

Semi-annual Report 2011

Financial Statements

Unaudited

McLean Budden

Dividend Income Fund

(formerly the McLean Budden High Income Equity Fund)



McLEAN BUDDEN
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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	\$ 16,813,942	\$ 12,608,820
Cash	181,329	202,530
Subscriptions receivable	678,243	10,110
Accrued interest and dividends receivable	93,939	64,905
	<u>17,767,453</u>	<u>12,886,365</u>
Liabilities		
Distributions payable	5,760	58
Accrued expenses	6,093	4,274
Due to broker	661,663	–
Redemptions payable	–	5,409
	<u>673,516</u>	<u>9,741</u>
Total net assets	\$ 17,093,937	\$ 12,876,624
Unitholders' equity		
Class A [†]	\$ 364,864	\$ 198,571
Class C	11,223,287	8,598,887
Class D	4,419,061	3,005,449
Class F	259,202	125,260
Class O	827,523	948,457
	<u>\$ 17,093,937</u>	<u>\$ 12,876,624</u>
Units outstanding (Note C)		
Class A [†]	36,025	20,802
Class C	1,099,968	896,002
Class D	435,662	314,736
Class F	25,644	13,159
Class O	81,133	98,868
	<u>1,678,432</u>	<u>1,343,567</u>
Net assets per unit		
Class A [†]	\$ 10.13	\$ 9.55
Class C	\$ 10.20	\$ 9.60
Class D	\$ 10.14	\$ 9.55
Class F	\$ 10.11	\$ 9.52
Class O	\$ 10.20	\$ 9.59
Net asset value per unit		
Class A [†]	\$ 10.14	\$ 9.55
Class C	\$ 10.21	\$ 9.60
Class D	\$ 10.15	\$ 9.56
Class F	\$ 10.12	\$ 9.53
Class O	\$ 10.21	\$ 9.60
Investments, at average cost	\$ 15,545,355	\$ 11,902,260

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

^{††} The Class B series of this Fund was closed on January 16, 2010.

Statements of Operations

For the six months ended June 30th (unaudited)

	2011	2010
Income		
Interest	\$ 14,124	\$ (233)
Dividends	332,019	198,266
	<u>346,143</u>	<u>198,033</u>
Less: Foreign withholding taxes	(9,609)	(3,664)
	<u>336,534</u>	<u>194,369</u>
Expenses		
Management fees	32,777	15,412
Independent review committee fees	320	3,196
	<u>33,097</u>	<u>18,608</u>
Net investment income (loss)	303,437	175,761
Net realized gain (loss) on sale of investments*	321,495	(107,177)
Transaction costs	(6,396)	(1,746)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	562,807	(249,132)
Net gain (loss) on investments	877,906	(358,055)
Increase (decrease) in net assets from operations	\$ 1,181,343	\$ (182,294)
Increase (decrease) in net assets from operations per class		
Class A [†]	\$ 16,996	\$ (1,585)
Class B ^{††}	\$ –	\$ 12,104
Class C	\$ 818,427	\$ (125,192)
Class D	\$ 258,873	\$ (49,682)
Class F	\$ 13,981	\$ (3,707)
Class O	\$ 73,066	\$ (14,232)
Increase (decrease) in net assets from operations per unit (Note D)		
Class A [†]	\$ 0.59	\$ (0.31)
Class B ^{††}	\$ –	\$ 0.04
Class C	\$ 0.80	\$ (0.22)
Class D	\$ 0.70	\$ (0.21)
Class F	\$ 0.66	\$ (1.14)
Class O	\$ 0.81	\$ (0.13)
*Net realized gain (loss) on sale of investments		
Cost of investments held at beginning of period [^]	\$ 11,703,030	\$ 7,437,761
Cost of investments purchased during the period [^]	5,708,756	1,718,894
	<u>17,411,786</u>	<u>9,156,655</u>
Investments at cost at end of the period [^]	15,145,491	8,835,864
Cost of investments sold during the period [^]	2,266,295	320,791
Proceeds from sale of investments [^]	2,587,790	213,614
Net realized gain (loss) on sale of investments	\$ 321,495	\$ (107,177)

[^] Excludes short-term investments.

On behalf of the Manager, McLean Budden Limited.



Roger Beauchemin,
Director



Alan Daxner,
Director

Semi-annual Financial Statements (*Unaudited*), *continued*
 McLean Budden Dividend Income Fund
 (formerly the McLean Budden High Income Equity Fund)

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	\$ 198,571	\$ 13	\$ –	\$ 2,682,805	\$ 8,598,887	\$ 1,936,382
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	16,996	(1,585)	–	12,104	818,427	(125,192)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	165,575	70,000	–	–	3,340,635	4,145,161
Distributions reinvested	3,006	1,033	–	–	149,648	81,159
Redemption of units	(16,278)	–	–	(2,694,909)	(1,484,607)	(317,181)
	152,303	71,033	–	(2,694,909)	2,005,676	3,909,139
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
From investment income	(3,006)	(1,065)	–	–	(199,703)	(108,733)
NET ASSETS, END OF PERIOD	\$ 364,864	\$ 68,396	\$ –	\$ –	\$ 11,223,287	\$ 5,611,596

	Class D		Class F		Class O	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 3,005,449	\$ 1,995,843	\$ 125,260	\$ 15	\$ 948,457	\$ 811,976
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	258,873	(49,682)	13,981	(3,707)	73,066	(14,232)
CAPITAL TRANSACTIONS						
Proceeds from issue of units	1,471,393	245,405	122,816	88,700	–	179,000
Distributions reinvested	42,835	23,900	601	–	16,562	19,465
Redemption of units	(309,343)	(113,679)	–	–	(194,000)	(87,019)
	1,204,885	155,626	123,417	88,700	(177,438)	111,446
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
From investment income	(50,146)	(30,725)	(3,456)	(921)	(16,562)	(19,465)
NET ASSETS, END OF PERIOD	\$ 4,419,061	\$ 2,071,062	\$ 259,202	\$ 84,087	\$ 827,523	\$ 889,725

	Total	
	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 12,876,624	\$ 7,427,034
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	1,181,343	(182,294)
CAPITAL TRANSACTIONS		
Proceeds from issue of units	5,100,419	4,728,266
Distributions reinvested	212,652	125,557
Redemption of units	(2,004,228)	(3,212,788)
	3,308,843	1,641,035
DISTRIBUTIONS TO UNITHOLDERS (Note 5)		
From investment income	(272,873)	(160,909)
NET ASSETS, END OF PERIOD	\$ 17,093,937	\$ 8,724,866

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

^{††} The Class B series of this Fund was closed on January 16, 2010.

Semi-annual Financial Statements (*Unaudited*), *continued*
 McLean Budden Dividend Income Fund
 (formerly the McLean Budden High Income Equity Fund)

Statement of Investment Portfolio

As at June 30th, 2011 (unaudited)

Par Value \$/ Security No. of Shares	Issue	Total Cost	Fair Value
SHORT-TERM INVESTMENTS (2011 - 2.38%; 2010 - 1.58%)			
Treasury Bills			
400,000	Government of Canada 0.955% July 11, 2011	399,864	399,889
TOTAL SHORT-TERM INVESTMENTS		399,864	399,889
EQUITIES (2011 - 97.62%; 2010 - 98.42%)			
CANADIAN PREFERRED SHARES (2011 - 2.25; 2010 - 2.95%)			
6,300	Bank of Montreal PP Cl B Sr 18	164,297	172,683
7,600	Bank of Nova Scotia Reset Prf Ser 26	194,944	206,416
TOTAL PREFERRED SHARES		359,241	379,099
CANADIAN EQUITIES (2011 - 78.88%; 2010 - 82.40%)			
Energy			
9,800	ARC Resources Ltd. Common	218,969	244,706
15,100	Canadian Oil Sands Limited Common	439,559	419,629
15,000	Crescent Point Energy Corp. Common	625,287	666,300
23,500	Enbridge Inc. Common	547,324	735,550
6,200	Husky Energy Inc. Common	200,636	162,812
11,496	Keyera Corp. Common	270,738	502,260
11,100	Penn West Petroleum Ltd. Common	348,114	246,642
17,800	Progress Energy Resources Corp. Common	241,877	244,395
19,300	TransCanada Corporation Common	712,128	814,846
14,800	Vermilion Energy Inc. Common	552,835	753,468
		<u>4,157,467</u>	<u>4,790,608</u>
Materials			
6,700	Labrador Iron Ore Royalty Corporation Trust Unit	166,202	259,290
Industrials			
13,300	Progressive Waste Solutions Ltd. Common	297,288	319,200
Consumer Discretionary			
13,700	Thomson Reuters Corporation Common	538,097	495,666
Health Care			
34,500	CML HealthCare Inc. Common	413,552	321,885
Financials			
8,100	Bank of Montreal Common	500,846	496,368
8,400	Bank of Nova Scotia Common	446,753	487,284
5,400	Canadian Imperial Bank of Commerce Common	427,934	410,940
7,600	Dundee Real Estate Investment Trust Trust Unit	239,608	246,316
4,700	IGM Financial Inc. Common	208,046	237,397
4,200	National Bank of Canada Common	271,412	328,146
16,700	Power Corporation of Canada Common	511,264	496,658
10,500	Royal Bank of Canada Common	553,070	577,395
7,100	Toronto Dominion Bank Common	508,890	580,638
		<u>3,667,823</u>	<u>3,861,142</u>
Telecommunication Services			
19,400	BCE Inc. Common	585,430	733,708
17,300	Bell Aliant Inc. Common	469,429	496,510
12,500	TELUS Corporation Common	592,275	663,500
		<u>1,647,134</u>	<u>1,893,718</u>

Number of Shares	Security	Issue	Total Cost	Fair Value
Utilities				
14,400	Brookfield Renewable Power Fund	Trust Unit	277,189	331,200
15,400	Fortis Inc.	Common	445,685	498,190
23,900	TransAlta Corporation	Common	509,144	491,623
			<u>1,232,018</u>	<u>1,321,013</u>
TOTAL CANADIAN EQUITIES			12,119,581	13,262,522
FOREIGN EQUITIES (2011 - 16.49%; 2010 - 13.07%)				
Energy				
15,400	Spectra Energy Corporation	Common	376,962	407,234
Materials				
8,600	International Paper Co.	Common	242,603	247,253
Consumer Staples				
16,000	Altria Group, Inc.	Common	358,489	407,659
Health Care				
24,400	Pfizer Inc.	Common	498,144	484,863
Telecommunication Services				
12,100	France Telecom SA	Sp Adr (1 Ord)	263,675	248,736
13,700	Verizon Communications Inc.	Common	448,310	491,987
			<u>711,985</u>	<u>740,723</u>
Utilities				
26,700	Duke Energy Corporation	Common	490,626	484,700
TOTAL FOREIGN EQUITIES			2,678,809	2,772,432
TOTAL EQUITIES			15,157,631	16,414,053
ADJUSTMENTS FOR TRANSACTION COSTS			(12,140)	
TOTAL INVESTMENTS			15,545,355	16,813,942



McLean Budden Dividend Income Fund (formerly the McLean Budden High Income 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 income generation and capital appreciation by investing primarily in dividend or income paying securities including royalty trust units, real-estate investment trust units and limited partnership units and other exchange-listed participating securities. The Fund may invest in securities of other McLean Budden Funds. Unitholder approval is required prior to a change of fundamental investment objectives.

The Fund was renamed on April 4, 2011 from McLean Budden High Income Equity Fund to McLean Budden Dividend Income Fund.

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, with the following Standard and Poor's credit ratings:

Portfolio by rating category	As a % of Net Assets	
	June 2011	December 2010
AAA	2.3%	1.5%

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

As at June 30, 2011, approximately \$400,000 (2010: \$199,000) was invested in debt securities 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 June 30, 2011 and December 31, 2010, the Fund had significant exposure to the following currency:

Currency	June 2011		December 2010	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	2,841,000	16.6	1,724,000	13.4

The amounts in the table above are based on the fair value of the Fund's foreign denominated financial instruments.

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 \$142,000 (2010: \$86,000). In practice, the actual results may differ and the difference could be material.

Other Price risk

Approximately 96.0% (2010: 96.4%) 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 \$821,000 (2010: \$620,000) or 4.8% (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.

Semi-annual Financial Statements (Unaudited), continued
McLean Budden Dividend Income Fund, Notes to the Financial Statements
(formerly the McLean Budden High Income Equity Fund)

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	20,802	16,543	296	(1,616)	36,025
Class A 2010 [†]	2	8,045	119	-	8,166
Class B 2010 ^{††}	307,152	-	-	(307,152)	-
Class C 2011	896,002	334,817	14,612	(145,463)	1,099,968
Class C 2010	221,636	472,836	9,428	(36,020)	667,880
Class D 2011	314,736	147,661	4,207	(30,942)	435,662
Class D 2010	229,344	28,367	2,783	(12,999)	247,495
Class F 2011	13,159	12,426	59	-	25,644
Class F 2010	2	10,078	-	-	10,080
Class O 2011	98,868	-	1,618	(19,353)	81,133
Class O 2010	92,981	20,492	2,256	(9,787)	105,942

[†] Prior to March 26, 2010, Class A was known as Class AA. ^{††} The Class B series of this Fund was closed on January 16, 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	28,892	5,196
Class B	-	307,152
Class C	1,022,932	577,852
Class D	369,868	238,685
Class F	21,337	3,260
Class O	90,158	108,709

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 [®] Retirement Fund	81,133	98,868

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	16,414,053	-	-	16,414,053
Short-Term Investments	-	399,889	-	399,889
	16,414,053	399,889	-	16,813,942

	Financial Assets at Fair Value as at December 2010			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	12,409,483	-	-	12,409,483
Short-Term Investments	-	199,337	-	199,337
	12,409,483	199,337	-	12,608,820

Investment Managers Since 1947

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