



Key Facts

Date established

1998

Fund Strategy

CORE

Gross Fund Value

\$3.8B

Net Fund Value

\$3.6B

LTV %

18.7%

of Properties

88

Commercial Sq Ft

8M

of Residential Units

3,900

LONDON LIFE REAL ESTATE FUND

Q1 BULLETIN 2022

The London Life Real Estate Fund kicked off the first quarter of 2022 by posting a total gross return of 5.3%. As has been the case for the past number of quarters, the primary driver of performance in Q1 was the capital appreciation realized on the Fund's industrial holdings. Total income returns remained steady as both rent collection (98%) and occupancy (92%) levels held firm. Approximately 8% (by square footage) of the commercial leases in the portfolio have maturities in 2022 and of that area, more than 50% is industrial. Resetting those leases to current market levels will improve income performance and help offset inflationary pressures. Highlights from an active quarter follow:

Investment Transactions: In the first quarter the Fund acquired a 100% freehold interest in 'Centre 61', a recently upgraded and fully leased 257,400 square foot mid/large bay multi-tenant industrial building situated on 9.5 acres within an established node in southeast Calgary, benefiting from centrality, complementary surrounding uses, and access to amenities. The Property offers 22-foot clear ceiling heights, ample dock and drive-in doors and a rail-spur on the north side of the building.

The asset is 100% leased to five tenants, ranging in size from 16,641 square feet to 96,097 square feet with a weighted average term remaining of 6.3 years. The building can be further demised or consolidated as may be required to accommodate different users.

The addition of Centre 61 provides the Fund an increased exposure to the industrial sector at an attractive and stable yield profile.

Development Update: As noted in the most recent bulletin, the "Chronicle" (<https://rentchronicle.com/>) project in the vibrant West end of downtown Vancouver officially completed and began leasing. Management is pleased to report that the initial lease up of the asset is exceeding expectations and is now approximately 45% leased at rental rates ahead

of projections. It is expected that the property will achieve a stabilized state in the fourth quarter of 2022.

The Chronicle represents the first multi residential asset in Vancouver for the Fund, a notoriously challenging market to scale given pricing expectations. The building is an exceptionally located, 128-unit luxury rental apartment building offering tenants a full suite of amenities all within walking distance of the downtown core.

Forward Outlook: It would appear that the COVID-19 pandemic is largely in the rear-view, however, the events of the past two plus years will have consequences that will linger for some time. While not solely responsible, the inflationary environment we are experiencing today is without question related. Timely to recall that commercial real estate is inflation resilient due to its inherent hedging characteristics, but there certainly is no hedge that is perfect. The Fund is well positioned to navigate these uncertain times due to a strong occupancy profile, balanced lease maturity schedule, and a conservative debt strategy.

Left: The Chronicle, Vancouver, BC
Centre: The Chronicle, Vancouver, BC
Right: Centre 61, Calgary, AB

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LONDON LIFE REAL ESTATE FUND

Q1 BULLETIN 2022

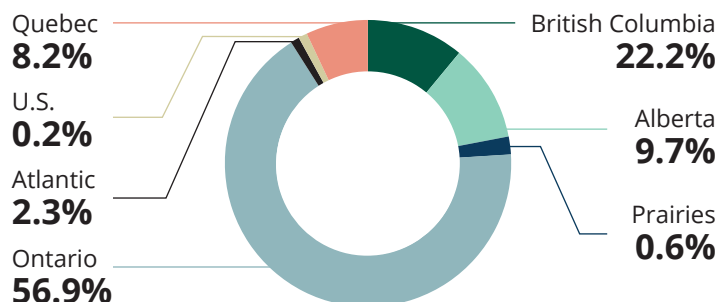
GROSS RETURN	Annualized				YTD
	1 Year	3 Year	5 Year	10 Year	31-Mar
Income	3.0%	3.8%	4.0%	4.2%	0.8%
Capital	13.1%	5.7%	4.0%	4.1%	4.5%
Total	16.5%	9.5%	8.0%	8.3%	5.3%

Note: Differences due to rounding of decimals.

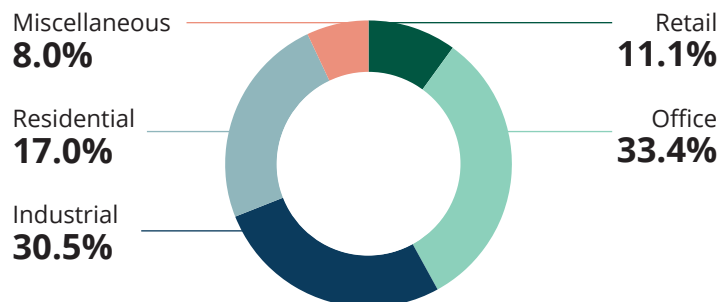
FUND GROWTH (\$ Millions)						YTD
	2017	2018	2019	2020	2021	31-Mar
Real estate	\$ 2,521	\$ 2,888	\$ 2,144	\$ 3,066	\$ 3,520	\$ 3,564
Cash	\$ 379	\$ 259	\$ 308	\$ 355	\$ 366	\$ 301
Short term assets & liabilities	\$ (35)	\$ (75)	\$ (94)	\$ (91)	\$ (94)	\$ (102)
Gross fund value	\$ 2,865	\$ 2,072	\$ 3,359	\$ 3,329	\$ 3,791	\$ 3,763
Net fund value	\$ 2,444	\$ 2,587	\$ 2,724	\$ 2,603	\$ 2,061	\$ 3,058
Debt/gross fund value	14.7%	15.8%	18.9%	21.8%	19.3%	18.7%

Note: Differences due to rounding of decimals.

DIVERSIFICATION BY REGION (Gross)



DIVERSIFICATION BY TYPE (Gross)



VACANCY AS % OF TOTAL – BY REGION	
British Columbia	0.7%
Alberta	2.5%
Prairies	0.0%
Ontario	2.1%
Quebec	0.4%
Atlantic	1.0%
U.S.	0.6%
Total by region	7.4%

VACANCY AS % OF TOTAL – BY TYPE	
Retail	0.4%
Office	5.0%
Industrial	1.0%
Residential	1.0%
Total by type	7.4%

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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