

**UNITE HERE LOCAL 25 AND
HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
SECOND QUARTER
2019**

ADMINISTRATIVE MANAGER'S REPORT

SECOND QUARTER 2019 CONTRIBUTIONS					
COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$2.4500	09-15-22	33	\$38,837	15,852
CAPITAL HILTON	2.4500	09-15-22	253	269,600	110,041
CAPITOL SKYLINE HOTEL	2.4500	09-15-22	46	52,087	21,260
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	2.4500	09-15-22	115	126,106	51,472
FAIRFAX AT EMBASSY ROW	2.4500	09-15-22	72	75,558	30,840
HAY-ADAMS HOTEL	2.4500	09-15-22	151	171,593	70,038
HILTON NATIONAL MALL ¹	2.4500	09-15-22	192	197,166	80,476
HILTON WASH. EMBASSY ROW HOTEL	2.4500	09-15-22	53	63,073	25,744
HYATT REGENCY WASHINGTON ON CAPITOL HILL	2.4500	09-15-22	308	350,152	142,919
JEFFERSON HOTEL	2.4500	09-15-22	77	85,135	34,749
LIAISON CAPITOL HILL	2.4500	09-15-22	121	128,000	52,245
MANDARIN ORIENTAL	2.4500	09-15-22	215	217,058	88,595
MARRIOTT MARQUIS	2.4500	09-15-22	504	546,847	223,203
MARRIOTT WARDMAN PARK	2.4500	09-15-22	527	579,212	236,413
OMNI-SHOREHAM HOTEL	2.4500	09-15-22	394	411,000	167,755
PHOENIX PARK HOTEL	2.4500	09-15-22	28	32,842	13,405
RENAISSANCE MAYFLOWER HOTEL	2.4500	09-15-22	288	336,209	137,228
ST. REGIS WASHINGTON D.C	2.4500	09-15-22	137	155,435	63,443
THE MADISON WASH DC, A HILTON HOTEL	2.4500	09-15-22	145	137,423	56,091
WASHINGTON COURT HOTEL	2.4500	09-15-22	122	121,135	49,443
WASHINGTON HILTON HOTEL & TOWERS	2.4500	09-15-22	576	537,873	219,540
W HOTEL	2.4500	09-15-22	189	175,832	71,768
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	2.4500	09-15-22	35	42,353	17,287
POWERSCOURT RESTAURANT	2.4500	09-15-22	11	8,156	3,329
INDEPENDENTS					
AC HOTEL NATIONAL HARBOR ²	2.4500	11-01-22	33	35,250	14,563
ARAMARK @ CAPITAL ONE ARENA	2.2500	12-01-19	5	1,557	692
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT ³	2.4500	10-15-22	182	210,700	86,976
EATON HOTEL ⁴	2.4500	09-15-22	62	61,789	25,220
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT ³	2.4500	10-15-22	69	73,282	29,911
GAYLORD NATL.RESORT AND CONFERENCE CTR ²	2.4500	11-01-22	1,122	1,014,571	419,686
HILTON CRYSTAL CITY HOTEL@ REAGAN ⁵	2.4500	11-15-22	112	124,566	51,533
HILTON MCLEAN TYSONS CORNER ³	2.4500	10-15-22	191	206,996	84,488
NATIONAL DEMOCRATIC CLUB	2.1000	04-30-20	15	15,691	7,472
RESTAURANT ASSOC./KENNEDY CENTER	2.4500	03-15-21	138	97,667	39,864
SHERATON PREMIERE HOTEL AT TYSONS CORNER ⁵	2.4500	11-15-22	99	111,519	46,116
UNITE HERE LOCAL 25	2.5600	09-15-22	25	31,616	12,350
UNITE HERE LOCAL 25 TEMP. EMP ⁶	2.4500	09-15-22	2	1,127	460
WOODNER HOTEL ⁶	2.4500	05-31-22	8	8,975	3,773
			6,655	\$6,853,988	2,806,240

¹EMPLOYER PARTICIPATING AS OF MARCH 1, 2019

²RATE INCREASE MAY 1, 2019

³RATE INCREASE APRIL 16, 2019

⁴EMPLOYER PARTICIPATING AS OF APRIL 1, 2019

⁵RATE INCREASE MAY 16, 2019

⁶RATE INCREASE JUNE 1, 2019

AVG HR CONTRIBUTION \$2.442

AVG HRS PER MONTH
PER PARTICIPANT 140.56

SECOND QUARTER 2019 EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$4,007,956	\$1.428	95.38%
DEATH BENEFITS	22,000	0.008	0.52%
SUBTOTAL	\$4,029,956	\$1.436	95.9%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$65	\$0.000	0.00%
AUDITOR	2,500	0.001	0.06%
ACTUARIAL FEE	13,688	0.005	0.33%
ADMINISTRATION	83,440	0.030	1.99%
BREDHOFF & KAISER	8,240	0.003	0.20%
INVESTMENT MGMT. FEES	33,749	0.012	0.80%
MEETING	339	0.000	0.01%
PAYROLL AUDITOR	5,544	0.002	0.13%
POSTAGE	12,835	0.005	0.31%
PRINTING	962	0.000	0.02%
SEYFARTH SHAW/GENERAL	4,635	0.002	0.11%
SEYFARTH SHAW/INV. REVIEW	6,129	0.002	0.15%
SOCIAL SECURITY	91	0.000	0.00%
SUBTOTAL	\$172,217	\$0.062	4.1%
TOTAL EXPENSES	\$4,202,173	\$1.498	100%

RETIREEES	2,486	AVERAGE MONTHLY PAYOUT	\$537.40
DEATH CLAIMS	11	AVERAGE COST/CLAIM	\$2,000.00

SECOND QUARTER 2019
QUARTERLY RECAP

	FIRST 2019	SECOND 2019	THIRD 2019	FOURTH 2019	TOTAL
CONTRIBUTIONS	\$5,854,655	\$6,853,988			\$12,708,643
MISCELLANEOUS INCOME ¹	67,705	41,834			109,539
INTEREST & DIVIDENDS	36,461	49,624			86,085
INVESTMENT INCOME	13,247,092	7,473,685			20,720,777

TOTAL INCOME	\$19,205,913	\$14,419,131			\$33,625,044
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BENEFIT EXPENSES					
PENSION BENEFITS	\$3,814,748	\$4,007,956			\$7,822,704
DEATH BENEFITS	16,000	22,000			38,000
SUBTOTAL	\$3,830,748	\$4,029,956			\$7,860,704

OPERATING EXPENSES					
ADMINISTRATION	\$80,582	\$83,440			\$164,022
MISCELLANEOUS	110,386	88,777			199,163
SUBTOTAL	\$190,968	\$172,217			\$363,185

TOTAL EXPENSES	\$4,021,716	\$4,202,173			\$8,223,889
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TOTAL INCOME	\$19,205,913	\$14,419,131			\$33,625,044
TOTAL EXPENSES	4,021,716	4,202,173			8,223,889
SURPLUS (DEFICIT)	\$15,184,197	\$10,216,958			\$25,401,155

TOTAL PARTICIPANTS	6,261	6,655			
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¹MISCELLANEOUS INCOME: GAYLORD NATIONAL PAYROLL AUDIT \$29,002.04 AND INTEREST \$7,231.66. HILTON EMBASSY CRYSTAL CITY WITHDRAWAL LIABILITY ESTIMATED FEE \$1,250.00. WASHINGTON HILTON TEMPS. \$4,349.97.

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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SECOND QUARTER 2019
HOURLY RECAP

	FIRST 2019	SECOND 2019	THIRD 2019	FOURTH 2019	AVG. TOTAL
CONTRIBUTIONS	\$2.373	\$2.442			\$2.4075
MISCELLANEOUS INCOME	0.027	0.015			0.0210
INTEREST PNC	0.015	0.018			0.0165

TOTAL INCOME	\$2.415	\$2.475			\$2.4450
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1.546	\$1.428			\$1.487
DEATH BENEFITS	0.006	0.008			0.007
SUBTOTAL	\$1.552	\$1.436			\$1.494

OPERATING EXPENSES					
ADMINISTRATION	\$0.033	\$0.030			\$0.032
MISCELLANEOUS	0.045	0.032			0.039
SUBTOTAL	\$0.078	\$0.062			\$0.071

TOTAL EXPENSES	\$1.630	\$1.498			\$1.565
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TOTAL INCOME	\$2.415	\$2.475			\$2.445
TOTAL EXPENSES	1.630	1.498			1.565
SURPLUS (DEFICIT)	\$0.785	\$0.977			\$0.880

2019 CONTRIBUTIONS AND HOURS RECAP
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	FIRST 2019	SECOND 2019	THIRD 2019	FOURTH 2019	AVG TOTAL
CONTRIBUTIONS	\$5,854,655	\$6,853,988			\$6,354,322
HOURS	2,466,956	2,806,240			2,636,598
TOTAL PARTICIPANTS	6,261	6,655			6,458

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

SECOND QUARTER 2019 DELINQUENT EMPLOYERS

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

HERE 25 PENSION FUND

Balance Sheet

June 30, 2019

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$	1,469,080.56
TEMPORARY ASSET		<u>(220,833.92)</u>

Total Current Assets 1,248,246.64

Other Assets

PNC GOVT MONEY MARKET FUND	7,202,958.70
STIF MSD&T 3338209	2.52
BUILDING INVESTMENT TRUST	14,076,884.01
HOUSING INVESTMENT TRUST	4,358,773.47
PIMCO FDS	3.23
MV APPR PIMCO FDS	(0.18)
SSGA S&P GLOBAL LARGE MID CAP	7,991,446.04
SSGA S&P GLOBAL LARGE CAP MV	1,383,563.75
SKY HARBOR CAP MGMT	601,124.63
SKY HARBOR CAP MGMT MV	229,797.37
SKY HARBOR CAP MGMT MONEY MKT	4,595.05
VANGUARD VICBX	7,411,405.61
VANGUARD VICBX MKT VALUE	131,620.34
REALITY ASSOC FUND	657,452.06
REALITY ASSOC FUND MV	319,448.14
RIDGEMONT EQUITY PARTNERS	1,290,089.50
RIDGEMONT EQUITY PARTNERS MV	267,549.50
DRA GROWTH AND INCOME #31	1,724,277.00
DRA GROWTH AND INCOME MV #31	168,308.00
AFL-CIO	19,126,152.08
MV APR AFL-CIO	5,064,040.06
VANGUARD S/T VTSPX	26,958,829.58
VANGUARD S/T VTSPX MKT VALUE	306,704.29
ARTISAN GLOBAL VALUE -INS	11,558,965.00
ARTISAN GLOBAL VALUE -INS MV	487,561.46
STRATEGIC INVESTORS FUND VIII,	1,989,549.00
FIRST EAGLE GLOBAL FUND CLASS	12,155,981.97
FIRST EAGLE GLOBAL CLASS 1 MV	239,156.40
FIRST EAGLE FUND CLASS 1	5,840,000.00
FIRST EAGLE FUND CLASS 1 MV	(25,030.95)
DRA GROWTH & INCOME IX LLC	1,405,846.00
MV DRA GROWTH & INCOME IX MV	341,471.00
ULLICO PREFERRED 8%	1,947,577.52
CORPORATE STOCK VALUATION	(268,337.72)
WCM Focused Global Growth	10,531,421.00
WCM MV	2,876,204.00
Kopernik Global All-Cap Fund	5,580,550.00
Kopernik Global MV	(227,593.15)
GQG Partner Global Equity Fund	10,434,534.00
GQG MK VALUE	2,000,000.00
TRILANTIC CAP PART.	489,807.10

SSGA US AHORT TERM #47	11,000,000.00	
SSGA US SHORT TERM MV #47	482,416.83	
SSGA MSCI EMERGING #48	6,182,346.72	
SSGA MSCI EMERGING MV #48	(251,257.93)	
SSGA REIT CMW4 50	3,055,000.00	
MV SSGA REIT CMW4 50	274,620.80	
SSGA TIPS CMTF 51	13,037,000.00	
MV SSGA TIPS CMTF	732,398.66	
SSGA AGGREGATE BOND CMX6 52	32,216,000.00	
MVSSGA AGGREGATE BOND CMX6 52	2,275,196.29	
SSGA MSCI EAFE ZV31NON 53	2,653,000.00	
MV SSGA MSCI EAFE ZV31NON 53	(1,084.42)	
PAYDEN & RYDEL EMERGING MKTS	7,500,000.00	
PAYDEN & RYDEL EMERGING MV	55,576.82	
MULTI. EMP TRUST	(0.01)	
ACCRUED INT. AND OTHER	17,048.47	
OTHER RECEIVABLE	2,000,000.00	
Total Other Assets		<u>247,860,949.61</u>
Total Assets		<u><u>\$ 249,109,196.25</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	\$ 2,501.64	
DUE TO OTHERS	(950,758.96)	
DUE TO FROM H & W	(21,728.05)	
Total Current Liabilities		(969,985.37)
Long-Term Liabilities		
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		(969,985.37)
Capital		
FUND BALANCE	227,587,222.57	
Net Income	22,491,959.05	
Total Capital		<u>250,079,181.62</u>
Total Liabilities & Capital		<u><u>\$ 249,109,196.25</u></u>

HERE 25 PENSION FUND
Income Statement
For the Six Months Ending June 30, 2019

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 118,828.62	\$ 181,550.75
HAY - ADAMS HOTEL	165,285.40	259,109.20
MAYFLOWER	332,080.77	536,959.22
PHOENIX PARK HOTEL	23,131.70	45,865.35
HILTON WASH. EMBASSY ROW	63,877.72	98,938.40
HARRINGTON HOTEL	40,219.28	57,652.17
WASHINGTON HILTON	572,695.65	853,609.11
HYATT REGENCY	306,437.11	495,407.20
WOODNER HOTEL	9,015.78	15,357.26
NATIONAL DEMOCRATIC	15,619.13	26,431.56
RESTAURANT ASSOC./KENNEDY CTR	93,341.91	147,818.83
BEACON HOTEL	33,839.92	57,634.55
HOLIDAY INN ON THE HILL	88,773.46	137,051.71
ST. REGIS WASHINGTON	153,879.48	258,723.98
OMNI-SHOREHAM HOTEL	225,560.94	444,335.82
CAPITAL HILTON	282,266.45	429,922.21
MADISON HOTEL	177,552.19	222,773.24
CAPITOL SKYLINE HOTEL	29,556.44	54,656.79
FAIRFAX AT EMBASSY ROW	81,244.18	118,445.95
JEFFESON HOTEL	82,788.43	135,889.71
MARRIOTT WARDMAN PARK	566,030.20	902,442.25
UNITE HERE LOCAL 25	34,359.21	52,636.03
ARAMARK@VERIZON CENTER	2,896.77	5,745.55
POWERSCOURT RESTAURANT	18,372.91	23,612.19
SHERATON PREMIER@TYSON	67,402.76	133,443.66
MANDARIN ORIENTAL	112,096.88	255,222.30
EMBASSY SUITES CONV CTR	123,059.17	204,000.22
W HOTEL	143,698.41	213,124.81
HILTON MCLEAN @ TYSON CORNER	198,280.67	337,301.79
DOUBLETREE HOTEL	206,103.75	310,314.93
GAYLORD NATL. RESORT	974,034.04	1,613,849.62
HILTON CRYSTAL CITY @REAGAN	80,902.37	158,452.17
MARRIOTT MARQUIS	582,934.14	903,664.40
HILTON EMBASSY CRYSTAL CITY	67,706.10	122,813.30
AC HOTEL	35,842.95	55,256.83
INTEREST & DIV.	507,687.77	970,047.75
CAPITAL GAIN DIST	79,792.05	135,222.74
UNREALIZED G/L ON INV	7,525,665.61	20,013,751.66
REALIZED GAIN LOSS	(589,836.31)	(233,099.90)
P/R AUDIT INCOME	29,002.04	62,834.10
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	3,750.00
PAYROLL AUDIT INTEREST INCOME	7,231.66	7,231.66
Total Revenues	13,670,507.71	30,829,751.07
Gross Profit	13,670,507.71	30,829,751.07
Expenses		
PENSIONS PAID TO MEMBERS	4,030,532.19	7,857,552.54

For Management Purposes Only

	Current Quarter	Year to Date
INVESTMENT MANAGEMENT FEES	40,053.67	79,894.48
Other Investment Expense	0.00	72.94
INV. CUSTODIAL FEES	21,675.00	40,083.00
INVESTMENT CONSULTANT	24,999.99	41,666.65
ACTUARIAL FEES	13,688.00	13,688.00
ADMINISTRATOR FEES	83,439.81	158,439.81
AUDIT FEE FINANCIAL	2,500.00	2,500.00
AUDIT FEES PAYROLL	5,543.58	5,543.58
LEGAL FEE	19,003.50	60,340.75
INSURANCE AND BONDING	0.00	54,572.00
IFEBP	0.00	1,050.00
MEETING EXPENSE	338.86	677.84
BANK FEE	1,463.25	2,962.70
PRINTING, POSTAGE & OFFICE	13,364.23	18,747.73
Total Expenses	4,256,602.08	8,337,792.02
Net Income	\$ 9,413,905.63	\$ 22,491,959.05