



**REPORT OF THE INDEPENDENT REVIEW COMMITTEE
TO THE SECURITYHOLDERS OF NCM NORREP FUND, NCM HIGH INCOME FUND, NCM CANADIAN
ENHANCED EQUITY FUND, NCM SHORT TERM INCOME FUND, NCM MARKET NEUTRAL INCOME
FUND, NCM CONSERVATIVE INCOME PORTFOLIO, NCM BALANCED INCOME PORTFOLIO, NCM
GROWTH & INCOME PORTFOLIO, ARCS OF FIRE TACTICAL BALANCED FUND, NCM OPPORTUNITIES
CORP. and NCM CORE PORTFOLIOS LTD.**

YEAR ENDED SEPTEMBER 30, 2018

Introduction

The Independent Review Committee (the “IRC”) of NCM Norrep Fund, NCM High Income Fund, NCM Canadian Enhanced Equity Fund, NCM Short Term Income Fund, NCM Market Neutral Income Fund, NCM Conservative Income Portfolio, NCM Balanced Income Portfolio, NCM Growth & Income Portfolio, Arcs of Fire Tactical Balanced Fund, NCM Opportunities Corp. and NCM Core Portfolios Ltd. (the “Funds”) is making its annual report to security holders for the period ending September 30, 2018, as required under National Instrument 81-107 *Independent Review Committee for Investment Funds*.

NCM Asset Management Ltd. (formerly called Hesperian Capital Management Ltd. & Norrep Capital Management Ltd), in its role as manager of the Funds under NI 81-107 (the “Manager”), appointed the initial members of the IRC on October 23, 2007 and the IRC became operational on November 1, 2007. Following an internal corporate reorganization that resulted in the change of name of the Manager and a technical change in control of the Manager under applicable securities laws, the members of the IRC were removed as members of the IRC effective at the closing of the reorganization on December 1, 2014, and were immediately thereafter reappointed by the Manager. This process was repeated again on May 1, 2018 with the merger of NCM Asset Management, Perron & Partners Wealth Management, and Cumberland Private Wealth Management and the subsequent change of control.

Mandate of the IRC

The mandate of the IRC is to review and provide input to the Manager on conflicts of interest matters and to review and provide its decision to the Manager on such conflicts. The Manager is required under NI 81-107 to identify conflicts of interest, and potential conflicts of interest, inherent in its management of the Funds and request input from the IRC on how it manages those conflicts of interest.

Certain matters require the IRC’s prior approval; however, in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action provides a fair and reasonable result for the Funds. For recurring conflicts, the IRC provides the Manager with standing instructions on how the conflict should be managed (“Standing Instructions”).

Members of the Independent Review Committee

Each member of the IRC is independent of the Funds, the Manager and other companies related to the Manager. During the period, except as noted above under “Introduction”, there were no changes in the composition of the IRC and there were no relationships that may cause a reasonable person to question a member’s independence. The members of the IRC are not members of any other independent review committees.

Name	Residence	Length of Service (First Appointed)
James B. Rooney, Q.C. (Chair)	Calgary, Alberta	October 23, 2007
Michael P. Robinson, C.M.	Vancouver, British Columbia	October 23, 2007
Ian T. Brown, BSc., P. Geol, ICD.D	Calgary, Alberta	October 23, 2007

The IRC meets regularly with representatives of the Manager, and also holds meetings without representatives of the Manager being present, to discuss matters affecting the Manager’s policies and procedures, standing instructions and conflict of interest matters referred to the IRC. During the period from November 1, 2017 to September 30, 2018, the IRC held four meetings with representatives of the Manager. A portion of each meeting was reserved for discussion without the representatives of the Manager being present.

Holding of Securities

As at September 30, 2018, the members of the IRC did not beneficially own, directly or indirectly, in aggregate, in excess of 10% of the outstanding shares or units of any series of the Funds.

As at September 30, 2018, no member of the IRC beneficially owned, directly or indirectly, any class of voting or equity securities of NCM Asset Management Ltd.

As at September 30, 2018, no member of the IRC beneficially owned, directly or indirectly, any class of voting or equity securities of any service provider to the Funds or the Manager.

Compensation and Indemnities

The members of the IRC are entitled to be compensated by the Funds and to be indemnified by the Funds in appropriate circumstances. The aggregate compensation and expenses paid by the Funds to the IRC for the period November 1, 2017 to September 30, 2018 was \$99,152.78. This amount was allocated pro rata amongst the Funds.

No indemnities were paid to the IRC by the Funds during the period.

The initial compensation of the Independent Review Committee was set by the Manager. The IRC reviews and determines its own compensation on an annual basis. In deciding what the appropriate level of compensation is, the IRC considers the work load of the IRC and contribution made by each of its members, the complexity and difficulty of the tasks undertaken by the IRC, and the value brought by the IRC to the Funds, including cost savings.

Conflict of Interest Matters

During the period of November 1, 2017 to September 30, 2018, the IRC is not aware of any instance in which the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation. The Manager has the obligation to notify the IRC of any such instance.

During the period of November 1, 2017 to September 30, 2018, the IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval. The Manager has the obligation to notify the IRC of any such instance. The IRC is obligated to notify the applicable securities regulatory authority in such a case.

Standing Instructions

The IRC has approved Standing Instructions, which constitute a written approval or recommendation from the IRC that permits the Manager to proceed with specific action(s) set out in the Standing Instructions on an ongoing basis, without having to refer the conflict of interest to the IRC, provided the Manager complies with the terms and conditions of the Standing Instructions.

The following approvals and Standing Instructions of the IRC were provided to the Manager for the period of November 1, 2017 to September 30, 2018.

Approvals with Standing Instructions

During the period, the Manager followed the approval and standing instructions made by the IRC to allow certain Funds to purchase securities from, or sell securities to, another Fund managed by the Manager (referred to as inter-fund trades). The standing instruction requires the Manager to comply with the inter-fund trade provisions of National Instrument 81-107 and to report on a specified basis to the IRC.

During the period, the Manager followed the approval and standing instructions made by the IRC to allow Norrep Short Duration 2017 Flow-Through Limited Partnership to transfer its assets to NCM Energy Plus Class of NCM Opportunities Corp. in exchange for shares of NCM Energy Plus Class. The standing instruction requires that the Manager comply with the conflicts of interest policies and procedures regarding rollover transactions and to report on a specified basis to the IRC.

The IRC reviewed each of the proposed Mergers in table below and provided the Manager with a recommendation

Terminating Fund	Continuing Fund
NCM High Income Fund	NCM Conservative Income Portfolio
NCM Premium Growth Class	NCM Balanced Income Portfolio
NCM Tactical Opportunities Class	NCM Growth & Income Portfolio

The above Mergers were completed on October 31, 2018.

NCM Investment Funds Served by the IRC

NCM Norrep Fund

Funds within NCM Opportunities Corp.:

- NCM Small Companies Class
- NCM Income Growth Class
- NCM U.S. Dividend Plus Class
- NCM Energy Plus Class
- NCM Entrepreneurs Class
- NCM Global Income Growth Class
- NCM Tactical Opportunities Class

Funds within NCM Core Portfolios Ltd.:

- NCM Premium Growth Class
- NCM Core Canadian Class
- NCM Core Global Class

NCM Short Term Income Fund

NCM High Income Fund

Norrep Short Duration 2017 Flow-Through Limited Partnership

NCM Market Neutral Income Fund

NCM Canadian Enhanced Equity Fund

Arcs of Fire Tactical Balanced Fund

Dated: December 10, 2018

ON BEHALF OF THE INDEPENDENT REVIEW COMMITTEE

(Signed) "James B. Rooney"

James B. Rooney, Q.C. (Chair)