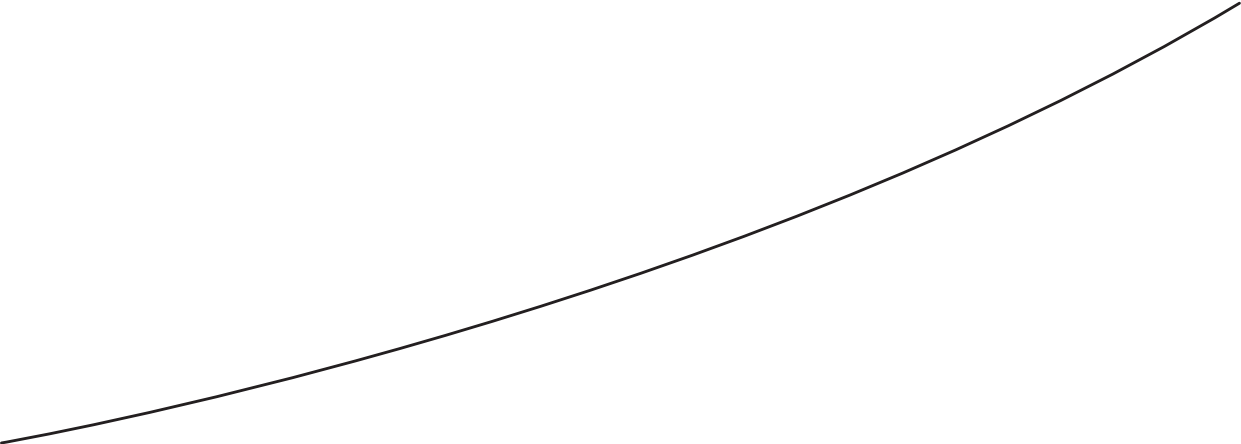


# Annual Report 2010

Financial Statements  
*Audited*

McLean Budden  
LifePlan<sup>®</sup> 2030 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 LifePlan<sup>®</sup> 2030 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	\$ 1,551,339	\$ 438,597
Cash	32,919	3,972
	<b>1,584,258</b>	<b>442,569</b>
<b>Liabilities</b>		
Accrued expenses	806	831
	<b>806</b>	<b>831</b>
<b>Total net assets</b>	<b>\$ 1,583,452</b>	<b>\$ 441,738</b>
<b>Unitholders' equity</b>		
Class A <sup>†</sup>	\$ 105,190	\$ 26,475
Class F <sup>††</sup>	13	12
Class O <sup>†††</sup>	1,153,069	12
Class VMD <sup>††††</sup>	325,180	415,239
	<b>\$ 1,583,452</b>	<b>\$ 441,738</b>
<b>Units outstanding (Note C)</b>		
Class A <sup>†</sup>	11,412	2,995
Class F <sup>††</sup>	1	1
Class O <sup>†††</sup>	123,500	1
Class VMD <sup>††††</sup>	35,468	47,105
	<b>170,381</b>	<b>50,102</b>
<b>Net assets per unit</b>		
Class A <sup>†</sup>	\$ 9.22	\$ 8.84
Class F <sup>††</sup>	\$ 9.38	\$ 8.86
Class O <sup>†††</sup>	\$ 9.34	\$ 8.86
Class VMD <sup>††††</sup>	\$ 9.17	\$ 8.82
<b>Net asset value per unit</b>		
Class A <sup>†</sup>	\$ 9.22	\$ 8.84
Class F <sup>††</sup>	\$ 9.38	\$ 8.86
Class O <sup>†††</sup>	\$ 9.34	\$ 8.86
Class VMD <sup>††††</sup>	\$ 9.17	\$ 8.82
<b>Investments, at average cost</b>	<b>\$ 1,500,899</b>	<b>\$ 459,295</b>

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

<sup>†††</sup> Class O was created on April 1, 2009.

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

### Statements of Operations

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

	2010	2009
<b>Income</b>		
Underlying funds' distributions	\$ 34,340	\$ 10,501
	<b>34,340</b>	<b>10,501</b>
<b>Expenses</b>		
Management fees	9,071	7,852
Independent review committee fees	3,032	23
	<b>12,103</b>	<b>7,875</b>
<b>Net investment income (loss)</b>	<b>22,237</b>	<b>2,626</b>
Net realized gain (loss) on sale of investments*	(254)	(7,427)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	71,138	52,531
<b>Net gain (loss) on investments</b>	<b>70,884</b>	<b>45,104</b>
<b>Increase (decrease) in net assets from operations</b>	<b>\$ 93,121</b>	<b>\$ 47,730</b>
<b>Increase (decrease) in net assets from operations per class</b>		
Class A <sup>†</sup>	\$ 4,942	\$ 370
Class F <sup>††</sup>	\$ 1	\$ 2
Class O <sup>†††</sup>	\$ 73,743	\$ 2
Class VMD <sup>††††</sup>	\$ 14,435	\$ 47,356
<b>Increase (decrease) in net assets from operations per unit (Note D)</b>		
Class A <sup>†</sup>	\$ 0.75	\$ 0.34
Class F <sup>††</sup>	\$ 0.73	\$ 1.50
Class O <sup>†††</sup>	\$ 0.90	\$ 1.50
Class VMD <sup>††††</sup>	\$ 0.36	\$ 1.13
<b>*Net realized gain (loss) on sale of investments</b>		
Cost of investments held at beginning of year <sup>^</sup>	\$ 459,295	\$ 374,837
Cost of investments purchased during the year <sup>^</sup>	1,247,689	145,885
	<b>1,706,984</b>	<b>520,722</b>
Investments at cost at end of the year <sup>^</sup>	<b>1,500,899</b>	<b>459,295</b>
Cost of investments sold during the year <sup>^</sup>	206,085	61,427
Proceeds from sale of investments <sup>^</sup>	<b>205,831</b>	<b>54,000</b>
<b>Net realized gain (loss) on sale of investments</b>	<b>\$ (254)</b>	<b>\$ (7,427)</b>

<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 F <sup>††</sup>		Class O <sup>†††</sup>	
	2010	2009	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 26,475	\$ –	\$ 12	\$ –	\$ 12	\$ –
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	4,942	370	1	2	73,743	2
CAPITAL TRANSACTIONS						
Proceeds from issue of units	73,773	26,105	–	10	1,086,573	10
Distributions reinvested	1,018	383	–	–	19,088	–
Redemption of units	–	–	–	–	(7,259)	–
	74,791	26,488	–	10	1,098,402	10
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
Investment income	(996)	(383)	–	–	(18,851)	–
Realized gains	(22)	–	–	–	(237)	–
	(1,018)	(383)	–	–	(19,088)	–
NET ASSETS, END OF YEAR	\$ 105,190	\$ 26,475	\$ 13	\$ 12	\$ 1,153,069	\$ 12

	Class VMD <sup>††††</sup>		Total	
	2010	2009	2010	2009
NET ASSETS, BEGINNING OF YEAR	\$ 415,239	\$ 305,928	\$ 441,738	\$ 305,928
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	14,435	47,356	93,121	47,730
CAPITAL TRANSACTIONS				
Proceeds from issue of units	67,110	62,012	1,227,456	88,137
Distributions reinvested	2,482	2,890	22,588	3,273
Redemption of units	(171,604)	(57)	(178,863)	(57)
	(102,012)	64,845	1,071,181	91,353
DISTRIBUTIONS TO UNITHOLDERS (Note 5)				
Investment income	(2,415)	(2,890)	(22,262)	(3,273)
Realized gains	(67)	–	(326)	–
	(2,482)	(2,890)	(22,588)	(3,273)
NET ASSETS, END OF YEAR	\$ 325,180	\$ 415,239	\$ 1,583,452	\$ 441,738

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

<sup>††</sup> Class F was created on April 1, 2009.

<sup>†††</sup> Class O was created on April 1, 2009.

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

Statements of Investment Portfolio

As at December 31<sup>st</sup>, 2010

Number of Units	Security	Total Cost	Fair Value
<b>MUTUAL FUNDS</b>			
40,017	McLean Budden Fixed Income Fund Class O	517,546	524,164
31,316	McLean Budden Canadian Equity Fund Class O	433,238	485,915
73,355	McLean Budden Global Equity Fund Class O	550,115	541,260
<b>TOTAL INVESTMENTS</b>		<b>1,500,899</b>	<b>1,551,339</b>



## McLean Budden LifePlan® 2030 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 an investment policy emphasizing long-term capital growth and moderate exposure to fixed income securities by investing primarily in a mix of equity, fixed income and money market Mutual Funds. The Fund was renamed on March 27, 2009 from VMD – McLean Budden LifePlan™ 2030 Fund to McLean Budden LifePlan® 2030 Fund and the trust agreement was restated to issue multiple classes of the Fund.

From inception, through to the target date in 2030 and for a period of up to 12 months after the target date, the Fund's assets will increasingly be invested in fixed income funds and money market funds. When the asset allocation of the Fund has become substantially similar to the asset allocation of the McLean Budden LifePlan® Retirement Fund (the "Retirement Fund"), it is expected that the Fund will be combined with the Retirement Fund and its unit-holders will become unitholders of the Retirement Fund (subject to any required notices or approvals).

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 underlying Mutual Funds which indirectly exposed the Fund to credit risk from 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	15.5%	15.9%
AA	7.2%	8.4%
A	10.4%	10.0%
BBB	1.8%	1.4%
Total	34.9%	35.7%

As at December 31, 2010 and 2009, the underlying Mutual Funds did not hold debt instruments that were impaired or past due and the percentages represent the maximum credit risk exposure.

##### Interest Rate Risk

The Fund was exposed indirectly to interest rate risk from its investment in underlying Mutual Funds as follows:

Interest Rate Exposure	Less than		More than	Total (\$)
	1 year (\$)	1 – 5 years (\$)	5 years (\$)	
December 31, 2010	136,000	128,000	288,000	552,000
December 31, 2009	10,000	65,000	85,000	160,000

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 \$8,000 (2009: \$3,000). In practice, the actual trading results may differ and the difference could be material.

B. Risk Management (continued)

*Currency Risk*

As at December 31, the Fund had significant indirect exposure from underlying Mutual Funds to the following currencies:

	December 31, 2010		December 31, 2009	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	443,000	28.0	123,000	27.7
Japanese Yen	42,000	2.6	8,000	1.9
Euro	26,000	1.7	12,000	2.8
Pounds Sterling	22,000	1.4	6,000	1.3
Swiss Franc	9,000	0.6	2,000	0.5
Singapore Dollar	5,000	0.3	2,000	0.3
Australian Dollar	5,000	0.3	–	–
Swedish Krona	3,000	0.2	1,000	0.2
Total	555,000	35.1	154,000	34.7

The amounts in the table above are based on the fair value of the Fund's foreign denominated underlying Mutual Funds.

As at December 31, 2010, if the Canadian dollar had strengthened or weakened by 5% in relation to foreign currencies represented in the underlying Mutual Funds' portfolio, with all other variables remaining constant, Net Assets would have decreased or increased by approximately \$28,000 (2009: \$8,000). In practice, actual trading results may differ and the difference may be material.

*Other Price Risk*

The Fund is exposed to other price risk as a result of the underlying Mutual Funds' investments in equities. Approximately 62.5% (2009: 61.9%) of the Fund's Net Assets held at December 31, 2010 were indirectly invested in 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 \$49,000 (2009: \$14,000) respectively or 3.1% (2009: 3.1%) 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 F, Class O and Class VMD 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>2,995</b>	<b>8,306</b>	<b>111</b>	<b>–</b>	<b>11,412</b>
Class A 2009 <sup>†</sup>	–	2,952	43	–	2,995
<b>Class F 2010</b>	<b>1</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1</b>
Class F 2009 <sup>††</sup>	–	1	–	–	1
<b>Class O 2010</b>	<b>1</b>	<b>122,244</b>	<b>2,067</b>	<b>(812)</b>	<b>123,500</b>
Class O 2009 <sup>†††</sup>	–	1	–	–	1
<b>Class VMD 2010</b>	<b>47,105</b>	<b>7,840</b>	<b>271</b>	<b>(19,748)</b>	<b>35,468</b>
Class VMD 2009 <sup>††††</sup>	39,449	9,299	1,953	(3,596)	47,105

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

<sup>††</sup> Class F was created on April 1, 2009.

<sup>†††</sup> Class O was created on April 1, 2009.

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

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	6,555	1,096
Class F	1	1
Class O	81,765	1
Class VMD	40,586	41,830

**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.

<b>Financial Assets at Fair Value as at December 31, 2010</b>				
	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
Mutual Funds	1,551,339	-	-	1,551,339

<b>Financial Assets at Fair Value as at December 31, 2009</b>				
	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
Mutual Funds	438,597	-	-	438,597

**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 the portion of 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