

**UNITE HERE LOCAL 25 AND
HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
THIRD QUARTER
2018**

ADMINISTRATIVE MANAGER'S REPORT

THIRD QUARTER 2018
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$2.3500	09-15-22	33	\$37,624	16,010
CAPITAL HILTON	2.3500	09-15-22	239	235,921	100,392
CAPITOL SKYLINE HOTEL	2.3500	09-15-22	41	47,461	20,196
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	2.3500	09-15-22	119	127,809	54,387
FAIRFAX AT EMBASSY ROW	2.3500	09-15-22	68	63,929	27,204
HAY-ADAMS HOTEL	2.3500	09-15-22	152	154,856	65,896
HILTON WASH. EMBASSY ROW HOTEL	2.3500	09-15-22	54	61,046	25,977
HYATT REGENCY WASHINGTON ON CAPITOL HILL	2.3500	09-15-22	313	321,337	136,739
JEFFERSON HOTEL	2.3500	09-15-22	74	76,427	32,522
LIAISON CAPITOL HILL	2.3500	09-15-22	123	123,023	52,350
MANDARIN ORIENTAL	2.3500	09-15-22	214	212,024	90,223
MARRIOTT MARQUIS	2.3500	09-15-22	514	508,098	216,212
MARRIOTT WARDMAN PARK	2.3500	09-15-22	552	523,472	222,754
OMNI-SHOREHAM HOTEL	2.3500	09-15-22	379	376,303	160,129
PHOENIX PARK HOTEL	2.3500	09-15-22	30	31,974	13,606
RENAISSANCE MAYFLOWER HOTEL	2.3500	09-15-22	295	306,565	130,453
ST. REGIS WASHINGTON D.C	2.3500	09-15-22	138	144,758	61,599
THE MADISON WASH DC, A HILTON HOTEL	2.3500	09-15-22	155	142,657	60,705
WASHINGTON COURT HOTEL	2.3500	09-15-22	463	111,649	47,510
WASHINGTON HILTON HOTEL & TOWERS	2.3500	09-15-22	547	480,133	204,312
W HOTEL	2.3500	09-15-22	183	191,069	81,306
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	2.3500	09-15-22	35	37,746	16,062
POWERSCOURT RESTAURANT	2.3500	09-15-22	13	100,195	42,636
INDEPENDENTS					
AC HOTEL NATIONAL HARBOR	2.3500	11-01-22	31	30,935	13,164
ARAMARK @ CAPITAL ONE ARENA	2.0000	12-02-17	5	2,608	1,304
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	2.3500	10-15-22	187	211,122	89,839
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	2.3500	10-15-22	71	82,438	35,080
GAYLORD NATL.RESORT AND CONFERENCE CTR	2.3500	11-01-22	1,089	1,002,355	426,534
HILTON CRYSTAL CITY HOTEL@ REAGAN	2.3500	11-15-22	114	118,468	50,412
HILTON MCLEAN TYSONS CORNER	2.3500	10-15-22	189	196,820	83,753
NATIONAL DEMOCRATIC CLUB	2.1000	04-30-20	15	14,404	6,859
RESTAURANT ASSOC./KENNEDY CENTER	2.3500	03-16-21	108	100,195	42,636
SHERATON PREMIERE HOTEL AT TYSONS CORNER	2.3500	11-15-22	105	112,530	47,885
UNITE HERE LOCAL 25	2.4600	09-15-22	23	27,914	11,347
UNITE HERE LOCAL 25 TEMP. EMP	2.3500	09-15-22	1	263	112
WOODNER HOTEL	2.2500	11-30-17	7	8,388	3,728
			6,679	\$6,324,516	2,691,833

AVG HR CONTRIBUTION \$2.350

AVG HRS PER MONTH
PER PARTICIPANT 134.34

THIRD QUARTER 2018 EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$3,847,775	\$1.429	93.57%
DEATH BENEFITS	20,000	0.007	0.49%
SUBTOTAL	\$3,867,775	\$1.436	94.06%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$169	\$0.000	0.00%
AUDITOR	12,000	0.004	0.29%
ACTUARIAL FEE	15,185	0.006	0.37%
ADMINISTRATION	85,125	0.032	2.07%
BREDHOFF & KAISER	5,150	0.002	0.13%
FIDUCIARY	76,646	0.028	1.86%
INVESTMENT MGMT. FEES	32,801	0.012	0.80%
INSURANCE/BOND	4,429	0.002	0.11%
PAYROLL AUDITOR	2,638	0.001	0.06%
POSTAGE	588	0.000	0.01%
PRINTING	92	0.000	0.00%
SEYFARTH SHAW	9,693	0.004	0.24%
SUBTOTAL	\$244,516	\$0.0910	5.94%
TOTAL EXPENSES	\$4,112,291	\$1.5270	100.0%

RETIREEES	2,426	AVERAGE MONTHLY PAYOUT	\$528.69
DEATH CLAIMS	10	AVERAGE COST/CLAIM	\$2,000.00

THIRD QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
CONTRIBUTIONS	\$5,842,190	\$6,441,446	\$6,324,516		\$18,608,152
MISCELLANEOUS INCOME ¹	8,683	10,268	59,027		77,978
INTEREST & DIVIDENDS	27,901	42,029	37,029		106,959
INVESTMENT INCOME	728,537	851,517	2,944,618		4,524,672
WITHDRAWAL LIABILITY	0	0	0		0

TOTAL INCOME	\$6,607,311	\$7,345,260	\$9,365,190		\$23,317,761
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BENEFIT EXPENSES					
PENSION BENEFITS	\$3,693,741	\$3,789,135	\$3,847,775		\$11,330,651
DEATH BENEFITS	22,000	12,000	20,000		54,000
SUBTOTAL	\$3,715,741	\$3,801,135	\$3,867,775		\$11,384,651

OPERATING EXPENSES					
ADMINISTRATION	\$80,174	\$82,920	\$85,125		\$248,219
MISCELLANEOUS	102,193	88,859	159,391		350,443
SUBTOTAL	\$182,367	\$171,779	\$244,516		\$598,662

TOTAL EXPENSES	\$3,898,108	\$3,972,914	\$4,112,291		\$11,983,313
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TOTAL INCOME	\$6,607,311	\$7,345,260	\$9,365,190		\$23,317,761
TOTAL EXPENSES	3,898,108	3,972,914	4,112,291		11,983,313
SURPLUS (DEFICIT)	\$2,709,203	\$3,372,346	\$5,252,899		\$11,334,448

TOTAL PARTICIPANTS	6,411	6,506	6,679	
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¹MISCELLANEOUS INCOME: HILTON WASHINGTON@EMBASSY ROW PAYROLL AUDIT \$17,306.81 AND INTEREST \$7,679.49. MANDARIN ORIENTAL HOTEL PAYROLL AUDIT \$14,613.43 AND INTEREST \$11,355.83. PHOENIX PARK HOTEL PAYROLL AUDIT \$42.00 AND INTEREST \$10.25. HAY ADAMS HOTEL PAYROLL AUDIT \$5,753.65 AND INTEREST \$1,015.69. LEVY@VERIZON CENTER WITHDRAWAL LIABILITY ESTIMATED FEE \$1,250.00.

2017
QUARTERLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	TOTAL
CONTRIBUTIONS	\$5,758,595	\$6,329,817	\$6,103,732	\$6,008,731	\$24,200,875
MISCELLANEOUS INCOME	3,750	6,287	2,500	1,250	13,787
INTEREST & DIVIDENDS	7,281	13,577	22,099	20,805	63,762
INVESTMENT INCOME	6,872,197	2,221,422	4,941,305	8,826,903	22,861,827

TOTAL INCOME	\$12,641,823	\$8,571,103	\$11,069,636	\$14,857,689	\$47,140,251
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BENEFIT EXPENSES					
PENSION BENEFITS	\$2,871,095	\$2,913,565	\$4,276,308	\$3,417,839	\$13,478,807
DEATH BENEFITS	36,000	22,000	9,000	18,000	85,000
SUBTOTAL	\$2,907,095	\$2,935,565	\$4,285,308	\$3,435,839	\$13,563,807

OPERATING EXPENSES					
ADMINISTRATION	\$80,655	\$84,029	\$85,427	\$77,166	\$327,277
MISCELLANEOUS	95,720	95,353	123,699	158,029	472,801
SUBTOTAL	\$176,375	\$179,382	\$209,126	\$235,195	\$800,078

TOTAL EXPENSES	\$3,083,470	\$3,114,947	\$4,494,434	\$3,671,034	\$14,363,885
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TOTAL INCOME	\$12,641,823	\$8,571,103	\$11,069,636	\$14,857,689	\$47,140,251
TOTAL EXPENSES	3,083,470	3,114,947	4,494,434	3,671,034	14,363,885
SURPLUS (DEFICIT)	\$9,558,353	\$5,456,156	\$6,575,202	\$11,186,655	\$32,776,366

TOTAL PARTICIPANTS	6,670	6,621	6,449	6,520	
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THIRD QUARTER 2018
HOURLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	AVG. TOTAL
CONTRIBUTIONS	\$2.262	\$2.342	\$2.350		\$2.3180
MISCELLANEOUS INCOME	0.003	0.004	0.022		0.0097
INTEREST PNC	0.011	0.015	0.014		0.0133

TOTAL INCOME	\$2.276	\$2.361	\$2.386		\$2.3410
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1.430	\$1.378	\$1.429		\$1.412
DEATH BENEFITS	0.009	0.004	0.007		0.007
SUBTOTAL	\$1.439	\$1.382	\$1.436		\$1.419

OPERATING EXPENSES					
ADMINISTRATION	\$0.031	\$0.030	\$0.032		\$0.031
MISCELLANEOUS	0.040	0.032	0.059		0.044
SUBTOTAL	\$0.071	\$0.062	\$0.091		\$0.075

TOTAL EXPENSES	\$1.510	\$1.444	\$1.527		\$1.494
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TOTAL INCOME	\$2.276	\$2.361	\$2.386		\$2.341
TOTAL EXPENSES	1.510	1.444	1.527		1.494
SURPLUS (DEFICIT)	\$0.766	\$0.917	\$0.859		\$0.847

2018
CONTRIBUTIONS AND HOURS
RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	AVG TOTAL
CONTRIBUTIONS	\$5,842,190	\$6,441,446	\$6,324,516		\$6,202,717
HOURS	2,582,788	2,750,312	2,691,833		2,674,978
TOTAL PARTICIPANTS	6,411	6,506	6,679		6,532

2017 CONTRIBUTIONS AND HOURS RECAP
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	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	AVG TOTAL
CONTRIBUTIONS	\$5,758,595	\$6,329,817	\$6,103,732	\$6,008,731	\$6,050,219
HOURS	2,701,464	2,832,587	2,715,378	2,674,387	2,730,954
TOTAL PARTICIPANTS	6,670	6,621	6,449	6,520	6,565

THIRD QUARTER 2018 DELINQUENT EMPLOYERS
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EMPLOYER	CONTRIBUTION MONTH	FIRST LETTER SENT	REFERRED TO COUNSEL
NONE TO REPORT			

HERE 25 PENSION FUND
Balance Sheet
September 30, 2018

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$ 1,260,852.83
CASH - 20-46-002-6786563	192,623.52
PREPAID INSURANCE	51,097.36
PREPAID EXPENSES	3,099.64
TEMPORARY ASSET	<u>779,166.08</u>

Total Current Assets

2,286,839.43

Other Assets

PNC GOVT MONEY MARKET FUND	7,251,791.35
STIF MSD&T 3338209	2.52
BUILDING INVESTMENT TRUST	13,481,546.38
HOUSING INVESTMENT TRUST	4,032,625.23
PIMCO FDS	3.00
MV APPR PIMCO FDS	(0.18)
SHMDX STONE HARBOR	7,531,538.50
SHMDX STONE HARBOR MARKET VALU	(610,026.39)
SSGA S&P GLOBAL LARGE MID CAP	10,500,000.00
SSGA S&P GLOBAL LARGE CAP MV	(12.72)
SKY HARBOR CAP MGMT	3,656,672.00
SKY HARBOR CAP MGMT MV	41,605.00
SKY HARBOR CAP MGMT MONEY MKT	53.13
VANGUARD VICBX	7,217,936.44
VANGUARD VICBX MKT VALUE	(384,726.21)
LOOMIS SAYLES (LSFYX)	7,170,252.22
LOOMIS SAYLES MV (LSFYX)	(293,754.40)
REALITY ASSOC FUND	1,850,080.23
REALITY ASSOC FUND MV	12,482.46
RIDGEMONT EQUITY PARTNERS	1,879,491.74
RIDGEMONT EQUITY PARTNERS MV	297,207.00
DRA GROWTH AND INCOME #31	2,085,537.00
DRA GROWTH AND INCOME MV #31	174,317.00
AFL-CIO	23,091,992.49
MV APR AFL-CIO	5,169,794.28
STATE STREET EM MARKETS	6,673,945.87
STATE STREET EM MARKETS MV	1,258,417.21
VANGUARD S/T VTSPX	16,990,702.31
VANGUARD S/T VTSPX MKT VALUE	(288,599.70)
ARTISAN GLOBAL VALUE -INS	10,716,349.25
ARTISAN GLOBAL VALUE -INS MV	1,289,248.92
STRATEGIC INVESTORS FUND VIII,	308,696.00
STRATEGIC INVEST FUND VIII, MV	94,500.00
FIRST EAGLE GLOBAL FUND CLASS	10,469,345.10
FIRST EAGLE GLOBAL CLASS 1 MV	405,626.47
FIRST EAGLE FUND CLASS 1	5,840,000.00
FIRST EAGLE FUND CLASS 1 MV	(1,379,654.42)
DRA GROWTH & INCOME IX LLC	1,183,873.00

Unaudited - For Management Purposes Only

MV DRA GROWTH & INCOME IX MV	(119,427.00)	
ULLICO PREFERRED 8%	1,947,577.52	
CORPORATE STOCK VALUATION	(639,179.52)	
WCM Focused Global Growth	10,758,593.00	
WCM MV	1,129,995.00	
Kopernik Global All-Cap Fund	5,737,223.63	
Kopernik Global MV	(797,266.86)	
GQG Partner Global Equity Fund	9,730,065.00	
GQG MK VALUE	2,000,000.00	
TRILANTIC CAP PART.	242,360.49	
SSGA US AHORT TERM #47	11,000,000.00	
SSGA US SHORT TERM MV #47	48,341.77	
SSGA MSCI EMERGING #48	6,182,346.72	
SSGA MSCI EMERGING MV #48	(388,785.63)	
FIRST EAGLE SGIIX	991,490.08	
MULTI. EMP TRUST	(0.01)	
ACCRUED INT. AND OTHER	161,558.54	
Total Other Assets		<u>195,703,750.81</u>
Total Assets		<u><u>\$ 197,990,590.24</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	\$ 1.64	
DUE TO OTHERS	<u>(34,471,515.36)</u>	
Total Current Liabilities		(34,471,513.72)
Long-Term Liabilities		
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		(34,471,513.72)
Capital		
FUND BALANCE	223,528,736.10	
Net Income	<u>8,933,367.86</u>	
Total Capital		<u>232,462,103.96</u>
Total Liabilities & Capital		<u><u>\$ 197,990,590.24</u></u>

HERE 25 PENSION FUND
Income Statement
For the Nine Months Ending September 30, 2018

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 113,140.21	\$ 289,593.52
HAY - ADAMS HOTEL	157,789.74	404,475.53
MAYFLOWER	307,517.01	836,067.61
PHOENIX PARK HOTEL	30,939.37	83,785.32
HILTON WASH. EMBASSY ROW	62,698.27	167,955.84
HARRINGTON HOTEL	38,506.52	90,247.81
WASHINGTON HILTON	510,700.23	1,273,037.15
HYATT REGENCY	334,889.62	772,385.15
WOODNER HOTEL	8,802.57	24,166.13
NATIONAL DEMOCRATIC	14,852.16	35,644.12
RESTAURANT ASSOC./KENNEDY CTR	105,353.22	242,280.85
BEACON HOTEL	26,978.24	84,059.09
HOLIDAY INN ON THE HILL	137,291.14	341,123.41
ST. REGIS WASHINGTON	93,855.36	336,962.32
OMNI-SHOREHAM HOTEL	408,110.50	846,993.79
CAPITAL HILTON	254,254.56	635,960.48
MADISON HOTEL	190,127.35	377,174.86
CAPITOL SKYLINE HOTEL	46,745.03	108,533.87
FAIRFAX AT EMBASSY ROW	68,783.19	174,860.31
JEFFESON HOTEL	75,607.05	201,445.55
MARRIOTT WARDMAN PARK	576,986.33	1,457,630.06
UNITE HERE LOCAL 25	31,914.73	79,980.19
ARAMARK@VERIZON CENTER	2,375.14	10,494.44
POWERSCOURT RESTAURANT	10,645.99	23,295.51
SHERATON PREMIER@TYSON	151,589.68	287,150.94
MANDARIN ORIENTAL	131,577.32	482,453.63
EMBASSY SUITES CONV CTR	127,204.18	334,876.68
W HOTEL	214,165.38	519,151.54
HILTON MCLEAN @ TYSON CORNER	201,788.19	526,411.28
DOUBLETREE HOTEL	156,481.78	500,311.55
GAYLORD NATL. RESORT	1,001,225.40	2,647,801.40
HILTON CRYSTAL CITY @REAGAN	121,533.90	271,206.67
MARRIOTT MARQUIS	553,987.93	1,397,823.45
HILTON EMBASSY CRYSTAL CITY	83,309.15	202,234.19
AC HOTEL	35,285.05	85,986.28
INTEREST & DIV.	1,621,589.04	3,641,652.84
CAPITAL GAIN DIST	261,020.06	433,025.77
UNREALIZED G/L ON INV	2,086,255.99	(6,861,605.34)
REALIZED GAIN LOSS	(987,218.85)	7,496,606.03
P/R AUDIT INCOME	37,715.89	52,374.95
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	3,750.00
PAYROLL AUDIT INTEREST INCOME	20,061.26	21,852.61
Total Revenues	9,427,684.88	20,941,217.38
Gross Profit	9,427,684.88	20,941,217.38

	Current Quarter	Year to Date
Expenses		
PENSIONS PAID TO MEMBERS	3,868,900.28	11,372,551.96
INVESTMENT MANAGEMENT FEES	36,812.88	101,645.98
INVESTMENT CONSULTANT	24,999.99	66,666.64
ACTUARIAL FEES	15,185.00	28,565.00
ADMINISTRATOR FEES	85,125.38	243,045.18
AUDIT FEE FINANCIAL	12,000.00	19,000.00
AUDIT FEES PAYROLL	2,638.47	21,590.76
LEGAL FEE	14,842.51	49,477.53
INSURANCE AND BONDING	26,878.00	80,830.05
IFEBP	0.00	1,025.00
MEETING EXPENSE	0.00	709.23
BANK FEE	1,455.83	4,276.52
PRINTING, POSTAGE & OFFICE	848.90	18,465.67
Total Expenses	4,089,687.24	12,007,849.52
Net Income	\$ 5,337,997.64	\$ 8,933,367.86