

# MACLEAN'S

CANADA'S WEEKLY NEWSMAGAZINE | [www.macleans.ca](http://www.macleans.ca)

FEBRUARY 7 2005

## THE BEST MUTUAL FUNDS OF 2004

FUND NAME	TYPE	ASSETS (\$MILLION)	RETURN (%)
<b>TOP 10</b>			
1 AGF Managed Futures	Alternative strategies	30.1	47.5
2 CIBC Energy	Natural resources	96.7	46.8
3 Acuity Pooled Canadian Small Cap	Cdn. small cap	9.0	44.6
4 Acuity Pooled Income Trust	Cdn. income trust	51.9	42.9
5 Friedberg Currency	Alternative strategies	10.6	39.2
6 CI Global Energy Sector	Natural resources	87.4	39.1
7 Acuity Income Trust	Cdn. income trust	173.8	38.4
8 Resolute Growth	Cdn. small cap	245.1	38.4
9 Sprott Canadian Equity	Cdn. equity	577.2	37.9
10 Dominion Equity Resource	Natural resources	50.9	37.8

# THE HOT 70 FUNDS

**WHAT MAKES THESE GREAT?** Out of 3,023 mutual funds in Canada, the 70 listed below were judged tops in their categories based on Morningstar's rating system. They were then ranked by their three-year annualized rate of return and divided into three broad asset groups. These aren't necessarily the funds with the highest absolute returns. Morningstar Canada's rating system factors in a fund's performance and the risk-adjusted return within its fund category over three-, five- and 10-year periods. The scores for each period are then combined to produce an overall rating. The top 10 per cent of funds in each category – including all Hot 70 funds – get the Morningstar five-star rating. Excluded are: funds less than three years old, multiple versions of the same fund, funds that don't report asset size or deduct fees from returns, funds restricted to certain investor groups and funds requiring more than a \$150,000 minimum investment.

FUND NAME	Fund Type	Assets	1-Year Return	3-Year Return	5-Year Return	10-Year Return	RRSP Eligibility	Average 12 Months	Management Expense Ratio
<b>CANADIAN EQUITY</b>									
1 Sprott Canadian Equity	Cdn. equity	577.2	37.9	35.7	38.9	n/a	Yes	35.4	3.45
2 Resolute Growth	Cdn. small cap	245.1	38.4	35.0	40.1	25.1	Yes	24.4	2.14
3 Dominion Equity Resource	Natural resources	50.9	37.8	34.7	33.1	18.5	Yes	18.9	2.34
4 TDK Resource Inc.	Natural resources	19.2	22.4	34.5	n/a	n/a	Yes	25.9	2.50
5 Northwest Specialty Equity	Cdn. equity	206.6	19.7	32.5	22.3	15.3	Yes	20.2	2.67
6 Sceptre Equity Growth	Cdn. equity	300.1	25.6	31.9	20.2	16.6	Yes	14.7	1.72
7 Norrep II	Cdn. small cap	45.6	23.5	31.8	n/a	n/a	Yes	29.0	2.79
8 Mac Universal Canadian Resource	Natural resources	578.5	21.1	30.3	23.7	12.7	Yes	16.4	2.55
9 Norrep	Cdn. small cap	81.3	25.0	29.5	31.1	n/a	Yes	21.9	2.49
10 Acuity All Cap 30 Canadian Equity	Cdn. equity	88.4	21.3	26.8	n/a	n/a	Yes	25.9	3.05
11 Ethical Special Equity	Cdn. small cap	177.4	18.0	26.5	20.9	n/a	Yes	15.2	2.83
12 Mawer New Canada	Cdn. small cap	182.8	29.5	26.3	23.0	16.2	Yes	16.6	1.46
13 Northwest Specialty Innovations	Science & technology	37.9	20.1	22.2	n/a	n/a	Yes	21.7	2.98
14 R Small Cap Canadian Equity	Cdn. equity	54.8	18.6	20.7	20.0	n/a	Yes	23.4	2.93
15 Elliott & Page Growth Opportunities	Cdn. equity (pure)	183.9	18.3	20.1	19.9	n/a	Yes	23.6	2.84
16 BluMont Hirsch Performance	Cdn. equity	54.5	12.7	17.7	17.6	n/a	Yes	20.5	0.75
17 ABC Fundamental-Value	Cdn. equity	462.2	21.4	17.3	17.0	14.5	Yes	19.7	2.00
18 RBC O'Shaughnessy Canadian Equity	Cdn. equity	1,042.8	22.5	15.3	13.5	n/a	Yes	12.0	1.63
19 Leith Wheeler Canadian Equity Series B	Cdn. equity (pure)	209.0	19.5	14.6	12.9	12.7	Yes	13.3	1.50
20 Beutel Goodman Small Cap	Cdn. equity	149.2	13.5	14.4	17.2	n/a	Yes	18.9	1.39
21 Acuity Social Values Canadian Equity	Cdn. equity	24.5	12.6	14.1	n/a	n/a	Yes	14.3	3.07
22 Dynamic Canadian Value Class	Cdn. equity	19.4	22.9	13.8	n/a	n/a	Foreign	10.3	3.48
23 McElvaine Investment Trust	Cdn. equity	63.6	8.6	13.5	17.4	n/a	Yes	19.7	n/a
24 Fidelity Canadian Opportunities Series A	Cdn. equity	385.7	16.4	12.9	n/a	n/a	Yes	9.8	2.57
25 IG Beutel Goodman Canadian Small Cap C	Cdn. equity	306.2	11.9	12.6	15.7	n/a	Yes	13.8	3.21
26 TD Select Canadian Value Index	Cdn. equity	30.4	14.7	12.4	n/a	n/a	Yes	15.6	0.55
27 Talvest Millennium Next Generation	Cdn. equity	100.7	21.8	12.4	10.9	15.4	Yes	14.5	2.67
28 Mac Cundill Canadian Security Series A	Cdn. equity	25.0	12.9	12.3	11.9	13.3	Yes	10.6	2.14
29 Saxon Stock	Cdn. equity	337.2	12.1	11.6	14.9	14.2	Yes	12.6	1.87
30 IA Canadian Conservative Equity	Cdn. equity	78.6	10.8	11.3	12.3	14.0	Yes	10.8	2.56

**Assets:** amount, in millions of dollars, managed by the fund. **Return:** percentage annual return as of Dec. 31, 2004. For periods longer than one year, annualized rate of return is shown. **RRSP eligibility:** indicates whether a fund can be held in a registered retirement savings plan, including as foreign content. **Average 12 months:** Average one-year percentage return in any 12-month period over the past 15 years, or since the fund's inception. **Management expense ratio:** annual percentage of assets that goes to running a fund. These fees have been deducted from returns shown. **n/a:** not available. Not all funds are available in all provinces. Rankings are based on ratings on Dec. 31, 2004.

FUND NAME	Fund Type	Assets	1-Year Return	3-Year Return	5-Year Return	10-Year Return	RRSP Eligibility	Average 12 Months	Management Expense Ratio
<b>FIXED INCOME</b>									
1 Northwest Specialty High Yield Bond	High-yield bond	245.1	14.2	14.9	8.7	8.0	Yes	7.1	2.04
2 Acuity Pooled Fixed Income	Cdn. bond	26.4	12.4	12.7	12.4	11.3	Yes	10.2	0.23
3 Investors Canadian High Yield Income C	High-yield bond	272.2	10.8	12.5	7.9	n/a	Yes	6.9	2.29
4 TD Real Return Bond - I	Cdn. bond	1,525.1	14.2	12.5	10.2	9.1	Yes	8.8	1.65
5 Friedberg Foreign Bond	Foreign bond	32.7	9.5	11.7	10.0	n/a	Foreign	7.0	0.93
6 Counsel Fixed Income	Cdn. bond	38.1	9.5	9.7	n/a	n/a	Yes	9.5	2.24
7 Acuity Fixed Income	Cdn. bond	33.0	9.2	9.6	8.4	n/a	Yes	6.9	2.52
8 iUnits Canadian Bond Broad Market Index	Cdn. bond	83.1	10.3	8.8	n/a	n/a	Yes	7.7	0.25
9 TD Canadian Bond - I	Cdn. bond	4,751.1	7.2	7.9	8.3	9.3	Yes	9.2	1.07
10 Altamira Bond	Cdn. bond	235.2	7.4	7.7	7.9	9.7	Yes	10.0	1.55
11 PH & N Total Return Bond Series A	Cdn. bond	612.4	6.9	7.6	n/a	n/a	Yes	7.8	0.59
12 PH & N Bond Series A	Cdn. bond	1,225.5	6.7	7.5	8.0	8.7	Yes	9.5	0.60
13 AGF Global Government Bond	Foreign bond	256.4	3.1	7.2	6.4	5.8	Foreign	6.9	2.04
14 FISQ Zero coupon - profil Quebec	Cdn. bond	24.4	5.5	6.9	8.2	n/a	Yes	7.7	1.83
15 iUnits Government of Canada 5 Year Bond	Cdn. short-term bond	289.8	5.8	6.5	n/a	n/a	Yes	7.0	0.25
16 PH & N Short Term Bond & Mortgage Sr A	Cdn. short-term bond	206.8	4.7	5.0	6.3	7.0	Yes	6.8	0.67
17 National Bank Corporate Cash Management	Cdn. money market	900.1	2.1	2.5	3.4	n/a	Yes	4.0	0.45
18 North Growth Canadian Money Market	Cdn. money market	8.5	2.0	2.3	3.3	n/a	Yes	3.3	0.25
19 Legg Mason T-Plus	Cdn. money market	473.5	2.1	2.3	3.3	4.1	Yes	5.8	0.44
20 PH & N US Money Market Series A	U.S. money market	35.4	0.8	0.8	2.4	3.7	Yes	3.8	0.55

## BALANCED

1 Acuity Pooled High Income	Cdn. balanced	422.1	22.2	21.6	20.2	14.8	Yes	13.7	0.22
2 Acuity Pooled Conservative Asset Alloc.	Cdn. balanced	26.4	15.5	18.7	17.6	11.9	Yes	10.1	0.23
3 Acuity High Income	Cdn. balanced	688.6	19.0	17.9	16.8	9.7	Yes	8.6	2.50
4 Acuity Pooled Canadian Balanced	Cdn. balanced	12.0	12.0	16.6	10.5	13.6	Yes	13.1	0.34
5 TD Monthly Income - I	Cdn. balanced	1,663.6	14.0	14.8	12.6	n/a	Yes	10.2	1.62
6 ABC Fully-Managed	Cdn. balanced	119.8	15.9	13.6	13.3	13.2	Yes	14.6	2.00
7 Vertex Balanced Fund A Class	Cdn. balanced	62.4	11.2	11.3	11.4	n/a	Yes	12.7	1.20
8 CIBC Monthly Income	Cdn. balanced	3,006.2	12.3	11.2	11.8	n/a	Yes	9.7	1.40
9 Dynamic Focus + Balanced	Cdn. balanced	458.8	7.5	11.0	11.9	n/a	Yes	7.9	2.57
10 RBC Monthly Income	Cdn. balanced	4,429.5	13.4	10.7	12.2	n/a	Yes	8.1	1.21
11 Saxon Balanced	Cdn. balanced	189.6	10.5	10.2	12.6	12.0	Yes	10.7	1.87
12 Burgeonvest Hirsch Opp Tactical Alloc.	Cdn. tactical asset alloc.	7.4	9.1	10.0	9.0	n/a	Yes	14.1	2.61
13 Trimark Global Balanced	Global bal. & asset alloc.	399.6	11.2	8.1	11.3	n/a	Foreign	12.0	2.46
14 Mac Cundill Global Balanced Series C	Global bal. & asset alloc.	225.6	9.0	7.8	8.4	n/a	Foreign	8.2	2.50
15 Mac Cundill Canadian Balanced Series C	Cdn. balanced	1,030.6	7.1	7.8	9.6	n/a	Yes	9.0	2.48
16 CI Canadian Income Portfolio	Cdn. tactical asset alloc.	116.1	7.7	6.6	6.6	n/a	Yes	5.2	2.10
17 CI Global Conservative Portfolio	Global bal. & asset alloc.	102.7	8.6	5.0	n/a	n/a	Foreign	6.3	2.55
18 CI Global Balanced Portfolio	Global bal. & asset alloc.	146.1	8.4	4.0	n/a	n/a	Foreign	5.9	2.58
19 E&P Manulife Balanced Asset Alloc Port	Global bal. & asset alloc.	96.5	7.6	3.9	n/a	n/a	Yes	4.6	2.76
20 TD Mgd Inc&Mod Growth Port - I	Global bal. & asset alloc.	296.6	7.8	3.7	3.1	n/a	Foreign	3.3	2.29

Commissions, trailing commissions, management fees and expenses all may be associated with these investments. If you are interested in the Acuity mutual funds, please read the prospectus before investing. Pooled funds are distributed on a prospectus exempt basis. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds and pooled funds are not guaranteed, their values change frequently and past performance may not be repeated.

## Investment solutions offered through Acuity Funds Ltd.

### Acuity Mutual Funds

A comprehensive selection of core investment options to satisfy a broad spectrum of financial goals and risk tolerances.

- Acuity Canadian Equity Fund
- Acuity All Cap 30 Canadian Equity Fund
- Acuity Global Equity Fund
- Acuity G7 RSP Equity Fund
- Acuity Canadian Balanced Fund
- Acuity Growth & Income Fund
- Acuity High Income Fund
- Acuity Income Trust Fund
- Acuity Fixed Income Fund
- Acuity Money Market Fund

### Acuity Clean Environment Mutual Funds

For individuals looking to invest in financially strong companies that fit the concept of sustainable development.

- Acuity Clean Environment Equity Fund
- Acuity Clean Environment Global Equity Fund
- Acuity Clean Environment Balanced Fund
- Acuity Clean Environment Science & Technology Fund

### Acuity Social Values Mutual Funds

For individuals looking to invest in financially strong companies that reflect their values and concerns for the environment, society and the workplace.

- Acuity Social Values Canadian Equity Fund
- Acuity Social Values Global Equity Fund

### Acuity Pooled Funds

For high net worth investors who seek professional investment management.

- Acuity Pooled Canadian Equity Fund
- Acuity Pooled Core Canadian Equity Fund
- Acuity Pooled Canadian Small Cap Fund
- Acuity Pooled Social Values Canadian Equity Fund
- Acuity Pooled Environment, Science & Technology Fund
- Acuity Pooled Global Equity Fund
- Acuity Pooled Balanced Investment Fund
- Acuity Pooled Conservative Asset Allocation Fund
- Acuity Pooled Global Balanced Fund
- Acuity Pooled Growth & Income Fund
- Acuity Pooled Fixed Income Fund
- Acuity Pooled High Income Fund
- Acuity Pooled Income Trust Fund
- Acuity Pooled Short-Term Fund

### Acuity Registered Education Savings Plans (RESPs)

### Acuity Retirement Savings Plans (RSPs)

### Acuity Retirement Income Funds (RIFs)

### Acuity Group Retirement Savings Plans (GRSPs)



For more information, speak to your financial advisor or call Acuity Funds Ltd. at 1-800-461-4570. Visit us online at [www.acuityfunds.com](http://www.acuityfunds.com)

#### Head Office

65 Queen Street West, Suite 1800  
Toronto, Ontario M5H 2M5  
Tel: 416-366-9933/800-461-4570  
Fax: 416-366-2568/888-957-4125

