

# Semi-annual Financial Statements (Unaudited)

## McLean Budden International Equity Fund

June 30th, 2007

### STATEMENTS OF NET ASSETS

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

	2007	2006
<b>ASSETS</b>		
Investments, at fair value	\$ 69,714,130	\$ 66,247,715
Cash	568,497	486,459
Subscriptions receivable	413,853	17,226
Accrued interest and dividends receivable	414,384	226,053
	<u>71,110,864</u>	<u>66,977,453</u>
<b>LIABILITIES</b>		
Distributions payable	—	1,222
Accrued expenses	53,124	53,074
Redemptions payable	17,690	17,377
Due to broker	51,673	—
	<u>122,487</u>	<u>71,673</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 70,988,377</b>	<b>\$ 66,905,780</b>
<b>UNITHOLDERS EQUITY</b>		
Class A	\$ 48,532,448	\$ 48,329,739
Class B	16,508,261	13,979,547
Class C	5,947,668	4,596,494
	<u>70,988,377</u>	<u>66,905,780</u>
<b>UNITS OUTSTANDING (Note D)</b>		
Class A	4,018,250	3,914,670
Class B	1,337,580	1,114,121
Class C	470,588	358,105
	<u>5,826,418</u>	<u>5,386,896</u>
<b>NET ASSET VALUE PER UNIT</b>		
Class A	\$ 12.08	\$ 12.35
Class B	\$ 12.34	\$ 12.55
Class C	\$ 12.64	\$ 12.84
Investments, at average cost	\$ 60,112,223	\$ 52,372,970

### STATEMENTS OF OPERATIONS

For the six months ended June 30th (unaudited)

	2007	2006
<b>INCOME</b>		
Interest	\$ 144,536	\$ 25,828
Dividends	1,258,423	1,275,894
	<u>1,402,959</u>	<u>1,301,722</u>
Less: Foreign withholding taxes	119,718	118,387
	<u>1,283,241</u>	<u>1,183,335</u>
<b>EXPENSES</b>		
Management fees (Note C)	341,825	298,177
<b>NET INVESTMENT INCOME (LOSS)</b>	<b>941,416</b>	<b>885,158</b>
Net realized gain (loss) on sale of investments*	1,905,422	1,460,228
Transaction costs	(44,397)	—
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(4,265,439)	520,676
<b>NET GAIN (LOSS) ON INVESTMENTS</b>	<b>(2,404,414)</b>	<b>1,980,904</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS</b>	<b>\$ (1,462,998)</b>	<b>\$ 2,866,062</b>
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER CLASS</b>		
Class A	(984,812)	1,787,446
Class B	(351,073)	906,021
Class C	(127,113)	172,595
<b>INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (Note E)</b>		
Class A	\$ (0.25)	\$ 0.46
Class B	\$ (0.27)	\$ 0.47
Class C	\$ (0.29)	\$ 0.54
<b>*NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS</b>		
Cost of investments held at beginning of period <sup>^</sup>	\$ 50,918,769	\$ 55,418,875
Cost of investments purchased during the period <sup>^</sup>	16,045,301	10,032,986
	<u>66,964,070</u>	<u>65,451,861</u>
Investments at cost at end of the period <sup>^</sup>	59,082,714	57,507,320
Cost of investments sold during the period <sup>^</sup>	7,881,356	7,944,541
Proceeds from sale of investments <sup>^</sup>	9,786,778	9,404,769
<b>NET REALIZED GAIN (LOSS) ON SALE OF INVESTMENTS</b>	<b>\$ 1,905,422</b>	<b>\$ 1,460,228</b>

<sup>^</sup> 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	\$ 48,303,905	\$ 39,487,403	\$ 13,972,139	\$ 18,707,702
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(984,812)	1,787,446	(351,073)	906,021
CAPITAL TRANSACTIONS				
Proceeds from issue of units	4,043,635	2,814,172	4,765,814	3,765,959
Distributions reinvested	—	—	—	445
Redemption of units	(2,830,280)	(3,449,677)	(1,878,619)	(2,570,237)
	1,213,355	(635,505)	2,887,195	1,196,167
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	—	—	—	—
NET ASSETS, END OF PERIOD	\$ 48,532,448	\$ 40,639,344	\$ 16,508,261	\$ 20,809,890

	Class C		Total	
	2007	2006	2007	2006
NET ASSETS, BEGINNING OF PERIOD	\$ 4,594,064	\$ 3,277,957	\$ 66,870,108	\$ 61,473,062
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(127,113)	172,595	(1,462,998)	2,866,062
CAPITAL TRANSACTIONS				
Proceeds from issue of units	1,742,901	168,931	10,552,350	6,749,062
Distributions reinvested	—	—	—	445
Redemption of units	(262,184)	(25,508)	(4,971,083)	(6,045,422)
	1,480,717	143,423	5,581,267	704,085
DISTRIBUTIONS TO UNITHOLDERS (Note 3)				
Investment income	—	—	—	—
NET ASSETS, END OF PERIOD	\$ 5,947,668	\$ 3,593,975	\$ 70,988,377	\$ 65,043,209

**STATEMENTS OF INVESTMENT PORTFOLIO**

as at June 30th, 2007 (unaudited)

Par Value \$/ No. of Shares	Security	Issue	Total Cost	Fair Value
<b>SHORT-TERM INVESTMENTS (2007 – 1.47%; 2006 – 2.50%)</b>				
TREASURY BILLS				
700,000	Canadian Treasury Bills	4.413% November 15, 2007	\$687,465	\$688,128
100,000	Canadian Treasury Bills	4.297% April 17, 2008	96,031	96,385
50,000	Canadian Treasury Bills	4.720% June 12, 2008	47,835	47,845
			<u>831,331</u>	<u>832,358</u>
DISCOUNT COMMERCIAL PAPER				
100,000	Honda Financial	4.350% August 9, 2007	98,927	99,502
100,000	VW Credit Canada	4.372% July 9, 2007	99,251	99,877
			<u>198,178</u>	<u>199,379</u>
	<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b><u>1,029,509</u></b>	<b><u>1,031,737</u></b>
<b>INTERNATIONAL EQUITIES (2007 – 98.53%; 2006 – 97.50%)</b>				
<b>AUSTRALIA</b>				
FINANCIALS				
10,000	Macquarie Bank	Ordinary	740,153	765,308
<b>BRAZIL</b>				
INDUSTRIALS				
20,000	Embraer-Empresa Brasileira de Aeronautica	ADR (4 ORD SHRS)	1,012,725	1,025,668
<b>CHINA</b>				
INFORMATION TECHNOLOGY				
1,300,000	Lenovo Group Limited	HKD 0.025	644,922	813,675
<b>FINLAND</b>				
MATERIALS				
25,000	UPM Kymmene Corporation	SP ADR	608,612	652,877
UTILITIES				
30,000	Fortum OYJ	EUR 3.40	1,044,655	999,483
			<u>1,653,267</u>	<u>1,652,360</u>
<b>FRANCE</b>				
CONSUMER DISCRETIONARY				
7,000	Accor	EUR 3	531,814	660,920
CONSUMER STAPLES				
60,000	L'Oreal Company	ADR (0.2 ORD)	1,132,926	1,499,888
INDUSTRIALS				
4,500	Nexans	EUR 1	409,599	797,194
MATERIALS				
50,000	Air Liquide	ADR (0.2 ORD)	828,754	1,324,369
TELECOMMUNICATION SERVICES				
55,000	France Telecom	SP ADR (1 ORD)	1,833,600	1,603,657
			<u>4,736,693</u>	<u>5,886,028</u>
<b>GERMANY</b>				
CONSUMER DISCRETIONARY				
9,000	Bayer Motoren Werke AG	EUR 1	527,762	619,860
FINANCIALS				
16,000	Deutsche Bank AG Nam	ORD	1,552,224	2,460,242
12,000	Deutsche Boerse AG	NPV	387,974	1,444,358
INDUSTRIALS				
38,000	Deutsche Post AG	NPV (EU)	1,105,676	1,310,778
9,500	Siemens AG	SP ADR	753,738	1,442,175
			<u>4,327,374</u>	<u>7,277,413</u>
<b>IRELAND</b>				
CONSUMER STAPLES				
40,000	C&C Group PLC	EUR	621,340	575,004

Number of Shares	Security	Issue	Total Cost	Fair Value
<b>ISRAEL</b>				
INFORMATION TECHNOLOGY				
40,000	Check Point Software	ORDINARY	\$1,082,851	\$970,566
<b>ITALY</b>				
CONSUMER DISCRETIONARY				
40,000	Bulgari SPA	EUR 0.07	681,919	682,700
<b>JAPAN</b>				
CONSUMER DISCRETIONARY				
20,500	Toyota Motor Corporation	ADR (2 ORD)	2,375,919	2,744,615
FINANCIALS				
80,000	Nomura Holdings Inc.	SP ADR	1,580,846	1,650,941
130	Mitsubishi UFJ Financial Group Inc.	NPV	1,994,069	1,511,707
HEALTH CARE				
15,000	Takeda Pharmaceutical Company Ltd.	NPV	836,283	1,025,893
INDUSTRIALS				
175,000	All Nippon Airways Company Ltd.	NPV	710,427	705,463
95,000	Asahi Glass Company	NPV	1,247,835	1,359,201
25,000	Canon Inc.	ADR (1 ORD)	1,008,938	1,559,458
15,000	Fanuc Ltd.	NPV	1,424,021	1,637,036
48,000	Hoya Corporation	NPV	2,080,919	1,955,270
10,000	Ibiden Company	NPV	562,249	684,790
15,000	Murata Manufacturing Company Ltd.	NPV	1,071,667	1,197,737
TELECOMMUNICATION SERVICES				
45,000	Nippon Telegraph & Telephone	SP ADR (0.005 ORD)	1,351,359	1,061,251
			<u>16,244,532</u>	<u>17,093,362</u>
<b>KOREA</b>				
UTILITIES				
30,000	Korea Electric Power Corporation	SP ADR (0.5 COM)	729,701	696,650
<b>MEXICO</b>				
CONSUMER STAPLES				
30,000	Wal Mart De Mexico	SP ADR (10 SHS)	782,367	1,204,698
<b>NETHERLANDS</b>				
CONSUMER DISCRETIONARY				
35,000	Reed Elsevier NV	SP ADR (2 ORD)	1,286,759	1,411,810
<b>NORWAY</b>				
ENERGY				
35,000	Statoil ASA	SP ADR (1 ORD NOK 2.5)	717,293	1,152,680
<b>SINGAPORE</b>				
FINANCIALS				
60,000	DBS Group Holdings Ltd.	SGD 1	750,332	947,287
<b>SWEDEN</b>				
INFORMATION TECHNOLOGY				
50,000	Telefonaktiebolaget LM Ericsson	ADR (10 SER B SHRS)	1,907,629	2,120,588
<b>SWITZERLAND</b>				
CONSUMER STAPLES				
20,000	Nestlé SA	SP ADR (0.25 ORD)	1,578,842	2,034,955
FINANCIALS				
12,500	Credit Suisse Group	CHF 0.50	915,447	947,685
40,000	UBS AG	NAMEN AKT	1,991,251	2,553,001

**STATEMENTS OF INVESTMENT PORTFOLIO (continued)**

as at June 30th, 2007 (unaudited)

Number of Shares	Security	Issue	Total Cost	Fair Value
<b>INTERNATIONAL EQUITIES (continued)</b>				
HEALTH CARE				
35,000	Novartis AG	ADR (1 ORD SHS)	\$1,992,704	\$2,087,557
30,000	Roche Holdings Ltd.	SP ADR (0.01 ORD)	2,652,211	2,833,832
			<u>9,130,455</u>	<u>10,457,030</u>
<b>UNITED KINGDOM</b>				
CONSUMER DISSCRETIONARY				
18,000	WPP Group PLC	SP ADR (5 ORDS)	1,160,294	1,387,429
CONSUMER STAPLES				
11,500	Diageo PLC	SP ADR (4 ORD)	526,157	708,968
ENERGY				
20,000	BG PLC	ADR (5 ORDS)	1,045,402	1,740,083
40,000	BP PLC	ADR (6 ORDS)	2,879,816	3,069,559
FINANCIALS				
20,000	HSBC Holdings PLC	SP ADR (5 ORD)	1,934,087	1,952,195
165,000	Royal Bank of Scotland Group	ORD 25P	2,024,293	2,229,112
INDUSTRIALS				
80,000	Experian Group Ltd.	ORD NPV	1,105,568	1,073,098
MATERIALS				
15,000	Johnson Matthey PLC	SP ADR	709,797	1,073,856
TELECOMMUNICATION SERVICES				
20,000	Vodafone Group PLC	ADR (10 ORDS)	697,857	715,266
			<u>12,083,271</u>	<u>13,949,566</u>
<b>TOTAL INTERNATIONAL EQUITIES</b>			<b>59,133,583</b>	<b>68,682,393</b>
<b>ADJUSTMENTS FOR TRANSACTION COSTS</b>			<b>(50,869)</b>	<b>—</b>
<b>TOTAL INVESTMENTS</b>			<b>\$60,112,223</b>	<b>\$69,714,130</b>

# McLean Budden International Equity 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 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.

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 \$12,287,286 (2005 - \$12,808,334). Capital losses may be carried forward indefinitely.

### 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
<b>International Equity Fund</b>					
Class A 2007	3,914,670	328,150	–	(224,570)	4,018,250
Class A 2006	3,927,149	262,496	–	(322,070)	3,867,575
<b>Class B 2007</b>	<b>1,114,121</b>	<b>371,781</b>	<b>–</b>	<b>(148,322)</b>	<b>1,337,580</b>
Class B 2006	1,834,043	349,880	44	(242,091)	1,941,876
<b>Class C 2007</b>	<b>358,105</b>	<b>132,488</b>	<b>–</b>	<b>(20,005)</b>	<b>470,588</b>
Class C 2006	313,584	15,542	–	(2,216)	326,910

**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	3,895,861	3,850,587
Class B	1,311,100	1,939,200
Class C	434,624	319,659

**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 \$44,397 (2006 - \$34,356).

**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
McLean Budden Balanced Growth Fund	1,936,088	1,896,859
McLean Budden Canadian Equity Growth Fund	956,320	986,395
McLean Budden Canadian Equity Value Fund	430,699	458,402

**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 - \$190).