

September 30, 2020

MANAGEMENT REPORT OF FUND PERFORMANCE

NCM SHORT TERM INCOME FUND



MANAGEMENT REPORT OF FUND PERFORMANCE NCM SHORT TERM INCOME FUND

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

Security holders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objectives

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

Investment Strategies

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

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

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

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

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

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

RISK

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

The risk profile of the Fund has changed modestly over the past twelve months. The modified duration of the portfolio remains low, measuring 2.1, versus the 1.6 reading at September 30, 2019. At September 30, 2020, bonds represented 67.6% of the portfolio vs 56.2% at the end of September 2019. Most of the change in the weighting of bonds stems from an increased cash position. Credit ratings of the underlying portfolio companies changed, with the weight in BB ratings category decreasing from 34.8% in September 2019 to 19.1% as of September 30, 2020. The single B category decreased to 40.3% versus 47.6% a year ago. The weighting in investment grade (BBB or higher) paper increased from 5.8% a year ago to 17.5% currently, as

RISK (continued)

these were added to provide additional ballast in a period of heightened volatility. In our view, the Fund's risk reward mix has skewed slightly to a more conservative stance, but not to an unusually significant degree. The Fund's cash position increased from 7.6% at the end of 2019 to 8.7% as of September 30, 2020. Cash was temporarily elevated following the settlement of a sell trade / inflow of funds, but we will invest the proceeds shortly and maintain a low cash balance closer to 5%.

RESULTS OF OPERATIONS

For the year ended September 30, 2020, Series A and Series F of the Fund generated returns of -5.1% and -4.6%, respectively. The return for Series I was -3.7%. The U.S. dollar denominated series, Series A (H) and Series F (H) generated returns of -5.1% and -4.5%, respectively during the same year. The Fund's benchmark, 50% FTSE TMX Short Term Bond Index plus 30% Credit Suisse Leveraged Loan Index plus 20% Merrill Lynch Canada High Yield Canadian Issuer's Index, returned 3.9% during the same year.

The primary driver of performance over the twelve month period ending September 30, 2020 was the COVID-19 virus. Entering into 2020, there was reason to be optimistic. Companies in Canada and the U.S. were in reasonably solid shape, unemployment was near all-time lows, order books were relatively full and the easing of the U.S.'s trade war with China augured well. However by mid to late February / early March this changed with the onset of the coronavirus globally, and the impact to economies, and financial markets, was very grave through to late March, as readers you are no doubt acutely aware.

Since then, particularly over the course of the northern hemisphere summer, markets on the whole have largely recovered, albeit volatility remains elevated, and economies remain very fragile. Economies and markets were buttressed by various government and central bank programs, and the fixed income markets the fund invests in were direct beneficiaries of various Federal Reserve and Bank of Canada asset buying / support programs, and the lowering of interest rates to just above zero.

The fund's under performance was driven by two primary factors. Firstly, although the fund, as with most fixed income assets, benefited from lower interest rates, as a short

duration fund, the positive impact was minimal. The fund is bound to maintain a duration of 3 years or less (it is 2.1 years as of this writing). Secondly, two sectors the fund invested in were more negatively impacted by lockdowns and social distancing than the overall economy – Canadian casinos, and the airline industry. In addition, although the fund was underweight the Energy sector versus the benchmark indices, it held bonds whose companies financials are strongly tied to demand for energy, and energy prices. With the collapse in oil prices, these bonds' prices declined correspondingly.

Turning to the various returns of the asset classes and ratings strata that we typically invest in, quality outperformed. The U.S. non-investment grade credit market, as defined by the ICE B of A Merrill Lynch U.S. High Yield Index ("H0A0") generated a return of 2.3% in the most recent twelve months ending September 30, 2020. This includes the -11.8% recorded during the month of March, the second worst month on record for the index.

BBB issuers generated a 7.3% twelve month return (-10.3% in March 2020), BB issuers generated a 5.2% return (-9.3% in March 2020), single B 0.8% (-12.5% in March). CCC or lower tier of issuers decreased by -5.8%, with -20.2% in March alone (we note the NCM Short Term Income Fund generally does not invest in the most speculative, CCC or lower rated, bond issues).

The Canadian high yield bond market returned 6.0% (as defined by the ICE B of A Merrill Lynch Canadian High Yield Index ("HCC0")) in the twelve months ending September 30, 2020. The March skydive generated a -10.3% return.

U.S. loans, as delineated by the Credit Suisse Leverage Loan Index ("CSLLLTOT"), were not spared and generated a 0.8% return over the twelve months. It too plunged in March, declining -12.5%.

As at September 30, 2020, the Fund's portfolio had an internal weighted-average yield-to-maturity of 6.2% and modified duration of 2.1 years. Total assets in the Fund at year end were \$24.9 million, versus \$49.3 million at September 30, 2019. The driver of the decrease in assets were redemptions, and the negative fund returns discussed above.

The portfolio's asset mix consisted primarily of floating rate senior loans (22.5%), high yield corporate bonds (50.1%) and investment grade corporate bonds (17.5%) with the

RESULTS OF OPERATIONS (continued)

remainder in cash (8.7%). The weighting allocated to high yield corporate bonds decreased from the 50.4% allocation as of September 30, 2019. These funds were allocated to investment-grade bonds (the weighting increased from 5.8% in September 2019), a small weight in preferred shares (1.2%) and into cash, to improve the fund's quality and liquidity. We note the cash position at the end of September was temporarily higher than normal and we intend to invest to get it to 5% or less in short order.

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

Our outlook continues to evolve, and remains subject to rapid change given the developing narrative of events, economic news and policy announcements. Notwithstanding this, while cautious, we are generally optimistic. In addition, we are guided by a few themes.

Firstly, we believe interest rates in the U.S. and Canada are unlikely to rise for quite a while. In our view, central banks will maintain low interest rates to support the fragile recoveries in economies. In addition, inflation remains muted in an environment of lower demand. This means as fixed income investors having longer duration / higher interest rate sensitivity in the portfolio will likely help. However, as mentioned previously, this fund is limited in how much duration it can have (to a maximum of 3 years), so the effect is limited.

Secondly, we believe COVID-19 has driven an acceleration of certain trends. For example, the increasing usage of technological solutions (the digital economy) to everyday life, changes in social behaviours, and a small slackening in the use of global supply chains, amongst others. As a result,

certain industries and companies will benefit, (and others will fail) and we will generally aim to take advantage of these trends.

Thirdly, we think the long-term outlook for the world economy is positive. While a miracle cure-all vaccine seems unlikely at this juncture, medical advances (including dozens of vaccines and treatments) continue apace on several fronts. This will mean the slow but increasing resumption of activities / consumption patterns that were in place long pre-COVID-19, and a gradual recovery. As a result, this will drive investment returns and these will continue to recover too. These will be positive over a full cycle, and in context with historical norms.

We believe the Fund's positioning is appropriate in light of our expectations, and that it would withstand a further downturn should markets experience another bout of volatility. It is also able to take advantage of downward movements in either the high yield or loan markets. We are positioned with a moderately higher cash balance, a bias towards liquid and investment grade (BBB) issuers, and short-duration bonds, with less emphasis on loans (although we do not intend to materially lower their weight – more a function of our belief interest rates will remain low for the next few years, and that there is more liquidity at present in the bond markets).

The net assets have decreased by 50% with net assets decreasing from \$49,363,646 to \$24,887,906, \$2,574,710 of this change is attributable to negative investment performance and \$21,901,030 was due to negative net contributions to the Fund.

RECENT DEVELOPMENTS

Effective May 20, 2020, investors residing in each of Northwest Territories, Nunavut and Yukon can purchase units in the Fund, in addition, the Trustee changed from TMX Group to NCM Asset Management Ltd effective May 15, 2020.

In January 2020, the World Health Organization declared the coronavirus a global health emergency and on March 11, 2020, it was declared a global pandemic. The situation is dynamic with various cities and countries around the world responding in different ways to address the outbreak. At this time, governments and businesses around the world are introducing significant new measures to contain and control the spread of the virus.

RECENT DEVELOPMENTS (continued)

There had been a significant drop in commodity prices and equity markets have reacted with the biggest decline experienced in more than a decade. In response, both the US Federal Reserve and the Bank of Canada quickly reduced their key interest rates.

The full impact of these circumstances on businesses will not be fully understood until time has passed. While the full impact is not yet known, we will continue to monitor the impact the coronavirus has on the Funds' investments and reflect the consequences as appropriate in our accounting and reporting.

RELATED PARTY TRANSACTIONS

Management fees of \$262,547 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are 1.25% for Series A and Series A (H), and 0.75% for Series F and Series F (H), of the series net asset value of the Fund and are calculated and paid monthly. Series R units are only available for investment by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates and are not available for public purchase. There is no management fee attached to Series R. In addition, administrative fees of \$67,062 were paid to NCM. Administration fees are charged by NCM at or below cost. They relate to accounting, trading, record keeping, compliance and other administrative costs.

FINANCIAL HIGHLIGHTS

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

Net asset value (NAV) per unit ⁽¹⁾

Series A	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	8.65	8.90	9.07	9.26	9.27
Increase (decrease) from operations:					
Total revenue	0.34	0.51	0.30	0.49	0.60
Total expenses	(0.19)	(0.18)	(0.11)	(0.16)	(0.17)
Realized gains (losses) for the year	(0.42)	(0.28)	(0.12)	0.23	0.24
Unrealized gains (losses) for the year	(0.60)	0.05	0.02	(0.36)	(0.24)

Total increase (decrease) from operations	(0.87)	0.10	0.09	0.20	0.43
Distributions:					
From other income	(0.37)	(0.38)	(0.27)	(0.38)	(0.49)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.37)	(0.38)	(0.27)	(0.38)	(0.49)
Net Asset Value, end of year ⁽³⁾	7.84	8.65	8.90	9.07	9.26

Series F	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	9.04	9.25	9.39	9.53	9.50
Increase (decrease) from operations:					
Total revenue	0.42	0.56	0.29	0.50	0.58
Total expenses	(0.11)	(0.14)	(0.08)	(0.12)	(0.12)
Realized gains (losses) for the year	(0.45)	(0.30)	(0.12)	0.23	0.25
Unrealized gains (losses) for the year	(0.43)	0.04	0.04	(0.35)	(0.34)
Total increase (decrease) from operations	(0.57)	0.16	0.13	0.26	0.37
Distributions:					
From other income	(0.38)	(0.39)	(0.28)	(0.40)	(0.50)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.38)	(0.39)	(0.28)	(0.40)	(0.50)
Net Asset Value, end of year ⁽³⁾	8.24	9.04	9.25	9.39	9.53

Series I	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	9.57	9.71	9.79	9.85	9.74
Increase (decrease) from operations:					
Total revenue	0.53	0.10	0.32	0.49	0.56
Total expenses	0.01	0.06	(0.03)	(0.04)	(0.04)
Realized gains (losses) for the year	(0.43)	(0.28)	(0.13)	0.22	0.24
Unrealized gains (losses) for the year	(0.21)	(0.12)	0.04	(0.34)	(0.11)
Total increase (decrease) from operations	(0.10)	(0.24)	0.20	0.33	0.65
Distributions:					
From other income	(0.41)	(0.41)	(0.29)	(0.41)	(0.52)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.41)	(0.41)	(0.29)	(0.41)	(0.52)
Net Asset Value, end of year ⁽³⁾	8.81	9.57	9.71	9.79	9.85

Series O ⁽⁴⁾	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	-	-	-	-	9.74
Increase (decrease) from operations:					
Total revenue	-	-	-	-	0.56
Total expenses	-	-	-	-	(0.04)
Realized gains (losses) for the year	-	-	-	-	0.24
Transaction costs	-	-	-	-	-

FINANCIAL HIGHLIGHTS (continued)

Net asset value (NAV) per unit ⁽¹⁾ (continued)

Series O ⁽⁴⁾	2020	2019	2018	2017	2016
Unrealized gains (losses) for the year	-	-	-	-	(0.58)
Total increase (decrease) from operations	-	-	-	-	0.18
Distributions:					
From other income	-	-	-	-	(0.13)
From dividends	-	-	-	-	Nil
From capital gains	-	-	-	-	Nil
Total distributions ⁽²⁾	-	-	-	-	(0.13)
Net Asset Value, end of year ⁽³⁾⁽⁴⁾	-	-	-	-	-

Series A (H)	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	10.48	10.51	10.39	11.33	11.75
Increase (decrease) from operations:					
Total revenue	1.59	1.15	0.76	0.41	0.46
Total expenses	(0.43)	(0.33)	(0.14)	(0.19)	(0.19)
Realized gains (losses) for the year	(0.65)	(0.49)	(0.26)	0.18	0.11
Unrealized gains (losses) for the year	(1.07)	0.10	0.08	(0.88)	(0.26)
Total increase (decrease) from operations	(0.56)	0.43	0.44	(0.48)	0.12
Distributions:					
From other income	(0.45)	(0.45)	(0.31)	(0.45)	(0.59)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.45)	(0.45)	(0.31)	(0.45)	(0.59)
Net Asset Value, end of year ⁽³⁾	9.59	10.48	10.51	10.39	11.33

Series F (H)	2020	2019	2018	2017	2016
Net Asset Value, beginning of year	10.99	10.97	10.79	11.72	12.09
Increase (decrease) from operations:					
Total revenue	0.82	1.18	0.83	0.40	0.43
Total expenses	(0.28)	(0.27)	(0.10)	(0.14)	(0.15)
Realized gains (losses) for the year	(0.67)	(0.50)	(0.28)	0.18	0.15
Unrealized gains (losses) for the year	(0.25)	0.09	0.05	(1.07)	0.18
Total increase (decrease) from operations	(0.38)	0.50	0.50	(0.63)	0.61
Distributions:					
From other income	(0.48)	(0.48)	(0.32)	(0.47)	(0.61)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.48)	(0.48)	(0.32)	(0.47)	(0.61)
Net Asset Value, end of year ⁽³⁾	10.11	10.99	10.97	10.79	11.72

Series R	2020	2019 ⁽⁵⁾
Net Asset Value, beginning of year	9.57	9.71
Increase (decrease) from operations:		
Total revenue	0.48	0.79
Total expenses	(0.02)	(0.13)
Realized gains (losses) for the year	(0.57)	(0.36)
Unrealized gains (losses) for the year	(0.40)	0.05
Total increase (decrease) from operations	(0.51)	0.35
Distributions:		
From other income	(0.41)	(0.41)
From dividends	Nil	Nil
From capital gains	Nil	Nil
Total distributions ⁽²⁾	(0.41)	(0.41)
Net Asset Value, end of year ⁽³⁾	8.81	9.57

- (1) This information is provided as at September 30, 2020, 2019 and 2018 and December 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.
- (2) Distributions, if any, are reinvested in additional units or paid in cash when requested.
- (3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial year. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.
- (4) NCM Short Term Income Series O ceased operations on May 20, 2016.
- (5) NCM Short Term Income Fund Series R commenced operations October 1, 2018.

Ratios and Supplemental Data ⁽¹⁾

Series A	2020	2019	2018	2017	2016
Net Assets (000's of \$)	7,906	16,955	21,509	16,782	17,554
Number of units outstanding (000's)	1,008	1,960	2,417	1,849	1,896
Management expense ratio (MER) ⁽²⁾	2.08%	1.84%	1.74%	1.77%	1.73%
MER before waivers or absorptions	2.08%	1.84%	1.74%	1.77%	1.73%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%	46.20%	84.68%	57.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%	0.02%	0.03%	0.02%
Net asset value per unit	7.84	8.65	8.90	9.07	9.26

Series F	2020	2019	2018	2017	2016
Net Assets (000's of \$)	4,989	11,370	21,087	18,943	18,980
Number of units outstanding (000's)	605	1,258	2,280	2,016	1,991
Management expense ratio (MER) ⁽²⁾	1.52%	1.30%	1.21%	1.24%	1.21%
MER before waivers or absorptions	1.52%	1.30%	1.21%	1.24%	1.21%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%	46.20%	84.68%	57.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%	0.02%	0.03%	0.02%
Net asset value per unit	8.24	9.04	9.25	9.39	9.53

FINANCIAL HIGHLIGHTS (continued)

Ratios and Supplemental Data ⁽¹⁾ (continued)

Series I	2020	2019	2018	2017	2016
Net Assets (000's of \$)	2,298	6,280	69,580	70,419	50,942
Number of units outstanding (000's)	261	656	7,168	7,191	5,170
Management expense ratio (MER) ⁽²⁾	0.67%	0.45%	0.37%	0.40%	0.36%
MER before waivers or absorptions	0.67%	0.45%	0.37%	0.40%	0.36%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%	46.20%	84.68%	57.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%	0.02%	0.03%	0.02%
Net asset value per unit	8.81	9.57	9.71	9.79	9.85

Series O	2020	2019	2018	2017	2016 ⁽⁵⁾
Net Assets (000's of \$)	-	-	-	-	-
Number of units outstanding (000's)	-	-	-	-	-
Management expense ratio (MER) ⁽²⁾	-	-	-	-	0.36%
MER before waivers or absorptions	-	-	-	-	0.36%
Portfolio turnover rate ⁽³⁾	-	-	-	-	57.12%
Trading expense ratio ⁽⁴⁾	-	-	-	-	0.02%
Net asset value per unit	-	-	-	-	-

Series A (H)	2020	2019	2018	2017	2016
Net Assets (000's of \$)	23	751	991	990	1,248
Number of units outstanding (000's)	2	72	94	95	110
Management expense ratio (MER) ⁽²⁾	2.00%	1.79%	1.71%	1.71%	1.69%
MER before waivers or absorptions	2.00%	1.79%	1.71%	1.71%	1.69%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%	46.20%	84.68%	57.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%	0.02%	0.03%	0.02%
Net asset value per unit	9.59	10.48	10.51	10.39	11.33
Net asset value per unit USD	7.18	7.92	8.13	8.29	8.45

Series F (H)	2020	2019	2018	2017	2016
Net Assets (000's of \$)	3,560	7,820	8,837	5,777	6,546
Number of units outstanding (000's)	352	712	806	535	559
Management expense ratio (MER) ⁽²⁾	1.48%	1.27%	1.20%	1.20%	1.18%
MER before waivers or absorptions	1.48%	1.27%	1.20%	1.20%	1.18%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%	46.20%	84.68%	57.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%	0.02%	0.03%	0.02%

Net asset value per unit	10.11	10.99	10.97	10.79	11.72
Net asset value per unit USD	7.57	8.30	8.49	8.61	8.74

Series R	2020	2019 ⁽⁶⁾
Net Assets (000's of \$)	6,111	6,187
Number of units outstanding (000's)	694	646
Management expense ratio (MER) ⁽²⁾	0.69%	0.46%
MER before waivers or absorptions ⁽²⁾	0.69%	0.46%
Portfolio turnover rate ⁽³⁾	58.44%	28.12%
Trading expense ratio ⁽⁴⁾	0.07%	0.05%
Net asset value per unit	8.81	9.57

(1) This information is provided as at September 30, 2020, 2019 and 2018 and December 31 for the balance preceding years presented. The information is in accordance with International Financial Reporting Standards.

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a year. The higher the Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

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

(5) NCM Short Term Income Fund Series O ceased operations on May 20, 2016.

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

MANAGEMENT FEES

The Fund pays an annual management fee of 1.25% for Series A and Series A (H), and 0.75% for Series F and Series F (H), multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fee is charged to Series I; instead, the investors pay a management fee directly to the Manager, in an amount determined through negotiation with the Manager. Series R units are only available for investment by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates and are not available for public purchase. There is no management fee attached to Series R. For the year ended September 30, 2020, management fees amounted to \$262,547. NCM paid servicing commissions of \$59,408 (i.e. 22.63%) from these management fees to investment dealers. NCM also received fees for portfolio management and administrative services with respect to all the other funds in the NCM group.

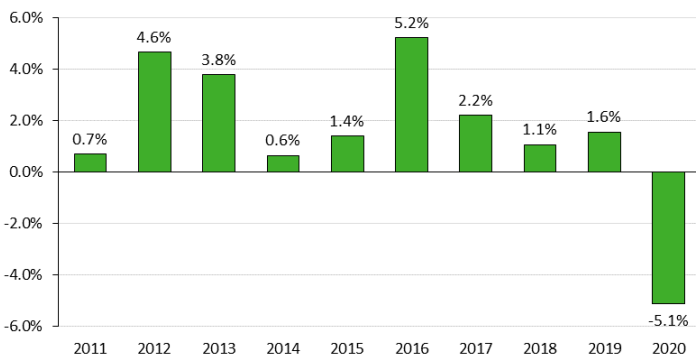
PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception. These charts reflect, in percentage terms, the performance you would have received if you invested in the Fund on the first day of the year through the last day of the year.

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

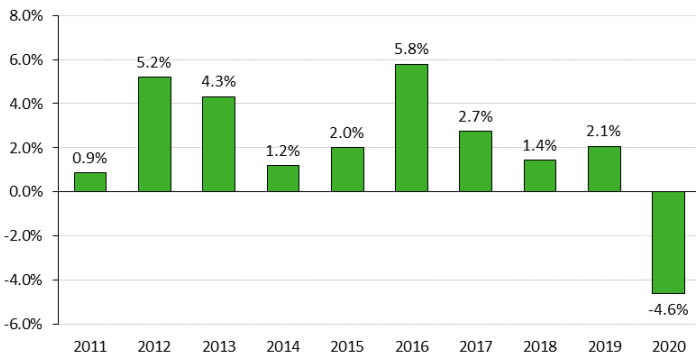
YEAR BY YEAR RETURNS

Series A



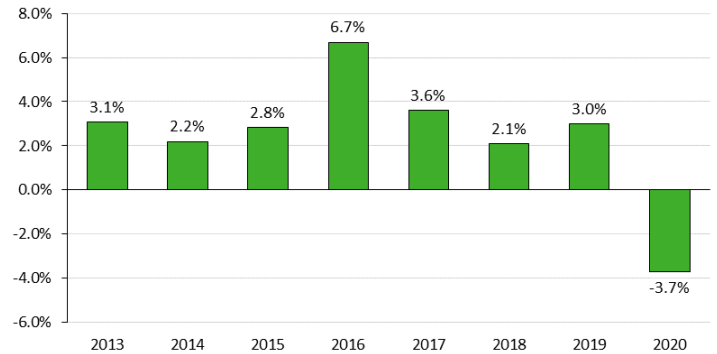
From September 16, 2011 to December 31, 2011 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

Series F



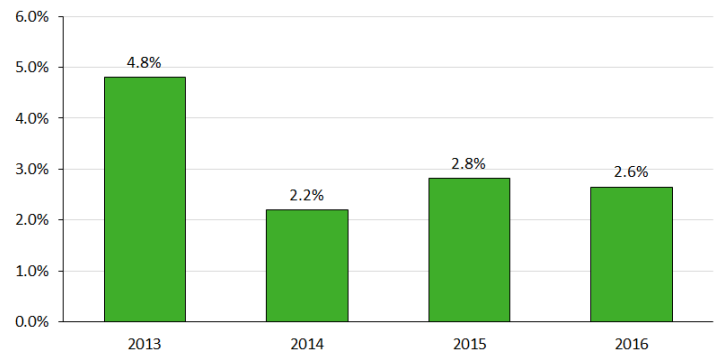
From September 16, 2011 to December 31, 2011 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

Series I



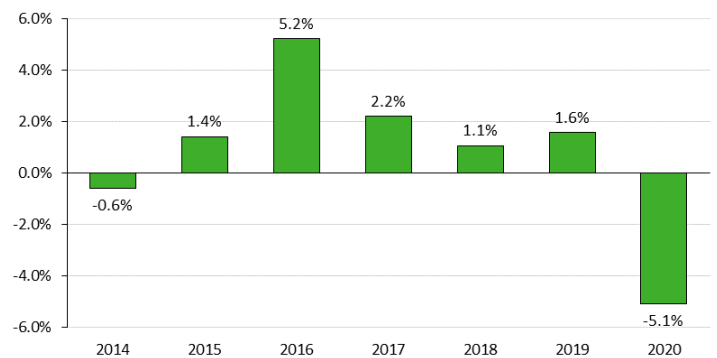
From April 3, 2013 to December 31, 2013 then January 1 to December 31 until 2018 which is from January 1, 2018 to September 30, 2018 then October 1 to September 30 thereafter.

Series O



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

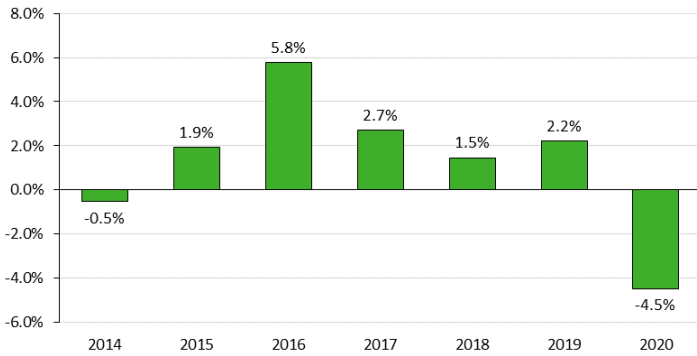
Series A (H)



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

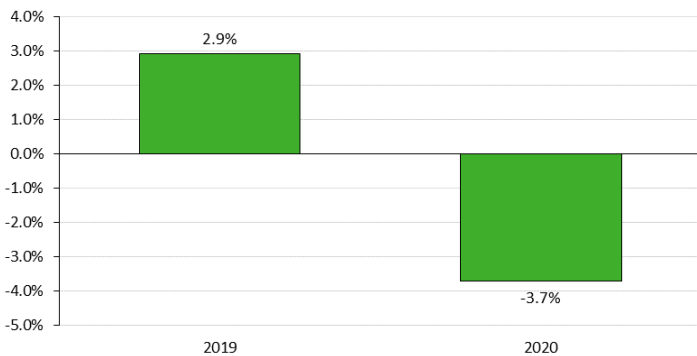
YEAR BY YEAR RETURNS (continued)

Series F (H)



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

Series R



From October 1, 2018 to September 30, 2019 then October 1 to September 30 thereafter.

ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2020 for each series of the Fund for the years indicated. It also shows the returns for the Fund's blended benchmark index, which is 50% the FTSE TMX Short Term Bond Index, 30% Credit Suisse Leveraged Loan Index and 20% Merrill Lynch Canada High Yield Canadian Issuers Index.

	Series A	Series F	Series I	Series A (H)	Series F (H)	Series R	Index
One year	-5.1%	-4.6%	-3.7%	-5.1%	-4.5%	-3.7%	3.9%
Three Year*	-0.9%	-0.4%	0.5%	-0.9%	-0.3%		4.1%
Five Year*	0.8%	1.3%	2.2%	0.8%	1.4%		4.1%
Since Inception* – Series A (September 16, 2011)	1.7%						4.1%

	Series A	Series F	Series I	Series A (H)	Series F (H)	Series R	Index
Since Inception* – Series F (September 16, 2011)		2.3%					4.1%
Since Inception* – Series I (April 03, 2013)			2.6%				3.6%
Since Inception* – Series A USD (May 02, 2014)				0.8%			3.5%
Since Inception* – Series F USD (May 14, 2014)					1.4%		3.5%
Since Inception* – Series R (October 01, 2018)						-0.5%	4.4%

*annualized

SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at September 30, 2020:

Investments	Percent of net assets
Fixed Income	
Morguard Corp., Restricted, Callable, Series 'F', 4.204%, 2024/11/27	7.9%
BDF Acquisition Corp., Term Loans, 6.250%, 2023/08/14	6.6%
goeasy Ltd., Callable, 5.375%, 2024/12/01 (Par Value in USD)	5.4%
Verisign Inc., Callable, 4.625%, 2023/05/01	5.4%
McAfee LLC, Term Loans, 3.9064%, 2024/09/30	5.1%
iShares 0-5 Year High Yield Corporate Bond ETF	5.0%
iShares iBoxx High Yield Corporate Bond ETF	5.0%
SPDR Bloomberg Barclays High Yield Bond ETF	4.7%
Great Canadian Gaming Corp., Callable, 5.250%, 2026/12/31	4.6%
WestJet Airlines Ltd., Term Loans, 4.000%, 2026/12/11	4.6%
Superior Plus L.P., Callable, 5.250%, 2024/02/27	4.2%
Equitable Bank, 2.948%, 2022/09/26	4.1%
Nuvista Energy Ltd., Callable, 6.500%, 2023/03/02	4.1%
Russel Metals Inc., Callable, 6.000%, 2022/04/19	4.0%
Kruger Products L.P., Callable, 6.000%, 2025/04/24	4.0%
Air Canada, Callable, 4.750%, 2023/10/06	3.9%
Avaya Inc., Term Loans, 4.401%, 2024/12/15	3.8%
Parkland Corp., Restricted, Callable, 6.000%, 2028/06/23	3.2%
SiteOne Landscape Supply Holding LLC, Term Loans, 3.750%, 2024/10/29	2.4%
Ensign Drilling Inc., Callable, 9.250%, 2024/04/15 (Par Value in USD)	2.1%
Empire Life Insurance Co. (The), Variable Rate, Preferred, Perpetual, Series '1'	0.4%
Royal Bank of Canada, Preferred, Perpetual, Series 'AC'	0.4%
Laurentian Bank of Canada, Variable Rate, Preferred, Perpetual, Class 'A', Series '15'	0.4%
Total Securities	91.3%

SUMMARY OF INVESTMENT PORTFOLIO (continued)

Investments	Percent of net assets
Other	
Cash and equivalents	11.8%
Derivative assets (liabilities)	(0.6)%
Other assets – net of liabilities	(2.5)%
<hr/>	
Total net asset value	100.0%
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Industry Sectors	
Bonds and Term loans	90.1%
Preferred shares	1.2%
Other	8.7%
<hr/>	
Total	100.0%
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The investments held by the Fund change due to ongoing portfolio transactions. A revised summary is posted on our website at www.ncminvestments.com no later than 60 days after each quarter end.

OTHER MATERIAL INFORMATION

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

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