

Semi-annual Report 2011

Financial Statements

Unaudited

McLean Budden

Real Return Bond Fund



McLean Budden Real Return Bond 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)

	2011*
Assets	
Investments, at fair value	\$ 674,248
Cash	57,969
Subscriptions receivable	4,000
Accrued interest receivable	1,298
	<u>737,515</u>
Liabilities	
Distributions payable	18
Accrued expenses	102
Redemptions payable	50,000
	<u>50,120</u>
Total net assets	\$ 687,395
Unitholders' equity	
Class A	\$ 10
Class C	547,366
Class D	139,999
Class F	10
Class O	10
	<u>\$ 687,395</u>
Units outstanding (Note C)	
Class A	1
Class C	53,107
Class D	13,592
Class F	1
Class O	1
	<u>66,702</u>
Net assets per unit	
Class A	\$ 10.27
Class C	\$ 10.31
Class D	\$ 10.30
Class F	\$ 10.27
Class O	\$ 10.28
Net asset value per unit	
Class A	\$ 10.28
Class C	\$ 10.32
Class D	\$ 10.31
Class F	\$ 10.28
Class O	\$ 10.29
Investments, at average cost	\$ 658,422

* The Real Return Bond Fund was created on April 4, 2011.

Statements of Operations

For the period from April 4th, 2011 (inception date) to June 30th, 2011 (unaudited)

	2011*
Income	
Interest	\$ 3,411
Expenses	
Management fees	237
Net investment income (loss)	3,174
Net realized gain (loss) on sale of investments*	1,207
Net change in unrealized appreciation (depreciation) of investments and foreign currency	15,827
Net gain (loss) on investments	17,034
Increase (decrease) in net assets from operations	\$ 20,208
Increase (decrease) in net assets from operations per class	
Class A	\$ -
Class C	\$ 17,438
Class D	\$ 2,772
Class F	\$ -
Class O	\$ (2)
Increase (decrease) in net assets from operations per unit (Note D)	
Class A	\$ -
Class C	\$ 0.38
Class D	\$ 0.27
Class F	\$ -
Class O	\$ (1.29)
*Net realized gain (loss) on sale of investments	
Cost of investments held at beginning of period [^]	\$ -
Cost of investments purchased during the period [^]	697,654
	<u>697,654</u>
Investments at cost at end of the period [^]	658,422
Cost of investments sold during the period [^]	39,232
Proceeds from sale of investments [^]	40,439
Net realized gain (loss) on sale of investments	\$ 1,207

[^] 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 period from April 4th, 2011 (inception date) to June 30th, 2011 (unaudited)

	Class A 2011*	Class C 2011*	Class D 2011*
NET ASSETS, BEGINNING OF PERIOD	\$ -	\$ -	\$ -
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	-	17,438	2,722
CAPITAL TRANSACTIONS			
Proceeds from issue of units	10	579,928	137,448
Distributions reinvested	-	2,786	609
Redemption of units	-	(50,000)	(203)
	10	532,714	137,854
DISTRIBUTIONS TO UNITHOLDERS (Note 5)			
From investment income	-	(2,786)	(627)
NET ASSETS, END OF PERIOD	\$ 10	\$ 547,366	\$ 139,999

	Class F 2011*	Class O 2011*	Total 2011*
NET ASSETS, BEGINNING OF PERIOD	\$ -	\$ -	\$ -
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	-	(2)	20,208
CAPITAL TRANSACTIONS			
Proceeds from issue of units	10	12	717,408
Distributions reinvested	-	-	3,395
Redemption of units	-	-	(50,203)
	10	12	670,600
DISTRIBUTIONS TO UNITHOLDERS (Note 5)			
From investment income	-	-	(3,413)
NET ASSETS, END OF PERIOD	\$ 10	\$ 10	\$ 687,395

Statement of Investment Portfolio

As at June 30th, 2011 (unaudited)

Par Value \$	Security	Issue	Total Cost	Fair Value
BONDS (2011* - 100.00%)				
Federal Government Bonds				
Canada				
130,000	Government of Canada	2.000% December 1, 2041	174,513	175,203
120,000	Government of Canada	4.250% December 1, 2026	235,395	243,513
125,000	Government of Canada	4.000% December 1, 2031	248,514	255,532
Total Federal Government Bonds			658,422	674,248
TOTAL INVESTMENTS			658,422	674,248

* The Real Return Bond Fund was created on April 4, 2011.



McLean Budden Real Return Bond Fund

Fund Specific Notes to the Financial Statements

For the period from April 4th, 2011 (inception date) to 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 investors with inflation adjusted income by investing primarily in Canadian government real return bonds as well as those issued by other governments and corporations, foreign or domestic. 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, the Fund invested in debt instruments with the following Standard and Poor's credit ratings:

Portfolio by rating category	As a % of Net Assets
	June 2011
AAA	98.1%

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

Interest Rate Risk

Interest Rate Exposure	Less than 1 year (\$)	1 – 5 years (\$)	More than 5 years (\$)	Total (\$)
June 2011	–	–	674,000	674,000

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 \$28,000. In practice, the actual trading results may differ and the difference could be material.

C. Unitholders' Equity

Unit transactions for Class A, 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 [†]	–	1	–	–	1
Class C 2011 [†]	–	57,677	270	(4,840)	53,107
Class D 2011 [†]	–	13,553	59	(20)	13,592
Class F 2011 [†]	–	1	–	–	1
Class O 2011 [†]	–	1	–	–	1

[†] Class A, Class C, Class D, Class F and Class O were created on April 4, 2011.

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
Class A	1
Class C	45,687
Class D	10,348
Class F	1
Class O	2

E. 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 table presents information about the Fund's financial assets measured at fair value as at June 30, 2011 and there have been no transfers between levels.

	Financial Assets at Fair Value as at June 2011			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	-	674,248	-	674,248

Investment Managers Since 1947

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