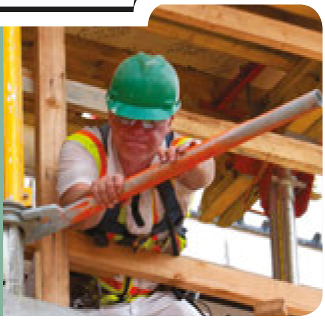
The Quarterly

Trust Report

MEPT | 30 Years 1982–2012



INSIDE:

- MEPT's Operating Portfolio Surpasses 93 Percent Leased
- Urban Multi-family and CBD Office Assets Drive Fund Appreciation

FIRST QUARTER | APRIL 2013 | VOLUME 28, NUMBER 1

Multi-Employer Property Trust (MEPT) closed the first quarter of 2013 with a unit value of **$6,826.56** up **2.00 percent** (net of fees) from the previous quarter. For the trailing four quarters, MEPT's net return is **5.10 percent**.

U.S. Economic and Real Estate Overview

Early indications of economic recovery continued to surface in the first quarter, particularly across commercial real estate markets, giving investors reason to remain cautiously optimistic. However, factors such as sequestration, higher payroll taxes, uncertainty from geopolitical tensions, and fewer new jobs created in March than prior months could cause slower economic growth over the balance of the year.

During the quarter, the real estate market showed reasonable strengthening. For instance, an increase in residential construction and home sales was a positive indicator of improving fundamentals. **As a result of new construction of apartment buildings and single-family homes, first quarter 2013 marked the highest quarterly job growth for the construction trades in seven years.**

Private sector hiring was also strong during the first quarter and the national office vacancy rate fell by 10 basis points from the fourth quarter to 15.3 percent, according to CBRE-EA. The vacancy decline was also aided by the lack of new office construction activity — which hit a 14-year low in the first quarter, according to REIS, Inc. In the industrial sector, improving fundamentals, also helped by low levels of new supply, led to a 50 basis point drop in vacancy during the first quarter to 12.3 percent.

Supporting the retail sector, consumer spending increased in the first quarter at the fastest pace in two years as advances in January and February made up for a weaker March. As a result, the retail availability rate had the largest decline since 2005 and dropped 30 basis points to 12.5 percent. The vacancy rate in the apartment market declined by 20 basis points to 4.3 percent, the lowest vacancy level since the fourth quarter of 2001, according to REIS, and many markets experienced strong effective rent growth. **However, new construction activity and deliveries in the apartment sector may temper rent growth in the near term in certain markets.**

News Briefs

FOR THE FIFTH CONSECUTIVE YEAR, BENTALL KENNEDY, THROUGH ITS WORK ON BEHALF OF MEPT, WAS AWARDED THE ENERGY STAR PARTNER OF THE YEAR AWARD BY THE U.S. ENVIRONMENTAL PROTECTION AGENCY (EPA) IN MARCH. In addition, Bentall Kennedy received the prestigious Sustained Excellence Award for the third year in a row. The Sustained Excellence Award is given to a select number of organizations that exhibit outstanding energy management performance and practices year after year, and Bentall Kennedy has deployed industry-leading initiatives throughout the MEPT portfolio.

IN JANUARY, MEPT RECEIVED TOTAL GROSS PROCEEDS OF $91.3 MILLION FOR THE SALE OF TWO ASSETS IN SUBURBAN LOS ANGELES —CORPORATE POINTE AND DEVRY AT WEST HILLS. MEPT targeted the 11-building, 987,428 square-foot office park in the northwest San Fernando Valley for sale because it was not a long-term strategic asset for the portfolio and had low occupancy. The sale enabled MEPT to reduce its suburban office allocation while increasing overall occupancy of the MEPT portfolio. After receiving interest from several buyers, MEPT proceeded with an all cash offer from Brookfield Property Group, an alternative asset manager with more than $150 billion in assets under management.

CORPORATE POINT AT WEST HILLS, LOS ANGELES

IN FEBRUARY, MEPT RECEIVED TOTAL GROSS PROCEEDS OF $59.5 MILLION FOR THE DISPOSITION OF CABRILLO TECHNOLOGY CENTER IN SAN DIEGO. MEPT built the 285,585 square-foot office building in 1999 and the property performed well for the Fund over the years. However, with deteriorating submarket fundamentals and the upcoming lease expiration of the main tenant, MEPT anticipated future leasing challenges and higher expenses in the coming years. As a result, MEPT marketed the asset for sale and the property was purchased in an all-cash transaction by a joint venture of IDS Real Estate Group and CalSTRS.

DURING THE QUARTER, MEPT SOLD THREE ASSETS IN SUBURBAN CHICAGO FOR TOTAL GROSS PROCEEDS OF $23.5 MILLION. Totaling nearly 500,000 square feet and notable for energy-efficient achievements, Greenspoint Office Building and Greenspoint Office Building III were built by MEPT between 1989 and 1999 and Barrington Pointe was acquired in 1994. The northwest suburban Chicago submarket where these assets are located had been suffering from persistently high vacancy and deteriorating market conditions which affected MEPT's ability to re-lease vacant space. As a result, MEPT targeted the three buildings for sale, consistent with MEPT's strategic goal of disposing of older office assets in suburban markets. The assets were purchased by the Lincoln Property Company on behalf of the Teachers' Retirement System of Illinois (TRS).

IN FEBRUARY, MEPT SOLD A LAND PARCEL IN THE WEST 70 COMMERCE CENTER BUSINESS PARK IN ST. LOUIS FOR $3.4 MILLION. MEPT was approached by a prior tenant in the West 70 Commerce Center industrial park to purchase the land at a price above the Fund's carrying value. The buyer is a Missouri-based manufacturer who has a large presence in the area and previously acquired a building in the business park from MEPT in 2005.

First Quarter Results

Net Return, First Quarter
2.00%

Net Return, 04/1/12–3/31/13
5.10%

Net Asset Value
$5.65 billion

Performance

In the first quarter, MEPT produced a total gross return of 2.23 percent, composed of 1.33 percent income and 0.90 percent appreciation. The Fund produced gross income of $73.7 million generated by MEPT's 93.1 percent leased, 39.0 million square foot operating portfolio. Net operating income for the same-store portfolio grew year-over-year by 14.5 percent, including income growth in every property type.

The portfolio generated $49.9 million in appreciation in the first quarter, driven by improving market and rental rate fundamentals for urban multi-family, central business district (CBD) office, and bulk-distribution industrial assets as well as construction progress at several development projects. Appreciation in the Fund also resulted from the debt valuation process, due in part to the recent payoff of a loan facility that had been in place since April 2006 at an interest rate higher than current market rates.

During the first quarter, there were 93 assets with appreciation or no change in value and 43 assets that experienced depreciation. The primary contributors to appreciation in the first quarter included two of MEPT's multi-family development projects, Via6 in Seattle and The Dylan at 309 Fifth Avenue in New York. Additionally, the 95.8 percent leased Boardwalk at Town Center in Houston and the 95.4 percent leased Octagon Park Apartments in New York were strong contributors to appreciation. Further, the procurement and subsequent sale of Connecticut Green Buildings Tax Credits at 360 State Street in New Haven resulted in material appreciation.

Yield

	First Quarter 2013	Trailing Four Quarters (Compounded)
NET	**2.00%**	**5.10%**
INCOME	1.10%	4.53%
APPRECIATION	0.90%	0.55%
GROSS	**2.23%**	**6.03%**
INCOME	1.33%	5.46%
APPRECIATION	0.90%	0.55%

CBD office assets such as 475 Sansome Street in San Francisco, Newport Tower in Jersey City and Patriots Plaza II & III in Washington, D.C., which has numerous long-term leases to government tenants, all experienced significant appreciation. Additionally, MEPT's 400,000 square foot urban retail property, Pacific Place, in Seattle had strong appreciation and the build-to-suit expansion project for Procter & Gamble at Gateway Commerce Center II in St. Louis garnered appreciation for the Fund.

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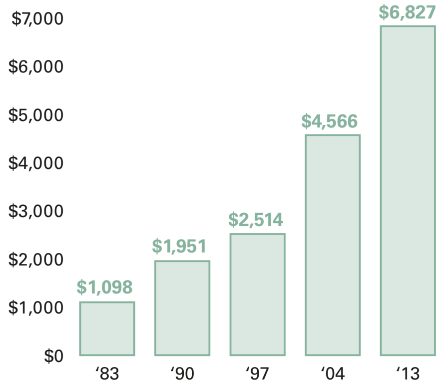
Unit Value Growth

March 31, 1983 – March 31, 2013

Based on Market Value

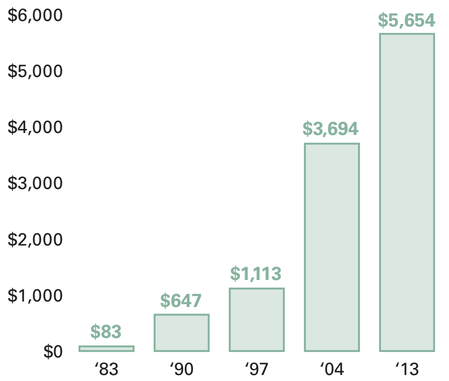


Values shown are for March 31 in each year.
Date of inception April 1, 1982.

Net Asset Value Growth

March 31, 1983 – March 31, 2013

Based on Market Value ($Millions)



Values shown are for March 31 in each year.
Date of inception April 1, 1982.

Fund Overview

Inception Date	April 1, 1982	Average Age of Properties	13.2 years
Investments Held	136	Markets	30
Number of Buildings	333	Net Asset Value	$5.65 billion
Total Operating Square Footage	39.0 million	Unit Value	$6,826.56
Operating Occupancy	93.1%	Participating Plans	357

Performance *(continued)*

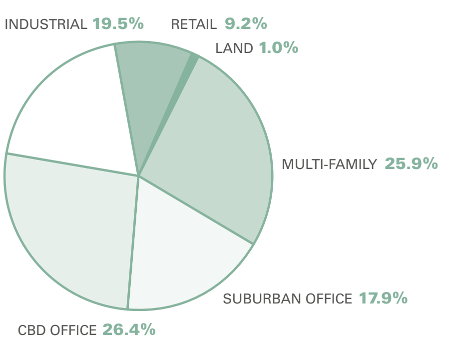
While a variety of asset types and locations contributed to the modest depreciation experienced during the quarter, primary contributors were three office properties impacted by the prospect of increased vacancy in softening rental markets—conditions that were recognized in the valuation process. A small number of suburban apartment assets also contributed minor depreciation due to increasing operating expense or leasing concessions resulting from additional competitive supply in the market.

MEPT Portfolio

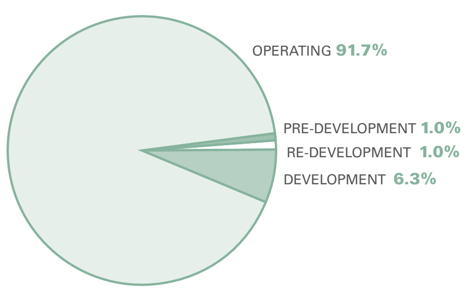
As of March 31, 2013

Weighted by Net Real Estate Asset Value

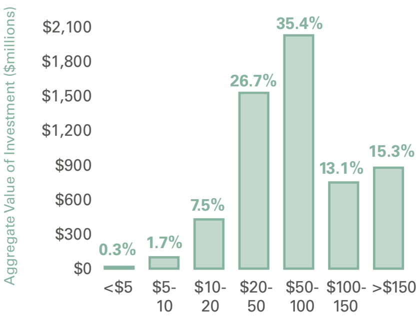
Diversification by Property Type



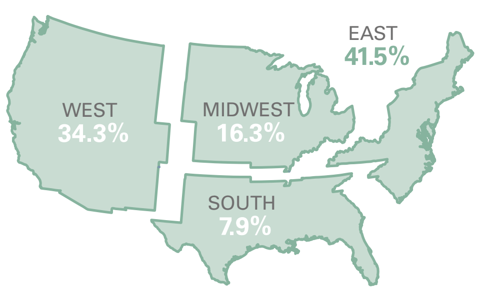
Diversification by Life Cycle



Diversification by Size of Investment



Diversification by Geographic Region



In Appreciation and Recognition of Our 25 Year Partnership MEPT Salutes:

National Electrical Annuity Plan

New Participant

Radio, Television & Recording Arts Broadcasters Pension Fund

Projects Sold

Barrington Pointe
Chicago, IL

Cabrillo Technology Center
San Diego, CA

Corporate Pointe at West Hills
Los Angeles, CA

DeVry at West Hills
Los Angeles, CA

Greenspoint Office
Chicago, IL

Greenspoint Office III
Chicago, IL

West 70 Commerce Center Land
St. Louis, MO

Highlight: MEPT's First Quarter Top Performing Assets

VIA 6
Market: **Seattle**
Type: **Multi-family**
Units: **654**
Lifecycle: **Development**
Leased: **31.5%**

During the first quarter, Via6 reached 31.5 percent leased, an average absorption of approximately 40 units per month. Leasing velocity is ahead of pro forma with effective rents slightly below pro forma, resulting in performance in line with expectations.

Boardwalk at Town Center
Market: **Houston**
Type: **Multi-family**
Units: **450**
Lifecycle: **Operating**
Leased: **95.8%**

Newport Tower
Market: **New York**
Type: **CBD Office**
Square feet: **1,099,768**
Lifecycle: **Operating**
Leased: **89.7%**
Major tenants: **AXA Equitable, BNP Paribas, Brown Brothers Harriman, Merrill Lynch**

475 Sansome Street
Market: **San Francisco**
Type: **CBD Office**
Square feet: **353,686**
Lifecycle: **Operating**
Leased: **90.1%**
Major tenants: **Oracle, Yahoo, Bank of the West**

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Multi-Employer Property Trust

First Quarter Trust Report

Management Fee—The Trustee of MEPT charges an annual investment management fee based on the net assets of the Fund. The current annual MEPT fee is approximately 0.88%. The fee is determined as follows: 1.25% on the first $1 billion of MEPT total net assets, 1.0% on the second $1 billion of MEPT total net assets, and 0.75% on MEPT total net assets above $2 billion. Cash balances in excess of 7.5% of Property Trust net assets are excluded from the above fee calculation and will be subject to an annual fee of 0.15%. Therefore, the fee decreases as MEPT grows. There are no charges for entry or exit, and the Trustee charges no additional investment management fees to its investors.

Highlight: *(continued from inside)*

Gateway Commerce Center II
Market: **St. Louis**
Type: **Industrial**
Square feet: **961,598**
Lifecycle: **Re-development**
Leased: **100%**
Major tenant: **Procter & Gamble**

Pacific Place
Market: **Seattle**
Type: **Retail**
Square feet: **404,344**
Lifecycle: **Operating**
Leased: **93.0%**

The Trust Report is published by Multi-Employer Property Trust (MEPT), a commingled open-end real estate equity fund that invests in a diversified portfolio of institutional-quality real estate assets and 100% union-built new construction properties in major metropolitan markets around the country. MEPT's primary investment strategy is to create top-quality, income producing assets through development, rehabilitation or acquisition and repositioning of under-valued assets. MEPT's investor base is diverse and is composed of Taft-Hartley, public employee and corporate pension plans.

For more information, please contact Landon Butler & Company, LP at 202.737.7300, or through the Web site, **www.mept.com**.

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INVESTOR RELATIONS
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