FUND EVALUATION REPORT

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

Meeting Materials
March 29, 2012

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

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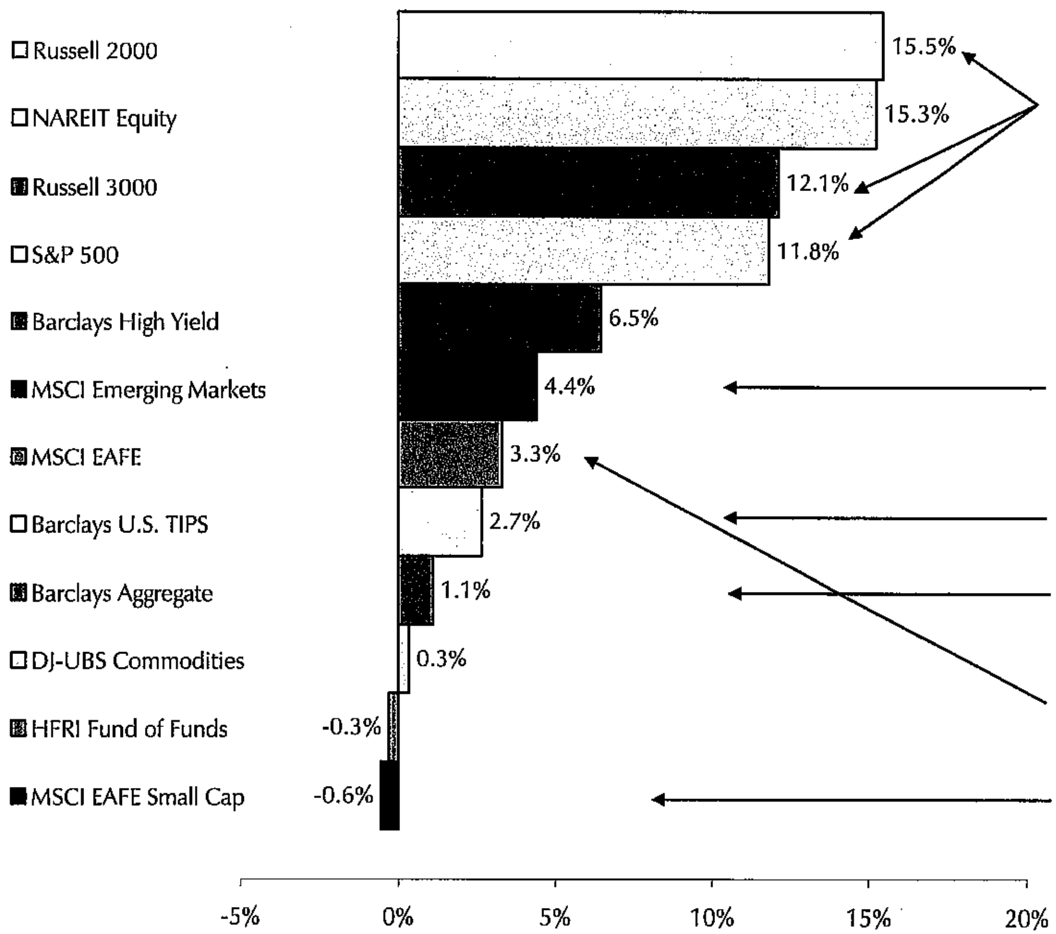
The World Markets
Fourth Quarter of 2011

The World Markets
Fourth Quarter of 2011



In the fourth quarter continued strong corporate data and better than expected economic data outweighed concerns over the sovereign debt crisis in Europe. Domestic stocks posted double-digit returns during the quarter with small cap stocks leading the way.

Emerging markets increased for the quarter driven by returns from Latin America, particularly Brazil (+9.5%).

High quality bonds rose in the fourth quarter, but trailed riskier asset classes due to investors' renewed appetite for risk.

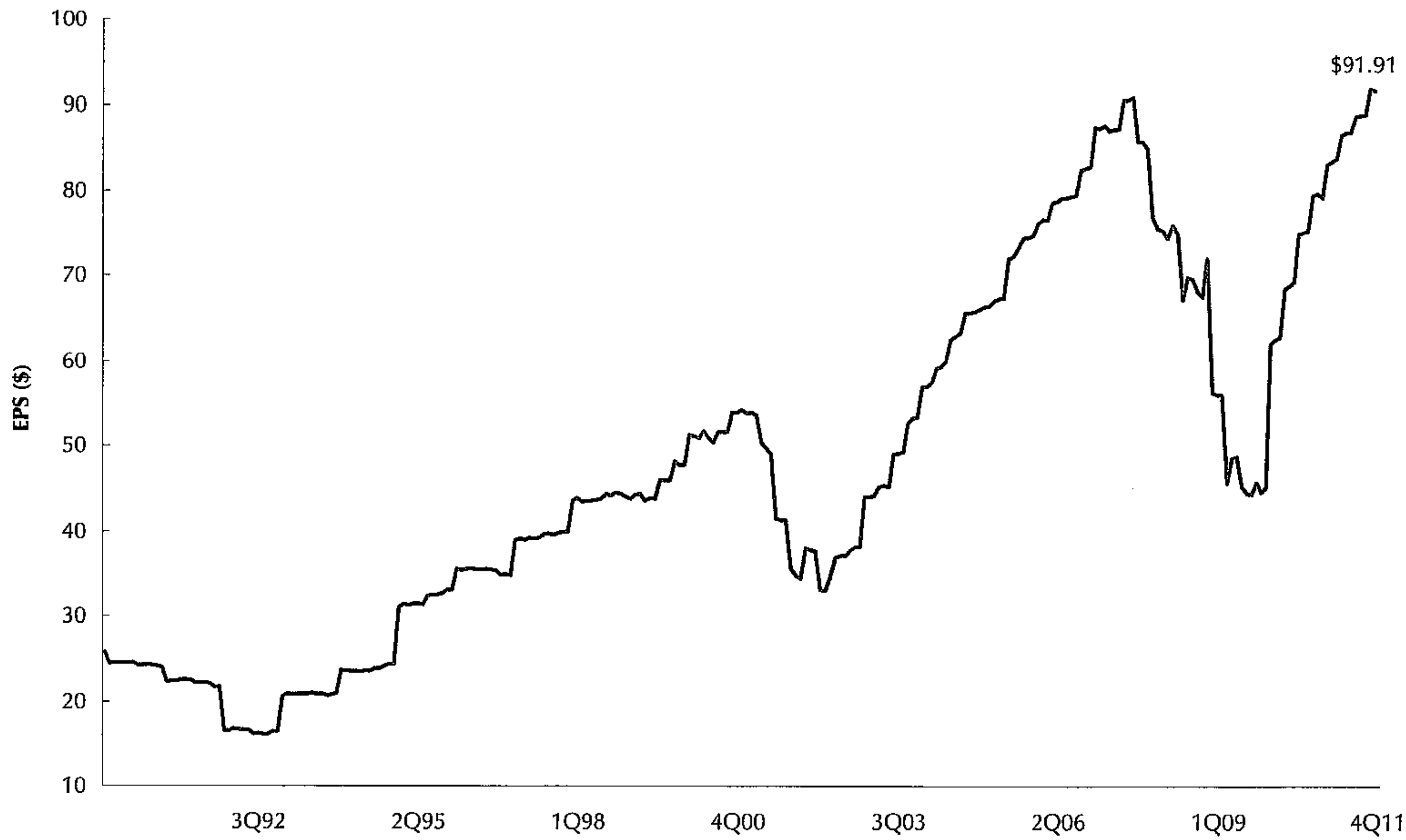
International developed market equities trailed domestic equities for the quarter. Stocks in Japan (-3.8%) weighed on relative performance due to signs of softening export demand. The dollar continued to strengthen, further weighing on returns for U.S. investors.

Index Returns

	4Q11 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)
Domestic Equity					
Russell 3000	12.1	1.0	14.9	0.0	3.5
Russell 1000	11.8	1.5	14.8	-0.2	3.3
Russell 1000 Growth	10.6	2.6	18.0	2.5	2.6
Russell 1000 Value	13.1	0.4	11.6	-2.6	3.9
Russell MidCap	12.3	-1.6	20.2	1.4	7.0
Russell MidCap Growth	11.2	-1.7	22.1	2.4	5.3
Russell MidCap Value	13.4	-1.4	18.2	0.0	7.7
Russell 2000	15.5	-4.2	15.6	0.2	5.6
Russell 2000 Growth	15.0	-2.9	19.0	2.1	4.5
Russell 2000 Value	16.0	-5.5	12.4	-1.9	6.4
Foreign Equity					
MSCI ACWI (ex. U.S.)	3.7	-13.7	10.7	-2.9	6.3
MSCI EAFE	3.3	-12.1	7.7	-4.7	4.7
MSCI EAFE Small Cap	-0.6	-15.9	14.6	-4.1	9.0
MSCI Emerging Markets	4.4	-18.4	20.1	2.4	13.9
Fixed Income					
Barclays Universal	1.5	7.4	7.7	6.4	6.0
Barclays Aggregate	1.1	7.8	6.8	6.5	5.8
Barclays U.S. TIPS	2.7	13.6	10.4	8.0	7.6
Barclays High Yield	6.5	5.0	24.1	7.5	8.9
JPMorgan GBI-EM Global Diversified	0.5	-1.8	11.5	9.2	NA
Other					
NAREIT Equity	15.3	8.3	21.0	-1.4	10.2
DJ-UBS Commodities	0.3	-13.4	6.3	-3.3	5.4
HFRI Fund of Funds	-0.3	-5.5	3.6	-0.7	3.3

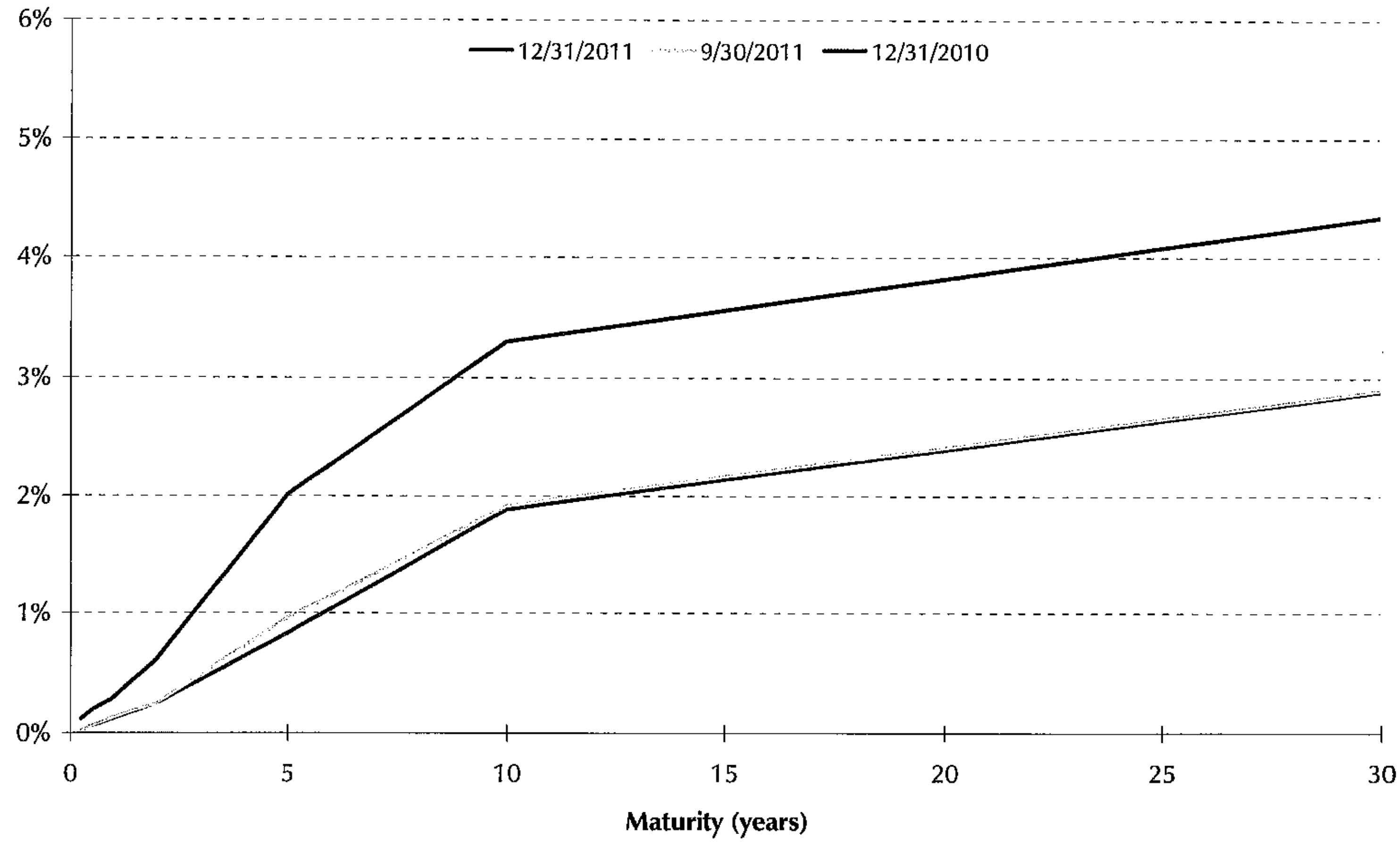
S&P 500 Earnings Per Share

In the fourth quarter, corporate profitability grew for the ninth straight quarter. S&P 500 trailing one-year earnings were $91.91 as of quarter-end, a level above the previous highs reached in 2007.



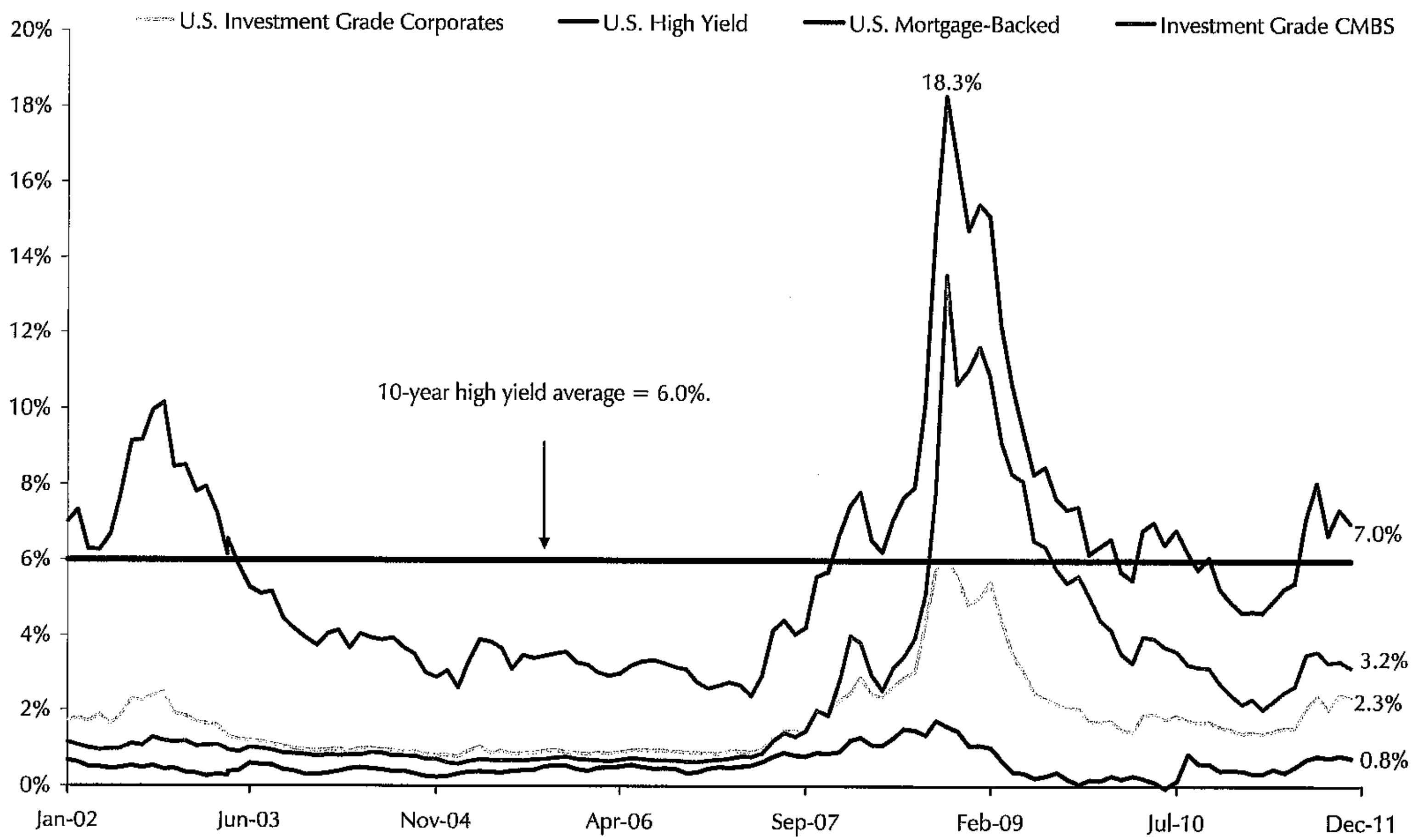
Treasury Yields

Treasury yields changed little during the fourth quarter, but declined dramatically from the end of 2010. The yield on the ten-year Treasury was 1.9% as of quarter-end, a level 1.4% lower than a year prior.



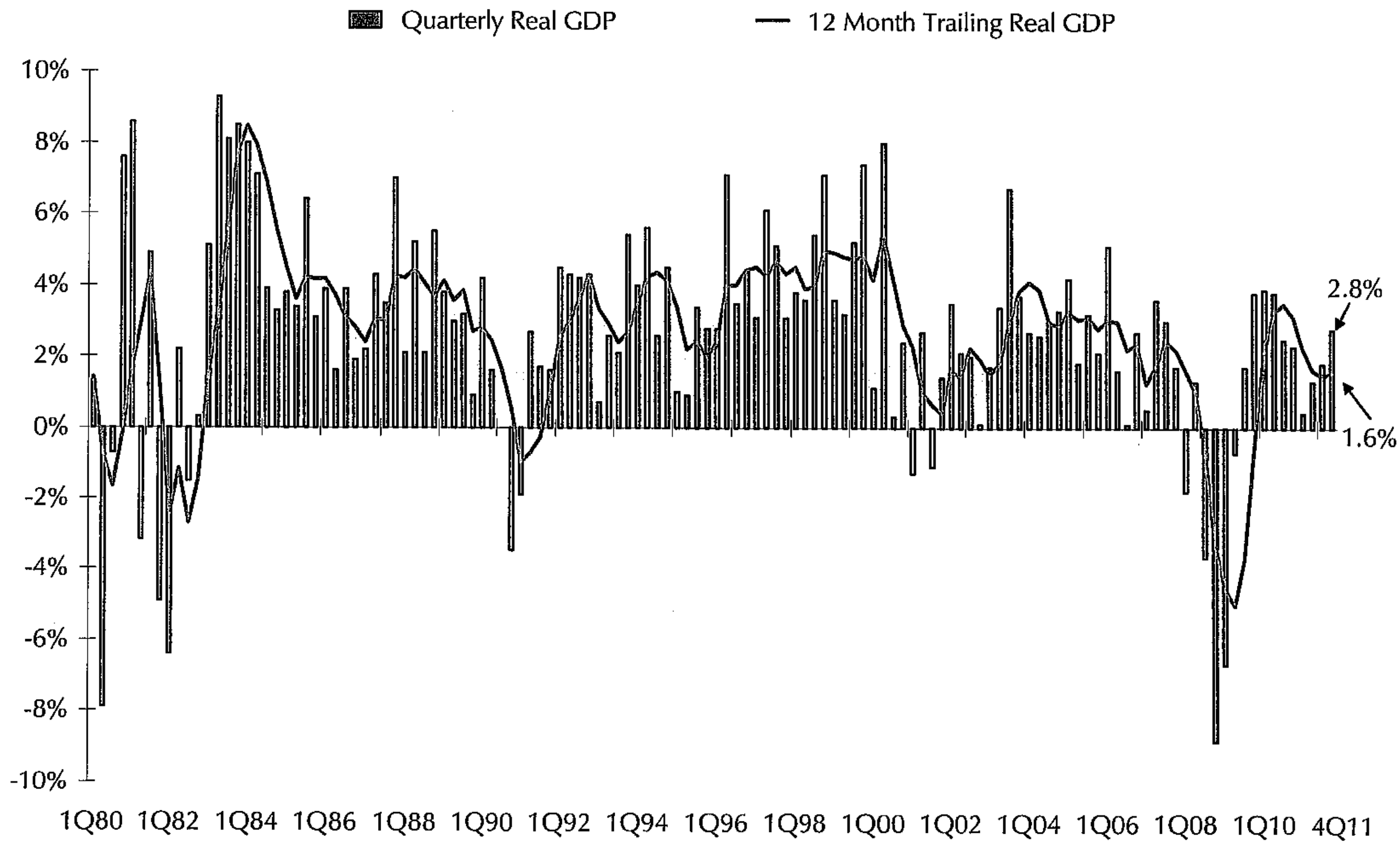
Credit Spreads vs. U.S. Treasury Bonds

In a reversal of the trend over the past two quarters, credit spreads compressed across all sectors. High yield spreads declined the most (-1.1%), to 7.0%, a level 1.0% above the ten-year average.



Real Gross Domestic Product (GDP) Growth[1]

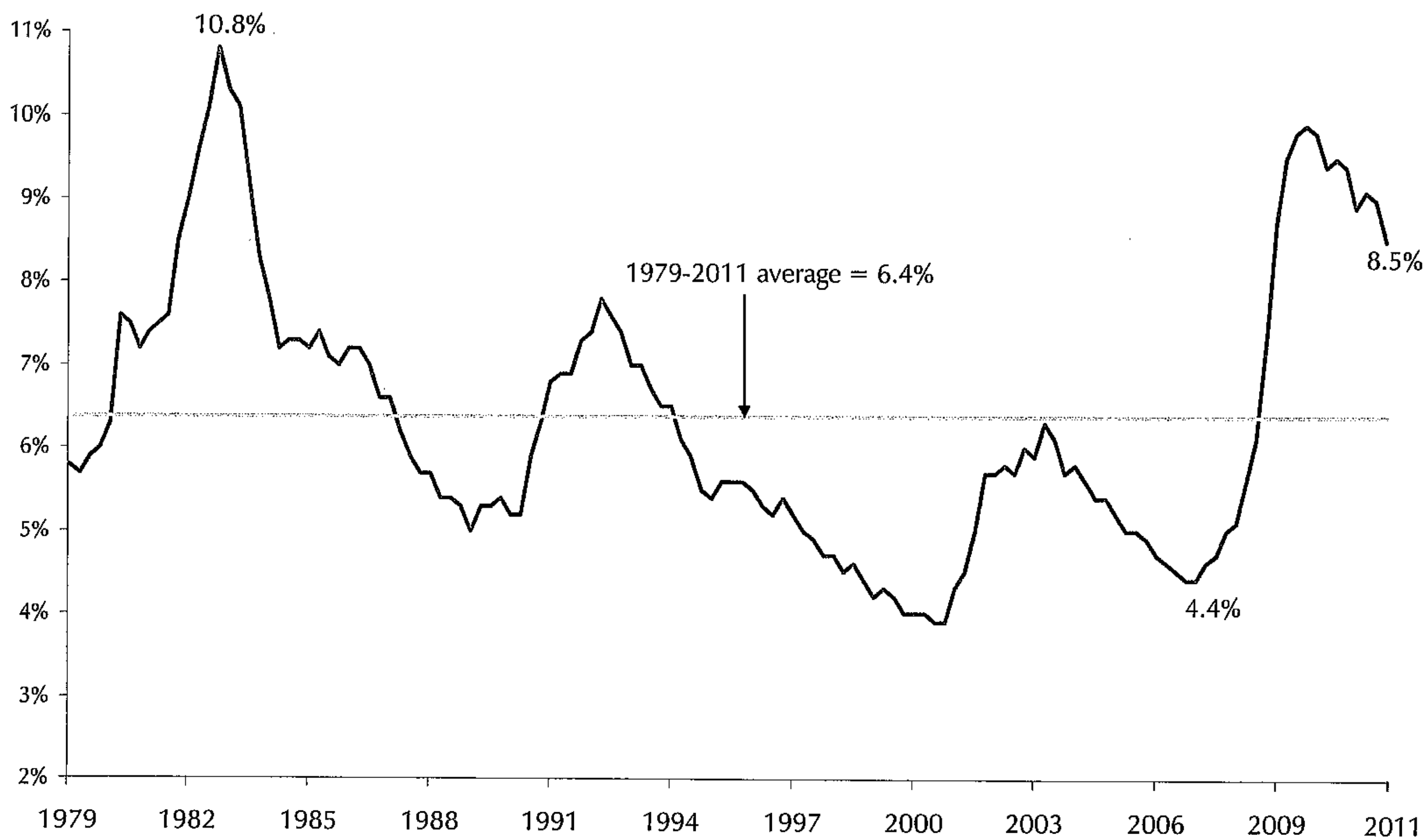
Real GDP growth increased for the third consecutive quarter, up 2.8% on an annualized basis. Companies restocking their inventories, a likely temporary phenomenon, drove growth in the fourth quarter.



[1] Quarterly data are annualized.

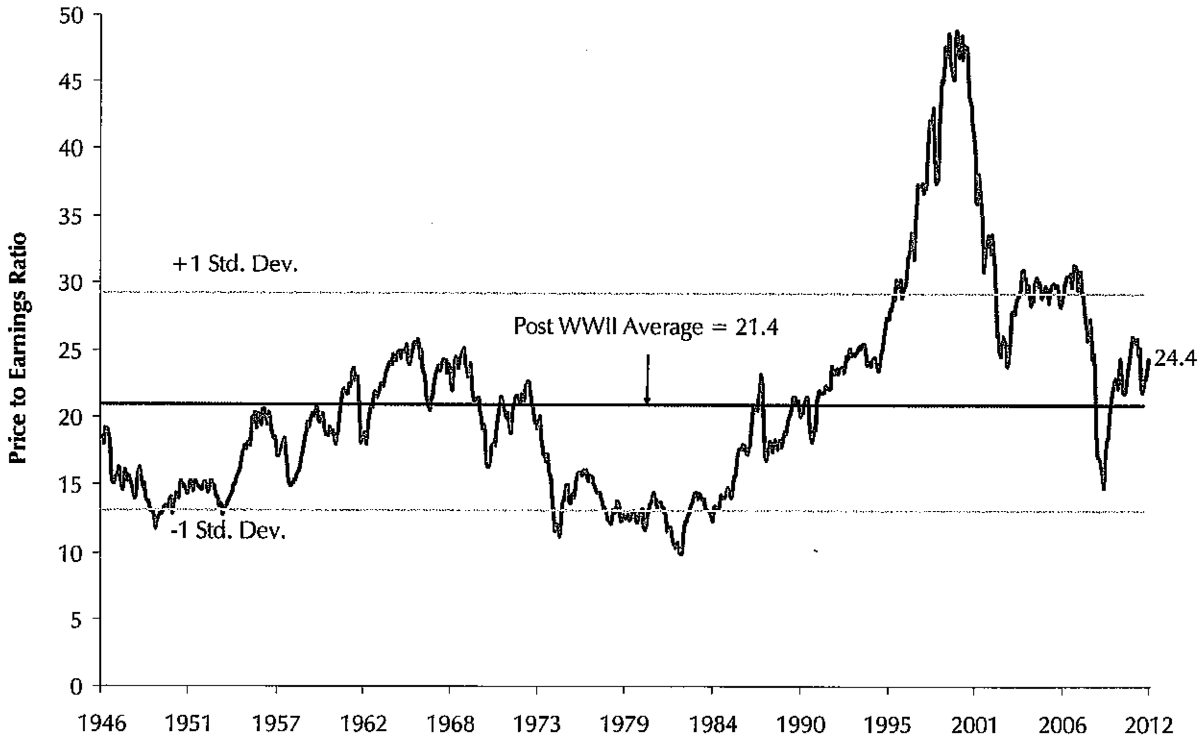
U.S. Unemployment

The unemployment rate declined 0.6% during the fourth quarter to 8.5%, due in part to seasonal hiring and a reduction in the labor force. Over 400,000 non-farm payroll jobs were added during the fourth quarter, with the trend of payroll growth in the private sector and payroll decline in the government sector continuing.



Capital Markets Outlook

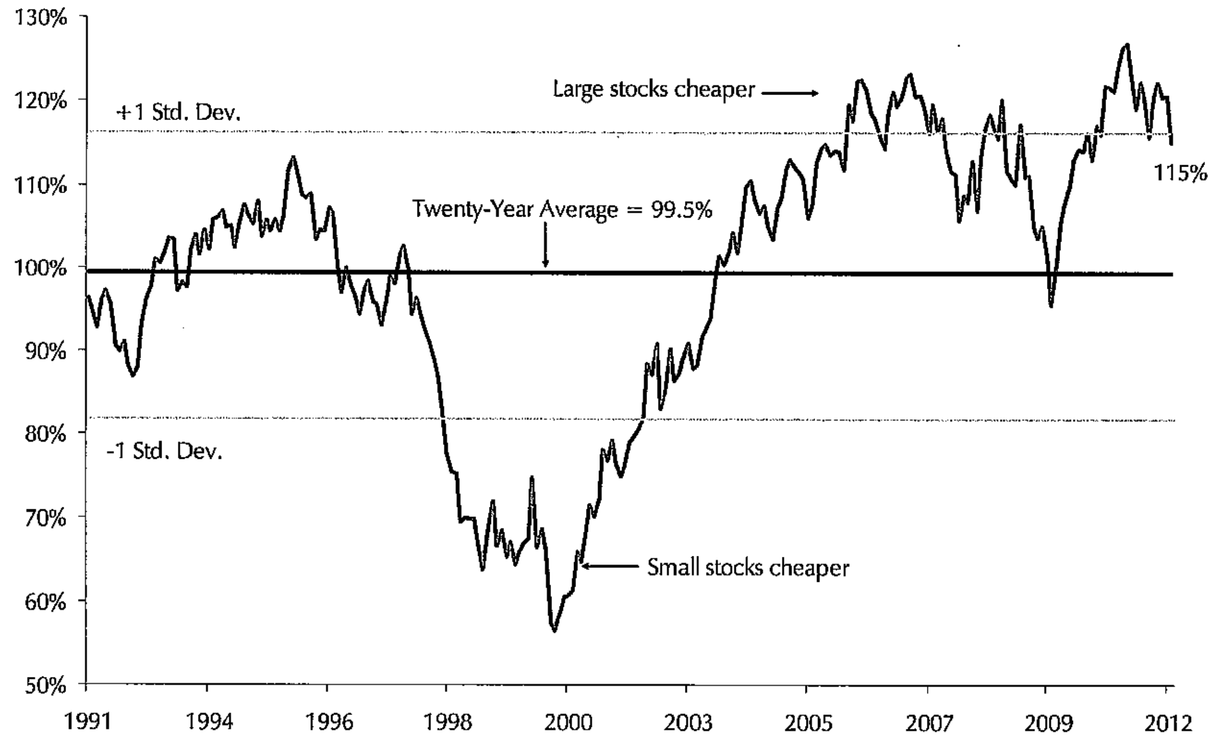
Domestic Equity Cyclically Adjusted P/E (S&P 500)[1]



- There remains substantial downside potential in the near-term for domestic equities in light of global economic and sovereign debt uncertainties.
- Valuations have increased recently, keeping the cyclically adjusted P/E ratio above its post-WWII average.

[1] Source: Standard & Poors. Earnings figures represent the average of monthly earnings over the previous ten years. Data is as of February 29, 2012.

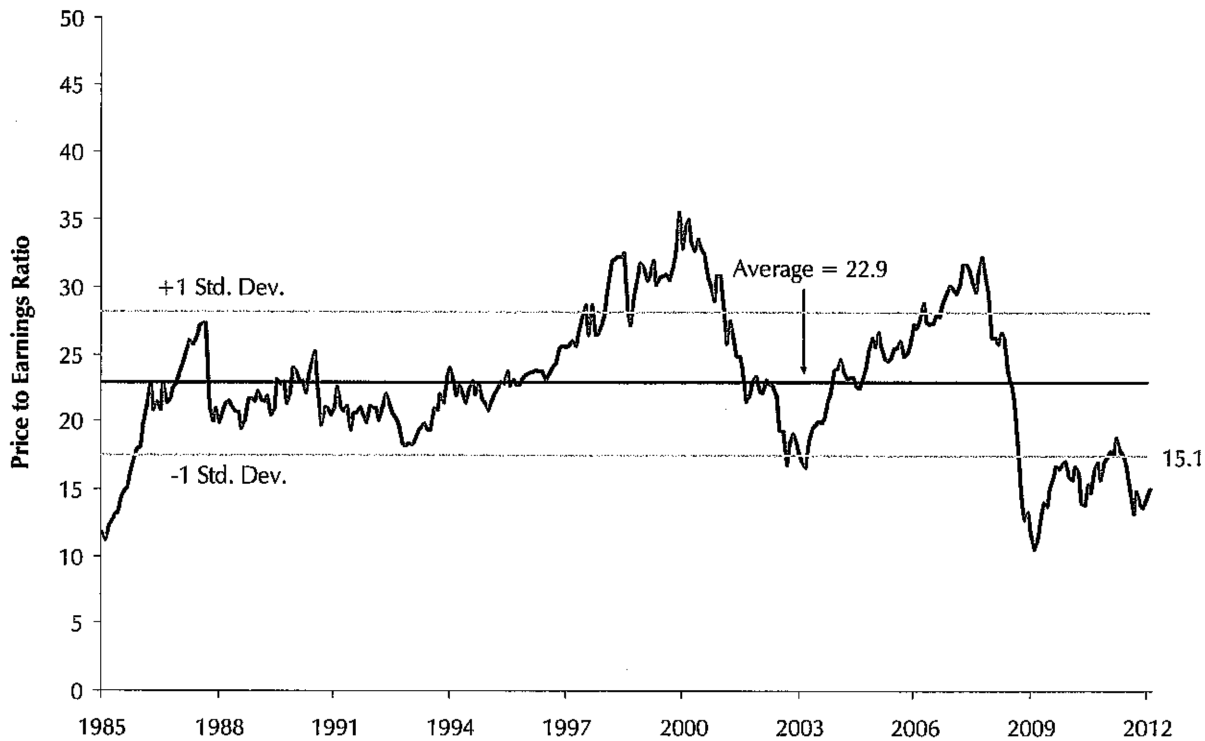
Russell 2000 P/E (small cap) vs. Russell 1000 P/E (large cap)[1]



- The ratio of small cap (Russell 2000) P/Es to large cap (Russell 1000) P/Es has declined, but remains well 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 February 29, 2012.

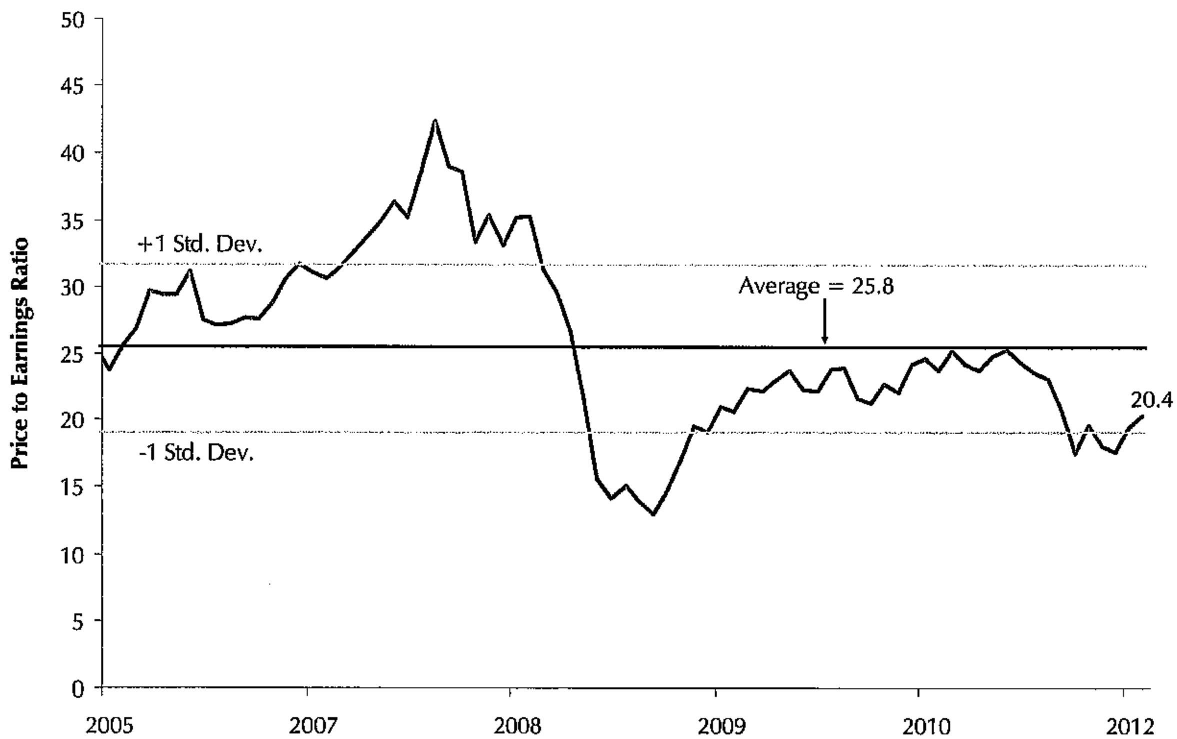
Developed International Equity Cyclically Adjusted P/E (MSCI EAFE ex. Japan)[1]



- Cyclically adjusted P/E ratios for developed foreign markets are more than one standard deviation below their historical average.
- 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 February 29, 2012.

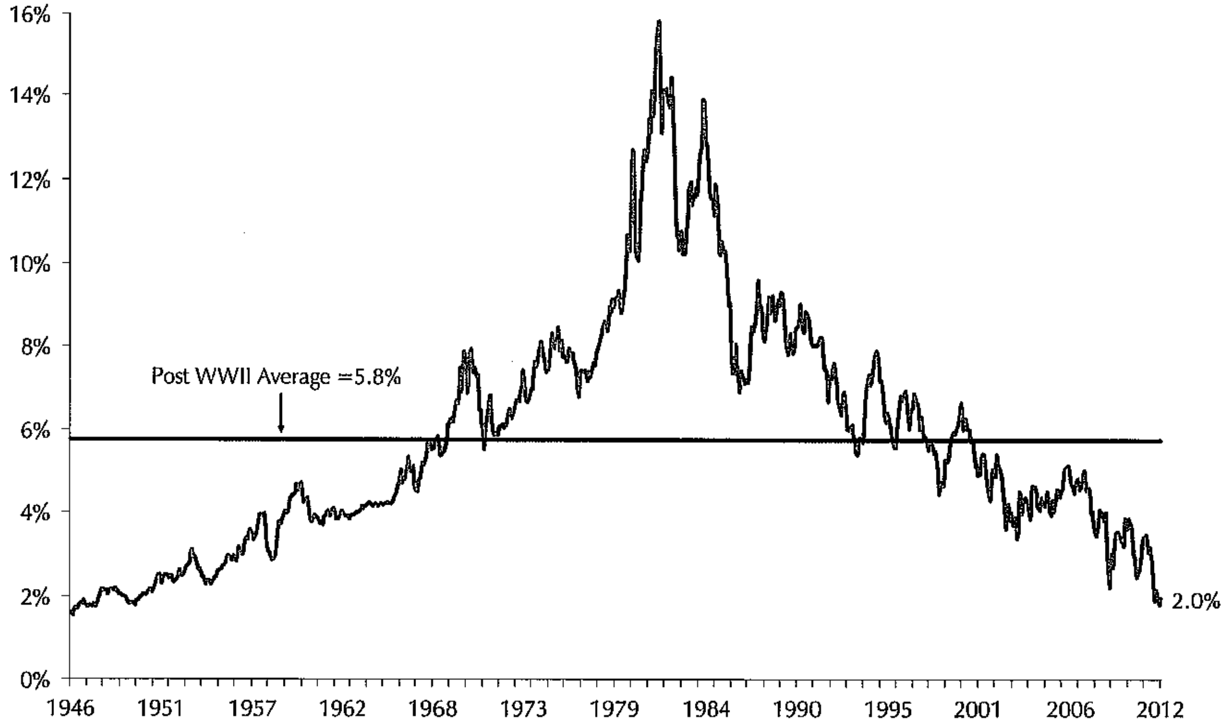
Emerging Market Equity Cyclically Adjusted P/E (MSCI Emerging Markets)[1]



- Emerging markets have been one of the strongest performers year-to-date, causing cyclically adjusted P/E ratios to increase, but they remain well below their (relatively brief) historical average.
- Emerging market equities are trading at lower valuations than U.S. 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 February 29, 2012.

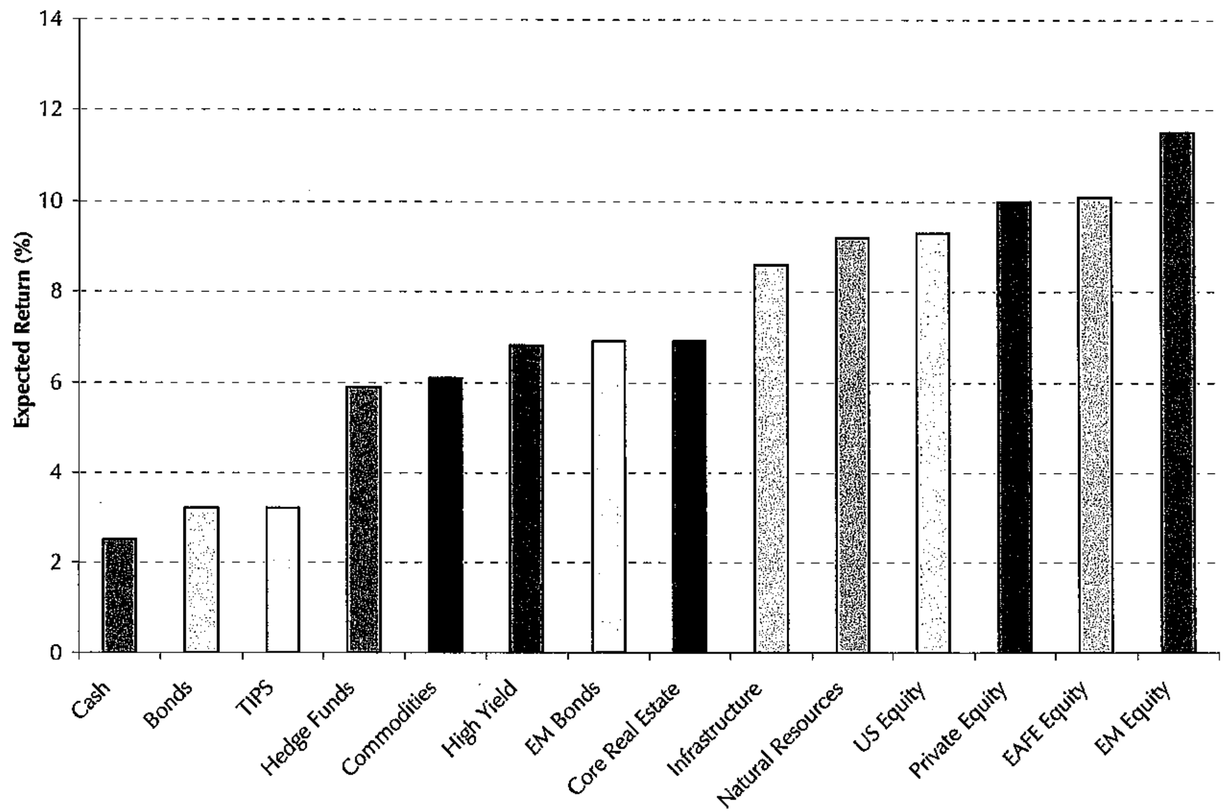
Ten-Year Treasury Yields[1]



- In light of global economic uncertainties, investors have flocked to U.S. Treasuries since mid-2011, despite the downgrade by Standard & Poor's.
- Since 1946, ten-year Treasuries have yielded, on average, 5.8%. The current rate is 3.8% below this average.

[1] Source: U.S. Treasury. Data is as of February 29, 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 the last year.

- Slower GDP growth is likely in 2012 due to cyclical factors in the emerging economies and continued consumer and public debt issues in the developed economies.
- Inflation should be moderate in developed economies due to the lack of robust growth, and in the emerging economies due to cyclical factors. Deflation is a potential 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 sector (and to a lesser extent, government sector) that must occur. These structural differences will continue to plague the recovery for many years to come.

In 2012, it is likely that additional monetary stimulus will be implemented in Europe and the Emerging Markets.

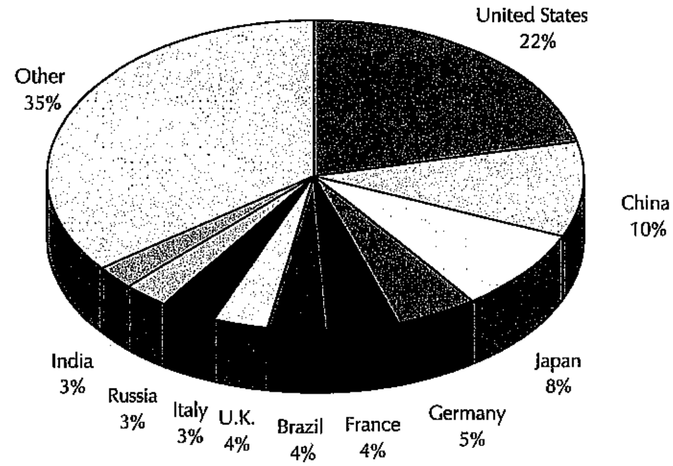
- In emerging economies, central banks may need to loosen monetary policy more quickly than anticipated in the face of diminished exports and credit contraction from European banks.
- The European Central Bank is likely to provide further monetary support as the sovereign debt crisis in the region continues to unfold.
- Due to sluggish growth rates in the U.S., it is possible that the Federal Reserve will consider additional monetary actions to induce demand. However, a general election and recent strong economic data diminish this potential.

Three issues are 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.

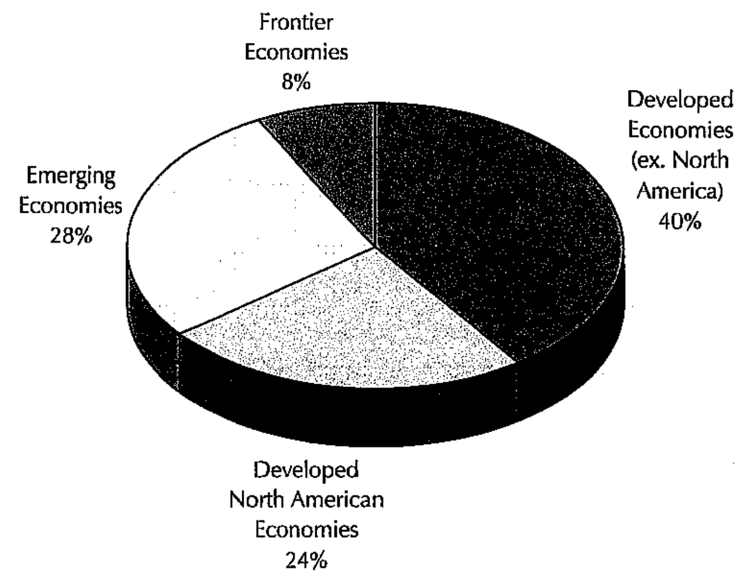
World Gross Domestic Product (GDP)
$70 Trillion

(Current USD, Based on Yearly Average Exchange Rates)

Country Breakdown



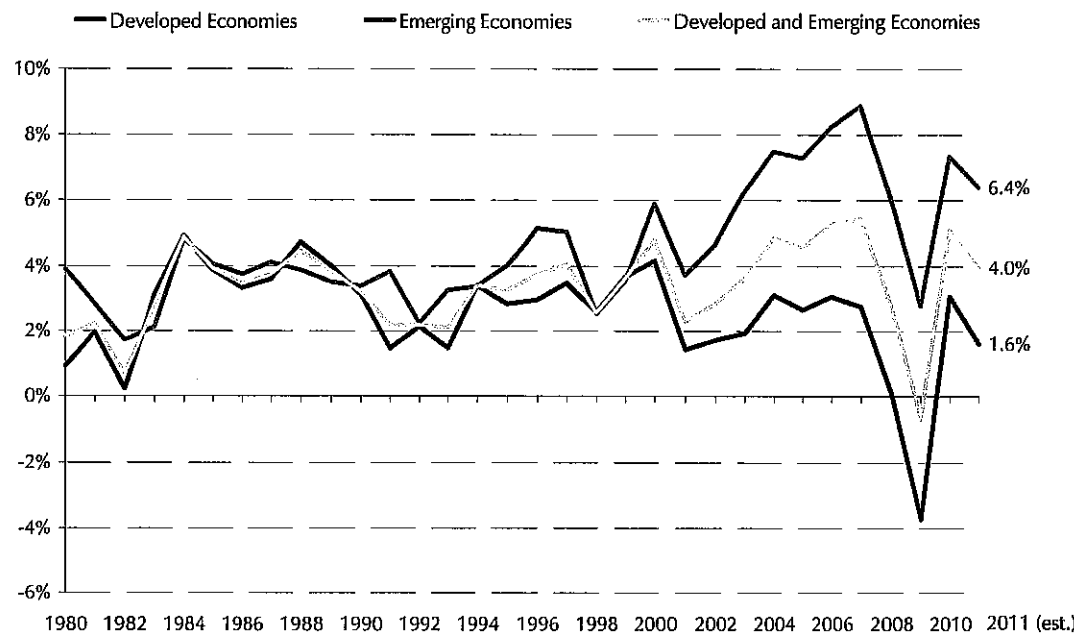
Global Breakdown



Source: IMF and CIA Fact Book.

- World GDP was estimated to be approximately $70 trillion U.S. dollars in 2011, a level more than double that of ten years prior.
- The ten largest economies represent close to 65% of world GDP, with the United States comprising less than one-quarter of total world GDP.

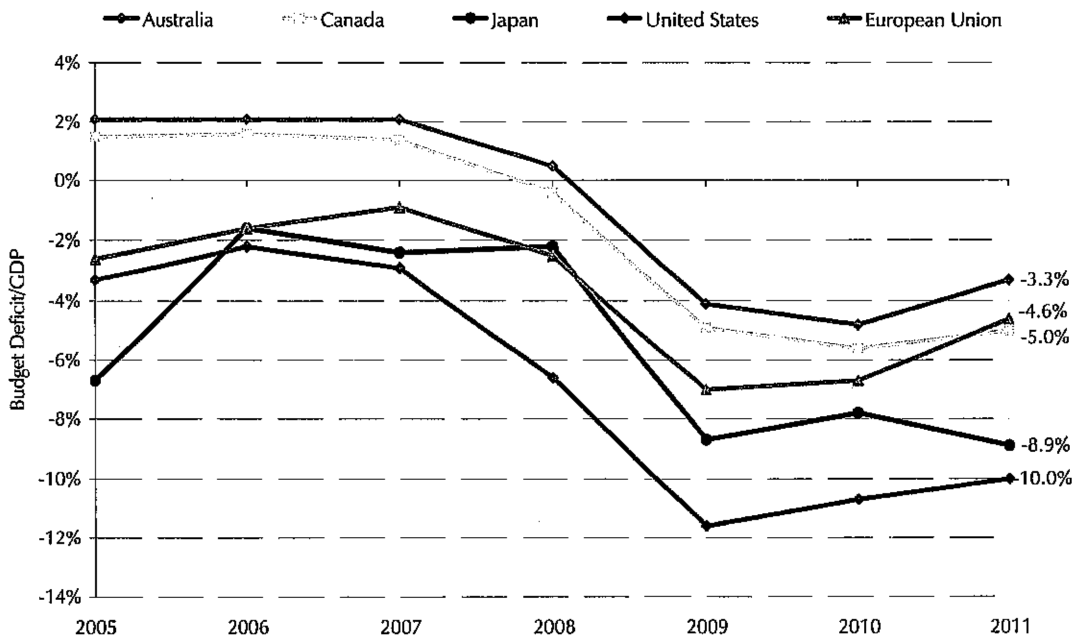
Global Gross Domestic Product (GDP) Growth



Source: IMF.

- 2011 GDP growth for emerging economies was 6.4%, a level four times that for developed economies.
- Emerging market economies have elevated global GDP growth since the "Asian Financial Crisis" in 1998, growing more than two times faster than the developed world (6.0% annually versus 2.7% annually).

Developed World Annual Budget Deficits



Source: Organization for Economic Co-Operation and Development (OECD).

- Since the recent financial crisis, budget deficits in developed countries have expanded, as many countries implemented historic stimulus initiatives and tax receipts fell precipitously.
- The United States' 2011 budget deficit was 10% of GDP, with U.S. government borrowing at approximately 40% of every dollar it spends, elevating domestic demand. Despite the massive deficit spending, U.S. government bond yields are at historic lows, indicating very little, if any, "crowding out" of private sector activity.

Executive Summary
As of December 31, 2011

- During the first quarter of 2012, Meketa Investment Group obtained signatory authority with the individual investment managers. This provides Meketa Investment Group with the authority to transact with each investment manager on behalf of the Pension Fund.
- On behalf of the Pension Fund, Meketa Investment Group made three new investments thus far in 2012.
  - The Pension Fund funded two emerging markets debt strategies. The Fund invested $4.2 million in the Stone Harbor Emerging Markets Debt Fund and $2.8 million in the Stone Harbor Local Market Debt Fund. To fund these mandates, the Pension Fund redeemed $7.0 million from the Western Asset Management Core Plus bond strategy. These investments currently represent 7% of the Pension Fund.
  - The Pension Fund allocated to one emerging market equity strategy, investing $3.5 million in the Dimensional Fund Advisors (DFA) Emerging Markets Value Fund. This investment represents approximately 3% of the Pension Fund. To fund the DFA mandate, the Pension Fund redeemed $3.5 million from the Amalgamated LongView Large Cap 500 strategy.
- On behalf of the Pension Fund, we plan to allocate an additional $3.5 million to the Vontobel Emerging Market Equity strategy with $2.1 million from the Amalgamated LongView Large Cap 500 strategy, and $1.4 million from the Artio International Equity strategy.
- To date, Meketa Investment Group initiated the investments in three asset classes, including TIPS, Emerging Markets Equity and Emerging Markets Debt.

- The Pension Fund was valued at $103.9 million as of December 31, 2011, an increase of $6.9 million from September 30, 2011.
- The Pension Fund returned 5.8% for the quarter, due mainly to a rebound in the equity markets.
- The two passive domestic equity portfolios performed inline with their respective benchmarks.
- Artio International Equity performed inline with the MSCI ACWI (ex. U.S.), gross of fees. Manning & Napier trailed the benchmark by under 1%.
- Helped by high yield exposure in the WAMCO and PIMCO core plus portfolios, these strategies outperformed the Barclays Aggregate index by 0.5% and 1.1%, respectively.
- The AFL-CIO Housing Investment Trust gained 1.5% and outperformed the Barclays Aggregate and Mortgage indices by 0.4% and 0.6%, respectively, gross of fees.
- Together, the Pension Fund's real estate strategies kept pace with the NCREIF Property Index during the fourth quarter. The AFL-CIO Building Investment Trust gained 3.4%, outperforming the NCREIF Property return of 3.0%. The Multi-Employer Property Trust strategy trailed the benchmark, as the strategy returned 2.5%.

Interim Update
January 31, 2012

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

Aggregate Assets
Asset Summary as of 1/31/12

	Market Value 1/31/12 ($ mm)	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 ($ mm)
Total Pension Fund	**107.8**	**100**	**NA**	**NA**	**103.9**
Domestic Equity Assets	40.6	38	25	15-35	38.8
International Developed Market Equity Assets	12.3	11	10	5-20	11.5
International Emerging Market Equity Assets	0.0	0[1]	7	0-20	0.0
Investment Grade Bond Assets	32.1	30	14	8-25	31.5
TIPS Assets	5.1	5	10	0-20	5.0
High Yield Bond Assets	0.0	0	5	0-15	0.0
Emerging Markets Debt Assets	0.0	0	7	0-15	0.0
Real Estate Assets	10.9	10	12	0-25	10.9
Natural Resources Assets	0.0	0	5	0-10	0.0
Private Equity Assets[2]	2.0	2	5	0-10	2.0
Cash	4.8	4	0	NA	4.2

[1] Investments initiated during February 2012, with 3% and 7%, respectively.
[2] ULLICO asset value based on Marco data.

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

Aggregate Assets
Portfolio Roster as of 1/31/12

	Market Value 1/31/12 ($ mm)	% of Asset Class	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 ($ mm)
Total Pension Fund	**107.8**	**NA**	**100**	**NA**	**NA**	**103.9**
Domestic Equity Assets	**40.6**	**100**	**38**	**25**	**15-35**	**38.8**
Amalgamated LongView Large Cap 500 Index	35.8	88	33			34.2
Amalgamated LongView Small Cap 600 Index	4.8	12	4			4.5
International Developed Market Equity Assets	**12.3**	**100**	**11**	**10**	**5-20**	**11.5**
Manning & Napier International Equity	6.2	51	6			5.8
Artio International Equity	6.0	49	6			5.6
Investment Grade Bond Assets	**32.1**	**100**	**30**	**14**	**8-25**	**31.5**
Western Asset U.S. Core Plus	14.7	46	14			14.5
PIMCO Total Return	13.9	43	13			13.6
AFL-CIO Housing Investment Trust	3.4	11	3			3.4

Aggregate Assets
Portfolio Roster as of 1/31/12

	Market Value 1/31/12 ($ mm)	% of Asset Class	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 12/31/11 ($ mm)
TIPS Assets	**5.1**	**100**	**5**	**10**	**0-20**	**5.0**
Vanguard Inflation-Protected Securities	5.1	100	5			5.0
Real Estate Assets[1]	**10.9**	**100**	**10**	**12**	**0-25**	**10.9**
AFL-CIO Building Investment Trust	5.8	53	5			5.8
Multi-Employer Property Trust	5.1	47	5			5.1
Private Equity Assets[2]	**2.0**	**100**	**2**	**5**	**0-10**	**2.0**
ULLICO Class A	2.0	100	2			2.0
Cash	**4.8**	**100**	**4**	**0**	**NA**	**4.2**

[1] The AFL-CIO and MEPT portfolios are valued on a quarterly basis. Market values are as of September 30, 2011.
[2] ULLICO asset value based on Marco data.

Aggregate Assets Performance as of 1/31/12

	January (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	20 YR (%)	Inception Date	Since Inception (%)
Total Pension Fund	**3.3**	**3.5**	**12.7**	**2.1**	**3.8**	**7.0**	**1/1/88**	**7.7**
CPI (inflation)	*0.4*	*2.9*	*2.4*	*2.3*	*2.5*	*2.5*		*2.8*
Policy Benchmark[1]	*3.4*	*3.3*	*12.3*	*2.4*	*6.0*	*NA*		*NA*
Domestic Equity[2]	**4.7**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**-1.1**
Amalgamated LongView Large Cap 500 Index	4.5	4.2	19.3	0.4	3.6	NA	1/1/96	6.8
S&P 500	*4.5*	*4.2*	*19.2*	*0.3*	*3.5*	*8.1*		*6.7*
Amalgamated LongView Small Cap 600 Index	6.6	7.4	25.0	2.8	NA	NA	1/1/03	10.5
S&P Small Cap	*6.6*	*7.5*	*25.1*	*2.8*	*7.7*	*10.2*		*10.5*
International Developed Market Equity[2]	**7.0**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**-17.6**
Manning & Napier International Equity	7.0	-11.7	NA	NA	NA	NA	1/1/10	-0.5
MSCI ACWI (ex. U.S.)	*6.8*	*-8.8*	*16.7*	*-1.7*	*7.5*	*5.9*		*1.2*
Artio International Equity (GTII)	7.0	-13.8	9.1	-4.8	NA	NA	7/1/06	-1.1
MSCI ACWI (ex. U.S.)	*6.8*	*-8.8*	*16.7*	*-1.7*	*7.5*	*5.9*		*1.1*

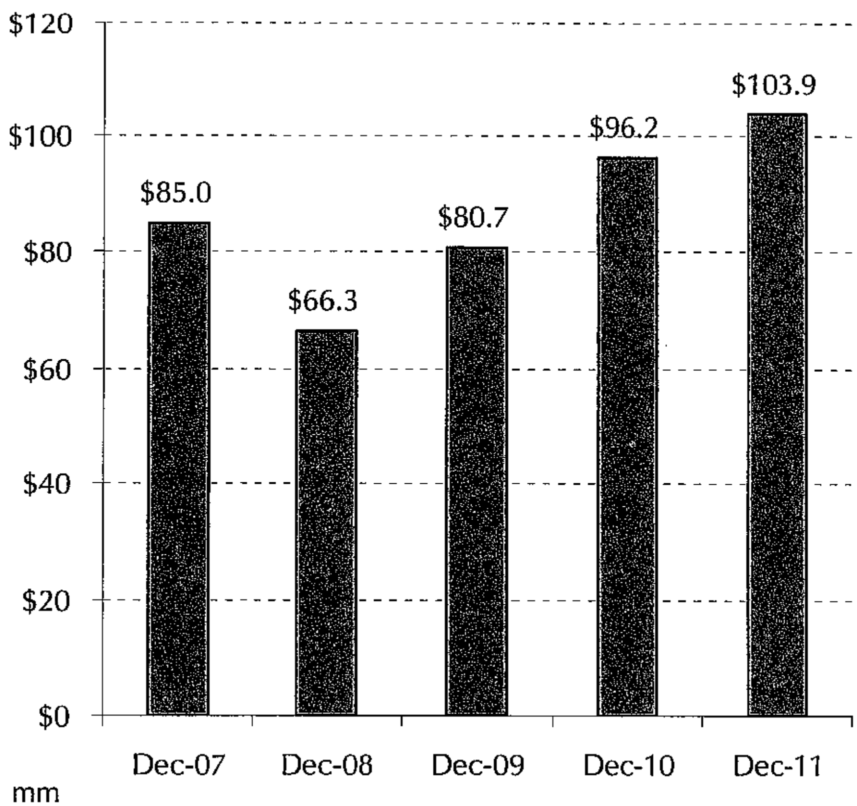
[1] Policy Benchmark: 52% MSCI ACWI, 36% Barclays Universal, 12% NCREIF ODCE Equal Weighted.
[2] Historical asset class aggregates not available from Marco.

Aggregate Assets Performance as of 1/31/12

	January (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	20 YR (%)	Inception Date	Since Inception (%)
Investment Grade Bonds[1]	**1.9**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**3.9**
Western Asset U.S. Core Plus	1.6	7.7	15.3	7.3	NA	NA	8/1/06	7.5
Barclays Aggregate	*0.9*	*8.7*	*7.4*	*6.7*	*5.8*	*6.6*		*6.8*
PIMCO Total Return	2.6	6.6	NA	NA	NA	NA	1/1/10	7.5
Barclays Aggregate	*0.9*	*8.7*	*7.4*	*6.7*	*5.8*	*6.6*		*7.3*
AFL-CIO Housing Investment Trust	0.8	8.6	7.4	7.0	NA	NA	6/1/02	6.1
Barclays Aggregate	*0.9*	*8.7*	*7.4*	*6.7*	*5.8*	*6.6*		*5.8*
Barclays Mortgage	*0.4*	*6.6*	*5.9*	*6.6*	*5.6*	*6.5*		*5.5*
TIPS	**2.2**	**NA**	**NA**	**NA**	**NA**	**NA**	**12/1/11**	**2.4**
Vanguard Inflation-Protected Securities	2.2	NA	NA	NA	NA	NA	12/1/11	2.4
Barclays U.S. TIPS	*2.3*	*15.9*	*10.6*	*8.4*	*7.8*	*NA*		*2.3*

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

Fund Summary
As of December 31, 2011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$100
$80
$60
$40
$20
$0
$85.0
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$96.2
$103.9
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Dec-11
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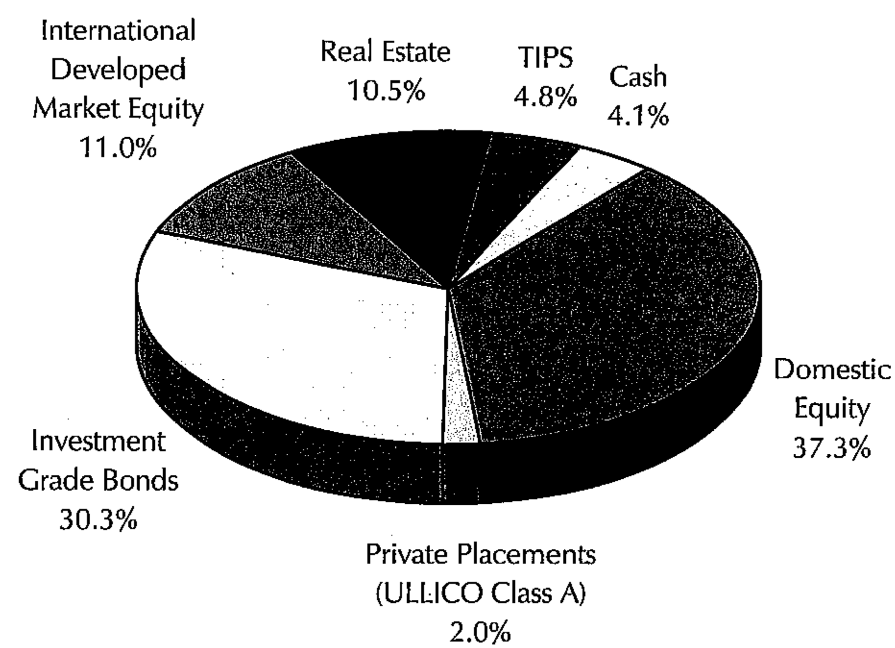

International Developed Market Equity 11.0%
Real Estate 10.5%
TIPS 4.8%
Cash 4.1%
Domestic Equity 37.3%
Private Placements (ULLICO Class A) 2.0%
Investment Grade Bonds 30.3%

Aggregate Assets
Asset Summary as of 12/31/11

	Market Value 12/31/11 ($ mm)	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 9/30/11 ($ mm)
Total Pension Fund	**103.9**	**100**	**NA**	**NA**	**97.0**
Domestic Equity Assets	38.8	37	25	15-35	34.5
International Developed Market Equity Assets	11.5	11	10	5-20	11.1
International Emerging Market Equity Assets	0.0	0	7	0-20	0.0
Investment Grade Bond Assets	31.5	30	14	8-25	30.9
TIPS Assets	5.0	5	10	0-20	0.0
High Yield Bond Assets	0.0	0	5	0-15	0.0
Emerging Market Debt Assets	0.0	0	7	0-15	0.0
Real Estate Assets	10.9	11	12	0-25	10.6
Natural Resources Assets	0.0	0	5	0-10	0.0
Private Equity Assets[1]	2.0	2	5	0-10	2.0
Cash	4.2	4	0	NA	7.9

[1] ULLICO asset value based on Marco data.

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

Aggregate Assets Portfolio Roster as of 12/31/11

	Market Value 12/31/11 ($ mm)	% of Asset Class	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 9/30/11 ($ mm)
Total Pension Fund	**103.9**	**NA**	**100**	**NA**	**NA**	**97.0**
Domestic Equity Assets	**38.8**	**100**	**37**	**25**	**15-35**	**34.5**
Amalgamated LongView Large Cap 500 Index	34.2	88	33			30.6
Amalgamated LongView Small Cap 600 Index	4.5	12	4			3.9
International Developed Market Equity Assets	**11.5**	**100**	**11**	**10**	**5-20**	**11.1**
Manning & Napier International Equity	5.8	51	6			5.6
Artio International Equity	5.6	49	5			5.4
Investment Grade Bond Assets	**31.5**	**100**	**30**	**14**	**8-25**	**30.9**
Western Asset U.S. Core Plus	14.5	46	14			14.3
PIMCO Total Return	13.6	43	13			13.3
AFL-CIO Housing Investment Trust	3.4	11	3			3.4

Aggregate Assets
Portfolio Roster as of 12/31/11

	Market Value 12/31/11 ($ mm)	% of Asset Class	% of Pension Fund	Target Allocation (%)	Target Range (%)	Market Value 9/30/11 ($ mm)
TIPS Assets	**5.0**	**100**	**5**	**10**	**0-20**	**0.0**
Vanguard Inflation-Protected Securities	5.0	100	5			0.0
Real Estate Assets	**10.9**	**100**	**11**	**12**	**0-25**	**10.6**
AFL-CIO Building Investment Trust	5.8	53	6			5.6
Multi-Employer Property Trust	5.1	47	5			5.0
Private Equity Assets[1]	**2.0**	**100**	**2**	**5**	**0-10**	**2.0**
ULLICO Class A	2.0	100	2			2.0
Cash	**4.2**	**100**	**4**	**0**	**NA**	**7.9**

[1] ULLICO asset value based on Marco data.

Aggregate Assets Performance as of 12/31/11

	4Q11 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	20 YR (%)	Inception Date	Since Inception (%)
Total Pension Fund	**5.8**	**1.3**	**9.9**	**1.6**	**3.5**	**6.8**	**1/1/88**	**7.6**
CPI (inflation)	*-0.5*	*3.0*	*2.4*	*2.3*	*2.5*	*2.5*		*2.8*
Policy Benchmark[1]	*4.7*	*0.8*	*9.3*	*1.8*	*5.5*	*NA*		*NA*
Domestic Equity[2]	12.4	NA	NA	NA	NA	NA	6/1/11	-5.6
Russell 3000	*12.1*	*1.0*	*14.9*	*0.0*	*3.5*	*8.0*		*-6.7*
International Developed Market Equity[2]	3.4	NA	NA	NA	NA	NA	6/1/11	-23.0
MSCI ACWI (ex. U.S.) IMI	*3.3*	*-14.3*	*11.5*	*-2.7*	*6.9*	*NA*		*-18.5*
Investment Grade Bonds[2]	1.8	NA	NA	NA	NA	NA	6/1/11	1.9
Barclays Aggregate	*1.1*	*7.8*	*6.8*	*6.5*	*5.8*	*6.5*		*4.7*
TIPS	NA	NA	NA	NA	NA	NA	12/1/11	0.2
Barclays U.S. TIPS	*2.7*	*13.6*	*10.4*	*8.0*	*7.6*	*NA*		*0.0*
Real Estate[2]	3.0	NA	NA	NA	NA	NA	6/1/11	10.0
NCREIF ODCE Equal Weighted	*3.0*	*16.0*	*-2.3*	*-0.6*	*5.8*	*7.2*		*11.5*

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

	4Q11 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	20 YR (%)	Inception Date	Since Inception (%)
Domestic Equity[1]	**12.4**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**-5.6**
Amalgamated LongView Large Cap 500 Index	11.8	2.1	14.1	-0.2	2.9	NA	1/1/96	6.5
S&P 500	*11.8*	*2.1*	*14.1*	*-0.3*	*2.9*	*7.8*		*6.5*
Amalgamated LongView Small Cap 600 Index	17.2	0.9	17.0	1.9	NA	NA	1/1/03	9.8
S&P Small Cap	*17.2*	*1.0*	*17.0*	*1.9*	*7.1*	*10.3*		*9.8*
International Developed Market Equity[1]	**3.4**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**-23.0**
Manning & Napier International Equity	3.0	-15.6	NA	NA	NA	NA	1/1/10	-3.9
MSCI ACWI (ex. U.S.)	*3.7*	*-13.7*	*10.7*	*-2.9*	*6.3*	*5.4*		*-2.1*
Artio International Equity	3.7	-20.0	2.4	-5.8	NA	NA	7/1/06	-2.3
MSCI ACWI (ex. U.S.)	*3.7*	*-13.7*	*10.7*	*-2.9*	*6.3*	*5.4*		*-0.1*

[1] Historical asset class aggregates not available from prior consultant.

	4Q11 (%)	1 YR (%)	3 YR (%)	5 YR (%)	10 YR (%)	20 YR (%)	Inception Date	Since Inception (%)
Investment Grade Bonds[1]	**1.8**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**1.9**
Western Asset U.S. Core Plus, LLC	1.6	6.7	14.6	6.9	NA	NA	8/1/06	7.3
Barclays Aggregate	*1.1*	*7.8*	*6.8*	*6.5*	*5.8*	*6.5*		*6.7*
PIMCO Total Return	2.2	4.2	NA	NA	NA	NA	1/1/10	6.5
Barclays Aggregate	*1.1*	*7.8*	*6.8*	*6.5*	*5.8*	*6.5*		*7.2*
AFL-CIO Housing Investment Trust	1.5	8.1	7.2	6.9	NA	NA	6/1/02	6.1
Barclays Aggregate	*1.1*	*7.8*	*6.8*	*6.5*	*5.8*	*6.5*		*5.7*
Barclays Mortgage	*0.9*	*6.2*	*5.8*	*6.5*	*5.7*	*6.4*		*5.5*
TIPS	**NA**	**NA**	**NA**	**NA**	**NA**	**NA**	**12/1/11**	**0.2**
Vanguard Inflation-Protected Securities	NA	NA	NA	NA	NA	NA	12/1/11	0.2
Barclays U.S. TIPS	*2.7*	*13.6*	*10.4*	*8.0*	*7.6*	*NA*		*0.0*
Real Estate[1]	**3.0**	**NA**	**NA**	**NA**	**NA**	**NA**	**6/1/11**	**10.0**
AFL-CIO Building Investment Trust	3.4	13.0	-1.0	0.1	NA	NA	7/1/02	5.3
NCREIF ODCE Equal Weighted	*3.0*	*16.0*	*-2.3*	*-0.6*	*5.8*	*7.2*		*5.9*
NCREIF Property	*3.0*	*14.3*	*2.4*	*3.1*	*8.1*	*8.1*		*8.1*
Multi-Employer Property Trust	2.5	13.0	-2.9	-1.1	4.6	5.8	1/1/92	5.8
NCREIF ODCE Equal Weighted	*3.0*	*16.0*	*-2.3*	*-0.6*	*5.8*	*7.2*		*7.2*
NCREIF Property	*3.0*	*14.3*	*2.4*	*3.1*	*8.1*	*8.1*		*8.1*

[1] Historical asset class aggregates not available from prior consultant.

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[1]	**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[1]	**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	-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*

[1] Historical asset class aggregates not available from prior consultant.

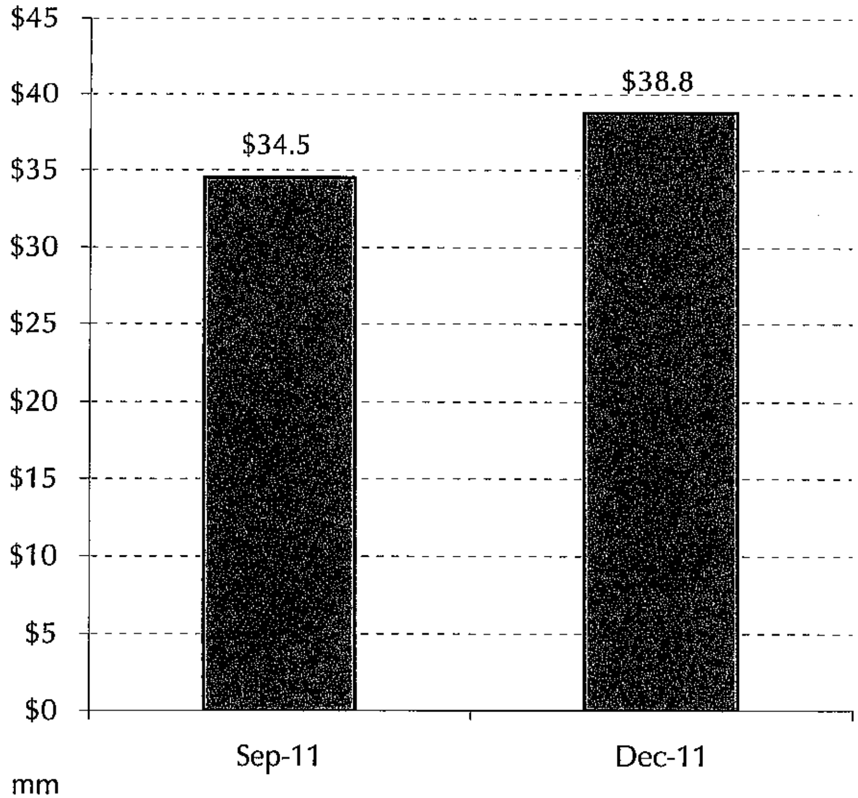
	2011 (%)	2010 (%)	2009 (%)	2008 (%)	2007 (%)	2006 (%)	2005 (%)	2004 (%)	2003 (%)	2002 (%)
Investment Grade Bonds[1]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Western Asset U.S. Core Plus, LLC	6.7	12.0	25.9	-9.6	2.6	NA	NA	NA	NA	NA
Barclays Aggregate	*7.8*	*6.5*	*5.9*	*5.2*	*7.0*	*4.3*	*2.4*	*4.3*	*4.1*	*10.3*
PIMCO Total Return	4.2	8.8	NA	NA	NA	NA	NA	NA	NA	NA
Barclays Aggregate	*7.8*	*6.5*	*5.9*	*5.2*	*7.0*	*4.3*	*2.4*	*4.3*	*4.1*	*10.3*
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*
Real Estate[1]	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*

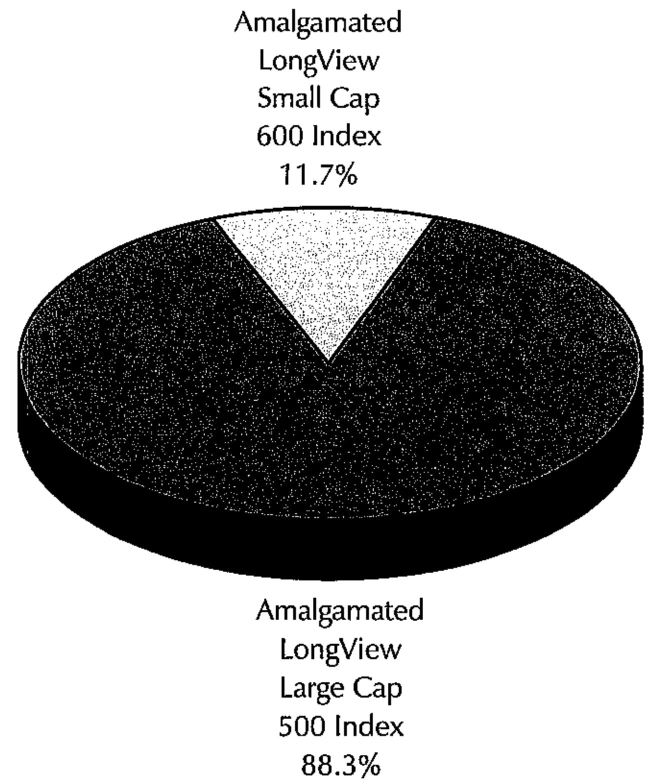
[1] Historical asset class aggregates not available from prior consultant.

Fund Detail
As of December 31, 2011

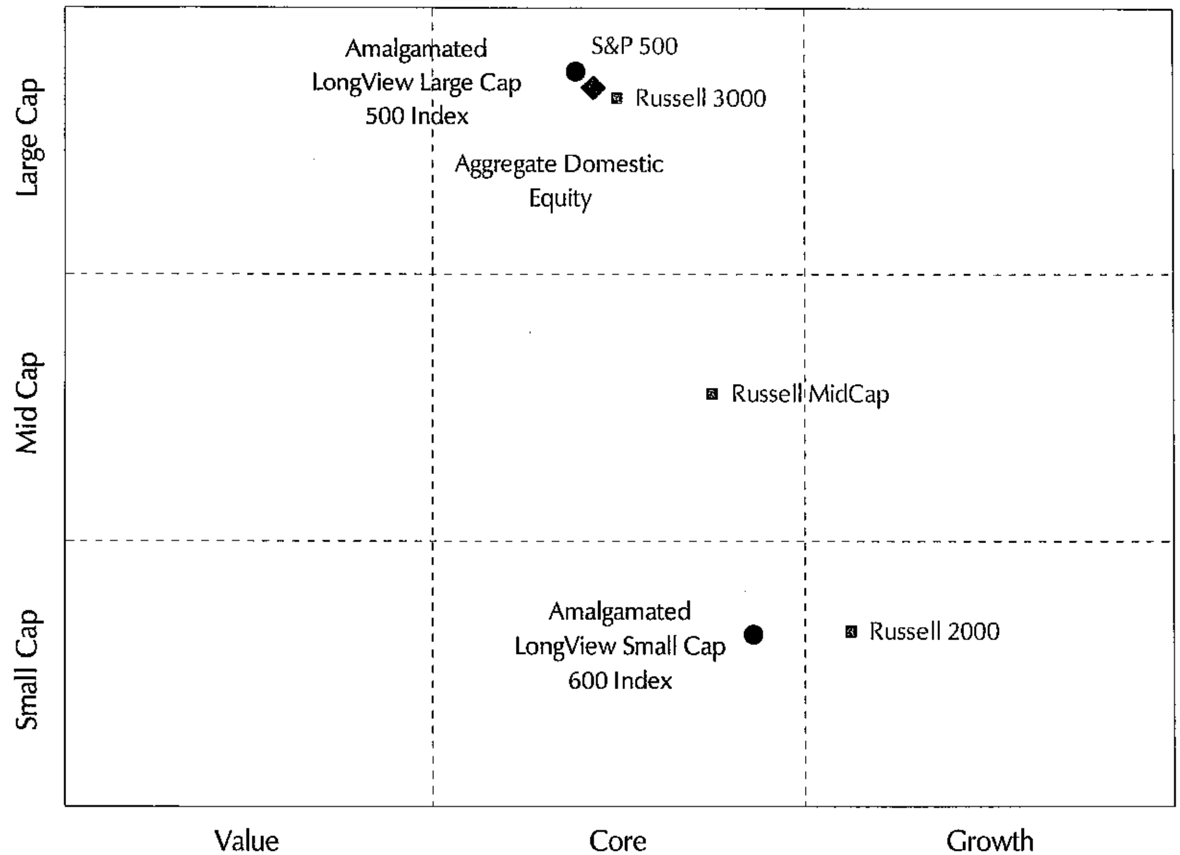
Domestic Equity Assets
As of December 31, 2011

Domestic Equity Assets
as of 12/31/11





Domestic Equity Assets
Style as of 12/31/11



Domestic Equity Assets Characteristics as of 12/31/11

Capitalization Structure:	Aggregate Domestic Equity 12/31/11	Russell 3000 12/31/11	Aggregate Domestic Equity 9/30/11
Weighted Average Market Cap. (US$ billion)	84.6	78.5	78.4
Median Market Cap. (US$ billion)	1.6	0.9	1.5
Large (% over US$10 billion)	78	73	77
Medium (% US$2 billion to US$10 billion)	12	19	13
Small (% under US$2 billion)	10	7	10

Fundamental Structure:			
Price-Earnings Ratio	17	18	16
Price-Book Value Ratio	3.2	3.2	3.0
Dividend Yield (%)	2.0	2.0	2.0
Historical Earnings Growth Rate (%)	8	8	8
Projected Earnings Growth Rate (%)	11	11	11

Domestic Equity Assets Diversification as of 12/31/11

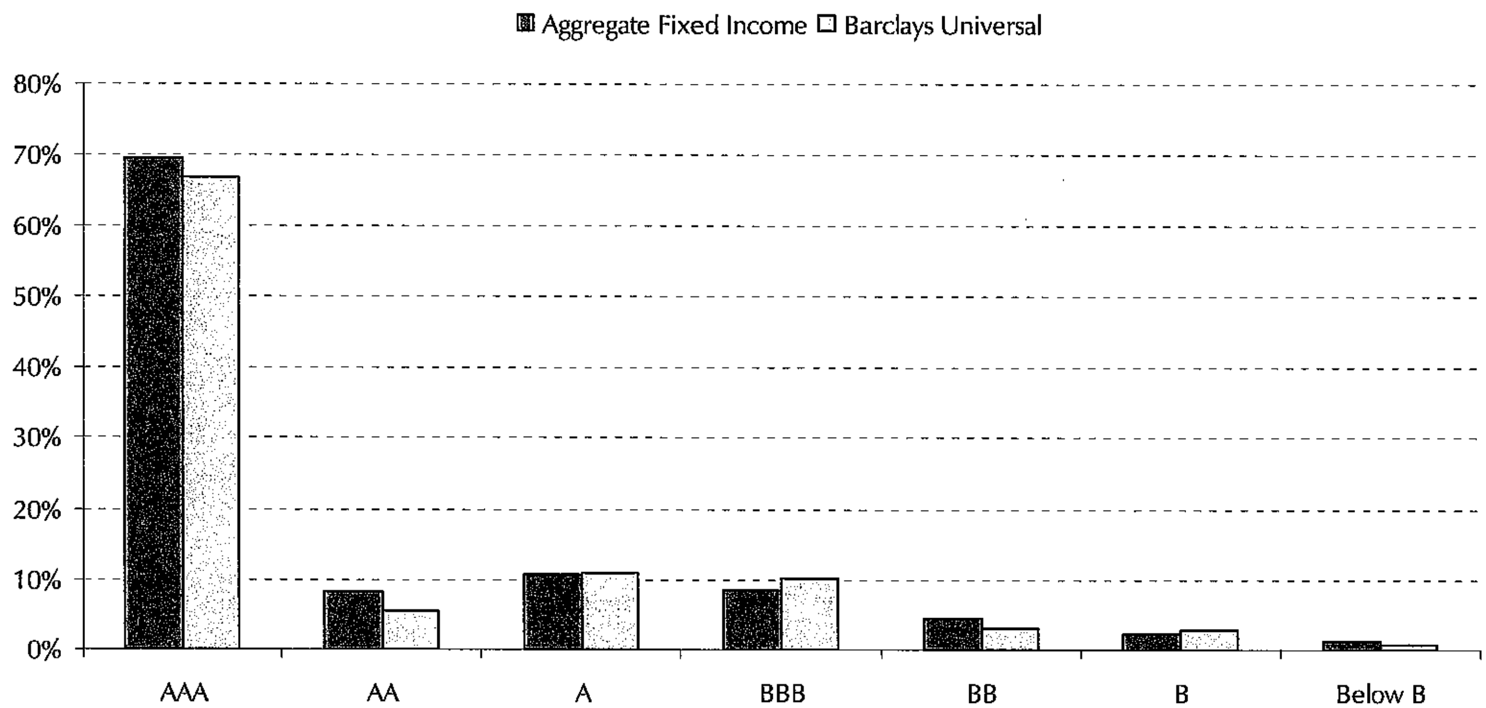
Diversification:	Aggregate Domestic Equity 12/31/11	Russell 3000 12/31/11	Aggregate Domestic Equity 9/30/11
Number of Holdings	1,102	2,946	1,102
% in 5 largest holdings	11	10	11
% in 10 largest holdings	18	17	18

Largest Five Holdings:	% of Portfolio	Economic Sector
ExxonMobil	3.2	Energy
Apple	2.9	Technology Hardware
IBM	1.7	Software & Services
Chevron	1.6	Energy
Microsoft	1.5	Software & Services

Domestic Equity Assets
Sector Allocation as of 12/31/11

Sector Allocation (%):	Aggregate Domestic Equity 12/31/11	Russell 3000 12/31/11	Aggregate Domestic Equity 9/30/11
Consumer Staples	11	10	11
Information Technology	19	18	19
Utilities	4	4	4
Energy	11	11	11
Telecom	3	3	3
Health Care	12	12	12
Industrials	11	11	11
Materials	4	4	4
Consumer Discretionary	11	12	11
Financials	14	15	14

Duration & Yield:	Aggregate Fixed Income 12/31/11	Barclays Universal 12/31/11	Aggregate Fixed Income 9/30/11
Average Effective Duration (years)	5.5	4.9	5.7
Yield to Maturity (%)	3.4	2.8	3.4



Fixed Income Assets Diversification as of 12/31/11

	Aggregate Fixed Income 12/31/11	Barclays Universal 12/31/11	Aggregate Fixed Income 9/30/11
Market Allocation (%):			
United States	87	86	88
Foreign (developed markets)	11	12	9
Foreign (emerging markets)	3	3	2
Currency Allocation (%):			
Non-U.S. Dollar Exposure	0	0	2
Sector Allocation (%):			
U.S. Treasury-Nominal	10	31	6
U.S. Treasury-TIPS	18	0	5
U.S. Agency	1	8	2
Mortgage Backed	37	28	41
Corporate	20	26	24
Bank Loans	1	0	1
Local & Provincial Government	2	1	0
Sovereign & Supranational	0	4	4
Commercial Mortgage Backed	8	2	9
Asset Backed	1	0	2
Cash Equivalent	-10	0	-8
Other	13	0	14

Natural Resources: Strategic Allocation

ABSTRACT

This paper examines the likely return behavior of investments in natural resources. It briefly describes the universe and discusses the investment issues involved. It primarily focuses on private market investments in natural resources assets, as private equity offers attractive and durable benefits over similar public market investments.

We find that natural resources are a suitable substitute for equities, especially during periods of high inflation. Meketa Investment Group recommends that long-term investors allocate a small percentage (3% to 5%) of their portfolios to natural resources investments, and that this come from their public equity allocations.

INTRODUCTION

Natural resources are essentially products of the Earth that are considered valuable in a relatively unmodified form. A broad category, natural resources include everything from what we commonly refer to as commodities (e.g., oil, copper, wheat, apples, timber) to more exotic items (e.g., solar and wind power, geothermal heat, biofuels). In a financial context, natural resources funds focus on opportunities among a wide array of relevant economic activities, from extraction to transportation to refining, that are tied to the underlying value of commodities.

For exposition, it is useful to decompose the natural resources investment universe into three areas by whether they focus on harvested, extracted, or renewable resources.

Harvested Resources

Harvested resources strategies generate returns primarily through agricultural husbandry. That is, funds purchase farmland or timberland in order to derive returns from the growth and sale of, for example, grapes or pulpwood. In general, returns to these strategies mimic those for real estate: there is both an income component, based on the sale of goods harvested, and a capital appreciation or depreciation component, based on the eventual sale of the land. Since these strategies generally take place "upstream"—or early in the entire economic value chain—returns can be sensitive to the price of the associated commodities.

Though husbandry is as old as civilization itself, harvesting strategies in a modern portfolio context are relatively new, having only been popular since the late 1980s. In the early 2000s, the Harvard Management Company, which oversees Harvard's endowment, helped legitimize the field when it allocated 6% of its portfolio at the time to timber strategies, citing its attractive historical returns and diversification properties (Kovaleski, 2001). The short-term historical returns of investing in both timberland and farmland have indeed been attractive, as the following chart demonstrates. From 1987 through 2008, timberland has generated a 15.1% annualized return with an 8.4% annualized standard deviation; from 1987 through 2008, farmland has generated an 11.1% annualized return with a 6.8% annualized standard deviation. Note the lack of volatility in both time series, and how they outperformed—and were weakly correlated with—the S&P 500 over the relevant time frames.

class. Therefore, to maintain a fixed level of actual investment in natural resources, it is necessary to commit more than the target allocation (i.e., over-commit). There is insufficient history to establish a hard rule on how much to over-commit, but we estimate it will be necessary to commit 1.2x to 1.8x the desired allocation.

	0%	3%	5%
Equities	60%	57%	55%
Bonds	40%	40%	40%
Natural Resources	0%	3%	5%
Exp. Return	7.4%	7.5%	7.5%
Exp. Std. Dev.	10.5%	10.2%	10.1%

Source: MIG 2009 Annual Asset Study

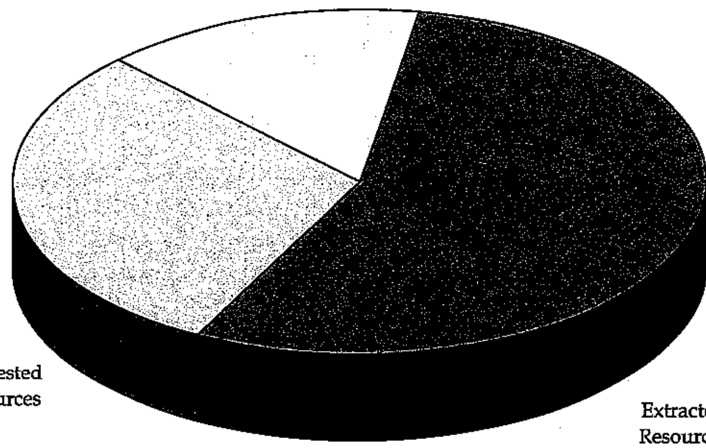
PORTFOLIO CONSTRUCTION

We expect that a diversified natural resources portfolio will in aggregate produce returns in excess of those of the public equity markets. We expect that a diversified portfolio of natural resources, in aggregate, will experience higher volatility than that of stocks, but its inclusion as a non-highly correlated asset class should reduce overall portfolio volatility, as seen in the table above.

A portfolio of natural resources investments should be well diversified to reduce the risks for which an investor is not compensated. This includes diversification by strategy, geography, manager, vehicle, individual investment, and vintage year.

The construction of a diversified natural resources portfolio will be partly determined by the available set of investment opportunities. For example, there are only a handful of firms that make available vehicles to invest in U.S. farmland, and some of these are limited to large separate accounts (e.g., $50 million or more). The number of U.S. timberland managers has grown in the past decade to more than two dozen, and many have expanded their investments to include non-U.S. timberland. Though there are occasionally attractive renewable energy investment opportunities, the most robust universe of investment opportunities remains within the traditional energy complex, specifically focused on extraction, production, and distribution of hydrocarbons.

Given the opportunity set and the investment characteristics of each component, a mature natural resources portfolio should likely emphasize extracted resources while placing the least emphasis on renewable resources. A sample allocation is depicted in the following chart. However, there is no single allocation appropriate for all investors. A key component of developing an investment policy for natural resources would include determining the allocation most appropriate for a plan sponsor's risk and return expectations.



IMPLEMENTATION

Private vs. Public

Plan sponsors may invest in natural resources assets through both privately and publicly traded vehicles. These two types of vehicles will exhibit different volatility characteristics. Publicly traded vehicles are likely to exhibit equity-like volatility. Private vehicle volatility is expected to be somewhat lower. Furthermore, private equity funds run by quality managers should provide an additional alpha over similar public market investments. *As such, we have a preference for achieving the majority of a plan sponsor's allocation to natural resources via private market funds.*

However, it may take some years to fully achieve the desired target allocation via investments in private market funds. Therefore, plan sponsors may wish to consider investing the balance of their target allocation in listed (public) natural resources vehicles. The largest downside of a public market allocation is the very high correlation to the returns of energy and related stocks. A public market investment will behave more like public equities than will private market investments. Note that exposure to some natural resources sectors may only be available as a pure play in one format or the other (e.g., water funds, commodities futures, timberland).

During periods of high inflation, natural resources stocks may be assumed to return more than broad public equity markets. If an investor is confident that such a period is forthcoming, then a larger allocation to natural resources stocks—especially stocks of upstream companies—may be warranted.

Benchmarks

The natural resources asset class is in the early stages of development, and while benchmarks exist for certain components (e.g., timberland and commodities), no standard industry benchmark has yet emerged for the entire class.

Timing

Most of the underlying industries in the natural resources category can be highly cyclical, driven by the cyclicality of commodity prices. Commodity prices themselves are largely dependent on the rate of global growth. Therefore, the least attractive time to invest in natural resources is when global growth is at a peak, if such a peak could be identified.

Trying to time a market on a quarter-by-quarter basis is extremely difficult, and we recommend against doing so. Rather, we recommend a more tactical approach, by setting target allocation ranges wide enough to allow for modest shifts relative to the long-term target. A plan sponsor who is concerned about an entry point might consider allocating assets to the space gradually, and if a particular sector appears temporarily unattractive, a more gradual approach to investment in that sector may be warranted.

Vehicle

There are two categories of investment vehicles available for investors who wish to invest in natural resources. The private vehicles are usually "closed-end" funds, though some separate account options are available. The publicly traded vehicles are traditional open-end funds and strategies (like mutual funds) whose share prices fluctuate daily.

Most of the current universe of natural resources funds is structured like private equity partnerships in nearly every manner. They are closed-end private funds, generally with ten-year terms and two to three one-year extensions. They are structured with an investment period of three to five years, and will usually invest in ten to fifteen assets.

Costs

Like private equity partnerships, the fees on private natural resources funds are high, and generally include both a management fee (ranging from 1.5% to 2.0% per year) and a performance-based fee. The latter may or may not involve an 8% to 10% hurdle rate and commonly includes a carried interest of 20%. All of the costs and fees associated with natural resources investing are higher than for public market securities and will be dilutive on returns. Any investor must consider these costs carefully.

Another characteristic that natural resources funds will share with private equity partnerships is the J-curve. However, this is mitigated by the income stream generated by many natural resources assets shortly after their acquisition. Hence, the J-curve should be less pronounced than that to which private equity investors are accustomed.

An allocation to natural resources will require added commitments by the plan sponsor in time and resources. Administratively, the capital calls and distributions associated with natural resources funds are unpredictable. Fund administrators need procedures to accommodate these cash flows reliably and efficiently. These assets will require additional monitoring by the plan sponsor.

SUMMARY AND RECOMMENDATION

Natural resources represent a new asset class for many institutional investors. Although the majority of natural resources funds have short histories, historical data suggest (1) that public market natural resources strategies should perform best during periods of high inflation, and (2) that natural resources should produce returns in excess of those of broader public equities.

Meketa Investment Group recommends that long-term investors allocate a small percentage (3% to 5%) of their assets to natural resources investments and that this come from their broad public equity allocation. Plan sponsors should focus on private market funds, gradually increasing their exposure to natural resources and building a diversified portfolio of funds over a period of years. However, if an inflationary period is anticipated, a plan sponsor may consider investing the as-yet-unfunded portion of their private natural resources allocation in public natural resources stocks in order to mitigate the negative impact of inflation on their portfolio.

REFERENCES

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Dunsby, Adam, John Eckstein, Jess Gaspar, and Sarah Mulholland. *Commodity Investing: Maximizing Returns Through Fundamental Analysis*. Hoboken, New Jersey: John Wiley & Sons, Inc., 2008.

GLOSSARY

Base metals: Non-precious, non-ferrous metals that include copper, aluminum, lead, nickel, tin, and zinc.

Biofuels: Biofuels are combustible fuels, such as bio-ethanol, that are made and processed from vegetation sources such as corn, sugar cane, barley, or wheat.

Cleantech: A broad term used to classify products or services that improve energy productivity, performance, or efficiency while reducing input costs, consumption, waste, or pollution. Common products associated with cleantech are wind farms, photovoltaics, fuel cells, biofuels, and smart grid technologies.

Downstream: Portion of the energy chain that includes oil refineries, petrochemical plants, power generation, and distribution outlets.

E&P: Acronym for "Exploration and Production" that relates to the exploration, development, and production of crude oil or natural gas reserves. E&P is also referred to as the upstream sector.

Hedging: Strategy used to limit or offset exposure to pricing risk of an underlying commodity. A common way to execute this strategy is through the use of futures contracts, a financial derivative that allows for the sale of a commodity at a pre-specified price in the future, whether or not the market price increases or decreases at the time.

Hydrocarbon: A hydrogen and carbon compound created from the decomposition of organic material over time. Most hydrocarbons are found naturally in fossil fuels such as crude oil, natural gas, and coal.

Midstream: The portion of the energy chain that transports and stores commodities such as oil and natural gas.

Natural Gas: A gaseous fossil fuel consisting primarily of methane and other heavier hydrocarbons. Natural gas burns cleaner than oil and coal and is a major source of electricity generation through the use of gas and steam turbines.

Oil Sands: Naturally occurring mixtures of a very dense, tar-like form of petroleum called bitumen and sand or clay. Because of the high production and refining costs associated with oil sands, economic feasibility only occurs with high oil prices.

Operator: An individual or company responsible for the exploration, production, and development of an oil or gas well.

Precious Metals: Precious metals include gold, silver, palladium, and platinum. These metals have wide industrial uses but are better known for their usage in jewelry, art, and store of value.

Renewable Energy: Energy derived from natural resources such as solar, wind, geothermal, or biofuels. Unlike oil, natural gas, or coal, these sources of energy are naturally replenished, providing a potential source of cleaner and more sustainable energy.

Upstream: Portion of the energy industry engaged in the exploration, production, and development of crude oil and natural gas reserves.

APPENDIX A

HISTORICAL RETURN DATA

Extracted Resources

	Full History Corr. Oil[5]	Since 1991 Corr. Oil
Integrated ('41-'08)	0.19	0.37
Exploration ('89-'08)	0.43	0.44
Refining and Trans. ('91-'08)	0.22	0.22
Equipment and Serv. ('89-'08)	0.38	0.45

Precious and Base Metals

	Corr.[6]
Aluminum	0.34
Diversified	0.36
Gold	0.52
Steel	0.25
Metals and Mining	0.34

5 Historical spot price or near-month WTI price; monthly return series. Most companies are focused on crude oil, a smaller proportion on natural gas.

6 Historical spot price or near-month price for aluminum and gold, CRB spot metals index for diversified, steel, and the equal-weighted basket. Monthly correlations starting when spot prices were either available or started varying in dollar terms: aluminum, since 1986; gold, since 1941; diversified, steel, and equal-weighted basket, since 1947.

APPENDIX B

BEHAVIOR OF ENERGY STOCKS DURING PERIODS OF HIGH AND LOW INFLATION

	Top Quintile Inflation	Bottom Quintile Inflation	Total Sample Correlation w/ CPI-U
One-Year			
CPI-U	9.8%	0.7%	1.00
Energy	16.8%	14.0%	0.08
S&P 500	5.7%	17.8%	-0.26
Three-Year			
CPI-U	8.2%	1.2%	1.00
Energy	15.6%	14.8%	0.11
S&P 500	6.6%	16.0%	-0.01
Five-Year			
CPI-U	8.0%	1.5%	1.00
Energy	18.2%	13.4%	0.22
S&P 500	8.2%	14.4%	-0.27
Ten-Year			
CPI-U	7.4%	1.6%	1.00
Energy	19.5%	12.0%	0.42
S&P 500	9.6%	14.1%	-0.34
Twenty-Year			
CPI-U	6.3%	2.5%	1.00
Energy	18.0%	12.6%	0.54
S&P 500	10.2%	12.6%	-0.31

Portfolio Reviews
As of December 31, 2011

Domestic Equity Portfolio Reviews
As of December 31, 2011

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

Amalgamated LongView Large Cap 500 Index Portfolio Detail as of 12/31/11

Mandate: Domestic Equities

Active/Passive: Passive

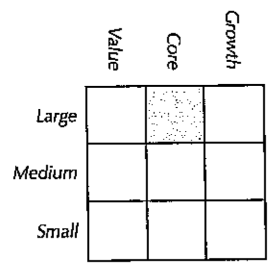
Market Value: $34.2 million

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 (%):	4Q11	1 YR	3 YR	5 YR	Since 1/1/96
Amalgamated LongView Large Cap 500 Index	11.8	2.1	14.1	-0.2	6.5
S&P 500	11.8	2.1	14.1	-0.3	6.5
Peer Large Cap Core	12.0	1.3	14.3	0.2	6.9
Peer Ranking (percentile)	*56*	*37*	*55*	*59*	*63*

	12/31/11		9/30/11	
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)	95.1	95.1	87.9	87.1
Median Market Cap. (US$ billion)	11.0	11.0	9.7	9.8
Large (% over US$10 billion)	88	88	87	87
Medium (% US$2 billion to US$10 billion)	11	11	13	13
Small (% under US$2 billion)	0	0	0	0
Fundamental Structure:				
Price-Earnings Ratio	16	16	15	16
Price-Book Value Ratio	3.3	3.3	3.1	3.1
Dividend Yield (%)	2.1	2.1	2.1	2.1
Historical Earnings Growth Rate (%)	8	8	8	8
Projected Earnings Growth Rate (%)	11	11	11	11
Sector Allocation (%):				
Energy	12	12	12	12
Consumer Discretionary	11	11	11	11
Health Care	12	12	12	12
Industrials	11	11	10	10
Consumer Staples	12	12	12	12
Telecom	3	3	3	3
Utilities	4	4	4	4
Materials	4	4	3	3
Financials	14	14	14	14
Information Technology	19	19	19	19
Diversification:				
Number of Holdings	500	500	500	500
% in 5 largest holdings	12	12	12	12
% in 10 largest holdings	20	20	21	21

Largest Ten Holdings:		**Industry**
ExxonMobil	3.6	Energy
Apple	3.3	Technology Hardware
IBM	1.9	Software & Services
Chevron	1.9	Energy
Microsoft	1.7	Software & Services
General Electric	1.7	Capital Goods
Procter & Gamble	1.6	Household/Personal Products
AT&T	1.6	Telecommunication Services
Johnson & Johnson	1.6	Pharmaceuticals & Biotech
Pfizer	1.5	Pharmaceuticals & Biotech

Amalgamated LongView Small Cap 600 Index Portfolio Detail as of 12/31/11

Mandate: Domestic Equities

Active/Passive: Passive

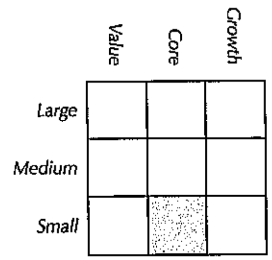
Market Value: $4.5 million

Portfolio Manager: Thomas B. O'Donnell

Location: New York, New York

Inception Date: 1/1/2003

Account Type: Commingled Fund



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 (%):	4Q11	1 YR	3 YR	5 YR	Since 1/1/03
Amalgamated LongView Small Cap 600 Index	17.2	0.9	17.0	1.9	9.8
S&P Small Cap	17.2	1.0	17.0	1.9	9.8
Peer Small Cap Core	16.5	-1.1	17.7	1.6	10.2
Peer Ranking (percentile)	*30*	*25*	*58*	*45*	*60*

	12/31/11 Amalgamated LongView Small Cap 600 Index	12/31/11 S&P Small Cap	9/30/11 Amalgamated LongView Small Cap 600 Index	9/30/11 S&P Small Cap
Capitalization Structure:				
Weighted Average Market Cap. (US$ billion)	1.2	1.2	1.1	1.1
Median Market Cap. (US$ million)	680.7	680.7	572.7	571.1
Large (% over US$10 billion)	0	0	0	0
Medium (% US$2 billion to US$10 billion)	12	12	10	10
Small (% under US$2 billion)	88	88	90	90
Fundamental Structure:				
Price-Earnings Ratio	24	24	22	22
Price-Book Value Ratio	2.5	2.5	2.3	2.3
Dividend Yield (%)	1.1	1.1	1.3	1.3
Historical Earnings Growth Rate (%)	7	7	7	7
Projected Earnings Growth Rate (%)	14	14	14	14
Sector Allocation (%):				
Industrials	16	16	15	15
Consumer Discretionary	15	15	15	15
Health Care	11	11	13	13
Utilities	5	5	5	5
Consumer Staples	4	4	5	5
Telecom	1	1	1	1
Materials	5	5	5	5
Energy	4	4	4	4
Financials	20	20	20	20
Information Technology	20	20	18	18
Diversification:				
Number of Holdings	602	600	602	600
% in 5 largest holdings	6	3	6	4
% in 10 largest holdings	9	6	8	6

Largest Ten Holdings:		Industry
iShares S&P Small Cap 600 Index	3.6	ETF
Health Spring	0.8	Health Equipment & Services
Salix Pharmaceuticals	0.6	Pharmaceuticals & Biotech
Biomed Realty Trust	0.6	Real Estate
Quest or Pharmaceuticals	0.6	Pharmaceuticals & Biotech
Tanger Factory Outlet	0.5	Real Estate
Piedmont Natural Gas	0.5	Utilities
Cubist Pharmaceuticals	0.5	Pharmaceuticals & Biotech
Proassurance	0.5	Insurance
Delphi Financial Group	0.5	Insurance

International Equity Portfolio Reviews
As of December 31, 2011

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

Manning & Napier International Equity Portfolio Detail as of 12/31/11

Mandate: International Equities, Developed Markets Emerging Markets

Active/Passive: Active

Market Value: $5.8 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 investments "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 (%):	4Q11	1 YR	Since 1/1/10
Manning & Napier International Equity	**3.0**	**-15.6**	**-3.9**
MSCI ACWI (ex. U.S.)	3.7	-13.7	-2.1
Peer International Core	4.7	-13.8	-2.5
Peer Ranking (percentile)	*82*	*73*	*73*

	12/31/11 Manning & Napier International Equity	12/31/11 MSCI ACWI (ex. U.S.)	9/30/11 Manning & Napier International Equity	9/30/11 MSCI ACWI (ex. U.S.)
Capitalization Structure:				
Weighted Average Market Cap. (US$ billion)	26.0	48.1	25.5	44.1
Median Market Cap. (US$ billion)	6.1	5.5	7.2	5.2
Large (% over US$10 billion)	47	74	48	73
Medium (% US$2 billion to US$10 billion)	48	24	46	26
Small (% under US$2 billion)	6	1	6	1
Fundamental Structure:				
Price-Earnings Ratio	17	15	17	14
Price-Book Value Ratio	2.5	2.3	2.4	2.2
Dividend Yield (%)	3.1	3.4	2.8	3.5
Historical Earnings Growth Rate (%)	8	6	5	6
Projected Earnings Growth Rate (%)	10	8	11	9
Sector Allocation (%):				
Consumer Staples	21	10	23	10
Information Technology	13	6	12	7
Health Care	13	7	13	7
Consumer Discretionary	14	9	16	9
Industrials	13	11	12	10
Materials	9	12	8	12
Energy	9	12	7	11
Utilities	0	4	0	4
Telecom	2	6	2	7
Financials	7	23	6	23
Diversification:				
Number of Holdings	79	1,846	79	1,869
% in 5 largest holdings	16	5	16	5
% in 10 largest holdings	28	10	29	9
Region Allocation (%):				
Americas	15	8	15	8
Europe	65	45	64	44
Pacific Rim	9	24	9	25
Other[1]	11	23	12	23

Largest Five Holdings:		Industry
Lonza	3.7	Pharmaceuticals & Biotech
Amdocs	3.2	Software & Services
Schlumberger	3.1	Energy
Sonic Healthcare	2.9	Health Equipment & Services
Ryanair Holdings	2.8	Transportation

[1] Includes an allocation to emerging markets.

Artio International Equity Portfolio Detail as of 12/31/11

Mandate: International Equities, Developed Markets Emerging Markets

Active/Passive: Active

Market Value: $5.6 million

Portfolio Manager: Team

Location: New York, New York

Inception Date: 7/1/2006

Account Type: Commingled Fund

	Value	Core	Growth
Large			
Medium			
Small			

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 (%):	4Q11	1 YR	3 YR	5 YR	Since 7/1/06
Artio International Equity	**3.7**	**-20.0**	**2.4**	**-5.8**	**-2.3**
MSCI ACWI (ex. U.S.)	3.7	-13.7	10.7	-2.9	-0.1
Peer International Core	5.0	-12.8	9.3	-3.2	-0.5
Peer Ranking (percentile)	*76*	*96*	*98*	*88*	*82*

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Artio International Equity	**22.1%**	**0.93**	**Neg.**	**Neg.**	**0.98**
MSCI ACWI (ex. U.S.)	23.9	1.00	Neg.	NA	1.00

- In 2011 Artio lagged the index for the third straight year.

	12/31/11 Artio International Equity	12/31/11 MSCI ACWI (ex. U.S.)	9/30/11 Artio International Equity	9/30/11 MSCI ACWI (ex. U.S.)
Capitalization Structure:				
Weighted Average Market Cap. (US$ billion)	59.2	48.1	37.7	44.1
Median Market Cap. (US$ billion)	25.1	5.5	14.7	5.2
Large (% over US$10 billion)	85	74	73	73
Medium (% US$2 billion to US$10 billion)	14	24	25	26
Small (% under US$2 billion)	1	1	2	1
Fundamental Structure:				
Price-Earnings Ratio	15	15	16	14
Price-Book Value Ratio	2.7	2.3	2.7	2.2
Dividend Yield (%)	2.7	3.4	2.1	3.5
Historical Earnings Growth Rate (%)	10	6	15	6
Projected Earnings Growth Rate (%)	10	8	13	9
Sector Allocation (%):				
Consumer Discretionary	17	9	23	9
Health Care	13	7	10	7
Energy	14	12	11	11
Industrials	12	11	14	10
Consumer Staples	11	10	8	10
Materials	12	12	14	12
Information Technology	5	6	3	7
Telecom	5	6	3	7
Utilities	2	4	1	4
Financials	9	23	12	23
Diversification:				
Number of Holdings	166	1,846	144	1,869
% in 5 largest holdings	11	5	11	5
% in 10 largest holdings	19	10	20	9
Region Allocation (%):				
Americas	7	8	7	8
Europe	64	45	52	44
Pacific Rim	16	24	16	25
Other[1]	13	23	25	23

Largest Five Holdings:		Industry
Royal Dutch Shell	2.8	Energy
Vodafone	2.3	Telecommunication Services
BG Group	2.0	Energy
Nestle	2.0	Food Beverage & Tobacco
Fraport	1.9	Transportation

[1] Includes emerging markets.

Fixed Income Portfolio Reviews
As of December 31, 2011

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

Western Asset U.S. Core Plus Portfolio Detail as of 12/31/11

Mandate: Fixed Income

Active/Passive: Active

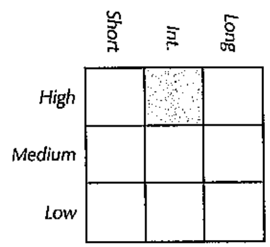
Market Value: $14.5 million

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 (%):	4Q11	1 YR	3 YR	5 YR	Since 8/1/06
Western Asset U.S. Core Plus	1.6	6.7	14.6	6.9	7.3
Barclays Aggregate	1.1	7.8	6.8	6.5	6.7
Peer Core Plus	1.3	6.7	8.6	6.1	6.3
Peer Ranking (percentile)	*26*	*51*	*3*	*18*	*13*

Risk: (sixty months)	Standard Deviation	Beta	Sharpe Measure	Info. Ratio	Correlation to Index
Western Asset U.S. Core Plus	7.9%	1.21	0.69	0.06	0.56
Barclays Aggregate	3.8	1.00	1.32	NA	1.00

	12/31/11		9/30/11	
Duration & Yield:	Western Asset U.S. Core Plus	Barclays Aggregate	Western Asset U.S. Core Plus	Barclays Aggregate
Average Effective Duration (years)	4.5	5.0	4.6	5.0
Yield to Maturity (%)	3.8	2.2	4.2	2.4
Quality Structure (%):				
Average Quality	A	AA+	A	AA+
AAA (includes Treasuries and Agencies)	67	75	71	75
AA	7	5	8	5
A	15	11	15	11
BBB	12	9	12	9
BB	5	0	5	0
B	4	0	4	0
Below B	2	0	3	0
Non-Rated	-12	0	-17	0
Sector Allocation (%):				
U.S. Treasury-Nominal	3	35	0	35
U.S. Treasury-TIPS	3	0	3	0
U.S. Agency	2	7	3	7
Mortgage Backed	43	32	49	32
Corporate	31	20	31	20
Bank Loans	2	0	2	0
Local & Provincial Government	1	1	1	1
Sovereign & Supranational	0	3	0	3
Commercial Mortgage Backed	2	2	3	2
Asset Backed	3	0	3	0
Cash Equivalent	6	0	0	0
Other	5	0	5	0
Market Allocation (%):				
United States	89	92	97	92
Foreign (developed markets)	6	7	0	7
Foreign (emerging markets)	5	1	3	1
Currency Allocation (%):				
Non-U.S. Dollar Exposure	1	0	0	0

PIMCO Total Return
Portfolio Detail as of 12/31/11

Mandate: Fixed Income

Active/Passive: Active

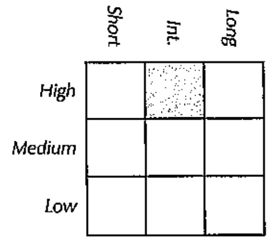
Market Value: $13.6 million

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 (%):	4Q11	1 YR	Since 1/1/10
PIMCO Total Return	**2.2**	**4.2**	**6.5**
Barclays Aggregate	1.1	7.8	7.2
Peer Core Plus	1.3	6.7	7.2
Peer Ranking (percentile)	*4*	*95*	*72*

	12/31/11 PIMCO Total Return	12/31/11 Barclays Aggregate	9/30/11 PIMCO Total Return	9/30/11 Barclays Aggregate
Duration & Yield:				
Average Effective Duration (years)	7.0	5.0	7.1	5.0
Yield to Maturity (%)	3.1	2.2	2.6	2.4
Quality Structure (%):				
Average Quality	AA	AA+	AA-	AA+
AAA (includes Treasuries and Agencies)	55	75	51	75
AA	14	5	15	5
A	12	11	11	11
BBB	10	9	13	9
BB	6	0	6	0
B	2	0	2	0
Below B	1	0	2	0
Non-Rated	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	21	35	12	35
U.S. Treasury-TIPS	9	0	8	0
U.S. Agency	0	7	2	7
Mortgage Backed	46	32	36	32
Corporate	20	20	21	20
Bank Loans	0	0	0	0
Local & Provincial Government	4	1	0	1
Sovereign & Supranational	0	3	10	3
Commercial Mortgage Backed	2	2	2	2
Asset Backed	0	0	0	0
Cash Equivalent	-32	0	-19	0
Other	30	0	28	0
Market Allocation (%):				
United States	76	92	76	92
Foreign (developed markets)	21	7	22	7
Foreign (emerging markets)	3	1	3	1
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	5	0

Vanguard Inflation-Protected Securities Portfolio Detail as of 12/31/11

Mandate: TIPS

Active/Passive: Active

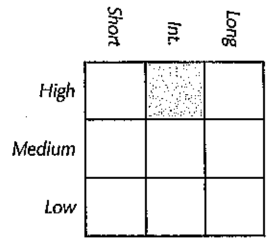
Market Value: $5.0 million

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 (%):	Since 12/1/11
Vanguard Inflation-Protected Securities	**0.2**
Barclays U.S. TIPS	0.0
Peer TIPS	0.1
Peer Ranking (percentile)	*33*

	12/31/11	
Quality Structure (%):	**Vanguard TIPS**	**Barclays TIPS**
Average Quality	AAA	AAA
AAA (includes Treasuries and Agencies)	100	100
AA	0	0
A	0	0
BBB	0	0
BB	0	0
B	0	0
Below B	0	0
Non-Rated	0	0
Sector Allocation (%):		
U.S. Treasury-Nominal	0	0
U.S. Treasury-TIPS	100	100
U.S. Agency	0	0
Mortgage Backed	0	0
Corporate	0	0
Market Allocation (%):		
United States	100	100
Foreign (developed markets)	0	0
Foreign (emerging markets)	0	0
Currency Allocation (%):		
Non-U.S. Dollar Exposure	0	0

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

AFL-CIO Housing Investment Trust Portfolio Detail as of 12/31/11

Mandate: Fixed Income

Active/Passive: Active

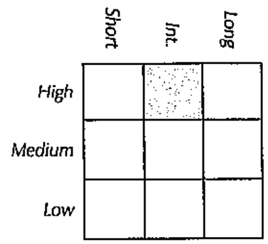
Market Value: $3.4 million

Portfolio Manager: Chang Suh

Location: Washington, D.C.

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 (%):	**4Q11**	**1 YR**	**3 YR**	**5 YR**	**Since 6/1/02**
AFL-CIO Housing Investment Trust	1.5	8.1	7.2	6.9	6.1
Barclays Aggregate	1.1	7.8	6.8	6.5	5.7
Barclays Mortgage	0.9	6.2	5.8	6.5	5.5
Peer Core Fixed Income	1.1	7.1	6.4	6.3	5.3
Peer Ranking (percentile)	22	20	34	11	3

Risk: (sixty months)	**Standard Deviation**	**Beta**	**Sharpe Measure**	**Info. Ratio**	**Correlation to Index**
AFL-CIO Housing Investment Trust	3.3%	0.82	1.62	0.27	0.93
Barclays Aggregate	3.8	1.00	1.32	NA	1.00

	12/31/11		9/30/11	
Duration & Yield:	**AFL-CIO Housing Investment Trust**	**Barclays Aggregate**	**AFL-CIO Housing Investment Trust**	**Barclays Aggregate**
Average Effective Duration (years)	4.3	5.0	4.3	5.0
Yield to Maturity (%)	2.8	2.2	2.9	2.4
Quality Structure (%):				
Average Quality	AAA	AA+	AAA	AA+
AAA (includes Treasuries and Agencies)	94	75	94	75
AA	4	5	4	5
A	2	11	2	11
BBB	0	9	0	9
Below BBB	0	0	0	0
Sector Allocation (%):				
U.S. Treasury-Nominal	8	35	6	35
U.S. Treasury-TIPS	0	0	0	0
U.S. Agency	0	7	0	7
Mortgage Backed	26	32	27	32
Corporate	0	20	0	20
Local & Provincial Government	0	1	0	1
Sovereign & Supranational	0	3	0	3
Commercial Mortgage Backed	65	2	65	2
Asset Backed	0	0	0	0
Cash Equivalent	1	0	2	0
Market Allocation (%):				
United States	100	92	100	92
Foreign (developed markets)	0	7	0	7
Foreign (emerging markets)	0	1	0	1
Currency Allocation (%):				
Non-U.S. Dollar Exposure	0	0	0	0

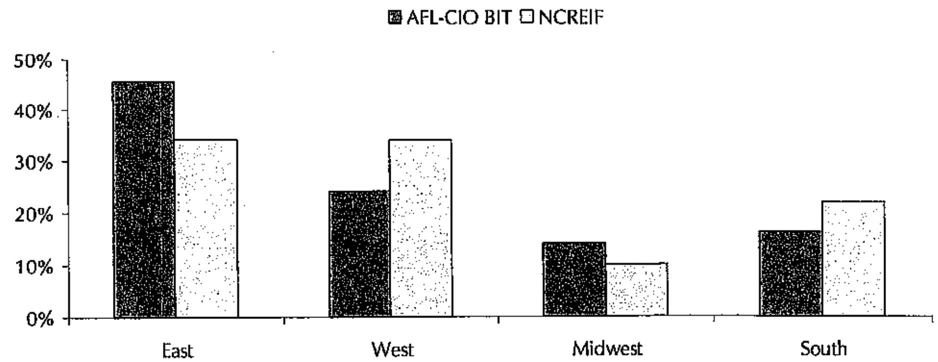
Real Estate Portfolio Reviews
As of December 31, 2011

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

AFL-CIO Building Investment Trust Portfolio Detail as of 12/31/11

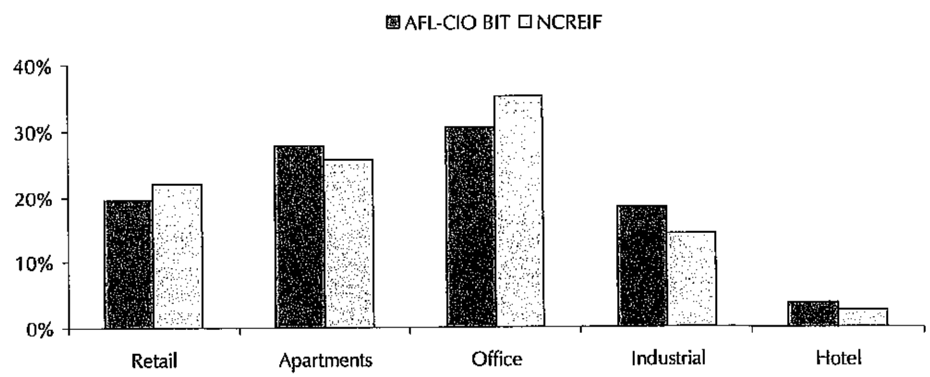
Strategy:	Real Estate
Market Value:	$5.8 million
Senior Professionals:	Rinse A. Brink
Location:	Washington, D.C.
Inception Date:	7/1/2002
Account Type:	Commingled Fund
# of Investments:	74
Liquidity Constraints:	Monthly (Last day of the month)
Fee Schedule:	1.00% on first $2,000 mm; 0.85% on next $1,000 mm; 0.80% thereafter; 0.10% on cash

Geographic Region:



Performance (%):	**4Q11**	**1 YR**	**3 YR**	**5 YR**	**Since 7/1/02**
AFL-CIO Building Investment Trust	**3.4**	**13.0**	**-1.0**	**0.1**	**5.3**
NCREIF ODCE Equal Weighted	3.0	16.0	-2.3	-0.6	5.9
NCREIF Property	3.0	14.3	2.4	3.1	8.1

Property Type:



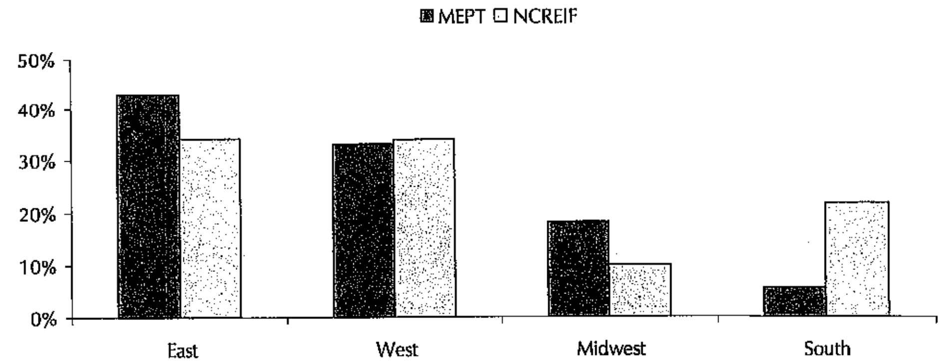
Investment Strategy:

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 12/31/11

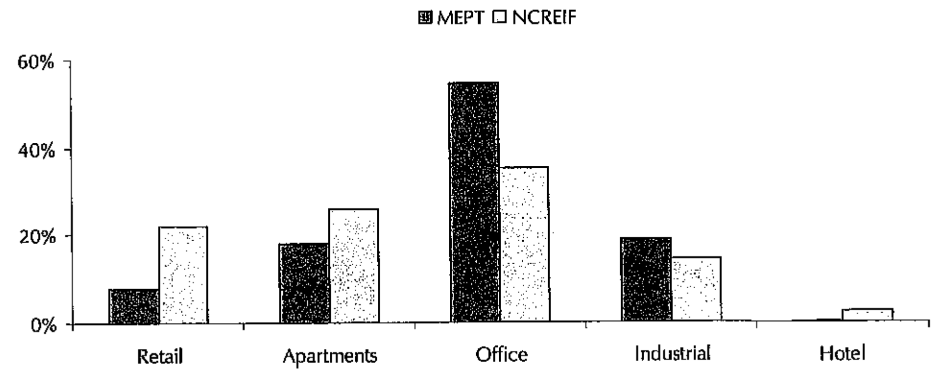
Strategy:	Real Estate
Market Value:	$5.1 million
Senior Professionals:	David Antonelli
Location:	Washington, D.C.
Inception Date:	1/1/1992
Account Type:	Commingled Fund
# of Investments:	144
Liquidity Constraints:	Quarterly
Fee Schedule:	1.25% on first $1000 mm; 1.00% on next $1000 mm; 0.75% thereafter

Geographic Region:



Performance (%):	**4Q11**	**1 YR**	**3 YR**	**5 YR**	**Since 1/1/92**
Multi-Employer Property Trust	**2.5**	**13.0**	**-2.9**	**-1.1**	**5.8**
NCREIF ODCE Equal Weighted	3.0	16.0	-2.3	-0.6	7.2
NCREIF Property	3.0	14.3	2.4	3.1	8.1

Property Type:



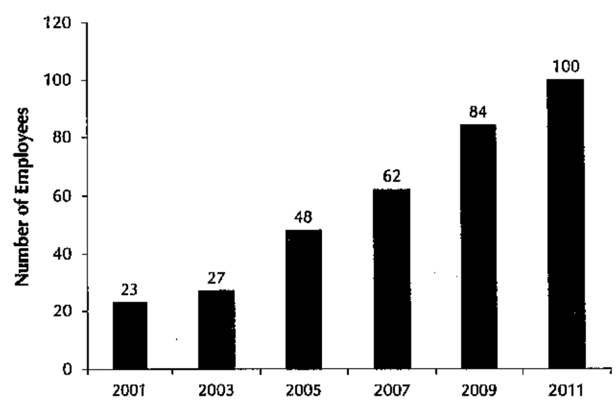
Investment Strategy:

Multi-Employer Property Trust's (MEPT) primary investment strategy is to invest in 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.

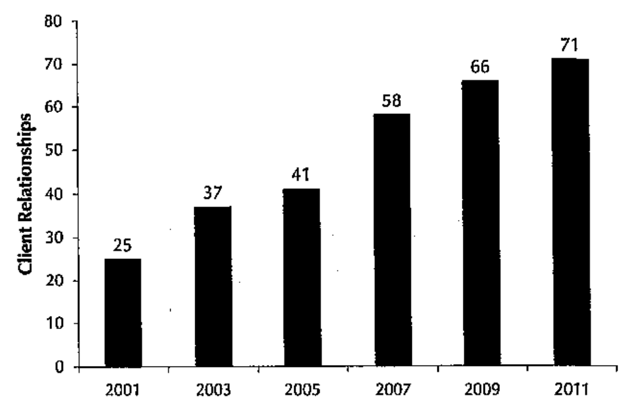
Appendices

- Staff of 100, including 61 investment professionals and 17 CFA charterholders
- 71 clients, with over 140 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	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
- Passive	- Large Cap Developed	- Buyouts	- Public REITs	- Short-Term	- Long/Short Equity
- Enhanced Index	- Small Cap Developed	- Venture Capital	- Core Real Estate	- Core	- Event Driven
- Large Cap	- Emerging Markets	- Private Debt	- Value Added Real Estate	- Core Plus	- Relative Value
- Midcap	- Frontier Markets	- Special Situations	- Opportunistic Real Estate	- TIPS	- Fixed Income Arbitrage
- Small Cap		- Secondaries	- Infrastructure	- High Yield	- Multi Strategy
- Microcap		- Fund of Funds	- Timber	- Bank Loans	- Market Neutral
- 130/30			- Natural Resources	- Distressed	- Global Macro
			- Commodities	- Global	- Fund of Funds
				- Emerging Markets	- Portable Alpha

Disclaimer, Glossary, and Notes

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

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%.

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

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

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

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

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