CI GLOBAL REIT FUND

Commentary

SEPTEMBER 30, 2025

PERFORMANCE SUMMARY

For the quarter ended September 30, 2025, the CI Global REIT Fund (Series F) had a total return of 4.1%.

Fund	1-Year	3-Year	5-Year	10-Year	Since Inception*
CI Global REIT Fund, Series F	-0.7%	6.3%	4.5%	4.9%	6.0%

Source: CI Global Asset Management, as at September 30, 2025. *Inception Date: July 28, 2005.

Contributors to performance: Welltower, Ventas, and Prologis were the top individual contributors to fund performance in the quarter.

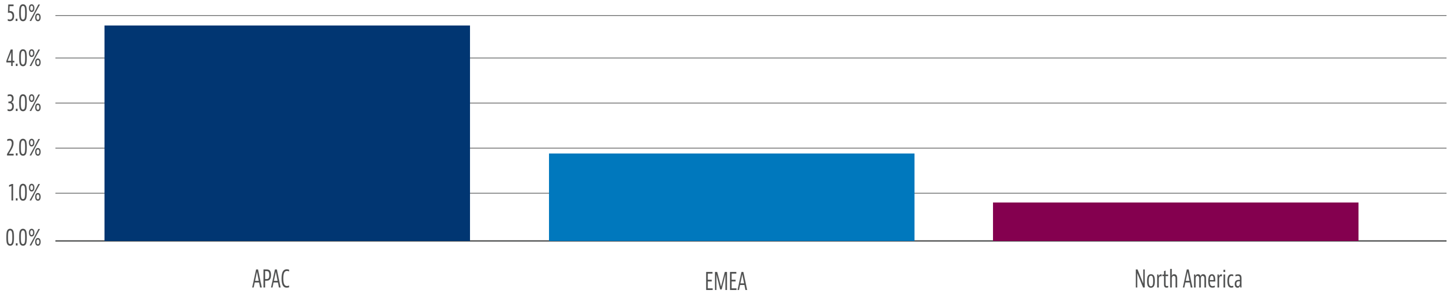
Detractors from performance: Unite Group, American Tower, and Invitation Homes were the top individual detractors to fund performance in the quarter.

MARKET SUMMARY AND PORTFOLIO ACTIVITY

Real Estate Investment Trust (REIT) markets were broadly higher in the third quarter of 2025, though European indices lagged. The FTSE EPRA/Nareit Developed Index (in Canadian dollar terms) had a return of +6.6% while the FTSE EPRA/Nareit U.S. Index had a return of +4.7% and the FTSE/EPRA Nareit Canada a return of +3.8%. The UK Index was down 7% and Europe ex-UK down 3.7%. Major markets in the APAC region were all higher, between 3.8% in Hong Kong to 12.6% in Japan. By comparison, the S&P 500 Index was up 8.1% and the S&P/TSX Composite Index up 12.5%. Broader equity markets were led by technology and artificial intelligence (AI). Leading economic data generally improved, while a softening of the labour market led market participants to anticipate the Federal Reserve (Fed) would resume an easing monetary policy path. Bond yields were mixed, with 10-year yields down 9 basis points (bps) in the U.S. and 8bps in Canada, in sharp contrast to the UK where yields were up 21bps and 10bps in Germany.

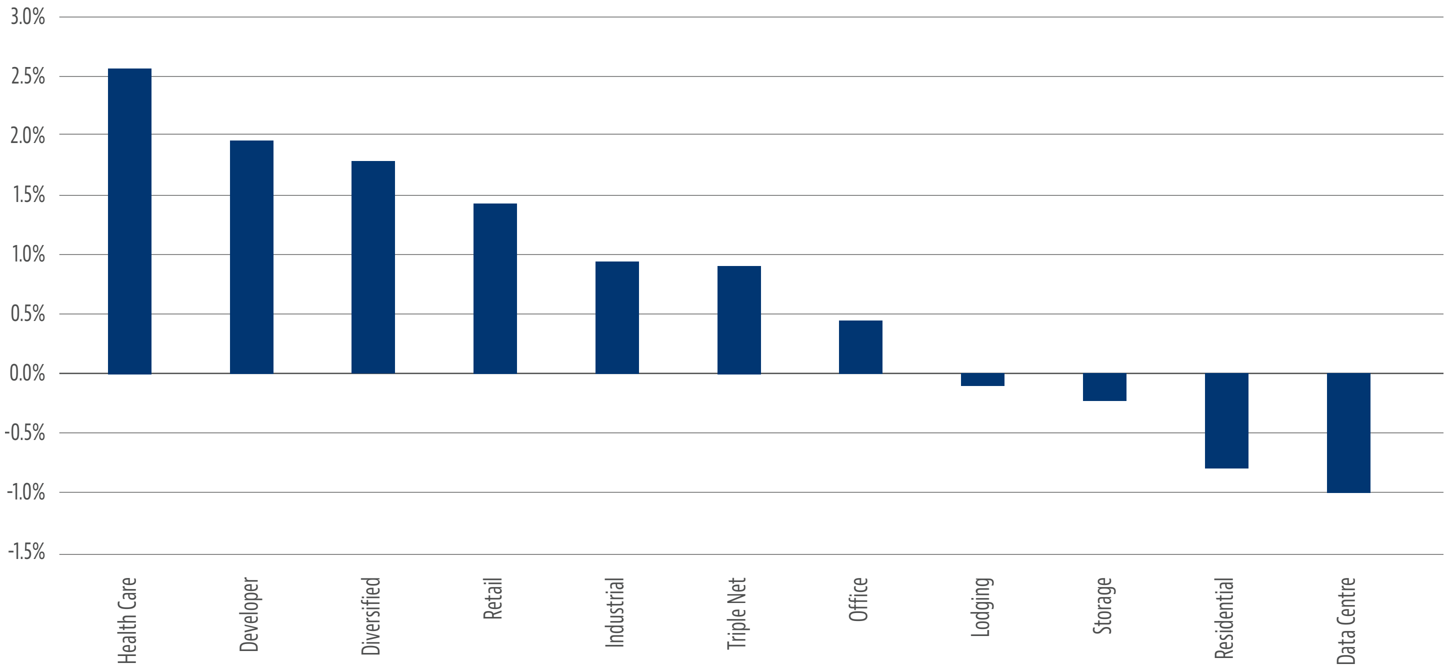
In Canadian dollar terms, Year-to-Date (YTD) The FTSE EPRA/Nareit Developed Index is up 7.6%, with a stronger CAD versus the USD impacting performance. The CAD was stronger on average by 2.8%. The U.S. is the largest component of the index with an average weight in excess of 60%. Geographically, returns have been driven by APAC followed by EMEA and then North America. On a subsector basis, those that have contributed the most to benchmark performance are healthcare, developers (primarily in Japan) and diversified REITs (across APAC). Subsectors which have been the largest detractors to benchmark performance include data centres, residential sectors (such as multifamily and single-family rental) and self-storage.

CONTRIBUTION TO FTSE EPRA/NAREIT DEVELOPED MARKET INDEX C$ TOTAL RETURNS BY GEOGRAPHY



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

CONTRIBUTION TO FTSE EPRA/NAREIT DEVELOPED MARKET INDEX C$ 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 Initial Public Offerings (IPOs) for data centre company NTT DC REIT, listed in Singapore as well as Go Residential, which owns apartments in New York. The fund also added to its position in Public Storage. The fund sold out of its positions in Interrent, Choice Properties, and CapitalLand Integrated Commercial Trust, and decreased weightings in CTP NV, Invitation Homes, and American Homes 4 Rent. The fund's top ten holdings as of September 30, 2025 included: Ventas, Chartwell, Prologis, Welltower, VICI Properties, Brixmor, Equinix, Mitsui Fudosan, Public Storage, and Japan Hotel REIT. The top ten holdings comprised approximately 38% of the fund.

SUBSECTOR REVIEW

We provide a brief overview of the underlying themes and outlook for many of the U.S. real estate subsectors in which the fund is invested.

Multifamily

Multifamily leasing activity improved in Q2 2025 but at a slower pace than in the same period last year, and a typical seasonal slowdown is expected through year-end. Demand has remained solid in markets like the Sunbelt, New York and San Francisco, while Los Angeles, Boston, Seattle, and Washington, D.C. continue to underperform. Elevated new supply in 2025 is expected to keep rent growth muted, particularly across the Sunbelt. However, construction completions should ease in 2026–27, creating a more favourable setup for Net Operating Income (NOI) growth. Near-term organic growth is running in the low-2% range and is increasingly being driven by renewal spreads as new lease rent growth remains soft.

Single Family Rental

The outlook for the single-family rental (SFR) sector remains favourable, supported by strong fundamentals and a balanced supply-demand backdrop. Occupancy near 97% and retention of 75–80% are driving mid-3% blended rent growth, eliminating the need for a Second Half (2H) 2025 leasing inflection. Lower property tax assessments in key states should ease cost pressures and support earnings growth into 2026. While lower mortgage rates could increase turnover as residents buy homes, historically such periods have also driven stronger rent growth, offsetting potential headwinds.

Seniors Housing

Seniors housing remains supported by powerful demographic tailwinds and favourable supply–demand dynamics. The 80+ population in the U.S. is expected to grow at a 4-5% Compound Annual Growth Rate (CAGR) through 2030. This should drive industry occupancy above 95% over the next 3 years and sustain rental growth well ahead of inflation. New supply remains limited at approximately 2% of existing inventory and is unlikely to keep pace with demand for several years. Expense pressures have eased as labour markets normalize, and capital remains readily available, with strong lender participation and robust investor demand contributing to modest cap rate compression.

Shopping Centres

Retail fundamentals remain highly constructive, underpinned by resilient tenant demand and continued pricing power. Vacant space is being re-leased quickly, often at higher rents and on improved lease terms with healthier rent steps and stronger expense recoveries. With new supply additions representing approximately just 0.2% of existing inventory through 2026, availability is expected to remain near record lows. Against this backdrop, shopping centre REIT valuations remain attractive, with shares currently trading at mid-teens discounts to NAV.

Towers

Near-term leasing prospects remain limited for tower REITs, and recent spectrum sales by EchoStar to AT&T and SpaceX/Starlink are likely to further weigh on demand. Over the longer-term, however, rising mobile data usage and future government auctions for spectrum should support stronger demand for tower space. Tower REIT valuations are inexpensive relative to their history and other property types. Given the long duration of leases and predictable cash flow growth, declining interest rates could draw incremental interest in the subsector.

Data Centres

AI is rapidly becoming a major growth engine for data centre REITs, with demand expected to drive the need for significant capacity expansion over the next few years. Current supply remains extremely constrained, with North American vacancy at a record low of 1.6% and preleasing activity now extending well into 2027 and beyond. Power limitations are pushing some development to secondary markets for AI training and cloud workloads, while latency-sensitive applications continue to cluster in core hubs like Northern Virginia. With powered land in short supply, data centre development offers some of the most compelling economics in real estate. Yields are typically above 10% and development profits exceeding 40%. REITs are capitalizing on this opportunity, with Equinix planning $4-5 billion of new investment to expand capacity.

Industrial

U.S. industrial demand remained soft in Q3 2025. Net absorption was 17 million square feet (sq. ft.) while trailing 12-month absorption fell to 63 million sq. ft. from a 125 million sq. ft. average since early 2024, according to CoStar. Tenant retention remains solid, but new leasing has slowed amid trade uncertainty and weaker goods demand. Vacancy rose 90bps Year-over-Year (Y/Y) to 7.5% and is expected to peak near 8% in 2026 before easing. Strong demand and limited small-bay development have kept vacancy in sub-50,000 sq. ft. buildings below 5%. A shrinking construction pipeline, now representing only 1.5% of inventory, should improve supply-demand dynamics. Longer-term, reshoring and tariff-related shifts in supply chains could benefit Sunbelt and Midwest markets while representing a headwind for coastal markets.

Office

U.S. office fundamentals continued to improve modestly. REIT leasing volumes were up 9.3% Y/Y in Q2 2025, though known move-outs contributed to occupancy rates declining 20bps Quarter-over-Quarter (Q/Q) to 87.2%, on average. Demand remains concentrated in high-quality, well-located assets, with New York continuing to lead the market, Los Angeles lagging, and San Francisco benefiting from growing AI-related tenancy. While New York office demand is likely to remain resilient, the upcoming mayoral election could weigh on near-term investor sentiment toward New York-centric REITs. Easing macro pressures and an anticipated Fed rate-cutting cycle could provide further support to the sector, which remains among the more leveraged parts of real estate.

Storage

Storage fundamentals are expected to stabilize in 2025, with modest re-acceleration in 2026 as new supply moderates and Y/Y comparisons become more favourable. Recent operating updates from REITs showed mixed occupancy trends but early signs of improvement on asking rents, with new tenant pricing rising 4.1% Y/Y in September, according to Morgan Stanley. A Fed easing cycle and a decline in mortgage rates below 6% could unlock incremental demand and accelerate occupancy gains. New supply, representing roughly 2.5% of existing inventory, is projected to decline in 2026 as most developers remain sidelined until at least 2027.

OUTLOOK

On September 17, as expected, the U.S. Federal Open Market Committee (FOMC) lowered the target range for the federal funds rate by 25bps. In its statement, language suggests the Fed is more concerned about the downside risks to employment (though is mindful of inflation is still running above its 2% target). In the Statement of Economic Projection, median projections of the federal funds rate suggested a further two cuts were possible by year-end. Another cut would then follow in 2026, for a total of three, so the rate would be in the target range of 3.25-3.5%, which is slightly higher than the four already priced in by the market. There was a reasonable amount of dispersion within the 2026 forecast:

1. Five of the 19 FOMC participants marked down a fed funds rate of below 3%
2. Six participants marked down a fed funds rate between 3% and 3.5%
3. Eight participants marked down a fed funds rate above 3.5%

Relative to the June forecasts, the September outlook was for:

1. Gross Domestic Product (GDP) to be higher in 2025 and 2026
2. Personal Consumption Expenditures (PCE) inflation to be unchanged for 2025 and higher for 2026
3. The unemployment rate to be unchanged for 2025 and lower for 2026

We believe the backdrop of a better job market, modestly higher inflation, lower rates and potential stimulus from the "One Big Beautiful Bill" should be supportive of demand for many real estate asset classes. At the same time, new construction starts have fallen off substantially which could lead to lower vacancy rates and better pricing power.

One development we are watching for is the potential for the U.S. administration to declare a National Housing Emergency in the fall. This was alluded to by Treasury Secretary Scott Bessent in early September. The purpose of such a declaration would likely be to address the high cost and low availability of housing. What that would entail is unknown at this point. However, some areas that could be targeted include reduction of closing costs, improving the speed of building and zoning, and exemption of tariffs on some construction supplies. To the extent measures are enacted that can actually stimulate housing activity, we will be monitoring for an impact on residential real estate sectors. This includes multifamily and single-family rental, as well as the self-storage sector which would benefit from a pick-up in house moving activity.

On a macro level there appears to be a "goldilocks" type of environment with:

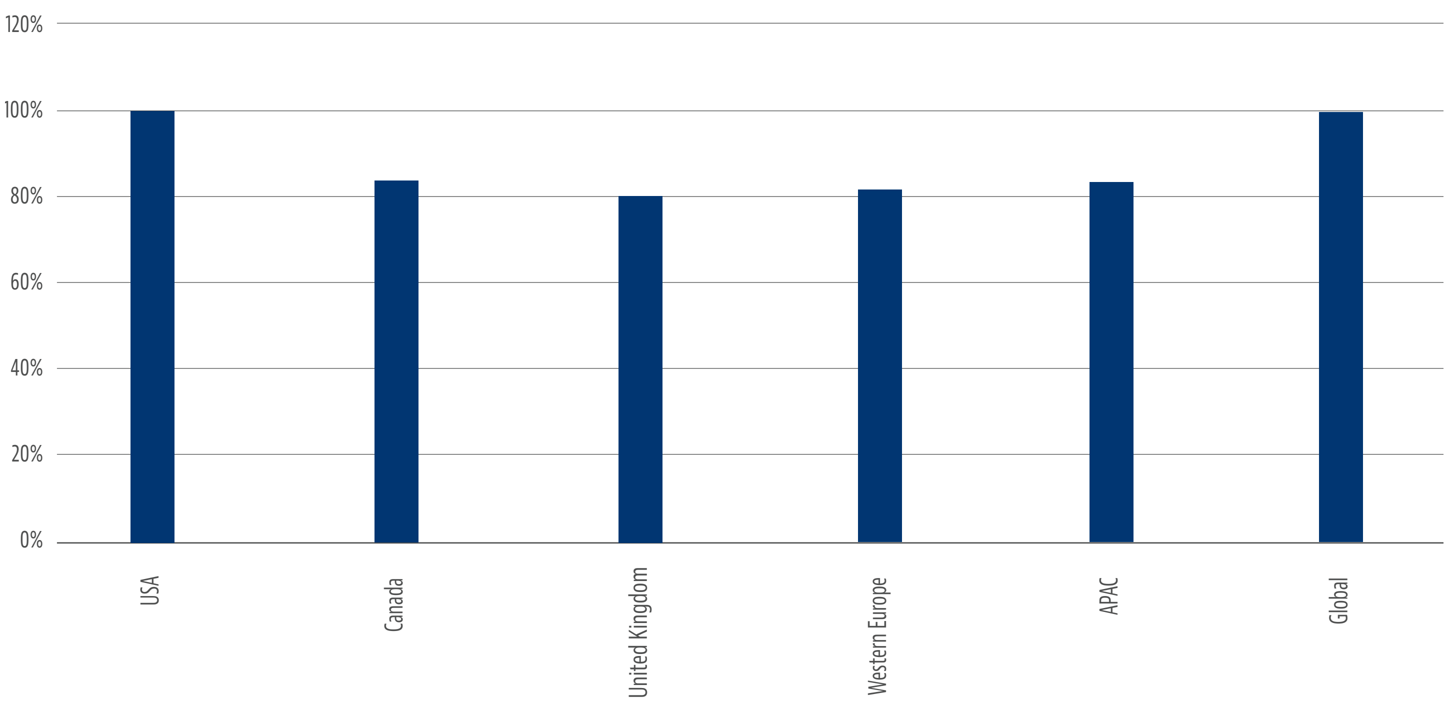
- Some improvement in leading indicators
- A relatively softer labour market encouraging lower yields
- Profit margins at highs which could be sustained by AI
- Credit spreads remaining tight
- Inflation not spiking up
- Earnings expectations moving higher

This is a relatively healthy backdrop for demand of many real estate asset classes. Construction start activity continues to decline which could lead to more pricing power in the coming year.

In many markets, REITs are trading at cheap earnings multiples relative to history, as well as relative to broader benchmark indices. On a NAV basis, there are some markets trading close to NAV, and others trading at double digit discounts. The fund tends to be overweight markets that are trading at larger NAV discounts as we believe stocks are trading at a reasonable margin of safety to the underlying real estate value.

Most real estate markets have low to mid single digit yields that exceed or match local benchmark government 10-year bonds. In addition, earnings growth over the next two years is forecast to be in the low to mid single digit growth range. Combining the two ideas, with no change to multiples, total returns in the high single digit to low double digit range could be achievable.

PRICE TO NET ASSET VALUE (P/NAV)



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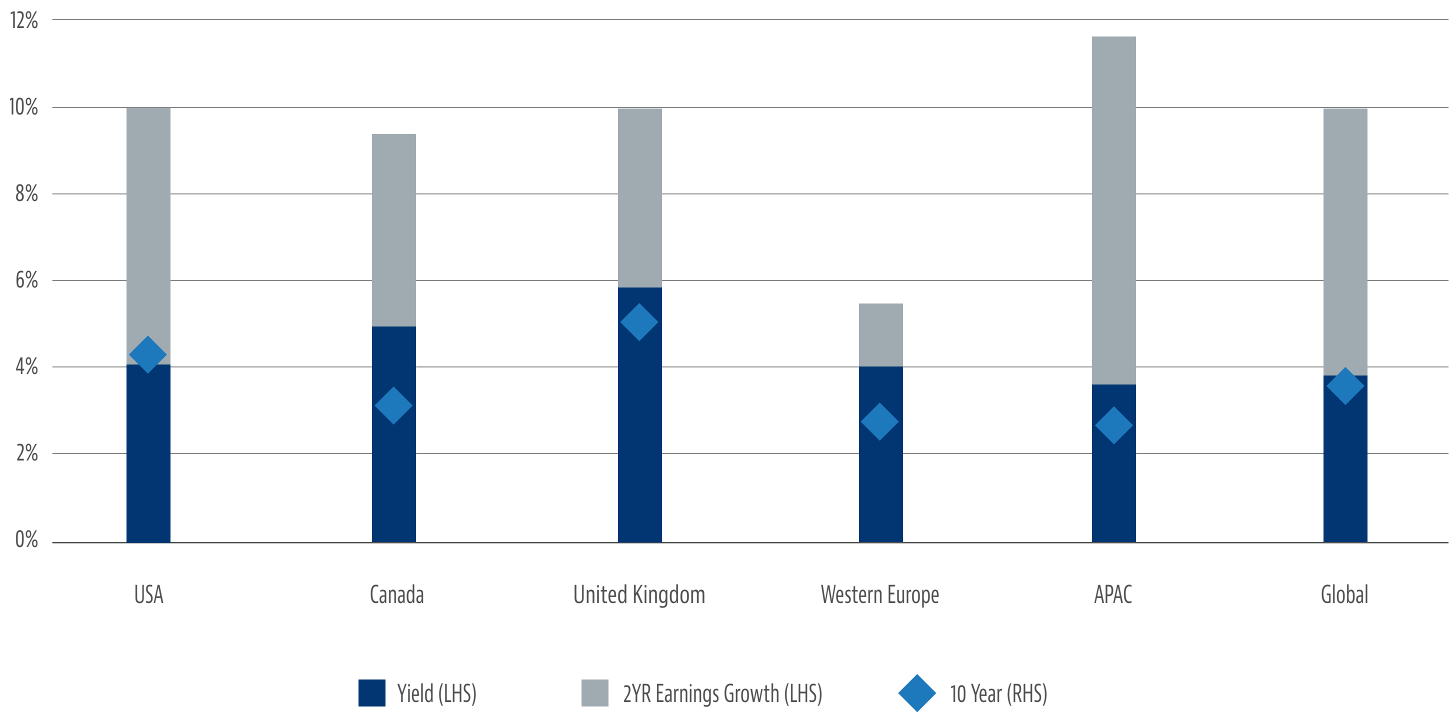
YIELD + EARNINGS GROWTH VS. 10YR



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

CI GLOBAL ASSET MANAGEMENT

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