

McLean Budden Fixed Income Fund

Third Quarter Mutual Fund Report

Objective

The Fixed Income Fund targets attractive returns through active bond management by investing primarily in a diversified portfolio of high-quality bonds issued by Canadian governments and corporations. The Fixed Income Team bases its decisions upon internal research and valuation models as a support to a portfolio construction process that adheres to a strict risk control regimen. Targets for duration, credit and sector weightings as well as U.S. Pay commitments are established. Analysis of inflation expectations, monetary policy, credit spreads, the yield curve and the overall economy are all key decision criteria. A capital preservation approach is emphasized.

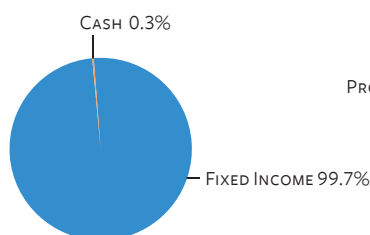
Performance (Class D)

As of September 30, 2011

QTR	4.74
1 YEAR	5.50
3 YEAR	7.75
5 YEAR	5.43
10 YEAR	5.73
SINCE INCEPTION	7.87

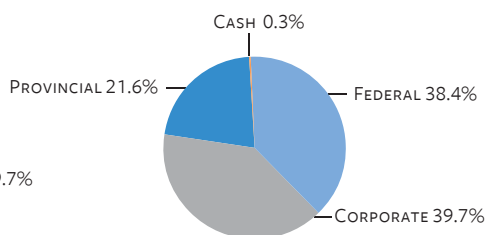
Asset Mix

As of September 30, 2011



Portfolio Composition

Sector breakdown as of September 30, 2011



Portfolio Yield*: 2.5%

Duration (Years)**: 5.4

* The Portfolio's yield is defined as the Portfolio's income divided by the Portfolio's market value.

** Duration can be defined as the weighted average maturity of the Fund's cash flows.

Fund Managers

Fixed Income Team (J. Bau, C. Conover, A. Gregg, C. Neville, P. Kotsopoulos, P. Marcogliese, R. Spector)

Features of the Fund

- Income and capital protection
- Automatic reinvestment or disbursement of net income and realized capital gains distributions.

Fund Details (Class D)

As of September 30, 2011

Management Fee:	0.65% ¹
Inception:	January 1989
Assets:	\$125.5 million
NAVPS:	\$14.21 ²
Distribution Frequency:	income - quarterly capital gains - annually

¹McLean Budden assumes responsibility for the payment of all administrative expenses.
²Includes income distribution of \$0.1122 per unit.

Top Twenty-Five Holdings

Issue	%
Government of Canada	3.750% Jun 01/12 9.6
Government of Canada	1.500% Dec 01/12 7.3
Government of Canada	2.500% Sep 01/13 5.9
Province of Ontario	6.500% Mar 08/29 5.2
Government of Canada	1.750% Mar 01/13 3.7
Government of Canada	3.000% Jun 01/14 3.3
Canada Housing Trust	4.800% Jun 15/12 2.3
Province of Ontario	4.200% Mar 08/18 2.1
GE Capital Canada Funding Company	4.650% Feb 11/15 1.9
Government of Canada	4.000% Jun 01/41 1.8
Canada Housing Trust	3.750% Mar 15/20 1.5
Province of Ontario	4.200% Jun 02/20 1.5
Province of Ontario	3.250% Sep 08/14 1.4
Bank of Montreal	6.020% May 02/18 1.4
Government of Canada	2.750% Sep 01/16 1.4
Province of Quebec	5.500% Dec 01/14 1.3
Province of British Columbia	6.350% Jun 18/31 1.3
Province of Manitoba	4.700% Sep 22/17 1.2
Province of British Columbia	4.950% Jun 18/40 1.2
Royal Bank of Canada	3.660% Jan 25/17 1.2
Government of Canada	3.500% Dec 01/45 1.2
Toronto-Dominion Bank Reset Notes	5.763% Dec 18/17 1.1
Province of Ontario	4.700% Jun 02/37 1.1
Province of Quebec	6.000% Oct 01/29 1.1
Province of Quebec	5.000% Dec 01/38 1.0

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.



McLEAN BUDDEN
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Manager Comments

The portfolio slightly lagged the DEX Universe Bond Index during another strong quarter for bonds. Investors fled “riskier” assets amid listless economic growth and political gridlock in the United States and Europe. Heightened risk-aversion caused credit spreads to widen and longer duration bonds to outperform those with shorter durations within each of the market’s sectors. As a result, the portfolio’s relatively short duration strategy hindered performance. Partially offsetting this was the position in U.S. pay bonds as they outperformed Canadian issues while also benefitting from a 9% rise in the “greenback”. Particularly notable was the 30-year Treasury issue which gained a remarkable 38% in Canadian dollar terms.

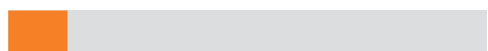
The portfolio’s duration target was significantly reduced to 1.2 years below that of the Index given the combination of sagging expectations and plummeting yields. The portfolio’s U.S. pay holdings, which began the quarter at a 4.5% target weight, were eliminated as the team locked in considerable profits.

During the quarter, a political standstill helped trigger a downgrade of U.S. Treasuries, while Europe continues to avoid tough choices on how to handle the inevitable Greek default. In the midst of stalling economic growth, central banks are delving deeper into their “toolkits”: the Federal Reserve initiated an effort to drive down long-term yields – a move dubbed “Operation Twist” – while the ECB has resumed aggressively buying the government bonds of high-debt countries.

While the team believes the potential for downside risk regarding global economic growth still exists, investors’ expectations have receded considerably and are largely reflected in current valuations. Yields should begin moving back toward their historical norms and, based on this expectation, the portfolio’s short duration strategy should provide capital protection.

Volatility Profile

This Fund is suitable for conservative investors or individuals who have a medium term investment time horizon and a lower tolerance for volatility. The Fund may also be appropriate for growth oriented individuals who would like to diversify their portfolio.



Low

Medium

High