

## News Release

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### **Income Fund and REIT governance comparable with corporations, Study shows**

**Toronto, February 16, 2006/CNW/** - The Real Property Association of Canada (REALpac) and the Canadian Association of Income Funds (CAIF) today announced the release of an independent governance study on income funds and real estate investment trusts (REITs). The study, commissioned by CAIF and REALpac and undertaken by SECOR Consulting, Canada's largest independent strategic consulting firm, shows that income funds generally compare favourably with public corporations in complying with the governance guidelines established by the Canadian Securities Administrators in *National Policy 58-201: Effective Corporate Governance*.

Based on those strict guidelines, some 88 per cent of income funds reporting are explicitly compliant with over 75 per cent of the guidelines, compared with 92 per cent of public companies. Furthermore, 67 per cent are explicitly compliant with over 90 per cent of the guidelines, compared to 71 per cent of publicly traded companies.

"At a time when corporate governance across all sectors is in the spot light, it is not surprising to see income funds draw increased attention," said Ken Smith, Managing Partner, SECOR Consulting. "REALpac and CAIF are to be commended for commissioning this study to establish a base-line of corporate governance practices in this sector."

"It is not unusual for heightened scrutiny to be placed upon an industry sector that has seen the rapid growth that income funds have," said Michael Brooks, Executive Director, REALpac. "The results of this independent study clearly demonstrate that our governance is on par with corporations and we are committed to further dialogue based on the real facts of the issues facing the sector."

"With the growth of the income fund sector and the inclusion of income funds in the S&P/TSX Composite Index, the governance of income funds is attracting increased attention," said Stephen Pincus, Chair, Governance Committee, CAIF and Chair, Income Funds Group, Goodmans LLP. "This study focuses on the composition, structure and policies of income fund boards, which are key aspects of governance. Establishing this benchmark is just one step in our approach to examining a range of governance issues."

SECOR reviewed publicly available information for 202 income funds and compared them with a representative sample of 100 public corporations listed on the Toronto Stock Exchange.

#### **About SECOR Consulting**

Founded in Montreal in 1975, SECOR Consulting is now Canada's largest independent strategy consultancy, with offices in Montreal, Toronto, Ottawa, and Paris. SECOR's principal practice areas are strategy, organization and governance, and strategy implementation. Visit SECOR at [www.secor.ca](http://www.secor.ca).

#### **About REALpac**

REALpac is Canada's premier association for investment real property leaders whose mission is to collectively influence public policy, to educate government and the public, and to ensure stable and beneficial real estate capital and property markets in Canada.

REALpac members currently own in excess of \$120 Billion CAD in real estate assets located in the major centres across Canada and include REITs, publicly traded and large private companies, banks, brokerages, crown corporations, investment dealers, life companies, and pension funds. Visit REALpac at [www.realpac.ca](http://www.realpac.ca).

#### **About CAIF**

In 2002, the heads of Canada's leading income funds created the Canadian Association of Income Funds (CAIF)/L'Association Canadienne des Fonds de Revenus (ACFR). CAIF represents and promotes the

interests of Canadian income funds, publicly listed limited partnerships, income trusts and royalty trusts.  
Visit CAIF at [www.caif.ca](http://www.caif.ca).

**For additional information or to view a copy of the Executive Summary of the Results, please visit [www.realpac.ca](http://www.realpac.ca) or [www.caif.ca](http://www.caif.ca)**

- 30 -

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