



London Life Real Estate Fund update – July 31, 2010

We have continued to work to build the cash position of the Fund since the December 4, 2009, payout. The cash balance has now increased to 23.9% of the value of the Fund. We expect to be in a position in the fall of 2010 to announce a second payout period. Unitholders will receive more information as we get closer to the next payout period.

As at July 31, 2010:

- Cash balance of \$359.6 million, or 23.9% of the Fund's net equity
- The year-to-date gross return of the Fund is 1.12%, comprised of a 3.48% income return and a -2.36% capital return
- Since January 1, 2009, net cash proceeds from the sale properties was \$205.6 million
- The portfolio vacancy rate as of July 31, 2010 was 7.6% compared to 6.4% 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, and we continue to work towards that goal.