

Annual Financial Statements (Audited)

McLean Budden Canadian Equity Value Fund

December 31, 2007

STATEMENTS OF NET ASSETS

As at December 31st

	2007	2006
ASSETS		
Investments, at fair value (Note 2)	\$ 45,003,690	\$ 67,721,318
Cash	102,094	97,844
Subscriptions receivable	46,619	58,885
Accrued interest and dividend receivable	81,662	125,354
	<u>45,234,065</u>	<u>68,003,401</u>
LIABILITIES		
Distributions payable	3,457	1,144
Accrued expenses	22,810	25,099
Redemptions payable	46,921	97,970
	<u>73,188</u>	<u>124,213</u>
TOTAL NET ASSETS	\$ 45,160,877	\$ 67,879,188
UNITHOLDERS' EQUITY		
Class A	\$ 23,109,667	\$ 24,185,840
Class B	19,127,860	39,501,847
Class C	2,923,350	4,191,501
	<u>\$ 45,160,877</u>	<u>\$ 67,879,188</u>
UNITS OUTSTANDING (Note D)		
Class A	1,511,433	1,433,577
Class B	1,235,678	2,316,405
Class C	189,741	246,537
	<u>2,936,852</u>	<u>3,996,519</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 15.29	\$ 16.87
Class B	\$ 15.48	\$ 17.05
Class C	\$ 15.41	\$ 17.00
Investments, at average cost	\$ 39,248,856	\$ 54,345,433

STATEMENTS OF OPERATIONS

For the year ended December 31st

	2007	2006
INCOME		
Interest	\$ 123,497	\$ 57,140
Dividends	1,172,085	1,219,499
	<u>1,295,582</u>	<u>1,276,639</u>
EXPENSES (Note C)		
Management fees	315,379	312,155
NET INVESTMENT INCOME (LOSS)	980,203	964,484
Net realized gain (loss) on sale of investments*	7,764,810	5,231,782
Transaction costs (Note 2)	(42,876)	—
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(7,573,527)	2,741,236
Distributions from underlying fund holdings	254,982	181,093
NET GAIN (LOSS) ON INVESTMENTS	403,389	8,154,111
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 1,383,592	\$ 9,118,595
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	\$ 162,449	\$ 3,099,778
Class B	\$ 1,138,225	\$ 5,465,725
Class C	\$ 82,918	\$ 553,092
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ 0.12	\$ 2.12
Class B	\$ 0.57	\$ 2.30
Class C	\$ 0.39	\$ 2.34
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of year [^]	\$ 52,561,294	\$ 55,320,691
Cost of investments purchased during the year [^]	12,400,064	11,639,050
	<u>64,961,358</u>	<u>66,959,741</u>
Investments at cost at end of the year [^]	38,415,959	52,571,542
Cost of investments sold during the year [^]	26,545,399	14,388,199
Proceeds from sale of investments [^]	<u>34,310,209</u>	<u>19,619,981</u>
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 7,764,810	\$ 5,231,782


*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS

Cost of investments held at beginning of year [^]	\$ 52,561,294	\$ 55,320,691
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Investments at cost at end of the year [^]	38,415,959	52,571,542
Cost of investments sold during the year [^]	26,545,399	14,388,199
Proceeds from sale of investments [^]	<u>34,310,209</u>	<u>19,619,981</u>

NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 7,764,810	\$ 5,231,782
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[^] 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)	\$ 24,164,027	\$ 24,327,256	\$ 39,466,515	\$ 39,436,028
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	162,449	3,099,778	1,138,225	5,465,725
CAPITAL TRANSACTIONS				
Proceeds from issue of units	2,248,544	2,127,782	3,387,078	4,282,317
Distributions reinvested	2,238,069	1,185,301	1,999,066	2,245,277
Redemption of units	(3,412,710)	(5,354,652)	(24,861,355)	(9,682,516)
	1,073,903	(2,041,569)	(19,475,211)	(3,154,922)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(441,298)	(214,042)	(485,993)	(648,738)
Realized gains	(1,849,414)	(985,583)	(1,515,676)	(1,596,246)
	(2,290,712)	(1,199,625)	(2,001,669)	(2,244,984)
NET ASSETS, END OF YEAR	\$ 23,109,667	\$ 24,185,840	\$ 19,127,860	\$ 39,501,847

	Class C		Total	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$ 4,187,762	\$ 3,971,893	\$ 67,818,304	\$ 67,735,177
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	82,918	553,092	1,383,592	9,118,595
CAPITAL TRANSACTIONS				
Proceeds from issue of units	274,053	71,495	5,909,675	6,481,594
Distributions reinvested	285,707	244,274	4,522,842	3,674,852
Redemption of units	(1,589,273)	(404,979)	(29,863,338)	(15,442,147)
	(1,029,513)	(89,210)	(19,430,821)	(5,285,701)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(84,605)	(75,319)	(1,011,896)	(938,099)
Realized gains	(233,212)	(168,955)	(3,598,302)	(2,750,784)
	(317,817)	(244,274)	(4,610,198)	(3,688,883)
NET ASSETS, END OF YEAR	\$ 2,923,350	\$ 4,191,501	\$ 45,160,877	\$ 67,879,188

STATEMENTS OF INVESTMENT PORTFOLIO

As at December 31, 2007

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 1.87%; 2006 – 2.62%)				
TREASURY BILLS				
150,000	Canada Treasury Bills	4.185% March 20, 2008	146,078	148,755
250,000	Canada Treasury Bills	3.941% May 29, 2008	245,938	246,050
150,000	Canada Treasury Bills	4.460% August 7, 2008	143,849	146,504
300,000	Farm Credit Canada	4.051% February 28, 2008	297,033	298,029
TOTAL SHORT-TERM INVESTMENTS			832,898	839,338
EQUITIES (2007 – 98.13%; 2006 – 97.38%)				
CANADIAN EQUITIES (2007 – 72.61%; 2006 – 71.94%)				
ENERGY				
14,500	Cameco Corporation	Common	595,065	573,765
25,600	Enbridge Inc.	Common	843,998	1,024,256
29,402	EnCana Corporation	Common	876,977	1,984,635
27,900	Husky Energy Inc.	Common	819,475	1,242,387
10,000	Imperial Oil Ltd.	Common	157,975	545,800
52,400	Talisman Energy Inc.	Common	1,024,921	962,064
45,275	TransCanada Corporation	Common	1,183,792	1,834,090
9,200	Vermilion Energy Trust	Trust Unit	345,426	313,352
			5,847,629	8,480,349
MATERIALS				
37,508	Barrick Gold Corporation	Common	1,207,004	1,562,958
120,410	Catalyst Paper Corporation	Common	890,840	183,023
7,840	CCL Industries Inc.	Class B Non Voting	94,819	302,702
42,900	Domtar (Canada) Paper Inc.	Exchangeable Shares	410,035	327,756
62,200	IAMGOLD Corporation	Common	514,501	500,710
24,400	Nova Chemicals Corporation	Common	934,122	784,704
			4,051,321	3,661,853
INDUSTRIALS				
21,580	Canadian National Railway Company	Common	654,879	1,006,707
8,665	Canadian Pacific Railway Ltd.	Common	292,586	556,466
11,200	Finning International Inc.	Common	178,200	320,992
			1,125,665	1,884,165
CONSUMER DISCRETIONARY				
7,000	Canadian Tire Corporation Ltd.	Class A Non Voting	295,085	517,790
7,400	Magna International Inc.	Class A Sub Voting	652,610	590,890
24,200	Thomson Corporation, The	Common	1,126,379	974,776
			2,074,074	2,083,456
CONSUMER STAPLES				
52,000	Alimentation Couche-Tard Inc.	Class B Sub Voting	1,061,873	942,240
53,000	The Jean Coutu Group (PJC) Inc.	Class A Sub Voting	753,445	588,830
8,200	Loblaw Companies Ltd.	Common	498,865	278,554
22,520	Rothmans Inc.	Common	312,697	569,756
			2,626,880	2,379,380
FINANCIALS				
12,230	Bank of Montréal	Common	691,673	687,938
23,000	Bank of Nova Scotia	Common	539,232	1,153,680
7,150	Canadian Imperial Bank of Commerce	Common	448,986	504,433
17,000	Industrial Alliance Insurance & Financial Services Inc.	Common	353,043	723,010
49,200	Manulife Financial Corporation	Common	1,250,468	1,990,140
13,900	National Bank of Canada	Common	582,100	725,163
30,740	Power Corporation of Canada	Sub Voting	662,841	1,232,059

Number of Shares/Units	Security	Issue	Total Cost	Fair Value
25,840	Royal Bank of Canada	Common	\$711,836	\$1,309,830
24,200	Toronto Dominion Bank	Common	1,372,949	1,680,690
			6,613,128	10,006,943
INFORMATION TECHNOLOGY				
46,700	CGI Group Inc.	Class A Sub Voting	375,062	537,050
31,720	Nortel Networks Corporation	Common	943,587	475,166
			1,318,649	1,012,216
TELECOMMUNICATION SERVICES				
12,051	BCE Inc.	Common	356,345	477,220
10,863	Bell Aliant Regional Communications Income Fund	Income Fund	364,884	319,698
26,700	TELUS Corporation	Common	1,327,344	1,319,781
			2,048,573	2,116,699
UTILITIES				
24,900	Fortis Inc.	Common	452,884	720,108
10,000	TransAlta Corporation	Common	165,538	333,000
			618,422	1,053,108
TOTAL CANADIAN EQUITIES			26,324,341	32,678,169
MUTUAL FUNDS (2007 – 25.52%; 2006 – 25.44%)				
100,025	McLean Budden American Equity Fund Class A		3,889,116	3,471,176
315,931	McLean Budden International Equity Fund Class A		3,342,136	3,430,257
542,746	McLean Budden Global Equity Fund Class A		4,876,154	4,584,750
TOTAL MUTUAL FUNDS			12,107,406	11,486,183
TOTAL EQUITIES			38,431,747	44,164,352
ADJUSTMENTS FOR TRANSACTION COSTS (NOTE 2)			(\$15,789)	
TOTAL INVESTMENTS			\$39,248,856	\$45,003,690

McLean Budden Canadian Equity Value 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:

	Class A	Class B	Class C
McLean Budden Canadian Equity Value Fund (“Canadian Equity Value Fund”)	July 1, 1999	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. 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 Value Fund					
Class A 2007	1,433,577	128,422	146,176	(196,742)	1,511,433
Class A 2006	1,563,637	131,150	70,256	(331,466)	1,433,577
Class B 2007	2,316,405	190,671	128,965	(1,400,363)	1,235,678
Class B 2006	2,506,163	261,533	131,668	(582,959)	2,316,405
Class C 2007	246,537	15,605	18,519	(90,920)	189,741
Class C 2006	253,137	4,365	14,368	(25,333)	246,537

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	1,396,432	1,464,359
Class B	2,001,092	2,381,344
Class C	214,909	236,036

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 \$42,876 (2006- \$27,218).

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 - \$1,372).