

This short form prospectus is a base PREP prospectus.

This short form prospectus has been filed under procedures in all provinces of Canada that permit certain information about these securities to be determined after the short form prospectus has become final and that permit the omission of that information from this short form prospectus. The procedures require the delivery to purchasers of a supplemented PREP prospectus containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered hereby 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 or sold within the United States or to US persons.

**SHORT FORM BASE PREP PROSPECTUS**

New Issue

May 11, 2001

**\$221,990,000 (Approximate)**  
**Merrill Lynch Financial Assets Inc.**  
**(Issuer)**  
**Commercial Mortgage**  
**Pass-Through Certificates, Series 2001-Canada 5**

This Short Form Prospectus qualifies the distribution of the following classes of the Commercial Mortgage Pass-Through Certificates, Series 2001-Canada 5 of Merrill Lynch Financial Assets Inc. (the “Issuer”), designated as (i) Class A-1 and Class A-2 Certificates (the “Class A Certificates”) and (ii) the Class B and Class C Certificates (together with the Class A Certificates, the “Offered Certificates”).

(Continued on next page)

**MINIMUM SUBSCRIPTION: \$500,000**

<u>Offered Certificates</u>	<u>Price to Public(1)</u>	<u>Underwriter's Fees(2)</u>	<u>Net Proceeds to Issuer(1)</u>
Class A-1 .....	● %	● %	● %
Class A-2 .....	● %	● %	● %
Class B .....	● %	● %	● %
Class C .....	● %	● %	● %
Total .....	\$ ●	\$ ●	\$ ●

- (1) Plus accrued interest thereon from the Cut-Off Date in the amount of \$ ● .
- (2) Consisting of the underwriting fee of \$ ● per \$1,000 principal amount of the Class A-1 Certificates and \$ ● per \$1,000 principal amount of the Class A-2, Class B and Class C Certificates.

<u>Class</u>	<u>Initial Certificate Balance(1)</u>	<u>Monthly Pass-Through Rate/ Semi-Annual Equivalent Rate(2)</u>	<u>Weighted Average Life(3)</u>	<u>Scheduled Final Distribution Date(4)</u>	<u>Rated Final Distribution Date(4)</u>	<u>Ratings(5) Moody's/DBRS</u>
Class A-1 .....	\$ 83,413,000	● % ● %	6.000	September 15, 2010	April 15, 2033	Aaa/AAA
Class A-2 .....	\$123,653,000	● % ● %	9.671	April 15, 2011	April 15, 2033	Aaa/AAA
Class B .....	\$ 7,462,000	● % ● %	9.903	May 15, 2011	April 15, 2033	Aa2/AA
Class C .....	\$ 7,462,000	● % ● %	11.221	December 15, 2012	April 15, 2033	A2/A

- (1) Subject to permitted variance of plus or minus 5%.
- (2) Each Pass-Through Rate is a rate compounded monthly and each corresponding Semi-Annual Equivalent Rate is the equivalent rate compounded semi-annually.
- (3) The weighted average life (expressed in years) is based on the assumption that there are no prepayments, defaults or early termination. See “YIELD AND MATURITY CONSIDERATIONS—Weighted Average Life” herein.
- (4) The “Scheduled Final Distribution Date” with respect to any Class of Offered Certificates is the Distribution Date on which the final distribution would occur for such Class based on the assumptions described in “DESCRIPTION OF THE CERTIFICATES—Scheduled Final Distribution Date” herein. The actual performance and experiences of the Mortgage Loans will likely differ from such assumptions. The “Rated Final Distribution Date” is the Distribution Date which follows the twenty-fourth month anniversary of the end of the amortization term of the Mortgage Loan that, as of the Cut-Off Date, had the longest remaining amortization term.
- (5) See “INVESTMENT CONSIDERATIONS—Credit Ratings” herein.

**Merrill Lynch Canada Inc.**

**National Bank Financial Inc., TD Securities Inc.,  
 BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Scotia Capital Inc., and  
 Laurentian Bank Securities Inc., as Selling Agents**

## SUMMARY

The following is a summary of the principal features of this distribution.

Prospective investors are advised to read carefully, and should rely solely on, the detailed information appearing elsewhere in this Short Form Prospectus (the “Short Form Prospectus”), particularly with respect to the risks and special considerations involved with an investment in the Certificates in making their investment decision. Prior to making any investment decision, a prospective investor should review fully this Short Form Prospectus. Reference is made to the Index of Defined Capitalized Terms for an index of terms for the definitions of certain capitalized terms used herein.

### Overview of the Certificates

Class	Initial Aggregate Certificate Balance(1)	% of Initial Pool Balance(1)	Credit Support(2)	Rating by Moody's/DBRS(3)	Weighted Average Life(4)	Principal Window(4)	Description of Pass-Through Rate	Pass-Through Rate/ Semi-Annual Equivalent Rate(5)
Class A-1 . . . . .	\$ 83,413,000	33.54%	16.75%	Aaa/AAA	6.000	06/01-09/10	Fixed Rate	● % ● %
Class A-2 . . . . .	\$123,653,000	49.71%	16.75%	Aaa/AAA	9.671	09/10-04/11	Fixed Rate	● % ● %
Class X . . . . .	(6)	(6)	N/A	Aaa/AAA	N/A	(6)	Variable Rate/IO	(7) (7)
Class B . . . . .	\$ 7,462,000	3.00%	13.75%	Aa2/AA	9.903	04/11-05/11	Fixed Rate	● % ● %
Class C . . . . .	\$ 7,462,000	3.00%	10.75%	A2/A	11.221	05/11-12/12	Fixed Rate	● % ● %
Class D . . . . .	\$ 9,949,000	4.00%	6.75%	(8)	11.558	12/12-12/12	WAC(9)	(9) (9)
Class E . . . . .	\$ 1,866,000	0.75%	6.00%	(8)	11.597	12/12-02/13	WAC(9)	(9) (9)
Class F . . . . .	\$ 4,974,000	2.00%	4.00%	(8)	11.803	02/13-04/13	Fixed Rate	● % ● %
Class G . . . . .	\$ 1,866,000	0.75%	3.25%	(8)	11.939	04/13-05/13	Fixed Rate	● % ● %
Class H . . . . .	\$ 3,109,000	1.25%	2.00%	(8)	11.975	05/13-05/13	Fixed Rate	● % ● %
Class J . . . . .	\$ 1,244,000	0.50%	1.50%	(8)	11.975	05/13-05/13	Fixed Rate	● % ● %
Class K . . . . .	\$ 3,731,008	1.50%	N/A	(8)	11.975	05/13-05/13	Fixed Rate	● % ● %

- (1) Subject to permitted variance of plus or minus 5%. The “Initial Pool Balance” is \$248,729,008.
- (2) The percentage of credit support for any Class of Sequential Pay Certificates is calculated by dividing the aggregate initial Certificate Balances of each other Class of Sequential Pay Certificates that is subordinated to such Class of Sequential Pay Certificates as of the Closing Date, by the aggregate initial Certificate Balances of all Classes of Sequential Pay Certificates. The subordination of Certificates as described herein is the sole credit support being provided to holders of the Offered Certificates. See “DESCRIPTION OF THE CERTIFICATES—Subordination, Realized Losses and Allocations of Certain Expenses” herein.
- (3) See “INVESTMENT CONSIDERATIONS—Credit Ratings” herein.
- (4) The weighted average life (expressed in years) and the period (expressed in months commencing with the month of the first Distribution Date) during which distributions of principal would be received (the “Principal Window”) set forth in the foregoing table are based on the assumption that there are no prepayments, defaults or early termination.
- (5) Each Pass-Through Rate is a rate compounded monthly and each corresponding Semi-Annual Equivalent Rate is the equivalent rate compounded semi-annually.
- (6) The Class X Certificates will not have a Certificate Balance and will not entitle the holders thereof to distributions of principal, but will entitle holders to distributions of interest accrued on the Class X Notional Amount for such Distribution Date. The initial Class X Notional Amount is \$248,729,008.
- (7) The Pass-Through Rate for the Class X Certificates is variable and will be determined as described under “DESCRIPTION OF THE CERTIFICATES—Pass-Through Rates” herein.
- (8) Not applicable; not issued under this Short Form Prospectus. It is anticipated that the Non-Offered Certificates will be sold to the Special Servicer or an affiliate of the Special Servicer.
- (9) The Pass-Through Rate applicable to the Class D and Class E Certificates on each Distribution Date will equal the applicable Weighted Average Net Mortgage Rate for such Distribution Date.

Offered Certificates.

Non-Offered Certificates.