

The Depository Trust Company  
**IMPORTANT**

**B#:** 1285  
**DATE:** January 16, 2001  
**TO:** All Participants  
**CATEGORY:** Dividends  
**FROM:** Anthony Capizzi, Domestic Tax Services, Dividend Dept.  
**ATTENTION:** Managing Partner/Officer, Cashier, Dividend Mgr. Tax Mgr.  
**SUBJECT:** Fortis Funds  
CUSIP# Various  
2000 Tax Information

The attached correspondence containing tax information was received by the Depository Trust Company. If applicable please consult your tax advisor to assure proper treatment of this event.

Attachment

## **FORTIS SECURITIES IMPORTANT TAX INFORMATION**

The information listed below should be used in connection with your **2000** Tax Return.

Tax law requires that dividends declared in December 2000, and paid in January 2001, be included in your taxable income. **Remember, dividends received are taxed as ordinary income.**

Under certain state laws, dividends paid by a regulated investment company, which are derived from interest on direct federal obligations, may not be taxable to residents of that state. **For the fund, 0.35% of the dividends paid were from interest on direct federal obligations.**

For shareholders residing in California, Connecticut, New Jersey and New York, none of the dividends paid by the Fund are excludable from taxable income because less than 50% of the fund's assets were invested in federal obligations at the end of each quarter.

**PLEASE CONSULT YOUR TAX ADVISOR FOR THE REPORTING OF THESE AMOUNTS.**

If you have any questions, please contact Mutual Fund Customer Service at 800-800-2000, extension 3012.

## FORTIS INTERNATIONAL EQUITY PORTFOLIO IMPORTANT TAX INFORMATION

We elected to give shareholders in the Fortis International Equity Portfolio the benefit of the foreign tax credit. The amount in Box 1 (Ordinary Dividends) of the enclosed Form 1099-DIV includes your proportionate share of the foreign taxes paid by the fund, in addition to your income dividend. Your proportionate share of the foreign taxes paid by the fund also appears in Box 6 (Foreign Tax Paid). You may now treat these taxes as if paid by you, and you are potentially eligible for a tax credit or deduction on your Form 1040 tax return.

Tax reporting rules vary depending on the size of the foreign tax credit or deduction claimed. In some cases, it is necessary to identify the foreign taxes paid by country, and we have listed this information below. **However, we strongly encourage you to consult with your tax advisor for the appropriate way to apply and report the foreign tax credit or deduction on your Form 1040 tax return.**

### Foreign Taxes Paid by Country

Country	% of Total Foreign Taxes Paid
Australia	0.00%
Belgium	1.07%
Brazil	4.68%
Canada	2.35%
Denmark	0.48%
Singapore	0.00%
South Africa	0.00%
South Korea	1.22%
Switzerland	4.70%
Spain	7.67%
Sweden	0.75%
Finland	3.30%
France	0.00%
Germany	17.85%
Greece	0.00%
British UK	10.30%
Hungary	0.40%
Hong Kong	0.11%
Ireland	0.00%
Italy	3.63%
Japanese	18.90%
Israel	1.31%
Netherlands	20.02%
Mexico	1.26%
	100.00%

If you have and questions, please contact Mutual Fund Customer Service at 800-800-2000, extension 3012.

January 15, 2001

Dear Fortis Shareholder:

Under Massachusetts state income tax regulations, the tax rate for long-term capital gains varies by holding period. To utilize the lower tax rates, you may wish to report gains by holding period on your Massachusetts state income tax return.

Long term capital gains distributions from Fortis mutual funds were allocated by holding period as follows:

<u>FUND</u>	<b>Holding Period</b>				
	<u>1-2 Yrs</u>	<u>2-3 Yrs</u>	<u>3-4 Yrs</u>	<u>4-5 Yrs</u>	<u>More than 5 Yrs</u>
Fortis Advantage Asset Allocation	47.30 %	18.42%	20.11%	2.83%	11.34%
Fortis Advantage Capital Appreciation	100.00 %	0.00%	0.00%	0.00%	0.00 %
Fortis Capital Fund	50.18 %	19.83 %	16.89 %	0.00%	13.10%
Fortis Growth Fund	67.49%	7.75%	8.39%	8.98%	7.39%
Fortis Growth and Income Fund	13.72%	53.50 %	30.41%	2.37%	0.00%
Fortis Value Fund	86.76%	13.24%	0.00%	0.00%	0.00%
Fortis Worldwide Global Growth	7.81%	28.24%	21.12 %	3.29%	39.54%

The **total** amount of the long-term capital gains distribution is listed in Box 2a of Form 1099-DIV. **Please consult with your tax advisor on federal and state tax issues.** If you have any questions, please contact Fortis Mutual Fund Customer Service at 800-800-2000, extension 3012.

Sincerely,

Robert W. Beltz, Jr.  
Vice President – Operations

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**Fortis Tax-Free Portfolios - National Portfolio**  
**Percentage of Municipal Interest by State**  
**For the year ended December 31, 2000.**

<b>State</b>	<b>Total</b>
Arizona	3.77%
California	9.95%
Connecticut	2.50%
District of Columbia	1.21%
Florida	1.75%
Georgia	7.05%
Illinois	5.04%
Indiana	1.19%
Kentucky	5.32%
Louisiana	0.59%
Massachusetts	2.14%
Michigan	4.46%
Minnesota	11.26%
Missouri	2.73%
Nebraska	0.29%
New Mexico	1.22%
New York	9.51%
North Carolina	4.16%
North Dakota	2.33%
Ohio	10.95%
Oregon	0.14%
Pennsylvania	3.47%
Puerto Rico	1.46%
South Carolina	0.71%
Tennessee	0.38%
Texas	1.16%
Virginia	2.15%
West Virginia	1.15%
Wisconsin	1.96%

This schedule lists the percentage of interest earned on obligations issued in each of the states in which the Tax-Free National Fund had investments. All such interest is exempt from federal income taxes. Under certain state laws, interest income from home-state municipal securities may not be taxable to residents of that state.

## **FORTIS FUNDS IMPORTANT TAX INFORMATION**

The information listed below should be used in connection with your **2000** Tax Return.

Under certain state laws, dividends paid by a regulated investment company, which are derived from interest on direct federal obligations, may not be taxable to residents of that state. The Fortis fund percentages are listed below:

Fortis Value Fund	4.43%
Fortis U.S. Government Fund	11.46%
Fortis Strategic Income Fund	2.58%
Fortis International Equity Fund	3.65 %

For shareholders residing in California, Connecticut, New Jersey and New York, none of the dividends paid by the Fortis Funds are excludable from taxable income because less than 50% of the funds assets were invested in federal obligations at the end of each quarter.

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