

Semi-annual Report 2011

Financial Statements

Unaudited

McLean Budden

Balanced Value Fund



McLEAN BUDDEN
LOOK FORWARD®

McLean Budden Balanced Value Fund

June 30th, 2011

The Fund's independent auditors have not performed a review of these Semi-annual Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

Statements of Net Assets

As at June 30th, 2011 (unaudited) and December 31st, 2010 (audited)

	2011	2010
Assets		
Investments, at fair value	\$ 22,689,233	\$ 21,731,322
Cash	149,922	185,597
Subscriptions receivable	19,860	2,100
Accrued interest and dividends receivable	10,446	9,564
	<u>22,869,461</u>	<u>21,928,583</u>
Liabilities		
Distributions payable	38	–
Accrued expenses	12,759	12,573
Redemptions payable	30,944	–
	<u>43,741</u>	<u>12,573</u>
Total net assets	\$ 22,825,720	\$ 21,916,010
Unitholders' equity		
Class A [†]	\$ 359,719	\$ 392,141
Class C	8,801,115	8,550,334
Class D	13,627,524	12,936,624
Class F	37,343	36,892
Class O	19	19
	<u>\$ 22,285,720</u>	<u>\$ 21,916,010</u>
Units outstanding (Note C)		
Class A [†]	28,201	31,130
Class C	688,535	677,069
Class D	1,061,387	1,019,811
Class F	2,936	2,936
Class O	1	1
	<u>1,781,060</u>	<u>1,730,947</u>
Net assets per unit		
Class A [†]	\$ 12.76	\$ 12.60
Class C	\$ 12.78	\$ 12.63
Class D	\$ 12.84	\$ 12.69
Class F	\$ 12.72	\$ 12.56
Class O	\$ 12.86	\$ 12.70
Net asset value per unit		
Class A [†]	\$ 12.76	\$ 12.60
Class C	\$ 12.79	\$ 12.63
Class D	\$ 12.85	\$ 12.69
Class F	\$ 12.72	\$ 12.57
Class O	\$ 12.87	\$ 12.70
Investments, at average cost	\$ 21,643,072	\$ 20,721,327

[†] Prior to March 26, 2010, Class A was known as Class AA.

^{††} The Class B series of this Fund was closed on January 5, 2010.

Statements of Operations

For the six months ended June 30th (unaudited)

	2011	2010
Income		
Interest	\$ 160,139	\$ 161,535
Dividends	90,907	108,751
	<u>251,046</u>	<u>270,286</u>
Expenses		
Management fees	76,655	66,323
Independent review committee fees	496	3,525
	<u>77,151</u>	<u>69,848</u>
Net investment income (loss)	173,895	200,438
Net realized gain (loss) on sale of investments*	228,874	56,390
Transaction costs	(1,806)	(2,357)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	36,157	(794,927)
Net gain (loss) on investments	263,225	(740,894)
Increase (decrease) in net assets from operations	\$ 437,120	\$ (540,456)
Increase (decrease) in net assets from operations per class		
Class A [†]	\$ 5,945	\$ (9,987)
Class B ^{††}	\$ –	\$ 2,648
Class C	\$ 195,281	\$ (175,941)
Class D	\$ 235,175	\$ (356,203)
Class F	\$ 719	\$ (972)
Class O	\$ –	\$ (1)
Increase (decrease) in net assets from operations per unit (Note D)		
Class A [†]	\$ 0.20	\$ (0.36)
Class B ^{††}	\$ –	\$ 0.05
Class C	\$ 0.29	\$ (0.30)
Class D	\$ 0.23	\$ (0.35)
Class F	\$ 0.24	\$ (0.33)
Class O	\$ –	\$ (0.69)
*Net realized gain (loss) on sale of investments		
Cost of investments held at beginning of period [^]	\$ 20,522,123	\$ 19,676,705
Cost of investments purchased during the period [^]	1,947,463	2,033,056
	<u>22,469,586</u>	<u>21,709,761</u>
Investments at cost at end of the period [^]	21,344,419	19,977,587
Cost of investments sold during the period [^]	1,125,167	1,732,174
Proceeds from sale of investments [^]	1,354,041	1,788,564
Net realized gain (loss) on sale of investments	\$ 228,874	\$ 56,390

[^] 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 six months ended June 30th (unaudited)

	Class A [†]		Class B ^{††}		Class C	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 392,141	\$ 156,673	\$ –	\$ 602,558	\$ 8,550,334	\$ 6,149,359
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	5,945	(9,987)	–	2,648	195,281	(175,941)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	12,681	226,755	–	–	357,708	1,935,637
Distributions reinvested	317	2,478	–	–	86,796	89,245
Redemption of units	(51,048)	(6,129)	–	(605,206)	(294,122)	(309,125)
	(38,050)	223,104	–	(605,206)	150,382	1,715,757
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
From investment income	(317)	(2,478)	–	–	(94,882)	(98,604)
NET ASSETS, END OF PERIOD	\$ 359,719	\$ 367,312	\$ –	\$ –	\$ 8,801,115	\$ 7,590,571

	Class D		Class F		Class O	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 12,936,624	\$ 13,034,142	\$ 36,892	\$ 35,226	\$ 19	\$ 18
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	235,175	(356,203)	719	(972)	–	(1)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	918,956	932,790	–	–	–	–
Distributions reinvested	79,351	105,650	–	–	–	–
Redemption of units	(462,582)	(1,579,044)	–	–	–	–
	535,725	(540,604)	–	–	–	–
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
From investment income	(80,000)	(107,166)	(268)	(342)	–	–
NET ASSETS, END OF PERIOD	\$ 13,627,524	\$ 12,030,169	\$ 37,343	\$ 33,912	\$ 19	\$ 17

	Total	
	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 21,916,010	\$ 19,977,976
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	437,120	(540,456)
CAPITAL TRANSACTIONS		
Proceeds from issue of units	1,289,345	3,095,182
Distributions reinvested	166,464	197,373
Redemption of units	(807,752)	(2,499,504)
	648,057	793,051
DISTRIBUTIONS TO UNITHOLDERS (Note 5)		
From investment income	(175,467)	(208,590)
NET ASSETS, END OF PERIOD	\$ 22,825,720	\$ 20,021,981

[†] Prior to March 26, 2010, Class A was known as Class AA.

^{††} The Class B series of this Fund was closed on January 5, 2010.

Statement of Investment Portfolio

As at June 30th, 2011 (unaudited)

Par Value \$/ Security No. of Shares	Issue	Total Cost	Fair Value	Number of Shares	Security	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2011 - 2.31%; 2010 - 1.88%)								
Treasury Bills								
300,000	Government of Canada	0.991% December 8, 2011	298,653				298,653	298,653
Mutual Fund								
22,586	McLean Budden Money Market Fund Class O		225,857				225,857	225,857
TOTAL SHORT-TERM INVESTMENTS			524,510				524,510	524,510
BONDS (2011 - 34.45%; 2010 - 37.70%)								
Mutual Fund								
597,893	McLean Budden Fixed Income Fund Class O		7,519,180				7,815,712	7,815,712
TOTAL BONDS			7,519,180				7,815,712	7,815,712
EQUITIES (2011 - 63.24%; 2010 - 60.42%)								
CANADIAN EQUITIES (2011 - 30.65%; 2010 - 28.16%)								
Energy								
4,500	Cameco Corporation	Common	132,132				114,210	114,210
7,800	Canadian Natural Resources Ltd.	Common	311,728				314,418	314,418
6,100	Cenovus Energy Inc.	Common	136,205				221,552	221,552
2,200	Enbridge Inc.	Common	41,389				68,860	68,860
8,900	EnCana Corporation	Common	224,659				264,330	264,330
9,900	Suncor Energy Inc.	Common	339,696				373,230	373,230
10,600	Talisman Energy Inc.	Common	178,028				209,456	209,456
4,100	TransCanada Corporation	Common	134,006				173,102	173,102
7,800	Trinidad Drilling Ltd.	Common	58,324				65,364	65,364
2,100	Vermilion Energy Inc.	Common	77,293				106,911	106,911
			<u>1,633,460</u>				<u>1,911,433</u>	<u>1,911,433</u>
Materials								
2,000	Agrium Inc.	Common	123,889				169,220	169,220
8,700	Barrick Gold Corporation	Common Cad	308,122				379,929	379,929
3,200	CCL Industries Inc.	Class B Non Vtg	80,956				105,632	105,632
800	First Quantum Minerals Ltd.	Common	70,288				112,480	112,480
4,400	Goldcorp Inc.	Common	192,463				204,688	204,688
5,400	IAMGOLD Corporation	Common	50,395				97,794	97,794
2,600	Potash Corporation of Saskatchewan Inc.	Common	127,831				142,896	142,896
2,300	Teck Resources Ltd.	Class B Sub Vtg	121,039				112,447	112,447
			<u>1,074,983</u>				<u>1,325,086</u>	<u>1,325,086</u>
Industrials								
29,300	Bombardier Inc.	Class B Sub Vtg	142,785				202,756	202,756
11,100	CAE Inc.	Common	101,000				144,078	144,078
2,800	Canadian National Railway Company	Common	118,508				215,740	215,740
			<u>362,293</u>				<u>562,574</u>	<u>562,574</u>
Consumer Discretionary								
1,600	Canadian Tire Corporation Limited	Class A Non Vtg	87,797				100,880	100,880
2,100	Dollarama Inc.	Common	53,550				68,460	68,460
4,200	Gildan Activewear Inc.	Common	84,101				142,338	142,338
5,200	Magna International Inc.	Common	189,466				270,920	270,920
4,600	Thomson Reuters Corporation	Common	192,202				166,428	166,428
			<u>607,116</u>				<u>749,026</u>	<u>749,026</u>
Consumer Staples								
2,500	Alimentation Couche-Tard Inc.	Class B Sub Vtg	45,418				70,100	70,100
1,700	Loblaw Companies Ltd.	Common	94,405				66,113	66,113
3,400	Shoppers Drug Mart Corporation	Common	118,341				134,980	134,980
6,300	Viterra Inc.	Common	59,017				65,772	65,772
			<u>317,181</u>				<u>336,965</u>	<u>336,965</u>
Financials								
2,800	Bank of Montreal	Common	172,728				171,584	171,584
2,500	Industrial Alliance Insurance & Financial Services Inc.	Common	58,417				100,200	100,200
Information Technology								
3,100	CGI Group Inc.	Class A Sub Vtg	27,521				73,780	73,780
2,900	Open Text Corporation	Common	118,042				178,611	178,611
4,000	Research In Motion Ltd.	Common	224,014				111,240	111,240
			<u>369,577</u>				<u>363,631</u>	<u>363,631</u>
Telecommunication Services								
2,700	BCE Inc.	Common	64,723				102,114	102,114
2,600	TELUS Corporation	Common	116,422				138,008	138,008
			<u>181,145</u>				<u>240,122</u>	<u>240,122</u>
TOTAL CANADIAN EQUITIES							5,780,696	6,954,784
FOREIGN EQUITIES (2011 - 32.59%; 2010 - 32.26%)								
Mutual Fund								
991,216	McLean Budden Global Equity Fund Class O		7,823,260				7,394,227	7,394,227
TOTAL FOREIGN EQUITIES							7,823,260	7,394,227
TOTAL EQUITIES							13,603,956	14,349,011
ADJUSTMENTS FOR TRANSACTION COSTS							(4,574)	
TOTAL INVESTMENTS							21,643,072	22,689,233



McLean Budden Balanced Value Fund

Fund Specific Notes to the Financial Statements

June 30th, 2011 (unaudited)

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

A. Investment Objective

The Fund aims to provide long-term capital growth consistent with a conservative investment policy through a mix of undervalued equities as well as fixed income securities issued primarily by Canadian issuers. The Fund may invest in securities of other McLean Budden 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 June 30, 2011 and December 31, 2010, the Fund invested in debt securities, such as short-term investments and bonds, either directly or indirectly through underlying investment funds with the following Standard and Poor's credit ratings:

Portfolio by rating category	As a % of Net Assets	
	June 2011	December 2010
AAA	17.1%	17.3%
AA	7.6%	8.5%
A	10.0%	11.8%
BBB	1.8%	2.1%
Total	36.5%	39.7%

As at June 30, 2011 and December 31, 2010, none of these assets are impaired or past due and the percentages represent the maximum credit risk exposure.

Interest Rate Risk

The Fund was exposed directly and indirectly to interest rate risk from its direct investments and investments in underlying investment funds as follows:

Interest Rate Exposure	Less than 1 year (\$)	1 – 5 years (\$)	More than 5 years (\$)	Total (\$)
June 2011	2,573,000	1,414,000	4,361,000	8,348,000
December 2010	2,178,000	2,007,000	4,501,000	8,686,000

As at June 30, 2011, 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 period would amount to approximately \$122,000 (2010: \$132,000). In practice, the actual results may differ and the difference could be material.

Currency Risk

As at June 30, 2011 and December 31, 2010, the Fund had significant exposure to the following currencies either directly from its investments or indirectly through its investments in underlying investment funds:

	June 2011		December 2010	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	5,985,000	26.2	5,786,000	26.4
Euro	526,000	2.3	342,000	1.6
Japanese Yen	471,000	2.1	538,000	2.5
Pounds Sterling	264,000	1.2	290,000	1.3
Singapore Dollar	135,000	0.6	66,000	0.3
Swiss Franc	117,000	0.5	113,000	0.5
Swedish Krona	115,000	0.5	44,000	0.2
Australian Dollar	62,000	0.3	61,000	0.3
Hong Kong Dollar	35,000	0.2	—	—
Total	7,710,000	33.9	7,240,000	33.1

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.

As at June 30, 2011, 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 \$386,000 (2010: \$362,000). In practice, the actual results may differ and the difference could be material.

Other Price Risk

Approximately 61.9% (2010: 59.0%) of the Fund's Net Assets held at June 30, 2011, held either directly or indirectly through underlying investment funds, were publicly traded equities. If equity prices on the exchange increased or decreased by 5% as at June 30, 2011, the Net Assets of the Fund would have increased or decreased by approximately \$706,000 (2010: \$647,000) or 3.1% (2010: 3.0%) of the Net Assets, all other factors remaining constant. In practice, the actual 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 period ended June 30 were as follows:

Class	Units Outstanding Beginning of Period	Issued	Distributions Reinvested	Redemptions	Units Outstanding End of Period
Class A 2011	31,130	995	25	(3,949)	28,201
Class A 2010 [†]	12,999	19,024	208	(518)	31,713
Class B 2010 ^{††}	49,332	—	—	(49,332)	—
Class C 2011	677,069	27,733	6,741	(23,008)	688,535
Class C 2010	510,020	162,047	7,549	(25,655)	653,961
Class D 2011	1,019,811	71,064	6,131	(35,619)	1,061,387
Class D 2010	1,076,188	77,128	8,880	(130,570)	1,031,626
Class F 2011	2,936	—	—	—	2,936
Class F 2010	2,936	—	—	—	2,936
Class O 2011	1	—	—	—	1
Class O 2010	1	—	—	—	1

[†] Prior to March 26, 2010, Class A was known as Class AA. ^{††} The Class B series of this Fund was closed on January 5, 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 period divided by the average units outstanding during the period. The average number of units outstanding during the period was:

	June 2011	June 2010
Class A	29,370	27,833
Class B	—	49,332
Class C	676,270	581,631
Class D	1,044,348	1,031,842
Class F	2,936	2,936
Class O	1	1

E. Related Party Transactions

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

F. 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 tables present information about the Fund's financial assets measured at fair value as of June 30, 2011 and December 31, 2010 and there have been no transfers between levels.

Financial Assets at Fair Value as at June 2011				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	6,954,784	-	-	6,954,784
Investment Funds	15,435,796	-	-	15,435,796
Short-Term Investments	-	298,653	-	298,653
	22,390,580	298,653	-	22,689,233

Financial Assets at Fair Value as at December 2010				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	6,118,572	-	-	6,118,572
Investment Funds	15,413,276	-	-	15,413,276
Short-Term Investments	-	199,474	-	199,474
	21,531,848	199,474	-	21,731,322

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