

For the six months ended March 31, 2020

MANAGEMENT REPORT OF FUND PERFORMANCE  
**NCM CORE GLOBAL**



# MANAGEMENT REPORT OF FUND PERFORMANCE NCM CORE GLOBAL

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

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

## RESULTS OF OPERATIONS

As of March 31, 2020, the six month return of the Fund was -9.7%, outperforming the Fund's benchmark, the MSCI World Index, which had a return of -14.1% over the same period. While the Fund's return is negative over the period, the conservative, high quality, lower volatility nature of the securities held in the portfolio helped the Fund perform much better than the benchmark over the period.

Most of the Fund's equity securities are denominated in foreign currency. However, the Fund's strategy is to remain almost entirely fully currency hedged in order to substantially reduce the volatility associated with foreign currency exposure.

Within the equity portion of the portfolio, U.S. equities represent the largest geographic allocation at 65.2% as of March 31, 2020. Like virtually every other nation on earth, the U.S. has seen a significant slowdown in its economy due to the COVID-19 virus outbreak. However, over the medium term, the U.S. economy continues to be one of the strongest in the developed world. As a result, U.S. equity markets continue to be one of the best performing equity markets in the developed world, in both good times and bad. Among the top performing U.S. stocks for the Fund during the period were Eli Lilly & Co.,

Microsoft, and Johnson & Johnson. Among the laggards over the period was Chevron.

Although U.S. and global economic data has been very weak recently due to the COVID-19 virus outbreak, overall the Manager feels that long term future growth prospects remain reasonably strong for the U.S. economy. U.S. economic growth rates should soon start to recover, and U.S. earnings growth rates should also begin to recover. This recovery, combined with reasonable valuations, should continue to support U.S. equity market performance over the medium term.

European equities represent 21.3% of the equity portfolio as of March 31, 2020. In addition to faltering growth prospects and increasing Brexit related risks, like everywhere else in the world, Europe now has to contend with the COVID-19 virus outbreak. Spain and Italy have been hit particularly hard by the virus, but the Fund does not hold any securities listed in these two countries.

While this region continues to struggle to grow, and it now has to deal with the negative economic impacts of the COVID-19 virus, valuation levels are now very attractive in Europe. The Fund has a high quality European equity portfolio that the Manager remains very comfortable with on a longer term basis. Among the top performers in Europe over the period were Novo Nordisk, Givaudan, and DSV. Galp Energia was among the weaker performers over the same period.

Asia Pacific and Japanese equities represent 8.8% of the equity portfolio (5.8% and 3.0% respectively) as of March 31, 2020. Along with the rest of the global economy, the shorter term outlook for Asia and Emerging Markets has deteriorated significantly due to the COVID-19 virus outbreak. Alibaba was a very strong performer in the region over the period. The outlook for Japan continues to be structurally weak over the medium term, but there are still some businesses with very good prospects in Japan, particularly those operating in less cyclical sectors or that are significant exporters.

The short term outlook for the global economy has deteriorated significantly recently due in large part to the COVID-19 virus outbreak. However, global stock markets have begun to recover, and investors are beginning to focus more and more on the recovery prospects for the global economy and for global stock markets, rather than on the short term threats to

## RESULTS OF OPERATIONS (continued)

global growth. The weakness in the equity markets has also created more attractive valuation levels. Given these valuation levels, combined with the recovery prospects that are beginning to emerge, we believe that the medium to long term outlook for the global equity markets is positive.

The net assets have increased by 19% with net assets increasing from \$38,563,741 to \$45,714,488, \$5,544,009 of this change is attributable to negative investment performance and \$12,694,756 was due to positive net contributions to the Fund.

## RECENT DEVELOPMENTS

Effective May 19, 2020, investors residing in each of Northwest Territories, Nunavut and Yukon can purchase shares in the Fund.

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.

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 \$129,448 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are of 1.85% for Series A and 0.85% for Series F, of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$36,593 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.

NCM has agreed to absorb certain expenses associated with the Fund recorded in the financial statements, at March 31, 2020, in the amount of \$8,267.

## FINANCIAL HIGHLIGHTS

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

### Net asset value (NAV) per share <sup>(1)</sup>

Series A	2020	2019	2018	2017	2016 <sup>(4)</sup>
<b>Net Asset Value, beginning of period</b>	33.97	31.67	29.69	25.60	25.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.30	0.66	0.66	0.61	0.57
Total expenses	(0.51)	(0.92)	(0.78)	(0.84)	(0.68)
Realized gains (losses) for the period	(1.64)	(0.27)	(0.63)	0.48	0.46
Unrealized gains (losses) for the period	(2.93)	3.05	2.66	3.94	(0.20)
<b>Total increase (decrease) from operations</b>	<b>(4.78)</b>	<b>2.52</b>	<b>1.91</b>	<b>4.19</b>	<b>0.15</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>30.50</b>	<b>33.97</b>	<b>31.67</b>	<b>29.69</b>	<b>25.60</b>

## FINANCIAL HIGHLIGHTS (continued)

### Net asset value (NAV) per share <sup>(1)</sup> (continued)

Series F	2020	2019	2018	2017	2016 <sup>(5)</sup>
<b>Net Asset Value, beginning of period</b>	35.24	32.55	30.24	25.80	25.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.28	0.64	0.03	0.54	0.58
Total expenses	(0.31)	(0.58)	(0.39)	(0.52)	(0.49)
Realized gains (losses) for the period	(1.51)	(0.28)	(0.04)	0.44	0.46
Unrealized gains (losses) for the period	(2.47)	2.68	2.58	5.08	(0.06)
<b>Total increase (decrease) from operations</b>	<b>(4.01)</b>	<b>2.46</b>	<b>2.18</b>	<b>5.54</b>	<b>0.49</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>31.83</b>	<b>35.24</b>	<b>32.55</b>	<b>30.24</b>	<b>25.80</b>

Series Z	2020	2019	2018	2017 <sup>(6)</sup>
<b>Net Asset Value, beginning of period</b>	35.89	32.86	30.30	31.24
<b>Increase (decrease) from operations:</b>				
Total revenue	0.26	0.54	1.89	0.05
Total expenses	(0.13)	(0.27)	(0.44)	(0.03)
Realized gains (losses) for the period	(1.46)	(0.26)	(1.79)	(0.02)
Unrealized gains (losses) for the period	(2.21)	2.90	2.59	1.86
<b>Total increase (decrease) from operations</b>	<b>(3.54)</b>	<b>2.91</b>	<b>2.25</b>	<b>1.86</b>
<b>Distributions:</b>				
From income	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>32.58</b>	<b>35.89</b>	<b>32.86</b>	<b>30.30</b>

Series R	2020	2019 <sup>(7)</sup>
<b>Net Asset Value, beginning of period</b>	35.89	32.82
<b>Increase (decrease) from operations:</b>		
Total revenue	0.33	0.93
Total expenses	(0.14)	(0.34)
Realized gains (losses) for the period	(1.76)	(0.33)
Unrealized gains (losses) for the period	(3.56)	4.94

Series R	2020	2019 <sup>(7)</sup>
<b>Total increase (decrease) from operations</b>	<b>(5.13)</b>	<b>5.20</b>
<b>Distributions:</b>		
From income	Nil	Nil
From dividends	Nil	Nil
From capital gains	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>32.58</b>	<b>35.89</b>

Series M	2020	2019 <sup>(8)</sup>
<b>Net Asset Value, beginning of period</b>	35.89	35.79
<b>Increase (decrease) from operations:</b>		
Total revenue	0.37	0.01
Total expenses	(0.16)	(0.01)
Realized gains (losses) for the period	(1.92)	(0.01)
Unrealized gains (losses) for the period	(3.89)	0.05
<b>Total increase (decrease) from operations</b>	<b>(5.60)</b>	<b>0.04</b>
<b>Distributions:</b>		
From income	Nil	Nil
From dividends	Nil	Nil
From capital gains	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>
<b>Net Asset Value, end of period <sup>(3)</sup></b>	<b>32.58</b>	<b>35.89</b>

- (1) This information is provided as at March 31, 2020, September 30 for 2019 and 2018 and October 31 for the balance preceding periods presented. The information is in accordance with International Financial Reporting Standards.
- (2) Distributions, if any, are reinvested in additional shares or paid in cash when requested.
- (3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares outstanding over the financial period. 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 Core Global Series A commenced operations February 17, 2016.
- (5) NCM Core Global Series F commenced operations February 17, 2016.
- (6) NCM Core Global Series Z commenced operations August 15, 2017.
- (7) NCM Core Global Series R commenced operations October 1, 2018.
- (8) NCM Core Global Series M commenced operations September 16, 2019.

### Ratios and Supplemental Data<sup>(1)</sup>

Series A	2020	2019	2018	2017	2016 <sup>(5)</sup>
Net Assets (000's of \$)	6,077	5,035	2,927	1,328	914
Number of shares outstanding (000's)	199	148	92	45	36
Management expense ratio (MER) <sup>(2)</sup>	2.47%	2.47%	2.29%	2.30%	2.30%
MER before waivers or absorptions <sup>(2)</sup>	2.51%	2.58%	3.21%	3.68%	4.78%
Portfolio turnover rate <sup>(3)</sup>	9.38%	16.19%	7.77%	7.49%	10.21%
Trading expense ratio <sup>(4)</sup>	0.11%	0.13%	0.23%	0.38%	1.15%
Net asset value per share	30.50	33.97	31.67	29.69	25.60

## FINANCIAL HIGHLIGHTS (continued)

### Ratios and Supplemental Data<sup>(1)</sup> (continued)

Series F	2020	2019	2018	2017	2016 <sup>(6)</sup>
Net Assets (000's of \$)	17,119	16,968	14,038	6,153	1,715
Number of shares outstanding (000's)	538	482	431	203	66
Management expense ratio (MER) <sup>(2)</sup>	1.37%	1.37%	1.19%	1.20%	1.17%
MER before waivers or absorptions <sup>(2)</sup>	1.41%	1.48%	2.11%	2.58%	3.65%
Portfolio turnover rate <sup>(3)</sup>	9.38%	16.19%	7.77%	7.49%	10.21%
Trading expense ratio <sup>(4)</sup>	0.11%	0.13%	0.23%	0.38%	1.15%
Net asset value per share	31.83	35.24	32.55	30.24	25.80

Series Z	2020	2019	2018	2017 <sup>(5)</sup>
Net Assets (000's of \$)	6,349	7,655	6,248	2,324
Number of shares outstanding (000's)	195	213	190	77
Management expense ratio (MER) <sup>(2)</sup>	0.49%	0.48%	0.28%	0.28%
MER before waivers or absorptions <sup>(2)</sup>	0.53%	0.59%	1.20%	1.66%
Portfolio turnover rate <sup>(3)</sup>	9.38%	16.19%	7.77%	7.49%
Trading expense ratio <sup>(4)</sup>	0.11%	0.13%	0.23%	0.38%
Net asset value per share	32.58	35.89	32.86	30.30

Series R	2020	2019 <sup>(8)</sup>
Net Assets (000's of \$)	12,000	8,728
Number of shares outstanding (000's)	368	243
Management expense ratio (MER) <sup>(2)</sup>	0.48%	0.48%
MER before waivers or absorptions <sup>(2)</sup>	0.52%	0.58%
Portfolio turnover rate <sup>(3)</sup>	9.38%	16.19%
Trading expense ratio <sup>(4)</sup>	0.11%	0.13%
Net asset value per share	32.58	35.89

Series M	2020	2019 <sup>(9)</sup>
Net Assets (000's of \$)	4,169	179
Number of shares outstanding (000's)	128	5
Management expense ratio (MER) <sup>(2)</sup>	0.50%	0.48%
MER before waivers or absorptions <sup>(2)</sup>	0.54%	0.58%
Portfolio turnover rate <sup>(3)</sup>	9.38%	16.19%
Trading expense ratio <sup>(4)</sup>	0.11%	0.13%
Net asset value per share	32.58	35.89

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

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

(3) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. 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 period.

(5) NCM Core Global Series A commenced operations February 17, 2016.

(6) NCM Core Global Series F commenced operations February 17, 2016.

(7) NCM Core Global Series Z commenced operations August 15, 2017.

(8) NCM Core Global Series R commenced operations October 1, 2018.

(9) NCM Core Global Series M commenced operations September 16, 2019.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.85% for Series A, 0.85% for Series F, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. Management fees are calculated and paid monthly. No management fees are charged to Series Z; instead, the investors pay an annual flat management fee of \$1,000, per account, directly to the Manager. Series R shares 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. 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 R and Series M. For the period ended March 31, 2020, management fees amounted to \$129,448. NCM paid servicing commissions of \$24,537 (i.e. 18.95%) from these management fees to investment dealers. NCM also received fees for portfolio management and administrative services with respect to this Fund as well as all the other Funds in the NCM group.

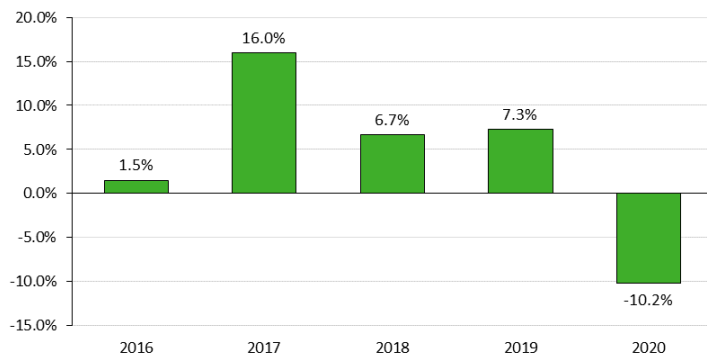
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception on February 17, 2016 to March 31, 2020 in percentages. Series Z inception was August 15, 2017. Series R inception was October 1, 2018. These charts reflect the performance you would have received if you invested in the Fund on the first day of the period through the last day of the period.

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

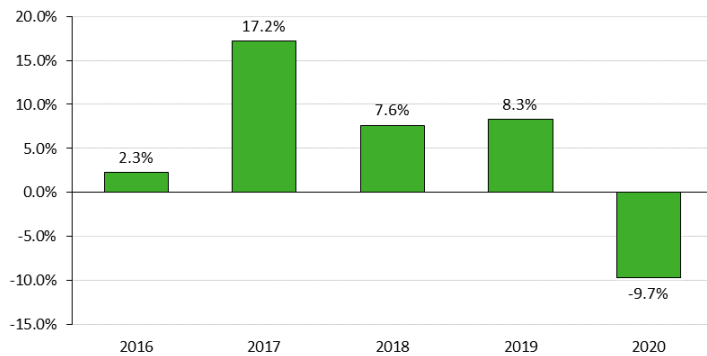
## YEAR BY YEAR RETURNS

### Series A



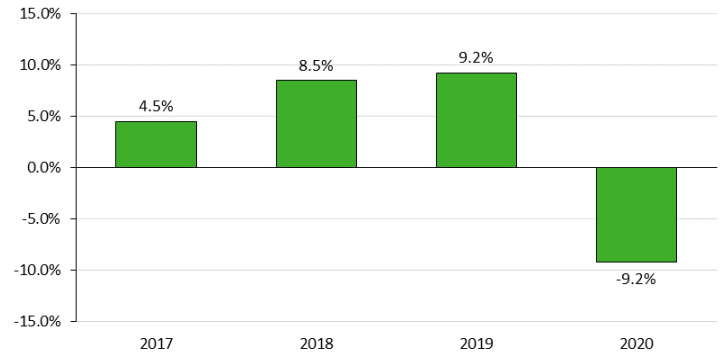
From February 17, 2016 to October 31, 2016 then November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 until 2020 which is from October 1, 2019 to March 31, 2020.

### Series F



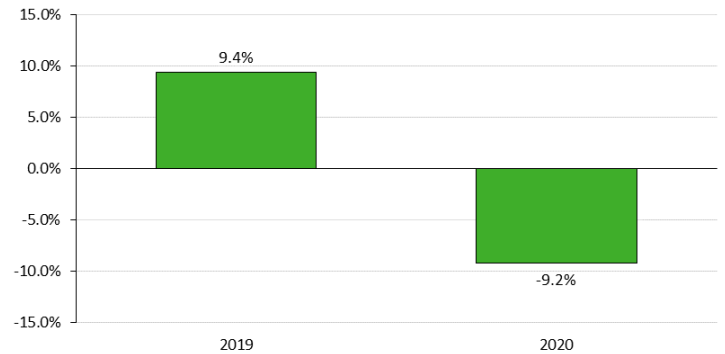
From February 17, 2016 to October 31, 2016 then November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 until 2020 which is from October 1, 2019 to March 31, 2020.

### Series Z



From August 15, 2017 to October 31, 2017 then November 1 to September 30 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 until 2020 which is from October 1, 2019 to March 31, 2020.

### Series R



From October 1, 2018 to September 30, 2019 then October 1 to March 31 until 2020 which is from October 1, 2019 to March 31, 2020.

### Series M

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

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to March 31, 2020 for each series of the Fund for the periods indicated. It also shows the returns for the MSCI World Net (LCL) Total Return Index, which is the Fund's current benchmark index.

	Series A	Series F	Series Z	Series R	Index
One year	-5.4%	-4.5%	-3.6%	-3.6%	-9.6%
Three Year*	3.6%	4.6%			1.9%
Since Inception* – Series A (February 17, 2016)	4.7%				6.9%
Since Inception* – Series F (February 17, 2016)		5.8%			6.9%
Since Inception* – Series Z (August 15, 2017)			4.5%		0.7%
Since Inception* – Series R (October 01, 2018)				-0.5%	-8.1%

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at March 31, 2020:

Investments	Percent of net assets
Microsoft Corp.	5.4%
Costco Wholesale Corp.	5.2%
DSV Panalpina AS	4.3%
PT Bank Central Asia TBK	4.2%
Visa Inc., Class 'A'	4.1%
Johnson & Johnson	3.7%
First Republic Bank	3.7%
Estée Lauder Cos. Inc. (The), Class 'A'	3.3%
Danaher Corp.	3.1%
Home Depot Inc. (The)	3.0%
McDonald's Corp.	2.9%
Alibaba Group Holding Ltd., ADR	2.8%
Nike Inc., Class 'B'	2.7%
Facebook Inc., Class 'A'	2.5%
Alphabet Inc., Class 'A'	2.4%
Eli Lilly and Co.	2.4%
Topdanmark AS	2.3%
Thermo Fisher Scientific Inc.	2.3%
Abbott Laboratories	2.2%
Starbucks Corp.	2.2%
Heineken NV	2.2%
Givaudan SA, Registered	2.2%
Unilever PLC	2.0%
Lockheed Martin Corp.	1.8%

Investments	Percent of net assets
General Mills Inc.	1.8%
Other Securities	23.7%
Total securities	98.4%
<b>Other</b>	
Cash and cash equivalents	3.8%
Derivative assets (liabilities)	-1.7%
Other assets - net of liabilities	-0.5%
Total net asset value	100.0%

## Geographic Breakdown

US Securities	65.2%
European Securities	21.3%
Asian Securities	5.8%
Canadian Securities	3.1%
Japanese Securities	3.0%
Other	1.6%
Total	100.0%

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

## OTHER MATERIAL INFORMATION

NCM Core Global is a class of NCM Core Portfolios Ltd. 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 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1, or from our website at [www.ncminvestments.com](http://www.ncminvestments.com).

T



Suite 1850, 333 – 7 Avenue S.W.,  
Calgary, Alberta T2P 2Z1

[ncminvestments.com](http://ncminvestments.com)

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