



Great-West Life Real Estate Fund update – July 31, 2010

Although the current suspension remains in place, the Fund was in a position to process an initial payment to unitholders effective July 9, 2010. The payout was proportional; unitholders received 58 per cent of their request or \$500 (whichever was greater), less applicable fees and taxes.

Any remaining balance from a unitholder's request will be carried forward to the next payout. The timing of the next payout is not yet known and depends on how long it takes to rebuild the cash position of the Fund.

As at July 31, 2010:

- Cash balance of \$85.4 million, or 3.4% of the Fund's net equity
- The year-to-date gross return of the Fund is 1.32%, comprised of a 3.27% income return and a -1.95% capital return
- Since January 1, 2009, net cash proceeds generated from the sale of properties was \$300.8 million
- The portfolio vacancy rate as of July 31, 2010, was 8.2%, compared to 6.8% at December 31, 2009.

We continue to actively manage the Fund and selectively sell properties to increase cash while preserving the Fund's diversification by property type and location. The Fund remains invested in high-quality properties that generate stable, long-term income.

We will not be in a position to fully lift the current suspension until the Fund has enough cash to process transfers and withdrawals on a daily basis. Lifting the suspension remains a top priority for us, and we continue to work toward that goal.