SEIU National Industry Pension Plan - United States

Financial Statements

December 31, 2019

CALIBRE CPA GROUP

SEIU National Industry Pension Plan - United States

Financial Statements

Years Ended December 31, 2019 and 2018

Contents

CALIBRE
CPA GROUP

7501 WISCONSIN AVENUE | SUITE 1200 WEST
BETHESDA, MD 20814
202.331.9880 PHONE | 202.331.9890 FAX

Report of Independent Auditors

Board of Trustees
SEIU National Industry Pension Plan - United States

We have audited the accompanying financial statements of SEIU National Industry Pension Plan - United States (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 statements of accumulated plan benefits as of December 31, 2018 and the related statements of changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Plan's 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.

Auditors' 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 audits 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 auditors' 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 auditors consider 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.

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 2018 and changes therein for the years then ended and the Plan's financial status as of December 31, 2018, 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 information on pages 21 and 22 is presented for the purpose of additional analysis and are not a required part of the financial statements. However, the 2019 supplemental information on page 22 is required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such 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 audit 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.

CalibreCPAGroup, PLLC

Bethesda, MD
September 23, 2020

SEIU National Industry Pension Plan - United States

Statements of Net Assets Available for Benefits

December 31, 2019 and 2018

	2019	2018
Assets		
Investments - at fair value		
Plan interest in SEIU Pension Plans Master Trust	$ 1,319,186,684	$ 1,154,043,253
Insurance company general account	-	31,632
Total investments	1,319,186,684	1,154,074,885
Receivables		
Employer contributions, net	11,170,358	9,997,308
Withdrawal liability, net	8,528,465	16,411,925
Due from related parties	345,728	325,381
Deposits and other receivables	39,134	35,439
Total receivables	20,083,685	26,770,053
Property and equipment, net	45,832	70,729
Prepaid expenses	346,140	303,965
Cash	5,685,909	5,284,380
Total assets	1,345,348,250	1,186,504,012
Liabilities and net assets		
Liabilities		
Accounts payable	788,637	768,971
Deferred rent	460,719	419,925
Total liabilities	1,249,356	1,188,896
Net assets available for benefits	$ 1,344,098,894	$ 1,185,315,116

See accompanying notes to financial statements.

SEIU National Industry Pension Plan - United States

Statements of Changes in Net Assets Available for Benefits

Years Ended December 31, 2019 and 2018

	2019	2018
Additions		
Investment income (loss)		
Plan interest in Master Trust net investment income	$ 197,390,140	$ (33,798,195)
Non-master trust investments (Insurance company general account)		
Net appreciation in fair value of investments	16,709	10,138
Interest and dividends	21,031	20,598
	37,740	30,736
Less: investment expenses	(1,244)	(4,998)
Net non-master trust investment income	36,496	25,738
Total investment income (loss)	197,426,636	(33,772,457)
Contributions		
Employer contributions	79,636,668	74,244,883
Withdrawal liability	1,820,454	15,651,960
Interest on withdrawal liability contributions	1,123,312	1,362,301
Total contributions	82,580,434	91,259,144
Other revenue	21,032	27,680
Total additions	280,028,102	57,514,367
Deductions		
Pension benefits	111,036,474	107,657,885
Lump-sum pension benefits	558,994	530,421
Administrative expenses	9,648,856	9,602,398
Total deductions	121,244,324	117,790,704
Net change	158,783,778	(60,276,337)
Net assets available for benefits		
Beginning of year	1,185,315,116	1,245,591,453
End of year	$ 1,344,098,894	$ 1,185,315,116

See accompanying notes to financial statements.

SEIU National Industry Pension Plan - United States

Statement of Accumulated Plan Benefits

December 31, 2018

Actuarial present value of accumulated plan benefits	
Vested benefits	
Participants currently receiving benefits	$ 784,929,213
Other participants	799,923,532
Total vested benefits	1,584,852,745
Nonvested benefits	17,669,747
Total actuarial present value of accumulated plan benefits	$ 1,602,522,492

See accompanying notes to financial statements.

SEIU National Industry Pension Plan - United States

Statement of Changes in Accumulated Plan Benefits

Year Ended December 31, 2018

Actuarial present value of accumulated plan benefits as of January 1, 2018	$ 1,574,697,909
Change during the year attributable to	
Benefits accumulated, net experience gain or loss and changes in data	26,095,936
Interest	109,916,953
Benefits paid	(108,188,306)
Net change	27,824,583
Actuarial present value of accumulated plan benefits as of December 31, 2018	$ 1,602,522,492

See accompanying notes to financial statements.

SEIU National Industry Pension Plan - United States

Notes to the Financial Statements

Years Ended December 31, 2019 and 2018

Note 1. Description of the Plan

The following description of the SEIU National Industry Pension Plan - United States (the Plan) provides only general information. Participants should refer to the plan document for a more complete description of the Plan's provisions.

General - The Plan is a defined benefit pension plan that covers employees for whom contributions are made in accordance with collective bargaining and/or participation agreements. The Plan offers normal, early, disability and survivor benefits. The benefit amount is in accordance with schedules, taking into consideration age, length of service, and contribution amounts. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

In accordance with the Pension Protection Act of 2006 (PPA), the actuaries declared the Plan in critical status as of January 1, 2009. As a result, the Board of Trustees (Trustees) were required to develop a Rehabilitation Plan that was designed to reasonably enable the Plan to emerge from critical status. The Rehabilitation Plan includes a Preferred Schedule and a Default Schedule. As of January 1, 2019, the Plan remained in critical status.

Pension Benefits - Participants become vested after reaching age 65 as an active participant with five years of participation in the Plan; or earning five vesting credits; or earning five pension credits, at least one of which is for future service (if a participant in the Plan on December 31, 2004); or earning five pension credits, at least three of which are for future service (if a participant in the plan on or after January 1, 2005).

The Plan uses two formulas to calculate benefits accrued prior to January 1, 2008. Any benefit earned through 2007 is based on the formula that produces the highest benefit as of December 31, 2007. The contribution formula is a percentage of the contributions made to the Plan. The benefit table formula is based on years of service and average contribution rate. Please refer to the plan document for an explanation of the contribution formula and benefit table formula for service through the end of 2007.

For service earned on or after January 1, 2008, the benefit is based on the contribution formula. The contribution formula provides a benefit based on a percentage of the contributions made to the Plan. If contributions were first required to be made before 2008, the monthly benefit earned during 2008 and 2009 is equal to 2.5% of the total contributions made for work during this

NOTE 1. DESCRIPTION OF THE PLAN (CONTINUED)

period. If contributions were first required to be made on or after January 1, 2008, the monthly benefit earned during 2008 and 2009 equals 2.25% of the total contributions made for work during this period. For all work on or after January 1, 2010, the monthly benefit is equal to 1.75% of the total contributions for groups under the Preferred Schedule and 1.00% of the total contributions for groups under the Default Schedule.

Please refer to the plan document for more details regarding benefits provided by the Plan.

The Plan permits early retirement at ages 55-64, at a reduced benefit rate. For pensions awarded on or after January 1, 1997, a participant who is at least 55 years old and whose age plus years of service total 80 or more, will have an early retirement reduction based on the number of months the pension is commencing prior to age 62 rather than age 65. As of January 1, 2010, this option is no longer available.

If a participant withdraws from the Plan before rendering 5 years of service, but with at least one year of future service credit (3 years for racetrack employees), in the year of or the year before they reach age 65, the participant is entitled to 50% of total contributions submitted on their behalf as a one-time lump sum payment. This option is no longer available for participants whose 65th birth date is after January 1, 2005.

Each person entitled to a benefit may elect to receive the benefit as a single lump sum if the benefit has a lump sum value under $5,000 or the monthly benefit payable if less than $50. If the designated beneficiary is an estate, a benefit of any value can be paid as a single lump sum. As of January 1, 2010, the Plan cannot issue a lump sum payment that exceeds $5,000.

Death and Disability Benefits - If an active participant who is eligible for, but not receiving, pension benefits dies at age 55 or older, the death benefit is payable immediately in the amount of 50% of the benefit the participant would have received had he or she retired and elected the husband and wife option. If the participant dies before age 55, the spouse's benefit would be deferred to the month after the participant would have attained age 55. A five-year payment certain benefit is payable (if participant is not eligible for spouse's benefit, discussed above, or lump sum benefit, discussed below) upon the death of a participant who is at least 55 years old with 5 years pension credit (including one year of future service). The monthly benefit, payable for 60 payments, would be the same as the participant would have been entitled to, had he or she retired the day before he or she died (this option is not available for death that occurred after January 1, 2005).

A lump sum benefit is payable (if a participant is not eligible for five-year payment certain or spouse's benefit) upon the death of a participant of any age with 5 years of pension credit (including one year of future service) or a participant age 65 with at least one year of pension credit, in the amount of a 50% return of contributions. (This option is not available for any death that occurs after January 1, 2005). For any death that occurs after January 1, 2005, if you are not married or are married for less than one year, vested and die, the beneficiary will receive a lump sum death benefit equal to 50% of contributions submitted to this office. For any death after

Note 1. Description of the Plan (continued)

January 1, 2005 at age 55 the spouse of the participant will receive benefits in the amount of 50% of the benefit the participant would have received had he or she retired and elected the husband and wife option, or the lump sum benefit equal to 50% of contributions submitted to this office.

Prior to January 1, 2005, disability pension benefits are payable immediately to any disabled participants with 5 years of vested credit, or 5 years of pension credit, including one-year Future Service. After January 1, 2005, disability pension benefits are payable immediately to any disabled participant with 10 years of vested credit, or 10 years of pension credit, including three years of future service credit (lower for racetrack employees) in the amount of his or her accrued normal benefit.

Note 2. Summary of Significant Accounting Policies

Method of Accounting -The financial statements have been prepared using the accrual basis of accounting. Under this basis, revenue is recognized when earned and expenses are recognized when incurred.

Investment Valuation and Income Recognition - The fair value of the Plan's interest in the SEIU Pension Plans Master Trust Account is based on the beginning of the year value of the Plan's interest in the trust, plus actual contributions and allocated investment income, less actual distributions and allocated administrative expenses. Investments in the SEIU Pension Plans Master Trust Account are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Plan's Trustees determines the Plan's valuation policies utilizing information provided by its investment advisers and custodians. See Notes 7 and 8 for a discussion of fair value measurements.

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

Property and Equipment - Property and equipment are stated at cost. Major additions are capitalized while replacements, maintenance and repairs which do not improve or extend the lives of the respective assets are expensed currently. Depreciation expense is computed using the straight-line method over the estimated useful lives of the related assets, generally five years for furniture and equipment and over the life of the lease for leasehold improvements.

Employer Contributions - Employer contributions due and unpaid at the end of the year are recorded as contributions receivable. Management of the Plan has established an allowance for doubtful accounts of $12,461,226 and $11,766,299 at December 31, 2019 and 2018, respectively, to reflect the uncertainty of collectability of certain employer contributions receivable.

Payment of Benefits - Benefit payments to participants are recorded upon distribution.

Note 2. Summary of Significant Accounting Policies (continued)

Use of 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 the reported amounts of assets, liabilities, and changes therein, disclosures of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements, and changes therein. Actual result could differ from those estimates.

Withdrawal Liability - The Plan assesses withdrawal liability to employers who have withdrawn from the Plan in accordance with plan provisions and related regulations. Amounts assessed as withdrawal liability contributions are recorded as receivable when collection of the assessment appears reasonably certain. Once the receivable is recorded, a portion of each payment received reduces the receivable and a portion is recorded as interest income on withdrawal liability contributions. The payment status of each employer is reviewed annually by the Plan's legal counsel and an allowance for doubtful collection is recorded if warranted.

At December 31, 2019 and 2018, withdrawal liability contributions of $12,423,085 and $20,742,461, respectively was recorded as receivable. An allowance for doubtful collection of $3,894,620 and $4,330,536, respectively, has been recorded as of December 31, 2019 and 2018.

Administrative Expenses - Administrative expenses are paid by the Plan.

Deferred Rent - The Plan records rent expense on a straight-line basis on its office lease which contains fixed annual rental increases. The difference between rent expense and payments made under the lease are reflected as deferred rent.

New Accounting Pronouncement - In 2018, Accounting Standards Update (ASU) 2018-13 was issued by the Financial Accounting Standards Board. ASU 2018-13 modifies the disclosure requirements on fair value and is effective for plan years beginning after December 15, 2019. The Plan has elected early implementation of this standard. Certain fair value investment information has been restated to present that information on a comparative basis. The adoption of ASU 2018-13 did not have a material impact on the Plan's financial statements.

Note 3. Priorities Upon Termination

It is the intent of the Trustees to continue the Plan in full force and effect; however, to safeguard against any unforeseen contingencies, 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 all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan's net assets to provide those benefits and may also depend on the level of benefits guaranteed by the Pension Benefit Guaranty Corporation (PBGC). The PBGC provides financial assistance to plans to help them avoid insolvency. Should a plan become insolvent, the PBGC guarantees certain benefits to participants; however, the benefits guaranteed are generally only a portion of the normal pension benefit. In addition,

Note 3. Priorities Upon Termination (continued)

no benefit increases as a result of plan amendments in effect for less than five years are guaranteed. For plan terminations, the PBGC guarantees a portion of the pension earned up to $35.75 per month times the years of credited services. Some benefits may be fully or partially provided for while other benefits may not be provided at all.

Note 4. 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 employees have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits payable under all circumstances - retirement, death, disability and termination of employment - are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

The actuarial present value of accumulated plan benefits is determined by an actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The actuarial valuations were made using the entry age normal actuarial cost method. The significant actuarial assumptions used in the valuation as of January 1, 2019 were:

a. Retirement age assumptions - weighted average assumed retirement age was 67.7 years;
b. Net investment rate of return - 7.25% per year;
c. Administrative expenses - $10,000,000; and
d. Mortality rates: healthy life - 104% of the RP-2006 Blue Collar Mortality Table projected forward generationally with MP-2017 scale. Disabled life - 110% of the RP-2006 Disabled Retiree Mortality Table, projected forward generationally with MP-2017 scale.

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. The Plan's actuary has determined the Plan has met the minimum funding requirements of ERISA through December 31, 2018.

Since information on the accumulated plan benefits at December 31, 2019, and the changes therein for the year then ended are not included, the 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 therein for the year then ended, but a presentation of only the net assets available for benefits and the changes therein as of and for the year ended December 31, 2019. The complete financial status of the Plan is presented as of December 31, 2018.

Note 5. Tax Status

The Plan obtained its latest determination letter on January 11, 2013, in which the Internal Revenue Service (IRS) stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code (IRC). The Plan has been amended since receiving that determination letter. However, the Plan's administrator and the Plan's tax counsel believe that the Plan is designed and is currently being operated in compliance with the applicable requirements of the IRC.

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 IRS. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress.

Note 6. Property and Equipment

Property and equipment at December 31, 2019 and 2018 consisted of the following:

	2019	2018
Property and equipment		
Computer programming and software	$ 133,931	$ 133,931
Furniture and equipment	515,016	515,017
	648,947	648,948
Less: accumulated depreciation	(603,115)	(578,219)
Property and equipment, net	$ 45,832	$ 70,729

Note 7. Investments in SEIU Pension Plans Master Trust

The SEIU National Industry Pension Plan - United States, the SEIU Affiliates Officers and Employees Pension Plan - United States, and the Pension Plan for Employees of the Service Employees International Union - United States each contributed investment assets to a combined investment account entitled SEIU Pension Plans Master Trust. Each of the three contributing pension plans has an undivided interest in the Master Trust.

The value of the Plan's interest in the SEIU Pension Plans Master Trust is based on the beginning of year value of the Plans' interest in the Trust plus actual contributions and allocated investment income less actual distributions and allocated administrative expenses. The Plan's interest in the net assets of the Master Trust was 48.02515% and 48.56904% as of December 31, 2019 and 2018, respectively. Total investment income (including net appreciation (depreciation) in the fair value of investments) of the SEIU Pension Plans Master Trust is allocated to the individual plans based upon ending monthly balances invested in each plan.

NOTE 7. INVESTMENTS IN SEIU PENSION PLANS MASTER TRUST (CONTINUED)

The following table presents the investments and other assets of the SEIU Pension Plans Master Trust as of December 31, 2019 and 2018:

	December 31, 2019		December 31, 2018	
	SEIU Pension Plans Master Trust Balances	Plan's Interest in SEIU Pension Plans Master	SEIU Pension Plans Master Trust Balances	Plan's Interest in SEIU Pension Plans Master
Short-term investments	$ 37,148,668	$ 17,840,704	$ 15,177,944	$ 7,371,782
U.S. Government and government agency obligations	207,274,189	99,543,743	198,041,967	96,187,082
Corporate notes and bonds	122,332,471	58,750,355	131,676,006	63,953,772
Common stocks	1,064,472,577	511,213,210	886,584,810	430,605,731
Mutual funds	30,036,746	14,425,193	85,512,002	41,532,358
Common collective trusts	739,894,688	355,335,545	556,883,144	270,472,797
Insurance company pooled separate accounts	43,808,217	21,038,963	42,118,131	20,456,372
Limited partnerships	412,975,253	198,331,991	376,252,807	182,742,376
Other pooled funds	85,689,929	41,152,718	80,365,461	39,032,733
Total investments at fair value	2,743,632,738	1,317,632,422	2,372,612,272	1,152,355,003
Plus				
Accrued income	3,236,351	1,554,262	3,477,669	1,688,250
Total	$ 2,746,869,089	$ 1,319,186,684	$ 2,376,089,941	$ 1,154,043,253

The following are net appreciation (depreciation) in the fair value of investments and investment income for the SEIU Pension Plans Master Trust for the years ended December 31, 2019 and 2018:

	2019	2018
Net appreciation (depreciation) in fair value of investments	$ 369,427,179	$ (109,815,651)
Investment income	42,363,105	39,367,829
Total	$ 411,790,284	$ (70,447,822)

Accounting standards provide the framework for measuring fair value which 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 (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

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 other significant observable inputs including:

- 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; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Note 7. Investments in SEIU Pension Plans Master Trust (continued)

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 observable inputs and minimize the use of unobservable inputs.

The Trustees determines the fair value measurement policies and procedures, based on information provided by the Plan's custodian bank and investment advisors. Those policies and procedures are reassessed at least annually to determine if the current valuation techniques are still appropriate. At that time, the unobservable inputs used in the fair value measurements are evaluated and adjusted, as necessary, based on current market conditions and other third-party information.

Following are descriptions of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2019 and 2018.

Short-term investments: Valued at amortized cost, which approximates fair value

United States Government and government agency obligations: Valued using pricing models maximizing the use of observable inputs for similar securities.

Corporate notes and bonds: Valued using pricing models maximizing the use of observable inputs for similar securities. This includes basing value on yields currently available on comparable securities of issuers with similar credit ratings. When quoted prices are not available for identical or similar bonds, the bond is valued under a discounted cash flows approach that maximizes observable inputs, such as current yields of similar instruments, but includes adjustments for certain risks that may not be observable, such as credit and liquidity risks or a broker quote if available.

Common stock: Valued at the closing price reported on the active market on which the individual securities are traded.

Mutual funds: Valued at the daily closing price as reported by the fund. Mutual funds held by the Plan are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily net asset value (NAV) and to transact at that price. The mutual funds held by the Plan are deemed to be actively traded.

NOTE 7. INVESTMENTS IN SEIU PENSION PLANS MASTER TRUST (CONTINUED)

The following tables set forth by level, within the fair value hierarchy, the Master Trust's assets at fair value as of December 31, 2019 and 2018:

	Master Trust Assets at Fair Value as of December 31, 2019			
	Total	Level 1	Level 2	Level 3
Short-term investments	$ 37,148,668	$ -	$ 37,148,668	$ -
United States Government and government agency obligations	207,274,189	120,711,691	86,562,498	-
Corporate bonds and notes	122,332,471	-	122,332,471	-
Common stocks	1,064,472,577	1,061,186,554	-	3,286,023
Mutual funds	30,036,746	30,036,746	-	-
Total assets in the fair value hierarchy	1,461,264,651	$ 1,211,934,991	$ 246,043,637	$ 3,286,023
Investments measured at NAV*	1,282,368,087			
Investments at fair value	$ 2,743,632,738			

	Master Trust Assets at Fair Value as of December 31, 2018			
	Total	Level 1	Level 2	Level 3
Short-term investments	$ 15,177,944	$ -	$ 15,177,944	$ -
United States Government and government agency obligations	198,041,967	97,968,357	100,073,610	-
Corporate bonds and notes	131,676,006	-	131,676,006	-
Common stocks	886,584,810	883,997,174	-	2,587,636
Mutual funds	85,512,002	85,512,002	-	-
Total assets in the fair value hierarchy	1,316,992,729	$ 1,067,477,533	$ 246,927,560	$ 2,587,636
Investments measured at NAV*	1,055,619,543			
Investments at fair value	$ 2,372,612,272			

*In accordance with Accounting Standards Codification, investments that were measured at NAV per share (or its equivalent) have not been classified in the fair value hierarchy.

NOTE 7. INVESTMENTS IN SEIU PENSION PLANS MASTER TRUST (CONTINUED)

Fair Value of Investments that Calculate Net Asset Value

The following tables summarize investments measured at fair value based on NAV per share as of December 31, 2019 and 2018, respectively.

December 31, 2019	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts	$ 739,894,688	-	Varies	Varies
Insurance company pooled separate account	43,808,217	-	Varies	Varies
Limited partnerships	412,975,253	$114,075,599	Varies	Varies
Other pooled funds	85,689,929	-	Varies	Varies
Total	$ 1,282,368,087	$114,075,599		

December 31, 2018	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Common collective trusts	$ 556,883,144	-	Varies	Varies
Insurance company pooled separate account	42,118,131	-	Varies	Varies
Limited partnerships	376,252,807	$ 94,579,944	Varies	Varies
Other pooled funds	80,365,461	-	Varies	Varies
Total	$ 1,055,619,543	$ 94,579,944		

The investments in the common collective trust class is comprised of several investments. Underlying assets in these funds primarily include publicly traded equity securities and fixed income securities and are valued at their NAV's calculated by the fund sponsor and have daily or monthly liquidity.

The investments in insurance company pooled separate accounts from insurance contracts seeks to capitalize on opportunities in the U.S. commercial real estate market through making loans to borrowers in connection with the acquisition, development or refinancing of commercial properties. This investment is valued based on the underlying portfolio of investments valued primarily through cash flow models and appraisals.

The investments in the limited partnerships class seek to achieve long term-growth of capital consistent with risk reduction through diversification. These investments are subject to various restrictions on redemption and frequency. The fair value of these investments is estimated based on the audited capital accounts and the Master Trust's respective ownership as reported by the investment manager.

The investment in the other pooled funds class is an investment in a manager that seeks to provide sound means to invest in a portfolio of high-quality, short-term construction loans secured by the projects being built. This investment is valued based on the underlying value of its portfolio.

NOTE 8. NON-MASTER TRUST INVESTMENTS

The Plan is also invested in an insurance company general account. This investment is carried at an estimated fair value of $0 and $31,632 at December 31, 2019 and 2018, respectively.

For the years ended December 31, 2019 and 2018, the Plan's investment, including gains and losses on investments bought and sold, as well as held at year end, appreciated in value $16,709 and $10,138, respectively.

The insurance company contract's fair value is estimated based on the weighted average of the Plan's share of investment income, benefits paid, and fees as reported by the insurance company. The Plan's investment in the insurance company general account is reported using Level 2 inputs.

Refer to Note 7 for a description of the valuation methodologies used.

NOTE 9. FUNDING POLICY

Funding of the Plan is provided by employer contributions in accordance with formulas set forth in collective bargaining agreements. Contributions to the Plan for 2019 and 2018 exceeded the minimum funding requirements of ERISA. See Note 1 for additional funding information.

NOTE 10. RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that the values of investment securities could be different at the reporting date and that such changes could materially affect the amounts reported in the statements of net assets available for benefits.

Plan contributions are made, and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee 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 11. TRANSACTIONS WITH RELATED PARTIES

The Plan serves as the employer for all employees who work on the SEIU National Industry Pension Plan - United States, the SEIU Affiliates Officers and Employees Pension Plan - United States, the Pension Plan for Employees of the Service Employees International Union - United States, and the Service Employees International Union - Health and Welfare Plan. These plans are related through common trustees. The Plan allocates total salaries, payroll taxes, and employee benefits to these entities based on services performed for each plan.

NOTE 11. TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

The Plan paid for most of the administrative expenses incurred by the SEIU National Industry Pension Plan - United States, SEIU Affiliates Officers and Employees Pension Plan - United States, the Pension Plan for Employees of the Service Employees International Union - United States, and the Service Employees International Union - Health and Welfare Plan. The Plan allocated administrative expenses to these entities based on services received by each plan. These administrative expenses allocated include certain investment fees, equipment rental and maintenance, insurance and bonding, office supplies and expense, printing and postage, real estate and personal property taxes, rent and utilities expense, telephone and facsimile expense, administrative fees and services, trustee meeting expenses, temporary help, data processing services, computer supplies and software development.

In addition, the Service Employees International Union (the International Union) provides certain general administrative services. The Plan reimbursed the International Union for the cost of such services, which were $25,340 and $30,476 in 2019 and 2018, respectively. Certain International Union Executive Board members and officers also serve as trustees of the Plan.

At December 31, the Plan had receivables from related parties as summarized below:

	2019	2018
Due from		
SEIU Affiliates Officers and Employees Pension Plan - United States	$ 189,447	$ 98,555
SEIU Affiliates Officers and Employees Pension Plan - Canada	12,585	12,086
Pension Plan for Employees of the Service Employees International Union - United States	69,252	38,179
Service Employees International Union	8,429	15,606
Service Employees International Union Health and Welfare Plan	61,168	156,599
SEIU Affiliates' Supplemental Retirement Savings 401(k) Plan	4,847	4,356
	$ 345,728	$ 325,381

NOTE 12. PENSION PLAN

Certain employees of the Plan are covered under the Pension Plan for Employees of the Service Employees International Union - United States (Staff Plan), which is a defined benefit pension multiemployer plan. The Staff Plan is funded by employer contributions which were 18.1% of eligible salary for years ended December 31, 2019 and 2018. The risk of participating in a multiemployer plan is different from single-employer plans in the following aspects.

a. Assets contributed to the multiemployer plan by one employer may be used to provide benefits to employees of other participating employers.
b. If a participating employer stops contributing to the plan, the unfunded obligations of the plan may be borne by the remaining participating employers.
c. If the Plan chooses to stop participating in the Staff Plan then the Plan may be required to pay the Staff Plan an amount based on the underfunded status of the plan, referred to as a withdrawal liability.

Note 12. Pension Plan (continued)

The Plan's participation in Staff Plan for the year ending December 31, 2019 is outlined in the table below. The "EIN/Pension Plan Number" column provides the Employer Identification Number (EIN) and the three-digit plan number, if applicable. Unless otherwise noted, the most recent Pension Protection Act (PPA) zone status available in 2019 and 2018 is for the Plan's year-end at December 31, 2018 and 2017, respectively. The zone status is based on information that the Plan received from the Staff Plan and is certified by the Staff Plan's actuary. Among other factors, plans in the red zone are generally less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The "FIP/RP Status Pending/Implemented" column indicates plans for which a financial improvement plan (FIP) or a rehabilitation plan (RP) is either pending or has been implemented.

Pension Fund	EIN/Pension Plan Number	Pension Protection Act Zone Status		FIP/RP Status Pending/ Implemented	Contributions		Surcharge Imposed	Date of Collective-Bargaining Agreement
		2018	2017		2019	2018		
Pension Plan for Employees of the Service Employees International Union	36-0852885/001	Green	Green	No	$ 351,751	$ 322,762	No	N/A

Note 13. Lease Agreements

Commencing January 1, 2017, the Plan entered into an operating lease for office space in Washington, D.C. from 1800 Massachusetts Avenue Corp., a District of Columbia nonprofit corporation and a subsidiary of the Service Employees International Union. The Plan has an eleven-year lease which expires in December 2027. The lease provides for annual 2.25% step increases in base rent, plus annual adjustment for increases in operating expenses and real estate taxes. The lease also provided for rent abatement of $965,115 which is being amortized on a straight-line basis over the life of the lease. The following is a summary, by year, of the minimum lease payments required under the lease:

Year Ending December 31	
2020	$ 412,657
2021	421,942
2022	444,362
2023	454,360
2024	464,583
Thereafter	1,457,413
	$ 3,655,317

Rent expense under this agreement was $285,194 and $330,567 for December 31, 2019 and 2018, respectively.

NOTE 14. SUBSEQUENT EVENTS

Subsequent to year-end, U.S. and global business and financial markets have been severely impacted by the Coronavirus pandemic. The potential impacts on the Plan's financial condition and activities cannot be determined at this time. All subsequent events have been evaluated through September 23, 2020, which is the date the financial statements were available to be issued. This review and evaluation revealed no other material event or transaction which would require an adjustment to or disclosure in the accompanying financial statements

Supplemental Information

SEIU National Industry Pension Plan - United States

Schedules of Administrative Expenses

Years Ended December 31, 2019 and 2018

	2019	2018
Administrative expenses		
Bank charges	$ 144,686	$ 138,192
Depreciation of property and equipment	24,897	29,192
Employee benefits		
Pension contributions	351,751	322,762
Hospitalization and life insurance	510,460	503,890
Other employee benefits	58,824	53,896
Equipment rental and maintenance	15,948	20,639
Insurance and bonding	307,503	299,357
Office supplies and expense	16,307	27,856
Payroll taxes	163,863	144,571
Pension Benefit Guaranty Corporation premiums	3,387,113	3,211,992
Postage	111,856	107,412
Printing	58,371	39,123
Personal property taxes	649	1,244
Rent and utilities expense	315,964	361,889
Salaries	2,617,436	2,498,594
Telephone	14,402	26,092
Total administrative expenses	8,100,030	7,786,701
Professional and outside service fees		
Actuarial consulting and related fees	411,851	343,661
Administrative fees and services	68,235	75,664
Audit fees and expenses	62,000	54,862
Insurance service fees	22,460	22,953
Legal fees and expenses	583,090	802,615
Other professional services	32,810	12,615
Outside services	20,378	20,297
Temporary help	9,998	100,188
Trustee expenses	45,061	31,968
Trustee meeting expenses	22,421	16,615
Total professional and outside service fees	1,278,304	1,481,438
Computer services		
Data processing services and systems implementation	177,505	248,436
Computer supplies	48,309	26,860
Technical support	44,708	58,963
Total computer services	270,522	334,259
Total administrative expenses	$ 9,648,856	$ 9,602,398

SEIU National Industry Pension Plan - United States

Schedule of Assets (Held at End of Year)

December 31, 2019

Form 5500, Schedule H, Part IV, Line i

EIN 52-6148540
Plan No. 001

(a)	(b) Identity of issuer, borrower, lessor, or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value: Collateral	Maturity Date	Interest Rate	Shares/ Par Value	(d) Cost	(e) Current Value
	Interest in Master Trust	N/A	N/A	N/A	Varies	$ 967,197,802	$ 1,319,186,684
	Total assets (held at end of year)					$ 967,197,802	$ 1,319,186,684