

# CI Canadian REIT ETF

Management Report of Fund Performance for the period/year ended December 31, 2024

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., 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.sedarplus.ca](http://www.sedarplus.ca).

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.

## INVESTMENT OBJECTIVE AND STRATEGIES

The investment objective of the CI Canadian REIT ETF (the Fund) is to seek long-term total returns consisting of regular income and long-term capital appreciation from an actively managed portfolio comprised primarily of securities of Canadian real estate investment trusts, real estate operating corporations and entities involved in real estate related services.

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 period/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 period/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 \$48.7 million to \$450.9 million from December 31, 2023 to December 31, 2024. The Fund had net redemptions of \$34.6 million for the year. The portfolio's performance increased assets by \$9.9 million. The Fund paid distributions totalling \$24.0 million. Common Units returned 2.3% after fees and expenses for the one-year period ended December 31, 2024. Over the same time period, the Fund's benchmark returned -2.0%. The benchmark is the S&P/TSX Capped REIT Index (GTR) (the Benchmark or the Index).

Bond yields and changes to immigration policies were the two factors that most affected the Canadian real estate investment trust (REIT) market in 2024. Despite the Bank of Canada (BoC) cutting interest rates five times for a total of 1.75% during 2024, longer-term bond yields were volatile. Ten-year bond yields, which are the most impactful for real estate valuations, finished up on the year, ending at 3.23% after starting the year at 3.11%, and reaching over 3.8% at their peak in late April. Ten-year bond yields did fall substantially in the third quarter and REITs had strong returns during that quarter, but stronger economic data and the Republican Party's win in the U.S. election in November caused yields to back up again in the fourth quarter.

On the immigration side, the Canadian government announced policy changes in March to reduce the number of non-permanent residents and then in September announced an approximate 20% reduction in the planned admissions of permanent residents over the next several years. The net result could lead to a slight reduction in the Canadian population in 2025 and 2026, although there is skepticism that will actually happen. However, the changing policy definitely had a negative impact on Canadian REITs, as population growth is generally good for real estate fundamentals.

The Fund outperformed its benchmark for the year. Exposure to seniors housing, primarily in Canada but also in the United States, contributed to the Fund's performance. Top individual contributors to the Fund's performance included holdings in Tricon Residential Inc., Chartwell Retirement Residences and European Residential REIT. Tricon Residential performed well after it announced its acquisition by Blackstone Inc. at a 30% premium. Chartwell Retirement Residences saw its stock perform well on recovering seniors housing fundamentals, leading to improved occupancy rates and margins. European Residential REIT's stock rebounded sharply after the company announced significant asset sales as well as a large special distribution at the end of the year.

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*Management Report of Fund Performance for the period/year ended December 31, 2024*

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Exposure to self-storage and an underweight allocation to Canadian retail detracted from the Fund's performance. The largest individual detractors from the Fund's performance included holdings in StorageVault Canada Inc. and Minto Apartment REIT and an underweight position in SmartCentres REIT. StorageVault Canada's stock sold off on slowing growth that was largely attributable to a slower housing market and lower storage demand. Minto Apartment REIT declined with other Canadian apartment-focused REITs on slightly softer fundamentals combined with changes to Canada's immigration policies. SmartCentres REIT was added to the Fund during the fourth quarter, but was underweight relative to the benchmark, which detracted from performance.

Volatile bond yields and changes to Canadian immigration policies affected the overall risk of the Fund during the year. We added a new position in SmartCentres REIT to the Fund, and we increased existing positions in RioCan REIT, Crombie REIT, First Capital REIT, Sienna Senior Living Inc. and Ventas Inc. Positions in SBA Communications Corp., Sun Communities Inc., Dream Office REIT and Tricon Residential were eliminated from the Fund. We also trimmed positions in Prologis Inc. and Dream Industrial REIT.

## **RECENT DEVELOPMENTS**

There is uncertainty regarding the Canadian economy heading into 2025 as there could be a Canadian federal election sooner than the October scheduled date. In addition, U.S. president-elect Donald Trump has threatened to impose up to 25% tariffs on Canadian exports to the United States, and bond yields are still volatile. That being said, Canadian real estate fundamentals are still generally strong, mortgage rates have been declining and the Canadian consumer has been more resilient than anticipated.

Key overweight allocations in the Fund include alternative asset classes such as seniors housing, manufactured homes, self-storage and data centers. The Fund has underweight exposures to shopping centers and industrial REITs. With the declines in trading prices in the fourth quarter of 2024, we estimate that the S&P/TSX Capped REIT Index is trading at a 22% discount to net asset value, and we anticipate a possible rebound going into 2025.

## **Privatization**

On November 25, 2024, CI Financial Corp. announced that it had entered into a definitive agreement with an affiliate of Mubadala Capital, the alternative asset management arm of Mubadala Investment Company, to acquire all issued and outstanding common shares of CI Financial Corp., other than shares held by members of senior management of CI Financial Corp. who enter into equity rollover agreements. Subject to court and shareholder approvals, regulatory clearances and other customary closing conditions, the transaction is expected to close in the second quarter of 2025. The Manager does not expect the transaction to impact it or the Fund's business, operations or affairs at this time.

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## RELATED PARTY TRANSACTIONS

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

CI Investments Inc. is the Manager, Portfolio Manager 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 December 31, 2024, for the Series/Class or for each of the Series/Classes, as applicable, is/are shown below:

	<b>Annual management fee rate (%):</b>	<b>Annual administration fee rate (%):</b>
<b>Common Units</b>	0.750	0.04

The Manager received \$3.6 million in management fees and \$0.2 million in administration fees for the year.

### **Management Fees**

100% of total 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 December 31, 2024, 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 December 31, 2024. 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.

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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 five 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>Common Units</b> <sup>(1)(2)(3)(4)</sup>												
Commencement of operations November 15, 2004												
Listed TSX: RIT												
Dec. 31, 2024	16.07	0.62	(0.16)	0.41	(0.54)	0.33	(0.35)	(0.09)	(0.35)	(0.02)	(0.81)	15.63
Dec. 31, 2023	16.09	0.55	(0.15)	0.45	(0.15)	0.70	(0.33)	(0.06)	(0.40)	(0.02)	(0.81)	16.07
Dec. 31, 2022	21.22	0.33	(0.17)	0.24	(4.78)	(4.38)	(0.16)	(0.04)	(0.32)	(0.29)	(0.81)	16.09
Dec. 31, 2021	16.47	0.37	(0.18)	0.73	4.62	5.54	(0.16)	(0.02)	(0.56)	(0.07)	(0.81)	21.22
Dec. 31, 2020	18.65	0.38	(0.15)	0.13	(1.89)	(1.53)	(0.16)	(0.09)	(0.17)	(0.39)	(0.81)	16.47

(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/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 December 31.

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## 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 %	Closing market price \$
<b>Common Units</b> <small>(13252846500)</small>									
Commencement of operations November 15, 2004									
Listed TSX: RIT									
Dec. 31, 2024	450,929	28,846	0.79	0.08	0.87	10.03	0.06	22.94	15.65
Dec. 31, 2023	499,639	31,096	0.79	0.08	0.87	10.16	0.03	17.21	16.08
Dec. 31, 2022	590,409	36,696	0.79	0.08	0.87	10.21	0.04	17.79	16.08
Dec. 31, 2021	791,527	37,296	0.79	0.08	0.87	10.33	0.03	18.56	21.22
Dec. 31, 2020	569,088	34,546	0.78	0.08	0.86	10.04	0.03	25.72	16.46

(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 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 December 31.

(6) Closing market price.

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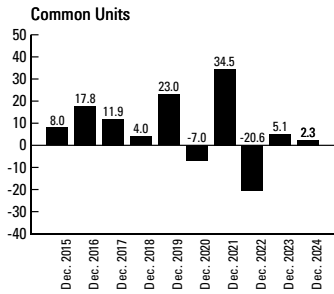
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## PAST PERFORMANCE

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 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 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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## Annual Compound Returns

The following table shows the Fund's annual compound returns for each year indicated, compared to the S&P/TSX Capped REIT Index (GTR) and the S&P/TSX Composite Index (GTR).

The S&P/TSX Capped REIT Index is a sub-index of the broad-based S&P/TSX Income Trust Index. This sector-based index comprises real estate income trusts, which are classified in the Global Industry Classification Standards real estate sector. The relative weight of any single index constituent is capped at 25%.

The S&P/TSX Composite Index is a float-adjusted market capitalization weighted index, which is the principal broad measure of the Canadian equity market. It includes common stocks and income trust units of companies incorporated in Canada which are listed on the Toronto Stock Exchange.

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

	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Since Inception (%)
Common Units	2.3	(5.2)	1.3	6.9	n/a
S&P/TSX Capped REIT Index (GTR)	(2.0)	(5.8)	(0.4)	4.7	n/a
S&P/TSX Composite Index (GTR)	21.7	8.6	11.1	8.6	n/a

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## SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2024

Category	% of Net Assets	Category	% of Net Assets	Category	% of Net Assets
<b>Country allocation</b>		<b>Sector allocation</b>		<b>Asset allocation</b>	
Canada .....	89.5	Real Estate .....	89.8	Common Equities .....	98.3
U.S.A. ....	8.8	Health Care .....	8.5	Cash & Cash Equivalents .....	1.9
Cash & Cash Equivalents .....	1.9	Cash & Cash Equivalents .....	1.9	Other Net Assets (Liabilities) .....	0.4
Other Net Assets (Liabilities) .....	0.4	Other Net Assets (Liabilities) .....	0.4	Foreign Currency Forward Contract(s) .....	(0.6)
Foreign Currency Forward Contract(s) .....	(0.6)	Foreign Currency Forward Contract(s) .....	(0.6)		

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



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## SUMMARY OF INVESTMENT PORTFOLIO as at December 31, 2024 (cont'd)

Top 25 Holdings	% of Net Assets
Chartwell Retirement Residences .....	6.2
RioCan REIT .....	6.0
First Capital REIT .....	5.8
Dream Industrial REIT .....	5.0
Killam Apartment REIT .....	4.9
Granite REIT .....	4.8
Canadian Apartment Properties REIT .....	4.8
Boardwalk REIT .....	4.5
Choice Properties REIT .....	4.5
Crombie REIT .....	4.5
H&R REIT .....	4.2
Minto Apartment REIT .....	3.9
InterRent REIT .....	3.9
Primaris REIT, Series A .....	3.8
Flagship Communities REIT .....	3.7
CT REIT .....	3.7
Morguard North American Residential REIT .....	2.9
BSR REIT .....	2.5
Allied Properties REIT .....	2.4
Sienna Senior Living Inc. ....	2.3
StorageVault Canada Inc. ....	2.3
European Residential REIT .....	2.2
Equinix Inc. ....	2.1
Cash & Cash Equivalents .....	1.9
Colliers International Group Inc. ....	1.8
<b>Total Net Assets (in \$000's)</b>	<b>\$450,929</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.