FORM 51-102F3 - MATERIAL CHANGE REPORT

1. Name and Address of Company

IBI Income Fund (the “Fund”)
230 Richmond Street West
5th Floor
Toronto, Ontario
M5V 1V6

2. Date of Material Change

The material change described herein took place on March 6, 2006.

3. News Release

The news release attached hereto as Schedule “A” announcing the material change described herein was released through CCN Matthews, Toronto, Ontario on March 6 2006.

4. Summary of Material Change

The material change is described in the Company’s news release attached hereto as Schedule “A”, which news release is incorporated herein by reference.

5. Full Description of Material Change

No information other than that provided in Item 4 above is presently available.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

The report is not being filed on a confidential basis.

7. Omitted Information

Not applicable.

8. Executive Officer

The following is the name and business telephone number of an executive officer of the Fund who is knowledgeable about the material change in this report.

Allan Kamerman, Chief Financial Officer and Secretary of IBI GP Holdings Limited, attorney for the Fund.

9. Date of Report

March 14, 2006.

SCHEDULE "A"

FOR IMMEDIATE RELEASE

NOT FOR DISSEMINATION IN THE UNITED STATES OR TO ANY NON-CANADIAN SOURCE

IBI INCOME FUND ANNOUNCES COMPLETION OF PUBLIC OFFERING

Toronto, Ontario – March 6, 2006 – (TSX: "IBG.UN") – IBI Income Fund (the "Fund") announced today that it has completed its previously announced equity offering. The offering consisted of 3,460,000 Units at $11.00 per Unit for gross proceeds of $38,060,000. The offering was led by a syndicate of underwriters led by CIBC World Markets Inc. and including BMO Nesbitt Burns Inc., Canaccord Capital Corporation and TD Securities Inc. The Fund has also granted the underwriters an over-allotment option to acquire an additional 86,500 Units, exercisable until 30 days following closing. IBI Group Management Partnership has retained an interest of approximately 50.8% in the Fund (on a fully-diluted basis) following the completion of the Offering by exercising its pre-emptive rights arising as a result of the Offering to acquire 50% of the Units issued pursuant to the Offering, excluding any Units issued pursuant to any exercise of the over-allotment option. If the over-allotment option is exercised in full, the Management Partnership's interest in the Fund will be approximately 50.5% in the Fund (on a fully-diluted basis).

About IBI Income Fund

The Fund is a TSX listed income trust, which pays monthly distributions and trades under the symbol "IBG.UN". The Fund indirectly holds all of the outstanding Class A partnership units of IBI Group, representing approximately 63% of the outstanding Class A and Class B partnership units of IBI Group. IBI group is a partnership which provides professional services, including planning, design, implementation, analysis of operations and other consulting services in relation to four main areas of development, being urban land, building facilities, transportation networks and systems technology. All of the outstanding Class B partnership units of IBI Group are owned by IBI Group Management Partnership.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, which may be made only by means of a prospectus, nor shall there be any sale of the Units in any state, province or other jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such state, province or other jurisdiction. The Units of IBI Income Fund have not been, and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered, sold or delivered in the United States absent registration or an application for exemption from the registration requirements of U.S. securities laws.

CONTACT: Philip H. Beinhaker, IBI Income Fund. 230 Richmond Street West, Toronto, Ontario, M5V 1V6, Telephone: (416) 596-1930