

Annual Manager's Report on Fund Performance 2010

McLean Budden
American Equity Fund



This annual management report of fund performance contains financial highlights, but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements at no cost, by calling 1-800-884-0436, by writing to us at McLean Budden Limited, 145 King Street West, 25th Floor, Toronto, Ontario, M5H 1J8; Attention: Mutual Funds Department, or by visiting our website at www.mcleanbudden.com or SEDAR at www.sedar.com.

Securityholders may also contact us to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.





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

Investment Objective and Strategies

The Fund aims for long-term capital growth by investing in well-capitalized U.S. equity securities. The Fund invests in large and medium sized U.S. companies. Our U.S. Equity Team selects stocks which possess strong earnings growth, proven management, financial strength, business potential, earnings stability and good return on equity.

Risk

The Fund holds American equities. The primary risks associated with this Fund are market, issuer, foreign security and currency risk.

Overall, the portfolio construction process has remained consistent over the period and the manager believes that the risk profile has not changed, nor has the suitability profile been affected.

The manager is not aware of any other Fund changes during the period that have affected the overall level of risk associated with an investment in the Fund.

Results of Operations

The Fund's return for the year ended December 31, 2010 was 3.08%* versus 9.35% for the benchmark**.

The Fund's positive return lagged the broader market primarily due to stock selection. Weak selection in the information technology (Hewlett-Packard, Microsoft), energy (Transocean, Ultra Petroleum), and financials (Bank of America) sectors detracted from performance as did an underweight in the outperforming materials sector. Partially offsetting this was an overweight in the strong energy sector and favourable stock selection in the consumer discretionary (Coach, Time Warner Cable, Yum! Brands) and consumer staples (Estée Lauder) sectors.

During the year, capital was reallocated to fund purchases of attractively valued companies with strong relative growth prospects. Transocean was reduced with the proceeds applied to rival Schlumberger, whose focus on onshore operations during the deepwater drilling moratorium offered more reliable earnings potential. Waste Management was eliminated to fund a new position in Monsanto as the agricultural biotechnology giant should benefit from its valuable intellectual property and the ever-increasing need to conserve natural resources. Boeing and General Dynamics were added as the new aerospace cycle gains traction and both companies should benefit from increased global demand. Primarily a defence conglomerate, General Dynamics also sets the world standard in high-end business jets with its Gulfstream line.

The team participated in the \$23-billion equity offering of General Motors as the automaker emerged from Chapter 11 reorganization with an established position in the U.S. and strong sales growth potential in emerging markets. Another new addition was QUALCOMM, a wireless telecommunications research and development company and prominent global manufacturer of wireless chipsets. It should benefit from rampant

growth in the smartphone market. Within health care, UnitedHealth Group and Amgen offer superior return potential to Bristol-Myers Squibb. Ecolab, NASDAQ, and Northeast Utilities were all eliminated from the portfolio.

Even as stocks powered to cycle-highs during the fourth quarter, the team has identified the emergence of attractive valuations across a variety of companies. We have reallocated capital to these opportunities with the sale proceeds from relative outperformers. The focus remains on large companies with competitive advantages, solid balance sheets, and above average earnings visibility.

* The Fund's return is after the deduction of fees and expenses associated with Class D units. There are no fees deducted from the benchmark's return. For Class A, C, F and O returns, please refer to the Annual Returns section on page 5.

** The McLean Budden American Equity Fund utilizes the following benchmark: S&P 500 (C\$).

Recent Developments

North American equities rallied further in the fourth quarter, as investors' spirits were lifted by signs of firmer global economic activity, ebbing deflation concerns and fresh stimulus measures from Washington, D.C. European sovereign debt concerns only temporarily roiled markets. The Federal Reserve began the second round of a bond-buying program, while the Administration and Congress agreed to a stimulus package including an extension of the Bush-era tax cuts as well as a cut to the payroll tax. The U.S. economy also picked up steam, though challenges remain—the housing market is very weak and the unemployment rate remains near 10%, the balance sheet de-leveraging process is not over and fiscal austerity at both the state and local levels, and eventually federally, looms. As a result, inflation will remain low and monetary policy will stay accommodative. The U.S. dollar weakened in reaction to the Fed's actions which, in addition to strong growth in emerging markets, helped support commodity-related stocks. In our opinion, stock picking will be key, with large-caps likely to outperform in this challenging environment.

Related Party Transactions

As Portfolio Advisor, McLean Budden Limited (MBL) carries out research and selects, purchases and sells portfolio securities for the Fund. As Manager, MBL provides or arranges for the provision of all general management and administrative services required by the Fund in its day-to-day operations.

As a result of providing the aforementioned services for the Fund, MBL receives a monthly management fee based on the average net assets of each Class. Effective July 1, 1998, the Manager, at its discretion, has assumed responsibility for payment of all administrative expenses, except for those related to the Independent Review Committee (IRC), and will continue to absorb these expenses until unitholders receive at least 60 days written notice of change.

MBL is a 66.9% owned indirect subsidiary of Sun Life Financial Inc. In compliance with National Instrument 81-107, which came into effect November 1, 2007, MBL has appointed an IRC to review and possibly make recommendations regarding all conflict of interest matters brought to it by MBL including, but not limited to, holdings of Sun Life. Each year, the IRC will provide a report, free of charge, to unitholders. The reports can be obtained by contacting MBL at (416) 862-9800 and will be posted at www.mcleanbudden.com.

Management Fees

The following table shows the Fund's annual management fee and trailer fee rates. The management fee for each class is an annualized management fee calculated based on the Net Asset Value of that class. The management fee is accrued daily and paid out at month-end. HST is payable on all management fees.

McLean Budden pays trailer fees to authorized distributors and dealers of Class A and D units. Trailer fees are calculated as a percentage of the average daily value of the fund. McLean Budden pays these fees quarterly to the distributors and dealers out of the management fees. For the period ended December 31, 2010, McLean Budden paid 12.89% of the total management fee revenues received from all McLean Budden Mutual Funds that were used to fund distribution related costs paid to registered dealers and brokers.

	Annually				
	Class A	Class C	Class D	Class F	Class O
Management Fee (%)	1.95	0.05	1.25	1.00	0.00
Trailer Fee (%)	1.00	N/A	0.25	N/A	N/A

For services as Manager, MBL receives an annual management fee for Class D units of 1.25%, that is not to exceed a maximum of up to 2%, excluding taxes, of the average Net Asset Value of the Fund:

Management fee	1.25%
As a percentage of Management Fee:	
Trailer Fees	20%
Investment Management and Administration	80%

This actual fee will remain in effect until unitholders receive at least 60 days written notice of an increase.

A management fee of 1.95%, excluding taxes, was payable by each Class A unitholder. Your advisor may charge you a separate fee in addition to the Management Fee.

A management fee of 0.05%, excluding taxes, was payable by each Class C unitholder. 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.

A management fee of 1.00%, excluding taxes, was payable by each Class F unitholder. Your advisor will charge you a separate fee in addition to the Management Fee.

There is no management fee applicable to Class O units. You will pay the manager directly if you hold this class of units.

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 Funds. 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.

Financial Highlights

For the year ended December 31st, 2010

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, or for the period since inception.

The Fund's Net Assets Per Unit in U.S. Dollars (\$)¹

		Net assets, beginning of year²	Increase (Decrease) from Operations				Distributions				Net assets, at end of year shown	
			Total revenue	Total expenses	Realized gains (losses) for the year	Unrealized gains (losses) for the year	Total increase (decrease) from operations²	From income excluding dividends	From dividends	From capital gains		Total annual distribution³
Class A¹¹¹¹	Dec 2010	28.16	0.47	(0.59)	0.93	2.62	3.43	–	0.09	–	0.09	30.33
	Dec 2009	19.95	0.42	(0.42)	1.12	5.24	6.36	–	0.40	–	0.40	28.16
Class C	Dec 2010	28.34	0.48	(0.03)	0.96	1.79	3.20	–	0.40	–	0.40	30.83
	Dec 2009	21.92	0.48	(0.04)	(2.34)	9.12	7.22	–	0.42	–	0.42	28.34
	Dec 2008	35.68	0.55	(0.04)	(1.62)	(12.65)	(13.76)	–	0.46	–	0.46	21.92
	Dec 2007⁴	33.88	1.06	(0.04)	2.57	0.42	4.01	–	1.14	1.23	2.37	35.68
	Dec 2006	30.51	0.80	(0.02)	1.54	2.43	4.75	–	0.76	0.52	1.28	33.91
Class D¹¹¹¹	Dec 2010	28.06	0.47	(0.39)	0.95	1.32	2.35	–	0.02	–	0.02	30.51
	Dec 2009	21.75	0.47	(0.34)	(2.51)	9.02	6.64	–	0.12	–	0.12	28.06
	Dec 2008	35.12	0.55	(0.42)	(1.53)	(13.02)	(14.42)	–	–	–	–	21.75
	Dec 2007⁴	33.31	1.04	(0.50)	2.57	0.49	3.60	–	0.70	1.21	1.91	35.12
	Dec 2006	29.97	0.76	(0.42)	1.46	2.36	4.16	–	0.32	0.51	0.83	33.34
Class F¹	Dec 2010	27.79	0.48	(0.31)	0.91	(0.24)	0.84	–	–	–	–	30.32
	Dec 2009	21.55	0.47	(0.27)	(2.36)	8.86	6.70	–	0.21	–	0.21	27.79
	Dec 2008	32.76	0.45	(0.29)	(2.43)	(15.46)	(17.73)	–	0.33	–	0.33	21.55
Class O¹¹	Dec 2010	28.33	0.48	(0.02)	0.91	1.39	2.76	–	0.41	–	0.41	30.82
	Dec 2009	21.90	0.48	(0.03)	(2.67)	9.14	6.92	–	0.43	–	0.43	28.33
	Dec 2008	22.12	0.03	–	(0.03)	1.66	1.66	–	0.47	–	0.47	21.90

¹ This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements differs from the Net Asset Value calculated for fund pricing purposes. (An explanation of these differences can be found in the notes to the financial statements.)

² Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period. The above calculations include combined actual and average data; therefore, the table will not total accordingly.

³ Distributions were paid in cash or reinvested in additional units of the Fund, or both.

⁴ Net assets beginning of the year were adjusted to reflect changes in Canadian GAAP.

Ratios and Supplemental Data

		Total Net Asset Value (\$)¹	Net Asset Value per Unit (\$)²	Number of units outstanding²	Management Expense Ratio (MER) (%)³	Management Expense Ratio Before Absorption (MER) (%)³	Portfolio turnover rate (%)⁴	Trading expense ratio (%)⁵
Class A¹¹¹¹	Dec 2010	379,343	30.33	12,508	2.07	2.07	25	0.06
	Dec 2009	58,054	28.17	2,061	1.99	1.99	34	0.09
Class C	Dec 2010	1,001,428,104	30.83	32,480,251	0.05	0.05	25	0.06
	Dec 2009	441,476,092	28.35	15,571,620	0.05	0.05	34	0.09
	Dec 2008	261,914,744	21.93	11,944,801	0.06	0.06	29	0.08
	Dec 2007	312,124,205	35.73	8,736,801	0.05	0.05	39	0.07
	Dec 2006	289,958,784	33.91	8,551,030	0.05	0.05	32	0.08
Class D¹¹¹¹	Dec 2010	47,691,460	30.51	1,563,012	1.35	1.35	25	0.06
	Dec 2009	46,554,562	28.07	1,658,268	1.31	1.31	34	0.09
	Dec 2008	33,049,170	21.76	1,518,925	1.32	1.32	29	0.08
	Dec 2007	91,198,163	35.16	2,593,673	1.33	1.33	39	0.07
	Dec 2006	78,189,165	33.34	2,345,547	1.33	1.33	32	0.08
Class F¹	Dec 2010	6,471,139	30.32	213,413	1.08	1.08	25	0.06
	Dec 2009	7,648,078	27.81	275,053	1.05	1.05	34	0.09
	Dec 2008	4,726,031	21.56	219,190	1.06	1.06	29	0.08
Class O¹¹	Dec 2010	36,582,002	30.83	1,186,752	–	–	25	0.06
	Dec 2009	33,455,048	28.34	1,180,414	–	–	34	0.09
	Dec 2008	25,845,217	21.92	1,179,289	–	–	29	0.08

¹ The information is provided at December 31 of the year shown, as applicable and represents the NAV.

² The information is provided at December 31 of the year shown, as applicable.

³ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period, plus HST.

⁴ The Fund's portfolio turnover rate indicates how actively the Fund's portfolio adviser manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

⁵ The trading expense ratio represents total commissions and other portfolio transactions costs expressed as an annualized percentage of daily average Net Asset Value during the period.

¹ The American Equity Fund Class F was created on February 13, 2008.

¹¹¹ Prior to April 1, 2009, the American Equity Fund Class D was known as Class A.

¹¹ The American Equity Fund Class O was created on November 28, 2008.

¹¹¹¹ The American Equity Fund Class AA was created on April 1, 2009 and renamed Class A on March 26, 2010.

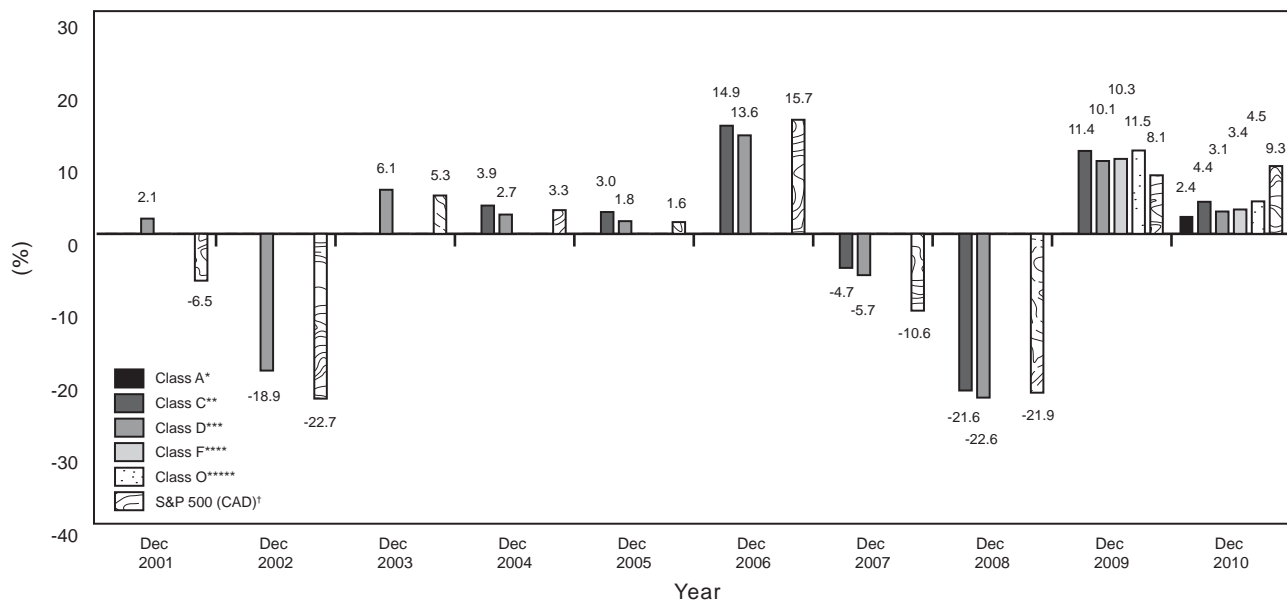
Past Performance

For the year ended December 31st, 2010

The performance information shown below assumes that all distributions made by the investment fund in the periods shown were reinvested in additional securities of the investment fund. The performance information does not take into account sales, redemptions, distributions or other optional charges (which distributors other than McLean Budden may charge) that would have reduced returns or performance. How the investment fund has performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns (%)

The bar chart below shows the annual performance of each class of the Fund for each of the years shown, and illustrates how the Fund's performance has changed from year to year. The chart below shows, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased as at the last day of each financial year.



* The American Equity Fund Class AA was created on April 1, 2009 and renamed Class A on March 26, 2010.

** The American Equity Fund Class C was created on June 13, 2003.

*** Prior to April 1, 2009, the American Equity Fund Class D was known as Class A.

**** The American Equity Fund Class F was created on February 13, 2008.

***** The American Equity Fund Class O was created on November 28, 2008.

Annual Compound Returns (%)

The following table shows for each class of units of the Fund, the annual compound total return for the period ending December 31.

	Annual Compound Returns				Benchmark [†]		Start Date
	1 Year	3 Years	5 Years	10 Years	Since Inception	Since Inception	
Class A*	2.38	-	-	-	12.11	15.69	April 1, 2009
Class C**	4.42	-3.02	-0.03	-	2.21	1.29	June 13, 2003
Class D***	3.08	-4.24	-1.22	-1.46	8.84	8.52	July 15, 1988
Class F****	3.36	-	-	-	-2.09	0.81	February 13, 2008
Class O*****	4.48	-	-	-	7.95	8.37	November 28, 2008
Benchmark [†]	9.35	-2.64	-0.91	-2.67			

[†] The McLean Budden American Equity Fund has been compared to the following Standard & Poor's 500 Index. The Standard & Poor's 500 Index measures performance of 500 large U.S. companies that represent all major industries. It is a capitalization-weighted index.

Manager's Discussion

Each mutual fund class has a different management fee which explains the differing returns of each class of a given Fund. The management fee schedule by class can be found on page 3 of this report. A discussion of the Performance of the Fund compared to the Benchmark is found in the Results of Operations section of this report.

Summary of Investment Portfolio

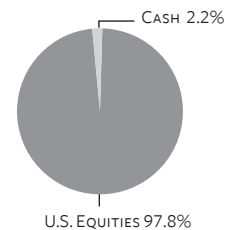
As at December 31st, 2010

Top Twenty-Five Positions

Security	% of Total Net Assets	Industry Classification	% of Total Net Assets
Microsoft Corporation	3.8	Energy	13.4
Merck & Co, Inc	3.8	Materials	4.1
JPMorgan Chase & Co	3.6	Industrials	8.9
Exxon Mobil Corporation	3.5	Consumer Discretionary	6.7
Pfizer Inc	3.4	Consumer Staples	10.7
ACE Limited	3.4	Health Care	13.3
Bank of America Corporation	3.2	Financials	15.1
Schlumberger Limited	3.0	Information Technology	19.4
AT&T Inc	2.9	Telecommunication Services	4.8
Goldman Sachs Group, Inc	2.9	Utilities	1.4
PepsiCo Inc	2.8		
Wal-Mart Stores, Inc	2.8		
Hewlett-Packard Company	2.8		
Cash and Short-Term Investments	2.2		
Google Inc	2.2		
Wells Fargo and Company	2.1		
Apache Corporation	2.1		
General Electric Company	2.0		
QUALCOMM, Inc	2.0		
Ultra Petroleum Corporation	2.0		
Verizon Communications Inc	2.0		
Colgate-Palmolive Company	2.0		
Spectra Energy Corporation	2.0		
United Technologies Corporation	1.9		
Johnson & Johnson	1.8		
Total	66.2		

More information about the underlying fund investments is available in the simplified prospectus and financial statements, which can be accessed on the internet at www.sedar.com or www.mcleanbudden.com.

Asset Mix (%)



Other Material Information

The Portfolio does not contain any short positions. The investment portfolio may change due to ongoing portfolio transactions of the investment fund. An updated listing is available on a quarterly basis.

Toronto www.mcleanbudden.com
145 King Street West +1 800 884 0436
25th Floor
Toronto, ON M5H 1J8
Tel +1 416 862 9800
Fax +1 416 862 9624

Vancouver **Montréal**
595 Burrard Street 1250 René-Lévesque Blvd. West
Suite 3043, P.O. Box 49105 Suite 3010
Vancouver, BC V7X 1G4 Montréal, QC H3B 4W8
Tel +1 604 623 3430 Tel +1 514 933 0033
Fax +1 604 623 3436 Fax +1 514 933 8163

Note on Forward-Looking Statements

This document contains forward-looking statements. Such statements are generally identifiable by the terminology used, such as “plan”, “anticipate”, “believe”, “intend”, “expect”, “estimate”, or other similar wording. These forward-looking statements are subject to known and unknown risks and uncertainties and other factors which may cause actual results, levels of activity and achievements to differ materially from those expressed or implied by such statements. Such factors include, but are not limited to: general economic, market and business conditions; fluctuations in securities prices, fluctuation in interest rates and foreign currency exchange rates; and actions by governmental authorities. Future events and their effects on the Fund may not be those anticipated by us. Actual results may differ materially from the results anticipated in these forward-looking statements. We do not undertake, and specifically disclaim, any obligation to update or revise any forward-looking information, whether as a result of new information, future developments or otherwise.

Future Accounting Policy Changes

The Canadian Accounting Standards Board approved a deferral from International Financial Reporting Standards (IFRSs) adoption for investment companies applying Accounting Guideline AcG-18, *Investment Companies*. Investment companies will be required to mandatorily adopt IFRS for interim and annual financial statements relating to annual periods beginning on or after January 1, 2013.

The key elements of the changeover plan deal with the requirements for financial reporting, Net Asset Value per share calculations, systems and processes, and training. The plan also sets out the timeline for implementation of the changes and the required technical training or other support required for a smooth transition.

As at December 31, 2010, some anticipated changes to financial reporting include:

- Compliance with the full body of IFRS without industry specific exemptions, unlike Canadian Generally Accepted Accounting Principles where investment fund accounting was based upon guidance in Accounting Guideline 18 – Investment Companies (“AcG-18”);
- Without exemption under AcG-18, a Fund must consolidate all controlling entities, or be consolidated with the entity which controls it;
- Changes to the presentation of shareholder equity to consider puttable instruments;
- Presentation of comparative information; and
- Additional financial statement note disclosures on the recognition and classification of financial instruments.

Due to anticipated changes in IFRS prior to the transition to IFRS, the Manager cannot conclusively determine the full impact of the transition to IFRS on the Fund's financial results at this time. Based on the Manager's current understanding and analysis of IFRS as compared to the current accounting policies under Canadian GAAP, the Manager does not anticipate that the transition to IFRS will have a material impact on the Fund's Net Assets per share, nor systems and processes, and it is expected that it will mainly result in additional note disclosure in the financial statements. Implementation of the changeover plan is progressing as scheduled. The Manager will continue to monitor ongoing changes to IFRS and adjust the changeover plan accordingly.

Investment Managers Since 1947

www.mcleanbudden.com

Toronto

145 King Street West
25th 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