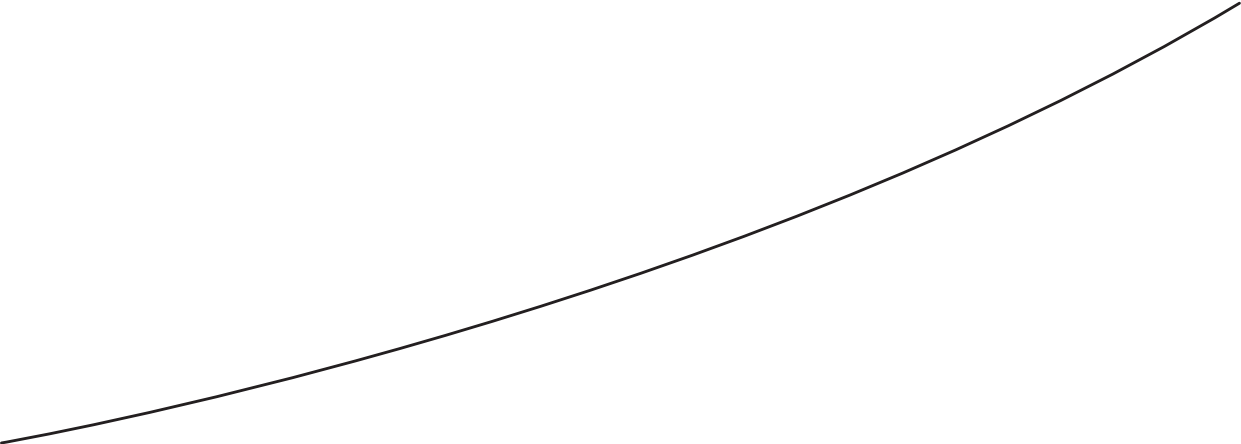


Annual Report 2010

Financial Statements
Audited

McLean Budden
American Equity Fund



McLean Budden Mutual Funds

Management's Responsibility for Financial Reporting

The accompanying financial statements have been prepared by McLean Budden Limited as Manager on behalf of McLean Budden Mutual Funds. McLean Budden Limited is responsible for the information contained within these financial statements.

The Manager maintains suitable processes to ensure that timely, relevant, and reliable financial information is produced. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and they include certain amounts that are based on estimates and judgments. The significant accounting policies which management believes are appropriate for the Funds are described in Note 2 of the Generic Notes to the Financial Statements. The Board of Directors of McLean Budden Limited is responsible for reviewing and approving the financial statements and overseeing management's financial reporting responsibilities.

Deloitte & Touche LLP are the external auditors of the Funds. They have audited the financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to unitholders their opinion on the financial statements.



Roger J. Beauchemin, CFA
President & Chief Executive Officer
McLean Budden Limited
February 18, 2011

Independent Auditor's Report

To the Unitholders of:

McLean Budden Balanced Growth Fund
McLean Budden Balanced Value Fund
McLean Budden Canadian Equity Growth Fund
McLean Budden Canadian Equity Fund
McLean Budden Canadian Equity Value Fund
(collectively referred to as the "Funds")

McLean Budden American Equity Fund
McLean Budden Global Equity Fund
McLean Budden High Income Equity Fund
McLean Budden International Equity Fund
McLean Budden Fixed Income Fund

McLean Budden Money Market Fund
McLean Budden LifePlan® 2020 Fund
McLean Budden LifePlan® 2030 Fund
McLean Budden LifePlan® Retirement Fund

We have audited the accompanying financial statements of the Funds, which comprise the statement of investment portfolio as at December 31, 2010, the statements of net assets as at December 31, 2010 and 2009, and the statements of operations and changes in net assets for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2010 and 2009, and the results of their operations and the changes in their net assets for the years then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Licensed Public Accountants
February 18, 2011
Toronto, Ontario



McLEAN BUDDEN
LOOK FORWARD®

McLean Budden American Equity Fund for the year ended December 31st, 2010

Statements of Net Assets

As at December 31st (in U.S. \$)

	2010	2009
Assets		
Investments, at fair value	\$1,083,071,512	\$ 793,918,578
Cash	336,279	2,360,989
Subscriptions receivable	8,946,426	978,258
Accrued interest and dividends receivable	1,138,205	1,029,501
	<u>1,093,492,422</u>	<u>798,287,326</u>
Liabilities		
Distributions payable	185,523	90,959
Accrued expenses	106,706	138,957
Redemptions payable	774,462	504,855
	<u>1,066,691</u>	<u>734,771</u>
Total net assets	<u>1,092,425,731</u>	<u>797,552,555</u>
Unitholders' equity		
Class A ^{††}	\$ 379,390	\$ 58,031
Class B ^{†††}	—	268,576,476
Class C	1,001,312,256	441,296,119
Class D [†]	47,685,931	46,535,568
Class F	6,470,389	7,644,959
Class O	36,577,765	33,441,402
	<u>\$1,092,425,731</u>	<u>\$ 797,552,555</u>
Units outstanding (Note C)		
Class A ^{††}	12,508	2,061
Class B ^{†††}	—	9,452,103
Class C	32,480,251	15,571,620
Class D [†]	1,563,012	1,658,268
Class F	213,413	275,053
Class O	1,186,752	1,180,414
	<u>35,455,936</u>	<u>28,139,519</u>
Net assets per unit		
Class A ^{††} US \$	\$ 30.33	\$ 28.16
Class B ^{†††} US \$	—	28.41
Class C US \$	30.83	28.34
Class D [†] US \$	30.51	28.06
Class F US \$	30.32	27.79
Class O US \$	30.82	28.33
Class A ^{††} CDN \$	30.14	29.52
Class B ^{†††} CDN \$	—	29.79
Class C CDN \$	30.63	29.71
Class D [†] CDN \$	30.32	29.42
Class F CDN \$	30.13	29.14
Class O CDN \$	30.63	29.70
Net asset value per unit		
Class A ^{††} US \$	\$ 30.33	\$ 28.17
Class B ^{†††} US \$	—	28.43
Class C US \$	30.83	28.35
Class D [†] US \$	30.51	28.07
Class F US \$	30.32	27.81
Class O US \$	30.83	28.34
Class A ^{††} CDN \$	30.14	29.53
Class B ^{†††} CDN \$	—	29.80
Class C CDN \$	30.64	29.72
Class D [†] CDN \$	30.32	29.43
Class F CDN \$	30.13	29.15
Class O CDN \$	30.63	29.71
Investments, at average cost	<u>\$968,232,041</u>	<u>\$ 734,235,841</u>

† Prior to April 1, 2009, Class D was known as Class A.

†† Class AA was created on April 1, 2009, and renamed Class A on March 26, 2010.

††† The Class B series of this Fund was closed on February 16, 2010.

On behalf of the Manager, McLean Budden Limited.


Roger Beauchemin,
Director

Alan Daxner,
Director

Statements of Operations

For the year ended December 31st (in U.S. \$)

	2010	2009
Income		
Interest	\$ 543,771	\$ 371,479
Dividends	17,137,010	14,390,097
	<u>17,680,781</u>	<u>14,761,576</u>
Less: Foreign withholding taxes	(2,504,357)	(2,124,652)
	<u>15,176,424</u>	<u>12,636,924</u>
Expenses		
Management fees	1,159,885	1,341,410
Independent review committee fees	45,287	36,501
	<u>1,205,172</u>	<u>1,377,911</u>
Net investment income (loss)	<u>13,971,252</u>	<u>11,259,013</u>
Net realized gain (loss) on sale of investments*	30,600,933	(64,631,915)
Transaction costs	(539,025)	(602,448)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	55,217,325	240,618,910
Net gain (loss) on investments	<u>85,279,233</u>	<u>175,384,547</u>
Increase (decrease) in net assets from operations	<u>\$ 99,250,485</u>	<u>\$ 186,643,560</u>
Increase (decrease) in net assets from operations per class		
Class A ^{††}	\$ 26,860	\$ 2,139
Class B ^{†††}	1,084,594	64,522,765
Class C	90,476,385	101,693,740
Class D [†]	3,821,846	10,764,472
Class F	250,098	1,625,761
Class O	3,590,702	8,034,683
Increase (decrease) in net assets from operations per unit (Note D)		
Class A ^{††}	\$ 3.43	\$ 6.36
Class B ^{†††}	0.37	6.89
Class C	3.20	7.22
Class D [†]	2.35	6.64
Class F	0.84	6.70
Class O	2.76	6.92
*Net realized gain (loss) on sale of investments		
Cost of investments held at beginning of year [^]	\$ 727,038,153	\$ 689,010,037
Cost of investments purchased during the year [^]	414,751,312	314,835,185
	<u>1,141,789,465</u>	<u>1,003,845,222</u>
Investments at cost at end of the year [^]	952,484,929	727,038,153
Cost of investments sold during the year [^]	189,304,536	276,807,069
Proceeds from sale of investments [^]	<u>219,905,469</u>	<u>212,175,154</u>
Net realized gain (loss) on sale of investments	<u>\$ 30,600,933</u>	<u>\$ (64,631,915)</u>

[^] Excludes short-term investments.

Statements of Changes in Net Assets

For the year ended December 31st (in U.S. \$)

	Class A ^{††}		Class B ^{†††}		Class C	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 58,031	\$ –	\$ 268,576,476	\$ 199,879,283	\$ 441,296,119	\$ 261,779,737
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	26,860	2,139	1,084,594	64,522,765	90,476,385	101,693,740
CAPITAL TRANSACTIONS						
Proceeds from issue of units	356,149	55,892	556,552	42,753,925	522,953,997	104,831,575
Distributions reinvested	1,107	807	4,258	3,313,197	12,687,947	6,510,500
Redemption of units	(61,590)	–	(270,221,880)	(38,409,403)	(53,218,745)	(27,026,948)
	295,666	56,699	(269,661,070)	7,657,719	482,423,199	84,315,127
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(1,167)	(807)	–	(3,483,291)	(12,883,447)	(6,492,485)
NET ASSETS, END OF YEAR	\$ 379,390	\$ 58,031	\$ –	\$ 268,576,476	\$ 1,001,312,256	\$ 441,296,119

	Class D [†]		Class F		Class O	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 46,535,568	\$ 33,032,047	\$ 7,644,959	\$ 4,723,583	\$ 33,441,402	\$ 25,831,823
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	3,821,846	10,764,472	250,098	1,625,761	3,590,702	8,034,683
CAPITAL TRANSACTIONS						
Proceeds from issue of units	6,808,003	9,990,342	3,429,279	1,979,390	5,828,137	2,942,855
Distributions reinvested	29,608	190,838	–	56,884	485,795	518,965
Redemption of units	(9,477,541)	(7,237,448)	(4,853,947)	(683,440)	(6,282,476)	(3,381,616)
	(2,639,930)	2,943,732	(1,424,668)	1,352,834	31,456	80,204
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(31,553)	(204,683)	–	(57,219)	(485,795)	(505,308)
NET ASSETS, END OF YEAR	\$ 47,685,931	\$ 46,535,568	\$ 6,470,389	\$ 7,644,959	\$ 36,577,765	\$ 33,441,402

	Total	
	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 797,552,555	\$ 525,246,473
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	99,250,485	186,643,560
CAPITAL TRANSACTIONS		
Proceeds from issue of units	539,932,117	162,553,979
Distributions reinvested	13,208,715	10,591,191
Redemption of units	(344,116,179)	(76,738,855)
	209,024,653	96,406,315
DISTRIBUTIONS TO UNITHOLDERS (Note 5)		
Investment income	(13,401,962)	(10,743,793)
NET ASSETS, END OF YEAR	\$ 1,092,425,731	\$ 797,552,555

[†] Prior to April 1, 2009, Class D was known as Class A.

^{††} Class AA was created on April 1, 2009, and renamed Class A on March 26, 2010.

^{†††} The Class B series of this Fund was closed on February 16, 2010.

Statements of Investment Portfolio

As at December 31st, 2010 (in U.S. \$)

Par Value \$/ Security No. of Shares	Issue	Total Cost	Fair Value	Number of Shares	Security	Issue	Total Cost	Fair Value	
SHORT-TERM INVESTMENTS (2010 - 1.45%; 2009 - 0.91%)				Information Technology					
Term Deposit									
800,000	Royal Bank of Canada	0.950% January 4, 2011	<u>805,112</u>	<u>805,112</u>					
Treasury Bills									
5,000,000	Ontario Treasury Bills	0.231% March 10, 2011	4,997,300	4,998,725					
5,100,000	Ontario Treasury Bills	0.230% March 23, 2011	5,097,297	5,098,261					
850,000	Province of Quebec	0.170% February 15, 2011	849,643	849,890					
4,000,000	Province of Quebec	0.219% March 4, 2011	<u>3,997,760</u>	<u>3,999,124</u>					
			<u>14,942,000</u>	<u>14,946,000</u>					
TOTAL SHORT-TERM INVESTMENTS			15,747,112	15,751,112					
U.S. EQUITIES (2010 - 98.55%; 2009 99.09%)									
Energy									
190,000	Apache Corporation	Common	12,720,971	22,653,700					
520,000	Exxon Mobil Corporation	Common	36,842,451	38,022,400					
390,000	Schlumberger Ltd.	Common	21,215,421	32,565,000					
850,000	Spectra Energy Corporation	Common	16,538,567	21,241,500					
150,000	Transocean Ltd.	Common	10,863,427	10,419,000					
450,000	Ultra Petroleum Corporation	Common	<u>24,634,392</u>	<u>21,496,500</u>					
			<u>122,815,229</u>	<u>146,398,100</u>					
Materials									
585,000	International Paper Co.	Common	14,894,866	15,935,400					
250,000	Monsanto Company	Common	17,853,466	17,410,000					
150,000	Mosaic Company (The)	Common	<u>7,856,298</u>	<u>11,448,000</u>					
			<u>40,604,630</u>	<u>44,793,400</u>					
Industrials									
275,000	Avery Dennison Corporation	Common	11,779,674	11,643,500					
240,000	The Boeing Company	Common	14,858,646	15,662,400					
150,000	General Dynamics Corporation	Common	10,348,114	10,644,000					
1,200,000	General Electric Company	Common	21,879,257	21,948,000					
300,000	Honeywell International Inc.	Common	10,223,615	15,948,000					
265,000	United Technologies Corporation	Common	<u>13,848,349</u>	<u>20,860,800</u>					
			<u>82,937,655</u>	<u>96,706,700</u>					
Consumer Discretionary									
270,000	Coach, Inc.	Common	9,010,231	14,933,700					
315,000	General Motors Company	Common	10,718,045	11,604,600					
285,000	Kohl's Corporation	Common	13,182,410	15,486,900					
400,000	Viacom Inc.	Class B	14,849,194	15,844,000					
315,000	YUM! Brands, Inc.	Common	<u>11,571,914</u>	<u>15,450,750</u>					
			<u>59,331,794</u>	<u>73,319,950</u>					
Consumer Staples									
265,000	Colgate-Palmolive Company	Common	18,254,239	21,298,050					
315,000	CVS Caremark Corporation	Common	9,577,838	10,952,550					
150,000	Estée Lauder Company Inc.	Class A	5,277,772	12,105,000					
475,000	PepsiCo Inc.	Common	27,607,513	31,031,750					
350,000	SYSCO Corporation	Common	10,269,759	10,290,000					
570,000	Wal-Mart Stores, Inc.	Common	<u>28,606,785</u>	<u>30,740,100</u>					
			<u>99,593,906</u>	<u>116,417,450</u>					
Health Care									
285,000	Amgen Inc.	Common	15,749,144	15,646,500					
185,000	Becton, Dickinson and Company	Common	12,667,577	15,636,200					
320,000	Johnson & Johnson	Common	19,023,241	19,788,800					
1,150,000	Merck & Co., Inc.	Common	42,392,047	41,446,000					
2,100,000	Pfizer Inc.	Common	40,070,970	36,771,000					
435,000	UnitedHealth Group Inc.	Common	<u>14,183,562</u>	<u>15,707,850</u>					
			<u>144,086,541</u>	<u>144,996,350</u>					
Financials									
590,000	ACE Limited	Common	27,103,615	36,721,600					
2,600,000	Bank of America Corporation	Common	38,664,516	34,684,000					
185,000	Goldman Sachs Group, Inc.	Common	30,114,727	31,107,750					
925,000	JPMorgan Chase & Co.	Common	33,772,561	39,229,250					
750,000	Wells Fargo & Company	Common	<u>20,821,119</u>	<u>23,242,500</u>					
			<u>150,476,538</u>	<u>164,985,100</u>					
					Telecommunication Services				
					1,065,000 AT&T Inc. Common 30,339,608 31,289,700				
					600,000 Verizon Communications Inc. Common <u>18,033,337</u> <u>21,462,000</u>				
					<u>48,372,945</u> <u>52,751,700</u>				
					Utilities				
					375,000 Exelon Corporation Common <u>21,521,291</u> <u>15,615,000</u>				
					TOTAL U.S. EQUITIES 953,310,525 1,067,320,400				
					ADJUSTMENTS FOR TRANSACTION COSTS (825,596)				
					TOTAL INVESTMENTS 968,232,041 1,083,071,512				



McLean Budden American Equity Fund

Fund Specific Notes to the Financial Statements

December 31, 2010 and 2009 (in U.S. \$)

(These notes should be read along with the Generic Notes to the Financial Statements)

A. Investment Objective

The Fund aims for long-term capital growth by investing in U.S. equity securities. Unitholder approval is required prior to a change of fundamental investment objectives.

B. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Manager seeks to minimize potential adverse effects of these risks on the Fund's performance by regularly monitoring the Fund's positions, market events and diversifying the investment portfolio within the constraints of the investment objective.

Significant risks that are relevant to the Fund are discussed below:

Credit Risk

As at December 31, the Fund invested in debt securities, such as short-term investments and bonds, with the following Standard and Poor's credit ratings:

Portfolio by rating category	As a % of Net Assets	
	December 31, 2010	December 31, 2009
AAA	0.1%	0.9%
AA	1.4%	—
Total	1.5%	0.9%

As at December 31, 2010 and 2009, none of these assets are impaired or past due and the percentages represent the maximum credit risk exposure.

Interest Rate Risk

As at December 31, 2010, approximately \$15,751,000 (2009: \$7,198,000) was invested in debt securities with term to maturity of less than 1 year.

The Fund has minimal sensitivity to changes in interest rates since these debt securities are usually held to maturity and are short-term in nature.

Currency Risk

As at December 31, the Fund had significant exposure to the following currency:

	December 31, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
Canadian Dollar	779,000	0.1	807,000	0.1

The amounts in the table above are based on the fair value of the Fund's foreign denominated financial instruments.

As at December 31, 2010, if the U.S. dollar had strengthened or weakened by 5% in relation to foreign currencies represented in the portfolio, with all other variables remaining constant, Net Assets would have decreased or increased by approximately \$39,000 (2009: \$40,000). In practice, actual trading results may differ and the difference may be material.

Other Price Risk

Approximately 97.7% (2009: 98.6%) of the Fund's Net Assets held at December 31, 2010 was publicly traded equities. If equity prices on the exchange increased or decreased by 5% as at December 31, 2010, the Net Assets of the Fund would have increased or decreased by approximately \$53,366,000 (2009: \$39,336,000) respectively or 4.9% (2009: 4.9%) of the Net Assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

C. Unitholders' Equity

Unit transactions for Class A, Class B, Class C, Class D, Class F and Class O units for the year ended December 31 were as follows:

Class	Units Outstanding Beginning of Year	Issued	Distributions Reinvested	Redemptions	Units Outstanding End of Year
Class A 2010^{††}	2,061	12,754	36	(2,343)	12,508
Class AA 2009 ^{††}	–	2,032	29	–	2,061
Class B 2010^{†††}	9,452,103	19,336	148	(9,471,587)	–
Class B 2009	9,093,887	1,787,182	116,643	(1,545,609)	9,452,103
Class C 2010	15,571,620	18,349,823	411,533	(1,852,725)	32,480,251
Class C 2009	11,944,801	4,510,069	229,967	(1,113,217)	15,571,620
Class D 2010	1,658,268	243,502	971	(339,729)	1,563,012
Class D 2009 [†]	1,518,925	434,454	6,798	(301,909)	1,658,268
Class F 2010	275,053	124,722	–	(186,362)	213,413
Class F 2009	219,190	82,234	2,046	(28,417)	275,053
Class O 2010	1,180,414	203,789	15,760	(213,211)	1,186,752
Class O 2009	1,179,289	128,324	18,428	(145,627)	1,180,414

[†] Prior to April 1, 2009 Class D was known as Class A. ^{††} Class AA was created on April 1, 2009, and renamed Class A on March 26, 2010.

^{†††} The Class B series of this Fund was closed on February 16, 2010.

D. 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:

	2010	2009
Class A	7,838	336
Class B	2,924,530	9,368,834
Class C	28,239,267	14,087,042
Class D	1,628,816	1,620,737
Class F	297,121	242,754
Class O	1,298,966	1,161,623

E. Related Party Transactions

As at December 31, the following Class O units of the Fund were held by other McLean Budden Funds:

	Number of Units Held	
	2010	2009
McLean Budden Balanced Growth Fund	932,488	872,743
McLean Budden Canadian Equity Growth Fund	203,676	257,753
McLean Budden Canadian Equity Value Fund	50,587	49,915

F. Fair Value Disclosure

The Fund's financial assets measured at fair value have been categorized based upon a fair value hierarchy in accordance CICA Section 3862. The following fair value hierarchy table presents information about the Fund's financial assets measured at fair value as of December 31 and there have been no transfers between levels during 2010 and 2009.

	Financial Assets at Fair Value as at December 31, 2010			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	1,067,320,400	–	–	1,067,320,400
Short-Term Investments	–	15,751,112	–	15,751,112
	1,067,320,400	15,751,112	–	1,083,071,512
	Financial Assets at Fair Value as at December 31, 2009			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	786,720,760	–	–	786,720,760
Short-Term Investments	–	7,197,818	–	7,197,818
	786,720,760	7,197,818	–	793,918,578

Investment Managers Since 1947

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