

UPDATE

Managed by Quadravest Capital Management Inc.
October 19, 2000

INVESTORS TO RECEIVE 26% TAX SAVINGS

The October 18, 2000 Mini Federal Budget reduced the effective tax rate on capital gains by **lowering the inclusion rate from 66 2/3% to 50% effective immediately**. The capital inclusion rate has now declined by one third since the February 2000 Federal budget resulting in a **dramatic reduction** in the effective tax rate of capital gains relative to ordinary dividend income and interest income. This measure is **extremely positive for investors** with capital gains sourced income as shown below. The effective tax rate on capital gains has **declined by 26%** (31.9% to 23.5%) as a result of this budget.

This change is extremely favorable for the current suite of publicly listed investment products managed by Quadravest since distributions made from these products are predominately in the form of capital gains. The key reason is that the yield enhancement strategies (covered call writing) utilized on these products generate additional capital gains in the portfolio which can be then paid to investors as capital gains distributions. As a result of the decrease in the capital gains inclusion rate, it will now take approximately 1.5 times (previously 1.3 times before budget) more interest income to match the same after tax return generated from capital gains income. The table below provides estimates of the pre-tax interest equivalent for the publicly listed products managed by Quadravest.

Product	Current Yield*	New Approx Pre-Tax Interest Rate Equivalent*
Income Financial (INC.un)	8.9%	13.2%
Streams Capital Yield (STR)	10.0%	15.0%
Streams Equity Dividend (STR.E)	7.1%	10.3%
American Income (USA.un)	10.9%	15.8%
AmeriStar (RSP.un)	9.9%	12.3%
Split Yield Capital (YLD)	15.3%	23.0%
Split Yield Preferred II (YLD.pr.b)	10.5% ¹	15.8%

* Based on top combined Ontario tax rate.
Current yield as of market close on Oct 18, 2000

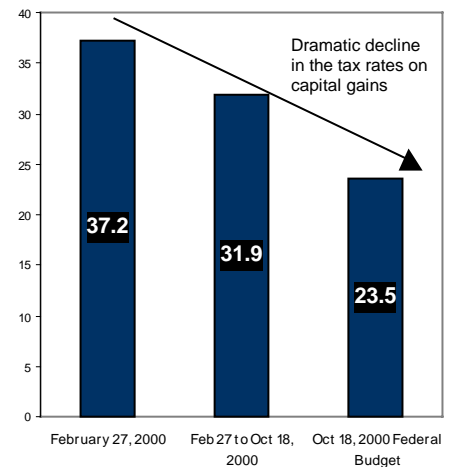
¹ Yield to maturity

Note: Pre-tax interest equivalents based on the expected mix of capital gains, Canadian dividend income and foreign source distributions. Actual results could vary on a year to year basis.

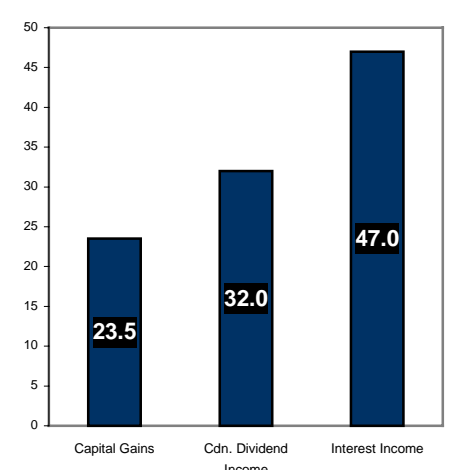
More Tax Rate Decreases to Come

The announced across the board decreases in personal marginal tax rates will begin on January 1, 2001 which will further decrease the effective tax rate on capital gains and other sources of income. Despite the decreases in capital gains rates, Canadian capital gains tax rates remain still relatively high on a world-wide basis. We expect that further reductions may occur in the years to come in order for Canada to remain competitive.

Decline in Capital Gains Tax Rates (%)
(based on highest combined fed/prov rate Ontario)



Comparable Tax Rates (%)
(based on highest combined fed/prov rate Ontario)



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Mini Federal Budget