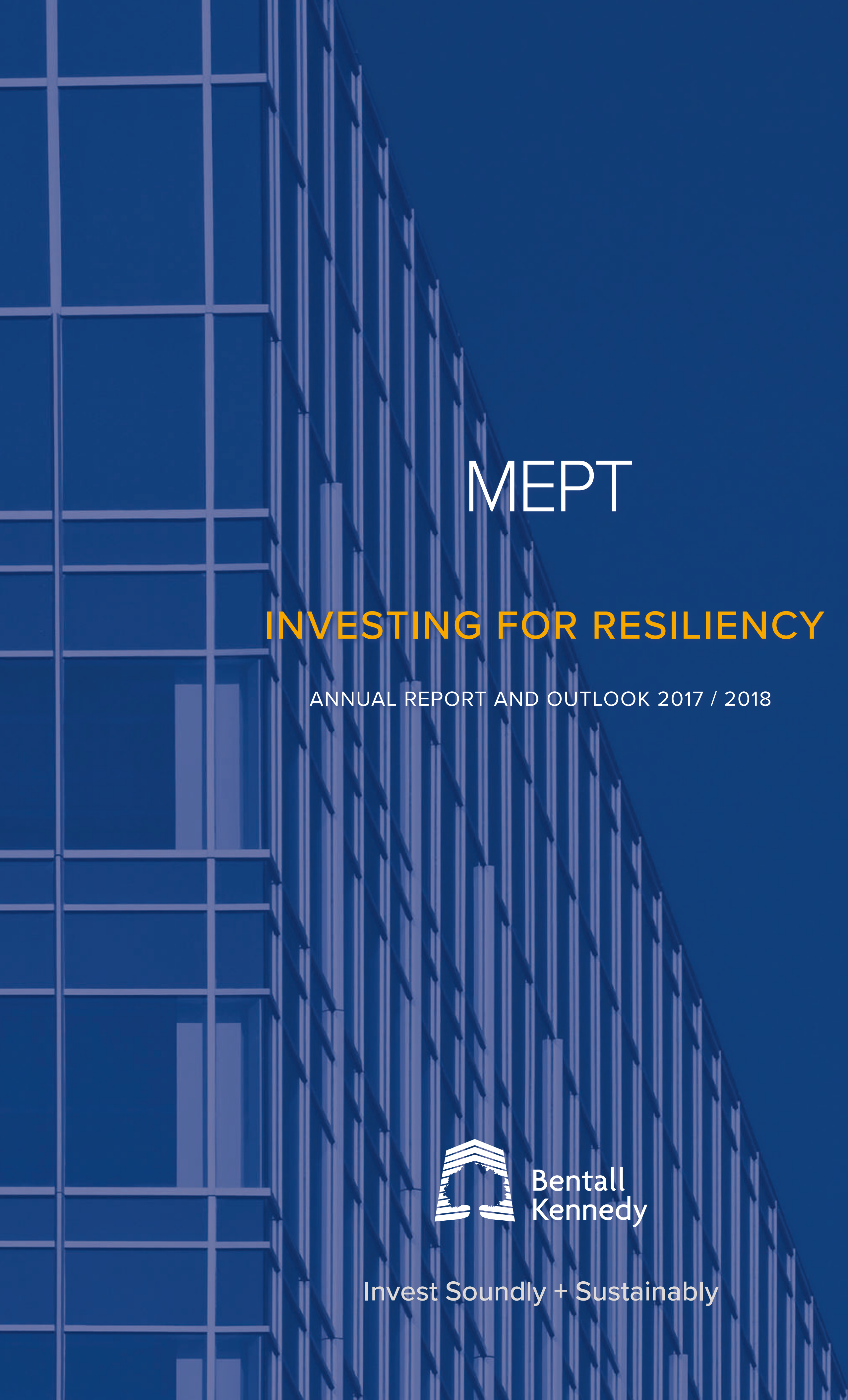


MEPT

INVESTING FOR RESILIENCY

ANNUAL REPORT AND OUTLOOK 2017 / 2018

Bentall Kennedy

Invest Soundly + Sustainably

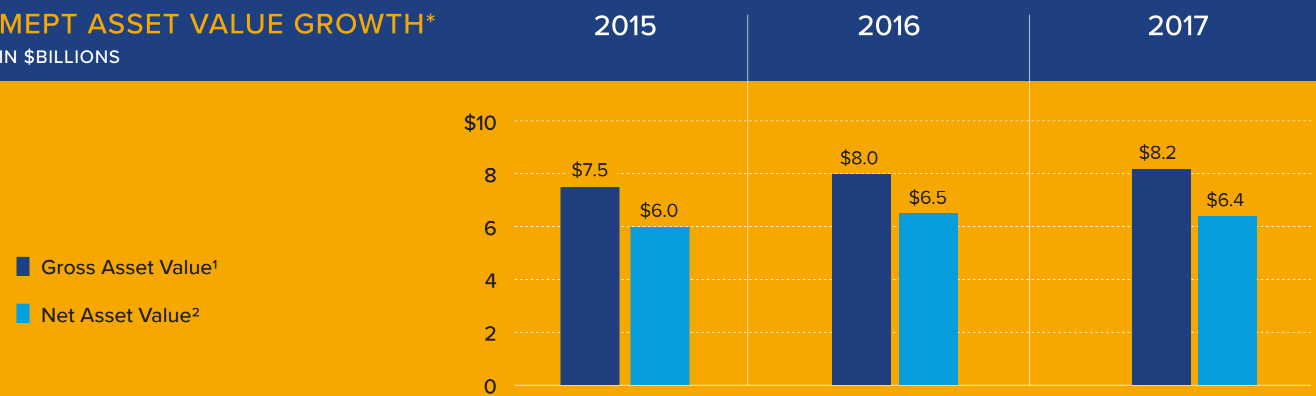
INVESTMENT STRATEGY

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 *Investing for Resiliency* 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 MEPTs 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.

MEPT HIGHLIGHTS*	2015	2016	2017
LEVERAGE	19.7%	19.6%	21.6%
NUMBER OF INVESTORS:	327	346	348
REAL ESTATE ASSETS	101	103	104
OPERATING PORTFOLIO (SQUARE FEET)	30.9 MILLION	31.5 MILLION	32.4 MILLION
OPERATING PORTFOLIO (PERCENT LEASED)	92.2%	93.6%	92.1%

*As of December 31ST.

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ON THE COVER

1900 16TH STREET

Office, Denver

In keeping with MEPT's commitment to Responsible Property Investing, 1900 16th Street was designed with the latest sustainable features. In fact, 1900 16th Street is the only asset in Colorado to be certified LEED® Platinum by the U.S. Green Building Council, reflecting the many sustainable features of the project.

GROSS ASSET VALUE	$263.0 MILLION
NET ASSET VALUE	$263.0 MILLION
SQUARE FEET	409,309
OCCUPANCY	88.5%
LEED CERTIFICATION	PLATINUM

PORTFOLIO MANAGEMENT LETTER

DAVID ANTONELLI
Executive Vice President,
Bentall Kennedy
MEPT Portfolio Manager

In 2017, MEPT produced strong and consistent performance with a total gross return of 6.45% (5.53%, net of fees), which was consistent with the 6.0% to 8.0% return expectation range set by the management team at the beginning of the year. As of December 31, 2017, MEPT's gross asset value is $8.2 billion and net asset value is $6.4 billion. Also, the Fund achieved the number one global ranking in the Diversified – Office/Residential category for its sustainability practices by the Global Real Estate Sustainability Benchmark ("GRESB") for the fourth year in a row.

MEPT's 2017 performance trailed the ODCE peer group's total gross return of 7.62% by 117 bps; however, MEPT's performance remains competitive in longer timeframes and superior from a risk perspective, with first quartile standard deviation of total return (i.e. low volatility) over the past five years among benchmark peers. MEPT's 3-year total gross return is 9.44% (8.49%, net of fees) and trails the benchmark return of 10.42% by 98 bps and the Fund's 5-year return is 10.86% (9.89%, net of fees) and trails the benchmark return of 11.53% by 67 bps. The majority of MEPT's underperformance in these timeframes is explained by a number of factors. First, we have maintained discipline in our adherence to the Fund's core investment strategy and have not ventured into higher return, higher risk markets and property types. Additionally, the Fund has an 84% allocation to primary markets, an over-allocation to urban office and high-rise multifamily, a significant under-allocation to retail, and a high-quality warehouse industrial portfolio. Finally, MEPT has historically maintained a conservative leverage position, which has been 150-200 bps lower than benchmark leverage. At this mature stage of the current economic cycle, MEPT's performance is consistent with its disciplined core strategy.

Our objective is to outperform the benchmark while focusing on risk management and providing superior risk-adjusted returns. To that end, the Fund management team will focus on the following investment strategies in 2018 to improve relative performance while prudently managing risk

- The Fund is overweight office with a significant overweight to primary market CBD office and underweight suburban office. Historically, primary market CBD office assets have retained occupancy and recovered values faster during and following economic corrections; however, the Fund's office allocation is above-benchmark at 44.2% and we are looking to reduce holdings to ±40%. The Fund will seek to reduce holdings in primary markets that we believe to be fully valued including San Francisco and New York. Also, we will look to increase the Fund's medical office allocation to enhance risk management and gain exposure to this demographically-driven sub-sector;
- MEPT has an overweight to multifamily and we will maintain our relative weighting; however, we will diversify Fund holdings to reduce significant overweight to urban, high-rise apartments in primary markets and increase exposure to select Secondary Markets, close-in suburban transit-served nodes, "smart luxury" assets, affordable/workforce housing, and B assets in A locations offering rent upside opportunities and higher income returns. We will seek opportunities to diversify the demographic profile of the typical renter in the portfolio (e.g. older and/or less affluent renters). Best-in-class properties in top primary markets have historically retained and regained value better during a full economic cycle and we will continue to overweight these assets; however, we are looking to also add assets that are positioned lower on the luxury and rent curve to protect against affordability ceilings while providing stronger relative rent growth prospects;
- The Fund is currently equal weight to industrial, 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 portfolio will be subject to identifying appropriately priced investment opportunities in light of aggressive market pricing;
- Our defensive retail allocation is the lowest among the ODCE funds (7.6% compared to 19.8% of NAV) and is

ROB EDWARDS

President
NewTower Trust Company
Trustee and Fiduciary

primarily comprised of 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 and this will continue to drive our retail strategy. The Fund will maintain its significant under allocation to retail;

- Given the mature stage of the current economic cycle, MEPT will seek to increase its exposure to structured investments (e.g., stretch senior loans, mezzanine loans, preferred equity). Structured 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;
- As of 12/31/17, MEPT has approximate benchmark-level leverage (21.6% vs. 21.4%) and we will continue to seek parity with the benchmark to eliminate performance deviation due to leverage;
- MEPT's development activity has been a relative strength of the Fund and maintaining a meaningful pipeline is an important alpha generator and continually modernizes the portfolio. We will seek to maintain an allocation of 5% - 10% throughout all stages of the economic cycle. The Fund is currently focusing on multifamily and industrial development opportunities in primary markets that have barriers to new supply. MEPT will also consider office and retail development opportunities; however, it is likely that any such opportunity would require significant pre-leasing.

We believe the above investment strategies will further strengthen MEPT's portfolio positioning as the economic cycle continues to mature. The operating fundamentals of the Fund are strong as portfolio occupancy averaged 93.5% over the year, driven by robust leasing activity in 2017 that totaled 5.8 million square feet of new, renewal, and expansion leases across the portfolio. We believe the strategic refinements combined with the current health of MEPT's existing portfolio should produce total returns in the 6.0% to 8.0% range in 2018.

Our 2018 total return range projections will depend on the current U.S. economic expansion continuing into its eighth year post-GFC, which is long in an historical context but not unprecedented. Economic and political uncertainty persists due to the lateness of the cycle as well as the policies of the U.S. Presidential administration. Tax reform and financial deregulation should spur higher growth; however, the positive economic effects of fiscal stimulus could be muted by trade, immigration, and other policy impacts. In light of this uncertainty, the management team will continue to review and fine-tune our investment and portfolio management strategies in 2018 and beyond.

Overall, we believe the U.S. economy will continue to grow in the near term. Further, we expect continued outsized growth in MEPT's targeted markets as their technology and innovation-led economies will continue to experience above-average job creation and capture an increased share of U.S. economic activity. Finally, while benchmark returns have declined following several years of considerably above-average performance, the Fund's strong current income and overall performance should continue to be attractive relative to the other institutional asset classes.

In 2018, the MEPT management team's ongoing focus on stable income, risk management, prudent incorporation of alpha, and emphasis on diversification remain paramount. As always, our goal is to provide our investors with superior risk-adjusted returns in all parts of the cycle. We appreciate your ongoing confidence in us and the opportunity to continue to be stewards of your capital.

DAVID ANTONELLI | **ROB EDWARDS**

2017 PERFORMANCE REVIEW

300 A STREET
Office, Boston

MEPT's 2017 performance resulted in a one-year total return of 6.45% gross of fees (5.53% net of fees), comprised of 4.07% income and 2.31% appreciation, which was in line with the management team's 2017 total gross return guidance of 6.00% – 8.00% (5.00% – 7.00% net of fees). MEPT's 2017 total return underperformed the NCREIF Fund Index – Open-End Diversified Core Equity (NFI-ODCE) benchmark's 2017 return of 7.62% by 117 basis points.

In longer timeframes, MEPT's performance is competitive with the benchmark. The Fund's 3-year total gross return of 9.44% (8.49% net of fees) trails the ODCE total gross return of 10.42% by 98 basis points, and the Fund's 5-year total gross return of 10.86% (9.89% net of fees) underperformed the ODCE total gross return of 11.53% by 67 basis points. In addition to competitive longer-term performance, MEPT has attractive returns, as the Fund maintains below benchmark leverage and features return volatility among the lowest in the peer group.

APPRECIATION

MEPT's 2017 appreciation return for the year was 2.31%, which trailed the NFI-ODCE appreciation return of 3.15%. The primary driver of Fund appreciation in 2017 was improving property-level fundamentals such as rent growth and increased occupancy. The Fund experienced significant appreciation from the industrial portfolio, which was the strongest performing property type

MEPT also received strong appreciation from office assets in markets with strong innovation industry presence including Boston, Los Angeles, Seattle, and Portland. The Fund's appreciation was partially offset by muted performance at office assets in New York City and Washington, D.C. and asset-level challenges at specific multifamily assets due to higher than expected real estate taxes and capital expenses.

INCOME

The portfolio delivered an income return of 4.07% gross of fees (3.16% net of fees) in 2017, which compares to the NFI-ODCE income return of 4.35%. MEPT employs a traditional core strategy that is 84% invested in primary market assets, which tend to have lower yields but higher risk-adjusted returns throughout a full economic cycle. MEPT's income return was generated by the 93.5% leased, (2017 average) 32.4 million square foot operating portfolio that produced $393.7 million in Net Operating Income (NOI) for the year.

Active asset management throughout 2017 resulted in 233 executed leases resulting in gross leasing activity of 5.8 million square feet and approximately 650,000 square feet of positive net absorption. The Fund's controllable net tenant retention rate for the rolling four quarters as of December 31, 2017 was 90.6%.

INDUSTRIAL

The industrial portfolio was the top performing property type in 2017, delivering an annual unlevered property-level return of 14.3%, comprised of 4.7% income and 9.3% appreciation.

LIVERMORE DISTRIBUTION CENTER, *Industrial, San Francisco*

MEPT VS. NFI-ODCE PERFORMANCE[1]

AS OF DECEMBER 31, 2017

GROSS OF FEES RETURNS	QUARTER	1-YEAR	3-YEAR	5-YEAR	SINCE INCEPTION*
INCOME	1.04%	4.07%	4.33%	4.82%	6.97%
APPRECIATION	0.58%	2.31%	4.95%	5.84%	1.05%
TOTAL	1.62%	6.45%	9.44%	10.86%	8.08%
NET OF FEES RETURNS	**QUARTER**	**1-YEAR**	**3-YEAR**	**5-YEAR**	**SINCE INCEPTION***
INCOME	0.82%	3.16%	3.42%	3.88%	5.77%
APPRECIATION	0.58%	2.31%	4.95%	5.84%	1.05%
TOTAL	1.40%	5.53%	8.49%	9.89%	6.86%
NFI-ODCE[2,3]	**QUARTER**	**1-YEAR**	**3-YEAR**	**5-YEAR**	**SINCE INCEPTION***
INCOME	1.06%	4.35%	4.54%	4.78%	6.99%
APPRECIATION	1.01%	3.15%	5.68%	6.51%	0.65%
TOTAL	2.07%	7.62%	10.42%	11.53%	7.68%

[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.

[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).

INDUSTRIAL PERFORMANCE

14.3%
TOTAL RETURN[1]

95.3%
LEASED[2]

MEPT's high quality industrial portfolio continues to be a unique strength of the Fund, delivering a 15.6% total gross return annualized over the last five years and producing double digit returns in six of the last seven years.

While income returns remained strong, a large portion of the industrial performance was generated by appreciation of the Fund's California warehouse assets. The single largest contributor to performance was Livermore Distribution Center, a state-of-the-art warehouse built in 2016 by MEPT in the San Francisco metro market. Industrial assets in the West region continued to see significant market rent growth and additional cap rate compression as both tenants and investors compete for industrial product.

At the end of 2017, MEPT's industrial portfolio totaled 23 assets and represented 16.6% of the net asset value of the Fund. The average stabilized cap rate for the portfolio was 5.2% and the operating assets remain well-leased at 95.3% over 2017. Across the country, industrial availability has been flat or falling for 30 consecutive quarters as e-commerce continues to drive demand. Looking ahead in 2018, the Fund's industrial assets are well positioned to benefit from the further growth of e-commerce, and we continue to seek out opportunities to grow the portfolio.

[1] Property sector returns are shown on an unlevered basis.

[2] Average 2017 leased percentage.

VIA6, *Multifamily, Seattle*

SOLAIRE, *Multifamily, San Francisco*

MULTIFAMILY PERFORMANCE

4.9%	93.4%
TOTAL RETURN[1]	LEASED[2]

MULTIFAMILY

The multifamily portfolio delivered an unlevered property-level return of 4.9% in 2017, comprised of 3.6% income and 1.3% appreciation. The strongest performing multifamily assets in the portfolio were located in the West region, which continues to experience strong market rent growth and sustained tenant demand. Solaire, a 409-unit apartment community located in the San Francisco, was a major contributor to performance, benefiting from market rent growth and cap rate compression driven by robust investor demand for California multifamily assets.

The multifamily performance was muted by higher than anticipated real estate taxes and capital expenses at select assets in the portfolio. At year-end 2017, MEPT's multifamily portfolio totaled 22 assets and represented 28.3% of MEPT's net asset value.

The average stabilized cap rate for the multifamily sector

[1] Property sector returns are shown on an unlevered basis.
[2] Average 2017 leased percentage.

SPRINGBROOK PRAIRIE PAVILION, *Retail, Chicago*

OFFICE PERFORMANCE

4.6%	90.8%
TOTAL RETURN[1]	LEASED[2]

RETAIL PERFORMANCE

5.3%	94.2%
TOTAL RETURN[1]	LEASED[2]

was 4.3% and the operating assets were 93.4% leased over the year. Urban, high-rise multifamily assets are expected to continue to see moderate rent growth in 2018, as the strong labor market drives tenant demand. New construction had an impact on fundamentals in 2017, but supply may be near peak levels for the cycle due to tighter lending standards, and multifamily vacancy rates still remain near historically low levels. Going forward, the Fund's diversified urban multifamily portfolio is expected to generate positive and attractive risk-adjusted returns; however, performance will be more characteristic of a late cycle environment.

OFFICE

In 2017, the office portfolio delivered an unlevered property-level return of 4.6%, comprised of 4.2% income and 0.3% appreciation. The top performers were CBD office buildings in markets with significant innovation industry presence; specifically, assets in Boston, Seattle, Los Angeles, and Portland. However, performance was muted by the Fund's allocations to New York City and Washington D.C., which tend to perform well in a full economic cycle but underperformed the average over the year. At year-end 2017, MEPT's office portfolio totaled 38 assets and represented 44.2% of MEPT's net asset value.

The average stabilized cap rate for the office sector was 5.3% and the operating assets were 90.8% leased during the year.

Office fundamentals remain balanced heading into 2018, and market rent growth is expected to be modest, concentrated in key innovation markets and gateway markets. Additionally, medical office fundamentals are strong as demographic and industry-specific trends drive rising demand. As MEPT's office portfolio is comprised of best-in-class CBD office assets located in innovation-driven markets, as well as an allocation to transit-oriented medical office assets, it is well positioned to deliver generate steady and attractive risk-adjusted returns in the coming year.

RETAIL

In 2017, the retail portfolio delivered an annual total unlevered property-level return of 5.3%, comprised of 5.2% income and 0.1% appreciation. The majority of the retail performance was generated by assets in the Midwest and South regions, which are well-leased at 97.2% and experienced modest market rent growth throughout the year. At the end of 2017, MEPT's retail portfolio totaled 13 assets and represented 7.6% of the net asset value of the Fund.

The average stabilized cap rate for the portfolio was 5.4% and the operating assets were 94.2% leased over the year, ending the year at 95.6%. MEPT remains strategically underweight the retail sector (7.6% vs. 19.8% for the ODCE Index) and the Fund's retail allocation is primarily comprised of grocery-anchored, necessity neighborhood centers, which are less susceptible to disruption from e-commerce. In the coming year, MEPT's plans to remain significantly under-allocated to retail, and the Fund's defensive retail portfolio is designed to continue to generate strong and stable income yields in a mature-cycle environment.

[1] Property sector returns are shown on an unlevered basis.
[2] Average 2017 leased percentage.

FUND DIVERSIFICATION AND PORTFOLIO CHARACTERISTICS

HUBBARD PLACE
Multifamily, Chicago

At this mature stage of the economic cycle, MEPT is performing as designed with its traditional core strategy. As of year-end 2017, the Fund is aligned with its strategic allocation targets. In terms of geographic diversification, MEPT remains overweight the East, West, and Midwest regions and underweight the South region. While the Fund tracks regional diversification, geographic investment allocations are driven by MEPT's strategic goals and focus on specific primary, knowledge-based markets.

The Fund is currently 84% allocated to primary markets, which is a significant overweight in comparison to the benchmark's primary market allocation of 76%. MEPT's concentration in primary markets helps maximize liquidity and reflects the management team's assessment that U.S. economic growth has historically and will continue to be concentrated in these markets.

In terms of portfolio weightings by asset class, MEPT maintains an overweight to the multifamily sector, specifically urban, high-rise apartments, but will diversify the portfolio by increasing its allocation to "affordable luxury" assets. The Fund will shift towards benchmark weight to office by reducing holdings to approximately 40% of the Fund's GAV; however, following accretive disposition activity, the Fund will continue to target office assets in urban or CBD locations and medical office, while maintaining a strategic underweight to suburban office.

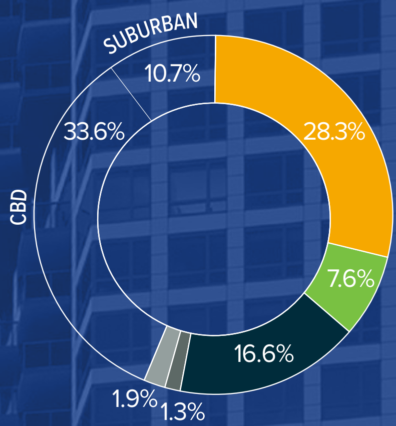
Given the rapid growth of e-commerce, MEPT is strategically underweight retail, and focuses on grocery-anchored retail centers in high barrier-to-entry locations and select urban properties, as these assets produce stable income and are less susceptible to disruption than traditional retailers. The Fund has a benchmark weight to industrial but will seek to increase its allocation to an overweight. MEPT will stay focused on high-quality distribution/warehouse facilities located in transit oriented or infill locations near major population centers and key intermodal/port facilities, as they are ideally positioned to continue to benefit from e-commerce growth.

Finally, the Fund maintains a small allocation to select other asset classes, which primarily consists of land/predevelopment assets and urban parking assets. MEPT's diversification by life-cycle continues to include a meaningful non-operating strategy, which consists of 12 assets and represents 10.8% of net asset value as of year-end. The non-operating portfolio consists primarily of build-to-core (development, pre-development, and re-development) assets and these investments are one of the primary sources of alpha generation for the portfolio.

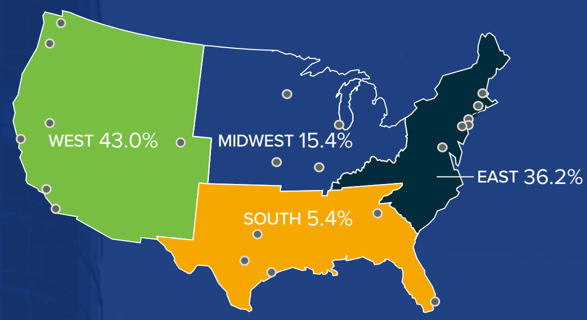
The current Fund target range for non-operating assets is 10%, which we seek to maintain during all points in the real estate cycle. By the second quarter of 2018, redevelopment and development assets will reach substantial completion and the

MEPT DIVERSIFICATION

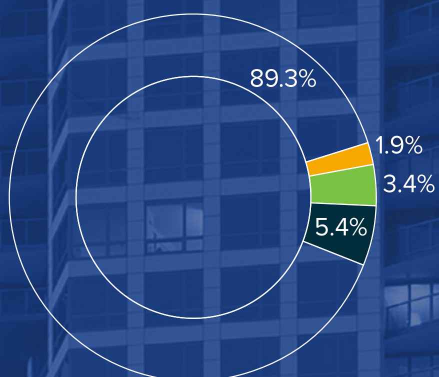
BY PROPERTY TYPE



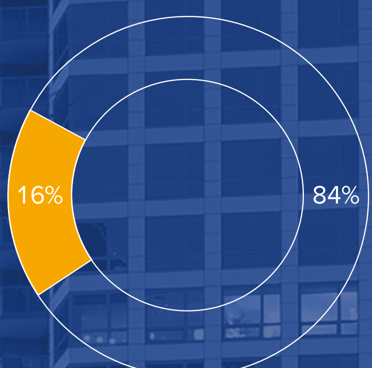
BY GEOGRAPHIC REGION



BY LIFECYCLE



BY MARKET



MEPT TOP MARKETS BY INVESTMENT

AS OF DECEMBER 31, 2017

MARKET	NAV (IN $M)	PERCENT OF PORTFOLIO
NEW YORK	$ 1,184.4	13.2%
SAN FRANCISCO	1,148.1	12.8%
CHICAGO	1,024.9	11.4%
WASHINGTON, DC	934.9	10.4%
BOSTON	775.3	8.6%
PORTLAND, OR	757.3	8.4%
LOS ANGELES	724.3	8.1%
DENVER	527.0	5.9%
SEATTLE	304.1	3.4%
OTHER MARKETS	1,585.3	17.7%
TOTAL	**$8,965.5**	**100.0%**

PRIMARY MARKETS NON-PRIMARY MARKETS

(Background) **HUBBARD PLACE,** *Multifamily, Chicago*

MEPT TOP 15 TENANTS BY REVENUE

AS OF DECEMBER 31, 2017

TENANT NAME	LEASE END DATE	PERCENT TOTAL REVENUE
GSA	Varies	4.2%
AXA EQUITABLE LIFE INSURANCE	9/30/23	2.3%
TESLA MOTORS	Varies	1.9%
BNP PARIBAS RCC, INC.	12/31/22	1.8%
VPNE PARKING SOLUTIONS	Varies	1.8%
THE GATES CORPORATION	10/31/18	1.7%
AMAZON.COM	Varies	1.6%
GRANT THORNTON LLP	4/30/30	1.6%
ORACLE	6/30/23	1.6%
WEWORK	6/30/30	1.1%
MATHEMATICA POLICY RESEARCH INC.	11/30/29	1.1%
PHARMAVITE LLC	Varies	1.0%
LOWE'S	2/28/32	0.9%
BANK OF AMERICA CORP.	Varies	0.9%
BOSTON MEDICAL CENTER CORPORATION	Varies	0.9%
TOTAL FOR MEPT ASSETS		**25.0 %**

non-operating allocation should be in the 5% to 10% range. We will continue to seek accretive development opportunities for the Fund either through direct investment or structured positions.

MEPT's operating portfolio is well-leased to a diverse variety of credit tenants and, excluding the US Government, no single tenant represents more than 3% of Fund revenue.

Additionally, the Fund features a carefully managed lease rollover schedule. While approximately half of the office, industrial, and retail leases will roll in the next five years, no single year will exceed 20% of Fund net rental area or revenue. Excluding multifamily assets, the weighted average lease term by square footage is 4.8 years, and the weighted average lease term by revenue is 5.6 years.

MEPT 10 LARGEST ASSETS (BASED ON NET ASSET VALUE)

AS OF DECEMBER 31, 2017

PROPERTY NAME	PROPERTY TYPE	MARKET	NET ASSET VALUE
600 CALIFORNIA STREET	Office	San Francisco	$299,000,000
101 GREENWICH STREET	Office	New York	$295,843,134
1900 16TH ST	Office	Denver	$263,000,000
NEWPORT TOWER	Office	New York	$233,600,000
LIVERMORE DISTRIBUTION CENTER	Industrial	San Francisco	$220,000,000
475 SANSOME STREET	Office	San Francisco	$209,700,000
200 WEST MADISON	Office	Chicago	$184,300,000
MCCLURG COURT	Residential	Chicago	$184,000,000
757 THIRD AVENUE	Office	New York	$178,300,000
360 STATE STREET	Residential	New Haven, CT	$169,844,728

MEPT LEASE ROLLOVER

AS OF DECEMBER 31, 2017

	INDUSTRIAL	OFFICE	RETAIL	CONSOLIDATED
2018				
NUMBER OF TENANTS	14	51	34	99
PERCENT OF NRA	5.3%	9.1%	8.3%	7.0%
PERCENT OF 2018 REVENUE	6.7%	9.8%	8.1%	9.0%
2019				
NUMBER OF TENANTS	22	66	37	125
PERCENT OF NRA	17.1%	6.6%	7.7%	12.3%
PERCENT OF 2018 REVENUE	17.9%	8.1%	8.1%	9.9%
2020				
NUMBER OF TENANTS	31	69	44	144
PERCENT OF NRA	18.2%	6.4%	12.1%	13.2%
PERCENT OF 2018 REVENUE	21.2%	6.8%	9.2%	9.7%
2021				
NUMBER OF TENANTS	9	52	40	101
PERCENT OF NRA	6.3%	10.3%	12.0%	8.3%
PERCENT OF 2018 REVENUE	7.3%	12.4%	10.5%	11.3%
2022				
NUMBER OF TENANTS	17	56	45	118
PERCENT OF NRA	20.1%	13.9%	8.4%	16.7%
PERCENT OF 2018 REVENUE	20.4%	14.3%	10.2%	15.0%

475 SANSOME STREET

Office, San Francisco

475 Sansome Street is in the North Financial District, within walking distance of numerous amenities, including retail, hotel, and restaurant/entertainment venues, as well as multiple transit lines. In keeping with the Fund's commitment to Responsible Property Investing, the asset is LEED-EB® Platinum-certified.

200 WEST MADISON

Office, Chicago

200 West Madison is walkable to restaurants, shopping and hotels, as well as several neighborhoods popular with Chicago's "Millennial" population. The Kennedy Expressway, which joins two major interstates and serves as a feeder to several others, is located seven blocks from the property.

360 STATE STREET

Multifamily, New Haven

360 State Street benefits from close proximity to Yale University, the New Haven business district, Metro-North and Amtrak, the New Haven Green, and ample dining and entertainment options. The property is LEED® Platinum-certified, reflecting the Fund's commitment to sustainable investment strategies.

(Background) **LIVERMORE DISTRIBUTION CENTER,** *Industrial, San Francisco*

2017 TRANSACTION ACTIVITY

OREGON CLINIC GATEWAY

Medical Office, Portland, OR

Increased investor demand for core real estate as well as strong capital market conditions drove aggressive asset pricing throughout 2017. Despite this, the Fund continued to source broadly-marketed and off-market acquisition opportunities, and closed seven new investments during the year totaling $315.3 million, with an additional $673.3 million of acquisitions in process for a total of $988.6 million.

In mature-cycle environments, maintaining a disciplined investment strategy remains paramount; MEPT closed on only 2.1% of acquisitions reviewed. The following chart details MEPT's 2017 acquisition activity as well as the Fund's transactions in process.

BOSTON

In the fourth quarter of 2017, MEPT closed on 399 Congress Street, a funding commitment of $63.3 million structured as a mezzanine loan on a multifamily development in Boston, MA. The development is located in Boston's Seaport District and is projected to be completed in 2019. This transaction aligns well with MEPT's transit-oriented, urban multifamily strategy, as well as the Fund's focus on realizing attractive risk-adjusted returns through structured finance opportunities.

Additionally, the Fund acquired the minority interest in Doctor's Office Building, an MEPT-owned medical office asset, in the first quarter for $4.9 million.

CHICAGO

In the third and fourth quarters of 2017, MEPT acquired I-94 Logistics Center, a 1,027,606 square foot industrial warehouse asset in Chicago, IL for $81.3 million. Phase I, which closed in the third quarter, is a newly-built, state-of-the-art 626,848 square foot warehouse in the Chicago MSA, which is 100% leased to Amazon through 2027. I-94 Logistics Center Phase II was partially-leased at closing and presented the opportunity to lease the remaining 262,424 square feet of space and drive asset value.

The property is located in the Lake County industrial submarket, which features lower vacancy rates than the broader Chicago industrial market, as well as limited new supply in the near-term. The transaction offers attractive risk-adjusted income yields, and aligns well with MEPT's industrial acquisition strategy.

SAN DIEGO

In the fourth quarter of 2017, MEPT acquired Prescott Industrial Center for $38.4 million. Prescott Industrial Center is a three building industrial warehouse park in San Diego, CA, that is 100% leased to a variety of established tenants with a weighted average remaining lease term of 5.5 years.

The asset is well-located in San Diego's North County industrial market, which has experienced 2.0 million square feet of net absorption over the last six quarters, and boasts a submarket vacancy rate of less than 3%. The transaction is aligned with MEPT's strategy of acquiring institutional quality industrial assets serving primary markets.

ATLANTA

In the first quarter of 2017, MEPT acquired Kedron Village II, a 157,185 square foot retail center for a total gross purchase price of $30.9 million. Kedron Village II is located 30 miles southwest of downtown Atlanta in Peachtree City and is adjacent to an existing Fund-owned asset, Kedron Village I.

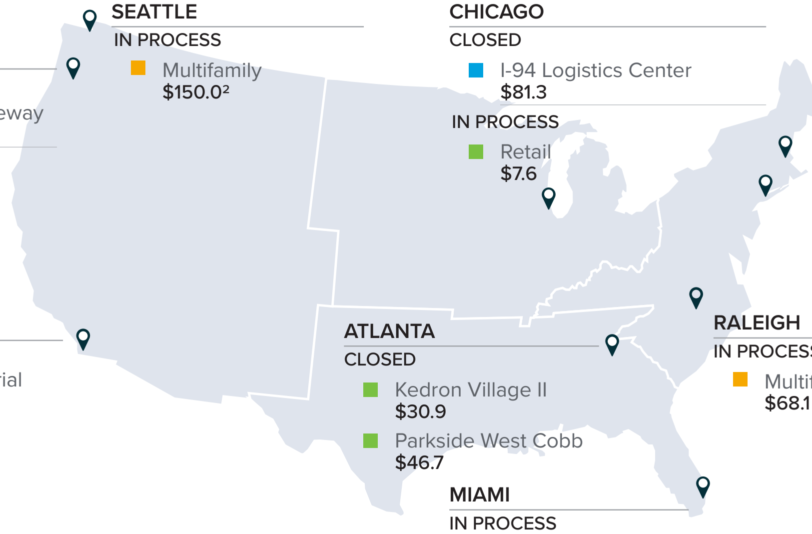
Peachtree City, the largest city in Fayette County, Georgia has strong demographics with average median household incomes within a 3-mile radius of the Property of $120,000. Kedron Village II was built in 2006 and is complimentary to the grocery anchored Kedron Village I. The center is 90% leased

2017 ACQUISITION PIPELINE OF EXISTING AND DEVELOPMENT OPPORTUNITIES IN $MILLIONS

$315.3M
CLOSED

$673.3M
IN PROCESS

$988.6M
ACQUISITION PIPELINE TOTAL



PORTLAND
CLOSED
- Oregon Clinic Gateway $49.8

IN PROCESS
- Multifamily $125.0[1]

SEATTLE
IN PROCESS
- Multifamily $150.0[2]

CHICAGO
CLOSED
- I-94 Logistics Center $81.3

IN PROCESS
- Retail $7.6

BOSTON
CLOSED
- Doctor's Office Building $4.9[3]
- 399 Congress Street $63.3[4]

IN PROCESS
- Office $10.3[5]
- Multifamily $220.1

SAN DIEGO
CLOSED
- Prescott Industrial Park $38.4

ATLANTA
CLOSED
- Kedron Village II $30.9
- Parkside West Cobb $46.7

RALEIGH
IN PROCESS
- Multifamily $68.1

MIAMI
IN PROCESS
- Industrial $92.2

[1] Participating mortgage loan
[2] Mezzanine loan
[3] Buyout of JV Partner's interest
[4] Committed amount, receivable balance at 12/31/17 was $20.6M
[5] Potential ground lease purchase

PARKSIDE WEST COBB, *Retail, Atlanta*

In mature-cycle environments, maintaining a disciplined investment strategy remains paramount. MEPT closed on only 2.6% of acquisitions reviewed.

to a mix of national, regional and local tenants, including Ross Dress for Less, Bed Bath & Beyond and Petco.

Additionally, in the third quarter, MEPT acquired Parkside West Cobb, a 141,650 square foot grocery-anchored retail center in Atlanta, GA for $46.7 million. Parkside West Cobb is a brand new, grocery-anchored center that is 97.6% leased to strong, national tenants and located near MEPT's existing asset West Cobb Marketplace. Both acquisitions continue to further the Fund's strategic goal of acquiring core neighborhood center retail assets in primary markets.

PORTLAND

In the third quarter of 2017, MEPT acquired Oregon Clinic Gateway, a medical office building in Portland for $49.8 million. The transaction presented the opportunity to acquire a modern, 100% leased medical office asset which is integral to Oregon Clinic's operations at an attractive basis below replacement cost. Oregon Clinic Gateway is well-located in a central transit-oriented hub, immediately adjacent to the intersection of I-84 and I-205 and accessible by multiple bus and light rail lines that serve all of greater Portland. Additionally, the asset is LEED-Gold certified. Oregon Clinic Gateway is in line with MEPT's strategy of increasing its medical office exposure.

DISPOSITIONS

Taking advantage of strong capital market conditions and aggressive market pricing, MEPT sold six primarily non-strategic investments generating net proceeds of $253.6 million. The dispositions included four industrial assets, a multifamily high-rise project, and a retail power center. In addition to removing non-strategic assets from the portfolio, almost all of the disposition activity realized valuation premiums over the asset's prior quarter valuation and was accretive to Fund performance in 2017.

2017 DISPOSITIONS

STAGE					NET SALE PRICE
CLOSED 2017		MULTIFAMILY (1)	INDUSTRIAL (4)	RETAIL (1)	$253.6 million
IN PROCESS	OFFICE (1)		INDUSTRIAL (1)		$114.9 million
TOTAL	8 assets				$368.5 million

DISPOSITION HIGHLIGHTS

In the second quarter of 2017, MEPT sold Trimble Distribution Center, a 206,642 square foot industrial warehouse in San Jose, CA for a total gross sale price of $62.0 million. Trimble Distribution Center is located in the Golden Triangle area of North San Jose, an area with a high concentration of large technology companies. The asset was originally built in 1968, renovated in 2003 and acquired by MEPT in 2012. Through diligent asset management, the sale represented a $10.5 million gain over the previous quarter's value.

In the fourth quarter of 2017, MEPT sold 1900 Clark Road, an industrial warehouse in the greater Baltimore area, generating $42.0 million in gross sale proceeds which represented an 11.7% premium to the most recent valuation.

Waiting room of Oregon Clinic Gateway

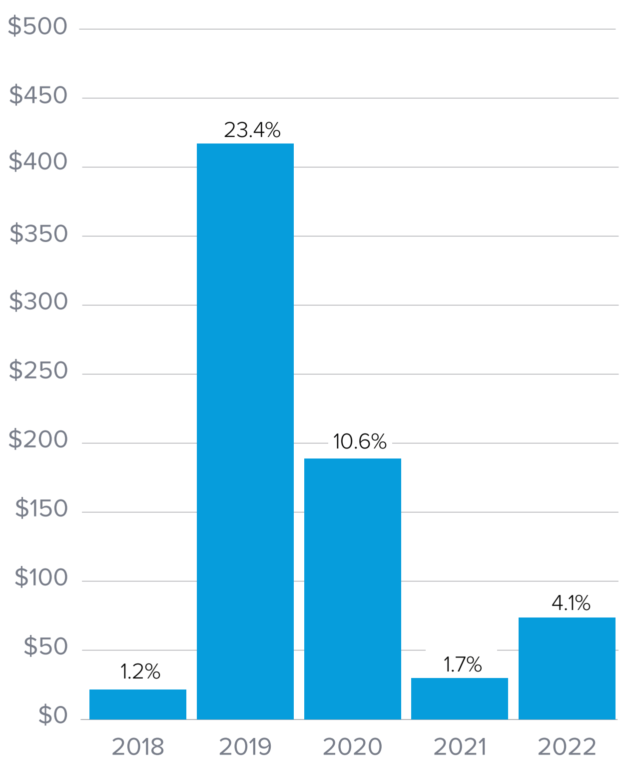
FUND CAPITAL STRUCTURE

MEPT maintains an efficient and conservative balance sheet. The Fund ended 2017 with 1.1% 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 21.6%, which is within the Fund's target leverage range of 20% to 25% and in line with the ODCE Index. The weighted average interest rate for the Fund is 3.5% with an average remaining term of 6.1 years.

In 2017, the management team replaced two tranches of high-rate secured debt with an additional $300.0 million of unsecured, fixed rate private placement loans with 7- to 12-year terms and an average weighted interest rate of 3.7%. Over the year, the Fund's weighted average interest rate has decreased by 0.2% while maintaining appropriate remaining term. Additionally, Fund-level debt facilities provide more operational flexibility by allowing the Fund to execute acquisitions, dispositions, and asset-level business plans without the restrictions or approvals typical of single-asset mortgage loans.

MEPT DEBT MATURITIES BY YEAR ($ MILLIONS) % OF TOTAL DEBT

AS OF DECEMBER 31, 2017



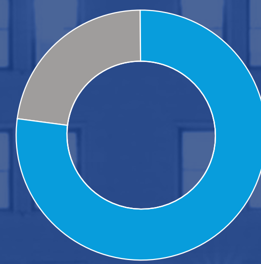
CURRENT LEVERAGE RATIO

21.6%

PROPERTY LEVEL	52.0%
FUND LEVEL	48.0%

WEIGHTED AVERAGE INTEREST RATE

3.5%



FIXED	77.3%
FLOATING	22.7%

101 GREENWICH, *Office, New York*

MEPT 2018 OUTLOOK

INVESTING FOR SUSTAINABILITY

ANTHOLOGY

Multifamily, Washington, DC

The management team has reviewed the Fund's investment and portfolio management strategies as of January 2018 in the context of the mature stage of the economic cycle and enduring economic expansion. We have maintained the core of MEPT's investment strategies; however, we continue to refine these strategies as we assess the appropriate balance among income growth, active value creation, and robust risk management.

The management team has established a total return target for MEPT in 2018 of 6.0% to 8.0% gross of fees (5.0% to 7.0% net of fees). In 2018, we plan to continue to grow the Fund through new acquisition and investor contributions. The acquisition target for 2018 is $1.0 billion to $1.25 billion. MEPT's real estate strategies in 2018 are as follows:

GENERAL STRATEGIES

- For existing asset acquisitions, MEPT will continue to focus on high-quality assets in preferred micro-locations within primary markets and select secondary markets in spite of the highly competitive acquisition environment. During periods of market corrections, best located, higher quality assets maintain value longer and recover faster.
- In light of the mature stage of the current economic cycle and moderating returns for direct equity investments, the Fund strategy continues to emphasize risk management and late cycle positioning. The Fund will continue to look to increase exposure to structured transactions (e.g. mezzanine loans, participating senior loans, preferred equity), which generally entail lower risk and greater current income than equity positions.
- The Fund will also seek to reduce its office allocation from 46% to 40% of GAV while increasing its exposure to medical office investments. The relative inelasticity of demand for medical services can provide attractive returns in all parts of an economic cycle.
- Continue to maintain an active development pipeline since, at this point in the economic cycle, high quality assets in target markets are largely trading above replacement cost and development is a key source of performance alpha for the Fund throughout all stages of an economic cycle

MEPT 2018 PERFORMANCE TARGET

6.0%–8.0%	5.0% – 7.0%
GROSS RETURN	NET RETURN

> While MEPT's allocations are largely in line with strategic targets, the Fund will continue to take advantage of aggressive market pricing and strong capital market conditions by selling non-strategic assets.

MULTIFAMILY

- Fund to maintain an overweight to benchmark while reducing urban high-rise in primary markets in order to increase exposure to select secondary markets, investments in close-in, transit-served locations ("urban-suburban"), and class B assets in A locations with rent upside potential
- Continue to seek build-to-core high-rise development in preferred urban locations within innovation markets

OFFICE

- Pare back office holdings by approximately 5% of Fund GAV, but maintain an overweight to primary market CBD and underweight to suburban assets
- Increase medical office investments given the strong risk-adjusted return profile of the asset class and the mature phase of the current economic cycle
- After office portfolio is reduced, on a highly selective basis, target urban acquisitions in expanding innovation-driven technology markets and medical office

INDUSTRIAL

- Fund to seek overweight (currently have a benchmark weighting) subject to identifying opportunities with attractive risk-adjusted returns given the highly competitive market
- Acquire and selectively develop high volume, modern distribution facilities situated near major population centers and key intermodal/port facilities, particularly where high concentrations of innovative, knowledge-based workers are driving local and regional economic expansions
- Continue to focus on the primary distribution markets and invest in assets with specific characteristics that users demand
- The Fund will pursue cold storage industrial opportunities, which have attractive risk-adjusted return profiles

RETAIL

- Fund to continue to significantly underweight retail given concerns about the threat of e-commerce on brick and mortar retail
- Acquire grocery-anchored centers (necessity-based) in strong demographic locations
- Consider street-front retail in both urban and preferred town center locations (experiential)

While MEPT's allocations are largely in line with strategic targets, the Fund will continue to take advantage of aggressive market pricing and strong capital market conditions by selling non-strategic assets. The Fund's 2018 disposition activity is projected to generate $400 million to $600 million in net proceeds. In order to continue to maintain an efficient balance sheet for MEPT, we will continue to be prudent in the use of debt and target benchmark leverage within ±3% of GAV and target cash as a percentage of NAV between 1% and 3% throughout 2018.

The asset management team will continue their proactive approach to managing property operations for the Fund, by pursuing new tenants and renewing existing tenants well in advance of lease expirations, completing accretive capital programs on time and on budget, and achieving sustainability initiatives to maintain MEPT's leadership in energy-efficiency. The asset management team has established a target of 95.0% leased for the MEPT portfolio by year-end 2018.

As always, we will continue to actively grow the Fund's investor base. In 2009, NewTower established MEPT as a continuation of the MEPT strategy that has been successfully executed since 1982. In 2017, following the success of MEPT, the Bentall Kennedy team launched Bentall Kennedy Daily Value Fund ("DVF"), a collective investment fund that offers defined contribution plans and other qualified investors the ability to invest in the MEPT strategy with daily valuation and enhanced liquidity. As of the first half of 2018, DVF AUM including commitments is approaching $100 million.

2018 U.S. ECONOMIC OUTLOOK

DOUG POUTASSE

Executive Vice President,
Head of Strategy and Research

Economic expansion in the U.S. continues to push forward despite disruptions from severe weather events, notable domestic policy uncertainty and ample geopolitical tensions. Job creation has slowed due in part to these factors, but also as a result of tightening unemployment and the maturation of the business cycle. Geopolitics may cloud the outlook somewhat, but generally speaking, economic growth abroad is more of a tailwind for the U.S. than it has been at any point since prior to the Global Financial Crisis.

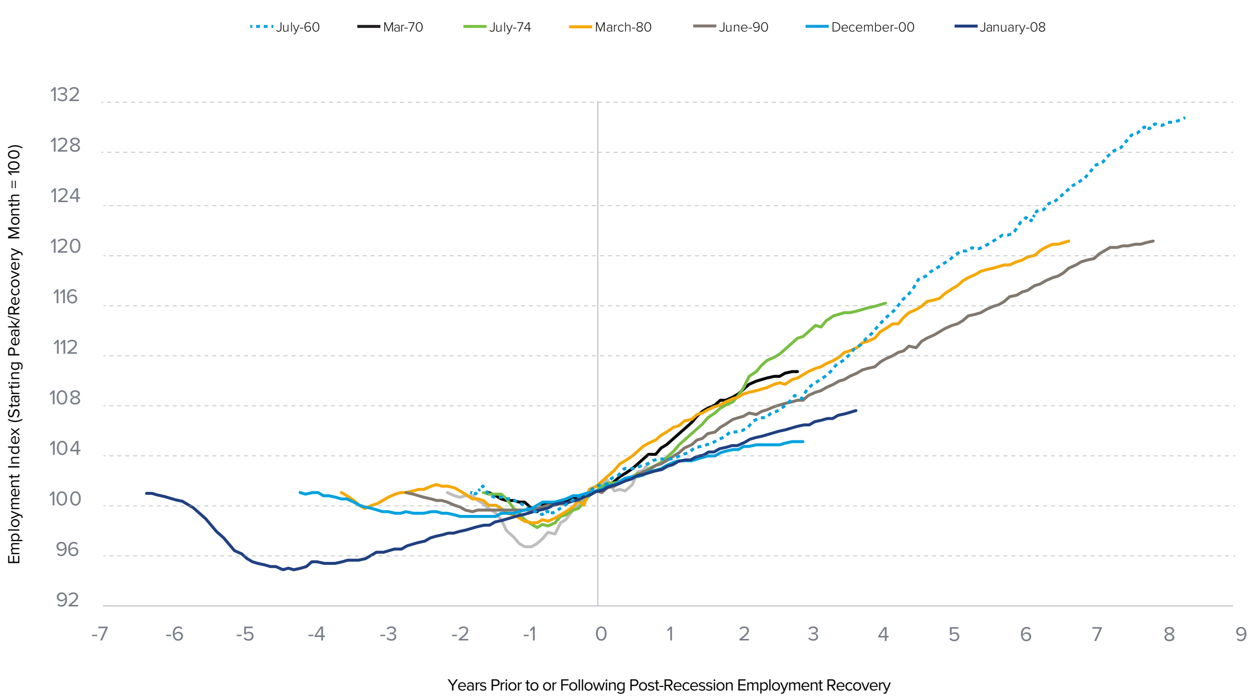
GDP growth has been steady, and it should reach the 2.5%-3.0% range when finally tallied for 2017. Strong household spending and an uptick in business investment have underpinned this growth. Global conditions and a slight weakening of the dollar against other currencies versus its December 2016 highs have resulted in a positive contribution from net exports. The industrial production index increased by 3.1% from November 2016 to October 2017 and a strong gain in the Institute for Supply Management's manufacturing index foretells of continued expansion in this area.

Decelerating job growth is evident across a variety of sectors. Employers have been challenged to find workers and initial unemployment claims are running near cyclical lows. Unemployment is 4.1%, which is even lower than the 4.4% achieved in 2007. But U.S. job growth certainly has not stalled:

- Employment rose by 1.5% (over two million jobs) YOY as of January 2018

FIG. 1 THE CURRENT ECONOMIC EXPANSION LOOKS RELATIVELY YOUNG

AS OF DECEMBER 31, 2017



Sources: U.S. Bureau of Labor Statistics, Bentall Kennedy

- Growth in the manufacturing sector was 1.5% after declining a year ago
- The professional & business services sector has lost very little momentum, rising 2.2% YOY
- Healthcare, financial activities, and construction are also outperforming
- Federal government and retail employment have decreased modestly

The question we continue to examine is how much longer the economy can expand as we approach 10 years since the prerecession peak in employment in January 2008. The 1980s (including both the ‘80 and ‘82 recessions) and 1990s cycles pushed beyond 10 years and both saw more substantial expansions above prior peaks than what we have experienced since the Great Recession. Perhaps more noteworthy from a time perspective, however, is the relatively short period from when precession peak jobs were regained to today, as shown in *Figure 1*.

Viewed through this lens, the prospects for the U.S. economic expansion to continue for at least a few more years are reasonable. Further, if a recession were to happen over the next five years, we expect it to be relatively mild. The real wild card is labor availability — hence our concerns around any policies that could potentially hinder the flow of skilled labor into the U.S. Unemployment is sub-2% in healthcare and legal occupations and sub-3.0% in computer, math, and engineering fields.

Headline unemployment likely overstates the labor shortage, but many of the potential workers found in alternative measures of unemployment either lack the skills or are in the wrong location to perform available positions, or both. Labor force participation is down more than three percentage points from 2007 and a return to that level would add eight million people to the labor force — although a full reversal is extremely unlikely given that many of these would-be workers are now past retirement age. Job training and the migration of jobs to the locations of available labor (and vice versa) will take time.

Ultimately, real estate investment performance will depend heavily on the U.S. economy’s ability to generate jobs, encourage people to form new households, and put those households in a position to consume. Recent economic growth has certainly accomplished these requirements, driving increased demand for all types of space. The]underlying dynamics and external factors generating this growth remain intact and, in some cases, enhanced (e.g. stronger global growth). Labor shortages remain a headwind and downside policy risks are significant, including:

- The Fed becoming too aggressive with unwinding highly stimulative monetary policy
- Changes in the tax code overheating equity markets, hurting residential property values, and driving higher U.S. budget deficits
- Failed brokering of major trade deals, crimping international trade volumes

But if policymakers can, at the very least, succeed in not harming the economy and conditions abroad remain favorable, the U.S. should grow steadily in 2018, resulting in widespread benefits for commercial real estate investors.

2018 CAPITAL MARKETS OUTLOOK

Economic growth, flat and relatively low long-term interest rates, strong space market fundamentals, and the sector’s attractive long- and short-term risk-adjusted investment performance continue to draw capital to U.S. commercial real estate. In a broad context, investment volume continues to be outstanding. According to Real Capital Analytics (“RCA”), sales volume over the past four quarters reached nearly $400 billion in the four major property types, roughly matching the average level of activity during 2014-16 and exceeding the 2005-07 average.

Even while moderating to a level on a par with its 10-year average, commercial property investment performance is attractive. It is clear, however, that industrial has been the outlier, and the sector’s strong performance has supplemented weaker gains in the three other major property types. The PREA Consensus Survey calls for further moderation in total returns with the five- year projected average coming in below the 2007-16 average. This expectation is driven by an outlook for tepid asset appreciation. Industrial is expected to be the top performer through 2021, just as it has been in recent years.

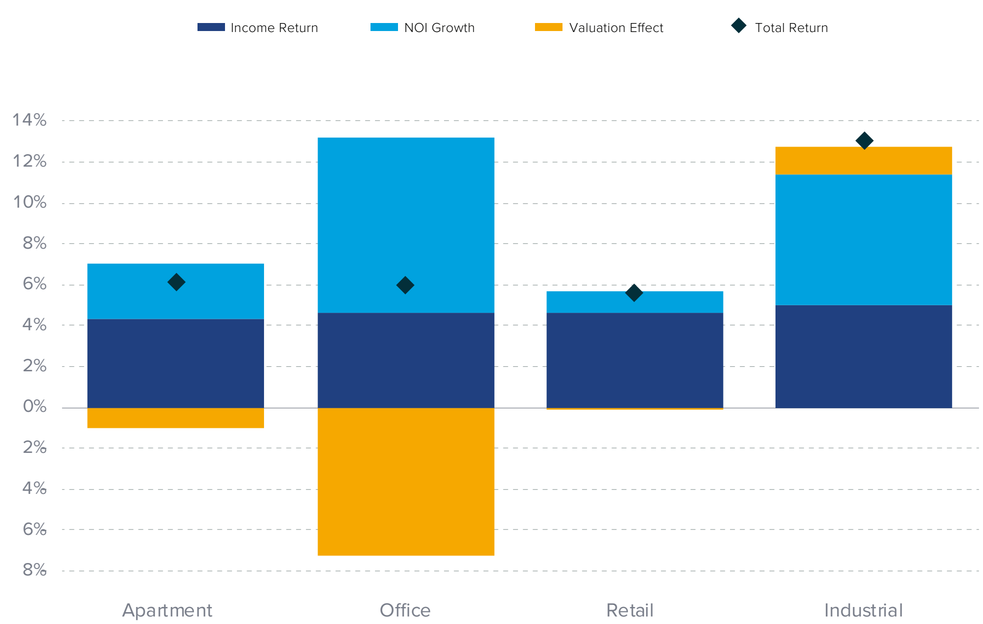
Returns in all four major property sectors benefited from rising property net operating incomes (“NOI”) over the past year, although relatively soft retail fundamentals kept growth to a minimum in that sector. Apartment and office returns in particular have been hampered by some moderation in pricing trends. The negative valuation effect in those sectors shown in *Figure 2* suggests that investors may be starting to look for higher risk premiums. Interestingly, while office valuation trends may not be all that compelling, the sector has shown stellar NOI growth as in-place leases roll to higher current rates. This may also reflect owners achieving higher rents in exchange for greater tenant improvement allowances.

The low-yield investment environment globally will keep investors searching for opportunities to enhance performance while managing risk. U.S. real estate should continue to garner attention, helping to support asset values. Additionally, the aging population will require cash flowing investments, bolstering demand for commercial real estate further. Interest rates have increased through the first several months of 2018, and are currently approaching 3.0% for the first time since 2013. Lenders have been willing to absorb some of the increase in interest rates as the appetite to lend remains high, but spreads may fall further below historical norms in the coming quarters as the Fed pushes through interest rate hikes in 2018.

While current conditions do not pose a threat to property values, there certainly is risk from rising rates. The Fed is slowly but steadily raising the Fed Funds rate and unwinding quantitative easing as the economy looks to be on solid footing and inflation is running closer to its target rate. Inflation risks are becoming more significant, however, with the labor market tight and new tax legislation potentially overheating

The aging population will require cash flowing investments, bolstering demand for commercial real estate further. Interest rates have increased through the first several months of 2018, and are currently approaching 3.0% for the first time since 2013.

FIG. 2 INDUSTRIAL TOTAL RETURNS OUTPERFORMING OTHER ASSET CLASSES



Sources: NCREIF, Bentall Kennedy

asset prices and raising deficits — a pattern that could lead to higher long-term rates. These dynamics will need to be monitored closely, but consensus opinion currently envisions a relatively slow rise in rates.

The commercial real estate lending environment remains somewhat mixed. Some lenders point to a shortage of demand as transaction volume steps down from cyclical peak levels, while others note that they are at capacity and/or becoming more cautious at this point in the cycle. According to the Fed's fourth quarter Senior Loan Officer Survey, the overwhelming majority of banks (82.4%)held lending standards for land and construction loans unchanged in the prior quarter with a small percentage (14.7%) tightening standards somewhat. For commercial loans on existing nonfarm assets, 90% of banks held lending standards unchanged during the quarter.

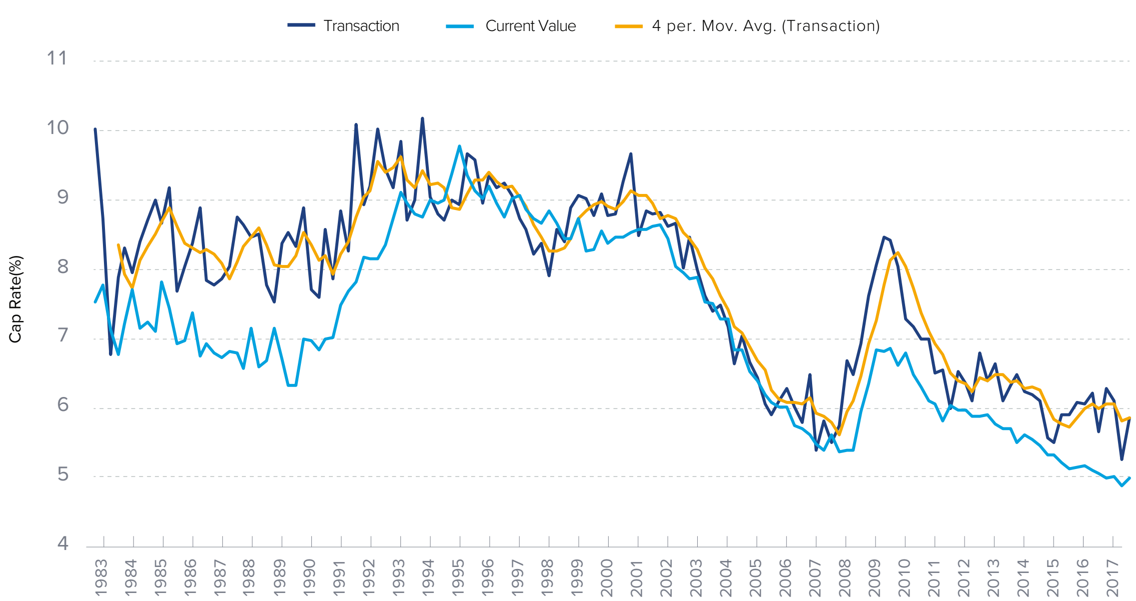
The survey also showed a decrease in lenders tightening standards on multifamily loans, albeit the change was less extreme. Still, there is an overall modest trend toward tightening, especially in the multifamily sector. Lenders were also reporting a decrease in demand for loans. In general, the debt market seems to be supportive of current property values, but there have been opportunities for less traditional lenders to provide financing to borrowers, particularly in the multifamily construction space.

Return expectations are clearly decreasing for commercial real estate, but investors continue to show interest in the asset class. Cap rates show little sign of reversing, let alone a concerted upward move. Capital remains relatively abundant and deal volume, while off its cyclical peaks, is strong, even in comparison to recent short-term averages.

Risks are certainly creeping up along with the expectation of higher long-term rates. Asset selection and the ability to grow income will be important in the years ahead. As we have stated for some time now, NOI growth will be paramount to performance and creating this growth will be increasingly challenging with vacancy rates near cyclical lows and rent growth moderating.

FIG. 3 NO SIGN OF CONCERTED RISE IN CAP RATES

AS OF DECEMBER 31, 2017



Sources: NCREIF Current Value & Transaction-Based Cap Rates

RESPONSIBLE PROPERTY INVESTING

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

MEPT's commitment to RPI has evolved over the years to reflect best-in-class practices, technology, and risk management tools. Accordingly, the Fund has been consistently recognized as a global RPI leader. The leadership and track record established by MEPT and its real estate advisor, Bentall Kennedy, has created a cache of empirical data that validates the positive impact that RPI has on the portfolio.

ENVIRONMENTAL

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

SOCIAL

Since inception, MEPT projects have been well-built by trained craftsmen and craftswomen and accordingly, the Fund has a strong track record of on time and on budget completion. The Fund uses responsible contractors for new construction, renovation, tenant improvements or other capital projects that are signatory to collective bargaining agreements with recognized trade unions. This, along with a focus on tenant well-being and satisfaction, is the foundation of MEPT's industry-leading social investment practice throughout its portfolio.

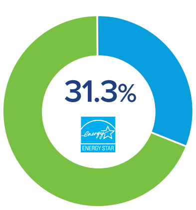
GOVERNANCE

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

2017 RPI HIGHLIGHTS

97.7% of gross asset value benchmarked with ENERGY STAR

31.3% of gross asset value has earned an ENERGY STAR label



$5.3 billion

of gross value representing 64.5% of Fund gross asset value are LEED certified property assets

23 buildings

achieved LEED EB:O&M certification

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

Ranked 1st

globally among its peer group on the Global Real Estate Sustainability Benchmark ("GRESB") for the third year in a row

2017 ACHIEVEMENTS

Environmental

OBJECTIVE | **RESULTS**

Sustainable Development and Redevelopment:

Objective: Achieve U.S. Green Building Council® (USGBC) Leadership in Energy & Environmental Design (LEED®) Silver certification or higher for all development and redevelopment projects

Results: **19 assets** achieved LEED NC/CS/ND certification, totaling **$3.1 billion or 7.1 million square feet**

High-performance, Energy-efficient Operations:

Objective:

Achieve the ENERGY STAR label for its operating assets

Certify assets through the USGBC's LEED for Existing Buildings: Operations &. Maintenance (EB:O&M) Volume program and seek to maintain a quality control and assurance program for all assets

Set 3-year energy reduction targets at operating office and multifamily residential buildings[1,2]

Results:

245 buildings are benchmarked through the ENERGY STAR program, totaling **$10.6 billion in value or 32.4 million square feet**

26 office and 10 industrial buildings earned the ENERGY STAR label, totaling **$3.4 billion in value or 8.8 million square feet**

16 assets (23 buildings) achieved LEED EB:O&M certification and total **$2.7 billion in value and 6.4 million square feet**

43 properties (32 office buildings and 11 multifamily assets) are participating in target setting, representing **11.5 million square feet of space and $4.6 billion of GAV**

2018 overall projections (office & multifamily combined)[1]

- Percent NEUI reduction: **7%**
- Energy saved **(MWh): 14,337**
- CO2e emissions saved (tCO2e): **6,570**
- Cumulative annual utility cost savings: **$2,185,484**

Social

OBJECTIVE | **RESULTS**

Fair Labor Practices:

Objective: MEPT has a Responsible Contractor Policy that requires signatory contractors for all new construction, renovation or rehabilitation, and tenant improvements to ensure workers on its job sites earn fair wages and benefits

Results: MEPT continues to adhere to its Responsible Contractor Policy. Development, pre-development, and re-development activity in 2017 totaled **$287.2 million**

Tenant Well-Being and Satisfaction:

Objective: MEPT's focus on environmentally-friendly assets means that tenants have a healthier and more productive building environment. MEPT seeks to use sustainable practices as a way to attract and maintain controllable tenant retention of more than 80%

Results:

MEPT's operating portfolio is **92.1% leased** at year-end 2017

MEPT's portfolio achieved a controllable net retention rate of **90.6% in 2017**

Governance

OBJECTIVE | **RESULTS**

Objective: The MEPT management team's commitment to industry-leading governance, including a dedicated bank trustee, seeks to ensure that the management of the Fund is solely focused on the interests of its investors and their beneficiaries

Results: One of only a few funds in the U.S. that employ the most independent valuation process, relying first on MAI appraisers, then third-party review appraisers each quarter for every asset

[1] Applies to all assets in the MEPT strategy.

[2] Energy targets based on normalized energy use intensity (NEUI–Kwh per square foot, from previous: normalized for weather, occupancy, and exceptional loads).

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, 2016. 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 5 is computed by chain linking quarterly returns. The ratio of net investment income to average net assets on page 51, 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 5.

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, 2017, 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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