



MORGUARD SUNSTONE REAL ESTATE INCOME FUND
ANNOUNCES JULY DISTRIBUTION

VANCOUVER, BC – July 20, 2011: 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 August 15, 2011 to Unitholders of record at the close of business on July 29, 2011.

The policy of Morguard Sunstone Real Estate Income Fund is to pay cash distributions on or about the 15th day of each month to the unitholders of record on the last business day of the preceding month.

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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