



WEST BANK HUB NORTH, KELOWNA, B.C



CREEKSIDE CROSSING, AIRDRIE, AB



GRENADIER SQUARE, TORONTO, ON

2017 marks the Fund's 38th year in operation. The Fund's mandate is to provide investors with exposure to a best in class, fully diversified portfolio of institutional quality real estate with a stable and predictable income stream and the potential for capital appreciation. Highlights from the first quarter of the year follow:

Investment Activity: The Fund closed on two significant retail assets in the first quarter of 2017, adding \$88M in real estate to the portfolio. Both properties are representative of the Fund's strategy of new generation, grocery anchored centres that are dominant within their market. Collectively the assets are 96% leased with a weighted average lease term of approximately 10 years.

Westbank Hub North is a 256,821 square foot centre anchored by Walmart and London Drugs located in West Kelowna, BC. The property consists of eight separate buildings constructed in 2008 on a 23 acre site and is well leased to a diversified group of national and regional tenancies.

Creekside Crossing in Airdrie, AB is situated on a 19 acre site and is improved with a Sobeys anchored shopping centre totaling 73,471 square feet across four buildings. The centre was completed in 2011 and is 100% leased. The asset includes four acres of undeveloped land which provides the opportunity for additional densification through future development.

Development Activity: Development continues to provide the Fund with access to quality real estate, especially in the current low yield environment. The ability to intensify existing holdings and deliver new generation assets at premium risk adjusted returns provides the Fund with a distinct advantage.

Formally approved in 2016, construction of the Grenadier Square development commenced in late March. Scheduled for delivery in 2019, the existing 675 unit multi-family asset will be expanded with two new 20 storey towers totalling 530 residential units, offering a basket of amenities that will serve the entire complex.

Leasing Activity: 4 King Street West is a 290,000 square foot 20-storey BOMA Best certified office tower located in the heart of Toronto's financial district. The Bank of Nova Scotia, which has been a tenant since 1989 occupying approximately half of the building, has recommitted to the premises on a new five year term inclusive of three additional five year renewal options. The new lease retains the

covenant of a Schedule 1 bank with a market capitalization of \$93B and is a testament to the significance of fostering strong tenant relations.

Forward Outlook: With few exceptions, the Canadian commercial real estate markets' fundamentals remain strong. Gains in employment and projections for economic growth for most major markets continue to propel demand for space and while a recovery lag in Alberta remains, stabilization of oil prices and increased M&A activity may indicate a shifting sentiment.

Looking ahead, management has identified two non-core assets that are scheduled for disposition in mid 2017. Focus will continue to be on recycling capital into core investment activities, executing the Fund's debt optimization strategy and the prudent execution of property specific annual business plans.

**116 PROPERTIES,
GROSS MARKET VALUE
OF \$4.70 BILLION AT
MARCH 31, 2017**

Established in 1981, the Great-West Life Real Estate Fund invests in a portfolio of 116 high-quality, income-producing properties diversified by type and location, with a gross market value of over \$4.70 Billion. The Fund's objective is to provide investors with stable income returns and the opportunity for long-term capital appreciation.

GROSS RETURN

	Annualized			YTD
	10 Year	5 Year	3 Year	31-Mar
Income	5.3%	4.8%	4.6%	1.2%
Capital	3.1%	4.7%	1.2%	(0.2)%
Total	8.5%	9.5%	5.8%	1.0%

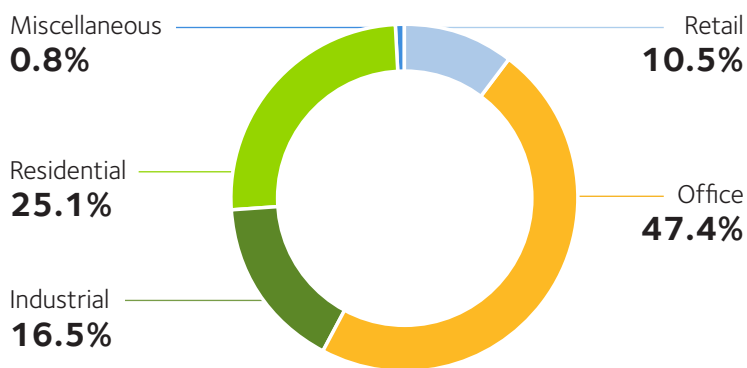
Note: Differences due to rounding of decimals

FUND GROWTH (\$ Millions)

	2012	2013	2014	2015	2016	YTD 31-Mar
Real estate	\$ 3,625	\$ 3,937	\$ 4,151	\$ 4,312	\$ 4,589	\$ 4,699
Cash	\$ 476	\$ 579	\$ 495	\$ 491	\$ 512	\$ 481
Short term assets & liabilities	\$ (44)	\$ (36)	\$ (16)	\$ (38)	\$ (52)	\$ (67)
Gross fund value	\$ 4,057	\$ 4,480	\$ 4,630	\$ 4,765	\$ 5,049	\$ 5,112
Net fund value	\$ 3,122	\$ 3,608	\$ 3,769	\$ 3,956	\$ 4,218	\$ 4,305
Debt/gross fund value	23.0%	19.5%	18.6%	17.0%	16.5%	15.8%

Note: Differences due to rounding of decimals

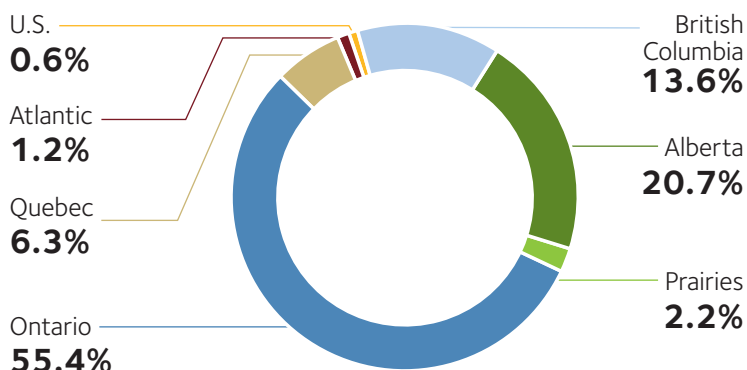
DIVERSIFICATION BY TYPE
(Gross)



VACANCY

Retail	3.2%
Office	11.0%
Industrial	5.1%
Residential	5.4%
Miscellaneous	0.0%
Total by type	7.0%

DIVERSIFICATION BY REGION
(Gross)



VACANCY

British Columbia	6.2%
Alberta	6.4%
Prairies	0.8%
Ontario	5.2%
Quebec	13.0%
Atlantic	14.1%
U.S.	58.1%
Total by region	7.0%