

Building wealth is important. Building wealth that helps build stronger communities is even more important.

First Nations Investment Services



McLEAN BUDDEN
LOOK FORWARD™

A Look at McLean Budden

Since opening our doors in 1947, McLean Budden has grown to become one of Canada's most respected investment management companies. From offices in Toronto, Montréal, Vancouver and Chicago, we manage over \$32 billion on behalf of pension, foundation & endowment, private wealth and mutual fund clients.

Our long-term perspective is reflected in a balanced investment philosophy and a commitment to unparalleled service. Through a robust team-based approach, extensive

research and continuous client consultation, McLean Budden takes great care to ensure that every solution measures up to the unique requirements of each client.

When a client represents the fortunes of an entire community, that is a great responsibility. As you'll see over the coming pages, it is not one we take lightly as your partner in representing the future needs and goals of those people.

Services

Supporting and Working With Our First Nations Clients

When establishing a relationship with any new client, McLean Budden takes the time to get to know as much about them as possible. In the case of our First Nations clients, we examine their issues and concerns to gain a better understanding of how the management of the assets, the trustees of the assets and the needs of the community interconnect.

Relationships with our First Nations clients are strengthened through effective communication. In learning and discovering the uniqueness of each First Nations community we are better able to tailor our servicing and

educational programs. We also collaborate with our First Nations clients by attending community meetings, providing educational workshops and supporting and participating in community events.

Currently, we manage \$250 million for Aboriginal communities in Alberta, British Columbia, the Northwest Territories, Ontario, Quebec and Saskatchewan.

Every First Nations client is different. McLean Budden works together with our clients to create customized investment strategies, examining their unique circumstances, objectives and values.

Currently, we manage \$250 million for Aboriginal communities in Alberta, British Columbia, the Northwest Territories, Ontario, Quebec and Saskatchewan.

McLean Budden is a member of The National Aboriginal Trust Officers Association (NATOA).

Investing First Nations Assets

Every First Nations client is different – with differing goals and differing ways in which to achieve those goals. That’s why, before a single cent is invested, McLean Budden works together with our clients to create customized investment strategies, examining their unique circumstances, objectives and values.

Investing with Purpose

The first step in establishing the structure for the investment portfolio is to determine the purpose of the funds. Once that is established other issues need to be cleared up, which include: What are the spending requirements? What is the risk tolerance of the trustees? How sustainable is the initial capital? What shall be the terms of the trust document?

Managing Withdrawals

The next step is to determine what resources will be necessary to meet the purposes of the funds. In many cases, this amount will be computed based on the income earned by the portfolio. If the funds are held in a trust, income generally will include interest, dividends and realized capital gains. Since withdrawals may be required to support programs, it is desirable that income be relatively stable from year to year. On the other hand, funds that are required for land purchases or other capital projects will need to be available when the land is acquired or the capital project is

started. It is also important to determine whether the withdrawal requirement is likely to increase, decrease or stay the same over the long term. If the population base of the community is growing, then it is likely that the need for funds will grow. Allowance must also be made for inflation that can erode the purchasing power of the funds.

Asset Mix

Once the purposes of the funds and the need for cash withdrawals are determined, the asset mix that is most likely to meet those objectives can be selected. Asset mix is the proportion of each asset class (money market [e.g. treasury bills], bonds, Canadian and foreign equities) that makes up the portfolio. Over long periods of time, equities out perform money market and bonds. Thus a higher return will generally be achieved in a portfolio with a high component of equities. However, higher returns come at the cost of greater volatility in the portfolio, and down markets can lead to difficulties for the trustees, the council and the community. Money market and bonds provide income and stability to the portfolio. Money market should also be held if funds will be required in the short term.

Succession Planning

When you choose our professionals to help manage your investments, rest assured you’ll be seeing them, and only them, for years to come. Our experience and success in succession planning provides the assurance of consistent investment style, service and performance.

McLean Budden hires senior personnel well in advance of potential retirements. Our firm is well regarded in the industry and is able to

attract highly motivated and experienced managers. In order to secure talent, we have a long-held practice of making equity available to new managers.

Our results over the last four, ten and twenty-year time frames illustrate that we have successfully handled management transition and that our commitment to a team approach works.

McLean Budden Investment Philosophy

A team approach to portfolio management is a McLean Budden hallmark. Individual teams meet on a weekly basis to implement any changes to the model portfolios.

As for our philosophy, there is one word that best sums it up: balance. While the basic objective of our investment management is to exceed client objectives, we are not comfortable incurring unnecessary risk in pursuit of this goal.

More specifically, our balance-based principles of investment are:

- > To add value in the management of each asset category
- > To add value and lessen volatility in asset mix management

- > To manage portfolios within the long-term risk/reward profile of each client

Look Forward™ – you see these two words beneath our logo. We believe in them. For we believe superior equity investing is, over time, the largest potential source of “added value” to a fund. Our equity management focuses on security selection to add most of the value. Companies with stable earnings growth, strong management teams and sound balance sheets are emphasized.

In other words, we look forward in our investing, so that our clients can look forward to the results.

Competitive Strengths

1. Proven Investment Management Discipline

Our performance is not driven by “big bets.” Instead, we work to add value in all areas of investment management. Our excellent results in managing Canadian equity, global equity, fixed income and balanced fund portfolios have been achieved by the consistent, disciplined application of our process and style.

2. Depth of Our Research Expertise

The research expertise within each of our investment management groups enables us to emphasize internal proprietary research in our investment process. We research companies and industries on a global basis.

3. Equity Management Process

Members of the Canadian Equity groups are also members of the Global Equity groups. This strategy produces a greater comparative knowledge base for evaluating global equities.

4. Strong, Stable Organization and Ability to Handle Management Transition

An experienced management group spanning all ages provides the benefit of orderly personnel succession and avoids an overdependence on any particular individual. The investment groups operate in a disciplined, democratic fashion, with all group members adhering to our long-term investment philosophy.

5. Superior Service

One key reason for our high retention rate has been a strong rapport with clients and consultants. Our investment reviews are structured to make our investment results and intentions clear and concise, and we regularly consult with clients to ensure they are provided with required information. We also recognize the special needs of our Aboriginal clients and tailor the servicing requirements accordingly.

Investment Managers Since 1947

www.mcleanbudden.com

Ontario & Atlantic Canada

Ed Kwan

Quebec

Bill Healy

Western Canada

Dave Mason

U.S.A.

Bruce MacNabb

Toronto

145 King Street West
25th Floor
Toronto, ON M5H 1J8
Tel +1 416 862 9800
Fax +1 416 862 0167

Montréal

1250 René-Lévesque Blvd. W.
Suite 3010
Montréal, QC H3B 4W8
Tel +1 514 933 0033
Fax +1 514 933 8163

Vancouver

595 Burrard Street
Three Bentall Centre
Suite 3043, P.O. Box 49105
Vancouver, BC V7X 1G4
Tel +1 604 623 3430
Fax +1 604 623 3436

Chicago

4026 N. Bell Avenue
Chicago, IL 60618
Tel +1 773 866 9210
Fax +1 773 866 9211