



Key Facts

Date established

1981

Fund Strategy

CORE

Gross Fund Value

\$6.6B

Net Fund Value

\$5.0B

LTV %

24.6%

of Properties

123

Commercial Sq Ft

15.2M

of Residential Units

5,937

GREAT-WEST LIFE REAL ESTATE FUND

Q3 BULLETIN 2023

Through three quarters of 2023, the total gross return for the Canadian Real Estate Fund No.1 was -0.56%. Positive contributions from income and mortgage valuation continue to be offset by the impact of the current interest rate environment on asset values.

Asset values have repriced alongside movements in the overnight rate which the Bank of Canada (BOC) increased by a further 25 basis points in July. The BOC has since held the rate at 5% as recent economic data from both sides of the border has pointed to a slower rate of economic activity, with inflationary pressures generally easing. A stabilized interest rate environment would be welcomed by industry participants and may be a catalyst for increased investment transaction activity, which has been muted for several quarters.

Transaction Activity: 9305-9405 and 9415-9495 Trans Canada Hwy in Saint-Laurent, QC is a two building, ~200,000 sq.ft, multi tenant industrial portfolio that was acquired by the Fund in 2002 for \$10M. The buildings were constructed in 1985 and feature 18 feet of clear height. Over the past couple of years, the Fund has acquired two newer generation portfolios of industrial assets in Quebec which has improved the overall quality and vintage of the portfolio while deeming these older generation assets to be non-core to long term strategy and thus disposition candidates. The sales transaction concluded in Q3 resulting in net proceeds of approximately \$43M. Crystallizing gains from legacy holdings and recycling capital into newer, more efficient, and sustainable assets is the pathway to future proofing the portfolio and a key component of Fund strategy.

Financing Initiatives: The Fund was successful in completing a number of financing initiatives in Q3, moving its debt strategy forward and improving the overall fund level loan-to-value by 390bps to 24.6%. As a reminder, all the debt in the Fund is marked to market on a daily

basis and is fixed rate in nature. The weighted average interest rate for the portfolio is 3.7% with over 5 years of blended maturity. Utilizing CMHC insured financing to achieve the overall lowest cost of capital remains a priority which was highlighted in Q3 when an 11 year, \$203M financing initiative was completed at Grenadier Square/Livmore High Park Village in Toronto, ON.

Notable News: In Q3, the Fund's office building at 1 City Centre Drive in Mississauga received a LEED Gold Certification, meeting specified standards for energy and water use to achieve this rating. The achievement continues to highlight the Fund's commitment to best in class sustainability practices. Management also wanted to take the opportunity to recognize our tenant, Restaurant 20 Victoria Street, who was recently awarded a prestigious Michelin Star in the 2023 Michelin Guide, one of the very first in Canada to be recognized by the world's foremost food critic. The venue is a significant amenity for the building and its tenants.

Left: 20 Victoria St, Toronto, ON
Center: 1 City Centre Dr, Mississauga, ON
Right: Livmore High Park, Toronto, ON

GWL REALTY
ADVISORS

GREAT-WEST LIFE REAL ESTATE FUND

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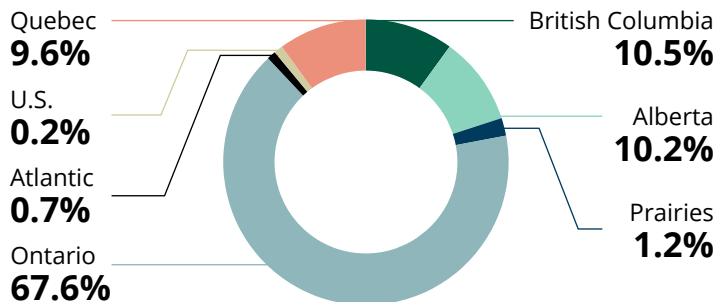
GROSS RETURN	Annualized				YTD
	1 Year	3 Year	5 Year	10 Year	30-Sept
Income	3.5%	3.5%	3.6%	3.7%	2.6%
Capital	(4.2)%	2.9%	2.1%	2.5%	(3.2)%
Total	(0.7)%	6.4%	5.8%	6.2%	(0.6)%

Note: Differences due to rounding of decimals.

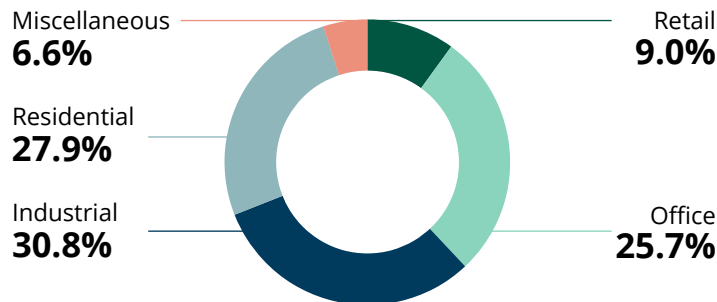
FUND GROWTH (\$ Millions)	2018	2019	2020	2021	2022	YTD 30-Sept
Real estate	\$ 5,288	\$ 5,966	\$ 5,639	\$ 6,141	\$ 6,502	\$ 6,392
Cash	\$ 457	\$ 443	\$ 831	\$ 449	\$ 415	\$ 372
Short term assets & liabilities	\$ (79)	\$ (172)	\$ (150)	\$ (134)	\$ (166)	\$ (185)
Gross fund value	\$ 5,666	\$ 6,238	\$ 6,320	\$ 6,456	\$ 6,751	\$ 6,579
Net fund value	\$ 4,747	\$ 5,163	\$ 5,196	\$ 5,316	\$ 5,386	\$ 4,964
Debt/gross fund value	16.2%	17.2%	17.8%	17.7%	20.2%	24.6%

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	2.9%
Prairies	0.3%
Ontario	5.2%
Quebec	0.2%
Atlantic	0.5%
U.S.	0.9%
Total by region	10.4%

VACANCY AS % OF TOTAL - BY TYPE

Retail	0.3%
Office	8.5%
Industrial	0.9%
Residential	0.7%
Total by type	10.4%

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.