Q3 BULLETIN 2009

GWL Real Estate Fund

THE FUND MANAGER REMAINS FOCUSED ON BUILDING LIQUIDITY IN THE FUND IN ORDER TO LIFT THE TEMPORARY SUSPENSION ON WITHDRAWALS AND TRANSFERS. THE PRIMARY METHODS OF BUILDING LIQUIDITY INCLUDE OPERATIONAL CASH FLOW, PROPERTY SALES, CAPITAL SPENDING OVERSIGHT AND SELECTIVE FINANCING. AT THE SAME TIME, MANAGEMENT IS WORKING TO PRESERVE OR ENHANCE UNITHOLDER VALUE BY MAINTAINING THE QUALITY AND DIVERSIFICATION OF THE PORTFOLIO. STRATEGIES INCLUDE PROACTIVE LEASING PROGRAMS, BEST-IN-CLASS PROPERTY MANAGEMENT SERVICES AND STRATEGIC CAPITAL SPENDING.

The Fund continues to provide a stable, strong income return due to the high occupancy rate, strong tenants and a well-managed lease expiry schedule. However, due to ongoing economic uncertainty and persistent high unemployment at the macro economic level and some specific negative real estate market fundamentals, valuations have been negatively impacted. Concerns in the real estate market include oversupply in the downtown Calgary office market, recession related issues in the Ontario industrial market, reduced consumer spending affecting the retail sector and weakness in the suburban Vancouver office market due to many U.S. tenancies. These circumstances put downward pressure on rents, increase the amount of vacancy and sublet space and in turn negatively influence valuations. Looking to the longer term, the overall real estate market is not in a material oversupply position, and with credit markets and the economy recovering, current vacancies should be absorbed, stabilizing rents.

WHAT'S NEW?

Two assets were sold during the third quarter. The first was Armadale Square, a 143,000 sf retail asset located in the northern GTA, which sold for $32.4 million. This asset was designated for disposition due to weakening sales, risk of a major tenant vacating upon expiry and above-market debt with a low loan-to-value ratio.

The Fund's second disposition during the quarter was a single tenant suburban office building acquired in 1998 in Edmonton, Alberta. This disposition was part of the Fund's business plan to sell non-core Alberta assets, which no longer represent the quality, size, and functionality of most assets in the portfolio. This asset was sold for $7.3 million.

The Fund's net operating income from real estate for the first nine months of 2009 was $179.5 million compared to $160.9 million for the same period in 2008. Income growth can be attributed to proactive leasing strategies, rental rate increases for lease renewals and growth of the fund due to acquisitions during 2008. Year-to-date, the Fund's vacancy rate stands at 6.2%. The portfolio's high occupancy level has helped contribute to the Fund's growing cash flow and income return.

400 WALMER ROAD, TORONTO, ON

As at September 30, 2009 the cash balance is $123.0 million, compared to $13.0 million as at December 31, 2008. Year-to-date net cash proceeds from the sale of six properties was $57.8 million.

As noted in previous quarters, Fund Management continues to monitor the effects of the recession on Canadian commercial real estate. As real estate is a lag indicator, once various economic measures improve, especially employment, real estate fundamentals should benefit.

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FUND FACTS

GWL REAL ESTATE FUND, ESTABLISHED IN 1981, IS CANADA'S LARGEST SEGREGATED REAL ESTATE FUND. THE FUND INVESTS IN A PORTFOLIO OF 166 HIGH-QUALITY, INCOME-PRODUCING PROPERTIES DIVERSIFIED BY TYPE AND LOCATION, WITH A GROSS VALUE OF OVER $3.53 BILLION. THE FUND'S OBJECTIVE IS TO PROVIDE INVESTORS WITH STABLE INCOME RETURNS AND THE OPPORTUNITY FOR LONG-TERM CAPITAL APPRECIATION.

166 properties, gross market value $3.53 billion at September 30, 2009

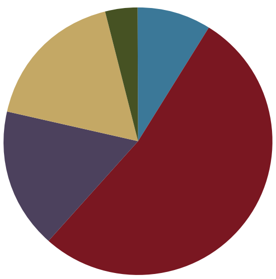
> by type

VACANCY

	%
Retail	4.5
Office	6.6
Industrial	7.6
Residential	3.4
Total by type	6.2

DIVERSIFICATION
(Gross)

Retail	8.8%
Office	52.8%
Industrial	16.8%
Residential	17.6%
Miscellaneous	4.0%



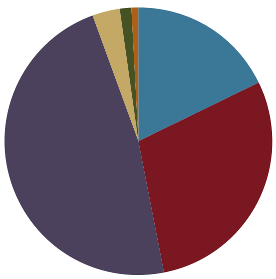
> by region

VACANCY

	%
British Columbia	9.1
Alberta	3.5
Ontario	6.7
Quebec	6.8
Atlantic	2.2
U.S.	0.0
Total by region	6.2

DIVERSIFICATION
(Gross)

British Columbia	17.6%
Alberta	29.3%
Ontario	47.5%
Quebec	3.2%
Atlantic	1.5%
U.S.	0.9%



GROSS RETURN (BEFORE FEES)

			December 31			YTD
	2004	2005	2006	2007	2008	Sept '09
Income	7.1%	7.0%	6.5%	6.0%	5.7%	4.8%
Capital	1.0%	7.2%	11.6%	9.9%	(6.2%)	(3.0%)
Total	8.1%	14.2%	18.1%	15.9%	(0.5%)	1.8%
Total return to individuals (net of fees)*	5.2%	11.1%	14.9%	12.7%	(3.2%)	(0.4%)

FUND GROWTH ($ MILLIONS)

			December 31			YTD
	2004	2005	2006	2007	2008	Sept '09
Real estate	$ 1,670	$ 1,963	$ 2,576	$ 3,321	$ 3,632	$ 3,534
Cash	$ 198	$ 331	$ 333	$ 560	$ 13	$ 123
Short-term assets & liabilities	$ 6	$ (32)	$ (44)	$ (45)	$ (57)	$ (51)
Gross fund value	$ 1,874	$ 2,263	$ 2,865	$ 3,836	$ 3,588	$ 3,607
Net fund value	$ 1,380	$ 1,777	$ 2,383	$ 3,282	$ 2,985	$ 3,037
Debt/gross fund value	26.3%	21.5%	16.8%	14.4%	16.8%	15.8%

*Fees may vary by client.

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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.