

HIGH-QUALITY COMMERCIAL PROPERTIES,
RESPONSIVE TO TENANTS' CHANGING
NEEDS AND FOCUSED ON RE-INVESTMENT:
MORGUARD REAL ESTATE INVESTMENT TRUST
IS COMMITTED TO **RE-ENVISIONING TOGETHER.**



2017 ANNUAL REPORT



ON THE COVER

PRAIRIE MALL
GRANDE PRAIRIE, AB

RE-ENVISIONING TOGETHER

Canadian workplaces and communities are rapidly changing and Morguard Real Estate Investment Trust is responding by investing in its real estate properties across the country. Our diversified portfolio comprises a wide range of commercial asset types, enabling us to address the needs of our current tenants, provide a vision for future tenants while maintaining a stable cash flow over time. By rethinking, repurposing and reimagining our properties, we are helping to create vibrant workplaces and shopping destinations that support the communities where we operate.



ASSET
MANAGEMENT



DEVELOPMENT



COMMUNITIES

FELLOW UNITHOLDERS

2017 was a challenging year. However, Morguard Real Estate Investment Trust is starting to realize the benefits of our efforts in a number of development and leasing initiatives, with over 290,000 square feet of development now revenue generating. As a result, we were able to sustain our unbroken record of monthly distributions to you, our valued unitholders, and I'm pleased to share the results with you in this year's annual report.

The diversity of our portfolio helped to reduce the impact of Alberta's economic slowdown, as well as the ongoing challenges within the retail sector. Today, the Trust is actively optimizing its income stream through the modernization of its retail properties. This means less reliance on rental income from large retailers and the development of diverse revenue sources from our retail centres.

The near-term goal is to identify, develop and intensify assets that are currently underutilized, in particular the land on which our retail centres stand, and non-performing retail spaces. We believe these efforts will result in a growing income stream over time. Looking further ahead, we'll maintain our focus on increasing the Trust's income stream to fund future portfolio growth and, of course, to reward our unitholders.

As always, I express my sincere appreciation to our talented management team, our dedicated employees, our experienced and capable Trustees, and to you, our loyal unitholders. Your loyalty and enthusiasm helped drive the ongoing success of Morguard Real Estate Investment Trust in 2017, and I'm confident will continue as we focus on our commitment to re-envisioning together.

Sincerely,



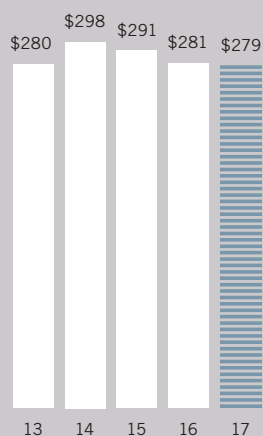
K. RAI SAHI
PRESIDENT AND CHIEF EXECUTIVE OFFICER



FINANCIAL HIGHLIGHTS

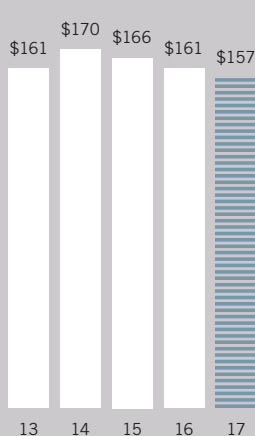
IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER UNIT AMOUNTS

AS AT DECEMBER 31	2013	2014	2015	2016	2017
Revenue from real estate properties	\$279,651	\$298,461	\$290,982	\$280,726	\$278,754
Net operating income	\$161,336	\$169,739	\$165,930	\$160,500	\$157,025
Funds from operations – Basic	\$100,763	\$106,516	\$106,385	\$113,500	\$100,766
Adjusted funds from operations – Basic	\$65,060	\$78,973	\$79,208	\$87,091	\$74,983
Funds from operations – Basic per unit	\$1.59	\$1.71	\$1.72	\$1.87	\$1.66
Adjusted funds from operations – Basic per unit	\$1.03	\$1.27	\$1.28	\$1.43	\$1.24
Distributions per unit	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96
Total assets	\$2,942,799	\$3,016,496	\$2,920,155	\$3,034,190	\$2,921,091
Weighted average number of units as at year-end (in thousands) – Basic	63,456	62,168	61,779	60,750	60,622



REVENUE FROM
REAL ESTATE PROPERTIES

IN MILLIONS OF DOLLARS



NET OPERATING INCOME

IN MILLIONS OF DOLLARS



FUNDS FROM OPERATIONS
– BASIC

IN MILLIONS OF DOLLARS



LEFT TO RIGHT

STANDARD LIFE
OTTAWA, ON

77 BLOOR STREET WEST
TORONTO, ON

PLACE INNOVATION
SAINT-LAURENT, QC



ASSET MANAGEMENT

Our goal is to derive the greatest value possible from our extensive real estate portfolio. We apply innovative forward thinking to enhance our properties. 77 Bloor Street in downtown Toronto is an excellent example. The Trust brought the property to a Class A LEED Gold standard while increasing leasable area and enhancing rental rates. At year-end 2017, the building was appraised at \$250 million, two and a half times its original purchase price in 2009.



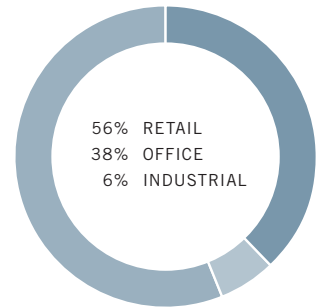
VARIOUS ASSET CLASSES ACROSS CANADA

STRENGTH IN DIVERSIFICATION

The Trust’s strategic goal is to ensure a stable and increasing cash flow over time, and critical to this strategy is diversifying our holdings. As a result, the Trust operates across three asset classes and six provinces. This has been a proven strategy, helping to minimize the effects of any downturn that may occur in a specific asset class, industry or geographic market.

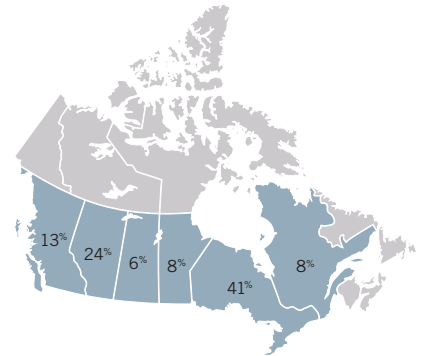
The Trust’s retail portfolio includes two types of income producing properties – enclosed full-scale, regional shopping centres and community strip centres – located in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. The enclosed full-scale, regional shopping centres are dominant in their respective markets, while the community strip centres include food retailers, discount department stores and banking institutions. Investing across these two broad categories of retail assets allows the Trust to spread its tenant base, reducing its exposure to a single category of retailer.

Like our retail assets, the Trust’s office portfolio includes two main asset types: single-tenant and multi-tenant. The single-tenant properties help to stabilize the Trust’s revenue stream, as they are typically under long-term leases to major corporate and government tenants. Multi-tenant properties with well-distributed lease expiration dates enable the Trust to benefit from increased rental rates on lease renewal, without creating an exposure to high tenant turnover in any one year. The office portfolio is geographically diversified across four provinces. In addition, the Trust’s portfolio is further diversified by its interests in four industrial properties located in Ontario and Quebec.



GROSS LEASABLE AREA BY ASSET CLASS¹

AS AT DECEMBER 31, 2017



GROSS LEASABLE AREA BY GEOGRAPHIC REGION¹

AS AT DECEMBER 31, 2017

1. Excluding income producing properties held for development.

LEFT TO RIGHT

WOODBRIIDGE SQUARE
VAUGHAN, ON

PETROLEUM PLAZA
EDMONTON, AB



KEEPING PACE WITH AN EVOLVING RETAIL LANDSCAPE

RE-ENVISIONING THE RETAIL PORTFOLIO

The retail marketplace is continuing to see change as owners adapt shopping centres to meet the needs of consumers. The breadth and diversity of our retail portfolio provide the Trust with the opportunity to accommodate modern uses and services.

This re-envisioning of the retail portfolio includes two primary strategies. The first is to intensify underutilized density to increase our gross leasable area (“GLA”) and deliver diverse sources of revenue for our unitholders. For the community, this makes the Trust’s retail centres more “experiential” and service-oriented. The second is to remerchandise space vacated by major retailers such as Target to not only replace lost revenues but to increase revenues generated from the same gross leasable area. This means an enhanced tenant mix, an increase in foot traffic for our tenants and ultimately greater tenant sales.

Our retail intensification initiatives will increase gross leasable area by 139,200 square feet and will reactivate 654,000 square feet. During 2017, 79,200 square feet of new space and 211,500 square feet of remerchandise space became revenue generating in four of the Trust’s community strip centres and four of the Trust’s regional enclosed centres. Investment by the Trust in these delivered projects was \$54.2 million. By the end of 2017, the delivered development projects were generating \$1.2 million of net operating income per quarter. By the end of 2018, we expect to have successfully re-leased all of the gross leasable area from the Target space.

COMPLETED DEVELOPMENT PROJECTS

AS AT DECEMBER 31, 2017

PROPERTY	GLA				INCOME PRODUCING	COMPLETION DATE	TOTAL PROJECT COST ¹	OCCUPANCY % ^{2,3}
	NEW	REDEVELOPED	TOTAL	ADJUSTMENT ²				
Parkland Mall	52,000	43,000	95,000	(7,500)	87,500	Q2 2017	\$15,000	86.3
Shoppers Mall	—	41,000	41,000	(3,500)	37,500	Q2 2017	7,335	86.6
The Centre	—	13,000	13,000	(1,000)	12,000	Q2 2017	1,251	100.0
Airdrie Co-op	5,000	—	5,000	—	5,000	Q3 2017	1,732	100.0
Aurora Centre	16,000	—	16,000	—	16,000	Q3 2017	5,488	100.0
Shoppers Mall	—	62,500	62,500	500	63,000	Q3 2017	7,906	100.0
Prairie Mall	—	56,000	56,000	(17,000)	39,000	Q3 2017	8,313	80.8
Woodbridge Square	—	4,500	4,500	—	4,500	Q3 2017	1,156	65.2
The Centre	—	20,000	20,000	—	20,000	Q4 2017	4,794	100.0
Charleswood Centre	6,200	—	6,200	—	6,200	Q4 2017	615	100.0
77 Bloor Street West	5,500	—	5,500	—	5,500	Q2 2016	3,290	100.0
Others							638	
	84,700	240,000	324,700	(28,500)	296,200		\$57,518	

1. In thousands of dollars

2. GLA adjustment due to reconfiguration caused by change in use.

3. Represents occupied GLA for development projects as a percentage of total GLA for development projects.



LEFT TO RIGHT
SHOPPERS MALL
BRANDON, MB

MALL INTERIOR

ENTRANCE RENDERING

DEVELOPMENT SITE PLAN



DEVELOPMENT

Ensuring our retail centres meet the needs of our tenants and communities is a core strategy. Modernizing and remerchandising our retail shopping centres delivers on that strategy. The Trust revitalized Shoppers Mall in Brandon, Manitoba bringing in fitness facilities, a pharmacy, and additional restaurant buildings. We also worked with the grocery anchor to enhance its offering of prepared foods, seating areas and event space. This revitalization has solidified its place as a desirable destination in the community and has significantly increased foot traffic.



COMMUNITIES

The Trust sees its retail properties as extensions of the communities they serve. They are destinations in and of themselves – community centres. To help respond to the needs of individual communities, we have partnered with municipal transit authorities to build transit stations within five of our properties. Cambridge Centre, for example, is positioned as an intensified, transit-oriented, mixed-use community hub with the opening of a new regional multi-transit authority station in December, 2016.



LEFT TO RIGHT
CAMBRIDGE CENTRE
CAMBRIDGE, ON

RENDERING

MALL EVENT

ICE RINK



DELIVERING DEVELOPMENT PROJECTS TO GENERATE GREATER REVENUE FOCUSED ON FINANCIAL RESULTS

NET OPERATING INCOME

For 2017, our total net operating income was \$157.0 million, compared with \$160.5 million a year earlier. During 2017, the Trust continued to be challenged by reduced performance in the retail portfolio. Development projects that began generating revenue in the second quarter of 2017 offset decreases resulting from vacancy costs and basic rent. It is expected that the full impact of our development projects will be realized toward the end of 2018.

STEADY PERFORMANCE FOR UNITHOLDERS CONSISTENT DISTRIBUTIONS YEAR OVER YEAR

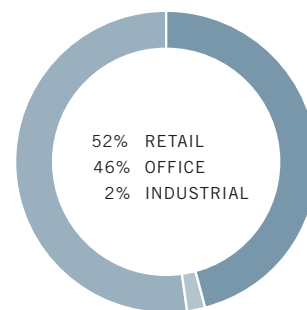
Throughout the year, we continued to make monthly distributions to our unitholders. Since inception, our distributions have held steady or increased, but have never lessened. For 2017, the monthly distributions per unit were \$0.08, for an annualized total of \$0.96 per unit. Overall, the Trust's distributions for the year were \$58.2 million.

In setting the level of distributions, the Trustees closely monitor our payout ratio – that is, the cash distributions to basic adjusted funds from operations – to ensure sufficient funds are retained for reinvestment. At December 31, 2017, the Trust's payout ratio was 77.4%, compared with a ratio of 67.1% at December 31, 2016. The significant difference between 2017 and 2016 is the inclusion of a one-time \$11.3 million settlement which increased adjusted funds from operations in 2016.

MANAGING THE FINANCES PRUDENT, BALANCED OVERSIGHT

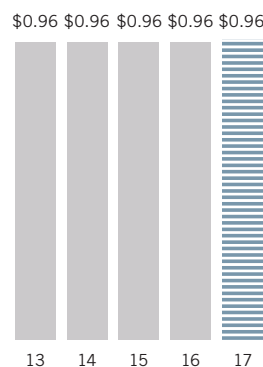
Managing the capital of the Trust prudently is an ongoing objective. This includes having an appropriate balance between different types of debt, and maintaining an appropriate ratio of debt to total assets.

The Trust's debt ratio at December 31, 2017 was 44.5%, a decrease from December 31, 2016 of 2.5% (47.0%). This decrease is largely the result of both the 2012 and 2016 convertible debentures remaining on the balance sheet at December 31, 2016. The 2012 convertible debentures were redeemed for cash on January 9, 2017. The Trust's debt ratio at December 31, 2016 was 44.8%, adjusting for the 2012 debentures.



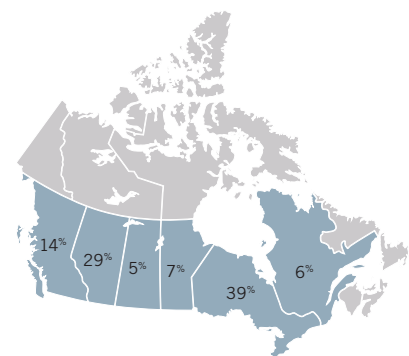
NET OPERATING INCOME
BY ASSET CLASS¹

AS AT DECEMBER 31, 2017



CASH DISTRIBUTIONS
PER UNIT

AS AT DECEMBER 31



NET OPERATING INCOME
BY GEOGRAPHIC REGION¹

AS AT DECEMBER 31, 2017

1. Excluding income producing properties held for development.

SUMMARY OF SELECTED ANNUAL INFORMATION

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER UNIT AMOUNTS

	2017	2016	2015	2014	2013
Revenue from real estate properties	\$278,754	\$280,726	\$290,982	\$298,461	\$279,651
Net operating income	157,025	160,500	165,930	169,739	161,336
Income before fair value (losses)/gains, (loss)/gain on sale of real estate properties and net income/(loss) from equity-accounted investments	97,600	110,408	103,153	102,700	97,080
Fair value (losses)/gains on real estate properties	(31,225)	(51,643)	(78,977)	11,239	107,641
(Loss)/gain on sale of real estate properties	—	—	—	(37)	2,058
Net income/(loss) from equity-accounted investments	931	(1,558)	2,441	(20)	5,602
Net income	67,306	57,207	26,617	113,882	212,381
Funds from operations	100,766	113,500	106,385	106,516	100,763
Adjusted funds from operations ^{1, 6}	74,983	87,091	79,208	78,973	65,060
AMOUNTS PRESENTED ON A PER UNIT BASIS					
NET INCOME					
Basic	\$1.11	\$0.94	\$0.43	\$1.83	\$3.35
Diluted ²	\$1.05	\$0.93	\$0.43	\$1.72	\$3.01
FUNDS FROM OPERATIONS					
Basic	\$1.66	\$1.87	\$1.72	\$1.71	\$1.59
Diluted ²	\$1.57	\$1.81	\$1.67	\$1.67	\$1.55
ADJUSTED FUNDS FROM OPERATIONS^{1, 6}					
Basic	\$1.24	\$1.43	\$1.28	\$1.27	\$1.03
Diluted ²	\$1.20	\$1.41	\$1.27	\$1.26	\$1.03
CASH DISTRIBUTIONS PER UNIT	\$0.96	\$0.96	\$0.96	\$0.96	\$0.96
PAYOUT RATIO –					
Adjusted funds from operations ^{1, 3}	77.4%	67.1%	75.0%	75.6%	93.2%
WEIGHTED AVERAGE NUMBER OF UNITS AS AT YEAR-END (IN THOUSANDS)					
Basic	60,622	60,750	61,779	62,168	63,456
Diluted ²	69,200	66,780	67,876	68,265	69,554
BALANCE SHEETS					
Total assets	\$2,921,091	\$3,034,190	\$2,920,155	\$3,016,496	\$2,942,799
Total liabilities	\$1,355,500	\$1,479,007	\$1,364,015	\$1,409,415	\$1,390,061
Total equity	\$1,565,591	\$1,555,183	\$1,556,140	\$1,607,081	\$1,552,738
GROSS LEASABLE AREA AS AT YEAR-END (IN THOUSANDS OF SQUARE FEET)⁴					
Retail	4,726	4,721	4,710	4,775	4,771
Office	3,198	3,201	3,365	3,678	3,314
Industrial	534	534	534	534	534
TOTAL	8,458	8,456	8,609	8,987	8,619
OCCUPANCY AS AT YEAR-END (%)^{4, 5}					
Retail	97%	96%	97%	96%	98%
Office	93%	97%	97%	96%	95%
Industrial	98%	98%	97%	97%	87%
TOTAL	95%	96%	97%	96%	96%

1. Restated in accordance with REALpac white paper on FFO and AFFO effective January 1, 2017. The restatement required the inclusion of the one-time Target Corporation settlement of \$11.3 million, finalized in the second quarter of 2016 (see part IV).

2. Includes the dilutive impact of the outstanding convertible debentures.

3. Cash distributions per unit as a percentage of adjusted funds from operations – basic.

4. Gross leasable area for income producing properties, excluding IPP held for development, and excluding equity-accounted investments.

5. Excludes properties held for sale and area under development.

6. The Trust uses normalized productive capacity maintenance expenditures to calculate adjusted funds from operations.

BALANCE SHEETS

IN THOUSANDS OF CANADIAN DOLLARS

AS AT DECEMBER 31	2017	2016
ASSETS		
NON-CURRENT ASSETS		
Real estate properties	\$2,861,816	\$2,826,098
Equity-accounted investment	27,080	28,201
	2,888,896	2,854,299
CURRENT ASSETS		
Amounts receivable	16,601	15,172
Loan receivable	—	50,000
Prepaid expenses and other	842	2,023
Cash and cash equivalents	14,752	112,696
	32,195	179,891
TOTAL ASSETS	\$2,921,091	\$3,034,190
LIABILITIES AND UNITHOLDERS' EQUITY		
NON-CURRENT LIABILITIES		
Mortgages payable	\$990,959	\$1,027,841
Convertible debentures	166,983	165,273
Other liabilities	3,728	3,663
	1,161,670	1,196,777
CURRENT LIABILITIES		
Mortgages payable	89,299	84,653
Convertible debentures	—	149,975
Accounts payable and accrued liabilities	51,670	47,602
Loan payable	35,000	—
Bank indebtedness	17,861	—
	193,830	282,230
TOTAL LIABILITIES	1,355,500	1,479,007
Unitholders' equity	1,565,591	1,555,183
	\$2,921,091	\$3,034,190

STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT PER UNIT AMOUNTS

FOR THE YEAR ENDED DECEMBER 31	2017	2016
Revenue from real estate properties	\$278,754	\$280,726
Property operating expenses	112,563	111,020
Property management fees	9,166	9,201
NET OPERATING INCOME	157,025	160,505
Interest expense	55,087	56,676
General and administrative	4,517	4,726
Other income	(179)	(11,305)
INCOME BEFORE FAIR VALUE LOSSES AND NET INCOME/(LOSS) FROM EQUITY-ACCOUNTED INVESTMENT	97,600	110,408
Fair value losses on real estate properties	(31,225)	(51,643)
Net income/(loss) from equity-accounted investment	931	(1,558)
NET INCOME	67,306	57,207
OTHER COMPREHENSIVE INCOME		
Item to be reclassified to profit or loss in subsequent periods:		
Amortization of cash flow hedges	—	189
COMPREHENSIVE INCOME	\$67,306	\$57,396
NET INCOME PER UNIT		
Basic	\$1.11	\$0.94
Diluted	\$1.05	\$0.93

STATEMENTS OF UNITHOLDERS' EQUITY

IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT NUMBER OF UNITS

	NUMBER OF UNITS	ISSUE OF UNITS	RETAINED EARNINGS	EQUITY COMPONENT OF CONVERTIBLE DEBENTURES	CONTRIBUTED SURPLUS	ACCUMULATED OTHER COMPREHENSIVE LOSS	TOTAL UNITHOLDERS' EQUITY
UNITHOLDERS' EQUITY, JANUARY 1, 2016	60,891,654	\$613,044	\$941,421	\$1,526	\$338	(\$189)	\$1,556,140
Repurchase of units	(371,769)	(3,744)	(2,096)	—	—	—	(5,840)
2012 Debentures converted	406	10	—	—	—	—	10
2016 Debentures issued	—	—	—	4,594	—	—	4,594
Net income	—	—	57,207	—	—	—	57,207
Distributions to unitholders	—	—	(57,117)	—	—	—	(57,117)
Issue of units – DRIP ¹	80,416	1,189	(1,189)	—	—	—	—
Amortization of cash flow hedges	—	—	—	—	—	189	189
UNITHOLDERS' EQUITY, DECEMBER 31, 2016	60,600,707	\$610,499	\$938,226	\$6,120	\$338	—	\$1,555,183
Repurchase of units	(50,300)	(507)	(259)	—	—	—	(766)
2012 Debentures converted	731	18	—	—	—	—	18
2012 Debentures redeemed	—	—	—	(1,526)	1,526	—	—
Net income	—	—	67,306	—	—	—	67,306
Distributions to unitholders	—	—	(56,150)	—	—	—	(56,150)
Issue of units – DRIP	140,591	2,053	(2,053)	—	—	—	—
UNITHOLDERS' EQUITY, DECEMBER 31, 2017	60,691,729	\$612,063	\$947,070	\$4,594	\$1,864	\$—	\$1,565,591

1. Distribution Reinvestment Plan ("DRIP")

STATEMENTS OF CASH FLOWS

IN THOUSANDS OF CANADIAN DOLLARS

FOR THE YEAR ENDED DECEMBER 31	2017	2016
OPERATING ACTIVITIES		
Net income	\$67,306	\$57,207
Add items not affecting cash	31,494	55,015
Distributions from equity-accounted investment	2,052	2,750
Additions to tenant incentives and leasing commissions	(3,920)	(3,878)
Net change in non-cash operating assets and liabilities	3,885	4,054
CASH PROVIDED BY OPERATING ACTIVITIES	100,817	115,148
FINANCING ACTIVITIES		
Proceeds from new mortgages	53,000	30,063
Financing cost on new mortgages	(185)	(161)
Repayment of mortgages		
Repayments on maturity	(50,250)	(55,749)
Principal instalment repayments	(35,490)	(34,703)
Net repayment of 2012 Debentures	(99,957)	—
Net proceeds from 2016 Debentures	7	119,863
Proceeds from bank indebtedness	17,861	—
Proceeds from loan payable	35,000	17,000
Repayment of loan payable	—	(17,000)
Distributions to unitholders	(56,150)	(57,117)
Units repurchased for cancellation	(766)	(5,840)
CASH USED IN FINANCING ACTIVITIES	(136,930)	(3,644)
INVESTING ACTIVITIES		
Capital expenditures on real estate properties	(61,831)	(47,415)
Acquisition of real estate properties	—	(61)
Proceeds from sale of real estate properties, net	—	22,386
CASH USED IN INVESTING ACTIVITIES	(61,831)	(25,090)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(97,944)	86,414
Cash and cash equivalents, beginning of period	112,696	26,282
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$14,752	\$112,696



HERITAGE PLACE
OTTAWA, ON

PORTFOLIO SUMMARY

AS AT DECEMBER 31, 2017

\$2.9B

REAL ESTATE PROPERTIES

49

TOTAL PROPERTIES

21

RETAIL PROPERTIES

28

OFFICE AND INDUSTRIAL
PROPERTIES

8.6M

GROSS LEASABLE
AREA (SF)

95%

PORTFOLIO
OCCUPANCY

RETAIL PORTFOLIO

AS AT DECEMBER 31, 2017

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
Burquitlam Plaza	Coquitlam	BC	100	68,000	68,000	88	CIBC, Dollarama, Shoppers Drug Mart
Pine Centre Mall	Prince George	BC	100	476,000	476,000	99	Lowe's, Shoppers Drug Mart, Sport Chek
Shelbourne Plaza	Victoria	BC	100	57,000	57,000	100	Fairway Market, Scotiabank, TD Canada Trust
Airdrie Co-op Centre	Airdrie	AB	100	70,000	70,000	94	Co-op Grocery, Co-op Liquor, TD Canada Trust
Airdrie RONA Centre	Airdrie	AB	100	44,000	44,000	100	RONA
Heritage Towne Centre	Calgary	AB	100	131,000	131,000	100	Ashley Furniture, Dollarama, Home Outfitters
Prairie Mall	Grande Prairie	AB	50	297,000	148,500	90	Ardene, Mark's Work Wearhouse, Marshalls, Shoppers Drug Mart, Urban Planet
Parkland Mall ⑤	Red Deer	AB	100	473,000	473,000	86	Dollarama, GoodLife Fitness, Staples, Walmart
The Centre	Saskatoon	SK	100	503,000	503,000	96	Best Buy, Co-op Grocery, Goodlife Fitness, Shoppers Drug Mart, Sport Chek
Shoppers Mall ②	Brandon	MB	100	367,000	367,000	95	Capitol Theatre, GoodLife Fitness, Shoppers Drug Mart (Fall 2018), Sobeys, Sport Chek
Charleswood Centre	Winnipeg	MB	100	122,500	122,500	100	Dollarama, Safeway, Shoppers Drug Mart
Southdale Centre	Winnipeg	MB	100	175,500	175,500	98	Bank of Montreal, Dollarama, Rexall, Walmart
Aurora Centre	Aurora	ON	100	304,000	304,000	100	Canadian Tire, Cineplex, GoodLife Fitness, PetSmart, Sobeys
Cambridge Centre ②	Cambridge	ON	100	612,500	612,500	99	Bingeman's (Fall 2018), Galaxy, H&M, Hudson's Bay, Indigo (Fall 2018)
Market Square	Kanata	ON	100	58,000	58,000	96	Farm Boy, LCBO, TD Canada Trust
Wonderland Corners	London	ON	100	47,500	47,500	90	Swiss Chalet
Kingsbury Centre	Mississauga	ON	100	70,000	70,000	98	Longo's, Scotiabank, Shoppers Drug Mart
Hampton Park Plaza	Ottawa	ON	100	102,000	102,000	96	Food Basics, Rexall, Swiss Chalet
Home Base	Ottawa	ON	100	10,000	10,000	100	Royal Bank
St. Laurent	Ottawa	ON	100	820,000	820,000	99	Hudson's Bay, Sport Chek, Ardene
Woodbridge Square	Vaughan	ON	50	112,000	56,000	97	Nations Fresh Foods, Scotiabank
TOTAL RETAIL				4,920,000	4,715,500	97	

Certifications: ① LEED Gold ② LEED Silver ③ BOMA Platinum ④ BOMA Gold ⑤ BOMA Silver ⑥ BOMA Bronze ⑦ BOMA Certified

97%

RETAIL OCCUPANCY

4.7M

RETAIL SF

LEFT TO RIGHT

AURORA CENTRE
AURORA, ON

ST. LAURENT
OTTAWA, ON



OFFICE PORTFOLIO

AS AT DECEMBER 31, 2017

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
111 Dunsmuir ②	Vancouver	BC	100	222,000	222,000	100	AMEC Americas, Stantec Consulting
Chancery Place ②	Vancouver	BC	100	142,500	142,500	100	Province of British Columbia
Seymour Place	Victoria	BC	100	235,500	235,500	100	Province of British Columbia
505 3rd Street SW ②	Calgary	AB	50	142,000	71,000	75	Morguard, Strike Energy, Wilmington Capital
7315 8th Street NE	Calgary	AB	100	19,500	19,500	100	Genesis Land Development
Centre 810	Calgary	AB	100	77,500	77,500	92	Cima Canada, Tektelic Communications Inc.
Citadel West ②	Calgary	AB	100	78,500	78,500	100	CH2M Hill Canada
Deerport Centre ③	Calgary	AB	100	48,500	48,500	84	Aerotek, Colleaux Engineering, State Farm
Duncan Building ③	Calgary	AB	100	81,000	81,000	100	RCMP
National Bank Building	Calgary	AB	100	43,500	43,500	100	National Bank of Canada
207 and 215 9th Avenue SW ②	Calgary	AB	100	636,500	636,500	99	Obsidian Energy Ltd.
Petroleum Plaza ③	Edmonton	AB	50	304,000	152,000	99	Alberta Infrastructure
Scotia Place ②	Edmonton	AB	20	565,000	113,000	64	APEGA, Duncan and Craig, Grant Thornton
301 Laurier Avenue	Ottawa	ON	50	26,000	13,000	19	Moores
525 Coventry	Ottawa	ON	100	42,500	42,500	100	Assent Compliance
Green Valley Office Park ③	Ottawa	ON	100	123,000	123,000	82	Ottawa Fertility Clinic, The Ottawa Hospital
Heritage Place ③	Ottawa	ON	50	215,000	107,500	64	Public Services and Procurement Canada
St. Laurent Business Centre	Ottawa	ON	100	88,000	88,000	71	Intact Insurance Company, RJR Innovations
Standard Life	Ottawa	ON	50	378,000	189,000	98	Public Services and Procurement Canada
Time Square ③	Ottawa	ON	100	111,000	111,000	90	BBB Urban, Le Droit, Public Works
200 Yorkland ③	Toronto	ON	100	149,500	149,500	90	AG Simpson, Ferring, Investors Group
77 Bloor Street West ①③	Toronto	ON	50	396,000	198,000	94	Harry Rosen, Realstar, TD Canada Trust
Place Innovation ②	Saint-Laurent	QC	50	900,000	450,000	100	AJW Technique, Amdocs, Bombardier
TOTAL OFFICE				5,025,000	3,392,500	93	

Certifications: ① LEED Gold ② LEED Silver ③ BOMA Platinum ④ BOMA Gold ⑤ BOMA Silver ⑥ BOMA Bronze ⑦ BOMA Certified

INDUSTRIAL PORTFOLIO

AS AT DECEMBER 31, 2017

PROPERTY	CITY	PROV.	OWNERSHIP INTEREST (%)	TOTAL AREA (SF)	OWNERSHIP AREA (SF)	OCCUPANCY (%)	TOP TENANTS
1875 Leslie	Toronto	ON	100	52,000	52,000	100	Body and Soul Fitness, Goose & Firkin
2041-2151 McCowan	Toronto	ON	100	196,500	196,500	95	Canadian Standard Floor
279 Yorkland	Toronto	ON	100	18,000	18,000	100	Loblaws Properties Ltd.
285 Yorkland	Toronto	ON	100	25,000	25,000	100	Mitchell Partnership
825 Des Érables	Salaberry-de-Valleyfield	QC	50	485,000	242,500	100	Diageo
TOTAL INDUSTRIAL				776,500	534,000	98	
TOTAL				10,721,500	8,642,000		

93%

OFFICE OCCUPANCY

98%

INDUSTRIAL OCCUPANCY

3.4M

OFFICE SF

0.5M

INDUSTRIAL SF

CORPORATE INFORMATION

MORGUARD REAL ESTATE INVESTMENT TRUST AT A GLANCE

Morguard Real Estate Investment Trust (the Trust) is a closed-end trust listed on the Toronto Stock Exchange (TSX) under the symbol MRT.UN. As of December 31, 2017, the Trust's total assets were \$2.9 billion. The Trust's mandate is to accumulate a Canadian portfolio of high-quality retail, office and industrial income-producing properties and manage the portfolio proactively to generate a stable and increasing cash flow, providing steady, dependable returns for unitholders over time. With a diversified real estate portfolio of 49 commercial properties located in six Canadian provinces, the Trust owns approximately 8.6 million square feet of gross leasable area. The Trust's real estate portfolio includes well-located office properties in major urban centres, large enclosed regional centres that are dominant in their respective markets, service-focused community strip centres and a selection of industrial properties.

TRUSTEES

FRASER R. BERRIL^{1, 2, 3}

President
Fragin Holdings Limited

PAUL F. COBB^{1, 2, 3}

Corporate Director

K. RAI SAHI

Chairman and
Chief Executive Officer
Morguard Corporation

TIMOTHY J. WALKER^{1, 3}

Corporate Director

MICHAEL A.J. CATFORD^{1, 2, 3}

Real Estate Consultant

DAVID A. KING

Corporate Director

¹ Independent Trustee

² Audit Committee

³ Compensation and
Governance Committee

EDWARD C. KRESS^{1, 2, 3}

Corporate Director
Brookfield Group

ANTONY K. STEPHENS^{1, 2, 3}

Corporate Director

OFFICERS

DAVID A. KING

Chairman

PAMELA MCLEAN

Chief Financial Officer

PAUL MIATELLO

Vice President

K. RAI SAHI

President and
Chief Executive Officer

BEVERLEY G. FLYNN

Vice President,
General Counsel
and Secretary

ROBERT D. WRIGHT

Vice President

INVESTOR INFORMATION

HEAD OFFICE

Morguard Real Estate
Investment Trust
55 City Centre Drive, Suite 1000
Mississauga, ON
L5B 1M3
T 905-281-4800 or
1-800-928-6255
info@morguard.com

ELIGIBILITY

RRSP
RRIF
DPSP
RPP
TFSA

INVESTOR RELATIONS

Visit our website at
www.morguard.com or
view our filings on SEDAR
at www.sedar.com.

FOR ADDITIONAL INFORMATION, CONTACT

Beverley G. Flynn
Vice President, General Counsel
and Secretary
T 905-281-4800
info@morguard.com

LISTING

Toronto Stock Exchange

AUDITORS

Ernst & Young LLP

ANNUAL UNITHOLDER MEETING

Wednesday May 9, 2018
at 9:45 a.m.
Rattlesnake Point Golf Club,
5407 Regional Road 25,
Milton, ON
L9T 2X5

Pamela McLean
Chief Financial Officer
T 905-281-4800
info@morguard.com

SYMBOL

MRT.UN
MRT.DB

PRINCIPAL BANKERS

Bank of Montreal,
Toronto-Dominion Bank

TRANSFER AGENT

Computershare Trust Company
1-800-564-6253
www.computershare.com

The selected annual financial information in the 2017 Annual Report highlights certain key metrics for the Trust. As a result, this report should be read in conjunction with the Trust's Consolidated Financial Statements for the year ended December 31, 2017, related Management's Discussion and Analysis ("MD&A") and the Annual Information Form ("AIF"). These documents are available on the Trust's website at www.morguard.com. All continuous disclosure documents required by securities regulators are also filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and can be accessed electronically at www.sedar.com.



MORGUARD REAL ESTATE
INVESTMENT TRUST

55 CITY CENTRE DRIVE
SUITE 1000
MISSISSAUGA, ON
L5B 1M3
905-281-4800

MORGUARD.COM