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: June 21, 2022

Trustees Present:
John Boardman
Solomon Keene (by zoom)

Others Present:

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
Bill Stahl, Empower Retirement
Casey Golosky, Empower Retirement
Henry Jaung, Meketa Investment Group
Paul Schwab, UNITE HERE Local 25

I. Call to Order

The meeting was called to order at 1:00 p.m.

II. Approval of Minutes of Prior Meeting

The Trustees reviewed the minutes of the Board of Trustees meeting of April 13, 2022 and approved them with no changes.

III. Investment Consultant's Report

Henry Jaung provided the Investment Review for the first quarter of 2022. The value of the Plan decreased by $0.3 million during the quarter, ending at $43 million on March 31, 2022. Target date funds accounted for one-third of the Plan's assets as of the end of the quarter. The guaranteed income fund was the largest single investment, with 19.1% of the Plan's assets as of the end of the quarter. Investment fund fees remain low, overall, relative to their respective peer groups, and Meketa has no concern with any of the funds in the lineup.

IV. Payroll Auditor Report

Ms. Sims said that Jackie Coyle of Novak|Francella was unable to attend the meeting and referred the Trustees to Novak|Francella's payroll audit report dated June 15, 2022, which was included in the agenda materials. She noted that, at the meetings of the related funds earlier in the day, the Trustees had requested that she schedule a call with counsel and the payroll auditors to discuss the outstanding issues noted in the report. The Trustees concurred that the call should address the open issues for the 401(k) Plan as well.

V. Prudential

Mr. Stahl reviewed with the Trustees the Plan Summary as of March 31, 2022 including Plan demographics, distributions, and investment option statistics. He noted that average balances were up slightly because of the small balance cashout to be discussed later in the meeting. He pointed out that, over the past 12 months, the net cash flow is still positive for each age group in the under-age-55 population (that is, for each group, contributions exceed distributions). He also observed that the under-age-55 population had not panicked as a result of the market losses by re-allocating money into the guaranteed income fund (i.e., the stable value fund).

Casey Golosky reported on the recent small balance cashout. She reported that the Vanguard Target Retirement 2015 Fund was being merged into the Vanguard Retirement Income Fund and all participants had been notified on March 28, 2022.

Mr. Stahl reminded the Trustees that, as previously reported, the lifetime income illustrations that are required under the SECURE Act to be provided annually to all participants would be included in the participant statements for the second quarter.

Mr. Stahl reviewed with the Trustees his report showing last contributions received. Ms. Sims was asked to follow up with the locations for which no contributions have been received for pay periods ending in April and earlier, including the W and the Madison, which are both in the middle of an exit audit but any findings would not address the failure to make contributions for periods following the end of the audit period (March 31, 2022 in the case of the Madison and August 31, 2021 in the case of the W (now Hotel Washington) (Hotel DC LLC (Owner) and 515 15th Street NW DC LLC (Operator)).

It was noted that requiring auto-enrollment would help boost participation. The Trustees requested that this issue be discussed at the next meeting, along with the issue of moving all employers to making contributions via ACH.

Mr. Stahl reported on the transition to Empower, noting that the Plan would not be migrated to the Empower platform until late 2023. He said that there will be no period in which assets would be out of the market (unlike in a "conversion" situation), although there will still be a brief period in which participants will not be able to make changes to their accounts.

VI. Co-Counsel Report

Ms. Mayerson reminded the Trustees that the question whether participant election forms automatically transferred to the new operator upon a change of operators was still outstanding. Mr. Boardman noted that Local 25 maintains a checklist of items to be addressed when the operator changes and requested co-counsel to ask Ms. Steer to add an item specifying that the existing election forms come over.

VII. Administrative Manager's Report

Ms. Sims presented the Administrative Manager's Report for the first quarter 2022. She reported on the status of the last two assessments of the administrative contributions in July 2021 and January 2022, and the status of lost earnings invoiced for 2021.

VIII. Next Meeting Date and Adjournment

The next meeting was scheduled to immediately follow the meetings of the related funds on October 4, 2022. There being no further business before the Board of Trustees, the meeting was adjourned at 2:05 p.m.

Approved by the Board of Trustees on ______________________, 2022.

By: ______________________

Anne-Marie Sims