



GREAT-WEST LIFE REAL ESTATE FUND

Q4 BULLETIN 2021

Key Facts

Date established

1991

Fund Strategy

CORE

Gross Fund Value

\$6.5B

Net Fund Value

\$6.1B

LTV %

17.7%

of Properties

124

Commercial Sq Ft

14.8M

of Residential Units

5,419

Despite ongoing challenges related to a lingering pandemic, the Canadian Real Estate Fund No.1 produced its strongest level of return since 2012. The 11.6% total gross return was a product of the stability of income (3.7%) and robust capital performance (7.8%) driven largely by the industrial component of the portfolio. The Q4 gross return of 3.9% was the highest performing period for the year. The Fund's long established historical track record of better than 90% occupancy was maintained, and the value of the Fund's real estate holdings grew by 9%. Rent collection exceeded 98% in each quarter throughout the year, including a Q4 collection level of 98.5%. Financing activity over the course of 2021 reduced the overall average financing rate in the portfolio by 32bps to 2.96%.

Investment Transactions: As noted in previous updates, development forms a critical component of forward Fund strategy. The Fund has a series of active projects as well as a deep pipeline of future opportunity in land that is in various stages of pre-development. In Q4, the pipeline was expanded with the acquisition of a 128 net acre parcel of land on the northern boundary of Calgary, AB (Balzac) that will deliver over 2 million square feet of new generation industrial product. Development will be phased, with the first building(s) scheduled for 2025.

ESG Commitment: Since 2013, the Fund has realized a 30% reduction to its Global Green House Gas (GHG) emissions across its office and residential portfolios through regular energy audits, setting reduction targets and retrofitting buildings to improve energy efficiency and reduce emissions. While significant, there is much more ahead and in late 2021, the Fund committed to align with the Federal government target of achieving Net Zero in GHG emissions by 2050. Management will provide timely updates to stakeholders as the 'road map' is developed and interim goals are achieved.

Forward Outlook: With the exception of the office sector, which has open questions on how space will be utilized as the pandemic fades into the background, fundamentals across the balance of core asset classes are positive. Canadian housing remains undersupplied and growth targets for new immigration are aggressive. The cost of home ownership continues to rise at a faster pace than rental rates, which should create favourable conditions for the multi-family portfolio. The retail outlook continues to evolve along with shopping habits, however, the Fund strategy of owning quality, grocery-anchored centres has proved resilient, as highlighted by a 96% occupancy level in that segment of the portfolio. With limited available inventory and soaring demand, industrial rents have grown at an unprecedented pace. Canada however has one of the lowest rates of e-commerce sales penetration relative to its peer nations and, with the expectation that the gap closes, demand from warehousing/logistics users should continue to swell. Portfolio diversification has always been a cornerstone of Fund performance and 2021 certainly served as a validation of Fund strategy.

Left: 320 McRae, Ottawa, ON
Centre: Abbotside Way, Brampton, ON
Right: 4177 Boul Industriel, Laval, QC

GWL REALTY
ADVISORS

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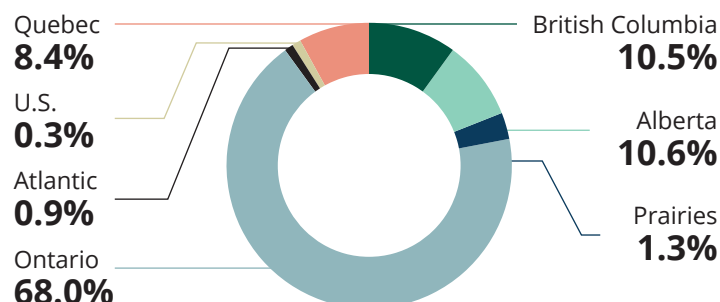
GROSS RETURN	Annualized				YTD
	1 Year	3 Year	5 Year	10 Year	31-Dec
Income	3.7%	3.9%	4.1%	4.4%	3.7%
Capital	7.8%	3.7%	3.1%	3.9%	7.8%
Total	11.6%	7.7%	7.3%	8.4%	11.6%

Note: Differences due to rounding of decimals.

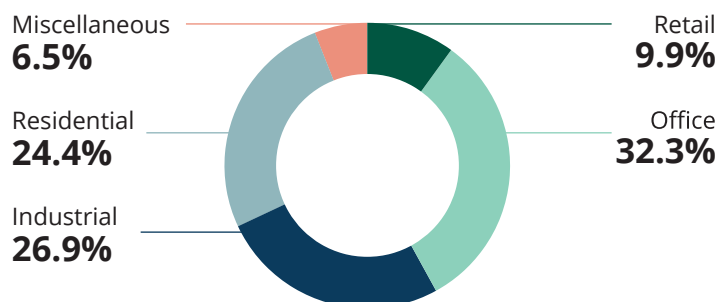
FUND GROWTH (\$ Millions)						YTD
	2016	2017	2018	2019	2020	31-Dec
Real estate	\$ 4,589	\$ 4,965	\$ 5,288	\$ 5,966	\$ 5,639	\$ 6,141
Cash	\$ 512	\$ 547	\$ 457	\$ 443	\$ 831	\$ 449
Short term assets & liabilities	\$ (52)	\$ (85)	\$ (79)	\$ (172)	\$ (150)	\$ (134)
Gross fund value	\$ 5,049	\$ 5,427	\$ 5,666	\$ 6,238	\$ 6,320	\$ 6,456
Net fund value	\$ 4,218	\$ 4,492	\$ 4,747	\$ 5,163	\$ 5,196	\$ 5,316
Debt/gross fund value	16.5%	17.2%	16.2%	17.2%	17.8%	17.7%

Note: Differences due to rounding of decimals.

DIVERSIFICATION BY REGION (Gross)



DIVERSIFICATION BY TYPE (Gross)



VACANCY AS % OF TOTAL - BY REGION	
British Columbia	0.4%
Alberta	3.3%
Prairies	0.2%
Ontario	4.1%
Quebec	0.3%
Atlantic	0.5%
U.S.	0.7%
Total by region	9.4%

VACANCY AS % OF TOTAL - BY TYPE	
Retail	0.5%
Office	6.2%
Industrial	1.3%
Residential	1.4%
Total by type	9.4%

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.

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