



Ninepoint Target Income Fund

Q3 2023 Commentary

September 2023 Quarterly Update

Global equities sold off as US long-term treasury rates rose to levels not seen since pre-2008. Implied volatility on index options rose moderately during the month as the relatively orderly sell-off thus far mitigated further increases in volatility expectations.

In the Ninepoint Target Income Fund, a quarter of the options portfolio rolled in mid-September into new 1 year put options. The majority of the options portfolio at quarter end, sit with strike prices greater than -15% below index levels with the weighted average strike price of the portfolio also below this level. This continues to provide downside protection before options premiums and investment principal are at risk at expiry.

Notional Moneyness of Put Options Sold	
Net Cash Equivalents	12.3%
Options Notional	87.7%

Source: Ninepoint Partners

Notional Moneyness of Put Options Sold	
Less than -5%	0%
-5% to -10%	1.3%
-10% to -15%	25.9%
Greater than -15%	72.8%
% Option Portfolio	100%

Regional Exposure	
US	90%
Europe	7%
Canada	3%

Moneyness of put options sold by expiry	<3 months	3 to 6 months	6 to 9 months	9 to 12 months
Less than -5%				
-5% to -10%	.2%	.2%	.4%	.4%
-10% to -15%	1.1%	1.1%	11.9%	11.8%
Greater than -15%	25.7%	25.6%	10.8%	10.8%
% Portfolio	27%	26.9%	23%	23%

Source: RBC Put Selling Index underlying option notional exposures & Ninepoint calculations, for illustrative purposes only

Until Next Time,

Colin Watson

Portfolio Manager

Ninepoint Partners

Why Invest in the Ninepoint Target Income Fund?

- **Targeted Equity Yield:** The Ninepoint Target Income Fund utilizes a cash covered put selling strategy to target a 6% yield while potentially offering a buffer against market declines
 - **Accessible:** Offered in a low-medium risk rated traditional mutual fund structure with daily liquidity at NAV
 - **Income Potential & Diversification:** options-based income strategies can offer a competitive yield and may provide diversification to traditional income portfolios during challenging markets
 - **Execution Partnership:** Leverages RBC Quantitative Investment Solutions diversified, rules based put selling strategies to generate income and diversification
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NINEPOINT TARGET INCOME FUND - COMPOUNDED RETURNS¹ AS OF SEPTEMBER 30, 2023 (SERIES F NPP5002) | INCEPTION DATE: AUGUST 2, 2022

	1M	YTD	3M	6M	1YR	Annualized Inception
Fund	0.0%	4.9%	0.9%	2.8%	8.9%	6.0%

NINEPOINT TARGET INCOME FUND - COMPOUNDED RETURNS¹ AS OF SEPTEMBER 30, 2023 (SERIES SF NPP5005) | INCEPTION DATE: JUNE 29, 2022 (CLOSED TO NEW PURCHASES)

	1M	YTD	3M	6M	1YR	Annualized Inception
Fund	0.1%	5.1%	1.0%	2.9%	9.2%	6.8%

¹All returns and fund details are a) based on Series F and Series SF shares; b) net of fees; c) annualized if period is greater than one year; d) as at September 30, 2023.

Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), and other expenses all may be associated with investing in the Funds. Please read the prospectus carefully before investing. The indicated rate of return for Series F and Series SF shares of the Fund for the period ended September 30, 2023 is based on the historical annual compounded total return including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.

The Ninepoint Target Income Fund is generally exposed to the following risks. See the simplified prospectus of the Fund for a description of these risks: Absence of an active market for ETF Series risk; Concentration risk; Currency risk; Derivatives risk; Foreign investment risk; Halted trading of ETF Series risk; Inflation risk; Interest rate risk; Liquidity risk; Market risk; Securities lending, repurchase and reverse repurchase transactions risk; Series risk; Short selling risk; Substantial unitholder risk; Tax risk and Trading price of ETF Series risk.

Ninepoint Partners LP: Toll Free: 1.866.299.9906. DEALER SERVICES: CIBC Mellon GSSC Record Keeping Services: Toll Free: 1.877.358.0540