

# Semi-annual Report 2011

Financial Statements  
*Unaudited*

McLean Budden  
Canadian Equity Fund



# McLean Budden Canadian Equity Fund

June 30<sup>th</sup>, 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 30<sup>th</sup>, 2011 (unaudited) and December 31<sup>st</sup>, 2010 (audited)

	2011	2010
<b>Assets</b>		
Investments, at fair value	\$ 23,345,514	\$ 22,112,679
Cash	98,017	123,214
Subscriptions receivable	62	412
Accrued interest and dividends receivable	34,256	31,613
	<u>23,477,849</u>	<u>22,267,918</u>
<b>Liabilities</b>		
Distributions payable	–	979
Accrued expenses	14,908	13,975
Redemptions payable	176,367	60,868
	<u>191,275</u>	<u>75,822</u>
<b>Total net assets</b>	<u>23,286,574</u>	<u>22,192,096</u>
<b>Unitholders' equity</b>		
Class A <sup>†</sup>	\$ 1,109,437	\$ 738,059
Class C	8,243,265	8,043,291
Class D	10,815,576	10,444,073
Class F	406,692	370,715
Class O	2,711,604	2,595,958
	<u>\$ 23,286,574</u>	<u>\$ 22,192,096</u>
<b>Units outstanding (Note C)</b>		
Class A <sup>†</sup>	72,903	48,063
Class C	531,297	519,166
Class D	704,883	677,474
Class F	26,843	24,385
Class O	174,691	167,536
	<u>1,510,617</u>	<u>1,436,624</u>
<b>Net assets per unit</b>		
Class A <sup>†</sup>	\$ 15.22	\$ 15.36
Class C	\$ 15.52	\$ 15.49
Class D	\$ 15.34	\$ 15.42
Class F	\$ 15.15	\$ 15.20
Class O	\$ 15.52	\$ 15.49
<b>Net asset value per unit</b>		
Class A <sup>†</sup>	\$ 15.25	\$ 15.38
Class C	\$ 15.55	\$ 15.51
Class D	\$ 15.38	\$ 15.44
Class F	\$ 15.18	\$ 15.22
Class O	\$ 15.56	\$ 15.52
<b>Investments, at average cost</b>	<u>\$ 19,882,319</u>	<u>\$ 18,016,543</u>

<sup>†</sup> Prior to March 26, 2010, Class A was known as Class AA.

<sup>††</sup> The Class B series of this Fund was closed on January 5, 2010.

## Statements of Operations

For the six months ended June 30<sup>th</sup> (unaudited)

	2011	2010
<b>Income</b>		
Interest	\$ 4,650	\$ 606
Dividends	216,562	244,720
	<u>221,212</u>	<u>245,326</u>
<b>Expenses</b>		
Management fees	93,275	65,245
Independent review committee fees	522	3,506
	<u>93,797</u>	<u>68,751</u>
<b>Net investment income (loss)</b>	<u>127,415</u>	<u>176,575</u>
Net realized gain (loss) on sale of investments*	423,466	87,520
Transaction costs	(4,872)	(6,742)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	(632,975)	(1,168,762)
<b>Net gain (loss) on investments</b>	<u>(214,381)</u>	<u>(1,087,984)</u>
<b>Increase (decrease) in net assets from operations</b>	<u>\$ (86,966)</u>	<u>\$ (911,409)</u>
<b>Increase (decrease) in net assets from operations per class</b>		
Class A <sup>†</sup>	\$ (26,912)	\$ (20,976)
Class B <sup>††</sup>	\$ –	\$ 18,208
Class C	\$ 17,031	\$ (340,073)
Class D	\$ (86,122)	\$ (454,869)
Class F	\$ (2,609)	\$ (17,921)
Class O	\$ 11,646	\$ (95,778)
<b>Increase (decrease) in net assets from operations per unit (Note D)</b>		
Class A <sup>†</sup>	\$ (0.39)	\$ (0.70)
Class B <sup>††</sup>	\$ –	\$ 0.15
Class C	\$ 0.03	\$ (0.63)
Class D	\$ (0.12)	\$ (0.70)
Class F	\$ (0.10)	\$ (0.78)
Class O	\$ 0.07	\$ (0.55)
<b>*Net realized gain (loss) on sale of investments</b>		
Cost of investments held at beginning of period <sup>^</sup>	\$ 17,069,494	\$ 15,616,894
Cost of investments purchased during the period <sup>^</sup>	4,032,837	4,061,339
	<u>21,102,331</u>	<u>19,678,233</u>
Investments at cost at end of the period <sup>^</sup>	19,235,539	16,749,386
Cost of investments sold during the period <sup>^</sup>	1,866,792	2,928,847
Proceeds from sale of investments <sup>^</sup>	2,290,258	3,016,367
<b>Net realized gain (loss) on sale of investments</b>	<u>\$ 423,466</u>	<u>\$ 87,520</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 six months ended June 30th (unaudited)

	Class A <sup>†</sup>		Class B <sup>††</sup>		Class C	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 738,059	\$ 16	\$ –	\$ 1,657,470	\$ 8,043,291	\$ 5,295,147
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(26,912)	(20,976)	–	18,208	17,031	(340,073)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	647,661	623,647	–	–	454,828	2,648,720
Distributions reinvested	–	–	–	–	–	–
Redemption of units	(249,371)	(62,121)	–	(1,675,678)	(271,885)	(744,452)
	398,290	561,526	–	(1,675,678)	182,943	1,904,268
NET ASSETS, END OF PERIOD	\$ 1,109,437	\$ 540,566	\$ –	\$ –	\$ 8,243,265	\$ 6,859,342

	Class D		Class F		Class O	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 10,444,073	\$ 8,513,026	\$ 370,715	\$ 19	\$ 2,595,958	\$ 2,525,804
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(86,122)	(454,869)	(2,609)	(17,921)	11,646	(95,778)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	1,724,237	1,230,118	38,586	433,588	284,000	374,205
Distributions reinvested	–	–	–	–	–	–
Redemption of units	(1,266,612)	(1,027,626)	–	(113,397)	(180,000)	(640,597)
	457,625	202,492	38,586	320,191	104,000	(266,392)
NET ASSETS, END OF PERIOD	\$ 10,815,576	\$ 8,260,649	\$ 406,692	\$ 302,289	\$ 2,711,604	\$ 2,163,634

	Total	
	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 22,192,096	\$ 17,991,482
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	(86,966)	(911,409)
CAPITAL TRANSACTIONS		
Proceeds from issue of units	3,149,312	5,310,278
Distributions reinvested	–	–
Redemption of units	(1,967,868)	(4,263,871)
	1,181,444	1,046,407
NET ASSETS, END OF PERIOD	\$ 23,286,574	\$ 18,126,480

<sup>†</sup> Prior to March 26, 2010, Class A was known as Class AA.

<sup>††</sup> The Class B series of this Fund was closed on January 5, 2010.





## McLean Budden Canadian Equity 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 for long-term capital growth by investing in a diversified portfolio of Canadian equities. 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 instruments, 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	
	June 2011	December 2010
AAA	2.8%	4.3%

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

##### *Interest Rate Risk*

As at June 30, 2011, approximately \$648,000 (2010: \$948,000) was invested in debt instruments with term to maturity of less than 1 year.

The Fund has minimal sensitivity to changes in interest rates since these debt instruments are usually held to maturity and are short-term in nature.

##### *Other Price Risk*

Approximately 97.5% (2010: 95.4%) of the Fund's Net Assets held at June 30, 2011 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 \$1,135,000 (2010: \$1,058,000) or 4.9% (2010: 4.8%) 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
<b>Class A 2011</b>	<b>48,063</b>	<b>40,513</b>	–	<b>(15,673)</b>	<b>72,903</b>
Class A 2010 <sup>†</sup>	1	46,721	–	(4,478)	42,244
Class B 2010 <sup>††</sup>	120,834	–	–	(120,834)	–
<b>Class C 2011</b>	<b>519,166</b>	<b>28,931</b>	–	<b>(16,800)</b>	<b>531,297</b>
Class C 2010	390,091	195,128	–	(55,221)	529,998
<b>Class D 2011</b>	<b>677,474</b>	<b>107,583</b>	–	<b>(80,174)</b>	<b>704,883</b>
Class D 2010	628,900	91,565	–	(76,402)	644,063
<b>Class F 2011</b>	<b>24,385</b>	<b>2,458</b>	–	–	<b>26,843</b>
Class F 2010	1	32,366	–	(8,499)	23,868
<b>Class O 2011</b>	<b>167,536</b>	<b>18,035</b>	–	<b>(10,880)</b>	<b>174,691</b>
Class O 2010	186,058	27,546	–	(46,485)	167,119

<sup>†</sup> Prior to March 26, 2010, Class A was known as Class AA. <sup>††</sup> 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	<b>69,157</b>	29,916
Class B	–	120,834
Class C	<b>520,653</b>	543,624
Class D	<b>708,323</b>	652,786
Class F	<b>25,816</b>	23,049
Class O	<b>166,747</b>	175,732

### E. Related Party Transactions

As at June 30, 2011 and December 31, 2010, the following Class O units of the Fund were held by other McLean Budden Funds:

	Number of Units Held	
	June 2011	December 2010
McLean Budden LifePlan® 2020 Fund	<b>78,196</b>	78,401
McLean Budden LifePlan® 2030 Fund	<b>39,317</b>	31,316
McLean Budden LifePlan® Retirement Fund	<b>57,177</b>	57,819

### 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 at 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	22,697,999	–	–	22,697,999
Short-Term Investments	–	647,515	–	647,515
	22,697,999	647,515	–	23,345,514

	Financial Assets at Fair Value as at December 2010			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	21,164,585	–	–	21,164,585
Short-Term Investments	–	948,094	–	948,094
	21,164,585	948,094	–	22,112,679

Investment Managers Since 1947

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

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