

SEPTEMBER 30, 2025

PERFORMANCE SUMMARY

For the quarter ended September 30, 2025 the CI Canadian REIT ETF returned 3.9% net of fees.

1Y%	3Y%	5Y%	10Y%	S.I.%
0.3	9.3	7.4	7.5	9.0

Source: CI Global Asset Management, as at September 30, 2025.

Contributors to performance: Storagevault Canada Inc. and Granite REIT were the top individual contributors to fund performance in the quarter.

Detractors from performance: Killam Apartment REIT and Canadian Apartment REIT were the top individual detractors from fund performance in the quarter.

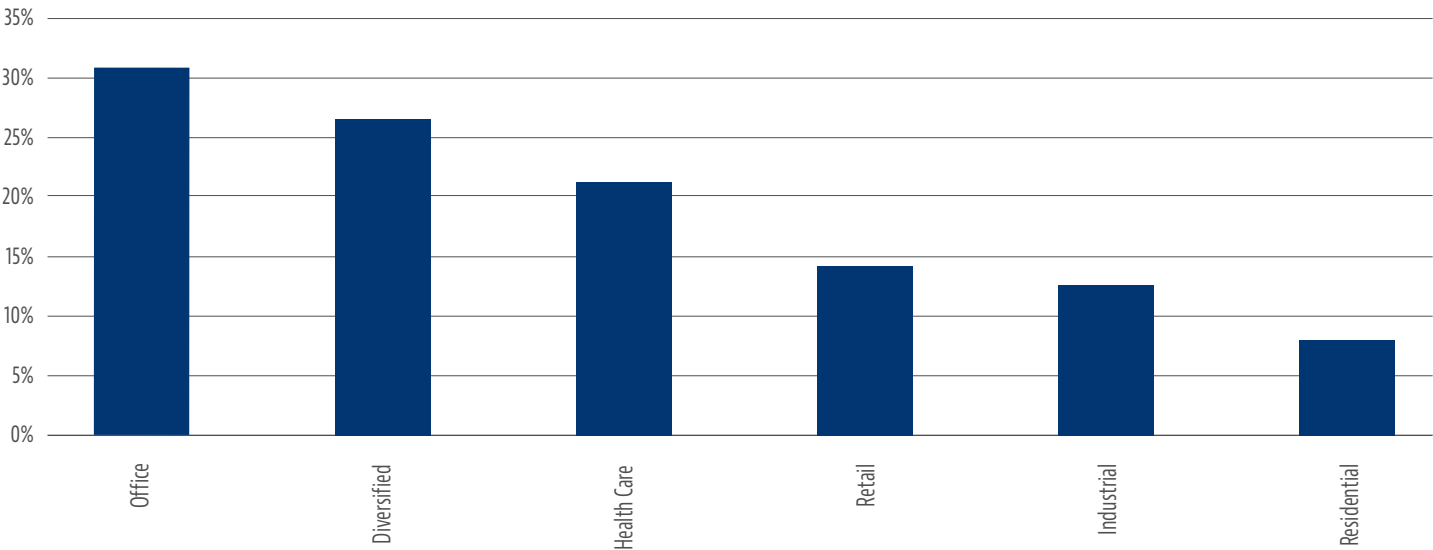
MARKET SUMMARY AND PORTFOLIO ACTIVITY

North American equity indices continued to rise in the third quarter. On a total return basis, the S&P 500 Index increased 8.1%, while the S&P/TSX Composite Index gained 12.5%.

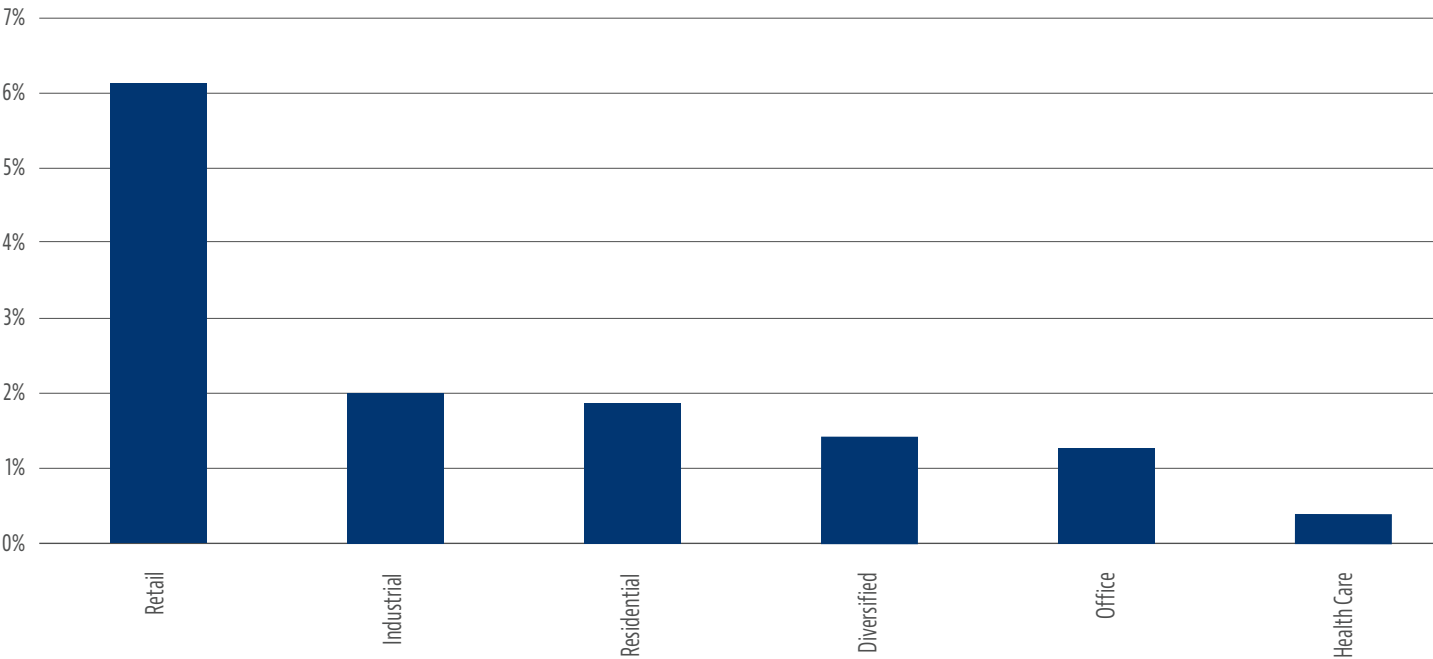
The S&P/TSX Capped REIT Index generated a return of +4.2% in the three months ended September 30, 2025 while the MSCI US REIT Index had a return of approximately +4.8%, and the FTSE EPRA Nareit Developed Index a return of +6.6% (in Canadian dollar terms). Canadian 10-year bond yields fell by 9bps during the quarter, and U.S. yields fell by 8bps.

On a YTD basis, the S&P/TSX Capped REIT Index has had a total return of +13.2%. The strongest performing subsector was office while residential had the lowest total return. However, after considering weights within the index, the largest contributor to total return was retail, followed by industrial.

S&P/TSX CAPPED REIT INDEX YTD TOTAL RETURNS BY SUBSECTOR



CONTRIBUTION TO S&P/TSX CAPPED REIT INDEX YTD TOTAL RETURNS BY SUBSECTOR



Source: Bloomberg Finance L.P. and CI Global Asset Management, as at September 30, 2025.

During the quarter, the fund participated in the IPO for GO Residential, which is Canadian listed and owns residential apartment buildings exclusively in New York City. The fund added to retail names Riocan, SmartCentres, and Choice, and trimmed apartment names Canadian Apartment REIT, Interrent, Killam, Minto, and Morguard North American.

The fund’s top ten holdings as of September 30, 2025 included: Riocan, Chartwell, First Capital, Dream Industrial, Killam, Granite, H&R, Choice Properties, Crombie, and Boardwalk. Collectively, the top ten holdings comprise approximately 53.3% of the fund.

SUBSECTOR REVIEW

We provide a brief overview of the underlying themes and outlook for major Canadian real estate subsectors.

Multifamily

Canada's apartment sector is facing near-term headwinds, with slower population growth and elevated new supply putting pressure on market rents, particularly in Toronto and Vancouver. Canadian apartment REITs are better positioned than the broader rental market, benefiting from portfolios concentrated in older, more affordable buildings with high occupancy rates. However, revenue growth has been dampened by increased use of incentives and elevated turnover among tenants who signed leases in recent years at higher rents. Although softer fundamentals have weighed on REIT valuations, private market values have held firm. Management teams have selectively recycled capital from older assets to fund acquisitions, development and unit repurchases.

Industrial

Canada's industrial market remains mixed. National net absorption was modestly negative for the second straight quarter and the availability rate increased 20bps sequentially to 5.5% in Q3 2025. Average asking rents also declined 3.1% Y/Y. Though trade policy uncertainty remains an overhang on the Canadian industrial market, commentary from REIT management teams points to improving leasing pipelines. However, decision-making timelines remain protracted. On the supply side, industrial space under construction represents only 1.1% of inventory (51.3% pre-leased), unchanged from last quarter and well below the 2.4% peak in early 2023.

Office

Canada's office market showed signs of stabilization in Q3 2025. National vacancy improved 30bps to 18.4% and net absorption turned positive for the first time in over a year, led by 1.6 million sq. ft. of leasing in Toronto. Sentiment has been buoyed by return-to-office mandates, incremental demand from Canada's largest banks, and a historically thin construction pipeline, which has fallen to just 0.5% of inventory. Leasing pipelines are strengthening, and incentives have moderated, though tenant decision-making remains sluggish. The quality gap is widening as downtown Class A vacancy declined 90bps nationally while Class B and C buildings continue to see vacancy levels rise.

Retail

Despite Hudson's Bay Company (HBC) closures and broader economic uncertainty, retail vacancy has remained low across most markets, supported by resilient tenant demand and a lack of new supply. Strong interest in backfilling former HBC locations, even from non-traditional users, highlights the willingness of retailers to adapt formats to secure well-located space.

On the investment front, buyer demand for unenclosed retail remains deep but deal flow is constrained by a lack of willing sellers. There has been more transaction activity in enclosed malls, with Primaris completing \$1 billion of acquisitions YTD and also selling \$246 million of properties.

OUTLOOK

Canada's economy is navigating a soft-landing trajectory, with economists forecasting GDP growth of 1.2% in 2025 and 1.2% in 2026, according to estimates compiled by Bloomberg. However, the outlook is fragile and heavily dependent on trade policy outcomes, execution of fiscal initiatives, and sustained monetary support.

Fundamentals for most types of real estate remain solid and slowing supply growth should lead to tighter vacancy and be constructive for rental rate increases. As the landscape evolves, some issues to consider for Canadian REITs include:

Population growth

Population growth continued to cool in Q3 2025. Between April 1 and July 1, 2025, Canada's population grew by just 0.1% (47,098 people), the weakest second quarter increase since 2020. Immigration accounted for 71.5% of this growth, down from 95.3% a year earlier, as arrivals of new workers and students fell 37% and 55% Y/Y, respectively. The non-permanent resident population declined to 3 million (7.3% of the total), trending toward the federal government's 2026 target of 5%. This moderation is consistent with Ottawa's plan to slow population growth to ease housing and service pressures. This has contributed to a cooling in multifamily fundamentals, with rents decelerating and even turning negative in some high-supply markets. While this trend reduces near-term demand pressure, it also implies lower potential GDP growth and a diminished contribution from population-driven consumption over the medium term. This demographic shift is structural rather than cyclical, reflecting Ottawa's deliberate effort to reduce non-permanent residents and manage housing and social service pressures. While it could alleviate inflation over time, it also implies a slower-growing labour force and softer baseline demand across multiple property sectors.

Monetary policy

The Fed and the Bank of Canada (BoC) have resumed easing. On September 17, both lowered their benchmark rates by 25bps - their first moves since December 2024 and March 2025, respectively. While the Fed has reduced rates by 125bps from its peak, the BoC has cut more aggressively, lowering its policy rate by a total of 250bps from the 5% high reached in 2024. The Fed's latest statement emphasized growing concerns over employment risks, though inflation remains above its 2% target. Its median projections imply two additional cuts by year-end and one more in 2026, bringing the funds rate to 3.25–3.50%, slightly above current market expectations. In Canada, the overnight rate now sits below the midpoint of the BoC's estimated neutral range (2.25–3.25%), signaling a more accommodative policy stance. Weaker labour market data, softer inflation pressures, and the removal of retaliatory tariffs on U.S. goods all contributed to the BoC's latest cut. Markets currently price in at most one additional BoC rate cut by early 2026, suggesting we are approaching the end of the easing cycle.

Tariffs

The U.S. raised tariffs on non-USMCA (United States-Mexico-Canada Agreement) compliant Canadian goods to 35% (from 25%), citing Canada's alleged failure to stem the flow of fentanyl into the U.S. as justification. This move injected further uncertainty into supply chains and delayed investment decisions. Canada did remove retaliatory tariffs against the U.S. effective September 1. A recent news article also suggested Canada is considering changes to dairy quotas which have been a sore point in U.S. trade relations. These recent seemingly conciliatory efforts could be helpful in discussions around the formal review of the USMCA. Industrial leasing demand could be rekindled by hopefully removing tariff uncertainty from a conclusion of the 2026 USMCA review.

Build Canada Homes

Ottawa is taking a more active role in the housing market through Build Canada Homes. This is a new federal initiative tasked with delivering affordable housing while partnering with developers to expand supply for the middle class. The effectiveness and timing of the initiative will hinge on procurement capacity and coordination with provinces and municipalities. However, it represents a more interventionist policy stance aimed at rebalancing affordability and unlocking new rental stock.

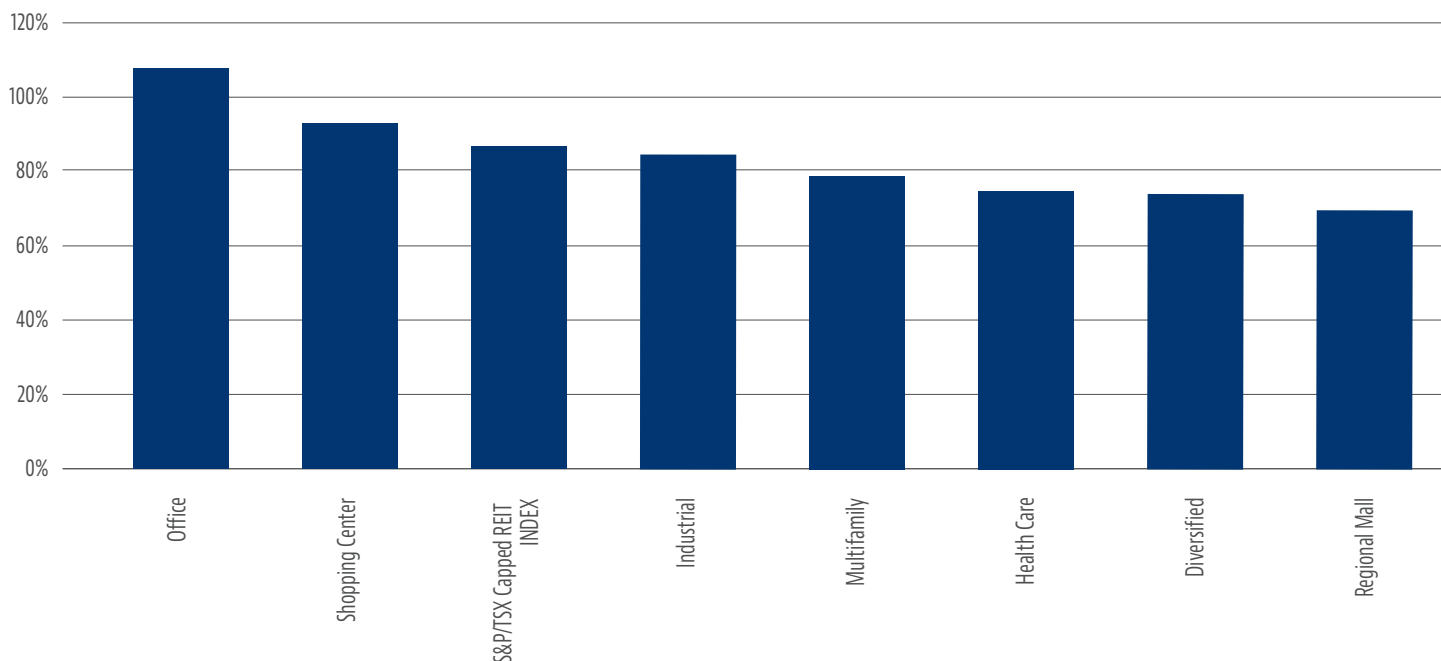
Transaction activity

As interest rates have stabilized relative to recent years, REIT capital markets activity has rebounded somewhat in 2025. In May, InterRent REIT received a takeover offer from a consortium including CLV Group and Singapore's sovereign wealth fund, GIC. Momentum continued into the second half of the year with the IPO of GO Residential REIT in July, which raised US\$410 million. In August, Dream Residential REIT agreed to be acquired by U.S.-based Morgan Properties in a US\$354 million take-private transaction. With many REITs still trading at substantial discounts to NAV, we see potential for additional privatizations.

Attractive valuations

The S&P/TSX Capped REIT Index is trading at attractive absolute and relative valuations. At quarter-end the index was trading at nearly a 15% NAV discount compared with its longer-term average 5% discount. There is a fairly wide range of dispersions in valuations, with the office sector trading at a premium to NAV while malls are trading at nearly a 30% discount. On an earnings multiple basis, the index is trading at around 12.7x compared with its long-term average of 14x. The S&P/TSX Composite P/E multiple is roughly 4.5x higher than the FFO multiple of the REIT Index, compared with a longer-term average of a 1x premium. This highlights the broader market is more expensive than REITs on an earnings multiple basis.

P/NAV OF S&P/TSX CAPPED REIT INDEX SUBSECTORS



S&P/TSX P/E SPREAD TO S&P/TSX CAPPED REIT INDEX



Source: Bloomberg Finance L.P., S&P Capital IQ, company reports and CI Global Asset Management, as at September 30, 2025.

For more information on these investment solutions and other timely opportunities, please visit ci.com



IMPORTANT DISCLAIMERS

Commissions, management fees and expenses all may be associated with an investment in exchange-traded funds (ETFs). You will usually pay brokerage fees to your dealer if you purchase or sell units of an ETF on recognized Canadian exchanges. If the units are purchased or sold on these Canadian exchanges, investors may pay more than the current net asset value when buying units of the ETF and may receive less than the current net asset value when selling them. Please read the prospectus before investing. Important information about an exchange-traded fund is contained in its prospectus. The indicated rates of return are the historical annual compounded total returns net of fees and expenses payable by the fund (except for figures of one year or less, which are simple total returns) including changes in security value and reinvestment of all dividends/distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any securityholder that would have reduced returns. ETFs are not guaranteed; their values change frequently, and past performance may not be repeated.

This document is provided as a general source of information and should not be considered personal, legal, accounting, tax or investment advice, or construed as an endorsement or recommendation of any entity or security discussed. Every effort has been made to ensure that the material contained in this document is accurate at the time of publication. Market conditions may change which may impact the information contained in this document. All charts and illustrations in this document are for illustrative purposes only. They are not intended to predict or project investment results. Individuals should seek the advice of professionals, as appropriate, regarding any particular investment. Investors should consult their professional advisors prior to implementing any changes to their investment strategies.

Certain names, words, titles, phrases, logos, icons, graphics, or designs in this document may constitute trade names, registered or unregistered trademarks or service marks of CI Investments Inc., its subsidiaries, or affiliates, used with permission. All other marks are the property of their respective owners and are used with permission.

Certain statements contained in this communication are based in whole or in part on information provided by third parties and CI Global Asset Management has taken reasonable steps to ensure their accuracy. Market conditions may change which may impact the information contained in this document.

The author and/or a member of their immediate family may hold specific holdings/securities discussed in this document. Any opinion or information provided are solely those of the author and does not constitute investment advice or an endorsement or recommendation of any entity or security discussed or provided by CI Global Asset Management.

Certain statements in this document are forward-looking. Forward-looking statements ("FLS") are statements that are predictive in nature, depend upon or refer to future events or conditions, or that include words such as "may," "will," "should," "could," "expect," "anticipate," "intend," "plan," "believe," or "estimate," or other similar expressions. Statements that look forward in time or include anything other than historical information are subject to risks and uncertainties, and actual results, actions or events could differ materially from those set forth in the FLS. FLS are not guarantees of future performance and are by their nature based on numerous assumptions. Although the FLS contained herein are based upon what CI Global Asset Management and the portfolio manager believe to be reasonable assumptions, neither CI Global Asset Management nor the portfolio manager can assure that actual results will be consistent with these FLS. The reader is cautioned to consider the FLS carefully and not to place undue reliance on FLS. Unless required by applicable law, it is not undertaken, and specifically disclaimed that there is any intention or obligation to update or revise FLS, whether as a result of new information, future events or otherwise.

The CI Exchange-Traded Funds (ETFs) are managed by CI Global Asset Management, a wholly-owned subsidiary of CI Financial Corp. CI Global Asset Management is a registered business name of CI Investments Inc.

©CI Investments Inc. 2025. All rights reserved.

Published October 9, 2025.

25-10-1469050_E (10/25)