

Semi-annual Financial Statements (Unaudited)

McLean Budden High Income Equity Fund

June 30th, 2007

STATEMENT OF NET ASSETS

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

	2007	2006*
ASSETS		
Investments, at fair value	\$ 11,859,512	\$ 7,749,228
Cash	265,536	166,254
Accrued interest and dividends receivable	45,499	32,547
	<u>12,170,547</u>	<u>7,948,029</u>
LIABILITIES		
Distributions payable	103	—
Accrued expenses	4,597	2,661
Redemptions payable	20,000	—
	<u>24,700</u>	<u>2,661</u>
TOTAL NET ASSETS	\$ 12,145,847	\$ 7,945,368
UNITHOLDERS EQUITY		
Class A	\$ 2,915,714	\$ 1,762,063
Class B	6,937,967	4,126,860
Class C	2,292,166	2,056,445
	<u>\$ 12,145,847</u>	<u>\$ 7,945,368</u>
UNITS OUTSTANDING (Note D)		
Class A	278,870	167,993
Class B	662,358	392,607
Class C	218,794	195,595
	<u>1,160,022</u>	<u>756,195</u>
NET ASSET VALUE PER UNIT		
Class A	\$ 10.46	\$ 10.49
Class B	\$ 10.47	\$ 10.51
Class C	\$ 10.48	\$ 10.51
Investments, at average cost	\$ 11,529,155	\$ 7,370,184

* McLean Budden High Income Equity Fund was created on March 24, 2006.

STATEMENT OF OPERATIONS

For the six months ended June 30th, 2007 and for the period from March 24th, 2006 (inception date) to June 30th, 2006 (unaudited)

	2007	2006*
INCOME		
Interest	\$ 11,920	\$ 33,685
Dividends	389,944	32,136
	<u>401,864</u>	<u>65,821</u>
Less: Foreign withholding taxes	2,784	1,013
	<u>399,080</u>	<u>64,808</u>
EXPENSES		
Management fees (Note C)	26,606	4,490
NET INVESTMENT INCOME (LOSS)	372,474	60,318
Net realized gain (loss) on sale of investments*	46,815	—
Transaction costs	(7,531)	—
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(40,512)	(221,494)
NET GAIN (LOSS) ON INVESTMENTS	(1,228)	(221,494)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	\$ 371,246	\$ (161,176)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS		
Class A	84,502	(23,285)
Class B	207,947	(82,711)
Class C	78,797	(55,180)
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)		
Class A	\$ 0.34	\$ (0.33)
Class B	\$ 0.34	\$ (0.33)
Class C	\$ 0.37	\$ (0.31)
*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS		
Cost of investments held at beginning of period [^]	\$ 7,122,155	\$ —
Cost of investments purchased during the period [^]	4,803,707	5,328,339
	<u>11,925,862</u>	<u>5,328,339</u>
Investments at cost at end of the period [^]	11,090,699	5,328,339
Cost of investments sold during the period [^]	835,163	—
Proceeds from sale of investments [^]	881,978	—
NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 46,815	\$ —

[^] Excludes short-term investments.

* McLean Budden High Income Equity Fund was created on March 24, 2006.

On behalf of the Manager, McLean Budden Limited.



Roger Beauchemin,
Director



Mary Hallward,
Director

McLean Budden *High Income Equity Mutual Fund*

STATEMENT OF CHANGES IN NET ASSETS

For the six months ended June 30th, 2007 and for the period from March 24, 2006 (inception date) to June 30th, 2006 (unaudited)

	Class A		Class B	
	2007	2006*	2007	2006*
NET ASSETS, BEGINNING OF PERIOD	\$ 1,759,260	\$ —	\$ 4,120,304	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	84,502	(23,285)	207,947	(82,711)
CAPITAL TRANSACTIONS				
Proceeds from issue of units	1,452,226	973,623	2,715,481	2,769,300
Distributions reinvested	80,324	6,192	221,342	23,466
Redemption of units	(378,760)	(1,200)	(105,765)	—
	1,153,790	978,615	2,831,058	2,792,766
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(81,838)	(6,287)	(221,342)	(23,466)
Realized gains	—	—	—	—
	(81,838)	(6,287)	(221,342)	(23,466)
NET ASSETS, END OF PERIOD	\$ 2,915,714	\$ 949,043	\$ 6,937,967	\$ 2,686,589

	Class C		Total	
	2007	2006*	2007	2006*
NET ASSETS, BEGINNING OF PERIOD	\$ 2,053,180	\$ —	\$ 7,932,744	\$ —
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	78,797	(55,180)	371,246	(161,176)
CAPITAL TRANSACTIONS				
Proceeds from issue of units	342,335	1,849,722	4,510,042	5,592,645
Distributions reinvested	81,729	16,746	383,395	46,404
Redemption of units	(182,146)	(1,458)	(666,671)	(2,658)
	241,918	1,865,010	4,226,766	5,636,391
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	(81,729)	(16,746)	(384,909)	(46,499)
Realized gains	—	—	—	—
	(81,729)	(16,746)	(384,909)	(46,499)
NET ASSETS, END OF PERIOD	\$ 2,292,166	\$ 1,793,084	\$ 12,145,847	\$ 5,428,716

* McLean Budden High Income Equity Fund was created on March 24, 2006.

McLean Budden *High Income Equity Mutual Fund*

STATEMENT OF INVESTMENT PORTFOLIO

as at June 30th, 2007 (unaudited)

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2007 – 3.72%; 2006 – 1.89%)				
TREASURY BILLS				
100,000	Canadian Treasury Bills	4.269% August 23, 2007	\$99,027	\$99,348
50,000	Canadian Treasury Bills	4.120% October 4, 2007	48,158	49,418
50,000	Canadian Treasury Bills	4.220% March 20, 2008	48,056	48,368
150,000	Canadian Treasury Bills	4.750% June 12, 2008	143,216	143,536
			<u>338,457</u>	<u>340,670</u>
TERM DEPOSITS				
100,000	Royal Bank of Canada	4.250% July 3, 2007	100,000	100,000
			<u>438,457</u>	<u>440,670</u>
EQUITIES (2007 – 96.28%; 2006 – 98.11%)				
CANADIAN EQUITIES (2007 – 85.45%; 2006 – 86.86%)				
ENERGY				
19,100	Canadian Oil Sands Trust	Trust Unit	594,702	629,154
13,200	Enbridge Inc.	Common	482,815	473,880
18,600	Keyera Facilities Income Trust	Trust Unit	352,739	342,426
9,500	Penn West Energy Trust	Trust Unit	371,949	337,440
24,900	Progress Energy Trust	Trust Unit	363,806	318,222
20,400	TransCanada Corporation	Common	742,182	747,456
15,000	Trinidad Energy Services Income Trust	Trust Unit	232,065	224,400
11,600	Vermilion Energy Trust	Trust Unit	387,641	414,004
			<u>3,527,899</u>	<u>3,486,982</u>
INDUSTRIALS				
8,500	BFI Canada Income Fund	Trust Unit	236,216	238,595
CONSUMER DISCRETIONARY				
5,200	Thomson Corporation, The	Common	237,313	226,200
CONSUMER STAPLES				
21,300	Rothmans Inc.	Common	443,797	448,578
HEALTH CARE				
14,600	CML Healthcare Income Fund	Trust Unit	215,102	221,336
FINANCIALS				
8,200	Aeroplan Income Fund	Income Fund	111,270	173,184
7,200	Bank of Montréal	Common	484,650	492,480
6,400	Bank of Nova Scotia	Common	311,467	332,032
4,200	Canadian Imperial Bank of Commerce	Common	369,638	402,192
7,900	CI Financial Inc.	Income Fund	230,967	213,695
5,100	Dundee Real Estate Investment Trust	Trust Units Ser A	158,609	229,908
5,400	IGM Financial Inc.	Common	261,158	279,558
17,900	InnVest Real Estate Investment Trust	Trust Unit	231,358	219,096
8,700	MI Developments Inc.	Class A Sub Vtg	349,040	334,776
4,500	National Bank of Canada	Common	285,225	276,165
8,000	Royal Bank of Canada	Common	410,048	452,960
6,400	Toronto Dominion Bank	Common	422,333	466,303
2,400	TSX Group Inc.	Common	115,575	100,080
			<u>3,741,338</u>	<u>3,972,429</u>
TELECOMMUNICATION SERVICES				
8,900	BCE Inc.	Common	257,991	358,581
5,600	Bell Aliant Regional Communications Income Fund	Income Fund	175,980	175,560
7,900	Telus Corporation	Common	401,377	503,783
			<u>835,348</u>	<u>1,037,924</u>

Number of Shares	Security	Issue	Total Cost	Fair Value
UTILITIES				
10,500	Fortis Inc.	Common	\$260,859	\$273,000
11,200	Great Lakes Hydro Income Fund	Trust Unit	208,200	228,928
			<u>469,059</u>	<u>501,928</u>
			9,706,072	10,133,972
FOREIGN EQUITIES (2007 – 10.83%; 2006 – 11.25%)				
ENERGY				
10,300	Spectra Energy Corp	Common	307,796	284,325
MATERIALS				
900	Rio Tinto PLC	Adr (4 Ord)	212,493	293,072
HEALTH CARE				
10,300	Pfizer Inc.	Common	308,499	279,723
FINANCIALS				
3,600	Citigroup Inc.	Common	209,569	196,224
UTILITIES				
11,900	Duke Energy Corporation	Common	354,238	231,526
			<u>1,392,595</u>	<u>1,284,870</u>
			11,098,667	11,418,842
ADJUSTMENTS FOR TRANSACTION COSTS				
			(7,969)	–
			\$11,529,155	\$11,859,512

McLean Budden High Income Equity Mutual Fund

Fund Specific Notes to the Financial Statements

For the six months ended June 30th, 2007 and for the period from March 24th, 2006 (inception date) to June 30th, 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 High Income Equity Fund (“High Income Equity Fund”)	March 24, 2006	March 24, 2006	March 24, 2006

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.

C. MANAGEMENT FEES AND OPERATING EXPENSES

The 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 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 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
High Income Equity Fund					
Class A 2007	167,993	139,019	7,750	(35,892)	278,870
Class A 2006*	–	98,385	645	(125)	98,905
Class B 2007	392,607	258,309	21,297	(9,855)	662,358
Class B 2006*	–	277,349	2,443	–	279,792
Class C 2007	195,595	32,520	7,866	(17,187)	218,794
Class C 2006*	–	185,144	1,743	(150)	186,737

* Since inception on March 24, 2006.

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	250,859	71,577
Class B	613,957	252,060
Class C	214,367	176,272

F. BROKERAGE FEES

Commissions paid to dealers in connection with the purchase and sale of securities during the period were allocated by management to the Fund for 2007 at \$7,531 (2006 - \$5,534).

G. 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
VMD - McLean Budden LifePlan™ Retirement Fund	49,135	–

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 so the Fund accumulated soft dollar credits of \$nil (2006 - \$28).