

# Semi-annual Report 2011

Financial Statements

*Unaudited*

McLean Budden

LifePlan<sup>®</sup> Retirement Fund



McLEAN BUDDEN  
LOOK FORWARD<sup>®</sup>

# McLean Budden LifePlan® Retirement 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 30th, 2011 (unaudited) and December 31st, 2010 (audited)

	2011	2010
<b>Assets</b>		
Investments, at fair value	\$ 9,484,131	\$ 10,895,693
Cash	70,953	65,802
	<u>9,555,084</u>	<u>10,961,495</u>
<b>Liabilities</b>		
Redemptions payable	6,877	11,000
Accrued expenses	14,048	16,665
	<u>20,925</u>	<u>27,665</u>
<b>Total net assets</b>	<b>\$ 9,534,159</b>	<b>\$ 10,933,830</b>
<b>Unitholders' equity</b>		
Class A <sup>1</sup>	\$ 265,137	\$ 98,112
Class F	12	12
Class O	4,940	4,830
Class VMD	9,264,070	10,830,876
	<u>\$ 9,534,159</u>	<u>\$ 10,933,830</u>
<b>Units outstanding (Note C)</b>		
Class A <sup>1</sup>	26,781	9,957
Class F	1	1
Class O	492	485
Class VMD	926,471	1,092,214
	<u>953,745</u>	<u>1,102,657</u>
<b>Net assets per unit</b>		
Class A <sup>1</sup>	\$ 9.90	\$ 9.85
Class F	\$ 10.06	\$ 9.96
Class O	\$ 10.04	\$ 9.96
Class VMD	\$ 10.00	\$ 9.92
<b>Net asset value per unit</b>		
Class A <sup>1</sup>	\$ 9.90	\$ 9.85
Class F	\$ 10.06	\$ 9.96
Class O	\$ 10.04	\$ 9.96
Class VMD	\$ 10.00	\$ 9.92
<b>Investments, at average cost</b>	<b>\$ 9,321,120</b>	<b>\$ 10,782,273</b>

<sup>1</sup> Prior to March 26, 2010, Class A was known as Class AA.

## Statements of Operations

For the six months ended June 30th (unaudited)

	2011	2010
<b>Income</b>		
Underlying funds' distributions	\$ 147,833	\$ 95,920
<b>Expenses</b>		
Management fees	90,034	54,384
Independent review committee fees	236	3,154
	<u>90,270</u>	<u>57,538</u>
<b>Net investment income (loss)</b>	<b>57,563</b>	<b>38,382</b>
Net realized gain (loss) on sale of investments*	30,865	(3,443)
Net change in unrealized appreciation (depreciation) of investments and foreign currency	49,591	(81,315)
<b>Net gain (loss) on investments</b>	<b>80,456</b>	<b>(84,758)</b>
<b>Increase (decrease) in net assets from operations</b>	<b>\$ 138,019</b>	<b>\$ (46,376)</b>
<b>Increase (decrease) in net assets from operations per class</b>		
Class A <sup>1</sup>	\$ 2,017	\$ (667)
Class F	\$ -	\$ -
Class O	\$ 110	\$ -
Class VMD	\$ 135,892	\$ (45,709)
<b>Increase (decrease) in net assets from operations per unit (Note D)</b>		
Class A <sup>1</sup>	\$ 0.10	\$ (0.23)
Class F	\$ -	\$ -
Class O	\$ 0.23	\$ -
Class VMD	\$ 0.14	\$ (0.07)
<b>*Net realized gain (loss) on sale of investments</b>		
Cost of investments held at beginning of period <sup>^</sup>	\$ 10,782,273	\$ 6,500,662
Cost of investments purchased during the period <sup>^</sup>	842,982	449,963
	<u>11,625,255</u>	<u>6,950,625</u>
Investments at cost at end of the period <sup>^</sup>	9,321,120	6,117,582
Cost of investments sold during the period <sup>^</sup>	2,304,135	833,043
Proceeds from sale of investments <sup>^</sup>	<u>2,335,000</u>	<u>829,600</u>
<b>Net realized gain (loss) on sale of investments</b>	<b>\$ 30,865</b>	<b>\$ (3,443)</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 six months ended June 30th (unaudited)

	Class A <sup>1</sup>		Class F		Class O	
	2011	2010	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 98,112	\$ 11	\$ 12	\$ 11	\$ 4,830	\$ 11
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	2,017	(667)	–	–	110	–
CAPITAL TRANSACTIONS						
Proceeds from issue of units	174,208	54,269	–	–	–	4,501
Distributions reinvested	2,486	525	–	–	73	70
Redemption of units	(9,200)	(131)	–	–	–	–
	167,494	54,663	–	–	73	4,571
DISTRIBUTIONS TO UNITHOLDERS (Note 5)						
From investment income	(2,486)	(525)	–	–	(73)	(70)
NET ASSETS, END OF PERIOD	\$ 265,137	\$ 53,482	\$ 12	\$ 11	\$ 4,940	\$ 4,512

	Class VMD		Total	
	2011	2010	2011	2010
NET ASSETS, BEGINNING OF PERIOD	\$ 10,830,876	\$ 6,352,034	\$ 10,933,830	\$ 6,352,067
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	135,892	(45,709)	138,019	(46,376)
CAPITAL TRANSACTIONS				
Proceeds from issue of units	162,978	133,101	337,186	191,871
Distributions reinvested	50,078	35,056	52,637	35,651
Redemption of units	(1,863,776)	(640,509)	(1,872,976)	(640,640)
	(1,650,720)	(472,352)	(1,483,153)	(413,118)
DISTRIBUTIONS TO UNITHOLDERS (Note 5)				
From investment income	(51,978)	(36,795)	(54,537)	(37,390)
NET ASSETS, END OF PERIOD	\$ 9,264,070	\$ 5,797,178	\$ 9,534,159	\$ 5,855,183

<sup>1</sup> Prior to March 26, 2010, Class A was known as Class AA.

Statement of Investment Portfolio

As at June 30th, 2011 (unaudited)

Number of Units	Security	Total Cost	Fair Value
<b>MUTUAL FUNDS</b>			
76,334	McLean Budden Money Market Fund Class O	763,345	763,345
398,405	McLean Budden Fixed Income Fund Class O	5,180,795	5,207,997
57,177	McLean Budden Canadian Equity Fund Class O	784,318	889,393
81,133	McLean Budden Dividend Income Fund Class O	750,586	828,372
240,628	McLean Budden Global Equity Fund Class O	1,842,076	1,795,024
<b>TOTAL INVESTMENTS</b>		<b>9,321,120</b>	<b>9,484,131</b>



## McLean Budden LifePlan<sup>®</sup> Retirement 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 income and modest capital growth consistent with a conservative investment policy through an innovative asset allocation strategy by investing primarily in a mix of fixed income, equity and money market funds. Unitholder approval is required prior to a change of fundamental investment objectives.

On August 31, 2010, McLean Budden LifePlan<sup>®</sup> 2010 Fund was wound down and 558,857 units with a fair value of \$5,466,853 were transferred over to the McLean Budden LifePlan<sup>®</sup> Retirement 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 underlying investment funds which indirectly expose the Fund to credit risk from 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	30.0%	27.9%
AA	13.6%	14.2%
A	16.3%	19.3%
BBB	2.9%	3.4%
Total	62.8%	64.8%

As at June 30, 2011 and December 31, 2010, the underlying investment funds did not hold debt instruments that were impaired or past due and the percentages represent the maximum credit risk exposure.

##### Interest Rate Risk

As at June 30, 2011 and December 31, 2010, the Fund's indirect exposure to debt instruments by maturity was as follows:

Interest Rate Exposure	Less than 1 year (\$)	1 –5 years (\$)	More than 5 years (\$)	Total (\$)
June 2011	2,142,000	942,000	2,906,000	5,990,000
December 2010	1,832,000	1,620,000	3,632,000	7,084,000

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 for the period would amount to approximately \$82,000 (2010: \$107,000). In practice, the actual results may differ and the difference could be material.

B. Risk Management (continued)

Currency Risk

As at June 30, 2011 and December 31, 2010, the Fund had significant indirect exposure from underlying investment funds to the following currencies:

	June 2011		December 2010	
	Currency Exposure (\$)	Percentage of Net Assets (%)	Currency Exposure (\$)	Percentage of Net Assets (%)
U.S. Dollar	1,746,000	18.3	1,925,000	17.6
Euro	128,000	1.3	98,000	0.9
Japanese Yen	114,000	1.2	153,000	1.4
Pounds Sterling	64,000	0.7	83,000	0.8
Singapore Dollar	33,000	0.3	19,000	0.2
Swiss Franc	28,000	0.3	32,000	0.3
Swedish Krone	28,000	0.3	-	-
Australian Dollar	15,000	0.2	18,000	0.2
<b>Total</b>	<b>2,156,000</b>	<b>22.6</b>	<b>2,328,000</b>	<b>21.4</b>

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

As at June 30, 2011, if the Canadian dollar had strengthened or weakened by 5% in relation to foreign currencies represented in the underlying investment funds' portfolio, with all other variables remaining constant, Net Assets would have decreased or increased by approximately \$108,000 (2010: \$116,000). In practice, the actual results may differ and the difference could be material.

Other Price Risk

The Fund is exposed to other price risk as a result of the underlying investment funds' investments in equities. Approximately 35.7% (2010: 34.0%) of the Fund's Net Assets held at June 30, 2011 were indirectly invested in publicly traded equities. If equity prices on the exchanges increased or decreased by 5% as at June 30, 2011, the Net Assets of the Fund would have increased or decreased by approximately \$170,000 (2010: \$186,000) or 1.8% (2010: 1.7%) 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 F, Class O and Class VMD 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>9,957</b>	<b>17,499</b>	<b>251</b>	<b>(926)</b>	<b>26,781</b>
Class A 2010 <sup>†</sup>	1	5,664	55	(14)	5,706
<b>Class F 2011</b>	<b>1</b>	-	-	-	<b>1</b>
Class F 2010	1	-	-	-	1
<b>Class O 2011</b>	<b>485</b>	-	<b>7</b>	-	<b>492</b>
Class O 2010	1	471	8	-	480
<b>Class VMD 2011</b>	<b>1,092,214</b>	<b>16,317</b>	<b>5,014</b>	<b>(187,074)</b>	<b>926,471</b>
Class VMD 2010	662,002	13,873	3,673	(66,798)	612,750

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

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	19,991	2,888
Class F	1	1
Class O	487	393
Class VMD	997,890	639,324

**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 the portion of 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 at June 30, 2011 and December 31, 2010 and there have been no transfers between levels.

<b>Financial Assets at Fair Value as at June 2011</b>				
	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
Investment Funds	9,484,131	-	-	9,484,131

<b>Financial Assets at Fair Value as at December 2010</b>				
	<b>Level 1 (\$)</b>	<b>Level 2 (\$)</b>	<b>Level 3 (\$)</b>	<b>Total (\$)</b>
Investment Funds	10,895,693	-	-	10,895,693

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