



Ninepoint Alternative Health Fund

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

DECEMBER 31

2023

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

Management Discussion of Fund Performance

Investment Objective and Strategies

The objective of the Ninepoint Alternative Health Fund (the “Fund”) is to achieve growth by investing primarily in equity securities of companies engaged in nutrition, nutraceuticals and new forms of medicines and pharmaceutical solutions.

The Fund will invest in a portfolio of companies that are listed on the North American exchanges that have a business strategy focused on new and alternative health and wellness related themes that are growing in acceptance and importance in North America.

As part of the investment strategy, the Fund may:

- hold cash and/or short-term debt securities in anticipation of, or in response to, unfavourable market conditions and/or for liquidity purposes;
- engage in securities lending as permitted by securities regulations;
- invest in exchange-traded funds (“ETFs”) as permitted by securities regulations; and
- pursuant to regulatory relief to invest in leveraged and commodity ETFs in aggregate up to 10% of its net assets in underlying ETFs as measured at the time of the investment;
- use derivatives instruments such as options, futures, forward contracts and swaps, for both hedging and non-hedging strategies, in a manner that is consistent with the investment objectives of the Fund and as permitted by securities regulations.

On April 24, 2018, Ninepoint Partners LP (the “Manager”) acquired the management rights for the Fund from Redwood Asset Management Inc. Information prior to the acquisition by the Manager is presented in this report, as required.

Faircourt Asset Management Inc. is the sub-advisor of the Fund.

Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. The Fund is suitable for those investors who have a long-term investment horizon and high risk tolerance, own, or plan to own, other types of investments to diversify their portfolio and want exposure to the Canadian and U.S. equity markets with a focus on alternative health and wellness.

Results of Operations

The Fund, Series A, returned -6.1% in 2023, while its blended benchmark, 70% Refinitiv Canada Health Care Total Return Index and 30% Refinitiv Healthcare Total Return Index, returned 5.4%.

The Fund is an actively managed fund whose primary focus is the global cannabis market. To supplement that focus, the Fund provides exposure to other innovative and high growth sectors and companies in health care, pharmaceuticals as well as health and wellness. The overall health care sector represented by the S&P 500 healthcare index (XLV) was flat for the year. Inside the overall healthcare complex was the explosive growth exhibited by breakthroughs in weight loss and type II diabetes treatments. A key holding, Eli Lilly & Company (LLY) was a significant contributor to Fund performance for the year, generating a +61% return.

The U.S. cannabis index, despite its more volatile nature, also generated a relatively flat performance overall, with the North American Cannabis Index down 2.37% for 2023. Several of the Fund’s holdings provided solid returns highlighted by Verano Holdings Corporation (VRNO) +40%, TerrAscend Corporation (TSND) +44% and Green Thumb Industries Inc. (GTI) +31% in U.S. cannabis. The other holding that contributed to the Fund’s performance was Costco Wholesale Corporation (COST) +54% in mass retail that with its focus on Kirkland brand vitamins, pharmacy services, vision care, large assortment of organics and gym equipment make it a good fit for the Funds’ health and wellness positioning.

Not all companies within our primary sector focus contributed positively in 2023. Trulieve Cannabis Corporation (TRUL) is a top ten holding that at -31% was a significant negative contributor in 2023 as several issues conspired against the company including significant senior management transitions. In addition, its financial results were impacted by increased competitive pressures in Florida along with costs and start-up issues as it worked to integrate its new state of the art cultivation and processing facility in Jefferson County. However, with the facility now operating, and the closure of smaller, less efficient production facilities we continue to believe that over the next 12 months that TRUL returns to its stronger performance with the upcoming Ballot Initiative to bring adult use cannabis to Florida.

There were several macro and regulatory events that affected the portfolio in 2023. From a consumer perspective, higher interest rates and fears related to inflation reduced consumer buying power, while also eating into corporate margins

On the U.S. Cannabis side, despite the Biden Administration directive to review cannabis laws and resulting U.S. Health and Human Services (HHS) recommendation to the Drug Enforcement Agency (DEA) that cannabis be re-scheduled to Schedule III within the Controlled Substances Act, Federal regulatory change continues to be slower than investors anticipated, which reduced enthusiasm for investment despite the healthy cash flow profiles of the leaders in the industry.

In order to address the macro events mentioned, Fund management adjusted the portfolio towards pharma and health care during first part of the year, while U.S. cannabis was generating strong cash flows yet out of favour. As sentiment changed at the end of August, management re-allocated into U.S. cannabis with the announcement that Federal agencies were following through with a re-scheduling of cannabis under the Controlled Substances Act (CSA).

Looking forward, there are a number of catalysts for the U.S. cannabis sector in 2024, including the DEA's decision on rescheduling; Florida's ballot initiative to legalize this large state market; Ohio implementation of its new recreational market; and the potential transition of Pennsylvania as a new recreational market. We also believe that health care will be a positive performer in 2024, as the sector typically outperforms in more challenging economic environments.

The Fund's net asset value decreased by 35.8% during the year, from \$32.6 million as at December 31, 2022 to \$20.9 million as at December 31, 2023. This change was predominantly due to net redemptions of \$9.7 million and net realized and unrealized losses on investments of \$1.9 million.

Recent Developments

On January 17, 2023 (the "Termination Date"), the Manager terminated the ETF series units of the Fund. At the request of the Manager, the ETF series units of the Fund were delisted from the NEO Exchange at the close of business on January 13, 2023 and investors still holding ETF series units of the Fund received redemption proceeds following the Termination Date.

The Manager actively monitors the positioning of the Fund's portfolio for changes in current market conditions and the economic environment.

Related Party Transactions

MANAGEMENT FEES

The Fund pays a management fee to the Manager an annual rate of 2.25% for Series A units, 1.25% for Series D, Series F and ETF Series units and as negotiated by the unitholders for Series I. The management fee is calculated and accrued daily and is paid monthly based on the daily net asset value of that series of the Fund. For the year ended December 31, 2023, the Fund incurred management fees of \$470,152 (including taxes). The breakdown of the services received in consideration of the management fees, as a percentage of management fees, is as follows:

	Portfolio Advisory	Trailing Commissions
Ninepoint Alternative Health Fund – Series A	56%	44%
Ninepoint Alternative Health Fund – Series D	100%	–
Ninepoint Alternative Health Fund – Series F	100%	–
Ninepoint Alternative Health Fund – ETF Series	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$159 during the year ended December 31, 2023 to Sightline Wealth Management, an affiliate of the Manager.

OPERATING EXPENSES

The Fund pays its own operating expenses, which include, but are not limited to, audit, legal, custodial, filing and administrative expenses as well as unitholder reporting costs. The Manager pays certain of these expenses on behalf of the Fund and then is reimbursed by the Fund. At its sole discretion, the Manager may waive or absorb a portion of the operating expenses of certain Funds. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income (Loss). Waivers or absorptions are at the Manager's discretion and can be terminated at any time without notice. During the year ended December 31, 2023, the Manager did not absorb any expenses.

OTHER RELATED PARTY TRANSACTIONS

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

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit¹

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Series A	\$	\$	\$	\$	\$
Net assets, beginning of period	11.89	19.06	20.29	14.73	15.79
Increase (decrease) from operations:					
Total revenue	0.16	0.19	0.29	0.35	0.27
Total expenses	(0.40)	(0.47)	(0.65)	(0.50)	(0.58)
Realized gains (losses) for the period	(3.50)	(1.33)	1.37	(1.33)	(0.37)
Unrealized gains (losses) for the period	2.81	(5.75)	(2.70)	6.56	(1.88)
Total increase (decrease) from operations²	(0.93)	(7.36)	(1.69)	5.08	(2.56)
Distributions:					
Total annual distributions³	-	-	-	-	-
Net assets, end of period	11.16	11.89	19.06	20.29	14.73

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Series D	\$	\$	\$	\$	\$
Net assets, beginning of period	8.02	12.70	13.39	9.67	10.30
Increase (decrease) from operations:					
Total revenue	0.11	0.13	0.20	0.23	0.17
Total expenses	(0.19)	(0.20)	(0.29)	(0.28)	(0.31)
Realized gains (losses) for the period	(2.37)	(0.73)	0.92	(0.89)	(0.17)
Unrealized gains (losses) for the period	1.93	(4.60)	(1.83)	4.31	(1.24)
Total increase (decrease) from operations²	(0.52)	(5.40)	(1.00)	3.37	(1.55)
Distributions:					
Total annual distributions³	-	-	-	-	-
Net assets, end of period	7.61	8.02	12.70	13.39	9.67

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Series F	\$	\$	\$	\$	\$
Net assets, beginning of period	12.43	19.71	20.75	14.91	15.80
Increase (decrease) from operations:					
Total revenue	0.17	0.20	0.30	0.35	0.28
Total expenses	(0.30)	(0.32)	(0.42)	(0.34)	(0.39)
Realized gains (losses) for the period	(3.67)	(1.37)	1.42	(1.33)	(0.49)
Unrealized gains (losses) for the period	2.90	(5.87)	(3.08)	6.71	(1.82)
Total increase (decrease) from operations²	(0.90)	(7.36)	(1.78)	5.39	(2.42)
Distributions:					
Total annual distributions³	-	-	-	-	-
Net assets, end of period	11.80	12.43	19.71	20.75	14.91

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	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 ⁴	Dec 31, 2019
	\$	\$	\$	\$	\$
Series I					
Net assets, beginning of period	–	–	–	10.00	10.70
Increase (decrease) from operations:					
Total revenue	–	–	–	0.00	0.13
Total expenses	–	–	–	(0.00)	(0.08)
Realized gains (losses) for the period	–	–	–	(0.00)	0.88
Unrealized gains (losses) for the period	–	–	–	(0.00)	13.98
Total increase (decrease) from operations²	–	–	–	(0.00)	14.91
Distributions:					
Total annual distributions³	–	–	–	–	–
Net assets, end of period	–	–	–	–	10.00

	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 ⁴	Dec 31, 2019
	\$	\$	\$	\$	\$
Series PTF					
Net assets, beginning of period	–	–	–	10.00	10.00
Increase (decrease) from operations:					
Total revenue	–	–	–	0.00	0.00
Total expenses	–	–	–	(0.00)	(0.00)
Realized gains (losses) for the period	–	–	–	0.00	(0.00)
Unrealized gains (losses) for the period	–	–	–	(0.00)	(0.00)
Total increase (decrease) from operations²	–	–	–	(0.00)	–
Distributions:					
Total annual distributions³	–	–	–	–	–
Net assets, end of period	–	–	–	–	10.00

	Dec 31, 2023 ⁶	Dec 31, 2022	Dec 31, 2021 ⁵
	\$	\$	\$
ETF Series			
Net assets, beginning of period	10.73	16.99	20.00
Increase (decrease) from operations:			
Total revenue	0.00	0.19	0.18
Total expenses	(0.02)	(0.27)	(0.23)
Realized gains (losses) for the period	0.05	(1.31)	0.45
Unrealized gains (losses) for the period	(0.07)	(6.36)	(3.45)
Total increase (decrease) from operations²	(0.04)	(7.75)	(3.05)
Distributions:			
Total annual distributions³	–	–	–
Net assets, end of period	–	10.73	16.99

1 This information is derived from the Fund's audited annual financial statements.

2 The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. Net assets and distributions are based on the actual number of units outstanding at the relevant time. This table is not intended to be a reconciliation of beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund.

4 All outstanding Series I units and Series PTF units were fully redeemed during the year ended December 31, 2020.

5 Information provided is for the period from May 12, 2021 (first issuance) to December 31, 2021 for ETF Series units.

6 The Manager terminated the ETF Series units of the Fund on January 17, 2023.

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Ratios and Supplemental Data

Series A	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$10,689	\$15,497	\$30,368	\$30,405	\$25,746
Number of units outstanding ¹	957,436	1,303,520	1,593,621	1,498,854	1,747,872
Management expense ratio ²	3.43%	3.02%	2.83%	3.01%	3.01%
Trading expense ratio ³	0.11%	0.10%	0.08%	0.13%	0.22%
Portfolio turnover rate ⁴	41.86%	45.96%	44.81%	43.09%	167.87%
Net asset value per unit ¹	\$11.16	\$11.89	\$19.06	\$20.29	\$14.73

Series D	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$260	\$322	\$1,168	\$1,247	\$1,163
Number of units outstanding ¹	34,100	40,205	91,912	93,136	120,204
Management expense ratio ²	2.33%	1.88%	1.87%	2.51%	2.36%
Trading expense ratio ³	0.11%	0.10%	0.08%	0.13%	0.22%
Portfolio turnover rate ⁴	41.86%	45.96%	44.81%	43.09%	167.87%
Net asset value per unit ¹	\$7.61	\$8.02	\$12.70	\$13.39	\$9.67

Series F	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	\$9,976	\$15,623	\$34,730	\$31,751	\$27,086
Number of units outstanding ¹	845,439	1,256,918	1,762,393	1,530,203	1,817,197
Management expense ratio ²	2.34%	1.93%	1.75%	1.91%	1.92%
Trading expense ratio ³	0.11%	0.10%	0.08%	0.13%	0.22%
Portfolio turnover rate ⁴	41.86%	45.96%	44.81%	43.09%	167.87%
Net asset value per unit ¹	\$11.80	\$12.43	\$19.71	\$20.75	\$14.91

Series I	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	–	–	–	–	\$–
Number of units outstanding ¹	–	–	–	–	1
Management expense ratio ²	–	–	–	–	0.35%
Trading expense ratio ³	–	–	–	–	0.22%
Portfolio turnover rate ⁴	–	–	–	–	167.87%
Net asset value per unit ¹	–	–	–	–	\$10.00

Series PTF	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020	Dec 31, 2019
Total net asset value (000s) ¹	–	–	–	–	\$–
Number of units outstanding ¹	–	–	–	–	1
Management expense ratio ²	–	–	–	–	0.00%
Trading expense ratio ³	–	–	–	–	0.22%
Portfolio turnover rate ⁴	–	–	–	–	167.87%
Net asset value per unit ¹	–	–	–	–	\$10.00

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ETF Series	Dec 31, 2023	Dec 31, 2022	Dec 31, 2021
Total net asset value (000s) ^{1,6}	–	\$1,127	\$2,549
Number of units outstanding ¹	–	105,000	150,000
Management expense ratio ²	–	1.79%	1.70%
Trading expense ratio ³	–	0.10%	0.08%
Portfolio turnover rate ⁴	–	45.96%	44.81%
Net asset value per unit ¹	–	\$10.73	\$16.99
Closing market price ⁵	–	\$10.73	\$16.96

1 This information is provided as at December 31 for the years shown.

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

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

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

5 Last closing price as at December 31 for the years shown.

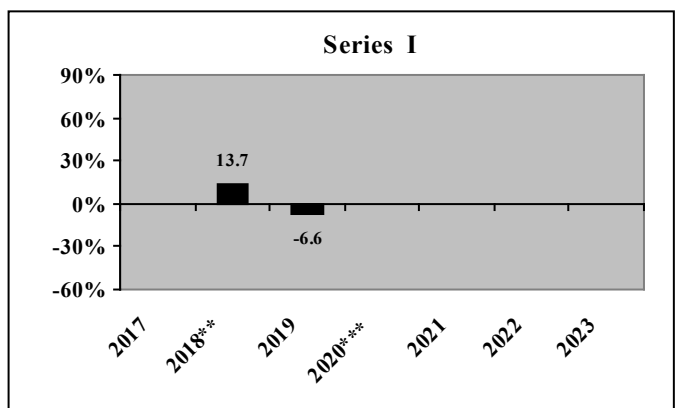
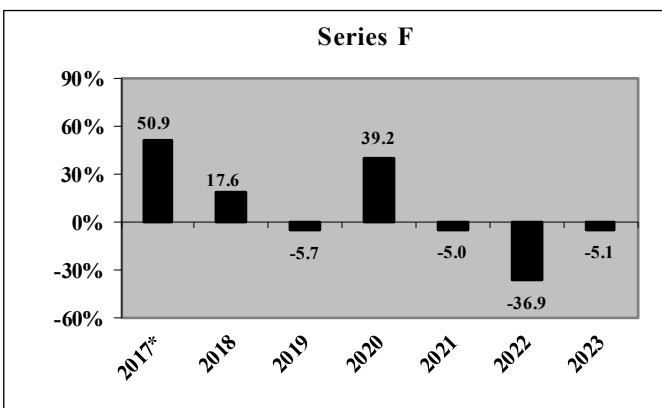
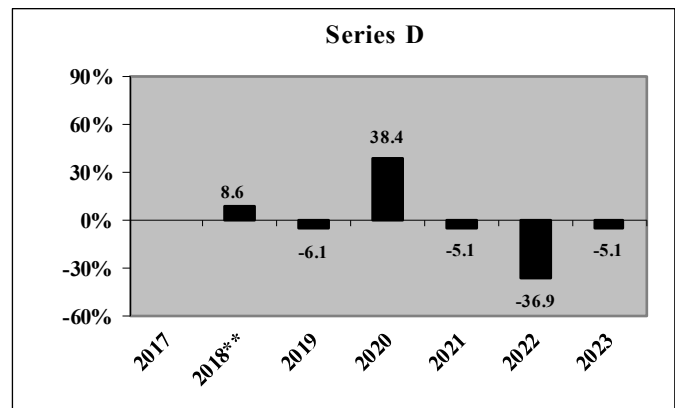
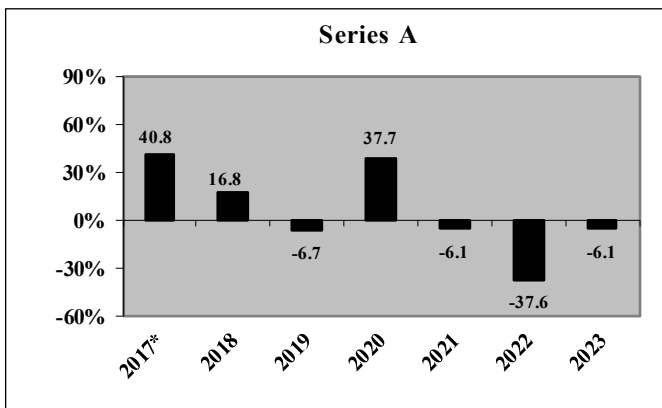
6 The Manager terminated the ETF Series units of the Fund on January 17, 2023.

Past Performance

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

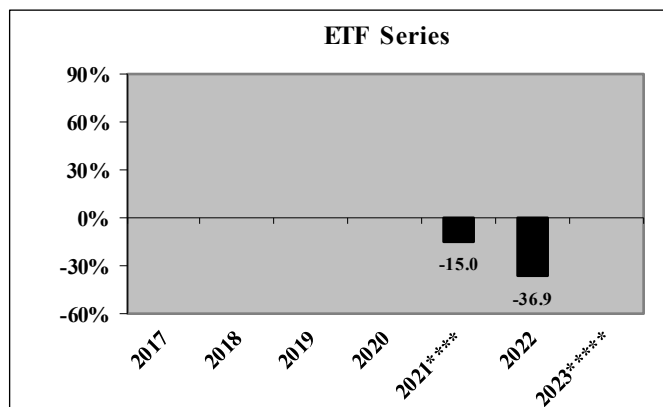
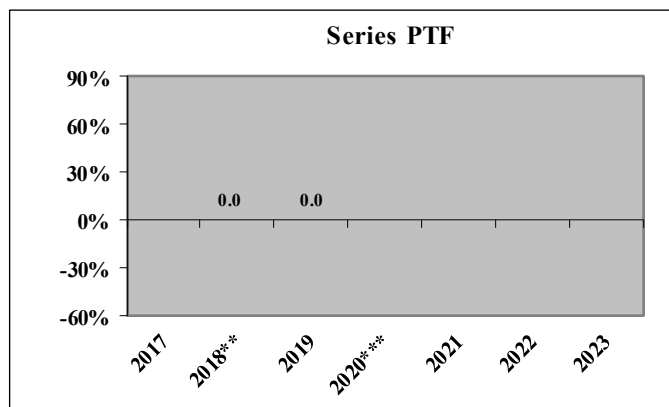
Year-by-Year Returns

The following chart indicates the performance of each Series of the years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have grown or decreased by the last day of each period. Returns are not shown for a Series in any period in which there were zero outstanding units as at the end of the period.



Ninepoint Alternative Health Fund

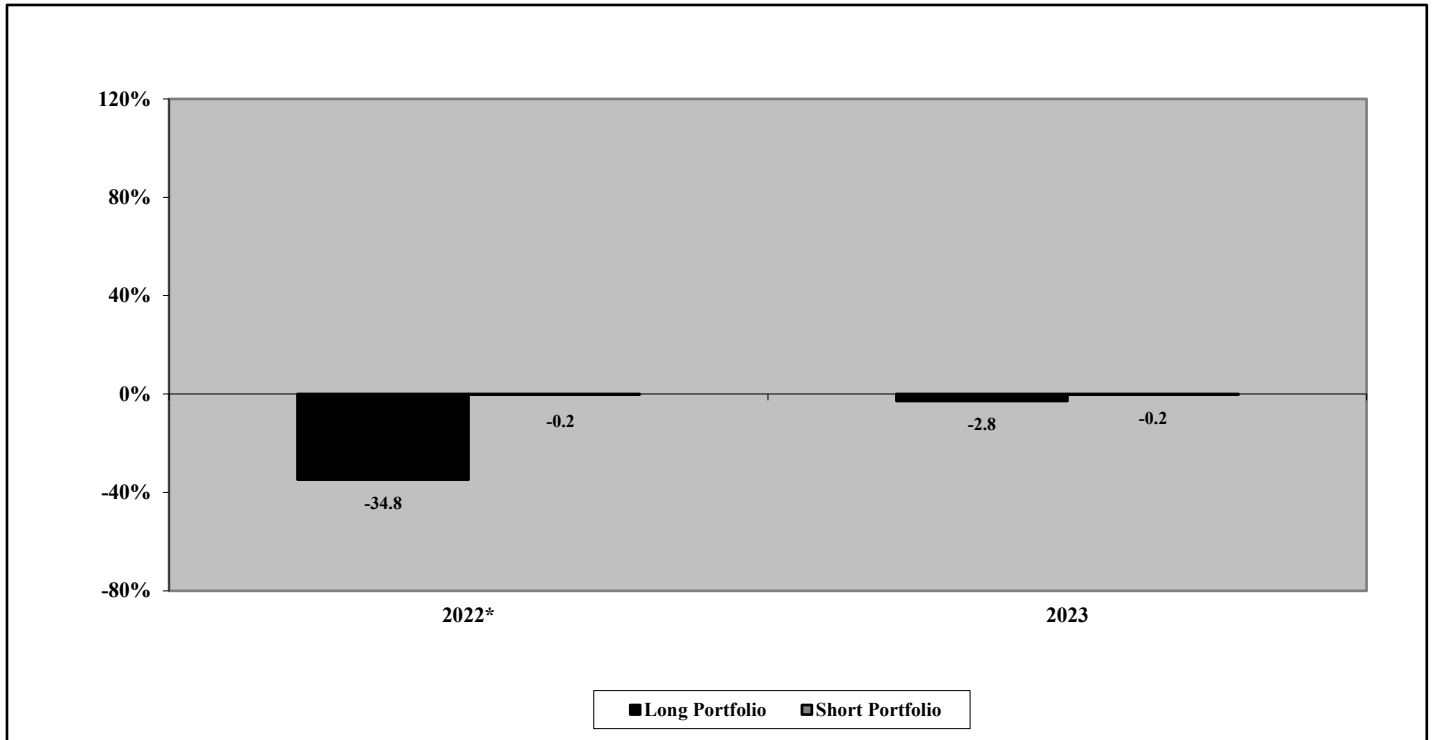
December 31, 2023



- * Return from March 30, 2017 (launch date) for Series A units, and August 4, 2017 (first issuance) for Series F units, to December 31, 2017 (not annualized).
- ** Return from May 25, 2018 (first issuance) for Series I units, June 6, 2018 (first issuance) for Series D units, and October 17, 2018 (first issuance) for Series PTF units, to December 31, 2018 (not annualized).
- *** Series I units and Series PTF units were fully redeemed during the year-ended December 31, 2020.
- **** Return from May 12, 2021 (first issuance) to December 31, 2021 for ETF Series units (not annualized).
- ***** The Manager terminated the ETF Series units of the Fund on January 17, 2023.

Long and Short Portfolio Returns

The following table illustrates the contribution to the return of the Fund by the long portfolio and the short portfolio of the Fund (before the impact of Fund expenses) for the years ended December 31 shown, unless otherwise indicated. For the purposes of this disclosure, certain derivatives may be considered to be part of the short portfolio.



* The Fund did not hold any short portfolio positions prior to 2022.

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Annual Compound Returns

The following table illustrates the annual compound total return for each Series of units of the Fund for the periods shown. As a basis of performance comparison, the annual compound return of the Fund is compared to that of a blended index consisting of 70% Refinitiv Canada Health Care Total Return Index and 30% Refinitiv Healthcare Total Return Index (the “Blended Index”). The Refinitiv Canada Health Care Total Return Index includes Canadian listed companies that are assigned to the healthcare industry on the basis of the markets they serve. The Refinitiv Healthcare Total Return Index includes U.S. listed companies that are assigned to the healthcare industry on the basis of the markets they serve. Since the Fund does not necessarily invest in the same securities or in the same proportion as the Blended Index, the performance of the Fund is not expected to equal the performance of the Blended Index.

	1-Year	3-Year	5-Year	Since Inception*
Ninepoint Alternative Health Fund – Series A	-6.1%	-18.1%	-6.7%	2.3%
Blended Index	5.4%	-15.1%	-12.7%	-5.7%
Ninepoint Alternative Health Fund – Series D	-5.1%	-17.2%	-5.9%	-3.9%
Blended Index	5.4%	-15.1%	-12.7%	-13.6%
Ninepoint Alternative Health Fund – Series F	-5.1%	-17.2%	-5.7%	4.3%
Blended Index	5.4%	-15.1%	-12.7%	-6.0%
Long portfolio	-2.8%			
Short portfolio	-0.2%			

* Since launch date of March 30, 2017 for Series A, August 4, 2017 for Series F, and June 6, 2018 for Series D. Returns for Series I, Series PTF, and ETF Series are not shown as there were no units outstanding as at December 31, 2023.

Summary of Investment Portfolio

As at December 31, 2023

Portfolio Allocation

	% of Net Asset Value
Long Positions	
Cannabis	38.4
Pharmaceuticals & Health Technology	28.6
Other Wellness	13.9
Short-Term Investments	6.4
Organics, Supplements & Nutraceuticals	4.2
Private Convertible Debentures	2.2
Total Long Positions	93.7
Other Net Assets	3.5
Cash	2.8
Total Net Asset Value	100.0

Top 25 Long Positions

Issuer	% of Net Asset Value
Green Thumb Industries Inc.	15.9
Verano Holdings Corporation	7.4
Costco Wholesale Corporation	6.7
U.S. Treasury Bill., 6.751%, Jan 4, 2024	6.3
TerrAscend Corporation	5.4
Trulieve Cannabis Corporation	5.3
Abbott Laboratories	4.7
Johnson & Johnson	4.5
Eli Lilly & Company	4.1
SunOpta Inc.	2.9
Perrigo Company PLC	2.8
Merck & Company Inc.	2.8
Cash	2.8
Kenvue Inc.	2.7
HCA Healthcare Inc.	2.4
Leef Brands Company Inc., 11.000%, Sep 9, 2024	2.2
UnitedHealth Group Inc.	2.2
Cronos Group Inc.	2.1
The Procter & Gamble Company	1.9
Jazz Pharmaceuticals PLC	1.6
Eupraxia Pharmaceuticals Inc.	1.4
Jamieson Wellness Inc.	1.3
The Clorox Company	1.3
Walmart Inc.	1.0
Andlauer Healthcare Group Inc.	0.9
Top 25 long positions as a percentage of Net Asset Value	92.6

The Fund held no short positions as at Dec 31, 2023

This summary of investment portfolio may change due to the ongoing portfolio transactions of the Fund. Quarterly updates of the Fund's investment portfolio are available on the Internet at www.ninepoint.com.

Corporate Information

Corporate Address

Ninepoint Partners LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2700, P.O. Box 27
Toronto, Ontario M5J 2J1
T 416.362.7172
TOLL-FREE 1.888.362.7172
F 416.628.2397
E invest@ninepoint.com
For additional information visit our website:
www.ninepoint.com
Call our mutual fund information line for daily closing prices:
416.362.7172 or 1.888.362.7172

Auditors

Ernst & Young LLP
EY Tower
100 Adelaide Street West
Toronto, Ontario M5H 0B3

Legal Counsel

Borden Ladner Gervais LLP
Bay Adelaide Centre, East Tower
22 Adelaide Street West
Suite 3400
Toronto, Ontario M5H 4E3