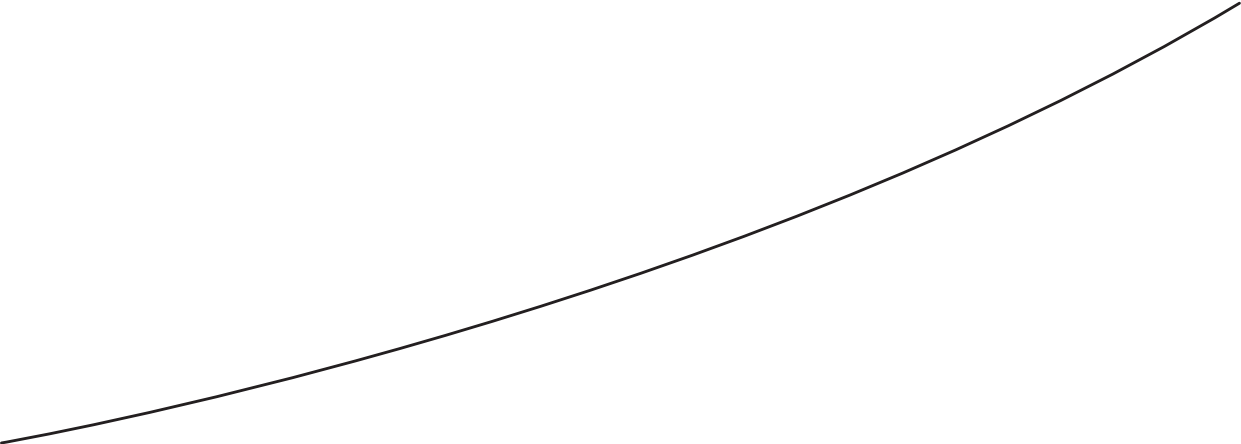


# Annual Report 2010

Financial Statements  
*Audited*

McLean Budden  
Canadian Equity Value 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 Canadian Equity Value Fund

for the year ended December 31<sup>st</sup>, 2010

### Statements of Net Assets

As at December 31<sup>st</sup>

	2010	2009
<b>Assets</b>		
Investments, at fair value	\$ 21,314,963	\$ 19,614,575
Cash	198,480	197,209
Subscriptions receivable	67,068	40,723
Due from broker	—	10,227
Accrued interest and dividends receivable	24,194	38,149
	<u>21,604,705</u>	<u>19,900,883</u>
<b>Liabilities</b>		
Distributions payable	696	1,295
Accrued expenses	20,365	18,023
Redemptions payable	37,714	465
	<u>58,775</u>	<u>19,783</u>
<b>Total net assets</b>	<u>21,545,930</u>	<u>19,881,100</u>
<b>Unitholders' equity</b>		
Class A <sup>††</sup>	\$ 46,600	\$ 15
Class B <sup>†††</sup>	—	1,330,497
Class C	4,329,949	2,477,366
Class D <sup>†</sup>	17,138,359	16,045,334
Class F	30,994	27,863
Class O	28	25
	<u>\$ 21,545,930</u>	<u>\$ 19,881,100</u>
<b>Units outstanding (Note C)</b>		
Class A <sup>††</sup>	3,161	1
Class B <sup>†††</sup>	—	96,651
Class C	290,316	182,902
Class D <sup>†</sup>	1,154,376	1,189,151
Class F	2,126	2,103
Class O	2	2
	<u>1,449,981</u>	<u>1,470,810</u>
<b>Net assets per unit</b>		
Class A <sup>††</sup>	\$ 14.74	\$ 13.56
Class B <sup>†††</sup>	\$ —	\$ 13.77
Class C	\$ 14.91	\$ 13.54
Class D <sup>†</sup>	\$ 14.85	\$ 13.49
Class F	\$ 14.58	\$ 13.25
Class O	\$ 14.95	\$ 13.56
<b>Net asset value per unit</b>		
Class A <sup>††</sup>	\$ 14.76	\$ 13.59
Class B <sup>†††</sup>	\$ —	\$ 13.80
Class C	\$ 14.93	\$ 13.58
Class D <sup>†</sup>	\$ 14.86	\$ 13.52
Class F	\$ 14.59	\$ 13.28
Class O	\$ 14.97	\$ 13.59
<b>Investments, at average cost</b>	<u>\$ 19,291,989</u>	<u>\$ 19,000,290</u>

<sup>†</sup> Prior to April 1, 2009, Class D was known as Class A.<sup>††</sup> Class AA was created on April 1, 2009, and renamed Class A on March 26, 2010.<sup>†††</sup> The Class B series of this Fund was closed on January 7, 2010.

### Statements of Operations

For the year ended December 31<sup>st</sup>

	2010	2009
<b>Income</b>		
Interest	\$ 12,777	\$ 29,853
Dividends	491,102	551,430
	<u>503,879</u>	<u>581,283</u>
<b>Expenses</b>		
Management fees	220,999	207,193
Independent review committee fees	3,970	1,622
	<u>224,969</u>	<u>208,815</u>
<b>Net investment income (loss)</b>	<u>278,910</u>	<u>372,468</u>
Net realized gain (loss) on sale of investments*	494,878	(1,085,146)
Transaction costs	(9,964)	(17,557)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	1,408,684	5,562,235
<b>Net gain (loss) on investments</b>	<u>1,893,598</u>	<u>4,459,532</u>
<b>Increase (decrease) in net assets from operations</b>	<u>\$ 2,172,508</u>	<u>\$ 4,832,000</u>
<b>Increase (decrease) in net assets from operations per class</b>		
Class A <sup>††</sup>	\$ 2,958	\$ 2,178
Class B <sup>†††</sup>	\$ 10,884	\$ 1,165,017
Class C	\$ 468,127	\$ 576,095
Class D <sup>†</sup>	\$ 1,687,405	\$ 3,086,836
Class F	\$ 3,131	\$ 1,869
Class O	\$ 3	\$ 5
<b>Increase (decrease) in net assets from operations per unit (Note D)</b>		
Class A <sup>††</sup>	\$ 3.56	\$ 6.70
Class B <sup>†††</sup>	\$ 0.20	\$ 2.50
Class C	\$ 1.59	\$ 3.06
Class D <sup>†</sup>	\$ 1.43	\$ 2.54
Class F	\$ 1.49	\$ 2.87
Class O	\$ 1.62	\$ 2.78
<b>*Net realized gain (loss) on sale of investments</b>		
Cost of investments held at beginning of year <sup>^</sup>	\$ 18,501,149	\$ 31,358,523
Cost of investments purchased during the year <sup>^</sup>	4,621,845	3,868,422
	<u>23,122,994</u>	<u>35,226,945</u>
Investments at cost at end of the year <sup>^</sup>	18,444,986	18,501,149
Cost of investments sold during the year <sup>^</sup>	4,678,008	16,725,796
Proceeds from sale of investments <sup>^</sup>	5,172,886	15,640,650
<b>Net realized gain (loss) on sale of investments</b>	<u>\$ 494,878</u>	<u>\$ (1,085,146)</u>

<sup>^</sup> 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 <sup>††</sup>		Class B <sup>†††</sup>		Class C	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 15	\$ –	\$ 1,330,497	\$ 11,092,863	\$ 2,477,366	\$ 1,939,277
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	2,958	2,178	10,884	1,165,017	468,127	576,095
CAPITAL TRANSACTIONS						
Proceeds from issue of units	43,627	83,728	–	1,370,477	2,278,651	409,407
Distributions reinvested	786	–	124	20,940	77,328	55,305
Redemption of units	–	(85,891)	(1,341,505)	(12,298,600)	(885,492)	(436,048)
	44,413	(2,163)	(1,341,381)	(10,907,183)	1,470,487	28,664
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(786)	–	–	(20,200)	(86,031)	(66,670)
NET ASSETS, END OF YEAR	\$ 46,600	\$ 15	\$ –	\$ 1,330,497	\$ 4,329,949	\$ 2,477,366

	Class D <sup>†</sup>		Class F		Class O	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 16,045,334	\$ 14,182,900	\$ 27,863	\$ 15	\$ 25	\$ 20
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	1,687,405	3,086,836	3,131	1,869	3	5
CAPITAL TRANSACTIONS						
Proceeds from issue of units	1,492,159	1,607,324	–	25,979	–	–
Distributions reinvested	129,330	234,733	342	697	1	1
Redemption of units	(2,076,793)	(2,817,862)	–	–	–	–
	(455,304)	(975,805)	342	26,676	1	1
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(139,076)	(248,597)	(342)	(697)	(1)	(1)
NET ASSETS, END OF YEAR	\$ 17,138,359	\$ 16,045,334	\$ 30,994	\$ 27,863	\$ 28	\$ 25

	Total	
	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 19,881,100	\$ 27,215,075
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	2,172,508	4,832,000
CAPITAL TRANSACTIONS		
Proceeds from issue of units	3,814,437	3,496,915
Distributions reinvested	207,911	311,676
Redemption of units	(4,303,790)	(15,638,401)
	(281,442)	(11,829,810)
DISTRIBUTIONS TO UNITHOLDERS (Note 5)		
Investment income	(226,236)	(336,165)
NET ASSETS, END OF YEAR	\$ 21,545,930	\$ 19,881,100

<sup>†</sup> Prior to April 1, 2009, Class D was known as Class A.

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

<sup>†††</sup> The Class B series of this Fund was closed on January 7, 2010.

Statements of Investment Portfolio  
As at December 31<sup>st</sup>, 2010

Par Value \$/ Security No. of Shares	Issue	Total Cost	Fair Value	Number of Shares	Security	Issue	Total Cost	Fair Value
<b>SHORT-TERM INVESTMENTS (2010 - 3.98%; 2009 - 2.54%)</b>				<b>Financials</b>				
<b>Treasury Bills</b>				7,100	Bank of Montreal	Common	441,406	407,824
300,000	Government of Canada	0.952% March 3, 2011	299,181	800	Canadian Western Bank	Common	20,842	22,688
450,000	Government of Canada	1.052% April 28, 2011	448,105	6,100	Industrial Alliance Insurance & Financial Services Inc.	Common	128,328	224,114
			<u>747,286</u>	6,700	National Bank of Canada	Common	342,652	458,414
<b>Discount Commercial Paper</b>				13,500	Power Corporation of Canada	Sub Vtg	287,650	373,005
100,000	Bank of Montreal	1.138% March 14, 2011	99,717	18,000	Royal Bank of Canada	Common	825,792	939,960
			<u>847,003</u>	13,000	Toronto Dominion Bank	Common	779,526	963,300
<b>TOTAL SHORT-TERM INVESTMENTS</b>							<u>2,826,196</u>	<u>3,389,305</u>
<b>EQUITIES (2010 - 96.02%; 2009 - 97.46%)</b>				<b>Information Technology</b>				
<b>CANADIAN EQUITIES (2010 - 72.52%; 2009 - 72.53%)</b>				9,000	CGI Group Inc.	Class A Sub Vtg	73,060	154,800
<b>Energy</b>				6,000	Open Text Corporation	Common	215,099	274,380
10,000	Cameco Corporation	Common	341,585	9,000	Research In Motion Ltd.	Common	521,628	521,910
8,000	Canadian Natural Resources Ltd.	Common	298,095				<u>809,787</u>	<u>951,090</u>
12,500	Cenovus Energy Inc.	Common	205,182	<b>Telecommunication Services</b>				
3,000	Enbridge Inc.	Common	101,711	9,000	BCE Inc.	Common	214,923	318,060
15,000	EnCana Corporation	Common	278,933	8,000	TELUS Corporation	Common	395,623	363,840
25,816	Suncor Energy Inc.	Common	873,551				<u>610,546</u>	<u>681,900</u>
24,500	Talisman Energy Inc.	Common	431,034	<b>TOTAL CANADIAN EQUITIES</b>				
9,500	TransCanada Corporation	Common	256,948				<b>12,293,790</b>	<b>15,458,279</b>
28,000	Trinidad Drilling Ltd.	Common	256,549	<b>FOREIGN EQUITIES (2010 - 23.50%; 2009 - 24.93%)</b>				
4,300	Vermilion Energy Inc.	Common	161,449	<b>Mutual Funds</b>				
			<u>3,205,037</u>	50,587	McLean Budden American Equity Fund Class O		1,994,305	1,549,454
			4,038,872	156,173	McLean Budden International Equity Fund Class O		1,673,460	1,456,094
<b>Materials</b>				271,507	McLean Budden Global Equity Fund Class O		<u>2,493,621</u>	<u>2,003,353</u>
4,000	Agrium Inc.	Common	225,062	<b>TOTAL FOREIGN EQUITIES</b>				
19,000	Barrick Gold Corporation	Common Cad	642,141				<b>6,161,386</b>	<b>5,008,901</b>
7,500	CCL Industries Inc.	Class B Non Vtg	162,441	<b>TOTAL EQUITIES</b>				
25,000	Equinox Minerals Limited	Common	88,578				<b>18,455,176</b>	<b>20,467,180</b>
1,800	First Quantum Minerals Limited	Common	149,675	<b>ADJUSTMENTS FOR TRANSACTION COSTS</b>				
14,500	IAMGOLD Corporation	Common	145,166				<b>(10,190)</b>	
2,000	Potash Corporation of Saskatchewan Inc.	Common	294,417	<b>TOTAL INVESTMENTS</b>				
			<u>1,707,480</u>				<b>19,291,989</b>	<b>21,314,963</b>
			2,507,604					
<b>Industrials</b>								
83,000	Bombardier Inc.	Class B Sub Vtg	396,617					
27,000	CAE Inc.	Common	237,897					
7,000	Canadian National Railway Company	Common	214,442					
6,000	Finning International Inc.	Common	122,584					
			<u>971,540</u>					
			1,350,620					
<b>Consumer Discretionary</b>								
4,000	Canadian Tire Corporation Ltd.	Class A Non Vtg	194,324					
5,600	Dollarama Inc.	Common	140,928					
9,600	Gildan Activewear Inc.	Common	173,539					
10,400	Magna International Inc.	Common	363,903					
10,000	Thomson Reuters Corporation	Common	447,797					
			<u>1,320,491</u>					
			1,616,480					
<b>Consumer Staples</b>								
12,000	Alimentation Couche-Tard Inc.	Class B Sub Vtg	240,202					
3,200	Loblaw Companies Ltd.	Common	167,309					
6,000	Shoppers Drug Mart Corporation	Common	201,983					
25,000	Viterra Inc.	Common	233,219					
			<u>842,713</u>					
			922,408					



## McLean Budden Canadian Equity Value 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 for long-term capital growth primarily by investing in Canadian equity securities deemed to be undervalued relative to their industries or the overall market. The Fund may invest in global equity securities or 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 directly and indirectly, 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	4.0%	2.8%
AA	0.3%	—
Total	4.3%	2.8%

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 \$931,000 (2009: \$561,000) was invested in debt securities either directly or indirectly through underlying Mutual Funds 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 currencies indirectly through underlying Mutual Funds:

	December 31, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U. S. Dollar	3,916,000	18.2	3,783,000	19.0
Japanese Yen	371,000	1.7	273,000	1.4
Euro	245,000	1.1	407,000	2.0
Pounds Sterling	199,000	0.9	182,000	0.9
Swiss Franc	83,000	0.4	70,000	0.4
Singapore Dollar	45,000	0.2	49,000	0.2
Australian Dollar	40,000	0.2	—	—
Swedish Krona	—	—	36,000	0.2
Total	4,899,000	22.7	4,800,000	24.1

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 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 \$245,000 (2009: \$240,000). In practice, actual trading results may differ and the difference may be material.

## B. Risk Management (continued)

### Other Price Risk

Approximately 94.3% (2009: 95.5%) 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 \$1,016,000 (2009: \$950,000) respectively or 4.7% (2009: 4.8%) 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
<b>Class A 2010<sup>††</sup></b>	<b>1</b>	<b>3,107</b>	<b>–</b>	<b>53</b>	<b>3,161</b>
Class AA 2009 <sup>††</sup>	–	6,368	–	(6,367)	1
<b>Class B 2010<sup>†††</sup></b>	<b>96,651</b>	<b>–</b>	<b>9</b>	<b>(96,660)</b>	<b>–</b>
Class B 2009	988,271	119,415	1,532	(1,012,567)	96,651
<b>Class C 2010</b>	<b>182,902</b>	<b>166,822</b>	<b>5,180</b>	<b>(64,588)</b>	<b>290,316</b>
Class C 2009	173,820	39,711	4,074	(34,703)	182,902
<b>Class D 2010</b>	<b>1,189,151</b>	<b>107,766</b>	<b>8,706</b>	<b>(151,247)</b>	<b>1,154,376</b>
Class D 2009 <sup>†</sup>	1,274,693	138,483	17,357	(241,382)	1,189,151
<b>Class F 2010</b>	<b>2,103</b>	<b>–</b>	<b>23</b>	<b>–</b>	<b>2,126</b>
Class F 2009	1	2,049	53	–	2,103
<b>Class O 2010</b>	<b>2</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2</b>
Class O 2009	2	–	–	–	2

<sup>†</sup> Prior to April 1, 2009 Class D was known as Class A. <sup>††</sup> Class AA was created on April 1, 2009, and renamed Class A on March 26, 2010.

<sup>†††</sup> The Class B series of this Fund was closed on January 7, 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	830	325
Class B	55,398	465,092
Class C	294,273	188,439
Class D	1,179,888	1,213,988
Class F	2,102	650
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 either year.

	Financial Assets at Fair Value as at December 31, 2010			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	15,458,279	–	–	15,458,279
Mutual Funds	5,008,901	–	–	5,008,901
Short-Term Investments	–	847,783	–	847,783
	20,467,180	847,783	–	21,314,963
	Financial Assets at Fair Value as at December 31, 2009			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	14,225,417	–	–	14,225,417
Mutual Funds	4,890,030	–	–	4,890,030
Short-Term Investments	–	499,128	–	499,128
	19,115,447	499,128	–	19,614,575

## 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.

Investment Managers Since 1947

[www.mcleanbudden.com](http://www.mcleanbudden.com)

**Toronto**

145 King Street West  
25<sup>th</sup> Floor  
Toronto, ON M5H 1J8  
Tel +1 416 862 9800  
Fax +1 416 862 9624

**Montréal**

1250 René-Lévesque Blvd. W.  
Suite 3010  
Montréal, QC H3B 4W8  
Tel +1 514 933 0033  
Fax +1 514 933 8163

**Vancouver**

595 Burrard Street  
Three Bentall Centre  
Suite 3043, P.O. Box 49105  
Vancouver, BC V7X 1G4  
Tel +1 604 623 3430  
Fax +1 604 623 3436