

INVESTOR IDEAS: DOLLAR-COST AVERAGING

Avoid market timing... put market volatility to work for you with dollar-cost averaging

STAYING INVESTED — ELIMINATING THE GUESSWORK

Dollar-cost averaging forces an investor to be in the market at all times. With dollar-cost averaging, an investor does not have to incur the risk of market timing. Even if the markets start to drop, this strategy ensures you take advantage of the volatility. In fact, the best time to invest is when markets take a downturn — you can purchase more units in the fund at a lower price. Since you have been able to buy more units, you will be in a position to realize a profit on those additional units and recover your investment more quickly as the market rebounds.

**Market Volatility Requires
Careful Look at Investments**
Canadian Press, January 14, 1999

**Avoid Greed And Pitfall:
On The Threshold Of 2000, Take A Deep
Breath Before Buying Or Selling**
- Calgary Herald, May 31, 1999

**Stock Market Volatility and a
Technology Sell-off Scared
Mutual Fund Investors this Year....**
- The Associated Press, December 28, 2000

**Lessons can be learned
from market's wild ride**
- MSNBC, December 31, 2000

Market volatility and global investing are just two of the serious issues driving the markets today. The anxiety facing the volatile ups and downs of capital markets has affected investor sentiment. With short- and mid-term markets almost impossible to predict, the emotional roller coaster of market timing becomes harder to face. Experienced investment professionals don't gamble about fluctuations in the market—why should you?

Instead, investors need to insulate themselves from the worries of the markets, while also taking advantage of current volatility. Consider using dollar-cost averaging as an investment strategy during all market conditions to take advantage of short downturns.

Consistency is the Key

Dollar-cost averaging is simply the discipline of following a regular long-term investment program and eliminating the guesswork involved in picking the best time to invest in the markets. Instead, dollar-cost averaging allows the markets' natural volatility to work for you. By investing a fixed amount at regular intervals in a specific mutual fund, you can lower your average cost over the long term.

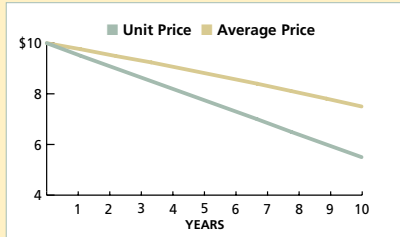
Since the amount you invest remains constant, this strategy ensures you buy more units when prices are low and fewer units when prices are high. In the end, your average cost per unit will likely be lower than current fund prices.



INVESTOR IDEAS: DOLLAR-COST AVERAGING

What you want to know

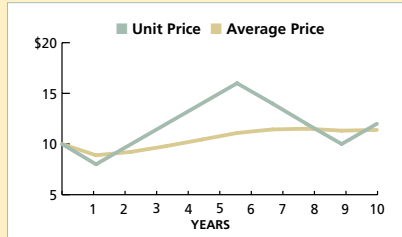
How can I benefit from dollar-cost averaging in different types of markets?



TOTAL UNITS PURCHASED
1333

AVERAGE UNIT COST
\$7.50

DECLINING MARKETS: Long-term investors reduce the effects of market risk by gaining more units at lower unit prices.



TOTAL UNITS PURCHASED
878

AVERAGE UNIT COST
\$11.39

FLUCTUATING/CHANGING MARKETS: Purchasing units under volatile conditions effectively 'smooths' average prices so that you are not exposed to the risk of buying mutual fund shares at the peak of periodic market upturns.



TOTAL UNITS PURCHASED
713

AVERAGE UNIT COST
\$14.03

RISING MARKETS: The investor's average unit cost is always lower than current unit prices during this period. The historical upward trend of capital markets suggests this is the most likely scenario for those investors with sufficient long-term time horizons.

TIP

PAY YOURSELF FIRST

Many people do not invest in RRSPs because they feel they do not have enough money to contribute at the end of the year. But with dollar-cost averaging, you can set aside a sum every month and contribute to your long-term investments. Elliott & Page makes dollar-cost averaging easy with access to our diversified family of mutual funds. Our Pre-Authorized Chequing Plan (PAC) allows investors to set aside as little as \$25 per month towards one of Elliott & Page's funds. The money is automatically deducted from your bank account once a month – it's hassle-free investing!

Elliott & Page Mutual Funds
393 University Avenue, 21st Floor
Toronto, ON M5G 1E6

CLIENT SERVICE
1 888 588-7999

E-MAIL
info@elliottandpage.com

www.elliottandpage.com

How can I ensure dollar-cost averaging works for me?

The success of dollar-cost averaging depends on you making regular payments at regular intervals — in good and bad markets. The patient investor who contributes a fixed amount of money in installments reduces the loss that would occur if the market declined dramatically after a single lump-sum investment was made. Investors still inclined to make lump-sum purchases may elect to 'park' funds in a money market fund and benefit by dollar-cost averaging in equity funds. Another strategy for more conservative investors is to systematically reduce their equity exposure as their needs and tolerances change. This can be efficiently achieved not in one move, but with a regular switch between equity funds and fixed-income products. Both of these strategies hedge investors against the risks associated with lump-sum trades and large market movements.

How often and how much should I invest?

An investor must decide on an amount of money to invest at each interval. It is recommended that you choose an amount you will be comfortable investing over the long term, since dollar-cost averaging works best if you invest regularly over a sufficiently long period of time.

Deciding how often to invest is another issue to consider. The purchase plan that matches your income timing is the purchase plan that is the least painful. Use a dollar-cost averaging strategy to achieve your long-term investment goals.

For more information, please contact:

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.