



## McLean Budden Balanced Value Fund Second Quarter Mutual Fund Report

### Objective

The Balanced Value Fund provides a diversified portfolio of stocks (Canadian and global), bonds and cash. The Fund is actively managed around a neutral asset mix of 60% equities and 40% fixed income. The Canadian Value component favours stocks deemed inexpensive relative to their peers or their historical valuations. Within global equities, earnings growth potential and relative value are important selection factors. The Fixed Income Team relies upon proprietary analysis and valuation models to adjust the portfolio's commitment to high-quality bonds and short-term investments.

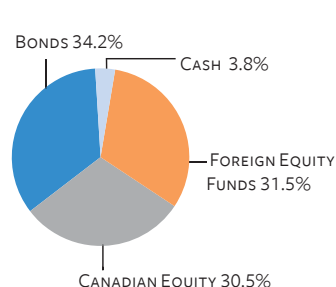
### Performance (Class D)

As of June 30, 2011

Period	Performance
QTR	-0.97
1 YEAR	11.90
3 YEAR	3.17
5 YEAR	3.36
10 YEAR	NA
SINCE INCEPTION	5.96

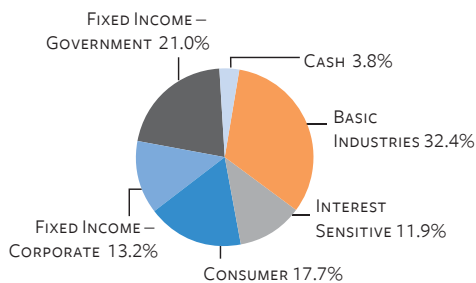
### Asset Mix\*

As of June 30, 2011



### Portfolio Composition\*

Sector breakdown as of June 30, 2011



\*The Asset Mix and Portfolio Composition charts are based on the individual holdings of the McLean Budden Balanced Value Fund as well as those of the various McLean Budden Funds in which it invests.

### Fund Managers

Asset Mix Team (R. Beauchemin, P. Kotsopoulos, B. Murray, R. Spector) along with our Canadian Equity Value, Global Equity and Fixed Income Teams.

### Features of the Fund

- Stability and income through a broad diversity of equity and fixed income securities
- Automatic reinvestment or disbursement of net income and realized capital gains distributions.

### Fund Details (Class D)

As of June 30, 2011

Management Fee:	0.95% <sup>1</sup>
Inception:	March 2003
Assets:	\$22.8 million
NAVPS:	\$12.87 <sup>2</sup>
Distribution Frequency:	income - quarterly capital gains - annually

<sup>1</sup>McLean Budden assumes responsibility for the payment of all administrative expenses.  
<sup>2</sup>Includes income distribution of \$0.0292 per unit.

### Top Twenty-Five Holdings

Company	%
McLean Budden Fixed Income Class O	34.2
McLean Budden Global Equity Class O	32.4
Cash and Short-Term Investments	2.0
Royal Bank of Canada	1.9
Toronto Dominion Bank	1.7
Barrick Gold Corporation	1.7
Suncor Energy Inc.	1.6
Canadian Natural Resources Ltd.	1.4
Magna International Inc.	1.2
EnCana Corporation	1.2
McLean Budden Money Market Class O	1.0
Cenovus Energy Inc.	1.0
Canadian National Railway Company	1.0
Talisman Energy Inc.	0.9
Goldcorp Inc.	0.9
Bombardier Inc.	0.9
Open Text Corporation	0.8
Power Corporation of Canada	0.8
TransCanada Corporation	0.8
Bank of Montreal	0.8
Agrium Inc.	0.7
Thomson Reuters Corporation	0.7
CAE Inc.	0.6
Potash Corporation of Saskatchewan Inc.	0.6
Gildan Activewear Inc.	0.6

The information contained in the list may change due to the ongoing portfolio transactions of the mutual fund and a statement with more current information may be obtained by investors, if available.



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### Manager Comments

The Fund's quarterly return slightly lagged that of its benchmark. The performance shortfall was primarily a result of the relatively weak return generated by foreign equities due to stock selection within the information technology sector. The Canadian equity component helped offset some of this weakness. In relative terms, the combined impact from the Fund's bond component and asset mix was minimal.

We believe the pullback in equities and flight to quality in government bonds has largely run its course. These developments provided us with the opportunity to rebalance back to an overweight position in stocks, cut our overweight position in bonds to neutral, as valuations deteriorated, and raise our cash position slightly while remaining underweight. The global recovery is sub-par and challenges remain—such as Europe's sovereign debt crisis, de-leveraging, fiscal austerity and monetary policy tightening in emerging economies—but overall economic growth expectations have adjusted downward. In our view, a global recession would only materialize in the event of an imminent Greek default, with significant contagion. Within equities, our

preference is foreign stocks, where valuation is considered to be better than Canada.

The Canadian equity component of the portfolio initiated two new positions, which increased diversification in the materials and financials sectors, and trimmed several strong relative performers during the period. Activity in the foreign equity portion of the portfolio emphasized the team's continued confidence in industry-leading companies with strong balance sheets in the information technology, telecommunication services and health care sectors.

The bond portfolio's duration target was reduced to 0.1 of a year shorter than that of the Index as falling interest rates provided timely opportunities to shorten duration and take profits. The position in corporates was reduced but remains significantly overweight versus the DEX Universe Index.

### Volatility Profile

The Fund is suitable for clients with a low-to-medium risk tolerance and those with a mid-term investment time horizon. The Fund is an ideal core holding.

