

INVESTORS REAL ESTATE TRUST  
Form 11-K  
June 26, 2015  
[Table of Contents](#)

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 11-K**

**x ANNUAL REPORT Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended **December 31, 2014**

or

**o TRANSITION REPORT Pursuant to Section 15(d) of the Securities Exchange Act of 1934**

For the transition period from                      to

**Commission File Number 001-35624**

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**IRET Properties 401(k) Plan**

B: Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

## **Investors Real Estate Trust**

**1400 31st Avenue SW, Suite 60**

**Post Office Box 1988**

**Minot, ND 58702-1988**

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Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**Contents**

|  | <b>Page</b> |
|--|-------------|
| <u>Report of Independent Registered Public Accounting Firm</u>   | 3           |
| Financial Statements:  |             |
| <u>Statements of Net Assets Available for Benefits December 31, 2014 and 2013</u>                        | 4           |
| <u>Statements of Changes in Net Assets Available for Benefits Years Ended December 31, 2014 and 2013</u> | 5           |
| <u>Notes to Financial Statements</u>   | 6           |
| <u>Supplemental Information:</u>   |             |
| <u>Schedule H, Line 4i Schedule of Assets (Held at End of Year) December 31, 2014</u>                    | 13          |
| <u>Signature</u>   | 14          |
| Exhibit:   |             |
| Consent of Independent Registered Public Accounting Firm   |             |

Table of Contents

**Report of Independent Registered Public Accounting Firm**

Plan Administrator and Trustee

IRET Properties 401(k) Plan

We have audited the accompanying statements of net assets available for benefits of IRET Properties 401(k) Plan (the Plan ) as of December 31, 2014 and 2013, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan s internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of IRET Properties 401(k) Plan as of December 31, 2014 and 2013, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The supplemental information in the accompanying Schedule of Assets (Held at End of Year), as of December 31, 2014, has been subjected to audit procedures performed in conjunction with the audit of IRET Properties 401(k) Plan s financial statements. The supplemental information is presented for purposes of additional analysis and is not a required part of the basic financial statements but include supplemental information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplementary information is the responsibility of the Plan s management. Our audit procedures included determining whether the supplemental information reconciles to the financial statements or the underlying accounting and other records, as applicable, and performing procedures to test the completeness and accuracy of the information presented in the supplemental information. In forming our opinion on the supplemental information in the accompanying schedule, we evaluated whether the supplemental information, including its form and content, is presented in conformity with the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. In our opinion, the supplemental information referred to above is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

/s/ GRANT THORNTON LLP

Minneapolis, Minnesota

June 26, 2015

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS**

|   | December 31,  |               |
|---|---------------|---------------|
|   | 2014          | 2013          |
| <b>Assets:</b>                                  |               |               |
| Participant Directed Investments, at fair value | \$ 11,138,892 | \$ 10,209,748 |
| Money Market Fund, at fair value                | 510,497       | 245,009       |
|   | 11,649,389    | 10,454,757    |
| <b>Contribution Receivable:</b>                 |               |               |
| Employer  | 571,550       | 549,619       |
| Net assets available for benefits               | \$ 12,220,939 | \$ 11,004,376 |

The accompanying notes are an integral part of these financial statements.

Table of Contents**IRET PROPERTIES 401(k) PLAN****STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

|   | Years Ended December 31, |                      |
|---|--------------------------|----------------------|
|   | 2014                     | 2013                 |
| <b>Additions:</b>   |                          |                      |
| Investment income:  |                          |                      |
| Dividends   | \$ 421,106               | \$ 229,106           |
| Net realized and unrealized appreciation (depreciation) in fair value of investments: |                          |                      |
| Mutual funds  | 433,521                  | 1,306,072            |
| Common stock  | (84,842)                 | (23,511)             |
|   | 769,785                  | 1,511,667            |
| <b>Contributions:</b>   |                          |                      |
| Employer, net of forfeitures  | 1,064,669                | 996,980              |
| Participant   | 882,726                  | 862,296              |
| Participant rollovers   | 66,090                   | 126,881              |
|   | 2,013,485                | 1,986,157            |
| <b>Total additions</b>  | <b>2,783,270</b>         | <b>3,497,824</b>     |
| <b>Deductions:</b>  |                          |                      |
| Benefits paid to participants   | 1,521,233                | 753,981              |
| Administrative expenses   | 45,474                   | 71,050               |
| <b>Total deductions</b>   | <b>1,566,707</b>         | <b>825,031</b>       |
| <b>Net increase in net assets available for benefits</b>                              | <b>1,216,563</b>         | <b>2,672,793</b>     |
| <b>Net assets available for benefits at beginning of year</b>                         | <b>11,004,376</b>        | <b>8,331,583</b>     |
| <b>Net assets available for benefits at end of year</b>                               | <b>\$ 12,220,939</b>     | <b>\$ 11,004,376</b> |

The accompanying notes are an integral part of these financial statements.

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

**1. Description of the Plan**

The following description of the IRET Properties 401(k) Plan (the Plan ) provides only general information. Participants should refer to the Summary Plan Description and plan document for a more complete description of the Plan s provisions.

***General***

The Plan was initially adopted on January 1, 1995 by IRET Properties, a North Dakota Limited Partnership, which is a subsidiary of Investors Real Estate Trust, a North Dakota real estate investment trust (collectively, the Company ), and provides certain benefits to the employees of the Company. Effective February 1, 2010, the Plan was amended and restated to, among other things, revise the eligibility requirements for participation in the Plan. The Plan has adopted the Heartland Financial USA Defined Contribution Plan, a prototype non-standardized profit sharing/401(k) plan.

The Company is the Employer. The fiscal year of the Plan is the calendar year. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

***Eligibility***

Employees may participate in the Plan if they are at least 21 years of age and have completed six months of service with the Employer. Part-time, temporary or seasonal employees whose regularly scheduled service is less than 1,000 hours of service per Plan Year are not eligible. Union employees and certain nonresident aliens are not eligible.

***Deferred Savings Contributions***



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The Plan allows participants to make salary deferral contributions (pre-tax deferrals and/or Roth deferrals) to the Plan in an amount not in excess of the annual maximum allowed by the Internal Revenue Code, from 1 percent to 100 percent (in 1 percent increments) of compensation. The deferrals contributed to the Plan by highly-compensated employees will be compared with the deferrals of employees who are not highly compensated, and may be subject to certain limits. The Plan also allows participants who are eligible to make deferral contributions and will have attained age 50 before the close of the Plan year to make catch-up elective deferrals.

### *Employer Matching Contributions*

The Employer has elected to make a safe harbor matching contribution of 100% on participant deferrals, up to 4% of a participant's eligible compensation. This matching contribution is made in cash to the participant's Plan account and is invested as directed by the participant. This contribution is fully vested at all times and cannot be forfeited, even if the participant terminates employment.

### *Profit Sharing Contributions*

Profit sharing contributions are made based on the discretion of management of the Company. To qualify for a profit sharing contribution, a participant must satisfy certain eligibility requirements. Effective January 1, 2013, a participant must be employed on the last day of the Plan Year and have completed at least 1,000 hours of service during the Plan Year in order to receive a profit sharing contribution. During 2014, profit sharing contributions were also made to eligible participants upon death or retirement. Prior to January 1, 2013, a participant who terminated employment before the end of the Plan Year would still qualify to receive a profit sharing contribution for that year provided the participant worked more than 500 hours of service during the Plan Year. Profit sharing contributions are allocated among all eligible Plan participants using a pro rata formula based on eligible Plan participant compensation compared to all eligible participants' compensation. Participants may choose to invest profit sharing contributions allocated to their individual accounts in any or all of the available investment options. Profit sharing contributions were \$554,761 and \$521,822 for the years ended December 31, 2014 and 2013, respectively.

### *Rollovers*

At the discretion of the Plan Administrator, the Plan permits eligible employees to rollover funds from a previous employer's tax-qualified plan or tax-qualified individual retirement account.

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

***Participant Accounts***

The Employer remits all authorized contributions made by the participants to the Trustee to be held in trust and invested for the respective accounts of the participants, pursuant to the terms of a trust agreement included in the basic Plan document, as amended. Individual accounts are maintained for each participant of the Plan. Each participant's account is credited with deferred savings contributions, employer matching contributions, profit sharing contributions, rollover contributions and allocated investment earnings and losses.

***Investment Options***

All funds of the Plan are participant directed. Participants may direct the investment of their account balance into various funds and may transfer assets in their accounts between funds on a daily basis.

As of November 1, 2012, Investors Real Estate Trust common and preferred shares of beneficial interest are no longer available as an investment option under the Plan. Prior to November 1, 2012, contributions to purchase common shares of beneficial interest of the Company were used by the Trustee to purchase Investors Real Estate Trust common shares directly on the open market, or to purchase shares of authorized but unissued common shares of beneficial interest directly from the Company if the Company chose to issue new shares. Open market purchases were made at such prices as the Trustee determined in its sole and absolute discretion.

***Vesting***

Participants are immediately vested in their accounts with respect to participant contributions, employer safe harbor matching contributions, eligible rollovers/transfers, and earnings thereon. Generally, all of a participant's years of service with the Employer count toward determining the vested percentage; however, participants must work at least 1,000 hours during each Plan Year to earn a year of vesting service. Effective February 1, 2010, participants vest in Company profit-sharing contributions and earnings thereon based upon the following schedule:

| <b>Years of Vesting Service</b> | <b>Vested Percentage</b> |
|---------------------------------|--------------------------|
| Less than One                   | 0%                       |
| 1                               | 0%                       |

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|   |      |
|---|------|
| 2 | 20%  |
| 3 | 40%  |
| 4 | 60%  |
| 5 | 80%  |
| 6 | 100% |

Prior to February 1, 2010, participants were 100% vested in Company profit-sharing contributions and earnings thereon.

***Distributions and Withdrawals***

On termination of service due to separation of employment, death, disability or retirement, a participant or the participant's beneficiary/beneficiaries is entitled to receive their vested account balance in accordance with the Plan, based on the method of payment elected by the participant or designated beneficiary/beneficiaries. Generally, the Plan allows lump sum, partial payment and installment payment options for payout, if the vested account balance is more than \$5,000; however, if the vested account balance is less than \$5,000 and the Employer is not instructed what to do with the Plan balance, the participant must take the payout in the form of a lump sum. Penalties and restrictions may apply to payouts taken from the Plan before a participant has reached the age of 59 1/2.

A participant may make in-service withdrawals (hardship or age 59 1/2) under certain conditions. Distributions from a participant's Transfer/Rollover Account may be elected at any time.

***Notes Receivable from Participants***

The Plan does not permit participants to take loans from their account under the Plan.

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

*Forfeited Accounts*

Forfeited non-vested accounts may be applied, at the Employer's discretion, to the payment of the Plan's administrative expenses or be used to reduce future employer contributions to the Plan. There were forfeited non-vested accounts totaling \$6,232 and \$21,939 for the Plan as of December 31, 2014 and 2013, respectively. For the years ended December 31, 2014 and 2013, employer contributions were reduced by \$29,761 and \$54,830 from forfeited non-vested accounts. For the years ended December 31, 2014 and 2013, forfeitures used for administrative expenses were \$45,474 and \$71,050, respectively.

*Plan Termination*

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions, at any time, and to terminate the Plan subject to the provisions of ERISA. In the event of a Plan termination, participants would become 100 percent vested in their employer contributions.

2. **Summary of Significant Accounting Policies**

*Basis of Accounting*

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the United States of America.

*Investment Valuation and Income Recognition*

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's investment advisor, with oversight from the Plan's Retirement Plan Committee, determines the Plan's valuation policies utilizing information provided by the custodian. See Note 5 for a discussion of fair value

measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation (depreciation) includes the Plan's gains and losses on investments bought and sold as well as held during the year.

***Investment Contracts with Insurance Companies***

Life insurance and annuity contracts have been purchased as directed by specific Plan participants. These allocated contracts are excluded from the Plan's statement of net assets available for benefits under the Employee Retirement Income Security Act of 1974 (ERISA) guidelines as the purchase of the contract transfers the obligation to pay the benefits and the related risks to the insurance companies.

***Contributions***

Employer and participant contributions are recorded by the Plan when received or determined to be receivable. Participant contributions are deposited with the Plan by the Employer through payroll reductions.

***Benefit Payments***

Distributions to Plan participants are recorded when paid.

***Administrative Expenses***

Administrative expenses of the Plan related to legal and audit fees are paid by the Company. Various administrative expenses of the Plan related to Trustee and recordkeeping are paid by the Plan. Fees or commissions associated with each of the investment options are paid by participants as a deduction from the amount invested or an offset to investment earnings.

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

*Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and changes therein, and disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

*Risks and Uncertainties*

The Plan utilizes various investment instruments. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

*New Accounting Pronouncement*

In May 2015, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2015-07, *Disclosure for Investments in Certain Entities That Calculate Net Asset Value per Share (or Its Equivalent), Fair Value Measurement (Topic 820)*. ASU 2015-07 impacts reporting entities that measure an investment's fair value using the net asset value per share (or an equivalent) practical expedient. This ASU's amendments eliminate the requirement to classify these investments within the fair value hierarchy. The new guidance is effective for reporting periods beginning after December 15, 2015 and early adoption is permitted. The ASU is to be applied retrospectively to all periods presented in an entity's financial statements. The Plan did not early adopt this guidance. The adoption will not have a material effect on the Plan's Statements of Net Assets available for Benefits or Statement of Changes in Net Assets Available for Benefits. Plan management is assessing the impact on the disclosures in the notes to the financial statements.

**3. Investments**

The following presents investments that represent 5 percent or more of the Plan's net assets available for benefits at December 31:

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|  | 2014         | 2013         |
|--|--------------|--------------|
| Investors Real Estate Trust Common Stock (1) | \$ 1,772,678 | \$ 2,558,050 |
| Columbia Dividend Opportunity Fund Y         | 635,949      | 626,289      |
| JP Morgan Large Cap Growth Fund R6           | 641,299      | 705,539      |
| ING Mid Cap Opportunities Fund Class W       | *            | 555,333      |
| T. Rowe Price Retirement 2030 Fund           | 807,344      | *            |
| T. Rowe Price Retirement 2040 Fund           | 763,644      | *            |
| Vanguard 500 Index Fund Admiral Class        | 2,008,199    | 1,869,740    |
| Voya Mid Cap Opportunities Fund Class W      | 630,799      | *            |

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(1) As of November 1, 2012, Investors Real Estate Trust Common Stock is no longer an investment option under the Plan

\* Less than 5% of the Plan's net assets available for benefits

#### 4. Money Market Fund

Money Market Fund represents funds temporarily invested in Invesco Short Term Investments pending allocation to participant accounts and to provide liquidity for fund reallocations and distributions. Participants may also choose to allocate a portion of their contributions to the Money Market Fund.

Table of Contents

**IRET PROPERTIES 401(k) PLAN**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2014 and 2013**

**5. Fair Value Measurements**

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- **Level 1** Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
  
- **Level 2** Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, or inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
  
- **Level 3** Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2014 and 2013.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.



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Mutual funds/money market fund: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

Participant directed brokerage: Allow participants to invest all or a portion of their contributions into investments of their choice. The fair value is based on the underlying investments, which may include common stock, mutual funds, debt securities and common/collective trusts.

The preceding methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the valuation methods are considered appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth by level, within the fair value hierarchy, the Plan's investments at fair value:

| 2014                                     | Level 1       | Level 2 | Level 3 | Total         |
|--|---------------|---------|---------|---------------|
| Common Stock                             | \$ 1,772,678  | \$      | \$      | \$ 1,772,678  |
| Mutual Funds:                            |               |         |         |               |
| Equity funds (a)                         | 5,002,948     |         |         | 5,002,948     |
| International equity funds (b)           | 304,207       |         |         | 304,207       |
| Fixed income funds (c)                   | 874,393       |         |         | 874,393       |
| Balanced funds (d)                       | 3,028,737     |         |         | 3,028,737     |
| Commodity funds (e)                      | 63,077        |         |         | 63,077        |
| Participant directed brokerage           | 92,852        |         |         | 92,852        |
| Money market fund                        | 510,497       |         |         | 510,497       |
| Total investments measured at fair value | \$ 11,649,389 | \$      | \$      | \$ 11,649,389 |

Table of Contents**IRET PROPERTIES 401(k) PLAN****NOTES TO FINANCIAL STATEMENTS****December 31, 2014 and 2013**

| <b>2013</b>                              | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b>  |
|--|----------------|----------------|----------------|---------------|
| Common Stock                             | \$ 2,558,050   | \$             | \$             | \$ 2,558,050  |
| Mutual Funds:                            |                |                |                |               |
| Equity funds (a)                         | 4,704,166      |                |                | 4,704,166     |
| International equity funds (b)           | 250,312        |                |                | 250,312       |
| Fixed income funds (c)                   | 775,723        |                |                | 775,723       |
| Balanced funds (d)                       | 1,861,968      |                |                | 1,861,968     |
| Commodity funds (e)                      | 43,280         |                |                | 43,280        |
| Participant directed brokerage           | 16,249         |                |                | 16,249        |
| Money market fund                        | 245,009        |                |                | 245,009       |
| Total investments measured at fair value | \$ 10,454,757  | \$             | \$             | \$ 10,454,757 |

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- (a) *Equity funds invest primarily in equities, or stocks. It can be actively or passively (index fund) managed.*
- (b) *International equity funds invest primarily in stocks of companies located, or with revenues derived from, outside of the United States.*
- (c) *Fixed income funds seek to maximize total return. These funds invest primarily in bonds and other fixed-income securities, often to provide shareholders with current income.*
- (d) *Balanced funds seek conservation of capital, current income and long-term growth of capital and income. The funds invest in a broad range of securities, including stocks, bonds and securities issued and guaranteed by the United States government. The funds may invest in securities of issuers domiciled outside the United States. The funds may also hold cash or money market instruments.*
- (e) *Commodity funds invest in commodities such as gold, oil or agricultural products, among others. They also invest in commodity futures and options. Some commodity funds invest in the stocks of companies, like gold funds which invest in the stocks of gold mining companies. Commodity prices are influenced by the performance of economy or the forces of demand and supply. Instability in commodity prices can make these risky investments.*

**6. Federal Income Taxes**

Effective November 1, 2012, the Company restated the Plan in the form of the Heartland Financial USA Defined Contribution Plan and Trust (the Heartland Prototype). The Heartland Prototype received a favorable opinion letter from the Internal Revenue Service on March 31, 2014

regarding its compliance, in form, with the qualification requirements of Section 401 of the Internal Revenue Code for exemption from federal income taxes in accordance with applicable sections of the Code. The Company is permitted to rely on the opinion letter issued by the Internal Revenue Service to Dubuque Bank & Trust Co. (a subsidiary of Heartland Financial USA, Inc.), and the Company believes that the Plan is designed and is currently being operated in compliance with the applicable requirements of the Code. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Company intends to take all necessary steps to maintain the Plan's qualified tax status.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service (IRS). The Plan Administrator has analyzed the tax positions taken by the Plan and has concluded that as of December 31, 2014 there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions, however, there are currently no audits for any tax periods in progress. The Plan Administrator believes the Plan is no longer subject to income tax examinations for years prior to 2011.

7. **Related-Party Transactions**

The Company has been designated as the Plan Administrator and Plan Sponsor. These services are provided at no expense to the Plan. Administrative expenses including audit and legal fees are paid for by the Plan Sponsor. Certain Plan assets are invested in trust managed by the custodian of the Plan. Therefore, these transactions qualify as party-in-interest transactions.

Table of Contents

**SUPPLEMENTAL INFORMATION**

12

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Table of Contents**IRET PROPERTIES 401(k) PLAN****SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)****EMPLOYER IDENTIFICATION NUMBER (91-1764859) - PLAN NUMBER (002)**

December 31, 2014

| (a) | (b)<br>Identity of issue, borrower, lessor,<br>or similar party   | (c)<br>Description of investment including<br>maturity date, rate of interest, collateral,<br>par, or maturity value | (d)<br>Cost** | (e)<br>Current Value |
|-----|---|--|---------------|----------------------|
| *   | Investors Real Estate Trust                                       | Common Shares of Beneficial Interest   | \$            | 1,772,678            |
|     | Columbia Balanced Fund Class Y                                    | Mutual Fund  |               | 409,890              |
|     | Columbia Dividend Opportunity Fund Y                              | Mutual Fund  |               | 635,949              |
|     | Federated Institutional High Yield Bond Fund Institutional Shares | Mutual Fund  |               | 350,107              |
|     | Hartford International Opportunities Fund R5                      | Mutual Fund  |               | 71,536               |
|     | JP Morgan Large Cap Growth Fund R6                                | Mutual Fund  |               | 641,299              |
|     | JP Morgan US Small Company Institutional Class                    | Mutual Fund  |               | 419,721              |
|     | John Hancock Disciplined Value Mid Cap Fund Class I               | Mutual Fund  |               | 503,656              |
|     | Lord Abbett Inv Short Duration Income I                           | Mutual Fund  |               | 219,606              |
|     | Metropolitan West Total Return Bond Fund                          | Mutual Fund  |               | 267,412              |
|     | MFS International New Discovery Fund R5                           | Mutual Fund  |               | 82,752               |
|     | Oppenheimer Developing Markets Fund Y                             | Mutual Fund  |               | 149,767              |
|     | PIMCO Commodity Real Return Strategy Fund P                       | Mutual Fund  |               | 63,077               |
|     | T. Rowe Price Retirement 2010 Fund                                | Mutual Fund  |               | 46,826               |
|     | T. Rowe Price Retirement 2020 Fund                                | Mutual Fund  |               | 357,081              |
|     | T. Rowe Price Retirement 2030 Fund                                | Mutual Fund  |               | 807,344              |
|     | T. Rowe Price Retirement 2040 Fund                                | Mutual Fund  |               | 763,644              |
|     | T. Rowe Price Retirement 2050 Fund                                | Mutual Fund  |               | 426,380              |
|     | T. Rowe Price Retirement 2060 Fund                                | Mutual Fund  |               | 2,188                |
|     | T. Rowe Price Retirement Balanced Fund                            | Mutual Fund  |               | 13,506               |
|     | Vanguard 500 Index Fund Admiral Class                             | Mutual Fund  |               | 2,008,199            |
|     | Vanguard Inflation Protected Securities Fund Admiral Shares       | Mutual Fund  |               | 37,230               |
|     | Vanguard Total Bond Market Index Fund Admiral Shares              | Mutual Fund  |               | 38                   |
|     | Vanguard Total International Stock Index Fund Admiral Shares      | Mutual Fund  |               | 152                  |
|     | Vanguard Wellesley Income Fund Admiral Shares                     | Mutual Fund  |               | 201,878              |
|     | Voya Mid Cap Opportunities Fund Class W                           | Mutual Fund  |               | 630,799              |
|     | Voya Real Estate Fund Class W                                     | Mutual Fund  |               | 163,325              |
|     | Participant Directed Brokerage                                    | Participant Directed Brokerage   |               | 92,852               |
|     | Invesco Short Term Investments                                    | Money Market Fund  |               | 510,497              |

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\* *Party-in-interest*

\*\* *Participant directed*

Table of Contents

**SIGNATURE**

*The Plan*, pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

IRET PROPERTIES 401(k)

Date: June 26, 2015

Investors Real Estate Trust  
/s/ Timothy Mihalick  
Timothy Mihalick  
President and Chief Executive Officer