

**UNITE HERE LOCAL 25 AND
HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
FOURTH QUARTER
2012**

ADMINISTRATIVE MANAGER'S REPORT

FOURTH QUARTER 2012
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$1.5000	09-15-17	35	\$24,869	16,579
CAPITAL HILTON	1.5000	09-15-17	260	169,020	112,680
CAPITOL SKYLINE HOTEL	1.5000	09-15-17	43	24,359	16,239
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	1.5000	09-15-17	141	87,885	58,590
FAIRFAX AT EMBASSY ROW	1.5000	09-15-17	120	80,010	53,340
FOUR POINTS HOTEL BY SHERATON	1.5000	09-15-17	44	26,220	17,480
HAY-ADAMS HOTEL	1.5000	09-15-17	147	103,020	68,680
HILTON WASH. EMBASSY ROW HOTEL	1.5000	09-15-17	60	37,035	24,690
HOLIDAY INN GEORGETOWN	1.5000	09-15-17	37	22,278	14,852
HYATT REGENCY WASHINGTON ON CAPITOL HILL	1.5000	09-15-17	366	212,615	141,743
JEFFERSON HOTEL	1.5000	09-15-17	70	42,608	28,405
L'ENFANT PLAZA HOTEL	1.5000	09-15-17	175	112,668	75,112
LIAISON CAPITOL HILL	1.5000	09-15-17	146	100,005	66,670
MADISON HOTEL	1.5000	09-15-17	165	116,525	77,683
MANDARIN ORIENTAL	1.5000	09-15-17	231	130,430	86,953
MARRIOTT WARDMAN PARK	1.5000	09-15-17	638	378,308	252,205
OMNI-SHOREHAM HOTEL	1.5000	09-15-17	408	232,532	155,021
PHOENIX PARK HOTEL	1.5000	09-15-17	34	20,763	13,842
RENAISSANCE MAYFLOWER HOTEL	1.5000	09-15-17	297	270,599	180,399
ST. REGIS WASHINGTON D.C.	1.5000	09-15-17	139	93,579	62,386
WASHINGTON COURT HOTEL	1.5000	09-15-17	128	78,093	52,062
WASHINGTON HILTON HOTEL & TOWERS	1.5000	09-15-17	647	343,139	228,759
W HOTEL	1.5000	09-15-17	213	140,387	93,591
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	1.5000	09-15-17	30	19,640	13,093
POWERSCOURT RESTAURANT	1.5000	09-15-17	16	5,381	3,587
INDEPENDENTS					
ARAMARK @ VERIZON CENTER	1.8000	12-02-13	6	2,655	1,475
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	1.5000	10-15-10	199	142,412	94,941
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	1.5000	10-15-10	68	43,706	29,137
HILTON MCLEAN TYSONS CORNER	1.5000	10-15-10	207	132,365	88,243
HOTEL AND RESTAURANT TEMPS	1.5000	10-01-13	18	413	275
LEVY RESTAURANTS AT VERIZON CENTER ¹	1.5000	12-02-12	18	6,017	4,379
NATIONAL DEMOCRATIC CLUB	1.0000	02-28-10	20	7,776	7,776
RESTAURANT ASSOC./KENNEDY CENTER	1.5000	07-15-11	110	62,208	41,472
SHERATON PREMIERE HOTEL AT TYSONS CORNER	1.5000	11-15-10	124	78,879	52,586
UNITE HERE LOCAL 23	1.6100		2	1,700	1,056
UNITE HERE LOCAL 25	1.6100		15	12,123	7,530
UNITE HERE LOCAL 25 TEMP. EMP.	1.5000		5	2,646	1,764
WOODNER HOTEL	1.5000	11-30-10	8	6,180	4,120
			5,390	\$3,371,048	2,249,395

¹RATE INCREASE DECEMBER 2, 2012

AVG HR CONTRIBUTION \$1.499

AVG HRS PER MONTH
PER PARTICIPANT 139.11

FOURTH QUARTER 2012
EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$1,938,028	\$0.862	92.254%
DEATH BENEFITS	6,000	0.003	0.286%
SUBTOTAL	\$1,944,028	\$0.865	92.540%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$25	\$0.000	0.001%
ACTUARIAL FEE	12,235	0.005	0.582%
ADMINISTRATION	54,928	0.024	2.615%
BANK FEE	3,776	0.002	0.180%
BREDHOFF & KAISER	4,565	0.002	0.217%
FIDELITY BOND	500	0.000	0.024%
INVESTMENT MGMT. FEES	50,843	0.023	2.420%
MEETING	754	0.000	0.036%
PAYROLL AUDITOR	7,077	0.003	0.337%
POSTAGE	5,003	0.002	0.238%
PRINTING	8,051	0.004	0.383%
SEYFARTH SHAW	8,978	0.004	0.427%
SUBTOTAL	\$156,735	\$0.069	7.460%
TOTAL EXPENSES	\$2,100,763	\$0.934	100.00%

RETIREES	1,813	AVERAGE MONTHLY PAYOUT	\$356.32
DEATH CLAIMS	3	AVERAGE COST/CLAIM	\$2,000.00

FOURTH QUARTER 2012
QUARTERLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	TOTAL
CONTRIBUTIONS	\$3,109,303	\$3,507,865	\$3,297,762	\$3,371,048	\$13,285,978
MISCELLANEOUS INCOME ¹	63,908	10,882	25,780	67,710	168,280
INTEREST & DIVIDENDS	156	100	93	85	434
INVESTMENT INCOME	10,606,236	(5,134,207)	4,714,030	2,056,659	12,242,718

TOTAL INCOME	\$13,779,603	(\$1,615,360)	\$8,037,665	\$5,495,502	\$25,697,410
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1,849,903	\$1,788,800	\$1,873,015	\$1,938,028	\$7,449,746
DEATH BENEFITS	16,000	20,000	6,000	6,000	48,000
SUBTOTAL	\$1,865,903	\$1,808,800	\$1,879,015	\$1,944,028	\$7,497,746

OPERATING EXPENSES					
ADMINISTRATION	\$55,971	\$57,357	\$60,544	\$54,928	\$228,800
MISCELLANEOUS	160,391	72,433	194,161	101,807	528,792
SUBTOTAL	\$216,362	\$129,790	\$254,705	\$156,735	\$757,592

TOTAL EXPENSES	\$2,082,265	\$1,938,590	\$2,133,720	\$2,100,763	\$8,255,338
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TOTAL INCOME	\$13,779,603	(\$1,615,360)	\$8,037,665	\$5,495,502	\$25,697,410
TOTAL EXPENSES	2,082,265	1,938,590	2,133,720	2,100,763	8,255,338
SURPLUS (DEFICIT)	\$11,697,338	(\$3,553,950)	\$5,903,945	\$3,394,739	\$17,442,072

TOTAL PARTICIPANTS	5,374	5,639	5,368	5,390
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¹ MISCELLANEOUS INCOME: CAPITOL SKYLINE HOTEL PAYROLL AUDIT \$132.38. FOUR POINTS HOTEL BY SHERATON PAYROLL AUDIT \$4,860.38 AND INTEREST \$666.22. RENAISSANCE MAYFLOWER HOTEL PAYROLL AUDIT \$48,596.78 AND INTEREST \$9,702.22. RESTAURANT ASSOCIATES/KENNEDY CENTER WITHDRAWAL LIABILITY ESTIMATE FEE PAYMENT \$1,250.00. PBGC PREMIUM REFUND \$2,502.00.

2011
RECAP

	FIRST 2011	SECOND 2011	THIRD 2011	FOURTH 2011	TOTAL
CONTRIBUTIONS	\$3,092,322	\$3,475,440	\$3,352,451	\$3,339,911	\$13,260,124
MISCELLANEOUS INCOME	57,256	14,773	0	22,355	94,384
INTEREST & DIVIDENDS	309	138	165	201	813
INVESTMENT INCOME	3,474,531	1,128,358	(8,800,423)	5,364,178	1,166,644
WITHDRAWAL LIABILITY	62,621	62,621	1,102,401	0	1,227,643

TOTAL INCOME	\$6,687,039	\$4,681,330	(\$4,345,406)	\$8,726,645	\$15,749,608
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1,698,329	\$1,779,199	\$1,813,161	\$1,828,638	\$7,119,327
DEATH BENEFITS	26,389	28,000	14,000	10,000	78,389
SUBTOTAL	\$1,724,718	\$1,807,199	\$1,827,161	\$1,838,638	\$7,197,716

OPERATING EXPENSES					
ADMINISTRATION	\$47,794	\$43,801	\$104,179	\$51,397	\$247,171
MISCELLANEOUS	166,676	94,493	191,406	113,283	565,858
SUBTOTAL	\$214,470	\$138,294	\$295,585	\$164,680	\$813,029

TOTAL EXPENSES	\$1,939,188	\$1,945,493	\$2,122,746	\$2,003,318	\$8,010,745
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TOTAL INCOME	\$6,687,039	\$4,681,330	(\$4,345,406)	\$8,726,645	\$15,749,608
TOTAL EXPENSES	1,939,188	1,945,493	2,122,746	2,003,318	8,010,745
SURPLUS (DEFICIT)	\$4,747,851	\$2,735,837	(\$6,468,152)	\$6,723,327	\$7,738,863

TOTAL PARTICIPANTS	5,415	5,518	5,296	5,552
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¹ MISCELLANEOUS INCOME: HILTON WASHINGTON EMBASSY ROW PAYROLL AUDIT \$13,340.91, INTEREST \$1,223.92, LEGAL FEE \$4,165.46 AND LIQUIDATED DAMAGES \$335.00. POWERSCOURT RESTAURANT PAYROLL AUDIT \$2,730.88 AND INTEREST \$496.18. EMBASSY SUITES CRYSTAL CITY PAYROLL AUDIT \$3.92 AND INTEREST \$58.46.

FOURTH QUARTER 2012
HOURLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	AVG. TOTAL
CONTRIBUTIONS	\$1.5000	\$1.4982	\$1.4984	\$1.4986	\$1.4988
MISCELLANEOUS INCOME	0.0308	0.0046	0.0117	0.0301	\$0.0193
INTEREST PNC	0.0001	0.0000	0.0000	0.0000	\$0.0000
WITHDRAWAL LIABILITY	0.0000	0.0000	0.0000	0.0000	\$0.0000

TOTAL INCOME	\$1.5309	\$1.5028	\$1.5101	\$1.5287	\$1.5181
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BENEFIT EXPENSES					
PENSION BENEFITS	\$0.891	\$0.764	\$0.851	\$0.862	\$0.842
DEATH BENEFITS	0.008	0.009	0.003	0.003	0.006
SUBTOTAL	\$0.899	\$0.773	\$0.854	\$0.865	\$0.848

OPERATING EXPENSES					
ADMINISTRATION	\$0.027	\$0.024	\$0.028	\$0.024	\$0.026
MISCELLANEOUS	0.077	0.031	0.088	0.045	0.060
SUBTOTAL	\$0.104	\$0.055	\$0.116	\$0.069	\$0.086

TOTAL EXPENSES	\$1.003	\$0.828	\$0.970	\$0.934	\$0.934
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TOTAL INCOME	\$1.531	\$1.503	\$1.510	\$1.529	\$1.518
TOTAL EXPENSES	1.003	0.828	0.970	0.934	0.934
SURPLUS (DEFICIT)	\$0.528	\$0.675	\$0.540	\$0.595	\$0.584

FOURTH QUARTER 2012 DELINQUENT EMPLOYERS

EMPLOYER	CONTRIBUTION MONTH	FIRST LETTER SENT	REFERRED TO COUNSEL
HOTEL AND RESTAURANT TEMPS	NOVEMBER 2012 DECEMBER 2012	DECEMBER 22, 2012 JANUARY 22, 2013	FEBRUARY 28, 2013 FEBRUARY 28, 2013

HERE 25 PENSION FUND

Balance Sheet

December 31, 2012

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$	635,153.80
PREPAID INSURANCE		19,451.81
MEPT-MM		<u>2,306.20</u>

Total Current Assets 656,911.81

Total Property and Equipment 0.00

Other Assets

LONGVIEW CORP STOCK	12,509,195.94
CORPORATE STOCKS VALUATION	18,870,816.46
PNC SHORT TERM INVEST / MM	3,952,839.70
STIF MSD&T 3338209	153,844.77
BUILDING INVESTMENT TRUST	6,428,163.78
HOUSING INVESTMENT TRUST	3,547,140.86
LONGVIEW 600 SMALL CAP	1,702,877.85
MV APPR LONGVIEW 600	2,532,981.46
MANNING & NAPIER	6,782,988.24
MV APPR MANNING & NAPIER	150,720.37
PIMCO FDS	9,632,241.35
MV APPR PIMCO FDS	338,871.67
VANGUARD VIPIX	10,413,783.69
MV APPR VANGUARD VIPIX	(112,087.09)
SHMDX STONE HARBOR	3,579,537.52
SHMDX STONE HARBOR MARKET VALU	195,990.59
SHLMX STONE HARBOR MARKET FUND	3,719,895.87
SHLMX STONE HARBOR MARKET VALU	55,237.37
DFA EMERGING EQUITY	5,672,925.04
DFA EMERGING EQUITY MV	(103,740.43)
VONTOBEL GLOBAL EMERGING MARKE	3,199,412.19
SSGA S&P GLOBAL LARGE MID CAP	5,500,000.00
SSGA S&P GLOBAL LARGE CAP MV	233,926.62
SKY HARBOR CAP MGMT	5,510,097.83
SKY HARBOR CAP MGMT MV	76,350.07
SKY HARBOR CAP MGMT MONEY MKT	40,966.14
VANGUARD VICBX	5,037,291.31
VANGUARD VICBX MKT VALUE	(62,240.05)
VANGUARD DEVELOPED MKTS VDMAX	4,453,647.64
VANGUARD DEVELOPED MV VDMAX	(25,473.18)
ULLICO PREFERRED 8%	1,947,577.52
CORPORATE STOCK VALUATION	(348,854.52)
MULTI. EMP TRUST	2,448,916.51
MULTI. EMP. TRUST VAL	2,918,448.60
A/R EMP CONTRIB.	1,114,136.92
ACCRUED INT. AND OTHER	135,990.39
OTHER RECEIVABLE	<u>733.87</u>

Total Other Assets	<u>122,205,152.87</u>
Total Assets	<u>\$ 122,862,064.68</u>

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	<u>\$ 84,015.76</u>	
Total Current Liabilities		84,015.76
Total Liabilities		84,015.76
Capital		
FUND BALANCE	105,665,547.27	
Net Income	<u>17,112,501.65</u>	
Total Capital		<u>122,778,048.92</u>
Total Liabilities & Capital		<u>\$ 122,862,064.68</u>

HERE 25 PENSION FUND
Income Statement
For the Twelve Months Ending December 31, 2012

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 110,628.11	\$ 314,952.61
HAY - ADAMS HOTEL	138,763.43	396,852.64
RENAISSANCE MAYFLOWER	324,483.45	795,910.66
PHOENIX PARK HOTEL	32,972.70	85,869.02
HILTON WASH. EMBASSY ROW	49,348.11	143,407.56
HARRINGTON HOTEL	27,369.01	84,010.90
L'ENFANT PLAZA HOTEL	148,417.65	457,711.30
WASHINGTON HILTON	439,478.81	1,387,380.34
HYATT REGENCY	300,235.25	914,111.33
WOODNER HOTEL	8,501.63	24,934.11
NATIONAL DEMOCRATIC	10,360.33	31,966.60
RESTAURANT ASSOC./KENNEDY CTR	73,191.39	208,971.76
BEACON HOTEL	32,773.34	98,883.61
HOLIDAY INN ON THE HILL	132,289.90	399,181.69
LEVY@VERIZON CENTER	7,510.92	27,552.75
HOLIDAY INN-GEORGETOWN	29,774.80	93,191.81
ST. REGIS WASHINGTON	122,519.34	372,691.45
OMNI-SHOREHAM HOTEL	306,495.65	951,176.99
CAPITAL HILTON	221,386.78	678,373.74
MADISON HOTEL	148,202.73	426,943.89
FOUR POINTS HOTEL BY SHERATON	44,538.02	111,068.91
CAPITOL SKYLINE HOTEL	45,659.22	103,494.96
FAIRFAX AT EMBASSY ROW	105,024.94	311,605.08
JEFFESON HOTEL	56,202.85	166,800.71
MARRIOTT WARDMAN PARK	497,533.95	1,597,541.55
UNITE HERE LOCAL 25	20,010.12	60,879.26
ARAMARK@VERIZON CENTER	3,328.30	12,820.93
POWERSCOURT RESTAURANT	7,129.23	21,941.25
SHERATON PREMIER@TYSON	111,018.57	323,258.19
MANDARIN ORIENTAL	186,421.37	569,800.89
EMBASSY SUITES CONV CTR	144,516.75	335,843.78
HOTEL AND RESTAURANT	495.00	2,715.00
W HOTEL	183,156.52	531,359.18
HILTON MCLEAN @ TYSON CORNER	174,688.23	532,340.26
DOUBLETREE HOTEL	164,534.27	547,709.68
UNITE HERE LOCAL 23	2,215.36	6,723.36
OTHER INCOME	1,990.58	5,379.66
INTEREST & DIV. INC.	1,619,668.65	2,493,316.95
UNREALIZED G/L ON INV	(54,721.23)	2,608,969.97
REALIZED GAIN LOSS	627,787.32	6,838,135.61
P/R AUDIT INCOME	53,589.54	122,287.31
HILTON EMBASSY CRYSTAL CITY	57,632.64	172,424.33
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	6,250.00
PAYROLL AUDIT INTEREST INCOME	10,368.44	26,180.62
Total Revenues	6,728,741.97	25,402,922.20
Gross Profit	6,728,741.97	25,402,922.20

For Management Purposes Only

	Current Quarter	Year to Date
Expenses		
PENSIONS PAID TO MEMBERS	1,942,912.38	7,510,338.54
INVESTMENT MANAGEMENT FEES	34,987.49	74,946.25
INV. CUSTODIAL FEES	3,906.14	11,565.41
INVESTMENT CONSULTANT	41,666.65	99,999.96
ACTUARIAL FEES	24,470.00	66,605.50
ADMINISTRATOR FEES	56,292.12	227,192.46
AUDIT FEE FINANCIAL	0.00	19,800.00
AUDIT FEES PAYROLL	17,521.28	35,572.03
LEGAL FEE	45,157.24	104,074.43
INSURANCE AND BONDING	(2,002.00)	97,349.56
IFEBP	0.00	855.00
MEETING EXPENSE	754.59	1,846.60
BANK FEE	1,263.02	5,119.43
PRINTING, POSTAGE & OFFICE	15,177.85	35,155.38
MISC.	0.00	0.00
Total Expenses	2,182,106.76	8,290,420.55
Net Income	\$ 4,546,635.21	\$ 17,112,501.65