

Income STREAMS III

Capital Yield Share

Principal Protection & Equity Participation

STQ

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:	\$18.25 (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:	\$3.80 per share
Manager:	Quadravest

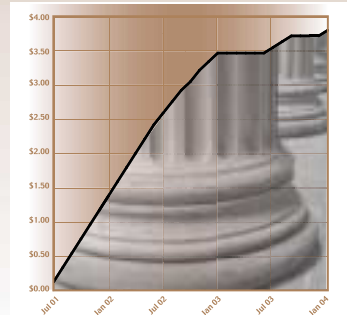
Selected Holdings

Bank of America
 Citigroup
 Bank of Montreal
 FedEx Corporation
 Tyco
 BCE
 American Express
 Colgate-Palmolive
 Goldman Sachs
 IBM

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

Cumulative Distributions Since Inception



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 \$18.17 as at Jan 30/04.

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.



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 CAPITAL MANAGEMENT