MEETING OF THE BOARD OF TRUSTEES OF THE HOSPITALITY INDUSTRY 401(k) PLAN

Held at: UNITE HERE Local 25
901 K Street, N.W., Suite 200
Washington, DC 20001

On: February 22, 2023

Trustees Present:
John Boardman
Solomon Keene

Others Present:

Paul Schwab, UNITE HERE Local 25
Stephanie Steer-Jones, UNITE HERE Local 25
Anne Mayerson, Bredhoff & Kaiser, PLLC, Fund Co-Counsel
Ben Conley, Seyfarth Shaw LLP, Fund Co-Counsel
Anne-Marie Sims, Associated Administrators, LLC
Dawn Welch, Associated Administrators, LLC
Barb Maiorano, Associated Administrators, LLC (by Zoom)
Bill Stahl, Empower Retirement (by Zoom)
Casey Golosky, Empower Retirement (by Zoom)
Henry Jaung, Meketa Investment Group
William Duryea, Meketa Investment Group

I. Call to Order

The meeting was called to order at 2:00 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of December 15, 2022 and approved them with no changes.

III. Investment Consultant's Report

Will Duryea provided the Investment Review for the fourth quarter of 2022. The value of the Plan increased by $2.5 million during the fourth quarter of 2022, ending at $38.8 million on December 31, 2022. The Guaranteed Income Fund was the largest single investment and represented 22.6 % of the Plan's assets as of December 31, 2022. As a group, the Target Date funds accounted for 34% of the Plan assets.

Mr. Duryea said that Touchstone Sands had a difficult 2022 based on its investment style and strategy but has rebounded in 2023, with a year-to-date return of 22.3% through February 15. He reported that Meketa has begun discussions to find a replacement fund for the Goldman Sachs Small Cap Value fund, which is not heavily utilized by Plan participants (total Plan assets invested in this fund total only $164,393), and will have a recommendation for a replacement fund for discussion with the Trustees at the June meeting.

IV. Payroll Auditor Report

Anne-Marie Sims noted that Jackie Coyle had presented the payroll audit report at the earlier meeting of the related funds.

V. Prudential

Bill Stahl reviewed with the Trustees the Plan Summary as of December 31, 2022. including Plan demographics, distributions, and investment option statistics.

Contributions for 2022 were up significantly over the prior year: $4.1 million for 2022 as opposed to $1.3 million for 2021. Plan assets were approximately $40 million as of the end of the day yesterday.

Mr. Stahl reviewed utilization by fund, noting that 41% of participants are invested solely in the target date funds. He reviewed participant fund transfers, observing that participants by and large did not flee to safer investments in 2022. Mr. Stahl reviewed with the Trustees his report showing last contributions received from each contributing location.

Mr. Stahl noted that Prudential has emails for 93% of the participants with account balances (1,036 participants). In response to a question, he said he would determine how many of those participants had opted for electronic disclosure.

VI. Co-Counsel Report

Anne Mayerson reported on the Department of Labor's final rule on ESG investing, which reversed the rule issued at the end of the Trump administration restricting plan fiduciaries to "pecuniary" factors when considering plan investments. She noted that 25 states filed a lawsuit last month in federal district court in Texas seeking to block enforcement of the rule, and a second lawsuit was filed this week by two Wisconsin-based participants. House Republicans have introduced legislation revoking the rule, while House Democrats have introduced legislation to codify the rule.

Ms. Mayerson reported on the provisions of the SECURE Act 2.0 legislation that was passed at the end of December 2022 applicable to the Plan. The Trustees agreed to amend the Plan in principle to (1) increase the required beginning date to age 73 for all participants who reach age 72 after 2022, (2) increase the maximum lump-sum cashout to $7,000 effective in 2024, and (3) permit participants to self-certify that they have had a financial hardship of the type for which a hardship distribution is available, effective as soon as Empower is prepared to implement this provision. Ms. Mayerson explained that no formal Plan amendment is required until 2025, but that a summary of material modifications can be included with the upcoming April mailing.

VII. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the fourth quarter 2022. A brief discussion ensued as to whether it is appropriate to rebate a portion of the participant administrative fee back to participants, and whether to make prospective changes to the administrative fee being charged to participants. Mr. Stahl noted that it is common to keep a 6-month reserve for administrative expenses. Mr. Boardman said that he would review the cashflow and make recommendations on these two issues at the June meeting.

IX. Adjournment

There being no further business before the Board of Trustees, the meeting was adjourned at 2:40 p.m.

Approved by the Board of Trustees on _________________________, 2023.

By: _________________________

Anne-Marie Sims