



Canada Life Group Retirement Services  
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canadalife.com

<Date>

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Dear \_\_\_\_\_,

**Re: Important information about a temporary suspension of contributions to and redemptions from Canadian real estate funds**

Group plan number:

Canada Life announced a temporary suspension of contributions to and redemptions from both of its Canadian real estate segregated funds effective as of close March 20 at 4 p.m. ET.

You've received this communication because you have savings in, future contributions directed to and/or maturity instructions associated with one of the real estate funds, managed by our investment manager GWL Realty Advisors, through your group plan.

#### **Funds affected**

- Real Estate Fund (GWLRA) (LREG)
- Real Estate C Fund (GWLRA) (REGWL)

#### **What happened**

The COVID-19 virus has impacted the global economy, including property markets, and has made it difficult to value the property owned by the funds with the same degree of certainty as usual. This affects the company's ability to calculate the unit price used to buy and sell units in the funds, and we believe this gives rise to a material risk to our ability to ensure the unit price will continue to be valued appropriately to ensure that unitholders may buy and sell units at a price that reflects their value.

#### **Why funds were suspended**

We made this decision after careful consideration and in accordance with the terms of the contract governing the funds. The goal is to protect the long-term interest of unitholders.

To mitigate that risk, Canada Life is suspending contributions to, and redemptions and transfers from, the funds. While the funds continue to be in a positive cash position and have capacity to increase liquidity through operating cash-flow, asset sales and mortgage financing, there is the possibility of an extended period of redemptions pressure due to the current economic conditions. The current economic climate also raises concerns about the company's ability to obtain fair market value on the disposition of real estate assets, should it become necessary to do so to meet liquidity demands, which would



potentially be detrimental to the long-term interests of unitholders. The suspension of redemptions and transfers from the funds will preserve the current liquidity position and protect our ability to satisfy redemptions when the suspension ends.

Effective immediately, the following transactions will be temporarily suspended:

- Any contributions and transfers to both real estate funds
- Any redemptions and transfers from both real estate funds

### **What remains the same**

The fund objectives remain the same. These funds hold diversified portfolios of high-quality, income-producing properties. They have performed very well over many years and Canada Life and GWL Realty Advisors (GWLRA) have expertly navigated temporary suspensions in the past. They continue to be an excellent component of a long-term investment portfolio.

### **What the temporary suspension means to you**

- If you have savings in one of the real estate funds you can continue to hold that fund in your investment portfolio subject to the temporary suspension of contributions and redemptions.
- Any instructions for new contributions or maturing investments directed to one of the funds have been changed to direct that portion to the money market fund that's available in your plan, or the daily interest account if there's no money market fund available in your plan. If you make the investment decisions for your plan, you can update your allocation and maturity instructions (if applicable) at any time by signing in to [grsaccess.com](https://grsaccess.com). You won't be charged a fee to make changes. Any amount you have contributed to the fund up to that point will be subject to the temporary suspension of redemptions.
- Your group plan may offer the automatic rebalancing service to help keep your investments in line with your goals. If you've elected this service and have rebalancing instructions associated with the real estate funds, we've disabled it. Once the suspension is lifted, you can enable the service again.

### **We're here to help**

You can make changes to your investment instructions on [grsaccess.com](https://grsaccess.com) under Change your portfolio. There are a variety of helpful tools available to you in the Investments menu of [grsaccess.com](https://grsaccess.com), such as the investment personality questionnaire, fund reviews and fund reports.

We are establishing a process for customers to have access to funds where they have an immediate need and no other source of funds. Please contact our Ombuds office at [ombudsman@canadalife.com](mailto:ombudsman@canadalife.com) or 1-866-292-7825.

If you have any questions, call us toll-free at 1-800-724-3402, weekdays between 8 a.m. and 8 p.m. ET.

Sincerely

Group Customer