

# CI Canadian REIT Fund

## Management Report of Fund Performance for the period/year ended June 30, 2023

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 1-800-792-9355, by writing to us at CI Investments Inc., 15 York Street, Second Floor, Toronto, ON, M5J 0A3 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 \$5.2 million to \$70.3 million from December 31, 2022 to June 30, 2023. The Fund had net redemptions of \$5.0 million for the period. The portfolio's performance increased assets by \$1.3 million. The Fund paid distributions totaling \$1.5 million. Series A securities returned 1.4% after fees and expenses for the six-month period ended June 30, 2023. Over the same time period, the Fund's benchmark returned 0.7%. The Fund's benchmark is the S&P/TSX Capped REIT Total Return Index (the Benchmark or the Index).

Please refer to the "Past Performance" section which outlines the performance of the Fund's other Series.

The period was marked by considerable volatility in the real estate investment trust (REIT) market, largely influenced by movements in interest rates. Yields declined in the first few weeks of the period as investors expected central banks to pause their interest rate hiking cycles. In January 2023, 10-year bond yields declined from 3.3% to briefly below 2.8% in Canada, while in the United States, 10-year yields declined about 50 basis points to 3.37%.

REIT markets in both countries rebounded more than 10% into early February. However, as economic data continued to be robust and inflation did not decline as quickly as hoped, the U.S. Federal Reserve Board (Fed) continued to raise interest rates. Though the Bank of Canada (BoC) paused interest rate increases for a few months, it did raise its policy interest rate at its June 2023 meeting. Bond yields backed up as a result, with 10-year bonds ending the period at 3.27% and 3.84%, respectively, in Canada and the United States.

The U.S. regional bank crisis in March 2023 caused weakness in the commercial real estate market, as regional banks are a primary source of lending to that market, raising investor concerns. While REITs do not typically use these banks for financing, there was an impact on valuations, at least temporarily. REITs posted good financial results, offsetting some of the challenges. Thanks to a rebound at the end of June 2023, REITs managed to finish the period in positive territory, but they trailed the broader equity indexes.

The Fund outperformed its benchmark for the period. Exposure to the U.S. single-family rental and Canadian seniors housing markets contributed to the Fund's performance. Top individual contributors to the Fund's performance included holdings in Tricon Residential Inc. and Chartwell Retirement Residences. Tricon Residential Inc.'s share price bounced back on continuing strength in the single-family rental market in the U.S. Sun Belt region. Chartwell Retirement Residences performed well on slowly increasing occupancy and the expectation that occupancy should continue to improve during the summer leasing season. An underweight position in Northwest Healthcare Properties REIT contributed to the Fund's performance as the company's stock sold off sharply after the company announced a joint venture for its U.K. portfolio would not proceed.

The benchmark is highly concentrated in a few larger-capitalization stocks. Although the Fund does own these companies, it cannot own them in the same proportion as the benchmark, which detracted from the Fund's relative performance. Exposure to U.S. tower REITs also detracted from performance. The largest individual detractors from the Fund's performance included underweight holdings in Canadian Apartment Properties REIT and Granite REIT, both of which outperformed. Canadian Apartment Properties REIT benefited from rising rents in the Canadian rental apartment market. Granite REIT performed well amid low vacancy and rising rents. A holding in SBA Communications Corp. was another notable detractor from the Fund's performance as cell tower REITs generally underperformed despite decent fundamentals, as rising interest rates cut into the attractiveness of their long-dated cash flows.

Rising interest rates continued to have an impact on the REIT market and raise the overall level of risk. The longer interest rates stay high, the greater the likelihood of a recession, which could impact certain sub-sectors of the REIT market.

We added a new Fund position in Colliers International Group Inc. during the period, and we increased existing Fund holdings in Chartwell Retirement Residences, Choice Properties REIT, CT REIT, Primaris REIT, Granite REIT and Tricon Residential Inc.

The Fund's holdings in American Hotel Income Properties REIT L.P., Canadian Apartment Properties REIT, Morguard North American Residential REIT, BSR REIT, First Industrial Realty Trust Inc. and Camden Property Trust were trimmed.

Please refer to the "Past Performance" section which outlines the performance of the Fund's other Series.

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It appears that both the BoC and the Fed are likely to raise their overnight rates by 25 basis points one or two more times in 2023 and then hold interest rates at that level until there is a clear downward trend in inflation. So far, the economy has been quite resilient, with employment remaining strong. Hopefully inflation can come down without tipping the economy into recession.

The Fund is positioned in sub-sectors that should be resilient even if there is some economic weakness ahead, namely residential, retail and industrial real estate. The Fund is also focused on companies with strong balance sheets that can withstand the impact of higher interest rates.

### RELATED PARTY TRANSACTIONS

#### **Manager, Portfolio Adviser and Trustee**

CI Investments Inc. is the Manager, Portfolio Adviser and Trustee of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. The Manager, in consideration of management fees, provided 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 taxes, borrowing costs and new governmental fees) in return for an administration fee.

Management fee and administration fee rates as at June 30, 2023, for the Series/Class or for each of the Series/Classes, as applicable, is/are shown below:

	Annual management fee rate (%)	Annual administration fee rate (%)
Series A	2.000	0.13
Series F	1.000	0.13

The Manager received \$0.6 million in management fees and \$0.1 million in administration fees for the period.

#### **Management Fees**

Approximately 26% of total management fees were used to pay for sales and trailing commissions. The remaining 74% of management fees were used to pay for investment management and other general administration.

#### **Inter Fund Trading**

Inter fund trading occurs when a Fund purchases or sells a security of any issuer from or to another Fund managed by the Manager. These transactions are executed through market intermediaries and under prevailing market terms and conditions. The Independent Review Committee (IRC) reviews such transactions during scheduled meetings. During the period/year ended June 30, 2023, the Fund executed inter fund trades.

#### **Independent Review Committee**

The Manager, in respect of the Fund, received the following standing instructions from the IRC with respect to related party transactions:

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 reports related party transactions periodically to the IRC and advise the IRC of any material breach of such policies. The Manager's policies and procedures 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) do not exceed the limitations of the applicable legislation; and (d) achieve a fair and reasonable result for the Fund.

Except as otherwise noted above under Related Party Transactions section, the Fund was not a party to any related party transactions during the period/year ended June 30, 2023. If the Fund invested in related party transactions, it relied on the IRC's standing instructions regarding related party transactions during this reporting period/year.

# CI Canadian REIT Fund

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## FINANCIAL HIGHLIGHTS

The following table/tables shows/show selected key financial information about the Fund and is/are intended to help you understand the Fund's financial performance for the past six period(s)/year(s), as applicable.

Net Assets per Unit (\$)	Increase (decrease) from operations:						Distributions:					Net assets at the end of the period/year shown
	Net assets at the beginning of period/year	Total revenue	Total expenses (excluding distributions)	Realized gains (losses) for the period/year	Unrealized gains (losses) for the period/year	Total increase (decrease) from operations	From net investment income (excluding dividends)	From dividends	From capital gains	Return of capital	Total distributions	
<b>Series A</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations June 07, 2010												
Jun. 30, 2023	18.08	0.36	(0.23)	0.62	(0.47)	0.28	-	-	(0.08)	(0.32)	(0.40)	17.95
Dec. 31, 2022	24.16	0.38	(0.51)	0.33	(5.54)	(5.34)	-	(0.01)	(0.16)	(0.63)	(0.80)	18.08
Dec. 31, 2021	18.85	0.31	(0.53)	1.05	5.22	6.05	-	-	-	(0.80)	(0.80)	24.16
Dec. 31, 2020	20.91	0.47	(0.49)	(0.46)	(2.49)	(2.97)	-	(0.01)	-	(0.79)	(0.80)	18.85
Dec. 31, 2019	18.14	0.46	(0.53)	0.52	2.37	2.82	-	-	-	(0.80)	(0.80)	20.91
Dec. 31, 2018	18.45	0.52	(0.50)	0.85	(0.43)	0.44	-	-	(0.29)	(0.51)	(0.80)	18.14
<b>Series F</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations June 07, 2010												
Jun. 30, 2023	21.72	0.44	(0.15)	0.74	(0.53)	0.50	-	-	(0.08)	(0.32)	(0.40)	21.76
Dec. 31, 2022	28.51	0.45	(0.32)	0.37	(6.78)	(6.28)	-	(0.01)	(0.16)	(0.63)	(0.80)	21.72
Dec. 31, 2021	21.88	0.38	(0.34)	1.25	6.15	7.44	-	-	-	(0.80)	(0.80)	28.51
Dec. 31, 2020	23.86	0.55	(0.33)	(0.40)	(1.68)	(1.86)	-	(0.04)	-	(0.76)	(0.80)	21.88
Dec. 31, 2019	20.39	0.52	(0.35)	0.58	2.83	3.58	-	-	-	(0.80)	(0.80)	23.86
Dec. 31, 2018	20.42	0.59	(0.33)	0.89	(0.65)	0.50	-	(0.06)	(0.27)	(0.47)	(0.80)	20.39

(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/Class 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/Class over the fiscal period/year.

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

(4) This information is provided for the period(s)/year(s) ended June 30, 2023 and December 31.

# CI Canadian REIT Fund

Management Report of Fund Performance for the period/year ended June 30, 2023

## FINANCIAL HIGHLIGHTS (cont'd)

### Ratios and Supplemental Data

	Total net assets \$000's	Number of units outstanding 000's	Management expense ratio before taxes %	Harmonized sales tax %	Management expense ratio after taxes %	Effective HST rate for the period/ year %	Trading expense ratio %	Portfolio turnover rate %
<b>Series A</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations June 07, 2010								
Jun. 30, 2023	38,418	2,140	2.13	0.24	2.37	11.10	0.03	4.95
Dec. 31, 2022	40,810	2,257	2.13	0.24	2.37	11.19	0.06	16.31
Dec. 31, 2021	61,912	2,563	2.14	0.25	2.39	11.74	0.04	9.77
Dec. 31, 2020	58,470	3,103	2.24	0.26	2.50	12.45	0.11	20.41
Dec. 31, 2019	110,262	5,272	n/a <sup>^</sup>	n/a <sup>^</sup>	2.41	n/a <sup>^</sup>	0.14	13.83
Dec. 31, 2018	30,213	1,665	n/a <sup>^</sup>	n/a <sup>^</sup>	2.55	n/a <sup>^</sup>	0.04	18.34
<b>Series F</b> <sup>(1)(2)(3)(4)(5)</sup>								
Commencement of operations June 07, 2010								
Jun. 30, 2023	31,923	1,467	1.13	0.11	1.24	9.77	0.03	4.95
Dec. 31, 2022	34,642	1,595	1.13	0.11	1.24	9.93	0.06	16.31
Dec. 31, 2021	40,613	1,424	1.15	0.11	1.26	10.05	0.04	9.77
Dec. 31, 2020	27,807	1,271	1.28	0.12	1.40	10.73	0.11	20.41
Dec. 31, 2019	32,368	1,356	n/a <sup>^</sup>	n/a <sup>^</sup>	1.33	n/a <sup>^</sup>	0.14	13.83
Dec. 31, 2018	11,265	553	n/a <sup>^</sup>	n/a <sup>^</sup>	1.47	n/a <sup>^</sup>	0.04	18.34

(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/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 period/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 period/year. The higher a Fund's portfolio turnover rate in a period/year, the greater the trading costs payable by the Fund in the period/year, and the greater the chance of an investor receiving taxable capital gains in the period/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 period/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 period/year.

(5) This information is provided for the period(s)/year(s) ended June 30, 2023 and December 31.

<sup>^</sup>Historical information pertaining to HST is not available.

# CI Canadian REIT Fund

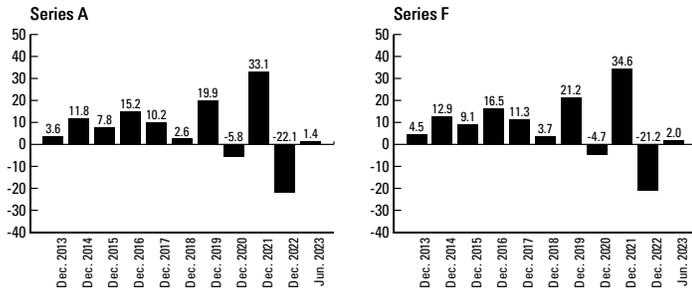
Management Report of Fund Performance for the period/year ended June 30, 2023

## 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 period(s)/year(s) shown were reinvested in additional units of the Fund or relevant Series/Class of the Fund, as applicable. 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/charts shows/show the Fund's semi-annual and annual performance for each of the period(s)/year(s) shown and illustrates/illustrate how the Fund's performance has changed from period/year to period/year. In percentage terms, the chart/charts shows/show how much an investment made on the first day of each financial period/year would have grown or decreased by the last day of each financial period/year, except where noted.



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## SUMMARY OF INVESTMENT PORTFOLIO as at June 30, 2023

Category	% of Net Assets	Category	% of Net Assets	Top 25 Holdings	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada .....	86.3	Real Estate .....	91.3	Dream Industrial REIT .....	5.5
U.S.A. ....	11.4	Health Care .....	5.7	Canadian Apartment Properties REIT .....	5.1
Cash & Cash Equivalents .....	2.2	Cash & Cash Equivalents .....	2.2	Killam Apartment REIT .....	5.1
Foreign Currency Forward Contract(s) .....	0.3	Corporate Bonds .....	0.7	Granite REIT .....	4.8
Other Net Assets (Liabilities) .....	(0.2)	Foreign Currency Forward Contract(s) .....	0.3	Tricon Residential Inc. ....	4.8
		Other Net Assets (Liabilities) .....	(0.2)	First Capital REIT .....	4.6
				InterRent REIT .....	4.4
				Boardwalk REIT .....	4.3
				Chartwell Retirement Residences .....	4.1
				Minto Apartment REIT .....	4.0
				RioCan REIT .....	4.0
				Choice Properties REIT .....	3.8
				Flagship Communities REIT .....	3.8
				Morguard North American Residential REIT .....	3.7
				Crombie REIT .....	3.6
				BSR REIT .....	3.2
				CT REIT .....	3.2
				StorageVault Canada Inc. ....	3.2
				H&R REIT .....	3.0
				Primaris REIT, Series A .....	2.7
				Allied Properties REIT .....	2.4
				Cash & Cash Equivalents .....	2.2
				SBA Communications Corp. ....	2.0
				European Residential REIT .....	1.8
				Prologis Inc. ....	1.7
				<b>Total Net Assets (in \$000's)</b>	<b>\$70,341</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.