

September 30, 2020

FINANCIAL STATEMENTS OF NCM CORE PORTFOLIOS

• NCM Core Canadian • NCM Core Global





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INDEPENDENT AUDITORS' REPORT

To the Shareholders of NCM Core Portfolios Ltd. (the "Funds") being:

NCM Core Canadian
NCM Core Global

Opinion

We have audited the accompanying financial statements of the Funds, which comprise:

- the statements of financial position as at September 30, 2020 and September 30, 2019
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies.

Hereinafter referred to as the "financial statements".

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at September 30, 2020 and September 30, 2019, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "*Auditors' Responsibilities for the Audit of the Financial Statements*" section of our auditors' report.

We are independent of the Funds in accordance with the ethical requirements that are relevant to our audits of the financial statements in Canada and we have fulfilled our other responsibilities in accordance with these requirements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. Other information comprises the information contained in the Funds' Management Reports of Fund Performance to be filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audits and remain alert for indications that the other information appears to be materially misstated.

We obtained the Funds' Management Reports of Fund Performance to be filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada
December 10, 2020

NCM CORE CANADIAN

Statements of Financial Position

(in Canadian dollars, except shares outstanding)

As at	September 30 2020	September 30 2019
Assets		
Cash and cash equivalents	1,330,838	378,086
Dividends receivable	57,869	58,839
Due from Manager (note 7)	34,323	29,622
Portfolio assets sold	334,849	346,973
Shares issued	–	54,415
Investments, at fair value through profit or loss	14,972,872	19,796,817
Total assets	16,730,751	20,664,752
Liabilities		
Accrued expenses (note 7)	32,323	49,522
Dividends payable	42,345	30,052
Portfolio assets purchased	841,634	281,126
Shares redeemed	105,423	20,385
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,021,725	381,085
Net assets attributable to holders of redeemable shares	15,709,026	20,283,667
Net assets attributable to holders of redeemable shares:		
Series A	5,833,529	7,614,859
Series F	4,397,659	4,410,532
Series M	932,457	1,004
Series R	4,012,736	6,676,929
Series Z	532,645	1,580,343
Redeemable shares outstanding (note 6):		
Series A	202,390	242,044
Series F	145,195	135,019
Series M	30,004	30
Series R	129,095	200,841
Series Z	17,129	47,529
Net assets attributable to holders of redeemable shares per share:		
Series A	28.82	31.46
Series F	30.29	32.67
Series M*	31.08	33.25
Series R	31.08	33.24
Series Z	31.10	33.25

*Due to rounding, the NAV/share presented may not calculate precisely and not reflect the absolute figure.

See accompanying notes to financial statements.

On behalf of the Board of Directors of NCM Asset Management Ltd.



Alex Sasso



Keith Leslie

NCM CORE CANADIAN

Statements of Comprehensive Income (Loss)

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	2020	2019
Dividend income	572,537	531,932
Interest for distribution purposes	23,754	35,090
Securities lending income	7,586	27
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	(360,727)	535,904
Net change in unrealized appreciation (depreciation) in fair value of investments	(358,829)	234,887
Total investment revenue (loss)	(115,679)	1,337,840
Management fees (note 7)	149,180	166,157
Custodian and record keeping fees	39,507	36,542
Transaction costs	37,217	36,854
Administrative fees (note 7)	32,869	28,696
HST/GST	20,676	22,479
Legal and filing fees	14,826	23,272
Computer services	7,844	6,465
Tax and other professional fees	6,088	4,129
Audit fees	4,570	5,014
Other	3,877	4,733
Independent review committee	3,538	2,282
Dividend expense on investments sold short	-	23,495
Risk management fees	-	7,545
Operating expense recovery (note 7)	(34,323)	(29,622)
Total operating expenses	285,869	338,041
Increase (decrease) in net assets attributable to holders of redeemable shares before tax	(401,548)	999,799
Withholding tax expense	490	-
Increase (decrease) in net assets attributable to holders of redeemable shares	(402,038)	999,799
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	(395,840)	228,025
Series F	(181,395)	166,021
Series M	(85,359)	9
Series R	235,110	532,367
Series Z	25,446	73,377
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	(1.80)	0.92
Series F	(1.30)	1.21
Series M	(3.54)	0.29
Series R	1.33	3.61
Series Z	1.04	1.08

See accompanying notes to financial statements.

NCM CORE CANADIAN

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	All Series		Series A		Series F		Series M		Series R		Series Z	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net assets attributable to holders of redeemable shares, beginning of year	20,283,667	15,668,759	7,614,859	8,041,901	4,410,532	4,800,201	1,004	–	6,676,929	–	1,580,343	2,826,657
Increase (decrease) in net assets, attributable to holders of redeemable shares	(402,038)	999,799	(395,840)	228,025	(181,395)	166,021	(85,359)	9	235,110	532,367	25,446	73,377
Transactions attributable to holders of redeemable shares:												
Issuance of shares	5,066,730	7,371,512	393,133	461,756	466,861	318,450	1,141,029	995	2,919,834	6,562,647	145,873	27,664
Reinvestment of dividends	518,354	455,959	189,194	174,476	153,196	102,348	12,369	24	144,713	158,866	18,882	20,245
Amounts paid on redemptions	(9,196,986)	(3,726,351)	(1,760,455)	(1,108,415)	(295,604)	(870,597)	(102,773)	–	(5,819,137)	(418,085)	(1,219,017)	(1,329,254)
	(3,611,902)	4,101,120	(1,178,128)	(472,183)	324,453	(449,799)	1,050,625	1,019	(2,754,590)	6,303,428	(1,054,262)	(1,281,345)
Dividends declared:												
From dividend income	(560,701)	(486,011)	(207,362)	(182,884)	(155,931)	(105,891)	(33,813)	(24)	(144,713)	(158,866)	(18,882)	(38,346)
	(560,701)	(486,011)	(207,362)	(182,884)	(155,931)	(105,891)	(33,813)	(24)	(144,713)	(158,866)	(18,882)	(38,346)
Net assets attributable to holders of redeemable shares, end of year	15,709,026	20,283,667	5,833,529	7,614,859	4,397,659	4,410,532	932,457	1,004	4,012,736	6,676,929	532,645	1,580,343
Dividends per share to holders of redeemable shares:												
From dividend income			1.06	0.77	1.11	0.80	1.14	0.82	1.14	0.82	1.14	0.82

See accompanying notes to financial statements.

NCM CORE CANADIAN

Statements of Cash Flows

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	2020	2019
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	(402,038)	999,799
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	360,727	(535,904)
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	358,829	(234,887)
Purchase of investments	(43,908,563)	(45,578,361)
Proceeds from the sale of investments	48,585,508	40,138,406
Dividends receivable	970	(14,530)
Due from Manager	(4,701)	37,078
Accrued expenses	(17,199)	(3,378)
Dividends payable on investments sold short	-	(1,538)
Net cash from (used in) operating activities	4,973,533	(5,193,315)
Cash flows from (used in) financing activities		
Proceeds from the issuance of redeemable shares	5,121,145	7,317,097
Amounts paid on redemption of redeemable shares	(9,111,948)	(3,774,357)
Dividends to holders of redeemable shares, net of reinvestments	(30,054)	-
Net cash from (used in) financing activities	(4,020,857)	3,542,740
Net increase (decrease) in cash and cash equivalents	952,676	(1,650,575)
Effect of exchange rates on cash and cash equivalents	76	(238)
Cash and cash equivalents at beginning of year	378,086	2,028,899
Cash and cash equivalents at end of year	1,330,838	378,086
Dividends received, net of withholding tax paid	573,017	517,402
Interest received	23,754	35,090
Dividend expenses on investments sold short	-	25,033

See accompanying notes to financial statements.

NCM CORE CANADIAN

Schedule of Investment Portfolio

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
CANADIAN EQUITIES				
Communication Services				
BCE Inc.	8,500	483,483	469,370	
Quebecor Inc., Class 'B'	11,800	391,428	393,058	
TELUS Corp.	20,200	479,899	473,286	
		1,354,810	1,335,714	8.5%
Consumer Discretionary				
Dollarama Inc.	6,400	303,404	326,656	
		303,404	326,656	2.1%
Consumer Staples				
Alimentation Couche-Tard Inc., Class 'B'	8,300	310,529	384,871	
Metro Inc., Class 'A'	7,500	429,394	479,175	
North West Co. Inc. (The)	8,800	320,009	320,320	
		1,059,932	1,184,366	7.5%
Energy				
Canacol Energy Ltd.	169,900	650,623	601,446	
Enbridge Inc.	7,900	343,326	307,310	
Parex Resources Inc.	30,900	493,128	433,527	
TC Energy Corp.	4,000	234,766	223,600	
		1,721,843	1,565,883	10.0%
Financials				
Canadian Imperial Bank of Commerce	6,400	658,957	636,992	
First National Financial Corp.	10,300	348,993	329,703	
goeasy Ltd.	5,000	324,366	327,050	
National Bank of Canada	5,900	415,656	390,226	
Power Corp. of Canada	14,800	367,487	386,132	
Royal Bank of Canada	10,900	1,014,770	1,019,041	
Sun Life Financial Inc.	8,000	413,619	434,080	
Toronto-Dominion Bank (The)	7,900	542,595	487,035	
		4,086,443	4,010,259	25.5%
Industrials				
Canadian Pacific Railway Ltd.	1,000	309,696	405,050	
TFI International Inc.	5,800	340,531	322,944	
Thomson Reuters Corp.	2,400	229,239	255,024	
Toromont Industries Ltd.	3,400	267,162	270,912	
		1,146,628	1,253,930	8.0%
Information Technology				
Constellation Software Inc.	300	381,414	443,889	
Open Text Corp.	7,100	369,517	399,588	
		750,931	843,477	5.4%
Materials				
B2Gold Corp.	46,400	272,692	402,288	
Barrick Gold Corp.	10,300	338,518	385,220	
Cascades Inc.	14,400	183,882	242,496	
K92 Mining Inc.	55,000	426,491	381,700	
Kinross Gold Corp.	32,500	387,558	381,875	
Kirkland Lake Gold Ltd.	4,900	279,416	318,500	
Newmont Corp.	3,800	321,138	322,772	

NCM CORE CANADIAN

Schedule of Investment Portfolio (continued)

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
		2,209,695	2,434,851	15.4%
Real Estate				
CT REIT	17,100	216,157	238,887	
FirstService Corp.	1,400	221,024	246,008	
NorthWest Healthcare Properties REIT	20,700	238,910	235,152	
Real Matters Inc.	15,700	410,478	407,415	
		1,086,569	1,127,462	7.2%
Utilities				
Algonquin Power & Utilities Corp.	12,900	243,228	249,486	
Hydro One Ltd.	14,000	387,556	395,080	
Northland Power Inc.	6,100	191,092	245,708	
		821,876	890,274	5.7%
TOTAL EQUITIES		14,542,131	14,972,872	95.3%
Less: Transaction costs included in average cost		(4,199)		
TOTAL INVESTMENTS		14,537,932	14,972,872	95.3%
Other assets, less liabilities			736,154	4.7%
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES			15,709,026	100.0%

NCM CORE GLOBAL

Statements of Financial Position


(in Canadian dollars, except shares outstanding)

As at	September 30 2020	September 30 2019
Assets		
Cash and cash equivalents	4,876,600	490,800
Dividends receivable	70,973	36,893
Due from Manager (note 7)	89,369	31,663
Shares issued	111,720	104,708
Unrealized gain on derivative instruments	–	129,146
Investments, at fair value through profit or loss	48,139,750	37,995,617
Total assets	53,288,412	38,788,827
Liabilities		
Accrued expenses (note 7)	116,469	74,663
Dividends payable	5,310	–
Shares redeemed	207,055	148,136
Unrealized loss on derivative instruments	179,637	2,287
Total liabilities (excluding net assets attributable to holders of redeemable shares)	508,471	225,086
Net assets attributable to holders of redeemable shares	52,779,941	38,563,741
Net assets attributable to holders of redeemable shares:		
Series A	8,409,436	5,034,872
Series F	19,889,365	16,967,692
ETF Series	2,007,940	–
Series M	6,094,814	178,742
Series R	9,333,283	8,727,590
Series Z	7,045,103	7,654,845
Redeemable shares outstanding (note 6):		
Series A	220,481	148,198
Series F	497,794	481,504
ETF Series	80,000	–
Series M	148,603	4,980
Series R	227,528	243,167
Series Z	171,767	213,288
Net assets attributable to holders of redeemable shares per share:		
Series A	38.14	33.97
Series F	39.96	35.24
ETF Series	25.10	–
Series M*	41.01	35.89
Series R	41.02	35.89
Series Z	41.02	35.89


*Due to rounding, the NAV/share presented may not calculate precisely and not reflect the absolute figure.

See accompanying notes to financial statements.

On behalf of the Board of Directors of NCM Asset Management Ltd.



 Alex Sasso



 Keith Leslie

NCM CORE GLOBAL

Statements of Comprehensive Income

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	2020	2019
Dividend income	762,665	597,663
Interest for distribution purposes	5,290	2,517
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	950,492	(145,033)
Net realized gain (loss) on derivative instruments	(1,438,624)	(105,598)
Net change in unrealized appreciation (depreciation) in fair value of investments	6,536,315	2,851,131
Net change in unrealized appreciation (depreciation) on derivative instruments	(306,496)	11,272
Total investment revenue	6,509,642	3,211,952
Management fees (note 7)	271,089	177,447
Administrative fees (note 7)	84,153	45,152
Legal and filing fees	80,680	25,129
Transaction costs	72,751	37,704
Custodian and record keeping fees	58,313	46,553
HST/GST	50,268	27,496
Computer services	18,790	9,808
Audit fees	15,403	9,714
Tax and other professional fees	10,910	7,970
Independent review committee	9,786	3,644
Other	9,287	6,521
Operating expense recovery (note 7)	(89,369)	(31,663)
Total operating expenses	592,061	365,475
Increase (decrease) in net assets attributable to holders of redeemable shares before tax	5,917,581	2,846,477
Withholding tax expense	99,055	80,927
Increase (decrease) in net assets attributable to holders of redeemable shares	5,818,526	2,765,550
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	715,057	286,274
Series F	2,122,807	972,315
ETF Series	10,268	–
Series M	702,606	165
Series R	1,437,552	950,396
Series Z	830,236	556,400
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	3.98	2.52
Series F	4.29	2.46
ETF Series	0.12	–
Series M	5.81	0.04
Series R	4.49	5.20
Series Z	4.51	2.91

See accompanying notes to financial statements.

NCM CORE GLOBAL

Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	All Series		Series A		Series F		ETF Series		Series M		Series R		Series Z	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Net assets attributable to holders of redeemable shares, beginning of year	38,563,741	23,213,607	5,034,872	2,927,140	16,967,692	14,038,080	-	-	178,742	-	8,727,590	-	7,654,845	6,248,387
Increase (decrease) in net assets, attributable to holders of redeemable shares	5,818,526	2,765,550	715,057	286,274	2,122,807	972,315	10,268	-	702,606	165	1,437,552	950,396	830,236	556,400
Transactions attributable to holders of redeemable shares:														
Issuance of shares	28,708,626	21,871,916	4,736,136	2,295,168	7,440,187	8,497,302	2,000,000	-	6,310,157	178,577	5,555,282	8,333,972	2,666,864	2,566,897
Reinvestment of dividends	51,343	-	8,461	-	21,145	-	-	-	5,969	-	10,553	-	5,215	-
Amounts paid on redemptions	(20,303,313)	(9,287,332)	(2,075,751)	(473,710)	(6,640,334)	(6,540,005)	-	-	(1,095,875)	-	(6,387,141)	(556,778)	(4,104,212)	(1,716,839)
	8,456,656	12,584,584	2,668,846	1,821,458	820,998	1,957,297	2,000,000	-	5,220,251	178,577	(821,306)	7,777,194	(1,432,133)	850,058
Dividends declared:														
From dividend income	(58,982)	-	(9,339)	-	(22,132)	-	(2,328)	-	(6,785)	-	(10,553)	-	(7,845)	-
	(58,982)	-	(9,339)	-	(22,132)	-	(2,328)	-	(6,785)	-	(10,553)	-	(7,845)	-
Net assets attributable to holders of redeemable shares, end of year	52,779,941	38,563,741	8,409,436	5,034,872	19,889,365	16,967,692	2,007,940	-	6,094,814	178,742	9,333,283	8,727,590	7,045,103	7,654,845
Dividends per share to holders of redeemable shares:														
From dividend income			0.04	-	0.04	-	0.03	-	0.05	-	0.05	-	0.05	-

See accompanying notes to financial statements.

NCM CORE GLOBAL

Statements of Cash Flows

For the years ended September 30, 2020 and 2019

(in Canadian dollars)

	2020	2019
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable shares	5,818,526	2,765,550
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	(950,492)	145,033
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(6,536,315)	(2,851,131)
Net change in unrealized (appreciation) depreciation on derivative instruments	306,496	(11,272)
Purchase of investments	(27,737,468)	(18,278,719)
Proceeds from the sale of investments	25,116,652	4,577,415
Dividends receivable	(34,080)	(18,978)
Due from Manager	(57,706)	55,537
Accrued expenses	41,806	12,663
Net cash from (used in) operating activities	(4,032,581)	(13,603,902)
Cash flows from (used in) financing activities		
Proceeds from the issuance of redeemable shares	28,701,614	21,932,535
Amounts paid on redemption of redeemable shares	(20,244,394)	(9,334,521)
Dividends to holders of redeemable shares, net of reinvestments	(2,329)	—
Net cash from (used in) financing activities	8,454,891	12,598,014
Net increase (decrease) in cash and cash equivalents	4,422,310	(1,005,888)
Effect of exchange rates on cash and cash equivalents	(36,510)	(12,306)
Cash and cash equivalents at beginning of year	490,800	1,508,994
Cash and cash equivalents at end of year	4,876,600	490,800
Dividends received, net of withholding tax paid	629,530	497,758
Interest received	5,290	2,517

See accompanying notes to financial statements.

NCM CORE GLOBAL

Schedule of Investment Portfolio

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
UNITED STATES EQUITIES				
Communication Services				
Alphabet Inc., Class 'A'	865	1,290,232	1,693,389	
Facebook Inc., Class 'A'	4,050	1,013,341	1,416,823	
		2,303,573	3,110,212	5.9%
Consumer Discretionary				
Home Depot Inc. (The)	5,083	1,275,384	1,885,544	
McDonald's Corp.	2,861	673,813	838,799	
Nike Inc., Class 'B'	10,659	1,056,260	1,787,408	
		3,005,457	4,511,751	8.6%
Consumer Staples				
Costco Wholesale Corp.	3,704	1,105,360	1,756,405	
Estée Lauder Cos. Inc. (The), Class 'A'	5,622	1,123,632	1,638,967	
		2,228,992	3,395,372	6.4%
Financials				
First Republic Bank	8,346	1,098,085	1,215,819	
JPMorgan Chase & Co.	5,840	1,053,127	750,981	
S&P Global Inc.	2,150	975,486	1,035,594	
		3,126,698	3,002,394	5.7%
Health Care				
Abbott Laboratories	9,200	1,087,678	1,337,401	
Baxter International Inc.	5,000	572,004	537,105	
Danaher Corp.	6,296	950,387	1,810,900	
Johnson & Johnson	3,920	690,912	779,556	
Thermo Fisher Scientific Inc.	2,580	978,087	1,521,582	
		4,279,068	5,986,544	11.3%
Industrials				
Honeywell International Inc.	4,700	957,077	1,033,426	
Lockheed Martin Corp.	2,137	961,395	1,094,072	
		1,918,472	2,127,498	4.0%
Information Technology				
Accenture PLC, Class 'A'	2,600	704,539	784,852	
Apple Inc.	3,300	351,990	510,488	
Keysight Technologies Inc.	4,100	575,583	540,976	
Mastercard Inc., Class 'A'	2,400	983,883	1,084,105	
Microsoft Corp.	8,759	1,215,402	2,460,826	
Visa Inc., Class 'A'	8,105	1,511,154	2,164,926	
		5,342,551	7,546,173	14.3%
Materials				
Ecolab Inc.	2,470	566,723	659,333	
Sherwin-Williams Co. (The)	1,020	647,090	949,284	
		1,213,813	1,608,617	3.0%
TOTAL UNITED STATES EQUITIES		23,418,624	31,288,561	59.2%

NCM CORE GLOBAL

Schedule of Investment Portfolio (continued)

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
INTERNATIONAL EQUITIES				
Chinese				
Alibaba Group Holding Ltd., ADR	2,860	656,870	1,123,076	
		656,870	1,123,076	2.1%
Denmark				
DSV Panalpina AS	13,258	1,483,372	2,894,486	
Novo Nordisk AS, Series 'B'	8,527	575,896	788,338	
		2,059,268	3,682,824	7.0%
Finland				
Kone OYJ, Class 'B'	7,361	525,724	865,444	
		525,724	865,444	1.6%
France				
Dassault Systèmes SA	5,000	1,133,604	1,251,136	
LVMH Moët Hennessy-Louis Vuitton SA	1,500	897,249	938,411	
Teleperformance	2,300	770,712	949,657	
		2,801,565	3,139,204	5.9%
Germany				
SAP AG	7,000	1,195,599	1,455,656	
		1,195,599	1,455,656	2.8%
Hong Kong				
AIA Group Ltd.	85,049	1,111,306	1,112,588	
		1,111,306	1,112,588	2.1%
Indonesia				
PT Bank Central Asia TBK	401,437	955,069	976,582	
		955,069	976,582	1.9%
Japan				
Keyence Corp.	1,000	567,192	619,966	
		567,192	619,966	1.2%
Switzerland				
Givaudan SA, Registered	224	746,974	1,292,904	
Roche Holding AG Genussscheine	1,400	709,949	641,466	
		1,456,923	1,934,370	3.7%
United Kingdom				
Diageo PLC	19,000	938,762	869,473	
Unilever PLC	12,998	1,012,243	1,072,006	
		1,951,005	1,941,479	3.7%
TOTAL INTERNATIONAL EQUITIES		13,280,521	16,851,189	32.0%
TOTAL EQUITIES		36,699,145	48,139,750	91.2%
Less: Transaction costs included in average cost		(49,252)		
TOTAL INVESTMENTS		36,649,893	48,139,750	91.2%
Derivative liabilities			(179,637)	-0.3%
Other assets, less liabilities			4,819,828	9.1%
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES			52,779,941	100.0%

NCM CORE GLOBAL

Schedule of Derivative Investments - Forward Foreign Currency Contracts

As at September 30, 2020

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered	Fair Value in Cdn Dollars	Currency to be Received	Contract Price	Unrealized Loss
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	335,200 CHF	488,306	487,954 CAD	1.4557	(352)
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	5,439,000 DKK	1,145,921	1,143,945 CAD	0.2103	(1,976)
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	965,300 EUR	1,514,110	1,511,081 CAD	1.5654	(3,029)
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	1,122,200 GBP	1,938,183	1,899,155 CAD	1.6923	(39,028)
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	6,791,100 HKD	1,169,748	1,154,595 CAD	0.1700	(15,153)
Toronto-Dominion Bank (The)	A-1+	December 15, 2020	44,799,900 JPY	567,459	557,008 CAD	0.0124	(10,451)
Toronto-Dominion Bank (The)	A-1+	October 15, 2020	6,588,000 USD	8,799,550	8,689,902 CAD	1.3191	(109,648)
Net Unrealized Loss							(179,637)

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

1. Reporting Entity

On January 9, 2014, Norrep MG Fund Ltd. changed its name to Norrep Premium Portfolios Ltd. On February 17, 2016 Norrep Premium Portfolios Ltd. changed its name to Norrep Core Portfolios Ltd. On August 27, 2018, Norrep Core Portfolios Ltd. changed its name to NCM Core Portfolios Ltd.

NCM Core Portfolios Ltd. (the "Corporation") consists of NCM Core Canadian, and NCM Core Global (the "Funds"). NCM Core Canadian and NCM Core Global began operations on February 17, 2016. On June 29, 2017, MF Series was renamed as Series A. Additionally, Norrep Core Canadian Pool was renamed as Norrep Core Canadian and Norrep Core Global Pool was renamed as Norrep Core Global. On August 27, 2018, Norrep Core Canadian was renamed as NCM Core Canadian and Norrep Core Global was renamed as NCM Core Global.

Effective August 27, 2018, NCM Core Portfolios Ltd. changed its year end from October 31 to September 30. On October 31, 2018, NCM Premium Growth Class merged into NCM Balanced Income Portfolio and ceased to exist.

The Corporation is authorized to issue 100 Classes of special shares, each Class being issuable in series (collectively the "Special Shares") and an unlimited number of common shares. At September 30, 2020, there were 100 common shares issued as well as two Classes of Special Shares with NCM Core Canadian, and NCM Core Global issued in five and six series, respectively. Each special share represents an equal undivided interest in the net assets of its Fund. CIBC Mellon Trust Company is the Custodian of the Funds, and NCM Asset Management Ltd. ("NCM") is the Manager and Portfolio Manager of the Fund.

2. Basis of preparation

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The Funds' significant accounting policies under IFRS are presented in note 3. These policies have been applied consistently to all periods presented.

The financial statements of the Funds were approved and were authorized for issue by the Manager's Board of Directors on December 10, 2020

(b) Basis of measurement:

The financial statements have been prepared on the historical cost basis, except for investments at fair value through profit or loss and derivative instruments which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Funds' functional currency, and all values are rounded to the nearest dollar except where otherwise indicated.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

2. Basis of preparation (continued)

(d) Use of judgements and estimates:

These financial statements include estimates and assumptions made by management that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and gains and losses during the reporting period. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Significant estimates include the valuation of investments and the unrealized gains/losses from investments.

3. Significant accounting policies

The Funds have consistently applied the following accounting policies to all periods presented in these financial statements.

(a) Financial assets and financial liabilities:

(i) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) are initially recognized on the trade date, which is the date on which the Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognized on the date on which they are originated.

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, with transaction costs recognized in profit or loss.

(ii) Derecognition

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial assets and substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund’s obligations are discharged, cancelled or they expire.

(iii) Classification

The Fund follows IFRS 9 Financial Instruments. The standard requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

Assessment and decision on the business model approach used is an accounting judgement.

Under IFRS 9, derivatives are classified as FVTPL like other financial assets and liabilities, so there is no requirement to present separately the different component amounts on the Statement of Comprehensive Income as they fall within the same classification.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

3. Significant accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(iii) Classification (continued)

However, Canadian Security Administrators (“CSA”) regulatory requirements under NI 81-106 prescribe the individual line items that are required to be disclosed which includes separate disclosure for derivatives.

The Fund classifies financial assets and financial liabilities into the following categories.

Financial assets at fair value through profit or loss:

- All investments, including derivatives

Financial assets at amortized cost:

- Cash and cash equivalents and receivables

Financial liabilities at amortised cost:

- All liabilities other than redeemable shares

The Funds designate all financial assets and liabilities at fair value through profit or loss on initial recognition because it manages securities on a fair value basis in accordance with its documented investment strategy. Internal reporting and performance measurement of these securities and the Fund as a whole is on a fair value basis. The Manager also receives management fees which are based on the overall fair value of the Fund.

(iv) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a liability reflects its non-performance risk.

There is no difference between pricing Net Asset Value (“NAV”) and accounting NAV.

(v) Amortized cost measurement

The amortized cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at recognition, minus principal repayments (if applicable), plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount (if applicable), minus any reduction for impairment (if applicable).

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

3. Significant accounting policies (continued)

(a) Financial assets and financial liabilities (continued):

(vi) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Funds in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

Redeemable shares

The Funds classify financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Funds have multiple classes of redeemable shares that do not have identical features and therefore, do not qualify as equity under IAS 32, *Financial Instruments: Presentation*. The redeemable shares, which are classified as financial liabilities and measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a share price based on the Fund's valuation policies at each redemption date. The shares represent the residual interest in the Fund.

The value at which mutual fund shares are issued or redeemed is determined by dividing the net assets of the Fund at fair value based on last traded price by the total number of mutual fund shares outstanding on the valuation date. Amounts received on the issuance of mutual fund shares and amounts paid on the redemption of mutual fund shares are added to, or deducted from net assets.

(b) Dividend income:

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. This is usually the ex-dividend date.

(c) Dividends to holders of redeemable shares:

Any dividends paid will be in proportion to the number of shares held by each shareholder.

Dividends per share to shareholders is calculated as the total amount of dividends attributable to a series divided by the number of shares of the series at the date of distribution.

(d) Net gain (loss) from financial instruments at fair value through profit or loss:

Net unrealized/realized gain (loss) from financial instruments at fair value through profit or loss is calculated using the average cost method.

Average cost does not include amortization of premiums or discounts on fixed income securities.

(e) Income tax:

The Corporation is qualified as a mutual fund corporation for the purposes of the Income Tax Act (Canada) and the Alberta Corporate Tax Act.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

3. Significant accounting policies (continued)

(e) Income tax (continued):

Interest and foreign dividends received, less applicable expenses, are taxed at Federal and Provincial corporate rates less applicable credits for any foreign taxes paid.

Taxable dividends received from taxable Canadian corporations are subject to taxes that are fully refundable upon payment of sufficient taxable dividends to shareholders.

The Corporation is also subject to tax at full corporate rates on 50% of capital gains realized, less allowable capital losses claimed. This tax is generally refundable to the extent that the Corporation distributes its capital gains to shareholders by way of a capital gains dividend, or through the redemption of its shares.

Temporary differences between the tax basis of assets and liabilities and their carrying amounts may be either taxable or deductible. Taxable temporary differences give rise to deferred income tax liabilities and deductible temporary differences give rise to deferred income tax assets. When the fair value of investments is greater than the related tax basis, a deferred income tax liability arises and the deferred tax liability is offset by refundable taxes generated by future payments of capital gains dividends. When the fair value of investments is less than the related tax basis, a deferred income tax asset arises and due to the uncertainty of such deferred income tax assets ultimately being realized, a full valuation allowance is applied to offset the asset. Any unused capital and non-capital losses represent deferred tax assets to the Corporation for which a full valuation allowance has been established such that no net benefit has been recorded by the Corporation.

Income that would give rise to deferred income tax liabilities or assets are distributed out to shareholders.

Certain dividend and interest income received by the Fund is subject to withholding tax imposed in certain countries of origin. Income that is subject to such tax is recognized gross of the taxes and the corresponding withholding tax is recognized as a tax expense. The Funds incurred withholding tax expense accordingly;

	September 30, 2020	September 30, 2019
NCM Core Canadian	490	–
NCM Core Global	99,055	80,927

(f) Increase (decrease) in net assets attributable to holders of redeemable shares:

The net assets attributable to holders of redeemable shares per share is calculated by dividing the net assets attributable to holders of redeemable shares of a particular series of shares by the total number of shares of that particular series outstanding at the end of the period.

Increase (decrease) in net assets attributable to shareholders per share is calculated as increase (decrease) in net assets attributable to shareholders, divided by the weighted average shares outstanding during the period.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

3. Significant accounting policies (continued)

(g) Translation of foreign currency:

Foreign currency amounts are expressed in Canadian dollars as follows:

- (i) fair value of investments and accrued receivables and payables and other assets and liabilities at the rate of exchange at the end of the period; and
- (ii) purchases and sales of investments and dividend and interest income at the rate of exchange prevailing on the respective dates of such transactions.

Foreign currency differences are recognized as a component of net gain/loss from financial instruments at fair value through profit or loss.

(h) Derivative financial instruments:

The Funds may use derivative financial instruments to reduce their exposure to fluctuations in foreign currency exchange rates. Derivative financial instruments are recorded at mark to market with changes in fair value recorded in the statement of comprehensive income.

Options are contracts entitling the holder to purchase or sell a specified item at a specified price, during a specified period or on a specified date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. Any gain or loss resulting from revaluation is included in change in unrealized gain (loss) on derivative instruments on the statements of comprehensive income. Upon closing of an option, other than by exercise, which results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is included in net realized gain (loss) on derivative instruments on the statements of comprehensive income. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is included in net realized gain (loss) on derivatives on the statements of comprehensive income.

When an option expires, the premium for options written or purchased is reflected in the statements of operations as net realized gain (loss) on derivative instruments.

The risks include the possibility there may be an illiquid options market or the inability of the counterparties to fulfill their obligations under the contract. Writing options involves, to varying degrees, elements of market risk in excess of the amount recognized in the statements of financial position.

(i) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by The Bank of New York Mellon (collectively the "Securities Lending Agent"). 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. Income earned from these transactions is included in the

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

3. Significant accounting policies (continued)

(i) Securities lending transactions (continued):

Statements of Comprehensive Income as Securities lending income and recognized when earned.

4. Fair value measurement

(a) Investments:

The fair values of financial assets and financial liabilities that are traded on active markets are based on quoted market prices. For all other financial instruments, the Funds determine fair values using other valuation techniques.

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

A three-tier hierarchy is used as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

- Inputs that are quoted prices (unadjusted) in active markets for identical instruments (Level 1);
- Valuation techniques for which the lowest level input that is significant to fair value measurement is directly or indirectly observable (Level 2);
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (Level 3).

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

(b) Fair value hierarchy – Financial instruments measured at fair value:

The tables below analyze investments measured at fair value at September 30, 2020 and September 30, 2019 by the level in the fair value hierarchy into which the fair value measurement is categorized. The amounts are based on the values recognized in the statement of financial position.

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Canadian - September 30, 2020				
Public securities				
Equities – long	14,972,872	—	—	14,972,872
Total Investments	14,972,872	—	—	14,972,872

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Canadian - September 30, 2019				
Public securities				
Equities – long	19,796,817	—	—	19,796,817
Total Investments	19,796,817	—	—	19,796,817

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

4. Fair value measurement (continued)

(b) Fair value hierarchy – Financial instruments measured at fair value (continued):

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Global - September 30, 2020				
Public securities				
Equities – long	48,139,750	—	—	48,139,750
Unrealized loss on derivative instruments	—	(179,637)	—	(179,637)
Total Investments	48,139,750	(179,637)	—	47,960,113

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Global - September 30, 2019				
Public securities				
Equities – long	37,995,617	—	—	37,995,617
Unrealized gain on derivative instruments	—	129,146	—	129,146
Unrealized loss on derivative instruments	—	(2,287)	—	(2,287)
Total Investments	37,995,617	126,859	—	38,122,476

There were no transfers between Level 1, Level 2 and Level 3 during the years presented.

(c) Financial instruments not measured at fair value:

The carrying values of cash and cash equivalents, dividends and interest receivable, accrued expenses, and other receivables and payables approximate their fair values due to their short term nature.

5. Financial instruments and associated risks

The Funds' activities expose it to a variety of risks associated with financial instruments as follows: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Funds' overall risk management program seeks to maximize the returns for the level of risk to which the Funds are exposed and seeks to minimize potential adverse effects on the Fund's financial performance. Market disruptions associated with acts of terrorism, war, natural disasters and epidemics can lead to increased market volatilities and be highly disruptive to economies, individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings and investor sentiment. Such disruptions can adversely affect the financial instrument risks associated with each of the Funds and its investments. All investments result in a risk of loss of capital.

Credit risk:

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Funds. The carrying amount of cash and cash equivalents and receivables also represents their maximum credit risk.

Credit risk arising on transactions for shares purchased and portfolio assets sold relates to transactions awaiting settlement, also known as settlement risk.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

5. Financial instruments and associated risks (continued)

Credit risk (continued):

'Settlement risk' is the risk of loss due to the failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed. Credit risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used.

For the majority of the transactions, the Funds mitigate this risk by conducting settlements through a broker to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Also, legal entitlement will not pass until all monies have been received for the shares purchased or the portfolio assets sold. If either party does not meet its obligation then the transaction will fail.

Substantially all of the assets of the Funds are held by CIBC Mellon Trust Company, the custodian. Bankruptcy or insolvency of the custodian may cause the Funds' rights with respect to securities held by the custodian to be delayed or limited. The Funds monitor risk by monitoring the credit quality, credit rating and financial position of the custodian the Funds use.

If the credit quality or the financial position deteriorates significantly then the Portfolio Manager will move the cash holdings to another financial institution.

The Portfolio Manager analyses credit concentration based on the counterparty, industry and geographical location of the financial assets that each Fund holds.

Other than outlined above there were no significant concentrations of credit risk to counterparties at September 30, 2020 and September 30, 2019.

Liquidity risk:

Liquidity risk is the risk that the Funds will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Funds are exposed to daily cash redemptions of redeemable shares. Investments in small, mid-capitalization and micro-capitalization companies may involve greater risks than in larger, more established companies since such companies may have more limited markets and financial resources and their securities may be more sensitive to market changes. As well, the liquidity of the securities may be limited.

Consequently, in order to fund redemptions, the Funds may have to liquidate shareholdings in the more liquid large and medium-sized companies.

To the extent that the liquidity is limited, the Funds' ability to realize profits and/or minimize losses may be limited, which could adversely affect the net asset value of the Funds. The Funds believe they maintain sufficient cash and cash equivalent positions to maintain liquidity.

The Funds' liquidity risk is managed on a daily basis by the Portfolio Manager. Minimum cash balances may be required to be maintained in each Fund at the discretion of the Portfolio Manager to allow for monies to cover redemptions. The Funds' redemption policy allows for redemptions at any time during any given month.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

5. Financial instruments and associated risks (continued)

Liquidity risk (continued):

The Funds are subject to regulatory requirements whereby the Funds shall not purchase an illiquid asset if, immediately after the purchase, more than ten percent of the net assets of each Fund, taken at market value at the time of purchase, would consist of illiquid assets. Residual contractual maturities of financial liabilities are all due on demand.

Market risk:

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Funds' strategies on the management of investment risk are driven by the Funds' investment objectives.

NCM Core Canadian is designed to achieve long-term capital appreciation by investing primarily in equity securities of large capitalization issuers. NCM Core Global will seek to achieve long-term capital appreciation by investing primarily in global equity securities.

No material change in the investment objectives, policies or restrictions of a Fund may be made without the approval of a majority of the votes cast at a meeting of the Fund duly called for that purpose.

The Funds' market risk is managed on a daily basis by the Portfolio Manager in accordance with the policies and procedures in place.

Details of the nature of the Funds' investment portfolio at September 30, 2020 are disclosed in the schedule of investment portfolio.

(a) Currency risk:

The Funds may invest in financial instruments and enter into transactions denominated in currencies other than the Canadian dollar. Consequently, the Funds are exposed to risks that the exchange rate of the Canadian dollar to other foreign currencies may fluctuate.

The Funds may use derivatives to hedge the foreign currency exposure. Such permitted derivatives may include exchange-traded options, futures contracts, and options on futures, over-the-counter options and forward contracts.

At September 30, 2020 and September 30, 2019, NCM Core Global had the following foreign currency exposure as a percentage of the net asset value, including the impact of outstanding derivatives.

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

5. Financial instruments and associated risks (continued)

Market risk (continued):

(a) Currency risk (continued):

NCM Core Global	2020	2019
U.S. Dollar	45.9%	1.9%
Euro	7.5%	0.3%
Danish Kroner	4.9%	0.3%
Swiss Franc	2.8%	0.1%
Indonesian Rupiah	1.9%	4.7%
Japanese Yen	0.1%	0.1%
Norwegian Krone	–%	0.1%
Hong Kong Dollar	-0.1%	–%

Sensitivity Analysis:

At September 30, 2020 and September 30, 2019, had the Canadian dollar strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, including the impact of outstanding derivative instruments, net assets attributable to the holders of redeemable shares and the change in net assets attributable to holders of redeemable shares would have increased or decreased by the amounts shown below. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

NCM Core Global	2020	2019
<i>(in Canadian dollars)</i>		
U.S. Dollar	242,265	7,334
Euro	39,602	1,179
Danish Kroner	25,632	992
Swiss Franc	14,525	372
Indonesian Rupiah	9,772	18,217
Japanese Yen	536	367
British Pound	172	133
Norwegian Krone	–	221
Swedish Kroner	3	39
Hong Kong Dollar	(572)	(191)
Total	331,935	28,663

(b) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments. A change in general interest rates is a main factor affecting the price of a fund that invests in fixed-income securities. Fixed-income securities, like bonds, pay interest based on interest rates when the bond is issued, when interest rate fall, the value of the bonds rise. This is because the interest rates of existing bonds will be higher than the rate on newer bonds. Conversely, when interest rates rise, the price of existing bonds drop because they pay less than newer bonds.

The majority of the Funds' assets are non-interest-bearing. Interest-bearing financial assets mature or re-price in the short term, being no more than twelve months. There are no interest bearing financial liabilities as a result, the Funds are subject to limited exposure to the risk of

NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2020 and 2019

5. Financial instruments and associated risks (continued)

Market risk (continued):

(b) Interest rate risk (continued):

fluctuation in the prevailing levels of market interest rates. High yield corporate bond prices are impacted by the credit metrics, liquidity and business fundamentals of the corporate entity with a minimal correlation to interest rates.

(c) Other price risk:

Other price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment or its issuer, or factors affecting all instruments traded in the market. All securities present a risk of loss of capital.

Price risk is managed by the Funds' Portfolio Manager through construction of diversified portfolios. The price of a security is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the security is located, does business or where the security is listed for trading. In addition, certain securities are not listed on any prescribed stock exchange and thus a liquid market for resale may not exist.

The Portfolio Manager will monitor these factors daily and make decisions regarding the portfolio based on its knowledge of the market conditions and diversify the portfolio of investments accordingly. The maximum price risk resulting from financial instruments is equivalent to their fair value.

Sensitivity analysis:

Management's estimate of the impact of a 1% increase or decrease on the following indices at September 30, 2020 and September 30, 2019, is an increase or decrease in the net assets attributable to holders of redeemable shares of approximately:

	Total Return Index (In Canadian dollars)	Change in Net Assets	
		2020	2019
NCM Core Canadian	S&P TSX Composite Total Return Index	149,729	197,968
NCM Core Global	MSCI World Net Total Return Index	481,398	379,956

In practice, the actual trading results may differ from this estimate and the difference could be material.

NCM Core Canadian and NCM Core Global financial assets exposed to other price risk are concentrated in the following industries at September 30, 2020 and September 30, 2019.

NCM CORE PORTFOLIOS LTD.

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Years ended September 30, 2020 and 2019

5. Financial instruments and associated risks (continued)

Market risk (continued):

(c) Other price risk (continued):

Sensitivity analysis (continued):

NCM Core Canadian	2020	2019
Energy	10.5%	9.8%
Materials	16.3%	1.9%
Industrials	8.4%	17.7%
Consumer Discretionary	2.2%	5.0%
Consumer Staples	7.9%	11.2%
Financials	26.8%	27.2%
Information Technology	5.6%	2.5%
Communication Services	8.9%	9.2%
Utilities	5.9%	6.1%
Real Estate	7.5%	9.4%
Total	100.0%	100.0%

NCM Core Global	2020	2019
Energy	–	4.0%
Materials	6.0%	4.4%
Industrials	14.2%	7.0%
Consumer Discretionary	13.7%	15.6%
Consumer Staples	11.1%	18.8%
Health Care	15.4%	11.8%
Financials	10.5%	20.4%
Information Technology	22.6%	11.1%
Communication Services	6.5%	6.9%
Total	100.0%	100.0%

6. Net Assets attributable to holders of redeemable shares

The Corporation is authorized to issue an unlimited number of special shares of up to 100 classes with each class representing a separate fund with its own investment objective and investment portfolio (referred to collectively as the “special shares”).

Each class can be divided into 26 series, each series being comprised of an unlimited number of shares. Currently, there are five series outstanding, Series A, Series F, Series M, Series Z and Series R within NCM Core Canadian and six series outstanding, Series A, Series F, ETF Series, Series M, Series Z and Series R within NCM Core Global. Each series ranks equally with respect to dividends and return of capital in the event of liquidation, dissolution or winding up based on their respective series' net asset values. Each series pays its own fees and expenses. Series A shares are sold through the front end sales charge option. Under the front end sales charge option, a commission ranging from 0% to 5% is paid by the investor to the dealer with a 2% redemption fee being charged if the shares are redeemed in the first 30 days. Series F and Series Z are sold without commission provided the purchaser is enrolled in a fee-for-service or wrap program with the dealer. A 2% redemption fee is charged if the Series F and Series Z shares are redeemed in the first 30 days.

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6. Net Assets attributable to holders of redeemable shares (continued)

On October 1, 2018, NCM Core Canadian and NCM Core Global issued Series R shares. There are no sales charges or commissions payable in respect of purchases of Series R shares. Series R is only available for purchase by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates.

Series M shares are not available for general public purchase.

ETF Series securities may only be purchased and sold on the TSX or another exchange or marketplace, as listed. The ticker symbol for the ETF Series is NCG.

In addition, the Corporation is authorized to issue an unlimited number of common shares. The special shares have priority over the common shares with respect to the payment of dividends and the distribution of assets or return of capital in the event of liquidation or dissolution on winding up of the Corporation. 100 common shares were issued on incorporation for \$1.

The shares may be redeemed daily at the net asset value per share of the respective series.

The analysis of movements in the number of redeemable shares was as follows:

NCM Core Canadian	Series A	Series F	Series M	Series R	Series Z
Balance, September 30, 2019	242,044	135,019	30	200,841	47,529
Issued for cash	12,911	14,479	33,027	88,119	4,445
Issued on reinvestment of dividends	6,564	5,058	398	4,656	607
Redeemed for cash	(59,129)	(9,361)	(3,451)	(164,521)	(35,452)
Balance, September 30, 2020	202,390	145,195	30,004	129,095	17,129

NCM Core Canadian	Series A	Series F	Series M	Series R	Series Z
Balance, September 30, 2018	257,477	149,624	–	–	87,257
Issued for cash	15,035	9,984	29	208,697	851
Issued on reinvestment of dividends	5,546	3,133	1	4,778	609
Redeemed for cash	(36,014)	(27,722)	–	(12,634)	(41,188)
Balance, September 30, 2019	242,044	135,019	30	200,841	47,529

NCM Core Global	Series A	Series F ETF Series	Series M	Series R	Series Z	
Balance, September 30, 2019	148,198	481,504	–	4,980	243,167	213,288
Issued for cash	132,677	200,563	80,000	171,369	145,660	68,968
Issued on reinvestment of dividends	222	529	–	146	257	127
Redeemed for cash	(60,616)	(184,802)	–	(27,892)	(161,556)	(110,616)
Balance, September 30, 2020	220,481	497,794	80,000	148,603	227,528	171,767

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Years ended September 30, 2020 and 2019

6. Net Assets attributable to holders of redeemable shares (continued)

NCM Core Global	Series A	Series F ETF Series	Series M	Series R	Series Z
Balance, September 30, 2018	92,419	431,292	–	–	190,128
Issued for cash	70,916	253,453	–	4,980	75,594
Redeemed for cash	(15,137)	(203,241)	–	(16,416)	(52,434)
Balance, September 30, 2019	148,198	481,504	–	4,980	213,288

Increase (decrease) in net assets attributable to holders of redeemable shares per share is calculated as follows:

Due to rounding, numbers presented may not calculate precisely and not reflect the absolute figures.

NCM Core Canadian - September 30, 2020	Series A	Series F	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	(396)	(181)	(85)	235	25
Average shares outstanding during the year (in 000's of shares)	220	139	24	177	24
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$(1.80)	\$(1.30)	\$(3.54)	\$1.33	\$1.04

NCM Core Canadian - September 30, 2019	Series A	Series F	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	228	166	–	532	73
Average shares outstanding during the year (in 000's of shares)	247	138	–	147	68
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$0.92	\$1.21	\$0.29	\$3.61	\$1.08

NCM Core Global - September 30, 2020	Series A	Series F ETF Series	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	715	2,123	10	703	1,438
Average shares outstanding during the year (in 000's of shares)	180	495	80	121	320
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$3.98	\$4.29	\$0.12	\$5.81	\$4.49

NCM Core Global - September 30, 2019	Series A	Series F ETF Series	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	286	972	–	950	556
Average shares outstanding during the year (in 000's of shares)	113	395	–	183	191
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$2.52	\$2.46	–	\$5.20	\$2.91

7. Management fees, expenses and key contracts

(a) Manager and management fees:

NCM Core Canadian paid an annual management fee to the Manager of 1.75% for the Series A, of the net asset value of the series. NCM Core Global paid an annual management fee to the Manager of 1.85% for the Series A, of the net asset value of the series. The NCM Core Canadian paid an annual management fee of 0.75% for the Series F, of the net asset value the series. The NCM Core Global paid an annual management fee of 0.85% for the Series F and ETF

NCM CORE PORTFOLIOS LTD.

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Years ended September 30, 2020 and 2019

7. Management fees, expenses and key contracts (continued)

(a) Manager and management fees (continued):

Series, of the net asset value of each series. The management fee is calculated and paid monthly. No management fees were charged to Series Z; instead, the investors pay an annual flat management fee of \$1,000 per account, directly to the Manager. There are no management fees payable in respect of Series R shares. The NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates that invest in Series R shares are charged a management fee for the provision of the services to them. Series M shares are not available for general public purchase. The Manager and its affiliates offer wealth management services including fee-based and managed accounts under the Cumberland Private Wealth brand, and the Series M shares are intended for such accounts. There is no management fee attached to Series M.

Accrued expenses include management fees payable as follows:

<i>(in Canadian dollars)</i>	September 30, 2020	September 30, 2019
NCM Core Canadian	11,463	13,917
NCM Core Global	25,980	19,887

All fees and expenses applicable to the administration and operation of each series, including record keeping and communication costs, custodian fees, legal and filing fees, audit, applicable taxes and bank charges, are payable by the Funds. Brokerage costs are expensed as incurred and included in transaction costs.

(b) Expenses:

Accrued expenses include administration services payable to NCM as follows:

<i>(in Canadian dollars)</i>	September 30, 2020	September 30, 2019
NCM Core Canadian	2,820	2,702
NCM Core Global	8,861	4,733

(c) Operating expense recoveries:

NCM has agreed to absorb certain expenses associated with some of the Funds. Such absorptions may be terminated at any time without notice.

Included in accounts receivable are the following related to these items:

	September 30, 2020	September 30, 2019
NCM Core Canadian	34,323	29,622
NCM Core Global	89,369	31,663

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8. Brokerage commissions on securities transactions

The Funds paid brokerage commissions in connection with portfolio transactions during the years ended September 30, 2020 and 2019 amounting to:

	September 30, 2020	September 30, 2019
NCM Core Canadian	27,302	27,102
NCM Core Global	56,515	18,847

9. Securities lending transactions

In August 2019, NCM Core Canadian engaged in securities lending. Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency, corporate debt or corporate commercial paper, convertible securities or cash that is not to be invested. The table below shows a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned by the Fund for the years ended September 30, 2020 and 2019.

NCM Core Canadian

	2020		2019	
Gross securities lending income	\$12,642	100.0%	\$45	100.0%
Withholding taxes	—	—%	—	—%
Agent fees	(5,056)	(40.0%)	\$(18)	(40.0%)
Securities lending income	\$7,586	60.0%	\$27	60.0%

Security Lending:	2020	2019
Value of securities loaned	\$811,595	\$ 962,897
Value of collateral received	\$852,175	\$1,011,042



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