# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

## Meeting Materials
## July 19, 2012



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# Agenda

1. **The World Markets in the First Quarter of 2012**
2. **Capital Markets Outlook**
3. **Global Macroeconomic Outlook**
4. **Executive Summary**
5. **Interim Update through May 31, 2012**
6. **Fund Summary**
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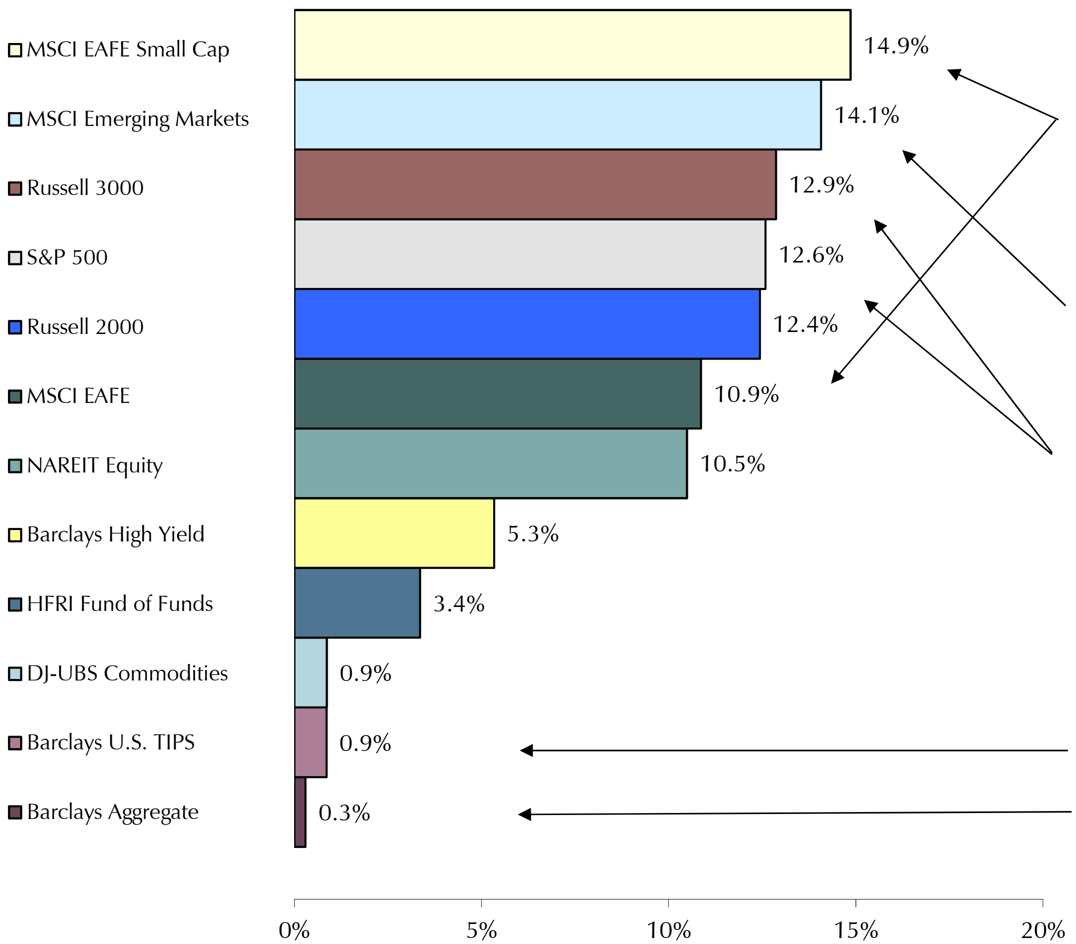
    - Disclaimer, Glossary, and Notes

# The World Markets
# First Quarter of 2012

# The World Markets
# First Quarter of 2012




The European Central Bank offered a second installment of its long-term refinancing operation (LTRO) in the first quarter, which helped to ease fears of a bank liquidity crisis in the region. International developed market equities had double-digit returns, with small cap stocks leading the way.

After posting the weakest returns in 2011, emerging markets equities were one of the top performers in the first quarter.

Record high corporate profitabilty and better than expected economic data helped domestic equities. Growth stocks outpaced value stocks across the capitalization spectrum.

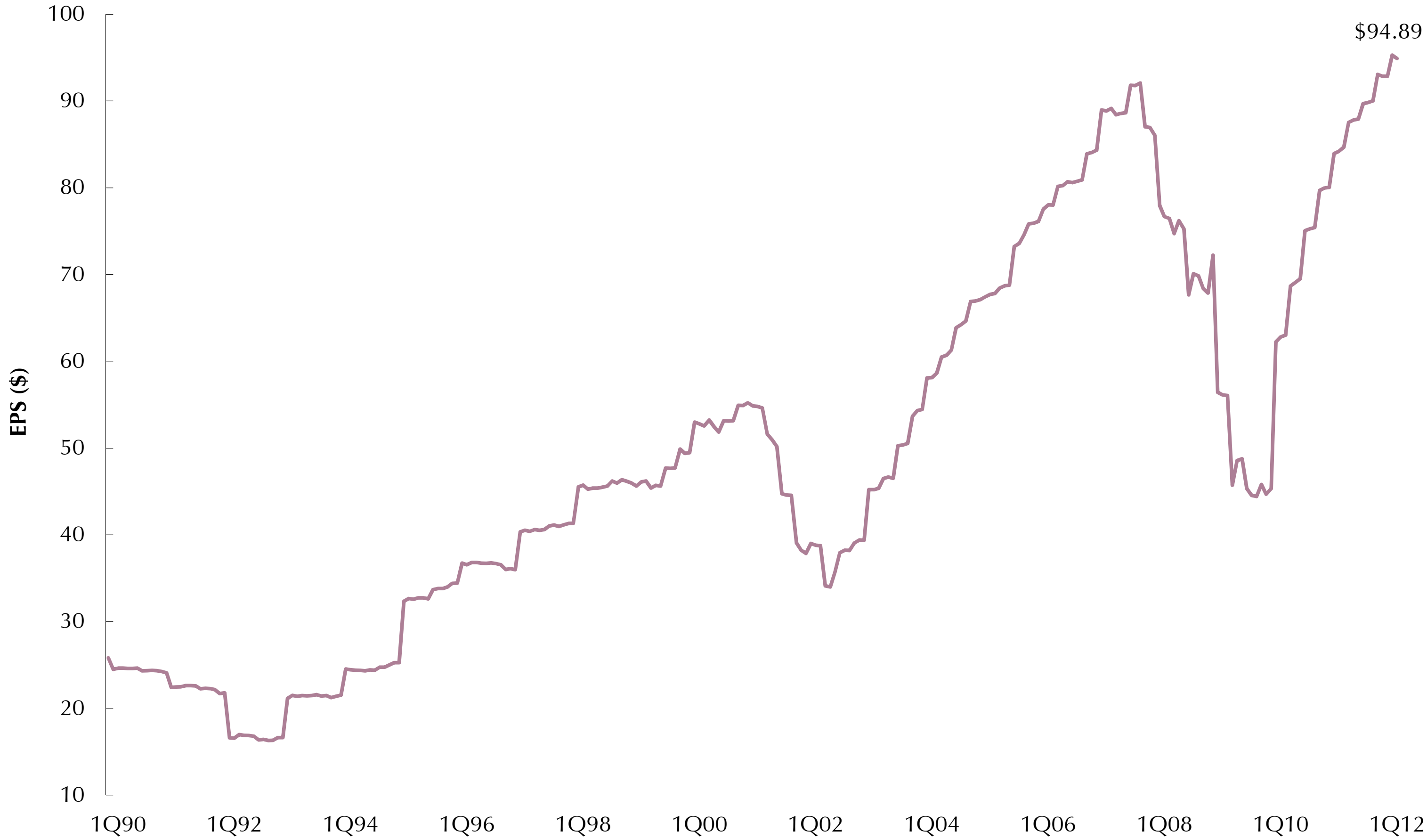
Investment grade bonds and TIPS posted modest gains as investors preferred riskier assets during the quarter.

## Index Returns

| | 1Q12 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) |
|---|---|---|---|---|---|
| **Domestic Equity** | | | | | |
| Russell 3000 | 12.9 | 7.2 | 24.3 | 2.2 | 4.7 |
| Russell 1000 | 12.9 | 7.9 | 24.0 | 2.2 | 4.5 |
| Russell 1000 Growth | 14.7 | 11.0 | 25.3 | 5.1 | 4.3 |
| Russell 1000 Value | 11.1 | 4.8 | 22.8 | -0.8 | 4.6 |
| Russell MidCap | 12.9 | 3.3 | 29.1 | 3.0 | 7.9 |
| Russell MidCap Growth | 14.5 | 4.4 | 29.2 | 4.4 | 6.9 |
| Russell MidCap Value | 11.4 | 2.3 | 29.2 | 1.3 | 8.0 |
| Russell 2000 | 12.4 | -0.2 | 26.9 | 2.1 | 6.4 |
| Russell 2000 Growth | 13.3 | 0.7 | 28.4 | 4.2 | 6.0 |
| Russell 2000 Value | 11.6 | -1.1 | 25.4 | 0.0 | 6.6 |
| **Foreign Equity** | | | | | |
| MSCI ACWI (ex. U.S.) | 11.2 | -7.2 | 19.1 | -1.6 | 7.3 |
| MSCI EAFE | 10.9 | -5.8 | 17.1 | -3.5 | 5.7 |
| MSCI EAFE (local currency) | 10.2 | -4.1 | 12.1 | -5.4 | 1.5 |
| MSCI EAFE Small Cap | 14.9 | -6.2 | 24.1 | -2.8 | 9.9 |
| MSCI Emerging Markets | 14.1 | -8.8 | 25.1 | 4.7 | 14.1 |
| MSCI Emerging Markets (local currency) | 10.7 | -4.0 | 19.8 | 4.7 | 12.2 |
| **Fixed Income** | | | | | |
| Barclays Universal | 0.9 | 7.6 | 7.9 | 6.2 | 6.1 |
| Barclays Aggregate | 0.3 | 7.7 | 6.8 | 6.2 | 5.8 |
| Barclays U.S. TIPS | 0.9 | 12.2 | 8.7 | 7.6 | 7.5 |
| Barclays High Yield | 5.3 | 6.5 | 23.9 | 8.1 | 9.2 |
| JPMorgan GBI-EM Global Diversified | 8.3 | 3.4 | 16.8 | 10.1 | NA |
| **Other** | | | | | |
| NAREIT Equity | 10.5 | 11.3 | 42.2 | -0.1 | 10.4 |
| DJ-UBS Commodities | 0.9 | -16.3 | 8.9 | -3.8 | 4.3 |
| HFRI Fund of Funds | 3.4 | -3.4 | 4.6 | -0.7 | 3.5 |

## S&P 500 Earnings Per Share

In the first quarter, corporate profitability grew for the tenth straight quarter. S&P 500 twelve-month trailing earnings were $94.89 at the end of March, near the all-time high made in February.

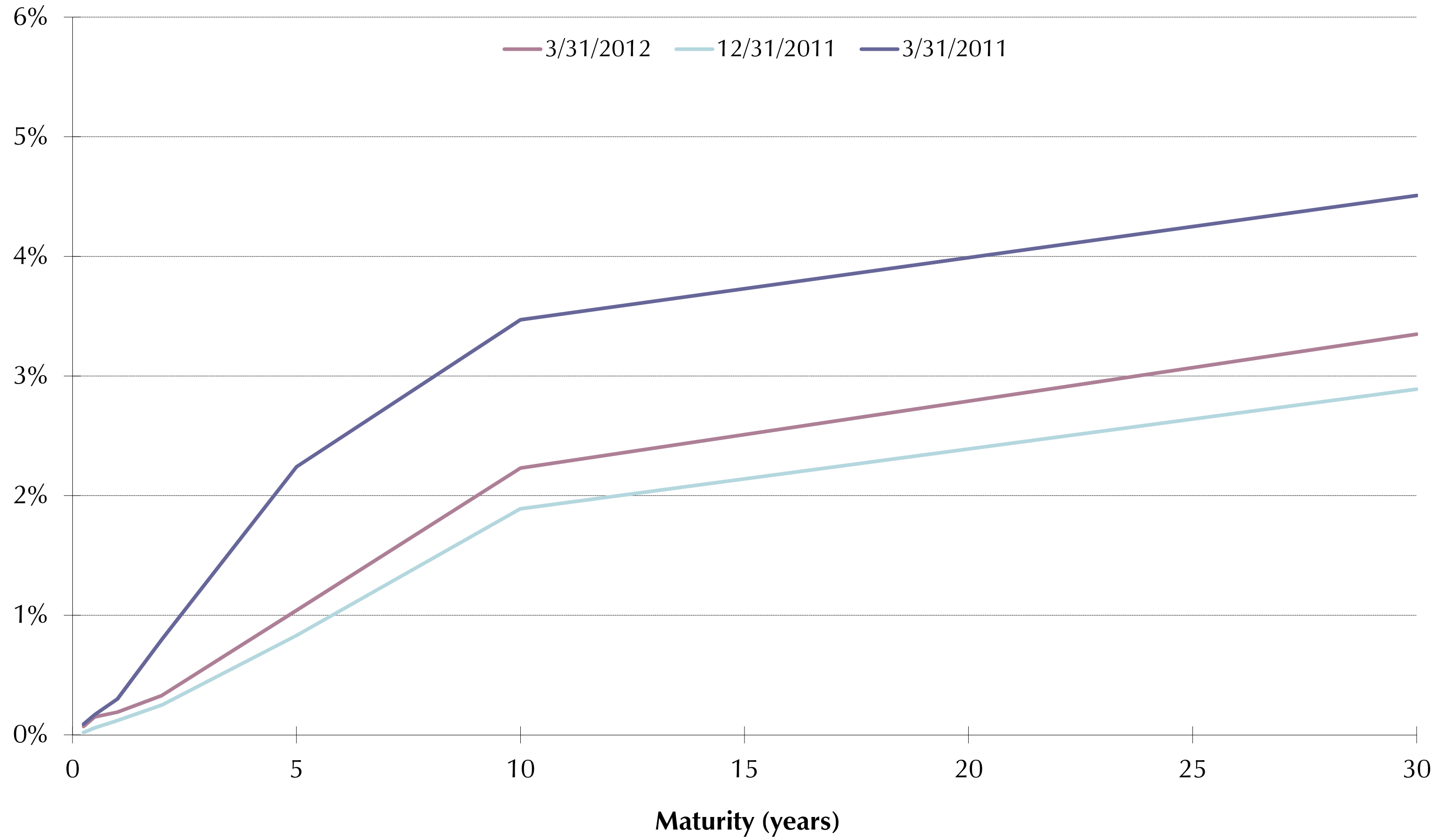


## Rolling Ten-Year Returns: 65% Stocks and 35% Bonds

At the end of the first quarter, the ten-year annual return of a portfolio comprised of 65% domestic stocks (Russell 3000) and 35% investment grade bonds (Barclays Aggregate) was 5.4%. The return is just over half of the twenty-year average.

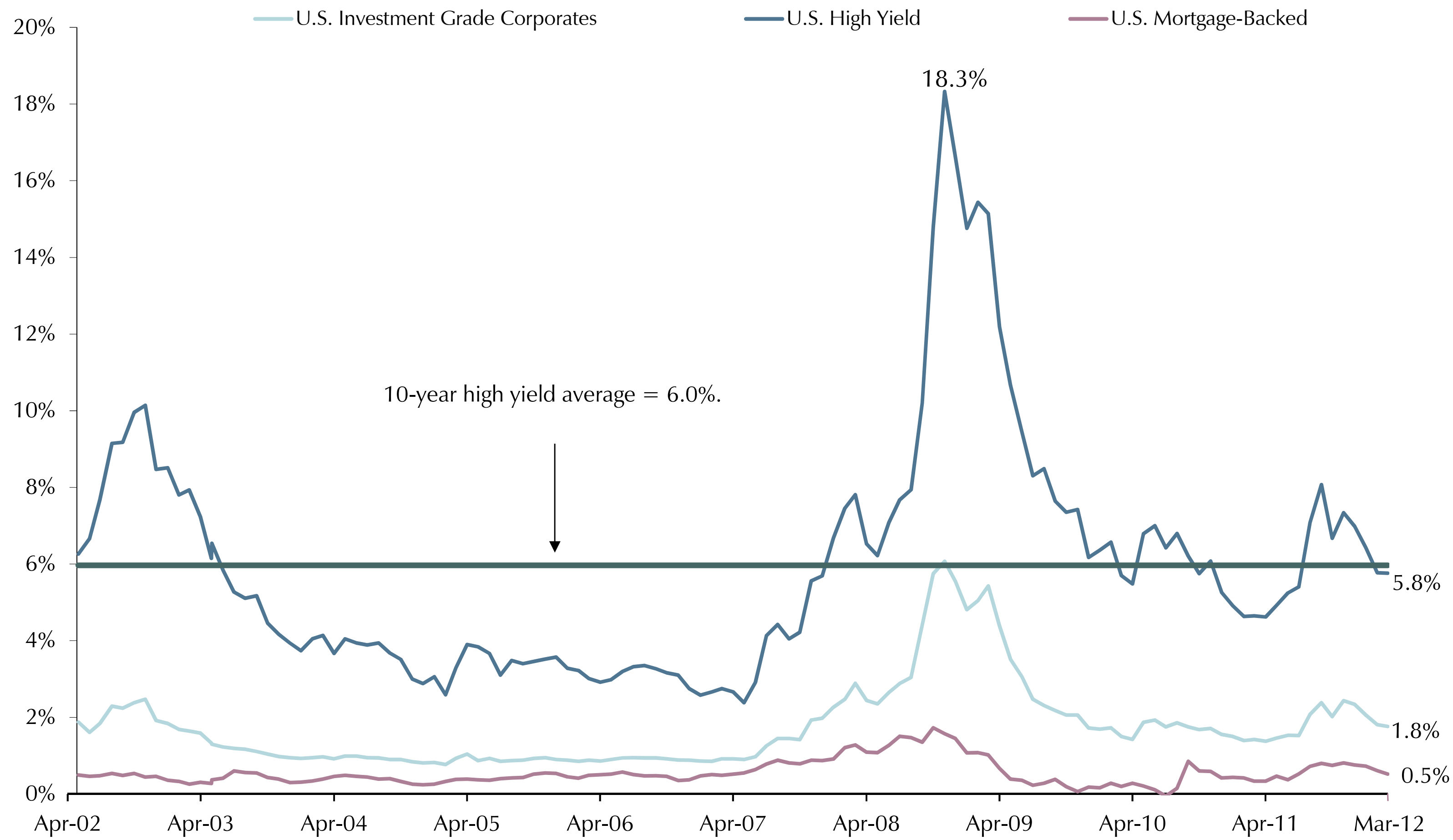
## Treasury Yields

The Treasury yield curve ended the first quarter slightly higher than its position at the end of 2011. The yield on the ten-year Treasury was 2.2% as of quarter-end, a level 1.3% lower than a year prior.



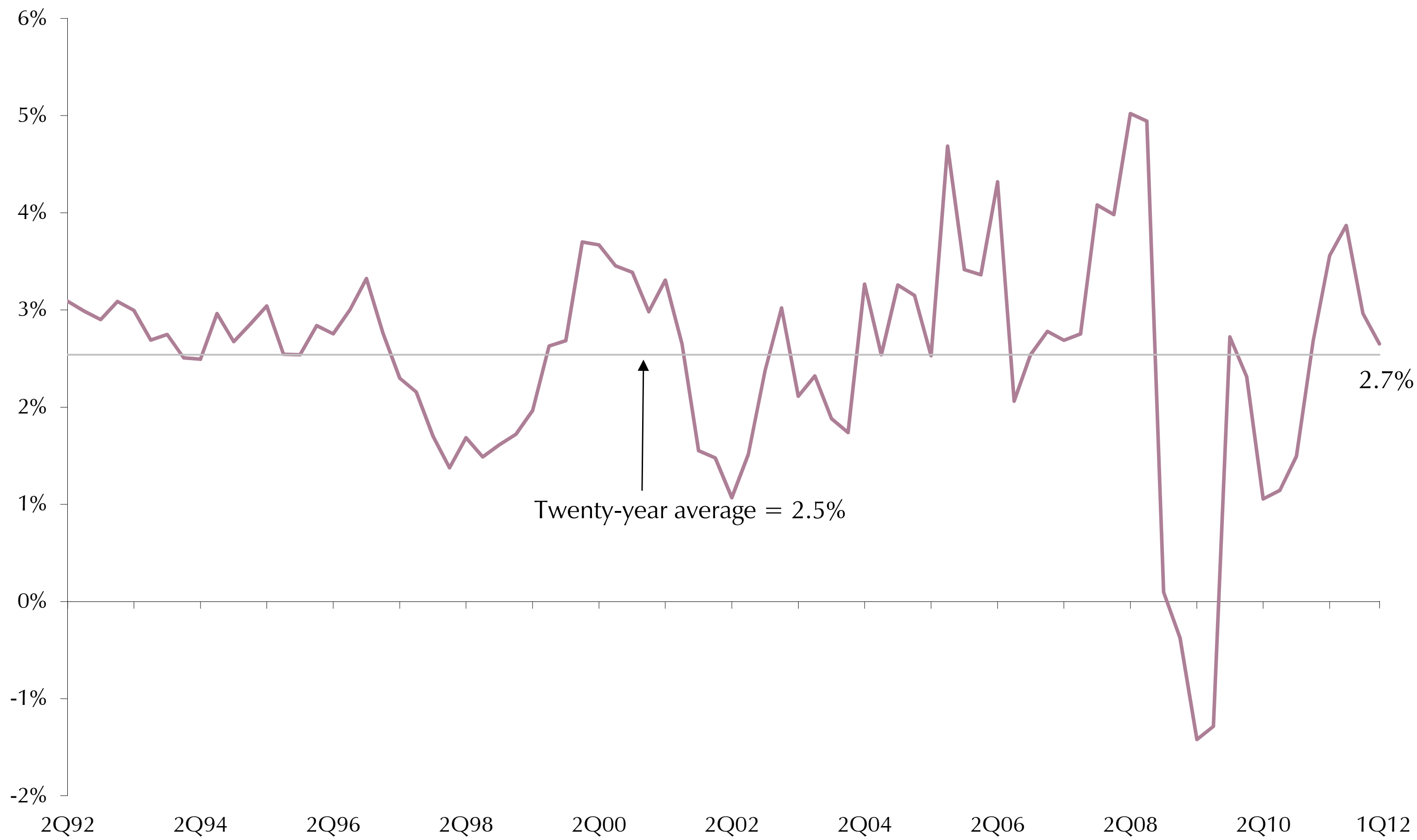
## Credit Spreads vs. U.S. Treasury Bonds

Credit spreads continued their trend of the previous quarter and compressed across all sectors. High yield spreads declined the most (-1.2%), to 5.8%, a level just under the ten-year average.



# U.S. Inflation (CPI) Trailing Twelve Months[1]

The trailing twelve-month CPI growth rate decreased 0.3% from the prior quarter to 2.7%. Cost increases slowed, especially for items other than food and energy (e.g. shelter, vehicles).




[1] Data is non-seasonally adjusted CPI, which may be volatile in the short-term.

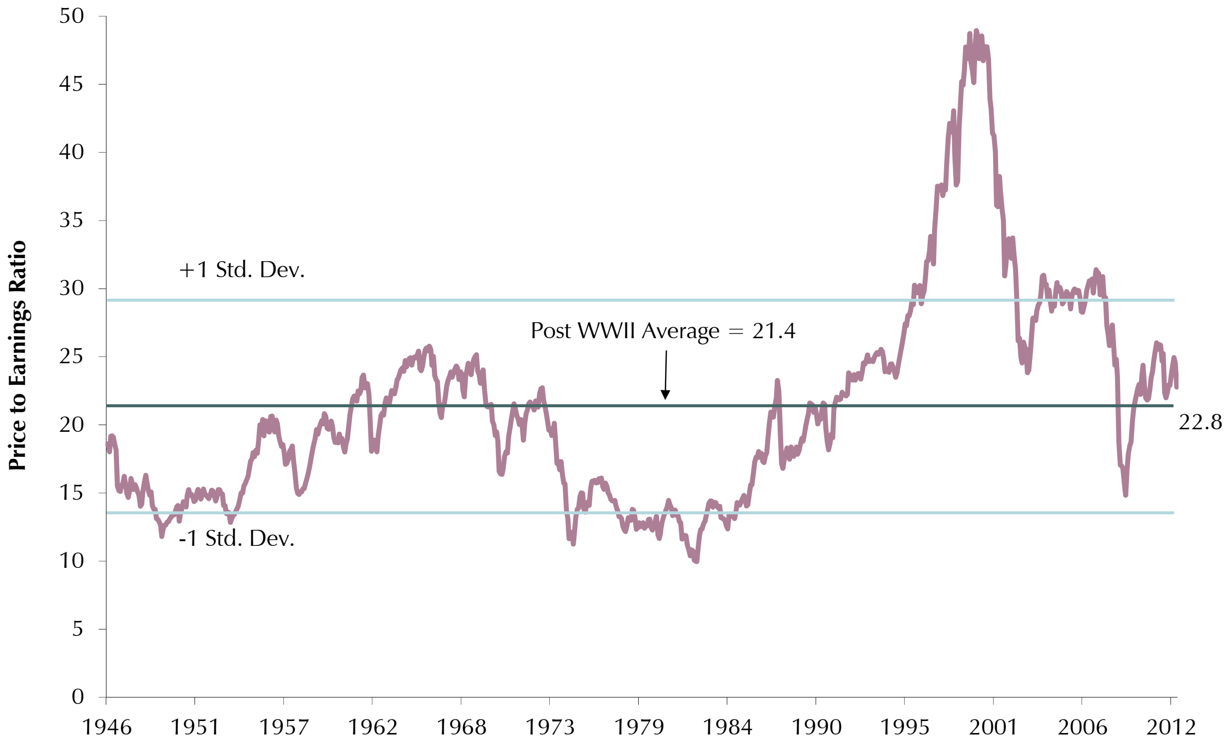
# Capital Markets Outlook

## Capital Markets Outlook[1]

- Debt issues in the developed world, particularly Europe, and slowing growth globally remain significant headwinds for "risky" assets in the near-term.
  - The price of the US stock market relative to its ten-year average earnings declined dramatically in May, but remains slightly above its historical average.
  - Small cap domestic stocks remain richly priced relative to large cap domestic stocks, despite lagging by more than 8% over the last twelve months.
  - Developed international and emerging market stocks are trading at lower valuations than US stocks. It is likely that sovereign debt issues in Europe and concerns over whether or not emerging economies, particularly China, will experience a "hard landing" are weighing down valuations for international stocks.
  - Commodity prices will likely remain volatile in the near-term, as uncertainties around global demand (particularly from emerging markets) and geopolitical tensions persist.
    - Gold declined $100/ounce (-6.0%) in May to $1,564/ounce, a level close to the end of 2011.
    - Crude oil prices declined $18/barrel in May to $87/barrel, due to heightened concerns over slowing global growth and reduced concerns about a conflict with Iran.
  - The yield spread on corporate bonds relative to Treasuries expanded in May to levels above the ten-year average for both investment grade bonds (2.1% vs. 1.8%) and high yield bonds (6.7% vs. 6.0%).
  - In May, the yield on the ten-year Treasury reached a record low of 1.6% due in part to fears over Europe's on-going financial crisis.

[1] Sources: FactSet, US Treasury, Standard & Poor's. Data is as of May 31, 2012, unless otherwise noted.

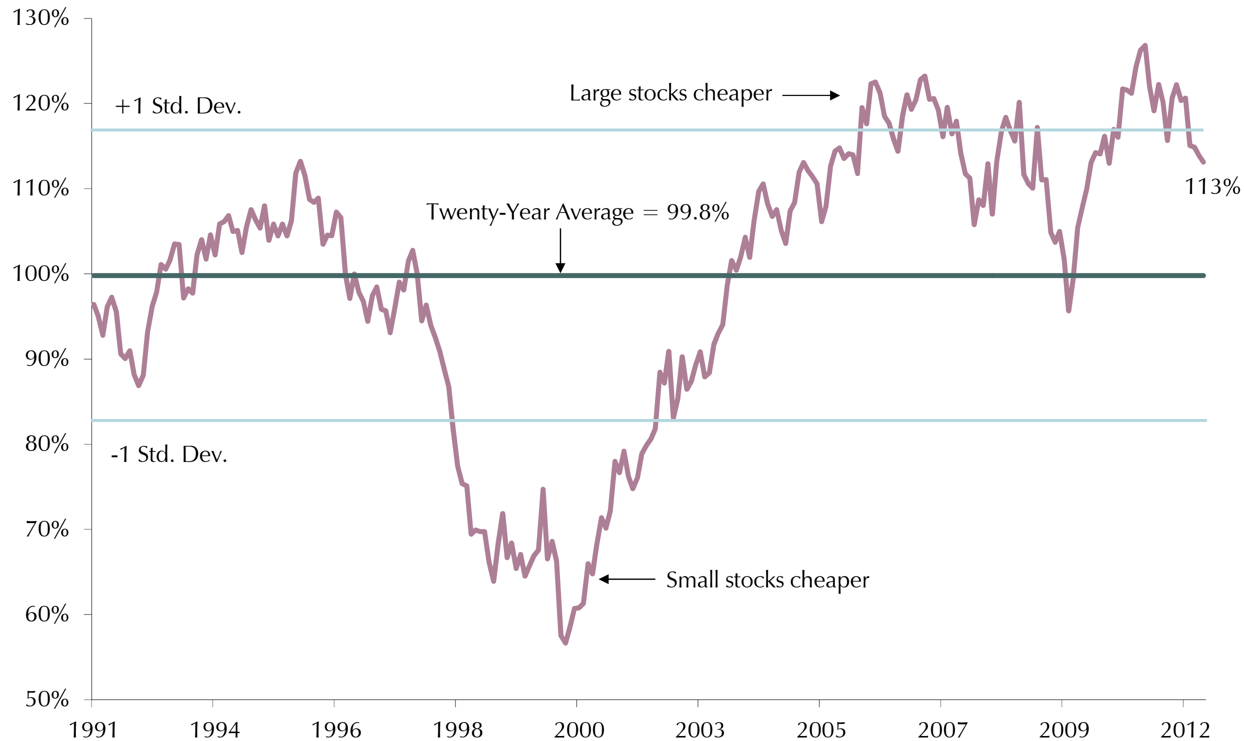
## Domestic Equity Cyclically Adjusted P/E (S&P 500)[1]




- There remains substantial downside potential in the near-term for domestic equities in light of global economic and sovereign debt uncertainties.
- In May, valuations declined by close to 7% but remained above the post-WWII average as renewed fears over sovereign debt issues in Europe weighed on markets. The S&P 500 declined by 6% during the month.

[1] Source: Standard & Poor's. Earnings figures represent the average of monthly earnings over the previous ten years. Data is as of May 31, 2012.

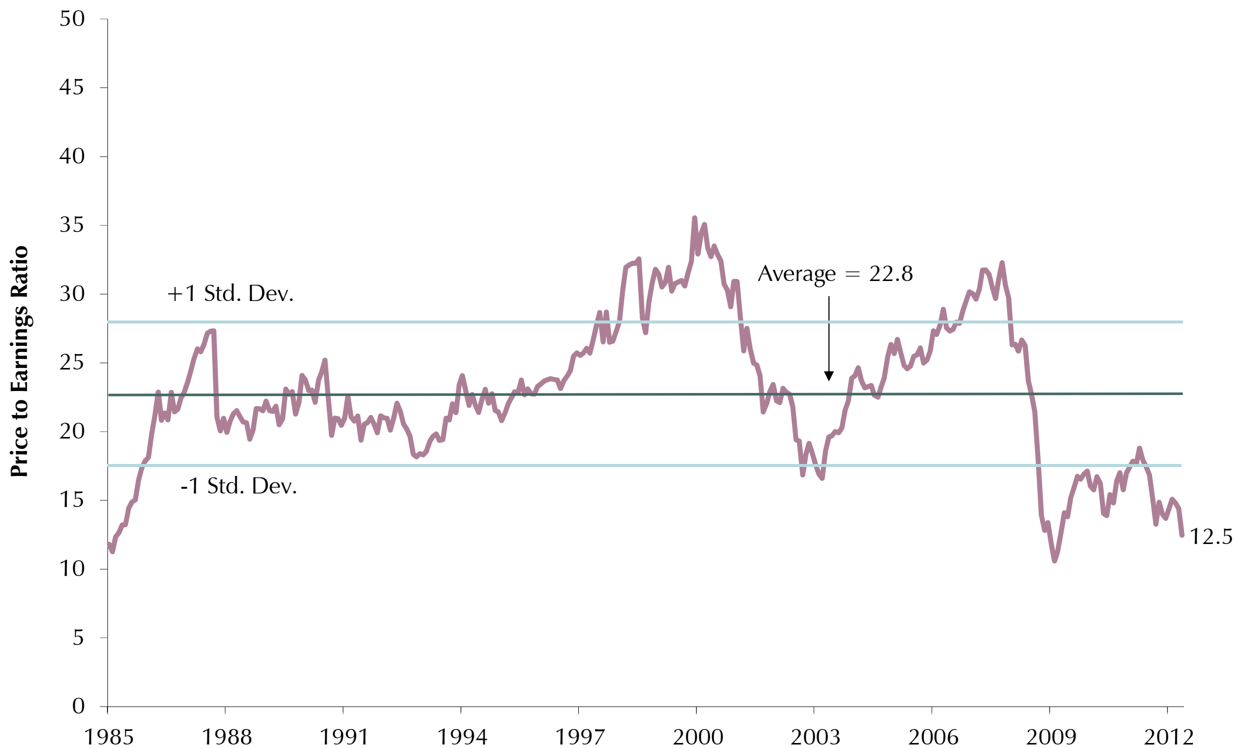
## Russell 2000 P/E (small cap) vs. Russell 1000 P/E (large cap)[1]




- The ratio of small cap (Russell 2000) P/Es to large cap (Russell 1000) P/Es has declined recently, but remains approximately 13% above its long-term average, signaling potential underperformance of small cap stocks relative to large cap stocks.

[1] Source: FactSet. Earnings figures represent 12-month "as reported" earnings. Data is as of May 31, 2012.

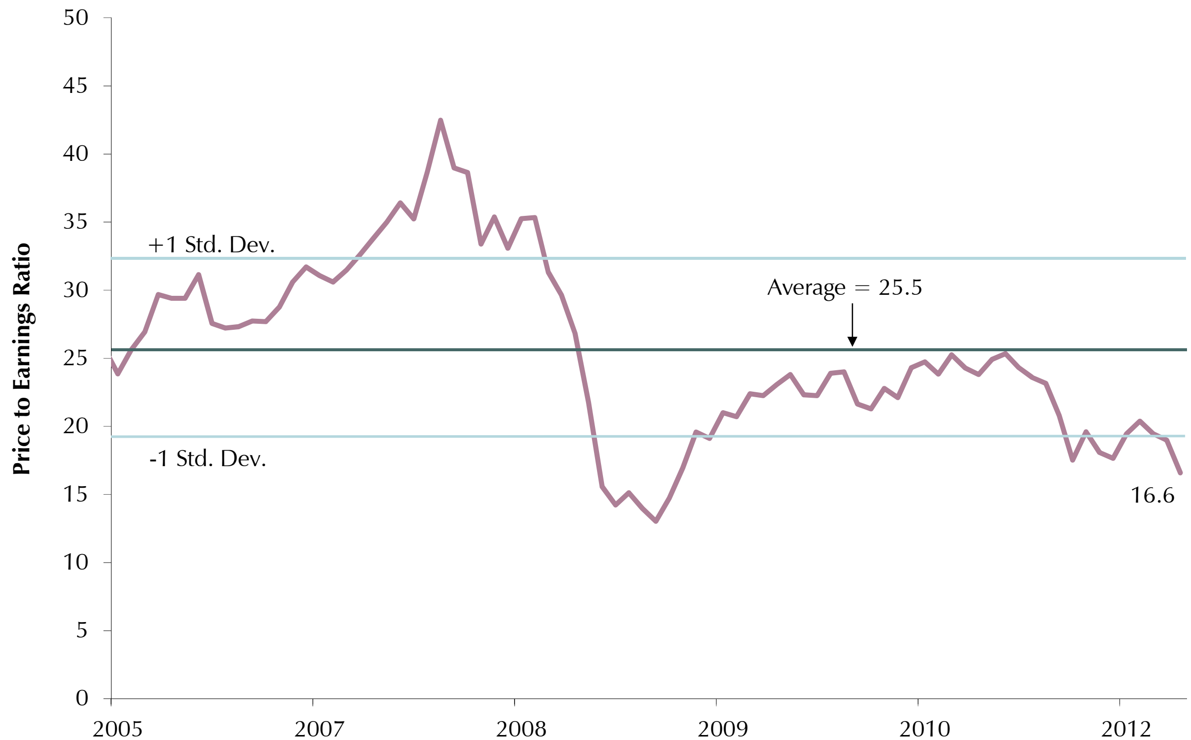
## Developed International Equity Cyclically Adjusted P/E (MSCI EAFE ex. Japan)[1]




- Cyclically adjusted P/E ratios for developed foreign markets declined 13% in May, as markets fell 11.5% due to uncertainties over the impending Greek elections and renewed sovereign debt concerns, particularly in Spain.
- There remain serious headwinds for international developed market equities in the near-term. Sovereign debt concerns in Europe, along with the slowing pace of economic growth, likely account for the low valuation levels.

[1] Source: MSCI and FactSet. Earnings figures represent the average of monthly earnings over the previous ten years. Data is as of May 31, 2012.

## Emerging Market Equity Cyclically Adjusted P/E (MSCI Emerging Markets)[1]




- In May, emerging market equities posted double-digit declines (-11.2%), causing cyclically adjusted P/E ratios to decline dramatically, to a level more than one standard deviation below their (relatively brief) historical average.
- Emerging market equities are trading at lower valuations than US equities but higher valuations than other developed market equities, reflecting fears over slowing global demand for export-oriented economies like China.

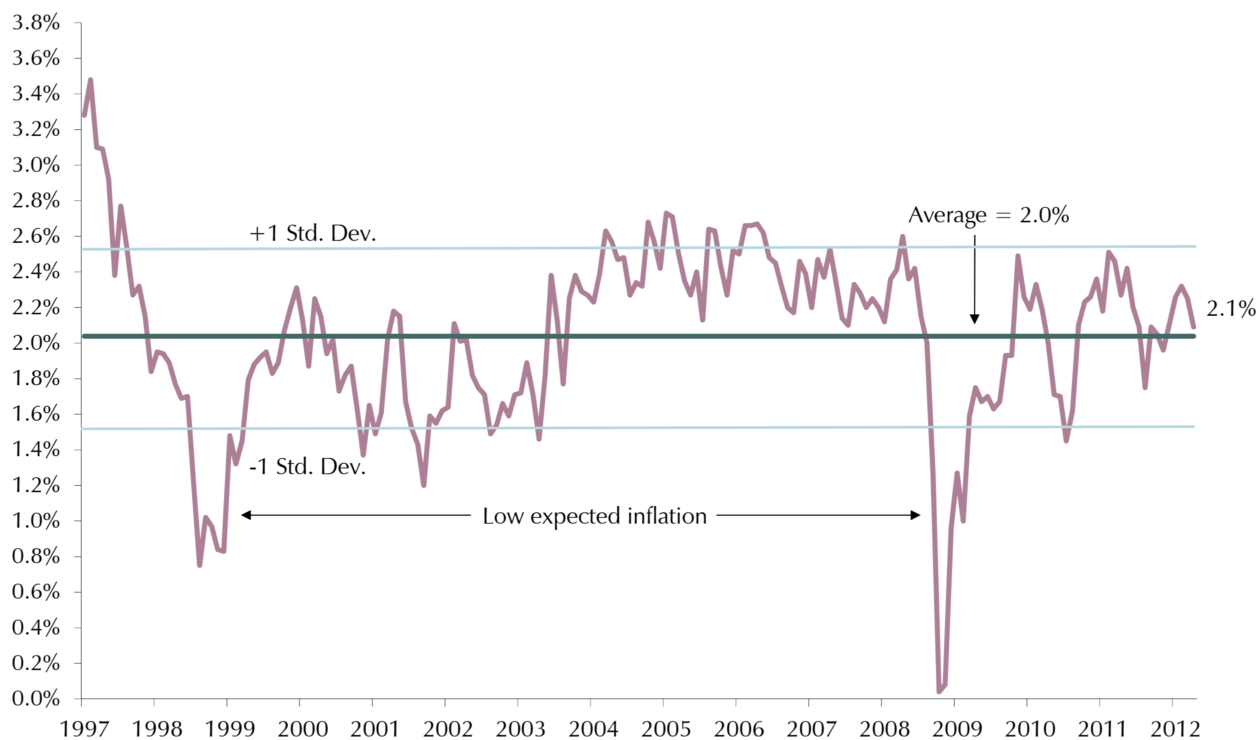
[1] Source: MSCI and FactSet. Earnings figures represent the average of monthly earnings over the previous ten years. Data is as of May 31, 2012.

## Ten-Year Treasury Yields[1]


- In May, ten-year Treasury yields declined 36 basis points to a record low of 1.6%.
- With many uncertainties still remaining in the global economy, US Treasuries may continue to be perceived as a safe haven despite their low yields.

[1] Source: US Treasury. Data is as of May 31, 2012.

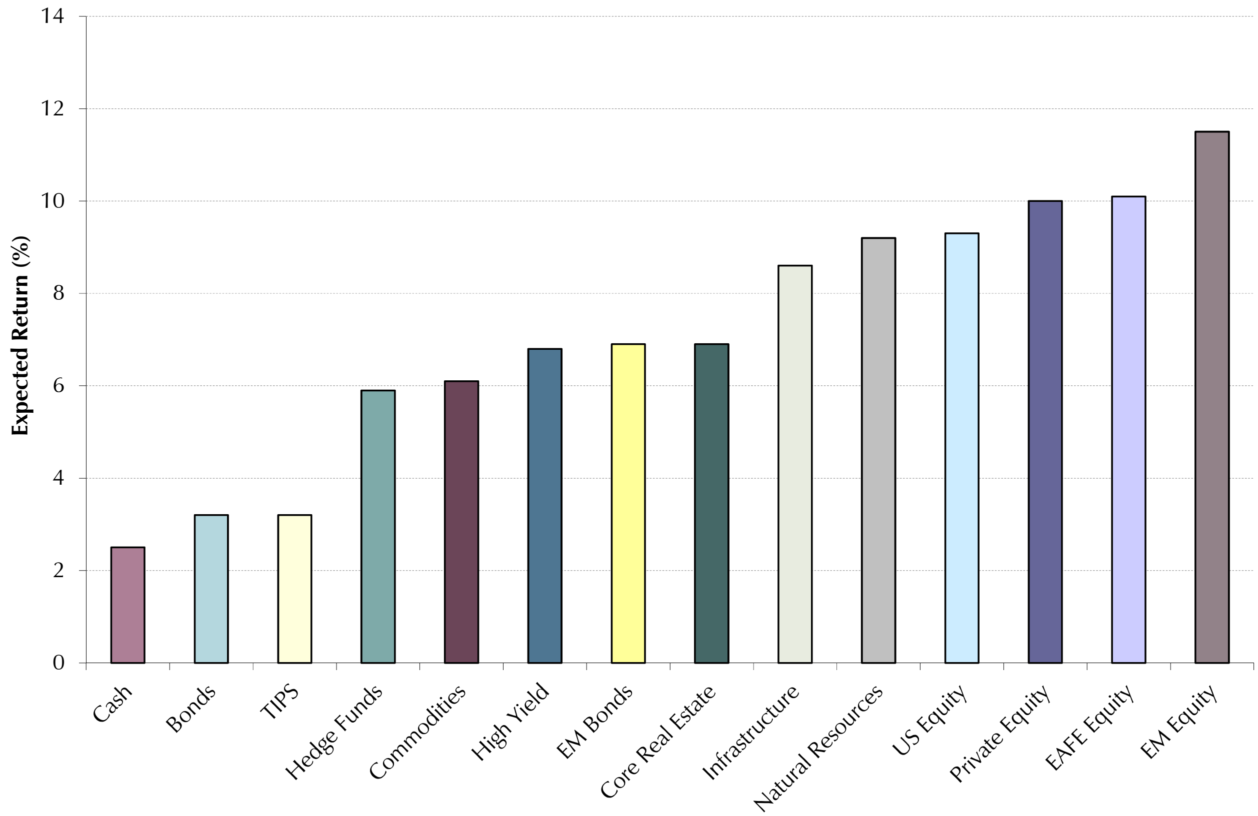
## Ten-Year Breakeven Inflation (TIPS vs. Treasuries)[1]




- Breakeven inflation, the difference between the nominal yield on a ten-year Treasury and the real yield on a ten-year TIPS, declined in May to a level slightly above its historical average, as the yield on ten-year Treasuries reached historic lows.
- The actual inflation rate as of the end of May, as measured by the Consumer Price Index (CPI), was 1.7%.

[1] Source: US Treasury and Federal Reserve. Data is as of May 31, 2012.

## Long-Term Outlook[1]




[1] Twenty-year expected returns based upon Meketa Investment Group's 2012 Annual Asset Study.

# Global Macroeconomic Outlook

## Global Economic Outlook

**Global economic growth will be positive, but somewhat slower than last year.**

- Slower GDP growth is likely in 2012 in the emerging economies due to a decline in capital inflows and lower demand for exports and in the developed economies due to the public and consumer debt overhang.
- Inflation should be moderate in developed economies due to the lack of robust growth, and in the emerging economies due to a decline in capital inflows, tighter monetary policy, and lower demand for exports. Deflation is a slight risk in the developed world.
- The "Great Recession" in the U.S. appears to be quite different structurally from the normal business cycle-induced recessions, due to the significant de-leveraging in the consumer and government sectors that must occur. The de-leveraging process will likely plague the recovery for many years to come.

**In 2012, we expect that additional monetary stimulus will be implemented in Europe and the emerging markets.**

- In emerging economies, central banks may loosen monetary policy more quickly than anticipated in the face of diminished exports and credit contraction from European banks.
- The European Central Bank is likely to provide further monetary support in an effort to prevent the on-going sovereign debt crisis in the region from unraveling.
- Due to sluggish growth rates in the U.S., the Federal Reserve may consider additional monetary actions to induce demand. However, a general election and stronger economic data diminish this potential.

**Three issues remain of primary concern: 1) the solvency of sovereign governments and banks in Europe, 2) slowing growth in China, and 3) a slow growing U.S. economy that is susceptible to recession.**

# Executive Summary
# As of May 31, 2012

# Activity Since March Trustees Meeting

- On behalf of the Pension Fund, Meketa Investment Group allocated $3.5 million to the Vontobel Emerging Markets Equity strategy in April. This is the second investment in emerging markets equity, following the initial investment in the DFA Emerging Markets Value fund in March. The funding source was the Fund's cash account.
- To date, Meketa Investment Group concluded investments in three new asset classes: TIPS, emerging markets equity, and emerging markets debt.
- During June, we have addressed investments in high yield bonds and natural resources equity. As soon as contracts are completed, we will be investing approximately $5.5 million with Sky Harbor for high yield and $5.5 million with State Street Global Advisors for natural resources equity. The natural resources equity funding will be from Amalgamated LongView Large Cap 500 Index and Sky Harbor will be funded from Western Asset Management.

- The Pension Fund was valued at $112.0 million as of March 31, 2012, an increase of $8.1 million from December 31, 2011. With "risk" assets down significantly in April and May, the Pension Fund assets decreased to $108.4 million.
- The Pension Fund returned a robust 6.9% for the first quarter, but gave back 4.2% in April and May, which resulted in year to date return of 2.5%.
- The two passive domestic equity portfolios performed in line with their respective benchmarks.
- Manning & Napier outperformed the MSCI ACWI (ex. U.S.) index by 2.1%, gross of fees. Artio International Equity also outperformed the benchmark by 1.5% from January through end of May.
- The DFA Emerging Markets Value fund was funded on March 6, 2012. Performance calculations for the new portfolio began April 1. Vontobel Emerging Markets Fund's performance began April 1.
- Helped by high yield exposure, PIMCO and WAMCO core plus portfolios outperformed the Barclays Universal index by 2.7% and 1.3%, gross of fees, respectively YTD.
- The AFL-CIO Housing Investment Trust outperformed the Barclays Aggregate and Mortgage indices.
- Since inception on March 1, 2012, the Stone Harbor Emerging Markets fund lagged the JPMorgan EMBI Global Diversified index. In this same time-period, the Stone Harbor Emerging Markets Local Currency Debt fund outperformed the JPM GBI-EM Global Diversified index by 0.3%. The Local currency fund underperformed the dollar denominated fund as the dollar continued to strengthen against the local currencies.
- Together, the Pension Fund's real estate strategies lagged the NCREIF Property Index during the first quarter by 0.2%. The AFL-CIO Building Investment Trust gained 3.6%, outperforming the NCREIF Property's return of 2.9%. The Multi-Employer Property Trust strategy trailed the benchmark, as the strategy returned 1.6%.

# Interim Update
# May 31, 2012

# Aggregate Assets
## Asset Summary as of 5/31/12

| | Market Value 5/31/12 ($ mm) | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 3/31/12 ($ mm) |
|---|---|---|---|---|---|
| **Total Pension Fund** | **108.4** | **100** | **NA** | **NA** | **112.0** |
| Domestic Equity Assets | 37.3 | 34 | 25 | 15-35 | 40.0 |
| International Developed Market Equity Assets | 11.4 | 10 | 10 | 5-20 | 13.0 |
| International Emerging Market Equity Assets | 6.1 | 6 | 7 | 0-20 | 3.4 |
| Investment Grade Bond Assets | 25.7 | 24 | 14 | 8-25 | 25.2 |
| TIPS Assets | 5.2 | 5 | 10 | 0-20 | 5.0 |
| Emerging Market Debt Assets | 6.7 | 6 | 7 | 0-15 | 6.9 |
| Real Estate Assets | 11.2 | 10 | 12 | 0-15 | 11.2 |
| Natural Resources Aggregate | 0.0 | 0 | 5 | 0-10 | 0.0 |
| Private Equity Assets[1] | 2.0 | 2 | 5 | 0-10 | 2.0 |
| Cash | 2.8 | 3 | 0 | 0 | 5.3 |

[1] ULLICO asset value based on 2011 pricing.

# Aggregate Assets
## Portfolio Roster as of 5/31/12

| | Market Value 5/31/12 ($ mm) | % of Asset Class | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 3/31/12 ($ mm) |
|---|---|---|---|---|---|---|
| **Total Pension Fund** | **108.4** | **NA** | **100** | **NA** | **NA** | **112.0** |
| **Domestic Equity Assets** | **37.3** | **100** | **34** | **25** | **15-35** | **40.0** |
| Amalgamated LongView Large Cap 500 Index | 32.6 | 87 | 30 | | | 34.9 |
| Amalgamated LongView Small Cap 600 Index | 4.7 | 13 | 4 | | | 5.1 |
| **International Developed Market Equity Assets** | **11.4** | **100** | **10** | **10** | **5-20** | **13.0** |
| Manning & Napier International Equity | 5.8 | 51 | 5 | | | 6.7 |
| Artio International Equity | 5.6 | 49 | 5 | | | 6.3 |
| **International Emerging Market Equity Assets** | **6.1** | **100** | **6** | **7** | **0-20** | **3.4** |
| Vontobel Emerging Markets Equity | 3.2 | 52 | 3 | | | 0.0 |
| Dimensional Emerging Markets Value | 2.9 | 48 | 3 | | | 3.4 |
| **Investment Grade Bond Assets** | **25.7** | **100** | **24** | **14** | **8-25** | **25.2** |
| PIMCO Total Return | 14.3 | 56 | 13 | | | 13.9 |
| Western Asset U.S. Core Plus, LLC | 7.9 | 31 | 7 | | | 7.8 |
| AFL-CIO Housing Investment Trust | 3.5 | 14 | 3 | | | 3.4 |

# Aggregate Assets
## Portfolio Roster as of 5/31/12

| | Market Value 5/31/12 ($ mm) | % of Asset Class | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 3/31/12 ($ mm) |
|---|---|---|---|---|---|---|
| **TIPS Assets** | **5.2** | **100** | **5** | **10** | **0-20** | **5.0** |
| Vanguard Inflation-Protected Securities | 5.2 | 100 | 5 | | | 5.0 |
| **Emerging Market Debt Assets** | **6.7** | **100** | **6** | **7** | **0-15** | **6.9** |
| Stone Harbor Emerging Markets Debt Blend | 4.1 | 61 | 4 | | | 4.2 |
| Stone Harbor Emerging Markets Local Currency Debt | 2.6 | 39 | 2 | | | 2.8 |
| **Real Estate Assets** | **11.2** | **100** | **10** | **12** | **0-15** | **11.2** |
| AFL-CIO Building Investment Trust | 6.0 | 54 | 6 | | | 6.0 |
| Multi-Employer Property Trust | 5.2 | 46 | 5 | | | 5.2 |
| **Private Equity Assets[1]** | **2.0** | **100** | **2** | **5** | **0-10** | **2.0** |
| ULLICO Class A | 2.0 | 100 | 2 | | | 2.0 |
| **Cash** | **2.8** | **100** | **3** | **0** | **0** | **5.3** |

[1] ULLICO asset value based on 2011 pricing.

# Aggregate Assets
# Performance as of 5/31/12

| | QTD (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Fund** | **-4.2** | **2.5** | **-1.7** | **9.8** | **0.9** | **4.3** | **6.9** | **1/1/88** | **7.6** |
| *CPI (inflation)* | *0.2* | *1.8* | *1.7* | *2.4* | *2.0* | *2.5* | *2.5* | | *2.9* |
| *Policy Benchmark[1]* | *-4.6* | *1.8* | *-2.2* | *8.2* | *0.9* | *5.7* | *NA* | | *NA* |
| Domestic Equity[2] | -6.7 | 5.0 | -0.9 | NA | NA | NA | NA | 6/1/11 | -0.9 |
| *Russell 3000* | *-6.8* | *5.2* | *-1.9* | *15.4* | *-0.7* | *4.6* | *8.2* | | *-1.9* |
| International Developed Market Equity | -12.7 | -0.9 | -23.6 | NA | NA | NA | NA | 6/1/11 | -23.6 |
| *MSCI ACWI (ex. U.S.) IMI* | *-12.6* | *-2.5* | *-20.5* | *5.1* | *-5.4* | *6.1* | *NA* | | *-20.5* |
| Emerging Market Equity Assets | -11.2 | NA | NA | NA | NA | NA | NA | 4/1/12 | -11.2 |
| *MSCI Emerging Markets* | *-12.3* | *0.1* | *-20.3* | *7.9* | *0.1* | *12.8* | *7.3* | | *-12.3* |
| Investment Grade Bonds[2] | 2.0 | 4.2 | 6.2 | NA | NA | NA | NA | 6/1/11 | 6.2 |
| *Barclays Aggregate* | *2.0* | *2.3* | *7.1* | *7.1* | *6.7* | *5.7* | *6.6* | | *7.1* |
| TIPS | 3.9 | 4.6 | NA | NA | NA | NA | NA | 12/1/11 | 4.9 |
| *Barclays U.S. TIPS* | *3.7* | *4.6* | *13.2* | *10.0* | *8.5* | *7.4* | *NA* | | *4.7* |
| Emerging Market Debt | -3.8 | NA | NA | NA | NA | NA | NA | 3/1/12 | -4.4 |
| *JPMorgan GBI Global* | *1.5* | *0.6* | *4.0* | *6.1* | *7.7* | *7.5* | *6.6* | | *0.4* |
| Real Estate | 0.0 | 2.7 | 12.9 | NA | NA | NA | NA | 6/1/11 | 12.9 |
| *NCREIF ODCE Equal Weighted* | *0.0* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *14.6* |

1 Policy Benchmark: 52% MSCI ACWI, 36% Barclays Universal, 12% NCREIF ODCE Equal Weighted.
2 Historical asset class aggregates not available from Marco.

## Aggregate Assets Performance as of 5/31/12

| | QTD (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Fund** | **-4.2** | **2.5** | **-1.7** | **9.8** | **0.9** | **4.3** | **6.9** | **1/1/88** | **7.6** |
| *CPI (inflation)* | *0.2* | *1.8* | *1.7* | *2.4* | *2.0* | *2.5* | *2.5* | | *2.9* |
| *Policy Benchmark[1]* | *-4.6* | *1.8* | *-2.2* | *8.2* | *0.9* | *5.7* | *NA* | | *NA* |
| **Domestic Equity[2]** | **-6.7** | **5.0** | **-0.9** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **-0.9** |
| Amalgamated LongView Large Cap 500 Index | -6.6 | 5.2 | -0.4 | 14.9 | -0.9 | 4.2 | NA | 1/1/96 | 6.7 |
| *S&P 500* | *-6.6* | *5.2* | *-0.4* | *14.9* | *-0.9* | *4.1* | *8.0* | | *6.6* |
| Amalgamated LongView Small Cap 600 Index | -7.5 | 3.6 | -4.5 | 18.7 | 0.7 | NA | NA | 1/1/03 | 9.7 |
| *S&P Small Cap* | *-7.5* | *3.6* | *-4.4* | *18.7* | *0.7* | *6.9* | *10.3* | | *9.8* |
| **International Developed Market Equity** | **-12.7** | **-0.9** | **-23.6** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **-23.6** |
| Manning & Napier International Equity | -14.1 | -0.3 | -23.7 | NA | NA | NA | NA | 1/1/10 | -3.3 |
| *MSCI ACWI (ex. U.S.)* | *-12.8* | *-3.0* | *-20.5* | *4.6* | *-5.6* | *5.7* | *5.5* | | *-2.9* |
| Artio International Equity (GTII) | -11.3 | -1.5 | -23.6 | 0.5 | -8.2 | NA | NA | 7/1/06 | -2.4 |
| *MSCI ACWI (ex. U.S.)* | *-12.8* | *-3.0* | *-20.5* | *4.6* | *-5.6* | *5.7* | *5.5* | | *-0.6* |

[1] Policy Benchmark: 52% MSCI ACWI, 36% Barclays Universal, 12% NCREIF ODCE Equal Weighted.
[2] Historical asset class aggregates not available from Marco.

| | QTD (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|---|
| **International Emerging Market Equity Assets** | **-11.2** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **4/1/12** | **-11.2** |
| Vontobel Emerging Markets Equity | -8.6 | NA | NA | NA | NA | NA | NA | 5/1/12 | -8.6 |
| *MSCI Emerging Markets* | *-12.3* | *0.1* | *-20.3* | *7.9* | *0.1* | *12.8* | *7.3* | | *-11.2* |
| Dimensional Emerging Markets Value | -14.0 | NA | NA | NA | NA | NA | NA | 4/1/12 | -14.0 |
| *MSCI Emerging Markets* | *-12.3* | *0.1* | *-20.3* | *7.9* | *0.1* | *12.8* | *7.3* | | *-12.3* |
| **Investment Grade Bonds**[1] | **2.0** | **4.2** | **6.2** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **6.2** |
| PIMCO Total Return | 2.3 | 5.3 | 6.1 | NA | NA | NA | NA | 1/1/10 | 7.6 |
| *Barclays Universal* | *1.7* | *2.6* | *6.7* | *7.7* | *6.6* | *6.0* | *6.7* | | *7.1* |
| Western Asset U.S. Core Plus, LLC | 1.7 | 3.9 | 6.6 | 13.0 | 7.5 | NA | NA | 8/1/06 | 7.4 |
| *Barclays Universal* | *1.7* | *2.6* | *6.7* | *7.7* | *6.6* | *6.0* | *6.7* | | *6.6* |
| AFL-CIO Housing Investment Trust | 2.3 | 2.5 | 7.2 | 6.8 | 7.1 | 6.1 | NA | 6/1/02 | 6.1 |
| *Barclays Aggregate* | *2.0* | *2.3* | *7.1* | *7.1* | *6.7* | *5.7* | *6.6* | | *5.7* |
| *Barclays Mortgage* | *1.0* | *1.5* | *4.9* | *5.4* | *6.6* | *5.5* | *6.4* | | *5.5* |
| **TIPS** | **3.9** | **4.6** | **NA** | **NA** | **NA** | **NA** | **NA** | **12/1/11** | **4.9** |
| Vanguard Inflation-Protected Securities | 3.9 | 4.6 | NA | NA | NA | NA | NA | 12/1/11 | 4.9 |
| *Barclays U.S. TIPS* | *3.7* | *4.6* | *13.2* | *10.0* | *8.5* | *7.4* | *NA* | | *4.7* |

[1] Historical asset class aggregates not available from Marco.

# Aggregate Assets Performance as of 5/31/12

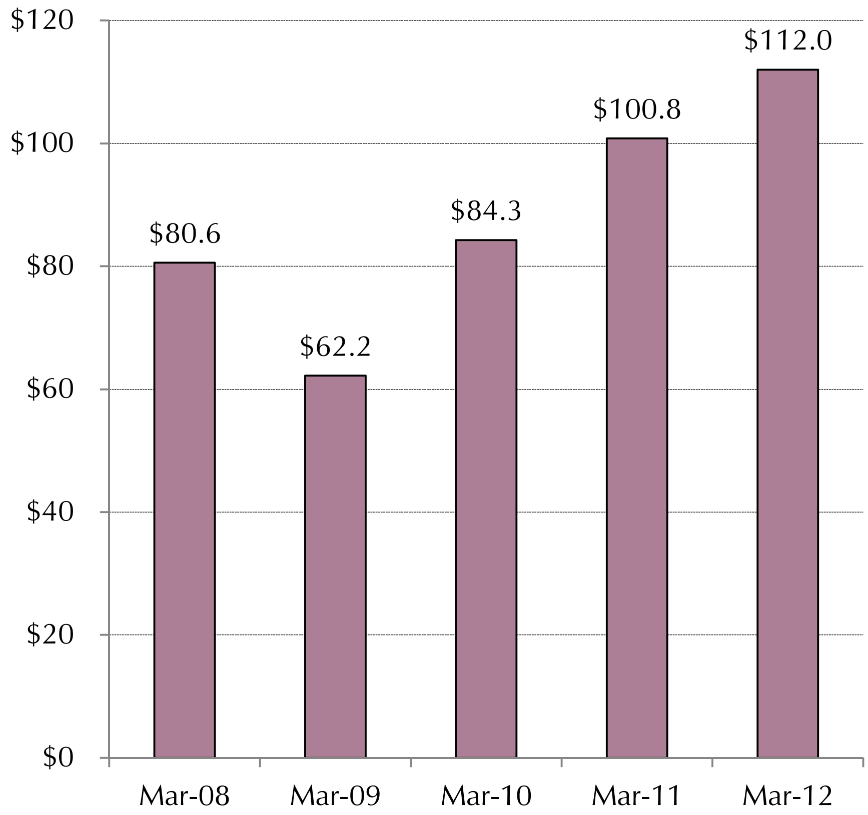
| | QTD (%) | YTD (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|---|
| **Emerging Market Debt** | **-3.8** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **3/1/12** | **-4.4** |
| Stone Harbor Emerging Markets Debt Blend | -2.0 | NA | NA | NA | NA | NA | NA | 3/1/12 | -2.0 |
| *JPMorgan EMBI Global Diversified* | *-0.7* | *3.5* | *7.0* | *12.4* | *8.0* | *10.3* | *NA* | | *-0.5* |
| Stone Harbor Emerging Markets Local Currency Debt | -6.5 | NA | NA | NA | NA | NA | NA | 3/1/12 | -8.0 |
| *JPM GBI-EM Global Diversified* | *-6.4* | *1.3* | *-6.5* | *9.2* | *7.6* | *NA* | *NA* | | *-8.3* |
| **Real Estate[1]** | **NA** | **2.7** | **12.9** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **12.9** |
| AFL-CIO Building Investment Trust | NA | 3.6 | 14.4 | 3.2 | 0.2 | NA | NA | 7/1/02 | 5.4 |
| *NCREIF ODCE Equal Weighted* | *NA* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *5.9* |
| *NCREIF Property* | *NA* | *2.9* | *13.7* | *6.1* | *2.9* | *8.2* | *8.2* | | *8.1* |
| Multi-Employer Property Trust | NA | 1.6 | 11.3 | 3.4 | -1.6 | 4.9 | 5.8 | 1/1/92 | 5.7 |
| *NCREIF ODCE Equal Weighted* | *NA* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *7.2* |
| *NCREIF Property* | *NA* | *2.9* | *13.7* | *6.1* | *2.9* | *8.2* | *8.2* | | *8.1* |
| *NCREIF ODCE* | *NA* | *2.8* | *14.7* | *4.1* | *-0.5* | *6.4* | *7.4* | | *7.2* |

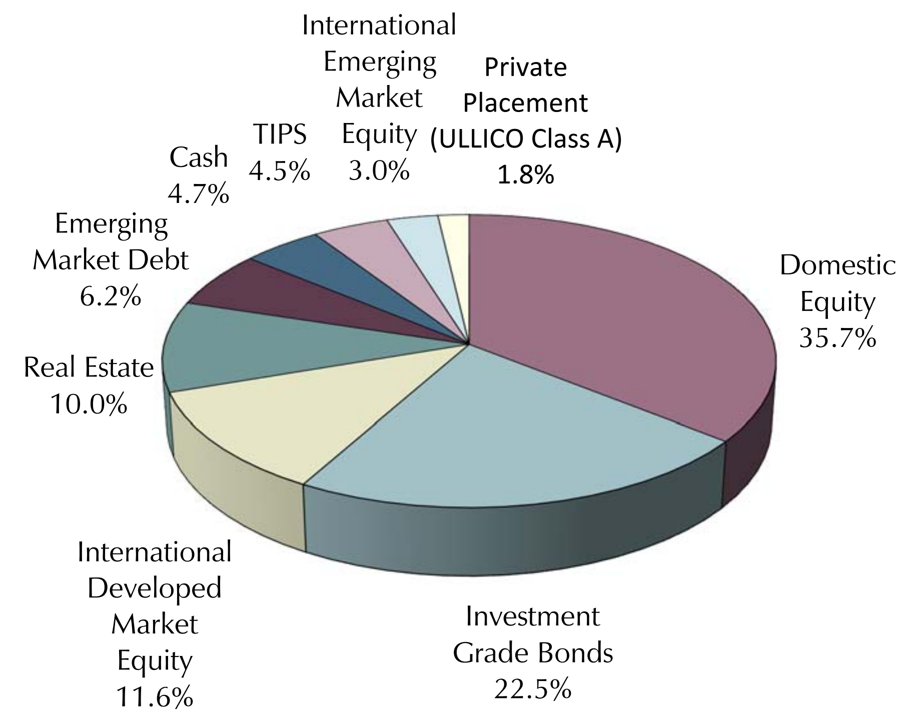
[1] Through 3/31/2012.

# Fund Summary
# As of March 31, 2012

## UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

## Aggregate Assets as of 3/31/12



# Aggregate Assets
## Asset Summary as of 3/31/12

| | Market Value 3/31/12 ($ mm) | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 12/31/11 ($ mm) |
|---|---|---|---|---|---|
| **Total Pension Fund** | **112.0** | **100** | **NA** | **NA** | **103.9** |
| Domestic Equity Assets | 40.0 | 36 | 25 | 15-35 | 38.8 |
| International Developed Market Equity Assets | 13.0 | 12 | 10 | 5-20 | 11.5 |
| International Emerging Market Equity Assets | 3.4 | 3 | 7 | 0-20 | 0.0 |
| Investment Grade Bond Assets | 25.2 | 22 | 14 | 8-25 | 31.5 |
| TIPS Assets | 5.0 | 4 | 10 | 0-20 | 5.0 |
| High Yield Bond Assets | 0.0 | 0 | 5 | 0-15 | 0.0 |
| Emerging Market Debt Assets | 6.9 | 6 | 7 | 0-15 | 0.0 |
| Real Estate Assets | 11.2 | 10 | 12 | 0-25 | 10.9 |
| Natural Resources Aggregate | 0.0 | 0 | 5 | 0-10 | 0.0 |
| Private Equity Assets[1] | 2.0 | 2 | 5 | 0-10 | 2.0 |
| Cash | 5.3 | 5 | 0 | NA | 4.2 |

[1] ULLICO asset value based on 2011 pricing.

# Aggregate Assets
## Portfolio Roster as of 3/31/12

| | Market Value 3/31/12 ($ mm) | % of Asset Class | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 12/31/11 ($ mm) |
|---|---|---|---|---|---|---|
| **Total Pension Fund** | **112.0** | **NA** | **100** | **NA** | **NA** | **103.9** |
| **Domestic Equity Assets** | **40.0** | **100** | **36** | **25** | **15-35** | **38.8** |
| Amalgamated LongView Large Cap 500 Index | 34.9 | 87 | 31 | | | 34.2 |
| Amalgamated LongView Small Cap 600 Index | 5.1 | 13 | 5 | | | 4.5 |
| **International Developed Market Equity Assets** | **13.0** | **100** | **12** | **10** | **5-20** | **11.5** |
| Manning & Napier International Equity | 6.7 | 52 | 6 | | | 5.8 |
| Artio International Equity | 6.3 | 48 | 6 | | | 5.6 |
| **International Emerging Market Equity Assets** | **3.4** | **100** | **3** | **7** | **0-20** | **0.0** |
| DFA Emerging Markets Value | 3.4 | 100 | 3 | | | 0.0 |
| **Investment Grade Bond Assets** | **25.2** | **100** | **22** | **14** | **8-25** | **31.5** |
| PIMCO Total Return | 13.9 | 55 | 12 | | | 13.6 |
| Western Asset U.S. Core Plus, LLC | 7.8 | 31 | 7 | | | 14.5 |
| AFL-CIO Housing Investment Trust | 3.4 | 14 | 3 | | | 3.4 |

# Aggregate Assets
## Portfolio Roster as of 3/31/12

| | Market Value 3/31/12 ($ mm) | % of Asset Class | % of Pension Fund | Target Allocation (%) | Target Range (%) | Market Value 12/31/11 ($ mm) |
|---|---|---|---|---|---|---|
| **TIPS Assets** | **5.0** | **100** | **4** | **10** | **0-20** | **5.0** |
| Vanguard Inflation-Protected Securities (UN12) | 5.0 | 100 | 4 | | | 5.0 |
| **Emerging Market Debt Assets** | **6.9** | **100** | **6** | **7** | **0-15** | **0.0** |
| Stone Harbor Emerging Markets Debt | 4.2 | 60 | 4 | | | 0.0 |
| Stone Harbor Emerging Markets Local Currency Debt | 2.8 | 40 | 2 | | | 0.0 |
| **Real Estate Assets** | **11.2** | **100** | **10** | **12** | **0-25** | **10.9** |
| AFL-CIO Building Investment Trust | 6.0 | 54 | 5 | | | 5.8 |
| Multi-Employer Property Trust | 5.2 | 46 | 5 | | | 5.1 |
| **Private Equity Assets**[1] | **2.0** | **100** | **2** | **5** | **0-10** | **2.0** |
| ULLICO Class A | 2.0 | 100 | 2 | | | 2.0 |
| **Cash** | **5.3** | **100** | **5** | | **NA** | **4.2** |

[1] ULLICO asset value based on 2011 pricing.

| | 1Q12 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|
| **Total Pension Fund** | **6.9** | **4.5** | **15.2** | **2.6** | **4.1** | **7.1** | **1/1/88** | **7.8** |
| *CPI (inflation)* | *1.6* | *2.7* | *2.5* | *2.2* | *2.5* | *2.5* | | *2.9* |
| *Policy Benchmark*[1] | *6.8* | *4.5* | *14.4* | *2.7* | *6.1* | *NA* | | *NA* |
| Domestic Equity[2] | 12.5 | NA | NA | NA | NA | NA | 6/1/11 | 6.2 |
| *Russell 3000* | *12.9* | *7.2* | *24.3* | *2.2* | *4.7* | *8.7* | | *5.3* |
| International Developed Market Equity | 13.6 | NA | NA | NA | NA | NA | 6/1/11 | -12.5 |
| *MSCI ACWI (ex. U.S.) IMI* | *11.6* | *-7.3* | *19.9* | *-1.4* | *7.8* | *NA* | | *-9.0* |
| Emerging Market Equity | NA | NA | NA | NA | NA | NA | 3/6/12 | NA |
| *MSCI Emerging Markets* | *NA* | *NA* | *NA* | *NA* | *NA* | *NA* | | *NA* |
| Investment Grade Bonds[2] | 2.2 | NA | NA | NA | NA | NA | 6/1/11 | 4.2 |
| *Barclays Aggregate* | *0.3* | *7.7* | *6.8* | *6.2* | *5.8* | *6.6* | | *5.0* |
| TIPS | 0.7 | NA | NA | NA | NA | NA | 12/1/11 | 0.9 |
| *Barclays U.S. TIPS* | *0.9* | *12.2* | *8.7* | *7.6* | *7.5* | *NA* | | *0.9* |
| Emerging Market Debt | NA | NA | NA | NA | NA | NA | 3/1/12 | -0.6 |
| *JPMorgan GBI Global* | *-0.9* | *5.7* | *6.5* | *7.2* | *8.0* | *6.7* | | *-1.1* |
| Real Estate | 2.7 | NA | NA | NA | NA | NA | 6/1/11 | 12.9 |
| *NCREIF ODCE Equal Weighted* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *14.6* |

[1] Policy Benchmark: 52% MSCI ACWI, 36% Barclays Universal, 12% ODCE Equal Weighted.
[2] Historical asset class aggregates not available from Marco.

| | 1Q12 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|
| **Domestic Equity[1]** | **12.5** | **NA** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **6.2** |
| Amalgamated LongView Large Cap 500 Index | 12.6 | 8.6 | 23.4 | 2.0 | 4.1 | NA | 1/1/96 | 7.2 |
| *S&P 500* | *12.6* | *8.5* | *23.4* | *2.0* | *4.1* | *8.6* | | *7.1* |
| Amalgamated LongView Small Cap 600 Index | 12.0 | 5.0 | 29.2 | 3.6 | NA | NA | 1/1/03 | 10.9 |
| *S&P Small Cap* | *12.0* | *5.0* | *29.2* | *3.6* | *7.6* | *10.6* | | *10.9* |
| **International Developed Market Equity** | **13.6** | **NA** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **-12.5** |
| Manning & Napier International Equity | 16.1 | -7.0 | NA | NA | NA | NA | 1/1/10 | 3.2 |
| *MSCI ACWI (ex. U.S.)* | *11.2* | *-7.2* | *19.1* | *-1.6* | *7.3* | *6.6* | | *2.9* |
| Artio International Equity (GTII) | 11.1 | -12.9 | 12.2 | -4.6 | NA | NA | 7/1/06 | -0.4 |
| *MSCI ACWI (ex. U.S.)* | *11.2* | *-7.2* | *19.1* | *-1.6* | *7.3* | *6.6* | | *1.8* |
| **Emerging Market Equity** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **4/1/12** | **NA** |
| DFA Emerging Markets Value | NA | NA | NA | NA | NA | NA | 4/1/12 | NA |

[1] Historical asset class aggregates not available from Marco.

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Aggregate Assets Performance as of 3/31/12

| | 1Q12 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|
| **Investment Grade Bonds**[1] | **2.2** | **NA** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **4.2** |
| PIMCO Total Return | 2.9 | 6.0 | NA | NA | NA | NA | 1/1/10 | 7.1 |
| *Barclays Universal* | *0.9* | *7.6* | *7.9* | *6.2* | *6.1* | *6.7* | | *6.9* |
| Western Asset U.S. Core Plus, LLC | 2.2 | 7.4 | 15.8 | 7.0 | NA | NA | 8/1/06 | 7.4 |
| *Barclays Universal* | *0.9* | *7.6* | *7.9* | *6.2* | *6.1* | *6.7* | | *6.5* |
| AFL-CIO Housing Investment Trust | 0.2 | 7.4 | 6.3 | 6.6 | NA | NA | 6/1/02 | 6.0 |
| *Barclays Aggregate* | *0.3* | *7.7* | *6.8* | *6.2* | *5.8* | *6.6* | | *5.6* |
| *Barclays Mortgage* | *0.6* | *6.2* | *5.3* | *6.3* | *5.6* | *6.5* | | *5.5* |
| **TIPS** | **0.7** | **NA** | **NA** | **NA** | **NA** | **NA** | **12/1/11** | **0.9** |
| Vanguard Inflation-Protected Securities | 0.7 | NA | NA | NA | NA | NA | 12/1/11 | 0.9 |
| *Barclays U.S. TIPS* | *0.9* | *12.2* | *8.7* | *7.6* | *7.5* | *NA* | | *0.9* |
| **Emerging Market Debt** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **3/1/12** | **-0.6** |
| Stone Harbor Emerging Markets Debt | NA | NA | NA | NA | NA | NA | 3/1/12 | 0.1 |
| *JPMorgan EMBI Global Diversified* | *4.2* | *10.9* | *16.2* | *8.2* | *10.5* | *NA* | | *0.2* |
| Stone Harbor Emerging Markets Local Currency Debt | NA | NA | NA | NA | NA | NA | 3/1/12 | -1.6 |
| *JPMorgan GBI-EM Global Diversified* | *8.3* | *3.4* | *16.8* | *10.1* | *NA* | *NA* | | *-2.0* |

[1] Historical asset class aggregates not available from Marco.

| | 1Q12 (%) | 1 YR (%) | 3 YR (%) | 5 YR (%) | 10 YR (%) | 20 YR (%) | Inception Date | Since Inception (%) |
|---|---|---|---|---|---|---|---|---|
| **Real Estate** | **2.7** | **NA** | **NA** | **NA** | **NA** | **NA** | **6/1/11** | **12.9** |
| AFL-CIO Building Investment Trust | 3.6 | 14.4 | 3.2 | 0.2 | NA | NA | 7/1/02 | 5.5 |
| *NCREIF ODCE Equal Weighted* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *6.0* |
| *NCREIF Property* | *2.9* | *13.7* | *6.1* | *2.9* | *8.2* | *8.2* | | *8.2* |
| Multi-Employer Property Trust | 1.6 | 11.3 | 3.4 | -1.6 | 4.9 | 5.8 | 1/1/92 | 5.8 |
| *NCREIF ODCE Equal Weighted* | *2.8* | *14.6* | *3.1* | *-0.8* | *6.0* | *7.4* | | *7.2* |
| *NCREIF Property* | *2.9* | *13.7* | *6.1* | *2.9* | *8.2* | *8.2* | | *8.1* |
| *NCREIF ODCE* | *2.8* | *14.7* | *4.1* | *-0.5* | *6.4* | *7.4* | | *7.3* |

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Aggregate Assets Calendar Year Performance

| | 2011 (%) | 2010 (%) | 2009 (%) | 2008 (%) | 2007 (%) | 2006 (%) | 2005 (%) | 2004 (%) | 2003 (%) | 2002 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Total Pension Fund** | **1.3** | **12.1** | **17.0** | **-23.8** | **6.9** | **12.3** | **5.5** | **6.3** | **14.0** | **-9.6** |
| **Domestic Equity** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| Amalgamated LongView Large Cap 500 Index | 2.1 | 15.1 | 26.5 | -37.0 | 5.7 | 15.7 | 4.9 | 10.9 | 28.7 | -22.1 |
| *S&P 500* | *2.1* | *15.1* | *26.5* | *-37.0* | *5.5* | *15.8* | *4.9* | *10.9* | *28.7* | *-22.1* |
| Amalgamated LongView Small Cap 600 Index | 0.9 | 26.3 | 25.7 | -31.1 | -0.3 | 15.0 | 7.7 | 22.6 | 38.5 | NA |
| *S&P Small Cap* | *1.0* | *26.3* | *25.6* | *-31.1* | *-0.3* | *15.1* | *7.7* | *22.6* | *38.8* | *-14.6* |
| **International Developed Market Equity** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| Manning & Napier International Equity | -15.6 | 9.5 | NA | NA | NA | NA | NA | NA | NA | NA |
| *MSCI ACWI (ex. U.S.)* | *-13.7* | *11.2* | *41.4* | *-45.5* | *16.7* | *26.7* | *16.6* | *20.9* | *40.8* | *-14.9* |
| Artio International Equity (GTII) | -20.0 | 8.4 | 23.8 | -41.6 | 18.3 | NA | NA | NA | NA | NA |
| *MSCI ACWI (ex. U.S.)* | *-13.7* | *11.2* | *41.4* | *-45.5* | *16.7* | *26.7* | *16.6* | *20.9* | *40.8* | *-14.9* |
| **Investment Grade Bonds** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| PIMCO Total Return | 4.2 | 8.8 | NA | NA | NA | NA | NA | NA | NA | NA |
| *Barclays Universal* | *7.4* | *7.2* | *8.6* | *2.4* | *6.5* | *5.0* | *2.7* | *5.0* | *5.8* | *9.8* |
| Western Asset U.S. Core Plus, LLC | 6.7 | 12.0 | 25.9 | -9.6 | 2.6 | NA | NA | NA | NA | NA |
| *Barclays Universal* | *7.4* | *7.2* | *8.6* | *2.4* | *6.5* | *5.0* | *2.7* | *5.0* | *5.8* | *9.8* |
| AFL-CIO Housing Investment Trust | 8.1 | 6.6 | 6.7 | 5.7 | 7.1 | 5.1 | 3.0 | 4.6 | 4.2 | NA |
| *Barclays Aggregate* | *7.8* | *6.5* | *5.9* | *5.2* | *7.0* | *4.3* | *2.4* | *4.3* | *4.1* | *10.3* |
| *Barclays Mortgage* | *6.2* | *5.4* | *5.9* | *8.3* | *6.9* | *5.2* | *2.6* | *4.7* | *3.1* | *8.7* |

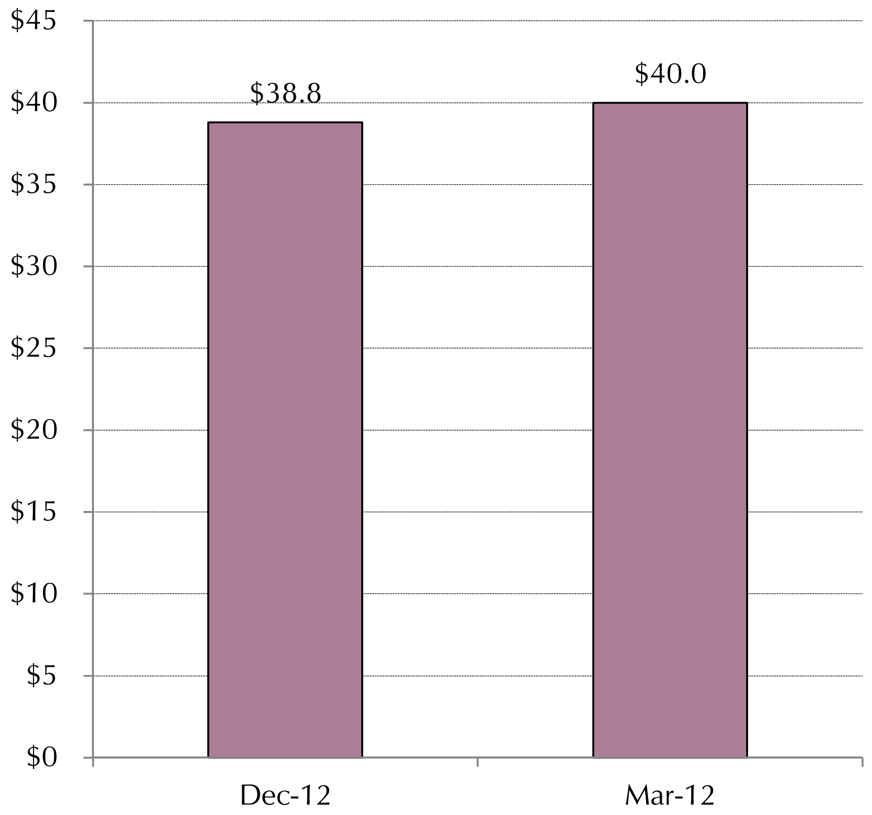
# Aggregate Assets
## Calendar Year Performance

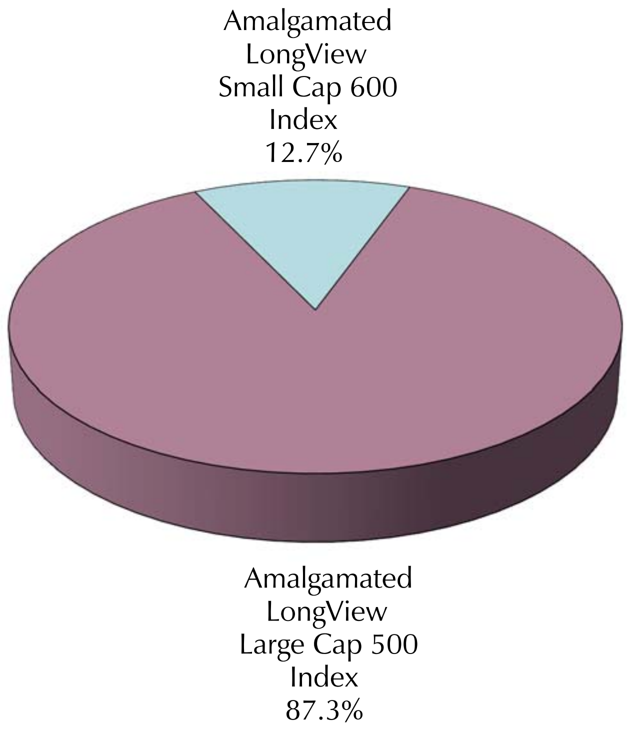
| | 2011 (%) | 2010 (%) | 2009 (%) | 2008 (%) | 2007 (%) | 2006 (%) | 2005 (%) | 2004 (%) | 2003 (%) | 2002 (%) |
|---|---|---|---|---|---|---|---|---|---|---|
| **Emerging Market Debt** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| Stone Harbor Emerging Markets Debt Blend | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| *JPMorgan EMBI Global Diversified* | *7.3* | *12.2* | *29.8* | *-12.0* | *6.2* | *9.9* | *10.2* | *11.6* | *22.2* | *13.7* |
| Stone Harbor Emerging Markets Local Currency Debt | NA | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| *JPMorgan GBI-EM Global Diversified* | *-1.8* | *15.7* | *22.0* | *-5.2* | *-9.6* | *21.7* | *1.7* | *6.2* | *53.0* | *-34.0* |
| **Real Estate** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** | **NA** |
| AFL-CIO Building Investment Trust | 13.0 | 14.2 | -24.8 | -9.3 | 14.3 | 16.6 | 18.3 | 8.2 | 5.9 | NA |
| *NCREIF ODCE Equal Weighted* | *16.0* | *16.1* | *-30.7* | *-10.4* | *16.1* | *16.1* | *20.2* | *12.6* | *9.1* | *5.3* |
| *NCREIF Property* | *14.3* | *13.1* | *-16.9* | *-6.5* | *15.8* | *16.6* | *20.1* | *14.5* | *9.0* | *6.7* |
| Multi-Employer Property Trust | 13.0 | 13.9 | -28.9 | -10.4 | 15.2 | 14.6 | 18.5 | 11.2 | 8.6 | 1.6 |
| *NCREIF ODCE Equal Weighted* | *16.0* | *16.1* | *-30.7* | *-10.4* | *16.1* | *16.1* | *20.2* | *12.6* | *9.1* | *5.3* |
| *NCREIF Property* | *14.3* | *13.1* | *-16.9* | *-6.5* | *15.8* | *16.6* | *20.1* | *14.5* | *9.0* | *6.7* |
| *NCREIF ODCE* | *16.0* | *16.4* | *-29.9* | *-10.0* | *16.0* | *16.3* | *21.4* | *13.1* | *9.3* | *5.5* |

# Fund Detail
# As of March 31, 2012

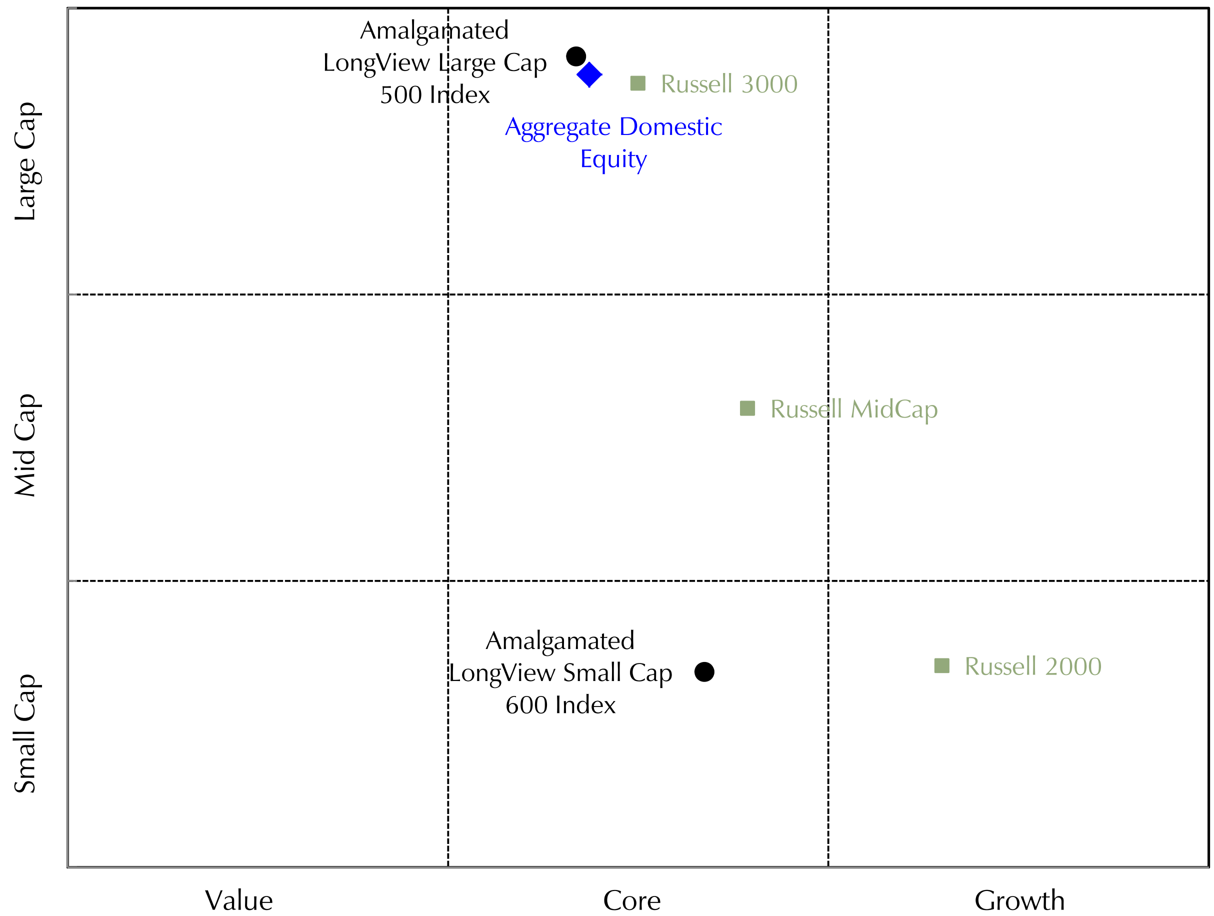
# Domestic Equity Assets
# As of March 31, 2012

# Domestic Equity Assets as of 3/31/12



# Domestic Equity Assets Style as of 3/31/12



# Domestic Equity Assets Characteristics as of 3/31/12

| Capitalization Structure: | Aggregate Domestic Equity 3/31/12 | Russell 3000 3/31/12 | Aggregate Domestic Equity 12/31/11 |
|---|---|---|---|
| Weighted Average Market Cap. (US$ billion) | 98.1 | 92.0 | 84.6 |
| Median Market Cap. (US$ billion) | 1.8 | 1.0 | 1.6 |
| Large (% over US$10 billion) | 80 | 75 | 78 |
| Medium (% US$2 billion to US$10 billion) | 10 | 18 | 12 |
| Small (% under US$2 billion) | 10 | 7 | 10 |
| **Fundamental Structure:** | | | |
| Price-Earnings Ratio | 20 | 20 | 17 |
| Price-Book Value Ratio | 3.5 | 3.6 | 3.2 |
| Dividend Yield (%) | 1.8 | 1.8 | 2.0 |
| Historical Earnings Growth Rate (%) | 9 | 9 | 8 |
| Projected Earnings Growth Rate (%) | 11 | 12 | 11 |

# Domestic Equity Assets Diversification as of 3/31/12

| Diversification: | Aggregate Domestic Equity 3/31/12 | Russell 3000 3/31/12 | Aggregate Domestic Equity 12/31/11 |
|---|---|---|---|
| Number of Holdings | 1,102 | 2,918 | 1,102 |
| % in 5 largest holdings | 11 | 11 | 11 |
| % in 10 largest holdings | 18 | 17 | 18 |

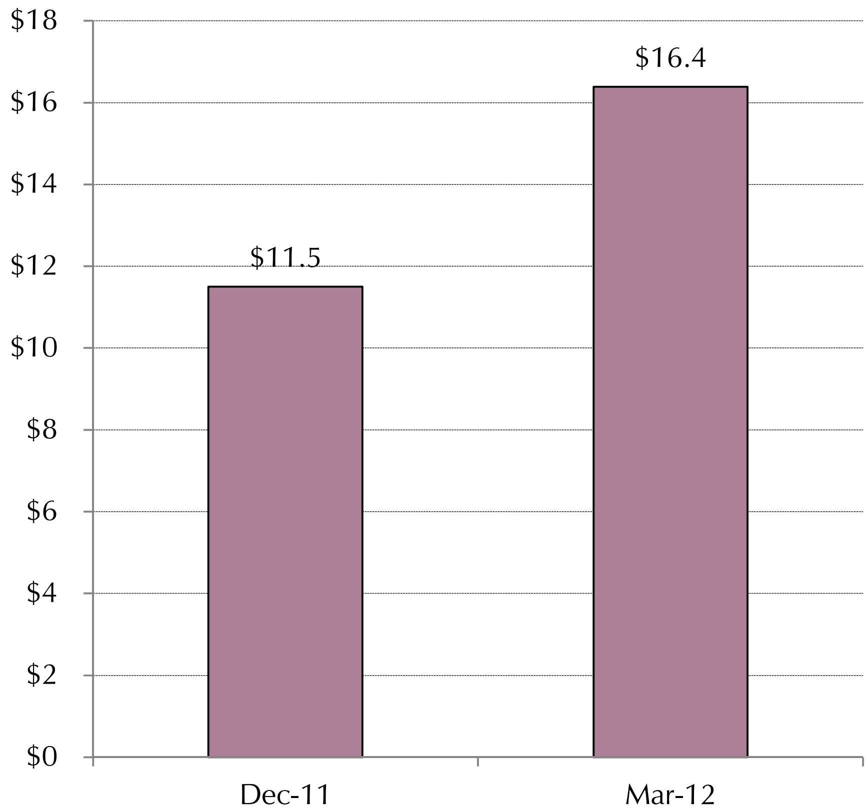
| Largest Five Holdings: | % of Portfolio | Economic Sector |
|---|---|---|
| Apple Computer | 3.8 | Technology Hardware |
| ExxonMobil | 2.8 | Energy |
| IBM | 1.7 | Software & Services |
| Microsoft | 1.7 | Software & Services |
| General Electric | 1.5 | Capital Goods |

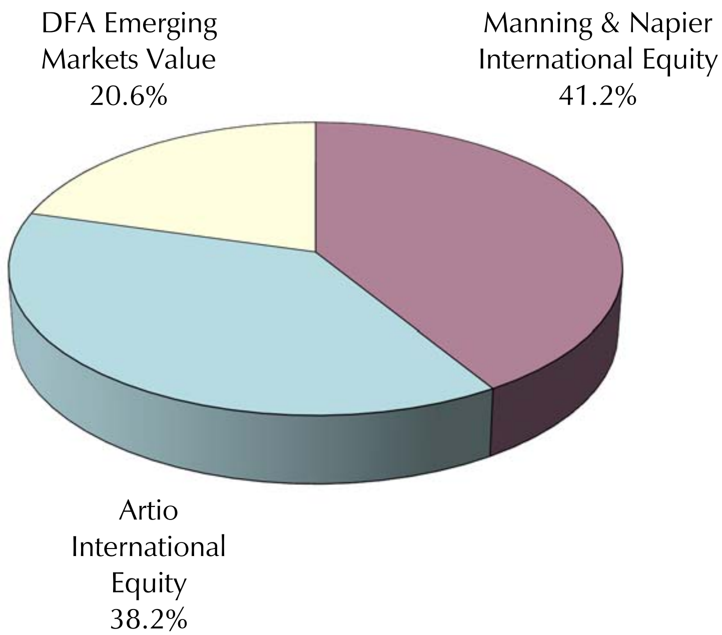
# Domestic Equity Assets
## Sector Allocation as of 3/31/12

| Sector Allocation (%): | Aggregate Domestic Equity 3/31/12 | Russell 3000 3/31/12 | Aggregate Domestic Equity 12/31/11 |
|---|---|---|---|
| Information Technology | 20 | 20 | 19 |
| Consumer Staples | 10 | 9 | 11 |
| Telecom | 2 | 2 | 3 |
| Utilities | 3 | 3 | 4 |
| Energy | 10 | 10 | 11 |
| Health Care | 11 | 11 | 12 |
| Industrials | 11 | 11 | 11 |
| Financials | 16 | 16 | 14 |
| Materials | 4 | 4 | 4 |
| Consumer Discretionary | 12 | 12 | 11 |

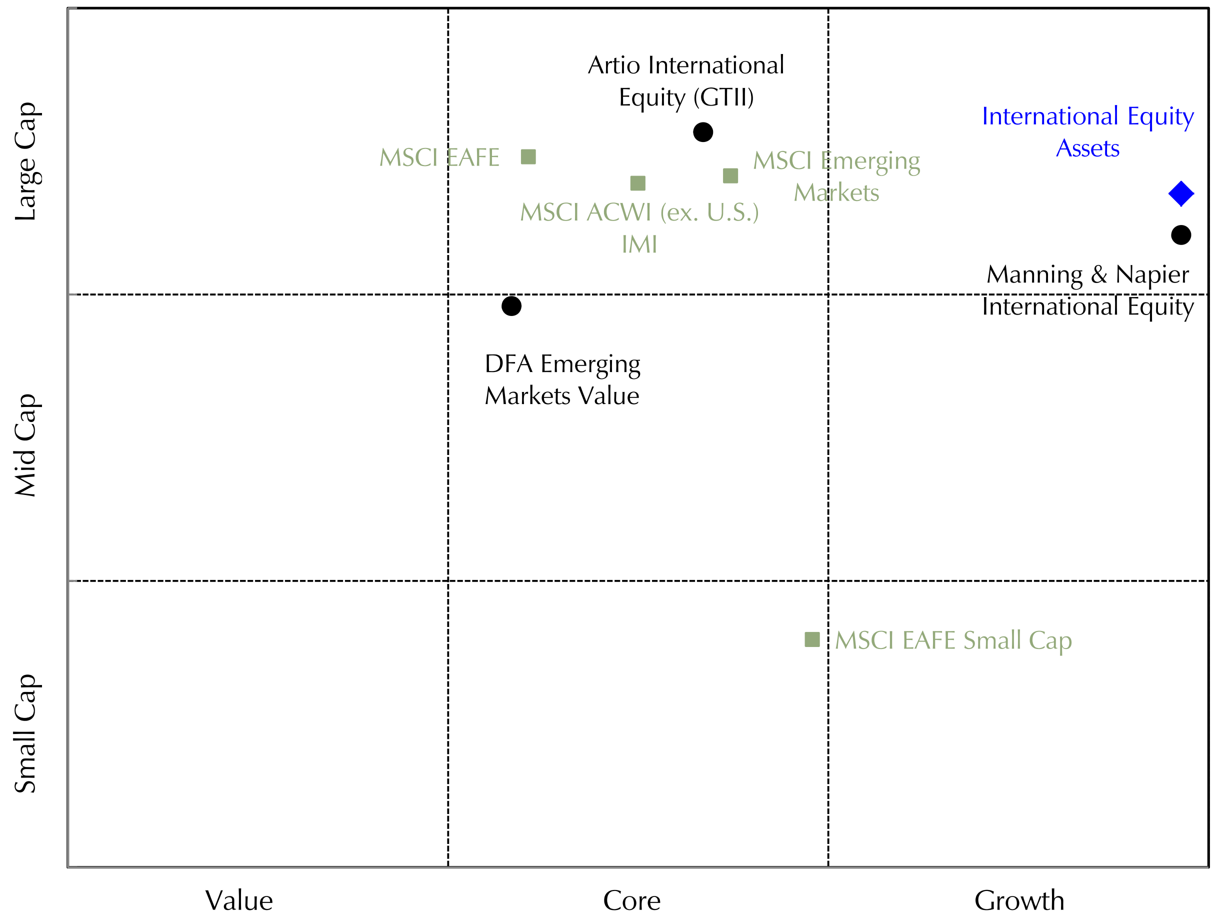
# International Equity Assets
# As of March 31, 2012

# International Equity Assets as of 3/31/12



# International Equity Assets Style as of 3/31/12



# International Equity Assets Characteristics as of 3/31/12

| Capitalization Structure: | Aggregate International Equity 3/31/12 | MSCI ACWI (ex. U.S.) IMI 3/31/12 | Aggregate International Equity 12/31/11 |
|---|---|---|---|
| Weighted Average Market Cap. (US$ billion) | 41.4 | 44.6 | 42.3 |
| Median Market Cap. (US$ million) | 433 | 879 | 15,242 |
| Large (% over US$10 billion) | 64 | 67 | 65 |
| Medium (% US$2 billion to US$10 billion) | 29 | 23 | 32 |
| Small (% under US$2 billion) | 7 | 10 | 3 |

| Fundamental Structure: | Aggregate International Equity 3/31/12 | MSCI ACWI (ex. U.S.) IMI 3/31/12 | Aggregate International Equity 12/31/11 |
|---|---|---|---|
| Price-Earnings Ratio | 19 | 17 | 18 |
| Price-Book Value Ratio | 2.5 | 2.4 | 2.6 |
| Dividend Yield (%) | 2.8 | 3.2 | 3.0 |
| Historical Earnings Growth Rate (%) | 7 | 6 | 8 |
| Projected Earnings Growth Rate (%) | 29 | 11 | 10 |

# International Equity Assets Diversification as of 3/31/12

| Diversification: | Aggregate International Equity 3/31/12 | MSCI ACWI (ex. U.S.) IMI 3/31/12 | Aggregate International Equity 12/31/11 |
|---|---|---|---|
| Number of Holdings | 2,473 | 6,310 | 231 |
| % in 5 largest holdings | 8 | 4 | 9 |
| % in 10 largest holdings | 14 | 8 | 17 |

| Largest Five Holdings: | % of Portfolio | Economic Sector |
|---|---|---|
| Nestle | 1.9 | Food Beverage & Tobacco |
| Ryanair | 1.6 | Transportation |
| Danone | 1.5 | Food Beverage & Tobacco |
| HSBC | 1.3 | Banks |
| Tesco | 1.3 | Food & Staples Retailing |

# International Equity Assets
# Sector Allocation as of 3/31/12

| Sector Allocation (%): | Aggregate International Equity 3/31/12 | MSCI ACWI (ex. U.S.) IMI 3/31/12 | Aggregate International Equity 12/31/11 |
|---|---|---|---|
| Consumer Staples | 13 | 9 | 16 |
| Consumer Discretionary | 14 | 10 | 16 |
| Information Technology | 9 | 7 | 9 |
| Energy | 12 | 11 | 11 |
| Health Care | 8 | 6 | 13 |
| Industrials | 12 | 12 | 13 |
| Materials | 12 | 12 | 10 |
| Telecom | 3 | 5 | 3 |
| Utilities | 1 | 4 | 1 |
| Financials | 15 | 23 | 8 |

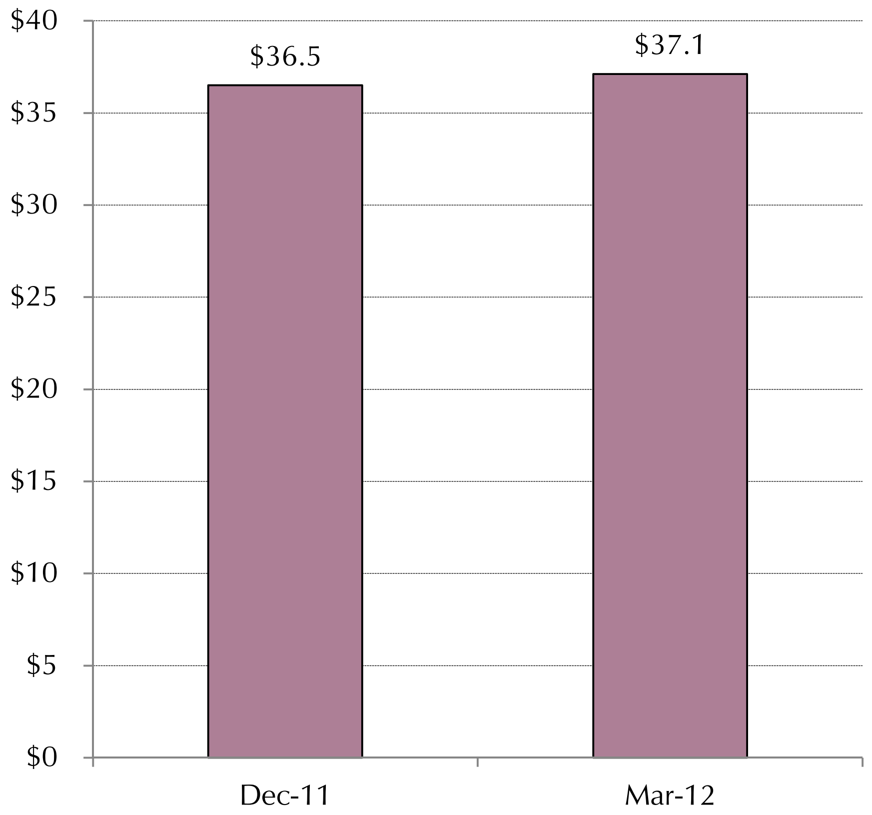
# International Equity Assets
## Country & Region Breakdown as of 3/31/12

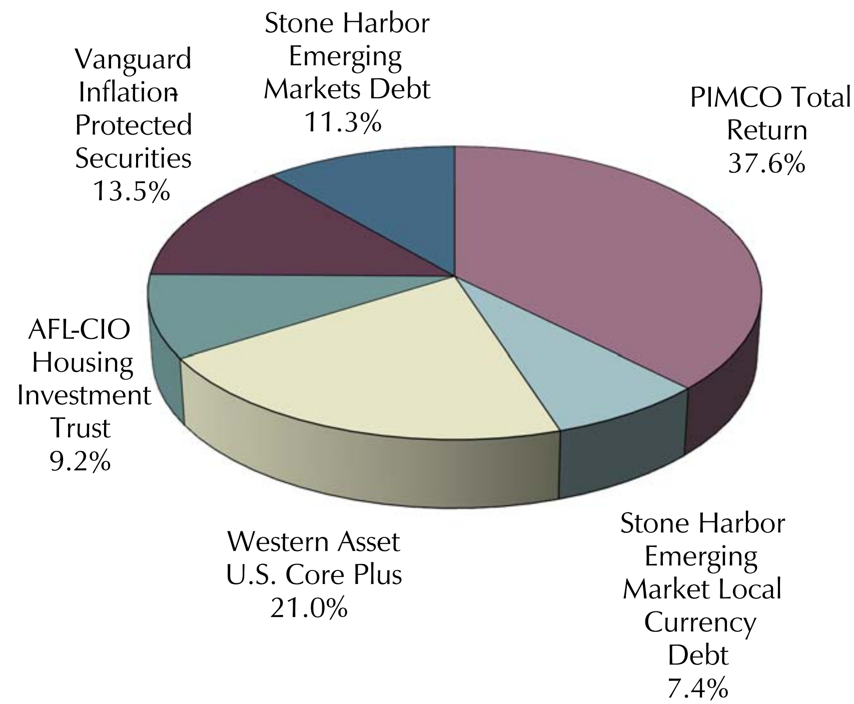
| | Aggregate International Equity 3/31/12 (%) | MSCI ACWI (ex. U.S.) IMI 3/31/12 (%) |
|---|---|---|
| **Europe/North America** | **57.5** | **51.4** |
| France | 10.8 | 5.9 |
| United States | 3.1 | 0.0 |
| Ireland | 2.4 | 0.3 |
| Switzerland | 7.5 | 5.5 |
| Germany | 6.9 | 5.6 |
| Netherlands | 2.8 | 1.6 |
| Norway | 1.5 | 0.8 |
| Spain | 2.2 | 1.8 |
| United Kingdom | 12.3 | 15.1 |
| Canada | 5.1 | 8.3 |
| **Pacific Rim/Asia** | **11.8** | **24.4** |
| Hong Kong | 1.6 | 2.0 |
| Australia | 1.8 | 5.8 |
| Japan | 8.1 | 15.2 |

| | Aggregate International Equity 3/31/12 (%) | MSCI ACWI (ex. U.S.) IMI 3/31/12 (%) |
|---|---|---|
| **Asia (emerging)** | **19.4** | **14.4** |
| China | 7.7 | 4.0 |
| India | 2.3 | 1.6 |
| South Korea | 4.2 | 3.6 |
| Taiwan | 3.1 | 2.9 |
| **Latin America (emerging)** | **6.4** | **5.2** |
| Brazil | 4.7 | 3.3 |
| Mexico | 1.3 | 1.1 |
| **Europe/MidEast/Africa (emerging)** | **4.6** | **4.2** |
| Russia | 1.8 | 1.4 |
| South Africa | 1.7 | 1.8 |

# Fixed Income Assets
# As of March 31, 2012

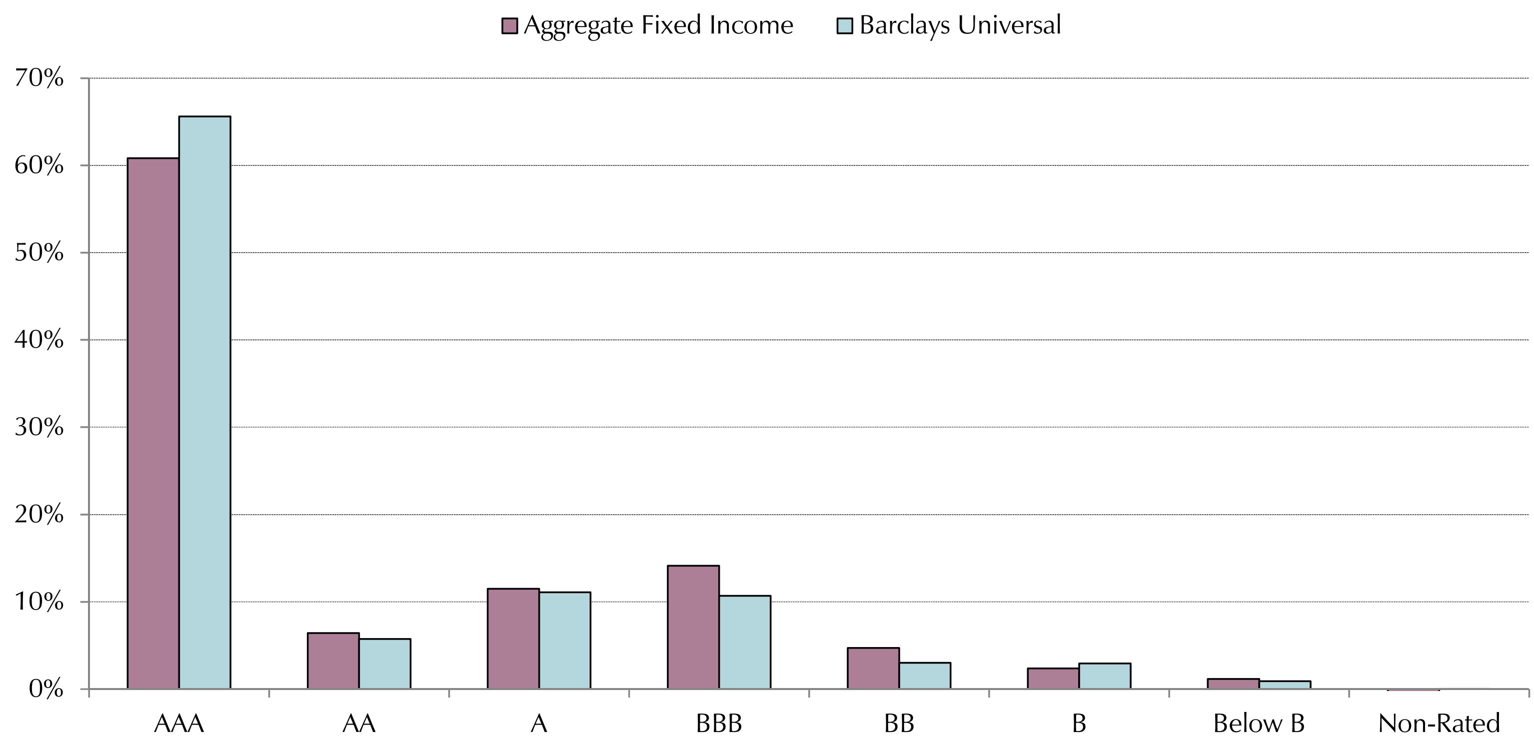
# Fixed Income Assets as of 3/31/12



# Fixed Income Assets Characteristics as of 3/31/12

| Duration & Yield: | Aggregate Fixed Income 3/31/12 | Barclays Universal 3/31/12 | Aggregate Fixed Income 12/31/11 |
|---|---|---|---|
| Average Effective Duration (years) | 5.2 | 5.0 | 5.5 |
| Yield to Maturity (%) | 3.8 | 2.7 | 3.4 |



# Fixed Income Assets Diversification as of 3/31/12

| Market Allocation (%): | Aggregate Fixed Income 3/31/12 | Barclays Universal 3/31/12 | Aggregate Fixed Income 12/31/11 |
|---|---|---|---|
| United States | 76 | 85 | 87 |
| Foreign (developed markets) | 4 | 12 | 11 |
| Foreign (emerging markets) | 20 | 3 | 3 |
| **Currency Allocation (%):** | | | |
| Non-U.S. Dollar Exposure | 8 | 0 | 0 |
| **Sector Allocation (%):** | | | |
| U.S. Treasury-Nominal | 11 | 31 | 10 |
| U.S. Treasury-TIPS | 18 | 0 | 18 |
| U.S. Agency | 2 | 8 | 1 |
| Mortgage Backed | 30 | 27 | 37 |
| Corporate | 15 | 27 | 20 |
| Bank Loans | 0 | 0 | 1 |
| Local & Provincial Government | 13 | 1 | 2 |
| Sovereign & Supranational | 8 | 4 | 0 |
| Commercial Mortgage Backed | 7 | 2 | 8 |
| Asset Backed | 1 | 0 | 1 |
| Cash Equivalent | -8 | 0 | -10 |
| Other | 4 | 0 | 13 |

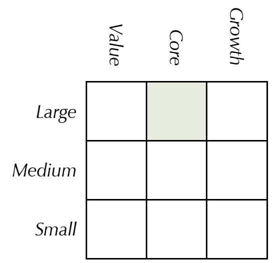
# Portfolio Reviews
# As of March 31, 2012

# Domestic Equity Portfolio Reviews
# As of March 31, 2012

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Amalgamated LongView Large Cap 500 Index Portfolio Detail as of 3/31/12

**Mandate:** Domestic Equities
**Active/Passive:** Passive
**Market Value:** $34.9 million
**Portfolio Manager:** Thomas B. O'Donnell
**Location:** New York, New York
**Inception Date:** 1/1/1996
**Account Type:** Commingled Fund




**Fee Schedule:**
0.05% on all assets or $10,000 minimum

**Liquidity Constraints:**
Daily

**Strategy:**
The Amalgamated LongView Large Cap 500 Index portfolio invests in all of the stocks that comprise the S&P 500 index in approximately the same proportions, thus fully replicating the index.

| Performance (%): | 1Q12 | 1 YR | 3 YR | 5 YR | Since 1/1/96 |
|---|---|---|---|---|---|
| **Amalgamated LongView Large Cap 500 Index** | **12.6** | **8.6** | **23.4** | **2.0** | **7.2** |
| S&P 500 | 12.6 | 8.5 | 23.4 | 2.0 | 7.1 |
| Peer Large Cap Core | 13.0 | 8.1 | 23.3 | 2.4 | 7.4 |
| *Peer Ranking (percentile)* | *61* | *45* | *47* | *58* | *62* |

| **Risk:** (sixty months) | Standard Deviation | Beta | Sharpe Measure | Info. Ratio | Correlation to Index |
|---|---|---|---|---|---|
| **Amalgamated LongView Large Cap 500 Index** | **19.9%** | **1.00** | **0.04** | **NA** | **1.00** |
| S&P 500 | 19.9 | 1.00 | 0.04 | NA | 1.00 |

| | 3/31/12 | | 12/31/11 | |
|---|---|---|---|---|
| **Capitalization Structure:** | **Amalgamated LongView Large Cap 500 Index** | **S&P 500** | **Amalgamated LongView Large Cap 500 Index** | **S&P 500** |
| Weighted Average Market Cap. (US$ billion) | 111.6 | 111.7 | 95.3 | 95.1 |
| Median Market Cap. (US$ billion) | 12.7 | 12.7 | 11.1 | 11.0 |
| Large (% over US$10 billion) | 91 | 91 | 88 | 88 |
| Medium (% US$2 billion to US$10 billion) | 9 | 9 | 11 | 11 |
| Small (% under US$2 billion) | 0 | 0 | 0 | 0 |
| **Fundamental Structure:** | | | | |
| Price-Earnings Ratio | 19 | 19 | 17 | 16 |
| Price-Book Value Ratio | 3.6 | 3.6 | 3.3 | 3.3 |
| Dividend Yield (%) | 1.9 | 1.9 | 2.1 | 2.1 |
| Historical Earnings Growth Rate (%) | 9 | 9 | 8 | 8 |
| Projected Earnings Growth Rate (%) | 11 | 11 | 11 | 11 |
| **Sector Allocation (%):** | | | | |
| Information Technology | 21 | 21 | 19 | 19 |
| Financials | 15 | 15 | 14 | 14 |
| Health Care | 11 | 11 | 12 | 12 |
| Energy | 11 | 11 | 12 | 12 |
| Consumer Discretionary | 11 | 11 | 11 | 11 |
| Consumer Staples | 11 | 11 | 12 | 12 |
| Industrials | 11 | 11 | 11 | 11 |
| Materials | 3 | 3 | 4 | 4 |
| Utilities | 3 | 3 | 4 | 4 |
| Telecom | 3 | 3 | 3 | 3 |
| **Diversification:** | | | | |
| Number of Holdings | 500 | 500 | 500 | 500 |
| % in 5 largest holdings | 13 | 13 | 12 | 12 |
| % in 10 largest holdings | 20 | 20 | 20 | 20 |

| **Largest Ten Holdings:** | | **Industry** |
|---|---|---|
| Apple Computer | 4.4 | Technology Hardware |
| ExxonMobil | 3.2 | Energy |
| IBM | 1.9 | Software & Services |
| Microsoft | 1.9 | Software & Services |
| General Electric | 1.7 | Capital Goods |
| Chevron | 1.7 | Energy |
| AT&T | 1.5 | Telecommunication Services |
| Procter & Gamble | 1.5 | Household/Personal Products |
| Johnson & Johnson | 1.4 | Pharmaceuticals & Biotech |
| Wells Fargo | 1.4 | Banks |

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Amalgamated LongView Small Cap 600 Index Portfolio Detail as of 3/31/12

**Mandate:** Domestic Equities
**Active/Passive:** Passive
**Market Value:** $5.1 million
**Portfolio Manager:** Thomas B. O'Donnell
**Location:** New York, New York
**Inception Date:** 1/1/2003
**Account Type:** Commingled Fund

| | *Value* | *Core* | *Growth* |
|---|---|---|---|
| *Large* | | | |
| *Medium* | | | |
| *Small* | | | |

**Fee Schedule:**
0.05% on all assets or $10,000 minimum

**Liquidity Constraints:**
Daily

**Strategy:**
The Amalgamated LongView Small Cap S&P 600 Index portfolio invests in all of the stocks that comprise the S&P 600 index in approximately the same proportions, thus fully replicating the index.

| **Performance (%):** | **1Q12** | **1 YR** | **3 YR** | **5 YR** | **Since 1/1/03** |
|---|---|---|---|---|---|
| **Amalgamated LongView Small Cap 600 Index** | **12.0** | **5.0** | **29.2** | **3.6** | **10.9** |
| S&P Small Cap | 12.0 | 5.0 | 29.2 | 3.6 | 10.9 |
| Peer Small Cap Core | 12.6 | 2.1 | 28.3 | 3.4 | 11.4 |
| *Peer Ranking (percentile)* | *65* | *19* | *43* | *47* | *64* |

| **Risk:** (sixty months) | **Standard Deviation** | **Beta** | **Sharpe Measure** | **Info. Ratio** | **Correlation to Index** |
|---|---|---|---|---|---|
| **Amalgamated LongView Small Cap 600 Index** | **25.8%** | **1.00** | **0.09** | **NA** | **1.00** |
| S&P Small Cap | 25.9 | 1.00 | 0.09 | NA | 1.00 |

| | **3/31/12** | | **12/31/11** | |
|---|---|---|---|---|
| **Capitalization Structure:** | **Amalgamated LongView Small Cap 600 Index** | **S&P SC** | **Amalgamated LongView Small Cap 600 Index** | **S&P SC** |
| Weighted Average Market Cap. (US$ billion) | 1.3 | 1.3 | 1.2 | 1.2 |
| Median Market Cap. (US$ million) | 774.8 | 774.8 | 679.6 | 680.7 |
| Large (% over US$10 billion) | 0 | 0 | 0 | 0 |
| Medium (% US$2 billion to US$10 billion) | 16 | 16 | 12 | 12 |
| Small (% under US$2 billion) | 84 | 84 | 88 | 88 |
| **Fundamental Structure:** | | | | |
| Price-Earnings Ratio | 27 | 27 | 24 | 24 |
| Price-Book Value Ratio | 2.7 | 2.7 | 2.5 | 2.5 |
| Dividend Yield (%) | 1.1 | 1.1 | 1.2 | 1.1 |
| Historical Earnings Growth Rate (%) | 6 | 6 | 6 | 7 |
| Projected Earnings Growth Rate (%) | 13 | 23 | 14 | 14 |
| **Sector Allocation (%):** | | | | |
| Financials | 20 | 20 | 20 | 20 |
| Information Technology | 19 | 19 | 20 | 20 |
| Industrials | 16 | 16 | 16 | 16 |
| Consumer Discretionary | 16 | 16 | 15 | 15 |
| Health Care | 11 | 11 | 11 | 11 |
| Materials | 5 | 5 | 5 | 5 |
| Energy | 4 | 4 | 4 | 4 |
| Consumer Staples | 4 | 4 | 4 | 4 |
| Utilities | 4 | 4 | 5 | 5 |
| Telecom | 1 | 1 | 1 | 1 |
| **Diversification:** | | | | |
| Number of Holdings | 602 | 600 | 602 | 600 |
| % in 5 largest holdings | 6 | 3 | 6 | 3 |
| % in 10 largest holdings | 9 | 6 | 9 | 6 |

| **Largest Ten Holdings:** | | **Industry** |
|---|---|---|
| iShares S&P Small Cap 600 Index | 3.9 | ETF |
| Kilroy Realty | 0.6 | Real Estate |
| Salix Pharmaceuticals | 0.6 | Pharmaceuticals & Biotech |
| Biomed Realty Trust | 0.6 | Real Estate |
| Mid-America Apt Communities | 0.5 | Real Estate |
| Cubist Pharmaceuticals | 0.5 | Pharmaceuticals & Biotech |
| Extra Space Storage | 0.5 | Real Estate |
| Tanger Factory Outlets | 0.5 | Real Estate |
| Proassurance | 0.5 | Insurance |
| Lufkin Industries | 0.5 | Energy |

# International Equity Portfolio Reviews
# As of March 31, 2012

# Manning & Napier International Equity Portfolio Detail as of 3/31/12

| | |
|---|---|
| **Mandate:** | International Equities<br>Developed Markets<br>Emerging Markets |
| **Active/Passive:** | Active |
| **Market Value:** | $6.7 million |
| **Portfolio Manager:** | Josh Samilow |
| **Location:** | Fairport, New York |
| **Inception Date:** | 1/1/2010 |
| **Account Type:** | Mutual Fund (EXOSX) |

| | *Value* | *Core* | *Growth* |
|---|---|---|---|
| *Large* | | | |
| *Medium* | | | |
| *Small* | | | |

**Fee Schedule:**
0.75% on all assets

**Liquidity Constraints:**
Daily

**Strategy:**
The Manning & Napier investment approach combines both bottom-up and top-down analysis to identify companies that fit into one of their three investment "strategies": Strategic Profile, Hurdle Rate and Bankable Deal. Strategic Profile companies are positioned for strong future growth but their valuations do not reflect their future potential. Hurdle Rate companies are in depressed sectors, but are strong enough to survive the hard times, and are likely to lead the rebound of their industry when supply/demand conditions improve. Lastly, Bankable Deal companies are more traditional value investments where the assets and cash flows of a company are not reflected in the stock's price and a catalyst to unlock this value can be identified. Manning & Napier will build a portfolio of 70-90 stocks, diversified across these three strategies.

| **Performance (%):** | **1Q12** | **1 YR** | **Since 1/1/10** |
|---|---|---|---|
| **Manning & Napier International Equity** | **16.1** | **-7.0** | **3.2** |
| MSCI ACWI (ex. U.S.) | 11.2 | -7.2 | 2.9 |
| Peer International Core | 12.0 | -6.6 | 3.0 |
| *Peer Ranking (percentile)* | *2* | *58* | *47* |

| **Capitalization Structure:** | **3/31/12 Manning & Napier International Equity** | **3/31/12 MSCI ACWI (ex. U.S.)** | **12/31/11 Manning & Napier International Equity** | **12/31/11 MSCI ACWI (ex. U.S.)** |
|---|---|---|---|---|
| Weighted Average Market Cap. (US$ billion) | 30.7 | 50.6 | 25.8 | 48.1 |
| Median Market Cap. (US$ billion) | 8.2 | 6.3 | 6.1 | 5.5 |
| Large (% over US$10 billion) | 53 | 77 | 45 | 74 |
| Medium (% US$2 billion to US$10 billion) | 43 | 22 | 49 | 24 |
| Small (% under US$2 billion) | 4 | 1 | 6 | 1 |
| **Fundamental Structure:** | | | | |
| Price-Earnings Ratio | 22 | 17 | 20 | 15 |
| Price-Book Value Ratio | 2.6 | 2.5 | 2.6 | 2.3 |
| Dividend Yield (%) | 2.8 | 3.3 | 3.0 | 3.4 |
| Historical Earnings Growth Rate (%) | 3 | 6 | 4 | 6 |
| Projected Earnings Growth Rate (%) | 53 | 10 | 11 | 8 |
| **Sector Allocation (%):** | | | | |
| Consumer Staples | 22 | 10 | 21 | 10 |
| Information Technology | 12 | 7 | 13 | 6 |
| Health Care | 10 | 7 | 13 | 7 |
| Consumer Discretionary | 12 | 10 | 14 | 9 |
| Industrials | 13 | 11 | 13 | 11 |
| Materials | 11 | 12 | 9 | 12 |
| Energy | 10 | 11 | 9 | 12 |
| Telecom | 2 | 6 | 2 | 6 |
| Utilities | 0 | 4 | 0 | 4 |
| Financials | 8 | 24 | 7 | 23 |
| **Diversification:** | | | | |
| Number of Holdings | 78 | 1,843 | 79 | 1,846 |
| % in 5 largest holdings | 16 | 5 | 16 | 5 |
| % in 10 largest holdings | 29 | 9 | 28 | 10 |
| **Region Allocation (%):** | | | | |
| Americas | 14 | 8 | 15 | 8 |
| Europe | 68 | 44 | 65 | 45 |
| Pacific Rim | 11 | 24 | 9 | 24 |
| Other[1] | 7 | 24 | 11 | 23 |

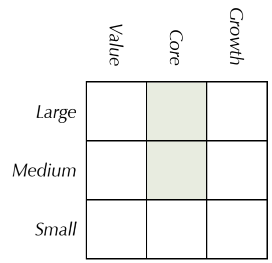
| **Largest Five Holdings:** | | **Industry** |
|---|---|---|
| Ryanair | 3.9 | Transportation |
| Sonic Healthcare | 3.0 | Health Equipment & Services |
| Tesco | 2.9 | Food & Staples Retailing |
| Amdocs | 2.9 | Software & Services |
| Danone | 2.9 | Food Beverage & Tobacco |

[1] Includes an allocation to emerging markets.

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Artio International Equity Portfolio Detail as of 3/31/12

**Mandate:** International Equities
Developed Markets
Emerging Markets
**Active/Passive:** Active
**Market Value:** $6.3 million
**Portfolio Manager:** Team
**Location:** New York, New York
**Inception Date:** 7/1/2006
**Account Type:** Commingled Fund




**Fee Schedule:**
0.85% on first $20 mm; 0.65% on next $20 mm; 0.55% on next $60 mm; 0.45% thereafter

**Liquidity Constraints:**
Daily

**Strategy:**
Artio manages an international portfolio that invests in both developed and emerging markets, with a focus on developed markets. Artio applies different evaluation strategies to different regions: a bottom-up approach to most developed markets, a top-down approach to emerging markets, and a combination of the two to Japan.

| Performance (%): | 1Q12 | 1 YR | 3 YR | 5 YR | Since 7/1/06 |
|---|---|---|---|---|---|
| **Artio International Equity (GTII)** | **11.1** | **-12.9** | **12.2** | **-4.6** | **-0.4** |
| MSCI ACWI (ex. U.S.) | 11.2 | -7.2 | 19.1 | -1.6 | 1.8 |
| Peer International Core | 12.4 | -5.4 | 18.4 | -1.6 | 1.7 |
| *Peer Ranking (percentile)* | *79* | *97* | *99* | *90* | *87* |

| **Risk:** (sixty months) | Standard Deviation | Beta | Sharpe Measure[1] | Info. Ratio | Correlation to Index |
|---|---|---|---|---|---|
| **Artio International Equity (GTII)** | **22.7%** | **0.93** | **Neg.** | **Neg.** | **0.98** |
| MSCI ACWI (ex. U.S.) | 24.6 | 1.00 | Neg. | NA | 1.00 |

| | 3/31/12 | | 12/31/11 | |
|---|---|---|---|---|
| **Capitalization Structure:** | **Artio International Equity** | **MSCI ACWI (ex. U.S.)** | **Artio International Equity** | **MSCI ACWI (ex. U.S.)** |
| Weighted Average Market Cap. (US$ billion) | 64.5 | 50.6 | 58.9 | 48.1 |
| Median Market Cap. (US$ billion) | 30.1 | 6.3 | 25.1 | 5.5 |
| Large (% over US$10 billion) | 88 | 77 | 85 | 74 |
| Medium (% US$2 billion to US$10 billion) | 12 | 22 | 14 | 24 |
| Small (% under US$2 billion) | 0 | 1 | 1 | 1 |
| **Fundamental Structure:** | | | | |
| Price-Earnings Ratio | 17 | 17 | 15 | 15 |
| Price-Book Value Ratio | 2.8 | 2.5 | 2.7 | 2.3 |
| Dividend Yield (%) | 2.8 | 3.3 | 3.0 | 3.4 |
| Historical Earnings Growth Rate (%) | 10 | 6 | 11 | 6 |
| Projected Earnings Growth Rate (%) | 11 | 10 | 10 | 8 |
| **Sector Allocation (%):** | | | | |
| Consumer Discretionary | 20 | 10 | 17 | 9 |
| Health Care | 10 | 7 | 13 | 7 |
| Industrials | 13 | 11 | 12 | 11 |
| Energy | 13 | 11 | 14 | 12 |
| Information Technology | 7 | 7 | 5 | 6 |
| Materials | 11 | 12 | 12 | 12 |
| Telecom | 4 | 6 | 5 | 6 |
| Utilities | 2 | 4 | 2 | 4 |
| Consumer Staples | 8 | 10 | 11 | 10 |
| Financials | 13 | 24 | 9 | 23 |
| **Diversification:** | | | | |
| Number of Holdings | 181 | 1,843 | 166 | 1,846 |
| % in 5 largest holdings | 10 | 5 | 11 | 5 |
| % in 10 largest holdings | 18 | 9 | 19 | 10 |
| **Region Allocation (%):** | | | | |
| Americas | 6 | 8 | 7 | 8 |
| Europe | 57 | 44 | 64 | 45 |
| Pacific Rim | 19 | 24 | 16 | 24 |
| Other[2] | 18 | 24 | 13 | 23 |

| **Largest Five Holdings:** | | **Industry** |
|---|---|---|
| Suncor Energy | 2.2 | Energy |
| Vodafone | 2.2 | Telecommunication Services |
| Nestle | 1.9 | Food Beverage & Tobacco |
| Novo-Nordisk | 1.8 | Pharmaceuticals & Biotech |
| Fraport | 1.8 | Transportation |

[1] A negative Sharpe ratio indicates that the portfolio underperformed the risk-free rate during the sample period.

[2] Includes emerging markets.

# DFA Emerging Markets Value Portfolio Detail as of 3/31/12

**Mandate:** International Equities
Emerging Markets

**Active/Passive:** Active

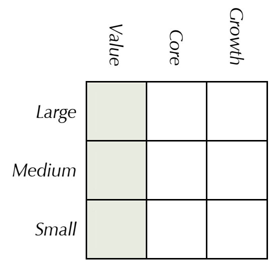
**Market Value:** $3.4 million

**Portfolio Manager:** Team

**Location:** Santa Monica, California

**Inception Date:** 3/6/2012

**Account Type:** Mutual Fund (DFEVX)




**Fee Schedule:**
0.60% on all assets

**Liquidity Constraints:**
Daily

**Strategy:**
Dimensional Fund Advisors' ("DFA") investment approach combines both top-down and bottom-up elements. The top-down analysis involves drawing the boundaries for qualifying countries and company characteristics. It does not include macro-economic forecasting or tactical country allocation decisions. In its bottom-up work, DFA analyzes the attributes of individual securities for portfolio suitability. DFA limits its sector and industry weightings to 25% of the portfolio's market value. Country weights have a maximum target of 15% per country at the time of purchase, to mitigate country risk. Risk is controlled by investing across a broad group of emerging markets companies and countries.

**Performance calculation began on 4/1/12**

| | 3/31/12 | |
|---|---|---|
| **Capitalization Structure:** | **DFA** | **MSCI Emerging Markets** |
| Weighted Average Market Cap. (US$ billion) | 18.3 | 47.1 |
| Median Market Cap. (US$ million) | 351.7 | 5,013.2 |
| Large (% over US$10 billion) | 36 | 67 |
| Medium (% US$2 billion to US$10 billion) | 36 | 30 |
| Small (% under US$2 billion) | 27 | 3 |
| **Fundamental Structure:** | | |
| Price-Earnings Ratio | 16 | 15 |
| Price-Book Value Ratio | 1.6 | 2.8 |
| Dividend Yield (%) | 2.9 | 2.8 |
| Historical Earnings Growth Rate (%) | 7 | 15 |
| Projected Earnings Growth Rate (%) | 13 | 13 |
| **Sector Allocation (%):** | | |
| Financials | 31 | 24 |
| Industrials | 11 | 7 |
| Materials | 16 | 13 |
| Energy | 17 | 14 |
| Consumer Discretionary | 8 | 8 |
| Health Care | 1 | 1 |
| Consumer Staples | 7 | 8 |
| Utilities | 2 | 4 |
| Telecom | 2 | 8 |
| Information Technology | 7 | 14 |
| **Diversification:** | | |
| Number of Holdings | 2,248 | 819 |
| % in 5 largest holdings | 12 | 10 |
| % in 10 largest holdings | 18 | 16 |
| **Region Allocation (%):** | | |
| Asia | 60 | 59 |
| Latin America | 21 | 23 |
| Europe, Middle East and Africa | 18 | 18 |

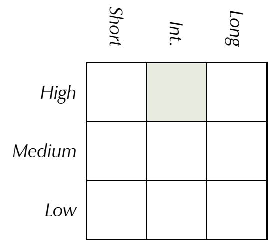
| **Largest Five Holdings:** | | **Industry** |
|---|---|---|
| Gazprom | 4.4 | Energy |
| Petroleo Brasiliero | 2.4 | Energy |
| Bank of China | 2.1 | Banks |
| Petrobras-Petroleo Brasiliero | 1.9 | Energy |
| Reliance Industries | 1.5 | Energy |

# Fixed Income Portfolio Reviews
# As of March 31, 2012

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# PIMCO Total Return Portfolio Detail as of 3/31/12

**Mandate:** Fixed Income
**Active/Passive:** Active
**Market Value:** $13.9 million
**Portfolio Manager:** Bill Gross
**Location:** Stamford, Connecticut
**Inception Date:** 1/1/2010
**Account Type:** Mutual Fund (PTTRX)




**Fee Schedule:**
0.46% on all assets

**Liquidity Constraints:**
Daily

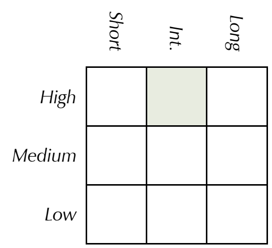
**Strategy:**
PIMCO Total Return is a core portfolio that typically invests in intermediate term, investment grade bonds and seeks to maximize total return using both top-down and bottom-up analysis to construct portfolios. PIMCO couples their three-to-five year secular outlook for interest rates and the global economy with their bottom-up fundamental credit research to construct the portfolios.

| Performance (%): | 1Q12 | 1 YR | Since 1/1/10 |
|---|---|---|---|
| **PIMCO Total Return** | **2.9** | **6.0** | **7.1** |
| Barclays Universal | 0.9 | 7.6 | 6.9 |
| Peer Core Plus | 1.5 | 7.2 | 6.9 |
| *Peer Ranking (percentile)* | *8* | *83* | *45* |

| | 3/31/12 | | 12/31/11 | |
|---|---|---|---|---|
| **Duration & Yield:** | **PIMCO Total Return** | **Barclays Universal** | **PIMCO Total Return** | **Barclays Universal** |
| Average Effective Duration (years) | 5.4 | 5.0 | 7.0 | 4.9 |
| Yield to Maturity (%) | 3.0 | 2.7 | 3.1 | 2.8 |
| **Quality Structure (%):** | | | | |
| Average Quality | AA | AA+ | AA | AA+ |
| AAA (includes Treasuries and Agencies) | 61 | 66 | 55 | 66 |
| AA | 12 | 6 | 14 | 6 |
| A | 9 | 11 | 12 | 11 |
| BBB | 10 | 11 | 10 | 11 |
| BB | 4 | 3 | 6 | 3 |
| B | 2 | 3 | 2 | 3 |
| Below B | 2 | 1 | 1 | 1 |
| Non-Rated | 0 | 0 | 0 | 0 |
| **Sector Allocation (%):** | | | | |
| U.S. Treasury-Nominal | 19 | 31 | 21 | 31 |
| U.S. Treasury-TIPS | 10 | 0 | 9 | 0 |
| U.S. Agency | 3 | 8 | 0 | 8 |
| Mortgage Backed | 51 | 27 | 46 | 27 |
| Corporate | 17 | 27 | 20 | 27 |
| Bank Loans | 0 | 0 | 0 | 0 |
| Local & Provincial Government | 13 | 1 | 4 | 1 |
| Sovereign & Supranational | 0 | 4 | 0 | 4 |
| Commercial Mortgage Backed | 2 | 2 | 2 | 2 |
| Asset Backed | 0 | 0 | 0 | 0 |
| Cash Equivalent | -23 | 0 | -32 | 0 |
| Other | 8 | 0 | 30 | 0 |
| **Market Allocation (%):** | | | | |
| United States | 90 | 85 | 76 | 85 |
| Foreign (developed markets) | 7 | 12 | 21 | 12 |
| Foreign (emerging markets) | 3 | 3 | 3 | 3 |
| **Currency Allocation (%):** | | | | |
| Non-U.S. Dollar Exposure | 0 | 0 | 0 | 0 |

# Western Asset U.S. Core Plus, LLC
# Portfolio Detail as of 3/31/12

**Mandate:** Fixed Income
**Active/Passive:** Active
**Market Value:** $7.8 million
**Portfolio Manager:** Team
**Location:** Baltimore, Maryland
**Inception Date:** 8/1/2006
**Account Type:** Mutual Fund (WACPX)




**Fee Schedule:**
0.45% on all assets

**Liquidity Constraints:**
Daily

**Strategy:**
The Western Asset U.S. Core Plus strategy invests primarily in U.S. corporate bonds, U.S. government and agency securities, mortgage-backed securities, and money market instruments. Western Asset may invest up to 20% of their assets in foreign fixed income instruments.

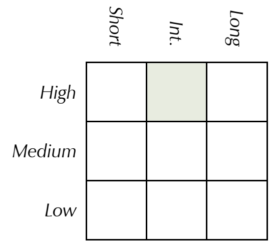
| **Performance (%):** | **1Q12** | **1 YR** | **3 YR** | **5 YR** | **Since 8/1/06** |
|---|---|---|---|---|---|
| **Western Asset U.S. Core Plus, LLC** | **2.2** | **7.4** | **15.8** | **7.0** | **7.4** |
| Barclays Universal | 0.9 | 7.6 | 7.9 | 6.2 | 6.5 |
| Peer Core Plus | 1.5 | 7.2 | 9.1 | 6.1 | 6.3 |
| *Peer Ranking (percentile)* | *19* | *38* | *4* | *17* | *13* |

| **Risk:** (sixty months) | **Standard Deviation** | **Beta** | **Sharpe Measure** | **Info. Ratio** | **Correlation to Index** |
|---|---|---|---|---|---|
| **Western Asset U.S. Core Plus, LLC** | **7.9%** | **1.44** | **0.74** | **0.15** | **0.71** |
| Barclays Universal | 4.0 | 1.00 | 1.26 | NA | 1.00 |

| | **3/31/12** | | **12/31/11** | |
|---|---|---|---|---|
| **Duration & Yield:** | **Western Asset U.S. Core Plus** | **Barclays Universal** | **Western Asset U.S. Core Plus** | **Barclays Universal** |
| Average Effective Duration (years) | 4.7 | 5.0 | 4.5 | 4.9 |
| Yield to Maturity (%) | 3.5 | 2.7 | 3.8 | 2.8 |
| **Quality Structure (%):** | | | | |
| Average Quality | AAA | AA+ | AAA | AA+ |
| AAA (includes Treasuries and Agencies) | 69 | 66 | 67 | 66 |
| AA | 7 | 6 | 7 | 6 |
| A | 15 | 11 | 15 | 11 |
| BBB | 12 | 11 | 12 | 11 |
| BB | 5 | 3 | 5 | 3 |
| B | 3 | 3 | 4 | 3 |
| Below B | 1 | 1 | 2 | 1 |
| Non-Rated | -13 | 0 | -12 | 0 |
| **Sector Allocation (%):** | | | | |
| U.S. Treasury-Nominal | 12 | 31 | 3 | 31 |
| U.S. Treasury-TIPS | 2 | 0 | 3 | 0 |
| U.S. Agency | 2 | 8 | 2 | 8 |
| Mortgage Backed | 42 | 27 | 43 | 27 |
| Corporate | 31 | 27 | 31 | 27 |
| Bank Loans | 0 | 0 | 2 | 0 |
| Local & Provincial Government | 1 | 1 | 1 | 1 |
| Sovereign & Supranational | 0 | 4 | 0 | 4 |
| Commercial Mortgage Backed | 2 | 2 | 2 | 2 |
| Asset Backed | 3 | 0 | 3 | 0 |
| Cash Equivalent | -1 | 0 | 6 | 0 |
| Other | 6 | 0 | 5 | 0 |
| **Market Allocation (%):** | | | | |
| United States | 91 | 85 | 89 | 85 |
| Foreign (developed markets) | 5 | 12 | 6 | 12 |
| Foreign (emerging markets) | 4 | 3 | 5 | 3 |
| **Currency Allocation (%):** | | | | |
| Non-U.S. Dollar Exposure | 0 | 0 | 1 | 0 |

# Vanguard Inflation-Protected Securities Portfolio Detail as of 3/31/12

**Mandate:** TIPS
**Active/Passive:** Active
**Market Value:** $5.0 million
**Portfolio Manager:** John Hollyer, CFA
Gemma Wright-Casparius
**Location:** Valley Forge, Pennsylvania
**Inception Date:** 12/1/2011
**Account Type:** Mutual Fund (VIPIX)




**Fee Schedule:**
0.07% on all assets

**Liquidity Constraints:**
Daily

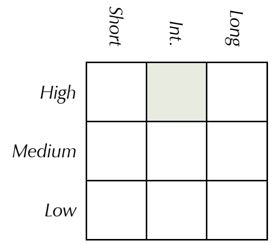
**Strategy:**
The Vanguard Inflation-Protected Securities strategy seeks long-term returns that exceed inflation by investing at least 80% of its assets in high-quality inflation-indexed bonds. These securities, primarily issued by the U.S. Treasury, government agencies, and domestic corporations, automatically adjust their principal and interest payments over time in response to changes in inflation.

| Performance (%): | 1Q12 | Since 12/1/11 |
|---|---|---|
| **Vanguard Inflation-Protected Securities** | **0.7** | **0.9** |
| Barclays U.S. TIPS | 0.9 | 0.9 |
| Peer TIPS | 0.9 | 1.0 |
| *Peer Ranking (percentile)* | *72* | *58* |

| | 3/31/12 | | 12/31/11 | |
|---|---|---|---|---|
| **Quality Structure (%):** | **Vanguard TIPS** | **Barclays TIPS** | **Vanguard TIPS** | **Barclays TIPS** |
| Average Quality | AAA | AAA | AAA | AAA |
| AAA (includes Treasuries and Agencies) | 100 | 100 | 100 | 100 |
| AA | 0 | 0 | 0 | 0 |
| A | 0 | 0 | 0 | 0 |
| BBB | 0 | 0 | 0 | 0 |
| BB | 0 | 0 | 0 | 0 |
| B | 0 | 0 | 0 | 0 |
| Below B | 0 | 0 | 0 | 0 |
| Non-Rated | 0 | 0 | 0 | 0 |
| **Sector Allocation (%):** | | | | |
| U.S. Treasury-Nominal | 0 | 0 | 0 | 0 |
| U.S. Treasury-TIPS | 100 | 100 | 100 | 100 |
| U.S. Agency | 0 | 0 | 0 | 0 |
| Mortgage Backed | 0 | 0 | 0 | 0 |
| Corporate | 0 | 0 | 0 | 0 |
| Bank Loans | 0 | 0 | 0 | 0 |
| Local & Provincial Government | 0 | 0 | 0 | 0 |
| Sovereign & Supranational | 0 | 0 | 0 | 0 |
| Commercial Mortgage Backed | 0 | 0 | 0 | 0 |
| Asset Backed | 0 | 0 | 0 | 0 |
| Cash Equivalent | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 |
| **Market Allocation (%):** | | | | |
| United States | 100 | 100 | 100 | 100 |
| Foreign (developed markets) | 0 | 0 | 0 | 0 |
| Foreign (emerging markets) | 0 | 0 | 0 | 0 |
| **Currency Allocation (%):** | | | | |
| Non-U.S. Dollar Exposure | 0 | 0 | 0 | 0 |

# AFL-CIO Housing Investment Trust Portfolio Detail as of 3/31/12

**Mandate:** Fixed Income
**Active/Passive:** Active
**Market Value:** $3.4 million
**Portfolio Manager:** Chang Suh
**Location:** Washington, District of Columbia
**Inception Date:** 6/1/2002
**Account Type:** Commingled Fund




**Fee Schedule:**
0.44% on all assets

**Liquidity Constraints:**
Monthly

**Strategy:**
The AFL-CIO Housing Investment Trust (HIT) is a fixed income investment program comprised of high grade, public- and private-market mortgage bonds. The HIT portfolio combines long-duration, agency-insured multifamily mortgage-backed securities (MBS) with short-duration, single-family MBS and intermediate-term agency securities. The structure of the HIT portfolio means that it will not possess credit risk. Unlike most mortgage investments, the HIT portfolio invests mainly in issues with limited prepayment risk.

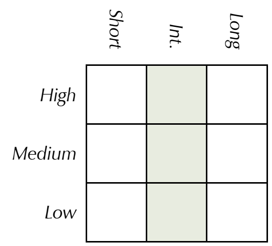
| Performance (%): | 1Q12 | 1 YR | 3 YR | 5 YR | Since 6/1/02 |
|---|---|---|---|---|---|
| **AFL-CIO Housing Investment Trust** | **0.2** | **7.4** | **6.3** | **6.6** | **6.0** |
| Barclays Aggregate | 0.3 | 7.7 | 6.8 | 6.2 | 5.6 |
| Barclays Mortgage | 0.6 | 6.2 | 5.3 | 6.3 | 5.5 |
| Peer Core Fixed Income | 0.6 | 7.4 | 6.4 | 6.1 | 5.2 |
| *Peer Ranking (percentile)* | *82* | *51* | *66* | *13* | *1* |

| **Risk:** (sixty months) | Standard Deviation | Beta | Sharpe Measure | Info. Ratio | Correlation to Index |
|---|---|---|---|---|---|
| **AFL-CIO Housing Investment Trust** | **3.3%** | **0.82** | **1.60** | **0.23** | **0.93** |
| Barclays Aggregate | 3.8 | 1.00 | 1.33 | NA | 1.00 |

| | 3/31/12 | | 12/31/11 | |
|---|---|---|---|---|
| **Duration & Yield:** | AFL-CIO Housing Investment Trust | Barclays Aggregate | AFL-CIO Housing Investment Trust | Barclays Aggregate |
| Average Effective Duration (years) | 4.6 | 5.0 | 4.3 | 5.0 |
| Yield to Maturity (%) | 2.8 | 2.2 | 2.8 | 2.2 |
| **Quality Structure (%):** | | | | |
| Average Quality | AAA | AA+ | AAA | AA+ |
| AAA (includes Treasuries and Agencies) | 94 | 74 | 94 | 74 |
| AA | 4 | 5 | 4 | 5 |
| A | 2 | 11 | 2 | 11 |
| BBB | 0 | 9 | 0 | 9 |
| BB | 0 | 0 | 0 | 0 |
| B | 0 | 0 | 0 | 0 |
| Below B | 0 | 0 | 0 | 0 |
| Non-Rated | 0 | 0 | 0 | 0 |
| **Sector Allocation (%):** | | | | |
| U.S. Treasury-Nominal | 10 | 35 | 8 | 35 |
| U.S. Treasury-TIPS | 0 | 0 | 0 | 0 |
| U.S. Agency | 0 | 7 | 0 | 7 |
| Mortgage Backed | 25 | 31 | 26 | 31 |
| Corporate | 0 | 20 | 0 | 20 |
| Bank Loans | 0 | 0 | 0 | 0 |
| Local & Provincial Government | 0 | 1 | 0 | 1 |
| Sovereign & Supranational | 0 | 3 | 0 | 3 |
| Commercial Mortgage Backed | 62 | 2 | 65 | 2 |
| Asset Backed | 0 | 0 | 0 | 0 |
| Cash Equivalent | 3 | 0 | 1 | 0 |
| Other | 0 | 0 | 0 | 0 |
| **Market Allocation (%):** | | | | |
| United States | 100 | 92 | 100 | 92 |
| Foreign (developed markets) | 0 | 8 | 0 | 8 |
| Foreign (emerging markets) | 0 | 1 | 0 | 1 |
| **Currency Allocation (%):** | | | | |
| Non-U.S. Dollar Exposure | 0 | 0 | 0 | 0 |

# Stone Harbor Emerging Markets Debt Portfolio Detail as of 3/31/12

**Mandate:** Fixed Income
**Active/Passive:** Active
**Market Value:** $4.2 million
**Portfolio Manager:** Team
**Location:** New York, New York
**Inception Date:** 3/1/2012
**Account Type:** Mutual Fund (SHMDX)




**Fee Schedule:**
0.75% on all assets

**Liquidity Constraints:**
Daily

**Strategy:**
The primary investment objective of the Stone Harbor Emerging Markets Debt Portfolio is to generate a total return (i.e. capital appreciation). The generation of high current income is a secondary objective. The Fund will invest its net assets primarily in fixed income securities of issuers that economically are tied to countries with emerging securities markets or whose performance is linked to those markets or economies. Such securities may be denominated in non-U.S. currencies and the U.S. Dollar. A security is economically tied to an emerging market country if it is principally traded on the country's securities markets, or the issuer is organized or principally operates in the country, derives a majority of its income from its operations within the country, or has a majority of its assets within a country. The Investment Manager has broad discretion to identify and invest in countries that it considers to qualify as emerging securities markets. It is anticipated that the Fund will concentrate its investments in Asia, Africa, the Middle East, Latin America and the developing countries of Europe.

| Performance (%): | Since 3/1/12 |
|---|---|
| **Stone Harbor Emerging Markets Debt** | **0.1** |
| JPMorgan EMBI Global Diversified | 0.2 |
| Peer Emerging Market Debt | 6.6 |
| *Peer Ranking (percentile)* | *99* |

| Duration & Yield: | 3/31/12 Stone Harbor EMD | 3/31/12 JPMorgan EMBI Global Diversified |
|---|---|---|
| Average Effective Duration (years) | 6.7 | 7.1 |
| Yield to Maturity (%) | 6.1 | 5.1 |
| **Quality Structure (%):** | | |
| Average Quality | BB+ | BB+ |
| AAA (includes Treasuries and Agencies) | 3 | 0 |
| AA | 2 | 2 |
| A | 12 | 9 |
| BBB | 44 | 45 |
| BB | 16 | 25 |
| B | 8 | 15 |
| Below B | 1 | 0 |
| Non-Rated | 13 | 4 |
| **Sector Allocation (%):** | | |
| U.S. Treasury-Nominal | 0 | 0 |
| U.S. Treasury-TIPS | 0 | 0 |
| U.S. Agency | 0 | 0 |
| Mortgage Backed | 0 | 0 |
| Corporate | 16 | 0 |
| Bank Loans | 0 | 0 |
| Local & Provincial Government | 6 | 0 |
| Sovereign & Supranational | 73 | 100 |
| Commercial Mortgage Backed | 0 | 0 |
| Asset Backed | 0 | 0 |
| Cash Equivalent | 3 | 0 |
| Other | 2 | 0 |
| **Market Allocation (%):** | | |
| United States | 3 | 0 |
| Foreign (developed markets) | 0 | 0 |
| Foreign (emerging markets) | 97 | 100 |
| **Currency Allocation (%):** | | |
| Non-U.S. Dollar Exposure | 6 | 0 |

# UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund

# Stone Harbor Emerging Markets Local Currency Debt Portfolio Detail as of 3/31/12

**Mandate:** Fixed Income
**Active/Passive:** Active
**Market Value:** $2.8 million
**Portfolio Manager:** Team
**Location:** New York, New York
**Inception Date:** 3/1/2012
**Account Type:** Mutual Fund (SHLMX)

| | *Short* | *Int.* | *Long* |
|---|---|---|---|
| *High* | | | |
| *Medium* | | | |
| *Low* | | | |

**Fee Schedule:**
1.00% on all assets

**Liquidity Constraints:**
Daily

**Strategy:**
Stone Harbor believes that investing in a diversified portfolio of emerging markets local currency instruments will result in strong, long-term performance. The investment team monitors the emerging markets universe for improving credit quality opportunities and undervalued currencies with high real return potential. The active investment management approach is characterized by fundamental credit analysis. The investment process emphasizes country selection based on intensive economic and political analysis as well as a rigorous analytical approach to currency, sector, and security selection.

| **Performance (%):** | **Since 3/1/12** |
|---|---|
| **Stone Harbor Emerging Markets Local Currency Debt** | **-1.6** |
| JPM GBI-EM Global Diversified | -2.0 |
| Peer Emerging Market Debt | 6.6 |
| *Peer Ranking (percentile)* | *99* |

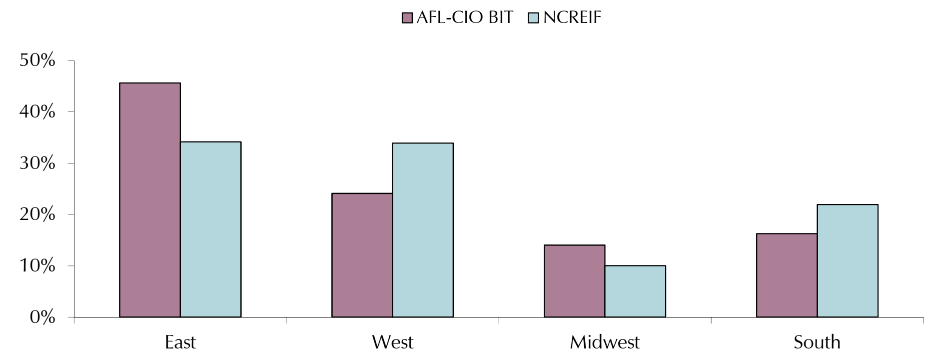
| **Duration & Yield:** | **3/31/12 Stone Harbor EMLC** | **3/31/12 JPM GBI-EM Global Div** |
|---|---|---|
| Average Effective Duration (years) | 4.3 | 4.6 |
| Yield to Maturity (%) | 6.2 | 6.5 |
| **Quality Structure (%):** | | |
| Average Quality | A- | BBB |
| AAA (includes Treasuries and Agencies) | 11 | 0 |
| AA | 0 | 0 |
| A | 45 | 48 |
| BBB | 40 | 38 |
| BB | 4 | 4 |
| B | 0 | 0 |
| Below B | 0 | 0 |
| Non-Rated | 0 | 10 |
| **Sector Allocation (%):** | | |
| U.S. Treasury-Nominal | 0 | 0 |
| U.S. Treasury-TIPS | 0 | 0 |
| U.S. Agency | 0 | 0 |
| Mortgage Backed | 0 | 0 |
| Corporate | 1 | 0 |
| Bank Loans | 0 | 0 |
| Local & Provincial Government | 98 | 0 |
| Sovereign & Supranational | 0 | 100 |
| Commercial Mortgage Backed | 0 | 0 |
| Asset Backed | 0 | 0 |
| Cash Equivalent | 1 | 0 |
| Other | 0 | 0 |
| **Market Allocation (%):** | | |
| United States | 8 | 0 |
| Foreign (developed markets) | 0 | 0 |
| Foreign (emerging markets) | 92 | 100 |
| **Currency Allocation (%):** | | |
| Non-U.S. Dollar Exposure | 99 | 100 |

# Real Estate Portfolio Reviews
# As of March 31, 2012

# AFL-CIO Building Investment Trust Portfolio Detail as of 3/31/12

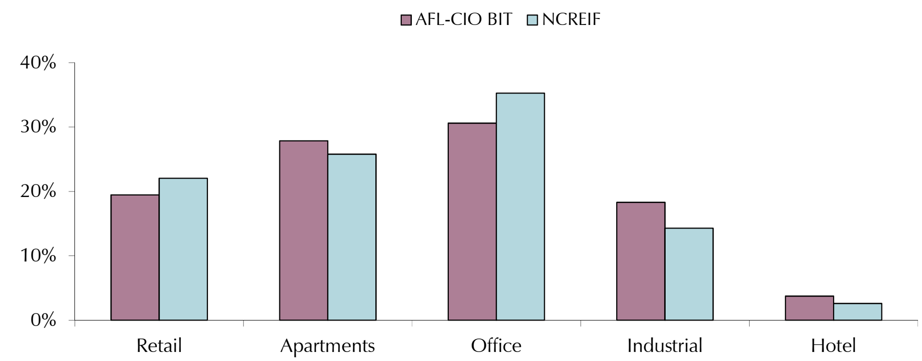
| | |
|---|---|
| **Strategy:** | Real Estate |
| **Market Value:** | $6.0 million |
| **Senior Professionals:** | Rinse A. Brink |
| **Location:** | Washington, District of Columbia |
| **Inception Date:** | 7/1/2002 |
| **Account Type:** | Commingled Fund |
| **# of Investments:** | 63 |
| **Liquidity Constraints:** | Monthly (Last day of the month) |
| **Fee Schedule:** | 1.00% on first $2,000 mm; 0.85% on next $1,000 mm; 0.80% thereafter; 0.10% on cash |

**Geographic Region:**




| **Performance (%):** | **1Q12** | **1 YR** | **3 YR** | **5 YR** | **Since 7/1/02** |
|---|---|---|---|---|---|
| **AFL-CIO Building Investment Trust** | **3.6** | **14.4** | **3.2** | **0.2** | **5.5** |
| NCREIF ODCE Equal Weighted | 2.8 | 14.6 | 3.1 | -0.8 | 6.0 |
| NCREIF Property | 2.9 | 13.7 | 6.1 | 2.9 | 8.2 |

**Property Type:**



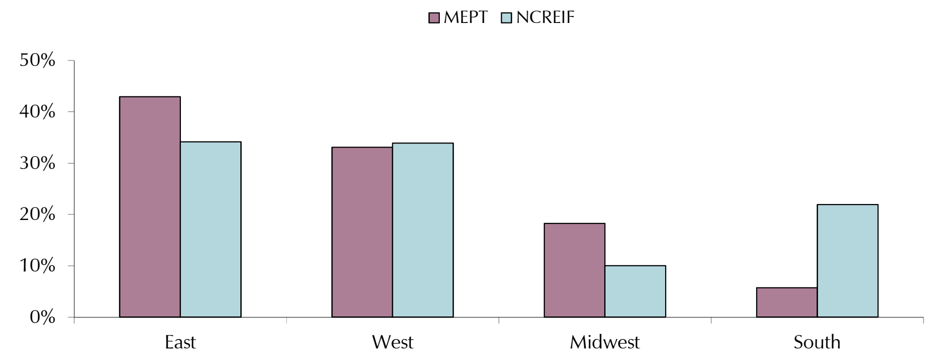

**Investment Strategy:**

The mission of the Trust is to provide competitive risk-adjusted returns for shareholders through investments in institutional-quality commercial real estate while promoting economic development and creating union jobs. The BIT's principal objective in making investments is to seek income and capital appreciation while protecting the shareholders' capital. Mercantile, as the trustee of the BIT, employs an investment strategy that seeks to create value through investment in the development and acquisition of income -producing real estate.

# Multi-Employer Property Trust Portfolio Detail as of 3/31/12

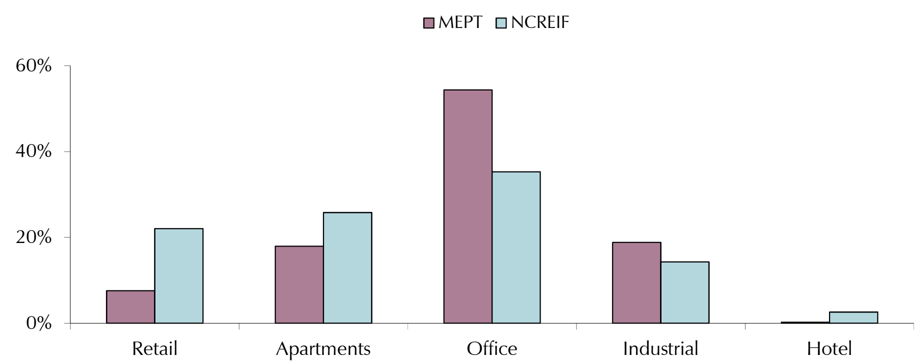
| | |
|---|---|
| **Strategy:** | Real Estate |
| **Market Value:** | $5.2 million |
| **Senior Professionals:** | David Antonelli |
| **Location:** | Washington, District of Columbia |
| **Inception Date:** | 1/1/1992 |
| **Account Type:** | Commingled Fund |
| **# of Investments:** | 145 |
| **Liquidity Constraints:** | Quarterly |
| **Fee Schedule:** | 1.25% on first $1000 mm; 1.00% on next $1000 mm; 0.75% thereafter |

**Geographic Region:**




| Performance (%): | 1Q12 | 1 YR | 3 YR | 5 YR | Since 1/1/92 |
|---|---|---|---|---|---|
| **Multi-Employer Property Trust** | **1.6** | **11.3** | **3.4** | **-1.6** | **5.8** |
| NCREIF ODCE Equal Weighted | 2.8 | 14.6 | 3.1 | -0.8 | 7.2 |
| NCREIF Property | 2.9 | 13.7 | 6.1 | 2.9 | 8.1 |

**Property Type:**




**Investment Strategy:**

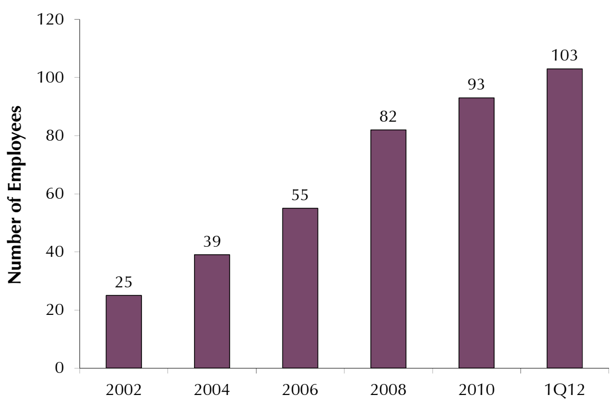
Multi-Employer Property Trust's primary investment strategy is to create top-quality, core, income-producing assets through development, rehabilitation, or acquisition and reposition of undervalued assets. The Trust invests in office buildings, warehouses, flex-research and development facilities, retail centers, apartments, and hotels in an attempt to maintain a diversified, institutional-grade core portfolio that produces strong and stable current income.

# Appendices

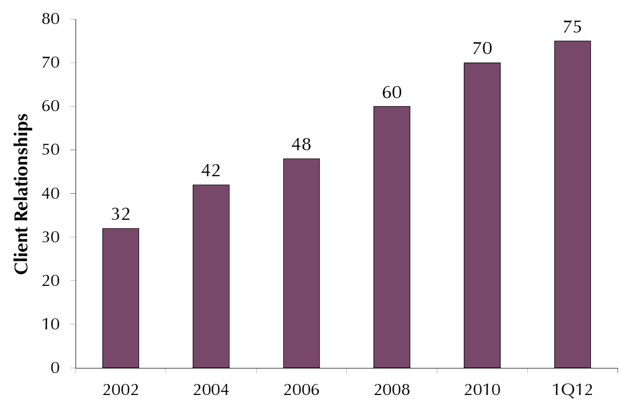
# Meketa Investment Group
# Corporate Update

- Staff of 103, including 60 investment professionals and 17 CFA charterholders
- 75 clients, with over 150 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Miami, and San Diego
- Clients have aggregate assets of approximately $300 billion
  - Over $20 billion in assets committed to alternative investments
    - Private Equity
    - Infrastructure
    - Natural Resources
    - Real Estate
    - Hedge Funds
    - Commodities

**Employee Growth**




**Client Growth**




**Meketa Investment Group is proud to work for 3.2 million American families everyday**

## Asset Classes Followed Intensively by Meketa Investment Group

### Domestic Equities

- Passive
- Enhanced Index
- Large Cap
- Midcap
- Small Cap
- Microcap
- 130/30

### International Equities

- Large Cap Developed
- Small Cap Developed
- Emerging Markets
- Frontier Markets

### Private Equity

- Buyouts
- Venture Capital
- Private Debt
- Special Situations
- Secondaries
- Fund of Funds

### Real Assets

- Public REITs
- Core Real Estate
- Value Added Real Estate
- Opportunistic Real Estate
- Infrastructure
- Timber
- Natural Resources
- Commodities

### Fixed Income

- Short-Term
- Core
- Core Plus
- TIPS
- High Yield
- Bank Loans
- Distressed
- Global
- Emerging Markets

### Hedge Funds

- Long/Short Equity
- Event Driven
- Relative Value
- Fixed Income Arbitrage
- Multi Strategy
- Market Neutral
- Global Macro
- Fund of Funds
- Portable Alpha

# Disclaimer, Glossary, and Notes

# Disclaimer

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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.

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 Fund 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.

**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%.

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

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

# Notes

The Russell Indices®, TM, SM are trademarks/service marks of the Frank Russell Company.

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.