

Your child's
education...
the best **investment**

you can make

with an

Elliott & Page

R E S P

Registered Education Savings Plan





YOUR CHILD'S education...the best investment you can make with an Elliott & Page RESP

There will be many questions about a child's post-secondary education plans. Don't let the larger question of how to pay for it be one of them. At Elliott & Page we have created an RESP program that allows you to provide the next generation with the means for an educated future.

The basics: An Elliott & Page Registered Education Savings Plan (RESP) allows parents and grandparents to provide for a child's future education, by sheltering RESP investments and their growth from tax. In addition, the federal government has introduced the Canada Education Savings Grant (CESG) which will match 20% of your RESP contribution each year to a maximum of \$400 per year.

Some of the most commonly asked questions:

1. Who can contribute to an RESP?

At Elliott & Page, any person related by blood (parents and/or grandparents only) or adoption can contribute to a child's RESP, but the subscriber (*i.e., the person contributing the funds*) should always consider the beneficiary's (*i.e., the child's*) annual and lifetime contribution limits. For those who want to open an RESP for a child, they must first contact the child's custodial parents for permission and to obtain the child's SIN.

2. Can more than one plan be established for a child?

Yes, since there are no restrictions on a) the number of plans a subscriber can create for a beneficiary, or b) the number of plans a beneficiary can hold.

3. Can RESP contributions benefit more than one child in the family?

An Elliott & Page RESP family plan allows more than one child to be a beneficiary of an RESP. However, every contribution that is made to a family plan MUST be allocated to a specific beneficiary.

4. What are the requirements for a family plan?

A family plan is only allowed if the following criteria are met:

- 1) The subscriber is related by blood (parents and/or grandparents only) or adoption to all beneficiaries,
- 2) The beneficiary of the RESP has not reached the age of 21 at the time of contribution, and
- 3) If a contribution is transferred, it is transferred from another RESP family plan.

5. Can a subscriber be changed or replaced on an RESP account?

In the case of separation or divorce, a spouse or former spouse may replace the original subscriber on the RESP account. However, the divorce/separation must be acknowledged by court documentation for this to occur.

6. Can a change be made to the original beneficiary?

Of course. At Elliott & Page, the RESP contract allows for a beneficiary to be changed or replaced at any time.



Did you know...

...the average four-year university degree now costs over \$40,000.

...the cost of post-secondary education is rising at a faster rate than inflation, and is estimated to reach more than \$100,000 by the year 2020.*

7. Is it possible for an individual and former spouse to both be subscribers to an RESP?

An individual and a former spouse can be joint subscribers on an RESP since it is a contract between an individual, or the individual and former spouse, and Elliott & Page. If divorce or separation occurs, the Income Tax Act does not demand the assets held in an existing RESP be divided.

8. Can an estate establish an RESP for a beneficiary?

Since an estate is considered a trust under the Income Tax Act, it cannot establish an RESP. Trusts are exempt from taking part in any educational savings plans.

9. If the beneficiary does not go on to post-secondary education, what happens to the proceeds in the RESP?

An RESP can be transferred into the subscriber's RRSP or spousal RRSP provided they have the available contribution room (up to a maximum of \$50,000). There are, however, some stipulations involving the transfer:

- The RESP beneficiaries must have reached the age of 21 and are ineligible for educational assistance payments, and
- The RESP account must have been held for at least 10 years.

Funds may be withdrawn from the plan at any time (subject to any applicable redemption fees). Earnings generated by the plan, however, would be taxed in the hands of the subscriber and the CESG portion of the RESP would be repayable.

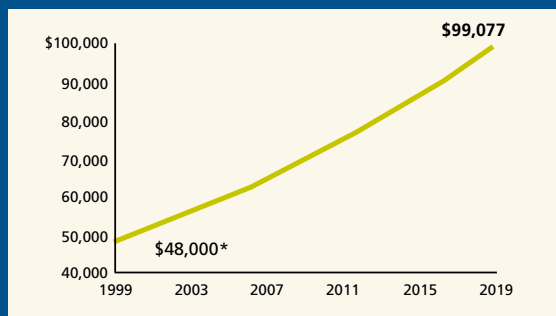
Government Assistance

10. How much does the government contribute with a Canada Education Savings Grant (CESG)?

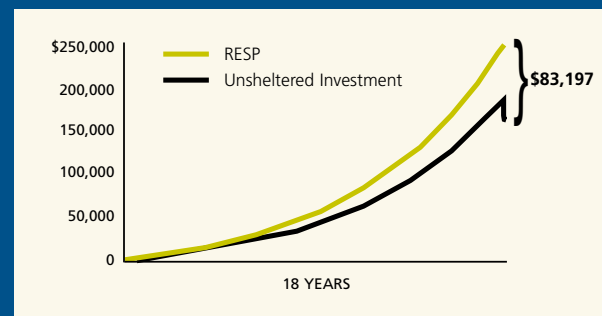
The CESG amount the government gives to each beneficiary is 20% of the annual contribution made to an RESP to a maximum of \$400 per year (20% of \$2,000), and up to a \$7,200 lifetime grant per beneficiary.

The CESG is available to the beneficiary every year until the year in which the beneficiary turns 18.

THE GROWING COST OF EDUCATION



THE ADDED BENEFIT TO YOU OF AN RESP



Assumptions:

- It is estimated that the cost of post-secondary education is growing at a faster rate than inflation. An annual growth rate of 3% was used in the above examples.

Investing/Contributing: The Building Blocks

11. Is the money contributed to an RESP tax deductible?

No. RESP contributions, or any interest owed on money that has been borrowed to contribute, is not tax deductible. However, any interest, capital gains, dividend earnings or the CESG can collect and grow within an RESP without incurring any income tax liability **until** the beneficiary begins to deduct payments from the account. When this occurs, the payments are then taxed at his or her marginal tax rate – often resulting in little or no income tax liability.

12. What are the various RESP contribution limits?

RESP contribution limits vary from year to year depending on when the account was opened.

PERIOD	ANNUAL LIMIT	LIFETIME LIMIT
1990-1995	\$1,500	\$31,500
For 1996	\$2,000	\$42,000
For 1997 and beyond	\$4,000	\$42,000

13. Is it possible to carry forward the \$4,000 annual RESP contribution limit?

You are not allowed to carry forward any annual contributions for RESPs. CESG contributions, however, can be carried forward to a maximum of \$800 per year. You should also note that the CESG does not affect the contribution room within an RESP account.

14. What are the consequences if I overcontribute to an RESP?

If the subscriber of the RESP pays more than the annual limit into the account, they will be charged a 1% penalty fee per month on the excess amount.

15. Can I use my RESP as collateral for a loan?

No. An RESP cannot be used as collateral for any type of loan.

CESG

tip...

WHAT MUST A BENEFICIARY HAVE IN ORDER TO RECEIVE A CANADA EDUCATION SAVINGS GRANT (CESG)?

The beneficiary's Social Insurance Number (SIN) must be provided to Elliott & Page upon opening

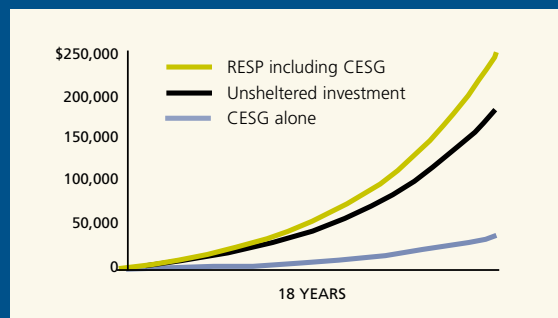
an RESP account. This is the main piece of information needed to receive a CESG.

If the beneficiary does not have a SIN, you can obtain an application form from our web site at www.elliottandpage.com.



THE ADDED BENEFIT TO YOU OF THE CANADA EDUCATION SAVINGS GRANT

The value of the CESG grant of \$400 per year over 18 years is more than \$36,000



An investment within an RESP can:

- add annual CESG contributions from the Government
- add tax-sheltered growth
- reduce or eliminate capital gains taxes

Assumptions:

- \$2,000 per year invested monthly
- 8% annual growth, compounded monthly = 2% income, 6% capital growth
- \$50,000 annual income, marginal tax rate 26%
- Income fully-taxed at marginal tax rate, realized capital gains at 75% of marginal tax rate



Did you know...

16. Does Elliott & Page have investments that are suitable for an RESP account?

At Elliott & Page, we have a wide range of mutual funds to meet your RESP investment needs.

17. Are there foreign content restrictions on an RESP?

With an RESP, **there are no foreign content restrictions**, so you can invest as much or as little as you wish into any Elliott & Page mutual fund including our foreign equity funds.

18. Can I withdraw my contributions at any time?

An Elliott & Page RESP is fully liquid so you are able to withdraw your contributions at any time.¹ However, please note that you may have to repay the CESG portion of your RESP if the proceeds are not used for qualifying educational programs.

19. When must an RESP be terminated?

Contributions to an RESP can be made for 22 years but the RESP must be terminated in its 26th year. The age of the beneficiary is irrelevant. Thus it is possible for a beneficiary to take time off to work or travel before beginning their post-secondary education.

¹Earnings generated by the plan, however, would be taxed in the hands of the subscriber.

GOVERNMENT FUNDING OF POST-SECONDARY EDUCATION IS DECLINING YEAR AFTER YEAR.

Students can no longer rely on government funding to get them through their years of post-secondary education. In 1998, most students only received **\$7,000 in government assistance, down more than 20% since 1993.***

**All figures from the Association of Universities and Colleges of Canada, 1998.*

Consider the advantages of an Elliott & Page RESP

Free of charge²

No set-up or administration fees.

Easy

Low minimum investment. You can open an RESP at Elliott & Page for as little as \$25 per month.

Choice

Access to a wide variety of Elliott & Page Mutual Funds including foreign content funds and domestic funds, which in combination can be tailored to fit your time horizon and investment needs. Remember there are no foreign content limits on an RESP, and Canada only represents 3% of the global market, so diversify globally!

Flexibility

- You choose the mutual funds that are right for you. With an Elliott & Page RESP you are in control.
- Liquidity: you have access to any Elliott & Page Mutual Fund anytime.²

²Redemptions may be subject to Deferred Sales Charge fees. See prospectus for details.

AT ELLIOTT & PAGE, we believe mutual funds aren't just for retirement but rather for your whole life. In fact, clients who invest solely for their retirement may be cheating themselves out of that dream vacation or a child's education. With 23 different mutual funds and over 50 years of experience, Elliott & Page along with our celebrated portfolio management partners, are uniquely positioned to help you meet your long-term and short-term needs.

CANADIAN FUNDS

Elliott & Page Money Fund
Elliott & Page T-Bill Fund
Elliott & Page Active Bond Fund
Elliott & Page Monthly High Income Fund
Elliott & Page Balanced Fund
Elliott & Page Growth & Income Fund
Elliott & Page Value Equity Fund
E&P Cabot Canadian Equity Fund
Elliott & Page Generation Wave Fund
E&P Cabot Blue Chip Fund
Elliott & Page Equity Fund
Elliott & Page Sector Rotation Fund
Elliott & Page Growth Opportunities Fund

U.S. FUNDS

Elliott & Page American Growth Fund
Elliott & Page U.S. Mid-Cap Fund

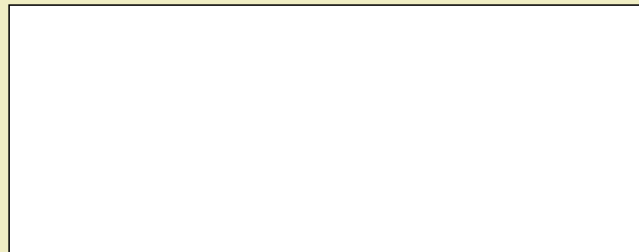
GLOBAL FUNDS

Elliott & Page Global Equity Fund
E&P Cabot Global MultiStyle Fund
Elliott & Page Global Momentum Fund
Elliott & Page European Equity Fund
Elliott & Page Asian Growth Fund

RSP-ELIGIBLE FOREIGN FUNDS

Elliott & Page RSP American Growth Fund
Elliott & Page RSP U.S. Mid-Cap Fund
Elliott & Page RSP Global Equity Fund

For more information contact your Financial Advisor



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The information provided is general in content and may not reflect your specific investment requirements. Professional advice regarding your individual needs should be obtained before investing.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.