

Stabilize your investments with real estate properties

GREAT-WEST LIFE REAL ESTATE FUND (GWLRA)



As an investor, you have participated in one of the most challenging economic environments in history. Equity markets will continue to be volatile and low interest rates will affect fixed income investments such as bonds, money markets and guaranteed investment certificates (GICs).

You can add stability to your investment portfolio by diversifying and investing in real estate. The Great-West Life Real Estate Fund continues to attract investors who seek a unique investment with stable, long-term returns.

Reasons to invest

1 A unique diversifier for your investment portfolio

The Great-West Life Real Estate Fund is a segregated fund that invests directly in real property. The real estate fund is not like a common stock equity fund. As a component of a well-balanced portfolio, the real estate fund can help make your overall investments more resistant to the short-term volatility of equity markets. Historically, the fund has remained relatively unaffected by the movements of the equity markets, making it an ideal complement to help lessen risk while still providing good comparative long-term returns.

HOW UNIT VALUE IS DETERMINED

The real estate fund's units are not traded on an exchange. The fund's unit value is determined by a regular valuation of the fund's assets, such as property appraisals, and liabilities, and is not affected by purchases or withdrawals of fund units. Canadian common stock investments that invest in real estate, such as real estate investment trusts (REITs), are different in that those units trade on a stock exchange, which determines the value of the units.

2 Stable returns

The real estate fund has a long history of consistent performance. Those who invest for the long term have been rewarded with growth in their investment.

The Great-West Life Real Estate Fund has 29 years of history and in all but seven years, including only two in the last 15 years, the fund has experienced a positive return. Those who invested \$10,000 into the fund 10 years ago would have seen their investment grow to \$18,233, not including taxes, at the end of December 2009. While unitholders should not expect a positive return every year, for the right investor with a long-term perspective, this fund is an excellent addition to a financial security plan.

The fund is made up of high-quality commercial and multi-family residential properties, diversified by type and located in Canada's major cities. Long-term leases with excellent tenants provide investors with a reliable and strong income return. This strong, stable income is a key rationale for investing directly in real estate. Properties are selectively sold and proceeds are reinvested to strengthen the portfolio.

3 Long-term income from properties contributes to returns

While the fund can benefit from real property markets that are up and can decline when real property markets are down, a large portion of the fund's return is generated by the income from the properties it holds. In past years, this has stabilized the fund's unit values, or prices, and has even provided positive returns when property values have declined. Even though real estate markets can weaken and cause a downward adjustment in unit values, income from the properties remains strong and the long-term leases from high-quality tenants are sound.

4 Professional management

We remain focused on protecting and growing the value of your investment. Backed by the strength of The Great-West Life Assurance Company, one of Canada's largest financial services companies, GWL Realty Advisors Inc. uses independent research and intelligence from their offices across Canada to manage the fund. The GWL Realty Advisors' senior management team has, on average, 23 years of real estate industry experience in acquiring, developing and managing properties in some of Canada's largest cities.

The fund benefits from professional management by GWL Realty Advisors, one of Canada's leading real estate advisors. As of Dec. 31, 2009, assets under management were:

- ▶ \$11.5 billion
- ▶ 322 properties across Canada and
- ▶ 61.9 million square feet of commercial and multi-family residential properties

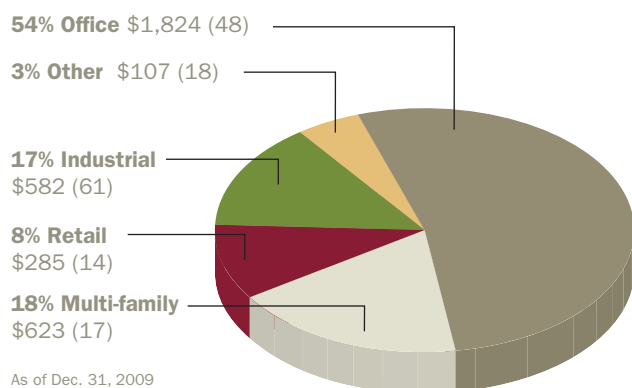
5 A focus on fundamentals

High-quality assets

The fund maintains a portfolio of high-quality properties. These properties have historically experienced a low vacancy rate due to their high-quality and long-term tenants such as financial companies and professional service organizations. The lease expiry schedule is managed to reduce the number of leases expiring in any one period. This reduces the risk of multiple leases ending in any given year.

Asset-type diversification

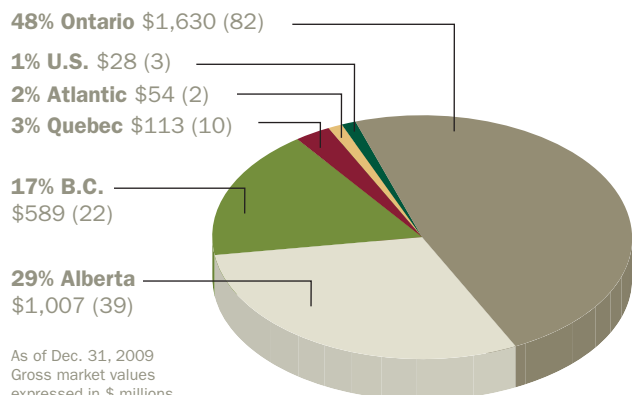
Ensuring the properties owned by the real estate fund are not concentrated in any one type of real estate helps manage volatility and reduce risk.



As of Dec. 31, 2009
Gross market values expressed in \$ millions

Geographic diversification

The properties owned by the real estate fund are spread across different areas of the country. This also helps manage volatility and reduce risk.



As of Dec. 31, 2009
Gross market values expressed in \$ millions

Total gross market value: \$3.42 billion
Total number of properties: 158

The risks of investing in this fund

While the real estate fund offers several unique benefits, it also presents several unique risks.

The unit value of the fund changes regularly and is driven by the value of the liabilities and assets (properties and cash) it holds. Each unit represents a share of the total asset value of the fund. Unlike common stock share prices that fluctuate with supply and demand, the fund's unit value will vary based on the income generated by the properties, changes in the real estate market and the appraised values of the properties the fund holds.

The fund manager maintains a sufficient level of cash within the fund to cover daily operating expenses and a normal volume of withdrawal and transfer requests. However, if requests suddenly increase, the fund manager may need to sell some properties to meet the demand. Properties can take many months to sell and a quick sale to generate cash could affect the value received for these high-quality assets, impacting those who invest for the long term. To give the fund manager enough time to select and sell properties in a way that maintains the uniqueness and diversity of the fund, it is possible that withdrawal and transfer requests could be temporarily suspended. This protects the long-term interests of all investors in the fund.

The risk of a suspension became reality when withdrawal and transfer requests were suspended in December 2008. The suspension was put in place after an unusual increase in requests from investors exceeded the amount of cash available in the fund. While suspensions cause investors concern, the fund continues to be a good investment for the long term because the reasons for investing in this fund have not changed.

Investing directly in real estate adds a unique diversity to your investment portfolio. If you're investing to generate returns over the long term while reducing your overall portfolio risk, and you have no immediate need for cash from the fund, your financial security advisor can help you decide how the Great-West Life Real Estate Fund can work for you.

Experience in all types of markets

GWL Realty Advisors is one of Canada's largest real estate advisory firms with assets under management of approximately \$11.5 billion. Its clients include some of Canada's largest institutional and pension fund investors and it manages more than 320 properties across the country. Great-West Life has managed real estate segregated funds for nearly three decades, and has managed through other recessions. The real estate fund has proven a consistent popular choice for those with long-term time horizons and a desire to diversify holdings.

More information about the real estate fund is on GWL Realty Advisors website at gwlrealtyadvisors.com.



A description of the key features of the segregated fund policy is contained in the information folder. **Any amount that is allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.**

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