

# Great-West Life Real Estate Fund

Q4 Bulletin 2025



## Key Facts

Date Established

**1981**

Fund Strategy

**CORE**

Gross Fund Value

**\$5.6B**

Net Fund Value

**\$4.0B**

LTV %

**28.9%**

# of Properties

**95**

Commercial Sq Ft

**12.9M**

# of Residential Units

**5,642**

Image: 1 Adelaide St. E, Toronto (ON)  
85 Yonge St. Amenity rendering

**GWL** REALTY  
ADVISORS

Performance for the Fund is improving, marked by a positive 2025 total return. Income returns outpaced capital depreciation (inclusive of a negative mark-to-market of the Fund's debt) leading to a total gross return for the year of 42 basis points. Notably, the Fund exceeded the MSCI/REALPAC Canada Property Index benchmark on a direct real estate total return basis in both the quarter and the full year of 2025, delivering relative outperformance 9 bps and 31 bps respectively. The results are beginning to reflect early signals that valuation pressures are easing and that capital performance is set to stabilize.

## Office Recovery

On the heels of a very good year for office leasing in 2025, 2026 is off to a strong start with the Fund finalizing 281,000 square feet in new office commitments with a Schedule I bank at Berczy Square and 1 Adelaide in Toronto, Ontario. Upon commencement, these transactions are expected to increase asset level occupancy to 94% and 99%, respectively. While office performance has weighed on recent performance, these types of leasing transactions continue to signal that the office sector has firmly entered into the recovery phase of this cycle. In all, 30% of the Fund's existing office vacancy is now under contract.

## Financing

Bond yields appear to be range bound, with market expectations pointing to limited go-forward adjustments by the Bank of Canada to the overnight rate. Against this backdrop, the financing environment remains constructive, characterized by tight spreads and positive lender sentiment. In late Q4 2025, the Fund completed a significant mortgage renewal on an Ottawa office asset at favourable terms, underscoring a competitive, borrower friendly, financing environment.

## Fund Activities

Construction commenced in October of 2025 on the Fund's newest multifamily development in Central Lonsdale, British Columbia. Upon completion, the project will deliver 91 purpose built rental units to a high demand and supply constrained node.

In December, the Fund completed the sale of a large, non-core, multifamily asset in Brampton, Ontario. The transaction achieved a 5% premium to the most recent appraised value, reaffirming that current valuation marks remain well aligned with market expectations.

The combination of these activities continues to highlight the Fund's long term investment strategy of disciplined capital recycling and expansion into newer generation residential assets with compelling fundamentals.

## Forward Outlook

Looking ahead, the macro backdrop is expected to be steadier through 2026. Against this setting, the portfolio remains well positioned: following a period of valuation resets, particularly within the office sector, the asset class's durable cashflows, income stability, and improving fundamentals support compelling risk adjusted returns, with the potential for capital appreciation as conditions continue to normalize.

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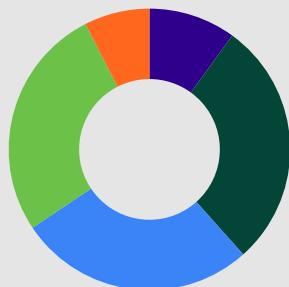
Gross Return	Annualized					FY 31-Dec
	1 Year	3 Year	5 Year	10 Year		
Income	3.8%	3.6%	3.5%	3.9%	3.8%	
Capital	(3.4%)	(4.8%)	(0.7%)	0.5%	(3.4%)	
<b>Total</b>	<b>0.4%</b>	<b>(1.1%)</b>	<b>2.8%</b>	<b>4.4%</b>	<b>0.4%</b>	

Note: Differences due to rounding of decimals.

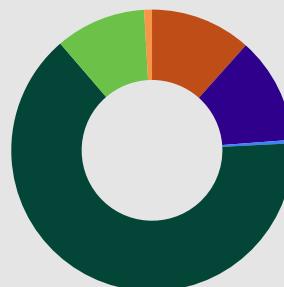
Fund Growth (\$ Millions)	2020	2021	2022	2023	2024	FY
						31-Dec
Real estate	\$5,639	\$6,141	\$6,502	\$6,312	\$5,916	\$5,503
Cash	\$831	\$449	\$415	\$320	\$303	\$259
Short term assets & liabilities	\$(150)	\$(134)	\$(166)	\$(195)	\$(185)	\$(145)
Gross fund value	\$6,320	\$6,456	\$6,751	\$6,312	\$6,034	\$5,617
Net fund value	\$5,196	\$5,316	\$5,386	\$4,751	\$4,335	\$3,996
Debt/gross fund value	17.8%	17.7%	20.2%	26.2%	28.2%	28.9%

Note: Differences due to rounding of decimals.

## Diversification by Type (Gross)



## Diversification by Region (Gross)



## Vacancy as % of Total – By Type

Retail	0.3%
Office	7.9%
Industrial	1.5%
Residential	1.5%
<b>Total by type</b>	<b>11.2%</b>

## Vacancy as % of Total – By Region

British Columbia	0.5%
Alberta	2.6%
Prairies	0.4%
Ontario	6.2%
Quebec	1.1%
Atlantic	0.4%
<b>Total by region</b>	<b>11.2%</b>

Image: Central Lonsdale Apartment Development (Rendering),  
North Vancouver (BC)