

THE QUARTERLY

TRUST REPORT

 MULTI-EMPLOYER PROPERTY TRUST

FOURTH QUARTER | JANUARY 2004 | VOLUME 18, NUMBER 4



THE MULTI-EMPLOYER PROPERTY TRUST closed 2003 with a unit value of \$4,478.51 up **8.62 percent** (net of fees) from year-end 2002. For the fourth quarter, MEPT's Unit Value rose **2.33 percent** (net of fees) from the previous quarter.

With its fourth quarter performance, MEPT more than exceeded its goal of a total net return in the range of 6.5 percent to 7.5 percent for 2003. Solid leasing throughout the portfolio in the face of challenging market conditions, combined with market-driven capitalization rate compression in Class A properties, helped produce the Fund's solid performance. In a particularly difficult year for the office sector, MEPT's operating portfolio performed extremely well. The strong investor demand that drove record price appreciation does not show any sign of letting up in 2004.



Acquired in December 2003:
3500 Lacey Road, Chicago.

MEPT started the year with several objectives that included continuing its intense focus on asset management, reducing the Fund's cash position, establishing a line of credit for additional liquidity as the cash position decreased, taking advantage of current low interest rates by utilizing prudent leverage (placing debt) on acquired properties, and continuing to make new construction investments in markets where it was warranted. **MEPT made substantial progress toward achieving these goals throughout the year.**

As of January 1, 2004, MEPT's net asset value stood at \$3.62 billion. During 2003, MEPT welcomed 25 new investors as participants to the Fund, including seven that joined during the fourth quarter. There are now a total of 241 plans invested in MEPT. 2003 net new investment by MEPT participants totaled \$117.0 million. In 2003, MEPT committed \$263.7 million to newly acquired assets and projects, and sold four assets totaling net sales of \$78.2 million. MEPT's portfolio now consists of 156 funded properties in 32 markets across the country.

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