

# MEPT FUND

## Portfolio Metrics as of 1Q 2023

Gross Asset Value	\$9.1 billion
Net Asset Value	\$6.5 billion
Leverage Ratio	28.8%
Cash % of NAV	0.5%
Leased %	93.2%
Number of Investors	292

## Performance Overview

- MEPT generated a first quarter 2023 total return of -2.29% (-2.53%, net), and beat the ODCE by 87 bps.
- MEPT's 1-year total gross return is 0.11% (-0.88%, net), the 3-year total gross return is 8.57% (7.59%, net), and the 5-year total gross return is 7.62% (6.67%, net).
- MEPT outperforms the ODCE in the quarter, 1-, 3-, and 5-year time frames.

## Portfolio Highlights

- In 1Q 2023, ongoing capital markets volatility and the Fed's continued interest rate hikes to combat inflation led to lower market liquidity and muted transaction activity. The quarter was marked by continued quantitative tightening and the failure of SVB in mid-March, leading to tightening lending conditions and increased cost of capital. Credit spreads increased to entirely offset a historic 70-basis-point decline in the 10-year Treasury as investors sought safety.
- As broader macroeconomic headwinds continued in the first quarter, the Fund experienced modest depreciation due to continued terminal cap and discount rate expansion across geographies and property types. Office and urban high-rise multifamily assets were the most affected,

while the impacts to industrial assets were more selective and often entirely offset by continued market rent growth. Despite the current environment, the Fund is in a strong position with a portfolio strategically constructed with substantial overweight allocations to industrial and multifamily and a growing self-storage portfolio.

## Asset Management

- The Fund's operating portfolio was 93.2% leased as of quarter-end. During the quarter, the asset management team completed a 129,549 sf new lease with Xchange Logistics at Centrepointe Chino II, a property in the Fund's Inland Empire industrial portfolio. The team also completed a 187,200 sf renewal with PPG at USA Parkway Distribution Center, an industrial asset located in the Reno market. This lease included 4% annual contractual rent increases. Across the multifamily portfolio, year-over-year renewal rent growth averaged 7.8%.

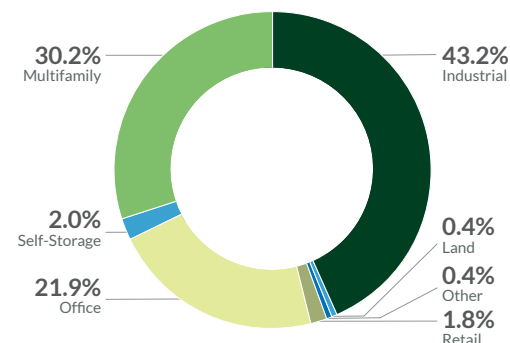
## Transactions

- The Fund acquired five self-storage assets during the first quarter for a gross at-share price of \$82 million. The assets are located in the Tampa, Austin, Dallas, and Phoenix markets.
- The Fund expects to complete the sale of Penn Mar, a Forestville, MD retail property, in the second quarter, and has started the sales process with additional properties.

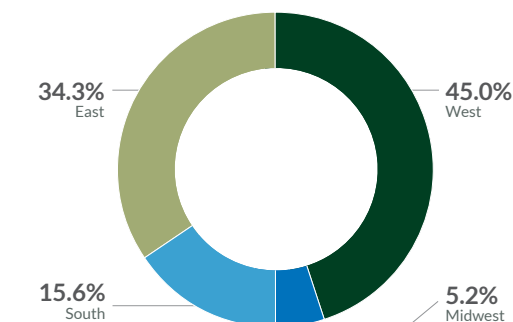
## Financing

- During the quarter, the Fund's leverage ratio increased from 26.6% to 28.8%. The Fund has \$115 million of undrawn credit line capacity and approximately \$30 million of cash.

## Allocation by Property Type (GAV)



## Allocation by Region (GAV)



## Quarterly Unlevered Returns<sup>1</sup>

	GROSS			NET
	INCOME	APP	TOTAL	TOTAL
Industrial	0.84%	-0.66%	0.18%	0.00%
Multifamily	0.86%	-3.31%	-2.44%	-2.62%
Office	1.01%	-4.12%	-3.10%	-3.28%
Self-Storage	0.75%	0.85%	1.60%	1.42%
Retail	1.29%	-7.77%	-6.48%	-6.66%
<b>Total</b>	<b>0.85%</b>	<b>-2.30%</b>	<b>-1.44%</b>	<b>-1.62%</b>

## MEPT 1Q 2023 Fund Level Returns

	Quarter		YTD		1-Year		3-Year		5-Year	
	MEPT	ODCE <sup>2</sup>	MEPT	ODCE <sup>2</sup>	MEPT	ODCE <sup>2</sup>	MEPT	ODCE <sup>2</sup>	MEPT	ODCE <sup>2</sup>
Income (Gross)	0.70%	0.84%	0.70%	0.84%	3.03%	3.35%	3.70%	3.70%	3.87%	3.90%
Appreciation	-2.98%	-3.99%	-2.98%	-3.99%	-2.85%	-6.26%	4.74%	4.58%	3.65%	3.51%
<b>Total (Gross)</b>	<b>-2.29%</b>	<b>-3.16%</b>	<b>-2.29%</b>	<b>-3.16%</b>	<b>0.11%</b>	<b>-3.08%</b>	<b>8.57%</b>	<b>8.41%</b>	<b>7.62%</b>	<b>7.52%</b>
Total (Net) <sup>3</sup>	-2.53%	-3.33%	-2.53%	-3.33%	-0.88%	-3.87%	7.59%	7.47%	6.67%	6.57%

1. Property level returns are shown on an unlevered basis, and the fee applied reflects the highest level of fee charged during the most recent quarter. Fees charged to investors are based on net asset value, and the fee applied to the property-level return is an implied gross asset value fee assuming the same fund level leverage ratio for each property type since MEPT has a combination of fund-level and property-level debt.

2. Preliminary dollar-weighted ODCE returns.

3. The Fund's net returns noted above reflect the deduction of the highest level of fees charged during the respective time period noted. Net returns may be higher for clients who qualify for a lower fee. More information on the Fund's tiered fee structure is available upon request.

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Trustee



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