



Morguard North American Residential REIT

Dear Unitholder:

RE: 2016 INCOME TAX INFORMATION FOR UNITHOLDERS

Morguard North American Residential Real Estate Investment Trust (“Morguard Residential REIT”) is pleased to report the successful completion of its operations for 2016. During the year, the Morguard Residential REIT distributed \$0.60666 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, capital gains distributed and return of capital.

			Allocation of 2016 Distributions						
			Capital Gains					Total	
Record Date	Distribution Date	Distribution Per Unit	0.00% Taxable Income (A) T3 - Box 26	0.00% Taxable Portion (B)	0.00% Non-Taxable Portion (C)	0.00% Total Capital Gains Distributed T3 - box 21	100.00% Return of Capital (D)	100.00% Distribution Per Unit (A+B+C+D)	
29-Jan-16	16-Feb-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
29-Feb-16	15-Mar-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
31-Mar-16	15-Apr-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
29-Apr-16	13-May-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
31-May-16	15-Jun-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
30-Jun-16	15-Jul-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
29-Jul-16	15-Aug-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
31-Aug-16	15-Sep-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
30-Sep-16	14-Oct-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
31-Oct-16	15-Nov-16	\$ 0.05000	\$ -	\$ -	\$ -	\$ -	\$ 0.05000	\$ 0.05000	
30-Nov-16	15-Dec-16	\$ 0.05333	\$ -	\$ -	\$ -	\$ -	\$ 0.05333	\$ 0.05333	
30-Dec-16	13-Jan-17	\$ 0.05333	\$ -	\$ -	\$ -	\$ -	\$ 0.05333	\$ 0.05333	
		\$ 0.60666	\$ -	\$ -	\$ -	\$ -	\$ 0.60666	\$ 0.60666	

Yours truly,

**MORGUARD NORTH AMERICAN RESIDENTIAL
REAL ESTATE INVESTMENT TRUST**

**Robert Wright
Chief Financial Officer**