FORM 27

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* (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 ("BPI")
BCE Place
161 Bay Street
Suite 3900, Canada Trust Tower
Toronto, Ontario
M5J 2S1

ITEM 2. Date of Material Change:

July 16, 1999

ITEM 3. Press Release:

A press release was released through the facilities of Canada News Wire on July 16, 1999 by BPI.

ITEM 4. Summary of Material Change:

A copy of the press release dated July 16, 1999 is attached hereto.

On July 16, 1999, BPI and C.I. Fund Management Inc. ("C.I.") announced that C.I. had entered into an agreement with BPI to make an offer to acquire all of the outstanding shares of BPI. Under C.I.'s offer, expected to be mailed to BPI shareholders by July 29, 1999, BPI shareholders will receive 0.25 of a C.I. common share, or $5.00 in cash (subject to a maximum aggregate cash amount of $60 million) or a combination of both, for each BPI share now held.

ITEM 5. Full Description of Material Change:

On July 16, 1999, BPI and C.I. announced that C.I. had entered into an agreement with BPI to make an offer to acquire all of the outstanding shares of BPI. Under C.I.'s offer, expected to be mailed to BPI shareholders by July 29, 1999, BPI shareholders will receive 0.25 of a C.I. common share, or $5.00 in cash (subject to a maximum aggregate cash amount of $60 million) or a combination of both, for each BPI share now held.

BPI's Board of Directors has unanimously agreed to support the take-over bid offer by C.I. to acquire all of the outstanding shares of BPI. Arrow Capital Corporation ("Arrow"), BPI's largest single shareholder, holding approximately 32% of BPI's outstanding shares, has also entered into an agreement pursuant to which holders of approximately 84% of Arrow's shares have agreed to tender to the C.I. offer the BPI shares held by Arrow. The take-over bid by C.I. will be subject to customary conditions, including there having been tendered to the bid and not withdrawn shares representing not less than $66^2/_3$% of the outstanding BPI shares.

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):

Not applicable.

ITEM 7. Omitted Information:

Not applicable.

ITEM 8. Senior Officers:

The following Senior Officer of BPI may be contacted for further information:

Stuart D. Waugh
Executive Vice-President and
General Counsel & Secretary
BPI Financial Corporation
BCE Place, 161 Bay Street
Suite 3900, Canada Trust Tower
Toronto, Ontario M5J 2S1
Tel: (416) 216-8818

ITEM 9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 26th day of July, 1999.

"Stuart D. Waugh"

Stuart D. Waugh
Executive Vice-President and
General Counsel & Secretary
BPI Financial Corporation

TSE Symbol: CIX **FOR IMMEDIATE RELEASE**
TSE Symbol: BPF

C.I. MUTUAL FUNDS AND BPI MUTUAL FUNDS ANNOUNCE MERGER

TORONTO, JULY 16, 1999 - William T. Holland, Executive Vice-President and Chief Operating Officer of C.I. Fund Management Inc. ("C.I.") and James L. McGovern, President and Chief Executive Officer of BPI Financial Corporation ("BPI"), are pleased to announce that C.I. has entered into an agreement with BPI to make an offer to acquire all of the outstanding shares of BPI. Under C.I.'s offer, expected to be mailed to BPI shareholders by July 29, 1999, BPI shareholders will receive 0.25 of a C.I. common share, or $5.00 in cash per BPI share (subject to a maximum aggregate cash amount of $60 million) or a combination of both, for each BPI share now held. Those BPI shareholders who accept C.I. shares will get the opportunity to participate in the merged company's stronger prospects on a tax-free rollover basis. Based on the last traded price on the TSE, C.I.'s price of $19.40 would value the offer at $4.85 per BPI share, a 46% premium to the weighted average closing price of BPI shares over the past 20 days.

BPI's Board of Directors has unanimously agreed to support the take-over bid offer by C.I. to acquire all of the outstanding shares of BPI. Arrow Capital Corporation ("Arrow"), BPI's largest single shareholder holding approximately 32% of BPI's outstanding shares, has also entered into an agreement pursuant to which holders of approximately 84% of Arrow's shares have agreed to tender to the C.I. offer the BPI shares held by Arrow. Such Arrow shareholders include BPI founders James McGovern, President and Chief Executive Officer of BPI and Fred Dalley, Chief Investment Officer of BPI, each of whom has agreed to elect to take all of the bid consideration in C.I. shares. The take-over bid by C.I. will be subject to customary conditions, including there having been tendered to the bid and not withdrawn shares representing not less than 66-2/3% of the outstanding BPI shares.

When combined, the companies will have total assets under administration of $16.4 billion including $14.4 billion in mutual funds, $660 million in labour-sponsored funds, $380 million in closed end funds and $1 billion in institutional assets. The combined company will rank 10th amongst all IFIC companies and be the 5th largest amongst the publicly traded mutual fund companies.

"We have been very impressed with BPI, especially their highly regarded global advisors, and look forward to being able to offer BPI products alongside C.I.'s lineup of funds" said William T. Holland, C.I.'s Executive Vice-President and Chief Operating Officer.

James L. McGovern, President and Chief Executive Officer of BPI, said, "The opportunity to partner with a company with the marketing acumen and strong financial performance of C.I. will enhance the distribution capability of BPI products considerably."

C.I. and BPI are ranked as the two fastest growing of the large mutual fund companies in 1999. The combined net sales to date in 1999 of the two companies exceed $1.6 billion, ranking second highest of all mutual fund companies and highest amongst the publicly traded mutual fund companies.

There are significant synergies expected from the combination of the two companies. A key example is reduced fund operating expenses, which will be a tremendous benefit to fund unitholders. As well, increased economies of scale for sales and marketing activities are expected to produce improved profitability and generate greater cashflow for purposes of brand building and distribution.

C.I. is one of Canada's leading independent mutual fund companies, with $10.2 billion in assets under management as at June 30, 1999 in a broad array of mutual and segregated funds. C.I. offers investors an array of investment managers and management styles, utilizing both inside and third-party money managers.

BPI Financial, through its wholly-owned subsidiary, BPI Capital Management Corporation, is the sponsor, manager and distributor of BPI Mutual Funds. BPI administered $5.7 billion in assets as at June 30, 1999. In Canada, BPI's products include 21 mutual funds, one closed-end fund, two labour-sponsored funds, and BPI Legacy Funds, a family of 12 segregated funds. BPI has more than 250,000 unitholders across Canada.

FOR ADDITIONAL INFORMATION, CONTACT:

William T. Holland
Executive Vice-President and COO
C.I. Fund Management Inc.
Tel. No. (416) 364-1145

James L. McGovern
President and CEO
BPI Financial Corporation
Tel. No. (416) 216-2224