



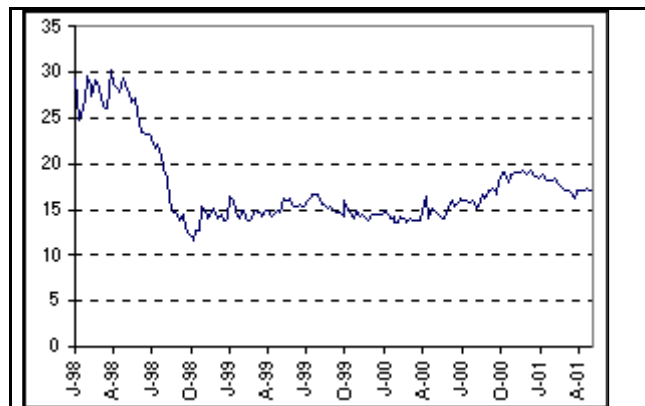
THE COMPANY

Dundee Bancorp Inc. is a merchant banking and financial services holding company that was founded in 1991. Dundee Bancorp manages its own investment portfolio and provides wealth management to financial advisors, institutional investors, corporations and individuals through its 85% interest in Dundee Wealth Management (DWM). DWM has over \$6 billion of assets under management and operations include the Dynamic Mutual Funds, Dundee Securities, Dundee Private Investors and the Dundee Insurance Agency.

FINANCIAL DATA

	1998	1999	2000e
Earnings per Share (\$)	0.51	0.46	0.60
Price to Earnings (times)	31.4	34.8	26.7
Dividend (\$)	0.00	0.00	0.00
Dividend Yield (%)	0.00	0.00	0.00
Book Value (\$)	18.00	19.40	20.50
Price to Book Value (times)	0.89	0.82	0.78

HISTORICAL SHARE PRICES



WHY ABC FUNDS BOUGHT DUNDEE BANCORP

Ned Goodman, Dundee's Chairman, President and CEO, originally purchased the Dynamic Funds from Beutel Goodman and built the organization into what it is today. The company has expanded to provide investment banking services, securities brokerage, capital management, investment advisory services and a line of mutual fund products. Dundee also manages its own investment portfolio and has significant interests in such companies as Zemex Corporation, Micro Tempus, Dimethaid Research, Black Hawk Mining and Breakwater Resources. Currently, the share price is significantly below its all-time high of \$43 and trades at a discount to its \$30 net asset value. The disappointing share price performance presented a buying opportunity and we believe that Dundee Bancorp offers excellent value for the patient investor.

In fiscal 1999, Dundee Bancorp reported consolidated earnings per share of \$0.46, compared to \$0.51 in 1998. The Dynamic Funds experienced net redemptions for the year, which hindered the growth of Dundee's earnings. Book value increased from \$18.00 in 1998 to \$19.40 in 1999, despite the decline in mutual fund assets. In 1999 Dundee acquired Fortune Financial and Peelbrooke Capital to increase its financial offerings and improve its tax effectiveness. Investor dissatisfaction, however, caused Dundee's share price to bottom at a 52-week low of \$12.60 in November 1999 after attaining a high of \$17.40 in July. Management is obviously concerned with the lack of share price performance and is buying back stock because it is cheap and also to demonstrate its commitment to long-term growth.

We believe that Dundee Bancorp is extraordinarily attractive as a pure net asset value play. However, Dundee Bancorp has a relatively complex corporate structure with several subsidiaries and therefore suffers from a severe holding company discount. Recently, attempts were made to simplify the ownership structure but consumers were still confused with the branding of the Dynamic, Infinity and Power mutual funds. This problem is being corrected and Dundee now operates its mutual fund segment under the Dynamic banner. As previously mentioned, the company experienced net redemptions in fiscal 1999 as its value investment philosophy fell out-of-favour. Dundee responded by expanding its product line and added both growth and focus investment strategies. These new management styles and significantly improved investment performance should strengthen sales in 2000.

Although out of favour, Dundee Bancorp is an attractive value investment. We expect that as mutual fund sales pick up and investor confidence returns, Dundee's share price will improve. If the inherent value of the company continues to go unrecognized, it is not unreasonable to suggest that Dundee Wealth Management, the publicly traded and 85% owned subsidiary, could be sold outright to another financial institution. This event would monetize considerable value to Dundee Bancorp and could be a significant catalyst to a higher share price. In any case, ABC Funds' purchase of Dundee Bancorp was an opportunity to buy into a value-oriented financial services company at a fundamentally attractive price.

UPDATE

Dundee Bancorp reported its financial results for the first half of fiscal 2000. Substantial revenue and asset growth reflects the acquisition of Fortune Financial by Dundee Bancorp's subsidiary, Dundee Wealth Management. We believe that Dundee Bancorp is an overlooked net asset play, with the sum of its individual assets worth substantially more than the company itself. With solid operating results and good performance from the bank and non-bank financial sectors recently, we are anticipating greater investor interest in Dundee Bancorp.

Revenue in the first six months of 2000 was \$184.7 million, up 66% from the \$111.3 million earned in the comparable period in 1999. Fully diluted earnings per share for the period were \$0.64 versus \$0.59 in 1999. Mutual fund assets under management grew from \$5.3 billion to \$6.1 billion as of June 30. Despite the increase in assets under management, the Company is still experiencing net redemptions, indicative of the tough conditions that most mutual fund companies are facing. On a more positive note, financial services revenue earned during the first half of the year totaled \$82.9 million, significantly greater than the \$18.4 million earned the previous year. These improvements inspire confidence in management's ability to integrate various acquisitions and position Dundee for superior long-term performance.

Many Bay Street analysts do not closely follow Dundee Bancorp. As a result, Dundee trades at a discount to its net asset value, though it has appreciated somewhat over the past several months. Management recognized that the Company is considerably undervalued and announced a normal course issuer bid for a maximum of 1,614,907 shares. In lieu of paying dividends, Dundee has taken this opportunity to purchase approximately 10% of the public float of its subordinate voting shares. We believe that this buyback, at anti-dilutive prices, represents a good long-term use of funds for Dundee Bancorp and its shareholders. We believe that investors' patience will be rewarded.

ABC Funds
September 29, 2000

Dundee Bancorp's Dynamic Mutual Funds have returned to a net sales position after an agonizingly long period of net redemptions. Improving sales are directly related to deteriorating investor sentiment towards the technology, media and telecommunication sectors. This has allowed traditional value managers to outperform growth investors on a relative basis.

Despite the top line growth, Dundee Bancorp remains a net asset value (NAV) play. The Company's holdings include an investment portfolio and an 85% interest in Dundee Wealth Management. The total value of Dundee Bancorp's net assets fluctuate between \$30 to \$35 per share, depending on the current value of its publicly held securities. Management has recognized that the Company trades at a discount to both net asset and book value and has taken action in an effort to improve the market value of the shares.

On March 23, 2001, Dundee Bancorp renewed its normal course issuer bid for up to a maximum of approximately 1.5 million shares or 10% of the public float. The Company has already repurchased almost 500,000 shares at an average price of \$14.03 per share since March 27, 2000. Given the discount to book value, we believe that share buybacks continue to be an excellent use of the firm's capital.

ABC Funds
April 6, 2001

We have been long-time supporters of Dundee Bancorp. However, the stock price has stubbornly remained below the \$20 level, in large part due to difficult capital market conditions and a lack of coverage by the major investment houses. Even after recently returning to a position of net sales, implying the potential for both revenue and earnings growth, Dundee remained overlooked by the investment community.

Several developments led us to re-examine and re-evaluate our investment in Dundee Bancorp. The Company's net asset value was negatively impacted in the fourth quarter due to onetime write-downs at two equity-accounted investments. Also, we had surmised that a return to net sales would stimulate share price appreciation. Unfortunately this has not occurred. Though we feel that the Company has good long-term value, it is very illiquid, is barely followed by analysts and continues to be saddled with a holding company discount. With a slim likelihood of some other catalyst materializing in the near-to-medium term, we have sold our entire position of Dundee Bancorp.

ABC Funds
May 11, 2001