



**MD Financial
Management Inc.**

Special Meetings of Unitholders of

MDPIM Canadian Bond Pool

MDPIM Canadian Long Term Bond Pool

(each, a Fund and collectively, the Funds)

to be held on April 23, 2019
commencing at 10:30 a.m. (Ottawa time)
at the Learning Centre at the offices of
MD Financial Management Inc.,
1870 Alta Vista Dr. Ottawa, Ontario, K1G 6R7

Table of Contents

| | |
|--------------------------------------------------------------------------------------------------------------------------------------------|---|
| Solicitation of Proxies..... | 1 |
| Purpose of the Meetings | 1 |
| Summary of the Proposed Changes | 1 |
| Required Approvals | 2 |
| Additional Information | 2 |
| Proposed Change of Investment Objective of MDPIM Canadian Bond Pool and Reasons For and Benefits of the Proposed Change | 2 |
| Proposed Change of Investment Objective of MDPIM Canadian Long Term Bond Pool and Reasons For and Benefits of the Proposed Change | 3 |
| Management of the Funds | 4 |
| Appointment and Revocation of Proxies | 5 |
| Exercise of Discretion by Proxies..... | 5 |
| Voting Units and Principal Holders Thereof..... | 6 |
| Auditor | 6 |
| General | 6 |
| Schedule A – Resolutions | 7 |

Management Information Circular

Solicitation of Proxies

The information contained in this Management Information Circular (the **Information Circular**) is provided by the board of directors of MD Financial Management Inc. in its capacity as trustee and manager of the Funds (the **Manager**), **in connection with the Manager's solicitation of proxies** to be used at the special meetings of the unitholders of the Funds.

These special meetings are to be held concurrently at the **Learning Centre at the offices of MD Financial Management Inc., 1870 Alta Vista Dr. Ottawa, Ontario, K1G 6R7 on April 23, 2019 at 10:30 a.m.** (Ottawa time) (each individually, a **Meeting** and collectively, the **Meetings**) for the purposes outlined in the Notice of Meeting. The Manager anticipates that the solicitation of proxies will principally be done by mail and by telephone. The cost of the solicitation will be borne by the Manager.

Quorum for each Meeting will be two or more individuals present in person either holding personally or representing as proxies at least 5% of the outstanding units of the Fund. If the Meeting in respect of either Fund is adjourned (for example, if quorum is not reached at the Meeting), the adjourned meeting will be held at the **Learning Centre at the offices of MD Financial Management Inc., 1870 Alta Vista Dr. Ottawa, Ontario, K1G 6R7 on May 7, 2019 at 2:00 p.m.** (Ottawa time). Quorum for each adjourned Meeting will be two or more individuals present in person either holding personally or representing by proxy outstanding units of the Fund.

Purpose of the Meetings

The Meetings are being called to consider the following special business:

1. for **MDPIM Canadian Bond Pool**, a change in the investment objective to allow the Fund to invest in Government of Canada, provincial, municipal, corporate and asset-backed bonds with, on average short-terms of maturity, rather than short to mid-terms of maturity.
2. for **MDPIM Canadian Long Term Bond Pool**, a change in the investment objective to allow the Fund to invest in Government of Canada, provincial, municipal, corporate and asset-backed bonds with a full range of maturities, rather than, on average, longer terms of maturity.
3. for each Fund, to transact such other business as may properly come before the Meeting.

The text of the resolution to be considered at each Meeting authorizing the matters referred to in paragraphs 1 to 3 above is set out in Schedule A to this Information Circular.

MDPIM Canadian Bond Pool and MDPIM Canadian Long Term Bond Pool are each sometimes referred to as a **Fund** and collectively as the **Funds**.

Summary of the Proposed Changes

The Manager is seeking the approval of unitholders to change the investment objectives of the MDPIM Canadian Bond Pool and the MDPIM Canadian Long Term Bond Pool on or about May 31, 2019 in the ways set out above.

The proposed changes to the investment objectives of the Funds will not change the fundamental nature of the Funds and the investment objectives of the Funds will remain consistent with the Manager's long-standing investment philosophy.

Required Approvals

The proposed change of investment objective for each Fund will not take place unless approved by a majority of the votes (i.e., more than 50%) of the outstanding units cast at the applicable Meeting.

Unitholders of each Fund are entitled to one vote for each whole unit held and are not entitled to vote fractional units. Unitholders of record of a Fund at the close of business on March 13, 2019 will be entitled to vote at the Meeting in respect of the Fund, except to the extent that such units are redeemed before the Meeting or that a transferee of units after that date complies with the required procedures in order to qualify to vote the transferred units. If your units were transferred to you from another holder after March 13, 2019 (this would occur only in unusual circumstances, such as death of a holder), you should contact the Manager to determine the documentation necessary to transfer the units on the Fund's records. You will only be able to vote the transferred units after the transfer has been recorded on the Fund's records.

Quorum for each Meeting will be two or more individuals present in person either holding personally or representing as proxies at least 5% of the outstanding units of the Fund. In order for each Meeting to be duly constituted, the required quorum must be present at the Meeting.

The Manager may, at its discretion, elect to delay or elect not to proceed with either or both of the proposed changes to the Funds' investment objectives, even if unitholders of the applicable Fund(s) have approved the applicable proposed change of investment objective for that Fund.

Additional Information

Additional information regarding the Funds is contained in the simplified prospectus, annual information form, the Fund Facts, interim and annual management reports of fund performance, and interim unaudited and annual audited financial statements for the Funds.

You may obtain a copy of the simplified prospectus, annual information form, Fund Facts, the most recent interim and annual financial statements and the most recent interim and annual management reports of fund performance by accessing the SEDAR website at www.sedar.com. You may also obtain these documents by accessing the Manager's website at mdm.ca, by calling the toll-free telephone number at 1 800 267-2332, by emailing a request to MDFunds.SimplifiedProspectus@md.ca or by contacting your MD Advisor.

Proposed Change of Investment Objective of MDPI Canadian Bond Pool and Reasons For and Benefits of the Proposed Change

The Manager is seeking the approval of unitholders of MDPI Canadian Bond Pool to change the investment objective of the Fund on or about May 31, 2019, in order to shorten the average term to maturity of the Fund's investments. This is likely to reduce the Fund's interest rate risk. Reducing the Fund's interest rate risk is expected to improve the likelihood of capital preservation for unitholders. Shorter durations are expected to allow for improved portfolio outcomes and a greater ability to reduce portfolio volatility during unexpected market conditions, while continuing to provide income.

If approved, once the Manager has instituted the investment objective change, the average term to maturity of the Fund's investments will be reduced. The Manager considers that the Fund will not be subject to any additional risks as a result of the proposed change of investment objective.

In conjunction with the proposed investment objective change, once approved and implemented, the Manager will change the name of the Fund to MDPI Short-Term Bond Pool.

Unitholders invest in the Fund through their discretionary account held with the Manager's MD Private Investment Counsel division. Once the investment objective change is approved and implemented, MD Private Investment Counsel will rebalance the discretionary accounts and their investment in the Fund to align with the accountholder's personal portfolio investment objectives.

If the change to the investment objective is approved, the Manager may adjust the investment strategies to implement the new investment objective; however, the Manager expects them to remain largely unchanged with only the weighted average term to maturity adjusted to match the revised investment objectives. The Fund will continue to invest in non-Canadian securities to a limit of 30% of the total portfolio.

The following table sets out the current and proposed investment objectives of the Fund.

| | Current | Proposed |
|------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Objectives | <ul style="list-style-type: none"> The investment objective of the Fund is to provide capital preservation and income production. The Fund invests in a variety of Government of Canada, provincial, municipal, corporate and asset-backed bonds with short to mid-terms of maturity. | <ul style="list-style-type: none"> The investment objective of the Fund is to provide capital preservation and income production. The Fund invests primarily in a variety of Government of Canada, provincial, municipal, corporate and asset-backed bonds with, on average, short-terms of maturity |

Recommendation

The Manager believes the proposed change of investment objective of MDPI Canadian Bond Pool is in the best interests of the unitholders of the Fund and therefore recommends that unitholders of the Fund vote **FOR** the resolution.

Proposed Change of Investment Objective of MDPI Canadian Long Term Bond Pool and Reasons For and Benefits of the Proposed Change

The Manager is seeking the approval of unitholders of MDPI Canadian Long Term Bond Pool to change the investment objective of the Fund, on or about May 31, 2019, in order to broaden its investment mandate to include investments in long-, mid- and short-term bonds, which will shorten the average term to maturity of the Fund's investments. This is likely to reduce the Fund's interest rate risk. Reducing the Fund's interest rate risk is expected to improve the likelihood of capital preservation for unitholders and mitigate the risk of loss in a portfolio when interest rates are rising. Shorter durations are expected to allow for improved portfolio outcomes and a greater ability to reduce portfolio volatility during future market conditions. The addition of short- and medium-term securities to the Fund's portfolio is expected to provide an improved diversity of risk exposure.

If approved, once the Manager has instituted the investment objective change, the average term to maturity of the Fund's investments will be reduced. The Manager considers that the Fund will not be subject to any additional risks as a result of the proposed change of investment objective.

In conjunction with the proposed investment objective change, once approved and implemented, the Manager will change the name of the Fund to MDPI Bond Pool.

Unitholders invest in the Fund through their discretionary account held with the Manager's MD Private Investment Counsel division. Once the investment objective change is approved and implemented, MD Private Investment Counsel will rebalance the discretionary accounts and their investment in the Fund to align with the accountholder's personal portfolio investment objectives.

If the change to the investment objective is approved, the Manager may adjust the investment strategies to implement the new investment objective; however, the Manager expects them to remain largely unchanged with only the weighted average term to maturity adjusted to match the revised investment objectives. The Fund will continue to invest in non-Canadian securities to a limit of 30% of the total portfolio.

The following table sets out the current and proposed investment objectives of the Fund.

| | Current | Proposed |
|------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Investment Objectives | <ul style="list-style-type: none"> • The investment objective of the Fund is to provide capital preservation and income production. • The Fund invests primarily in a variety of Government of Canada, provincial, municipal, corporate and asset-backed bonds with, on average, longer terms of maturity. • The Fund may also invest in non-Canadian securities. | <ul style="list-style-type: none"> • The investment objective of the Fund is to provide capital preservation and income production. • The Fund invests primarily in a variety of Government of Canada, provincial, municipal, corporate and asset backed bonds with a full range of maturities. |

Recommendation

The Manager believes the proposed change of investment objective of MDPIM Canadian Long Term Bond Pool is in the best interests of the unitholders of the Fund and therefore recommends that unitholders of the Fund vote **FOR** the resolution.

Management of the Funds

Management of the day-to-day affairs of the Funds is the responsibility of the Manager pursuant to an amended and restated management agreement dated February 3, 2011. The Manager has engaged Manulife Asset Management Limited, Manulife Asset Management (US) LLC, Manulife Asset Management (Hong Kong) Limited, Manulife Asset Management (Europe) and Franklin Templeton Investments Corp as investment advisers to the Funds. Each investment adviser receives a fee for such services, which fee is paid by the Manager rather than the relevant Fund.

No management fee is charged by the Manager of the Funds since unitholders have agreed to pay a scaled managed account fee directly to MD Private Investment Counsel as set out in the investment counselling management agreement entered into between such unitholders and MD Private Investment Counsel. The maximum fee is 1.56%.

The names and municipalities of residence of the directors and senior officers of the Manager, are: Brian Peters, Ottawa, Ontario; John F. Riviere, Ancaster, Ontario; Diane Woollard, La Peche, Quebec; Daniel Labonté, Gatineau, Quebec; Mike Gassewitz, Ottawa, Ontario; Glen Gowland, Toronto, Ontario; Alex Besharat, Toronto, Ontario; Craig Gilchrist, Toronto, Ontario; and Erin Griffiths, Toronto, Ontario.

Other than the purchase, sale and ownership of units of the Funds, none of the directors and executive officers receive any form of compensation from the Funds and none of them is indebted to or had any transaction or arrangement with the Funds during 2018.

On October 3, 2018, The Bank of Nova Scotia, through its wholly-owned subsidiary, 10803553 Canada Limited, acquired all the issued and outstanding shares of CMA Holdings (2014) Inc., thereby indirectly acquiring MD Financial Management Inc. As a result of the acquisition, there was a change of control of the Manager. Pursuant to a subsequent reorganization of various holding companies, effective November 5, 2018, The Bank of Nova Scotia owns directly all of the issued and outstanding shares of the Manager.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of the Manager. **You have the right to appoint some other person (who need not be a unitholder of the Fund) to attend or act on your behalf at the Meetings by striking out the printed names and inserting the name of such other person in the blank space provided in the form of proxy, or by completing another proxy in the proper form. To be valid, proxies must be delivered or mailed to Broadridge Investor Communications Solutions (Broadridge), P.O. Box 3700, STN Industrial Park, Markham, Ontario, L3R 9Z9 or be faxed to 905-507-7793 (English) or 514-281-8911 (French). You may also vote by telephone at 1-800-474-7493 (English) or 1 800 474-7501 (French) or online at www.proxyvote.com and you must do so in advance of the Meetings. In order to be valid, a proxy must be received by Broadridge at least 24 hours (excluding Saturdays, Sundays and holidays) before the start of the Meeting, or of any adjourned, postponed or continued meeting. You may also deposit your proxy with the Chair of the Meeting by the start of the Meeting at the latest.**

If you hold units through an MD Financial Management registered retirement savings plan, registered retirement income fund, locked-in retirement account, life income fund, locked-in retirement income fund or tax-free savings account (each, an **MD Registered Plan**), neither The Royal Trust Company or its agent, MD Private Trust Company (collectively, the **Trustee**) is entitled to vote units held without your express instruction. This means that you are entitled to vote online at the website noted above or by telephone at the telephone number noted above. Alternatively, you may provide the Trustee with express instructions to vote on your behalf or you may attend the Meetings in person. Please refer to the directions on your proxy for instructions on how to vote using these methods.

If you give a proxy, you may revoke it in relation to any matter, provided a vote has not already been taken on that matter. You can revoke your proxy by:

- completing and signing a proxy bearing a later date and depositing it as described above;
- depositing a written revocation executed by you, or by your attorney who you have authorized in writing to act on your behalf, at the above address at any time up to and including the last business day preceding the day of the Meeting, or any postponement(s), adjournment(s) or continuance(s), at which the proxy is to be used, or with the Chair of the Meeting before the beginning of the Meeting on the day of the Meeting or any postponements(s), adjournment(s) or continuance(s); or
- any other manner permitted by law.

Exercise of Discretion by Proxies

The management representatives designated in the enclosed form of proxy will vote the units for which they are appointed proxy in accordance with your instructions as indicated on the form of proxy.

In the absence of such direction, such units will be voted by the management representatives in favour of the resolutions set out in Schedule A to this Information Circular.

The enclosed form of proxy confers discretionary authority on the designated management representatives relating to amendments to or variations of matters identified in the Notice of Meeting and relating to other matters which may properly come before the Meeting. At the date of this Information Circular, the Manager does not know of any such amendments, variations or other matters.

Voting Units and Principal Holders Thereof

The capital of each Fund may be divided into an unlimited number of classes and series. An unlimited number of units of each series may be issued. As at the opening of business on February 28, 2019, each Fund had the following numbers of issued and outstanding units

| | Number of Units Issued and Outstanding |
|---------------------------------------------|----------------------------------------|
| MDPIM Canadian Bond Pool Series A | 664,907,473.5494 |
| MDPIM Canadian Long Term Bond Pool Series A | 195,211,774.0949 |

Each whole unit of a Fund entitles the holder to one vote on all matters relating to such Fund.

The board of directors of the Manager have fixed March 13, 2019 to be the date for determining which unitholders of a Fund are entitled to receive notice of, and to vote at, a Meeting.

The quorum requirement for each Fund is set out above under the subheading "Required Approvals".

To the knowledge of the directors and senior officers of the Manager, as of the opening of business on February 28, 2019, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the voting rights attached to the units of any series of a Fund entitled to be voted at the Meetings.

As of February 28, 2019, none of the directors and senior officers of the Manager owned more than 10% of the issued and outstanding units of any series of a Fund.

Units of the Funds that are held by other mutual funds managed by the Manager will not be voted at the Meetings.

Auditor

The auditor of the Funds is PricewaterhouseCoopers LLP, 18 York Street, Suite 2600, Toronto, Ontario, M5J 0B2.

General

The contents of this Information Circular and the sending of it to unitholders of the Funds have been approved by the board of directors of the Manager.

By Order of the Board of Directors of MD Financial Management Inc.,
as trustee and manager of the Funds



Name: Diane Woollard

Title: Corporate Secretary

March 22, 2019

Schedule A – Resolutions

Resolution of MDPIM Canadian Bond Pool

(the **Fund**)

WHEREAS it is in the best interests of the Fund and its unitholders to change the investment objective of the Fund as described in the management information circular dated March 22, 2019 and as hereinafter provided;

BE IT RESOLVED THAT:

1. the investment objective of the Fund is hereby changed to the following:
 - The Fund's investment objective is to provide capital preservation and income production.
 - The Fund invests in a variety of Government of Canada, provincial, municipal, corporate and asset-backed bonds with, on average, short-terms of maturity.
2. any one officer or director of MD Financial Management Inc., as manager of the Fund (the **Manager**), is hereby authorized and directed to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
3. the Manager be and is hereby authorized to delay the implementation of the investment objective change until a date that is no later than December 31, 2019 without further approval of the unitholders of the Fund; and
4. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the unitholders of the Fund, at any time prior to the implementation of the changes described above for any reason if it is considered to be in the best interests of the Fund and its unitholders not to proceed.

Resolution of MDPIM Canadian Long Term Bond Pool

(the **Fund**)

WHEREAS it is in the best interests of the Fund and its unitholders to change the investment objective of the Fund as described in the management information circular dated March 22, 2019 and as hereinafter provided;

BE IT RESOLVED THAT:

1. the investment objective of the Fund is hereby changed to the following:
 - The investment objective of the MDPIM Canadian Long-Term Bond Pool is to provide capital preservation and income production.
 - The Fund invests primarily in a variety of Government of Canada, provincial, municipal, corporate and asset backed bonds with a full range of maturities.
2. any one officer or director of MD Financial Management Inc., as manager of the Fund (the **Manager**), is hereby authorized and directed to execute and deliver all such documents and do all such other acts and things as may be necessary or desirable for the implementation of this resolution;
3. the Manager be and is hereby authorized to delay the implementation of the investment objective change until a date that is no later than December 31, 2019 without further approval of the investors of the Fund; and
4. the Manager be and is hereby authorized to revoke this resolution for any reason whatsoever in its sole and absolute discretion, without further approval of the investors of the Fund, at any time prior to the implementation of the changes described above for any reason if it is considered to be in the best interests of the Fund and its unitholders not to proceed.



**MD Financial
Management Inc.**

MD Financial Management Inc. wholly owns or has a majority interest in its seven subsidiaries (the MD Group of Companies). It provides financial products and services, is the fund manager for the MD Family of Funds and offers investment counselling services. For a detailed list of the MD Group of Companies, visit md.ca.