

## INVESTOR IDEAS: GENERATION WAVE



### Ride the “Generation Wave”

Making the most of your investment dollar often requires combining several strategies. If your objective is superior long-term returns, you will likely want to build your investments around companies which have the greatest growth potential and offer products or services directed towards a rapidly growing customer base. At the same time you will certainly want to minimize risk by diversifying your equity investments across industries, geographically and by company size.

An investment which targets promising sectors of the Canadian and U.S. economies is especially important to investors seeking superior long-term returns in their RRSPs, RESPs or are seeking an alternative to large capitalization Canadian equity funds.

The Elliott & Page Generation Wave Fund incorporates the impact of demographics into our proven growth biased approach to stock selection.

■ **Profit from favourable demographics at home**

Over the next 15 years, the aging baby boomer generation will increase the number of Canadians over 65 by more than 20%. This will provide immense opportunities for companies providing products and services targeted at this age group.

■ **Profit from favourable demographics abroad**

The demographic picture outside the developed world, however, is completely different. With over 80% of the world’s population in emerging nations coupled with the rising purchasing power of their younger labour force, the growth potential of companies poised to catch this “Generation Wave” — *potentially some 4.6 billion consumers* — is explosive and provides unprecedented investment opportunities.

■ **It’s not just about the “Boomers”**

The “Spending Wave” has been credited with fueling North American equity markets since the early ‘80s. But new generations of consumers have and will continue to drive spending patterns well into the next century. Just as the advent of cars and telephones (once considered niche products) contributed to economic growth in the early 1900s, the role of the cellular phone and the internet will revolutionize our economy. And the real productivity improvements associated with the the new economy have yet to take hold.

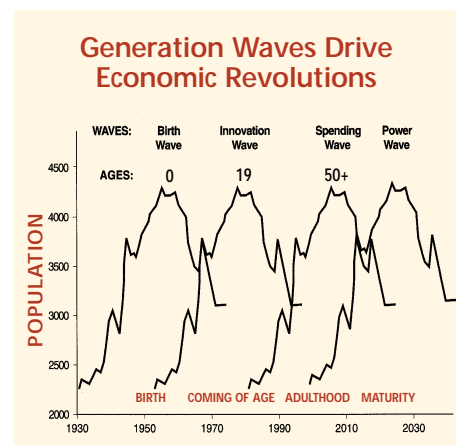
Harry Dent<sup>1</sup> refers to such trends as the three predictable waves (Innovation Wave, Spending Wave and Power Wave) that occur when an entrepreneurial generation initiates new technologies, industries and social trends.

**Birth Wave:** Increased number of consumers.

**Innovation Wave:** New products and services enter niche markets (e.g. mainframe computers in the 1950s).

**Spending Wave:** Consumer spending drives products into the mainstream (e.g. personal computers become a household commodity in the 1980s).

**Power Wave:** New technologies (like the Internet) revolutionize business productivity in the 1990s and beyond.



<sup>1</sup>Source: Harry S. Dent, Jr., *The Roaring 2000s*, Simon & Schuster, 1998



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### TIP

#### FOR YOUR RRSP

The Elliott & Page Generation Wave Fund is of particular interest to RRSP investors seeking maximum growth in their tax deferred plans.

#### FOR DIVERSIFICATION

An excellent choice for investors who seek an alternative to a Canadian equity fund which invests exclusively in large companies.

#### FOR YOUR CHILDREN'S RESP

An exceptional investment concept for saving for younger children's education using a Registered Education Savings Plan and a Canada Education Grant of up to \$400 per child annually.

### What you want to know

#### How will the fund invest in opportunities outside Canada?

The Fund will hold dominant positions in a select number of pre-eminent U.S. based companies to maximize exposure to the primary beneficiaries of these trends, yet at the same time, maintain RRSP eligibility.

#### Will the fund concentrate on large or small companies?

Overall, the Fund will identify companies across the range of capitalizations which will further diversify the portfolio, reduce volatility and contribute to long-term returns.

#### Won't the boomers start retiring and pull out of equities?

While the number of seniors retiring will increase in the years ahead, it is unlikely they will put pressure on share prices. Many will redeem their holdings over a couple of decades using RRIFs and withdrawal plans. More importantly, new investment opportunities will undoubtedly drive future equity markets forward well into the future.

#### How will the fund be managed?

The Elliott & Page Canadian Equity team manages the Elliott & Page Generation Wave Fund. Our U.S. Equity Team will also provide stock selection recommendations. The portfolio management team will identify a series of "themes" which are projected to drive long-term market movements. Such themes will include leisure, technology, healthcare, financial services and health and fitness, to name a few. Based on these themes, the team will then apply its proven fundamental bottom-up growth discipline to identify individual stocks in both Canada and the U.S. which are attractively priced and which are well poised to profit from these underlying demographic dynamics.

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.

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