# MATERIAL CHANGE REPORT

**Pursuant to: Section 85(1) of the Securities Act (British Columbia)**
**Section 118(1)(b) of the Securities Act (Alberta)**
**Section 84(1)(b) of the Securities Act, 1988 (Saskatchewan)**
**Section 75(2) of the Securities Act (Ontario)**
**Section 73 of the Securities Act (Quebec)**
**Section 81(2) of the Securities Act (Nova Scotia)**
**Section 76(2) of the Securities Act (Newfoundland)**

**Item 1. - Reporting Issuer:**

BPI Financial Corporation
BCE Place, 161 Bay Street, Suite 3900
Toronto, Ontario M5J 2S1

**Item 2. - Date of Material Change:**

May 31, 1999

**Item 3. - Press Release:**

A press release was issued on May 31, 1999 via Canada News Wire.

**Item 4. - Summary of Material Change:**

A copy of the press release dated May 31, 1999 is attached hereto.

**Item 5. - Full Description of Material Change:**

BPI Financial Corporation ("BPI Financial") has extended the term of its Advisory Agreement with its global asset management affiliate BPI Global Asset Management LLP ("BPI Global") to 15 years and increased its ownership interest in BPI Global to 66 percent from the current 51 percent. The purchase was made through BPI Financial's wholly owned subsidiary, BPI Global Holdings USA Inc., at a price of US$7.8 million. The remaining 34 per cent ownership of BPI Global continues to be held by the managing partners of BPI Global.

**Item 6. - Reliance on Section 85(2) of the Securities Act (British Columbia); Section 118(2) of the Securities Act (Alberta); Section 84(2) of the Securities Act, 1988 (Saskatchewan); Section 75(3) of the Securities Act (Ontario); Section 74 of the Securities Act (Quebec); Section 81(3) of the Securities Act (Nova Scotia); and Section 76(3) of the Securities Act (Newfoundland):**

N/A

**Item 7. - Omitted Information:**

No information has been omitted in respect of the material change.

**Item 8. - Senior Officer:**

Stuart D. Waugh
Executive Vice-President,
General Counsel and Secretary
(416) 216-8818

**Item 9. - Statement of Senior Officer:**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, the 1st day of June, 1999.

BPI Financial Corporation

*"Stuart D. Waugh"*

Stuart D. Waugh
Executive Vice-President,
General Counsel and Secretary

**FOR IMMEDIATE RELEASE IN CANADA ONLY**

**BPI EXTENDS AGREEMENT WITH GLOBAL ASSET MANAGEMENT AFFILIATE**
**Move supports BPI's strategy to grow as a global niche player**

**TORONTO (May 31, 1999)** – BPI Financial Corporation (BPF.TSE) announced today that it has extended the term of its Advisory Agreement with its global asset management affiliate BPI Global Asset Management LLP ("BPI Global") to 15 years. As part of this contract extension, BPI Financial is increasing its ownership interest in BPI Global to 66 percent from the current 51 percent. This move reinforces BPI Financial's position as a global niche player in domestic and international asset management.

"Establishing a longer-term agreement with BPI Global, while increasing our stake, further positions BPI Financial for growth as a global niche player in the international asset management arena," said James L. McGovern, President and CEO of BPI Financial. "We have been delighted with the performance of BPI Global since its formation in 1997 and look forward to working together to continue to build upon our success."

"For BPI Global, this transaction recognizes our success in rapidly growing our institutional business and gives us a long-term perspective on expanding our international asset management enterprise," said Ryan Burrow, President of BPI Global.

The purchase will be made through BPI Financial's wholly owned subsidiary, BPI Global Holdings USA Inc., at a price of US$7.8 million. The remaining 34 per cent ownership of BPI Global will continue to be held by the managing partners of BPI Global.

BPI Global, located in Orlando, Florida, manages the U.S. and global portfolios of BPI Mutual Funds, along with U.S., European and Canadian institutional accounts. As at April 30, 1999, BPI Global had assets under administration of about US$1.7 billion. Most recently, BPI Global was appointed sub-advisor to the US$237-million Marshall International Stock Fund, one of a series of mutual funds advised by M&I Investment Management Corp. of Milwaukee, Wisconsin, an affiliate of Marshall & Ilsley Corp., a US$21-billion multi-state bank holding company.

BPI Financial manages and administers assets of more than $5.3 billion Cdn (as at April 30, 1999). The company, through its wholly owned subsidiary BPI Capital Management Corporation, is the sponsor, manager and distributor of BPI Mutual Funds. In Canada, BPI's products include 21 mutual funds, one closed-end fund, two labour-sponsored funds, and the BPI Legacy Funds, a family of 12 segregated funds. BPI has more than 250,000 unitholders across Canada.

- 30 -

For further information, please contact:
James L. McGovern, President and Chief Executive Officer, BPI Financial Corporation
(416) 216-2224 or 1-800-263-2427 x224.

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