UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C. PENSION FUND INVESTMENT POLICY STATEMENT

Adopted September 24, 2020

The purpose of this document is to set forth the investment-related goals and objectives of the Board of Trustees of the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund (the "Pension Fund"), and to establish guidelines for the implementation of investment strategy.

Any revisions to this document may be made only with the approval of the Board of Trustees of the Pension Fund (the "Trustees").

The Trustees of the Pension Fund recognize that a stable, well-articulated investment policy is crucial to the long-term success of the Pension Fund. As such, the Trustees have developed this Investment Policy Statement with the following goals in mind:

- To clearly and explicitly establish the objectives and constraints that govern the investment of the Pension Fund's assets,

- To establish a long-term target asset allocation with the goal of meeting the Pension Fund's objectives given the explicit constraints, and

- To protect the financial health of the Pension Fund through the implementation of this stable long-term investment policy.

The Trustees may delegate certain fiduciary functions relating to Pension Fund's investments, including the Trustees' responsibilities under this Investment Policy Statement, to any committee comprising one or more members of the Board of Trustees (the "Investment Committee"). As the context so requires, any reference in this Investment Policy Statement to the Trustees shall be deemed to include reference to any Investment Committee duly appointed by the Trustees.

The Trustees have engaged Meketa Fiduciary Management, LLC ("Meketa") as their investment consultant in accordance with Section 3(21) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (the "Investment Consultant"), to, among other things, assist them in meeting these goals and developing and effectuating this Investment Policy Statement. The Trustees have also engaged Meketa to serve as an investment manager in accordance with Section 3(38) of ERISA (the "Discretionary Investment Manager") to, among other things, identify, evaluate and select investment managers and/or investment vehicles consistent with this Investment Policy Statement. Meketa's responsibilities in its respective roles as Investment Consultant and Discretionary Investment Manager are more fully set forth in its Investment Consulting and Advisory Services Agreement with the Fund. In addition, Meketa shall be the "named fiduciary" under Section 402(c)(3) of ERISA for the sole purpose of appointing any ERISA Manager as defined in Section X.

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

The Pension Fund was established to provide income to retirees. The Pension Fund's assets are structured to provide growth from capital gains and income, while maintaining sufficient liquidity and stability to meet beneficiary payments.

II. Investment Objectives

The investment strategy of the Pension Fund is designed to ensure the prudent investment of funds in such a manner as to provide real growth of assets over time while protecting the value of the assets from undue volatility or risk of loss.

A. Risk Objectives

- To accept a level of market risk consistent with moderate interim volatility without sacrificing the potential for long-term real growth of assets.
- To use diversification to minimize exposure to company, industry specific, and asset class specific risks in the aggregate investment portfolio.
- To avoid extreme levels of volatility that could adversely affect the Pension Fund's ability to provide benefits.

B. Return Objective

- Within the risk constraints outlined above, to achieve an absolute return over the long term at least equal to the Pension Fund's actuarial assumption of 6.75% as of 2017.

III. Investment Constraints

A. Legal and Regulatory

The Trustees intend that the assets of the Pension Fund at all times are invested in accordance with the provisions of ERISA and Department of Labor regulations. The Trustees will retain legal counsel when appropriate to review contracts and provide advice with respect to applicable statutes and regulations.

B. Time Horizon

The Pension Fund will be managed on a going-concern basis. The assets of the Pension Fund will be invested with a long-term time horizon consistent with the participant demographics and the goals of the Pension Fund.

C. Liquidity

The Trustees intend to maintain sufficient liquidity to meet anticipated participant and beneficiary payments. In addition, no more than 20% of the Pension Fund's assets may be invested in investment vehicles in which the Fund's investment cannot be fully redeemed within 30 days.

D. Tax Considerations

The Pension Fund is a tax-exempt entity. Therefore, investments and strategies will be evaluated on a basis that is indifferent to taxable status, except where the prospect of Unrelated Business Taxable Income ("UBTI") and/or Unrelated Debt Financed Income ("UDFI") is a concern.

IV. Risk and Return Considerations

The Trustees accept the risks associated with investing in the capital markets (market risks), but will minimize wherever possible those risks for which the Pension Fund is unlikely to be compensated (non-market or diversifiable risks).

V. Diversification

The Trustees of the Pension Fund recognize that a primary element of risk control is diversification. Therefore, investments will be allocated across multiple classes of assets, chosen in part for the expected correlation of their returns. Within each asset type, investments will be distributed across many individual holdings, thus further reducing volatility. In addition, each separate account investment manager's guidelines will specify the largest permissible investment in any one asset, and will set other diversification requirements.

VI. Asset Allocation

The Trustees recognize that the allocation of monies to various asset classes will be the major determinant of the Pension Fund's return and risk experience over time. Therefore, the Trustees will establish targets and ranges for allocation of investments, with the assistance of the Investment Consultant, across those asset classes that, based on historical and expected returns and risks, provide the highest likelihood of meeting the Pension Fund's investment objectives. **A. Permissible Asset Classes**

Appendix "A" (attached hereto and made a part of this Policy) sets forth asset classes and sub-asset classes in which Fund Assets may be invested.

B. Expected Returns, Risks, and Correlations for Permissible Asset Classes

In determining the appropriate allocation, the expected return and risk behavior of each asset class and the likely interaction of various asset classes in a portfolio will be considered. Current expected return and risk behavior of each asset class and the likely interaction of various asset classes can be found in Appendices B and C, which appendices will be updated from time to time based on the recommendation of the Investment Consultant.

C. Long-Term Target Allocations

Based on the investment objectives and constraints of the Pension Fund, and on the expected behavior of the permissible asset classes, the Trustees will specify a long-term target allocation for each class of permissible assets. These targets will be expressed as a percentage of the Pension Fund's overall market value, surrounded by a band of permissible variation.

The long-term target allocations are intended as strategic goals, not short-term imperatives. Thus, it is permissible for the overall Pension Fund's asset allocation to deviate from the long-term target. Deviations from targets that occur due to capital market changes are discussed below.

The Pension Fund's target allocations and ranges for all permissible asset classes are shown in Appendix A.

D. Rebalancing

In general, cash flows to and from the Pension Fund will be directed by the Discretionary Investment Manager in such a manner as to move each asset class toward its target allocation.

However, the Discretionary Investment Manager has the discretion to adjust allocations within the permissible allocation ranges, based on the risk/reward outlooks for permissible asset classes.

The Discretionary Investment Manager will rebalance the Fund's portfolio from time to time in order to correct any material deviations from the target ranges set forth in this Investment Policy Statement.

VII. Review of Investment Policy, Asset Allocation, and Performance

The Investment Policy Statement will be reviewed periodically to ensure that the objectives and constraints remain appropriate. However, the Trustees recognize the need for a stable long-term policy for the Pension Fund, and major changes to this policy statement are expected to be made only when significant developments in the circumstances, objectives, or constraints of the Pension Fund occur.

The asset allocation of the Pension Fund will be reviewed with the Investment Consultant on an ongoing basis, and at least annually. In general, the Trustees intend that the Pension Fund will adhere to its long-term target allocations, and that major changes to these targets will be made only in response to significant developments in the circumstances, objectives, or constraints of the Pension Fund or in capital market opportunities.

The Trustees, with the advice of the Investment Consultant, will specifically evaluate the performance of the Pension Fund relative to its objectives and to the returns available from the capital markets during the period under review. In general, the Trustees will evaluate performance relative to benchmarks, rather than absolute performance. Specifically, the total Fund performance will be evaluated relative to a "custom benchmark" that weights the returns of available market indices on the basis of the Pension Fund's target investment structure, to assess the implementation of the Pension Fund's investment strategy.

VIII. Investment Operating Costs

To control investment operating costs at every level of the Pension Fund:

- Investment fees and associated professional fees will be evaluated as part of any investment decision and minimized to the extent appropriate;
- Where appropriate, passive portfolios will be used to minimize management fees and portfolio turnover;
- If appropriate, assets will be transferred in-kind during manager transitions and Pension Fund restructurings to eliminate unnecessary turnover expenses; and
- Separate account managers will be instructed to minimize brokerage and execution costs.

IX. Voting of Proxies

The Trustees intend to delegate the responsibility to each individual manager the responsibility for voting all proxies for the securities under its management. To the extent that the voting of proxies is so delegated, the Trustees expect that managers will execute all proxies in a timely fashion. The Trustees expect the managers to whom proxy voting is delegated to provide a full accounting of all proxy votes, and upon request, a written explanation of individual voting decisions. The Investment Consultant will ensure all proxy votes for separately managed accounts are provided to the Fund Office periodically.

X. Managers

The Trustees have delegated to the Discretionary Investment Manager discretion to use a combination of investment management approaches and styles for all approved asset classes. The Discretionary Investment Manager may engage any investment management organization to manage the Pension Fund's assets either (i) in a non-plan asset vehicle (a "Non-Plan Asset Manager") or (ii) in a "plan asset" vehicle in a manner consistent with ERISA, including ERISA's provisions regarding fiduciary responsibilities and prohibited transactions (an "ERISA Manager" and together with Non-Plan Asset Managers, the "Managers").

All Manager appointments will specify the asset class and/or specific assets for which the Manager will be retained. The appointment of Managers will take into account information about the Manager including, but not limited to:

- Organizational Stability
- Philosophy
- Process
- Resources
- Performance and Risks
- Operating Costs

Each Manager that is appointed to manage a portion of the Pension Fund's assets as an ERISA Manager must qualify as an "investment manager" within the meaning of Section 3(38) of ERISA and must acknowledge in writing that it is a "fiduciary" with respect to such assets within the meaning of Section 3(21) of ERISA. Each ERISA Manager is expected to manage the Pension Fund's assets allocated to its management in accordance with this Investment Policy Statement, any applicable Manager-specific guidelines, and federal and state law including, without limitation, the fiduciary responsibility and prohibited transaction provisions of ERISA. Each ERISA Manager will perform its duties in the sole interest of Pension Fund participants and beneficiaries and "with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and like aims." The Trustees will neither assume any obligation or responsibility for the direct management of the Pension Fund's assets allocated to ERISA Managers nor be liable for any acts or omissions of any ERISA Manager that result in any loss to the Pension Fund.

The Discretionary Investment Manager has the discretion to select and replace Managers. As a result, the Discretionary Investment Manager is responsible for performing due diligence on the Managers. The Discretionary Investment Manager will meet with the Managers as needed to perform such due diligence.

XI. Forbidden Assets and Strategies

Each separate account Manager will be furnished by the Discretionary Investment Manager with a list of asset types and investment strategies (if any) that are forbidden as part of its guidelines.

No investment vehicle may include the following strategies:

A. Short Selling of physical equity or debt securities. Short selling is the process of selling shares of a security (equity or debt) without owning them, hoping to buy them back at a future date in the expectation that their price will drop.

B. Arbitrage strategies of any company or companies. Arbitrage strategies seek to exploit small pricing inefficiencies between related securities.

XII. Illiquid Investment Restriction due to COVID-19

Due to the negative impact to the cash flow from the Covid-19 crisis, the Discretionary Investment Manager shall not make new investments in ANY investment vehicles in which the Fund's investment cannot be fully redeemed within 30 days until further authorization from the Board of Trustees.

BOARD OF TRUSTEES OF THE UNITE HERE LOCAL 25 AND HOTEL ASSOCIATION OF WASHINGTON, D.C. PENSION FUND

By:____________________________________

John Boardman, Chair

By:____________________________________

Solomon Keene, Secretary

MEKETA FIDUCIARY MANAGEMENT, LLC

By:____________________________________

Name and Title:_________________________

APPENDIX A

ASSET ALLOCATION TARGETS

Asset Class	Target (%)	Proposed Ranges (%)
Total Equity	**52**	
Public Domestic Equity	25	15-35
International Developed Market Equity	10	5-20
International Emerging Market Equity	7	0-20
Private Equity	5	0-10
Natural Resources	5	0-10
Total Fixed Income	**36**	
Investment Grade Bonds	14	8-25
TIPS	10	0-20
High Yield Bonds	5	0-15
Emerging Market Bonds	7	0-15
Total Real Estate	**12**	
Core Private Real Estate	8	0-15
Value-Added Real Estate	4	0-10

APPENDIX B

TWENTY-YEAR ANNUALIZED RETURN AND VOLATILITY EXPECTATIONS

Asset Class	Expected Return (%)	Volatility (%)
Fixed Income		
Cash Equivalents	2.9	1.0
Short-term Investment Grade Bonds	2.6	1.0
Investment Grade Bonds	3.0	4.0
Investment Grade Corporate Bonds	3.6	7.0
Long-term Government Bonds	3.2	12.0
Long-term STRIPS	3.4	19.0
TIPS	2.9	7.0
High Yield Bonds	5.2	11.0
Bank Loans	5.0	9.0
Foreign Bonds	2.4	8.0
Emerging Market Bonds (major)	4.5	11.0
Emerging Market Bonds (local)	4.8	14.0
Equities		
U.S. Equity	7.4	17.0
Developed Market Equity	7.9	19.0
Emerging Market Equity	9.1	24.0
Frontier Market Equity	10.0	21.0
Global Equity	7.8	17.0
Private Equity/Debt	9.1	23.0
Buyouts	9.4	24.0
Venture Capital	9.3	34.0
Mezzanine Debt	7.0	15.0
Distressed Debt	7.0	20.0
Real Assets		
Real Estate	7.5	15.0
REITs	7.0	26.0
Core Private Real Estate	6.3	11.0
Value Added Real Estate	8.4	18.0
Opportunistic Real Estate	9.9	24.0
Natural Resources (Public)	8.3	22.0
Natural Resources (Private)	8.8	21.0
Commodities (naïve)	4.3	17.0
Infrastructure (Public)	7.5	17.0
Core Infrastructure (Private)	6.7	14.0
Non-Core Infrastructure (Private)	9.1	22.0
Other		
Hedge Funds	4.9	7.0
Long-Short	4.3	9.0
Event-Driven	5.8	8.0
Global Macro	4.6	5.0
Risk Parity (10% vol)	5.4	10.0
Tactical Asset Allocation	4.4	10.0

Source: Meketa Investment Group's 2020 Annual Asset Study.

Appendix C

Expected Correlations

	Investment Grade Bonds	TIPS	High Yield Bonds	U.S. Equity	Developed Market Equity	Emerging Market Equity	Private Equity/Debt	Real Estate	Natural Resources (private)	Commodities	Core Infrastructure (private)	Hedge Funds
Investment Grade Bonds	1.00											
TIPS	0.80	1.00										
High Yield Bonds	0.20	0.30	1.00									
U.S. Equity	0.05	0.00	0.70	1.00								
Developed Market Equity	0.05	0.15	0.70	0.90	1.00							
Emerging Market Equity	0.05	0.15	0.70	0.80	0.90	1.00						
Private Equity/Debt	0.05	0.05	0.65	0.85	0.80	0.75	1.00					
Real Estate	0.20	0.10	0.50	0.50	0.45	0.40	0.45	1.00				
Natural Resources (private)	0.10	0.10	0.45	0.65	0.60	0.60	0.55	0.45	1.00			
Commodities	0.05	0.30	0.40	0.35	0.55	0.60	0.30	0.15	0.65	1.00		
Core Infrastructure (private)	0.30	0.30	0.60	0.55	0.55	0.50	0.45	0.60	0.60	0.35	1.00	
Hedge Funds	0.05	0.20	0.70	0.80	0.85	0.85	0.65	0.45	0.65	0.65	0.60	1.00