



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808) 594-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

Board Packet

II. Approval of Minutes from the Committee on Investment and Land Management
A. February 19, 2025*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON INVESTMENT AND LAND MANAGEMENT
MINUTES**

February 19, 2025 2:00 p.m.

ATTENDANCE:

Chairperson J. Keoni Souza
Vice-Chairperson John Waihe'e, IV
Trustee Dan Ahuna(On Zoom)
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Luana Alapa
Trustee Brickwood Galuteria(On Zoom)
Board Chair Kaiali'i Kahele
Trustee C. Hulu Lindsey

Pohai Ryan
Remy Keliiahoomalu
Richelle Kim
Sommer Soares

ADMINISTRATION STAFF:

Stacy Ferreira, CEO/ Ka Pouhana
Kēhaulani Pu'u, COO / Ka Pou Nui
Everett Ohta, Interim General Counsel
Hailama Farden, Sr. Director of HAWAIIAN Cultural Affairs
Elena Farden, Sen Dir of Strat and Implementation
Ramona Hinck, Chief Financial Officer
Ryan Lee, Endowment Director
Lise Vaughn-Sekona, Dir. Community Engagement
Lori Walker, Interim Land Director
Bill Brennan, Director of Communications
Lise Vaugh-Sekona, Dir Community Engagement
Parker Spencer, Strategy Consultant
Kevin Chak, IT
Kelcie Wade, Solution Delivery Tech
Sandra Stancil, Sr Exec Assistant

EXCUSED:

None

BOT STAFF:

Amber Kalua
Kanani Iaea
Kauai Wailehua
Mark Watanabe
Mele Moniz
Morgan Kauai Robello
Nathan Takeuchi

GUESTS:

Naiwi Wurdeman, Board Counsel
Vijoy Chattergy, Consequent Capital Management

See attached Link to YouTube video: <https://www.youtube.com/watch?v=t5aNrxZZXNI>

I. CALL TO ORDER

Chair Souza calls the Committee on Investment and Land Management meeting for Wednesday, February 19, 2025 to order at **2:02 p.m.**

Chair Souza roll call 2:02pm - 8 Trustees present constituting a quorum. Trustee Ahuna arrived after roll call.

CEO Stacy Ferreira introduces administration present.

II. Approval of Minutes from the Committee on Investment and Land Management

A. January 22, 2025*

B. February 5, 2025*

Motion by ILM Vice Chair Waihe'e, Second by Trustee Lindsey at 2:04 PM

There is zero discussion. No Testifiers.

Chair Souza calls for a **ROLL CALL VOTE**.

							2:04 PM
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA						Arrived after vote
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
KAIALII	KAHELE			X			
CARMEN HULU	LINDSEY		2	X			
VICE-CHAIR JOHN	WAIHE'E	1		X			
CHAIR J. KEONI	SOUZA			X			
TOTAL VOTE COUNT				8	0	0	

VOTE: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

A. Informational briefing by OHA Land department on the following properties:

1. Pahua Heiau: 7142 Makahuena Pl. Hon HI 96825; TMK: 3-9-056:038*
2. Waialua Court House: 66-207 Kamehameha Hwy, Haleiwa HI 96712; TMK 6-6-009:023*

No testifiers.

Chair Souza recognizes Lori Walker, Interim Land Director 2:05PM

Director Walker summarized: Pahua Heiau in Maunaloa, O'ahu, 1.15 acres fee simple, donated by Kamehameha Schools in 1988, agricultural heiau. Malama the site. The site steward Digital Moku, Ann Marie Kirk - education, outreach, and comprehensive management plan, cultural significance. OHA planning repair work from rocks that fell- dry stack masons in FY25. Public viewing area- preservation plan recommendation- buffer from public viewing. Hiking trail behind is causing erosion. Expanding outreach.

Chair Souza recognizes Chair Kahele summarized: Discussion on how OHA addressed the lack of oversight by Digital Moku, lack of insurance, etc. Are they currently in compliance, valid certificate of insurance(COI), name OHA as additional insured. How long do we renew stewardship agreements?

Director Walker summarized: OHA improved our systems after the audit. This is a new Digital Moku contract and is currently in compliance, and procurement ensured this. OHA after audit formalized performance evaluations on contracts- starting to implement annually, renewal is supported by the criteria.

Chair Kahele summarized: Is OHA protected in terms of liability the issues have been addressed, and OHA is not held responsible for any liabilities arising from stewardship managers accessing and managing the property.

Director Walker: We're improving those processes.

Director Walker: For each of the properties, depending on type: frequency the land agents monitor site, security, contract performance, criteria met, weekly at Pahua. Different for each property.

Trustee Galuteria: Do we have inventory of all heiau? Can anyone visit?

Director Walker: We don't categorize by heiau but we have 2.

Trustee Akaka: What does unwanted human interaction mean? What type of roping? Is it similar to Waimea Valley? What was the reason OHA got this land from Kamehameha Schools?

Director Walker summarized: Palua has no kapu, but no playing or standing. General respectful behavior. Will add a sign for public viewing area. Public viewing area contracted a design company and got permitted. SHPD approved. Signage will be to regulations. Literature regarding KS resolving management of legacy properties, OHA was selected and accepted it.

Chair Souza: Please check back with Trustee Galuteria on accessibility to the heiau we steward and encourage island trustee to set up a site visit if appropriate.

Chair Souza recognizes Lori Walker, Interim Land Director 2:05PM Waialua Courthouse.

No testifiers.

Director Walker summarized: In 1998, OHA entered a ground lease with DLNR for the Waialua Courthouse to provide a gathering space for beneficiaries on O'ahu's North Shore. OHA is responsible for its maintenance and management. Site steward, Ola Kamananui, oversees property upkeep, landscaping, community programming, and comprehensive management plan. The courthouse hosts civic club meetings, health organization presentations, and the Maoli Makers Market.

Current projects: urgent repairs to the pump house roof and exploring a revenue-generating paid parking system to address unauthorized use. Exploring a partnership with Be Hawai'i to establish lei plant and tree harvesting locations on the property.

Chair Souza recognizes Chair Lindsey: Who's Ola Kamananui, when did it transition from Waimea Valley? We do not want to give up that lease from DLNR, since we use it for the community.

Director Walker: Maka Cason Fisher, President of Waialua Hawaiian Civic Club and his wife Napua. During COVID, Hiipaka terminated sublease in 2020.

Chair Souza recognizes Chair Kahele: Same questions on liability, when does this lease expire? Regarding the repairs, how do we budget for that?

Director Walker summarized: In 2033 lease expires and goes back to DLNR. We now contract a site steward. From the audit, there was a gap during COVID because we did not have COI. Site contractors meet compliance. Site stewards and land agents make recommendations on repairs. The parking lot needs repair, in 2019 quote was \$115,000. OHA Postponed the repairs. Need revenue generating streams on legacy properties.

Chair Souza: Are there any shared costs with DLNR

Director Walker: Not at this time, we could look at it when we renegotiate at lease renewal

Trustee Galuteria: Encourages OHA to use the space for our internal programming, not just outside community groups

CEO Ferriera: What's the cost benefit? Can we negotiate a transfer from DLNR to OHA? Need revenue generators. There's no historical, cultural significance. But it's an opportunity for OHA.

Trustee Lindsey summarized: OHA wanted a place for that part of the island to have a community space.

Director Walker: The property is about an acre, around the courthouse they will plant native plants

Trustee Akaka: Is there WiFi to hold meetings?

Director Walker summarized: They have advanced technology. This parcel is an outlier for OHA, courthouse activities have history, but not Hawaiian cultural. OHA can use for community- that's the value.

Trustee Alapa: How much does the expenses cost?

Director Walker: I can share with board, FY21 \$7500, FY22 \$27,000 flooring, FY23 \$7500, FY24 roof done \$184,000. Strategic improvements.

unrecognizable questions

Director Walker: Square footage 2000 square feet. Discussing paid partnership for parking lot where the revenues would come to OHA. Other opportunities- film studio has done some use for trade: flooring, minor repairs. Parking on north shore is needed in that area.

Trustee Akaka: Is there a study for revenue for parking? Please look at giving Kamaaina pricing and other revenue generators.

Director Walker: Still doing the due diligence for the parking proposal.

Trustee Galuteria: Film industry-contact state film office to utilize.

IV. NEW BUSINESS

B. Informational briefing by Consequent Capital Management (CCM) on the following investment topics for education:

- 1. Review of the overall Native Hawaiian Trust Fund allocations and the Investment Policy Statement approved in November 2024***
- 2. 2025 Investment Trends/Opportunities Based on NHTF Allocations***

Testifier Erik Beach- speaks on another topic of education from BAE meeting, Chair Souza asks him to refrain.

Chair Souza recognizes Vijoy Chattergy, Board Investment Consultant 4:49pm

Consultant Chattergy summarized: Review of the NHTF's **asset allocations**, the updated **investment policy statement (IPS)** approved in November 2024, and key **market trends for 2025**.

NHTF allocations **investment portfolio** structure slide page 3 assets(dollars and percentages):

- **Public Equities (Stocks)** –Capital appreciation and economic growth. Current overweighted but has helped the overall.
- **Private Equity** – Long-term investments in private companies, which have historically provided higher returns but require strategic commitments. Currently underweighted but being re-allocated per board vote.
- **Global Real Estate** –Capital appreciation
- **Hedge Funds** – Provides diversification
- **Fixed Income-** Capital preservation
- **Enhanced Liquidity** – Designed for capital preservation and meeting liquidity needs.
- **Cash** -liquidity

When not on target potentially taking more risk in areas you didn't want to be exposed to. Long term strategy. Most of the differences are close to target. Public and Private equities: overexposed in public equity growth stocks(Mag 7, Big tech, international) drove returns.

OHA staff has been working on a **multi-year plan** to increase underexposed private equity investments to the **target of 19%**, using a **pacing strategy** to diversify commitments across different years and managers. This strategy was approved by the Board and is being implemented.

The **management of liquid market investments**, including potential adjustments to the **direct investment strategy** is still being discussed on how to define that process for 2025. Restructure portfolio.

A move away from the **manager-of-managers** model to a more **direct investment approach** is expected to provide better oversight and alignment with OHA's financial objectives.

Discussion on private market Trustee Akina, Trustee Alapa, Consultant Chattergy, Director Lee, CEO Ferreira.

Consultant Chattergy summarized: The target weighting is 19-20% in private equity and 40% in public equity, with global real assets serving as a risk-bearing investment for capital appreciation. The difference exists because past investment commitments have not been made consistently to reach these targets. The target weighting is the difference. OHA staff will adjust over time from board decision. It's a multi-year effort to execute to 19%. There's a discipline pacing that needs to be done, every year set amount range to commit yearly. In 4 years should reach the 19%. For public equity- staff working on strategy to keep exposure.

Director Lee summarized: We are getting back to the 19% target before we increase target. The trustees set the target. Original asset allocation -to get to the inflation + 5% we need to take equity risk, private equity is a component of that to get to return target. We have underperformed because we've been underweight. The 10 year performance lagged benchmarks, CPAP +5 - not just because of the private markets allocation, but also the asset allocation risk taking. There's larger managers and secondary markets.

CEO Ferreira: Ryan can go over the schedule.

Trustee Ahuna: Is it 20% or 19% for private equity?

Director Lee: 19%

Consultant Chattergy summarized: note private markets do not always perform higher than public markets. NHTF Investment Policy Statement recap.

Page 5- trends for NHTF Capital Appreciation: public and private equity, capital appreciation, economic growth. US Trade policies-tariffs, US economy. Concentration risks. Equity managers taking advantage of these. Exposure to China.

Trustee Galuteria: Inquiring about AI artificial intelligence. Please consider it.

Consultant Chattergy summarized: Capital appreciation: Big data, tech, AI. Mag 7 tech companies in large cap growth stock managers. Private sector-venture capital managers. You have exposure to AI. Government, university levels.

Black and grey swans – something changes the prospects of the returns. i.e) DeepSeek- big tech raise multi millions/billions to develop AI to be at front. China company spent \$6M This is like the black swan grey swan. If it takes less, it changes the opportunities. Does it mean we don't need to invest as much? Spend risk capital elsewhere.

Trustee Akaka: CommonFund focused last year on AI. Super robot Sophia. Making sure Hawaiian cultural knowledge, language etc. are involved in AI. The entities we invest in, see the data that they have is correct.

Consultant Chattergy: Hawaii direct investment could include

Trustee Alapa: DeepSeek, NVDA what areas are these?

Consultant Chattergy: NVDA in publicly traded, Large Cap growth managers. DeepSeek not publicly traded China company.

Education slide page 6 – What other education opportunities? CommonFund, Goldman Sachs, JP Morgan, PIMCO to participate. Consequent education is your resource.

Chair Souza: Fiduciary opportunity these are our education opportunities too.

Trustee Akina: Where do we draw the line on talking about asset allocations and specific stocks? Concerns discussing specific stocks- ethics issue. And managerial since we are lay people. Policy is realm of the board. Execution specific stocks administrative. Managerial and ethics.

Consultant Chattergy summarized: Board is fiduciary, creates broad policy structuring, can state what kinds of assets you do not want to invest in, asset classes want to invest in. This does not mean it is added to the investment policy statement. It's ok to have conversations about opportunities but implement in a process driven strategic manner with parameters. Then staff and consultants execute the policy. Hold the staff and consultants accountable.

Page 3 allocations – we did not go over the individual managers, or individual stocks because board is at the policy level, risk level. Execution is with staff and managers. There are clear lines in the Investment Policy Statement. Previous structure was being made in the manager of manager level.

Chair Souza: Mahalo Ryan for the execution. Policy review if we need to reallocate.

CEO Ferriera: Measured approach for investments. Annual review.

Chair Souza: The ILM Committee will decide on 2025 Education opportunities in the future

V. ADJOURNMENT

Trustee Lindsey moves to adjourn the ILM meeting. 3:49pm

Trustee Alapa seconds the motion.

There is zero discussion.

Chair Souza calls for a **ROLL CALL VOTE**.

							3:49 PM
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
KAIALII	KAHELE			X			
CARMEN HULU	LINDSEY	1		X			
VICE-CHAIR JOHN	WAIHE'E			X			
CHAIR J. KEONI	SOUZA			X			
TOTAL VOTE COUNT				9	0	0	

VOTE: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Souza adjourns the ILM meeting at 4:49 p.m.

Respectfully submitted,

Richelle Kim
Trustee Aide
Committee on Investment and Land Management

As approved by the Committee on Investment and Land Management (ILM) on February 19, 2025

Trustee J Keoni Souza
Chair
Committee on Investment and Land Management



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808) 594-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

Board Packet

IV. New Business

A. Informational briefing by Michael Naho'opi'i, Executive Director of the Kaho'olawe Island Reserve Commission(KIRC) on current activities and updates*



KAHOʻOLawe ISLAND RESERVE COMMISSION

Briefing for Office of Hawaiian Affairs
March 5, 2025



Michael K. Nahoopii, Executive Director

KIRC MISSION

“Our mission is to implement the vision for Kaho‘olawe, in which the *kino* of Kanaloa is restored and *nā po‘e Hawai‘i* care for the land. We pledge to provide for the meaningful, safe use of Kaho‘olawe for the purposes of traditional and cultural practices of the Native Hawaiian people, and to undertake the restoration of the island and its waters.”










KAHO`OLAWE ISLAND RESERVE




- Reserve includes island and 2 miles of surrounding waters
- Limited uses:
 - Native Hawaiian cultural, spiritual and subsistence practices.
 - Preservation of archaeological, cultural and natural environment.
 - Restoration
 - Education
- Commercial activities prohibited on island
- Transfers to Sovereign Native Hawaiian Government

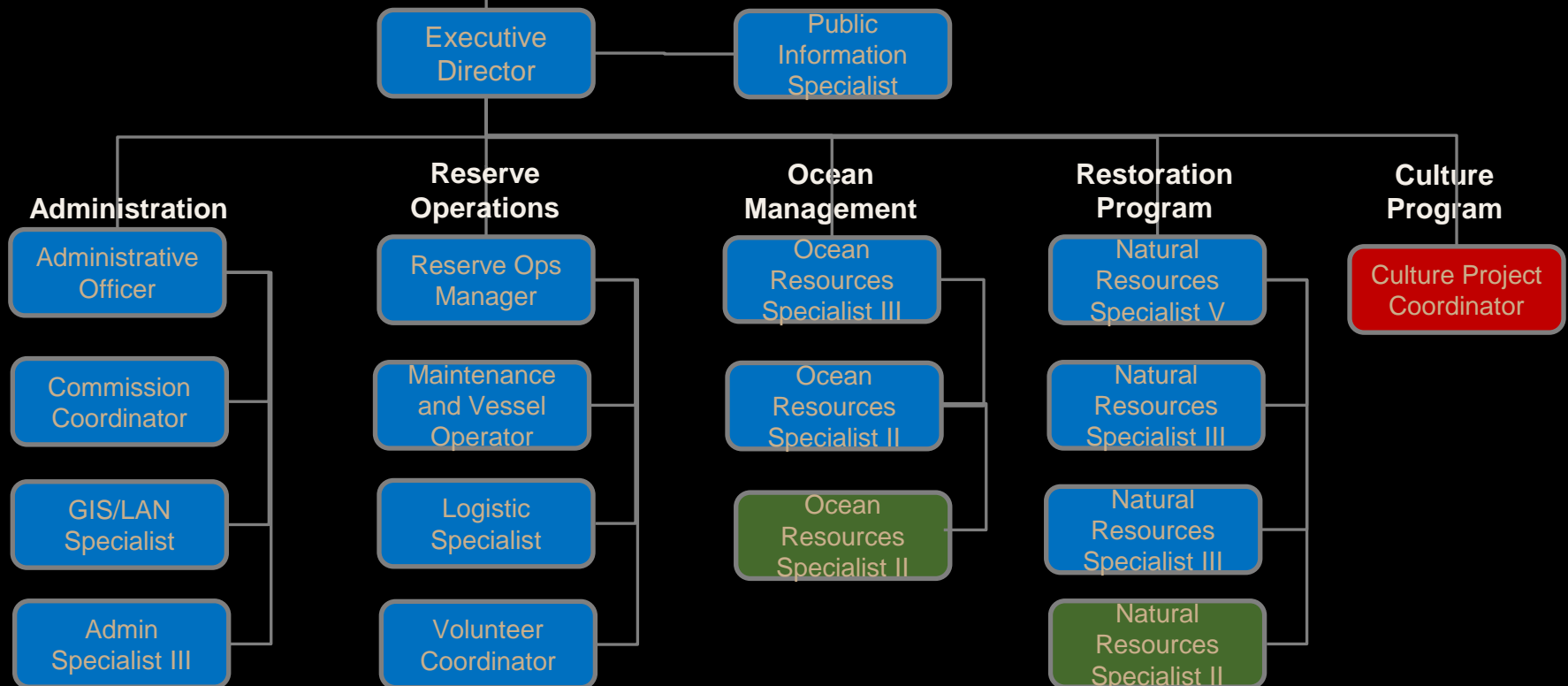
COMMISSION COMPOSITION

	Name	Source	Term
	Miki'ala Pescaia Chairperson	PKO	Expires 6/30/25 (Second term)
	Kahale Saito Vice Chairperson	PKO	Expires 6/30/27 (First term)
	Keoni Souza	OHA	Expires 6/30/27 (First term)
	'Ānela Evans	PKO	Expires 6/30/24 (Holdover)
	Dawn Chang (DLNR Chairperson)	DLNR	Expires 12/31/26
	Saumalu Mataafa	Maui County	Expires 6/30/25 (Second term)
	Benton Pang (Association of Hawaiian Civic Clubs)	NHO	Expires 6/30/2024 (Awaiting reappointment for second term)

KIRC STAFF FY25

Kaho'olawe Island Reserve Commission

-  General funded and Filled Positions
-  Grant funded positions
-  Vacant positions



KIRC PROGRAMS

PROGRAMS	FUNCTION	MILESTONE	
	Restoration	<ul style="list-style-type: none">•Native plant and wildlife restoration.•Erosion control.	<ul style="list-style-type: none">•Over 487,243 native plants.•Dryland forest restoration
	Ocean Management	<ul style="list-style-type: none">•Protection of ocean resources.•Fishing management.	<ul style="list-style-type: none">•Removed 53 tons of marine debris.•Coastal Restoration•Greatest biomass/area of all main islands.
	Cultural Resources	<ul style="list-style-type: none">•Protection of historic properties.•Cultural use of reserve.	<ul style="list-style-type: none">•Protection and management of cultural resources•Community cultural events
	Reserve Operations	<ul style="list-style-type: none">•Logistical support and Facility Management•UXO and work safety.	<ul style="list-style-type: none">•Kaho`olawe base camp operations•Inter-island boat operation•Navy recognized UXO safety program
	Admin	<ul style="list-style-type: none">•Management and staff functions-HR/Fiscal/Tech•Volunteer and Outreach Programs•Maui-based facilities	<ul style="list-style-type: none">•15,181 volunteers•On-line Living Library app•Extensive outreach program

KAHO`OLAWE EDUCATION AND OPERATIONS CENTER PROJECT PROPOSAL

PROJECT PURPOSE

- Consolidated, permanent KIRC spaces to manage long-term restoration of Kaho`olawe.
- Exhibition, gallery and archival spaces to expand the traditional knowledge and lessons of Kaho`olawe's history.
- Community gathering areas to promote Native Hawaiian cultural practices, ecological restoration, island sustainability practices.
- Revenue generating opportunities to help finance



KEY FEATURES



Building

- 24,000sf/total
- Recessed into landscape
- PV Panels
- Permeable pavement
- Upgrade boathouse and base yard

Building Features

- Administration Offices
- Community Center
- Exhibition and gallery
- Conference rooms
- Archives/Collections
- Retail Sales
- Commercial Kitchen

- Café

Outdoor Features

- Great lawn
- Native landscaping
- Demonstration hardpan and restoration plantings
- Educational trails
- Traditional hale

PROJECT STATUS / TIMELINE

Biennium	Goal	CIP Request	Description of Work
FY2018-2019 PHASE 1 (COMPLETED)	Planning and Conceptual Designs	Planning.....1,000 Design.....499,000	<ul style="list-style-type: none"> Completed entitlements Develop conceptual design Complete SMA permit
FY2026-2027 PHASE 2	Exhibit planning and construction drawings	Planning.....350,000 Design.....3,000,000 Construction900,000 Request.....4,250,000	<ul style="list-style-type: none"> Update community planning and permits Museum exhibition designs. Complete designs and construction drawing, Solicit builder. Construct boathouse upgrades.
PHASE 3	Ops Center Build	Construction.....35,100,000 Request35,100,000	<ul style="list-style-type: none"> Conduct site work, build building, install photovoltaic system
PHASE 4	Fill and Occupy	Equipment.....4,250,000 Request4,250,000	<ul style="list-style-type: none"> Furnish building including office, archives, museum exhibits

Total

Request.....\$43,600,000

KAHO`OLAWA ISLAND TRANSFER (HRS 6K-9)

CRITERIA

- Transfers management and control of use.
- Sovereign native Hawaiian entity recognized by United States and State of Hawaii.
- All terms, conditions, agreements and laws remain in effect unless terminated.
- Precedent is 1994 transfer process

ACTION PLAN

1. Determine conditions met.
 - a. Determination from AG
 - b. Register/ sort claimants
 - c. Conduct public hearings
2. Consolidate and document assets.
 - a. Inventory all property
 - b. Financial audit of all assets, contracts and obligations
 - c. Inventory and document all records
3. Negotiation of terms of transfer
 - a. Establish arbitration process
 - b. Conditions and timetable
 - c. MOU for Governor approval

KAHO`OLAWA ISLAND TRANSFER

MODELS OF TRANSFER

Model 1: Conveyance of title and trust

- Complete conveyance of title, residual of trust fund, control of surrounding waters.
- Transfer and acceptance of all non-UXO liabilities, restrictions of title and party to Navy/State MOU

Model 2: Conveyance of title only

- Conveyance of title, no transfer of trust
- Accept liabilities in Model 1

Model 3a: Transfer Management and control (replace KIRC)

- KIRC replaced by new governing entity within State structure
- State retains liability, entity enjoys management and control.

Model 3b: Transfer Management and control (retain KIRC)

- KIRC structure retained, seats transfer to entity
- State retains liability, entity enjoys management and control.

Model 4: Reject all claims

- Entity rejects transfer

KAHO`OLAWA ISLAND TRANSFER

KIRC CURRENT ACTIONS

CREATE BETTER CONDITIONS THAN RECEIVED

- Stabilize island-wide erosion to protect terrestrial and aquatic resources.
- Create resources for future entity.
- Develop innovative and Native Hawaiian-centric management model to allow future entity to succeed.
- Build infrastructure to allow successful future use, protect resources, and ease transition.
- Document, preserve and educate to safeguard the history, struggle, and lessons learned of Kaho`olawe for future generations.



Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808) 594-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

Board Packet

IV. New Business

B. Informational briefing by OHA Land department on the following properties:

- 1. Wahiawā Lands Surrounding Kūkaniloko: TMK No: 7-1-012:009, 010, 011, 012, 013, 015***



Informational Briefing on OHA Legacy Landholdings: **Wahiawā Lands Surrounding Kūkaniloko**

Committee on Investment & Land Management
March 5, 2025

2018 Conceptual Master Plan





OHA Acquisition Purposes

To **protect Kūkaniloko** by providing a buffer against future incompatible development in the area



To explore the development of **compatible agricultural uses** and other **programmatic initiatives**



To contribute to Hawai'i's **food self-sufficiency**, **preservation of open space** and **watershed lands** and **overall community planning goals** for central O'ahu



Guiding Values



HO'OMANA: *Protection/Sanctification*

- › Protecting the birthing stones through stewardship training, Preservation Plan, establishing site buffer zones;
 - › Enabling traditional and customary practices/protocol; and
 - › Managing access to the site.
-



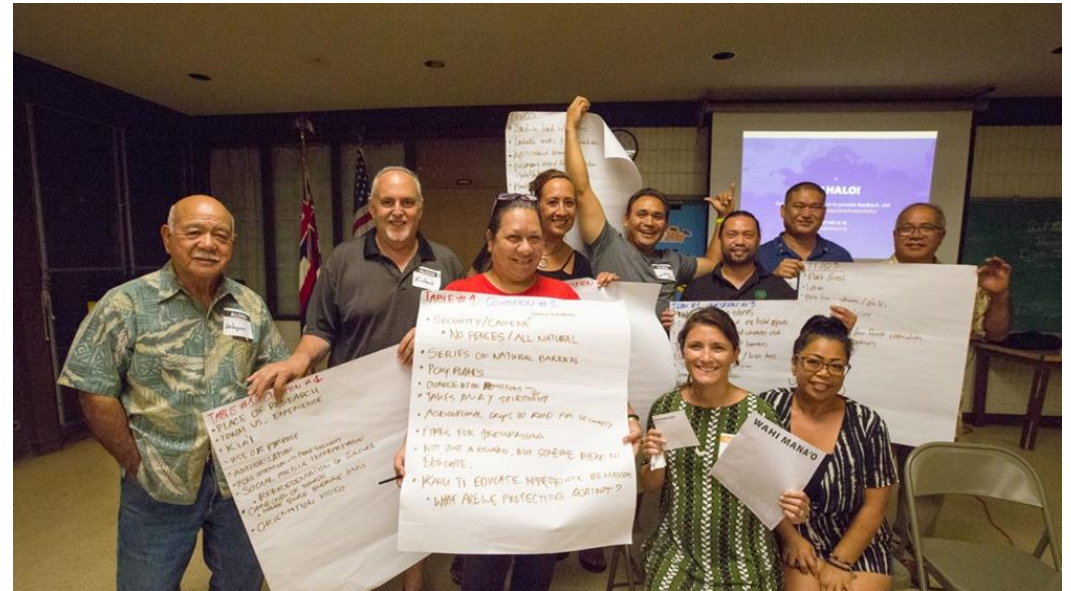
HO'ONA'AUAO: *Education/Connection*

- › Implement kūpuna to keiki engagement through cultural and
 - › Grow and regenerate resources through community-based s
 - › Establish places for individuals to reconnect with 'āina and ri
-



HO'OULU 'ĀINA: *Agriculture, Ecological Rehat*

- › Establish "Eco-Cultural Ag" - culturally informed ecological a
- › Remediate the soil in order to grow culturally appropriate ag
- › Remove invasive species to restore the native forest; and
- › Contribute to Hawai'i's food sovereignty through various met



Vision for Kūkaniloko

*Kūkaniloko Ka ‘ānani‘au is an
ecosystem of connectivity between
our ‘āina and people.*

*The piko for the lāhui
and a wahi kapu to honor O‘ahu’s
royal lineage,
Kūkaniloko will inspire and educate
future ‘ōiwi leaders to ho‘omana,
ho‘ona‘auao and ho‘oulu ‘āina.*

Programmatic Outcomes



INTEGRATED
PROGRAMMING



EDUCATION
CONTINUUM



HUB & SPOKE



VEGETATION
CONTINUUM

2018 CMP Site Plan

- Cultural Nodes, Walking Paths
- Greenhouse/Nursery
- Retention Ponds
- Native Reforestation, Food-Forest, Demonstration Plots
- Visitor Facilities



Conceptual Master Plan Approval

9/15/2018 BOT Action Item:

“To support and approve the long-term direction of the Master Plan for OHA’s 511-acre property in Wahiawā surrounding the Kūkaniloko Birthing Stones, and authorize OHA’s Administration to take further steps toward its implementation.”

APPROVED

Alignment with Mana i Maui Ola

- 1.3. Increased number of Native Hawaiians engaged in traditional learning systems (i.e. hale, halau, mua, hale pe'a) that reestablish/maintain strong cultural foundations/identity
- 4.1. Preservation and perpetuation of Hawaiian language, culture, traditions, identity and sense of Lāhui
- 4.2. Increased community stewardship of Hawai`i's natural and cultural resources that foster connection to 'āina, 'ohana, and communities
- 4.3. Increased restoration of Native Hawaiian cultural sites, landscapes, kulāiwi and traditional food systems
- 8.2. Establishment of new markets for Native Hawaiian products (e.g. kalo, loko'ia grown fish, etc.) that can provide Native Hawaiian producers a livable wage





Birthstones Stewardship

Hawaiian Civic Club of Wahiawā

Ho 'omana/Ho 'ona 'auao/Ho 'oulu 'Āina

MiMO 1.3, 4.1, 4.2, 4.3

- Piko listening journeys (2,105 participants since 2023)
- 1,000 trees for Kūkaniloko initiative (koa planting)
- Groundskeeping and guardianship of birthstones 5 acres
- Cultural consultation and access management

Soil Remediation and Agriculture Pilots

UH CTAHR/‘Āina Kaiulu

Ho‘omana/Ho‘onau‘ao/Ho‘oulu ‘Āina

MiMO 1.3, 4.3, 8.2

- Native tree plot - 1,000 native trees; lonomea, koa, kou, and kukui
- Uluniu - coconut grove of 108 trees, 16 varieties
- 2 windbreaks - mai‘a, kukui, ‘a‘alii, and alahe‘e demonstration/education plot
- ~5-acre organic native tree plot in beginning stages of implementation (koa and kukui)
- 5+ years of soil remediation study/experimentation plantings
- Since 2021 hosted 600+ volunteers/community members for regular workdays and other mālama ‘āina activities (practicum certified location)

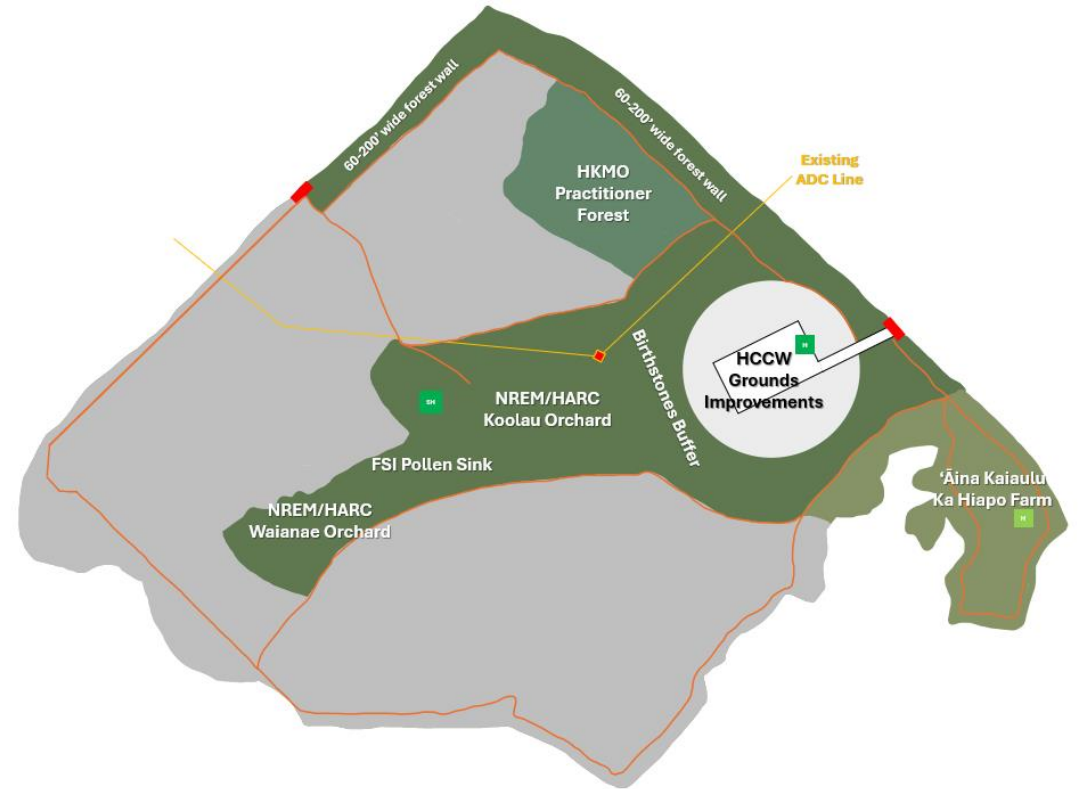


Vegetation Continuum Implementation

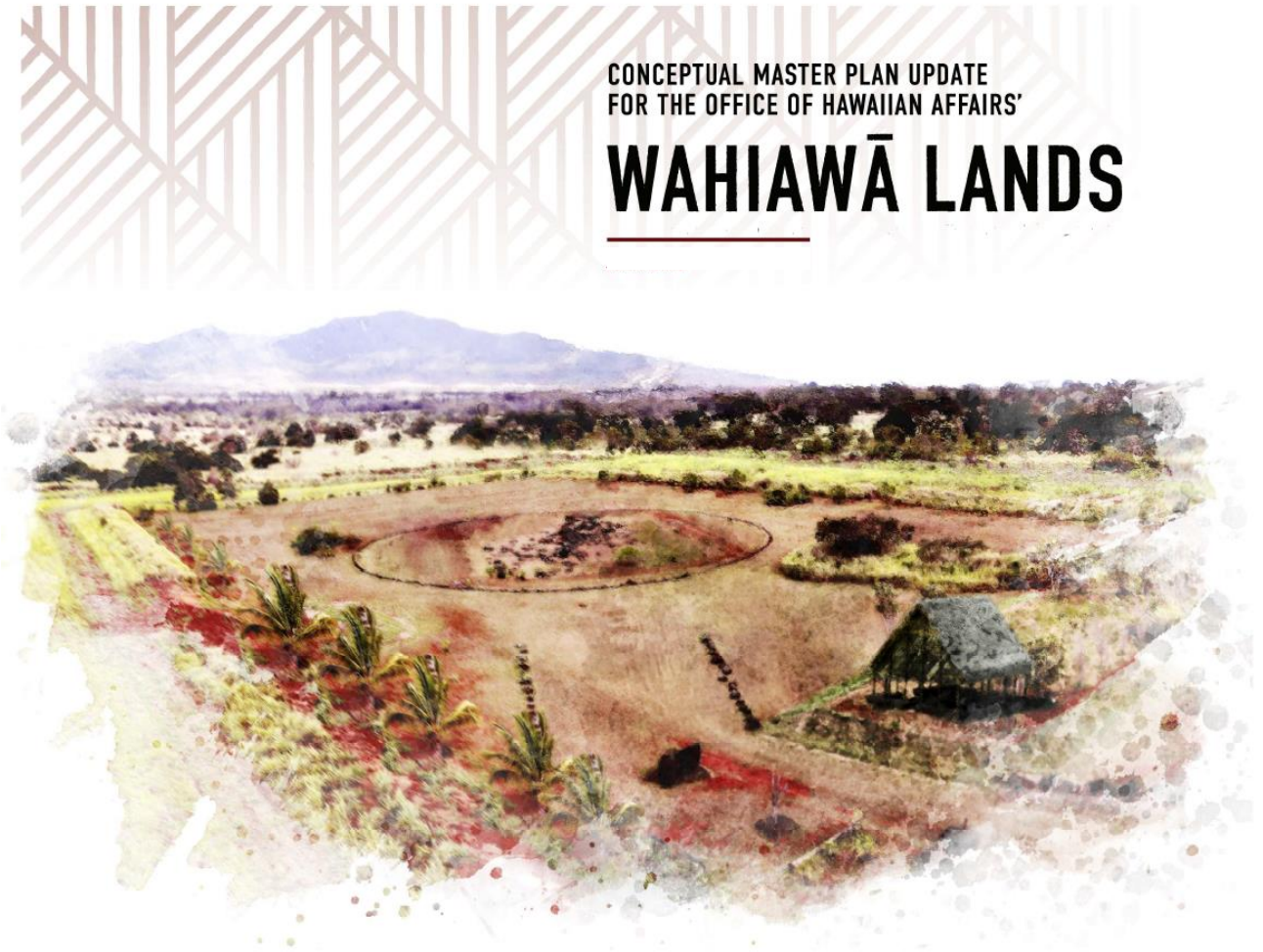
I Ulu Mai ka Ululā‘au Project

*Ho‘omana/Ho‘oulu ‘Āina/Ho‘ona‘auao,
MiMO 4.2, 4.3*

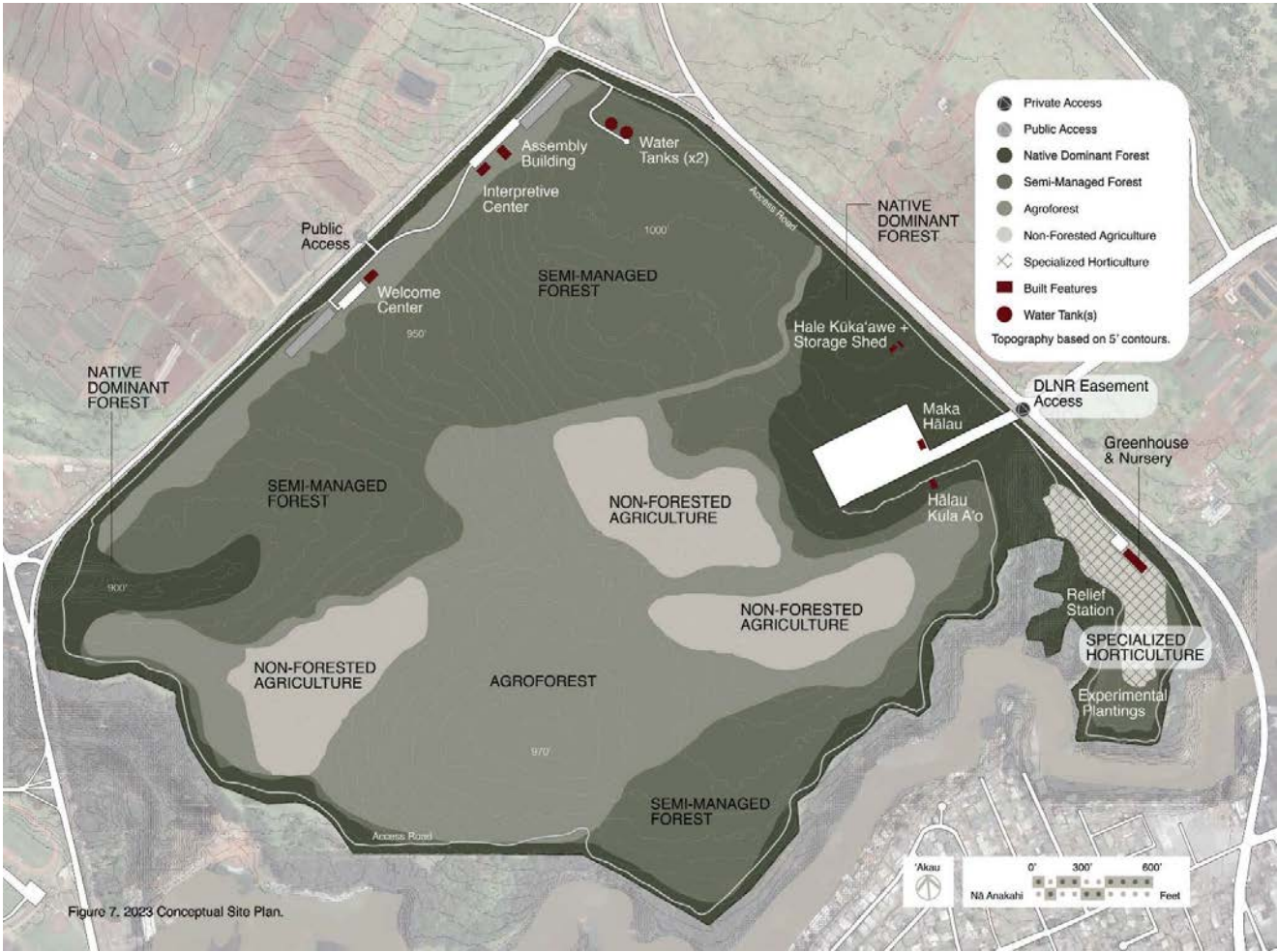
100+ acres of reforestation, agroforestry, native seed production, education, and invasive species management. A crucial step forward in the implementation of the “vegetation continuum” concept of the original CMP.



2024 CMP Update



2024 CMP Update Site Plan



Zone 01 welcome, orient, and inform visitors.



Zone 02 aid in the protection of the birth stones, enable the preservation of traditional and customary practices, and encourage the exchange of knowledge.

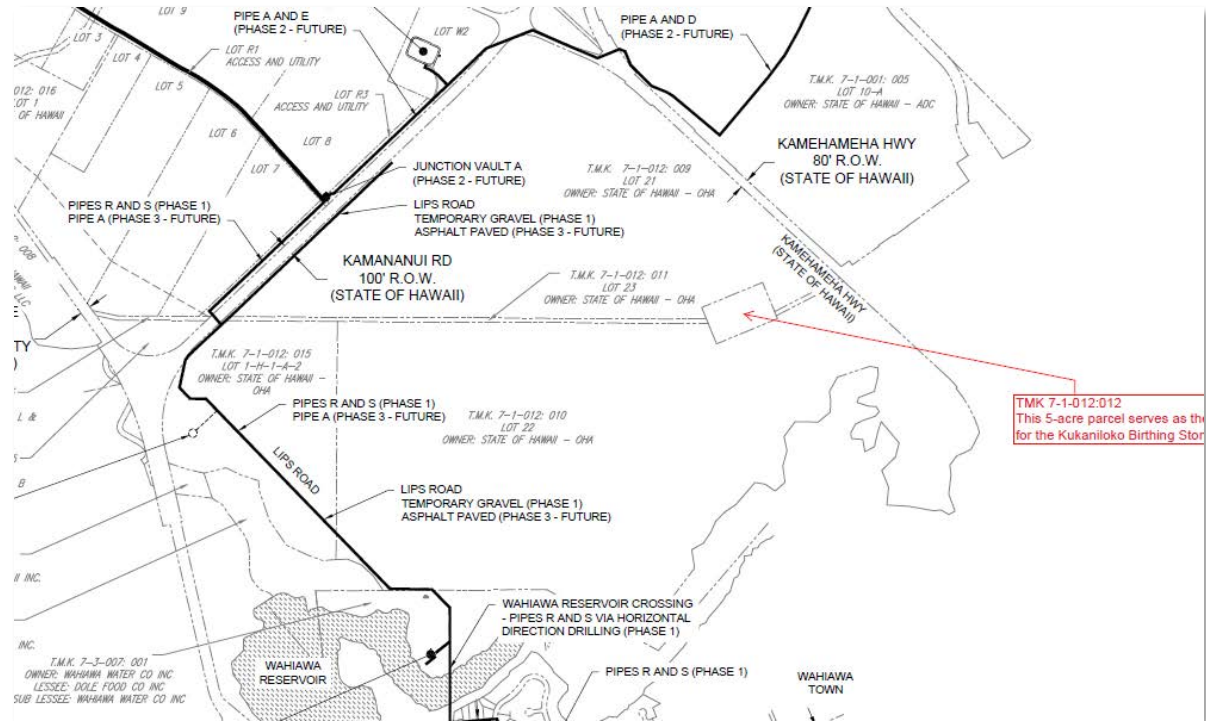


Zone 03 supports specialized agricultural methodologies and technologies that enable the efficient production of food, medicine, and plants to be used for on-site reforestation efforts.

Vegetation Continuum - five primary planting typologies, Native Dominant Forest, Semi-Managed Forest, Agroforest, Non-Forested Agriculture, and Specialized Horticulture.

Next Steps

- Initiate due diligence for ag feasibility
- Solve for source(s) of water
 - Negotiate for Bott Well Allotment
 - Support R1 System Expansion
- Continue I Ulu Mai ka Ululā‘au implementation
- Finalize and approve CMP update





Keoni Souza - *Chairperson*
John D. Waihe'e IV - *Vice Chair*

Phone: (808) 594-1888
Fax: (808) 594-1868

MEMBERS

Dan Ahuna
Kaleihikina Akaka
Keli'i Akina, Ph.D.
Luana Alapa
Brickwood Galuteria
Kaiali'i Kahele
Carmen "Hulu" Lindsey

OFFICE OF HAWAIIAN AFFAIRS
KE'ENA KULEANA HAWAI'I
INVESTMENT AND LAND MANAGEMENT COMMITTEE
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

Board Packet

IV. New Business

C. Informational briefing by Consequent Capital Management (CCM) on the following investment topics for education:

1. Review of Public Market Equity Strategies and Holdings of the Native Hawaiian Trust Fund*



Independent Board Consultant for
the Office of Hawaiian Affairs'
Native Hawaiian Trust Fund

Wednesday, March 5, 2025
2:00 p.m. HST

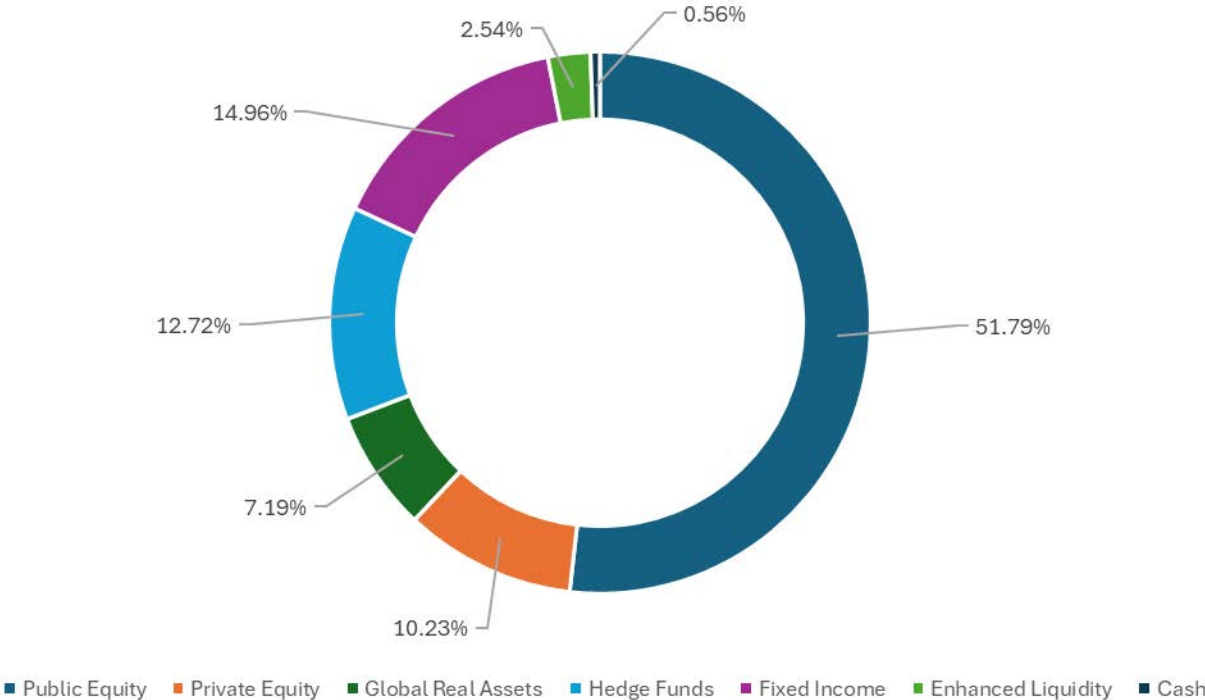
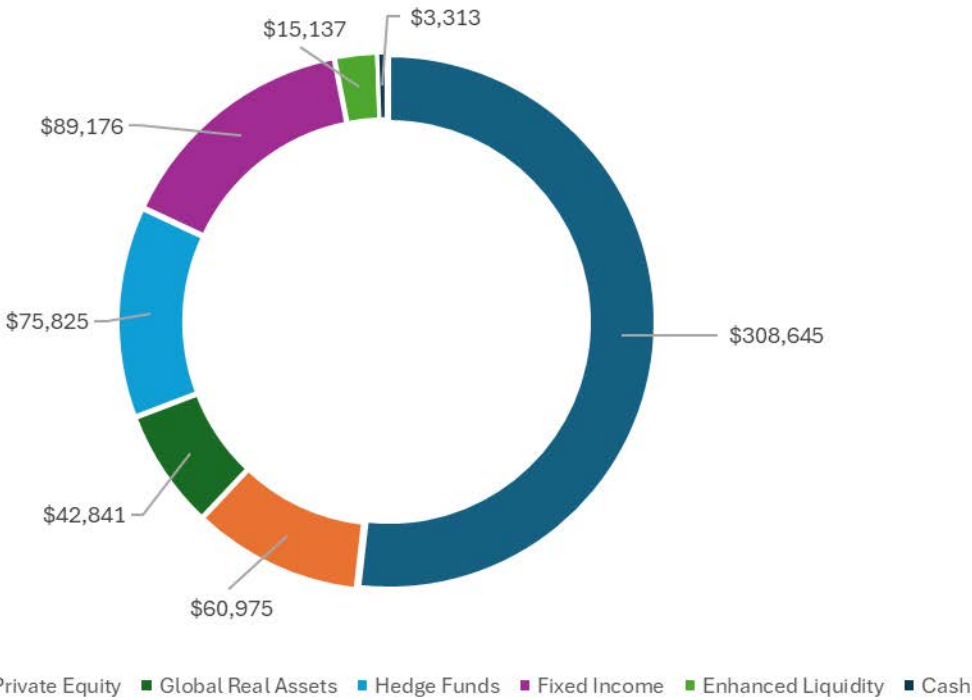
MEETING AGENDA

1. Review of the Overall Native Hawaiian Trust Fund Structure
2. Review of Public Equities
3. Review of Global Equities
4. Review of Domestic Equities
5. Review of International Equities
6. Public Market Topics and Trends
7. APPENDIX Glossary Terms

NHTF Overall Portfolio Structure

As of 12/31/24

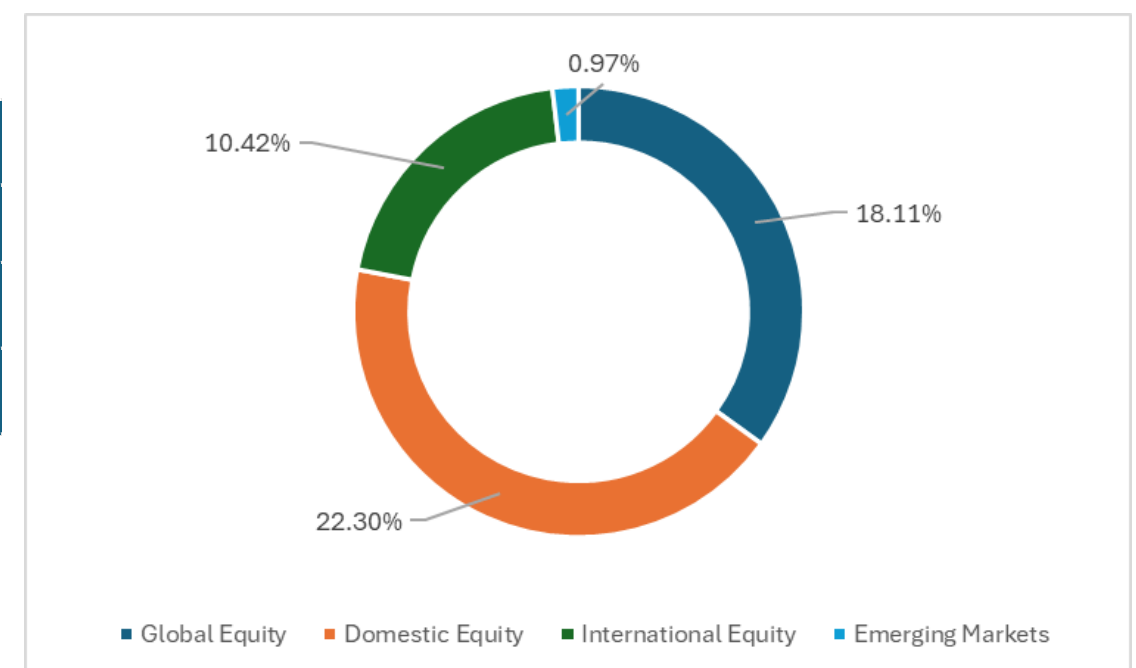
Asset Class	Risk Strategy	Actual Weight	Target Weight	Market Value (mm \$)	Difference Actual v Target %	Difference Actual v Target \$
Public Equity	Capital Appreciation	51.79%	42%	\$ 308,645	9.79%	\$ 58,362
Private Equity	Capital Appreciation	10.23%	19%	\$ 60,975	-8.77%	\$ (52,248)
Global Real Assets	Capital Appreciation	7.19%	5%	\$ 42,841	2.19%	\$ 13,045
Hedge Funds	Diversifying	12.72%	13%	\$ 75,825	-0.28%	\$ (1,644)
Fixed Income	Capital Preservaton	14.96%	18%	\$ 89,176	-3.04%	\$ (18,088)
Enhanced Liquidity	Capital Preservaton	2.54%	3%	\$ 15,137	-0.46%	\$ (2,740)
Cash	Capital Preservaton	0.56%	0%	\$ 3,313	0.56%	\$ 3,313



NHTF Public Equities

Asset Class-Sub	Risk Strategy	Actual Weight	Target Weight	Market Value (mm \$)
Total Public Equity	Capital Appreciation	51.79%	42%	\$ 308,645
Total Global Equity	Capital Appreciation	51.79%		\$ 308,645
Global Equity	Capital Appreciation	18.11%		\$ 107,911
Developed Markets	Capital Appreciation	32.72%		\$ 194,959
Domestic Equity	Capital Appreciation	22.30%		\$ 132,864
International Equity	Capital Appreciation	10.42%		\$ 62,094
Emerging Markets	Capital Appreciation	0.97%		\$ 5,776

Global Equity	18.11%	\$ 107,911
Domestic Equity	22.30%	\$ 132,864
International Equity	10.42%	\$ 62,094
Emerging Markets	0.97%	\$ 5,776



NHTF Global Equities

% Rate of Return

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	Three Months	Fiscal YTD	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Global Equity	110,997,129	18.30		5.54	5.54	29.71	7.08	10.88	9.06	8.62	06/30/2014
<i>MSCI ACWI ND</i>				6.61	6.61	31.76	8.09	12.19	9.39	8.90	06/30/2014
<i>Excess Return</i>				-1.07	-1.07	-2.04	-1.01	-1.31	-0.32	-0.27	06/30/2014
MFC J P MORGAN EXCHANGE-TRADED	49,823,214	8.22		3.76	3.76	-	-	-	-	8.50	03/25/2024
<i>MSCI World ND Index</i>				6.36	6.36	-	-	-	-	9.80	03/25/2024
<i>Excess Return</i>				-2.61	-2.61	-	-	-	-	-1.30	03/25/2024
STRATEGIC SOLUTIONS GBL EQT	61,173,915	10.09		7.04	7.04	30.85	7.39	11.07	8.96	8.53	06/30/2014
<i>MSCI ACWI ND</i>				6.61	6.61	31.76	8.09	12.19	9.39	8.90	06/30/2014
<i>Excess Return</i>				0.43	0.43	-0.91	-0.70	-1.12	-0.42	-0.37	06/30/2014

NHTF Domestic Equities

% Rate of Return

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	Three Months	Fiscal YTD	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Domestic Equity	123,605,110	20.38		5.81	5.81	36.76	11.80	16.90	13.30	14.84	04/30/2012
<i>Russell 3000</i>				6.23	6.23	35.19	10.29	15.26	12.83	13.76	04/30/2012
<i>Excess Return</i>				-0.42	-0.42	1.56	1.51	1.64	0.47	1.08	04/30/2012
Commonfund Open Cash				-	-	-	-	-	-	-	06/30/2012
JPM Equity Focus Fd CI R6				-	-	-	-	-	-	-	05/24/2023
<i>S&P 500</i>				5.89	5.89	36.35	-	-	-	30.09	05/24/2023
<i>Excess Return</i>				-	-	-	-	-	-	-	05/24/2023
JPM Large Cap Value Fd CI R6				-	-	-	-	-	-	-	05/24/2023
<i>Russell 1000 Value</i>				9.43	9.43	27.76	-	-	-	22.29	05/24/2023
<i>Excess Return</i>				-	-	-	-	-	-	-	05/24/2023
MFC J P MORGAN EXCHANGE-TRADED	4,142,296	0.68		4.55	4.55	-	-	-	-	9.77	03/25/2024
<i>S&P 500</i>				5.89	5.89	-	-	-	-	11.20	03/25/2024
<i>Excess Return</i>				-1.34	-1.34	-	-	-	-	-1.44	03/25/2024
MFC JP MORGAN ETF TRUST EQUITY				-	-	-	-	-	-	-	07/31/2023
<i>S&P 500</i>				-	-	-	-	-	-	-	07/31/2023
<i>Excess Return</i>				-	-	-	-	-	-	-	07/31/2023
MFO J P MORGAN MUT FD GROWTH A				-	-	-	-	-	-	-	04/30/2012
<i>Russell 3000 Growth</i>				-	-	-	-	-	-	-	04/30/2012
<i>Excess Return</i>				-	-	-	-	-	-	-	04/30/2012
MFO JP MORGAN TRUST I US EQUIT	41,772,987	6.89		5.81	5.81	-	-	-	-	-	08/31/2019
<i>S&P 500</i>				5.89	5.89	36.35	11.91	15.98	-	16.12	08/31/2019
<i>Excess Return</i>				-0.08	-0.08	-	-	-	-	-	08/31/2019
MFO JP MORGAN TRUST I VALUE AD				-	-	-	-	-	-	-	04/30/2012
<i>Russell 3000 Value</i>				9.47	9.47	27.65	8.70	10.61	9.17	10.99	04/30/2012
<i>Excess Return</i>				-	-	-	-	-	-	-	04/30/2012
MFO JPMORGAN TR I SMALL CAP BL				-	-	-	-	-	-	-	11/30/2021
<i>Russell 2000</i>				9.27	9.27	26.76	-	-	-	1.99	11/30/2021
<i>Excess Return</i>				-	-	-	-	-	-	-	11/30/2021
STATE STREET EQUITY 500 INDEX	77,689,827	12.81		5.87	5.87	36.30	11.86	15.89	-	15.62	10/31/2016
<i>S&P 500</i>				5.89	5.89	36.35	11.91	15.98	-	15.44	10/31/2016
<i>Excess Return</i>				-0.01	-0.01	-0.05	-0.06	-0.09	-	0.18	10/31/2016

NHTF International Equities

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	% Rate of Return								Inception to Date	Inception Date
				Three Months	Fiscal YTD	One Year	Three Years	Five Years	Ten Years				
International Equity	68,735,356	11.33		6.64	6.64	25.72	4.74	7.44	5.36	6.11	04/30/2012		
MSCI EAFE ND				7.26	7.26	24.77	5.48	8.20	5.71	6.85	04/30/2012		
Excess Return				-0.63	-0.63	0.96	-0.74	-0.76	-0.35	-0.74	04/30/2012		
JPM BetaBuilders Canada ETF				-	-	-	-	-	-	-	05/24/2023		
MS Canada IMI				11.89	11.89	27.15	-	-	-	19.89	05/24/2023		
Excess Return				-	-	-	-	-	-	-	05/24/2023		
JPM Europe Dynamic Fund				-	-	-	-	-	-	-	02/28/2022		
MSCI Europe Index				6.58	6.58	25.23	-	-	-	8.63	02/28/2022		
Excess Return				-	-	-	-	-	-	-	02/28/2022		
JPM International Focus R6	21,627,783	3.57		3.85	3.85	23.78	-	-	-	6.32	02/28/2022		
MSCI EAFE ND				7.26	7.26	24.77	-	-	-	8.09	02/28/2022		
Excess Return				-3.41	-3.41	-0.98	-	-	-	-1.77	02/28/2022		
JPM JAPAN ETF	4,881,708	0.80		5.02	5.02	21.54	-	-	-	8.06	02/28/2022		
Morningstar Japan TME Benchmrk				5.93	5.93	21.91	-	-	-	7.89	02/28/2022		
Excess Return				-0.92	-0.92	-0.36	-	-	-	0.17	02/28/2022		
MFC J P MORGAN EXCHANGE-TRADED	57,578	0.01		5.48	5.48	-	-	-	-	5.50	05/08/2024		
MSCI EAFE ND				7.26	7.26	-	-	-	-	7.39	05/08/2024		
Excess Return				-1.78	-1.78	-	-	-	-	-1.89	05/08/2024		
STATE STREET GLOBAL ALL CAP	42,168,287	6.95		8.03	8.03	24.90	3.92	7.59	-	7.65	10/31/2016		
MS AC WldxUS IMI Nt				8.18	8.18	25.06	3.74	7.66	-	7.37	10/31/2016		
Excess Return				-0.15	-0.15	-0.17	0.18	-0.07	-	0.28	10/31/2016		

NHTF Emerging Equities

% Rate of Return

Account/Group	Ending Market Value USD	Ending Weight	Policy Weight	Three Months	Fiscal YTD	One Year	Three Years	Five Years	Ten Years	Inception to Date	Inception Date
Emerging Markets	9,001,375	1.48		6.41	6.41	23.51	-2.70	4.44	3.64	3.14	06/30/2011
<i>MSCI Emerging Markets ND</i>				<i>8.72</i>	<i>8.72</i>	<i>26.05</i>	<i>0.40</i>	<i>5.75</i>	<i>4.02</i>	<i>2.66</i>	<i>06/30/2011</i>
<i>Excess Return</i>				<i>-2.31</i>	<i>-2.31</i>	<i>-2.54</i>	<i>-3.10</i>	<i>-1.31</i>	<i>-0.38</i>	<i>0.48</i>	<i>06/30/2011</i>
MFO JPMORGAN TR I EMERGING MKT				-	-	-	-	-	-	-	06/30/2011
<i>MSCI Emerging Markets ND</i>				<i>8.72</i>	<i>8.72</i>	<i>26.05</i>	<i>0.40</i>	<i>5.75</i>	<i>4.02</i>	<i>2.66</i>	<i>06/30/2011</i>
<i>Excess Return</i>				<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>06/30/2011</i>
MFO JPMORGAN TR IV EMERGING MK	9,001,375	1.48		6.41	6.41	22.65	-1.14	4.64	-	3.83	01/31/2019
<i>MSCI Emerging Markets ND</i>				<i>8.72</i>	<i>8.72</i>	<i>26.05</i>	<i>0.40</i>	<i>5.75</i>	<i>-</i>	<i>4.56</i>	<i>01/31/2019</i>
<i>Excess Return</i>				<i>-2.31</i>	<i>-2.31</i>	<i>-3.40</i>	<i>-1.54</i>	<i>-1.11</i>	<i>-</i>	<i>-0.73</i>	<i>01/31/2019</i>

Public Market Topics and Trends

- The Alpha, Beta, and Omega of It All
 - ❖ Passive v. Active
 - ❖ Skill, Luck, Fees, and Risk
 - ❖ Pickers, Thinkers, Swingers
- Expected Returns and All the Options
 - ❖ Probabilities over time
 - ❖ What about private equities or bonds or other investments
 - ❖ The 10-year forecast and modeling
- Driving Returns
 - ❖ Growth – the Holy Grail
 - ❖ Inflation/Deflation – Minding the Gap
 - ❖ Things that Keep You Up at Night
- Role of Equities in Portfolios
 - ❖ Information flows
 - ❖ Risk bearing and capital appreciation
 - ❖ “Third Wave” investment management and equity ownership

APPENDIX

INVESTMENT GLOSSARY

- A -

Advisor: In the NHTF, an advisor refers to each fiduciary "manager- of-managers" firm hired to exercise investment discretion over a portion of the NHTF assets within the parameters set forth in its mandate.

Alpha: The amount of return expected from an investment from its inherent value.

Annualized: A procedure where figures covering a period of less than one year are extended to cover a 12-month period.

Annualized rate of return: The average annual return over a period of years, taking into account the effect of compounding. Annualized rate of return also can be called compound growth rate.

Appreciation: The increase in value of a financial asset.

Asset allocation: The process of dividing investments among cash, income and growth buckets to optimize the balance between risk and reward based on investment needs; Implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. The focus is on the characteristics of the overall portfolio.

Asset allocation: Implementation of an investment strategy that attempts to balance risk versus reward by adjusting the percentage of each asset in an investment portfolio according to the investor's risk tolerance, goals and investment time frame. The focus is on the characteristics of the overall portfolio.

Asset Allocator: An organization or individual that conducts asset allocation of dividing the capital in an investment portfolio among stocks, bonds, alternatives, and cash. The goal is to align your asset allocation with your tolerance for risk and time horizon.

Asset class: Securities with similar features. The most common asset classes are stocks, bonds and cash equivalents.

Asymmetric Distribution: Asymmetrical distribution is a situation in which the values of variables occur at irregular frequencies and the mean, median, and mode occur at different points. An asymmetric distribution exhibits skewness. In contrast, a Gaussian or normal distribution, when depicted on a graph, is shaped like a bell curve and the two sides of the graph are symmetrical.

INVESTMENT GLOSSARY

- B -

Beta: A measure of a stock's volatility in relation to the overall market. By definition, the market, such as the S&P 500 Index, has a beta of 1.0, and individual stocks are ranked according to how much they deviate from the market. A stock that swings more than the market over time has a beta above 1.0. If a stock moves less than the market, the stock's beta is less than 1.0.

Balanced fund: Mutual funds that seek both growth and income in a portfolio with a mix of common stock, preferred stock or bonds. The companies selected typically are in different industries and different geographic regions.

Bear market: A bear market is a prolonged period of falling stock prices, usually marked by a decline of 20% or more. A market in which prices decline sharply against a background of widespread pessimism, growing unemployment or business recession. The opposite of a bull market.

Benchmark: A standard, usually an unmanaged index, used for comparative purposes in assessing performance of a portfolio or mutual fund.

Beta: A measurement of volatility where 1 is neutral; above 1 is more volatile; and less than 1 is less volatile.

Black Swan Events: A black swan is an unpredictable event that is beyond what is normally expected of a situation and has potentially severe consequences. Black swan events are characterized by their extreme rarity, severe impact, and the widespread insistence they were obvious in hindsight.

Bond: A bond acts like a loan or an IOU that is issued by a corporation, municipality or the U.S. government. The issuer promises to repay the full amount of the loan on a specific date and pay a specified rate of return for the use of the money to the investor at specific time intervals.

Bull market: Any market in which prices are advancing in an upward trend. In general, someone is bullish if they believe the value of a security or market will rise. The opposite of a bear market.

- C -

Capital: The funds invested in a company on a long-term basis and obtained by issuing preferred or common stock, by retaining a portion of the company's earnings from date of incorporation and by long-term borrowing.

Capital gain: The difference between a security's purchase price and its selling price, when the difference is positive.

Capital loss: The amount by which the proceeds from a sale of a security are less than its purchase price.

INVESTMENT GLOSSARY

Capitalization: The market value of a company, calculated by multiplying the number of shares outstanding by the price per share.

Cash equivalent: A short-term money-market instrument, such as a Treasury bill or repurchase agreement, of such high liquidity and safety that it is easily converted into cash.

Code of Ethics: OHA Trustees, OHA officers, and OHA employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of their investment program, or that could impair their ability to make impartial decisions.

Community Foundation: A community foundation is a public charity that typically focuses on supporting a geographical area, primarily by facilitating and pooling donations used to address community needs and support local nonprofits. Community foundations offer numerous types of grantmaking programs, frequently including donor-advised funds, endowments, scholarships, field-of-interest funds, giving circles and more. Community foundations are funded by donations from individuals, families, businesses and sometimes government grants. Community foundations offer a variety of programs designed to support the needs of the communities they serve, whether local or more broadly defined. Common areas of support include education and human services programs, such as literacy or aid for the homeless. A community foundation's grantmaking programs are supported both by donations designated for immediate distribution and income from the foundation's endowed funds.

Compound Returns: The compound return is the rate of return, usually expressed as a percentage, that represents the cumulative effect that a series of gains or losses has on an original amount of capital over a period of time. Compound returns are usually expressed in annual terms, meaning that the percentage number that is reported represents the annualized rate at which capital has compounded over time.

Consistent capital growth: This is the primary objective of the NHTF and is achieved by investing prudently in a wide range of asset classes to achieve proper diversification, thereby reducing volatility.

- D -

Default: Failure of a debtor to make timely payments of interest and principal as they come due or to meet some other provision of a bond indenture.

Discretionary investment management is a form of investment management in which buy and sell decisions are made by a portfolio manager or investment counselor for the client's account. The term "discretionary" refers to the fact that investment decisions are made at the portfolio manager's discretion. This means that the client must have the utmost trust in the investment manager's capabilities.

INVESTMENT GLOSSARY

Dispersion of Returns: Dispersion is often interpreted as a measure of the degree of uncertainty, and thus risk, associated with a particular security or investment portfolio.

Distribution of Returns: A probability distribution is a statistical function that describes all the possible values and likelihoods that a random variable can take within a given range. This range will be bounded between the minimum and maximum possible values, but precisely where the possible value is likely to be plotted on the probability distribution depends on a number of factors. These factors include the distribution's mean (average), standard deviation, skewness, and kurtosis.

Diversification: Diversification is a risk management strategy that creates a mix of various investments within a portfolio. A diversified portfolio contains a mix of distinct asset types and investment vehicles in an attempt to limit exposure to any single asset or risk. The rationale behind this technique is that a portfolio constructed of different kinds of assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security; The process of owning different investments that tend to perform well at different times in order to reduce the effects of volatility in a portfolio, and also increase the potential for increasing returns.

Dividend: A dividend is a portion of a company's profit paid to common and preferred shareholders. Dividends provide an incentive to own stock in stable companies even if they are not experiencing much growth. Companies are not required to pay dividends.

Dividend yield - Annual percentage of return earned by a mutual fund. The yield is determined by dividing the amount of the annual dividends per share by the current net asset value or public offering price.

Dollar cost averaging - Investing the same amount of money at regular intervals over an extended period of time, regardless of the share price. By investing a fixed amount, you purchase more shares when prices are low, and fewer shares when prices are high. This may reduce your overall average cost of investing.

Dow Jones Industrial Average (Dow): A commonly used indicator of stock market performance, based on prices of 30 actively traded blue chip stocks, primarily major industrial companies. The Average is the sum of the current market price of 30 major industrial companies' stocks divided by a number that has been adjusted to take into account stocks splits and changes in stock composition.

INVESTMENT GLOSSARY

- E -

Earnings per Share (EPS): The portion of a company's profit allocated to each outstanding share of common stock. EPS serves as an indicator of a company's profitability.

Endowment: An endowment is a gift to a nonprofit organization to be used for a specific purpose. The term endowment is also used to refer to the total investable assets of a nonprofit institution like a university. The endowment, also known as the institution's "principal" or "corpus," is used for operations or programs that are consistent with the wishes of the donor(s). Most endowments are designed to keep the principal amount intact while the income is used to further the cause specified by the beneficiary. A restricted endowment must be held in perpetuity, with only the income available for spending.

Environmental, social and governance (ESG) integration: The systematic inclusion of financially material ESG factors in investment analysis and investment decisions, with the goal of enhancing long-term, risk adjusted financial returns:

- Environmental - Factors that relate to the quality and functioning of the natural environment, and natural systems, e.g., carbon emissions, environmental regulations, water stress and waste.
- Social - Factors that relate to the rights, well-being, and interests of people and communities, e.g., labor management, health & safety.
- Governance - Factors that relate to the management and oversight of companies and investee entities, e.g., board structure, pay.

Equities: Shares issued by a company which represent ownership in it. Ownership of property, usually in the form of common stocks, as distinguished from fixed-income securities such as bonds or mortgages. Stock funds may vary depending on the fund's investment objective.

- F -

Federal Funds Rate (Fed Funds Rate): The interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. The most sensitive indicator of the direction of interest rates, since it is set daily by the market, unlike the prime rate and the discount rate, which are periodically changed by banks and by the Federal Reserve Board.

Federal Reserve Board (The Fed): The governing board of the Federal Reserve System, it regulates the nation's money supply by setting the discount rate, tightening or easing the availability of credit in the economy.

Financial materiality: An event or information that are reasonably likely to impact the financial condition or operating performance of a company and should be considered during the investment decision-making process.

Fixed income security: A security that pays a set rate of interest on a regular basis.

Fund: A pool of money from a group of investors in order to buy securities. The two major ways funds may be offered are (1) by companies in the securities business; and (2) by bank trust departments.

INVESTMENT GLOSSARY

- G -

Green bonds: A type of fixed-income instrument that is specifically earmarked to raise money for climate and environmental friendly projects.

Growth investing: Investment strategy that focuses on stocks of companies and stock funds where earnings are growing rapidly and are expected to continue growing.

Growth stock: Typically a well-known, successful company that is experiencing rapid growth in earnings and revenue, and usually pays little or no dividend.

- H -

Hedge Fund: A hedge fund is a limited partnership of private investors whose money is managed by professional fund managers who use a wide range of strategies, including leveraging or trading of non-traditional assets, to earn above-average investment returns. Hedge fund investment is often considered a risky alternative investment choice and usually requires a high minimum investment or net worth, often targeting wealthy clients.

- I -

Impact investing : A sustainable investment style that seeks to generate measurable positive social or environmental impact alongside financial return. Investment themes include activities such as affordable housing, education and healthcare.

Investment Beliefs/Philosophy: An investment philosophy is a set of beliefs and principles that guide an investor's decision-making process. It is not a narrow set of rules or laws, but more a set of guidelines and strategies that take into account one's goals, risk tolerance, time horizon, and expectations. As such, investment philosophy often goes hand-in-hand with a compatible investing style. Popular investment philosophies include value investing, focusing on shares that the investor believes are fundamentally underpriced; growth investing, which targets companies that are in a growth or expansion phase; and investing in securities that provide a return in interest income. Technical analysis and fundamental analysis are another pair of investment philosophies.

Impact investing: A sustainable investment style that seeks to generate measurable positive social or environmental impact alongside financial return. Investment themes include activities such as affordable housing, education and healthcare.

Investment stewardship: Engaging with companies and voting proxies to ensure our clients' interests are represented and protected and the company is focused on responsible allocation of capital and long-term value creation.

INVESTMENT GLOSSARY

Index: An investment index tracks the performance of many investments as a way of measuring the overall performance of a particular investment type or category. The S&P 500 is widely considered the benchmark for large-stock investors. It tracks the performance of 500 large U.S. company stocks.

Inflation: A rise in the prices of goods and services, often equated with loss of purchasing power.

Information Ratio: The information ratio (IR) is a measurement of portfolio returns beyond the returns of a benchmark, usually an index, compared to the volatility of those returns. The benchmark used is typically an index that represents the market or a particular sector or industry. The IR is often used as a measure of a portfolio manager's level of skill and ability to generate excess returns relative to a benchmark, but it also attempts to identify the consistency of the performance by incorporating a tracking error, or standard deviation component into the calculation.

Interest rate: The fixed amount of money that an issuer agrees to pay the bondholders. It is most often a percentage of the face value of the bond. Interest rates constitute one of the self-regulating mechanisms of the market, falling in response to economic weakness and rising on strength.

Interest-rate risk: The possibility of a reduction in the value of a security, especially a bond, resulting from a rise in interest rates.

Investment advisor: An organization employed by a mutual fund to give professional advice on the fund's investments and asset management practices.

Investment company: An investment company is a corporation or trust engaged in the business of investing the pooled capital of investors in financial securities. This is most often done either through a closed-end fund or an open-end fund (also referred to as a mutual fund). In the U.S., most investment companies are registered with and regulated by the Securities and Exchange Commission (SEC) under the Investment Company Act of 1940. An investment company may be known as a "fund company" or "fund sponsor." They often partner with third-party distributors to sell mutual funds.

Investment Consultant: An investment consultant is a financial professional who provides investors with investment products, advice, and/or planning. Investment consultants do in-depth work on formulating investment strategies for clients, helping them fulfill their needs and reach their financial goals. Many financial advisors and financial planners would be considered investment consultants.

Investment Policy Statement (IPS): An IPS is a document drafted between a portfolio manager and a client that outlines general rules for the manager. This statement provides the general investment goals and objectives of a client and describes the strategies that the manager should employ to meet these objectives. Specific information on matters such as asset allocation, risk tolerance, and liquidity requirements are included in an investment policy statement.

Investment grade bonds: A bond generally considered suitable for purchase by prudent investors.

Investment objective : The goal of a mutual fund and its shareholders, e.g. growth, growth and income, income and tax-free income.

INVESTMENT GLOSSARY

- J -

Junk bond: A lower-rated, usually higher-yielding bond, with a credit rating of BB or lower; also known as a “high yield bond/security”.

- L -

Large-cap: The market capitalization of the stocks of companies with market values greater than \$10 billion.

Liquidity: The ability to have ready access to invested money. Mutual funds are liquid because their shares can be redeemed for current value (which may be more or less than the original cost) on any business day; Core liquidity refers to the cash and other financial assets that banks possess that can easily be liquidated and paid out as part of operational cash flows (OCF). Examples of core liquidity assets would be cash, government (Treasury) bonds, and money market funds.

Liquidity requirement: Maintain adequate liquidity to meet all anticipated expenditures after sufficient notice.

Long-term investment strategy: A strategy that looks past the day-to-day fluctuations of the stock and bond markets and responds to fundamental changes in the financial markets or the economy.

Long-Term objective: The investment portfolio shall be designed with the objective of protecting principal while earning a rate of return that is targeted to meet or exceed the real spending rate and the strategic benchmark index of the Fund over the long term in order to preserve the Fund’s assets and ensure that sufficient liquidity will be available to cover future cash requirements; long-term is typically defined as over 1-year, but is often considered over five years for institutional investors with similarly matching lengths for liabilities and obligations.

- M -

Manager: In the NHTF a manager refers to any portfolio manager selected by the Advisor (Manager of Manager) to invest the Fund’s assets.

Manager of Managers (MoM): A manager of managers (MoM) approach is a type of oversight investment strategy whereby a manager chooses managers for an investment program and regularly monitors their performance; in the NHTF, the MoM is referred to as the Advisor.

Market Cycle: Market cycles include both a rising and a declining market; generally, a rising market will be defined as a period of at least two consecutive quarters of rising stock prices and a declining market will be defined as a period of at least two consecutive quarters of declining stock prices; therefore, a Market Cycle (the minimum period of evaluation) shall be at least one year and more typically three to six years.

Management fee - The amount paid by an investor or fund to the investment advisor for its services.

Market price: The current price of an asset.

Market risk: The possibility that an investment will not achieve its target.

INVESTMENT GLOSSARY

Market timing: A risky investment strategy that calls for buying and selling securities in anticipation of market conditions.

Material: Material news is news that might affect the value of its securities or influence investors' decisions. It is any type of news that directly relates to moving the company's share price up or down or influences an investment decision.

Mid-cap: The market capitalization of the stocks of companies with market values between \$3 to \$10 billion (as of 2024).

Modigliani risk-adjusted performance (M2, M2, Modigliani–Modigliani measure or RAP): M2 is a measure of the risk-adjusted returns of some investment portfolio. It measures the returns of the portfolio, adjusted for the risk of the portfolio relative to that of some benchmark (e.g., the market). The measure is interpreted as the difference between the scaled excess return of the portfolio and that of the market, where the scaled portfolio has the same volatility as the market. It is derived from the widely used Sharpe ratio, but it has the significant advantage of being in units of percent return, which makes it dramatically more intuitive to interpret.

Money market mutual fund: A short-term investment that seeks to protect principal and generate income by investing in Treasury bills, CDs with maturities less than one year and other conservative investments.

Morningstar ratings: System for rating open- and closed-end mutual funds and annuities by Morningstar Inc. of Chicago. The system rates funds from one to five stars, using a risk-adjusted performance rating in which performance equals total return of the fund.

Mutual fund: Fund operated by an investment company that raises money from shareholders and invests it in stocks, bonds, options, commodities or money market securities.

- N -

NASDAQ - National Association of Securities Dealers Automated Quotations: A system, which is owned and operated by the National Association of Securities Dealers. NASDAQ is a computerized system that provides brokers and dealers with price quotations for securities traded over-the-counter as well as for many New York Stock Exchange listed securities.

Net Asset Value per share (NAV): The current dollar value of a single mutual fund share; also known as share price. The fund's NAV is calculated daily by taking the fund's total assets, subtracting the fund's liabilities, and dividing by the number of shares outstanding. The NAV does not include the sales charge. The process of calculating the NAV is called pricing.

- O -

Outsourced CIO (OCIO): An outsourced chief investment officer (OCIO) is a third-party provider that manages investment-related responsibilities for the clients of wealth management, investment management, and consulting firms. OCIOs assume multiple responsibilities related to investment management, particularly by evaluating portfolio managers and providing financial advisors with access to those managers.

INVESTMENT GLOSSARY

- P -

Private Equities: Private equity describes investment partnerships that buy and manage companies before selling them. Private equity firms operate these investment funds on behalf of institutional and accredited investors. Private equity funds may acquire private companies or public ones in their entirety or invest in such buyouts as part of a consortium. They typically do not hold stakes in companies that remain listed on a stock exchange.

Par value: Par value is the amount originally paid for a bond and the amount that will be repaid at maturity. Bonds are typically sold in multiples of \$1,000.

Portfolio: A collection of investments owned by one organization or individual, and managed as a collective whole with specific investment goals in mind.

Portfolio allocation: Amount of assets in a portfolio specifically designated for a certain type of investment.

Portfolio holdings: Investments included in a portfolio.

Portfolio manager: The person or entity responsible for making investment decisions of the portfolio to meet the specific investment objective or goal of the portfolio.

Preferred stock: A class of stock with a fixed dividend that has preference over a company's common stock in the payment of dividends and the liquidation of assets. There are several kinds of preferred stock, among them adjustable-rate and convertible.

Premium: The amount by which a bond or stock sells above its par value.

Price-to-book: The price per share of a stock divided by its book value (net worth) per share. For a stock portfolio, the ratio is the weighted average price-to-book ratio of the stocks it holds.

Price-to-earnings (P/E) Ratio: A stock's price divided by its earnings per share, which indicates how much investors are paying for a company's earning power.

Prudent Person: A standard, defined as investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Public Pension Plan: The most common type of traditional pension is a defined-benefit plan. After employees retire, they receive monthly benefits from the plan, based on a percentage of their average salary over their last few years of employment. The formula accounts for how many years they worked for that company. Employers, and sometimes employees, contribute to fund those benefits. As an example, a pension plan might pay 1% for each year of the person's service times their average salary for the final five years of employment. An employee with 35 years of service at that company and an average final-years salary of \$50,000 would receive \$17,500 a year.

INVESTMENT GLOSSARY

Prospectus: Formal written offer to sell securities that sets forth the plan for proposed business enterprise or the facts concerning an existing one that an investor needs to make an informed decision. Prospectuses are also issued by mutual funds, containing information required by the SEC, such as history, background of managers, fund objectives and policies, financial statement, risks, services and fees.

Proxy: A shareholder vote on matters that require shareholders' approval.

- R -

R²: The percentage of a fund's movements that result from movements in the index ranging from 0 to 100. A fund with an R² of 100 means that 100 percent of the fund's movement can completely be explained by movements in the fund's external index benchmark.

Ratings: Evaluations of the credit quality of bonds usually made by independent rating services. Ratings generally measure the probability of timely repayment of principal and interest on debt securities.

Recession: A downturn in economic activity, defined by many economists as at least two consecutive quarters of decline in a country's gross domestic product.

Redemption: Sale of fund shares by a shareholder.

Regulatory compliance requirement: Compliance with all existing and future applicable state and federal regulations.

Reinvestment option: Refers to an arrangement under which a mutual fund will apply dividends or capital gains distributions for its shareholders toward the purchase of additional shares.

Risk Management: Risk management involves identifying, analyzing, and accepting or mitigating uncertainty in investment decisions. Put simply, it is the process of monitoring and dealing with the financial risks associated with investing. Risk management essentially occurs when an investor or fund manager analyzes and attempts to quantify the potential for losses in an investment, such as a moral hazard, and then takes the appropriate action (or inaction) to meet their objectives and risk tolerance.

Risk tolerance: The degree to which you can tolerate volatility in your investment values.

- S -

Sector: A group of similar securities, such as equities in a specific industry.

Securities: The term "security" refers to a fungible, negotiable financial instrument that holds some type of monetary value. A security can represent ownership in a corporation in the form of stock, a creditor relationship with a governmental body or a corporation represented by owning that entity's bond; or rights to ownership as represented by an option.

INVESTMENT GLOSSARY

Securities and Exchange Commission (SEC): The federal agency created by the Securities and Exchange Act of 1934 that administers the laws governing the securities industry, including the registration and distribution of mutual fund shares.

Share: A unit of ownership in an investment, such as a share of a stock or a mutual fund.

Share classes: Classes represent ownership in the same fund but charge different fees. This can enable shareholders to choose the type of fee structure that best suits their particular needs.

Sharpe Ratio: A risk-adjusted measure that measures reward per unit of risk. The higher the Sharpe ratio, the better. The numerator is the difference between the Fund's annualized return and the annualized return of the risk-free instrument (T-Bills).

Small-cap: The market capitalization of the stocks of companies with market values less than \$3 billion.

Sovereign Wealth Fund: A sovereign wealth fund is a state-owned investment fund comprised of money generated by the government, often derived from a country's surplus reserves. SWFs provide a benefit for a country's economy and its citizens. The funding for a SWF can come from a variety of sources. Popular sources are surplus reserves from state-owned natural resource revenues, trade surpluses, bank reserves that may accumulate from budgeting excesses, foreign currency operations, money from privatizations, and governmental transfer payments. In general, sovereign wealth funds usually have a targeted purpose. Some countries have sovereign wealth funds that can be similar to venture capital for the private sector.

Standard of care: For the NHTF, the standard of care used is the "prudent person" standard, defined as investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

Standard deviation: Standard deviation is a statistical measurement that looks at how far a group of numbers is from the mean. Put simply, standard deviation measures how far apart numbers are in a data set. This metric is calculated as the square root of the variance.

Standard & Poor's Index: Broad-based measurement of changes in stock market conditions based on the average performance of 500 widely held common stocks commonly known as the Standard & Poor's 500 or S&P 500.

Standard Deviation: A statistical measure of the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution.

Stock: A long-term, growth-oriented investment representing ownership in a company; also known as 'equity.'

Stockholder: The owner of common or preferred stock of a corporation. Also called 'shareholder.'

Sustainable investing: A forward-looking investment approach that aims to deliver long-term sustainable financial return in a fast changing world. It encompasses a wide ranging spectrum of approaches, the core of which starts with the incorporation of ESG information.

INVESTMENT GLOSSARY

- T -

Tail risk: Tail risk is a form of portfolio risk that arises when the possibility that an investment will move more than three standard deviations from the mean is greater than what is shown by a normal distribution. Tail risks include events that have a small probability of occurring and occur at both ends of a normal distribution curve.

Time horizon: The amount of time that you expect to stay invested in an asset or security.

Total return: Accounts for all of the dividends and interest earned before deductions for fees and expenses, in addition to any changes in the value of the principal, including share price, assuming the funds' dividends and capital gains are reinvested. Often, this percentage is presented in a specified period of time (one, five, ten years and/or life of fund). Also, a method of calculating an investment's return that takes share price changes and dividends into account.

Tracking Error: The active risk of the portfolio. It determines the annualized standard deviation of the excess returns between the portfolio and the benchmark.

Treasury bill: Negotiable short-term (one year or less) debt obligations issued by the U.S. government and backed by its full faith and credit.

Treasury bond: Negotiable long-term (10 years or longer) debt obligations issued by the U.S. government and backed by its full faith and credit.

Treasury note: Negotiable medium-term (one year to 10 years) debt obligations issued by the U.S. government and backed by its full faith and credit.

Treasury security: Securities issued by the U.S. Treasury Department and backed by the U.S. government.

Turnover Ratio: Percentage of holdings in a mutual fund that are sold in a specified period.

- V -

Variance: A variance is the average of the squared differences from the mean. To figure out the variance, calculate the difference between each point within the data set and the mean. Once you figure that out, square and average the results.

Valuation: An estimate of the value or worth of a company; the price investors assign to an individual stock.

Value investing: A strategy whereby investors purchase equity securities that they believe are selling below estimated true value. The investor can profit by buying these securities then selling them once they appreciate to their real value.

Value stock: Typically an overlooked or underpriced company that is growing at slower rates.

Volatility: The amount and frequency with which an investment fluctuates in value; The NHTF may experience a drawdown of principal, although over a full market cycle, the Advisors in aggregate are expected to produce a total annual return that will exceed inflation as measured by the Consumer Price Index (CPI) by five percent. It is anticipated that the Fund will experience an annualized average volatility of approximately 13% annually with a maximum rolling 12-month annualized volatility of roughly 20% over a market cycle (as of May 2024).

INVESTMENT GLOSSARY

- W -

Weighted avg. market cap: Most indexes are constructed by weighting the market capitalization of each stock on the index. In such an index, larger companies account for a greater portion of the index. An example is the S&P 500 Index.

Weighted average maturity: A Fund's WAM calculates an average time to maturity of all the securities held in the portfolio, weighted by each security's percentage of net assets. The calculation takes into account the final maturity for a fixed income security and the interest rate reset date for floating rate securities held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes.

- Y -

YTD - Year-to-date return on an investment including appreciation and dividends or interest.

Year-to-Date (YTD) total return: Year-to-date return on an investment including appreciation and dividends or interest.

Yield: Annual percentage rate of return on capital. The dividend or interest paid by a company expressed as a percentage of the current price.

Yield to maturity (YTM): Concept used to determine the rate of return an investor will receive if a long-term, interest-bearing investment, such as a bond, is held to its maturity date.

Yield to maturity distribution (YTDM): The average rate of return that will be earned on a bond if held to maturity.

DISCLOSURE STATEMENT

Consequent Capital Management, LLC ("Consequent") is located at 1050 Queen Street, Suite 100, Honolulu, HI 96814 and our headquarters is located at 3344 Peachtree Road NE, Suite 800, Atlanta, GA 30326. This presentation is for informational purposes only and does not constitute a complete description of Consequent's investment services or performance. This presentation is in no way a solicitation or offer to sell investment advisory services except, where applicable, in states where we are registered or where an exemption or exclusion from such registration exists. Information throughout this site, whether stock quotes, charts, articles, or any other statement or statements regarding market or other financial information, is obtained from sources which providers shall be liable for any errors or inaccuracies, regardless of cause, or the lack of timeliness of, or for any delay or interruption in the transmission thereof to the user. THERE ARE NO WARRANTIES, EXPRESSED OR IMPLIED, AS TO ACCURACY, COMPLETENESS, OR RESULTS OBTAINED FROM ANY INFORMATION POSTED ON THIS OR ANY "LINKED" presentation. Moreover, no client or prospective client should assume that any such discussion serves as the receipt of, or a substitute for, personalized advice from an investment professional. Consequent is not a law or accounting firm, and no portion of the presentation content should be interpreted as legal, accounting or tax advice. Please remember that different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable or equal any historical performance level(s). Please call Consequent Capital Management, LLC at 404-883-2500 if you have any questions about this presentation or if you would like a free copy of Consequent's most recent Form ADV.



Honolulu Office

1050 Queen Street · Suite 100 · Honolulu, HI · 96814

Corporate Headquarters Office

3344 Peachtree Road NE · Suite 800 · Atlanta, GA · 30326

P: (404) 883-2500

E: info@consequentgroup.com ·

W: consequentgroup.com