



MORGUARD SUNSTONE REAL ESTATE INCOME FUND
ANNOUNCES DECEMBER DISTRIBUTION

VANCOUVER, BC – December 20, 2010: Sunstone Investment Management Inc., the Manager for the Morguard Sunstone Real Estate Income Fund (the “Fund”) (TSX: MSN.UN), today announced a cash distribution of \$0.05417 per unit, (\$0.65 per Unit per annum) payable on January 17, 2011 to Unitholders of record at the close of business on December 31, 2010.

Distributions will be paid within 15 days following the end of each month for which a distribution is declared.

About Morguard Sunstone Real Estate Income Fund

The Fund, a closed-end investment fund, was created to provide Unitholders with the opportunity for (i) stable monthly distributions and (ii) long-term capital appreciation, through investment in an actively managed, diversified portfolio of publicly traded real estate securities, including securities of Canadian and United States real estate investment trusts (“REITs”) and real estate operating companies and the companies that provide services to them and, to a lesser extent, bonds, convertible debentures and similar fixed-income securities, and securities of foreign issuers.

Additional information about Morguard Sunstone Real Estate Income Fund is available at www.sunstoneadvisors.com or www.sedar.com.

Further Information about Morguard Financial Corp., the Investment Manager, is available at www.morguard.com.

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THE TORONTO STOCK EXCHANGE HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR THE ACCURACY OF THIS RELEASE.

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