

September 30, 2023

MANAGEMENT REPORT OF FUND PERFORMANCE

# NCM BALANCED INCOME PORTFOLIO



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This annual management report of Fund performance contains financial highlights but does not contain the annual financial statements of the investment Fund. You can get a copy of the Fund's financial statements at your request, and at no cost, by calling toll free (877) 531-9355, by writing us at 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1 or by visiting our website at [www.ncminvestments.com](http://www.ncminvestments.com) or SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Security holders may also contact us using one of these methods to request a copy of the investment Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of NCM Balanced Income Portfolio (the "Fund") is designed to provide investors with a balance of income and long term capital appreciation by investing, directly or indirectly through investments in underlying Funds, in a diversified portfolio of fixed-income securities and equity securities from anywhere in the world.

The Fund achieves this objective by aiming to maintain a diversified portfolio of securities. The equity component of the Fund will generally range between 40% – 60%, while the fixed income component will generally range between 40% - 60%, based upon the portfolio manager's assessment of market conditions.

The Fund may invest up to all of its assets in securities of mutual funds, exchange traded funds, and/or direct securities as it seeks to diversify its exposures across geography, sectors, capitalization, credit quality, and duration. As such, the Fund may invest up to all of its assets in foreign securities.

When selecting an underlying security for the Fund, the portfolio manager will ensure that such investment is consistent with the Fund's investment objectives and will consider the market exposure of the security, the long term

performance track record from a risk and reward perspective, and the associated fees, if any.

The Fund may invest in private placements or other illiquid equity or debt securities of public or private companies as permitted by securities regulations.

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 Beta Pro Exchange Traded Funds. These transactions will be used with the Fund's other investment strategies in a manner considered most appropriate to achieving the Fund's overall investment objectives and enhancing the Fund's returns.

The Fund may depart from its investment objectives and/or investment strategies by temporarily investing all or a portion of its assets in cash or fixed income securities issued or guaranteed by a Canadian or U.S. government, government agency, or company to try to protect it during a market downturn or for other reasons.

### RISK

The risk level of the Fund is low-medium.

The Fund is suitable for investors with a low -medium risk tolerance seeking current income along with potential for capital gains. General risks of an investment in the Fund are detailed in the simplified prospectus and include equity risk, small and mid-capitalization company risk, series risk, liquidity risk, interest rate risk, and currency risk, among others.

The majority of the exposure in the Fund is to equities and fixed income investments held in underlying funds or ETF's. Equities are generally a volatile asset class. Furthermore, higher yielding investments, in equities and bonds, makes the Fund sensitive to changes in interest rates.

### RESULTS OF OPERATIONS

As of September 30, 2023, the twelve-month return for the Fund is 5.7%. This performance compares to the Fund's benchmark, which had a return of 7.7% over the same period. The Fund's benchmark is 5% S&P 3-Month Canada

## RESULTS OF OPERATIONS (continued)

Treasury Bill Index, 45% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite Total Return Index, 24.5% Morningstar Developed Markets Target Market Exposure NR USD, 10.5% Morningstar Developed Markets Target Market Exposure NR EUR.

The Fund underperformed its benchmark over this year. The performance was a combination of favorable fixed income allocations, negative impact caused by holding a global Fund which underperformed its benchmark, and underperformance in the fund's allocation to high growth new economy sensitive ETFs, namely e-Vehicles, Cyber Security and Clean Energy. The Fund has remained with its holding in these "new economy" ETFs and in addition has added ETFs representing direct exposure to the S&P 500 index and the NASDAQ 100 Index. In combination, these holdings increase the growth characteristics within the Fund. The Fund's holdings in fixed income continue to be relatively short term oriented which, in the Manager's opinion, creates a complementary defense balancing of the Fund's holdings.

Fixed income relative performance has been positive due to a combination of very short term holdings in an environment of rising interest rates. The Fund has also benefited from a relatively high exposure to high yield fixed income ETFs. High yield fixed income, in general, has outperformed other fixed income asset classes and the Fund has experienced the relative performance differential.

The Fund has maintained its positioning in short dated investment grade fixed income bonds while also maintaining a balance of short- and longer-term high yielding ETFs.

In the equity portion of the portfolio the Fund continues to hold individual securities for its Canadian equity exposure. During the year, the Fund sold all of its positions that represented the individual holdings of the NCM Core Canadian. The proceeds of these sales were reinvested in the individual positions that represent the NCM Income Growth Class. The purpose of this allocation change is to increase the growth characteristics of the Canadian equity allocation. The Fund also sold approximately half of its holdings in the NCM Core Global and redeployed those assets into three ETFs. The sales proceeds were split into ETFs tracking the S&P 500, the NASDAQ 100 and an index

that tracks equity in non-North American developed countries.

The Manager believes that the Fund is positioned well in anticipation of global central bank easing. The timing of central bank easing is unknown and the Fund fixed income positioning is positioned and tailored to be defensive with regard to central bank policy risk.

On May 17, 2023 the risk rating of the Fund changed from low to low-medium. This change is due to a change in the Risk Classification Methodology mandated by the Canadian Securities Administrators. There has been no change to the investment objectives or strategies of the fund associated with the new risk rating.

The net assets have decreased by 26.9% with net assets decreasing from \$7,768,058 to \$5,681,137, \$403,460 of this change is attributable to positive investment performance and \$2,490,381 was due to negative net contributions to the Fund.

## RELATED PARTY TRANSACTIONS

Management fees of \$82,721 were incurred to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are 1.80% for Series A and Series T6 and 0.80% for Series F and Series F6, of the series net asset value of the Fund and are calculated and paid monthly. Series M units are not available for general public purchase. The Manager and its affiliates offer wealth management services including fee-based and managed accounts under the Cumberland Private Wealth brand, and the Series M units are intended for such accounts. There is no management fee attached to Series M. In addition, administrative fees of \$6,396 were paid to NCM. Administration fees are charged by NCM at or below cost. They relate to accounting, trading, record keeping, compliance, and other administrative costs.

NCM has agreed to absorb certain expenses associated with the Fund recorded in the financial statements, at September 30, 2023, in the amount of \$81,064.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund's units and are intended to help you understand the Fund's financial performance for the fiscal years indicated. This information is derived from the Fund's audited annual financial statements.

### Net asset value (NAV) per unit <sup>(1)</sup>

Series A	2023	2022	2021	2020	2019
<b>Net Asset Value, beginning of year</b>	23.63	28.33	26.48	26.32	25.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.72	0.53	0.56	0.63	0.64
Total expenses	(0.58)	(0.53)	(0.56)	(0.51)	(0.52)
Realized gains (losses) for the year	(0.33)	0.38	1.67	0.81	0.24
Unrealized gains (losses) for the year	1.45	(3.69)	1.25	(0.84)	2.12
<b>Total increase (decrease) from operations</b>	1.26	(3.31)	2.92	0.09	2.48
<b>Distributions:</b>					
From income	(0.24)	(1.41)	(1.09)	(0.28)	(0.13)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	(0.24)	(1.41)	(1.09)	(0.28)	(0.13)
<b>Net Asset Value, end of year <sup>(3)</sup></b>	24.47	23.63	28.33	26.48	26.32

Series F	2023	2022	2021	2020	2019
<b>Net Asset Value, beginning of year</b>	24.63	29.23	27.04	26.60	25.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.75	0.55	0.61	0.63	0.67
Total expenses	(0.35)	(0.27)	(0.29)	(0.25)	(0.23)
Realized gains (losses) for the year	(0.30)	0.30	1.56	0.84	0.25
Unrealized gains (losses) for the year	1.80	(3.78)	1.19	(1.25)	2.45
<b>Total increase (decrease) from operations</b>	1.90	(3.20)	3.07	(0.03)	3.14
<b>Distributions:</b>					
From income	(0.25)	(1.46)	(1.11)	(0.29)	(0.13)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	(0.25)	(1.46)	(1.11)	(0.29)	(0.13)
<b>Net Asset Value, end of year <sup>(3)</sup></b>	25.77	24.63	29.23	27.04	26.60

Series T6	2023	2022	2021	2020	2019 <sup>(4)</sup>
<b>Net Asset Value, beginning of year</b>	21.07	25.59	24.38	25.54	25.29
<b>Increase (decrease) from operations:</b>					
Total revenue	0.63	0.48	0.39	0.68	0.32
Total expenses	(0.49)	(0.47)	(0.50)	(0.47)	(0.25)
Realized gains (losses) for the year	(0.29)	0.37	1.79	0.98	0.11
Unrealized gains (losses) for the year	1.15	(3.40)	1.39	(0.06)	0.84
<b>Total increase (decrease) from operations</b>	1.00	(3.02)	3.07	1.13	1.02
<b>Distributions:</b>					
From income	(1.35)	(1.49)	(1.52)	(1.55)	(0.77)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	(1.35)	(1.49)	(1.52)	(1.55)	(0.77)
<b>Net Asset Value, end of year <sup>(3)</sup></b>	20.72	21.07	25.59	24.38	25.54

Series F6	2023	2022	2021	2020	2019
<b>Net Asset Value, beginning of year</b>	21.51	25.87	24.41	25.31	25.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.65	0.46	0.52	0.56	0.67
Total expenses	(0.29)	(0.34)	(0.27)	(0.24)	(0.22)
Realized gains (losses) for the year	(0.29)	2.40	1.57	0.74	0.24
Unrealized gains (losses) for the year	1.16	(1.49)	1.22	(0.66)	2.08
<b>Total increase (decrease) from operations</b>	1.23	1.03	3.04	0.40	2.77
<b>Distributions:</b>					
From income	(1.38)	(1.52)	(1.52)	(1.53)	(1.48)
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	(1.38)	(1.52)	(1.52)	(1.53)	(1.48)
<b>Net Asset Value, end of year <sup>(3)</sup></b>	21.36	21.51	25.87	24.41	25.31

## FINANCIAL HIGHLIGHTS (continued)

### Net asset value (NAV) per unit <sup>(1)</sup> (continued)

Series M	2023	2022	2021	2020	2019 <sup>(5)</sup>
Net Asset Value, beginning of year	25.31	29.75	27.28	26.61	26.45
Increase (decrease) from operations:					
Total revenue	0.70	0.57	0.48	0.76	0.15
Total expenses	(0.10)	(0.02)	(0.04)	(0.01)	0.01
Realized gains (losses) for the year	(0.18)	0.38	1.66	1.07	(0.01)
Unrealized gains (losses) for the year	4.09	(3.97)	2.11	1.21	0.01
Total increase (decrease) from operations	4.51	(3.04)	4.21	3.03	0.16
Distributions:					
From income	(0.26)	(1.49)	(1.13)	(0.29)	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	Nil	Nil
Total distributions <sup>(2)</sup>	(0.26)	(1.49)	(1.13)	(0.29)	Nil
Net Asset Value, end of year <sup>(3)</sup>	26.72	25.31	29.75	27.28	26.61

(1) This information is provided as at September 30 in accordance with International Financial Reporting Standards.

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

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

(4) Series T6 commenced operations March 29, 2019.

(5) Series M commenced operations September 16, 2019.

### Ratios and Supplemental Data <sup>(1)</sup>

Series A	2023	2022	2021	2020	2019
Net Assets (000's of \$)	2,958	3,551	4,611	5,247	4,328
Number of units outstanding (000's)	121	150	163	198	164
Management expense ratio (MER) <sup>(2)</sup>	2.42%	2.39%	2.40%	2.33%	2.36%
MER before waivers or absorptions <sup>(2)</sup>	3.83%	3.55%	3.50%	3.41%	3.95%
Portfolio turnover rate <sup>(3)</sup>	41.66%	93.87%	71.83%	84.89%	19.79%
Trading expense ratio <sup>(4)</sup>	0.07%	0.13%	0.14%	0.13%	0.11%
Net asset value per unit	24.47	23.63	28.33	26.48	26.32

Series F	2023	2022	2021	2020	2019
Net Assets (000's of \$)	2,714	4,167	4,897	3,438	3,115
Number of units outstanding (000's)	105	169	168	127	117
Management expense ratio (MER) <sup>(2)</sup>	1.38%	1.38%	1.38%	1.29%	1.29%
MER before waivers or absorptions <sup>(2)</sup>	2.79%	2.54%	2.48%	2.37%	2.88%

Series F	2023	2022	2021	2020	2019
Portfolio turnover rate <sup>(3)</sup>	41.66%	93.87%	71.83%	84.89%	19.79%
Trading expense ratio <sup>(4)</sup>	0.07%	0.13%	0.14%	0.13%	0.11%
Net asset value per unit	25.77	24.63	29.23	27.04	26.60

Series T6	2023	2022	2021	2020	2019 <sup>(5)</sup>
Net Assets (000's of \$)	1	1	1	228	81
Number of units outstanding (000's)	0.04	0.04	0.04	9	3
Management expense ratio (MER) <sup>(2)</sup>	2.36%	2.34%	2.35%	2.28%	2.33%
MER before waivers or absorptions <sup>(2)</sup>	3.77%	3.50%	3.45%	3.36%	3.92%
Portfolio turnover rate <sup>(3)</sup>	41.66%	93.87%	71.83%	84.89%	19.79%
Trading expense ratio <sup>(4)</sup>	0.07%	0.13%	0.14%	0.13%	0.11%
Net asset value per unit	20.72	21.07	25.59	24.38	25.54

Series F6	2023	2022	2021	2020	2019
Net Assets (000's of \$)	1	1	77	84	116
Number of units outstanding (000's)	0.04	0.04	3	3	5
Management expense ratio (MER) <sup>(2)</sup>	1.33%	1.38%	1.39%	1.33%	1.36%
MER before waivers or absorptions <sup>(2)</sup>	2.74%	2.54%	2.49%	2.41%	2.94%
Portfolio turnover rate <sup>(3)</sup>	41.66%	93.87%	71.83%	84.89%	19.79%
Trading expense ratio <sup>(4)</sup>	0.07%	0.13%	0.14%	0.13%	0.11%
Net asset value per unit	21.36	21.51	25.87	24.41	25.31

Series M	2023	2022	2021	2020	2019 <sup>(6)</sup>
Net Assets (000's of \$)	7	49	55	344	1
Number of units outstanding (000's)	0.26	2	2	13	0.04
Management expense ratio (MER) <sup>(2)</sup>	0.47%	0.46%	0.47%	0.43%	0.46%
MER before waivers or absorptions <sup>(2)</sup>	1.88%	1.62%	1.57%	1.51%	2.05%
Portfolio turnover rate <sup>(3)</sup>	41.66%	93.87%	71.83%	84.89%	19.79%
Trading expense ratio <sup>(4)</sup>	0.07%	0.13%	0.14%	0.13%	0.11%
Net asset value per unit	26.72	25.31	29.75	27.28	26.61

(1) This information is provided as at September 30 in accordance with International Financial Reporting Standards.

(2) Management expense ratio (MER) is based on the Funds total expenses for the stated year including the Funds proportionate share of the expenses of the underlying funds and is expressed as an annualized percentage of daily average net asset value for the year. As such, the MERs presented for the Funds is all-inclusive and includes the portion of MERs of the other funds attributable to the investment.

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

## FINANCIAL HIGHLIGHTS (continued)

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

(5) Series T6 commenced operations March 29, 2019.

(6) Series M commenced operations September 16, 2019.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.80% for Series A and Series T6 units, and 0.80% for Series F and Series F6 units, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. Management fees are calculated and paid monthly. There is no management fee attached to Series M. For the year ended September 30, 2023, management fees amounted to \$82,721. NCM paid servicing commissions of \$34,114 (i.e. 41.24%) from these management fees to investment dealers. NCM Also received fees for portfolio management and administrative services with respect to this Fund as well as other Funds in the NCM group.

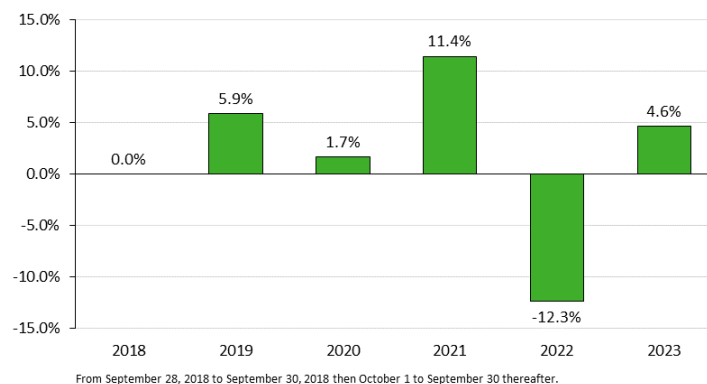
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund since inception in percentages. These charts reflect the performance you would have received if you invested in the Fund on the first day of the year through the last day of the year.

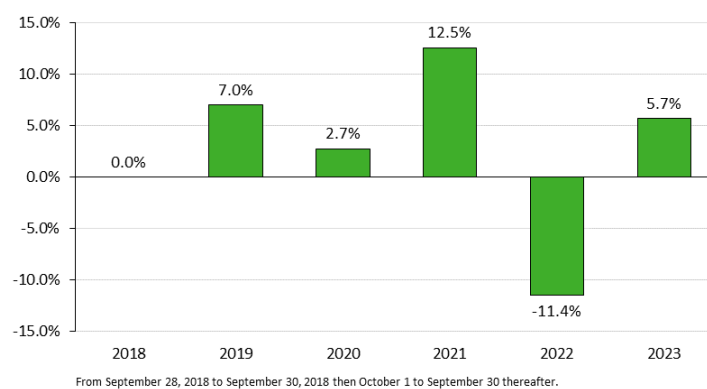
They assume that all distributions made by the Fund in the years shown are reinvested in additional securities of the Fund. They do not take into account sales, redemption, distribution or other optional charges which would have reduced returns or performance. Each year, the Fund's performance has changed and past performance does not guarantee future performance.

## YEAR BY YEAR RETURNS

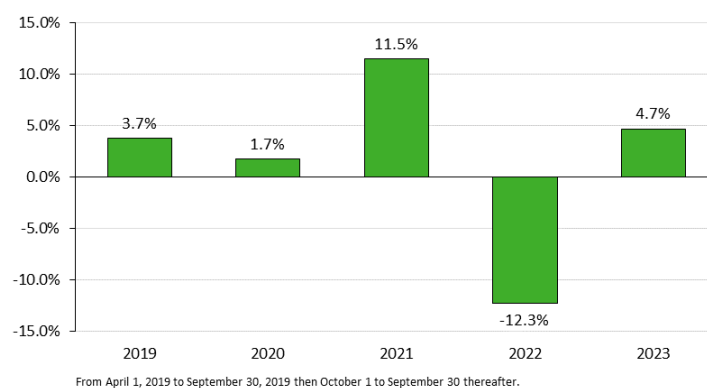
### Series A



### Series F

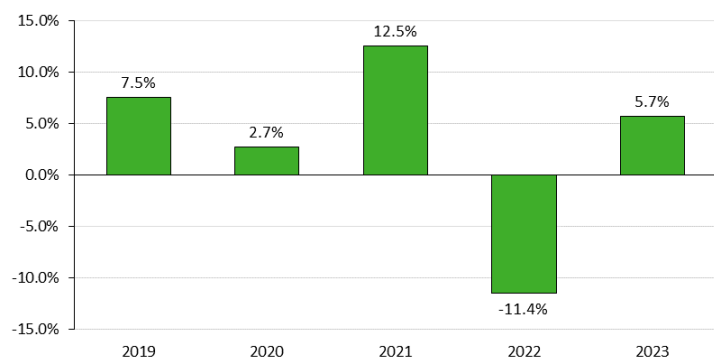


### Series T6



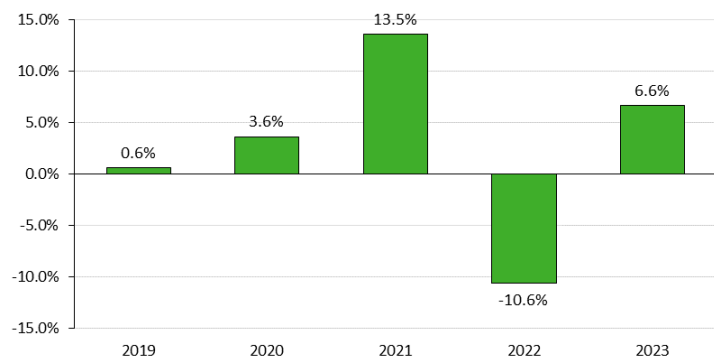
## YEAR BY YEAR RETURNS (continued)

### Series F6



From October 1, 2018 to September 30, 2019 then October 1 to September 30 thereafter.

### Series M



From September 16, 2019 to September 30, 2019 then October 1 to September 30 thereafter.

	Series A	Series F	Series T6	Series F6	Series M	Index
One year	4.6%	5.7%	4.7%	5.7%	6.6%	7.7%
Three Year*	0.7%	1.7%	0.8%	1.7%	2.7%	2.5%
Five Year* Since Inception* – Series A (September 28, 2018)	1.9%	3.0%				4.2%
Since Inception* – Series F (September 28, 2018)		3.0%				4.2%
Since Inception* – Series T6 (April 01, 2019)			1.7%			4.1%
Since Inception* – Series F6 (October 01, 2018)				3.1%		4.2%

\* annualized

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2023, for each series of the Fund for the years indicated.

It also shows the returns for the Fund's benchmark index, which is 5% S&P 3-Month Canada Treasury Bill Index, 45% FTSE Canada Universe Bond Index, 15% S&P/TSX Composite Total Return Index, 24.5% Morningstar Developed Markets Target Market Exposure NR USD, 10.5% Morningstar Developed Markets Target Market Exposure NR EUR.

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at September 30, 2023.

Investments	Percent of net assets
NCM Core Global, Series 'O'	9.8%
Vanguard FTSE Developed All Cap ex North America Index ETF (CAD - Hedged)	9.7%
SPDR Bloomberg Short Term High Yield Bond ETF	8.1%
iShares NASDAQ 100 Index ETF (CAD - Hedged)	4.3%
iShares CDN S&P 500 Hedged to Canadian Dollars Index Fund	4.1%
iShares S&P Global Water Index Fund	3.7%
iShares Global Real Estate Index ETF	2.9%
BMO High Yield US Corporate Bond Hedged to CAD Index ETF	2.8%
First National Financial Corp., Callable, Series '3', 2.961%, 2025/11/17	2.6%
Toronto-Dominion Bank (The), Variable Rate, Callable, Series '1', 3.600%, 2081/10/31	2.6%
BMO Global Infrastructure Index ETF	2.3%
Evolve Cyber Security Index Fund	2.3%
Parkland Corp., Callable, 6.000%, 2028/06/23	2.0%
Morguard Corp., Callable, Series 'F', 4.204%, 2024/11/27	2.0%
Fairfax Financial Holdings Ltd., Callable, 4.250%, 2027/12/06	2.1%
Pembina Pipeline Corp., Callable, Series '10', 4.020%, 2028/03/27	2.0%
TransCanada PipeLines Ltd., Callable, 3.390%, 2028/03/15	1.9%
Videotron Ltd., Callable, 3.625%, 2028/06/15	1.8%
Sun Life Financial Inc., Variable Rate, Callable, 2.800%, 2033/11/21	1.8%
Evolve Automobile Innovation Index Fund	1.8%
Invesco Leisure and Entertainment ETF	1.6%
Royal Bank of Canada, Variable Rate, Callable, 3.650%, 2081/11/24	1.5%
Glacier Credit Card Trust, Series '2023', 6.881%, 2028/09/20	1.5%
Province of Ontario, 2.600%, 2027/06/02	1.5%
Rogers Communications Inc., Restricted, 3.100%, 2025/04/15	1.4%
Other Securities	17.7%
<b>Total Securities</b>	<b>95.8%</b>
<b>Other</b>	
Cash and cash equivalents	2.6%
Other assets – net of liabilities	1.6%
<b>Total net asset value</b>	<b>100.0%</b>

## Industry Sectors

Energy	2.8%
Materials	0.6%
Industrials	1.9%
Consumer Discretionary	0.4%
Financials	2.8%
Utilities	0.5%
Real Estate	1.2%
Bonds	29.7%
Exchange Traded Funds	46.1%
Mutual Funds	9.8%
Other	4.2%
<b>Total</b>	<b>100.0%</b>

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

## OTHER MATERIAL INFORMATION

The simplified prospectus and all other Fund related materials can be obtained by calling us toll-free at (877) 531-9355, by writing to us at 1850, 333-7<sup>th</sup> Avenue SW Calgary, Alberta T2P 2Z1 or from our website at [www.ncminvestments.com](http://www.ncminvestments.com).



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