

“Invest in the Greatest American Growth Companies Before They’re Big On Wall Street”

The greatest American growth companies are dominant industry leaders on a global scale. They are today’s ‘if only’ large-cap stocks in which investors wish they had invested five years ago – ‘if only they knew’.

How do you find the next generation of U.S. ‘if only’ stocks? Outside of the large-cap universe, there are many promising mid-cap companies that have the resources, quality management, and innovative products needed to become strong market leaders. Ranging in size from U.S. \$1 – 10 billion, these are the companies that grow into the coveted ‘if only’ large-cap stocks, before they’re big on Wall Street.

Investor sentiment suggests the U.S. stock markets may be over-valued. If U.S. large-cap stocks are not likely to outperform and U.S. small-cap stocks seem to be too risky, how can you participate in the world’s largest market? Value can still be found in the U.S. mid-cap sector.

The **Elliott & Page U.S. Mid-Cap Fund** provides investors with access to this exciting market, matching opportunity for growth with diversification.

■ Finding Value in U.S. Markets

In 1998, 85% of the return of the S&P 500 can be explained by the performance of the 100 largest stocks. What does this tell us? The prolonged bull market we have witnessed in the U.S. over the past few years still has upward potential from small- and mid-cap stocks. Recent returns of mid-cap stocks demonstrate that this sector largely did not participate in what is often called the ‘greatest bull market in history’. This point, combined with a growing uneasiness with skyrocketing U.S. large-cap stocks, suggests a favourable rally in this class.

■ The Best of Both Worlds

Mid-cap stocks have historically outperformed large-caps and been less volatile than small-cap stocks. The traditional high degree of correlation between mid-cap and large-cap stock returns suggest that four years of underperformance (relative to large-cap stocks) means mid-caps are poised to rally.

■ Stability combined with Growth

The addition of large-cap companies to the Elliott & Page U.S. Mid-Cap Fund – generally in the neighbourhood of 25% of the Fund – is designed to serve two purposes. First, the large-cap stocks provide a diversification benefit, helping to reduce the overall volatility of the Fund. Second, the large-cap allowance provides room for the fastest growing mid-cap success stories to continue to grow into large-cap companies.

Five years ago these companies were mid-cap stocks:

Charles Schwab • The Gap • Dell • Staples • America Online

Now large-cap stocks, these companies and their brands are household names.

Ten years ago these companies were mid-cap stocks:

Microsoft • Intel • Carnival Cruise Lines • Compaq • Home Depot

and now dominate their industries and global financial markets.

TIP

FOR THE ACTIVE INVESTOR

Individual investors often do not have the resources to manage an internationally diversified portfolio. The Elliott & Page U.S. Equity Team is Canada's largest, managing assets in excess of \$5.8 billion. They have the necessary tools to find and follow these companies and the financial resources to build and manage a diversified portfolio of these stocks.

FOR DIVERSIFICATION

The U.S. mid-cap sector represents similar capitalization opportunities as Canadian large-cap companies, but in many cases, in industries largely underdeveloped in Canada, such as HMOs, Internet stocks, and Energy providers.

FOR YOUR CHILD'S RESP

The Elliott & Page U.S. Mid-Cap Fund is an exceptional long-term investment opportunity for saving for a child's education using an Elliott & Page Registered Education Savings Plan which can include the Canada Education Savings Grant of up to \$400 per year.

Please read the Fund's simplified prospectus carefully before investing. Mutual funds are not guaranteed and their values change frequently and past performance may or may not be repeated. The information contained in this communication is designed to provide you with general information related to investment alternatives and strategies; it is not intended to be comprehensive investment advice applicable to the circumstances of any individual. We strongly urge you to consult with a financial advisor prior to making investment decisions.

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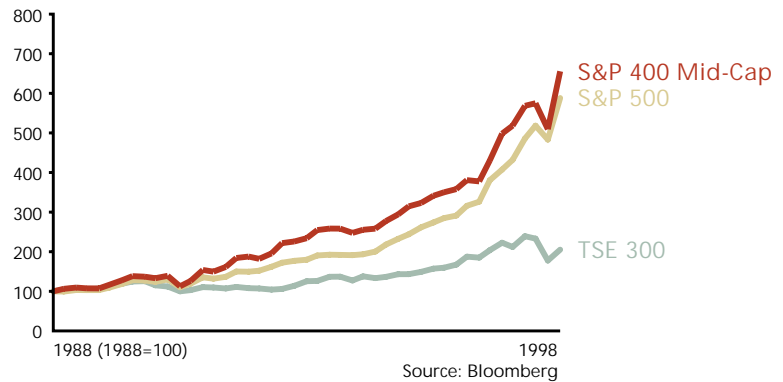
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What You Want To Know

"How have mid-caps performed over the long-term?"

From 1988 to 1998, the S&P 400 Mid-Cap Index had a 10-year average annual return of 21.5%, outperforming the S&P 500 Index by 1.5% and the TSE 300 Index by 13.2% (all returns in Canadian dollar terms).



"Why should I buy this Fund over a small-cap fund?"

Mid-cap stocks are especially useful for investors who want diversification and participation in anxiously anticipated small-cap rallies, but who do not want the volatility associated with small-company stocks. Mid-cap companies are small enough to react quickly to change, yet large enough to have dominant positions in their industries. Stability is further enhanced with the inclusion of large-cap companies (generally in the neighbourhood of 25%) to the Elliott & Page U.S. Mid-Cap Fund.

"Is this Fund too aggressive for me?"

Most investors holding global equity funds have a de facto exposure to large-cap U.S. equity stocks since the United States comprises more than 50% of world market capitalization. Many do not want to 'double-up' that exposure with a large-cap U.S. equity fund. This is especially true of RRSP investors holding positions in global equity funds. Access the incredible growth potential and diversification benefits of this undervalued asset class with the **Elliott & Page U.S. Mid-Cap Fund.**

For more information, please contact