



Key Facts

Date established

1998

Fund Strategy

CORE

Gross Fund Value

\$3.7B

Net Fund Value

\$2.9B

LTV %

22.2%

of Properties

85

Commercial Sq Ft

8M

of Residential Units

3,923

LONDON LIFE REAL ESTATE FUND

Q3 BULLETIN 2023

Through three quarters of 2023, the total gross return for the London Life Real Estate Fund was -0.11%. 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.

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 150bps to 22.2%. 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 3.5% 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, \$68M financing initiative was completed at Grenadier Square/Livmore High Park Village in Toronto, ON.

Notable News: In Q3, North York Centre was awarded a Fitwel 1 Star Rating by the Center for Active Design – a certification that illustrates management’s commitment to elevating occupant wellbeing by creating healthy spaces. 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: Livmore High Park, Toronto, ON
Centre: North York City Centre, Toronto, ON
Right: 20 Victoria St, Toronto, ON

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LONDON LIFE REAL ESTATE FUND

Q3 BULLETIN 2023

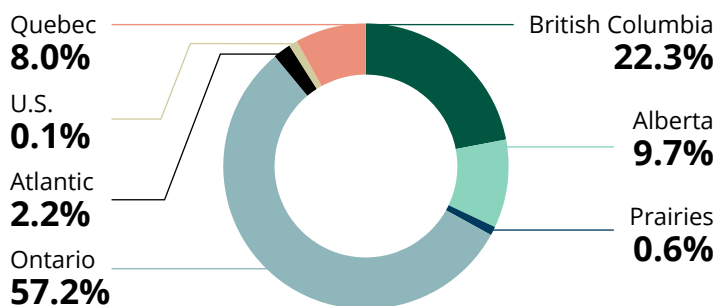
GROSS RETURN	Annualized				YTD
	1 Year	3 Year	5 Year	10 Year	30-Sept
Income	3.9%	3.6%	3.8%	4.0%	2.9%
Capital	(6.1)%	4.8%	3.6%	2.5%	(3.0)%
Total	2.2%	8.4%	7.4%	6.5%	(0.1)%

Note: Differences due to rounding of decimals.

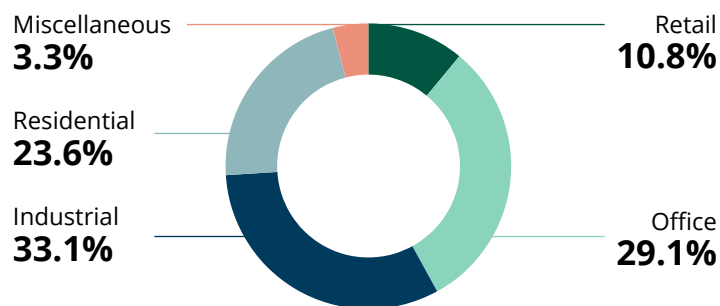
FUND GROWTH (\$ Millions)	2018	2019	2020	2021	2022	YTD 30-Sept
Real estate	\$ 2,888	\$ 2,144	\$ 3,066	\$ 3,520	\$ 3,536	\$ 3,444
Cash	\$ 259	\$ 308	\$ 355	\$ 366	\$ 269	\$ 305
Short term assets & liabilities	\$ (75)	\$ (94)	\$ (91)	\$ (94)	\$ (82)	\$ (88)
Gross fund value	\$ 2,072	\$ 3,359	\$ 3,329	\$ 3,791	\$ 3,722	\$ 3,661
Net fund value	\$ 2,587	\$ 2,724	\$ 2,603	\$ 2,061	\$ 2,952	\$ 2,850
Debt/gross fund value	15.8%	18.9%	21.8%	19.3%	20.7%	22.2%

Note: Differences due to rounding of decimals.

DIVERSIFICATION BY REGION (Gross)



DIVERSIFICATION BY TYPE (Gross)



VACANCY AS % OF TOTAL - BY REGION

British Columbia	0.9%
Alberta	2.8%
Prairies	0.0%
Ontario	3.8%
Quebec	0.3%
Atlantic	1.0%
U.S.	0.7%
Total by region	9.6%

VACANCY AS % OF TOTAL - BY TYPE

Retail	0.7%
Office	7.4%
Industrial	1.3%
Residential	0.7%
Total by type	9.6%

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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