BGO MEPT Fund

2Q 2024 | Quarterly Report

Portfolio Manager's Letter

The second quarter marked a significant improvement in performance relative to recent quarters and provided signals we are approaching a turning point in this latest commercial estate market cycle. BGO MEPT Fund ("BGO MEPT", "MEPT", or the "Fund") delivered a **total gross return of -0.73% (-0.98%, net)** for the second quarter and -**12.16% (-13.02%)** for the past year.

While this marks the Fund's seventh consecutive quarter of negative returns, it was the Fund's strongest return since Q3 2022 as depreciation moderated across most of the portfolio. Industrial and Multifamily, accounting for a combined 77% of the Fund, experienced modest depreciation, which was fully offset by income leading to positive total gross unlevered returns for both sectors. Office depreciation accounted for half of the Fund's property level depreciation during the quarter, and we do not expect the write downs to persist at the same magnitude of the past 18 months. The Fund's office assets have now collectively depreciated 50% (of GAV) since 1Q 2020.

Each cycle and recovery are bound to take their own shape, but previous downturns (i.e., the Global Financial Crisis and the Savings & Loans Crisis) clearly exhibited moderating depreciation as the bottom was reached. BGO's house view (see page 5) is that **economic conditions are becoming increasingly accommodative for commercial real estate appreciation in the coming quarters.** The Fed's tightening position has likely ended, and we expect 1 – 2 rate cuts by year-end starting in September, and property fundamentals are relatively strong. **BGO's core funds have historically delivered reliable and attractive risk adjusted returns via stable income and consistent long-term appreciation following periods of price correction.** The Funds delivered 12+ consecutive years of positive returns following those two previous downturns.

We believe MEPT's sector allocations and capital structure position the Fund for a faster escape velocity from the bottom of the cycle and will lead to improved absolute and relative performance to the ODCE benchmark. The Fund features overweight allocations to Industrial and Multifamily, which are set to benefit from favorable long-term property fundamentals with continued strong demand and shrinking supply pipelines. Additionally, the Fund has maintained a strong balance sheet, devoid of distress, with limited near-term debt maturities with $360M in maturities through 2025, and a weighted average interest rate of 4.6%[1].

Lastly, the Fund reports a redemption queue of $1.75 billion after the July distribution. **We continue to balance long-term performance with honoring our investor's liquidity needs.** To that end, the Fund distributed $30 million in July and has now distributed more than $2.3 billion to investors since 2Q 2020. Despite tepid commercial real estate transaction markets during the first half of 2024, we have identified pockets of liquidity in our portfolio without sacrificing long-term strategic assets. The Fund completed the sale of 575 Albany St., a Boston vacant shell building, and 1 of 2 buildings at Nordhoff XC, a Los Angeles industrial property.

In early Q3, the Fund closed on the sale of Penn Mar Shopping Center, a Washington D.C. area retail property, and USA Parkway, a Reno industrial property. Additionally, we continue to evaluate additional non-strategic properties for disposition that would close in 2024.

As always, we greatly appreciate your continued confidence in our stewardship of your capital, and we remain committed to keeping you apprised of pertinent Fund and market developments.

Mike Keating
Managing Partner,
BGO
Senior Portfolio Manager

1 Includes effects of interest rate hedging.

On the Cover:
The Smith
Multifamily, Boston

Contents

Shepherd Storage
Self-Storage, Lakeland

BGO MEPT Fund Overview[1]

As of June 30, 2024

Fund Snapshot

Gross Asset Value

$7.4B

Net Asset Value

$5.3B

97
Assets

25+
Markets

283
Investors

35.2M
Square Feet
(Operating Portfolio)

28.8%
Leverage as a % of GAV

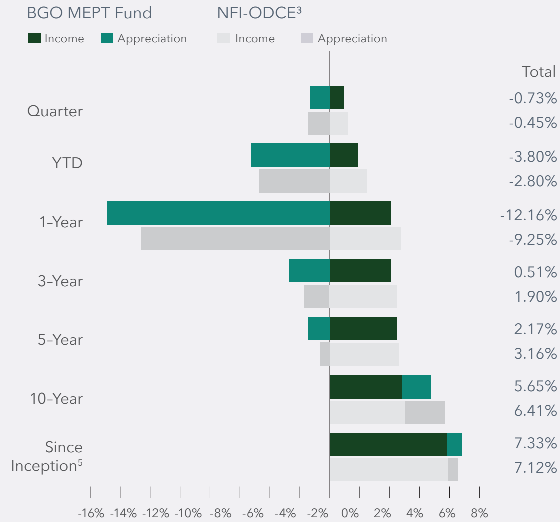
0.4%
Cash as a % of NAV

91.3%
Percent Leased
(Operating Portfolio)

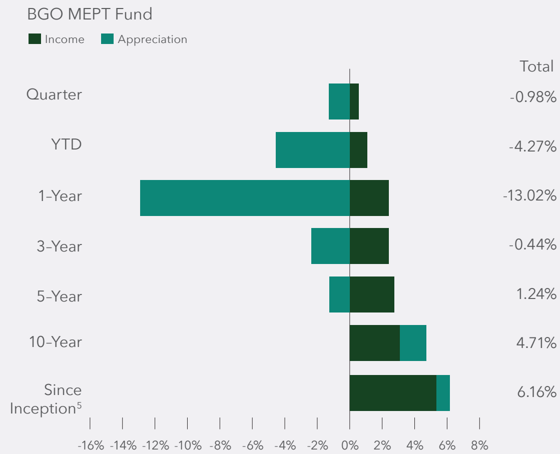
11.3 yrs
Average Property Age

Fund Returns 2Q 2024[2]

Gross of Fees



Net of Fees



1 Asset values and performance returns set forth in this report are based upon and consistent with the methodologies used for calculating such information described in the current applicable fund document for MEPT. Schedules of investment performance for MEPT are prepared by NewTower Trust 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). Real estate revenue is reported when contractually earned and billable to be consistent with the valuation methodology used to determine unrealized gains and losses.

2 Please note: Past performance is not indicative of future results. Performance objectives (whether based on market conditions that affect MEPT Fund or on MEPT Fund 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.

3 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.

4 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.

5 MEPT inception date: 4/1/1982

U.S. Market Overview

Economy Remains Resilient

Halfway through 2024, the US economy has performed largely as we expected. Economic growth has slowed from 2023's outsized, unsustainable pace, but remains healthy. Consumption's strong run continues, although it is slowing. Private investment rebounded from a slow fourth quarter. Fiscal policy remains active, if not excessively stimulative. Inflation is decelerating, with the first quarter's anomalous resurgence behind us. Yearly inflation rates are now back to their lowest levels in years and within shouting distance of the Fed's 2% target rate. And interest rates remain elevated, with no moves by the Fed since last year. More broadly, we see an economy that is normalizing after some wild swings up and down over the last four years, not one that is simply slowing.

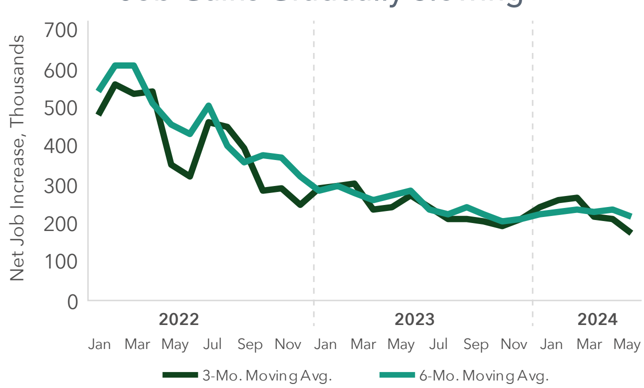
As we move further away from the exogenous shock of the pandemic, its reverberations have lessened, and the economy is increasingly operating closer to pre-pandemic norms.

But the reversion to norms is also manifesting in the labor market. While still tight, the labor market has exhibited some loosening over the last year following a period of excessive strength in the wake of the pandemic. Although not yet troublesome, the changes in the labor market are causing a shift in the balance of risks in the economy. For much of the last two years, with the labor market so strong, the Fed rightly focused on inflation. Now with inflation slowing considerably, but labor weakening a bit, the Fed is shifting its attention away from inflation to employment. That suggests rate cuts over the latter half of the year, but the timing and frequency remain uncertain.

Commercial Real Estate Strengthens

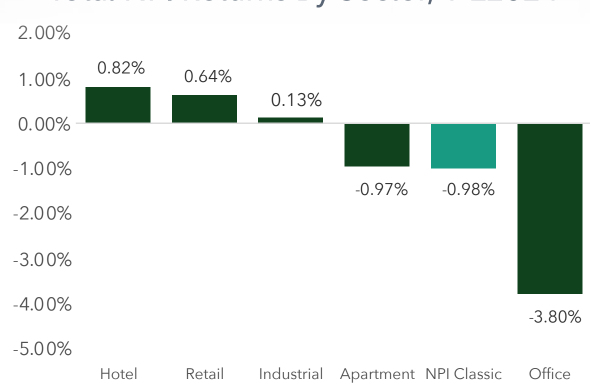
With the economy expanding commercial real estate (CRE) has performed relatively well. Space market fundamentals are generally performing well across property types. That performance is translating into healthy and consistent income returns. Meanwhile, with the Fed ending its tightening phase of this business cycle, appreciation returns are stabilizing and reverting back to positive territory quickly. Although overall CRE returns remained negative through the first quarter, the majority of that stemmed from the office sector which is enduring well-known, idiosyncratic problems. Outside of office most major property sectors have resumed positive returns. If the Fed cuts rates in the latter half of the year, as we continue to expect, that should further boost appreciation returns and consequently total returns. The process should occur slowly and inconsistently at first but gather momentum in 2025. The outlook for CRE is brightening.

Job Gains Gradually Slowing



Sources: BLS, BGO Research

Total NPI Returns By Sector, 1Q2024



Sources: NCREIF, BGO Research

Property Sector Metrics and Performance

Portfolio Metrics

As of June 30, 2024

	Assets[1]	% of Allocation (GAV)[1]	Gross Total Return[2]	Net Total Return[3]	Leased[4]	Average Stabilized Cap Rate[4]
Industrial	32	43.9%	0.4%	0.2%	94.3%	5.2%
Multifamily	27	32.9%	0.6%	0.4%	95.2%	4.9%
Office	18	18.0%	-1.9%	-2.1%	77.8%	7.1%
Self-Storage	14	2.1%	-6.2%	-6.4%	93.4%	5.4%
Retail	3	2.2%	-0.6%	-0.8%	90.1%	6.8%

The Marlowe Lake Boone
Multifamily, Raleigh

1 Excludes land and parking assets.

2 Property level quarterly returns are gross of fees and shown on an unlevered basis.

3 Property level returns are shown on an unlevered basis, and the fee applied reflects the highest level of fee charged during the time period. 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.

4 Excludes non-operating assets.

Industrial

The Fund's industrial portfolio delivered a total gross return of 0.39% (0.21%, net of fees), comprised of 0.89% income and 0.51% depreciation.

Most industrial markets have adjusted to the short-term increase in deliveries and will absorb the new space over the next 12-24 months. New supply is expected to slow following this year. According to a 1Q24 JLL report[1], 87% of all assets under construction are slated to deliver by the end of 2024. As a result, most industrial markets are poised to tighten by the second half of 2025. Despite the increased supply in the industrial market, BGO's asset management team continues to achieve strong leasing activity. Among their recent successes are a 3-year renewal at AVE Aviation & Commerce Center in Miami, FL, with a base rent 75% higher than the previous rate, and a new 7-year lease for 125,692 sf at Metro Air Park in Sacramento, CA. The Fund's industrial portfolio has in-place rents approximately 47% below market rates, and will continue to benefit from strong re-leasing spreads.

MEPT has a 43.9% allocation to industrial, a significant overweight of 10.1 percentage points compared to the ODCE. **The industrial portfolio remains well leased at 94.3% with a weighted average lease term of 4.6 years.**

Multifamily

The Fund's multifamily portfolio delivered a total gross return of 0.62% (0.44%, net of fees), consisting of 0.96% income and 0.34% depreciation. Multifamily was the Fund's best performing sector benefiting from increases to market rents as elevated housing prices and mortgage rates continue to drive demand for rental housing. The uneven distribution of recent new supply has highlighted the benefits of maintaining a diversified multifamily portfolio, as coastal Gateway cities did not experience the same level of new construction as some markets in the Sun Belt, and therefore maintained strong rent growth. Given the anticipation of prolonged higher interest rates and the ongoing housing shortage in the US, we continue to believe multifamily properties will be among the top-performing sectors.

MEPT has a 32.9% allocation to multifamily, an overweight of 3.5 percentage points compared to the ODCE. **The multifamily portfolio is 95.2% leased, and the Fund's stabilized multifamily portfolio achieved an average rent growth of 3.8% on renewal trade-outs in the second quarter.**

Office

The Fund's office portfolio delivered a total gross return of -1.90% (-2.07%, net of fees) in the second quarter, consisting of 1.12% income and 3.01% depreciation. Despite office depreciation accounting for half of the total property level depreciation during the quarter, it marked a notable improvement from prior quarters. While office depreciation is likely to persist in the future quarters, it is unlikely to match the magnitude experienced over the past year. Following the Q2 valuations, the Fund's current office portfolio has depreciated by 50%, on a GAV basis, since Q1 2020.

The financial strength of landlords is more important than ever before to win new leases and retain existing tenants. Tenants want to ensure they are leasing space in buildings that will be well maintained and occupied. The Fund's strong balance sheet and BGO's proactive tenant engagement to understand current and future space needs has proven successful in a highly competitive office leasing market. At 757 Third Avenue in Manhattan, we recently executed a 5-year lease extension with an anchor tenant for 58,000 sf that resulted in a higher base rent than the original agreement.

MEPT has an 18.0% allocation to office, an overweight of 0.7 percentage points compared to the ODCE. **The Fund's office portfolio has a weighted average lease term of 6.4 years.**

Self-Storage and Other

The Fund's self-storage portfolio delivered a total gross return of -6.19% (-6.36%, net of fees), consisting of 0.94% income and 7.13% depreciation. The Fund's self-storage portfolio consists of 14 properties and a 2.1% Fund allocation. The self-storage portfolio's negative return in Q2 was the result of softening move-in rental rates across most assets partially due to the slowdown in US homes sales. However, the self-storage portfolio continues to benefit from strong existing customer rent increases resulting in positive NOI growth. Additionally, operating asset occupancy rose by 214 basis points to 93.4%.

The Fund's retail portfolio delivered a total gross return of -0.58% (-0.76%, net of fees) in the second quarter, consisting of 1.63% income and 2.21% depreciation. The Fund's retail portfolio consists of three properties, a 2.2% Fund allocation, which is a significant underweight of 8.6 percentage points compared to the ODCE. **The retail portfolio has a weighted average lease term of 7.5 years.**

1 Source: https://www.us.jll.com/en/trends-and-insights/research/industrial-market-statistics-trends

Transactions

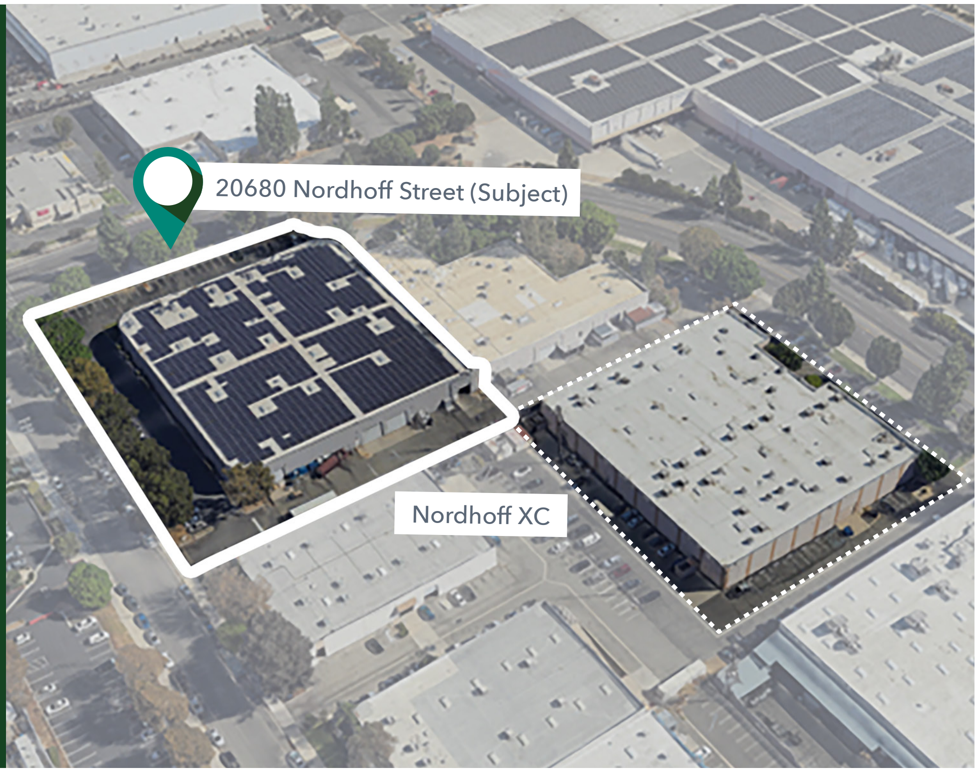
Nordhoff XC Industrial Disposition

$21.0M
Sale Price

60,043
Square feet

100%
Leased

1979
Year Built

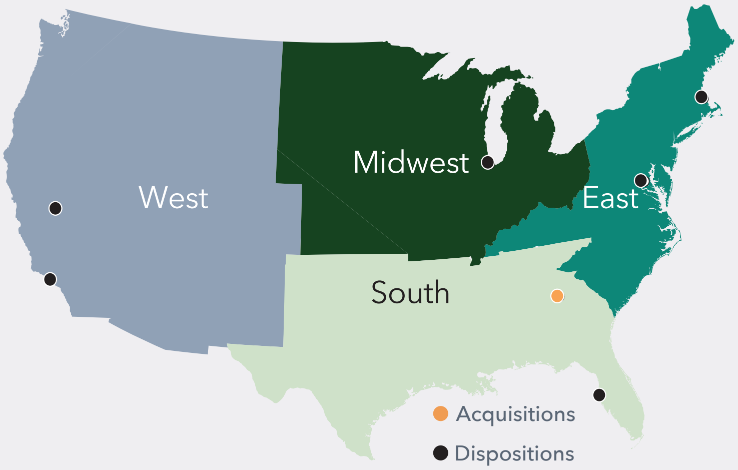


Nordhoff XC - 20680 Nordhoff Street
Industrial, Los Angeles

In the second quarter, the Fund completed the sale of 575 Albany St., a Boston vacant shell building, and 1 of 2 buildings at Nordhoff XC, a Los Angeles industrial property. At Nordhoff XC, where the Fund holds a 77% ownership stake in a joint venture, the existing tenant made an unsolicited, above-market offer that surpassed the Fund's acquisition basis.

In early Q3, the Fund sold Penn Mar Shopping Center, a grocery-anchored retail center in Maryland, and USA Parkway, a Reno industrial property. Lastly, the Fund has started the sales process with additional properties as it continues to navigate a slowly recovering transaction environment.

Northpoint
Industrial, Chicago



Acquisitions[1]

$5.3M
Closed

$0M
In Process

$5.3M
Acquisition Pipeline Total

Dispositions[2]

$23.6M
Closed

$252.9M
In Process

$276.5M
Disposition Pipeline Total

2024 Transactions

Closed and In Process

Property Type	Acquisition Transaction Amount ($M)	Disposition Transaction Amount ($M)
Industrial	$0	$167
Multifamily	$0	$45
Office	$0	$0
Self-Storage	$5	$0
Retail	$0	$65
Other	$0	$0
Total	$5	$276

1 The transactions referenced herein represent certain prospective investments and there can be no assurance that the Fund will actually make investments that are comparable in scope, type or quality to such investments or that similar investments will be available to the Fund.

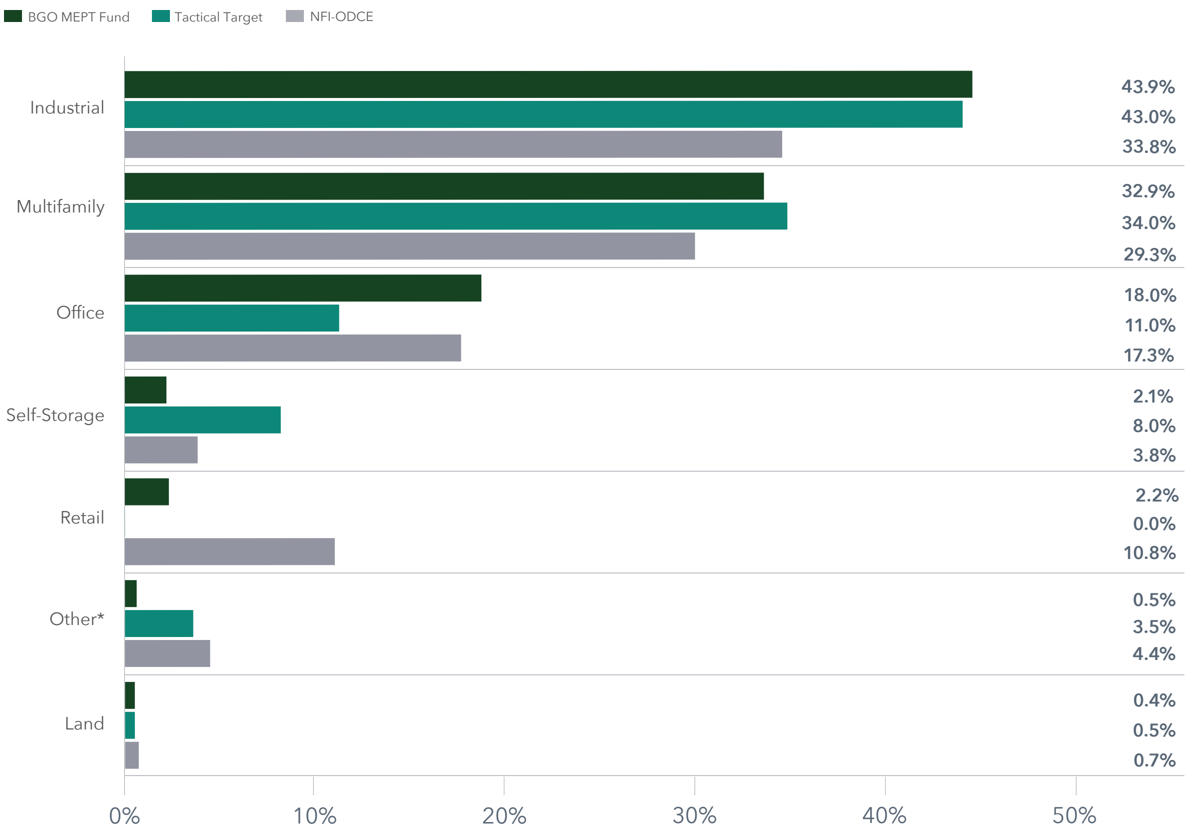
2 The Fund may sell the assets listed here for more or less than the amounts noted.

All Acquisition and Disposition values are at the Fund's ownership share.

BGO MEPT Fund by the Numbers

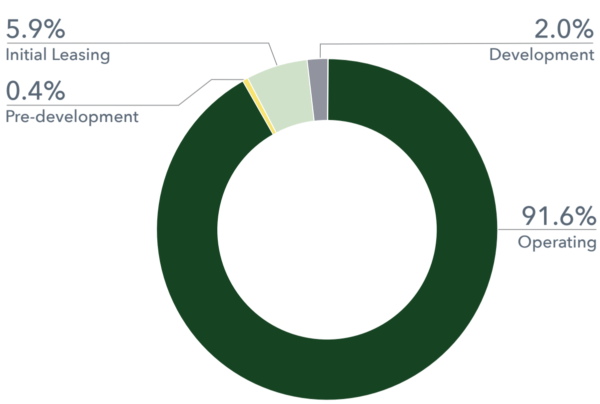
As of June 30, 2024

By Property Type (GAV)

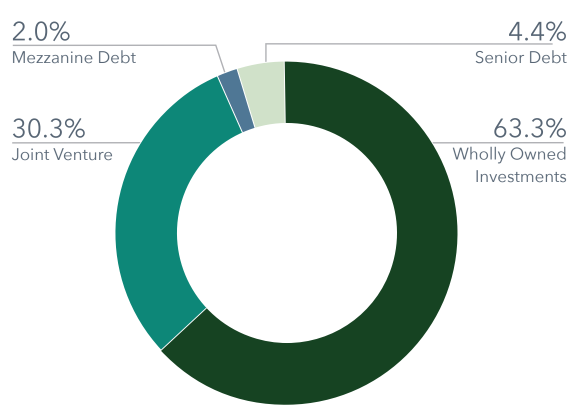


*Includes life science and other property types.

By Life Cycle (GAV)



By Investment Structure (GAV)



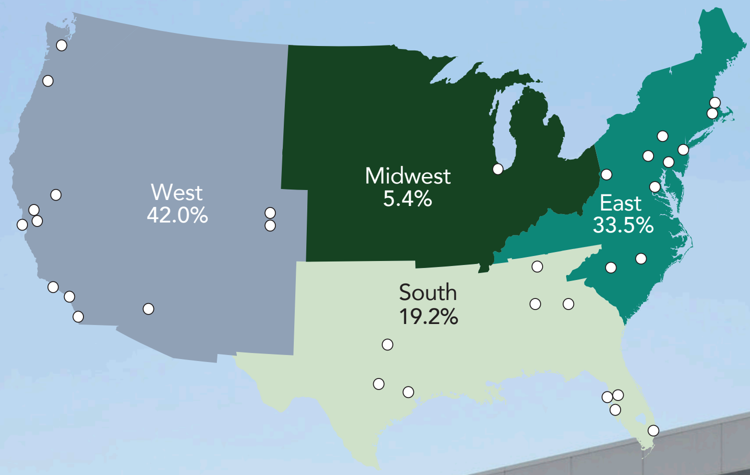
Notes

Asset values and performance returns set forth in this report are based upon and consistent with the methodologies used for calculating such information described in the current applicable fund documents for MEPT.

Forward looking statements found in this report are subject to change and applicable only as of the date made. Many of the factors affecting such statements are impossible to predict with certainty, and as such, are outside the control of MEPT. Further, past performance is not indicative of future results.

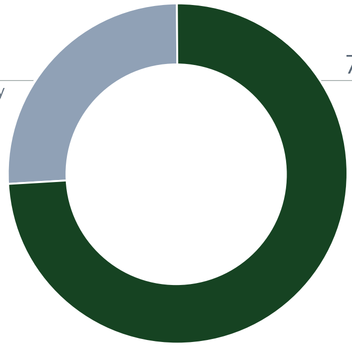
Diversification by Geographic Region (GAV)

West	$4,295.1M
Midwest	$ 547.5M
East	$3,420.2M
South	$1,959.2M



1150 Commerce Boulevard
Industrial, Philadelphia

By Market (GAV)



Top Markets by Investment

As of June 30, 2024

Market	GAV (in $m)	% of GAV
Los Angeles	$ 1,399.4	13.7%
New York	1,091.0	10.7%
Dallas	932.7	9.1%
Boston	830.1	8.1%
Portland, OR	631.2	6.2%
Washington, DC	558.6	5.5%
Chicago	547.5	5.4%
Seattle	497.2	4.9%
San Francisco	397.0	3.9%
Other Markets	3,337.3	32.6%
Total	**$10,221.9**	**100.0%**

Primary Market   Non-primary Market

BGO MEPT Fund by the Numbers

AVE Aviation & Commerce Center
Industrial, Miami

The Octagon
Multifamily, New York

BGO MEPT Fund Top 10 Tenants by Revenue

As of June 30, 2024

Tenant Name	Lease End Date	Percent Total Revenue
Amazon	Varies	3.8%
GSA	Varies	2.4%
Disney	11/30/27	1.8%
Walmart	01/31/29	0.9%
Grant Thornton	04/30/35	0.7%
Chewy	Varies	0.7%
Aurora Innovation	04/17/31	0.7%
BNP Paribas	07/31/42	0.6%
Georgia-Pacific	02/28/31	0.6%
Wolf Research	06/30/33	0.5%
Total		12.9%

BGO MEPT Fund 10 Largest Assets (GAV)

As of June 30, 2024

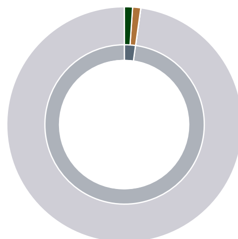
Property Name	Market	Gross Asset Value at Share ($M)
The Smith Multifamily	Boston	$414.0
The Octagon Multifamily	New York	$360.0
Haven Gateway Industrial	Los Angeles	$353.0
Newport Tower Office	New York	$267.0
Solaire Multifamily	San Francisco	$239.0
Mission Trails Industrial Center Industrial	San Diego	$233.0
1900 16th St Office	Denver	$214.3
AVE Aviation & Commerce Center Industrial	Miami	$200.0
200 West Madison Office	Chicago	$189.0
Eastgate 540 Industrial	Raleigh	$184.0

Lease Rollover

Percent of Net Rentable Area

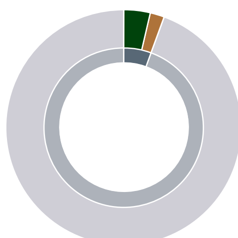
2024

Industrial	0.59%
Office	0.85%
Retail	0.03%
Consolidated	1.47%



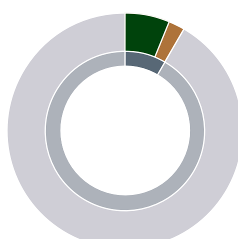
2025

Industrial	3.86%
Office	1.86%
Retail	0.10%
Consolidated	5.82%



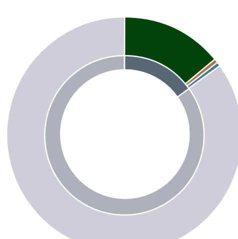
2026

Industrial	6.32%
Office	2.10%
Retail	0.05%
Consolidated	8.47%



2027

Industrial	14.05%
Office	0.71%
Retail	0.35%
Consolidated	15.10%

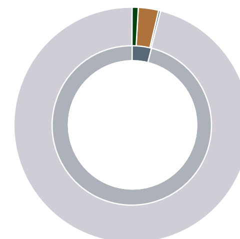


Lease Rollover

Percent of Revenue

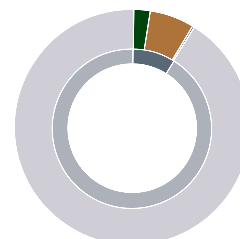
2024

Industrial	0.51%
Office	2.53%
Retail	0.06%
Consolidated	3.09%



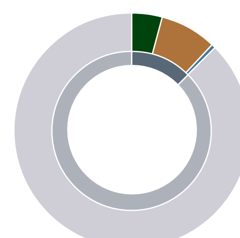
2025

Industrial	2.49%
Office	6.11%
Retail	0.24%
Consolidated	8.84%



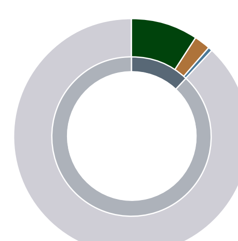
2026

Industrial	4.31%
Office	7.84%
Retail	0.15%
Consolidated	12.30%



2027

Industrial	9.38%
Office	2.31%
Retail	0.53%
Consolidated	12.22%



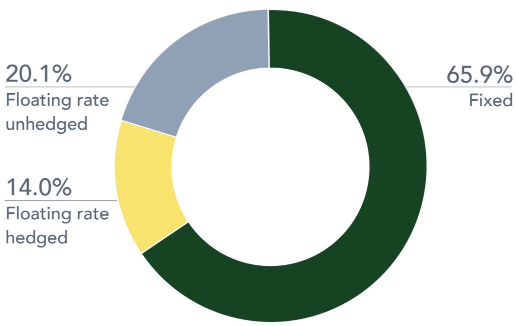
Debt Structure

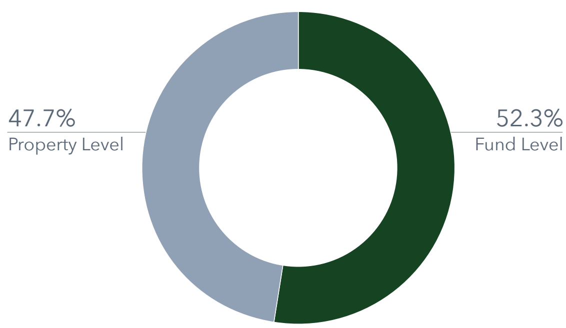
As of June 30, 2024

During the second quarter, the Fund's leverage ratio decreased from 29.7% to 28.8%. In addition, the Fund's weighted average interest rate is 4.55%[1] with an average remaining term of 3.5 years. After a recent by-right industrial property loan extension the Fund now has $34M of remaining maturities in 2024.

28.8%
Current Leverage Ratio

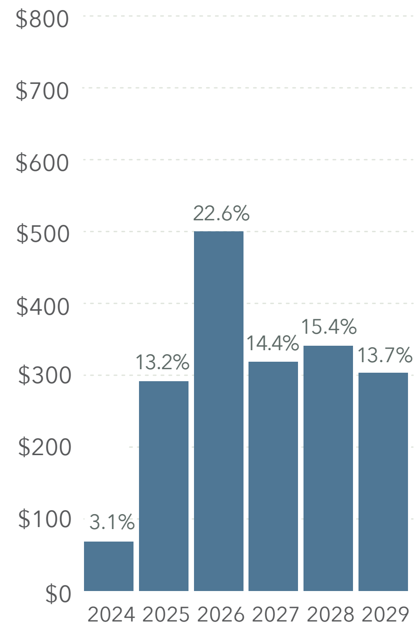
4.55%[1]
Weighted Average Interest Rate





Debt Maturity Schedule

As of June 30, 2024
(in $ millions)



1 Includes interest rate hedging.

Tier 1 (T1) Leverage*	
Economic Share of Mortgages Payable	$ 985,123,305
Economic Share of Lines of credit	$ 323,890,937
Economic Share of Term Loans & Private Placements	$ 903,359,131
T1 Total Leverage	**$ 2,212,373,374**
Total Assets per consolidated statement of net assets	$ 9,277,895,788
Non-controlling interest in net assets	$ (2,819,776,699)
Fund's share of non-consolidated joint venture liabilities	$ 966,541,489
Total Gross Assets	$ 7,424,660,578
T1 Leverage Percentage	**29.80%**

*The NCREIF PREA Reporting Standards require that T1 Leverage is disclosed. More information can be found at: https://reportingstandards.info/

Environmental, Social and Governance (ESG)

2023 Sustainability KPIs

Energy
7.9
ekWh/sqft
1.7% increase in energy use intensity vs. 2022

Data Coverage
67%
4.3% decrease in data coverage vs. 2022

Water
37.5
L/sqft
0.4% decrease in water use intensity vs. 2022

Waste Diversion Rate
28%
7.9% increase in waste diversion rate vs. 2022

Building Certifications
76%
of the portfolio's NRA has at least one green building certification1

Building Certifications - Key Metrics

BGO MEPT Fund aims to certify all eligible assets throughout the year, including recent acquisitions, to verify building performance according to a third-party framework and add value for both investors and tenant experience. As of Q2 2024, 76% of the portfolio has achieved at least one building certification (based on floor area).

As of June 30, 2024	BGO MEPT Fund[3]
LEED Certified Buildings[2]	31
NGBS: New Construction	11
BOMA BEST Certified Properties	78
Fitwel Certified Properties	9
ENERGY STAR certified	16

1 As of June 30, 2024
2 Includes LEED BD+C, O+M, Neighborhood Development, Homes
3. Figures reflect number of buildings with at least one green building certification

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