

**UNITE HERE LOCAL 25 AND
HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
THIRD QUARTER
2016**

ADMINISTRATIVE MANAGER'S REPORT

THIRD QUARTER 2016
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$2.1000	09-15-17	35	\$35,169	16,747
CAPITAL HILTON	2.1000	09-15-17	245	252,353	120,168
CAPITOL SKYLINE HOTEL	2.1000	09-15-17	51	43,199	20,571
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	2.1000	09-15-17	123	119,305	56,812
FAIRFAX AT EMBASSY ROW	2.1000	09-15-17	75	76,509	36,433
HAY-ADAMS HOTEL	2.1000	09-15-17	146	137,340	65,400
HILTON WASH. EMBASSY ROW HOTEL	2.1000	09-15-17	68	68,804	32,764
HYATT REGENCY WASHINGTON ON CAPITOL HILL	2.1000	09-15-17	334	340,427	162,108
JEFFERSON HOTEL	2.1000	09-15-17	71	67,689	32,233
LIAISON CAPITOL HILL	2.1000	09-15-17	136	133,749	63,690
MADISON HOTEL	2.1000	09-15-17	164	165,757	78,932
MANDARIN ORIENTAL	2.1000	09-15-17	224	207,190	98,662
MARRIOTT MARQUIS	2.1000	09-15-17	547	546,370	260,176
MARRIOTT WARDMAN PARK	2.1000	09-15-17	571	534,154	254,359
OMNI-SHOREHAM HOTEL	2.1000	09-15-17	446	371,717	177,008
PHOENIX PARK HOTEL	2.1000	09-15-17	27	25,129	11,966
RENAISSANCE MAYFLOWER HOTEL	2.1000	09-15-17	281	267,198	127,237
ST. REGIS WASHINGTON D.C	2.1000	09-15-17	141	140,776	67,036
WASHINGTON COURT HOTEL	2.1000	09-15-17	123	97,119	46,247
WASHINGTON HILTON HOTEL & TOWERS	2.1000	09-15-17	619	536,031	255,253
W HOTEL	2.1000	09-15-17	204	190,970	90,938
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	2.1000	09-15-17	35	33,596	15,998
POWERSCOURT RESTAURANT	2.1000	09-15-17	10	5,462	2,601
INDEPENDENTS					
ARAMARK @ VERIZON CENTER	2.0000	12-02-17	6	1,572	786
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	2.1000	10-15-17	187	169,846	80,879
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	2.1000	10-15-17	72	76,390	36,376
GAYLORD NATL.RESORT AND CONFERENCE CTR	2.1000	10-31-17	1,043	894,787	426,089
HILTON CRYSTAL CITY HOTEL@ REAGAN	2.1000	11-14-17	115	108,316	51,579
HILTON MCLEAN TYSONS CORNER	2.1000	10-15-17	199	186,134	88,635
LEVY RESTAURANTS AT VERIZON CENTER	1.9500	12-02-15	25	9,914	5,084
NATIONAL DEMOCRATIC CLUB	2.1000	04-30-17	10	6,770	3,224
RESTAURANT ASSOC./KENNEDY CENTER	2.1000	07-15-16	101	69,602	33,144
SHERATON PREMIERE HOTEL AT TYSONS CORNER	2.1000	11-15-17	117	112,953	53,787
UNITE HERE LOCAL 25	2.2100	09-15-17	23	28,200	12,760
UNITE HERE LOCAL 25 TEMP. EMP ¹	2.1000	09-15-17	0	0	0
WOODNER HOTEL	2.1000	11-30-17	8	8,694	4,140
			6,582	\$6,069,191	2,889,822

¹NO HOURS REPORTED THIS QUARTER

AVG HR CONTRIBUTION \$2.100

AVG HRS PER MONTH
PER PARTICIPANT 146.35

THIRD QUARTER 2016 EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$2,893,744	\$1.001	91.730%
DEATH BENEFITS	22,000	0.008	0.697%
SUBTOTAL	\$2,915,744	\$1.009	92.427%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$90	\$0.000	0.003%
ACTUARIAL FEE	13,006	0.005	0.412%
ADMINISTRATION	83,188	0.029	2.637%
AUDITOR	3,000	0.001	0.095%
BREDHOFF & KAISER	4,463	0.002	0.141%
FIDELITY BOND	1,739	0.001	0.055%
FIDUCIARY LIABILITY	62,435	0.022	1.979%
INVESTMENT MGMT. FEES	50,971	0.018	1.616%
MEETING	603	0.000	0.019%
POSTAGE	3,809	0.001	0.121%
PRINTING	339	0.000	0.011%
SOCIAL SECURITY	68	0.000	0.002%
SEYFARTH SHAW	15,194	0.005	0.482%
SUBTOTAL	\$238,905	\$0.084	7.573%
TOTAL EXPENSES	\$3,154,649	\$1.093	100.00%

RETIREEES	2,209	AVERAGE MONTHLY PAYOUT	\$436.66
DEATH CLAIMS	11	AVERAGE COST/CLAIM	\$2,000.00

THIRD QUARTER 2016
QUARTERLY RECAP

	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	TOTAL
CONTRIBUTIONS	\$5,107,707	\$6,073,851	\$6,069,191		\$17,250,749
MISCELLANEOUS INCOME ¹	2,500	12,227	9,512		24,239
INTEREST & DIVIDENDS	2,903	4,834	3,919		11,656
INVESTMENT INCOME	666,513	6,025,121	4,182,461		10,874,095
WITHDRAWAL LIABILITY	294,001	0	0		294,001

TOTAL INCOME	\$6,073,624	\$12,116,033	\$10,265,083		\$28,454,740
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BENEFIT EXPENSES					
PENSION BENEFITS	\$2,689,776	\$2,782,562	\$2,893,744		\$8,366,082
DEATH BENEFITS	14,000	28,000	22,000		64,000
SUBTOTAL	\$2,703,776	\$2,810,562	\$2,915,744		\$8,430,082

OPERATING EXPENSES					
ADMINISTRATION	\$79,445	\$79,026	\$83,188		\$241,659
MISCELLANEOUS	76,446	145,183	155,717		377,346
SUBTOTAL	\$155,891	\$224,209	\$238,905		\$619,005

TOTAL EXPENSES	\$2,859,667	\$3,034,771	\$3,154,649		\$9,049,087
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TOTAL INCOME	\$6,073,624	\$12,116,033	\$10,265,083		\$28,454,740
TOTAL EXPENSES	2,859,667	3,034,771	3,154,649		9,049,087
SURPLUS (DEFICIT)	\$3,213,957	\$9,081,262	\$7,110,434		\$19,405,653

TOTAL PARTICIPANTS	6,524	6,698	6,582	
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¹ MISCELLANEOUS INCOME: MADISON HOTEL PAYROLL AUDIT \$7,003.16 AND INTEREST \$1,258.88.
RESTAURANT ASSOC./KENNEDY CENTER WITHDRAWAL LIABILITY ESTIMATE FEE \$1,250.00.

2015
QUARTERLY RECAP

	FIRST 2015	SECOND 2015	THIRD 2015	FOURTH 2015	TOTAL
CONTRIBUTIONS	\$4,768,676	\$5,676,661	\$5,409,984	\$5,740,996	\$21,596,317
MISCELLANEOUS INCOME ¹	59,983	3,260	1,250	6,732	71,225
INTEREST & DIVIDENDS	657	468	203	320	1,648
INVESTMENT INCOME	1,652,420	(244,549)	(8,659,111)	3,678,782	(3,572,458)

TOTAL INCOME	\$6,481,736	\$5,435,840	(\$3,247,674)	\$9,426,830	\$18,096,732
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BENEFIT EXPENSES					
PENSION BENEFITS	\$2,489,089	\$2,536,090	\$2,511,496	\$2,624,797	\$10,161,472
DEATH BENEFITS	22,000	30,000	12,000	24,000	88,000
SUBTOTAL	\$2,511,089	\$2,566,090	\$2,523,496	\$2,648,797	\$10,249,472

OPERATING EXPENSES					
ADMINISTRATION	\$78,869	\$79,363	\$81,410	\$79,348	\$318,990
MISCELLANEOUS	61,884	107,148	113,287	333,466	615,785
SUBTOTAL	\$140,753	\$186,511	\$194,697	\$412,814	\$934,775

TOTAL EXPENSES	\$2,651,842	\$2,752,601	\$2,718,193	\$3,061,611	\$11,184,247
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TOTAL INCOME	\$6,481,736	\$5,435,840	(\$3,247,674)	\$9,426,830	\$18,096,732
TOTAL EXPENSES	2,651,842	2,752,601	2,718,193	3,061,611	11,184,247
SURPLUS (DEFICIT)	\$3,829,894	\$2,683,239	(\$5,965,867)	\$6,365,219	\$6,912,485

TOTAL PARTICIPANTS	6,651	6,721	6,648	6,738	
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THIRD QUARTER 2016
HOURLY RECAP

	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	AVG. TOTAL
CONTRIBUTIONS	\$1.966	\$2.088	\$2.100		\$2.0513
MISCELLANEOUS INCOME	\$0.001	0.004	\$0.003		0.0027
INTEREST PNC	\$0.001	0.002	\$0.001		0.0013

TOTAL INCOME	\$1.968	\$2.094	\$2.104		\$2.0553
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BENEFIT EXPENSES					
PENSION BENEFITS	\$1.036	\$0.957	\$1.001		\$0.998
DEATH BENEFITS	0.005	0.010	0.008		0.008
SUBTOTAL	\$1.041	\$0.967	\$1.009		\$1.006

OPERATING EXPENSES					
ADMINISTRATION	\$0.031	\$0.027	\$0.029		\$0.029
MISCELLANEOUS	0.029	0.050	0.054		0.044
SUBTOTAL	\$0.060	\$0.077	\$0.083		\$0.073

TOTAL EXPENSES	\$1.101	\$1.044	\$1.092		\$1.079
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TOTAL INCOME	\$1.968	\$2.094	\$2.104		\$2.055
TOTAL EXPENSES	1.101	1.044	1.092		1.079
SURPLUS (DEFICIT)	\$0.867	\$1.050	\$1.012		\$0.976

2016 CONTRIBUTIONS AND HOURS RECAP
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	FIRST 2016	SECOND 2016	THIRD 2016	FOURTH 2016	TOTAL
CONTRIBUTIONS	\$5,107,077	\$6,073,851	\$6,069,191		\$17,250,119
HOURS	2,597,493	2,908,516	2,889,822		8,395,831
TOTAL PARTICIPANTS	6,524	6,698	6,582		19,804

CONTRIBUTIONS AND HOURS RECAP

	FIRST 2015	SECOND 2015	THIRD 2015	FOURTH 2015	TOTAL
CONTRIBUTIONS	\$4,768,676	\$5,676,661	\$5,409,984	\$5,740,996	\$21,596,317
HOURS	2,627,884	2,936,448	2,774,078	2,943,766	11,282,176
TOTAL PARTICIPANTS	6,651	6,721	6,648	6,738	26,758

THIRD QUARTER 2016 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, 2016

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$	922,704.13
CASH - 20-46-002-6786563		67,104.91
PREPAID INSURANCE		43,597.11
INVESTMENT PENDING		<u>(2,000,000.00)</u>

Total Current Assets

(966,593.85)

Other Assets

PNC GOVT MONEY MARKET FUND	11,283,939.15
STIF MSD&T 3338209	2.52
BUILDING INVESTMENT TRUST	11,903,387.00
HOUSING INVESTMENT TRUST	3,905,203.49
PIMCO FDS	2.79
MV APPR PIMCO FDS	(0.08)
VANGUARD VIPIX	14,117,099.92
MV APPR VANGUARD VIPIX	(174,607.47)
SHMDX STONE HARBOR	4,085,715.78
SHMDX STONE HARBOR MARKET VALU	13,307.57
SSGA S&P GLOBAL LARGE MID CAP	5,500,000.00
SSGA S&P GLOBAL LARGE CAP MV	(981,715.68)
SKY HARBOR CAP MGMT	3,088,773.00
SKY HARBOR CAP MGMT MV	(86,736.00)
SKY HARBOR CAP MGMT MONEY MKT	51.09
VANGUARD VICBX	6,433,869.85
VANGUARD VICBX MKT VALUE	84,056.09
LOOMIS SAYLES (LSFYX)	6,137,619.90
LOOMIS SAYLES MV (LSFYX)	(236,105.38)
VANGUARD (VDIGX)	12,522,821.18
VANGUARD MV (VDIGX)	2,706,882.66
VANGUARD (VGRSX)	2,356,915.88
VANGUARD MV (VGRSX)	646,579.90
REALITY ASSOC FUND	1,959,082.95
REALITY ASSOC FUND MV	128,157.74
RIDGEMONT EQUITY PARTNERS	1,701,495.01
RIDGEMONT EQUITY PARTNERS MV	615,523.00
VANGUARD VTMGX	15,240,965.57
VANGUARD VTMGX MV	820,662.23
VANGUARD BD INDEX VDBTIX	31,283,047.81
VANGUARD BD INDEX FV MV VDBTIX	520,771.12
DRA GROWTH AND INCOME #31	2,078,838.26
DRA GROWTH AND INCOME MV #31	83,474.74
VANGUARD SM CAP	3,068,899.23
VANGUARD SM CAP MV	23,872.37
VANGUARD MID CAP	4,644,196.66
VANGUARD MID CAP MV	84,514.44
AFL-CIO	30,000,000.00
MV APR AFL-CIO	2,106,752.92

Unaudited - For Management Purposes Only

STATE STREET EM MARKETS	6,520,430.07	
STATE STREET EM MARKETS MV	(109,938.36)	
ULLICO PREFERRED 8%	1,947,577.52	
CORPORATE STOCK VALUATION	(764,599.92)	
MULTI. EMP TRUST	(0.01)	
ACCRUED INT. AND OTHER	<u>52,607.35</u>	
Total Other Assets		<u>185,313,393.86</u>
Total Assets		<u><u>\$ 184,346,800.01</u></u>

LIABILITIES AND CAPITAL

Current Liabilities		
ACCOUNTS PAYABLE	<u>(\$ 54,413.75)</u>	
Total Current Liabilities		(54,413.75)
Long-Term Liabilities	<u></u>	
Total Long-Term Liabilities		<u>0.00</u>
Total Liabilities		(54,413.75)
Capital		
FUND BALANCE	166,858,660.43	
Net Income	<u>17,542,553.33</u>	
Total Capital		<u>184,401,213.76</u>
Total Liabilities & Capital		<u><u>\$ 184,346,800.01</u></u>

HERE 25 PENSION FUND
Income Statement
For the Nine Months Ending September 30, 2016

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 101,422.56	\$ 265,247.70
HAY - ADAMS HOTEL	142,915.08	374,037.99
RENAISSANCE MAYFLOWER	270,486.51	688,664.51
PHOENIX PARK HOTEL	34,123.05	59,333.46
HILTON WASH. EMBASSY ROW	45,483.38	141,078.32
HARRINGTON HOTEL	35,115.68	84,234.01
WASHINGTON HILTON	535,446.87	1,271,103.35
HYATT REGENCY	314,668.49	774,513.88
WOODNER HOTEL	8,391.08	20,413.81
NATIONAL DEMOCRATIC	7,638.29	29,385.14
RESTAURANT ASSOC./KENNEDY CTR	80,897.83	189,953.76
BEACON HOTEL	25,411.76	78,246.82
HOLIDAY INN ON THE HILL	126,070.52	315,289.78
LEVY@VERIZON CENTER	8,212.55	39,558.59
ST. REGIS WASHINGTON	131,184.91	336,277.83
OMNI-SHOREHAM HOTEL	403,968.13	925,363.62
CAPITAL HILTON	239,042.48	598,775.09
MADISON HOTEL	243,787.65	421,468.01
CAPITOL SKYLINE HOTEL	43,726.59	96,434.45
FAIRFAX AT EMBASSY ROW	72,319.19	191,718.70
JEFFESON HOTEL	63,557.52	171,455.48
MARRIOTT WARDMAN PARK	562,632.84	1,342,227.84
UNITE HERE LOCAL 25	25,953.15	65,809.09
ARAMARK@VERIZON CENTER	1,259.68	7,882.92
POWERSCOURT RESTAURANT	7,783.49	14,000.81
SHERATON PREMIER@TYSON	112,291.40	300,448.09
MANDARIN ORIENTAL	208,128.71	514,780.62
EMBASSY SUITES CONV CTR	122,145.26	298,772.84
W HOTEL	192,458.53	475,474.81
HILTON MCLEAN @ TYSON CORNER	193,265.77	476,938.28
DOUBLETREE HOTEL	198,361.70	507,385.38
GAYLORD NATL. RESORT	909,248.96	2,273,225.31
HILTON CRYSTAL CITY @REAGAN	108,682.98	290,411.01
MARRIOTT MARQUIS	509,653.62	1,313,714.01
HILTON EMBASSY CRYSTAL CITY	44,169.03	155,572.88
WITHDRAWAL LIABILITY INCOME	0.00	294,001.49
OTHER INCOME	106,103.16	205,750.28
INTEREST & DIV.	607,361.08	1,974,050.10
CAPITAL GAIN DIST	0.00	41,101.15
UNREALIZED G/L ON INV	3,240,691.43	11,879,456.23
REALIZED GAIN LOSS	338,327.29	(3,008,856.32)
P/R AUDIT INCOME	7,003.16	16,794.74
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	3,750.00
PAYROLL AUDIT INTEREST INCOME	1,258.88	3,694.39
PRINCIPAL DIVIDEND RECEIVED	0.00	1,804.62
Total Revenues	10,431,900.24	26,520,744.87
Gross Profit	10,431,900.24	26,520,744.87

For Management Purposes Only

	Current Quarter	Year to Date
Expenses		
PENSIONS PAID TO MEMBERS	2,910,281.32	8,452,275.70
INVESTMENT MANAGEMENT FEES	28,470.71	39,619.17
INVESTMENT CONSULTANT	24,999.99	66,666.64
ACTUARIAL FEES	13,006.25	25,670.00
ADMINISTRATOR FEES	83,187.84	237,214.28
AUDIT FEES PAYROLL	0.00	16,799.19
LEGAL FEE	19,656.25	44,918.36
INSURANCE AND BONDING	21,246.36	65,986.86
IFEBP	0.00	960.00
MEETING EXPENSE	602.78	904.91
BANK FEE	1,371.85	5,554.85
PRINTING, POSTAGE & OFFICE	4,305.39	21,621.58
Total Expenses	3,107,128.74	8,978,191.54
Net Income	\$ 7,324,771.50	\$ 17,542,553.33