

**UNITE HERE LOCAL 25 AND
HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
FOURTH QUARTER
2017**

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2017
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$2.2500	09-15-22	34	\$36,943	16,419
CAPITAL HILTON	2.2500	09-15-22	255	249,163	110,739
CAPITOL SKYLINE HOTEL	2.2500	09-15-22	38	34,601	15,378
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	2.2500	09-15-22	120	118,269	52,564
FAIRFAX AT EMBASSY ROW	2.2500	09-15-22	69	64,287	28,572
HAY-ADAMS HOTEL	2.2500	09-15-22	153	158,913	70,628
HILTON WASH. EMBASSY ROW HOTEL	2.2500	09-15-22	71	67,869	30,164
HYATT REGENCY WASHINGTON ON CAPITOL HILL	2.2500	09-15-22	322	281,099	124,933
JEFFERSON HOTEL	2.2500	09-15-22	73	72,538	32,239
LIAISON CAPITOL HILL	2.2500	09-15-22	125	124,139	55,173
MANDARIN ORIENTAL	2.2500	09-15-22	228	205,893	91,508
MARRIOTT MARQUIS	2.2500	09-15-22	525	516,519	229,564
MARRIOTT WARDMAN PARK	2.2500	09-15-22	550	526,394	233,953
OMNI-SHOREHAM HOTEL	2.2500	09-15-22	375	346,259	153,893
PHOENIX PARK HOTEL	2.2500	09-15-22	29	27,185	12,082
RENAISSANCE MAYFLOWER HOTEL	2.2500	09-15-22	302	313,997	139,554
ST. REGIS WASHINGTON D.C	2.2500	09-15-22	137	138,159	61,404
THE MADISON WASH DC, A HILTON HOTEL	2.2500	09-15-22	168	138,623	61,610
WASHINGTON COURT HOTEL	2.2500	09-15-22	124	95,126	42,278
WASHINGTON HILTON HOTEL & TOWERS	2.2500	09-15-22	582	481,093	213,819
W HOTEL	2.2500	09-15-22	197	197,246	87,665
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	2.2500	09-15-22	28	28,298	12,577
POWERSCOURT RESTAURANT	2.2500	09-15-22	13	6,939	3,084
INDEPENDENTS					
ARAMARK @ CAPITAL ONE ARENA	2.0000	12-02-17	6	6,268	3,134
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	2.2500	10-15-17	191	174,706	77,647
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	2.2500	10-15-17	72	66,589	29,595
GAYLORD NATL.RESORT AND CONFERENCE CTR	2.2500	11-01-22	1,141	979,574	435,366
HILTON CRYSTAL CITY HOTEL@ REAGAN	2.2500	11-15-22	111	109,733	48,770
HILTON MCLEAN TYSONS CORNER	2.2500	10-15-17	197	189,047	84,021
LEVY RESTAURANTS AT CAPITAL ONE ARENA	1.9500	12-02-15	30	14,299	7,333
NATIONAL DEMOCRATIC CLUB	2.1000	04-30-20	12	12,394	5,902
RESTAURANT ASSOC./KENNEDY CENTER	2.1000	07-15-16	99	83,958	39,980
SHERATON PREMIERE HOTEL AT TYSONS CORNER	2.2500	11-15-22	110	104,875	46,611
UNITE HERE LOCAL 25	2.3600	09-15-22	23	26,248	11,122
UNITE HERE LOCAL 25 TEMP. EMP	2.2500	09-15-22	2	2,261	1,005
WOODNER HOTEL	2.2500	11-30-17	8	9,227	4,101
			6,520	\$6,008,731	2,674,387

AVG HR CONTRIBUTION \$2.247

AVG HRS PER MONTH
PER PARTICIPANT 136.73

FOURTH QUARTER 2017
EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$3,417,839	\$1.278	93.10%
DEATH BENEFITS	18,000	0.007	0.49%
SUBTOTAL	\$3,435,839	\$1.285	93.59%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$44	\$0.0000	0.00%
AUDITOR	1,000	0.0004	0.03%
ACTUARIAL FEE	15,297	0.0057	0.42%
ADMINISTRATION	77,166	0.0289	2.10%
BREDHOFF & KAISER	13,504	0.0050	0.37%
FIDUCIARY LIABILITY	77,146	0.0288	2.10%
IFEBP	1,025	0.0004	0.03%
INSURANCE AND BOND	1,764	0.0007	0.05%
INVESTMENT MGMT. FEES	36,114	0.0135	0.98%
MEETING	677	0.0003	0.02%
PBGC	1,746	0.0007	0.05%
POSTAGE	1,616	0.0006	0.04%
PRINTING	346	0.0001	0.01%
SEYFARTH SHAW	7,750	0.0029	0.21%
SUBTOTAL	\$235,195	0.0880	6.41%
TOTAL EXPENSES	\$3,671,034	\$1.373	100.0%

RETIREEES	2,312	AVERAGE MONTHLY PAYOUT	\$492.77
DEATH CLAIMS	9	AVERAGE COST/CLAIM	\$2,000.00

FOURTH QUARTER 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 ¹	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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¹ MISCELLANEOUS INCOME: THE MADISON HOTEL WITHDRAWAL LIABILITY ESTIMATED FEE \$1,250.00.

2016
QUARTERLY RECAP

	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	TOTAL
CONTRIBUTIONS	\$5,107,707	\$6,073,851	\$6,069,191	\$5,771,573	\$23,022,322
MISCELLANEOUS INCOME	2,500	12,227	9,512	0	24,239
INTEREST & DIVIDENDS	2,903	4,834	3,919	4,864	16,520
INVESTMENT INCOME	666,513	6,025,121	4,182,461	(1,428,472)	9,445,623
WITHDRAWAL LIABILITY	294,001	0	0	0	294,001

TOTAL INCOME	\$6,073,624	\$12,116,033	\$10,265,083	\$4,347,965	\$32,802,705
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BENEFIT EXPENSES					
PENSION BENEFITS	\$2,689,776	\$2,782,562	\$2,893,744	\$2,847,303	\$11,213,385
DEATH BENEFITS	14,000	28,000	22,000	8,000	72,000
SUBTOTAL	\$2,703,776	\$2,810,562	\$2,915,744	\$2,855,303	\$11,285,385

OPERATING EXPENSES					
ADMINISTRATION	\$79,445	\$79,026	\$83,188	\$79,346	\$321,005
MISCELLANEOUS	76,446	145,183	155,717	365,442	742,788
SUBTOTAL	\$155,891	\$224,209	\$238,905	\$444,788	\$1,063,793

TOTAL EXPENSES	\$2,859,667	\$3,034,771	\$3,154,649	\$3,300,091	\$12,349,178
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TOTAL INCOME	\$6,073,624	\$12,116,033	\$10,265,083	\$4,347,965	\$32,802,705
TOTAL EXPENSES	2,859,667	3,034,771	3,154,649	3,300,091	12,349,178
SURPLUS (DEFICIT)	\$3,213,957	\$9,081,262	\$7,110,434	\$1,047,874	\$20,453,527

TOTAL PARTICIPANTS	6,524	6,698	6,582	6,652	
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FOURTH QUARTER 2017
HOURLY RECAP

	FIRST 2017	SECOND 2017	THIRD 2017	FOURTH 2017	AVG. TOTAL
CONTRIBUTIONS	\$2.132	\$2.235	\$2.248	\$2.247	\$2.2155
MISCELLANEOUS INCOME	0.001	0.002	0.001	0.000	0.0010
INTEREST PNC	0.003	0.005	0.008	0.008	0.0060

TOTAL INCOME	\$2.136	\$2.242	\$2.257	\$2.255	\$2.2225
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1.063	\$1.029	\$1.575	\$1.278	\$1.236
DEATH BENEFITS	0.013	0.008	0.003	0.007	0.008
SUBTOTAL	\$1.076	\$1.037	\$1.578	\$1.285	\$1.244

OPERATING EXPENSES					
ADMINISTRATION	\$0.030	\$0.030	\$0.031	\$0.029	\$0.030
MISCELLANEOUS	0.035	0.033	0.045	0.059	0.043
SUBTOTAL	\$0.065	\$0.063	\$0.076	\$0.088	\$0.073

TOTAL EXPENSES	\$1.141	\$1.100	\$1.654	\$1.373	\$1.317
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TOTAL INCOME	\$2.136	\$2.242	\$2.257	\$2.255	\$2.223
TOTAL EXPENSES	1.141	1.100	1.654	1.373	1.317
SURPLUS (DEFICIT)	\$0.995	\$1.142	\$0.603	\$0.882	\$0.906

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

2016 CONTRIBUTIONS AND HOURS RECAP
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	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	AVG TOTAL
CONTRIBUTIONS	\$5,107,077	\$6,073,851	\$6,069,191	\$5,771,573	\$5,755,423
HOURS	2,597,493	2,908,516	2,889,822	2,748,739	2,786,143
TOTAL PARTICIPANTS	6,524	6,698	6,582	6,652	6,614

FOURTH QUARTER 2017 DELINQUENT EMPLOYERS

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

HERE 25 PENSION FUND
Balance Sheet
December 31, 2017

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$ 1,273,595.00
CASH - 20-46-002-6786563	134,044.74
PREPAID INSURANCE	55,673.32
PREPAID EXPENSES	<u>1,025.00</u>

Total Current Assets

1,464,338.06

Other Assets

PNC GOVT MONEY MARKET FUND	9,399,819.36
STIF MSD&T 3338209	2.52
BUILDING INVESTMENT TRUST	13,004,205.24
HOUSING INVESTMENT TRUST	4,104,708.86
PIMCO FDS	2.93
MV APPR PIMCO FDS	(0.10)
VANGUARD VIPIX	10,917,593.67
MV APPR VANGUARD VIPIX	(528,753.81)
SHMDX STONE HARBOR	7,296,557.81
SHMDX STONE HARBOR MARKET VALU	(27,661.08)
SSGA S&P GLOBAL LARGE MID CAP	5,500,000.00
SSGA S&P GLOBAL LARGE CAP MV	249.12
SKY HARBOR CAP MGMT	3,610,325.00
SKY HARBOR CAP MGMT MV	18,861.00
SKY HARBOR CAP MGMT MONEY MKT	52.55
VANGUARD VICBX	7,058,940.27
VANGUARD VICBX MKT VALUE	(60,691.30)
LOOMIS SAYLES (LSFYX)	6,887,745.44
LOOMIS SAYLES MV (LSFYX)	(245,408.47)
VANGUARD (VGRSX)	2,541,613.74
VANGUARD MV (VGRSX)	516,417.07
REALITY ASSOC FUND	1,925,014.62
REALITY ASSOC FUND MV	228,650.19
RIDGEMONT EQUITY PARTNERS	1,992,232.78
RIDGEMONT EQUITY PARTNERS MV	297,207.00
VANGUARD VTMGX	12,274,366.59
VANGUARD VTMGX MV	2,043,755.66
VANGUARD BD INDEX VDBTIX	34,016,637.69
VANGUARD BD INDEX FV MV VDBTIX	(419,646.53)
DRA GROWTH AND INCOME #31	2,162,953.00
DRA GROWTH AND INCOME MV #31	270,192.00
AFL-CIO	23,091,992.49
MV APR AFL-CIO	9,831,412.61
STATE STREET EM MARKETS	6,673,945.87
STATE STREET EM MARKETS MV	229,148.51
VANGUARD S/T VTSPX	10,309,625.50
VANGUARD S/T VTSPX MKT VALUE	(124,590.14)
ARTISAN GLOBAL VALUE -INS	7,416,349.25
ARTISAN GLOBAL VALUE -INS MV	1,204,371.07

STRATEGIC INVESTORS FUND VIII,	297,976.00	
FIRST EAGLE GLOBAL FUND CLASS	7,569,345.10	
FIRST EAGLE GLOBAL CLASS 1 MV	391,997.46	
FIRST EAGLE FUND CLASS 1	4,940,000.00	
FIRST EAGLE FUND CLASS 1 MV	(157,219.43)	
DRA GROWTH & INCOME IX LLC	1,123,420.00	
MV DRA GROWTH & INCOME IX MV	92,562.00	
ULLICO PREFERRED 8%	1,947,577.52	
CORPORATE STOCK VALUATION	(639,179.52)	
WCM Focused Global Growth	7,482,439.00	
WCM MV	1,355,539.00	
Kopernik Global All-Cap Fund	4,649,780.40	
Kopernik Global MV	(99,559.44)	
GQG Partner Global Equity Fund	8,846,542.00	
MULTI. EMP TRUST	(0.01)	
A/R EMP CONTRIB.	2,542,708.83	
ACCRUED INT. AND OTHER	161,558.54	
OTHER RECEIVABLE	664.00	
Total Other Assets		223,924,349.43
Total Assets		\$ 225,388,687.49

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	\$ 64,155.49	
DUE TO OTHERS	1,807,556.00	
Total Current Liabilities		1,871,711.49
Long-Term Liabilities		
Total Long-Term Liabilities		0.00
Total Liabilities		1,871,711.49
Capital		
FUND BALANCE	190,275,368.94	
Net Income	33,241,607.06	
Total Capital		223,516,976.00
Total Liabilities & Capital		\$ 225,388,687.49

HERE 25 PENSION FUND
Income Statement
For the Twelve Months Ending December 31, 2017

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 133,355.28	\$ 413,090.55
HAY - ADAMS HOTEL	214,864.64	608,995.99
MAYFLOWER	411,925.73	1,216,762.10
PHOENIX PARK HOTEL	36,795.60	115,592.90
HILTON WASH. EMBASSY ROW	97,726.73	296,039.65
HARRINGTON HOTEL	40,580.44	131,475.80
WASHINGTON HILTON	653,113.92	1,908,209.43
HYATT REGENCY	371,023.12	1,192,898.65
WOODNER HOTEL	11,979.00	35,597.48
NATIONAL DEMOCRATIC	16,311.28	45,812.33
RESTAURANT ASSOC./KENNEDY CTR	101,911.45	318,770.79
BEACON HOTEL	48,077.96	144,357.34
HOLIDAY INN ON THE HILL	171,527.06	501,145.91
LEVY@VERIZON CENTER	17,232.52	55,750.39
ST. REGIS WASHINGTON	180,227.25	550,068.94
OMNI-SHOREHAM HOTEL	464,602.21	1,479,978.31
CAPITAL HILTON	342,762.15	982,677.46
MADISON HOTEL	184,326.78	580,287.13
CAPITOL SKYLINE HOTEL	47,395.19	162,753.85
FAIRFAX AT EMBASSY ROW	89,411.67	259,778.58
JEFFESON HOTEL	98,415.36	281,618.14
MARRIOTT WARDMAN PARK	696,769.21	2,160,062.17
UNITE HERE LOCAL 25	40,158.94	117,099.83
ARAMARK@VERIZON CENTER	7,678.18	18,348.52
POWERSCOURT RESTAURANT	8,937.21	28,822.45
SHERATON PREMIER@TYSON	142,359.85	452,802.00
MANDARIN ORIENTAL	268,846.04	802,732.50
EMBASSY SUITES CONV CTR	157,093.78	477,023.30
W HOTEL	280,127.26	798,876.39
HILTON MCLEAN @ TYSON CORNER	249,078.45	747,022.06
DOUBLETREE HOTEL	264,258.94	759,385.63
GAYLORD NATL. RESORT	1,287,505.05	3,737,994.76
HILTON CRYSTAL CITY @REAGAN	148,720.26	458,043.49
MARRIOTT MARQUIS	884,737.02	2,072,895.93
HILTON EMBASSY CRYSTAL CITY	90,915.17	290,646.58
OTHER INCOME	28,377.00	83,073.00
INTEREST & DIV.	1,857,484.34	3,838,810.00
CAPITAL GAIN DIST	673,755.17	738,543.32
UNREALIZED G/L ON INV	6,827,298.23	13,177,174.92
REALIZED GAIN LOSS	162,925.72	5,894,258.69
P/R AUDIT INCOME	0.00	4,235.61
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	8,750.00
PAYROLL AUDIT INTEREST INCOME	0.00	801.17
Total Revenues	17,811,841.16	47,949,064.04
Gross Profit	17,811,841.16	47,949,064.04

Expenses

For Management Purposes Only

	Current Quarter	Year to Date
PENSIONS PAID TO MEMBERS	3,431,177.82	13,546,424.73
INVESTMENT MANAGEMENT FEES	121,103.08	133,148.15
Other Investment Expense	1,644.00	1,644.00
INVESTMENT CONSULTANT	33,333.32	99,999.96
ACTUARIAL FEES	28,389.00	76,053.75
ADMINISTRATOR FEES	82,339.55	326,795.90
AUDIT FEE FINANCIAL	1,000.00	17,750.00
AUDIT FEES PAYROLL	7,798.41	36,341.35
LEGAL FEE	39,012.66	71,890.39
INSURANCE AND BONDING	315,553.34	363,392.99
IFEBP	0.00	995.00
MEETING EXPENSE	677.36	971.07
BANK FEE	1,407.88	5,657.51
PRINTING, POSTAGE & OFFICE	7,304.41	26,392.18
Total Expenses	4,070,740.83	14,707,456.98
Net Income	\$ 13,741,100.33	\$ 33,241,607.06