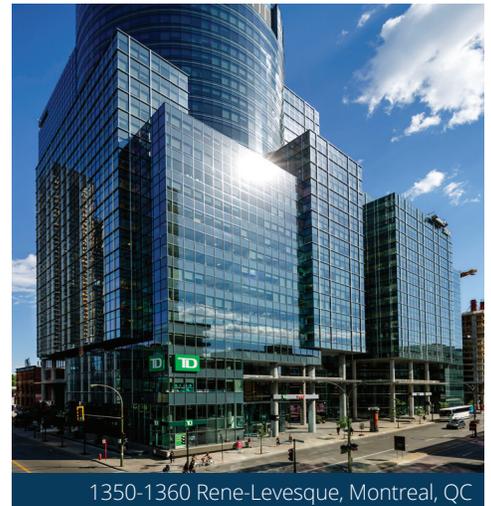




Vancouver Centre II, Vancouver, BC



5999 Monkland Ave, Montreal, QC



1350-1360 Rene-Levesque, Montreal, QC

The Great-West Life Real Estate Fund continued its strong performance through the second quarter of 2019, posting a quarterly gross return of 2.3%, bringing the year-to-date total return to 4.1%. Performance at mid-year signifies a recent highwater mark for the Fund, a threshold unsurpassed since 2013. The capital component of return (190 bps YTD) continues to be led by the Toronto multi-residential and industrial sectors due to a favorable combination of robust investor appetite and regional supply/demand constraints which are propelling rental rates north. The income story (220 bps YTD) through the second quarter was highlighted by a decrease in the overall portfolio vacancy rate by 71 bps, ending the quarter at 6.1% and representing the lowest figure since 2008. A snapshot of second quarter activity for the Fund follows:

Development update: Q2 marked a couple of noteworthy milestones for the Fund's Vancouver Centre II development. Excavation of the site is now complete and the first below grade levels of concrete are being poured. The tower will now begin to rise at 733 Seymour, which puts it on track for completion in 2021. From a leasing perspective, B2Gold has signed on to occupy three floors of VCII's premiere space, including an exclusive portion of the building's Skyline Rooftop Deck. The transaction brings total pre-leasing activity to approximately 40%. In an extremely tight downtown office market, VCII will benefit from being the first new tower completed in the current cycle of development.

Financing Activity: Acquired in 2017, 5999 Monkland is a 165-unit multi-residential building located in the heart of Montreal's Notre-Dame-de-Grâce district. In June, the Fund secured replacement

financing for the asset. The \$28M dollar mortgage is CMHC insured and features an attractive interest rate of 2.76% over the 10-year term. The Fund will continue to look for opportunities to leverage its significant allocation to the multi-residential asset class by capitalizing on the achievable interest rate delta on CMHC insured financing relative to conventional mortgage debt.

Awards and Recognition: 1350-1360 René-Lévesque West, a AAA class, 960,000 square foot complex in the heart of downtown Montreal, has won the "Building of the Year" Award at the BOMA Québec Awards Gala. The "Building of the Year Award" rewards commercial real estate companies that have shown notable management practices, provide quality infrastructure, and have demonstrated ecological consciousness. Further to this, management was presented with two awards at HOOPP's annual LEAP (Leadership in Environmental Advancement

Program) conference for initiatives at Vancouver Centre II and 840 Howe Street. The LEAP Awards honour outstanding sustainability achievements and leadership of management teams.

Forward outlook: As equity markets have recovered from a slump at the end of 2018, trade tensions, growth prospects, and geopolitical risk remain items of potential concern. With a bleak investor sentiment on growth specifically, noted by recent inversions of the yield curve, the US Federal Reserve may move to reduce rates in the short to mid-term while the Bank of Canada continues to message a patient stance. Uncertainty abounds, though the Fund, with its inherent inflationary hedging properties, limited correlation to equity markets and predictable income performance, should continue to play a key role in a diversified investment portfolio.

**125 PROPERTIES,
GROSS MARKET VALUE
OF \$5.7 BILLION AT
JUNE 30, 2019**

Established in 1981, the Great-West Life Real Estate Fund invests in a portfolio of 125 high-quality, income-producing properties diversified by type and location, with a gross market value of over \$5.7 Billion. The Fund's objective is to provide investors with stable income returns and the opportunity for long-term capital appreciation.

GROSS RETURN

	Annualized			YTD
	3 Year	5 Year	10 Year	30-June
Income	4.4%	4.5%	4.9%	2.2%
Capital	2.4%	2.0%	3.6%	1.9%
Total	6.9%	6.5%	8.9%	4.1%

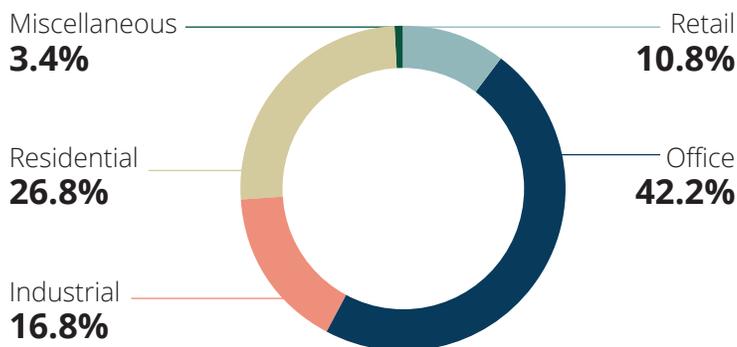
Note: Differences due to rounding of decimals

FUND GROWTH (\$ Millions)

	2014	2015	2016	2017	2018	YTD 30-June
Real estate	\$ 4,151	\$ 4,312	\$ 4,589	\$ 4,965	\$ 5,288	\$ 5,736
Cash	\$ 495	\$ 491	\$ 512	\$ 547	\$ 457	\$ 394
Short term assets & liabilities	\$ (16)	\$ (38)	\$ (52)	\$ (85)	\$ (79)	\$ (173)
Gross fund value	\$ 4,630	\$ 4,765	\$ 5,049	\$ 5,427	\$ 5,666	\$ 5,957
Net fund value	\$ 3,769	\$ 3,956	\$ 4,218	\$ 4,492	\$ 4,747	\$ 5,019
Debt/gross fund value	18.6%	17.0%	16.5%	17.2%	16.2%	15.8%

Note: Differences due to rounding of decimals

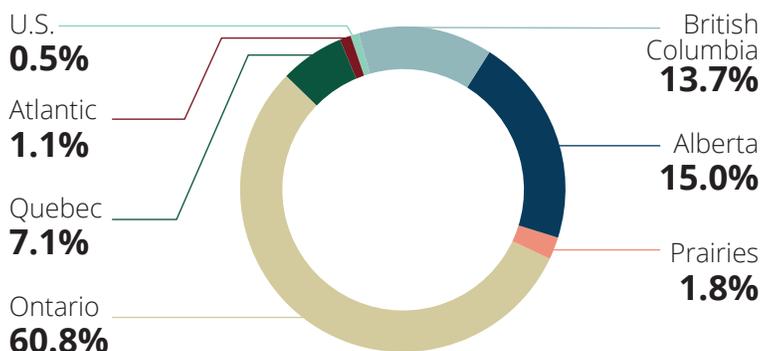
DIVERSIFICATION BY TYPE
(Gross)



VACANCY

Retail	5.2%
Office	10.4%
Industrial	2.9%
Residential	5.4%
Miscellaneous	0.0%
Total by type	6.1%

DIVERSIFICATION BY REGION
(Gross)



VACANCY

British Columbia	6.7%
Alberta	9.6%
Prairies	4.5%
Ontario	3.4%
Quebec	6.3%
Atlantic	13.9%
U.S.	63.9%
Total by region	6.1%

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.