

# Elliott & Page Mutual Funds

## Simplified Prospectus

### The Elliott & Page Group of Mutual Funds

#### Simplified prospectus

(Advisor Class, Class F, Class T<sup>(1)</sup> and Class D<sup>(2)</sup> units)

#### Canadian Funds

ELLIOTT & PAGE MONEY FUND<sup>(3)</sup>  
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<sup>(3)(4)</sup>  
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 SECTOR FUND  
(FORMERLY 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

#### E&P Manulife Multi-Advisor Portfolios

E&P MANULIFE BALANCED  
ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE MAXIMUM GROWTH  
ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE TAX-MANAGED  
GROWTH PORTFOLIO

<sup>(1)</sup> Only Elliott & Page Money Fund, Elliott & Page Active Bond Fund, Elliott & Page Value Equity Fund, E&P Cabot Canadian Equity Fund, Elliott & Page American Growth Fund, Elliott & Page U.S. Mid-Cap Fund, Elliott & Page Global Equity Fund and E&P Cabot Global MultiStyle Fund are available in Class T units.

<sup>(2)</sup> Only Elliott & Page Money Fund is available in Class D units.

<sup>(3)</sup> Not available in Class F units.

<sup>(4)</sup> Elliott & Page Equity Fund was capped on December 31, 1998. No new subscriptions will be accepted except for purchases by pre-authorized contribution plans established prior to December 31, 1998 and automatically reinvested distributions.

No securities regulatory authority has expressed an opinion about these units and it is an offence to claim otherwise. A complete simplified prospectus for the mutual funds listed on this cover consists of this document and an additional disclosure document that provides specific information about the class of units of the mutual funds in which you are investing. This document provides general information applicable to all of the Elliott & Page Group of Mutual Funds. You must be provided with the additional disclosure document.

August 23, 2001

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## CANADIAN FUNDS

ELLIOTT & PAGE MONEY 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 SECTOR 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

## E&P MANULIFE MULTI-ADVISOR PORTFOLIOS

E&P MANULIFE BALANCED ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE MAXIMUM GROWTH ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE TAX-MANAGED GROWTH PORTFOLIO

You will be provided with this first part of the simplified prospectus and, in a separate booklet, a second part that provides specific information about the class of units of the Fund or Funds listed above in which you are investing.

# Introduction

## INTRODUCTION

In this document:

- *we, us* and *our* refer to Elliott & Page Limited (EPL)
- *Fund* or *Funds* refers to one or more Elliott & Page mutual funds
- *Advisor Class* refers to the Advisor class of units of one or more Elliott & Page mutual funds
- *Class F* refers to the F class of units of one or more Elliott & Page mutual funds
- *Class T* refers to the T class of units of one or more Elliott & Page mutual funds
- *Class D* refers to the D class of units of Elliott & Page Money Fund
- *RSP-Eligible Foreign Funds* refers to the following Funds:
  - Elliott & Page RSP American Growth Fund
  - Elliott & Page RSP U.S. Mid-Cap Fund
  - Elliott & Page RSP Global Equity Fund
- *corresponding Funds* refers to the Funds to which the RSP-Eligible Foreign Funds and a portion of the assets of E&P Manulife Maximum Growth Asset Allocation Portfolio are linked
- *Cabot Funds* refers to the following Funds:
  - E&P Cabot Canadian Equity Fund
  - E&P Cabot Blue Chip Fund
  - E&P Cabot Global MultiStyle Fund
- *Multi-Advisor Portfolios* refers to the following Funds:
  - E&P Manulife Balanced Asset Allocation Portfolio
  - E&P Manulife Maximum Growth Asset Allocation Portfolio
  - E&P Manulife Tax-Managed Growth Portfolio.

This simplified prospectus contains selected important information to help you make an informed investment decision and understand your rights as an investor. We offer Advisor Class units of all of the Funds and Class D units of Money Fund for purchase by all investors. We also offer Class F units of the Funds, except for Money Fund and Equity Fund, to eligible investors. In addition, Class T units of Money Fund, Active Bond Fund, Value Equity Fund, Cabot Canadian Equity Fund, American Growth Fund, U.S. Mid-Cap Fund, Global Equity Fund and Cabot Global MultiStyle Fund are offered to certain eligible investors. Please see page 18 for more information.

This document is divided into two parts. The first part, referred to as Part A, contains general information that applies to all of the Funds. The second part, referred to as Part B and which is separately bound, contains specific information about each of the Funds.

You can find more information about each Fund in our annual information form (AIF) and the Funds' most recently filed annual financial statements and any interim financial statements of the Funds filed after those annual financial statements. These documents legally form part of this document just as if they were bound with it.

You can get a free copy of the Funds' AIF and financial statements, including a statement of portfolio transactions:

- by calling us toll-free at 1-888-588-7999
- from your dealer
- on our website at [www.elliottandpage.com](http://www.elliottandpage.com)
- by contacting us at [info@elliottandpage.com](mailto:info@elliottandpage.com).

These documents and other information about the Funds are also available at [www.sedar.com](http://www.sedar.com)

## What is a mutual fund and what are the risks of investing in a mutual fund?

### WHAT IS A MUTUAL FUND?

#### *A pool of investments*

A mutual fund is a pool of money contributed by investors with similar investment goals and managed by investment professionals. Investors contribute to the fund and receive units or shares, which reflect part ownership of the assets held by the fund.

#### *Advantages of mutual funds*

Mutual fund investing offers four main advantages over individual investing:

- professional full-time investment management, to choose and monitor securities
- diversification, to reduce the risk of 'putting all your eggs in one basket'
- liquidity – you can buy and sell mutual funds at any time
- convenience – the mutual fund company does all the record-keeping for you, providing regular reports on your investments and the appropriate receipts at tax time.

#### *How mutual funds work*

Mutual funds invest in different securities depending on the objective of the fund. Some invest only in short-term, fixed-income securities that mature in one year or less. Others invest in foreign companies which offer global diversification. We offer a variety of mutual funds for any type of investment that you might wish to make.

#### ***Fixed-income securities***

Fixed-income securities earn a fixed amount of money, called interest, at regular intervals. A bond is a good example. A 5% bond purchased for \$1,000 will pay \$50 a year in interest until it matures.

#### ***Equities***

Equities, also called stocks or shares in a company, may or may not earn dividends for investors. Some investors buy a stock because it regularly pays out a dividend. Others buy stocks primarily for long-term growth. When a stock is sold, the gain is called a capital gain.

A mutual fund may earn interest, dividends, capital gains or a combination of these on its investments. The fund distributes earnings to unitholders according to the number of units held. These distributions may be made monthly, quarterly or annually. You can receive the earnings in cash or reinvest them in more units.

#### *How to choose the right mutual fund*

The right mutual fund for you may not be the right mutual fund for another investor. Why? Because everyone invests for different reasons. Some have short-term goals, like saving for a vacation, while others have long-term goals, like a financially secure retirement or a child's education. Many investors have both short, medium and long-term goals, and different investments to help meet each one.

## GENERAL RISKS COMMON TO ALL MUTUAL FUNDS

Every investor has a different tolerance for risk. No one likes to think about risk when it comes to investing, because you invest to make money, not to lose it. But to be comfortable with your investments – to be able to sleep at night – you must think about your risk comfort level before you invest.

This section and the next, ***Specific risks that apply to one or more mutual funds***, describe the risks associated with investing in mutual funds. As you read the descriptions, keep in mind your risk comfort level and your various investment objectives to help you determine which Funds are right for you.

### *Fluctuation*

Like all investments, mutual funds involve risk. Changes in interest rates, economic and stock market conditions or new company information, for example, may influence the value of securities held by a mutual fund. And the price of a mutual fund unit will vary with the value of the securities it holds. When you redeem mutual fund units, their value may be less than your original investment.

### *No guarantees*

Your investment in any of the Elliott & Page Group of Mutual Funds is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, a mutual fund may suspend redemptions. See ***Purchases, switches and redemptions*** on page 7 for more information.

## SPECIFIC RISKS THAT APPLY TO ONE OR MORE MUTUAL FUNDS

These risks apply to one or more of our Funds. See the Fund descriptions described in Part B, for the risks of the Fund you are interested in.

### *Interest rate risk*

The value of the bonds, T-bills and other fixed-income instruments in a Fund's portfolio varies with interest rates. When interest rates rise, the value of outstanding bonds paying a fixed rate falls. When interest rates fall, the value of bonds paying a fixed rate rises. The value of Funds that hold these securities will fluctuate with the value of the securities.

### *Credit risk*

Some borrowers are less likely to pay off a loan than others. These borrowers will have a low credit rating assigned by specialized credit rating agencies. Funds may invest in securities issued by these borrowers to earn the higher returns that these securities offer. However, these Funds face a higher possibility of loss if the borrower defaults on payment.

### *Equity risk*

An equity or share represents part ownership of the company that issued it. If the company's prospects are favourable, more investors will be willing to buy its shares, hoping to profit from the company's rising fortunes. The share price is likely to rise. In addition, a buoyant economy means a positive outlook for many companies – the general trend of share prices may rise. The opposite may also occur if the company's prospects are unfavourable or the economy in general is doing poorly. The value of Funds that invest in equities will fluctuate with these changes.

### *Foreign market risk*

Securities in countries outside Canada and the U.S. may fluctuate more than Canadian or U.S. securities because:

- they may be affected by political or economic instability
- there may be less information about foreign issuers
- foreign issuers may be less regulated and have lower standards of accounting and financial reporting
- securities traded in foreign markets may be more difficult to redeem and their prices may vary more dramatically than securities traded on North American exchanges
- foreign countries may impose investment regulations, exchange controls or taxes that could make it difficult to take profits.

As a result, the value of Funds that invest in foreign securities may fluctuate more than Funds that invest mainly in Canada or the United States.

### *Currency risk*

We price our Funds in Canadian dollars. Movements in exchange rates affect the Canadian dollar value of a Fund's securities that are priced in foreign currencies. For example, a decline in the value of the currency in which a security is priced compared to the Canadian dollar would reduce the gains (in Canadian dollars) from an increase in the price of the foreign security.

### *ETF risk*

The E&P Manulife Tax-Managed Growth Portfolio invests in exchange-traded funds (ETFs) which qualify as index participation units under mutual fund rules (see the **Glossary** on page 22). ETFs seek to provide returns similar to the performance of a particular market or industry sector. ETFs may not achieve the same return as their benchmark market or industry sector due to differences in the actual weights of securities held in the ETF versus the weights in the relevant index (any such differences are usually small) and due to the operating and management expenses of the ETFs.

### *Multiple Class risk*

Each of the Funds has multiple classes of units. Each class will be charged separately for any expenses which are specifically attributable to that class. Those expenses will be deducted in calculating the net asset value per unit for that class of units, thereby reducing the net asset value per unit of that class. If there are insufficient assets of a class to pay for the expenses of the class, the other assets of the Fund, including assets of other unit classes, will be used to pay the expenses. As a result, the net asset value per unit of the other unit classes may also be reduced. Please see **Purchases, switches and redemptions** on page 7 for more information regarding each class and how their net asset value per unit is calculated.

### *Issuer-specific risk*

The market value of an individual issuer's securities can be more volatile than the market as a whole. As a result, if a single issuer's securities represent a significant portion of the market value of a Fund's assets, changes in the market value of that issuer's securities may cause greater fluctuations in the Fund's net asset value than would normally be the case.

### *Derivative risk*

Each Fund may use derivatives for hedging and non-hedging purposes, provided their use is consistent with the Fund's objectives and Canadian securities laws.

### ***What is a derivative?***

A derivative is a security whose value is based on the price of some other asset such as a stock, currency or index. A derivative usually takes the form of a contract between two parties. Some examples:

- An **option** is the right – but not the obligation – to buy or sell currency, commodities or securities at an agreed price within a certain period.
- A **forward contract** is an agreement to buy or sell currencies, commodities or securities for an agreed price at a future date or to pay an amount at a future date based on the value of a currency, commodity or security at such future time.

Mutual funds use derivatives to:

- offset or reduce the risk of changes in currency values, securities prices or interest rates – this is called hedging
- lower transaction costs, provide greater liquidity, and increase the speed with which a fund can change its portfolio
- make profits – for example, by entering into futures contracts based on stock market indexes or by using derivatives to profit from declines in financial markets
- maintain foreign property limits of registered plans while effectively increasing the exposure to foreign content.

There are risks as well as advantages in using derivatives:

- the hedging strategy may not be effective
- hedging can limit a fund's opportunity for gain
- the price of a derivative may not accurately reflect the value of the underlying currency or security
- there is no guarantee a market will exist when a fund wants to close its derivative contract. This could prevent the fund from making a profit or limiting its losses
- the other party to a derivative contract may not be able to meet its obligations
- when a fund enters into a futures contract, it deposits money with the futures dealer as security. If the dealer goes bankrupt, the fund may lose these deposits
- derivatives in foreign markets may be less liquid and involve greater risk of loss of deposits than derivatives traded in North American markets
- if trading is halted in a derivative instrument, or in the stocks on which a stock index is based, a fund may not be able to close its derivative contract. This could prevent the fund from making a profit or limiting its losses.

No mutual fund can use derivatives for speculative trading or to create portfolios with excess leverage.

### ***Securities lending, repurchase and reverse repurchase transaction risk***

All of the Funds may from time to time engage in securities lending, repurchase and reverse repurchase transactions in accordance with new rules governing these types of transactions that came into force on May 2, 2001.

In a securities lending transaction, a mutual fund will lend its securities to a borrower in exchange for a fee. A repurchase agreement takes place when a mutual fund sells a security at one price and agrees to buy it back later from the same party at a higher price. The difference between the higher price and the original price is like the interest payment on a loan. A reverse repurchase agreement is the opposite

of a repurchase agreement and occurs when the mutual fund buys a security at one price and agrees to sell it back to the same party at a higher price. Securities lending and repurchase transactions come with certain risks. If the other party to a securities lending transaction or reverse repurchase agreement cannot complete the transaction, the mutual fund may be left holding the security. The mutual fund could lose money if the value of the security drops. To minimize the risks of these transactions, the borrower or buyer of securities must provide collateral which is worth at least 102 per cent of the value of the securities or reverse repurchase transactions and of the type permitted by the Canadian securities regulators. The value of the securities or the reverse repurchase transactions and the collateral will be monitored daily and the collateral adjusted appropriately by the custodian of the funds.

The funds may not commit more than 50% of their securities in securities lending or repurchase transactions at any time. Securities lending transactions may be ended at any time and all repurchase transactions must be completed within 30 days.

#### *Corresponding Fund risk*

In connection with the use of forward contracts by the Maximum Growth Asset Allocation Portfolio and the RSP-Eligible Foreign Funds, the counterparties, the Maximum Growth Asset Allocation Portfolio and the RSP-Eligible Foreign Funds may buy or sell large amounts of units in the corresponding Funds to hedge their obligations under the forward contracts. If this happens, the corresponding Funds may have to buy or sell a significant number of investments to accommodate these fluctuations in assets.

## Organization and management details of Elliott & Page Group of Mutual Funds

#### MANAGER

Elliott & Page Limited  
393 University Avenue  
21st Floor  
Toronto, Ontario  
M5G 1E6

The manager:

- manages the overall activities and operations of the Funds
- provides investment management and administrative services to the Funds.

#### PORTFOLIO ADVISOR

Elliott & Page Limited  
Toronto, Ontario

EPL is the primary portfolio advisor for each Fund. A portfolio advisor manages the investment portfolio of a Fund. EPL also hires sub-advisors to provide investment advice for certain Funds. The individual investment sub-advisor for each of these Funds is listed in the Fund descriptions. EPL is responsible for all investment advice provided to the Funds.

#### TRUSTEE

Elliott & Page Limited  
Toronto, Ontario

When you invest in a Fund, you are buying units in a trust. The trustee holds title to the property of each Fund (e.g. its cash and securities) on behalf of the unitholders of the Fund.

#### PRINCIPAL DISTRIBUTOR

Elliott & Page Limited  
Toronto, Ontario

The distributor markets and sells the Funds through brokers and dealers.

#### CUSTODIAN

State Street Trust Company  
Toronto, Ontario

State Street Trust Company Canada is the custodian for the Funds.

The custodian has physical custody of the securities in the Funds' portfolios.

#### REGISTRAR

Elliott & Page Limited  
Toronto, Ontario

The registrar keeps records of the owners of Fund units.

#### AUDITOR

PricewaterhouseCoopers LLP  
Toronto, Ontario

PricewaterhouseCoopers LLP is the auditor of the Funds.

The auditor issues an opinion as to whether or not the annual financial statements of the Funds are fairly presented.

## Purchases, switches and redemptions

### ***Nature of securities***

When you invest in one of the Elliott & Page Mutual Funds, you are buying units of a mutual fund trust. Each unit represents part ownership of the Fund's assets. The Funds are open-ended, which means they can issue an unlimited number of classes of units, each class consisting of an unlimited number of units.

### ***Classes of units***

Depending upon the Fund, the Elliott & Page Mutual Funds are currently available in 5 classes of units. Advisor Class units, Class F units, Class T units and Class D units are offered under this simplified prospectus. Class G units, and other similar classes of units that we may create from time to time, are not offered by simplified prospectus and are only available for purchase by certain eligible investors. Most of the discussion that follows about fees and commissions applies to Advisor Class units. We note any differences for Class F units, Class T units and Class D units where it is relevant.

### ***The price of a mutual fund unit***

You buy or redeem a class of mutual fund units at the net asset value (NAV) per unit of that class. The NAV is determined for each class of a Fund – except Money Fund – at the close of trading on The Toronto Stock Exchange every business day. If we receive your order to buy, switch or redeem before the close of trading, it will be priced as of that date. Otherwise, it will be priced as of the next business day.

The NAV for different classes of the Funds will likely differ as each class of each Fund will bear the expenses attributable to that class, including management fees.

#### ***What's the NAV?***

NAV, or Net Asset Value, is the price at which you will buy or sell your mutual fund units of a particular class. Each class of a Fund has a proportionate share of the Fund's assets and liabilities, adjusted for certain liabilities and expenses that are attributable only to a particular class. The proportion is that class's NAV divided by the total NAV for all classes.

We calculate NAV for a class by adding up the assets of a Fund that apply to that class, subtracting the liabilities that apply to that class, and dividing by the total number of units of that class outstanding. The NAV will fluctuate with the value of the Fund's investments. A Fund unit that costs \$10 today may cost \$10.05 or \$9.95 tomorrow, because the value of the Fund's investments changes every day.

The NAV for Money Fund is determined at 4 p.m. Toronto time every business day. If we receive your order to buy, switch or redeem before 4 p.m. Toronto time, it will be priced as of that date. Otherwise, it will be priced as of the next business day.

### **BUYING UNITS**

You can buy the Funds from your dealer. There is no limit to the number of units you can buy. Generally, your first investment must be at least \$500, although we may waive this minimum.

#### ***Paying for your units***

For all Advisor Class units of the Funds, except Advisor Class units of Money Fund, you can pay the sales commission in one of two ways:

- sales commission option
- deferred sales charge option.

The option that you choose will affect the amount of compensation your dealer receives. See ***Dealer compensation***, page 18.

#### **Sales Commission Option**

If you choose the sales commission option, you will pay a sales commission at the time you buy units of the Funds. See ***Fees and expenses***, page 14.

#### **Deferred sales charge option**

There are two different deferred sales charge options – the standard deferred sales charge and the shortened deferred sales charge (which will be available starting on or about September 20, 2001).

If you choose the standard deferred sales charge option, you may pay a redemption fee if you redeem your units within six years of buying them. The redemption fee declines over time to nil after 6 years.

If you choose the shortened deferred sales charge option, you may pay a redemption fee if you redeem your units within 2 years of buying them. The redemption fee declines over time to nil after 2 years. See ***Fees and expenses***, page 14.

### ***Class F units***

If you are an eligible investor, you can buy Class F units of the Funds through your dealer or financial advisor. All sales charges for Class F units of the Funds are negotiated between you and your dealer.

Class F units may also be available to all employees of Manulife Financial and its Canadian subsidiaries. See page 12, ***Overview of Class F units***, for more information. Please see your dealer for information about eligibility for Class F units.

### ***Class T units***

Class T units of the Funds are not subject to sales commissions. See page 12, ***Overview of Class T units***.

### ***Class D units***

You can buy Class D units of Money Fund through your dealer or financial advisor. Class D units are only available under the deferred sales charge option. See page 13, ***Overview of Class D units***.

### ***Processing your purchase order***

Your dealer will forward your order and payment to our office on the same day it is received from you. If we receive your order by the close of trading on The Toronto Stock Exchange (4 p.m. Toronto time for Money Fund), we will process your order at the NAV for that class of units on that date. Otherwise, we will process your order at the NAV for that class of units on the next business day. For reinvested distributions, the purchase price is the first NAV for that class of units determined after the distribution.

Here are the rules for buying units of a Fund:

- We must receive payment within three business days of setting the purchase price for the Funds except Money Fund, and within one business day for purchases of units of Money Fund.
- You may pay for your units with a cheque, a wire transfer or a money order.
- If we do not receive payment for your units within three business days, or one business day for Money Fund, we must redeem your units. If the proceeds are greater than the amount you owe, the Fund keeps the difference. If the proceeds are less than the amount you owe, we will pay the difference to the Fund. We will collect this difference from your dealer, who will collect it from you.
- We have the right to reject an order within one business day of receiving it. If we reject your order, we will return your money without interest immediately.

We will send you written confirmation of your purchase. We do not normally issue unit certificates for any class.

You can get more detailed information about buying the Funds from the annual information form.

## SWITCHING UNITS

You can switch from Advisor Class units or Class F units of one of the Elliott & Page Group of Mutual Funds to units of another Fund of the same class through your dealer. A switch constitutes a redemption and repurchase of units and has the same tax consequences. For example, if you switched from Advisor Class units of Monthly High Income Fund to Advisor Class units of Value Equity Fund, we would redeem your Monthly High Income Fund units and use the proceeds to buy units in Value Equity Fund. This could result in a capital gain on your Monthly High Income Fund units.

The sales charge option you chose when you bought the original units applies to the switched units, as follows:

- when you switch units bought with the sales commission option, you will not pay any additional sales charges. However, you may pay a sales charge or transfer fee to switch units from Money Fund to any other Fund.
- when you switch units bought with the deferred sales charge option, you will not pay a redemption fee but your dealer may charge a transfer fee. See **Fees and expenses**, page 14. The redemption fee on the new units is based on the date and original purchase price of the units before the switch.

You may not switch units bought with a deferred sales charge option to Advisor Class units of Money Fund.

## RECLASSIFICATION OF UNITS

You may reclassify your Advisor Class units of a Fund into Class F units of the same Fund if you meet the eligibility requirements to invest in Class F units of the Funds. Such reclassification of units will not trigger a capital gain or capital loss because, based on CCRA administrative practice, the reclassification is not considered a disposition for tax purposes. See **Overview of Class F** units on page 12 for more information. If your Advisor Class units were purchased under the deferred sales charge option, you will be required to pay any applicable deferred sales charge (as if such Advisor Class units were being redeemed) when you reclassify your units into Class F units.

You may, at any time, reclassify your Class F units of a Fund into Advisor Class units of the same Fund subject to the sales commission options available on the purchase of Advisor Class units.

## REDEEMING UNITS

You can redeem your Fund units through your dealer.

### ***Sales commission option***

There is no charge for redeeming units bought under the sales commission option. See **Fees and expenses**, page 14.

### ***Deferred sales charge option***

You may pay a redemption fee on units bought under the standard deferred sales charge option if you redeem them within six years. You may also pay a redemption fee on units bought under the shortened deferred sales charge option if you redeem them within two years. See **Fees and expenses**, page 14.

We will:

- redeem units held for the longest period of time first.
- deduct the applicable redemption fee from the proceeds of the redemption.

## REDEEMING UNITS WITHOUT A DEFERRED SALES CHARGE

You can redeem some of the units that you bought under the standard deferred sales charge without paying a redemption fee even if you have held them for less than six years. You can redeem:

- 10% of the current market value of your standard deferred sales charge units as of December 31 of the previous year

**plus**

- 10% of the current market value of standard deferred sales charge units you bought this year directly or through reinvestment of distributions up to the date of redemption.

You can still use this option if you switch standard deferred sales charge units between Elliott & Page Mutual Funds. When you switch, the number of standard deferred sales charge units that can be redeemed from the new Fund without paying a redemption fee will be adjusted for the market value of the new Fund units.

You may not carry this privilege forward from one year to the next. We have the right to change or cancel this privilege.

You cannot redeem units that you bought under the shortened deferred sales charge without paying a redemption fee if you have held them for less than 2 years.

## REDEEMING YOUR CLASS F UNITS

You can redeem your Class F units of the Funds through your dealer or financial advisor. See page 12 ***Overview of Class F units***, for more information about Class F units. Please consult your dealer or financial advisor for further information on the redemption of Class F units of the Funds.

## REDEEMING YOUR CLASS T UNITS

See page 12, ***Overview of Class T units***.

## REDEEMING YOUR CLASS D UNITS

You can redeem your Class D units of Money Fund through your dealer or financial advisor. See page 13, ***Overview of Class D units***.

### ***Processing your redemption order***

Your dealer will forward your redemption order to our offices on the same day he or she receives it from you. Your written redemption order must have your signature guaranteed by a bank, trust company or dealer for your protection.

If we receive your redemption order before the close of trading on The Toronto Stock Exchange (or 4 p.m. Toronto time for Money Fund) on any business day, we will process your order at the NAV for that class of units on that date. Otherwise, we will process your order at the NAV for that class of units on the next business day.

Here are the rules for redeeming your units in any Fund:

- We will pay you within three business days of receiving a complete redemption order. We will mail a cheque to the redeeming account holder unless instructed otherwise in your redemption order.
- If we do not receive all the documentation we need from you to complete the redemption order within 10 business days, we must repurchase your units. If the sale proceeds are greater than the repurchase amount, the Fund keeps the difference. If the sale proceeds are less than the repurchase amount, we will pay the Fund the difference. We will collect this difference from your dealer, who will collect it from you.

Under extraordinary circumstances, we may suspend your right to redeem units:

- if normal trading is suspended on a stock exchange or market on which securities are traded that represent more than 50% of the Fund's total assets by value and if those securities are not traded on any other exchange that represents a reasonably practical alternative for the Fund
- with the consent of the securities regulatory authorities.

We will suspend your right to redeem units of an RSP-Eligible Foreign Fund if the right to redeem securities in the corresponding Fund is suspended, as the NAV of the RSP-Eligible Foreign Fund would not be available.

We explain these circumstances in greater detail in the annual information form. If we suspend trading in a Fund and you had requested a redemption of your units, you can withdraw your request or receive payment based on the first NAV determined after the end of the suspension.

If you are redeeming all of your units of Money Fund:

- and the Fund has accrued earnings since the end of last month, we will pay you the NAV plus accrued earnings (less any applicable management fees)
- and the Fund has accrued losses since the end of last month, we will pay you the NAV less accrued losses (less any applicable management fees).

If you are redeeming some of your units of Money Fund, we will pay you the NAV per unit and make any adjustments at the end of the month.

You can get more detailed information about redeeming your units from the annual information form.

***Maintaining a minimum account balance***

The minimum account balance is \$500. If your account balance falls below the minimum, we will notify you in writing and give you 30 days to increase your account balance to the minimum. After that time, we may redeem your units and mail you a cheque for the proceeds.

***Overview of Class F units***

Class F units of the Funds are designed for investors who have fee-based or wrap accounts with their dealers. Class F units may also be available to all employees of Manulife Financial and its Canadian subsidiaries. Class F units have a different management fee structure than Advisor Class units, and all sales charges are negotiated between you and your dealer. Your dealer may also charge you an up-front fee for service which would be payable at the time of purchase.

Class F units are only available through a dealer who has signed an agreement with us. By signing the agreement, your dealer agrees to the terms and conditions in the contract and is required, among other things, to notify us if you no longer have a fee-based or wrap account with him or her. When we receive this notification, you will have 90 days to instruct us to reclassify your Class F units to Advisor Class units of the same Fund. If we do not receive these instructions within 90 days, we will automatically redeem your Class F units at the end of the 90 day period. This may result in tax implications for you. See page 19, ***Income tax considerations for investors***.

***Overview of Class T units***

Class T units are only offered for Money Fund, Active Bond Fund, Value Equity Fund, Cabot Canadian Equity Fund, American Growth Fund, U.S. Mid-Cap Fund, Global Equity Fund, and Cabot Global MultiStyle Fund, and are generally available for purchase only by Balanced Asset Allocation Portfolio, Maximum Growth Asset Allocation Portfolio, the RSP-Eligible Foreign Funds or by their counterparties to the forward contracts to which the RSP-Eligible Foreign Funds are parties. In certain limited

circumstances, Class T units of these Funds may be available for purchase by other qualified mutual funds. Please contact us at 1-888-588-7999 for more information.

### **Overview of Class D units**

Class D units are only offered for Money Fund and are available for purchase by all investors who wish to invest in or switch into Money Fund using the standard or shortened deferred sales charge option. You may not switch units bought with a deferred sales charge option to Advisor Class units of Money Fund. Those investors who invest in Money Fund using the sales commission option would receive Advisor Class units of Money Fund. See **Buying units** on page 8 for more information.

## Optional Services

### **Buying units through a monthly plan**

You can buy units of the Funds, except Equity Fund, through a pre-authorized monthly chequing plan. Each investment per Fund must be at least \$25. You can get an authorization form to start the plan from us or from your dealer. There is no charge for this service. You or we can change or end the plan on 10 days' prior written notice. We may charge a handling fee for any withdrawal not honoured.

### **Buying units for an RRSP**

We can set up an RRSP at your request, free of charge. Your first deposit must be at least \$500.

### **Buying units for an RESP**

We can set up an RESP, at your request, with no set-up fee or administration fee for as little as \$25 per month.

### **The Elliott & Page Registered Education Savings Plan (“RESP”)**



Registered Education Savings Plan

A child's education...the best investment you can make

There are few more precious goals than providing a child with a first-rate education. But it's not easy. The cost of post-secondary education is rising faster than inflation; a 4-year university education now costs approximately \$48,000 and is estimated to reach more than \$100,000 by the year 2020.\*

RESPs offer tax-sheltered growth for your investments, which means more money for your children's or grandchildren's future education. 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. Unlike an RRSP or a RRIF, an RESP can be invested 100% globally, so mutual funds investing outside Canada are part of an ideal RESP investment strategy. Contact your Financial Advisor or Elliott & Page at 1-888-588-7999 to obtain a copy of the Elliott & Page RESP Investor Kit.

\*Association of Universities and Colleges of Canada, 1998.

### ***The Elliott & Page Registered Retirement Income Fund (“RRIF”)***

You don't want to take risks with your retirement income. But your retirement may last more than 20 years, so the performance of the investments you hold can make a big difference to your retirement lifestyle.

At the age of 69, the best choice you can make for your RRSP is to convert it to a RRIF. You pay no tax when you transfer your savings into a RRIF, but you pay income tax on the withdrawals that you make from your RRIF each year.

With an Elliott & Page RRIF, you can:

- retain control over how your money is invested
- control how much money you receive each year, above a certain minimum
- bequeath your RRIF assets to your estate or your spouse
- choose to switch to an annuity later if you wish

Talk to your Financial Advisor about an Elliott & Page RRIF or call us at 1-888-588-7999 for further information.

### ***Foreign property monitoring***

You can sign a form authorizing us to automatically reduce the foreign content of your Elliott & Page registered plan as needed to comply with the foreign property limit. There is no charge for this service.

#### ***Increase the foreign content in your RRSP***

If you would like more foreign content in your RRSP but have reached the foreign content limit, consider investing in Elliott & Page RSP-Eligible Foreign Funds or E&P Manulife Maximum Growth Asset Allocation Portfolio. Units of these Funds are not considered foreign property even though the investment performance of the Elliott & Page RSP-Eligible Foreign Funds and, to some extent, the E&P Manulife Maximum Growth Asset Allocation Portfolio is based on the performance of the U.S. Funds and the Global Fund to which they are linked. See ***The RSP-Eligible Foreign Funds***, page 20, and ***Maximum Growth Asset Allocation Portfolio***, page 21 for more information.

### ***Using the Automatic Withdrawal Plan***

You can set up an Automatic Withdrawal Plan (AWD) to receive regular payments from your Fund investment by redeeming units of the Funds you own. There is no charge for this service. You can get an AWD authorization form from your dealer or from us. You can change or end the plan on 10 days' prior written notice.

If your regular withdrawals are greater than the net income of your Funds, you will eventually use up your investment.

## **Fees and expenses**

This table lists the fees and expenses that you may have to pay if you invest in the Elliott & Page Group of Mutual Funds. You pay some of these fees and expenses directly. Other fees and expenses are payable by the Funds, which will reduce the value of your investment in a Fund.

## FEES AND EXPENSES PAYABLE BY THE FUNDS

### **Management fees**

The management fees payable to us are unique to each class of units of each Fund and are listed in each Fund's description under Fund details. Please refer to Part B.

We may reduce the management fee for our employees and for certain other investors in each class of a Fund based on the size of their investment. To do this, we reduce the management fee we charge to that class of the Fund and the Fund pays out the difference to these investors in that class as a distribution, which is reinvested.

GST is payable on all management fees.

### **Operating expenses**

Each Fund pays all of its operating expenses. These include:

- banking, custodian and transfer agent fees
- auditors' and legal fees
- brokerage fees
- costs of derivatives
- costs of preparing financial statements, prospectuses and other reports and filings

Each class of units of a Fund will effectively bear:

- its proportionate share of the operating expenses listed above
- the management fee for that class of units
- and the expenses of selling and distributing the class of units.

Each class of units of a Fund will not bear the other expenses of the Fund that are referable specifically to other classes of units.

Each RSP-Eligible Foreign Fund and Maximum Growth Asset Allocation Portfolio also pays the transaction costs associated with the forward contracts. Such costs will generally be approximately 0.40% to 0.60% of the value of the forward contracts.

GST is payable on all operating expenses.

## FEES AND EXPENSES PAYABLE DIRECTLY BY YOU

### **Sales charges**

#### *Sales Commission Option (Advisor Class units)*

If you choose the sales commission option, you pay up to 5% of the purchase price, negotiated with your dealer. There is no sales commission to buy Advisor Class units of Money Fund.

If you already own a Fund, you may pay a lower charge to buy more units in that Fund. The charge is calculated as a percentage of all units of the Fund you already own plus your new purchase, valued at the NAV or the original purchase price of the units, whichever is higher. You are responsible for telling your dealer if you are entitled to a lower sales charge. EPL is unable to monitor the sales commissions charged to you by your dealer to ensure that they are within the prescribed limits set out in the table below.

Amount of purchase order	Maximum as a % of the total amount paid	Maximum as a % of the net amount paid
\$1,000 - \$99,999	5.0%	5.3%
\$100,000 - \$249,999	4.0%	4.2%
over \$250,000	3.0%	3.1%

We may regard purchases of Advisor Class units by a trustee or other fiduciary for a single trust or account (with one or more beneficiaries) to be a purchase made by one investor.

*Deferred Sales Charge Option (Advisor Class and Class D units)*

If you choose the standard deferred sales charge option, you may pay a redemption fee if you redeem your units within six years of buying them.

If you choose the shortened deferred sales charge option, you may pay a redemption fee if you redeem your units within two years of buying them. See **Redemption fees** below.

**Switch fees**

None for units bought with a sales commission option, but you will be charged one of the sales commission options for switching from Money Fund to another Fund as there is no sales commission charged when you buy units of Money Fund.

Up to 2% of the NAV of the switched units, as charged by your dealer, for units bought with a deferred sales charge option.

**Redemption fees**

There is no redemption fee to redeem units of any Fund purchased under the sales commission option.

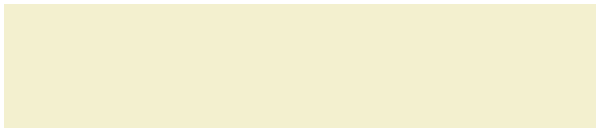
The redemption fee for Funds purchased under the **standard deferred sales charge** option is based on the date and original purchase price of your units, and is calculated from the beginning of the quarter in which you purchased your units, as follows:

If Redeemed...	During Year 1	During Year 2	During Year 3	During Year 4	During Year 5	During Year 6	After 6th Year
You Pay	6.0%	5.5%	5.0%	4.5%	4.0%	3.5%	0%

The redemption fee for Funds purchased under the **shortened deferred sales charge** option is based on the date and original purchase price of your units, and is calculated from the beginning of the quarter in which you purchased your units, as follows:

If Redeemed...	During Year 1	During Year 2	After 2nd Year
You Pay	3.0%	3.0%	0%

If you are redeeming units acquired through reinvestment of distributions on deferred sales charge units, the deferred sales charge is based on the date



you acquired your longest held outstanding units of that Fund and on the purchase price at the date of reinvestment. You may wish to receive such distributions in cash and then reinvest in additional units of the Fund subject to a sales commission negotiated with your dealer.

If you are redeeming units that were switched from another Fund, the deferred sales charge is based on the date and original purchase price of the units before the switch.

**Registered tax plan fees**

No fees are charged by us for Elliott & Page RRSPs, RRIFs or RESPs.

**Other fees and expenses**

Early Redemption Fee	2% of the value of units redeemed if you redeem your units within 90 days of buying them (30 days for Money Fund).
Wrap or fee-based programs (Class F units)	If you are an investor in Class F units of the Funds, your dealer or financial advisor may charge you an up-front fee relating to the wrap or fee-based program whether the purchase of Class F units is a new purchase, a transfer or a switch.
Frequent transaction fee	\$10 if units of Money Fund are redeemed more than twice a month.
Expenses for special services	You may pay charges for expenses to provide special services at your request.
NSF charge	\$25

**Impact of sales charges**

The following table shows the fees you would pay under the different purchase options available, assuming:

- you made an investment of \$1,000 in a Fund
- you held that investment for one, three, five or ten years
- you redeemed immediately before the end of that period.

The table also assumes that you pay or negotiate the maximum sales commission. You may actually negotiate a lower sales commission with your dealer.

Redemption charges will only apply if you redeem your units in a particular year. See **Fees and expenses** above for more information.

	At time of purchase	1 year	3 years	5 years	10 years
Sales charge option <sup>1</sup>	\$50	\$0	\$0	\$0	\$0
Redemption charge option <sup>2</sup>	\$0	\$60	\$50	\$40	\$0
Redemption charge option (shortened) <sup>2</sup>	\$0	\$30	\$0	\$0	\$0
No sales charge option <sup>3</sup>	\$0	\$0	\$0	\$0	\$0

<sup>1</sup> Advisor Class units of the Funds (except Money Fund)  
<sup>2</sup> Advisor Class units of the Funds (except Money Fund) and Class D units of Money Fund  
<sup>3</sup> Advisor Class units of Money Fund only



## Dealer compensation

### ***Sales commission***

Your dealer may receive a sales commission when you buy Advisor Class units of the Funds (except for Money Fund) and Class D units of Money Fund.

- If you choose the sales commission option, your dealer receives the commission at the time of purchase, deducted from your total investment
- If you choose the standard deferred sales charge option, we pay your dealer 5% of the invested amount at the time of purchase.
- If you choose the shortened deferred sales charge option, we pay your dealer 2% of the invested amount at the time of purchase.

We charge no sales commission when you buy Class F units of the Funds. The sales charges are negotiable between you and your dealer or financial advisor.

### ***Trailer fee***

We also pay your dealer a quarterly trailer fee to service your account. We pay up to 0.50% of the net asset value of your Fund units when you purchase Advisor Class units of the Money Fund or when you purchase units of the other Funds using the sales commission option or the standard deferred sales charge option. We pay up to 1.00% of the net asset value of your Fund units when you purchase units using the shortened deferred sales charge option.

If you pay a sales commission of 2% or less when you buy your Funds (except the Multi-Advisor Portfolios), your dealer is entitled to twice the trailer fee we would otherwise pay. If you pay a sales commission of 2% or less when you buy units of the Multi-Advisor Portfolios, we pay your dealer a trailer fee of up to 1.25% of the net asset value of your Fund units. The terms of these payments may change from time to time as long as they comply with Canadian securities rules and regulations. We reserve the right to change the frequency of these payments at our discretion.

We pay no trailer fee to dealers on Class F and Class T units of the Funds and Class D units of Money Fund.

### ***Other sales incentives***

We may conduct trades through dealers who sell our Funds. We may also pay for marketing and educational programs, as permitted by Canadian securities regulations, including some of the costs of these programs to dealers.

Manulife Securities International Limited, a registered mutual fund dealer and a distributor of the Funds, and Elliott & Page Limited are both wholly-owned subsidiaries of Manulife Financial.

## Dealer compensation from management fees

We paid dealers approximately 29% per cent of total management fees in broker commissions and other promotional activities for units of the Elliott & Page Group of Mutual Funds that they sold in the financial year ended December 31, 2000.

## Income tax considerations for investors

This information is a general summary of the Canadian tax rules in effect or proposed for mutual funds at the time we prepared this prospectus. This summary assumes you are an individual (other than a trust) resident in Canada and that you hold your Fund units as capital property. For a more detailed discussion of income tax issues, see the Funds' annual information form. You should also consult your tax advisor about your tax situation.

### TAXATION OF THE FUNDS

We distribute sufficient net income and net capital gains of the Funds to investors so that the Funds will not have to pay taxes. However, income earned by the Global Funds may be subject to foreign withholding taxes.

### TAXATION OF YOUR EARNINGS FROM THE FUNDS

Mutual funds earn:

- income, principally from interest and dividends paid on the securities in their portfolios
- capital gains, from selling securities in their portfolio for more than was paid for them

#### ***Distributions affect fund prices***

When a Fund (other than Money Fund) distributes earnings, the price or NAV of the Fund falls by the amount of the distribution. For example, if a Fund with an NAV of \$10.00 distributes earnings of \$1.00 per unit, the price will fall to \$9.00. If you are an investor in the Fund, your net position remains the same: you have your original units plus your earnings, either as cash or additional units.

#### ***For Funds held in a non-registered investment account***

You must report all distributions paid to you during the year, whether they are paid in cash or reinvested in additional units. Distributions can be ordinary income, dividends or capital gains. You pay tax on these different kinds of distributions as though you received them directly.

Management fee distributions, to the extent that a Fund deducts these amounts in computing its income for tax purposes, must be reported by you as income for tax purposes. In limited cases, a distribution may be a tax-free distribution of capital that reduces the adjusted cost base (ACB) of your units for tax purposes.

At the beginning of each year, we will send you a tax form showing all of the income, dividends and capital gains we distributed to you during the previous year. In order to calculate your gain or loss for tax purposes, you need to know the ACB of your units before disposition.

#### ***Calculating the adjusted cost base (ACB) of your units***

ACB = your initial investment

***plus*** the cost of any additional purchases

***plus*** reinvested distributions

***minus*** the capital returned in any distributions

***minus*** the ACB of any previous redemptions

The income and capital gains distributed to you can include income and capital gains accrued or earned by a Fund before you acquired your units. You will still be taxable on the full amount of the distribution.

Some Funds may have a portfolio turnover rate greater than 70%. The higher a Fund's portfolio turnover rate, the greater the trading costs payable by the Fund, and the greater the chance that you may receive a taxable capital gain for that year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

You must also report any capital gains or losses you made from redeeming or switching units of a Fund.

### ***Reclassification of units***

You can switch your investment from one class of a Fund to another class of the same Fund without triggering a capital gain or capital loss. This is called reclassifying your units. For example, subject to eligibility requirements, you can reclassify all of your Advisor Class units of U.S. Mid-Cap Fund to Class F Units of U.S. Mid-Cap Fund. Based on current administrative practice of the Canada Customs and Revenue Agency (the "CCRA"), this will not result in a capital gain or loss because the reclassification is not considered a disposition for tax purposes.

### ***For Funds held in a registered plan***

If you hold Funds in a registered plan, you pay no tax on:

- distributions from those Funds, whether or not they are reinvested in additional units
- any capital gains the plan makes from redeeming units or switching between Funds as long as they remain in the plan.

You will be taxed if you withdraw money from the registered plan.

You are responsible for monitoring the foreign content of the plan. At your request, we can monitor the foreign content of your Elliott & Page registered plan and reduce your foreign property holdings as required. See ***Foreign property monitoring***, page 14. If your foreign content holdings exceed the limit under the Income Tax Act, your registered plan will pay tax on the excess amount.

### ***Money Fund***

We calculate the daily value of Money Fund based on the market value of the securities held. The daily value of most other money market mutual funds is calculated based on the cost of their holdings, plus interest income earned on these holdings but not yet paid. If the CCRA successfully challenged our method of calculation, there could be tax implications for investors.

### ***The RSP-Eligible Foreign Funds***

The RSP-Eligible Foreign Funds must treat any payments received by them under the forward contracts as income, not capital gains. In addition, the operating costs of the RSP-Eligible Foreign Funds are higher than those of the corresponding Funds due to the extra costs of the forward contracts. Therefore, units of the RSP-Eligible Foreign Funds are not suitable investments:

- outside a registered plan
- inside a registered plan that has not yet reached the allowable foreign content limit
- for RESPs

You can purchase units of the corresponding Funds directly in these situations and avoid the tax implications and the extra costs of the forward contracts.

### ***Maximum Growth Asset Allocation Portfolio***

The Maximum Growth Asset Allocation Portfolio will also make substantial use of forward contracts under which payments will be treated as income, not capital gains. Such forward contracts will increase the operating costs of such Fund relative to the operating costs of the corresponding Fund. Therefore, units of such Fund may be more suitable for registered plans.

### ***Management Fees***

All of the Funds pay a management fee to us. The management fee may differ according to the class of units. The management fee payable in respect of the class will reduce the income available for distribution and thus reduces taxable distributions to unitholders. In certain cases, the management fees borne by large investors are reduced through management fee distributions, which result in additional income distributions to such investors. No portion of the management fee charged to the Fund is borne by Advisor Class units of Money Fund or Class T units of any of the Funds. Unitholders of Advisor Class units of Money Fund and Class T units of the Funds pay a management fee directly to us. Unitholders of Advisor Class units of Money Fund and Class T units of the Funds should consult their own tax advisors concerning the deductibility of such fee. Unitholders of Class F units should also consult their tax advisors concerning fees payable to their financial advisors and/or dealers.

## **What are your legal rights?**

Some provinces and territories have securities laws granting you the right to cancel or withdraw your agreement to buy units:

- within two business days of receiving the simplified prospectus
- within 48 hours of receiving a confirmation of your order
- and receive a refund if the simplified prospectus, annual information form, or financial statements misrepresent any facts about the Fund. If this happens and you have suffered a loss, you may also be entitled to damages.

You must usually exercise these rights within certain time limits. If you would like more details about your rights, consult with a legal advisor.

## Glossary

**accrued** – Earnings or losses accumulated since the last distribution date.

**book value** – The price you paid for an asset as opposed to its current market value.

**capital gains and capital losses** – The difference between what you pay for a security and what you sell or redeem it for, less any costs of making the sale or redemption (such as a deferred sales charge). You are currently required to pay taxes on one-half of capital gains and you are allowed to claim one-half of capital losses against taxable capital gains.

**convertible securities** – Securities which may be exchanged for another kind of security, under certain terms and conditions. The most common kinds of convertible securities are bonds, debentures and preferred shares, which can be exchanged for common shares.

**debt instruments** – Securities issued to borrow money. When you buy a debt instrument (or debt security), you are lending money. The issuer or borrower agrees to pay you interest and after a certain time (the term to maturity) pays back the principal. Debt instruments include treasury bills, bonds and commercial paper.

**fixed-income securities** – Securities that pay a regular stream of income. Bonds are the most common fixed-income securities. Preferred shares are sometimes classified as fixed-income securities.

**forward contract** – An agreement to buy or sell currency, commodities or securities for an agreed price at a future date or to pay an amount at a future date based on the value of a currency, commodity or security at such future time.

**hedge** – A strategy for offsetting or reducing risk.

**high quality** – Securities that have the highest ratings from one of the specialized rating agencies.

**index participation unit** – Under applicable Canadian mutual fund rules, is a security traded on a stock exchange in Canada or the United States that is issued by an issuer whose only purpose is to:

- hold the securities that are included in a specified widely quoted market index in substantially the same proportion as those securities are reflected in that index, or
- invest in a manner that causes the issuer to replicate the performance of that index.

**investment returns** – The total earnings of an investment, which can consist of interest income, dividend income and capital gains.

**leverage** – The use of borrowed money for investing. Leverage can magnify the returns or the losses on an investment.


**management expense ratio** – The proportion of the Fund's assets used to pay the Fund's management fee and other expenses each year, expressed as an annualized percentage.

$$\text{MER} = \frac{\text{Total expenses of the Fund}}{\text{Daily average net asset value of the Fund}}$$

**money market instruments** – Bankers' acceptances and corporate and government debt instruments with a term of less than a year.

**portfolio turnover rate** – The rate at which the Fund's portfolio advisor changes its portfolio investments in a year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling each security in its portfolio once in the course of its financial year. See page 19, **Income tax considerations for investors**, for the tax consequences of a high portfolio turnover rate.

**repurchase agreement** – An agreement where the buyer purchases a security at one price from a seller and agrees to sell the same security back to the seller at a higher price on a later date. It is a way for the buyer to earn a profit on the spread between the price at which it purchased the security and the price at which it sells it back and for the seller to borrow some short-term cash.



**stock index** – A number that reflects the price movement of a group of stocks. For example, the TSE 300 Index is a weighted average of 300 stocks that trade on The Toronto Stock Exchange.

**weighted average term to maturity** – A measure of the average length of time until a portfolio of fixed-income securities comes due. Term to maturity is the number of days until a security (such as a T-bill or bond) matures. A weighted average term to maturity multiplies the percentage of securities with the same term to maturity by the term and then adds them up.

# The Elliott & Page Group of Mutual Funds

## Canadian Funds

ELLIOTT & PAGE MONEY 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 SECTOR 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

## E&P Manulife Multi-Advisor Portfolios

E&P MANULIFE BALANCED  
ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE MAXIMUM GROWTH  
ASSET ALLOCATION PORTFOLIO  
E&P MANULIFE TAX-MANAGED  
GROWTH PORTFOLIO

ELLIOTT & PAGE LIMITED  
393 UNIVERSITY AVENUE  
21ST FLOOR  
TORONTO, ONTARIO  
M5G 1E6  
(416) 581-8350; 1-888-588-7999



Live your whole life.™

You can find more information about each Fund in our annual information form (AIF) and financial statements, which legally form part of this document just as if they were bound with it.

You can get a free copy of the Funds' AIF and financial statements, including a statement of portfolio transactions:

- by calling us toll-free at 1-888-588-7999
- from your dealer
- on our website at [www.elliottandpage.com](http://www.elliottandpage.com)
- by contacting us at [info@elliottandpage.com](mailto:info@elliottandpage.com).

These documents and other information about the Funds, such as information circulars and material contracts, are also available at [www.sedar.com](http://www.sedar.com).

A complete simplified prospectus for the mutual funds listed on this cover consists of this document and an additional disclosure document that provides specific information about the class of units of the mutual funds in which you are investing. This document provides general information applicable to all of the Elliott & Page Group of Mutual Funds. You must be provided with the additional disclosure document.