



The Fund began its 19th year with a favorable first quarter income return of 1.11%, benefiting from a well leased and diversified portfolio of 83 assets. The strength of a fully integrated real estate platform continues to exhibit its merits as Fund occupancy levels remain above 90%, as has been the case since inception. Challenges remain present in commodity-based economies, highlighting the importance of the Fund's strategy to focus on markets with multiple economic drivers to reduce overall portfolio volatility and deliver consistent returns over the long term.

Leasing Updates: With occupancy at 93.8% and 18% of the portfolio with leases that expire more than nine years out, the Fund remains positioned to continue to provide stable and predictable cash flow. Q1 leasing initiatives were highlighted by the completion of a new 200,397 square foot lease deal at 99 Savannah Oaks Drive in Brantford, ON, with Procter & Gamble Inc., securing a quality tenant for the asset and increasing the buildings' occupancy to 100%.

Sustainability Initiatives: The Fund reduced greenhouse gas (GHG) emissions by 4.9%, or 1,715 tonnes of carbon dioxide equivalent (tCO₂e), from 2013 to 2015. This is the equivalent of taking 361 cars off the road for one year. These reductions build on the historic GHG reduction of 21.7%, realized by the Fund's assets between 2007 and 2012.

Green certifications reinforce operational best practices and aid in attracting strong anchor tenants. As at March 31, 2016, the Fund held 35 BOMA BEST® certifications and 10 LEED® certifications across its commercial assets.

Financing: In the first quarter, the Fund took the opportunity to pay down two existing mortgages with a collective balance of \$4.3 million, at a weighted average interest rate of 5.52%, reducing the overall portfolio average cost of debt to 4.07%. The Fund maintained a leverage ratio of 14.8%, well within the policy maximum of 35%. The current interest rate environment has made it appealing to strategically pay out expiring above market financing while investigating adding leverage at historically low levels.

Forward Outlook: Fund management remains committed to a long term portfolio strategy that includes the discerning acquisition of institutional quality, well located and tenanted properties; a continued focus on the application of a conservative leverage mandate; maintaining strong relationships and understanding the ongoing needs of the Fund's tenant base and augmenting the portfolio with select development opportunities. The Fund remains well positioned to build on its strong history of performance.

**83 PROPERTIES,
GROSS MARKET VALUE
OF \$2.26 BILLION,
AT MARCH 31, 2016**

The London Life Real Estate Fund was established in 1998. The Fund invests in 83 high-quality, income-producing properties diversified by type and location, with a gross market value of over \$2.26 Billion. The Fund's objective is to provide investors with stable income returns and the opportunity for long-term capital appreciation.

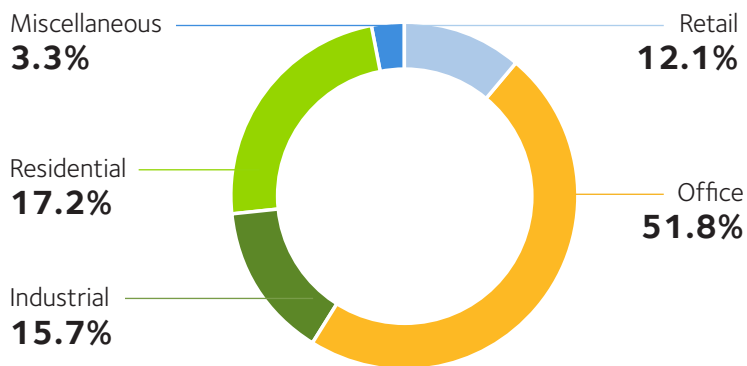
	YTD					
GROSS RETURN	2011	2012	2013	2014	2015	31-Mar
Income	5.8%	5.1%	4.3%	4.3%	4.0%	1.1%
Capital	12.5%	14.1%	4.3%	1.7%	0.4%	(0.3)%
Total	18.2%	19.2%	8.5%	6.0%	4.4%	0.9%

Note: Differences due to rounding of decimals

	YTD					
FUND GROWTH (\$ Millions)	2011	2012	2013	2014	2015	31-Mar
Real estate	\$ 1,591	\$ 1,865	\$ 1,977	\$ 2,056	\$ 2,252	\$ 2,258
Cash	\$ 261	\$ 325	\$ 522	\$ 566	\$ 398	\$ 392
Short term assets & liabilities	\$ (25)	\$ (33)	\$ (30)	\$ (20)	\$ (40)	\$ (41)
Gross fund value	\$ 1,828	\$ 2,156	\$ 2,469	\$ 2,602	\$ 2,611	\$ 2,609
Net fund value	\$ 1,361	\$ 1,726	\$ 2,044	\$ 2,188	\$ 2,215	\$ 2,222
Debt/gross fund value	25.5%	19.9%	17.2%	15.9%	15.2%	14.8%

Note: Differences due to rounding of decimals

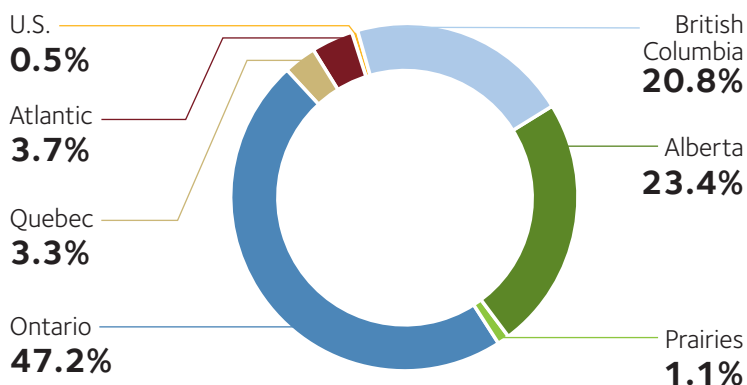
DIVERSIFICATION BY TYPE
(Gross)



VACANCY

Retail	3.6%
Office	7.7%
Industrial	5.9%
Residential	4.5%
Total by type	6.2%

DIVERSIFICATION BY REGION
(Gross)



VACANCY

British Columbia	8.6%
Alberta	5.9%
Prairies	0.0%
Ontario	4.6%
Quebec	0.4%
Atlantic	15.6%
U.S.	57.7%
Total by region	6.2%

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.