

Committee on Asset and Resource Management
Trustee Oswald K. Stender, *Chair*
Trustee Robert K. Lindsey, Jr., *Vice-Chair*

Members

Trustee Rowena Akana
Trustee Peter Apo
Trustee S. Haunani Apoliona
Trustee Donald B. Cataluna
Trustee Hulu Lindsey
Trustee Colette Y. Machado
Trustee John D. Waihee, IV



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

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OFFICE

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Office of Hawaiian Affairs
COMMITTEE ON ASSET AND RESOURCE MANAGEMENT
(ARM)

DATE: Wednesday, July 11, 2012
TIME: 10 a.m.
PLACE: OHA Board Room, 5th Floor at above address

AGENDA

- I. Call to Order
- II. Approval of Minutes
 - A. July 3, 2012
- III. Community Concerns/Beneficiary Comments
- IV. New Business*
 - A. Native Hawaiian Trust Fund 1st Quarter 2012 Performance Review with JP Morgan
 - B. Native Hawaiian Trust Fund 1st Quarter 2012 Performance Review with Goldman Sachs
 - C. Private Equity Education with Goldman Sachs
- V. Announcements
- VI. Adjournment

*The 72 hour rule, pursuant to OHA Operations Guide, may be waived for distribution of new committee materials.
**This portion of the meeting will be closed pursuant to HRS 92-5. For further information, please call 594-1954.

A handwritten signature in black ink, appearing to read "Oswald Stender", written over a horizontal line.

Trustee Oswald Stender, Chair
Committee on Asset and Resource Management

Date

7/3/12

**Office of Hawaiian Affairs
711 Kapi'olani Blvd., Ste. 500
Honolulu, HI 96813**

Committee on Asset & Resource Management

July 11, 2012

MINUTES

Trustees Present:

Trustee Oswald Stender, Chair
Trustee Rowena Akana (arrived 10:50 a.m.)
Trustee Peter Apo
Trustee Haunani Apoliona
Trustee John Waihe'e, IV

Trustees Excused:

Trustee Donald Cataluna
Trustee Hulu Lindsey
Trustee Robert Lindsey, Vice Chair
Trustee Colette Machado

BOT Staff:

Crayn Akina
Shelsea Apana
Makana Chai
Lei-Ann Durant
Reynold Freitas
Kama Hopkins

Lehua Itokazu
Dayna Pa
Ani Pang
Capsun Poe

Administrative Staff:

Aedward Los Banos, Chief Operating Officer
Hawley Alamodin, Chief Financial Officer
Connie Cheng, Chief Investment Officer

David Okamoto

Victor Lo

Guests:

Howard Hodel, OHA Consultant

JP Morgan

Zach Page

via video conference:

Goldman Sachs

Stephanie Ivy
Craig Apsel
Samantha Davidson
Stephanie Spector

There being no quorum as of 10 a.m., ARM Chair, Oswald Stender, did not call the meeting to order; but informed those present that OHA's investment managers would share their performance reviews with those trustees present for information only. JP Morgan began their performance review presentation.

CALL TO ORDER

At 10:50 a.m., Trustee Akana arrived at the meeting; the meeting was called to order by Chair Oswald Stender at 10:50 a.m. and asked JP Morgan to continue with their presentation.

NEW BUSINESS

A. Native Hawaiian Trust Fund 1st Quarter 2012 Performance Review with JP Morgan

Zach Page presented JP Morgan's 1st Quarter 2012 Performance Review:

Beginning Market Value as of March 31, 2012:	\$101,642,481
Ending Market Value as of March 31, 2012:	\$112,063,776

Total Gain Quarter to Date:	\$10.6 million
Total Gain Inception to Date:	\$ 3.9 million

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Services, Pages 26-27)

B. Native Hawaiian Trust Fund 1st Quarter 2012 Performance Review with Goldman Sachs

Stephanie Ivy was joined, via video conference, by Craig Apsel, Samantha Davidson, and Stephanie Spector and presented Goldman Sachs' 1st Quarter 2012 Performance Review:

Beginning Market Value as of March 31, 2012:	\$121,362,313
Ending Market Value as of March 31, 2012:	\$130,589,644

Total Gain Quarter to Date:	\$ 9.2 million
Total Gain Inception to Date:	\$109.1 million

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Services, Pages 38-39)

C. Private Equity Education with Goldman Sachs

Stephanie Ivy covered three main topics with regard to Private Equity/Alternative Investments and Manager Selection :

1. What is Private Equity and Why Invest in it?
2. Opportunities in Private Equity Today
3. Return Dispersion, Vintage Year Diversification and Achieving a Target Allocation to Private Equity

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Services – located under tab: Goldman Sachs PE near end of report)

Howard Hodel, Consultant, and Connie Cheng, Chief Investment Officer, presented the following summaries:

Hawaii Direct Investments

Beginning Market Value as of March 31, 2012:	\$15,359,497
Ending Market Value as of March 31, 2012:	\$16,103,515
Total Gain Quarter to Date:	\$ 0.7 million
Total Gain Inception to Date:	\$ 1.5 million

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Services, Pages 74-75)

Short Term Liquidity Account

Beginning Market Value as of March 31, 2012:	\$11,644,739
Ending Market Value as of March 31, 2012:	\$ 5,002,577
Total Gain Quarter to Date:	\$ 0.9 million
Total Gain Inception to Date:	\$ 3.8 million

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Service, Pages 82-83)

Native Hawaiian Trust Fund Overview Summary

Beginning Market Value as of March 31, 2012:	\$334,599,929
Ending Market Value as of March 31, 2012:	\$353,106,072
Total Gain Quarter to Date:	\$ 18.5 million
Total Gain Inception to Date:	\$216.1 million

(Refer to materials distributed: Office of Hawaiian Affairs Board Report – March 2012 – prepared by State Street Global Services, Pages 4-6)

APPROVAL OF MINUTES

Trustee Waihe'e MOVED, SECOND by Trustee Apoliona to approve the minutes of the July 3, 2012 meeting of the Committee on Asset and Resource Management.

MOTION PASSED by a unanimous vote of 5 – 0.

COMMUNITY CONCERNS/BENEFICIARY COMMENTS

None

ANNOUNCEMENTS

Chair Stender acknowledged receipt of the floral arrangement sent to the Trustees and the OHA staff by the employees of Waimea Valley. All flowers and greens came from the Valley and the arrangement was designed by Waimea Valley employees.

ADJOURNMENT

Trustee Waihe'e MOVED, SECOND by Trustee Apoliona to adjourn the July 11, 2012 meeting of the Committee on Asset and Resource Management.

Chair Stender adjourned the meeting at 11:35 a.m.

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Respectfully submitted,

A handwritten signature in cursive script, reading "Lei-Ann Durant".

Lei-Ann Durant, Aide/Secretary
Committee on Asset and
Resource Management

A handwritten signature in cursive script, reading "Oswald K. Stender".

Oswald K. Stender, Chair
Committee on Asset and
Resource Management

Approved: August 22, 2012