

Annual Financial Statements (Audited)

McLean Budden Canadian Equity Fund

December 31, 2007

STATEMENTS OF NET ASSETS

As at December 31st

	2007	2006
ASSETS		
Investments, at fair value (Note 2)	\$ 14,607,773	\$ 11,881,368
Cash	123,320	142,077
Subscriptions receivable	78,000	-
Accrued interest and dividends receivable	29,376	25,053
	<u>14,838,469</u>	<u>12,048,498</u>
LIABILITIES		
Distributions payable	243	51
Accrued expenses	12,407	8,491
	<u>12,650</u>	<u>8,542</u>
TOTAL NET ASSETS	<u>\$ 14,825,819</u>	<u>\$ 12,039,956</u>
UNITHOLDERS' EQUITY		
Class A	\$ 10,660,051	\$ 8,209,951
Class B	1,295,452	1,078,218
Class C	2,870,316	2,751,787
	<u>\$ 14,825,819</u>	<u>\$ 12,039,956</u>
UNITS OUTSTANDING (Note D)		
Class A	713,708	568,059
Class B	85,632	73,723
Class C	191,861	190,322
	<u>991,201</u>	<u>832,104</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 14.94	\$ 14.45
Class B	\$ 15.13	\$ 14.63
Class C	\$ 14.96	\$ 14.46
Investments, at average cost	<u>\$ 12,528,707</u>	<u>\$ 9,584,719</u>

STATEMENTS OF OPERATIONS

For the year ended December 31st

	2007	2006
INCOME		
Interest	\$ 38,470	\$ 16,045
Dividends	247,286	159,046
	<u>285,756</u>	<u>175,091</u>
EXPENSES (Note C)		
Management fees	136,295	82,378
NET INVESTMENT INCOME (LOSS)	<u>149,461</u>	<u>92,713</u>
Net realized gain (loss) on sale of investments*	947,947	530,044
Transaction costs (Note 2)	(7,556)	-
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(211,125)	915,548
NET GAIN (LOSS) ON INVESTMENTS	<u>729,266</u>	<u>1,445,592</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	<u>\$ 878,727</u>	<u>\$ 1,538,305</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	\$ 550,371	\$ 935,266
Class B	\$ 85,589	\$ 151,917
Class C	\$ 242,767	\$ 451,122
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ 0.85	\$ 2.06
Class B	\$ 1.14	\$ 2.43
Class C	\$ 1.27	\$ 2.25
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of year [^]	\$ 8,944,549	\$ 7,331,499
Cost of investments purchased during the year [^]	5,154,568	4,001,106
	<u>14,099,117</u>	<u>11,332,605</u>
Investments at cost at end of the year [^]	11,937,498	8,946,519
Cost of investments sold during the year [^]	2,161,619	2,386,086
Proceeds from sale of investments [^]	<u>3,109,566</u>	<u>2,916,130</u>
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	<u>\$ 947,947</u>	<u>\$ 530,044</u>

[^] Excludes short-term investments.

On behalf of the Manager, McLean Budden Limited.



Roger Beauchemin,
Director



Brian Dawson,
Director

STATEMENTS OF CHANGES IN NET ASSETS

For the year ended December 31st

	Class A		Class B	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$ 8,202,660	\$ 4,985,433	\$ 1,077,268	\$ 788,497
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	550,371	935,266	85,589	151,917
CAPITAL TRANSACTIONS				
Proceeds from issue of units	5,376,555	3,290,151	167,061	793,853
Distributions reinvested	319,606	13,100	50,207	9,354
Redemption of units	(3,469,521)	(1,000,894)	(33,472)	(656,003)
	2,226,640	2,302,357	183,796	147,204
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(19,813)	(13,105)	(14,841)	(9,400)
Realized gains	(299,807)	—	(36,360)	—
	(319,620)	(13,105)	(51,201)	(9,400)
NET ASSETS, END OF YEAR	\$ 10,660,051	\$ 8,209,951	\$ 1,295,452	\$ 1,078,218

	Class C		Total	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$ 2,749,364	\$ 3,164,887	\$ 12,029,292	\$ 8,938,817
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	242,767	451,122	878,727	1,538,305
CAPITAL TRANSACTIONS				
Proceeds from issue of units	506,461	248,218	6,050,077	4,332,222
Distributions reinvested	117,890	28,168	487,703	50,622
Redemption of units	(627,881)	(1,112,440)	(4,130,874)	(2,769,337)
	(3,530)	(836,054)	2,406,906	1,613,507
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(37,963)	(28,168)	(72,617)	(50,673)
Realized gains	(80,322)	—	(416,489)	—
	(118,285)	(28,168)	(489,106)	(50,673)
NET ASSETS, END OF YEAR	\$ 2,870,316	\$ 2,751,787	\$ 14,825,819	\$ 12,039,956

STATEMENT OF INVESTMENT PORTFOLIO

As at December 31, 2007

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 4.07%; 2006 – 5.37%)				
TREASURY BILLS				
250,000	Canadian Treasury Bills	4.169% May 1, 2008	\$245,191	\$246,808
100,000	Canadian Treasury Bills	3.799% May 29, 2008	98,191	98,420
100,000	Farm Credit Canada	4.020% February 5, 2008	99,311	99,600
150,000	Farm Credit Canada	4.051% February 28, 2008	148,517	149,015
TOTAL SHORT-TERM INVESTMENTS			591,210	593,843
CANADIAN EQUITIES (2007 – 95.93%; 2006 – 94.63%)				
ENERGY				
2,800	Addax Petroleum Corporation	Common	79,583	120,260
12,600	Cameco Corporation	Common	414,525	498,582
3,500	Canadian Natural Resources Ltd.	Common	109,664	254,030
5,600	Enbridge Inc.	Common	197,938	224,056
11,000	EnCana Corporation	Common	498,870	742,500
6,400	Husky Energy Inc.	Common	213,953	284,992
2,200	Imperial Oil Ltd.	Common	55,924	120,076
4,100	Petro-Canada	Common	142,688	218,325
3,000	Suncor Energy Inc.	Common	147,593	323,730
30,000	Talisman Energy Inc.	Common	481,183	550,800
9,900	TransCanada Corporation	Common	326,505	401,049
3,100	Trican Well Service Ltd.	Common	70,614	59,613
1,900	Vermilion Energy Trust	Trust Unit	71,701	64,714
			<u>2,810,741</u>	<u>3,862,727</u>
MATERIALS				
2,700	Agrium Inc.	Common	84,961	193,509
8,151	Barrick Gold Corporation	Common	272,517	339,652
20,000	Catalyst Paper Corporation	Common	75,742	30,400
1,600	CCL Industries Inc.	Class B Non Voting	34,194	61,776
6,200	Domtar (Canada) Paper Inc.	Exchangeable Shares	62,062	47,368
800	First Quantum Minerals Ltd.	Common	75,363	68,000
5,500	Goldcorp Inc.	Common	166,507	185,625
14,000	IAMGOLD Corporation	Common	113,346	112,700
1,100	Inmet Mining Corporation	Common	73,359	88,418
4,400	Nova Chemicals Corporation	Common	163,113	141,504
800	Potash Corporation of Saskatchewan Inc.	Common	74,593	114,472
4,000	Teck Cominco Ltd.	Class B Sub Voting	147,599	141,720
			<u>1,343,356</u>	<u>1,525,144</u>
INDUSTRIALS				
23,600	Bombardier Inc.	Class B Sub Voting	103,677	140,656
11,000	Canadian National Railway Company	Common	447,735	513,150
2,000	Canadian Pacific Railway Ltd.	Common	93,661	128,440
4,600	Finning International Inc.	Common	79,660	131,836
			<u>724,733</u>	<u>914,082</u>
CONSUMER DISCRETIONARY				
1,400	Canadian Tire Corporation Ltd.	Class A Non Voting	83,576	103,558
3,000	Linamar Corporation	Common	74,650	60,450
3,800	Magna International Inc.	Class A Sub Voting	350,788	303,430
6,300	RONA Inc.	Common	143,054	107,415
11,200	Thomson Corporation, The	Common	499,048	451,136
			<u>1,151,116</u>	<u>1,025,989</u>
CONSUMER STAPLES				
11,100	Alimentation Couche-Tard Inc.	Class B Sub Voting	224,768	201,132
1,700	George Weston Ltd.	Common	154,087	91,783

Number of Shares	Security	Issue	Total Cost	Fair Value
11,000	The Jean Coutu Group (PJC) Inc.	Class A Sub Voting	\$157,873	\$122,210
1,600	Loblaw Companies Ltd.	Common	88,807	54,352
5,100	Rothmans Inc.	Common	99,998	129,030
4,100	Shoppers Drug Mart	Common	173,068	218,366
			<u>898,601</u>	<u>816,873</u>
FINANCIALS				
8,300	Bank of Montréal	Common	551,598	466,875
10,000	Bank of Nova Scotia	Common	414,715	501,600
5,250	Brookfield Asset Management Inc.	Class A Ltd Voting	188,332	186,060
3,500	Canadian Imperial Bank of Commerce	Common	276,962	246,925
3,500	IGM Financial Inc.	Common	150,625	175,105
3,500	Industrial Alliance Insurance & Financial Services Inc.	Common	92,691	148,855
18,500	Manulife Financial Corporation	Common	608,042	748,325
3,100	National Bank of Canada	Common	175,214	161,727
6,000	Power Corporation of Canada	Sub Vtg	183,117	240,480
10,000	Royal Bank of Canada	Common	399,345	506,900
9,900	Toronto Dominion Bank	Common	580,808	687,554
1,300	TSX Group Inc.	Common	53,545	68,640
			<u>3,674,994</u>	<u>4,139,046</u>
INFORMATION TECHNOLOGY				
9,300	CGI Group Inc.	Class A Sub Voting	75,284	106,950
1,300	Cognos Incorporated	Common	55,855	74,256
11,510	Nortel Networks Corporation	Common	320,314	172,420
3,200	Research In Motion	Common	105,489	360,192
			<u>556,942</u>	<u>713,818</u>
TELECOMMUNICATION SERVICES				
2,628	BCE Inc.	Common	74,891	104,069
2,072	Bell Aliant Regional Communications Income Fund	Income Fund	65,380	60,979
7,400	Rogers Communications Inc.	Class B Non Voting	185,782	332,926
5,700	TELUS Corporation	Common	295,322	281,751
			<u>621,375</u>	<u>779,725</u>
UTILITIES				
5,300	Fortis Inc.	Common	114,373	153,276
2,500	TransAlta Corporation	Common	48,193	83,250
			<u>162,566</u>	<u>236,526</u>
TOTAL CANADIAN EQUITIES			11,944,424	14,013,930
ADJUSTMENTS FOR TRANSACTION COSTS (NOTE 2)			(\$6,927)	
TOTAL INVESTMENTS			\$12,528,707	\$14,607,773

McLean Budden Canadian Equity Mutual Fund

Fund Specific Notes to the Financial Statements

As of December 31, 2007 and 2006

(These notes should be read along with the Generic Notes to the Financial Statements)

A. ORGANIZATION

This McLean Budden Fund was established under the laws of the Province of Ontario by trust agreements between McLean Budden Limited ("MBL"), as Manager, and RBC Dexia Investor Services Trust, as Trustee, dated as follows:

	<u>Class A</u>	<u>Class B</u>	<u>Class C</u>
McLean Budden Canadian Equity Fund ("Canadian Equity Fund")	March 25, 2004	March 25, 2004	April 1, 2004

The Fund is authorized to issue an unlimited number of Class A, B and C units which rank equally in all respects on a pro-rata basis in the net assets of the Fund.

B. INCOME TAX

The Fund is considered a mutual fund trust under the provisions of the Income Tax Act (Canada) and distributes all of its net income and net realized capital gains in order not to be subject to income taxes, other than foreign withholding taxes, if applicable.

C. MANAGEMENT FEES AND OPERATING EXPENSES

The Fund is responsible for its management fee, for the cost of investments and related brokerage expenses and for any borrowing costs, bank charges, taxes and administrative expenses. Effective July 1, 1998 MBL assumed responsibility for payment of all of the administrative expenses of the Fund. MBL will continue to assume responsibility for payment of the administrative expenses until unitholders receive at least 60 days written notice of a change. Any costs associated with the Independent Review Committee required by National Instrument 81-107 will be shared among all mutual funds managed by MBL including the VMD - McLean Budden Funds offered under a separate prospectus, and the Fund.

For its services as Manager, MBL is entitled to an annual management fee for Class A units not exceeding 2.00%, excluding taxes, of the average net asset value of the Fund in the year. For 2007 and 2006, the actual fee was 1.25%.

A management fee of 0.25%, excluding taxes, is payable by each Class B unitholder in the Fund. In addition, holders of Class B units or an intermediary pay a management fee of up to a maximum of 1.50% directly to the Manager.

A management fee of 0.05%, excluding taxes, is payable by each Class C unitholder in the Fund. In addition, holders of Class C units or an intermediary pay a management fee of up to a maximum of 1.50% payable directly to the Manager.

D. UNITHOLDERS' EQUITY

The Fund is authorized to issue an unlimited number of Class A, Class B and Class C units. Investors of each Class of units of the Fund are entitled to participate in the distribution of net income and net realized capital gains on a proportionate basis. Units are redeemable by the unitholder and entitle the holder to one vote for each whole unit held at a meeting of all unitholders of the Fund, except meetings of unitholders of a Class at which only unitholders of that Class are entitled to vote.

Units of the funds are issued and redeemed at the Transactional NAV per unit on the applicable trade date.

D. UNITHOLDERS' EQUITY (continued)

Unit transactions for Class A, Class B and Class C units for the year ended December 31 were as follows:

Fund	Units Outstanding Beginning of Year	Issued	Distributions Reinvested	Redemptions	Units Outstanding End of Year
Canadian Equity Fund					
Class A 2007	568,059	352,592	21,372	(228,315)	713,708
Class A 2006	400,843	243,015	906	(76,705)	568,059
Class B 2007	73,723	10,761	3,315	(2,167)	85,632
Class B 2006	62,800	58,914	639	(48,630)	73,723
Class C 2007	190,322	33,888	7,870	(40,219)	191,861
Class C 2006	255,080	18,808	1,948	(85,514)	190,322

E. INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT

Increase (decrease) in Net Assets from Operations per Unit in the Statement of Operations represents the net increase (decrease) in net assets from operations for the year divided by the average units outstanding during the year. The average number of units outstanding during the year was:

	2007	2006
Class A	643,727	453,159
Class B	75,034	62,591
Class C	190,991	200,496

F. BROKERAGE FEES

Commissions paid to dealers in connection with the purchase and sale of securities during the year were allocated by the Manager to the Fund of \$7,556 (2006 - \$6,477).

G. RELATED PARTY TRANSACTIONS

As at December 31, the following outstanding Class A units of the Fund were held by other McLean Budden Funds:

	Number of Units Held	
	2007	2006
VMD - McLean Budden LifePlan™ 2010 Fund	89,121	29,178
VMD - McLean Budden LifePlan™ 2020 Fund	106,693	56,921
VMD - McLean Budden LifePlan™ 2030 Fund	6,386	—
VMD - McLean Budden LifePlan™ Retirement Fund	40,909	22,574

H. SOFT DOLLARS

Soft dollars are a way for investment managers to pay through trading commissions for research related products and services that support the investment decision making process.

Effective January 1, 2007, the Manager does not earn or accumulate soft dollars and the Fund has not accumulated any soft dollar credits for 2007 (2006 - \$360).