MEPT

Annual Report and Outlook
2009 – 2010

Multi-Employer Property Trust's mission is to deliver stable, competitive, low-risk returns while maintaining the benefits offered by a diversified, high-quality real estate portfolio. Through its principles of value investing, responsible property investing, and superior fiduciary and investor services, the Fund acquires and builds commercial real estate assets, at or below replacement cost, thereby creating economic activity and jobs, while incorporating sustainable development practices and high-performance property operations with emphasis on energy conservation.

MEPT, an open-end commingled real estate equity fund that invests in a diversified portfolio of institutional-quality real estate assets, and 100 percent union-built new construction properties, is managed by NewTower Trust Company, the trustee and fiduciary; Kennedy Associates Real Estate Counsel, LP, the real estate investment advisor; and Landon Butler & Company, LP®, investor relations service provider.

www.mept.com

On the Cover 1900 16th Street, in Denver, was built by MEPT and completed in 2009. The 409,309 square foot office tower is pre-certified Leadership in Energy and Environmental Design (LEED) Core & Shell – Gold by the U.S. Green Building Council, reflecting the many sustainable features of the project. This building sits adjacent to Gates Plaza, a fully occupied 285,197 square foot office building built by MEPT in 2003. Both buildings are in walking distance to Union Station, soon to be renovated into Denver's regional intermodal transit hub. MEPT's properties are representative of the ongoing evolution of the Central Platte Valley into a vibrant, attractive neighborhood in Downtown Denver. Since 1998, MEPT's investments in Colorado have created over $550 million in economic stimulus and generated more than 4,300 jobs across several industries.

TRUSTEE	INVESTMENT ADVISOR	INVESTOR RELATIONS
NewTower Trust Company	Kennedy Associates Real Estate Counsel, LP Institutional Advisors Since 1978	Landon Butler & Company
www.newtowertrust.com	www.kennedyusa.com	www.lbutler.com

MEPT Annual Report and Outlook 2009–2010

MEPT	2009	2008	2007
Net Asset Value	$4.08 billion	$5.97 billion	$7.18 billion
Participating Pension Plans	331	341	328
Committed Acqusitions	$43.7 million	$562.9 million	$651.4 million
Dispositions Net Proceeds	$355.6 million	$25.2 million	$110.2 million
Real Estate Assets	150	189	186
Operating Portfolio	34.8 million square feet	40.9 million square feet	39.5 million square feet
Operating Portfolio Percent Leased	89.6%	90.6%	91.4%

MEPT would like to acknowledge the Kennedy Associates' Research Team for their significant and valuable contributions to this report. Their analysis of economic and real estate market conditions is reflected in the views expressed in this report.

REVIEW

Economic Overview

At the beginning of 2009, in the midst of one of the worst recessions in U.S. history, the general economic environment was one of widespread uncertainty. Businesses and consumers were confronted with massive contraction in credit that signaled the beginning of a painful process of deleveraging that contributed to significant and accelerating job losses. **However, as the year progressed, glimmers of an economic recovery emerged, and the year ended with indications that the economy had stopped contracting and a recovery was dawning.** MEPT was not immune from the effects of the economic recession and the management team relied on the Fund's proven, disciplined investment strategy and patient, prudent decision-making to guide MEPT through one of the darkest periods for commercial real estate. With increased clarity in the marketplace by year-end 2009, it became clear that MEPT is particularly well-positioned for the next phase in the real estate cycle.

In retrospect, encouraging signs for the economy emerged at the end of the first quarter of 2009 when equity markets bottomed in March 2009 and began delivering positive gains. Indeed, the S&P 500 rebounded 65 percent by the end of 2009. By mid-2009, the availability of credit had improved and spreads had narrowed significantly, but access to credit remained limited for most small businesses and households as banks, businesses and consumers continued to work to recapitalize and repair their balance sheets. Nevertheless, the TED Spread (the difference between 90-day U.S. Treasuries and 90-day LIBOR), had reverted to historical averages by mid-year, indicating a positive trend in the measure of credit risk and improved confidence in the economy.

By the third quarter, the manufacturing sector began expanding again and the service sector stabilized. In addition, a weaker U.S. dollar benefited American exports, which increased in 2009 and contributed positively to Gross Domestic Product (GDP) starting in mid-2009. As a result, the third quarter GDP grew at a 2.2 percent real annualized rate—suggesting the U.S. economy was making a positive turn. **Fourth quarter GDP continued the positive trend, expanding at a 5.7 percent real annualized rate, giving reason to believe that the recovery from the most severe recession in the post-World War II era was underway.**

Nevertheless, at the end of 2009, the job market was still contracting, with unemployment reaching 10 percent in December 2009, and job losses rising to 8.4 million. But, there were hopeful signs that positive job creation would occur in 2010. The four-week moving average of initial unemployment claims ended the year at 460,000, down significantly from its peak in April 2009 of 658,000, and began to approach its historical equilibrium level of 400,000. At the same time, hiring in the temporary services sector—a leading indicator for full-time job growth—bottomed in July, 2009 and was up approximately 7 percent by the end of 2009.

The American consumer plays a critical role in a sustained recovery, and trends including positive growth in retail sales in the second half of the year, indicated that the historic pullback in consumer spending during the recession was beginning to subside. Additionally, the consumer savings rate rebounded from the start of the recession, averaging approximately 4.6 percent in 2009. At the same time, outstanding revolving credit contracted 11.2 percent from its peak in September, 2008. Nevertheless, consumers continue to deleverage and will need to have more confidence in the economy and the job market before they are likely to materially increase spending and contribute to the growth of the U.S. economy in a meaningful way.

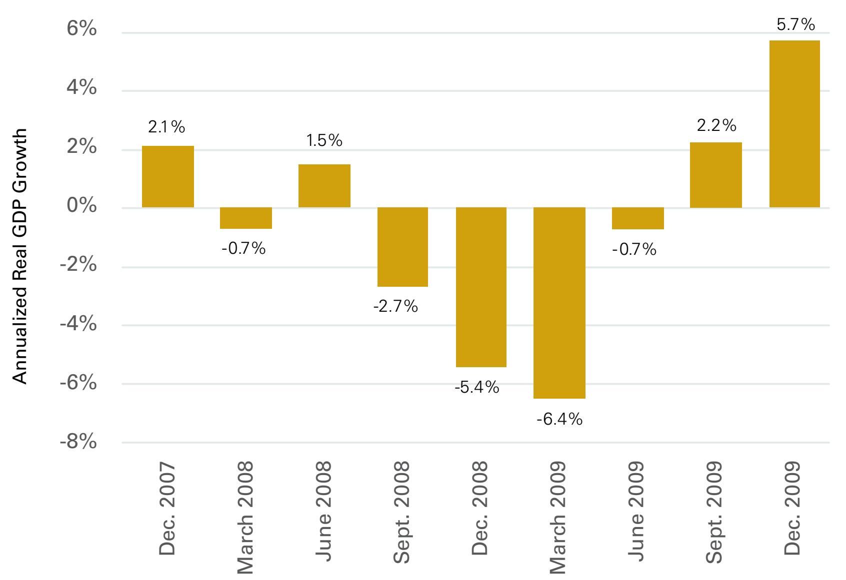
Commercial Real Estate Market Conditions

As the recessionary environment took hold throughout the economy, negative demand for commercial real estate space caused vacancy rates to rise and rental rates to decline. The significant job losses most directly impacted demand for office space, causing office vacancy rates to rise to 16.3 percent at year-end 2009. Industrial vacancy increased to 13.9 percent. However, improvements in global trade, and increasing freight shipments and manufacturing orders (indicators of industrial demand) that began mid-year tempered the pace at which the industrial vacancy rate increased.

In the multi-family sector, the national vacancy rate for apartments rose slightly to 8.0 percent by year-end 2009. The over-built condominium and single-family home markets added inventory to the pool of for-rent housing putting downward pressure on multi-family residential rents and occupancy rates. However, the apartment sector started to recover in the second half of 2009, and it was the strongest performing sector throughout the year.

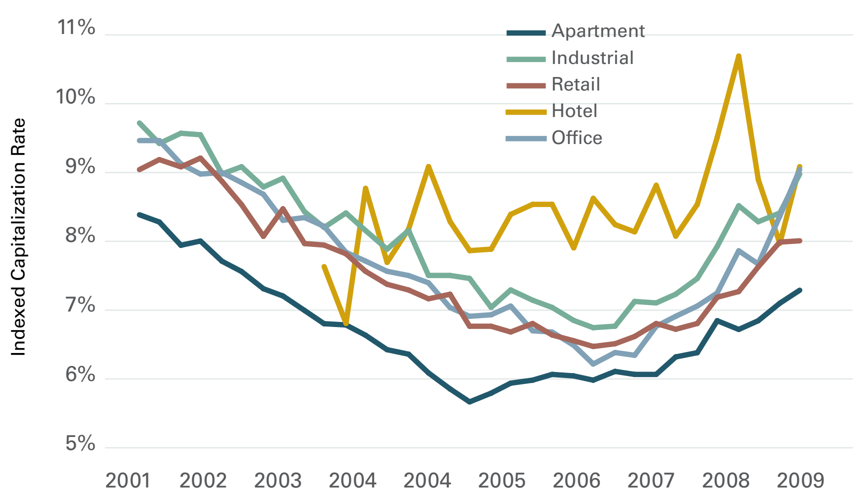
The retail sector was hit particularly hard by a significant decline in consumer spending. Nationally, retail vacancy rose to 12.4 percent at the end of the year. However, retail centers located in prime locations and focused on necessity goods (grocery stores, pharmacies, superstores) experienced steady demand and proved more resilient. Finally, the hotel sector was particularly susceptible to the economic crisis and suffered as business and vacation travel declined. Hotel occupancies were down 8.7 percent in 2009 as compared to 2008, but started to experience an uptick in demand as GDP growth improved toward the end of the year.

Trend in GDP Growth



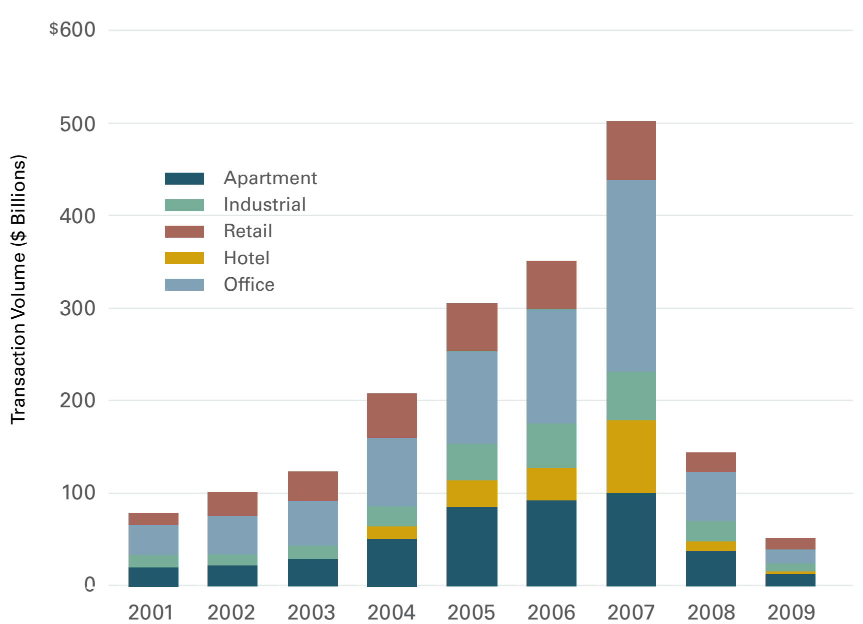
Source: BEA

Transaction Cap Rates: 2001 – 2009



Source: Real Capital Analytics

Transaction Volume: 2001—2009



Source: Real Capital Analytics

On the leasing front, market conditions in 2009 shifted in favor of tenants as landlords became motivated to avoid increased vacancy and maintain income. Landlords who offered flexibility, transparency, a strong balance sheet and creative solutions were rewarded with lease renewals. At the same time, many tenants sought ways to avoid the cost of moving and opted to work with current landlords to extend lease terms and find savings through lower rates and/or rental concessions. With more and more concessions being offered, effective rents (rents actually paid net of concessions) declined significantly—including double digit declines in certain markets.

At the start of 2009, the dramatic drop in real estate values was driven primarily by adjustments to capitalization and discount rates[1]. As the year progressed, appraisal assumptions were adjusted to more accurately reflect property-level fundamentals. **Indeed, by year-end, certain assets and markets began to show signs of modest recovery and improving rent growth expectations, resulting in values stabilizing, or even increasing in some cases.**

Despite declining valuations throughout much of the year, there remained a considerable bid/ask spread between buyers and sellers. **As a result, commercial property sales volume remained at extremely low levels, and the total 2009 transaction level was approximately 70 percent lower than in 2008.** Lender underwriting was much more stringent with higher equity and debt-service coverage requirements and lower loan-to-value standards, making it exceedingly difficult for buyers to secure adequate financing. Consequently, smaller-sized transactions were more likely to close than larger deals.

[1]A **capitalization rate** (cap rate) is an approximation of expected current income return determined by dividing net operating income by the purchase price and a **discount rate** is the assumed rate applied to future property cash flows to determine present value.

However, by the end of 2009, the commercial real estate debt markets showed improvement, due in large part to the positive steps taken by the Federal government, including the application of Term Asset-Back Loan Facility (TALF) to legacy and newly-issued Commercial Mortgage Backed Securities (CMBS). Additionally, insurance companies, traditionally long-term lenders to the commercial real estate industry, started to lend again, and new sources of debt capital, including banks from Asia and Europe, also became more active in the U.S. market. With more debt available at more attractive pricing, the bid/ask spread that had impeded transaction activity narrowed significantly as the year came to an end, which should improve investment levels going forward.

Throughout the year, capitalization rates began to approach and, in some cases reach, what core real estate investors consider a "fair" yield. As of year-end 2009, transaction data reported by NCREIF suggested that capitalization rates had increased 305 basis points from their previous cyclical low in second quarter 2007 to approximately 8.5 percent. With the yield on the 10-year Treasury ending 2009 at 3.83 percent, this pricing equated to a 467-basis point risk premium—well above real estate's historical risk premium of 250 to 300 basis points.

As trust and confidence returns and markets continue to stabilize, the 10-year

Real Estate vs Equity vs Fixed Income
As of December 31, 2009

		Core Real Estate		Equity	Fixed Income
		MEPT	NCREIF–Open-End Diversified Core Equity	S&P 500 Index	Barclays Capital Government/Corporate Bond Index
20 Year	Annualized Gross of Fee Return	6.07%	5.35%	8.21%	7.00%
	Annualized Standard Deviation	6.25%	6.68%	16.27%	4.72%
	Sharpe Ratio	0.31	0.18	0.25	0.61
15 Year	Annualized Gross of Fee Return	7.08%	7.50%	8.04%	6.76%
	Annualized Standard Deviation	7.01%	7.25%	17.62%	4.55%
	Sharpe Ratio	0.47	0.51	0.24	0.66
10 Year	Annualized Gross of Fee Return	4.72%	5.01%	(0.95%)	6.34%
	Annualized Standard Deviation	8.36%	8.55%	17.61%	4.42%
	Sharpe Ratio	0.21	0.24	(0.22)	0.76
5 Year	Annualized Gross of Fee Return	0.82%	0.70%	0.42%	4.71%
	Annualized Standard Deviation	11.35%	11.61%	17.17%	4.45%
	Sharpe Ratio	(0.19)	(0.20)	(0.15)	0.38
1 Year*	Annualized Gross of Fee Return	(28.24%)	(29.76%)	26.46%	4.52%

*Measures of volatility for periods of less than three years are not available.

Source – Russell/Mellon (Risk-Free Proxy: Merrill Lynch Treasury 91 Day Index)

Treasury yield should revert to a "normalized" level, and the excess risk premium currently imbedded in cap rates will likely diminish. As a result, cap rates in a range between 7.5 percent and 8.5 percent would be consistent with achievable stabilized yields on new real estate investments today, with high-quality assets trading at the low end of (or even below) the range and commodity-like properties trading at the high end of (or above) the range.

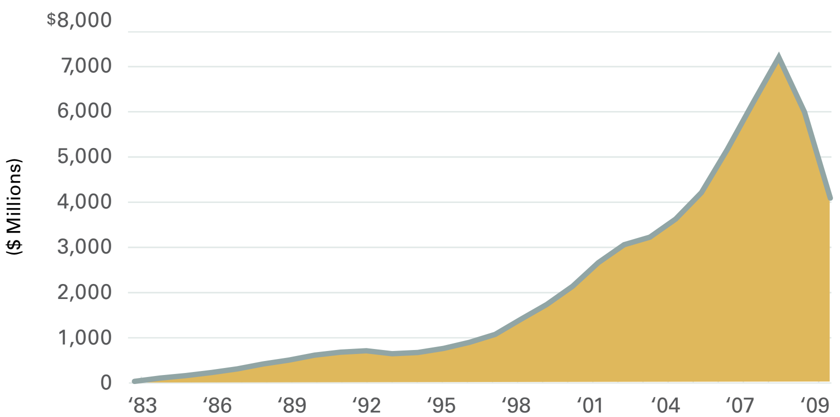
Impact on MEPT

As in previous downturns, the **MEPT management team's disciplined investment approach in 2009 focused on protecting net operating income (NOI), executing tactical sale transactions, prudently providing liquidity, and managing the Fund's debt in order to best position MEPT for the next phase in the real estate cycle.** As an open-end fund that is valued quarterly, MEPT was not impervious to the impact of the downturn, and the Fund experienced 32.7 percent depreciation in 2009—approximately 26.8 percent on the real estate portfolio and additional depreciation from marking to market property and portfolio-level debt. The Fund's gross income return was 5.9 percent for the year, and MEPT's 2009 total gross return was negative 28.2 percent. **However, as of December 31, 2009, MEPT's performance exceeded the NCREIF Fund Index Open-End Diversified Core Equity (NFI-ODCE) for the one, three and five-year periods.** In addition, as the Fund entered 2010, its operating portfolio was 89.6 percent leased, its third-party leverage was 22.9 percent with no near-term maturities, and the redemption queue represented 5.3 percent of net asset value.

MEPT Net Asset Value Growth

December 31, 1982—December 31, 2009

BASED ON MARKET VALUE



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

PERFORMANCE

The Fund's 2009 performance was influenced most by the dramatic decline in values resulting from the reassessment of risk premiums as well as changes in market assumptions incorporated into property appraisals. In general, appraisals reflected minimal to moderate rental rate growth over the next one to three years, dependent on location and property type. In addition, the probability of tenant renewals was lowered and the cost of tenant improvements was increased, resulting in more risk associated with lease rollover being modeled to reflect the lagging impact of the economic downturn on leasing.

However, as the year progressed, appraisal assumptions were adjusted as markets showed signs of modest recovery and rent growth expectations improved. This trend is evident in the MEPT portfolio where, for example, in the first quarter of 2009, two properties in the MEPT portfolio had appreciation or no change in value, but by the fourth quarter of 2009, 19 properties showed an increase in value and 35 properties reported no value change.

MEPT's management team believes that with 2009 value declines both the U.S. commercial real estate market and the Fund are approaching a cyclical low. The one-year implied overall rate (OAR[2]) for MEPT's operating portfolio was approximately 7.2%, at December 31, 2009—in line with real estate yield expectations and the open-end fund universe.

STABLE INCOME

With market participants relying heavily on income-driven methodologies to value properties, MEPT was intensely focused on protecting property NOI and mitigating risk associated with anticipated future vacancy. As a result, MEPT remained focused on proactive

[2]**Overall rate** (OAR) is a dollar-weighted average reflecting valuation-based estimates of net operating income divided by current asset value.

MEPT Returns (Gross of Fees)			
	Gross Income	Appreciation/ (Depreciation)	Total Return
2009			
Fourth quarter	1.58%	(5.30%)	(3.73%)
Third quarter	1.49%	(7.29%)	(5.79%)
Second quarter	1.41%	(7.54%)	(6.13%)
First quarter	1.33%	(17.04%)	(15.17%)
2008			
Fourth quarter	1.21%	(11.13%)	(9.92%)
Third quarter	1.14%	(3.34%)	(2.21%)
Second quarter	1.20%	(0.38%)	0.82%
First quarter	1.17%	0.57%	1.74%

asset management and accretive transactions in order to enhance cash flows and preserve or improve values.

MEPT asset managers worked diligently to capitalize on every opportunity to attract and retain tenants in order to stabilize and, where possible, enhance NOI and maintain or increase overall asset value. MEPT had a few large tenants vacate space due to economic conditions and some others reduced space to minimize costs. But, the isolated losses of occupancy during the year were significantly offset by 9.7 million square feet of gross leasing activity in the portfolio. In 2009, MEPT's Asset Management Team at Kennedy completed 384 lease transactions, including 232 extensions and renewals, 105 new leases and 47 expansions of existing tenants.

Significant leasing, combined with the sale of certain assets, helped maintain the operating portfolio's occupancy throughout the year and at the year-end, MEPT's operating portfolio was 89.6 percent leased. By working closely with tenants to understand their needs and offering flexibility, transparency, a strong balance sheet and creative lease structuring, MEPT has been very successful during the economic downturn in mitigating risk related to lease rollover and tenant delinquencies. The Asset Management Team closely monitors accounts receivable and carefully manages write-offs to maximize lease revenues. At December 31, 2009, MEPT's accounts receivable delinquencies and write-offs represented approximately 0.67 percent of total MEPT revenue—significantly lower than industry best practice of one percent to two percent.

Managing expenses is an important component of maintaining a stable income stream for the portfolio, and MEPT's Asset Management Team placed a strong emphasis on cost containment and improving energy utilization/efficiency at each asset in order to maximize expense savings.

TACTICAL TRANSACTIONS

The dearth of transaction activity nationally in 2009 meant that there was a limited supply of institutional-quality assets for sale. MEPT acquisitions officers reviewed over $1 billion in potential transactions in 2009, but determined that there were none that fit with MEPT's stringent requirements and long-term strategy. Investment opportunities received and reviewed by the Acquisitions Team were primarily comprised of properties made available by property owners under duress due to a lack of capital to fund debt obligations or impending debt maturities. Although deal flow and the quality of asset selection improved through the course of the year, **MEPT only committed a total of $43.7 million to assets in the portfolio** to increase MEPT's ownership interest in a number of joint ventures and fund certain capital improvements.

In early 2009, despite the prospect of a difficult transaction environment, MEPT identified a number of assets for disposition that no longer fit with the Fund's long-term investment strategy, which had characteristics that could contribute to obsolescence, or that had downside leasing risk that outweighed their long-term potential. The Fund's 2009 dispositions program had an additional emphasis on smaller transactions with local users and other non-traditional buyers that could access capital from local banking institutions or qualify for more favorable terms as a result of loan guarantees from the Small Business Administration. **By the end of 2009, MEPT had successfully sold 38 assets and two partial assets and generated $355.6 million in net proceeds.**

MEPT has a long-term diversification strategy that includes a reduction of the Fund's allocation to office and industrial assets and an increase in its allocation to apartment and retail assets; MEPT's 2009 dispositions were heavily concentrated in office and industrial assets. MEPT also remains focused on its geographic diversification goals, including reducing its exposure to certain secondary and tertiary markets. In addition to furthering MEPT's property type and geographic diversification goals, MEPT's average asset size increased, the average NOI per property increased, and portfolio-wide occupancy remained stable as a result of the 2009 asset sales.

Most importantly, MEPT's 2009 disposition program positioned the Fund with a stronger, healthier portfolio. MEPT sold assets with existing vacancy and high rollover risk. Several of the sold assets had contract rents that were higher than current market rents and at the same time, had space expiring over the next few years, which would likely result in new leases signed at lower rental rates than the rates currently in place. Thus, NOI at the properties was vulnerable to decline. Furthermore, certain assets were in locations where market fundamentals were expected to decline further and the sales protected the Fund against future market risk.

LEVERAGE

MEPT's commitment to mitigating and managing risk over the long-term has led the Fund to maintain a relatively low level of debt. Leverage was only 6.59 percent of gross assets in the early stages of the credit crisis in mid-2007 compared to the open-end fund universe average at that time of 20.4 percent. In 2009, MEPT took advantage of attractive terms available from Fannie Mae and Freddie Mac to prudently re-capitalize several multi-family assets and add moderate overall leverage.

The Fund also began the process of transitioning its debt exposure from floating-rate to fixed rate in anticipation of a rising interest-rate environment. As a result, the Fund had 22.9 percent third-party leverage at December 31, 2009, which was still well below the open-end fund universe average of 33.5 percent. **Most importantly, MEPT is under no pressure to service the debt on the portfolio—its debt service coverage ratio is 4.06. Looking forward, MEPT's low leverage and high-quality portfolio of income-producing properties positions the Fund as an attractive borrower.**

LIQUIDITY

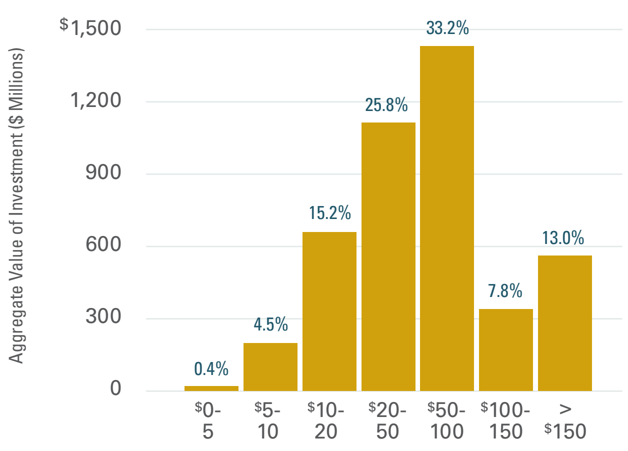
In 2007 and early 2008, liquidity for institutional investors was driven primarily by the need to re-balance overall portfolios because of real estate's outperformance relative to stock and bond investments. However, as real estate values began to decline in mid-2008 and transaction activity and debt financing became scarce, cash flows were not sufficient to meet liquidity demands from pension plans, and most, if not all, open-end funds instituted redemption queues—including MEPT. After fully funding over $650 million in redemption requests for the four quarters ending September 30, 2008, MEPT implemented a redemption queue effective December 31, 2008—the first in its 27-year history. Prior to that, MEPT had always fully honored redemptions requests within 90 days.

Liquidity is provided by three primary sources of cash: income from the properties, asset dispositions, and new investments

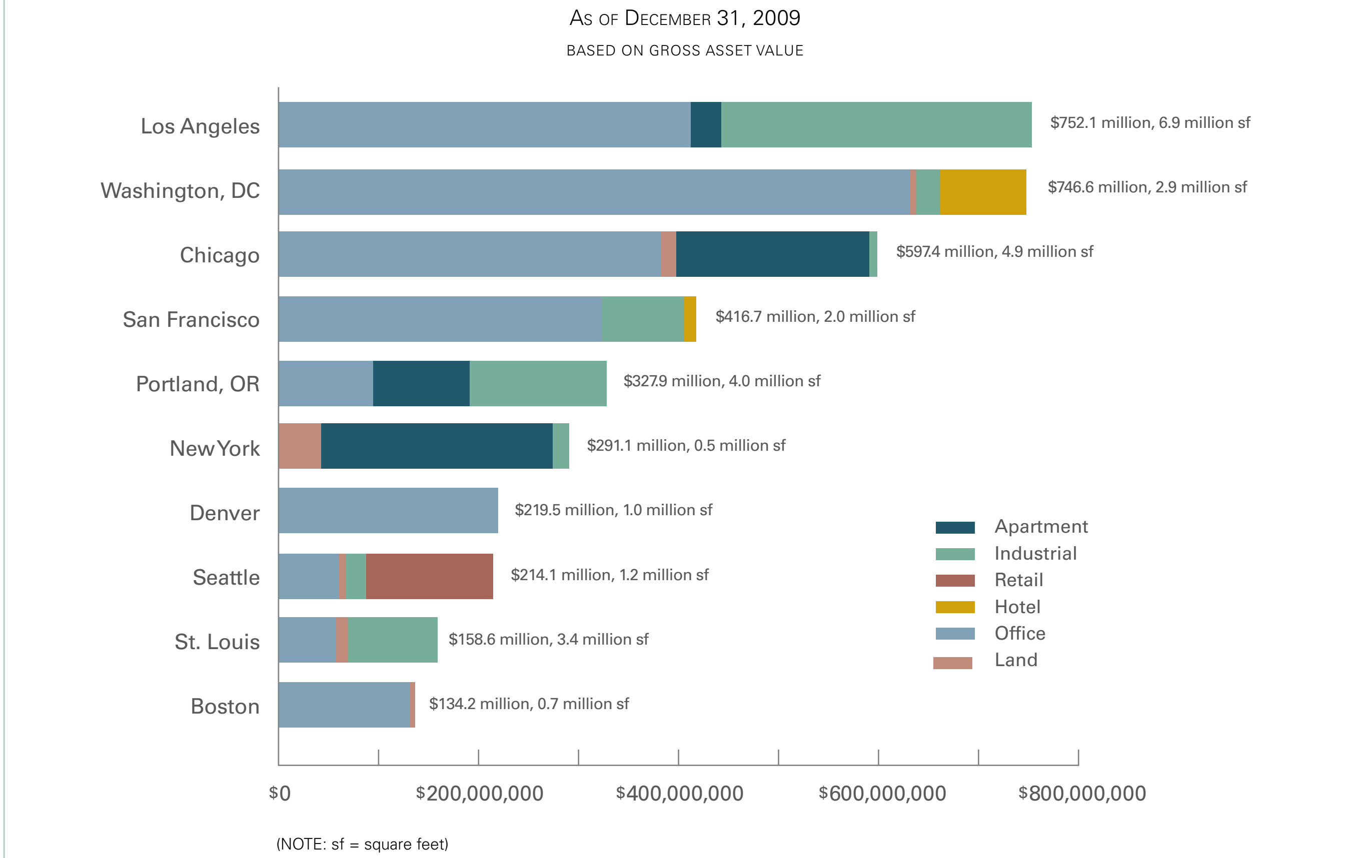
MEPT Diversification by Size of Investment

As of December 31, 2009

BASED ON NET ASSET VALUE



MEPT Investment by 10 Largest Market Concentrations



from participating plans. **Careful cash management during the early stages of the economic downturn, coupled with a cautious approach to acquisitions during the last few years, was instrumental in allowing the Fund to continue to provide investors with some level of liquidity during the downturn. In fact, MEPT provided over $1 billion in liquidity to its investors between January, 2008 and January, 2010.** At the peak of redemption queue, redemptions requests totaled $992.6 million; however, through a combination of distributions, value declines and $362.0 million in rescissions by 63 investors, the queue was substantially reduced, to $199.9 million or 5.3 percent of net asset value in January 2010. MEPT intends to fully satisfy the queue by April, 2010—five quarters after it was initiated—and resume its practice of honoring redemption requests on a quarterly basis.

Additionally, existing investors contributed $19.8 million to MEPT in 2009. As the end of the year approached, and more clarity emerged regarding an economic recovery, institutional investors' interest in core real estate intensified, and search activity and re-balancing into real estate increased.

OUTLOOK

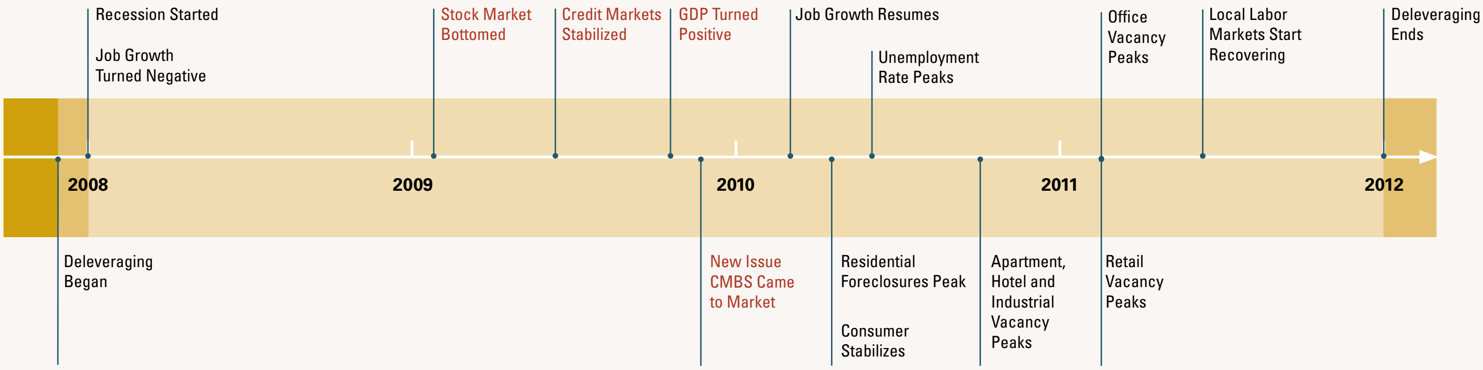
Economic and Real Estate Expectations

While it will be several years before the U.S. economy fully recovers from the recent financial crisis and deep recession, economic and capital markets conditions are much more stable than most thought would be possible just one year earlier. Looking forward, it is anticipated that slow but positive job growth will resume during the first half of 2010, followed by a recovery in consumer confidence and consumer spending in late 2010, or early 2011. **Economic growth will be slow and uneven in 2010 as government intervention subsides and the recovery becomes self-sustaining.** The Federal Government will likely maintain accommodative fiscal and monetary policies for much of 2010 to stave off the risk of falling back into recession. MEPT expects that stronger growth will resume in 2011.

Commercial real estate is reliant upon job creation and economic expansion for positive space demand. The current relationship between the economy and real estate is most clearly illustrated through rising vacancy in every property type (or in the case of hotels, lower occupancy rates). Fueled by the recession, which caused negative absorption and a construction overhang in many markets, current vacancy rates have climbed above long-term averages.

The MEPT management team expects commercial real estate fundamentals to reach cyclical lows in mid-to-late 2010. The major property types will start the recovery process at different points in time based on property type-specific supply/demand characteristics and the timing and strength of the demand drivers for each sector. Hotel and apartment sectors will begin recovering in the first half of 2010, followed by the industrial sector later in the year. The office and retail sectors will start recovering in 2011.

The unprecedented depreciation that commercial real estate experienced over the last 24 months is nearing an end. Current valuation assumptions for vacancy and rent growth are based on conservative expectations of a slow-paced economic and real estate recovery



Source: Kennedy Associates

across most major U.S. markets. Current rent growth assumptions being used by appraisers do not anticipate rents recovering to previous peak levels until 2014 in a few limited cases, and after 2015 in most cases, even though economic indicators point to improving job growth in 2010 and commencement of a commercial real estate recovery in 2010/2011. This disconnect provides a cushion for investors on current values and may result in stronger than expected performance over the next several years as valuation assumptions improve to reflect the actual pace and strength of the recovery.

Going-in (year-one implied) cap rates are consistent with the cap rates implied by public REIT share prices and the actual prices of institutional quality property sales, and discount rates are in-line with the return expectations for unleveraged core real estate. Conversely, the assumptions for exit cap rates[3] reflect an increase of 25 to 75 basis points to the year-one implied rates resulting in rates at the upper end of the 6.5 percent to 8.5 percent range. Exit cap rate assumptions will likely come down as the economic recovery strengthens, providing investors with an offset against potential unanticipated declines in income or appreciation.

Real estate investors have begun to return to the marketplace. Strikingly low transaction activity in 2009 reflected unstable fundamentals, a volatile credit market, and a dearth of appealing real estate investment opportunities. With the economy and capital markets recovering, it is once again possible to underwrite with appropriate confidence the risks of making new investments. Despite the fact that fundamentals will continue to weaken in 2010, values are stabilizing and attractive long-term strategic investment opportunities will emerge, especially in the second half of the year. Furthermore, strong interest in high-quality properties in primary markets by public REITs and other equity investors should put downward pressure on cap rates for institutional assets.

Debt and equity capital was raised in early 2009 in both the public and private sectors to target opportunities in commercial real estate. A strong focus of investors was on strategies aimed at acquiring distressed real estate and real estate debt. During 2009, $72.3 billion in new capital was raised and another $200 billion is targeted to be raised 2010. **At the same time, investors have increased their target allocations to core real estate and reduced them to opportunistic real estate, which reflects a shift in appetite to less risky, current income-producing properties and a recognition that distressed opportunities may not develop in the quantities that were initially predicted.** While there will likely be fewer truly opportunistic equity investments available than many had anticipated, the current environment can produce excellent long-term property buying opportunities, where the majority of the overall yield is a result of in-place income rather than cap rate compression-driven appreciation.

The economic uncertainty that negatively impacted values is dissipating and, combined with improvements in the commercial real estate debt markets, the probability that there will be a flood of distressed assets coming to market has been reduced. Mass liquidations of distressed assets have not occurred, and the growing body of evidence suggests that they will not materialize in any meaningful volume. Increased transparency has played a role in reducing the number of distressed asset sales. Regulators, with access to more and better information than they had in the 1990s and with the benefit of hindsight, have explicitly stated that they are not going to force liquidations, but rather will encourage lenders to work-out individual loans over time. The benefit of this approach is that it prevents a massive transfer of wealth from one party to another; the negative is that it will take longer for banks to fully repair their balance sheets.

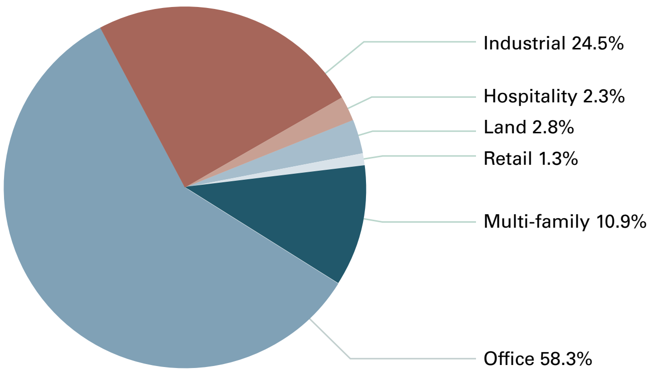
The commercial real estate debt capital market in terms of pricing and availability made significant progress in 2009. The successful application of the Federal Government's TALF program reduced spreads and confirmed that there was still demand for securitized commercial mortgage debt. Concurrently, insurance company lenders and banks from Canada, Europe, and Asia began lending in U.S. markets again. At the end of 2009, several financial institutions restarted their conduit lending programs. These are early signs that debt markets are recovering, which bode well for prospects of managing through the high levels of commercial mortgage debt maturing over the next few years.

Improvement in the debt and equity capital markets for commercial real estate helped to narrow the bid/ask spread between buyers and sellers and these improvements will contribute to increased transaction activity in 2010, especially in the second half of the year. Most importantly, higher transaction volume will provide validation of market clearing prices.

[3] **Exit capitalization rate** (exit cap rate or residual cap rate) is an approximation of expected return upon sale of the asset.

MEPT Diversification by Property Type

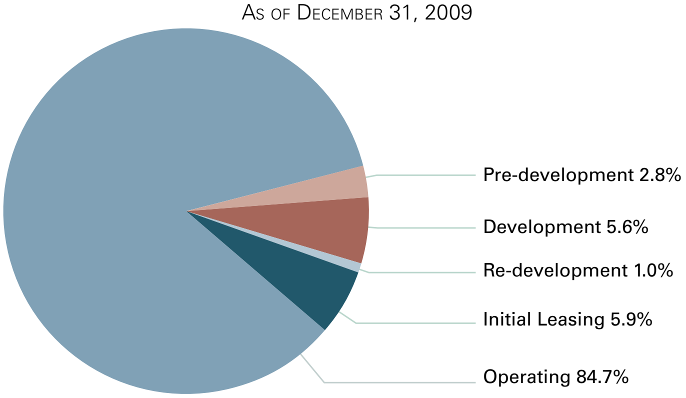
As of December 31, 2009



Note : Weighted by Net Asset Value.

MEPT Diversification by Life Cycle

As of December 31, 2009



Note : Weighted by Net Asset Value.

Outlook for MEPT

The years of easy credit, low volatility, strong economic growth and financial engineering caused many investors and real estate managers to abandon risk analysis in the investment and underwriting process. Therefore, MEPT management thinks the biggest near-term changes in the industry will be a reversion to more conservative (i.e., traditional) underwriting criteria, which will result in a greater emphasis on risk management and more appropriate pricing of risk, and will influence the "capital stack" and how real estate investments are financed.

There is some evidence of a shift in the spread between recent transaction capitalization rates and the yield on the 10-year Treasury, which is well-above the historic spread, indicating a higher risk premium currently associated with the asset class. Further evidence can be found in bank re-financings and re-structurings that require higher loan-to-value ratios (i.e., greater equity) and higher debt service coverage ratios.

From an investment perspective, MEPT management believes that the current market dislocation will manifest itself and provide opportunities for the Fund in four ways: **1) the pendulum may have over-swung on cap rates so that there will likely be opportunities to buy assets at attractive yield rates; 2) the dearth of financing will favor equity investors who do not have to rely on traditional sources of debt financing and have cash to expedite transactions; 3) real estate owners with financial stability and those who aggressively manage properties through active asset management to maximize their operational performance will have a competitive advantage; and, 4) as real estate supply/demand fundamentals begin shifting back toward equilibrium over the next 18-36 months, new construction investments will become more viable.**

MEPT's investment activities in the near term will be focused on very select, accretive opportunities geared toward achieving the following investment goals:

- Obtaining solid and sustainable current income returns;
- Increasing the Fund's presence in primary markets, while reducing its exposure to secondary and tertiary markets;
- Increasing the Fund's exposure to retail and multi-family product types, while reducing its concentration in the office and industrial sectors; and
- Maintaining a leadership position in the Open-End Core Fund universe with an unyielding commitment to the principles of Responsible Property Investment.

Throughout 2009, MEPT's Acquisition Team remained actively engaged in the marketplace both through the dispositions program that MEPT has executed as well as through active review of potential acquisition opportunities. As a result, the Acquisition Team has current information and data on market comparables, transactions, pricing, and has maintained frequent communication with the brokerage and broader real estate investment community. Further, because MEPT does not have any forward commitment obligations nor is the Fund under any pressure to service, pay-off, or refinance debt, it can apply a meaningful portion of its net cash flow to acquisitions.

The Fund's strategy has historically been to make equity investments in real estate, and therefore MEPT does not rely heavily on debt to finance acquisitions, which should place MEPT at a competitive advantage in the current market environment to access quality deals at attractive prices. **MEPT's management team expects attractive acquisition opportunities will likely emerge in the latter half of 2010, and the Fund has budgeted approximately $375 million for acquisitions in 2010. At the same time, MEPT is seeking to generate approximately $300 million in net proceeds from property sales.** Since the Fund expects to have fully satisfied its redemption queue in the first half of 2010, property cash flow, proceeds from dispositions and new investor commitments will be available to fund acquisition opportunities during the year.

MEPT's 2010 acquisition program will emphasize investment opportunities which, in addition to achieving and/or furthering RPI sustainability goals, will also embody RPI property-related characteristics including: transit-oriented development, urban infill, pedestrian focused open spaces, and mixed-used and/or historic preservation. MEPT's Acquisition Team also has extensive experience investing in new construction acquisitions—MEPT has built or developed 80 percent of its current operating portfolio—and as excess space is absorbed and market fundamentals begin to improve, MEPT has the capability to pursue and execute new construction investment opportunities. This will add value to the portfolio in addition to generating important economic activity in the markets where MEPT invests.

More conservative underwriting will mean a stronger emphasis on going-in-yields based on income return, and less reliance on value created through the use of leverage or cap rate compression. Therefore, focus will shift to the value created through generating NOI, with an equal emphasis on revenue and expense management. In addition to traditional leasing and property management practices being used to maximize NOI, management is already seeing a shift towards more energy-efficient building operations and construction. MEPT management expects the industry to continue going "green" as it becomes more cost effective and tenant demand increases.

From an asset management perspective, MEPT management believes that the current market environment is differentiating strong owners from weaker ones, and that tenants have a more acute interest in a landlord's balance sheet and institutional stability. Therefore, MEPT sees opportunities to distinguish the Fund as a reliable and financially sound landlord. The Fund's emphasis on hands-on asset management results in high performance property operations, and its focus on energy conservation are proving to be a competitive advantage as well. Finally, the three organizations that co-manage MEPT are closely held, and their primary business line is MEPT, so there is limited risk of institutional instability to the organization.

The depreciation in MEPT's portfolio that began in the second quarter of 2008 and continued through 2009 was principally the result of rising capitalization rates and anticipation of deteriorating market leasing fundamentals. MEPT's NOI during that time period was relatively stable. The economic conditions had a moderate impact with NOI for a "same store" set of assets down only 3.7 percent for 2009 compared to 2008. MEPT's net asset value reflects more than a 40 percent decline in value since its peak at the end of the first quarter of 2008 and MEPT's current Unit Value is approximately at fourth quarter 2004 levels. The upward pressure on these yield rates has ceased as we enter 2010 and combined with the current yield rates on the portfolio, MEPT's management team believes that MEPT's Unit Value is close to a cyclical low.

With the redemption queue expected to be satisfied in early 2010, moderate leverage with no near-term maturities, no forward commitments, manageable lease rollover, cash available for new investments and an asset management team focused on preserving operating income, MEPT is very well positioned for the next real estate cycle.

2009 MEPT Holding Structure Enhancement

Historically, MEPT has held its ownership of assets throughout numerous limited liability corporations. In 2008, NewTower began evaluating a real estate investment trust (REIT) sub-structure for MEPT and thoroughly analyzed the risks associated with this structure and its implementation. NewTower determined that all identified risks associated with this structure could be mitigated or could be reasonably managed and that this new consolidated, holding structure could offer current MEPT bank collective trust unit holders several benefits. NewTower put the structure in place with the expectation that the structure could provide significant income benefits to MEPT since the REIT sub-structure will act as a unrelated business taxable income-blocker; will allow for greater operating and transaction flexibility; introduce MEPT to additional sources of capital and liquidity, such as institutional investors not qualified to invest in a bank collective trust; and, generally, should increase MEPT's competitiveness with other open-end funds.

Officially established on January 1, 2009, the sub-structure is a limited partnership that has an underlying REIT subsidiary. The assets held in the limited partnership (known as MEPT Edgemoor LP) at December 31, 2009 include 60 MEPT investments that were eligible to be and have been transferred into the REIT subsidiary. Additional assets will be transferred into the holding structure through a multi-staged, multi-year transfer process designed to address transfer taxes, debt and dispositions issues. It is intended that all future MEPT acquisitions will be executed through the REIT. NewTower has borne all the costs of the REIT sub-structure, and other than the benefits described above, the investors in the bank collective trust should notice no difference in their MEPT investment.

Certain U.S. and non-U.S. investors previously not qualified to invest in MEPT may be qualified to invest in MEPT Edgemoor. The formation of MEPT Edgemoor will likely enable certain institutional investors (e.g., certain trusts holding assets of health and welfare plans, such as voluntary employee beneficiary association trusts, and trusts of endowments and foundations) the opportunity to invest in the MEPT strategy for the first time through limited partnership interests.

Responsible Property Investing

MEPT is dedicated to Responsible Property Investing (RPI). MEPT has identified and adopted environmental, social, and governance principles in implementing RPI that further performance goals while also achieving important secondary objectives: creating economic activity; promoting sustainable development; fostering high-performance property operations; and ensuring good governance and investor relations best practices resulting in meaningful transparency. MEPT's management team believes that its U.S. leadership in RPI distinguishes MEPT from other open-end commingled real estate funds and most U.S. institutional real estate owners.

RPI provides the framework for MEPT to develop and manage assets that are energy-efficient and environmentally sustainable, while also being economically viable and financially rewarding investments. MEPT's commitment to RPI stems from the fundamental belief that achieving environmental RPI goals results in a modern, top-quality, highly competitive portfolio that will deliver stable returns to its investors. Additionally, MEPT has sought to consistently deliver competitive returns for its investor base through an investment vehicle that also offers strong governance, transparency and liquidity.

Environmental:

Sustainable Development and Redevelopment

MEPT has played an active role in developing market-leading, green building practices and identifying ways to capture the value created by sustainable development projects. MEPT's Management Team has found that sustainably built properties remain in demand with creditworthy tenants during most economic environments, allowing a building to provide consistent returns through all phases of the real estate cycle. MEPT seeks to achieve the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED)-Silver certification or higher for all development projects and has successfully achieved the LEED-Silver (or higher) target for new development since it was established.

High-performance, Energy-efficient Operations

MEPT believes that energy conservation at the property level not only promotes environmental stewardship, but also results in better asset performance through reduced operating expenses and increased tenant demand, satisfaction, and retention. MEPT believes the progressive "greening" of its existing assets will enhance its ability to attract high-quality tenants, minimize tenant roll-over, and improve a property's net operating income and market value. The most recognized U.S. benchmark for measuring the energy efficiency of existing buildings is the U.S. Environmental Protection Agency's (EPA) ENERGY STAR program and MEPT has benchmarked more than half of the portfolio. Furthermore, in 2009, MEPT's disposition program included the sale of assets that over the long-term would not achieve the Fund's energy-efficiency goals.

In 2008, Kennedy, on behalf of MEPT, formally initiated participation in the USGBC's pilot program to certify multiple buildings simultaneously through the LEED for Existing Buildings—Operations and Maintenance (EBO&M) rating system. LEED-EBO&M provides the USGBC's third-party certification to existing buildings for implemented sustainable operating "best practices" in areas of energy and water-efficiency, materials and resources, and indoor environmental quality.

The MEPT LEED-EBO&M portfolio in 2009 included 28 Class A office buildings with a net asset value of over $1 billion, representing over 6.0 million square feet in eight markets. LEED-EBO&M sustainable surveys required site visits, and energy audits were completed for each building by Kennedy's KEED EBO&M consultant. Kennedy also developed key sustainable policies and procedures and quality control and education plans, while overseeing restroom water-efficiency retrofits (improving water efficiency by 20%) and required testing for indoor air quality. MEPT's LEED-EBO&M assets have an average ENERGY STAR score of 86, indicating that the buildings are 36 percent more efficient than the national average. In the fourth quarter of 2009, Kennedy was notified that MEPT's LEED-EBO&M program was awarded "pre-certification" (only the second nationally) with full building certification expected in spring-2010.

MEPT LEED ACTIVITY

- 3.6 million square feet and $1.2 billion in assets LEED-certified, pre-certified, and projects seeking New Construction and Core & Shell certification.
- 6.0 million square feet and $1 billion of Class A office buildings pre-certified LEED-EBO&M

MEPT ENERGY STAR ACTIVITY

- MEPT has benchmarked assets totaling over $2.4 billion in value, or 58% of the Fund's net asset value.

Office	Industrial
37 office buildings labeled represent approximately 1% of all U.S. labeled office	12 industrial buildings labeled represent approximately 24% of all U.S. labeled industrial

Rivergate Corporate Cemter
Portland, OR
Industrial
Largest LEED-Silver certified industrial building in U.S.

Social

MEPT upholds an unwavering commitment to fair labor practices by using 100% union labor and signatory contractors to ensure that prevailing wages and benefits are paid to foster economic health and growth in the communities where the Fund invests. The Fund maintains a Responsible Contractor Policy, which ensures that MEPT has the best built and maintained buildings in its competitive set and that projects are completed on time and on budget as a result of the skilled and well-trained signatory union contractors responsible for each project.

In 2009, at a time when the Federal government, municipalities, businesses and everyday Americans were looking for solutions to stimulate the economy and create jobs, a June 2009 study published by EcoNorthwest, Inc., *The Economic Impacts of Multi-Employer Property Trust Investments Across the United States*, revealed that MEPT has consistently delivered the kind of results that the country needs most. MEPT investments have generated $13.3 billion in economic activity and almost 103,000 jobs in the local communities where MEPT properties are located.

Further, as MEPT's dollars circulate through a local economy, they not only generate income for workers and local businesses, but they contribute to state and local government coffers in the form of personal income tax and sales tax revenue. In fact, MEPT investments have created an estimated $278.1 million in state personal income taxes. In addition, the study reveals that state and local governments benefited from $163.5 million in sales tax revenue.

Since its inception in 1982, MEPT has invested $6.3 billion in new-construction commercial real estate, which has created 67 million job hours in the construction industry and 119 million job hours for other industries across the country. Additionally, MEPT projects have directly created nearly 5,000 "green jobs" for the construction, technical and professional service sectors.

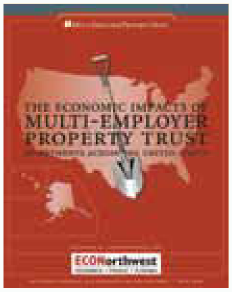
ECONOMIC IMPACT

- Since inception, over $13.3 billion in economic activity generated in 35 markets.
- Created over $278.1 million in state personal income taxes and $163.5 million in sales tax revenue.

JOB CREATION

- Over 185.9 million hours of work created since the Fund's inception.
- 5,000 "green" jobs created for construction, electrical and professional services sectors.

The EcoNorthwest, Inc. study represents MEPT investment activity as of December 31, 2008 and does not capture the full impact of the projects completed after the study, representing \$640.8 million in total commitments, including construction costs, tenant improvement work and capital expenditures. It is estimated that the projects completed after the study created an additional 8.2 million job hours—work that was critical in the 2009 economic environment.



Further, all projects were designed to LEED-Gold or Silver certification standards.

Governance

MEPT has been signatory to the UN Principles for Responsible Investment (UN PRI) since February 2008. The Management Team has a 27-year track record of maintaining a high degree of fiduciary standards, transparency and communication with its investors.

As a PRI signatory and UN Environment Programme Finance Initiative Property Working Group (PWG) member, Kennedy on behalf of MEPT, worked actively in 2009 with the PWG to develop a number of academic papers and technical assistance tools to highlight "best practices," promote the PRI, as well as improve governance within the real estate sector.

Importantly, as trustee and fiduciary, NewTower continues to provide a critical role in terms of daily oversight, valuation and risk management for the Fund. NewTower is governed by the NewTower Board of Directors, which actively oversees the Management Team's operational performance and reviews the Fund's risk management and internal controls. A majority of the Board members are independent and have extensive regulatory, legal, real estate and financial experience.

2009 HIGHLIGHTS

360 State Street (rendering)
New Haven, CT
Multi-family
LEED-Platinum Certified

MEPT's First Ever LEED Platinum Building

At the end of 2009, MEPT achieved its first ever LEED-Platinum rating at 360 State Street in New Haven, Connecticut. 360 State Street is a multi-family asset currently in development, which upon completion will have 499 residential units, 36,000 square feet of ground floor retail, and 500 parking spaces. 360 State Street achieved its LEED-Platinum Neighborhood Development (ND) certification as a participant in the USGBC's pilot program for ND. The construction of 360 State Street, which will begin leasing in mid-2010, will create over 2.1 million job hours for members of the local Building Trades as well as an economic impact of over \$404 million in the Connecticut economy.

RPI Tenant Improvement Guide Launched

In 2009, MEPT finalized a RPI Tenant Improvement Guide (TI Guide) which complements the MEPT Green Lease and is a unique tool created to improve the sustainability of MEPT tenant build-outs and improvements in first and second generation office space. The guide, developed in partnership with BetterBricks in Portland, Oregon, not only is helpful to tenants but aids in MEPT's efforts to pursue LEED-EBO&M and Commercial Interior Certification. The TI Guide will be used by asset, property and construction managers and establishes tenant improvement requirements in the areas of energy, water, materials, indoor environmental quality while providing additional sustainable recommendations. Finally, the TI Guide provides information on expected costs and the level of difficulty of each requirement or recommended sustainable action as well as the responsible party and the resulting LEED credit associated with each action.

2009 ENERGY STAR Partner of the Year

In March of 2009, MEPT's real estate advisor, Kennedy Associates Real Estate Counsel, accepted an Environmental Protection Agency ENERGY STAR "Partner of the Year" award for its comprehensive energy management program on behalf of MEPT. Kennedy was recognized for the use of ENERGY STAR products and practices in the Fund's portfolio as well as the general management of energy use at MEPT properties and among the tenants.

CASE STUDY: PATRIOTS PLAZA

Patriots Plaza
Washington, DC
Office
LEED-Gold certification, April, 2010

In 2002, MEPT acquired sought-after land in downtown Washington, D.C., located in close proximity to the Senate and Congressional buildings, transit hubs, and numerous hotels and restaurants. In addition to the initial land purchase, MEPT purchased the option to acquire an adjacent parcel, and subsequently, exercised that option in 2003. Soon named Patriots Plaza, the project was designed as a one million square foot, three building office complex, built with post-9/11 security features, including enhanced setbacks, blast-resistant windows and reinforced structural elements, which would make the buildings more desirable to potential government tenants in the Washington, D.C. market. MEPT completed Patriots Plaza Phase I, a 280,001 square foot, twelve-story office building, in 2005. After completion, the building successfully attracted interest from the General Services Administration, and is now 100 percent leased to a number of government tenants including the US Department of Health and Human Services and the Federal Emergency Management Agency (FEMA).

Based on the success of the Phase I, in 2007, MEPT commenced construction of Patriots Plaza Phases II and III, encompassing 701,589 square feet in two buildings. In addition to the post-9/11 security features, MEPT developed Phases II and III to LEED-Silver standards, producing some of the most modern and energy-efficient office buildings available in the Washington, D.C. market.

In the fourth quarter of 2009, Patriots Plaza Phases II and III were shell complete, and MEPT signed the largest lease of 2009 in Washington, D.C. at Patriots Plaza Phase III. The US Department of Agriculture (USDA) agreed to a long-term lease for 330,000 square feet, bringing the 380,087 square foot building to 87 percent leased. Consolidating five other locations throughout the District and Northern Virginia, the USDA will occupy floors 5 through 12, and a portion of floors 1, 3 and 4, beginning December 2010. A pre-requisite for the USDA was that the building was LEED-certified.

The Fund's investment in the three phases of Patriots Plaza exceeds $250 million and has resulted in an economic impact of more than $357 million in the Washington, D.C. market while also creating more than three million job hours in the construction industry and over one million hours for other industries in the Washington metropolitan area. There have been more than 680 green jobs created at the project.

Patriots Plaza Phases II and III, pre-certified LEED-Silver, has received indications that it will receive LEED-Gold certification in April, 2010. The building's LEED certification reflects a number of key sustainable design and construction features that positively impact tenants, operating expenses, and the environment, including:

- Tenant guidelines to assist tenants in obtaining LEED certification for commercial interiors
- A two-year green power contract to provide electricity from renewable sources
- Use of high albedo paving materials to reduce heat island effect at the building and the site
- Use of a water treatment system to maximize energy efficiency and water conservation without the use of harmful chemicals
- Use of paints, adhesives and sealants that reduce volatile organic compounds and over 50% Forest Stewardship Council woods
- Installation of low-flow toilets and sensored low-flow water faucets, resulting in a 40% reduction in water usage
- Irrigation which does not use potable water and reduces water consumption by 50% through the use of native material and an on-site cistern
- Use of over 20% recycled and regional building materials that reduced waste and environmental impacts during construction
- High-performance glazing to reduce solar heat gain and glare while maximizing daylight
- Preferred parking for fuel efficient vehicles
- Transit-oriented with easy access to three MetroRail Stations, and the Virginia Railway Express (VRE).

Appendix I: MEPT Performance

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, 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. 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, 2009 is compiled from the same information sources Kennedy uses to prepare GIPS compliant schedules; the performance data as of December 31, 2008 was audited by Peterson Sullivan and that the 2009 audit is expected to be completed by the end of May, 2010.

TOTAL RETURN

Total return, in accordance with REIS, is computed by adding the net operating income/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

Net operating income is calculated on a property-by-property basis according to REIS. 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 on the left:

Multi-Employer Property Trust 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
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%	13.00%	18.49%	6.01%	13.00%	19.58%
2004	5.08%	5.95%	11.25%	6.09%	5.95%	12.30%
2003	5.65%	2.85%	8.62%	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%	12.67%
1999	5.21%	6.20%	11.64%	6.42%	6.20%	12.91%
1998	5.49%	7.19%	12.98%	6.81%	7.19%	14.36%
1997	6.60%	3.90%	10.69%	8.00%	3.90%	12.14%
1996	6.69%	1.98%	8.78%	8.08%	1.98%	10.20%
1995	6.34%	2.41%	8.88%	7.75%	2.41%	10.31%
1994	5.48%	(2.86%)	2.50%	6.89%	(2.86%)	3.89%
1993	6.15%	(5.37%)	0.52%	7.56%	(5.37%)	1.89%
1992	6.01%	(8.91%)	(3.31%)	7.40%	(8.91%)	(1.97%)
1991	6.00%	(4.24%)	1.55%	7.40%	(4.24%)	2.93%
1990	6.77%	0.78%	7.59%	8.20%	0.78%	9.03%
1989	7.30%	0.06%	7.36%	8.77%	0.06%	8.83%
1988	6.25%	0.91%	7.21%	7.75%	0.91%	8.71%
1987	6.21%	2.87%	9.22%	7.74%	2.87%	10.77%
1986	7.25%	0.85%	8.17%	8.84%	0.85%	9.76%
1985	8.07%	(0.08%)	7.98%	9.66%	(0.08%)	9.58%
1984	10.28%	0.52%	10.84%	11.90%	0.52%	12.46%
1983	8.81%	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 percent on the first $1 billion of MEPT total net assets, 1.0 percent on the second $1 billion of MEPT total net assets, and 0.75 percent on MEPT total net assets above $2 billion. Cash balances in excess of 7.5 percent of Property Trust net assets are excluded from the above fee calculation and will be subject to an annual fee of 0.15 percent. 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, 2009, MEPT's annual fee was approximately 0.90%.

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 investments in equity real estate. Performance goals, including investment returns (e.g., MEPT's Unit Value), acquisition and disposition activity, leverage, portfolio diversification (including cash position), and leasing rates could be adversely affected and may not be met if, for example, the global or US economic conditions do not improve, or the economy goes into another recession. MEPT's ability to reach its acquisitions or disposition targets could be affected if economic factors or the real estate capital markets cause potential buyers or sellers to be unwilling or unable to purchase or sell properties. Furthermore, MEPT's performance and ability to meet its goals for 2010 could be adversely affected if activity in the commercial real estate markets does not improve as expected, property values do not improve as expected, interest rates rise, or occupancy levels decline.

Other factors that could cause actual results to differ materially from MEPT's expectations include changes in economic conditions specifically affecting certain industries or geographic regions, the extent of any tenant bankruptcies and insolvencies, changes in property level operating costs, availability of competitive supply of space, and the ability to complete and lease current and future development projects on schedule, on budget and in accordance with expectations. Moreover, if the service sector of the US economy experiences further declines, MEPT's emphasis on the office sector could affect overall Fund growth. These factors could also affect leasing rates and earnings. Many of these factors are beyond MEPT's control or ability to predict.

Additionally, the likelihood that MEPT could gain additional value from its environmental and sustainable focus depends in part on tenant and investor demand. 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.

The ability to realize the anticipated benefits of the REIT sub-structure also depends on factors that could change or are beyond MEPT's control. These factors include acceptance in the marketplace of the REIT sub-structure, the availability and desirability of investments for which the REIT sub-structure can provide tax benefits to MEPT, the extent to which investors are interested in or able to make investments in MEPT Edgemoor, and regulatory requirements that are or could be imposed on REITs and REIT investors.

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

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

Pamela Silberman
Landon Butler & Company, LP
700 Thirteenth Street, NW
Suite 925
Washington, DC 20005
Telephone: 202-737-7300
E-mail: psilberman@lbutler.com
www.mept.com

Multi-Employer Property Trust

700 Thirteenth Street, NW • Washington, DC 20005 • 202.737.7300

www.mept.com