



MORGUARD SUNSTONE REAL ESTATE INCOME FUND
FILES FINAL PROSPECTUS

VANCOUVER, BC – June 18, 2010 – Sunstone Investment Management Inc. is pleased to announce that Morguard Sunstone Real Estate Income Fund (the “Fund”), a closed-end investment fund, has filed a final prospectus across Canada qualifying the initial public offering of its Units (“Units”). Sunstone Investment Management Inc. (the “Manager”) will be the Manager of the Fund and Morguard Financial Corp. (the “Investment Manager”) will act as the Fund’s Investment Manager.

Offering price: The Prospectus qualifies the issuance of two classes of Units, Class A Units and Class F Units. The offering price is \$10 per Unit, with a maximum offering of 10,000,000 Units (\$100,000,000).

Class A Units are available to all investors, subject to a minimum purchase quantity of 200 Class A Units (\$2,000). The Toronto Stock Exchange (“TSX”) has conditionally approved the listing of the Class A Units, subject to the Fund fulfilling all of the customary requirements. Trading of the Class A Units under the symbol MSN.UN is expected to commence on the closing date, July 6, 2010.

Class F Units are intended for investors who have or who arrange to have fee-based accounts with a registered dealer, subject to a minimum purchase quantity of 1,000 Class F Units (\$10,000). It is expected that the primary source of liquidity for the Class F Units will be by way of their conversion into Class A Units and the sale of those Class A Units through the facilities of the TSX.

Investment Objectives: The Fund was created to provide Unitholders with the opportunity for:

- (a) stable monthly distributions; and
- (b) long-term capital appreciation.

Distributions are initially targeted to be 6.5% per annum on the Unit Price of \$10.00 per Unit (\$0.05417 per Unit per month or \$0.65 per Unit per annum). The Fund will not have a fixed distribution amount. Beginning in June 2011, the amount of monthly distributions will be based on the Manager’s assessment of the anticipated cash flow and anticipated expenses of the Fund from time to time.

Investment Rationale: The Investment Manager and the Manager believe that a diversified portfolio of publicly traded real estate securities has the potential to provide attractive, stable income with the opportunity for long-term capital appreciation. The Investment Manager and the Manager also believe that having experience through their affiliates in the acquisition, ownership

and operation of real estate properties provides additional insight into potential investment opportunities and will improve their ability to establish an investment portfolio with enhanced yields and diminished risk. Allocations will be actively managed based on the Investment Manager's view of the overall market

The Portfolio: The Fund will be actively managed by Morguard Financial Corp. and will be invested in an actively managed diversified portfolio of publicly traded real estate securities including primarily Canadian and US REITs and Real Estate Operating Companies ("REOCs") and the companies that provide services to them.

Leverage: The Fund may employ leverage to a maximum of 25% of Net Asset Value, determined at the time of issuance (including securities purchased with the amounts borrowed).

Redemption: Annual - Units may be redeemed on an annual basis on the last Business Day of October in each year, commencing in 2011. Unitholders shall be entitled to receive a price equal to NAV per Class A Unit or the NAV per Class F Unit.

Eligibility for Investment: Eligible as Canadian property for RRSPs, RRIFs, DPSPs, RDSPs, RESPs and TSFAs.

Closing: The closing is expected to occur on or about July 6, 2010.

TSX listing: The Toronto Stock Exchange has conditionally approved the listing of the Class A Units under the symbol MSN.UN.

Investment Manager:

Morguard Financial Corp., the Investment Manager, is part of the Morguard group, which owns and manages approximately \$9.0 billion in assets comprising of more than 45 million square feet of high-quality commercial properties and 12,600 apartment units in Canada and the southeastern United States. The Investment Manager presently manages over \$100 million in both the debt and equity of Canadian REITs and real estate operating companies, including the CIBC Canadian Real Estate Mutual Fund, the Morguard Real Estate Equities Fund, and two balanced pension fund mandates. Charles Dillingham, Vice President & Portfolio Manager, who will be the principal responsible for the Fund, has over 30 years of experience in managing real estate and income-producing investments under a variety of institutional mandates.

The Manager:

Sunstone Investment Management Inc., the Manager, is a member of the Sunstone Realty Advisors group ("Sunstone"), a diversified Vancouver-based real estate investment, development and management group. Since 2003, Sunstone has, through investment structures such as limited partnerships, public and private REITs, debentures and mortgages, raised over \$280 million in private and public equity and acquired, managed and/or developed over \$600 million in commercial, residential and office properties in Canada and the United States. Sunstone's principals, Darren Latoski and Steve Evans, established Pure Industrial Real Estate Trust ("PIRET") in 2007 and are two of PIRET's trustees. Since 2007, PIRET has raised over \$74 million in equity and acquired over \$164 million in industrial properties in Canada.

The Agents:

The syndicate of agents is being co-led by National Bank Financial Inc., CIBC World Markets Inc. and includes RBC, Dundee Securities Corporation, BMO, Scotia Capital Inc., TD Securities Inc., Canaccord Genuity Corp., GMP Securities L.P., HSBC Securities (Canada) Inc., Macquarie Capital Markets Canada Ltd., Raymond James Ltd., Desjardins Securities Inc., Manulife Securities Incorporated, Sora Group Wealth Advisors Inc. and Wellington West Capital Markets Inc. (collectively, the “Agents”).

Forward-looking Statements

The Prospectus contains important information relating to these securities and has been filed with the securities commission or securities authorities in all of the provinces of Canada. The Prospectus is still subject to completion or amendment. Copies of the Prospectus may be obtained from any of the Agents. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final prospectus has been filed. Capitalized terms used in this news release and not otherwise defined herein have the meanings given to them in the Prospectus.

Certain statements included in this news release constitute forward-looking statements, including, but not limited to, those identified by the expressions “expect”, “intend”, “will” and similar expressions to the extent that they relate to the Manager. The forward-looking statements are not historical facts but reflect the Manager’s current expectations regarding future results or events. These forward-looking statements involve known and unknown risks and uncertainties which may cause the Fund’s actual performance and results in future periods to differ materially from any estimates or projections of future performance or results expressed or implied by such forward-looking statements. Important factors that could cause actual results to differ materially from the Fund’s expectations include the risks related to the marketability of the securities of the Portfolio, equity prices, risks associated with real estate generally, and general economic and market factors. These and other factors should be considered carefully and readers should not place undue reliance on the Fund’s forward-looking statements.

About Morguard Sunstone Real Estate Income Fund

Morguard Financial Corp. (the “Investment Manager”) and Sunstone Investment Management Inc. (the “Manager”) believe that a diversified portfolio of publicly traded real estate securities has the potential to provide attractive, stable income with the opportunity for long-term capital appreciation. The Investment Manager and the Manager also believe that having experience through their affiliates in the acquisition, ownership and operation of real estate properties provides additional insight into potential investment opportunities and will improve their ability to establish an investment portfolio with enhanced yields and diminished risk.

The fund will be invested in an actively managed diversified portfolio of publicly traded real estate securities including primarily Canadian and US REITs and Real Estate Operating Companies (“REOCs”) and the companies that provide services to them.

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.

For more information please contact:

Andrew Greig, Investor Relations

Sunstone Investment Management Inc.

Suite 910, 925 West Georgia Street

Vancouver, BC V6C 3L2

Phone: (604) 681-5959 or (888) 681-5959

E-mail: andrew@sunstoneadvisors.com