

REITs: Time to Start Planting Seeds

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Real Estate Headlines: It's Easier to be Negative

"Real estate is the most hated asset class on Wall Street: strategist" – BNN Bloomberg, May 2024

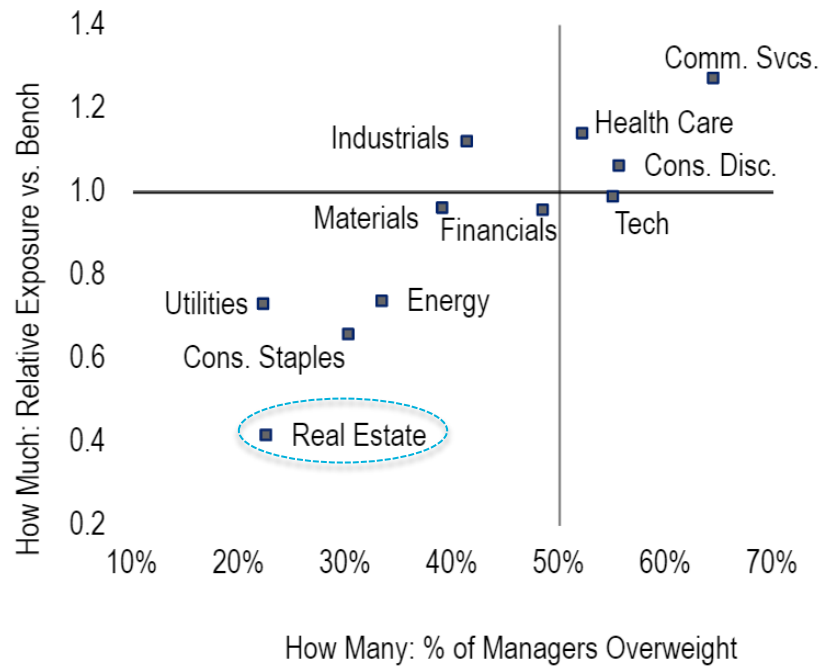
"Commercial real estate's last best hope, industrial and storage properties, hit by oversupply – and investors are spooked" – Globe and Mail, May 2024

"Commercial real estate is in big trouble, may have major financial fallout" – Financial Post, Feb 2024

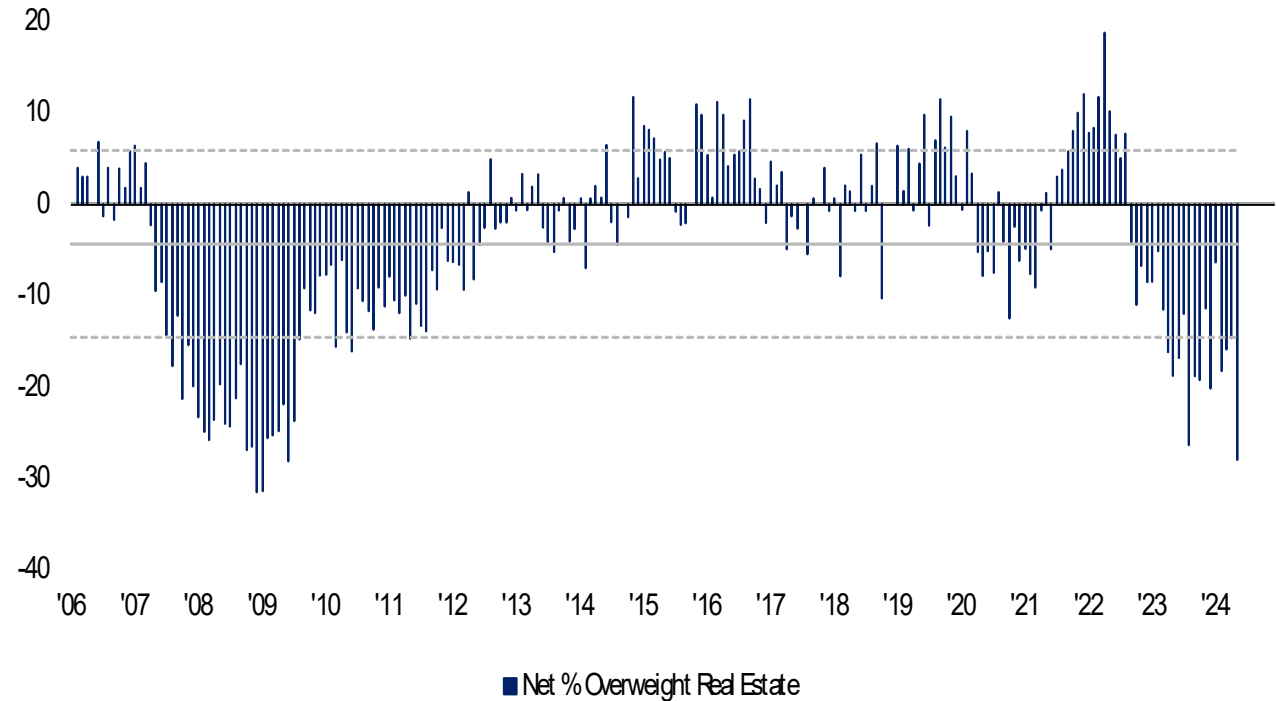
"A commercial real estate crash is unfolding, and regional banks are feeling the pain" – Business Insider, Feb 2024

Framing Sentiment

Long Only Funds Sector Positioning

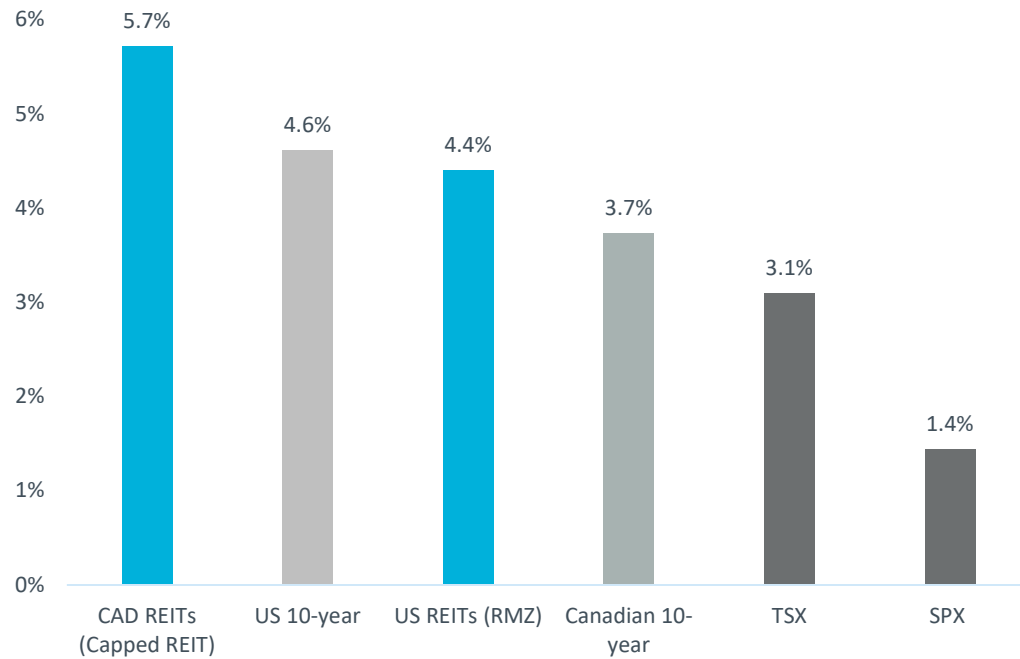


% of Equity Funds Overweight Real Estate

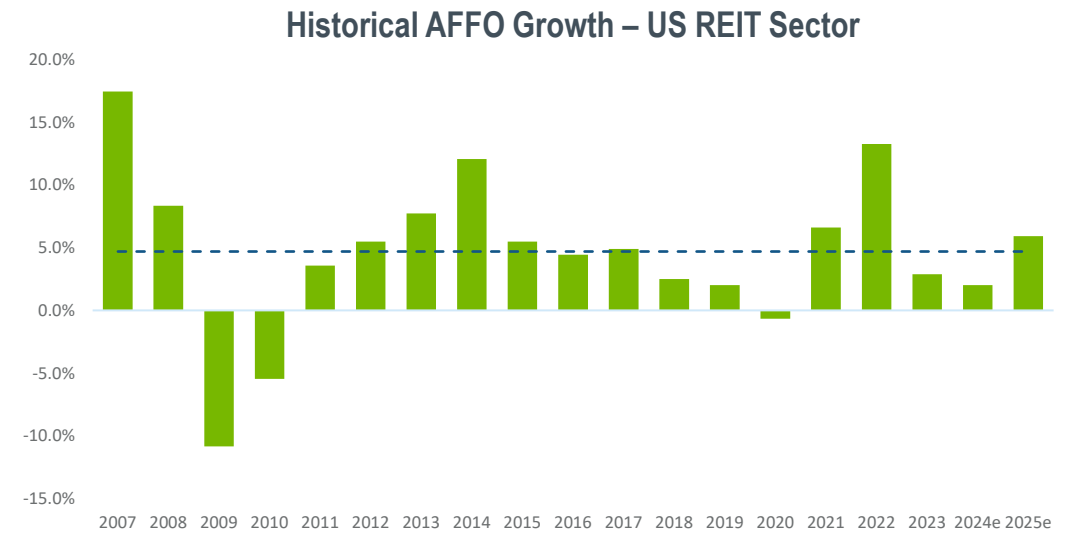


Real Estate: More than Just Bond Proxies

Attractive Dividend Yields



Earnings Growth Despite Headwinds

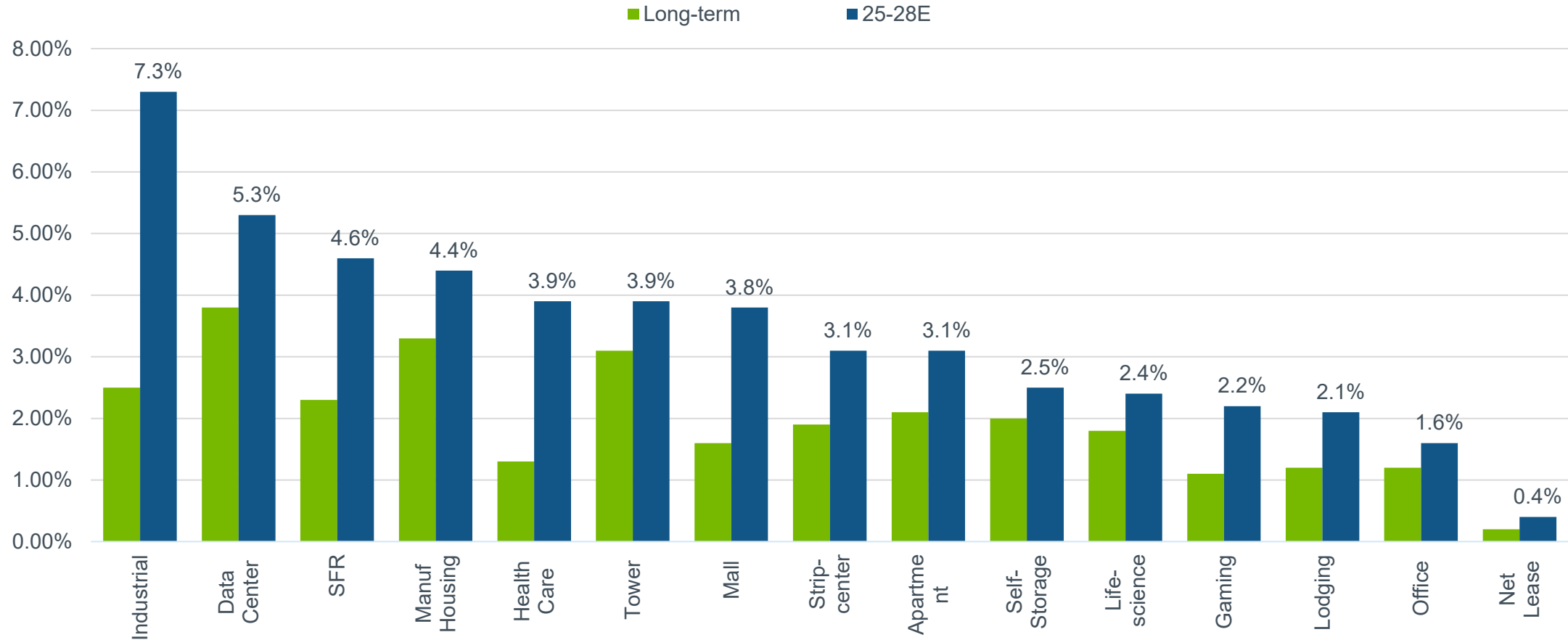


Source: Citi Capital Markets Research, Bloomberg, CBRE

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Real Estate: Challenges Not Broad-based

Net Operating Income Growth

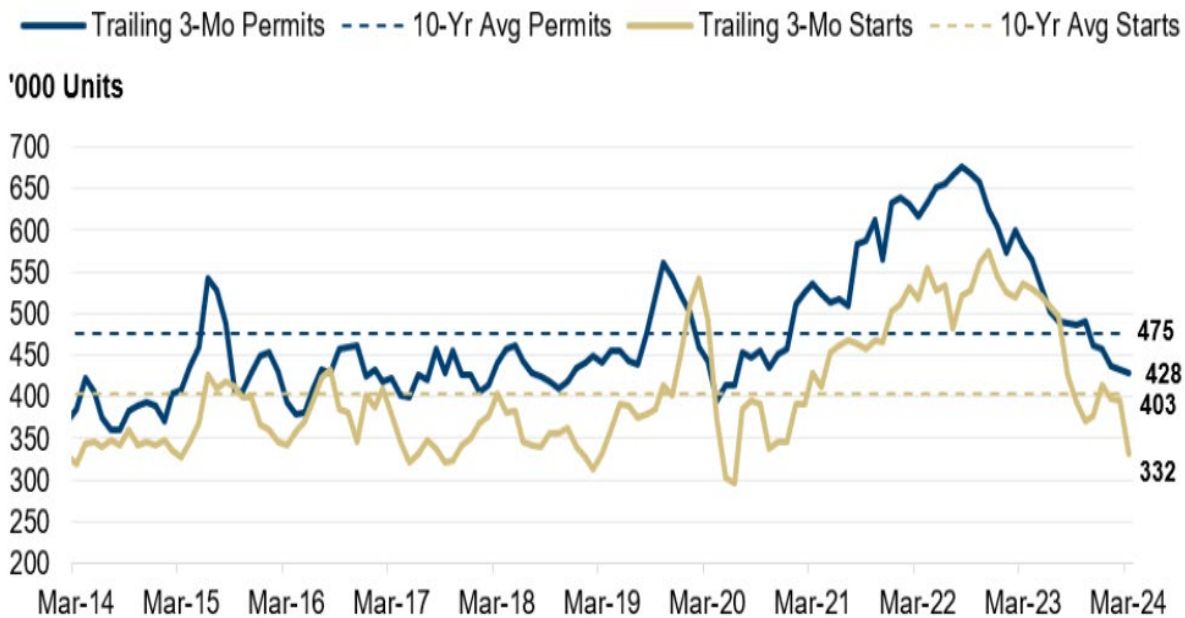


Real Estate: The Silver Lining of Higher Rates, Low Supply

▼ **25-75%** in starts from peak for US multi-family, industrial, and seniors housing

<**3%** of inventory under construction for seniors housing and retail, a **15-year low**

US Multi-family Permits & Starts

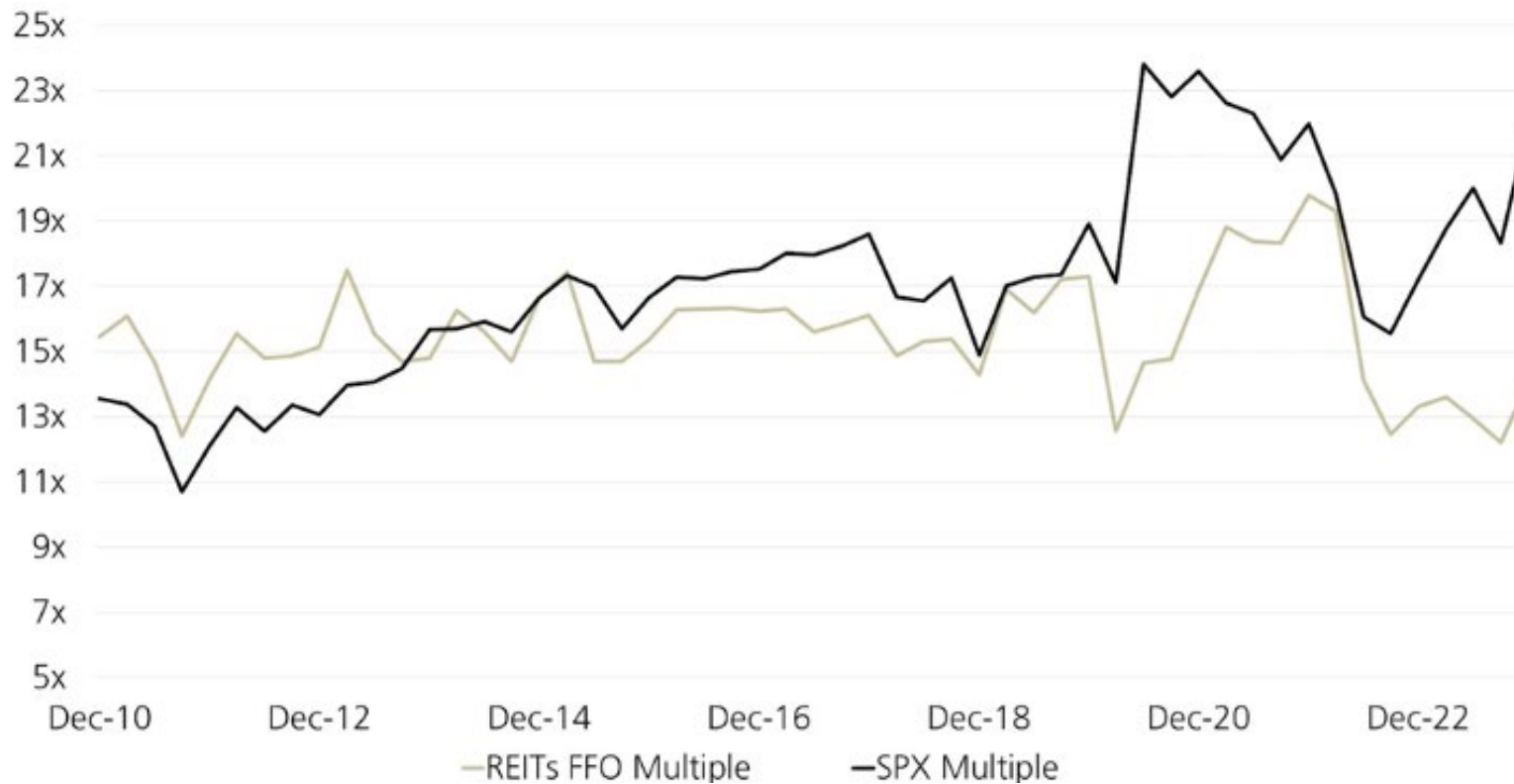


US Industrial Starts



Real Estate Valuations Look Attractive vs. Broader Market

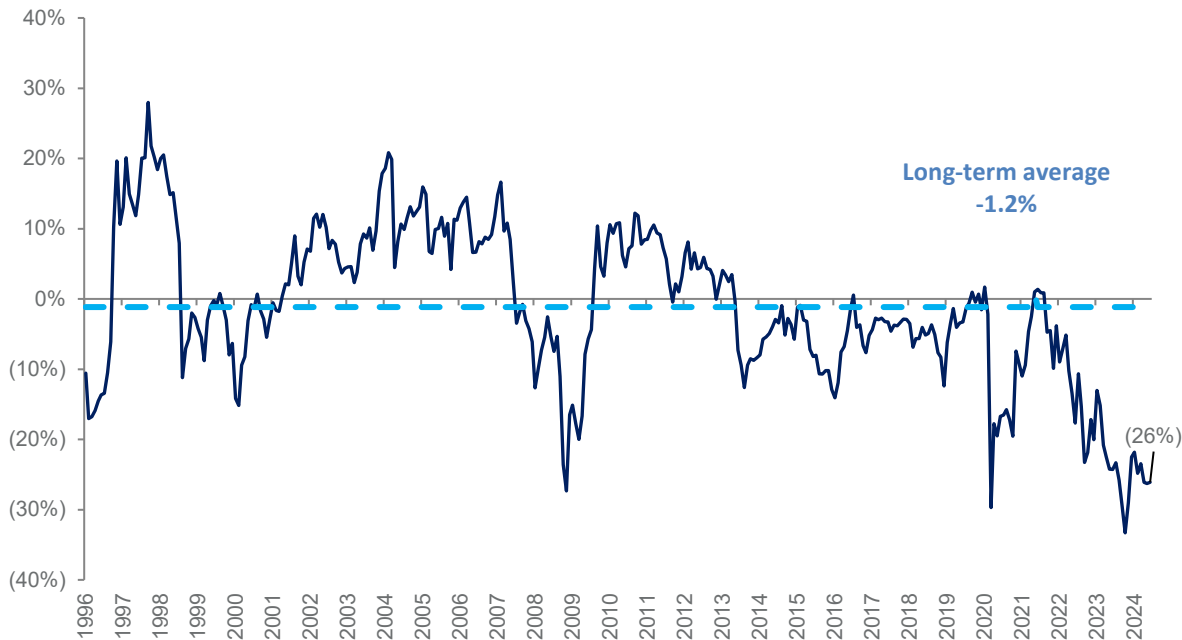
REIT FFO Multiples vs. S&P 500 EPS Multiple



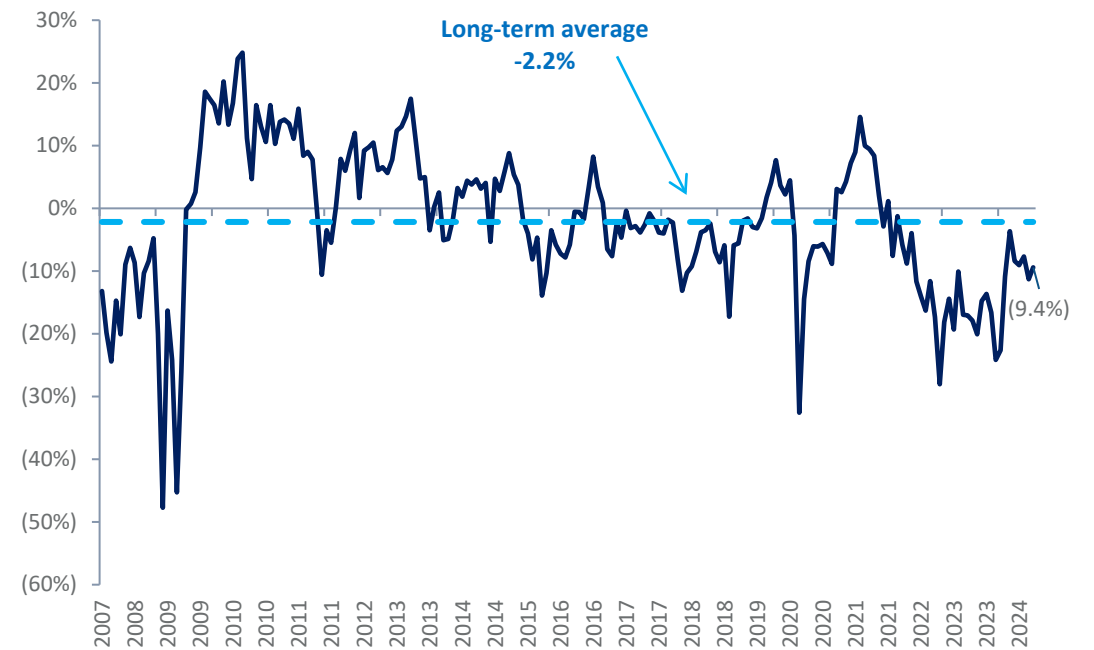
Public REITs Markets Trade at a Discount to Privates

\$400 billion of dry powder in real estate funds

Canadian REITs Premium (Discount) to NAV



US REITs Premium (Discount) to NAV



Source: Green Street, RBC Capital Markets, as of June 1, 2024.

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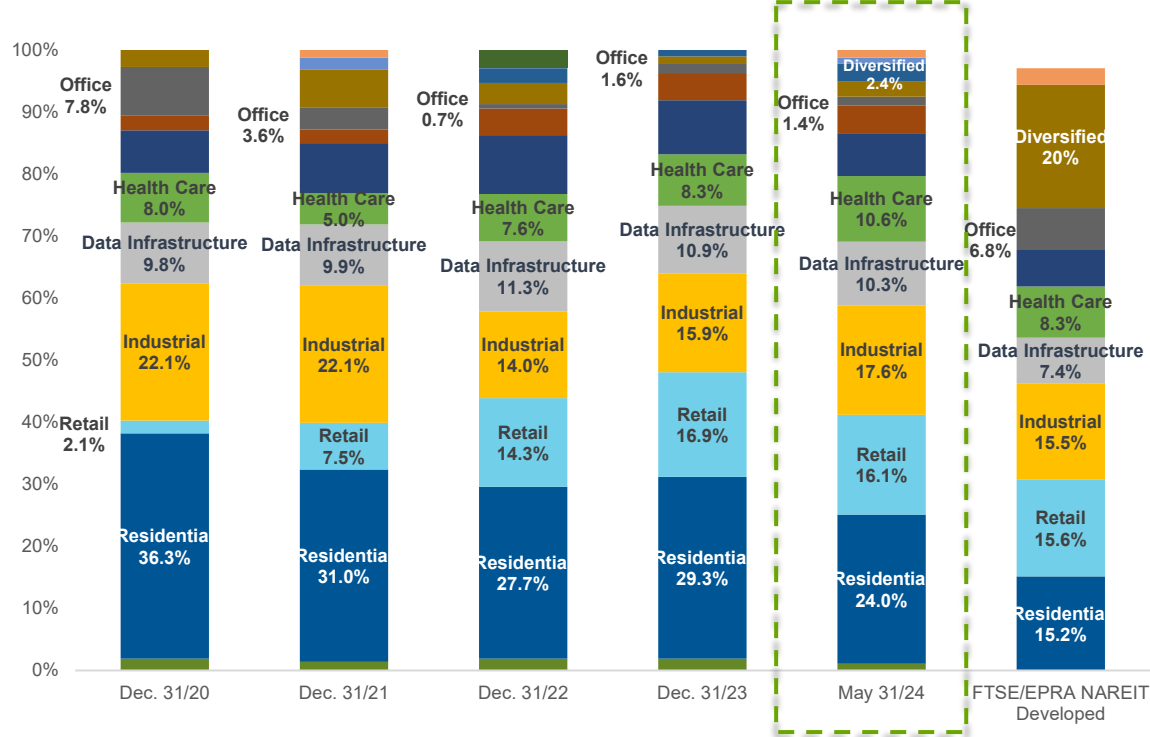
Real Estate Valuations: Good Assets Don't Stay Cheap Long

“...This [is the] time of seed planting, you want to be investing into this dislocation because there's a lot of uncertainty. There may be for sellers. There may be public companies trading at discounts...it's the deployment period...”

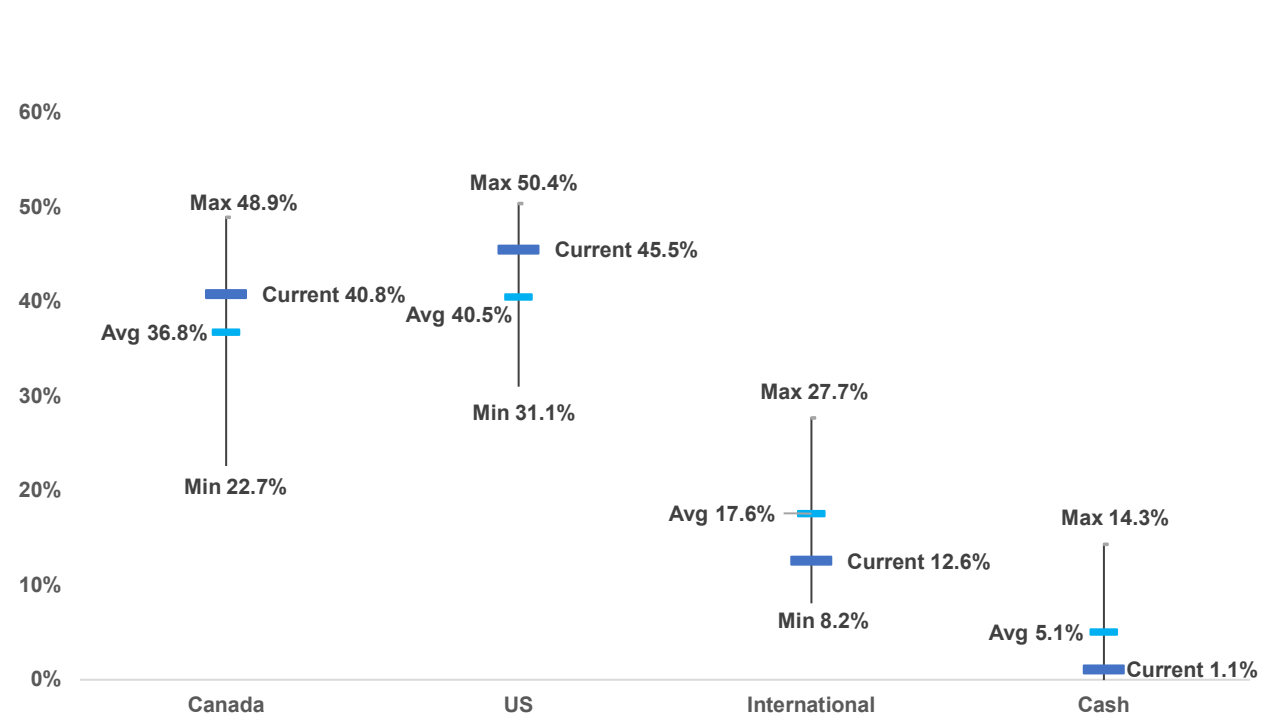
Jon Gray, President & COO of Blackstone, Thoughts on Real Estate Q1 2024 Earnings Call

Active Strategy Unlike Any Index

Active Property Type - Positioning



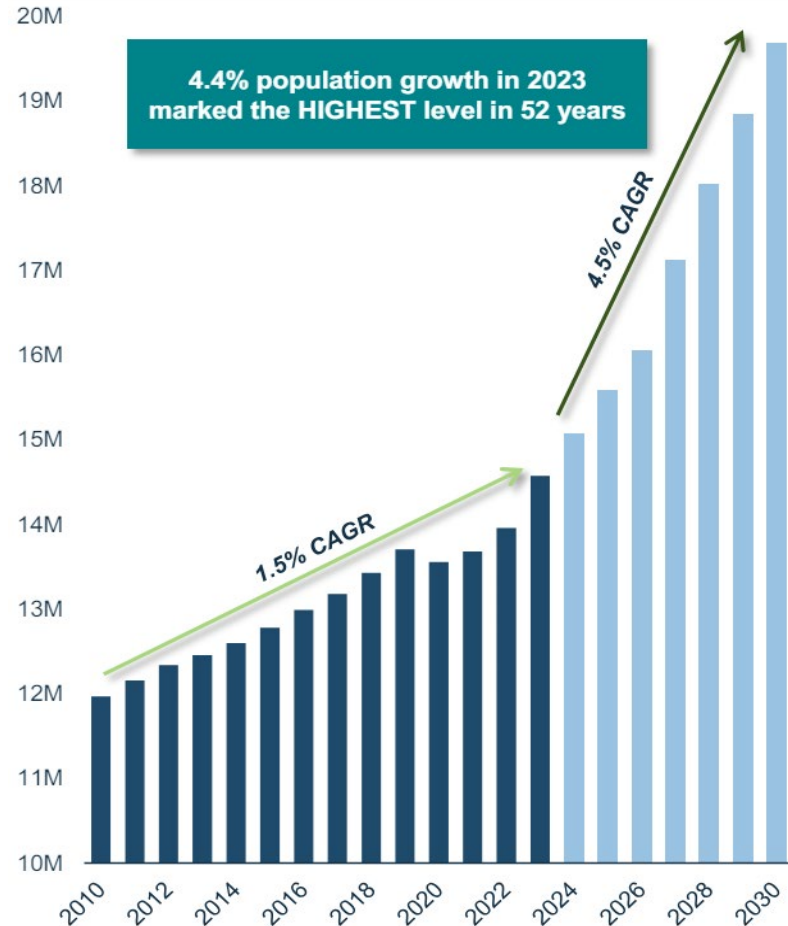
Geographic Positioning – 10 Yr History



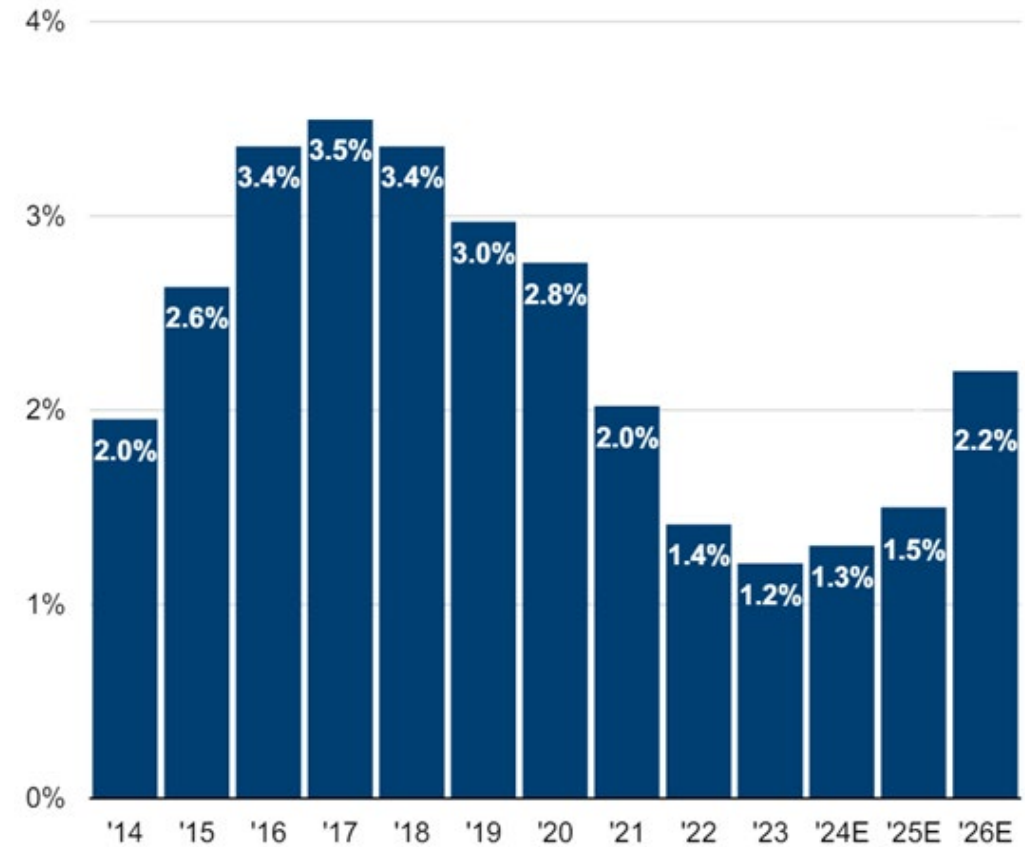
Source: Dynamic Funds, Bloomberg
 Data as of May 31, 2024
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Seniors Housing: “Booming”

US 80+ Population Growth



US Seniors Housing Supply Growth



Source: Census, NIC MAP, Welltower and Green Street

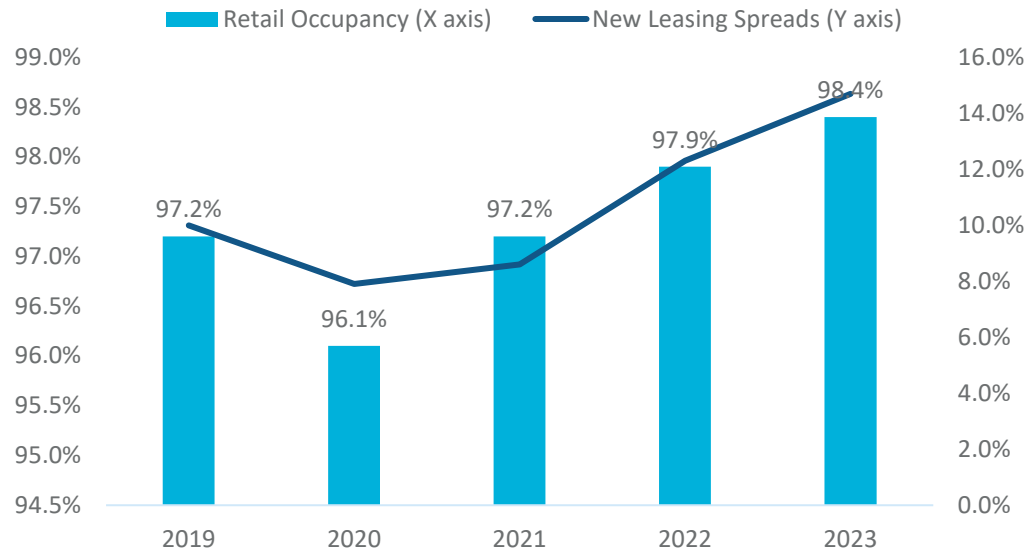
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Retail Renaissance

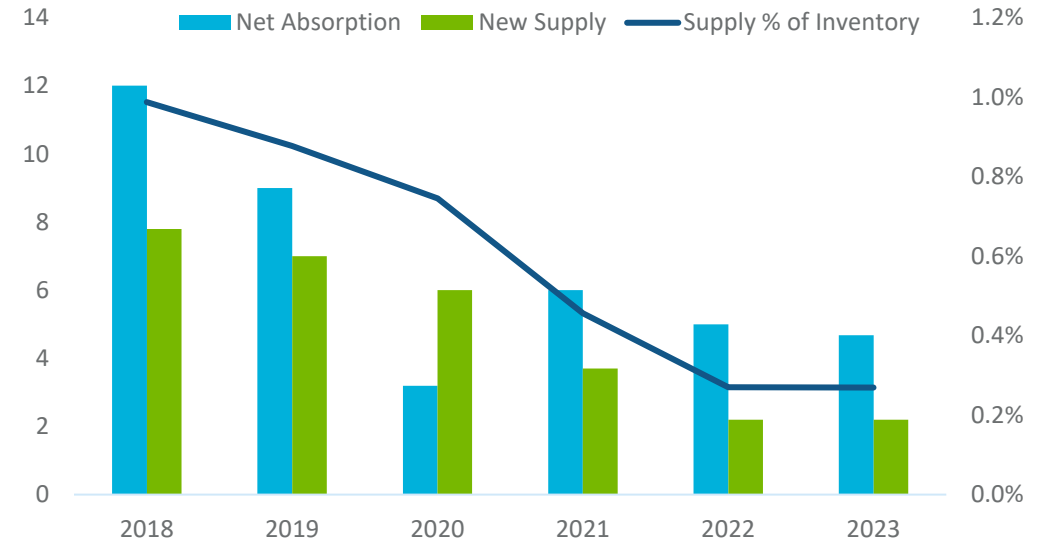
“We are experiencing some of the most favourable retail real estate dynamics in memory including limited supply, healthy tenant retention and ongoing retailer expansions.”

Jonathan Gitlin, President & CEO, RioCan REIT

RioCan’s Occupancy & Rent Lifts on New Leases



Canadian Retail Real Estate Supply & Demand (In million square feet)



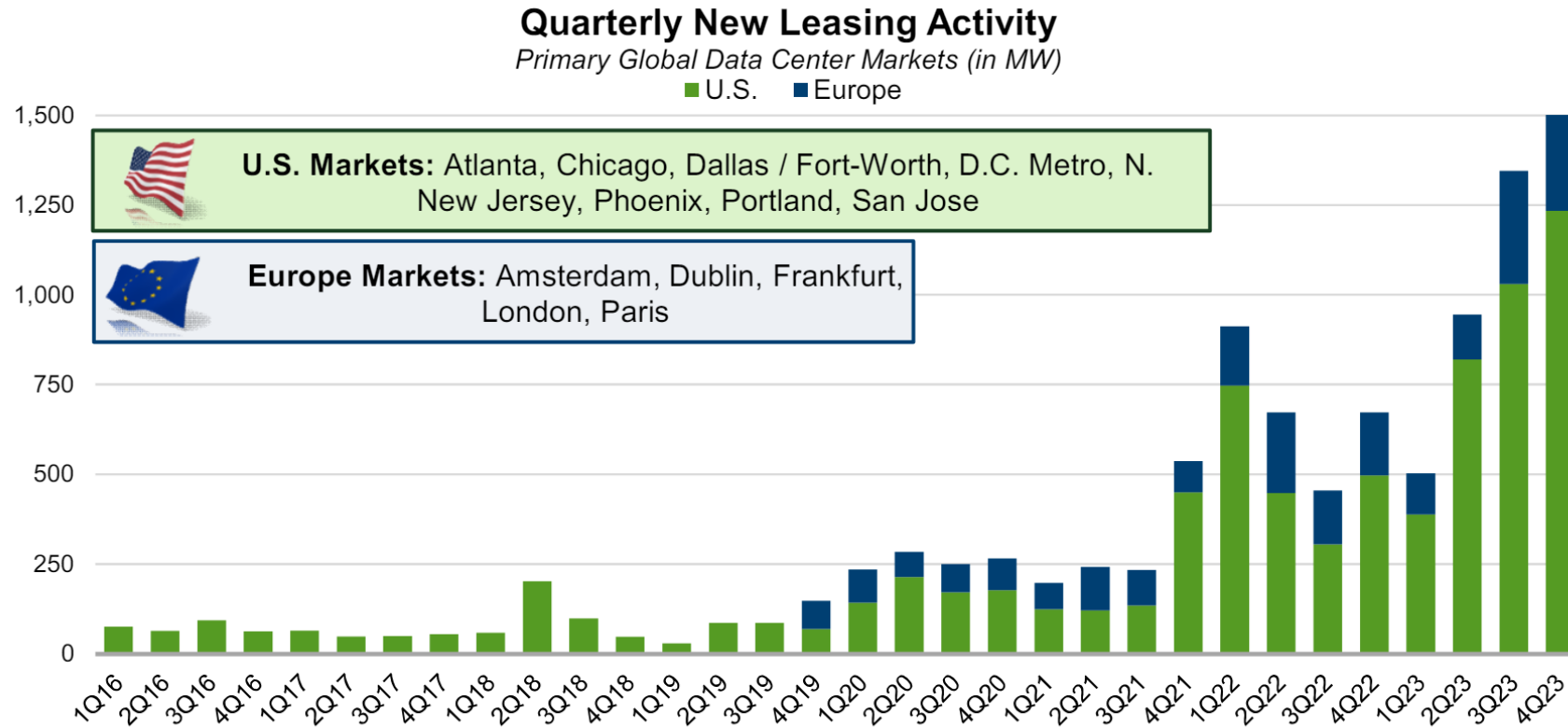
Source: RioCan, Desjardins, JLL

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Data Infrastructure: AI Revolution

“Data centers are experiencing once-in-a-generation demand growth.”

Stephen Schwarzman, Chairman & CEO, Blackstone



Note: Historical data collection of European markets did not begin until 4Q19

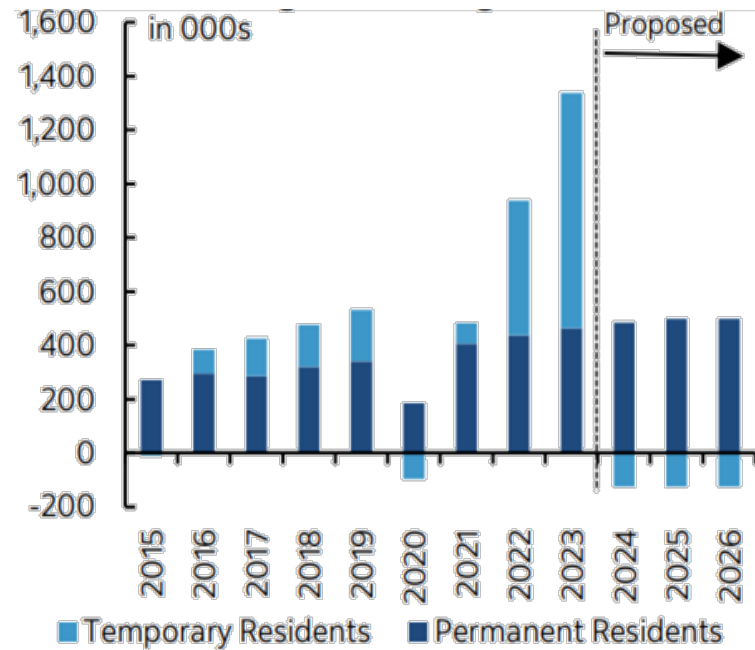
Canadian Apartments: Policy Risk

Canada Housing Starts & Completions



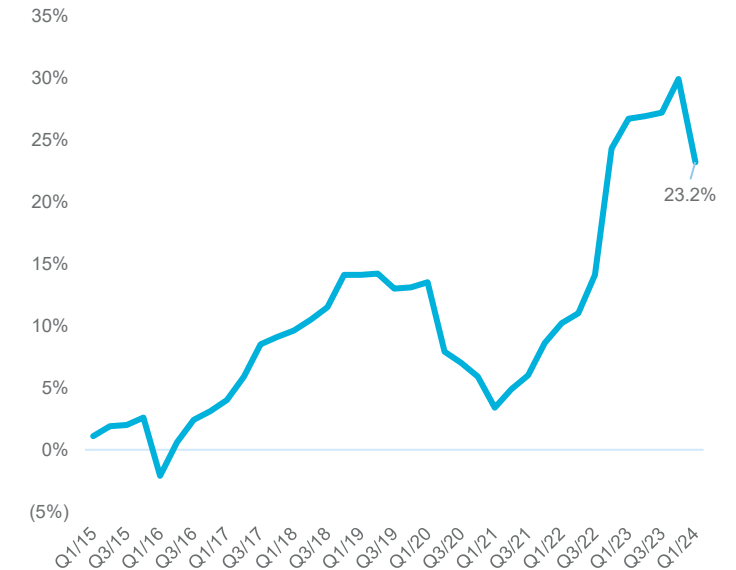
Source: BMO Economics, Haver Analytics, CMHC

Canada Immigration Targets



Source: Scotiabank Economics, Statistics Canada, Ministry of Immigration, Refugees & Citizenship Canada

CAP REIT Rent Growth on Turnover



Source: CAPREIT

Lower Immigration Targets Not a Risk Short Term, but Rent Growth Could Decelerate

NEW: Dynamic Active Real Estate ETF (DXRE)

Dynamic Active Real Estate ETF invests in a diversified portfolio of real estate companies around the world to offer investors a stable and inflation-protected income stream.

	Dynamic Global Real Estate Fund	Dynamic Active Real Estate ETF
Number of Holdings	20-60	20-60
Market Cap Focus	All Cap	Mid-to-Large
Privates	✓	
Cash Management	Tactical	Fully Invested
Active Currency Hedging	Yes	No
Management Fee	1.00% (Series F)	0.65%

Important information

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