



Keith Leslie, CFA
Portfolio Consultant

As at March 2, 2026

Asset Mix (Fixed Income/Equity)

In order to standardize the fixed income/equity asset mix split across the risk levels of all the NCM models, we made changes to the asset mix of the Performance series. We increased the fixed income weight in the growth series and decreased the fixed income weight slightly in the aggressive growth model. The other risk levels remain similar. See below for the new asset mixes:

US Equity	Canadian Equity	International Equity
52%	30%	18%

Fund Changes

Overall, six funds will be eliminated and five new funds will be added.

On the fixed income side, we will be replacing the Lysander-Canso Short Term & Floating Rate Fund with the Fidelity Canadian Short Term Corporate Bond ETF Fund.

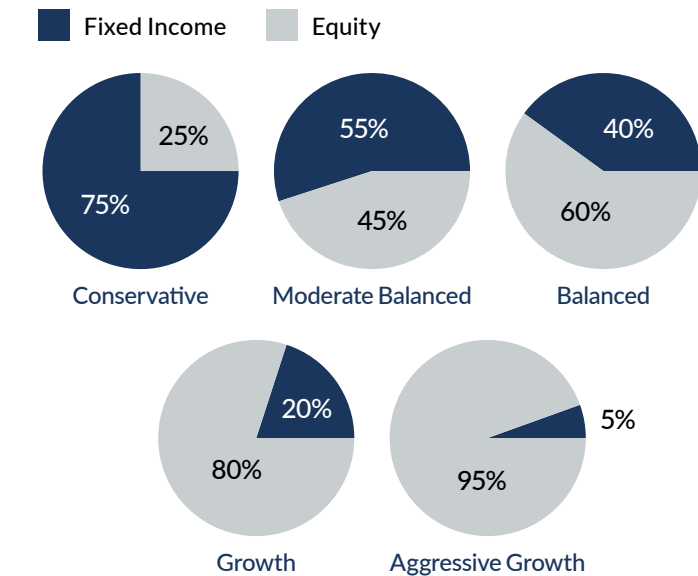
While there is nothing wrong with this Lysander fund, the common holdings overlap between the two Lysander funds of 12% and the correlation of more than 0.90 led to the change (see two charts below).

3 Year Correlation Matrix

	1	2	3	4
1 Pender Corporate Bond Series F	1.00			
2 Lysander -Canso Corporate Value Bond F	0.65	1.00		
3 Lysander -Canso Short Term & Fltng Rate F	0.70	0.92	1.00	
4 Dynamic Ultra Short Term Bond Fund F	0.46	0.49	0.71	1.00

Common Holdings

	1	2	3	4
1 Pender Corporate Bond Series F	1.00			
2 Lysander -Canso Corporate Value Bond F	0.00	1.00		
3 Lysander -Canso Short Term & Fltng Rate F	0.00	0.12	1.00	
4 Dynamic Ultra Short Term Bond Fund F	0.00	0.00	0.00	1.00



Equity Asset Mix

There were some tweaks within the equity asset mix to align all the risk levels of the Performance series. After the adjustments, the Performance series will have approximately 4% higher exposure to the Canadian Equity market than the three Tempo Series and more consistency across all the risk levels to these targets.

As a percentage of equities across all five risk categories, the Performance series will have the following equity weightings (approximately):

The performance of the new fund in terms of strength, consistency and percentage of peer group beaten over the long term is impressive. Of course, it also meets our criteria of medium or better risk rating and five years or more of consistent performance. Overall, we feel that with fewer common holdings, significantly lower correlations and stronger performance, this change will better diversify the overall model and could lead to better, more consistent performance.

Trailing Performance

	1 yrs	2 yrs	3 yrs	5 yrs
Fidelity Canadian S/T Cprt Bd ETF F	3.8%	6.0%	5.7%	2.5%
Peer group quartile	1	1	1	1
Peer group rank of peer group count	42 of 224	11 of 209	10 of 181	29 of 166

5 Year Correlation Matrix

	1	2	3	4
1 Pender Corporate Bond Series F	1.00			
2 Lysander-Canso Corporate Value Bond F	0.65	1.00		
3 Dynamic Ultra Short Term Bond Fund F	0.46	0.49	1.00	
4 Fidelity Canadian S/T Cprt Bd ETF F	0.55	0.64	0.60	1.00

On the Canadian Equity side, we decided to remove the Dynamic Canadian Dividend Fund. With the increased exposure to Canada in this model, we felt it would be prudent to add two Canadian Equity Funds: BMO Growth & Income and NCM Core Canadian. From a risk/reward point of view, we see this as a significant upgrade. Over the last five years, the returns are higher, the standard deviation is lower, the downside capture is stronger, and the consistency of returns is better.

Trailing Performance

	1 yrs	2 yrs	3 yrs	5 yrs
NCM Core Canadian Series F	38.5%	32.3%	22.1%	17.5%
Peer group quartile	1	1	1	1
Peer group rank of peer group count	12 of 688	9 of 669	11 of 649	39 of 555

5 Year Risk

	Beta	Std Dev	Sharpe Ratio	Up Capture	Down Capture
NCM Core Canadian Series F	0.78	10.9%	1.33	89%	68%

Trailing Performance

	1 yrs	2 yrs	3 yrs	5 yrs	10 yrs
BMO Growth & Income F	25.8%	25.0%	19.5%	17.9%	11.8%
Peer group quartile	1	1	1	1	1
Peer group rank of peer group count	36 of 455	6 of 452	5 of 436	3 of 402	32 of 320

5 Year Risk

	Beta	Std Dev	Sharpe Ratio	Up Capture	Down Capture
BMO Growth & Income F	0.86	11.3%	1.28	90%	71%

On the U.S. equity front, we made the decision to index all our direct U.S. exposure. While there is nothing wrong with the TD US Disciplined Equity Alpha Fund or the AGF American Growth Fund, the overlap with other funds in the model and high correlation made us reluctant to continue with the higher associated fees. Therefore, these two funds will be sold.

5 Year Correlation Matrix

	1	2	3
1 TD US Index F	1.00		
2 TD US Disciplined Equity Alpha - F	0.96	1.00	
3 AGF American Growth Class Series F	0.90	0.87	1.00

Common Holdings

	1	2	3
1 TD US Index F	1.00		
2 TD US Disciplined Equity Alpha - F	0.46	1.00	
3 AGF American Growth Class Series F	0.29	0.24	1.00

On the international side, we decided to reduce our single fund exposure by adding two new funds and eliminating the Canoe Defensive International Fund. We are going to be adding the Fidelity International High Dividend ETF Fund and the Brandes International Equity Fund. The two new funds fit nicely together in terms of correlation and common holdings and overall, they have posted better, more consistent results along with a solid downside capture. We view this as the most significant and important upgrade to this model.

Trailing Performance

	1 yrs	2 yrs	3 yrs	5 yrs
Fidelity International Hi Div Idx ETF F	29.9%	21.6%	17.9%	15.1%
Peer group quartile	1	1	1	1
Peer group rank of peer group count	35 of 837	93 of 812	57 of 780	8 of 734

5 Year Risk

	Beta	Std Dev	Sharpe Ratio	Up Capture	Down Capture
Fidelity International Hi Div Idx ETF F	0.84	11.2%	1.06	92%	61%

Trailing Performance

	1 yrs	2 yrs	3 yrs	5 yrs	10 yrs
Brandes International Equity F	31.1%	25.7%	22.8%	17.2%	10.0%
Peer group quartile	1	1	1	1	1
Peer group rank of peer group count	29 of 837	12 of 812	4 of 780	2 of 734	44 of 472

5 Year Risk

	Beta	Std Dev	Sharpe Ratio	Up Capture	Down Capture
Brandes International Equity F	0.94	12.3%	1.17	110%	75%

Finally, we will be removing the position in the Dynamic Global Real Estate Fund. Again, there is nothing wrong with this fund, but its small weighting and the fact that we have indirect Real Estate exposure through the other funds led to the decision to eliminate our direct exposure.

Even though we are confident in the Performance series over the long term from an asset mix, country mix and fund selection perspective, we continually monitor the models for possible upgrades and changes. We do not take changes lightly, but when we decide that one change is necessary, we will review the overall model and make multiple changes at the same time. We are very happy with the performance to date, especially given the models' downside protection, standard deviation and diversification levels being lower than the market. Consistency and stronger returns for less risk were important objectives when the models were created. We believe that changes are healthy and needed once in a while to keep the portfolios current and that these adjustments to the Performance series will do just that.



NCM Asset Management Ltd.

Head Office 1800-333 7th Avenue S.W., Calgary, AB T2P 2Z1 | 310-99 Yorkville Avenue, Toronto, ON M5R 3K5
 client services: (877) 531-9355 | toll-free: (877) 431-1407 | info@ncminvestments.com | ncminvestments.com

Data source: Morningstar performance as of January 31, 2026, correlations and common holdings as of February 28, 2026. The information in this document is current as of February 11, 2026 but is subject to change. The contents of this document (including facts, opinions, descriptions of or references to, products or securities) are for informational purposes only and are not intended to provide financial, legal, accounting or tax advice and should not be relied upon in that regard. Particular investments and/or trading strategies should be evaluated relative to the individual's investment objectives and professional advice should be obtained with respect to any circumstance. The viewpoints expressed by the Portfolio Manager represents their assessment of the markets at the time of publication. Those views are subject to change without notice at any time without any kind of notice. The information provided herein does not constitute a solicitation of an offer to buy, or an offer to sell securities nor should the information be relied upon as investment advice. The communication may contain forward-looking statements which are not guarantees of future performance. Forward-looking statements involve inherent risk and uncertainties, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.