

March 31, 2024

INTERIM FINANCIAL STATEMENTS OF
**NCM CANADIAN ENHANCED
EQUITY FUND**

TO THE UNITHOLDERS OF NCM CANADIAN ENHANCED EQUITY FUND

These unaudited interim financial statements are as at March 31, 2024. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and includes the statements of financial position as at March 31, 2024 and September 30, 2023, statements of comprehensive income (loss), statements of changes in net assets attributable to holders of redeemable units, and statements of cash flows for the six months ended March 31, 2024 and 2023; and notes to the interim financial statement, 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 Canadian Enhanced Equity Fund
May 28, 2024

NCM Canadian Enhanced Equity Fund

Interim Statements of Financial Position (unaudited)

(in Canadian dollars, except units outstanding)

As at	March 31 2024	September 30 2023
Assets		
Cash and cash equivalents	678,365	311,731
Dividends receivable	38,784	47,945
Portfolio assets sold	183,942	339,929
Investments, at fair value through profit or loss	13,188,452	12,378,802
Total assets	14,089,543	13,078,407
Liabilities		
Accrued expenses (note 7)	42,861	47,500
Distributions payable	34,483	36,938
Dividends payable on investments sold short	6,666	6,405
Portfolio assets purchased	238,172	147,308
Investments - short, at fair value through profit or loss	3,333,541	3,017,913
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,655,723	3,256,064
Net assets attributable to holders of redeemable units	10,433,820	9,822,343
Net assets attributable to holders of redeemable units:		
Series A	3,684,738	3,362,230
Series F	6,304,245	6,061,123
Series I	444,837	398,990
Redeemable units outstanding (note 6):		
Series A	357,376	359,698
Series F	555,297	592,047
Series I	35,639	35,639
Net assets attributable to holders of redeemable units per unit:		
Series A	10.31	9.35
Series F	11.35	10.24
Series I	12.48	11.20

See accompanying notes to interim financial statements.

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



Alex Sasso



Keith Leslie

Interim Statements of Comprehensive Income (Loss) (unaudited)

Six months ended March 31, 2024 and 2023

(in Canadian dollars)

	2024	2023
Dividend income	208,313	194,652
Interest for distribution purposes	18,760	17,526
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	340,021	(93,539)
Net change in unrealized appreciation (depreciation) in fair value of investments	787,166	803,657
Total investment revenue (loss)	1,354,260	922,296
Management fees (note 7)	66,606	70,256
Dividend expense on investments sold short	28,393	28,268
Custodian and record keeping fees	16,576	17,159
Risk management fees	12,893	13,214
Transaction costs	12,644	15,024
Audit fees	8,240	6,182
Other	7,421	6,755
HST/GST	6,002	6,413
Administrative fees (note 7)	5,511	6,363
Tax and other professional fees	5,195	3,166
Computer services	1,615	1,838
Legal and filing fees	1,417	1,672
Total operating expenses	172,513	176,310
Increase (decrease) in net assets attributable to holders of redeemable units before tax	1,181,747	745,986
Withholding tax expense	201	—
Increase (decrease) in net assets attributable to holders of redeemable units	1,181,546	745,986
Change in net assets attributable to holders of redeemable units (note 6):		
Series A	398,131	240,464
Series F	731,449	479,849
Series I	51,966	25,673
Change in net assets attributable to holders of redeemable units per unit (note 6):		
Series A	1.11	0.68
Series F	1.27	0.81
Series I	1.46	0.81

See accompanying notes to interim financial statements.

NCM Canadian Enhanced Equity Fund

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

Six months ended March 31, 2024 and 2023

(in Canadian dollars)

	All Series		Series A		Series F		Series I	
	2024	2023	2024	2023	2024	2023	2024	2023
Net assets attributable to holders of redeemable units, beginning of period	9,822,343	10,165,398	3,362,230	3,441,260	6,061,123	6,420,849	398,990	303,289
Increase (decrease) in net assets, attributable to holders of redeemable units	1,181,546	745,986	398,131	240,464	731,449	479,849	51,966	25,673
Transactions attributable to holders of redeemable units:								
Issuance of units	78,904	136,337	–	–	78,904	56,337	–	80,000
Reinvestment of distributions	75,319	179,724	42,798	102,659	32,521	77,065	–	–
Redemptions	(578,227)	(301,317)	(66,967)	(54,085)	(511,260)	(247,232)	–	–
	(424,004)	14,744	(24,169)	48,574	(399,835)	(113,830)	–	80,000
Distributions declared	(146,065)	(365,472)	(51,454)	(124,681)	(88,492)	(227,008)	(6,119)	(13,783)
	(146,065)	(365,472)	(51,454)	(124,681)	(88,492)	(227,008)	(6,119)	(13,783)
Net assets attributable to holders of redeemable units, end of period	10,433,820	10,560,656	3,684,738	3,605,617	6,304,245	6,559,860	444,837	395,179
Distributions per unit to holders of redeemable units			0.14	0.36	0.16	0.39	0.17	0.42

See accompanying notes to interim financial statements.

NCM Canadian Enhanced Equity Fund

Interim Statements of Cash Flows (unaudited)

Six months ended March 31, 2024 and 2023

(in Canadian dollars)

	2024	2023
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	1,181,546	745,986
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	(340,021)	93,539
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	(787,166)	(803,657)
Purchase of investments	(17,317,925)	(19,951,392)
Proceeds from the sale of investments	18,197,959	20,950,923
Dividend income	(208,313)	(194,652)
Dividends received, net of withholding tax paid	217,273	190,867
Withholding tax paid	201	—
Interest for distribution purposes	(18,760)	(17,526)
Interest received	18,760	17,526
Accrued expenses	(4,639)	(1,400)
Dividend expense on investments sold short	28,393	28,268
Dividend paid on investments sold short	(28,132)	(28,289)
Net cash from (used in) operating activities	939,176	1,030,193
Cash flows from (used in) financing activities		
Proceeds from the issuance of redeemable units	78,904	136,337
Amounts paid on redemption of redeemable units	(578,227)	(304,383)
Distributions to holders of redeemable units, net of reinvestments	(73,201)	(148,281)
Net cash from (used in) financing activities	(572,524)	(316,327)
Net increase (decrease) in cash and cash equivalents	366,652	713,866
Effect of exchange rates on cash and cash equivalents	(18)	(233)
Cash and cash equivalents at beginning of period	311,731	239,174
Cash and cash equivalents at end of period	678,365	952,807

See accompanying notes to interim financial statements.

Schedule of Investment Portfolio (unaudited)

As at March 31, 2024

(in Canadian dollars)

Description	Number of Shares / Warrants	Cost (\$)	Fair Value (\$)	% of Net Assets
CANADIAN EQUITIES - Long				
Communication Services				
Quebecor Inc., Class 'B'	10,300	313,448	305,807	
Stingray Group Inc.	31,400	220,915	240,838	
		534,363	546,645	5.2%
Consumer Discretionary				
Dollarama Inc.	1,500	127,344	154,785	
		127,344	154,785	1.5%
Consumer Staples				
Alimentation Couche-Tard Inc.	3,300	259,642	255,123	
Loblaws Cos. Ltd.	1,000	113,375	150,100	
		373,017	405,223	3.9%
Energy				
Alvopetro Energy Ltd.	102,200	691,850	415,954	
Cameco Corp.	5,400	273,512	316,656	
Canadian Natural Resources Ltd.	3,600	317,001	371,988	
CES Energy Solutions Corp.	53,900	171,432	253,869	
Itafos Inc.	357,900	535,862	476,007	
Pembina Pipeline Corp.	7,700	358,409	368,137	
Peyto Exploration & Development Corp.	25,900	325,061	386,687	
		2,673,127	2,589,298	24.8%
Financials				
Brookfield Corp., Class 'A'	5,600	315,923	317,408	
Canadian Western Bank	10,900	310,006	307,380	
CI Financial Corp.	15,200	247,651	263,264	
Definity Financial Corp.	7,200	328,302	310,608	
First National Financial Corp.	5,600	213,935	210,672	
goeasy Ltd.	2,000	265,261	318,780	
Manulife Financial Corp.	6,400	165,271	216,512	
Propel Holdings Inc.	15,000	195,803	247,500	
Royal Bank of Canada	6,200	730,064	847,044	
Sun Life Financial Inc.	4,300	268,105	317,813	
Toronto-Dominion Bank (The)	3,200	266,260	261,600	
VersaBank	21,900	332,804	313,389	
		3,639,385	3,931,970	37.7%

NCM Canadian Enhanced Equity Fund

Schedule of Investment Portfolio (continued)
(unaudited)

As at March 31, 2024

(in Canadian dollars)

Description	Number of Shares / Warrants	Cost (\$)	Fair Value (\$)	% of Net Assets
Industrials				
Badger Infrastructure Solutions Ltd.	4,200	145,836	210,840	
Bird Construction Inc.	14,900	147,948	277,736	
Bombardier Inc.	3,000	154,218	174,450	
Canadian National Railway Co.	2,400	369,644	428,088	
Decisive Dividend Corp.	24,100	251,499	252,568	
Element Fleet Management Corp.	16,300	305,065	356,807	
RB Global Inc.	2,600	233,625	268,242	
TFI International Inc.	700	150,393	151,200	
		1,758,228	2,119,931	20.3%
Information Technology				
Celestica Inc.	4,900	208,252	298,214	
Constellation Software Inc.	70	179,907	259,000	
Constellation Software Inc., Warrants, 2028/08/22	190	-	-	
Evertz Technologies Ltd.	20,900	311,754	309,738	
Open Text Corp.	5,000	258,026	262,800	
		957,939	1,129,752	10.8%
Materials				
Lundin Gold Inc.	17,100	265,357	325,584	
Stelco Holdings Inc.	7,300	295,561	326,091	
Stella-Jones Inc.	3,500	238,900	276,500	
		799,818	928,175	8.9%
Real Estate				
Choice Properties REIT	15,700	215,536	216,346	
Granite REIT	3,500	256,804	270,585	
		472,340	486,931	4.7%
Utilities				
AltaGas Ltd.	12,900	345,019	385,968	
		345,019	385,968	3.7%
TOTAL CANADIAN EQUITIES - Long				121.5%
11,680,580				12,678,678
UNITED STATES EQUITIES				
Energy				
Ovintiv Inc.	3,700	233,782	260,036	
		233,782	260,036	2.5%
TOTAL UNITED STATES EQUITIES - Long				2.5%
233,782				260,036

Description	Number of Shares / Warrants	Cost (\$)	Fair Value (\$)	% of Net Assets
INTERNATIONAL EQUITIES - Long				
Australia				
Champion Iron Ltd.	38,900	275,176	249,738	
		275,176	249,738	2.4%
TOTAL INTERNATIONAL EQUITIES - Long				2.4%
275,176				249,738
TOTAL EQUITIES - Long				126.4%
12,189,538				13,188,452
CANADIAN EQUITIES - Short				
Consumer Discretionary				
MTY Food Group Inc.	(500)	(26,244)	(25,565)	
Spin Master Corp.	(800)	(28,042)	(27,728)	
		(54,286)	(53,293)	-0.5%
Consumer Staples				
Maple Leaf Foods Inc.	(3,500)	(88,928)	(77,735)	
Premium Brands Holdings Corp.	(500)	(52,122)	(44,250)	
Rogers Sugar Inc.	(14,300)	(76,384)	(76,219)	
Saputo Inc.	(3,000)	(83,810)	(79,950)	
SunOpta Inc.	(5,400)	(38,254)	(50,112)	
		(339,498)	(328,266)	-3.2%
Energy				
Advantage Energy Ltd.	(8,300)	(80,572)	(82,004)	
Birchcliff Energy Ltd.	(9,400)	(53,144)	(50,196)	
Cardinal Energy Ltd.	(12,700)	(83,312)	(89,916)	
Enerflex Ltd.	(6,200)	(39,109)	(48,856)	
Mattr Corp.	(4,800)	(74,723)	(85,248)	
Nuvista Energy Ltd.	(4,600)	(55,038)	(54,648)	
Surge Energy Inc.	(12,100)	(78,383)	(93,291)	
		(464,281)	(504,159)	-4.8%
Financials				
IGM Financial Inc.	(3,000)	(103,019)	(104,790)	
		(103,019)	(104,790)	-1.0%
Industrials				
Ballard Power Systems Inc.	(6,900)	(34,148)	(26,013)	
GDI Integrated Facility Services Inc.	(1,200)	(44,859)	(47,052)	
GFL Environmental Inc.	(1,100)	(50,384)	(51,381)	
Richelieu Hardware Ltd.	(1,100)	(44,407)	(46,860)	
Savaria Corp.	(1,800)	(30,424)	(30,168)	
		(204,222)	(201,474)	1.9%
Information Technology				
Kinaxis Inc.	(300)	(44,728)	(46,200)	
		(44,728)	(46,200)	0.5%

NCM Canadian Enhanced Equity Fund

Schedule of Investment Portfolio (continued)

As at March 31, 2024
(unaudited)

(in Canadian dollars)

Description	Number of Shares	Proceeds (\$)	Fair Value (\$)	% of Net Assets
Materials				
Altius Minerals Corp.	(2,900)	(55,104)	(59,595)	
Dundee Precious Metals Inc.	(5,900)	(53,713)	(60,770)	
Fortuna Silver Mines Inc.	(11,300)	(52,826)	(56,839)	
Neo Performance Materials Inc.	(7,000)	(54,008)	(44,100)	
Torex Gold Resources Inc.	(2,900)	(44,218)	(57,826)	
Winpak Ltd.	(1,200)	(47,057)	(48,648)	
		<u>(306,926)</u>	<u>(327,778)</u>	<u>-3.1%</u>
Real Estate				
Boardwalk REIT	(700)	(49,701)	(54,656)	
Crombie REIT	(3,900)	(52,909)	(53,391)	
Dream Unlimited Corp., Class 'A'	(2,300)	(54,072)	(44,597)	
First Capital REIT	(3,300)	(45,970)	(51,843)	
H&R REIT	(2,700)	(27,969)	(24,975)	
Morguard North American Residential REIT	(1,900)	(31,605)	(30,305)	
Real Matters Inc.	(7,700)	(43,826)	(47,124)	
SmartCentres REIT	(2,100)	(52,794)	(48,783)	
		<u>(358,846)</u>	<u>(355,674)</u>	<u>-3.4%</u>
Utilities				
Borex Inc., Class 'A'	(1,600)	(57,753)	(45,792)	
Emera Inc.	(2,200)	(105,825)	(104,874)	
		<u>(163,578)</u>	<u>(150,666)</u>	<u>-1.5%</u>
TOTAL CANADIAN EQUITIES - Short				
		<u>(2,039,384)</u>	<u>(2,072,300)</u>	<u>-19.9%</u>
CANADIAN EQUITIES ETFs - Short				
Exchange Traded Funds				
iShares Core S&P/TSX Capped Composite Index ETF	(18,500)	(617,920)	(653,235)	
iShares S&P/TSX SmallCap Index Fund ETF	(27,400)	(497,286)	(529,094)	
		<u>(1,115,206)</u>	<u>(1,182,329)</u>	<u>-11.3%</u>
TOTAL CANADIAN EQUITIES ETFs - Short				
		<u>(1,115,206)</u>	<u>(1,182,329)</u>	<u>-11.3%</u>

Description	Number of Shares	Proceeds (\$)	Fair Value (\$)	% of Net Assets
UNITED STATES EQUITIES - Short				
consumer staples				
Primo Water Corp.	(3,200)	(66,743)	(78,912)	
		<u>(66,743)</u>	<u>(78,912)</u>	<u>-0.8%</u>
TOTAL UNITED STATES EQUITIES - Short				
		<u>(66,743)</u>	<u>(78,912)</u>	<u>-0.8%</u>
TOTAL EQUITIES - Short				
		<u>(3,221,333)</u>	<u>(3,333,541)</u>	<u>-32.0%</u>
TOTAL EQUITIES				
		<u>8,968,205</u>	<u>9,854,911</u>	<u>94.4%</u>
Less: Transaction costs included in average cost				
		<u>(5,218)</u>		
TOTAL INVESTMENTS				
		<u>8,962,987</u>	<u>9,854,911</u>	<u>94.4%</u>
Other assets, less liabilities				
			<u>578,909</u>	<u>5.6%</u>
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS				
			<u>10,433,820</u>	<u>100.0%</u>

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

1. Reporting Entity

The registered office of the Fund is located at Dome Tower Suite 1850, 333 7th Avenue, Calgary, Alberta, T2P2Z1.

The Fund may issue an unlimited number of units in an unlimited number of series. Each unit represents an equal undivided interest in the net assets of the Fund; however, the value of a Trust Unit in one Class may differ from the value of a Trust Unit in another Class, depending on the Net Asset Value of that particular Class.

NCM Asset Management Ltd. (“NCM”) is the Manager and Portfolio Manager for the Fund. As Manager, it provides overall management and direction for the Fund as well as manages the day-to-day operation of the Fund. As Portfolio Manager, it provides investment management services to the Fund. Computershare Trust Company is the Trustee, Scotia Capital Inc. is the Prime Broker, CIBC Mellon Global Securities Services Company is the Custodian, Administrator, and Transfer Agent and Registrar.

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 principles 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 Fund were approved and were authorized for issue by the Manager’s Board of Directors on May 28, 2024.

(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 which are measured at fair value.

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Fund’s 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 areas requiring the use of management estimates include the fair value of investments.

3. Significant accounting policies

(a) Financial assets and financial liabilities:

(i) Classification

The Fund follows IFRS 9 Financial Instruments. The standard requires assets to be initially recognized at fair value and subsequently measured at amortized cost or fair value, with changes in fair value recognized in profit and loss or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing financial assets or the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgement.

Under IFRS 9, derivatives are classified as FVTPL.

The Fund classifies financial assets and financial liabilities into the following categories.

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

3. Significant accounting policies (continued)

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

(i) Classification (continued)

Financial assets and liabilities 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 units

The Fund designates 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.

(ii) Recognition and initial measurement

Financial assets and financial liabilities at fair value through profit or loss ("FVTPL") 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.

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. Financial assets or financial liabilities not at FVTPL are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue.

(iii) Derecognition

Financial assets are derecognized only when the contractual rights to the cash flows from the asset expire, or it transfers the financial assets and

substantially all the risks and rewards of ownership of the asset to another entity. The Fund derecognizes financial liabilities when, and only when, the Fund's obligations are discharged, cancelled or they expire.

(iv) 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.

When available, the Fund measures fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Fund measures instruments quoted in an active market at last traded price.

For securities where market quotes are not available, the Fund values the initial investment at the amount paid. After initial investment, the Fund uses estimation techniques to determine fair value including observable market data, discounted cash flows and internal models that compare the investments to its peer group.

There is no difference between pricing fair value and accounting fair value.

(v) 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).

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

3. Significant accounting policies (continued)

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

(vi) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks, margin accounts which may be in a positive or negative (bank indebtedness) balance at any given time 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 Fund in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

Redeemable units

The Fund classifies financial instruments issued as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. The Fund has multiple classes of redeemable units that do not have identical features and therefore, do not qualify as equity under IAS 32, Financial Instruments. The redeemable units, 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 unit price based on the Fund's valuation policies at each redemption date. The units represent the residual interest in the Fund.

The value at which redeemable units are issued or redeemed is determined by dividing the net assets at fair value, based on last trading price, of each class by the total number of redeemable units outstanding for the Class at the Valuation Time on each business day. Amounts received on the issuance of redeemable units and amounts paid by the Class on the redemption of redeemable units are added to deducted from net assets.

(b) Income and expense recognition:

Interest income is accrued daily and dividend income is recognized on the ex-dividend date.

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Funds accounted for on an accrual basis. The Funds do not amortize premiums paid or discounts received on the purchase of fixed income securities except for zero coupon bonds, which are amortized on a straight line basis.

Realized gain/loss on sale of investments and unrealized appreciation/depreciation in investments are determined on an average cost basis. Average cost does not include amortization of premiums or discounts on fixed income securities with the exception of zero coupon bonds.

Expenses are recorded on an accrual basis as they are incurred.

(c) Dividend income and dividend expense:

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.

The Fund incurs expenses on short positions in equity securities equal to the dividends due on these securities. Such dividend expense is recognized in profit or loss as operating expense when the shareholders' right to receive payment is established.

(d) Distributions to holders of redeemable units:

Any distribution made will be in proportion to the number of units held by each unitholder.

Distributions per unit are calculated as the total amount of distributions divided by the number of units on the record date.

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

3. Significant accounting policies (continued)

- (e) 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.

- (f) Income tax:

The Fund is a “mutual fund trust” under the Income Tax Act (Canada) and, accordingly, will not be taxed on that portion of its taxable income that is paid or allocated to unitholders. The Fund expects to pay out sufficient net income and net realized capital gains so that it will not be subject to income taxes. Accordingly, no provision for income taxes has been made in these financial statements.

However, certain dividend and interest income received by the Fund is subject to withholding tax imposed in certain countries of origin. Income that is subject to such tax is recognized gross of the taxes and the corresponding withholding tax is recognized as a tax expense. The Fund incurred withholding tax expense of \$201 (2023 - \$nil) for the period ended March 31, 2024.

- (g) Increase (decrease) in net assets attributable to holders of redeemable units:

The net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders of redeemable units of a particular series of units by the total number of units of that particular series outstanding at the end of the period.

Change in net assets attributable to holders of redeemable units per unit is calculated as the increase (decrease) in net assets attributable to holders of redeemable units of a Series for the period, divided by the weighted average units outstanding during the period.

- (h) 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.

- (i) Derivative financial instruments:

The Fund may use derivative financial instruments to reduce its exposure to fluctuations in foreign currency exchange rates. Derivative financial instruments are recorded at fair value 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

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 statement of financial position.

- (i) Short selling:

The Fund may make short sales whereby a security that it does not own is sold in anticipation of a decline in the fair value of the security.

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

3. Significant accounting policies (continued)

(i) Short selling (continued):

Securities that are sold short are valued at the last traded price reported by the principal securities exchange on which the issue is traded on the financial statement date. To enter into a short sale, the Fund will need to borrow the security for delivery to the buyer. Also, while the transaction is open, the Fund will incur a liability for any paid dividends or interest that is due to the lender of the security.

Should the security increase in value during the shorting period, the Fund will incur a loss. There is, in theory, no upper limit to how high the price of a security may go. Another risk involved in shorting is the loss of a borrow, a situation where the lender of the security requests its return. In cases like this, the Fund must either find securities to replace those borrowed or step into the market and repurchase the securities. Depending on the liquidity of the security shorted, if there are insufficient securities available at current market prices, the Fund may have to bid up the price of the security in order to cover the short, resulting in losses to the Fund.

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 Fund determines 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);
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly unobservable (Level 2);
- Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable (Level 3);

Changes in valuation methods may result in transfers into or out of an investment's assigned level. The Fund recognizes 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 the reporting dates 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.

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
March 31, 2024				
Public securities				
Equities - long	13,188,452	—	—	13,188,452
Equities - short	(3,333,541)	—	—	(3,333,541)
Total Investments	9,854,911	—	—	9,854,911

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
September 30, 2023				
Public securities				
Equities - long	12,434,224	—	—	12,434,224
Equities - short	(2,977,632)	—	—	(2,977,632)
Total Investments	9,456,592	—	—	9,456,592

There were no transfers into or out of Level 1, Level 2 and Level 3 during the periods ended March 31, 2024 and September 30, 2023.

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

4. Fair value measurement (continued)

(c) Financial instruments not measured at fair value:

The carrying values of cash and cash equivalents, dividends and interest receivable and accrued expenses, and other receivables and payables, approximate their fair values due to their short term nature.

5. Financial instruments and associated risks

The Fund's 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 Fund's overall risk management program seeks to maximize the returns derived for the level of risk to which the Fund is exposed and seeks to minimize potential adverse effects on the Fund's financial performance. Market disruptions associated with acts of terrorism, war, natural disasters and epidemics can lead to increased market volatilities and be highly disruptive to economies, individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings and investor sentiment. Such disruptions can adversely affect the financial instrument risks associated with the Fund and its investments. All investments result in a risk of loss of capital. The Fund also holds short positions which are subject to certain inherent risks. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements.

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 Fund. The carrying amount of cash and cash equivalents and receivables, represent the credit risk exposure as at March 31, 2024.

Credit risk arising on transactions for units issued 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 honor 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.

For the majority of the transactions, the Fund mitigates 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.

All of the assets of the Fund are held by Scotia Capital Inc., the Prime Broker. Bankruptcy or insolvency of the custodian or Prime Broker may cause the Fund's rights with respect to securities held by the custodian and prime broker to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and credit rating and financial position of the prime broker. If the credit quality or the financial position deteriorates significantly then the Manager will move the cash holdings to another financial institution.

Liquidity risk:

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or other financial assets.

The Fund is exposed to daily cash redemptions of redeemable units. The Fund may acquire significant positions in thinly-traded and relatively illiquid investments that may cease to be traded after the Fund invests. In such cases, and in the event of extreme market volatility, the Fund may not be able to promptly liquidate its investments, if a need should arise.

Additionally, investments in small, mid-capitalization and micro-capitalization companies may involve greater risks than investments in larger, more established companies since such companies may have more limited markets and financial resources, their securities may be more sensitive to market changes, and the liquidity of their securities may be limited.

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

5. Financial instruments and associated risks (continued)

Liquidity risk (continued):

Consequently, in order to fund redemptions, the Fund may have to liquidate its shareholdings in the more liquid large and medium-sized companies.

To the extent that the liquidity is limited, the Fund's ability to realize profits and/or minimize losses may be limited, which could adversely affect the net asset value of the Fund. The Fund believes it maintains sufficient cash and cash equivalent positions to maintain liquidity.

The Fund may borrow to make investments or maintain liquidity and may pledge its assets to secure the borrowings.

Market risk:

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk.

The Fund is an alternative investment fund that seeks long-term capital appreciation by investing primarily in a diversified portfolio of Canadian equity securities. The Fund pursues its investment objective by establishing long and short equity exposure to securities of companies, stock markets or industry sectors located, primarily, in Canada. The Fund may hold a portion of its assets in cash, money market instruments, or fixed-income securities, including bonds and other debt securities. In years of unusual market conditions, a significant portion of the Fund's assets may be held in such instruments.

The Fund may also from time to time use derivatives, such as options, futures and forward contracts for hedging purposes, to gain exposure to individual securities and markets (instead of buying the securities directly) and/or to generate income.

The success of the Fund's activities may be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may

affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could reduce the Fund's profitability or result in losses.

No material change that would adversely affect the interest of the Unitholders of the Fund may be made without the approval of the unitholders. An approval is not required if the Manager provides the Unitholders with at least 60 days written notice of such proposed change and the right to redeem all Units prior to the effective date of the change. The Manager may alter the Fund's investment objectives, strategies and restrictions without prior approval by Unitholders in certain circumstances.

The Fund's 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 Fund's investment portfolio at March 31, 2024 are disclosed in the schedule of investment portfolio.

(a) Currency risk:

Investment in securities denominated in a currency other than Canadian dollars will be affected by the changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated. Therefore the value of securities held by the Fund may be worth more or less depending on their susceptibility to foreign exchange rates. At March 31, 2024 and September 30, 2023 the Fund did not hold any foreign currency denominated investments.

(b) Interest rate risk:

Interest rate risk arises on interest bearing financial instruments. A change in general interest rates is a main factor affecting the price of a fund that invests in fixed-income securities. Fixed-income securities, like bonds, pay interest based on interest rates when the bond is issued. Changes in interest rates may also affect the value of the equity securities. The income

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

5. Financial instruments and associated risks (continued)

Market risk (continued):

(b) Interest rate risk (continued):

earned by an investment fund and the interest paid by an investment fund for borrowing, is also affected by changes in interest rates.

At March 31, 2024 and September 30, 2023, there are no interest-bearing financial assets or liabilities. As a result, the Fund is subject to limited exposure to interest rate risks due to fluctuations in the prevailing levels of market 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. However, the Fund holds short positions that are subject to certain inherent risks. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements. To achieve its objective, the Fund will generally hold 100 percent net long equity market exposure by investing primarily in equity securities with an aggregate value of approximately 130 percent of its Net Asset Value and holding short positions with a market value of approximately 30 percent of its Net Asset Value.

Approximately 10% of the equity portion of the invested net assets of the Fund may be managed with “pairs” trades, meaning the Fund will match a “long” position with a “short” position of two different stocks in the sub-sector of the market with the intention of eliminating market risk. This strategy seeks to take advantage of profitable opportunities based on differences in valuation and market momentum (i.e. the perceived strength of a downward or upward

movement in prices) of companies in the same line of business rather than absolute values of their returns.

The remaining equity portion of the invested net assets of the Fund will primarily be managed using the internally developed quantitative models. Other factors of importance in the long positions include low valuations, high profitability, strong earnings and price momentum and low debt levels. The short positions tend to consist of stocks that lack momentum, growth or trade at unreasonable valuations.

Price risk is managed by the Manager by constructing a diversified portfolio of instruments. 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.

The Manager monitors these factors daily and makes decisions regarding the portfolio based on its knowledge of the market conditions and diversifies the portfolio of investments accordingly. The risk resulting from financial instruments is equivalent to their fair value.

Sensitivity analysis:

A 1% increase or decrease on the S&P/TSX Composite Total Return Index (“Benchmark”) at March 31, 2024 would have impacted the net assets and the net increase/decrease in net assets attributable to holders of redeemable units by \$98,549 (September 30, 2023 - \$93,609).

The Fund’s financial assets exposed to other price risk were concentrated in the following industries as a percentage of net investment at March 31, 2024 and September 30, 2023:

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

5. Financial instruments and associated risks (continued)

Market risk (continued):

(c) Other price risk (continued):

Equities	2024	2023
Energy	23.8%	21.1%
Materials	8.6%	18.4%
Industrials	19.4%	15.5%
Consumer Discretionary	1.1%	4.8%
Consumer Staples	–	1.0%
Financials	38.8%	30.0%
Information Technology	11.0%	9.8%
Communication Services	5.6%	2.2%
Utilities	2.4%	3.5%
Real Estate	1.3%	4.1%
Exchange Traded Funds	(12.0)%	(10.4)%
Total	100.0%	100.0%

6. Net assets attributable to holders of redeemable units

Redeemable units

The authorized capital of the Fund consists of an unlimited number of Units, each representing an equal undivided interest in the net assets of the Fund. Currently, there are three series outstanding, Series A, Series F and Series I. Each series ranks equally, on a per-series basis, with respect to distributions 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. The general expenses that are not series specific are allocated in proportion to the annual weighted average units of each series. Series A is sold under the front end sales charge option. A commission ranging from 0% to 2% is paid by the investor to the dealer with a 3% redemption fee being charged if the Units are redeemed in the first 30 days of investment. Series F are sold to purchasers enrolled in a fee-for-service or wrap program with their dealer. A 2% redemption fee is charged if the Series F is redeemed within the first 30 days.

Series I units are sold with commissions negotiated between the investor and the dealer and are available to certain investors at the Portfolio Manager's discretion. A

3% redemption fee is charged if the units are redeemed in the first 30 days of investment.

The units may be redeemed daily at the net asset value per unit of the respective series.

The analysis of movements in the number of Units and net assets attributable to holders of redeemable units during the period was as follows:

Series A	2024	2023
Balance, opening	359,698	350,438
Issued on distributions reinvested	4,230	10,108
Redeemed for cash	(6,552)	(5,254)
Balance, March 31	357,376	355,292

Series F	2024	2023
Balance, opening	592,047	603,488
Issued on distributions reinvested	2,922	6,982
Issued for cash	7,343	4,919
Redeemed for cash	(47,015)	(21,759)
Balance, March 31	555,297	593,630

Series I	2024	2023
Balance, opening	35,639	26,355
Issued for cash	–	6,539
Balance, March 31	35,639	32,894

The calculation of the increase (decrease) in net assets attributable to holders of redeemable units per units is presented below. Due to rounding, numbers presented may not calculate precisely and not reflect the absolute figures.

March 31, 2024	Series A	Series F	Series I
Increase in net assets attributable to holders of redeemable units (in 000's of \$)	398	731	52
Average units outstanding during the period (in 000's of units)	359	574	36
Increase in net assets attributable to holders of redeemable units per unit	\$1.11	\$1.27	\$1.46

March 31, 2023	Series A	Series F	Series I
Increase in net assets attributable to holders of redeemable units (in 000's of \$)	240	480	26
Average units outstanding during the period (in 000's of units)	354	593	32
Increase in net assets attributable to holders of redeemable units per unit	\$0.68	\$0.81	\$0.81

NCM Canadian Enhanced Equity Fund

Notes to the Interim Financial Statements
(unaudited)

Six months ended March 31, 2024 and 2023

7. Management fees, expenses and key contracts

(a) Manager and management fees:

The Series A units paid an annual management fee to the Manager of 2.0% of the net asset value of the series. Series F units paid an annual management fee to the Manager of 1.0% of the net asset value of the series. The management fee is calculated and paid monthly. Included in accrued expenses is \$11,389 (September 30, 2023 - \$11,005) related to these fees.

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.

The Fund will pay the Manager a Performance Fee if the series return of the Fund exceeds the return of a specified benchmark (the "Benchmark") during the relevant period. The Performance Fee is based on the performance of the Fund determined at the end of each calendar quarter.

If the series performance exceeds the Benchmark, 20% of this amount will be multiplied by the average series net asset value during the Performance Measurement Period, as defined. As at March 31, 2024 and September 30, 2023, included in accounts payable is \$nil related to these fees.

(b) Expenses:

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 Fund. Brokerage costs are incorporated in the cost and proceeds of securities transactions. The Manager has charged the Fund for administration services. Included in accrued expenses is \$894 (September 30, 2023 - \$932) related to these fees.

8. Brokerage commissions on securities transactions

The Fund paid brokerage commissions amounting to \$12,644 (March 31, 2023 - \$15,024) in connection with portfolio transactions during the period.

9. Filing of financial statements

The Fund is relying on the exemption provided by Section 2.11 of National Instrument 81-106 and therefore does not file its financial statements with the Ontario Securities Commission.

10. Subsequent events

The Manager has decided to terminate the Fund effective on or about July 17, 2024 (the Effective Date). Although the Fund is no longer accepting subscriptions, unitholders may continue to request redemptions prior to the Effective Date. In order to give effect to the termination, the Manager is going to liquidate the remaining assets of the Fund. As a unitholder in the Fund on the Effective Date, you will receive a cash payment representing the net asset value of your Units on the Effective Date.

THIS PAGE LEFT INTENTIONALLY BLANK

THIS PAGE LEFT INTENTIONALLY BLANK



Suite 1850, 333 7th Avenue S.W. Calgary, AB T2P 2Z1
(877) 431-1407 | ncminvestments.com