

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

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2018
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$2.3500	09-15-22	33	\$32,418	13,795
CAPITAL HILTON	2.3500	09-15-22	244	245,556	104,492
CAPITOL SKYLINE HOTEL	2.3500	09-15-22	42	41,179	17,523
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	2.3500	09-15-22	115	121,401	51,660
FAIRFAX AT EMBASSY ROW	2.3500	09-15-22	72	66,745	28,402
HAY-ADAMS HOTEL	2.3500	09-15-22	153	167,111	71,111
HILTON WASH. EMBASSY ROW HOTEL	2.3500	09-15-22	54	64,562	27,473
HYATT REGENCY WASHINGTON ON CAPITOL HILL	2.3500	09-15-22	309	305,777	130,118
JEFFERSON HOTEL	2.3500	09-15-22	76	81,413	34,644
LIAISON CAPITOL HILL	2.3500	09-15-22	122	117,596	50,041
MANDARIN ORIENTAL	2.3500	09-15-22	220	214,259	91,174
MARRIOTT MARQUIS	2.3500	09-15-22	508	518,058	220,450
MARRIOTT WARDMAN PARK	2.3500	09-15-22	533	494,482	210,418
OMNI-SHOREHAM HOTEL	2.3500	09-15-22	367	353,868	150,582
PHOENIX PARK HOTEL	2.3500	09-15-22	29	29,767	12,667
RENAISSANCE MAYFLOWER HOTEL	2.3500	09-15-22	293	319,574	135,989
ST. REGIS WASHINGTON D.C	2.3500	09-15-22	135	147,420	62,732
THE MADISON WASH DC, A HILTON HOTEL	2.3500	09-15-22	160	137,090	58,336
WASHINGTON COURT HOTEL	2.3500	09-15-22	123	106,352	45,256
WASHINGTON HILTON HOTEL & TOWERS	2.3500	09-15-22	534	451,560	192,153
W HOTEL	2.3500	09-15-22	178	134,582	57,269
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	2.3500	09-15-22	34	33,596	14,296
POWERSCOURT RESTAURANT	2.3500	09-15-22	13	8,357	3,556
INDEPENDENTS					
AC HOTEL NATIONAL HARBOR	2.3500	11-01-22	31	30,153	12,831
ARAMARK @ CAPITAL ONE ARENA	2.1000	02-28-19	5	4,134	2,067
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	2.3500	10-15-22	183	167,360	71,217
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	2.3500	10-15-22	71	67,661	28,792
GAYLORD NATL.RESORT AND CONFERENCE CTR	2.3500	11-01-22	1,100	1,004,576	427,479
HILTON CRYSTAL CITY HOTEL@ REAGAN	2.3500	11-15-22	113	118,607	50,471
HILTON MCLEAN TYSONS CORNER	2.3500	10-15-22	193	197,111	83,877
NATIONAL DEMOCRATIC CLUB	2.1000	04-30-20	26	22,075	10,512
RESTAURANT ASSOC./KENNEDY CENTER	2.3500	03-16-21	99	98,669	41,987
SHERATON PREMIERE HOTEL AT TYSONS CORNER	2.3500	11-15-22	107	107,343	45,678
UNITE HERE LOCAL 25	2.4600	09-15-22	23	28,519	11,593
UNITE HERE LOCAL 25 TEMP. EMP	2.3500	09-15-22	1	844	359
WOODNER HOTEL ¹	2.3500	05-31-22	9	10,157	4,322
			6,308	\$6,049,932	2,575,322

¹ RATE INCREASE JUNE 2018 INCLUDES RETRO

AVG HR CONTRIBUTION \$2.349

AVG HRS PER MONTH
PER PARTICIPANT 136.09

FOURTH QUARTER 2018 EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$3,859,007	\$1.498	88.799%
DEATH BENEFITS	14,000	0.005	0.322%
SUBTOTAL	\$3,873,007	\$1.503	89.121%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$74	\$0.0000	0.002%
ACTUARIAL FEE	13,380	0.0052	0.308%
ADMINISTRATION	82,383	0.0320	1.896%
BREDHOFF & KAISER	8,240	0.0032	0.190%
FIDUCIARY	500	0.0002	0.012%
IFEPB	1,050	0.0004	0.024%
INVESTMENT MGMT. FEES	36,253	0.0141	0.834%
MEETING	329	0.0001	0.008%
PAYROLL AUDITOR	26,725	0.0104	0.615%
PBGC	286,384	0.1112	6.590%
POSTAGE	13,544	0.0053	0.312%
PRINTING	978	0.0004	0.023%
SEYFARTH SHAW	2,833	0.0011	0.065%
SOCIAL SECURITY	115	0.0000	0.003%
SUBTOTAL	\$472,788	\$0.1836	10.879%
TOTAL EXPENSES	\$4,345,795	\$1.6866	100.00%

RETIREEES	2,458	AVERAGE MONTHLY PAYOUT	\$523.33
DEATH CLAIMS	7	AVERAGE COST/CLAIM	\$2,000.00

FOURTH QUARTER 2018
QUARTERLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	TOTAL
CONTRIBUTIONS	\$5,842,190	\$6,441,446	\$6,324,516	\$6,049,932	\$24,658,084
MISCELLANEOUS INCOME ¹	8,683	10,268	59,027	1,250	79,228
INTEREST & DIVIDENDS	27,901	42,029	37,029	42,237	149,196
INVESTMENT INCOME	728,537	851,517	2,944,618	(5,438,684)	(914,012)
WITHDRAWAL LIABILITY	0	0	0	0	0

TOTAL INCOME	\$6,607,311	\$7,345,260	\$9,365,190	\$654,735	\$23,972,496
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BENEFIT EXPENSES					
PENSION BENEFITS	\$3,693,741	\$3,789,135	\$3,847,775	\$3,859,007	\$15,189,658
DEATH BENEFITS	22,000	12,000	20,000	14,000	68,000
SUBTOTAL	\$3,715,741	\$3,801,135	\$3,867,775	\$3,873,007	\$15,257,658

OPERATING EXPENSES					
ADMINISTRATION	\$80,174	\$82,920	\$85,125	\$82,383	\$330,602
MISCELLANEOUS	102,193	88,859	159,391	390,405	740,848
SUBTOTAL	\$182,367	\$171,779	\$244,516	\$472,788	\$1,071,450

TOTAL EXPENSES	\$3,898,108	\$3,972,914	\$4,112,291	\$4,345,795	\$16,329,108
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TOTAL INCOME	\$6,607,311	\$7,345,260	\$9,365,190	\$654,735	\$23,972,496
TOTAL EXPENSES	3,898,108	3,972,914	4,112,291	4,345,795	16,329,108
SURPLUS (DEFICIT)	\$2,709,203	\$3,372,346	\$5,252,899	(\$3,691,060)	\$7,643,388

TOTAL PARTICIPANTS	6,411	6,506	6,679	6,308
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¹MISCELLANEOUS INCOME: HILTON WASHINGTON@EMBASSY ROW 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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FOURTH QUARTER 2018
HOURLY RECAP

	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	AVG. TOTAL
CONTRIBUTIONS	\$2.262	\$2.342	\$2.350	\$2.349	\$2.3258
MISCELLANEOUS INCOME	0.003	0.004	0.022	0.000	0.0073
INTEREST PNC	0.011	0.015	0.014	0.031	0.0178

TOTAL INCOME	\$2.276	\$2.361	\$2.386	\$2.380	\$2.3509
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1.430	\$1.378	\$1.429	\$1.498	\$1.434
DEATH BENEFITS	0.009	0.004	0.007	0.005	0.006
SUBTOTAL	\$1.439	\$1.382	\$1.436	\$1.503	\$1.440

OPERATING EXPENSES					
ADMINISTRATION	\$0.031	\$0.030	\$0.032	\$0.032	\$0.031
MISCELLANEOUS	0.040	0.032	0.059	0.152	0.071
SUBTOTAL	\$0.071	\$0.062	\$0.091	\$0.184	\$0.102

TOTAL EXPENSES	\$1.510	\$1.444	\$1.527	\$1.687	\$1.542
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TOTAL INCOME	\$2.276	\$2.361	\$2.386	\$2.380	\$2.351
TOTAL EXPENSES	1.510	1.444	1.527	1.687	1.542
SURPLUS (DEFICIT)	\$0.766	\$0.917	\$0.859	\$0.693	\$0.809

2018 CONTRIBUTIONS AND HOURS RECAP
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	FIRST 2018	SECOND 2018	THIRD 2018	FOURTH 2018	AVG TOTAL
CONTRIBUTIONS	\$5,842,190	\$6,441,446	\$6,324,516	\$6,049,932	\$6,164,521
HOURS	2,582,788	2,750,312	2,691,833	2,575,322	2,650,064
TOTAL PARTICIPANTS	6,411	6,506	6,679	6,308	6,476

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

FOURTH QUARTER 2018 DELINQUENT EMPLOYERS

EMPLOYER	CONTRIBUTION MONTH	FIRST LETTER SENT	REFERRED TO COUNSEL
NONE TO REPORT			

HERE 25 PENSION FUND
Balance Sheet
December 31, 2018

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$ 1,248,040.80
CASH - 20-46-002-6786563	800,497.21
PREPAID INSURANCE	51,472.36
PREPAID EXPENSES	4,149.64
TEMPORARY ASSET	<u>6,608,711.46</u>

Total Current Assets

8,712,871.47

Other Assets

PNC GOVT MONEY MARKET FUND	9,302,430.62
STIF MSD&T 3338209	2.52
BUILDING INVESTMENT TRUST	13,929,275.16
HOUSING INVESTMENT TRUST	4,111,195.11
PIMCO FDS	3.05
MV APPR PIMCO FDS	(0.18)
SHMDX STONE HARBOR	7,688,045.40
SHMDX STONE HARBOR MARKET VALU	(1,036,560.54)
SSGA S&P GLOBAL LARGE MID CAP	10,497,540.89
SSGA S&P GLOBAL LARGE CAP MV	(438.47)
SKY HARBOR CAP MGMT	3,370,260.00
SKY HARBOR CAP MGMT MV	174,856.00
SKY HARBOR CAP MGMT MONEY MKT	53.40
VANGUARD VICBX	7,304,090.88
VANGUARD VICBX MKT VALUE	(426,341.57)
LOOMIS SAYLES (LSFYX)	7,280,147.67
LOOMIS SAYLES MV (LSFYX)	(611,574.01)
REALITY ASSOC FUND	967,212.73
REALITY ASSOC FUND MV	448,324.95
RIDGEMONT EQUITY PARTNERS	1,343,750.96
RIDGEMONT EQUITY PARTNERS MV	502,518.04
DRA GROWTH AND INCOME #31	1,808,335.00
DRA GROWTH AND INCOME MV #31	124,157.00
AFL-CIO	19,126,152.08
MV APR AFL-CIO	5,220,111.99
VANGUARD S/T VTSPX	17,114,161.61
VANGUARD S/T VTSPX MKT VALUE	(453,298.52)
ARTISAN GLOBAL VALUE -INS	9,924,827.50
ARTISAN GLOBAL VALUE -INS MV	487,561.46
STRATEGIC INVESTORS FUND VIII,	1,253,786.00
FIRST EAGLE GLOBAL FUND CLASS	12,155,981.97
FIRST EAGLE GLOBAL CLASS 1 MV	(1,287,904.23)
FIRST EAGLE FUND CLASS 1	5,840,000.00
FIRST EAGLE FUND CLASS 1 MV	(996,395.09)
DRA GROWTH & INCOME IX LLC	1,013,088.00
MV DRA GROWTH & INCOME IX MV	(165,107.00)
ULLICO PREFERRED 8%	1,947,577.52
CORPORATE STOCK VALUATION	(499,049.32)

Unaudited - For Management Purposes Only

WCM Focused Global Growth	10,506,478.00	
WCM MV	13,131.00	
Kopernik Global All-Cap Fund	5,627,413.72	
Kopernik Global MV	(763,751.40)	
GQG Partner Global Equity Fund	8,796,195.00	
GQG MK VALUE	2,000,000.00	
TRILANTIC CAP PART.	259,401.46	
SSGA US AHORT TERM #47	11,000,000.00	
SSGA US SHORT TERM MV #47	178,975.73	
SSGA MSCI EMERGING #48	6,182,346.72	
SSGA MSCI EMERGING MV #48	(818,766.78)	
SSGA REIT CMW4 50	3,055,000.00	
MV SSGA REIT CMW4 50	(199,749.57)	
SSGA TIPS CMTF 51	8,287,000.00	
MV SSGA TIPS CMTF	(35,542.30)	
SSGA AGGREGATE BOND CMX6 52	26,516,000.00	
MVSSGA AGGREGATE BOND CMX6 52	423,403.91	
SSGA MSCI EAFE ZV31NON 53	2,653,000.00	
MV SSGA MSCI EAFE ZV31NON 53	(333,454.95)	
MULTI. EMP TRUST	(0.01)	
A/R EMP CONTRIB.	2,051,683.03	
ACCRUED INT. AND OTHER	161,558.54	
OTHER RECEIVABLE	30.00	
Total Other Assets		<u>223,019,130.68</u>
Total Assets		<u><u>\$ 231,732,002.15</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	\$ 44,505.04	
DUE TO OTHERS	<u>4,625,527.51</u>	
Total Current Liabilities		4,670,032.55
Long-Term Liabilities		
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		4,670,032.55
Capital		
FUND BALANCE	222,583,143.59	
Net Income	<u>4,478,826.01</u>	
Total Capital		<u>227,061,969.60</u>
Total Liabilities & Capital		<u><u>\$ 231,732,002.15</u></u>

HERE 25 PENSION FUND
Income Statement
For the Twelve Months Ending December 31, 2018

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 149,942.72	\$ 439,536.24
HAY - ADAMS HOTEL	228,604.01	633,079.54
MAYFLOWER	416,907.14	1,252,974.75
PHOENIX PARK HOTEL	40,259.51	124,044.83
HILTON WASH. EMBASSY ROW	83,116.78	251,072.62
HARRINGTON HOTEL	47,239.11	137,486.92
WASHINGTON HILTON	627,842.00	1,900,879.15
HYATT REGENCY	418,895.75	1,191,280.90
WOODNER HOTEL	13,121.77	37,287.90
NATIONAL DEMOCRATIC	26,924.70	62,568.82
RESTAURANT ASSOC./KENNEDY CTR	124,514.69	366,795.54
BEACON HOTEL	57,810.95	141,870.04
HOLIDAY INN ON THE HILL	154,747.87	495,871.28
ST. REGIS WASHINGTON	246,128.01	583,090.33
OMNI-SHOREHAM HOTEL	606,827.77	1,453,821.56
CAPITAL HILTON	329,560.71	965,521.19
MADISON HOTEL	183,851.14	561,026.00
CAPITOL SKYLINE HOTEL	56,692.17	165,226.04
FAIRFAX AT EMBASSY ROW	86,824.88	261,685.19
JEFFESON HOTEL	105,667.51	307,113.06
MARRIOTT WARDMAN PARK	625,628.85	2,083,258.91
UNITE HERE LOCAL 25	37,817.52	117,797.71
ARAMARK@VERIZON CENTER	5,617.99	16,112.43
POWERSCOURT RESTAURANT	10,870.06	34,165.57
SHERATON PREMIER@TYSON	145,513.74	432,664.68
MANDARIN ORIENTAL	358,471.18	840,924.81
EMBASSY SUITES CONV CTR	159,925.58	494,802.26
W HOTEL	192,051.82	711,203.36
HILTON MCLEAN @ TYSON CORNER	258,264.64	784,675.92
DOUBLETREE HOTEL	254,682.44	754,993.99
GAYLORD NATL. RESORT	1,347,874.80	3,995,676.20
HILTON CRYSTAL CITY @REAGAN	196,280.48	467,487.15
MARRIOTT MARQUIS	680,691.17	2,078,514.62
HILTON EMBASSY CRYSTAL CITY	91,491.21	293,725.40
AC HOTEL	39,398.32	125,384.60
INTEREST & DIV.	1,070,631.48	4,720,527.90
CAPITAL GAIN DIST	1,556,003.16	1,989,028.93
UNREALIZED G/L ON INV	(7,494,618.09)	(14,027,432.34)
REALIZED GAIN LOSS	1,027,539.75	3,630,116.43
P/R AUDIT INCOME	0.00	52,374.95
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	5,000.00
PAYROLL AUDIT INTEREST INCOME	0.00	21,852.61
Total Revenues	4,570,865.29	20,955,087.99
Gross Profit	4,570,865.29	20,955,087.99
Expenses		
PENSIONS PAID TO MEMBERS	3,867,735.39	15,240,287.35

For Management Purposes Only

	Current Quarter	Year to Date
INVESTMENT MANAGEMENT FEES	45,051.90	146,697.88
Other Investment Expense	18,041.00	18,041.00
INV. CUSTODIAL FEES	34,488.01	34,488.01
INVESTMENT CONSULTANT	33,333.32	99,999.96
ACTUARIAL FEES	26,760.00	55,325.00
ADMINISTRATOR FEES	87,965.34	331,010.52
AUDIT FEE FINANCIAL	0.00	19,000.00
AUDIT FEES PAYROLL	26,721.25	48,312.01
LEGAL FEE	16,866.25	66,343.78
INSURANCE AND BONDING	286,509.00	367,339.05
IFEBP	(367.50)	657.50
MEETING EXPENSE	329.10	1,038.33
BANK FEE	1,468.63	5,745.15
PRINTING, POSTAGE & OFFICE	23,510.77	41,976.44
Total Expenses	4,468,412.46	16,476,261.98
Net Income	\$ 102,452.83	\$ 4,478,826.01