Ninepoint-TEC Private Credit Fund II

Annual Financial Statements
and Independent Auditors' Report thereon

December 31
2023

Independent auditor's report

To the Unitholders of
Ninepoint-TEC Private Credit Fund II

Opinion

We have audited the financial statements of **Ninepoint-TEC Private Credit Fund II** [the "Fund"], which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income (loss), statements of changes in net assets attributable to holders of redeemable units and statements of cash flows for the periods then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the periods then ended in accordance with International Financial Reporting Standards ["IFRSs"].

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
March 28, 2024

Ninepoint-TEC Private Credit Fund II

Statements of Financial Position

As at December 31	**2023**	2022
	$	$
Assets		
Current assets		
Loans (net of provisions) *(note 3)*	**1,022,010,494**	1,084,003,886
Investments at fair value *(note 3, 5)*	**160,767,088**	168,277,828
Cash *(note 9)*	**7,146,978**	28,310,609
Unrealized appreciation on forward currency contracts *(note 3, 5)*	**-**	342,043
Subscriptions receivable	**1,565,670**	1,042,794
Interest receivable	**22,041,613**	21,279,070
Accrued income	**406,256**	28,945
Total assets	**1,213,938,099**	1,303,285,175
Liabilities		
Current liabilities		
Distribution payable to unitholders	**14,662,711**	10,475,537
Redemptions payable	**20,405,911**	479,103
Unearned fees and other liabilities	**4,188,676**	2,518,992
Accrued expenses	**428,029**	359,690
Total liabilities	**39,685,327**	13,833,322
Net Assets attributable to holders of redeemable units	**1,174,252,772**	1,289,451,853
Net Assets attributable to holders of redeemable units per class		
Class A	**6,534,356**	7,382,141
Class A1	**99,533,383**	103,767,158
Class D	**3,955,911**	4,386,744
Class E	**50,235,244**	51,015,575
Class F	**45,017,995**	49,368,594
Class F1	**689,266,817**	736,856,974
Class FD	**13,518,686**	16,338,269
Class FT	**6,063,547**	7,702,889
Class I	**183,813,866**	193,252,589
Class I1	**76,216,416**	119,282,183
Class T	**96,551**	98,737
Net Assets attributable to holders of redeemable units per class per unit *(note 3)*		
Class A	**10.26**	10.60
Class A1	**10.30**	10.60
Class D	**10.29**	10.63
Class E	**10.24**	10.70
Class F	**10.29**	10.63
Class F1	**10.24**	10.55
Class FD	**10.34**	10.65
Class FT	**10.02**	10.34
Class I	**10.56**	10.83
Class I1	**10.10**	10.26
Class T	**9.66**	9.87

See accompanying notes which are an integral part of these financial statements

On behalf of the Manager, Ninepoint Partners LP,
by its General Partner, Ninepoint Partners GP Inc.

John Wilson
DIRECTOR

James Fox
DIRECTOR

Ninepoint-TEC Private Credit Fund II

Statements of Comprehensive Income (Loss)

For the year ended December 31	**2023**	2022
	$	$
Income		
Interest income for distribution purposes *(note 3)*	**149,224,953**	35,666,136
Distribution income *(note 3)*	**6,584,969**	-
Net realized gains (losses) on sales of investments	**12,131,565**	1,339,660
Net realized gains (losses) on forward currency contracts	**5,763,770**	3,302,400
Net change in unrealized appreciation (depreciation) in the value of investments	**(21,185,349)**	(12,100,032)
Net change in unrealized appreciation (depreciation) on forward currency contracts	**(342,043)**	342,043
Net realized gains (losses) on foreign exchange	**(425,675)**	(125,556)
Total income (loss)	**151,752,190**	28,424,651
Expenses *(note 10, 11)*		
Provisions (Recovery) on loans and receivables	**62,800,942**	10,924,174
Management fees	**18,542,009**	5,311,860
Administrative fees	**1,626,467**	242,493
Performance fees	**546,799**	-
Interest expense and bank charges	**453,007**	-
Unitholder reporting fees	**277,622**	80,582
Audit fees	**193,639**	74,735
Legal fees	**16,147**	11,122
Filing fees	**14,735**	14,735
Trustee fees	**5,395**	5,436
Independent Review Committee fees *(note 12)*	**4,877**	-
Custodial fees	**886**	221
Total expenses	**84,482,525**	16,665,358
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations	**67,269,665**	11,759,293
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations per class		
Class A	**310,767**	49,816
Class A1	**4,540,106**	653,694
Class D	**176,859**	28,031
Class E	**3,514,173**	672,339
Class F	**2,600,523**	473,790
Class F1	**39,023,667**	6,739,542
Class FD	**810,023**	150,316
Class FT	**359,503**	69,692
Class I	**11,013,953**	1,752,267
Class I1	**4,915,579**	1,169,182
Class T	**4,512**	624
Weighted average number of redeemable units		
Class A	**660,914**	695,450
Class A1	**9,742,516**	9,692,650
Class D	**396,023**	425,787
Class E	**4,835,899**	4,705,043
Class F	**4,471,892**	4,635,931
Class F1	**68,374,299**	69,264,324
Class FD	**1,433,516**	1,534,576
Class FT	**655,630**	721,153
Class I	**17,852,576**	17,560,220
Class I1	**9,553,609**	11,628,291
Class T	**10,000**	10,000
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations per class per unit *(note 3)*		
Class A	**0.47**	0.07
Class A1	**0.47**	0.07
Class D	**0.45**	0.07
Class E	**0.73**	0.14
Class F	**0.58**	0.10
Class F1	**0.57**	0.10
Class FD	**0.57**	0.10
Class FT	**0.55**	0.10
Class I	**0.62**	0.10
Class I1	**0.51**	0.10
Class T	**0.45**	0.06

See accompanying notes which are an integral part of these financial statements

Ninepoint-TEC Private Credit Fund II

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended December 31	**2023**	2022
	$	$
Net Assets attributable to holders of redeemable units, beginning of year		
Class A	**7,382,141**	-
Class A1	**103,767,158**	-
Class D	**4,386,744**	-
Class E	**51,015,575**	-
Class F	**49,368,594**	-
Class F1	**736,856,974**	-
Class FD	**16,338,269**	-
Class FT	**7,702,889**	-
Class I	**193,252,589**	
Class I1	**119,282,183**	-
Class T	**98,737**	-
	1,289,451,853	-
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations		
Class A	**310,767**	49,816
Class A1	**4,540,106**	653,694
Class D	**176,859**	28,031
Class E	**3,514,173**	672,339
Class F	**2,600,523**	473,790
Class F1	**39,023,667**	6,739,542
Class FD	**810,023**	150,316
Class FT	**359,503**	69,692
Class I	**11,013,953**	1,752,267
Class I1	**4,915,579**	1,169,182
Class T	**4,512**	624
	67,269,665	11,759,293
Distributions to holders of redeemable units		
From net investment income		
Class A	**(483,407)**	(113,839)
Class A1	**(6,837,973)**	(1,544,586)
Class D	**(288,595)**	(67,214)
Class E	**(5,326,566)**	(1,109,016)
Class F	**(3,926,066)**	(901,808)
Class F1	**(56,720,415)**	(13,075,949)
Class FD	**(1,218,516)**	(292,067)
Class FT	**(571,668)**	(134,299)
Class I	**(14,252,356)**	(3,403,753)
Class I1	**(7,648,524)**	(2,200,790)
Class T	**(5,435)**	(1,482)
From net capital gains on investments		
Class A	**(53,060)**	(26,059)
Class A1	**(805,158)**	(364,482)
Class D	**(32,183)**	(15,503)
Class E	**(402,441)**	(178,724)
Class F	**(366,141)**	(173,837)
Class F1	**(5,591,286)**	(2,591,752)
Class FD	**(112,990)**	(57,739)
Class FT	**(50,971)**	(27,241)
Class I	**(1,489,478)**	(675,871)
Class I1	**(635,898)**	(421,587)
Class T	**(1,263)**	(349)
	(106,820,390)	(27,377,947)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units *continued*

For the year ended December 31	**2023**	2022
	$	$
Redeemable unit transactions *(note 7)*		
Proceeds from redeemable units issued		
Class A	**6,756**	7,454,092
Class A1	**1,105,044**	104,004,930
Class D	**12,871**	4,647,181
Class E	**119,118**	50,798,678
Class F	**657,132**	49,881,008
Class F1	**9,797,119**	739,419,872
Class FD	**93,766**	16,535,518
Class FT	**139,783**	7,791,671
Class I	**-**	191,500,311
Class I1	**1,937,998**	120,735,378
Class T	**-**	99,944
Reinvestments of distributions to holders of redeemable units		
Class A	**54,318**	18,131
Class A1	**4,003,662**	1,096,049
Class D	**-**	-
Class E	**1,921,282**	832,298
Class F	**1,464,789**	383,769
Class F1	**24,678,505**	7,067,063
Class FD	**19,536**	2,241
Class FT	**-**	3,066
Class I	**1,153,211**	4,079,635
Class I1	**-**	-
Class T	**-**	-
Redemption of redeemable units		
Class A	**(683,159)**	-
Class A1	**(6,239,456)**	(78,447)
Class D	**(299,785)**	(205,751)
Class E	**(605,897)**	-
Class F	**(4,780,836)**	(294,328)
Class F1	**(58,777,747)**	(701,802)
Class FD	**(2,411,402)**	-
Class FT	**(1,515,989)**	-
Class I	**(5,864,053)**	-
Class I1	**(41,634,922)**	-
Class I4	**-**	-
Class T	**-**	-
	(75,648,356)	1,305,070,507
Net increase (decrease) in Net Assets attributable to holders of redeemable units		
Class A	**(847,785)**	7,382,141
Class A1	**(4,233,775)**	103,767,158
Class D	**(430,833)**	4,386,744
Class E	**(780,331)**	51,015,575
Class F	**(4,350,599)**	49,368,594
Class F1	**(47,590,157)**	736,856,974
Class FD	**(2,819,583)**	16,338,269
Class FT	**(1,639,342)**	7,702,889
Class I	**(9,438,723)**	193,252,589
Class I1	**(43,065,767)**	119,282,183
Class T	**(2,186)**	98,737
	(115,199,081)	1,289,451,853
Net Assets attributable to holders of redeemable units, end of year		
Class A	**6,534,356**	7,382,141
Class A1	**99,533,383**	103,767,158
Class D	**3,955,911**	4,386,744
Class E	**50,235,244**	51,015,575
Class F	**45,017,995**	49,368,594
Class F1	**689,266,817**	736,856,974
Class FD	**13,518,686**	16,338,269
Class FT	**6,063,547**	7,702,889
Class I	**183,813,866**	193,252,589
Class I1	**76,216,416**	119,282,183
Class T	**96,551**	98,737
	1,174,252,772	1,289,451,853

See accompanying notes which are an integral part of these financial statements

Ninepoint-TEC Private Credit Fund II

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units *continued*

For the year ended December 31	**2023**	2022
Units, beginning of year		
Class A	**696,752**	-
Class A1	**9,789,985**	-
Class D	**412,863**	-
Class E	**4,769,349**	-
Class F	**4,644,241**	-
Class F1	**69,822,134**	-
Class FD	**1,534,787**	-
Class FT	**745,200**	
Class I	**17,843,007**	-
Class I1	**11,628,291**	-
Class T	**10,000**	-
	121,896,609	-
Redeemable unit transactions *(note 7)*		
Redeemable units issued		
Class A	**-**	695,046
Class A1	**87,765**	9,694,241
Class D	**-**	432,143
Class E	**8,993**	4,691,804
Class F	**44,111**	4,635,824
Class F1	**743,805**	69,220,953
Class FD	**-**	1,534,576
Class FT	**7,239**	744,903
Class I	**-**	17,467,556
Class I1	**-**	11,628,291
Class T	**-**	10,000
Reinvestments of distributions to holders of redeemable units		
Class A	**5,197**	1,706
Class A1	**382,481**	103,090
Class D	**-**	-
Class E	**182,918**	77,545
Class F	**139,645**	35,981
Class F1	**2,367,794**	667,404
Class FD	**1,859**	211
Class FT	**-**	297
Class I	**106,860**	375,451
Class I1	**-**	-
Class T	**-**	-
Redemption of redeemable units		
Class A	**(65,022)**	-
Class A1	**(595,296)**	(7,346)
Class D	**(28,472)**	(19,280)
Class E	**(57,557)**	-
Class F	**(454,397)**	(27,564)
Class F1	**(5,625,145)**	(66,223)
Class FD	**(229,162)**	-
Class FT	**(147,256)**	-
Class I	**(550,386)**	-
Class I1	**(4,081,701)**	-
Class T	**-**	-
	(7,755,727)	121,896,609
Units, end of year		
Class A	**636,927**	696,752
Class A1	**9,664,935**	9,789,985
Class D	**384,391**	412,863
Class E	**4,903,703**	4,769,349
Class F	**4,373,600**	4,644,241
Class F1	**67,308,588**	69,822,134
Class FD	**1,307,484**	1,534,787
Class FT	**605,183**	745,200
Class I	**17,399,481**	17,843,007
Class I1	**7,546,590**	11,628,291
Class T	**10,000**	10,000
	114,140,882	121,896,609

See accompanying notes which are an integral part of these financial statements

Ninepoint-TEC Private Credit Fund II

Statements of Cash Flows

For the year ended December 31	**2023**	2022
	$	$
Cash flows from operating activities		
Increase (Decrease) in Net Assets attributable to holders of redeemable units from operations	**67,269,665**	11,759,293
Adjustments for:		
Foreign exchange (gains) losses on cash	**371,627**	106,443
Distribution income	**(6,584,969)**	-
Net realized (gains) losses on sales of investments	**(12,131,565)**	(1,339,660)
Net change in unrealized (appreciation) depreciation in the value of investments	**21,185,349**	12,100,032
Net change in unrealized (appreciation) depreciation on forward currency contracts	**342,043**	(342,043)
Purchases of investments (including capitalized interest and fees)	**(230,300,513)**	(64,844,332)
Loan principal repayments received (including previously capitalized interest and fees)	**234,532,900**	13,463,221
Net increase (decrease) in provisions on loan and receivables	**62,800,942**	10,924,174
Net increase (decrease) in other assets and liabilities	**600,156**	22,845,663
Net cash provided by (used in) operating activities	**138,085,635**	4,672,791
Cash flows from financing activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	**(69,337,913)**	(3,420,158)
Cash received on asset reassignment	**-**	25,768,291
Proceeds from redeemable units issued	**12,130,690**	1,513,354
Redemption of redeemable units	**(101,670,416)**	(117,226)
Net cash provided by (used in) financing activities	**(158,877,639)**	23,744,261
Foreign exchange gains (losses) on cash	**(371,627)**	(106,443)
Net increase (decrease) in cash	**(20,792,004)**	28,417,052
Cash (Bank indebtedness), beginning of year	**28,310,609**	-
Cash (Bank indebtedness), end of year	**7,146,978**	28,310,609
Supplemental Information*		
Interest received - cash[1]	**50,367,530**	9,719,571
Interest paid	**453,007**	-
In-kind subscriptions *(note 6)*	**-**	1,263,565,407

[1] *The Fund also receives payment-in-kind interest*

*Information provided relates to the operating activities of the Fund

See accompanying notes which are an integral part of these financial statements

Ninepoint-TEC Private Credit Fund II

Schedule of Investment Portfolio

As at December 31, 2023			Maturity Date	Loan Stage/ Fair Value Level	Average Cost	Fair Value
					$	$
	PAR VALUE*	ASSET-BASED LOANS [97.61%]				
		SUSTAINABILITY [44.84%]				
USD	81,331,007	AEFK, 22.25%	Apr 1, 2024	1	111,772,187	107,767,651
	24,557,320	EBTI	Sep 29, 2024	1	24,557,320	24,557,320
	57,427,283	PRTX(3), 12%	On Demand	2	57,425,429	57,427,283
USD	247,574,813	TRIL(2), 12%	On Demand	2	340,471,571	328,049,006
USD	6,652,771	TRIL04	Feb 12, 2024	2	8,815,254	8,815,254
					543,041,761	526,616,514
		ENERGY – INTEGRATED [31.15%]				
	44,671,665	CFFC(5), 10% - 12%	On Demand	1	44,671,665	44,671,665
	273,447,814	CFFC(7), 12%	On Demand	1	273,447,814	273,447,814
	10,696,430	CFFC(8), 12%	On Demand	1	10,696,430	10,696,430
	36,958,678	ERIK, 12% - 18%	Dec 13, 2024	1	36,970,232	36,958,678
					365,786,141	365,774,587
		TECHNOLOGY – CASUAL GAMING [12.58%]				
USD	111,471,132	GOGE, 12%	On Demand	2	153,435,668	147,704,823
					153,435,668	147,704,823
		ENERGY – SERVICES [4.11%]				
	48,275,134	TARA, 8%	Jun 26, 2024	1	48,275,134	48,275,134
					48,275,134	48,275,134
		FOOD SERVICES [2.20%]				
	25,807,872	KSCI(4), 8% - 10%	Jul 14, 2025	2	25,807,872	25,807,872
					25,807,872	25,807,872
		TRANSPORTATION – STORAGE [1.39%]				
	16,291,070	FRIG(3), 13.2% - 15.2%	Sep 4, 2025	2	16,291,070	16,291,070
					16,291,070	16,291,070
		METALS AND MINING [1.19%]				
	14,021,491	DIAN, 12%	On Demand	3	14,021,491	14,021,491
					14,021,491	14,021,491
		CONSTRUCTION SERVICES – ELECTRICAL [0.15%]				
	1,798,046	OZZE(3), 14.2%	Jan 31, 2024	1	1,798,046	1,798,046
					1,798,046	1,798,046
Total asset-based loans					1,168,457,183	1,146,289,537
Provisions on loans and receivables [-10.58%]					-	(124,279,043)
Loans (net of provisions) [87.03%]					**1,168,457,183**	**1,022,010,494**
	SHARES*	PREFERRED EQUITIES [9.62%]				
		ENERGY – INTEGRATED [8.29%]				
	38,386	CFFC**		3	76,605,347	97,378,755
					76,605,347	97,378,755
		SUSTAINABILITY [1.33%]				
USD	665,277	TRIL(AA)**		3	-	15,580,468
					-	15,580,468
Total preferred equities					76,605,347	112,959,223
	UNITS	FUNDS [2.35%]				
	2,773,184	Ninepoint High Interest Savings Fund, Series I		1	27,770,449	27,591,521
Total funds					27,770,449	27,591,521
	SHARES	WARRANTS [1.55%]				
		SUSTAINABILITY [1.26%]				
	1	PRTX(3)**		3	8,482,588	14,752,565
	1	EBTI		3	-	-
					8,482,588	14,752,565
		ENERGY – SERVICES [0.29%]				
	1	TARA**		3	-	3,391,688
					-	3,391,688
		FOOD SERVICES [0.00%]				
	300,364	KSCI(4)**		3	-	-
					-	-
		TRANSPORTATION – STORAGE [0.00%]				
	1	FRIG(3)**		3	-	-
					-	-
Total warrants					8,482,588	18,144,253
	SHARES	EQUITIES [0.17%]				
		SUSTAINABILITY [0.17%]				
USD	298,432	AEFK		1	697,134	2,072,091
USD	19,958,313	TRIL(B)**		3	-	-
					697,134	2,072,091
		ENERGY – INTEGRATED [0.00%]				
	38,386	CFFC**		3	-	-
	64	ERIK**		3	-	-
					-	-
		ENERGY – SERVICES [0.00%]				
	388	TARA**		3	-	-
					-	-

Ninepoint-TEC Private Credit Fund II

Schedule of Investment Portfolio *continued*

As at December 31, 2023		Fair Value Level	Average Cost	Fair Value
SHARES	METALS AND MINING [0.00%]			
68	DIAN**	3	-	-
			-	-
	TRANSPORTATION – STORAGE [0.00%]			
179	FRIG(3)**	3	-	-
			-	-
	TECHNOLOGY – CASUAL GAMING [0.00%]			
61	GOGE**	3	-	-
			-	-
Total equities			697,134	2,072,091
Investments at fair value [13.69%]			**113,555,518**	**160,767,088**
Total investments [100.72%]			**1,282,012,701**	**1,182,777,582**
Cash and other assets less liabilities [-0.72%]				(8,524,810)
Total Net Assets attributable to holders of redeemable units [100.00%]				**1,174,252,772**

* All par values are in Canadian Dollars unless otherwise noted

** Private company

See accompanying notes which are an integral part of these financial statements

Financial Risk Management *(note 6)*

Investment Objective

The investment objective of the Fund is to achieve superior risk-adjusted returns with minimal volatility and low correlation to most traditional asset classes, primarily by investing in a portfolio comprised of asset-based loans ("ABLs") of companies based primarily in Canada and/or the United States.

The Schedule of Investment Portfolio represents the securities held by the Fund as at December 31, 2023. Significant risks that are relevant to the Fund are discussed here. General information on risk management is described in *Note 6 Financial Risk Management* of the Generic Notes.

Fund Restructuring

The Fund was established on October 1, 2022. Unitholders of Ninepoint-TEC Private Credit Fund ("NTPC") were given the option to exchange their units for units of Ninepoint-TEC Private Credit Fund II ("NTPC2") or remain in NTPC, which would undertake an orderly liquidation and subsequent termination. For Unitholders participating in NTPC2, all classes of units of NTPC were converted into corresponding classes of units of NTPC2 and the assets of NTPC attributable to such units were transferred to NTPC2. NTPC2 operates with the same investment strategy, objectives and other terms as NTPC prior to the restructuring, but with certain changes to liquidity and redemption features that are consistent with current industry practices and better aligned with investors who can bear the higher risks associated with illiquid private credit investments.

Market Risk

a) Other Price Risk

As at December 31, 2023 and 2022, if the equity, preferred equity, fund, limited partnership and warrant securities were to fluctuate by 10%, with all other variables held constant, Net Assets attributable to holders of redeemable units would increase or decrease by the amounts shown in the table below.

December 31, 2023		December 31, 2022	
Impact	**As a % of Net Assets attributable to holders of redeemable shares**	Impact	As a % of Net Assets attributable to holders of redeemable shares
$	%	$	%
13,317,557	1.13	16,827,783	1.31

b) Currency Risk

As at December 31, 2023 and 2022, the Fund's direct exposure to currency risk and potential impact to the Fund's Net Assets attributable to holders of redeemable units as a result of a 1% change in these currencies relative to the Canadian dollar, with all other variables held constant, are shown in the tables below.

December 31, 2023

Currency	**Fair Value**	**Forward Currency Contracts**	**Net Exposure**	**% of Net Assets attributable to holders of redeemable units**	**Impact on Net Assets attributable to holders of redeemable units**
	$	$	$	%	$
U.S. Dollar	587,501,628	–	587,501,628	50.03	5,875,016

December 31, 2022

Currency	Fair Value	Forward Currency Contracts	Net Exposure	% of Net Assets attributable to holders of redeemable units	Impact on Net Assets attributable to holders of redeemable units
	$	$	$	%	$
U.S. Dollar	551,384,317	(291,071,107)	260,313,210	20.19	2,603,132

c) Interest Rate Risk

As at December 31, 2023 and 2022, the Fund's investments consist primarily of ABLs, which it intends to hold until maturity. As a result, any changes in the prevailing levels of market interest rates will not impact the value of these investments to the Fund.

Credit Risk

The Fund generally makes ABLs to borrowers that may have difficulty obtaining financing from other sources. These borrowers may have difficulty meeting their ongoing obligations to service their debt obligations or in repaying their loans to the Fund upon maturity. Although the Fund will seek to be the senior, secured lender to a borrower, some of the Fund's loans may be subordinated to other senior lenders, and in those cases, the Fund's interests in any collateral would likely be subordinated to the senior lenders' security interest. As at December 31, 2023 and 2022, all of the Fund's ABL investments were senior secured over the assets and/or shares of the borrowers.

The maximum credit risk resulting from ABLs is limited to the carrying value of these investments. The Manager moderates this risk through various means. Prior to committing an investment in an ABL, thorough due diligence is executed by the sub-advisor. Each investment is over-collateralized at inception and the sub-advisor seeks to obtain a margin of safety sufficient to recover 100% of the investment in the event of liquidation. The sub-advisor also maintains continuous monitoring of the credit quality of the borrower and adjusts the level of over collateralization accordingly.

As at December 31, 2023 and 2022, the Fund was exposed to credit risk from over-the-counter derivative contracts with counterparties. The credit risk is considered minimal as these counterparties have minimum credit rating of A by Standard & Poor's or equivalent.

Concentration Risk

As at December 31, 2023 and 2022, the Fund's concentration risk as a percentage of Net Assets attributable to holders of redeemable units is shown in the table below.

	December 31, 2023	December 31, 2022
		%
ABLs:		
Sustainability	44.84	36.54
Energy – Integrated	31.15	34.53
Technology – Casual Gaming	12.58	9.94
Energy Services	4.11	3.47
Food Services	2.20	1.54
Transportation – Storage	1.39	1.10
Metals and Mining	1.19	1.16
Construction Services – Electrical	0.15	0.56
Preferred Equities:		
Energy – Integrated	8.29	7.55
Sustainability	1.33	1.23
Funds	2.35	–
Warrants	1.55	1.16
Equities:		
Sectors less than 1%	0.17	0.37
Limited Partnership	–	2.74
Unrealized appreciation on forward currency contracts	–	0.03
Provisions on loans and receivables	(10.58)	(4.77)
Cash and other assets less liabilities	(0.72)	2.85
Total Net Assets attributable to holders of redeemable units	100.00	100.00

Ninepoint-TEC Private Credit Fund II
Notes to financial statements – Fund specific information *December 31, 2023*

Liquidity

The liquidity of the Fund's assets and liabilities is indicated in the table below which indicates the time period to receive the asset or pay the liability:

December 31, 2023	**On Demand**	**Less than 3 months**	**Over 3 months**
	$	**$**	**$**
Assets:			
Loans & Investments	876,018,512	10,613,300	259,657,725
Cash	7,146,978	–	–
Subscription receivable	–	1,565,670	–
Interest receivable	–	–	22,041,613
Accrued income	–	406,256	–
Total assets	883,165,490	12,585,226	281,699,338
Liabilities:			
Distribution payable to unitholders	–	14,662,711	–
Redemptions payable	–	20,405,911	–
Unearned fees and other liabilities	–	533	4,188,143
Accrued expenses	–	428,029	–
Total liabilities	–	35,497,184	4,188,143

December 31, 2022	On Demand	Less than 3 months	Over 3 months
	$	$	$
Assets:			
Loans & Investments	314,089,762	16,200,037	921,991,915
Cash	28,310,609	–	–
Unrealized appreciation on forward currency contracts	–	342,043	–
Subscriptions receivable	–	1,042,794	–
Interest receivable	–	–	21,279,070
Accrued income	–	28,945	–
Total assets	342,400,371	17,613,819	943,270,985
Liabilities:			
Distributions payable to unitholders	–	10,475,537	–
Due to broker	–	1,987	–
Redemptions payable	–	479,103	–
Unearned fees	–	–	2,517,005
Accrued expenses	–	359,690	–
Total liabilities	–	11,316,317	2,517,005

Credit Losses Allowances *(note 3)*

As at December 31, 2023 and 2022, the ABLs are measured at amortized cost and the gross investments are categorized by the three stage approach to loan impairment as shown in the tables below.

December 31, 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
ABLs	548,172,738	584,095,308	14,021,491	1,146,289,537

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
ABLs	896,580,284	236,581,673	12,320,030	1,145,481,987

Ninepoint-TEC Private Credit Fund II
Notes to financial statements – Fund specific information *December 31, 2023*

As at December 31, 2023 and 2022, the allowance for credit losses on loans as categorized by the three stage approach to loan impairment are shown in the tables below.

December 31, 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
ABLs	68,437,466	43,207,682	12,633,895	124,279,043

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
ABLs	34,363,802	16,253,860	10,860,439	61,478,101

As at December 31, 2023 and 2022, the change in allowances for credit losses in ABLs as categorized by the three stage approach to loan impairment are shown in the tables below.

December 31, 2023	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
	$	**$**	**$**	**$**
Balance, beginning of year	34,363,802	16,253,860	10,860,439	61,478,101
Allowances for Credit Losses	34,073,663	26,953,822	1,773,457	62,800,942
Transfers in (out)	–	–	–	–
Balance, end of year	68,437,465	43,207,682	12,633,896	124,279,043

December 31, 2022	Stage 1	Stage 2	Stage 3	Total
	$	$	$	$
Balance, beginning of year	–	–	–	–
Allocation from NTPC on October 1, 2022	27,748,142	12,316,265	10,489,521	50,553,928
Allowances for Credit Losses	6,615,660	3,937,595	370,918	10,924,173
Transfers in (out)	–	–	–	–
Balance, end of year	34,363,802	16,253,860	10,860,439	61,478,101

During the year ended December 31, 2023, there were net transfers from Stage 2 to 1 of nil. During the year ended December 31, 2022, there were net transfers out of Stage 2 of $2,138,423, of which $2,138,423 of TARA was transferred into Stage 1.

Fair Value Measurements *(note 5)*

As at December 31, 2023 and 2022, the Fund's financial assets and liabilities, which are measured at fair value, have been categorized based upon the fair value hierarchy as shown in the tables below.

December 31, 2023	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equities	2,072,091	–	–	2,072,091
Preferred Equities	–	–	112,959,223	112,959,223
Warrants	–	–	18,144,253	18,144,253
Funds	27,591,521	–	–	27,591,521
Total	29,663,612	–	131,103,476	160,767,088

December 31, 2022	Level 1	Level 2	Level 3	Total
	$	$	$	$
Equities	1,600,144	–	3,187,680	4,787,824
Preferred Equities	–	–	113,299,607	113,299,607
Warrants	–	–	14,904,195	14,904,195
Limited Partnership	–	–	35,286,202	35,286,202
Forward Currency Contracts	–	342,043	–	342,043
Total	1,600,144	342,043	166,677,684	168,619,871

During the years ended December 31, 2023 and 2022, there were no significant transfers between levels.

For the years ended December 31, 2023 and 2022, the reconciliation of investments measured at fair value using unobservable inputs (Level 3) is shown in the table below.

	December 31, 2023				December 31, 2022			
	Equities	**Preferred Equities**	**Warrants**	**Limited Partnership**	Equities	Preferred Equities	Warrants	Limited Partnership
	$	$	$	$	$	$	$	$
Balance, beginning of year	3,187,680	113,299,607	14,904,195	35,286,202	–	–	–	–
Transferred from NTPC on October 1, 2022	–	–	–	–	3,187,680	113,621,200	15,326,281	34,424,509
Purchases	–	–	–	–	–	–	–	821,735
Sales	–	–	–	(44,718,392)	–	–	–	–
Net realized gain (loss) on sale/transfer of investments	–	–	–	18,078,360	–	–	–	–
Change in unrealized appreciation (depreciation) in the value of investments	(3,187,680)	(340,384)	3,240,058	(8,646,170)	–	(321,593)	(422,086)	39,958
Balance, end of year	–	112,959,223	18,144,253	–	3,187,680	113,299,607	14,904,195	35,286,202
Change in unrealized appreciation (depreciation) during the year for investments held at end of year	(3,187,680)	(340,384)	3,240,058	–	–	(321,593)	(422,086)	39,958

The Fund's Level 3 securities consist of a limited partnership, private equity, private preferred equity, private warrant positions. The Manager determines their fair value by utilizing a variety of valuation techniques such as the use of comparable recent transactions, discounted cash flows and other techniques used by market participants. As at December 31, 2023 and 2022, these positions were significant to the Fund and the significant unobservable input used in these valuation techniques can vary considerably over time depending on company specific factors and economic or market conditions. The potential impact of applying reasonable possible alternative assumptions for valuing material Level 3 financial assets or liabilities is shown in the table below.

December 31, 2023

Description	**Fair Value**	**Unobservable Inputs**	**Reasonable possible shift +/- (absolute value)**	**Change in Valuation +/-**
Equities	–	FMV of publicly traded equities owned by a portfolio company	10%	641,435 / (638,105)
Preferred Equities	112,959,223	Comparable multiples	5%	3,982,068 / (3,982,068)
Warrants	18,144,253	FMV on appraised value of assets Discount rate	20% 1%	2,120,658 / (2,120,077)

December 31, 2022

Description	Fair Value	Unobservable Inputs	Reasonable possible shift +/- (absolute value)	Change in Valuation +/-
Equities	3,187,680	FMV of publicly traded equities owned by a portfolio company	10%	1,251,036 / (1,251,036)
Preferred Equities	113,299,607	Comparable multiples	5%	1,491,416 / (1,491,416)
Warrants	14,904,195	FMV on appraised value of assets Discount rate	20% 1%	2,491,000 / (2,491,000)

Investments in Underlying Funds

The Underlying Funds invest in assets to generate returns and capital appreciation for its unitholders. The Underlying Funds finance their operations primarily through the issuance of redeemable units that entitle the unitholder to a proportionate share of the Underlying Fund's net assets attributable to holders of redeemable units. The Fund's interest in Underlying Funds, held in the form of redeemable units, is reported in its Schedule of Investments at fair value, which represent the Fund's maximum exposure to these investments. Distributions earned from the Underlying Funds are included in "Distribution income" in the Statements of Comprehensive Income (Loss). The total realized gain and change in unrealized depreciation arising from Underlying Funds as included in the Statement of Comprehensive Income (Loss) for the year ended December 31, 2023 were $278,023 and $178,928, respectively (December 31, 2022 – realized gain (loss) of nil and change in unrealized appreciation of $39,958). The Fund does not provide any additional significant financial or other support to the Underlying Funds. The interest held by the Fund in Underlying Funds is shown in the table below.

December 31, 2023

Underlying Fund	**Country of establishment and principal place of business**	**Ownership interest**	**Total Net Assets of Portfolio Fund**	**Carrying amount included in Statement of Financial Position**
		%	$	$
Ninepoint High Interest Savings Fund, Series I	Canada	4.84	569,506,364	27,591,521

December 31, 2022

Underlying Fund	Country of establishment and principal place of business	Ownership interest	Total Net Assets of Portfolio Fund	Carrying amount included in Statement of Financial Position
		%	$	$
CRIK(2)	Canada	22.57	156,334,897	35,286,202

Management Fees *(note 10)*

The Fund pays the Manager a monthly management fee, calculated and paid monthly, equal to $^1/_{12}$ of 2.45% of the Net Assets attributable to holders of redeemable units of Class A1, Class D and Class T, $^1/_{12}$ of 1.45% the Net Assets attributable to holders of redeemable units of Class F1, Class FD and Class FT, $^1/_{12}$ of 2.30% of the Net Assets attributable to holders of redeemable units of Class A, $^1/_{12}$ of 1.30% of the Net Assets attributable to holders of redeemable units of Class F, and ½ of 1.25% of the Net Assets attributable to holders of redeemable units of Class I1, plus any applicable taxes. The management fee for Class I units is negotiated by the unitholders and is payable by the Fund. There are no management fee payable by the Fund to the Manager for Class E. If any class of Units does not reach a 6% annualized return (after adding back any Performance Fee, HST, operating expenses and service commission, in each case where applicable and accrued and/or paid during the calendar year), the Manager will provide a rebate to the holders of such class of Units. Any applicable management fee rebate will be accrued monthly and realized at December 31.

Tax Loss Carryforwards *(note 3)*

As of the taxation year ended December 31, 2023, the Fund had no capital and non-capital losses available for tax purposes.

Interest Receivable and Interest Income *(note 3)*

ABLs that pay regular interest in cash are CFFC(5), CFFC(8), ERIK, FRIG(3), OZZE(3), and the revolver portions of KSCI(4). ABLs where the borrower has the option (negotiated up-front) of paying interest in cash or by payment-in-kind ("PIK") are CFFC(7), the delayed draw facility of GOGE, and the term component of TARA. ABLs that were negotiated up-front as PIK are TRIL(2) and the term component of GOGE. ABLs where interest is typically capitalized and paid through periodic cash sweeps are AEFK, PRTX(3), and the term component of KSCI(4). Certain principal collected through the year includes capitalized and PIK interest.

Third Eye Capital Corporation ("TECC"), as agent for the syndicate of lenders which include the Fund, has Deposit Account Control Agreements (or similar blocked account agreements) with certain borrowers that permits TECC, as agent on behalf of the lenders, to control the cash of borrowers in the event of default.

Related Party Holdings

As at December 31, 2023 and 2022, Ninepoint Financial Group Inc., the parent company of the Manager, and its respective subsidiaries, held the following investments in the Fund shown in the table below.

	December 31, 2023		December 31, 2022	
Series	**Units**	**Fair Value of Units**	Units	Fair Value of Units
		$		$
Class A1	148	1,524	138	1,474
Class E	674,789	6,909,839	595,770	6,401,495

ABL Commitments

As at December 31, 2023 and 2022, the Fund had the following outstanding commitments to make loan advances to portfolio companies as shown in the table below.

ABL	**December 31, 2023**	December 31, 2022
	$	$
CFFC(5)	3,056,679	1,438,437
ERIK	1,785,594	1,785,594
FRIG(3)	295,886	1,731,854
GOGE	1,081,708	4,710,189
KSCI(4)	8,591,391	13,083,633
BBTV	8,000,000	–

All outstanding commitments are subject to the portfolio companies satisfying certain terms and conditions under their respective loan agreements. The Fund has the right to assign, transfer, syndicate, or otherwise sell these commitments in accordance with the terms of the relevant loan agreements.

ABL Reassignments

During the years ended December 31, 2023 and 2022, there were no ABL reassignments between the Fund and other funds managed, advised or operated by the Fund's subadvisor, other than loans moved from NTPC to NTPC2 on restructuring during the year ended December 31, 2022.

ABL Renegotiations

During the years ended December 31, 2023 and 2022, there were no material modifications requiring derecognition.

See accompanying notes which are an integral part of these financial statements

1. Formation of the Funds

Ninepoint-TEC Private Credit Fund and Ninepoint-TEC Private Credit Fund II (the “Funds” and each a “Fund”) were formed under the laws of the Province of Ontario pursuant to a Trust Agreement. Ninepoint Partners LP (the "Manager") is the manager of the Funds. The Manager has retained Third Eye Capital Management Inc. (“TEC”) as the sub-advisor. The address of the Funds’ registered office is 200 Bay Street, Toronto, Ontario.

The date of inception and class structure of each of the Funds are as follows:

Name of the Fund	Declaration of Trust Agreement Date	Class Information
Ninepoint-TEC Private Credit Fund	June 1, 2016	A continuous offering of Class A units, Class A1 units, Class D units, Class E units, Class F units, Class F1 units, Class FD units, Class FT units, Class I units, Class I1 units and Class T units.
Ninepoint-TEC Private Credit Fund II	October 1, 2022	A continuous offering of Class A units, Class A1 units, Class D units, Class E units, Class F units, Class F1 units, Class FD units, Class FT units, Class I units, Class I1 units and Class T units.

The differences among the classes of units are the different eligibility criteria, fee structures and administrative expenses associated with each class.

The Statements of Financial Position of each of the Funds are as at December 31, 2023 and 2022, unless otherwise noted. The Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows for each Fund are for the years ended December 31, 2023 and 2022, except for Funds and class of a Fund established during either year, in which case the information for the applicable Fund and class of a Fund is provided for the period from the start date of the Fund and class of the Fund to December 31 of the applicable year. The Schedule of Investment Portfolio for each Fund is as at December 31, 2023.

These financial statements were approved for issuance by the Manager on March 28, 2024.

2. Basis of Presentation

These financial statements have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as published by the International Accounting Standards Board (“IASB”) and include estimates and assumptions made by the Manager that may affect the reported amounts of assets, liabilities, income, expenses and the reported amounts of changes in Net Assets during the reporting periods. Actual results could differ from those estimates.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, the Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS.

The financial statements have been prepared using the historical cost convention. The financial statements are presented in Canadian dollars, which is each Fund’s functional currency.

3. Material Accounting Policy Information

The following is a summary of material accounting policy information followed by the Funds:

CLASSIFICATION AND MEASUREMENT OF INVESTMENTS

The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments* (“IFRS 9”). Based on the Funds’ business model for managing the financial assets and the contractual cash flow characteristics of these assets, it requires financial assets to be classified as amortized cost, fair value through profit or loss (“FVTPL”), or fair value through other comprehensive income (“FVOCI”). The contractual cash flow assessment examines the contractual features of the assets to determine if they give rise to cash flows that are consistent with a basic lending arrangement. Contractual cash flows are consistent with a basic lending arrangement if they comprise solely payment of interest and principal outstanding (“SPPI”). For the purpose of the SPPI interest, interest represents payment on account of the time value of money, the credit risk associated with a particular instrument, other basic lending risk and costs and profit margin. Debt instruments are measured at amortized cost if they are held within a business model which aims to hold them for a collection of contractual cash flows that meet the SPPI test.

The Funds' investments, investments sold short and derivative assets and liabilities are measured at FVTPL, other than loans held by the Funds, and receivables which are classified and measured at amortized cost.

The Funds' accounting policies for measuring the fair value of its investments and derivatives are identical to those used in measuring its Net Asset Value ("NAV") for transactions with unitholders. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and liabilities are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions incurred in the purchase and sale of such securities are recognized directly in the Statements of Comprehensive Income (Loss). Subsequent to initial measurement, financial assets and liabilities at FVTPL are recorded at fair value which, as at the financial reporting period end, is determined as follows:

1. Securities listed upon a recognized public stock exchange are valued at the closing price recorded by the exchange on which the security is principally traded, where the last traded price falls within that day's bid-ask spread. In circumstances where the closing price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.
2. Common shares of unlisted companies and warrants that are not traded on an exchange are valued using valuation techniques established by the Manager. Restricted securities are valued in a manner that the Manager determines represents fair value.
3. Short-term notes and treasury bills are valued at their cost. The cost, together with accrued interest, approximates fair value using closing prices.
4. Bonds, debentures and other debt obligations are valued at the mean of bid/ask prices provided by recognized fixed income vendors. Listed convertible debentures are priced using the last traded or closing sale price from a primary publicly recognized exchange however, if the last traded or closing sale price is not available, the mean of the bid price and ask price (evaluated mean) provided by fixed income vendors is used. Unlisted bonds, debentures and convertible debentures are valued using valuation techniques established by the Manager.
5. Fund units held as investments are fair valued using their respective NAV per unit on the relevant valuation dates, as these values are most readily and regularly available.

Asset Based Loans ("ABLs") are measured at amortized cost using the effective interest method, less impairment. IFRS 9 requires that an entity recognize a loss allowance for expected credit losses on financial assets which are measured at amortized cost or FVOCI. Financial assets held by the Fund, which are measured at FVTPL, are not subject to impairment requirements. Expected credit losses are a probability-weighted estimate of future credit losses. Credit losses are measured as the present value of the difference between the cash flows due to the Fund in accordance with the contract and the cash flows the Fund expects to receive. At each reporting date, management assesses the probability of default and the loss given default using economic and market trends, quoted credit ratings of the borrower, market value of the asset, and appraisals, if any, of the security underlying the loan. IFRS 9 establishes a three-stage approach for loan impairment tied to whether the underlying credit risk of the borrower has deteriorated since inception. At initial recognition of the loan, the loan is in Stage 1, and the lender recognizes a loss provision equal to the credit loss that is expected to result from default events possible within 12 months. If, at the reporting date, there has been no significant increase in credit risk, the loan continues to be classified in Stage 1. If there has been a significant increase in credit risk the loan is classified in Stage 2 and the lender recognizes a loss provision equal to the credit loss that is expected to result from default events possible within the lifetime of the loan. If there is objective evidence as at a reporting date of credit impairment, then the loan is classified in Stage 3. A loss provision will be recognized equal to the credit loss that is expected to result from default events possible within the lifetime of the loan and the interest is recognized based on the impaired loan amount. Expected credit losses are recognized in profit and loss and reflected in a provision account against the loan investment. When a subsequent event causes the amount of an impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss. The loans are assessed monthly to identify if there has been a significant increase in credit risk since initial recognition. The determination is based on macroeconomic outlook, borrower specific qualitative and quantitative factors, the delinquency and monitoring of the investments and management's judgment.

The difference between the fair value of investments and the cost of investments represents the unrealized appreciation or depreciation in the value of investments. The cost of investments for each security is determined on an average cost basis.

All other financial assets and financial liabilities are classified at amortized cost. They are recognized at fair value upon initial recognition and subsequently measured at amortized cost. The Funds' obligation for Net Assets attributable to holders of redeemable units is presented at the redemption amount.

TRANSACTION COSTS

Transaction costs are expensed and are included in “Transaction costs” in the Statements of Comprehensive Income (Loss). Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of an investment, which include fees and commissions paid to agents, advisors, brokers and dealers, levies by regulatory agencies and securities exchanges, and transfer taxes and duties.

INVESTMENT TRANSACTIONS AND INCOME RECOGNITION

Investment transactions are accounted for on the business day following the date the order to buy or sell is executed, with the exception of short-term investments, which are accounted for on the date the order to buy or sell is executed. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments. Investments in ABLs are recorded on the closing date of the respective transaction.

Interest income for distribution purposes represents the coupon interest recognized daily on an accrual basis. It also includes payment-in-kind (“PIK”) interest on certain ABLs. Any default interest on ABLs is only recognized upon collection or when collection is reasonably assured.

Dividend income is recognized on the ex-dividend date, presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statements of Comprehensive Income (Loss).

Commitment, closing, monitoring, placement and standby fees are amortized and recognized evenly over the investment term of the loan. Waiver and amendment fees are recognized in the period in which the waiver or amendment was granted. All other portfolio fees, such as advisory fees and monitoring fees, are recognized when earned.

SHORT SELLING

The Funds may make short sales whereby a security that they do not own is sold short in anticipation of a decline in the market value of that security. To enter a short sale, the Funds may need to borrow the security for delivery to the buyer. The cost of entering into short positions is recorded in the Statements of Comprehensive Income (Loss) under “Securities borrowing fees”. The short positions are secured by the assets owned by the Funds. The Funds can realize a gain on short sale, if the price of the security decreases from the date the security was sold short until the date at which the Funds close out their short position, by buying that security at a lower price. A loss will be incurred if the price of the security increases. While the transaction is open, the Funds will also incur a liability for any accrued dividends or interest, which is paid to the lender of the security.

FOREIGN CURRENCY TRANSLATION

The fair value of foreign currency denominated investments are translated into Canadian using the prevailing rate of exchange on each valuation date. Income, expenses and investment transactions in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing on the respective dates of such transactions.

The Funds do not separately report the effect of changes in foreign exchange rates from changes in market prices on securities held. Such changes are included in “Net change in unrealized appreciation (depreciation) in the value of investments” in the Statements of Comprehensive Income (Loss). Realized foreign exchange gains or losses from sales of investments and cash in foreign currencies are included in “Net realized gains (losses) on foreign exchange” in the Statements of Comprehensive Income (Loss). Any difference between the recorded amounts of dividends, interest and foreign withholding taxes and the Canadian dollar equivalent of the amounts actually received is reported as part of the investment income in the Statements of Comprehensive Income (Loss).

CASH

Cash is comprised of cash on deposit with financial institutions.

CALCULATION OF NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER CLASS PER UNIT

The Net Assets attributable to holders of redeemable units per unit of a class of the Funds are based on the fair value of the proportionate share of the assets and liabilities of the Fund common to all classes, less any liabilities of the Fund attributable only to that class, divided by the total outstanding units of that class. Income, non-class specific expenses, realized and unrealized gains (losses) on investments and transaction costs are allocated to each class of the Fund based on the pro-rata share of Net Assets attributable to holders of redeemable units of that Fund. Expenses directly attributable to a class are charged directly to that class.

FORWARD CURRENCY CONTRACTS

The fair value of a forward currency contract is the gain or loss that would be realized if, on the date that the valuation is made, the position was closed out. It is reflected in the Statements of Financial Position as part of “Unrealized appreciation (depreciation) on forward currency contracts” and the change in value over the period is reflected in the Statements of Comprehensive Income (Loss) as part of “Net change in unrealized appreciation (depreciation) on forward currency contracts”. When the forward currency contracts are closed out, gains and losses are realized and are included in “Net realized gains (losses) on forward currency contracts” in the Statements of Comprehensive Income (Loss).

OPTION CONTRACTS

When the Funds purchase options, the premiums paid for purchasing options are included as an asset and are subsequently adjusted each valuation day to the fair value of the option contract. Premiums received from writing options are included as a liability and are subsequently adjusted each valuation day to the fair value of the option contract. These amounts are reflected in the Statements of Financial Position as part of “Options purchased” or “Options written”. Option contracts are valued each valuation day according to the gain or loss that would be realized if the contracts were closed out on that day. All unrealized gains (losses) arising from option contracts are recorded as “Net change in unrealized appreciation (depreciation) on option contracts” in the Statements of Comprehensive Income (Loss), until the contracts are closed out or expire, at which time the gains (losses) are realized and reflected in the Statements of Comprehensive Income (Loss) as “Net realized gains (losses) on option contracts”.

INCREASE (DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS FROM OPERATIONS PER UNIT

“Increase (decrease) in net assets from operations per unit” in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in Net Assets attributable to holders of redeemable units from operations per class, divided by the weighted average number of units outstanding in that class during the period, which is presented in the Statements of Comprehensive Income (Loss).

INCOME TAXES

The Funds are not taxed on that portion of income and net realized capital gains that is paid or payable to unitholders. No provision for income taxes has been recorded in the Funds as sufficient income and net realized capital gains are paid to unitholders. Non-capital losses may be carried forward for up to 20 years, and can be offset against future taxable income. Capital losses may be carried forward indefinitely to be applied against future capital gains.

Ninepoint-TEC Private Credit Fund II qualifies as a “mutual fund trust” under the *Income Tax Act* (Canada) (the “Tax Act”). Accordingly, the Fund may retain some net capital gains by utilizing the capital gains refund mechanism available to mutual fund trusts without incurring any income taxes.

Ninepoint-TEC Private Credit Fund is not expected to qualify as a “unit trust” under the Tax Act. Accordingly, the Fund (i) is not eligible for the capital gains refund mechanism, (ii) will be deemed to dispose of all of its assets on the twenty-first anniversary of its creation, (iii) may be liable for alternative minimum tax, (iv) may be subject to the “mark-to-market” rules in the Tax Act and (v) may be subject to tax under Part XII.2 of the Tax Act.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are disclosed net if there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and liability simultaneously. Where applicable, additional information is disclosed in the Offsetting of Financial Instruments section of the *Notes to Financial Statements – Fund Specific Information*.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The Funds have determined there are no IFRS standards that are issued but not yet effective that could materially impact the Funds’ financial statements.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

FAIR VALUE MEASUREMENT OF DERIVATIVES AND SECURITIES NOT QUOTED IN AN ACTIVE MARKET

The Funds hold financial instruments that are not quoted in active markets, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Where no market data is available, the Funds may value investments using valuation models, which are usually based on methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Common shares of unlisted companies may be valued at cost and adjusted based on the last known transaction. Refer to *Note 5: Fair Value Measurement* for further information about the fair value measurement of the Funds' financial instruments.

CLASSIFICATION AND MEASUREMENT OF INVESTMENTS AND APPLICATION OF THE FAIR VALUE OPTION

In classifying and measuring financial instruments held by the Funds, the Manager is required to make significant judgments in determining the most appropriate classification in accordance with IFRS 9. The Manager has assessed the Funds' business models and concluded that FVTPL, in accordance with IFRS 9, provides the most appropriate classification of the Funds' financial instruments.

RENEGOTIATED LOANS

From time to time, contractual terms of ABLs may be modified due to less favourable financial and/or legal conditions of the borrower. Modifications that are considered to be significant, would result in the derecognition of the original ABL and recognition of the restructured ABL at fair value. Modifications that are not considered significant do not require the derecognition of the ABL and the gross carrying of the modified ABL are recalculated based on the present value of the difference between the modified cash flows due to the Fund in accordance with the amended contract and the cash flows the Fund expects to receive.

ASSESSMENT AS AN INVESTMENT ENTITY

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* ("IFRS 10") are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all its investments on a fair value basis.

The Manager has assessed the characteristics of an investment entity as they apply to the Funds and such assessment requires significant judgements. Based on the assessment, the Manager concluded that the Funds do not meet the definition of an investment entity.

IFRS 10 further requires the preparation and presentation of consolidated financial statements when a Fund has control over any of its investments. A Fund has control over its investments if all the following criteria are met:

- existing right that gives the Fund the ability to direct the activities of the investments it holds and particularly, activities that impact the returns of those investments held;
- exposure or rights to variable returns from its involvement with the investments; and
- ability to use its power over any of its investments to affect the amount of returns received.

The Funds do not possess influence over the strategies of the investments they hold that may impact returns of those investments. The Funds each hold voting rights in some of the investments alongside other investors, some of whom may be to be related parties of TEC, however, as none of the investors can unilaterally take action regarding an investment, any power over the investments is considered to be shared which thereby precludes the Funds from having control.

The Manager has assessed whether the Funds have control over any of their investments and has determined that they do not and as a result, they are not required to present consolidated financial statements.

PROVISIONS

Due to the nature of provisions, a considerable part of their determination is based on estimates and judgments, including assumptions concerning the likelihood of future events occurring. The actual outcome of these uncertain events may be materially different from the initial provision in the Fund's financial statements. Management exercises judgment to determine whether indicators of loan or receivables impairment exist, and if so, management must estimate the timing and amount of future cash flows from loans and receivables.

5. Fair Value Measurements

The Funds use a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Funds' investments. The fair value hierarchy has the following levels:

Level 1 Unadjusted quoted prices in active markets for identical, unrestricted assets or liabilities that the Funds have the ability to access at the measurement date;

Level 2 Quoted prices which are not active, or inputs that are observable (either directly or indirectly) for substantially the full term of the asset or liability; and

Level 3 Prices, inputs or complex modeling techniques that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The hierarchy of investments and derivatives for each Fund is included in the *Notes to Financial Statements – Fund Specific Information* of each Fund.

All fair value measurements above are recurring. The carrying values of cash, subscriptions receivable, interest receivable, payable for investments purchased, redemptions payable, distributions payable, accrued expenses and each Fund's obligations for Net Assets attributable to holders of redeemable units approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of their fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Loans held by the Funds would be classified as Level 3 if they were accounted for at fair value.

The following provides details of the categorization in the fair value hierarchy by asset classes:

Level 1 securities include:

- Equity securities and options using quoted market prices (unadjusted).
- Investments in other mutual funds valued at their respective NAV per unit on relevant valuation dates.

Level 2 securities include:

- Equity securities that are not frequently traded in active markets. In such cases, fair value is determined based on observable market data (e.g., transactions for similar securities of the same issuer).
- Fixed-income securities valued at evaluated bid prices provided by recognized investment dealers (i.e. third-party pricing vendor based on a variety of factors including broker input, financial information on the issuer and other observable market inputs).
- Derivative assets and liabilities such as forward currency contracts and swaps, which are valued based on observable inputs such as the notional amount, forward market rate, contract rates, interest and credit spreads. To the extent that the inputs used are observable and reliable, these derivatives are included in Level 2.

Level 3 securities include:

- Investments valued using valuation techniques that are based on unobservable market data. These techniques are determined pursuant to procedures established by the Manager. Quantitative information about unobservable inputs and related sensitivity of the fair value measurement are disclosed in the Notes to financial statements – Fund specific information.

Additional disclosures relating to transfers between levels and a reconciliation of the beginning and ending balances in Level 3 are also disclosed in the Notes to financial statements – Fund specific information.

For the years ended December 31, 2023 and 2022, the Funds did not hold Level 2 securities and as a result, there were no material transfers between Level 1 and Level 2 during the years.

6. Financial Risk Management

The Funds are exposed to risks that are associated with their investment strategies, financial instruments and markets in which they invest. The extent of risk within a Fund is largely contingent upon its investment policy and guidelines as stated in its offering documents, and the management of such risks is contingent upon the qualification and diligence of the portfolio manager designated to manage the Fund. The Schedule of Investment Portfolio groups securities by asset type and market segment. Significant risks that are relevant to the Funds are discussed below. Refer to the *Notes to Financial Statements – Fund Specific Information* of each Fund for specific risk disclosures.

MARKET RISK

Each Fund's investments are subject to market risk, which is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market variables such as equity prices, currency rates and interest rates.

a) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or currency risk). The sensitivity analysis disclosed is estimated based on the historical correlation between the return of a Fund as compared to the return of a Fund's benchmark. The analysis assumes that all other variables remain unchanged. The historical correlation may not be representative of future correlation and, accordingly the impact on net assets could be materially different. The investments of a Fund are subject to normal market fluctuations and the risks inherent in the financial markets. The maximum risk resulting from purchased securities held by the Funds is limited to the fair value of these investments. The Funds manage their exposure to market risk through the selection and monitoring of companies within the portfolio of securities, as well as through the diversification of the investment portfolio. Each Fund's portfolio is invested according to the portfolio manager's assessment of the macroeconomic environment, the prospects for various industry sectors, and specific company analyses. As a result, the portfolio manager may accept above-average market volatility if the portfolio continues to be positioned in a manner that is consistent with the portfolio manager's outlook as discussed above.

b) Currency Risk

Currency risk is the risk that arises from the change in price of one currency against another. The Funds hold securities that are denominated in currencies other than the Canadian dollar. These securities are converted to the Funds' functional currency in determining fair value, and the fair value is subject to fluctuations relative to the strengthening or weakening of the functional currency. The Funds may enter into foreign exchange contracts for hedging purposes to reduce its foreign currency exposure, or to establish exposure to foreign currencies.

c) Interest Rate Risk

Interest rate risk is the risk borne by an interest-bearing financial instrument that is attributed to interest rate fluctuations. Cash does not expose the Funds to significant amounts of interest rate risk. Excess cash amounts and amounts held as collateral for securities sold short may be invested in Government of Canada treasury bills with maturities of less than three months.

The publication of London Interbank Offered Rate ("LIBOR") has ceased for all Pound Sterling, Japanese Yen, Swiss Franc, and Euro settings as well as the 1-week and 2-month U.S. LIBOR settings. In addition, the overnight 1-month, 3-month, 6-month and 12-month U.S. LIBOR settings ceased to be published in 2023.

On May 16, 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of Canadian Dollar Offered Rate ("CDOR"), announced that the calculation and publication of all tenors of CDOR will permanently cease following a final publication on June 28, 2024.

The global benchmark rate reform initiative to transition from CDOR to alternative reference rates may impact a Fund that holds investments that are referenced to CDOR. Market risks arise as the new reference rates are likely to differ from the existing CDOR rates, which may impact the volatility or liquidity in markets for instruments that currently rely on CDOR settings. In order to manage these risks, the Manager continues to closely monitor the industry's development and is taking all necessary steps to identify, measure and manage the risks relating to the Funds' CDOR exposure from their portfolio holdings.

CREDIT RISK

Credit risk is the risk of loss due to the failure of a counterparty to satisfy its obligations.

The Funds may be exposed to credit risk from the counterparties to the derivative instruments used by it. Credit risk associated with these transactions is considered minimal as all counterparties have an approved credit rating equivalent to a Standard & Poor's credit rating of A on their long-term debt. The Funds endeavor to minimize their counterparty credit risk by monitoring the credit exposure with, and the creditworthiness of, counterparties.

The carrying value of ABLs includes consideration of the credit worthiness of the debt issuer. The carrying amount of ABLs represents the maximum credit risk exposure to the Funds related to those investments.

All transactions executed by the Funds in listed securities are settled upon delivery using approved brokers. The risk of default is considered minimal, as the delivery of those securities sold is made only when the broker has received payment. Payment is made on purchase only when the security is received by the broker. The trade will fail to consummate if either party fails to meet its obligations.

LIQUIDITY RISK

Liquidity risk is the risk that the Funds will not be able to generate sufficient cash resources to fulfill their payment obligations. Under the terms of the Trust agreement of each Fund, the Manager has the ability to suspend or defer redemptions in certain circumstances, including the receipt of redemption notices in excess of certain thresholds, or where the Manager determines that conditions exist which render impractical the sale of the assets of the Fund or which impair the ability of the Fund to determine the value of the assets of the Fund.

For Ninepoint-TEC Private Credit Fund, as of September 30, 2022, the investment objective was changed to provide for an orderly liquidation and winding down of the Fund. As of September 30, 2022, no new redemption requests will be accepted.

For Ninepoint-TEC Private Credit Fund II, due to the nature of the Fund's investment strategy and portfolio, certain investments may have to be held for a substantial period of time before they can be liquidated to the Fund's greatest advantage or, in some cases, at all. Ninepoint-TEC Private Credit Fund II manages its cash flow through a 120-day notice for redemption of units. The Manager may, in its sole discretion, accept a redemption request submitted 30 days prior to a Redemption Date, provided the Manager has received a concurrent subscription from the Unitholder's discretionary account manager or investment adviser which, at minimum, offsets NAV of the Fund that would be redeemed in connection with the redemption request. Quarterly redemptions are limited to 5% of prior quarter's net assets. Units redeemed on December 31, 2022, March 31, 2023, June 30, 2023 and September 30, 2023 will (subject to certain exceptions) be subject to a 5% early redemption fee payable to the Fund regardless of the date of purchase. For any redemption requests submitted after September 30, 2023, the Manager may, in its sole discretion, impose an early redemption fee equal to 2% of the aggregate NAV of Units redeemed if such units are redeemed within 12 months of their date of purchase. Where the sum of cash distributions and redemption requests for any calendar quarter exceeds 5% of the NAV as at the prior quarter's end, redemption requests exceeding this amount will be cancelled unless redeeming Unitholders request to receive from the Fund, redemption notes of the Fund. Redemption Notes will be issued at 10% discount to the NAV of the Units on the Redemption Date, will have a maturity of 5 years or less, will be non-interest bearing and will be callable on demand by the Fund. On direction from the Manager, the record-keeper of the Fund shall hold back up to 20% of the Redemption Amount on any redemption to provide for an orderly disposition of assets. Any Redemption Amount which is held back shall be paid within a reasonable time period, having regard for applicable circumstances.

With the exception of derivative contracts and investments sold short, where applicable, all of the Funds' financial liabilities are short-term liabilities maturing within 90 days after the period end. For Funds that hold investments sold short, these investments have no specific maturity date. For Funds that hold derivative contracts with a term to maturity that exceeds 90 days from the period end, further information related to those contracts can be found in the derivatives schedules included in the Schedule of Investment Portfolio of those Funds.

Expected credit losses on ABLs are reassessed at regular intervals during the period. Refer to *Note 3: Summary of Significant Accounting Policies* for further information on the measurement of expected credit losses.

Restructuring and revision to redemption terms

The Manager has explored various options to manage the Funds' liquidity upon the termination of the suspension of redemptions, in the best interest of the unitholders, including through subscriptions, sales of portfolio investments, borrowings, and possible restructuring of the Funds. For Ninepoint-TEC Private Credit Fund, on September 1, 2022, a special meeting of the Funds was held and by way of unitholder voting and approval, unitholders were offered the choice to remain in Ninepoint-TEC Private Credit Fund or move to the new Fund, Ninepoint-TEC Private Credit Fund II, as of September 30, 2022. For Unitholders participating in Ninepoint-TEC Private Credit Fund II, all classes of units of Ninepoint-TEC Private Credit Fund were converted into corresponding classes of units of NTPC2 and total assets of Ninepoint-TEC Private Credit Fund attributable to such units amounting to $1,263,565,407 were transferred to Ninepoint-TEC Private Credit Fund II.

CONCENTRATION RISK

Concentration risk arises as a result of the concentration of financial instrument exposures within the same category, whether it is geographic region, asset type or industry sector.

GEOPOLITICAL RISKS

The conflict between Israel and Palestine and conflict between Russia and Ukraine have continued to increase financial market uncertainties and volatility which have greatly impacted the markets around the world. The impacts of these circumstances on the global economy, especially in terms of geopolitical norms, supply chains and investment valuations are still being felt. Although, the ultimate extent of the effects from this on the Funds is uncertain, the Manager has and will continually assess the performance of the portfolio and make investment decisions that are aligned with each Fund's mandate and the best interests of its unitholders.

7. Redeemable Units

Each Fund is authorized to issue an unlimited number of classes of units and an unlimited number of units in each class. Class A units, Class A1 units, Class B units and Class D units are issued to qualified purchasers (other than Ninepoint-TEC Private Credit Fund II whose Class A units are only issued to unitholders who held that fund prior to its merger with Sprott Private Credit Trust). Class D units will be issued to qualified purchasers and will receive monthly distributions. Class E units will be issued to qualified purchasers who are directors, officers and employees of the Manager, the sub-advisors and their respective affiliates and associates. Class F units, Class F1 units and Class FD units are issued to (i) purchasers who participate in fee-based programs through eligible registered dealers; (ii) qualified purchasers in respect of whom the Fund does not incur distribution costs; and (iii) qualified individual purchasers at the discretion of the Manager (other than Ninepoint-TEC Private Credit Fund II whose Class F units are only available to those unitholders who held that fund prior to its merger with Sprott Private Credit Trust). Class FT units have the same features as Class F units other than its distribution policy which is the same as that of Class T units. Class I units are issued to institutional investors at the discretion of the Manager. Class I1 units are issued to institutional investors at the discretion of the Manager for Ninepoint-TEC Private Credit Fund II to qualified individual purchasers or discretionary accounts of an advisor holding, in aggregate, $50,000,000 or more in the Fund. Class T units for Ninepoint-TEC Private Credit Fund II are issued to qualified purchasers and are designated to provide cash flows to investors by making targeted monthly distributions of cash of approximately 6% per annum. Units of the Funds are redeemable at their Net Assets attributable to holders of redeemable units per unit for the applicable class.

The Funds have multiple classes of redeemable units that do not have identical features and therefore, do not qualify as equity under IAS 32, *Financial Instruments: Presentation* ("IAS 32").

CAPITAL MANAGEMENT

The capital of each Fund is represented by the issued and outstanding units and the net asset value attributable to participating unitholders. The Manager utilizes the capital of the Funds in accordance with the Funds' investment objectives, strategies and restrictions, as outlined in each Fund's offering memorandum, while maintaining sufficient liquidity to meet normal redemptions. The Funds do not have any externally imposed capital requirements.

8. Distribution of Income and Capital Gains

Net investment income and net realized capital gains are distributed to unitholders annually at the end of the calendar year by the Funds. Ninepoint-TEC Private Credit Fund II also makes monthly distributions. Ninepoint-TEC Private Credit Fund made monthly distributions until August 31, 2022. All distributions paid to unitholders will be reinvested automatically in additional units of the respective Fund, unless an investor elects to receive cash for classes that offer cash distributions.

9. Restricted Cash and Investments

Cash, investments and broker margin include balances with prime brokers held as collateral for securities sold short and other derivatives. This collateral is not available for general use by the Funds. The value of any restricted cash and investments held for each of the Funds is disclosed in the Notes to financial statements – Fund specific information.

10. Related Party Transactions

MANAGEMENT FEES

The Funds pay the Manager a monthly management fee, calculated and paid monthly. Management fees are unique to each Fund and each class and are subject to applicable taxes. To the extent that an underlying fund is a Ninepoint Partners managed fund and pays a management fee to the Manager, the Funds do not duplicate management fees with respect to the investment in the underlying Ninepoint Partners Funds. For Ninepoint-TEC Private Credit Fund, management fees will be reduced by 15 basis points on April 1, 2023 and further reduced by another 15 basis points on October 1, 2023.

PERFORMANCE FEES

For *Ninepoint-TEC Private Credit Fund*: The Manager is entitled to receive from the Fund a quarterly performance fee plus applicable HST attributable to Class A1 Units, Class D Units, Class F1 Units, Class FT Units, Class T Units, Class FD Units, Class I1 Units and Class I Units. Each such class of units is charged a performance fee plus applicable HST. If the return in the NAV per unit of the particular class of units (before calculation and accrual for the performance fee and after making necessary adjustments to account for distributions made by the Fund) from the beginning of the quarter (or inception date of the class of units) to the end of the quarter exceeds 2% (the "Hurdle Rate") (or prorated for partial quarters) and such return is between 2% and 2.5% on a quarterly basis, then any amount in excess of the Hurdle Rate shall be payable to the Manager as a Performance Fee, plus any applicable HST annualized. If the return in the NAV per unit of the particular class of units (before calculation and accrual for the performance fee and after making necessary adjustments to account for distributions made by the Fund) from the beginning of the quarter to the end of the quarter exceeds the Hurdle Rate of 2% and is 2.5% or more on a quarterly basis, then 20% of such return shall be payable to the Manager as performance fee, plus applicable HST. As of the restructuring of the Fund on September 30, 2022, there will be no change in hurdles or free structure, and the performance fee will be calculated in line with the NAV cycle, crystallized (paid to the Manager) only when units are being redeemed. The portion of accrued fee paid to the Manager is based on the number of units being redeemed and there will be no hurdle or NAV reset as there is no crystallization until an investor is redeemed out of the Fund.

For *Ninepoint-TEC Private Credit Fund II*, the Manager is entitled to receive from the Fund a quarterly performance fee attributable to Class A units, Class A1 units, Class D units, Class E units, Class F units, Class F1 units, Class FT units, Class T units, Class FD units, Class I1 units and Class I units. Each class of units is charged a performance fee plus any applicable HST. If the return in the NAV per unit of the particular class of units (before calculation and accrual for the performance fee and after making necessary adjustments to account for distributions made by the Fund) from the beginning of the quarter (or inception date of the class of units) to the end of the quarter exceeds 2% (the "Hurdle Rate") (or prorated for partial quarters) and such return is between 2% and 2.5% on a quarterly basis, then any amount in excess of the Hurdle Rate shall be payable to the Manager as a performance fee, plus applicable HST, other than with respect to the Class E units where 60% of such amount in excess of the Hurdle Rate shall be payable to the Manager as a performance fee, plus applicable HST. If the return in the NAV per unit of the particular class of units (before calculation and accrual for the performance fee and after making necessary adjustments to account for distributions made by the Fund) in the particular quarter exceeds the Hurdle Rate and is 2.5% or more on a quarterly basis, then 20% of such return shall be payable to the Manager as a performance fee, plus applicable HST, other than with respect to the Class E Units where 12% of such return shall be payable to the Manager as a performance fee, plus applicable HST. If the performance of a particular class of Units in any quarter is positive but less than the Hurdle Rate, then no performance fee will be payable in that quarter for that class of units, however, the difference between such return of the Fund and the Hurdle Rate is not carried forward. If the performance of a particular class of units in any quarter is negative, such negative return will be added to the subsequent quarter's Hurdle Rate when calculating the performance fee for that class of units. The performance fee in respect of each class of units will be accrued monthly (such that the NAV per unit reflects such accrual) and will be payable quarterly.

SUB-ADVISORY ARRANGEMENT

The sub-advisory agreement between the Manager and TEC outlines the terms of the arrangement such as the roles and responsibilities of each party, fee structure, and termination procedures. All advisory fees and incentive fees are invoiced to and paid directly by the Manager to TEC. TEC informs and provides supporting documents of all new and significant changes to the portfolio to the Manager. The Manager performs its own due diligence procedures and has the ability to refuse portfolio changes recommended by the subadvisor.

11. Operating Expenses and Sales Charges

Each Fund pays its own operating expenses, other than marketing costs and costs of dealer compensation programs, which are paid by the Manager. Operating expenses include, but are not limited to, audit, legal, safekeeping, trustee, custodial, fund administration expenses, preparation costs of financial statements and other reports to investors and Independent Review Committee ("IRC") member fees and expenses.

Operating expenses are charged to all Funds pro-rata, on the basis of net assets or another measure that provides a fair and reasonable allocation.

At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions can be terminated at any time without notice.

12. Independent Review Committee ("IRC")

The Funds have applied National Instrument 81-107, *Independent Review Committee for Investment Funds*, and the Manager has established an IRC for the Funds. The mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds. Each Fund subject to IRC oversight pays its pro rata share of the IRC member fees, costs and other fees in connection with operation of the IRC. The IRC reports annually to the unitholders of the Funds.

13. Sharing Arrangements

In addition to paying for the cost of brokerage services in respect of securities transactions, commissions paid to certain brokers may also cover research services provided to the portfolio manager. Sharing arrangements for each Fund are disclosed in the Notes to financial statements – Fund specific information, if applicable.

14. Filing Exemption

In reliance upon the exemption in Section 2.11 of NI 81-106, the financial statements of the Funds will not be filed with the securities regulatory authorities.

Corporate Information

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