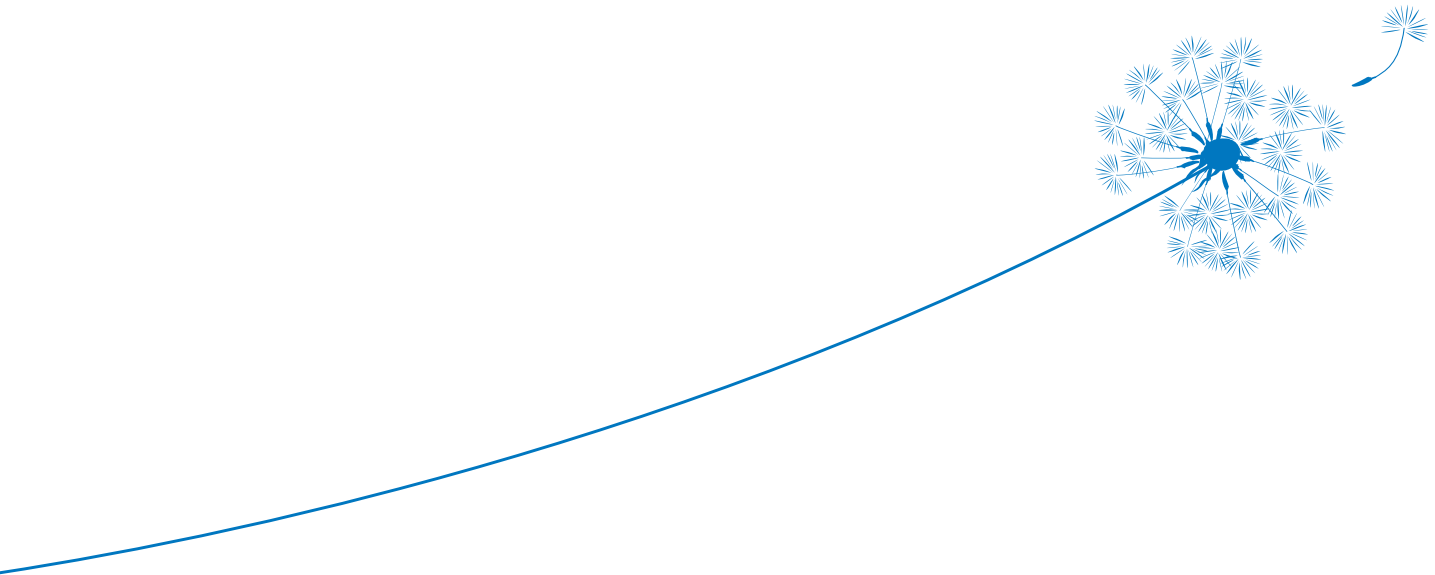


Ensuring that the wish to make a difference
has the will to make it happen.

Investment Management for Foundations and Endowments



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.

We firmly believe in long-term, balance investing. Through a 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.

So when a client has the hopes and wishes of many others at heart, they can look forward to solutions that have those same hopes and wishes in mind.

We don't look at not-for-profit organizations as being all the same. We understand that each client is unique. This is why we encourage regular meetings to fully understand their challenges and aspirations, as well as to review their investments.

Foundations and Endowments

McLean Budden has extensive experience working closely with foundations and endowments in matters related to their investments, such as developing an Investment Policy Statement or structuring an appropriate asset mix and spending policy. In fact, over 100 non-profit clients currently entrust us with management of over \$1.5 billion in investment assets.

Why have these clients chosen us as partners in making a positive difference?

To begin with, we don't look at not-for-profit organizations as being all the same. We understand that each client is unique. This is why we encourage regular meetings to fully understand their challenges and aspirations, as well as to review their investments. Aiding us in this review process is proprietary software

developed to evaluate the long-term impact of different asset allocations and spending policies on the success of the fund.

Additionally, over the years we have sponsored events for organizations such as the Association for Healthcare Philanthropy, Community Foundations of Canada, Philanthropic Foundations Canada and Worldwide Initiatives for Grantmaker Support (WINGS).

Our foundation and endowment clients are committed to a better future. We share that commitment, using our forward-looking strategies and tools.

Investment and Spending Policy Tool Kit

In order to address the challenge of balancing continued portfolio success with spending policy requirements, McLean Budden works with foundation and endowment committees to manage those elements which are within their control.

Of the four factors that impact the success of a foundation's investment program – time horizon, capital market returns, spending policy and asset allocation – only spending policy and asset allocation are controllable through decisions of the investment committee.

At McLean Budden, we have custom-developed software to assist us in analyzing and optimizing the relationships between spending policy and asset allocation.

Clients may vary the following inputs to evaluate various scenarios:

- > Asset mix
- > Payouts (disbursements)
- > Annual contributions (including growth rates)
- > Administration costs
- > Inflation assumptions
- > End balance
- > Capital market expectations

As a final check, McLean Budden has the ability to “stress test” the results by assuming an initial five years of negative market returns. The result is an in-depth report that enables clients to compare the ramifications of any and all decisions they might make.

Socially Responsible Investing

When a foundation or endowment wishes their portfolio to reflect their own socially responsible values, McLean Budden offers funds which aim to provide a superior financial return through socially responsible investments.

The MB Select Funds are screened versions of existing pooled funds. The screens exclude:

- > Companies that derive more than 10% of their gross annual revenue from the manufacture and sale of tobacco products, alcoholic beverages, armaments, pornography, or from the provision of gaming facilities.
- > Companies with significant operations and/or suppliers that do not adhere to local employment standards, and do not address the issue.

- > Companies whose negative impact on the environment is greater than the average of their peers.

In addition to its own research, McLean Budden also applies social and environmental research provided to us by Jantzi Research Inc. in Toronto and Sustainalytics, headquartered in Amsterdam.

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 through 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.

Investment Managers Since 1947

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