

* CONSOLIDATION CONTINUES *

Mouvement Desjardins to Acquire Desjardins-Laurentian Financial Corp.

Mouvement Desjardins announced that it will make a bid to acquire all the outstanding Class A and Class B shares of Desjardins-Laurentian Financial Corporation that it does not already own at a price of \$23.50 per share which represents a 43.4% premium over the weighted average price of \$16.39 for the past 20 days. Desjardins-Laurentian is a holding of Income Financial.



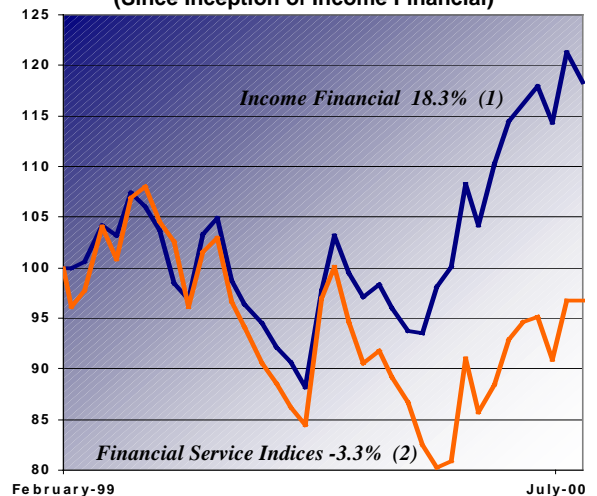
Templeton to Acquire Bissett and Associates

Templeton Management Ltd. recently announced that it would make an offer to acquire all of the outstanding common shares of Bissett and Associates Investment Management Ltd. for \$20.50 per share. In addition, Bissett will make a special dividend payment of \$0.48 per share to shareholders prior to the completion of the offer. Income Financial holds shares of Bissett and Associates. The total value of \$20.98 is a 23% premium to the recent trading price of \$17.00.

Recent takeover bids for holdings of Income Financial have included Desjardins-Laurentian, Bissett and Associates, Painewebber, Mercantile Bancorporation, Sterling Bancorp, Perigee Inc., BPI Financial, Telebank Financial, Dime Bancorp and Trimark Financial.

Our view, which was most recently documented in our June market commentary, titled "Why be bullish on financial services?" (See www.quadravest.com for article) is that the consolidation trend will be a powerful market force in both the Canadian and U.S financial services industries over the next several years. We believe that our portfolios continue to hold many companies that will benefit from this trend.

Income Financial vs Weighted Financial Services Indices
(Since Inception of Income Financial)



INCOME FINANCIAL

Trading Symbol: INC.un
Current Price: \$25.00
Current Yield: 8.5% ¹

¹ Based on base monthly distribution rate excluding Special Distributions

(1) Includes reinvested distributions.

(2) Weighted 1/3 TSE Financial Services Index, 1/3 S&P Financials Index, 1/3 S&P Midcap Financials Index.