

For the six months ended March 31, 2022

MANAGEMENT REPORT OF FUND PERFORMANCE  
**NCM CORE INTERNATIONAL**  
**(FORMERLY, NCM CORE AMERICAN)**



# MANAGEMENT REPORT OF FUND PERFORMANCE NCM CORE INTERNATIONAL (FORMERLY, NCM CORE AMERICAN)

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

The Fund returned -4.9% in Canadian dollars during the six month period ending March 31, 2022. The Fund's benchmark, Morningstar Developed Markets ex-North America Target Market Exposure NR CAD, returned 4.4% in Canadian dollars over the same period. Therefore, the Fund underperformed the benchmark by 9.3%. The key factors driving the underperformance included the Fund's underweight position in the Energy sector and inferior stock selection.

Significant changes were made to the Fund during the period given a change in the mandate. During the period, the Fund made a switch from a U.S.-centric mandate to a mandate focused on developed markets outside of North America. As part of this change, the name of the Fund was changed from NCM Core American to NCM Core International.

There were changes to the Fund's sector allocation over the period. The Fund's weighting was increased in the Consumer Staples, Healthcare, Industrials, and Materials sectors. The Fund's weighting was reduced in the Communication Services, Financial Services, and the Information Technology sectors.

Stocks that contributed positively to the Fund's performance during the period included Abbott Labs, Alphabet, AON PLC,

Apple, Costco, Home Depot, Intuit, Keysight Technologies, Lowe's, Marsh & McLennan, Microsoft, Nike, S&P Global, Sherwin Williams, Thermo-Fisher Scientific, Union-Pacific, and UnitedHealth Group.

Detractors from performance during the period included Coloplast, Comcast, Dassault Systemes, DSV Panalpina, Essilor-Luxottica, Experian, Ferguson, Geberit, Givaudan, Howden Joinery, Kering, Keyence, L'Oreal, LVMH, Sika, Straumann, Teleperformance, and Visa.

Activity was very busy during the period given the change in the mandate as noted above. New holdings that were established during the period included AIA Group, Aon PLC, Air Liquide, Capgemini, Coloplast, Dassault Systemes, DSV Panalpina, Essilor-Luxottica, Experian, Ferguson PLC, Geberit, Givaudan, Howden Joinery, Kering, Keyence, L'Oreal, LVMH, Nestle, Novo Nordisk, PT Bank Central Asia, Roche, Safran, Schneider Electric, Sika, Straumann, and Teleperformance. Holdings that were eliminated during the period included Abbott Labs, Alphabet, American Express, Analog Devices, Apple, Bath & Body Works, Comcast, Constellation Brands, Costco, Crown Holdings, Emerson Electric, First Republic, Home Depot, Honeywell, Intuit, JPMorgan Chase, Keysight Technologies, Lowe's, Meta Platforms, Marsh & McLennan, Mastercard, Medtronic, Microsoft, Nike, S&P Global, Sherwin Williams, Thermo-Fisher Scientific, TJX Companies, Union Pacific, UnitedHealth Group, U.S. Bancorp, and Visa.

Global equity markets have generated negative returns on a year-to-date basis. The initial weakness in stocks was driven by concerns about rising inflation, which has recently reached levels not seen in 40 years. The attack in the Ukraine in late February exacerbated the weakness in global equity markets. Although the outcome of this war is uncertain, it will have significant implications for geopolitical stability, global supply chains, energy, inflation, globalization, economic growth, and interest rates. Although the Manager is concerned about the potential consequences in the near-term given the situation in the Ukraine, the Manager has a cautiously optimistic view for global equity markets over the medium to long term.

The net assets have decreased by 20.3% with net assets decreasing from \$11,574,249 to \$9,223,013, \$442,013 of this change is attributable to negative investment performance and \$1,909,223 was due to negative net contributions to the Fund.

## RECENT DEVELOPMENTS

On October 28, 2021, NCM Core American changed its name to NCM Core International. On that same date, approval was obtained to change the investment objectives to achieve long-term capital appreciation by investing primarily in publicly traded securities based outside of Canada and the United States, rather than investing primarily in U.S. equity securities. The Fund's reference index was updated to Morningstar Developed Markets ex-North America Target Market Exposure NR CAD.

## RELATED PARTY TRANSACTIONS

Management fees of \$58,993 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are 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 \$5,874 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, 2022, in the amount of \$10,618.

## 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	2022	2021	2020	2019	2018	2017
<b>Net Asset Value, beginning of period</b>	21.64	18.63	17.97	17.68	17.30	17.04
<b>Increase (decrease) from operations:</b>						
Total revenue	0.09	0.24	0.18	0.28	0.42	0.33
Total expenses	(0.42)	(0.64)	(0.57)	(0.56)	(0.53)	(0.56)
Realized gains (losses) for the period	8.72	1.81	0.35	(2.77)	(1.24)	2.34
Unrealized gains (losses) for the period	(9.44)	2.04	1.11	2.40	2.17	(1.79)
<b>Total increase (decrease) from operations</b>	(1.05)	3.45	1.07	(0.65)	0.82	0.32

Series A	2022	2021	2020	2019	2018	2017
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.07)	(0.42)	(0.42)	(0.39)	(0.35)	(0.32)
From capital gains	Nil	Nil	Nil	(0.04)	(0.04)	(0.11)
<b>Total distributions <sup>(2)</sup></b>	(0.07)	(0.42)	(0.42)	(0.43)	(0.39)	(0.43)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	20.39	21.64	18.63	17.97	17.68	17.30

Series F	2022	2021	2020	2019	2018	2017
<b>Net Asset Value, beginning of period</b>	25.51	21.74	20.73	20.18	19.56	19.06
<b>Increase (decrease) from operations:</b>						
Total revenue	0.11	0.28	0.16	0.45	0.43	0.37
Total expenses	(0.34)	(0.50)	(0.42)	(0.46)	(0.40)	(0.42)
Realized gains (losses) for the period	10.30	2.16	0.50	(3.75)	(1.33)	2.61
Unrealized gains (losses) for the period	(11.21)	2.26	1.45	2.45	2.44	(2.06)
<b>Total increase (decrease) from operations</b>	(1.14)	4.20	1.69	(1.31)	1.14	0.50
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.08)	(0.49)	(0.49)	(0.44)	(0.40)	(0.35)
From capital gains	Nil	Nil	Nil	(0.04)	(0.04)	(0.12)
<b>Total distributions <sup>(2)</sup></b>	(0.08)	(0.49)	(0.49)	(0.48)	(0.44)	(0.47)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	24.19	25.51	21.74	20.73	20.18	19.56

Series R	2022	2021	2020 <sup>(4)</sup>
<b>Net Asset Value, beginning of period</b>	27.37	23.12	23.89
<b>Increase (decrease) from operations:</b>			
Total revenue	0.12	0.30	0.50
Total expenses	(0.23)	(0.32)	(0.19)
Realized gains (losses) for the period	10.88	2.37	(0.84)
Unrealized gains (losses) for the period	(11.67)	2.27	0.22
<b>Total increase (decrease) from operations</b>	(0.90)	4.62	(0.31)
<b>Distributions:</b>			
From income	Nil	Nil	Nil
From dividends	(0.09)	(0.52)	(0.34)
From capital gains	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	(0.09)	(0.52)	(0.34)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	26.08	27.37	23.12

## FINANCIAL HIGHLIGHTS (continued)

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

Series Z	2022	2021 <sup>(5)</sup>
<b>Net Asset Value, beginning of period</b>	27.38	21.19
<b>Increase (decrease) from operations:</b>		
Total revenue	0.12	0.21
Total expenses	(0.22)	(0.22)
Realized gains (losses) for the period	11.01	1.27
Unrealized gains (losses) for the period	(12.11)	2.00
<b>Total increase (decrease) from operations</b>	<b>(1.20)</b>	<b>3.26</b>
<b>Distributions:</b>		
From income	Nil	Nil
From dividends	(0.09)	(0.39)
From capital gains	Nil	Nil
<b>Total distributions<sup>(2)</sup></b>	<b>(0.09)</b>	<b>(0.39)</b>
<b>Net Asset Value, end of period<sup>(3)</sup></b>	<b>26.10</b>	<b>27.38</b>

(1) This information is as at March 31, 2022 for the current period, September 30, 2021, 2020, 2019, 2018, and October 31, 2017. 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 International Series R commenced operations February 11, 2020.

(5) NCM Core International Series Z commenced operations January 19, 2021.

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

Series A	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	4,603	6,588	6,407	7,852	16,519	25,649
Number of shares outstanding (000's)	226	304	344	437	934	1,482
Management expense ratio (MER) <sup>(2)</sup>	2.99%	2.95%	2.97%	2.88%	2.71%	2.66%
MER before waivers or absorptions <sup>(2)</sup>	3.20%	2.95%	2.97%	2.88%	2.71%	2.66%
Portfolio turnover rate <sup>(3)</sup>	96.21%	23.21%	50.67%	173.15%	130.63%	172.22%
Trading expense ratio <sup>(4)</sup>	0.73%	0.05%	0.05%	0.28%	0.32%	0.27%
Net asset value per share	20.39	21.64	18.63	17.97	17.68	17.30

Series F	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	2,412	2,609	3,009	4,880	14,193	20,220
Number of shares outstanding (000's)	100	102	138	235	703	1,034
Management expense ratio (MER) <sup>(2)</sup>	1.85%	1.83%	1.86%	1.78%	1.62%	1.56%

Series F	2022	2021	2020	2019	2018	2017
MER before waivers or absorptions <sup>(2)</sup>	2.06%	1.83%	1.86%	1.78%	1.62%	1.56%
Portfolio turnover rate <sup>(3)</sup>	96.21%	23.21%	50.67%	173.15%	130.63%	172.22%
Trading expense ratio <sup>(4)</sup>	0.73%	0.05%	0.05%	0.28%	0.32%	0.27%
Net asset value per share	24.19	25.51	21.74	20.73	20.18	19.56

Series R	2022	2021	2020 <sup>(5)</sup>
Net Assets (000's of \$)	1,446	1,580	1,969
Number of shares outstanding (000's)	55	58	85
Management expense ratio (MER) <sup>(2)</sup>	0.92%	0.89%	0.82%
MER before waivers or absorptions <sup>(2)</sup>	1.13%	0.89%	0.82%
Portfolio turnover rate <sup>(3)</sup>	96.21%	23.21%	50.67%
Trading expense ratio <sup>(4)</sup>	0.73%	0.05%	0.05%
Net asset value per share	26.08	27.37	23.12

Series Z	2022	2021 <sup>(6)</sup>
Net Assets (000's of \$)	761	797
Number of shares outstanding (000's)	29	29
Management expense ratio (MER) <sup>(2)</sup>	0.89%	0.86%
MER before waivers or absorptions <sup>(2)</sup>	1.10%	0.86%
Portfolio turnover rate <sup>(3)</sup>	96.21%	23.21%
Trading expense ratio <sup>(4)</sup>	0.73%	0.05%
Net asset value per share	26.10	27.38

(1) This information is provided as at March 31, 2022 for the current period, September 30, 2021, 2020, 2019, 2018, and October 31, 2017. 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 International Series R commenced operations February 11, 2020.

(6) NCM Core International Series Z commenced operations January 19, 2021.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.85% for Series A, and 0.85% for Series F, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fees are charged to Series Z;

## MANAGEMENT FEES (continued)

instead, the investors pay an annual flat management fee of \$1,000, per account, directly to the Manager. There is no management fee attached to Series R. For the period ended, March 31, 2022 management fees amounted to \$58,993. NCM paid servicing commissions of \$22,741 (i.e., 38.55%) from these management fees to investment dealers. NCM received fees for portfolio management and administrative services with respect to this Fund, as well as, all the other funds in the NCM group.

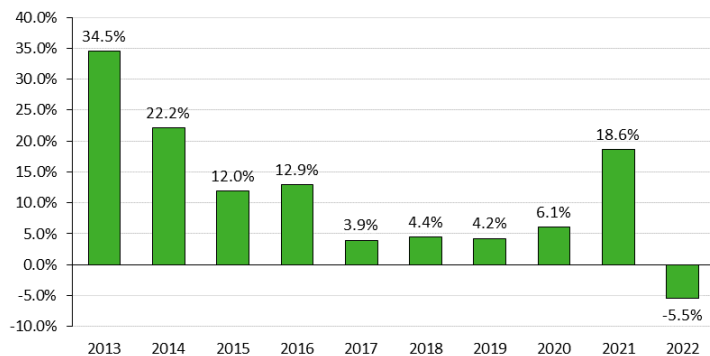
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund for its last 10 fiscal years as a public mutual fund. These charts reflect the performance you would have received if you invested in the fund on the first day of the year through the last day of the year.

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

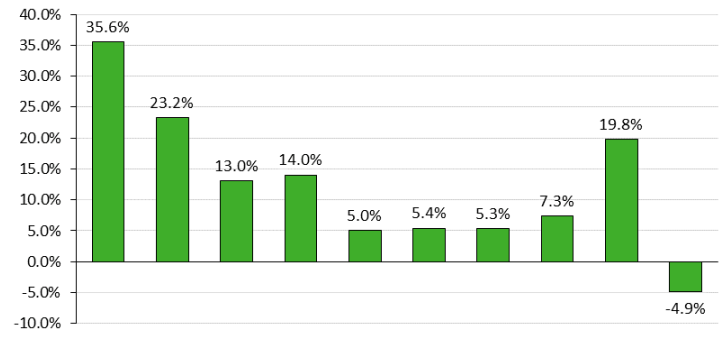
## YEAR BY YEAR RETURNS

### Series A



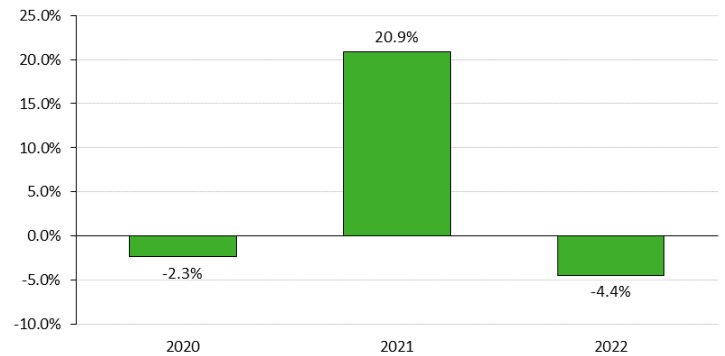
From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 until 2022 which is from October 1, 2021 to March 31, 2022.

### Series F



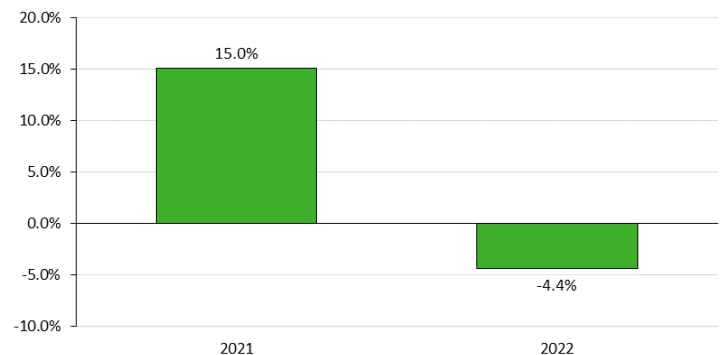
From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 until 2022 which is from October 1, 2021 to March 31, 2022.

### Series R



From February 12, 2020 to September 30, 2020 then October 1 to September 30 until 2022 which is from October 1, 2021 to March 31, 2022.

### Series Z



From January 19, 2021 to September 30, 2021 then October 1 to March 31 until 2022 which is from October 1, 2021 to March 31, 2022.

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to March 31, 2022 for each series of the Fund for the periods indicated. It also shows the returns of the Russell Microcap Total Return Index (in \$Cdn) from December 31, 2005 to December 31, 2009, the Russell Microcap Total Return Index (in local currency) until January 31, 2013 and the S&P1500 Total Return Index (in local currency) until April 30, 2020 and the S&P 500 Total Return Index (in local currency) until October 28, 2021 and Morningstar Developed Markets ex-North America Target Market Exposure NR CAD thereafter, which is the Fund's benchmark index.

	Series A	Series F	Series R	Series Z	Index
One year	4.5%	5.6%	6.6%	6.6%	0.4%
Three Year*	8.0%	9.2%			5.5%
Five Year*	4.1%	5.2%			5.4%
Ten Year*	10.5%	11.6%			8.7%
Since Inception* – Series A (December 31, 2005)	6.4%				2.9%
Since Inception* – Series F (December 31, 2005)		7.5%			2.9%
Since Inception* – Series R (February 12, 2020)			5.8%		3.0%
Since Inception* – Series Z (January 19, 2021)				8.3%	0.5%

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at March 31, 2022.

Investments	Percent of net assets
<b>Securities</b>	
Novo Nordisk AS, Series 'B'	5.7%
EssilorLuxottica SA	5.3%
Sika AG, Registered	5.0%
Accenture PLC, Class 'A'	4.7%
Diageo PLC, ADR	4.4%
Aon PLC	4.0%
Straumann AG, Registered	3.9%
Teleperformance	3.9%
Air Liquide SA	3.9%
DSV AS	3.8%
L'Oréal SA	3.8%
LVMH Moët Hennessy Louis Vuitton SE	3.5%
Capgemini SE	3.5%
Dassault Systemes SE	3.4%
Howden Joinery Group PLC	3.4%
Schneider Electric SE	3.2%
Givaudan SA, Registered	3.1%
AIA Group Ltd.	2.6%
Coloplast AS, Class 'B'	2.5%
PT Bank Central Asia TBK	2.3%
Ferguson PLC	2.3%
Geberit AG, Registered	2.2%
Nestlé SA, Registered	2.1%
Keyence Corp.	2.0%
Safran SA	2.0%
Other Securities	4.8%
<b>Total Securities</b>	<b>91.3%</b>
Cash and cash equivalents	8.6%
Other assets – net of liabilities	0.1%
<b>Total net asset value</b>	<b>100.0%</b>
<b>Industry Sectors</b>	
Materials	12.0%
Industrials	22.5%
Consumer Discretionary	10.1%
Consumer Staples	10.3%
Health Care	13.9%
Financials	8.9%
Information Technology	13.6%
Other	8.7%
<b>Total</b>	<b>100.0%</b>

## **SUMMARY OF INVESTMENT PORTFOLIO (continued)**

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 International is a class of NCM Opportunities Corp. 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).



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