PRELIMINARY PROSPECTUS DATED MARCH 24, 1998

THIS IS A PRELIMINARY PROSPECTUS RELATING TO THESE SECURITIES, A COPY OF WHICH HAS BEEN FILED WITH THE PROVINCIAL SECURITIES COMMISSIONS BUT WHICH HAS NOT YET BECOME FINAL FOR THE PURPOSE OF A DISTRIBUTION TO THE PUBLIC. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME A RECEIPT IS OBTAINED FROM THE PROVINCIAL SECURITIES COMMISSIONS FOR THE FINAL PROSPECTUS.

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities commission or any 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. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories or possessions. See "Plan of Distribution".

Initial Public Offering by way of Secondary Offering

PERIGEE INC.

$•

3,642,261 common shares

This offering consists of a secondary offering of 3,642,261 common shares of Perigee Inc. (the "Corporation") by The Mutual Life Assurance Company of Canada ("Mutual Life" or the "Selling Shareholder"). See "Selling Shareholder". The Corporation will not receive any proceeds from the sale of the common shares by Mutual Life. Upon completion of this offering, Mutual Life will continue to be a shareholder of the Corporation holding common shares which will represent 19.9% of the outstanding common shares and Class M shares (collectively, the "equity shares") of the Corporation. Upon completion of this offering, the Corporation's management team will hold 53.0% of the outstanding equity shares of the Corporation.

There is currently no market through which the common shares may be sold. The offering price of the common shares has been determined by negotiation between Mutual Life and the underwriters. See "Plan of Distribution".

There are certain factors associated with an investment in the common shares which should be carefully reviewed and considered by prospective purchasers. See "Investment Considerations".

In the opinion of counsel for the Corporation and for the underwriters, the common shares offered hereby will not, at the time of closing of this offering, be precluded as investments under certain statutes as set forth under "Eligibility for Investment".

PRICE: $• per common share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Selling Shareholder[(1)]
Per common share............	$•	$•	$•
Total.....................................	$•	$•	$•

(1) Before deducting expenses of the offering estimated to be $ • which will be paid by the Selling Shareholder.

The underwriters, as principals, conditionally offer the common shares if, as and when sold and delivered by Mutual Life and accepted by the underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to prior sale and to the approval of certain legal matters on behalf of the Corporation by Fasken Campbell Godfrey, on behalf of Mutual Life by McCarthy Tétrault and on behalf of the underwriters by Tory Tory DesLauriers & Binnington.

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that definitive share certificates representing the common shares will be available for delivery at closing on or about •, 1998, or such other date as the Corporation, Mutual Life and the underwriters may agree upon but, in any event, not later than •, 1998.

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ELIGIBILITY FOR INVESTMENT

Eligibility of the common shares offered hereby for investment by purchasers to whom any of the following statutes apply is, in certain cases, governed by criteria which such purchasers are required to establish as policies or guidelines pursuant to the applicable statute (and, where applicable, the regulations thereunder) and is subject to the prudent investment standards and general investment provisions provided therein:

Insurance Companies Act (Canada)
Pension Benefits Standards Act, 1985 (Canada)
Trust and Loan Companies Act (Canada)
Insurance Act (Alberta)
Loan and Trust Corporations Act (Alberta)
Financial Institutions Act (British Columbia)
The Insurance Act (Manitoba)
The Trustee Act (Manitoba)
Loan and Trust Corporations Act (Ontario)
Pension Benefits Act (Ontario)
an Act respecting insurance (Quebec)
an Act respecting trust companies and savings companies (Quebec)
Supplemental Pension Plans Act (Quebec)
The Trust and Loan Corporations Act (Saskatchewan)

In the opinion of Fasken Campbell Godfrey and Tory Tory DesLauriers & Binnington, the common shares will, if, as and when listed on a prescribed stock exchange, be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds and deferred profit sharing plans under the *Income Tax Act* (Canada) (the "Tax Act") and will not constitute "foreign property" for the purposes of Part XI of the Tax Act.

PROSPECTUS SUMMARY

The Offering

The following is a summary only and is qualified by the more detailed information and financial statements appearing elsewhere in this prospectus.

Issue:	3,642,261 common shares of the Corporation sold by Mutual Life.
Price:	$• per common share.
Amount:	$•.
Capitalization:	There are 8,687,736 common shares and 4,744,800 Class M shares of the Corporation outstanding. The common shares and the Class M shares participate equally with respect to dividends and on dissolution, and are entitled to one vote per share. See "Description of Share Capital".
Dividend Policy:	It is the present intention of the board of directors of the Corporation to declare and pay dividends on the Corporation's equity shares at least equal to 90% of its after tax income in any year. Dividends are expected to be declared and paid quarterly and an additional dividend may be declared and paid after the financial results for the year are known. Dividends in 1998 will be based on 90% of after tax income for the second half of 1998 and are expected to be declared and paid commencing in the third quarter of 1998.
Selling Shareholder:	Immediately prior to the closing of this offering, Mutual Life will own 47.0% of the equity shares of the Corporation. After this offering Mutual Life will own 19.9% of the equity shares (30.8% of the common shares) of the Corporation and will continue its strategic business relationship with the Corporation and its subsidiaries. Mutual Life has indicated it can meet its strategic objectives through a reduced holding in the Corporation. See "Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life".

Use of Proceeds: The Selling Shareholder will receive all of the net proceeds from the sale of common shares under this offering. The Corporation will not receive any proceeds from the sale of the common shares.

Investment Considerations: Prospective investors should carefully review and evaluate certain investment considerations relating to this offering, including (i) retention of client accounts, (ii) the market value of assets under management, (iii) retention of key professionals, (iv) the competitive market for the Corporation's products and services, (v) the Corporation's strategic business relationship with Mutual Life, (vi) potential conflicts of interest, (vii) the absence of a previous market for the common shares, and (viii) the regulatory environment in which the Corporation operates. See "Investment Considerations".

Perigee

Prior to the closing of this offering, Perigee Investment Counsel Inc. ("Perigee Counsel") and Perigee Private Management Inc. ("PPM"), through separate transactions, will become wholly-owned subsidiaries of the Corporation. This document assumes these transactions have been completed. The Corporation and its direct and indirect wholly-owned subsidiaries are referred to as "Perigee".

Perigee is one of Canada's leading investment counselling firms. According to the most recently published Benefits Canada survey of the top 40 money managers ranked on the basis of assets under management on June 30, 1997, Perigee Counsel was ranked as the 9th largest manager of pension funds. Among this same group of money managers, Perigee was ranked as the 10th largest money manager on the basis of total assets under management. Through the acquisition of PPM, Perigee acquired additional assets under management which were $3.5 billion as at December 31, 1997. Including PPM, Perigee would have ranked as the 8th largest money manager in Canada by total assets under management on June 30, 1997.

Perigee provides investment portfolio management services to a broad range of institutional and individual clients across Canada including high net worth private clients. Perigee's institutional clients, which represent 98% of Perigee's assets under management and 93% of revenues, include defined benefit and defined contribution pension plan sponsors, third party mutual funds, government sponsored funds, property and casualty insurance companies, endowments and trusts.

In addition to Mutual Life's 19.9% equity ownership position in the Corporation, Mutual Life and Perigee have an important strategic business relationship. Through Mutual Life, Perigee has access to a distribution channel which will consist of over 3,000 sales agents following Mutual Life's pending acquisition of Metropolitan Life Insurance Company of Canada. Perigee provides investment management services to Mutual Life's Premier and Leader mutual fund families. Mutual Life's agents are also an important referral source for Perigee's private client business. In addition, Mutual Life is a key provider to the group pension plan market, administering plans for approximately 5,300 plan sponsors. Perigee's pooled investment counselling services are among the options offered by Mutual Life to such plan sponsors and their participants. Revenues from Perigee's strategic business relationship with Mutual Life represented approximately 27% of Perigee's total revenues, including PPM, in 1997. Of this amount, over half resulted from arrangements with Mutual Life whereby the final decision to select Perigee is made by pension plan sponsors and plan participants whose plans are administered by Mutual Life.

Perigee's total assets under management on December 31, 1997, including PPM, were $17.8 billion. Total revenues in 1997 including PPM were $29.5 million and net income after provision for income taxes was $8.5 million.

Perigee's institutional assets under management are well diversified among more than 160 clients. Perigee has experienced strong growth in assets under management through direct marketing to Canada's top 300 corporations and by being awarded new or expanded assignments by existing clients. Excluding Perigee's strategic relationship with Mutual Life, Perigee's top 10 institutional clients accounted for approximately 17% of revenue in 1997. Among these clients, no one client contributed more than 5% to total revenue.

Perigee employs multiple investment styles within major Canadian asset classes in order to tailor its management of client assets to meet client specific objectives and risk tolerances. Perigee believes that the diversity of its investment styles across the range of asset classes it manages distinguishes it from other Canadian institutional investment counsellors and positions it well for future growth.

Perigee believes that its ability to attract, retain and motivate key personnel is critical to its continued success. Perigee believes it is important the financial performance of the Corporation. To facilitate this, the Corporation has created a separate class of shares known as Class M shares which can be held only by management. The holders of Class M shares have entered into a shareholders agreement which contains provisions relating to issuances, transfers and voting of Class M shares as well as non-solicitation prohibitions and certain restrictions on their ability to compete with Perigee. See "Management - Class M Shareholders Agreement".

Perigee's strategy for growing its assets under management includes: providing incentives and maintaining a share structure designed to attract and retain key personnel; maintaining a diverse client base within the institutional segment by offering a choice of multiple investment styles within all the major Canadian asset classes; continuing to expand marketing efforts and product offerings to the private client segment; continuing to provide the highest level of client service through effective relationship management; offering retail mutual funds directly to individual investors; and positioning Perigee for future growth through acquisition.

The investment counselling industry has experienced significant growth in recent years, both in assets under management and in the number of services and products being offered. The investment management industry today consists of three major segments: (i) the institutional segment; (ii) the private client (high net worth individuals) segment; and (iii) the mutual fund segment which is specifically targeted to the retail investor. Management believes that there will be continued growth in the institutional segment as sponsors of large pools of capital increasingly contract out the management of their assets to external money managers and as pension plan sponsors introduce defined contribution plans to replace existing, more traditional defined benefit plans. Perigee also expects that changing demographics will lead to strong growth in both the private client and retail mutual fund segments. Management believes that its growth strategy positions it well to compete in all three segments of the investment counselling industry.

Selected Consolidated Financial Information

(in $ thousands except earnings per share and assets under management)

	Pro Forma[1] Year Ended Dec. 31, 1997 (unaudited)	Year Ended Dec. 31, 1997 (audited)	Pro Forma[1] Five and one half months ended Dec. 31, 1996 (unaudited)	Five and[2] one half months ended Dec. 31, 1996 (audited)
Income Statement Data				
Investment Management Fees				
Institutional	$27,347	$24,544	$10,825	$ 9,696
Private client	2,057	2,057	735	735
Interest and other income	143	143	34	34
Total Revenue	29,547	26,744	11,594	10,465
Administrative and general expenses	13,504	12,217	5,484	4,949
EBITDA [3]	16,043	14,527	6,110	5,516
Depreciation and Amortization	428	428	171	171
Interest on capital leases	97	97	19	19
Income before provision for income taxes	15,518	14,002	5,920	5,326
Provision for income taxes	7,014	6,329	2,671	2,403
Net Income	8,504	7,673	3,249	2,923
Earnings per share	$ 0.63	$ 0.60	$ 0.24	$ 0.23

	Pro Forma Dec. 31, 1997	Dec. 31, 1997	Pro Forma Dec. 31, 1996	Dec. 31, 1996
Assets under Management[4] ($ millions)				
Institutional	$17,465	$13,953	$13,918	$11,541
Private client	358	358	213	213
Total	$17,823	$14,311	$14,131	$11,754

(1) The Corporation's acquisition of MAM has been reflected as if it had occurred on July 15, 1996. See "Perigee Inc. Pro Forma Consolidated Statement of Income".

(2) The Corporation was incorporated on January 1, 1998. This Selected Consolidated Financial Information was prepared as if the reorganization, whereby the Corporation acquired Perigee Counsel, had occurred on July 15, 1996.

(3) "EBITDA" means earnings before interest, income taxes, depreciation and amortization.

(4) Unaudited.

PERIGEE

The Corporation was formed on January 1, 1998 by articles of incorporation filed pursuant to the *Canada Business Corporations Act* (the “CBCA”). The registered and principal office of the Corporation is located at 320 Bay Street, Suite 1400, Toronto, Ontario, M5H 4A6.

Prior to the closing of this offering, the common shares of Perigee Counsel, will be exchanged for common shares and Class M shares of the Corporation. See “Reorganization and Acquisition”. Perigee Counsel will become one of the Corporation’s wholly-owned subsidiaries and will provide investment management services to a broad range of institutional clients across Canada.

Perigee Counsel was formed on July 15, 1996 by articles of amalgamation filed pursuant to the CBCA amalgamating MT Associates Investment Counsel Inc. (“MTA”) and Mu-Cana Investment Counselling Ltd. (“Mu-Cana”). Prior to the amalgamation, MTA and Mu-Cana were both mid-sized institutional money managers with distinctly different investment styles and no overlap in client base. The amalgamation resulted in a more diverse firm positioned to offer a broad range of services to its clients.

Prior to the closing of this offering, the Corporation will also acquire all of the shares of Mutual Asset Management Limited (“MAM”) from Mutual Life in exchange for equity shares of the Corporation. See “Reorganization and Acquisition”. MAM will become a wholly-owned subsidiary of the Corporation that will be called Perigee Private Management Inc. and will provide investment services to Mutual Life’s Premier and Leader mutual fund families.

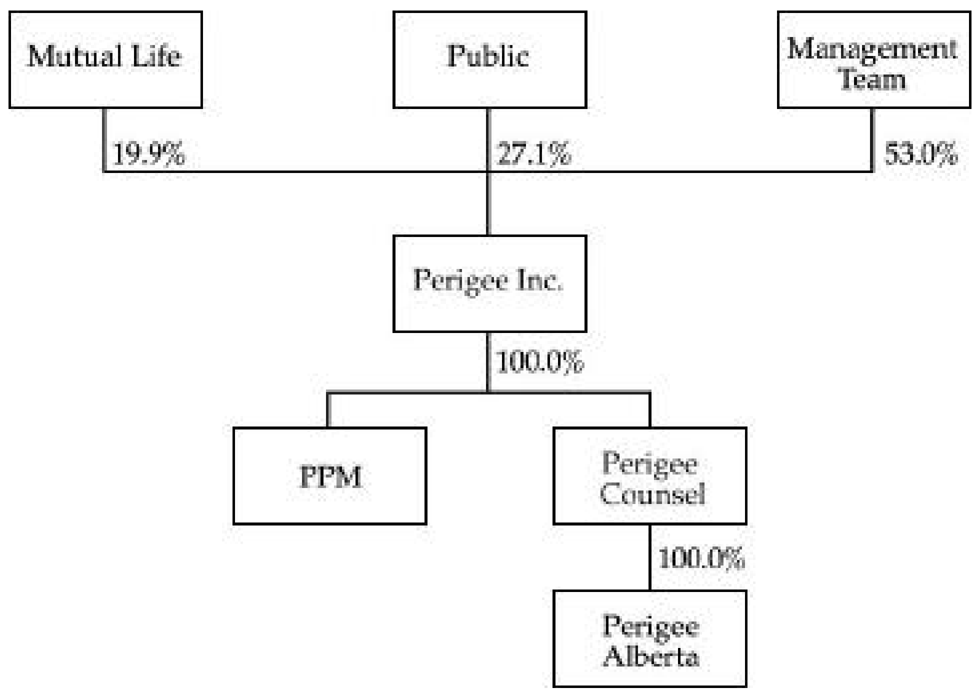
Management and Share Structure

Perigee believes that one of the keys to success in the investment counselling industry is attracting, retaining and motivating key professionals. Perigee believes that it is critical to both clients and common shareholders that management has substantial personal capital at risk and an interest in the financial performance of the Corporation. These objectives will be accomplished through a separate class of shares, known as Class M shares, which are convertible into common shares only in limited circumstances. Class M shares participate equally with the common shares with respect to dividends and on dissolution and like the common shares have one vote per share. The Class M shares will be transferred among management at a price determined by a formula which is expected to be below, and in any event cannot be greater than, the market price of the common shares. Therefore, the transfer price of the Class M shares is tied to the financial performance of Perigee rather than to a price ascribed by the public market. This pricing mechanism has been consistently used by Perigee and its predecessors since 1985. If any additional Class M Shares are issued, the issue price will be equal to the market price of the common shares. The holders of Class M shares have entered into a shareholders agreement which contains provisions relating to issuances, transfers and voting of

Class M shares as well as non-solicitation prohibitions and certain restrictions on their ability to compete with Perigee. See “Management - Class M Shareholders Agreement”.

After the corporate reorganization, the acquisition of MAM and the closing of this offering, Mutual Life, members of the public and Perigee’s management team will own 19.9%, 27.1% and 53.0%, respectively, of Perigee’s outstanding equity shares. Mutual Life and members of the public will own common shares, while Perigee’s management team will own common shares and Class M shares. Perigee’s management team consists of 13 senior professionals who are not employees of Perigee but who provide services under contract through Perigee Partners (see “Management - Perigee Partners”), and 20 other professionals who are employees of Perigee.

Post-Offering Corporate Structure



BUSINESS OF THE CORPORATION

Overview

Perigee is one of Canada’s leading investment counselling firms. According to the most recently published Benefits Canada survey, the top 40 money managers in Canada managed $441.6 billion of assets on June 30, 1997, of which $282.1 billion were pension fund assets. Perigee Counsel was ranked as the 9th largest money manager of pension funds on the basis of assets under management on June 30, 1997. Among this same group of money managers, Perigee was ranked as the 10th largest money manager on the basis of total assets under management on June 30, 1997 (the 8th largest including PPM).

Perigee provides investment management services to two types of clients:

- a broad range of institutional clients, including pension and savings plans for public and private sector entities, which are managed on both a separate account and pooled basis;
- individual investors, including high net worth private clients whose portfolios are managed separately or who invest in Perigee's private client pooled funds.

Assets Under Management

Perigee's total assets under management excluding PPM were $14.3 billion on December 31, 1997. Assets under management grew by approximately 35% from June 30, 1996, immediately prior to the formation of Perigee Counsel, to December 31, 1997. Growth as a result of market appreciation was 27% while 8% was from the net addition of new accounts and additional assignments from existing clients.

Including PPM, total assets under management on December 31, 1997 were $17.8 billion.

The growth in assets under management by business segment since 1995 is outlined below.

Assets Under Management by Type of Account
($ millions)

	Dec. 31 1995(1)	**June 30 1996**(1) (2)	**Dec. 31 1996**	**Dec. 31 1997**	**Pro Forma Dec. 31 1997**(3)
Institutional					
Separately Managed Assets	$ 8,108	$ 8,026	$ 8,764	$ 10,342	$ 13,854
Pooled Assets	2,435	2,349	2,777	3,611	3,611
Total Institutional	$ 10,543	$10,375	$ 11,541	$ 13,953	$ 17,465
Private Client	212	226	213	358	358
Total	$10,755	$ 10,601	$ 11,754	$ 14,311	$17,823

(1) Reflects the combined assets under management of MTA and Mu-Cana.
(2) Although Perigee Counsel was formed on July 15, 1996, assets under management reflect balances on June 30, 1996.
(3) Includes PPM.

Client Base

Perigee has a large, diversified, institutional client base that includes defined benefit and defined contribution pension plan sponsors, third party mutual funds, government sponsored funds, property and casualty insurance companies, endowments and trusts. Perigee's top 10 institutional clients, excluding its strategic business relationship with Mutual Life, accounted for approximately 17% of total revenue in 1997, and no one client contributed more than 5% to total revenue. See "Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life".

Since its formation in 1996, Perigee has retained 99% of the assets it managed at that time for institutional clients with at least $30 million in separately managed accounts. This represents retention of 49 clients out of the 50 included in this category. Perigee has added three additional assignments from existing separately managed institutional clients, and has been awarded assignments for 13 new institutional clients whose assets are managed on a separate account basis. Perigee continues to diversify its client base by participating in the individual client segment, and believes that the diversity and continuity of its client base adds stability to its revenues.

Client Service

A recent survey of Perigee's clients, conducted for Perigee by a third party, concluded that while investment performance was significant, relationship and service were equally important when assessing an investment counsellor. Clients described Perigee as "having a strong customer service orientation", "open to input and willing to change", and "good relationship managers".

Investment Styles

Perigee employs multiple investment styles within major Canadian asset classes in order to tailor its management of client assets to meet client specific objectives and risk tolerances. Perigee believes that the diversity of its investment styles across the range of asset classes it manages distinguishes it from other Canadian institutional investment counsellors and positions it well for future growth, particularly as institutional clients consolidate the number of investment counsellors they use to improve efficiency and reduce costs.

Management Commitment

Perigee has gone to great lengths to ensure that the professionals on its management team remain dedicated to the business. Integral to this strategy are its compensation and share ownership arrangements, both of which are designed to attract and retain the highest quality professionals. See "Management - Management Compensation".

Strategic Business Relationship with Mutual Life

Perigee's strategic business relationship with Mutual Life gives it a competitive advantage through access to Mutual Life's extensive distribution network.

Mutual Life is one of Canada's largest financial services companies and once its pending acquisition of Metropolitan Life Insurance Company of Canada is completed, is expected to have a sales force of more than 3,000 agents. Mutual Life's sales force has been a significant source of private client referrals and also sells Mutual Life's Premier and Leader mutual funds. Pursuant to investment management agreements between PPM and Mutual Diversico Limited (the "Investment Management Agreements"), PPM will continue to provide investment management services to these funds.

In addition, Mutual Life is one of Canada's largest providers to the group pension plan market, administering plans for approximately 5,300 different plan sponsors. Perigee's pooled investment counselling services are offered to participants in these plans. The decision to retain Perigee rests with the plan sponsors and ultimately with plan participants. Perigee is free to enter into similar arrangements with other providers to the group pension plan market.

The strategic business relationship with Mutual Life generated revenues for Perigee of approximately 27% of total revenues in 1997, including PPM. Of this amount, over half resulted from arrangements with Mutual Life whereby the final decision to select Perigee is made by pension plan sponsors and plan participants whose plans are administered by Mutual Life.

After this offering, Mutual Life will continue to be a large shareholder, owning 19.9% of Perigee's equity shares.

Growth Strategy

Perigee believes that there will continue to be strong growth in the investment counselling industry, and that there are significant opportunities in both of its market segments.

- In the institutional segment, there has been an increasing trend for sponsors of large pools of capital to contract out the management of their assets to external money managers. For example, Benefits Canada estimates that in 1996, 62% of pension assets were managed externally, compared with 26% in 1991.
- In the individual investor segment, the private client market is growing rapidly according to a study by Ernst & Young, fuelled in large part by demographics and the growth of small business in Canada. Perigee believes that this market is still under-penetrated by professional investment counsellors.

Perigee believes that the following strategies will allow it to take advantage of these opportunities:

- providing incentives and maintaining a share structure designed to attract and retain key personnel;
- maintaining a diverse client base within the institutional segment by offering a choice of multiple investment styles within all of the major Canadian asset classes;
- continuing to expand its marketing efforts and its product offerings to the growing private client market;
- continuing to provide the highest level of client service through effective relationship management;
- offering retail mutual funds directly to individual investors; and
- positioning Perigee for future growth through acquisition as the industry consolidates.

Clients

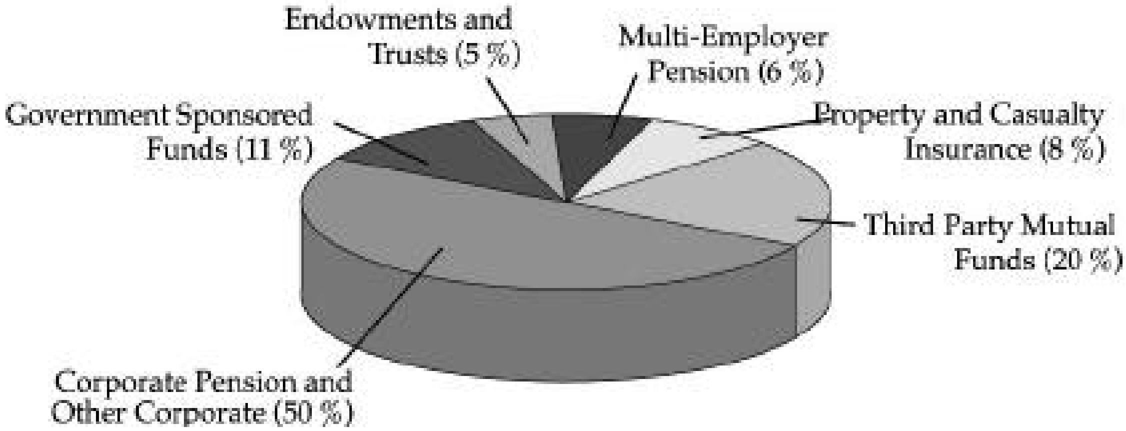
Institutional Clients

Institutional clients represent Perigee's largest business segment both in terms of assets under management and contribution to total revenues. Excluding PPM, institutional assets under management grew from approximately $10.4 billion immediately prior to Perigee's formation on July 15, 1996, to $14.0 billion on December 31, 1997. Including PPM, total institutional assets under management on December 31, 1997 would have been $17.5 billion. Revenues from institutional clients including PPM totalled $27.3 million or 93% of total revenues in 1997.

Perigee's institutional client base is highly diversified, consisting primarily of pension plan sponsors, third party mutual funds, government sponsored funds, property and casualty insurance companies, endowments and trusts. Clients have the option of having their assets managed separately or on a pooled basis. The majority of Perigee's institutional assets under management are managed on a separate account basis for approximately 90 clients, one of which is Mutual Life. The rest are managed on a pooled basis for approximately 70 clients, one of which is Mutual Life.

The chart below shows the allocation of institutional assets by type of client, including PPM, on December 31, 1997.

Type of Institutional Client
(% of institutional assets under management)

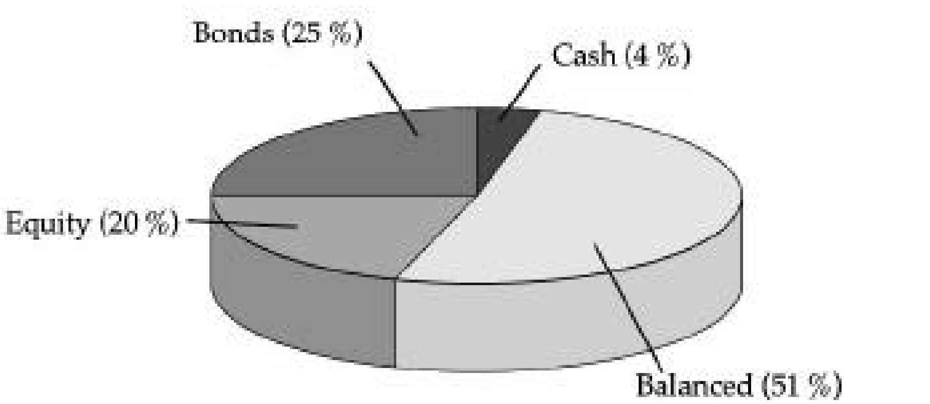


Corporate Pension and Other	$8.8	50%
Government Sponsored Funds	1.9	11%
Endowments and Trusts	0.9	5%
Multi-Employer Pension	1.0	6%
Property and Casualty Insurance	1.4	8%
Third Party Mutual Funds	3.5	20%
Total	$17.5	100%

Perigee currently manages its separately managed accounts by four different types of assignments (i.e., Equity, Bond, Cash or Balanced). Each of these assignments uses a variety of investment styles. See "Business of the Corporation - Investment Styles".

The chart below shows the allocation of institutional assets by investment assignment, including PPM, on December 31, 1997.

Allocation of Institutional Assets by Investment Assignment



Equity	$3.5	20%
Bonds	4.3	25%
Cash	0.7	4%
Balanced	9.0	51%
Total	$17.5	100%

Perigee solicits new institutional clients by marketing directly as well as to consultants and other intermediaries. Institutional clients are serviced by a team of dedicated professionals, which for key accounts, typically includes two senior members of Perigee's management team. In addition, Perigee helps sponsors of defined contribution plans explain investment options to plan participants.

Separately Managed Institutional Assets

The majority of Perigee's institutional assets under management are managed on a separate account basis. On December 31, 1997, separately managed institutional assets excluding PPM represented 74% of Perigee's total institutional assets. Separately managed institutional assets grew 29%, from $8.0 billion immediately prior to Perigee's formation on July 15, 1996 to $10.3 billion on December 31, 1997.

Including PPM, separately managed institutional assets would have been $13.9 billion on December 31, 1997.

The fees Perigee charges on separately managed accounts are based on a tapered fee scale calculated as a percentage of assets under management which is the same for all assignments except for cash. Perigee's fees are competitive with other investment counselling firms. Fees based on the investment performance of the underlying portfolio currently only apply to one of Perigee's bond management styles and represent potential revenue over base fees of less than 3% of total revenues.

The following chart compares annual compound rates of return for Perigee's separately managed client portfolios against a series of benchmarks. Returns for each investment style represent a composite of all assignments managed using that style, and are calculated according to the Association for Investment Management and Research (AIMR) performance presentation standards, the recognized industry authority. See "Investment Styles".

Performance for Separately Managed Portfolios
(as of December 31, 1997)

	Annual Compound Rate of Return		
Investment Style	**1 year**	**3 years**	**5 years**
Canadian Equities			
Company Focused (bottom up)	25.6%	24.0%	19.0%
Industry Focused (top down) (1)	27.4%	-	-
Small Cap	26.7%	22.1%	18.8%
TSE 300 Index	*15.0%*	*19.1%*	*17.5%*
Balanced			
Company Focused (bottom up) with Constrained Duration	19.4%	19.1%	15.5%
Industry Focused (top down) with Active Duration	19.0%	18.2%	14.6%
Median returns, as measured by SEI	*14.8%*	*17.0%*	*14.5%*

Fixed Income			
Constrained Duration	9.6%	13.9%	10.9%
Active Duration	10.6%	15.3%	12.4%
ScotiaMcLeod Universe Index	*9.6%*	*14.1%*	*10.9%*

Note:
(1) The Industry Focused Canadian Equity style was initiated January 1, 1997.

Pooled Assets

Perigee manages assets for institutional clients on a pooled basis through the Perigee Galaxy Funds (the "Galaxy Funds"). The Galaxy Funds consist of 17 investment trusts that have been offered exclusively to the investment management clients of Perigee and its predecessor companies since 1986. On December 31, 1997, assets managed through the Galaxy Funds totalled $3.6 billion and consisted primarily of assets invested on behalf of pension plan sponsors.

Mutual Life is an important distribution channel for the Galaxy Funds, through its group pension plan activities. Mutual Life clients invest in the Galaxy Funds through Mutual Life's segregated fund product. Individual participants in these group plans select Perigee from a range of investment counsellors available to them through Mutual Life.

On December 31, 1997, 69% of the Galaxy Fund assets were for participants in various group pension plans administered by Mutual Life.

For clients whose assets are managed on a pooled basis, management fees are based on a tapered fee schedule calculated as a percentage of assets under management, which is the same for all assignments except for cash. The performance of the Galaxy Funds is comparable to that of Perigee's separately managed assets because they use the same underlying investment styles.

Individual Investors

Private Clients - High Net Worth Individuals

Perigee provides discretionary portfolio management to approximately 180 individuals through its private client business. Perigee's private client business has grown from $226 million in assets under management when Perigee was formed, to $358 million on December 31, 1997. This business segment, including PPM, represented 2.0% of Perigee's total assets on December 31, 1997 and contributed approximately 7% to total revenues in 1997.

Private clients with assets of $2 million or more have the option of having their assets managed on a separate account or pooled basis. Fees for separately managed accounts are based on a tapered fee scale calculated as a percentage of assets under management, which is the same for all assignments. Perigee's three private client pooled funds (the "Private Client Funds") will be available to private clients with assets of $1 million or more. The Private Client Funds will be managed to meet the needs of taxable investors.

Perigee obtains most of its new private client business through referrals and, on a more limited basis, through direct marketing efforts. Mutual Life's agents are an important source of referrals. On December 31, 1997, approximately 15% of Perigee's private client assets under management had been referred by Mutual Life agents. Perigee pays a nominal annual trailer fee on assets that have been referred by Mutual Life's agents. Other referral sources include Perigee's institutional and corporate clients, financial planners, lawyers, accountants and other professionals.

Private clients are serviced by portfolio managers who form part of a team that specializes in meeting the needs of individual investors. The portfolio managers work with the team to review each client's financial situation, ensuring that investment decisions complement other elements of the client's portfolio and are in the client's best interest over the long term. The service may include conferring with the client's lawyer, accountant, estate planner or insurance advisor.

Retail Mutual Funds

In response to requests from clients, Perigee is planning to offer retail investors the ability to invest in a new class of units of 13 of the Galaxy Funds. The new class of units will be sold in Ontario and certain other provinces by way of a separate prospectus under the name Perigee Mutual Funds.

Perigee intends to maintain a low management expense ratio for each Perigee Mutual Fund. The minimum investment in each Perigee Mutual Fund will be $5,000, or clients will be able to make an initial deposit of $2,500 and subsequent monthly payments of at least $250. Perigee Mutual Funds will be marketed directly to individual investors and are not expected to result in significant costs to Perigee.

Investment Styles

Perigee offers its clients a series of investment styles for each Canadian asset class, each style being clearly differentiated and applied consistently to client portfolios whether they are managed separately or on a pooled basis. Perigee believes this characteristic of multiple styles is unique among Canadian institutional investment counsellors.

Perigee's investment management is handled by the management team, except for its international equity mandates which are managed by two international investment advisors.

There are two key elements underlying Perigee's investment management approach:

1. consistent investment styles that focus on explicitly understanding and managing risk; and

2. teams of investment professionals that each specialize in a specific investment style.

Asset Mix

Perigee's asset allocation process integrates two distinct disciplines. First, in the context of a global economic outlook, expected returns are generated for each asset class over an 18 to 24 month time horizon. Second, a quantitative analysis of historical relationships among asset categories is conducted to identify asset classes that are at historical extremes. The strength of Perigee's asset mix decision lies in comparing the outcomes of each process.

Fixed Income

Perigee offers both a constrained duration and an active duration bond management style.

Constrained Duration

The constrained duration alternative is a low risk style of fixed income management. Interest rate risk is managed by tightly constraining the duration of the portfolio. In addition, only high quality issues are held and foreign pay bonds are excluded. Added value is gained from yield curve management, sector allocation and pricing anomalies.

Active Duration

The active duration style focuses on major shifts in duration. The style recognizes that relationships that are significantly different from historical norms tend to revert to the mean. The style features rigorous quantitative analysis and is differentiated from the practice of interest rate anticipation, a difference that is especially important at economic turning points. It is at these times that the probability of mean reversion is highest and by contrast, confidence in interest rate forecasts is lowest.

Canadian Equities

Perigee offers three Canadian equity styles with differentiated, well-defined disciplines and risk features. Underpinning each style is a stock valuation approach that ranks approximately 170 large and mid cap companies in the TSE 300 and 200 small-cap companies by their expected returns for the next 12 months. Return rankings are based on fundamental research that incorporates traditional financial and profitability tests, and are updated continuously as new information becomes available and as market prices change. Emphasis in research is placed on face-to-face meetings with company management.

Company Focused (bottom up)

In this investment style, Perigee manages large and mid cap Canadian equities using a style that emphasizes bottom up stock selection. The number of stocks in the portfolio is limited to 35, imposing an effective buy/sell discipline on portfolio design. By determining the risk characteristics of each stock, Perigee is able to tailor the overall risk emphasis of the portfolio, making it deliberately different from the TSE 300.

Industry Focused (top down)

Perigee also manages large and mid cap Canadian equities with a top down approach and an emphasis on sector weights. The portfolio is constructed based on a rank ordering of industry attractiveness over a 12 to 18 month time horizon. Individual stock selection is based on best in class. The portfolio holds approximately 50 stocks.

Small Cap

Stock selection is the primary element of portfolio construction in the small cap style. Management believes face-to-face meetings with company management are essential given that small capitalization stocks are less well followed by external research groups. Portfolios typically hold 50 to 65 stocks.

U.S. Equities

U.S. equities are managed internally using a bottom up style that focuses on identifying growth companies whose shares are selling at low price/earnings multiples. Return expectations are developed both on the upside and the downside and investment purchases are only made when the upside to downside ratio is better than 2:1. The number of stocks in the portfolio is limited to 40.

International Equities

Two investment advisors with special expertise in international markets provide investment management services for Perigee's international equity mandates. These advisors receive a portion of Perigee's fee for their services.

EAFE

Since 1989, Clay Finlay Inc., a New York based manager, has managed Perigee's international assets under Europe, Australia and the Far East (EAFE) mandates. Clay Finlay Inc. uses a style that incorporates extensive bottom up individual security analysis with a traditional top down geographic allocation.

Global

Since 1991, Pictet International Management Limited, a firm based in Geneva, Switzerland and London, England, has managed Perigee's client assets under a global mandate that includes U.S. investments. The style involves bottom up security analysis combined with country risk analysis.

Systems and Technology

Information systems are central to Perigee's investment management process, to client relationships and to administration. Perigee uses commercially available software for all of its computer systems, with the exception of its portfolio accounting system, which was designed by a third-party vendor who is responsible for system development.

Perigee is well advanced in its preparations for the Year 2000, when all systems and software must be able to recognize a four digit year. Senior members of the management team are focused on the potential impact the Year 2000 could have on all of Perigee's internal systems, particularly its portfolio management, investment analytics and corporate accounting systems, all of which make extensive use of date arithmetic. In addition, Perigee is monitoring the readiness of its external suppliers and developing contingency plans where there is a risk that individual suppliers may be in default. The costs to prepare for the Year 2000 are not expected to be significant, and Perigee's internal systems will be ready by late 1998.

Management Team

Perigee's management team consists of 13 senior professionals who are not employees of Perigee but who provide services under contract through Perigee Partners (see "Perigee Partners") and 20 other professionals who are employees of Perigee. Together they are responsible for all of Perigee's operations including administration, investment management, marketing and client service. Each member of the management team is a shareholder in the Corporation. See "Management - Class M Shareholders Agreement". In addition, Perigee has 36 other employees.

The following is a brief biography of the 13 senior members of Perigee's management team:

D. Alex Wilson	D. Alex Wilson, CFA, has been involved in the investment management industry for 39 years. He founded MTA, a predecessor company, in 1984 and before that held senior management positions at two major Canadian trust companies and investment dealers. Mr. Wilson, President and Chief Executive Officer of the Corporation, provides overall leadership to the organization and is a member of the asset mix team.

Lloyd Atkinson	Lloyd Atkinson, Ph.D., joined MTA in 1994. Prior to that time, he was with a Canadian chartered bank as Executive Vice President and Chief Economist. Mr. Atkinson is Perigee's Chief Investment Officer, and as such, has responsibility for the design and implementation of all of Perigee's investment styles. He also heads the asset mix team.
Alex Brown	Alex Brown, FSA, FCIA, has been with Perigee since 1997. Prior to joining Perigee, he had 25 years of experience with a major Canadian life insurer where, from 1991 to 1997, he was Senior Vice President, Group Division. Mr. Brown has senior management responsibilities, including corporate marketing.
Stephen Browne	Stephen Browne joined MAM in 1993. Prior to this, he was Chief Investment Officer of an investment counselling subsidiary of a major Canadian bank. He will lead the Perigee Private Management team.
David Butterfield	David Butterfield joined MTA in 1995. He has 32 years of investment experience. Prior to joining Perigee, he was Senior Vice President and Director of a major Canadian investment dealer. Mr. Butterfield is involved in Perigee's corporate marketing activities.
John Chamberlain	John Chamberlain, CFA, joined MTA in 1992. He has 35 years of investment experience. Prior to joining Perigee, he spent nine years as Vice President, Research for an investment management firm. Mr. Chamberlain leads Perigee's company focused (bottom up) equity team and is a member of the asset mix team.
Stephen Daub	Stephen Daub, CFA joined MTA in 1985. He has a total of 17 years of investment experience. Mr. Daub leads Perigee's private client and administration teams, and leads the team servicing clients using Perigee's Galaxy Funds.
Julie Kent	Julie Kent, CFA, joined Mu-Cana, a predecessor company, in 1993 with an eight-year background in investment research and portfolio management. Ms. Kent leads Perigee's industry focused (top down) equity team and is a member of the asset mix team.

Geoff Logan	Geoff Logan, CFA, joined MTA in 1985. He has 32 years of investment experience. Prior to joining Perigee, he spent 14 years at a Canadian trust company in a number of senior investment roles. At Perigee, Mr. Logan is involved in private client portfolio management.
Ron Puskarich	Ron Puskarich, joined Mu-Cana in 1991, bringing with him 12 years of experience in fixed income investment management. Mr. Puskarich is responsible for Perigee's active duration fixed income style and is a member of the asset mix team.
Gia Steffensen	Gia Steffensen, CFA, joined Mu-Cana in 1980. He has 20 years investment experience. Mr. Steffensen leads Perigee's corporate client service team. He is also involved in a number of Perigee's investment styles and is a member of the asset mix team.
Martin Taylor	Martin Taylor joined MTA in 1985. He has 32 years of investment experience. Prior to joining Perigee, he was Vice President of a major Canadian trust company. Mr. Taylor leads Perigee's US equity team and is a member of the asset mix team.
David Yu	David Yu, CFA, joined Perigee in 1996, bringing with him 20 years of investment experience primarily with a major Canadian bank and its investment counselling subsidiary. Mr. Yu leads Perigee's constrained duration fixed income team and is a member of the asset mix team.

THE CANADIAN INVESTMENT MANAGEMENT INDUSTRY

Introduction

The investment counselling and money management industry has experienced significant growth in recent years, both in assets under management and in the number of services and products being offered.

The investment management industry today consists essentially of three major segments: (i) the institutional segment, often referred to as the pension fund or corporate segment; (ii) the private client (high net worth individuals) segment; and (iii) the mutual fund segment which is specifically targeted to the retail investor.

The table below outlines total industry assets under management as well as the corresponding compound annual growth rate of the institutional and mutual fund segments in Canada. The size of the private client segment of the industry is difficult to accurately estimate given the lack of reliable sources.

	Industry Assets Under Management ($ billions)		
	1992[3]	1997[3]	Compound Annual Growth Rate
Institutional Segment [1]	$140	$282	15%
Mutual Fund Segment [2]	$67	$283	33%

(1) Pension fund assets under management of the top 40 money managers according to Benefits Canada.

(2) Source: The Investment Funds Institute of Canada ("IFIC"). There may be some overlap between IFIC's and Benefits Canada's numbers.

(3) As of June 30 for the Institutional Segment and December 31 for the Mutual Fund Segment.

Institutional Segment

The institutional segment of the industry provides investment management services to a variety of institutional clients including pension plans and other taxable and non-taxable portfolios of corporations, government agencies, universities, charitable foundations, endowment funds and insurance companies.

Canada's pension fund market, the most significant segment of the institutional market, has shown strong growth. According to Benefits Canada, the top 100 pension funds in Canada had assets of $350.7 billion on December 31, 1996, up 61.9% over December 31, 1992, when assets totalled $216.5 billion.

The pension fund market is comprised of two principal types of plans: defined benefit ("DB") and defined contribution ("DC") plans. The majority of retirement plan assets have traditionally been invested in DB plans, which are designed to provide employees with a defined level of pension benefits when they retire. In this type of plan, employers are required to fund their plans and maintain the assets needed to generate the benefits they have promised their employees.

Under DC plans, plan sponsors contribute directly to their employees' retirement plans. Individual employees also contribute directly to these plans and usually decide how their plan assets will be invested. DC plans are usually administered by institutions such as insurance or trust companies. The range of asset classes or mutual funds offered to employees is typically determined by the plan sponsor in conjunction with employee representatives.

The administration of the Canadian DC market is currently dominated by insurance companies such as Mutual Life, with whom Perigee has a strategic business relationship. Investment management firms have gained access to this market directly and by entering into business relationships with insurance companies.

According to Benefits and Pensions' Monitor, an industry publication, the size of the Canadian DC market is estimated to be between $35 billion and $40 billion in assets. The DC market continues to grow, primarily because sponsors are introducing DC plans to replace or complement existing DB plans, allowing them to better meet the needs of a more transitory workforce.

Management believes there is an increasing trend for sponsors of large pools of capital to contract out the management of their assets to external money managers. For example, Benefits Canada estimates that in 1996, 62% of pension assets were managed externally compared with 26% of pension assets in 1991.

Private Client Segment - High Net Worth Individuals

According to a study by Ernst & Young, the number of households with more than $1 million in investable financial assets has increased by approximately 250% since 1989. At the end of 1995, Canadians held approximately $1.2 trillion of investable financial assets and there were between 250,000 and 300,000 Canadian households with more than $1 million in investable financial assets. Investable financial assets include traditional savings products such as chequing and savings accounts, term deposits and life insurance products, and direct ownership of fixed income and equity securities as well as mutual funds.

Growth in this segment has been fueled in large part by changing demographics. The baby boom is shifting from a consumption-oriented to a wealth accumulation and capital preservation phase. At the same time, the aging of the population has placed a greater emphasis upon retirement planning, inter-generational wealth transfer and succession planning. Growth in the private client segment has also been driven by the growth of small business in Canada, as owners and managers of these businesses have accumulated wealth through the success of and sale of their businesses.

Investment counsellors, investment dealers, mutual fund companies, banks, trust and insurance companies are all participants in the private client segment. Perigee believes this rapidly growing market is still under-penetrated by professional money managers.

Mutual Fund Segment

Mutual fund companies in Canada sell mutual funds through a variety of financial intermediaries including investment dealers, financial planners, banks, trust and insurance companies as well as directly to retail investors. Like the private client segment, growth in the mutual fund segment is being driven partly by demographics. In addition, low inflation, low interest rates and stock and bond market performance have encouraged investors to seek alternatives to traditional savings vehicles such as guaranteed investment certificates.

Competition

While there are low economic barriers to entry in the investment counselling industry, companies who succeed generally have a history of good investment performance and strong client relations. Competition within the industry is growing, as industry participants consolidate to form stronger, more diverse firms, niche players emerge offering specialized services, and foreign firms enter the Canadian marketplace.

Perigee believes that while investment performance will continue to be the cornerstone to competitiveness, client servicing has become an increasingly important element in attracting and retaining clients. It believes that in order to increase market share investment counselling firms will need to (i) attract high quality, client-oriented professionals whose commitment is strengthened through ownership, (ii) develop new products and services, and (iii) ensure access to appropriate distribution channels. Perigee believes that its growth strategy positions it well to compete in all segments of the investment counselling industry.

Regulatory Framework

The increasing importance of the wealth management industry, the growth in the size of the industry and the increased participation of institutional investors in Canadian capital markets have lead to a strong focus on investor protection by the regulatory authorities. The regulatory focus is coupled with both strengthened self regulation by professionals together with their industry organizations and increasingly high standards being imposed by courts.

The regulatory focus has been most evident in the context of the mutual fund industry. The Canadian Securities Administrators ("CSA") have considered the recommendations for change proposed by a group of industry representatives and have identified priorities and steps for implementation. Among the high priority items are the establishment of a national self-regulatory organization for securities dealers and mutual fund dealers, and the regulation of sales practices. Other topics under review include fund and corporate governance, registration of investment fund managers, conflicts of interest, personal trading, regulatory capital and contingency funds. Designated CSA staff will also review other retirement savings and pension plan products, in response to recommendations that a consistent regulatory regime apply to all collective money management schemes. A new study has been commissioned by the Federal Government to review these issues from the consumer's point of view.

As the review proceeds, it is expected that regulatory and industry changes will continue to be forthcoming. Perigee will be subject to any such applicable changes.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the information set forth elsewhere in this preliminary prospectus, in particular under "Business of the Corporation", and with the Corporation's financial statements and the notes thereto. The discussion assumes that the acquisition of MAM had occurred as of July 15, 1996. See "Perigee Inc. Pro Forma Consolidated Statements of Income".

Selected Consolidated Financial Information

(in $ thousands except earnings per share and assets under management)

	Pro Forma(1) Year Ended Dec. 31, 1997 (unaudited)	**Year Ended Dec. 31, 1997 (audited)**	**Pro Forma(1) Five and one half months ended Dec. 31, 1996 (unaudited)**	**Five and(2) one half months ended Dec. 31, 1996 (audited)**
Income Statement Data				
Investment Management Fees				
Institutional	$27,347	$24,544	$10,825	$ 9,696
Private client	2,057	2,057	735	735
Interest and other income	143	143	34	34
Total Revenue	29,547	26,744	11,594	10,465
Administrative and general expenses	13,504	12,217	5,484	4,949
EBITDA (3)	16,043	14,527	6,110	5,516
Depreciation and Amortization	428	428	171	171
Interest on capital leases	97	97	19	19
Income before provision for income taxes	15,518	14,002	5,920	5,326
Provision for income taxes	7,014	6,329	2,671	2,403
Net Income	8,504	7,673	3,249	2,923
Earnings per share	$ 0.63	$ 0.60	$ 0.24	$ 0.23

	Pro Forma Dec. 31, 1997	**Dec. 31, 1997**	**Pro Forma Dec. 31, 1996**	**Dec. 31, 1996**
Assets under Management(4) ($ millions)				
Institutional	$17,465	$13,953	$13,918	$11,541
Private client	358	358	213	213
Total	$17,823	$14,311	$14,131	$11,754

(1) The Corporation's acquisition of MAM has been reflected as if it had occurred on July 15, 1996. See "Perigee Inc. Pro Forma Consolidated Statement of Income".

(2) The Corporation was incorporated on January 1, 1998. This Selected Consolidated Financial Information was prepared as if the reorganization, whereby the Corporation acquired Perigee Counsel, had occurred on July 15, 1996.

(3) "EBITDA" means earnings before interest, income taxes, depreciation and amortization.

(4) Unaudited.

Year ended December 31, 1997

Assets Under Management

Total assets under management including PPM grew from $14.1 billion as at December 31, 1996 to $17.8 billion as at December 31, 1997. Growth in assets under management is influenced by investment performance, capital markets activity, effective distribution, client retention, expanded assignments for existing accounts and the addition of new clients. Growth in total assets under management was 26% in 1997. Financial market performance accounted for 15% of growth in assets under management.

In 1997, Perigee began to realize on the benefits of multiple investment styles and distinct client bases achieved through the successful integration of Mu-Cana and MTA. In 1997, Perigee added 13 new separately managed institutional clients and 2 new assignments for existing separately managed institutional clients, representing approximately $700 million in assets under management.

Successful distribution by Mutual Life's agents together with investment results for the Premier and Leader mutual fund families contributed approximately $1 billion in additional assets under management.

Revenues

Total revenues reached $29.5 million in 1997. Of this amount, $27.3 million, or 93% of total revenue, was attributable to the institutional client segment. Revenue from the individual client segment, and interest and other income made up the balance of total revenue.

Including PPM, Perigee's annualized revenue based on assets under management on December 31, 1997 was $32.0 million, compared to $25.9 million on December 31, 1996.

Expenses

Administrative and general expenses were $13.5 million in 1997, representing approximately 46% of total revenue. Administrative and general expenses include compensation (i.e., base and incentive compensation), which represented approximately 78% of total administrative and general expenses. Other administrative and general expenses include expenses related to the Corporation's premises, which accounted for 6% of total administrative and general expenses, together with expenses related to, among other things, regulatory matters, marketing, travel and communications.

Liquidity and Capital Resources

Perigee has always generated positive cash flow from its operations and has limited requirements for long-term capital due to the nature of its business. No major capital requirements are contemplated in the foreseeable future.

Outlook

Given the success of the amalgamation of MTA and Mu-Cana, strong historical investment returns and the ability to offer multiple investment styles, the Corporation believes it will continue to increase its assets under management and expects to increase its market share in each of its business segments.

As a result of the pending acquisition of the Metropolitan Life Insurance Company of Canada by Mutual Life, Perigee anticipates that it will enjoy the benefits of an expanded distribution network which should positively affect the fees it earns from providing investment management services to the Premier and Leader mutual fund families.

Compensation as a percentage of total administrative and general expenses is expected to remain consistent and may increase in absolute terms as the Corporation adds resources to accommodate future growth. Other expenses should remain at the same levels as a percentage of revenue with the exception of marketing related expenses, which may increase as the Corporation focuses on increasing its profile.

Overall, Perigee expects to increase earnings over those of 1997. However, no assurance can be given that these expectations will be met.

DIRECTORS AND OFFICERS OF THE CORPORATION

Composition of the Board and its Committees

The number of directors authorized by the Corporation's articles of incorporation is a minimum of three and a maximum of 20. The directors are authorized to set the number of directors between the minimum and maximum. The directors have set the number at 11 which the Corporation intends to be comprised of three representatives of the management team, two representatives of Mutual Life and six "unrelated" directors within the meaning of The Toronto Stock Exchange's guidelines on corporate governance. At the present time, the Corporation's board of directors has determined that the two nominees of Mutual Life are not "unrelated" directors. It is intended that the positions of Chairman and Chief Executive Officer will be held by different directors and that the Chairman will be an "unrelated" director. At the present time the Corporation's board of directors is comprised of three representatives of its management team, two representatives of Mutual Life and one "unrelated" director. Prior to the completion of this offering five additional "unrelated" directors will be elected to the board so that a majority of its members will be "unrelated" directors. The Corporation intends that its board of directors will continue to be comprised of a majority of "unrelated" directors.

Each member of the Compensation Committee will be an “unrelated” director. A majority of the members of the Audit Committee and the Corporate Governance Committee will be “unrelated” directors.

Name and Municipality of Residence	Position with the Corporation	Principal Occupation
Astley, Robert Murray	Director	President and Chief Executive Officer of Mutual Life
Atkinson, Lloyd	Director	Senior principal of the Partnership
Brown, Alexander J.	Director	Senior principal of the Partnership
Cunningham, Norman(1)(2)(3)	Director	Retired business professional
MacIntosh, David Alan	Director	Executive Vice President of Mutual Life
Wilson, D. Alexander	Chief Executive Officer and Director	Managing principal of the Partnership
•	Chairman and Director	•
•	Director	•
•	Director	•
•	Director	•
•	Director	•
Ng, Elizabeth	Secretary - Treasurer	Secretary-Treasurer of the Corporation and its subsidiaries

(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance Committee.
(4) Other than with respect to affiliated companies, all of the directors and senior officers have held their positions for more than 5 years except for Lloyd Atkinson and Alexander Brown. Mr. Atkinson joined the Partnership in October, 1994 and was previously an Executive Vice President and Chief Economist of a major Canadian bank. Mr. Brown joined the Partnership in May, 1997 and was previously a Senior Vice President, Group Division of Mutual Life.

Election of Directors

So long as Mutual Life holds not less that 10% of the Corporation's voting shares, (i) the Corporation has agreed to nominate two individuals designated by Mutual Life for election as directors, and (ii) the members of Perigee's management team who are shareholders of the Corporation have agreed to vote their voting shares in favour of the individuals so nominated as directors. See "Perigee's Relationship with Mutual Life". Pursuant to the provisions of the Class M Shareholders Agreement, the Class M shares will vote as a block with respect to all matters, including the election of directors. In addition, members of the management team hold 17.7% of the Corporation's outstanding common shares. See "Class M Shareholders Agreement".

Compensation of Directors

Each director, who is not a member of Perigee's management team, will receive an annual retainer in the amount of $• as well as a fee of $• for each directors' or committee meeting attended. Directors will also be reimbursed for travel expenses incurred in connection with such meetings.

Stock Option Plan for Directors

The Corporation plans to adopt, prior to the completion of this offering, a stock option plan for directors (the "Option Plan") who are neither members of Perigee's management team nor nominees of Mutual Life providing for the granting of options, from time to time, at the discretion of the Compensation Committee to directors to purchase common shares of the Corporation for cash. The Option Plan will provide that the exercise price of any option granted shall not be less than the market price of the common shares on the day prior to the date of grant (i.e., the closing price or if there is not a closing price, the average of the bid and ask prices for the common shares on any exchange on which the common shares of the Corporation are listed). The Compensation Committee has the authority to select those directors of the Corporation to whom options will be granted and the period, not exceeding ten years from the date of grant of each option, during which it may be exercised. The Option Plan will contain provisions for appropriate adjustments in the event of certain changes in capitalization or corporate reorganizations of the Corporation. The Corporation intends to reserve an aggregate of • common shares (•% of the Corporation's equity shares) for issue under the Option Plan.

COMPENSATION COMMITTEE

The Compensation Committee of the board of directors of the Corporation is and will be comprised entirely of "unrelated" directors. The board of directors has delegated full responsibility for all compensation matters to the Compensation Committee.

The compensation framework at Perigee has been established with the goal of ensuring the Corporation’s capacity to recruit and retain the highest calibre of individuals and is essential to its success. The framework covers the principles of compensation for the management team and all employees of the Corporation and its subsidiaries. In implementing the framework, the Compensation Committee determines compensation levels paid both to employees of Perigee, and to partners of the Partnership in relation to the base management fee component of the management fee payable to the Partnership under the Management Agreement. See “Management - Management Agreement”.

The Compensation Committee’s objective is to establish total compensation, based on the advice of third party compensation advisors, at levels that are comparable to compensation among leading companies in the Canadian and U.S. institutional investment counselling industry. In its considerations, the Compensation Committee takes into account the performance of Perigee, relative to its annual and long term plans, and investment results. The Compensation Committee is also guided by the levels of compensation of other organizations in the financial services industry as demand for qualified individuals is very competitive among industry participants.

The compensation package for members of the management team is comprised of two elements:

1. Base compensation and allowance for benefits (limited to health, disability and optional life insurance) which are reviewed annually by the Compensation Committee, recognizing the results of information provided by external consultants, to ensure that the performance and contribution from each management team member is properly rewarded.

2. An annual incentive program which is structured to permit all employees and the management team to participate in the success of Perigee. Bonuses are awarded based on the individual’s responsibility and their capacity to influence the financial outcome of Perigee. All employees and management professionals are assigned to functional teams. Each individual is awarded a bonus based on a combination of personal, team and corporate accomplishment in achieving profit thresholds, revenue growth, and investment performance targets. The specific measurable targets for the organization are established by the Compensation Committee each year. The key element of the annual incentive program is that the gross margin of pretax earnings available to shareholders must achieve a level of at least 50% before any bonus is payable. The annual incentive program adjusts to outcomes that are above or below target, so that actual payout can range from zero to 20% of gross revenues. If the Corporation achieves its targeted annual business plan, the incentive bonus will range from 0% to 100% of base compensation and benefits. When the Corporation exceeds its targets the

ranges increase and if the Corporation fails to meet its targets, the program may result in no incentive bonuses being paid out.

MANAGEMENT

Perigee's management team consists of 13 senior professionals (the "Senior Principals") who are not employees of the Corporation and 20 other professionals (the "Principals") who are employees of the Corporation. The Senior Principals provide their services to Perigee through Perigee Partners (the "Partnership") pursuant to a management agreement dated •, 1998 between Perigee and the Partnership (the "Management Agreement").

Perigee Partners

The Partnership is a general partnership formed under the laws of Ontario on July 31, 1986 and has been continued since that date pursuant to a series of partnership agreements the latest of which is dated •, 1998. The Partnership consists of 13 partners which are holding companies each of which is controlled by a Senior Principal. The Senior Principals are also parties to the partnership agreement and the only remuneration each of them receives is from the holding company he or she controls. Under the partnership agreement each holding company agrees to make available to the Partnership the services of the Senior Principal who controls it and to cause him or her to devote his or her full time and attention to the business of providing Perigee with investment counselling services, including all related administrative, clerical and management services.

Management Agreement

The Partnership has provided Perigee Counsel and its predecessors with portfolio management services pursuant to a series of management agreements dating back to 1986. The Partnership provides management, consulting and administrative services of a financial, investment, economic and organizational nature to Perigee pursuant to the Management Agreement. Such services include supervising, managing and directing how the assets of Perigee's clients are invested, marketing Perigee's products, and managing Perigee's personnel, offices and contractual relationships. In performing its duties under the Management Agreement, the Partnership is subject to the control of the Corporation's board of directors. The Partnership has represented that it has and will continue to have the know how, personnel and registrations required to perform the services under the Management Agreement. Perigee is responsible for the expense of any independent investment manager retained by the Partnership on behalf of Perigee. The Partnership has covenanted not to disclose any confidential information of Perigee and not to provide all or any of the services provided to Perigee to any other party during the term of the Management Agreement. The Partnership has also covenanted not to participate for 12 months following the effective date of the termination of the Management Agreement in any business which provides investment management or investment counselling related activities to any entity which was a client of Perigee during the 36 month period immediately preceding the effective date of the termination of the Management Agreement.

The Partnership is not liable for any error of judgment, mistake of law or for any loss resulting from the same except for losses arising by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties. The Management Agreement has a minimum term of five years and can be terminated thereafter by either party on not less than one year's prior notice. The Management Agreement can also be terminated if Perigee or the Partnership becomes bankrupt or if the Partnership fails to remedy a material breach of the Management Agreement after notice has been given to the Partnership by Perigee and a reasonable opportunity to cure has passed.

As compensation for its services, the Partnership is entitled to a management fee and reimbursement equal to the aggregate of:

(a) the amount paid by the Partnership for the use of premises leased from Perigee;

(b) reimbursement of amounts paid by the Partnership on behalf of Perigee;

(c) a base management fee in such amount per annum as is determined from time to time by the Compensation Committee; and

(d) an annual bonus in such amount and payable in such circumstances as is determined from time to time by the Compensation Committee.

See "Compensation Committee". A majority of the Compensation Committee, which is comprised entirely of "unrelated" directors, must approve the admission of any new Senior Principal as a partner of the Partnership. See "Class M Shareholders Agreement".

Management Compensation

As the Corporation was only incorporated on January 1, 1998, no executive compensation was paid by the Corporation in 1997 nor is executive compensation expected to be paid in the future. However, as part of the management fee payable under the Management Agreement is based on compensation to Senior Principals who perform the functions of executives, similar information can be provided. A summary of the share of the profits of the Partnership received in 1997 by the five most highly paid Senior Principals is provided below.(1)

Annual Management Compensation[1][2]

Name	Annual Base Management Fee ($)	Annual Bonus ($)	Other Partnership Benefits ($)
D. Alex Wilson	$247,500	$301,000	$728,333
Lloyd Atkinson	$198,000	$198,000	$601,928
Martin R. Taylor	$204,000	$148,000	$501,607
Stephen M. Daub	$198,000	$190,000	$481,543
Gia Steffensen	$198,000	$191,000	$481,543

Notes:

(1) As a private company, Perigee Counsel paid its pre-tax accounting income to shareholders as management and incentive fees. This distribution was equal to accounting income. This practice will be discontinued when the Corporation becomes a public company.

(2) The table reflects the share of the profits of the Partnership received by the Senior Principal's holding company which may not be immediately distributed to the Senior Principal.

Class M Shareholders Agreement

As part of the reorganization, all of the members of Perigee's management team (i.e., all of the holders of the Class M shares) and the Corporation entered into a shareholders agreement dated •, 1998 (the "Class M Shareholders Agreement") which governs how the Class M shares may be voted, issued or transferred, and contains non-solicitation and non-competition provisions.

Voting - The Class M Shareholders Agreement provides that, so long as a party holds any Class M shares, he or she will vote all of his or her Class M shares at any meeting of shareholders of the Corporation in accordance with the wishes of the parties to the Class M Shareholders Agreement who hold a majority of the Class M shares. Prior to any meeting of shareholders of the Corporation, a separate meeting of the holders of the Class M shares will be held to determine the wishes of the majority. At such preliminary meeting, each Class M holder will be entitled to one vote for each Class M share held, provided that notwithstanding the number of Class M shares held, no party to the Class M Shareholders Agreement will be entitled to vote more than 10% of the outstanding Class M shares at such prior meeting. At the subsequent meeting of shareholders of the Corporation, the parties to the Class M Shareholders Agreement will be obliged to vote all of their Class M shares in accordance with the decisions reached by the majority at the prior meeting.

Ownership and Transfers - The Class M Shareholders Agreement contains provisions:

(a) providing for the issuance of Class M shares only at a price equal to the market price of the common shares at the time of issuance of the Class M shares;

(b) restricting the beneficial owners of Class M shares to the Partnership or members of the management team who are parties to the Class M Shareholders Agreement;

(c) permitting Class M shares to be pledged to lenders who enter into an agreement with the Corporation preserving the rights of the Corporation and other parties to the Class M Shareholders Agreement;

(d) prohibiting the transfer of Class M shares to a person if such person would own 20% or more of the Class M shares then outstanding as a result of such transfer;

(e) requiring a Class M shareholder to sell Class M shares to the Partnership or the management team at a formula price (i) if the holder ceases to be a member of management, whether as a result of death, incapacity, retirement or otherwise, (ii) in the case of certain breaches by the holder, (iii) in the event of the bankruptcy of the holder or seizure of the holder’s Class M shares or (iv) if otherwise directed to do so;

(f) requiring a holder desiring to sell his or her Class M shares to first offer such shares to the Partnership or the management team and only if such offer is not accepted by the date which is the later of •, 2001, and one year after the date of the offer to sell, permitting the holder to convert his or her Class M shares to common shares and sell them to other persons;

(g) requiring the approval of the majority of members of the Compensation Committee of the Corporation (i) to the admission of any person as a Class M shareholder and (ii) the purchase of any Class M shares resulting in a Class M shareholder holding greater than 2% of the Class M shares.

Admission as Partner - The Class M Shareholders Agreement requires the approval of both a 75% majority of the Class M shareholders and a simple majority of the Compensation Committee of the Corporation before a person can be admitted to the Partnership as a partner.

Non-Compete Obligation of Selling Class M Shareholders - The Class M Shareholders Agreement requires that unless a majority of members of the Compensation Committee of the Corporation otherwise agrees, a management shareholder who has given or is deemed to have given notice of the intended sale of any or all of his or her Class M shares, the selling shareholder shall not for a period of one year from the date of the sale of the last of his or her Class M shares participate in, provide financial backing in respect of, or advise, any entity which provides investment counselling and portfolio management services to any person who was a client or customer of Perigee during any period while he or she was a Class M shareholder.

Further, if the selling shareholder breaches such non-competition obligations, the selling shareholder is obligated to pay by way of liquidated damages an amount equal to (i) two times the amount of annualized revenues of any client account over which the selling shareholder had prime responsibility if the client removes 25% or more of the client's assets or business from Perigee or (ii) one time the amount of annualized revenues of any other client account if the client removes 25% or more of the client's assets or business from Perigee, in each case for a period of four fiscal quarters.

Non-Solicitation by Selling Class M Shareholder - The Class M Shareholders Agreement requires the selling Class M shareholder not to solicit, during a 24 month period after the sale of the last of his or her Class M shares, (i) any client of Perigee who was a client during the 36 month period immediately preceding the date of sale of such last Class M share, or (ii) any employee of Perigee to leave the employment of Perigee.

Confidentiality Obligations - Under the Class M Shareholders Agreement, the Class M shareholders agree that information regarding Perigee is proprietary to Perigee and covenant not to disclose such information.

Ceasing to be a Party - An individual who ceases to be a Class M shareholder will cease to be bound by the provisions of the Class M Shareholders Agreement except with respect to the non-compete, non-solicitation and confidentiality provisions.

Amendment and Termination - The Class M Shareholders Agreement remains in effect indefinitely and may only be amended or terminated if approved by a 75% majority of the Class M shareholders and a majority of members of the Compensation Committee of the Corporation.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at the date indicated. The Mutual Life Shareholders Agreement also gives Mutual Life a preemptive right to subscribe (except when Class M shares are issued) for common shares or other voting shares of the Corporation (except for Class M shares) to be issued to other purchasers in proportion to the ratio that the number of common shares and other voting shares of the Corporation owned by Mutual Life bears to the total number of common shares, Class M shares and other voting shares outstanding immediately prior to the issue of voting shares.

	Authorized	Outstanding as at March 24,1998 (1)
First Preferred shares	Unlimited	
Class M shares	Unlimited	$1,417,862 (4,744,800 shares)
Common shares	Unlimited	$825,046 (8,687,736 shares)
Total Shareholders' Equity		$2,242,908

(1) Based on unaudited financial results, including the acquisition of MAM.

PROTECTION FOR COMMON SHAREHOLDERS

It is intended that only the common shares will be listed on a stock exchange. The Class M shares are, and will be, held solely by the Partnership and Perigee's management team and will be traded amongst the members at a formula price which is expected to be below, and in any event cannot be greater than, the trading price of the common shares. As the Class M shares and common shares have equal participation rights per share and Class M shares may be converted into common shares in certain circumstances, the following protections have been included in the share conditions, the Class M Shareholders Agreement or are afforded by applicable securities laws:

Issuance only at Common Share Market Price - Class M shares will only be issued at a price equal to the market price of the common shares at the time of issuance of the Class M shares.

Class M shares held solely by Management - The Class M Shareholders Agreement requires an individual who ceases to be a member of the management team to offer to sell his or her shares to the Partnership or another member of the management team or failing such purchase by the Partnership or the management team, to sell his or her Class M shares by converting them to common shares as described in "Other Limited Conversions of Class M shares" below.

No Controlling Holder of Class M shares - No single management shareholder may hold 20% or more of the Class M shares nor vote greater than 10% of the Class M shares.

Equal Dividends - Dividends may be paid only if they are paid in equal amounts per share on the common shares and Class M shares.

Limits on Dilution - Neither class of shares may be subdivided, consolidated or a rights offering made except at the same time and on the same basis. In addition, the Corporation may issue Class M shares either alone or together with common shares provided the maximum number of Class M shares outstanding does not increase beyond 40% of the total number of equity shares outstanding from the 35.3% outstanding at the time of the offering. Lastly, Class M shares may be issued even if the percentage of Class M shares would exceed 40% of outstanding equity shares but only with the approval of the holders of common shares (excluding the common shares held by management shareholders).

Purchases by the Corporation - Class M shares will not be purchased by the Corporation unless the Corporation offers to purchase, and takes up and pays for, the same percentage of both classes of shares or unless required to do so by law.

Conversion on Offers for Class M shares - Effectively no offer to purchase Class M shares may be made by parties (other than management shareholders) as any Class M shares tendered to such an offer will convert into common shares immediately prior to the purchase of such shares.

Other Limited Conversions of Class M shares - Class M shares may only be converted into common shares (i) if a takeover offer is made for the common shares, (ii) immediately prior to the successful completion of the sale of such shares in accordance with the prospectus or hold period requirements of applicable securities laws for control blocks but only if otherwise permitted under the Class M Shareholders Agreement, and (iii) if the Class M shares outstanding represent less than 20% of the outstanding equity shares. In addition, any lender, including Mutual Life, to members of management which realizes against the Class M shares held as security will be required to convert such shares into common shares unless the Partnership or another member of management purchases such Class M shares.

No Amendment of Class M share conditions - No amendment of the rights and restrictions attaching to the Class M shares may be made without the approval of the holders of the common shares (excluding the common shares held by management shareholders).

Reference is made to the detailed descriptions under “Description of Share Capital” and “Class M Shareholders Agreement”.

DESCRIPTION OF SHARE CAPITAL

First Preferred Shares

The First Preferred Shares are issuable from time to time in one or more series and the board of directors of the Corporation may determine by resolution the number of shares comprised in, and the designation, rights, privileges, restrictions and conditions attaching to, each series. The First Preferred Shares of each series will rank equally with the shares of every other series of First Preferred Shares and will rank prior to the Class M shares and the common shares with respect to the payment of dividends and the return of capital and may carry voting rights.

Class M shares

Dividends - Subject to the prior rights of the holders of First Preferred Shares and other prior ranking shares, holders of the Class M shares have the right to receive dividends if and when declared by the directors; provided that no dividend on a Class M share shall be declared or paid unless contemporaneously the directors declare a dividend payable and paid at the same time in the same amount on each common share.

Dissolution- Subject to the prior rights of the holders of First Preferred Shares and other prior ranking shares, holders of the Class M shares and common shares shall be entitled to receive the remaining assets of the Corporation in equal amounts per share, without preference or distinction, in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or non-voluntary, or any other distribution of its assets among its shareholders for the purposes of winding-up its affairs.

Voting Rights - The holders of Class M shares are entitled to receive notice and to attend all meetings of shareholders of the Corporation other than special meetings of holders of shares of another class or of a series of another class and to vote thereat on the basis of one vote per share.

Conversion to permit Sale - Holders of Class M shares have the right, at their option, to convert their Class M shares into common shares on a one for one basis to permit the completion of the sale of such common shares by way of a secondary offering pursuant to a prospectus or the completion of the sale of such common shares in a *bona fide* arm's length transaction but only if permitted under applicable securities regulations and the provisions of the Class M Shareholders Agreement. If the total number of Class M shares outstanding is less than 20% of the outstanding equity shares, a Class M share may be converted into a common share at the option of the holder on a one for one basis at any time.

Conversion on Take-over Bid for common shares - In the event that an offer is made to purchase common shares which under applicable securities legislation or stock exchange regulations must be made to all holders of outstanding common shares, Class M shares may be converted at the option of their holders into common shares on a one for one basis. The conversion shall be effective as of the date upon which such shares are taken up and paid for under the offer.

Conversion on Offer for Class M shares - In the event that an offer is made to purchase any Class M shares by a person other than the Partnership or members of the management team, Class M shares tendered to the offer will be automatically converted into common shares on a one for one basis immediately prior to such shares being purchased under the offer. Pursuant to the Class M Shareholders Agreement, the Class M Shareholders have agreed not to tender their Class M shares to any person other than Perigee Partners or a member of management.

Restrictions on issue of additional Class M shares - No further Class M shares will be issued by the Corporation except as follows:

(a) If approved on behalf of the Corporation by a majority of directors who are "unrelated" directors, a combination of Class M shares and common shares may be issued as all or a portion of the consideration for assets or shares acquired by the Corporation in an arm's length transaction provided that no Class M shares will be issued to any person who is not a party to the shareholders agreement and a member of Perigee's management team and provided that following their issuance the number of Class M shares which are then outstanding does not exceed 40% of the total number of Class M shares and common shares then outstanding.

(b) Class M shares may be issued on a subdivision of the Class M shares made at the same time and on the same basis as a subdivision of common shares.

(c) Class M shares may be issued in substitution for common shares purchased by the Corporation provided that such common shares have been acquired by the Corporation pursuant to an exception from the issuer bid requirements of applicable securities regulations and provided further that following their issuance the number of Class M shares which are then outstanding does not exceed 40% of the total of the number of Class M shares and common shares then outstanding.

(d) Class M shares may be issued with the approval of a majority of the votes cast by holders of common shares at a meeting of such holders after excluding the votes attaching to common shares which are held, or beneficially owned or over which control or direction is exercised by the Corporation or members of Perigee's management team or any associates or affiliates thereof.

(e) Class M shares may be issued pursuant to a rights offering or other distribution made to the holders of Class M shares if made on the same basis as a concurrent rights offering or other distribution of common shares to the holders of common shares.

Purchases by the Corporation - The Corporation is prohibited from purchasing Class M shares except to satisfy the claim of a dissenting shareholder or to comply with a court order or pursuant to an issuer bid made to all holders of Class M shares and common shares where the consideration payable by the Corporation for each share of both classes is identical and where both the offer to purchase, and the amount taken up and paid for, is the same percentage of the outstanding shares of both classes.

Subdivision or consolidation - No subdivision or consolidation of Class M shares or common shares may occur unless, at the same time, a subdivision or consolidation is made of all Class M shares and common shares in the same proportion and in the same manner.

Amendment - In addition to all other required approvals the rights, privileges, restrictions and conditions attaching to the Class M shares may only be amended with the approval of a majority of the votes cast by holders of common shares at a meeting of such holders after excluding the votes attaching to common shares which are held, or beneficially owned or over which control or direction is exercised by the Corporation or members of Perigee's management team or any associate or affiliate thereof.

Common Shares

The common shares have the same rights as the Class M shares in respect of dividends, dissolution, voting rights, purchases and subdivision or consolidation, except as referred to below, but are not subject to the other conditions attaching to the Class M shares.

Purchases by the Corporation - The Corporation may purchase common shares pursuant to an exception from the issuer bid requirements of applicable securities regulations, provided the same number of Class M shares are issued in substitution for such common shares and provided further that following their issuance, the number of Class M shares which are then outstanding does not exceed 40% of the total number of Class M shares and common shares then outstanding.

Amendment - In addition to all other required approvals, the rights, privileges, restrictions and conditions attaching to the common shares may only be amended with the approval of a majority of the votes cast by holders of common shares at a meeting of such holders after excluding the votes attaching to common shares which are held, or beneficially owned or over which control or direction is exercised by the Corporation or members of Perigee's management team or any associate or affiliate thereof.

ESCROWED SHARES

Pursuant to an Escrow Agreement dated •, 1998 (the "Escrow Agreement") among the Corporation, Mutual Life, D. Alex Wilson, 1102680 Ontario Inc., 1102483 Ontario Inc., Alexander J. Brown, Martin R. Taylor, Kasuca Consulting Ltd., 976859 Ontario Inc., John F. Chamberlain, Holt Financial Management Inc., Julie E. Kent, Ronald Puskarich, Gia Steffensen, David L.H. Yu, Stephen Browne and • (the "Escrow Agent"), 2,673,075 common shares held by Mutual Life and 1,845,861 Class M shares held by the other management shareholders referred to above (the "Escrowed Shares") will be deposited in escrow with the Escrow Agent at the closing of this offering in accordance with the rules of the applicable regulatory authorities. The Escrow Agreement provides that the Escrowed Shares shall be released from escrow in stages on the basis of 10% of the Escrowed Shares held by each shareholder referred to above immediately after nine months following the final receipt date of the prospectus, 20% of such Escrowed Shares immediately after the first, second and third anniversaries of the initial release, and 30% of such Escrowed Shares immediately after the fourth anniversary of the initial release.

Pursuant to the Escrow Agreement, none of the Escrowed Shares which remain in escrow nor the beneficial ownership or any interest in them can be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or dealt with in any manner without the prior consent, order or direction in writing of the applicable regulatory authorities except in accordance with the provisions of the Escrow Agreement.

DIVIDEND POLICY

It is the present intention of the board of directors of the Corporation to declare and pay dividends on the Corporation's equity shares at least equal to 90% of its after tax income in any year. Dividends are expected to be declared and paid quarterly and an additional dividend may be declared and paid after the financial results for the year are known.

Dividends in 1998 will be based on 90% of after tax income for the second half of 1998 and are expected to be declared and paid commencing in the third quarter of 1998.

REORGANIZATION AND ACQUISITION

Pursuant to the reorganization the common shares of Perigee Counsel owned by the members of its management were exchanged for common shares and Class M shares of the Corporation on the basis of 12 common shares and 24 Class M shares for each share of Perigee Counsel and the common shares of Perigee Counsel owned by Mutual Life were exchanged for common shares of the Corporation on the basis of 36 common shares for each share of Perigee Counsel. At the same time, the Corporation acquired all the outstanding shares of MAM from Mutual Life pursuant to a share purchase agreement dated as of •, 1998 (the "Share Purchase Agreement") in exchange for 378,000 common shares and 162,000 Class M shares of the Corporation of which 81,000 of the common shares and all 162,000 of the Class M shares were issued to former members of MAM's management team who have become members of Perigee's management team.

Following the reorganization, the acquisition of MAM and the completion of this offering, the common shares and Class M shares of the Corporation will be held as follows:

Shareholders	Common Shares	Class M Shares	Total	Percent
Mutual Life	2,673,075		2,673,075	19.9%
Management	2,372,400	4,744,800	7,117,200	53.0%
Public	3,642,261		3,642,261	27.1%
Total	8,687,736	4,744,800	13,432,536	100.0%
Percent	64.7%	35.3%	100%	

PERIGEE'S RELATIONSHIP WITH MUTUAL LIFE

Mutual Life is a significant shareholder of Perigee and has entered into a shareholders agreement dated •, 1998 with the Corporation and the holders of its Class M shares (the "Mutual Life Shareholders Agreement") which will remain in effect as long as Mutual is the owner of at least 10% of the voting equity shares of the Corporation. Pursuant to the agreement the Corporation has agreed to nominate for election as directors two individuals designated by Mutual Life and the shareholders have agreed to vote their voting shares at meetings of shareholders to elect as directors Mutual Life's nominees. The Mutual Life Shareholders Agreement also gives Mutual Life a preemptive right to subscribe (except when Class M shares are issued) for common shares or other voting shares of the Corporation (except for Class M shares) to be issued to other purchasers in proportion to the ratio that the number of common shares and other voting shares of the Corporation owned by Mutual Life bears to the total number of common shares, Class M shares and other voting shares outstanding immediately prior to the issue of voting shares.

The Mutual Life Shareholders Agreement prohibits Perigee for a period of three years from acting as an investment counsel, manager or portfolio manager to any group of retail mutual funds other than Mutual Life's Premier and Leader mutual fund families. The prohibition does not prevent Perigee from distributing its own set of mutual funds directly to investors provided that for a period of two years it does not market such funds through a dealer network or pay sales commissions or trailer fees other than referral or other fees paid on an informal basis to registered representatives in accordance with Perigee's existing practice.

Mutual Life also has an important strategic business relationship with Perigee and sold its shares of MAM to the Corporation in exchange for common shares and Class M shares of the Corporation. See "Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life". In addition, Mutual Life has provided loans to certain members of Perigee's management team with respect to their acquisition of their shares of Perigee and has a security interest in such shares.

USE OF PROCEEDS

The Corporation will not receive any proceeds from the sale of the common shares. Mutual Life will receive all of the net proceeds from the sale of the common shares under this offering. See “Plan of Distribution”.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated •, 1998 (the “Underwriting Agreement”), among the Corporation, Mutual Life, ScotiaMcLeod Inc., Nesbitt Burns Inc. and RBC Dominion Securities Inc. (collectively, the “Underwriters”), Mutual Life has agreed to sell 3,642,261 common shares of the Corporation (the “common shares”) and the Underwriters have severally agreed to purchase, as principals, on or about •, 1998, or such later date as may be agreed upon but not later than •, 1998 (the “Closing Date”), subject to the terms and conditions stated therein, all but not less than all of the common shares offered hereby at a price of $• per common share for an aggregate price of $• payable in cash against delivery of certificates representing such common shares. In consideration for their services in connection with this offering, Mutual Life has agreed to pay the Underwriters an aggregate fee of $•, or $• per common share. The offering price of the common shares has been determined by negotiation between Mutual Life and the Underwriters.

The obligations of the Underwriters under the Underwriting Agreement are conditional and may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated in certain stated circumstances and upon the occurrence of certain stated events. The Underwriters are, however, severally obligated to take up and pay for all common shares offered by this prospectus if any of the common shares are purchased under the Underwriting Agreement.

Pursuant to policy statements of the Ontario Securities Commission and the *Commission des valeurs mobilières du Québec*, the Underwriters may not, throughout the period of distribution under the prospectus, bid for or purchase common shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the by-laws and rules of the The Toronto Stock Exchange relating to market stabilization and passive market-making activities and a bid or purchase made on behalf of a client where the client’s order was not solicited during the period of distribution. In connection with this offering, the Underwriters may, subject to the foregoing and applicable law, over-allot or effect transactions that are intended to stabilize or maintain the market price of the common shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

The Corporation, Mutual Life and D. Alex Wilson have each agreed in favour of the Underwriters that, during the period commencing on the date hereof and ending one year after the Closing Date, subject to certain specified exceptions, they will not, directly or indirectly, issue, sell or offer to sell any common shares or Class M shares or other securities convertible into or exchangeable for common shares, or agree to do so or announce publicly their intention to do so, without having obtained the prior written consent of the Underwriters.

The common shares have not been and will not be registered under the *United States Securities Act of 1933*. The Underwriting Agreement, however, permits the Underwriters to reoffer and resell the common shares purchased by them pursuant thereto to certain qualified financial institutions in the United States, provided that such reoffers and resales are made only in accordance with Rule 144A under the United States federal securities laws (which Rule provides an exemption from registration under such laws in connection with such reoffers and resales). The Corporation agrees in the Underwriting Agreement not to take any action which would make Rule 144A unavailable to the Underwriters. The Underwriting Agreement provides further that neither the Corporation nor the Underwriters will take any actions that would make the safe harbour provided under Regulation S of the United States federal securities laws unavailable in connection with the offering and sale of the common shares; such Regulation provides an exemption from registration under such laws in connection with the initial offer and sale of such shares and in connection with subsequent reoffers and resales, provided certain conditions are satisfied.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of its business, the only contracts which the Corporation has entered into in the past two years, or will be entering into prior to the Closing Date, which may be reasonably regarded as material are the following:

(1) the Underwriting Agreement referred to under “Plan of Distribution”;

(2) the Escrow Agreement referred to under “Escrowed Shares”;

(3) the Class M Shareholders Agreement referred to under “Management - Class M Shareholders Agreement;

(4) the Management Agreement referred to under “Management - Management Agreement”;

(5) the Mutual Life Shareholders Agreement referred to under “Perigee’s Relationship with Mutual Life;

(6) the Share Purchase Agreement referred to under “Reorganization and Acquisition”; and

(7) the Investment Management Agreements referred to under "Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life".

Copies of these agreements may be inspected, once executed, at the offices of the Corporation at 320 Bay Street, Suite 1400, Toronto, Ontario, M5H 4A6, or at the Toronto offices of its transfer agent, •, during normal business hours during the period of distribution of the common shares offered hereby and for a period of 30 days thereafter.

CERTAIN LEGAL MATTERS

Certain legal matters related to the common shares being offered hereby are being passed upon on behalf of the Corporation by Fasken Campbell Godfrey, Toronto, Ontario, on behalf of Mutual Life by McCarthy Tétrault, Toronto, Ontario, and on behalf of the Underwriters by Tory Tory DesLauriers & Binnington, Toronto, Ontario.

LEGAL PROCEEDINGS

The Corporation is not involved in any legal proceedings.

INVESTMENT CONSIDERATIONS

Prospective investors should consider the following investment considerations in evaluating the Corporation and its business before purchasing common shares.

Retention of Client Accounts

The Corporation's success in retaining its existing client base and obtaining new assignments is dependent not only on investment performance, but also on the relationships Perigee has with its clients and the quality of the service it provides. The agreements pursuant to which Perigee manages its clients' assets, in accordance with industry practice, are generally terminable upon short notice.

Market Value of Assets under Management

Perigee's revenues are dependent upon its investment management fees which are based upon the market value of assets under management. The market value of these assets is affected by factors beyond Perigee's control including economic and political conditions as well as the policies and performance of business, governments and the financial community.

Retention of Key Professionals

The growth in total assets under management in the industry, the number of new firms entering the industry and the reliance on performance results to sell financial products have increased the demand for high quality professionals. The contribution of Perigee's management team is particularly important to Perigee's profitability.

Perigee has taken steps to encourage such individuals to be associated with the Corporation, particularly by enabling them to become shareholders of the Corporation. Nonetheless, individuals may still decide to pursue other opportunities, subject to the non-solicitation and non-competition provisions imposed upon holders of Class M shares. See "Class M Shareholders Agreement".

Competitive Market for Perigee's Products and Services

The investment management business is highly competitive. There can be no assurance that Perigee can achieve expected levels of assets under management and revenues in the face of such competition. Further, Perigee may experience pressure to reduce investment management fees below current levels.

Strategic Business Relationship with Mutual Life

As discussed, Perigee has an important strategic business relationship with Mutual Life. Mutual Life is Perigee's largest single source of revenue and in 1997, the strategic business relationship with Mutual Life contributed approximately 27% to Perigee's total revenues including PPM. See "Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life".

Potential Conflicts of Interest

Perigee's management team owns in excess of 50% of the Corporation's equity shares and as a result controls Perigee. Certain conflicts of interest may arise between an individual's interests as a member of Perigee's management team and his or her interests as a shareholder of the Corporation and as a shareholder of a partner of the Partnership. However, matters such as the management fee payable under the Management Agreement, admission of new partners to the Partnership and issuance of Class M shares are required to be approved by the Compensation Committee which is composed entirely of "unrelated" directors. In addition, the Audit Committee and the Corporate Governance Committee are comprised of a majority of "unrelated" directors.

Absence of Previous Market for Shares

Prior to this offering, there has been no public market through which the common shares could be sold and there can be no assurance that a significant public market will develop or be sustained after this offering. The offering price for the common shares has been determined by negotiation between Mutual Life and the Underwriters.

Regulatory Environment

The ability of the Corporation to carry on its business is dependent upon the continued registration of Perigee Counsel, PPM and the Partnership under the various securities acts under which they or Perigee's management team are registered. Any change in the regulatory framework or failure to comply with any of these laws, rules or regulations could have an adverse effect on Perigee.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Deloitte & Touche, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1. The transfer agent and registrar for the common shares is •.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt, or deemed receipt, of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. Purchasers should refer to any applicable provisions of the securities legislation of their province for the particulars of these rights or consult with a legal advisor.

COMPILATION REPORT

To the Directors of Perigee Inc.

We have reviewed, as to compilation only, the accompanying pro forma consolidated statement of income of Perigee Inc. for the periods ended December 31, 1997 and 1996 which has been prepared for inclusion in the prospectus relating to the Initial Public Offering by way of Secondary Offering of 3,642,261 common shares. In our opinion, the pro forma consolidated statement of income have been properly compiled to give effect to the proposed transaction and the assumptions described in the Notes thereto.

Chartered Accountants

Toronto, Ontario
•, 1998

Perigee Inc.
Pro Forma Consolidated Statements of Income
Periods Ended December 31
(unaudited)
(dollars in thousands, except earnings per share)

	Actual 1997	Pro Forma Adjustments	Pro Forma 1997	July 15 to Dec 31 1996	Pro Forma Adjustments	Pro Forma July 15 to Dec 31 1996
Revenue (Note 1)						
Investment management fees	$ 26,601	$ 2,803	$ 29,404	$ 10,431	$ 1,129	$ 11,560
Interest and other income	143		143	34		34
	26,744	2,803	29,547	10,465	1,129	11,594
Expenses (Note 2)						
Administrative and general	12,217	1,287	13,504	4,949	535	5,484
Depreciation and amortization	428		428	171		171
Interest on capital leases	97		97	19		19
	12,742	1,287	14,029	5,139	535	5,674
Income before provision for income taxes	14,002	1,516	15,518	5,326	594	5,920
Provision for income taxes	6,329	685	7,014	2,403	268	2,671
Pro forma net income	**$ 7,673**	**$ 831**	**$ 8,504**	**$ 2,923**	**$ 326**	**$ 3,249**
Pro forma earnings per share (Note 3)	**$ 0.60**		**$ 0.63**	**$ 0.23**		**$ 0.24**

Notes to Pro Forma Consolidated Statements of Income

The Corporation's acquisition of Mutual Asset Management Limited ("MAM") has been reflected as if it had occurred as of July 15, 1996, the date that Perigee Counsel was formed. The historical consolidated statements of income of the Corporation have been adjusted as follows:

1 Revenue of MAM earned from providing investment management services to Mutual Life's Premier and Leader mutual fund families. Revenue of MAM for 1996 has been pro rated for the 5 1/2 month period ending December 31, 1996.

2 Administrative and general expenses of MAM calculated as a percentage of MAM revenue (described in Note 1) based on the Corporation's historical experience.

3 Pro forma earnings per share based on the number of shares outstanding following the acquisition of MAM.

Consolidated Financial Statements of

PERIGEE INC.

December 31, 1997 and 1996

Auditors’ Report

To the Directors of
Perigee Inc.

We have audited the consolidated balance sheet of Perigee Inc. as at December 31, 1997 and 1996 and the consolidated statements of income and changes in financial position for the year ended December 31, 1997 and for the period from July 15, 1996 (the date of amalgamation) to December 31, 1996. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1997 and 1996 and the results of its operations for the periods then ended in accordance with generally accepted accounting principles.

Chartered Accountants

Toronto, Ontario
January •, 1998, except as to Note 9
which is as of •, 1998

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PERIGEE INC.
Consolidated Balance Sheet
December 31
(dollars in thousands)

	1997	1996
ASSETS		
CURRENT		
Cash and treasury bills	**$ 9,753**	$ 3,890
Accounts receivable	**7,812**	6,485
Prepaid expenses and sundry receivables	**110**	42
Income taxes recoverable	**-**	242
	17,615	10,659
OTHER		
Fixed assets (Note 3)	**1,195**	1,158
Other	**123**	152
	1,318	1,310
	$ 18,993	$ 11,969
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**$ 3,753**	$ 1,896
Current portion of long-term debt (Note 4)	**307**	274
	4,060	2,170
OTHER		
Long-term debt (Note 4)	**840**	757
Due to shareholders (Note 5)	**13,981**	8,930
	14,821	9,687
	18,881	11,857
SHAREHOLDERS' EQUITY (Note 6)	**112**	112
	$ 18,993	$ 11,969

ON BEHALF OF THE BOARD

.... Director

.... Director

PERIGEE INC.
Consolidated Statement of Income
Periods ended December 31
(dollars in thousands)

	1997 (12 months)	1996 (5-1/2 months)
REVENUES		
Investment management fees	**$ 26,601**	$ 10,431
Interest and other income	**143**	34
	26,744	10,465
EXPENSES		
Administrative and general	**12,217**	4,949
Depreciation and amortization	**428**	171
Interest on capital leases	**97**	19
	12,742	5,139
INCOME BEFORE PROVISION FOR INCOME TAXES	**14,002**	5,326
PROVISION FOR INCOME TAXES	**6,329**	2,403
NET INCOME	**$ 7,673**	$ 2,923
EARNINGS PER SHARE	**$ 0.60**	$ 0.23

PERIGEE INC.
Consolidated Statement of Retained Earnings
Periods ended December 31
(dollars in thousands)

	1997 (12 months)	1996 (5-1/2 months)
BEGINNING OF PERIOD	**$ -**	$ -
NET INCOME	**7,673**	2,923
SHAREHOLDER DISTRIBUTIONS, NET	**(7,673)**	(2,923)
END OF PERIOD	**$ -**	$ -

PERIGEE INC.
Consolidated Statement of Changes in Financial Position
Periods ended December 31
(dollars in thousands)

	1997 (12 months)	1996 (5-1/2 months)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Net income for the period	**$ 7,673**	$ 2,923
Items not involving cash		
Depreciation and amortization	**428**	171
Deferred income taxes	**6,303**	2,386
	14,404	5,480
Changes in working capital other than cash and treasury bills		
Accounts receivable	**(1,327)**	(244)
Prepaid expenses and sundry receivables	**(68)**	23
Income taxes payable	**264**	14
Accounts payable and accrued liabilities	**1,834**	(997)
	703	(1,204)
	15,107	4,276
FINANCING		
Increase in long-term debt, net of repayments	**115**	543
Increase in amounts due to shareholders, net of contributions	**5,077**	1,741
	5,192	2,284
INVESTING		
Purchase of fixed assets	**(434)**	(641)
SHAREHOLDER DISTRIBUTIONS	**(14,002)**	(5,326)
INCREASE IN CASH AND TREASURY BILLS	**5,863**	593
CASH AND TREASURY BILLS, BEGINNING OF PERIOD	**3,890**	3,297
CASH AND TREASURY BILLS, END OF PERIOD	**$ 9,753**	$ 3,890

(dollars in thousands)

1. FORMATION OF PERIGEE INC. AND PERIGEE INVESTMENT COUNSEL INC. AND BASIS OF PRESENTATION

Perigee Inc. (the "Corporation") was incorporated on January 1, 1998. On •, 1998, the Corporation acquired all of the shares of Perigee Investment Counsel Inc. as part of a corporate reorganization in preparation for a secondary offering of share capital by a significant shareholder. These consolidated financial statements are prepared in accordance with generally accepted accounting principles giving effect to the reorganization as if it was completed on July 15, 1996 when Perigee Investment Counsel Inc. was formed as discussed in the following paragraphs.

Perigee Investment Counsel Inc. was formed by the amalgamation of MT Associates Investment Counsel Inc. ("MTA") and Mu-Cana Investment Counselling Ltd. ("Mu-Cana"). Perigee Investment Counsel Inc. is an investment counsellor and mutual fund dealer. Perigee Investment Counsel Inc. has a 100% interest in Perigee Investment Counsel Alberta Inc. (formerly MT Associates Alberta Inc.), an investment counsellor and mutual fund dealer that operates in the Province of Alberta.

On July 15, 1996, MTA combined its assets and operations with Mu-Cana to form Perigee Investment Counsel Inc. The combination has been accounted for at book value which approximates the fair value of net assets acquired. Details of the balances of the predecessor corporations at the date of amalgamation are approximately as follows:

	MTA	Mu-Cana	Combined
Assets			
Cash and treasury bills	**$ 2,352**	**$ 945**	**$ 3,297**
Accounts receivable	**3,313**	**2,928**	**6,241**
Prepaid expenses and sundry assets	**154**	**12**	**166**
Income tax recoverable	**9**	**240**	**249**
Deferred income tax	**28**	**-**	**28**
Fixed assets, net	**687**	**-**	**687**
	6,543	**4,125**	**10,668**
Liabilities			
Accounts payable	**585**	**2,014**	**2,599**
Management fees payable	**5,244**	**1,945**	**7,189**
Obligations under capital lease	**488**	**-**	**488**
GST payable	**168**	**112**	**280**
	6,485	**4,071**	**10,556**
Net consideration satisfied by way of common shares	**$ 58**	**$ 54**	**$ 112**

(dollars in thousands)

2. SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

These consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, Perigee Investment Counsel Inc. and Perigee Investment Counsel Alberta Inc.

Revenue recognition

The Corporation receives management fees based upon the net asset value of assets under management. These fees are recognized as income as they are earned.

Interest income on the Corporation's treasury bills is recorded on the accrual basis as earned.

Fixed assets and fixed assets under capital lease

Fixed assets and fixed assets under capital lease are stated at cost. Depreciation is provided over the estimated useful life of the assets at the following rates:

Furniture and fixtures	20% declining-balance
Computer equipment	straight-line over 3 years
Leasehold improvements	straight-line over the term of the lease

Income taxes

The Corporation follows the tax allocation basis of accounting for income taxes.

3. FIXED ASSETS

	1997			1996
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Owned				
Furniture and fixtures	**$ 500**	**$ 471**	**$ 29**	$ 83
Computer equipment	**268**	**251**	**17**	63
Leasehold improvements	**141**	**121**	**20**	39
	909	**843**	**66**	185
Under Capital Lease				
Furniture and fixtures	**710**	**205**	**505**	541
Computer equipment	**787**	**343**	**445**	322
Leasehold improvements	**246**	**66**	**179**	110
	1,743	**614**	**1,129**	973
	$ 2,652	**$ 1,457**	**$ 1,195**	$1,158

(dollars in thousands)

4. LONG-TERM DEBT

	1997	1996
Obligations under capital lease		
Total obligations under capital lease	**$ 1,147**	$ 1,031
Less current portion	**307**	274
Long-term portion	**$ 840**	$ 757

Future minimum payments under capital lease obligations for the next five years are as follows:

1998	**$ 422**
1999	**391**
2000	**328**
2001	**227**
2002	**50**
Total minimum lease payments	**1,418**
Less amount representing interest at various rates	**(271)**
Balance of the obligation	**$ 1,147**

5. RELATED PARTY TRANSACTIONS

Perigee Partners is a corporate partnership which provides management services to the Corporation. The Management Agreement dated July 15, 1996 requires the payment of management fees to Perigee Partners which are reviewed and recommended by the Corporation's Compensation Committee.

Transactions and account balances with Perigee Partners are as follows:

	1997	1996
Transactions		
Management fee expense (included in administrative and general expense)	**$ 4,513**	$ 1,794
Shareholder distribution	**7,281**	2,769
Shareholders' contribution	**(13)**	(1)
	$ 11,781	$ 4,562
Balance, end of period		
Due to Perigee Partners	**$ 7,273**	$ 4,933

(dollars in thousands)

5. RELATED PARTY TRANSACTIONS (continued)

Transactions and account balances with Mutual Life, a 48% shareholder, are as follows:

	1997	1996
Transactions		
Shareholder distribution	**$ 6,721**	$ 2,556
Shareholders' contribution	**(13)**	(1)
	$ 6,708	$ 2,555
Balance, end of period		
Due to Mutual Life	**$ 6,708**	$ 3,997

The Corporation has subordinated all amounts payable to Perigee Partners and Mutual Life to the claims of general creditors.

Clients of Mutual Life invest in Perigee Galaxy Funds managed by the Corporation on which the Corporation earned fee income of $4,432 (1996 - $1,904).

6. SHAREHOLDERS' EQUITY

	1997	1996
Share capital		
Authorized		
Unlimited number of first preferred shares, issuable in series		
Unlimited number of common shares		
Unlimited number of Class M shares		
Issued		
8,191,632 common shares	**$ 72**	$ 72
4,346,592 Class M shares	**40**	40
	$ 112	$ 112

Effective •, 1998, the date of the reorganization detailed in Note 1, the holders of the common and Class M shares are entitled (i) to receive the remaining assets of the Corporation in equal amounts per share in the event of its liquidation, dissolution or wind up, (ii) to one vote per share of either class held by them, and (iii) to receive dividends if and when declared by the directors on the shares of the class; provided that no dividend on the Class M shares or on the common shares may be paid unless a dividend in the same amount per share is paid at the same time on the other class of shares.

The common shares will be publicly traded. Ownership of the Class M shares will be restricted to members of the management of the Corporation pursuant to a shareholders agreement governing issues, transfers and the voting of such shares.

(dollars in thousands)

7. INCOME TAXES

The difference between the statutory income tax rate and the effective income tax rate is attributable to certain of the Corporation's expenses being only partially deductible for income tax purposes.

As a private company, Perigee paid its pre tax accounting income to shareholders as management and incentive fees. This practice will be discontinued when Perigee becomes a public company. The financial statements are presented on the basis that such payments were made by the Corporation after deduction of taxes which would have been payable at the corporate tax rate in effect for each period.

8. LEASE COMMITMENTS

Future minimum lease payments for the next five years and thereafter are approximately as follows:

1998	**$ 322**
1999	**300**
2000	**295**
2001	**373**
2002	**396**
Thereafter	**2,199**
Total minimum lease payments	**$ 3,885**

9. SUBSEQUENT EVENT

On •, 1998, the Corporation acquired the common shares of Mutual Asset Management Limited in a share for share exchange with The Mutual Life Assurance Company of Canada.

On •, 1998, the Corporation filed a preliminary prospectus in connection with the secondary offering of • common shares held by Mutual Life.

CERTIFICATE OF THE CORPORATION

Dated: March 24, 1998

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act:* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 63 of the *Securities Act* (Nova Scotia), by Section 13 of the *Securities Act* (New Brunswick), by Part II of the *Securities Act* (Prince Edward Island) and by Part XIV of *The Securities Act, 1990* (Newfoundland) and the respective regulations thereunder. This prospectus, as required by the *Securities Act* (Quebec) and the regulations thereunder does not contain any misrepresentation that is likely to affect the value or market price of the securities to be distributed.

D. Alexander Wilson	***Elizabeth Ng***
D. Alexander Wilson Chief Executive Officer	Elizabeth Ng Chief Financial Officer

On behalf of the Board of Directors

Norman Cunningham	***David A. MacIntosh***
Norman Cunningham Director	David A. MacIntosh Director

CERTIFICATE OF THE UNDERWRITERS

Dated: March 24, 1998

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 64 of the *Securities Act* (Nova Scotia), by Section 13 of the *Securities Act* (New Brunswick), by Part II of the *Securities Act* (Prince Edward Island) and by Part XIV of *The Securities Act, 1990* (Newfoundland) and the respective regulations thereunder. To our knowledge, this prospectus, as required by the *Securities Act* (Quebec) and the regulations thereunder does not contain any misrepresentation that is likely to affect the value or market price of the securities to be distributed.

SCOTIAMcLEOD INC.	NESBITT BURNS INC.
John L. Sherrington	***William E. Butt***
By: John L. Sherrington	By: William E. Butt

RBC DOMINION SECURITIES INC.

John M. Garrow

By: John M. Garrow

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of:

SCOTIAMcLEOD INC.: a wholly-owned subsidiary of a Canadian chartered bank.

NESBITT BURNS INC.: a wholly-owned subsidiary of The Nesbitt Burns Corporation Limited, a majority-owned subsidiary of a Canadian chartered bank.

RBC DOMINION SECURITIES INC.: a wholly-owned subsidiary of RBC Dominion Securities Limited, a majority-owned subsidiary of a Canadian chartered bank.