

DECISION DOCUMENT

May 22, 2012

**In the Matter of the  
Securities Legislation of  
Manitoba and Ontario  
(the "Jurisdictions")**

and

**In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions**

and

**In the Matter of  
I.G. Investment Management, Ltd. ("IGIM") and  
Investors Real Property Fund (the "Fund")  
(collectively, the "Filers")**

**Decision**

**Background**

The securities regulatory authority or regulator in each of the Jurisdictions ("Decision Makers") has received an application from the Filers for a decision under the securities legislation of the Jurisdictions ("Legislation") to amend the current decision under the securities legislation of Manitoba and Ontario dated May 26, 2009 (the "2009 Order"), to reflect changes made to the registration regime, by deleting Paragraph M Investment Committee in its entirety and replacing same with the following:

**"M. Investment Committee**

1. The Fund will maintain an investment committee (the "Investment Committee") in accordance with the following:
  - (a) IGIM will continue the Investment Committee as follows:
    - (i) it will be composed of at least three members;
    - (ii) all of the members will either have at least five years substantial experience in commercial real estate or be registered as an advising representative of IGIM;
    - (iii) at least two of the three members will have five years substantial experience in commercial real estate;
    - (iv) at least one of the three members will be a senior advising representative of IGIM; and

- (v) all of the members will be either employees or officers of IGIM;
- (b) the Investment Committee will approve purchases, sales and new or assumed mortgages in connection with real property of the Fund; provided that the IRC for the Fund will, in accordance with NI 81-107, make recommendations in respect of conflict of interest matters and will approve arrangements, in accordance with NI 81-107, described in paragraph 7 of section B above.”

(the “Exemption Sought”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual application):

- (a) The Manitoba Securities Commission (“MSC”) is the principal regulator (“Principal Regulator”) for this application;
- (b) The Filers have provided notice that section 4.7(1) of Multi-Lateral Instrument 11-102 - *Passport System* (“MI 11-102”) is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador, Yukon, Nunavut and the North West Territories; and
- (c) The decision is the decision of the Principal Regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### **Interpretation**

Defined terms contained in National Instrument 14-101 – *Definitions* (“NI 14-101”), National Instrument 81-101- *Mutual Fund Prospectus Disclosure* (“NI 81-101”), National Instrument 81-102 – *Mutual Funds* (“NI 81-102”), National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* (“NP 11-203”) and Multilateral Instrument 11-102 – *Passport System* (“MI 11-102”), have the same meaning in this decision unless they are otherwise defined in this decision.

### **Representations**

This decision is based on the following facts represented by the Filers:

1. The Fund is an open end real estate mutual fund originally organized by a Trust Agreement dated November 2, 1983, as amended. The Fund is continued under a Declaration of Trust dated December 31, 2010. Units of the Fund are currently being offered to the public under a simplified prospectus dated June 30, 2011. The Fund is not in default of any of the requirements of securities legislation of any of the provinces and territories in Canada.
2. Units of the Fund are distributed by Investors Group Financial Services Inc. and Investors Group Securities Inc. through Investors Group consultants or an Investors Group Securities Inc. Trade Centre. Units of the Fund are available to any suitable client of Investors Group.
3. IGIM is a corporation continued under the laws of Ontario. It is the trustee and manager of the Fund. It is registered as a portfolio manager in Manitoba, Ontario, and Quebec and as an investment fund manager in Manitoba. It is also registered as an advisor

under the Commodity Futures Act in Manitoba. The head office of IGIM is in Winnipeg, Manitoba and, accordingly, Manitoba is the principal regulator. IGIM is not in default of any of the requirements of securities legislation of any of the provinces and territories in Canada.

4. The Fund is the only open end real estate mutual fund, owning real property, offered in Canada.
5. The Fund's principal investment objective is stated in its prospectus to be:

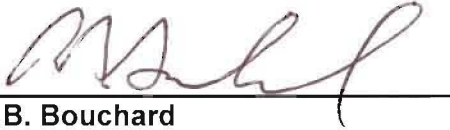
*"...long term capital growth combined with a continued income stream through investments in real property located in Canada. To achieve this objective the Fund has assembled and intends to continue to assemble a diversified portfolio of income producing real properties with a better than average growth potential."*

6. As of December 31, 2010, the Fund held a diversified real estate portfolio of 166 real properties located across Canada. Its real estate portfolio includes a variety of types of property including shopping centres and other retail facilities, commercial office buildings, mixed use commercial properties, single and multi-tenant industrial buildings, multi-tenant residential buildings, professional buildings and other types of properties. The net assets of the fund as of December 31, 2010 (including real estate assets and liquid assets) were approximately \$3,331,450,000.
7. On April 18, 2007, the Fund received the Mutual Reliance Review System Decision Document (the "2007 MRRS Decision"), which revoked and replaced a previous order granted by the Deputy Director, Corporate Financing of the MSC issued on June 13, 1997, and carried forward the relevant provisions of *OSC Policy Statement 11.5 Real Estate Mutual Funds – General Prospectus Guidelines* ("OSC 11.5") and from certain provisions of NI 81-102. The Fund also received an exemption from the application of *Quebec Regulation Q-25*, on the condition it complied with the 2007 MRRS Decision, as amended or replaced.
8. On May 26, 2009, the Fund received the 2009 Order which revoked and replaced the 2007 MRRS Decision, permitting the Fund to file its prospectus in accordance with National Instrument 81-101 – *Mutual Fund Prospectus Disclosure* ("NI 81-101") (subject to any additional disclosures described in the 2009 Order or any alternative disclosure as may be requested or accepted by the MSC as principal regulator of the Fund) and carried forward the relevant provisions of the 2007 Decision Document. A copy of the Current Decision is enclosed.
9. Paragraph M. Investment Committee of the 2009 Order requires members of the Investment Committee to be registered in categories which no longer exist. With the implementation of National Instrument 31-103 – *Registration Requirements and Exemptions and Ongoing Registrant Obligations* the categories of "advising officer" and "non-advising officer" no longer exist, and as a result, IGIM will be unable to comply with these conditions.
10. Neither IGIM nor the Fund is in default under securities legislation in any province or territory of Canada.

**Decision**

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation of the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted.

A handwritten signature in black ink, appearing to read 'R.B. Bouchard', written over a horizontal line.

**R.B. Bouchard**  
**Director – Corporate Finance**  
**The Manitoba Securities Commission**