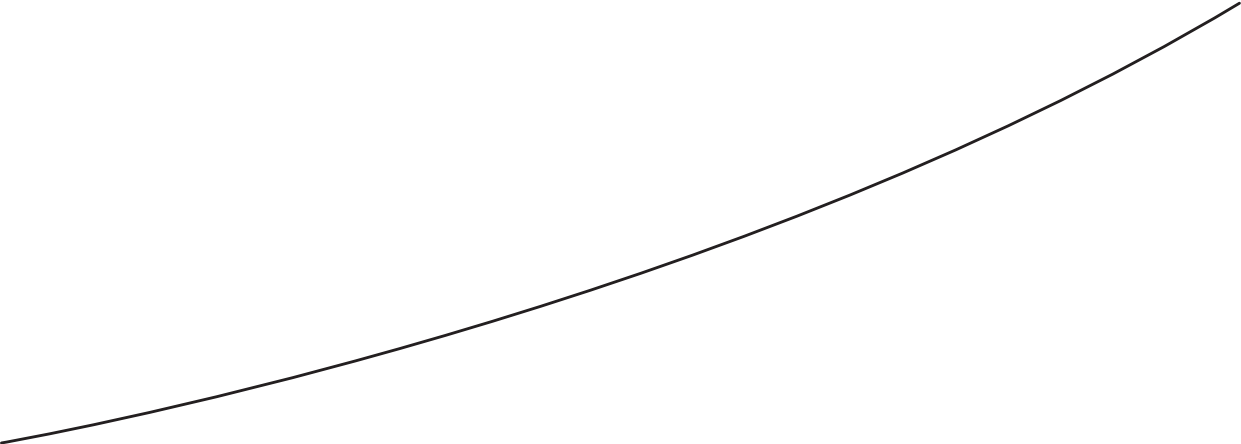


Annual Report 2010

Financial Statements
Audited

McLean Budden
Balanced Growth 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 Balanced Growth Fund

for the year ended December 31st, 2010

Statements of Net Assets

As at December 31st

	2010	2009
Assets		
Investments, at fair value	\$225,958,128	\$ 205,356,426
Cash	157,850	529,447
Subscriptions receivable	141,912	1,559,272
Accrued interest and dividends receivable	702,540	648,891
	<u>226,960,430</u>	<u>208,094,036</u>
Liabilities		
Distributions payable	1,322	6,709
Accrued expenses	85,795	85,214
Redemptions payable	23,755	84,040
	<u>110,872</u>	<u>175,963</u>
Total net assets	\$226,849,558	\$ 207,918,073
Unitholders' equity		
Class A ^{††}	\$ 1,308,912	\$ 594,042
Class B ^{†††}	–	26,818,142
Class C	137,067,831	92,340,074
Class D [†]	88,240,705	87,734,893
Class F	232,078	430,892
Class O	32	30
	<u>\$226,849,558</u>	<u>\$ 207,918,073</u>
Units outstanding (Note C)		
Class A ^{††}	63,618	30,406
Class B ^{†††}	–	1,427,556
Class C	6,978,411	4,965,174
Class D [†]	4,267,896	4,481,784
Class F	11,331	22,249
Class O	2	2
	<u>11,321,258</u>	<u>10,927,171</u>
Net assets per unit		
Class A ^{††}	\$ 20.57	\$ 19.54
Class B ^{†††}	\$ –	\$ 18.79
Class C	\$ 19.64	\$ 18.60
Class D [†]	\$ 20.68	\$ 19.58
Class F	\$ 20.48	\$ 19.37
Class O	\$ 19.64	\$ 18.57
Net asset value per unit		
Class A ^{††}	\$ 20.59	\$ 19.56
Class B ^{†††}	\$ –	\$ 18.81
Class C	\$ 19.66	\$ 18.62
Class D [†]	\$ 20.69	\$ 19.60
Class F	\$ 20.50	\$ 19.39
Class O	\$ 19.66	\$ 18.60
Investments, at average cost	\$216,136,751	\$ 205,002,300

[†] 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 December 8, 2010.

Statements of Operations

For the year ended December 31st

	2010	2009
Income		
Interest	\$ 3,734,692	\$ 3,191,771
Dividends	2,360,056	2,436,057
	<u>6,094,748</u>	<u>5,627,828</u>
Less: Foreign withholding taxes	–	(730)
	<u>6,094,748</u>	<u>5,627,098</u>
Expenses		
Management fees	1,020,575	923,630
Independent review committee fees	14,080	12,034
	<u>1,034,655</u>	<u>935,664</u>
Net investment income (loss)	5,060,093	4,691,434
Net realized gain (loss) on sale of investments*	3,272,104	475,632
Transaction costs	(29,828)	(31,671)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	9,469,138	23,845,092
	<u>12,711,414</u>	<u>24,289,053</u>
Net gain (loss) on investments from operations	\$ 17,771,507	\$ 28,980,487
Increase (decrease) in net assets from operations per class		
Class A ^{††}	\$ 61,071	\$ 11,351
Class B ^{†††}	\$ 1,128,551	\$ 5,388,248
Class C	\$ 10,505,031	\$ 10,889,072
Class D [†]	\$ 6,055,036	\$ 12,646,732
Class F	\$ 21,816	\$ 45,079
Class O	\$ 2	\$ 5
Increase (decrease) in net assets from operations per unit (Note D)		
Class A ^{††}	\$ 1.37	\$ 0.95
Class B ^{†††}	\$ 0.95	\$ 2.85
Class C	\$ 1.62	\$ 2.96
Class D [†]	\$ 1.38	\$ 2.87
Class F	\$ 1.13	\$ 3.27
Class O	\$ 1.23	\$ 3.17
*Net realized gain (loss) on sale of investments		
Cost of investments held at beginning of year [^]	\$195,628,516	\$ 184,468,237
Cost of investments purchased during the year [^]	122,224,597	84,583,923
	<u>317,853,113</u>	<u>269,052,160</u>
Investments at cost at end of the year [^]	210,554,238	195,628,516
Cost of investments sold during the year [^]	107,298,875	73,423,644
Proceeds from sale of investments [^]	110,570,979	73,899,276
Net realized gain (loss) on sale of investments	\$ 3,272,104	\$ 475,632

[^] Excludes short-term investments.

On behalf of the Manager, McLean Budden Limited.

Roger Beauchemin,
Director

Alan Daxner,
Director

Statements of Changes in Net Assets
 For the year ended December 31st

	Class A ^{††}		Class B ^{†††}		Class C	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 594,042	\$ -	\$ 26,818,142	\$ 44,767,430	\$ 92,340,074	\$ 48,445,922
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	61,701	11,351	1,128,551	5,388,248	10,505,031	10,889,072
CAPITAL TRANSACTIONS						
Proceeds from issue of units	738,525	582,798	2,620,662	4,187,449	41,663,822	36,101,619
Distributions reinvested	9,769	6,929	397,584	827,123	3,240,494	2,096,170
Redemption of units	(83,005)	-	(30,567,447)	(27,526,170)	(7,417,239)	(3,061,728)
	665,289	589,727	(27,549,201)	(22,511,598)	37,487,077	35,136,061
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(11,490)	(7,036)	(397,492)	(825,938)	(3,264,351)	(2,130,981)
NET ASSETS, END OF YEAR	\$ 1,308,912	\$ 594,042	\$ -	\$ 26,818,142	\$ 137,067,831	\$ 92,340,074

	Class D [†]		Class F		Class O	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 87,734,893	\$ 75,053,045	\$ 430,892	\$ 72,109	\$ 30	\$ 25
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	6,055,036	12,646,732	21,816	45,079	2	5
CAPITAL TRANSACTIONS						
Proceeds from issue of units	7,546,124	9,220,398	127,680	397,022	-	-
Distributions reinvested	1,358,480	1,658,018	5,031	6,509	1	1
Redemption of units	(13,070,592)	(9,157,911)	(347,609)	(82,431)	-	-
	(4,165,988)	1,720,505	(214,898)	321,100	1	1
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(1,383,236)	(1,685,389)	(5,732)	(7,396)	(1)	(1)
NET ASSETS, END OF YEAR	\$ 88,240,705	\$ 87,734,893	\$ 232,078	\$ 430,892	\$ 32	\$ 30

	Total	
	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 207,918,073	\$ 168,338,531
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	17,771,507	28,980,487
CAPITAL TRANSACTIONS		
Proceeds from issue of units	52,696,813	50,489,286
Distributions reinvested	5,011,359	4,594,750
Redemption of units	(51,485,892)	(39,828,240)
	6,222,280	15,255,796
DISTRIBUTIONS TO UNITHOLDERS (Note 5)		
Investment income	(5,062,302)	(4,656,741)
NET ASSETS, END OF YEAR	\$ 226,849,558	\$ 207,918,073

[†] 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 December 8, 2010.

Statements of Investment Portfolio

As at December 31st, 2010

Par Value \$	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2010 - 2.47%; 2009 - 4.57%)				
Treasury Bills				
400,000	Government of Canada	0.909% February 3, 2011	398,888	399,653
400,000	Government of Canada	1.003% March 3, 2011	398,980	399,354
1,650,000	Government of Canada	1.040% April 14, 2011	1,643,631	1,645,289
1,450,000	Government of Canada	1.050% April 28, 2011	<u>1,444,670</u>	<u>1,445,190</u>
			<u>3,886,169</u>	<u>3,889,486</u>
Provincial Guaranteed				
450,000	Province of Manitoba	1.049% February 23, 2011	<u>448,929</u>	<u>449,351</u>
Discount Commercial Paper				
200,000	National Bank of Canada	1.138% February 18, 2011	199,434	199,688
450,000	Nova Scotia Power	1.065% January 13, 2011	449,685	449,832
600,000	Royal Bank of Canada	1.130% March 25, 2011	<u>598,296</u>	<u>598,322</u>
			<u>1,247,415</u>	<u>1,247,842</u>
TOTAL SHORT-TERM INVESTMENTS			5,582,513	5,586,679
BONDS (2010 - 36.93%; 2009 - 37.58%)				
Federal Government Bonds				
Canada				
4,415,000	Government of Canada	1.250% June 1, 2011	4,419,994	4,416,963
7,755,000	Government of Canada	1.000% September 1, 2011	7,726,099	7,741,647
4,440,000	Government of Canada	3.750% June 1, 2012	4,630,156	4,576,906
1,945,000	Government of Canada	3.000% June 1, 2014	2,012,891	2,004,030
770,000	Government of Canada	5.750% June 1, 2033	984,869	1,029,065
2,265,000	Government of Canada	5.000% June 1, 2037	2,854,450	2,809,205
2,045,000	Government of Canada	4.000% June 1, 2041	<u>2,078,789</u>	<u>2,224,726</u>
			<u>24,707,248</u>	<u>24,802,542</u>
United States				
2,910,000	United States Treasury (US Pay)	4.250% May 15, 2039	<u>3,003,806</u>	<u>2,848,613</u>
Government Guaranteed				
1,630,000	Canada Housing Trust	4.800% June 15, 2012	1,629,593	1,703,152
1,190,000	Canada Housing Trust	3.750% March 15, 2020	<u>1,178,195</u>	<u>1,222,873</u>
			<u>2,807,788</u>	<u>2,926,025</u>
Total Federal Government Bonds			30,518,842	30,577,180
Provincial Bonds				
Ontario				
1,240,000	Province of Ontario	4.750% June 2, 2013	1,315,170	1,318,815
1,465,000	Province of Ontario	4.200% March 8, 2018	1,482,591	1,540,528
1,695,000	Province of Ontario	4.200% June 2, 2020	1,748,775	1,747,785
1,865,000	Province of Ontario	6.500% March 8, 2029	2,254,911	2,390,669
1,215,000	Province of Ontario	5.600% June 2, 2035	1,359,127	1,435,314
1,090,000	Province of Ontario	4.700% June 2, 2037	<u>1,044,907</u>	<u>1,143,679</u>
			<u>9,205,481</u>	<u>9,576,790</u>
Quebec				
1,110,000	Province of Quebec	5.500% December 1, 2014	1,206,784	1,231,924
960,000	Province of Quebec	4.500% December 1, 2019	1,015,104	1,014,347
500,000	Province of Quebec	6.000% October 1, 2029	537,435	605,770
530,000	Province of Quebec	5.000% December 1, 2038	<u>539,542</u>	<u>576,166</u>
			<u>3,298,865</u>	<u>3,428,207</u>
British Columbia				
900,000	Province of British Columbia	4.250% June 18, 2014	918,135	958,965
540,000	Province of British Columbia	4.700% December 1, 2017	563,832	589,179
520,000	Province of British Columbia	4.650% December 18, 2018	517,951	563,270
380,000	Province of British Columbia	6.350% June 18, 2031	418,342	488,061
1,290,000	Province of British Columbia	4.950% June 18, 2040	<u>1,309,113</u>	<u>1,431,834</u>
			<u>3,727,373</u>	<u>4,031,309</u>
Manitoba				
930,000	Province of Manitoba	4.700% September 22, 2017	<u>937,202</u>	<u>1,012,375</u>
Total Provincial Bonds			17,168,921	18,048,681

Par Value \$	Security	Issue	Total Cost	Fair Value
Municipal Bonds				
Ontario				
535,000	55 School Board Trust	5.900% June 2, 2033	<u>563,713</u>	<u>612,423</u>
Total Municipal Bonds			563,713	612,423
Corporate Bonds				
Industrials				
240,000	Canadian Pacific Railway	6.450% November 17, 2039	239,873	260,168
530,000	Caterpillar Financial Services Limited	2.640% December 3, 2013	529,894	529,273
660,000	Loblaw Companies Ltd.	6.500% January 19, 2011	695,649	660,977
355,000	Loblaw Companies Ltd.	5.900% January 18, 2036	355,407	345,093
470,000	Shoppers Drug Mart Corporation	4.800% January 20, 2012	469,883	483,195
525,000	Thomson Reuters Corporation	5.250% July 15, 2011	523,766	534,845
580,000	Thomson Reuters Corporation	5.200% December 1, 2014	621,436	626,810
435,000	Thomson Reuters Corporation	4.350% September 30, 2020	<u>433,325</u>	<u>435,918</u>
			<u>3,869,233</u>	<u>3,876,279</u>
Utilities				
300,000	Cameco Corporation	5.670% September 2, 2019	301,272	321,273
450,000	CU Inc.	6.145% November 22, 2017	513,212	519,903
670,000	Enbridge Gas Distribution Inc.	5.210% February 25, 2036	663,986	699,906
385,000	Enbridge Inc.	5.170% May 19, 2016	384,777	417,042
200,000	Gaz Metropolitan Inc.	5.450% July 12, 2021	202,520	218,791
635,000	Hydro One Inc.	5.000% October 19, 2046	639,858	642,665
675,000	Hydro One Inc.	5.000% November 12, 2013	689,378	722,939
440,000	Hydro One Inc.	6.930% June 1, 2032	517,040	556,222
460,000	Manitoba Telecom Service	5.625% December 16, 2019	460,184	477,333
385,000	Rogers Communications Inc.	6.110% August 25, 2040	384,630	380,231
455,000	Shaw Communications Inc.	5.650% October 1, 2019	453,558	470,049
465,000	TELUS Corporation	5.050% July 23, 2020	463,810	469,311
490,000	TransCanada PipeLines Limited	5.100% January 11, 2017	491,112	531,626
540,000	TransCanada PipeLines Limited	8.050% February 17, 2039	638,620	760,060
260,000	Westcoast Energy Inc.	4.570% July 2, 2020	<u>259,979</u>	<u>263,462</u>
			<u>7,063,936</u>	<u>7,450,813</u>
Financials				
510,000	Bank of America Corporation [†]	4.810% June 1, 2016	510,938	512,199
495,000	Bank of America Corporation	5.450% September 17, 2014	494,545	512,268
850,000	Bank of Montreal	5.040% September 4, 2012	888,022	890,369
870,000	Bank of Montreal	6.020% May 2, 2018	909,067	988,512
435,000	Bank of Nova Scotia	3.030% June 4, 2012	440,646	441,278
700,000	Bank of Nova Scotia	5.040% April 8, 2013	699,874	740,970
915,000	Bear Stearns Co., Inc.	4.350% July 20, 2012	926,885	939,158
130,000	BMO Capital Trust	6.685% December 31, 2011 (Perpetual)	138,151	135,336
880,000	Canadian Imperial Bank of Commerce	5.000% September 10, 2012	894,492	921,286
475,000	Canadian Imperial Bank of Commerce	3.950% July 14, 2017	473,993	482,378
310,000	Canadian Imperial Bank of Commerce [†]	4.110% April 30, 2015 (Callable 2020)	310,000	319,892
480,000	Citigroup Finance Canada	4.900% November 13, 2012	479,443	493,848
510,000	Citigroup Inc. [†]	5.160% May 24, 2027	509,684	440,186
235,000	Citigroup Inc.	5.365% March 6, 2036	235,000	195,038
780,000	GE Capital Canada Funding	5.150% June 6, 2013	784,722	823,428
655,000	GE Capital Canada Funding	4.650% February 11, 2015	619,217	684,911
345,000	Goldman Sachs Group, Inc.	4.800% June 1, 2011	344,703	348,412
815,000	Goldman Sachs Group, Inc.	5.200% April 19, 2022	806,190	792,957
655,000	Great West Life Company [†]	5.691% June 21, 2067	655,000	683,772
165,000	Great West Life Company	5.998% November 16, 2039	165,000	178,023
340,000	HSBC Bank of Canada [†]	4.940% March 16, 2021	343,125	356,007

Statements of Investment Portfolio

As at December 31st, 2010 (continued)

Par Value \$/ Security No. of Shares	Issue	Total Cost	Fair Value	Number of Shares/Units	Security	Issue	Total Cost	Fair Value	
Corporate Bonds (continued)				Consumer Discretionary					
Financials				Consumer Staples					
355,000	HSBC Financial	4.350% October 6, 2011	362,764	360,344	45,400	Gildan Activewear Inc.	Common	816,210	1,286,636
300,000	JPMorgan Chase & Company [†]	5.058% February 22, 2016	300,571	301,563	29,800	Linamar Corporation	Common	499,886	606,430
480,000	Manulife Financial Capital Trust	6.700% June 30, 2012	515,573	504,427	49,700	Magna International Inc.	Common	1,470,374	2,575,454
505,000	Manulife Financial Corporation	4.079% August 20, 2015	505,000	508,226	49,100	RONA Inc.	Common	1,122,766	693,292
465,000	Merrill Lynch & Company	4.500% January 30, 2012	469,212	470,927	45,300	Thomson Reuters Corporation	Common	1,793,884	1,683,348
245,000	Merrill Lynch & Company [†]	5.290% May 30, 2022	244,851	232,040	23,200	Tim Hortons Inc.	Common	717,098	953,520
635,000	Morgan Stanley	4.900% February 23, 2017	586,174	627,062				<u>6,420,218</u>	<u>7,798,680</u>
410,000	National Bank of Canada [†]	4.700% November 2, 2020	422,272	430,663	Consumer Staples				
710,000	National Bank of Canada [†]	4.456% November 2, 2016	710,000	723,968	42,400	Shoppers Drug Mart Corporation	Common	1,482,240	1,674,800
280,000	NBC Asset Trust	7.235% June 30, 2018	280,000	322,840	Financials				
305,000	Power Financial Corporation	6.900% March 11, 2033	321,130	349,437	50,800	Bank of Nova Scotia	Common	1,705,230	2,898,140
345,000	RBC Capital Trust	7.183% June 30, 2011	361,548	353,419	57,800	Brookfield Asset Management	Class A Ltd Vtg	1,722,833	1,917,225
210,000	RBC Capital Trust	4.870% December 31, 2015 (Perpetual)	183,137	220,936	124,300	Manulife Financial Corporation	Common	2,787,775	2,125,530
500,000	Royal Bank of Canada [†]	5.000% June 6, 2018	538,500	527,127	84,800	Royal Bank of Canada	Common	3,965,110	4,428,256
575,000	Royal Bank of Canada	3.660% January 25, 2017	574,285	579,273	18,500	TMX Group Inc.	Common	705,953	683,575
295,000	Royal Bank of Canada	4.930% July 16, 2025	294,906	301,610	60,400	Toronto Dominion Bank	Common	3,256,261	4,475,640
505,000	Royal Bank of Canada [†]	5.450% November 4, 2018	508,712	541,302				<u>14,143,162</u>	<u>16,528,366</u>
350,000	Scotiabank Capital Trust	6.626% June 30, 2012 (Extendable 2052)	375,200	370,207	Information Technology				
390,000	Toronto-Dominion Bank [†]	3.367% November 2, 2015 (Callable 2020)	390,000	385,237	28,300	Open Text Corporation	Common	1,218,207	1,294,158
955,000	Toronto-Dominion Bank Reset Notes	5.763% December 18, 2017	975,013	1,039,626	74,400	Research In Motion Ltd.	Common	4,296,645	4,314,456
630,000	Wells Fargo Financial Canada	5.200% September 13, 2012	661,005	657,996				<u>5,514,852</u>	<u>5,608,614</u>
315,000	Wells Fargo Financial Canada	3.970% November 3, 2014	314,987	322,306	Telecommunication Services				
			<u>21,523,537</u>	<u>22,010,764</u>	25,700	Rogers Communications Inc.	Class B Non Vtg	594,047	886,907
Revenue				Utilities					
320,000	407 International Inc.	4.650% January 20, 2012	327,274	329,105	30,600	TransAlta Corporation	Common	622,005	647,190
455,000	407 International Inc.	6.470% July 27, 2029	485,021	540,699	TOTAL CANADIAN EQUITIES				
			<u>812,295</u>	<u>869,804</u>	50,853,639 65,947,931				
Total Corporate Bonds				FOREIGN EQUITIES (2010 - 31.41%; 2009 - 31.08%)					
TOTAL BONDS				Mutual Funds					
81,520,477 83,445,944				932,488 McLean Budden American Equity Fund Class O					
EQUITIES (2010 - 60.60% ; 2009 - 57.85%)				2,143,804 McLean Budden International Equity Fund Class O					
CANADIAN EQUITIES (2010 - 29.19%; 2009 - 26.77%)				3,039,564 McLean Budden Global Equity Fund Class O					
Energy				<u>78,216,399 70,977,574</u>					
24,800	Athabasca Oil				TOTAL FOREIGN EQUITIES				
	Sands Corporation	Common	396,093	372,000	78,216,399 70,977,574				
77,100	Cameco Corporation	Common	2,023,008	3,103,275	TOTAL EQUITIES				
73,500	Canadian Natural Resources	Common	1,741,159	3,255,315	129,070,038 136,925,505				
71,100	Cenovus Energy Inc.	Common	1,931,936	2,356,965	ADJUSTMENTS FOR TRANSACTION COSTS				
54,500	EnCana Corporation	Common	1,615,486	1,582,680	(36,277)				
125,912	Suncor Energy Inc.	Common	3,440,023	4,808,579	TOTAL INVESTMENTS				
127,400	Talisman Energy Inc.	Common	1,557,856	2,818,088	216,136,751 225,958,128				
			<u>12,705,561</u>	<u>18,296,902</u>					
Materials				† Fixed/Floating					
15,000	Agrium Inc	Common	578,850	1,372,500					
7,400	First Quantum Minerals Ltd.	Common	421,367	797,942					
20,600	Goldcorp Inc.	Common	703,500	943,686					
8,000	Inmet Mining Corporation	Common	602,871	618,080					
15,000	Potash Corporation of Saskatchewan Inc.	Common	1,583,316	2,314,650					
63,400	Teck Resources Ltd.	Class B Sub Vtg	<u>1,861,600</u>	<u>3,908,610</u>					
			<u>5,751,504</u>	<u>9,955,468</u>					
Industrials									
463,900	Bombardier Inc.	Class B Sub Vtg	2,144,115	2,319,500					
24,100	Canadian National Railway Company	Common	960,545	1,597,348					
45,200	WestJet Airlines Ltd.	Common	515,390	634,156					
			<u>3,620,050</u>	<u>4,551,004</u>					



McLean Budden Balanced Growth Fund

Fund Specific Notes to the Financial Statements

December 31, 2010 and 2009

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

A. Investment Objective

The Fund aims to provide a high rate of return consistent with a conservative investment policy through a mix of long-term capital growth and fixed income securities issued primarily by Canadian issuers. The Fund may invest in securities of other Mutual Funds. 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	17.5%	19.8%
AA	8.0%	10.3%
A	12.3%	10.5%
BBB	2.0%	1.4%
Total	39.8%	42.0%

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

Interest Rate Exposure	Less than 1 year (\$)	1 –5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2010	21,138,000	23,397,000	45,633,000	90,168,000
December 31, 2009	12,117,000	38,377,000	36,897,000	87,391,000

As at December 31, 2010, should interest rates have decreased or increased by 0.25% with all other variables remaining constant, the increase or decrease in Net Assets of the Fund for the year would amount to approximately \$1,344,000 (2009: \$1,300,000). In practice, the actual trading results may differ and the difference could be material.

Currency Risk

As at December 31, the Fund had significant exposure to the following currencies either directly from its investments or indirectly through its investments in underlying Mutual Funds:

	December 31, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	56,992,000	25.1	54,243,000	26.1
Japanese Yen	4,701,000	2.1	3,146,000	1.5
Euro	3,109,000	1.4	4,690,000	2.3
Pounds Sterling	2,521,000	1.1	2,091,000	1.0
Swiss Franc	1,062,000	0.5	813,000	0.4
Singapore Dollar	576,000	0.3	560,000	0.3
Australian Dollar	507,000	0.2	–	–
Swedish Krona	364,000	0.2	410,000	0.2
Hong Kong Dollar	357,000	0.2	–	–
Total	70,189,000	31.1	65,953,000	31.8

B. Risk Management (continued)

The amounts in the table above are based on the fair value of the Fund's foreign denominated financial instruments. For the purposes of this section, American Depositary Receipts and American Depositary Shares are reflected as U.S. currency exposure although the shares underlying these receipts are ultimately denominated and traded in their respective native currencies.

As at December 31, 2010, if the Canadian 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 \$3,509,000 (2009: \$3,298,000). In practice, actual trading results may differ and the difference may be material.

Other Price Risk

Approximately 59.5% (2009: 56.4%) of the Fund's Net Assets held at December 31, 2010, held either directly or indirectly through underlying Mutual Funds, were 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 \$6,746,000 (2009: \$5,871,000) respectively or 3.0% (2009: 2.8%) 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^{††}	30,406	36,900	485	(4,173)	63,618
Class AA 2009 ^{††}	–	30,051	355	–	30,406
Class B 2010^{†††}	1,427,556	139,193	21,186	(1,587,935)	–
Class B 2009	2,736,702	245,268	47,085	(1,601,499)	1,427,556
Class C 2010	4,965,174	2,237,543	171,272	(395,578)	6,978,411
Class C 2009	2,990,360	2,041,584	117,584	(184,354)	4,965,174
Class D 2010	4,481,784	380,063	67,944	(661,895)	4,267,896
Class D 2009 [†]	4,400,009	506,510	89,057	(513,792)	4,481,784
Class F 2010	22,249	6,681	258	(17,857)	11,331
Class F 2009	4,269	22,103	348	(4,471)	22,249
Class O 2010	2	–	–	–	2
Class O 2009	2	–	–	–	2

[†] 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 December 8, 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	44,660	11,920
Class B	1,190,684	1,891,688
Class C	6,469,648	3,680,976
Class D	4,372,627	4,400,712
Class F	19,291	13,777
Class O	2	2

E. Fair Value Disclosure

The Fund's financial assets measured at fair value have been categorized based upon a fair value hierarchy in accordance with 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	65,947,931	-	-	65,947,931
Bonds	-	83,445,944	-	83,445,944
Mutual Funds	70,977,574	-	-	70,977,574
Short-Term Investments	-	5,586,679	-	5,586,679
	136,925,505	89,032,623	-	225,958,128

Financial Assets at Fair Value as at December 31, 2009				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	54,982,272	-	-	54,982,272
Bonds	-	77,167,825	-	77,167,825
Mutual Funds	63,828,190	-	-	63,828,190
Short-Term Investments	-	9,378,139	-	9,378,139
	118,810,462	86,545,964	-	205,356,426

F. Related Party Transactions

The Fund invests in Class O units of other McLean Budden Mutual Funds which are managed by MBL. The Fund does not pay duplicate management fees on assets invested in underlying McLean Budden Mutual Funds.

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