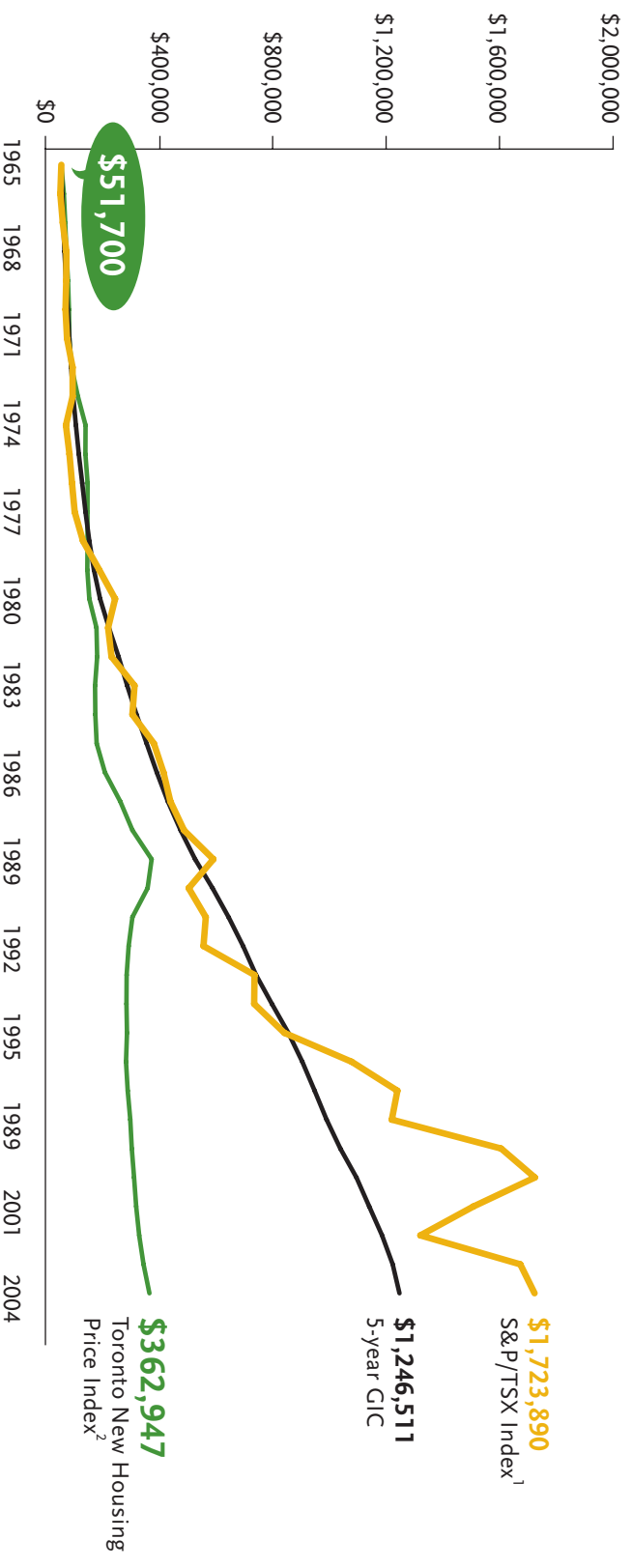


Perception:

Toronto real estate seems like a good investment.

Asset appreciation (December 1965 to August 2004)



Sources: ACF Funds Inc., Bank of Canada, 2004 Clayton Research based on data from Statistics Canada and CMHC.

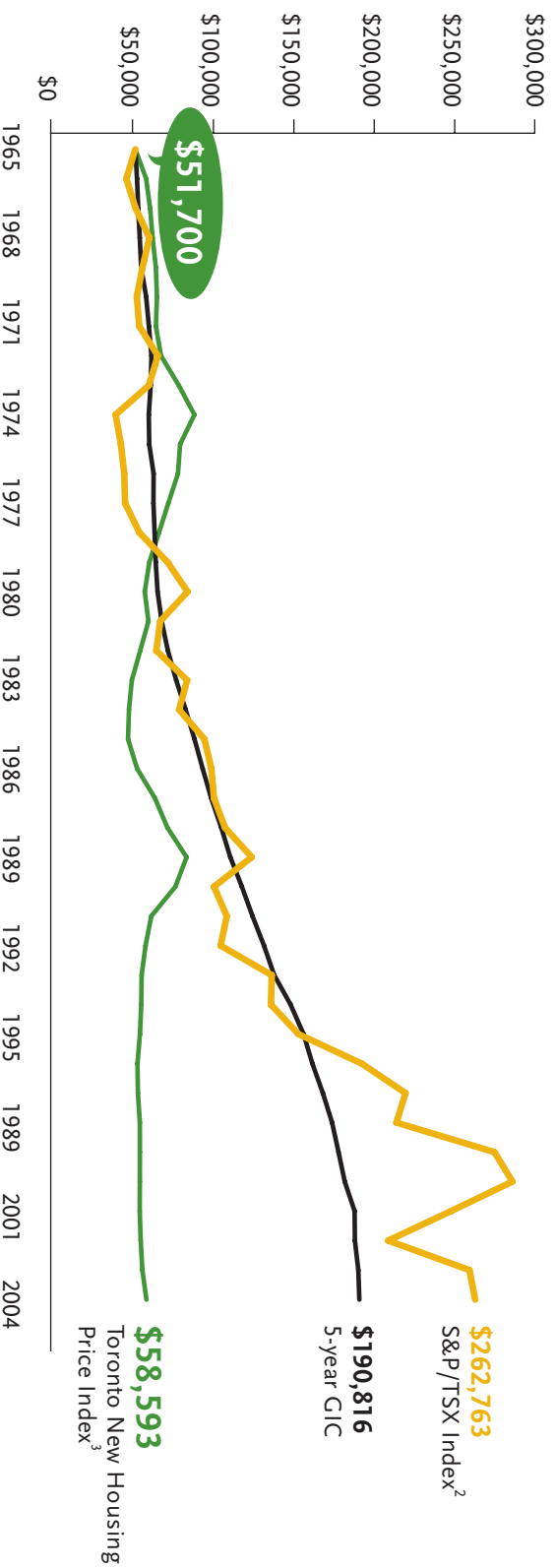
¹ S&P/TSX Total Return is a price weighted index of the largest, most widely held stocks on the Toronto Stock Exchange.

² Sourced from the Canadian New Housing Price Index. Clayton Research determined the best way to accurately assess the true underlying changes in value of real estate is to use a weighting of new home prices. The most compelling reasons for this are: a) new home data represents superior data as it is adjusted for the quality of the property and factors related to location; and b) it strips out the effect of resale home prices which can appreciate in value for reasons unrelated to the underlying asset, such as significant spending on renovations.

Reality:

After inflation you might have a different perspective.

Asset appreciation after inflation¹ (December 1965 to August 2004)



Sources: ACF Funds Inc., Bank of Canada, 2004 Clayton Research based on data from Statistics Canada and CMHC.

¹ Inflation as measured by the CPI Index is a measure of price movements, produced by Statistics Canada and obtained by comparing the retail prices of a representative "shopping basket" of goods and services at two different points in time.

² S&P/TSX Total Return is a price weighted index of the largest, most widely held stocks on the Toronto Stock Exchange.

³ Sourced from the Canadian New Housing Price Index. Clayton Research determined the best way to accurately assess the true underlying changes in value of real estate is to use a weighting of new home prices. The most compelling reasons for this are: a) new home data represents superior data as it is adjusted for the quality of the property and factors related to location; and b) it strips out the effect of resale home prices which can appreciate in value for reasons unrelated to the underlying asset, such as significant spending on renovations.