



Dear Unitholder:

RE: 2016 INCOME TAX INFORMATION FOR UNITHOLDERS

Morguard Real Estate Investment Trust is pleased to report the successful completion of its operations for 2016. During the year, Morguard REIT distributed \$0.96 per unit. The following chart summarizes the total per unit cash distributions in 2016 and indicates the percentage of distributions that should be allocated to investment income and return of capital.

ALLOCATION OF 2016 DISTRIBUTIONS								
Record Date	Distribution Date	Distribution Per Unit	Capital Gains				15.5% Return of Capital (D) T3 - Box 42	Total Distribution Per Unit (A+B+C+D)
			73.3% Taxable Income (A) T3 - Box 26	5.6% Taxable Portion (B)	5.6% Non-Taxable Portion (C)	Total Capital Gains Distributed T3 - Box 21		
1/29/2016	2/16/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
2/29/2016	3/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
3/31/2016	4/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
4/29/2016	5/13/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
5/31/2016	6/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
6/30/2016	7/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
7/29/2016	8/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
8/31/2016	9/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
9/30/2016	10/14/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
10/31/2016	11/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
11/30/2016	12/15/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
12/15/2016	12/30/2016	\$ 0.080	\$ 0.05865	\$ 0.00450	\$ 0.00450	\$ 0.00900	\$ 0.01235	\$ 0.080
Total		\$ 0.960	\$ 0.70380	\$ 0.05400	\$ 0.05400	\$ 0.10800	\$ 0.14820	\$ 0.960

Yours truly,

MORGUARD REAL ESTATE INVESTMENT TRUST

P. McLean,
Chief Financial Officer