MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: June 28, 2017

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Fred Singerman, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Henry Jaung, Meketa Investment Group (for part of the meeting)
Alton Fryer, Principal Financial Group (for part of the meeting)

I. Call to Order

The meeting was called to order at noon.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the September 9, 2016 Board of Trustees meeting and approved them with no changes.

III. Fund Counsel Report

Anne Mayerson and Fred Singerman noted that, as they had previously advised the Trustees, the IRS had commenced an audit of the Fund and that they had attended an initial meeting with the auditor last week, which Ms. Sims also attended. They are working with Ms. Sims and Principal to obtain the information requested by the IRS to commence its review.

IV. Investment Consultant's Report

Mr. Jaung presented the report of Meketa Investment Group for the calendar quarter ending March 31, 2017. He began by noting that, following discussions he had had with Alton Fryer at Principal, Mr. Fryer had advised that, if the Fund were to replace all of its funds with non-revenue-sharing funds (resulting in a reduction in Principal's fees of approximately 27 basis points, or $84,000), the recordkeeping fee would increase from 76 to 83 basis points (that is, from approximately $237,000 to approximately $259,000, given current asset level of $31.2 million), for a total savings of 20 basis points, or $62,000.

The Trustees requested Meketa to prepare for review by co-counsel a request for proposal for the bundled third party administrative service currently being performed by Principal Financial Group. Mr. Jaung stated that preparing and managing the RFP process is included in Meketa's current fees.

Mr. Jaung next discussed the Plan's performance for the quarter, reporting that the value of the Plan increased by approximately $1,590,000 during the quarter, ending at $31.2 million. All investment options experienced positive returns. He noted that, even though there is some revenue sharing, the fees for the funds are consistently low relative to respective peer groups, and that the average investment return outpaced the average benchmark return by .60% for the trailing twelve months ending March 31, 2017. Meketa has no concerns with respect to the performance of any of the funds.

V. Principal Financial Group

Mr. Fryer entered the meeting. He apologized that his colleague, Doris Fulton, was unable to attend the meeting.

Mr. Fryer presented an Executive Summary for the Plan. He noted that the Executive Summary correctly shows no highly compensated employees, and that Principal had concluded that the previous Executive Summary showing four highly compensated employees was in error.

The Trustees discussed with Mr. Fryer the appropriateness of fee reductions given the growth of the Fund's assets, the fact that all employers are now reporting electronically, and the general movement throughout the industry toward reduced fees. It was noted that changing to non-revenue sharing funds would require advance notice to participants and entail administrative mailing costs. The Trustees asked Mr. Fryer to ascertain whether Principal would agree to an immediate reduction in the asset-based recordkeeping fee pending implementation of a move to non-revenue sharing fund share classes. The Trustees also asked Mr. Fryer whether Principal would agree to a further reduction in rates resulting from moving to non-revenue sharing fund share classes.

Fund counsel asked Mr. Fryer to provide them with a list of the following on an employer-by-employer basis for 2015, the year under audit, to assist with the audit: total number of employees, total annual contributions, and total account balances.

Mr. Fryer and Mr. Jaung both exited the meeting.

VI. Administrative Manager's Report

Ms. Sims presented the Administrative Manager’s Report for the first quarter 2017. She noted that the only outstanding administrative contributions were those due from the W Hotel.

VII. Next Meeting

The Trustees set the next meeting date to immediately follow the next scheduled meetings of the related funds on October 24, 2017.

VIII. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at approximately 1:15 p.m.