Signature Global REIT Fund
January 2020

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Class F returns (in %) as at January 31, 2020	Year-to-date	1 year	3 year	5 year	10 year
Signature Global REIT Fund*	4.2	20.7	11.6	7.4	10.8

*Signature Real Estate Pool merged into Sentry Global REIT Fund and was renamed Signature Global REIT Fund effective November 22, 2019. Please refer to the Fund's simplified prospectus and fund facts on www.ci.com. Inception date: July 28, 2005.

Sources: Bloomberg Finance L.P., Company Reports and Signature Global Asset Management, as at January 31, 2020.

Performance Summary

For the month ended January 31, 2020, Class F of Signature Global REIT Fund (the "Fund") returned 4.2%.

Contributors to Performance

InterRent REIT, ESR Cayman Ltd., and Brookfield Asset Management Inc. were the top individual contributors to Fund performance in January.

Detractors from Performance

Cushman & Wakefield Inc. and Sunac China Holdings Ltd. were the top individual detractors to Fund performance in January.

Portfolio Activity and Market Commentary

After a rough first trading day of 2020, real estate investment trusts (REITs) had a strong January overall, despite a pullback toward the end of the month on coronavirus-related uncertainty. The FTSE/EPRA NAREIT Developed Total Return Index had a return of 2.9% (Canadian-dollar terms), the MSCI U.S. REIT Index had a return of 1.2% (U.S. dollars), the S&P/TSX Capped REIT Index had a return of 4.4%, and the EPRA/NAREIT Developed Asia Index (U.S. dollars) returned 0.3%. Bond yields fell sharply, particularly in the in the latter part of the month as nervous investors sought the safety of government bonds. The U.S. 10-year Treasury fell from 1.92% to 1.51% during January.

The Fund participated in the first REIT equity deal in Canada in 2020. Crombie REIT raised a total of $100 million ($58.5 million from the public and $41.5 million from parent company ECL Developments (Empire)) at a price of $16.00. The proceeds of the raise will be used to help fund the company's development pipeline. The Fund also took advantage of the strong price movement in Sunac China Holdings since it was first purchased to trim and repurchase almost 10% lower.

News and Noteworthy Developments

- On January 6, **Alexandria Real Estate Equities Inc.** announced a $930 million forward equity offering that priced at $155 per share. The proceeds will be used to finance value-add Q4 2019 acquisitions as well as the previously announced $525 million purchase of a large Boston office campus.

- On January 9 Macy's announced plans to close 28 Macy's stores and one Bloomingdale store in the coming months. The news continues a series of retail store closures, particularly in the U.S., with no signs thus far that this trend will change.

- On January 16, **MGM Growth Properties LLC (MGP)** announced a new joint venture with Blackstone to acquire the real estate assets of the MGM Grand and Mandalay Bay for $4.6 billion. As part of the deal, Blackstone will purchase $150 million of MGP shares. MGP's equity portion will be funded by its December share issuance. The deal is expected to be about 3% accretive to MGP's adjusted funds from operations (AFFO) per share.

- On January 22, **Prologis Inc.** kicked off Q4 reporting for the U.S. REIT sector. Results were solid with same-store net operating income up 4.6% and cash leasing spreads of 20% in the U.S. and 15% globally. Development activity accelerated toward the end of 2019 with new starts of $1.7 billion bringing the total pipeline to $4.2 billion. Occupancy slipped slightly to 96.8% as the company focused on pushing higher rents. 2020 guidance was adjusted higher by 16 cents per share and includes the closing of the Industrial Property Trust Inc. and Liberty Property Trust acquisitions announced in 2019.

- On January 28-29, **Tricon Capital Group** (TSX: TCN) held its Investor Day in Orlando, Florida. The Investor Day was well attended, with a notable increase in buyside investors vs. their previous investor day in California. Management did a good job showcasing its U.S. multi-family strategy, its use of technology, its focus on growing funds from operations (FFO) (10% annual growth targeted through 2022) and reducing leverage and improving its financial disclosures to reduce complexity and improve comparability with real estate peers. We had three key takeaways: 1) Starting in Q1, Tricon will adopt consolidated accounting and shift to FFO and AFFO as its primary earnings metric. Tricon will also simplify its business segment naming conventions to single-family rental, multi-family rental and residential developments. 2) Chief Executive Officer Gary Berman highlighted the potential sale of a 50%+ interest in the Starlight U.S. multi-family portfolio, potentially in Q3. 3) Tricon's focus on leveraging technology to enable a value-enhancing business model provides the company with significant platform value that should reward investors over time. In our view, continued strong results, simplified disclosures, syndication of the U.S. multi-family portfolio, and progress toward lower leverage should serve as positive catalysts for the stock.

Outlook

Lower bond yields, decent economic data, and strong property fundamentals have led to a good start for global real estate stocks in 2020. While the coronavirus has the potential to slow economic growth, current expectations are that there will be temporary weakness followed by a rebound as spending recovers. We remain optimistic on the prospects for the real estate sector in 2020 based on identifiable cash flow growth in the 3-4% range combined with distributions in the 4-5% range. We continue to see excellent opportunities to deploy capital both in North America and abroad.

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