

Will Your Money Keep Working When You're Not?

Retirement Strategies

Mutual Funds for Kids

John Zufelt Steps Down

It's been said that a goal is a dream with a deadline, and certainly the dream of retirement has a very definite deadline when it comes to accumulating money within an RRSP. Retirement planning also has a deadline, which is set by you when you decide the age at which you wish to retire. Whether you are planning to work until you are 65 or older, or are considering an early retirement, it's not enough just to dream. If you want to make those wishes a reality then you need to set some goals which by their very nature will have a built-in deadline to help keep you on track. Retirement planning is made up of two components – personal and financial – and both areas need to be addressed.



We have outlined below some key financial retirement strategies that should be considered as you look towards retirement:

Know where the money is coming from...

Gain a clear understanding of where the necessary income to fund retirement will come from. There are three sources of retirement income: government sponsored plans such as OAS and CPP/QPP; company sponsored plans; and your personal savings, both registered and non-registered.

Will Government Plans be enough?

The aging population will place a huge strain on these plans, and with fewer people in the workforce, the Canadian tax base will be smaller which will further stretch pension programs not to mention the health care system. With less money to go around, never before has it been more important for Canadians to save and invest wisely.

Statistics show that over 60% of Canadians will retire on CPP and Old Age Security alone. It's frightening to imagine the number of impoverished seniors who will be relying on dwindling social assistance programs for support in the 21st century. The solution lies in proper planning.

Setting up a budget

If you are not currently doing so, set up a

budget to determine where you spend your money. Will this same amount be needed once you are retired? (The general rule of thumb is that you will need 70% of your current income.) When looking at approximately a 25-year savings horizon, putting at least 10% of your current income into an RRSP can help you reach those goals. Even better if you can maximize your RRSP room, which is 18% of your income (subject to pension adjustments – see your Revenue Canada Assessment for details). Remember that it is important to pay yourself first. If you have trouble saving money, you can set up a pre-authorized deduction from your bank account or your paycheque (where applicable).

ScotiaMcLeod's website provides investment tools such as a 'Cash Flow Calculator' that can help you assess your

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The RRSP deadline is quickly approaching. The last day for RRSP Contributions for the 2000 tax year is March 1st, 2001. The contributions must be received in our offices on or before the final day to qualify for the 2000 tax year.

To find out your contribution limit call Revenue Canada at 1-800-959-8281 or visit there website at:

www.c CRA-adrc.gc.ca/eservices/tipsonline/

1 Year Total Return

1 Talvest Global Health Care	110.4%
2 Altamira Health Sciences	93.8%
3 CI Global Biotech Sector	79.6%
4 TD Health Sciences	51.5%
5 CI International	47.3%
6 Fidelity Small Cap America	43.0%
7 Elliott & Page US Mid-Cap	38.5%
8 BPI American Opportunities	38.4%
9 First Trust Pharmaceutical 98	36.7%
10 CI Global Consumer Products	36.3%

3 Year Total Return

1 Altamira Science & Technology	62.7%
2 Talvest Global Sci & Tech	54.6%
3 AGF Aggressive Growth	49.0%
4 CI Global Telecom Sector	46.9%
5 Talvest Global Health Care	46.3%
6 AIM Global Technology	43.2%
7 BPI Global Opportunities	42.2%
8 Janus American Equity	34.5%
9 Orbit World	30.7%
10 CI Global Consumer Products	28.2%

5 Year Total Return

1 Altamira Science & Technology	42.3%
2 BPI Global Opportunities	41.2%
3 AGF Aggressive Growth	31.7%
4 Janus American Equity	29.9%
5 BPI American Equity	25.5%
6 Orbit World	24.5%
7 Royal Life Science & Technology	23.8%
8 MB Pooled American Equity	23.1%
9 Spectrum American Growth	22.4%
10 Ethical North American Equity	21.6%

10 Year Total Return

1 Spectrum American Growth	23.0%
2 MB Pooled American Equity	20.7%
3 BPI American Equity	20.3%
4 CI Signature Amer Small Cos	19.7%
5 AGF Amer Growth Class	19.5%
6 TD US Index Fund (\$US)	19.5%
7 Fidelity Growth America	19.4%
8 GBC North American Growth	19.3%
9 AIC Value	19.1%
10 Trimark Fund	18.7%

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 Royal Asian Growth	-32.7%
2 Universal Japan	-30.9%
3 Ethical Pacific Rim	-28.9%
4 Altamira e-business	-28.6%
5 CI Pacific Sector	-25.4%
6 Universal Far East	-24.3%
7 CI Pacific	-24.2%
8 Dynamic Far East	-23.1%
9 Clarington Globl Communication	-23.0%
10 TD Asian Growth	-22.9%

3 Year Total Return

1 AGF Latin America	-13.4%
2 Ethical Pacific Rim	-11.0%
3 CI Latin American	-8.2%
4 Dynamic Real Estate Equity	-6.7%
5 Fidelity Latin American Growth	-6.6%
6 Universal World Emerging Grwth	-4.7%
7 Templeton Emerging Markets	-4.4%
8 Zweig Strategic Growth	-3.5%
9 TD Emerging Markets	-2.8%
10 Scotia Latin American Growth	-2.7%

5 Year Total Return

1 Ethical Pacific Rim	-10.2%
2 Royal Asian Growth	-6.8%
3 Universal Far East	-6.1%
4 AGF Asian Growth Class	-6.1%
5 CI Pacific Sector	-2.0%
6 Altamira Asia Pacific	-1.7%
7 TD Asian Growth	-1.3%
8 Talvest Asian	-1.3%
9 CI Pacific	-0.9%
10 AGF Emerging Markets Value	-0.6%

10 Year Total Return

1 CI Short-Term Sector	3.7%
2 Royal Japanese Stock	3.7%
3 Royal \$US Money Market	4.1%
4 Merrill Lynch US Money Mkt	4.1%
5 AGF Japan Class	4.7%
6 CI Pacific Sector	5.8%
7 Global Strategy ROTH Wrld Bond	6.2%
8 CI Pacific	6.6%
9 AGF Global Government Bond	6.6%
10 Talvest Asian	8.1%

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 Capital Alliance Ventures	67.6%
2 B.E.S.T Discoveries	48.1%
3 PH&N Dividend Income	46.8%
4 Canadian Sci & Tech Growth	34.8%
5 VenGrowth Fund	34.2%
6 Elliott & Page RSP US Mid-Cap	34.1%
7 Fidelity Cdn Large Cap	33.8%
8 AIM Canadian First Class	33.5%
9 Canadian Medical Discoveries	33.1%
10 AGF Canadian Stock	32.9%

3 Year Total Return

1 Working Opportunity (Balanced)	23.2%
2 Dynamic Venture Opportunities	22.3%
3 AIM Canadian Premier	22.2%
4 VenGrowth Fund	22.0%
5 Altamira Capital Growth	18.7%
6 Capital Alliance Ventures	18.7%
7 AIM Canadian First Class	17.9%
8 Bissett Microcap-F	17.9%
9 AIM Canadian Balanced	16.9%
10 PH&N Dividend Income	16.7%

5 Year Total Return

1 PH&N Dividend Income	24.2%
2 AIC Diversified Canada	24.1%
3 AIC Advantage	23.1%
4 MB Pooled Cdn Equity Growth	20.2%
5 Royal Dividend	18.5%
6 Scotia Cdn Dividend	18.4%
7 AIM Canadian Premier	18.3%
8 Tradex Equity Fund Limited	17.7%
9 Bissett Canadian Equity-F	17.5%
10 Working Opportunity (Balanced)	17.4%

10 Year Total Return

1 AIC Advantage	23.6%
2 ABC Fundamental Value	18.8% #
3 Dynamic Power Canadian Growth	18.7%
4 Altamira Equity	18.0%
5 GBC Canadian Growth	18.0%
6 PH&N Dividend Income	17.6%
7 PH&N Vintage	16.5%
8 MB Pooled Cdn Equity Growth	16.2%
9 MAXXUM Dividend	16.1%
10 Bissett Canadian Equity-F	15.7%

1 Year Total Return

1 AGF RSP Japan	-22.8%
2 TD Sc & Tech RSP	-21.4%
3 CI Global Technology RSP	-20.8%
4 Dynamic Precious Metals	-20.3%
5 Trimark Discovery RSP	-20.0%
6 Global Strategy ROTH Japn+ RSP	-18.7%
7 Industrial Growth	-18.5%
8 TD Nasdaq RSP Idx	-18.0%
9 Global Strategy ROTH Eur+ RSP	-18.0%
10 TD Nasdaq RSP Idx Fd E	-17.4%

3 Year Total Return

1 Spectrum Canadian Resource	-15.2%
2 Global Strategy Cdn Small Cap	-15.0%
3 Scotia Precious Metals	-13.8%
4 AGF Canadian Resources	-12.8%
5 Northwest Specialty Equity	-12.2%
6 TD Energy	-11.5%
7 Royal Precious Metals	-11.3%
8 Altamira Resource	-10.8%
9 Industrial Growth	-10.7%
10 Dynamic Precious Metals	-10.2%

5 Year Total Return

1 Dynamic Precious Metals	-13.3%
2 Scotia Precious Metals	-12.0%
3 Royal Precious Metals	-8.4%
4 Altamira Resource	-7.8%
5 Industrial Equity Fund Ltd	-6.3%
6 Universal Precious Metals	-5.8%
7 Global Strategy ROTH Japn+ RSP	-4.0%
8 MAXXUM Natural Resource	-4.0%
9 TD Precious Metals	-3.9%
10 Industrial Growth	-2.8%

10 Year Total Return

1 Dynamic Precious Metals	0.0%
2 Industrial Equity Fund Ltd	2.4%
3 Industrial Growth	2.6%
4 Royal Precious Metals	3.1%
5 TD US Money Mkt (\$US)	4.1%
6 Dynamic Global Bond	4.2%
7 Merrill Lynch Canadian T-Bill	4.5%
8 AGF Canadian Money Market	4.6%
9 PH&N \$US Money Market	4.7%
10 Ethical Money Market	4.8%

NOTES TO THE PERFORMANCE TABLES

- ScotiaMcLeod is unable to provide information on funds marked #
- Figures are average rates of return for the periods ending Nov. 30, 2000
- Source data from Bell Charts, including over 3300 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

spending as well as a 'Reality Check' where you can see how you are doing with respect to your RRSP savings to make sure you are on target. We also have links to other useful sights, visit our website at:

www.mutualfundreporter.com and check out Investment Links and Tools.

Other Tips

- Be sure to keep your Retirement income as well as your spouse's at par with each other – this includes any company pension plans as well as your RRSPs. This will insure that you are taxed at the lowest rate possible when you go to withdraw the funds.
- Once you start to draw on your investments, use your income from non-registered sources first, allowing your registered investments to continue to compound, tax sheltered, for as long as possible, or until you have to convert them at age 69.
- Be sure to maximize any unused RRSP contribution before you convert your savings to retirement income.
- Continue contributing to a Spousal RRSP if your spouse is under the age of 69 and you have earned income.
- If you are offered early retirement with a corresponding retiring allowance, take advantage of the ability to transfer all or part of this allowance directly into your RRSP, thus deferring income tax on this lump sum and allowing it to grow tax-sheltered within your RRSP. Revenue Canada allows \$2000 for each year of service before 1996 to be transferred into your RRSP, plus an additional \$1500 for each year of service prior to 1989 in which you were not a member of a vested company pension plan.
- When funds have been converted to a RRIF, if possible take only the mini-

mum required annual withdrawal and base this amount on the younger spouse's date of birth.

- Hold fixed income products in your RRIF and hold growth investments outside your RRIF to reduce taxes.

Speaking of Retirement...

Eventually everyone retires..., or almost retires.

John Zufelt, founder of the Mutual Fund Reporter Newsletter in 1986, the longest running newsletter of its kind, will be transferring daily client contact responsibility to the rest of the MFR Team. John will remain a director of ScotiaMcLeod and a consultant to the Mutual Fund Reporter.

We would also like to assure all of our clients that it will be business as usual. Carl Spiess, MFR co-editor and John's partner of 10 years will be continuing to manage the team. Our fundamental buy and hold philosophy of investing in well run funds and focussing on your asset allocation, remains in place to help you to reach your retirement goals.

Quickly again, here is your MFR team:

Carl Spiess, MBA, Director

Allan McGlade, CLU CFP, Planner

Sharon Calvert, Investment Associate

Nicole Keeler, Investment Associate

Jane-Ann Crombeen, Investment Associate

Jennifer Hart, Administrative Associate

Ron Pante, Administrative Associate

Brenda Cordeiro, (on Maternity leave)

Brenda Petrunick, Admin. Assistant

Nalini Singh, Admin. Assistant

For more details visit:

www.mutualfundreporter.com/about_us

Mutual Funds for Kids

Scotia has launched a Canadian first – The Scotia Young Investors Fund is a great way to introduce younger Canadians to the world of investing. Ideal for RESP's, and great as gifts for children from Grandparents and family members, the Scotia Young Investors Fund will hold medium to large size global companies. Quality businesses held in the fund such as Nintendo, Disney and Toys R Us are widely recognized and will encourage young investors to learn the fundamentals behind investing.

This new fund is great for Registered Education Savings Plans or as a gift for your children or your grandchildren. They also have a low minimum investment of \$100.

Call us or visit our website at www.mutualfundreporter.com/

Manager Change at AIM

Trimark Discovery Fund has undergone a recent manager change and will now be run by Jim Young and Bruce Harrop. The mandate of the fund, to invest in innovative, emerging companies in a number of sectors across the US and abroad, will not change.

Other News

Foreign Content Limits have been raised to 30% effective January 1st, 2001.