

# Sentry Global Real Estate Private Trust

## Management Report of Fund Performance for the period ended September 30, 2020

This semi-annual management report of fund performance contains financial highlights but does not contain the complete semi-annual or annual financial statements of the investment fund. You can get a copy of the semi-annual or annual financial statements at your request, and at no cost, by calling 1-800-563-5181, by writing to us at CI Investments Inc., 2 Queen Street East, Twentieth Floor, Toronto, ON, M5C 3G7 or by visiting our website at [www.ci.com](http://www.ci.com) or SEDAR at [www.sedar.com](http://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, or quarterly portfolio disclosure.

### RESULTS OF OPERATIONS

The Fund's net assets decreased by \$1.4 million to \$18.5 million from March 31, 2020 to September 30, 2020. The Fund had net redemptions of \$2.9 million during the period. The portfolio's performance increased assets by \$1.5 million. Series I units returned 7.7% after fees and expenses for the six-month period ended September 30, 2020. Over the same time period, the Fund's benchmark returned 6.8%. The benchmark is the FTSE EPRA/NAREIT Developed Total Return Index (the Benchmark).

The global real estate investment trust (REIT) market continued to be heavily impacted by the COVID-19 pandemic during the second and third quarters of 2020. Throughout April and May, global REITs had a jagged recovery from the lows reached on March 23, and since that time have traded in a relatively narrow range, falling behind broader equity indexes indices which were supported largely by the high-flying tech sector. Most REIT markets have lagged their corresponding regional equity index by about 20% in 2020, which is not typical during weak market environments but COVID-19 has had an unusual impact on real estate.

Heading into the pandemic, REITs were in generally good shape with strong balance sheets featuring low leverage and lots of liquidity, and healthy property fundamentals. While credit conditions briefly looked like they would deteriorate rapidly in March, swiftly enacted measures by the central banks quickly calmed investor fears. However, government-mandated store closures, employees working remotely, and many tenants unable or unwilling to pay rent gave real estate investors cause for concern. While the selling in March was indiscriminate, the recovery in April and May was certainly more focused. Investors began to realize that COVID-19 was having a very uneven effect on real estate, with some real winners and losers. In the former camp were REITs in the industrial, data centre and cell tower, and single-family rental space. The latter was highlighted by retail REITs (particularly enclosed malls), office REITs, and hotel REITs. COVID-19 has accelerated some trends that were already in place, namely online shopping and increased data usage. This has had a positive effect on industrial and data centre demand and has certainly hurt traditional bricks and mortar retail. Single-family rental, a relatively newly institutionalized real estate sector, has also been a beneficiary as more renters want the extra space that a home can provide over an apartment, while still at an attractive price point. Fortunately, and by design, the Fund was focused on many of the subsectors that have benefitted from COVID-19 and had little or no exposure to those sectors impacted the most negatively.

For the period ended September 30, 2020, the Fund outperformed its benchmark. The Fund's positive returns reflected the bounce of the broader and REIT markets off the March lows, economies that slowly opened during the period, government support programs for those most affected by COVID-19, and the continuation of the low interest rate environment. Holdings that added the most to Fund performance during the period

included Tricon Residential Inc., which benefitted from the increased demand for single-family rentals mentioned above as well as an investment by The Blackstone Group Inc., which raised the profile of the company. Other top performers included Prologis Inc. and ESR Cayman Ltd., both of which are industrial/logistics space providers and developers which benefitted from the increased demand from e-commerce. Holdings that detracted from Fund performance included Equity Residential, whose more urban and coastal apartment portfolio lagged due to the early COVID-19 trend of a preference for more suburban, lower cost locations. Other detractors included Kilroy Realty Corp. and Allied Properties, both office-focused REITs that have underperformed due to the perceived uncertainty of office demand going forward given the successful experiment thus far with many employees working from home.

Going into the reporting period, the majority of the Fund was positioned in subsectors supported by strong fundamentals and whose businesses should hold up well even in these very uncertain economic times. Changes made during the period were consistent with this philosophy. The Fund sold out of names such as Cushman and Wakefield Inc. and CBRE Inc. as these businesses are quite reliant on the leasing and transaction market, which are expected to be weak. The Fund also reduced its office exposure through the selling of such names as Colonial and Gecina S.A., and further reduced its already low retail weighting by selling Federal Realty Investment Trust and RioCan REIT Co. The Fund added to names and sectors which should continue to have strong fundamentals, such as Equity LifeStyle Properties Inc. and Sun Communities Inc. in the manufactured home sector, Tricon Residential Inc. and American Homes 4 Rent REIT Co. in the single-family rental sector, and Chindata Group Holdings Ltd. in the data centre space.

### RECENT DEVELOPMENTS

Overall, REITs are still struggling to find traction during the pandemic. The recent uptick in cases in many parts of the world has not helped sentiment but thus far, hospitalization rates have remained well below spring rates as younger people in general have been getting infected, and they seem to have far fewer complications. As long as health systems do not get overwhelmed, economies should remain open and that should be positive for many aspects of real estate. Good progress is being made on the vaccine front and that would also be a positive catalyst. The next few weeks leading up to the U.S. election could spark some market volatility.

Even with all the uncertainty, several segments of the real estate market are performing well and we have continued to allocate capital selectively within industrial, data centre and cell tower, single-family rental, and certain sub-sectors of the multi-family space. Interest rates remain hugely supportive, balance sheets are in great shape, and lots of pension and private equity money continues to search for real estate investments. Patient capital is very likely to be rewarded in this environment.

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the period ended September 30, 2020

---

Effective April 3, 2020, Stuart Hensman resigned as a member of the Independent Review Committee (IRC) of CI Funds and effective April 3, 2020, Donna Toth was appointed as a member of the IRC.

## RELATED PARTY TRANSACTIONS

### **Manager, Portfolio Advisor, Trustee and Registrar**

CI Investments Inc. is the Manager, Portfolio Advisor, Trustee and Registrar of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration for management fees, provides management services required in the day-to-day operations of the Fund. The Manager bears all of the operating expenses of the Fund (other than borrowing and interest costs, investor meeting costs (as permitted by Canadian securities regulation), the fees and expenses of the Independent Review Committee, the fees, costs and expenses associated with compliance with any new governmental and regulatory requirements imposed on or after February 16, 2018 and new governmental fees or with any changes to existing governmental and regulatory requirements imposed on or after February 16, 2018 (including increases to regulatory filing fees), any new types of costs, expenses or fees not incurred prior to February 16, 2018, including those arising from new government or regulatory requirements or related to those external services that were not commonly charged in the Canadian mutual fund industry as of February 16, 2018, and operating expenses that were or are outside the normal course of business of the Fund on or after February 16, 2018) in return for an administration fee.

Management fee and administration fee rates as at September 30, 2020, for the Series are shown below:

	<b>Annual management fee rate (%)</b>	<b>Annual administration fee rate (%)</b>
<b>Series I</b>	Paid directly by investor	Paid directly by investor

The Fund only offers Series I units, thus management and administration fees are negotiated directly with each investor and paid directly to the Manager as per Series I Account Agreement Fee. Please refer to Part A of the simplified prospectus for further details.

### **Independent Review Committee**

The Fund has standing instructions from the Fund's IRC with respect to the following related party transactions:

- trades in securities of CI Financial Corp.; and
- purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

The applicable standing instructions require, amongst others, that related party transactions be conducted in accordance with the Manager's policies and procedures and applicable law and that the Manager advise the IRC of any material breach of such policies. The standing instructions also require that investment decisions in respect of related party transactions (a) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (b) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (c) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result

for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted above, the Fund was not a party to any related party transactions during the period ended September 30, 2020.

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the period ended September 30, 2020

## FINANCIAL HIGHLIGHTS

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 periods.

Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the period shown <sup>(3)</sup>	
	Net assets at the beginning of period <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period	Unrealized gains (losses) for the period	Total increase (decrease) from operations <sup>(2)</sup>	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital		Total distributions <sup>(2)(3)</sup>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$

Series I												
Commencement of operations November 14, 2016												
Sept. 30, 2020	9.95	0.13	-	(0.53)	1.20	0.80	-	-	-	-	-	10.72
Mar. 31, 2020	11.35	0.30	-	0.73	(1.64)	(0.61)	(0.37)	(0.02)	(0.06)	-	(0.45)	9.95
Mar. 31, 2019	10.18	0.29	(0.01)	(0.04)	1.73	1.97	(0.38)	-	-	-	(0.38)	11.35
Mar. 31, 2018	10.24	0.37	(0.03)	0.20	(0.25)	0.29	-	(0.26)	(0.07)	-	(0.33)	10.18
Mar. 31, 2017	10.00	0.12	(0.02)	0.02	0.28	0.40	-	(0.09)	(0.05)	-	(0.14)	10.24

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Net assets per unit and distributions per unit are based on the actual number of units outstanding for the relevant Series at the relevant time. The increase (decrease) in net assets from operations per unit is based on the weighted average number of units outstanding for the relevant Series over the fiscal period.

(3) Distributions are automatically reinvested in additional units of the Fund.

(4) This information is provided for the period ended September 30, 2020 and the years ended March 31.

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the period ended September 30, 2020

## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data <sup>(1)(5)</sup>

	Total net assets <sup>(5)</sup>	Number of units outstanding <sup>(5)</sup>	Management expense ratio before waivers or absorptions after taxes <sup>(2)</sup>	Management expense ratio before taxes <sup>(2)</sup>	Harmonized sales tax <sup>(2)</sup>	Management expense ratio after taxes <sup>(2)</sup>	Effective HST rate for the period <sup>(2)</sup>	Trading expense ratio <sup>(3)</sup>	Portfolio turnover rate <sup>(4)</sup>
	\$000's	000's	%	%	%	%	%	%	%

### Series I

Commencement of operations November 14, 2016

Sept. 30, 2020	18,515	1,728	-	-	-	-	-	-	1.67
Mar. 31, 2020	19,928	2,002	-	-	-	-	-	0.08	17.58
Mar. 31, 2019	32,883	2,898	0.06	0.06	-	0.06	9.92	0.04	46.70
Mar. 31, 2018	1,395	137	0.18	n/a	n/a	0.18	n/a	0.11	43.88
Mar. 31, 2017	1,270	124	0.19	n/a	n/a	0.17	n/a	0.16	62.34

(1) This information is derived from the Fund's semi-annual and annual financial statements.

(2) Management expense ratio is calculated based on expenses charged to the Fund (excluding commissions and other portfolio transaction costs) and is expressed as an annualized percentage of daily average net assets for the period, including the Fund's proportionate share of any underlying fund(s) expenses, if applicable. The Effective HST tax rate is calculated using the attribution percentage for each province based on unitholder residency and can be different from 13%.

(3) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net assets during the period, including the Fund's proportionate share of such expenses of any underlying fund(s), if applicable.

(4) 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 fiscal period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a higher turnover rate and the performance of a Fund. Portfolio turnover rate is calculated by dividing the lesser of the cost of purchases and the proceeds of sales of portfolio securities for the period, and excluding cash and short-term investments maturing in less than one year, and before assets acquired from a merger, if applicable, by the average of the monthly fair value of investments during the period.

(5) This information is provided for the period ended September 30, 2020 and the years ended March 31.

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the period ended September 30, 2020

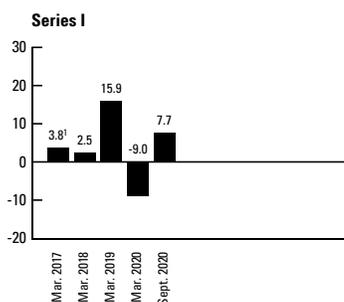
---

## PAST PERFORMANCE

This section describes how the Fund has performed in the past. Remember, past returns do not indicate how the Fund will perform in the future. The information shown assumes that distributions made by the Fund in the periods shown were reinvested in additional units of the Fund. In addition, the information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance.

### Year-by-Year Returns

The following chart shows the Fund's semi-annual and annual performance for each of the periods shown and illustrates how the Fund's performance has changed from period to period. In percentage terms, the chart shows how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period, except where noted.



<sup>1</sup> 2017 return is for the period from November 14, 2016 to March 31, 2017.

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the period ended September 30, 2020

## SUMMARY OF INVESTMENT PORTFOLIO as at September 30, 2020

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
U.S.A.	67.0	Real Estate	98.1	Equinix Inc.	8.4
Canada	12.6	Cash & Cash Equivalents	1.6	Prologis Inc.	8.1
Cayman Islands	5.9	Other Net Assets (Liabilities)	0.3	American Tower Corp., Class A	6.9
Japan	4.8	Information Technology	0.0	Alexandria Real Estate Equities Inc.	6.0
Spain	2.7			AvalonBay Communities Inc.	5.6
Luxembourg	2.4			Americold Realty Trust	5.5
Singapore	1.7			ESR Cayman Ltd.	4.9
Cash & Cash Equivalents	1.6			Nippon Prologis REIT Inc.	4.8
Austria	1.0			Equity Residential	4.6
Other Net Assets (Liabilities)	0.3			American Homes 4 Rent	3.7
Australia	0.0			Invitation Homes Inc.	3.5
Mexico	0.0			Camden Property Trust	3.3
				Public Storage Inc.	3.3
				Tricon Capital Group Inc.	3.2
				Nexus Real Estate Investment Trust	3.0
				Merlin Properties Socimi S.A.	2.7
				Aroundtown S.A.	2.4
				First Capital Real Estate Investment Trust	2.2
				Duke Realty Corp.	2.2
				Killam Apartment Real Estate Investment Trust	2.0
				Apartment Investment & Management Co.	2.0
				Parkway Life Real Estate Investment Trust	1.7
				Cash & Cash Equivalents	1.6
				Crown Castle International Corp.	1.2
				WPT Industrial Real Estate Investment Trust	1.1
				<b>Total Net Assets (in \$000's)</b>	<b>\$18,515</b>

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund and updates will be available on a quarterly basis.

## A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund action. The words "may," "could," "should," "would," "suspect," "outlook," "believe," "plan," "anticipate," "estimate," "expect," "intend," "forecast," "objective," and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statement made by the Fund. These factors include, but are not limited to, general

economic, political and market factors in Canada, the United States and internationally, interest and foreign exchanges rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.