DRAFT

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

FINANCIAL STATEMENTS

DECEMBER 31, 2019

DRAFT

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

FINANCIAL STATEMENTS WITH SUPPLEMENTAL INFORMATION

DECEMBER 31, 2019 AND 2018

CONTENTS

	PAGE
Independent Auditor's Report	1
Statements of Net Assets Available for Benefits	3
Statements of Changes in Net Assets Available for Benefits	4
Notes to Financial Statements	5
Supplemental Information	
Schedules of Administrative Expenses	16
Schedule of Assets Held at End of Year	17
Schedule of Reportable Transactions	19

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
UNITE HERE Local 25 and Hotel Association
of Washington, D.C. Pension Fund

We have audited the accompanying financial statements of the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund (the Plan), which comprise the statements of net assets available for benefits as of December 31, 2019 and 2018, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

DRAFT

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets available for benefits as of December 31, 2019, and changes therein for the year then ended and its financial status as of December 31, 2018, and changes therein for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental Schedules of Administrative Expenses, Schedule of Assets Held at End of Year and the Schedule of Reportable Transactions, together referred to as "supplemental information," are presented for the purpose of additional analysis and are not a required part of the financial statements. The supplemental Schedule of Assets Held at End of Year and Schedule of Reportable Transactions are supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, as amended. Supplemental information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Columbia, Maryland
_____, 2020

DRAFT

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

Statements of Net Assets Available for Benefits

December 31, 2019 and 2018

	2019	2018
Assets		
Investments - at fair value		
Commingled fund	$ -	$ 4,863,662
Common collective trusts	131,872,385	104,786,141
Common stock - ULLICO	1,856,189	1,461,690
Housing investment trust	4,431,100	4,111,195
Limited partnerships	40,520,612	33,099,692
Registered investment companies	75,205,182	62,982,745
Short-term investments	10,211,196	9,302,487
	264,096,664	220,607,612
Receivables		
Employer contributions	2,400,390	2,061,780
Accrued interest and dividends	13,060	17,048
Other	838	30
	2,414,288	2,078,858
Prepaid expenses	49,083	55,622
Cash	1,379,576	2,048,538
Total assets	267,939,611	224,790,630
Liabilities and Net Assets		
Liabilities		
Accounts payable	35,581	54,744
Total liabilities	35,581	54,744
Net assets available for benefits	$ 267,904,030	$ 224,735,886

See accompanying notes to financial statements.

DRAFT

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

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2019 and 2018

	2019	2018
Additions		
Investment income (loss)		
Net appreciation (depreciation) in fair value of investments	$ 32,493,053	$ (9,570,263)
Interest and dividends	2,771,223	3,815,613
	35,264,276	(5,754,650)
Less: investment expenses	(626,812)	(566,639)
Investment income (loss) - net	34,637,464	(6,321,289)
Employer contributions	25,912,308	24,647,944
Withdrawal liability study income	7,500	5,000
Total additions	60,557,272	18,331,655
Deductions		
Benefits paid	16,437,344	15,240,287
Administrative expenses	951,784	938,626
Total deductions	17,389,128	16,178,913
Net increase	43,168,144	2,152,742
Net assets available for benefits		
Beginning of year	224,735,886	222,583,144
End of year	$ 267,904,030	$ 224,735,886

See accompanying notes to financial statements.

DRAFT

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

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

NOTE 1. DESCRIPTION OF THE PLAN

The following brief description of the UNITE HERE Local 25 and Hotel Association of Washington, D.C. Pension Fund (Plan) is provided for general information purposes only. Participants should refer to the summary plan description for more complete information.

General - The Plan was established January 1, 1962 as a result of collective bargaining agreements between the union and various employers to provide pension, death and disability benefits for eligible participants and their beneficiaries. The Plan is financed by employer contributions as specified in the collective bargaining agreements. The Plan is a multiemployer defined benefit pension plan and is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Method of Accounting - The financial statements are prepared using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America.

Valuation of Investments and Recognition of Income - Commingled fund was carried at market value as of the last business day of the Plan year as provided by the investment manager based upon the net asset value of the fund. Registered investment companies are carried at fair value as of the last business day of the Plan year as provided by the investment manager based upon the net asset value of the funds. Common collective trusts are valued at their market value on the last business day of the year, as established by the trusts. Short-term investments are carried at cost which approximates fair value. The housing investment trust units are valued at their market value on the last business day of the year, as established by the trust. The limited partnerships are carried at estimated fair value as provided by the sponsor of the investments. The investment in private common stock - ULLICO is carried at estimated fair value based on year-end book value as reported by the ULLICO.

Purchases and sales of investments are recorded on a trade-date basis. Interest and dividend income are recorded on the accrual basis. Net appreciation includes the Plan's gains and losses on investments bought and sold, as well as held during the year.

Funding Policy and Revenue Recognition - Benefits are primarily funded through employer contributions pursuant to collective bargaining agreements between various employers and the Union. Employer contributions are accounted for as exchange transactions. The contributions are due on a monthly basis. It is the policy of the Trustees to pursue monies due.

DRAFT

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The funding policy is to contribute an amount sufficient to meet the minimum funding requirements of ERISA and the Internal Revenue Code. The actuary reported that the Plan met minimum funding standards as of December 31, 2019 and 2018. The actuary also determines whether additional contributions are necessary to avoid funding-based benefit restrictions under Section 436 of the Internal Revenue Code.

Employer contributions due and not paid prior to the year end are recorded as contributions receivable. Allowance for uncollectible accounts is not considered material and is not provided.

Actuarial Present Value of Accumulated Plan Benefits - Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions to the service which employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries.

Payment of Benefits - Benefits to participants are recognized upon distribution.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 3. PRIORITIES UPON TERMINATION

It is the intent of the Trustees to continue the Plan in full force and effect; however, the right to discontinue the Plan is reserved to the Trustees. Termination shall not permit any part of the Plan assets to be used for or diverted to purposes other than the exclusive benefit of the pensioners, beneficiaries, and participants. In the event of termination, the net assets of the Plan will be allocated to pay benefits in priorities as prescribed by ERISA and its related regulations. Whether or not a participant will receive full benefits should the Plan terminate at some future time will depend on the sufficiency of the Plan's net assets at that time and the priority of those benefits.

In addition, certain benefits under the Plan are insured by the Pension Benefit Guaranty Corporation (PBGC) if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivors pensions. The PBGC does not guarantee all types of benefits and the amount of any individual participant's benefit protection is subject to certain limitations, particularly with respect to benefit increases as a result of plan amendments in effect for less than five years. Some benefits may be fully or partially provided for while other benefits may not be provided at all.

DRAFT

NOTE 4. ACTUARIAL INFORMATION

An actuarial valuation of the Plan was made by the consulting actuary as of January 1, 2019. Information in the report included the following:

	January 1, 2019
Actuarial present value of accumulated plan benefits:	
Vested benefits	
Participants and beneficiaries currently receiving benefits	$ 126,589,848
Active participants	162,027,855
Participants with deferred benefits	37,776,258
Total vested benefits	326,393,961
Nonvested benefits	4,456,942
Present value of expected administrative expenses	11,635,120
Total actuarial present value of accumulated plan benefits	$ 342,486,023

As reported by the actuary, the changes in the present value of accumulated plan benefits for the year ended December 31, 2018 were as follows:

Actuarial present value of accumulated plan benefits at beginning of year	$ 314,347,125
Increase during the year attributable to	
Benefits accumulated, net experience gain or loss and changes in data	11,305,082
Increase for interest	21,354,742
Benefit payments and expenses	(16,156,046)
Net increase	16,503,778
Actuarial present value of accumulated plan benefits at end of year (w/o administrative expenses)	$ 330,850,903
Present value of expected administrative expenses	11,635,120
Actuarial present value of accumulated plan benefits at end of year (w/ administrative expenses)	$ 342,486,023

The present value of administrative expenses is based on future cash flows of $91.87 per participant that increase 1% per year of inflation.

DRAFT

NOTE 4. ACTUARIAL INFORMATION (continued)

The actuarial valuation for January 1, 2019 was made using the Unit Credit Cost Method. Some of the more significant actuarial assumptions used in estimating the present value of accumulated Plan benefits were:

Rate of Mortality - For healthy lives, for 2019 and 2018, 102% and 107% of the RP-2014 Healthy Annuitant Mortality Tables for males and females, respectively, adjusted to 2006 with Blue Collar Adjustments, projected using the MP-2016 generational mortality improvements to 2017 and then 0.75% per year (ages < 86) thereafter. For disabled lives, for 2019 and 2018, 100% of the RP-2014 Disabled Retiree Mortality Table adjusted to 2006 with Blue Collar Adjustments, projected using the MP-2016 generational mortality improvements to 2017 and then 0.75% per year (ages < 86) ultimate scale thereafter. For RPA 94 Current Liability, the separate 2019 and 2018 Static Mortality Tables pursuant to IRS promulgation for January 1, 2019 and 2018, respectively.

Disability - For 2019 and 2018, rates of disability are assumed to be in accordance with annual rates, which vary with age. Rates range from .000000 to .002300.

Rates of Retirement - Effective retirement age for active participants is based on a table of assumed retirement rates ranging from ages 62 - 70 and rates from .10 to 1.0.

Rates of Investment return - For funding and disclosure purposes, 6.75% compounded annually, net of investment expenses for 2019 and 2018. For current liability under RPA 1994, 3.06% and 2.98% compound annually, net of investment expenses for 2019 and 2018, respectively.

Administrative expenses - 9.5% of normal cost payable at the beginning of the year for 2019 and 2018.

Rates of turnover - Termination of employment for reasons other than death, disability or retirement are assumed to be in accordance with annual rates, which vary with years of service and age. Rates range from .025 to .275.

The above actuarial assumptions are based on the presumption that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining actuarial results. Pension benefits in excess of the present assets of the Plan are dependent upon contributions received under collective bargaining agreements with employers and income from investments.

Since information on the accumulated plan benefits at December 31, 2019 and the changes therein for the year then ended are not included above, these financial statements do not purport to present a complete presentation of the financial status of the Plan as of December 31, 2019 and the changes in its financial status for the year then ended, but a presentation of the net assets available for benefits and the changes therein as of and for the year ended December 31, 2019. The complete financial status is presented as of December 31, 2018.

DRAFT

NOTE 4. ACTUARIAL INFORMATION (continued)

As of January 1, 2020 and 2019, the actuary reported that the Plan is not in endangered, seriously endangered, critical, or critical and declining status as identified under the Multiemployer Pension Reform Act of 2014.

NOTE 5. FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are described as follows:

Basis of Fair Value Measurement:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period. For the years ended December 31, 2019 and 2018, there were no transfers in or out of levels 1, 2 or 3.

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

There have been no changes in valuation methodologies at December 31, 2019 and 2018.

	Fair Value Measurements at December 31, 2019			
	Total	Level 1	Level 2	Level 3
Common stock - private equity	$ 1,856,189	$ -	$ -	$ 1,856,189
Registered investment companies	75,205,182	75,205,182	-	-
Short-term investment	10,211,196	10,211,196	-	-
Total assets in fair value hierarchy	87,272,567	$ 85,416,378	$ -	$ 1,856,189
Investments measured at NAV	176,824,097			
Total investments	$ 264,096,664			

	Level 3 Fair Value Measurements - December 31, 2019						
	Beginning Balance	Transfers to Level 2	Realized gains (losses)	Unrealized gains (losses)	Purchases	Sales	Ending balance
Common stock - private equity	$ 1,461,690	$ -	$ -	$ 426,954	$ -	$ (32,455)	$ 1,856,189
	$ 1,461,690	$ -	$ -	$ 426,954	$ -	$ (32,455)	$ 1,856,189

	Fair Value Measurements at December 31, 2018			
	Total	Level 1	Level 2	Level 3
Common stock - private equity	$ 1,461,690	$ -	$ -	$ 1,461,690
Registered investment companies	62,982,745	62,982,745	-	-
Short-term investment	9,302,487	9,302,487	-	-
Total assets in fair value hierarchy	73,746,922	$ 72,285,232	$ -	$ 1,461,690
Investments measured at NAV	146,860,690			
Total investments	$ 220,607,612			

	Level 3 Fair Value Measurements - December 31, 2018						
	Beginning Balance	Transfers to Level 2	Realized gains (losses)	Unrealized gains (losses)	Purchases	Sales	Ending balance
Common stock - private equity	$ 1,274,333	$ -	$ -	$ 187,357	$ -	$ -	$ 1,461,690
	$ 1,274,333	$ -	$ -	$ 187,357	$ -	$ -	$ 1,461,690

DRAFT

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

In accordance with subtopic 820-10, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in these tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

The unfunded commitments and redemption information for the investments, as of December 31, 2019 and 2018, are as follows:

	2019 Fair Value	2018 Fair Value	2019 Unfunded Commitments	2018 Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled fund:						
Kopernik Global All-Cap Offshore Fund, Ltd	$ -	$ 4,863,662	$ -	$ -	Monthly	30 days
Common collective trusts:						
AFL-CIO Building Investment Trust	14,361,914	13,929,275	-	-	Quarterly	One year
AFL-CIO Equity Index Fund	26,826,141	24,346,264	-	-	Daily	1 day
Kopernik Global All-Cap CIT	6,673,311	-	-	-	Daily	5 days
SSGA Daily MSCI Emerging Markets Index Fund	6,343,181	5,363,580	-	-	Daily	2 days
SSGA MSCI EAFE Index Fund	2,839,169	2,319,545	-	-	Daily	2 days
SSGA REIT Index Fund	3,509,205	2,855,250	-	-	Daily	2 days
SSGA S&P Natural Resources Index Fund	9,951,271	9,602,389	-	-	Daily	2 days
SSGA TIPS Index Fund	14,060,416	8,251,458	-	-	Daily	2 days
SSGA US Aggregate Bond Index Fund	47,307,777	26,939,404	-	-	Daily	2 days
SSGA US Short Term Government Credit Fund	-	11,178,976	-	-	Daily	2 days
Housing investment trust:						
AFL-CIO Housing Investment Trust	4,431,100	4,111,195	-	-	Monthly	15 days
Limited partnerships:						
DRA Growth and Income Fund VIII, LLC	1,772,421	2,081,290	51,333	97,167	A	A
DRA Growth and Income Fund IX, LLC	2,619,325	1,501,022	516,488	1,628,751	B	B
Flagship Pioneering Special Opportunities Fund II, L.P.	171,708	-	820,000	-	C	C
GQG Partners Global Equity Fund	13,684,438	10,796,195	-	-	D	D
Ironsides Direct Investment Fund V, L.P.	2,184,693	-	17,225	-	Quarterly	30 days
Ridgemont Equity Partner, I-B, L.P.	1,635,389	1,284,651	136,163	136,163	E	E
Sky Harbor Broad Yield Market Partner, L.P.	884,034	3,472,855	-	-	Monthly	14 days
Strategic Investor Fund VIII, L.P.	3,188,020	1,512,966	927,000	1,764,000	Daily	10 days
The Realty Associates Fund X UTP, L.P.	432,082	1,465,334	-	-	F	F
Trilantic Capital Partners VI Parallel (North America), L.P.	536,254	465,770	1,909,228	1,979,591	G	G
WCM Focused Global Growth Fund, L.P.	13,412,248	10,519,609	-	-	Monthly	5 days
	$ 176,824,097	$ 146,860,690	$ 4,377,437	5,605,672		

DRAFT

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

A - The DRA Growth and Income Fund VIII, LLC is a closed-end fund and cannot be redeemed. The underlying assets of the Fund are expected to be liquidated by December 31, 2023.

B - The DRA Growth and Income Fund IX, LLC is a closed-end fund and cannot be redeemed. The underlying assets of the Fund are expected to be liquidated by December 31, 2026.

C - The Flagship Pioneering Special Opportunities Fund II, L.P., is a closed-end fund and cannot be redeemed. The underlying assets of the Fund are expected to be liquidated by February 28, 2029.

D - The Plan can withdraw funds from the GQG Partners Global Equity Fund on most Wednesdays with notification required by 4pm Eastern Time preceding Friday.

E - The Ridgemont Equity Partner I-B, L.P. is a closed-end fund and cannot be redeemed. The underlying assets of the Fund are expected to be liquidated by 2023.

F - The Realty Associates Fund X UTP, L.P. is a closed-end fund and cannot be redeemed. The objective of the Fund is to invest in a diversified portfolio of income-producing properties. The underlying assets of the Fund are expected to be liquidated by October 7, 2021.

G - The Trilantic Capital Partners VI Parallel (North America) L.P. is a closed-end fund and cannot be redeemed. The underlying assets of the Fund are expected to be liquidated by December 15, 2028.

Kopernik Global All-Cap Offshore Fund, Ltd invested substantially all of its assets through a master-feeder structure in Kopernik Global All-Cap Master Fund, L.P. (the “Master Fund”). The Fund was organized for the purpose of trading and investing in securities.

The AFL-CIO Housing Investment Trust invests in multifamily and single family mortgage-backed assets. The objectives of the Trust are to generate competitive risk-adjusted total rates of return for its investors by investing in fixed-income investments, primarily multifamily and single family mortgage-backed securities and mortgage-backed obligations, and to encourage the construction of housing.

DRA Growth and Income Fund VIII, LLC invests in real estate. The objective of the Partnership is for the purpose of affording members the possibility of gains from the realization of capital appreciation and current income principally by means of investing in real estate.

DRA Growth and Income Fund IX, LLC invests in real estate. The objective of the Partnership is for the purpose of affording members the possibility of gains from the realization of capital appreciation and current income principally by means of investing in real estate through the DRA Growth and Income Master Fund IX, LLC (the “Master Fund”).

The Flagship Pioneering Special Opportunities Fund II, L.P. invests in preferred stock and notes. The objective of the Partnership is to provide long-term capital funds to leading-edge life science technology companies.

DRAFT

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

GQG Partners Global Equity Fund invests in common stocks and preferred stocks. The objective of the Partnership is to maximize long-term capital appreciation.

The Ironsides Direct Investment Fund V, L.P. is organized for the purpose of investing in privately negotiated transactions, generally sourced on a co-investment basis with certain private equity partnerships in companies whose principal operations are in North America.

Ridgemont Equity Partner I-B, L.P. invests in private equity investments. The objective of the Partnership is to locate, analyze, and make equity and equity-related investments, and from time-to-time, investments in debt securities (including bridge notes) in buyout and growth capital transactions.

Sky Harbor Broad High Yield Market Partners, L.P. invests in a diversified portfolio principally of debt securities across the full maturity and rating spectrum of the U.S. high yield corporate debt market.

Strategic Investors Fund VIII, L.P. was formed to invest in venture capital funds as a fund of fund. The objective of the Fund is to invest as a limited partner in venture funds focused on technology and life sciences.

The Realty Associates Fund X UTP, L.P. invests in real estate. The objective of the Fund is to invest in a diversified portfolio of income-producing properties.

Trilantic Capital Partners VI Parallel (North America) L.P. invests in private investments. The objective of the Partnership is to achieve appropriate risk-adjusted returns through equity and equity-oriented investments primarily in the business services, consumer and energy industries.

WCM Focused Global Growth Fund, L.P. invests in American Depository Receipts and common stocks. The objective of the Partnership is to establish for the purpose of investing, reinvesting and trading in securities and other financial instruments.

The BIT, AFL-CIO Equity Index Fund, DRA Growth and Income Fund VIII, LLC and DRA Growth and Income Fund IX, LLC are measured at fair value, without adjustment by the Plan, based on the net asset value (NAV) or NAV equivalent as of December 31, 2019 and 2018. Kopernik Global All-Cap Offshore Fund, Ltd was measured at fair value, without adjustment by the Plan, based on the net asset value (NAV) or NAV equivalent as of December 31, 2018.

Ridgemont Equity Partner I-B, L.P., the Realty Associates Fund X UTP, L.P., Strategic Investors Fund VIII, L.P., GQG Partners Global Equity Fund, Trilantic Capital Partners VI Parallel (North America) L.P., and WCM Focused Global Growth Fund L.P. are measured at estimated fair value, without adjustment by the Plan, as reported by the sponsor of the investments as of December 31, 2019 and 2018. Flagship Pioneering Special Opportunities Fund II and Ironsides Direct Investment Fund V, L.P. are measured at estimated fair value, without adjustment by the Plan, as reported by the sponsor of the investment as of December 31, 2019.

DRAFT

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

The private common stock - ULLICO is measured at estimated fair value, without adjustment by the Plan, based on year-end book value as reported by ULLICO as of December 31, 2019 and 2018.

NOTE 6. RELATED PARTY TRANSACTIONS AND PARTY-IN-INTEREST TRANSACTIONS

The Plan's related organizations include UNITE HERE Local 25 and Hotel Association of Washington, D.C. Health and Welfare Fund (Health and Welfare Fund), UNITE HERE Local 25 and Hotel Association of Washington, D.C. Group Legal Services Fund (Legal Fund) and the Hospitality Industry 401(k) Plan. These organizations are related by common Trustees.

Certain plan investments are shares of short-term investments managed by PNC. PNC is the Custodian, as defined by the Plan, and therefore, these transactions qualify as party-in-interest transactions. These transactions have been denoted as such on the supplemental schedule of assets held at end of year and schedule of reportable transactions. For the years ended December 31, 2019 and 2018, the Plan paid custodial fees of $36,903 and $32,489, respectively, to PNC.

NOTE 7. TAX STATUS

The Plan obtained its latest determination letter on July 8, 2014 in which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements under Section 401(a) of the Internal Revenue Code and was, therefore, exempt from Federal income taxes under the provisions of Section 501(a). The Plan has been amended since receiving the letter.

Plan management believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that, more likely than not, would not be sustained upon examination by the U.S. Federal, state, or local taxing authorities. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. Typically, plan tax years will remain open for three years; however, this may differ depending upon the circumstances of the Plan.

NOTE 8. RISKS AND UNCERTAINTIES

The Plan invests in various investments. Investments are exposed to various risks such as economic, interest rate, market and sector risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the amounts reported in the Statements of Net Assets Available for Benefits.

DRAFT

NOTE 8. RISKS AND UNCERTAINTIES (continued)

The actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and participant demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

NOTE 9. NEW ACCOUNTING PRONOUNCEMENT

In May 2014, FASB issued ASU 2014-09 - Revenue from Contracts with Customers (Topic 606). The objective of the disclosure requirements in this Topic is for an entity to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. In accordance with the modified retrospective approach, the comparative information has not been restated and continues to be reported under the accounting standards in effect for those periods. Adoption of the ASU did not have a material effect on the financial statements.

NOTE 10. SUBSEQUENT EVENTS

The Plan has evaluated subsequent events through _____, 2020, the date the financial statements were available to be issued, and they have been evaluated in accordance with relevant accounting standards.

Due to the heightened uncertainty related to the potential impacts of novel coronavirus (COVID-19) on its operations, the Plan's revenues and its operations are subject to risks, uncertainties and changes in circumstances that could significantly affect its future financial results and business operations.

DRAFT

SUPPLEMENTAL INFORMATION

DRAFT

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

Schedules of Administrative Expenses

Years Ended December 31, 2019 and 2018

	2019	2018
Actuary fees	$ 45,172	$ 55,325
Audit fees	22,000	19,000
Bank service fees	6,047	5,745
Contract administrator fees	339,373	331,011
Insurance and bonding	372,097	367,340
Legal fees	124,487	66,344
Payroll audit fees	16,216	48,312
Printing, postage and office expense	23,917	43,853
Trustee meeting expenses and conferences	2,475	1,696
	$ 951,784	$ 938,626

DRAFT

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

Schedule of Assets Held at End of Year

December 31, 2019

Form 5500, Schedule H, Line 4i

EIN: 52-6051390
Plan No: 001

(a)	(b)	(c)			(d)	(e)
	Issuer, Borrower	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value			Cost	Current Value
		Type	Shares/ Principal	Interest Rate	Maturity Date	
		Common stock:				
	ULLICO, Incorporated	CS	75,701		$ 1,429,235	$ 1,856,189
		Common collective trusts:				
	AFL-CIO Building Investment Trust		1,879		6,374,385	14,361,914
	AFL-CIO Equity Index Fund		923,339		15,755,582	26,826,141
	Kopernik Global All-Cap CIT		603,373		6,400,000	6,673,311
	SSGA Daily MSCI Emerging Markets Index Fund		108,398		6,175,900	6,343,181
	SSGA MSCI EAFE Index Fund		165,523		2,651,965	2,839,169
	SSGA REIT Index Fund		55,687		3,052,645	3,509,205
	SSGA S&P Natural Resources Index Fund		850,391		9,357,719	9,951,271
	SSGA TIPS Index Fund		516,452		13,032,351	14,060,416
	SSGA US Aggregate Bond Index Fund		1,443,895		43,518,778	47,307,777
		Total common collective trusts			106,319,325	131,872,385
		Housing investment trust:				
	AFL-CIO Housing Investment Trust		3,886		4,312,767	4,431,100
		Limited partnerships:				
	DRA Growth and Income Fund VIII, LLC		N/A		1,644,110	1,772,421
	DRA Growth and Income Fund IX, LLC		N/A		2,476,633	2,619,325
	Flagship Pioneering Special Opportunities Fund II, L.P.		N/A		180,000	171,708
	GQG Partners Global Equity Fund		N/A		9,710,839	13,684,438
	Ironsides Direct Investment Fund V, L.P.		N/A		1,982,775	2,184,693
	Realty Associates Fund X UTP, LP		N/A		14,431	432,082
	Ridgemont Equity Partners I-B, LP		N/A		926,856	1,635,389
	Sky Harbor Broad High Yield Market Partners, LP		475,983		475,983	884,034
	Strategic Investors Fund VIII, LP		2,073,000		2,073,000	3,188,020
	Trilantic Capital Partners VI Parallel L.P.		N/A		592,463	536,254
	WCM Focused Global Growth Fund L.P.		N/A		8,541,000	13,412,248
		Total limited partnerships			28,618,090	40,520,612
		Registered investment companies:				
	Artisan Global Value INS		747,914		12,195,234	13,606,410

DRAFT

(a) Issuer, Borrower	(b) Type	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value: Shares/ Principal	Interest Rate	Maturity Date	(d) Cost	(e) Current Value
		Registered investment companies (continued):				
First Eagle Gold Fund		250,223			$ 4,423,545	$ 5,087,025
First Eagle Global Fund		230,466			13,182,375	13,417,739
Payden Emerging Markets Bond		551,905			7,500,000	7,594,210
Pimco Institutional Class Fund		1			3	3
Vanguard Intermediate Term		258,249			7,563,732	7,837,864
Vanguard Short Term Inflation Protected Fund		1,119,916			27,398,320	27,661,931
		Total registered investment companies			72,263,209	75,205,182
		Short-term investments:				
Fidelity Money Market Fund		4,641	Var	Demand	4,641	4,641
Federated Government OBL - SEL ERISA & DISC IRA FD# 07		10,206,555	Var	Demand	10,206,555	10,206,555
		Total short-term investments			10,211,196	10,211,196
		Total investments			$ 223,153,822	$ 264,096,664

DRAFT

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

Schedule of Reportable Transactions

Year Ended December 31, 2019

Form 5500, Schedule H, Line 4j

EIN: 52-6051390
Plan No: 001

(a)	(b) Description	(c) Purchase Price	(d) Selling Price	(g) Cost of Asset	(h) Current Value of Asset	(i) Net Gain (Loss) on Transaction
	Federated Government OBL - SEL ERISA & DISC IRA FD# 07	$13,356,193	N/A	N/A	$ 13,356,193	N/A
	Federated Government OBL - SEL ERISA & DISC IRA FD# 07	N/A	$ 3,149,638	$ 3,149,638	3,149,638	$ -
*	PNC Government Money Market Fund #405	42,434,955	N/A	N/A	42,434,955	N/A
*	PNC Government Money Market Fund #405	N/A	51,737,388	51,737,388	51,737,388	-

* A party in-interest as defined by ERISA