

Date: April 5, 2013

**IN THE MATTER OF THE SECURITIES LEGISLATION OF
ALBERTA, NEWFOUNDLAND AND LABRADOR,
ONTARIO AND SASKATCHEWAN
AND
IN THE MATTER OF THE
PROCESS FOR EXEMPTIVE RELIEF
APPLICATIONS IN MULTIPLE JURISDICTIONS
AND
IN THE MATTER OF
INVESCO CANADA LTD.
(the "Filer")
DECISION**

Background

The securities regulatory authority or regulator in:

- (a) Ontario has received a passport application from the Filer for a decision under the securities legislation of Ontario for discretionary relief to permit the Filer in the case of ICRE Transactions to cease delivering Confirmations (the "**Confirmation Requirement**") and Statements (the "**Statement Requirement**") to its Clients (the "**Passport Exemption**");
- (b) each of Alberta, Ontario, Newfoundland and Labrador and Saskatchewan (the "**Coordinated Exemption Decision Makers**") have received a coordinated application from the Filer for a decision under the securities legislation of those provinces for discretionary relief in the case of ICRE Transactions from the Confirmation Requirement (the "**Coordinated Exemption**"); and
- (c) Newfoundland and Labrador has received an application from the Filer for a decision under the securities legislation of that jurisdiction for discretionary relief in the case of ICRE Transactions from the Statement Requirement (the "**Newfoundland and Labrador Exemption**").

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a passport and coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator (the "**Principal Regulator**") for this application;

- (b) the Filer has provided notice under section 4.7(1) of Multilateral Instrument 11-102 *Passport System* ("**MI 11-102**") that the Passport Exemption is intended to be relied upon in British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Prince Edward Island, Nova Scotia, Newfoundland and Labrador, the Northwest Territories, Nunavut and the Yukon Territory;
- (c) the decision with respect to the Coordinated Exemption evidences the decision of each Coordinated Exemption Decision Maker; and
- (d) the decision with respect to the Newfoundland and Labrador Exemption evidences the decision of the regulatory authority or regulator in Newfoundland and Labrador.

Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined herein.

"**Client**" and collectively, "**Clients**" means an investor residing in a Canadian jurisdiction where the Filer acts as dealer for Client's ICRE Transactions.

"**Confirmations**" means written confirmations of transactions required pursuant to section 14.12(1) of NI 31-103 and securities legislation of the Coordinated Exemption Decision Makers to be delivered to a client following a transaction.

"**ICRE**" means Invesco Core Real Estate – U.S.A., LLC.

"**ICRE Transactions**" means purchases or redemptions of securities of ICRE by a Client.

"**LP Agreement**" means the Fourth Amended and Restated Limited Liability Company Agreement of ICRE dated March 6, 2008, as amended.

"**NAV Statement**" means a statement of net asset value issued by ICRE which contains all information required for Statements other than the information set out in representation 19.

"**NAVPS**" means net asset value per security.

"**NI 31-103**" means National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

"**Statements**" means statements with certain information required pursuant to sections 14.14(1) and 14.14(2) of NI 31-103 and the securities legislation of Newfoundland and Labrador to be delivered at least once every three months, or at the end of a month if the Client has requested statements on a monthly basis or if a transaction is effected in a client's account during the month.

"**Trade Detail Report**" means a trade detail report issued by ICRE which contains all information required for Confirmations other than the information set out in representation 18.

Representations

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

1. The Filer:
 - a) is a corporation amalgamated under the laws of Ontario;
 - b) is an indirect wholly-owned subsidiary of Invesco Ltd., a global investment manager;
 - c) has its head office located in Toronto, Ontario;
 - d) is registered as an adviser in the category of portfolio manager in all provinces of Canada, a dealer in the category of exempt market dealer in all provinces of Canada and an investment fund manager in Ontario; and
 - e) is not in default of applicable securities legislation in any jurisdiction.
2. ICRE:
 - a) is a Delaware limited liability company managed by IRI Core I, L.P. and advised by Invesco Advisers, Inc.;
 - b) is an open-end investment fund established under the laws of Delaware on September 30, 2004;
 - c) had assets under management exceeding USD \$5 billion as of December 31, 2012;
 - d) is primarily offered to investors that are not residents of Canada;
 - e) is available for distribution only to qualified institutional investors; and
 - f) is, to the best of the Filer's knowledge, not in default of securities legislation in the United States.
3. Invesco Advisers, Inc. is:
 - a) a corporation formed under the laws of the State of Delaware, United States of America;
 - b) registered as an investment adviser with the United States Securities and Exchange Commission, a commodity trading adviser and commodity pool operator with the U.S. Commodity Futures Trading Commission (the CFTC);
 - c) not registered in any Canadian jurisdiction; and
 - d) to the best of the Filer's knowledge, not in default of securities legislation in the United States.
4. The Filer is or will act as dealer in ICRE Transactions with Clients.
5. Each Client is:

- a) a "permitted client" within the meaning of section 1.1 of NI 31-103; and
 - b) an institutional investor and not an individual investor; and
 - c) assisted by a third party consultant and may also have internal investment advisors that provide advice to the Client with respect to its investments.
6. The large majority of ICRE's investors and the bulk of the investments in ICRE are made by investors that are not Clients or other residents of Canada.
7. Prior to a Client's purchase of securities of ICRE, representatives of ICRE and the Filer are required to submit a request for proposal (or RFP) and conduct various in-person presentations with the Client that include information relating to the investment objectives and strategies of ICRE, fees and the settlement process. The Client also receives an offering memorandum pertaining to ICRE (the "OM").
8. Each Client is required to:
- a) enter into a subscription agreement which, amongst other things, binds the Client to the LP Agreement;
 - b) complete a Know-Your-Client form and waiver relating to suitability pursuant to section 13.3(4) of NI 31-103; and
 - c) make a minimum investment of at least USD \$10 million.
9. ICRE issues Trade Detail Reports when a Client enters into an ICRE Transaction.
10. The LP Agreement:
- a) requires ICRE to issue NAV Statements on a quarterly basis;
 - b) discloses the management fees payable by the Client;
 - c) requires that management fees be paid quarterly in arrears by netting such fees against quarterly distributions paid by ICRE; and
 - d) sets out any other terms and conditions for the Client's account with ICRE.
11. ICRE calculates a NAVPS effective on the first business day of each calendar quarter and only trades securities on that day. As no trading activity may occur intra-quarter, ICRE does not issue NAV Statements intra-quarter.
12. Investors in ICRE are required to settle all purchases on the first business day of the quarter and redemptions generally settle on the fifteenth business day of the quarter.
13. The Filer provides certain client servicing functions to the Client, for example providing information on ICRE performance, portfolio holdings or attributes to the Client upon request and facilitating any ICRE Transactions by the Client ("**Client Servicing Functions**"). Other than the provision of the Client Servicing Functions, the Filer does not provide record-keeping, bookkeeping, custody or other administrative functions (collectively, "**Account Services**") for the Clients. Such Account Services (other than custody as these services are provided by the Clients' custodian) are provided by ICRE.

14. The Filer does not receive any money or securities from the Client. The Client pays and receives any cash pursuant to ICRE Transactions directly to or from ICRE.
15. The Filer receives copies of the Trade Detail Reports and NAV Statements which are issued to the Client by ICRE. Each quarter, the Filer will reconcile any notices of ICRE Transactions received from the Client with the Trade Detail Reports and NAV Statements received from ICRE.
16. Other than Client Servicing Functions, ICRE has or will have the primary relationship with a Client and is contractually responsible for overall trade monitoring, reporting trade confirmations and sending out statements.
17. Pursuant to:
 - a) certain legislative securities provisions of the Coordinated Exemption Decision Makers, the Applicant is required to issue Confirmations to a Client;
 - b) certain legislative securities provisions of the regulatory authority or regulator in Newfoundland and Labrador, the Applicant is required to issue Statements to a Client;
 - c) section 14.12(1) of NI 31-103, the Filer is required to issue Confirmations to a Client which Confirmations must include certain mandated information; and
 - d) sections 14.14(1) and 14.14(2) of NI 31-103, the Filer is required to issue Statements to a Client which Statements must include certain mandated information.
18. The Trade Detail Reports do not contain the following information required for a Confirmation:
 - a) whether the Filer is acting as agent or principal in a transaction;
 - b) the name of the dealing representative in the transaction;
 - c) the settlement date of the transaction; and
 - d) the fact that ICRE is a connected issuer to the Filer.
19. The NAV Statements do not contain the following information required for a Statement:
 - a) the date of every transaction during the period;
 - b) the number of securities purchased, redeemed or reinvested pursuant to each transaction during the period when management fees are netted from dividend reinvestments; and
 - c) the NAVPS at the time of the transaction.
20. The provision of Confirmations and Statements to Clients by the Filer is:
 - a) duplicative and confusing as the trade details reports and NAV Statements issued by ICRE contain all pertinent information requested by Clients; and

- b) not necessary to establish an audit trail of purchases and redemptions made by a Client with ICRE

because:

- (i) prior to the purchase of any ICRE securities and for the duration of a Client's investment in ICRE, the dealing representatives of the Filer are in contact with the Client, so the Client will be aware of the name of the dealing representative and the Filer's role in ICRE Transactions;
- (ii) the trade dates and settlement dates of ICRE Transactions occur on the dates set out in representations 11 and 12 respectively, so a Client will not be confused as to when ICRE Transactions are traded and settled;
- (iii) ICRE's name and the Filer's name both start with the word "Invesco", so a Client will not be confused as to the nature of the relationship between the Filer and ICRE;
- (iv) the netting of the management fees from the dividend declared, and the reinvestment into ICRE securities of the difference between management fees and dividend declared, is disclosed in the NAV Statement, so a Client will be aware of the number of securities issued after netting, though not of the individual transactions; and
- (v) the NAVPS at the time of transaction is disclosed in the NAV Statement, though not immediately next to the ICRE Transaction, so a Client will be aware of the NAVPS.

21. Current Clients of the Filer have requested that the Confirmations and Statements be suppressed.

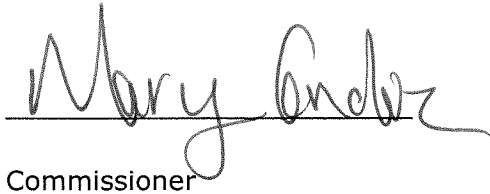
Decision

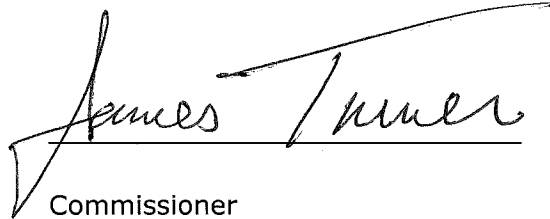
Each of the Principal Regulator, the Coordinated Exemption Decision Makers and the regulatory authority or regulator in Newfoundland and Labrador is satisfied that the decision meets the test set out in the legislation of the jurisdiction for the relevant securities regulatory authority or regulator to make the decision.

The decision of the Principal Regulator under the legislation of Ontario is that the Passport Exemption is granted, the decision of the Coordinated Exemption Decision Makers under the legislation of the Coordinated Exemption Decision Makers is that the Coordinated Exemption is granted and the decision of the securities regulatory authority or regulator in Newfoundland and Labrador under the legislation of that jurisdiction is that the Newfoundland and Labrador Exemption is granted, provided that:

- (a) the Filer provides to each prospective Client an OM which must include:
 - (i) a statement that the Filer will not provide Confirmations and Statements;
 - (ii) a listing of the information relating to trades and the Client's holdings in ICRE that will be contained in Trade Detail Reports and NAV Statements issued by ICRE; and

- (iii) a listing of the information that will be omitted from the Trade Detail Reports and NAV Statements that would otherwise be found in Confirmations and Statements;
- (b) each new Client waives in writing the right to receive Confirmations and Statements, and if a Client subsequently requests Confirmations or Statements, the Filer immediately commences issuing Confirmations or Statements, as the case may be, to that Client;
- (c) in ICRE Transactions, the Filer acts as dealer only for Clients that are "permitted clients" within the meaning of section 1.1 of NI 31-103 and not individual investors;
- (d) ICRE issues Trade Detail Reports and NAV Statements which include the information required for Confirmations and Statements, as the case may be, except for the information set out in representations 14 and 15; and that the Trade Detail Reports and NAV Statements are substantially similar to those delivered by ICRE to other investors in ICRE;
- (e) ICRE is managed in the United States and is primarily offered to investors that are not residents of Canada;
- (f) ICRE only transacts trades on a quarterly basis; and
- (g) the minimum investment for purchases of securities of ICRE is at least USD \$10 million.


Commissioner


Commissioner

Director Relief under Section 15.1 of NI 31-103
In the Matter of Invesco Canada Ltd.

The Director is satisfied that the Decision meets the test set out in the securities legislation of Ontario (the **Legislation**) for the Director to make the Decision.

The Decision of the Director under the Legislation is that the Passport Exemption is granted.



Marriane Bridge
Deputy Director, Compliance and Registrant Regulation
Ontario Securities Commission