

# McLean Budden Canadian Equity Value Fund

## Fourth Quarter Mutual Fund Report

### Objective

The Canadian Equity Value Fund targets capital appreciation through investment in Canadian equities. The Fund's Canadian holdings are supplemented by a benchmark weighting of 25% global equities. The Canadian Value Team focuses on large and mid-capitalization stocks emphasizing companies whose fundamentals meet their valuation criteria when compared to peers, historical valuation and the overall market. Financial strength, relative valuation and the presence of a catalyst for value realisation are some of the key criteria influencing security selection.

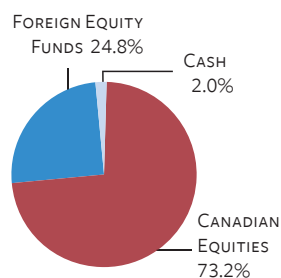
### Performance (Class D)

As of December 31, 2011

QTR	3.45
1 YEAR	-7.94
3 YEAR	7.87
5 YEAR	-1.15
10 YEAR	4.20
SINCE INCEPTION	6.23

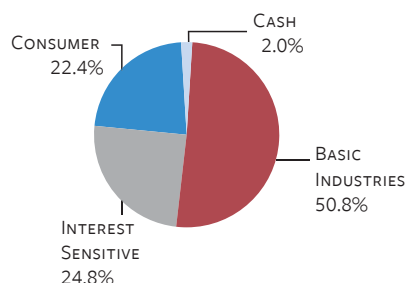
### Asset Mix\*

As of December 31, 2011



### Portfolio Composition\*

Sector breakdown as of December 31, 2011



\*The Asset Mix and Portfolio Composition charts are based on the individual holdings of the McLean Budden Canadian Equity Value Fund as well as those of the various MFS McLean Budden Funds in which it invests.

### Features of the Fund

- Long-term capital growth
- Automatic reinvestment or disbursement of net income and realized capital gains distributions

### Fund Details (Class D)

As of December 31, 2011

Management Fee:	1.25% <sup>1</sup>
Inception:	July 1999
Assets:	\$19.3 million
NAVPS:	\$13.67 <sup>2</sup>
Distribution Frequency:	annually

<sup>1</sup>MFS McLean Budden assumes responsibility for the payment of all administrative expenses.  
<sup>2</sup>Includes income distribution of \$0.1488 per unit.

### Top Twenty-Five Holdings

	%
McLean Budden Global Equity Class O	10.1
McLean Budden American Equity Class O	7.6
McLean Budden International Equity Class O	7.5
Royal Bank of Canada	5.0
Toronto Dominion Bank	4.5
Suncor Energy Inc.	4.3
Barrick Gold Corporation	4.1
Canadian Natural Resources Ltd.	3.9
Bank of Nova Scotia	2.9
Goldcorp Inc.	2.7
Talisman Energy Inc.	2.7
Power Corporation of Canada	2.4
Canadian National Railway Company	2.2
TransCanada Corporation	2.2
Intact Financial Corporation	2.2
Bank of Montreal	2.1
Magna International Inc.	2.0
Cash and Short-Term Investments	2.0
TELUS Corporation	1.9
Shoppers Drug Mart Corporation	1.8
Encana Corporation	1.8
Agrium Inc.	1.7
Open Text Corporation	1.6
Thomson Reuters Corporation	1.6
National Bank of Canada	1.5

The information contained in the list may change due to the ongoing portfolio transactions of the mutual fund and a statement with more current information may be obtained by investors, if available.

### Manager Comments

Though the portfolio lagged the benchmark for the period, the underlying results were mixed as strong positive contributions from the portfolio's positioning in the financials and materials sectors were more than offset by relative weakness in energy and information technology. At the stock level, Osisko Mining, Research In Motion, and Gildan Activewear weighed on overall performance, while First Quantum Minerals, Canadian Natural Resources, and Trinidad Drilling posted solid share price gains.

The team initiated a position in Bank of Nova Scotia as the stock declined to attractive valuation levels. The bank is well positioned to benefit from international growth while retaining low exposure to the domestic mortgage market and the European sovereign debt crisis. The team eliminated Research In Motion as the company has been plagued by very few operational successes of late and its most recent product launches have done little to mitigate negative sentiment regarding future growth prospects. IAMGOLD was sold to fund the growing position in Osisko Mining, a Canadian gold miner with assets in Canada

and Brazil that faces low political risk and enjoys a global cost advantage at its Quebec operations. In the energy sector, Canadian Natural Resources and Talisman Energy were increased as both stocks possess attractive risk-adjusted return potential. Within financials, the team bolstered its holdings of Power Corp. and TD bank, and continued to build its position in Intact Financial, Canada's largest provider of home, auto and business insurance.

The team trimmed several holdings across the portfolio to increase allocations to financial stocks. Select opportunities for repositioning in the energy, materials, and consumer sectors were also identified. The portfolio continues to emphasize companies with solid balance sheets, compelling relative valuations and a catalyst that will serve to improve valuation over time.

### Volatility Profile

The Fund is suitable for individuals who have a longer time horizon and a tolerance for medium volatility. Conservative investors can invest a component of their total portfolio in this fund to provide portfolio diversification.

