GREAT-WEST LIFE REAL ESTATE FUND | Q4 BULLETIN 2017

MARINE WAY MARKET, BURNABY, BC

33 YONGE ST., TORONTO, ON

1549 YORKTON BLVD, BURLINGTON, ON

The Fund closed 2017 on a strong note, delivering a robust 2.3% in-quarter performance leading to a total return for the year of 6.3%. The commercial real estate market continues to experience bifurcation. Toronto, Vancouver and Montreal have been propelled forward by ongoing appreciation of institutional quality assets, strong underlying leasing fundamentals, availability of attractive financing, and favorable economic conditions. Alberta, on the other hand, and specifically the Calgary office market, has continued to feel the lingering impacts of the sharp decline in oil prices and the arrival of the last phase of the most recent development cycle. This has resulted in significant vacancy, putting downward pressure on rental rates and, in turn, asset values. The outlook, however, has improved; StatsCan relayed that in December alone the province added 26,000 jobs, of which most were full time, and the price of oil (WTI) closed the year north of $60/barrel. The real estate recovery is certain to lag the overall economy, but tailwinds are emerging. Highlights from the Fund's fourth quarter follow.

Investment Activity: In October, the Fund closed on the acquisition of a 50% interest in Marine Way Market located in Burnaby, BC. Constructed in 2007, the asset is a best-in-class, 267,000 square foot grocery-anchored retail centre on a 20.3 acre parcel of land. The asset is fully leased to a well-diversified tenant roster, including Save-On-Foods, Canadian Tire and London Drugs, and has a weighted average lease term of approximately seven years. The acquisition has increased the Fund weighing in the asset class to 12%.

Also in October, the Fund divested of its interest in 1549 Yorkton Boulevard in Burlington, ON, for $7.7M or $136 per square foot. The asset, an 81,000 square foot multi-tenant industrial building, was acquired for $5.6M in 2007.

Leasing Update: The Fund concluded its 18th straight year with portfolio occupancy levels above 90%, finishing the year at 92.4% led by the residential and retail asset classes with vacancy rates of less than 4%.

33 Yonge is a 515,000 square foot Class "A" office building located on 1.6 acres of land in a core downtown location in Toronto, ON, and the sixth largest holding of the Fund by market value. CIBC, which represents 35% of the leasable area, has renewed their space that was set to mature in December. Further, a full floor of recently vacated space has been absorbed by Optimus SBR, a Toronto-based management consultant, on a 10-year lease. And finally, the management team has been able to refresh the asset's retail offering by welcoming the newest restaurant venture "Pick6" from the global entertainment icon "Drake", scheduled to open its doors early in 2018.

Forward Outlook: Looking to 2018, the sentiment within the industry remains positive. Economic growth expectations and limited vacancy across most major markets are likely to drive tenant demand and rental rate increases, while constraints on the supply of institutional inventory may result in the establishment of new investment pricing levels. The pace at which the Bank of Canada raises the overnight rate and the outcome related to ongoing NAFTA negotiations are potential headwinds that will be monitored closely. Portfolio fundamentals remain strong, positioning the Fund positively as it enters its 38th year of operation.

GWL REALTY ADVISORS

GREAT-WEST LIFE REAL ESTATE FUND

118 PROPERTIES, GROSS MARKET VALUE OF $4.96 BILLION, AT DECEMBER 31, 2017

Established in 1981, the Great-West Life Real Estate Fund invests in a portfolio of 118 high-quality, income-producing properties diversified by type and location, with a gross market value of over $4.96 Billion. The Fund's objective is to provide investors with stable income returns and the opportunity for long-term capital appreciation.

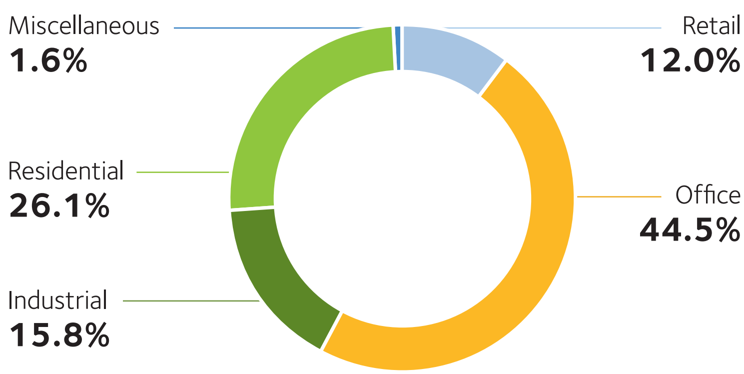
GROSS RETURN	Annualized at Y/E 10 Year	5 Year	3 Year	2017
Income	5.2%	4.6%	4.5%	4.5%
Capital	2.3%	2.3%	1.0%	1.8%
Total	7.5%	6.9%	5.5%	6.3%

Note: Differences due to rounding of decimals

FUND GROWTH ($ Millions)	2012	2013	2014	2015	2016	2017
Real estate	$ 3,625	$ 3,937	$ 4,151	$ 4,312	$ 4,589	$ 4,965
Cash	$ 476	$ 579	$ 495	$ 491	$ 512	$ 547
Short term assets & liabilities	$ (44)	$ (36)	$ (16)	$ (38)	$ (52)	$ (85)
Gross fund value	$ 4,057	$ 4,480	$ 4,630	$ 4,765	$ 5,049	$ 5,427
Net fund value	$ 3,122	$ 3,608	$ 3,769	$ 3,956	$ 4,218	$ 4,492
Debt/gross fund value	23.0%	19.5%	18.6%	17.0%	16.5%	17.2%

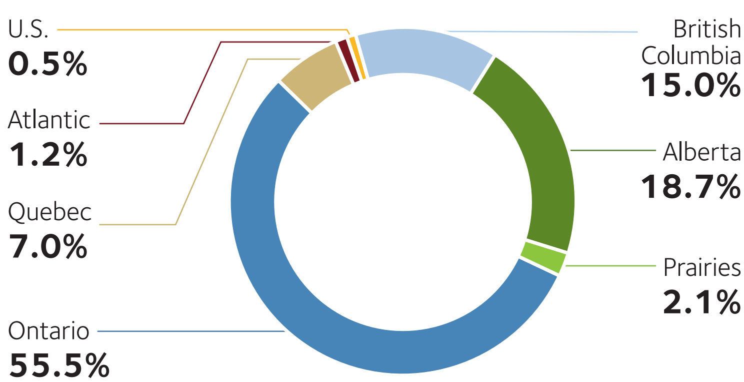
Note: Differences due to rounding of decimals

DIVERSIFICATION BY TYPE (Gross)



VACANCY	
Retail	3.6%
Office	13.4%
Industrial	5.4%
Residential	3.8%
Miscellaneous	0.0%
Total by type	**7.6%**

DIVERSIFICATION BY REGION (Gross)



VACANCY	
British Columbia	5.7%
Alberta	7.3%
Prairies	1.4%
Ontario	4.6%
Quebec	19.6%
Atlantic	10.9%
U.S.	69.2%
Total by region	**7.6%**

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