

Readers are referred to the cautionary notes regarding Forward-Looking Information and Non-IFRS Financial Measures at the end of this release. All figures are expressed in Canadian dollars, except as noted.

## Canada Life announces temporary suspension of Canadian real estate investment funds

*Winnipeg, March 20, 2020.* . . The Canada Life Assurance Company today announced a temporary suspension on contributions, transfers and redemptions for its Canadian real estate investment funds, effective close of business today at 4:00 pm ET. The decision to suspend dealing was made in the best interests of all unitholders.

The impacted funds are the **Great-West Life Canadian Real Estate Investment Fund No. 1**, the **London Life Real Estate Fund 2.17G**, the **Canada Life Real Estate Fund (GWLRA) SF353** and the **London Life Real Estate Fund 5.191G** (the “Funds”).

The holdings in the first two of these Funds include office, retail, industrial and multi-family residential properties across Canada. The other two Funds hold interests in the first two funds and therefore their value is also tied to the value of those properties.

To calculate the daily share price of the Funds, the properties are valued in accordance with the Funds’ Investment Rules using recognized valuation standards, including accredited independent appraisals.

The COVID-19 virus has impacted the global property market and made it difficult to value the properties with the same degree of certainty as usual. This affects the company’s ability to calculate the unit price and creates a material risk that it may not continue to be valued appropriately. That in turn affects the company’s ability to ensure that unitholders may buy and sell units at a price that reflects their value.

To mitigate that risk, Canada Life is suspending contributions to, and redemptions and transfers from, the Funds. While the Funds continue to be in a positive cash position and have capacity to increase liquidity through operating cash-flow, asset sales and mortgage financing, there is the possibility of an extended period of redemptions pressure due to the current economic conditions. The current economic climate also raises concerns about the company’s ability to obtain fair market value on the disposition of real estate assets, should it become necessary to do so to meet liquidity demands, which would potentially be detrimental to the long-term interests of unitholders. The suspension of redemptions and transfers from the Funds will preserve the current liquidity position and protect our ability to satisfy redemptions when the suspension ends.

Therefore, in accordance with the terms applicable to the Funds, the suspension will remain in place until market conditions have stabilized enough to determine valuations with greater certainty and the company is comfortable with the Funds’ liquidity position.

The company, through its general account, intends to establish a process to facilitate hardship and certain other withdrawals, including minimum RRIF payments.

“Our Canadian real estate funds have performed well over many years,” said Paul Mahon, President and Chief Executive Officer, Canada Life. “The temporary suspension was put in place to protect the long-term interests of all unitholders during this period of economic uncertainty. We have managed real estate funds for four decades, and we continue to believe they are an excellent component of a well-balanced, long-term investment portfolio.”

### **About The Canada Life Assurance Company**

[Canada Life](#) is a leading insurance, wealth management and benefits provider focused on improving the financial, physical and mental well-being of Canadians. For more than 170 years, individuals, families and business owners across Canada have trusted us to provide sound guidance and deliver on the promises we’ve made.

As of January 1, 2020, Great-West Life, London Life and Canada Life became one company – Canada Life, and today, we proudly serve more than 13 million customer relationships from coast to coast to coast.

For more information:

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### **Cautionary note regarding Forward-Looking Information**

This release may contain forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" and other similar expressions or negative versions thereof. These statements include, without limitation, statements about the Company's operations, business, financial condition, expected financial performance (including revenues, earnings or growth rates), ongoing business strategies or prospects, and possible future actions by the Company, including statements made with respect to the expected benefits of acquisitions and divestitures, expected capital management activities and use of capital and expected cost reductions and savings. Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to, among other things, risks, uncertainties and assumptions about the Company, economic factors and the financial services industry generally, including the insurance and mutual fund industries. They are not guarantees of future performance, and the reader is cautioned that actual events and results could differ materially from those expressed or implied by forward-looking statements. Material factors and assumptions that were applied in formulating the forward-looking information contained herein include the assumption that the business and economic conditions affecting the Company's operations will continue substantially in their current state, including, without limitation, with respect to customer behaviour, the Company's reputation, market prices for products provided, sales levels, premium income, fee income, expense levels, mortality experience, morbidity experience, policy lapse rates, reinsurance arrangements, liquidity requirements, capital requirements, credit ratings, taxes, inflation, interest and foreign exchange rates, investment values, hedging activities, global equity and capital markets, business competition and other general economic, political and market factors in North America and internationally. Many of these assumptions are based on factors and events that are not within the control of the Company and there is no assurance that they will prove to be correct. Other important factors and assumptions that could cause actual results to differ materially from those contained in forward-looking statements include customer responses to new products, impairments of goodwill and other intangible assets, the Company's ability to execute strategic plans and changes to strategic plans, technological changes, breaches or failure of information systems and security (including cyber attacks), payments required under investment products, changes in local and international laws and regulations, changes in accounting policies and the effect of applying future accounting policy changes, unexpected judicial or regulatory proceedings, catastrophic events, continuity and availability of personnel and third party service providers, the Company's ability to complete strategic transactions and integrate acquisitions and unplanned material changes to the Company's facilities, customer and employee relations or credit arrangements.

The reader is cautioned that the foregoing list of assumptions and factors is not exhaustive, and there may be other factors listed in other filings with securities regulators, including factors set out in the Company's 2019 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates", which, along with other filings, is available for review at [www.sedar.com](http://www.sedar.com). The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information. Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

*Cautionary note regarding Non-IFRS Financial Measures*

This release contains some non-IFRS financial measures. Terms by which non-IFRS financial measures are identified include, but are not limited to, "operating earnings", "adjusted net earnings", "adjusted net earnings (US\$)", "adjusted net earnings per common share", "adjusted return on equity", "core net earnings", "constant currency basis", "impact of currency movement", "premiums and deposits", "pre-tax operating margin", "return on equity – adjusted net earnings", "sales", "assets under management" and "assets under administration". Non-IFRS financial measures are used to provide management and investors with additional measures of performance to help assess results where no comparable IFRS measure exists. However, non-IFRS financial measures do not have standard meanings prescribed by IFRS and are not directly comparable to similar measures used by other companies. Refer to the appropriate reconciliations of these non-IFRS financial measures to measures prescribed by IFRS where applicable.

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