

March 31, 2025

INTERIM FINANCIAL STATEMENTS OF NCM DIVIDEND CHAMPIONS

TO THE UNITHOLDERS OF NCM DIVIDEND CHAMPIONS

These unaudited interim financial statements are as at March 31, 2025. The unaudited interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and include statements of financial position as at March 31, 2025 and September 30, 2024, statements of comprehensive income, changes in net assets attributable to unitholders, and statement of cash flows for the six months ended March 31, 2025 and March 31, 2024; and notes to the financial statements, comprising a summary of material 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 Dividend Champions.
May 28, 2025

NCM DIVIDEND CHAMPIONS

Interim Statements of Financial Position (unaudited)

(in Canadian dollars, except units outstanding)

As at March 31 September 30
2025 2024

Assets

Cash and cash equivalents	6,863,769	4,978,878
Dividends receivable	147,973	199,145
Interest receivable	223	12,263
Portfolio assets sold	98,535	882,772
Subscriptions receivable	21,725	112,853
Derivative instruments	–	76,365
Investments, at fair value through profit or loss	94,160,541	94,809,560
Total assets	101,292,766	101,071,836

Liabilities

Accrued expenses (note 7)	187,340	182,287
Dividends payable	3,580	–
Portfolio assets purchased	537,806	749,481
Redemptions payable	40,698	40,764
Derivative instruments	358	–
Total liabilities (excluding net assets attributable to holders of redeemable units)	769,782	972,532
Net assets attributable to holders of redeemable units	100,522,984	100,099,304
Net assets attributable to holders of redeemable units:		
Series A	27,765,512	27,280,043
Series F	67,407,069	67,484,852
Series AA	1,744,533	1,829,281
Series FF	3,605,870	3,505,128

Redeemable units outstanding (note 6):

Series A	742,542	702,982
Series F	1,650,003	1,600,006
Series AA	45,944	46,974
Series FF	93,709	89,179

Net assets attributable to holders of redeemable units per unit:

Series A	37.39	38.81
Series F	40.85	42.18
Series AA	37.97	38.94
Series FF	38.48	39.30

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, 2025 and 2024

(in Canadian dollars)

2025 2024

Dividend income	1,247,883	1,114,148
Interest for distribution purposes	87,050	134,020
Securities lending income	3,122	3,111
Net gain (loss) on investments at fair value through profit or loss		
Net realized gain (loss) on investments	4,503,162	4,335,339
Net realized gain (loss) on derivative instruments	(782,813)	(63,785)
Net change in unrealized appreciation (depreciation) in fair value of investments	(636,460)	6,731,207
Net change in unrealized appreciation (depreciation) on derivative instruments	(76,723)	2,779
Total investment revenue (loss)	4,345,221	12,256,819

Management fees (note 7)	658,916	571,094
Transaction costs	84,038	71,350
HST/GST	51,966	38,689
Administrative fees (note 7)	43,646	47,421
Custodian and record keeping fees	33,687	31,454
Legal and filing fees	15,277	10,974
Tax and other professional fees	10,403	9,199
Audit fees	9,800	9,579
Independent review committee	9,191	8,149
Computer services	8,475	13,650
Other	5,931	9,399

Total operating expenses 931,330 820,958

Increase (decrease) in net assets attributable to holders of redeemable units before tax	3,413,891	11,435,861
Withholding tax expense	34,555	15,668

Increase (decrease) in net assets attributable to holders of redeemable units, net of tax	3,379,336	11,420,193
---	-----------	------------

Change in net assets attributable to holders of redeemable units (note 6):

Series A	821,981	3,265,547
Series F	2,378,660	7,601,157
Series AA	56,023	212,603
Series FF	122,672	340,886

Change in net assets attributable to holders of redeemable units per unit (note 6):

Series A	1.13	4.45
Series F	1.47	4.97
Series AA	1.20	4.48
Series FF	1.34	4.80

See accompanying notes to interim financial statements.

NCM DIVIDEND CHAMPIONS

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

Six months ended March 31, 2025 and 2024

(in Canadian dollars)

	All Series		Series A		Series F		Series AA		Series FF	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Net assets attributable to holders of redeemable units, beginning of period	100,099,304	83,395,620	27,280,043	25,273,864	67,484,852	54,726,396	1,829,281	1,573,043	3,505,128	1,822,317
Increase (decrease) in net assets, attributable to holders of redeemable units	3,379,336	11,420,193	821,981	3,265,547	2,378,660	7,601,157	56,023	212,603	122,672	340,886
Transactions attributable to holders of redeemable units during the period:										
Issuance of redeemable units	4,094,250	6,655,702	1,316,696	1,122,459	2,390,438	3,019,289	76,136	184,398	310,980	2,329,556
Reinvestment of distributions	5,510,683	3,735,528	1,529,843	1,115,157	3,790,437	2,528,088	29,287	16,457	161,116	75,826
Redemptions of redeemable units	(6,033,996)	(10,427,994)	(1,351,796)	(4,315,502)	(4,241,203)	(5,595,719)	(145,835)	(207,924)	(295,162)	(308,849)
	3,570,937	(36,764)	1,494,743	(2,077,886)	1,939,672	(48,342)	(40,412)	(7,069)	176,934	2,096,533
Distributions declared	(6,526,593)	(4,474,265)	(1,831,255)	(1,327,606)	(4,396,115)	(2,944,123)	(100,359)	(70,009)	(198,864)	(132,527)
	(6,526,593)	(4,474,265)	(1,831,255)	(1,327,606)	(4,396,115)	(2,944,123)	(100,359)	(70,009)	(198,864)	(132,527)
Net assets attributable to holders of redeemable units, end of period	100,522,984	90,304,784	27,765,512	25,133,919	67,407,069	59,335,088	1,744,533	1,708,568	3,605,870	4,127,209
Distributions per unit to holders of redeemable units			2.58	1.82	2.81	1.97	2.15	1.48	2.20	1.87

See accompanying notes to interim financial statements.

NCM DIVIDEND CHAMPIONS

Interim Statements of Cash Flows (unaudited)

Six months ended March 31, 2025 and 2024

(in Canadian dollars)

	2025	2024
Cash flows from (used in) operating activities		
Increase (decrease) in net assets attributable to holders of redeemable units	3,379,336	11,420,193
Adjustments for:		
Net realized (gain) loss on sale of investments at fair value through profit or loss	(4,503,162)	(4,335,339)
Net realized (gain) loss on sale of options	(159,823)	11,345
Net change in unrealized (appreciation) depreciation of investments at fair value through profit or loss	636,460	(6,731,207)
Net change in unrealized (appreciation) depreciation on derivative instruments	76,723	(2,779)
Purchase of investments and options	(59,140,935)	(55,558,091)
Proceeds from the sale and maturity of investments and options	64,337,993	55,783,662
Dividend income	(1,247,883)	(1,114,148)
Dividends received, net of withholding tax paid	1,264,500	1,098,557
Withholding tax paid	34,555	15,668
Interest for distribution purposes	(87,050)	(134,020)
Interest received	99,090	141,426
Accrued expenses	5,053	(5,130)
Net cash from (used in) operating activities	4,694,857	590,137
Cash flows from (used in) financing activities		
Proceeds from the issuance of redeemable units	4,185,378	6,648,521
Amounts paid on redemption of redeemable units	(6,034,062)	(10,335,255)
Distributions to holders of redeemable units, net of reinvestments	(1,012,330)	(738,737)
Net cash from (used in) financing activities	(2,861,014)	(4,425,471)
Net increase (decrease) in cash and cash equivalents	1,833,843	(3,835,334)
Effect of exchange rates on cash and cash equivalents	51,048	(12,637)
Cash and cash equivalents at beginning of period	4,978,878	6,525,873
Cash and cash equivalents at end of period	6,863,769	2,677,902

See accompanying notes to interim financial statements.

Schedule of Investment Portfolio (unaudited)

As at March 31, 2025

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
CANADIAN EQUITIES				
Consumer Staples				
George Weston Ltd.	15,250	2,512,893	3,741,282	
Jamieson Wellness Inc.	190,950	5,264,899	5,831,613	
		<u>7,777,792</u>	<u>9,572,895</u>	<u>9.5%</u>
Energy				
ARC Resources Ltd.	15,000	434,148	433,950	
Freehold Royalties Ltd.	255,050	3,583,497	3,249,337	
Parkland Corp.	112,700	3,926,810	4,059,454	
Pembina Pipeline Corp.	63,750	3,243,603	3,669,450	
Secure Waste Infrastructure Corp.	157,000	1,982,308	2,461,760	
Tourmaline Oil Corp.	54,100	3,194,751	3,754,540	
		<u>16,365,117</u>	<u>17,628,491</u>	<u>17.5%</u>
Financials				
Intact Financial Corp.	8,730	1,923,047	2,566,707	
Royal Bank of Canada	20,340	2,741,022	3,297,114	
Sun Life Financial Inc.	24,670	2,007,858	2,031,821	
		<u>6,671,927</u>	<u>7,895,642</u>	<u>7.9%</u>
Health Care				
Calian Group Ltd.	68,600	3,743,299	3,019,772	
dentalcorp Holdings Ltd.	290,600	2,359,696	2,406,168	
		<u>6,102,995</u>	<u>5,425,940</u>	<u>5.4%</u>
Industrials				
Andlauer Healthcare Group Inc.	73,770	3,136,110	2,877,030	
AtkinsRealis Group Inc.	31,250	1,558,119	2,136,563	
Badger Infrastructure Solutions Ltd.	105,400	3,954,637	4,095,844	
Stantec Inc.	10,750	1,261,170	1,282,260	
Toromont Industries Ltd.	6,470	757,041	728,716	
		<u>10,667,077</u>	<u>11,120,413</u>	<u>11.1%</u>
Materials				
Agnico Eagle Mines Ltd.	7,750	1,092,414	1,208,302	
		<u>1,092,414</u>	<u>1,208,302</u>	<u>1.2%</u>
Real Estate				
Granite REIT	93,050	6,855,739	6,239,003	
		<u>6,855,739</u>	<u>6,239,003</u>	<u>6.2%</u>

NCM DIVIDEND CHAMPIONS

Schedule of Investment Portfolio (continued)
(unaudited)

As at March 31, 2025

(in Canadian dollars)

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
Utilities				
AltaGas Ltd.	50,880	1,780,458	2,008,234	
Fortis Inc.	32,950	1,844,212	2,159,872	
Hydro One Ltd.	20,800	748,615	1,006,512	
		4,373,285	5,174,618	5.1%
TOTAL CANADIAN EQUITIES		59,906,346	64,265,304	63.9%
UNITED STATES EQUITIES				
Communication Services				
Alphabet Inc., Class 'A'	12,870	2,684,787	2,864,420	
		2,684,787	2,864,420	2.9%
Consumer Discretionary				
Amazon.com Inc.	5,960	1,739,055	1,632,037	
		1,739,055	1,632,037	1.6%
Financials				
Raymond James Financial Inc.	7,700	1,243,133	1,539,432	
Visa Inc., Class 'A'	6,005	1,976,328	3,028,919	
		3,219,461	4,568,351	4.5%
Health Care				
Johnson & Johnson	14,430	3,066,973	3,444,228	
UnitedHealth Group Inc.	1,680	1,196,229	1,266,396	
		4,263,202	4,710,624	4.7%
Industrials				
Emerson Electric Co.	13,600	1,958,603	2,146,071	
Lincoln Electric Holdings Inc.	5,900	1,557,085	1,606,266	
Republic Services Inc.	10,900	2,156,978	3,798,964	
		5,672,666	7,551,301	7.5%
Information Technology				
International Business Machines Corp.	4,410	1,216,808	1,578,268	
Oracle Corp.	6,800	1,423,696	1,368,306	
		2,640,504	2,946,574	3.0%
Materials				
Freeport-McMoRan Inc.	16,750	915,063	912,708	
		915,063	912,708	0.9%
Real Estate				
Flagship Communities REIT	132,300	2,685,155	3,237,017	
		2,685,155	3,237,017	3.2%
TOTAL UNITED STATES EQUITIES		23,819,893	28,423,032	28.3%

Description	Number of Shares	Cost (\$)	Fair Value (\$)	% of Net Assets
UNITED STATES EQUITIES ETFs				
United States Equities ETFs				
SPDR Gold Shares	3,550	1,204,314	1,472,205	
		1,204,314	1,472,205	1.5%
TOTAL UNITED STATES EQUITIES ETFs		1,204,314	1,472,205	1.5%
TOTAL EQUITIES		84,930,553	94,160,541	93.7%
Less: Transaction costs included in average cost				
		(51,538)		
TOTAL INVESTMENTS		84,879,015	94,160,541	93.7%
Derivative instruments			(358)	0.0%
Other assets, less liabilities			6,362,801	6.3%
TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS			100,522,984	100.0%

NCM DIVIDEND CHAMPIONS

Schedule of Derivative Instruments - Forward Foreign Currency Contracts

As at September 30, 2024

Counterparty	Credit Rating	Settlement Date	Currency to be Delivered	Currency to be Received	Contract Price	Fair Value of Derivative Instruments
Toronto-Dominion Bank (The)	A-1	April 15, 2025	8,574,000 USD	12,331,898 CAD	1.4383	(358)
Derivative Instruments						(358)

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

1. Reporting Entity

On August 27, 2018, Norrep Fund changed its name to NCM Norrep Fund. On May 20, 2022, NCM Norrep Fund changed its name to NCM Dividend Champions. NCM Dividend Champions (the "Fund") is an open-ended mutual fund trust established under the laws of Alberta pursuant to a Declaration of Trust dated June 3, 1997 and restated January 1, 2002 and August 16, 2011. The Fund's principal place of business is Dome Tower, Suite 1800, 333 - 7th Avenue S.W., Calgary, Alberta, T2P 2Z1.

The Fund may issue an unlimited number of units. Each unit represents an equal undivided interest in the net assets of the Fund.

NCM Asset Management Ltd. ("Manager and Portfolio Manager") provides investment management services and manages the day-to-day operations of the Fund. Effective May 15, 2020 the Trustee changed to NCM Asset Management Ltd., CIBC Mellon Trust Company ("CIBC Mellon") is the custodian of the Fund and NCM Asset Management Ltd. is the Promoter of the Fund.

2. Basis of Reporting

(a) Statement of compliance:

These financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. The Fund's material accounting policy information 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, 2025.

(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 carried 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. Material accounting policy information

The Fund has consistently applied the following accounting policies to all periods presented in these financial statements.

The Fund adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from October 1, 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements. The amendments require the disclosure of "material" rather than 'significant' accounting policies.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

3. Material accounting policy information (continued)

The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

(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.

Financial assets at fair value through profit or loss:

- All investments, including derivatives

Financial assets at amortized cost:

- Cash and cash equivalents and receivables

Financial liabilities at amortised cost:

- All liabilities other than redeemable units

The Fund recognizes 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 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 ("FVTPL") 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.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

3. Material accounting policy information (continued)

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

(iv) Fair value measurement (continued)

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.

Fair value of investments in restricted units is determined using an economic model taking into account various factors including risk free rate of interest, volatility, market value and length of restriction.

Fair value of investments in share purchase warrants is determined using a recognized economic model taking into account various factors including risk free rate of interest, dividend rates, volatility, market value and trading volume of the underlying stock.

Fair value of subscription receipts is determined using a recognized economic model taking into account various factors including risk free interest rate, volatility, price of underlying security, expiry date and purchase price.

Fair value of investments in bonds represents a price that may fall between the last bid and ask price provided by an independent security pricing service, depending on which service provider is used.

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).

(vi) Specific instruments

Cash and cash equivalents

Cash and cash equivalents comprise deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the 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: Presentation. 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.

(b) Interest for distribution purposes:

The interest for distribution purposes shown on the Statements of Comprehensive Income represents the coupon interest received by the Fund accounted for on an accrual basis and is recognized through profit or loss. The Fund does not amortize premiums paid or discounts received on the purchase of fixed income securities.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

3. Material accounting policy information (continued)

(c) Dividend income:

Dividend income is recognized in profit or loss on the date on which the right to receive payment is established. This is usually the ex-dividend date.

(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.

(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:

As at March 31, 2025 the Fund was a “mutual fund trust” under the Income Tax Act (Canada) and, accordingly, is not taxed on that portion of its taxable income that is paid or allocated to unitholders. The Fund pays out sufficient net income and net realized capital gains so that it will not be subject to income taxes.

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 \$34,555 (2024 - \$15,668) for the period ended March 31, 2025.

(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 increase (decrease) in net assets attributable to holders of redeemable units, 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 mark to market with changes in fair value recorded in the Statement of Comprehensive Income.

Options are contracts entitling the holder to purchase or sell a specified item at a specified price, during a specified period or on a specified date. Options purchased are recorded as investments; options written (sold) are recorded as liabilities. Any gain or loss resulting from revaluation is included in change in unrealized gain (loss) on derivative instruments on the Statements of Comprehensive Income.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

3. Material accounting policy information (continued)

(i) Derivative financial instruments (continued):

The risks include the possibility there may be an illiquid options market or the inability of the counterparties to fulfill their obligations under the contract. Writing options involves, to varying degrees, elements of market risk in excess of the amount recognized in the Statements of Financial Position.

(j) Securities lending transactions:

The Fund is permitted to enter into securities lending transactions as set out in the Fund's Simplified Prospectus. These transactions involve the temporary exchange of securities for collateral with a commitment to redeliver the same securities on a future date. Securities lending transactions are administered by The Bank of New York Mellon (collectively the "Securities Lending Agent").

The value of cash or securities held as collateral must be at least 102% of the fair value of the securities loaned, sold or purchased. Income is earned from these transactions in the form of fees paid by the counterparty and, in certain circumstances, interest paid on cash or securities held as collateral. Income earned from these transactions is included in the Statements of Comprehensive Income as Securities lending income and recognized when earned.

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 observable (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
NCM Dividend Champions				
March 31, 2025				
Public securities				
Equities - long	94,160,541	—	—	94,160,541
Derivative				
instruments	—	(358)	—	(358)
Total Investments				
Including Derivatives	94,160,541	(358)	—	94,160,183

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

4. Fair value measurement (continued)

- (b) Fair value hierarchy – Financial instruments measured at fair value (continued):

<i>(in Canadian dollars)</i>	Level 1	Level 2	Level 3	Total
NCM Dividend Champions				
September 30, 2024				
Public securities				
Equities - long	93,910,864	—	—	93,910,864
Bonds	—	898,696	—	898,696
Derivative instruments				
	—	76,365	—	76,365
Total Investments				
Including Derivatives	93,910,864	975,061	—	94,885,925

There were no transfers into or out of Level 1, Level 2 and Level 3 during the periods ended March 31, 2025 and September 30, 2024.

- (c) Financial instruments not measured at fair value:

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

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.

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 bonds as presented on the statement of investment portfolios represents credit risk exposure as at March 31, 2025.

Cash and cash equivalents and receivables have low impairment risks due to their short term nature.

A portion of the Fund's portfolio may consist of instruments that have a credit quality rated below investment grade by internationally recognized credit rating organizations or may be unrated. These securities involve significant risk exposure as there is uncertainty regarding the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligations. Low rated and unrated debt instruments generally offer a higher current yield than that available from higher grade issuers, but typically involve greater risk.

As at March 31, 2025 and September 30, 2024, the Fund was invested in debt securities with the following credit rating:

Debt Security by Credit Rating	% of Assets Under Management in each category	
	March 31, 2025	September 30, 2024
BBB	-	0.9%

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 and the high credit quality of the brokers used.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

5. Financial instruments and associated risks (continued)

Credit risk (continued):

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.

Substantially all of the assets of the Fund are held by CIBC Mellon, the Custodian. Bankruptcy or insolvency of the custodian may cause the Fund's rights with respect to securities held by the custodian to be delayed or limited. The Fund monitors its risk by monitoring the credit quality and credit rating and financial positions of the custodian. If the credit quality or the financial position deteriorates significantly then the Portfolio Manager will move the investment 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. Investments in small, mid-capitalization and micro-capitalization companies may involve greater risks than in larger, more established companies since such companies may have more limited markets and financial resources and their securities may be more sensitive to market changes. As well, the liquidity of the securities may be limited. Consequently, in order to fund redemptions, the Fund may have to liquidate 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. Also, the Fund's investments may include unlisted equity instruments which are not traded on an organized public market and which may be illiquid. As a result, the Fund may not be able to quickly liquidate some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements. The Fund believes it maintains sufficient cash and cash equivalent positions to maintain liquidity.

The Fund's liquidity risk is managed on a daily basis by the Portfolio Manager. The Fund's redemption policy allows for redemptions at any time during any given month.

The Fund is subject to regulatory requirements whereby the Fund shall not purchase an illiquid asset if, immediately after the purchase, more than ten percent of the net assets of the Fund, taken at market value at the time of purchase, would consist of illiquid assets.

Market risk:

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

The Fund's strategy on the management of investment risk is driven by the Fund's investment objective. The Fund is designed to achieve long-term capital appreciation and consistent income by investing in all market capitalization issuers. The portfolio may consist of all types of equity and debt obligations of issuers in Canada and the United States that may or may not be listed for trading upon the facilities of stock exchanges or other organized and regulated trading facilities in Canada and the United States.

Assets of the Fund may also be invested in debt obligations or held in cash to the extent that economic, market or other conditions make it appropriate.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

5. Financial instruments and associated risks (continued)

Market risk (continued):

The Fund may engage in a limited amount of short selling as well as in securities lending, repurchase and reverse repurchase transactions. The Fund may also invest in derivatives (including forward contracts, calls and puts) and in Horizon BetaPro ETF's. These transactions will be used to achieve the Fund's overall investment objectives and to enhance the Fund's returns.

No material change in the investment objectives, policies or restrictions of the Fund may be made without the approval of a majority of the votes cast at a meeting of the Fund duly called for that purpose.

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, 2025 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 the reporting date the Fund had 20.6% and (September 30, 2024 – 17.3%) of its net asset value in USD currency.

Sensitivity analysis:

At March 31, 2025 had the Canadian dollar strengthened or weakened by 1% in relation to all currencies with all other variables held constant, net assets attributable to holders of redeemable units would have increased or decreased by \$207,197 (2024 - \$173,313). In practice the actual trading

results may differ from this sensitivity analysis and difference could be material.

(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.

High yield corporate bond prices are impacted by the credit metrics, liquidity and business fundamentals of the corporate entity movements in underlying interest rates and inflows and outflows in and out of high yield space. There were no bonds held at March 31, 2025. The table below summarizes the Fund's exposure to interest rate risks at September 30, 2024. It includes the Fund's assets at fair values, categorized by the maturity dates.

	Less than 1 year	1 to 3 years	3 to 5 years	>5 years
September 30, 2024				
All amounts stated in Canadian dollars				
Corporate bonds	898,696	—	—	—

(c) Other price risk:

Other price risk is the risk that 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, if the Fund holds short positions it is subject to certain inherent risks. The ultimate cost to the Fund to acquire these securities may exceed the liability reflected in these financial statements.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

5. Financial instruments and associated risks (continued)

Market risk (continued):

(c) Other price risk (continued):

Price risk is managed by the Fund's Portfolio Manager by constructing a diverse portfolio of securities. The price of a security is affected by individual company developments and by general economic and financial conditions in those countries where the issuer of the security is located, does business or where the security is listed for trading. In addition, certain securities are not listed on any prescribed stock exchange and thus a liquid market for resale may not exist.

The Portfolio Manager will monitor these factors daily and make decisions regarding the portfolio based on their knowledge of the market conditions and diversify the portfolio of investments accordingly. The price risk resulting from financial instruments is equivalent to their fair value.

Sensitivity analysis:

Management's estimate of the impact of a 1% increase or decrease in the 70% S&P/TSX Composite Total Return index, 30% S&P 500 Total Return Index in Canadian Dollars at March 31, 2025 is an increase or decrease in the net assets attributable to holders of redeemable units of approximately \$941,605 (September 30, 2024 - \$948,096).

In practice, the actual trading results may differ from this estimate and the difference could be material.

The Fund's financial assets exposed to other price risk were concentrated in the following industries as a percentage of total investments at March 31, 2025 and September 30, 2024 :

Equities	2025	2024
Energy	18.8%	13.3%
Materials	2.3%	2.0%
Industrials	19.9%	19.3%
Consumer Discretionary	1.7%	—
Consumer Staples	10.1%	10.5%
Health Care	10.8%	6.4%
Financials	13.2%	13.0%
Information Technology	3.2%	11.3%
Communication Services	3.0%	6.4%
Utilities	5.5%	7.1%
Real Estate	9.9%	8.8%
Exchange Traded Funds	1.6%	1.0%
Bonds	—	0.9%
Total	100.0%	100.0%

6. Net assets attributable to unitholders of redeemable units

The authorized capital of the Fund consists of an unlimited number of units of each class, each representing an equal undivided interest in the net assets of the Fund. Currently, the Fund has four series outstanding, Series A, Series AA, Series F, and Series FF. Series A and Series AA are sold through the front-end sales charge option, a commission ranging from 0% to 5% is paid by the investor to the dealer with a 2% redemption fee being charged if the units are redeemed in the first 30 days. Series F and Series FF 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 or FF are redeemed within the first 30 days.

The rights attached to the redeemable units are as follows:

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

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

6. Net assets attributable to unitholders of redeemable units (continued)

The analysis of movements in the number of redeemable units and net assets attributable to holders of redeemable units during the periods ended March 31, 2025 and 2024 were as follows:

Series A	2025	2024
Balance, opening	702,982	749,596
Issued on distributions reinvested	40,987	32,751
Issued for cash	33,438	32,078
Redeemed for cash	(34,865)	(122,803)
Balance, March 31	742,542	691,622

Series F	2025	2024
Balance, opening	1,600,006	1,508,906
Issued on distributions reinvested	93,190	68,847
Issued for cash	56,491	80,301
Redeemed for cash	(99,684)	(147,889)
Balance, March 31	1,650,003	1,510,165

Series AA	2025	2024
Balance, opening	46,974	46,529
Issued on distributions reinvested	766	472
Issued for cash	1,901	5,266
Redeemed for cash	(3,697)	(5,862)
Balance, March 31	45,944	46,405

Series FF	2025	2024
Balance, opening	89,179	53,336
Issued on distributions reinvested	4,167	2,171
Issued for cash	7,847	64,666
Redeemed for cash	(7,484)	(8,565)
Balance, March 31	93,709	111,608

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

NCM Dividend Champions – March 31, 2025	Series A	Series F	Series AA	Series FF
Increase (decrease) in net assets attributable to holders of redeemable units (in 000's of \$)	822	2,379	56	123
Average units outstanding during the period (in 000's of units)	728	1,614	47	91
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$1.13	\$1.47	\$1.20	\$1.34

NCM Dividend Champions - March 31, 2024	Series A	Series F	Series AA	Series FF
Increase (decrease) in net assets attributable to holders of redeemable units (in 000's of \$)	3,266	7,601	213	341
Average units outstanding during the period (in 000's of units)	735	1,527	47	71
Increase (decrease) in net assets attributable to holders of redeemable units per unit	\$4.45	\$4.97	\$4.48	\$4.80

7. Management fees, expenses and key contracts

(a) Manager and management fees:

Series A and Series AA paid an annual management fee to the Manager of 2% of the net asset value of the series. Series F and Series FF paid an annual management fee to the Manager of 1% of the net asset value of the series. Included in accrued expenses at March 31, 2025 is \$108,339 (September 30, 2024 - \$104,726) related to these fees.

(b) Expenses:

All fees and expenses applicable to the administration and operation of the Fund, including recordkeeping and communication costs, custodian fees, legal and filing fees, audit, applicable taxes and bank charges are payable by the Fund. The Portfolio Manager has charged the Fund for administration services. Included in accrued expenses at March 31, 2025 is \$7,028 (September 30, 2024 - \$6,903) related to these fees.

NCM DIVIDEND CHAMPIONS

Notes to Interim Financial Statements
(unaudited)

Six months ended March 31, 2025 and 2024

8. Brokerage commissions on securities transactions

The brokerage commissions paid by the Fund in connection with portfolio transactions are included as part of the transaction costs in the Statements of Comprehensive Income for the periods ended March 31, 2025, and 2024, amounting to: \$72,570 (March 31, 2024 - \$62,052).

9. Securities lending transactions

The Fund engages in securities lending. Collateral received on securities lending may be comprised of debt obligations of the Government of Canada and other countries, Canadian provincial or territorial governments, governments of states of the United States of America, and evidence of indebtedness of financial institutions whose short-term debt is rated A-1 or R-1 or equivalent by a recognized, widely followed North American credit rating agency, corporate debt or corporate commercial paper, convertible securities or cash that is not to be invested.

The table below shows a reconciliation of the gross amount generated from securities lending transactions to the securities lending income earned by the Fund for the periods ended March 31, 2025 and 2024:

(in Canadian dollars)	2025		2024	
Gross securities				
lending income	5,303	100.0%	5,697	100.0%
Withholding taxes	(99)	(1.9)%	(513)	(9.0)%
Agent fees	(2,082)	(39.3)%	(2,073)	(36.4)%
Securities lending				
income	3,122	58.8%	3,111	54.6%

Security Lending (in Canadian dollars):	2025	2024
Value of securities loaned	6,677,469	6,134,161
Value of collateral received	7,052,528	6,433,019

THIS PAGE LEFT INTENTIONALLY BLANK



Suite 1800, 333 7th Avenue S.W. Calgary, AB T2P 2Z1
(877) 431-1407 | ncminvestments.com