



The Livmore High Park - 55 Quebec Avenue, Toronto, ON

The London Life Real Estate Fund posted a 2.6% total gross return for the third quarter, driven largely by the stability of the Fund's income return at 1.0%. Despite ongoing challenges related to the global pandemic, income returns have been buoyed by strong occupancy and collection levels. Increasing levels of investment and leasing activity helped to improve in-quarter visibility on valuation parameters, allowing appraisers to lift valuation uncertainty qualifications in the multi-family and selectively in the industrial asset class. At quarter end, most of the Fund's property valuations remain qualified and, as a result, the Fund's temporary suspension remains in place.

Occupancy and Rent Collection

Occupancy for the portfolio ended the quarter at 92.8%, virtually unchanged from the previous period. The Fund is well positioned from a lease expiry profile standpoint with over 73% of its commercial leases secured beyond 2023. Notably, of the rollover exposure in 2021, 61% of it is within the Fund's industrial portfolio where market fundamentals remain favourable.

Collection levels improved in the quarter, averaging better than 94% on a monthly basis and totaling 96.7% when adjusted for the inclusion of payments from the government sponsored Canadian Emergency Commercial Rent Assistance program (CECRA). CECRA concluded in September and is intended to be replaced by the recently announced Canada Emergency Rent Subsidy (CERS). This program directly contracts the tenant with the government, removing the landlord as a participant.

Asset Valuation

In June, the Fund adopted an accelerated valuation process which increased the frequency of external valuations to a

quarterly cadence and at the end of August, the first full cycle of valuations was completed. Industrial and multi-family values rose as the accelerated adoption of e-commerce created favourable conditions for the asset class, while the multi-family sector continues to benefit from strong investor appetite related in part to the availability of attractive CMHC insured financing and positive supply and demand dynamics. Office and retail values were negatively impacted, as uncertainty around the timing and potential structural impacts of office use as well as evolving consumer shopping preferences take shape.

Development Update

The first phase of the Livmore High Park development was completed and granted an occupancy permit in August, with the second phase to follow in Q4. Leasing activity within the first tower has been robust to date, now at 54%, with rental rates in line with proforma expectations. The project represents a \$60 million investment into 530 units of new generation, amenity rich, transit-oriented multi-family product adjacent to High Park in Toronto.

Construction progress continues at Vancouver Centre II, which is now 52% preleased and scheduled to be complete in late 2021/early 2022. More information about the exciting new project is available by following this link: <https://www.vancouvercentre.com/>

Benchmarking

The Fund benchmarks performance against various peer groups to provide a relative measure. The Fund posted very strong returns as compared to the MSCI's Property Fund Index (PFI), which consists of 9 open-end Canadian core real estate funds. For the third quarter, the Fund's 2.57% gross return bested the PFI's performance of 0.68% by an impressive 189 bps. Over the rolling 12-month and three-year periods, the Fund has outperformed the PFI by 265 bps and 15 bps respectively. Portfolio construction, which is highlighted by its geographic diversification, income-oriented characteristics, a defensive retail strategy and a strong multi-family allocation, continues to drive performance for stakeholders.

87 PROPERTIES, GROSS MARKET VALUE OF \$3.9 BILLION, AT SEPTEMBER 30, 2020

The London Life Real Estate Fund was established in 1998. The Fund invests in 87 high-quality, income-producing properties diversified by type and location, with a gross market value of over \$3.9 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-Sept
Income	4.1%	4.2%	4.5%	2.9%
Capital	2.4%	1.7%	4.1%	(0.8)%
Total	6.5%	6.0%	8.6%	2.1%

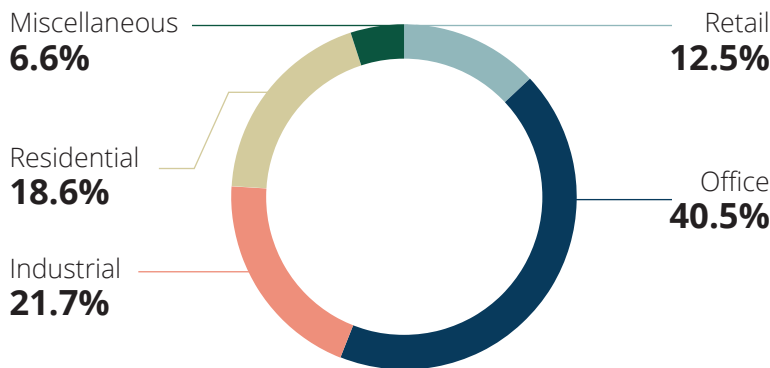
Note: Differences due to rounding of decimals

FUND GROWTH (\$ Millions)

	2015	2016	2017	2018	2019	YTD 30-Sept
Real estate	\$ 2,247	\$ 2,374	\$ 2,521	\$ 2,888	\$ 3,144	\$ 3,051
Cash	\$ 398	\$ 285	\$ 379	\$ 259	\$ 308	\$ 271
Short term assets & liabilities	\$ (34)	\$ (25)	\$ (35)	\$ (75)	\$ (94)	\$ (97)
Gross fund value	\$ 2,611	\$ 2,635	\$ 2,865	\$ 3,072	\$ 3,359	\$ 3,226
Net fund value	\$ 2,215	\$ 2,324	\$ 2,444	\$ 2,587	\$ 2,724	\$ 2,591
Debt/gross fund value	15.2%	11.8%	14.7%	15.8%	18.9%	19.7%

Note: Differences due to rounding of decimals

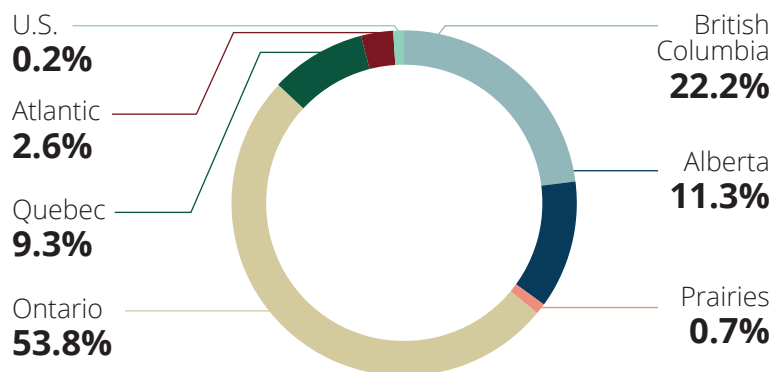
DIVERSIFICATION BY TYPE
(Gross)



% of Total Vacancy

Retail	0.5%
Office	3.6%
Industrial	2.1%
Residential	1.1%
Total by type	7.2%

DIVERSIFICATION BY REGION
(Gross)



% of Total Vacancy

British Columbia	0.5%
Alberta	2.3%
Prairies	0.0%
Ontario	2.3%
Quebec	0.7%
Atlantic	0.8%
U.S.	0.7%
Total by region	7.2%

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.