



SUPERIOR BUSINESS PARK, MISSISSAUGA, ON



RIDGEWAY BUSINESS PARK, MISSISSAUGA, ON



GRENADIER SQUARE (RENDERING), TORONTO, ON

2018 marks the London Life Real Estate Fund's 20th year of operation as one of the largest core, open-ended real estate vehicles in the country. The first quarter saw the Fund deliver a total return of 1.1%, largely stemming from the income component of return, generated by the 90 quality assets that make up the portfolio.

'Cautious optimism' is an appropriate generalization of management's sentiment for the Canadian commercial real estate industry moving into 2018. Fundamentals are strong across most major markets, though social, political and economic volatility are external forces that have the potential to be disruptive. Strict adherence to underwriting and portfolio strategy will remain critical in the deployment of new capital.

Leasing Update: Occupancy ended the quarter at 94%, contributing to the stability of income performance. Of equal importance, the lease expiry profile for the Fund is well distributed with no single year representing exposure larger than 13%. The portfolio weighted average lease term remains greater than five years.

Of note in the quarter, management negotiated over 60,000 square feet of new leases at the Ridgeway and Superior Business Parks in the Greater Toronto Area, helping to reduce the Fund's overall industrial vacancy by 40bps to 2.9%.

Development Project Status: Development, perhaps more than ever, plays an integral role for the Fund, providing for superior risk-adjusted returns relative to acquisition on the open market. As a reminder, the Fund currently has two significant projects in progress:

The Grenadier Square development adjacent to High Park in Toronto, ON, commenced in March of 2017. The two tower project, which will represent an additional 528 residential units to the complex, is now well out of the ground and, despite a seemingly never-ending winter, remains on track to be delivered in 2019. To learn more and track the status of the project please visit: <http://www.grenadiersquareredevlopment.com/>

Vancouver Centre II development is now well underway. The demolition of the existing above grade parking garage, where the new tower will rise, is complete and excavation has begun. The project will ultimately supply the market with a state-of-the-art 370,000 square foot, LEED Platinum certified office tower. The building is on schedule to be the first asset to market as

part of the current development cycle. For more information and updates please see: <http://www.vancouvercentre.com/>

Forward Outlook: Looking ahead, the Fund is scheduled to close on the acquisition of a new generation, grocery-anchored retail centre in British Columbia and divest of a standalone, single tenant retail asset in the Greater Toronto Area. Debt financing remains attractive in a long term context and the Fund will look to strategically utilize its application to reduce the existing cost base and improve leveraged performance.

**90 PROPERTIES,
GROSS MARKET VALUE
OF \$2.53 BILLION AT
MARCH 31, 2018.**

The London Life Real Estate Fund was established in 1998. The Fund invests in 90 high-quality, income-producing properties diversified by type and location, with a gross market value of over \$2.53 Billion. The Fund's objective is to provide investors with stable income returns and the opportunity for long-term capital appreciation.

GROSS RETURN

	Annualized at Y/E			YTD
	10 Year	5 Year	3 Year	31-Mar
Income	5.0%	4.3%	4.3%	1.1%
Capital	1.9%	1.6%	0.7%	0.0%
Total	6.9%	5.9%	5.0%	1.1%

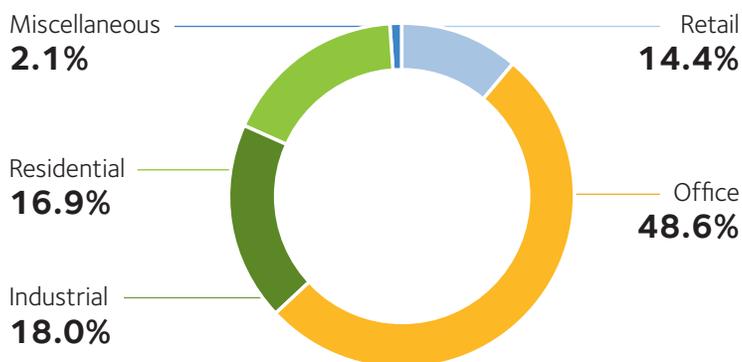
Note: Differences due to rounding of decimals

FUND GROWTH (\$ Millions)

	2013	2014	2015	2016	2017	YTD Mar '18
Real estate	\$ 1,971	\$ 2,050	\$ 2,247	\$ 2,374	\$ 2,521	\$ 2,533
Cash	\$ 522	\$ 566	\$ 398	\$ 285	\$ 379	\$ 371
Short term assets & liabilities	\$ (24)	\$ (14)	\$ (34)	\$ (25)	\$ (35)	\$ (34)
Gross fund value	\$ 2,469	\$ 2,602	\$ 2,611	\$ 2,635	\$ 2,865	\$ 2,870
Net fund value	\$ 2,044	\$ 2,188	\$ 2,215	\$ 2,324	\$ 2,444	\$ 2,479
Debt/gross fund value	17.2%	15.9%	15.2%	11.8%	14.7%	13.6%

Note: Differences due to rounding of decimals

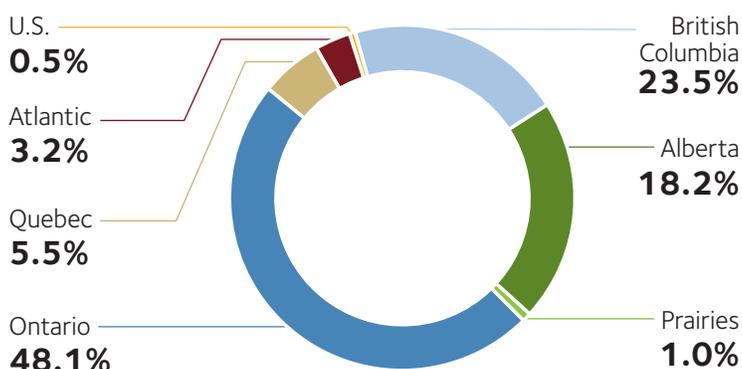
DIVERSIFICATION BY TYPE
(Gross)



VACANCY

Retail	3.7%
Office	10.8%
Industrial	2.9%
Residential	3.3%
Total by type	5.9%

DIVERSIFICATION BY REGION
(Gross)



VACANCY

British Columbia	5.8%
Alberta	7.1%
Prairies	0.0%
Ontario	3.3%
Quebec	12.8%
Atlantic	9.8%
U.S.	68.9%
Total by region	5.9%

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.