

McLean Budden Limited

MANDATE: CANADIAN BALANCED MODERATE MANAGER

OBJECTIVE

To manage segregated balanced portfolios for the Summit Program where the objective is to outperform the benchmark.

BACKGROUND

- One of Canada's oldest investment counseling firms.
- Emphasizes a team approach.

INVESTMENT PHILOSOPHY AND PROCESS

- Bio Asset Mix team identifies the most likely returns on each asset class over the next year. Decisions regarding relative commitments to various assets are made within ranges around long-term objectives.
- Large cap emphasis.
- They believe superior equity investments are, over time, the largest potential source of "added value" to a fund. Their equity management focuses on security selection to add most of the value.
- All of their research is conducted by small groups which build model portfolios for asset mix, Canadian equities, global equities and fixed income.
- Emphasis is on individual security selection, with the investment managers capitalizing on their strong research backgrounds.
- To control equity risk, portfolios will hold 65 - 85 securities and will be diversified across all major industry groups.
- The Canadian and global equity teams are responsible for industry outlooks and buy/sell decisions.
- McLean Budden practices active bond management strategies within a strict risk-control regimen. Employing a number of strategies enables them to add value for their clients throughout the entire market cycle.
- Both duration and yield curve placement are important elements adding significant value to their performance through the creation of capital appreciation. Capital preservation is controlled by restricting portfolio duration to between 75% and 125% of the DEX Universe Bond Index duration.

RISK CATEGORY



BIOGRAPHIES OF KEY PERSONNEL

McLean Budden emphasizes a team approach in the management of all portfolios.

The Canadian Equity Value team and Global Equity Value team are each comprised of four portfolio managers selected from the nineteen-member Equity Research Group. The Fixed Income team is comprised seven members.

SUMMARY

Location: Toronto, Ontario
 Founded: 1947
 Ownership: 40% Employees,
 60% Sun Life Financial
 Staff: 107
 Managers/
 Analysts: 45

Assets:
 Pension: \$20,267 million
 Mutual Funds: \$2,916 million
 HNW* Individuals: \$1,223 million
 Wrap: \$1,639 million
 Other: \$4,593 million
 TOTAL: \$30,638 million

Turnover:
 Should not exceed 70% per annum

Portfolio Characteristics:
 Style: Value
 Earnings Growth: Similar to market
 ROE: Higher than market
 P/E: Lower than market
 P/B: Lower than market
 Yield: Higher than market
 Debt/Equity: Lower than market

STYLE

	Value	Blend	Growth
Large	●		
Medium			
Small			

The Summit Program

The material presented herein is prepared by Northern Trust Global Advisors and is gathered from sources we believe to be reliable. It is current as of issue date (December, 2008). These profiles are intended for use by ScotiaMcLeod Summit Program clients who are selecting an investment manager for their account. All performance data represents past performance and is not indicative of future performance. Please note that representative composite returns were used for managers that have been in ScotiaMcLeod Summit Program less than five years to the date of this report.



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