MEPT Fund

Designed for Stability
Positioned for Opportunity

ANNUAL REPORT AND OUTLOOK 2018 / 2019

Bentall Kennedy

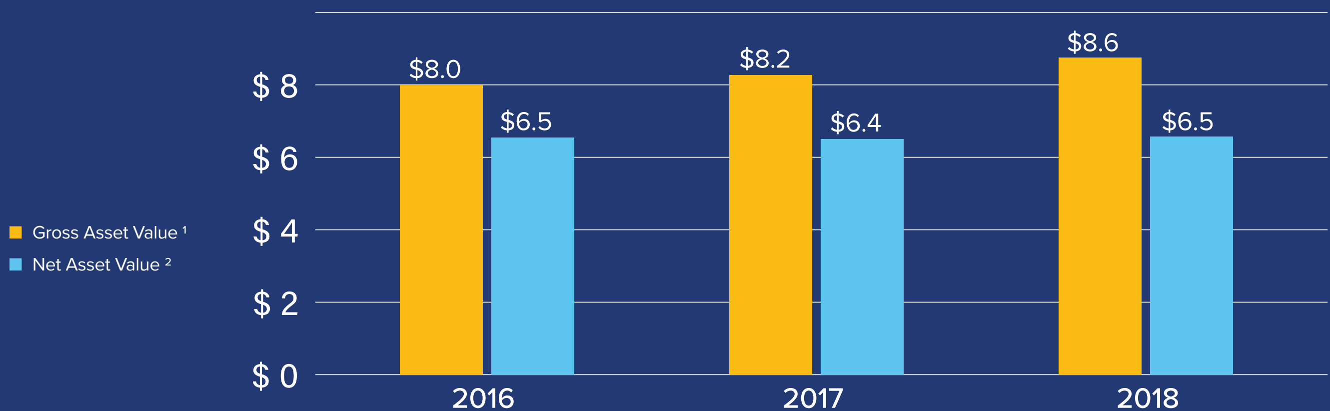
Investment Strategy

Multi-Employer Property Trust ("MEPT") is a core, open-end private equity real estate equity fund. The Fund is advised by Bentall Kennedy and invests in a diversified portfolio of institutional-quality real estate assets across more than 20 major U.S. metropolitan markets. Founded in 1982 the Fund's research-driven investment strategy focuses on office, industrial, retail, and multifamily assets in U.S. Primary Markets and seeks to produce stable income and superior risk-adjusted total returns. MEPT executes this strategy with a commitment to industry-leading environmental sustainability standards, socially responsible investing practices, and superior governance principles.

This Annual Report highlights MEPT's strategic portfolio construction and how it is well positioned to continue to provide our investors strong performance in the future.

MEPT Asset Value Growth*

IN $BILLIONS



* As of December 31ST.

[1] Gross Asset Value represents MEPT's net asset value plus its share of third-party debt, and includes MEPT's gross share of investments in joint ventures.

[2] Net Asset Value represents all assets less liabilities reflected on a fair value basis.

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ON THE COVER
475 SANSOME STREET
Office, San Francisco

MEPT Highlights*

MEPT Highlights*	2016	2017	2018
Leverage	19.6%	21.6%	24.6%
Number of Investors	346	348	340
Real Estate Assets	103	104	102
Operating Portfolio (square feet)	31.5 Million	32.4 Million	31.1 Million
Operating Portfolio (percent leased)	93.6%	92.1%	93.3%

Portfolio Management Letter

DAVID ANTONELLI

Executive Vice President,
Bentall Kennedy
Senior Portfolio Manager

We are pleased to report that MEPT generated a total gross return of 8.17% (7.23%, net of fees) – exceeding the 6.0% to 8.0% return expectation range set by the management team at the beginning of the year.

MEPT's gross asset value now stands at $8.6 billion with a net asset value of $6.5 billion. The Fund also achieved a top three world ranking in the Diversified category out of 196 funds for its sustainability practices by the Global Real Estate Sustainability Benchmark ("GRESB"). This achievement reflects our commitment to environmental sustainability standards and marks the eighth year in a row that MEPT has placed among the top three funds in its peer group.

MEPT's 2018 performance was in line with the NCREIF-ODCE index ("ODCE" or the "Benchmark") total gross return of 8.35%, which placed the Fund in the second quartile of performers for the year. MEPT's strong performance in 2018 brings the Fund's 3-year total return to 7.85% (6.92% net of fees) and 5-year total return to 9.92% (8.97% net of fees). MEPT delivered strong performance while providing attractive risk-adjusted performance with first quartile standard deviation of total return (i.e., low volatility) over the past five years among Benchmark peers.

The primary driver of MEPT's 2018 performance was the Fund's industrial portfolio, which has been the strongest performing property type for 14 consecutive quarters. The Fund's industrial holdings experienced continued yield compression as well as outsized market rent growth. MEPT also received strong outperformance from CBD office assets in Primary Markets with significant innovation industry presence and market rent growth – the most notable of which were Denver, San Francisco, and Boston. MEPT's performance has been further bolstered by maintaining discipline in adhering to the Fund's core investment strategy and not venturing into higher return, higher risk markets and property types.

Heading into 2019, we anticipate an even greater emphasis on risk management due to concerns about domestic and global political uncertainty as well as our belief that we are in the mature phase of the current economic cycle. The Fund management team will focus on the following investment allocations and strategies in 2019 to maintain our strong performance while prudently managing risk:

Office:

Target allocation = 40.0% of GAV; current allocation[1] = 43.1%

- The Fund made significant progress in reducing its office allocation by selling over $500.0 million[1] of office assets in 2018. Going forward, we will maintain our significant overweight to Primary Market CBD office and underweight to suburban office. Primary Market CBD office assets have historically retained occupancy and realized value recovery more quickly during and following economic corrections. We will also look to add medical office assets on a select basis to enhance risk management and increase exposure to this demographically driven subsector.

Multifamily:

Target allocation = 30.0% of GAV; current allocation[1] = 28.9%

- We will continue to overweight multifamily in comparison to the Benchmark. Also, we will continue to diversify Fund holdings to reduce significant overweight to urban, high-rise apartments in Primary Markets and increase exposure to select Secondary Markets and assets with better affordability ratios that offer rent upside opportunities and higher income returns.
- Multifamily provides attractive late cycle risk mitigation– lower relative capital expenditure needs, lower cost of lease rollover, and typically recovers values fastest following a down cycle.

[1] Projected as of 1Q 2019 after closing on acquisitions and dispositions under contract

MIKE KEATING
Senior Vice President,
Bentall Kennedy
Portfolio Manager

ROB EDWARDS
President,
NewTower Trust Company
Trustee and Fiduciary

Industrial:

Target allocation = 20.0% of GAV; current allocation[1] = 18.0%

- The Fund is currently equal weight to industrial compared to the Benchmark, but we will seek an overweight focusing on distribution warehouse facilities situated near major population centers and key intermodal/port facilities – with a particular emphasis on serving the growing e-commerce sector. Increasing the industrial allocation will depend on identifying appropriately priced investment opportunities in light of aggressive market pricing.

Retail:

Target allocation = 10.0% of GAV; current allocation[1] = 9.1%

- Our defensive retail allocation is one of the lowest among the ODCE funds (approximately half weighting) and primarily comprises grocery-anchored, urban infill, and necessity goods retail. Consumer demand for necessity goods has proven to be more insulated from economic downturns and competition from e-commerce, which will continue to drive our retail strategy. The Fund will maintain its significant relative underweight to retail.

Other Strategies:

- **Structured Investments:** Given the mature stage of the current economic cycle, MEPT will target a structured investment allocation of 5.0% to 10.0% of GAV (current allocation is 3.0%). These investments allow the Fund to invest in existing, development, and value-add investments in a priority position to equity with relatively high current income returns (5.0% to 8.0%) and attractive risk-adjusted total returns (7.0% to 10.0%). The Fund's substantial experience investing in these positions, along with our ability to appropriately price risk in a structured investment, gives the Fund a competitive advantage.

- **Development:** Development activity has been a relative strength of the Fund, and maintaining a meaningful pipeline is an important alpha generator and helps to continually modernize the portfolio. We will seek to maintain an allocation of 5.0% to 10.0% throughout all stages of the economic cycle (current allocation is 7.0%).

We believe the above investment allocations and strategies will best position the Fund for strong risk-adjusted performance as the economic cycle continues to mature. In addition, the operating fundamentals of the Fund are robust with portfolio occupancy at 93.3%. Assuming the current U.S. economic expansion continues into its ninth year post-GFC, we project 2019 total returns in the 6.0% to 8.0% range. Economic and political uncertainty persists due to the lateness of the cycle as well as the policies of the U.S. presidential administration. In light of this uncertainty, the management team will continue to review and fine-tune our investment and portfolio management strategies in 2019 and beyond. Overall, we believe the U.S. economy will continue to grow in the near term. We also expect continued outsized growth in MEPT's target markets as their technology and innovation-led economies should continue to experience above-average job creation and capture an increased share of U.S. economic activity.

In 2019, the MEPT management team's ongoing focus on stable income, risk management, prudent incorporation of alpha, and emphasis on diversification remains paramount. As always, our goal is to provide our investors with competitive risk-adjusted returns throughout the cycle. And our strong, stable platform – with deep investment and operational experience, industry-leading research, and a commitment to sustainability – positions the Fund to continue to drive performance. We appreciate your ongoing confidence in us and the opportunity to continue to be stewards of your capital.

DAVID ANTONELLI ROB EDWARDS

MIKE KEATING

MEPT vs. NFI-ODCE Performance[1]

AS OF DECEMBER 31, 2018

Gross of Fees Returns	Quarter	1-Year	3-Year	5-Year	Since Inception*
Income	0.90%	4.00%	4.09%	4.47%	6.89%
Appreciation	0.90%	4.05%	3.65%	5.28%	1.13%
TOTAL	1.80%	8.17%	7.85%	9.92%	8.08%
NFI-ODCE[2,3]	**Quarter**	**1-Year**	**3-Year**	**5-Year**	**Since Inception***
Income	1.01%	4.21%	4.35%	4.57%	6.91%
Appreciation	0.74%	4.00%	3.76%	5.64%	0.74%
TOTAL	1.76%	8.35%	8.24%	10.41%	7.70%
Net of Fees Returns	**Quarter**	**1-Year**	**3-Year**	**5-Year**	**Since Inception***
Income	0.68%	3.09%	3.18%	3.55%	5.69%
Appreciation	0.90%	4.05%	3.65%	5.28%	1.13%
TOTAL	1.58%	7.23%	6.92%	8.97%	6.87%

[1] Please note: 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. Performance goals, including investment returns (e.g., Unit Value), acquisition and disposition activity, leverage, portfolio diversification (including cash position), and leasing rates could be adversely affected and actual results could differ materially from the management team's expectations. See Appendix I for calculation methodology.

[2] NCREIF, the National Council of Real Estate Investment Fiduciaries, is a trade association of institutional real estate professionals that includes investment managers, plan sponsors, academics, consultants, appraisers, CPA's and other services providers with significant involvement in institutional real estate investments. NCREIF collects and disseminates real estate performance information, most notably the NCREIF Property Index (NPI) but also the NFI-ODCE. 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 open-end U.S. commingled funds with a core investment strategy. The NFI-ODCE index is capitalization-weighted and is reported gross of fees and measurement is time-weighted. Further information about this index is available at www.ncreif.org.

[3] ODCE returns (Gross of Fees).

* Inception date (4/1/82).

2018 Performance Review

In 2018, MEPT generated a total gross return of 8.17% (7.23%, net of fees), comprised of 4.00% income and 4.05% appreciation, and exceeded our 2018 return guidance of 6.0% to 8.0% (5.0% to 7.0%, net of fees).

The Fund's performance over the last year remained competitive with the ODCE peer group's total gross return of 8.35%, and MEPT placed in the second quartile among its peers. With MEPT's significant performance in 2018, the Fund's 3-year return of 7.85% (6.92%, net of fees) and the 5-year return of 9.92% (8.97%, net of fees) are both competitive with the ODCE peer group.

MEPT delivered a gross income return of 4.00% (3.09%, net of fees) in 2018, which was below the NFI-ODCE income return of 4.21%. However, MEPT employs a traditional core strategy that is 82.4% invested in Primary Market assets, which generally have lower yields but stronger risk-adjusted return profiles. MEPT's appreciation return in 2018 was 4.05%, which exceeded the ODCE Benchmark's appreciation return of 4.00% by 5 basis points. The drivers of appreciation were as follows:

2nd
Quartile ODCE Fund

8.17%
Total Gross Return

7.23%
Total Net Return

Portfolio Metrics

AS OF DECEMBER 31, 2018

	Assets[1]	% Of Allocation (NAV)[1]	Total Return[2]	Leased[3]	Average Stabilized Cap Rate[4]
Industrial	23	16.8%	16.7%	96.9%	5.0%
Office	36	42.8%	6.8%	88.8%	5.3%
Multifamily	23	30.0%	2.0%	91.8%	4.3%
Retail	15	8.5%	6.6%	95.7%	5.6%

[1] Excludes land and parking assets.
[2] Property sector returns are shown on an unlevered basis.
[3] Excludes non-operating assets.
[4] Excludes Development, Pre-Development, and Re-Development assets.

I-94 LOGISTICS CENTER

Industrial, Chicago

$88.3M

Gross Asset Value

Square Feet	1,027,606
Occupancy	100.0%

Industrial

The industrial portfolio was MEPT's top performing property type in 2018, delivering an annual unlevered property-level return of 16.7%, comprised of 4.6% income and 11.7% appreciation. The Fund's industrial portfolio continues to be a unique strength, as it exceeded the ODCE peer group's industrial return by 202 basis points and has produced double digit returns in eight of the last nine years. The majority of the appreciation in the industrial portfolio can be attributed to California warehouse assets which continued to see strong market rent growth and yield compression. In particular, Mount Eden and Livermore Distribution Center, two of MEPT's industrial assets in the San Francisco metro market, were responsible for over $62 million of appreciation (77 basis points of Fund return) over the last year. Across the country, consumer e-commerce trends continue to increase demand for industrial space and drive market rent growth. At the end of 2018, the national vacancy rate for industrial space declined to 7.0% according to CBRE, the lowest level since 2000. Looking ahead in 2019, the Fund's industrial portfolio remains well positioned to continue to benefit from increasing demand for industrial property. We will continue to seek out opportunities to grow the portfolio while maintaining pricing discipline.

Multifamily

The multifamily portfolio delivered an unlevered property-level return of 2.0% in 2018, comprised of 3.4% income and 1.4% depreciation. The Fund's multifamily portfolio experienced lower than anticipated market rent growth and a lack of further yield compression limited asset appreciation. In the East region, particularly in New York, new apartment deliveries muted market rent growth. Additionally, the Fund completed a number of key capital upgrades at select assets in order to position the assets for better performance in 2019. Finally, operating expenses increased at McClurg Court, a large multifamily asset in Chicago, due to a ground rent reset. These performance headwinds were partially offset by strong performance from our assets in the West, in particular The Metro in Denver, and Solaire in San Francisco. In 2018, the Fund began the process of diversifying the current multifamily portfolio by selling select urban high-rise assets and redeploying into garden and mid-rise assets in secondary locations with greater rent upside potential. In line with this strategy, we acquired two garden/midrise properties, The Marlowe Lake Boone (Raleigh) and ARIUM Brookhaven (Atlanta), during the year while selling two high-rise properties, Elan Uptown (Minneapolis) and Venue Museum District (Houston). In 2019, we plan to continue our diversification strategy in order to produce attractive risk-adjusted returns in a mature cycle environment.

ANTHOLOGY

Multifamily, Washington, D.C.

$161.0M

Gross Asset Value

Units	307
Occupancy	95.8%

9TH AND THOMAS (LOAN)
Office, Seattle

$91.1M
Gross Asset Value

Square Feet	171,019
Occupancy	94.6%

Office

In 2018, the office portfolio delivered an unlevered property-level return of 6.8%, comprised of 4.1% income and 2.7% appreciation. The top performers were CBD office buildings in Primary Markets with significant innovation industry presence; specifically, assets in Denver, Boston, and San Francisco. MEPT's Denver portfolio, in particular, was a key driver of appreciation as the Fund executed a full building office lease with VF Corporation (S&P: A) at Gates Plaza. This lease created significant value at both Gates Plaza and MEPT's neighboring asset 1900 16th Street. Assets in New York City, Chicago, and Washington, D.C. underperformed in 2018, although these cities tend to perform well over a full economic cycle. Office fundamentals remain balanced heading into 2019 and market rent growth is expected to be modest and concentrated in key innovation markets and gateway markets. Medical office fundamentals remain attractive as demographic and industry-specific trends drive rising demand, and medical office remains a target for the Fund, subject to pricing discipline. In 2019, we will look for opportunities to upgrade the portfolio rather than increase the Fund's office allocation.

Retail

In 2018, the retail portfolio delivered an annual total unlevered property-level return of 6.6%, comprised of 5.7% income and 0.9% appreciation, exceeding the ODCE peer group's retail return by 265 basis points. MEPT's retail portfolio is 95.7% leased and performing as designed. The portfolio provides strong income returns with steady appreciation. This is attributed to our defensive asset selection, which is almost entirely comprised of well-leased, grocery-anchored necessity retail centers that are less susceptible to disruption from e-commerce. MEPT remains strategically underweight in the retail sector (8.9% vs. 18.8% for the ODCE Index) with no exposure to high street retail or regional malls, a strategy which has benefited the Fund given the current outlook on the retail sector. In the coming year, MEPT plans to remain significantly under-allocated to retail, and the Fund's defensive retail portfolio is expected to continue to generate strong and stable income yields.

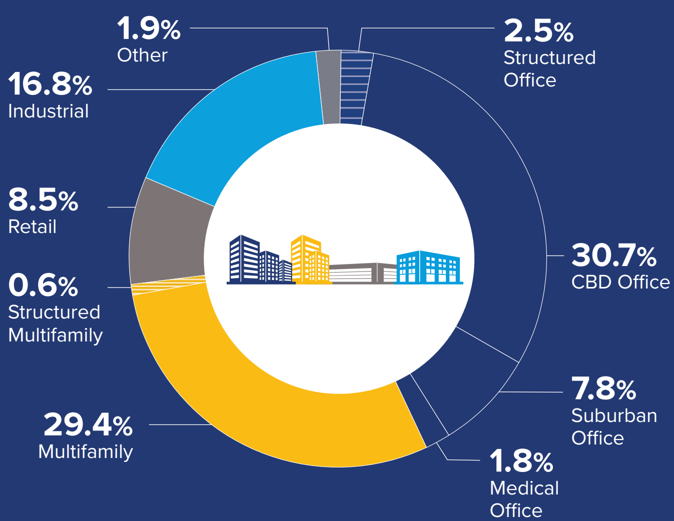
ROSEDALE SHOPPING CENTER
Retail, Charlotte

$34.5M
Gross Asset Value

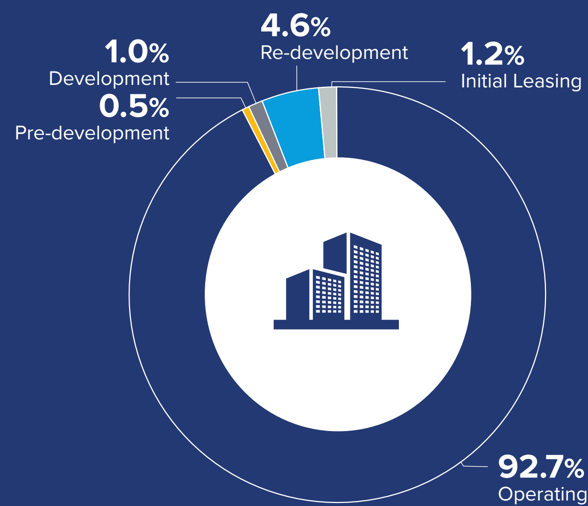
Square Feet	119,087
Occupancy	100.0%

Diversification and Portfolio Characteristics

By Property Type (NAV)



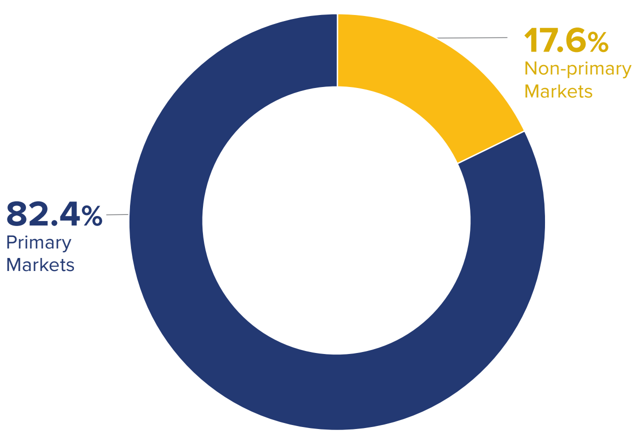
By Life Cycle (NAV)



AS OF DECEMBER 31, 2018

101 GREENWICH STREET
Office, New York

Diversification by Market (NAV)

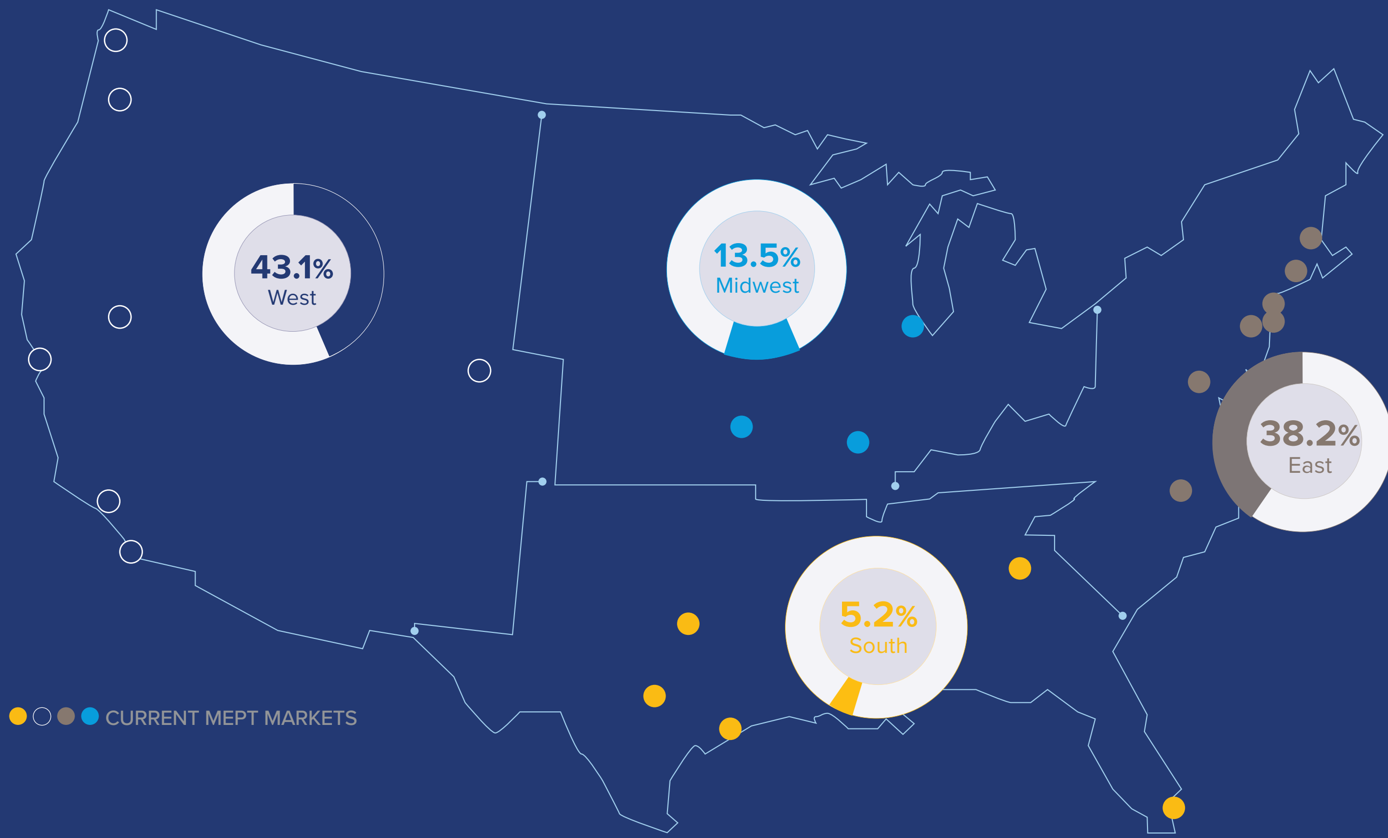


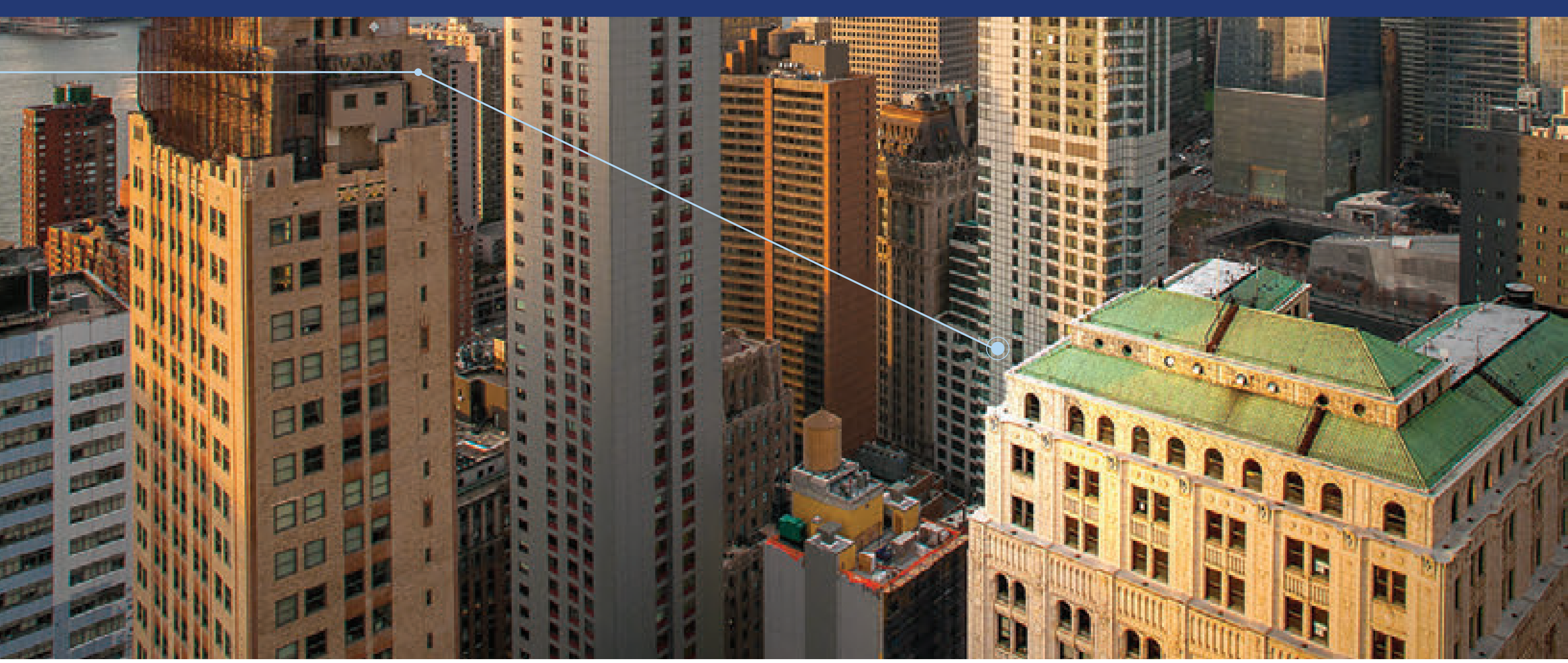
MEPT Top Markets by Investment

AS OF DECEMBER 31, 2018

MARKET	GAV (IN $M)	% OF GAV
New York	$ 1,821.7	17.6%
San Francisco	1,380.0	13.3%
Chicago	1,141.0	11.0%
Washington, D.C.	1,079.3	10.4%
Boston	855.7	8.3%
Portland	824.4	8.0%
Los Angeles	781.4	7.5%
Denver	590.0	5.7%
Seattle	384.1	3.7%
All Other Markets	1,499.7	14.5%
TOTAL	**$ 10,357.4**	**100.0%**

By Geographic Region (NAV)





102 ASSETS

25 MARKETS

93.3% LEASED

31.1M OPERATING SF

15.4YRS AVG. PROPERTY AGE

MEPT Top 15 Tenants by Revenue

AS OF DECEMBER 31, 2018

Tenant Name	Lease End Date	Percent Total Revenue
GSA	Varies	4.1%
AXA Equitable Life Insurance	9/30/23	2.3%
BNP Paribas RCC, Inc.	Varies	2.2%
Tesla Motors	Varies	1.9%
VPNE Parking Solutions	Varies	1.9%
Amazon.com	Varies	1.6%
Oracle	6/30/23	1.6%
Grant Thornton LLP	4/30/30	1.6%
WeWork	Varies	1.1%
Mathematica Policy Research Inc.	11/30/29	1.1%
Lowe's	2/28/32	1.0%
Bank of America Corp.	Varies	0.9%
Boston Medical Center Corporation	Varies	0.8%
Uber Technologies, Inc.	01/31/26	0.8%
Allegis Group	Varies	0.8%
TOTAL		**23.7%**

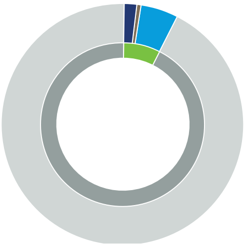
1717 RHODE ISLAND
Office, Washington, D.C.

MEPT Lease Rollover

2019

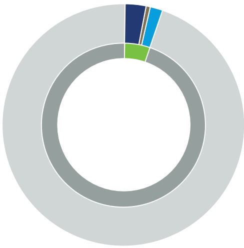
Percent of Net Rentable Area

Office	1.78%
Retail	0.48%
Industrial	5.17%
Consolidated	7.43%



Percent of Revenue

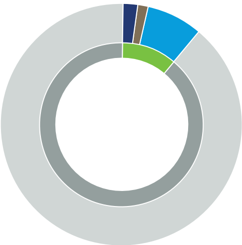
Office	3.05%
Retail	0.53%
Industrial	1.69%
Consolidated	5.28%



2020

Percent of Net Rentable Area

Office	2.19%
Retail	1.40%
Industrial	7.49%
Consolidated	11.08%



Percent of Revenue

Office	3.82%
Retail	1.07%
Industrial	2.94%
Consolidated	7.83%

MEPT 10 Largest Assets (GAV)

AS OF DECEMBER 31, 2018

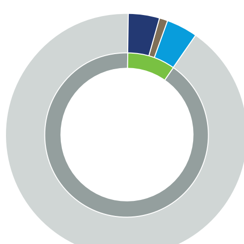
Property Name	Market	Gross Asset Value at Share ($M)
Newport Tower Office	New York	$441.0
757 Third Avenue Office	New York	$381.0
600 California Street Office	San Francisco	$322.0
Octagon Park Apartments Multifamily	New York	$317.9
Solaire Multifamily	San Francisco	$312.0
101 Greenwich Street Office	New York	$306.5
475 Sansome Street Office	San Francisco	$300.0
1900 16th St Office	Denver	$297.0
200 West Madison Office	Chicago	$270.0
Patriots Plaza Office	Washington, D.C.	$249.7

757 THIRD AVENUE
Office, New York

2021

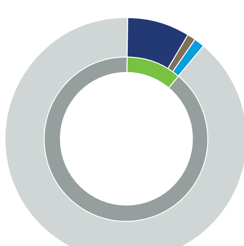
Percent of Net Rentable Area

Office	4.28%
Retail	1.25%
Industrial	3.55%
Consolidated	9.08%



Percent of Revenue

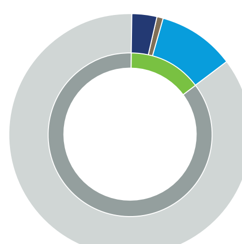
Office	8.53%
Retail	1.17%
Industrial	1.25%
Consolidated	10.95%



2022

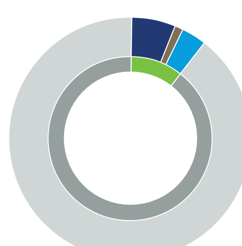
Percent of Net Rentable Area

Office	3.49%
Retail	0.81%
Industrial	10.22%
Consolidated	14.51%



Percent of Revenue

Office	6.08%
Retail	1.05%
Industrial	3.33%
Consolidated	10.46%



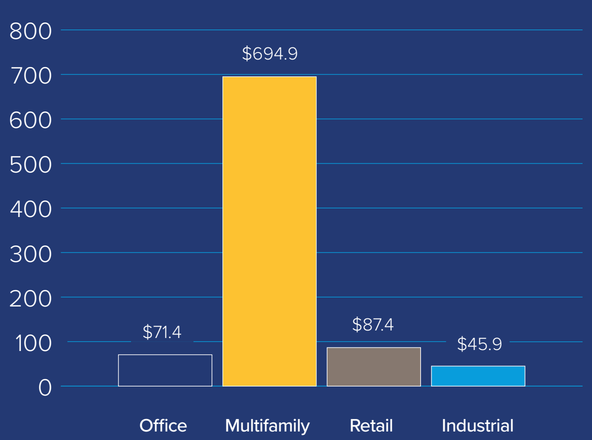
2018 Transaction Activity

2018 Acquisitions

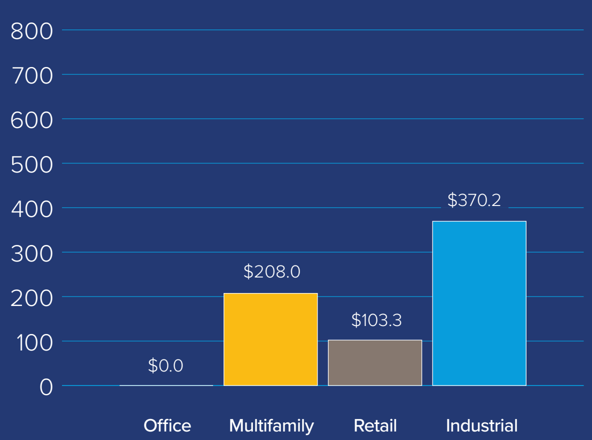
City	Asset Name	Type	Price (in $M)	Asset Class
Atlanta	ARIUM Brookhaven	Existing	$56.4	Multifamily
Boston	Harrison/Albany Block	Development	$223.6	Multifamily
Charlotte	Rosedale Shopping Center	Existing	$33.7	Retail
Chicago	145 South Wells (Loan)	Development	$71.4	Office
Chicago	Stony Creek Promenade	Existing	$7.5	Retail
Houston	FloWorks Distribution Center	Existing	$27.3	Industrial
New York	Kearny Square	Existing	$46.2	Retail
Raleigh	The Marlowe Lake Boone	Existing	$68.1	Multifamily
Reno	USA Parkway Distribution Center	Development	$18.6	Industrial
San Francisco	Solaire (Partner Buyout)	Existing	$145.8	Multifamily
Seattle	Capitol Hill Station	Development	$201.0	Multifamily
Total Closed Acquisitions			**$899.6**	
Boston	Industrial	Existing	$156.3	Industrial
Miami	Industrial	Existing	$108.4	Industrial
Pittsburgh	Retail	Development	$103.3	Retail
Portland	Multifamily	Existing	$8.0	Multifamily
Seattle	Debt/Multifamily	Development	$200.0	Multifamily
Stockton	Industrial	Existing	$105.5	Industrial
Total In Process Acquisitions			**$681.5**	

2018 Acquisitions Pipeline by Sector ($M)

CLOSED



IN PROCESS



$899.6M
Closed

$681.5M
In Process

$1,581.1M
Pipeline Total

ARIUM BROOKHAVEN

Multifamily, Atlanta
$56.4

Units	230
Occupancy	97.0%

Modern, mid-rise multifamily property in the Brookhaven submarket of Atlanta acquired at an attractive basis below replacement cost.

- Transit-oriented location within walking distance to the MARTA Brookhaven-Oglethorpe Gold Line stop, as well as a variety of shopping, dining, and entertainment options in Brookhaven

THE SMITH (HARRISON/ALBANY BLOCK)
Multifamily, Boston

MEPT's 2018 Operating Plan established an acquisition target of $1.25 billion to $1.5 billion over the year; however, increased investor demand for core real estate as well as strong capital market conditions drove aggressive asset pricing throughout 2018.

Despite this, the Fund continued to source broadly-marketed and off-market acquisition opportunities, and closed eleven new investments during the year totaling $899.6 million, with an additional $681.5 million of acquisitions in process for a total of $1.6 billion. Maintaining a disciplined investment strategy is a core concern in mature stages of the economic cycle; as a result, MEPT closed on only 5.5% of acquisitions reviewed. A summary of MEPT's key transactions by market follows:

11
New Investments

$899.6M
Acquisitions Closed

5.5%
Closed of Acquisitions Reviewed

ARIUM Brookhaven, Atlanta, GA

Acquired a modern, mid-rise multifamily property in the Brookhaven submarket of Atlanta at an attractive basis below replacement cost

- 2015-built, 230-unit mid-rise multifamily asset featuring a Class A amenities package, including a saltwater pool, fitness center and yoga room, game room, and outdoor kitchen with grills
- Desirable Brookhaven submarket is characterized by high value single-family homes, top-performing public schools, and high barriers-to-entry due to active neighborhood associations and community groups, which has contributed to minimal new supply in the submarket
- Transit-oriented location within walking distance to the MARTA Brookhaven-Oglethorpe Gold Line stop, as well as a variety of shopping, dining, and entertainment options in Brookhaven
- Acquired at an attractive 4.6% going-in cap rate, as well as an estimated 11.1% discount to replacement cost

The Smith (Harrison/Albany Block), Boston, MA

Committed to develop an 11-story Class A multifamily high-rise in Boston's South End neighborhood, totaling 299 units and 6,470 sf of ground floor retail

- Well positioned in the growing South End submarket of Boston, one block north of the Boston Medical Center ("BMC") campus, where demand from over 8,000 employees, faculty, and students should support a strong lease-up
- Asset will feature a Class A amenities package including a fitness center, game room, exterior terrace and pool, and outdoor grilling areas offering an expansive view of the Back Bay and Downtown skylines

Rosedale Shopping Center, Charlotte, NC

Acquired a fully-leased, grocery-anchored retail center in the Charlotte metropolitan area at an attractive basis

- 2000-built retail center (119,087 sf) in Charlotte, NC with strong occupancy history (96%+ over the last 5 years)
- Infill, rapidly growing submarket 10 miles north of the Charlotte CBD and 3 miles north of I-485, with 8,449 employees within a 1-mile radius and 23,705 employees within a 3-mile radius
- High-performing grocery anchor in Harris Teeter (24.9% of gross income) which has $26.5 million of gross sales annually ($564 psf)
- Acquired at an attractive 5.9% going-in cap rate and a favorable price per square foot relative to similar transactions ($285 psf vs. $233-400 psf)

145 South Wells (Loan), Chicago, IL

Committed to provide a senior construction loan on a mid-rise office development in Chicago's financial district, with a 77.0% loan to cost and a 9.0% interest rate

- Located in the heart of the financial district within the Chicago CBD
- Experienced local developer in Moceri + Roszak, with total development projects exceeding $2.0 billion
- Designed to feature a creative aesthetic with exposed structural elements and an emphasis on community spaces
- Cast in-place construction approach allows for a shorter construction timeline, with delivery expected by the end of 2019
- Attractive risk-adjusted yield of 9.0% relative to capital stack positioning

145 SOUTH WELLS (LOAN)
Office, Chicago

FLOWORKS DISTRIBUTION CENTER
Industrial, Houston

FloWorks Distribution Center, Houston, TX

Acquired a brand-new, fully-leased warehouse in the Houston metropolitan area with an attractive in-place yield

- Brand new build-to-suit warehouse 100% leased to FloWorks for 18.6 years and represents a strategic location due to proximity to the Port of Houston, as well as suppliers and customers
- Well-located in the South Highway 35 industrial submarket, which features 39 million sf of industrial space and a submarket vacancy rate of 3.9%
- Asset has 28' – 42' clear heights and sits on 40.39 acres, with a 12% coverage ratio that allows the flexibility to expand the building and/or add additional outside storage
- Acquired with a projected year 1 return on investment of 7.0%

THE MARLOWE LAKE BOONE
Multifamily, Raleigh

Kearny Square, New York, NY

Acquired a modern, fully-leased, urban retail center in the New York City metropolitan area at an attractive basis

- 2016-built retail center (138,895 sf) in Kearny, NJ, an infill, high barrier-to-entry submarket with a population of 1.35 million within a seven-mile radius
- Expecting delivery of a 280 unit multifamily development across the street at the end of 2018, and 2,400 multifamily/condominium units in neighboring Harrison along with a $300 million PATH station renovation
- Anchored by BJ's Wholesale Club (51.4% of revenue), and features a strong national and regional tenant roster with long-term leases (weighted average lease term of 14.7 years)

The Marlowe Lake Boone, Raleigh, NC

Acquired a garden and mid-rise multifamily asset in Raleigh's Lake Boone submarket at an attractive basis

- 2016-built garden and mid-rise apartment complex (284,968 sf) in Lake Boone submarket of Raleigh, NC, a strong micro location which features easy access to transportation, top schools and high barriers to entry
- Asset features large units with balconies, as well as a Class A amenities package including a saltwater pool, fitness center, dog park and playground, and community garden
- Identified opportunity to acquire a unique asset in the Raleigh market; high going-in yield of 5.0% relative to other Class A assets
- Average rents are 17.6% of incomes at the property leaving room for rent growth and/or downside protection in the event of a market correction

Solaire – Partnership Buyout, San Francisco, CA

Acquired the minority interest in Solaire, a 32-story multifamily high-rise in downtown San Francisco developed by MEPT

- Centrally located in the SOMA submarket near employment, transportation, and entertainment in the heart of the Transbay District
- 409 unit, Class A multifamily high-rise with highly efficient floor plans and attractive pricing relative to the San Francisco luxury tower market
- Property is 95.1% leased and has a 93 Walk Score and a 100 Transit Score
- Acquired at an attractive basis modestly below replacement cost

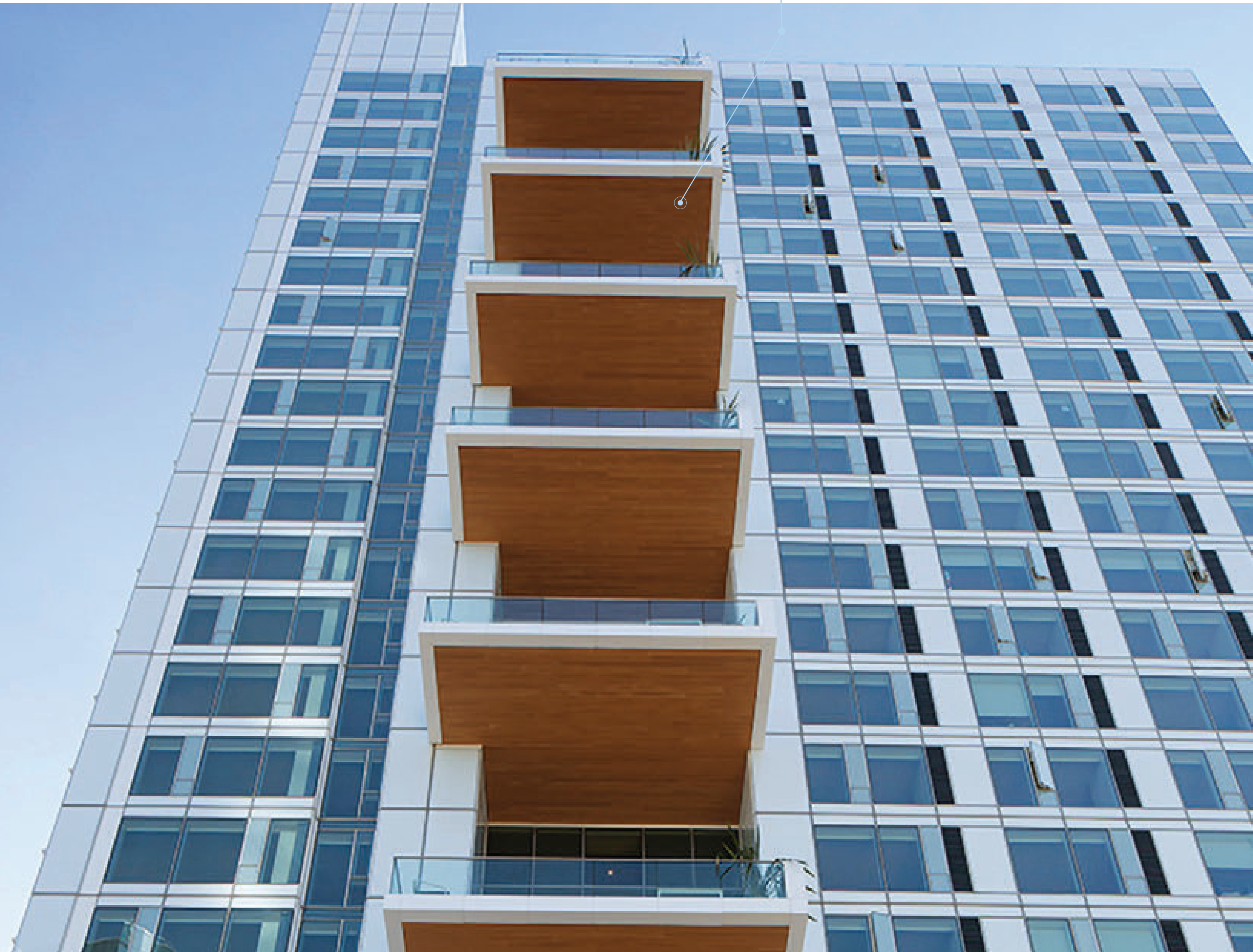
SOLAIRE

Multifamily, San Francisco

$312.0M

Gross Asset Value

Units	409
Occupancy	95.1%



Capitol Hill Station, Seattle, WA

Committed to develop three Class A multifamily high-rises in Seattle's Capitol Hill neighborhood, totaling 318 units and 33,933 sf of ground floor retail

- Well positioned in Seattle's Capitol Hill neighborhood, offering convenient access to the city's major employment districts including the CBD, Denny Triangle, and South Lake Union
- True live/work/play environment offering residents a variety of local entertainment and nightlife options, as well as broader access to the Seattle metro area via the Capitol Hill Link station adjacent to the property
- Asset will feature high-end finishes and a Class A amenities package including a fitness center, library, rooftop lounge, and pet facilities
- Experienced sponsor in Gerding Edlen Development

CAPITOL HILL STATION
Multifamily, Seattle

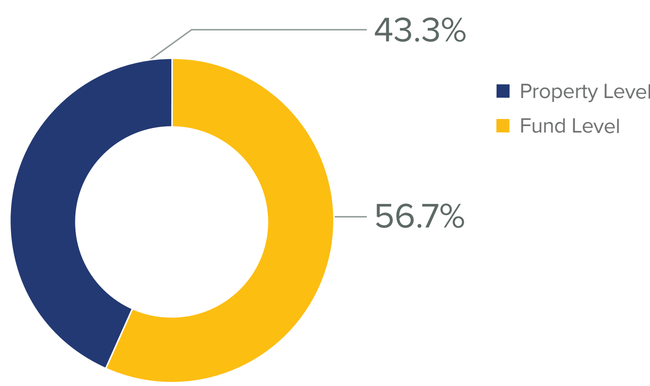
Fund Capital Structure

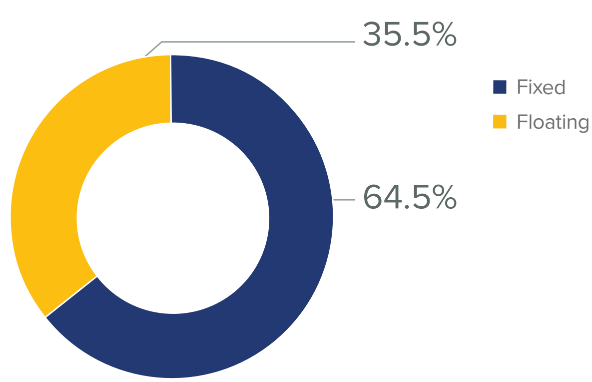
MEPT maintains an efficient and conservative balance sheet. The Fund ended 2018 with 0.8% cash, minimizing the performance drag caused by excess cash holdings in a positive total return environment while still providing appropriate liquidity when combined with Fund credit facilities. At year-end, the Fund had a leverage ratio of 24.6%, which is within the Fund's target leverage range of ± 3% – 5% of ODCE leverage, and the weighted average interest rate for the Fund was 3.7% with an average remaining term of 5.4 years.

In the second quarter, MEPT completed the expansion of its credit facility to $750.0 million from $600.0 million, while extending the term to 2023 from 2020. Additionally, MEPT procured a new $300.0 million term loan, which closed in October and has two tranches (A: $100.0 million with a 48 month term + 16 month extension option; B: $200.0 million with a 64 month term), both with a floating rate of LIBOR + 115 basis points. Finally, an existing loan of $32.3 million was assumed as part of the ARIUM Brookhaven acquisition; the loan is interest only with a fixed rate of 3.91% and matures in September 2025.

24.6%
Current Leverage Ratio

3.73%
Weighted Average Interest Rate





VENUE MUSEUM DISTRICT
Multifamily, Houston

Dispositions

MEPT's 2018 Operating Plan targeted $400.0 million to $600.0 million in net proceeds from dispositions; however, 2018 provided a unique opportunity for the Fund to take advantage of aggressive market pricing to realize gains and exit non-strategic gross assets. MEPT sold eleven assets totaling $799.5 million of gross proceeds, including five office buildings, two multifamily high-rise assets, one industrial asset and three land parcels. Additionally, the Fund has two existing office assets, a development parcel and a parking garage currently under contract which are anticipated to close in early 2019.

Disposition Highlights

In the fourth quarter of 2018, MEPT sold Arena Corporate Center, a 383,250 sf office complex adjacent to the Honda Center in Anaheim, CA, as well as 801 Massachusetts Avenue, a 206,860 sf office building in Boston, MA. These sales allowed the Fund to continue to strategically reduce its office allocation.

2018 Dispositions

Asset	Type	Gross Sale Price	Asset Class	City
Oyster Point I	Closed	$79.2	Office	San Francisco
Oyster Point II	Closed	$31.6	Office	San Francisco
801 Massachusetts Avenue	Closed	$112.5	Office	Boston
Newton Pavilion (option)	Closed	$17.1	Office	Boston
Arena Corporate Center	Closed	$125.3	Office	Los Angeles
Elan Uptown	Closed	$157.0	Multifamily	Minneapolis
Venue Museum District	Closed	$48.8	Multifamily	Houston
Pinnacle Park Distribution Center	Closed	$90.0	Industrial	Dallas
Diridon Station	Closed	$132.0	Land	San Jose
Reno Industrial Center Land	Closed	$3.7	Land	Reno
Gateway Commerce Center Land	Closed	$2.3	Land	St Louis
Existing Office Asset	In Process	$178.2	Office	Boston
Existing Office Asset	In Process	$75.8	Office	Boston
Development Parcel	In Process	$16.0	Multifamily	Boston
Parking Garage	In Process	$75.8	Other	Boston

$799.5M Total Closed Dispositions — **11** Assets

$345.8M Total Dispositions in Process — **4** Assets

2019 U.S. Economic Outlook

DOUG POUTASSE

Executive Vice President,
Bentall Kennedy
Head of Strategy and Research

The U.S. economy remains strong and continues to expand. In 2018, the labor market produced jobs at a very healthy rate and workers saw their wages rise, encouraging spending on retail goods.

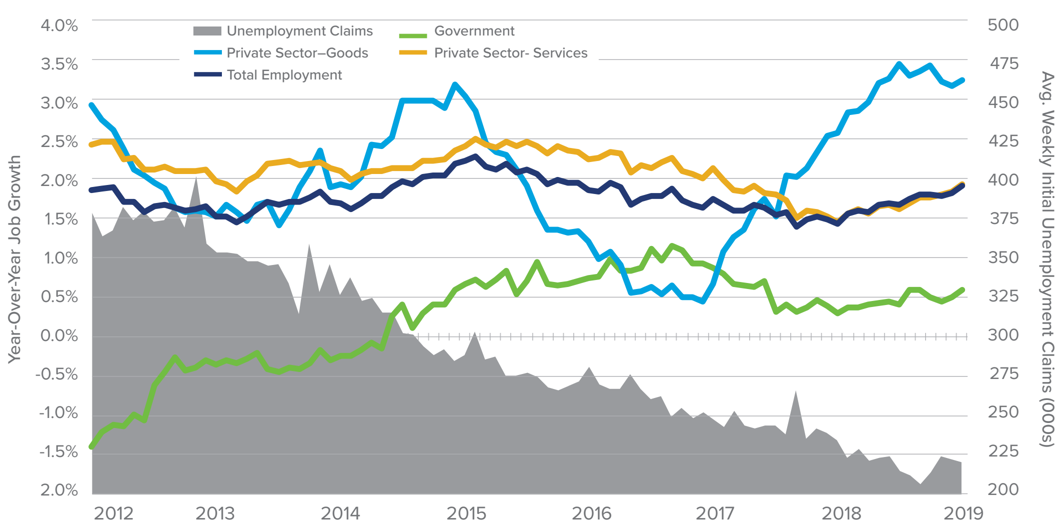
Businesses invested at a modestly higher rate than they did in 2017 and are optimistic about the future. Our expectation that the economy would grow around 3.0% appears to have been on track based on initial data from the Bureau of Economic Analysis.

We are also seeing an economy that, while benefiting from stellar fundamental health, is seeing headwinds build up as a result of its own success. The Federal Reserve steadily moved rates higher during the past year. Falling unemployment and higher inflation supported these changes, but public equity markets became agitated over fears about higher borrowing costs amid an environment marked by headwinds related to international trade, slower economic growth abroad and other factors.

The Fed has since signaled a more dovish tone and will be less aggressive with rate hikes in 2019. This support is welcome as uncertainty lingers around trade relations and other domestic policies, while the sluggish European economy and Brexit also remain key areas of concern. The economy has been resilient and even the stock market has rallied back. Economic fundamentals signal another year of healthy expansion in 2019.

The U.S. economy created 2.8 million jobs during the 12-month period ending January 2019. This 1.9% increase was measurably better than the 1.4% gain during the same period a year earlier and was the fastest growth rate in nearly three years. At 4.0%, unemployment is up modestly from recent lows, but the labor market remains extremely tight. Some of this uptick can be attributed to large numbers of people re-entering the workforce.

FIG. 1 JOB GROWTH CONTINUES DESPITE TIGHT LABOR MARKET



Source: Bureau of Labor Statistics

JOB CREATION

2.8M
Jobs created Y/Y as of January 2019

4.0% Approaching Historic Low
Unemployment rate, approaching 50-year low of 3.4%

GOODS PRODUCING SECTOR

2.1% Manufacturing

4.7% Construction

8.7% Natural resources and mining

Sources: U.S. Bureau of Labor Statistics, U.S. Census Bureau

Labor force participation has ticked up slightly as employers raise wages in an effort to attract workers. To be sure, a labor shortage is tempering economic growth. We've seen job openings hover above the number of unemployed workers for the past several months. This dislocation in the labor market should continue as initial unemployment claims remain extremely low. Despite the labor shortage, we continue to see solid job-growth momentum in highly skilled employment sectors. Professional and business services and healthcare sector employment grew by more than 2.0% year-over-year, outpacing their growth rates from a year ago. Unemployment will continue to tighten in these fields.

Goods-producing sectors such as manufacturing (2.1% year-over-year growth), construction (4.7%), and natural resources and mining (8.7%) have provided the most significant fuel to growth. Transportation and utilities employment, which includes warehouse and trucking jobs, grew by 3.7% over the past year. Momentum in these sectors has propelled overall job gains as softness persists in some other sectors, including federal government, information, and financial activities.

Hiring is one of the best predictors of demand for most types of real estate space and the picture remains positive. Our greatest concern is labor availability, which will become even more acute should immigration policy become more restrictive – or if political rhetoric serves to further discourage immigration.

The pace of GDP growth is likely to moderate into the mid-2.0% range in 2019 due to headwinds commonly seen as the business cycle matures. Trade policy risks, particularly negotiations with China, will remain a key topic as will other geopolitical issues. We will be watching for signs that these risks and recent stock market volatility are eroding business and consumer sentiment. But the U.S. economy is on a sound foundation that should perpetuate the expansion.

2019 Capital Markets Outlook

Volatility in the public markets ratcheted up in 2018, with major stock and REIT indices seeing significant swings. The S&P 500 and NAREIT All Equity REIT Index suffered losses in September and October and, after stabilizing in November, fell again during the first few weeks of December.

In the bond market, Treasury yields rose for much of 2018 due to expectations of future rate hikes and an increased supply of bonds as the Federal Reserve reduces its balance sheet and the Treasury continues to issue new bonds to fund

FIG. 2 STOCKS HAVE STEADILY CLIMBED BACK FROM RECENT LOWS

Source: S&P Dow Jones Data through 1/31/19 rising federal government deficits. But a good portion of this increase was given back as concerns about an economic downturn drove a flight-to-quality. More recently the Fed's new tone has helped lead rates lower.

In November, the 10-Year Treasury rate hit its highest level since 2011 (3.24%), but the yield had fallen closer to 2.7% in early February. Concerns about an inverting yield curve, historically a leading indicator of recession, rose as the 10-Year yield was only narrowly higher than the 2-Year yield. But with the short end of the yield curve now expected to remain lower for longer, these fears seem to have dissipated.

Coupled with healthy economic growth, conditions have favored direct investment in commercial real estate. While total returns as measured by the NCREIF Property Index ("NPI") remain well below those of recent peak years, they held near their 2017 level. The index was up 6.7% for the 12-month period ending in December 2018, versus 7.0% in the comparable period a year earlier. This modest drop in total return was largely driven by a sharp decline in retail total returns. Cap rates remain very low, a signal that investors continue to see opportunity in the asset class. Net operating income continues to rise along with the economy, and yields are relatively attractive, even if the spread versus the 10-Year Treasury is at its lowest level in a decade.

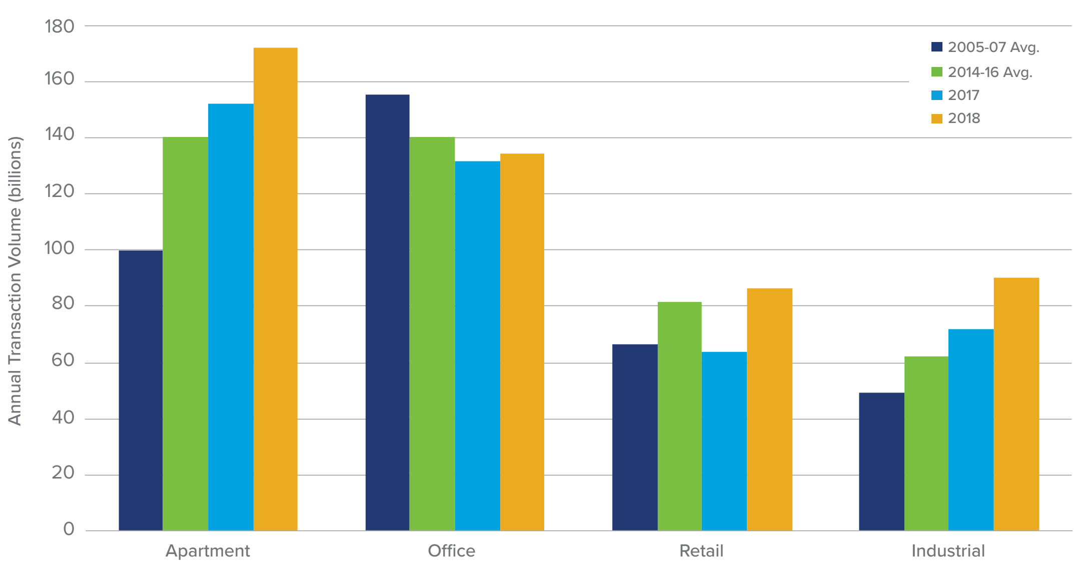
Investment activity reflects investor appetite for commercial real estate. Transaction volume, as tracked by Real Capital Analytics, Inc., rose nearly 15.0% in the four major property sectors from 2017 to 2018. This increase brought transaction volume in the major property types to its highest annual total on record, at $482 billion.

Transaction volume, as tracked by Real Capital Analytics, Inc. rose nearly 15.0% in the four major property sectors from 2017 to 2018.

All four major property sectors experienced rising sales transaction activity, although office lagged behind the other sectors with just a 2.0% gain versus 2017. Comparing trends in the six major markets (Boston, New York, Washington, D.C., Chicago, San Francisco, and Los Angeles) to the rest of the market, we see slightly more momentum in non-major markets, but total activity is up in both major and non-major markets.

Industrial transaction volume continues to impress and exceed retail for the second straight year in 2018. Driving this activity is a clear acceleration in non-major markets where activity topped $57 billion – an all-time high. Major market industrial volume was strong relative to history, but its increase was less dramatic versus a year ago.

FIG. 3 ALL FOUR MAJOR PROPERTY SECTORS EXPERIENCED RISING SALES TRANSACTION ACTIVITY



Source: Real Capital Analytics, Inc.

THE METRO
Multifamily, Denver

While Real Capital Analytics reports record sales activity for individual buildings in 2018, portfolio and entity-level transactions remain notable. Foreign investment into the U.S. also climbed, aided by some of these larger deals. For example, Brookfield completed its purchase of GGP during the year. The Brookfield/GGP deal put Canada far and away in the top spot for foreign investment, followed by France, Singapore, China, and Germany.

The lending environment remains strong with steady activity and signs that the higher interest rates versus a year ago were at least partially absorbed through narrower spreads. Traditional financing sources are active and banks responding to the Federal Reserve's October 2018 Senior Loan Officer Survey indicated a very slight loosening of lending standards.

Data from the Commercial Bankers Association shows originations in 2018 H1 little changed from the same period a year ago, while commitments tracked by the American Council of Life Insurers through the third quarter of 2018 rose compared with a year ago. Non-traditional financing sources are gaining market share as regulatory constraints temper risk-taking by traditional sources.

Direct investment in commercial real estate generated returns in 2018 that were near consensus expectations leading into the year. With interest rates expected to rise somewhat in 2019 and cap rate spreads over Treasuries already below average, the outlook is for returns to back off somewhat in 2019. Property net operating incomes should continue to rise. However, appreciation – already limited in most property sectors in 2018 – will be increasingly constrained.

2018 Responsible Property Investing

THE WINDWARD
Multifamily, Oregon

3rd out of 196
Globally (Diversified)

2nd out of 42
United States (Diversified)

88
GRESB Score

8th
Consecutive Year, Awarded ENERGY STAR Partner of the Year

GRESB

MEPT Fund, advised by Bentall Kennedy, continues to be ranked top three in its peer group in the world on the 2018 Global Real Estate Sustainability Benchmark ("GRESB").

For the eighth consecutive year, MEPT received a top tier GRESB ranking, placing second in its United States peer group (Diversified/Non-Listed). MEPT retained its position as a top global leader on the strength of its belief that incorporating environmental, social and governance ("ESG") factors into our investment strategy helps to manage risk and support stable, long-term returns for our clients. This year MEPT achieved the highest score (88/100) it has ever received on GRESB—an increase of 5 points from last year. The GRESB score is an overall measure of ESG performance — represented as a percentage.

UN PRI

In 2018 the United Nations Principles for Responsible Investing ("UN PRI") reviewed more than 1,900 signatories from over 50 countries representing approximately $70 trillion in assets under management. UN PRI graded Bentall Kennedy among the top institutional investors in the world, achieving:

- Strategy & Governance: A+ for overall approach to responsible investment policy and collaboration on responsible investment
- Property Investing: A for responsible investment implementation during fundraising and throughout the investment process

ENERGY STAR Partner of the Year

For the 8th consecutive year, the U.S. Environmental Protection Agency ("EPA") awarded Bentall Kennedy with the ENERGY STAR Partner of the Year–Sustained Excellence for its leadership in energy management.

MEPT Portfolio – 2018 ESG Highlights

Green Building Certifications: As of Q4 2018, 94% of the MEPT portfolio is green building certified (based on floor area).

37 Properties
ENERGY STAR CERTIFICATION

ENERGY STAR Certification: 37 properties (24 office, 12 industrial, and 1 residential) earned ENERGY STAR certification, totaling $3.8 billion in value or 9.4 million sf

46 Properties
LEED CERTIFICATION

LEED Certification: 46 properties (9 industrial, 26 office, 1 retail, 10 residential) totaling $6.1 billion in value or 13.6 million sf achieved LEED certification

24 Office Properties
LEED EBOM CERTIFICATION

LEED EBOM Certification: 24 office properties, totaling $3.3 billion in value or 7.0 million sf achieved LEED EBOM certification

53 Industrial Properties
BEST CERTIFICATION

BEST Certification: 60 industrial properties, totaling $1.5 billion in value or 12.2 million sf achieved BEST certification

45 Properties
IREM CERTIFIED PROPERTY DESIGNATION

IREM Certified Property Designation: 45 properties (17 residential, 14 retail, 12 office, 2 medical office) have IREM Certified Sustainable Property designation, representing $5.0 billion in value or 11.3 million sf

Target Setting Program

Through the Target Setting Program, property teams systematically identify opportunities for energy and cost savings, set targets, develop detailed implementation plans, then execute and monitor progress. 29 properties (23 office and 6 multifamily) are participating in this program, representing $3.5 billion in value and 8 million square feet. In 2018, these properties achieved: 3.9 million ekWh in energy savings and $239,538 in cost savings.

2018 Achievements

$3.5 billion
IN VALUE

3.9 million
EKWH IN ENERGY SAVINGS

8 million
SQUARE FEET

$240 thousand
IN SAVINGS

ForeverGreen Tenant Engagement Program

The ForeverGreen Tenant Engagement Program connects tenants, residents and property managers with actionable sustainability and wellness resources to drive behavioral change. 94% of MEPT properties are participating in the ForeverGreen Tenant Engagement Program (based on floor area).

Bentall Kennedy
FOREVERGREEN

Appendix I: Returns

All MEPT returns are calculated in accordance with the guidance provided within the National Council of Real Estate Investment Fiduciaries ("NCREIF") Pension Real Estate Association ("PREA") Reporting Standards, as sponsored by NCREIF and PREA (the Reporting Standards). Bentall Kennedy claims compliance with the Global Investment Performance Standards ("GIPS") and has prepared and presented this report in compliance with the GIPS standards. Bentall Kennedy has been independently verified for the periods of January 1, 1992 – December 31, 2017. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Total Return

Total return, in accordance with the Reporting Standards, 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.

Net of Fees Income Return

MEPT's net of fees income return on page 4 is computed by chain linking quarterly returns. The ratio of net investment income to average net assets on page 54, as disclosed in the notes to the consolidated financial statements, is calculated using the average net assets as of the beginning of each quarter and will vary from the value on page 4.

Appendix II: Investment Management Fee

The Manager of MEPT 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 MEPT net assets are excluded from the above fee calculation and are subject to an annual fee of 0.15%. Therefore, the fee decreases as MEPT grows.
- There are no charges for entry or exit. The Manager charges no additional fees of any kind to the investors.

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

As of December 31, 2018, the MEPT annual fee was approximately 0.87%.

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 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, rising interest rates and increased borrowing 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. Many of these factors are beyond MEPT's control or ability to predict.

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.

This Report contains forward-looking statements, including MEPT's statements regarding the real estate market and current plans and goals for the MEPT portfolio. These statements 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. Please see "Certain Investment Considerations" in the Confidential Private Placement Memorandum of MEPT for a more complete discussion of factors which could cause actual results to differ from MEPT's current expectations.

MEPT is intended as a vehicle for long-term investments. Compared with many other asset classes, real estate is a relatively illiquid investment. Appraised values of properties in this report reflect the estimate of value by an independent appraiser. The properties owned by MEPT might realize a different value if they were actually sold by the Fund. No investment strategy can guarantee profit or protect against loss.

Questions regarding MEPT should be directed to:

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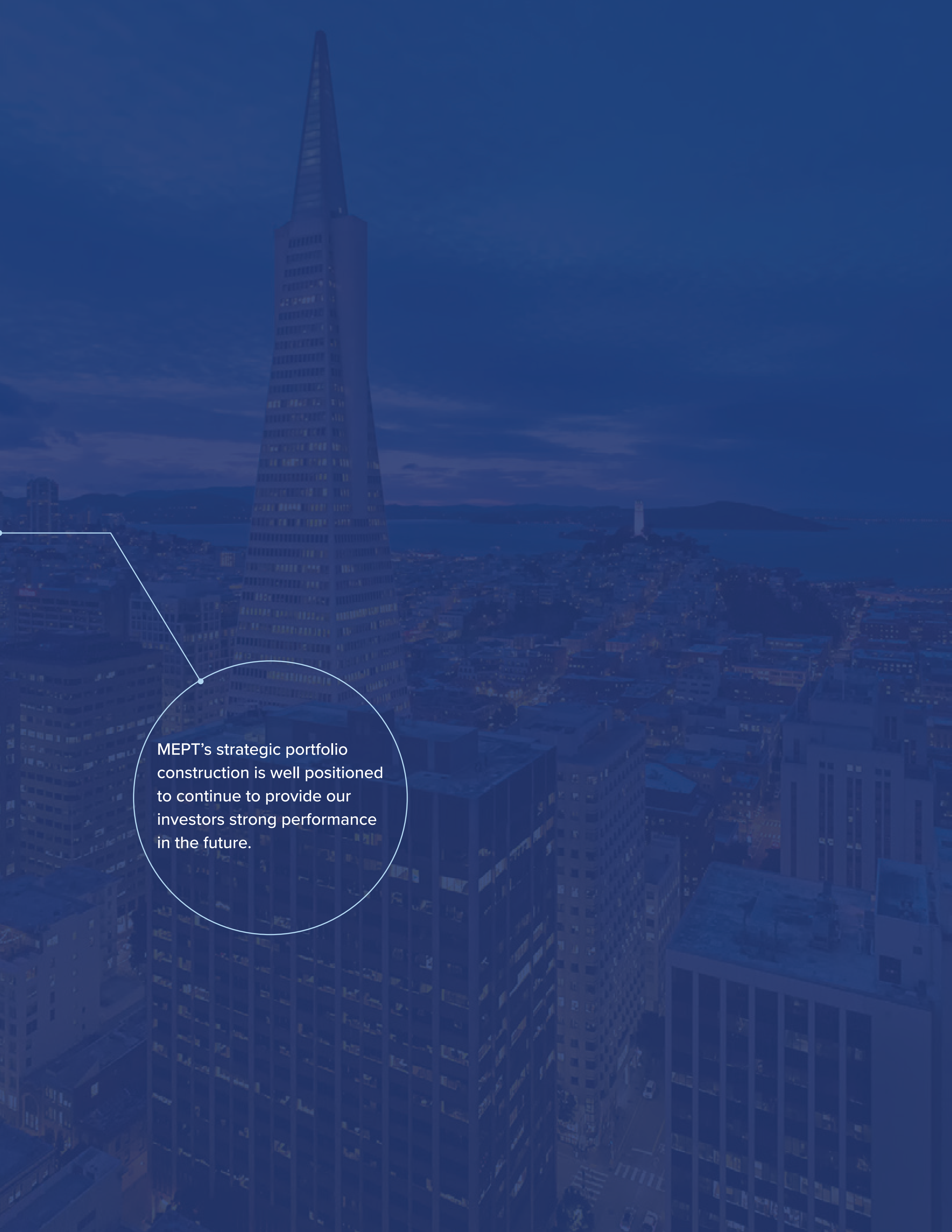

MEPT's strategic portfolio construction is well positioned to continue to provide our investors strong performance in the future.

Bentall Kennedy

Multi-Employer Property Trust

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