Hospitality Industry 401(k)

Quarterly Review
September 30, 2013

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- Ten of fifteen active funds, excluding balanced funds, outperformed or performed in line with their stated benchmarks. Performance is presented net of management fees, which range from 0.30% to 1.46%.
- It was a positive quarter, with all funds advancing except Virtus Emerging Markets and Principal Money Market.
- Nearer-dated Principal LifeTime target date (or balanced) funds outperformed their respective Dow Jones Target index for the quarter, while the 2040 and 2050 trailed.
- Ending total value of the 401(k) Plan is $22.2 million, an increase of approximately $1.2 million from the June 30, 2013 value. The increase was due to contributions and investment performance.
- The money market option was changed to Vanguard Prime Money Market Investor Fund from the Principal Money Market Fund. Vanguard does not share revenue with Principal and this caused the annual participant fee to increase by 9 basis points to 0.92%.

Aggregate Assets
Asset Summary as of 9/30/13

	Market Value 9/30/13 ($ mm)	% of 401(k) Savings Plan	Market Value 6/30/13 ($ mm)
Total Fund Aggregate	**22.2**	**100**	**21.0**
Cash	5.6	25	5.4
Balanced Assets	5.7	26	5.6
Large Cap Equity Assets	3.5	16	3.2
MidCap Equity Assets	2.2	10	2.0
Small Cap Equity Assets	1.2	6	1.1
International Developed Market Equity Assets	1.1	5	1.0
International Emerging Market Equity Assets	< 0.1	< 1	< 0.1
Fixed Income Assets	2.5	11	2.4
Real Estate Assets	0.3	2	0.3

Aggregate Assets
Portfolio Roster as of 9/30/13

	Market Value 9/30/13 ($ mm)	% of Asset Class	% of 401(k) Savings Plan	Market Value 6/30/13 ($ mm)
Total Fund Aggregate	**22.2**	**NA**	**100**	**21.0**
Cash	**5.6**	**100**	**25**	**5.4**
Principal Money Market	5.6	100	25	5.4
Balanced Assets	**5.7**	**100**	**26**	**5.6**
Principal LifeTime Strategic Income	0.2	3	< 1	0.2
Principal LifeTime 2010	1.1	20	5	1.1
Principal LifeTime 2020	2.0	35	9	2.1
Principal LifeTime 2030	2.0	34	9	1.8
Principal LifeTime 2040	0.3	6	1	0.3
Principal LifeTime 2050	0.1	2	< 1	0.1
Large Cap Equity Assets	**3.5**	**100**	**16**	**3.2**
Touchstone Sands Institutional Growth	1.2	35	6	1.0
T.Rowe/Clearbridge LargeCap Blend	1.0	30	5	1.0
Principal LargeCap S&P 500 Index	1.0	30	5	1.0
Vanguard Equity Income	0.2	5	< 1	0.2
MidCap Equity Assets	**2.2**	**100**	**10**	**2.0**
Principal MidCap	1.3	62	6	1.2
Prudential Jennison MidCap Growth	0.7	32	3	0.6
Goldman Sachs/LA Capital MidCap Value	0.1	6	< 1	0.1
Principal MidCap S&P 400 Index	< 0.1	< 1	< 1	< 0.1

Aggregate Assets
Portfolio Roster as of 9/30/13

	Market Value 9/30/13 ($ mm)	% of Asset Class	% of 401(k) Savings Plan	Market Value 6/30/13 ($ mm)
Small Cap Equity Assets	**1.2**	**100**	**6**	**1.1**
Principal Small Cap S&P 600 Index	0.7	57	3	0.6
Principal Small Cap Blend	0.4	31	2	0.3
AllianceBernstein/CCI/Brown Small Cap Growth	< 0.1	8	< 1	< 0.1
Goldman Sachs Small Cap Value	< 0.1	4	< 1	< 0.1
International Developed Market Equity Assets	**1.1**	**100**	**5**	**1.0**
Principal/DFA International Small Cap	1.0	86	4	0.9
Capital Research & Management American Funds EuroPacific Growth	0.2	14	< 1	0.1
International Emerging Market Equity Assets	**< 0.1**	**100**	**< 1**	**0.0**
Virtus Emerging Markets Opportunities	< 0.1	100	< 1	0.0
Fixed Income Assets	**2.5**	**100**	**11**	**2.4**
Principal Bond and Mortgage	1.6	65	7	1.6
Fidelity Advisor High Income Advantage	0.8	31	3	0.7
PIMCO Total Return	0.1	4	< 1	0.1
Vanguard Inflation-Protected Securities	< 0.1	< 1	< 1	< 0.1
Real Estate Assets	**0.3**	**100**	**2**	**0.3**
Principal U.S. Property	0.3	100	2	0.3

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Aggregate Assets
Performance as of 9/30/13

	3Q13 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	Inception Date	Since Inception (%)	Fund Expense Ratio (%)	Peer Average Expense Ratio (%)
Cash									
Principal Money Market	-0.1	-0.3	-0.3	-0.2	0.0	1/1/04	1.5	0.56	NA
90-Day T-Bills	*0.0*	*0.0*	*0.1*	*0.1*	*0.2*		*1.6*		
Balanced									
Principal LifeTime Strategic Income	2.3	2.8	3.9	5.9	6.2	1/1/04	4.3	0.79	0.77
Dow Jones Target Today Index	*2.3*	*0.6*	*0.6*	*4.0*	*6.2*		*4.8*		
Principal LifeTime 2010	3.6	6.4	8.0	8.2	7.4	1/1/04	5.0	0.83	0.75
Dow Jones Target 2010 Index	*2.7*	*1.9*	*2.1*	*4.8*	*6.4*		*5.5*		
Principal LifeTime 2020	4.9	9.7	11.7	9.9	8.1	1/1/04	5.8	0.88	0.85
Dow Jones Target 2020 Index	*4.1*	*6.2*	*7.2*	*7.2*	*7.5*		*6.5*		
Principal LifeTime 2030	5.9	11.9	14.2	10.9	8.4	1/1/04	6.0	0.92	0.89
Dow Jones Target 2030 Index	*5.8*	*11.3*	*13.3*	*10.0*	*8.8*		*7.4*		
Principal LifeTime 2040	6.6	13.9	16.4	11.7	8.5	1/1/04	6.1	0.94	0.92
Dow Jones Target 2040 Index	*7.1*	*15.2*	*17.9*	*11.8*	*9.7*		*7.9*		
Principal LifeTime 2050	6.9	14.8	17.5	12.2	8.6	1/1/04	6.2	0.95	0.92
Dow Jones Target 2050 Index	*7.4*	*16.1*	*19.1*	*12.2*	*10.1*		*8.1*		

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Aggregate Assets
Performance as of 9/30/13

	3Q13 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	Inception Date	Since Inception (%)	Fund Expense Ratio (%)	Peer Average Expense Ratio (%)
Large Cap Equity									
Touchstone Sands Institutional Growth	18.7	28.9	27.7	NA	NA	12/1/11	28.5	0.79	1.14
Russell 1000 Growth	*8.1*	*20.9*	*19.3*	*16.9*	*12.1*		*19.6*		
T.Rowe/Clearbridge LargeCap Blend	4.8	18.6	17.7	14.6	9.2	1/1/04	6.1	0.91	1.03
Russell 1000	*6.0*	*20.8*	*20.9*	*16.6*	*10.5*		*6.9*		
Principal LargeCap S&P 500 Index	5.1	19.5	18.9	15.9	9.7	1/1/04	6.2	0.31	1.03
S&P 500	*5.2*	*19.8*	*19.3*	*16.3*	*10.0*		*6.5*		
Vanguard Equity Income	3.6	19.3	19.4	17.8	10.6	1/1/04	7.8	0.30	0.98
Russell 1000 Value	*3.9*	*20.5*	*22.3*	*16.2*	*8.9*		*6.7*		
MidCap Equity									
Principal MidCap	8.1	23.6	27.6	20.8	14.7	1/1/04	10.9	0.81	1.23
Russell MidCap	*7.7*	*24.3*	*27.9*	*17.5*	*13.0*		*9.6*		
Prudential Jennison MidCap Growth	9.2	19.5	19.6	16.4	NA	9/1/10	19.8	0.76	1.29
Russell MidCap Growth	*9.3*	*25.4*	*27.5*	*17.7*	*13.9*		*21.6*		
Goldman Sachs/LA Capital MidCap Value	6.3	23.0	27.4	16.0	11.9	1/1/04	9.6	1.15	1.21
Russell MidCap Value	*5.9*	*22.9*	*27.8*	*17.3*	*11.9*		*9.6*		
Principal MidCap S&P 400 Index	7.4	22.9	27.2	17.0	12.6	1/1/04	9.4	0.31	1.23
S&P MidCap	*7.5*	*23.2*	*27.7*	*17.5*	*13.1*		*9.7*		

Aggregate Assets
Performance as of 9/30/13

	3Q13 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	Inception Date	Since Inception (%)	Fund Expense Ratio (%)	Peer Average Expense Ratio (%)
Small Cap Equity									
Principal Small Cap S&P 600 Index	10.6	28.3	31.0	20.2	12.0	1/1/04	9.5	0.31	1.22
S&P Small Cap	*10.7*	*28.7*	*31.5*	*20.7*	*12.4*		*9.9*		
Principal Small Cap Blend	12.7	32.0	33.2	19.7	10.8	1/1/04	8.2	0.91	1.22
Russell 2000	*10.2*	*27.7*	*30.1*	*18.3*	*11.2*		*8.4*		
AllianceBernstein/CCI/Brown Small Cap Growth	13.7	31.9	31.5	21.0	15.7	1/1/04	9.5	1.24	1.31
Russell 2000 Growth	*12.8*	*32.5*	*33.1*	*20.0*	*13.2*		*8.8*		
Goldman Sachs Small Cap Value	9.0	26.3	29.7	19.5	NA	9/1/10	21.4	0.96	1.23
Russell 2000 Value	*7.6*	*23.1*	*27.0*	*16.6*	*9.1*		*20.0*		
International Developed Market Equity									
Principal/DFA International Small Cap	12.5	19.6	26.1	11.8	10.0	1/1/04	10.4	1.46	1.37
MSCI ACWI (ex. U.S.) Small Cap	*12.4*	*14.4*	*20.0*	*7.3*	*11.4*		*9.9*		
Capital Research & Management American Funds EuroPacific Growth	9.5	11.9	18.3	7.1	NA	3/1/10	8.8	0.50	1.20
MSCI EAFE	*11.6*	*16.1*	*23.8*	*8.5*	*6.4*		*8.9*		
International Emerging Market Equity									
Virtus Emerging Markets Opportunities	-1.2	-6.1	-1.5	NA	NA	12/1/10	5.0	1.37	1.51
MSCI Emerging Markets	*5.8*	*-4.4*	*1.0*	*-0.3*	*7.2*		*-0.4*		

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Performance as of 9/30/13

	3Q13 (%)	YTD (%)	1 YR (%)	3 YR (%)	5 YR (%)	Inception Date	Since Inception (%)	Fund Expense Ratio (%)	Peer Average Expense Ratio (%)
Fixed Income									
Principal Bond and Mortgage	0.5	-1.7	-0.7	4.1	7.4	1/1/04	4.6	0.71	0.55
Barclays Aggregate	*0.6*	*-1.9*	*-1.7*	*2.9*	*5.4*		*4.7*		
Fidelity Advisor High Income Advantage	2.3	5.2	9.1	10.0	12.9	1/1/04	8.4	0.78	0.96
Barclays High Yield	*2.3*	*3.7*	*7.1*	*9.2*	*13.5*		*8.5*		
PIMCO Total Return	1.2	-1.9	-0.7	3.8	8.0	1/1/04	6.2	0.46	0.55
Barclays Aggregate	*0.6*	*-1.9*	*-1.7*	*2.9*	*5.4*		*4.7*		
Vanguard Inflation-Protected Securities	0.8	-6.9	-6.3	3.7	4.9	5/1/05	4.6	0.20	0.60
Barclays U.S. TIPS	*0.7*	*-6.7*	*-6.1*	*4.0*	*5.3*		*4.8*		
Real Estate									
Principal U.S. Property	2.6	10.0	12.1	14.0	0.0	1/1/04	5.6	1.15	1.18
NCREIF ODCE Equal Weighted	*3.4*	*9.9*	*12.5*	*14.1*	*0.1*		*6.6*		

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