

What to do in 2002 – RRSP Edition

What to invest in...

Plan ahead

Coupon Example

It's a new year and if you are like the vast majority of Canadians, you may have left your RRSP contribution to the height of "RRSP Season" and are now wondering what to do. Here are four easy steps to take care of this year's contribution and gear up for next year's.

1. Get Your Money In ASAP

The RRSP deadline for your 2001 contribution is March 1st, 2002 but the sooner you get your money invested, the sooner it starts working for you.

If you don't want to make an investment decision immediately, no problem! Many of our clients 'park it' in cash or a money market fund until they can make a decision. Simply deposit your contribution to your RRSP, and wait until after the rush to make your investment choice. In most cases its best not to rush into a decision, especially when it comes to your retirement money. For your convenience we have included a handy RRSP order sheet.

Short on cash? Visit a local Bank of Nova Scotia branch to arrange an RRSP loan into your ScotiaMcLeod RRSP account.

Preferential rates are usually given depending on your time horizon to pay back the loan. A great strategy is to use your tax refund to pay down the loan.

2. Revisit Your Asset Allocation

Your asset allocation should be reviewed regularly, so if it's been a while, please have us prepare a revised personal analysis for you.

We are seeing more and more research that indicates that a typical medium risk, growth oriented balanced portfolio should roughly have a 40% Bond, 30% International equity, and 30% Canadian equity asset mix, diversified by investment manager style (see pie chart, bottom right). If you are closer to retirement, you should be heavier in bonds, and if you are farther from retirement, you should hold more equity.*

General Rule of Thumb

Age = % Bond Component



The remainder should be split equally between Foreign and Canadian equity*

If you are uncertain as to the appropriate asset mix for you, just give us a call. We are here to help and advise.

*This will vary depending on your personal risk tolerance.

3. Invest Your Contribution

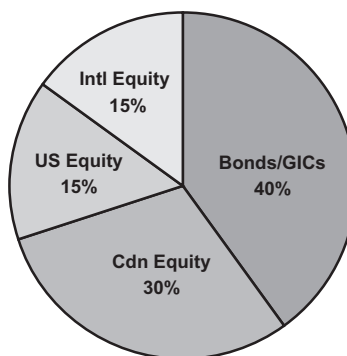
Using your asset allocation as your guide use your contribution to add to areas where you have low exposure.

For the bond component, consider using our GIC shopping service, (we shop the best rates from 6 issuers) or consider government guaranteed stripped coupons like the example on the back page.

With global uncertainty, it is difficult to know where to invest the equity portions of your portfolio. And with the lackluster returns of late, it may be frustrating to look at the investments made over the last few RRSP seasons. In fact, the average Canadian Balanced fund has had a 4.5% average annual return over the last 4 years. The TSE 300 has averaged only 4.9% over 4 years and is actually down 14.5% over the last 12 months.

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Medium Risk Asset Allocation



UP TO 30% IN AN RRSP

1 Year Total Return

1 Fidelity Small Cap America	32.5%
2 AGF Global Total Ret Bond	12.9%
3 O'Shaughnessy US Value	12.7%
4 Fidelity American High Yield	12.5%
5 CI Harbour Sector	10.7%
6 Mac Cundill Value Series A	10.5%
7 Talvest Global Health Care	10.5%
8 Mac Cundill Value Series C	10.2%
9 Templeton Mutual Beacon	10.0%
10 AGF Global Gov't Bond	9.1%

3 Year Total Return

1 Talvest Global Health Care	42.9%
2 Talvest China Plus	34.6%
3 Fidelity Small Cap America	24.6%
4 Talvest Global Small Cap	23.7%
5 Elliott & Page US Mid-Cap	21.5%
6 CI Signature Gbl Small Cos	21.3%
7 AGF Aggressive Growth	20.0%
8 CI Global Consumer Products	19.6%
9 CI Global Energy Sector	19.2%
10 BPI Global Opportunities	18.6%

5 Year Total Return

1 Talvest Global Health Care	32.8%
2 BPI Global Opportunities	31.8%
3 Fidelity Small Cap America	20.2%
4 Altamira Science & Technology	20.1%
5 Orbit World	19.7%
6 TD Health Sciences Fund - I	18.8%
7 Talvest Global Sci & Tech	18.2%
8 AGF Aggressive Growth	18.0%
9 AGF International Value	17.8%
10 AIM Global Technology	17.6%

10 Year Total Return

1 CI Signature Amer Small Cos	17.4%
2 Trimark Fund	17.3%
3 TD U.S. Index - I C\$.	16.6%
4 AGF International Value	16.5%
5 McLean Budden American Equity	16.2%
6 Altamira Select American	15.8%
7 Spectrum American Growth	15.7%
8 Trimark Select Growth	15.6%
9 AGF Amer Growth Class	15.4%
10 PH&N US Pooled Pension	15.3%

1 Year Total Return

1 Royal e-Commerce	-55.8%
2 Talvest Global Sci & Tech	-52.3%
3 AGF Global Tech Class	-51.4%
4 AIM Global Telecom Class	-51.0%
5 CI Global Telecom Sector	-50.7%
6 Altamira e-business	-50.2%
7 Altamira Science & Technology	-50.1%
8 AIM American Blue Chip Growth	-49.9%
9 AIM Global Technology	-45.6%
10 Spectrum Global Telecomm	-45.0%

3 Year Total Return

1 AIM American Blue Chip Growth	-17.5%
2 TD International Growth Fund -	-10.6%
3 AGF Germany Class	-8.9%
4 TD European Growth Fund - I	-8.4%
5 AIM European Growth	-8.1%
6 Sceptre Global Equity	-7.7%
7 StrategicNova World L Cap	-7.6%
8 Scotia European Growth	-7.5%
9 Acuity Clean EnviroGbl Equity	-7.5%
10 Clarington Gbl Communication	-7.3%

5 Year Total Return

1 Royal Asian Growth	-11.4%
2 CI Pacific Sector	-10.2%
3 AGF Asian Growth Class	-10.2%
4 HSBC AsiaPacific	-9.7%
5 CI Pacific	-9.1%
6 AIM Indo-Pacific	-6.3%
7 TD Japanese Growth Fund - I	-6.1%
8 AGF Latin America	-5.4%
9 Templeton Emerging Markets	-4.0%
10 TD Asian Growth Fund - I	-3.9%

10 Year Total Return

1 Royal Japanese Stock	-0.3%
2 AGF Japan Class	1.0%
3 CI Pacific Sector	1.9%
4 CI Pacific	2.7%
5 CI Short-Term Sector	3.4%
6 AIM American Blue Chip Growth	3.7%
7 Royal \$US Money Market	3.9%
8 Merrill Lynch US Money Mkt	3.9%
9 AGF US Dollar Money Market	4.2%
10 AGF Asian Growth Class	4.5%

COMMENTARY

ScotiaMcLeod would be pleased to provide you with further detailed information on the above mutual funds, however we cannot provide information on the funds marked #. These are historical performance rankings, and are not indicative of future investment performance. When analyzing particular funds, stress longer term performance.

These rankings are not sales advice and ScotiaMcLeod does not recommend simply selling bottom past performance funds and buying top past performance funds. Purchase or redemption fees may be involved. Please call (416) 863-7777 or 1-800-387-9273 for specific recommendations tailored to your individual needs.

Important information about any particular fund is contained in its prospectus. You may obtain a copy of the prospectus by calling (416) 863-7777. You should read the prospectus carefully before investing.

1 Year Total Return

1 Dynamic Precious Metals	39.4%
2 Mac Universal Precious Metals	38.1%
3 Trimark Canadian Resources	30.6%
4 Royal Precious Metals	29.8%
5 Trimark Canadian Small Cos.	29.4%
6 Northwest Specialty Equity	26.9%
7 Mawer New Canada	26.3%
8 TD Precious Metals Fund - I	25.4%
9 Scotia Resource	25.2%
10 Mac Universal Cdn Resource	25.1%

3 Year Total Return

1 Dynamic Venture Opportunities	25.3%
2 CI Signature Select Cdn	22.8%
3 StrategicNova Cdn Technology	22.1%
4 AIM Canadian First Class	20.7%
5 CI Signature Cdn Resource	20.2%
6 Royal Energy	19.7%
7 Capital Alliance Ventures	19.0%
8 TD Energy Fund - I	18.4%
9 PH&N Dividend Income	18.2%
10 Trimark Canadian Small Cos.	17.9%

5 Year Total Return

1 PH&N Dividend Income	19.5%
2 Scotia Cdn Dividend	12.9%
3 Royal Dividend	12.9%
4 Fidelity True North	12.5%
5 MAXXUM Dividend	12.3%
6 Fidelity Cdn Growth Company	12.3%
7 TD Dividend Growth Fund - I	11.6%
8 AIC Diversified Canada	11.5%
9 Clarington Canadian Equity	11.1%
10 Mac Industrial Dividend Grth	11.0%

10 Year Total Return

1 AIC Advantage	18.8%
2 PH&N Dividend Income	17.4%
3 Northwest Specialty Equity	16.4%
4 MAXXUM Dividend	15.8%
5 Dynamic Power Canadian Growth	15.1%
6 GBC Canadian Growth	15.1%
7 PH&N Vintage	14.1%
8 Mawer New Canada	14.0%
9 Mac Industrial Dividend Grth	13.9%
10 Tradex Equity Fund Limited	12.9%

1 Year Total Return

1 AIM RSP Global Telecomm.	-51.2%
2 CI Global Telecom RSP	-50.9%
3 Altamira RSP Science & Tech	-50.1%
4 AIM RSP Amer Blue Chip Growth	-49.6%
5 AIM RSP Global Technology	-45.3%
6 Spectrum RRSP Global Telec.	-45.2%
7 Mac Univ RSP World Sci & Tech	-44.6%
8 Triax Growth Fund Inc.	-43.0%
9 CI Global Technology RSP	-42.9%
10 Working Ventures Canadian	-41.8%

3 Year Total Return

1 StrategicNova Cdn High Y Bond	-11.4%
2 AGF Canadian Aggressive AllCap	-10.4%
3 Global Strategy Eur+ RSP	-10.0%
4 TD EuroGrowth RSP Fund - I	-8.5%
5 Working Ventures Canadian	-8.3%
6 Triax Growth Fund Inc.	-7.5%
7 AGF Canadian Small Cap	-7.4%
8 Talvest Global RSP	-6.4%
9 AGF Cdn Opportunities	-5.9%
10 Mac Univ World Growth RSP	-5.6%

5 Year Total Return

1 AGF Precious Metals	-18.0%
2 Scotia Resource	-14.3%
3 Spectrum Canadian Resource	-14.0%
4 Dynamic Precious Metals	-12.1%
5 Altamira Resource	-12.0%
6 Royal Precious Metals	-11.1%
7 CI Signature Explorer	-11.1%
8 TD Precious Metals Fund - I	-9.6%
9 AGF Canadian Aggressive AllCap	-9.4%
10 TD AsiaGrowth RSP Fund - I	-9.0%

10 Year Total Return

1 Working Ventures Canadian	-0.8%
2 Dynamic Precious Metals	3.0%
3 Mac Money Mrkt	3.8%
4 TD U.S. Money Market Fund - I	3.9%
5 AGF Canadian Money Market	4.0%
6 Merrill Lynch Canadian T-Bill	4.0%
7 Fidelity Cdn Money Market	4.1%
8 Scotia T-Bill	4.2%
9 Ethical Money Market	4.2%
10 Mac Industrial Growth	4.3%

NOTES TO THE PERFORMANCE TABLES

- ScotiaMcLeod is unable to provide information on funds marked #
- Figures are average rates of return for the periods ending Nov. 30, 2001
- Source data from Bell Charts, including over 4000 funds
- Funds with total assets under \$25 million are not included
- Only "totally public" funds are ranked
- RRSP eligible funds are at least 70% Canadian content and can also be held outside RRSPs
- Performance figures include reinvested dividends and management fees have been subtracted
- Non RRSP eligible funds can be held inside a ScotiaMcLeod RRSP to a maximum of 30% of book value

While you may be understandably reluctant to invest in funds that are down or moving slowly, a well-managed fund in a down market provides a tremendous buying opportunity. To take advantage of this slow market, we suggest you consider adding to some of the existing positions in your portfolio, especially those that may be down in the short term.

Our complete listing of all 1,000 available funds and their investment performance can be found at www.mutualfundreporter.com/options

This link also includes our recommended list of mutual funds broken down by risk levels and different types of mutual funds.

Do not forget about Labour Sponsored

Investment Funds (LSIFs), as featured in our last issue. They provide up to \$1,750 in additional tax savings.

Visit: www.mutualfundreporter.com/lisif for more details.

4. Plan for Next Year

While you are talking to us, why not plan for next year now and avoid the next RRSP season rush.

Many of our clients contribute monthly to their RRSP through a pre-authorized cheque (PAC) plan. PAC plans not only make investing effortless for you, they are also a great strategy for getting you the best price when buying securities through dollar cost averaging.

See our website for more details:

www.mutualfundreporter.com

and visit our Investor Learning Centre

for information on this and other topics of interest relevant to your personal investing needs.

Another option is to make your RRSP contribution early in the year (i.e. now for 2002 tax season) and get your money working for you that much sooner.

Both of these are great strategies to potentially increase your net worth at a faster pace. As a bonus, there will be no stress to make decisions or rush to get your cheque in next year.

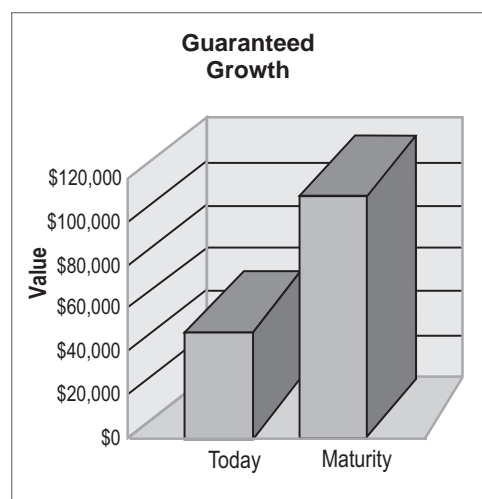
Finally, please ask us to review your investments, and provide you with specific recommendations for your account. We look forward to your call at 1-800-387-9273 or 416-863-RRSP or e-mail: mf_reporter@scotia-mcleod.com

Turn \$50,000 into \$113,206

Invest in Government Guaranteed Stripped Coupon Bonds with rates up to 6.2% (rates as of 01/03/2002)

Issuer	Maturity Date	Price (subject to change)	Yield to Maturity	Maturity Value
Saskatchewan	Apr-10-2003	\$966.95	2.7%	\$1,000
Canada	Jun-01-2008	\$720.83	5.2%	\$1,000
British Columbia	Jun-18-2011	\$577.88	5.9%	\$1,000
Ontario	Jun-02-2015	\$441.67	6.2%	\$1,000

Example: $\$50,000 / \$441.67 * \$1,000 = \$113,206.69$



Please note that stripped coupons can not be purchased through payroll/bank deductions (min. purchase \$5,000 maturity value). Clients can however accumulate funds to purchase the coupons by purchasing the no-load Scotia Money Market or T-Bill funds which can be sold at no cost.