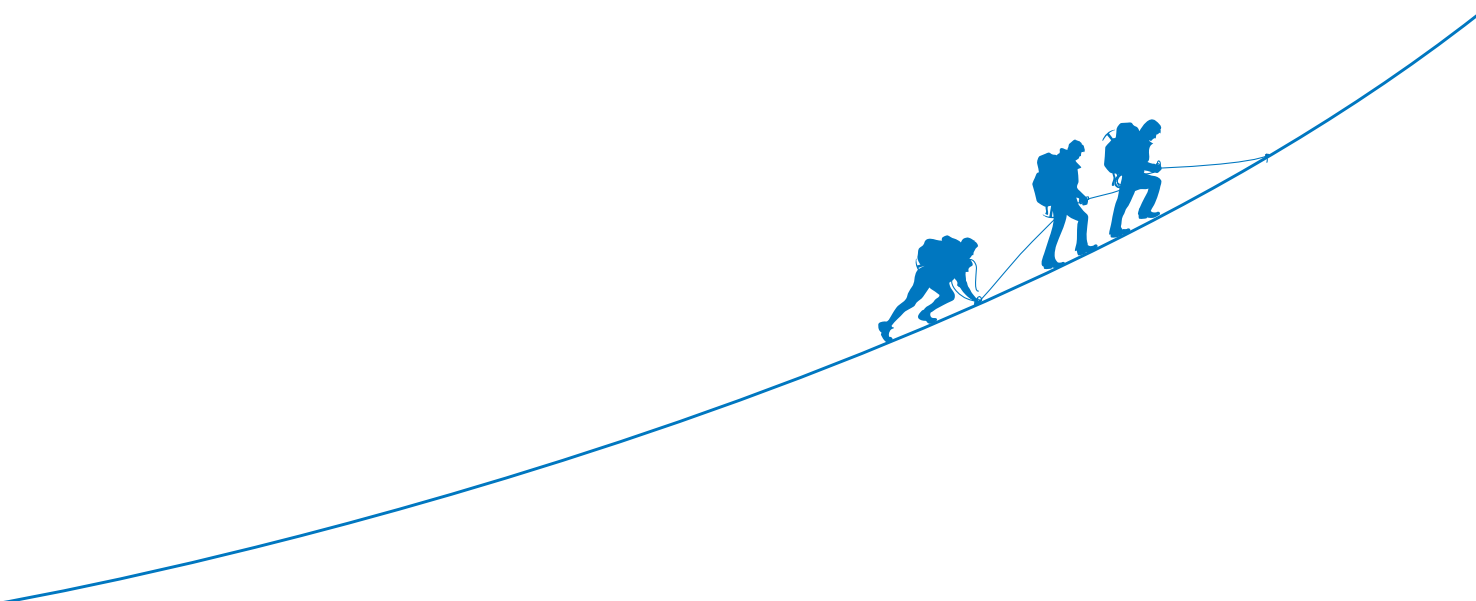


Balance. Risk Avoidance. Teamwork.
This is how we help you reach your destination.

Private Wealth Management



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.

We firmly believe in long-term balanced investing through a robust team-based approach, extensive research and continuous client consultation. Each team takes great care to ensure that every solution measures up to the unique requirements of our individual clients.

As a McLean Budden Private Wealth client, you can look forward to this same attention to your unique needs and goals.

A Firm Commitment

We believe fostering a stable and challenging working environment enhances our ability to deliver consistency in performance and service for the benefit of our clients. This commitment goes well beyond words, as the investment professionals and senior staff collectively own approximately 40% of the firm, providing a strong incentive to maintain superior investment results and excellent service.

As McLean Budden has evolved to its fourth generation of management, our experience with succession planning provides the assurance of continuity in style and methodology. We have always stressed the importance of hiring highly qualified investment, services and administrative professionals. As part of the succession planning process, McLean Budden hires senior personnel well in advance of potential retirements. As the firm is well regarded, it is able to attract highly motivated and experienced professionals.

At McLean Budden, teamwork is the cornerstone of our corporate culture. It is ingrained in every facet of our business. Our portfolio models are constructed by small, multi-generational management teams, operating in a disciplined and democratic fashion. The insight and fundamental analysis provided by our global research team underpins each team's decisions.

We firmly believe that a group of talented individuals with varied and complementary skills, a common interest, working cohesively towards a singular goal, will ultimately achieve the results our clients expect.

Respecting Your Decisions

Selecting an investment manager is one of life's important decisions. Accordingly, we consider it an honour to be entrusted with the management of our clients' assets. A long-term client/manager relationship is invariably based on trust and discretion.

Our clients can expect straightforward answers; they can rest assured that both feedback and responses will be accurate, honest and unembellished. We firmly believe that all clients, and their portfolios, large or small, are worthy of the best we have to offer.

McLean Budden has provided personalized investment management to individuals and families since 1947. More importantly, families have entrusted their assets to McLean Budden from one generation to the next. These long-term relationships are a testament to how our tradition of thorough succession planning, our long-term performance and personalized service maintain assets for the benefit of future generations.

Why Invest with McLean Budden

Thorough discovery process

First, a relationship begins with a dialogue. Our portfolio managers invest the time required to ensure a sound understanding of each client's overall financial objectives, needs, concerns and preferences as well as estate and philanthropic goals. In more complex situations, where a significant portion of one's wealth may be concentrated in a single asset, a thorough assessment of the client's current risk exposure and its nature are vital and integral issues in the establishment of a suitable policy.

Tailored investment policy statement

The basis of any counsellor/client relationship is summarized in a formal document known as the Investment Policy Statement (IPS). As every client's combination of needs and wants is as unique as their signature, the IPS will explicitly state goals and objectives, portfolio guidelines and any special considerations that may govern the mandate. Considerations may include principal protection, tax minimization, and a host of other factors that may affect the client and their family.

Tax awareness

Our portfolio managers are experienced in incorporating tax-efficient investment strategies. Great care is taken in achieving the right balance between actively managing the portfolio and minimizing turnover. Nonetheless, as our firm specializes exclusively in portfolio management, we welcome cooperation with legal, tax planning and trust/estate specialists.

Constant reporting and monitoring

McLean Budden private clients receive regular, comprehensive reports detailing their portfolio's holdings and transactions. Reports include full performance calculations, both by portfolio and asset class, with the added benefit of the portfolio benchmarks for comparison purposes.

Review

We encourage our clients to set some time aside for review meetings. These meetings provide a forum for discussing performance and expectations, as well as any personal changes that should be reflected in the policy, management or structure of the portfolio.

Transparency

McLean Budden is committed to providing you with a clear disclosure regarding our organization. This process includes registrations with all appropriate authorities, internal controls and third-party verification provided by our external auditors, and the clarity and comfort provided by an independent custodian to hold your assets. Our Executive Summary outlines our Code of Business Conduct to which every McLean Budden employee must adhere.

Our Family to Yours

At McLean Budden, clients entrust their assets to the firm rather than an individual. A private client is assigned a team of two portfolio managers to provide ongoing counselling and servicing, facilitating transition of assets as well as addressing specific needs.

- > add value
- > lessen volatility
- > think long term

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. The basic objective of our investment management is to exceed client objectives without 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. We emphasize companies with stable earnings growth, strong management teams and sound balance sheets.

We manage bonds to maximize return and enhance the desirable traits of this asset class while maintaining a high level of credit quality.

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

Equity Management

Process

Before modelling and forecasting earnings and cash flows, our research analysts invest significant time and effort in fully understanding a company's dynamics. This means surveying the market for the firm's products or services, the risks and opportunities concerning market share, competition, pricing power as well as profitability, analyzing the cost structure in terms of inputs such as labour and materials, leverage from variable versus fixed costs, as well as potential economies of scale, and finally, gauging the company's financial strength. This valuable knowledge becomes all the more critical when interviewing company management. These forums, held in our offices, on-site or at industry conferences, provide key insight into the management team's capabilities and the soundness of their business plan.

Ultimately, our analysts must determine the discount (or premium) between a company's stock relative to its peers and historical norms, as well as its magnitude. Further, they must determine whether there is a catalyst that is likely to favourably impact the value of the shares (value style) or, alternatively, whether the company's growth potential is likely to exceed that which is reflected in its current price (growth style). The result of this rigorous analysis provides the portfolio management teams with a basis for investment decisions. In practical terms, the expected returns and their probabilities support the weekly decision making process by emphasizing what should be bought, increased or, alternatively, trimmed or sold. Formal meetings are held weekly by the Equity teams that are composed of 3 to 5 equity managers. Discussions of new ideas, meetings with company management, changes in fundamentals and market movements translate into team decisions based on a majority vote.

Growth

McLean Budden stresses fundamental research as the primary method of adding value. This research results in an estimate of earnings growth as well as a conviction level concerning the stability of these earnings. Each week this earnings forecast is combined with an estimated price/earnings multiple and the current price, to arrive at the total return expectations for the extensive list of stocks we follow.

Value

The value team screens its database for companies exhibiting attractive valuation parameters. Companies on the resulting list are subject to further qualitative analysis. Among the key factors for selection is the identification of a catalyst that should appreciably enhance each company's market value, be it in the form of a restructuring plan, new management, product introductions or a takeover.

Core

The core portfolios are best described as neutral in terms of style. As our Value and Growth teams operate independently within our firm, their stock selections are combined in equal weightings into one broader portfolio, thereby providing the diversification benefits of having two managers with different styles in one portfolio.

Risk controls

As McLean Budden's portfolio construction process is decidedly "bottom-up," a strict risk control regimen is in place to ensure that the portfolios are adequately diversified while providing ample scope for return enhancement.

> an active approach

Fixed Income

McLean Budden's approach to fixed income adds value by providing an active approach to the management of bonds while adhering to a strict regimen of risk control. Multiple strategies are employed in the composition of fixed-income portfolios. This approach allows McLean Budden to add value over a full market cycle. Interest rate anticipation, credit quality and sector research are all contributors to portfolio construction. Arbitrage modelling strategies are also employed to identify shorter-term trading opportunities.

McLean Budden employs proprietary research in evaluating the creditworthiness of bond issuers. Portfolio construction favours high-quality issuers. McLean Budden has never experienced a default of a holding in its bond portfolio. A focus on capital preservation, coupled with a fair value and inflation anticipation model, make McLean Budden's fixed income management ideally suited to the management of Private Client Portfolios.

Below is a list of some of the strategies available as components of private client portfolios:

- > Money Market
- > Fixed Income
- > Balanced Value
- > Balanced Growth
- > Global Equity
- > International Equity
- > American Equity
- > Canadian Equity
- > Canadian Equity Growth

> the benefits of diversification

Private Wealth Portfolios

McLean Budden Private Wealth employs a variety of solutions to meet client needs. Whether it be an account at our minimum \$500,000 portfolio size or a group of family accounts at a much larger level, all clients benefit from our expertise, commitment to service and rigorous approach.

Discretionary Mutual Fund and Pooled Fund Accounts

McLean Budden offers individuals the diversification and benefits of its family of mutual funds for portfolios of \$500,000 and above. Our portfolio managers counsel clients on suitable investment and asset allocation policies to meet their individual needs.

Private Wealth Portfolios also offer detailed quarterly reporting, including a discussion of market movements, changes to the portfolio, and a review of the performance of the client's individual portfolio.

McLean Budden Select Pooled Funds

For private clients interested in socially responsible investing, 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.

Private Wealth Portfolios (Continued)

Segregated Portfolios

McLean Budden offers the option of segregated management for client portfolios in excess of \$2 million. As an alternative to a pooled fund portfolio, a segregated portfolio consists of individual securities. This provides greater flexibility in dealing with capital gains realization and the transparency of a cost base on a security-by-security basis.

McLean Budden provides segregated clients with portfolios tailored to their unique needs. As such, private portfolios are managed in a similar fashion to our pooled fund or institutional clients, yet maintain their own characteristics. The benefit of these concentrated private client portfolios is a reduction in transaction frequency and its inherent costs, as well as greater tax sensitivity, while maintaining the same general portfolio characteristics of the expanded models.

Ethics

Summary of McLean Budden's Code of Business Conduct

Employees must comply with all laws, regulations, Company rules, policies and procedures applicable to their activities for and on behalf of the Company.

The Company will not condone any violation of the law or any unethical business dealing by any employee.

Employees must not use their positions, or knowledge gained through their employment with the Company, for private or personal advantage or in such a manner that a conflict or an appearance of conflict arises between the Company's interests and their personal interests.

The Personal Trading Policy prohibits all McLean Budden employees, common law relationships and family members living in

employees' homes (hereinafter referred to as "employees") from purchasing restricted securities. Restricted securities include common and preferred shares, derivatives of a common or preferred share, convertible bonds and corporate bonds, income trusts, REIT's and similar investments. Failure to abide by Company Personal Trading Policies could seriously harm the Company's reputation in the marketplace and, consequently, any breach of the code will be dealt with severely and could lead to an employee's dismissal. Personal investment decisions must not be based on material, or non-public information acquired by reason of an employee's connection with the Company. The decisions must not contravene the Conflict of Interest provisions of the Code, any applicable laws, or any policies or procedures established by the Company.

Investment Managers Since 1947

www.mcleanbudden.com

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