

September 30, 2022

MANAGEMENT REPORT OF FUND PERFORMANCE

# NCM DIVIDEND CHAMPIONS (FORMERLY, NCM NORREP FUND)

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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 the NCM Dividend Champions (the "Fund") is to achieve long-term capital appreciation and consistent income by investing in all market capitalization issuers in Canada and the United States.

The Fund achieves this objective by employing a value approach as the primary methods of securities selection. This means searching for companies with superior long-term earnings and/or cash flow per share growth that exhibit a strong position in the market in which they operate, quality management and balance sheet strength. This analysis is supplemented by quantitative techniques that examine movements in general market trends as well as trends in earnings and the price of securities.

The Fund may invest in a combination of securities including common and preferred shares, income trust units, rights and warrants, convertible securities and government and corporate bonds. The Fund may also invest in permitted derivatives and engage in limited short selling to achieve its objective.

### RISK

The Fund is suitable for investors seeking long-term capital appreciation with a tolerance for medium risk. Investors whose primary concern is preservation of capital should not be invested in this Fund. General risks of an investment in the NCM Dividend Champions are detailed in the simplified prospectus and include among others: equity risk, small and mid-capitalization company risk, liquidity risk and regulatory risk.

The Fund's investments in commodity-related companies, such as those operating in the Energy and Materials sectors, form a portion of the portfolio. As a result, changes in commodity prices such as crude oil, natural gas and metals may have an impact on portfolio returns. Similarly, the Fund's investments in the Industrials and Consumer Discretionary sectors potentially increase the Fund's sensitivity to changes in GDP, commodity prices, foreign exchange rates, interest rates, stimulus removal, and/or credit conditions.

### RESULTS OF OPERATIONS

The year ended September 30, 2022, saw Central Banks in Canada and the U.S. raise interest rates several times because inflation became a concern, and rates were held at 0.25% during the Pandemic. Rate increases started in 2022. The yearly Canadian inflation rate for the period ending August 2022 was 7.0%, well above the Bank of Canada's target of 2.0%. The Canadian economy expanded at a rate of 0.8% in the second Quarter of 2022, or 3.3% on an annualized basis. In the summer months, construction picked up while there was a smaller spike in Covid cases. Society and business were better able to deal with Covid and we saw a larger re-opening of the economy. For the three months ended September 30, 2022, the S&P TSX Composite Total Return Index decreased 2.2%. This index started slowly and reached a peak on March 29. As of September 30, 2022 the S&P TSX Composite declined by 13.0%. Given supply constraints caused by the war in Europe, the S&P TSX Energy sector is up 31.4% year to date to September 30, 2022. Canadian energy companies have greatly benefitted from supply reductions, and higher prices for oil and natural gas. These companies have returned cash to shareholders through dividends and share buybacks. Other commodities such as Copper, Nickel, Lumber, Corn and Soybeans peaked in the spring of 2022,

## RESULTS OF OPERATIONS (continued)

but are still at levels where companies can generate cash. Canada is expected to deliver a strong crop of Canola and other grains in Autumn 2022.

On the macro front, war continues in Ukraine as Ukrainian forces are bravely and valiantly fighting for the survival of their country. There have been extensive human casualties, and the cost to rebuild Ukraine has been estimated at anywhere from 800 billion to 1 trillion dollars. Late in September the Nord Stream pipeline, which carries Natural Gas from Russia to Europe was sabotaged. Danish and Swedish authorities reported leaks from the Nord Stream 1 and Nord Stream 2 pipelines. No party has claimed responsibility for the underwater explosion, and the Nord Stream owners are not expected to repair the damaged pipeline. In China, President Xi is expected to be given a third term at the 20<sup>th</sup> Communist Party Congress. China's economy is dramatically slowing. This is because of an aging population, low birth rate, zero Covid Policy, and debt problems in China's large Real Estate sector. We believe that supply chains will shorten over many years. The U.S. is committed to spending billions of dollars to build new semi-conductors' plants in the U.S. Intel is spending several billions of dollars to build a chip wafer plant in Ohio. This will reduce the U.S.' reliance on Asia for high performance semi-conductor chips, which are crucial in a modern economy.

Some of the drivers of inflation have been wages, rents, and food prices. With regards to wages, there is a shrinking pool of workers available to work, because of demographics and a skill mismatch. We will watch the labor situation closely to see if there is improvement. In the U.S., the ISM Manufacturing Index was at 50.9 in September, indicating a slowing economy. ISM new orders reveal further slowing having peaked in February at 61.7, and the last reading on September 30 was 47.1.

For the year ended September 30, 2022, the Fund's return was -0.9%, outperforming its blended benchmark, of the S&P TSX Total return and S&P 500 in Canadian dollars of -6.2%. Holdings in the Energy and Industrial sector performed well. The Fund ended the quarter with approximately 12% in cash reflecting increased valuations, and a desire to have more flexibility as volatility is increasing.

Supply chain issues have improved, especially at west coast U.S. ports. Key labor strikes in the Ports and Rail sectors

were either short lived or averted altogether. This is a major positive for the economy. The war in Ukraine and severe drought in certain regions has led to a renewed focus on food and energy. Canada is an agricultural and energy powerhouse. We are confident on the outlook for Canada, notwithstanding a slowing economy, and weaker Canadian dollar. Canada has a role to play in the shift to a lower carbon intensive world. Our abundant natural gas is being studied as a source of cleaner burning hydrogen. This stage of the energy economy is in its initial stages but holds plenty of promise. The NCM Dividend Champions Fund is ready for any macro environment. Slowdowns and recessions are a normal part of the business cycle, and we look for companies that can pay and grow their dividend in any period. The digitization of the economy will continue, and we are not convinced crypto currencies or digital tokens will endure. Our focus remains on actively managing a diversified portfolio of dividend paying stocks.

The net assets have increased by 36.4% with net assets increasing from \$49,078,023 to \$66,920,000, \$1,726,570 of this change is attributable to negative investment performance and \$19,568,547 was due to positive net contributions to the Fund.

## RECENT DEVELOPMENTS

On May 20, 2022, NCM Norrep Fund changed its name to NCM Dividend Champions. There have been no changes to the investment objective with this name change.

Series AA and Series FF became available to purchase at this same time. They both offer fixed monthly distributions.

## RELATED PARTY TRANSACTIONS

Management fees of \$932,192 were paid to NCM Asset Management Ltd. ("NCM"), the Fund's Manager and Portfolio Manager. Management fees are 2% for Series A and Series AA, 1% for Series F and Series FF, of the series net asset value of the Fund and are calculated and paid monthly.

Administration fees of \$60,821 were paid to NCM. Administration fees are charged by NCM at or below cost and relate to accounting, trading, recordkeeping, compliance, and other administrative costs.

## 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.

### The Fund's Net Asset Value (NAV) per unit<sup>(1)</sup>

Series A	2022	2021	2020	2019	2018
<b>Net Asset Value, beginning of year</b>	39.86	32.52	32.93	36.89	38.28
<b>Increase (decrease) from operations:</b>					
Total revenue	0.93	1.05	0.52	0.73	0.74
Total expenses	(1.00)	(1.04)	(0.81)	(0.88)	(0.87)
Realized gains (losses) for the year	1.60	11.92	(1.11)	(0.62)	3.27
Unrealized gains (losses) for the year	(1.87)	(3.79)	0.64	(0.87)	(2.49)
<b>Total increase (decrease) from operations</b>	<b>(0.34)</b>	<b>8.14</b>	<b>(0.76)</b>	<b>(1.64)</b>	<b>0.65</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	(6.61)	(0.76)	Nil	(2.22)	(2.08)
<b>Total distributions <sup>(2)</sup></b>	<b>(6.61)</b>	<b>(0.76)</b>	<b>Nil</b>	<b>(2.22)</b>	<b>(2.08)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>32.83</b>	<b>39.86</b>	<b>32.52</b>	<b>32.93</b>	<b>36.89</b>

Series F	2022	2021	2020	2019	2018
<b>Net Asset Value, beginning of year</b>	41.95	33.95	34.12	37.91	39.05
<b>Increase (decrease) from operations:</b>					
Total revenue	1.04	1.26	0.54	0.75	0.72
Total expenses	(0.62)	(0.82)	(0.60)	(0.63)	(0.62)
Realized gains (losses) for the year	1.59	10.69	(1.17)	(0.68)	2.62
Unrealized gains (losses) for the year	(7.23)	(2.96)	(0.46)	(0.59)	(2.28)
<b>Total increase (decrease) from operations</b>	<b>(5.22)</b>	<b>8.17</b>	<b>(1.69)</b>	<b>(1.15)</b>	<b>0.44</b>
<b>Distributions:</b>					
From income	Nil	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil	Nil
From capital gains	(6.98)	(0.79)	Nil	(2.28)	(2.12)
<b>Total distributions <sup>(2)</sup></b>	<b>(6.98)</b>	<b>(0.79)</b>	<b>Nil</b>	<b>(2.28)</b>	<b>(2.12)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>34.95</b>	<b>41.95</b>	<b>33.95</b>	<b>34.12</b>	<b>37.91</b>

Series R	2022	2021	2020	2019 <sup>(4)</sup>
<b>Net Asset Value, beginning of year</b>	-	34.92	34.62	37.96
<b>Increase (decrease) from operations:</b>				
Total revenue	-	0.07	0.55	0.80
Total expenses	-	(0.04)	(0.24)	(0.14)
Realized gains (losses) for the year	-	2.74	(1.19)	(1.63)
Unrealized gains (losses) for the year	-	(0.83)	3.37	3.24
<b>Total increase (decrease) from operations</b>	<b>-</b>	<b>1.94</b>	<b>2.49</b>	<b>2.27</b>
<b>Distributions:</b>				
From income	Nil	Nil	Nil	Nil
From dividends	Nil	Nil	Nil	Nil
From capital gains	Nil	Nil	Nil	(2.29)
<b>Total distributions <sup>(2)</sup></b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>(2.29)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>-</b>	<b>-</b>	<b>34.92</b>	<b>34.62</b>

Series AA	2022 <sup>(5)</sup>
<b>Net Asset Value, beginning of year</b>	-
<b>Increase (decrease) from operations:</b>	
Total revenue	0.37
Total expenses	(0.13)
Realized gains (losses) for the year	0.45
Unrealized gains (losses) for the year	(2.81)
<b>Total increase (decrease) from operations</b>	<b>(2.12)</b>
<b>Distributions:</b>	
From income	(0.28)
From dividends	Nil
From capital gains	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>(0.28)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>33.28</b>

## FINANCIAL HIGHLIGHTS (continued)

Series FF	2022 <sup>(6)</sup>
Net Asset Value, beginning of year	-
<b>Increase (decrease) from operations:</b>	
Total revenue	0.36
Total expenses	(0.20)
Realized gains (losses) for the year	0.44
Unrealized gains (losses) for the year	(4.31)
<b>Total increase (decrease) from operations</b>	<b>(3.71)</b>
<b>Distributions:</b>	
From income	(0.28)
From dividends	Nil
From capital gains	Nil
<b>Total distributions <sup>(2)</sup></b>	<b>(0.28)</b>
<b>Net Asset Value, end of year <sup>(3)</sup></b>	<b>33.42</b>

(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) NCM Dividend Champions Series R commenced operations October 1, 2018, and was fully redeemed on November 30, 2020.

(5) NCM Dividend Champions Series AA commenced operations May 25, 2022.

(6) NCM Dividend Champions Series FF commenced operations May 25, 2022.

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

Series A	2022	2021	2020	2019	2018
Net Assets (000's of \$)	38,012	44,065	36,975	42,396	54,230
Number of units outstanding (000's)	1,158	1,106	1,137	1,288	1,470
Management expense ratio (MER) <sup>(2)</sup>	2.50%	2.52%	2.59%	2.55%	2.51%
MER before waivers or absorptions <sup>(2)</sup>	2.50%	2.52%	2.59%	2.55%	2.51%
Portfolio turnover rate <sup>(3)</sup>	125.08%	169.47%	25.06%	24.73%	18.71%
Trading expense ratio <sup>(4)</sup>	0.22%	0.25%	0.09%	0.15%	0.12%
Net asset value per unit	32.83	39.86	32.52	32.93	36.89

Series F	2022	2021	2020	2019	2018
Net Assets (000's of \$)	28,677	5,013	1,950	2,705	2,914
Number of units outstanding (000's)	821	119	57	79	77
Management expense ratio (MER) <sup>(2)</sup>	1.48%	1.53%	1.83%	1.80%	1.77%

Series F	2022	2021	2020	2019	2018
MER before waivers or absorptions <sup>(2)</sup>	1.48%	1.53%	1.83%	1.80%	1.77%
Portfolio turnover rate <sup>(3)</sup>	125.08%	169.47%	25.06%	24.73%	18.71%
Trading expense ratio <sup>(4)</sup>	0.22%	0.25%	0.09%	0.15%	0.12%
Net asset value per unit	34.95	41.95	33.95	34.12	37.91

Series R	2022	2021	2020	2019 <sup>(5)</sup>
Net Assets (000's of \$)	-	-	1,789	1,183
Number of units outstanding (000's)	-	-	51	34
Management expense ratio (MER) <sup>(2)</sup>	-	0.43%	0.49%	0.45%
MER before waivers or absorptions <sup>(2)</sup>	-	0.43%	0.49%	0.45%
Portfolio turnover rate <sup>(3)</sup>	-	169.47%	25.06%	24.73%
Trading expense ratio <sup>(4)</sup>	-	0.25%	0.09%	0.15%
Net asset value per unit	-	-	34.92	34.62

Series AA	2022 <sup>(6)</sup>
Net Assets (000's of \$)	198
Number of units outstanding (000's)	6
Management expense ratio (MER) <sup>(2)</sup>	2.62%
MER before waivers or absorptions <sup>(2)</sup>	2.62%
Portfolio turnover rate <sup>(3)</sup>	125.08%
Trading expense ratio <sup>(4)</sup>	0.22%
Net asset value per unit	33.28

Series FF	2022 <sup>(7)</sup>
Net Assets (000's of \$)	34
Number of units outstanding (000's)	1
Management expense ratio (MER) <sup>(2)</sup>	1.51%
MER before waivers or absorptions <sup>(2)</sup>	1.51%
Portfolio turnover rate <sup>(3)</sup>	125.08%
Trading expense ratio <sup>(4)</sup>	0.22%
Net asset value per unit	33.42

(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 of the year. As such, the MERs presented for the Fund is all-inclusive and includes the portion of MERs of the other funds attributable to the investment.

## FINANCIAL HIGHLIGHTS (continued)

- (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 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 Dividend Champions Series R commenced operations October 1, 2018, and was fully redeemed on November 30, 2020.
- (6) NCM Dividend Champions Series AA commenced operations May 25, 2022.
- (7) NCM Dividend Champions Series FF commenced operations May 25, 2022.

## MANAGEMENT FEES

The Fund pays an annual management fee of 2% for Series A and Series AA, and 1% for Series F and Series FF, multiplied by the net asset value of the Fund, to NCM, the Fund's Manager and Portfolio Manager. The management fee is calculated and paid monthly. There was no management fee attached to Series R. For the year ended September 30, 2022 management fees amounted to \$932,192. NCM paid servicing commissions of \$388,232 (i.e. 41.65%) 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 all the other funds in the NCM group.

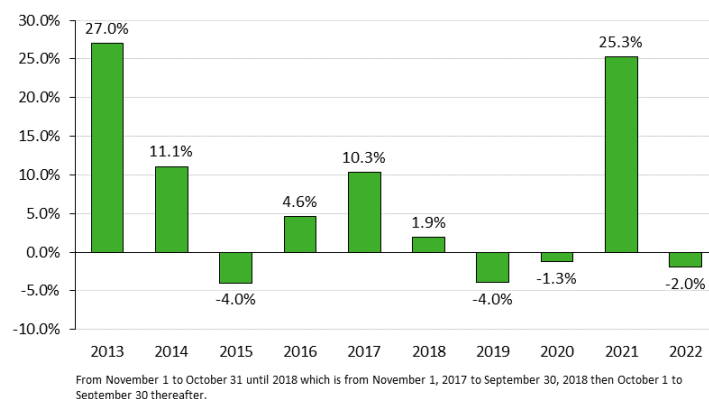
## PAST PERFORMANCE

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.

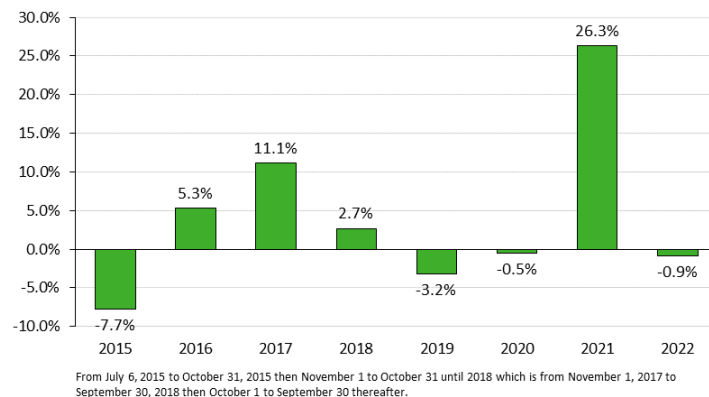
They assume that all distributions made by the Fund in the years shown are reinvested in additional securities of the Fund. They do not take into account sales, redemption, distribution or other optional charges which would have reduced returns or performance. Each year the Fund's performance has changed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

## YEAR BY YEAR RETURNS

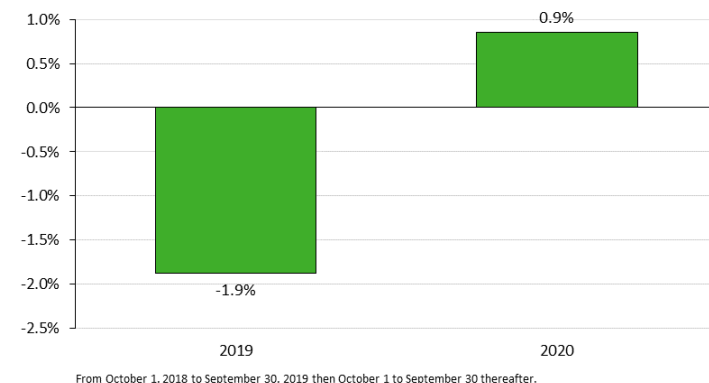
### Series A



### Series F



### Series R



Series R was fully redeemed November 30, 2020.

### Series AA

This series has not yet completed a full calendar year therefore cannot report the year-by-year return.

## YEAR BY YEAR RETURNS (continued)

### Series FF

This series has not yet completed a full calendar year therefore cannot report the year-by-year return

## ANNUAL COMPOUND RETURNS

The following table shows the percent compounded returns to September 30, 2022 of the Fund for the years indicated. It also presents the returns for the Fund's benchmark index, which is BMO Small Capitalization Equity Only Weighted Total Return Index until November 9, 2020 and 70% S&P/TSX Composite Total Return Index and 30% S&P 500 Total Return Index CAD thereafter.

	Series A	Series F	Index
One year	-2.0%	-0.9%	-6.2%
Three Year*	6.6%	7.6%	8.3%
Five Year*	4.1%	5.0%	3.3%
Ten Year*	6.6%		3.8%
Since Inception* – Series A (April 12, 2000)	12.7%		5.8%**
Since Inception* – Series F (July 06, 2015)		4.1%	4.4%**

\* annualized

\*\* estimated as official index values are only calculated at month-end

## SUMMARY OF INVESTMENT PORTFOLIO

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

Securities	Percent of net assets
Royal Bank of Canada	3.8%
Alphabet Inc., Class 'A'	3.8%
TELUS Corp.	3.5%
Granite REIT	3.2%
CGI Inc.	3.0%
Gildan Activewear Inc.	2.7%
Intact Financial Corp.	2.6%
Tourmaline Oil Corp.	2.6%
Interfor Corp.	2.3%
Calian Group Ltd.	2.3%
Bank of Montreal	2.3%
Raymond James Financial Inc.	2.3%
George Weston Ltd.	2.2%
Canadian Pacific Railway Ltd.	2.2%
Visa Inc., Class 'A'	2.2%

Securities	Percent of net assets
AMERCO Inc.	2.2%
BCE Inc.	2.0%
Cigna Corp.	1.9%
Johnson & Johnson	1.9%
Analog Devices Inc.	1.9%
TC Energy Corp.	1.8%
National Bank of Canada	1.7%
PrairieSky Royalty Ltd.	1.6%
Freehold Royalties Ltd.	1.6%
Topaz Energy Corp.	1.6%
Other Securities	24.3%
Total Securities	83.5%
<b>Other</b>	
Cash	20.2%
Derivative assets (liabilities)	(0.5)%
Other assets - net of liabilities	(3.2)%
Total Net Asset Value	100.0%

## Industry Sectors

Energy	16.7%
Materials	3.3%
Industrials	10.6%
Consumer Discretionary	4.0%
Consumer Staples	4.0%
Health Care	4.1%
Financials	16.7%
Information Technology	8.6%
Communication Services	9.3%
Utilities	1.9%
Real Estate	4.3%
Other	16.5%
Total	100.0%

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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