Canadian Real Estate Investment Fund No. 1

2023 ANNUAL REPORT

GWL REALTY ADVISORS

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The Fund's disciplined, high-conviction investment strategy, together with a focus on enduring locations, building quality, tenant credit and a prudent capital strategy, will be the source of solid income generation."

— CREIF Portfolio Managers' Report

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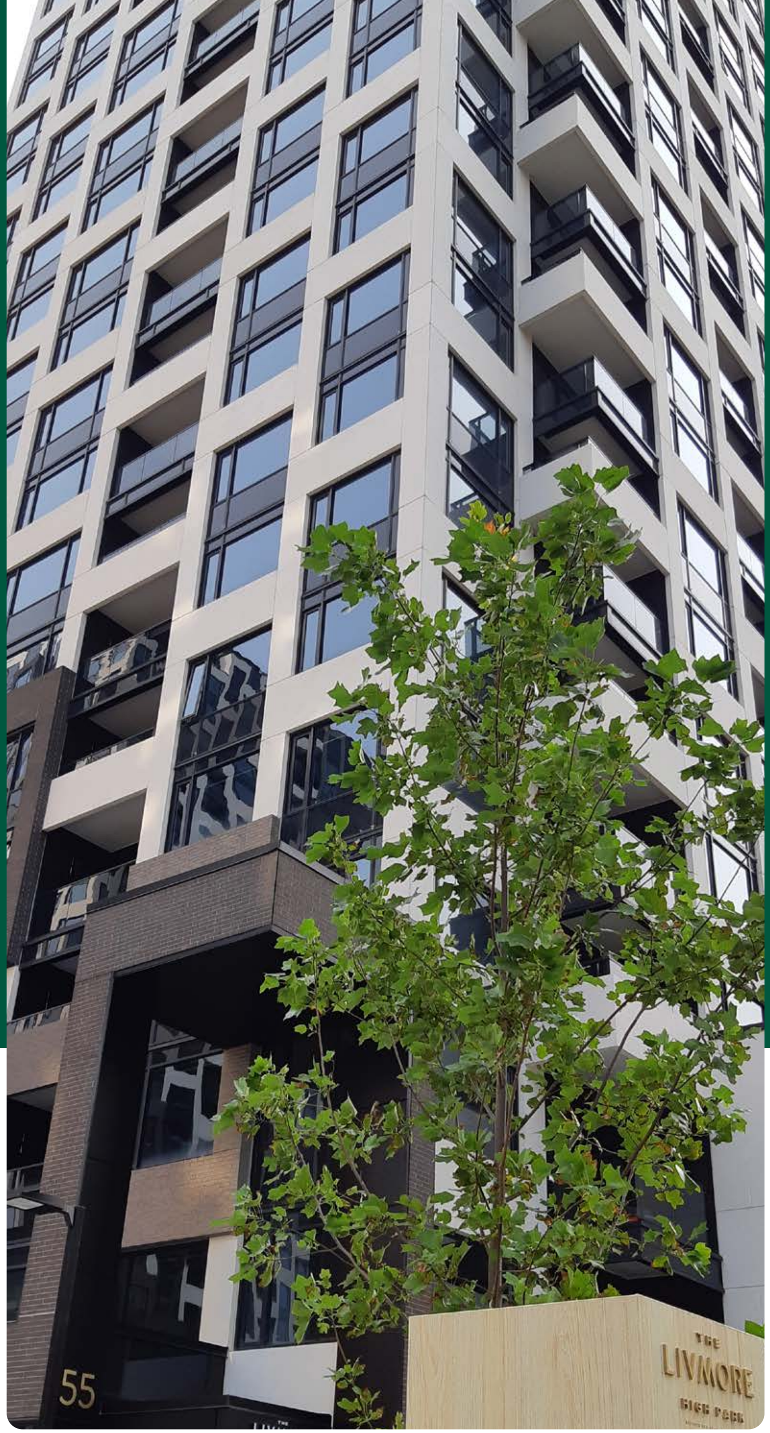


Livmore High Park (Toronto, ON)

Portfolio Managers' Report

Higher interest rates were a critical story across the investment landscape in 2023. Like all investment classes, real estate's cost of capital was forced to adapt to a new risk-free rate environment, putting pressure on valuation metrics and ultimately values. While private real estate helps to limit overall portfolio volatility, diversify risk and provide a natural hedge against inflation across investment cycles, it is not immune to the potential for cyclical risk. This cyclicality helps to manage long-term health and sets the foundation for future performance. Combining this long-term outlook with Canada's robust population growth and its inherent need for the sector, real estate is positioned to deliver attractive, risk-adjusted long-term performance.

The Great-West Life Canadian Real Estate Investment Fund No. 1 delivered a 3.0% decline in 2023. The income performance remained resilient at 3.5% as the portfolio remains well leased. The capital return was impacted by the combination of a rising risk-free rate environment and a widening of credit spreads, resulting in a capital decline of 6.5%. This decline was a continuation of a valuation trend that commenced in the second half of 2022, coinciding with an elevated risk-free interest rate environment. The Fund's open-ended structure is predicated on ensuring that Fund investments fairly reflect market value, providing the basis by which investors can invest into or redeem investment policies.

Looking at longer-term performance, the Fund delivered trailing 3-, 5- and 10-year performance of 5.1%, 5.4% and 5.8%. Performance has been driven by favourable portfolio construction, with more than 70% of the portfolio allocated to industrial, multi-residential and retail. These sectors continue to benefit from Canada's demographics, generating resilient demand for housing, logistics, and goods and services. The Fund's office portfolio is coping with Canada's elevated market vacancy, a product of the continued adoption of hybrid work models and the end of a development cycle. The combination has resulted in a national market vacancy rate approaching that of the early 1990s. As in prior cycles, the growth in the underlying economy will be critical in addressing this supply-demand imbalance. Assets with strong amenity offerings and transit connectivity will outperform. Earning the tenant's trust and the employee's commute is the path forward.

As we continue to pivot to a higher interest rate environment, real estate performance will be increasingly driven by superior portfolio allocation and asset selection. The Fund's disciplined, high-conviction investment strategy, together with a focus on enduring locations, building quality, tenant credit and a prudent capital strategy, will be the source of solid income generation. The Fund's ongoing attention to sustainability, through both ground-up development and active asset repositioning, will help reduce the portfolio's carbon footprint and be constructive to capital preservation and generation. Together, these are critical building blocks to performance.

Steven Marino,
Executive Vice President,
Portfolio Management

Craig England,
Vice President,
Portfolio Management

2023 Fund Overview

Established in 1981, the Canadian Real Estate Investment Fund No. 1 (CREIF) is one of Canada's largest open-ended real estate funds. The Fund's core objective is to provide secure, growing cash flow; a hedge against inflation; low volatility; diversification; and the potential for capital appreciation.

Marine Way Market (Vancouver, BC)

650 West Georgia (Vancouver, BC)

121 Properties

$6,312M
Gross real estate value

11%
5-year gross fund value growth

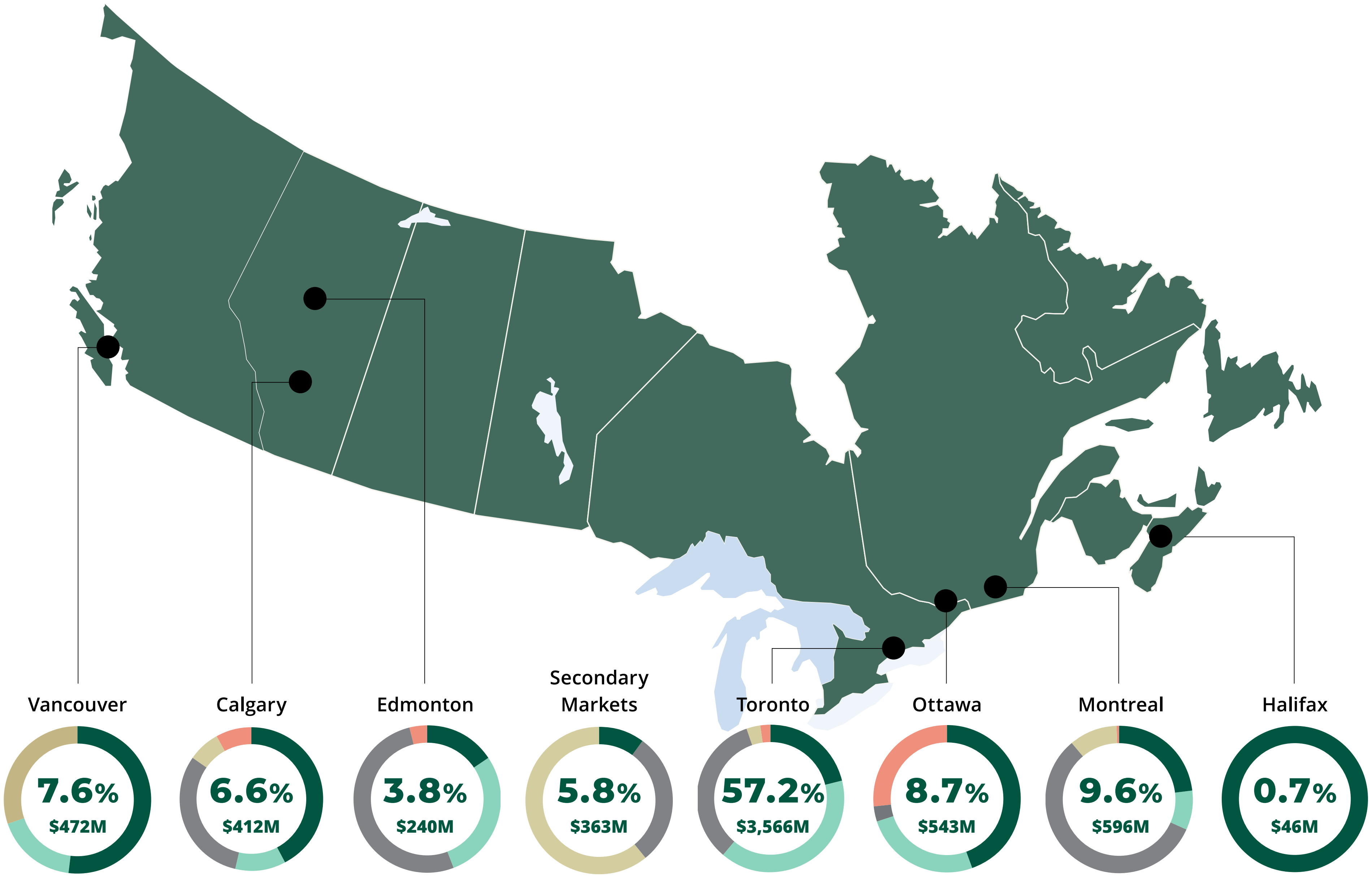
3.5%
Income return

5.8%
10-year annualized return

26.2%
Fund LTV, up 596 bps year-over-year

89%
Occupancy

Portfolio Diversification



City and Asset Class Exposure

(dollar amounts in millions)

Office Properties
27.1%
$1,688

Residential Properties
29.1%
$1,818

Industrial Properties
30.4%
$1,899

Retail Properties
9.1%
$569

Other
4.2%
$264

Note: Percentages may not add to 100% due to rounding

Development

Livmore Westboro

300 McRae Avenue, Ottawa, ON ($158M)

- 26-storey, 336-unit rental apartment project
- Construction start: Q3 2021
- Construction completion: Q3 2024
- Lease up | stabilization: Q1 2024 | Q4 2025
- First occupancy targeted for Q1 2024. Marketing and leasing activities continue with first tenants moving in April 1, 2024. Substantial completion and phase 2 occupancy are on target for June 1, 2024.

Enfield Place

185 Enfield Place, Mississauga, ON ($80M)

- 40% ownership
- 35-storey, 365-unit rental apartment project
- Construction start: Q4 2020
- Construction completion: Q4 2024
- Lease up | stabilization: Q3 2024 | Q3 2025

Abbotside Way

261 Abbotside Way, Caledon, ON ($45M)

- 138,617 sq. ft. mid-bay new generation industrial warehouse
- Construction start: Q4 2021
- Construction completion: Q1 2023
- Fully leased with achieved rents at a 64% premium to development pro forma
- Project was completed $387K under budget

McLellan Industrial Lands

Calgary, AB ($320M)

- Net 128-acre, zoned industrial land parcel
- 2.2 million sq. ft. of phased new generation premises with an opportunity to build a diverse offering of units varying in size from small to large bay
- Site work has commenced, with potential for phase 1 build out to start in 2025

140 19th Street West

North Vancouver, BC ($75M)

- 100% ownership of a multi-family site with an existing 33-unit apartment building in Vancouver's Central Lonsdale
- Site slated for future redevelopment, adding ~90 purpose-built residential units
- Current status: pre-development

1055 Harwood

Vancouver, BC ($30M)

- 50% ownership of a multi-family site with an existing 31-unit apartment building in a strong West End rental neighbourhood
- Site slated for future redevelopment, adding multi-family density to an undersupplied node
- Current status: pre-development

Investment Activity

The headwinds facing real estate in the latter half of 2022 continued to impact 2023 Canadian transaction activity, which remained muted as the Bank of Canada remained persistent with a restrictive monetary policy and the cost of capital continued to rise. Transaction volumes declined 15% relative to 2022 and were sustained by foreign investment capital and private real estate activity, while institutional capital took a cautious sideline. Focus on industrial assets continued, constituting half of all investment activity in 2023. The Fund's investment program for the year consisted of several opportune dispositions, including a single-tenanted, suburban office asset, which traded at a premium to book value, and two non-core, industrial portfolios in Laval, Quebec, and Brampton, Ontario.

The Fund crystalized on value at the onset of Q2, as it divested its 25% ownership in a suburban, non-core office building located in Mississauga, Ontario. As the Fund continues to recycle capital into new portfolio opportunities, including the construction of a robust development pipeline, the ability to liquidate older generation, off-strategy assets, such as 7070 Mississauga, allows the Fund to continue to improve the age and quality of the overall portfolio while reducing exposure to the office asset class.

7070 Mississauga (Mississauga, ON)

In Q3, the Fund sold a 100% owned, two-building, B-class industrial portfolio in St. Laurent, Quebec, located along the corridor near the Montréal-Trudeau International Airport. The multi-tenanted Trans-Canada Portfolio maintains gross leasable area totalling over 200,000 square feet and was constructed in 1985, clearing 18 feet on the interior.

9305-9405 Trans-Canada Hwy (St. Laurent, QC)

The Fund concluded the year with a secondary industrial portfolio disposition at a 50% interest in Q4. Three single- and multi-tenanted buildings well located in Brampton, Ontario, within close proximity to Toronto Pearson International Airport and major transit hubs, are similar to the Trans-Canada Industrial Portfolio in that the legacy assets, acquired in 2004, maintain lower clear-heights of 22 to 24 feet. The Fund has benefitted from substantive capital appreciation since the assets' acquisition in 2004, proving to be an apt opportunity for the Fund to crystalize on realized value gains.

Significant Capital Projects

Ensuring the Fund is best positioned for long-term growth requires capital reinvestment into assets to help improve portfolio quality over time. Future-proofing assets through the execution of unique strategic business plans is aimed at helping increase the long-term value of assets through capital improvements. For properties to remain market competitive, upgrades to amenity sets, common areas, building technology and/or tenant spaces are required to ensure the real property is meeting the needs of tenants. Even functional upgrades to mechanical systems are an opportunity to evaluate investing capital into alternative options the help move an asset along in its path towards net-zero carbon emissions. The Fund has invested in numerous key projects in 2023 that aim to improve the quality and stock of its holdings, including the completion of a lobby renovation and end-of-trip facility at 200 Graham in Winnipeg, Manitoba, and making major headway on the lobby and exterior renovations at 1 Adelaide in Toronto. As the office market continues to face headwinds and skew in favour of tenants, property owners are competing for tenants by offering spaces that are ready to move in, where little modification is required and turnaround time is shorter. As a result, the Fund has shifted its focus to building out several model suites at any given time across the office portfolio, to ensure the process of building out these desired spaces through to lease up is seamless and continuous.

As buildings age, there is a need for not only functional improvements, but for the properties to serve and add value to the communities where they are located. The Fund looks to support local arts and culture programs and charitable organizations wherever possible within project scope. This includes pursuing the Rick Hansen Foundation Accessibility Certification (RHFAC) at the Fund's properties. RHFAC recognizes an organization's commitment to accessibility through formal certification, by measuring "the level of meaningful accessibility of a site based on the holistic user experience of people with varying disabilities affecting their mobility, vision and hearing." Fund properties such as 1 Adelaide and North York City Centre are certified under RHFAC Version 3, and other portfolio assets are working towards RHFAC certification, such as 33 Yonge, Gulf Canada Square and 1350-1360 René-Lévesque, to name a few.


1 Adelaide (Toronto, ON)

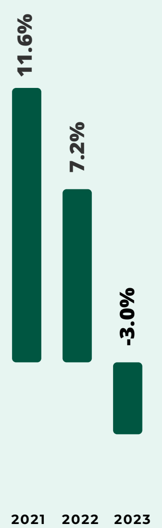
200 Graham (Winnipeg, MB)

Rick Hansen Foundation Accessibility Certification recognizes an organization's commitment to accessibility through formal certification, by measuring the level of meaningful accessibility of a site based on the holistic user experience of people with varying disabilities affecting their mobility, vision and hearing.

Performance and Attribution

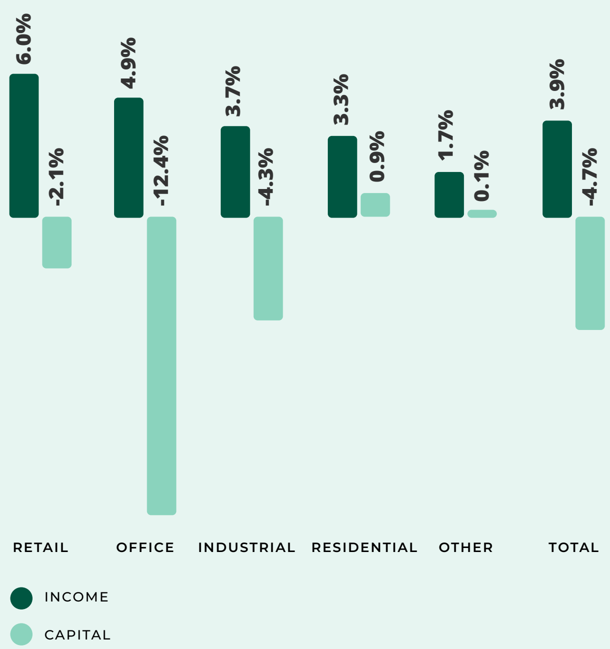
The Great-West Life Canadian Real Estate Investment Fund No. 1 delivered a -3.0% gross annual return in 2023. Income was resilient at 3.5% as the total portfolio occupancy remained strong. The Bank of Canada's target rate increases and the resulting impact on spreads affected asset valuations across all asset types, resulting in an overall capital decline of 6.5%. Well-managed, diversified, core Canadian real estate investments benefit from the strength of a dependable income component, irrespective of capital market conditions. Over the long run, future compounding and limited correlation to other investment types allows real estate to be an attractive investment holding. The Fund has delivered on long-term performance, with total returns of 5.1%, 5.4% and 5.8% on a 3-, 5- and 10-year basis, respectively.

Total Return



3 Year	5.1%
5 Year	5.4%
10 Year	5.8%

Performance by Asset Class



Fund Weighting and Attribution by Region

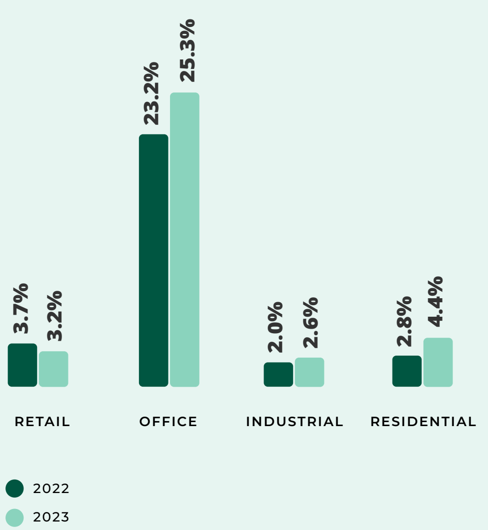
Fund Weighting and Attribution by Asset Class

Note: Percentages may not add to 100% due to rounding

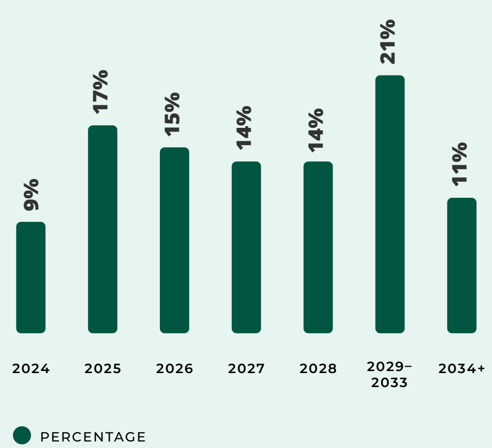
Occupancy

The Fund employs a core Canadian investment strategy through a diversified asset class mix, which ensures the portfolio benefits from the unique investment merits of each asset type. Although back-to-office attendance has improved since 2022, the office sector continues to endure headwinds that have impacted the office portfolio's overall occupancy. Conversely, strong demand in retail, residential and industrial markets have supported the Fund's sub-5% vacancy rate across the three asset classes. The overall portfolio remains well occupied at the end of 2023 at 89%, and the Fund maintains a very well-balanced lease maturity profile that boasts a weighted average lease term of 4.9 years.

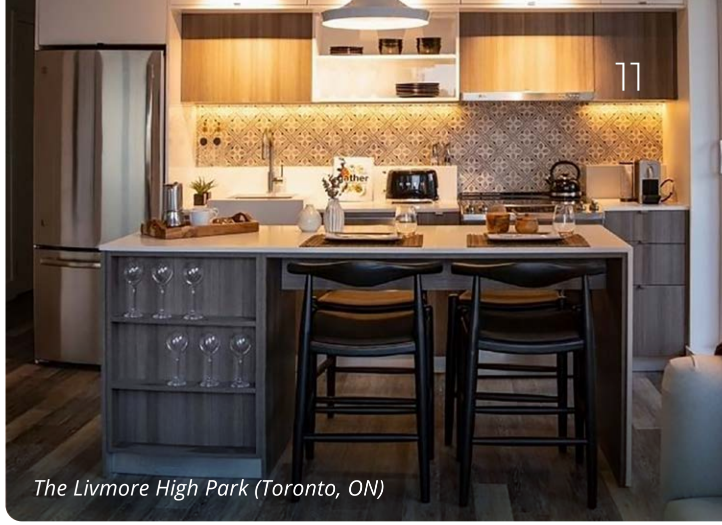
Vacancy Summary by Asset Class



Lease Expiry Profile



1 Adelaide (Toronto, ON)



The Livmore High Park (Toronto, ON)

8350 Lawson (Milton, ON)

17%
Maximum single-year rollover exposure

20.7%
Percentage of portfolio with 2029+ lease maturities

97.4%
Industrial occupancy

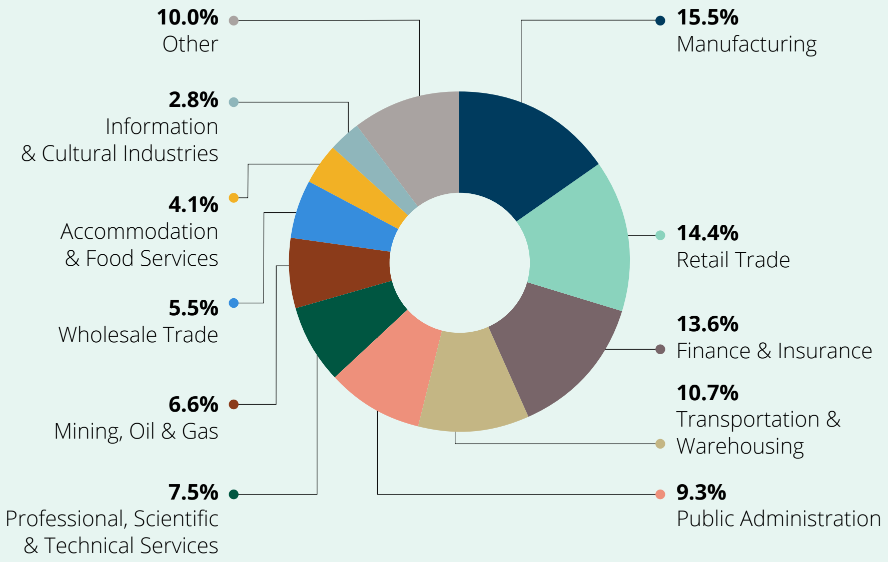
55%
Upside on Industrial leases expiring over the next 24 months. $11.15 average in-place rent vs. $17.38 average market rent.

Tenant Diversification

Over 1,200 unique commercial leases stemming from a wide range of industries in addition to the over 5,900 individual residential tenancies provide the Fund with a broadly diversified income stream and limited single covenant exposure. Outside of government-related entities, no single tenant in the portfolio represents more than 4% of contractual base rent.

Westbank Hub North (Kelowna, BC)

Tenant Distribution



Portfolio and Tenant Diversification

Ranking	Tenant	Annual Base Rent (K)	% of Total Portfolio (Base Rent)	Commercial Portfolio (K sq. ft.)
1	Federal & Provincial Government	$17,349	8.9%	909
2	ConocoPhillips Canada	$8,096	4.2%	238
3	Home Depot	$7,164	3.7%	815
4	Wal-Mart	$5,010	2.6%	498
5	Scotiabank	$4,634	2.4%	182
6	Canada Life	$3,536	1.8%	162
7	Portside Warehouses	$3,397	1.7%	214
8	Intramodal Warehouse	$3,290	1.7%	411
9	Toronto Transit Commission	$3,117	1.6%	151
10	Amazon	$1,651	0.8%	159
	Top 10 Tenants	**$57,244**	**29.4%**	**3,739**
	Other	$137,760	70.6%	8,957
	Total	**$195,004**	**100.0%**	**12,696**

Debt Profile

Over the course of 2023, the Fund has reached its loan-to-value (LTV) strategic target, which increased by 600 bps to 26.2%. Highlights include ~$173M of CMHC insured financing on apartment buildings in High Park, Toronto, and ~$100M of new proceeds across two Quebec and Ontario industrial portfolios. All financing in the Fund is done on a fixed rate basis and scheduled to ensure a balanced maturity profile. The weighted average interest rate on the Fund's mortgage debt at year-end was 3.7%.

26.2%
Portfolio LTV

$1.75B
Outstanding fixed rate debt

62 months
Weighted average duration

3.7%
Weighted average coupon

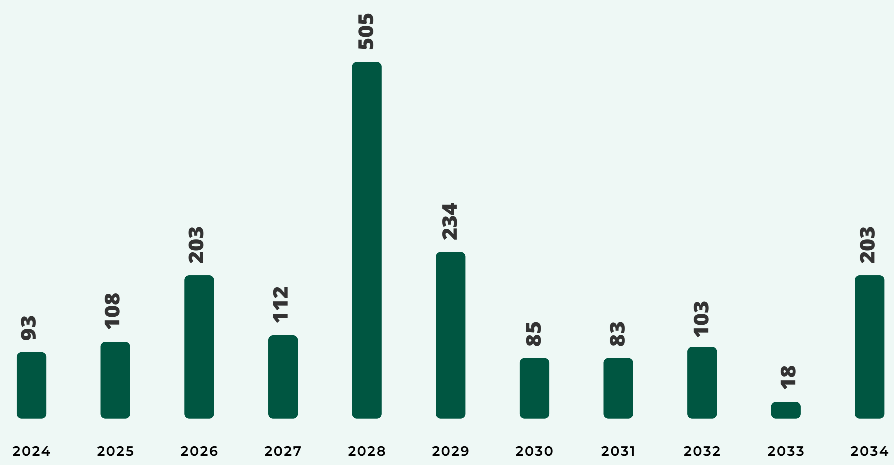
$619M
CMHC financing

47
Mortgages with average balance of $37.5M

+76 bps
Total leverage impact

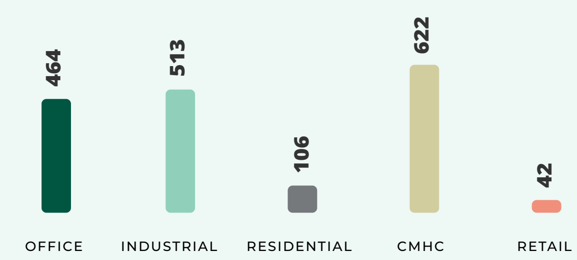
Debt Balance Maturity Profile

Balance at maturity ($M)



Summary by Asset Class

Balance ($M)



Research

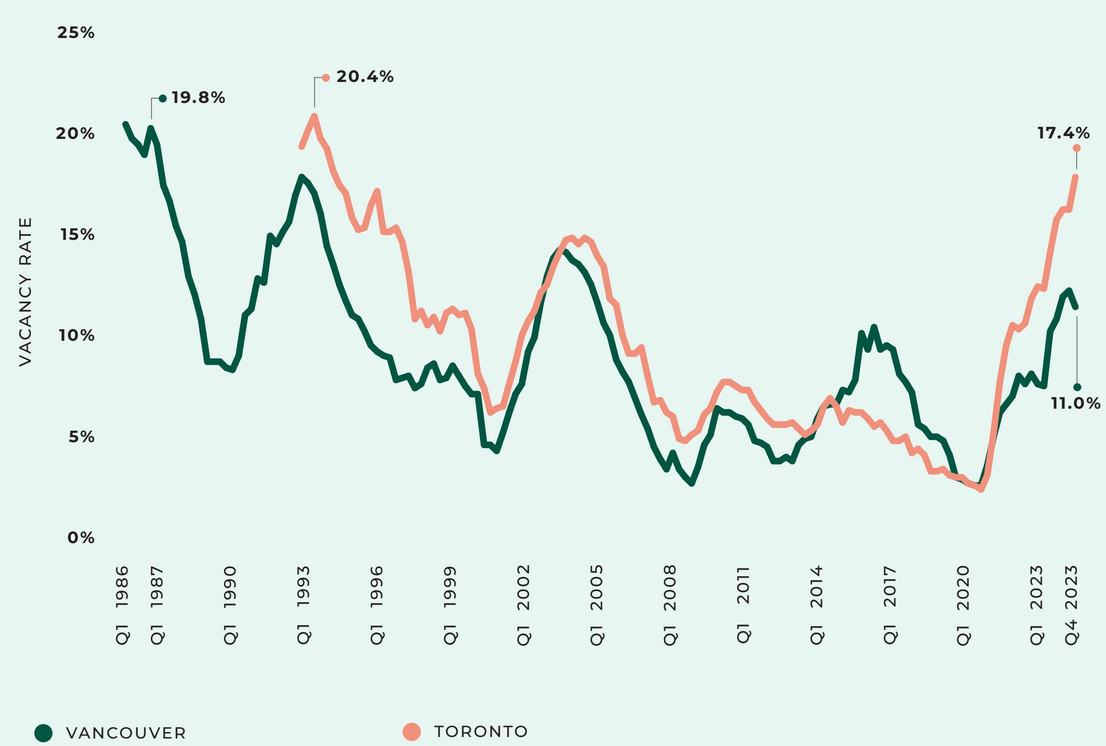
Understanding Office in 2024: Normal Office Market Cycles Encounter the Paperless and Digital Workplace Era

Office vacancy rates post-COVID have increased because of both cyclical and structural factors – a wave of new supply combined with a longer-term trend in office work going paperless and wireless. COVID-19 did not create either circumstance. GWL Realty Advisors (GWLRA) analysis reveals that office space remains in demand although it will take time to work through elevated vacancy.

The Normalcy of Office Cycles

Because of building size, development timelines and capital costs, the office asset class experiences more pronounced cycles and greater fluctuations in vacancy than other asset types. Vacancy rates typically fall when the economy booms and growing organizations lease more space. Eventually low availability triggers new, large developments. When these finally open, the economy has often slowed alongside new demand. While new buildings tend to be pre-leased, it is often by tenants vacating older buildings, which are then slower to re-lease during a sluggish economy, resulting in higher vacancy rates.

Figure 1: Downtown Office Vacancy



(Source: CBRE)

The Digital Impact: Structural Downward Shift in Office Requirements Per Worker

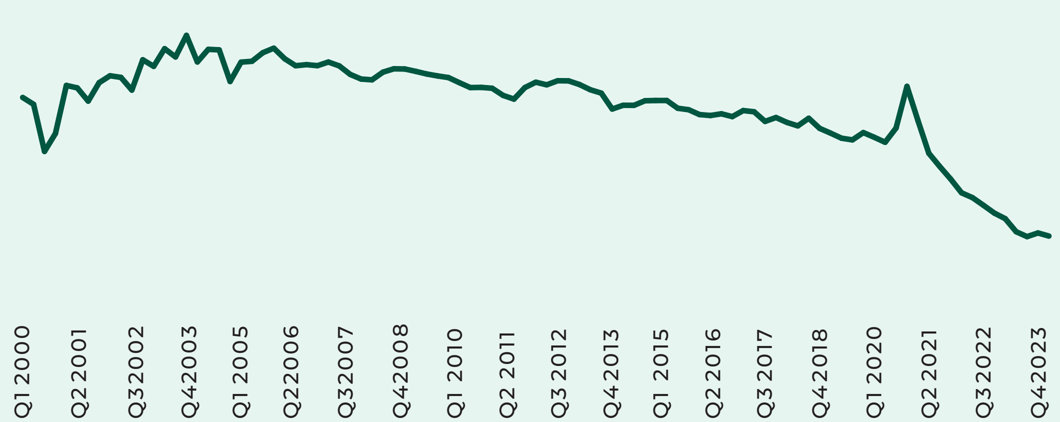
The biggest difference between pre- and post-COVID office work is the final embrace of being fully digital. Paper copies are no longer the masters. Digitally signed documents – such as via "Docusign" – are now the version archived. There is no need for vast banks of filing cabinets and tall shelves filled with paper. Legal, accounting and financial firms have collectively shed tens of thousands of square feet across Canada previously used to store law libraries, case files, client reports and other paper.

Additional workplace efficiencies come from wifi-enabled laptops along with smart phones, which have removed the need for physical cables that previously tethered office workers to a single assigned desk. These shifts also enabled occasional remote work for many, regular telecommuting for some, and offshoring for certain roles, all slowly reducing office requirements per employee.

Although COVID-19 accelerated these trends, reducing paper and becoming mobile began in the early 2000s. During these years, the amount of office space leased per worker began to decline steadily, as Figure 2 illustrates. As leases expired and technologies evolved, organizations looked to remake their spaces, taking fewer square feet per person.

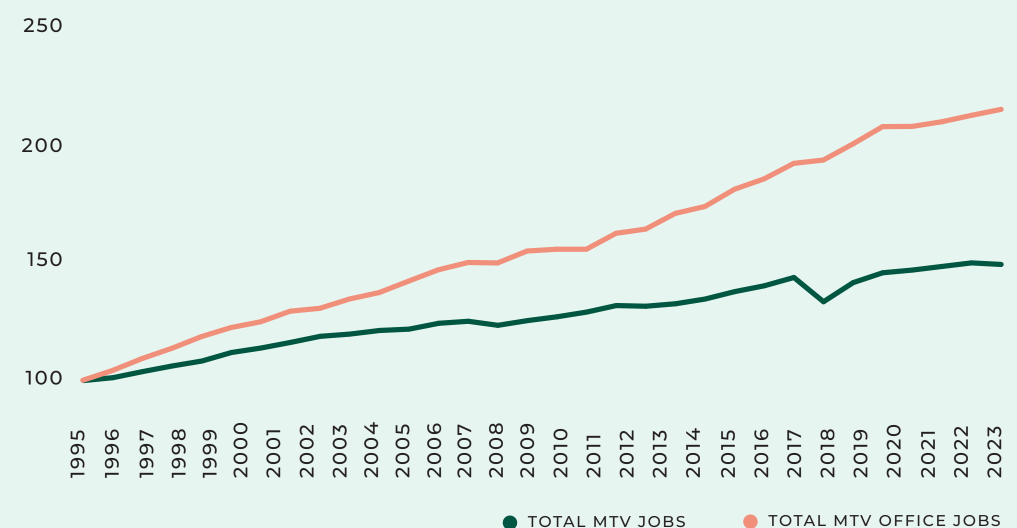
Strong office-oriented job growth trends partially hid this transition to less space per worker. Office-oriented employment from 2010–2020 expanded 26% in the three largest Canadian metros, whereas total jobs grew only 11% (see Figure 3). Today, office-oriented employment growth has slowed or stalled, making the reduced demand per person more visible.

Figure 2: Canada Office Utilization Rate (occupied office space per office-oriented job)



Data: CBRE; Conference Board of Canada; GWLRA Calculations

Figure 3: Total Average Annual Employment Growth vs Average Annual Office Employment Growth, Indexed to 1995 (Montreal-Toronto-Vancouver combined)



Data: Conference Board of Canada

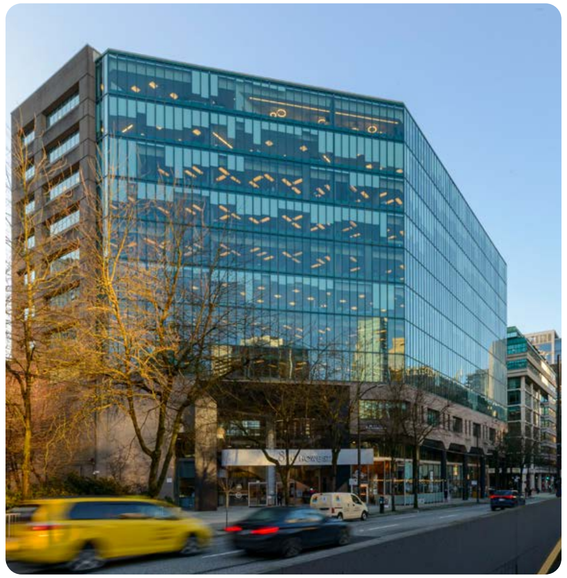
Looking Ahead: Confidence in Office Conditions Improving

This shift to less space required per person is a one-time structural change in office usage patterns. As the last long-term leases that allocated space for vast amounts of paper come to an end, the impact will be fully absorbed within the office markets.

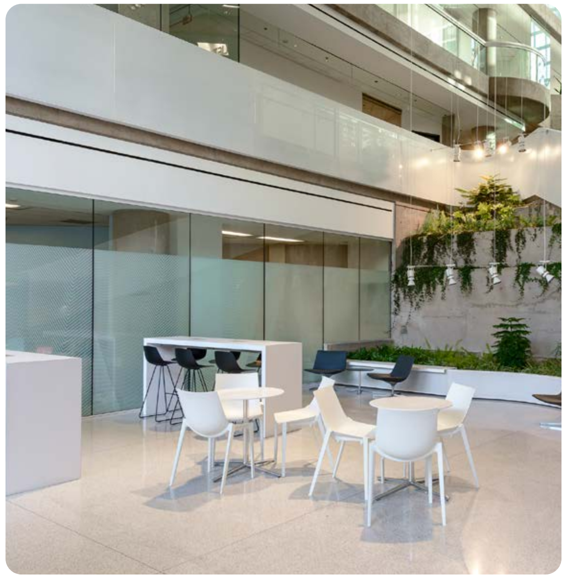
A gradual, cyclical recovery is taking place. In markets like downtown Toronto, where the new supply wave has not finished, we anticipate elevated vacancy for a longer duration. In Vancouver, vacancy could trend down more quickly, with other markets in between.

The Fund remains confident in the future of office as an asset class in the long term and is upgrading existing assets to better match the needs and expectations of tenants today. Model suites that tenants can move into on short notice are both popular with tenants and cost effective for landlords. A single interior layout or design can accommodate a wide variety of tenants, from tech companies to financial firms, or a variety of professional service entities – any organization that relies on mobile devices, an open plan office, and cloud computing can use the space. Increased amenities such as fitness and bike-commuting facilities, elevated food offerings, and shared tenant meeting and social spaces are further examples of upgrades that have happened or are underway across the Fund office portfolio and are attracting new tenants. Office tenants today have options, want an elevated experience, and the Fund is delivering on that need, thereby also improving the performance of our assets.

269 Laurier Ave (Ottawa, ON)



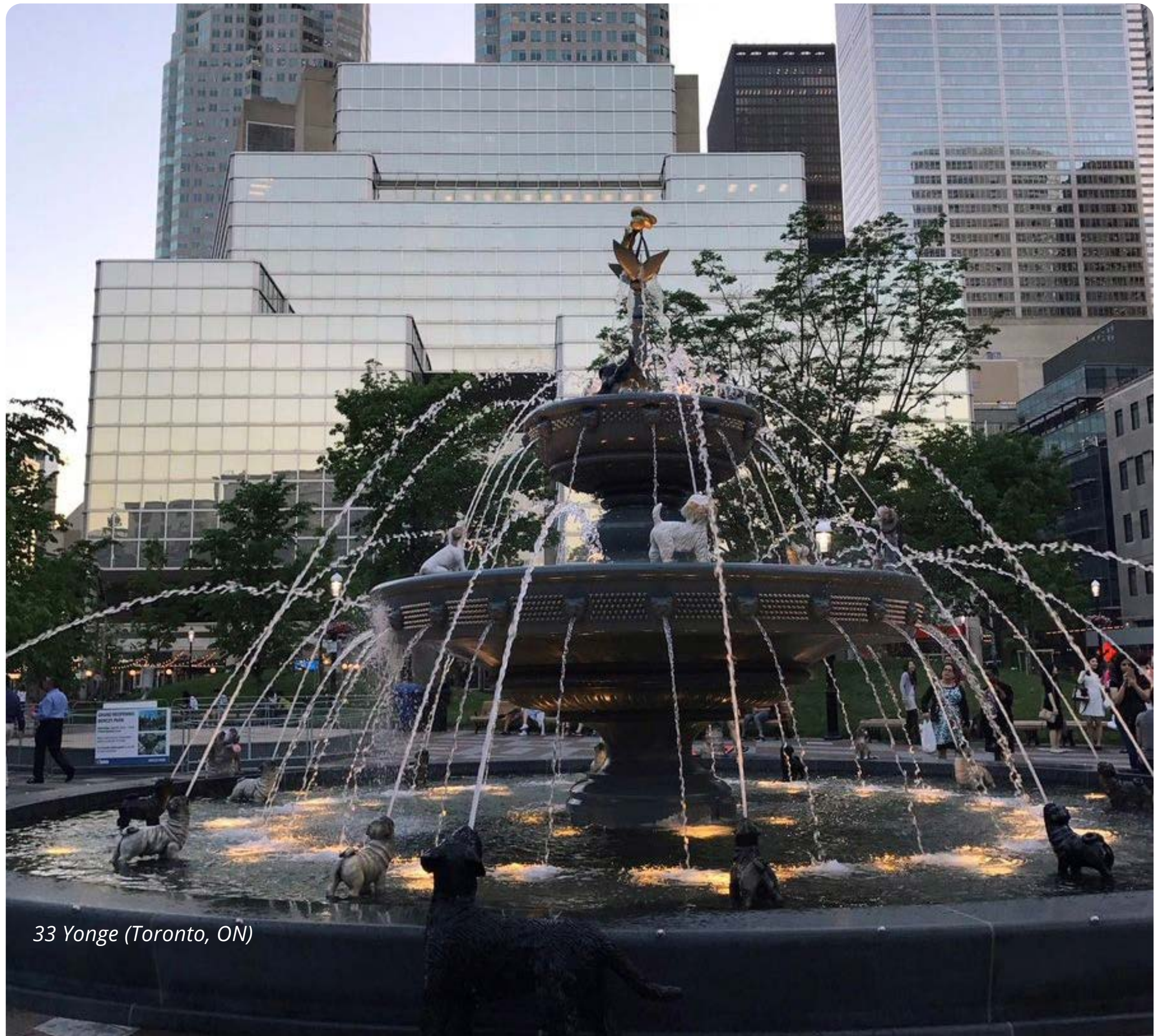
Robson Court – 840 Howe Street (Vancouver, BC)



Robson Court – 840 Howe Street (Vancouver, BC)

Environmental Sustainability

Consideration of sustainability issues is important to the management of the Fund's assets. Real estate benefits from a focus on sustainability by helping to preserve and grow market value, through the management of risks and appeal to investors, and can improve operating income, through efficiency and the attraction and retention of tenants. This is especially true when managing the impacts of climate-related physical and transition risks. The Fund works to manage both risks, most recently with the Fund Manager's new interim carbon footprint reduction goal by 2030 (see the following page for details).



33 Yonge (Toronto, ON)

The Fund itself maintains five sustainability-related ambitions[1]:

1

Reach net-zero GHG emissions across the portfolio by 2050[2].
The Fund's office and multi-residential assets decreased Scope 1 and 2 greenhouse gas (GHG) emissions by 19% between 2019 and 2023.

2

Operate efficient and healthy buildings to improve financial performance, lower operating costs, and enhance tenant satisfaction.
The Fund's office and multi-residential assets decreased energy use intensity by 15.8% between 2019 and 2023.

3

Certify 100% of the eligible portfolio under a green building certification system.
In 2023, 95% of the Fund's eligible portfolio (by floor area) was certified under LEED® and/or BOMA BEST® certifications.

4

Make positive contributions in the communities where the Fund invests.
Throughout the development process, the Fund Manager collaborates with communities to consider their long-term interests are met and value is added.

5

Conduct business with honesty and integrity.
The Fund Manager ensures all employees attest compliance with its Code of Conduct, and had its employees collectively complete 3,059 hours of compliance training in 2023.

1 Our approach to sustainability reporting: The sustainability section of this report is guided by our business, peer reviews, and various sustainability standards and frameworks. Through the Fund Manager, GWL Realty Advisors, the Fund looks broadly across a variety of sustainability issues to determine those issues that matter most. This includes reference to GRESB, GRI Standards, and the GRI-G4 Construction and Real Estate Sector Supplement (CRESS). The important topics are defined within the Fund Manager's Prioritization Matrix, which is used, in part, to inform the sustainability content of this report.

2 The Fund Manager, GWL Realty Advisors Inc., is a wholly owned subsidiary of Canada Life, and a member of the Great-West Lifeco Inc. group of companies. For more information on Great-West Lifeco's climate-related goals, please see Advancing Inclusive Growth: Impact, Inclusion, and Citizenship.

GRESB Performance

The Fund made its sixth submission to GRESB in 2023, earning a 4-Star rating. The Fund placed in the top 21% globally in the Diversified/Non-Listed/Core category, out of 311 submissions. The Fund's manager, GWL Realty Advisors, also earned a 4-Star rating for its managed portfolio.

GRESB is the defining global sustainability assessment for real asset funds and companies. The 2023 benchmark covered more than 2,000 property companies, real estate investment trusts (REITs), funds, and developers. The GRESB real estate assessment represents US $7.2 trillion in real asset value.

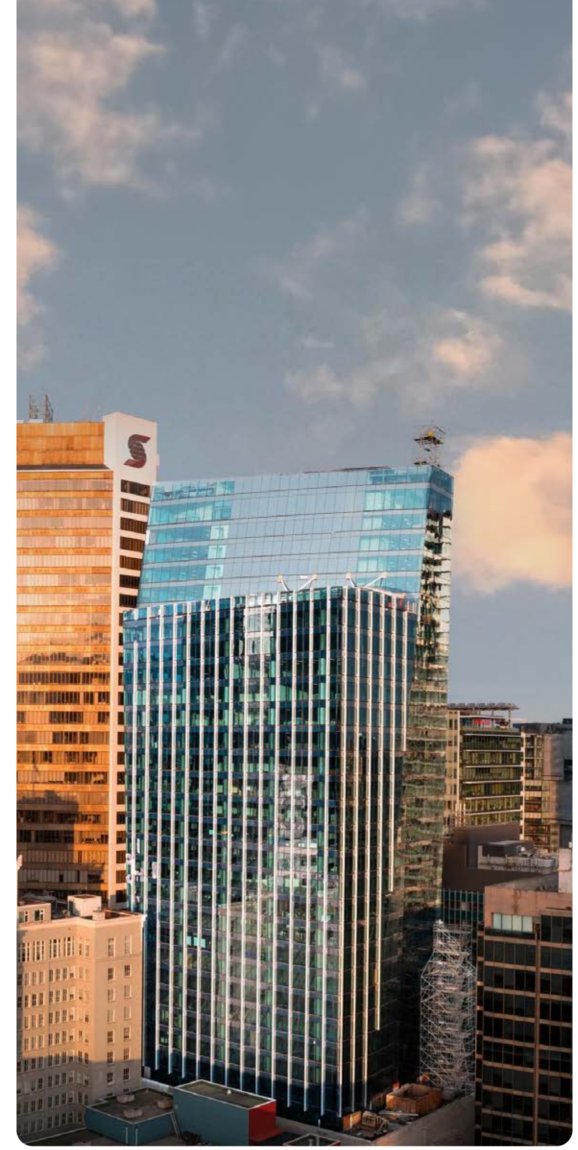
Climate Change Risk Management

Further to the Fund's ambition to achieve net-zero GHG emissions by 2050, the Fund Manager set an interim carbon footprint[1] reduction goal of a 50% reduction by 2030, relative to a 2019 baseline. Together, these goals lay the foundation to help position the Fund's assets to make substantive reductions in GHG emissions.

To make progress toward these, the Fund Manager built an asset prioritization plan, with screening criteria to identify those assets that are the best candidates for decarbonization studies. This process has led to the completion of 19 studies over the past three years and planning for up to nine additional studies in 2024. To deliver a standardized, comparable approach, all teams use a common scope of work to ensure quality, actionable studies that provide a comprehensive roadmap for decarbonization. The studies will also inform budgeting and individual asset's business plans.

The Fund has phased in a three-fold program to manage climate-related physical hazards: exposure, vulnerability and adaptation. The first phase, completed in 2020, was to understand risk exposure by screening all existing assets and developing a policy to screen all new acquisitions against 20 hazard indices to understand inherent physical risks at each site. The second phase, completed last year, entailed focused vulnerability assessments of four assets with relatively higher exposure to physical hazards.

The final phase now in progress is adaptation, where recommendations from the assessments are implemented and adopted into long-term capital plans for those assets, and consolidated into transferable measures that assets across the portfolio can adopt. These measures will be shared with all property teams to enhance their awareness of climate risks and the knowledge required to improve resilience to long-term climate risks.



Vancouver Centre II (Vancouver, BC)

1 Carbon footprint is measured in tonnes of carbon dioxide equivalent per market value of assets (tCO_2e/$million CAD), and covers whole-building GHG emissions from energy use.

Environmental Sustainability Performance, 2019–2023

Overall, between 2019 and 2023, the Fund's office and multi-residential portfolios reduced:

1

Scope 1, 2 and 3 GHG emissions by 15.7%, or 8,775 tonnes of CO_2e
equivalent to taking 2,188 cars off the road for one year[1]

2

Energy consumption by 12.8% and energy intensity by 15.8%
equivalent to the annual energy use of 1,281 Canadian homes[2]

3

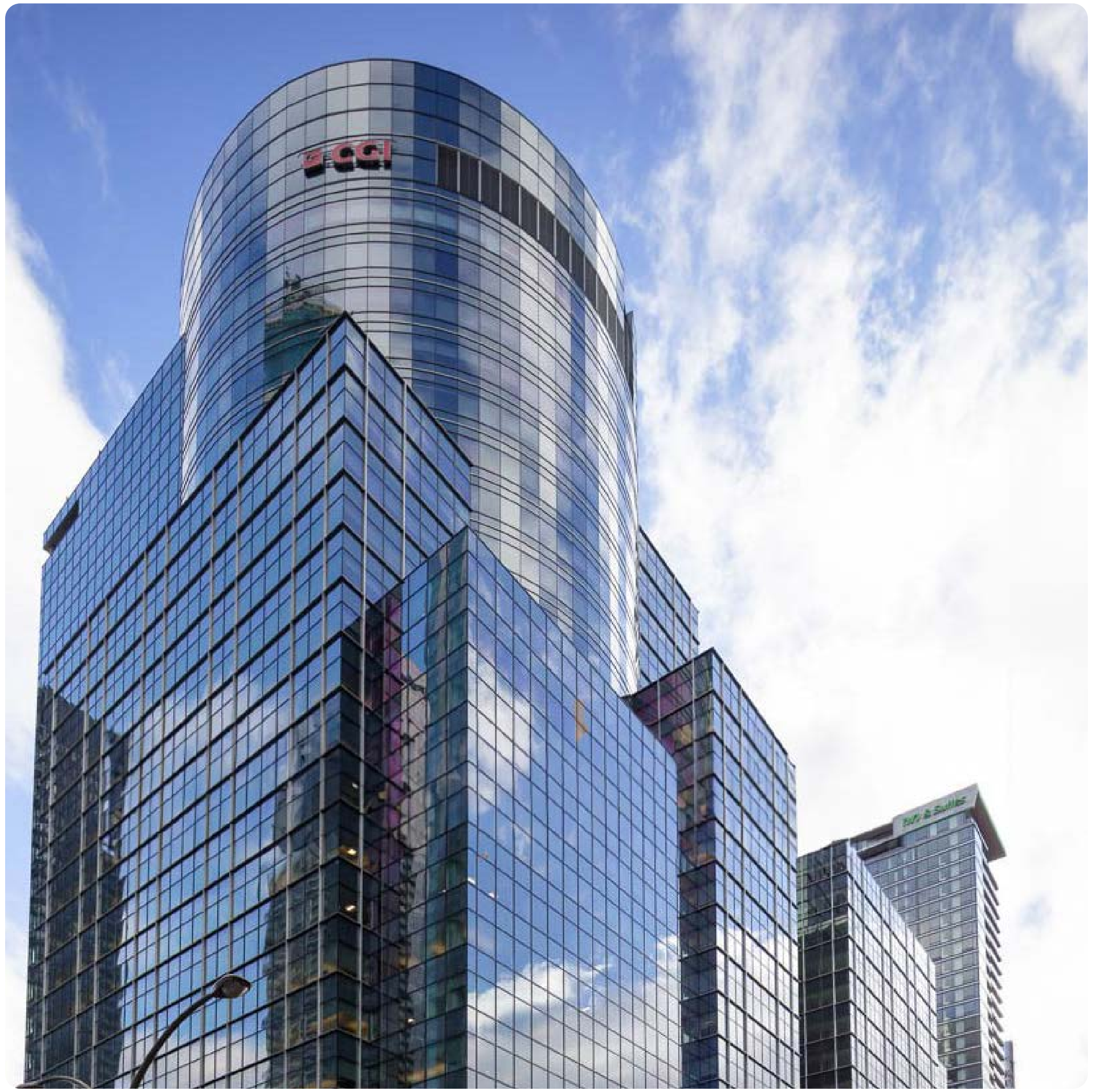
Water consumption by 6.1% and water intensity by 9.3%
equivalent to 2.2 Olympic-sized swimming pools[3]

4

Waste to landfill by 4.7%
equivalent to 146 mid-sized cars[4]

This year, the Fund updated its base year from 2013 to 2019 to align with its reduction goals and continued to improve utility data coverage across its industrial and retail sites.

The environmental data for the Fund's office and residential portfolios is part of an external assurance under *ISAE 3410: Assurance Engagements on Greenhouse Gas Statements*[5], and is prepared in line with the World Resource Institute's *(WRI) GHG Protocol Corporate Accounting and Reporting Standard*.



1350-1360 René-Lévesque West (Montreal, QC)

1 US EPA, Greenhouse Gas Equivalencies Calculator. Scope 3 GHG emissions include emissions associated with waste to landfill and water consumption.
2 Average energy use is 90.5 GJ/household/yr, from Statistics Canada, Households and the Environment Survey: Energy use, 2019
3 The standard size of an Olympic-sized swimming pool is 2,500 m^3
4 The average curb weight of a mid-sized car is taken as ≈3,500 lbs
5 An independent third party has performed a limited assurance engagement for select environmental key performance indicators for the Fund Manager's parent company, Great-West Lifeco Inc., for purposes of reporting to the CDP. These select key performance indicators include the GHG emissions data for the Fund's office and multi-residential portfolios. You can read more about the select key performance indicators and data in scope of the assurance on the CDP website.

Certifications, Recognition and Awards

Over the past decade, Fund assets received 48 industry awards, certificates and recognitions, including eight in 2023, related to sustainability, operational excellence and/or tenant engagement.

2023 Notable Accomplishments

155 University
The Outstanding Building of the Year (TOBY) Award (100k–249k ft²), BOMA Canada

840 Howe
LEAP Sustainability Innovator – Technology Award, HOOPP

Vancouver Centre II
IBCON Most Intelligent Office Building, Realcomm

North York Centre
Certificate of Excellence in Building Management, BOMA Toronto

In 2023, 95% of the Fund's eligible portfolio attained either LEED® and/or BOMA BEST® green building certifications, covering 25M square feet. All the Fund's office assets aspired to achieve a minimum BOMA BEST® Gold level certification by 2023. At year-end 2023, 86% of the Fund's office properties met this goal, with the remaining four eligible assets having attained the next highest level, Silver. Going forward, the Fund Manager will continue to strive to attain a minimum BOMA BEST® or LEED® Gold level certification for all its office assets.

Platinum	Gold	Silver	Bronze	Certified
8%	30%	19%	7%	36%

BOMA BEST® Certifications by Level, as at Year-End 2023 (84 Assets)

The Fund's office assets strategically pursue building-level certifications related to health and wellness, accessibility, and technology and connectivity. Assets are certified or pursuing 12 such certifications, including Fitwel®, WELL®, Rick Hansen Foundation Accessibility Certification®, and WiredScore®.

Deloitte.

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Independent Auditor's Report

To the Contractholders of Canadian Real Estate Investment Fund No. 1 (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, changes in net assets attributable to contractholders and cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS and the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

/s/ Deloitte LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 14, 2024

2023 Audited Financial Statements

Fund Manager: GWL Realty Advisors Inc.

Statement of Financial Position

(in Canadian $ thousands)	December 31, 2023	December 31, 2022
Assets		
Cash and short-term deposits	$ 188,327	$ 263,159
Investment income due and accrued	529	404
Due from The Canada Life Assurance Company (note 9)	237	—
Due from brokers	—	—
Due from outside parties	52,214	57,217
Investments		
Bonds	132,140	151,783
Investment properties	6,324,796	6,515,160
Total investments	6,456,936	6,666,943
Total assets	$ 6,698,243	$ 6,987,723
Liabilities		
Due to The Canada Life Assurance Company (note 9)	$ —	$ 1,589
Due to brokers	15	15
Due to outside parties	187,608	160,311
Lease liabilities (note 3)	73,779	74,830
Mortgages on investment properties (note 4)	1,685,737	1,365,435
Total liabilities excluding net assets attributable to contractholders	1,947,139	1,602,180
Net assets attributable to contractholders	$ 4,751,104	$ 5,385,543

Statement of Comprehensive Income

For the years ended (in Canadian $ thousands)	December 31, 2023	December 31, 2022
Income		
Net gain (loss) on investments	$ (315,824)	$ 207,150
Investment properties income	455,129	434,412
Miscellaneous income (loss)	150	281
Total income (loss)	139,455	641,843
Expenses		
Management fees (note 9)	13,233	16,137
Investment properties expenses	289,141	258,909
Transaction costs	—	—
Withholding taxes	—	—
Other	1,459	1,772
Total expenses	303,833	276,818
Net increase (decrease) in net assets from operations attributable to contractholders	$ (164,378)	$ 365,025

Statement of Changes in Net Assets Attributable to Contractholders

For the years ended (in Canadian $ thousands)	December 31, 2023	December 31, 2022
Net assets attributable to contractholders – beginning of year	$ 5,385,543	$ 5,315,909
Contractholder deposits	23,199	203,494
Contractholder withdrawals	(493,260)	(498,885)
Increase (decrease) in net assets from operations attributable to contractholders	(164,378)	365,025
Change in net assets attributable to contractholders	(634,439)	69,634
Net assets attributable to contractholders – end of year	$ 4,751,104	$ 5,385,543

Statement of Cash Flows

For the years ended December 31 (in Canadian $ thousands)	2023	2022
Net Inflow (Outflow) of Cash Related to the Following Activities		
Operating Activities		
Increase (decrease) in net assets from operations attributable to contractholders	**$ (164,378)**	$ 365,025
Adjustments		
Add back amortization of lease inducements	**12,002**	19,386
Add back interest expense on lease liabilities (note 3)	**1,768**	1,793
Less lease payments and disposals (note 3)	**(2,819)**	(2,820)
Realized (gains) losses		
Bonds	**4,253**	1,485
Investment properties	**(67,917)**	1,751
Unrealized (gains) losses		
Bonds	**(7,787)**	2,585
Investment properties	**361,563**	(87,880)
Gross proceeds of disposition		
Bonds	**159,606**	100,460
Investment properties	**112,160**	9,839
Gross payments for purchases		
Bonds	**(113,323)**	(34,438)
Investment properties	**(227,444)**	(303,437)
Change in investment income due and accrued	**(125)**	1
Change in due from/to The Canada Life Assurance Company	**(1,826)**	1,913
Change in due from/to outside parties	**32,300**	30,001
Change in mortgages on investment properties	**320,302**	225,399
	418,335	331,063

For the years ended December 31 (in Canadian $ thousands)	2023	2022
Financing Activities		
Contractholder deposits	**23,199**	203,494
Contractholder withdrawals	**(493,260)**	(498,885)
	(470,061)	(295,391)
Net increase (decrease) in cash and short-term deposits (less than 90 days)	**(51,726)**	35,672
Cash and short-term deposits (less than 90 days), beginning of year	**203,718**	168,046
Cash and short-term deposits (less than 90 days), end of year	**$ 151,992**	$ 203,718
Cash and short-term deposits comprises		
Cash and short-term deposits (less than 90 days)	**$ 151,992**	$ 203,718
Cash and short-term deposits (90 days to less than a year)	**36,335**	59,441
Cash and short-term deposits, end of year	**$ 188,327**	$ 263,159
Supplementary cash flow information		
Interest income received	**$ 2,811**	$ 3,150
Mortgage interest paid	**55,472**	39,323

Schedule of Investment Portfolio

(in Canadian $ thousands, except number of units, shares or par value)

As at December 31, 2023	No. of Units, Shares or Par Value	Average Cost	Fair Value
Canadian Bonds			
Federal Government			
Canada Housing Trust No. 1 1.80% 12-15-2024	37,000,000	35,376	36,047
Canada Housing Trust No. 1 2.55% 03-15-2025	17,500,000	17,112	17,136
Canada Housing Trust No. 1 2.90% 06-15-2024	17,500,000	17,229	17,334
Government of Canada 0.75% 02-01-2024	42,000,000	41,258	41,860
Government of Canada 2.75% 08-01-2024	20,000,000	19,578	19,763
Total Federal Government		130,553	132,140
Total Canadian Bonds		130,553	132,140
Total Bonds		130,553	132,140

Schedule of Investment Portfolio

(in Canadian $ thousands, except net rentable area (N.R.A.))

As at December 31, 2023

Investment Properties

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
British Columbia										
650 West Georgia Street * [1] Vancouver, British Columbia	25.00%	Office	12-Dec-01	38,174	86,103	31-Dec-23	117,384	89.35%	—	3,532
4600 Jacombs Road Richmond, British Columbia	50.00%	Office	18-Sep-02	9,492	12,750	31-Dec-23	37,595	100.00%	—	580
840 Howe Street * Vancouver, British Columbia	50.00%	Office	1-Mar-97	26,451	79,450	31-Dec-23	100,062	100.00%	—	3,107
7200 Market Crossing Burnaby, British Columbia	50.00%	Retail	23-Oct-17	87,556	77,050	31-Dec-23	133,461	100.00%	—	3,483
3200 Island Highway Nanaimo, British Columbia	52.45%	Retail	1-Jun-06	56,407	52,587	31-Dec-23	207,353	94.62%	(27,868)	2,994
7488 King George Highway Surrey, British Columbia	70.00%	Retail	16-Apr-08	31,686	41,370	31-Dec-23	101,087	100.00%	—	2,059
14815 – 108th Avenue Surrey, British Columbia	69.93%	Retail	1-Jun-06	22,272	12,098	31-Dec-23	71,283	98.04%	—	577
2401 Millstream Road Victoria, British Columbia	70.00%	Retail	2-Aug-07	76,542	58,310	31-Dec-23	184,476	96.05%	—	2,981
1500 & 1575 Banks Road Kelowna, British Columbia	70.00%	Retail	3-Nov-08	37,011	35,420	31-Dec-23	105,468	90.67%	—	1,593
2130 Louie Drive West Kelowna, British Columbia	100.00%	Retail	15-Mar-17	65,995	46,700	31-Dec-23	256,822	93.46%	—	2,160
4750 Arbutus Street Vancouver, British Columbia	50.00%	Residential	10-Jan-02	12,653	30,350	31-Dec-23	39,386	100.00%	(15,681)	1,196
753 Seymour Street * Vancouver, British Columbia	25.00%	PUD	12-Dec-01	68,869	88,070	31-Dec-23	93,858	73.63%	—	3,208
140 19th Street West Vancouver, British Columbia	100.00%	Land	18-Jan-22	17,065	15,750	31-Dec-23	n/a	n/a	—	256
1055 Harwood Vancouver, British Columbia	50.00%	Land	11-Mar-22	31,756	29,550	31-Dec-23	n/a	n/a	—	93

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
Alberta										
401 – 9th Avenue S.W. * Calgary, Alberta	35.00%	Office	13-Dec-07	163,274	57,260	31-Dec-23	375,978	78.46%	—	6,479
300 – 5th Avenue S.E. * Calgary, Alberta	55.00%	Office	17-Dec-96	40,734	19,525	31-Dec-23	222,912	64.42%	—	155
605 – 5th Avenue S.W. * Calgary, Alberta	25.00%	Office	12-Jun-00	32,175	14,800	31-Dec-23	126,811	60.87%	—	(153)
530 – 8th Avenue S.W. Calgary, Alberta	75.00%	Office	10-Jul-00	97,146	59,175	31-Dec-23	307,121	74.69%	—	1,970
300 and 350 7th Avenue S.W. * Calgary, Alberta	37.50%	Office	23-Sep-05	89,406	21,413	31-Dec-23	191,439	64.43%	—	2,037
9940 – 106th Street N.W. Edmonton, Alberta	69.93%	Office	21-Jun-06	21,519	15,874	31-Dec-23	118,995	94.23%	—	2,249
9942 – 108th Street N.W. Edmonton, Alberta	69.93%	Office	21-Jun-06	20,649	14,615	31-Dec-23	111,286	66.81%	—	1,446
6703 – 68th Avenue N.W. Edmonton, Alberta	70.00%	Industrial	15-Aug-07	59,796	56,490	31-Dec-23	394,981	94.20%	—	2,635
4035 – 53rd Avenue N.W. Edmonton, Alberta	50.00%	Industrial	28-Feb-03	13,965	12,200	31-Dec-23	94,835	72.40%	—	359
3604 – 51st Avenue N.W. Edmonton, Alberta	50.00%	Industrial	28-Feb-03	5,176	6,450	31-Dec-23	39,004	100.00%	—	370
3806 – 51st Avenue N.W. Edmonton, Alberta	50.00%	Industrial	28-Feb-03	5,114	6,050	31-Dec-23	35,987	100.00%	—	169
7103 – 68th Avenue N.W. Edmonton, Alberta	70.00%	Industrial	4-May-12	54,698	43,890	31-Dec-23	264,189	95.74%	—	2,133
6301, 6315, 6325 – 106th Avenue S.E. Calgary, Alberta	70.00%	Industrial	17-Dec-14	98,795	127,610	31-Dec-23	745,500	100.00%	(58,908)	6,361
35, 65 & 69 Mackenzie Way S.W. Airdrie, Alberta	100.00%	Retail	1-Mar-17	23,067	21,900	31-Dec-23	71,152	97.38%	—	1,085
4637 Macleod Trail S.W. Calgary, Alberta	100.00%	Residential	1-Nov-96	21,802	47,100	31-Dec-23	172,838	92.35%	—	2,058
11012 Jasper Avenue Edmonton, Alberta	100.00%	Residential	30-Jun-97	34,848	50,500	31-Dec-23	182,798	93.67%	(25,630)	1,303

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
10145 – 121st Street Edmonton, Alberta	100.00%	Residential	18-Apr-98	14,600	25,600	31-Dec-23	101,533	96.84%	—	1,065
1300 – 8th Street S.W. Calgary, Alberta	100.00%	Land	23-Nov-18	6,314	2,800	31-Dec-23	n/a	n/a	—	(225)
3603 – 53rd Avenue N.W. Edmonton, Alberta	50.00%	Land	28-Feb-03	2,483	3,350	31-Dec-23	n/a	n/a	—	(63)
124 – 8th Street S.W. Airdrie, Alberta	100.00%	Land	1-Mar-17	2,411	1,500	31-Dec-23	n/a	n/a	—	(56)
1216 – 8th Street S.W. Calgary, Alberta	100.00%	Land	23-Feb-18	12,565	7,600	31-Dec-23	n/a	n/a	—	(22)
5103 – 36th Street N.W. and portion of 3604 – 51st Avenue N.W. Edmonton, Alberta	50.00%	Land	28-Feb-03	3,477	5,450	31-Dec-23	n/a	n/a	—	(96)
McLellan development land Balzac, Alberta	100.00%	PUD	20-Dec-21	28,922	31,170	31-Dec-23	n/a	n/a	—	(6)
Stoney North Phase I Balzac, Alberta	100.00%	PUD	20-Dec-21	1,425	—	31-Dec-23	n/a	n/a	—	(1)
Saskatchewan										
225 Betts Avenue Saskatoon, Saskatchewan	70.00%	Retail	24-Jul-12	60,682	43,610	31-Dec-23	177,178	98.23%	—	3,042
Manitoba										
200 Graham Avenue Winnipeg, Manitoba	100.00%	Office	22-Dec-15	57,257	27,200	31-Dec-23	150,567	59.59%	—	829
Ontario										
255 Albert Street Ottawa, Ontario	100.00%	Office	16-Jan-98	32,933	45,100	31-Dec-23	209,151	74.13%	—	2,205
5140 Yonge Street Toronto, Ontario	100.00%	Office	30-Aug-99	112,833	122,700	31-Dec-23	556,635	66.35%	(90,606)	4,887
200 University Avenue Toronto, Ontario	50.00%	Office	30-Nov-00	18,824	26,150	31-Dec-23	73,891	83.91%	—	1,229
269 Laurier Avenue West Ottawa, Ontario	50.00%	Office	1-Jan-03	40,500	75,350	31-Dec-23	179,942	98.89%	(33,400)	4,420

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
1 Adelaide Street East, 20 Victoria Street & 85 Yonge Street * Toronto, Ontario	35.00%	Office	27-Feb-19	187,801	120,750	31-Dec-23	232,061	52.63%	(76,754)	2,117
One City Centre Drive Mississauga, Ontario	40.00%	Office	17-Aug-07	43,451	26,560	31-Dec-23	119,285	61.06%	—	697
5150 – 5160 Yonge Street Toronto, Ontario	70.00%	Office	17-Oct-08	177,646	125,860	31-Dec-23	503,520	59.26%	—	1,221
200 Kent Street Ottawa, Ontario	100.00%	Office	8-Aug-12	150,227	122,200	31-Dec-23	387,286	99.70%	(66,267)	6,822
33 Yonge Street Toronto, Ontario	50.00%	Office	1-Jul-03	93,623	148,350	31-Dec-23	262,248	60.21%	(96,225)	6,199
2100 Derry Road Mississauga, Ontario	50.00%	Office	22-Sep-06	16,393	11,600	31-Dec-23	53,469	100.00%	—	809
2050 Derry Road Mississauga, Ontario	50.00%	Office	22-Sep-06	18,382	16,200	31-Dec-23	62,582	100.00%	—	824
7025 Langer Drive Mississauga, Ontario	50.00%	Office	22-Sep-06	9,678	6,350	31-Dec-23	32,306	92.65%	—	287
4 King Street West Toronto, Ontario	70.00%	Office	14-Mar-08	75,818	92,820	31-Dec-23	204,561	83.95%	—	1,336
155 University Avenue Toronto, Ontario	70.00%	Office	14-Mar-08	48,379	56,000	31-Dec-23	131,634	85.57%	—	1,932
2260 Argentia Road Mississauga, Ontario	100.00%	Industrial	1-Jun-03	16,244	33,000	31-Dec-23	130,124	100.00%	—	1,471
6665, 6675 – 6685 Millcreek Road Mississauga, Ontario	100.00%	Industrial	1-Jun-03	12,809	38,400	31-Dec-23	119,765	75.41%	—	1,415
6695 & 6705 Millcreek Road Mississauga, Ontario	100.00%	Industrial	1-Jun-03	13,936	33,800	31-Dec-23	109,801	100.00%	—	1,551
6715 & 6725 Millcreek Road Mississauga, Ontario	100.00%	Industrial	1-Jun-03	11,813	28,400	31-Dec-23	94,796	100.00%	—	1,378
2250 Argentia Road Mississauga, Ontario	100.00%	Industrial	1-Jun-03	3,044	7,200	31-Dec-23	31,910	100.00%	—	296
55 – 425 Superior Boulevard Mississauga, Ontario	35.00%	Industrial	11-Oct-01	23,619	89,040	31-Dec-23	271,924	97.48%	(17,509)	2,980

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
1 – 2, 4 – 5 & 7 Paget, 2, 4, 6, 8 & 14 Kenview, 2 Castleview and 7925 & 7965 Goreway Drive, Brampton, Ontario	35.00%	Industrial	11-Oct-01	34,762	115,220	31-Dec-23	379,946	100.00%	(30,725)	3,952
3485 Steeles Avenue East Brampton, Ontario	35.00%	Industrial	11-Oct-01	5,208	18,585	31-Dec-23	61,345	100.00%	(5,154)	725
3495 Steeles Avenue East Brampton, Ontario	35.00%	Industrial	11-Oct-01	5,860	17,850	31-Dec-23	56,121	100.00%	(5,698)	576
2679 – 2831 Bristol Circle Oakville, Ontario	35.00%	Industrial	11-Oct-01	19,800	73,045	31-Dec-23	230,980	100.00%	(13,815)	2,435
3755, 3800 A & B Laird Road and 3500 & 3600 Ridgeway Drive Mississauga, Ontario	70.00%	Industrial	21-Dec-16	64,545	120,260	31-Dec-23	351,897	97.84%	(61,398)	4,274
2844 Bristol Circle Oakville, Ontario	35.00%	Industrial	31-Jan-05	4,519	14,315	31-Dec-23	47,015	100.00%	(2,833)	361
7030 Century Avenue Mississauga, Ontario	100.00%	Industrial	18-Feb-05	8,534	13,100	31-Dec-23	67,953	100.00%	—	478
415 – 419 Milner Avenue Scarborough, Ontario	100.00%	Industrial	7-Dec-84	4,832	25,700	31-Dec-23	95,763	100.00%	—	902
445 Milner Avenue Scarborough, Ontario	100.00%	Industrial	7-Dec-84	3,150	11,700	31-Dec-23	42,165	100.00%	—	451
455 Milner Avenue Scarborough, Ontario	100.00%	Industrial	7-Dec-84	3,182	13,400	31-Dec-23	46,350	100.00%	—	661
465 Milner Avenue Scarborough, Ontario	100.00%	Industrial	7-Dec-84	3,848	17,200	31-Dec-23	57,510	93.55%	—	759
50 – 70 Novopharm Court Scarborough, Ontario	100.00%	Industrial	7-Dec-84	2,571	11,300	31-Dec-23	41,887	100.00%	—	243
8400 – 8450 Lawson Road Burlington, Ontario	70.00%	Industrial	21-Dec-07	20,155	51,310	31-Dec-23	165,190	100.00%	(25,147)	1,686
415 Thompson Drive Cambridge, Ontario	100.00%	Industrial	8-Feb-08	14,810	26,700	31-Dec-23	140,000	100.00%	—	1,067
3130, 3470, 3480, 3490, 3500, 3505, 3520, 3530, 3535, 3550, 3580, 3585, 3600 A & B, 3615 and 3620 A & B Laird Road Mississauga, Ontario	70.00%	Industrial	15-Oct-13	100,788	277,690	31-Dec-23	797,367	99.12%	(119,427)	11,019
3200, 3250, 3300, 3330 and 3350 Ridgeway Drive Mississauga, Ontario	70.00%	Industrial	15-Oct-13	42,517	113,960	31-Dec-23	312,466	89.22%	(47,370)	4,186

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
8350 Lawson Road Burlington, Ontario	100.00%	Industrial	26-May-21	92,806	109,400	31-Dec-23	321,028	100.00%	(51,420)	4,531
800 – 900 Main Street East Milton, Ontario	70.00%	Retail	14-Mar-08	28,609	31,640	31-Dec-23	68,025	96.91%	—	1,987
350 – 360 Cresthaven Drive Ottawa, Ontario	100.00%	Retail	1-Aug-18	20,609	17,600	31-Dec-23	48,387	100.00%	(10,216)	1,029
361 – 375 Mountainview Road South Georgetown, Ontario	100.00%	Retail	20-Dec-19	44,754	41,400	31-Dec-23	111,744	100.00%	—	2,689
2310 – 2330 Highway 2 Bowmanville, Ontario	70.00%	Retail	24-Jul-12	47,380	36,750	31-Dec-23	164,023	100.00%	—	2,411
35, 41 – 63, 65, and 95 High Park Avenue, 66 & 102 – 116 Pacific Avenue Toronto, Ontario	50.00%	Residential	1-Mar-99	98,015	221,950	31-Dec-23	349,639	95.24%	(94,203)	6,493
50 High Park Avenue and 55 Quebec Avenue Toronto, Ontario	75.00%	Residential	25-Mar-03	167,366	231,900	31-Dec-23	265,002	94.51%	(117,763)	6,928
2220 Marine Drive Oakville, Ontario	50.00%	Residential	26-Aug-02	15,925	34,400	31-Dec-23	74,163	93.29%	(18,531)	1,062
2160 Lakeshore Road Burlington, Ontario	100.00%	Residential	15-Jan-97	39,486	76,000	31-Dec-23	162,476	96.25%	(43,212)	2,405
5166 – 5170 Lakeshore Road Burlington, Ontario	100.00%	Residential	15-Jan-97	44,868	91,000	31-Dec-23	212,494	97.54%	(28,938)	2,635
6 Silver Maple Court Brampton, Ontario	100.00%	Residential	30-Apr-98	47,143	110,900	31-Dec-23	314,085	96.46%	(65,706)	3,764
640, 642, 644 Sheppard Avenue East Toronto, Ontario	75.00%	Residential	25-Mar-03	60,647	136,200	31-Dec-23	264,722	98.43%	(44,127)	4,430
40 High Park Avenue and 77 Quebec Avenue Toronto, Ontario	75.00%	Residential	25-Mar-03	99,843	189,900	31-Dec-23	313,033	97.12%	(94,140)	5,716
50 Prince Arthur Avenue Toronto, Ontario	100.00%	Residential	15-Jul-97	46,890	118,500	31-Dec-23	165,620	99.33%	(63,455)	3,757
400 Walmer Road (1) Toronto, Ontario	65.00%	Residential	27-Dec-00	156,002	136,212	31-Dec-23	358,348	95.80%	(645)	5,186
88 Redpath Avenue & 65 Lillian Street Toronto, Ontario	100.00%	Residential	5-Aug-98	72,293	152,200	31-Dec-23	207,631	97.55%	(36,902)	4,385

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
20 – 24 York Street [1] Ottawa, Ontario	50.00%	Residential	27-Sep-05	21,636	30,349	31-Dec-23	47,327	87.27%	(12,001)	811
1551 Lycee Place Ottawa, Ontario	100.00%	Residential	9-Apr-99	33,653	71,000	31-Dec-23	191,130	96.51%	(16,209)	2,514
1541 Lycee Place Ottawa, Ontario	50.00%	Residential	7-Aug-02	21,829	40,250	31-Dec-23	122,109	90.07%	(21,440)	1,377
185 Enfield Place Phase I Mississauga, Ontario	40.00%	PUD	13-Jul-87	58,075	63,240	31-Dec-23	n/a	n/a	—	176
320 McRae Avenue Ottawa, Ontario	100.00%	PUD	9-Jan-19	139,698	144,300	31-Dec-23	n/a	n/a	—	(162)
261 Abbotside Way Caledon, Ontario	100.00%	PUD	4-Nov-20	32,081	44,400	31-Dec-23	n/a	n/a	—	500
One City Centre Drive Mississauga, Ontario	40.00%	Land	17-Aug-07	3,838	9,320	31-Dec-23	n/a	n/a	—	—
185 Enfield Place Phase II Mississauga, Ontario	40.00%	Land	13-Jul-87	855	2,011	31-Dec-23	n/a	n/a	—	—
Quebec										
1350 Rene Levesque Boulevard * Montreal, Quebec	35.00%	Office	14-Dec-16	92,557	78,890	31-Dec-23	186,714	98.56%	(45,997)	4,412
1360 Rene Levesque Boulevard * Montreal, Quebec	35.00%	Office	14-Dec-16	54,981	59,640	31-Dec-23	138,851	86.49%	(28,192)	2,410
4600 Poirier Boulevard St. Laurent, Quebec	100.00%	Industrial	14-Mar-02	6,088	24,600	31-Dec-23	104,560	100.00%	—	440
6520 – 6620 Abrams Street St. Laurent, Quebec	100.00%	Industrial	14-Mar-02	11,393	43,500	31-Dec-23	189,531	100.00%	—	1,324
2200 Trans-Canada Highway Pointe-Claire, Quebec	100.00%	Industrial	14-Mar-02	20,601	90,700	31-Dec-23	411,264	100.00%	—	2,798
4075 Industriel Boulevard Laval, Quebec	100.00%	Industrial	2-Aug-18	6,813	14,000	31-Dec-23	50,712	100.00%	(6,553)	303
5555 rue William-Price Laval, Quebec	100.00%	Industrial	2-Aug-18	9,675	17,400	31-Dec-23	75,000	100.00%	(8,464)	429
4101 – 4117 Industriel Boulevard Laval, Quebec	100.00%	Industrial	2-Aug-18	7,123	14,200	31-Dec-23	54,236	100.00%	(6,735)	423

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
4133 – 4137 Industriel Boulevard Laval, Quebec	100.00%	Industrial	2-Aug-18	8,436	19,800	31-Dec-23	61,483	100.00%	(8,646)	380
4177 – 4201 Industriel Boulevard Laval, Quebec	100.00%	Industrial	2-Aug-18	19,495	38,800	31-Dec-23	150,818	87.52%	(18,793)	1,250
100, 125, 210 – 250 Jean Coutu Street and 1565 – 1567, 1575 – 1585, 1595 – 1603 Lionel-Boulet Boulevard Varennes, Quebec	100.00%	Industrial	29-Jun-22	83,780	75,300	31-Dec-23	377,962	77.77%	—	2,926
8701 Samuel-Hatt Street Chambly, Quebec	100.00%	Industrial	29-Jun-22	3,383	3,100	31-Dec-23	15,530	100.00%	—	138
43 – 55 Cite Des Jeunes Boulevard Vaudreuil-Dorion, Quebec	70.00%	Retail	21-Jul-06	20,100	18,200	31-Dec-23	91,852	100.00%	—	1,412
224 Joseph-Casavant Avenue Beauport, Quebec	70.00%	Retail	11-Jun-08	15,946	12,950	31-Dec-23	121,989	100.00%	—	967
819 – 847 Rue Clemenceau Beauport, Quebec	70.00%	Retail	31-Jan-14	34,137	27,300	31-Dec-23	129,239	96.74%	—	1,958
5999 Monkland Avenue Montreal, Quebec	100.00%	Residential	26-May-17	52,410	51,400	31-Dec-23	137,663	88.48%	(23,034)	1,320
1025 Lucien L'Allier * Montreal, Quebec	35.00%	Land	14-Dec-16	1,924	3,315	31-Dec-23	n/a	n/a	—	(136)
Atlantic										
1959 Upper Water Street * Halifax, Nova Scotia	33.33%	Office	14-Jun-83	25,788	20,831	31-Dec-23	103,585	44.29%	—	153
1969 Upper Water Street * Halifax, Nova Scotia	33.33%	Office	31-Dec-93	21,306	24,698	31-Dec-23	122,626	71.75%	—	1,046

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Total Cost	Fair Value	Date of Last Appraisal	N.R.A. (S.F.)	Percent Leased	Mortgages on Investment Properties	2023 NOI
United States										
396 West Greens Road Houston, Texas	70.00%	Office	21-Jun-06	30,406	4,375	31-Dec-23	132,896	9.20%	—	(1,572)
8101 Sam Houston Parkway Houston, Texas	70.00%	Office	21-Jun-06	19,639	5,120	31-Dec-23	94,782	50.08%	—	563
Current and prior year(s) sold property										3,540
Investment Properties – subtotal				4,941,545	6,324,796		18,506,464		(1,685,737)	231,901
Less: lease liabilities				(78,798)	(73,779)					
Less: mortgages on investment properties				(1,746,488)	(1,685,737)					
Capitalization of loss on assumed mortgages				(4,949)	—					
Total Investment Properties – net				3,111,310	4,565,280					
Total Bonds				130,552	132,140					
Total Investments – net				3,241,862	4,697,420					

* Represents interest in a joint operation

(1) The investment properties presented below are subject to land leases where the Fund is the lessee and has recognized a right-of-use asset within investment properties and a lease liability. For further information refer to note 2 in the notes to the financial statements.

Building Name and Address	Percent of Ownership	Property Type	Date of Purchase	Lease Liabilities
650 West Georgia Street Vancouver, British Columbia	25.00%	Office	12-Dec-01	(578)
400 Walmer Road Toronto, Ontario	65.00%	Residential	27-Dec-00	(70,302)
20 – 24 York Street Ottawa, Ontario	50.00%	Residential	27-Sep-05	(2,899)
Total				(73,779)

Notes to the Schedule of Investment Portfolio

(in Canadian $ thousands)

Introduction

The objective of the Canadian Real Estate Investment Fund No. 1 (the Fund) in managing risk is the creation and protection of contractholder value. Risk is inherent in the Fund's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Fund's continuing profitability. The Fund can be exposed to liquidity risk, market risk (which includes currency risk, interest rate risk and other price risk) and credit risk arising from the financial instruments it holds.

A. Risk Management

The Fund's investment activities expose it to a variety of financial risks. The Schedule of Investment Portfolio presents the securities held by the Fund as at December 31, 2023, and groups the securities by asset type, geographic region and/or market segment. The following sections describe the significant risks that are relevant to the Fund.

To assist with managing risk, The Canada Life Assurance Company (Canada Life or the Company) maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy and other regulations.

B. Liquidity Risk

As investments in real property are not actively traded, the Fund is exposed to liquidity risk due to the redemption of redeemable units by contractholders. To a lesser extent, mortgage liabilities also expose the Fund to liquidity risk. To manage liquidity, the Fund has the ability to incur additional mortgage indebtedness as long as the total borrowings do not exceed 35% of the total asset value of the Fund and provided the value of each mortgage assumed is not greater than 75% of the related property's value.

Some securities are illiquid due to legal restrictions on their resale, the nature of the investment, or simply a lack of interested buyers for a particular security or security type. Certain securities may become less liquid due to changes in market conditions, such as interest rate changes or market volatility, which could impair the ability of a Fund to sell such securities quickly.

There is no formal market for trading in real property and very few records are available to the public which give terms and conditions of real property transactions. It may take time to sell investment properties at a reasonable price. This could limit the Fund's ability to respond quickly to changes in economic or investment conditions. It could also affect the Fund's ability to pay contractholders who want to redeem their units. The Fund will maintain a sufficient balance of cash to satisfy regulatory requirements and be able to facilitate normal redemption requests in a timely manner.

In accordance with the Fund's policy, the Company monitors the Fund's liquidity position on a regular basis.

As at December 31, 2023, the approximate principal payments due on mortgages for the next five years ended and thereafter are as follows:

Year ended	Principal payments due
December 31, 2024	$ 112,462
December 31, 2025	118,276
December 31, 2026	219,924
December 31, 2027	62,450
December 31, 2028	493,131
Thereafter	740,246
	1,746,489
Fair value adjustment	(60,752)
Total	$ 1,685,737

C. Currency Risk

Currency risk is the risk that financial instruments that are denominated or exchanged in a currency other than the Canadian dollar, which is the Fund's reporting currency, will fluctuate due to changes in exchange rates. The classifications used on the Schedule of Investment Portfolio for the financial instruments are based on the country of issue.

The table below indicates the foreign currencies to which the Fund had significant exposure as at December 31, 2023 in Canadian dollar terms, including the underlying principal amount of forward currency contracts, if any. The table also illustrates the potential impact to the Fund's net assets attributable to contractholders, all other variables held constant, as a result of a 1% change in these currencies relative to the Canadian dollar. In practice, the actual results may differ from this sensitivity analysis and the difference could be significant.

				2023
Currency	**Investments**	**Cash, Short-term Deposits and Overdrafts**	**Total (1)**	**Impact on Net Assets Attributable to Contractholders**
United States Dollar	$ 9,495	$ 92	$ 9,587	$ 96
Total	**$ 9,495**	**$ 92**	**$ 9,587**	**$ 96**
As Percent of Net Assets Attributable to Contractholders			**0.2%**	**—%**

(1) Includes both monetary and non-monetary instruments

				2022
Currency	**Investments**	**Cash, Short-term Deposits and Overdrafts**	**Total (2)**	**Impact on Net Assets Attributable to Contractholders**
United States Dollar	$ 11,519	$ 89	$ 11,608	$ 116
Total	$ 11,519	$ 89	$ 11,608	$ 116
As Percent of Net Assets Attributable to Contractholders			0.2%	—%

(2) Includes both monetary and non-monetary instruments

D. Interest Rate Risk

Interest rate risk arises on interest-bearing financial instruments such as bonds and mortgages on investment properties. The Fund is exposed to the risk that the value of interest-bearing financial instruments will fluctuate due to changes in the prevailing levels of market interest rates. Due to the nature of short-term fixed income securities with a remaining term-to-maturity of less than one year, these investments are not generally exposed to a significant risk that their value will fluctuate in response to changes in the prevailing levels of market interest rates. The risk is professionally managed at the security and fund level by the Company.

The table below summarizes the Fund's exposure to interest rate risk by remaining term-to-maturity.

					2023
	1 year or less	**Over 1 year to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**Total**
Bonds	**$ 115,004**	**$ 17,136**	**$ —**	**$ —**	**$ 132,140**

					2022
	1 year or less	**Over 1 year to 5 years**	**Over 5 years to 10 years**	**Over 10 years**	**Total**
Bonds	$ 134,625	$ 17,158	$ —	$ —	$ 151,783

As at December 31, 2023, for bonds, had prevailing interest rates increased or decreased by 1% assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately $751 ($983 at December 31, 2022) or approximately 0.02% (0.02% at December 31, 2022). The Fund's sensitivity to interest rate changes was estimated using the weighted average duration of the bond portfolio. In practice, the actual results may differ and the difference could be significant.

As at December 31, 2023, for mortgages on investment properties, had prevailing interest rates increased or decreased by 1%, assuming a parallel shift in the yield curve, with all other variables held constant, net assets attributable to contractholders would have decreased or increased, respectively, by approximately $68,724 ($48,689 at December 31, 2022) and approximately 1.45% (0.89% at December 31, 2022) of net asset value. In practice, the actual results may differ and the difference could be significant.

E. Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund. The Fund's greatest concentration of credit risk is in debt securities, such as bonds. The fair value of debt instruments includes consideration of the creditworthiness of the debt issuer. The carrying amount of debt instruments represents the maximum credit risk exposure as at December 31, 2023. The amount of credit risk to any one issuer may be determined from the information reported in the Schedule of Investment Portfolio. The Fund may invest in short-term fixed income securities issued or guaranteed primarily by the Government of Canada or any Canadian provincial government, obligations of Canadian chartered banks or trust companies, and commercial paper with approved credit ratings. The risk of default on these short-term fixed income securities is considered low. The Company monitors credit risk and credit ratings on a regular basis. All new counterparties to financial instruments are subject to an approval process.

The Fund is also exposed to credit risk from outside parties, lease receivables and tenants. The fair value of investment properties considers the creditworthiness of these items, which had a negligible effect on fair value during 2023 and 2022 respectively. Credit risk arises from the possibility that tenants may be unable to fulfill their commitments defined in their lease agreements. The majority of the Fund's leases in place are referred to as net leases, which means that tenants pay the landlord base rent as well as reimburse the landlord for their share of operating costs and realty taxes. Most of the property operating costs and realty tax expenses are of a fixed nature, although there is a variable element as it relates to certain costs. Management mitigates credit risk by ensuring that the Fund's tenant mix is diversified and by limiting the Fund's exposure to any one tenant. The Fund also maintains a portfolio that is diversified by property type so that exposure to business sectors is reduced.

The change in fair values of financial liabilities as a result of the impact of changes in credit risks was not significant during 2023 or 2022.

All transactions in listed securities are settled and paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker.

Credit ratings disclosed below are obtained from independent rating agencies including DBRS, Standard & Poor's, Moody's Investors Service and Fitch Ratings. The lowest rating provided by the agencies is used.

Debt securities by credit rating are as follows:

		2023		2022
	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)	Percent of Total Bonds (%)	Percent of Total Net Assets Attributable to Contractholders (%)
AAA	**53.4**	**1.5**	46.8	1.3
AA	**46.6**	**1.3**	53.2	1.5
Total	**100.0**	**2.8**	100.0	2.8

F. Fair Value Classification

The following table presents information about the Fund's financial assets and liabilities measured at fair value on a recurring basis and indicates the fair value hierarchy of the valuation techniques utilized by the Fund to determine such fair value:

	2023 Assets and Liabilities Measured at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value				
Bonds	$ —	$ 132,140	$ —	$ 132,140
Investment properties	—	—	6,324,796	6,324,796
Total assets measured at fair value	**$ —**	**$ 132,140**	**$ 6,324,796**	**$ 6,456,936**
Liabilities measured at fair value				
Mortgages on investment properties	$ —	$ 1,685,737	$ —	$ 1,685,737
Net assets attributable to contractholders measured at fair value	**$ —**	**$ (1,553,597)**	**$ 6,324,796**	**$ 4,771,199**

	2022 Assets and Liabilities Measured at Fair Value			
	Level 1	**Level 2**	**Level 3**	**Total**
Assets measured at fair value				
Bonds	$ —	$ 151,783	$ —	$ 151,783
Investment properties	—	—	6,515,160	6,515,160
Total assets measured at fair value	$ —	$ 151,783	6,515,160	$ 6,666,943
Liabilities measured at fair value				
Mortgages on investment properties	$ —	$ 1,365,435	$ —	$ 1,365,435
Net assets attributable to contractholders measured at fair value	$ —	$ (1,213,652)	$ 6,515,160	$ 5,301,508

There were no significant transfers between Level 1 and Level 2 during 2023 or 2022.

The following table presents additional information about the Fund's assets measured at fair value on a recurring basis and for which the Fund has utilized Level 3 inputs to determine fair value:

	2023 Investment Properties	**2022 Investment Properties**
Balance, beginning of year	**$ 6,515,160**	$ 6,154,819
Total gain (loss) included in net assets from operations attributable to contractholders	**(293,646)**	86,129
Purchases	**215,442**	284,051
Sales	**(112,160)**	(9,839)
Settlements	**—**	—
Transfers into Level 3	**—**	—
Transfers out of Level 3	**—**	—
Balance, end of year	**$ 6,324,796**	$ 6,515,160
Total gain (loss) for the year included in net gain (loss) on investments for Level 3 assets held at the end of year	**$ (278,785)**	$ 87,880

G. Carrying Value of Investment Properties

The carrying value of investment properties and changes in the carrying value of investment properties are as follows:

	2023	**2022**
Balance, beginning of year	**$ 6,515,160**	$ 6,154,819
Additions	**215,442**	284,051
Change in fair value through profit or loss	**(292,348)**	82,594
Disposals	**(112,160)**	(9,839)
Foreign exchange rate changes	**(1,298)**	3,535
Balance, end of year	**$ 6,324,796**	$ 6,515,160

H. Significant Unobservable Inputs

Investment property valuations are generally determined using property valuation models based on expected capitalization rates and models that discount expected future net cash flows. The determination of the fair value of investment property requires the use of estimates such as future cash flows (including future leasing assumptions, rental rates, capital and operating expenditures) and discount, reversionary and overall capitalization rates applicable to the asset based on current market rates.

The following sets out information about significant unobservable inputs used at year end in measuring assets categorized as Level 3 in the fair value hierarchy:

	Inter-relationship between key unobservable inputs and fair value measurements						
	Discount Rate (1)			Reversionary Rate (2)			Vacancy Rate (3)
Property Type	Min	Max	Weighted Average	Min	Max	Weighted Average	Weighted Average
Office	6.3%	11.5%	7.1%	5.3%	9.0%	6.2%	27.5%
Industrial	5.8%	7.8%	6.8%	5.3%	6.8%	6.1%	3.6%
Retail	5.8%	8.3%	7.0%	5.0%	7.8%	6.2%	3.2%
Commercial	5.8%	11.5%	6.9%	5.0%	9.0%	6.1%	12.8%
Residential (4)	3.5%	5.0%	4.2%	n/a	n/a	n/a	4.4%
Total	**3.5%**	**11.5%**	**6.1%**	**5.0%**	**9.0%**	**6.1%**	**11.2%**

(1) A decrease in the discount rate would result in an increase in fair value. An increase in the discount rate would result in a decrease in fair value.

(2) The reversionary rate is the rate used to estimate the resale value of a property at the end of the holding period. A decrease in the reversionary rate would result in an increase in fair value. An increase in the reversionary rate would result in a decrease in fair value.

Reversionary rates are not applicable to assets where the valuation methodology is based on capitalization of the stabilized year one income.

(3) A decrease in the expected vacancy rate would generally result in an increase in fair value. An increase in the expected vacancy rate would generally result in a decrease in fair value.

(4) The discount rates disclosed may represent the overall capitalization rate applied to the stabilized income of specific assets.

I. Pledged Assets

The Fund has investment properties which have been pledged as collateral to cover mortgages on investment properties. In circumstances where the Fund defaults, the counterparty is permitted to take the collateral and apply it against these liabilities. When the liabilities have been settled by the Fund, the pledged assets will be returned to the Fund. As at December 31, 2023, the Fund has pledged $3,803,563 ($3,581,674 at December 31, 2022).

J. Commitments

As at December 31, 2023, the Fund has contractual obligations of $33,900 ($137,900 at December 31, 2022) to purchase, construct, repair, maintain or enhance investment properties.

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance. Portfolio units, as described in note 5 and company held investment units, as described in note 9 e), are allocated to each category and are not included on this page.

Net Assets Attributable to Contractholders by Category

For the years ended December 31

	Number of units outstanding					Net asset value (in $ thousands)				
	2023	2022	2021	2020	2019	2023	2022	2021	2020	2019
Investment Only	**849,788**	929,412	988,655	1,062,936	1,056,204	**2,529,590**	2,852,470	2,830,214	2,728,094	2,644,441
Investment Only (AI)	**850,098**	833,180	787,844	650,108	632,672	**570,071**	596,268	543,699	417,547	411,740
Investment Only (AC/AL)	**2,741,927**	2,850,268	2,880,030	2,776,761	2,805,374	**1,099,364**	1,177,902	1,109,804	959,022	944,883
Individual No-Load (IA)	**352,360**	444,092	501,881	677,507	728,643	**130,399**	174,459	189,347	235,981	254,946
Individual Back-End Load (IB)	**188,293**	232,824	273,772	398,616	427,484	**73,079**	95,922	108,321	145,603	156,859
Managed Money (IC)	**31,011**	38,720	39,396	48,463	49,425	**25,886**	33,875	32,681	36,643	37,061
75/75 guarantee policy	**3,391,347**	4,582,512	4,956,258	6,778,091	7,150,974	**62,472**	89,604	93,072	117,514	124,544
75/100 guarantee policy	**1,487,980**	1,850,933	2,045,891	3,384,919	3,616,139	**26,967**	35,643	37,873	57,900	62,196
100/100 guarantee policy	**100,369**	122,336	187,895	316,057	303,351	**1,701**	2,212	3,280	5,120	4,962
PS1 75/75 guarantee policy	**3,343,213**	4,793,180	4,441,677	6,154,902	6,406,423	**53,782**	81,481	72,194	91,954	95,719
PS1 75/100 guarantee policy	**1,340,988**	1,889,434	1,979,222	2,904,070	2,982,152	**21,175**	31,578	31,677	42,787	44,011
PS1 100/100 guarantee policy	**138,353**	162,049	129,092	207,325	197,076	**2,093**	2,605	1,995	2,960	2,829
PS2 75/75 guarantee policy	**2,072,323**	3,074,893	3,185,654	4,552,734	5,029,714	**44,682**	68,335	66,014	84,558	91,101
PS2 75/100 guarantee policy	**804,488**	991,995	1,105,784	1,582,463	1,633,460	**17,346**	22,046	22,914	29,391	29,586
PS2 100/100 guarantee policy	**8,726**	13,534	20,710	43,020	49,312	**188**	301	429	799	893
PS 75/75 guarantee policy	**443,579**	663,964	845,925	1,652,581	1,674,244	**5,380**	8,457	10,238	18,266	18,391
PS 75/100 guarantee policy	**97,149**	117,728	202,311	283,850	284,880	**1,171**	1,492	2,438	3,127	3,122
PPS 75/75 guarantee policy	**308,781**	1,555,321	1,526,475	2,884,905	2,854,981	**3,838**	20,198	18,752	32,221	31,550
PPS 75/100 guarantee policy	**26,856**	35,775	40,999	48,233	49,583	**331**	461	501	536	546

The following table shows selected key financial information about the Fund and is intended to help users of the financial statements understand the Fund's financial performance. Portfolio units, as described in note 5 and company held investment units, as described in note 9 e), are allocated to each category and are not included on this page.

Net Assets Attributable to Contractholders Per Unit (note 8)

For the years ended December 31

	Net asset value per unit ($)					Increase (decrease) per unit ($)	
	2023	**2022**	**2021**	**2020**	**2019**	**2023**	**2022**
Investment Only	**2,976.73**	3,069.11	2,862.69	2,566.57	2,503.72	**(92.38)**	206.42
Investment Only (AI)	**670.60**	715.65	690.11	642.27	650.80	**(45.05)**	25.54
Investment Only (AC/AL)	**400.95**	413.26	385.34	345.37	336.81	**(12.31)**	27.92
Individual No-Load (IA)	**370.07**	392.85	377.27	348.31	349.89	**(22.78)**	15.58
Individual Back-End Load (IB)	**388.11**	411.99	395.66	365.27	366.93	**(23.88)**	16.33
Managed Money (IC)	**834.75**	874.87	829.55	756.10	749.85	**(40.12)**	45.32
75/75 guarantee policy	**18.42**	19.55	18.78	17.34	17.42	**(1.13)**	0.77
75/100 guarantee policy	**18.12**	19.26	18.51	17.11	17.20	**(1.14)**	0.75
100/100 guarantee policy	**16.95**	18.09	17.46	16.20	16.36	**(1.14)**	0.63
PS1 75/75 guarantee policy	**16.09**	17.00	16.25	14.94	14.94	**(0.91)**	0.75
PS1 75/100 guarantee policy	**15.79**	16.71	16.00	14.73	14.76	**(0.92)**	0.71
PS1 100/100 guarantee policy	**15.13**	16.07	15.45	14.28	14.35	**(0.94)**	0.62
PS2 75/75 guarantee policy	**21.56**	22.22	20.72	18.57	18.11	**(0.66)**	1.50
PS2 75/100 guarantee policy	**21.56**	22.22	20.72	18.57	18.11	**(0.66)**	1.50
PS2 100/100 guarantee policy	**21.56**	22.22	20.72	18.57	18.11	**(0.66)**	1.50
PS 75/75 guarantee policy	**12.13**	12.74	12.10	11.05	10.98	**(0.61)**	0.64
PS 75/100 guarantee policy	**12.05**	12.67	12.05	11.02	10.96	**(0.62)**	0.62
PPS 75/75 guarantee policy	**12.43**	12.99	12.28	11.17	11.05	**(0.56)**	0.71
PPS 75/100 guarantee policy	**12.31**	12.89	12.21	11.12	11.02	**(0.58)**	0.68

1. THE FUND

The Fund is offered by The Canada Life Assurance Company.

The Company is the sole issuer of the insurance contracts providing for investment in the Fund. The assets of the Fund are owned by the Company and are segregated from the other assets of the Company. The Fund is not a separate legal entity. The Fund invests in a portfolio of assets to generate returns in the form of investment income and capital appreciation for the contractholders, who are the ultimate beneficiaries of the Fund. The Fund's investment activities are overseen by the Company.

The Company is a wholly-owned subsidiary of Great-West Lifeco Inc. (Lifeco), a publicly listed company incorporated and domiciled in Canada. Lifeco is a member of the Power Corporation of Canada (Power Corporation) group of companies and is a subsidiary of Power Corporation.

The Fund's registered office is at 100 Osborne Street North, Winnipeg, Manitoba, Canada, R3C 1V3.

The financial statements of the Fund as at and for the year ended December 31, 2023 were approved for issue by the Company on March 14, 2024.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The financial statements of the Fund have been prepared in compliance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB). Uniform accounting policies were applied in the preparation of the Fund's financial statements. These accounting policies are based on the IFRS and IFRS Interpretations Committee (IFRIC) interpretations issued and effective at December 31, 2023. The financial statements of the Fund have also been prepared in accordance with the requirements of Part XII of the Canadian Life and Health Insurance Association Guideline G2.

a) Use of Estimates, Significant Accounting Judgments and Assumptions

The preparation of the Fund's financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets and liabilities at the reporting date and the reported amount of revenues and expenses during the reporting period. The valuation of investments and investment properties is the most significant component of the financial statements subject to estimates. Although some variability is inherent in these judgments and assumptions, the Fund believes that the amounts recorded are reasonable.

When the fair values of financial assets and financial liabilities recorded in the Statement of Financial Position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this information is not available, estimation is required in establishing fair values. The estimates include consideration of liquidity and model inputs related to items such as credit risk (both own and counterparty's), correlation and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments in the Statement of Financial Position and the level where the financial instruments are disclosed in the fair value hierarchy. Actual results could differ from these estimates.

In the process of applying the Fund's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

The Company is required to make significant judgments in order to determine the most appropriate classification in accordance with IFRS 9, *Financial Instruments*. The Company has assessed the Fund's business model, the manner in which all financial instruments are managed and the requirements of other accounting standards, and has concluded that fair value through profit and loss (FVTPL) provides the most appropriate measurement and presentation of the Fund's financial instruments.

The Fund participates in joint operations that allow the Fund to hold investment properties jointly with another party with the objective to generate rental income recorded in investment properties income and/or capital appreciation on the investment properties recorded in gain (loss) on investments. Joint control has been determined in accordance with the terms in the joint agreement, whereby decisions about the relevant activities, that significantly affect the returns of the arrangement, require the unanimous consent of the parties sharing control. The joint arrangements were classified as joint operations as the arrangements assign both parties the right to the assets and revenues, as well as the obligation for the liabilities and expenses. Most investment properties are owned jointly by related parties or related party segregated funds.

In the normal course of business the Fund regularly buys and sells investment properties. The Fund has concluded that the purchase and sale of these investment properties does not meet the conditions required to classify these transactions as business acquisitions; therefore all properties the Fund acquires to date are asset acquisitions.

The Fund has entered into commercial and residential property leases on its investment properties. The Fund has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and therefore accounts for the contracts as operating leases.

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at FVTPL rather than consolidate them. The criteria that define an investment entity are as follows:

- An entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- An entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- An entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

In the judgment of management, the Fund meets the definition of an investment entity. This conclusion will be reassessed on a periodic basis, if any changes in criteria or circumstances exist.

b) Fair Value Measurement and Classification

The fair value of the Fund's assets and liabilities have been categorized based upon the following fair value hierarchy:

Level 1 – determined by reference to quoted prices in active markets for identical assets and liabilities;

Level 2 – determined using inputs other than the quoted prices that are observable for the asset or liability, either directly or indirectly; and

Level 3 – determined using inputs that are not based on observable market data.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Fund determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Fair values for assets and liabilities are classified as Level 1 when the related security or derivative is actively traded and a quoted price is available. If an instrument classified as Level 1, subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. Additional disclosures relating to transfers between levels and a reconciliation of beginning and ending balances in Level 3 are included in the notes to the Schedule of Investment Portfolio, where applicable.

Level 3 assets and liabilities are reviewed on a periodic basis by the Fund Manager. The Fund Manager considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognized as standard within the industry. The Fund Manager estimates the fair value of bonds not traded in active markets by referring to actively traded securities with similar attributes, dealer quotations, matrix pricing methodology, discounted cash flow analyses and/or internal valuation models. This methodology considers such factors as the issuer's industry, the security's rating, term, coupon rate and position in the capital structure of the issuer, as well as, yield curves, credit curves, prepayment rates and other relevant factors. For bonds that are not traded in active markets, valuations are adjusted to reflect illiquidity, and such adjustments generally are based on available market evidence. In the absence of such evidence, management's best estimate is used.

Transfers into Level 3 are due primarily to decreased observability of inputs in valuation methodologies. Transfers out of Level 3 are due primarily to increased observability of inputs in valuation methodologies as evidenced by corroboration of market prices with multiple pricing vendors.

The Fund's fair value hierarchy classification of its assets and liabilities is included in fair value measurements in the notes to the Schedule of Investment Portfolio.

Upon initial recognition, the Fund classifies and measures all financial assets and financial liabilities in the Statement of Financial Position at FVTPL. The financial assets and financial liabilities are recognized when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. The Fund's policy is not to apply hedge accounting.

c) Bonds

Bonds are recorded at fair value determined with reference to closing quoted market prices, where the last traded price falls within the day's bid-ask spread, primarily provided by third party independent pricing sources. Fair values are determined on the basis of the closing price for a security on the recognized exchange on which it is principally traded at each reporting date. In circumstances where the last traded price is not within the bid-ask spread, the Company determines the point when the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of unlisted securities is established using quotations determined by a major dealer in a particular security. Should the quoted value for a security, in the opinion of the Fund Manager, be inaccurate, unreliable, or not readily available, the value of the security is estimated using valuation techniques. Valuation techniques include the market approach (using recent arm's-length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

d) Cash, Short-term Deposits and Overdrafts

Cash, short-term deposits and overdrafts are comprised of cash on deposit, short-term deposits and overdrafts with terms to maturity of less than one year at acquisition. A reconciliation is included in the Statement of Cash Flows for the Fund for cash and short-term deposits maturing in less than 90 days and those maturing in more than 90 days but less than a year. Due to the nature of these assets being highly liquid and having short terms to maturity, these items are reported at fair value, which approximates their cost.

e) Investment Properties

Investment properties comprise of completed real estate property and property under development (PUD) held to earn rental income (which is recorded in the Statement of Comprehensive Income as investment properties income) or for capital appreciation or both. Included within investment properties are right-of-use assets recognized for land leases. The cost of investment properties is the acquisition cost plus the cost of capital improvements. Acquisition costs include land transfer taxes and professional fees for legal services. Property under development includes costs incurred for the redevelopment and expansion of new and existing real estate property. The cost of development projects includes direct costs, realty taxes and borrowing costs directly attributable to properties under development.

Borrowing costs are capitalized from the commencement of the development until the date of substantial completion. Substantial completion is considered to have occurred when all the activities necessary to prepare the qualifying asset for its intended use by management are complete. Initial direct and incremental costs incurred in negotiating an operating lease on investment properties are added to the carrying amount of the leased asset and recognized on a straight-line basis over the term of the lease.

Investment properties of the Fund are appraised annually, at a minimum, by qualified external investment properties appraisers. When the Fund determines that the fair value of investment properties under construction is not reliably measurable but expects the fair value of the property to be reliably measurable when construction is complete, it measures the investment properties under construction at cost until either its fair value becomes reliably measurable or construction is completed (whichever is earlier); thereafter, they are recorded at their most recent external or internal appraised value. Fund management may adjust individual property values periodically due to changing market conditions.

Right-of-use assets are initially measured based on the initial amount of lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration costs, less any lease incentive received. The Fund applies a practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

Subsequent to initial recognition, investment properties are measured at fair value. Fair values for investment properties are determined using independent qualified appraisal services and include management adjustments for material changes in property cash flows, capital expenditures or general market conditions in the interim period between appraisals. Gains or losses arising from changes in the fair values of investment properties are included in the Statement of Comprehensive Income in the period in which they arise.

Investment properties are derecognized when it has been disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of investment properties are recognized in the Statement of Comprehensive Income in the year of retirement or disposal. Gains or losses on the disposal of investment properties are determined as the difference between net disposal proceeds and the carrying value of the asset.

Additional details on investment properties are included in the notes to the Schedule of Investment Portfolio.

Where the Fund is involved in joint operations, it recognizes its rights to the assets and revenue and obligations for the liabilities and expenses of the joint operation in accordance with the Fund's accounting policies.

For investment properties, the capitalization rate (cap rate) is a measure of a property's value to its income and is a key metric in the valuations prepared by investment properties appraisers. Cap rates are influenced by factors in the overall investment properties market in Canada, which is in turn influenced by supply and demand factors as well as the domestic economy.

Investment properties are subject to a degree of risk. They are affected by various factors including changes in both general and local market conditions, credit markets, competition in the environment, stability and creditworthiness of tenants, and various other factors.

Initial direct leasing costs include commissions, legal and other professional fees directly attributable to negotiating and arranging operating leases. Initial direct leasing costs are amortized and charged to property operating expenses on a straight-line basis over the related lease period. Payments to tenants that are enhancements to the property are referred to as tenant improvements. All other payments to tenants are referred to as tenant inducements. Both tenant improvements and tenant inducements are amortized on a straight-line basis over the related lease period as a reduction of property rental income.

f) Lease Liabilities
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Fund shall use its incremental borrowing rate. Generally, the Fund uses its incremental borrowing rate as its discount rate. Lease liabilities are measured at amortized cost using the effective interest method. Interest expense on lease liabilities is included within investment properties expenses.

The Fund applies a practical expedient not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets.

g) Mortgages on Investment Properties
Mortgages on investment properties are recorded at fair value. The fair value of mortgages are determined by discounting the expected future cash flows at observable market rates for loans with similar credit risk and maturity.

h) Classification of Units Issued by the Fund
The units of the Fund are classified as financial liabilities under IFRS as the Fund is contractually obligated to repurchase or redeem them for cash or another financial asset when the units are disposed. The net assets attributable to contractholders are classified as FVTPL.

i) Recognition of Investments and Income
Financial investment purchases and sales are recorded when the Fund becomes a party to the contractual provisions of the instrument on a trade date basis.

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value.

The accrual basis of accounting is used to record all types of investment income earned and expenses incurred by the Fund.

The following are included in net gain (loss) on investments on the Statement of Comprehensive Income:

Net gains (losses) from change in fair value on investment properties – include fair value adjustments arising from external appraisals, valuation adjustment by management and gains (losses) on sale of investment properties.

Realized gains (losses) on investments – recorded upon the sale or maturity of an asset and determined using the average cost basis.

Unrealized gains (losses) on investments – calculated as the in-year change in fair value of the investment and determined using the average cost basis.

Interest income on debt securities – included in the change in fair value of such investments and recorded on the accrual basis.

After initial measurement, the Fund classifies and measures financial instruments as FVTPL at the reporting date. Changes in the fair value are recorded in net gain (loss) on investments in the Statement of Comprehensive Income.

Investment properties income
The Fund is the lessor of operating leases on investment properties. The Fund has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease. Investment properties income arising from operating leases is recognized on a straight-line basis over the respective lease term. Contingent and other rental income is recognized in the period in which it is earned.

Foreign currency

The financial statements have been presented in Canadian dollars, which is the currency of the primary economic environment in which the Fund is domiciled and is the Fund's functional currency.

Foreign currency translations are calculated using the exchange rate in effect when the transaction occurred. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gains or losses generated by foreign exchange are recorded in the Statement of Comprehensive Income within net gain (loss) on investments.

Miscellaneous income (loss)

Miscellaneous income (loss) generally includes the changes in foreign exchange rates between trade and settlement dates, foreign exchange rates on bank balances, securities lending income, derivative income, and management fee rebates.

j) Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

k) Amounts Due to/from Broker

Amounts due to brokers are payables for securities purchased that have been contracted for, but not yet delivered, on the reporting date.

Amounts due from brokers include margin accounts and receivables for securities sold that have been contracted for, but not yet delivered, on the reporting date.

Amounts due to/from brokers are held at fair value which approximates their cost.

Amounts due to/from brokers are settled within a few business days of the reporting date. All securities are purchased and sold in regular way transactions.

l) Amounts Due to/from Outside Parties

Due to/from outside parties mainly consists of net operating and commodity tax balances due to outside parties related to the ongoing operations of the Fund's real estate investments.

Amounts due to/from outside parties are held at fair value which approximates their cost.

m) Other Expenses

Other expenses consist primarily of securities handling charges. All these expenses are paid to third parties. The accrual basis of accounting is used to record all types of expenses incurred by the Fund.

n) Income Allocation

Net gain (loss) on investments, which includes interest income, realized gains and losses and unrealized gains and losses, accrues to each contractholder through the increase (decrease) of the net asset value (NAV) per unit with the exception of Category A units of specific clients. The net investment income of this category is allocated to the contractholders in the form of additional units.

o) Issue and Redemption of Units

Units attributable to contractholders are redeemable at the contractholders' option at prices based on the Fund's NAV per unit at the time of redemption and are therefore classified as financial liabilities.

Units are issued and redeemed at their NAV per unit established as noted in the information folder of the Fund.

The Fund's obligation for net assets attributable to contractholders is presented at the redemption amount at the reporting date. The deposits and withdrawals of contractholders are adjusted for inter-fund transfers.

p) Transaction Costs

Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Fund are charged to expenses in the year.

Transaction costs, such as brokerage commissions, legal fees and land transfer tax incurred in the purchase and sale of investment properties by the Fund are added to the cost of the asset in the year.

q) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the asset. The Fund has not capitalized any borrowing costs in 2023 or 2022. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3. LEASE LIABILITIES

The carrying value of lease liabilities and changes in the carrying value of lease liabilities are as follows:

	2023	2022
Carrying value, beginning of year	**$ 74,830**	$ 75,857
Lease payments	**(2,819)**	(2,820)
Interest expense	**1,768**	1,793
Carrying value, end of year	**$ 73,779**	$ 74,830

As at December 31, 2023, the approximate payments due on lease liabilities for the next five years ended and thereafter are as follows:

Year ended	Lease payments due
December 31, 2024	$ 2,823
December 31, 2025	2,831
December 31, 2026	2,831
December 31, 2027	2,831
December 31, 2028	2,831
Thereafter	102,363
Total undiscounted lease obligations as at December 31, 2023	$ 116,510

4. MORTGAGES ON INVESTMENT PROPERTIES

As at December 31, 2023, mortgages on investment properties are comprised of term mortgages which bear contractual interest rates ranging from 2.25% to 5.67% (1.91% to 5.83% at December 31, 2022), and a weighted average contractual interest rate of 3.71% (3.38% at December 31, 2022). Mortgages are secured by the real property investment and an assignment of leases and amounts due from property rentals. The terms of the mortgages are subject to renegotiations from 2024 to 2034.

5. DESCRIPTION OF UNITS

The capital of the Fund is divided into categories of units as follows:

Investment Only units are available to:

- Canadian Group Registered, and
- Non-Registered Plans.

Individual units are available to individuals for investment in:

- Registered Retirement Savings Plans,
- Registered Savings Plans,
- Tax Free Savings Accounts, and
- Non-Registered Savings Plans through the purchase of the Flexible Accumulation Annuity and the Flexible Income Fund.

Category I units are available under these different options:

- Option A (Category A) is a no load Investment Fund option,
- Option B is a back end load investment option, and
- Option C is for high net worth investors.

In addition to the Individual units, units are available for:

- Option S1R 75/75 guarantee policy,
- Option S1HB Preferred Series 1 (PS1) 75/75 guarantee policy,
- Option S1HU Preferred Series 2 (PS2) 75/75 guarantee policy,
- Option S1RF Partner Series (PS) 75/75 guarantee policy,
- Option S1HF Preferred Partner Series (PPS) 75/75 guarantee policy,
- Option S2R 75/100 guarantee policy,
- Option S2HB PS1 75/100 guarantee policy,
- Option S2HU PS2 75/100 guarantee policy,
- Option S2RF PS 75/100 guarantee policy,
- Option S2HF PPS 75/100 guarantee policy,
- Option S3R 100/100 guarantee policy,
- Option S3HB PS1 100/100 guarantee policy,
- Option S3HU PS2 100/100 guarantee policy,
- Option S3RF PS 100/100 guarantee policy, and
- Option S3HF PPS 100/100 guarantee policy.

Portfolio units are those units owned by the Portfolio Funds. Each Portfolio fund is represented by a separate category.

The categories of units, and the various levels within each, are accounted for separately and any increases or decreases in net assets attributable to contractholders during the year are allocated proportionately to each category.

6. CAPITAL MANAGEMENT

The Fund is not subject to externally imposed capital requirements and has no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Fund's offering document. Units are redeemed at the NAV per unit of a Fund on the redemption date. The capital received by a Fund is utilized within the respective investment mandate of the Fund.

7. INCOME TAXES

The Fund is deemed to be a trust under the provisions of the *Income Tax Act* (Canada). Income of a segregated fund is deemed to be payable to the contractholders and therefore the Fund will not have taxable income. In addition, capital gains and losses are deemed to be those of the contractholders and not of the Fund. Realized gains or losses may be reduced by the amount of gains or losses realized by contractholders on the redemption of their investment. As a result, no provision of income tax is required in the financial statements of the Fund.

Foreign investment income is subject to withholding tax deducted at the source of the income in some jurisdictions. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income. The Fund presents the withholding tax separately from the net gain (loss) on investments in the Statement of Comprehensive Income.

8. NET ASSETS ATTRIBUTABLE TO CONTRACTHOLDERS PER UNIT

The presentation of unit values is broken down by contractholder category.

Net increase (decrease) in net assets from operations attributable to contractholders per unit per category is calculated by dividing the net increase (decrease) in net assets attributable to contractholders from operations as disclosed in the Statement of Comprehensive Income, by the weighted average number of units of each category outstanding during the year.

9. RELATED PARTY TRANSACTIONS

Lifeco is the parent of the Company as well as a member of the Power Corporation group of companies. Through this relationship, the Company is related to IGM Financial Inc., a company in the financial services sector along with its subsidiaries I.G. Investment Management, Ltd. and Mackenzie Financial Corporation.

The financial statements of the Fund may include transactions with the following related parties to the Company:

Related party	Relationship	Incorporated in
Canada Life Investment Management Ltd.	Wholly-owned subsidiary of the Company	Canada
Setanta Asset Management Limited	Indirect wholly-owned subsidiary of the Company	Ireland
Putnam Investments, LLC (1)	Wholly-owned subsidiary of Lifeco	United States
GWL Realty Advisors Inc.	Wholly-owned subsidiary of the Company	Canada
Canada Life Asset Management Limited	Indirect wholly-owned subsidiary of the Company	United Kingdom
IGM Financial Inc.	Subsidiary of Power Corporation	Canada
Irish Life Investment Managers Limited	Indirect wholly-owned subsidiary of the Company	Ireland

(1) On January 1, 2024, Lifeco completed the sale of Putnam US Holdings I, LLC (excluding PanAgora Holdings Inc. and its subsidiary PanAgora Asset Management Inc.) to Franklin Resources Inc. Putnam US Holdings I, LLC was a subsidiary of Putnam Investments, LLC and was the indirect parent company of Putnam Investments Canada ULC, which managed certain segregated funds for the Company.

a) GWL Realty Advisors Inc. provides property and asset management services to the Fund in the normal course of business at market terms and conditions.

As at December 31, 2023, $25,202 ($25,426 at December 31, 2022) in fees were paid to GWL Realty Advisors Inc.

b) The Company provides management, advisory and administrative services to the Fund which includes the services of key management personnel. In respect of these services, the Fund is charged management and other fees that are at market terms and conditions. Management and other fees for Preferred Series 2 categories are charged directly to the contractholder by redeeming units from their policy. For the Managed Money category, advisory and management service fees are charged directly to the contractholder by redeeming units from their policy. Management and other fees are calculated at set rates applied against the net assets at each valuation date. Management fees and other fees charged to other categories are calculated at set rates applied against the net assets of the specific category at each valuation date.

c) A separate investment management fee is charged directly to the transaction account of each Category A contractholder by the Company in the normal course of business at market terms and conditions. Accordingly, such fees are not included as an expense in these financial statements for Category A units. All management fees, presented in the Statement of Comprehensive Income, are paid to the Company.

d) The amounts shown as “Due from (to) The Canada Life Assurance Company” represent outstanding management fees, uncleared deposits/withdrawals and investment activity as at the December 31 valuation dates of the Fund.

e) As at December 31, 2023, the Company held investments in the Fund with a value of $264,970 ($273,193 at December 31, 2022). The Canada Life Insurance Company of Canada, which is a wholly-owned subsidiary of the Company held investments in the Fund with a value of $33,734 ($34,781 at December 31, 2022).

f) The Fund invests in assets or underlying funds managed by the Company. All investment transactions with the corresponding underlying funds are at quoted market prices.

Supplemental Information

(unaudited)

The following tables show selected key financial information about the Fund and are intended to help users of the financial statements understand the Fund's financial performance.

Management Expense Ratio (%) [1]

For the years ended December 31	2023	2022	2021	2020	2019
Individual No-Load (IA)	**3.05**	3.05	3.07	3.06	3.06
Individual Back-End Load (IB)	**3.05**	3.05	3.07	3.06	3.07
Managed Money (IC)	**1.73**	1.72	1.74	1.73	1.74
75/75 guarantee policy	**3.05**	3.04	3.07	3.06	3.06
75/100 guarantee policy	**3.15**	3.14	3.17	3.16	3.16
100/100 guarantee policy	**3.59**	3.60	3.62	3.60	3.61
PS1 75/75 guarantee policy	**2.59**	2.58	2.61	2.60	2.60
PS1 75/100 guarantee policy	**2.76**	2.75	2.77	2.76	2.77
PS1 100/100 guarantee policy	**3.14**	3.15	3.16	3.15	3.15
PS 75/75 guarantee policy	**1.95**	1.95	1.96	1.95	1.95
PS 75/100 guarantee policy	**2.05**	2.05	2.06	2.05	2.05
PPS 75/75 guarantee policy	**1.49**	1.48	1.50	1.49	1.49
PPS 75/100 guarantee policy	**1.65**	1.65	1.66	1.66	1.66

(1) The management expense ratio has been calculated as the aggregate of all fees, taxes, charges and other expenses incurred during the year divided by the average daily net asset value of the segregated fund attributable to the particular fee option. All ratios shown are on an annual basis. In circumstances where the particular fund or fee option did not have twelve months of exposure, the ratios have been annualized. Management expense ratios are calculated for Individual Customer, Wealth Solutions clients only. No management expense ratio is calculated for the Preferred Series 2 guarantee policy as such fees are charged directly to the contractholder.

Portfolio Turnover Rate (%) [2]

For the years ended December 31	2023	2022	2021	2020	2019
Bonds	**2.26**	—	0.03	1.31	5.90
Investment properties	**0.38**	0.19	1.16	2.54	0.08

(2) The portfolio turnover rates presented in the financial statements reflects the Canadian Life and Health Insurance Association Inc. (CLHIA) Guideline G2, Individual Variable Insurance Contracts Relating to Segregated Funds 12.3(a)(iii). The portfolio turnover rates indicate how actively the portfolio investments have been bought or sold throughout the year. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year.

Cautionary Note Regarding Forward-Looking Information

This Annual Report contains forward-looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "will", " intends", "plans", "believes", "objective", "target", "commitment", "goal", "ambition" and other similar expressions. Certain forward-looking statements in this document relate to Great-West Lifeco Inc.'s ("our" or the "Company's") climate-related measures, goals, objectives, priorities, ambitions, strategies and commitments or actions that will be taken to achieve them. The climate-related statements include statements with respect to achieving net-zero GHG emissions for its operating and financing activities by 2050, the Company's initial interim net-zero goals for operations and investments, the Company's plan to review and revise initial interim net-zero goals as appropriate, the causes and potential impacts of climate change globally, and the Company's approach to identifying and managing climate-related risks and opportunities. The forward-looking information in this document is presented for the purpose of assisting our stakeholders in understanding how we currently intend to address climate-related governance, strategy, risks, opportunities, and objectives, and is not appropriate for other purposes.

Forward-looking statements are based on expectations, forecasts, estimates, predictions, projections and conclusions about future events that were current at the time of the statements and are inherently subject to risks, uncertainties and assumptions. Any goals, objectives, ambitions, commitments or targets discussed here, including but not limited to the Company's net-zero related goals (including interim net-zero goals), are aspirational. They may need to change or be recalibrated as data improve and as climate science, regulatory requirements and market practices regarding standards, methodologies, metrics and measurements evolve. Our climate risk analysis and net-zero strategy remain under development, and the data underlying our analysis and strategy remain subject to evolution over time and the scope of assets to be included in our 2050 net-zero related goals remains under review. There is a strong possibility that our expectations, forecasts, estimates, predictions and conclusions may not prove to be accurate and our assumptions may prove to be incorrect, and there is a material risk we will not achieve our climate-related goals, objectives, ambitions, strategies and commitments. In addition, many of the assumptions, standards, metrics and measurements used in preparing these forward-looking statements are not audited or independently verified, have limited comparability and continue to evolve.

Our goals, objectives, priorities, ambitions, commitments and targets may also need to change or be recalibrated to meet our other strategic objectives and the reasonable expectations of our stakeholders, including expectations around financial performance. As a financial services company, our primary purpose is to provide our clients and customers with solutions to meet their financial security needs and to deliver on the promises we make to them. Our ability to fulfil this corporate purpose depends in large part on effective and responsible capital allocation and the ability to create value within the boundaries of our stakeholders' expectations, including expectations around financial performance. The path to achieving net zero and our climate-related objectives will require significant investment, resources, systems and technologies by third parties we do not control. Faced with a wide range of stakeholder interests, we will need to effectively manage trade-offs and make choices about how to deploy financial and human capital. These choices could include prioritizing other strategic objectives over our climate-related goals in pursuit of fulfilling our primary purpose, delivering value to our stakeholders and meeting expectations around financial performance. As our business, our industry and climate science evolve over time, we may need to adjust our climate-related goals and our approach to meeting them. We will also need to remain thoughtful about the regulatory and business environment of the jurisdictions in which we operate, as our ability to achieve our climate goals is contingent on the success of our partners and communities.

We caution readers not to place undue reliance on forward-looking statements because numerous factors (many of which are beyond the control of the Company) may cause actual results to differ materially from those expressed or implied by forward-looking information and impact the Company's ability to achieve its climate-related goals, objectives, priorities, ambitions, strategies and targets. These factors include, without limitation, the transition to a low-carbon economy, the need for more and better climate data and standardization of climate-related measurement methodologies, our ability to gather and verify data, our ability to develop indicators to effectively monitor our advancements and assess and manage climate-related risks, the need for active and continued action by stakeholders (including governmental and non-governmental organizations, our counterparties and other businesses and individuals), trade-offs and choices we make that prioritize other strategic objectives and financial performance over our climate-related objectives, the ability of clients, regulators and suppliers to meet and report on their publicly stated emissions and commitments, the viability of third-party decarbonization scenarios, the availability of carbon offset and renewable energy instruments on economically feasible terms, compliance with our policies and procedures, our ability to recruit and retain key personnel in a competitive environment for talent, technological advancements, the evolution of consumer behaviour, varying decarbonization efforts across economies, the challenges of balancing emission reduction objectives with an orderly, just and inclusive transition and geopolitical factors that impact global energy needs, the legal and regulatory environment, and regulatory compliance considerations. In relation to our climate-related goals, objectives, priorities, ambitions, strategies and targets, there are limitations and uncertainties inherent in climate science, climate risk analysis and reporting. The Company has made good faith approximations and assumptions in establishing its interim Scope 1 and 2 reduction goals and initial reduction goals for Scope 3 financed emissions. However, there are many factors that are the subject of ongoing climate science and that we cannot foresee or accurately predict which will impact our ability to achieve those objectives.

The above list of assumptions and factors is not exhaustive, and there may be other assumptions and factors listed in the Company's filings with securities regulators, including in the Company's 2023 Annual MD&A under "Risk Management and Control Practices" and "Summary of Critical Accounting Estimates" and in the Company's annual information form dated February 14, 2024 under "Risk Factors", which, along with other filings, is available for review at www.sedarplus.com. The reader is also cautioned to consider these and other factors, uncertainties and potential events carefully and not to place undue reliance on forward-looking information.

Other than as specifically required by applicable law, the Company does not intend to update any forward-looking information whether as a result of new information, future events or otherwise.

Corporate Information

Senior Management List

Ralf Dost
Chairman

Glenn Way
President

Tanyss Price
Executive Vice President &
Chief Financial Officer

Steven Marino
Executive Vice President
Portfolio Management

Jeff Fleming
Executive Vice President
Investments & Development

Steffan Smith
Executive Vice President
Asset Management, GTA

Rob Kavanagh
Senior Vice President
Asset Management, Western Canada

Cam Dinning
Senior Vice President
Investments

Adam Schneidermann
Senior Vice President
Development, Eastern Canada

Nathalie Rousseau
Senior Vice President
Asset Management, Eastern Canada

Michael Bansil
Senior Vice President
Building Excellence & Innovation

Erica Penrose
Senior Vice President
Multi-Residential

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