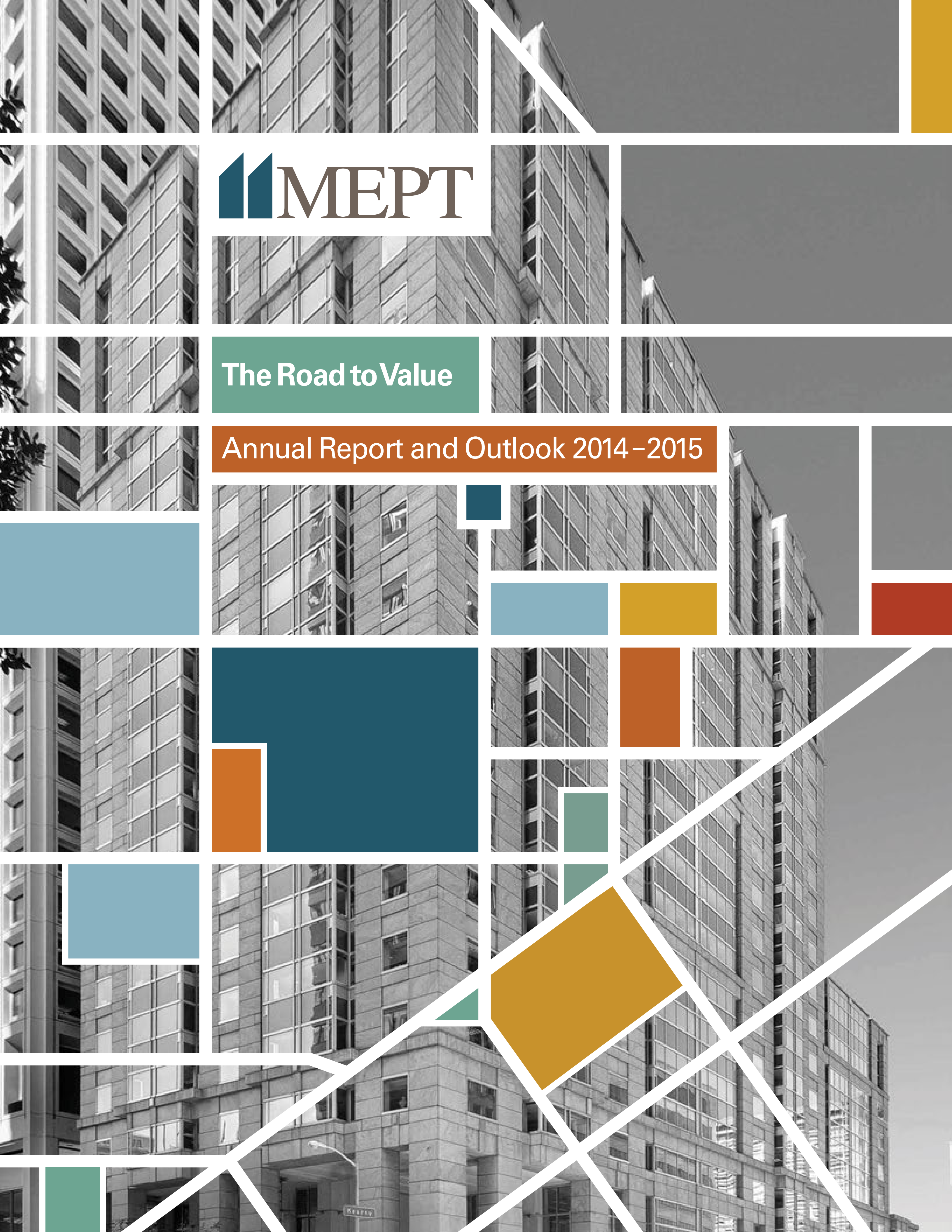
The Road to Value

Annual Report and Outlook 2014–2015



CENTRAL BUSINESS DISTRICT
SAN FRANCISCO

Pacific Avenue

MEPT

Trustee

NewTower Trust Company

Investment Advisor

Bentall Kennedy

Investor Relations

Landon Butler & Company

Montgomery Street

Investment Strategy

Multi-Employer Property Trust (MEPT) is an open-end commingled real estate equity fund that invests in a diversified portfolio of institutional-quality real estate assets and 100% union-built new construction properties. MEPT's portfolio consists of 92 high-quality, energy-efficient investments positioned to serve tenant demand in 25 U.S. metropolitan markets.

MEPT's primary investment strategy is focused on maintaining stable income through active asset management, building a diversified modern portfolio, using moderate leverage and providing superior liquidity and is executed with a commitment to the principles of Responsible Property Investing. The Fund invests in office buildings, warehouses, flex/research and development facilities, retail centers and apartments in order to maintain a diversified, institutional-grade "core" portfolio that produces strong and stable current income.

California Street

358,591
square feet

On the Cover

600 California Street, San Francisco

Located in the North Financial District, one of the most in-demand office sub-markets in the U.S., the 20-story, Class A office tower has easy access to public transit, commercial services, hotels and entertainment. The asset is a direct fit with MEPT's strategy to acquire energy-efficient, urban assets in innovation markets with strong employment trends and solid demand growth. The building represents an opportunity for MEPT to create significant value through lease-up of vacant space at current market rents, which have increased significantly in recent years. The 358,591 square foot, LEED® Gold-certified building has upper floors that offer views of the San Francisco Bay and the building's 20 stories have gradual setbacks, abundant glass lines, an expansive lobby, column free floor plates, and three-levels of below-grade parking.

Market Street

Contents

MEPT Highlights	2014	2013	2012
Net Asset Value	$5.5 billion	$5.1 billion	$5.6 billion
Participating Pension Plans	321	317	359
Committed Acquisitions[1]	$410.6 million	$219.4 million	$738.3 million
Dispositions Net Proceeds[2]	$582.1 million	$930.5 million	$206.8 million
Real Estate Assets	92	108	143
Operating Portfolio (square feet)	29.8 million	32.2 million	40.4 million
Operating Portfolio (percent leased)	91.7%	92.3%	91.5%

[1] Committed Acquisitions includes both the gross purchase price of acquired existing assets and commitments to fund development projects.
[2] Disposition Net Proceeds is based on the total net sales price received, including partnership interests, if any.

To MEPT Participating Plans

We are pleased to report the Fund soundly outperformed the NCREIF Fund Index – Open-end Diversified Core Equity (NFI-ODCE) benchmark. The Fund delivered a 13.21 percent total return, gross of fees, for 2014 and the NFI-ODCE Dollar Weighted return for 2014 was 12.50 percent. **MEPT ranked in the 1st quartile of the NFI-ODCE benchmark for the year and exceeded the management team's performance targets.**

In 2014, U.S. economic growth strengthened commercial real estate market conditions. At the same time, MEPT's portfolio — with an overweight to urban and core properties in innovation markets — was well-positioned to benefit from U.S. job growth and demographic trends. Moreover, active management drove net operating income (NOI) growth through leasing and operational efficiencies while MEPT's development assets in 2014 — approximately $600 million in total cost — further enhanced NOI due to solid demand in the primary markets where the assets are located which led to higher occupancy and rental rate growth.

Long-term, we strive to provide investors with a portfolio that will produce stable, competitive, risk-adjusted returns and at the same time, maintain and create value for investors – in fact, MEPT's performance since inception has outperformed the NFI-ODCE benchmark. The theme of this annual report is the "Road to Value" which fits well with our investment approach to grow the portfolio and identify opportunities to create value by acquiring existing core properties at or below replacement cost, by developing or redeveloping assets as part of a build-to-core program, or by actively managing the operating portfolio to maximize property performance.

The Fund's allocations are in line with targets established a few years ago in the Fund's Strategic Plan. MEPT's properties are positioned to capture the growing demand in America's top markets and create maximum investor value while prudently managing risk and volatility. In the past year, MEPT's transaction activity has enhanced the value of the Fund.

In recent years, we have been mainly focused on identifying investments for MEPT that fall within the following profiles:

- Urban, high-rise apartments near innovation centers
- High volume warehouse/distribution facilities situated near major population centers and key intermodal/port facilities
- Urban office in innovation-driven locations with pre-leasing activity and robust sub-market demand drivers
- Urban, mixed-use projects that provide strong live, work, and play environments for Millennials in leading innovation markets locations.

Pinnacle Park, Industrial, Dallas

475 Sansome Street, CBD Office, San Francisco

In 2014, the Fund's Acquisitions team was not under any capital pressure and was extremely disciplined and selective as demand for core U.S. real estate led to premium pricing. The team successfully closed on three accretive transactions totaling over $406 million and included a 358,591 square foot, 20-story office building in San Francisco's North Financial District. MEPT also acquired several office assets and land for development on the Boston Medical Center campus. The Boston and San Francisco assets provide MEPT with a balance of both stabilized, cash-flowing components, as well as value-add and development opportunities which position the Fund to benefit from the projected economic expansion of these markets.

MEPT also closed on an industrial development in the San Francisco Bay Area that should attract warehouse tenants seeking state-of-the-art, bulk-distribution facilities in the supplied-constrained market. The development will seek U.S.G.B.C.® LEED® Silver certification and is consistent with the "build-to-core" component of MEPT's strategy of enhancing performance through recognition of development profits, creating jobs and positive economic activity, and supplying the Fund with modern Class A properties.

As you will read in this report, we achieved many other accomplishments in 2014 including maintaining our leadership position in Responsible Property Investing. In 2014, MEPT was ranked number one in two categories of the Global Real Estate Sustainability Benchmark (GRESB):

- **#1 ranking** in the U.S. Diversified peer group among 36 funds;
- **#1 ranking** among the 28 open-end funds that participated in the GRESB survey.

In this 2014 report, we want to express our deepest gratitude to Pat Mayberry, Past President and CEO of NewTower Trust Company, MEPT's trustee and fiduciary, who announced his retirement in December. Pat led the trustee team providing fiduciary oversight to MEPT for over 23 years. Pat was an industry leader and we intend to continue to uphold his legacy at MEPT by setting and achieving the highest standards for fiduciary oversight. Pat has been succeeded by Rob Edwards who has managed MEPT's financial operations since 1990 and is an extremely qualified and proven member of the NewTower team.

As we look ahead to 2015, it is our expectation that future real estate performance will be driven by underlying fundamentals and NOI growth and that yield compression should be less of a factor in overall performance. **For 2015, based on our economic and commercial real estate outlook, we have established a total return target for MEPT of 8.0% to 10.0%, gross of fees.** As we move forward, as a team, we are seeking to find new and innovative ways to position MEPT for the future so that we can continue to deliver attractive risk-adjusted returns over the long term, implement best-in-class governance practices, meet the needs of our investors, and continually enhance the services we provide to MEPT and its participating plans. Thank you for your investment and continued support.

Mike McKee
CEO
Bentall Kennedy US

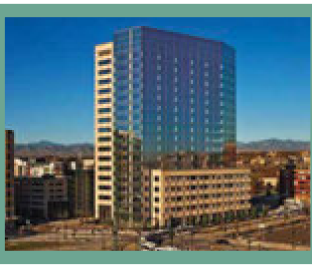
Doug Poutasse
Executive Vice President and
Head of Strategy and Research
Bentall Kennedy

Rob Edwards
President
NewTower Trust Company

David Antonelli
Executive Vice President and
MEPT Portfolio Manager
Bentall Kennedy

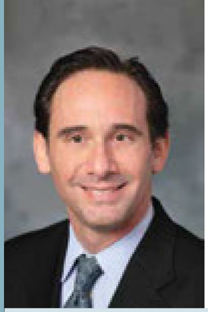
Headley Butler
President and CEO
Landon Butler & Company, LP®

NeMa, Multi-family, San Francisco



1900 16th Street, CBD Office, Denver

2014 Portfolio Review and 2015 Outlook



David Antonelli
Executive Vice President,
MEPT Portfolio Manager
Bentall Kennedy

MEPT 2014 Highlights

Exceeded 2014 performance target:
13.21%
total return gross of fees

Outperformed NFI-ODCE benchmark one-year by
71 basis points

Ranked in the
1st quartile
of NFI-ODCE funds in 2014

Grew comparable property ("same store") NOI year-over-year by
2.9%

Maintained operating occupancy greater than 90%;
91.7% at year end

Completed over
$922 million
in transactions and maintained target weights for property type and regional allocations

- Purchased five assets for more than **$305 million**
- Committed over **$100 million** to one industrial development project
- Generated over **$582 million** from asset sales and loan repayments

Ranked #1
by GRESB in 2014 for all U.S. diversified property funds and maintained environmental leadership in industry

Many factors contributed to MEPT's strong relative and absolute performance in 2014. With an improving economy and continued investor demand for commercial real estate, MEPT's 91.7% leased operating portfolio was well-positioned for income growth and enhanced value.

MEPT delivered double-digit returns for the second consecutive year. Moreover, MEPT's 2014 performance of 13.21%, gross of fees, exceeded the management team's performance target of 10% to 11%.

Based on performance results for the NCREIF Fund Index – Open-End Diversified Core Equity (NFI-ODCE) benchmark, MEPT's one-year return, at December 31, 2014, outperformed its peer set by 71 basis points and ranked in the first quartile. The NFI-ODCE produced a 12.50% return for the year.

MEPT's one-year income return of 5.36% exceeded the NFI-ODCE income return of 5.03%. In 2014, MEPT continued to successfully execute its stable income investment strategy through active asset management of the portfolio, focused on proactive leasing and tenant retention at existing operating assets as well as lease-up of newly developed properties. As a result, the Fund realized significant appreciation from its well-leased central business district (CBD) office and urban multi-family operating assets as well as the development projects in progress.

Though, MEPT's 2014 performance was largely attributable to the fact that MEPT's property-type and geographic allocations are in line with our intended strategic weights. The portfolio now reflects the attributes and characteristics first targeted over four years ago in our strategic planning process. Our properties are in live/work/play environments preferred by the Millennial generation and located in markets driven by the science, technology, education, and healthcare sectors. We've increased the Fund's urban exposure and reduced its suburban allocation – at year-end 2014, 56% of the portfolio's gross real estate asset value was urban. We continue to raise our allocation to primary markets, at year end more than 81% of the portfolio was in primary markets. We have increased the average asset size and reduced the number of smaller, older assets — at year end, over 57% of assets were greater than $100 million in gross real estate asset value. As the 2014 performance demonstrates, these strategic achievements have positioned MEPT to benefit from the economic growth and demographic trends in the U.S.

U.S. Commercial Real Estate Review

The U.S. experienced solid economic growth in 2014. Business and consumer confidence strengthened, households deleveraged, and consumer consumption, fueled by dramatically low oil prices, increased. The unemployment rate fell to a post-recession low of 5.6 percent. The steady pace of U.S. hiring was largely driven by the private sector and in 2014, the office-using sector of professional and business services, which includes many technology-related jobs, grew by 3.9 percent, year-over-year. As a result, the U.S. created three million jobs in 2014, making it the best year for job growth since 1999, at the height of the Dotcom boom.

The strong job growth and, in some cities, improved wage growth, drove demand in the apartment sector. Additionally, with the homeownership rate approaching 64 percent at year-end 2014, renter household formations continued. Low vacancy rates held near 2013 levels, according to Reis Inc., and rental rates increased by 3.6 percent in 2014 — the fifth consecutive year of improvement. New apartment deliveries in 2014 were absorbed by a surge of pent-up demand from new and existing renters.

The 2014 economic growth strengthened commercial real estate market conditions across all sectors. Throughout the year, there were strong capital flows into U.S. real estate and real estate prices in primary markets appreciated. Record prices were paid in certain markets for highly sought after assets. At the same time, real estate remained attractive relative to other asset classes, which also drove real estate values upward.

According to CBRE, the national vacancy rate for office fell to 13.9 percent, 20 basis points lower than third quarter and 100 basis points below year-end 2013. Demand broadened over the year and 49 out of the 54 markets tracked by CBRE recorded positive net absorption in 2014. **Gross asking rental rates for office space continued a steady rise during the year, and the U.S. average at year-end was only 2.4 percent below its prior peak in 2008.**

In the industrial sector, the fourth quarter marked the 19th consecutive quarter of positive net absorption and the national availability rate fell to 10.3 percent, a 90 basis point decline year-over-year, according to CBRE. **Spurred by e-commerce related demand, the positive net absorption tightened supply and pushed rents higher, especially in port cities and key distribution markets.** As a result, the average U.S. industrial rent grew by 4.8 percent in 2014. While new construction has lagged and is well below long-term averages, a pipeline of 140 million square feet of new supply is expected to be delivered in 2015 — the strongest development activity since the recession — but, will lag projected demand by 20 million square feet, according to CBRE, and further constrict an already tight supply.

Retail continued to modestly recover as availability rates improved to 11.4 percent, 180 basis points below the post-recession peak, according to CBRE. Retailers continued to make adjustments to store formats in terms of size and location to address the impact of e-commerce and changes in shoppers' spending habits. Almost half of U.S. markets saw retail demand increase and availability decline during the quarter.

MEPT Performance Review

Road to Value: Income

An important contributor to the Fund's performance was the substantial net operating income generated by the 29.8 million square foot, 91.7% leased operating portfolio. Net operating income (NOI) for comparable properties ("same store portfolio") generated $320.4 million in 2014 and delivered a year-over-year increase of 2.9%. MEPT's income reflects the strength and health of the in-place leases and the stability of the operating portfolio.

The strong income performance was achieved through active asset management and the gross leasing activity in the portfolio totaled 3.4 million square feet with 179 leases executed in 2014. Additionally, MEPT's controllable net tenant retention was 87.7%, up from 85.0% at year-end 2013.

Road to Value: Appreciation

The MEPT portfolio delivered a 7.55% appreciation return. Two external factors contributed to the 2014 appreciation. Strong capital flows and institutional investor demand for core assets caused further capitalization rate[1] compression, which increased real estate valuations. At the same time, commercial real estate benefited from improved property-level fundamentals such as declining vacancy rates and rising rental rates in primary markets.

For MEPT, the largest positive contributors to appreciation were CBD office properties in markets with innovation industry exposure such as San Francisco and Denver, where demand for office space increased in 2014. Also, MEPT's bulk-distribution industrial assets in markets such as Dallas and Los Angeles with improving market and rental rate fundamentals contributed substantial appreciation. MEPT also realized solid appreciation gains from recently acquired assets in San Francisco and Boston.

Another contributor to appreciation was MEPT's pipeline of new construction activity which generated appreciation as the assets moved towards completion. These assets not only enhance the overall Fund performance but also generate substantial levels of job hours and economic activity, strengthening MEPT's leadership position with regard to responsible investing.

The Fund's disposition program provided appreciation as the Fund capitalized on historically strong investor demand. The Fund benefitted from the sale of 18 non-strategic assets and 5 partial assets for total net sales price of $505.9 million. The Fund also received proceeds from three loan repayments for a total of $76.2 million.

Road to Value: Balance Sheet

The impact of debt valuation resulted in very modest appreciation of approximately 22 basis points which was primarily due to positive mark-to-market adjustments from maturing loans carrying above market interest rates. The positive debt valuation was offset by the impact of the Fund's average cash balance of 5.2% over the year. MEPT's cash target is 2% to 5% of net asset value and the Fund ended the year with a slightly higher than normal cash balance in order to fund acquisition activity that began in 2014 but was expected to close in early 2015.

The Fund's total leverage as a percentage of gross assets declined from 25.8% at the end of 2013 to 21.2% at the end of 2014, well below the Fund's 30% limit. The reduction in leverage as a percent of gross assets was primarily due to the payoff of two loans and the increase in the Fund's gross asset value. In 2014, MEPT retired a 2009 originated, $94.5 million pooled loan that carried a 7.5 percent fixed interest rate. Additionally, MEPT paid off a $32.7 million loan on Penn Mar Shopping Center, a necessity goods and discount retail center in Washington, D.C. which had

Performance: MEPT vs NFI-ODCE*, Through December 31, 2014, Gross of Fees

	MEPT			NFI-ODCE**(Dollar Weighted)		
	Gross Income	Appreciation	Total	Gross Income	Appreciation	Total
2014						
4th quarter	1.20%	2.19%	3.39%	1.21%	2.04%	3.26%
3rd quarter	1.36%	2.18%	3.54%	1.23%	2.00%	3.24%
2nd quarter	1.40%	1.18%	2.57%	1.25%	1.67%	2.93%
1st quarter	1.31%	1.80%	3.11%	1.24%	1.28%	2.52%
2014 Total	5.36%	7.55%	13.21%	5.03%	7.17%	12.50%

* Returns are calculated in accordance with standards established by The National Council of Real Estate Investment Fiduciary (NCREIF). All return information provided is before deduction of management fees, and net of fees, the 2014 MEPT performance was 12.21%, including an income return of 4.41% and an appreciation return of 7.55%.

** NCREIF is an industry trade association that collects and disseminates real estate performance information. NCREIF Property Index is a quarterly time series total rate of return measurement of investment performance of unlevered commercial real estate properties acquired in the private market, largely by tax-exempt institutional investors, for investment purposes only. NCREIF Fund Index – Open-end Diversified Core Equity (NFI-ODCE) is an index of investment returns reported on both a historical and current basis for 31 open-end U.S. commingled funds with a core investment strategy. The NFI-ODCE index is capitalization-weighted and the leverage metric represents total leverage held by the open-end funds.

[1] A capitalization rate or "cap rate" is an approximation of expected current income determined by dividing net operating income by the purchase price.

an interest rate of 5.3%. As a result, MEPT reduced the Fund's weighted average interest rate based on principal balance from 4.25% at the end of 2013 to 4.15% at the end of 2014.

MEPT has maintained a healthy balance sheet and maintains a prudent approach to leverage, targeting a level between 20% and 25%. At year-end 2014, 73.0% of the debt was fixed-rate debt and the remainder was floating rate debt. Therefore, the Fund has limited direct exposure to a rise in commercial real estate borrowing rates. Additionally, 93.3% of the debt was structured as single-asset mortgages and 6.7% was Fund-level, unsecured debt.

Portfolio

Office

In 2014, the office portfolio (44.7% of MEPT's net real estate asset value) generated a total unlevered return of 10.2%. Overall, MEPT's office assets benefitted from the economic recovery and improving real estate market conditions. The office operating portfolio occupancy increased slightly to 88.9% leased at year end 2014. Over 71% of MEPT's office portfolio is located in primary market CBD locations where vacancies have declined as tenant demand has picked up.

The appreciation in the portfolio was driven by income growth resulting from increased occupancy as well as higher market pricing for well-located, well-leased urban office assets. With an increase in leasing activity and rising rental rates, 475 Sansome Street, a 353,686 square foot, 21-story building was the highest contributor to appreciation for the Fund and for the office portfolio with $37.1 million in value gain. Additionally, 1900 16th Street, an 89.0% leased, office building in Denver's CBD contributed $25.3 million of appreciation and its next-door neighbor in Denver, Gates Plaza, a fully-leased, 285,197 square foot office building, contributed $17.0 million.

Two fourth quarter off-market office acquisitions totaling more than $305 million resulted in significant appreciation in 2014. MEPT acquired 600 California Street (*featured on the cover of this report*) for $217.7 million. At 70.1% leased, MEPT has an opportunity to lease up available space in the building at current market rents, which have increased significantly in recent years. The transaction furthers MEPT's strategy to acquire energy-efficient, CBD assets in

Boston Medical Center, CBD Office, Boston

The Boston Medical Center assets acquired by MEPT in 2014 are located in the South End submarket, which continues to evolve from its industrial roots to a more residential area while demonstrating strong occupancy levels and healthy rental rates. Furthermore, the neighborhood offers excellent access to public transportation, major thoroughfares, restaurants, entertainment, and proximity to major employment centers. Bentall Kennedy plans to vet several options for development and redevelopment opportunities, including new apartment construction.

innovation markets with strong employment trends and solid demand growth. MEPT also acquired a three building, 230,947 square foot portfolio adjacent to the Boston Medical Center in Boston for $87.8 million. The acquisition is comprised of two, fully-leased medical office buildings, three properties intended for redevelopment and 2.0 acres of land for potential development. The assets provide a balance of both stabilized, cash-flowing components, and value-add development opportunities which position the Fund to benefit from Boston's economic expansion.

MEPT took advantage of strong demand for core assets and sold two suburban assets. MEPT sold Commerce Executive IV, an office building in Washington, D.C. and received $37.5 million in total net sales price. The 140,633 square foot office building was developed by MEPT in 1998 and was nearly 90 percent leased at the time of sale. Additionally, MEPT sold the Harman Portfolio in Los Angeles for total net sales price of $128.1 million. The portfolio consists of Centre at HIBC, a 129,639 square foot suburban, office building and Harman International Business Campus, a three building, 726,876 square foot industrial asset. MEPT acquired the campus in 1987, and later developed the office building in 2000. While Centre at HIBC was fully leased, Harman Industrial was in need of a repositioning and renovation in order to attract new tenants. In keeping with MEPT's strategy of reducing its suburban assets, MEPT decided to sell the portfolio. After marketing the two assets for fewer than two months, with strong demand, MEPT received 10 offers, with the top five offers above carrying value.

Industrial

For the second year in a row, MEPT's industrial portfolio was the best performing property type in the Fund and produced a total unlevered return of 15.6% for 2014, comprised of a 6.1% income return and 9.2% appreciation return. NOI growth for the comparable property portfolio was 2.7%, year over year, and the operating portfolio was 92.6% leased at year end.

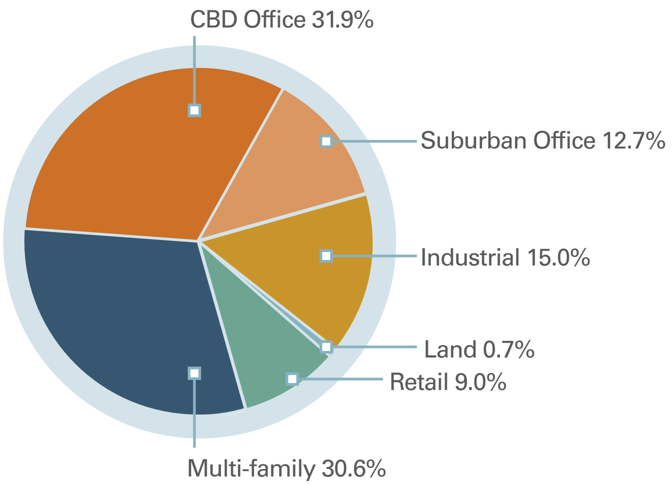
The appreciation return was attributable to leasing activity in the portfolio as well as the increase in values resulting from strong investor demand for well-located, well-leased modern facilities. One example is MEPT's Pinnacle Park, a 1.3 million, fully-leased, bulk-distribution facility in the Dallas market, which contributed $11.9 million of appreciation in 2014.

The Fund's industrial allocation was 15.0% of total real estate net asset value at year end and in line with the target weight for the portfolio. **MEPT has pursued a "build-to-core" strategy in the industrial sector where the Fund can build modern facilities with best-in-class amenities that meet tenant and investor demand.** Consistent with that strategy, in 2014, MEPT committed $100.9 million to the development of Livermore Distribution Center in the San Francisco market. The development will be comprised of three-buildings, and 1.3 million square feet of Class A industrial product located in the Livermore submarket, approximately 25 miles southeast of the Port of Oakland.

In the industrial sector, given the strong demand for core assets, MEPT sold several assets for gains. MEPT

Diversification by Property Type

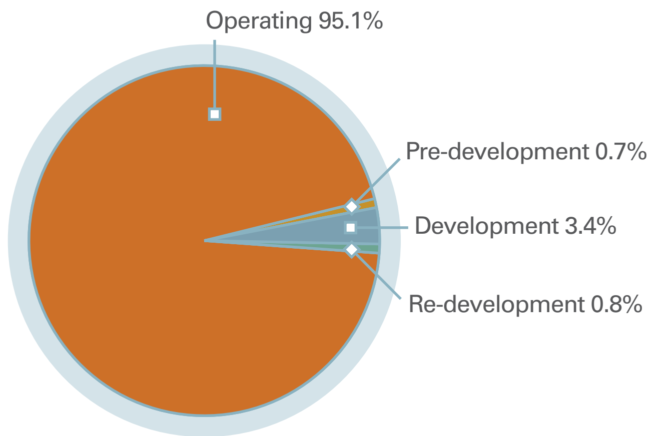
As of December 31, 2014



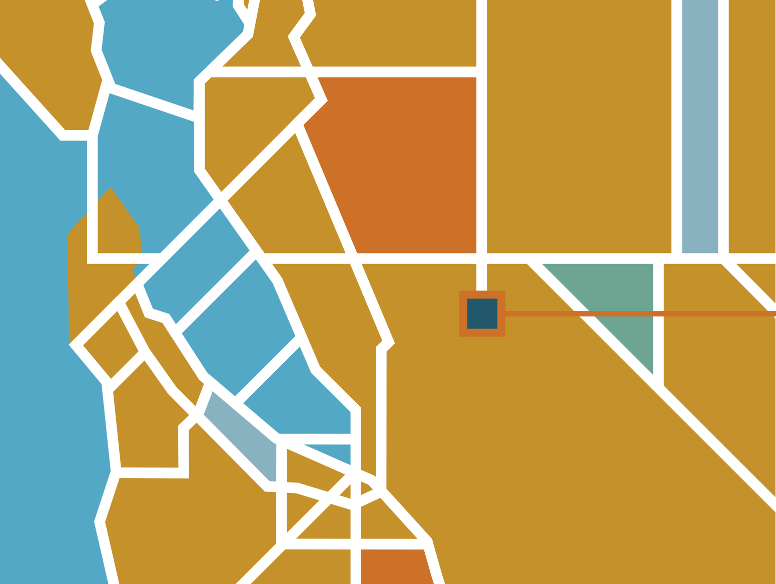
Based on Net Real Estate Asset Value

Diversification by Lifecycle

As of December 31, 2014



Based on Net Real Estate Asset Value



Rendering

1.3 million
square feet

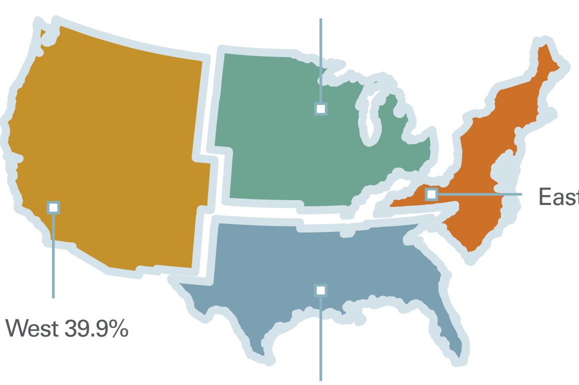
Livermore Distribution Center, Industrial, San Francisco

MEPT committed $100.9 million to build Livermore Distribution Center. MEPT's new state-of-the-art industrial asset will be accessible from major transportation corridors and is expected to draw tenants seeking modern distribution facilities in the supplied-constrained San Francisco Bay Area market. MEPT has planned for market-leading design features such as 32' clear heights, cross-dock configurations, ESFR sprinkler systems, and ample truck and trailer parking. The project should generate over 814,000 green job hours for members of the Building Trades.

received $26.9 million in net sales price for GSW Gateway. Located in the Dallas market, immediately south of the Dallas-Fort Worth Airport, the 423,000 square foot, two-building warehouse facility was acquired by MEPT in 2001. The asset was fully leased at the time of sale, but targeted for sale due to concerns that the asset and its older features would not achieve the same rents as newer, more modern properties in the market. MEPT received 18 offers and was able to command pricing above carrying value for the asset. Totaling more than 370,000 square feet of research and development space in five buildings, MEPT sold Northport Business Park I and II in the San Francisco area for total net sales price of $45.9 million. The assets developed by MEPT in 1991 and 1995 were over 94% occupied at the time of sale, but there were anticipated capital expenditures and concern about a submarket location vulnerable to market volatility. MEPT was able to command a sales price higher than the carrying value.

Diversification by Geographic Region

As of December 31, 2014

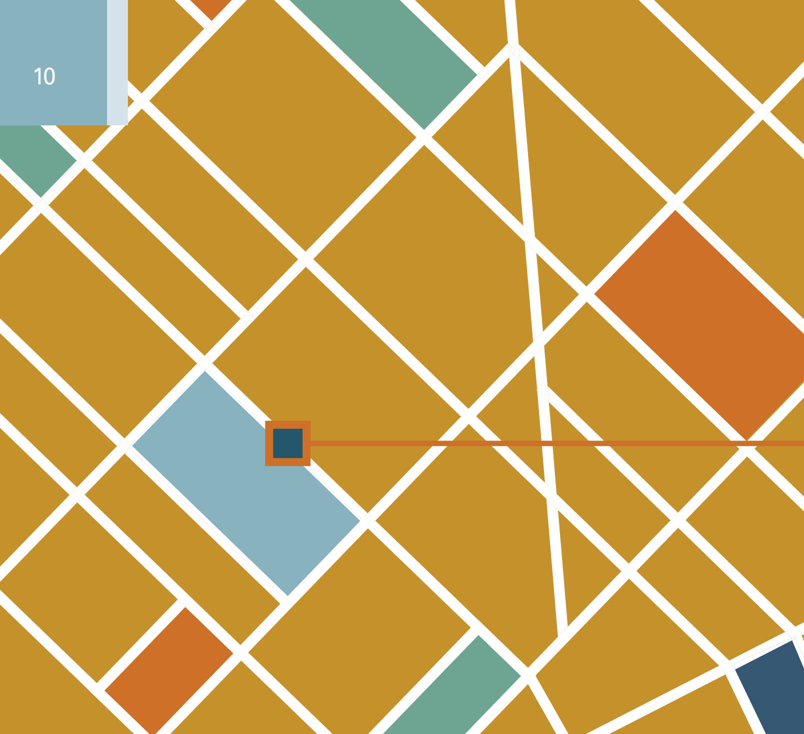


Based on Net Real Estate Asset Value

Multi-family

MEPT's multi-family portfolio — including development assets — delivered a 9.6% total unlevered return in 2014. The multi-family portfolio comprises 30.6% of MEPT's net assets at year-end (which does not include the value at completion for the assets under development). **The operating assets were 95.0% leased at year end, and MEPT has two assets in development in San Francisco and Minneapolis, which continue to contribute strong appreciation gains to overall performance as the assets progress through the development stage to initial lease-up.**

Solid fundamentals and strong tenant demand drove the performance in 2014. The job growth in U.S. primary markets continued to benefit demand for rental housing in 2014. MEPT's multi-family portfolio generated significant appreciation from several assets including Via6, a 654-unit, two-tower project in Seattle, which was 95.6% leased at the end of the fourth quarter and contributed approximately $11.2 million in appreciation. Additionally, Boardwalk at Town Center in the Woodlands in Houston, a 450-unit, 94.0% leased



Via6, Multi-family, Seattle

MEPT has benefitted from Via6's central location and strong demand from young professionals. In 2011, MEPT committed $102 million to develop Via6 in a joint venture. At year-end 2014, MEPT's gross asset value for the operating asset was $158.7 million. The property is within easy walking distance of major employers in the region's dominant CBD, and South Lake Union's flourishing bio-tech district, which is home to Amazon's headquarters and the new Gates Foundation campus. Amazon's one million square foot office complex expansion is directly across the street from Via6. Amenity-rich, this LEED-Gold certified asset has been very popular with Millennials in the Belltown neighborhood.

95.6%
leased

apartment property, realized $10.9 million in value gains for the Fund.

At the end of 2014, MEPT had two apartment projects underway in urban markets with proximity to primary employment centers and high barriers to new construction. At Elan Uptown in Minneapolis, Phase I was 87.8% leased at year end. Both Elan Uptown and Solaire in San Francisco are designed to achieve USGBC LEED-Silver certification, which creates energy-efficient apartments that young workers prefer and satisfies the Fund's commitment to Responsible Property Investing. These assets serve the Fund's objective of continually modernizing the portfolio, and enable MEPT to share in the development premium and avoid purchasing above replacement cost.

MEPT realized significant gains from a loan payoff and sales of multi-family assets. With strong demand for modern apartment properties, in 2014, MEPT received early payment on a mezzanine loan on a multi-family asset. MEPT provided a $49.9 million mezzanine loan for the development of a $194.4 million 464-unit, multi-family project located on Wilshire Boulevard in downtown Los Angeles in December 2011. During construction and initial lease up, MEPT earned 9.0% interest on its loan. While the initial investment period for the loan was four years, the owner took advantage of strong investor interest, sold the property for $283.0 million and paid off the loan to MEPT for a total of $66.3 million in proceeds before the original term expired. As a result of the early prepayment, the payoff included nearly $10 million in prepayment penalties in addition to $6 million of accrued interest. Consequently, the total return on MEPT's investment was 27.0%.

Additionally, MEPT sold Hillsboro Bay Club in the Miami area for total net sales price of $55.3 million. The 366-unit multi-family asset was acquired by MEPT in 2010. While MEPT had achieved a stabilized occupancy of 95% at the asset, new supply in the market was expected to cause downward pressure on market rents and occupancy at the asset. As a result, MEPT marketed Hillsboro Bay Club for sale and, after one month on the market, MEPT received 10 offers and sold the property. MEPT also sold the land at Journal Square in New Jersey for total net sales price of $10.9 million. MEPT had acquired the 2.1-acre land parcel in 2007 with the intent of developing the site into rental units. However, after holding the land for several years while waiting for the local market to recover from the downturn, the project economics did not meet MEPT's return requirements. As a result, MEPT marketed the site for sale and it was purchased by a New Jersey-based real estate fund.

Retail

MEPT's grocery-anchored and specialty centers performed well and in 2014, the retail portfolio generated a total unlevered return of 11.4%. Two assets in particular made notable contributions to the Fund's appreciation in 2014. Westwood Village, a 95.6% leased, 305,586 square foot, grocery-anchored retail center in the Seattle market contributed $4.6 million of appreciation to the Fund. Additionally, Springbrook Prairie Pavilion, a 98.9% leased, 278,107 square foot, grocery-anchored shopping center in suburban Chicago, generated $3.9 million in appreciation.

During the year, MEPT capitalized on the strong demand for core assets and reduced its retail allocation from 10.6% of net assets at the end of 2013 to 9.0% at the end of 2014, after the completions of several dispositions. MEPT sold Pacific Place, a five-story, 323,000 square foot upscale shopping center located in downtown Seattle. For its joint venture interest, MEPT received $77.4 million in net sale price. The fashion center was developed by MEPT in 1998 and the construction generated approximately 1.8 million job hours for members of the Building Trades. Pacific Place was built at a time when downtown Seattle was in decline. In 2008, Pacific Place was recognized by Seattle as one of the most important advances in the downtown corridor in the past 50 years. While Pacific Place was a top performer for the Fund, with occupancy consistently above 90%, there was anticipated near-term rollover and MEPT believed the asset would require significant repositioning to address current retail trends. As a result, MEPT marketed the asset for sale. With strong institutional demand for core assets in primary markets, MEPT was able to secure the highest price paid per square foot for an asset in Seattle of approximately $840 per square foot and MEPT earned a 13.2% levered IRR.

MEPT also sold six retail assets for total net sales price of $58.2 million. The grocery-anchored retail centers were purchased by MEPT in 2011 as part of a larger portfolio transaction, and total nearly 445,000 square feet. While the assets were approximately 93 percent leased and performing well, MEPT targeted these six assets for sale since they were in secondary retail locations.

2015 MEPT Outlook

In 2015, the "Road to Value" for MEPT will be driven by our continued disciplined execution of the Fund's strategic plan and an absolute focus on growing and protecting NOI. The high-quality, core property portfolio is aligned with key U.S. economic growth trends and the development pipeline continues to deliver best-in-class properties to further boost the well-leased operating portfolio.

Based on the economic and commercial real estate outlook for 2015, we estimate that MEPT will produce a total return (gross of fees) in the range of 8.0% to 10.0%[2]. In 2015, value increases should largely be driven by improving fundamentals. However, strong capital flows into U.S. real estate as a result of its appeal to foreign investors and strong performance relative to other asset classes may continue to push prices and drive appreciation. The Fund's 2015 performance target reflects this trend as well as continued strong income performance for MEPT, including projected comparable property NOI growth of 3.0%.

The Asset Management team estimates that the portfolio will be over 93% leased by year-end 2015 due to strong leasing activity. The assets with existing vacancy in markets with strong tenant demand and rising rents should be strong contributors to NOI growth as lease-up occurs. The portfolio's lease rollover is manageable in 2015, and the Asset Management Team will continue to proactively work with tenants well in advance of lease expirations. The Asset Management team intends to focus on several initiatives in 2015, including:

- Aggressively pursuing new tenants and renewing existing tenants
- Managing expenses and successfully completing planned capital programs on time and on budget
- Pursuing sustainability initiatives across the portfolio
- Proactively appealing real estate taxes where appropriate since higher tax assessments may occur in certain primary markets

We have set an acquisitions target of $1.25 billion to $1.5 billion for 2015 with an emphasis on "build-to-core" investment opportunities. With substantial capital in the market for core assets, the Acquisitions Team will be challenged to deploy capital. However, Bentall

[2] Expectations stated in this report are subject to a variety of factors and risks. See "Investment Considerations" on page 24.

Kennedy will rely on its strong relationships with national and local real estate developers, corporate users, leasing firms and property managers in the markets where MEPT is focused in order to source first-rate investment opportunities. For existing acquisitions, the team will concentrate on high-quality assets in preferred micro locations in primary markets, and the team will seek build-to-core development opportunities. Specifically, our criteria include:

- **Office**
  - Selective acquisitions in innovation-driven CBD and transit oriented suburban markets
  - Build-to-core development in innovation-driven locations evidencing pre-leasing or other strong demand drivers
- **Industrial**
  - Acquire and selectively develop high-volume, modern facilities situated near major population centers and key intermodal/port facilities
  - Continue to focus on the primary distribution markets and invest in assets with specific characteristics that users demand
- **Multi-family**
  - Build-to-core high-rise development in preferred urban locations within innovation markets
  - Low- to mid-rise development and existing acquisitions in preferred urban locations within innovation markets
- **Retail**
  - Acquire grocery-anchored centers in strong demographic locations
  - Focus on high street retail in both urban and preferred town center locations
  - Develop mixed-use properties in urban locations incorporating both high-end and necessity-based retailers

At the same time, we are aiming to generate approximately $350 million to $500 million in net proceeds from dispositions in 2015 and sales will mainly focus on selling non-strategic assets. An asset will be marketed for sale when the downside risk outweighs the long-term potential of the asset, or in certain cases when the Fund could receive an extraordinary offer that far exceeds the current asset valuation due to a lack of available core offerings.

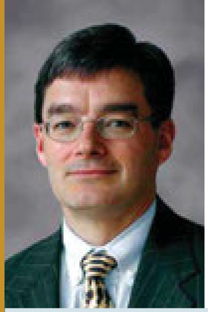
In 2015, we intend to manage the balance sheet to ensure MEPT has the ability to capitalize on investment opportunities and, at the same time, provide liquidity to investors. MEPT will seek to further reduce its borrowing costs. The debt capital markets continue to be attractive as interest rates remain close to historically low levels. The Fund's maturity schedule is well-balanced and no single year's debt maturity exceeds 20% of total assets. Approximately 12% of the debt portfolio matures in 2015 and we plan to replace the maturing loans and procure an additional $400 million of leverage. In securing new debt, the team will be mindful of the appropriate risk profile for the debt portfolio, including the Fund's maturity schedule, fund-level versus property-level loans, recourse versus non-recourse, and floating versus fixed interest rates.

With stable job growth, the economic recovery is benefiting commercial real estate fundamentals and property values. In fact, most major markets have experienced falling vacancy rates and rising rents, and property income is on the rise, supporting solid real estate yields and benefitting MEPT. **Going forward, MEPT's performance is expected to be driven by the quality, size and location of the portfolio assets as well as its well-leased operating portfolio (over 91%), low lease rollover, solid income, and relatively moderate leverage.** We are looking forward to an active and productive year for MEPT and achievement of the 2015 objectives.

MEPT Lease Rollover Summary*, As of December 31, 2014

	2015	2016	2017	2018	2019
Percent of Net Rentable Area	14.7%	15.5%	14.5%	8.7%	9.6%
Percent of Total Revenue	11.4%	16.0%	10.2%	10.6%	11.5%

* Consolidated Operating Industrial, Office and Retail



2015 Commercial Real Estate Outlook

Doug Poutasse
Executive Vice President,
Head of Strategy & Research
Bentall Kennedy

U.S. Economy Breaking Away From the Pack

The U.S. economy is distinguishing itself as a top performer on the global stage. Business and consumer confidence have strengthened, households have deleveraged, and political rancor has subsided. The central driver of U.S. economic strength, job growth, has been remarkable for its consistency. **More than three million jobs were created during 2014; employment now exceeds its early 2008 pre-recession peak.**

The combination of an improving job market, lower energy prices, and rising home and stock values has positively influenced consumer confidence, which bodes well for increased consumer spending. This in turn will help propel continued U.S. economic growth in 2015. Bentall Kennedy's Research Team reports that the potential exists for GDP growth to accelerate to a pace in the low to mid-3.0% range in 2015.

Real Estate Outlook: Economic Growth Driving Space Demand

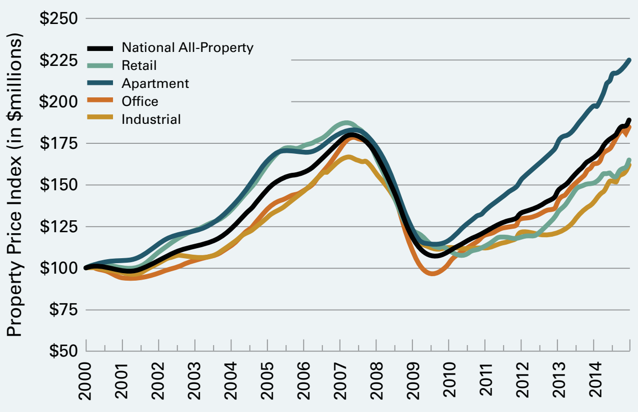
Economic growth is empowering space users to make new commitments across the real estate asset class, providing landlords with leverage to boost rents.

Current momentum favors office and industrial properties, as apartments began their recovery earlier and retail trends remain mixed, based on asset quality and location.

That said, no property type is performing poorly and most signs point to continued improvement in 2015.

Further, in the current low yield environment, property values continue to rise as investors take advantage of attractive yields and the potential for

U.S. Commercial Property Values



Sources: Real Capital Analytics, Inc., Moody's

Property Sector Summary Statistics

Property Type	Vacancy*		Year-over-Year Demand Growth 2014 Q4	Annual Supply Growth		Year-over-Year Rent Growth 2014 Q4
	2014 Q4	2013 Q4		2014 Q4**	Past 10 Yrs.	
Apartment	5.2%	5.6%	1.9%	1.5%	1.2%	4.6%
Office	13.9%	14.9%	1.8%	0.6%	1.1%	4.5%
Retail	11.4%	12.0%	1.1%	0.4%	1.5%	0.8%
Industrial	10.3%	11.2%	1.9%	0.9%	1.0%	4.8%

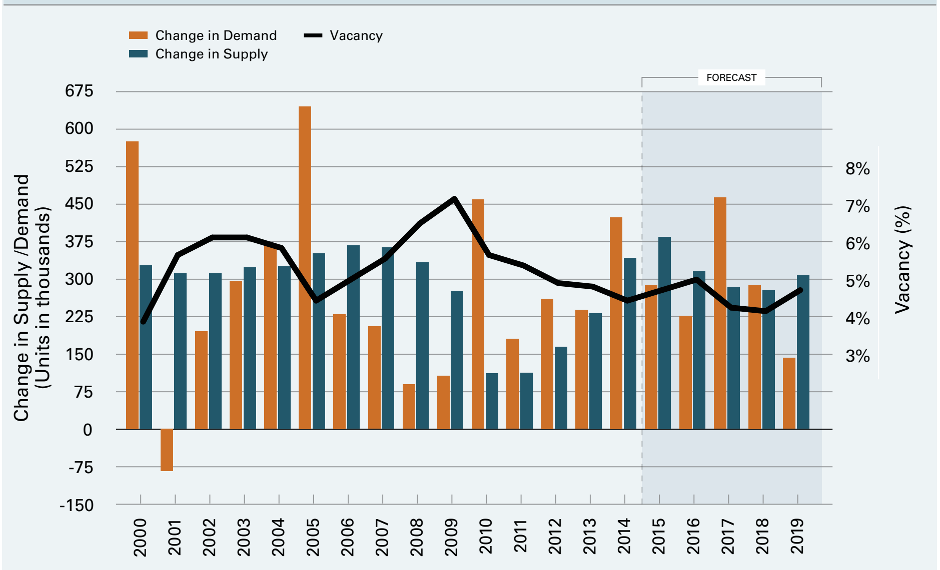
* Retail and industrial vacancy rates are availability rates. ** Year-over-year as of 2014Q4

Sources: CBRE-EA, Axiometrics

growth. While Bentall Kennedy believes that interest rates will rise in 2015, they won't rise enough to impact commercial property values.

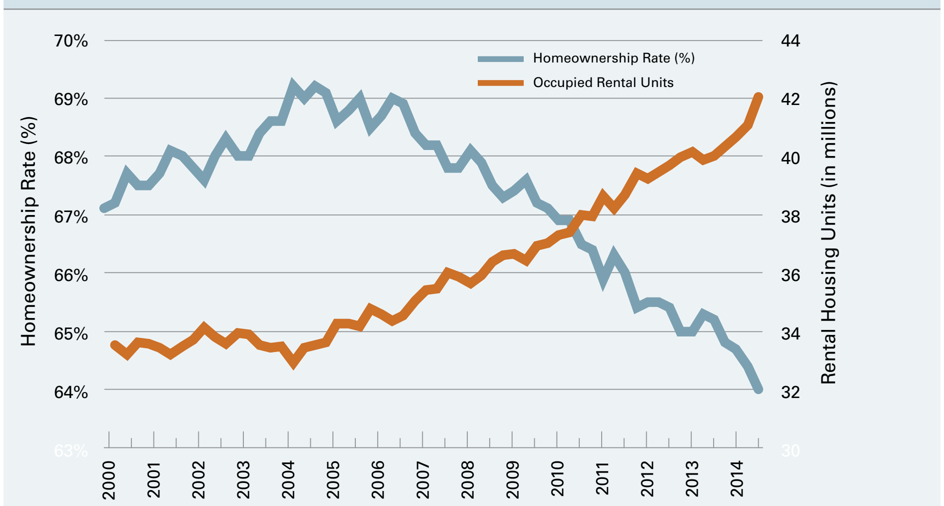
For 2015, healthy economic growth bodes well for property fundamentals and, by extension, NOI growth and investment performance. By concentrating investment in markets with the best prospects for long-term growth, investors should have the ability to at least partially insulate themselves from any unexpected bumps in the road.

Apartment Fundamentals



Source: Axiometrics

Home Ownership and Rental Housing Trends



Source: U.S. Census Bureau

Multi-family

Conditions are still very strong in the U.S. apartment market and the outlook remains bright. Impressive NOI growth will continue to pique the interest of both buyers and developers. The vacancy rate for U.S. apartments declined through 2014 reaching the lowest vacancy rate reported since early 2001. Bentall Kennedy expects vacancy to stay below its trailing 10-year average over the next five years.

Rising employment among younger professionals with high propensities to rent has been a boon for the apartment market, particularly with the large Millennial generation now dominating this cohort. U.S. households are renting at a higher rate today than at any point since 1994. Pent up demand remains significant as the economic prospects for many would-be renters have still not perked up, leaving them in multiple roommate situations or living at home with their parents.

Most markets with high levels of construction are also seeing strong job growth and wage growth. Many of these locations, such as San Francisco, San Jose, Seattle, Dallas, Houston, Portland and San Diego, will be able to sustain material rent growth as workers see their wages rise.

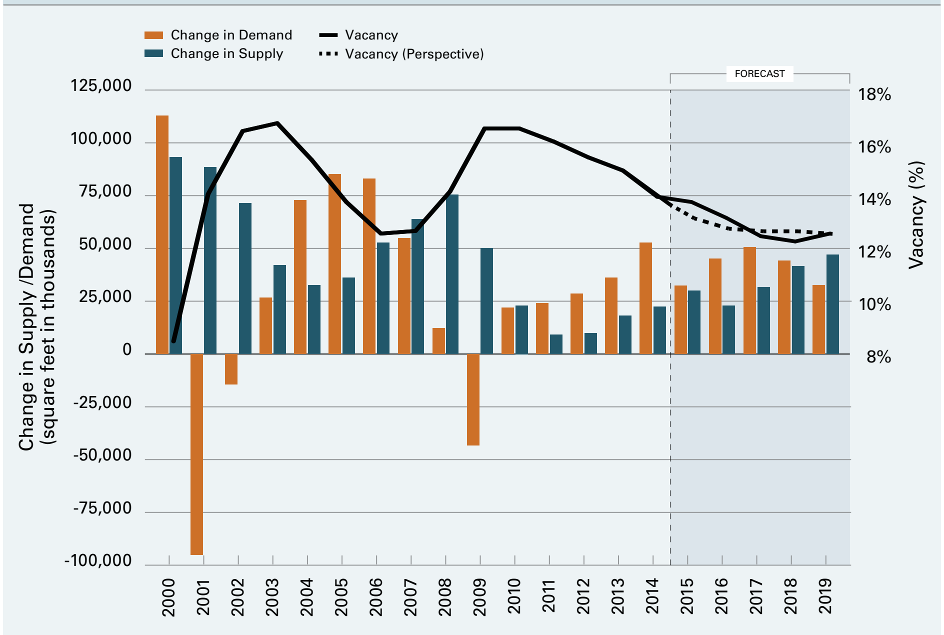
The explosive population migration to the urban cores of major U.S. cities continues to be a driving trend. Renters are willing to pay higher rents in order to be close to recreational, shopping and entertainment amenities as well as their place of employment. The rise in foreign born population has only amplified these trends, increasing the number of potential renters desiring an urban environment.

Demand in the top performing markets is fueled heavily by workers in well-compensated STEM (science, technology, engineering and math) sectors or in associated business and financial services. These workers have been notably more prosperous during the recovery and their wages have risen faster than the nation as a whole. The U.S. apartment market continues to offer attractive investment opportunities. Recent NOI growth is unlikely to be sustainable, but landlords in most markets should continue to enjoy pricing power.

Office

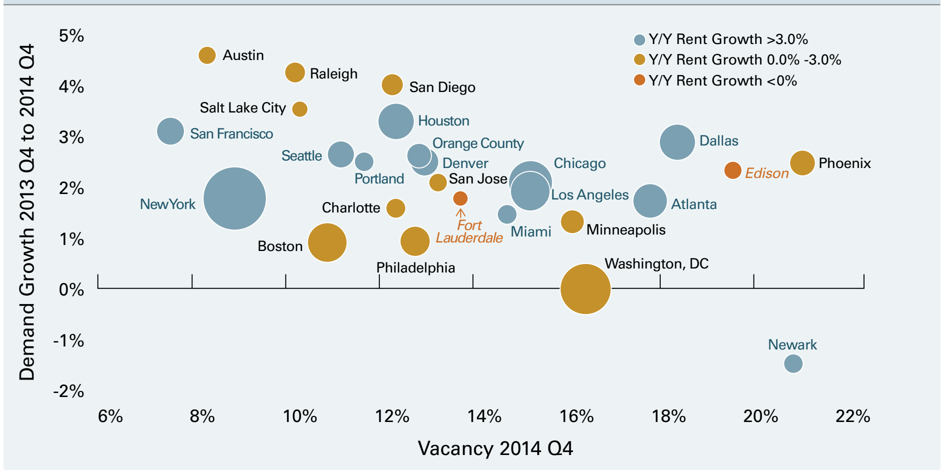
Strong job creation in the U.S. has had a clear positive impact on office demand as office vacancy fell by one percent in 2014. The office recovery should have room to run as job numbers remain robust and supply growth remains considerably lower than its average over the past 10 years.

Office Fundamentals



Source: CBRE-EA

Metro Office Market Performance



Source: CBRE-EA

Office-using job growth has been a crucial driver of the recovery across the U.S., fueled heavily by the expansion of the STEM sectors. Bentall Kennedy maintains that office markets in metros with well-educated and innovative workforces and expanding payrolls in the professional and STEM sectors will continue to see strong demand growth; cities such as Austin, San Francisco, Raleigh, and Seattle (See: Metro Office Market Performance).

In Washington, D.C. where federal cost cutting impacted both government and private sector services jobs, Bentall Kennedy expects a transition back to growth in 2015. While major financial centers such as New York, Chicago, and San Francisco experienced contraction or sluggish growth in the financial sector over the past year, the sector seems to be getting back on track. Atlanta, Dallas and Phoenix are seeing healthy growth in financial jobs, and even Boston is experiencing improved growth.

As young professionals increasingly flock to urban centers, urban locations become a logical location for innovative, growing technology firms seeking to attract the best talent. In cities such as San Francisco, firms like LinkedIn, Salesforce, Google and Uber all made significant commitments to the city's urban core. Major markets such as Boston, New York and Seattle are also benefiting from the urban growth of the innovation economy.

That said, suburban markets are now seeing a measurable recovery as the tide of economic expansion lifts all boats, causing suburban demand to grow as well. Given the pace of job creation, the office market should continue to perform well. From an investment performance perspective, the office market should continue to offer healthy NOI growth as landlords gain more pricing power over tenants.

Industrial

The U.S. industrial market continues to improve briskly as demand for industrial space nationally has outpaced forecasts. Improving consumer spending should be a driving force for industrial demand growth in 2015. Manufacturing is another important indicator of industrial demand. Total manufacturing production in the U.S. is now greater than it was prerecession and is forecast to grow by 3.6% in 2015.

Industrial demand also benefits from increasing international trade. International economics have slowed, especially in the Eurozone, however the outlook remains one of growth. Markets surrounding Los Angeles and New York have benefitted from recent trends in international trade and port traffic totals have increased at the Ports of Los Angeles/Long Beach and New York/New Jersey contributing to demand growth there.

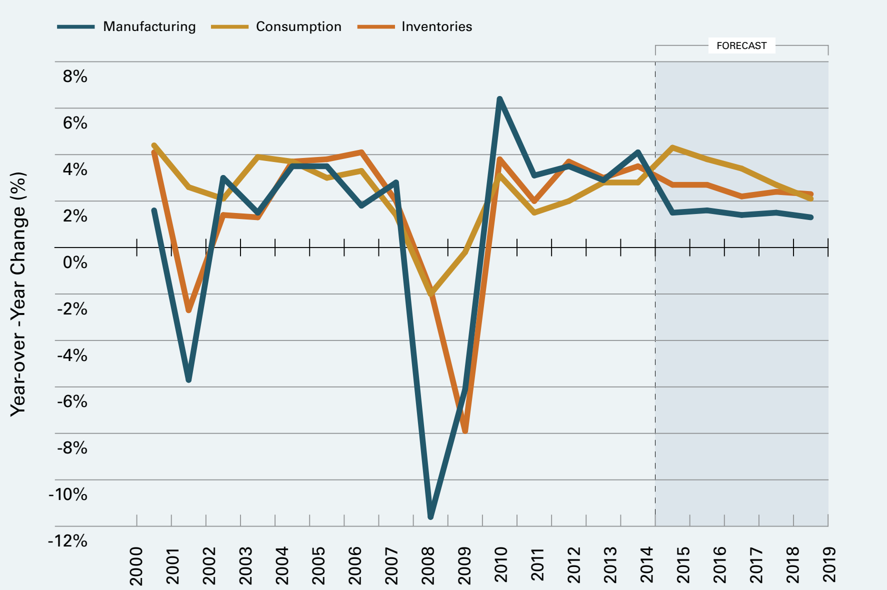
Demand for industrial space remains robust across the country. Industrial tenants have now absorbed more than 715 million square feet of space since 2010 and national industrial demand is nearly 400 million square feet larger than it was prerecession.

Due to e-commerce delivery demands, the desire for large, new industrial buildings is being accompanied by an appetite for moderately sized assets near population centers. While the modern assets have seen their share of industrial demand shrink, absorption totals have remained healthy with demand last year the strongest since 2006 for large modern space.

The emergence of local demand has resulted in more leasing and net absorption by smaller users, even while big and new demand on an absolute basis has remained strong. With fundamentals currently tight in the national distribution market, construction has begun to increase. Should demand hold up as forecast, speculative construction will likely continue to increase over the next year as leasing momentum allows newly completed projects to acquire tenants.

Industrial rents have grown by 8.4% from their trough. Owners in bulk distribution markets have seen rents rise quickly. In the rest of the nation, however, rent levels have been slower to increase. With construction picking up in the highly desirable national distribution markets, rent growth will likely slow in 2015 and 2016. Conversely, local markets, should see rent growth increase as main street economics improve along with the national economy.

Industrial Demand Drivers



Source: Moody's Analytics, U.S. Bureau of Economic Analysis (BEA)

Aside from supply constrained markets like Los Angeles, certain parts of New York and New Jersey, and Miami, national distribution hubs are expecting to see a marked uptick in building over the next two years. This will likely pare rent growth in these markets. However, rents should continue growing both locally and nationally in the coming years.

Retail

With a strengthening economy driving increased consumer spending, the stage is set for a year of improvement for retailers and retail assets. U.S. retail property demand has been increasing consistently over the past several years; and Bentall Kennedy expects retail net absorption to continue to show steady positive momentum in 2015. While the majority of retail subtypes have moved in line with the broader market, malls and power centers that are frequently located in and around dense urban and suburban areas are experiencing tight vacancy rates.

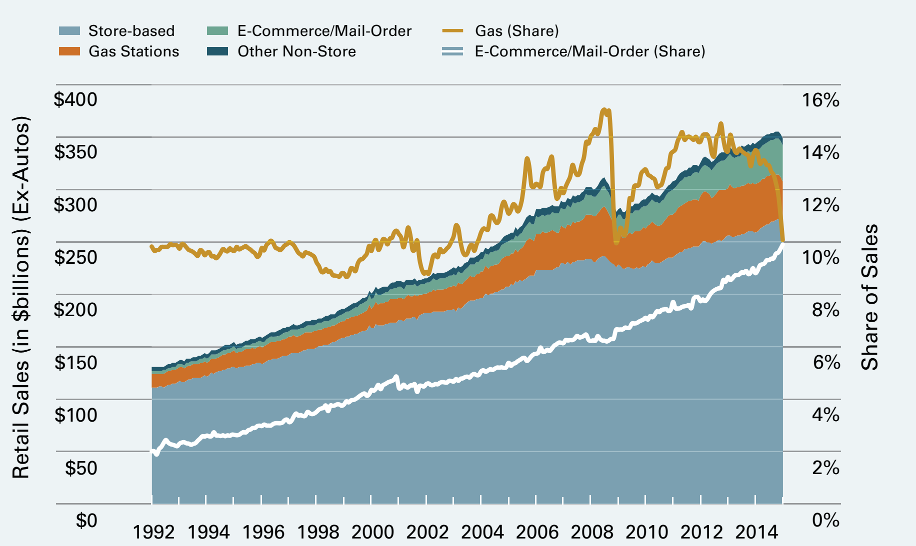
Retail demand has followed metro-level economic trends, with the tech and energy markets like San Jose, Houston, Boston and Austin leading the way. Many of the markets already performing well are likely to see additional demand growth in their urban cores as new office and multifamily construction comes on line.

While demand trends are slowly building across the country, little in the way of new supply has been created. Construction is expected to pick up; however, completions are expected to remain subdued in 2015.

The e-commerce revolution continues to reshape the retail market, but brick-and-mortar retail does not face extinction. In fact, even Amazon.com is opening a store in New York City. The Amazon news may be an acknowledgement of the tremendous success of ground floor retail in urban locations, but the store will also serve as a pick-up/distribution point for goods ordered online. With demographic trends favoring urban cores, urban retail rents, particularly in "high street" locations in cities such as New York and Chicago, have surged.

The outlook for retail over the next year is solid, with economic conditions and consumer confidence all greatly improved from a year-ago.

Retail Sales Trends



Source: U.S. Census Bureau

2014 Responsible Property Investing (RPI) Report

2014 RPI Highlights

92.8%
of gross asset value benchmarked with ENERGY STAR

$920 million
committed to sustainable development in past 4 years

$3.3 billion
value of LEED certified property assets

5.7 million
job hours generated by MEPT 2014 construction activity

25
buildings achieved LEED EBO&M certification

2008
MEPT became signatory to the United Nations Principles of Responsible Investing (UN PRI).

$100.9 million
2014 investment commitment made to one development project seeking LEED certification

Responsible Property Investing is an important cornerstone of the MEPT investment strategy. The principles of RPI are founded in the belief that, where consistent with fiduciary responsibilities, by including environmental, social, and governance (ESG) considerations into a fund's investment process it is possible to improve the risk management of a fund.

Environmental

MEPT is a leader in developing green building practices and identifying opportunities to capture the value created by sustainable projects. MEPT's ESG management practices for its operating portfolio enhances long-term asset value by reducing risks, reducing operating costs and increasing tenant loyalty.

Social

MEPT projects are well-built by trained craftsmen and women and completed on time and on budget. Since its inception, MEPT has required that all contractors working on its portfolio properties be signatory to collective bargaining agreements with recognized trade unions.

Governance

MEPT's governance structure is designed to ensure that the management of the Fund is solely focused on investor interests. This is accomplished through a dedicated trustee, industry-leading governance expertise, and a high level of transparency in investor communications.

2014 Achievements

Environmental

Objective	Results
Sustainable Development and Redevelopment: MEPT seeks to achieve U.S. Green Building Council® (USGBC) Leadership in Energy & Environmental Design (LEED®) Silver certification or higher for all development and redevelopment projects, as well as seek LEED certification on tenant build outs, wherever possible.	11 assets achieve LEED NC/SC/ND certification, totaling $1.3 billion or **3.9 million square feet** In 2014, MEPT made investment commitments totaling $100.9 million to one development project seeking LEED certification
High-performance, Energy-efficient Operations: MEPT participates in the U.S. Environmental Protection Agency's (EPA) ENERGY STAR Benchmarking Program and seeks to achieve the ENERGY STAR label for its operating assets. Additionally, MEPT has certified assets through the USGBC's LEED EBO&M Volume program and seeks to maintain a quality control and assurance program for all assets.	112 buildings are benchmarked through the ENERGY STAR program, totaling **$6.4 billion or 24.0 million square feet** 22 office and 19 industrial buildings earn the ENERGY STAR label, totaling **$2.5 billion in value or 10.2 million square feet** 25 buildings achieve LEED EBO&M certification and total **$2.1 billion in value and 5.8 million square feet**

Social

Objective	Results
Fair Labor Practices: MEPT seeks to uphold its Responsible Contractor Policy and seeks to use signatory contractors for all new construction, renovation or rehabilitation, and tenant improvements. By working with qualified signatory contractors and paying fair wages and benefits, MEPT aims to support the long-term health of the local communities where its properties are located.	Development activity in process and new commitments in 2014 included two multi-family projects, one office project and one industrial development, which are expected to generate approximately **5.7 million job hours** for members of the Building Trades and **$1.8 billion in economic activity** in three U.S. markets Additionally, tenant improvement work generated approximately over 600,000 job hours and over $116.3 million in economic activity
Tenant Well-Being and Satisfaction: MEPT's focus on environmentally-friendly assets means that tenants have a healthier and more productive building environment. MEPT seeks to use sustainable practices as a way to attract and maintain controllable tenant retention of more than 80%.	MEPT's operating portfolio is **91.7% leased at year-end 2014** MEPT's portfolio achieves a 87.7% controllable net retention rate in 2014

Governance

Objective	Results
The MEPT management team's commitment to industry-leading governance, including a dedicated bank trustee, seeks to ensure that the management of the Fund is solely focused on the interests of its investors and their beneficiaries.	One of only a few funds in the U.S. that employ the most independent valuation process relying first on MAI appraisers, then third-party review appraisers every quarter for every asset.

RPI Highlights

MEPT Receives Top GRESB Ranking Among U.S. Diversified Funds for Sustainability and Environmental Performance for Fourth Year in a Row

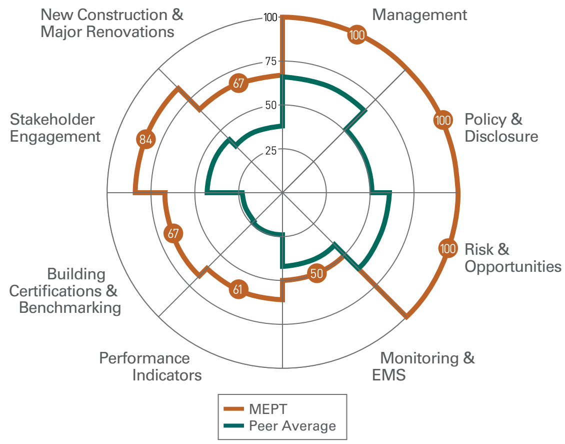
MEPT ranks Number One among peers in 2014 as a result of the Fund's ESG performance.

In 2014, The Global Real Estate Sustainability Benchmark (GRESB) awarded MEPT

- #1 ranking in the U.S. Diversified peer group among 36 funds;
- #1 ranking among the 28 funds, recognized by GRESB as NFI-ODCE related funds that participated in the GRESB survey.

GRESB also named, Bentall Kennedy, MEPT's real estate advisor, as the top firm in the Diversified peer group globally and in North America for 2014.

Based in the Netherlands, GRESB is committed to assessing the sustainability performance of real estate portfolios (public, private and direct) around the world. The dynamic GRESB benchmark is used by institutional investors to establish a comprehensive overview and measurement of the material aspects of sustainability performance within their real estate portfolios.



MEPT Awarded Fourth Consecutive Green Star Status

The 2014 GRESB global benchmarking included 637 participants covering 56,000 buildings with an aggregate value of USD $2.1 trillion. Within this large universe, MEPT was one of only 49 participants to receive Green Star status in North America, GRESB's highest level of achievement.

It is the fourth consecutive Green Star designation for MEPT. As a Green Star participant, MEPT is recognized as a fund with "an integrated organizational approach towards measurement and management of environmental key performance indicators" resulting in innovation in measures beyond energy efficiency and a reduction in resource consumption.

Bentall Kennedy Continues to Lead With Numerous RPI Initiatives

As an industry leader in RPI, in 2014 Bentall Kennedy participated in numerous industry initiatives to further RPI awareness:

- In 2014, Bentall Kennedy was awarded its sixth consecutive Environmental Protection Agency's Energy Star Partner of the Year Award and its fourth consecutive Sustained Excellence Award as a result, in part, of its work on the MEPT portfolio.
- Bentall Kennedy launched its ForeverGreen Tenant Engagement program to asset managers, property managers and tenants across its office, industrial, retail and multi-family property portfolios. The program includes posters, newsletters, activities and support for properties.
- Bentall Kennedy continued to update its USGBC LEED for Existing Buildings (LEED®-EB&OM) volume package to enable cost-effective volume certification of office assets within the MEPT portfolio.
- In mid-2014, Bentall Kennedy released its annual Corporate Responsibility Report highlighting key 2013 environmental, social and governance metrics used by the firm, and detailing its corporate responsibility approach for clients, tenants and employees.

1900 16th Street Achieves LEED Platinum Certification in 2014

MEPT Property Earns Prestigious LEED Environmental Rating

In 2014, 1900 Sixteenth Street in Denver, Colorado received Platinum-level status under the Leadership in Energy & Environmental Design (LEED®) for Existing Buildings (EB) program administered by the U.S. Green Building Council® (USGBC). The property, a 409,309 square foot office developed by MEPT in 2009, becomes the only LEED Platinum (EB) building in Colorado. It also attains a globally-unique achievement as the only multi-tenanted building holding three simultaneous certifications: LEED Platinum (EB), LEED Gold CS (Core & Shell) and LEED CI (Commercial Interiors) at 100% of tenanted space.

With this certification, 1900 Sixteenth Street becomes one of fewer than 175 buildings globally to have earned this LEED Platinum distinction.

1900 Sixteenth Street, a 17-story office building in Denver's Union Station District, was developed in line with MEPT's RPI principals of developing all new assets to a minimum of LEED Silver certification. Additionally, MEPT created over 2.2 million job hours for members of the local Building Trades. The asset is approximately 90 percent leased to a number of high-quality tenants.

MEPT's 2014 environmental achievements reflect the full, organization-wide scope of the commitment to responsible property investment. These practices, shared and implemented at every level from portfolio management to frontline property management to the tenants that partner with MEPT, combine to drive long-term value.

Appendix I: Returns

All MEPT returns are calculated in accordance with the Real Estate Information Standards (REIS) as governed by the National Council of Real Estate Investment Fiduciaries (NCREIF) and the Pension Real Estate Association (PREA). MEPT's real estate advisor, Bentall Kennedy, prepares schedules of investment performance that are independently verified by Peterson Sullivan PLLC for compliance with the Global Investment Performance Standards (GIPS) as governed by the CFA Institute. Bentall Kennedy complies with all the composite construction requirements of the GIPS standards on a firm-wide basis, and the firm's processes and procedures are designed to calculate and present performance results in compliance with the GIPS standards. The performance data presented as of December 31, 2014 is compiled from the same information sources Bentall Kennedy used to prepare previous GIPS compliant schedules; the performance data as of December 31, 2013 was audited by Peterson Sullivan and found to be fully GIPS compliant. The 2014 audit is expected to be completed in July 2015.

Total Return

Total return, in accordance with REIS, is computed by adding the NOI/loss and capital appreciation/depreciation for each property in the portfolio, as well as any realized gain/ loss on asset dispositions. This valuation is done on a calendar quarter basis, and completed ten business days after the quarter end.

Net Operating Income

NOI is calculated on a property-by-property basis according to GAAP. Real estate revenue is reported when contractually earned and billable to be consistent with the valuation methodology used to determine unrealized gains and losses.

Annualized Returns

Annualized returns are computed by chain linking, or compounding quarterly returns. Returns are annualized for periods over one year to time weight, and therefore more effectively compare returns with other indices.

MEPT's returns since inception are presented below:

MEPT Returns Since Inception*

Year	Net Income Portion of Return	Net Capital Appreciation (Depreciation) Portion of Return	Total Net Return	Gross Income Portion of Return	Gross Capital Appreciation (Depreciation) Portion of Return	Total Gross Return
2014	4.41%	7.55%	12.21%	5.36%	7.55%	13.21%
2013	4.77%	6.82%	11.83%	5.72%	6.82%	12.83%
2012	4.49%	0.20%	4.70%	5.42%	0.20%	5.63%
2011	4.41%	8.31%	12.99%	5.35%	8.31%	14.00%
2010	4.46%	9.14%	13.91%	5.47%	9.14%	14.99%
2009	5.07%	-32.66%	-28.89%	5.94%	-32.66%	-28.24%
2008	3.94%	-13.94%	-10.41%	4.80%	-13.94%	-9.63%
2007	4.50%	10.34%	15.18%	5.41%	10.34%	16.16%
2006	4.62%	9.68%	14.63%	5.56%	9.68%	15.64%
2005	5.02%	12.99%	18.49%	6.01%	12.99%	19.58%
2004	5.08%	5.95%	11.25%	6.09%	5.95%	12.30%
2003	5.65%	2.85%	8.61%	6.68%	2.85%	9.67%
2002	5.95%	-4.18%	1.58%	6.99%	-4.18%	2.59%
2001	6.05%	-0.20%	5.83%	7.12%	-0.20%	6.91%
2000	5.25%	6.02%	11.49%	6.39%	6.02%	12.69%
1999	5.20%	6.20%	11.64%	6.42%	6.20%	12.91%
1998	5.49%	7.19%	12.97%	6.81%	7.19%	14.36%
1997	6.60%	3.90%	10.69%	8.02%	3.90%	12.15%
1996	6.69%	1.98%	8.77%	8.10%	1.98%	10.20%
1995	6.34%	2.42%	8.87%	7.75%	2.42%	10.31%
1994	5.48%	-2.87%	2.50%	6.89%	-2.87%	3.89%
1993	6.15%	-5.39%	0.52%	7.56%	-5.39%	1.89%
1992	6.01%	-8.91%	-3.31%	7.40%	-8.91%	-1.97%
1991	5.99%	-4.26%	1.54%	7.40%	-4.26%	2.93%
1990	6.76%	0.79%	7.59%	8.20%	0.79%	9.03%
1989	7.31%	0.06%	7.37%	8.77%	0.06%	8.83%
1988	6.26%	0.92%	7.22%	7.75%	0.92%	8.71%
1987	6.22%	2.88%	9.22%	7.74%	2.88%	10.77%
1986	7.26%	0.86%	8.16%	8.84%	0.86%	9.76%
1985	8.06%	-0.08%	7.98%	9.66%	-0.08%	9.58%
1984	10.27%	0.52%	10.83%	11.90%	0.52%	12.45%
1983	8.80%	0.28%	9.09%	10.40%	0.28%	10.70%
1982	7.70%	0.00%	7.70%	8.66%	0.00%	8.66%

*From April 1, 1982 inception.

Appendix II: Investment Management Fee

The Trustee of Multi-Employer Property Trust charges an annual, investment management fee based on the net assets of MEPT. 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. The Trustee charges no additional fees of any kind to the investors. There is no minimum required account balance.

The fee structure provides positive incentives and flexibility to concentrate on overall fund performance and liquidity in all market conditions.

As of December 31, 2014, the MEPT annual fee was approximately 0.89%.

Investment Considerations

Past performance is not indicative of future results. Performance objectives (whether based on market conditions that affect MEPT or on MEPT itself) reflect a variety of assumptions, which may not be realized and are subject to significant uncertainties and contingencies. MEPT makes equity and debt position investments in commercial real estate. Performance goals, including investment returns (i.e., changes in MEPT's Unit Value), acquisition, disposition, and leverage levels, portfolio diversification (including cash position), portfolio occupancy and leasing rates could be adversely affected and may not meet expectations due to factors including, but not limited, to the U.S. economic recovery and job growth falling short of expectations, changes in economic conditions specifically affecting certain industries or geographic regions, demand for commercial real estate space not meeting expectations, certain markets experiencing oversupply of competing product, shifts in current demographic trends, consumer spending not meeting expectations, consumer and business confidence falls, rising interest rates and increased borrowing costs, rising energy costs, declining occupancy rates, unexpected tenant bankruptcies, insolvencies, or defaults, changes in government regulations, failure of rent growth to meet expectations, unexpected increases in property tax assessments, unexpected changes in retail and warehouse demand due to the evolution of e-commerce, unexpected increases in property level operating costs, or construction and leasing of current and future development projects failing to meet schedule and budget expectations.

Furthermore, MEPT's ability to meet its liquidity objectives could be adversely affected by higher than expected redemption requests or portfolio cash requirements or an inability to achieve disposition goals. Additionally, the likelihood that MEPT could gain additional value from its environmental and sustainable focus depends in part on tenant and investor demand, and government policies.

MEPT's statements of current plans and goals for the MEPT portfolio are not commitments by MEPT to take any particular actions with regard to the MEPT portfolio, nor are they promises that any stated goals will be met. MEPT expressly reserves the right to change or eliminate any of its current plans or goals, at any time. MEPT assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

MEPT is intended as a vehicle for long-term investments. Compared with many other asset classes, real estate is a relatively illiquid investment. MEPT is open to investments by qualified pension plans only.

Questions regarding MEPT's performance or current plans and goals should be directed to:

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