UNITE HERE Local 25 and Hotel Association of Washington, D.C.
Pension Plan
911 Ridgebrook Road
Sparks, Maryland 21152-9451
Telephone: (410) 683-6500
(800) 638-2972
www.associated-admin.com

DRAFT

MINUTES OF THE MEETING
OF THE BOARD OF TRUSTEES OF
UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C.
PENSION FUND
HELD ON SEPTEMBER 13, 2023
VIA VIDEO CONFERENCE
AND IN WASHINGTON DC

The following Trustees were present via conference call:

UNION TRUSTEES	EMPLOYER TRUSTEES
John Boardman - Chairman	Solomon Keene
Stephanie Steer (via video conference)	Satinder Palta (via video conference)
Linda Martin	

Also present were:

Anne Mayerson - Bredhoff & Kaiser, PLLC
Ben Conley - Seyfarth Shaw, LLP
Anne-Marie Sims - Associated Administrators, LLC
Barbara Maiorano - Associated Administrators, LLC
Henry Jaung - Meketa Investment Group (via video conference) (for part of the meeting)
Brian Dana - Meketa Investment Group (for part of the meeting)
Tyler Geiman - Novak|Francella
Coralie Taylor - Cheiron (for part of the meeting)
Paul Schwalb - UNITE HERE Local 25

I. CALL TO ORDER

A quorum being present, Chairman Boardman called the meeting to order.

II. MINUTES

Board Meeting, June 7, 2023

Counsel noted that the draft minutes that were pre-circulated in advance of this meeting to the Trustees did not fully reflect Counsel's comments. The Trustees tabled approval of the minutes of the June 7, 2023 to the next meeting.

III. INVOICES

Ms. Sims presented a list of invoices dated September 13, 2023. She noted that there were no additions, deletions or changes to the list.

On Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED that the invoices set forth in the list dated September 13, 2023 are approved for payment.**

IV. PAYROLL AUDIT REPORT

Ms. Sims referred to the Payroll Audit Collections Report dated August 31, 2023, included in the agenda materials. Ms. Sims reviewed the report, which contains results for collection of payroll audit deficiencies after receipt of the audits from Novak|Francella and before referral of unpaid billed deficiencies to the Fund's Collection Counsel.

Mr. Boardman requested that Embassy Suites-Chevy Chase be included in the 2023 schedule as a priority due to the hotel changing management companies.

V. COUNSEL REPORT

Co-Counsel stated there were no matters on which to report.

VI. AUDITOR REPORT

Financial Statements for years ended December 31, 2022

Mr. Tyler Geiman of Novak | Francella, LLC ("Novak") reviewed the Financial Statements for year ended December 31, 2022, copies of which were distributed to Trustees prior to the meeting and included in the agenda materials. He confirmed that the audit included an unmodified opinion of the financial statements of the Fund, and he presented the report in detail. Mr. Geiman reported that the Form 5500 and Financial Statements would be filed timely.

VII. INVESTMENT CONSULTANT REPORT

Mr. Dana (in person) and Mr. Jaung (virtually) entered the meeting.

Current Views and Positioning

Mr. Dana reported that the cash flow continued to become more positive through Q2 2023. He said that the Fund will likely continue to see bouts of volatility in equity and bond markets. The performance of the Fund will also see more volatility over these periods, but the Fund provides a well-diversified asset allocation that should weather most market dynamics over the long run.

Mr. Dana then discussed Meketa's views on various asset classes, as follows:

Emerging markets equity: Meketa continues to hold an underweight in this asset class. The most significant portion of emerging market equities are Chinese equities. The policy approach inside China, their demographics, and the current "DE globalization" of the supply chain suggest caution.

Emerging markets debt: Mr. Dana noted Meketa has further reduced this investment, while remaining within target ranges. Meketa believes predicting the direction of the USD is a difficult task and not an attribute sought or desired when the asset class was introduced to the Fund. Meketa will review with the Trustees at the next Asset Allocation review; likely 2024. At this time, the yield on emerging market debt is less attractive than high yield bonds. The current yield compared to US high yield bonds makes the asset class less attractive.

Global equity: Due to market movements that moved the global equity portfolio too far towards value stocks, Meketa added the SSgA Russell 1000 Growth index to balance the risk between growth and value embedded in the portfolio.

Real estate: this asset class was severely hit as the fundamentals of real estate are impacted significantly by rising interest rates, usually causing falling prices. A question came up regarding the underperformance of the AFL-CIO BIT fund. Mr. Dana stated that this fund likely took actions in writing down the valuations of its holdings, specifically office based holdings. Mr. Dana expects to discuss the fund in more detail and provide additional feedback to the Trustees at the next meeting on the BIT fund.

Private equity: This asset class for the Fund ceased making additional commitments in 2020. Meketa notes the asset class can be a key driver, and has been a key driver, of the Fund. The possibility to begin additional commitments may be a viable consideration at this point given the change in employment and work hours across the industry. The Board would need to confirm or modify Asset Allocation and modify the IPS to facilitate any change in this asset class.

Performance Review

The Fund returned 2.5% during Q2 and 6.7% YTD. Mr. Dana noted that in periods of sharply higher equity returns, the Fund does lag. The controlled approach to risk has served the Fund best in down equity markets. Mr. Dana highlighted this in discussing the risk and risk adjusted statistics over the past 5 years.

VIII. ACTUARY REPORT

The Trustees welcomed Ms. Coralie Taylor of Cheiron to the meeting.

Ms. Taylor presented Cheiron's experience model. Mr. Boardman requested that a stress test incorporating the new contribution rates effective October 1, 2023 for the Pension Fund be performed. Ms. Taylor confirmed that Cheiron would be able to present its findings at the December 2023 Board meeting.

IX. ADMINISTRATIVE MANAGER'S REPORT

A. Second Quarter 2023 Administrative Manager's Report

Ms. Sims presented and reviewed the Second Quarter 2023 Administrative Manager's Report, included in the agenda materials.

On Motion made and seconded, the Trustees voted approval of the following resolution:

> **RESOLVED that the Second Quarter 2023 Pension Benefit Applications are approved for payment as presented.**

X. OTHER FUND BUSINESS

A. Fidelity Bond Renewal

Ms. Sims presented the Fidelity Bond renewal, effective October 4, 2023, explaining that the quoted premium of $6,390.00 was for three years for the same $1,000,000 coverage level that is in effect.

After discussion and on Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED to approve renewing the Fidelity Bond policy with CHUBB at the current $1,000,000 limit of liability for three years, for a three-year premium payment of $6,390.00.**

B. Fiduciary Liability Insurance

Ms. Sims reported the fiduciary liability policy was approved by the Chairman and Secretary between meetings and was renewed at the current limit for the period of September 1, 2023 through August 31, 2024 for a premium of $59,976.00. The excess policy was renewed for the same time period at the current limit with a premium of $15,594.00.

After discussion and on Motion made and seconded, the Trustees approved the following resolution:

> **RESOLVED to ratify the action of the Chair and Secretary renewing the primary and excess Fiduciary Liability policyieswith Chubb and Euclid/Hudson at the current limits of liability for the policy period September 1, 2023 through September 1, 2024.**

XI. NEXT MEETING DATE AND LOCATION

The Trustees scheduled the next regular Board meeting for Wednesday, December 13 [later changed to December 15], 2023 commencing at 10:00 a.m.

XII. ADJOURNMENT

There being no further business, the meeting was adjourned.

Approved by the Board of Trustees on __________, 2023

By: ___________________________________

Anne-Marie Sims, Associated Administrators, LLC

AMS/bm

(Org. 9-13-2023)