

CONFIDENTIAL OFFERING MEMORANDUM

This Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus relating to a distribution of the units of the Funds described herein. No Securities Commission or similar regulatory authority has in any way passed upon the merits of the securities offered nor has it reviewed this Offering Memorandum and any representation to the contrary is an offence. **Units of the Funds are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act (Canada)*, and are not insured under the provisions of that Act or any other legislation. The value of units of the Funds will fluctuate with changes in the market value of the portfolios of the Funds.**

MCLEAN BUDDEN POOLED FUNDS

MB Canadian Equity Growth Fund
MB Canadian Equity Value Fund
MB Canadian Equity Fund
MB Canadian Equity Plus Fund
MB Responsible Canadian Equity Fund
MB American Equity Fund
MB International Equity Fund
MB Global Equity Growth Fund
MB Global Equity Value Fund
MB Global Equity Fund
MB Responsible Global Equity Fund
MB Global Equity (C\$-Hedged) Fund
MB Fixed Income Fund
MB Short Term Fixed Income Fund
MB Responsible Fixed Income Fund
MB Long Term Fixed Income Fund
MB Fixed Income Plus Fund
MB Money Market Fund
MB Balanced Growth Pension Fund
MB Balanced Growth Fund
MB Balanced Value Fund
MB Balanced Fund
MB Responsible Balanced Fund
MB Balanced Plus Fund
MB LifePlan[®] Income Fund
MB LifePlan[®] Growth and Income Fund
MB LifePlan[®] Growth Fund
MB LifePlan[®] Retiree Fund
MB LifePlan[®] Retirement 2015 Fund
MB LifePlan[®] Retirement 2020 Fund
MB LifePlan[®] Retirement 2025 Fund
MB LifePlan[®] Retirement 2030 Fund
MB LifePlan[®] Retirement 2035 Fund
MB LifePlan[®] Retirement 2040 Fund
MB LifePlan[®] Retirement 2045 Fund
MB LifePlan[®] Retirement 2050 Fund

This Offering Memorandum has been prepared by McLean Budden Limited, as manager of the McLean Budden Pooled Funds, and is being furnished solely for use by prospective investors. This is a confidential document. By their acceptance hereof, prospective investors agree that they will not transmit, or otherwise make available to anyone, this Offering Memorandum or any information contained herein.

February 1, 2011

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THE FUNDS

Each of the McLean Budden Pooled Funds (each a "Fund", collectively the "Funds") listed on the cover page of this Offering Memorandum was established as a separate trust under the laws of Ontario and is subject to a Trust Indenture dated June 1, 1998 as amended from time to time (the "Trust Agreement") between McLean Budden Limited ("McLean Budden"), as investment counsel, and RBC Dexia Investor Services Trust ("RBC Dexia"), as trustee.

The registered office of McLean Budden is located at 145 King Street West, 25th Floor, Toronto, Ontario M5H 1J8.

Eligible Investments

Each of the Funds has its own set of eligible investments. These are established by the Trust Agreement and are set out in the schedules to this Offering Memorandum. In addition, the Schedules provide information about each Fund's investment philosophy, performance objective, portfolio diversification, and asset mix. Unitholders will be given at least ninety (90) days prior written notice of a material amendment to the Trust Agreement. Unitholders will also be given at least thirty (30) days prior written notice of any material amendments to the Fund information contained in the Schedules to this Offering Memorandum.

The investments of each of the Funds, with the exception of the MB Balanced Plus Fund, will be restricted to ensure that the provisions of the *Pension Benefits Standards Act, 1985* (Canada) and the *Pension Benefits Act* (Ontario) and/or the regulations thereunder would not preclude a pension plan regulated or registered under such statutes from investing its assets in units of the Funds, subject to compliance with the prudent investment standards and the general investment provisions of the statute and/or the regulations thereunder, and provided that, when required, such an investment is in conformity with any investment policies and procedures established by the administrator of the pension plan.

Use of Derivatives by the Funds

The Funds do not currently invest in derivatives, with the exception of the MB Global Equity (C\$-Hedged) Fund.

Securities Lending

The Funds do not participate in securities lending.

Hedging

Unless indicated otherwise in the schedule for a particular Fund, currency hedging will not be employed.

MANAGEMENT OF THE FUNDS

McLean Budden acts as Manager for the Funds.

Responsibilities of McLean Budden

Under the Trust Agreement of the Funds, McLean Budden is responsible for:

- (a) the management of each of the Fund's investment portfolio, including decisions as to the purchase and sale of portfolio securities and decisions as to the execution of all portfolio transactions, including selection of the securities to be purchased or sold, selection of market, selection of dealer or broker and the negotiation, where applicable, of commissions;
- (b) the appointment of auditors;

- (c) the provision of office space and facilities, clerical help, and recordkeeping services required by the Funds;
- (d) the establishment of purchase, transfer and redemption procedures;
- (e) the preparation of audited annual reports; and
- (f) the distribution of units of the Funds.

Management Fee

No management fee is payable to McLean Budden by a Fund. Management Fees are paid to McLean Budden directly by unitholders pursuant to individual investment management agreements entered into between McLean Budden and each unitholder.

Expenses of the Funds

Each of the Funds will be responsible for the payment of the Trustee's fees, auditing fees, legal fees, custody fees, recordkeeping fees, brokerage commissions, class action administration fees, registrar and record keeper fees, independent review committee fees and expenses (discussed on page 3), fees relating to continuous disclosure obligations and all fees payable pursuant to a statutory or regulatory authority.

Conflicts of Interest

McLean Budden also acts as manager of mutual funds and as investment counsellor and/or portfolio manager to other clients. McLean Budden may make investment decisions for a Fund which may differ from investment decisions made for, or advice given to such other clients even though the investment objectives of such other clients may be the same or similar to those of the Fund, provided that McLean Budden acts in good faith and follows a policy of allocating over a period of time relevant investment opportunities to each Fund on a basis which is fair and equitable to the Fund relative to such other clients. A copy of the policy followed by McLean Budden in this respect is available to unitholders upon request.

McLean Budden has adopted the CFA Institute Code of Ethics. A copy of this code is available to unitholders upon request.

Related Issuer Purchases

McLean Budden has received approval from regulatory authorities permitting certain Funds to purchase securities of Sun Life Financial Services of Canada Inc. ("Sun Life"). Sun Life has approximately a sixty-six percent (66%) interest in McLean Budden. McLean Budden employees compose a majority of the Board of Directors of McLean Budden.

Securities regulators have designed a set of rules to ensure that any investment by McLean Budden in these related companies is overseen by an independent body. In this regard McLean Budden has appointed John Evans, Gary Lukassen, Deborah Alexander and Iain Ronald, as members of an independent review committee (the "Committee"). These members are not employees, directors, officers or associates of Sun Life, McLean Budden or any other portfolio manager.

The mandate of the Committee is to review, at least quarterly, investments, if any, made on behalf of the funds in securities of Sun Life in order to be satisfied that the decisions to buy, sell or hold such securities were made in the best interests of the funds and were made free of any influence by Sun Life or its affiliates. The Committee must report the results of its review to McLean Budden at least quarterly and must advise the securities regulatory authorities if it determines that any investment decision was not made in accordance with the conditions stated above.

The members of the Committee are entitled to receive a fee plus reimbursement of out of pocket expenses for each meeting that they attend. This fee will be allocated among the Funds in a manner that is considered by the Committee to be fair and reasonable to the Funds.

DESCRIPTION OF UNITS

Each of the Funds is authorized to issue an unlimited number of units, each of which represents an equal interest in the Fund. With the exception of the MB Money Market Fund Class B, all units of a Fund are of the same class with equal rights and privileges.

Each unit of a Fund is entitled to participate equally in the distribution of net income and net taxable capital gains and losses and, on liquidation, to participate equally in the net assets of the Fund remaining after satisfaction of outstanding liabilities. Units are fully paid and non-assessable when issued. Units may be redeemed by the unitholder.

DETERMINATION OF NET ASSET VALUE

The net asset value per unit of a Fund is determined by dividing the value of the net assets of the Fund (that is, the value of the assets of the Fund less its liabilities) by the total number of units outstanding. The net asset value per unit of each of the Funds is calculated each day on which The Toronto Stock Exchange is open for trading.

In determining the net asset value of the assets held by a Fund, the following guidelines will be applied:

- Fixed income investments are valued at average between the latest bid price and ask price
- Short-term investments are stated at cost in the valuation report and accrued interest is reported in the interest receivable calculation
- Equities are valued at the closing sale price on the principal exchange where they trade
- Untraded securities are valued quarterly. These prices are confirmed annually by an independent audit

Translation of Foreign Currencies

The financial statements and net asset values of the MB American Equity Fund, MB Global Equity Growth Fund and MB Global Equity Value Fund are reported in U.S. dollars. The net asset values of these Funds are converted and reported in Canadian dollars using the exchange rate at the close of business of the London Exchange each valuation day.

PURCHASE OF UNITS

Each purchaser of units of a Fund must first enter into an asset management agreement with McLean Budden and must make an initial investment of at least one hundred fifty thousand dollars (\$150,000.00) per Fund.

Units of each Fund may be purchased on a daily basis. The day designated for purchases of units is referred to as a "trade day". The purchase price per unit of a Fund will be the net asset value per unit determined on the trade day for the purchase order. If a purchase order is received before 11:00 a.m. Toronto time on a trade day, the purchase price will be the net asset value per unit determined on that trade day. If a purchase order is received after 11:00 a.m. Toronto time on a trade day or on a day other than a trade day, the purchase price will be the net asset value per unit determined on the next trade day.

Payment for units of a Fund must be received by the Trustee within three (3) business days of the purchase order. Payment may be made by cheque, wire transfer, or money order. Payment for units of the MB Money Market Fund Class B must be received by 4:00 p.m. Toronto time on trade day. Payment for units of MB American Equity Fund, MB Global Equity Growth Fund, MB Global Equity Fund, MB Global Equity Value Fund, MB Global Equity (C\$-Hedged) Fund, MB International Equity Fund or MB Responsible Global Equity Fund may be made in Canadian or U.S. dollars. For all other funds, payment may be made in Canadian dollars only. In some circumstances, at the discretion of McLean Budden, payment may be made by the delivery of securities that meet the investment criteria of the Fund and are acceptable to McLean Budden.

McLean Budden reserves the right to reject any order for the purchase of units. The decision to accept or reject any order will be made within two (2) days of receipt of the order.

No certificate will be issued for units purchased.

SWITCHES

If units are purchased in the MB American Equity Fund, MB Global Equity Growth Fund, MB Global Equity Fund, MB Global Equity Value Fund, MB Global Equity (C\$-Hedged) Fund, MB International Equity Fund or MB Responsible Global Equity Fund with a U.S. dollar cheque, wire transfer or money order, switches may only be made amongst those seven (7) Funds and such switches will be based on the net asset value per unit in U.S. dollars of the Fund redeemed and the Fund purchased on the trade day.

Switches between the MB Money Market Fund Class B and all other Funds can not be accommodated due to different settlement cycles.

REDEMPTION OF UNITS

Unitholders may request that a Fund redeem any or all of their units (subject to the one hundred fifty thousand dollars (\$150,000.00) minimum investment) at any time by providing written notice to the Trustee. Redemption proceeds in excess of ten percent (10%) of the market value of any Fund may be paid out in kind (by the delivery of securities) at the discretion of McLean Budden. Units will be redeemed at the net asset value per unit. If a redemption request is received before 11:00 a.m. Toronto time on a trade day, the redemption price will be the net asset value per unit determined on that trade day. If a redemption request is received after 11:00 a.m. Toronto time on a trade day or on a day other than a trade day, the redemption price will be the net asset value per unit determined on the next trade day.

Redemption proceeds for redeemed units of a Fund will be paid to a unitholder within three (3) business days following the redemption. Redemption proceeds for redeemed units of a the MB Money Market Class B will be paid to the unitholder within one (1) business day following the trade day. Redemption proceeds in excess of ten percent (10%) of the market value of any Fund may be paid in kind (by the delivery of securities) at the discretion of McLean Budden. All redemption proceeds are paid in Canadian dollars with the exception of redemptions of units of the MB American Equity Fund, MB Global Equity Growth Fund, MB Global Equity Fund, MB Global Equity Value Fund, MB Global Equity (C\$-Hedged) Fund, MB International Equity Fund or MB Responsible Global Equity Fund purchased with a U.S. dollar cheque, wire transfer or money order, where redemption proceeds are paid in U.S. dollars.

McLean Budden may, in its sole discretion, direct the Trustee to withhold from the redemption proceeds paid to a unitholder an amount not to exceed one percent (1%) of such redemption proceeds in order to compensate a Fund (and thus the remaining unitholders of such Fund) for the brokerage expenses incurred in connection with liquidating investments to obtain cash to effect the redemption.

Under exceptional circumstances we may be unable to process your redemption request. This would most likely occur if market trading were suspended on stock exchanges where the Funds hold their investments.

DISTRIBUTIONS

The net income and net realized taxable capital gains of a Fund in any year will be distributed to unitholders of the Fund with a view to ensuring that the Fund will not have any tax liability under the *Income Tax Act* (Canada) (the "Tax Act"). Distributions of net income and net realized taxable capital gains are made on a quarterly basis on the last valuation date of each quarter for all Funds except for the MB Fixed Income Fund, MB Short Term Fixed Income Fund, MB Responsible Fixed Income Fund, MB Long Term Fixed Income Fund, MB Fixed Income Plus Fund (the "Fixed Income Funds") and the MB Money Market Fund. For Funds other than the Fixed Income Funds and the Money Market Fund, the capital gains distributions in the first quarter of each year will be equal to eighty percent (80%) of the net realized capital gains of the Fund for such quarter. The capital gains distributions in the

second quarter will be equal to the difference between eighty percent (80%) of the net realized capital gains of the Fund of the first two quarters and the amount distributed in respect of the first quarter. The capital gains distributions in the third quarter will be equal to the difference between eighty percent (80%) of the net realized capital gains of the Fund for the first three quarters and the aggregate of the amounts distributed in respect of the first and second quarters. The fourth quarter capital gains distribution will be equal to the difference between the net realized capital gains of the Fund for the year and the aggregate of the amounts distributed in respect of the first three quarters.

For the Fixed Income funds, net income will be distributed on a quarterly basis and capital gains will be distributed on December 31st each year. The MB Money Market Fund is valued each day at ten dollars (\$10.00). Any appreciation/income earned during the day is accrued daily and distributed to unitholders monthly in the form of additional units of the Fund or cash.

All amounts that become payable to a unitholder of a Fund will be invested, on the unitholder's behalf, in additional units of the Fund at the net asset value per unit on the distribution day on which such amounts become payable to unitholders, unless McLean Budden has received a written request that the unitholder prefers his or her distributions in cash at least fifteen (15) days before a distribution day.

All distributions are paid and all investments in additional units are made in Canadian dollars with the exception of distributions and investments in respect of units in the MB American Equity Fund, MB Global Equity Growth Fund, MB Global Equity Fund, MB Global Equity Value Fund, MB Global Equity (C\$-Hedged) Fund, MB International Equity Fund or MB Responsible Global Equity Fund purchased with a U.S. dollar cheque, wire transfer or money order where distributions will be paid in U.S. dollars and investments in additional units will be made at the net asset value per unit in U.S. dollars.

RISK FACTORS

Each of the Funds own investments which vary depending upon the investment objective of the Fund. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions, and market and issuer news. As a result, the value of a Fund's units may go up and down, and the value of a unitholder's investment in a Fund may be more or less when redeemed than when purchased.

The risks associated with investing in a Fund are the risks associated with the securities in which the Fund invests. Below is a summary of various types of investment risk that may be applicable to a Fund or a portion of a Fund.

Stock market risk

The value of most securities, in particular equity securities, changes with stock market conditions. These conditions are affected by general economic and market conditions.

Specific issuer risk

The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

Interest rate risk

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

Liquidity risk

Liquidity risk is the possibility that a Fund will not be able to convert its investments to cash when it needs to. The value of securities which are not regularly traded (less liquid) will generally be subject to greater fluctuations.

Credit risk

The value of fixed income securities depends, in part, on the perceived ability of the government or company which issued the securities to pay the interest and to repay the original investments. Securities issued by issuers which have a low credit rating are considered to have a higher credit risk than securities issued by issuers which have a high credit rating.

Foreign security risk

The value of foreign securities will be affected by factors affecting other similar securities and could be affected by additional factors such as the absence of timely information, less stringent auditing standards and less liquid markets. As well, different financial, political and social factors may involve risks not typically associated with investing in Canada.

Currency risk

The value of securities denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

Trusts Investment Risk

A Fund that invests in trusts faces the risk that, as a holder of units of a trust, the Fund may be held liable and subject to levy or execution for satisfaction of obligations of or claims against the trust. This risk may arise with income trusts which include various forms of business trusts. This risk is considered remote. Alberta and Ontario have legislation to eliminate this risk for holders of units of trusts that are reporting issuers organized under the laws of such provinces. To the extent that a Fund is subject to such a claim and the claim is not satisfied by the Fund, there is a risk that a unitholder of the Fund could be held personally liable for the obligations of the trust. The possibility of a unitholder incurring personal liability of this nature is considered extremely remote.

Bill C-52, which was tabled in the House of Commons on March 29, 2007 and received second reading on May 15, 2007, contains proposed changes to the Tax Act that, if enacted as proposed, would impose a new tax on certain income trusts other than certain REITs. Such an income trust would be liable to pay this tax on an amount equal to certain distributions paid by it to unitholders. Such distributions would be treated in the hands of unitholders as eligible dividends from a taxable Canadian corporation. For income trusts that existed on October 31, 2006, the date on which these new rules were first announced, it is proposed that the application of this new tax will be deferred until, generally, 2011 provided that the trust does not exceed "normal growth" before that time as set out in guidelines released by the Department of Finance on December 15, 2006. For new income trusts, the new tax would apply immediately. This new tax may affect the value of units of income trusts in which a Fund directly or indirectly invests.

FEDERAL INCOME TAX CONSIDERATIONS

The following is a brief summary of the principal Canadian federal income tax considerations generally relevant to unitholders who, for purposes of the Tax Act, are resident in Canada and either: (i) hold their units as capital property and are not exempt from taxation under Part I of the Tax Act ("Taxable Unitholders"); or (ii) are exempt from taxation under Part I of the Tax Act ("Non-Taxable Unitholders").

This summary is based on the provisions of the Tax Act and the regulations thereunder, and takes into account the administrative practices of the Canada Revenue Agency ("CRA"), as of May 22, 2007. This summary also takes into account proposed amendments (the "Proposed Amendments") to the Tax Act and the regulations thereunder announced by the Minister of Finance (Canada) prior to May 22, 2007. No assurances can be given that the Proposed Amendments will become law as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations, does not take into account provincial or foreign income tax legislation or considerations, which might differ from the Canadian federal considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law, whether by legislative, governmental or judicial action.

This summary is of a general nature only and is not intended to be, nor should it be construed as, legal or tax advice to any particular investor. EACH PROSPECTIVE INVESTOR SHOULD SEEK INDEPENDENT ADVICE REGARDING THE TAX CONSEQUENCES OF INVESTING IN UNITS OF A FUND BASED UPON THE INVESTOR'S OWN PARTICULAR CIRCUMSTANCES. IN PARTICULAR, NON-TAXABLE UNITHOLDERS WHICH ARE REGISTERED PENSION PLANS SHOULD BE SATISFIED THAT A UNIT OF THE FUND IS NOT A "PROHIBITED INVESTMENT" (AS DEFINED IN THE REGULATIONS) OR WILL NOT HAVE ADVERSE TAX CONSEQUENCES IN RESPECT OF SUCH UNITHOLDER.

Taxation of the Funds and of Taxable Unitholders

The Funds

The net income and net realized taxable capital gains of a Fund in any year will be distributed to unitholders of the Fund with a view to ensuring that the Fund will not have any tax liability under Part I of the Tax Act.

Where a Fund invests in another fund (the "underlying fund"), the nature of distributions to the Fund from the underlying fund that are derived from taxable dividends (including eligible dividends) received by the underlying fund from taxable Canadian corporations, capital gains realized by the underlying fund and foreign source income realized by the underlying fund may, if so designated by the underlying fund, be preserved in the hands of the Fund for the purpose of computing the Fund's income and making similar designations with respect to amounts distributed by the Fund to unitholders.

Each of the Funds and an underlying fund is required to compute its net income and net realized capital gains in Canadian dollars for the purposes of the Tax Act and may, as a consequence, realize income or capital gains by virtue of changes in the value of foreign currency relative to the Canadian dollar.

Distributions to Taxable Unitholders

The treatment under the Tax Act of amounts distributed or considered to be distributed to a Taxable Unitholder of a Fund will generally be similar to that which would have applied if such Taxable Unitholder had earned or realized directly the Taxable Unitholder's proportionate share of the net income and net realized taxable capital gains so distributed or considered to be distributed by the Fund. The Taxable Unitholder will be required to include in computing income in a year such amounts (in Canadian dollars) as are paid or payable to the Taxable Unitholder out of the Fund's income and taxable capital gains during that year even if such amounts are immediately reinvested in additional units.

At the time a Taxable Unitholder acquires units of a Fund, the net asset value of the Fund and therefore the price paid by the Taxable Unitholder may reflect accrued income and realized capital gains which have not been distributed and accrued capital gains which have not been realized. When and if such income and realized capital gains are distributed by the Fund and when and if such accrued capital gains are realized and distributed by the Fund to a Taxable Unitholder, the Taxable Unitholder will become taxable on such amounts.

Each Fund has advised counsel that it will designate, to the extent permitted by the Tax Act, the portion of the net income distributed or considered to be distributed to unitholders as may reasonably be considered to consist of, respectively, (i) net taxable capital gains and (ii) taxable dividends including eligible dividends considered to be received by it on shares of taxable Canadian corporations. Any such designated amount will be deemed for tax purposes to be (i) a taxable capital gain realized by unitholders in the year and (ii) a taxable dividend, including an eligible dividend, from a taxable Canadian corporation received by unitholders in the year, respectively. Similarly, designations will be made so that unitholders will generally be entitled to the benefit, if any, of a foreign tax credit referable to foreign source income distributed to unitholders.

The Tax Act has recently been amended to provide for an enhanced dividend tax credit for certain eligible dividends paid to individuals by taxable Canadian corporations. A Fund will make designations

and provide unitholders of the Fund with information regarding which amounts distributed by the Fund to unitholders may be treated as eligible dividends for this purpose.

Dispositions and Redemptions

On any redemption or other disposition of units of a Fund (including a redemption to effect a transfer of a Taxable Unitholder's investment to another Fund) a Taxable Unitholder may realize a capital gain (or capital loss) in the amount by which the proceeds of disposition or redemption of the units, net of any portion thereof considered to be paid out of the income or capital gains of the Fund, exceed (or are less than) the Taxable Unitholder's adjusted cost base of the units and any costs of disposition.

A Taxable Unitholder's adjusted cost base of units of a Fund will reflect the average cost per unit of all units of that Fund held by the Taxable Unitholder. Where units of a Fund are denominated in U.S. dollars, for purposes of computing a Unitholder's capital gain or loss, the cost of units and the proceeds of disposition thereof must be determined as the Canadian dollar equivalent of the relevant U.S. dollar amount, translated at the rate of exchange prevailing on the date of the acquisition and disposition, respectively, of the units. One-half of a capital gain will be included in computing income as a taxable capital gain and one-half of a capital loss will be an allowable capital loss that may be deducted against taxable capital gains subject to the detailed rules in the Tax Act.

Payment in Kind

If a Taxable Unitholder transfers securities to a Fund in payment of the purchase price of units, the Taxable Unitholder may realize income or capital gains on the transfer of such securities that will be taken into account in computing the income of the Taxable Unitholder for the taxation year in which the securities are transferred to the Fund.

If a Taxable Unitholder receives securities from a Fund on the redemption of units, the Taxable Unitholder will be considered to receive proceeds of disposition for the units in an amount equal to the fair market value of the securities received, plus any cash amount received, less any amount considered to be paid out of the income or capital gains of the Fund.

Marketable Securities

Taxable Unitholders that are closed-end unit trusts, investment corporations and certain registered investments may be subject to restrictions under the Tax Act with respect to investments which are not marketable securities. The CRA may take the view that units of investment funds such as the Funds are not marketable securities for purposes of these restrictions.

Non-Taxable Unitholders

Non-Taxable Unitholders will generally not be subject to tax on distributions paid to them by a Fund nor on any gain realized on a redemption or other disposition of units.

Eligibility for Investment

Please see the schedule for a particular Fund for additional tax considerations relating to that Fund including whether units of that Fund are a qualified investment for certain registered plans.

CUSTODIAN AND RECORD KEEPER

The securities of the Funds are held in Ontario under the custodianship of RBC Dexia Investor Services Trust, 155 Wellington Street West, Street Level, Toronto, Ontario, M5V 3L3. The custodian may hold the securities itself or appoint sub-custodians to do so. RBC Dexia is also the registrar and record keeper of the Funds.

MODIFICATION AND TERMINATION OF THE TRUST AGREEMENT

Under the Trust Agreement, McLean Budden and the Trustee may amend the Trust Agreement at any time without the approval of unitholders provided that, in the case of a material amendment, at least

ninety (90) days prior written notice is given to unitholders. A Fund may be terminated by McLean Budden at any time provided that at least 90 days prior written notice is given to unitholders.

AUDITORS

The auditors of the Funds are Deloitte & Touche LLP, Chartered Accountants, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1.

EXEMPTION FROM PROSPECTUS REQUIREMENTS

Units of the Funds are offered in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Newfoundland and Nova Scotia (the "Private Placement Provinces") pursuant to exemptions from the prospectus requirements of the securities legislation of such provinces. Subscribers for Units will be required to execute an investment management agreement with McLean Budden that contemplates the purchase of Units, and may be required to execute such certificates and other documents as McLean Budden may reasonably require to evidence their eligibility and entitlement to rely on such exemptions.

The Funds must provide to the securities regulatory authority in the jurisdiction in which a purchaser resides the name, address and telephone number of the purchaser and the number and type of securities purchased. The information will not be placed on the public file of any securities regulatory authority. However, freedom of information legislation in certain jurisdictions may require the securities regulatory authority to make this information available if requested.

The information is collected and used by the securities regulatory authority under the authority granted in securities legislation for the purposes of the administration and enforcement of the securities legislation. Questions about the collection and use of this information can be addressed to the securities regulatory authority in the jurisdiction where the purchaser resides. In Ontario such questions should be addressed to: Ontario Securities Commission, Suite 1903, Box 52, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-8086, Fax: (416) 593-8252, Attention: Administrative Assistant to the Director of Corporate Finance. Information about whom to contact in other jurisdictions is available from McLean Budden.

Investors in the Funds by their purchase of units will be deemed to have been notified by the Funds of the foregoing and to have authorized the collection of the information by the relevant securities regulatory authority.

Securities legislation in some of the Private Placement Provinces provides some purchasers, in addition to any other rights they may have at law, with a remedy for rescission or damages or both where this Offering Memorandum and any amendment to it and, in some cases, advertising and sales literature used in connection therewith, contains a misrepresentation. Those remedies, or notice with respect thereto, must be exercised, or delivered, as the case may be, by the purchaser within the time limit prescribed by the applicable securities legislation.

Each purchaser should refer to the provisions of the applicable securities legislation for the particulars of these rights or consult with a legal advisor. The following is a summary of the rights of rescission or rights to damages, or both, available to purchasers of units in Ontario, New Brunswick, Nova Scotia and Saskatchewan.

Ontario

Ontario Securities Commission Rule 45-501 provides that when an offering memorandum, such as this Offering Memorandum, is delivered to an investor to whom securities are distributed in reliance upon the prospectus exemption for sales to "accredited investors" or for sales with an aggregate acquisition cost of \$150,000 and certain related sales in National Instrument 45-106 ("NI 45-106"), the right of action referred to in section 130.1 of the *Securities Act* (Ontario) is applicable; provided that such right of action is not applicable where securities are distributed in reliance upon the accredited investor exemption where the purchaser is:

- (a) a Canadian financial institution, meaning either:

- (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act; or
 - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services corporation, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction in Canada;
- (b) a Schedule III bank, meaning an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);
- (c) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or

a subsidiary of any person referred to in paragraphs (a), (b) or (c), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of the subsidiary.

Section 130.1 provides purchasers who purchase securities offered by an offering memorandum with a statutory right of action against the issuer of securities for rescission or damages in the event that the offering memorandum or any amendment to it contains a "misrepresentation". "Misrepresentation" means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading or false in the light of the circumstances in which it was made.

In the event that this Offering Memorandum, together with any amendment to it, is delivered to a prospective purchaser of securities in Ontario in connection with a trade made in reliance on the accredited investor exemption or the \$150,000 exemption, and this Offering Memorandum contains a misrepresentation which was a misrepresentation at the time of purchase of the securities, the purchaser will have a statutory right of action against the issuer for damages or, while still the owner of the securities, for rescission, in which case, if the purchaser elects to exercise the right of rescission, the purchaser will have no right of action for damages, provided that:

- (a) the right of action for rescission will be exercisable by a purchaser only if the purchaser gives notice to the issuer, not more than 180 days after the date of the transaction that gave rise to the cause of action, that the purchaser is exercising this right; or, in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the plaintiff first had knowledge of the facts giving rise to the cause of action, or (ii) three years after the date of the transaction that gave rise to the cause of action;
- (b) the issuer will not be liable if it proves that the purchaser purchased the securities with knowledge of the misrepresentation;
- (c) the issuer will not be liable for all or any portion of the damages that it proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (d) in no case will the amount recoverable exceed the price at which the securities were offered to the purchaser; and
- (e) the statutory right of action for rescission or damages is in addition to and does not derogate from any other rights or remedies the purchaser may have at law.

New Brunswick

Section 150(1) of *Securities Act* (New Brunswick) ("Section 150(1)") provides that where any information relating to an offering provided to a purchaser of the securities contains a

misrepresentation, a purchaser who purchases the securities shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase, and

- (a) the purchaser has a right of action for damages against the issuer and a selling security holder on whose behalf the distribution is made; or
- (b) where the purchaser purchased the securities from a person referred to in paragraph (a), the purchaser may elect to exercise a right of rescission against the person, in which case the purchaser shall have no right of action for damages against the person.

This right of action is not available if the purchaser purchased the securities with knowledge of the misrepresentation, and a defendant is not liable for all or any portion of the damages that the defendant proves do not represent the depreciation in value of the securities as a result of the misrepresentation relied on.

An issuer shall not be liable where it is not receiving any proceeds from the distribution of the securities being distributed and the misrepresentation was not based on information provided by the issuer unless the misrepresentation:

- (a) was based on information that was previously publicly disclosed by the issuer;
- (b) was a misrepresentation at the time of its previous public disclosure; and
- (c) was not subsequently publicly corrected or superseded by the issuer before the completion of the distribution of the securities being distributed.

In no case shall the amount recoverable under these rights of action exceed the price at which the securities were offered.

Nova Scotia

Section 138 of the *Securities Act* (Nova Scotia) states that in the event that an offering memorandum together with any amendment thereto, or any advertising or sales literature (as defined in the *Securities Act* (Nova Scotia)) used in connection with this Offering Memorandum, contains an untrue statement of a material fact or omits to state a material fact required to be stated or necessary in order to make any statement contained therein not misleading in light of the circumstances in which it was made (herein called a "misrepresentation") any investor in Nova Scotia who purchases securities offered thereunder shall be deemed to have relied on such misrepresentation, if it was a misrepresentation at the time of purchase, and shall have, subject as hereinafter provided, a right of action either for damages or alternatively for rescission, exercisable against the seller provided that:

- (a) the seller will not be held liable under section 138 if it proves that the investor purchased the securities with knowledge of the misrepresentation;
- (b) in an action for damages, the seller will not be liable for all or any portion of such damages that it proves does not represent the depreciation in value of the securities as a result of the misrepresentation relied upon;
- (c) in no case shall the amount recoverable under section 138 exceed the price at which the securities were sold to the investor; and
- (d) the rights conferred by section 138 are in addition to and without derogation from any other rights or remedies available at law to the investor.

No action shall be commenced to enforce the rights of action created under section 138 more than 120 days after the date on which payment was made for the securities or after the date on which the initial payment for the securities was made where payments subsequent to the initial payment are made pursuant to a contractual commitment assumed prior to, or concurrently with, the initial payment. These rights will be available to an investor in Nova Scotia.

Saskatchewan

Section 138 of *The Securities Act, 1988* (Saskatchewan), as amended (the "Saskatchewan Act") provides that where an offering memorandum (such as this Offering Memorandum) or any amendment to it is sent or delivered to a purchaser and it contains a misrepresentation (as defined in the Saskatchewan Act), a purchaser who purchases a security covered by the offering memorandum or any amendment to it is deemed to have relied upon that misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for rescission against the issuer or a selling security holder on whose behalf the distribution is made or has a right of action for damages against:

- (a) the issuer or a selling security holder on whose behalf the distribution is made;
- (b) every promoter and director of the issuer or the selling security holder, as the case may be, at the time the offering memorandum or any amendment to it was sent or delivered;
- (c) every person or company whose consent has been filed respecting the offering, but only with respect to reports, opinions or statements that have been made by them;
- (d) every person who or company that, in addition to the persons or companies mentioned in (a) to (c) above, signed the offering memorandum or the amendment to the offering memorandum; and
- (e) every person who or company that sells securities on behalf of the issuer or selling security holder under the offering memorandum or amendment to the offering memorandum.

Such rights of rescission and damages are subject to certain limitations including the following:

- (a) if the purchaser elects to exercise its right of rescission against the issuer or selling security holder, it shall have no right of action for damages against that party;
- (b) in an action for damages, a defendant will not be liable for all or any portion of the damages that he, she or it proves do not represent the depreciation in value of the securities resulting from the misrepresentation relied on;
- (c) no person or company, other than the issuer or a selling security holder, will be liable for any part of the offering memorandum or any amendment to it not purporting to be made on the authority of an expert and not purporting to be a copy of, or an extract from, a report, opinion or statement of an expert, unless the person or company failed to conduct a reasonable investigation sufficient to provide reasonable grounds for a belief that there had been no misrepresentation or believed that there had been a misrepresentation;
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered; and
- (e) no person or company is liable in an action for rescission or damages if that person or company proves that the purchaser purchased the securities with knowledge of the misrepresentation.

In addition, no person or company, other than the issuer or selling security holder, will be liable if the person or company proves that:

- (a) the offering memorandum or any amendment to it was sent or delivered without the person's or company's knowledge or consent and that, on becoming aware of it being sent or delivered, that person or company gave reasonable general notice that it was so sent or delivered; or

- (b) with respect to any part of the offering memorandum or any amendment to it purporting to be made on the authority of an expert, or purporting to be a copy of, or an extract from, a report, an opinion or a statement of an expert, that person or company had no reasonable grounds to believe and did not believe that there had been a misrepresentation, the part of the offering memorandum or any amendment to it did not fairly represent the report, opinion or statement of the expert, or was not a fair copy of, or an extract from, the report, opinion or statement of the expert.

Not all defences upon which we or others may rely are described herein. Please refer to the full text of the Saskatchewan Act for a complete listing.

Similar rights of action for damages and rescission are provided in section 138.1 of the Saskatchewan Act in respect of a misrepresentation in advertising and sales literature disseminated in connection with an offering of securities.

Section 138.2 of the Saskatchewan Act also provides that where an individual makes a verbal statement to a prospective purchaser that contains a misrepresentation relating to the security purchased and the verbal statement is made either before or contemporaneously with the purchase of the security, the purchaser is deemed to have relied on the misrepresentation, if it was a misrepresentation at the time of purchase, and has a right of action for damages against the individual who made the verbal statement.

Section 141(1) of the Saskatchewan Act provides a purchaser with the right to void the purchase agreement and to recover all money and other consideration paid by the purchaser for the securities if the securities are sold in contravention of the Saskatchewan Act, the regulations to the Saskatchewan Act or a decision of the Saskatchewan Financial Services Commission.

Section 141(2) of the Saskatchewan Act also provides a right of action for rescission or damages to a purchaser of securities to whom an offering memorandum or any amendment to it was not sent or delivered prior to or at the same time as the purchaser enters into an agreement to purchase the securities, as required by Section 80.1 of the Saskatchewan Act.

The rights of action for damages or rescission under the Saskatchewan Act are in addition to and do not derogate from any other right which a purchaser may have at law.

Section 147 of the Saskatchewan Act provides that no action shall be commenced to enforce any of the foregoing rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of any other action, other than an action for rescission, the earlier of:
 - (i) one year after the plaintiff first had knowledge of the facts giving rise to the cause of action; or
 - (ii) six years after the date of the transaction that gave rise to the cause of action.

The Saskatchewan Act also provides a purchaser who has received an amended offering memorandum delivered in accordance with subsection 80.1(3) of the Saskatchewan Act has a right to withdraw from the agreement to purchase the securities by delivering a notice to the person who or company that is selling the securities, indicating the purchaser's intention not to be bound by the purchase agreement, provided such notice is delivered by the purchaser within two business days of receiving the amended offering memorandum.

General

The foregoing summaries are subject to the express provisions of the *Securities Act* (Ontario), the *Securities Act* (New Brunswick), the *Securities Act* (Nova Scotia) and the *Securities Act*

(Saskatchewan) and the regulations and policy statements thereunder and reference is made thereto for the complete text of such provisions.

The rights summarized above are in addition to and without derogation from any other rights or remedies available at law to an investor.

The rights available to investors in the event this offering memorandum contains a misrepresentation in provinces other than Ontario, New Brunswick, Nova Scotia and Saskatchewan are not provided for in the securities legislation of such provinces. Investors should discuss such rights with their legal advisors.

**SCHEDULE 1
MB CANADIAN EQUITY GROWTH FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies with prospects for above average earnings growth.

Performance Objective

BMO/TSX Composite CAP 10% Index + 1.5% (annualized) over moving four-year periods. This Index's return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are qualified investments for registered retirement savings plans ("RRSPs"), registered retirement income funds ("RRIFs"), deferred profit sharing plans ("DPSPs") and registered education savings plans ("RESPs").

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-11%.

Issues

- 25-45 securities
- Normally, at least seventy-five percent of the Fund will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-6% from their weight in the BMO/TSX Composite CAP 10% Index

- No single security will comprise more than 16% of the Market Value of the Fund
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Canadian common stock and convertible or exchangeable securities listed on a Canadian stock exchange, a U.S. stock exchange or NASDAQ Markets
- Common stock and convertible or exchangeable securities included in the S&P/TSX Composite Index
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Treasury Bills, Commercial Paper (minimum credit quality R-1 Low)
- Income Trusts

SCHEDULE 2 MB CANADIAN EQUITY VALUE FUND

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market.

Performance Objective

BMO/TSX Composite CAP 10% Index + 1.5% (annualized) over moving four-year periods. This Index's return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-11%.

Issues

- Normally, at least two-thirds of the Fund will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- 30-50 securities
- Individual securities may vary by no more than a nominal +/-6% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 16% of the Market Value of the Fund
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Canadian common stock and convertible or exchangeable securities listed on a Canadian stock exchange, a U.S. stock exchange or NASDAQ Markets
- Common stock and convertible or exchangeable securities included in the S&P/TSX Composite Index
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Treasury Bills, Commercial Paper (minimum credit quality R-1 Low)
- Income Trusts

**SCHEDULE 3
MB CANADIAN EQUITY FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies which are considered to be undervalued in relation to their historical price, industry competitors and/or overall market, or have prospects for above average earnings growth.

Performance Objective

BMO/TSX Composite CAP 10% Index + 1.5% (annualized) over moving four-year periods. This Index's return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors and economic sectors is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-6%.

Issues

- Normally, at least 75% of the Fund will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- 45 - 85 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of Market Value of the Fund
- No single security will comprise more than 10% of the Book Value of the Fund

- The Fund will not hold more than 20% of voting shares of any corporation

Eligible Investments

- Canadian common stock and convertible or exchangeable securities listed on a Canadian stock exchange, a U.S. stock exchange or NASDAQ Markets
- Common stock and convertible or exchangeable securities included in the S&P/TSX Composite Index
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Treasury Bills, Commercial Paper (minimum credit quality R-1 Low)
- Income Trusts

**SCHEDULE 4
MB CANADIAN EQUITY PLUS FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian and foreign equities. Typically, at least 75% of the Canadian equity portion of the Fund will be invested in the largest one hundred stocks traded on the Toronto Stock Exchange as measured by available public float. Foreign equity selection will generally be companies that are leaders in their respective industries.

Performance Objective

To outperform the Fund's benchmark by 1.50% per annum over moving-four year periods. The benchmark is comprised of 75% BMO/TSX Composite CAP 10% Index + 25% Morgan Stanley Capital International World (MSCI World) Index. The BMO/TSX Composite CAP 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Canadian equities | 70 | 90 |
| Foreign equities | 10 | 30 |
| Cash & equivalents | 0 | 15 |

Canadian Equities

Diversification

To ensure Canadian equity investments are adequately diversified, the Fund's commitment to industry sectors and economic sectors are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-6%.

Canadian Issues

- 45 - 85 securities
- Normally, at least 75% of the Fund will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float

- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of Market Value of the Fund
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of voting shares of any corporation

Foreign Equities

Diversification

To ensure foreign equity investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Foreign Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common stocks and convertible or exchangeable securities listed on a Canadian stock exchange
- Common stocks and convertible or exchangeable securities of companies listed on the NYSE, ASE or NASDAQ markets
- Foreign stocks listed on recognized exchanges

- American Depository Receipts for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Treasury Bills, Commercial Paper (minimum credit quality R-1 Low)
- Income Trusts

**SCHEDULE 5
MB RESPONSIBLE CANADIAN EQUITY FUND**

McLean Budden offers screened versions of our standard pooled funds. These are referred to as "Responsible" Funds. The screens are included in the "Eligible Investments" section.

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of Canadian equities. Security selection will emphasize companies, which are considered to be undervalued or have prospects for above average earnings growth.

Performance Objective

BMO/TSX Composite CAP 10% Index + 1.5% (annualized) over moving four-year periods. This Index's return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors and economic sectors is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Fund will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index

- No single security will comprise more than 14% of Market Value of the Fund
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Canadian common stock and convertible or exchangeable securities listed on a Canadian stock exchange, a U.S. stock exchange or NASDAQ Markets
- Common stock and convertible or exchangeable securities included in the S&P/TSX Composite Index
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Treasury Bills, Commercial Paper (minimum credit quality R-1 Low)
- Eligible companies may not derive more than 10% of their gross annual revenue, individually or collectively, from the manufacture and/or sale of armaments, tobacco products, alcoholic beverages and pornography, nor from the provision of gaming facilities
- Companies with significant operations and/or suppliers not adhering to local employment standards, and not addressing the issue, will be ineligible
- Companies whose negative impact on the environment is greater than the average of their peers will be ineligible
- Income Trusts

**SCHEDULE 6
MB AMERICAN EQUITY FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of U.S. equities. Normally, at least 75% of the Fund will be invested in companies comprising the S&P 500 Index. Security selection will emphasize companies which are considered to be undervalued or have prospects for above average earnings growth.

Performance Objective

S&P 500 Index + 1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | Min % | Max % |
|--------------------|----------|----------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of S&P 500 Index):

| | Min* % | Max* % |
|---------------------------------|-----------|-----------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the S&P 500 Index, or a nominal range of +/-11%.

Issues

- 35 - 55 securities
- Individual securities may vary by no more than a nominal +/-5% from their weight in the S&P 500 Index
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common stock and convertible or exchangeable securities listed on the NYSE, ASE or NASDAQ markets
- Warrants
- United States Treasury Bills or U.S. dollar denominated commercial paper (minimum credit quality R-1 Low)
- Private placements may comprise a maximum of 5% of the Fund

**SCHEDULE 7
MB INTERNATIONAL EQUITY FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of non-U.S. and non-Canadian equities. Normally, at least one half of the Fund will be invested in the five largest non-U.S. equity markets. Security selection will emphasize large and medium sized companies which are considered to be undervalued or have prospects for above average earnings growth.

Performance Objective

Morgan Stanley Capital International, Europe, Australasia and Far East (MSCI EAFE) Index +1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI EAFE Index):

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Japan | 40 | 160 |
| Continental Europe | 40 | 160 |
| U.K. | 40 | 160 |
| Rest of World | 40 | 160 |

Regions are subject to the greater of the above min/max ranges or a nominal range of +/-11% of their weight in the Index.

Economic Sectors - (as a % of MSCI EAFE Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI EAFE Index, or a nominal range of +/-11%.

Issues

- 35 - 55 securities
- Individual securities may vary by no more than a nominal +/-5% from their weight in the MSCI EAFE Index
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common or restricted stock listed on recognized exchanges
- American Depositary Receipts and Global Depositary Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Closed-end funds listed on the New York or London stock exchanges
- Warrants and rights on common stocks
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by corporations rated at least R-1 (Low)
- Private placements may comprise a maximum of 5% of the Fund

**SCHEDULE 8
MB GLOBAL EQUITY GROWTH FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of equities. Security selection will emphasize large companies with prospects for above average earnings growth.

Performance Objectives

Morgan Stanley Capital International World (MSCI World) Index + 1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-11%.

Issues

- 50 - 90 securities
- Individual securities may vary by no more than a nominal +/-5% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common or restricted stock listed on recognized exchanges
- American Depository Receipts and Global Depository Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by financial institutions rated at least R-1 (Low)
- Private placements may comprise a maximum of 5% of the Fund.

**SCHEDULE 9
MB GLOBAL EQUITY VALUE FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of equities. Security selection will emphasize companies which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market.

Performance Objectives

Morgan Stanley Capital International World (MSCI World) Index + 1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-11%.

Issues

- 50 - 90 securities
- Individual securities may vary by no more than a nominal +/-5% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common or restricted stock listed on recognized exchanges
- American Depository Receipts and Global Depository Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by financial institutions rated at least R-1 (Low)
- Private placements may comprise a maximum of 5% of the Fund.

**SCHEDULE 10
MB GLOBAL EQUITY FUND**

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of equities. Security selection will emphasize large companies, which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market, or have prospects for above average earnings growth.

Performance Objectives

Morgan Stanley Capital International World (MSCI World) Index +1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common or restricted stock listed on recognized exchanges
- American Depositary Receipts and Global Depositary Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by financial institutions rated at least R-1 (Low)
- Private placements may comprise a maximum of 5% of the Fund.

SCHEDULE 11
MB GLOBAL EQUITY (C\$ - HEDGED) FUND

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by providing exposure to a diversified portfolio of predominantly large capitalized global equities. The fund may hold global equities and/or units in MB Global Equity Fund and will seek to reduce foreign currency risks through the use of derivative instruments thereby limiting the impact of currency movements on the fund.

Performance Objectives

Morgan Stanley Capital International World (MSCI World) Index +1.5% (annualized) hedged to Canadian Dollars over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. The fund will adopt the country equity allocation of the MB Global Equity Fund.

Eligible Investments

- MB Funds
- Currency derivatives
- Common or restricted stock listed on recognized exchanges
- American Depository Receipts and Global Depository Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by financial institutions rated at least R-1 (Low)
- Private placements may comprise a maximum of 5% of the Fund.

**SCHEDULE 12
MB RESPONSIBLE GLOBAL EQUITY FUND**

McLean Budden offers screened versions of our standard pooled funds. These are referred to as "Responsible" Funds. The screens are included in the "Eligible Investments" section.

Investment Philosophy

To provide a superior real rate of return, primarily through capital appreciation, by investing in a diversified portfolio of equities. Security selection will emphasize large companies, which are considered to be undervalued in relation to their historical price, industry competitors and/or the overall market, or have prospects for above average earnings growth.

Performance Objectives

Morgan Stanley Capital International World (MSCI World) Index + 1.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Equities | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

To ensure investments are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference, as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Eligible Investments

- Common or restricted stock listed on any recognized exchanges
- American Depository Receipts and Global Depository Receipts (ADRs and GDRs) listed on the NYSE, ASE or NASDAQ markets as well as recognized ADRs and GDRs for which there is no exchange listing but a market is made by leading investment dealers
- Short-term paper issued by sovereign authorities or their agents
- Short-term commercial paper issued by financial institutions rated at least R-1 (Low)
- Eligible companies may not derive more than 10% of their gross annual revenue, individually or collectively, from the manufacture and/or sale of armaments, tobacco products, alcoholic beverages and pornography, nor from the provision of gaming facilities
- Companies with significant operations and/or suppliers not adhering to local employment standards, and not addressing the issue, will be ineligible
- Companies whose negative impact on the environment is greater than the average of their peers will be ineligible
- Private placements may comprise a maximum of 5% of the Fund

**SCHEDULE 13
MB FIXED INCOME FUND**

Investment Philosophy

To provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt and from time-to-time U.S. debt. The Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

Performance Objective

DEX Universe Bond Index + 0.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Bonds | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

| <i>Sector:</i> | <i>Min</i> % | <i>Max</i> % |
|--------------------------|-----------------|-----------------|
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |
| | | |
| <i>Credit Quality:</i> | <i>Min</i> % | <i>Max</i> % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable rating agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. Government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Treasury Bills, Commercial Paper (minimum R-1 Low)
- Guaranteed Investment Certificates & Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian bond index

**SCHEDULE 14
MB SHORT TERM FIXED INCOME FUND**

Investment Philosophy

To provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt, and from time-to-time U.S. debt. The Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

Performance Objective

DEX Short Term Bond Index + 0.3% (annualized) over moving four-year periods.

Eligibility for Investment

Units of the Fund are a qualified investment for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Bonds | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

| <i>Sector:</i> | <i>Min</i> % | <i>Max</i> % |
|--------------------------|-----------------|-----------------|
| Federal | 25 | 80 |
| Provincial | 10 | 50 |
| Municipal | 0 | 25 |
| Other Government Related | 0 | 15 |
| Corporate | 10 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> % | <i>Max</i> % |
|------------------------|-----------------|-----------------|
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable rating agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. Government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's duration will range between 50 – 150% of the duration of the DEX Short Term Bond Index.

Eligible Investments

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Treasury Bills, Commercial Paper (minimum R-1 Low)
- Guaranteed Investment Certificates & Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian bond index

**SCHEDULE 15
MB RESPONSIBLE FIXED INCOME FUND**

McLean Budden offers screened versions of our standard pooled funds. These are referred to as "Responsible" Funds. The screens are included in the "Eligible Investments" section.

Investment Philosophy

To provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt and from time-to time U.S. debt. The Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

Performance Objective

DEX Universe Bond Index + 0.5% (annualized) over moving four year periods.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Bonds | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable rating agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. Government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Treasury Bills, Commercial Paper (minimum R-1 (Low))
- Guaranteed Investment Certificates & Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian bond index
- Eligible companies may not derive more than 10% of their gross annual revenue, individually or collectively, from the manufacture and/or sale of armaments, tobacco products, alcoholic beverages and pornography, nor from the provision of gaming facilities
- Companies with significant operations and/or suppliers not adhering to local employment standards, and not addressing the issue, will be ineligible
- Companies whose negative impact on the environment is greater than the average of their peers will be ineligible

**SCHEDULE 16
MB LONG TERM FIXED INCOME FUND**

Investment Philosophy

To provide a moderate real rate of return, through income and capital gains, by investing in a diversified portfolio of primarily Canadian dollar debt and from time-to-time U.S. debt. The Fund will only invest in investment grade debt. Returns in excess of income will be gained through active duration, yield curve and sector management.

Performance Objective

DEX Long Term Bond Index + 0.5% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| Bonds | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

| <i>Sector:</i> | <i>Min</i> % | <i>Max</i> % |
|--------------------------|-----------------|-----------------|
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |
| | | |
| <i>Credit Quality:</i> | <i>Min</i> % | <i>Max</i> % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. Government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's duration will range between 70 - 130% of the duration of the DEX Long Term Bond Index.

Eligible Investments

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Treasury Bills, Commercial Paper (minimum R-1 Low)
- Guaranteed Investment Certificates & Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian bond index

**SCHEDULE 17
MB FIXED INCOME PLUS FUND**

Investment Philosophy

To provide a moderate real rate of return, primarily through income and capital gains, by investing in a diversified portfolio of Canadian, U.S. and non-North American debt. The Fund will only invest in investment grade debt. Returns in excess of income will be gained through country allocation as well as active duration, yield curve and sector management.

Performance Objective

To outperform the Fund's benchmark by 0.5% per annum over moving four-year periods. The benchmark is calculated in Canadian dollars and is comprised of 70% DEX Universe Bond Index and 30% Citigroup Broad Investment Grade Bond Index (excluding mortgages).

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| Bonds | 85 | 100 |
| Cash & equivalents | 0 | 15 |

Diversification

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

| <i>Currency:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| Canadian dollar | 25 | 75 |
| U.S. dollar | 20 | 60 |
| Other major currencies | 0 | 25 |

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 30 | 80 |
| Provincial/State | 10 | 50 |
| Other Government Related | 0 | 25 |
| Corporate | 10 | 60 |

Duration

The Fund's duration will range between 60 – 140% of the duration of the benchmark.

Eligible Investments

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Treasury Bills, Commercial Paper (minimum R-1 Low)
- Guaranteed Investment Certificates & Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index

**SCHEDULE 18
MB MONEY MARKET FUND**

Investment Philosophy

To provide a real rate of return through investing in a diversified portfolio of Canadian dollar debt with a maturity of less than one year. It is expected that the vast majority of the Fund's return will be derived from income.

Performance Objective

DEX 91-Day Treasury Bill Index + 0.2% (annualized) over moving four-year periods.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|---|-----------------|-----------------|
| Treasury Bills, Bankers' Acceptances, Commercial Paper, Term Deposits and Asset-Backed Commercial Paper | 85 | 100 |
| Cash | 0 | 15 |

Diversification

| <i>Issuer:</i> | <i>Min</i> % | <i>Max</i> % |
|---|-----------------|-----------------|
| Treasury Bills | 30 | 100 |
| Bankers' Acceptances Commercial Paper and Asset-Backed Commercial Paper | 0 | 70 |
| <i>Credit Quality:</i> | <i>Min</i> % | <i>Max</i> % |
| R-1 High | 30 | 100 |
| R-1 Mid | 0 | 70 |
| R-1 Low | 0 | 30 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Duration

The Fund's term-to-maturity will range between 15-180 days.

Eligible Investments

- Treasury Bills
- Bankers' Acceptances and Bearer Deposit Notes (BDNs)
- Term Deposits
- Floating-Rate Notes (FRN)
- Commercial Paper and Asset-Backed Commercial Paper or similar instruments that receive a minimum R-1 (Low), or equivalent, rating by a recognized rating agency

SCHEDULE 19
MB BALANCED GROWTH PENSION FUND

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 30% BMO/TSX Composite CAP 10% Index, 30% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX (SC) Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFFs, DPSPs and RESPs .

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Equities | 45 | 75 |
| <i>Canadian</i> | <i>15</i> | <i>45</i> |
| <i>Foreign</i> | <i>15</i> | <i>45</i> |
| Fixed Income | 20 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Eligible Investments

The Fund may hold either segregated investments (individual securities) or any of the following MB Funds:

- MB Canadian Equity Growth Fund
- MB Canadian Equity Fund
- MB American Equity Fund
- MB Global Equity Growth Fund
- MB Global Equity Fund
- MB International Equity Fund
- MB Fixed Income Fund
- MB Long Term Fixed Income Fund
- MB Money Market Fund

Each of the MB Funds eligible for investment is described in this Offering Memorandum.

**SCHEDULE 20
MB BALANCED GROWTH FUND**

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 30% BMO/TSX Composite CAP 10% Index, 30% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | % | % |
| Equities | 45 | 75 |
| <i>Canadian</i> | 15 | 45 |
| <i>Foreign</i> | 15 | 45 |
| Fixed Income | 20 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure Canadian equity investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-11%.

Issues

- 25 - 45 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- No single security will comprise more than 16% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- Individual securities may vary by no more than a nominal +/-6% from their weight in the BMO/TSX Composite CAP 10% Index
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max range or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-11%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the fixed income component of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% for those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. Government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock, convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- MB International Equity Fund
- MB American Equity Fund
- MB Global Equity Growth Fund
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 21
MB BALANCED VALUE FUND**

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 30% BMO/TSX Composite CAP 10% Index, 30% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | % | % |
| Equities | 45 | 75 |
| <i>Canadian</i> | 15 | 45 |
| <i>Foreign</i> | 15 | 45 |
| Fixed Income | 20 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Eligible Investments

The Fund may hold either segregated investments (individual securities), units of income trusts or units in any of the following MB Funds:

- MB Canadian Equity Value Fund
- MB Global Equity Value Fund
- MB Fixed Income Fund
- MB Money Market Fund

Each of the MB Funds eligible for investment is described in this Offering Memorandum.

**SCHEDULE 22
MB BALANCED FUND**

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 30% BMO/TSX Composite CAP 10% Index, 30% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | % | % |
| Equities | 45 | 75 |
| <i>Canadian</i> | 15 | 45 |
| <i>Foreign</i> | 15 | 45 |
| Fixed Income | 20 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite Cap 10% Index, or a nominal range of +/-6%.

Canadian Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the fixed income component of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% for those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issues by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- MB International Equity Fund
- MB American Equity Fund
- MB Global Equity Fund
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 23
MB RESPONSIBLE BALANCED FUND**

McLean Budden offers screened versions of our standard pooled funds. These are referred to as “Responsible” Funds. The screens are included in the “Eligible Investments” section.

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund’s benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 30% BMO/TSX Composite CAP 10% Index, 30% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | % | % |
| Equities | 45 | 75 |
| <i>Canadian</i> | 15 | 45 |
| <i>Foreign</i> | 15 | 45 |
| Fixed Income | 20 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund’s commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Canadian Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions is managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> | <i>Max</i> |
|--------------------|------------|------------|
| | % | % |
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the above min/max ranges or the nominal range of +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the fixed income component of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% for those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock, convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Eligible companies may not derive more than 10% of their gross annual revenue, individually or collectively, from the manufacture and/or sale of armaments, tobacco products, alcoholic beverages and pornography, nor from the provision of gaming facilities
-

- Companies with significant operations and/or suppliers not adhering to local employment standards, and not addressing the issue, will not be eligible
- Companies whose negative impact on the environment is greater than the average of their peers will be ineligible
- MB Responsible Canadian Equity Fund
- MB Responsible Global Equity Fund
- MB Responsible Fixed Income Fund
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)
- Eligible companies may not derive more than 10% of their gross annual revenue, individually or collectively, from the manufacture and/or sale of armaments, tobacco products, alcoholic beverages and pornography, nor from the provision of gaming facilities
- Companies with significant operations and/or suppliers not adhering to local employment standards, and not addressing the issue, will not be eligible
- Companies whose negative impact on the environment is greater than the average of their peers will be ineligible

SCHEDULE 24
MB BALANCED PLUS FUND

Investment Philosophy

To provide a superior real rate of return through both income and capital appreciation by investing in a diversified portfolio of equity and fixed income assets.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 20% BMO/TSX Composite CAP 10% Index, 35% Morgan Stanley Capital International World (MSCI World) Index, 35% DEX Universe Bond Index 5% Citigroup Broad Investment Grade Bond Index (excluding mortgages) and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|----------------------|------------|------------|
| | % | % |
| Equities | 40 | 70 |
| Fixed Income | 25 | 50 |
| Cash and equivalents | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB Funds and/or segregated holdings for the asset class investments.

Eligible Investments

The Fund may hold either segregated investments (individual securities), units of income trusts or units of any of the following MB or McLean Budden Funds:

- MB Canadian Equity Growth Fund
- MB Canadian Equity Plus Fund
- MB Canadian Equity Value Fund
- MB Canadian Equity Fund
- MB Global Equity Fund
- MB Global Equity Growth Fund
- MB Global Equity Value Fund
- MB Fixed Income Fund
- MB Long Term Fixed Income Fund
- MB Money Market Fund
- McLean Budden Mutual Funds

Each of the MB Funds eligible for investment is described in this Offering Memorandum while the McLean Budden Mutual Funds are described in their prospectus.

**SCHEDULE 25
MB LIFEPLAN® INCOME FUND**

Investment Philosophy

To provide a competitive total return with below average volatility through an emphasis on fixed income investments. The Fund will also invest in a diversified portfolio of equities to achieve modest capital appreciation.

Performance Objective

To outperform the Fund's benchmark by 0.75% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 17.5% BMO/TSX Composite CAP 10% Index, 17.5% Morgan Stanley Capital International World (MSCI World) Index, 60% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> % | <i>Max</i> % |
|-----------------|-----------------|-----------------|
| Equities | 25 | 45 |
| <i>Canadian</i> | 7 | 27 |
| <i>Foreign</i> | 7 | 27 |
| Fixed Income | 45 | 75 |
| Cash | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus. **Fixed Income**

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

SCHEDULE 26
MB LIFEPLAN® GROWTH AND INCOME FUND

Investment Philosophy

To provide superior long-term capital growth with a moderate level of risk and volatility by investing in both fixed income securities and a diversified portfolio of equities.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 27.5% BMO/TSX Composite CAP 10% Index, 27.5% Morgan Stanley Capital International World (MSCI World) Index, 40% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|-----------------|------------|------------|
| | % | % |
| Equities | 38 | 72 |
| <i>Canadian</i> | 15 | 40 |
| <i>Foreign</i> | 15 | 40 |
| Fixed Income | 25 | 55 |
| Cash | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |
| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

SCHEDULE 27
MB LIFEPLAN® GROWTH FUND

Investment Philosophy

To provide a superior real rate of return primarily by investing in a diversified portfolio of equities. The Fund will also invest in fixed income securities to reduce volatility.

Performance Objective

To outperform the Fund's benchmark by 1% per annum over moving four-year periods. The benchmark is calculated monthly in Canadian dollars and is comprised of 37.5% BMO/TSX Composite CAP 10% Index, 37.5% Morgan Stanley Capital International World (MSCI World) Index, 20% DEX Universe Bond Index and 5% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|--------------|------------|------------|
| | % | % |
| Equities | 62 | 88 |
| Canadian | 25 | 50 |
| Foreign | 25 | 50 |
| Fixed Income | 12 | 28 |
| Cash | 0 | 20 |

Diversification

Appropriate diversification is ensured through the asset mix ranges shown above and by following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 28
MB LIFEPLAN® RETIREE FUND**

Investment Philosophy

To provide a competitive total return with below average volatility through an emphasis on fixed income and cash investments. The Fund will also invest in a diversified portfolio of equities to achieve modest capital appreciation.

Asset Allocation

The benchmark is calculated monthly in Canadian dollars and is comprised of 17.5% BMO/TSX Composite CAP 10% Index, 17.5% Morgan Stanley Capital International World (MSCI World) Index, 55.0% DEX Universe Bond Index and 10% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

| | <i>Min</i> | <i>Max</i> |
|-----------------|------------|------------|
| | % | % |
| Equities | 25 | 45 |
| <i>Canadian</i> | 7 | 27 |
| <i>Foreign</i> | 7 | 27 |
| Fixed Income | 40 | 70 |
| Cash | 0 | 20 |

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | % | % |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 29
MB LIFEPLAN® RETIREMENT 2015 FUND**

Investment Philosophy

To provide a competitive total return with below average volatility through an emphasis on fixed income and cash investments. The Fund will also invest in a diversified portfolio of equities to achieve modest capital appreciation.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 26.2% BMO/TSX Composite CAP 10% Index, 26.2% Morgan Stanley Capital International World (MSCI World) Index, 40.5% DEX Universe Bond Index and 7.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

- 1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services
- 2) Interest Sensitive=Financial Services, Utilities
- 3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities
- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | % | % |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | % | % |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 30
MB LIFEPLAN® RETIREMENT 2020 FUND**

Investment Philosophy

To provide a competitive total return with average volatility through an investment in a diversified portfolio of fixed income, equities and cash.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 29.2% BMO/TSX Composite CAP 10% Index, 29.2% Morgan Stanley Capital International World (MSCI World) Index, 35.5% DEX Universe Bond Index and 6.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 8% of the Fund (4% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 31
MB LIFEPLAN[®] RETIREMENT 2025 FUND**

Investment Philosophy

To provide a competitive total return with average volatility through an investment in a diversified portfolio of fixed income, equities and cash.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 32.2% BMO/TSX Composite CAP 10% Index, 32.2% Morgan Stanley Capital International World (MSCI World) Index, 25.5% DEX Universe Bond Index and 5.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 32
MB LIFEPLAN[®] RETIREMENT 2030 FUND**

Investment Philosophy

To provide a competitive total return with average volatility through an investment in a diversified portfolio of fixed income, equities and cash.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 35.2% BMO/TSX Composite CAP 10% Index, 35.2% Morgan Stanley Capital International World (MSCI World) Index, 25.5% DEX Universe Bond Index and 4.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |
| | | |
| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 33
MB LIFEPLAN® RETIREMENT 2035 FUND**

Investment Philosophy

To provide a competitive total return with above average volatility and the potential for above average return. The Fund will invest in a diversified portfolio of equities with a modest allocation to fixed income and cash to provide a measure of capital preservation.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 38.2% BMO/TSX Composite CAP 10% Index, 38.2% Morgan Stanley Capital International World (MSCI World) Index, 20.5% DEX Universe Bond Index and 3.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 34
MB LIFEPLAN® RETIREMENT 2040 FUND**

Investment Philosophy

To provide a competitive total return with above average volatility and the potential for above average return. The Fund will invest in a diversified portfolio of equities with a modest allocation to fixed income and cash to provide a measure of capital preservation.

Asset Allocation

The initial benchmark, as at July 1, 2005, is calculated monthly in Canadian dollars and is comprised of 41.2% BMO/TSX Composite CAP 10% Index, 41.2% Morgan Stanley Capital International World (MSCI World) Index, 15.5% DEX Universe Bond Index and 2.1% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

SCHEDULE 35
MB LIFEPLAN® RETIREMENT 2045 FUND

Investment Philosophy

To provide a competitive total return with above average volatility and the potential for above average return. The Fund will invest in a diversified portfolio of equities with a modest allocation to fixed income and cash to provide a measure of capital preservation.

Asset Allocation

The initial benchmark, as at January 1, 2009, is calculated monthly in Canadian dollars and is comprised of 44.5% BMO/TSX Composite CAP 10% Index, 44.5% Morgan Stanley Capital International World (MSCI World) Index, 10.0% DEX Universe Bond Index and 1.0% DEX 91-Day Treasury Bill Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |

| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
|------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)

**SCHEDULE 36
MB LIFEPLAN[®] RETIREMENT 2050 FUND**

Investment Philosophy

To provide a competitive total return with above average volatility and the potential for above average return. The Fund will invest in a diversified portfolio of equities with a modest allocation to fixed income and cash to provide a measure of capital preservation.

Asset Allocation

The initial benchmark, as at January 1, 2009, is calculated monthly in Canadian dollars and is comprised of 47.5% BMO/TSX Composite CAP 10% Index, 47.5% Morgan Stanley Capital International World (MSCI World) Index and 5.0% DEX Universe Bond Index. The BMO/TSX Composite Cap 10% Index return is provided by BMO Nesbitt Burns and is calculated on the basis that the weight of any one security in the Index is limited to a maximum of 10%. The asset mix will change on a quarterly basis to a more conservative asset mix.

Eligibility for Investment

Units of this Fund are not qualified investments for RRSPs, RRIFs, DPSPs and RESPs.

Asset Mix

The asset mix will change quarterly based upon a prescribed schedule. The asset mix changes involve reducing the equity content and increasing the fixed income component. Over time, the risk profile of the fund will change to a less volatile asset mix.

Diversification

Appropriate diversification is ensured through following the investment policies and selections of our equity and fixed income groups at the asset class level. The Fund may utilize MB pooled and mutual Funds and/or segregated holdings for the asset class investments.

Canadian Equities

To ensure investments are adequately diversified, the Fund's commitment to economic sectors is managed within ranges, as follows:

Economic Sectors - (as a % of BMO/TSX Composite CAP 10% Index):

| | <i>Min*</i> | <i>Max*</i> |
|---------------------------------|-------------|-------------|
| | <i>%</i> | <i>%</i> |
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the BMO/TSX Composite CAP 10% Index, or a nominal range of +/-6%.

Issues

- 45 - 85 securities

- Normally, at least 75% of the Canadian equity portfolio will be invested in the largest 100 stocks traded on the Toronto Stock Exchange as measured by available public float
- Individual securities may vary by no more than a nominal +/-4% from their weight in the BMO/TSX Composite CAP 10% Index
- No single security will comprise more than 14% of the Market Value of the Canadian equity portfolio
- No single security will comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Foreign Equities

To ensure foreign equities are adequately diversified, the Fund's commitment to industry sectors, economic sectors and regions are managed within ranges. These ranges are the greater of either the percent of the Index weight or the absolute difference as follows:

Regional - (as a % of MSCI World Index weights):

| | <i>Min</i> % | <i>Max</i> % |
|--------------------|-----------------|-----------------|
| U.S. | 70 | 130 |
| Japan | 70 | 130 |
| Continental Europe | 70 | 130 |
| U.K. | 70 | 130 |
| Rest of World | 70 | 130 |

Regions are subject to the greater of the min/max of the nominal range or +/-6% of their weight in the Index.

Economic Sectors - (as a % of MSCI World Index):

| | <i>Min*</i> % | <i>Max*</i> % |
|---------------------------------|------------------|------------------|
| Consumer ¹ | 70 | 130 |
| Interest Sensitive ² | 70 | 130 |
| Basic Industries ³ | 70 | 130 |

* or +/-11%, whichever is greater

1) Consumer=Consumer Staples, Consumer Discretionary, Healthcare, Telecommunication Services

2) Interest Sensitive=Financial Services, Utilities

3) Basic Industries=Materials, Energy, Industrials, Information Technology

At the industry sector level, the Fund's allowable exposure will be the greater of: 45% to 155% of the sector's weight in the MSCI World Index, or a nominal range of +/-6%.

Issues

- 70 - 110 securities
- Individual securities may vary by no more than a nominal +/-4% from their weight in the MSCI World Index
- No single security can comprise more than 10% of the Book Value of the Fund
- The Fund will not hold more than 20% of the voting shares of any corporation

Fixed Income

The Fixed Income component of the Fund is governed by a series of risk control parameters that have been designed to ensure diversification. These controls are as follows:

| <i>Sector:</i> | <i>Min</i> | <i>Max</i> |
|--------------------------|------------|------------|
| | <i>%</i> | <i>%</i> |
| Federal | 25 | 100 |
| Provincial | 0 | 50 |
| Municipal | 0 | 10 |
| Other Government Related | 0 | 15 |
| Corporate | 0 | 50 |
| | | |
| <i>Credit Quality:</i> | <i>Min</i> | <i>Max</i> |
| | <i>%</i> | <i>%</i> |
| AAA | 25 | 100 |
| AA | 0 | 75 |
| A | 0 | 50 |
| BBB | 0 | 10 |
| BB+ and below | 0 | 5 |

Ratings are provided by Dominion Bond Rating Service (DBRS) or a comparable agency.

Corporate Diversification

No more than 7% of the Fund may be invested in any group of affiliated companies rated AA; no more than 4% in those rated A or lower.

Foreign Currency

Up to 10% of the fixed income component of the Fund may be invested in debt denominated in U.S. currency, including debt issued by the U.S. government, its agencies and instrumentalities. No other foreign currency debt will be purchased.

Duration

The Fund's fixed income duration will range between 60 - 140% of the duration of the DEX Universe Bond Index.

Eligible Investments

Equities

- MB Funds and McLean Budden Mutual Funds
- Canadian, U.S. and international equities listed on recognized exchanges or American Depository Receipts and Global Depository Receipts (ADRs and GDRs) for which a market is made by leading investment dealers
- Warrants
- Subscription receipts
- Private placements may comprise a maximum of 10% of the Fund (6% of this limit reflects only the use of special warrants - a security directly convertible into common stock which is issued pending prospectus clearance of the additional common shares)
- Common, restricted voting stock or convertible or exchangeable securities listed on recognized exchanges
- Closed-end funds listed on the New York or London stock exchanges
- Convertible bonds of corporations
- Income Trusts

Each of the MB Funds eligible for investment is described in this Offering Memorandum, while the McLean Budden Mutual Funds are described in their prospectus.

Fixed Income

Eligible Investments include those issued by the Canadian and non-Canadian governments, government agencies, corporations or trusts, subject to minimum rating requirement, in any of the following forms:

- Bonds, Debentures and Mid-Term Notes
- Mortgages (NHA Guaranteed)
- Guaranteed Investment Certificates and Term Deposits
- Private Placements, asset-backed securities, commercial mortgage-backed securities, or similar instruments that receive at least an A rating
- Other securities that may be eligible for inclusion in a Canadian or U.S. bond index
- Short-term paper issued by sovereign authorities or their agents and short-term commercial paper issued by financial institutions rated at least AA-
- Canadian and U.S. Treasury Bills and Commercial Paper (minimum R-1 Low)