

September 30, 2019

MANAGEMENT REPORT OF FUND PERFORMANCE

NCM SHORT TERM INCOME FUND



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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, 333-7th Avenue SW Calgary, Alberta T2P 2Z1 or by visiting our website at www.ncminvestments.com or SEDAR at 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

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objectives

NCM Short Term Income Fund (the "Fund") is designed to provide holders of the units with capital preservation and a highly liquid portfolio comprised primarily of government and corporate debt securities targeting a level of income consistent with investments in short-term fixed income securities. Its portfolio may consist of all types of debt obligations of issuers that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in equity and equity-like securities or held in cash to the extent that economic, market or other conditions make it appropriate.

Investment Strategies

The Fund intends to achieve its investment objective by investing primarily in Canadian and U.S. issuers but may also, as market opportunities dictate, include global issuers.

The Fund invests in a combination of securities including, but not limited to, corporate bonds and debt obligations, government bonds, investment grade bonds, floating rate senior loans and high yield bonds.

A value investment style will be followed for government bonds by analyzing macroeconomic factors such as economic growth, inflation and monetary fiscal policy.

Corporate issues will be analyzed using a bottom-up approach to determine credit quality, risk of default, and valuation. The Fund will target corporate issuers that it believes have strong market positions, attractive and sustainable business models, high quality management teams, and significant levels of asset and/or cash flow coverage (resulting in strong principal protection).

The Fund uses forward contracts to hedge a portion of the Fund's foreign exchange risk.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

RISK

The Fund is suitable for low to medium risk investors seeking capital preservation and a liquid portfolio comprised primarily of corporate debt securities. General risks of an investment in the Fund are detailed in the Simplified Prospectus and include, but are not limited to, market risk, credit / default risk, liquidity risk, foreign security risk, foreign currency risk, and interest rate risk, among others.

The risk profile of the Fund has not changed to a significant degree over the past twelve months. The modified duration of the portfolio remains low, measuring 1.6, slightly above the 1.3 reading at March 31, 2019. At September 30, 2019, bonds represented 56.2% of the portfolio vs 44.3% at the end of September 2018. Most of the change in the weighting of bonds stems from the deployment from the cash holding at the end of September 2018. Credit ratings of the underlying portfolio companies changed, with the weight in BB ratings category increasing from 23.7% in September 2018 to 34.8% as of September 30, 2019. The single B category remained largely unchanged, at 47.6% versus 46.1% a year ago. The weighting in investment grade (BBB or higher) paper decreased from 13.4% a year ago to 5.8% currently following a strong period of performance. The resulting low current yields make them less attractive for this fund's objectives. As a result, we re-positioned gradually into more BB rated issuers, and in our view the Fund's overall risk-return profile remains relatively unchanged. The Fund's cash position decreased from 15% at the end of 2018 to 7.6% as of September 30, 2019. Cash was temporarily elevated following an inflow of funds, and we subsequently invested them.

RESULTS OF OPERATIONS

For the twelve month period ended September 30, 2019, Series A and Series F of the Fund generated returns of 1.6% and 2.1%, respectively. The return for the Series I was 3.0%. The U.S. dollar denominated series, Series A (H) and Series F (H) generated returns of 1.6% and 2.2%, respectively, during the same period. The Fund's benchmark, 50% FTSE TMX Short Term Bond Index plus 30% Credit Suisse Leveraged Loan Index plus 20% Merrill Lynch Canada High Yield Canadian Issuer's Index, returned 4.9% during the same period.

The twelve month period ending September 30, 2019 stumbled out of the gate. Investors endured three consecutive monthly declines to end 2018. The catalysts for the negative market performance in the final three months of 2018 were hawkish central banks, ongoing concerns over U.S.-China trade negotiations, and fears over lower growth prospects. In early January 2019, however, the narrative changed for the better. The Federal Reserve ("Fed") conducted a u-turn on policy and became decidedly dovish, lowering the Fed Funds Rate twice in July and September, 50 basis points ("bps") in aggregate. These were the first rate cuts by the U.S. Federal Reserve in over a decade. The drivers for the Fed's cuts included the global slowdown in economic activity, and ongoing uncertainty concerning the effects of the tariffs put in place as a result of the trade impasse between the U.S. and China. The U.S. yield curve inverted, indicating a higher probability of recession.

The short-dated U.S. non-investment grade credit market, as defined by the ICE B of A Merrill Lynch 0-3 Year U.S. High Yield Index ("HSA0"), generated a return of 3.8% in the most recent twelve months ending September 30, 2019. This was comprised of a -2.4% return in Q4 2018, followed by a strong 6.4% return in the first nine months of 2019.

The BBB, BB and B rated issuers' returns were directionally the same through the twelve-month period. BBB issuers generated a 5.7% twelve-month return, BB issuers generated a 6.3% return, and single B 5.3% return. Single B rated issuers, while generating the highest coupons, also generated the lowest price performance (-1.5% lower price, in aggregate across B issuers – the other two rating bands' price changes were positive). This resulted from a shift towards higher quality names, amidst broader concerns over the late stage of the credit cycle. We note the Fund generally does not invest in the most speculative, CCC or lower rated, bond issues.

RESULTS OF OPERATIONS (continued)

The Canadian high yield bond market returned 8.2% (as defined by the ICE B of A Merrill Lynch Canadian High Yield Index (“HCC0”)) over the twelve month period ending September 30, 2019. We note the Canadian High Yield Index has a longer duration than the HSA0 index, and will therefore outperform in periods of falling interest rates as we experienced so far in 2019.

U.S. loans, as delineated by the Credit Suisse Leverage Loan Index (“CSLLLTOT”), generated a 3.1% return, trailing both the U.S. high yield and investment grade markets. The key factor affecting loan returns this period was less positive investor sentiment towards the asset class, with corresponding outflows from exchange traded funds and mutual funds creating selling pressure. The driver was the expectation of declining interest rates over the near horizon, and that given these are floating rate instruments (providing interest rate risk protection), their attractiveness as a hedge against interest rate increases diminished.

As at September 30, 2019, the Fund’s portfolio had an internal weighted-average yield-to-maturity of 5.4% and modified duration of 1.6. Duration increased modestly from the year ago figure of 1.3 as loans decreased as a percentage of total fund assets (recall that loans have a very low duration as they are floating rate instruments). Total assets in the Fund at period end were \$49.3 million, versus \$122.0 million at September 30, 2018. Redemptions drove the decrease in assets, with the two largest redemptions effected in mid-December 2018 and the very last day of January 2019, respectively.

The portfolio’s asset mix consisted primarily of floating rate senior loans (36.2%, versus 40.7% a year ago), high yield corporate bonds (50.4%, versus 30.9% a year ago) and investment grade corporate bonds (5.8%, down from 13.4% at September 30, 2018) with the remainder in cash (7.6%). The increased weighting in high yield corporate bonds was a result of the decrease in investment grade bonds (as mentioned above, investment grade bonds have benefited tremendously from the decrease in rates, however, this has left them with yields that are unattractive for this fund’s objectives). In addition, the fund’s cash weighting decreased from a year ago, most of which was invested in high yield bonds. The Fund held a large cash weighting throughout most of the period from the end of November 2018 through the end of January 2019, in order to accommodate the redemptions.

The Fund tactically invests in a blend of floating rate loans, high yield and investment grade corporate bonds, and government bonds with the goal of maintaining duration below three. We believe the ability to invest in both loans and bonds allow us to manage interest rate risk accordingly. The mix of loans and bonds provides protection during periods of rising rates, but also allows for capital appreciation through the bonds during periods of flat or declining rates. We continue to focus on short duration fixed income instruments backed by strong companies with reasonable financial leverage and covenant protection where possible. We are active in the new issue market, but also participate in the secondary market to ensure adequate weightings in any given security and to take advantage of mispriced and orphaned securities.

Our outlook for economic activity is moderately constructive, but the magnitude and timing of a broader global expansion hinges on the U.S.- China trade impasse. While the US economy seems to be continuing its record expansion, growth is slowing in the rest of the world as the impact of trade tensions dented corporate confidence and capital expenditures (a recent Morgan Stanley research report estimates that global growth decreased from a peak of 4.1% per annum in Q1 2018 to 2.9% per year in Q3 2019). Yet it remains positive. Some of the major countries in Europe may already be in recession, and China’s growth slowdown is likely to continue. That does not automatically mean the US economy will slow down as well. But we continue to believe that the economy is unusually sensitive to shocks that would cause a recession.

RESULTS OF OPERATIONS (continued)

As we write, the U.S. and China both confirmed progress in negotiations. This has led to a pause in trade tensions, and an expectation that an agreement could be signed in November. Many important details remain to be hammered out, however. This casts some uncertainty on the durability and viability of a final resolution / agreement, and if so what the time frame might be. If an agreement gets delayed, or called off, the increasingly large impact on business investment would last for the next year or two, keeping growth below potential in 2020, leading job growth to slow and the unemployment rate to rise a bit. The risk of a recession has increased, but we believe growth in the U.S. will remain positive. Our view is that there will be one more interest rate cut in the next 12 months.

In Canada, our expectation is that gross domestic product growth will remain tepid but positive in 2020, as has been the case year-to-date in 2019. Labour markets are tight, producing wage pressures, a healthy sign. Housing activity has recently picked up, after a few years in the wilderness following some policy changes, which successfully removed some of the froth in key markets. But consumer spending has remained lukewarm, likely a result of elevated household debt levels - consumers are choosing to save their extra earnings. In addition, business investment in Canada is not immune to global tensions and pressures, and will likely be a drag on 2020 growth.

Finally, we forecast inflation will remain at the Bank of Canada target in 2020, given the moderate pace of expected economic activity outlined above, meaning the Bank will be on pause through most of 2020.

Given our expectations above, we think default rates will remain low (we estimate 3% - 3.5% for loans, and 4% - 4.5% for bonds - for perspective, the historical average default rate for loans is 3.1% and slightly higher for high yield bonds, and defaults spiked to almost 11% in 2009 following the credit crisis). Given the strong performance of high yield bonds year-to-date, and the slightly higher degree of uncertainty in the market currently, we believe high yield bond spreads will widen a little. As of September 30, 2019 they sit at approximately 400 basis points over the 10 year U.S. treasury bond, which is also the average spread for the most recent 12 months. We also believe leveraged loans will perform steadily, albeit market expectations of another rate cut or two in the U.S. Other indicators also remain at levels that do not warrant alarm. Overall market leverage has remained steady year-to-date 2019, and at an average Debt / EBITDA ratio of less than 4.5x it remains almost 0.5x lower than the peak achieved in Q2 2016. We do expect it to rise modestly however, as leverage levels on new deals this year has been high on average. While interest coverage ratios ticked modestly lower (higher is better), they remain healthy for the most part, and should remain so given we do not expect interest rates to rise in the next 12 months or so. In view of these factors, we feel relatively positive regarding prospects for high yield bonds and leveraged loans over the next twelve months, although we believe there will be volatility.

We believe the Fund's positioning is appropriate in light of our expectations, and that it would withstand a downturn should our prediction prove inaccurate. It is also able to take advantage of any downward movement in either the high yield or loan markets. We are positioned with a slight defensive bias, with a moderately higher cash balance (to take advantage of any substantive pullbacks in the market), and lower duration bonds. We favour stable and improving credit, focusing on higher quality and higher liquidity parts of the market.

For the year ended September 30, 2019, the Fund earned dividend, interest and securities lending income in the amount of \$313,458, \$3,449,552 and \$99, respectively. The change in unrealized appreciation in current value of investments was an increase of \$350,223 and the change in unrealized depreciation on derivative instruments was a decrease of \$338,794. The realized gain on investments was \$27,519 and the realized loss on derivative instruments was \$2,430,438. Management fees of \$437,180 were paid. General and administrative costs of \$377,992, related to the operation of the Fund were also incurred and a withholding tax expense of \$2,082 was also reported. As a result of the above, the decrease in net assets attributable to holders of redeemable units was

RESULTS OF OPERATIONS (continued)

\$554,365. Net assets attributable to holders of redeemable units at the beginning of the year were \$122,003,378. Proceeds from the sale of units were \$11,108,946; reinvestment of distributions was \$2,142,587 and redemptions were \$83,476,264. Distributions declared to holders of redeemable units were \$2,969,366. By September 30, 2019, the Fund had net assets attributable to holders of redeemable units of \$49,363,646.

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 \$437,180 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are 1.25% for Series A and Series A (H), and 0.75% for Series F and Series F (H), of the series net asset value of the Fund and are calculated and paid monthly. Series R units are only available for investment by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates and are not available for public purchase. There is no management fee attached to Series R. In addition, administrative fees of \$117,373 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 units 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 unit⁽¹⁾ – Series A	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$8.90	\$9.07	\$9.26	\$9.27	\$9.66
Increase (decrease) from operations:					
Total revenue	0.51	0.30	0.49	0.60	0.64
Total expenses	(0.18)	(0.11)	(0.16)	(0.17)	(0.16)
Realized gains (losses) for the year	(0.28)	(0.12)	0.23	0.24	(0.78)
Unrealized gains (losses) for the year	0.05	0.02	(0.36)	(0.24)	0.57
Total increase (decrease) from operations	0.10	0.09	0.20	0.43	0.27
Distributions:					
From other income	(0.38)	(0.27)	(0.38)	(0.49)	(0.52)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.38)	(0.27)	(0.38)	(0.49)	(0.52)
Net Asset Value, end of year⁽³⁾	\$8.65	\$8.90	\$9.07	\$9.26	\$9.27

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

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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 A⁽¹⁾	2019	2018	2017	2016	2015
Net Assets (000's of \$)	16,955	21,509	16,782	17,554	25,883
Number of units outstanding	1,959,967	2,416,913	1,849,374	1,896,276	2,791,683
Management expense ratio (MER) ⁽²⁾	1.84%	1.74%	1.77%	1.73%	1.64%
MER before waivers or absorptions	1.84%	1.74%	1.77%	1.73%	1.64%
Portfolio turnover rate ⁽³⁾	28.12%	46.20%	84.68%	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	0.05%	0.02%	0.03%	0.02%	0.00%
Net asset value per unit	\$8.65	\$8.90	\$9.07	\$9.26	\$9.27

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 units 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 unit⁽¹⁾ – Series F	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$9.25	\$9.39	\$9.53	\$9.50	\$9.84
Increase (decrease) from operations:					
Total revenue	0.56	0.29	0.50	0.58	0.64
Total expenses	(0.14)	(0.08)	(0.12)	(0.12)	(0.11)
Realized gains (losses) for the year	(0.30)	(0.12)	0.23	0.25	(0.78)
Unrealized gains (losses) for the year	0.04	0.04	(0.35)	(0.34)	0.57
Total increase (decrease) from operations	0.16	0.13	0.26	0.37	0.32
Distributions:					
From other income	(0.39)	(0.28)	(0.40)	(0.50)	(0.54)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.39)	(0.28)	(0.40)	(0.50)	(0.54)
Net Asset Value, end of year⁽³⁾	\$9.04	\$9.25	\$9.39	\$9.53	\$9.50

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

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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 F⁽¹⁾	2019	2018	2017	2016	2015
Net Assets (000's of \$)	11,370	21,087	18,943	18,980	31,453
Number of units outstanding	1,257,758	2,279,903	2,016,476	1,991,113	3,311,860
Management expense ratio (MER) ⁽²⁾	1.30%	1.21%	1.24%	1.21%	1.10%
MER before waivers or absorptions	1.30%	1.21%	1.24%	1.21%	1.10%
Portfolio turnover rate ⁽³⁾	28.12%	46.20%	84.68%	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	0.05%	0.02%	0.03%	0.02%	0.00%
Net asset value per unit	\$9.04	\$9.25	\$9.39	\$9.53	\$9.50

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 units 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 unit⁽¹⁾ – Series I	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$9.71	\$9.79	\$9.85	\$9.74	\$10.00
Increase (decrease) from operations:					
Total revenue	0.10	0.32	0.49	0.56	0.64
Total expenses	0.06	(0.03)	(0.04)	(0.04)	(0.03)
Realized gains (losses) for the year	(0.28)	(0.13)	0.22	0.24	(0.78)
Unrealized gains (losses) for the year	(0.12)	0.04	(0.34)	(0.11)	0.57
Total increase (decrease) from operations	(0.24)	0.20	0.33	0.65	0.40
Distributions:					
From other income	(0.41)	(0.29)	(0.41)	(0.52)	(0.55)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.41)	(0.29)	(0.41)	(0.52)	(0.55)
Net Asset Value, end of year⁽³⁾	\$9.57	\$9.71	\$9.79	\$9.85	\$9.74

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

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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⁽¹⁾	2019	2018	2017	2016	2015
Net Assets (000's of \$)	6,280	69,580	70,419	50,942	41,513
Number of units outstanding	656,061	7,168,127	7,190,725	5,169,988	4,264,327
Management expense ratio (MER) ⁽²⁾	0.45%	0.37%	0.40%	0.36%	0.27%
MER before waivers or absorptions	0.45%	0.37%	0.40%	0.36%	0.27%
Portfolio turnover rate ⁽³⁾	28.12%	46.20%	84.68%	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	0.05%	0.02%	0.03%	0.02%	0.00%
Net asset value per unit	\$9.57	\$9.71	\$9.79	\$9.85	\$9.74

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 O units 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 unit⁽¹⁾ – Series O	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	-	-	-	\$9.74	\$10.00
Increase (decrease) from operations:					
Total revenue	-	-	-	0.56	0.64
Total expenses	-	-	-	(0.04)	(0.03)
Realized gains (losses) for the year	-	-	-	0.24	(0.78)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the year	-	-	-	(0.58)	0.57
Total increase (decrease) from operations	-	-	-	0.18	0.40
Distributions:					
From other income	-	-	-	(0.13)	(0.55)
From dividends	-	-	-	Nil	Nil
From capital gains	-	-	-	Nil	Nil
Total distributions⁽²⁾	-	-	-	(0.13)	(0.55)
Net Asset Value, end of year⁽³⁾⁽⁴⁾	-	-	-	-	\$9.74

(1) This information is provided as at December 31 for the years presented in accordance with International Financial Reporting Standards. The opening net asset value for 2015 is restated in accordance with International Financial Reporting Standards.

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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) NCM Short Term Income Series O ceased operations on May 20, 2016.

Ratios and Supplemental Data – Series O⁽¹⁾	2019	2018	2017	2016⁽⁴⁾	2015
Net Assets (000's of \$)	-	-	-	-	8,562
Number of units outstanding	-	-	-	-	879,512
Management expense ratio (MER) ⁽²⁾	-	-	-	0.36%	0.27%
MER before waivers or absorptions	-	-	-	0.36%	0.27%
Portfolio turnover rate ⁽³⁾	-	-	-	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	-	-	-	0.02%	0.00%
Net asset value per unit	-	-	-	-	\$9.74

(1) This information is provided as at December 31 for the years presented in accordance with International Financial Reporting Standards.

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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) NCM Short Term Income Series O ceased operations on May 20, 2016.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series A (H) units 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 unit⁽¹⁾ – Series A (H)	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$10.51	\$10.39	\$11.33	\$11.75	\$10.20
Increase (decrease) from operations:					
Total revenue	1.15	0.76	0.41	0.46	0.64
Total expenses	(0.33)	(0.14)	(0.19)	(0.19)	(0.18)
Realized gains (losses) for the year	(0.49)	(0.26)	0.18	0.11	(0.78)
Unrealized gains (losses) for the year	0.10	0.08	(0.88)	(0.26)	0.57
Total increase (decrease) from operations	0.43	0.44	(0.48)	0.12	0.25
Distributions:					
From other income	(0.45)	(0.31)	(0.45)	(0.59)	(0.63)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.45)	(0.31)	(0.45)	(0.59)	(0.63)
Net Asset Value, end of year⁽³⁾	\$10.48	\$10.51	\$10.39	\$11.33	\$11.75

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

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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 A (H)⁽¹⁾	2019	2018	2017	2016	2015
Net Assets (000's of \$)	751	991	990	1,248	6,734
Number of units outstanding	71,722	94,291	95,271	110,085	572,914
Management expense ratio (MER) ⁽²⁾	1.79%	1.71%	1.71%	1.69%	1.59%
MER before waivers or absorptions	1.79%	1.71%	1.71%	1.69%	1.59%
Portfolio turnover rate ⁽³⁾	28.12%	46.20%	84.68%	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	0.05%	0.02%	0.03%	0.02%	0.00%
Net asset value per unit	\$10.48	\$10.51	\$10.39	\$11.33	\$11.75

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 (H) units 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 unit⁽¹⁾ – Series F (H)	2019	2018	2017	2016	2015
Net Asset Value, beginning of year	\$10.97	\$10.79	\$11.72	\$12.09	\$10.44
Increase (decrease) from operations:					
Total revenue	1.18	0.83	0.40	0.43	0.64
Total expenses	(0.27)	(0.10)	(0.14)	(0.15)	(0.12)
Realized gains (losses) for the year	(0.50)	(0.28)	0.18	0.15	(0.78)
Unrealized gains (losses) for the year	0.09	0.05	(1.07)	0.18	0.57
Total increase (decrease) from operations	0.50	0.50	(0.63)	0.61	0.31
Distributions:					
From other income	(0.48)	(0.32)	(0.47)	(0.61)	(0.65)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.48)	(0.32)	(0.47)	(0.61)	(0.65)
Net Asset Value, end of year⁽³⁾	\$10.99	\$10.97	\$10.79	\$11.72	\$12.09

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

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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 F (H)⁽¹⁾	2019	2018	2017	2016	2015
Net Assets (000's of \$)	7,820	8,837	5,777	6,546	3,858
Number of units outstanding	711,722	805,864	535,399	558,574	319,060
Management expense ratio (MER) ⁽²⁾	1.27%	1.20%	1.20%	1.18%	1.12%
MER before waivers or absorptions	1.27%	1.20%	1.20%	1.18%	1.12%
Portfolio turnover rate ⁽³⁾	28.12%	46.20%	84.68%	57.12%	67.15%
Trading expense ratio ⁽⁴⁾	0.05%	0.02%	0.03%	0.02%	0.00%
Net asset value per unit	\$10.99	\$10.97	\$10.79	\$11.72	\$12.09

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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 R units and are intended to help you understand the Fund's financial performance for the fiscal year indicated. This information is derived from the Fund's audited annual financial statements.

Net asset value (NAV) per unit ⁽¹⁾ – Series R	2019 ⁽⁴⁾
Net Asset Value, beginning of year	\$9.71
Increase (decrease) from operations:	
Total revenue	0.79
Total expenses	(0.13)
Realized gains (losses) for the year	(0.36)
Unrealized gains (losses) for the year	0.05
Total increase (decrease) from operations	0.35
Distributions:	
From other income	(0.41)
From dividends	Nil
From capital gains	Nil
Total distributions ⁽²⁾	(0.41)
Net Asset Value, end of year ⁽³⁾	\$9.57

(1) This information is provided as at September 30, 2019 in accordance with International Financial Reporting Standards.

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

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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) NCM Short Term Income Fund Series R commenced operations October 1, 2018.

Ratios and Supplemental Data – Series R ⁽¹⁾	2019 ⁽⁵⁾
Net Assets (000's of \$)	6,187
Number of units outstanding	646,479
Management expense ratio (MER) ⁽²⁾	0.46%
MER before waivers or absorptions ⁽²⁾	0.46%
Portfolio turnover rate ⁽³⁾	28.12%
Trading expense ratio ⁽⁴⁾	0.05%
Net asset value per unit	\$9.57

(1) This information is provided as at September 30, 2019 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. It includes performance bonus, if any.

(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) NCM Short Term Income Fund Series R commenced operations October 1, 2018.

MANAGEMENT FEES

The Fund pays an annual management fee of 1.25% for the Series A and Series A (H), and 0.75% for the Series F and Series F (H), 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. Series R units are only available for investment by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates and are not available for public purchase. There is no management fee attached to Series R. For the year ended September 30, 2019, management fees amounted to \$437,180. NCM paid servicing commissions of \$95,909 (i.e. 21.94%) from these management fees to investment dealers. NCM also received fees for portfolio management and administrative services with respect to all the other funds in the NCM group.

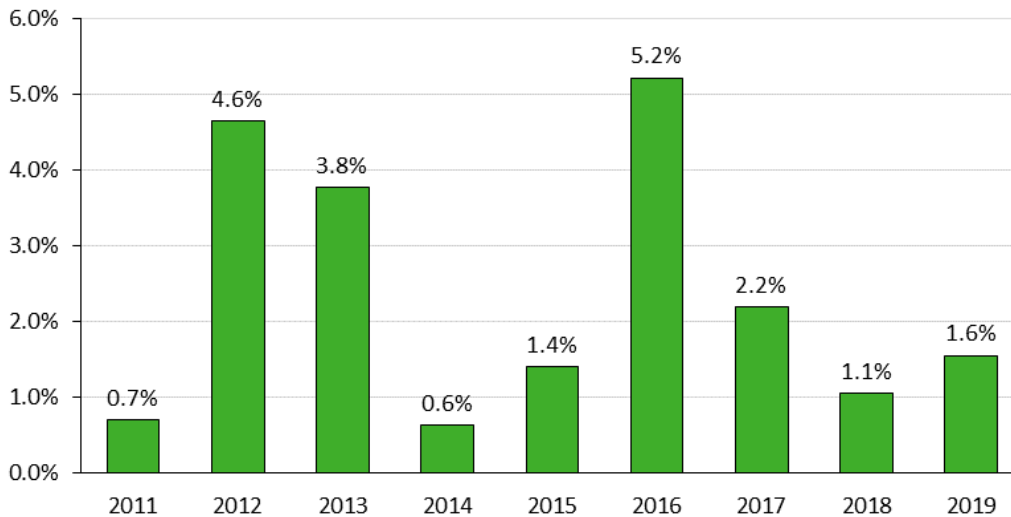
PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception on September 16, 2011 to September 30, 2019. These charts reflect, in percentage terms, 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

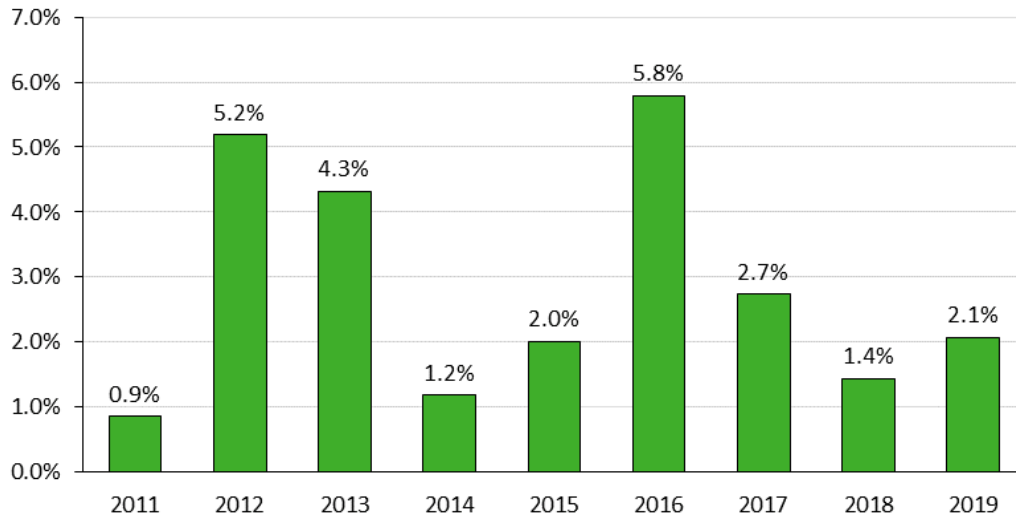
Series A



From September 16, 2011 to December 31, 2011 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

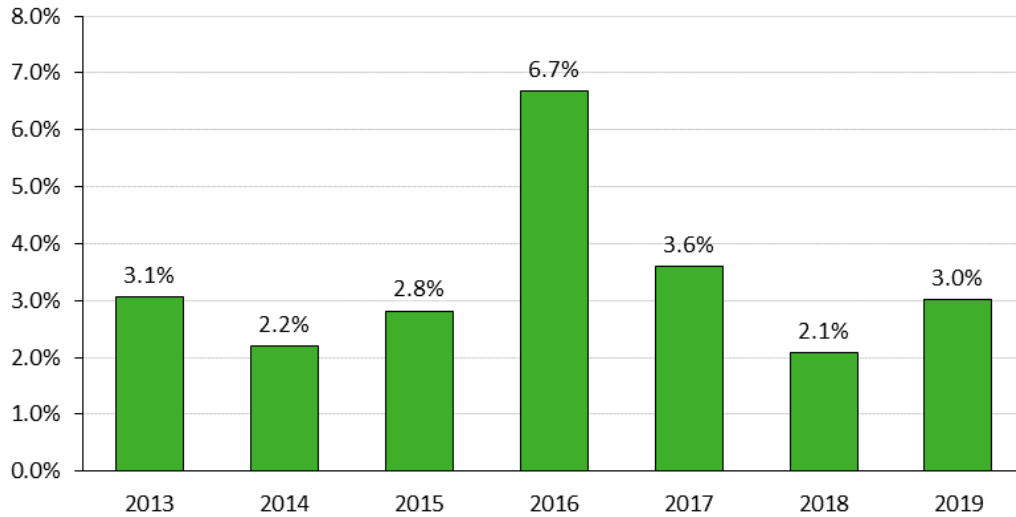
YEAR BY YEAR RETURNS (continued)

Series F



From September 16, 2011 to December 31, 2011 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

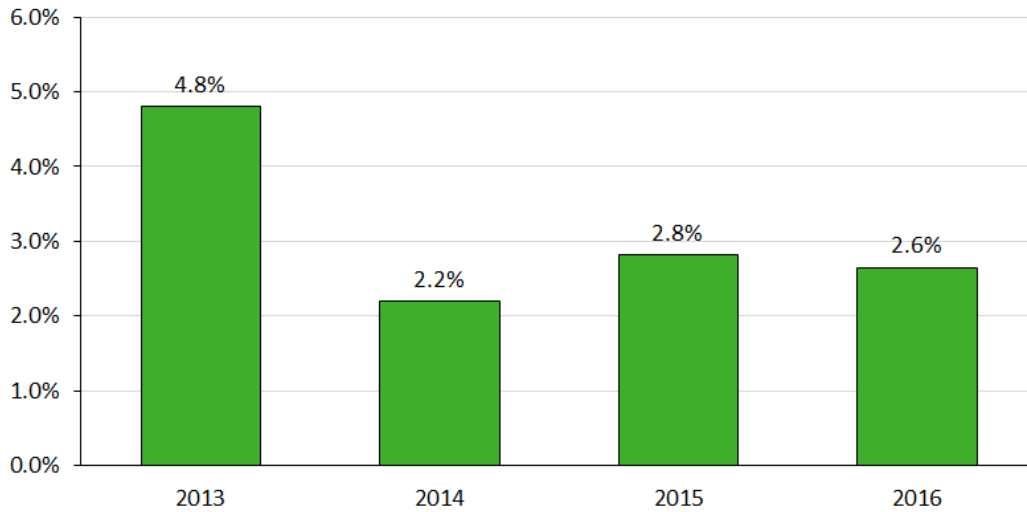
Series I



From April 3, 2013 to December 31, 2013 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

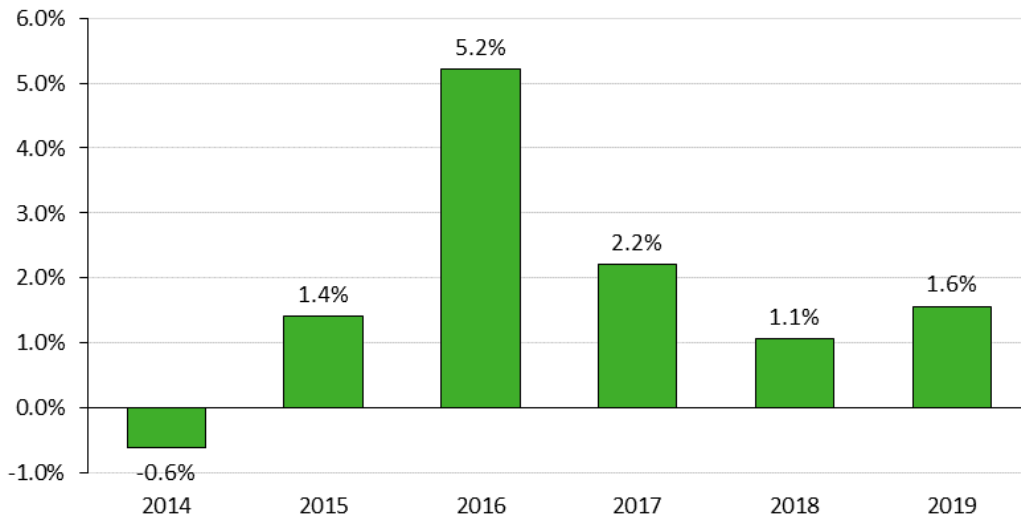
YEAR BY YEAR RETURNS (continued)

Series O



* January 14, 2013 to December 31, 2013 and January 1 to December 31 thereafter

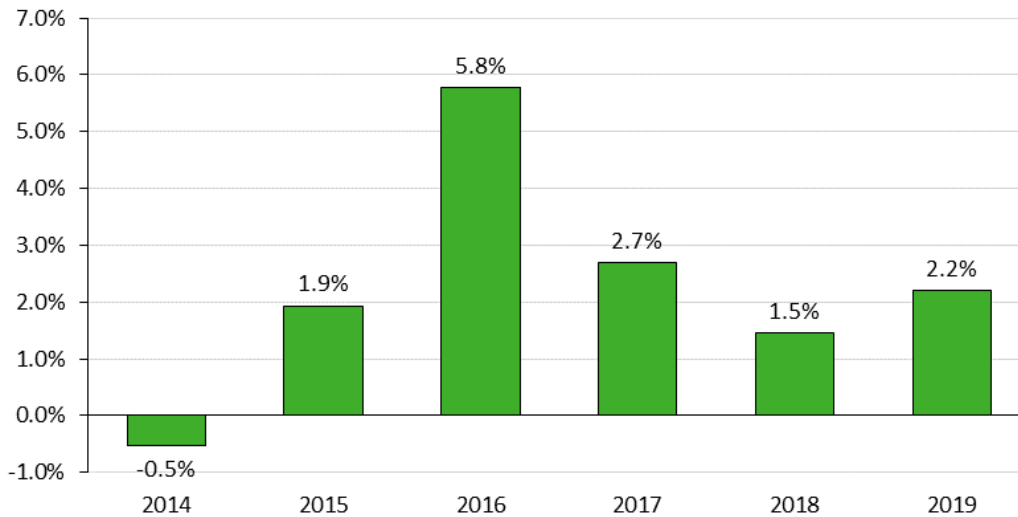
Series A (H)



From May 2, 2014 to December 31, 2014 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

YEAR BY YEAR RETURNS (continued)

Series F (H)



From May 14, 2014 to December 31, 2014 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

Series R

No performance data is available for this series as it was not distributed under a simplified prospectus for 12 consecutive months.

ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2019 for each series of the Fund for the periods indicated. It also shows the returns for the Fund's blended benchmark index, which is 50% the FTSE TMX Short Term Bond Index, 30% Credit Suisse Leveraged Loan Index and 20% Merrill Lynch Canada High Yield Canadian Issuers Index.

	Series A	Series F	Series I	Series A (H)	Series F (H)	Index
One year	1.6%	2.1%	3.0%	1.6%	2.2%	4.9%
Three Year*	2.0%	2.5%	3.4%	2.0%	2.5%	4.0%
Five Year*	1.9%	2.5%	3.4%	1.9%	2.5%	3.5%
Since Inception* – Series A (September 16, 2011)	2.6%					4.1%
Since Inception* – Series F (September 16, 2011)		3.2%				4.1%
Since Inception* – Series I (April 03, 2013)			3.6%			3.6%
Since Inception* – Series A USD (May 02, 2014)				2.0%		3.4%
Since Inception* – Series F USD (May 14, 2014)					2.5%	3.4%

*annualized

SUMMARY OF INVESTMENT PORTFOLIO

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

Investments	Percent of net assets
Fixed Income	
Delta Air Lines Inc., 3.400%, 2021/04/19	5.4%
Air Canada, Callable, 4.750%, 2023/10/06	4.2%
Decolin Inc., Term Loans, 6.616%, 2023/12/27	4.2%
Russel Metals Inc., Callable, 6.000%, 2022/04/19	4.1%
Kruger Products L.P., Callable, 6.000%, 2025/04/24	4.0%
Gateway Casinos & Entertainment Ltd., Term Loans, 5.330%, 2025/03/08	3.9%
Canam Steel Corp. Term Loans, 7.057%, 2024/07/01	3.8%
BDF Acquisition Corp., Term Loans, 7.362%, 2023/08/14	3.6%
Unisys Corp., Callable, 10.750%, 2022/04/15	3.5%
Parkland Fuel Corp., Callable, 5.500%, 2021/05/28	3.1%
Invesco Senior Loan ETF	3.1%
Canadian National Railway Co., Callable, 2.750%, 2021/02/18	3.1%
Nuvista Energy Ltd., Callable, 6.500%, 2023/03/02	3.0%
goeasy Ltd., Callable, 7.875%, 2022/11/01 (Par Value in USD)	2.8%
T-Mobile USA Inc., 4.000%, 2022/04/15	2.8%
Acadia Healthcare Co. Inc., Callable, 5.625%, 2023/02/15	2.7%
Verisign Inc., Callable, 4.625%, 2023/05/01	2.7%
WestJet Airlines Ltd., Term Loans, 3.000%, 2026/08/07	2.7%
Capital One NA, Callable, 2.250%, 2021/09/13	2.7%
Atkins Nutritional Holdings Inc., Term Loans, 5.841%, 2024/07/07	2.6%
SiteOne Landscape Supply Holding LLC, Term Loans, 4.900%, 2024/10/29	2.6%
Consolidated Container Co. LLC, Term Loans, 4.862%, 2024/05/22	2.6%
McAfee LLC, Term Loans, 5.866%, 2024/09/30	2.6%
Ensign Drilling Inc., Callable, 9.250%, 2024/04/15 (Par Value in USD)	2.5%
iShares 0-5 Year High Yield Corporate Bond ETF	2.3%
Other Securities	11.8%
Total Securities	92.4%
Other	
Cash and equivalents	10.2%
Derivative assets (liabilities)	0.1%
Other assets – net of liabilities	(2.7)%
Total net asset value	100.0%
Industry Sectors	
Bonds and secured loans	92.4%
Other	7.6%
Total	100.0%

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

OTHER MATERIAL INFORMATION

The Simplified Prospectus and all other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at Dome Tower, 1850, 333 – 7th Avenue SW in Calgary, Alberta T2P 2Z1 or from our website at www.ncminvestments.com.

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