



Key Facts

Date established

1998

Fund Strategy

CORE

Gross Fund Value

\$3.3B

Net Fund Value

\$2.6B

LTV %

21.3%

of Properties

86

Commercial Sq Ft

8M

of Residential Units

3,300

LONDON LIFE REAL ESTATE FUND

Q2 BULLETIN 2021

The London Life Real Estate Fund was established in 1998 and has grown into a well diversified \$3B+ portfolio comprised of 86 institutional quality assets. The Fund's long track record of producing stable income returns has and continues to be its cornerstone. COVID-19 has created challenges for the commercial real estate sector but also opportunity. The post pandemic era will come with an evaluation of how real estate is utilized and provides value going forward. The only thing that will be certain is that there will be change. The Fund has always prioritized functional real estate that can adapt to the evolving needs of tenants and as such, is well positioned to capture opportunities as they arise. Portfolio construction has been crucial in navigating the current conditions and has rewarded stakeholders with strong returns. Highlights from the second quarter follow:

Performance: The total gross return for the quarter was 4.3% bringing the year-to-date total to 7.1% and the trailing twelve-month figure to 10.5%. For the first half, performance was distributed between income (1.8%) and capital (5.3%). Portfolio occupancy (91%) continues to drive the income component of return while substantial valuation gains amongst the Fund's industrial holdings, which represent 25% of the portfolio, led the capital component.

Financing: Favourable conditions continue to exist within debt markets and the Fund has been active in securing new financing to improve the overall debt profile and drive performance. Two transactions were finalized in the second quarter representing \$52M in proceeds at an average interest rate of 2.9%. The Fund loan to value sits at 21% with another approximately \$40M in new financing proceeds scheduled to close in the third quarter.

Forward Outlook: The future of office work is appropriately a topic of much discussion at present with far ranging and often polarizing

opinions associated. Clarity is however beginning to take form as many organizations have started to message plans for the return to the office. What is known is that there will not be a "one size fits all" solution and the path back will remain fluid based on the trajectory of the pandemic. Partners in the brokerage community are indicating that sublet space availability is dwindling and tour activity is accelerating across most markets. These are positive signals for the sector; however, the result will ultimately be told over time rather than conjecture. The Fund's core office assets are well located, amenity rich and substantial capital is being re-invested to ensure the highest quality tenant experience upon return. The internal research team at GWLRA has published a series of notes on the topic and can be found at the following link. www.gwlrealtyadvisors.com/research/

LONDON LIFE REAL ESTATE FUND

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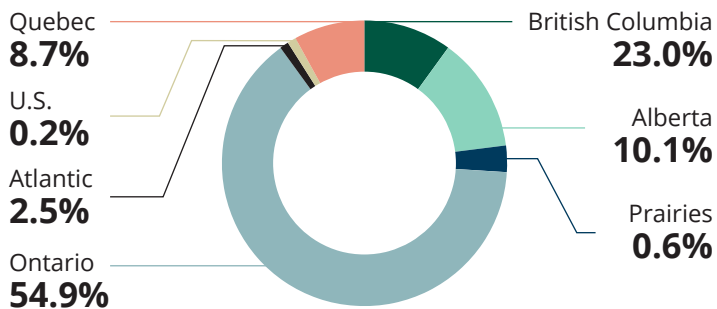
GROSS RETURN	YTD		Annualized		
	30-Jun	1 Year	3 Year	5 Year	10 Year
Income	1.8%	3.7%	4.0%	4.1%	4.3%
Capital	5.3%	6.6%	3.4%	2.6%	3.8%
Total	7.1%	10.3%	7.4%	6.8%	8.1%

Note: Differences due to rounding of decimals.

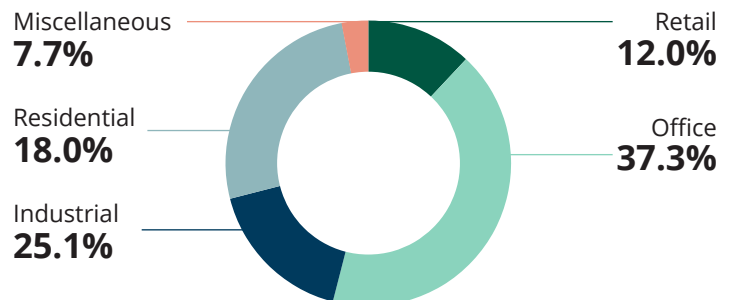
FUND GROWTH (\$ Millions)	2016	2017	2018	2019	2020	YTD 30-Jun
Real estate	\$ 2,374	\$ 2,521	\$ 2,888	\$ 3,144	\$ 3,066	\$ 3,211
Cash	\$ 285	\$ 379	\$ 259	\$ 308	\$ 355	227
Short term assets & liabilities	\$ (25)	\$ (35)	\$ (75)	\$ (94)	\$ (91)	\$ (100)
Gross fund value	\$ 2,635	\$ 2,865	\$ 3,072	\$ 3,359	\$ 3,329	\$ 3,339
Net fund value	\$ 2,324	\$ 2,444	\$ 2,587	\$ 2,724	\$ 2,603	\$ 2,629
Debt/gross fund value	11.8%	14.7%	15.8%	18.9%	21.8%	21.3%

Note: Differences due to rounding of decimals.

DIVERSIFICATION BY REGION (Gross)



DIVERSIFICATION BY TYPE (Gross)



VACANCY AS % OF TOTAL - BY REGION

British Columbia	0.7%
Alberta	2.9%
Prairies	0.0%
Ontario	2.6%
Quebec	0.9%
Atlantic	0.9%
U.S.	0.7%
Total by region	8.7%

VACANCY AS % OF TOTAL - BY TYPE

Retail	0.4%
Office	4.9%
Industrial	2.0%
Residential	1.5%
Total by type	8.7%

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.