FUND EVALUATION REPORT

Hospitality Industry 401(k) Plan

Quarterly Review
As of March 31, 2017

MEKETA INVESTMENT GROUP

BOSTON MASSACHUSETTS | CHICAGO ILLINOIS | MIAMI FLORIDA | PORTLAND OREGON | SAN DIEGO CALIFORNIA | LONDON UNITED KINGDOM

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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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Defined Contribution Industry Updates

Industry Updates

- States Filling Private Sector Retirement Plan Void
  - California Secure Choice Retirement Savings Act provides state-sponsored, auto-enrollment retirement savings for the private sector workers employed at businesses with more than five employees who do not offer employer-sponsored retirement plans. Act will require employers to either establish in-house plans or offer payroll access to the California Secure Choice Retirement Program.
  - Other states following California's lead:
    - Massachusetts – for non-profit entities waiting for IRS ruling
    - Maine, Washington, West Virginia, and Connecticut all have legislation pending.
- Retirement Plans and Tax Reform
  - Congress reviewing proposals to make DC deferrals after-tax Roth instead of the current pre-tax.
- Significant increase in plan sponsors reviewing their current recordkeeping arrangements.

Fiduciary Checklist

Fiduciary Checklist

- Monitor and review costs of investment options, including different share classes.
- Monitor and review how services are paid for. Understand the pros and cons of revenue sharing versus non-revenue sharing versus fee levelization.
- Monitor and review the participant education and communication programs.
- Monitor and review the defined contribution trends.
  - Auto enrollment, auto escalation, default options, investment design.

Fees Associated with 401(k) Plans

1. Plan Administration Fees (Recordkeeping Fees)
   - Day to day operation expenses, including recordkeeping, legal, trust services. Also may include internet and telephone services, retirement savings software, education seminars and investment advice.
   - Paid through several different ways:
     - A: Portions of the investment management fees are deducted from investment returns called revenue sharing. For example, Principal LifeTime 2030 R6 total expense ratio is 0.88%, of which 0.44% is used to pay for the plan administration fee.
     - B: Participants pay a set fee annually directly out of their balances.
     - C. There are credits and balances to each fund option based on the revenue sharing. If the required RK fee is 0.30%, there is a credit for funds with a revenue sharing amount greater than 0.30%. For example, participants in the Principal LifeTime 2030 with 0.44% revenue sharing will receive a 0.14% credit in this fund.
2. Investment Management Fees
   - Typically, the largest fee paid for the investment management of each investment option offered in the Plan.
   - Most investment funds have different "share classes" that have different expense ratios.
     - Principal LifeTime 2030 R6 : 0.95%
     - Principal LifeTime 2030 I: 0.73%
3. Individual Service Fees
   - Separate from Plan Administration Fee such as a fee for taking out a loan or changing a provision in the Plan.

Current Fee Structure: Revenue Sharing

Total Assets:	$30,037,099
Number of Investment Options:	19 plus 7 Target Date Funds
Average Total Expense Ratio:	0.71%
Average Revenue Sharing Fee:	0.27%; $81,000
0.76% RK Fee	$225,000
Total Paid to Principal:	$306,000

Executive Summary

- The value of the 401(k) Plan increased by approximately $1,590,000 during the first quarter of 2017, ending at $31.2 million on March 31, 2017.

Quarter	Market Value ($mm)
2017Q1	$31.2
2016Q4	$29.6
2016Q3	$28.8
2016Q2	$27.6
2016Q1	$27.0

- During the first quarter of 2017 all investment options experienced positive returns.
- The Touchstone Sands Institutional US Growth fund and the Vanguard Emerging Markets Stock Index fund were the best performing investments for the quarter, returning 13.8% and 10.8%, respectively.
- The Treasury money market fund continues to represent nearly one-fifth (17.1%) of the Plan's assets as of March 31, 2017.
- Only three of the twenty-five investment options have net expense ratios greater than the respective Morningstar peer average.

Aggregate Performance and Fees
As of 3/31/17

Asset Class	% of 401(k)	"Average" Investment Return 1YR[1] (%)	"Average" Benchmark Return 1YR (%)	Average Investment Management Fee (%)	Average Universe Investment Management Fee (%)
Large Cap U.S. Equity	17	16.1	17.4	0.45	1.10
Small/MidCap U.S. Equity[2]	17	22.7	23.0	0.75	1.24
International Developed Equity	5	15.2	10.2	0.60	1.34
Emerging Market Equity[2]	< 1	NA	NA	0.15	1.51
Balanced Assets	32	9.9	9.1	0.87	0.90
High Yield Bonds	3	16.6	16.9	0.78	1.12
Investment Grade Bonds	7	1.9	1.0	0.46	0.79
Real Estate	2	8.8	8.3	1.15	1.00-2.00[3]
Cash	17	0.0	0.0	0.15	0.53
Total Plan	**100**	**14.4**	**13.8**	**0.60**	**1.11**

- The 401(k) Plan "average" outpaced the Total Plan benchmarks' "average" by 0.60% for the trailing twelve months ending March 31, 2017.
- The fees are consistently low relative to respective peer groups.

[1] Unweighted average of options.
[2] The Victory Sycamore MidCap Value fund and the Vanguard Emerging Market Stock Index are new investment options on this roster and do not yet have 12 months of historical data.
[3] The midpoint of 1.50% is used.

Compliance Report as of 3/31/17

Fund Name	Risk Level[1]	Median Peer Risk Level	Performance 1 YR Ending 3/31/17 (%)	Performance 3 YR Ending 3/31/17 (%)	Performance 5 YR Ending 3/31/17 (%)	Performance Relative to Universe Median			Underperform Benchmark	
						1 YR	3 YR	5 YR	3 YR	5 YR
AllianceBernstein/CCI/Brown Small Cap Growth	11.4	11.6	23.7	5.8	11.1	44	**66**	**78**	**-0.9**	**-1.0**
Capital Research and Mgmt American Funds EuroPacific Growth	8.8	8.9	13.1	2.2	6.6	13	29	31	No	No
Dimensional International Small Cap Value[2]	11.2	9.8	17.3	2.7	9.8	24	36	41	No	No
Fidelity Advisor High Income Advantage	4.6	3.5	16.6	5.3	7.8	23	4	7	No	No
Goldman Sachs Small Cap Value	11.9	11.6	26.1	8.0	13.3	29	41	41	No	No
Victory Sycamore MidCap Value[2]	8.5	9.1	21.6	11.5	14.5	39	8	38	No	No
Principal Bond and Mortgage	3.4	3.0	2.4	2.5	2.8	22	**67**	41	**-0.2**	No
Principal Large Cap S&P 500 Index	6.2	7.0	16.8	10.0	12.9	45	33	44	-0.4	-0.4
Principal LifeTime 2010	2.8	2.9	7.2	3.4	5.4	**84**	**86**	**64**	No	No
Principal LifeTime 2020	3.5	3.4	9.3	4.1	6.7	41	**61**	37	No	No
Principal LifeTime 2030	4.3	4.3	10.8	4.6	7.6	**75**	**73**	**62**	**-0.1**	No
Principal LifeTime 2040	4.9	4.8	11.6	4.8	8.2	**92**	**81**	**65**	**-0.9**	**-0.6**
Principal LifeTime 2050	5.2	5.1	12.4	5.0	8.6	**95**	**80**	**75**	**-1.1**	**-0.7**
Principal LifeTime 2060	5.4	5.1	12.7	5.0	NA	**98**	**87**	NA	**-1.1**	NA
Principal LifeTime Strategic Income	2.5	4.7	5.4	2.9	4.1	**79**	**64**	**71**	No	No
Principal MidCap	7.7	8.9	17.3	10.1	14.1	44	18	15	No	No
Principal MidCap S&P 400 Index	9.3	8.9	20.5	9.0	12.9	35	38	44	**-0.4**	**-0.4**
Principal Small Cap Blend	11.6	12.2	24.1	7.2	13.8	48	**62**	41	No	No
Principal Small Cap S&P 600 Index	14.0	12.2	24.3	9.1	13.9	47	36	40	**-0.4**	**-0.3**
Principal U.S. Property[3]	1.8	2.0	8.8	11.5	11.8	**50-75**	**75-100**	**50-75**	**-0.3**	**-0.2**
Touchstone Sands Institutional Growth[2]	13.6	7.5	15.7	3.9	9.7	50	**97**	**90**	**-7.4**	**-3.6**
Vanguard Equity Income	6.0	7.3	15.8	9.5	12.9	**65**	26	46	No	**-0.2**
Vanguard Emerging Markets Stock Index[2]	10.5	10.8	17.6	1.9	0.9	47	43	**74**	No	No
Vanguard TIPS	3.6	3.3	1.3	1.9	0.8	**70**	24	29	**-0.1**	**-0.2**
Vanguard Treasury Money Market Fund[2]	0.0	0.0	0.3	0.1	0.1	29	21	22	**-0.1**	No

[1] 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.
[2] Used manager composite for trailing periods before client invested.
[3] Open-ended core real estate fund, not REIT. Compared to open-ended core real-estate, performance is median to below median.

Plan Summary

Asset Class Performance Summary

	Market Value 3/31/17 ($)	% of Portfolio	Market Value 12/31/16 ($)
Total Fund Aggregate	**31,166,946**	**100.0**	**29,577,049**
Large Cap Equity Assets	**5,434,759**	**17.4**	**4,830,381**
MidCap Equity Assets	**3,345,459**	**10.7**	**3,105,109**
Small Cap Equity Assets	**1,863,476**	**6.0**	**1,787,957**
International Developed Market Equity Assets	**1,596,759**	**5.1**	**1,471,491**
Emerging Market Equity Assets	**29,768**	**0.1**	**26,784**
Balanced Assets	**9,876,398**	**31.7**	**9,236,591**
Fixed Income Assets	**3,102,652**	**10.0**	**3,077,917**
Cash	**5,328,830**	**17.1**	**5,467,972**
Real Estate Assets	**588,845**	**1.9**	**572,847**

Total Fund Aggregate

As of March 31, 2017

Trailing Net Performance

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund Aggregate	**31,166,946**	**100.0**	**--**					
Large Cap Equity Assets	**5,434,759**	**17.4**	**17.4**					
Touchstone Sands Institutional Growth	1,642,654	5.3	30.2	13.8	15.7	3.9	9.7	--
Russell 1000 Growth				*8.9*	*15.8*	*11.3*	*13.3*	*9.1*
Principal Large Cap S&P 500 Index	3,306,353	10.6	60.8	6.0	16.8	10.0	12.9	7.2
S&P 500				*6.1*	*17.2*	*10.4*	*13.3*	*7.5*
Vanguard Equity Income	485,752	1.6	8.9	4.5	15.8	9.5	12.9	7.7
Russell 1000 Value				*3.3*	*19.2*	*8.7*	*13.1*	*5.9*
MidCap Equity Assets	**3,345,459**	**10.7**	**10.7**					
Principal MidCap	2,027,890	6.5	60.6	7.5	17.3	10.1	14.1	10.3
Russell MidCap				*5.1*	*17.0*	*8.5*	*13.1*	*7.9*
Principal MidCap S&P 400 Index	1,091,885	3.5	32.6	3.8	20.5	9.0	12.9	8.6
S&P 400 MidCap				*3.9*	*20.9*	*9.4*	*13.3*	*9.0*
Victory Sycamore MidCap Value	225,684	0.7	6.7	5.1	--	--	--	--
Russell MidCap Value				*3.8*	*19.8*	*8.9*	*14.1*	*7.5*
Small Cap Equity Assets	**1,863,476**	**6.0**	**6.0**					
Principal Small Cap S&P 600 Index	1,141,288	3.7	61.2	1.1	24.3	9.1	13.9	8.5
S&P 600 SmallCap				*1.1*	*24.6*	*9.5*	*14.2*	*8.8*
Principal Small Cap Blend	350,906	1.1	18.8	2.8	24.1	7.2	13.8	7.1
Russell 2000				*2.5*	*26.2*	*7.2*	*12.4*	*7.1*

Total Fund Aggregate

As of March 31, 2017

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
AllianceBernstein/CCI/Brown Small Cap Growth	219,911	0.7	11.8	6.5	23.7	5.8	11.1	8.5
Russell 2000 Growth				*5.3*	*23.0*	*6.7*	*12.1*	*8.1*
Goldman Sachs Small Cap Value	151,371	0.5	8.1	1.6	26.1	8.0	13.3	8.7
Russell 2000				*2.5*	*26.2*	*7.2*	*12.4*	*7.1*
International Developed Market Equity Assets	**1,596,759**	**5.1**	**5.1**					
Capital Research & Management American Funds EuroPacific Growth	259,876	0.8	16.3	9.4	13.1	2.2	6.6	3.5
MSCI ACWI ex USA Growth				*9.1*	*9.6*	*1.5*	*4.8*	*2.0*
DFA International Small Cap Value	1,336,883	4.3	83.7	7.7	17.3	--	--	--
MSCI World ex USA SMID Net USD				*7.5*	*10.7*	*2.5*	*7.2*	*--*
Emerging Market Equity Assets	**29,768**	**0.1**	**0.1**					
Vanguard Emerging Markets Stock Index	29,768	0.1	100.0	10.8	--	--	--	--
MSCI Emerging Markets				*11.4*	*17.2*	*1.2*	*0.8*	*2.7*
Balanced Assets	**9,876,398**	**31.7**	**31.7**					
Principal LifeTime Strategic Income	281,016	0.9	2.8	2.5	5.4	2.9	4.1	3.0
DJ Target Today TR USD				*1.6*	*2.1*	*1.9*	*2.5*	*4.0*
Principal LifeTime 2010	1,051,126	3.4	10.6	3.2	7.2	3.4	5.4	3.5
DJ Target 2010 TR USD				*1.7*	*2.3*	*2.1*	*3.0*	*3.9*
Principal LifeTime 2020	3,551,218	11.4	36.0	4.2	9.3	4.1	6.7	4.1
DJ Target 2020 TR USD				*2.8*	*4.8*	*3.3*	*4.9*	*4.3*
Principal LifeTime 2030	3,659,234	11.7	37.1	5.0	10.8	4.6	7.6	4.4
DJ Target 2030 TR USD				*4.3*	*9.5*	*4.7*	*7.1*	*5.0*

Total Fund Aggregate

As of March 31, 2017

	Market Value ($)	% of Portfolio	% of Sector	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Principal LifeTime 2040	1,005,286	3.2	10.2	5.5	11.6	4.8	8.2	4.5
DJ Target 2040 TR USD				*5.7*	*13.7*	*5.7*	*8.8*	*5.6*
Principal LifeTime 2050	241,585	0.8	2.4	6.0	12.4	5.0	8.6	4.6
DJ Target 2050 TR USD				*6.3*	*15.6*	*6.1*	*9.3*	*5.8*
Principal LifeTime 2060	86,933	0.3	0.9	6.1	12.7	5.0	--	--
DJ Target 2055 TR USD				*6.3*	*15.6*	*6.1*	*9.3*	*5.8*
Fixed Income Assets	**3,102,652**	**10.0**	**10.0**					
Principal Bond and Mortgage	2,006,843	6.4	64.7	1.1	2.4	2.5	2.8	4.2
BBgBarc US Aggregate TR				*0.8*	*0.4*	*2.7*	*2.3*	*4.3*
Fidelity Advisor High Income Advantage	1,056,061	3.4	34.0	4.2	16.6	5.3	7.8	6.7
BofA Merrill Lynch US High Yield Master II TR				*2.7*	*16.9*	*4.6*	*6.8*	*7.3*
Vanguard Inflation Protected Securities	39,748	0.1	1.3	1.4	1.3	1.9	0.8	4.0
BBgBarc US TIPS TR				*1.3*	*1.5*	*2.0*	*1.0*	*4.2*
Cash	**5,328,830**	**17.1**	**17.1**					
Vanguard Treasury Money Market Fund	5,328,830	17.1	100.0	0.1	--	--	--	--
91 Day T-Bills				*0.1*	*0.4*	*0.2*	*0.1*	*0.5*
Real Estate Assets	**588,845**	**1.9**	**1.9**					
Principal U.S. Property	588,845	1.9	100.0	1.8	8.8	11.5	11.8	4.5
NCREIF-ODCE				*1.8*	*8.3*	*11.8*	*12.0*	*5.6*

Disclaimer, Glossary, and Notes

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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.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions (“Forward Statements”). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the Plan will receive a return of the amount invested.

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%.

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

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.