant interest” in Ninepoint Web3 Innovators Fund unless the holder, annuitant or subscriber owns 10% or more of the value of the outstanding ETF Units, either alone or together with persons and partnerships with which the holder, annuitant or subscriber does not deal at arm’s length. Holders of TFSAs, RDSPs or FHSA, annuitants under RRSPs or RRIFs and subscribers of RESPs should consult their own tax advisors to ensure that ETF Units would not be a “prohibited investment” for purposes of the Tax Act in their particular circumstances.

### **Taxation of Ninepoint Web3 Innovators Fund**

Ninepoint Web3 Innovators Fund will be subject to tax under Part I of the Tax Act on its income for each taxation year, including taxable distributions received or deemed to be received on assets held by it, the taxable portion of capital gains realized by Ninepoint Web3 Innovators Fund on the disposition of capital property held by it, and other income, less the portion thereof that it deducts in respect of amounts paid or payable to Unitholders in the year. The Declaration of Trust requires that Ninepoint Web3 Innovators Fund distribute its net income and net realized capital gains, if any, for each taxation year of Ninepoint Web3 Innovators Fund to Unitholders to such an extent that Ninepoint Web3 Innovators Fund will not be liable in any taxation year for ordinary income tax (after taking into account any applicable losses of Ninepoint Web3 Innovators Fund and any capital gains refunds to which Ninepoint Web3 Innovators Fund is entitled). If, in a taxation year, the income for tax purposes of Ninepoint Web3 Innovators Fund exceeds the cash available for distribution by Ninepoint Web3 Innovators Fund, Ninepoint Web3 Innovators Fund will distribute its income through a payment of reinvested distributions.

Any losses incurred by Ninepoint Web3 Innovators Fund may not be allocated to Unitholders, but may generally be carried forward and deducted in computing the taxable income of Ninepoint Web3 Innovators Fund in accordance with the detailed rules and limitations in the Tax Act.

Ninepoint Web3 Innovators Fund is subject to the suspended loss rules contained in the Tax Act. A loss realized on a disposition of capital property is considered to be a suspended loss if Ninepoint Web3 Innovators Fund acquires a property (a “substituted property”) that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and Ninepoint Web3 Innovators Fund owns the substituted property 30 days after the original disposition. If a loss is suspended, Ninepoint Web3 Innovators Fund cannot deduct the loss until the substituted property is sold and is not reacquired within 30 days before and after the sale, which may increase the amount of net

realized capital gains of Ninepoint Web3 Innovators Fund to be made payable to its Unitholders.

Ninepoint Web3 Innovators Fund is required to compute its income and gains for tax purposes in Canadian dollars. Therefore, the amount of income, cost, proceeds of disposition and other amounts in respect of investments that are not Canadian dollar denominated will be affected by fluctuations in the exchange rate of the Canadian dollar against the relevant foreign currency.

### **Taxation of Unitholders**

A Unitholder will be required to include in the Unitholder's income for tax purposes for any year the amount of net income and net taxable capital gains of Ninepoint Web3 Innovators Fund, if any, paid or payable to the Unitholder in the year and deducted by Ninepoint Web3 Innovators Fund in computing its income, whether or not such amounts are reinvested in additional ETF Units. The non-taxable portion of any net realized capital gains of Ninepoint Web3 Innovators Fund that is paid or payable to a Unitholder in a taxation year will not be included in computing the Unitholder's income for the year and, provided appropriate designations are made by Ninepoint Web3 Innovators Fund, will not reduce the adjusted cost base of the Unitholder's ETF Units. Any returns of capital will reduce the Unitholder's adjusted cost base. To the extent that a Unitholder's adjusted cost base would otherwise be a negative amount, the negative amount will be deemed to be a capital gain realized by the Unitholder and the Unitholder's adjusted cost base will be nil immediately thereafter.

Provided that appropriate designations are made by Ninepoint Web3 Innovators Fund, such portion of the net realized taxable capital gains of Ninepoint Web3 Innovators Fund, and the taxable dividends received or deemed to be received by it on shares of taxable Canadian corporations, as is paid or payable to a Unitholder will effectively retain its character and be treated as such in the hands of the Unitholder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply including an enhanced gross-up and dividend tax credit in respect of "eligible dividends" paid by taxable Canadian corporations. In addition, provided that appropriate designations are made by Ninepoint Web3 Innovators Fund in respect of foreign income or gains of Ninepoint Web3 Innovators Fund, for the purpose of computing any foreign tax credit available to a Unitholder, and subject to the rules in the Tax Act, the Unitholder will be deemed to have paid as tax to the government of a foreign country the Unitholder's share of the taxes paid or considered to be paid by Ninepoint Web3 Innovators Fund to that country.

Any loss of Ninepoint Web3 Innovators Fund for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, the Unitholders of Ninepoint Web3 Innovators Fund.

### **Composition of Distributions**

Unitholders will be informed each year of the composition of the amounts distributed to them, including amounts in respect of both cash and reinvested distributions. This information will indicate whether distributions are to be treated as ordinary income, taxable dividends from taxable Canadian corporations, taxable capital gains and returns of capital, as those items are applicable.

## **Tax Implications of Ninepoint Web3 Innovators Fund's Distribution Policy**

When a Unitholder acquires ETF Units, a portion of the price may reflect income and capital gains of Ninepoint Web3 Innovators Fund that have not been realized or distributed. This may particularly be the case near year-end before year-end distributions have been made. When such income and capital gains are distributed by Ninepoint Web3 Innovators Fund, they must be taken into account by the Unitholder in computing its income for tax purposes even though such amounts may have been reflected in the price paid by the Unitholder.

## **Disposition of ETF Units**

Upon the actual or deemed disposition of an ETF Unit, including the exchange or redemption of an ETF Unit, a capital gain (or a capital loss) will generally be realized by the Unitholder to the extent that the proceeds of disposition of the ETF Unit exceed (or are less than) the aggregate of the adjusted cost base to the Unitholder of the ETF Unit and any reasonable costs of disposition. The Unitholder's proceeds of disposition will not include an amount payable by Ninepoint Web3 Innovators Fund that the Unitholder is otherwise required to include in income, nor any capital gain realized by Ninepoint Web3 Innovators Fund in connection with an exchange or redemption which Ninepoint Web3 Innovators Fund has allocated to the Unitholder.

In general, the adjusted cost base of all ETF Units held by the Unitholder is the total amount paid for the ETF Units (including brokerage commissions paid), regardless of when the Unitholder bought them, less any returns of capital and less the adjusted cost base of any ETF Units previously disposed of by the Unitholder. For the purpose of determining the adjusted cost base of ETF Units to a Unitholder, when ETF Units are acquired, the cost of the newly acquired ETF Units will be averaged with the adjusted cost base of all ETF Units owned by the Unitholder as capital property immediately before that time.

A consolidation of ETF Units following a distribution paid in the form of additional ETF Units will not be regarded as a disposition of ETF Units.

## **Taxation of Capital Gains and Capital Losses**

One-half of any capital gain realized by a Unitholder and the amount of any net taxable capital gains designated by Ninepoint Web3 Innovators Fund in respect of a Unitholder will be included in the Unitholder's income as a taxable capital gain. One-half of any capital loss (an "allowable capital loss") realized must be deducted from taxable capital gains realized in the same taxation year in accordance with the provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains in accordance with the provisions of the Tax Act.

## **Taxation of Registered Plans**

In general, the amount of a distribution paid or payable to a Registered Plan from Ninepoint Web3 Innovators Fund and gains realized by a Registered Plan on a disposition of a ETF Unit will not be taxable under the Tax Act. Amounts withdrawn from a Registered Plan (other than from a TFSA, a return of contributions from an RESP, certain

withdrawals from an RDSP or a qualifying withdrawal from an FHSA) will generally be subject to tax.

### **Alternative Minimum Tax**

In general terms, in the case of a Unitholder that is an individual or trust (other than certain specified types of trusts), the Unitholder's liability for alternative minimum tax may be increased if Ninepoint Web3 Innovators Fund designates a portion of its income that it pays or makes payable to the Unitholder as net taxable capital gains or taxable dividends from taxable Canadian corporations, or if the Unitholder realizes a capital gain on the disposition or deemed disposition of ETF Units. The 2023 Federal Budget proposes amendments to the alternative minimum tax including to increase the tax rate, raise the exemption and broaden the base for taxation years that begin after 2023.

### **International Information Reporting**

Ninepoint Web3 Innovators Fund is required to comply with due diligence and reporting obligations in the Tax Act enacted to implement the Canada-United States Enhanced Tax Information Exchange Agreement (the “**IGA**”). As long as ETF Units continue to be registered in the name of CDS or are approved to be listed on the stock exchange, Ninepoint Web3 Innovators Fund should not have any U.S. reportable accounts and, as a result, it should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their ETF Units are subject to due diligence and reporting obligations with respect to financial accounts that they maintain for their clients. Unitholders (and, if applicable, the controlling person(s) of a Unitholder) may be requested to provide information to their dealer to identify U.S. persons holding ETF Units. If a Unitholder, or its controlling person(s), is a “Specified U.S. Person”, as defined under the IGA (including a U.S. citizen who is a resident of Canada), if no such determination has been made but the information provided includes indicia of U.S. status and sufficient evidence to the contrary is not timely provided, or if the Unitholder fails to provide the requested information and indicia of U.S. status is present, then Part XVIII of the Tax Act will generally require information about the Unitholder’s ETF Units held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Registered Plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, pursuant to Part XIX of the Tax Act implementing the Organization for Economic Co-operation and Development Common Reporting Standard (the “**CRS Rules**”), Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. (“**Reportable Jurisdictions**”) or by certain entities any of whose “controlling persons” are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of Unitholders (and, if applicable, of the controlling persons of such Unitholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, Unitholders will be required to provide such information regarding their investment in ETF Units to their dealer

for the purpose of such information exchange, unless the ETF Units are held within a Registered Plan.”

29. Under the heading “Organization and Management Details – Officers and Directors of the Trustee, Manager and Promoter” on page 48 of the Prospectus, the first paragraph under such heading is deleted and replaced with the following:

“Alex Tapscott, in his roles as Managing Director of Ninepoint Digital Asset Group, a division of the Manager, and Associate Advising Representative with the Manager, provides the Manager, with ongoing analysis and company research in the digital asset space as well as regarding the digital asset sector more generally. In addition, Mr. Tapscott supports the investment management and marketing teams of the Manager, including but not limited to, with respect to Ninepoint Web3 Innovators Fund, in providing information regarding the digital asset space.”

30. Under the heading “Organization and Management Details – Duties and Services to be Provided by the Manager” on page 49 of the Prospectus, the paragraph under such heading is deleted and replaced with the following:

“Ninepoint Web3 Innovators Fund has retained the Manager to manage and administer the day-to-day business and affairs of Ninepoint Web3 Innovators Fund. The Manager is responsible for providing managerial, administrative and compliance services to Ninepoint Web3 Innovators Fund pursuant to the Declaration of Trust, including, without limitation, managing the portfolio of Ninepoint Web3 Innovators Fund and the acquisition and disposition of portfolio securities, calculating the NAV of Ninepoint Web3 Innovators Fund and NAV per ETF Unit, net income and net realized capital gains of Ninepoint Web3 Innovators Fund, authorizing the payment of operating expenses incurred on behalf of Ninepoint Web3 Innovators Fund, preparing financial statements and financial and accounting information as required by Ninepoint Web3 Innovators Fund, ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time, ensuring that Ninepoint Web3 Innovators Fund complies with regulatory requirements and applicable stock exchange listing requirements, preparing Ninepoint Web3 Innovators Fund’s reports to Unitholders and the securities regulatory authorities and negotiating contractual agreements with third-party providers of services, including the Custodian, the Registrar and Transfer Agent (each as defined herein), the auditor and printers. The Manager may from time to time employ or retain any other person or entity to perform, or to assist the Manager in the performance of management, administrative and advisory services to all or any portion of Ninepoint Web3 Innovators Fund’s assets and in performing other duties of the Manager as set out in the Declaration of Trust.”

31. Under the heading “Organization and Management Details - Conflicts of Interest - Manager” on page 50 of the Prospectus, the first paragraph under such heading is deleted and replaced with the following:

“The Manager and its affiliates or associates may be managers or investment managers of other trusts or funds that invest in the same or similar securities as Ninepoint Web3 Innovators Fund. The services of the Manager are not exclusive to Ninepoint Web3

Innovators Fund and none of the directors or officers of the Manager devotes his or her full time to the business and affairs of Ninepoint Web3 Innovators Fund. The Manager may in the future act as the manager or investment advisor to other trusts, funds and companies and may in the future act as the manager or investment advisor to other trusts which are considered competitors of Ninepoint Web3 Innovators Fund.”

32. Under the heading “Organization and Management Details – Conflicts of Interest – Manager – Investment Opportunities and Duty of Care” on page 50 of the Prospectus, the first paragraph under such heading is deleted and replaced with the following:

“The services of the Manager are not exclusive to Ninepoint Web3 Innovators Fund. The Manager may act as the investment advisor to other funds and may in the future act as the investment advisor to other funds which invest in the same or similar securities as Ninepoint Web3 Innovators Fund and which may have similar investment mandates to Ninepoint Web3 Innovators Fund. Conflicts of interest may arise from time to time in allocating investment opportunities, timing investment decisions and exercising rights in respect of and otherwise dealing with such securities. Where conflicts of interest arise, the Manager will address such conflicts of interest with regard to the investment objectives of each of the persons involved and will act in accordance with the duty of care owed to each of them.”

33. Under the heading “Organization and Management Details – Custodian” on page 52 of the Prospectus, the three paragraphs under such heading are deleted and replaced with the following:

“Under the Custodian Agreement, CIBC Mellon Trust Company of Toronto, Ontario has been appointed the custodian for Ninepoint Web3 Innovators 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 Ninepoint Web3 Innovators 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 with the exception of foreign portfolio securities, gold and precious minerals, if any, or at the offices of sub-custodians under arrangements made to the satisfaction and order of CIBC Mellon Trust Company and in compliance with applicable regulatory requirements. CIBC Mellon Trust Company holds title to the securities owned by Ninepoint Web3 Innovators Fund on behalf of Unitholders.”

34. Under the heading “Organization and Management Details” on page 52 of the Prospectus, the heading “Sub-Custodian” and all related sub-headings and paragraphs thereunder are deleted in their entirety.

35. Under the heading “Organization and Management Details – Auditor” on page 54 of the Prospectus, the paragraph under such heading is deleted and replaced with the following:

“Ernst & Young LLP is the independent auditor of Ninepoint Web3 Innovators Fund. The principal office of the auditor is located in Toronto, Ontario.”

36. Under the heading “Calculation of Net Asset Value – Valuation Policies and Procedures” on page 54 of the Prospectus, the second paragraph under such heading is deleted and replaced with the following:

“For the purposes of calculating Net Asset Value of Ninepoint Web3 Innovators Fund on a Valuation Date, the value of the aggregate assets of Ninepoint Web3 Innovators Fund on such Valuation Date will be determined by the Administrator as follows:

- (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 Ninepoint Web3 Innovators 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 Ninepoint Web3 Innovators 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 Ninepoint Web3 Innovators 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 Ninepoint Web3 Innovators Fund. The value of inter-listed securities shall be computed in accordance with directions laid down from time to time by the Manager; and provided however that if, in the opinion of the Manager, stock exchange or over-the-counter quotations do not properly reflect the prices which would be received by Ninepoint Web3 Innovators Fund upon the disposal of shares or securities necessary to effect any redemptions of units, the Manager may place such value upon such shares or securities as appears to the Manager 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 Ninepoint Web3 Innovators Fund (1) the premium received by Ninepoint Web3 Innovators 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 Ninepoint Web3 Innovators 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 any security or other property for which no price quotations are available or in the opinion of 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 Manager shall from time to time provide;
- (h) the value of all assets and liabilities of Ninepoint Web3 Innovators Fund valued in terms of a currency other than the currency used to calculate Ninepoint Web3 Innovators Fund's net asset value shall be converted to the currency used to calculate Ninepoint Web3 Innovators Fund's net asset value by applying the rate of exchange obtained from the best available sources to the Manager;
- (i) 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
- (j) 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 (g) 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 Ninepoint Web3 Innovators 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 Manager for taxes or contingencies; and
- (e) all other liabilities of Ninepoint Web3 Innovators 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 class of units 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 ETF Unit in the circumstances described under the heading "*Redemption and Exchange of Units – Suspension of Exchange and Redemption*". There will be no calculation of Net Asset Value per ETF Unit during any suspension period and Ninepoint Web3 Innovators Fund will not be permitted to issue further ETF Units or redeem any ETF Units during this period."

37. The heading "Calculation of Net Asset Value - MVIS CryptoCompare Bitcoin Benchmark Index" on page 55 of the Prospectus and all related paragraphs thereunder are deleted.
38. The section under the heading "Material Contracts" on page 60 of the Prospectus is deleted and replaced with the following:

"The following contracts can reasonably be regarded as material to purchasers of ETF Units:

1. the Declaration of Trust (see "*Organization and Management Details – The Trustee, Manager and Promoter*"); and
2. the Custodian Agreement (see "*Organization and Management Details – Custodian*").

Copies of the agreements referred to above may be inspected during business hours at the registered office of the Manager."

39. Under the heading "Experts" on page 61 of the Prospectus, the two paragraphs under such heading are deleted and replaced with the following:

"Certain legal matters in connection with the issuance and sale of the ETF Units offered by this prospectus will be passed upon on behalf of Ninepoint Web3 Innovators Fund by McCarthy Tétrault LLP, legal counsel to Ninepoint Web3 Innovators Fund.

The independent auditor of Ninepoint Web3 Innovators Fund is Ernst & Young LLP, Chartered Professional Accountants, Licensed Public Accountants. Ernst & Young LLP is independent of Ninepoint Web3 Innovators Fund within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulations."

40. The heading "Notice of Trademarks/Disclaimer" on page 61 of the Prospectus and all related paragraphs thereunder are deleted in their entirety.

## **PURCHASER'S STATUTORY RIGHTS**

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

The purchaser should refer to the applicable provisions of the securities legislation of the province or territory for the particulars of these rights or consult with a legal advisor.

**CERTIFICATE OF NINEPOINT BITCOIN ETF AND THE TRUSTEE, MANAGER AND PROMOTER**

Dated: May 1, 2023

The prospectus dated April 21, 2022, as amended by Amendment No.1 dated March 13, 2023 and this Amendment No. 2 dated May 1. 2023, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus dated April 21, 2022, as amended by Amendment No. 1 dated March 13, 2023 and this Amendment No. 2 dated May 1, 2023 as required by the securities legislation of, British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

**Ninepoint Partners LP  
(as Trustee and Manager of Ninepoint Bitcoin ETF)**

(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 LP**

(signed) *“John Wilson”*

JOHN WILSON  
DIRECTOR

(signed) *“James R. Fox”*

JAMES R. FOX  
DIRECTOR

(signed) *“Kirstin H.*

*McTaggart”*  
KIRSTIN H. MCTAGGART  
DIRECTOR

**Ninepoint Partners LP  
(as promoter of Ninepoint Bitcoin ETF)**

(signed) *“James R. Fox”*

JAMES R. FOX  
Co-CHIEF EXECUTIVE OFFICER