

INVESTOR IDEAS: ELLIOTT & PAGE RESP

Your child's education... the best investment you can make with an Elliott & Page RESP

Many parents place a high priority on sending their children to college or university. There is a good reason for this — Statistics Canada reports that a university graduate is three times more likely to be employed than a high school graduate. But the cost of post-secondary education is rising much faster than inflation. Planning, saving, and investing for your children's or grandchildren's education is more important than ever. The sooner you begin saving for their education using your own funds and the Canadian Education Savings Grant (CESG), the better off they will be to meet the costs of their education.



LIVE YOUR WHOLE LIFE™

■ Take advantage of growth and flexibility

Registered Education Savings Plans (RESPs) offer tax-sheltered growth for your investments, which means more money for your children or grandchildren when it comes time to pursue post-secondary education. And today's RESPs are more flexible than in the past.

In addition, the federal government has introduced the Canada Education Savings Grant (CESG) in an effort to encourage more educational savings. The CESG is only available for RESP planholders.

■ You choose the investments

When you set up an RESP, you are in control. You decide how you want to invest your money by choosing the mutual funds that meet your needs. And since there are no foreign content restrictions on RESPs, you can diversify abroad as much as you like to boost returns and reduce risk.

■ The federal government wants to give you money

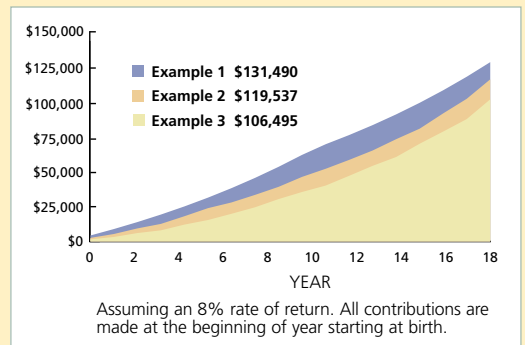
Beginning in January 1998, the federal government increased the maximum annual RESP contribution limit from \$2,000 to \$4,000 and offered a matching grant (CESG) of up to 20% of your RESP contribution each year per beneficiary, to a maximum of \$400 per year. The maximum lifetime grant is \$7,200. You can only receive this money in an RESP and your beneficiary must have a social insurance number to apply for the grant.

Example 1: Over 10.5 years you invest \$4,000 annually and make the maximum allowable contribution of \$42,000. Over the same period of time the \$400 CESG is received each year, totalling a grant of \$4,200. In this case you would not receive the maximum allowable grant, as funds are only given in those years when contributions are made to an RESP. **Total at age 18: \$131,490.**

Example 2: Over 10.5 years you contribute \$4,000 annually and make the maximum allowable contribution of \$42,000. You do not apply for, and therefore do not receive, the CESG. **Total at age 18: \$119,537.**

Example 3: Over 18 years you make both the maximum allowable contribution of \$42,000, contributing \$2,333 annually, and receive the maximum allowable CESG of \$7,200. **Total at age 18: \$106,495.**

The added value of the Canadian Education Savings Grant



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TIP

FOR MAXIMUM GROWTH

Apply for the Canada Education Savings Grant (CESG) when you open an RESP. It will boost investments in the plan by up to \$400 per year. Any unused grant money can be carried forward each year to a maximum of \$800 in any given year.

FOR ULTIMATE FLEXIBILITY

Name more than one beneficiary to ensure that all your contributions benefit your family. Up to \$50,000 of unused earnings can be transferred to your individual or spousal RRSP if you have contribution room available.

FOR ADDED DIVERSIFICATION

Take advantage of no foreign content restrictions within RESPs and benefit from higher potential returns from international funds. Elliott & Page offers a wide range of mutual funds which are 100% RESP-eligible.

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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What you want to know

How does an RESP work?

You contribute to the RESP. You don't get a tax deduction for your contribution, but capital growth accumulates tax-free inside the plan. You can withdraw your contributions at any time tax-free because you've contributed after-tax dollars. When the earnings are paid out to your beneficiary, they are taxed at his or her tax rate, which will likely be low.

How much can I contribute?

All contributors can invest a maximum of \$4,000 per beneficiary per year in an RESP. The lifetime maximum is \$42,000 per beneficiary. If you contribute too much, you'll be charged a penalty of 1% per month on the overcontribution.

How does my beneficiary claim the earnings?

The plan administrator will make payments to your beneficiary when he or she enters a post-secondary institution. Your beneficiary must attend full-time to receive the payments, which can be used for any costs related to education.

What are my options if my beneficiaries don't go on to receive a post-secondary education?

You can transfer up to \$50,000 in RESP earnings to your individual or spousal RRSP, if you have unused contribution room. You can also take the money as income and pay tax at your marginal rate plus a penalty tax of 20%.

What does it cost?

Elliott & Page RESPs have no setup or administration fees.

Elliott & Page Funds for an RESP

The Elliott & Page family of 23 mutual funds offers a variety of suitable investment alternatives for an RESP. Within our Canadian investment line-up consider the long-term growth potential of the Elliott & Page Value Equity Fund or the Elliott & Page Generation Wave Fund. The Elliott & Page Generation Wave Fund changes with the moving demographic and technological waves within North America and invests in companies both you and your children will recognize. For international exposure consider investing in the world's largest markets and the world's leading companies with the Elliott & Page U.S. Mid-Cap Fund or the Elliott & Page Global Equity Fund.

For more information, please contact: