

Pension-Style Discipline, Best-of-Breed Execution

A Conversation About the
NCM Pension Portfolios with



Keith
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Portfolio Manager

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Don't let the name mislead you. The **NCM Pension Portfolios** aren't just for pension plans—they're built for everyday Canadian investors. And they include far more than NCM-managed funds.

What began as a set of internal model portfolios has evolved into a professionally managed, fund-of-funds solution that combines NCM's expertise with world-class external managers. Since taking over management in July 2024, Keith Leslie, CFA, has refined the portfolios using the same research-driven approach he applies across his other mandates—plus a few personal touches.



We sat down with Keith to discuss what makes these portfolios unique, who they're designed for, and how they blend the discipline of pension-style investing with the flexibility of best-in-class execution.

Q: What exactly are the NCM Pension Portfolios?

Keith: The portfolios are designed to mirror the structure of institutional pension plans—emphasizing risk management, long-term consistency, and thoughtful diversification.

They're fully managed, diversified investment solutions that give investors exposure to a broad range of asset classes through a carefully curated mix of active funds, passive ETFs, and direct stock holdings.

Originally, these were internal model portfolios. But their success led us to make them publicly available. When I assumed management in July 2024, I gave them a complete refresh.

Q: What's changed under your management?

Keith: We've moved away from heavy allocations to hard assets and sector-specific ETFs like real estate and infrastructure. Previously, those passive exposures made up a large portion of the portfolios, but they didn't align with NCM's strengths.

“The result is a blend of growth leaders, dividend payers, and low-volatility performers.”

NCM is known for active equity management, so we rebuilt the portfolio sleeves around:

- Our highest-conviction NCM strategies
- Best-in-breed external managers where they add value
- Passive ETFs in highly efficient markets where it makes sense to simply capture beta
- A focused basket of individual equities for strategic exposure

These individual stocks represent some of our top ideas—names that may fall outside traditional mandates but enhance diversification. The result is a blend of growth leaders, dividend payers, and low-volatility performers—a custom equity sleeve that complements the active and passive components beautifully.

Q: How are these portfolios built?

Keith: They're primarily fund-of-fund portfolios, but unlike most of our peer group, we're not restricted to our own in-house products. That's a key differentiator.

We've selected what we believe are the best managers globally, across equities, fixed income, and alternatives—combining NCM funds, top-tier global managers, smart-beta strategies, and low-cost ETFs.

“Unlike most of our peer group, we're not restricted to our own in-house products.”

Our philosophy is simple:

- Pay for active management where it can outperform.
- Use passive tools where markets are efficient and value-add potential is lower.

This approach keeps costs in check while maximizing return potential for investors.

Q: How did you determine what goes into the mix?

Keith: We analyzed over 30 years of market data—returns, flows, and correlations—to design a strategic asset allocation built to perform across market cycles.

We avoid narrow sector or thematic bets. We're not in the business of timing gold, energy, or infrastructure plays. Instead, we select the best managers and let them make those sector and security-level calls.

In short: we choose the best ingredients, and they do the cooking.

Q: What about alternative strategies?

Keith: That's another distinguishing feature. The portfolios include exposure to the Kipling Enhanced Funds—long/short equity and fixed income strategies typically offered only through offering memorandum.

We're permitted up to 10% in alternatives, and we take full advantage of that flexibility to enhance returns and add another layer of risk management.

Q: Why the overweight to Canada?

Keith: It might surprise some investors, but over the past five years, Canada has delivered the similar total return as the S&P 500 in Canadian dollars. Over the past 25 years, contrary to popular belief, Canada has similar volatility to the U.S. market.

Many investors think of Canada as a commodity and financials index which is not untrue. But over time, if you block market returns into five or ten year periods, the Canadian market returns are surprisingly smooth as the volatility of commodities is offset by the consistency of the financial services sector. We believe that makes Canada an overlooked opportunity by many global mandates.

Our US weighting is roughly on par with other managers, but what sets us apart is that we have less international exposure than many comparable portfolios. Canada is a market we know well, and where we think we can continue to add value.

“That makes [Canada] an overlooked opportunity in many global portfolios.”

Q: Who are these portfolios designed for?

Keith: While suitable for investors of all sizes, they're especially well-suited for smaller accounts or TFSA investors who want a disciplined, hands-off approach without sacrificing quality.

They are a true one-ticket solution. We handle the rebalancing, exposure monitoring, and ongoing stress-testing, so investors and advisors can focus their time elsewhere.

Ultimately, investors gain:

- The discipline of a pension-style framework
- The flexibility of best-of-breed managers
- The high-conviction stock selection NCM is known for

We think that's a compelling combination.



Speak to your NCM sales team to learn more about how these funds can fit in your client portfolios.

NCM PENSION PORTFOLIOS		F	A	T6	F6	-
	NCM GLOBAL INCOME BALANCED PORTFOLIO† <i>Global Fixed Income Balanced</i>	NRP 7100	NRP 7101	NRP 7106	NRP 7109	-
	NCM GLOBAL EQUITY BALANCED PORTFOLIO‡ <i>Global Equity Balanced</i>	NRP 7300	NRP 7301	NRP 7306	NRP 7309	-

† Formerly known as NCM Conservative Income Portfolio
‡ Formerly known as NCM Growth and Income Portfolio



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