

Annual Financial Statements (Audited)

McLean Budden Canadian Equity Growth Fund

December 31, 2007

STATEMENTS OF NET ASSETS

As at December 31st

	2007	2006
ASSETS		
Investments, at fair value (Note 2)	\$ 135,929,913	\$ 147,571,995
Cash	169,772	166,098
Subscriptions receivable	179,601	222,744
Accrued interest and dividends receivable	168,993	190,135
	<u>136,448,279</u>	<u>148,150,972</u>
LIABILITIES		
Distributions payable	3,617	455
Accrued expenses	45,270	45,854
Redemptions payable	132,757	230,473
	<u>181,644</u>	<u>276,782</u>
TOTAL NET ASSETS	\$ 136,266,635	\$ 147,874,190
UNITHOLDERS' EQUITY		
Class A	\$ 39,083,062	\$ 38,564,554
Class B	64,058,139	100,730,994
Class C	33,125,434	8,578,642
	<u>\$ 136,266,635</u>	<u>\$ 147,874,190</u>
UNITS OUTSTANDING (Note D)		
Class A	948,588	954,268
Class B	1,544,653	2,478,364
Class C	800,319	211,245
	<u>3,293,560</u>	<u>3,643,877</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 41.20	\$ 40.41
Class B	41.47	40.64
Class C	41.39	40.61
Investments, at average cost	<u>\$ 107,370,472</u>	<u>\$ 108,743,035</u>

STATEMENTS OF OPERATIONS

For the year ended December 31st

	2007	2006
INCOME		
Interest	\$ 132,414	\$ 85,719
Dividends	2,050,116	1,839,640
	<u>2,182,530</u>	<u>1,925,359</u>
EXPENSES (Note C)		
Management fees	581,813	551,371
NET INVESTMENT INCOME (LOSS)	1,600,717	1,373,988
Net realized gain (loss) on sale of investments*	16,534,161	6,380,227
Transaction costs (Note 2)	(54,053)	-
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(10,231,946)	16,970,032
Distributions from underlying fund holdings	695,261	376,462
NET GAIN (LOSS) ON INVESTMENTS	6,943,423	23,726,721
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 8,544,140	\$ 25,100,709
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	\$ 2,065,131	\$ 6,545,919
Class B	6,906,824	17,133,490
Class C	(427,815)	1,421,300
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ 2.22	\$ 6.41
Class B	3.34	6.85
Class C	(1.50)	7.02
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of year [^]	\$ 104,778,305	\$ 111,557,108
Cost of investments purchased during the year [^]	28,616,746	27,346,264
	<u>133,395,051</u>	<u>138,903,372</u>
Investments at cost at end of the year [^]	105,700,253	104,801,504
Cost of investments sold during the year [^]	27,694,798	34,101,868
Proceeds from sale of investments [^]	44,228,959	40,482,095
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 16,534,161	\$ 6,380,227

[^] 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)	\$ 38,546,431	\$ 36,507,356	\$ 100,684,072	\$ 91,082,498
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	2,065,131	6,545,919	6,906,824	17,133,490
CAPITAL TRANSACTIONS				
Proceeds from issue of units	4,318,527	3,172,214	9,671,176	14,350,876
Distributions reinvested	1,221,688	121,247	2,488,192	1,088,480
Redemption of units	(5,816,648)	(7,657,321)	(53,202,044)	(21,835,654)
	(276,433)	(4,363,860)	(41,042,676)	(6,396,298)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(235,911)	(124,861)	(839,795)	(1,088,696)
Realized gains	(1,016,156)	—	(1,650,286)	—
	(1,252,067)	(124,861)	(2,490,081)	(1,088,696)
NET ASSETS, END OF YEAR	\$ 39,083,062	\$ 38,564,554	\$ 64,058,139	\$ 100,730,994

	Class C		Total	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$ 8,574,652	\$ 6,947,529	\$ 147,805,155	\$ 134,537,383
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(427,815)	1,421,300	8,544,140	25,100,709
CAPITAL TRANSACTIONS				
Proceeds from issue of units	27,742,203	748,839	41,731,906	18,271,929
Distributions reinvested	1,362,976	105,068	5,072,856	1,314,795
Redemption of units	(2,751,916)	(539,026)	(61,770,608)	(30,032,001)
	26,353,263	314,881	(14,965,846)	(10,445,277)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(523,646)	(105,068)	(1,599,352)	(1,318,625)
Realized gains	(851,020)	—	(3,517,462)	—
	(1,374,666)	(105,068)	(5,116,814)	(1,318,625)
NET ASSETS, END OF YEAR	\$ 33,125,434	\$ 8,578,642	\$ 136,266,635	\$ 147,874,190

STATEMENTS OF INVESTMENT PORTFOLIO

As at December 31, 2007

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 1.24%; 2006 – 2.67%)				
TREASURY BILLS				
200,000	Canada Treasury Bills	3.799% May 29, 2008	\$196,382	\$196,840
150,000	Canada Treasury Bills	4.050% July 10, 2008	146,585	146,963
250,000	Canada Treasury Bills	4.292% August 7, 2008	240,318	244,173
100,000	Canada Treasury Bills	3.999% September 4, 2008	97,230	97,402
100,000	Farm Credit Canada	4.020% February 5, 2008	99,311	99,600
			<u>779,826</u>	<u>784,978</u>
DISCOUNT COMMERCIAL PAPER				
300,000	Bank of Nova Scotia	4.751% February 21, 2008	296,526	298,038
150,000	Enbridge Consumers Gas	4.757% January 2, 2008	149,300	149,961
250,000	GE Capital Canada Funding Company	4.761% February 29, 2008	246,940	247,990
200,000	Manulife Bank	4.762% March 14, 2008	197,628	198,122
			<u>890,394</u>	<u>894,111</u>
	TOTAL SHORT-TERM INVESTMENTS		<u>1,670,220</u>	<u>1,679,089</u>
EQUITIES (2007 – 98.76%; 2006 – 97.33%)				
CANADIAN EQUITIES (2007 – 74.84%; 2006 – 72.03%)				
ENERGY				
42,500	Addax Petroleum Corporation	Common	1,234,331	1,825,375
124,100	Cameco Corporation	Common	2,803,658	4,910,637
54,500	Canadian Natural Resources Ltd.	Common	1,417,549	3,955,610
66,200	EnCana Corporation	Common	3,560,760	4,468,500
57,800	Petro-Canada	Common	1,939,913	3,077,850
45,200	Suncor Energy Inc.	Common	1,346,399	4,877,532
250,100	Talisman Energy Inc.	Common	2,177,458	4,591,836
55,300	Trican Well Service Ltd.	Common	1,204,178	1,063,419
			<u>15,684,246</u>	<u>28,770,759</u>
MATERIALS				
37,500	Agrium Inc.	Common	1,169,748	2,687,625
11,100	First Quantum Minerals Ltd.	Common	1,051,067	943,500
79,500	Goldcorp Inc.	Common	2,403,679	2,683,125
16,600	Inmet Mining Corporation	Common	987,509	1,334,308
11,000	Potash Corporation of Saskatchewan	Common	1,026,214	1,573,990
53,800	Teck Cominco Ltd.	Class B Sub Voting	1,885,102	1,906,134
			<u>8,523,319</u>	<u>11,128,682</u>
INDUSTRIALS				
312,300	Bombardier Inc.	Class B Sub Voting	1,723,331	1,861,308
94,000	Canadian National Railway Company	Common	3,306,121	4,385,100
37,800	Finning International Inc.	Common	594,381	1,083,348
			<u>5,623,833</u>	<u>7,329,756</u>
CONSUMER DISCRETIONARY				
43,000	Linamar Corporation	Common	647,433	866,450
32,900	Magna International Inc.	Class A Sub Voting	2,475,853	2,627,065
84,100	RONA Inc.	Common	1,902,690	1,433,905
78,900	Thomson Corporation, The	Common	3,408,667	3,178,092
			<u>8,434,643</u>	<u>8,105,512</u>
CONSUMER STAPLES				
26,600	George Weston Ltd.	Common	2,748,618	1,436,134
59,100	Shoppers Drug Mart	Common	1,551,384	3,147,666
			<u>4,300,002</u>	<u>4,583,800</u>

Number of Shares/Units	Security	Issue	Total Cost	Fair Value
FINANCIALS				
75,600	Bank of Montréal	Common	\$5,120,973	\$4,252,500
74,100	Bank of Nova Scotia	Common	1,610,296	3,716,856
72,350	Brookfield Asset Management Inc.	Class A Ltd Voting	2,581,815	2,564,084
34,500	Canadian Imperial Bank of Commerce	Common	1,713,610	2,433,975
47,400	IGM Financial Inc.	Common	1,394,987	2,371,422
124,600	Manulife Financial Corporation	Common	3,032,528	5,040,070
68,900	Royal Bank of Canada	Common	2,364,427	3,492,541
72,300	Toronto Dominion Bank	Common	2,926,683	5,021,235
19,800	TSX Group Inc.	Common	758,259	1,045,440
			<u>21,503,578</u>	<u>29,938,123</u>
INFORMATION TECHNOLOGY				
17,500	Cognos Incorporated	Common	706,317	999,600
63,974	Nortel Networks Corporation	Common	2,931,268	958,331
45,700	Research In Motion Ltd.	Common	1,430,085	5,143,992
			<u>5,067,670</u>	<u>7,101,923</u>
TELECOMMUNICATION SERVICES				
106,100	Rogers Communication Inc.	Class B Non Voting	2,248,164	4,773,439
	TOTAL CANADIAN EQUITIES		<u>71,385,455</u>	<u>101,731,994</u>
MUTUAL FUNDS (2007 – 23.92%; 2006 – 25.30%)				
254,540	McLean Budden American Equity Fund Class A		9,692,864	8,833,323
968,402	McLean Budden International Equity Fund Class A		10,652,754	10,514,520
1,559,190	McLean Budden Global Equity Fund Class A		14,006,647	13,170,987
	TOTAL MUTUAL FUNDS		<u>34,352,265</u>	<u>32,518,830</u>
	TOTAL EQUITIES		<u>105,737,720</u>	<u>134,250,824</u>
	ADJUSTMENTS FOR TRANSACTION COSTS (NOTE 2)		<u>(\$37,468)</u>	
	TOTAL INVESTMENTS		<u>\$107,370,472</u>	<u>\$135,929,913</u>

McLean Budden Canadian Equity Growth 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 Growth Fund (“Canadian Equity Growth Fund”)	July 15, 1988	April 1, 2000	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.

Where a portion of the Fund’s assets are invested in other mutual funds (“underlying funds”), the Fund indirectly pays its share of the management fees of the underlying funds. All such charges are included in the management expense ratio of the Fund. In computing the management fees, the management fee payable by the Fund which holds units in underlying funds is reduced to reflect any management fee payable by the underlying fund in order to avoid any duplication of management fees. The management fees are the only compensation to which the Manager is entitled in respect of the Fund.

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 Growth Fund					
Class A 2007	954,268	101,496	29,633	(136,809)	948,588
Class A 2006	1,074,477	86,930	3,000	(210,139)	954,268
Class B 2007	2,478,364	225,604	59,962	(1,219,277)	1,544,653
Class B 2006	2,663,707	385,513	26,781	(597,637)	2,478,364
Class C 2007	211,245	620,906	32,910	(64,742)	800,319
Class C 2006	203,339	20,018	2,587	(14,699)	211,245

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	929,583	1,020,912
Class B	2,071,007	2,502,515
Class C	285,655	202,569

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 \$54,053 (2006 - \$57,889).

G. 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 - \$5,545).