

DURING THE FIRST QUARTER OF 2009, THE FUND MANAGER HAS BEEN WORKING TO RE-ESTABLISH LIQUIDITY IN THE FUND IN ORDER TO LIFT THE TEMPORARY SUSPENSION ON WITHDRAWALS AND TRANSFERS OUT. SEVERAL COURSES OF ACTION CONTINUE TO BE PURSUED. THESE INCLUDE: A REVIEW OF THE ENTIRE PORTFOLIO TO IDENTIFY DISPOSITION CANDIDATES; NEGOTIATIONS FOR THE SALE OF SELECTED ASSETS AT FAIR VALUE AND THE ONGOING MANAGEMENT OF CAPITAL EXPENDITURES AND FINANCING.

There are many challenges to overcome in order to meet the goal of lifting the temporary suspension on Fund redemptions. Sales activity is slow as there is little liquidity for large deals in the current market. Pricing can be difficult to determine, and many large buyers are being cautious. One approach GWL Realty Advisors is following is an accelerated appraisal process in order to establish up-to-date values for dispositions. Fund management is committed to rebuild and maintain a cash balance of 15% to 20% in the Fund in order to balance the interests of all Fund participants.

GWL Real Estate Fund has performed very well over time, substantially outperforming common stock investments during 2008. The Fund will continue to be a strong component of a balanced investment portfolio. GWL Realty advisors remain committed to excellence in the management of the Fund's well-diversified portfolio of high-quality assets. Visit www.gwlra.com for detailed portfolio information.

WHAT'S NEW?

In keeping with portfolio management strategy, there were no acquisitions in the first quarter of 2009. Activity was focused on the continuing disposition process and on several development projects initiated in 2007 and 2008. One development highlight is 9500 Glenlyon Parkway, a Class A, 164,580 sf office building in Burnaby, BC. The property is 100% leased to Ritchie Brothers Auctioneers Inc. and will serve as their new global headquarters. Designed to a LEED's Silver standard, Ritchie Bros will lease the property for a term of twenty years, bringing secure cash flow to the Fund. Located in the sought-after Glenlyon Business Park in the Greater Vancouver Area, this newly constructed, high-quality asset is a significant addition to the Fund's portfolio.

Breaking ground in November 2007, 65 Lillian is an expansion of 88 Redpath, an existing multi-family asset in Toronto, ON. This second tower comprises 141 suites and will make a total of 327 suites on 1.63 acres of land in a desirable uptown Toronto neighbourhood. Significant



9500 GLENLYON PARKWAY, BURNABY, BC

amenities will include an indoor swimming pool, party room, business centre, fitness room and a landscaped courtyard for use by residents of both buildings. Fund management believes this is an excellent way to increase rental revenue at the existing property, 88 Redpath, while adding value and generating income growth for the Fund through the new development of 65 Lillian.

On September 27, 2007, the Fund's investment committee gave approval for construction of the first phase of the Meadowvale Lands development, a 106,099 sf Class A office tower. Situated on a 16.2 acre premier development site in Mississauga, ON, the Meadowvale Business Centre will become part of a first class suburban campus style premises option. With a 66% pre-lease to Becton Dickenson Canada Inc., proactive marketing efforts have led to negotiations with several prospective tenants. At a total cost of just over \$31 million upon completion and with long-term leases in place, this new development will be an excellent addition to the Fund's Ontario office portfolio.

Throughout the first quarter, the Fund continued to exceed expectations for income growth with net operating income of \$58.8 million over a budgeted value of \$54.2 million. This growth can be attributed to proactive leasing strategies, the Fund's strong underlying tenancies, and low vacancy rates. Fund management will continue to rigorously manage capital spending and new leasing opportunities to further enhance income growth for the rest of the upcoming year.

FUND
FACTS

GWL REAL ESTATE FUND, ESTABLISHED IN 1981, IS CANADA'S LARGEST SEGREGATED REAL ESTATE FUND. THE FUND INVESTS IN A PORTFOLIO OF 171 HIGH-QUALITY, INCOME-PRODUCING PROPERTIES DIVERSIFIED BY TYPE AND LOCATION, WITH A GROSS VALUE OF OVER \$3.63 BILLION. THE FUND'S OBJECTIVE IS TO PROVIDE INVESTORS WITH STABLE INCOME RETURNS AND THE OPPORTUNITY FOR LONG-TERM CAPITAL APPRECIATION.

171 properties, gross market value \$3.63 billion at March 31, 2009

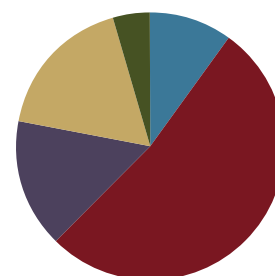
> by type

VACANCY

	%
Retail	3.0
Office	5.8
Industrial	9.1
Residential	3.7
Total by type	6.3

DIVERSIFICATION
(Gross)

■ Retail	9.8%
■ Office	52.7%
■ Industrial	15.4%
■ Residential	17.6%
■ Miscellaneous	4.5%



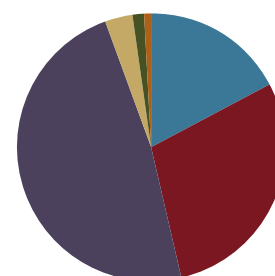
> by region

VACANCY

	%
British Columbia	6.6
Alberta	5.3
Ontario	6.2
Quebec	11.2
Atlantic	1.3
U.S.	0.0
Total by region	6.3

DIVERSIFICATION
(Gross)

■ British Columbia	17.2%
■ Alberta	29.1%
■ Ontario	48.1%
■ Quebec	3.1%
■ Atlantic	1.4%
■ U.S.	1.1%



GROSS RETURN (BEFORE FEES)

	December 31					YTD
	2004	2005	2006	2007	2008	Mar '09
Income	7.1%	7.0%	6.5%	6.0%	5.7%	1.6%
Capital	1.0%	7.2%	11.6%	9.9%	(6.2%)	(0.8%)
Total	8.1%	14.2%	18.1%	15.9%	(0.5%)	0.8%
Total return to individuals (net of fees)*	5.2%	11.1%	14.9%	12.7%	(3.2%)	0.10%

FUND GROWTH (\$ MILLIONS)

	December 31					YTD
	2004	2005	2006	2007	2008	Mar '09
Real estate	\$ 1,670	\$ 1,963	\$ 2,576	\$ 3,321	\$ 3,632	\$ 3,628
Cash	\$ 198	\$ 331	\$ 333	\$ 560	\$ 13	\$ 50
Other assets and liabilities	\$ 6	\$ (32)	\$ (44)	\$ (45)	\$ (57)	\$ (48)
Gross fund value	\$ 1,874	\$ 2,263	\$ 2,865	\$ 3,836	\$ 3,588	\$ 3,630
Net fund value	\$ 1,380	\$ 1,777	\$ 2,383	\$ 3,282	\$ 2,985	\$ 3,010
Debt/gross fund value	26.3%	21.5%	16.8%	14.4%	16.8%	17.1%

*Fees may vary by client.