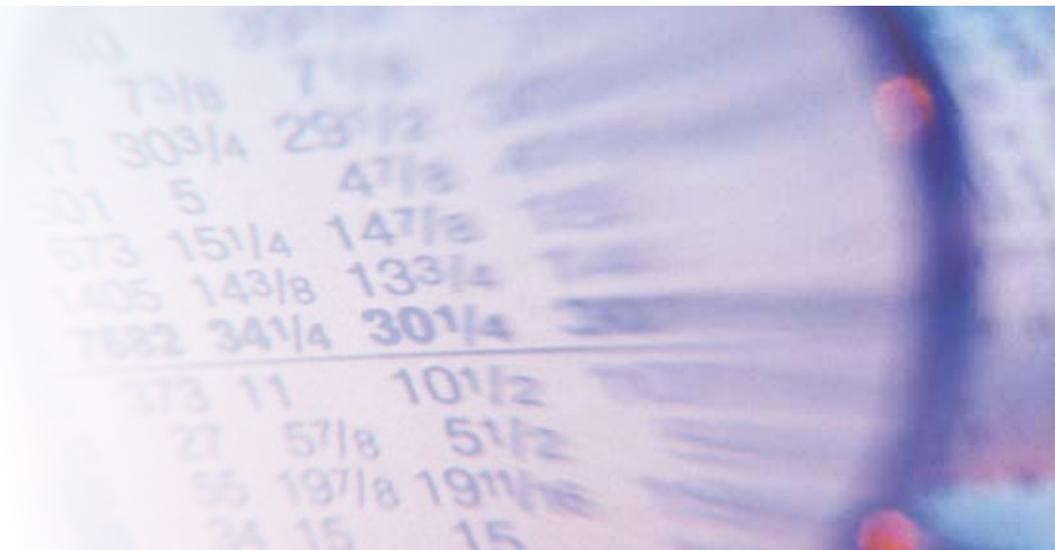


# 2019 Semi-Annual Management Report of Fund Performance



 **CI FIRST ASSET**  
Exchange Traded Funds

CI First Asset Canadian REIT ETF

**Fund:**

CI First Asset Canadian REIT ETF

**Securities:**

Common Units - Listed Toronto Stock Exchange ("TSX"): RIT

**Manager, Trustee and Portfolio Advisor:**

CI Investments Inc. ("CI")

2 Queen Street East, Suite 1200

Toronto, ON M5C 3G7

(416) 642-1289 or (877) 642-1289

[www.firstasset.com](http://www.firstasset.com) - [info@firstasset.com](mailto:info@firstasset.com)

# CI First Asset Canadian REIT ETF

Management Report of Fund Performance for the period ended June 30, 2019

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 1-877-642-1289, by writing to us at CI Investments Inc., 2 Queen Street East, Suite 1200, Toronto, ON, M5C 3G7 or by visiting our website at [www.firstasset.com](http://www.firstasset.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 increased by \$165.5 million to \$510.4 million from December 31, 2018 to June 30, 2019. The Fund had net sales of \$123.1 million for the period. The Fund paid distributions totalling \$10.6 million while the portfolio's performance increased assets by \$53.0 million. The Fund returned 14.4% after fees and expenses for period ended June 30, 2019. Over the same time period, the Fund's benchmark returned 14.0%. The benchmark is the S&P/TSX Capped REIT Total Return Index.

Equity markets rebounded in the first half of 2019 as recession fears, trade tensions and political uncertainty eased and investors took note of discounted valuations following the late 2018 sell-off. While U.S.-China trade tensions and late economic cycle fears drove volatility in the first half of 2019, notably in May, for the most part, investors focused on cautious central banks and declining bond yields. Year-to-date, the Canadian equity market, as measured by the S&P/TSX Composite Total Return Index, was up 16.2%.

While individual real estate investment trust ("REIT") returns were generally positive in the first half of 2019, there was significant divergence between the top and bottom performers by sector and issuer. By property type, industrial, seniors housing and multi-family residential REITs outperformed in the first half of 2019, while office and diversified REITs underperformed.

The Fund outperformed its benchmark for the period. Investment selection contributed to the Fund's relative and absolute performance for the period. Top individual contributors to performance included holdings in Summit Industrial Income REIT, Dream Industrial REIT, Killam Apartment REIT, First Capital Realty Inc. and Choice Properties REIT. The single individual detractor from Fund performance in the period was Minto Apartment REIT, which detracted a very modest six basis points from the Fund's total return.

The Fund initiated new positions in Dream Office REIT and Northview Apartment REIT. Americold Realty Trust, a U.S.-based issuer focused on temperature-controlled warehouses, was also added. Continued favourable supply and demand dynamics for temperature-controlled storage, margin improvements driven by scale and technology and external growth should drive the company's earnings and stock price higher.

Capitalizing on market volatility, we also added to its existing position in Minto Apartment REIT. Canadian apartment landlords continue to benefit from immigration, which is driving increased demand for housing as land costs, lengthy entitlement processes and rising construction costs continue to mute new supply. American Hotel Income Properties REIT L.P. and Brookfield Property Partners L.P. were eliminated from the Fund.

## RECENT DEVELOPMENTS

Real estate operating fundamentals remain generally healthy across most markets and property types, with multi-family residential and industrial REITs, in particular, continuing to benefit from supportive supply and demand dynamics. Recent earnings call commentary, meetings with management, investor days and conference dialogue continue to point to positive, albeit moderating, same property net operating income ("SPNOI") growth. We see good value in the sector, with Canadian REITs trading at a mid-single digit average discount to net asset value. The Fund's investments are biased toward multi-family residential, industrial, seniors housing, select office and defensive daily necessity-oriented retail.

Effective April 22, 2019, the risk rating for the Fund changed from "Medium" to "Low to Medium". This change is the result of an annual review to comply with the methodology mandated by the Canadian Securities Administrators and is not the result of any changes to investment objective, strategies or management of the Fund.

Effective April 29, 2019, First Asset ETFs were rebranded as CI First Asset ETFs.

On July 1, 2019, First Asset Investment Management Inc. amalgamated with CI Investments Inc. ("CI"). After the amalgamation, members of the Independent Review Committee ("IRC") of the CI family of funds also became members of the First Asset Funds' IRC (together, the "CI Funds IRC"). Previous members of the First Asset Funds' IRC resigned on June 30, 2019.

## RELATED PARTY TRANSACTIONS

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

CI Investments Inc. is the Manager, Trustee and Portfolio Advisor of the Fund. CI Investments Inc. is a subsidiary of CI Financial Corp. Please refer to the "Management Fee" section which outlines fees paid to the Manager.

### **Independent Review Committee**

The Fund received standing instructions from the Fund's Independent Review Committee with respect to the following related party transactions:

- a) trades in securities of CI Financial Corp.; and
- b) purchases or sales of securities of an issuer from or to another investment fund managed by the Manager.

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 Manager advise the IRC of any material breach of such

# CI First Asset Canadian REIT ETF

*Management Report of Fund Performance for the period ended June 30, 2019*

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policies. The standing instructions also 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) are made in compliance with the Manager's policies and procedures; and (d) achieve a fair and reasonable result for the Fund. Transactions made by the Manager under the standing instructions are subsequently reviewed by the IRC on a quarterly basis to monitor compliance.

The Fund relied on the IRC's standing instructions regarding related party transactions during this reporting period.

Except as otherwise noted below, CI and the Fund were not party to any related party transactions during the period ended June 30, 2019.

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# CI First Asset Canadian REIT ETF

Management Report of Fund Performance for the period ended June 30, 2019

## Financial Highlights

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past six periods.

### THE FUND'S NET ASSETS PER SECURITY <sup>(1)</sup>

Common Units	Six Months Ended Jun. 30, 2019	Year Ended Dec. 31, 2018	Year Ended Dec. 31, 2017	Year Ended Dec. 31, 2016	Year Ended Dec. 31, 2015	Year Ended Dec. 31, 2014
Commencement of operations October 28, 2004	\$	\$	\$	\$	\$	\$
<b>Net assets, beginning of period</b>	15.86	16.03	15.08	13.52	13.13	12.28
<b>Increase (decrease) from operations</b>						
Total revenue	0.28	0.49	0.53	0.76	0.70	0.65
Total expenses	(0.08)	(0.15)	(0.17)	(0.14)	(0.17)	(0.22)
Realized gains (losses) for the period	0.01	0.60	0.52	0.36	1.29	0.59
Unrealized gains (losses) for the period	1.86	(0.38)	0.80	1.13	(0.87)	0.49
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>2.07</b>	<b>0.56</b>	<b>1.68</b>	<b>2.11</b>	<b>0.95</b>	<b>1.51</b>
<b>Distributions</b>						
From income (excluding dividends)	(0.16)	(0.11)	(0.03)	(0.13)	(0.04)	(0.05)
From dividends	-	(0.22)	(0.39)	(0.19)	(0.19)	(0.20)
From capital gains	(0.25)	(0.51)	(0.37)	(0.67)	(0.98)	(0.48)
Return of capital	-	-	(0.02)	-	-	(0.01)
<b>Total distributions <sup>(3)</sup></b>	<b>(0.41)</b>	<b>(0.84)</b>	<b>(0.81)</b>	<b>(0.99)</b>	<b>(1.21)</b>	<b>(0.74)</b>
<b>Net assets, end of the period <sup>(4)</sup></b>	<b>17.72</b>	<b>15.86</b>	<b>16.03</b>	<b>15.08</b>	<b>13.52</b>	<b>13.13</b>

### RATIOS AND SUPPLEMENTAL DATA

Total net asset value (\$000's) <sup>(5)</sup>	510,394	344,920	305,391	190,122	84,549	65,028
Number of securities outstanding <sup>(5)</sup>	28,796,068	21,746,068	19,046,068	12,603,986	6,253,986	4,953,986
Management expense ratio (%) <sup>(6)</sup>	0.88	0.90	0.93	0.97	1.24	1.44
Portfolio turnover rate (%) <sup>(7)</sup>	10.59	21.66	33.28	32.69	79.70	49.85
Trading expense ratio (%) <sup>(8)</sup>	0.06	0.03	0.07	0.07	0.12	0.08
Net asset value per security (\$)	17.72	15.86	16.03	15.08	13.52	13.13
Closing market price (\$) <sup>(9)</sup>	17.74	15.89	16.05	15.10	13.60	12.41

#### Notes:

(1) This information is derived from the Fund's unaudited semi-annual and audited annual financial statements. The term "net assets" used in this report and the term "net assets attributable to holders of redeemable securities" used in the Fund's financial statements are interchangeable.

(2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase (decrease) from operations is based on the weighted average number of securities outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional securities of the Fund.

(4) This is not a reconciliation of the beginning and ending net assets per security.

(5) This information is provided as at June 30, 2019 and December 31 of the year shown.

(6) Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period, including the Fund's proportionate share of such expenses of any underlying fund in which the Fund has invested and is expressed as an annualized percentage of daily average net asset value during the period.

(7) The Fund's portfolio turnover rate indicates how actively Portfolio Advisor manages the Fund's 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between high turnover rate and the performance of a fund.

(8) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period, including the Fund's proportionate share of such expenses of any underlying fund in which the Fund has invested.

(9) Closing market price.

# CI First Asset Canadian REIT ETF

Management Report of Fund Performance for the period ended June 30, 2019

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## Management Fee

CI manages and administers the business operations and affairs of the Fund. As compensation for the services it provides to the Fund, the Fund pays CI an annual management fee at the maximum annual rate set out below. The fee is based on the net asset value of the Fund and is calculated daily and paid monthly in arrears. The services provided by CI to the Fund include, without limitation, the proper oversight to ensure implementation of the Fund's investment strategies, negotiating contracts with certain third party service providers, authorizing the payment of operating expenses incurred on behalf of the Fund, maintaining certain accounting and financial records, calculating the amount and determining the frequency of distributions by the Fund, ensuring that securityholders are provided with financial statements and other reports as are required from time to time by applicable law, ensuring that the Fund complies with all other regulatory requirements including continuous disclosure obligations under applicable securities law and administering redemptions and other transactions in securities. Where the Fund invests in other investment funds, in accordance with the provisions of National Instrument 81-102, CI ensures that there is no duplication of management fees charged by the Fund and any other underlying investment fund for the same service.

Maximum annual management fee rate	As a percentage of management fee	
	Dealer compensation	General administration and profit
0.75%	-	100%

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# CI First Asset Canadian REIT ETF

Management Report of Fund Performance for the period ended June 30, 2019

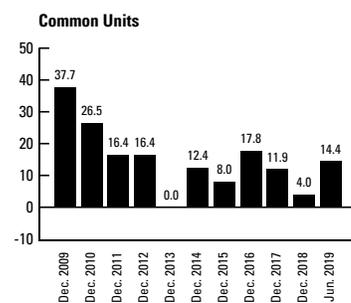
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## Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

## YEAR-BY-YEAR RETURNS <sup>(1)</sup>

The following bar chart shows the Fund's semi-annual and annual performance for the financial periods shown and illustrates how the Fund's performance has changed from period to period. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial period would have grown or decreased by the last day of each financial period.



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(1) Returns based on net asset value per security.

# CI First Asset Canadian REIT ETF

Management Report of Fund Performance for the period ended June 30, 2019

## Summary of Investment Portfolio as at June 30, 2019

Category	% of Net Asset Value	Category	% of Net Asset Value	Top 25 Holdings	% of Net Asset Value
<b>Country allocation</b>		<b>Sector allocation</b>			
Canada .....	91.7	Real Estate .....	88.2	Cash and Cash Equivalents .....	5.0
Cash & Cash Equivalents .....	5.0	Health Care .....	6.3	Canadian Apartment Properties REIT .....	4.7
U.S.A. ....	2.1	Cash & Cash Equivalents .....	5.0	Killam Apartment REIT.....	4.5
U.K. ....	1.9	Financials .....	1.2	InterRent REIT .....	4.4
Other Net Assets (Liabilities) .....	(0.7)	Other Net Assets (Liabilities) .....	(0.7)	Dream Industrial REIT .....	4.3
				First Capital Realty Inc.....	4.3
				Pure Multi-Family REIT L.P., Class 'A' .....	4.2
				Morguard North American Residential REIT .....	4.2
				Allied Properties REIT .....	4.1
				RioCan REIT.....	4.0
				Choice Properties REIT.....	3.6
				Chartwell Retirement Residences .....	3.6
				Dream Global REIT.....	3.6
				Tricon Capital Group Inc. ....	3.6
				WPT Industrial REIT .....	3.5
				H&R REIT.....	3.3
				Summit Industrial Income REIT .....	3.1
				Crombie REIT.....	3.0
				Minto Apartment REIT .....	3.0
				Granite REIT .....	2.8
				Northview Apartment REIT.....	2.7
				Sienna Senior Living Inc. ....	2.7
				CT REIT.....	2.0
				Cushman & Wakefield PLC.....	1.9
				SmartCentres REIT.....	1.5
				<b>Total Net Asset Value</b>	<b>\$510,393,552</b>

This is a summary only and will change due to ongoing portfolio transactions of the Fund. A quarterly update is available on [www.firstasset.com](http://www.firstasset.com).

## 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.