



NCM Income Solutions

NCM

Dividend Champions

Build a winning portfolio with Dividend Champions

Managed by Michael Simpson, CFA



NCM is made for advice

We've been creatively solving the issues facing financial advisors and their clients for a long time. Our perspectives on topics like performance, fees and risk might surprise you.

NCM Dividend Champions offers a concentrated portfolio of some of the strongest companies in North America - companies with free cash flow, sound balance sheets, and stable or growing dividends that can deliver superior risk/reward potential even in challenging markets.

Whether you choose to compound your returns or take a monthly cash distribution, you can depend on this proven approach driven by an award-winning portfolio manager.



Dividend Champions

NCM Dividend Champions can enhance overall return potential and reduce downside risk in virtually any equity portfolio. You can choose to compound the dividend income or take a cash distribution.

MANDATE	UNIVERSE	STYLE
The fund primarily invests in Dividend Champions, defined as companies with strong free cash flow, and typically a track record of stable or growing dividends.	More than 550 North American companies are current dividend payers, and roughly 150 more have enough free cash flow to be potential dividend payers.	The fund owns 40-50 of the most attractive names across a variety of market caps. It does not look like the index.

Distribution options and fund codes

Choose Series A or Series F to **reinvest** all the income from NCM Dividend Champions.

TOTAL RETURN	SERIES A	SERIES F
FUND CODE	NRP101	NRP100
MANAGEMENT FEE	2%	1%

Choose Series AA or Series FF to receive a **monthly distribution** that targets \$0.07 per unit.

MONTHLY DISTRIBUTION	SERIES AA	SERIES FF
FUND CODE	NRP110	NRP111
MANAGEMENT FEE	2%	1%
MONTHLY DISTRIBUTION TARGET	\$0.07 per unit	\$0.07 per unit

Note: NCM Dividend Champions changed its name from NCM Norrep Fund in May 2022 to better reflect its mandate



Managed by

Michael Simpson

Experience
Matters

Portfolio Manager Michael Simpson has guided billions in assets using the Dividend Champions approach during his 25-year career. He specializes in dividend-paying securities with a focus on free cash flow to sustain reliable dividends

Prior to managing Dividend Champions, Michael was lead manager of the Sentry Canadian Income Fund and the Sentry Growth and Income Fund, overseeing more than \$10 billion in total assets.

Michael graduated from York University and also holds the Chartered Financial Analyst (CFA) designation.

Some of Michael's accomplishments include:

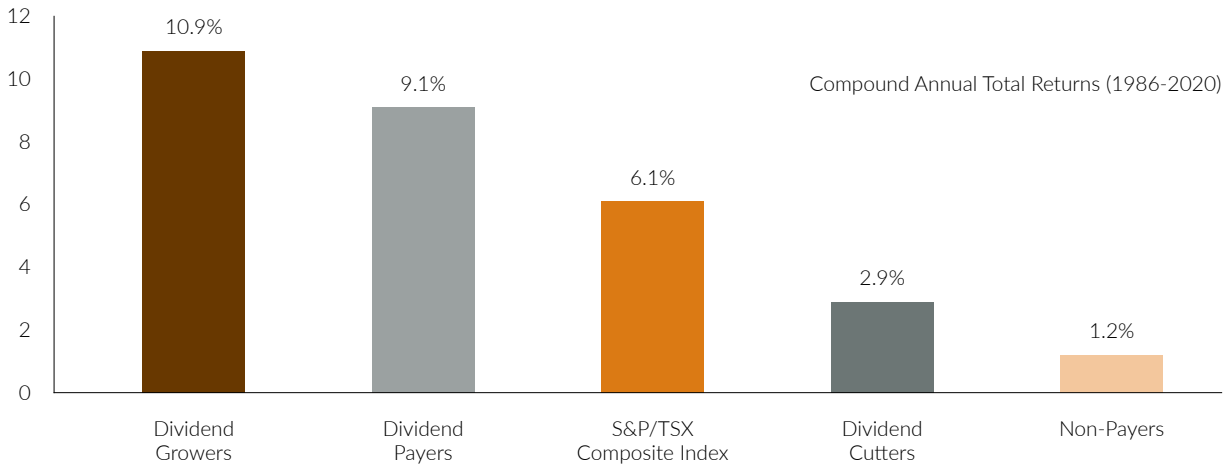
- **2013 Morningstar Award**
for best risk-adjusted returns over one, three, and five years in the Canadian Dividend and Income Equity Category
- **2014 Investment Executive Fund Manager of the Year**
- **Lipper Analytics Excellence in Fund Management**
for best risk-adjusted returns over a decade for the Sentry Canadian Income Fund
- Eight-time winner of the **Brendan Woods Top Gun Award**
- Eight Fund Grade A+ ratings from Fundata Canada

Why Dividends Matter

Dividends represent profits. Dividend-paying companies tend to have the financial strength to endure internal and external shocks. Over time, they have exhibited superior risk/return characteristics.

A History of 9x Higher Returns

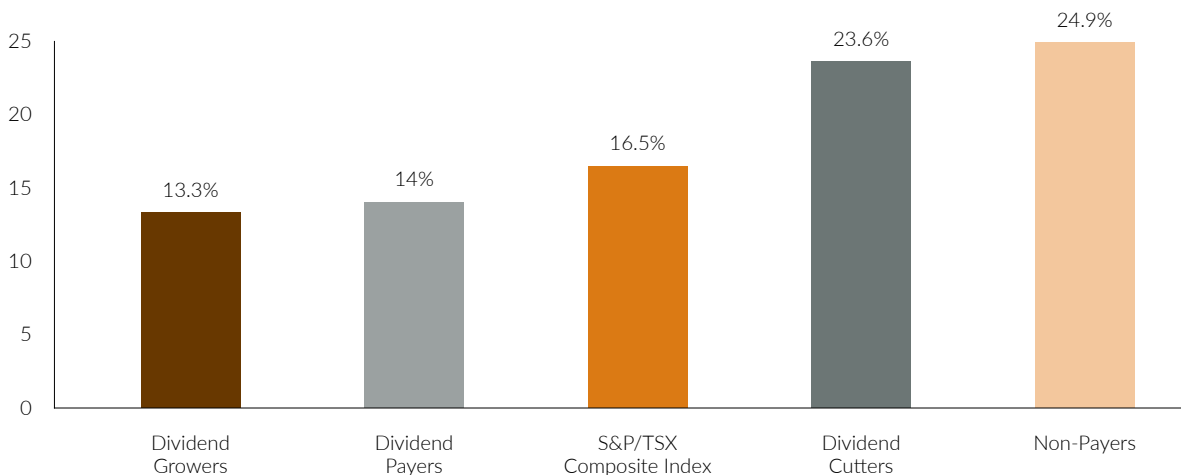
Since 1986, dividend-paying companies have significantly outperformed the S&P/TSX index. Compared to Non-Payers, Dividend Growers have produced **9x higher returns**.



Source: RBC Capital Markets Quantitative Research, data is calculate on an equal weight basis, S&P/TSX Composite Total Return Index, December 1986 - December 2020. Growers, Cutters, Payers and Non-Payers determined yearly.

Evidence of 40% Less Volatility

Since 1986, compared to Dividend Non-Payers and Cutters in the S&P/TSX index, Dividend Payers and Growers have been roughly **40% less volatile**.



Standard deviation/annualized volatility is a commonly used measure of risk and is applied to the annual rate of return of an investment to measure the investment's volatility. Standard deviation shows how much the return on an investment is deviating from expected normal returns. A high standard deviation indicates a greater variability in investment performance.

Source: RBC Capital Markets Quantitative Research. Annualized volatility is calculated on an equal weighted basis, S&P/TSX Composite Total Return Index, December 1986 - December 2020.

Focused on Dividend Champions

NCM Dividend Champions selects North American companies of various market caps with a focus on Dividend Growers and Dividend Payers. These businesses have strong cash flow that makes them more resilient in challenging markets, and enables them to share their profits with shareholders. Most Dividend Champions are household names.



We believe that Dividend Champions belong in every equity portfolio.



Dividend Potentials

APPROXIMATE NUMBER OF COMPANIES

US / 155

CANADA / 40

amazon

facebook



CANADA GOOSE®

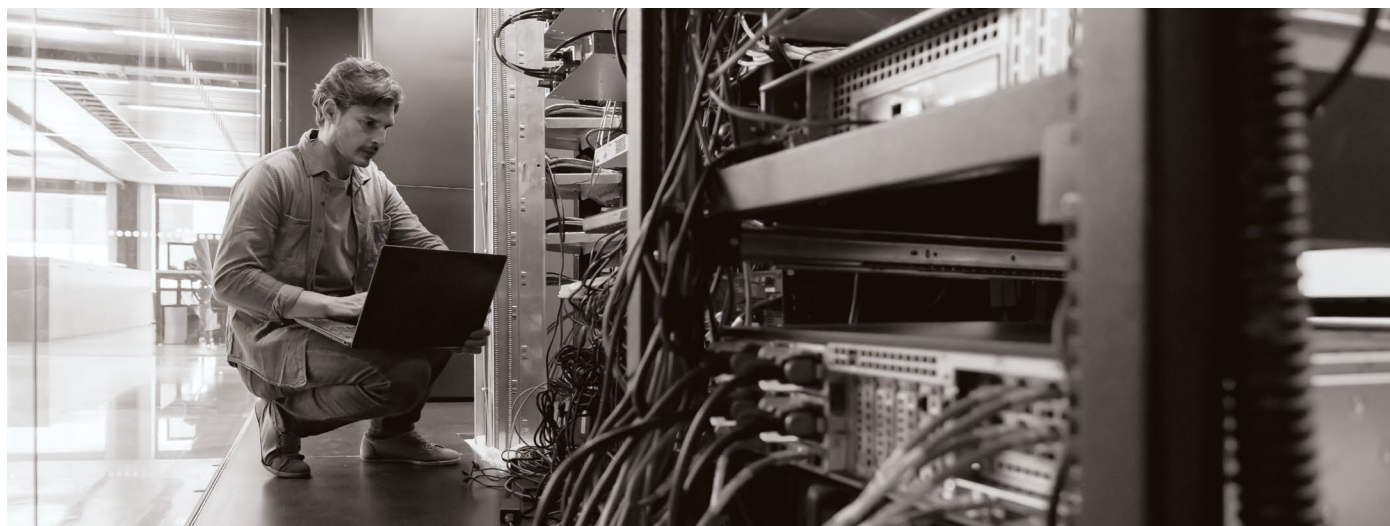
kinaxis

AMD

DESCARTES™

Alphabet

Alphabet, the holding company that owns Google, has fast-growing revenue and ample free cash flow. While the company currently chooses to reinvest in its growth rather than pay a dividend, it has the strength to be a potential Dividend Champion.





Dividend Growers Primary Focus

We define Dividend Growers as companies that have increased their dividends by more than 10% per year.

APPROXIMATE NUMBER OF COMPANIES

US / 90

CANADA / 60



metro

Metro is one of the largest grocery retailers in Canada and also boasts a meaningful drugstore footprint. With a long series of dividend increases going back to 1999, it has the growth credentials to be considered a Dividend Champion.





Dividend Payers Primary Focus

We define Dividend Payers as companies that have provided a consistent stream of dividend income.

APPROXIMATE NUMBER OF COMPANIES

US / 210

CANADA / 103



Choice Properties Real Estate Investment Trust invests in, manages, and develops retail and commercial properties across Canada. With essentially the same dividend every month since January 2017, it has the stability to be called a Dividend Champion.



Explore Our Solutions

At NCM, our solutions can help you pursue specific goals - like superior long-term growth or sustainable monthly income - or broader ones, like owning a comprehensive, pension-style portfolio with a single investment decision.



CORE EQUITY

Invest in Canadian, global and international equities with high active share, low volatility and some of the lowest fees in Canada.

- Core Canadian
- Core Global
- Core International



INCOME SOLUTIONS

Invest in a range of income portfolios that can generate fixed monthly distributions without depleting your capital.

- Income Growth Class
- Global Income Growth Class
- Dividend Champions



WEALTH CREATION

Invest in concentrated portfolios that aim for wealth beyond the index by investing in high-quality, profitable companies.

- Small Companies Class














PENSION PORTFOLIOS

Invest in global balanced portfolios with pension-style exposure to a range of conventional and non-correlated assets.

- Conservative Income Portfolio
- Balanced Income Portfolio
- Growth & Income Portfolio

NCM Fund Codes

NCM CORE EQUITY		F	A	-	-	Z
 NCM CORE CANADIAN <i>Canadian Equity</i>	NRP 3500	NRP 3501	-	-	NRP 3507	
 NCM CORE GLOBAL <i>Global Equity</i>	NRP 3400	NRP 3401	-	-	NRP 3407	
 NCM CORE INTERNATIONAL <i>International Equity</i>	NRP 600	NRP 601	-	-	NRP 607	
NCM INCOME SOLUTIONS		F	A	T6	F6	Z
 NCM INCOME GROWTH CLASS <i>Canadian Equity Balanced</i>	NRP 500	NRP 503 (AA)	NRP 506	NRP 509	-	
 NCM GLOBAL INCOME GROWTH CLASS <i>Global Equity Balanced</i>	NRP 1000	NRP 1001	NRP 1006	NRP 1009	-	
 NCM DIVIDEND CHAMPIONS† <i>Canadian Focused Equity</i>	NRP 100	NRP 101	-	-	-	
<i>optional fixed monthly distribution</i>	NRP 111 (FF)	NRP 110 (AA)				
NCM WEALTH CREATION		F	A	-	-	-
 NCM SMALL COMPANIES CLASS <i>Canadian Small/Mid Cap Equity</i>	NRP 200	NRP 201	-	-	-	
NCM PENSION PORTFOLIOS		F	A	T6	F6	-
 NCM CONSERVATIVE INCOME PORTFOLIO <i>Global Fixed Income Balanced</i>	NRP 7100	NRP 7101	NRP 7106	NRP 7109	-	
 NCM BALANCED INCOME PORTFOLIO <i>Global Neutral Balanced</i>	NRP 7200	NRP 7201	NRP 7206	NRP 7209	-	
 NCM GROWTH & INCOME PORTFOLIO <i>Global Equity Balanced</i>	NRP 7300	NRP 7301	NRP 7306	NRP 7309	-	
NCM ALTERNATIVE FUNDS		F	A	-	-	-
 NCM CANADIAN ENHANCED EQUITY FUND <i>Alternative Equity Focused</i>	NRP 5100	NRP 5101	-	-	-	

MINIMUM INVESTMENT Initial: \$5000, Subsequent: \$100

Z SERIES Initial: See Fund Basics for minimums, Maximum: \$1M, Subsequent: \$100

† Formerly known as NCM Norrep Fund

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