

September 30, 2019

MANAGEMENT REPORT OF FUND PERFORMANCE  
**NCM INCOME GROWTH CLASS**



# MANAGEMENT REPORT OF FUND PERFORMANCE

## NCM INCOME GROWTH CLASS

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This annual management report of fund performance contains financial highlights but does not contain the annual financial statements of the investment fund. You can get a copy of the Fund's financial statements at your request, and at no cost, by calling toll free (877) 531-9355, by writing us at 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1 or by visiting our website at [www.ncminvestments.com](http://www.ncminvestments.com) or SEDAR at [www.sedar.com](http://www.sedar.com).

Security holders 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**

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#### **INVESTMENT OBJECTIVE AND STRATEGIES**

The investment objective of NCM Income Growth Class (the "Fund") is to provide investors with a stable monthly stream of cash distributions and the potential for long term capital appreciation by investing in small and mid capitalization high yield securities of issuers in Canada and the United States.

The Fund achieves this objective by employing a value approach to high yield investments as a primary method of securities selection. This means searching for organizations that are able to maintain and grow their distributions. In addition, the Fund focuses on companies offering superior long-term earnings and cash flow per share growth, and exhibiting a strong position in the market in which they operate, quality management, and balance sheet strength. This analysis is supplemented by quantitative techniques, which examine movements in general market trends, as well as trends in earnings and the price of securities.

The Fund may invest in a combination of securities including common and preferred shares, government and corporate bonds, short-term debt instruments, convertible securities and income trust units. The Fund may also invest in permitted derivatives and engage in limited short selling in order to achieve its objective.

#### **RISK**

The Fund is suitable for investors seeking long-term capital appreciation with a tolerance for medium risk based on the Fund's standard deviation. General risks of an investment in the NCM Income Growth Class are detailed in the simplified prospectus and include equity risk, small and mid capitalization company risk, class and series risk, liquidity risk, interest rate risk, and income trust risk, among others.

The Fund's investment in smaller capitalization companies forms a significant portion of the portfolio. This is generally a volatile asset class. The higher yielding component of the portfolio, including both equities and bonds, makes the Fund somewhat sensitive to changes in interest rates. Finally, the Fund's concentration in the Industrials and Consumer Discretionary sectors potentially increases the Fund's sensitivity to changes in GDP, commodity prices, foreign exchange interest rates, stimulus removal and credit conditions.

## RESULTS OF OPERATIONS

For the first time since 2016, we have seen the S&P/TSX keep up with its U.S. peers to date in 2019 with the TSX Total Return index rising 19.1% year to date (“YTD”), just slightly below the 20.6% increase in the S&P 500 Total Return index. As we dig further into the S&P/TSX performance this year, we have seen the more defensive sectors leading the way with strength in the Utilities, Real Estate Investment Trust and Consumer Staples sectors and have also seen a strong contribution from the Material sector as the gold sector benefited from the trade and economic uncertainties. While the Canadian small cap market did have a positive showing to date in 2019, unfortunately it has failed to keep up with its larger cap peers, with the BMO Small Cap Total Return index up 10.2% YTD. In addition to the trade and economic concerns keeping a lid on small cap stocks, the overall sector continues to be negatively impacted by the decline in liquidity levels as the on-going growth in the exchange traded fund market has pushed an increasingly large amount of investor funds out of small caps and into the large cap market.

For the year ended September 30, 2019, the annual compound return for the Fund was negative 1%, underperforming the benchmark, which was up 7.7% during the same time period. The underperformance of the Fund during this period was due to its exposure to the small cap market, which represents approximately 50% of the Fund, as the BMO Small Cap Total Return index was down 7.3% over the same period. Despite the small-cap mandate of the Fund, the Fund outperformed the small cap index thanks to a lower exposure to the more cyclical sectors of the market (Energy and Materials) and a higher than historical exposure to the mid cap market, which has outperformed small caps. There were no major changes in the fixed income weighting in the Fund, which accounted for 13.5% of the portfolio as of September 30, 2019. We continue to believe that at this time equities carry a superior risk/reward opportunity, given our expectations that interest rates will remain subdued over the near to medium term.

While it is difficult to predict an exact catalyst as to when the small cap sector will see improved performance, valuation levels have become increasingly attractive as many of the small-cap companies in the Fund have generated solid earnings growth over the past few years but have not yet seen their stock prices rewarded for this growth. We believe that as these companies continue to grow their earnings, this will provide a catalyst for investors or strategic players to take notice. As always, we remain committed to our bottom-up investment approach with a focus on high-quality companies that have a proven history of generating strong and sustainable cash flow to support a growing dividend.

For the year ended September 30, 2019, the Fund earned interest, dividend, and securities lending income amounting to \$567,101, \$2,194,273 and \$89, respectively. The change in unrealized depreciation in current value of investments was a decrease of \$7,424,925 and the change in unrealized depreciation on derivative instruments was a decrease of \$7,434. The realized gain on investments was \$3,953,362 and the realized loss on derivative instruments was \$74,269. Management fees of \$940,236 were paid. General and administrative costs were \$439,338. As a result of the above, the decrease in net assets attributable to holders of redeemable shares was \$2,171,377. Net assets attributable to holders of redeemable shares at the beginning of the year were \$80,260,591. Proceeds from the issuance of shares were \$4,413,982; reinvestment of dividends was \$2,329,416 and redemptions were \$24,778,204. Dividends declared to holders of redeemable shares were \$3,233,281. By September 30, 2019, the Fund had net assets attributable to holders of redeemable shares of \$56,821,127.

## **RECENT DEVELOPMENTS**

In August 2019, the Fund engaged in securities lending transactions. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. The Bank of New York Mellon is administering the securities lending transactions.

## **RELATED PARTY TRANSACTIONS**

Management fees of \$940,236 were paid to NCM Asset Management Ltd., the Fund's Manager and Portfolio Manager. Management fees are 1.65% for the Series A, 1% for the Series F and Series F6, and 2% for the Series B and Series T6, of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$104,675 were paid to NCM. Administration fees are charged by NCM at or below cost. They relate to accounting, trading, record keeping, compliance and other administrative costs.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund's Series A shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series A</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Asset Value, beginning of year	\$13.36	\$13.62	\$13.33	\$12.67	\$14.04
Increase (decrease) from operations:					
Total revenue	0.54	0.54	0.58	0.59	0.62
Total expenses	(0.29)	(0.28)	(0.30)	(0.29)	(0.30)
Realized gains (losses) for the year	0.73	0.84	0.83	0.75	0.52
Unrealized gains (losses) for the year	(1.37)	(0.76)	(0.12)	0.26	(1.52)
<b>Total increase (decrease) from operations</b>	<b>(0.39)</b>	<b>0.34</b>	<b>0.99</b>	<b>1.31</b>	<b>(0.68)</b>
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.57)	(0.60)	(0.54)	(0.72)	(0.72)
From capital gains	(0.06)	(0.06)	(0.18)	Nil	Nil
<b>Total distributions<sup>(2)</sup></b>	<b>(0.63)</b>	<b>(0.66)</b>	<b>(0.72)</b>	<b>(0.72)</b>	<b>(0.72)</b>
<b>Net Asset Value, end of year<sup>(3)</sup></b>	<b>\$12.49</b>	<b>\$13.36</b>	<b>\$13.62</b>	<b>\$13.33</b>	<b>\$12.67</b>

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 is restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional shares or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

<b>Ratios and Supplemental Data – Series A<sup>(1)</sup></b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Assets (000's of \$)	14,043	19,652	24,616	29,261	34,761
Number of shares outstanding	1,124,628	1,470,571	1,807,043	2,194,535	2,742,521
Management expense ratio (MER) <sup>(2)</sup>	2.25%	2.18%	2.16%	2.16%	2.08%
MER before waivers or absorptions <sup>(2)</sup>	2.25%	2.18%	2.16%	2.16%	2.08%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%	24.69%	50.30%	35.28%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%	0.10%	0.20%	0.15%
<b>Net asset value per share</b>	<b>\$12.49</b>	<b>\$13.36</b>	<b>\$13.62</b>	<b>\$13.33</b>	<b>\$12.67</b>

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

## FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series F</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Asset Value, beginning of year	\$14.78	\$14.97	\$14.56	\$13.75	\$15.12
Increase (decrease) from operations:					
Total revenue	0.60	0.60	0.65	0.65	0.62
Total expenses	(0.23)	(0.22)	(0.24)	(0.24)	(0.24)
Realized gains (losses) for the year	0.85	0.94	0.94	0.78	0.52
Unrealized gains (losses) for the year	(1.61)	(0.80)	(0.15)	0.29	(1.52)
<b>Total increase (decrease) from operations</b>	<b>(0.39)</b>	<b>0.52</b>	<b>1.20</b>	<b>1.48</b>	<b>(0.62)</b>
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.63)	(0.66)	(0.59)	(0.78)	(0.78)
From capital gains	(0.07)	(0.07)	(0.20)	Nil	Nil
<b>Total distributions<sup>(2)</sup></b>	<b>(0.70)</b>	<b>(0.73)</b>	<b>(0.79)</b>	<b>(0.78)</b>	<b>(0.78)</b>
<b>Net Asset Value, end of year<sup>(3)</sup></b>	<b>\$13.91</b>	<b>\$14.78</b>	<b>\$14.97</b>	<b>\$14.56</b>	<b>\$13.75</b>

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 is restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional shares or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

<b>Ratios and Supplemental Data – Series F<sup>(1)</sup></b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Net Assets (000's of \$)	22,034	31,641	32,452	28,131	32,356
Number of shares outstanding	1,583,826	2,140,831	2,167,442	1,932,238	2,353,081
Management expense ratio (MER) <sup>(2)</sup>	1.57%	1.51%	1.49%	1.49%	1.40%
MER before waivers or absorptions <sup>(2)</sup>	1.57%	1.51%	1.49%	1.49%	1.40%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%	24.69%	50.30%	35.28%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%	0.10%	0.20%	0.15%
<b>Net asset value per share</b>	<b>\$13.91</b>	<b>\$14.78</b>	<b>\$14.97</b>	<b>\$14.56</b>	<b>\$13.75</b>

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

## FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series B shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

Net asset value (NAV) per share <sup>(1)</sup> – Series B	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$12.93	\$13.25	\$13.02	\$12.43	\$13.83
Increase (decrease) from operations:					
Total revenue	0.52	0.51	0.57	0.58	0.62
Total expenses	(0.33)	(0.31)	(0.35)	(0.34)	(0.34)
Realized gains (losses) for the year	0.70	0.80	0.81	0.73	0.52
Unrealized gains (losses) for the year	(1.35)	(0.77)	(0.11)	0.29	(1.52)
Total increase (decrease) from operations	(0.46)	0.23	0.92	1.26	(0.72)
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.57)	(0.60)	(0.54)	(0.72)	(0.72)
From capital gains	(0.06)	(0.06)	(0.18)	Nil	Nil
Total distributions <sup>(2)</sup>	(0.63)	(0.66)	(0.72)	(0.72)	(0.72)
Net Asset Value, end of year <sup>(3)</sup>	\$12.01	\$12.93	\$13.25	\$13.02	\$12.43

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 is restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional shares or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

Ratios and Supplemental Data – Series B <sup>(1)</sup>	2019	2018	2017	2016	2015
Net Assets (000's of \$)	19,956	25,830	37,629	48,330	57,802
Number of shares outstanding	1,661,383	1,997,720	2,840,084	3,711,692	4,651,287
Management expense ratio (MER) <sup>(2)</sup>	2.63%	2.59%	2.58%	2.58%	2.49%
MER before waivers or absorptions <sup>(2)</sup>	2.63%	2.59%	2.58%	2.58%	2.49%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%	24.69%	50.30%	35.28%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%	0.10%	0.20%	0.15%
Net asset value per share	\$12.01	\$12.93	\$13.25	\$13.02	\$12.43

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

## FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series I shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

Net asset value (NAV) per share <sup>(1)</sup> – Series I	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$15.87	\$15.90	\$15.30	\$14.30	\$15.52
Increase (decrease) from operations:					
Total revenue	0.61	0.63	0.66	0.68	0.62
Total expenses	(0.08)	(0.07)	(0.08)	(0.09)	(0.10)
Realized gains (losses) for the year	1.70	1.00	0.93	0.85	0.52
Unrealized gains (losses) for the year	(4.34)	(0.88)	(0.06)	0.35	(1.52)
Total increase (decrease) from operations	(2.11)	0.68	1.45	1.79	(0.48)
Distributions:					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.68)	(0.70)	(0.62)	(0.81)	(0.80)
From capital gains	(0.07)	(0.07)	(0.21)	Nil	Nil
Total distributions <sup>(2)</sup>	(0.75)	(0.77)	(0.83)	(0.81)	(0.80)
Net Asset Value, end of year <sup>(3)</sup>	\$15.10	\$15.87	\$15.90	\$15.30	\$14.30

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards. The opening net asset values for 2015 is restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional shares or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

Ratios and Supplemental Data – Series I <sup>(1)</sup>	2019	2018	2017	2016	2015
Net Assets (000's of \$)	637	2,995	3,722	4,801	6,139
Number of shares outstanding	42,202	188,758	234,060	313,867	429,400
Management expense ratio (MER) <sup>(2)</sup>	0.46%	0.40%	0.37%	0.37%	0.28%
MER before waivers or absorptions <sup>(2)</sup>	0.46%	0.40%	0.37%	0.37%	0.28%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%	24.69%	50.30%	35.28%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%	0.10%	0.20%	0.15%
Net asset value per share	\$15.10	\$15.87	\$15.90	\$15.30	\$14.30

(1) This information is provided as at September 30, 2019 and 2018 and October 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.



## FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series T6 shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series T6<sup>(1)</sup></b>	<b>2019</b>	<b>2018<sup>(4)</sup></b>
Net Asset Value, beginning of year	\$12.90	\$12.45
Increase (decrease) from operations:		
Total revenue	0.52	0.28
Total expenses	(0.33)	(0.16)
Realized gains (losses) for the year	0.65	0.45
Unrealized gains (losses) for the year	(1.12)	0.63
<b>Total increase (decrease) from operations</b>	<b>(0.28)</b>	<b>1.20</b>
Distributions:		
From income	Nil	Nil
From dividends	Nil	Nil
From capital gains	(0.06)	Nil
Return of capital	(0.61)	(0.38)
<b>Total distributions<sup>(2)</sup></b>	<b>(0.67)</b>	<b>(0.38)</b>
<b>Net Asset Value, end of year<sup>(3)</sup></b>	<b>\$11.93</b>	<b>\$12.90</b>

(1) This information is provided as at September 30 for the years presented. The information is in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are paid in cash and may be comprised, in whole or part, of a return of capital.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) The Series T6 commenced operations April 10, 2018.

<b>Ratios and Supplemental Data – Series T6<sup>(1)</sup></b>	<b>2019</b>	<b>2018<sup>(5)</sup></b>
Net Assets (000's of \$)	99	87
Number of shares outstanding	8,265	6,720
Management expense ratio (MER) <sup>(2)</sup>	2.67%	2.73%
MER before waivers or absorptions <sup>(2)</sup>	2.67%	2.73%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%
<b>Net asset value per share</b>	<b>\$11.93</b>	<b>\$12.90</b>

(1) This information is provided as at September 30 for the years presented. The information is in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

(5) The Series T6 commenced operations April 10, 2018.

## FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F6 shares and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

<b>Net asset value (NAV) per share<sup>(1)</sup> – Series F6<sup>(1)</sup></b>	<b>2019</b>	<b>2018<sup>(4)</sup></b>
Net Asset Value, beginning of year	\$14.76	\$14.15
Increase (decrease) from operations:		
Total revenue	0.60	0.13
Total expenses	(0.23)	(0.05)
Realized gains (losses) for the year	0.75	0.25
Unrealized gains (losses) for the year	(1.30)	0.44
<b>Total increase (decrease) from operations</b>	<b>(0.18)</b>	<b>0.77</b>
Distributions:		
From income	Nil	Nil
From dividends	Nil	Nil
From capital gains	(0.07)	Nil
Return of capital	(0.70)	(0.21)
<b>Total distributions<sup>(2)</sup></b>	<b>(0.77)</b>	<b>(0.21)</b>
<b>Net Asset Value, end of year<sup>(3)</sup></b>	<b>\$13.81</b>	<b>\$14.76</b>

(1) This information is provided as at September 30 for the years presented. The information is in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are paid in cash and may be comprised, in whole or part, of a return of capital.

(3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) The Series F6 commenced operations July 16, 2018.

<b>Ratios and Supplemental Data – Series F6<sup>(1)</sup></b>	<b>2019</b>	<b>2018<sup>(5)</sup></b>
Net Assets (000's of \$)	53	56
Number of shares outstanding	3,803	3,803
Management expense ratio (MER) <sup>(2)</sup>	1.62%	1.50%
MER before waivers or absorptions <sup>(2)</sup>	1.62%	1.50%
Portfolio turnover rate <sup>(3)</sup>	21.71%	20.35%
Trading expense ratio <sup>(4)</sup>	0.11%	0.09%
Net asset value per share	\$13.81	\$14.76

(1) This information is provided as at September 30 for the years presented. The information is in accordance with International Financial Reporting Standards

(2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages 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 a 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 performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the year.

(5) The Series F6 commenced operations July 16, 2018.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.65% for the Series A, 1% for the Series F and Series F6, and 2% for the Series B and Series T6, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fee is charged to the Series I; instead, the investors pay a management fee directly to the Manager, in an amount determined through negotiation with the Manager. For the year ended September 30, 2019, management fees amounted to \$940,236. NCM paid servicing commissions of \$299,046 (i.e., 31.81%) as well as selling commissions of \$3,240 (i.e., 0.34%) from these management fees to investment dealers. NCM also received fees for portfolio management and administrative services with respect to this Fund as well as all the other funds in the NCM group.

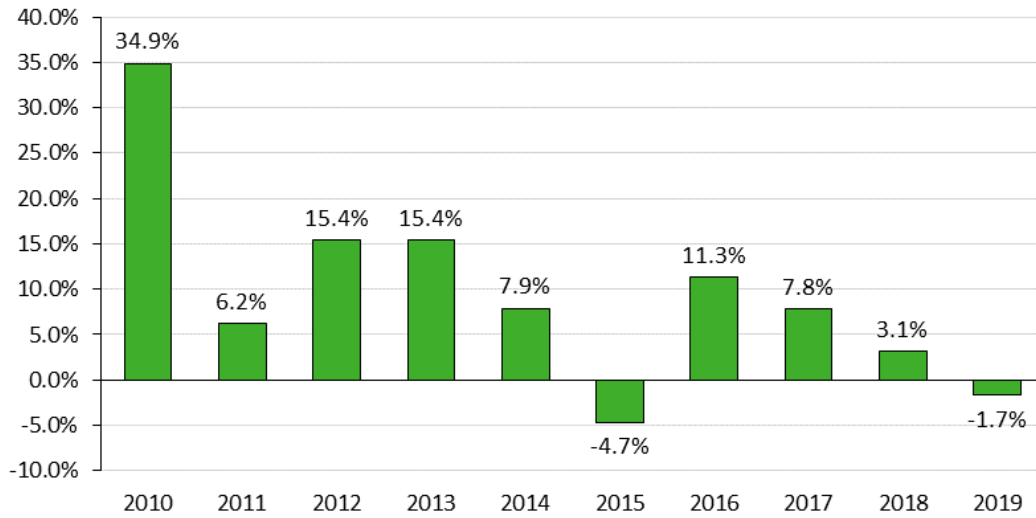
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund for its last 10 fiscal years as a public mutual fund. The inception date of the Series B was June 30, 2011 and the inception of the Series I was March 29, 2012. These charts reflect the performance you would have received if you invested in the Fund on the first day of the year through the last day of the year.

The charts assume that all distributions made by the Fund in the years shown are reinvested in additional securities of the Fund. They do not take into account sales, redemptions, distributions or other optional charges, which would have reduced returns or performance. Each year the Fund's performance changes and past performance does not guarantee future performance.

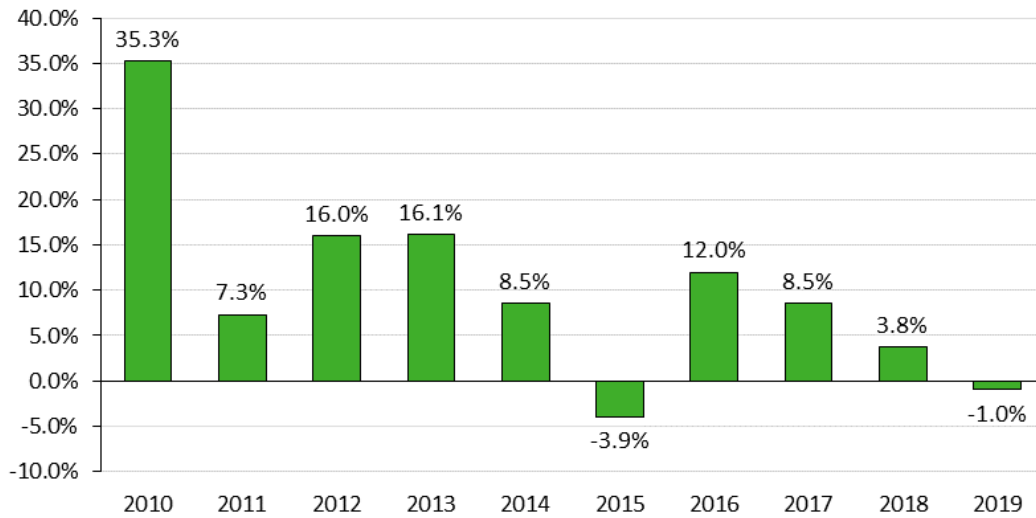
## YEAR BY YEAR RETURNS

### Series A



From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

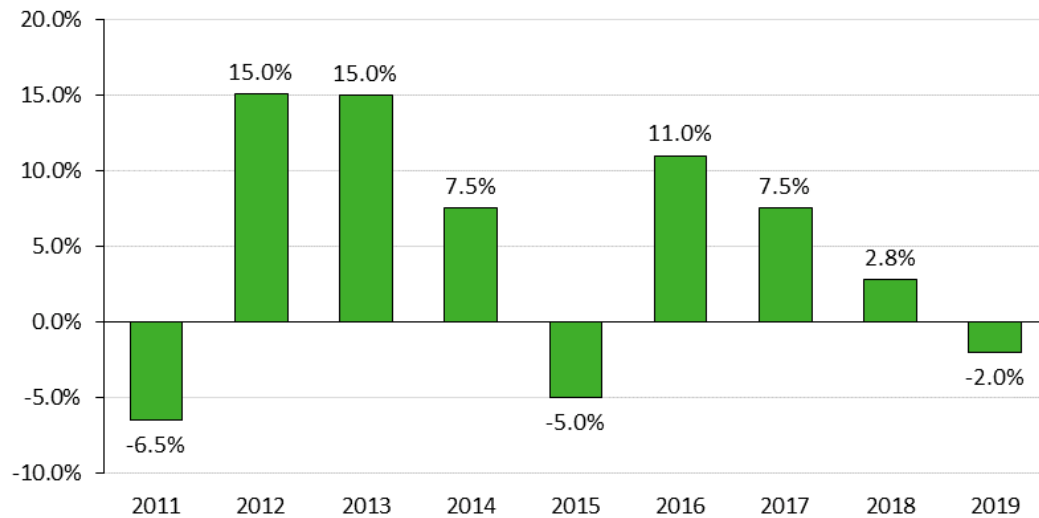
### Series F



From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

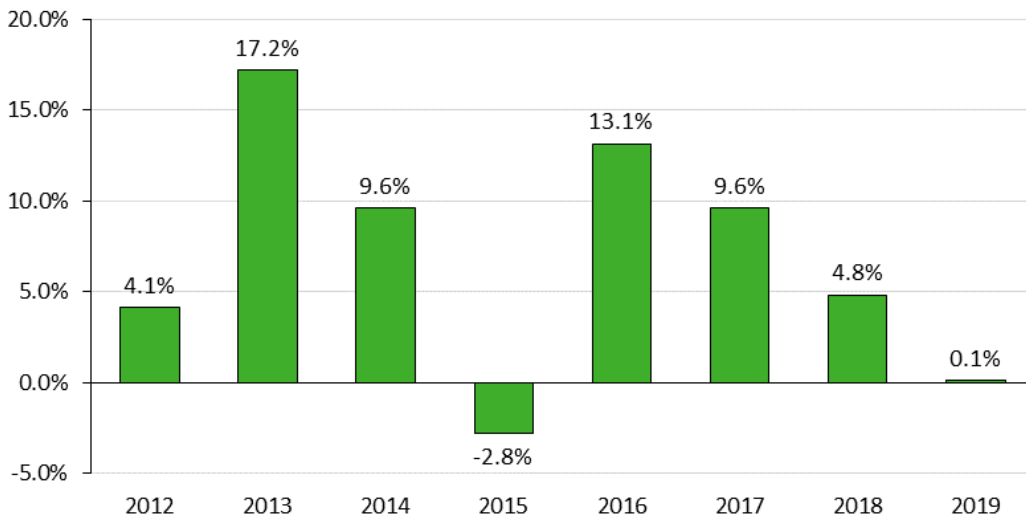
## YEAR BY YEAR RETURNS (continued)

### Series B



From June 30, 2011 to October 31, 2011 then November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

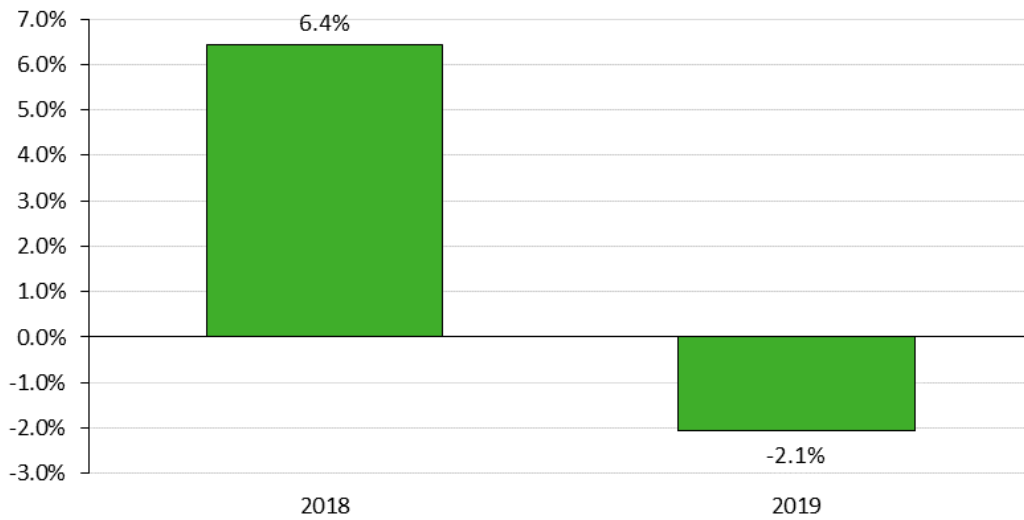
### Series I



From March 29, 2012 to October 31, 2012 then November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

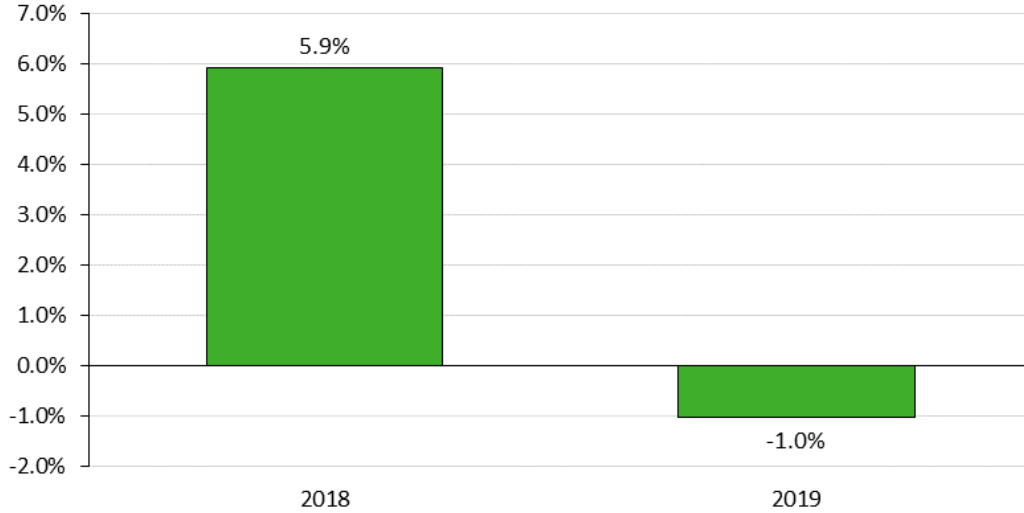
## YEAR BY YEAR RETURNS (continued)

### Series T6



From April 11, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

### Series F6



From July 16, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2019 for each series of the Fund for the years indicated. It also shows the returns for the S&P/TSX Income Trust Total Return Index until December 31, 2010, which was the Fund's benchmark index. Thereafter, the index became a combination of the S&P/TSX Composite Total Return Index (75%) and the FTSE TMX Canada Universe Bond Index (25%).

	Series A	Series F	Series B	Series I	Series T6	Series F6	Index
One year	-1.7%	-1.0%	-2.0%	0.1%	-2.1%	-1.0%	7.7%
Three Year*	2.8%	3.5%	2.5%	4.7%			6.2%
Five Year*	2.2%	2.9%	1.8%	4.0%			5.0%
Ten Year*	9.3%	9.9%					7.9%
Since Inception* – Series A (December 31, 2005)	7.8%						5.8%
Since Inception* – Series F (December 31, 2005)		8.5%					5.8%
Since Inception* – Series B (June 30, 2011)			5.2%				5.5%
Since Inception* – Series I (March 29, 2012)				7.3%			6.4%
Since Inception* – Series T6 (April 11, 2018)					2.8%		8.9%
Since Inception* – Series F6 (July 16, 2018)						4.0%	4.7%

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at September 30, 2019:

<b>Securities</b>	<b>Percent of net assets</b>
Morneau Shepell Inc.	5.0%
Chorus Aviation Inc.	5.0%
Parkland Fuel Corp.	5.0%
Badger Daylighting Ltd.	4.6%
WSP Global Inc.	4.5%
Chemtrade Logistics Income Fund	4.3%
FirstService Corp.	4.2%
Toronto-Dominion Bank (The)	4.1%
Hardwoods Distribution Inc.	4.0%
Royal Bank of Canada	4.0%
Intertape Polymer Group Inc.	3.7%
Altus Group Ltd.	3.5%
NCM Short Term Income Fund, Series 'I'	3.5%
Lundin Mining Corp.	3.4%
SIR Royalty Income Fund	3.3%
Bank of Nova Scotia	3.0%
Boyd Group Income Fund	2.8%
Secure Energy Services Inc.	2.7%
Whitecap Resources Inc.	2.5%
Mattamy Group Corp., Callable, 6.875%, 2023/12/15 (Par Value in USD)	2.4%
Supremex Inc.	2.4%
Open Text Corp.	2.2%
Ensign Energy Services Inc.	2.0%
Information Services Corp., Class 'A'	2.0%
K-Bro Linen Inc.	1.9%
Other Securities	11.2%
<b>Total Securities</b>	<b>97.2%</b>
<b>Other</b>	
Cash	2.4%
Other assets - net of liabilities	0.4%
<b>Total net asset value</b>	<b>100.0%</b>
<b>Industry Sectors</b>	
Energy	12.1%
Materials	15.5%
Industrials	29.7%
Consumer Discretionary	3.3%
Financials	11.1%
Information Technology	2.2%
Real Estate	9.8%
Bonds/Term Loans	10.1%
Mutual Funds	3.4%
Other	2.8%
<b>Total</b>	<b>100.0%</b>

The investments held by the Fund change due to ongoing portfolio transactions. A revised summary is posted on our website at [www.ncminvestments.com](http://www.ncminvestments.com) no later than 60 days after each quarter end.



## **OTHER MATERIAL INFORMATION**

NCM Income Growth Class is a class of NCM Opportunities Corp. The simplified prospectus and other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1, or on our website at [www.ncminvestments.com](http://www.ncminvestments.com).

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1.877.431.1407