

# MEPT Fund

Flash Report 2Q 2019

## Portfolio Metrics as of 2Q 2019

Gross Asset Value	\$8.5 billion
Net Asset Value	\$6.5 billion
Leverage Ratio	23.9%
Cash % of NAV	0.9%
Leased %	93.9%
Number of Investors	337

## Performance Overview

- MEPT posted a second quarter 2019 total return of 1.24% (1.02%, net), which outperformed the ODCE index by 25 bps. The Fund's total return consisted of 0.99% income and 0.25% appreciation
- MEPT's 1-year total gross return is 6.93% (6.00%, net), which outperformed the ODCE index by 52 bps, the 3-year total gross

return is 7.01% (6.08%, net), and the 5-year total gross return is 9.24% (8.30%, net)

## Portfolio Highlights

- In the second quarter, MEPT's industrial portfolio continued to generate the majority of Fund appreciation followed by the multifamily portfolio. The retail and office portfolios both experienced modest depreciation
- The key drivers of appreciation were market rent growth and yield compression across the industrial portfolio, particularly at assets in the West, market rent growth at multifamily assets in multiple markets, and market rent growth at 475 Sansome, a CBD office asset in San Francisco
- The Fund's second quarter performance was partially offset by \$16.8 million of depreciation (26 bps) generated by debt mark-to-market adjustments due to a rapid decline in benchmark interest rates during the quarter

- MEPT's operating portfolio remains well-leased at 93.9%, an increase of 45 bps during the quarter

## Acquisitions

- In the second quarter, BGO Diversified acquired Alameda Station [\$109.0], a 338-unit multifamily community located in the historic Baker neighborhood of Denver, bringing year-to-date total acquisitions and new commitments to \$669.8 M
- Additionally, the Fund has approximately \$145.0 M of industrial assets under contract, all of which are anticipated to close in the third quarter

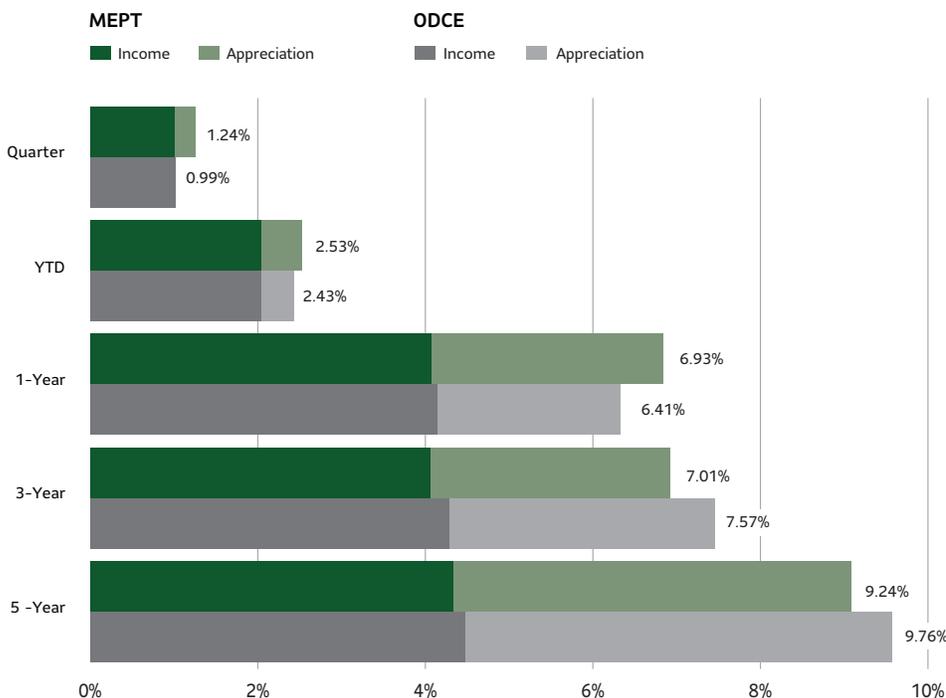
## Dispositions

- There were no dispositions during the quarter; however, the Fund has completed \$337.6 M of dispositions as of mid-year and has \$564.4 M of dispositions under contract or LOI, including \$547.5 M of office dispositions that are expected to close in the third quarter

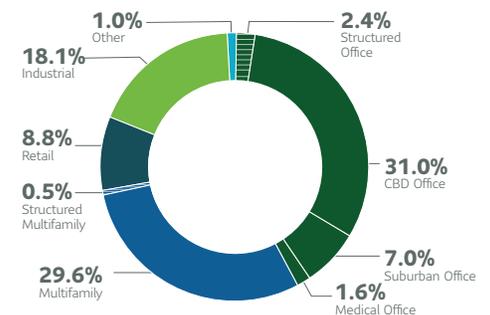
## Financing

- The Fund's leverage decreased by 0.7% to 23.9% during the quarter, due to paying down the Fund's revolving credit line

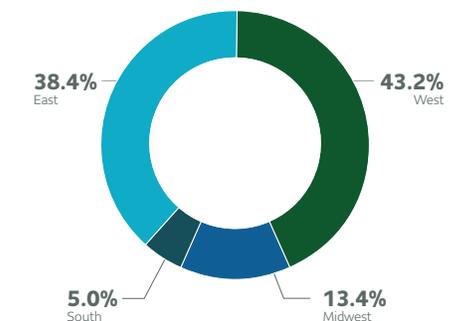
## MEPT and ODCE\* Gross Returns 2Q 2019



## Allocation by Property Type (GAV)



## Allocation by Region (GAV)



## MEPT 2Q 2019 Fund Level Returns

	Quarter		YTD		1-Year		3-Year		5-Year	
	MEPT	ODCE*								
Income (Gross)	0.99%	1.01%	2.04%	2.04%	4.07%	4.14%	4.06%	4.28%	4.33%	4.47%
Appreciation	0.25%	-0.01%	0.48%	0.39%	2.77%	2.19%	2.86%	3.18%	4.76%	5.10%
<b>Total (Gross)</b>	<b>1.24%</b>	<b>0.99%</b>	<b>2.53%</b>	<b>2.43%</b>	<b>6.93%</b>	<b>6.41%</b>	<b>7.01%</b>	<b>7.57%</b>	<b>9.24%</b>	<b>9.76%</b>
Total (Net)	1.02%	0.78%	2.08%	1.99%	6.00%	5.47%	6.08%	6.61%	8.30%	8.77%

\*Preliminary ODCE returns.

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