

Semi-annual Financial Statements (Unaudited)

McLean Budden Fixed Income Fund

June 30th, 2007

STATEMENTS OF NET ASSETS

As at June 30th, 2007 (unaudited) and December 31st, 2006 (audited)

	2007	2006
ASSETS		
Investments, at fair value	\$ 135,670,166	\$ 130,912,384
Cash	155,645	139,470
Subscriptions receivable	134,968	340,908
Accrued interest receivable	1,253,006	1,306,730
	<u>137,213,785</u>	<u>132,699,492</u>
LIABILITIES		
Distributions payable	2,262	3,301
Accrued expenses	51,817	48,786
Redemptions payable	111,015	74,389
Due to brokers	—	992,033
	<u>165,094</u>	<u>1,118,509</u>
TOTAL NET ASSETS	\$ 137,048,691	\$ 131,580,983
UNITHOLDERS EQUITY		
Class A	\$ 80,733,919	\$ 75,408,303
Class B	30,201,914	34,113,240
Class C	26,112,858	22,059,440
	<u>\$ 137,048,691</u>	<u>\$ 131,580,983</u>
UNITS OUTSTANDING (Note D)		
Class A	6,398,488	5,756,168
Class B	2,464,205	2,680,311
Class C	2,148,255	1,747,189
	<u>11,010,948</u>	<u>10,183,668</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 12.62	\$ 13.10
Class B	\$ 12.26	\$ 12.73
Class C	\$ 12.16	\$ 12.63
Investments, at average cost	\$ 137,314,540	\$ 127,921,744

STATEMENTS OF OPERATIONS

For the six months ended June 30th (unaudited)


	2007	2006
INCOME		
Interest	\$ 3,224,993	\$ 2,923,825
	<u>3,224,993</u>	<u>2,923,825</u>
EXPENSES		
Management fees (Note C)	324,135	292,073
NET INVESTMENT INCOME (LOSS)	2,900,858	2,631,752
Net realized gain (loss) on sale of investments*	(481,760)	(420,412)
Transaction costs	—	—
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(4,568,697)	(5,258,976)
NET GAIN (LOSS) ON INVESTMENTS	(5,050,457)	(5,679,388)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ (2,149,599)	\$ (3,047,636)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	(1,374,915)	(1,862,127)
Class B	(417,316)	(769,334)
Class C	(357,368)	(416,175)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ (0.22)	\$ (0.34)
Class B	\$ (0.16)	\$ (0.31)
Class C	\$ (0.18)	\$ (0.29)
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of period [^]	\$ 125,351,931	\$ 114,515,906
Cost of investments purchased during the period [^]	86,739,604	58,727,595
	<u>212,091,535</u>	<u>173,243,501</u>
Investments at cost at end of the period [^]	136,825,326	118,139,985
Cost of investments sold during the period [^]	75,266,209	55,103,516
Proceeds from sale of investments [^]	74,784,449	54,683,104
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ (481,760)	\$ (420,412)

[^] Excludes short-term investments.

On behalf of the Manager, McLean Budden Limited.



Roger Beauchemin,
Director



Mary Hallward,
Director

STATEMENTS OF CHANGES IN NET ASSETS

For the six months ended June 30th (unaudited)

	Class A		Class B	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF PERIOD	\$ 75,367,964	\$ 72,475,991	\$ 34,095,038	\$ 32,007,131
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(1,374,915)	(1,862,127)	(417,316)	(769,334)
CAPITAL TRANSACTIONS				
Proceeds from issue of units	16,127,933	5,738,109	3,851,217	5,037,656
Distributions reinvested	1,536,261	1,360,131	718,693	766,393
Redemption of units	(9,208,858)	(8,662,127)	(7,321,832)	(4,702,068)
	8,455,336	(1,563,887)	(2,751,922)	1,101,981
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(1,714,466)	(1,556,496)	(723,886)	(777,834)
Realized gains	—	—	—	—
	(1,714,466)	(1,556,496)	(723,886)	(777,834)
NET ASSETS, END OF PERIOD	\$ 80,733,919	\$ 67,493,481	\$ 30,201,914	\$ 31,561,944

	Class C		Total	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF PERIOD	\$ 22,047,660	\$ 15,194,225	\$ 131,510,662	\$ 119,677,347
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(357,368)	(416,175)	(2,149,599)	(3,047,636)
CAPITAL TRANSACTIONS				
Proceeds from issue of units	6,526,018	4,666,430	26,505,168	15,442,195
Distributions reinvested	610,604	446,744	2,865,558	2,573,268
Redemption of units	(2,067,012)	(520,313)	(18,597,702)	(13,884,508)
	5,069,610	4,592,861	10,773,024	4,130,955
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(647,044)	(484,737)	(3,085,396)	(2,819,067)
Realized gains	—	—	—	—
	(647,044)	(484,737)	(3,085,396)	(2,819,067)
NET ASSETS, END OF PERIOD	\$ 26,112,858	\$ 18,886,174	\$ 137,048,691	\$ 117,941,599

STATEMENTS OF INVESTMENT PORTFOLIO

as at June 30th, 2007 (unaudited)

Par Value \$	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 0.36%; 2006 – 0.33%)				
TREASURY BILLS				
200,000	Canadian Treasury Bills	4.268% August 23, 2007	\$198,722	\$198,695
100,000	Canadian Treasury Bills	4.131% October 4, 2007	96,897	98,836
100,000	Canadian Treasury Bills	4.721% June 12, 2008	95,670	95,691
100,001	Canadian Treasury Bills	4.282% November 15, 2007	97,925	98,304
TOTAL SHORT-TERM INVESTMENTS			489,214	491,526
BONDS (2007 - 99.64%; 2006 - 99.67%)				
FEDERAL GOVERNMENT BONDS				
FEDERAL				
4,890,000	Government of Canada	4.250% September 1, 2008	4,898,744	4,869,906
1,100,000	Government of Canada	4.250% September 1, 2009	1,110,109	1,091,842
2,065,000	Government of Canada	4.000% September 1, 2010	2,053,229	2,029,607
9,785,000	Government of Canada	4.500% June 1, 2015	9,829,573	9,749,253
2,975,000	Government of Canada	5.250% June 1, 2012	3,050,713	3,064,802
1,070,000	Government of Canada	8.000% June 1, 2023	1,446,315	1,484,094
3,880,000	Government of Canada	8.000% June 1, 2027	5,378,521	5,625,248
3,605,000	Government of Canada	5.750% June 1, 2029	4,302,911	4,217,066
3,625,000	Government of Canada	5.750% June 1, 2033	4,487,958	4,323,538
4,615,000	Government of Canada	5.000% June 1, 2037	5,241,943	5,031,044
			<u>41,800,016</u>	<u>41,486,400</u>
GOVERNMENT GUARANTEED				
3,930,000	Canada Housing Trust	4.800% June 15, 2012	3,929,018	3,948,807
1,625,000	United States Treasury	4.875% October 31, 2008	1,786,603	1,726,164
1,085,000	United States Treasury	4.250% November 15, 2014	1,177,965	1,101,330
3,485,000	United States Treasury	5.250% February 15, 2029	3,940,877	3,734,975
			<u>10,834,463</u>	<u>10,511,276</u>
SUPRANATIONAL				
1,145,000	European Investment Bank (US Pay)	4.625% May 15, 2014	1,384,380	1,169,591
620,000	International Bank for Reconstruction and Development (US Pay)	4.750% February 15, 2035	678,201	580,062
			<u>2,062,581</u>	<u>1,749,653</u>
TOTAL FEDERAL BONDS			54,697,060	53,747,329
PROVINCIAL BONDS				
ONTARIO				
4,135,000	Province of Ontario	4.400% December 2, 2011	4,143,904	4,081,493
3,390,000	Province of Ontario	5.000% March 8, 2014	3,486,002	3,432,950
960,000	Province of Ontario	4.300% March 8, 2017	914,909	921,128
5,580,000	Province of Ontario	6.500% March 8, 2029	6,320,760	6,725,985
1,240,000	Province of Ontario	5.600% June 2, 2035	1,399,902	1,364,270
890,000	Province of Ontario	4.700% June 2, 2037	853,181	857,509
			<u>17,118,658</u>	<u>17,383,335</u>
QUEBEC				
5,905,000	Province of Quebec	5.500% December 1, 2014	6,321,583	6,144,914
1,250,000	Province of Quebec	6.000% October 1, 2029	1,396,262	1,409,187
1,260,000	Province of Quebec (US Pay)	4.600% May 26, 2015	1,430,756	1,262,650
			<u>9,148,601</u>	<u>8,816,751</u>
BRITISH COLUMBIA				
3,100,000	Province of British Columbia	6.375% August 23, 2010	3,334,495	3,247,078
1,140,000	Province of British Columbia	6.350% June 18, 2031	1,205,292	1,370,509
			<u>4,539,787</u>	<u>4,617,587</u>
MANITOBA				
1,555,000	Province of Manitoba	5.850% January 25, 2011	1,628,240	1,611,249
595,000	Province of Manitoba	4.300% March 1, 2016	592,733	574,177
			<u>2,220,973</u>	<u>2,185,426</u>
TOTAL PROVINCIAL BONDS			33,028,019	33,003,099
MUNICIPAL BONDS				
ONTARIO				
695,000	55 School Board Trust	5.900% June 2, 2033	729,419	778,024
TOTAL MUNICIPAL BONDS			729,419	778,024
CORPORATE BONDS				
INDUSTRIALS				
575,000	Loblaw Companies Ltd.	6.500% January 19, 2011	618,092	600,039
520,000	Loblaw Companies Ltd.	5.900% January 18, 2036	522,819	479,688
1,600,000	Thomson Corporation, The	5.200% December 1, 2014	1,650,848	1,589,259
			<u>2,791,759</u>	<u>2,668,986</u>
UTILITIES				
143,925	Alliance Pipeline	5.546% December 31, 2023	143,925	147,425
190,000	Bell Canada	10.00% June 15, 2014	239,932	234,344

Par Value \$	Security	Issue	Total Cost	Fair Value
750,000	Consumers Gas	5.850% September 25, 2008	\$771,803	\$758,354
225,000	Consumers Gas	6.650% November 3, 2027	220,793	260,331
375,000	CU Inc.	6.145% November 22, 2017	375,000	403,812
310,000	CU Inc.	6.800% August 13, 2019	313,860	353,291
505,000	CU Inc.	5.032% November 20, 2036	505,000	475,589
605,000	Enbridge Gas Inc.	5.210% February 25, 2036	604,177	578,081
320,000	Enbridge Pipelines Inc.	4.460% December 17, 2012	319,962	312,946
215,000	Gaz Metropolitan	6.950% November 2, 2009	215,123	223,930
235,000	Gaz Metropolitan	5.450% July 12, 2021	234,213	237,341
135,000	Gaz Metropolitan	7.050% October 30, 2030	134,781	163,297
1,230,000	Hydro One Inc.	5.770% November 15, 2012	1,302,347	1,279,510
200,000	Hydro One Inc.	6.930% June 1, 2032	203,259	242,863
580,000	TransCanada Pipeline	5.100% January 11, 2017	581,285	571,498
585,000	UE Waterheater Operating Trust	4.145% January 30, 2009	582,180	578,710
			<u>6,747,640</u>	<u>6,821,322</u>
FINANCIALS				
1,210,000	Bank of America Corporation [†]	4.810% June 1, 2016	1,212,226	1,198,896
720,000	Bank of Montréal	4.690% January 31, 2011	726,873	714,203
1,360,000	Bank of Montréal	5.200% June 21, 2017	1,359,945	1,365,536
679,767	Bank of Nova Scotia	3.318% August 18, 2009	673,580	668,128
1,975,000	Bank of Nova Scotia	4.930% June 8, 2010	1,971,683	1,972,715
1,230,000	Bank of Nova Scotia	4.560% October 30, 2013	1,250,812	1,195,724
1,175,000	Bear Stearns Co Inc.	4.350% July 20, 2012	1,133,084	1,116,398
850,000	Cards II Trust	3.869% October 15, 2010	850,000	822,515
1,995,000	Canadian Imperial Bank of Commerce	4.950% September 2, 2010	2,021,573	1,995,586
750,000	Canadian Imperial Bank of Commerce [†]	3.750% September 9, 2015	733,980	722,767
500,000	Citigroup Financial Group Canada [†]	4.650% June 21, 2011	499,870	496,290
800,000	Citigroup Inc.	5.365% March 6, 2036	800,000	759,005
700,000	Citigroup Inc.	5.160% May 24, 2027	699,566	667,228
605,000	DaimlerChrysler Canada	4.980% December 1, 2008	604,952	604,297
1,505,000	GE Capital Funding Canada	4.750% May 2, 2011	1,503,012	1,494,496
720,000	GE Capital Funding Canada	4.650% February 11, 2015	695,822	698,436
1,215,000	Genesis Trust	4.245% September 15, 2011	1,215,000	1,181,504
1,385,000	Goldman Sachs Group Inc.	5.200% April 9, 2022	1,382,215	1,323,672
535,000	Goldman Sachs Group Inc.	4.800% June 1, 2011	534,540	527,115
1,055,000	Great West Life Company	5.691% June 21, 2067	1,055,000	1,057,836
840,000	HSBC Bank of Canada	3.500% September 2, 2008	839,782	827,380
570,000	HSBC Bank of Canada [†]	4.940% March 16, 2021	569,641	555,539
835,000	HSBC Finance	4.350% October 6, 2011	833,848	809,415
545,000	JP Morgan & Chase & Company	5.058% February 22, 2016	545,000	528,767
795,000	Manulife Bank	4.190% December 9, 2010	793,688	778,888
1,250,000	Master Credit Credit Trust	4.444% November 21, 2011	1,250,000	1,223,893
830,000	Merrill Lynch & Company	4.500% January 30, 2012	829,261	804,659
1,215,000	Merrill Lynch & Company	5.290% May 30, 2022	1,214,258	1,177,811
1,070,000	National Bank of Canada [†]	4.456% November 2, 2016	1,070,000	1,047,963
545,000	National Bank of Canada [†]	4.700% November 2, 2020	541,259	524,421
455,000	Power Financial Corporation	6.900% March 11, 2033	521,149	537,063
190,000	Royal Bank of Canada	4.920% July 6, 2011	189,983	190,132
375,000	Royal Bank of Canada [†]	5.450% November 4, 2018	386,276	381,593
1,930,000	Toronto Dominion Bank [†]	4.317% January 18, 2016	1,930,863	1,887,262
395,000	Toronto Dominion Bank	4.779% December 14, 2105	395,000	375,122
295,000	VW Credit Canada Inc.	4.830% September 22, 2008	294,882	293,493
1,475,000	Wells Fargo Financial Canada	4.450% February 28, 2011	1,466,165	1,450,685
1,665,000	Wells Fargo Financial Canada	4.380% June 30, 2015	1,660,668	1,587,677
			<u>36,255,456</u>	<u>35,564,110</u>
REVENUE				
805,000	407 International Inc.	6.470% July 27, 2029	881,722	917,441
270,000	NAV Canada	4.428% February 24, 2011	270,000	265,895
			<u>1,151,722</u>	<u>1,183,336</u>
COMMERCIAL MORTGAGE BACKED SECURITIES				
970,000	Merrill Lynch Financial Assets	4.471% November 12, 2008	785,646	783,330
385,000	Real Estate Liquidity Trust	4.274% December 12, 2014	348,990	341,335
370,000	Solar Trust	4.650% May 12, 2012	289,615	287,769
			<u>1,424,251</u>	<u>1,412,434</u>
TOTAL CORPORATE BONDS			48,370,828	47,650,188
TOTAL BONDS			136,825,326	135,178,640
TOTAL INVESTMENTS			\$137,314,540	\$135,670,166

[†] Fixed/Floating

McLean Budden Fixed Income Mutual Fund

Fund Specific Notes to the Financial Statements

*For the six months ended June 30th, 2007 and 2006 (unaudited)
(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 Fixed Income Fund (“Fixed Income 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.

The unaudited information provided in these financial statements is for the 6 months ended June 30, 2007. Data for funds established during 2007 is presented from the date of inception.

B. INCOME TAXES

The Fund is considered a mutual fund trust 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, 2006, the Fund has accumulated net realized capital losses available for utilization against net realized gains for tax purposes in future years of \$503,075 (2005 - nil). Capital losses may be carried forward indefinitely.

C. MANAGEMENT FEES AND OPERATING EXPENSES

Each Fund is responsible for its management fee, the cost of investments and related brokerage fees and for any borrowing costs, bank charges, taxes and administrative expenses. Effective July 1, 1998, the Manager has assumed responsibility for payment of all administrative expenses of the Fund. These expenses include the cost of complying with regulatory requirements, the fees or expenses charged to the Manager for calculation of net asset value, the fees of the Trustee, custodian, auditors and legal counsel and other administrative costs arising in the ordinary course of the operation of the Fund. The Manager will continue to assume responsibility for the payment of the administrative expenses until unitholders receive at least 60 days written notice of a change.

For its services as Manager, MBL is entitled to an annual management fee for Class A units not exceeding 1.00%, excluding taxes, of the average net asset value of the Fund in the year. For 2007 and 2006, the actual fee was 0.65%.

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 underlying mutual 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 of another MB fund is reduced to reflect any management fee payable by the other 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 Funds.

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 Fund are issued and redeemed at the then current Transactional NAV per unit at the option of the unitholder.

D. UNITHOLDERS' EQUITY (continued)

Unit transactions for Class A, Class B and Class C units for the period ended June 30 were as follows:

Fund	Units Outstanding Beginning of Period	Issued	Distributions Reinvested	Redemptions	Units Outstanding End of Period
Fixed Income Fund					
Class A 2007	5,756,168	1,231,512	119,651	(708,843)	6,398,488
Class A 2006	5,492,045	440,003	106,587	(668,617)	5,370,018
Class B 2007	2,680,311	303,487	57,595	(577,188)	2,464,205
Class B 2006	2,496,490	400,554	61,862	(373,115)	2,585,791
Class C 2007	1,747,189	517,814	49,354	(166,102)	2,148,255
Class C 2006	1,194,576	370,825	36,360	(41,759)	1,560,002

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 period divided by the average units outstanding during the period. The average number of units outstanding during the period was:

	June 2007	June 2006
Class A	6,170,123	5,481,439
Class B	2,540,944	2,502,735
Class C	2,002,289	1,410,888

F. RELATED PARTY TRANSACTIONS

As at June 30, the following outstanding units of the Fund (Class A) were held by other McLean Budden Funds:

	Number of Units Held	
	2007	2006
McLean Budden Balanced Value Fund	610,064	511,412
VMD - McLean Budden LifePlan™ 2010 Fund	275,110	—
VMD - McLean Budden LifePlan™ 2020 Fund	193,097	—
VMD - McLean Budden LifePlan™ Retirement Fund	375,246	—
VMD - McLean Budden LifePlan™ 2030 Fund	5,300	—