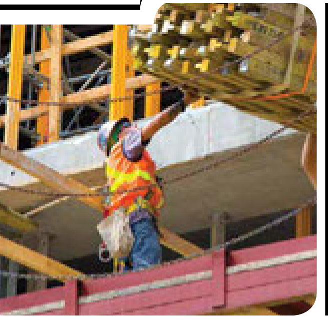
THE QUARTERLY

TRUST REPORT

MEPT

INSIDE:

- **MEPT Delivers Strong 2014 Performance of 13.21%, gross of fees**
- **Bentall Kennedy Releases *Perspective on Real Estate | US 2015***



FOURTH QUARTER | JANUARY 2014 | VOLUME 29, NUMBER 4

MULTI-EMPLOYER PROPERTY TRUST (MEPT) closed the fourth quarter of 2014 with a unit value of $**8,398.12,** up **3.16 percent** (net of fees) from the previous quarter. For the trailing four quarters, MEPT's net return is **12.21 percent**. **Based on preliminary results for the NCREIF Fund Index – Open-End Diversified Core Equity (NFI-ODCE) benchmark, MEPT's fourth quarter, gross of fees, return and one-year return as of December 31, 2014 outperformed the benchmark results.**

U.S. Economic and Real Estate Overview

The U.S. experienced solid economic growth in 2014. Business and consumer confidence strengthened, households deleveraged, and consumer consumption, fueled at year end by dramatically reduced oil prices, increased. The unemployment rate fell to a post-recession low of 5.6 percent. Led by the private sector, the U.S. created 866,000 jobs in the fourth quarter and three million jobs in 2014, making it the best year for job growth since 1999 at the height of the Dotcom boom.

Economic growth strengthened commercial real estate market conditions. 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.

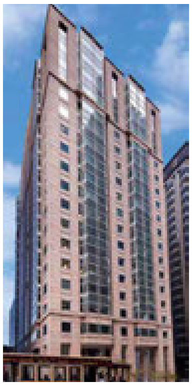
In the industrial sector, the fourth quarter marked the 19th consecutive quarter of positive net absorption and the national availability rate fell to 10.3 percent, a 90 basis point decline year-over-year, according to CBRE. **Spurred by e-commerce related demand, the positive net absorption tightened vacancy and pushed rents higher, especially in port cities and key distribution markets.** As a result, the average U.S. industrial rental rate grew by 4.7 percent in 2014.

With the homeownership rate approaching 64 percent at year-end 2014, and no signs of a reversal in the declining rate, renter household formations continued. **The strong job growth and, in some cities, improved wage growth, also drove demand in the apartment sector.** 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 deliveries in 2014 were absorbed by a surge of pent-up demand from new and existing renters.

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.

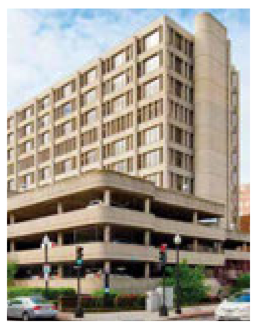
News Briefs

MEPT ACQUIRED 600 CALIFORNIA STREET, A 20-STORY, CLASS A, OFFICE TOWER IN SAN FRANCISCO FOR $217.7 MILLION IN NOVEMBER. The 358,591 square foot, LEED® Gold-certified building is located in the North Financial District, one of the most in-demand office sub-markets in the U.S. The building has easy access to public transit, commercial services, accommodation and entertainment. The transaction furthers MEPT's strategy to acquire energy-efficient, urban assets in innovation markets with strong employment trends and solid demand growth. At 70.1 percent 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 building was built in 1990 and significantly upgraded in 2006. Upper floors 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.



600 California Street

MEPT ACQUIRED A THREE BUILDING, 230,947 SQUARE FOOT PORTFOLIO ADJACENT TO THE BOSTON MEDICAL CENTER FOR $87.8 MILLION IN DECEMBER. 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. The assets are located in the South End submarket, which continues to evolve from its industrial roots to a more residential location and to demonstrate 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.



Doctor's Office Building

DURING THE QUARTER, MEPT GENERATED $241.7 MILLION IN GROSS PROCEEDS FROM FIVE SALE TRANSACTIONS. The current market demand for core assets has resulted in gains on sale and the Fund's disposition activity positively impacted performance. Assets sold in the fourth quarter included: Commerce Executive VI, a 140,633 square foot, suburban office building in the Washington, D.C. market; a 43 acre business campus in the Los Angeles market containing Centre at HIBC (office) and Harman International Business Campus (industrial); Northport Business Park I & II, five industrial buildings totaling 371,112 square feet in the San Francisco Bay area; Journal Square, a pre-development site in the New York market; and Medinah, a land parcel in Chicago.

SAVE THE DATE: RESEARCH WEBINAR

FEBRUARY 18, 2015, 11:00 AM EST

Join MEPT for a Complimentary Research Webinar: Doug Poutasse, Head of Strategy and Research at Bentall Kennedy, will discuss current trends in commercial real estate and the outlook for 2015.

For more information, contact Vanessa Parrish at vparrish@lbutler.com or (202) 737-8829.

Fourth Quarter Results

Net Return
Fourth Quarter
3.16%

Net Return
01/1/14–12/31/14
12.21%

Net Asset Value
$5.5 billion

Performance

MEPT's performance has resulted in a one-year total gross return of 13.21 percent – exceeding the Management Team's expectation of 9.0 percent to 10.0 percent. Based on preliminary results for the NFI-ODCE, MEPT outperformed the peer set for the fourth quarter by 14 basis points and one-year period ending December 31, 2014, by 73 basis points.

For the fourth quarter, MEPT generated a gross of fees return of 3.39 percent, composed of an income return of 1.20 percent and an appreciation return of 2.19 percent. MEPT's income return reflects the stability of the 91.7 percent leased, 29.8 million square foot operating portfolio. The portfolio's leasing activity for the year totaled 3.4 million in gross leasing with 179 leases executed.

MEPT's well-positioned portfolio — with overweight to urban and modern properties in innovation markets — allowed the Fund to maintain high occupancy, grow income and increase values. In the fourth quarter, MEPT's industrial portfolio (15.0 percent of net asset value (NAV)) led the Fund's real estate performance with a total return of 3.76 percent. The multi-family portfolio (30.6 percent of NAV) generated a 2.78 percent return and was followed by the office portfolio (44.7 percent of NAV) with a 2.41 percent return. The 93.5 percent leased retail portfolio (9.0 percent of NAV) contributed a 2.08 percent return.

Yield

	Fourth Quarter 2014	Trailing Four Quarters (Compounded)
NET	**3.16%**	**12.21%**
INCOME	0.97%	4.41%
APPRECIATION	2.19%	7.55%
GROSS	**3.39%**	**13.21%**
INCOME	1.20%	5.36%
APPRECIATION	2.19%	7.55%

Over 60 percent of the industrial appreciation was attributable to three well-leased operating assets: Pinnacle Park in Dallas, Mission Trails Industrial Center in San Diego and Centrepointe Chino II in Los Angeles. The multi-family value creation was driven by urban, high-rise apartments in New York (The Dylan and Octagon Park Apartments) and New Haven (360 State Street). 475 Sansome Street, a 353,686 square foot office building in San Francisco,

Pinnacle Park

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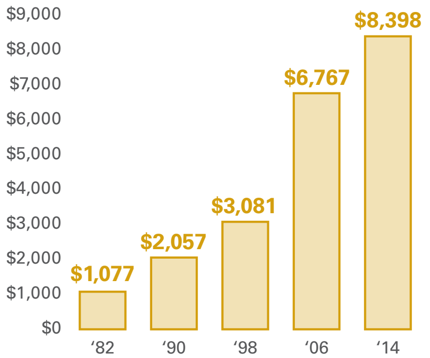
Unit Value Growth

December 31,1982 – December 31, 2014

Based on Market Value

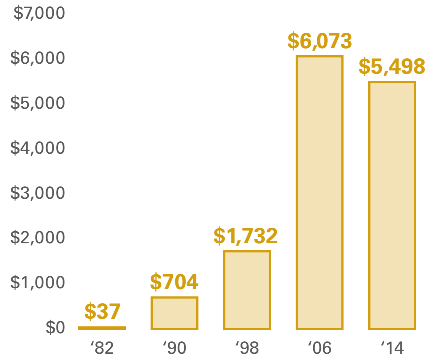


Values shown are for December 31 in each year.
Date of inception April 1, 1982.

Net Asset Value Growth

December 31, 1982 – December 31, 2014

Based on Market Value ($Millions)



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

Fund Overview

Inception Date	April 1, 1982	Average Age of Properties	13.8 years
Investments Held	92	Markets	25
Number of Buildings	242	Net Asset Value	$5.5 billion
Total Operating Square Footage	29.8 million	Unit Value	$8,398.12
Operating Occupancy	91.7%	Participating Plans	321

Performance *(continued)*

Octagon Park Apartments

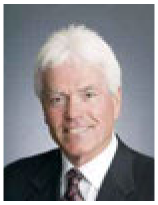
also provided meaningful appreciation in the quarter. Additionally, two off-market central business district office acquisitions in the fourth quarter, 600 California Street in San Francisco and a three-asset portfolio in Boston, resulted in significant appreciation at the end of the quarter. The retail return was principally a result of appreciation at three well-leased, grocery-anchored retail centers; Springbrook Prairie Pavilion in Chicago, Westwood Village in Seattle, and Parkway Village in Houston.

475 Sansome

Based on the economic and commercial real estate outlook for the year, the MEPT management team established a 2015 total return estimate for MEPT of 8.0 percent to 10.0 percent[1], gross of fees.

[1] *Expectations stated in this report are subject to a variety of factors and risks and many of these factors are beyond MEPT's ability to control or predict.*

WITH GRATITUDE TO PAT MAYBERRY



PAT MAYBERRY

On December 11, 2014, Patrick Mayberry announced his retirement from NewTower Trust Company where he served as President and Chief Executive Officer. NewTower's Board of Directors elected Robert Edwards to succeed Pat as President.

Pat led the formation of NewTower in 2005 as its founding President and Chief Executive Officer. Pat has overseen the team providing fiduciary oversight to MEPT for over 23 years. Prior to his tenure at NewTower, Pat led the Institutional Trust Real Estate Division for 14 years at Riggs Bank, MEPT's previous trustee.

Daniel W. Toohey, Chairman of the Board of Directors at NewTower, noted: "We would like to thank Pat for over two decades of service to MEPT, stewarding the Fund through several real estate cycles and setting the highest standards for fiduciary oversight not only for the Fund, but for the industry. The Board is confident the transition from Pat to Rob will be seamless since they have worked side by side for many years. Furthermore, Rob is extremely qualified and is a proven member of the NewTower team."

Rob Edwards has been serving as NewTower's Chief Financial Officer and has been leading the financial operations, trust accounting and reporting, and financial audits and regulatory exams for MEPT for the past 24 years at NewTower and earlier, at Riggs Bank.

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

Plumbers Local 12 Pension Fund

New Participants

Association of Equipment Manufacturers Pension Plan Trust

The Retirement Plan for Employees of the Town of Surfside

Laborers Pension Fund

Projects Committed

600 California Street
San Francisco, CA

Doctor's Office Building
Boston, MA

Gambro Building
Boston, MA

Harrison/Albany Block
Boston, MA

Projects Sold

Centre at HIBC
Los Angeles, CA

Commerce Executive VI
Washington, DC

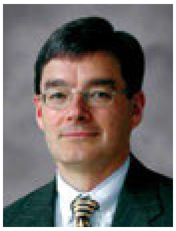
Harman International Business Center
Los Angeles, CA

Journal Square
New York, NY

Northport Business Park I and II
San Francisco, CA

Medinah (Partial Sale)
Los Angeles, CA

Bentall Kennedy's Strategy and Research Team Releases *Perspective on Real Estate | US 2015*



Doug Poutasse

Paul Briggs

U.S. Economic Strength Enhancing Commercial Real Estate Performance

In their latest economic and research report, Bentall Kennedy sees the stronger U.S. economy "breaking away from the pack" on a global basis. Job creation in the U.S. has been remarkable for its consistency, according to Bentall Kennedy, and will be the lifeblood of a self-reinforcing economic expansion. Year-over-year job growth has run between 1.5 percent and 2.1 percent since September 2011 and remained at or near 2.0 percent for the latter half of 2014.

For 2015, Bentall Kennedy forecasts potential GDP growth rising to the low to mid-3.0 percent range – a marked increase over 2014. In addition, significantly reduced oil prices should be a net positive for consumers as lower fuel prices free up disposable income, driving spending and confidence. **Most importantly, a stronger U.S. economy bodes well for property fundamentals and improving performance across the commercial real estate market.**

Multi-Family

The apartment market continues to offer attractive opportunities. Rising employment among younger professionals with higher propensities to rent rather than own has been a boon for apartments, particularly with the millennial generation now dominating this cohort.

The explosive population migration to the urban cores of major U.S. cities continues. Bentall Kennedy notes that these renters will pay more to be close to recreation, shopping, entertainment and their place of employment. The rise in foreign born population has only amplified these trends.

Demand in top performing markets will continue to be fueled by workers in those sectors that have experienced job growth such as technology and associated business and financial services. These workers have been more prosperous during the recovery with wages rising faster than the nation as a whole.

Office

Due to strong job creation, the story in office is one of improving conditions and rising rents. The healthiest markets are those with significant exposure to STEM (Science, Technology, Engineering and Math) related fields. For example, Austin, San Francisco and Houston have benefited from very strong office demand and rent growth.

Bentall Kennedy expects office markets in metros with well-educated workforces and expanding payrolls in the professional, scientific and technical services sector to maintain an edge, with financial sector job growth emerging as a driver of demand.

There is little risk from new supply for the coming year since new construction has been constrained over the last few years, and given the pace of job creation, the office market should continue to offer very healthy NOI growth as landlords gain pricing power over tenants.

Industrial

The industrial market continues to improve swiftly as demand for space nationally has outpaced forecasts. Industrial tenants have absorbed more than 715 million square feet of space since 2010 and demand is nearly 400 million square feet larger than it was pre-recession.

Early in the recovery, demand was greater for large, newly constructed buildings. Now, tenant demand has shifted to moderately-sized buildings near population centers driven, in part, by e-commerce and corresponding overnight or same-day delivery needs and also because users who prefer closer-in locations have accepted smaller spaces due to availability.

Aside from supply constrained

(continued on back page)

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 0.89%. 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.

IN-DEPTH REPORT *(continued from inside)*

markets like Los Angeles and New York, Bentall Kennedy expects national distribution hubs to see a measurable uptick in new construction over the next two years. This could dampen rent growth in these markets. However, rents should continue growing both locally and nationally as local distribution markets improve amidst economic expansion.

RETAIL

The lagging recovery in retail is beginning to change. Consumer confidence has surged, wage growth has picked up in major metropolitan areas, and the savings rate has ticked down from cyclical highs. The stage is set for healthy growth for both retailers and retail assets.

Despite some gloomy headlines, brick-and-mortar retail is not heading toward extinction. In fact, even Amazon.com is opening a store in New York City as well as two pop-up kiosks in San Francisco and Sacramento. Urban retail rents in "high street" locations in cities such as New York and Chicago have surged. According to Bentall Kennedy, this is evidence of the success of ground-floor retail in urban locations as demand follows metro-level economic trends, with the tech and energy markets leading the way. Many of the markets performing well are likely to see demand growth in their urban cores as new office and multi-family construction comes on line.

For a full copy of *Perspective on Real Estate | US 2015*, please contact Vanessa Parrish at vparrish@lbutler.com, or (202) 737-8829.

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 and public employee 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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