

# Capital Gains Income STREAMS

## Capital Yield Share (TSX: CGQ)

### More Than Meets The Eye

A Capital Yield shareholder will receive \$25 value at maturity of the fund (December 1, 2013).

Shareholders will also receive all proceeds of the managed portfolio after payment of Equity Dividend share obligations.

TSX Trading Price (May 30/03)	\$17.20
Net Asset Value (May 30/03)	\$31.98
<b>Managed Portfolio</b> (NAV less current value of forward)	\$16.77
Distributions Paid to-date (May 30/03)	\$4.17

To determine the current value of the Capital Yield Share it is important to consider ALL of the following:

- Present value of the \$25 principal repayment
- Current balance in the managed portfolio after \$15 payment to the Equity Dividend share
- Potential for monthly distributions
- Potential further increase in the balance of the managed portfolio

#### Example:

(As of May 30/03)

Present value of Forward Agreement (NAV less managed portfolio) <sup>1</sup>	\$15.21	
Balance in managed portfolio (\$16.77 - \$15.00)	<u>\$ 1.77</u>	
	Sub-Total	\$16.98
Plus all growth in the \$16.77 managed portfolio over the next 10.5 years (Consisting of monthly distributions <sup>2</sup> and increase in portfolio value)	\$	(significant)
	<b>TOTAL</b>	

<sup>1</sup> Grows to \$25 at maturity

<sup>2</sup> Distributions will occur when the Managed Portfolio reaches \$18, this would require approximately a 7.5% rise the value of the Managed Portfolio

In addition to receiving \$25 at maturity as described above, you receive significant upside exposure to high quality equities within the portfolio over the next 10 years. Top holdings currently include Procter & Gamble, Bank of America, Citigroup, Johnson & Johnson, Goldman Sachs, Bank of Montreal, BCE, Lehman Brothers, Pfizer and Colgate-Palmolive.

Please note that the \$7.80 increase (from the current purchase price of \$17.20 to the maturity value of \$25.00) is considered a tax efficient, tax deferred capital gain.



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