



**Business Development Bank of Canada  
Banque de développement du Canada**

**MANAGED FUTURES NOTES,  
SERIES N-5**

**AMENDMENT TO  
INFORMATION STATEMENT**

The Information Statement dated November 19, 2001 (the “**Information Statement**”) prepared for the sole purpose of assisting potential investors in making an investment decision with respect to Business Development Bank of Canada’s Managed Futures Notes, Series N-5 (the “**Notes**”) is amended as follows:

**The second and third sentences of pages (i) and (1) of the Information Statement are replaced with the following:**

If a Note is held to maturity, the holder will receive per \$2000 Principal Amount of Notes from BDC at maturity an amount equal to the greater of: (a) \$2300 being the Principal Amount of a Note plus \$300 (the “**Minimum Yield**”); and (b) the amount determined by the increase, if any, in the Index Level between the Issue Date and the Maturity Date (see “**Calculation of Yield Amount**”). No portion of the Minimum Yield will be payable on any redemption of the Note prior to the Maturity Date.

**The paragraph entitled “Tax Consequences” on page (ii) of the Information Statement is replaced with the following:**

The interest accrual rules will not ordinarily apply in respect of any gain arising from the Index Level in connection with the holding of a Note and should not apply to the Minimum Yield. Amounts received on maturity in excess of the principal amount will generally constitute income to the holder. Holders who dispose of a Note may realise a capital gain (or capital loss) if the Note constituted capital property to such holder.

**The following is added as a new paragraph on page (14) of the Information Statement:**

The interest accrual rules will not ordinarily apply in respect of any gain arising from the Index Level in connection with the holding of the Note. At maturity, an investor will receive no less than the Principal Amount of the Note plus the Minimum Yield. No portion of this Minimum Yield, however, will be payable if a Note is redeemed prior to the Maturity Date. While the *Tax Act* contains provisions which provide for inclusion in income on an annual basis of certain amounts in respect of “prescribed debt obligations”, the rules should not apply in respect of the Minimum Yield since this amount is not payable in connection with the redemption of the Note at any time other than maturity and, therefore, is a contingent amount. Canada Customs and Revenue Agency, in the past, has indicated that contingent amounts would not be included in income on an annual basis under these rules, although it has not pronounced publicly on this specific structure. Accordingly, an investor ordinarily should not be required to include in income on an annual basis any imputed yield in respect of a Note held by the investor.

**The existing paragraph on page (14) of the Information Statement beginning “The interest accrual rules. . .” is replaced with the following:**

On a redemption of Notes holders will realize a gain or loss to the extent that proceeds of redemption exceed or are exceeded by the Principal Amount. The gain may be a capital gain (or capital loss) if the redeemed notes

constitute capital property to such holder. The proceeds of disposition for the purpose of calculating any capital gain (or capital loss) would be reduced by the portion of the redemption proceeds that are included in income. A disposition of a Note may give rise to a capital gain (or capital loss) or an income gain (or loss) depending on the circumstances relating to the holder. If Notes are inventory or a speculative investment to a particular holder then there may be no capital gain (or capital loss) and any gain or loss resulting from a redemption or other disposition would be on income account. If the value of the Note at maturity is less than 115% of the Principal Amount, the amount by which 115% exceeds the greater of the Principal Amount of the Note and the fair market value at maturity will be treated on account of income.

All other terms of the Information Statement remain unchanged.

**No person has been authorized to give any information or to make any representation not contained in this Information Statement, and Business Development Bank of Canada does not accept any responsibility for any information not contained herein. This Information Statement constitutes an offering of these Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and then only through persons duly qualified to effect such sales. This Information Statement is not, and under no circumstances is to be construed as, a prospectus, offering memorandum or advertisement of these Notes. No securities commission or similar authority in Canada or in any other jurisdiction has reviewed this Information Statement or in any way passed upon the merits of the Notes offered hereunder, and any representation to the contrary is an offence.**

**The Notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended. Accordingly, the Notes may not be offered or sold within the United States or to, or for the account or benefit of, any person located in the United States. No action whatsoever is being taken to permit an offering of these Notes or the distribution of the Information Statement and this Amendment in any jurisdiction outside Canada.**

**IPC INVESTMENT CORPORATION**

**IPC SECURITIES CORPORATION**



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