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# Sentry Global Real Estate Private Trust

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Annual Management Report of Fund Performance

For the period ended March 31, 2017

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This annual management report of fund performance contains financial highlights, but does not contain the annual financial statements of the investment fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 1-866-221-7692 or 416-506-8397, by writing to us at Sentry Investments, Commerce Court West, 199 Bay Street, Suite 2700, P.O. Box 108, Toronto, ON M5L 1E2, by e-mailing info@sentry.ca or by visiting our website at www.sentry.ca or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, quarterly portfolio disclosure, or the Independent Review Committee's Report to Securityholders.

### **Management Discussion of Fund Performance**

June 6, 2017

This management discussion of Sentry Global Real Estate Private Trust's (the "Fund") performance presents the views of the portfolio management team at Sentry Investments Inc. ("Sentry" or the "Manager") about the significant factors and developments affecting the Fund's performance for the period since its inception on June 24, 2016 to March 31, 2017 (the "period"). In this report, Transactional Net Asset Value ("NAV") is calculated in accordance with National Instrument 81-106 – *Investment Fund Continuous Disclosure*.

Please read the caution regarding forward-looking information located at the end of the document.

### **Investment Objective and Strategies**

The investment objective of the Fund is to provide income and capital appreciation by investing primarily in real estate investment trusts ("REITs") and equity securities of corporations participating in the residential and commercial real estate sector located anywhere in the world. The Fund's investment strategies allow, among other things, investments in specified derivatives for hedging and non-hedging purposes, short-selling, investments of up to 10% of the Fund's assets in securities of other mutual funds, including those managed by the Manager, and investments in certain exchange-traded funds. The Fund has the ability to invest up to all of the Fund's assets in foreign securities. For a complete discussion of the Fund's investment objective and strategies, please refer to the Fund's most recently filed simplified prospectus.

### **Risk**

A detailed description of the overall risks of investing in the Fund is included in the Fund's most recently filed simplified prospectus. The Manager is not aware of any changes during the period to the risks outlined in the simplified prospectus that would materially affect the overall risk of investing in the Fund.

The Fund is most suitable for those investors seeking a source of income and the potential for capital appreciation through exposure to the real estate sector, with a long-term investment time horizon. Investors should be willing to accept a medium degree of risk.

### **Results of Operations**

Volatility was again a prominent fixture during the period, as investors absorbed one headline risk after another. The United Kingdom's unexpected referendum vote to leave the European Union was a surprise to many, as was the result of the U.S. presidential election which occurred in November. The Trump victory was initially thought to send markets into a tailspin due to a high degree of uncertainty, however, following the election results, U.S. markets rallied with Canada following suit.

North American and global real estate securities (represented by the S&P/TSX Capped REIT Index, the MSCI U.S. REIT Index and the MSCI EAFE REIT Index) experienced varied performance during the period. In the U.S., REITs began the period with solid gains in the first half, before slightly pulling back in the second half of the period, ending the period up 5.8% as measured by the MSCI U.S. REIT Index. Outside of North America, REITs also gained during the first half of the period and pulled back in the second half, ending the period slightly positive up 1.0% as measured by the MSCI EAFE REIT Index. In Canada, REITs gained during both halves of the period, ending the period up 10.2% as measured by the S&P/TSX Capped REIT Index.

Central banks and monetary policy continued to be a popular topic in North America and across global markets. During the period, the U.S. Federal Reserve raised interest rates twice, taking the base rate from 0.50% to 0.75% in December 2016 and then to 1.00% in March 2017, in an effort to hold off rising inflation. Conversely, the Bank of Canada announced its decision to maintain its overnight interest rate at 0.50%, citing that overall risks and uncertainties remain and, if they materialize, a rate cut is possible.

On June 27, 2016, the Fund received \$40.3 million inflow of securities from Sentry Balanced Income Portfolio, Sentry Conservative Income Portfolio, Sentry Growth and Income Portfolio and Sentry Growth Portfolio in exchange for Series Z units of the Fund.

During the period, the Fund's Series Z securities generated a return of 2.4% based on NAV. See *Past Performance* for the returns of other series of the Fund. All series are invested in a common portfolio and, as such, the following discussions apply to all series, except where indicated otherwise. As the fee structure for each series is different, the respective performance of each series will vary accordingly.

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As at March 31, 2017, the Fund's cash balance was 1.50%. The largest sector weights in the Fund's portfolio were in retail REITs (33.11%), specialized REITs (16.59%) and diversified REITs (13.74%). The largest regional weights in the Fund's portfolio were in the United States (57.36%), Australia (7.48%), Canada (7.30%) and Hong Kong (5.90%).

The Fund's NAV was \$39.8 million at March 31, 2017. During the period, the Fund had a net investment income of \$0.9 million and net subscriptions of \$38.9 million, which include \$37.7 million of net subscriptions from other Sentry funds.

During the period, the Fund's investment income was \$1.1 million and net investment expenses were \$0.1 million (after expenses absorbed by the Manager of \$7,051). During the period, the Fund had dividend income of \$1 million.

The Fund's annualized management expense ratio ("MER") of Series Z securities was 0.18% during the period. See *Financial Highlights* for the MER of each series.

The Fund's distributions are detailed in the table below. The Fund's distributions were covered by its investment income and its increase in net assets from operations. Distributions are reinvested unless cash is requested.

	Total distributions during the period	Cash-on-cash yield on distribution
Series I	\$0.1359	1.33%
Series Z	\$0.2105	2.10%

### Recent Developments

Effective August 15, 2016, Gaelen Morphet was appointed as Chief Investment Officer for Sentry, replacing Sandy McIntyre. Sandy McIntyre remains actively involved at Sentry, providing guidance and input on business and investment strategy as Sentry's Executive Vice-Chairman and a member of Sentry's board of directors.

### Related Party Transactions

The following arrangements listed below are considered to be related party transactions:

#### Management Services

Sentry is the manager and trustee of the Fund. Pursuant to the management agreement between the Fund and Sentry, Sentry is responsible for the day-to-day operations of the Fund, including providing or arranging for the provision of investment advice, making brokerage arrangements for the purchase and sale of the investment portfolio and other administrative services. See *Management Fees* for details.

#### Transactions with Related Entities

Sentry is the manager of the Fund, Sentry Balanced Income Portfolio, Sentry Conservative Income Portfolio, Sentry Growth and Income Portfolio, Sentry Growth Portfolio, Sentry

Real Growth Pool Class, Sentry Real Income 1941-45 Class, Sentry Real Income 1946-50 Class and Sentry Real Income 1951-55 Class. All of the following transactions were executed in accordance with standing instructions approved by the Independent Review Committee relating to the Manager's policies and procedures in respect of perceived conflict of interest matters and were completed at NAV for investment purposes.

As at March 31, 2017, the following Sentry funds owned Series Z securities of the Fund:

Top Funds	Units held	Market value (\$'000)	% of Top Fund's NAV	% of the Fund's NAV
Sentry Balanced Income Portfolio	1,337,931	13,415	3.57%	33.69%
Sentry Conservative Income Portfolio	811,351	8,135	3.24%	20.43%
Sentry Growth and Income Portfolio	1,314,339	13,179	4.04%	33.09%
Sentry Growth Portfolio	316,611	3,174	3.56%	7.97%
Sentry Real Growth Pool Class	22,123	222	4.15%	0.56%
Sentry Real Income 1941-45 Class	8,948	90	2.40%	0.23%
Sentry Real Income 1946-50 Class	10,458	105	2.43%	0.26%
Sentry Real Income 1951-55 Class	8,030	81	2.55%	0.20%
		38,401		96.43%

As at March 31, 2017, the Manager had an investment of \$0.2 million in the Fund, representing 0.41% of the Fund's NAV.

The Fund may, from time to time, engage in inter-fund trading where the Fund may enter into security trades with other mutual funds managed by Sentry. These trades, if any, were executed through market intermediaries and under prevailing market terms and conditions and in accordance with Sentry's applicable policies and procedures.

### Management Fees

#### Series I securities

Series I securities are only available for purchase by investment products, including those managed or sub-advised by Sentry. The Fund does not pay management fees on its Series I securities. Series I investors negotiate their own management fee that is paid directly to the Manager.

#### Series Z securities

Series Z securities are only available for purchase by other funds managed by Sentry. The Fund does not pay management fees on its Series Z securities.

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**Financial Highlights – Series I**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, as applicable.

**The Fund's Net Assets per Security<sup>1,4</sup>**

	<b>Mar. 31, 2017<sup>5</sup></b>
<b>Net assets, beginning of period</b>	<b>\$ 10.00</b>
<b>Increase (decrease) from operations</b>	
Total revenue	0.12
Total expenses excluding distributions	(0.02)
Realized gains (losses) for the period	0.02
Unrealized gains (losses) for the period	0.28
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.40</b>
<b>Distributions</b>	
From income (excluding dividends)	-
From dividends	(0.09)
From capital gains	(0.05)
Return of capital	-
<b>Total annual distributions<sup>2,3</sup></b>	<b>(0.14)</b>
<b>Net assets, end of period</b>	<b>\$ 10.24</b>

<sup>1</sup> This information is derived from the Fund's audited annual financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the fiscal period.

<sup>3</sup> Distributions were paid in cash and/or reinvested in additional securities of the Fund, or both. The distributions per security do not include the management fee distributions.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect securityholder transactions as shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Securities and accordingly columns may not add.

<sup>5</sup> Results are for the period from November 14, 2016 to March 31, 2017.

**Ratios and Supplemental Data**

	<b>Mar. 31, 2017</b>
Total net asset value (000's) <sup>1</sup>	\$ 1,270
Number of securities outstanding <sup>1</sup>	124,051
Management expense ratio <sup>2</sup>	0.17%
Management expense ratio (before expenses absorbed) <sup>2</sup>	0.19%
Trading expense ratio <sup>3</sup>	0.16%
Portfolio turnover rate <sup>4</sup>	62.34%
Net asset value per security <sup>1</sup>	\$ 10.24

<sup>1</sup> This information is provided as at the period shown, as applicable.

<sup>2</sup> The MER is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The MER has been presented before and after expenses absorbed by the Manager. The Manager can reduce or terminate the absorption of expenses at any time. The MER for Series I securities does not take into account management fees that are paid directly to the Manager (see *Series Information*).

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.

<sup>4</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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**Financial Highlights – Series Z**

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years, as applicable.

**The Fund's Net Assets per Security<sup>1,4</sup>**

	<b>Mar. 31, 2017<sup>5</sup></b>
<b>Net assets, beginning of period</b>	<b>\$ 10.00</b>
<b>Increase (decrease) from operations</b>	
Total revenue	0.24
Total expenses excluding distributions	(0.03)
Realized gains (losses) for the period	0.03
Unrealized gains (losses) for the period	(0.01)
<b>Total increase (decrease) from operations<sup>2</sup></b>	<b>0.23</b>
<b>Distributions</b>	
From income (excluding dividends)	-
From dividends	(0.13)
From capital gains	(0.08)
Return of capital	-
<b>Total annual distributions<sup>2,3</sup></b>	<b>(0.21)</b>
<b>Net assets, end of period</b>	<b>\$ 10.03</b>

<sup>1</sup> This information is derived from the Fund's audited annual financial statements.

<sup>2</sup> Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the fiscal period.

<sup>3</sup> Distributions were paid in cash and/or reinvested in additional securities of the Fund, or both. The distributions per security do not include the management fee distributions.

<sup>4</sup> This schedule is not a reconciliation of NAV since it does not reflect securityholder transactions as shown on the Statement of Changes in Net Assets Attributable to Holders of Redeemable Securities and accordingly columns may not add.

<sup>5</sup> Results are for the period from June 24, 2016 to March 31, 2017.

**Ratios and Supplemental Data**

	<b>Mar. 31, 2017</b>
Total net asset value (000's) <sup>1</sup>	\$ 38,555
Number of securities outstanding <sup>1</sup>	3,845,110
Management expense ratio <sup>2</sup>	0.18%
Management expense ratio (before expenses absorbed) <sup>2</sup>	0.20%
Trading expense ratio <sup>3</sup>	0.16%
Portfolio turnover rate <sup>4</sup>	62.34%
Net asset value per security <sup>1</sup>	\$ 10.03

<sup>1</sup> This information is provided as at the period shown, as applicable.

<sup>2</sup> The MER is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average NAV during the period. The MER has been presented before and after expenses absorbed by the Manager. The Manager can reduce or terminate the absorption of expenses at any time.

<sup>3</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average NAV during the period.

<sup>4</sup> The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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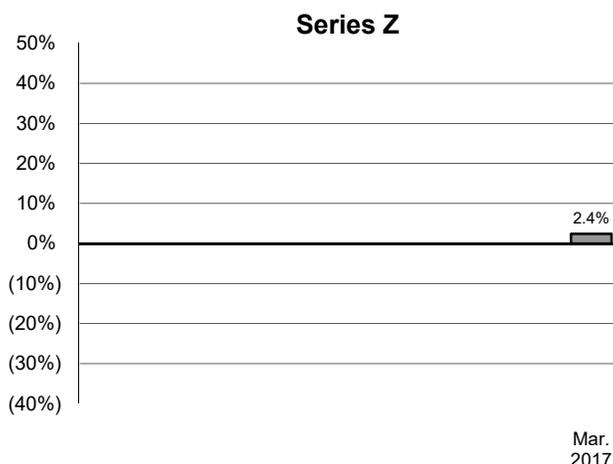
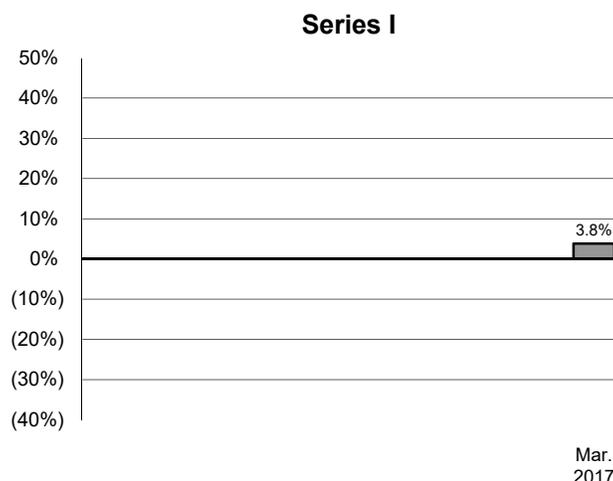
**Past Performance**

Returns are calculated using the NAV per security and assume that all distributions made by the Fund in the periods shown, if any, are reinvested in additional securities of the same series of the Fund. Returns do not take into account sales, redemption, distribution or optional charges, or income taxes payable by an investor, which would have reduced returns for an individual investor. Past performance may not be indicative of future returns.

Returns for each series may differ primarily due to differences in management fees and expenses allocated to each series. Management fee distributions or management fee rebates, if any, are assumed to be reinvested in additional securities of the Fund. See *Series Information* for the management fee and see *Financial Highlights* for the MER for each series of the Fund. The returns of Series I securities do not take into account the negotiated management fee that is paid directly to the Manager.

**Year-by-year returns**

The following charts show the performance of each series of the Fund for each of the years ended March 31, as applicable, and illustrate how the performance has changed from year to year. The charts show, in percentage terms, how much an investment held on the first day of each fiscal period, or the series inception date, as applicable, would have increased or decreased by the last day of the fiscal period presented, and assumes reinvestment of distributions (if any) at NAV on the day the distributions were paid. See *Series Information* for the inception date of each series.



Source: Sentry Investments Inc.

**Annual Compound Returns**

The table below shows the Fund's annualized compound total returns for each period indicated based on NAV. The returns for the MSCI World Index (the "MSCI World") are provided to give an indication of the performance of the global market on an overall basis for the same periods. The MSCI World is a free-float-adjusted market capitalization weighted index comprised of 23 country indices to measure the equity market performance of developed markets.

The Fund underperformed the MSCI World since inception. Since the Fund does not necessarily invest in the same securities, or in the same proportions, as the MSCI World, the performance can be expected to differ. The Fund's return is subject to costs, such as management fees and trading expenses, that are not borne by the MSCI World.

	<b>Since Inception</b>
Sentry Global Real Estate Private Trust – Series I	3.8%
MSCI World Index	8.3%
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	<b>Since Inception</b>
Sentry Global Real Estate Private Trust – Series Z	2.4%
MSCI World Index	20.4%

Source: Sentry Investments Inc., Bloomberg L.P.

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**Summary of Investment Portfolio**

As at March 31, 2017

**Portfolio Breakdown**

Sector	% of NAV
Retail REITs	33.11
Specialized REITs	16.59
Diversified REITs	13.74
Residential REITs	9.08
Office REITs	6.93
Real Estate Operating Companies	6.82
Industrial REITs	6.64
Real Estate Development	3.02
Diversified Real Estate Activities	2.84
Cash and Cash Equivalents	1.50
Liabilities, Net of Other Assets	(0.27)
<b>Total</b>	<b>100.00</b>

Regional	% of NAV
United States	57.36
Australia	7.48
Canada	7.30
Hong Kong	5.90
France	4.25
Singapore	4.13
United Kingdom	3.49
Netherlands	3.27
Japan	2.84
Germany	2.75
Cash and Cash Equivalents	1.50
Liabilities, Net of Other Assets	(0.27)
<b>Total</b>	<b>100.00</b>

Net Currency Exposure	% of NAV
U.S. Dollar	57.55
Euro	10.28
Canadian Dollar	8.34
Australian Dollar	7.48
Hong Kong Dollar	5.89
Singaporean Dollar	4.13
British Pound	3.49
Japanese Yen	2.84
<b>Total</b>	<b>100.00</b>

**Top 25 Holdings**

Name of Security	% of NAV
AvalonBay Communities, Inc.	5.10
Boston Properties REIT	4.95
Simon Property Group, Inc.	4.94
Prologis, Inc.	4.84
Federal Realty Investment Trust	4.72
American Tower Corporation	4.72
Vornado Realty Trust	4.64
GGP Inc.	4.50
Ventas, Inc.	4.28
Public Storage	4.12
Equity Residential	3.98
Westfield Corporation	3.85
The GPT Group	3.63
Equinix, Inc.	3.47
Unibail-Rodamco SE	3.27
Regency Centers Corporation	3.10
CK Property Limited	3.02
The Link REIT	2.88
Mitsui Fudosan Co., Ltd.	2.84
Deutsche Wohnen AG	2.75
Klepierre	2.35
Global Logistic Properties Limited	2.33
Allied Properties REIT	1.98
Gecina SA	1.90
Riocan REIT	1.87
<b>Total</b>	<b>90.03</b>

The Fund held no short positions at the end of the period.

This summary of investment portfolio may change due to ongoing portfolio transactions. The simplified prospectus, fund facts document and other information about the Fund's investments in other investment funds (if any) are available on SEDAR at [www.sedar.com](http://www.sedar.com) or at [www.sentry.ca](http://www.sentry.ca).

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**Series Information**

Sentry managed mutual funds are collectively referred to as the “Sentry Funds”. The Fund currently has the following series:

Series I                      Series I securities are only available for purchase by investment products, including those managed or sub-advised by Sentry.

Series Z                      Series Z securities are only available to other Sentry Funds.

The inception dates and management fees of each series are:

<b>Series</b>	<b>Inception Date</b>	<b>Management Fees</b>
Series I	November 14, 2016	— <sup>1</sup>
Series Z	June 24, 2016	— <sup>2</sup>

<sup>1</sup> Series I securities are only available for purchase by other investment products. Series I securityholders negotiate their own management fee that is paid directly to the Manager. The maximum rate of the management fee for Series I securities is 0.95%.

<sup>2</sup> Series Z securities are only available for purchase by other Sentry Funds. There is no management fee associated with Series Z securities.

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The forward-looking information contained in this document is current only as of June 6, 2017. This document may contain forward-looking information (including that identified by the expressions “will”, “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions) relating to anticipated future events, results, circumstances, performance or expectations that are not historical facts but instead represent our beliefs regarding future events. By its nature, forward-looking information requires us to make assumptions which include, among other things that (i) the Fund will have sufficient capital under management to effect its investment strategies, (ii) the investment strategies will produce the results intended by the Manager, (iii) the markets will react and perform in a manner consistent with the investment strategies, and (iv) proposed rules and regulations will be enacted as anticipated. Forward-looking information is subject to inherent risks and uncertainties. There is significant risk that predictions and other forward-looking information will not prove to be accurate. We caution readers of this document not to place undue reliance on our forward-looking information as a number of factors could cause actual future results, conditions, actions or events to differ materially from the targets, expectations, estimates or intentions expressed or implied in the forward-looking information. Actual results may differ materially from management expectations as projected in such forward-looking information for a variety of reasons, including but not limited to market and general economic conditions, interest rates, regulatory and statutory developments, the effects of competition in the geographic and business areas in which the Fund may invest in and the risks detailed from time to time in the Fund’s simplified prospectus and under the heading “Risk” in the annual management report of fund performance. We caution that the foregoing list of factors is not exhaustive and that when relying on forward-looking information to make decisions with respect to investing in the Fund, investors and others should carefully consider these factors, as well as other uncertainties and potential events, and the inherent uncertainty of forward-looking information. Sentry undertakes no obligation to update forward-looking information except as required by law.

## CORPORATE DIRECTORY

### DIRECTORS

John F. Driscoll  
*Chairman*

J. A. (Sandy) McIntyre

Philip L. Yuzpe

Blair M. Driscoll

### LEGAL COUNSEL

Borden Ladner Gervais LLP  
Toronto, Ontario

### AUDITORS

Deloitte LLP  
Toronto, Ontario

### TRANSFER AGENT

International Financial Data Services  
Toronto, Ontario

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### FOR FURTHER INFORMATION

Please contact our Client Service Department at  
1-888-698-5553 or 416-506-8429 (Advisor) or  
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e-mail: [info@sentry.ca](mailto:info@sentry.ca) or  
visit [www.sentry.ca](http://www.sentry.ca)

### SENTRY INVESTMENTS

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