

September 30, 2022

MANAGEMENT REPORT OF FUND PERFORMANCE  
**NCM CORE INTERNATIONAL**  
**(FORMERLY, NCM CORE**  
**AMERICAN)**

# MANAGEMENT REPORT OF FUND PERFORMANCE NCM CORE INTERNATIONAL (FORMERLY, NCM CORE AMERICAN)

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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.sedar.com](http://www.sedar.com).

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

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

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### INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of NCM Core International (the "Fund") to achieve long term capital growth by investing primarily in equity securities based outside of Canada and the United States.

The Fund will invest primarily in a diversified portfolio of equity securities and may invest in, but not limited to, REITs, bonds, debt instruments, and convertible securities. The portfolio may include all sizes of issuers including large, mid and small capitalization companies. The Fund may also invest in permitted derivatives and engage in limited short selling in order to achieve its objective.

Security selection within the portfolio follows a bottom up approach, which emphasizes careful company specific analysis. This involves evaluating the financial condition, management and prospects of each company, its industry and the overall economy. The Portfolio Manager typically emphasizes a value investment approach to select stocks. The Portfolio Manager will focus on quality companies with stable, growing businesses and strong balance sheets and will select companies that offer the potential for future growth in earnings and/or cash flow.

### RISK

The Fund is suitable for investors with a medium risk tolerance who are looking for exposure to primarily equity securities and investing in medium to long term.

The Fund is subject to a series of risks, some of which include Equity Risk, Foreign Operations Risk, Currency Risk, and Market Cap Risk.

#### Equity Risk

Due to the Fund's equity focus, it is subject to standard market risks. The individual securities are subject to individual company developments and to general economic and financial conditions. The Fund remains well diversified across several securities and sectors.

#### Foreign Operations Risk

Most of the Fund's investments are in companies with operations in foreign countries. The value of these investments may be influenced by such factors as foreign government policies as well as political or social instability. The Fund has mitigated this risk through diversification and through security selection.

#### Currency Risk

The Fund's foreign investments are largely made in the local currencies of these foreign issuers. Investment returns are affected when these investments are converted back to Canadian dollars for valuation reporting purposes. The Manager uses a currency hedging strategy to help mitigate this currency risk.

As of September 30, 2022, the Fund held 12.0% in cash and cash equivalents.

### RESULTS OF OPERATIONS

The Fund returned -20.5% in Canadian dollars during the twelve-month period ending September 30, 2022. The Fund's benchmark, Morningstar Developed Markets ex-North America Target Market Exposure NR CAD, returned -18.9% in Canadian dollars over the same period. Therefore, the Fund underperformed the benchmark by 1.6%. The key factors driving the underperformance included the Fund's underweight position in the Energy sector and the Fund's investment style. The Fund utilizes a Quality focused

## RESULTS OF OPERATIONS (continued)

investment philosophy and the Quality factor underperformed during the period.

Significant changes were made to the Fund during the period given a change in the mandate. During the period, the Fund made a switch from a US-centric mandate to a mandate primarily focused on developed markets outside of North America. As part of this change, the name of the Fund was changed from NCM Core American to NCM Core International.

There were several changes to the Fund's sector allocation during the period. The Fund's weighting was increased in the Consumer Staples, Healthcare, Industrials, and the Materials sectors. The Fund's weighting was reduced in the Communication Services, Financial Services, Consumer Discretionary, and the Information Technology sectors.

Stocks that contributed positively to the Fund's performance during the period included Abbott Labs, Alphabet, Apple, Costco, Home Depot, Intuit, Keysight Technologies, Lowe's, Marsh & McLennan, Microsoft, Nike, PT Bank Central Asia, S&P Global, Sherwin Williams, Thermo-Fisher Scientific, Union-Pacific, and UnitedHealth Group.

Detractors from performance during the period included Accenture, Adidas, AIA Group, Air Liquide, Capgemini, Coloplast, Comcast, Dassault Systemes, Diageo, DSV Panalpina, EssilorLuxottica, Experian, Ferguson, Geberit, Givaudan, GSK, HDFC Bank, Howden Joinery, Kering, Keyence, L'Oreal, LVMH Moët Hennessy Louis Vuitton, Nestle, Roche, Safran, Schneider Electric, Sika, Straumann, Taiwan Semiconductor, and Teleperformance.

Activity was very busy during the period given the change in the mandate as noted above. New holdings that were established during the period included Adidas, AIA Group, Air Liquide, Aon, AstraZeneca, Capgemini, Coloplast, Dassault Systemes, DSV Panalpina, EssilorLuxottica, Experian, Ferguson, Geberit, Givaudan, GSK, Haleon, HDFC Bank, Heineken Holding, Howden Joinery, Kering, Keyence, Linde, L'Oreal, LVMH Moët Hennessy Louis Vuitton, Nestle, Novo Nordisk, Pernod Ricard, PT Bank Central Asia, RELX, Roche, Safran, Schneider Electric, Sika, Straumann, Taiwan Semiconductor, and Teleperformance.

Holdings that were eliminated during the period included Abbott Labs, Adidas, Alphabet, American Express, Analog Devices, Apple, Bath & Body Works, Comcast, Constellation Brands, Costco, Crown Holdings, Emerson Electric, First Republic, Geberit, Givaudan, HDFC Bank, Home Depot, Honeywell, Intuit, JPMorgan Chase, Keyence, Keysight Technologies, Lowe's, Meta Platforms, Marsh & McLennan, Mastercard, Medtronic, Microsoft, Nike, S&P Global, Sherwin Williams, Taiwan Semiconductor, Thermo-Fisher Scientific, TJX Companies, Union Pacific, UnitedHealth Group, U.S. Bancorp, and Visa.

Global equity markets generated negative returns during the period. The weakness in global equity markets was driven by high levels of inflation, rising interest rates by central banks around the world, and the war between Russia and Ukraine. Although the outcome of this war is uncertain, it will have significant implications for geopolitical stability, global supply chains, energy, inflation, globalization, economic growth, and interest rates. Although the Manager is concerned about the potential consequences of the war in the near-term, the Manager has a cautiously optimistic view for global equity markets over the medium to long term.

The net assets have decreased by 43.2% with net assets decreasing from \$11,574,249 to \$6,570,664, \$1,920,464 of this change is attributable to negative investment performance and \$3,083,121 was due to negative net contributions to the Fund.

## RECENT DEVELOPMENTS

On October 28, 2021, NCM Core American changed its name to NCM Core International. On that same date, approval was obtained to change the investment objectives to achieve long-term capital appreciation by investing primarily in publicly traded securities based outside of Canada and the United States, rather than investing primarily in U.S. equity securities. The Fund's reference index was updated to Morningstar Developed Markets ex-North America Target Market Exposure NR CAD.

On May 20, 2022 Series R as renamed Series O.

## RELATED PARTY TRANSACTIONS

Management fees of \$100,873 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio

## RELATED PARTY TRANSACTIONS (continued)

Manager. Management fees are 1.85% for Series A and 0.85% for Series F, of the series net asset value of the Fund and are calculated and paid monthly. In addition, administrative fees of \$10,905 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, 2022, in the amount of \$16,740.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund's shares 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 share<sup>(1)</sup>

Series A	2022	2021	2020	2019	2018
<b>Net Asset Value, beginning of year</b>	21.64	18.63	17.97	17.68	17.30
<b>Increase (decrease) from operations:</b>					
Total revenue	0.31	0.24	0.18	0.28	0.42
Total expenses	(0.77)	(0.64)	(0.57)	(0.56)	(0.53)
Realized gains (losses) for the year	8.19	1.81	0.35	(2.77)	(1.24)
Unrealized gains (losses) for the year	(12.07)	2.04	1.11	2.40	2.17
<b>Total increase (decrease) from operations</b>	<b>(4.34)</b>	<b>3.45</b>	<b>1.07</b>	<b>(0.65)</b>	<b>0.82</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.07)	(0.42)	(0.42)	(0.39)	(0.35)
From capital gains	Nil	Nil	Nil	(0.04)	(0.04)
<b>Total distributions <sup>(2)</sup></b>	<b>(0.07)</b>	<b>(0.42)</b>	<b>(0.42)</b>	<b>(0.43)</b>	<b>(0.39)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>16.90</b>	<b>21.64</b>	<b>18.63</b>	<b>17.97</b>	<b>17.68</b>

Series F	2022	2021	2020	2019	2018
<b>Net Asset Value, beginning of year</b>	25.51	21.74	20.73	20.18	19.56
<b>Increase (decrease) from operations:</b>					
Total revenue	0.41	0.28	0.16	0.45	0.43
Total expenses	(0.58)	(0.50)	(0.42)	(0.46)	(0.40)
Realized gains (losses) for the year	6.72	2.16	0.50	(3.75)	(1.33)

Series F	2022	2021	2020	2019	2018
Unrealized gains (losses) for the year	(11.98)	2.26	1.45	2.45	2.44
<b>Total increase (decrease) from operations</b>	<b>(5.43)</b>	<b>4.20</b>	<b>1.69</b>	<b>(1.31)</b>	<b>1.14</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	(0.08)	(0.49)	(0.49)	(0.44)	(0.40)
From capital gains	Nil	Nil	Nil	(0.04)	(0.04)
<b>Total distributions <sup>(2)</sup></b>	<b>(0.08)</b>	<b>(0.49)</b>	<b>(0.49)</b>	<b>(0.48)</b>	<b>(0.44)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>20.22</b>	<b>25.51</b>	<b>21.74</b>	<b>20.73</b>	<b>20.18</b>

Series O	2022	2021	2020 <sup>(4)</sup>
<b>Net Asset Value, beginning of year</b>	27.37	23.12	23.89
<b>Increase (decrease) from operations:</b>			
Total revenue	0.47	0.30	0.50
Total expenses	(0.36)	(0.32)	(0.19)
Realized gains (losses) for the year	7.97	2.37	(0.84)
Unrealized gains (losses) for the year	(12.58)	2.27	0.22
<b>Total increase (decrease) from operations</b>	<b>(4.50)</b>	<b>4.62</b>	<b>(0.31)</b>
<b>Distributions:</b>			
From income	Nil	Nil	Nil
From dividends	(0.09)	(0.52)	(0.34)
From capital gains	Nil	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>(0.09)</b>	<b>(0.52)</b>	<b>(0.34)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>21.94</b>	<b>27.37</b>	<b>23.12</b>

Series Z	2022	2021 <sup>(5)</sup>
<b>Net Asset Value, beginning of year</b>	27.38	21.19
<b>Increase (decrease) from operations:</b>		
Total revenue	0.42	0.21
Total expenses	(0.32)	(0.22)
Realized gains (losses) for the year	8.48	1.27
Unrealized gains (losses) for the year	(13.92)	2.00
<b>Total increase (decrease) from operations</b>	<b>(5.34)</b>	<b>3.26</b>
<b>Distributions:</b>		
From income	Nil	Nil
From dividends	(0.09)	(0.39)
From capital gains	Nil	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>(0.09)</b>	<b>(0.39)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>21.96</b>	<b>27.38</b>

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

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

## FINANCIAL HIGHLIGHTS (continued)

- (3) Net asset value and distributions are based on the actual number of shares outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of shares 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) NCM Core International Series O commenced operations February 11, 2020.
- (5) NCM Core International Series Z commenced operations January 19, 2021.

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

Series A	2022	2021	2020	2019	2018
Net Assets (000's of \$)	2,905	6,588	6,407	7,852	16,519
Number of shares outstanding (000's)	172	304	344	437	934
Management expense ratio (MER) <sup>(2) (6)</sup>	2.98%	2.95%	2.97%	2.88%	2.71%
MER before waivers or absorptions <sup>(2) (6)</sup>	3.17%	2.95%	2.97%	2.88%	2.71%
Portfolio turnover rate <sup>(3)</sup>	126.45%	23.21%	50.67%	173.15%	130.63%
Trading expense ratio <sup>(4)</sup>	0.50%	0.05%	0.05%	0.28%	0.32%
Net asset value per share	16.90	21.64	18.63	17.97	17.68

Series F	2022	2021	2020	2019	2018
Net Assets (000's of \$)	2,384	2,609	3,009	4,880	14,193
Number of shares outstanding (000's)	118	102	138	235	703
Management expense ratio (MER) <sup>(2) (6)</sup>	1.85%	1.83%	1.86%	1.78%	1.62%
MER before waivers or absorptions <sup>(2) (6)</sup>	2.04%	1.83%	1.86%	1.78%	1.62%
Portfolio turnover rate <sup>(3)</sup>	126.45%	23.21%	50.67%	173.15%	130.63%
Trading expense ratio <sup>(4)</sup>	0.50%	0.05%	0.05%	0.28%	0.32%
Net asset value per share	20.22	25.51	21.74	20.73	20.18

Series O	2022	2021	2020 <sup>(5)</sup>
Net Assets (000's of \$)	640	1,580	1,969
Number of shares outstanding (000's)	29	58	85
Management expense ratio (MER) <sup>(2)</sup>	0.91%	0.89%	0.82%
MER before waivers or absorptions <sup>(2)</sup>	1.10%	0.89%	0.82%
Portfolio turnover rate <sup>(3)</sup>	126.45%	23.21%	50.67%
Trading expense ratio <sup>(4)</sup>	0.50%	0.05%	0.05%
Net asset value per share	21.94	27.37	23.12

Series Z	2022	2021 <sup>(6)</sup>
Net Assets (000's of \$)	641	797
Number of shares outstanding (000's)	29	29
Management expense ratio (MER) <sup>(2)</sup>	0.88%	0.86%
MER before waivers or absorptions <sup>(2)</sup>	1.07%	0.86%
Portfolio turnover rate <sup>(3)</sup>	126.45%	23.21%
Trading expense ratio <sup>(4)</sup>	0.50%	0.05%
Net asset value per share	21.96	27.38

- (1) This information is provided as at September 30 in accordance with International Financial Reporting Standards.
- (2) Management expense ratio (MER) is based on total expenses for the stated year and is expressed as an annualized percentage of daily average net asset value of the year.
- (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 all 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.
- (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) NCM Core International Series O commenced operations February 11, 2020.
- (6) On May 20, 2020 management fees were reduced to 1.85% for Series A and 0.85% for Series F. Had these management fees been in effect for the entire fiscal year the MER would have been 2.87% and 1.76%, respectively.
- (7) NCM Core International Series Z commenced operations January 19, 2021.

## MANAGEMENT FEES

The Fund pays an annual management fee of 1.85% for Series A, and 0.85% for Series F, multiplied by the series net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. No management fees are charged to Series Z; instead, the investors pay an annual flat management fee up to \$1,000, per account, directly to the Manager. There is no management fee attached to Series O. For the year ended September 30, 2022, management fees amounted to \$100,873. NCM paid servicing commissions of \$39,294 (i.e., 38.95%) from these management fees to investment dealers. NCM received fees for portfolio management and administrative services with respect to this Fund, as well as, all the other funds in the NCM group.

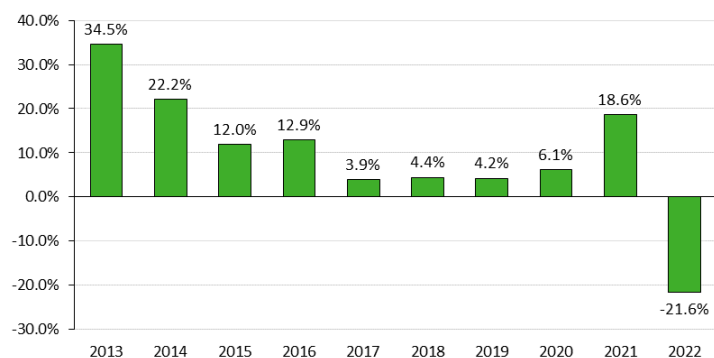
## PAST PERFORMANCE

The charts below illustrate the performance of the Fund for its last 10 fiscal years as a public mutual fund. 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 investment Fund in the years shown are reinvested in additional securities of the investment 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.

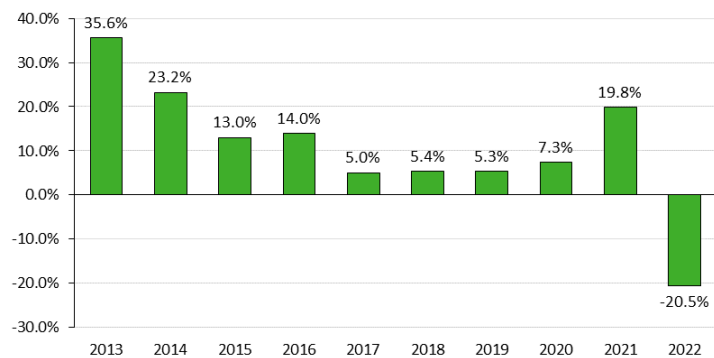
## YEAR BY YEAR RETURNS

### Series A



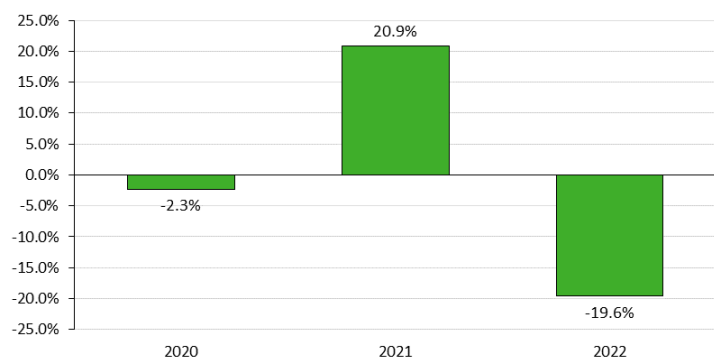
From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

### Series F



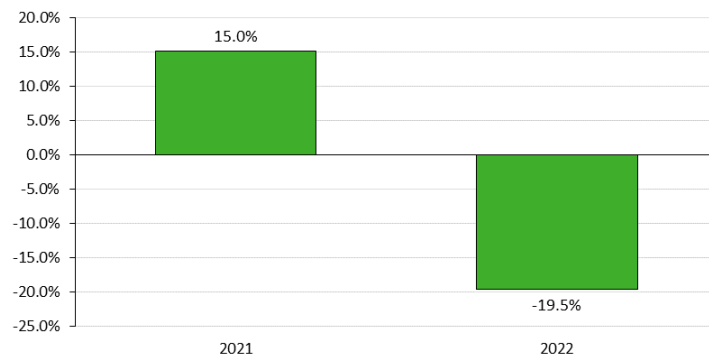
From November 1 to October 31 until 2018 which is from November 1, 2017 to September 30, 2018 then October 1 to September 30 thereafter.

### Series O



From February 12, 2020 to September 30, 2020 then October 1 to September 30 thereafter.

### Series Z



From January 19, 2021 to September 30, 2021 then October 1 to September 30 thereafter.

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2022 for each series of the Fund for the years indicated. It also shows the returns of the Russell Microcap Total Return Index (in \$Cdn) from December 31, 2005 to December 31, 2009, the Russell Microcap Total Return Index (in local currency) until January 31, 2013 and the S&P1500 Total Return Index (in local currency) until April 30, 2020 and the S&P 500 Total Return Index (in local currency) until October 28, 2021 and Morningstar Developed Markets ex-North America Target Market Exposure NR CAD thereafter, which is the Fund's benchmark index.

	Series A	Series F	Series O	Series Z	Index
One year	-21.6%	-20.5%	-19.6%	-19.5%	-18.9%
Three Year*	-0.5%	0.7%			-0.4%
Five Year*	1.2%	2.4%			1.2%
Ten Year*	8.7%	9.8%			7.2%
Since Inception* – Series A (December 31, 2005)	5.0%				1.9%
Since Inception* – Series F (December 31, 2005)		6.1%			1.9%
Since Inception* – Series O (February 12, 2020)			-2.0%		-3.6%
Since Inception* – Series Z (January 19, 2021)				-4.5%	-8.7%

\* annualized

## SUMMARY OF INVESTMENT PORTFOLIO

The following investments were held by the Fund as at September 30, 2022.

<b>Investments</b>	<b>Percent of net assets</b>
<b>Securities</b>	
Novo Nordisk AS, Series 'B'	6.0%
Aon PLC	4.7%
LVMH Moët Hennessy Louis Vuitton SE	4.5%
L'Oréal SA	3.9%
PT Bank Central Asia TBK	3.5%
Nestlé SA, Registered	3.4%
Accenture PLC, Class 'A'	3.3%
Teleperformance	3.3%
Pernod-Ricard SA	3.3%
Capgemini SE	3.2%
Diageo PLC, ADR	3.2%
Air Liquide SA	3.2%
DSV AS	3.0%
AstraZeneca PLC	2.9%
EssilorLuxottica SA	2.9%
Schneider Electric SE	2.8%
Sika AG, Registered	2.7%
AIA Group Ltd.	2.6%
Heineken Holding NV	2.6%
Ferguson PLC	2.2%
Coloplast AS, Class 'B'	2.1%
Dassault Systemes SE	2.0%
Safran SA	2.0%
Linde PLC	2.0%
Tryg AS	2.0%
Other Securities	10.1%
<b>Total Securities</b>	<b>87.4%</b>
Cash and cash equivalents	12.0%
Other assets – net of liabilities	0.6%
<b>Total net asset value</b>	<b>100.0%</b>

### Industry Sectors

Materials	7.9%
Industrials	18.4%
Consumer Discretionary	8.5%
Consumer Staples	16.4%
Health Care	14.9%
Financials	12.8%
Information Technology	8.5%
Other	12.6%
<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

NCM Core International is a class of NCM Opportunities Corp. 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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