FUND EVALUATION REPORT

Hospitality Industry 401(k) Plan

Investment Review
May 3, 2018

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

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Executive Summary

- The value of the 401(k) Plan increased by $495,355 during the first quarter of 2018, ending at $36.3 million on March 31, 2018. The value increased by $5,181,204 in one year.

Quarter	Market Value ($mm)
2018Q1	$36.3
2017Q4	$35.9
2017Q3	$34.1
2017Q2	$32.5
2017Q1	$31.2

- During the first quarter of 2018, fixed income and balanced assets experienced negative returns, while growth outperformed value in equities.
- All investment options posted positive returns for 1-, 3-, 5-, and 10-years ending first quarter of 2018.
- Touchstone Sands Institutional Growth was the best performing investment for the quarter, returning 9.7% and outperforming Russell 1000 Growth by 8.3%. All other investments were between -2.5% and 2.5% within the first quarter of 2018.
- The Treasury Money Market fund represents about one-seventh (14.9%) of the Plan’s assets as of March 31, 2018.
- Only seven of the twenty-five investment options have net expense ratios above the respective Morningstar peer average. All seven are the Principal Target Date Funds.

Aggregate Performance and Fees
As of 3/31/2018

Asset Class	% of 401(k)	"Average" Investment Return 1YR[1] (%)	"Average" Benchmark Return 1YR (%)	Average Investment Management Fee (%)	Average Universe Investment Management Fee [2] (%)
Large Cap U.S. Equity	18	18.0	14.1	0.42	1.04
Small/MidCap U.S. Equity	16	12.6	12.1	0.77	1.19
International Developed Equity	5	18.7	19.4	0.59	1.28
Emerging Market Equity	< 1	21.0	24.9	0.14	1.43
Balanced Assets	34	10.9	9.4	0.85	0.77
High Yield Bonds	3	6.2	3.7	0.77	1.04
Investment Grade Bonds	6	1.2	1.1	0.41	0.74
Real Estate	2	7.9	8.1	1.19	1.00-2.00[3]
Cash	15	1.0	1.2	0.09	0.49
Total Plan	**100**	**11.7**	**10.8**	**0.58**	**1.05**

- The 401(k) Plan "average" outpaced the Total Plan benchmarks' "average" by 0.9% for the trailing twelve months ending March 31, 2018.[2]
- The fees are low, overall, relative to respective peer groups.

[1] Unweighted average of options.
[2] As of December 31, 2017.
[3] The midpoint of 1.50% is used.

Compliance Report as of 12/31/17[1]

Fund Name	Risk Level[2]	Median Peer Risk Level	Performance 1 YR Ending 12/31/17 (%)	Performance 3 YR Ending 12/31/17 (%)	Performance 5 YR Ending 12/31/17 (%)	Performance Relative to Universe Median			Underperform Benchmark	
						1 YR	3 YR	5 YR	3 YR	5 YR
AllianceBernstein/CCI/Brown Small Cap Growth	4.4	6.2	26.2	11.6	15.0	24	46	**63**	No	**-0.2**
Capital Research and Mgmt American Funds EuroPacific Growth	5.2	5.2	31.2	9.7	9.2	49	40	29	No	No
Dimensional International Small Cap Value[3]	4.5	4.8	28.0	12.9	12.6	**65**	24	24	No	No
Fidelity Advisor High Income Advantage	2.9	2.0	11.7	7.3	7.2	1	6	1	No	No
Goldman Sachs Small Cap Value	8.2	6.2	12.3	9.8	14.6	**94**	**73**	**71**	**-0.2**	No
Victory Sycamore MidCap Value[3]	5.2	6.0	15.7	12.0	16.1	36	14	31	No	No
Principal Bond and Mortgage	1.4	1.4	4.6	2.6	2.4	23	42	45	No	No
Principal Large Cap S&P 500 Index	3.9	4.6	21.4	11.1	15.4	**51**	**42**	47	**-0.3**	**-0.4**
Principal LifeTime 2010	1.4	1.4	11.1	4.9	6.0	37	**87**	**58**	No	No
Principal LifeTime 2020	1.8	1.6	14.8	6.2	7.9	11	**52**	23	No	No
Principal LifeTime 2030	2.1	2.0	18.2	7.3	9.3	17	**72**	**57**	No	No
Principal LifeTime 2040	2.3	2.3	20.5	7.9	10.2	37	**77**	**59**	**-0.5**	**-0.4**
Principal LifeTime 2050	2.6	2.4	21.9	8.4	10.8	29	**75**	**73**	**-0.8**	**-0.6**
Principal LifeTime 2060	2.6	2.4	22.5	8.6	NA	16	**75**	NA	**-0.6**	NA
Principal LifeTime Strategic Income	1.3	2.8	8.6	4.0	4.3	**87**	**71**	**78**	No	No
Principal MidCap	4.8	5.0	25.2	11.8	16.0	42	33	30	No	No
Principal MidCap S&P 400 Index	5.8	5.3	15.9	10.8	14.6	**70**	41	**56**	**-0.3**	**-0.4**
Principal Small Cap Blend	7.2	7.5	12.8	9.8	15.5	**67**	**70**	44	**-0.2**	No
Principal Small Cap S&P 600 Index	9.5	7.5	13.0	11.6	15.6	**66**	38	43	**-0.4**	**-0.4**
Principal U.S. Property[4]	1.7	13.2	7.8	10.0	11.2	25-50	**50-75**	**50-75**	**-0.4**	**-0.3**
Touchstone Sands Institutional Growth[5]	8.7	4.6	34.7	7.2	13.6	9	**95**	**85**	**-6.6**	**-3.7**
Vanguard Equity Income	4.5	5.2	18.5	11.1	14.8	32	19	40	No	No
Vanguard Emerging Markets Stock Index[3]	6.4	6.3	31.4	7.5	3.5	**74**	**72**	**77**	**-1.6**	**-0.8**
Vanguard TIPS	2.1	1.9	2.9	1.9	0.1	47	37	33	**-0.1**	No
Vanguard Treasury Money Market Fund	0.1	0.1	0.8	0.4	0.2	22	1	7	No	**-0.1**

[1] Peer data for March 31, 2018 not yet available.
[2] Risk is measured by the one year standard deviation except for the Principal U.S. Property investment where risk is measured by the five year standard deviation.
[3] Used manager composite for trailing periods before client invested.
[4] Open-ended core real estate fund, not REIT. Compared to open-ended core real-estate.
[5] Investment under review.

Summary of the Plan Transition

Summary of the Plan Transition

- As of April 30, the assets have all been mapped to Prudential and we are in the “Black Out” period, where no transactions may take place.
- The new line-up at Prudential carries a weight average expense ratio of approximately 31 basis points, significantly lower than the approximately 61 basis points with Principal. Based on an average balance of $35,000, the lower expense ratio represents an annual savings of over $100 per participant.
- The new recordkeeping fee at Prudential is 20 basis points, plus 21 basis points in an ERISA account, significantly less than the 83 basis points with Principal. This is a savings of over $145 per participant in recordkeeping fees.
- The new Prudential relationship will save participants approximately $245 on average annually.

Plan Summary

Total Fund Aggregate

As of March 31, 2018

Asset Class Performance Summary

	Market Value 3/31/18 ($)	% of Portfolio	Market Value 12/31/17 ($)
Total Fund Aggregate	**36,348,150**	**100.0**	**35,852,795**
Large Cap Equity Assets	**6,590,679**	**18.1**	**6,377,379**
MidCap Equity Assets	**3,755,941**	**10.3**	**3,862,681**
Small Cap Equity Assets	**2,082,975**	**5.7**	**2,112,459**
International Developed Market Equity Assets	**1,887,106**	**5.2**	**1,909,347**
Emerging Market Equity Assets	**61,272**	**0.2**	**49,945**
Balanced Assets	**12,387,618**	**34.1**	**12,084,045**
Fixed Income Assets	**3,487,517**	**9.6**	**3,349,028**
Cash	**5,406,596**	**14.9**	**5,449,267**
Real Estate Assets	**688,446**	**1.9**	**658,644**

Total Fund Aggregate

As of March 31, 2018

Trailing Net Performance

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund Aggregate	**36,348,150**	**100.0**	**--**					
Large Cap Equity Assets	**6,590,679**	**18.1**	**18.1**					
Touchstone Sands Institutional Growth	2,044,368	5.6	31.0	9.7	29.9	10.5	14.1	13.1
Russell 1000 Growth				*1.4*	*21.3*	*12.9*	*15.5*	*11.3*
Principal Large Cap S&P 500 Index	4,013,963	11.0	60.9	-0.8	13.6	10.4	12.9	9.2
S&P 500				*-0.8*	*14.0*	*10.8*	*13.3*	*9.5*
Vanguard Equity Income	532,348	1.5	8.1	-2.5	10.4	10.2	11.7	9.4
Russell 1000 Value				*-2.8*	*6.9*	*7.9*	*10.8*	*7.8*
MidCap Equity Assets	**3,755,941**	**10.3**	**10.3**					
Principal MidCap	2,343,543	6.4	62.4	-0.6	15.8	9.3	13.3	12.0
Russell MidCap				*-0.5*	*12.2*	*8.0*	*12.1*	*10.2*
Principal MidCap S&P 400 Index	1,177,008	3.2	31.3	-0.9	10.6	8.6	11.6	10.5
S&P 400 MidCap				*-0.8*	*11.0*	*9.0*	*12.0*	*10.9*
Victory Sycamore MidCap Value	235,390	0.6	6.3	-1.2	8.8	9.9	13.0	11.2
Russell MidCap Value				*-2.5*	*6.5*	*7.2*	*11.1*	*9.8*
Small Cap Equity Assets	**2,082,975**	**5.7**	**5.7**					
Principal Small Cap S&P 600 Index	1,259,447	3.5	60.5	0.5	12.3	10.4	13.2	11.0
S&P 600 SmallCap				*0.6*	*12.7*	*10.8*	*13.6*	*11.4*
Principal Small Cap Blend	377,194	1.0	18.1	0.8	10.6	7.5	12.5	9.6
Russell 2000				*-0.1*	*11.8*	*8.4*	*11.5*	*9.8*
AllianceBernstein/CCI/Brown Small Cap Growth	278,645	0.8	13.4	2.5	21.4	10.1	13.1	11.8
Russell 2000 Growth				*2.3*	*18.6*	*8.8*	*12.9*	*11.0*
Goldman Sachs Small Cap Value	167,689	0.5	8.1	-2.0	8.4	8.0	11.4	10.8
Russell 2000				*-0.1*	*11.8*	*8.4*	*11.5*	*9.8*

Total Fund Aggregate

As of March 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
International Developed Market Equity Assets	**1,887,106**	**5.2**	**5.2**					
Capital Research & Management American Funds EuroPacific Growth	321,515	0.9	17.0	1.0	21.2	7.9	8.8	4.9
MSCI ACWI ex USA Growth				*-0.9*	*19.9*	*7.3*	*6.8*	*3.3*
DFA International Small Cap Value	1,565,591	4.3	83.0	-2.3	16.1	10.3	10.4	5.9
MSCI World ex USA SMID Net USD				*-1.2*	*18.9*	*9.4*	*8.8*	*4.8*
Emerging Market Equity Assets	**61,272**	**0.2**	**0.2**					
Vanguard Emerging Markets Stock Index	61,272	0.2	100.0	2.1	21.0	--	--	--
MSCI Emerging Markets				*1.4*	*24.9*	*8.8*	*5.0*	*3.0*
Balanced Assets	**12,387,618**	**34.1**	**34.1**					
Principal LifeTime Strategic Income	345,459	1.0	2.8	-1.0	4.9	3.0	3.6	3.9
DJ Target Today TR USD				*0.2*	*4.2*	*2.5*	*2.6*	*3.9*
Principal LifeTime 2010	1,101,133	3.0	8.9	-1.0	6.6	3.8	5.0	4.7
DJ Target 2010 TR USD				*0.2*	*4.4*	*2.6*	*3.0*	*3.8*
Principal LifeTime 2020	4,099,248	11.3	33.1	-0.9	9.2	5.1	6.6	5.5
DJ Target 2020 TR USD				*0.1*	*7.0*	*4.1*	*4.9*	*4.8*
Principal LifeTime 2030	4,609,335	12.7	37.2	-0.8	11.7	6.1	7.8	6.0
DJ Target 2030 TR USD				*0.1*	*9.9*	*6.0*	*7.2*	*6.2*
Principal LifeTime 2040	1,553,076	4.3	12.5	-0.4	13.7	6.8	8.7	6.3
DJ Target 2040 TR USD				*-0.1*	*12.5*	*7.3*	*9.0*	*7.2*
Principal LifeTime 2050	526,551	1.4	4.3	-0.3	14.7	7.3	9.2	6.5
DJ Target 2050 TR USD				*-0.1*	*13.8*	*8.0*	*9.6*	*7.6*
Principal LifeTime 2060	152,816	0.4	1.2	-0.3	15.1	7.5	9.6	--
DJ Target 2055 TR USD				*-0.1*	*13.8*	*8.0*	*9.6*	*7.6*

Total Fund Aggregate

As of March 31, 2018

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Fixed Income Assets	**3,487,517**	**9.6**	**9.6**					
Principal Bond and Mortgage	2,048,745	5.6	58.7	-1.7	1.7	1.4	2.0	4.3
BBgBarc US Aggregate TR				*-1.5*	*1.2*	*1.2*	*1.8*	*3.6*
Fidelity Advisor High Income Advantage	1,187,243	3.3	34.0	-1.0	6.2	5.7	6.2	8.1
ICE BofAML US High Yield TR				*-0.9*	*3.7*	*5.2*	*5.0*	*8.1*
Vanguard Inflation Protected Securities	251,529	0.7	7.2	-0.9	0.6	1.2	-0.1	2.7
BBgBarc US TIPS TR				*-0.8*	*0.9*	*1.3*	*0.0*	*2.9*
Cash	**5,406,596**	**14.9**	**14.9**					
Vanguard Treasury Money Market Fund	5,406,596	14.9	100.0	0.3	1.0	0.5	0.3	0.3
91 Day T-Bills				*0.4*	*1.2*	*0.5*	*0.3*	*0.3*
Real Estate Assets	**688,446**	**1.9**	**1.9**					
Principal U.S. Property	688,446	1.9	100.0	1.9	7.9	9.6	10.9	4.3
NCREIF ODCE				*2.2*	*8.1*	*10.0*	*11.4*	*5.1*

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In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

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In some cases, Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases, we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.

Credit Risk: Refers to the risk that the issuer of a fixed income security may default (i.e., the issuer will be unable to make timely principal and/or interest payments on the security.)

Duration: Measure of the sensitivity of the price of a bond to a change in its yield to maturity. Duration summarizes, in a single number, the characteristics that cause bond prices to change in response to a change in interest rates. For example, the price of a bond with a duration of three years will rise by approximately 3% for each 1% decrease in its yield to maturity. Conversely, the price will decrease 3% for each 1% increase in the bond's yield. Price changes for two different bonds can be compared using duration. A bond with a duration of six years will exhibit twice the percentage price change of a bond with a three-year duration. The actual calculation of a bond's duration is somewhat complicated, but the idea behind the calculation is straightforward. The first step is to measure the time interval until receipt for each cash flow (coupon and principal payments) from a bond. The second step is to compute a weighted average of these time intervals. Each time interval is measured by the present value of that cash flow. This weighted average is the duration of the bond measured in years.

Information Ratio: This statistic is a measure of the consistency of a portfolio's performance relative to a benchmark. It is calculated by subtracting the benchmark return from the portfolio return (excess return), and dividing the resulting excess return by the standard deviation (volatility) of this excess return. A positive information ratio indicates outperformance versus the benchmark, and the higher the information ratio, the more consistent the outperformance.

Jensen's Alpha: A measure of the average return of a portfolio or investment in excess of what is predicted by its beta or "market" risk. Portfolio Return- [Risk Free Rate+Beta*(market return-Risk Free Rate)].

Market Capitalization: For a firm, market capitalization is the total market value of outstanding common stock. For a portfolio, market capitalization is the sum of the capitalization of each company weighted by the ratio of holdings in that company to total portfolio holdings; thus it is a weighted-average capitalization. Meketa Investment Group considers the largest 65% of the broad domestic equity market as large capitalization, the next 25% of the market as medium capitalization, and the smallest 10% of stocks as small capitalization.

Market Weighted: Stocks in many indices are weighted based on the total market capitalization of the issue. Thus, the individual returns of higher market-capitalization issues will more heavily influence an index's return than the returns of the smaller market-capitalization issues in the index.

Maturity: The date on which a loan, bond, mortgage, or other debt/security becomes due and is to be paid off.

Prepayment Risk: The risk that prepayments will increase (homeowners will prepay all or part of their mortgage) when mortgage interest rates decline; hence, investors' monies will be returned to them in a lower interest rate environment. Also, the risk that prepayments will slow down when mortgage interest rates rise; hence, investors will not have as much money as previously anticipated in a higher interest rate environment. A prepayment is any payment in excess of the scheduled mortgage payment.

Price-Book Value (P/B) Ratio: The current market price of a stock divided by its book value per share. Meketa Investment Group calculates P/B as the current price divided by Compustat's quarterly common equity. Common equity includes common stock, capital surplus, retained earnings, and treasury stock adjusted for both common and nonredeemable preferred stock. Similar to high P/E stocks, stocks with high P/B's tend to be riskier investments.

Price-Earnings (P/E) Ratio: A stock's market price divided by its current or estimated future earnings. Lower P/E ratios often characterize stocks in low growth or mature industries, stocks in groups that have fallen out of favor, or stocks of established blue chip companies with long records of stable earnings and regular dividends. Sometimes a company that has good fundamentals may be viewed unfavorably by the market if it is an industry that is temporarily out of favor. Or a business may have experienced financial problems causing investors to be skeptical about is future. Either of these situations would result in lower relative P/E ratios. Some stocks exhibit above-average sales and earnings growth or expectations for above average growth. Consequently, investors are willing to pay more for these companies' earnings, which results in elevated P/E ratios. In other words, investors will pay more for shares of companies whose profits, in their opinion, are expected to increase faster than average. Because future events are in no way assured, high P/E stocks tend to be riskier and more volatile investments. Meketa Investment Group calculates P/E as the current price divided by the I/B/E/S consensus of twelve-month forecast earnings per share.

Quality Rating: The rank assigned a security by such rating services as Fitch, Moody's, and Standard & Poor's. The rating may be determined by such factors as (1) the likelihood of fulfillment of dividend, income, and principal payment of obligations; (2) the nature and provisions of the issue; and (3) the security's relative position in the event of liquidation of the company. Bonds assigned the top four grades (AAA, AA, A, BBB) are considered investment grade because they are eligible bank investments as determined by the controller of the currency.

Sharpe Ratio: A commonly used measure of risk-adjusted return. It is calculated by subtracting the risk free return (usually three-month Treasury bill) from the portfolio return and dividing the resulting excess return by the portfolio's total risk level (standard deviation). The result is a measure of return per unit of total risk taken. The higher the Sharpe ratio, the better the fund's historical risk adjusted performance.

Standard Deviation: A measure of the total risk of an asset or a portfolio. Standard deviation measures the dispersion of a set of numbers around a central point (e.g., the average return). If the standard deviation is small, the distribution is concentrated within a narrow range of values. For a normal distribution, about two thirds of the observations will fall within one standard deviation of the mean, and 95% of the observations will fall within two standard deviations of the mean.

STIF Account: Short-term investment fund at a custodian bank that invests in cash-equivalent instruments. It is generally used to safely invest the excess cash held by portfolio managers.

Style: The description of the type of approach and strategy utilized by an investment manager to manage funds. For example, the style for equities is determined by portfolio characteristics such as price-to-book value, price-to-earnings ratio, and dividend yield. Equity styles include growth, value, and core.

Yield to Maturity: The yield, or return, provided by a bond to its maturity date; determined by a mathematical process, usually requiring the use of a "basis book." For example, a 5% bond pays $5 a year interest on each $100 par value. To figure its current yield, divide $5 by $95—the market price of the bond—and you get 5.26%. Assume that the same bond is due to mature in five years. On the maturity date, the issuer is pledged to pay $100 for the bond that can be bought now for $95. In other words, the bond is selling at a discount of 5% below par value. To figure yield to maturity, a simple and approximate method is to divide 5% by the five years to maturity, which equals 1% pro rata yearly. Add that 1% to the 5.26% current yield, and the yield to maturity is roughly 6.26%.

$$\frac{5\% \text{ (discount)}}{5 \text{ (yrs. to maturity)}} = \begin{array}{c}1\% \text{ pro rata, plus}\\ 5.26\% \text{ (current yield)}\end{array} = 6.26\% \text{ (yield to maturity)}$$

Sources: Investment Terminology, International Foundation of Employee Benefit Plans, 1999.
The Handbook of Fixed Income Securities, Fabozzi, Frank J., 1991.

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Throughout this report, numbers may not sum due to rounding.

Returns for periods greater than one year are annualized throughout this report.

Values shown are in millions of dollars, unless noted otherwise.