



Dear Unitholder:

RE: **2012 INCOME TAX INFORMATION FOR UNITHOLDERS**

Morguard Real Estate Investment Trust is pleased to report the successful completion of its operations for 2012. During the year, the Morguard REIT distributed \$0.95 per unit. The following chart summarizes the total per unit cash distributions in 2012 and indicates the percentage of distributions that should be allocated to investment income and return of capital.

ALLOCATION OF 2012 DISTRIBUTIONS								
Record Date	Distribution Date	Distribution Per Unit	Capital Gains				45.10% Return of Capital (D) T3 - Box 42	Total 100% Distribution Per Unit (A+B+C+D)
			54.90% 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	\$ 0.04118	\$ -	\$ -	\$ -	\$ 0.03382	\$ 0.075
29-Feb	15-Mar	\$ 0.075	\$ 0.04118	\$ -	\$ -	\$ -	\$ 0.03382	\$ 0.075
30-Mar	13-Apr	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
30-Apr	15-May	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
31-May	15-Jun	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
29-Jun	13-Jul	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
31-Jul	15-Aug	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
31-Aug	14-Sep	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
28-Sep	15-Oct	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
31-Oct	15-Nov	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
30-Nov	14-Dec	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
14-Dec	31-Dec	\$ 0.080	\$ 0.04392	\$ -	\$ -	\$ -	\$ 0.03608	\$ 0.080
<b>Total</b>		<b>\$ 0.950</b>	<b>\$ 0.52156</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 0.42844</b>	<b>\$ 0.950</b>

Yours truly,

**MORGUARD REAL ESTATE INVESTMENT TRUST**

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