

September 30, 2018

MANAGEMENT REPORT OF FUND PERFORMANCE

NCM SHORT TERM INCOME FUND



MANAGEMENT REPORT OF FUND PERFORMANCE

NCM SHORT TERM INCOME FUND

This annual management report of fund performance contains financial highlights but does not contain the annual 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 Dome Tower, 1850, 333 – 7th Avenue SW in Calgary, Alberta T2P 2Z1 or by visiting our website at www.ncminvestments.com or SEDAR at 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.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

INVESTMENT OBJECTIVE AND STRATEGIES

Investment Objectives

NCM Short Term Income Fund (the "Fund") is designed to provide holders of the units with capital preservation and a highly liquid portfolio comprised primarily of government and corporate debt securities targeting a level of income consistent with investments in short-term fixed income securities. Its portfolio may consist of all types of debt obligations of issuers that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities. Assets of the Fund may also be invested in equity and equity-like securities or held in cash to the extent that economic, market or other conditions make it appropriate.

Investment Strategies

The Fund intends to achieve its investment objective by investing primarily in Canadian and U.S. issuers but may also, as market opportunities dictate, include global issuers.

The Fund invests in a combination of securities including, but not limited to, corporate bonds and debt obligations, government bonds, investment grade bonds, floating rate senior loans and high yield bonds.

A value investment style will be followed for government bonds by analyzing macroeconomic factors such as economic growth, inflation and monetary fiscal policy.

Corporate issues will be analyzed using a bottom-up approach to determine credit quality, risk of default, and valuation. The Fund will target corporate issuers that it believes have strong market positions, attractive and sustainable business models, high quality management teams, and significant levels of asset and/or cash flow coverage (resulting in strong principal protection).

The Fund uses forward contracts to hedge a portion of the Fund's foreign exchange risk.

Pending the selection and purchase of suitable investments, the payment of expenses or other anticipated distributions, a portion of the assets of the Fund may be held in cash. In addition, during periods in which the Portfolio Manager believes that market conditions make it advisable, the Portfolio Manager may reduce the Fund's holdings of investments and hold a portion of the Fund's assets in cash. Such cash balances will be held on deposit in cash accounts at any Canadian bank or trust company or may be invested in short term investment funds or guaranteed investment certificates.

RISK

The Fund is suitable for low to medium risk investors seeking capital preservation and a liquid portfolio comprised primarily of corporate debt securities. General risks of an investment in the Fund are detailed in the Simplified Prospectus and include, but are not limited to, market risk, credit / default risk, liquidity risk, foreign security risk, foreign currency risk, and interest rate risk, among others.

The risk profile of the Fund has not changed to a significant degree over the past nine months. The modified duration of the portfolio remained at 1.3, and remains low. At September 30, 2018, bonds represented 44% of the portfolio vs 37% at the end of 2017. Credit ratings of the underlying portfolio companies remained concentrated primarily in the B and BB ratings categories. The Fund generally maintained its holdings of Investment Grade bonds, with a weighting of 9.6% (versus 10.5% at the end of 2017). The Fund's cash position decreased from 26.6% at the end of 2017 to 15% as of September, 2018, as the proceeds from a large inflow late in 2017 was invested.

RESULTS OF OPERATIONS

For the nine month period ended September 30, 2018, Series A and Series F of the Fund generated returns of 1.1% and 1.4%, respectively. The return for the Series I was 2.1%. The U.S. dollar denominated series, Series A (H) and Series F (H) generated returns of 1.1% and 1.5%, respectively during the same period. The Fund's benchmark, 50% FTSE TMX Short Term Bond Index plus 30% Credit Suisse Leveraged Loan Index plus 20% Merrill Lynch Canada High Yield Canadian Issuer's Index, returned 3.4% during the same period.

As at September 30, 2018, the Fund's portfolio had an internal weighted-average yield-to-maturity of 4.6% and modified duration of 1.3. The portfolio's asset mix consisted primarily of floating rate senior loans (40.7%), high yield corporate bonds (34.7%) and investment grade corporate bonds (9.6%) with the remainder in cash. The Fund tactically invests in a blend of floating rate loans, high yield and investment grade corporate bonds, and government bonds with the goal of maintaining duration below three. We believe the ability to invest in both loans and bonds allow us to manage interest rate risk accordingly. The mix of loans and bonds provides protection during periods of rising rates, but also allows for capital appreciation through the bonds during periods of flat or declining rates. We continue to focus on short duration fixed income instruments backed by strong companies with reasonable financial leverage and covenant protection where possible. We are active in the new issue market but also participate in the secondary market to ensure adequate weightings in any given security and to take advantage of mispriced and orphaned securities.

The U.S. non-investment grade credit market, as defined by the ICE B of A Merrill Lynch U.S. High Yield Index ("H0A0") generated a return of 2.5% in the first nine months of 2018.

As was the theme in 2016 and 2017, the higher beta / lower rated issuers generated moderately higher returns. BB issuers generated a 0.5% YTD return, single B rose 3.5% and CCC or lower increased by 6.9% (we note the NCM Short Term Income Fund generally does not invest in the most speculative, CCC or lower rated, bond issues). The returns were principally driven by higher coupons (which lessened the impact of rate hikes on both sides of the border), and modest spread compression in the US high yield market.

The Canadian high yield bond market's performance was broadly similar, and returned 3.1% (as defined by the ICE B of A Merrill Lynch Canadian High Yield Index ("HCC0")). The index's primary driver was the high coupon generated by its constituent issuers. This was offset to a degree by (i) its heavy weighting in oil and gas issuers, which have experienced a mild softening given some challenges in those commodities domestically, and (ii) two rate hikes (of 25 basis points each).

RESULTS OF OPERATIONS (continued)

The dynamics supporting high yield bonds in the first nine months of 2018 included rallying energy prices (in the US market), low default activity, and continued growth in the both the U.S. and Canadian economies. Offsetting forces included three Federal rate hikes in April, June and September (these were well anticipated, however), outflows from high yield Exchange Traded Funds (“ETFs”) and mutual funds, and some investor caution concerning (i) how late the market is within the credit cycle, and (ii) macro fears regarding trade frictions globally.

U.S. loans, as delineated by the Credit Suisse Leverage Loan Index (“CSLLLTOT”), generated a 4.4% return, and continued to outpace both the US high yield and investment grade markets. The key factor supporting loans this period has been rising carry from LIBOR-driven coupon increases, in addition to modest widening of spreads. Similar to bonds, lower quality loans outperformed.

In our view, economic conditions in the U.S. and Canada are likely to continue to remain positive in the remaining three months of 2018 and early 2019, with strong consumption growth and moderate (but rising) inflation. The risk of a business cycle contraction is, in our estimation, low. The caveat to this is the risk of disruption of global commerce and supply chains through the imposition of tariffs or via trade-related legislation or other mechanisms.

As we have pointed out previously, given yields and spreads rallied significantly since mid February 2016 through the end of 2017, and remained low by historical standards throughout the first nine months of 2018, we believe spreads have largely priced in the good news at this point, and spreads will not tighten by a significant degree by period end. We expect default rates to remain low, with U.S. high yield issuer defaults of approximately 2.5% to 3% (for perspective, the historical average default rate for loans is 3.1%, and defaults spiked to almost 11% in 2009 following the credit crisis). We expect fund flows to continue into leveraged loans as investors seek the protection against rising interest rates that the asset class provide. Conversely, we believe funds may continue to flow out of high yield bonds for the same reason (notably, however, high yield bonds perform reasonably well in periods of rising interest rates). On the supply side we expect high yield bond issuance to be slightly negative relative to 2017. As noted in our June 2018 MFRP commentary, overall market leverage has remained steady YTD 2018, and at an average Debt / EBITDA ratio of less than 4.5x it remains almost 0.5x lower than the peak achieved in Q2 2016. Interest coverages remain healthy for the most part.

We continue to believe the primary threats to the asset class, at this stage of the cycle, are, in order of importance, an unanticipated central bank policy shift, a recession, and an economic shock resulting from a change in trade policy. Regarding the central bank risk, our view is that the Federal government will tighten once more in 2018, and that the Bank of Canada will hike once more by period end. With regard to recession, as mentioned before, our view is that almost all economic indicators we track point to expansion, and that the probability of contraction over the next 6-12 months is low. Lastly, while the signing of the USMCA agreement is relieving, further trade-related concerns remain (in the U.S. in particular). However, we believe that, ultimately, reason will prevail, and new trade agreements will be signed, given the negative impact tariffs have on economies.

We believe the Fund’s positioning is appropriate to withstand this volatility and potentially take advantage of any downward movement in either the high yield or loan markets. The Fund continues to hold a sizable allocation (40.7%) of floating rate senior loans, which helps in periods of rising interest rates, and keep the duration low. As mentioned above, we believe the upcoming near-term period will not be a period of capital / price appreciation, more of coupon-like returns, however, we will continue to look to opportunistically deploy capital in investments with attractive risk-return characteristics.

RESULTS OF OPERATIONS (continued)

While we are generally constructive on the U.S. economy short-term, we believe we are in the later stages of the credit cycle (as indicated by elevated leverage, a more hawkish and less accommodative central bank (in both Canada and the U.S.) and spreads that are at or slightly below long-term averages). As a result, we are positioned with a defensive bias, with a moderately higher cash balance (to take advantage of any substantive pullbacks in the market), and lower duration bonds. We favour stable and improving credit, focusing on higher quality and higher liquidity parts of the market.

For the period ended September 30, 2018, the Fund earned dividend and interest income in the amount of \$226,465 and \$4,057,508, respectively. The change in unrealized appreciation in current value of investments was an increase of \$968,030 and the change in unrealized depreciation on derivative instruments was a decrease of \$527,114. The realized gain on investments was \$228,021 and the realized loss on derivative instruments was \$1,905,470. Management fees of \$349,294 were paid. General and administrative costs of \$358,002, related to the operation of the Fund were also incurred and a withholding tax expense of \$4,703 was also reported. As a result of the above, the increase in net assets attributable to holders of redeemable units was \$2,335,441. Net assets attributable to holders of redeemable units at the beginning of the period were \$112,910,789. Proceeds from the sale of units were \$21,846,384; reinvestment of distributions was \$2,761,029 and redemptions were \$14,291,698. Distributions declared to holders of redeemable units were \$3,558,567. By September 30, 2018, the Fund had net assets attributable to holders of redeemable units of \$122,003,378.

RECENT DEVELOPMENTS

On August 27, 2018, Norrep Short Term Income Fund changed its name to NCM Short Term Income Fund and its fiscal year-end changed from December 31 to September 30.

Effective January 1, 2018, the Fund adopted IFRS 9 Financial Instruments. The new 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.

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.

RELATED PARTY TRANSACTIONS

Management fees of \$349,294 were paid to NCM Asset Management Ltd. ("NCM"), formerly named Norrep Capital Management Ltd., the Fund's Manager and Portfolio Manager. Management fees are 1.25% for Series A and Series A (H), and 0.75% for Series F and Series F (H), of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$115,885 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 Series A units 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.

Net asset value (NAV) per unit⁽¹⁾ – Series A	2018	2017	2016	2015	2014
Net Asset Value, beginning of period	\$9.07	\$9.26	\$9.27	\$9.66	\$10.04
Increase (decrease) from operations:					
Total revenue	0.30	0.49	0.60	0.64	0.57
Total expenses	(0.11)	(0.16)	(0.17)	(0.16)	(0.16)
Realized gains (losses) for the period	(0.12)	0.23	0.24	(0.78)	(0.20)
Unrealized gains (losses) for the period	0.02	(0.36)	(0.24)	0.57	(0.16)
Total increase (decrease) from operations	0.09	0.20	0.43	0.27	0.05
Distributions:					
From other income	(0.27)	(0.38)	(0.49)	(0.52)	(0.45)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.27)	(0.38)	(0.49)	(0.52)	(0.45)
Net Asset Value, end of period⁽³⁾	\$8.90	\$9.07	\$9.26	\$9.27	\$9.66

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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.

Ratios and Supplemental Data – Series A⁽¹⁾	2018	2017	2016	2015	2014
Net Assets (000's of \$)	21,509	16,782	17,554	25,883	31,021
Number of units outstanding	2,416,913	1,849,374	1,896,276	2,791,683	3,210,711
Management expense ratio (MER) ⁽²⁾	1.74%	1.77%	1.73%	1.64%	1.65%
MER before waivers or absorptions	1.74%	1.77%	1.73%	1.64%	1.65%
Portfolio turnover rate ⁽³⁾	46.20%	84.68%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.02%	0.03%	0.02%	0.00%	0.00%
Net asset value per unit	\$8.90	\$9.07	\$9.26	\$9.27	\$9.66

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F units 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.

Net asset value (NAV) per unit⁽¹⁾ – Series F	2018	2017	2016	2015	2014
Net Asset Value, beginning of period	\$9.39	\$9.53	\$9.50	\$9.84	\$10.16
Increase (decrease) from operations:					
Total revenue	0.29	0.50	0.58	0.64	0.57
Total expenses	(0.08)	(0.12)	(0.12)	(0.11)	(0.11)
Realized gains (losses) for the period	(0.12)	0.23	0.25	(0.78)	(0.20)
Unrealized gains (losses) for the period	0.04	(0.35)	(0.34)	0.57	(0.16)
Total increase (decrease) from operations	0.13	0.26	0.37	0.32	0.10
Distributions:					
From other income	(0.28)	(0.40)	(0.50)	(0.54)	(0.45)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.28)	(0.40)	(0.50)	(0.54)	(0.45)
Net Asset Value, end of period⁽³⁾	\$9.25	\$9.39	\$9.53	\$9.50	\$9.84

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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.

Ratios and Supplemental Data – Series F⁽¹⁾	2018	2017	2016	2015	2014
Net Assets (000's of \$)	21,087	18,943	18,980	31,453	23,956
Number of units outstanding	2,279,903	2,016,476	1,991,113	3,311,860	2,434,166
Management expense ratio (MER) ⁽²⁾	1.21%	1.24%	1.21%	1.10%	1.10%
MER before waivers or absorptions	1.21%	1.24%	1.21%	1.10%	1.10%
Portfolio turnover rate ⁽³⁾	46.20%	84.68%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.02%	0.03%	0.02%	0.00%	0.00%
Net asset value per unit	\$9.25	\$9.39	\$9.53	\$9.50	\$9.84

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series I units 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.

Net asset value (NAV) per unit⁽¹⁾ – Series I	2018	2017	2016	2015	2014
Net Asset Value, beginning of period	\$9.79	\$9.85	\$9.74	\$10.00	\$10.24
Increase (decrease) from operations:					
Total revenue	0.32	0.49	0.56	0.64	0.57
Total expenses	(0.03)	(0.04)	(0.04)	(0.03)	(0.04)
Realized gains (losses) for the period	(0.13)	0.22	0.24	(0.78)	(0.20)
Unrealized gains (losses) for the period	0.04	(0.34)	(0.11)	0.57	(0.16)
Total increase (decrease) from operations	0.20	0.33	0.65	0.40	0.17
Distributions:					
From other income	(0.29)	(0.41)	(0.52)	(0.55)	(0.47)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.29)	(0.41)	(0.52)	(0.55)	(0.47)
Net Asset Value, end of period⁽³⁾	\$9.71	\$9.79	\$9.85	\$9.74	\$10.00

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units 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.

Ratios and Supplemental Data – Series I⁽¹⁾	2018	2017	2016	2015	2014
Net Assets (000's of \$)	69,580	70,419	50,942	41,513	40,275
Number of units outstanding	7,168,127	7,190,725	5,169,988	4,264,327	4,026,580
Management expense ratio (MER) ⁽²⁾	0.37%	0.40%	0.36%	0.27%	0.27%
MER before waivers or absorptions	0.37%	0.40%	0.36%	0.27%	0.27%
Portfolio turnover rate ⁽³⁾	46.20%	84.68%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.02%	0.03%	0.02%	0.00%	0.00%
Net asset value per unit	\$9.71	\$9.79	\$9.85	\$9.74	\$10.00

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor 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.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series O units 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.

Net asset value (NAV) per unit⁽¹⁾ – Series O	2018	2017	2016	2015	2014
Net Asset Value, beginning of period	-	-	\$9.74	\$10.00	\$10.24
Increase (decrease) from operations:					
Total revenue	-	-	0.56	0.64	0.57
Total expenses	-	-	(0.04)	(0.03)	(0.04)
Realized gains (losses) for the period	-	-	0.24	(0.78)	(0.20)
Transaction costs	-	-	-	-	-
Unrealized gains (losses) for the period	-	-	(0.58)	0.57	(0.16)
Total increase (decrease) from operations	-	-	0.18	0.40	0.17
Distributions:					
From other income	-	-	(0.13)	(0.55)	(0.47)
From dividends	-	-	Nil	Nil	Nil
From capital gains	-	-	Nil	Nil	Nil
Total distributions⁽²⁾	-	-	(0.13)	(0.55)	(0.47)
Net Asset Value, end of period⁽³⁾⁽⁴⁾	-	-	-	\$9.74	\$10.00

(1) This information is provided as at December 31 for the years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) NCM Short Term Income Series O ceased operations on May 20, 2016.

Ratios and Supplemental Data – Series O⁽¹⁾	2018	2017	2016⁽⁴⁾	2015	2014
Net Assets (000's of \$)	-	-	-	8,562	4,700
Number of units outstanding	-	-	-	879,512	469,875
Management expense ratio (MER) ⁽²⁾	-	-	0.36%	0.27%	0.27%
MER before waivers or absorptions	-	-	0.36%	0.27%	0.27%
Portfolio turnover rate ⁽³⁾	-	-	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	-	-	0.02%	0.00%	0.00%
Net asset value per unit	-	-	-	\$9.74	\$10.00

(1) This information is provided as at December 31 for the years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) NCM Short Term Income Series O ceased operations on May 20, 2016.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series A (H) units 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.

Net asset value (NAV) per unit⁽¹⁾ – Series A (H)	2018	2017	2016	2015	2014⁽⁴⁾
Net Asset Value, beginning of period	\$10.39	\$11.33	\$11.75	\$10.20	\$10.06
Increase (decrease) from operations:					
Total revenue	0.76	0.41	0.46	0.64	0.38
Total expenses	(0.14)	(0.19)	(0.19)	(0.18)	(0.11)
Realized gains (losses) for the period	(0.26)	0.18	0.11	(0.78)	(0.13)
Unrealized gains (losses) for the period	0.08	(0.88)	(0.26)	0.57	(0.11)
Total increase (decrease) from operations	0.44	(0.48)	0.12	0.25	0.03
Distributions:					
From other income	(0.31)	(0.45)	(0.59)	(0.63)	(0.34)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions⁽²⁾	(0.31)	(0.45)	(0.59)	(0.63)	(0.34)
Net Asset Value, end of period⁽³⁾	\$10.51	\$10.39	\$11.33	\$11.75	\$10.20

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) NCM Short Term Income Series A (H) commenced operations on May 2, 2014.

Ratios and Supplemental Data – Series A (H)⁽¹⁾	2018	2017	2016	2015	2014⁽⁴⁾
Net Assets (000's of \$)	991	990	1,248	6,734	7,045
Number of units outstanding	94,291	95,271	110,085	572,914	690,467
Management expense ratio (MER) ⁽²⁾	1.71%	1.71%	1.69%	1.59%	1.59%
MER before waivers or absorptions	1.71%	1.71%	1.69%	1.59%	1.59%
Portfolio turnover rate ⁽³⁾	46.20%	84.68%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.02%	0.03%	0.02%	0.00%	0.00%
Net asset value per unit	\$10.51	\$10.39	\$11.33	\$11.75	\$10.20

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) NCM Short Term Income Series A (H) commenced operations on May 2, 2014.

FINANCIAL HIGHLIGHTS (continued)

The following tables show selected key financial information about the Fund's Series F (H) units 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.

Net asset value (NAV) per unit ⁽¹⁾ – Series F (H)	2018	2017	2016	2015	2014 ⁽⁴⁾
Net Asset Value, beginning of period	\$10.79	\$11.72	\$12.09	\$10.44	\$10.23
Increase (decrease) from operations:					
Total revenue	0.83	0.40	0.43	0.64	0.36
Total expenses	(0.10)	(0.14)	(0.15)	(0.12)	(0.07)
Realized gains (losses) for the period	(0.28)	0.18	0.15	(0.78)	(0.13)
Unrealized gains (losses) for the period	0.05	(1.07)	0.18	0.57	(0.10)
Total increase (decrease) from operations	0.50	(0.63)	0.61	0.31	0.06
Distributions:					
From other income	(0.32)	(0.47)	(0.61)	(0.65)	(0.35)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions ⁽²⁾	(0.32)	(0.47)	(0.61)	(0.65)	(0.35)
Net Asset Value, end of period ⁽³⁾	\$10.97	\$10.79	\$11.72	\$12.09	\$10.44

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards. The opening net asset values for 2015 and 2014 are restated in accordance with International Financial Reporting Standards.

(2) Distributions, if any, are reinvested in additional units or paid in cash when requested.

(3) Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of units outstanding over the financial period. Due to the different methods of calculating individual components of the table, the sum of the individual components will not necessarily equal the ending net asset value.

(4) NCM Short Term Income Series F (H) commenced operations on May 14, 2014.

Ratios and Supplemental Data – Series F (H) ⁽¹⁾	2018	2017	2016	2015	2014 ⁽⁴⁾
Net Assets (000's of \$)	8,837	5,777	6,546	3,858	2,446
Number of units outstanding	805,864	535,399	558,574	319,060	234,233
Management expense ratio (MER) ⁽²⁾	1.20%	1.20%	1.18%	1.12%	1.14%
MER before waivers or absorptions	1.20%	1.20%	1.18%	1.12%	1.14%
Portfolio turnover rate ⁽³⁾	46.20%	84.68%	57.12%	67.15%	97.00%
Trading expense ratio ⁽⁴⁾	0.02%	0.03%	0.02%	0.00%	0.00%
Net asset value per unit	\$10.97	\$10.79	\$11.72	\$12.09	\$10.44

(1) This information is provided as at September 30, 2018 and December 31 for the preceding years presented in accordance with International Financial Reporting Standards.

(2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets of the period.

(3) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of a period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and performance of the Fund.

(4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period.

(5) NCM Short Term Income Series F (H) commenced operations on May 14, 2014.

MANAGEMENT FEES

The Fund pays an annual management fee of 1.25% for the Series A and Series A (H), and 0.75% for the Series F and Series F (H), 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 the 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 September 30, 2018, management fees amounted to \$349,294. NCM paid servicing commissions of \$90,138 (i.e. 25.81%) from these management fees to investment dealers. NCM also received fees for portfolio management and administrative services with respect to all the other funds in the NCM group.

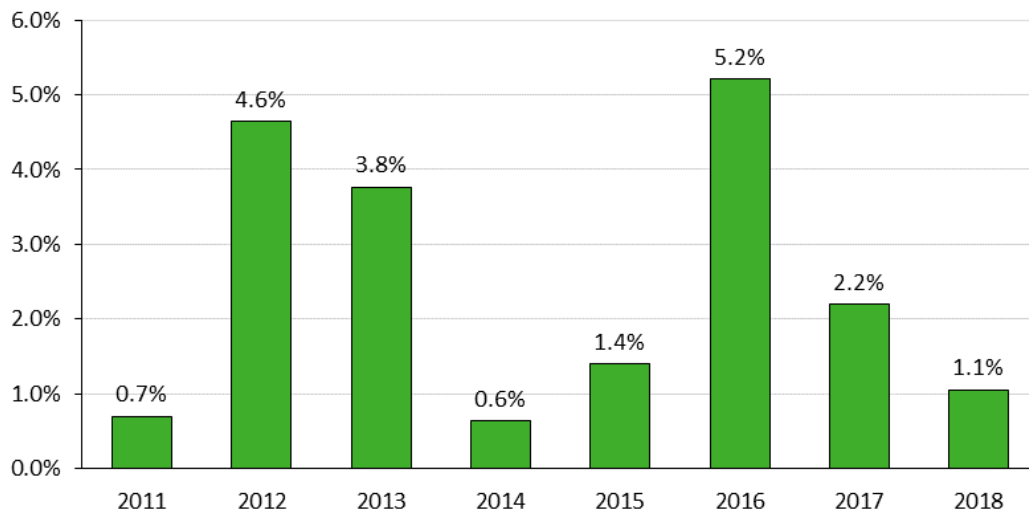
PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception on September 16, 2011 to September 30, 2018. These charts reflect, in percentage terms, the performance you would have received if you invested in the Fund on the first day of the period through the last day of the period.

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 period, the Fund's performance changes and past performance does not guarantee future performance.

PERIOD BY PERIOD RETURNS

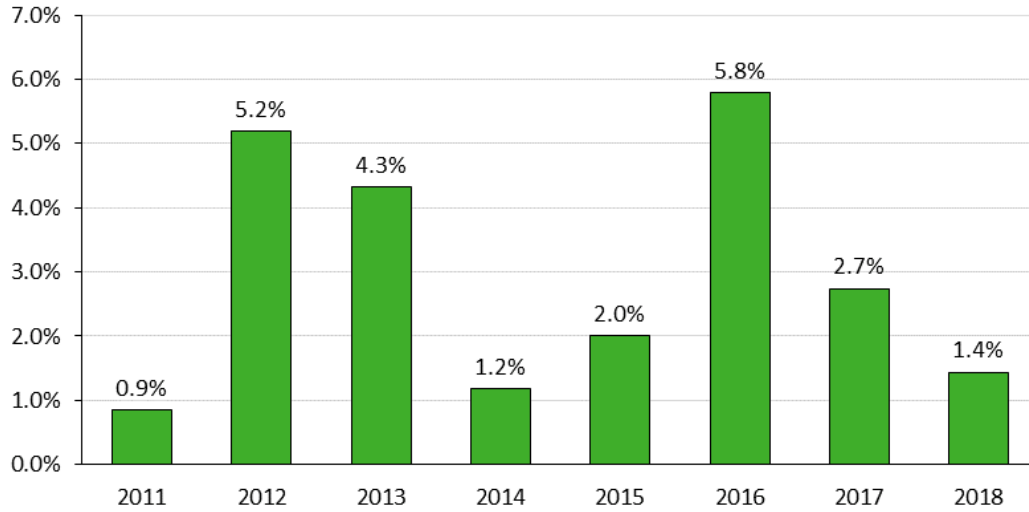
Series A



* September 16, 2011 to December 31, 2011 and January 1 to December 31 thereafter, except 2018 which is January 1 to September 30

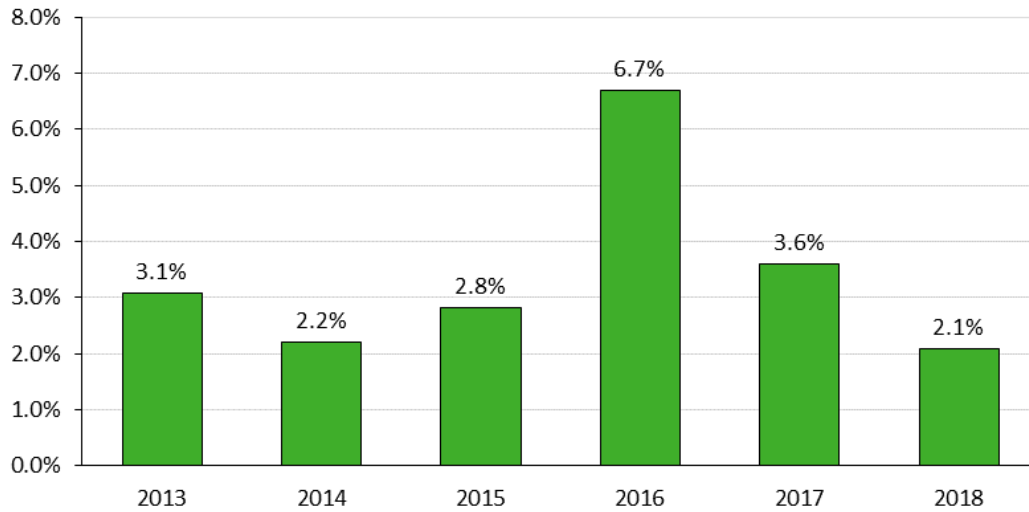
PERIOD BY PERIOD RETURNS (continued)

Series F



* September 16, 2011 to December 31, 2011 and January 1 to December 31 thereafter, except 2018 which is January 1 to September 30

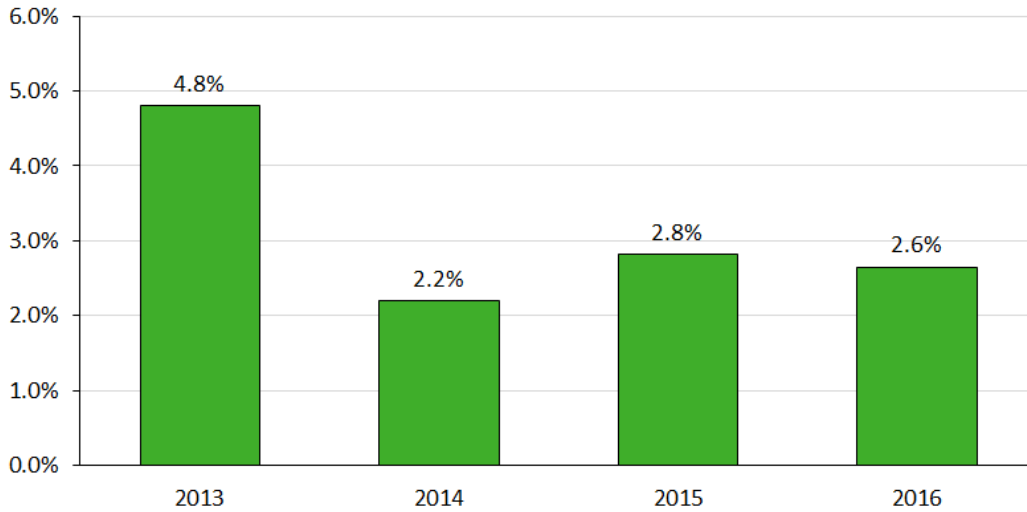
Series I



* April 3, 2013 to December 31, 2013 and January 1 to December 31 thereafter, except 2018 which is January 1 to September 30

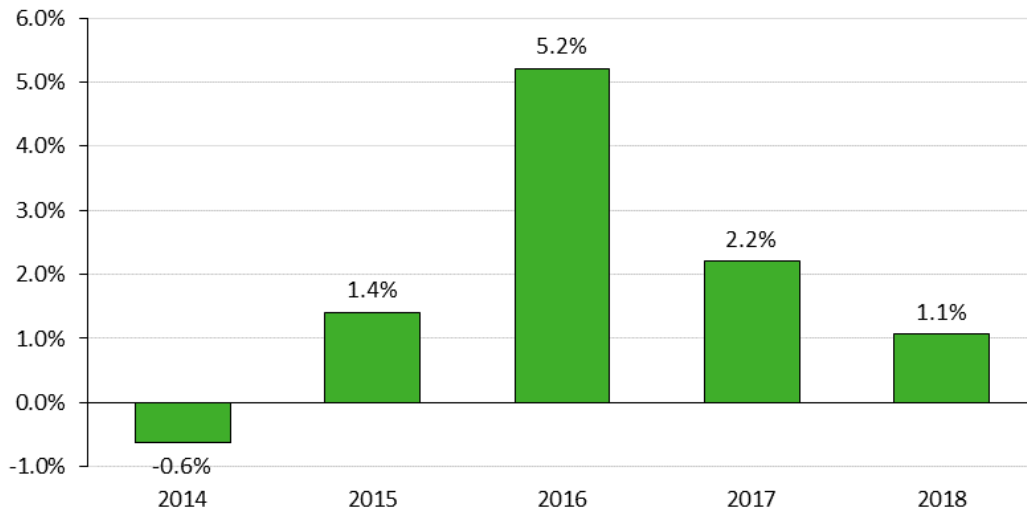
PERIOD BY PERIOD RETURNS (continued)

Series O



* January 14, 2013 to December 31, 2013 and January 1 to December 31 thereafter

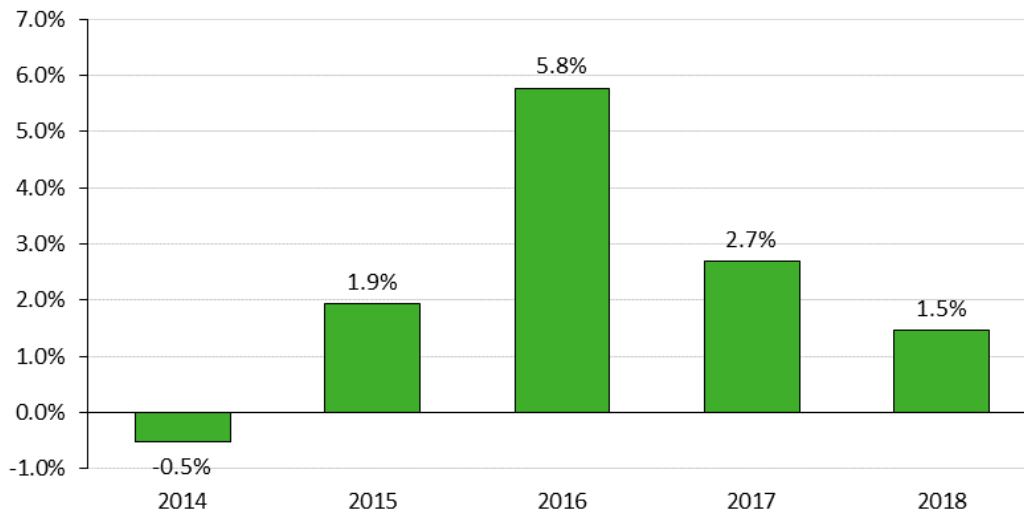
Series A (H)



* May 2, 2014 to December 31, 2014 and January 1 to December 31 thereafter, except 2018 which is January 1 to September 30

PERIOD BY PERIOD RETURNS (continued)

Series F (H)



* May 14, 2014 to December 31, 2014 and January 1 to December 31 thereafter, except 2018 which is January 1 to September 30

ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2018 for each series of the Fund for the periods indicated. It also shows the returns for the Fund's blended benchmark index, which is 50% the FTSE TMX Short Term Bond Index, 30% Credit Suisse Leveraged Loan Index and 20% Merrill Lynch Canada High Yield Canadian Issuers Index.

	Series A	Series F	Series I	Series A (H)	Series F (H)	Index
One year	1.0%	1.5%	2.4%	1.0%	1.5%	3.4%
Three Year*	2.6%	3.1%	4.0%	2.5%	3.1%	3.9%
Five Year*	2.4%	3.0%	3.9%			3.5%
Since Inception* – Series A (September 16, 2011)	2.8%					4.0%
Since Inception* – Series F (September 16, 2011)		3.3%				4.0%
Since Inception* – Series I (April 03, 2013)			3.7%			3.3%
Since Inception* – Series A (H) (May 02, 2014)				2.1%		3.1%
Since Inception* – Series F (H) (May 14, 2014)					2.6%	3.1%

*annualized

SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at September 30, 2018:

Investments	Percent of net assets
Fixed Income	
Invesco Senior Loan ETF	3.8%
Gateway Casinos & Entertainment Ltd., Term Loans, 5.473%, 2025/03/08	2.7%
Berlin Packaging LLC, Term Loans, 5.129%, 2025/10/31	2.6%
Blue Ribbon LLC, Term Loans, 6.136%, 2021/11/15	2.6%
Great Canadian Gaming Corp., Callable, 6.625%, 2022/07/25	2.5%
Bob's Discount Furniture Inc., Term Loans, 7.326%, 2023/08/08	2.5%
Unisys Corp., Callable, 10.750%, 2022/04/15	2.4%
First Data Corp., Callable, 5.375%, 2023/08/15	2.2%
Canbriam Energy Inc., Callable, 9.750%, 2019/11/15 (Par Value in USD)	2.1%
8th Avenue Food & Provisions Inc., Term Loans, 3.750%, 2025/09/19	2.1%
Barclays PLC, Variable Rate, Perpetual, 8.250%, 2018/12/15 (Par Value in USD)	2.1%
Travel Leaders Group LLC, Term Loans, 6.158%, 2024/01/25	2.1%
Avaya Inc., Term Loans, 6.408%, 2024/12/15	2.1%
Shutterfly Inc., Term Loans, 4.830%, 2024/08/17	2.1%
T-Mobile USA Inc., 4.000%, 2022/04/15	2.1%
Delta Air Lines Inc., 3.400%, 2021/04/19	2.1%
Consolidated Container Co. LLC, Term Loans, 4.826%, 2024/05/22	2.1%
Nuvista Energy Ltd., Callable, 6.500%, 2023/03/02	2.1%
U.S. Silica Co., Term Loans, 6.125%, 2025/05/01	2.1%
Capital One NA, Callable, 2.250%, 2021/09/13	2.0%
USB Realty Corp., Variable Rate, Perpetual, 3.535%, 2022/01/15	1.9%
9370-3817 Quebec Inc., Term Loans, 6.712%, 2023/01/31	1.8%
Parkland Fuel Corp., Callable, 5.500%, 2021/05/28	1.7%
Russel Metals Inc., Callable, 6.000%, 2022/04/19	1.7%
Kruger Products L.P., Callable, 6.000%, 2025/04/24	1.7%
Other Securities	29.8%
Total Securities	85.0%
Other	
Cash and equivalents	16.4%
Derivative assets (liabilities)	0.3%
Other assets – net of liabilities	(1.7)%
Total net asset value	100.0%
Industry Sectors	
Bonds and secured loans	85.0%
Other	15.0%
Total	100.0%

The investments held by the Fund change due to ongoing portfolio transactions. A revised summary is posted on our website at www.ncminvestments.com no later than 60 days after each quarter end.

OTHER MATERIAL INFORMATION

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 Dome Tower, 1850, 333 – 7th Avenue SW in Calgary, Alberta T2P 2Z1 or from our website at www.ncminvestments.com.

THIS PAGE LEFT INTENTIONALLY BLANK

THIS PAGE LEFT INTENTIONALLY BLANK



Suite 1850, 333 – 7 Avenue S.W.
Calgary, Alberta T2P 2Z1

ncminvestments.com

1.877.431.14