

Annual Financial Statements (Audited)

McLean Budden International Equity Fund

December 31, 2007

STATEMENTS OF NET ASSETS

As at December 31st

	2007	2006
ASSETS		
Investments, at fair value (Note 2)	\$ 61,194,949	\$ 66,247,715
Cash	604,037	486,459
Subscriptions receivable	129,813	17,226
Accrued interest and dividends receivable	229,355	226,053
	<u>62,158,154</u>	<u>66,977,453</u>
LIABILITIES		
Due to broker	200,000	–
Distributions payable	1,370	1,222
Accrued expenses	52,162	53,074
Redemptions payable	13,771	17,377
	<u>267,303</u>	<u>71,673</u>
TOTAL NET ASSETS	\$ 61,890,851	\$ 66,905,780
UNITHOLDERS' EQUITY		
Class A	\$ 42,512,834	\$ 48,329,739
Class B	13,168,459	13,979,547
Class C	6,209,558	4,596,494
	<u>\$ 61,890,851</u>	<u>\$ 66,905,780</u>
UNITS OUTSTANDING (Note D)		
Class A	3,931,804	3,914,670
Class B	1,198,053	1,114,121
Class C	552,452	358,105
	<u>5,682,309</u>	<u>5,386,896</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 10.81	\$ 12.35
Class B	\$ 10.99	\$ 12.55
Class C	\$ 11.24	\$ 12.84
Investments, at average cost	\$ 59,522,584	\$ 52,372,970

STATEMENTS OF OPERATIONS

For the year ended December 31st

	2007	2006
INCOME		
Interest	\$ 188,381	\$ 68,197
Dividends	1,588,080	1,710,343
	<u>1,776,461</u>	<u>1,778,540</u>
Less: Foreign withholding taxes	135,472	106,700
	<u>1,640,989</u>	<u>1,671,840</u>
EXPENSES (Note C)		
Management fees	661,228	614,670
NET INVESTMENT INCOME (LOSS)	979,761	1,057,170
Net realized gain (loss) on sale of investments*	3,426,004	5,083,331
Transaction costs (Note 2)	(67,513)	–
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(12,196,392)	9,031,358
NET GAIN (LOSS) ON INVESTMENTS	(8,837,901)	14,114,689
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (7,858,140)	\$ 15,171,859
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	\$ (5,429,866)	\$ 9,588,197
Class B	\$ (1,768,363)	\$ 4,670,559
Class C	\$ (659,911)	\$ 913,103
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ (1.39)	\$ 2.48
Class B	\$ (1.39)	\$ 2.46
Class C	\$ (1.41)	\$ 2.78
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of year [^]	\$ 50,918,348	\$ 55,418,875
Cost of investments purchased during the year [^]	22,171,328	20,172,913
	<u>73,089,676</u>	<u>75,591,788</u>
Investments at cost at end of the year [^]	57,843,012	50,942,418
Cost of investments sold during the year [^]	15,246,664	24,649,370
Proceeds from sale of investments [^]	<u>18,672,668</u>	<u>29,732,701</u>
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 3,426,004	\$ 5,083,331

[^] 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

	2007		Class A		2007		Class B	
			2006				2006	
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$	48,303,905	\$	39,487,403	\$	13,972,139	\$	18,707,702
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		(5,429,866)		9,588,197		(1,768,363)		4,670,559
CAPITAL TRANSACTIONS								
Proceeds from issue of units		6,798,867		5,011,428		5,533,301		6,420,755
Distributions reinvested		530,645		662,901		304,193		286,747
Redemption of units		(7,158,911)		(5,755,702)		(4,562,138)		(15,813,737)
		170,601		(81,373)		1,275,356		(9,106,235)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)								
Investment income		(531,806)		(664,488)		(310,673)		(292,479)
NET ASSETS, END OF YEAR	\$	42,512,834	\$	48,329,739	\$	13,168,459	\$	13,979,547

	2007		Class C		2007		Total	
			2006				2006	
NET ASSETS, BEGINNING OF YEAR (Note 2)	\$	4,594,064	\$	3,277,957	\$	66,870,108	\$	61,473,062
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS		(659,911)		913,103		(7,858,140)		15,171,859
CAPITAL TRANSACTIONS								
Proceeds from issue of units		3,068,302		430,953		15,400,470		11,863,136
Distributions reinvested		161,328		112,376		996,166		1,062,024
Redemption of units		(792,755)		(25,520)		(12,513,804)		(21,594,959)
		2,436,875		517,809		3,882,832		(8,669,799)
DISTRIBUTIONS TO UNITHOLDERS (Note 3)								
Investment income		(161,470)		(112,375)		(1,003,949)		(1,069,342)
NET ASSETS, END OF YEAR	\$	6,209,558	\$	4,596,494	\$	61,890,851	\$	66,905,780

STATEMENTS OF INVESTMENT PORTFOLIO

As at December 31, 2007

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 2.75%; 2006 – 2.16%)				
TREASURY BILLS				
600,000	Canada Treasury Bills	3.917% May 29, 2008	\$590,066	\$590,520
150,000	Canada Treasury Bills	3.999% September 4, 2008	145,845	146,103
100,000	Farm Credit Canada	4.051% February 28, 2008	99,011	99,343
500,000	Farm Credit Canada	3.872% March 20, 2008	495,220	495,570
			<u>1,330,142</u>	<u>1,331,536</u>
GOVERNMENT GUARANTEED				
150,000	Union Gas Ltd.	4.801% January 18, 2008	149,430	149,646
TERM DEPOSIT				
200,000	Royal Bank of Canada	4.250% January 2, 2008	200,000	200,000
			<u>1,679,572</u>	<u>1,681,182</u>
INTERNATIONAL EQUITIES (2007 – 97.25%; 2006 – 97.84%)				
AUSTRALIA				
FINANCIALS				
13,000	Macquarie Group Ltd.	NPV	943,345	858,450
BRAZIL				
MATERIALS				
65,000	Companhia Vale Do Rio	ADR (1 Ord Shr)	1,698,004	2,095,843
INDUSTRIALS				
20,000	Embraer-Empresa Brasileira de Aeronautica	ADR (4 Ord Shrs)	1,012,725	898,127
			<u>2,710,729</u>	<u>2,993,970</u>
FINLAND				
MATERIALS				
30,000	UPM Kymmene Corporation	SP ADR	711,847	592,171
UTILITIES				
20,000	Fortum OYJ	EUR 3.40	696,436	889,165
			<u>1,408,283</u>	<u>1,481,336</u>
FRANCE				
CONSUMER DISCRETIONARY				
7,000	Accor	EUR 3	531,814	552,416
CONSUMER STAPLES				
50,000	L'Oréal Company	ADR (0.2 Ord)	944,105	1,381,733
INDUSTRIALS				
4,500	Nexans	EUR 1	409,599	553,888
MATERIALS				
40,000	Air Liquide	ADR (0.2 Ord)	663,003	1,150,787
TELECOMMUNICATION SERVICES				
25,000	France Telecom	SP ADR (1 Ord)	833,455	879,128
			<u>3,381,976</u>	<u>4,517,952</u>
GERMANY				
FINANCIALS				
12,000	Deutsche Bank AG Nam	Ordinary	1,164,168	1,530,408
7,000	Deutsche Boerse AG	NPV	226,318	1,365,132
INDUSTRIALS				
9,500	Siemens AG	SP ADR	753,738	1,475,134
38,000	Deutsche Post AG	NPV (Eu)	1,105,676	1,278,712
			<u>3,249,900</u>	<u>5,649,386</u>
INDIA				
INFORMATION TECHNOLOGY				
12,500	Infosys Technology Limited	ADR (1 Ord Shr)	625,051	556,888
ISRAEL				
INFORMATION TECHNOLOGY				
40,000	Check Point Software	Ordinary	1,082,851	866,939

Number of Shares	Security	Issue	Total Cost	Fair Value
ITALY				
CONSUMER DISCRETIONARY				
40,000	Bulgari SPA	EUR 0.07	\$681,919	\$553,239
JAPAN				
CONSUMER DISCRETIONARY				
20,500	Toyota Motor Corporation	ADR (2 Ord)	2,375,919	2,144,648
FINANCIALS				
130,000	Mitsubishi UFJ Financial Group Inc.	NPV	1,994,069	1,196,729
80,000	Nomura Holdings Inc.	SP ADR	1,580,846	1,322,516
INDUSTRIALS				
175,000	All Nippon Airways Company Ltd.	NPV	710,427	636,972
65,000	Asahi Glass Company Ltd.	NPV	853,782	858,498
15,000	Fanuc Ltd.	NPV	1,424,021	1,436,499
INFORMATION TECHNOLOGY				
25,000	Canon Inc.	ADR (1 Ord)	1,008,938	1,129,567
48,000	Hoya Corporation	NPV	1,808,276	1,501,168
8,000	Ibiden Company	NPV	449,799	546,329
17,000	Murata Manufacturing Company Ltd.	NPV	1,179,790	970,211
TELECOMMUNICATION SERVICES				
45,000	Nippon Telegraph & Telephone	SP ADR (0.005 Ord)	1,351,359	1,095,221
			<u>14,737,226</u>	<u>12,838,358</u>
KOREA				
UTILITIES				
25,000	Korea Electric Power Corporation	SP ADR (0.5 Com)	608,084	514,202
MEXICO				
CONSUMER STAPLES				
30,000	Wal-Mart De Mexico	SP ADR (10 Shs)	782,367	1,018,535
NETHERLANDS				
CONSUMER DISCRETIONARY				
35,000	Reed Elsevier NV	SP ADR (2 Ord)	1,286,759	1,365,153
NORWAY				
ENERGY				
28,000	StatoilHydro ASA	SP ADR (1 Ord Nok 2.5)	573,834	843,410
SINGAPORE				
FINANCIALS				
60,000	DBS Group Holdings Ltd.	SGD 1	750,332	850,749
SPAIN				
FINANCIALS				
40,000	Banco Santander SA	EUR 0.50 (Regd)	877,145	853,090
SWEDEN				
INFORMATION TECHNOLOGY				
65,000	Telefonaktiebolaget LM Ericsson	ADR (10 Ser B Shrs)	2,296,090	1,497,946
SWITZERLAND				
CONSUMER STAPLES				
17,000	Nestlé SA	SP ADR (0.25 Ord)	1,342,015	1,924,962
FINANCIALS				
12,500	Credit Suisse Group	CHF 0.04 (Regd)	910,449	740,986
40,000	UBS AG	Common	1,991,251	1,815,993
HEALTH CARE				
40,000	Novartis AG	ADR (1 Ord Shs)	2,272,144	2,142,082
30,000	Roche Holdings Ltd.	SP ADR (0.01 Ord)	2,652,212	2,519,690
			<u>9,168,071</u>	<u>9,143,713</u>

McLean Budden *International Equity Mutual Fund*

STATEMENT OF NET ASSETS

As at December 31, 2007 (in U.S. \$) (continued)

Number of Shares	Security	Issue	Total Cost	Fair Value
TAIWAN				
INFORMATION TECHNOLOGY				
60,000	Taiwan Semiconductor Manufacturing Company Ltd.	SP ADR (5 Ord)	\$633,577	\$589,803
UNITED KINGDOM				
CONSUMER DISCRETIONARY				
25,000	WPP Group PLC	SP ADR (5 Ords)	1,575,488	1,586,032
CONSUMER STAPLES				
11,500	Diageo PLC	SP ADR (4 Ord)	756,351	973,032
ENERGY				
15,000	BG PLC	ADR (5 Ords)	784,051	1,681,767
35,000	BP PLC	ADR (6 Ords)	2,519,840	2,487,120
FINANCIALS				
20,000	HSBC Holdings PLC	SP ADR (5 Ord)	1,934,087	1,652,355
100,000	Royal Bank Scotland Group Ordinary 25p		1,226,845	871,906
INDUSTRIALS				
115,000	Experian Group Ltd.	Ordinary NPV	1,389,897	890,177
MATERIALS				
15,000	Johnson Matthey PLC	SP ADR	709,797	1,092,556
TELECOMMUNICATION SERVICES				
35,000	Vodafone Group PLC	ADR (10 Ords)	<u>1,192,202</u>	<u>1,285,703</u>
			<u>12,088,558</u>	<u>12,520,648</u>
TOTAL INTERNATIONAL EQUITIES			57,886,097	59,513,767
ADJUSTMENTS FOR TRANSACTION COSTS (NOTE 2)			(\$43,085)	
TOTAL INVESTMENTS			\$59,522,584	\$61,194,949

McLean Budden International 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:

	Class A	Class B	Class C
McLean Budden International Equity Fund ("International Equity Fund")	July 1, 1998	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. As at December 31, 2007, the Fund has accumulated net realized capital losses available for utilization against net realized gains for tax purposes in future years of \$9,868,170 (2006 - \$12,287,286). Capital losses may be carried forward indefinitely.

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
International Equity Fund					
Class A 2007	3,914,670	570,167	48,873	(601,906)	3,931,804
Class A 2006	3,927,149	451,981	53,694	(518,154)	3,914,670
Class B 2007	1,114,121	437,578	27,561	(381,207)	1,198,053
Class B 2006	1,834,043	578,557	22,861	(1,321,340)	1,114,121
Class C 2007	358,105	245,079	14,295	(65,027)	552,452
Class C 2006	313,584	37,983	8,755	(2,217)	358,105

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	3,911,944	3,867,491
Class B	1,268,371	1,901,892
Class C	469,294	328,875

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 \$67,513 (2006 - \$84,637).

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
McLean Budden Balanced Growth Fund	1,948,051	1,936,088
McLean Budden Canadian Equity Growth Fund	968,402	1,000,146
McLean Budden Canadian Equity Value Fund	315,931	421,968

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 - \$1,190).