May 8, 1998

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

PERIGEE INC.

$72,845,220

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 "Reorganization and Acquisition". 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. The holders of the Class M shares have entered into two shareholders agreements relating to the manner in which their shares may be voted at any meeting of shareholders of the Corporation (including those at which directors of the Corporation are to be elected). See "Management – Class M Shareholders Agreement" and "Perigee's Relationship with Mutual Life".

The Toronto Stock Exchange has conditionally approved the listing of the common shares. Listing is subject to fulfillment by the Corporation of the requirements of such stock exchange on or before July 30, 1998, including the distribution of the common shares to a minimum number of public shareholders. 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 "Risk Factors".

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: $20.00 per common share

	Price to the Public	Underwriters' Fee	Net Proceeds to the Selling Shareholder(1)
Per common share.............	$20.00	$1.10	$18.90
Total......................................	$72,845,220	$4,006,487	$68,838,733

(1) Before deducting expenses of the offering estimated to be $770,000 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 May 20, 1998, or such other date as the Corporation, Mutual Life and the underwriters may agree upon but, in any event, not later than June 18, 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)

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: $20.00 per common share.

Amount: $72,845,220.

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: Mutual Life currently owns 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.
Risk Factors:	Prospective investors should carefully review and evaluate certain risk factors 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 "Risk Factors".

Perigee

On April 30, 1998, Perigee Investment Counsel Inc. ("Perigee Counsel") and Perigee Private Management Inc. ("PPM"), through separate transactions, became wholly-owned subsidiaries of the Corporation. 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 a survey published in the Benefits Canada magazine on April 1, 1998, of the top 40 money managers ranked on the basis of assets under management on December 31, 1997, Perigee Counsel ranked as the 8th largest manager of pension funds. Among this same group of money managers, Perigee also ranked as the 8th largest money manager on the basis of assets under management on December 31, 1997 and 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.

Perigee provides investment 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 26% 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 $30.5 million. As at March 31, 1998, Perigee's total assets under management, including PPM, had grown to $19.0 billion.

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 to both clients and common shareholders that its management team has its own capital at risk, and that management has a strong interest in 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.

Basis of Financial Presentation

The financial information included in this prospectus reflects the historical development of Perigee's business and assets. The financial statements for the Corporation for the fiscal year ended December 31, 1995 reflect only the operations of a predecessor, MT Associates Investment Counsel Inc. ("MTA"); those for the fiscal year ended December 31, 1996 reflect the acquisition by MTA, through an amalgamation on July 15, 1996, of Mu-Cana Investment Counselling Ltd. ("Mu-Cana"); and those for the fiscal year ended December 31, 1997 reflect the combined operations and assets of MTA and Mu-Cana. Financial statements for PPM (formerly Mutual Asset Management Limited ("MAM")) for the years ended December 31, 1997 and 1996 have been included as Perigee acquired MAM on April 30, 1998. A pro forma balance sheet and statement of income for the Corporation for the year ended December 31, 1997 is included which has been prepared as though PPM were a wholly-owned subsidiary of the Corporation at that date.

In evaluating the Corporation's results of operations, the reader should also consider that the Corporation intends to make certain changes in its management and incentive fee arrangements when it becomes a public company. As privately held companies, each of Perigee Counsel and PPM paid management and/or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, substantial additional income would have been reflected in Perigee's financial statements. See note 3 under "Selected Consolidated Financial Information", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Dividend Policy".

Selected Consolidated Financial Information

(in $ thousands except earnings per share)

	Perigee Inc. Pro Forma(1) Year Ended Dec. 31, 1997 (unaudited)	PPM Year Ended Dec. 31, 1997 (audited)	Perigee Inc. Year Ended Dec. 31, 1997 (audited)
Income Statement Data			
Investment Management Fees			
Institutional	$28,286	$3,742	$24,544
Private Client	2,057	0	2,057
Interest and Other Income	148	5	143
Total Revenue	30,491	3,747	26,744
Administrative and General Expenses	15,023	2,806	12,217
EBITDA (2)	15,468	941	14,527
Depreciation and Amortization	428	0	428
Interest on Capital Leases	97	0	97
Income Before Management and / or Incentive Fees and Provision for Income Taxes	14,943	941	14,002
Management and Incentive Fees	14,942	940	14,002
Provision for Income Taxes, Net	1	1	0
Results of Operations(3)	0	0	0
Earnings per Share(3)	$ 0	$ 0	$ 0

(1) The Corporation's pro forma results for the year ended December 31, 1997 have been prepared as if the transaction whereby PPM became a wholly-owned subsidiary of the Corporation had been completedon January 1, 1997. See the notes to the Perigee Inc. Pro Forma Consolidated Financial Statements included in this prospectus.

(2) "EBITDA" means earnings before interest, income taxes, depreciation, amortization and management and / or incentive fees.

(3) As privately held companies, each of Perigee Counsel and PPM paid management and / or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, net income after income taxes (at the applicable corporate tax rate for such period) would have been $8.2 million and earnings per share would have been $0.61 per share. Management also believes that it will be able to achieve an expense ratio (i.e., administrative and general expenses as a percentage of total revenues) in its operation of PPM similar to that of its overall business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Assets Under Management(1)

(in $ millions)

	Perigee Inc. Pro Forma	PPM	Perigee Inc.		
	Dec. 31, 1997 (2)	Dec. 31, 1997	Dec. 31, 1997	Dec. 31, 1996 (3)	Dec. 31, 1995
Institutional	$17,465	$3,512	$13,953	$11,541	$4,504
Private client	358	-	358	213	212
Total	$17,823	$3,512	$14,311	$11,754	$4,716

(1) Unaudited.

(2) The Corporation's pro forma assets under management for the year ended December 31, 1997 have been prepared as if the transaction whereby PPM became a wholly-owned subsidiary of the Corporation had been completed on January 1, 1997. See the notes to the Perigee Inc. Pro Forma Consolidated Financial Statements included in this prospectus.

(3) Reflects the combined assets under management of MTA and Mu-Cana resulting from their amalgamation on July 15, 1996.

PERIGEE

The Corporation was formed on January 1, 1998 by articles of incorporation filed pursuant to the *Canada Business Corporations Act* (the "CBCA"). Prior to the closing of this offering, it is intended that the Corporation will be continued under the *Business Corporations Act* (Ontario). The registered and principal office of the Corporation is located at 320 Bay Street, Suite 1400, Toronto, Ontario, M5H 4A6.

On April 30, 1998, the common shares of Perigee Counsel were exchanged for common shares and Class M shares of the Corporation. See "Reorganization and Acquisition". Perigee Counsel became one of the Corporation's wholly-owned subsidiaries and will provide investment management services to a broad range of institutional clients across Canada.

MTA acquired Mu-Cana through amalgamation on July 15, 1996 and continued its business under the name Perigee Counsel. 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.

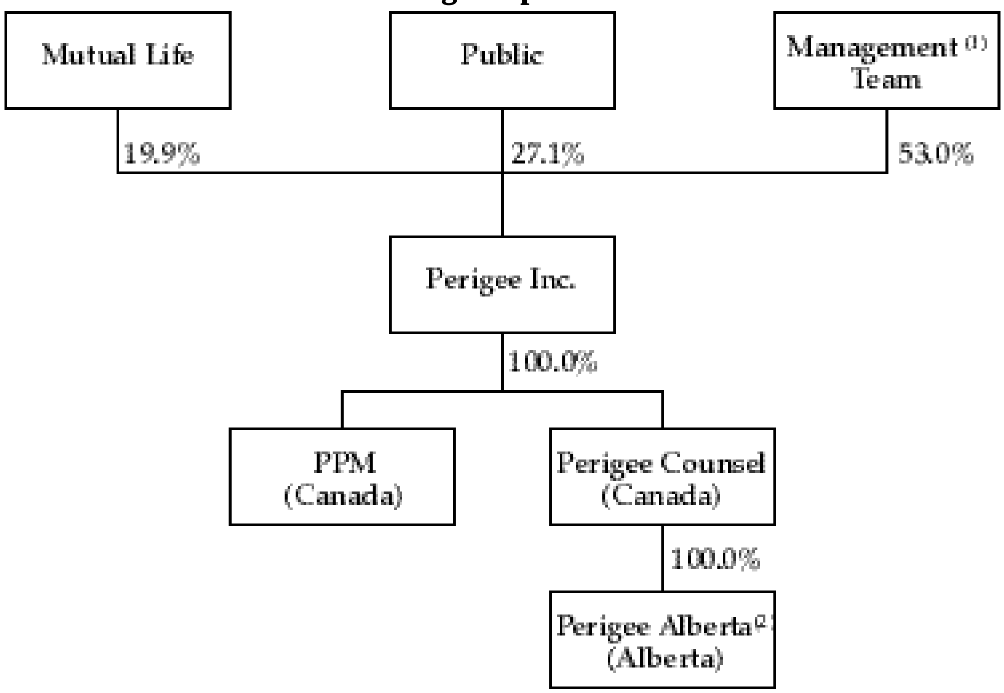
On April 30, 1998, the Corporation also acquired all of the shares of MAM from Mutual Life in exchange for equity shares of the Corporation. See "Reorganization and Acquisition". MAM became a wholly-owned subsidiary of the Corporation and, on May 5, 1998, changed its name to Perigee Private Management Inc. ("PPM"). PPM 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 Counsel and its predecessors since 1985. If any additional Class M Shares are issued, the issue price will be not less than 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 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



(1) Perigee’s management team consists of 13 senior professionals who are not employees of Perigee but provide services to Perigee through Perigee Partners, an Ontario general partnership formed on July 31, 1986. See “Management – Perigee Partners”.

(2) Perigee Investment Counsel Alberta Inc.

BUSINESS OF THE CORPORATION

Overview

Perigee is one of Canada’s leading investment counselling firms. According to a survey published in the Benefits Canada magazine on April 1, 1998, the top 40 money managers in Canada managed $479 billion of assets on December 31, 1997, of which $288 billion were pension fund assets. Perigee Counsel ranked as the 8th largest manager of pension funds on the basis of assets under management on

December 31, 1997. Among this same group of money managers, Perigee also ranked as the 8th largest money manager on the basis of total assets under management.

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 growing from $4.7 billion at December 31, 1995. Of this increase, 63% was a result of the amalgamation of MTA and Mu-Cana. Including PPM, total assets under management on December 31, 1997 were $17.8 billion. Assets under management, including PPM, increased to $19.0 billion on March 31, 1998.

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

Assets Under Management by Type of Account (1)
($ millions)

	Perigee Inc. Pro Forma Dec. 31 1997(2)	**PPM Dec. 31 1997**	**Perigee Inc. Dec. 31 1997**	**Perigee Inc. Dec. 31 1996(3)**	**Perigee Inc. Dec. 31 1995**
Institutional					
Separately Managed Assets	$ 13,854	$3,512	$ 10,342	$ 8,764	$ 3,629
Pooled Assets	3,611	-	3,611	2,777	875
Total Institutional	$ 17,465	$3,512	$ 13,953	$ 11,541	$ 4,504
Private Client	358	-	358	213	212
Total	$17,823	$3,512	$ 14,311	$ 11,754	$4,716

(1) Unaudited.
(2) The Corporation's pro forma assets under management for the year ended December 31, 1997 have been prepared as if the transaction whereby PPM became a wholly-owned subsidiary of the Corporation had been completed on January 1, 1997. See the notes to the Perigee Inc. Pro Forma Consolidated Financial Statements included in this prospectus.
(3) Reflects the combined assets under management of MTA and Mu-Cana resulting from their amalgamation on July 15, 1996.

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 the amalgamation 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

Perigee recently retained an independent consulting firm to survey Perigee's clients as to what factors they felt were important in assessing an investment counsellor. The results of the survey concluded that, while investment performance was significant, relationship and service were equally important. 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. As is common industry practice, these agreements may be terminated by Mutual Diversico Limited on 90 days' notice.

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, as well as those of other investment counsellors, 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 26% 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 a 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 1997, 47% of pension assets were managed externally, compared with 43% in 1992.

- 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

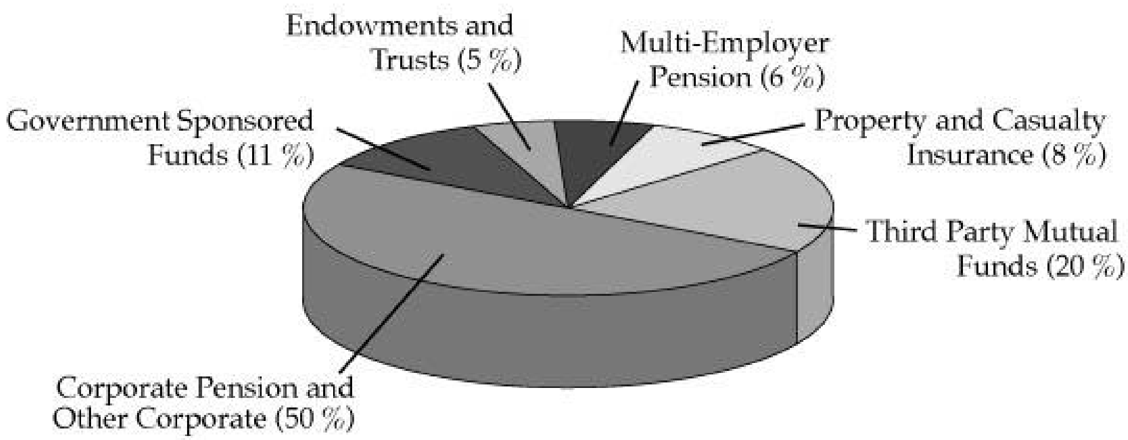
Institutional Clients

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 $11.5 billion on December 31, 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 $28.3 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)

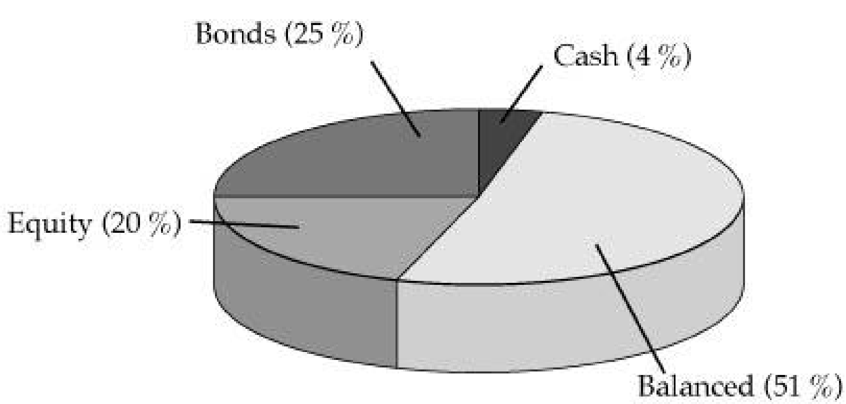


Corporate Pension and Other Corporate	$8.8	50%
Government Sponsored Funds	1.9	11%
Endowments and Trusts	0.9	5%
Multi-Employer Pension	1.0	6%
Property and Casualty Insurance	1.4	8%
Third Party Mutual Funds	3.5	20%
Total	$17.5	100%

Perigee currently manages its separately managed accounts by four different types of assignments (i.e., Equity, Bonds, 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 18% from $8.8 billion on December 31, 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, 63% 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 $213 million in assets under management on December 31, 1996, 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 8% 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.

Perigee has agreed to certain restrictions for a three year period on its ability to act as investment counsel, manager or portfolio manager to any group of retail mutual funds other than Mutual Life's Premier and Leader mutual funds. See "Perigee's Relationship with Mutual Life".

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's business is also affected by significant inter-dependencies on other businesses, government agencies and other entities.

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. Perigee is in the process of testing its internal computer systems, which should all be Year 2000 compliant by late 1998. The costs to prepare such internal systems for the Year 2000 have been and are expected to remain insignificant, and have been and will be expensed as incurred. In addition, Perigee is discussing with its external suppliers how they are preparing for the Year 2000 and developing contingency plans where there is a risk that individual suppliers may be in default. Such plans include isolating areas of concern and developing procedural safeguards including appropriate back-up systems. However, while Perigee's Year

2000 readiness plan is proceeding smoothly, there can be no assurance that the systems of entities on which Perigee is dependent may not have an adverse effect on its operations.

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 21 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 [(1)]	D. Alex Wilson, CFA, has been involved in the investment management industry for more than 35 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 [(2)]	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 [(2)]	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[(3)]	Stephen Browne joined PPM 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[2]	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[2]	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[2]	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[2]	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[2]	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[2]	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.
Gert Steffensen[2]	Gert 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[2]	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 U.S. equity team and is a member of the asset mix team.
David Yu[2]	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.

(1) Chairman and Managing Principal, Perigee Counsel; Chairman, PPM

(2) Senior Principal, Perigee Counsel

(3) Senior Principal, PPM

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 as at December 31)

	1992	**1997**	**Compound Annual Growth Rate**
Institutional Segment (1)	$145	$288	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.

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 $397.5 billion on December 31, 1997, up 81% 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 a 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 1997, 47% of pension assets were managed externally compared with 43% of pension assets in 1992.

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 prospectus, in particular under "Business of the Corporation", and with the Corporation's financial statements and the notes thereto.

The financial statements for the Corporation for the fiscal year ended December 31, 1995 reflect only the operations of a predecessor, MTA; those for the fiscal year ended December 31, 1996 reflect the acquisition by MTA, through an amalgamation on July 15, 1996, of Mu-Cana; and those for the fiscal year ended December 31, 1997 reflect the combined operations and assets of MTA and Mu-Cana. Financial statements for PPM (formerly MAM) for the years ended December 31, 1997 and 1996 have been included as Perigee acquired PPM on April 30, 1998. A pro forma balance sheet and statement of income for Perigee for the year ended December 31, 1997 is included which has been prepared as though PPM were a wholly-owned subsidiary of the Corporation as at such date. See "Perigee Inc. Pro Forma Consolidated Balance Sheet and Statement of Operations".

In evaluating the Corporation's results of operations, the reader should also consider that the Corporation intends to make certain changes in its management and incentive fee arrangements when it becomes a public company. As privately held companies, each of Perigee Counsel and PPM paid management and/or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, substantial additional income would have been reflected in Perigee's financial statements. See note 3 under "Selected Consolidated Financial Information" and "Dividend Policy".

Selected Consolidated Financial Information

(in $ thousands except earnings per share)

	Perigee Inc. Pro Forma(1)	PPM	Perigee Inc.		
	Year Ended Dec. 31, 1997 (unaudited)	Year Ended Dec. 31, 1997 (audited)	Year Ended Dec. 31, 1997 (audited)	Year Ended Dec. 31, 1996 (audited)	Year Ended Dec. 31, 1995 (audited)
Income Statement Data					
Investment Management Fees					
Institutional	$28,286	$3,742	$24,544	$14,164	$9,035
Private Client	2,057	0	2,057	1,541	1,302
Interest and Other Income	148	5	143	1,675	2,202
Total Revenue	30,491	3,747	26,744	17,380	12,539
Administrative and General Expenses	15,023	2,806	12,217	8,117	6,196
EBITDA (2)	15,468	941	14,527	9,263	6,343
Depreciation and Amortization	428	0	428	303	143
Interest on Capital Leases	97	0	97	39	27
Income Before Management and / or Incentive Fees and Provision for Income Taxes	14,943	941	14,002	8,921	6,173
Management and Incentive Fees	14,942	940	14,002	8,921	6,173
Provision for Income Taxes, net	1	1	0	0	0
Net Income(3)	0	0	0	0	0
Earnings per share(3)	$ 0	$ 0	$ 0	$ 0	$ 0

(1) The Corporation's pro forma results for the year ended December 31, 1997 have been prepared as if the transaction whereby PPM (formerly MAM) became a wholly-owned subsidiary of the Corporation had been completed on January 1, 1997. See the notes to the Perigee Inc. Pro Forma Consolidated Financial Statements included in this prospectus.

(2) "EBITDA" means earnings before interest, income taxes, depreciation and amortization and management and / or incentive fees.

(3) As privately held companies, each of Perigee Counsel and PPM paid management and / or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, net income after income taxes (at the applicable corporate tax rate for such period) would have been $8.2 million and earnings per share would have been $0.61 per share. Management also believes that it will be able to achieve an expense ratio (i.e., administrative and general expenses as a percentage of total revenues) in its operation of PPM similar to that of its overall business.

Assets Under Management(1)

(in $ millions)

	Perigee Inc. Pro Forma	PPM	Perigee Inc.		
	Dec. 31, 1997 (2)	Dec. 31, 1997	Dec. 31, 1997	Dec. 31, 1996 (3)	Dec. 31, 1995
Institutional	$17,465	$3,512	$13,953	$11,541	$4,504
Private client	358	-	358	213	212
Total	$17,823	$3,512	$14,311	$11,754	$4,716

(1) Unaudited.

(2) The Corporation's pro forma assets under management for the year ended December 31, 1997 have been prepared as if the transaction whereby PPM became a wholly-owned subsidiary of the Corporation had been completed on January 1, 1997. See the notes to the Perigee Inc. Pro Forma Consolidated Financial Statements included in this prospectus.

(3) Reflects the combined assets under management of MTA and Mu-Cana resulting from their amalgamation on July 15, 1996.

Year ended December 31, 1997 compared to year ended December 31, 1996

Assets Under Management

Total assets under management grew 22% from $11.8 billion as at December 31, 1996 to $14.3 billion as at December 31, 1997. Growth in assets under management is influenced by investment performance, capital markets activity, expanded assignments for existing accounts and the addition of new clients. Growth as a result of financial market and investment performance in 1997 was $1.8 billion, or 72% of the increase.

In 1997, Perigee began to realize on the benefits of multiple investment styles and distinct client groups achieved through the successful integration of its predecessors, MTA and Mu-Cana. 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 net new assets under management.

On a pro forma basis taking into account the acquisition of PPM, Perigee's total assets under management at December 31, 1997 were $17.8 billion. Assets under management of PPM grew from $2.4 billion as at December 31, 1996 to $3.5 billion as at December 31, 1997. Asset growth resulting from the successful distribution by Mutual Life's agents of the Premier and Leader mutual fund families accounted for 84% of the increase in assets.

Revenues

Financial results in 1997 reflect the first full year of the combined operations of MTA and Mu-Cana. Total revenues grew 54% in 1997, reaching $26.7 million, up from $17.4 million in 1996. Of total revenue, 92% 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.

Revenue of PPM in 1997 was $3.7 million, up from $2.9 million in 1996.

Expenses

Administrative and general expenses were $12.2 million in 1997, representing approximately 46% of total revenue. Administrative and general expenses include base and incentive compensation, which represented approximately 78% of total administrative and general expenses. Other administrative and general expenses include expenses related to Perigee'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.

Administrative and general expenses of PPM in 1997 amounted to $2.8 million. As a wholly owned subsidiary of Mutual Life, many of these expenses were not direct costs of operating the business of PPM but rather were costs allocated to

PPM for overhead items such as corporate administration, systems, premises and communications and costs subject to internal transfer pricing policies. In addition, a management fee of $939,500, which related to non-recurring special management services provided by Mutual Life, was paid.

Net Earnings and Earnings Per Share

As privately held companies, each of Perigee Counsel and PPM paid management and/or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, net earnings, including PPM, calculated as if these management and/or incentive fees had not been paid, less the provision for income taxes that would have been payable at the applicable corporate tax rate for such period, would have been $8.2 million in 1997 or $0.61 per share.

Management believes that Perigee will be able to achieve an expense ratio (i.e., administrative and general expenses as a percentage of total revenues) in its operation of PPM similar to that of its overall business, which was 46% of total revenue in 1997. As a result, management believes that historical expenses relating to PPM, which are detailed in the accompanying financial statements of MAM, do not enable the reader to understand the costs which will be associated with this business going forward. If, in addition to adjustments related to management and incentive fees described above, the expense ratio of operating the business of PPM were similar to that experienced by Perigee, the Corporation's net earnings and earnings per share would have been correspondingly increased.

Year Ended December 31, 1996 compared to year ended December 31, 1995

Assets Under Management

Total assets under management grew from $4.7 billion as at December 31, 1995 to $11.8 billion as at December 31, 1996, reflecting the acquisition of Mu-Cana through the amalgamation effected on July 15, 1996. This acquisition added approximately $6 billion of assets under management, or 85% of the total growth in assets under management, year over year. Financial market and investment performance accounted for about 15% of growth in assets under management in 1996.

The combination of the two firms was well received by clients and there were no client losses as a result of the transaction. During the second half of 1996, management’s efforts focussed on the successful integration of the operations of MTA and Mu-Cana.

Revenues

Financial results for the year ended December 31, 1996 reflect the acquisition of Mu-Cana on July 15, 1996 and therefore include results for MTA only for the period from January 1, 1996 to July 14, 1996 and the combined results of MTA and Mu-Cana from July 15, 1996 to December 31, 1996.

In 1996, total revenue reached $17.4 million compared to $12.5 million in 1995. Growth in revenues was in large part due to the acquisition of Mu-Cana.

Expenses

Administrative and general expenses represented approximately 48% and 49% of total revenue in 1996 and 1995, respectively. One-time costs related to the acquisition of Mu-Cana in 1996 amounted to $397,000.

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. See “Prior Sales”.

Outlook

Given the 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 level as a percentage of revenue with the exception of marketing related expenses, which may increase slightly as the Corporation focuses on increasing its profile. Management believes that it will be able to achieve an expense ratio in its operation of PPM similar to that of its overall business, which was 46% of total revenue in 1997.

Including PPM, Perigee's revenue based on assets under management on December 31, 1997 on an annualized basis, would have been $32.0 million, compared to $25.9 million on December 31, 1996. As at the end of the first quarter of 1998, assets under management (including PPM) amounted to $19.0 billion.

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. The Corporation currently intends that its board of directors will continue to be comprised of a majority of "unrelated" directors although there is no legal requirement obligating it to do so.

Each member of the Human Resources & Compensation Committee will be an "unrelated" director. A majority of the members of the Audit Committee and the Governance, Ethics, Regulatory Committee will be "unrelated" directors.

Name and Municipality of Residence	Position with the Corporation	Principal Occupation
Astley, Robert Murray (Waterloo, Ontario)	Director	President and Chief Executive Officer of Mutual Life
Atkinson, Lloyd C. (Toronto, Ontario)	Director	Senior principal of the Partnership
Brown, Alexander J. (Waterloo, Ontario)	Director	Senior principal of the Partnership
Cobbe, George B.(1)(3)(4) (Grass Valley, California)	Director	Businessman
Cunningham, Norman(1)(2)(4) (Beaconsfield, Quebec)	Director	Retired business professional
Dimma, William A.(2)(4) (Toronto, Ontario)	Chairman and Director	Chairman of the Board of various companies
MacIntosh, David Alan(1) (Waterloo, Ontario)	Director	Executive Vice President of Mutual Life

Name and Municipality of Residence	Position with the Corporation	Principal Occupation
Ridout, Derek M.(2)(4) (Toronto, Ontario)	Director	President and Chief Executive Officer of Silcorp Limited (a Canadian convenience store retailer)
Salomon, Carole J.(3)(4) (Toronto, Ontario)	Director	President, Residential Services, AT&T Canada
Thompson, Stella M.(3)(4) (Calgary, Alberta)	Director	Principal, Governance West Inc. (a consulting firm)
Wilson, D. Alexander (Erin, Ontario)	Chief Executive Officer and Director	Managing principal of the Partnership
Ng, Elizabeth (Toronto, Ontario)	Secretary - Treasurer	Secretary-Treasurer of the Corporation and its subsidiaries

(1) Member of the Audit Committee.
(2) Member of the Human Resources & Compensation Committee.
(3) Member of the Governance, Ethics, Regulatory Committee.
(4) This director is "unrelated" within the meaning of the TSE guidelines on corporate governance.
(5) Other than with respect to affiliated companies, all of the directors and senior officers have held their positions for more than five years except for Lloyd Atkinson, Alexander Brown, George Cobbe, William Dimma, Carole Salomon and Stella Thompson. 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. Mr. Cobbe has been self-employed since January, 1998 and was previously Vice President and Managing Director, Americas Geographic Operations of Hewlett-Packard Company. Mr. Dimma is the chairman of the board and director of various companies, including Swiss Reinsurance Canada Limited. Ms. Salomon has been President, Residential Services of AT&T Canada since May 1996, was the Principal of Cardavan Corp., a management consulting firm, from November 1995 until May 1996 and was Senior Vice President, Marketing with Purolator Courier Limited from April 1989 to November 1995. Ms. Thompson has been the Principal of Governance West Inc. since May 1996 and since May 1992 has also been the President of Stellar Energy Ltd., an energy management consulting firm.

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 27.3% 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, except for the chairman of the board, will receive an annual retainer in the amount of $15,000 as well as a fee of $1,250 for each directors' or committee meeting attended. The chairman of each committee will receive an additional annual fee of $3,000. The chairman of the board will receive an annual retainer of $50,000. 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 its "unrelated" directors (the "Option Plan"), being those directors who are independent of Perigee's management team and of Mutual Life, providing for the granting of options, from time to time, at the discretion of the Human Resources & Compensation Committee, to such directors to purchase common shares of the Corporation for cash. The Option Plan will comply with the requirements of The Toronto Stock Exchange. The exercise price of any option granted shall not be less than the fair market value of the common shares on the day of grant (i.e., the closing price or if there is not a closing price, the simple average of the bid and ask prices, for the common shares on The Toronto Stock Exchange on the immediately preceding trading date). The Human Resources & Compensation Committee has the authority to select those directors of the Corporation to whom options will be granted and the period, not exceeding 10 years from the date of grant of each option, during which it may be exercised. The Human Resources & Compensation Committee has the discretion to make appropriate adjustments in the event of certain changes in capitalization of the Corporation, subject to confirmation by the board of directors. The Corporation intends to reserve an aggregate of 125,000 common shares (0.93% of the Corporation's equity shares) for issue under the Option Plan.

COMPENSATION COMMITTEE

The Human Resources & 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 Human Resources & 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 Human Resources & 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 Human Resources & 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 Human Resources & Compensation Committee takes into account the performance of Perigee, relative to its annual and long term plans, and investment results. The Human Resources & 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 Human Resources & 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 Human Resources & 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 Perigee and 21 other professionals (the "Principals") who are employees of Perigee. The Senior Principals provide their services to Perigee through Perigee Partners (the "Partnership") pursuant to a management agreement dated April 30, 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 April 30, 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 Human Resources & Compensation Committee; and

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

See "Human Resources & Compensation Committee". A majority of the Human Resources & 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 C. 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
Gert Steffensen	$198,000	$191,000	$481,543

Notes:

(1) As a privately held company, Perigee Counsel paid management and incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. As a result of these changes, it is currently expected that management's compensation will continue to consist of an annual base management fee, together with an annual bonus component, but that the additional amounts previously received by management and reflected in the table under the heading "Other Partnership Benefits" will no longer be received. Management, however, as part of their incentive mechanism, will own Class M shares and, as indicated under "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 (including the Class M shares) at least equal to 90% of its after tax income in any year.

(2) The table reflects the share of the profits of the Partnership received by the Senior Principal's holdingcompany 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), the Partnership and the Corporation entered into a shareholders agreement dated April 30, 1998 (the "Class M Shareholders Agreement") which, as among the Class M shareholders, governs how the Class M shares may be voted, issued or transferred, and, for the benefit of the Corporation and the Class M shareholders, contains non-solicitation, non-competition, confidentiality and certain other provisions.

Voting - The Class M shareholders have agreed 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 determined as follows. 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 have agreed to provisions:

(a) providing for the issuance of Class M shares only at a price that is no less than 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 preserving the rights of the parties to the Class M Shareholders Agreement;

(d) prohibiting the transfer of Class M shares to a person, other than the Partnership as part of the process of redistributing Class M shares among the management team, 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 at a price not exceeding a formula price and only if such offer is not accepted by the date which is the later of April 30, 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 Human Resources & 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 a majority of the Human Resources & 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 Human Resources & 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, 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 Human Resources & Compensation Committee of the Corporation.

PRIOR SALES

In connection with becoming a member of Perigee's management team in May 1997, Alex Brown agreed to acquire 9,842 common shares of Perigee Counsel which were issued effective January 1, 1998 at a price of $205.00 per common share (or $5.69 per share of the Corporation).

In connection with the reorganization of Perigee Counsel, on April 30, 1998, the Corporation issued 8,309,736 common shares and 4,582,800 Class M shares to Mutual Life and each member of Perigee's management team in exchange for their shares of Perigee Counsel at an issue price of $12.63 per share.

On April 30, 1998, the Corporation also issued 378,000 common shares and 162,000 Class M shares to Mutual Life and two former members of MAM's management team at an issue price of $12.63 per share in connection with the acquisition of PPM.

See "Reorganization and Acquisition".

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at the date indicated. The Mutual Life Shareholders Agreement 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 April 30,1998[(1)(2)]**
First Preferred shares	Unlimited	-
Class M shares	Unlimited	$1,417,862 (4,744,800 shares)
Common shares	Unlimited	$825,046 (8,687,736 shares)
Liabilities	-	$1,011,060

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

(2) The Company has no retained earnings and the amount of its capital reflects a $2,148,589 reduction in capital effected in order to eliminate a deficit in Perigee Counsel existing at the time of its acquisition by the Corporation. As permitted by applicable law, on the completion of the acquisition of the shares of Perigee Counsel and PPM by the Corporation, the amount added to the stated capital accounts in respect of the common shares and the Class M shares was substantially less than the fair value of the Perigee Counsel and PPM shares acquired by it.

PROTECTION FOR COMMON SHAREHOLDERS

It is intended that only the common shares will be listed on The Toronto 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, the Trust Agreement (as defined below) or are afforded by applicable securities laws:

Issuance only at Common Share Market Price - The Class M shareholders have agreed that Class M shares will only be issued at a price not less than 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 have agreed that an individual who ceases to be a member of the management team must 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, must 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 - The Class M shareholders have agreed that no single management shareholder may hold 20% or more of the Class M shares (other than the Partnership as part of the process of redistributing Class M shares among the management team) nor vote greater than 10% of the Class M shares at any preliminary meeting of the holders of such shares. See "Class M Shareholders Agreement - Voting".

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 the Partnership or 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, immediately prior to the take up and payment under such offer, (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 but only if otherwise permitted under the Class M Shareholders Agreement. 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).

Trust Agreement - Pursuant to the requirements of The Toronto Stock Exchange, the Corporation and the holders of the Class M shares will enter into a trust agreement with CIBC Mellon Trust Company (the "Trust Agreement"), as trustee, on behalf of the holders of common shares, to ensure that they will not be deprived of any rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid if the Class M shares and the common shares were of a single class of shares.

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. 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. In addition, the Class M Shareholders Agreement prohibits the conversion of the Class M shares in certain circumstances.

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 will be effective immediately prior to such shares being 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. In addition, the Class M Shareholders Agreement provides that no Class M shares will be issued to any person who is not a party to the Class M Shareholders Agreement and a member of Perigee's management team and 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 exemption 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 is for, 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 dissolution, voting rights and subdivision or consolidation. There are no restrictions on issuances of common shares and there are no rights of conversion attaching to the common shares. However, the common shares have the following additional rights and are subject to the following restrictions.

Dividends - Subject to the prior rights of the holders of First Preferred Shares and other prior ranking shares, holders of the common shares have the right to receive dividends if and when declared by the directors; provided that no dividend on a common 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 Class M share.

Purchases by the Corporation - The Corporation is prohibited from purchasing common 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 common shares and Class M shares where the consideration payable by the Corporation for each share of both classes is identical and where the offer to purchase is for the same percentage of the outstanding shares of both classes. In addition, the Corporation may purchase common shares pursuant to an exemption 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 May 8, 1998 (the "Escrow Agreement") among the Corporation, Mutual Life, D. Alex Wilson, 1102680 Ontario Inc., Lloyd Atkinson, 1102483 Ontario Inc., Alexander J. Brown, Martin R. Taylor, 676277 Ontario Inc., Geoff Logan, Kasuca Consulting Ltd., Stephen Daub, 976859

Ontario Inc., John F. Chamberlain, David Butterfield, Holt Financial Management Inc., Julie E. Kent, Ronald Puskarich, Gert Steffensen, David L.H. Yu, Stephen Browne and CIBC Mellon Trust Company (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") representing 30.8% and 38.9% of the Corporation's common shares and Class M shares, respectively, 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.

As privately held companies, each of Perigee Counsel and PPM paid management and/or incentive fees substantially equal to its pre-tax accounting income (before the deduction of such fees). These arrangements will be changed when the Corporation becomes a public company. If the new arrangements had been in effect in 1997, substantial additional income would have been reflected in Perigee's financial statements. See note 3 under "Selected Consolidated Financial Information" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

REORGANIZATION AND ACQUISITION

Prior to the reorganization of Perigee Counsel, members of its management and Mutual Life owned 53% and 47%, respectively, of its outstanding common shares. 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 PPM from Mutual Life pursuant to a share purchase agreement dated as of March 24, 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 PPM's management team who have become members of Perigee's management team. After the completion of the reorganization and the acquisition, the one common share of the Corporation issued immediately following its incorporation, was donated to the Corporation for no consideration and was cancelled.

Following the reorganization, the acquisition of PPM 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 [1]	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%	

(1) The directors and senior officers of the Corporation own 589,800 common shares and 1,179,600 Class M Shares of the Corporation as a group. No person other than Mutual Life owns more than 10% of the Corporation's equity shares. Management has entered into certain agreements relating to the voting of their shares – see "Management - Class M Shareholders Agreement" and " Perigee's Relationship with Mutual Life".

PERIGEE'S RELATIONSHIP WITH MUTUAL LIFE

Mutual Life is a significant shareholder of Perigee and has entered into a shareholders agreement dated April 30, 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.

CONFLICTS OF INTEREST

Certain conflicts of interest may arise between the Corporation and Mutual Life because of the business dealings between the two companies. See "Business of the Corporation – Strategic Business Relationship with Mutual Life", "Perigee's Relationship with Mutual Life" and "Risk Factors – Strategic Business Relationship with Mutual Life". In accordance with applicable laws, Mutual Life's nominees on the Corporation's board of directors will not vote on any matters involving a conflict of interest between Mutual Life and the Corporation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

During the three years prior to the date of this prospectus, certain directors and senior officers of the Corporation, certain holders of more than 10% of any class of shares of the Corporation and certain of the respective associates or affiliates of the foregoing have had a material interest in transactions which have or will materially affect Perigee. See "Management", "Reorganization and Acquisition", "Prior Sales", "Perigee's Relationship with Mutual Life" and "Management's Discussion and Analysis of Financial Conditions and Results of Operations".

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 May 8, 1998 (the “Underwriting Agreement”), among the Corporation, Mutual Life, Perigee Partners, 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 May 20, 1998, or such later date as may be agreed upon but not later than June 18, 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 $20.00 per common share for an aggregate price of $72,845,220 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 $4,006,487, or $1.10 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, in the case of Mutual Life, and on December 31, 1998, in the case of the Corporation and D. Alex Wilson, 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”;

(7) the Investment Management Agreements referred to under “Business of the Corporation - Overview - Strategic Business Relationship with Mutual Life”; and

(8) the Trust Agreement referred to under "Protection for Common Shareholders".

Copies of these agreements may be inspected 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, CIBC Mellon Trust Company, 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.

RISK FACTORS

Prospective investors should consider the following risk factors 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 26% to Perigee's total revenues including PPM. If the relationship with Mutual Life were terminated, there would be no immediate impact on revenues arising from Perigee's provision of fund management services to pension clients since investment decisions are made by plan sponsors and individual plan members. Perigee's short-term profitability would be reduced if the provision of Perigee's investment management services to Mutual Life's Premier and Leader mutual funds were terminated. 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 Human Resources & Compensation Committee which is composed entirely of "unrelated" directors.

In addition, the Audit Committee and the Governance, Ethics, Regulatory Committee are comprised of a majority of "unrelated" directors. See "Conflicts of Interest".

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 CIBC Mellon Trust Company at its principal office in Toronto, Ontario.

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.

Pro Forma Consolidated Financial Statements of

PERIGEE INC.

December 31, 1997

Deloitte & Touche

Chartered Accountants
BCE Place, Suite 1400
181 Bay Street
Toronto ON M5J 2V1

Telephone: (416) 601-6150
Facsimile: (416) 601-6151

Compilation Report

To the Directors of Perigee Inc.

We have reviewed, as to compilation only, the accompanying pro forma consolidated balance sheet of Perigee Inc. as at December 31, 1997 and the pro forma consolidated statement of operations for the year then ended 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, these pro forma consolidated financial statements have been properly compiled to give effect to the proposed transaction and the assumptions described in the Notes thereto.

(Signed) Deloitte & Touche
Chartered Accountants

Toronto, Ontario
May 8, 1998

Deloitte Touche Tohmatsu International

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PERIGEE INC.
Pro Forma Consolidated Balance Sheet
December 31, 1997
(thousands of dollars)
(unaudited)

	Perigee Inc.	PPM	Adjustments	Pro Forma
ASSETS				
CURRENT				
Cash and treasury bills	**$ 9,753**	**$ 271**	**$ (271)**	**$ 9,753**
Accounts receivable	**7,812**	**1**	**(1)**	**7,812**
Receivable from Mutual Diversico Limited	**-**	**1,126**	**(1,126)**	**-**
Prepaid expenses and sundry receivables	**110**	**-**	**-**	**110**
Income taxes recoverable	**-**	**-**	**-**	**-**
	17,675	**1,398**	**(1,398)**	**17,675**
OTHER				
Fixed assets	**1,195**	**-**	**-**	**1,195**
Other	**123**	**-**	**114**	**237**
	1,318	**-**	**114**	**1,432**
	$ 18,993	**$ 1,398**	**$ (1,284)**	**$ 19,107**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	**3,753**	**126**	**(126)**	**3,753**
Payable to Mutual Life	**-**	**1,158**	**(1,158)**	**-**
Current portion of long-term debt	**307**	**-**	**-**	**307**
	4,060	**1,284**	**(1,284)**	**4,060**
OTHER				
Long-term debt	**840**	**-**	**-**	**840**
Management and incentive fees payable	**13,981**	**-**	**-**	**13,981**
	14,821	**-**	**-**	**14,821**
	18,881	**1,284**	**(1,284)**	**18,881**
SHAREHOLDERS' EQUITY	**112**	**114**	**-**	**226**
	$ 18,993	**$ 1,398**	**$ (1,284)**	**$ 19,107**

APPROVED BY THE BOARD

D. Alex Wilson	***Alexander J. Brown***
D. Alex Wilson	Alexander J. Brown
Director	Director

PERIGEE INC.
Pro Forma Consolidated Statement of Operations
Year ended December 31, 1997
(thousands of dollars)
(unaudited)

	Perigee Inc.	PPM	Adjustments	Pro Forma
REVENUE				
Investment management fees	$ 26,601	$ 3,742	$ -	$ 30,343
Interest and other income	143	5	-	148
	26,744	3,747	-	30,491
EXPENSES				
Administrative and general	12,217	2,806	-	15,023
Depreciation and amortization	428	-	-	428
Interest on capital leases	97	-	-	97
	12,742	2,806	-	15,548
INCOME BEFORE MANAGEMENT AND INCENTIVE FEES AND INCOME TAXES	14,002	941	-	14,943
MANAGEMENT AND INCENTIVE FEES	14,002	940	-	14,942
INCOME BEFORE INCOME TAXES	-	1	-	1
PROVISION FOR INCOME TAXES	26	1	-	27
PRO FORMA INCOME (LOSS)	(26)	-	-	(26)
SHAREHOLDERS CONTRIBUTIONS	26	-	-	26
NET RESULTS FROM OPERATIONS	$ -	$ -	$ -	$ -

PERIGEE INC.
Notes to the Pro Forma Financial Statements
December 31, 1997
(thousands of dollars)
(unaudited)

1. On April 30, 1998, Perigee Inc. acquired all of the issued and outstanding common shares of Mutual Asset Management Limited from The Mutual Life Assurance Company of Canada ("Mutual Life") and on May 5, 1998 filed articles of amendment to change the name of Mutual Asset Management Limited to Perigee Private Management Inc. ("PPM"). The monetary assets and liabilities and the revenues and expenses up to and including April 30, 1998 are those of Mutual Life. Accordingly, the purchase equation for Perigee Inc.'s acquisition of PPM is as follows:

Other assets - management contracts	**114**
Satisfied by way of common and Class M share issue	**114**

2. The pro forma financial statements have been prepared to reflect the acquisition of PPM as if it had occurred on January 1, 1997. The consolidated financial statements of Perigee Inc. have been adjusted as follows:

(a) The assets, liabilities and equity of PPM as at December 31, 1997 have been combined with those of Perigee Inc. at book value. The results of PPM operations for the year ended December 31, 1997 have been combined with those of Perigee Inc. at historical amounts.

(b) The monetary assets and liabilities of PPM have been eliminated to reflect that they remain the property or the responsibility of Mutual Life by terms of the acquisition.

(c) These pro forma consolidated financial statements exclude the effect of an issuance of shares to a member of management subsequent to December 31, 1997.

Consolidated Financial Statements of

PERIGEE INC.

Deloitte & Touche

Chartered Accountants
BCE Place, Suite 1400
181 Bay Street
Toronto ON M5J 2V1

Telephone: (416) 601-6150
Facsimile: (416) 601-6151

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 operations and changes in financial position for each of the years in the three-year period ended December 31, 1997. 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 and changes in its financial position for each of the years in the three-year period ended December 31, 1997 in accordance with generally accepted accounting principles.

(Signed) Deloitte & Touche
Chartered Accountants

Toronto, Ontario
January 13, 1998, except for Notes 1, 6 and 8
which are as of May 8, 1998

Deloitte Touche Tohmatsu International

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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
	17,675	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
Management and incentive fees payable (Note 5)	**13,981**	8,930
	14,821	9,687
	18,881	11,857
SHAREHOLDERS' EQUITY (Note 6)	**112**	112
	$ 18,993	$ 11,969

APPROVED BY THE BOARD

D. Alex Wilson	***Alexander J. Brown***
D. Alex Wilson	Alexander J. Brown
Director	Director

PERIGEE INC.
Consolidated Statement of Operations
Years ended December 31
(dollars in thousands)

	1997	1996	1995
REVENUES			
Investment management fees (Note 5)	**$ 26,601**	$ 15,705	$ 10,337
Interest and other income	**143**	1,675	2,202
	26,744	17,380	12,539
EXPENSES			
Administrative and general (Note 5)	**12,217**	8,117	6,196
Depreciation and amortization	**428**	303	143
Interest on capital leases	**97**	39	27
	12,742	8,459	6,366
INCOME BEFORE MANAGEMENT AND INCENTIVE FEES	**14,002**	8,921	6,173
MANAGEMENT AND INCENTIVE FEES (Note 5)	**14,002**	8,921	6,173
INCOME BEFORE INCOME TAXES	**-**	-	-
PROVISION FOR INCOME TAXES	**26**	10	9
INCOME (LOSS) FOR THE YEAR	**(26)**	(10)	(9)
SHAREHOLDERS’ CONTRIBUTIONS (Note 5)	**26**	10	9
RESULTS OF OPERATIONS	**$ -**	$ -	$ -

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

	1997	1996	1995
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES			
OPERATING			
Income (loss) for the year	**$ (26)**	$ (10)	$ (9)
Items not involving cash			
Depreciation and amortization	**428**	303	143
Deferred income taxes	**-**	(14)	8
	402	279	142
Changes in working capital other than cash and treasury bills			
Accounts receivable	**(1,327)**	(3,612)	(8)
Prepaid expenses and sundry receivables	**(68)**	157	108
Income taxes recoverable	**242**	(234)	(2)
Accounts payable and accrued liabilities	**1,857**	1,330	(399)
	704	(2,359)	(301)
	1,106	(2,080)	(159)
FINANCING			
Increase in long-term debt, net of repayments	**116**	745	31
Increase in management and incentive fees payable, net of contributions	**5,077**	2,057	621
	5,193	2,802	652
INVESTING			
Purchase of fixed assets	**(436)**	(963)	(176)
Other	**-**	71	(72)
	(436)	(892)	(248)
INCREASE (DECREASE)IN CASH AND TREASURY BILLS	**5,863**	(170)	245
CASH AND TREASURY BILLS, BEGINNING OF YEAR	**3,890**	4,060	3,815
CASH AND TREASURY BILLS, END OF YEAR	**$ 9,753**	$ 3,890	$ 4,060

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

Formation of the Corporation and Reorganization

Perigee Inc. (the “Corporation”) was incorporated on January 1, 1998 under the Canada Business Corporations Act. On March 17, 1998, one fully paid common share was issued for cash at a price of $1.00. On April 30, 1998, Articles of Amendment were filed to authorize a class of shares designated as Class M shares. On April 30, 1998, the Corporation acquired all of the shares of Perigee Investment Counsel Inc. (“Perigee Counsel”) as part of a corporate reorganization in preparation for a secondary offering of share capital of the Corporation by The Mutual Life Assurance Company of Canada (“Mutual Life”), a significant shareholder. The shares of Perigee Counsel owned by members of its management were exchanged on the basis of 12 common shares and 24 Class M shares for each share of Perigee Counsel held. The shares owned by Mutual Life were exchanged on the basis of 36 common shares for each share of Perigee Counsel held. These consolidated financial statements are prepared in accordance with generally accepted accounting principles on a continuity of interests basis giving effect to the reorganization as if it was completed on January 1, 1995.

Business operations of subsidiary companies

Perigee Counsel is an investment counsellor and mutual fund dealer. Perigee Counsel 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.

Comparative figures

These consolidated financial statements incorporate the consolidated results of operations and changes in financial position for MT Associates Investment Counsel Inc. (“MTA”) (a predecessor of Perigee Counsel) for the year ended December 31, 1995 and the 6 1/2 months ended July 14, 1996. For the period from July 15, 1996 to December 31, 1996 and for the year ended December 31, 1997, the results of operations and changes in financial position reflect the combination of MTA and Mu-Cana Investment Counselling Ltd. (“Mu-Cana”) as discussed under “Business combination” in the following paragraphs.

Business combination

On July 15, 1996, MTA acquired the assets and operations of Mu-Cana, an investment counsellor, in a share for share exchange with Mutual Life, at the time a 40% shareholder of MTA, and continued its business under the name Perigee Investment Counsel Inc. Given the related party nature of the transaction and the absence of an independent valuation at the time, the acquisition was accounted for at carried value. Details of the balances of MTA and Mu-Cana at the date of the combination are approximately as follows:

(dollars in thousands)

1. FORMATION OF PERIGEE INC. AND PERIGEE INVESTMENT COUNSEL INC. AND BASIS OF PRESENTATION (continued)

	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**

The breakdown of the 1996 statement of operations between post-amalgamation Perigee Counsel and pre-amalgamation MTA is as follows:

	Perigee Counsel July 15, 1996 to December 31, 1996	MTA January 1, 1996 to July 14, 1996	Total 1996
REVENUES			
Investment management fees	$ 10,431	$ 5,274	$ 15,705
Interest and other income	34	1,641	1,675
	10,465	6,915	17,380
EXPENSES			
Administrative and general	4,949	3,168	8,117
Depreciation and amortization	171	132	303
Interest on capital leases	19	20	39
	5,139	3,320	8,459
INCOME BEFORE MANAGEMENT AND INCENTIVE FEES	5,326	3,595	8,921
MANAGEMENT AND INCENTIVE FEES	5,326	3,595	8,921
INCOME BEFORE INCOME TAXES	-	-	-
PROVISION FOR INCOME TAXES	3	7	10
INCOME (LOSS) FOR THE PERIOD	(3)	(7)	(10)
SHAREHOLDERS’ CONTRIBUTIONS	3	7	10
RESULTS OF OPERATIONS	$ -	$ -	$ -

(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**	**444**	322
Leasehold improvements	**246**	**66**	**180**	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 (formerly MTA 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	1995
Transactions			
Management fee expense (included in administrative and general expense)	**$ 4,513**	$ 3,369	$ 2,769
Management and incentive fees	**7,281**	4,927	3,704
Shareholders' contribution	**(13)**	(6)	(4)
	$ 11,781	$ 8,290	$ 6,469
Balance, end of year			
Due to Perigee Partners	**$ 7,273**	$ 4,933	$ 4,390

(dollars in thousands)

5. RELATED PARTY TRANSACTIONS (continued)

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

	1997	1996	1995
Transactions			
Management and incentive fees	**$ 6,721**	$ 3,994	$ 2,469
Shareholders' contribution	**(13)**	(4)	(2)
	$ 6,708	$ 3,990	$ 2,467
Balance, end of year			
Due to Mutual Life	**$ 6,708**	$ 3,997	$ 2,467

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). Mutual Life is also a direct client of the Corporation.

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	**$ 73**	$ 73
4,346,592 Class M shares	**39**	39
Retained earnings	**-**	-
	$ 112	$ 112

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.

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

The Corporation's subsidiary, Perigee Counsel, eliminated its deficit of $2,148 by way of a reduction in its issued common share capital by the same amount at the time of the reorganization described in Note 1.

(dollars in thousands)

7. 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**

8. SUBSEQUENT EVENTS

(a) On February 19, 1998, with effect as of January 1, 1998, Perigee Counsel issued 9,842 common shares for cash consideration of $2,018. These shares were exchanged for 118,104 common and 236,208 Class M shares of the Corporation in the April 30, 1998 reorganization described in Note 1.

(b) On March 24, 1998, the Corporation entered into an agreement, which closed on April 30, 1998, to acquire all of the issued and outstanding common shares of Mutual Asset Management Limited in a share for share exchange with Mutual Life as a result of which the Corporation issued 162,000 Class M shares and 378,000 common shares to Mutual Life and two members of the management team as directed by Mutual Life. Given the related party nature of the transaction and the absence of an independent valuation, the acquisition will be recorded at its carried value of $114.

(c) On May 8, 1998, the Corporation filed a final prospectus with the securities regulatory authorities in all of the provinces of Canada relating to an initial public offering by way of secondary offering of 3,642,261 common shares of the Corporation. At the time of the filing of the final prospectus, the Corporation has 4,744,800 Class M shares and 8,687,736 common shares outstanding.

(d) On May 6, 1998, the shareholders of the Corporation resolved to continue the Corporation under the Business Corporations Act (Ontario).

Financial Statements of

MUTUAL ASSET MANAGEMENT LIMITED/ GESTION D'ACTIFS MUTUELLE DU CANADA LTÉE

December 31, 1997

Auditors’ Report

To the Shareholder of
Mutual Asset Management Limited/
Gestion d’actifs Mutuelle du Canada Ltée

We have audited the balance sheets of Mutual Asset Management Limited/Gestion d’actifs Mutuelle du Canada Ltée as at December 31, 1997 and December 31, 1996 and the statements of income and retained earnings for the years then ended. These financial statements are the responsibility of the Company'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 financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1997 and December 31, 1996 and the results of its operations and the changes in its financial position for the years then ended in accordance with generally accepted accounting principles.

(Signed) Ernst & Young
Chartered Accountants

Kitchener, Canada
February 13, 1998

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MUTUAL ASSET MANAGEMENT LIMITED/
GESTION D'ACTIFS MUTUELLE DU CANADA LTÉE
Balance Sheet
December 31

	1997	1996
ASSETS		
CURRENT		
Cash	**$ 23,555**	$ 21,603
Short-term investments (Note 3)	**247,783**	248,900
Receivable from Mutual Diversico Limited (Note 4)	**1,125,710**	754,429
Accrued investment income	**1,362**	-
	$ 1,398,410	$ 1,024,932
LIABILITIES		
CURRENT		
Accrued payable and accrued liabilities	**$ 125,079**	$ 95,414
Payable to parent company (Note 4)	**1,158,870**	813,573
Income taxes payable	**574**	1,896
	1,284,523	910,883
SHAREHOLDER'S EQUITY		
Capital stock		
Authorized		
Unlimited number of Class A common shares		
Issued		
1,000 Class A common shares	**100,000**	100,000
Retained earnings	**13,887**	14,049
	113,887	114,049
	$ 1,398,410	$ 1,024,932

APPROVED BY THE BOARD

D. Alex Wilson
D. Alex Wilson
Director

Stephen Browne
Stephen Browne
Director

MUTUAL ASSET MANAGEMENT LIMITED/
GESTION D'ACTIFS MUTUELLE DU CANADA LTÉE
Statement of Income and Retained Earnings
Year ended December 31

	1997	1996
FEE INCOME (Note 4)		
Mutual Diversico Limited	**$ 3,742,477**	$ 2,462,440
Mutual Life	**-**	401,000
INTEREST INCOME	**5,178**	6,990
	3,747,655	2,870,430
EXPENSES (Note 4)		
Administration	**548,178**	555,252
Salaries and benefits	**1,703,622**	1,745,623
Management fee paid to Mutual Life	**939,500**	-
General	**554,826**	566,876
Capital taxes	**342**	342
	3,746,468	2,868,093
INCOME BEFORE INCOME TAXES	**1,187**	2,337
INCOME TAXES	**1,349**	1,967
NET INCOME (LOSS)	**(162)**	370
RETAINED EARNINGS, BEGINNING OF YEAR	**14,049**	13,679
RETAINED EARNINGS, END OF YEAR	**$ 13,887**	$ 14,049

MUTUAL ASSET MANAGEMENT LIMITED/
GESTION D'ACTIFS MUTUELLE DU CANADA LTÉE
Notes to the Financial Statements
December 31, 1997 and 1996

1. GENERAL

The Company was incorporated January 5, 1993 under the laws of Canada. At that time, the Company issued 1,000 Class A common shares to Mutual Life Assurance Company of Canada ("Mutual Life") for consideration of $100,000. The Company, which is a wholly owned subsidiary of Mutual Life, provides portfolio management services to trusteed investment funds and a portion of the parent company's investment portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

Short term investments

Short-term investments are carried at cost, which approximates market value.

Income taxes

The Company provides for income taxes under the tax allocation basis.

3. SHORT-TERM INVESTMENTS

At December 31, 1997, the Company held a $250,000 Canada Treasury Bill, with a maturity date of February 5, 1998.

4. RELATED PARTY TRANSACTIONS

Administrative and other fees paid to the parent company are based on the cost of services provided.

Mutual Diversico Limited is a wholly owned subsidiary of Mutual Life.

5. STATEMENT OF CHANGES IN FINANCIAL POSITION

A statement of changes in financial position has not been included as it would not provide any further meaningful disclosure.

CERTIFICATE OF THE CORPORATION

Dated: May 8, 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.

(Signed) ***D. Alexander Wilson***

D. Alexander Wilson
Chief Executive Officer

(Signed) ***Elizabeth Ng***

Elizabeth Ng
Chief Financial Officer

On behalf of the Board of Directors

(Signed) ***Norman Cunningham***

Norman Cunningham
Director

(Signed) ***Alex Brown***

Alex Brown
Director

CERTIFICATE OF THE UNDERWRITERS

Dated: May 8, 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.

John L. Sherrington

By: (Signed) John L. Sherrington

NESBITT BURNS INC.

William E. Butt

By: (Signed) William E. Butt

RBC DOMINION SECURITIES INC.

John M. Garrow

By: (Signed) 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.