

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

ADMINISTRATIVE MANAGER'S REPORT

THIRD QUARTER 2012
CONTRIBUTIONS

COMPANY	RATE	CBA EXP DATE	PARTICIPANTS	CONTRIBUTIONS	HOURS
HOTEL ASSOCIATION CONTRACTS					
BEACON HOTEL	\$1.5000	09-15-17	37	\$7,905	5,270
CAPITAL HILTON	1.5000	09-15-17	269	172,091	114,727
CAPITOL SKYLINE HOTEL	1.5000	09-15-17	58	31,665	21,110
EMBASSY SUITES WASHINGTON D.C.-CONV. CTR	1.5000	09-15-17	140	86,027	57,351
FAIRFAX AT EMBASSY ROW	1.5000	09-15-17	124	77,675	51,783
FOUR POINTS HOTEL BY SHERATON	1.5000	09-15-17	45	28,412	18,941
HAY-ADAMS HOTEL	1.5000	09-15-17	145	94,671	63,114
HILTON WASH. EMBASSY ROW HOTEL	1.5000	09-15-17	60	38,051	25,367
HOLIDAY INN GEORGETOWN	1.5000	09-15-17	37	25,338	16,892
HYATT REGENCY WASHINGTON ON CAPITOL HILL	1.5000	09-15-17	361	237,963	158,642
JEFFERSON HOTEL	1.5000	09-15-17	68	41,967	27,978
L'ENFANT PLAZA HOTEL	1.5000	09-15-17	179	115,893	77,262
LIAISON CAPITOL HILL	1.5000	09-15-17	140	101,325	67,550
MADISON HOTEL	1.5000	09-15-17	165	110,940	73,960
MANDARIN ORIENTAL	1.5000	09-15-17	222	138,680	92,453
MARRIOTT WARDMAN PARK	1.5000	09-15-17	636	406,031	270,687
OMNI-SHOREHAM HOTEL	1.5000	09-15-17	396	241,163	160,775
PHOENIX PARK HOTEL	1.5000	09-15-17	34	19,344	12,896
RENAISSANCE MAYFLOWER HOTEL	1.5000	09-15-17	289	172,179	114,786
ST. REGIS WASHINGTON D.C.	1.5000	09-15-17	139	92,589	61,726
WASHINGTON COURT HOTEL	1.5000	09-15-17	128	81,609	54,406
WASHINGTON HILTON HOTEL & TOWERS	1.5000	09-15-17	614	351,311	234,207
W HOTEL	1.5000	09-15-17	239	133,130	88,753
SIGNATORY TO HOTEL ASSOCIATION CONTRACT					
HARRINGTON HOTEL	1.5000	09-15-17	33	20,181	13,454
POWERSCOURT RESTAURANT	1.5000	09-15-17	15	3,624	2,416
INDEPENDENTS					
ARAMARK @ VERIZON CENTER	1.8000	12-02-13	6	2,491	1,384
DOUBLETREE HOTEL CRYSTAL CITY-AIRPORT	1.5000	10-15-10	207	131,403	87,602
EMBASSY SUITES CRYSTAL CITY-NATL. AIRPORT	1.5000	10-15-10	69	44,643	29,762
HILTON MCLEAN TYSONS CORNER	1.5000	10-15-10	200	134,069	89,379
HOTEL AND RESTAURANT TEMPS ¹	1.5000	10-01-13	18	296	197
LEVY RESTAURANTS AT VERIZON CENTER	1.3000	12-02-12	18	5,132	3,948
NATIONAL DEMOCRATIC CLUB	1.0000	02-28-10	21	8,126	8,126
RESTAURANT ASSOC./KENNEDY CENTER	1.5000	07-15-11	100	35,414	23,609
SHERATON PREMIERE HOTEL AT TYSONS CORNER	1.5000	11-15-10	125	83,039	55,359
UNITE HERE LOCAL 23	1.6100		2	1,674	1,040
UNITE HERE LOCAL 25	1.6100		15	11,954	7,425
UNITE HERE LOCAL 25 TEMP. EMP.	1.5000		6	3,194	2,129
WOODNER HOTEL	1.5000	11-30-10	8	6,563	4,375
			5,368	\$3,297,762	2,200,841

¹ESTIMATED

AVG HR CONTRIBUTION \$1,498

AVG HRS PER MONTH
PER PARTICIPANT 136.66

THIRD QUARTER 2012 EXPENSES

BENEFIT EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
PENSION BENEFITS	\$1,873,015	\$0.851	87.782%
DEATH BENEFITS	6,000	0.003	0.281%
SUBTOTAL	\$1,879,015	\$0.854	88.063%

OPERATING EXPENSES	AMOUNT	AVG. HOURLY COST	PERCENTAGE
ACCURINT	\$213	\$0.000	0.0100%
ACTUARIAL FEE	25,526	0.012	1.1963%
ADMINISTRATION	60,544	0.028	2.8375%
AUDITOR	19,800	0.009	0.9280%
BANK FEE	3,750	0.002	0.1757%
BREDHOFF & KAISER	5,341	0.002	0.2503%
FIDUCIARY LIAB. PREMIUM	33,346	0.015	1.5628%
INVESTMENT MGMT. FEES	47,179	0.021	2.2111%
KATZ & RANZMAN	846	0.000	0.0396%
MEETING	397	0.000	0.0186%
PAYROLL AUDITOR	18,051	0.008	0.8460%
POSTAGE	10,601	0.005	0.4968%
PRINTING	1,188	0.001	0.0557%
SEYFARTH SHAW	27,923	0.013	1.3087%
SUBTOTAL	\$254,705	\$0.116	11.937%

TOTAL EXPENSES	\$2,133,720	\$0.970	100.00%
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RETIREEES	1,822	AVERAGE MONTHLY PAYOUT	\$342.67
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DEATH CLAIMS	3	AVERAGE COST/CLAIM	\$2,000.00
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**THIRD QUARTER 2012
QUARTERLY RECAP**

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	TOTAL
CONTRIBUTIONS	\$3,109,303	\$3,507,865	\$3,297,762		\$9,914,930
MISCELLANEOUS INCOME ¹	63,908	10,882	25,780		100,570
INTEREST & DIVIDENDS	156	100	93		349
INVESTMENT INCOME	10,606,236	(5,134,207)	4,714,030		10,186,059
TOTAL INCOME	\$13,779,603	(\$1,615,360)	\$8,037,665		\$20,201,908
BENEFIT EXPENSES					
PENSION BENEFITS	\$1,849,903	\$1,788,800	\$1,873,015		\$5,511,718
DEATH BENEFITS	16,000	20,000	6,000		42,000
SUBTOTAL	\$1,865,903	\$1,808,800	\$1,879,015		\$5,553,718
OPERATING EXPENSES					
ADMINISTRATION	\$55,971	\$57,357	\$60,544		\$173,872
MISCELLANEOUS	160,391	72,433	194,161		426,985
SUBTOTAL	\$216,362	\$129,790	\$254,705		\$600,857
TOTAL EXPENSES	\$2,082,265	\$1,938,590	\$2,133,720		\$6,154,575
TOTAL INCOME	\$13,779,603	(\$1,615,360)	\$8,037,665		\$20,201,908
TOTAL EXPENSES	2,082,265	1,938,590	2,133,720		6,154,575
SURPLUS (DEFICIT)	\$11,697,338	(\$3,553,950)	\$5,903,945		\$14,047,333
TOTAL PARTICIPANTS	5,374	5,639	5,368		

¹ MISCELLANEOUS INCOME: HYATT REGENCY HOTEL PAYROLL AUDIT \$4,325.40 AND INTEREST \$1,009.38. OMNI SHOREHAM HOTEL PAYROLL AUDIT \$19,195.96. EMBASSY SUITES WASHINGTON D.C. CONVENTION CENTER WITHDRAWAL LIABILITY ESTIMATE FEE PAYMENT \$1,250.00.

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. POWERS COURT RESTAURANT PAYROLL AUDIT \$2,730.88 AND INTEREST \$496.18. EMBASSY SUITES CRYSTAL CITY PAYROLL AUDIT \$3.92 AND INTEREST \$58.46.

THIRD QUARTER 2012
HOURLY RECAP

	FIRST 2012	SECOND 2012	THIRD 2012	FOURTH 2012	AVG. TOTAL
CONTRIBUTIONS	\$1.5000	\$1.4982	\$1.4984		\$1.4989
MISCELLANEOUS INCOME	0.0308	0.0046	0.0117		\$0.0157
INTEREST PNC	0.0001	0.0000	0.0000		\$0.0000
WITHDRAWAL LIABILITY	0.0000	0.0000	0.0000		\$0.0000
TOTAL INCOME	\$1.5309	\$1.5028	\$1.5101		\$1.5146
BENEFIT EXPENSES					
PENSION BENEFITS	\$0.891	\$0.764	\$0.851		\$0.835
DEATH BENEFITS	0.008	0.009	0.003		0.007
SUBTOTAL	\$0.899	\$0.773	\$0.854		\$0.842
OPERATING EXPENSES					
ADMINISTRATION	\$0.027	\$0.024	\$0.028		\$0.026
MISCELLANEOUS	0.077	0.031	0.088		0.065
SUBTOTAL	\$0.104	\$0.055	\$0.116		\$0.091
TOTAL EXPENSES	\$1.003	\$0.828	\$0.970		\$0.933
TOTAL INCOME	\$1.531	\$1.503	\$1.510		\$1.515
TOTAL EXPENSES	1.003	0.828	0.970		0.933
SURPLUS (DEFICIT)	\$0.528	\$0.675	\$0.540		\$0.582

THIRD QUARTER 2012
DELINQUENT EMPLOYERS:

EMPLOYER	CONTRIBUTION MONTH	FIRST LETTER SENT	REFERRED TO COUNSEL
HOTEL AND RESTAURANT TEMPS	SEPTEMBER 2012	OCTOBER 22, 2012	
CHARLIE PALMER STEAK HOUSE	SEPTEMBER 2012	OCTOBER 22, 2012	NOVEMBER 30, 2012

HERE 25 PENSION FUND

Balance Sheet
September 30, 2012

ASSETS

Current Assets

UNITED BANK BENEFIT ACC	\$	666,346.32
PREPAID INSURANCE		19,451.81
MEPT-MM		<u>2,305.98</u>

Total Current Assets 688,104.11

Total Property and Equipment 0.00

Other Assets

LONGVIEW CORP STOCK	12,510,840.90
CORPORATE STOCKS VALUATION	18,992,944.40
PNC SHORT TERM INVEST / MM	2,368,280.77
STIF MSD&T 3338209	153,889.93
BUILDING INVESTMENT TRUST	6,296,299.50
HOUSING INVESTMENT TRUST	3,543,275.03
LONGVIEW 600 SMALL CAP	1,703,115.27
MV APPR LONGVIEW 600	2,441,794.90
MANNING & NAPIER	6,673,370.27
MV APPR MANNING & NAPIER	(125,562.55)
PIMCO FDS	13,851,549.49
MV APPR PIMCO FDS	952,119.78
VANGUARD	5,106,990.60
MV APPR VANGUARD	170,344.20
SHMDX STONE HARBOR	4,311,870.07
SHMDX STONE HARBOR MARKET VALU	201,862.89
SHLMX STONE HARBOR MARKET FUND	2,830,523.95
SHLMX STONE HARBOR MARKET VALU	(8,703.13)
DFA EMERGING EQUITY	3,536,493.18
DFA EMERGING EQUITY MV	(287,246.66)
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	(5,982.28)
SKY HARBOR CAP MGMT	5,345,829.08
SKY HARBOR CAP MGMT MV	21,164.47
SKY HARBOR CAP MGMT MONEY MKT	142,816.50
ULLICO PREFERRED 8%	1,947,577.52
CORPORATE STOCK VALUATION	(385,241.92)
MULTI. EMP TRUST	2,448,916.51
MULTI. EMP. TRUST VAL	2,924,768.28
ARITO GLOBAL INVESTORS	6,640,849.31
INTL EQUITY II GT VALUATION A	(507,329.64)
WESTERN ASSET CORE BONDS	4,829,836.33
WESTERN ASSET CORE BONDS MV	242,730.15
ACCRUED INT. AND OTHER	39,571.96
OTHER RECEIVABLE	<u>71,712.50</u>

Total Other Assets 117,680,683.75

Total Assets \$ 118,368,787.86

Unaudited - For Management Purposes Only

PROPRIETARY INFORMATION: THIS REPORTS BELONGS TO UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF
WASHINGTON DC PENSION FUND

HERE 25 PENSION FUND

Balance Sheet

September 30, 2012

LIABILITIES AND CAPITAL

Current Liabilities		
DUE TO OTHERS	\$	<u>138,428.60</u>
Total Current Liabilities		138,428.60
Total Liabilities		138,428.60
Capital		
FUND BALANCE		105,665,793.27
Net Income		<u>12,564,565.99</u>
Total Capital		<u>118,230,359.26</u>
Total Liabilities & Capital	\$	<u><u>118,368,787.86</u></u>

Unaudited - For Management Purposes Only

PROPRIETARY INFORMATION: THIS REPORTS BELONGS TO UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF
WASHINGTON DC PENSION FUND

HERE 25 PENSION FUND
Income Statement
For the Nine Months Ending September 30, 2012

	Current Quarter	Year to Date
Revenues		
WASHINGTON COURT	\$ 81,260.53	\$ 204,324.50
HAY - ADAMS HOTEL	99,995.15	258,089.21
RENAISSANCE MAYFLOWER	180,157.99	471,427.21
PHOENIX PARK HOTEL	17,290.59	52,896.32
HILTON WASH. EMBASSY ROW	37,518.60	94,059.45
HARRINGTON HOTEL	21,922.13	56,641.89
L'ENFANT PLAZA HOTEL	126,981.01	309,293.65
WASHINGTON HILTON	400,700.40	947,901.53
HYATT REGENCY	244,140.91	613,876.08
WOODNER HOTEL	6,121.12	16,432.48
NATIONAL DEMOCRATIC	8,764.49	21,606.27
RESTAURANT ASSOC./KENNEDY CTR	42,431.13	135,780.37
BEACON HOTEL	26,536.89	66,110.27
HOLIDAY INN ON THE HILL	109,120.87	266,891.79
LEVY@VERIZON CENTER	7,500.80	20,041.83
HOLIDAY INN-GEORGETOWN	27,597.92	63,417.01
ST. REGIS WASHINGTON	101,014.55	250,172.11
OMNI-SHOREHAM HOTEL	252,064.90	644,681.34
CAPITAL HILTON	191,981.79	456,986.96
MADISON HOTEL	122,730.47	278,741.16
FOUR POINTS HOTEL BY SHERATON	28,668.38	66,530.89
CAPITOL SKYLINE HOTEL	31,606.06	57,835.74
FAIRFAX AT EMBASSY ROW	83,193.92	206,580.14
JEFFESON HOTEL	41,791.53	110,597.86
MARRIOTT WARDMAN PARK	419,793.90	1,100,007.60
UNITE HERE LOCAL 25	15,448.53	40,869.14
ARAMARK@VERIZON CENTER	2,533.58	9,492.63
POWERSCOURT RESTAURANT	4,998.91	14,812.02
SHERATON PREMIER@TYSON	79,621.36	212,239.62
MANDARIN ORIENTAL	141,041.34	383,379.52
EMBASSY SUITES CONV CTR	57,133.82	191,327.03
HOTEL AND RESTAURANT	1,417.50	2,220.00
W HOTEL	144,550.38	348,202.66
HILTON MCLEAN @ TYSON CORNER	187,848.68	357,652.03
DOUBLETREE HOTEL	153,550.89	383,175.41
UNITE HERE LOCAL 23	1,700.16	4,508.00
OTHER INCOME	0.00	899.82
INTEREST & DIV. INC.	223,565.40	874,503.12
UNREALIZED G/L ON INV	968,156.99	2,663,691.20
REALIZED GAIN LOSS	3,084,534.50	6,210,348.29
P/R AUDIT INCOME	23,521.36	68,697.77
HILTON EMBASSY CRYSTAL CITY	60,439.93	114,791.69
WITHDRAWAL LIABILITY ESTIMATE	1,250.00	5,000.00
PAYROLL AUDIT INTEREST INCOME	1,009.38	15,812.18
Total Revenues	<u>7,863,208.74</u>	<u>18,672,545.79</u>
Gross Profit	<u>7,863,208.74</u>	<u>18,672,545.79</u>

For Management Purposes Only

PROPRIETARY INFORMATION: THIS REPORTS BELONGS TO UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION
OF WASHINGTON DC PENSION FUND

HERE 25 PENSION FUND
Income Statement
For the Nine Months Ending September 30, 2012

	Current Quarter	Year to Date
Expenses		
PENSIONS PAID TO MEMBERS	1,876,051.39	5,567,426.16
INVESTMENT MANAGEMENT FEES	30,447.52	39,958.76
INV. CUSTODIAL FEES	3,814.60	7,659.27
INVESTMENT CONSULTANT	16,666.66	58,333.31
ACTUARIAL FEES	25,526.25	42,135.50
ADMINISTRATOR FEES	60,543.82	171,253.69
AUDIT FEE FINANCIAL	19,800.00	19,800.00
AUDIT FEES PAYROLL	18,050.75	18,050.75
LEGAL FEE	34,110.98	58,917.19
INSURANCE AND BONDING	13,894.19	99,601.56
IFEBP	0.00	855.00
MEETING EXPENSE	397.13	1,092.01
BANK FEE	286.86	3,272.42
PRINTING, POSTAGE & OFFICE	12,026.46	19,624.18
Total Expenses	2,111,616.61	6,107,979.80
Net Income	\$ 5,751,592.13	\$ 12,564,565.99