Mutual funds convenient

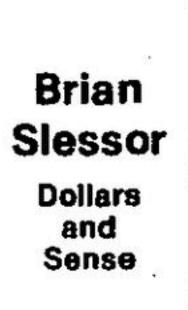
We have all heard and read a great deal about mutual funds in recent years. They are one of Canada's fastest-growing investments and are now sold by the majority of financial institutions in Canada. Mutual funds have gained widespread popularity because they offer both large and small investors a profitable and convenient way to invest in Canada and around the world. However, with the dawning of a new decade, it may be time to re-examine the mutual fund as an investment and assess how it can help meet the challenges of investing in the 1990's,

There are several trends in investing which began to emerge in the final years of the eighties and which can only continue to grow during the nineties. One of these is the global movement to freer trade among the world's economies. In recent years, we have witnessed an increasing interdependence among nations in trade, investment, politics, and even in social trends. Large trading blocs are developing, beginning with North America, following the Canada-U.S. Free Trade Agreement and Europe which will form a second major bloc in 1992 when the trade tarriers between twelve European nations disappear.

By investing in countries other than Canada, you accomplish two important goals. First, you are diversifying which reduces your overall risk. Because each of the world's economies expands and contracts at different intervals relative to the rest of the world, by not confining your investments to Canada, your investments will not suffer to the same extend when growth here is stagnant. The second goal is enhanced performance. There are many opportunities in other nations which can lead to increased returns, especially now when political and economic developments in other parts of the world will fuel growth and development but our economy is expected to grow only moderately. You also gain the perential to make foreign currency gams.

Mutual funds are an ideal vehicle for investing in international markets, which can otherwise be difficult for an individual investor to access. There are many funds which invest in various countries; some are single country funds while others specialize in continents and still others search out opportunities around the globe. You can also choose from international equity, income and money markets. Many Canadians are eager to take advantage of events around the world such as the dismantling of European trade barriers in 1992 and the events now taking place in Eastern Europe. Mutual funds make this type of investing possible for all investors.

Another important trend which can only grow in its importance to Canadians and citizens of other countries is awareness of social and environmental responsibility. Consumers are beginning to realize that they can influence the





behaviour of large companies by their own purchase behaviour. Similarly, investors can influence events by choosing their investments carefully and in accordance with their own principles. Today, there are 6 'ethical funds' in Canada with assets of approximately \$92 million. Although they represent a small portion of the total funds invested in mutual funds in Canada (about 4 per cent), their popularity is growing.

Ethical mutual funds were established to invest according to certain social and moral guidelines and at the same time to earn competitive returns for their unitholders. The criteria used to screen investments vary according to the fund but range from the avoidance of tobacco and liquor companies and military producers to refusing to invest in companies for political reasons, bad environmental policies or unprogressive employment policies. The good news is, that the performance of these funds has also been quite respectable.

The proliferation of mutual funds in Canada (experts estimate there will be over 1,000 by the turn of the century), means that there 4s a mutual fund for almost every purpose. If you would like to invest in real estate but can't afford to purchase an investment property, there are real estate funds which allow you to buy into a managed real estate portfolio. In uncertain political and economic times such as we are experiencing today, many investors choose gold as a safe haven - again, there are mutual funds to help you invest in gold through both gold bullion and companies involved in gold mining and exploration.

Apart from the specialty aspect, mutual funds will be an excellent investment for the '90s for the same reason they have always been a good investment for individuals, namely professional management and the instant diversified portfolio they provide.

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'Mexican Night'

The Tacos and Tortillas were flying fast and furious last Thursday evening as the Duke of York Restaurant, located on Guelph Street, staged a special 'Mexican Night.' Enjoying the Mexican

festivities and the Mexican food were, seated, left to right, Jennie and Jonathan Norton. Serving up welcoming smiles as well as food, left to right, were thristine Monteith and Anetta Bulut. (Herald photo)

Young entrepreneurs recognized trepreneurs can enter themselves

TORONTO - For the third consecutive year the Federal Business Development Bank (FBDB) is seeking nominees for its annual "Young Entrepreneur" Awards.

Established in 1988, the awards, to be presented during Small Business Week October 21-27, recognize the achievements of entrepreneurs aged 29 years or younger.

Nominees are judged on the following criteria: 1) innovation be it in the company's product, service, production process, marketing strategy, etc. 2) operating success - which includes sales, growth prospects for the future, employment creation, quick acceptance in the marketplace and 3) community involvement - the participation of the entrepreneur in charitable work, service clubs and development work on behalf of raising awareness of business. Consideration will also be given to the entrepreneur's age at start-up, unique problems or challenges the company was able to face and overcome, longevity of the business, etc.

A total of twelve awards will be presented - one for each province and territory. In addition, there will be four district winners - one Northern Ontario, fer Southwestern Ontario, Eastern Ontario and Greater Metropolitan Toronto area. These winners will be submitted as the finalists in the province-wide competition.

Last year's Ontario winner was 26-year-old Derrick Hanson, a partner in Ottawa-based Consolidated Communications Inc., a communications cabling company with clients such as Bell Canada and Gandalf Data Ltd. Hanson started the business in 1988 to fill a gap in the market for the installation of communications cabling. In three years, he has seen his operation grow from sales of \$520,000 and 10 employees to over \$1.5 million in sales and a staff of 40.

Provincial/Territorial winners will be presented with their awards at the National Launch of Small Business Week in Toronto. En-

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trepreneurs, business leaders and business associations. Deadline for entries is August 17, 1990. District winners will be announced September 27th.

in the contest, or can be nominated

by others. Anyone interested in

entering a young entrepreneur

should contact the local FBDB

branch. All candidates will be

reviewed by a committee compris-

ed of FBDB representatives, en-

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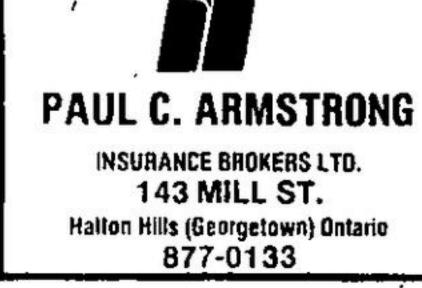
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