



5 PARK HOME, TORONTO, ON



360 TORRANCE, BURLINGTON, ON



SUMAS MOUNTAIN VILLAGE, ABBOTSFORD, BC

The London Life Real Estate Fund (LLREF) delivered a gross return of 2.0% in the third quarter, bringing the total for 2018 to 5.7% and to 7.3% on rolling 12-month basis. Occupancy improved by 80bps over the quarter, driving the income component of return. Highlights from a busy period follow:

**Investment Activity:** The Fund added approximately \$80M of gross real estate investment over the quarter by way of two separate acquisitions.

Purchased in July, Sumas Mountain Village is a 93,600 square foot, new generation, 'needs of life', retail centre located in Abbotsford, BC. The property consists of six separate buildings across two sites totaling 19.7 acres, and is anchored by Save-on-Foods and Shoppers Drug Mart. The asset's strong covenant and occupancy profile will provide the Fund with a stable and growing cashflow, a key component of the Fund's 20 year performance record.

In July, the Fund acquired a 30% interest in 5 Park Home Avenue, a 91,000 square foot office building. The asset is 98% leased to a strong tenant mix, providing a weighted average lease term of approximately six years. The acquisition consolidates the ownership at North York City Centre, a 1.1 million square foot, best-in-class, transit oriented, mixed-use complex located in Toronto, ON.

**Financing Initiatives:** In August, management completed a 10 year, \$28 million, CMHC insured loan at 360 Torrance, carrying an interest rate of 2.96%. The asset is a 175-unit apartment building conveniently located steps from the shores of Lake Ontario and within the vibrant waterfront community of Burlington, ON.

**Leasing Update:** We are pleased to announce that a long-term lease for approximately 30% of the NRA at Vancouver Centre II (VCII) has been entered into, substantially kicking off the leasing program at the asset. The tenant, a leading entertainment company headquartered in Vancouver, creates, develops and publishes online games through strategic relationships with a number of major global franchises. VCII, scheduled to be delivered in 2021, will supply the market with a state-of-the-art 370,000 square foot, LEED® Platinum certified office tower. For more information and updates please see: <http://www.vancouvercentre.com>

**Sustainability:** The Fund manager, GWL Realty Advisors, has once again been recognized as a leader in sustainability by the Global Real Estate Sustainability Benchmark (GRESB), improving its score and earning a Green Star ranking for the fourth consecutive year. GWLRA placed among the top three participants in Canada and fourth overall (of 196 submissions) in the Global Diversified category moving the company to the top 7% worldwide in 2018. GRESB is the global environmental, social and governance (ESG) benchmark for real assets, representing over USD 18 trillion in institutional capital. In 2018 a record 903 property companies and funds participated in the GRESB Real Estate Assessment.

## 90 PROPERTIES, GROSS MARKET VALUE OF \$2.7 BILLION, AT SEPTEMBER 30, 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 \$2.7 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	30-Sept
Income	5.0%	4.3%	4.3%	3.2%
Capital	1.9%	1.6%	0.7%	2.6%
Total	6.9%	5.9%	5.0%	5.7%

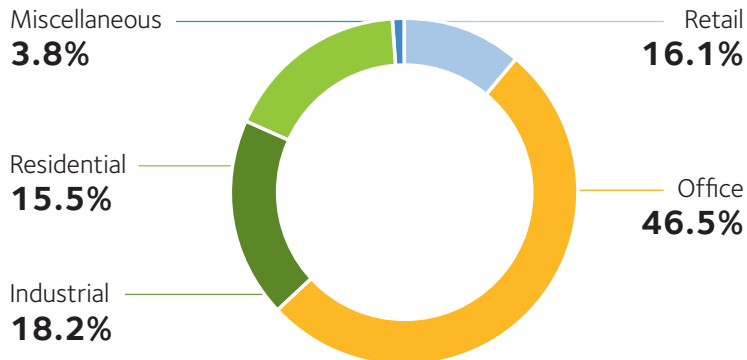
Note: Differences due to rounding of decimals

### FUND GROWTH (\$ Millions)

	2013	2014	2015	2016	2017	YTD 30-Sept
Real estate	\$ 1,971	\$ 2,050	\$ 2,247	\$ 2,374	\$ 2,521	\$ 2,697
Cash	\$ 522	\$ 566	\$ 398	\$ 285	\$ 379	\$ 359
Short term assets & liabilities	\$ (24)	\$ (14)	\$ (34)	\$ (25)	\$ (35)	\$ (42)
Gross fund value	\$ 2,469	\$ 2,602	\$ 2,611	\$ 2,635	\$ 2,865	\$ 3,015
Net fund value	\$ 2,044	\$ 2,188	\$ 2,215	\$ 2,324	\$ 2,444	\$ 2,599
Debt/gross fund value	17.2%	15.9%	15.2%	11.8%	14.7%	13.8%

Note: Differences due to rounding of decimals

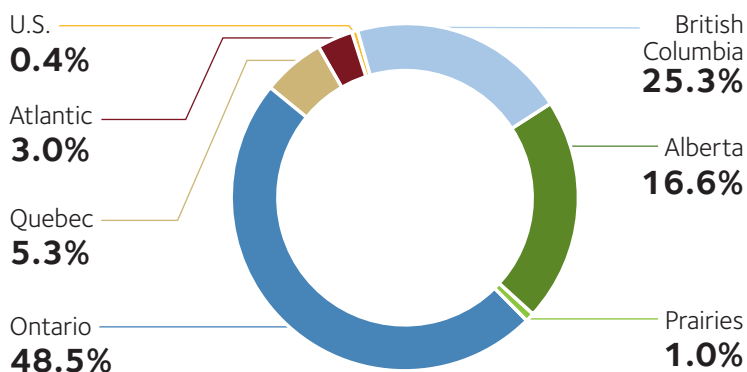
#### DIVERSIFICATION BY TYPE (Gross)



#### VACANCY

Retail	2.9%
Office	9.7%
Industrial	4.6%
Residential	1.9%
Total by type	5.9%

#### DIVERSIFICATION BY REGION (Gross)



#### VACANCY

British Columbia	4.3%
Alberta	7.3%
Prairies	0.0%
Ontario	2.2%
Quebec	29.9%
Atlantic	8.3%
U.S.	63.9%
Total by region	5.9%