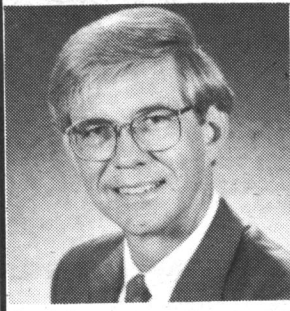


Money Talk

with George Perdue



Just What is a Mutual Fund?

By George Perdue, B. Sc. P. Eng.

Today we read about all the money flooding into mutual funds. What are they? Why are they attracting so much money? If a group of individuals decided to get together and pool some money for investment purposes they would be forming a simple mutual fund. In order to get the best returns they would probably hire a professional manager for the portfolio. This manager would invest in financial products in accordance with the philosophy and objectives of the fund.

Commercially available funds publish a prospectus which defines the objectives of the fund as well as all details concerning the associated costs.

To ensure the safety of an individual's investments, mutual funds are organized into either corporations or trusts that are strictly regulated by provincial securities laws. In fact, anyone buying a mutual fund is supposed to be known by the sales agent in such a manner that the sales agent can provide investment advice that matches the individual's goals and circumstances.

Mutual funds can fit into any investment strategy. There are funds for conservative, aggressive and speculative investors and those individuals in between.

There are other advantages. Funds are affordable. An individual can start up for as little as \$30 per month. They are professionally managed on a full time basis. The managers have available more information than an individual. The pooled resources of many individuals allows the fund manager to build a large asset base thereby minimizing risk by diversification. There are over 700 funds to choose from in Canada. The funds provide for systematic re-investment and

compounding. Why are mutual funds so popular? They show solid performance over the long term. Fixed income funds show good returns in the short term. Funds are also safe in that they are owned by the investor. The money manager only manages the fund on behalf of the investors. No mutual fund has ever gone bankrupt in Canada. A contingency trust fund provides protection to investors in Ontario. The funds are liquid so money can be made available at any time.

What is the down side? Since the funds are diversified, the potential gain associated with a hot stock is not available. But then, neither is the potential loss. Since the funds are investments as opposed to deposits, the investor needs good advice. Fixed interest rates are generally not available.

So why isn't everyone in mutual funds? Some do not want to change from bank deposits. Some are not motivated by superior performance on investment returns. Some like the convenience of dealing with their financial institution. Some are nervous about dealing with an investment they do not understand.

The low interest rates today are causing more and more people to change from deposit investments. Mutual fund investments are growing at more than 40% per year.

The influx of money has led to a wider variety of funds. This means that there is a fund style available now for just about any investor. This in turn is drawing more investors to mutual funds.

George Perdue is a Financial Planner, Business Consultant, and Partner in Money Concepts, Halton Hills. Along with associates Aysen Abaci, Pierre Brianceau, Peter Chaperlin, and Karen Perdue, he can be contacted at (905) 873-1877.

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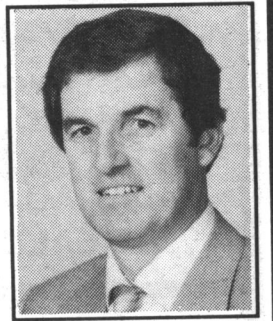
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BOVIS BARGAIN
\$154,900 asking. 3 bedroom + den, finished rec. room with log burning fireplace, family sized eat-in kitchen overlooking spacious backyard. Larry Barnstaple*, 874-3040. 93-2-601



ROCKWOOD REGAL
\$199,900 asking. 1975 sq. ft. newer home, gas heating, central air and central vac, 2 1/2 baths, entertainers family room with log burning fireplace and cathedral ceiling. Exceptional decor and landscaping. Call Larry Barnstaple*. 93-2-607



BRAMPTON TOWNHOUSE
3 bedroom - 1 1/2 bathrooms, central air, garage, small complex. \$124,900 asking. Call Larry Barnstaple*. 93-2-600



ALMOST NEW - AND IMPROVED
\$215,900 asking. Large family kitchen with oak cabinets, main floor family room with vaulted ceiling, sunken library with built-in bookcase, 3 baths, walkout basement, exceptional lot backing on to conservation area. 10+++-. To view call Larry Barnstaple* 877-5165. 93-2-504



GLEN WILLIAMS
\$219,000 asking, 3 bedroom brick on near acre treed lot. 2 car garage, walkout to yard from basement level. Inground pool. Call Larry* 877-5165. 93-2-484



WHAT A BACKYARD
\$99,900 asking, 3 bedroom townhome. Unspoiled basement, patio doors to fenced yard. Walk to shops, 10 mins. to 401 Hwy. Call Larry* 877-5165. 93-2-534



STORYBOOK YARD
3 bedroom bungalow in one of Erin's better neighbourhoods. Gleaming hardwood floors, very private well treed back yard, Sunny kitchen and finished rec room. Asking \$174,900. 93-2-330



ROCKWOOD TOWN & COUNTRY
\$179,900 asking, almost 1/3 acre treed lot; very private. 4 bedroom home, beautiful decor, family room with woodstove, hot tub, walkout to two decks. Larry* 877-5165. 93-2-483



OLYMPIC ACHIEVEMENT
The setting, location, creativeness, design and construction combine to make a winning team. An executive retreat high on a hill among the Maples. A spacious home of elegance with separate guest suite. Call Larry* for all the details. 93-2-395



AFFORDABLE BRICK VICTORIAN
Privately tucked away on 4.5 acres yet minutes to town. Renovated oak kitchen with high ceilings and pine wainscoting. Recently constructed ensuite off large master bedroom. Charm & convenience. Call Larry* 874-3040. 93-2-325



QUALITY, LUXURY, SPACE
Only \$499,000 asking. 3 bedroom Cape Cod on 123 acres of rolling panorama, gourmet kitchen, with entertainer's family room, huge master bedroom with the ultimate ensuite, adjoining study, beautifully finished lower level with walkout to deck, patio and inground pool. Call Larry Barnstaple* 874-3040. 93-2-528



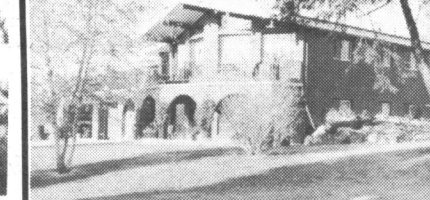
25 ACRES
Trees, pond, fast flowing stream. Beautiful 4 bedroom post and beam with 3 room apartment, 2 large outbuildings. Call Larry Barnstaple*. 877-5165 93-2-440



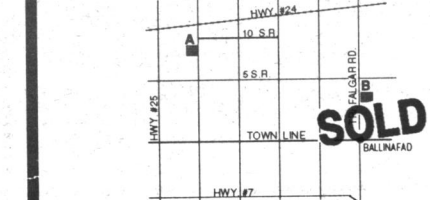
2 ACRE COUNTRY
\$249,000 asking, 2,000+ sq. ft. of luxury on treed lot with pond, open concept, main floor family room, main floor laundry, basement drywalled. Minutes to 401 Hwy. Call Larry* 877-5165. 93-2-565



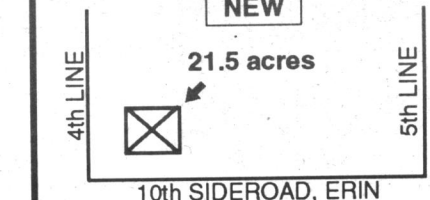
SPECTACULAR VIEWS
Custom built home with approx. 5,000 sq. ft. on the main floors, 10 ft. ceilings, cherry plank floors, walkouts to balcony deck, 4 spacious bedrooms, library, large studio, 57 acres of trees, hills & streams. 93-2-394



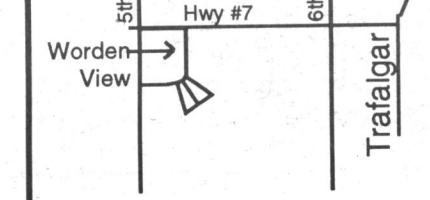
NOW \$249,000
25 panoramic acres secluded from the road, 2 new baths, sunroom, large elevated patio, walkout basement - Very bright home. Stocked pond, workshops. Adjacent 21 acres with shop also for sale at \$129,000. 93-2-367



LOTS OF LOTS
A - 3 acre building lot, 275' x 500' Asking \$99,900. Call Larry 874-3040
B - 1 acre building lot, 275' x 500' Asking \$79,900. Call Larry 874-3040



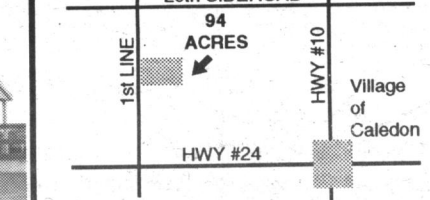
FISH HERE!
\$129,000 asking for this 21.5 acre building lot, trees, stream, pond, trout, new 28 x 48 ft. workshop. Call Larry*.



ESTATE LOTS 99,900 & 114,900
2 acre lots on paved road, ravine, trees, close to Georgetown 'Go'. Call Larry* 874-3040.



23 PRIVATE ACRES
Spring fed pond. Open meadow. Executive Cape Cod home with spacious family room addition with cathedral ceiling & stone fireplace situated to take advantage of the views. 5 stall insulated barn with paddocks. 93-2-115



94 ACRES OF CALEDON
\$649,000 asking. Close to Caledon Village, close to Hwys #24 and #10. Great home site while waiting for future opportunities. Call Larry* 877-5165

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