

The Best Is Yet To Come!

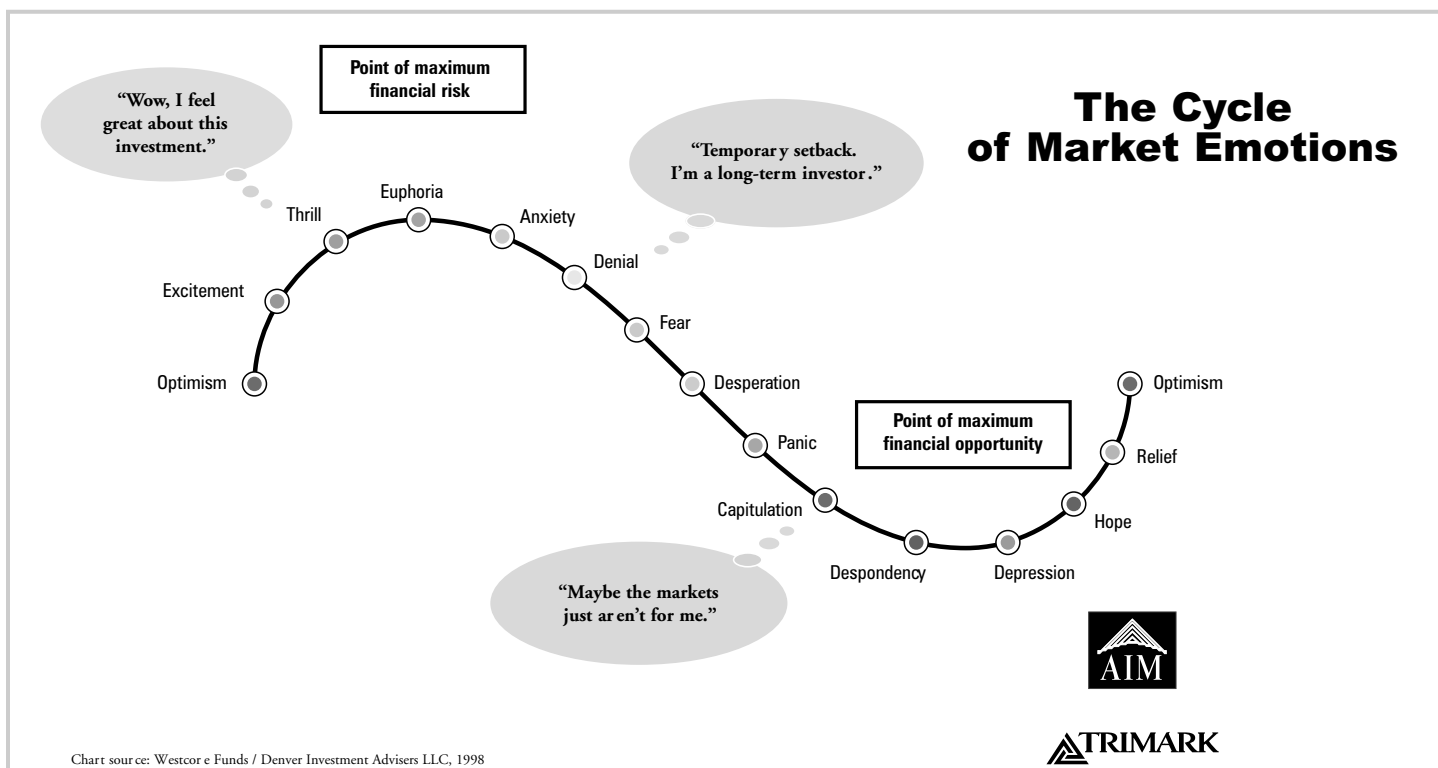
Emotional Investing Understanding Cycles Fund News

“The enemy of investment success isn’t lack of knowledge - it is fear.”

– NICK MURRAY, author of *Simple Wealth, Inevitable Wealth: How you and your financial advisor can grow your fortune in stock mutual funds.*

With the constant volatility of the markets, some investors may question how to react. As the above quote notes, fear is the most dangerous emotion an investor can have. Fear is what makes investors panic and sell when they are down on a position and what stops them from buying when the markets are offering the strongest growth opportunities. Keeping a long-term view can help you survive the markets ups and downs and benefit the most when opportunities present themselves.

When markets decline, it’s easy to forget all the times they’ve gone up - and up. The Toronto Stock Exchange (TSE) 300 Index for example has registered almost twice as many up years as down years. In fact, since 1920, the TSE has posted positive annual returns for 53 years.* Additionally, investors in the TSE have enjoyed double-digit returns in 35 out of 80 years, and returns greater than 20 percent in 22 out of 80 years since 1920. Of course, there have also been periods of



* The information in this article references annual returns of the Toronto Stock Exchange 300 Index from 1920-1999. TSE 300 Index is a weighted index of 300 of the largest, most widely held stocks traded on the TSE and is commonly used as a benchmark to measure the price performance of the broad Canadian equity market.

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1 Year Total Return

1 Talvest Global Health Care	50.1%
2 CI Global Energy Sector	39.9%
3 AIC American Focused	34.0%
4 Fidelity Small Cap America	32.5%
5 AGF International Value	31.6%
6 Mac Cundill Value A	27.2%
7 Mac Cundill Value C	26.7%
8 First Trust Pharmaceutical 98	25.8%
9 First Trust Pharmaceutical 99	25.6%
10 Fidelity Focus Financial Servs	22.9%

3 Year Total Return

1 Talvest Global Health Care	43.8%
2 BPI Global Opportunities	32.7%
3 Talvest China Plus	32.3%
4 Talvest Global Small Cap	31.9%
5 Altamira Science & Technology	29.5%
6 AGF Aggressive Growth	26.5%
7 CI Global Consumer Products	25.4%
8 Talvest Global Sci & Tech	23.0%
9 Orbit World	22.4%
10 Elliott & Page US Mid-Cap	20.6%

5 Year Total Return

1 BPI Global Opportunities	38.2%
2 Altamira Science & Technology	28.3%
3 AGF Aggressive Growth	22.3%
4 Orbit World	22.3%
5 AGF International Value	20.8%
6 MB Pooled American Equity	20.5%
7 BPI American Equity	20.0%
8 Fidelity Small Cap America	19.7%
9 McLean Budden Amer Eq Growth	18.6%
10 Spectrum European Growth	17.4%

10 Year Total Return

1 MB Pooled American Equity	18.1%
2 Spectrum American Growth	17.4%
3 CI Signature Amer Small Cos	17.2%
4 BPI American Equity	16.8%
5 TD US Index Fund (\$US)	16.7%
6 Trimark Fund	16.5%
7 AGF International Value	16.2%
8 GBC North American Growth	16.2%
9 McLean Budden Amer Eq Growth	16.0%
10 AGF Amer Growth Class	15.6%

1 Year Total Return

1 CI Global Technology Sector	-71.1%
2 Altamira e-business	-68.6%
3 CI Global Telecom Sector	-66.1%
4 AIM Global Technology	-63.1%
5 Mac Univ Wld Science & Tech	-62.1%
6 Spectrum Global Telecomm	-61.2%
7 TD Science & Technology	-60.6%
8 Talvest Global Sci & Tech	-60.6%
9 Trimark Discovery	-59.8%
10 Fidelity Focus Technology	-59.3%

3 Year Total Return

1 AGF Latin America	-12.9%
2 CI Latin American	-8.3%
3 Clean EnvironmentGlo Equity	-7.8%
4 Fidelity Latin American Growth	-7.5%
5 Templeton Emerging Markets	-7.2%
6 Mac Univ World Emerging Grth	-7.1%
7 Zweig Strategic Growth	-7.0%
8 TD Emerging Markets	-6.8%
9 AIM American Blue Chip Growth	-6.5%
10 CI Canadian Sector	-6.2%

5 Year Total Return

1 Mac Universal Far East	-9.4%
2 Royal Asian Growth	-9.4%
3 AGF Asian Growth Class	-9.4%
4 Talvest Asian	-6.1%
5 CI Pacific Sector	-6.0%
6 CI Pacific	-4.9%
7 TD Asian Growth	-4.7%
8 TD Emerging Markets	-3.7%
9 TD Japanese Growth	-3.3%
10 Altamira Asia Pacific	-2.8%

10 Year Total Return

1 Royal Japanese Stock	0.6%
2 AGF Japan Class	2.4%
3 CI Pacific Sector	3.5%
4 CI Short-Term Sector	3.6%
5 Royal \$US Money Market	4.1%
6 CI Pacific	4.2%
7 AGF US Dollar Money Market	4.3%
8 Talvest Asian	4.4%
9 CI Canadian Sector	4.9%
10 Global Strategy ROTH Wrld Bond	6.6%

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.

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.

* Increased to 30% effective January 1, 2001

Important information about any particular fund is contained in its prospectus. You may obtain a copy of the prospectus by calling (416) 863-7777. You should read the prospectus carefully before investing.

1 Year Total Return

1	CI Signature Cdn Resource	41.8%
2	Merrill Lynch Cdn Inc Trust	40.8%
3	TD Energy	40.7%
4	GGOF Guardian MonthlyHi Inc Cl	38.5%
5	GGOF Guardian MonthlyHiInc	38.0%
6	Royal Energy	37.5%
7	Elliott & Page Monthly Hi Inc.	33.4%
8	AIC RSP American Focused	32.9%
9	PH&N Dividend Income	32.3%
10	Dynamic Focus + Wealth Managem	29.4%

3 Year Total Return

1	StrategicNova Cdn Technology	24.6%
2	Dynamic Venture Opportunities	22.4%
3	Working Opportunity (Balanced)	21.1%
4	AIM Canadian First Class	14.5%
5	VenGrowth Fund	14.1%
6	Capital Alliance Ventures	13.9%
7	B.E.S.T Discoveries	13.0%
8	PH&N Dividend Income	12.3%
9	AIM Canadian Premier	11.5%
10	Synergy Cdn Momentum	11.3%

5 Year Total Return

1	PH&N Dividend Income	24.1%
2	AIC Diversified Canada	18.7%
3	Royal Dividend	18.6%
4	Scotia Cdn Dividend	18.2%
5	AIC Advantage	16.9%
6	MB Pooled Cdn Equity Growth	16.7%
7	MAXXUM Dividend	16.1%
8	TD Dividend Growth	16.0%
9	Mac Industrial Dividend Grth	15.7%
10	Working Opportunity (Balanced)	15.7%

10 Year Total Return

1	AIC Advantage	19.6%
2	ABC Fundamental Value	17.7% #
3	PH&N Dividend Income	16.8%
4	Dynamic Power Canadian Growth	16.2%
5	Northwest Specialty Equity	16.1%
6	MAXXUM Dividend	15.8%
7	GBC Canadian Growth	15.5%
8	Altamira Equity	14.8%
9	ABC Fully-Managed	14.1% #
10	MB Pooled Cdn Equity Growth	14.1%

1 Year Total Return

1	CI Global Technology RSP	-71.1%
2	CI Global Telecom RSP	-66.2%
3	TD Nasdaq RSP Idx	-65.5%
4	TD Nasdaq RSP Idx Fd E	-65.2%
5	AIM RSP Global Technology	-63.0%
6	Mac Univ RSP World Sci & Tech	-62.3%
7	Spectrum RRSP Global Telec	-61.4%
8	TD Sc & Tech RSP	-60.6%
9	Trimark Discovery RSP	-60.5%
10	Fidelity RSP Focus Technology	-59.4%

3 Year Total Return

1	Global Strategy Cdn Small Cap	-17.2%
2	Scotia Precious Metals	-14.8%
3	AGF Canadian Aggressive AllCap	-14.5%
4	Spectrum Canadian Resource	-14.4%
5	AGF Canadian Aggressive Equity	-11.9%
6	Mac Industrial Growth	-11.7%
7	Royal Precious Metals	-11.4%
8	Dynamic Precious Metals	-10.9%
9	Sceptre Equity Growth	-9.2%
10	StrategicNova Cdn Midcap Gth	-9.1%

5 Year Total Return

1	Dynamic Precious Metals	-17.7%
2	Scotia Precious Metals	-16.9%
3	Royal Precious Metals	-15.2%
4	Mac Universal Precious Metals	-10.7%
5	TD Precious Metals	-9.4%
6	Altamira Resource	-8.2%
7	TD AsiaGrowth RSP	-7.8%
8	CI Signature Explorer	-4.6%
9	AGF Canadian Aggressive AllCap	-3.8%
10	Mac Industrial Growth	-3.6%

10 Year Total Return

1	Dynamic Precious Metals	0.9%
2	Working Ventures Canadian	1.2%
3	Mac Industrial Growth	2.2%
4	Mac Short-Term	4.1%
5	Merrill Lynch Canadian T-Bill	4.3%
6	AGF Canadian Money Market	4.4%
7	Fidelity Cdn Money Market	4.5%
8	Ethical Money Market	4.5%
9	PH&N \$US Money Market	4.6%
10	Global Strategy ROTH Mny Mkt	4.6%

NOTES TO THE PERFORMANCE TABLES

- ScotiaMcLeod is unable to provide information on funds marked #
- Figures are average rates of return for the periods ending Mar.31, 2001
- Source data from Bell Charts, including over 3700 funds
- Funds with total assets under \$25 million are not included
- Only "totally public" funds are ranked
- RRSP eligible funds are at least 70% 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 30% of book value

decline. The TSE's 27 down years averaged a negative 12.21% percent return - yet the 53 up years averaged a positive 17.19 per cent return.

The moral of this story? Over time, markets have dipped, but they've also shown a remarkably consistent upward trend. So whenever you tune in to news on market movements, try not to focus on the short-term: remember what history has shown and stay focused on your long-term goals.

Understanding the Cycle of Emotions

Ongoing market cycles will also create predictable emotional cycles. As the chart on the first page of this newsletter outlines, upward market trends create a sense of optimism, flat markets bring feeling of denial and sharp declines can bring on fear and depression. Once markets normalize again, we all feel a renewed sense of hope.

There's no question about it, investing is an emotional experience. Yet knowledge is a powerful thing: simply by knowing that we all go through a range of emotions each time the market goes through a cycle can help us take a more rational (and less emotional) approach to market volatility.

One thing is for sure: markets will always

go up and down. However, by maintaining a long-term perspective and by having a better understanding of the range of emotions that investing can create, you'll be better prepared for one of life's uncertainties.

In conclusion, don't let your emotions rule your investment decisions. It is important to keep your sense of perspective, buy and sell decisions should be based on long-term strategies such as asset allocations and style diversification and not on market fluctuations.

Downturns in the market are a fact of life, but over the long-term, the stock market has proven to be a key component of successful investment plans.

Investment Options

To help reduce the volume of mailings to you, and based on our clients comments, we have decided this quarter not to insert our quarterly 'Investment Options' brochure. The updated performance numbers and listing in the standard format are available for review on our website at: www.mutualfundreporter.com/options By using this method of delivering the 'Investment Options' to our readers, you are now able to zoom in on any sec-

MFR Survey!

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tion of the fund listings eliminating the most common comment, that with the many new funds available, the lines of text have become too small.

If you do not have access to the Internet and would like us to send you a copy of our recommended list, please call us at 1-800-387-9273. We will also keep you posted on any changes we make to the list through this newsletter.

Some of the information in this newsletter was provided courtesy of AIM Funds Management Inc.

Fund News

Spectrum Investments have launched a new fund: Spectrum Tactonics and a 100% RRSP-eligible version of the fund.

AIC Group of Funds has followed in other companies footsteps and introduced 35 new, more tax efficient, class funds for non-registered accounts. (non-RRSP)

AGF has proposed many mergers of **Global Strategy Funds** into existing AGF Funds. Most notably, Global Strategy Income Plus into AGF Canadian Balanced Fund and Global Strategy Growth and Income into AGF Canadian Stock Fund.

Interesting Reads/Sites:

- www.thebusinesssource.com/aim/archive/beightsteps.htm

Book Review of 'The Eight Steps to Seven Figures' by Charles B. Carlson.

- www.globefund.com

Want to learn more about your mutual funds on your own time? Globefund (set up by The Globe and Mail) offers summaries of most mutual funds. Including returns, fund objectives and top ten positions.

If you are interested in more sites, visit www.mutualfundreporter.com/links