

2008 BCSECCOM 186

March 18, 2008

Headnote

Mutual Reliance Review System for Exemptive Relief Applications - National Instrument 81-106 *Continuous Disclosure Requirements for Investment Funds*, s.17.1 – requirements to deliver audited annual financial statements and file MRFP - Financial statement delivery requirement - A fund wants relief from the requirement in s. 5.1 of NI 81-106 to deliver audited annual financial statements for a particular year - The filer filed a final prospectus with audited financial statements dated before its year end; the filer had limited operations between the date of the audited financial statements and its year end; the filer's audited annual financial statements will not disclose any material information that is not already disclosed, either in the financial statements included in the prospectus or elsewhere in the prospectus - MRFP requirement - A fund wants relief from the requirement in s. 4.2 of NI 81-106 to prepare and file an annual management report of fund performance (MRFP) for a particular year - The filer filed a final prospectus with audited financial statements dated before its year end - The filer had limited operations between the date of the audited financial statements and its year end; because of its limited operations, the filer cannot discuss changes in risk, the result of operations, or economic trends and market conditions that affect the filer in the annual MRFP for its first financial year

Applicable British Columbia Provisions

National Instrument 81-106, ss. 4.2, 5.1 and 17.1

In the Matter of
the Securities Legislation of
British Columbia, Alberta, Saskatchewan, Manitoba,
Ontario, Quebec, Newfoundland and Labrador, New Brunswick,
Nova Scotia, Northwest Territories, Yukon, and Nunavut
(the "Jurisdictions")

and

In the Matter of
the Mutual Reliance Review System for Exemptive Relief Applications

and

In the Matter of
Sentry Select Global Real Estate Fund

MRRS Decision Document

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Background

The local securities regulatory authority or regulator (the “Decision Maker”) in each of the Jurisdictions has received an application from Sentry Select Global Real Estate Fund (the “Filer”) for a decision under the securities legislation (the “Legislation”) of the Jurisdictions for:

- (a) an exemption from the requirement contained in section 5.1(2)(a) of National Instrument 81-106 – *Investment Fund Continuous Disclosure* (“NI 81-106”) to deliver to its securityholders annual financial statements for the financial year ended December 31, 2007 (the “Initial Financial Statements”); and
- (b) an exemption from the requirement contained in section 4.2 of NI 81-106 to prepare and file a management report of fund performance (“MRFP”) for the financial year ended December 31, 2007.

(collectively, the “Requested Relief”).

Under the Mutual Reliance Review System for Exemptive Relief Applications (“MRRS”):

- (a) the Ontario Securities Commission is the principal regulator for this application; and
- (b) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14-101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

“Initial Closing” means the initial distribution of units and warrants of the Filer which was completed on December 20, 2007;

“Initial Financial Statements” means the financial statements for the financial year ended December 31, 2007 of the Filer;

“Prospectus” means the final prospectus of the Filer dated November 29, 2007; and

“Second Closing” means the closing of the Filer when the over-allotment option was exercised, which occurred on January 10, 2008.

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Representations

1. The Filer is an investment fund established under the laws of the Province of Ontario pursuant to a declaration of trust dated as of November 29, 2007, as it may be amended from time to time. The fiscal year end of the Filer is December 31. The Filer filed the Prospectus with the Jurisdictions pursuant to which the Initial Closing was completed. The Second Closing of the Filer did not occur until after the Filer's financial year end.
2. The Filer was created to provide securityholders with exposure to the global real estate market.
3. In the absence of the Requested Relief, the Filer would be required to:
 - (a) deliver to its securityholders the Initial Financial Statements; and
 - (b) prepare and file in the Jurisdictions an MRFP for the financial year ended December 31, 2007 for each of the Jurisdictions.

Delivery of Financial Statements

4. The benefit to be derived by the securityholders of the Filer from receiving the Initial Financial Statements would be minimal in view of:
 - (i) the short period from the date of the Initial Closing, December 20, 2007, to the fiscal year end, December 31, 2007;
 - (ii) the fact that the Second Closing of the Filer did not occur until January 10, 2008, after the Filer's financial year end;
 - (iii) an audited statement of financial position was contained in the Prospectus; and
 - (iv) the nature of the minimal business carried on by the Filer from November 29, 2007 to December 31, 2007.
5. The expense to the Filer of sending to its securityholders the Initial Financial Statements would not be justified in view of the benefit to be derived by the securityholders from receiving the Initial Financial Statements.
6. The Fund's financial statements will be audited for the period ended December 31, 2007.

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Management Report of Fund Performance

7. The limited activities of the Filer for the period from November 29, 2007 to December 31, 2007 do not provide meaningful information for the purposes of the preparation of an MRFP.
8. In respect of certain MRFP requirements, Form 81-106F1 requires a discussion of how changes to the investment fund over the financial year affected the overall level of risk associated with an investment in the investment fund, a summary of the results of operations of the investment fund for the financial year in which the management discussion of fund performance pertains, a discussion of the recent developments affecting the investment fund, a discussion of any transactions involving related parties to the investment fund, disclosure of selected financial highlights for the investment fund, and a summary of the investment fund's portfolio as at the end of the financial year of the investment fund to which the MRFP pertains. Given the minimal business carried on by the Filer, the fact that the Filer had its Initial Closing on December 20, 2007, and the fact that the Second Closing of the Filer did not occur until January 10, 2008, no disclosure on these and other items required to be disclosed by Form 81-106F1 could be meaningfully provided in an MRFP.

Decision

Each of the Decision Makers is satisfied that the test contained in the Legislation that provides the Decision Maker with the jurisdiction to make the decision has been met.

The decision of the Decision Makers under the Legislation is that the Requested Relief is granted provided that:

- (i) the Initial Financial Statements are filed and posted for viewing on SEDAR and www.sentryselect.com;
- (ii) the Filer will send a copy of such Initial Financial Statements to any securityholder of the Filer who requests such copy; and
- (iii) the Filer will prepare an MRFP for the period ended June 30, 2008 in accordance with Form 81-106F1, except that it will also include financial highlights as required by Part B, Item 3 of Form 81-106F1.

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ONTARIO SECURITIES COMMISSION