

**Health Professionals and Allied Employees, AFT/AFL-CIO**  
**RETIREE MEDICAL TRUST**

140 Sylvan Avenue - Suite 303  
 Englewood Cliffs, NJ 07632

**TO:** BOARD OF TRUSTEES  
 HPAE RETIREE MEDICAL TRUST

**DATE:** MARCH 28, 2018

**FROM:** QUATARA CARTER, CLIENT SERVICES MANAGER

**RE:** ADMINISTRATOR'S REPORT

WE ARE PLEASED TO REPORT ON THE STATUS OF THE FOLLOWING TRUST MATTERS:

**1. PARTICIPATING HOSPITALS** CURRENTLY, THIRTEEN (13) EMPLOYERS HAVE SIGNED AGREEMENTS TO PARTICIPATE IN THE RETIREE MEDICAL TRUST. FOLLOWING IS THE STATUS OF EACH EMPLOYER:

HOSPITAL	NUMBER OF EMPLOYEES CONTRIBUTING	AVERAGE MONTHLY CONTRIBUTION	FIRST MONTH OF CONTRIBUTIONS
COOPER UNIVERSITY HOSPITAL & MEDICAL CENTER	1029	\$30,703	JANUARY 2007
MEADOWLANDS HOSPITAL & MEDICAL CENTER	47	\$1,344	MARCH 2007
PALISADES MEDICAL CENTER	254	\$7,642	MARCH 2007
CHRIST HOSPITAL	267	\$7,786	AUGUST 2007
HPAE	35	\$1,148	JULY 2007 - EMPLOYER CONTRIBUTION
ENGLEWOOD HOSPITAL & MEDICAL CENTER	503	\$14,996	FEBRUARY 2008
VIRTUA/MEMORIAL HOSPITAL	577	\$15,598	FEBRUARY 2008
CORNERSTONE BEHAVIORAL HEALTH	27	\$528	JANUARY 2010 - EMPLOYER CONTRIBUTION
JERSEY SHORE MEDICAL CENTER	892	\$26,150	SEPTEMBER 2010
SOUTH JERSEY MEDICAL CENTER	641	\$19,041	JUNE 2015
SOUTHERN OCEAN MEDICAL CENTER	229	\$5,746	JANUARY 2016
INSPIRA/WOODBURY HEALTHCARE	329	\$9,625	FEBRUARY 2016
BERGEN REGIONAL MEDICAL CENTER	334	\$11,192	OCTOBER 2016
<b>TOTAL</b>	<b>5,164</b>	<b>\$151,499</b>	

**2. CLAIM ACTIVITY**

DURING THE TWELVE (12) MONTHS ENDING DECEMBER 31, 2017, THE TRUST PAID BENEFITS TOTALING \$66,669.84 ON BEHALF OF 136 PARTICIPANTS, OF WHICH 84 PARTICIPANTS WERE REGULAR BENEFICIARIES AND 52 PARTICIPANTS WERE LIMITED BENEFICIARIES.

**3. PARTICIPANT NOTICES**

FEBRUARY 2018 - FORM 1095-B MAILED TO ALL PARTICIPANTS ELIGIBLE FOR A BENEFIT IN 2017. (1,542)

**4. FINANCIAL INFORMATION**

ATTACHED IS AN ASSET STATEMENT AND INCOME AND EXPENSE STATEMENT FOR THE TRUST AS OF DECEMBER 31, 2017.



**HEALTH PROFESSIONALS AND ALLIED EMPLOYEES**  
**RETIREE MEDICAL TRUST**  
**COMPARATIVE INCOME STATEMENT**  
**FOR THE TWELVE MONTHS ENDED**  
**DECEMBER 31, 2017 AND DECEMBER 31, 2016**  
**MODIFIED CASH BASIS UNAUDITED**

	12/31/17	12/31/16	DIFFERENCE	%
INCOME				DIFFERENCE
MANDATORY EMPLOYEE CONTRIBUTIONS	1,785,807.76	1,687,281.95	98,525.81	5.84%
EMPLOYER CONTRIBUTIONS	48,430.50	22,769.31	25,661.19	112.70%
COBRA CONTRIBUTIONS	91.20	973.60	(882.40)	-90.63%
TOTAL INCOME	1,834,329.46	1,711,024.86	123,304.60	7.21%
BENEFITS				
LIMITED BENEFICIARY	26,657.51	21,454.43	5,203.08	24.25%
REGULAR BENEFICIARY	40,012.36	20,227.08	19,785.28	97.82%
TOTAL BENEFITS	66,669.87	41,681.51	24,988.36	59.95%
GROSS	1,767,659.59	1,669,343.35	98,316.24	5.89%
OPERATING EXPENSES:				
ADMINISTRATIVE FEE	163,465.60	152,639.34	10,826.26	7.09%
ACTUARY	6,216.00	27,550.00	(21,334.00)	-77.44%
ACCOUNTING	19,849.54	17,500.00	2,349.54	13.43%
BANK CHARGES	670.77	635.90	34.87	5.48%
FIDUCIARY INSURANCE	10,731.61	10,481.14	250.47	2.39%
LEGAL	33,290.86	32,432.26	858.60	2.65%
PCORI FEES	3,245.00	2,102.00	1,143.00	54.38%
PRINTING & POSTAGE	21,638.82	17,376.62	4,262.20	24.53%
PENSION BENEFIT INFORMATION	222.00	0.00	222.00	100.00%
PAYROLL AUDITS	6,354.44	19,965.00	(13,610.56)	-68.17%
TRUSTEE MEETING EXPENSES	323.66	309.28	14.38	4.65%
TOTAL OPERATING EXPENSES	266,008.30	280,991.54	(14,983.24)	-5.33%
NET INCOME FROM OPERATIONS	1,501,651.29	1,388,351.81	113,299.48	8.16%
INVESTMENT INCOME				
DIVIDEND INCOME - INVESTMENTS	560,363.21	365,238.15	195,125.06	53.42%
NET APPRECIATION(DEPRECIATION) IN FAIR VALUE OF INVESTMENTS	1,295,469.56	634,496.68	660,972.88	104.17%
TOTAL INVESTMENT INCOME	1,855,832.77	999,734.83	856,097.94	85.63%
INVESTMENT EXPENSES				
INVESTMENT MANAGEMENT FEE	13,317.00	12,327.00	990.00	8.03%
TOTAL INVESTMENT EXPENSE	13,317.00	12,327.00	990.00	8.03%
NET INVESTMENT INCOME	1,842,515.77	987,407.83	855,107.94	86.60%
NET INCOME	3,344,167.06	2,375,759.64	968,407.42	40.76%

# Portfolio Performance

As of February 28, 2018



## PORTFOLIO RETURNS

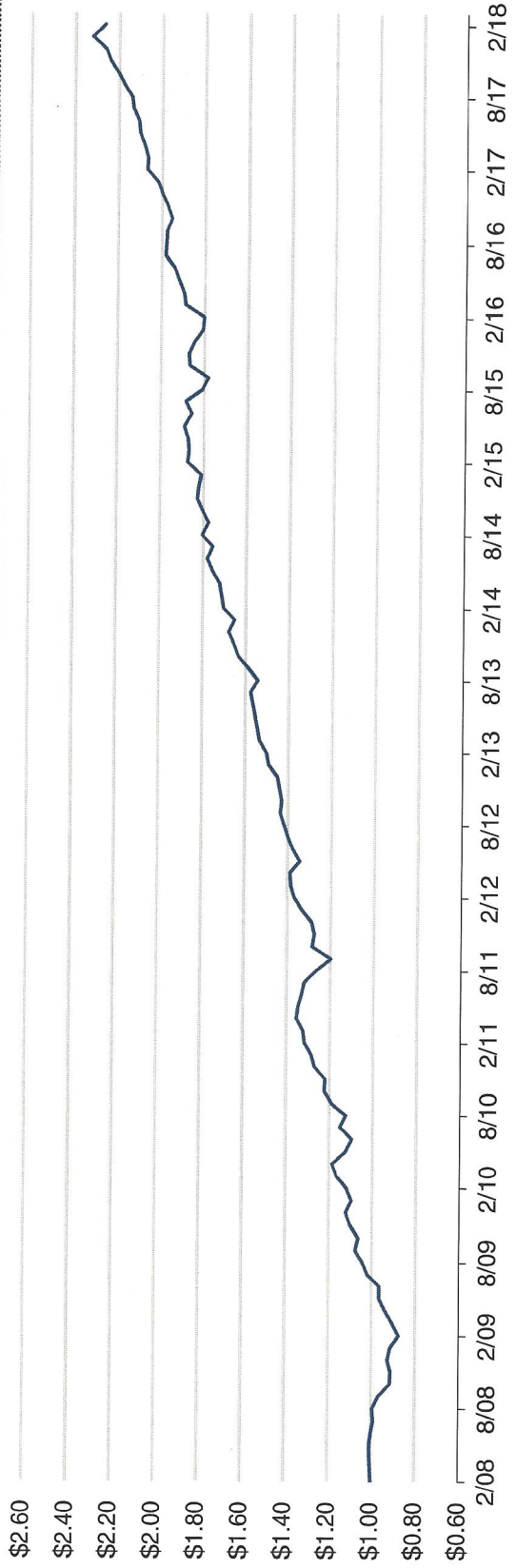
	2018 Year-to-Date	Trailing 1 Year	Trailing 3 Years	Trailing 5 Years	Since Inception (2/25/2008)
<b>Portfolio Return (net of all fees)</b>	<b>0.16%</b>	<b>9.32%</b>	<b>6.38%</b>	<b>8.46%</b>	<b>8.38%</b>
Benchmark*	0.30%	10.24%	7.16%	9.47%	7.53%
S&P500 Index	1.82%	17.07%	11.11%	14.70%	9.37%
Barclays Aggregate Index	-2.09%	0.51%	1.14%	1.71%	3.76%

*Periods over one year are annualized.*

*Assumes 11 bps investment management fee, net of mutual fund fees*

*\*60% S&P 500, 40% Bloomberg Barclays Aggregate*

## Economic Return





# Portfolio Characteristics

As of February 28, 2018

## Portfolio Characteristics

Market Value: \$17.0 million  
 Portfolio Yield: 2.3%

### Stocks

PE Ratio: 21x  
 Avg Market Cap: \$167.7 B  
 Distribution Yield: 1.9%

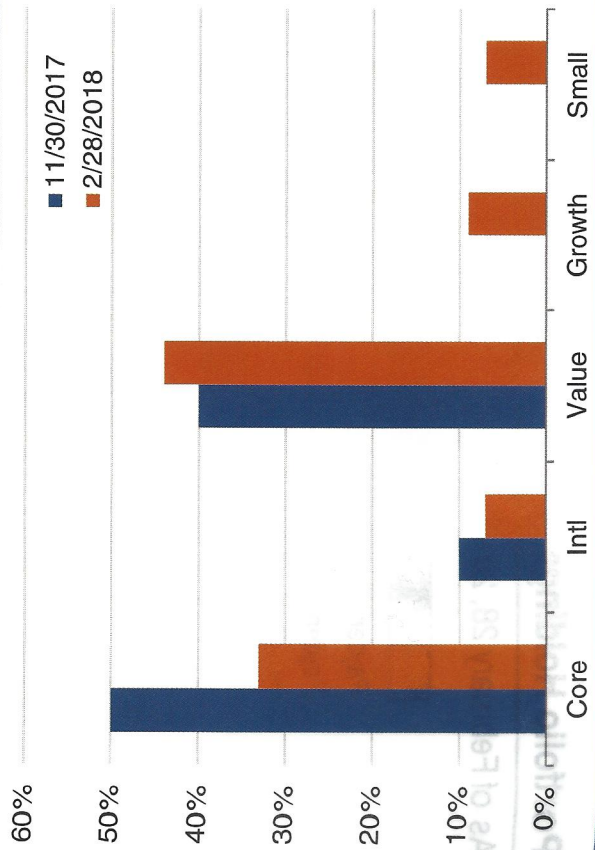
### Bonds

Avg Credit Quality: A-  
 Avg Duration: 4.5 yrs  
 SEC Yield: 3.1%



11/30/2017:  
 Stocks 60%  
 Bonds 40%

## Stocks - By Style



## Bonds - By Sector

