

# Sentry Global Real Estate Private Trust

Management Report of Fund Performance for the year ended March 31, 2021

This annual management report of fund performance contains financial highlights but does not contain the complete 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 1-800-792-9355, 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.

To request an alternate format of this document, please contact us at [service@ci.com](mailto:service@ci.com) or 1-800-792-9355.

## INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of Sentry Global Real Estate Private Trust (the Fund) is to provide income and capital appreciation by investing primarily in real estate investment trusts and equity securities of corporations participating in the residential and commercial real estate sector located anywhere in the world. These include companies that own, manage, develop, finance or otherwise participate in the residential and commercial real estate sector located worldwide.

The Fund uses a fundamental, bottom-up approach to investing. 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

No changes affecting the overall level of risk associated with investing in the Fund were made during the year. The risks of the Fund remain as discussed in the Fund's most recently filed simplified prospectus or its amendments. The Manager reviews the risk rating for the Fund on an annual basis, at a minimum, based on the methodology mandated by the Canadian Securities Administrators to determine the risk level of the Fund. Any change to the risk rating made during the year was as a result of such review and was not a result of any change to the investment objective, strategies or management of the Fund.

## RESULTS OF OPERATIONS

The Fund's net assets decreased by \$2.5 million to \$17.4 million from March 31, 2020 to March 31, 2021. The Fund had net redemptions of \$4.5 million during the year. The portfolio's performance increased assets by \$3.0 million. The Fund paid distributions totalling \$1.0 million. Series I units returned 16.8% after fees and expenses for the one-year period ended March 31, 2021. Over the same time period, the Fund's benchmark returned 22.5%. The benchmark is the FTSE EPRA/NAREIT Developed Total Return Index (the Benchmark or the Index).

Real estate investment trusts (REITs) and the broader equity markets sold off sharply with the outbreak of the COVID-19 pandemic in March 2020. However, equity markets made a strong comeback as the economy gradually re-opened. Late in 2020, promising COVID-19 vaccine news buoyed markets and investor sentiment. As vaccines began to roll out in early 2021, and additional fiscal stimulus measures were implemented, equity markets rebounded further. REITs participated in the broader equity rebound, but lagged as certain sub-sectors were particularly hard hit in the early stages of the pandemic, namely retail, office and hospitality. Other sub-sectors such as industrial, data centres and single-family rentals fared well.

Positive vaccine news in early November led to a partial reversal in REIT performance trends, with those sub-sectors that had performed the worst rebounding on the belief that successful vaccine deployment would allow the economy to re-open. Those sub-sectors that had fared well earlier in the year took a pause and were used as source of funds to participate in the "re-opening" trade. REITs underperformed broader equity markets by approximately 15-20% during the year, but had attractive absolute returns.

The Fund underperformed its benchmark for the year. An overweight exposure to the industrials and residential sub-sectors contributed to the Fund's performance. The top individual contributors to the Fund's performance were Tricon Residential Inc., Prologis Inc. and Nexus REIT. Tricon Residential Inc. benefited from strong fundamentals in the single-family rental sector as COVID-19 increased demand from families wanting more space. Prologis Inc. gained on solid fundamentals in the industrials sector driven by increased demand from e-commerce, as well as supply chain optimization. Nexus REIT rebounded on resilient operating results and the general recovery of the real estate sector.

An underweight exposure to the retail and hospitality sub-sectors detracted from the Fund's performance. The largest individual detractors from performance were holdings in Cushman & Wakefield PLC, Kenedix Realty Investment Corp. and Sunac China Holdings Ltd. Cushman & Wakefield PLC and Kenedix Realty Investment Corp. stocks declined sharply early in the pandemic, and were sold in favour of better opportunities. Sunac China Holdings Ltd.'s share price was down amid general weakness in the property developer sector in China.

While a sharp rebound in equities following the early days of the pandemic resulted in excellent returns for the broader markets and for REITs, there was also increased risk because of uncertainty regarding the vaccine rollout. Fiscal stimulus helped to support markets but the longer-term implications of the elevated level of government debt could lead to increased risk.

We added a number of new positions to the Fund during the year, including Vantage Towers AG, Life Storage Inc. and CTP NV. Existing holdings in Tricon Residential Inc., Granite REIT Holdings L.P. and Sun Communities Inc. were increased. We eliminated positions in Kenedix Retail REIT, Nippon Prologis REIT Inc., Arountown SA, Public Storage Inc., Store Capital Corp. and Gecina SA. Equinix Inc., Prologis Inc., Nexus REIT, ESR Cayman Ltd., American Tower Corp. and Avalonbay Communities Inc. were trimmed.

## RECENT DEVELOPMENTS

Economic growth should be strong for the coming year as economies re-open with the vaccine rollout and fiscal stimulus continues. Consumer spending should grow substantially with pent-up demand and excess savings accumulated over the past year.

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Management Report of Fund Performance for the year ended March 31, 2021

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The Fund is positioned in sectors that should benefit from the resurgent post-pandemic growth, as well as through sectors that should benefit from several trends that the pandemic has only accelerated.

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.

## **CI Investments Inc. rebrands as CI Global Asset Management Inc.**

On November 10, 2020, CI Investments Inc. announced that it is rebranding to CI Global Asset Management Inc. The rebrand is underway and is scheduled to be completed by the end of the first quarter of 2021. With the rebrand, legacy in-house investment boutique brands will be phased out and they will operate under CI Global Asset Management. The affected brands are Cambridge Global Asset Management, Harbour Advisors, Sentry Investment Management, and Signature Global Asset Management.

## **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 March 31, 2021, 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 received standing instructions from the Fund's IRC to make or hold an investment in the security of an issuer related to 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. Quarterly, the IRC reviews reports which assess compliance with applicable CI policies. Annually, the IRC reviews reports describing each instance that the Manager acted in reliance on the standing instructions noted above.

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

Except as otherwise noted above, the Fund was not a party to any related party transactions during the year ended March 31, 2021.

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## 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 years.

Net Assets per Unit (\$) <sup>(1)(2)(4)</sup>	Increase (decrease) from operations:					Distributions:					Net assets at the end of the year shown <sup>(2)</sup>	
	Net assets at the beginning of year <sup>(2)</sup>	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the year	Unrealized gains (losses) for the year	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>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Series I</b>												
Commencement of operations November 14, 2016												
Mar. 31, 2021	9.95	0.48	-	(0.42)	1.61	1.67	(0.58)	(0.03)	-	-	(0.61)	10.98
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 audited 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 year.

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

(4) This information is provided for the years ended March 31.

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## 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 year <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

Mar. 31, 2021	17,427	1,587	-	-	-	-	-	0.06	16.87
Mar. 31, 2020	19,928	2,002	-	-	-	-	-	0.08	17.58
Mar. 31, 2019	32,883	2,898	0.06	0.06	-	0.06	-	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 audited 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 year, 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 year, 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 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 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 year, 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 year.

(5) This information is provided for the years ended March 31.

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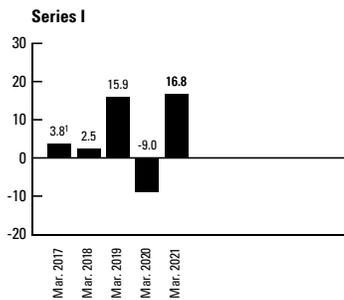
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## PAST PERFORMANCE

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



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

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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the FTSE EPRA/NAREIT Developed Total Return Index.

The FTSE EPRA/NAREIT Developed Index is a free float-adjusted capitalization weighted index, which is designed to track the performance of listed real estate companies and REITs.

A discussion of the performance of the Fund as compared to the benchmark is found in the Results of Operations section of this report.

	<b>One Year (%)</b>	<b>Three Years (%)</b>	<b>Five Years (%)</b>	<b>Ten Years (%)</b>	<b>Since Inception (%)</b>
<b>Series I</b>	16.8	7.2	n/a	n/a	6.4
FTSE EPRA/NAREIT Developed Total Return Index	22.5	5.5	n/a	n/a	5.0

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## SUMMARY OF INVESTMENT PORTFOLIO as at March 31, 2021

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.	61.7	Real Estate	96.5	Prologis Inc.	6.1
Canada	14.8	Industrials	1.5	American Tower Corp., Class A	5.3
Cayman Islands	6.3	Cash & Cash Equivalents	1.2	Equinix Inc.	5.3
Germany	5.0	Information Technology	0.5	Alexandria Real Estate Equities Inc.	5.2
Japan	4.4	Other Net Assets (Liabilities)	0.3	Americold Realty Trust	5.2
Spain	3.2			AvalonBay Communities Inc.	5.2
Singapore	1.6			ESR Cayman Ltd.	4.7
Netherlands	1.5			Equity Residential	4.6
Cash & Cash Equivalents	1.2			Nippon Prologis REIT Inc.	4.4
Other Net Assets (Liabilities)	0.3			American Homes 4 Rent	4.2
Australia	0.0			Cash & Cash Equivalents	1.2
Mexico	0.0			Camden Property Trust	4.0
				Invitation Homes Inc.	3.8
				Tricon Capital Group Inc.	3.8
				Vonovia S.E.	3.6
				Life Storage Inc.	3.4
				Merlin Properties Socimi S.A.	3.2
				First Capital Real Estate Investment Trust	2.9
				Apartment Income REIT Corp.	2.4
				Duke Realty Corp.	2.4
				Kilroy Realty Corp.	2.2
				Killam Apartment Real Estate Investment Trust	2.2
				Nexus Real Estate Investment Trust	1.7
				Parkway Life Real Estate Investment Trust	1.6
				Granite Real Estate Investment Trust	1.5
				<b>Total Net Assets (in \$000's)</b>	<b>\$17,427</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.