



Dear Unitholder:

RE: **2011 INCOME TAX INFORMATION FOR UNITHOLDERS**

Morguard Real Estate Investment Trust is pleased to report the successful completion of its operations for 2011. During the year, the Morguard REIT distributed \$0.90 per unit. The following chart summarizes the total per unit cash distributions in 2011 and indicates the percentage of distributions that should be allocated to investment income and return of capital.

ALLOCATION OF 2011 DISTRIBUTIONS								
Record Date	Distribution Date	Distribution Per Unit	Capital Gains				32.20% Return of Capital (D) T3 - Box 42	Total 100% Distribution Per Unit (A+B+C+D)
			67.80% Taxable Income (A) T3 - Box 26	0.00% Taxable Portion (B)	0.00% Non-Taxable Portion (C)	Total Capital Gains Distributed T3 - Box 21		
31-Jan	15-Feb	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
28-Feb	15-Mar	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
31-Mar	15-Apr	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
29-Apr	13-May	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
31-May	15-Jun	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
30-Jun	15-Jul	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
29-Jul	15-Aug	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
31-Aug	15-Sep	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
30-Sep	14-Oct	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
31-Oct	15-Nov	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
30-Nov	15-Dec	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
15-Dec	30-Dec	\$ 0.075	\$ 0.05085	\$ -	\$ -	\$ -	\$ 0.02415	\$ 0.075
Total		\$ 0.90	\$ 0.61020	\$ -	\$ -	\$ -	\$ 0.28980	\$ 0.90

Yours truly,

MORGUARD REAL ESTATE INVESTMENT TRUST

T. J. Walker,
Vice President & Chief Financial Officer