

For the six months ended March 31, 2022

MANAGEMENT REPORT OF FUND PERFORMANCE

# NCM INCOME GROWTH CLASS



# MANAGEMENT REPORT OF FUND PERFORMANCE NCM INCOME GROWTH CLASS

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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

It has been over two years since the novel coronavirus (COVID-19) generated an economic global slowdown. No corner of the world was left untouched by its rapid spread. From overrun hospital intensive care units to stay at home orders, most of society felt the effects in one form or another. Unfortunately, many citizens around the globe, especially those in second or third world countries, continue to confront Covid's assault on their regular routines.

The story has improved for many first world countries. Vaccines are widely available to those that want them, governments have helped support businesses and individuals during lockdowns and many formerly unemployed individuals have found work. Society today is feeling as close to 2019 as it has in the past couple years.

As people returned to work, the economy has accelerated, especially for goods related businesses. Operating earnings for the S&P/TSX and S&P500 continue to grow, not only from the bottom of the cycle in 2020, but also for the period of this report – the past six months. As a result, payout ratios for S&P/TSX companies, as well as the NCM Income Growth Class (the "Fund"), have come down and this has enabled companies to increase dividends and fix their balance sheets. We believe dividends will become a bigger part of the total return equation in 2022.

Canada, as measured by the S&P TSX Composite Total Return Index, has seen returns of 10.5% and 20.2% for the six months and one-year periods ended March 31, 2022. The benchmark for the Fund has returned 7.4% and 15.1% over the same time periods noted above. The Fund itself underperformed, generating a 1.6% and 11.6% return for the six month and one-year periods. Since inception, the Fund's Series F has produced a 9.2% annualized return. Part of the underperformance is a result of being underweight commodity related stocks.

The Fund saw a slight increase in its Fixed Income weight over the six months, from 10.2% of the portfolio to 11.6%. We expect this to remain stable over the next reporting period. The Energy weight increased from 15.9% to 22.5% as a result of new positions and strong performance amongst portfolio companies. The Materials sector weight decreased from 7.1% to 4.0% because Intertape Polymer Group Incorporated entered into an arrangement agreement to be acquired by Clearlake Capital Group L.P. for US\$2.6 billion dollars. Other notable sector weight changes include the Industrials dropping from 16.1% to 13.9% primarily from Cervus Equipment Corporation being purchased by Brandt Tractor Limited for CAD\$302 million dollars and the Real Estate sector decreasing from 16% to 12% over the reporting period because of our decision to sell Altus Group Limited from the portfolio.

Our bottom-up approach emphasizes companies that are growing rapidly despite having inexpensive valuation characteristics. For example, the Fund, as of March 31, 2022, has a trailing return on equity of 16.9% as compared to the BMO Small Cap Equity Index of 9.1% and the S&P/TSX Composite Index of 14.7%, better earnings surprise numbers, and trades at a less expensive valuation as measured by the trailing price earnings multiple of 14.0x versus 20.1x and 16.8x respectively. We believe owning better quality companies at less expensive valuations will result in better performance over time when compared with the S&P/TSX and as noted by the Fund's since inception number.

The net assets have increased by 2.3% with net assets increasing from \$61,901,952 to \$63,344,933, \$854,559 of this change is attributable to positive investment performance and \$588,422 was due to positive net contributions to the Fund.

## RELATED PARTY TRANSACTIONS

Management fees of \$420,893 were paid to NCM Asset Management Ltd., the Fund's Manager and Portfolio Manager. Management fees are 1.65% for the Series A, 1% for the Series F and Series F6, and 2% for the Series AA and Series T6, of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$36,926 were paid to NCM. Administration fees are charged by NCM at or below cost. They relate to accounting, trading, record keeping, compliance and other administrative costs.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund's 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>	15.22	11.34	12.49	13.36	13.62	13.33
<b>Increase (decrease) from operations:</b>						
Total revenue	0.25	0.41	0.42	0.54	0.54	0.58
Total expenses	(0.17)	(0.32)	(0.27)	(0.29)	(0.28)	(0.30)
Realized gains (losses) for the period	0.73	0.92	(1.04)	0.73	0.84	0.83
Unrealized gains (losses) for the period	(0.64)	3.45	0.11	(1.37)	(0.76)	(0.12)
<b>Total increase (decrease) from operations</b>	0.17	4.46	(0.78)	(0.39)	0.34	0.99
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.30)	(0.52)	(0.56)	(0.57)	(0.60)	(0.54)
From capital gains	Nil	Nil	Nil	(0.06)	(0.06)	(0.18)
<b>Total distributions <sup>(2)</sup></b>	(0.30)	(0.52)	(0.56)	(0.63)	(0.66)	(0.72)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	15.11	15.22	11.34	12.49	13.36	13.62

Series F	2022	2021	2020	2019	2018	2017
<b>Net Asset Value, beginning of period</b>	17.19	12.73	13.91	14.78	14.97	14.56
<b>Increase (decrease) from operations:</b>						
Total revenue	0.28	0.47	0.47	0.60	0.60	0.65
Total expenses	(0.14)	(0.26)	(0.22)	(0.23)	(0.22)	(0.24)
Realized gains (losses) for the period	0.90	1.07	(1.17)	0.85	0.94	0.94
Unrealized gains (losses) for the period	(0.74)	3.66	0.15	(1.61)	(0.80)	(0.15)
<b>Total increase (decrease) from operations</b>	0.30	4.94	(0.77)	(0.39)	0.52	1.20
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.34)	(0.58)	(0.62)	(0.63)	(0.66)	(0.59)
From capital gains	Nil	Nil	Nil	(0.07)	(0.07)	(0.20)
<b>Total distributions <sup>(2)</sup></b>	(0.34)	(0.58)	(0.62)	(0.70)	(0.73)	(0.79)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	17.13	17.19	12.73	13.91	14.78	14.97

Series I	2022	2021	2020	2019	2018	2017
<b>Net Asset Value, beginning of period</b>	19.07	13.97	15.10	15.87	15.90	15.30
<b>Increase (decrease) from operations:</b>						
Total revenue	0.28	0.55	0.52	0.61	0.63	0.66
Total expenses	(0.04)	(0.09)	(0.08)	(0.08)	(0.07)	(0.08)
Realized gains (losses) for the period	0.69	1.61	(1.29)	1.70	1.00	0.93
Unrealized gains (losses) for the period	(0.69)	3.07	0.43	(4.34)	(0.88)	(0.06)
<b>Total increase (decrease) from operations</b>	0.24	5.14	(0.42)	(2.11)	0.68	1.45
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.38)	(0.64)	(0.68)	(0.68)	(0.70)	(0.62)
From capital gains	Nil	Nil	Nil	(0.07)	(0.07)	(0.21)
<b>Total distributions <sup>(2)</sup></b>	(0.38)	(0.64)	(0.68)	(0.75)	(0.77)	(0.83)
<b>Net Asset Value, end of period <sup>(3)</sup></b>	19.11	19.07	13.97	15.10	15.87	15.90

## FINANCIAL HIGHLIGHTS (continued)

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

Series AA	2022	2021	2020	2019	2018	2017
<b>Net Asset Value, beginning of period</b>	14.47	10.85	12.01	12.93	13.25	13.02
<b>Increase (decrease) from operations:</b>						
Total revenue	0.23	0.40	0.40	0.52	0.51	0.57
Total expenses	(0.18)	(0.35)	(0.30)	(0.33)	(0.31)	(0.35)
Realized gains (losses) for the period	0.70	0.90	(1.00)	0.70	0.80	0.81
Unrealized gains (losses) for the period	(0.60)	3.17	0.08	(1.35)	(0.77)	(0.11)
<b>Total increase (decrease) from operations</b>	0.15	4.12	(0.82)	(0.46)	0.23	0.92
<b>Distributions:</b>						
From income	Nil	Nil	Nil	Nil	Nil	Nil
From dividends	(0.30)	(0.52)	(0.56)	(0.57)	(0.60)	(0.54)
From capital gains	Nil	Nil	Nil	(0.06)	(0.06)	(0.18)
<b>Total distributions<sup>(2)</sup></b>	(0.30)	(0.52)	(0.56)	(0.63)	(0.66)	(0.72)
<b>Net Asset Value, end of period<sup>(3)</sup></b>	14.33	14.47	10.85	12.01	12.93	13.25

Series T6	2022	2021	2020	2019	2018 <sup>(4)</sup>
<b>Net Asset Value, beginning of period</b>	13.87	10.61	11.93	12.90	12.45
<b>Increase (decrease) from operations:</b>					
Total revenue	0.23	0.43	0.40	0.52	0.28
Total expenses	(0.18)	(0.35)	(0.30)	(0.33)	(0.16)
Realized gains (losses) for the period	0.72	0.86	(1.12)	0.65	0.45
Unrealized gains (losses) for the period	(0.69)	1.83	0.78	(1.12)	0.63
<b>Total increase (decrease) from operations</b>	0.08	2.77	(0.24)	(0.28)	1.20
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	(0.06)	Nil
Return of capital	(0.40)	(0.76)	(0.70)	(0.61)	(0.38)
<b>Total distributions<sup>(2)</sup></b>	(0.40)	(0.76)	(0.70)	(0.67)	(0.38)
<b>Net Asset Value, end of period<sup>(3)</sup></b>	13.62	13.87	10.61	11.93	12.90

Series F6	2022	2021	2020	2019	2018 <sup>(5)</sup>
<b>Net Asset Value, beginning of period</b>	16.39	12.42	13.81	14.76	14.15
<b>Increase (decrease) from operations:</b>					
Total revenue	0.28	0.45	0.43	0.60	0.13
Total expenses	(0.13)	(0.25)	(0.21)	(0.23)	(0.05)
Realized gains (losses) for the period	0.77	1.04	(1.73)	0.75	0.25
Unrealized gains (losses) for the period	(0.92)	3.62	(1.68)	(1.30)	0.44
<b>Total increase (decrease) from operations</b>	-	4.86	(3.19)	(0.18)	0.77
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	(0.07)	Nil
Return of capital	(0.47)	(0.89)	(0.82)	(0.70)	(0.21)
<b>Total distributions<sup>(2)</sup></b>	(0.47)	(0.89)	(0.82)	(0.77)	(0.21)
<b>Net Asset Value, end of period<sup>(3)</sup></b>	16.17	16.39	12.42	13.81	14.76

(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) 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) Series T6 commenced operations April 10, 2018

(5) Series F6 commenced operations July 16, 2018.

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

Series A	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	11,825	12,536	10,826	14,043	19,652	24,616
Number of shares outstanding (000's)	783	824	954	1,125	1,471	1,807
Management expense ratio (MER) <sup>(2)</sup>	2.24%	2.28%	2.34%	2.25%	2.18%	2.16%
MER before waivers or absorptions <sup>(2)</sup>	2.24%	2.28%	2.34%	2.25%	2.18%	2.16%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%	24.69%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%	0.10%
Net asset value per share	15.11	15.22	11.34	12.49	13.36	13.62

## FINANCIAL HIGHLIGHTS (continued)

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

Series F	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	29,126	23,205	16,126	22,034	31,641	32,452
Number of shares outstanding (000's)	1,701	1,350	1,267	1,584	2,141	2,167
Management expense ratio (MER) <sup>(2)</sup>	1.56%	1.60%	1.66%	1.57%	1.51%	1.49%
MER before waivers or absorptions <sup>(2)</sup>	1.56%	1.60%	1.66%	1.57%	1.51%	1.49%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%	24.69%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%	0.10%
Net asset value per share	17.13	17.19	12.73	13.91	14.78	14.97

Series I	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	3,197	7,084	608	637	2,995	3,722
Number of shares outstanding (000's)	167	371	44	42	189	234
Management expense ratio (MER) <sup>(2)</sup>	0.44%	0.48%	0.54%	0.46%	0.40%	0.37%
MER before waivers or absorptions <sup>(2)</sup>	0.44%	0.48%	0.54%	0.46%	0.40%	0.37%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%	24.69%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%	0.10%
Net asset value per share	19.11	19.07	13.97	15.10	15.87	15.90

Series AA	2022	2021	2020	2019	2018	2017
Net Assets (000's of \$)	18,120	18,325	14,396	19,956	25,830	37,629
Number of shares outstanding (000's)	1,265	1,266	1,327	1,661	1,998	2,840
Management expense ratio (MER) <sup>(2)</sup>	2.61%	2.65%	2.72%	2.63%	2.59%	2.58%
MER before waivers or absorptions <sup>(2)</sup>	2.61%	2.65%	2.72%	2.63%	2.59%	2.58%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%	24.69%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%	0.10%
Net asset value per share	14.33	14.47	10.85	12.01	12.93	13.25

Series T6	2022	2021	2020	2019	2018 <sup>(5)</sup>
Net Assets (000's of \$)	929	690	101	99	87
Number of shares outstanding (000's)	68	50	10	8	7
Management expense ratio (MER) <sup>(2)</sup>	2.62%	2.66%	2.74%	2.67%	2.73%
MER before waivers or absorptions <sup>(2)</sup>	2.62%	2.66%	2.74%	2.67%	2.73%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%
Net asset value per share	13.62	13.87	10.61	11.93	12.90

Series F6	2022	2021	2020	2019	2018 <sup>(6)</sup>
Net Assets (000's of \$)	147	62	47	53	56
Number of shares outstanding (000's)	9	4	4	4	4
Management expense ratio (MER) <sup>(2)</sup>	1.60%	1.65%	1.70%	1.62%	1.50%
MER before waivers or absorptions <sup>(2)</sup>	1.60%	1.65%	1.70%	1.62%	1.50%
Portfolio turnover rate <sup>(3)</sup>	16.14%	39.66%	22.72%	21.71%	20.35%
Trading expense ratio <sup>(4)</sup>	0.05%	0.06%	0.10%	0.11%	0.09%
Net asset value per share	16.17	16.39	12.42	13.81	14.76

(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 the Funds total expenses for the stated period including the Funds proportionate share of the expenses of the underlying funds and is expressed as an annualized percentage of daily average net asset value of the period. As such, the MERs presented for the Funds is all-inclusive and includes the portion of MERs of the other funds attributable to the investment.

(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) Series T6 commenced operations April 10, 2018.

(6) Series F6 commenced operations July 16, 2018.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.65% for Series A, 1% for Series F and Series F6, and 2% for Series AA and Series T6, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fee is charged to Series I; instead, the investors pay a management fee directly to the Manager, in an amount determined through negotiation with the Manager. For the period ended March 31, 2022, management fees amounted to \$420,893. NCM paid servicing commissions of \$119,738 (i.e., 28.45%) 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.

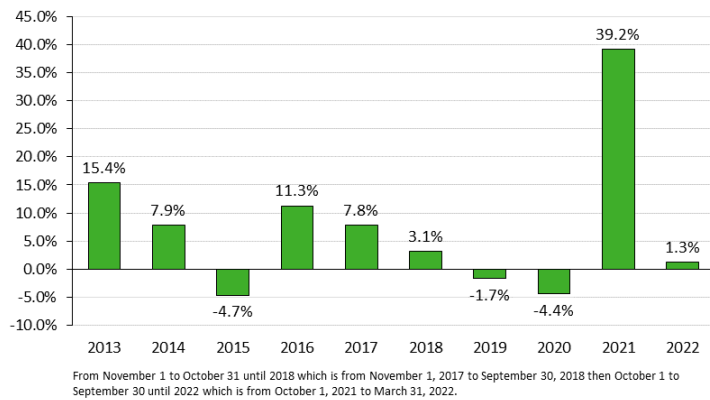
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund 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.

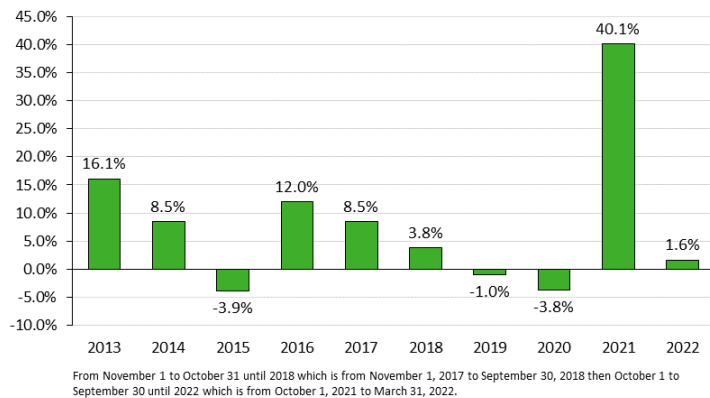
The charts assume that all distributions made by the Fund in the periods shown are reinvested in additional securities of the Fund. They do not take into account sales, redemptions, distributions or other optional charges, which would have reduced returns or performance. Each year the Fund's performance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

## YEAR BY YEAR RETURNS

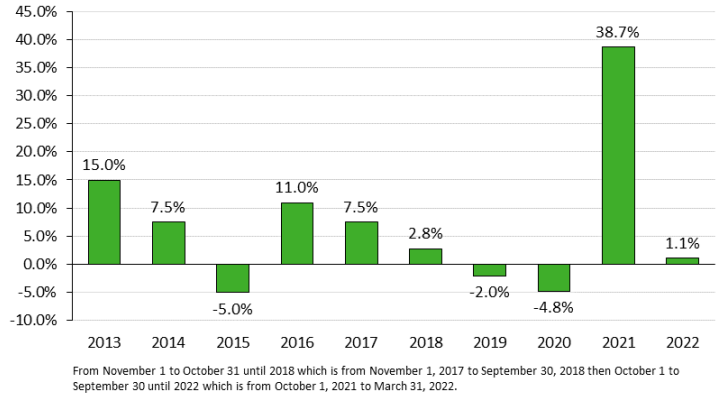
### Series A



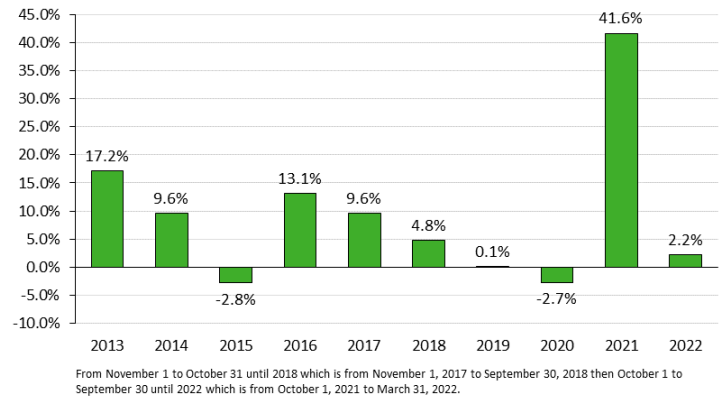
### Series F



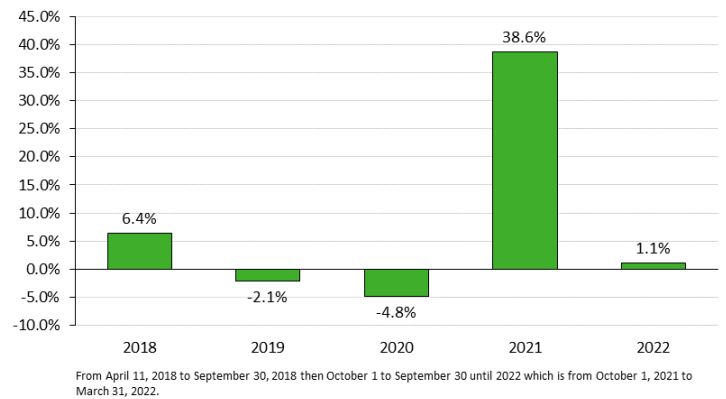
### Series AA



### Series I

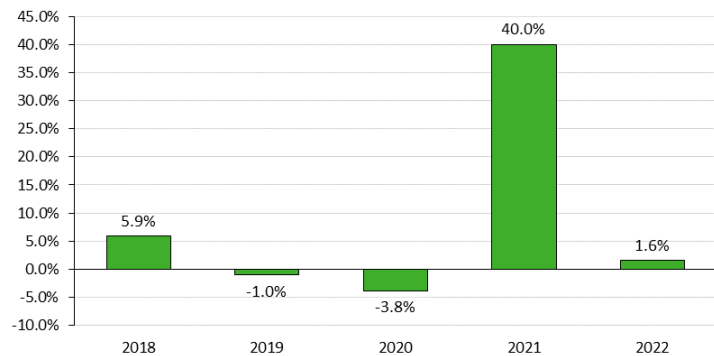


### Series T6



## YEAR BY YEAR RETURNS (continued)

### Series F6



From July 16, 2018 to September 30, 2018 then October 1 to September 30 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 for the S&P/TSX Income Trust Total Return Index until December 31, 2010, which was the Fund's benchmark index. Thereafter, the index became a combination of the S&P/TSX Composite Total Return Index (75%) and the FTSE TMX Canada Universe Bond Index (25%).

	Series A		Series AA		Series T6		Series F6		Index
	A	Series F	AA	Series I	T6	F6	F6		
One year	10.9%	11.6%	10.5%	12.9%	10.5%	11.6%	11.6%	15.1%	
Three Year*	11.3%	12.1%	10.9%	13.4%	10.9%	12.1%	12.1%	11.3%	
Five Year*	7.0%	7.7%	6.6%	8.9%				8.5%	
Ten Year*	7.2%	7.9%	6.8%	9.0%				7.6%	
Since Inception* – Series A (December 31, 2005)	8.5%							6.6%	
Since Inception* – Series F (December 31, 2005)		9.2%						6.6%	
Since Inception* – Series B (June 30, 2011)			6.8%					6.9%	
Since Inception* – Series I (March 29, 2012)				9.1%				7.6%	
Since Inception* – Series T6 (April 11, 2018)					8.7%			10.5%	
Since Inception* – Series F6 (July 16, 2018)						10.2%		9.3%	

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

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

Securities	Percent of net assets
Whitecap Resources Inc.	5.7%
Tourmaline Oil Corp.	5.0%
Hardwoods Distribution Inc.	4.8%
Topaz Energy Corp.	4.5%
Alaris Equity Partners Income	4.2%
goeasy Ltd.	3.9%
CT REIT	3.6%
Information Services Corp., Class 'A'	3.4%
Mullen Group Ltd.	3.4%
Dexterra Group Inc.	3.3%
Canadian Tire Corp. Ltd., Class 'A'	3.2%
Parkland Corp.	3.0%
Superior Plus Corp.	2.9%
Toronto-Dominion Bank (The)	2.9%
Granite REIT	2.8%
NCM Core Income Fund, Series 'I'	2.8%
Royal Bank of Canada	2.5%
LifeWorks Inc.	2.4%
Gibson Energy Inc.	2.3%
Bank of Montreal	2.3%
Bank of Nova Scotia	2.2%
FirstService Corp.	2.2%
Sleep Country Canada Holdings Inc.	2.1%
Martinrea International Inc.	2.1%
Intertape Polymer Group Inc.	2.0%
Other Securities	12.8%
<b>Total Securities</b>	<b>92.3%</b>
<b>Other</b>	
Cash	6.3%
Derivative assets (liabilities)	0.1%
Other assets - net of liabilities	1.3%
<b>Total net asset value</b>	<b>100.0%</b>
<b>Industry Sectors</b>	
Energy	22.5%
Materials	4.0%
Industrials	13.9%
Financials	18.0%
Consumer Discretionary	7.4%
Utilities	2.9%
Real Estate	12.0%
Bonds	7.6%
Exchange Traded Funds	1.2%
Mutual Funds	2.8%
Other	7.7%
<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 Income Growth Class 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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