



Key Facts

Date established

2005

Fund Strategy

CORE

Gross Fund Value

\$6.6B

Net Fund Value

\$5.2B

LTV %

21.7%

of Properties

125

Commercial Sq Ft

15.2M

of Residential Units

5,937

CANADA LIFE REAL ESTATE FUND

Q2 BULLETIN 2023

After a brief pause to its target overnight rate hike cycle, the Bank of Canada (BOC) resumed course and raised a further 25bps in early June to 5.0%. Asset values continue to be impacted as investment metrics have generally decompressed in response to an evolving interest rate environment.

The Fund's valuation process marks-to-market assets to reflect current market conditions, however with the benefit of positive income offsets, the portfolio has been able to limit the downside to just -67bps (total return) year to date. Earlier this year the research team at GWLRA posted a note about the value of investment in real estate amidst economic uncertainty. The key to their conclusion has been the cornerstone to Fund performance since inception. Please click to read here:

[Private Real Estate: Finding Value Through Income.](#)

Industry Accolades: With a focus on elevating building technology, upgrading amenities and common areas, as well as driving ESG initiatives forward, the Fund is future-proofing its assets through key strategic capital investment, and the efforts are being widely recognized across the industry. One of the Fund's recent developments, Vancouver Centre II (VCII), has been awarded IBCon's "Most Intelligent Office Building" award this quarter; highlighting the buildings unique IT infrastructure and its ability to monitor sustainability performance in real-time. Three Greater Toronto Area office buildings were recognized in Q2, receiving Certificates of Excellence from BOMA, with 155 University Avenue also winning an Outstanding Building of the Year (TOBY) award. A TOBY is one of the highest recognitions in the commercial real estate industry that honors excellence in building operations and management.

Developments & Transactions:

Development forms a critical path to growth for the Fund and multiple projects continue to make meaningful progress. 300 McRae Avenue is a 336-unit, mixed-use residential project in the

Westboro neighbourhood of Ottawa, ON, where occupancy is scheduled to occur in late 2024.

[The Livmore Brand to Make its Ottawa Debut.](#) Abbotside Way, is a 138,617 square foot Class 'A' warehouse development in Caledon, ON, which reached substantial completion in June and in the same month was 63% leased to Weber Grills. [261abbotsideway.com.](#)

The Fund navigated a challenging investment climate in completing the sale of 7070 Mississauga Rd, a suburban single tenant office building located in Mississauga, ON. The transaction concluded at a premium to appraised value, highlighting the strength of the Fund's valuation process which aims to ensure that asset values are aligned with current and evolving market expectations.

During Q2, we were pleased to release our fulsome 2022 Annual Report. To read it, and for more about the Fund, please visit the following link: www.gwlrealtyadvisors.com/invest-with-us/

Left: 7070 Mississauga Road, Mississauga, ON
Center: 300 McRae Avenue, Ottawa, ON
Right: 155 University Avenue, Toronto ON

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CANADA LIFE REAL ESTATE FUND

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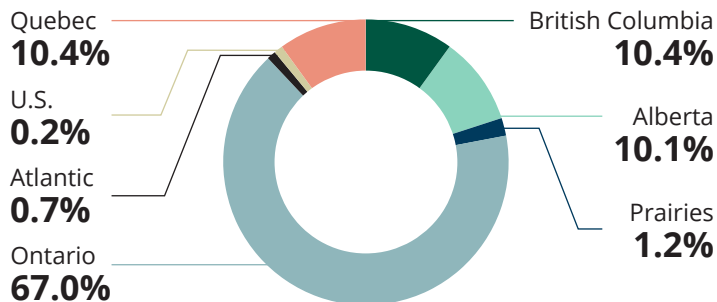
GROSS RETURN	Annualized				YTD
	1 Year	3 Year	5 Year	10 Year	30-Jun
Income	3.6%	3.6%	3.8%	4.2%	1.9%
Capital	(4.6)%	3.2%	2.7%	2.3%	(2.5)%
Total	1.8%	6.8%	6.6%	6.5%	(0.7)%

Note: Differences due to rounding of decimals.

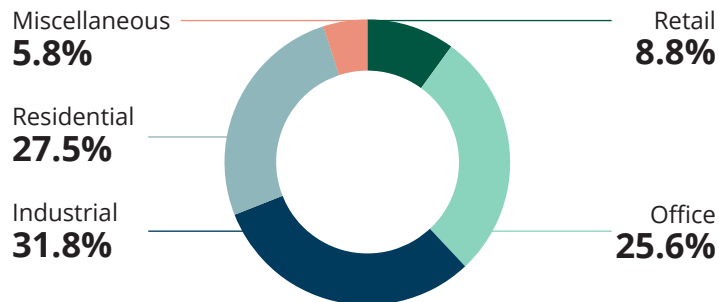
FUND GROWTH (\$ Millions)	2018	2019	2020	2021	2022	YTD 30-Jun
Real estate	\$ 5,288	\$ 5,966	\$ 5,639	\$ 6,141	\$ 6,502	\$ 6,448
Cash	\$ 457	\$ 443	\$ 831	\$ 449	\$ 415	\$ 307
Short term assets & liabilities	\$ (79)	\$ (172)	\$ (150)	\$ (134)	\$ (166)	\$ (168)
Gross fund value	\$ 5,666	\$ 6,238	\$ 6,320	\$ 6,456	\$ 6,751	\$ 6,587
Net fund value	\$ 4,747	\$ 5,163	\$ 5,196	\$ 5,316	\$ 5,386	\$ 5,155
Debt/gross fund value	16.2%	17.2%	17.8%	17.7%	20.2%	21.7%

Note: Differences due to rounding of decimals.

DIVERSIFICATION BY REGION (Gross)



DIVERSIFICATION BY TYPE (Gross)



VACANCY AS % OF TOTAL - BY REGION

British Columbia	0.4%
Alberta	2.9%
Prairies	0.2%
Ontario	5.3%
Quebec	0.2%
Atlantic	0.5%
U.S.	0.8%
Total by region	10.3%

VACANCY AS % OF TOTAL - BY TYPE

Retail	0.3%
Office	8.5%
Industrial	0.8%
Residential	0.7%
Total by type	10.3%

Any statements in this report concerning future financial performance of the Fund are subject to, among other things, risks, uncertainties and assumptions about the Fund, economic factors and real estate markets generally. They are not guarantees of future performance, and actual events and results may differ materially from those expressed or implied by forward-looking statements included in this report.

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