

Now Is The Time To Be Invested!

Where to Invest

LSIF Contributions

Fund News

By John Zufelt – Director

Let The Bidding Begin!

If you have ever gone to an auction, you know that the greater number of bidders for a small number of items usually results in higher prices. The stock market is really this simple. Stocks are a commodity just like any other and what we lose track of is that there are a finite number of stocks available for sale. Every time there is a merger or a takeover of a company, millions of shares are removed from the auction table.

Over the last two years Carl and I have been writing articles and giving seminars on being invested, on being diversified with investments, and on being patient with your portfolio. One of the underlying fundamentals that we have harped on during this period is the historical relationship between stock market price increases and population bulges of people over 50 years of age.

During the last two years, we have begun to witness the largest group of 50-year-old people ever to be exposed to the stock market. Certain sectors of the market have exploded (as in high tech), while others have languished (such as old economy stocks). Merger and takeover activity have also

exploded and as mentioned above, millions of shares once available are now gone.

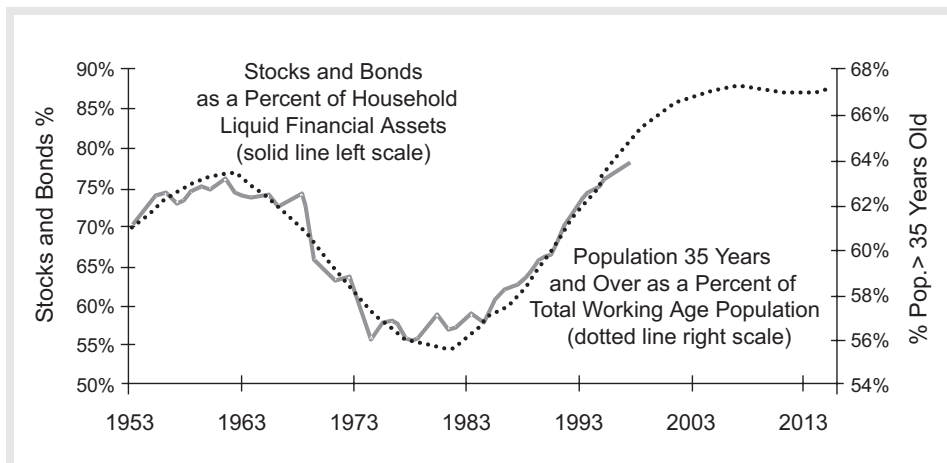
The Proper Perspective

It is very difficult to stand back and get an overview as to markets and opportunity. What is the next sector that will move higher? Which global market will be the next to run up and what of energy prices, inflation and interest rates?

In my 17 years in the business, I have never seen a period of time where positives are not balanced with negatives and fears, such as at this current moment in time. Yet, when we look at the economic basic of supply and demand, we have a supply of stock disappearing from merger/takeover activity while there is a growing

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Demographics Leading the Market Stocks and Bonds Track Aging Population 1953 – 2015



Source: Donaldson, Lufin & Jenrette

Why Wait?

Last year, Labour Sponsored Investment Fund prices were very high during RRSP season. Why not make your LSIF purchase early this year? By making your contribution early, you can take advantage of a longer period for potential growth.

1 Year Total Return

1	Altamira Science & Technology	192.9%
2	Talvest Global Sci & Tech	156.9%
3	C.I. International	156.2%
4	AGF Aggressive Growth	130.8%
5	C.I. Global Biotech Sector	120.6%
6	Altamira Health Sciences	117.9%
7	AIM Global Technology	117.0%
8	First Trust N Am Technology 99	104.2%
9	Royal Life Science & Technology	97.5%
10	Talvest Global Small Cap	92.8%

3 Year Total Return

1	Altamira Science & Technology	93.5%
2	Talvest Global Sci & Tech	82.0%
3	C.I. Global Telecom Sector	78.9%
4	AGF Aggressive Growth	73.1%
5	AIM Global Technology	68.6%
6	C.I. Global Technology Sector	54.5%
7	BPI Global Opportunities	53.4%
8	Universal World Science & Tech	46.1%
9	Spectrum Global Telecomm	45.9%
10	Janus American Equity	45.4%

5 Year Total Return

1	Altamira Science & Technology	61.9%
2	AGF Aggressive Growth	45.7%
3	BPI Global Opportunities	45.3%
4	Janus American Equity	37.2%
5	Royal Life Science & Technology	34.7%
6	BPI American Equity	33.1%
7	Spectrum American Growth	32.7%
8	Green Line Science & Technology	32.3%
9	AIM Global Telecom Class	31.0%
10	Ethical North American Equity	30.3%

10 Year Total Return

1	Spectrum American Growth	26.4%
2	BPI American Equity	22.8%
3	C.I. Signature Amer Small Cos	22.5%
4	AGF Amer Growth Class	21.5%
5	MB Pooled American Equity	21.2%
6	Green Line US Index Fund (\$US)	20.9%
7	GBC North American Growth	20.8%
8	Ethical North American Equity	20.6%
9	PH&N US Pooled Pension	19.4%
10	McLean Budden Amer Eq Growth	19.1%

COMMENTARY

ScotiaMcLeod would be pleased to provide you with further detailed information on the above mutual funds, however we cannot provide information on the funds marked #. These are historical performance rankings, and are not indicative of future investment performance. When analyzing particular funds, stress longer term performance.

1 Year Total Return

1	AGF India	-27.8%
2	Royal Asian Growth	-9.9%
3	Green Line Japanese Growth	-7.7%
4	Dynamic Infinity American	-7.3%
5	Universal World Tactical Bd	-7.0%
6	Atlas American Large Cap Grwth	-6.8%
7	AGF Global Government Bond	-6.7%
8	AIM Pacific Growth Class	-6.0%
9	Green Line Global Gov't Bond	-5.9%
10	Ethical Pacific Rim	-4.9%

3 Year Total Return

1	Ethical Pacific Rim	-17.0%
2	AGF Latin America	-10.9%
3	C.I. Latin American	-5.6%
4	Fidelity Emerging Mkts Port	-5.2%
5	Templeton Emerging Markets	-4.5%
6	AGF Emerging Markets Value	-4.2%
7	Universal Far East	-4.2%
8	AIM Pacific Growth Class	-4.1%
9	Dynamic Real Estate Equity	-3.8%
10	AGF Asian Growth Class	-3.7%

5 Year Total Return

1	Fidelity Emerging Mkts Port	-6.0%
2	Ethical Pacific Rim	-5.4%
3	AGF India	-4.4%
4	AGF Asian Growth Class	-3.4%
5	Royal Asian Growth	-2.2%
6	Universal Far East	-1.8%
7	C.I. Pacific Sector	0.4%
8	AGF Emerging Markets Value	0.5%
9	Talvest Asian	1.0%
10	Green Line Japanese Growth	1.2%

10 Year Total Return

1	Royal Japanese Stock	3.2%
2	C.I. Short-Term Sector	3.8%
3	Royal \$US Money Market	4.2%
4	Atlas American Money Mkt \$US	4.2%
5	AGF Japan Class	5.0%
6	C.I. Pacific Sector	6.4%
7	Global Strategy ROTH Wrld Bond	6.6%
8	GBC International Growth	6.6%
9	AGF Global Government Bond	6.8%
10	C.I. Pacific	7.1%

These rankings are not sales advice and ScotiaMcLeod does not recommend simply selling bottom past performance funds and buying top past performance funds. Purchase or redemption fees may be involved. Please call (416) 863-7777 or 1-800-387-9273 for specific recommendations tailored to your individual needs.

1 Year Total Return

1 YMG Growth	118.3%
2 Capital Alliance Ventures	93.6%
3 C.I. Global Telecom RSP	89.9%
4 Altamira Capital Growth	84.4%
5 AIM Canadian Premier	81.4%
6 Synergy Cdn Growth	71.5%
7 Dynamic Power Canadian Growth	71.1%
8 Altamira Equity	68.6%
9 Elliott & Page Generation Wave	68.4%
10 Synergy Cdn Momentum	68.3%

3 Year Total Return

1 YMG Growth	33.3%
2 AIM Canadian Premier	31.9%
3 Altamira Capital Growth	31.8%
4 VenGrowth Fund	26.7%
5 Bissett Microcap	25.5%
6 Universal Future	24.0%
7 Working Opportunity (Balanced)	23.9%
8 Capital Alliance Ventures	23.5%
9 AIM Canadian Balanced	21.6%
10 Triax Growth Fund Inc.	21.5%

5 Year Total Return

1 YMG Growth	32.8%
2 AIC Diversified Canada	26.6%
3 AIC Advantage	26.0%
4 AIM Canadian Premier	25.5%
5 MB Pooled Cdn Equity Growth	24.4%
6 PH&N Dividend Income	23.9%
7 AIM Canada Growth Class	23.7%
8 Altamira Capital Growth	22.4%
9 Talvest Millennium Next Gen	21.9%
10 Fidelity Cdn Growth Company	21.8%

10 Year Total Return

1 AIC Advantage	23.1%
2 Dynamic Power Canadian Growth	20.3%
3 GBC Canadian Growth	19.9%
4 Altamira Equity	19.8%
5 ABC Fundamental Value	19.1% #
6 PH&N Vintage	17.6%
7 Altamira Capital Growth	17.5%
8 MB Pooled Cdn Equity Growth	17.2%
9 YMG Growth	16.9%
10 PH&N Dividend Income	16.9%

1 Year Total Return

1 Spectrum Canadian Resource	-14.9%
2 Industrial Growth	-14.9%
3 Marathon Equity	-14.6%
4 Dynamic Precious Metals	-9.6%
5 Dynamic Global Bond	-9.2%
6 Royal Global Bond	-7.7%
7 Scotia CanGlobal Income	-7.5%
8 AGF RSP Global Bond	-7.3%
9 Talvest Global Bond RSP	-7.3%
10 Scotia Precious Metals	-7.0%

3 Year Total Return

1 Scotia Precious Metals	-22.1%
2 Spectrum Canadian Resource	-21.6%
3 AGF Managed Futures Value	-19.4%
4 Global Strategy Gold Plus	-18.1%
5 Dynamic Precious Metals	-17.5%
6 Royal Precious Metals	-15.2%
7 Marathon Equity	-13.9%
8 Altamira Resource	-12.8%
9 AGF Canadian Resources	-12.8%
10 Green Line Energy	-12.2%

5 Year Total Return

1 Dynamic Precious Metals	-12.2%
2 Scotia Precious Metals	-11.8%
3 Global Strategy Gold Plus	-10.3%
4 AGF Managed Futures Value	-7.4%
5 Universal Precious Metals	-5.1%
6 Altamira Resource	-5.1%
7 Royal Precious Metals	-4.1%
8 Industrial Equity Fund Ltd.	-3.8%
9 MAXXUM Natural Resource	-3.0%
10 BPI Canadian Resource Inc	-2.8%

10 Year Total Return

1 Dynamic Precious Metals	-0.1%
2 Industrial Growth	2.8%
3 Industrial Equity Fund Ltd.	3.1%
4 Green Line US Money Mkt (\$US)	4.2%
5 Royal Precious Metals	4.2%
6 Dynamic Global Bond	4.6%
7 Atlas Canadian T-Bill	4.7%
8 AGF Canadian Money Market	4.8%
9 Global Strategy ROTH Mny Mkt	5.0%
10 Ethical Money Market	5.0%

NOTES TO THE PERFORMANCE TABLES

- ScotiaMcLeod is unable to provide information on funds marked #
- Figures are average rates of return for the periods ending Aug. 31, 2000
- Source data from Bell Charts, including over 3200 funds
- Funds with total assets under \$25 million are not included
- Only "totally public" funds are ranked
- RRSP eligible funds are at least 75% Canadian content and can also be held outside RRSPs
- Performance figures include reinvested dividends and management fees have been subtracted
- Non RRSP eligible funds can be held inside a ScotiaMcLeod RRSP to a maximum of 25% of book value

demand for performing investments from the baby-boom, over 50 group.

Where To Invest Now

In 1999, the US market delivered great returns, but so far in 2000 it has lost money as these gains were digested. Both the Dow and S&P 500 look ready for a rally. Oil and energy prices have increased dramatically, yet the energy sector stocks have yet to reflect these higher prices. Base metal commodity prices also look poised for

Fund News

- **AGF Management** is buying Global Strategy for \$438 million. The combined company will have \$35 billion in assets under management. Closing is expected for October 31st.
- **Mackenzie** has announced two pending fund mergers. Subject to approval Mackenzie intends to merge the Industrial American Fund and Universal US Blue chip Fund. Both funds are run by Paul Baran, who took over Industrial American in July. The Industrial Mortgage Securities Fund is also to be merged into the Industrial Yield Advantage Fund and will be renamed Mackenzie Yield Advantage Fund. Sentinel Global Fund will also be merged into Universal International Stock Fund.

a rally and, as Canada is a global resource market, we would expect a fund like Fidelity Focus Natural Resources Fund to do well. Remember, diversification and patience are a must!

The Virtue Of Patience!!!

Many of our clients own AIC Advantage Fund and many were disappointed over the last three years as the fund languished along with the financial services index. Many people were also getting tired of hearing us say, "hold on and be patient". We are pleased to report since February of this year the fund is up 38% as bank and mutual funds company shares have jumped.

Being bullish on Canada, in February 2000 we also recommended two new funds to our clients, Synergy Canadian Style Management Class and Synergy Canadian Momentum Class Fund, and are pleased to report that they are up 29% and 28% respectively.

How To Invest

There should be few surprises when I reiterate the axiom of a diversified portfolio. The reality is that a single guru has yet to be found, who can tell us of the next performing marketplace.

Therefore, when performance shifts from one investment to another, the adverse effects of a downward turn are minimized through a well diversified portfolio across different asset classes and marketplaces. The important thing is to be diversified, to stay invested and be patient!

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- Enbridge
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- Professional Engineers of Ontario
- Royal Ontario Museum
- Society of Management Accountants of Ontario
- Steelcase
- Sun Media
- Totten Sims Hubicki
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