



Ninepoint Target Income Fund

Q1 2024 Commentary

The Ninepoint Target Income Fund Q1 2024 Update

The global equity rally continued in Q1 on sustained strength in technology shares and improving breadth from cyclical sectors. Index implied volatility was stable with muted correlation between equities and moderately lower single stock volatility expectations. While technology sectors continue to show strong earnings revisions and cyclical sectors are also seeing some earnings improvement; valuation multiple expansion not earnings growth, has driven the majority of recent equity market performance, potentially leaving markets susceptible to either a growth or rates scares. US treasury markets have taken 2024 interest rate expectations from over 6 cuts at the beginning of the year, to less than 3 cuts as economic and inflation data have come in firm. With equity markets benefiting from expectations of a fed pivot, we could see more muted risk asset performance, if hawkish central bank rhetoric resumes and interest rates continue to rise. This would be in-line with the dynamics that drove last years fall sell-off, which saw volatility move higher and raised potential yields on newly initiated puts.

In the Ninepoint Target Income Fund, a quarter of the options portfolio rolled mid-March into new 1 year put options. The portfolio at quarter end, sat with strike prices greater than -15% out-the-money. This continues to provide downside protection before options premiums and investment principal are at risk at expiry. This offers the strategy potential defensive benefits relative to a long equity position, if equity markets do experience more muted performance with higher potential for downside.

Notional Moneyness of Put Options Sold	
Net Cash Equivalents	12%
Options Notional	88%

Regional Exposure	
US	87%
Europe	10%
Canada	3%

Notional Moneyness of Put Options Sold	
Less than -5%	
-5% to -10%	
-10% to -15%	
Greater than -15%	100%

Moneyness of Put Options Sold	<3 months	3 to 6 Months	6 to 9 Months	9 to 12 months
Less than -5%				
-5% to -10%				
-10% to -15%				
Greater than -15%	26%	26%	23%	20%
% Option Portfolio	26%	26%	23%	20%

Source: Ninepoint Partners, all data is rounded to nearest decimal & subject to change.

Until Next Time,

Colin Watson

Portfolio Manager

Ninepoint Partners

Why Invest in the Ninepoint Target Income Fund?

- **Targeted Distribution:** The Ninepoint Target Income Fund utilizes a cash covered put selling strategy offering 6% target distribution*, potentially offering a buffer against market declines
- **Accessible:** Offered in a low-medium risk rated traditional mutual fund structure with daily liquidity at NAV
- **Income Potential & Diversification:** options-based income strategies can offer a competitive yield and may provide diversification to traditional income portfolios during challenging markets
- **Execution Partnership:** Leverages RBC Quantitative Investment Solutions diversified, rules based put selling strategies to generate income and diversification

*The amount of the monthly distribution may be adjusted by the Manager without notice throughout the year as market conditions change. Monthly distributions will be comprised of net income, net realized capital gains and/or return of capital.

NINEPOINT TARGET INCOME FUND - COMPOUNDED RETURNS¹ AS OF MARCH 28, 2024
(SERIES F NPP5002) | INCEPTION DATE: AUGUST 2, 2022

	1M	YTD	3M	6M	1YR	Annualized Inception
Fund	0.4%	1.5%	1.5%	3.4%	6.3%	6.3%

NINEPOINT TARGET INCOME FUND - COMPOUNDED RETURNS¹ AS OF MARCH 28, 2024
(SERIES SF NPP5005) | INCEPTION DATE: JUNE 29, 2022 (CLOSED TO NEW PURCHASES)

	1M	YTD	3M	6M	1YR	Annualized Inception
Fund	0.5%	1.6%	1.6%	3.6%	6.5%	6.9%

¹All returns and fund details are a) based on Series F and Series SF shares; b) net of fees; c) annualized if period is greater than one year; d) as at March 28, 2024.

Ninepoint Partners LP is the investment manager to the Ninepoint Funds (collectively, the "Funds"). Commissions, trailing commissions, management fees, performance fees (if any), and other expenses all may be associated with investing in the Funds. Please read the prospectus carefully before investing. The indicated rate of return for Series F and Series SF shares of the Fund for the period ended March 28, 2024 is based on the historical annual compounded total return including changes in share value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The information contained herein does not constitute an offer or solicitation by anyone in the United States or in any other jurisdiction in which such an offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. Prospective investors who are not resident in Canada should contact their financial advisor to determine whether securities of the Fund may be lawfully sold in their jurisdiction.

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

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