

September 30, 2020

FINANCIAL STATEMENTS OF
NCM CANADIAN ENHANCED
EQUITY FUND





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INDEPENDENT AUDITORS' REPORT

To the Unitholders of NCM Canadian Enhanced Equity Fund:

Opinion

We have audited the financial statements of NCM Canadian Enhanced Equity Fund, which comprise:

- the statement of financial position as at September 30, 2020
- the statement of comprehensive (loss) for the year then ended
- the statement of changes in net assets attributable to holders of redeemable units for the year then ended
- the statement of cash flows for the year 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 NCM Canadian Enhanced Equity Fund as at September 30, 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit 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 NCM Canadian Enhanced Equity Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical 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.



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 NCM Canadian Enhanced Equity Fund's 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 NCM Canadian Enhanced Equity Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing NCM Canadian Enhanced Equity Fund's 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 audit 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 NCM Canadian Enhanced Equity Fund's 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 NCM Canadian Enhanced Equity Fund's 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 Fund 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 represent 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 audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KPMG LLP

Chartered Professional Accountants,

Calgary, Canada
December 10, 2020

NCM CANADIAN ENHANCED EQUITY FUND

Statement of Financial Position

(in Canadian dollars, except units outstanding)

As at September 30 September 30
2020 2019

Assets

Cash and cash equivalents	1,459,596	–
Dividends receivable	29,898	17,679
Due from Manager (note 7)	15,401	9,373
Portfolio assets sold	217,438	201,559
Investments, at fair value through profit or loss	7,328,143	9,300,068
Total assets	9,050,476	9,528,679

Liabilities

Accrued expenses (note 7)	27,601	30,273
Distributions payable	26,288	28,148
Dividends payable on investments sold short	6,306	7,255
Portfolio assets purchased	417,346	96,986
Units redeemed	50,719	1,000
Bank indebtedness	–	42,861
Investments - short, at fair value through profit or loss	2,125,487	2,278,467
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,653,747	2,484,990
Net assets attributable to holders of redeemable units	6,396,729	7,043,689

Net assets attributable to holders of redeemable units:

Series A	26,616	28,528
Series F	3,797,748	4,264,007
Series I	2,572,365	2,751,154

Redeemable units outstanding (note 6):

Series A	2,760	2,676
Series F	370,979	381,185
Series I	237,234	234,881

Net assets attributable to holders of redeemable units per unit:

Series A	9.64	10.66
Series F	10.24	11.19
Series I	10.84	11.71

See accompanying notes to financial statements.

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



Alex Sasso



Keith Leslie

NCM CANADIAN ENHANCED EQUITY FUND

Statement of Comprehensive (Loss)

For the year ended September 30, 2020 with comparative figures for 2019

(in Canadian dollars)

	2020	2019
Dividend income	243,782	254,601
Interest for distribution purposes	8,630	4,984
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	(519,330)	(233,868)
Net change in unrealized appreciation (depreciation) in fair value of investments	77,371	(396,435)
Total investment revenue (loss)	(189,547)	(370,718)
Dividend expense on investments sold short	44,615	58,400
Management fees (note 7)	39,988	46,278
Custodian and record keeping fees	32,400	31,656
Transaction costs	22,744	26,909
Risk management fees	13,937	16,372
Administrative fees (note 7)	11,384	12,238
Audit fees	10,780	10,700
Other	10,244	10,924
HST/GST	6,023	6,331
Tax and other professional fees	5,738	1,932
Computer services	2,706	3,179
Legal and filing fees	1,094	4,105
Independent review committee	(81)	1,028
Operating recovery (note 7)	(15,401)	(9,373)
Total operating expenses	186,171	220,679
Increase (decrease) in net assets attributable to holders of redeemable units before tax	(375,718)	(591,397)
Withholding tax expense	114	455
Increase (decrease) in net assets attributable to holders of redeemable units	(375,832)	(591,852)
Change in net assets attributable to holders of redeemable units (note 6):		
Series A	(1,912)	(1,258)
Series F	(253,331)	(540,509)
Series I	(120,589)	(50,085)
Change in net assets attributable to holders of redeemable units per unit (note 6):		
Series A	(0.64)	(0.47)
Series F	(0.67)	(1.31)
Series I	(0.50)	(0.20)

See accompanying notes to financial statements.

NCM CANADIAN ENHANCED EQUITY FUND

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the year ended September 30, 2020 with comparative figures for 2019

(in Canadian dollars)

	All	Series		Series A		Series F		Series I	
	2020	2019	2020	2019	2020	2019	2020	2019	
Net assets attributable to holders of redeemable units, beginning of year	7,043,689	11,619,234	28,528	29,786	4,264,007	8,480,665	2,751,154	3,108,783	
Increase (decrease) in net assets, attributable to holders of redeemable units	(375,832)	(591,852)	(1,912)	(1,258)	(253,331)	(540,509)	(120,589)	(50,085)	
Transactions attributable to holders of redeemable units:									
Issuance of units	412,825	856,028	–	–	352,825	592,824	60,000	263,204	
Reinvestment of distributions	83,069	85,562	780	804	13,066	7,113	69,223	77,645	
Amounts paid on redemptions	(577,335)	(4,725,403)	–	–	(464,902)	(4,157,678)	(112,433)	(567,725)	
	(81,441)	(3,783,813)	780	804	(99,011)	(3,557,741)	16,790	(226,876)	
Distribution declared	(189,687)	(199,880)	(780)	(804)	(113,917)	(118,408)	(74,990)	(80,668)	
	(189,687)	(199,880)	(780)	(804)	(113,917)	(118,408)	(74,990)	(80,668)	
Net assets attributable to holders of redeemable units, end of year	6,396,729	7,043,689	26,616	28,528	3,797,748	4,264,007	2,572,365	2,751,154	
Distribution per unit to holders of redeemable units			0.29	0.31	0.30	0.32	0.31	0.33	

See accompanying notes to financial statements

NCM CANADIAN ENHANCED EQUITY FUND

Statement of Cash Flows

For the year ended September 30, 2020 with comparative figures for 2019

(in Canadian dollars)

	2020	2019
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	(375,832)	(591,852)
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	519,330	233,868
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(77,371)	396,435
Purchase of investments	(28,378,459)	(33,305,883)
Proceeds from the sale of investments	30,060,027	37,183,971
Dividends receivable	(12,219)	23,268
Due from Manager	(6,028)	(9,373)
Accrued expenses	(2,672)	(4,727)
Dividends payable on investments sold short	(949)	(263)
Net cash from (used in) operating activities	1,725,827	3,925,444
Cash flows from (used in) financing activities		
Proceeds from the issuance of redeemable units	412,825	856,028
Amounts paid on redemption of redeemable units	(527,616)	(4,734,403)
Distributions to holders of redeemable units, net of reinvestments	(108,478)	(147,469)
Net cash from (used in) financing activities	(223,269)	(4,025,844)
Net increase (decrease) in cash and cash equivalents	1,502,558	(100,400)
Effect of exchange rates on cash and cash equivalents	(101)	(40)
Cash and cash equivalents/(bank indebtedness) at beginning of year	(42,861)	57,579
Cash and cash equivalents at end of year	1,459,596	(42,861)
Dividends received, net of withholding tax paid	231,449	277,414
Interest received	8,630	4,984
Dividend expenses on investments sold short	45,564	58,663

See accompanying notes to financial statements

NCM CANADIAN ENHANCED EQUITY FUND

Schedule of Investment Portfolio

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
CANADIAN EQUITIES - Long				
Communication Services				
BCE Inc.	2,900	167,754	160,138	
Quebecor Inc., Class 'B'	5,000	167,494	166,550	
TELUS Corp.	8,400	198,466	196,812	
		533,714	523,500	8.2%
Consumer Discretionary				
Dollarama Inc.	2,600	122,665	132,704	
Restaurant Brands International Inc.	1,200	85,779	91,776	
		208,444	224,480	3.5%
Consumer Staples				
Alimentation Couche-Tard Inc., Class 'B'	3,500	136,750	162,295	
Metro Inc., Class 'A'	3,700	215,150	236,393	
North West Co. Inc. (The)	4,900	178,196	178,360	
		530,096	577,048	9.0%
Energy				
Canacol Energy Ltd.	79,300	283,154	280,722	
Enbridge Inc.	4,200	183,608	163,380	
Gibson Energy Inc.	5,400	112,383	116,532	
Parex Resources Inc.	17,900	304,284	251,137	
TC Energy Corp.	2,100	132,718	117,390	
		1,016,147	929,161	14.5%
Financials				
Canadian Imperial Bank of Commerce	2,900	300,030	288,637	
First National Financial Corp.	4,000	135,734	128,040	
goeasy Ltd.	2,500	162,734	163,525	
National Bank of Canada	2,300	166,551	152,122	
Power Corp. of Canada	6,000	143,524	156,540	
Royal Bank of Canada	4,400	412,703	411,356	
Sun Life Financial Inc.	3,000	155,160	162,780	
Toronto-Dominion Bank (The)	3,600	242,543	221,940	
		1,718,979	1,684,940	26.3%
Industrials				
Canadian Pacific Railway Ltd.	500	153,486	202,525	
TFI International Inc.	2,300	133,276	128,064	
Thomson Reuters Corp.	900	86,409	95,634	
		373,171	426,223	6.7%
Information Technology				
Constellation Software Inc.	200	256,306	295,926	
Open Text Corp.	2,900	154,006	163,212	
		410,312	459,138	7.2%
Materials				
B2Gold Corp.	23,000	139,291	199,410	
Barrick Gold Corp.	4,600	138,201	172,040	
Cascades Inc.	9,000	120,448	151,560	
Intertape Polymer Group Inc.	8,500	129,967	126,055	
K92 Mining Inc.	31,700	183,186	219,998	
Kinross Gold Corp.	14,900	176,299	175,075	

NCM CANADIAN ENHANCED EQUITY FUND

Schedule of Investment Portfolio (continued)

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
Materials				
Kirkland Lake Gold Ltd.	2,000	110,135	130,000	
Newmont Corp.	1,900	160,143	161,386	
Stella-Jones Inc.	2,700	122,723	121,770	
		1,280,393	1,457,294	22.8%
Real Estate				
CT REIT	9,300	120,162	129,921	
FirstService Corp.	600	94,697	105,432	
Granite REIT	1,800	130,209	139,104	
NorthWest Healthcare Properties REIT	11,600	131,825	131,776	
Real Matters Inc.	6,400	138,505	166,080	
		615,398	672,313	10.5%
Utilities				
Algonquin Power & Utilities Corp.	5,400	100,902	104,436	
Hydro One Ltd.	5,700	157,812	160,854	
Northland Power Inc.	2,700	83,672	108,756	
		342,386	374,046	5.8%
TOTAL EQUITIES - Long		7,029,040	7,328,143	114.6%

Description	Number of Shares	Proceeds (\$)	Fair Value (\$)	% of Net Assets
CANADIAN EQUITIES - Short				
Communication Services				
Rogers Communications Inc., Class 'B'	(1,200)	(66,717)	(63,384)	
		(66,717)	(63,384)	-1.0%
Consumer Discretionary				
Gildan Activewear Inc.	(2,500)	(62,407)	(65,600)	
Great Canadian Gaming Corp.	(1,100)	(27,792)	(26,521)	
MTY Food Group Inc.	(900)	(26,831)	(29,781)	
Recipe Unlimited Corp.	(6,100)	(63,250)	(60,329)	
Spin Master Corp.	(1,300)	(31,721)	(37,362)	
		(212,001)	(219,593)	-3.4%
Consumer Staples				
George Weston Ltd.	(700)	(70,199)	(68,537)	
Rogers Sugar Inc.	(7,900)	(45,563)	(37,841)	
Saputo Inc.	(2,000)	(68,217)	(66,800)	
		(183,979)	(173,178)	-2.7%
Energy				
ARC Resources Ltd.	(5,300)	(30,153)	(31,535)	
Enerflex Ltd.	(1,400)	(7,133)	(6,468)	
Freehold Royalties Ltd.	(4,300)	(17,122)	(15,867)	
Husky Energy Inc.	(7,500)	(34,156)	(23,100)	
Imperial Oil Ltd.	(2,900)	(58,801)	(46,226)	
Seven Generations Energy Ltd., Class 'A'	(7,900)	(30,475)	(28,361)	
Suncor Energy Inc.	(1,600)	(34,463)	(26,016)	
		(212,303)	(177,573)	-2.8%
Financials				
IGM Financial Inc.	(1,000)	(33,046)	(30,530)	
Onex Corp.	(100)	(6,019)	(5,940)	
		(39,065)	(36,470)	-0.6%

NCM CANADIAN ENHANCED EQUITY FUND

Schedule of Investment Portfolio (continued)

As at September 30, 2020

(in Canadian dollars)

Description	Number of Shares	Proceeds (\$)	Fair Value (\$)	% of Net Assets
Industrials				
CAE Inc.	(1,700)	(32,967)	(33,116)	
NFI Group Inc.	(3,700)	(63,226)	(61,272)	
Savaria Corp.	(2,200)	(34,401)	(32,516)	
SNC-Lavalin Group Inc.	(1,700)	(38,917)	(36,295)	
		(169,511)	(163,199)	-2.6%
Information Technology				
BlackBerry Ltd.	(4,900)	(33,412)	(29,939)	
Evertz Technologies Ltd.	(400)	(4,818)	(4,560)	
Lightspeed POS Inc.	(800)	(35,250)	(34,128)	
Sierra Wireless Inc.	(2,300)	(33,257)	(34,178)	
		(106,737)	(102,805)	-1.6%
Materials				
Eldorado Gold Corp.	(3,600)	(51,272)	(50,580)	
IAMGOLD Corp.	(9,600)	(47,382)	(49,056)	
Methanex Corp.	(2,200)	(65,510)	(71,434)	
NovaGold Resources Inc.	(5,200)	(64,530)	(82,472)	
Osisko Gold Royalties Ltd.	(3,300)	(46,026)	(51,975)	
Sandstorm Gold Ltd.	(2,900)	(32,938)	(32,596)	
Teck Resources Ltd., Class 'B'	(1,600)	(25,108)	(29,664)	
Wesdome Gold Mines Ltd.	(2,400)	(32,607)	(30,168)	
		(365,373)	(397,945)	-6.2%
Real Estate				
Automotive Properties REIT	(5,100)	(49,273)	(50,847)	
Canadian Apartment Properties REIT	(700)	(31,493)	(32,515)	
Choice Properties REIT	(2,500)	(30,619)	(31,950)	
Crombie REIT	(4,100)	(57,291)	(53,997)	
InterRent REIT	(2,600)	(43,022)	(32,760)	
Minto Apartment REIT	(2,800)	(53,334)	(51,184)	
RioCan REIT	(2,100)	(32,102)	(29,526)	
SmartCentres REIT	(2,400)	(48,625)	(48,000)	
Summit Industrial Income REIT	(3,100)	(37,816)	(39,804)	
		(383,575)	(370,583)	-5.8%
Utilities				
TransAlta Corp.	(3,900)	(33,388)	(31,941)	
		(33,388)	(31,941)	-0.5%
Exchange Traded Funds				
iShares Core S&P/TSX Capped Composite Index ETF	(15,200)	(348,521)	(388,816)	
		(348,521)	(388,816)	-6.1%
TOTAL CANADIAN EQUITIES - Short		(2,121,170)	(2,125,487)	-33.2%
Less: Transaction costs included in average cost		(3,434)		
TOTAL INVESTMENTS		4,904,436	5,202,656	81.3%
Other assets, less liabilities			1,194,073	18.7%
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			6,396,729	100.0%

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

1. Reporting Entity

NCM Canadian Enhanced Equity Fund (the “Fund”) is an unincorporated open-ended mutual fund trust established under the laws of Ontario pursuant to a trust agreement dated January 30, 2015 as supplemented August 27, 2018. The Fund’s principal place of business is 310, 99 Yorkville Avenue, Toronto, Ontario, M5R 3K5.

The Fund may issue an unlimited number of units in an unlimited number of series. Each unit represents an equal undivided interest in the net assets of the Fund; however, the value of a Trust Unit in one Class may differ from the value of a Trust Unit in another Class, depending on the Net Asset Value of that particular Class.

NCM Asset Management Ltd. (“NCM”) is the Manager and Portfolio Manager for the Fund. As Manager, it provides overall management and direction for the Fund as well as manages the day-to-day operation of the Fund. As Portfolio Manager, it provides investment management services to the Fund. Computershare Trust Company is the Trustee, Scotia Capital Inc. is the Prime Broker, CIBC Mellon Global Securities Services Company is the Custodian, Administrator, Transfer Agent and Registrar and Norrep Investment Management Group Inc. is the Promoter of the Fund.

Effective August 27, 2018, NCM Canadian Enhanced Equity Fund changed its year end from October 31 to September 30.

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 Fund’s significant accounting principles under IFRS are presented in note 3. These policies have been applied consistently to all years presented.

The financial statements of the Fund 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 which are measured at fair value.

(c) Functional and presentation currency:

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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 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 year. Actual results could differ from those estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. Significant areas requiring the use of management estimates include the fair value of investments, the unrealized gains/losses from investments and the accruals for investment income.

3. Significant accounting policies

(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 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. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(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.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

3. Significant accounting policies (continued)

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

(iii) Classification (continued)

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.

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 units

The Fund designates 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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

3. Significant accounting policies (continued)

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

(iv) Fair value measurement (continued)

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.

When available, the Fund measures fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last traded price.

For securities where market quotes are not available, the Fund values the initial investment at the amount paid. After initial investment, the Fund uses estimation techniques to determine fair value including observable market data, discounted cash flows and internal models that compare the investments to its peer group.

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).

(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 Fund in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has multiple classes of redeemable units that do not have identical features and therefore, do not qualify as equity under IAS 32, Financial Instruments. The redeemable units, which are classified as financial liabilities and

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

3. Significant accounting policies (continued)

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

(vi) Specific instruments (continued)

Cash and cash equivalents (continued)

measured at redemption amount, provide investors with the right to require redemption, subject to available liquidity, for cash at a unit price based on the Fund's valuation policies at each redemption date. The units represent the residual interest in the Fund.

The value at which redeemable units are issued or redeemed is determined by dividing the net assets at fair value, based on last trading price, of each class by the total number of redeemable units outstanding for the Class at the Valuation Time on the Dealing Day as defined in the Offering Memorandum (generally the last day of each calendar week and the last business day of each calendar month). Amounts received on the issuance of redeemable units and amounts paid by the Class on the redemption of redeemable units are added to or deducted from net assets.

(b) Dividend income and dividend expense:

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.

The Fund incurs expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognized in profit or loss as operating expense when the shareholders' right to receive payment is established.

(c) Distributions to holders of redeemable units:

Any distribution made will be in proportion to the number of units held by each unitholder.

Distributions per unit are calculated as the total amount of distributions divided by the number of units on the record date.

(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.

(e) Income tax:

The Fund is a "mutual fund trust" under the Income Tax Act (Canada) and, accordingly, will not be taxed on that portion of its taxable income that is paid or allocated to unitholders. The Fund expects to pay out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

3. Significant accounting policies (continued)

(e) Income tax (continued):

However, 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 Fund incurred withholding tax expense of \$114 (2019 - \$455) for the year ended September 30, 2020.

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

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

Change in net assets attributable to holders of redeemable units per unit is calculated as the increase (decrease) in net assets attributable to holders of redeemable units of a Series for the year, divided by the weighted average units outstanding during the year.

(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 year; 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 Fund may use derivative financial instruments to reduce its 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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

3. Significant accounting policies (continued)

(h) Derivative financial instruments (continued):

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 statement 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 statement of financial position.

(i) Short selling:

The Fund may make short sales whereby a security that it does not own is sold in anticipation of a decline in the fair value of the security. Securities that are sold short are valued at the last traded price reported by the principal securities exchange on which the issue is traded on the financial statement date. To enter into a short sale, the Fund will need to borrow the security for delivery to the buyer. Also, while the transaction is open, the Fund will incur a liability for any paid dividends or interest that is due to the lender of the security.

Should the security increase in value during the shorting period, the Fund will incur a loss. There is, in theory, no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Fund must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Fund may have to bid up the price of the security in order to cover the short, resulting in losses to the Fund.

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 Fund determines 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.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

4. Fair value measurement (continued)

(a) Investments (continued):

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 the 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 observable (Level 3);

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting year 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 the reporting dates 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
September 30, 2020				
Public securities				
Equities - long	7,328,143	—	—	7,328,143
Equities - short	(2,125,487)	—	—	(2,125,487)
Total Investments	5,202,656	—	—	5,202,656
<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
September 30, 2019				
Public securities				
Equities - long	9,300,068	—	—	9,300,068
Equities - short	(2,278,467)	—	—	(2,278,467)
Total Investments	7,021,601	—	—	7,021,601

There were no transfers into or out of Level 1, Level 2 and Level 3 during the years ended September 30, 2020 and September 30, 2019.

(c) Financial instruments not measured at fair value:

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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

5. Financial instruments and associated risks

The Fund's 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 Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is 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 the Fund and its investments. All investments result in a risk of loss of capital. The Fund also holds short positions which are subject to certain inherent risks. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements.

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 Fund. The carrying amount of cash and cash equivalents and receivables, represent the maximum credit risk exposure as at September 30, 2020.

Credit risk arising on transactions for units issued and portfolio assets sold relates to transactions awaiting settlement, also known as settlement risk. '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.

For the majority of the transactions, the Fund mitigates 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 units purchased or the portfolio assets sold. If either party does not meet its obligation then the transaction will fail.

All of the assets of the Fund are held by Scotia Capital Inc., the Prime Broker. Bankruptcy or insolvency of the custodian or Prime Broker may cause the Fund's rights with respect to securities held by the custodian and prime broker to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and credit rating and financial position of the prime broker. If the credit quality or the financial position deteriorates significantly then the Manager will move the cash holdings to another financial institution.

Liquidity risk:

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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

5. Financial instruments and associated risks (continued)

Liquidity risk (continued):

The Fund is exposed to weekly and monthly cash redemptions of redeemable units. The Fund may acquire significant positions in thinly-traded and relatively illiquid investments that may cease to be traded after the Fund invests. In such cases, and in the event of extreme market volatility, the Fund may not be able to promptly liquidate its investments, if a need should arise.

Additionally, investments in small, mid-capitalization and micro-capitalization companies may involve greater risks than investments in larger, more established companies since such companies may have more limited markets and financial resources, their securities may be more sensitive to market changes, and the liquidity of their securities may be limited.

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

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

The Fund may borrow to make investments or maintain liquidity and may pledge its assets to secure the borrowings.

Market risk:

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

The Fund is an alternative investment fund that seeks long-term capital appreciation by investing primarily in a diversified portfolio of Canadian equity securities. The Fund pursues its investment objective by establishing long and short equity exposure to securities of companies, stock markets or industry sectors located, primarily, in Canada. The Fund may hold a portion of its assets in cash, money market instruments, or fixed-income securities, including bonds and other debt securities. In years of unusual market conditions, a significant portion of the Fund's assets may be held in such instruments. The Fund may also from time to time use derivatives, such as options, futures and forward contracts for hedging purposes, to gain exposure to individual securities and markets (instead of buying the securities directly) and/or to generate income.

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could reduce the Fund's profitability or result in losses.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

5. Financial instruments and associated risks (continued)

Market risk (continued):

No material change that would adversely affect the interest of the Unitholders of the Fund may be made without the approval of the unitholders. An approval is not required if the Manager provides the Unitholders with at least 60 days written notice of such proposed change and the right to redeem all Units prior to the effective date of the change. The Manager may alter the Fund's investment objectives, strategies and restrictions without prior approval by Unitholders in certain circumstances.

The Fund's 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 Fund's investment portfolio at September 30, 2020 are disclosed in the schedule of investment portfolio.

(a) Currency risk:

Investment in securities denominated in a currency other than Canadian dollars will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Therefore the value of securities held by the Fund may be worth more or less depending on their susceptibility to foreign exchange rates. At September 30, 2020 the Fund did not hold any foreign currency denominated investments.

(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 rates fall, the value of bonds rise. This is because the interest on 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. Changes in interest rates may also affect the value of the equity securities. The income earned by an investment fund and the interest paid by an investment fund for borrowing, is also affected by changes in interest rates.

At September 30, 2020, there are no interest-bearing financial assets or liabilities. As a result, the Fund is subject to limited exposure to interest rate risks due to fluctuations in the prevailing levels of market 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

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

5. Financial instruments and associated risk (continued)

Market risk (continued):

(c) Other price risk (continued):

instruments traded in the market. All securities present a risk of loss of capital. However, the Fund holds short positions that are subject to certain inherent risks. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements.

To achieve its objective, the Fund will generally hold 100 percent net long equity market exposure by investing primarily in equity securities with an aggregate value of approximately 130 percent of its Net Asset Value and holding short positions with a market value of approximately 30 percent of its Net Asset Value.

Approximately 10% of the equity portion of the invested net assets of the Fund may be managed with “pairs” trades, meaning the Fund will match a “long” position with a “short” position of two different stocks in the sub-sector of the market with the intention of eliminating market risk. This strategy seeks to take advantage of profitable opportunities based on differences in valuation and market momentum (i.e. the perceived strength of a downward or upward movement in prices) of companies in the same line of business rather than absolute values of their returns.

The remaining equity portion of the invested net assets of the Fund will primarily be managed using the Manager’s back tested quantitative models. Earnings surprises (i.e. actual company performance in comparison to analysts’ expectations) will have a significant influence on securities selection. Other factors of importance in the long positions include low valuations, high profitability, strong earnings and price momentum and low debt levels. The short positions tend to consist of stocks that lack momentum, growth or trade at unreasonable valuations.

Price risk is managed by the Manager by constructing a diversified portfolio of instruments. 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.

The Manager monitors these factors daily and makes decisions regarding the portfolio based on its knowledge of the market conditions and diversifies the portfolio of investments accordingly. The risk resulting from financial instruments is equivalent to their fair value.

Sensitivity analysis:

A 1% increase or decrease on the S&P/TSX Total Return Index (“Benchmark”) at September 30, 2020 would have impacted the net assets and the net increase/decrease in net assets attributable to holders of redeemable units by \$52,027 (September 30, 2019 - \$70,216).

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

5. Financial instruments and associated risk (continued)

Market risk (continued):

(c) Other price risk (continued):

Sensitivity analysis (continued):

The Fund's financial assets exposed to other price risk were concentrated in the following industries as a percentage of net investment at September 30, 2020 and September 30, 2019:

Equities	2020	2019
Energy	14.5%	15.3%
Materials	20.3%	14.6%
Industrials	5.0%	13.9%
Consumer Discretionary	0.1%	5.5%
Consumer Staples	7.8%	6.4%
Health Care	-	1.5%
Financials	31.7%	26.3%
Information Technology	6.8%	3.0%
Communication Services	8.9%	6.0%
Utilities	6.6%	2.5%
Real Estate	5.8%	5.0%
Exchange Traded Funds	-7.5%	-
Total	100.0%	100.0%

6. Net assets attributable to holders of redeemable units

Redeemable units

The authorized capital of the Fund consists of an unlimited number of Units, each representing an equal undivided interest in the net assets of the Fund. Currently, there are three series outstanding, Series A, Series F and Series I. Each series ranks equally, on a per-series basis, with respect to distributions 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. The general expenses that are not series specific are allocated in proportion to the annual weighted average units of each series. Series A is sold under the front end sales charge option. A commission ranging from 0% to 2% is paid by the investor to the dealer with a 3% redemption fee being charged if the Units are redeemed in the first 180 days of investment. Series F is sold without commission provided the purchaser is enrolled in a fee-for-service or wrap program with the dealer. A 3% redemption fee is charged if the Series F is redeemed in the first 180 days of investment.

Series I units are sold with commissions negotiated between the investor and the dealer and are available to certain investors at the Portfolio Manager's discretion. A 3% redemption fee is charged if the units are redeemed in the first 180 days of investment.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

6. Net assets attributable to holders of redeemable units (continued)

Redeemable units (continued)

The units may be redeemed on the last business day of each week and the last business day of each month at the net asset value per unit of the respective series upon 7 days' notice prior to the valuation day.

The analysis of movements in the number of Units and net assets attributable to holders of redeemable units during the years ended September 30, 2020 and 2019 were as follows:

Series A	2020	2019
Balance, opening	2,676	2,598
Issued on distribution reinvested	84	78
Balance, September 30	2,760	2,676

Series F	2020	2019
Balance, opening	381,185	712,888
Issued on distribution reinvested	1,329	673
Issued for cash	32,645	51,869
Redeemed for cash	(44,180)	(384,245)
Balance, September 30	370,979	381,185

Series I	2020	2019
Balance, opening	234,881	252,391
Issued on distribution reinvested	6,662	6,949
Issued for cash	6,024	23,134
Redeemed for cash	(10,333)	(47,593)
Balance, September 30	237,234	234,881

The calculation of increase (decrease) in net assets attributable to holders of redeemable units per unit is presented below. Due to rounding, numbers presented may not calculate precisely and not reflect the absolute figures.

September 30, 2020	Series A	Series F	Series I
Increase in net assets attributable to holders of redeemable units (in 000's of \$)	(2)	(253)	(121)
Average units outstanding during the year (in 000's of units)	3	380	240
Increase in net assets attributable to holders of redeemable units per unit	\$(0.64)	\$(0.67)	\$(0.50)

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

6. Net assets attributable to holders of redeemable units (continued)

Redeemable units (continued)

September 30, 2019	Series A	Series F	Series I
Increase in net assets attributable to holders of redeemable units (in 000's of \$)	(1)	(541)	(50)
Average units outstanding during the year (in 000's of units)	3	412	249
Increase in net assets attributable to holders of redeemable units per unit	\$(0.47)	\$(1.31)	\$(0.20)

7. Management fees, expenses and key contracts

(a) Manager and management fees:

The Series A units paid an annual management fee to the Manager of 2.0% of the net asset value of the series. Series F units paid an annual management fee to the Manager of 1.0% of the net asset value of the series. The management fee is calculated and paid monthly. Included in accrued expenses at September 30, 2020 is \$3,268 (September 30, 2019 - \$3,586) related to these fees.

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.

The Fund will pay the Manager a Performance Fee if the series return of the Fund exceeds the return of a specified benchmark (the "Benchmark") during the relevant year. The Performance Fee is based on the performance of the Fund determined at the end of each calendar quarter. If the series performance exceeds the Benchmark, 20% of this amount will be multiplied by the average series net asset value during the Performance Measurement Period, as defined. As at September 30, 2020, included in accounts payable is \$nil (September 30, 2019 - \$nil) related to these fees.

(b) Expenses:

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 Fund. Brokerage costs are incorporated in the cost and proceeds of securities transactions. The Manager has charged the Fund for administration services. Included in accrued expenses is \$1,095 (September 30, 2019 - \$928) related to these fees.

(c) Operating expense recoveries:

The Manager has agreed to absorb certain expenses associated with some of the Funds. Such absorptions may be terminated at any time without notice. Included in Due from Manager at September 30, 2019 is \$15,401 (September 30, 2019 - \$9,373) related to these fees.

NCM CANADIAN ENHANCED EQUITY FUND

Notes to the Financial Statements

For the year ended September 30, 2020 with comparative figures for 2019

8. Brokerage commissions on securities transactions

The Fund paid brokerage commissions amounting to \$22,744 (September 30, 2019 - \$26,746) in connection with portfolio transactions during the year.

9. Filing of financial statements

The Fund is relying on the exemption provided by Section 2.11 of National Instrument 81-106 and therefore does not file its financial statements with the Ontario Securities Commission.

10. Subsequent Events

On October 30, 2020, NCM Market Neutral Income Fund transferred all of its net assets to NCM Canadian Enhanced Equity Fund in exchange for units. As a result, 434,642 Series A units were issued and 566,774 Series F units were issued. The assets transferred were as follows:

<i>(in Canadian dollars)</i>	October 30, 2020
Cash and cash equivalents	9,538,641
Investments, at fair value	-
Value of assets received and mutual fund units issued	9,538,641

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