

Summary Statement

offering
mutual fund shares
of

Mutual Accumulating Fund

The information contained herein must be accompanied by the annual financial statements of Mutual Accumulating Fund (the "Fund") for the last financial year completed before the date of the current prospectus of the Fund, and the auditors' report thereon, which statements and report are considered to form part of this document. As well, if subsequent financial statements, whether semi-annual or annual, have been filed with the Securities Commission, a copy of the most recent of such subsequent statements must also accompany this document.

No Securities Commission or similar authority in Canada has in any way passed upon the merits of the Securities offered hereunder and any representation to the contrary is an offence.

HOWARD BOYD LIBRARY
OF MANAGEMENT

AUG 18 1981

MCGILL UNIVERSITY

SUMMARY STATEMENT
MUTUAL ACCUMULATING FUND

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INTRODUCTION

This Summary Statement is a concise outline of the basic information about Mutual Accumulating Fund which you should know before making a decision to buy its shares. The Fund is required by law to fully disclose additional facts, related to this information, in a Prospectus filed annually with securities authorities in each Province where the Fund's shares are offered.

Securities laws in Canada establish certain shareholder rights which are referred to on page 7 of this Summary Statement. These rights are based, in part, upon information contained in the Prospectus referred to above as well as upon the information in this Summary Statement and the annual financial statements considered to be part of this Statement. All of these rights are available to you even though you receive only this Summary Statement and accompanying financial statements.

Prospective purchasers wishing to receive the Prospectus may obtain a copy by writing to the Fund at:

Suite 500, 48 Yonge Street,
Toronto, Ontario M5E 1H3

The value of the Fund's shares is directly related to the market value of its investments. Therefore, the value of the Fund's shares may go up or down, depending upon various factors including general economic conditions.

FORMATION AND PURPOSE OF THE FUND

Mutual Accumulating Fund is a mutual fund trust, formed under a trust agreement on December 30, 1949, and is administered under the laws of the Province of Ontario. The Manager of the Fund is Guardian Capital Investment Counsel Limited, whose address, and the Fund's address, is Suite 500, 48 Yonge Street, Toronto, Ontario M5E 1H3.

The Fund is an investment enterprise which provides people with a means of combining their money with that of others, in a diversified investment portfolio. It works by issuing, to many people, shares which are each entitled to an equal interest in all the net assets of the Fund. In this way, all shareholders share the Fund's income, expenses, gains and losses in proportion to the shares owned by them.

INVESTMENT OBJECTIVES

Funds have different objectives for the investment of the money entrusted to them. Mutual Accumulating Fund's principal objective is long term capital growth through the investment in Canadian common shares.

The Fund invests its assets in such a way that its shares are eligible for investment by Registered Retirement Savings Plans. The selection of securities to be owned by the Fund is subject to certain limitations. A complete text of the limitations governing the Fund's investment program can be found in Paragraph 2.3 of the Fund's Prospectus.

DESCRIPTION OF FUND SHARES

The Fund issues Mutual Fund Shares to represent each purchaser's interest in the Fund. Each share ranks equally with others and is entitled to one vote at all shareholders' meetings, to distributions of income and capital gains and to net asset value on redemption. Fractions of units are proportionately entitled to these rights.

These basic rights may only be changed with the approval of 75% of the shares voted at a shareholders' meeting.

An investment in Fund shares may be converted to an investment in shares of other mutual funds managed by the Manager, upon payment of a conversion fee. (See "Summary of Charges", below.)

Shareholders may receive a share certificate for an investment in Fund shares. However, because of the cost of replacing a certificate which may be lost, shareholders are encouraged to hold their shares in "unissued" form, in which case they will receive confirmations showing their ownership of Fund shares.

HOW FUND SHARES ARE VALUED

The Fund is valued at the close of business on the Toronto Stock Exchange on each business day to produce a total market value of all its assets less liabilities. Generally, its investments are valued at prices quoted on the market on which they are traded. By dividing the total market value of the Fund by the number of shares owned by shareholders that day, the value of each share is established. That amount is known as "net asset value per share". More details about the valuation of the Fund's shares are included in Paragraph 3.3 of the Prospectus.

BUYING OR REDEEMING FUND SHARES

Shares of the Fund are offered for sale continuously and may be redeemed by shareholders on any business day.

Each purchase of shares is made at net asset value per share, plus a sales charge of not more than the rates in the following scale:

<u>Amount of Purchase</u>	<u>Sales Charge as % of the Amount Paid by the Purchaser</u>	<u>Sales Charge as % of the Net Amount Invested</u>
Less than \$25,000	9.0 %	9.89 %
\$ 25,000 to \$ 49,999	7.0 %	7.53 %
\$ 50,000 to \$ 99,999	5.0 %	5.26 %
\$100,000 to \$249,999	4.0 %	4.17 %
\$250,000 to \$499,999	* 3.0 %	3.09 %
\$500,000 or more	* 1.0 %	1.01 %

* Shares purchased at a sales charge of less than 4%, if redeemed within 90 days of purchase, are subject to a fee equal to 4% less the fee paid upon the purchase.

The Fund's Manager, Guardian Capital Investment Counsel Limited, is also the distributor of Fund shares. The Manager has made arrangements with brokers and investment dealers to place orders for the purchase or redemption of shares for you. You may also deal directly with the Manager at Suite 500, 48 Yonge Street, Toronto, Ontario M5E 1H3. The minimum initial investment in Shares is \$2,000.00.

Shares may be redeemed on any business day at their net asset value. Payment for redemption will be made within seven days of receipt of your request and certificate, if you hold one. In the case of Retirement Savings Plans, payment will be made to the Trustee of your plan, because the necessary tax forms must be prepared and, in some cases, income tax deducted before payment can be released to you. A \$10.00 termination fee is also deducted by the Plan Trustee.

If you hold a certificate for your shares, to redeem them you must sign the certificate on the reverse, have your signature guaranteed by a Bank, Trust Company or Broker, and return the certificate with your redemption request. This procedure must be followed carefully or the redemption request will not be acted upon until these requirements are met.

To ensure that the purchase and redemption of shares is fair to all, each purchase or redemption request received by the Manager on any business day will be priced at the net asset value per share calculated at the close of business that day if the order was received before it was calculated. A purchase or redemption request received after that time will be priced at the net asset value per share calculated on the next business day. In this way, no one will know in advance what the net asset value per share will be.

It is important to know that purchase or redemption requests are not effective until received by the Manager. Arrangements may be made to telephone or telegraph your request at your expense if you wish to speed up the process, provided that a broker or investment dealer has received your written request.

REGISTERED RETIREMENT SAVINGS PLANS

If you wish, shares purchased may be held under a Registered Retirement Savings Plan, under which Montreal Trust Company acts as Trustee. Amounts invested in such a Plan, within certain legal limits, may be deducted from your income for tax purposes, thus saving you current taxes. Income and capital gains earned within the Plan are not subject to tax. When the Plan value is later paid to you, either as a redemption or through an annuity, the amounts received by you will then be taxable.

To pay the extra costs involved in such a Plan, an administration fee is charged. (See "Summary of Charges", below.)

INCOME AND CAPITAL GAINS DISTRIBUTIONS (DIVIDENDS)

Near the end of each year, the Fund pays distributions to its shareholders of the taxable income and capital gains it earned during the calendar year. These distributions will be reinvested in extra Fund shares which will be added to your account, unless you have previously requested the Manager to pay them to you in cash. A reinvestment fee may be charged for this service. (See "Summary of Charges", below.)

Details of the distributions paid by the Fund during the past five years are included in the annual financial statements accompanying this Summary Statement.

HOW YOUR INVESTMENT IS TAXED

Income taxes on your investment in the Fund may arise in any of three ways:

1. Tax on income distributions paid to you by the Fund, or reinvested for your account. The income distributed by the Fund may be interest and/or dividend income from investments. Any amounts of Canadian dividend income are entitled to the dividend tax credit.
2. Tax on one-half of any capital gains distributed to you or reinvested in your account.
3. Tax on one-half the capital gain you receive on redemption or conversion of your shares, or an allowable capital loss on any such loss.

The fund will provide you with information slips each year reporting income and capital gains distributions, but you should keep records of the cost of your investment, so that any gain or loss on redemption or conversion can be accurately included in your income. As mentioned earlier, Registered Retirement Plans are not subject to tax on income or capital gains distributions.

MANAGEMENT OF THE FUND

Under the trust agreement under which the Fund was formed, the Manager carries out the day-to-day business of the Fund. The Manager provides investment research and analysis, makes all investment decisions, carries out all purchases and sales of investments for the Fund and allocates all Fund brokerage. Some details about purchases and sales of Fund investments and brokerage fees paid in recent years are included in Paragraph 5.2 of the Prospectus.

The Manager also provides the Fund with accounting, daily valuation, the preparation of reports and prospectuses, marketing of Fund shares and transfer agency services. As well, the Manager pays all expenses of managing the fund, except brokerage fees and taxes.

In return, the Fund pays the Manager a monthly management fee of 1/12 of 1% of the Fund's average daily net assets, an annual percentage rate of 1.00%. As well, an annual performance bonus will be paid, to a maximum of 2% of the Fund's net assets, if the Fund outperforms The Toronto Stock Exchange '300' Composite Index.

You will find details of the actual management fees paid by the Fund during each of the past five years, and their percentage of the average net assets of the Fund, in the notes to the Fund's annual financial statements. This management fee percentage may vary from mutual fund to mutual fund.

No increases in management fee rates, or costs to be charged to the Fund, will be brought about unless they are first approved by 75% of the shareholders who vote at a meeting, of which all shareholders will receive notice.

As the management services are provided by the Manager to the Fund under the trust agreement, the Manager will continue to provide these services as long as that agreement is in force. The Manager may resign on twelve months' notice to the shareholders.

SUMMARY OF CHARGES

The management fees outlined in the preceding section are paid by the Fund to the Manager. In addition, there are certain fees payable by individual shareholders. They are:

<u>Reference to Section of Summary Statement</u>	<u>Type of Fee</u>	<u>Amount or Basis of Charge</u>
"Description of Fund Shares" - Page 2.	Fee on conversion of Fund shares to another fund	Maximum of 2% of the value of the shares converted.
"Buying or Redeeming Fund Shares" - Page 3.	a) Sales charge	Charge for purchase of Fund shares, varying according to the amount of the purchase.
	b) Termination fee charged by Trustee for Retirement Savings Plans	\$10.00.
"Registered Retirement Savings Plans" - Page 4.	Annual administration fee	2/5 of 1%, minimum \$5.00, maximum \$25.00.
"Income and Capital Gains Distributions (Dividends)" - Page 4.	Fee for reinvestment of distributions	10% of the distribution, maximum \$1.00.

AUDITORS OF THE FUND

The Auditors of the Fund are Thorne Riddell, Chartered Accountants, Commercial Union Tower, Toronto Dominion Centre, Toronto, Ontario.

REGISTRAR AND TRANSFER AGENTS

The Manager, at its office in Toronto, Ontario, keeps the share register and acts as transfer agent for the Fund shares. You may also transfer your shares at sub-transfer offices of The Canada Trust Company, in Calgary, Alberta and Vancouver, British Columbia.

PURCHASERS' WITHDRAWAL RIGHTS

It is the legal right of purchasers in many provinces to cancel an order to purchase by notifying, in writing, the dealer or representative through whom the shares were purchased. The rules vary among provinces but, generally, if you wish to cancel an order, you must take action within two days, excluding Saturdays, Sundays and Holidays, of the receipt by you of this Summary Statement. However, if your desired cancellation or withdrawal is based upon misrepresentations or untrue statements which you believe are in this Summary Statement or in the Fund's Prospectus, you have at least 90 days to start legal action asking for cancellation on these grounds. This is only a general outline of the rights which are common to most provinces. However, because details of these rights differ from province to province, and because you may have other rights available in your province, you are advised to consult with your dealer, representative, legal or other advisor, or refer to the Fund's Prospectus, for details of these rights in your province.

CERTIFICATE

The Prospectus filed at the same time as this Summary Statement contains a certificate which reads as follows:

"The Summary Statement filed concurrently with this Prospectus contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made."

This Summary Statement is reviewed, and the certificate in the Prospectus is signed on an annual basis, by the Manager's chief executive officer, chief financial officer and, on behalf of its board of directors, by two other directors.

MUTUAL ACCUMULATING FUND

SUMMARY STATEMENT

Manager & Transfer Agent

Guardian Capital Investment
Counsel Limited,
Suite 500,
48 Yonge Street,
Toronto, Ontario.

Auditors

Thorne Riddell,
Commercial Union Tower,
Toronto Dominion Centre,
Toronto, Ontario.

Legal Counsel

Day, Wilson, Campbell,
250 University Avenue,
Toronto, Ontario.

Member of the
Investment Funds
Institute of Canada

Mutual
Accumulating
Fund

48 Yonge Street
Toronto, Ontario, Canada
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Telephone: (416) 364-8341
Telex: 06-217604
Cable: Guard Cap, Toronto

FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1980





AUDITORS' REPORT

To the Directors of
Guardian Capital Investment Counsel Limited

We have examined the balance sheet and the statement of investments of Mutual Accumulating Fund as at December 31, 1980 and the statements of net income and realized gain on sale of investments and changes in net assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position and the investment portfolio of the fund as at December 31, 1980 and the results of its operations and the changes in its net assets for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
March 6, 1981
(April 20, 1981 as to note 9)

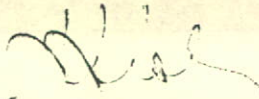
Thorne Riddell
Chartered Accountants


MUTUAL ACCUMULATING FUND

BALANCE SHEET AS AT DECEMBER 31, 1980

ASSETS	<u>1980</u>	<u>1979</u>
Investments, at market value (average cost 1980 - \$17,025,672; 1979 - \$16,467,601)	\$22,483,740	\$20,308,339
Cash	73,887	456,373
Short-term notes	4,497,816	2,275,306
Receivable from brokers for Investments sold	213,721	87,310
Mutual fund shares sold	5,157	9,304
Income receivable	164,038	318,616
	<u>27,438,359</u>	<u>23,455,248</u>
LIABILITIES		
Payable to brokers for Investments purchased	93,089	238,193
Mutual fund shares redeemed	17,296	78,691
Accrued management fee	23,337	20,628
	<u>133,722</u>	<u>337,512</u>
NET ASSETS REPRESENTING SHAREHOLDERS' EQUITY (note 2)	<u>\$27,304,637</u>	<u>\$23,117,736</u>
NET ASSET VALUE PER SHARE	<u>\$ 8.14</u>	<u>\$ 7.31</u>

Approved on Behalf of Guardian Capital Investment
Counsel Limited, The Investment Manager


Director


Director

MUTUAL ACCUMULATING FUND

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 1980

Number of Shares or Units		Average Cost	Market Value	
COMMUNICATIONS				
47,800	Maclean-Hunter Limited "X"	\$ 160,346	\$ 603,475	
14,100	Thomson Newspapers Limited "A"	311,158	308,438	
		<u>471,504</u>	<u>911,913</u>	3.3%
CONSUMER PRODUCTS				
2,350	Imasco Limited "A"	35,233	75,200	
13,100	Seagram Co. Limited	857,522	918,638	
		<u>892,755</u>	<u>993,838</u>	3.6%
FINANCIAL SERVICES				
8,600	Bank of Montreal	287,713	279,500	
24,800	Bank of Nova Scotia	520,031	830,800	
31,800	Canadian Imperial Bank of Commerce	887,743	890,400	
22,200	Mercantile Bank of Canada	389,631	466,200	
17,800	Royal Bank of Canada	643,094	1,072,450	
24,600	Toronto-Dominion Bank	682,179	833,325	
		<u>3,410,391</u>	<u>4,372,675</u>	16.0%
GOLD				
5,000	Dome Mines Limited	271,882	520,000	
11,400	Giant Yellowknife Mines Ltd.	393,363	290,700	
		<u>665,245</u>	<u>810,700</u>	3.0%
INDUSTRIAL PRODUCTS				
12,382	The Algoma Steel Corp., Ltd.	371,514	467,421	
6,800	Genstar Limited	287,048	262,650	
		<u>658,562</u>	<u>730,071</u>	2.7%
MANAGEMENT COMPANIES				
37,500	Power Corporation of Canada Limited	364,577	829,688	3.0%
METALS AND MINERALS				
5,100	Alcan Aluminum Limited	169,354	204,000	
8,600	Cominco Limited	565,282	612,750	
3,800	Falconbridge Nickel Mines Limited "A"	266,457	389,500	
19,050	Noranda Mines Limited	442,001	571,500	
36,900	Placer Development Limited	606,138	964,013	
14,900	Roman Corporation Limited	935,265	1,303,750	
13,000	Teck Corporation "B"	245,279	273,000	
		<u>3,229,776</u>	<u>4,318,513</u>	15.8%

MUTUAL ACCUMULATING FUND

STATEMENT OF INVESTMENTS AS AT DECEMBER 31, 1980 (Continued)

Number of Shares or Units		Average Cost	Market Value	
OIL AND GAS				
9,700	Aquitaine Company of Canada Ltd.	\$ 566,878	\$ 400,125	
8,800	Dome Petroleum Limited	682,829	629,200	
29,700	Gulf Canada Limited	567,001	694,238	
10,300	Ocelot Industries Ltd. "B"	297,822	381,100	
		<u>2,114,530</u>	<u>2,104,663</u>	7.7%
PAPER AND FOREST PRODUCTS				
9,500	Consolidated Bathurst Inc. "A"	211,976	239,875	
10,200	MacMillan Bloedel Limited	283,941	413,100	
		<u>495,917</u>	<u>652,975</u>	2.4%
PIPELINES				
18,600	Nova, an Alberta Corporation "A"	455,693	727,725	
29,700	TransCanada PipeLines Limited	727,140	660,825	
		<u>1,182,833</u>	<u>1,388,550</u>	5.1%
TRANSPORTATION				
24,200	Canadian Pacific Limited	744,270	1,052,700	3.9%
UTILITIES				
56,655	Calgary Power Ltd. "A"	943,335	1,062,288	3.9%
FOREIGN				
* 360,005	Guardian World Equity Fund	1,851,977	3,255,166	11.9%
TOTAL INVESTMENTS		17,025,672	22,483,740	82.3%
OTHER NET ASSETS		4,820,897	4,820,897	17.7%
TOTAL NET ASSETS		<u>\$21,846,569</u>	<u>\$27,304,637</u>	<u>100.0%</u>

*Denotes a share or unit other than common stock.

MUTUAL ACCUMULATING FUND
STATEMENT OF NET INCOME
AND REALIZED GAIN ON SALE OF INVESTMENTS
YEAR ENDED DECEMBER 31, 1980

	<u>1980</u>	<u>1979</u>
Income from investments		
Dividends	\$ 719,353	\$ 721,830
Interest	<u>402,408</u>	<u>585,008</u>
	1,121,761	1,306,838
Management fee (note 3)	<u>282,236</u>	<u>246,978</u>
 NET INCOME FROM INVESTMENTS	 <u>839,525</u>	 <u>1,059,860</u>
 REALIZED GAIN ON SALE OF INVESTMENTS		
Proceeds from sales	20,815,022	15,027,902
Cost of sales	<u>15,594,424</u>	<u>11,429,622</u>
 Realized gain	 <u>5,220,598</u>	 <u>3,598,280</u>
 NET INCOME AND REALIZED GAIN ON SALE OF INVESTMENTS (note 4)	 <u>\$ 6,060,123</u>	 <u>\$ 4,658,140</u>

MUTUAL ACCUMULATING FUND
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED DECEMBER 31, 1980

	<u>1980</u>	<u>1979</u>
ADDITIONS TO NET ASSETS		
Realized gain on sale of investments		
Proceeds from sales	<u>\$20,815,022</u>	<u>\$15,027,902</u>
 Cost of sales		
Cost of investments at beginning of year	16,467,601	13,245,834
Cost of purchases during year	<u>16,152,495</u>	<u>14,651,389</u>
	32,620,096	27,897,223
Cost of investments at end of year	<u>17,025,672</u>	<u>16,467,601</u>
	<u>15,594,424</u>	<u>11,429,622</u>
 Realized gain	 5,220,598	 3,598,280
Net income from investments	839,525	1,059,860
Sale of mutual fund shares (1980 - 718,486 shares; 1979 - 776,625 shares)	4,343,687	4,686,256
Unrealized appreciation of investments	<u>1,617,330</u>	<u>124,385</u>
	<u>12,021,140</u>	<u>9,468,781</u>
 DEDUCTIONS FROM NET ASSETS		
Distribution to shareholders	4,027,001	* 3,488,427
Redemption of mutual fund shares (1980 - 524,853 shares; 1979 - 615,218 shares)	<u>3,807,238</u>	<u>4,043,075</u>
	<u>7,834,239</u>	<u>7,531,502</u>
 INCREASE IN NET ASSETS	 4,186,901	 1,937,279
 NET ASSETS AT BEGINNING OF YEAR	 <u>23,117,736</u>	 <u>21,180,457</u>
 NET ASSETS AT END OF YEAR	 <u>\$27,304,637</u>	 <u>\$23,117,736</u>

MUTUAL ACCUMULATING FUND
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 1980

1. ACCOUNTING POLICY

The principal accounting policy of the fund, which conforms with generally accepted accounting principles for the mutual fund industry, is as follows:

Investments

Investments are valued at market values which are determined by the closing sale price on the recognized stock exchange on which the security is listed or principally traded.

2. SHAREHOLDERS' EQUITY

Shareholders' equity includes the amounts representing capital stock, undistributed net income and realized gain on sale of investments and unrealized appreciation of investments. Authorized capital stock consists of an unlimited number of shares redeemable at the shareholder's option at net asset value. Outstanding capital stock as at December 31, 1980 is 3,354,102 shares (1979 - 3,160,469 shares).

The unrealized appreciation of investments is as follows:

	<u>1980</u>	<u>1979</u>
Balance at beginning of year	\$3,840,738	\$3,716,353
Net change for the year	<u>1,617,330</u>	<u>124,385</u>
Balance at end of year	<u>\$5,458,068</u>	<u>\$3,840,738</u>

3. MANAGEMENT FEE

A management fee based on the net assets of the fund is payable monthly to the manager for investment portfolio management, accounting and administration.

4. INCOME TAXES

The fund is not subject to income taxes on its net taxable capital gains and its net income for the year if it allocates such gains less capital losses carried forward and income to shareholders. It is the intention of the manager to allocate the taxable income of the fund annually to shareholders so as to eliminate any income taxes otherwise payable by the fund.

5. COMMISSIONS

Total commissions paid to dealers in connection with portfolio transactions for the year ended December 31, 1980 were as follows:

In connection with sales of the fund's shares	\$ 11,468
All other commissions	<u>109,139</u>
	<u>\$120,607</u>

6. DISTRIBUTION TO SHAREHOLDERS

A distribution of \$6,782,037 was made to shareholders of record January 9, 1981 at the rate of \$2.023 per share.

7. STATEMENT OF PORTFOLIO TRANSACTIONS

A Statement of Portfolio Transactions (unaudited) for the year ended December 31, 1980 may be obtained without charge by writing to:

Guardian Capital Investment Counsel Limited
 Suite 500, 48 Yonge Street
 Toronto, Ontario
 M5E 1H3

MUTUAL ACCUMULATING FUND

NOTES TO FINANCIAL STATEMENTS (Continued)

DECEMBER 31, 1980

8. ADDITIONAL FINANCIAL INFORMATION

	Year ended December 31,				
	1980	1979	1978	1977	1976
NET ASSET VALUE PER SHARE					
Beginning of year	\$ 7.31	\$ 7.06	\$ 5.95	\$ 5.54	\$ 5.30
End of year	\$ 8.14	\$ 7.31	\$ 7.06	\$ 5.95	\$ 5.54
EARNINGS OF THE FUND					
Net income from investments	\$ 839,525	\$ 1,059,860	\$ 1,048,254	\$ 847,559	\$ 846,172
Realized gain on sale of investments	5,220,598	3,598,280	2,158,397	562,724	735,158
	<u>\$6,060,123</u>	<u>\$4,658,140</u>	<u>\$3,206,651</u>	<u>\$1,410,283</u>	<u>\$1,581,330</u>
EARNINGS PER SHARE					
(Based on the weighted average number of shares outstanding during the year)					
Net income from investments	\$.234	\$.316	\$.323	\$.218	\$.188
Realized gain on sale of investments	1.457	1.074	.665	.145	.163
	<u>\$ 1.691</u>	<u>\$ 1.390</u>	<u>\$.988</u>	<u>\$.363</u>	<u>\$.351</u>
DISTRIBUTIONS TO SHAREHOLDERS					
Out of net income from investments	\$ 1,005,959	\$ 819,948	\$ 818,023	\$ 832,726	\$ 1,244,913
Out of realized gain on sale of investments	3,021,042	2,668,479	386,562		
	<u>\$4,027,001</u>	<u>\$3,488,427</u>	<u>\$1,204,585</u>	<u>\$ 832,726</u>	<u>\$1,244,913</u>
DISTRIBUTION PER SHARE					
(Based on the number of shares outstanding on the dates of the distributions)					
Out of net income from investments	\$.318	\$.274	\$.228	\$.202	\$.264
Out of realized gain on sale of investments	.955	.891	.108		
	<u>\$ 1.273</u>	<u>\$ 1.165</u>	<u>\$.336</u>	<u>\$.202</u>	<u>\$.264</u>
MANAGEMENT FEE					
Management fee paid	\$ 282,236	\$ 246,978	\$ 231,247	\$ 240,025	\$ 269,833
Percentage of average net assets of the fund (*)	1.20%	1.24%	1.26%	1.25%	1.21%

*Based on the average net assets of the fund, excluding the investment in Guardian World Equity Fund, on the last business day of each month during the year.

9. PROPOSED CHANGES IN MANAGEMENT FEES

Subject to approval by shareholders, the manager has proposed that the monthly management fee be reduced, and that an annual performance bonus be paid if the fund outperforms The Toronto Stock Exchange '300' Composite Index.

If the proposed changes had been in effect throughout the year 1980, the management fee and performance bonus paid to the manager would have been \$488,083, compared with the actual of \$282,236 paid, and would have represented 2.08% of the average net assets of the fund for the year, compared with the actual of 1.20%.