



# Ninepoint FX Strategy Fund

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INTERIM MANAGEMENT REPORT OF FUND PERFORMANCE

JUNE 30

2023

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The interim 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 interim financial statements of the investment fund. You can get a copy of the interim financial statements at your request, and at no cost, by calling 1-888-362-7172, by visiting our website at [www.ninepoint.com](http://www.ninepoint.com) or SEDAR at [www.sedar.com](http://www.sedar.com) 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.

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## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of Ninepoint FX Strategy Fund (the “Fund”) is to generate long term total returns by investing globally in FX futures on a long/short basis. To achieve the Fund’s investment objective, the Fund will utilize several investment trading methodologies at the standard level of risk to invest in foreign currency futures utilizing a Bayesian statistical model to identify current drivers of currency returns. The Fund will use derivatives, which may introduce leverage into the Fund. The Fund may also borrow cash and sell securities short. The Fund’s maximum aggregate exposure to short selling, cash borrowing and derivatives used for leverage must not exceed 300% of the Fund’s net asset value, calculated on a daily basis.

As part of its investment strategy, the Fund may:

- invest a portion of its assets in cash, money market instruments and/or treasury bills; and
- invest in derivatives including options, futures or forward contracts, and permitted to use derivatives by securities regulations for hedging and non-hedging purposes.

P/E Global LLC is the sub-advisor for the Fund.

### Risks

The risks of investing in the Fund are described in the Fund’s simplified prospectus. This Fund is suitable for those investors seeking exposure to capital appreciation of investing in fluctuations in the prices of currencies and wanting to maintain a high level of liquidity in their investments. This Fund is suitable for investors with a medium to high tolerance for risk and have a long-term investment horizon.

### Results of Operations

The Fund, Series A returned 5.0% in the first half of 2023, while its benchmark, the Credit Suisse Managed Futures Hedge Fund Index (USD), returned -4.2% in Canadian dollars terms.

During the first six months of 2023, P/E’s factors continued to point to continued global growth and inflation risk. Year to date performance, as of June 30, 2023, has been positive for the Fund. While past performance is not indicative of future performance, we do note that the FX Strategy has historically performed well during periods of increasing volatility.

Entering 2023, the currency markets experienced a significant shift, as positions in some currencies, such as the Euro, became crowded on the long side. By contrast, U.S. Dollar short positions soared. Similar extreme periods occurred in early 2021 and 2018. Given these extremes, the Fund forecast a significant rebound in the U.S. Dollar versus the Euro and Australian Dollar, a view contrarian to most market forecasters. These long speculative positions began to unwind in February, with positive results for the Fund. Increased market turbulence in March from the downfalls of Silicon Valley Bank (SVB) and Credit Suisse subsided in April, and the Fund’s factors shifted from growth-oriented to risk-oriented, as inflation risk continued to increase, and speculative crowding, especially in U.S. Dollar short positioning, remained at high levels. Concerns regarding the U.S. debt ceiling declined by the end of May, as government officials worked towards resolution. Strong employment and inflation data in the U.S., combined with slowing growth in both core Europe and China, supported the U.S. Dollar. In addition, significantly lower inflation data out of Europe reduced the expected hawkishness of the European Central Bank. In June, the Federal Reserve’s “Skip” decision, alongside hawkish moves by other central banks, engendered short term negative sentiment for the U.S. Dollar. Economic growth concerns continued to rise in Asia, as China’s recovery faltered. Finally, positive economic surprise for the United States surpassed economic surprise indicators in Europe and Asia.

From a factor standpoint, the factors driving FX positioning are diverse. The importance of the relative long term rates factor increased during Q1 2023, while the significance of the relative growth factor moderated. The inflation factor rose in significance throughout the period. Entering the second half of the year, yield spreads factors, inflation, and relative growth are driving the Fund’s positioning. The Fund currently favors currencies with higher rates and higher expected growth, such as the U.S. Dollar. In addition, the Fund anticipates correction in currencies with extreme speculative positioning.

Positive performance in the first half of 2023 was driven largely by the Fund’s Japanese Yen and Australian Dollar positions. Euro and British Pound positions were the most significant detractors.

There were no significant changes to the Fund implemented during the period.

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The Fund's net asset value decreased by 15.8% during the year, from \$7.6 million as at December 31, 2022 to \$6.4 million as at June 30, 2023. This change was predominately due to net redemptions of \$1.6 million, offset by realized gains on future contracts of \$0.4 million.

## Recent Developments

There were no material changes to the investment strategy and features of the Fund during the period ended June 30, 2023. 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 at an annual rate of 2.05% for Series A units, 2.25% for Series A1 units, 1.75% for Series D and Series F1 units, 1.55% for Series F and Series QF 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 period ended June 30, 2023, the Fund incurred management fees (including taxes) of \$75,082. 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 FX Strategy Fund – Series A	76%	24%
Ninepoint FX Strategy Fund – Series A1	78%	22%
Ninepoint FX Strategy Fund – Series D	100%	–
Ninepoint FX Strategy Fund – Series F	100%	–
Ninepoint FX Strategy Fund – Series F1	100%	–

Out of the management fees that the Manager received from the Fund, the Manager paid trailer commissions of \$1,160 period ended June 30, 2023, to Sightline Wealth Management, an affiliate of the manager.

### PERFORMANCE FEES

The Fund also pays the Manager a performance fee equal to a percentage equal to 20% of the difference by which the return in the net asset value per unit of the applicable series the first business day of the calendar quarter (or from inception if any series commences on a date other than the beginning of the quarter) to the last business day of the calendar quarter exceeds the high water mark per unit of such series. For each series of the Fund, the "high water mark" means the greater of (i) the initial net asset value per unit, or (ii) the net asset value at the end of the most recent calendar quarter for which a performance fee was paid after giving effect to all distributions in, and payments of performance fees for, such calendar quarter. The net asset value includes all expenses and is calculated before income and capital gains are distributed. The performance fee is calculated and accrued daily and paid quarterly on a calendar quarter basis. For the period ended June 30, 2023, the Fund did not accrue any performance fees.

### 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 shareholder 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 the Fund. Amounts waived or absorbed by the Manager are reported in the Statements of Comprehensive Income. Waivers or absorptions can be terminated at any time without notice. For the period ended June 30, 2023, the Manager absorbed \$16,427 of 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.

# Ninepoint FX Strategy Fund

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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 period ended June 30, 2023 and each of the previous years ended December 31 shown, unless otherwise indicated.

The Fund's Net Assets per Unit<sup>1</sup>

	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series A				
<b>Net assets, beginning of period</b>	<b>9.65</b>	8.48	7.59	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.05	0.05	–
Total expenses	<b>(0.15)</b>	(0.70)	(0.26)	(0.16)
Realized gains (losses)	<b>(0.10)</b>	2.22	0.83	(2.02)
Unrealized gains (losses)	<b>0.67</b>	(0.28)	0.23	(0.21)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.48</b>	1.29	0.85	(2.39)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	<b>10.14</b>	9.65	8.48	7.59

	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series A1				
<b>Net assets, beginning of period</b>	<b>10.89</b>	9.83	8.81	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.07</b>	0.07	0.07	0.01
Total expenses	<b>(0.19)</b>	(1.12)	(0.32)	(0.11)
Realized gains (losses)	<b>(0.08)</b>	2.09	1.29	(1.65)
Unrealized gains (losses)	<b>0.72</b>	(0.37)	0.10	(0.27)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.52</b>	0.67	1.14	(2.02)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	<b>11.43</b>	10.89	9.83	8.81

	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series D				
<b>Net assets, beginning of period</b>	<b>9.78</b>	8.52	7.59	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	<b>0.06</b>	0.07	0.05	–
Total expenses	<b>(0.14)</b>	(0.74)	(0.23)	(0.15)
Realized gains (losses)	<b>(0.11)</b>	2.65	0.97	(2.10)
Unrealized gains (losses)	<b>0.70</b>	(0.57)	0.13	(0.18)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.51</b>	1.41	0.92	(2.43)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	<b>10.29</b>	9.78	8.52	7.59

# Ninepoint FX Strategy Fund

June 30, 2023

	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series F				
<b>Net assets, beginning of period</b>	<b>9.70</b>	8.55	7.61	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.06	0.05	0.04	–
Total expenses	(0.13)	(0.71)	(0.22)	(0.12)
Realized gains (losses)	(0.11)	2.08	0.46	(1.86)
Unrealized gains (losses)	0.70	0.06	0.22	(0.33)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.52</b>	1.48	0.50	(2.31)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	<b>10.22</b>	9.70	8.55	7.61

	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series F1				
<b>Net assets, beginning of period</b>	<b>10.81</b>	9.75	8.69	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.07	0.07	0.06	–
Total expenses	(0.16)	(1.07)	(0.27)	(0.10)
Realized gains (losses)	(0.00)	1.40	1.13	(1.68)
Unrealized gains (losses)	0.66	(0.39)	0.06	0.17
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.57</b>	0.01	0.98	(1.61)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	<b>11.38</b>	10.81	9.75	8.69

	June 30, 2023	Dec 31, 2022	Dec 31, 2021 <sup>5</sup>	Dec 31, 2020 <sup>4</sup>
	\$	\$	\$	\$
Series I				
<b>Net assets, beginning of period</b>	–	–	7.71	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	–	–	–	–
Total expenses	–	–	(0.04)	(0.01)
Realized gains (losses)	–	–	(0.77)	(1.71)
Unrealized gains (losses)	–	–	0.60	(0.50)
<b>Total increase (decrease) from operations<sup>2</sup></b>	–	–	(0.21)	(2.22)
<b>Distributions:</b>				
<b>Total annual distributions<sup>3</sup></b>	–	–	–	–
<b>Net assets, end of period</b>	–	–	–	7.71

1 This information is derived from the Fund's interim and 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 asset 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 the beginning to ending net assets per unit.

3 Distributions were reinvested in additional units of the Fund.

4 Information provided is for the period from April 9, 2020 (first issuance) for Series A, Series F and Series I, April 10, 2020 (first issuance) for Series D, August 7, 2020 (first issuance) for Series F1 and August 21, 2020 (first issuance) for Series A1, to December 31, 2020.

5 All outstanding Series I units were fully redeemed during the year ended December 31, 2021.

# Ninepoint FX Strategy Fund

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## Ratios and Supplemental Data

Series A	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	<b>\$1,380</b>	\$1,338	\$1,661	\$1,965
Number of Units outstanding <sup>1</sup>	<b>136,138</b>	138,686	195,774	259,115
Management expense ratio <sup>2</sup>	<b>3.13%</b>	7.20%	3.12%	2.25%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>3.49%</b>	7.90%	3.74%	3.00%
Management expense ratio before incentive fees <sup>2</sup>	<b>3.13%</b>	3.12%	3.12%	2.23%
Trading expense ratio <sup>3</sup>	–	–	–	–
Portfolio turnover rate <sup>4</sup>	–	–	–	–
Net asset value per Unit <sup>1</sup>	<b>\$10.14</b>	9.65	\$8.48	\$7.59

Series A1	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	<b>\$297</b>	\$306	\$226	\$207
Number of Units outstanding <sup>1</sup>	<b>25,960</b>	28,138	22,989	23,477
Management expense ratio <sup>2</sup>	<b>3.33%</b>	9.82%	3.33%	2.86%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>3.70%</b>	10.53%	4.01%	3.44%
Management expense ratio before incentive fees <sup>2</sup>	<b>3.33%</b>	3.34%	3.33%	2.55%
Trading expense ratio <sup>3</sup>	–	–	–	–
Portfolio turnover rate <sup>4</sup>	–	–	–	–
Net asset value per Unit <sup>1</sup>	<b>\$11.43</b>	\$10.89	\$9.83	\$8.81

Series D	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	<b>\$400</b>	\$380	\$213	\$191
Number of Units outstanding <sup>1</sup>	<b>38,826</b>	38,816	25,000	25,210
Management expense ratio <sup>2</sup>	<b>2.73%</b>	7.22%	2.77%	2.14%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>3.10%</b>	7.94%	3.41%	2.89%
Management expense ratio before incentive fees <sup>2</sup>	<b>2.73%</b>	2.70%	2.77%	2.14%
Trading expense ratio <sup>3</sup>	–	–	–	–
Portfolio turnover rate <sup>4</sup>	–	–	–	–
Net asset value per Unit <sup>1</sup>	<b>\$10.29</b>	\$9.78	\$8.52	\$7.59

Series F	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	<b>\$1,134</b>	\$1,071	\$1,473	\$3,616
Number of Units outstanding <sup>1</sup>	<b>110,954</b>	110,357	172,326	475,329
Management expense ratio <sup>2</sup>	<b>2.60%</b>	7.10%	2.60%	1.74%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>2.97%</b>	7.80%	3.15%	2.46%
Management expense ratio before incentive fees <sup>2</sup>	<b>2.60%</b>	2.64%	2.60%	1.74%
Trading expense ratio <sup>3</sup>	–	–	–	–
Portfolio turnover rate <sup>4</sup>	–	–	–	–
Net asset value per Unit <sup>1</sup>	<b>\$10.22</b>	\$9.70	\$8.55	\$7.61

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Series F1	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	<b>\$3,146</b>	\$4,476	\$2,072	\$2,283
Number of Units outstanding <sup>1</sup>	<b>276,543</b>	413,929	212,438	262,529
Management expense ratio <sup>2</sup>	<b>2.80%</b>	9.50%	2.83%	2.27%
Management expense ratio before waivers or absorptions <sup>2</sup>	<b>3.16%</b>	10.24%	3.47%	2.90%
Management expense ratio before incentive fees <sup>2</sup>	<b>2.80%</b>	2.81%	2.83%	1.99%
Trading expense ratio <sup>3</sup>	—	—	—	—
Portfolio turnover rate <sup>4</sup>	—	—	—	—
Net asset value per Unit <sup>1</sup>	<b>\$11.38</b>	\$10.81	\$9.75	\$8.69

Series I	June 30, 2023	Dec 31, 2022	Dec 31, 2021	Dec 31, 2020
Total net asset value (000's) <sup>1</sup>	—	—	—	\$782
Number of Units outstanding <sup>1</sup>	—	—	—	101,460
Management expense ratio <sup>2</sup>	—	—	—	0.00%
Management expense ratio before waivers or absorptions <sup>2</sup>	—	—	—	0.77%
Management expense ratio before incentive fees <sup>2</sup>	—	—	—	0.00%
Trading expense ratio <sup>3</sup>	—	—	—	—
Portfolio turnover rate <sup>4</sup>	—	—	—	—
Net asset value per Unit <sup>1</sup>	—	—	—	\$7.71

1 This information is provided as at June 30, 2023 and December 31 for the years shown prior to 2023.

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 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.

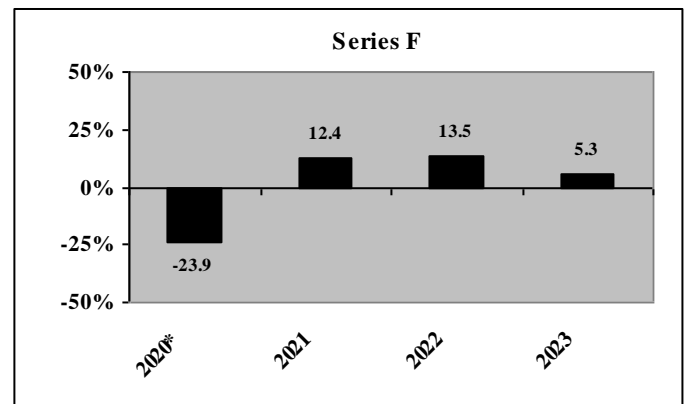
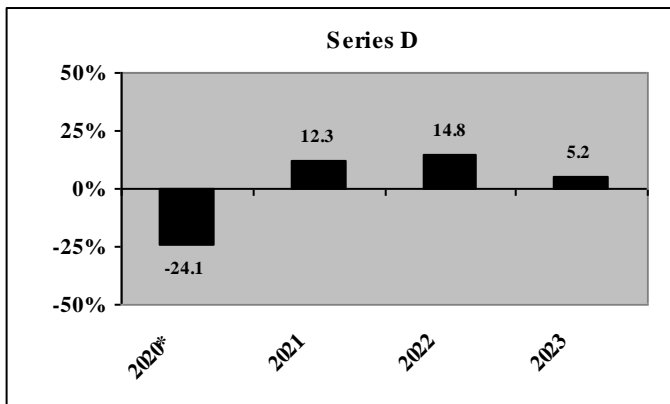
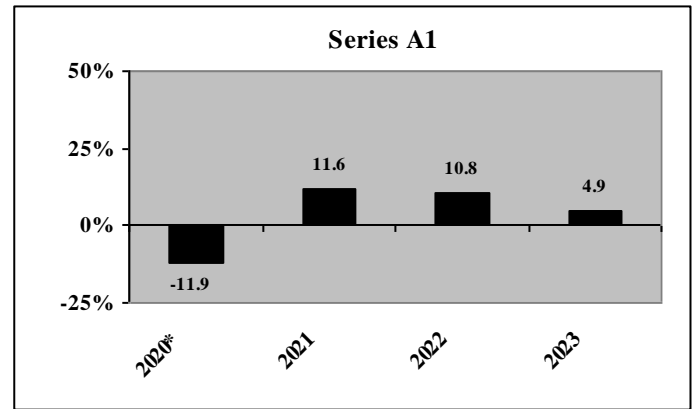
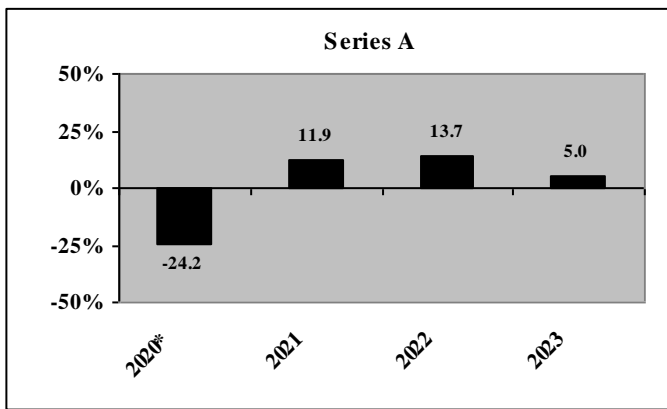
4 The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser trades its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher the portfolio turnover 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 period. There is not necessarily a relationship between a high turnover rate and the performance of the Fund.

## 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 returns are calculated based on the Net Asset Value of the particular Series of the Fund.

### Year-by-Year Returns

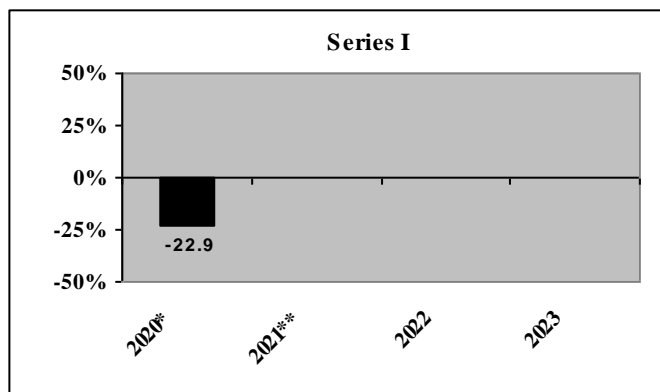
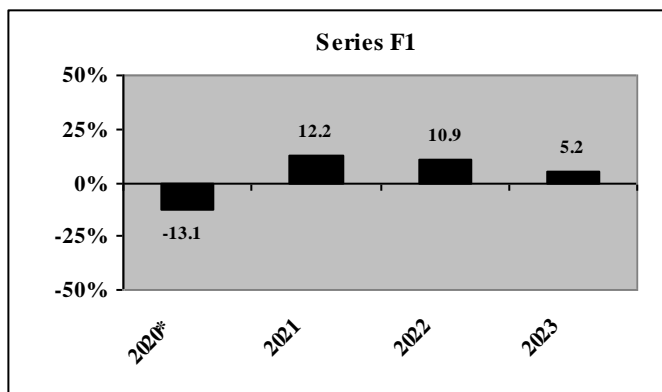
The following chart indicates the performance of each Series of the Fund for the period ended June 30, 2023 and each of the previous years ended December 31 shown, unless otherwise indicated. The chart shows, in percentage terms, how much an investment made on the first day of each period would have 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.





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\* Return from April 9, 2020 (first issuance) for Series A, Series F and Series I, April 10, 2020 (first issuance) for Series D, August 7, 2020 (first issuance) for Series F1, and August 21, 2020 (first issuance) for Series A1, to December 31, 2020 (not annualized).

\*\* Series I units were fully redeemed during the year ended December 31, 2021.

## Summary of Investment Portfolio

As at June 30, 2023

### Portfolio Allocation

	% of Net Asset Value
Cash	50.9
Other Net Assets	46.7
Currency Futures*	2.5
Gold Futures Contracts*	(0.1)
<b>Total Net Asset Value</b>	<b>100.0</b>

\*Positions in futures contracts are disclosed as the gain/(loss) that would be realized if the contracts were closed out on June 30, 2023.

### All Positions

Issuer	% of Net Asset Value**
Cash	50.9
Gold 100 oz futures	4.1
Mexican Peso/U.S. Dollars	0.6
New Zealand/U.S. Dollars	(2.6)
Canadian Dollar/U.S. Dollars	(4.7)
British Pound/U.S. Dollars	(24.7)
Japanese Yen/U.S. Dollars	(54.8)
Australian Dollar/U.S. Dollars	(92.2)
Euro/U.S. Dollars	(98.9)

The Fund held no short positions as at June 30, 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](http://www.ninepoint.com).

\*\*Currency Bought/Currency Sold. Positions in futures contracts are disclosed in terms of their notional exposure. All futures positions are speculative in nature.

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## Corporate Information

### **Corporate Address**

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For additional information visit our website:  
[www.ninepoint.com](http://www.ninepoint.com)  
Call our mutual fund information line for daily closing prices:  
416.362.7172 or 1.888.362.7172

### **Auditors**

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