

Capital Gains Income STREAMS

Capital Yield Share

Principal Protection & Equity Participation

CGQ

Quadravest selects high quality blue chip companies from the S&P 500 and the TSX/S&P 60 and combines this with a covered call writing strategy.



Principal Protection: Each Capital Yield Shareholder will receive \$25 per share from a forward agreement upon maturity of the fund (regardless of the price paid to purchase the shares). The difference between the price paid per share and the wind-up value of \$25 per share is considered a capital gain and will be taxed at a lower rate than interest income paid from a bond. It is also only taxable in the wind-up year, allowing the holder to defer tax payment until such time.

Equity Participation: Holders of the Capital Yield Shares will also participate in any gains in the equity market via the Managed Portfolio (after Equity Dividend Share obligations have been met).

Purchase a STREAMS Capital Yield Share and receive ALL of the following if held until maturity: (1) \$25 principal repayment, plus; (2) Any additional money in the managed portfolio after Equity Dividend share obligations have been met, plus; (3) Potential for monthly distributions based on the mid-month managed portfolio (see table below), plus; (4) Any increase in managed portfolio.

Facts

| | |
|------------------------------|--------------------------------------|
| Trading Price: | \$17.75 (Jan 30/04) |
| Distribution Frequency: | Monthly (based on managed portfolio) |
| Universe: | S&P 500, S&P/TSX 60 |
| RSP Eligibility: | Yes, 100% Canadian Content |
| Termination Date: | November 2013 |
| Total Distributions to Date: | \$4.17 per share |
| Manager: | Quadravest |

Selected Holdings

Bank of America
Citigroup
Bank of Montreal
Procter & Gamble
IBM
BCE
Tyco
Intel
American Express
Merrill Lynch & Co.

Highlights

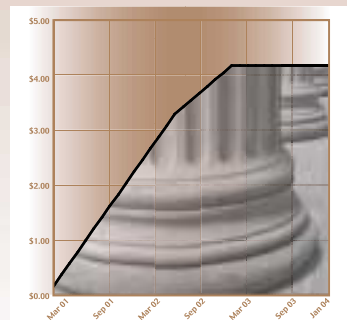
- Tax efficient monthly distributions
- 100% principal repayment by way of a forward agreement (TD Bank and Merrill Lynch)
- Actively managed blue chip portfolio
- Yield enhancement and risk reduction through covered call writing

Variable Distribution Program

| Mid-month Managed Portfolio | Annual Payment | Monthly Payment |
|-----------------------------|----------------|-----------------|
| Over \$20.00 | \$2.50 | \$0.2083 |
| \$19.50 to \$20.00 | \$2.00 | \$0.1667 |
| \$19.00 to \$19.49 | \$1.50 | \$0.1250 |
| \$18.50 to \$18.99 | \$1.25 | \$0.1042 |
| \$18.00 to \$18.49 | \$1.00 | \$0.0833 |
| Under \$18 | nil | nil |

The Managed Portfolio was \$17.76 as at Jan 30/04.

Cumulative Distributions Since Inception



www.quadravest.com

The above information is not intended to provide investment, legal, accounting or tax advice and should not be relied on in that regard.

