

March 31, 2019

INTERIM FINANCIAL STATEMENTS OF  
NCM CORE  
PORTFOLIOS LTD.

• NCM Core Canadian • NCM Core Global



## TO THE SHAREHOLDERS OF NCM CORE PORTFOLIOS LTD.

These unaudited interim financial statements are as at March 31, 2019. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and include statements of financial position as at March 31, 2019 and September 30, 2018, statements of comprehensive income, changes in net assets attributable to shareholders, and cash flows for the six months ended March 31, 2019 and 2018; and notes to the interim financial statements, comprising a summary of significant accounting policies, schedule of investment portfolio and other explanatory information.

The accompanying interim financial statements have not been reviewed by the external auditors of the Fund. The external auditors will be auditing the annual financial statements of the Fund prepared in accordance with IFRS.

We would be pleased to respond to any inquiries regarding this Fund.

NCM Core Portfolios Ltd.  
May 30, 2019

# NCM CORE CANADIAN


Interim Statements of Financial Position  
(unaudited)

*(in Canadian dollars, except shares outstanding)*

As at	March 31 2019	September 30 2018
<b>Assets</b>		
Cash and cash equivalents	2,205,495	2,028,899
Dividends and interest receivable	64,995	44,309
Due from Manager (note 7)	17,500	66,700
Portfolio assets sold	31,045	82,685
Shares issued	2,900	–
Investments, at fair value through profit or loss	18,946,227	15,130,002
<b>Total assets</b>	<b>21,268,162</b>	<b>17,352,595</b>
<b>Liabilities</b>		
Accrued expenses (note 7)	52,000	52,900
Dividends payable on investments sold short	4,647	1,538
Portfolio assets purchased	257,148	372,273
Shares redeemed	70,000	68,391
Investments - short, at fair value through profit or loss	1,381,596	1,188,734
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>1,765,391</b>	<b>1,683,836</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>19,502,771</b>	<b>15,668,759</b>
Net assets attributable to holders of redeemable shares:		
Series A	7,702,333	8,041,901
Series F	4,397,834	4,800,201
Series R	5,235,838	–
Series Z	2,166,766	2,826,657
Redeemable shares outstanding (note 6):		
Series A	247,386	257,477
Series F	136,774	149,624
Series R	160,649	–
Series Z	66,478	87,257
Net assets attributable to holders of redeemable shares per share:		
Series A	31.13	31.23
Series F	32.15	32.08
Series R	32.59	–
Series Z	32.59	32.39

See accompanying notes to interim financial statements.

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

  
\_\_\_\_\_  
Alex Sasso

  
\_\_\_\_\_  
Keith Leslie

# NCM CORE CANADIAN

Interim Statements of Comprehensive Income (Loss)  
(unaudited)

Six months ended March 31, 2019 and 2018

*(in Canadian dollars)*

	2019	2018
Dividend income	273,393	189,396
Interest for distribution purposes	15,249	12,499
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	(465,361)	524,005
Net change in unrealized appreciation (depreciation) in fair value of investments	565,994	(683,922)
Total investment revenue (loss)	389,275	41,978
Management fees (note 7)	82,040	89,991
Dividend expense on investments sold short	21,257	12,070
Custodian and record keeping fees	18,054	20,797
Transaction costs	16,275	9,050
Administrative fees (note 7)	12,343	10,958
HST/GST	10,927	12,077
Legal and filing fees	10,810	10,215
Audit and tax fees	7,446	7,733
Risk management fees	6,223	5,711
Other	2,683	1,052
Computer services	2,560	2,490
Independent review committee	1,124	1,120
Operating expense recovery (note 7)	(17,500)	(33,525)
Total operating expenses	174,242	149,739
Increase (decrease) in net assets attributable to holders of redeemable shares	215,033	(107,761)
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	(40,550)	(45,161)
Series F	(11,321)	(27,151)
Series R	281,042	-
Series Z	(14,138)	(35,449)
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	(0.16)	(0.17)
Series F	(0.09)	(0.18)
Series R	2.44	-
Series Z	(0.19)	(0.71)

See accompanying notes to interim financial statements.

# NCM CORE CANADIAN

## Interim Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares (unaudited)

Six months ended March 31, 2019 and 2018

(in Canadian dollars)

	All Series		Series A		Series F		Series R		Series Z	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	15,668,759	13,348,192	8,041,901	8,297,697	4,800,201	4,028,269	-	-	2,826,657	1,022,226
Increase (decrease) in net assets, attributable to holders of redeemable shares	215,033	(107,761)	(40,550)	(45,161)	(11,321)	(27,151)	281,042	-	(14,138)	(35,449)
Transactions attributable to holders of redeemable shares:										
Issuance of shares	5,533,193	3,123,377	278,507	647,287	171,920	1,276,089	5,055,102	-	27,664	1,200,001
Reinvestment of dividends	-	197,929	-	122,135	-	66,070	-	-	-	9,724
Amounts paid on redemptions	(1,914,214)	(996,877)	(577,525)	(780,305)	(562,966)	(211,557)	(100,306)	-	(673,417)	(5,015)
	3,618,979	2,324,429	(299,018)	(10,883)	(391,046)	1,130,602	4,954,796	-	(645,753)	1,204,710
Dividends declared:										
From dividend income	-	(218,259)	-	(127,135)	-	(74,923)	-	-	-	(16,201)
	-	(218,259)	-	(127,135)	-	(74,923)	-	-	-	(16,201)
Net assets attributable to holders of redeemable shares, end of period	19,502,771	15,346,601	7,702,333	8,114,518	4,397,834	5,056,797	5,235,838	-	2,166,766	2,175,286
Dividends per share to holders of redeemable shares:										
From dividend income			-	0.49	-	0.50	-	-	-	0.50

See accompanying notes to interim financial statements.

# NCM CORE CANADIAN

Interim Statements of Cash Flows  
(unaudited)

Six months ended March 31, 2019 and 2018

*(in Canadian dollars)*

	2019	2018
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares	215,033	(107,761)
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	465,361	(524,005)
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(565,994)	683,922
Purchase of investments	(21,805,297)	(13,045,192)
Proceeds from the sale and maturity of investments	18,219,213	10,247,883
Dividends and interest receivable	(20,686)	1,499
Due from Manager	49,200	28,850
Accrued expenses	(900)	6,076
Dividends payable on investments sold short	3,109	1,295
<b>Net cash from (used in) operating activities</b>	<b>(3,440,961)</b>	<b>(2,707,433)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of redeemable shares	5,530,293	3,123,377
Amounts paid on redemption of redeemable shares	(1,912,605)	(992,251)
Distributions to holders of redeemable shares, net of reinvestments	—	(20,330)
<b>Net cash from (used in) financing activities</b>	<b>3,617,688</b>	<b>2,110,796</b>
Net increase (decrease) in cash and cash equivalents	176,727	(596,637)
Effect of exchange rates on cash and cash equivalents	(131)	(66)
Cash and cash equivalents at beginning of period	2,028,899	2,521,391
<b>Cash and cash equivalents at end of period</b>	<b>2,205,495</b>	<b>1,924,688</b>
Dividends received, net of withholding tax paid	252,707	190,895
Interest received	15,249	12,499
Dividend expenses on investments sold short	18,148	10,775

See accompanying notes to interim financial statements.

# NCM CORE CANADIAN

Schedule of Investment Portfolio  
(unaudited)

As at March 31, 2019

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CANADIAN EQUITIES - Long</b>				
<b>Communication Services</b>				
BCE Inc.	8,300	478,691	492,522	
Quebecor Inc., Class 'B'	12,300	325,740	402,948	
Rogers Communications Inc., Class 'B'	9,400	617,626	675,578	
		1,422,057	1,571,048	8.1%
<b>Consumer Discretionary</b>				
Canadian Tire Corp. Ltd., Class 'A'	2,700	403,352	388,773	
Gildan Activewear Inc.	8,500	356,119	408,425	
		759,471	797,198	4.1%
<b>Consumer Staples</b>				
Alimentation Couche-Tard Inc., Class 'B'	12,600	822,541	991,872	
Metro Inc., Class 'A'	12,000	584,532	590,400	
Premium Brands Holdings Corp.	2,300	174,754	177,100	
		1,581,827	1,759,372	9.0%
<b>Energy</b>				
North American Construction Group Ltd.	30,900	507,669	479,568	
Parkland Fuel Corp.	9,800	412,496	400,134	
TransCanada Corp.	8,000	446,730	480,160	
		1,366,895	1,359,862	7.0%
<b>Financials</b>				
goeasy Ltd.	11,900	503,961	485,044	
Home Capital Group Inc.	25,100	421,357	395,325	
Intact Financial Corp.	5,300	585,238	599,324	
Royal Bank of Canada	15,200	1,379,488	1,532,464	
Sun Life Financial Inc.	11,200	558,950	575,008	
Toronto-Dominion Bank (The)	15,400	1,178,470	1,116,808	
		4,627,464	4,703,973	24.1%
<b>Industrials</b>				
Aecon Group Inc.	34,400	614,560	599,936	
Badger Daylighting Ltd.	12,100	382,212	491,502	
Canadian National Railway Co.	5,900	659,545	705,817	
Magellan Aerospace Corp.	21,600	363,475	383,616	
TFI International Inc.	11,100	451,130	438,117	
Waste Connections Inc.	3,300	275,805	390,621	
		2,746,727	3,009,609	15.4%
<b>Information Technology</b>				
Constellation Software Inc.	600	508,559	679,500	
Open Text Corp.	11,300	508,572	579,803	
		1,017,131	1,259,303	6.5%
<b>Materials</b>				
Intertape Polymer Group Inc.	25,000	464,227	453,750	
Nutrien Ltd.	7,800	552,140	549,744	
		1,016,367	1,003,494	5.1%
<b>Real Estate</b>				
BTB REIT	82,300	338,077	393,394	
Morguard North American Residential REIT	21,600	373,238	396,360	

# NCM CORE CANADIAN

Schedule of Investment Portfolio (continued)  
(unaudited)

As at March 31, 2019

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Real Estate (continued)</b>				
Northview Apartment REIT	6,900	171,992	200,238	
Slate Retail REIT, Class 'U'	61,400	747,369	798,814	
		1,630,676	1,788,806	9.2%
<b>Utilities</b>				
ATCO Ltd., Class 'I'	8,700	372,891	391,500	
Emera Inc.	8,800	380,274	439,736	
Fortis Inc.	8,200	367,122	404,998	
Polaris Infrastructure Inc.	40,400	457,654	457,328	
		1,577,941	1,693,562	8.7%
<b>TOTAL CANADIAN EQUITIES - Long</b>		<b>17,746,556</b>	<b>18,946,227</b>	<b>97.2%</b>
<b>TOTAL EQUITIES - Long</b>		<b>17,746,556</b>	<b>18,946,227</b>	<b>97.2%</b>
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Description	Number of Shares	Proceeds (\$)	Fair Value (\$)	% of Net Assets
<b>CANADIAN EQUITIES - Short</b>				
<b>Consumer Discretionary</b>				
Real Matters Inc.	(20,800)	(96,311)	(112,528)	
Recipe Unlimited Corp.	(2,800)	(73,779)	(71,064)	
Restaurant Brands International Inc.	(1,200)	(89,104)	(104,328)	
		(259,194)	(287,920)	-1.5%
<b>Consumer Staples</b>				
Rogers Sugar Inc.	(16,200)	(90,626)	(97,686)	
Saputo Inc.	(2,300)	(89,700)	(104,765)	
		(180,326)	(202,451)	-1.0%
<b>Industrials</b>				
Dirtt Environmental Solutions Ltd.	(12,600)	(100,776)	(107,100)	
Richelieu Hardware Ltd.	(3,800)	(94,138)	(90,022)	
		(194,914)	(197,122)	-1.0%
<b>Materials</b>				
AirBoss of America Corp.	(11,800)	(98,904)	(96,052)	
Stella-Jones Inc.	(2,500)	(104,561)	(112,900)	
		(203,465)	(208,952)	-1.1%
<b>Real Estate</b>				
Canadian Apartment Properties REIT	(2,000)	(92,312)	(102,740)	
Cominar REIT	(7,400)	(92,719)	(87,468)	
Crombie REIT	(6,700)	(88,959)	(95,341)	
		(273,990)	(285,549)	-1.5%
<b>Utilities</b>				
Borex Inc., Class 'A'	(5,400)	(94,642)	(102,384)	
TransAlta Corp.	(9,900)	(94,606)	(97,218)	
		(189,248)	(199,602)	-1.0%
<b>TOTAL CANADIAN EQUITIES - Short</b>		<b>(1,301,137)</b>	<b>(1,381,596)</b>	<b>-7.1%</b>
Less: Transaction costs included in average cost		(5,665)		
<b>TOTAL INVESTMENTS</b>		<b>16,439,754</b>	<b>17,564,631</b>	<b>90.1%</b>
Other assets, less liabilities			1,938,140	9.9%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>			<b>19,502,771</b>	<b>100.0%</b>



# NCM CORE GLOBAL


Interim Statements of Financial Position  
(unaudited)


*(in Canadian dollars, except shares outstanding)*

As at	March 31 2019	September 30 2018
<b>Assets</b>		
Cash and cash equivalents	418,938	1,508,994
Dividends and interest receivable	47,180	17,915
Due from Manager (note 7)	20,000	87,200
Shares issued	9,125	165,327
Unrealized gain on derivative instruments	38,007	119,753
Investments, at fair value through profit or loss	28,596,891	21,575,909
<b>Total assets</b>	<b>29,130,141</b>	<b>23,475,098</b>
<b>Liabilities</b>		
Accrued expenses (note 7)	60,000	62,000
Shares redeemed	111,798	195,325
Unrealized loss on derivative instruments	73,703	4,166
<b>Total liabilities (excluding net assets attributable to holders of redeemable shares)</b>	<b>245,501</b>	<b>261,491</b>
<b>Net assets attributable to holders of redeemable shares</b>	<b>28,884,640</b>	<b>23,213,607</b>
Net assets attributable to holders of redeemable shares:		
Series A	3,455,977	2,927,140
Series F	12,312,520	14,038,080
Series R	6,835,514	–
Series Z	6,280,629	6,248,387
Redeemable shares outstanding (note 6):		
Series A	107,151	92,419
Series F	369,508	431,292
Series R	202,304	–
Series Z	185,884	190,128
Net assets attributable to holders of redeemable shares per share:		
Series A	32.25	31.67
Series F	33.32	32.55
Series R	33.79	–
Series Z	33.79	32.86

See accompanying notes to interim financial statements.

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

  
\_\_\_\_\_  
Alex Sasso

  
\_\_\_\_\_  
Keith Leslie

# NCM CORE GLOBAL

Interim Statements of Comprehensive Income (Loss)  
(unaudited)

Six months ended March 31, 2019 and 2018

*(in Canadian dollars)*

	2019	2018
Dividend income	257,646	159,451
Interest for distribution purposes	1,106	600
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	(87,129)	(11,247)
Net realized gain (loss) on derivative instruments	(385,067)	(809,113)
Net change in unrealized appreciation (depreciation) in fair value of investments	1,471,419	510,198
Net change in unrealized appreciation (depreciation) on derivative instruments	(151,283)	236,664
Total investment revenue (loss)	1,106,692	86,553
Management fees (note 7)	77,806	50,961
Custodian and record keeping fees	22,537	64,882
Administrative fees (note 7)	19,624	12,678
Transaction costs	15,389	29,424
HST/GST	12,504	9,811
Legal and filing fees	10,863	52,517
Audit and tax fees	9,407	46,676
Computer services	3,994	2,889
Other	3,869	7,608
Independent review committee	1,801	1,028
Operating expense recovery (note 7)	(20,000)	(167,590)
Total operating expenses	157,794	110,884
Increase (decrease) in net assets attributable to holders of redeemable shares before tax	948,898	(24,331)
Withholding tax expense	34,877	21,976
Increase (decrease) in net assets attributable to holders of redeemable shares	914,021	(46,307)
Change in net assets attributable to holders of redeemable shares (note 6):		
Series A	75,089	(4,224)
Series F	203,476	5,324
Series R	484,315	–
Series Z	151,141	(47,407)
Change in net assets attributable to holders of redeemable shares per share (note 6):		
Series A	0.77	(0.07)
Series F	0.54	0.02
Series R	3.41	–
Series Z	0.80	(0.34)

See accompanying notes to interim financial statements.

# NCM CORE GLOBAL

## Interim Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares (unaudited)

Six months ended March 31, 2019 and 2018

*(in Canadian dollars)*

	All Series		Series A		Series F		Series R		Series Z	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Net assets attributable to holders of redeemable shares, beginning of period	23,213,607	8,083,090	2,927,140	1,144,117	14,038,080	5,654,837	–	–	6,248,387	1,284,136
Increase (decrease) in net assets, attributable to holders of redeemable shares	914,021	(46,307)	75,089	(4,224)	203,476	5,324	484,315	–	151,141	(47,407)
Transactions attributable to holders of redeemable shares:										
Issuance of shares	10,890,393	13,519,967	666,008	1,299,669	2,748,128	6,460,383	6,494,391	–	981,866	5,759,915
Amounts paid on redemptions	(6,133,381)	(1,479,267)	(212,260)	(195,049)	(4,677,164)	(968,792)	(143,192)	–	(1,100,765)	(315,426)
	4,757,012	12,040,700	453,748	1,104,620	(1,929,036)	5,491,591	6,351,199	–	(118,899)	5,444,489
Net assets attributable to holders of redeemable shares, end of period	28,884,640	20,077,483	3,455,977	2,244,513	12,312,520	11,151,752	6,835,514	–	6,280,629	6,681,218

See accompanying notes to interim financial statements.

# NCM CORE GLOBAL

Interim Statements of Cash Flows  
(unaudited)

Six months ended March 31, 2019 and 2018

*(in Canadian dollars)*

	2019	2018
<b>Cash flows from (used in) operating activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares	914,021	(46,307)
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	87,129	11,247
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(1,471,419)	(510,198)
Net change in unrealized (appreciation) depreciation on derivative instruments	151,283	(236,664)
Purchase of investments	(8,049,574)	(11,188,648)
Proceeds from the sale and maturity of investments	2,415,001	428,939
Dividends and interest receivable	(29,265)	(11,001)
Due from Manager	67,200	(106,813)
Accrued expenses	(2,000)	151,818
<b>Net cash from (used in) operating activities</b>	<b>(5,917,624)</b>	<b>(11,507,627)</b>
<b>Cash flows from (used in) financing activities</b>		
Proceeds from the issuance of redeemable shares	11,046,595	13,539,938
Amounts paid on redemption of redeemable shares	(6,216,908)	(1,434,996)
<b>Net cash from (used in) financing activities</b>	<b>4,829,687</b>	<b>12,104,942</b>
Net increase (decrease) in cash and cash equivalents	(1,087,937)	597,315
Effect of exchange rates on cash and cash equivalents	(2,119)	(6,665)
Cash and cash equivalents at beginning of period	1,508,994	671,216
<b>Cash and cash equivalents at end of period</b>	<b>418,938</b>	<b>1,261,866</b>
Dividends received, net of withholding tax paid	193,504	126,575
Interest received	1,106	499

See accompanying notes to interim financial statements.

# NCM CORE GLOBAL

Schedule of Investment Portfolio  
(unaudited)

As at March 31, 2019

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>CANADIAN EQUITIES</b>				
<b>Financials</b>				
Royal Bank of Canada	5,250	501,455	529,305	
Toronto-Dominion Bank (The)	6,900	489,096	500,388	
		990,551	1,029,693	3.6%
<b>TOTAL CANADIAN EQUITIES</b>				
		<b>990,551</b>	<b>1,029,693</b>	<b>3.6%</b>
<b>UNITED STATES EQUITIES</b>				
<b>Communication Services</b>				
Alphabet Inc., Class 'A'	525	680,207	825,440	
Verizon Communications Inc.	4,475	299,213	353,501	
		979,420	1,178,941	4.1%
<b>Consumer Discretionary</b>				
Alibaba Group Holding Ltd., ADR	2,930	631,743	714,170	
Home Depot Inc. (The)	3,183	707,482	815,979	
McDonald's Corp.	3,601	764,919	913,563	
Nike Inc., Class 'B'	6,669	562,544	750,265	
Starbucks Corp.	6,737	517,620	669,082	
		3,184,308	3,863,059	13.4%
<b>Consumer Staples</b>				
Altria Group Inc.	6,327	518,076	485,430	
Anheuser-Busch InBev NV, ADR	3,667	488,836	411,363	
Costco Wholesale Corp.	3,714	912,000	1,201,431	
Estée Lauder Cos. Inc., Class 'A'	4,162	676,788	920,495	
General Mills Inc.	6,639	445,658	458,990	
		3,041,358	3,477,709	12.0%
<b>Energy</b>				
Chevron Corp.	4,168	621,376	685,896	
		621,376	685,896	2.4%
<b>Financials</b>				
First Republic Bank	7,296	860,794	979,193	
Wells Fargo & Co.	12,046	849,420	777,606	
		1,710,214	1,756,799	6.1%
<b>Health Care</b>				
Danaher Corp.	4,466	552,512	787,678	
Eli Lilly and Co.	5,180	597,759	897,968	
Johnson & Johnson	5,760	992,733	1,075,694	
PerkinElmer Inc.	4,508	432,599	580,324	
		2,575,603	3,341,664	11.6%
<b>Industrials</b>				
Altra Industrial Motion Corp.	484	24,621	20,077	
Fortive Corp.	1,679	151,076	188,170	
Lockheed Martin Corp.	1,067	408,352	427,866	
		584,049	636,113	2.2%

# NCM CORE GLOBAL

Schedule of Investment Portfolio (continued)  
(unaudited)

As at March 31, 2019

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Information Technology</b>				
Microsoft Corp.	9,849	1,110,714	1,551,828	
Visa Inc., Class 'A'	5,195	786,395	1,083,999	
		1,897,109	2,635,827	9.1%
<b>Materials</b>				
Ecolab Inc.	1,500	313,383	353,773	
Sherwin-Williams Co. (The)	580	279,783	333,736	
		593,166	687,509	2.4%
<b>TOTAL UNITED STATES EQUITIES</b>		<b>15,186,603</b>	<b>18,263,517</b>	<b>63.3%</b>
<b>INTERNATIONAL EQUITIES</b>				
<b>Denmark</b>				
Alm. Brand A/S	3,925	46,843	45,270	
Danske Bank A/S	9,625	392,724	225,892	
DSV A/S	9,588	929,039	1,060,384	
Novo Nordisk A/S, Series 'B'	5,400	346,387	378,032	
Ringkjoebing Landbobank A/S	4,400	315,161	361,604	
Topdanmark A/S	11,532	649,614	770,233	
		2,679,768	2,841,415	9.8%
<b>Finland</b>				
Kone OYJ, Class 'B'	4,670	309,857	314,960	
		309,857	314,960	1.1%
<b>Indonesia</b>				
PT Bank Central Asia TBK	512,700	1,033,078	1,334,770	
		1,033,078	1,334,770	4.6%
<b>Japan</b>				
Bridgestone Corp.	9,300	507,728	478,856	
Suntory Beverage & Food Ltd.	8,500	484,169	533,487	
		991,897	1,012,343	3.5%
<b>Luxembourg</b>				
Spotify Technology SA	1,320	291,702	244,767	
		291,702	244,767	0.9%
<b>Netherlands</b>				
Hal Trust	1,500	348,251	306,014	
Heineken NV	5,300	674,420	747,972	
		1,022,671	1,053,986	3.6%
<b>Norway</b>				
Atea ASA	21,204	352,483	411,840	
		352,483	411,840	1.4%
<b>Portugal</b>				
Galp Energia SGPS SA, Class 'B'	27,117	602,111	580,874	
		602,111	580,874	2.0%
<b>Sweden</b>				
Svenska Handelsbanken AB, Class 'A'	24,443	413,033	345,371	
		413,033	345,371	1.2%

# NCM CORE GLOBAL

Schedule of Investment Portfolio (continued)  
(unaudited)

As at March 31, 2019

*(in Canadian dollars)*

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
<b>Switzerland</b>				
Givaudan SA, Registered	137	408,099	467,533	
		408,099	467,533	1.6%
<b>United Kingdom</b>				
British American Tobacco PLC	4,550	336,225	252,987	
Reckitt Benckiser Group PLC	1,920	213,681	213,309	
Unilever PLC	3,000	210,770	229,526	
		760,676	695,822	2.4%
<b>TOTAL INTERNATIONAL EQUITIES</b>		<b>8,865,375</b>	<b>9,303,681</b>	<b>32.1%</b>
<b>TOTAL EQUITIES</b>		<b>25,042,529</b>	<b>28,596,891</b>	<b>99.0%</b>
Less: Transaction costs included in average cost		(19,469)		
<b>TOTAL INVESTMENTS</b>		<b>25,023,060</b>	<b>28,596,891</b>	<b>99.0%</b>
Derivative assets			38,007	0.1%
Derivative liabilities			(73,703)	-0.2%
Other assets, less liabilities			323,445	1.1%
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES</b>			<b>28,884,640</b>	<b>100.0%</b>

# NCM Core Global

## Schedule of Derivative Investments - Forward Foreign Currency Contracts (unaudited)

As at March 31, 2019

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered	Fair Value in Cdn Dollars	Currency to be Received	Contract Price	Unrealized Gain
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	14,529,000 DKK	2,934,261	2,953,423 CAD	0.2031	19,162
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	1,302,200 EUR	1,962,404	1,972,959 CAD	1.5139	10,555
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	392,900 GBP	685,284	692,630 CAD	1.7635	7,346
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	2,612,300 NOK	405,690	406,152 CAD	0.1554	462
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	273,500 SEK	39,546	40,028 CAD	0.1464	482
Net Unrealized Gain							38,007

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+	June 17, 2019	350,400 CHF	472,579	467,771 CAD	1.3338	(4,808)
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	83,309,500 JPY	1,009,670	1,002,014 CAD	0.0120	(7,656)
Toronto-Dominion Bank (The)	A-1+	June 17, 2019	2,335,700 SEK	337,721	335,829 CAD	0.1438	(1,892)
Toronto-Dominion Bank (The)	A-1+	April 15, 2019	13,752,600 USD	18,366,767	18,307,420 CAD	1.3315	(59,347)
Net Unrealized Loss							(73,703)



# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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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.

Effective August 27, 2018, NCM Core Portfolios Ltd. changed its year end from October 31, 2018 to September 30, 2018. On October 31, 2018 NCM Premium Growth Class merged into NCM Balanced Income Portfolio and ceased to exist.

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 March 31, 2019, there were 100 common shares issued as well as two Classes of Special Shares with NCM Core Canadian and NCM Core Global both issued in four series. 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, Scotia Capital Inc. is the Prime Broker, and NCM Asset Management Ltd. (formerly, Norrep Capital Management Ltd.) ("NCM") is the Manager and Portfolio Manager of the Fund.

## 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 Fund's significant accounting policies under IFRS are presented in note 3. These policies have been applied consistently to all periods presented.

These interim financial statements have also been prepared in accordance with International Accounting Standards ("IAS") 34, Interim Financial Reporting.

The financial statements of the Funds were approved and were authorized for issue by the Manager's Board of Directors on May 30, 2019.

### (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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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## 2. Basis of preparation (continued):

### (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.

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 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.

#### (ii) Classification

Effective November 1, 2017 the Fund adopted 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 (FVTPL) or fair value through other comprehensive income (FVOCI) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

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

Upon transition to IFRS 9, the Fund's financial assets and financial liabilities that were classified as fair value through profit and loss (FVTPL) under IAS 39 continued to be categorized as fair value through profit and loss. There were no changes in the measurement attributes for any of the financial assets and financial liabilities upon transition to IFRS 9.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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### 3. Significant accounting policies (continued):

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

##### (ii) 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; this is a change from the requirement under IAS 39 where derivatives were classified as Held for Trading.

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.

##### (iii) 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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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### 3. Significant accounting policies (continued):

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

##### (iv) 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).

##### (v) 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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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### 3. Significant accounting policies (continued):

- (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.

- (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.

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

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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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### 3. Significant accounting policies (continued):

(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. Upon closing of an option, other than by exercise, which results in a cash settlement, the difference between the premium (original option value) and the settlement proceeds is included in net realized gain (loss) on derivative instruments on the statements of comprehensive income. When securities are acquired or delivered upon exercise of an option, the acquisition cost or sale proceeds are adjusted by the amount of the premium. When an option is closed, the difference between the premium and the cost to close the position is included in net realized gain (loss) on derivatives on the statements of comprehensive income. When an option expires, the premium for options written or purchased is reflected in the statements of operations as net realized gain (loss) on derivative instruments.

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 Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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## 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);
- Inputs other than quoted prices included in Level 1 that are observable for instruments, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data; and
- Inputs for the instruments that are not based on observable market data (unobservable inputs) (Level 3). This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on the quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

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 March 31, 2019 and September 30, 2018 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 Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

## 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 - March 31, 2019				
Public securities				
Equities - long	18,946,227	—	—	18,946,227
Equities - short	(1,381,596)	—	—	(1,381,596)
Total Investments	17,564,631	—	—	17,564,631

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Canadian – September 30, 2018				
Public securities				
Equities - long	15,130,002	—	—	15,130,002
Equities - short	(1,188,734)	—	—	(1,188,734)
Total Investments	13,941,268	—	—	13,941,268

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Global - March 31, 2019				
Public securities				
Equities - long	28,596,891	—	—	28,596,891
Unrealized gain on derivative instruments – forward contracts	—	38,007	—	38,007
Unrealized loss on derivative instruments – forward contracts	—	(73,703)	—	(73,703)
Total Investments	28,596,891	(35,696)	—	28,561,195

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Core Global - September 30, 2018				
Public securities				
Equities - long	21,575,909	—	—	21,575,909
Unrealized gain on derivative instruments – forward contracts	—	119,753	—	119,753
Unrealized loss on derivative instruments – forward contracts	—	(4,166)	—	(4,166)
Total Investments	21,575,909	115,587	—	21,691,496

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



# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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## 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 Fund's financial performance. 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 also represents their maximum credit risk.

Credit risk arising on transactions for units 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 units 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 and the Prime Broker. 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 March 31, 2019 and September 30, 2018.

### **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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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

### Liquidity risk (continued):

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. 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 two-thirds majority of the votes cast by shareholders 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 March 31, 2019 are disclosed in the schedule of investment portfolio.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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

### Market risk (continued):

#### (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.

At March 31, 2019 and September 30, 2018, 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	2019	2018
Indonesian Rupiah	4.6%	3.5%
U.S. Dollar	0.5%	2.0%
British Pound	0.1%	-
Swedish Kroner	(0.1)%	-
Danish Kroner	(0.3)%	1.0%
Japanese Yen	-	0.2%
Euro	-	0.1%

#### Sensitivity Analysis:

At March 31, 2019 and September 30, 2018, 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 PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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

### Market risk (continued):

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

NCM Core Global <i>(in Canadian dollars)</i>	2019	2018
Indonesian Rupiah	13,348	8,072
U.S. Dollar	1,579	4,639
British Pound	146	112
Norwegian Krone	62	112
Japanese Yen	27	535
Swiss Franc	(34)	39
Euro	(92)	166
Swedish Kroner	(152)	114
Danish Kroner	(807)	2,269
Total	14,077	16,058

#### (b) Interest rate risk:

Interest rate risk arises on interest-bearing financial instruments. 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 Fund's 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.

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
(unaudited)

Six months ended March 31, 2019 and 2018

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

### Market risk (continued):

(c) Other price risk (continued):

Sensitivity analysis:

Management's estimate of the impact of a 1% increase or decrease on the following indices at March 31, 2019 and September 30, 2018, 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	
		2019	2018
NCM Core Canadian	S&P TSX Composite Total Return Index	175,646	139,413
NCM Core Global	MSCI World Net Total Return Index	285,969	215,759

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 March 31, 2019 and September 30, 2018.

NCM Core Canadian	2019	2018
Energy	7.7%	5.6%
Materials	4.5%	10.0%
Industrials	16.0%	17.4%
Consumer Discretionary	2.9%	4.7%
Consumer Staples	8.9%	3.8%
Financials	26.8%	34.5%
Information Technology	7.2%	6.9%
Communication Services	8.9%	8.0%
Utilities	8.5%	2.4%
Real Estate	8.6%	6.7%
Total	100.0%	100.0%

NCM Core Global	2019	2018
Energy	4.4%	4.7%
Materials	4.0%	3.7%
Industrials	7.0%	7.5%
Consumer Discretionary	15.2%	13.7%
Consumer Staples	19.1%	17.5%
Health Care	13.0%	11.4%
Financials	21.7%	24.5%
Information Technology	11.5%	13.0%
Communication Services	4.1%	4.0%
Total	100.0%	100.0%

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

## 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 four series outstanding, Series A, Series F, Series Z and Series R within NCM Core Canadian and 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 and 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 F and Series Z shares are redeemed in the first 30 days.

On October 1, 2018, NCM Core Canadian and NCM Core Global issued Series R shares. 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.

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 rights attached to the redeemable shares are as follows:

- the shares may be redeemed daily at the net asset value per share of the respective series;
- redeemable shares carry a right to receive notice of, attend and vote at meetings; and
- the holders of redeemable shares are entitled to receive all dividends declared by the Fund. Each series will rank equally with respect to the distributions based on their respective series net asset values. Distributions paid in cash will be paid in the currency in which the investor bought the shares.

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

NCM Core Canadian	Series A	Series F	Series R	Series Z
Balance, September 30, 2018	257,477	149,624	–	87,257
Issued for cash	9,322	5,589	163,821	851
Redeemed for cash	(19,413)	(18,439)	(3,172)	(21,630)
Balance, March 31, 2019	247,386	136,774	160,649	66,478

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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

NCM Core Canadian	Series A	Series F	Series Z
Balance, September 30, 2017	266,208	127,161	32,206
Issued for cash	20,588	39,634	37,034
Issued on reinvestment of distributions	3,848	2,046	301
Redeemed for cash	(24,720)	(6,649)	(158)
Balance, March 31, 2018	265,924	162,192	69,383

NCM Core Global	Series A	Series F	Series R	Series Z
Balance, September 30, 2018	92,419	431,292	–	190,128
Issued for cash	21,991	87,279	206,768	30,678
Redeemed for cash	(7,259)	(149,063)	(4,464)	(34,922)
Balance, March 31, 2019	107,151	369,508	202,304	185,884

NCM Core Global	Series A	Series F	Series Z
Balance, September 30, 2017	39,483	191,764	43,498
Issued for cash	42,814	207,787	185,767
Redeemed for cash	(6,517)	(31,610)	(10,029)
Balance, March 31, 2018	75,780	367,941	219,236

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

NCM Core Canadian - March 31, 2019	Series A	Series F	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares	\$(40,550)	\$(11,321)	\$281,042	\$(14,138)
Average shares outstanding during the period	252,183	142,245	114,649	75,080
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$(0.16)	\$(0.09)	\$2.44	\$(0.19)

NCM Core Canadian - March 31, 2018	Series A	Series F	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares	\$(45,161)	\$(27,151)	\$(35,449)
Average shares outstanding during the period	263,069	154,950	50,280
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$(0.17)	\$(0.18)	\$(0.71)

# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

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

NCM Core Global - March 31, 2019	Series A	Series F	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares	\$75,089	\$203,476	\$484,315	\$151,141
Average shares outstanding during the period	99,513	376,008	141,528	188,563
Increase (decrease) in net assets attributable to holders of redeemable shares per share	\$0.77	\$0.54	\$3.41	\$0.80
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NCM Core Global - March 31, 2018	Series A	Series F	Series R	Series Z
Increase (decrease) in net assets attributable to holders of redeemable shares		\$(4,224)	\$5,324	\$(47,407)
Average shares outstanding during the period		57,746	267,959	140,060
Increase (decrease) in net assets attributable to holders of redeemable shares per share		\$(0.07)	\$0.02	\$(0.34)

## 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 the 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 the Series A, of the net asset value of the series. The NCM Core Canadian paid an annual management fee of 0.75% for the Series F, of the net asset value of the series. The NCM Core Global paid an annual management fee of 0.85% for the Series F, 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.

Accrued expenses include management fees payable as follows:

<i>(in Canadian dollars)</i>	March 31, 2019	September 30, 2018
NCM Core Canadian	14,035	15,002
NCM Core Global	14,016	14,292



# NCM CORE PORTFOLIOS LTD.

Notes to Interim Financial Statements  
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Six months ended March 31, 2019 and 2018

## 7. Management fees, expenses and key contracts (continued):

(a) Manager and management fees (continued):

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.

(b) Expenses:

Accrued expenses include administration services payable to NCM as follows:

<i>(in Canadian dollars)</i>	March 31, 2019	September 30, 2018
NCM Core Canadian	1,999	1,662
NCM Core Global	3,775	2,400

(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:

	March 31, 2019	September 30, 2018
NCM Core Canadian Pool	17,500	66,700
NCM Core Global Pool	20,000	87,200

## 8. Brokerage commissions on securities transactions:

The Funds paid brokerage commissions in connection with portfolio transactions during the periods ended March 31, 2019 and 2018 amounting to:

	March 31, 2019	March 31, 2018
NCM Core Canadian Pool	12,184	6,655
NCM Core Global Pool	8,375	11,586

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