

September 30, 2021

# FINANCIAL STATEMENTS OF NCM CORE PORTFOLIOS

• NCM Core Canadian • NCM Core Global





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## INDEPENDENT AUDITORS' REPORT

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

NCM Core Canadian

NCM Core Global

### ***Opinion***

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

- the statements of financial position as at September 30, 2021 and September 30, 2020
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in net assets attributable to holders of redeemable shares for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at September 30, 2021 and September 30, 2020, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).



### ***Basis for Opinion***

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

We are independent of the Funds in accordance with the ethical requirements that are relevant to our 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.

### ***Other Information***

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

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

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

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

We have nothing to report in this regard.

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

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



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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

We also:

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

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

- Obtain an understanding of internal control relevant to the 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 the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements 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 8, 2021

# NCM CORE CANADIAN

## Statements of Financial Position

*(in Canadian dollars, except shares outstanding)*

As at	September 30 2021	September 30 2020
<b>Assets</b>		
Cash and cash equivalents	960,572	1,330,838
Dividends receivable	94,170	57,869
Due from Manager (note 7)	39,083	34,323
Portfolio assets sold	475,317	334,849
Investments, at fair value through profit or loss	14,700,139	14,972,872
<b>Total assets</b>	<b>16,269,281</b>	<b>16,730,751</b>
<b>Liabilities</b>		
Accrued expenses (note 7)	26,983	32,323
Dividends payable	–	42,345
Portfolio assets purchased	635,342	841,634
Shares redeemed	125	105,423
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>662,450</b>	<b>1,021,725</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>15,606,831</b>	<b>15,709,026</b>
Net assets attributable to holders of redeemable shares:		
Series A	6,304,364	5,833,529
Series F	5,162,963	4,397,659
Series M	826,575	932,457
Series R	2,665,857	4,012,736
Series Z	647,072	532,645
Redeemable shares outstanding (note 6):		
Series A	187,617	202,390
Series F	144,853	145,195
Series M	22,451	30,004
Series R	72,399	129,095
Series Z	17,564	17,129
Net assets attributable to holders of redeemable shares per share:		
Series A	33.60	28.82
Series F	35.64	30.29
Series M	36.82	31.08
Series R	36.82	31.08
Series Z	36.84	31.10

See accompanying notes to financial statements.

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



Alex Sasso



Keith Leslie

# NCM CORE CANADIAN

## Statements of Comprehensive Income (Loss)

For the years ended September 30, 2021 and 2020

*(in Canadian dollars)*

	2021	2020
Dividend income	454,510	572,537
Interest for distribution purposes	27,756	23,754
Securities lending income	777	7,586
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	2,029,361	(360,727)
Net change in unrealized appreciation (depreciation) in fair value of investments	604,048	(358,829)
Total investment revenue (loss)	3,116,452	(115,679)
Management fees (note 7)	142,095	149,180
Custodian and record keeping fees	38,152	39,507
Transaction costs	27,799	37,217
Administrative fees (note 7)	22,060	32,869
Legal and filing fees	21,635	14,826
HST/GST	17,525	20,676
Tax and other professional fees	7,228	6,088
Computer services	5,957	7,844
Audit fees	4,704	4,570
Other	3,712	3,877
Independent review committee	3,217	3,538
Operating expense recovery (note 7)	(39,083)	(34,323)
Total operating expenses	255,001	285,869
Increase (decrease) in net assets attributable to holders of redeemable shares before tax	2,861,451	(401,548)
Withholding tax expense	1,733	490
Increase (decrease) in net assets attributable to holders of redeemable shares	2,859,718	(402,038)
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	1,075,548	(395,840)
Series F	898,144	(181,395)
Series M	152,992	(85,359)
Series R	617,556	235,110
Series Z	115,478	25,446
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	5.70	(1.80)
Series F	6.32	(1.30)
Series M	6.76	(3.59)
Series R	6.67	1.33
Series Z	6.75	1.05

See accompanying notes to financial statements.

# NCM CORE CANADIAN

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

For the years ended September 30, 2021 and 2020

(in Canadian dollars)

	All Series		Series A		Series F		Series M		Series R		Series Z	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net assets attributable to holders of redeemable shares, beginning of year	15,709,026	20,283,667	5,833,529	7,614,859	4,397,659	4,410,532	932,457	1,004	4,012,736	6,676,929	532,645	1,580,343
Increase (decrease) in net assets, attributable to holders of redeemable shares	2,859,718	(402,038)	1,075,548	(395,840)	898,144	(181,395)	152,992	(85,359)	617,556	235,110	115,478	25,446
Transactions attributable to holders of redeemable shares:												
Issuance of shares	818,230	5,066,730	495,446	393,133	116,782	466,861	–	1,141,029	206,002	2,919,834	–	145,873
Reinvestment of dividends	383,962	518,354	149,865	189,194	135,208	153,196	10,629	12,369	71,021	144,713	17,239	18,882
Amounts paid on redemptions	(3,747,423)	(9,196,986)	(1,081,541)	(1,760,455)	(247,224)	(295,604)	(247,171)	(102,773)	(2,170,437)	(5,819,137)	(1,050)	(1,219,017)
	(2,545,231)	(3,611,902)	(436,230)	(1,178,128)	4,766	324,453	(236,542)	1,050,625	(1,893,414)	(2,754,590)	16,189	(1,054,262)
Dividends declared:												
From dividend income	(416,682)	(560,701)	(168,483)	(207,362)	(137,606)	(155,931)	(22,332)	(33,813)	(71,021)	(144,713)	(17,240)	(18,882)
	(416,682)	(560,701)	(168,483)	(207,362)	(137,606)	(155,931)	(22,332)	(33,813)	(71,021)	(144,713)	(17,240)	(18,882)
Net assets attributable to holders of redeemable shares, end of year	15,606,831	15,709,026	6,304,364	5,833,529	5,162,963	4,397,659	826,575	932,457	2,665,857	4,012,736	647,072	532,645
Dividends per share to holders of redeemable shares:												
From dividend income			0.92	1.06	0.98	1.11	1.01	1.14	1.01	1.14	1.01	1.14

See accompanying notes to financial statements.



# NCM CORE CANADIAN

## Statements of Cash Flows

For the years ended September 30, 2021 and 2020

*(in Canadian dollars)*

	2021	2020
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares	2,859,718	(402,038)
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	(2,029,361)	360,727
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(604,048)	358,829
Purchase of investments	(38,184,763)	(43,908,563)
Proceeds from the sale of investments	40,744,136	48,585,508
Dividend income	(454,510)	(572,537)
Dividends received, net of withholding tax paid	416,476	573,017
Withholding tax paid	1,733	490
Interest for distribution purposes	(27,756)	(23,754)
Interest received	27,756	23,754
Due from Manager	(4,760)	(4,701)
Accrued expenses	(5,340)	(17,199)
<b>Net cash from (used in) operating activities</b>	<b>2,739,281</b>	<b>4,973,533</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of redeemable shares	818,230	5,121,145
Amounts paid on redemption of redeemable shares	(3,852,721)	(9,111,948)
Dividends to holders of redeemable shares, net of reinvestments	(75,065)	(30,054)
<b>Net cash from (used in) financing activities</b>	<b>(3,109,556)</b>	<b>(4,020,857)</b>
Net increase (decrease) in cash and cash equivalents	(370,275)	952,676
Effect of exchange rates on cash and cash equivalents	9	76
Cash and cash equivalents at beginning of year	1,330,838	378,086
<b>Cash and cash equivalents at end of year</b>	<b>960,572</b>	<b>1,330,838</b>

See accompanying notes to financial statements.

# NCM CORE CANADIAN

## Schedule of Investment Portfolio

As at September 30, 2021

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Communication Services</b>				
BCE Inc.	10,000	576,295	634,500	
Quebecor Inc., Class 'B'	20,300	667,956	621,383	
		1,244,251	1,255,883	8.0%
<b>Consumer Discretionary</b>				
Gildan Activewear Inc.	8,200	355,441	379,496	
		355,441	379,496	2.4%
<b>Consumer Staples</b>				
Loblaw Cos. Ltd.	8,400	588,951	730,128	
Premium Brands Holdings Corp.	1,800	221,646	233,172	
		810,597	963,300	6.2%
<b>Energy</b>				
ARC Resources Ltd.	21,900	174,065	259,953	
Enbridge Inc.	12,400	592,316	625,704	
Tourmaline Oil Corp.	5,700	143,399	252,225	
		909,780	1,137,882	7.3%
<b>Financials</b>				
Bank of Montreal	4,900	557,659	619,605	
Canadian Imperial Bank of Commerce	6,500	810,878	916,500	
Intact Financial Corp.	2,300	352,089	385,204	
Power Corp. of Canada	11,300	474,560	471,775	
Royal Bank of Canada	11,100	1,111,722	1,398,933	
TMX Group Ltd.	3,400	459,658	464,406	
Trisura Group Ltd.	9,500	401,480	410,780	
		4,168,046	4,667,203	29.9%
<b>Industrials</b>				
Aecon Group Inc.	15,700	316,312	300,969	
Canadian National Railway Co.	5,800	852,441	851,324	
Hardwoods Distribution Inc.	10,100	379,974	370,569	
Toromont Industries Ltd.	3,700	371,418	391,201	
		1,920,145	1,914,063	12.3%
<b>Information Technology</b>				
Constellation Software Inc.	200	381,402	415,004	
Evertz Technologies Ltd.	23,900	351,280	342,965	
Open Text Corp.	4,900	275,557	302,918	
		1,008,239	1,060,887	6.8%
<b>Materials</b>				
Endeavour Mining PLC	8,100	226,895	230,931	
Newmont Corp.	4,700	372,298	323,313	
Nutrien Ltd.	8,500	591,794	698,785	
Wheaton Precious Metals Corp.	4,800	263,828	228,864	
		1,454,815	1,481,893	9.5%

# NCM CORE CANADIAN

Schedule of Investment Portfolio (continued)

As at September 30, 2021

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Real Estate</b>				
Choice Properties REIT	21,000	294,810	299,250	
CT REIT	12,900	175,344	219,687	
Information Services Corp., Class 'A'	14,000	412,642	387,240	
NorthWest Healthcare Properties REIT	24,100	308,928	311,131	
		1,191,724	1,217,308	7.8%
<b>Utilities</b>				
Fortis Inc.	4,200	231,682	235,998	
Hydro One Ltd.	12,900	369,479	386,226	
		601,161	622,224	4.0%
<b>TOTAL EQUITIES</b>		<b>13,664,199</b>	<b>14,700,139</b>	<b>94.2%</b>
Less: Transaction costs included in average cost		(3,049)		
<b>TOTAL INVESTMENTS</b>		<b>13,661,150</b>	<b>14,700,139</b>	<b>94.2%</b>
Other assets, less liabilities			906,692	5.8%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>			<b>15,606,831</b>	<b>100.0%</b>

# NCM CORE GLOBAL

## Statements of Financial Position

(in Canadian dollars, except shares outstanding)

As at	September 30 2021	September 30 2020
<b>Assets</b>		
Cash and cash equivalents	3,554,642	4,876,600
Dividends receivable	79,303	70,973
Due from Manager (note 7)	62,852	89,369
Portfolio assets sold	380,055	–
Shares issued	79,374	111,720
Investments, at fair value through profit or loss	52,304,021	48,139,750
<b>Total assets</b>	<b>56,460,247</b>	<b>53,288,412</b>
<b>Liabilities</b>		
Accrued expenses (note 7)	90,353	116,469
Dividends payable	–	5,310
Portfolio assets purchased	381,342	–
Shares redeemed	15,290	207,055
Unrealized loss on derivative instruments	25,021	179,637
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>512,006</b>	<b>508,471</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>55,948,241</b>	<b>52,779,941</b>
Net assets attributable to holders of redeemable shares:		
Series A	14,928,469	8,409,436
Series F	14,486,017	19,889,365
ETF Series	5,328,065	2,007,940
Series M	6,687,192	6,094,814
Series R	2,599,807	9,333,283
Series Z	11,918,691	7,045,103
Redeemable shares outstanding (note 6):		
Series A	334,974	220,481
Series F	307,397	497,794
ETF Series	180,000	80,000
Series M	137,220	148,603
Series R	53,332	227,528
Series Z	244,548	171,767
Net assets attributable to holders of redeemable shares per share:		
Series A	44.57	38.14
Series F	47.12	39.96
ETF Series	29.60	25.10
Series M	48.73	41.01
Series R	48.75	41.02
Series Z	48.74	41.02

See accompanying notes to financial statements.

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



Alex Sasso



Keith Leslie

# NCM CORE GLOBAL

## Statements of Comprehensive Income

For the years ended September 30, 2021 and 2020

*(in Canadian dollars)*

	2021	2020
Dividend income	583,843	762,665
Interest for distribution purposes	–	5,290
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	4,341,021	950,492
Net realized gain (loss) on derivative instruments	487,873	(1,438,624)
Net change in unrealized appreciation (depreciation) in fair value of investments	3,642,094	6,536,315
Net change in unrealized appreciation (depreciation) on derivative instruments	154,616	(306,496)
Total investment revenue	9,209,447	6,509,642
Management fees (note 7)	376,339	271,089
Custodian and record keeping fees	82,353	58,313
Transaction costs	72,374	72,751
Administrative fees (note 7)	72,210	84,153
HST/GST	57,791	50,268
Legal and filing fees	52,546	80,680
Computer services	19,320	18,790
Audit fees	16,797	15,403
Tax and other professional fees	11,889	10,910
Independent review committee	10,417	9,786
Other	9,671	9,287
Operating expense recovery (note 7)	(62,852)	(89,369)
Total operating expenses	718,855	592,061
Increase (decrease) in net assets attributable to holders of redeemable shares before tax	8,490,592	5,917,581
Withholding tax expense	79,846	99,055
Increase (decrease) in net assets attributable to holders of redeemable shares	8,410,746	5,818,526
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	1,938,962	715,057
Series F	2,309,727	2,122,807
ETF Series	497,101	10,268
Series M	1,092,318	702,606
Series R	955,735	1,437,552
Series Z	1,616,903	830,236
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	6.46	3.98
Series F	7.40	4.29
ETF Series	4.29	0.12
Series M	7.73	5.81
Series R	7.44	4.49
Series Z	7.80	4.49

See accompanying notes to financial statements.

# NCM CORE GLOBAL

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

For the years ended September 30, 2021 and 2020

(in Canadian dollars)

	All Series		Series A		Series F		ETF Series		Series M		Series R		Series Z	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Net assets attributable to holders of redeemable shares, beginning of year	52,779,941	38,563,741	8,409,436	5,034,872	19,889,365	16,967,692	2,007,940	–	6,094,814	178,742	9,333,283	8,727,590	7,045,103	7,654,845
Increase (decrease) in net assets, attributable to holders of redeemable shares	8,410,746	5,818,526	1,938,962	715,057	2,309,727	2,122,807	497,101	10,268	1,092,318	702,606	955,735	1,437,552	1,616,903	830,236
Transactions attributable to holders of redeemable shares:														
Issuance of shares	20,780,731	28,708,626	7,101,974	4,736,136	5,579,080	7,440,187	2,826,192	2,000,000	426,977	6,310,157	686,098	5,555,282	4,160,410	2,666,864
Reinvestment of dividends	25,910	51,343	8,457	8,461	7,868	21,145	–	–	3,454	5,969	1,524	10,553	4,607	5,215
Amounts paid on redemptions	(26,016,258)	(20,303,313)	(2,521,623)	(2,075,751)	(13,291,545)	(6,640,334)	–	–	(926,449)	(1,095,875)	(8,375,309)	(6,387,141)	(901,332)	(4,104,212)
	(5,209,617)	8,456,656	4,588,808	2,668,846	(7,704,597)	820,998	2,826,192	2,000,000	(496,018)	5,220,251	(7,687,687)	(821,306)	3,263,685	(1,432,133)
Dividends declared:														
From dividend income	(32,829)	(58,982)	(8,737)	(9,339)	(8,478)	(22,132)	(3,168)	(2,328)	(3,922)	(6,785)	(1,524)	(10,553)	(7,000)	(7,845)
	(32,829)	(58,982)	(8,737)	(9,339)	(8,478)	(22,132)	(3,168)	(2,328)	(3,922)	(6,785)	(1,524)	(10,553)	(7,000)	(7,845)
Net assets attributable to holders of redeemable shares, end of year	55,948,241	52,779,941	14,928,469	8,409,436	14,486,017	19,889,365	5,328,065	2,007,940	6,687,192	6,094,814	2,599,807	9,333,283	11,918,691	7,045,103
Dividends per share to holders of redeemable shares:														
From dividend income			0.03	0.04	0.03	0.04	0.02	0.03	0.03	0.05	0.03	0.05	0.03	0.05

See accompanying notes to financial statements.

# NCM CORE GLOBAL

## Statements of Cash Flows

For the years ended September 30, 2021 and 2020

*(in Canadian dollars)*

	2021	2020
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares	8,410,746	5,818,526
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	(4,341,021)	(950,492)
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(3,642,094)	(6,536,315)
Net change in unrealized (appreciation) depreciation on derivative instruments	(154,616)	306,496
Purchase of investments	(19,999,931)	(27,737,468)
Proceeds from the sale of investments	23,870,152	25,116,652
Dividend income	(583,843)	(762,665)
Dividends received, net of withholding tax paid	495,667	629,530
Withholding tax paid	79,846	99,055
Interest for distribution purposes	—	(5,290)
Interest received	—	5,290
Due from Manager	26,517	(57,706)
Accrued expenses	(26,116)	41,806
<b>Net cash from (used in) operating activities</b>	<b>4,135,307</b>	<b>(4,032,581)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of redeemable shares	20,813,077	28,701,614
Amounts paid on redemption of redeemable shares	(26,208,023)	(20,244,394)
Dividends to holders of redeemable shares, net of reinvestments	(12,229)	(2,329)
<b>Net cash from (used in) financing activities</b>	<b>(5,407,175)</b>	<b>8,454,891</b>
Net increase (decrease) in cash and cash equivalents	(1,271,868)	4,422,310
Effect of exchange rates on cash and cash equivalents	(50,090)	(36,510)
Cash and cash equivalents at beginning of year	4,876,600	490,800
<b>Cash and cash equivalents at end of year</b>	<b>3,554,642</b>	<b>4,876,600</b>

See accompanying notes to financial statements.

# NCM CORE GLOBAL

## Schedule of Investment Portfolio

As at September 30, 2021

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Financials</b>				
Royal Bank of Canada	11,700	1,337,950	1,474,551	
		1,337,950	1,474,551	2.6%
<b>TOTAL CANADIAN EQUITIES</b>		<b>1,337,950</b>	<b>1,474,551</b>	<b>2.6%</b>
<b>UNITED STATES EQUITIES</b>				
<b>Communication Services</b>				
Alphabet Inc., Class 'A'	715	1,066,493	2,421,669	
Comcast Corp., Class 'A'	11,000	788,564	779,404	
Facebook Inc., Class 'A'	2,550	638,029	1,096,388	
		2,493,086	4,297,461	7.7%
<b>Consumer Discretionary</b>				
Bath & Body Works Inc.	10,600	804,884	846,405	
Home Depot Inc. (The)	3,433	896,250	1,427,634	
Nike Inc., Class 'B'	7,259	719,335	1,335,545	
		2,420,469	3,609,584	6.5%
<b>Consumer Staples</b>				
Constellation Brands Inc., Class 'A'	2,550	725,307	680,627	
Costco Wholesale Corp.	2,234	666,678	1,271,724	
Estée Lauder Cos. Inc. (The), Class 'A'	3,422	683,932	1,300,245	
		2,075,917	3,252,596	5.8%
<b>Financials</b>				
First Republic Bank	7,896	1,144,380	1,929,388	
JPMorgan Chase & Co.	7,340	1,337,086	1,522,100	
S&P Global Inc.	2,250	1,047,750	1,211,112	
		3,529,216	4,662,600	8.3%
<b>Health Care</b>				
Abbott Laboratories	8,200	997,587	1,227,154	
Danaher Corp.	2,596	391,869	1,001,225	
Thermo Fisher Scientific Inc.	1,930	764,507	1,396,914	
UnitedHealth Group Inc.	2,100	930,930	1,039,519	
		3,084,893	4,664,812	8.4%
<b>Industrials</b>				
Honeywell International Inc.	5,450	1,161,676	1,465,652	
		1,161,676	1,465,652	2.6%
<b>Information Technology</b>				
Accenture PLC, Class 'A'	3,450	1,062,070	1,398,253	
Analog Devices Inc.	4,000	713,006	848,688	
Intuit Inc.	1,900	857,809	1,298,609	
Mastercard Inc., Class 'A'	1,600	655,922	704,733	
Microsoft Corp.	6,559	910,130	2,342,549	
Visa Inc., Class 'A'	6,905	1,287,417	1,948,528	
		5,486,354	8,541,360	15.3%
<b>Materials</b>				
Crown Holdings Inc.	6,000	762,172	766,039	
Sherwin-Williams Co. (The)	3,360	809,527	1,190,703	
		1,571,699	1,956,742	3.5%



# NCM CORE GLOBAL

Schedule of Investment Portfolio (continued)

As at September 30, 2021

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>TOTAL UNITED STATES EQUITIES</b>		<b>21,823,310</b>	<b>32,450,807</b>	<b>58.1%</b>
<b>INTERNATIONAL EQUITIES</b>				
<b>Denmark</b>				
DSV Panalpina AS	6,858	767,308	2,085,995	
Novo Nordisk AS, Series 'B', Class 'B'	8,527	575,896	1,046,217	
		1,343,204	3,132,212	5.6%
<b>France</b>				
Air Liquide SA	3,800	818,118	773,168	
EssilorLuxottica SA	6,200	1,230,901	1,506,536	
Kering	750	799,228	678,316	
LVMH Moët Hennessy-Louis Vuitton SA	1,350	807,525	1,229,095	
Schneider Electric SE	4,900	907,332	1,035,253	
Teleperformance	3,600	1,393,321	1,797,625	
		5,956,425	7,019,993	12.5%
<b>Germany</b>				
Adidas AG	1,800	780,185	718,310	
		780,185	718,310	1.3%
<b>Hong Kong</b>				
AIA Group Ltd.	65,049	849,973	952,199	
		849,973	952,199	1.7%
<b>Ireland</b>				
Experian PLC	17,000	758,088	902,812	
		758,088	902,812	1.6%
<b>Japan</b>				
Keyence Corp.	1,000	567,192	760,735	
		567,192	760,735	1.4%
<b>Switzerland</b>				
Givaudan SA, Registered	174	583,751	1,007,108	
		583,751	1,007,108	1.8%
<b>Taiwan</b>				
Taiwan Semiconductor Manufacturing Co. Ltd., ADR	7,500	870,022	1,060,829	
		870,022	1,060,829	1.9%
<b>United Kingdom</b>				
Diageo PLC	23,000	1,172,674	1,416,711	
Howden Joinery Group PLC	92,000	1,205,373	1,407,754	
		2,378,047	2,824,465	5.0%
<b>TOTAL INTERNATIONAL EQUITIES</b>		<b>14,086,887</b>	<b>18,378,663</b>	<b>32.8%</b>
<b>TOTAL EQUITIES</b>		<b>37,248,147</b>	<b>52,304,021</b>	<b>93.5%</b>
Less: Transaction costs included in average cost		(76,077)		
<b>TOTAL INVESTMENTS</b>		<b>37,172,070</b>	<b>52,304,021</b>	<b>93.5%</b>
Derivative liabilities			(25,021)	0.0%
Other assets, less liabilities			3,669,241	6.5%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>			<b>55,948,241</b>	<b>100.0%</b>

# NCM CORE GLOBAL

## Schedule of Derivative Investments - Forward Foreign Currency Contracts

As at September 30, 2021

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered	Fair Value in Cdn Dollars	Currency to be Received	Contract Price	Unrealized Loss
Toronto-Dominion Bank (The)	A-1+	October 15, 2021	4,115,000 USD	5,213,172	5,188,151 CAD	1.2608	(25,021)
Net Unrealized Loss							(25,021)

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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## 1. Reporting Entity

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

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

The Corporation is authorized to issue 100 Classes of special shares, each Class being issuable in series (collectively the “Special Shares”) and an unlimited number of common shares. At September 30, 2021, there were 100 common shares issued as well as two Classes of Special Shares with NCM Core Canadian, and NCM Core Global all issued in five and six series, respectively. Each special share represents an equal undivided interest in the net assets of its Fund. CIBC Mellon Trust Company is the Custodian of the Funds, and NCM Asset Management Ltd. (“NCM”) is the Manager and Portfolio Manager of the Funds.

## 2. Basis of preparation

### (a) Statement of compliance:

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

The financial statements of the Funds were approved and were authorized for issue by the Manager’s Board of Directors on December 8, 2021.

### (b) Basis of measurement:

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

### (c) Functional and presentation currency:

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

### (d) Use of judgements and estimates:

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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## 2. Basis of preparation (continued)

(d) Use of judgements and estimates (continued):

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

## 3. Significant accounting policies

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

(a) Financial assets and financial liabilities:

(i) Recognition and initial measurement

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

Financial assets and financial liabilities at fair value through profit or loss are initially recognized at fair value, with transaction costs recognized in profit or loss. 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 asset and substantially all the risks and rewards of ownership of the asset to another entity. The Funds derecognize financial liabilities when, and only when, the Funds’ obligations are discharged, cancelled or they expire.

(iii) Classification

The Funds follow 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 or the contractual cash flow characteristics of the financial assets.

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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### 3. Significant accounting policies (continued)

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

(iii) Classification (continued)

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 Funds classify financial assets and financial liabilities into the following categories.

Financial assets at fair value through profit or loss:

- All investments, including derivatives

Financial assets at amortized cost:

- Cash and cash equivalents and receivables

Financial liabilities at amortised cost:

- All liabilities other than redeemable shares

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

(iv) Fair value measurement

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

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

(v) Amortized cost measurement

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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### 3. Significant accounting policies (continued)

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

##### (vi) Specific instruments

###### Cash and cash equivalents

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

###### Redeemable shares

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

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

#### (b) Dividend income:

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

#### (c) Dividends to holders of redeemable shares:

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

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

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

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

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

### 3. Significant accounting policies (continued)

#### (e) Income tax:

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

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

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

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

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

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

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

	September 30, 2021	September 30, 2020
NCM Core Canadian	1,733	490
NCM Core Global	79,846	99,055

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

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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### 3. Significant accounting policies (continued)

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

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

- (g) Translation of foreign currency:

Foreign currency amounts are expressed in Canadian dollars as follows:

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

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

- (h) Derivative financial instruments:

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

Options are contracts entitling the holder to purchase or sell a specified item at a specified price, during a specified period or on a specified date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. Any gain or loss resulting from revaluation is included in change in unrealized gain (loss) on derivative instruments on the statements of comprehensive income.

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



# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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### 3. Significant accounting policies (continued)

#### (i) Securities lending transactions:

The Funds are permitted to enter into securities lending transactions as set out in the Funds' Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by The Bank of New York Mellon (collectively the "Securities Lending Agent"). The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as Securities lending income and recognized when earned.

### 4. Fair value measurement

#### (a) Investments:

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

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

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

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

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

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

The tables below analyze investments measured at fair value at September 30, 2021 and September 30, 2020 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.

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 4. Fair value measurement (continued)

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

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Canadian - September 30, 2021				
Public securities				
Equities - long	14,700,139	—	—	14,700,139
Total Investments	14,700,139	—	—	14,700,139

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

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Global - September 30, 2021				
Public securities				
Equities - long	52,304,021	—	—	52,304,021
Unrealized loss on derivative instruments	—	(25,021)	—	(25,021)
Total Investments	52,304,021	(25,021)	—	52,279,000

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

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

(c) Financial instruments not measured at fair value:

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

## 5. Financial instruments and associated risks

The Funds' activities expose it to a variety of risks associated with financial instruments as follows: credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Funds' overall risk management program seeks to maximize the returns for the level of risk to which the Funds are exposed and seeks to minimize potential adverse effects on the Funds' 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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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## 5. Financial instruments and associated risks (continued)

financial instrument risks associated with each of the Funds and its investments. All investments result in a risk of loss of capital.

### **Credit risk:**

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

Credit risk arising on transactions for shares purchased 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 and the high credit quality of the brokers used.

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

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

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

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

Other than outlined above there were no significant concentrations of credit risk to counterparties at September 30, 2021 and September 30, 2020.

### **Liquidity risk:**

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

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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## 5. Financial instruments and associated risks (continued)

### Liquidity risk (continued):

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

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

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

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

### Market risk:

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

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

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

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

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

Details of the nature of the Funds' investment portfolio at September 30, 2021 are disclosed in the schedule of investment portfolio.

#### (a) Currency risk:

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

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

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 5. Financial instruments and associated risks (continued)

### Market risk (continued):

#### (a) Currency risk (continued):

At September 30, 2021 and September 30, 2020, NCM Core Global had the following foreign currency exposure as a percentage of the net asset value, including the impact of outstanding derivatives.

NCM Core Global	2021	2020
U.S. Dollar	50.7%	45.9%
Euro	13.9%	7.5%
British Pound	6.7%	-%
Danish Kroner	5.6%	4.9%
Swiss Franc	1.8%	2.8%
Hong Kong Dollar	1.7%	-0.1%
Japanese Yen	1.4%	0.1%
Indonesian Rupiah	-%	1.9%

#### Sensitivity Analysis:

At September 30, 2021 and September 30, 2020, had the Canadian dollar strengthened or weakened by 1% in relation to all currencies, with all other variables held constant, including the impact of outstanding derivative instruments, net assets attributable to the holders of redeemable shares and the change in net assets attributable to holders of redeemable shares would have increased or decreased by the amounts shown below. In practice, the actual trading results may differ from this sensitivity analysis and the difference could be material.

NCM Core Global (in Canadian dollars)	2021	2020
U.S. Dollar	283,513	242,265
Euro	77,576	39,602
British Pound	37,448	172
Danish Kroner	31,577	25,632
Swiss Franc	10,161	14,525
Hong Kong Dollar	9,522	(572)
Japanese Yen	7,617	536
Indonesian Rupiah	-	9,772
Swedish Kroner	-	3
Total	457,414	331,935

#### (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 the bonds rise. This is because the interest rates of existing

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 5. Financial instruments and associated risks (continued)

### Market risk (continued):

#### (b) Interest rate risk (continued):

bonds will be higher than the rate on newer bonds. Conversely, when interest rates rise, the price of existing bonds drop because they pay less than newer bonds.

The majority of the Funds' assets are non-interest-bearing. Interest-bearing financial assets mature or re-price in the short term, being no more than twelve months. There are no interest bearing financial liabilities as a result, the Funds are subject to limited exposure to the risk of fluctuation in the prevailing levels of market interest rates. High yield corporate bond prices are impacted by the credit metrics, liquidity and business fundamentals of the corporate entity with a minimal correlation to interest rates.

#### (c) Other price risk:

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

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

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

#### Sensitivity analysis:

Management's estimate of the impact of a 1% increase or decrease on the following indices at September 30, 2021 and September 30, 2020, is an increase or decrease in the net assets attributable to holders of redeemable shares of approximately:

	Total Return Index (In Canadian dollars)	Change in Net Assets	
		2021	2020
NCM Core Canadian	S&P TSX Composite Total Return Index 70% Morningstar Developed Markets Target Market Exposure NR USD and 30% Morningstar Developed Markets Target	147,001	149,729
NCM Core Global	Market Exposure NR EUR	523,040	481,398

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 5. Financial instruments and associated risks (continued)

### Market risk (continued):

#### (c) Other price risk (continued):

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

NCM Core Canadian and NCM Core Global financial assets exposed to other price risk are concentrated in the following industries at September 30, 2021 and September 30, 2020.

NCM Core Canadian	2021	2020
Energy	7.7%	10.5%
Materials	10.1%	16.3%
Industrials	13.0%	8.4%
Consumer Discretionary	2.6%	2.2%
Consumer Staples	6.6%	7.9%
Financials	31.8%	26.8%
Information Technology	7.2%	5.6%
Communication Services	8.5%	8.9%
Utilities	4.2%	5.9%
Real Estate	8.3%	7.5%
Total	100.0%	100.0%

NCM Core Global	2021	2020
Materials	7.1%	6.0%
Industrials	16.6%	14.2%
Consumer Discretionary	14.8%	13.7%
Consumer Staples	8.9%	11.1%
Health Care	10.9%	15.4%
Financials	13.6%	10.5%
Information Technology	19.9%	22.6%
Communication Services	8.2%	6.5%
Total	100.0%	100.0%

## 6. Net Assets attributable to holders of redeemable shares

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

Each class can be divided into 26 series, each series being comprised of an unlimited number of shares. Currently, there are five series outstanding, Series A, Series F, Series M, Series Z and Series R within NCM Core Canadian and six series outstanding, Series A, Series F, ETF Series, Series M, Series Z and Series R within NCM Core Global. Each series ranks equally with respect to dividends and return of capital in the event of liquidation, dissolution or winding up based on their respective series' net asset values. Each series pays its own fees and expenses. Series A shares are sold through the front end sales charge option. Under the front end sales charge option, a commission ranging from 0% to 5% is paid by the investor to the dealer with a 2% redemption fee being charged if the shares are redeemed in the first 30 days. Series F are sold to purchasers

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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

enrolled in a fee-for-service or wrap program with their dealer. A 2% redemption fee is charged if the Series F is redeemed within the first 30 days. Series Z are sold without commission provided the purchaser is enrolled in a fee-for-service or wrap program with the dealer. A 2% redemption fee is charged if the Series Z shares are redeemed in the first 30 days.

There are no sales charges or commissions payable in respect of purchases of Series R shares. Series R is only available for purchase by the NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates.

Series M shares are not available for general public purchase.

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

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

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

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

<b>NCM Core Canadian</b>	Series A	Series F	Series M	Series R	Series Z
Balance, September 30, 2020	202,390	145,195	30,004	129,095	17,129
Issued for cash	15,555	3,305	–	5,713	–
Issued on reinvestment of dividends	4,443	3,779	287	1,921	466
Redeemed for cash	(34,771)	(7,426)	(7,840)	(64,330)	(31)
Balance, September 30, 2021	187,617	144,853	22,451	72,399	17,564

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

<b>NCM Core Global</b>	Series A	Series F	ETF Series	Series M	Series R	Series Z
Balance, September 30, 2020	220,481	497,794	80,000	148,603	227,528	171,767
Issued for cash	176,343	128,020	100,000	10,159	14,386	93,013
Issued on reinvestment of dividends	187	165	–	70	31	93
Redeemed for cash	(62,037)	(318,582)	–	(21,612)	(188,613)	(20,325)
Balance, September 30, 2021	334,974	307,397	180,000	137,220	53,332	244,548



# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

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

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

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

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

<b>NCM Core Canadian - September 30, 2021</b>	Series A	Series F	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	1,076	898	153	618	115
Average shares outstanding during the year (in 000's of shares)	188	142	23	93	17
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$5.70	\$6.32	\$6.76	\$6.67	\$6.75

<b>NCM Core Canadian - September 30, 2020</b>	Series A	Series F	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	(396)	(181)	(85)	235	25
Average shares outstanding during the year (in 000's of shares)	220	139	24	177	24
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$(1.80)	\$(1.30)	\$(3.59)	\$1.33	\$1.05

<b>NCM Core Global - September 30, 2021</b>	Series A	Series F	ETF Series	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	1,939	2,310	497	1,092	956	1,617
Average shares outstanding during the year (in 000's of shares)	300	313	116	141	128	207
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$6.46	\$7.40	\$4.29	\$7.73	\$7.44	\$7.80

<b>NCM Core Global - September 30, 2020</b>	Series A	Series F	ETF Series	Series M	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares (in 000's of \$)	715	2,123	10	703	1,438	830
Average shares outstanding during the year (in 000's of shares)	180	495	80	121	320	184
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$3.98	\$4.29	\$0.12	\$5.81	\$4.49	\$4.49

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 7. Management fees, expenses and key contracts

### (a) Manager and management fees:

NCM Core Canadian paid an annual management fee to the Manager of 1.75% for Series A, of the net asset value of the series. NCM Core Global paid an annual management fee to the Manager of 1.85% for Series A, of the net asset value of the series. The NCM Core Canadian paid an annual management fee of 0.75% for Series F, of the net asset value the series. The NCM Core Global paid an annual management fee of 0.85% for Series F and ETF Series, of the net asset value of the series. The management fee is calculated and paid monthly. No management fees were charged to Series Z; instead, the investors pay an annual flat management fee of \$1,000 per account, directly to the Manager. There are no management fees payable in respect of Series R shares. The NCM Funds and other funds and accounts managed or advised by the Manager and/or its affiliates that invest in Series R shares are charged a management fee for the provision of the services to them. Series M shares are not available for general public purchase. The Manager and its affiliates offer wealth management services including fee-based and managed accounts under the Cumberland Private Wealth brand, and the Series M shares are intended for such accounts. There is no management fee attached to series M.

Accrued expenses include management fees payable as follows:

<i>(in Canadian dollars)</i>	September 30, 2021	September 30, 2020
NCM Core Canadian	12,607	11,463
NCM Core Global	38,393	25,980

### (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 Funds. Brokerage costs are expensed as incurred and included in transaction costs.

Accrued expenses include administration services payable to NCM as follows:

<i>(in Canadian dollars)</i>	September 30, 2021	September 30, 2020
NCM Core Canadian	1,532	2,820
NCM Core Global	5,526	8,861

### (C) Operating expense recoveries:

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

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

	September 30, 2021	September 30, 2020
NCM Core Canadian	39,083	34,323
NCM Core Global	62,852	89,369

# NCM CORE PORTFOLIOS LTD.

Notes to Financial Statements

Years ended September 30, 2021 and 2020

## 8. Brokerage commissions on securities transactions

The Funds paid brokerage commissions in connection with portfolio transactions during the years ended September 30, 2021 and 2020 amounting to:

	September 30, 2021	September 30, 2020
NCM Core Canadian	18,548	27,302
NCM Core Global	64,096	56,515

## 9. Securities lending transactions

NCM Core Canadian engages in securities lending. Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency, corporate debt or corporate commercial paper, convertible securities or cash that is not to be invested. The table below shows a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned by the Funds for the years ended September 30, 2021 and 2020.

### NCM Core Canadian

<i>(in Canadian dollars)</i>	2021		2020	
Gross securities lending income	1,317	100.0%	12,642	100.0%
Withholding taxes	(23)	(1.7)%	–	–%
Agent fees	(517)	(39.3)%	(5,056)	(40)%
Securities lending income	777	59.0%	7,586	60.0%

Security Lending <i>(in Canadian dollars)</i> :	2021	2020
Value of securities loaned	535,262	811,595
Value of collateral received	562,025	852,175

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