STATE OF HAWAIʻI
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)

COMMITTEE ON RESOURCE MANAGEMENT
MINUTES

February 7, 2024   1:30 p.m.

ATTENDANCE:
Chairperson John Waiheʻe, IV
Vice-Chairperson Luana Alapa
Trustee Dan Ahuna
Trustee Kaleihikina Akaka
Trustee Keliʻi Akina
Trustee Brickwood Galuteria
Trustee C. Hulu Lindsey
Trustee J. Keoni Souza
Trustee Mililani Trask

BOT STAFF:
Anuhea Patoc
Crayn Akina
Joyce Yang
Kanani Iaea
Kyla Hee
Lei Ann Durant
Melissa Wennihan
Morgan Kaui Robello
Pohai Ryan

BOT STAFF (cont.):
Richelle Kim
Ruben Sierra
Sommer Soares

ADMINISTRATION STAFF:
Stacy Ferreira, CEO / Ka Pouhana
Casey Brown, COO / Ka Pou Nui
Dave Kozuki, IT
Everett Ohta, Interim General Counsel
Kevin Chak, IT
Nietzsche Ozawa, Interim Senior Legal Counsel
Ramona Hinck, CFO
Ryan Lee, Endowment Director
Sandra Stancil, Administration
Tiger Li, IT

GUESTS
Gerry Flintoft, Consequent Capital Management
Kuan Yuan, Former CIO, Hawaiʻi EUTF
Rodney June, LACERS CIO
Steve Edmundson, Investment Officer, Nevada PERS
Vijoy Chattergy, Consequent Capital Management

I. CALL TO ORDER

Chair Waiheʻe calls the Committee on Resource Management meeting for Wednesday, February 7, 2024 to order at **1:31 p.m.**

Chair Waiheʻe notes for the record that **PRESENT** are**:**

MEMBERS			AT CALL TO ORDER (1:31 p.m.)	TIME ARRIVED
CHAIR	JOHN	**WAIHEʻE, IV**	**PRESENT**	
VICE-CHAIR	LUANA	**ALAPA**	**PRESENT**	
TRUSTEE	DAN	**AHUNA**	**PRESENT**	
TRUSTEE	KALEIHIKINA	**AKAKA**	**PRESENT**	
TRUSTEE	KELI'I	**AKINA**	**PRESENT**	
TRUSTEE	BRICKWOOD	**GALUTERIA**	**PRESENT**	
TRUSTEE	C. HULU	**LINDSEY**	**PRESENT**	
TRUSTEE	J. KEONI	**SOUZA**	**PRESENT**	
TRUSTEE	MILILANI	**TRASK**	**PRESENT**	

At the Call to Order, **NINE (9) Trustees are PRESENT**, thereby constituting a quorum.

II. APPROVAL OF MINUTES

None

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

A. Consequent Capital Management Investment Education Sessions (Terms and Concepts)

Chair Waiheʻe asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waiheʻe turns it over to Independent Board Investment Advisor Vijoy Chattergy.

Independent Board Investment Advisor Chattergy: Aloha kākou Chair, Trustees, Ka Pouhana, aides, staff and other interested parties. Thank you again for having Consequent Capital Management in front of you today. My name is Vijoy Chattergy, I serve as the Chief Investment Officer on behalf of Consequent Capital Management, and our role is to be the Board Consultant for OHA.

Today, we're going to go through the usual routine that we're establishing in terms of appearing in front of the RMC and I will direct you to our presentation material. The first couple of pages are an intro and background on our organization. I think you already are familiar with that, so if you could go to page 5, that's where we're going to start today's session.

The first part, what we like to do in our presentations is to review the last time we were in front of you, which was actually only last week. We had a manager come and present, Pantheon Capital, which is a private markets investor for OHA. It has been an investor for some 20 years and it had been about four years since the last time they were in front of you.

So, we're trying to establish a routine of getting your managers in front of you more regularly. We had one of their senior people come and present. Ryan Lee and I actually met with the manager after the presentation, and we received further insight into what they're doing and what they have done on behalf of OHA and its other investors.

You recall that they're a global investor. They invest in private equity markets which include something called primary markets, investing in funds directly, investing in secondaries, which are taking positions after those funds have come to market when they find good ones. Then doing co-investments, where they partner with their investors like OHA, to do an investment into either the fund or a particular project or company within those funds, and those are done at reduced fees.

So, all of those sorts of investments are open to OHA. The last commitment made to Pantheon was actually in 2014, but the investment period is ongoing, so they're continuing to make investments in those commitments that were made there then, and they are holding those assets to maturity on behalf of OHA, so you'll continue to see positive returns, we hope, from Pantheon over time.

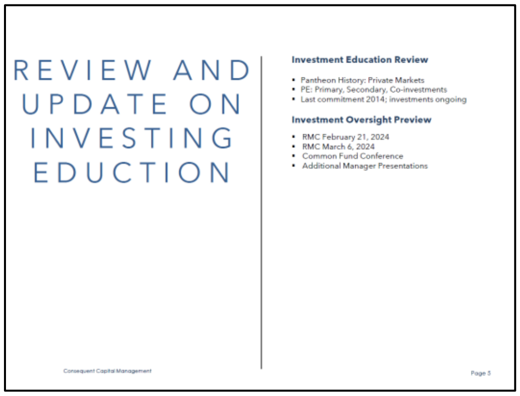
That does lead us to some conversation and questions that we'll bring back in front of the RMC related to the pacing of commitments and the role of the private equity program in the portfolio.

So, if we go down to the investment oversight section, that leads into where we're going to go after this meeting. Today's meeting, we're going to go through some investment concepts; we have a terrific panel of CIOs and a former CIO - to talk to you about what they do.

On the 21st of this month there's another RMC Meeting, and so what we'd like to do is come back in front of the Trustees and present some observations we've made in terms of the investment portfolio and the program as well as your policies.

At the March 6th meeting, what we'd like to do is to come back and then make actual recommendations based on those observations. Then sometime after the Commonfund event, when you have your meeting in March, we hope that the Trustees will be able to take action on those recommendations and make changes to policies as you see fit.

Independent Board Investment Advisor Chattergy: In the course of those meetings, it's our intention to meet with the Trustees individually, with staff as well, to make sure that we're all on the same page in terms of what we're seeing and what potential changes, if necessary, can be. So, we want to get a lot of input before we make our observations, and before we make our recommendations.

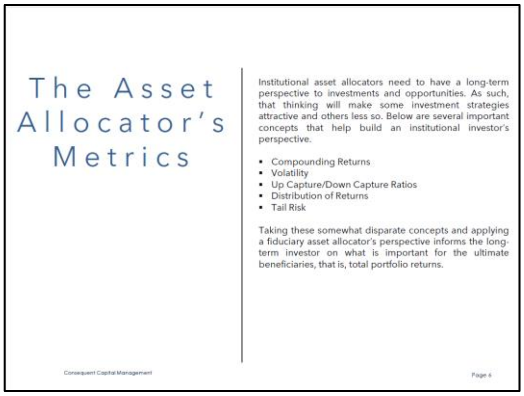


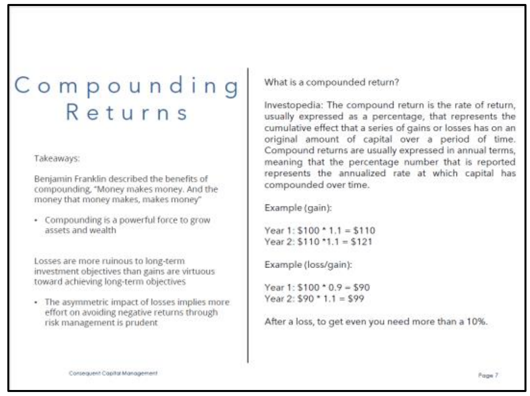
Independent Board Investment Advisor Chattergy: That's going to be the timetable as we move forward. In addition to that, at these meetings on an ongoing basis, we'll continue to invite your various service providers / fund managers to come and talk about their strategies with you and what they do. I think that's important before we make any real changes to the portfolio structure, which is separate from the policy structure. We understand who those managers are, what they do and how they fit in the portfolio. So that's the game plan.

Before we go to the panel of CIOs, if I could turn your attention to page six of the presentation, I'd like to go through a few investment concepts. Now, these concepts can be very dense and very nuanced, but I'm going to try to go through them fairly quickly, to present them to you in the perspective of how it's valuable to a Trustee overseeing a portfolio, as opposed to getting into the minutia. We can always go into the minutia if you have questions, or if you'd like to meet separately, that's something that's certainly available in terms of ongoing education.

Independent Board Investment Advisor Chattergy: I'm always learning more in terms of these concepts myself, but for the purpose of running the portfolio, that's the perspective I'd like to do, and again, as an institutional asset allocator, the key strength of being who OHA is, is that you're a long-term investor. There are opportunities that short-term investors can take advantage of, but your strength is that you're investing into perpetuity. So, there's certain kind of investments that other investors cannot take advantage of, because they don't have the long-term perspective that you do, so we try and capture that.

So, the areas that I'm going to cover is something called Compounding Returns, Volatility, Up capture / Down capture ratios, Distribution of Returns and Tail Risk, and again we'll move fairly quickly, but if you have questions we can come back, and I can speak with you individually, with your aides, with staff later.





Independent Board Investment Advisor Chattergy: If you turn to page seven, there's a lot of information there about Compounding Returns, and this is really a growth concept. So, the reason I'm putting this in front of you is because as an institutional investor, how you think about growing the portfolio, and the importance of compounding. It is something that if you go back to Benjamin Franklin, one of the founders of the United States - what he felt and is purportedly to have said is that *compounding is one of the greatest inventions of human beings, because of its power to grow assets over time*.

And, in fact, what he had done was back in the eighteenth century, he put aside money and specified that it should be allowed to grow at a compounding rate over time, for 100 years, and then 200 years, and so in I think everyone's lifetime, here the distribution of the assets that he put away in his lifetime grew to about 30 million dollars, which he put aside for the city of Boston and the city of Philadelphia.

So, in 1991, those two cities received the proceeds of that compounding, which was about 30 million. Maybe in today's numbers, in terms of city budgets, 30 million, that goes pretty quickly. But if you think - that money was just put away and allowed to grow over time.

I kind of think of ourselves. If you knew your great grandparents and you end up knowing your great grandchildren, that's almost 200 years, if you assume a generation, is about 25 years. So, within that period, the effect of compounding was very impactful. And the importance to you as Trustees is that you want your portfolio to grow over time, and those returns will beget growth and so on. So, you always want to be thinking about, how do we grow these assets.

Another example of Compounding that a lot of people learn, maybe in sixth grade or something, I'm not saying we all learned it, but we are exposed to it is the sort of different types of compounding. We see that in our everyday lives, maybe if you have a bank account, you think about the money you put in the bank and you earn interest, or you put it into a CD savings account, and it earns a certain amount of interest over a period of time; that money is compounding. That's what the power of earning that interest is.

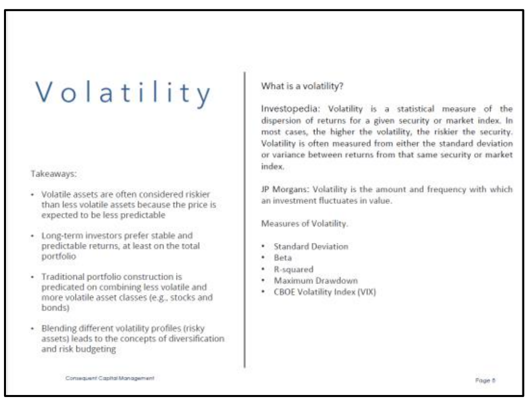
In terms of and how the assets are managed within the OHA portfolio, the important thing to keep in mind there is not only that you want to be continuing to grow those assets now, you're not growing it in a CD at a bank, you're investing it with fund managers who hopefully are creating positive returns and those positive returns on the portfolio side grow, and then that growth, those returns also are in the portfolio and continue to grow, so the portfolio grows over time.

Independent Board Investment Advisor Chattergy: The example I give here is a hundred dollars. If it went up 10% one year, then the next year, if that $110 earned is kept in and it grows again by another 10%, now the portfolio grows from 110 to $121. So, the first year you grew $10, the second year you grew $11, and so on, and so forth.

So compounding is very powerful, but the important part I want to emphasize here is what happens if it goes down. Because, unlike a bank account, sometimes the markets go down, and so, if the markets go down, the lesson here is that if you had $100 and it went down 10%, it goes down to $90, in order to get it back to break even to $100, you don't need a 10% return. You actually need an 11% return.

So, it's an asymmetry just based on the math alone in terms of the importance of upside and downside, so one thing that we want to keep in mind is that asymmetry. For professional investors, while we all want to participate in the upside, it's really avoiding the downside that is critical. So, as we think about ways to manage the portfolio going forward, we want to really be focused-in on how can we prevent losses, because the negative impact of losses in terms of now, what you need to return, what you hope to compound at, is important.

If you lose less than the market, or your benchmark, that's actually a good thing. So that's why a lot of professional investors focus in on the downside as opposed to, how much can I return. When you're an individual you focus-in, on your high net worth. You want to know, how much can I earn, but professionals focus-in and say *how much can I lose and am I willing to lose that?* So, that's the lesson here on *compound*, there's a lot of words here, but that's the main message on that page.



Independent Board Investment Advisor Chattergy: If we can turn to the next page, the second concept is Volatility, and I know that Trustee Trask asked last time about the definition of *volatility*. It wasn't in the last glossary, but two presentations ago we had volatility defined, and it's in this glossary.

Volatility, think of it as a dispersion, so if you're trying to get a certain return, the volatility is the movement around that expected return. One way to think about volatility is a way to differentiate traders from investors. So, you as stewards of the OHA portfolio want to be more on the investor side. There are different ways to differentiate. *Are you a trader? Are you an investor?*

One thing you hear from traders is they like volatility because they can trade around that; they make a lot of money. Now, as long-term investors, as institutional investors, on the whole, you don't want volatility, you want consistency, because you want to be compounding positively.

Independent Board Investment Advisor Chattergy: You want to know why your portfolio is behaving the way it is. Volatility is a measure of uncertainty. That's another way to think of volatility, and the more uncertainty you have in the future of your portfolio, the less beneficial that is to you as an institution.

Now, there are nuances there, I should make clear in terms of volatility. In general, traders like volatility, institutional investors don't like volatility. But just like *The Lion, the Witch and the Wardrobe*, if you read that book or read that to your kids, you know, there's always deeper truth in Narnia. So, it actually can be good to have volatility in your portfolio, but in a portfolio context, certain assets are going to be riskier, have less certain returns, and that's okay in a portfolio context. But in general, as institutional investors, I want you to think that I would much prefer a more certain return than expecting someone to trade around uncertainty.

So, further down on this page there are different types of volatility measures. Maybe one of the most famous that you would be familiar with is something called the VIX Index, which is run by an exchange called the Chicago Board of Options Exchange (CBOE). Sometimes you hear about it in the news as the fear index, because when that's up, that means the markets are fearful of returns. When it's steady or low, then markets tend to be so-called greedy, people are trying to generate returns. But these are all different ways to think about volatility.

Volatility is something that can actually be traded, in a way it's an asset class. They're traded through options and usually those options traders are the ones who have the greatest visibility into volatility. I don't have visibility into volatility, we wouldn't as an institutional investor, but you can invest with managers who trade that. They talk about volatility smiles, and it's important for pricing options to understand the value of the measures of volatility.

Independent Board Investment Advisor Chattergy: Maybe the way to think about it as an institutional investor is if you go to the grocery store and you want to buy a box of cereal for breakfast, when you go to the store you expect that cereal box to be a certain price. Now, if you come back an hour later, and the price of that cereal is different than it was an hour ago, that's the volatility, the price changing. So, if every time you went to the cereal section and the price of the box of cereal changed, you don't know what the price is. So that's why, as a buyer or an institutional investor is the equivalent here, you want more certainty in the assets. You want to know that box of cereal is going to be the same box of cereal for the same value day in, day out.

Now, a trader, might actually like the fact the box of cereal moves over time, they might say, oh, I noticed that the store discounts the cereal in the afternoon. I guess there are less people buying cereal in the afternoon, they need it for breakfast, so they're trading strategies.

They'll say, *Oh, I only buy cereal on the weekends or in the afternoon, because I know they're gonna lower the price, and then the price is gonna go back up.*

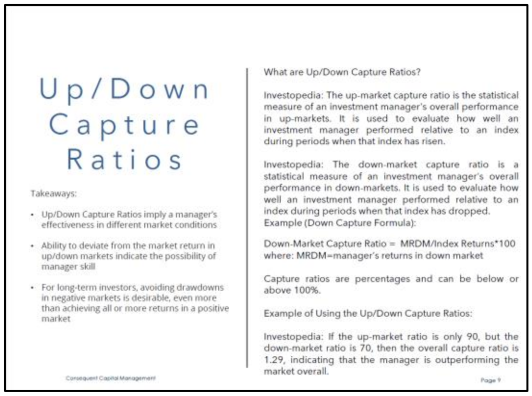
Maybe I'll sell it to you directly for the higher price later and pocket the change.

So, the volatility is the uncertainty and the price that changes around. The example of the cereal is, if you were a trader, and you're kind of trading that cereal box that you see in the grocery store.

Vice-Chair Alapa: *Who sets the price?*

Independent Board Investment Advisor Chattergy: Generally, in an economy like our own, prices should be set by the Market, Supply and Demand, fundamentals in the long-term. But there are a lot of things that can happen to prices and volatility of prices in the short-term. Someone could try to corner the market, the government could intervene and put in a stabilization program or something.

So, there are a lot of reasons why prices change, but as a long-term investor you're going to prefer more stability. There can be parts of the portfolio where volatility can be good in terms of OHA. So, there's certain managers that'll maybe have a more volatile profile than others, but you really want, as institutional investors, to have some stability because you're investing for the long-term. You want that compounding to be positive. So, there's a lot more in terms of volatility we can talk about, but let's come back to that.



Independent Board Investment Advisor Chattergy: Let's go on to the next concept here, which is sort of effectiveness is the way I would characterize up and down capture ratios. So, what we're trying to understand, and this is just a measure - the measure is defined there and there's a formula in terms of how you can calculate your up and down capture.

But essentially, it's an effectiveness. Because if we go, and we find a manager, say, they're trading stocks for you and we say: *what's your up capture? what's your down capture ratios*? We want to see that. It indicates how much of the market do they capture in an up market, and how much do they capture in a down market.

So, it could be 100%, that means it's kind of like the index, if the S&P 500, which was up near 5,000 today, so everyone's getting excited that we're near the 5,000 mark and your manager is capturing all of that, 100%, one for one, then they're basically giving you the market return.

If they're capturing more to that, then they're doing something like they're capturing 110% of return, so the market is up 100, they're up 110, so you want to know in a positive market, how does a manager perform.

Independent Board Investment Advisor Chattergy: So, the up-capture ratio is a way to do that. Now the down capture ratio talks about, what if the market's down 100 points. *Is your manager also down 100 points, or are they only down 50 points, or God forbid, they're down 150 points?* These are all indications of if your manager is good in these different markets. *How do they perform?* It isn't *are they good*, just by looking at the number. I think I said before, there's no one number that will tell you exactly what's going on, you need to then ask that further question.

In this last bullet point on the left here, it gives an idea of possibly what they're doing, they're doing well.

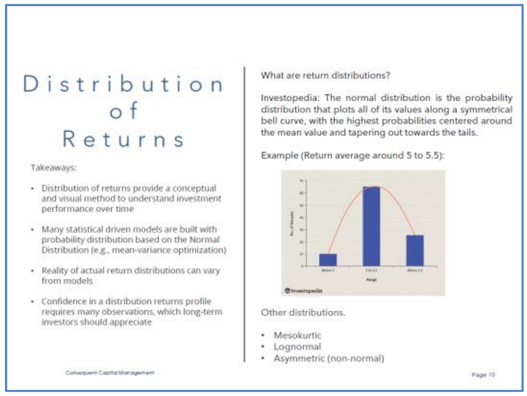
So, if a manager captures 110% of the return on the upside, that's great, we all like positive returns. But are they doing it because they're taking excess risk, *like too much leverage? Are they doing it because they just got lucky, they were in the magnificent seven last year?*

Those seven big tech stocks that went to the moon when everything else kind of stayed stable. But remember as institutional investors, the emphasis is downside protection. It's we don't want to lose in down markets. So, if you're losing 100% in a downside market, then you're doing what the market is doing. So, *do you have any skill?*

If you're only losing 50% you might have skill that might be something to pay for, *like hey*, *in a down market, we're gonna lose less, which means, when the markets turn around, I'm not compounding from where the market went down, I'm compounding from 50% higher,* which again, over the long term as an institutional investor, that's what you want to do.

You want to gain as much of the upside as you can, but you want to lose less on the downside. So, on the right side, this Investopedia example talks about an up-capture ratio of 90, which is like 90% of the market is captured in the upside, and on the downside, you'll only capture 70% of the downside, it's not 100.

But that's actually a good ratio. They show you how you can use it, you just divide the 90 by the 70. You get the 1.29, which is an indication that you're generating better returns than the market, both on the upside and the downside. I'll note that this profile is actually like a particular strategy called the covered calls or cash-secured put writing, which is a nice strategy. *It's like, let's capture as much of the upside as we can, in this case, 90%, but let's only capture maybe two-thirds of the downside, which is kind of like the 70%, (66%-70%)*. That profile over time, as a long-term investor will put you in a very good position to be, if you're a pension fund to be fully funded, or to reach all your goals as an investor. So that's what up and down capture ratio means for you as institutional investors.



Independent Board Investment Advisor Chattergy: The next page, which is page 10, I'm just going to touch a little bit on Distribution of Returns. Distribution of Returns, you kind of see in these bell curve shape examples, you have both potential and actual returns that they could be showing you. So, that's an important question to ask when a manager comes to you, we have an expected return of 20 or 18% like, *is that an actual return?* No, that's an expected return.

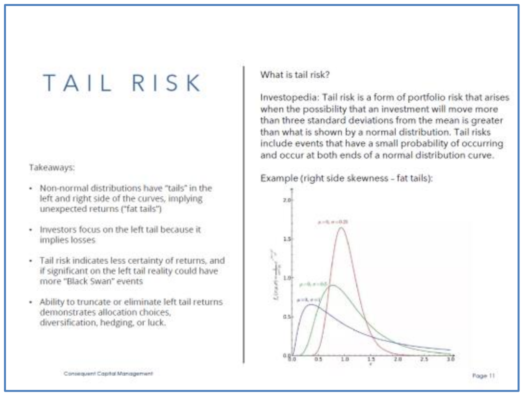
Okay well, maybe the question is, then, *what's the distribution around that return?* Your expected return is kind of like the average, that's what you expect to get. That's the highest point in the graph. B*ut what's the shape of that graph?*

Is it likely that you're gonna get 18-20%, or are you taking some risks? So, there's a lot of dispersion around that, that volatility, the price isn't really known, and you could actually end up with a lot less, or maybe a lot more.

As an institutional investor, even though you can get maybe a lot more if there's a wider dispersion of that distribution of returns, you really want the certainty as investors, because that allows you to run your mission, that allows you to do other things. If you know every year, you're going to get a 10% return from the portfolio, now you can plan all the other things that you need to do to fulfill your mission at OHA.

If you say, well, one year we're going to have 15%, now we're gonna have 5%, then we're going to be negative 5%. Okay, now that spending policy becomes important because, well we don't know what we're going to do. It could be anywhere from positive 10% to minus 5%, that's good to know, but that's what we're talking about with Distribution of Returns.

What does that profile look like? That's a fair question to ask managers. If they tell you, well we expect to get 8% returns over the long term. Okay, well, *what is the long term, and what's the likelihood of getting that return?*



Independent Board Investment Advisor Chattergy: So, there are different kinds of dispersion charts that you can look at, and I've listed a few here just for your information. And again, we can go into more detail later about that.

So, let me leave that as it is, and let's come to the final topic that I'd like to cover with you quickly, and this is called Tail Risk. It's not tailwind, you know, with the way the winds at your back and things are going great. Tail Risk is actually something that you want to be aware of as an investor, and you may want to avoid.

Now, usually what we're talking about with tail risk here are extreme outcomes. So, if you think about a distribution, positive is on the right side, negative is on the left side. *Everybody loves the positive, right?* It's like, *Oh, we were expecting a 10% return, and the manager came back and said, this year we made 20%, everybody loves that right?* It should also cause you to ask questions, like: *how did you get that so much higher than what we thought? Did you do something unusual? Did you take unnecessary risk?*

But let's put that aside because everybody likes to make more than they thought they were going to get. It's again the downside as institutional investors, what you want to be concerned about, what's that tail risk on the left side of the distribution.

So, there's a picture there, and we're trying to manage tail risk. This shows something called skew, it's right-side skew, it's fat-tailed skew, so this might be something that you like, but the tail is all the way on the right side.

Independent Board Investment Advisor Chattergy: So again, this is on the positive side, but if you see returns like this, you're sort of wondering, the central, the expectation is where the peak is on that chart, and the stuff to the right are kind of surprises, and again as institutional investors, or just as human beings. Positive surprises or surprises aren't always bad, but as institutional investors, the ideal would be, have that certainty.

Now, we can't have certainty in the world. So, we expect sometimes there are surprises. Sometimes things we won't expect, but in terms of thinking about how a manager is managing for you, you want to know, almost every year you're going to come in and you're going to give me a 7% return.

Independent Board Investment Advisor Chattergy: That's nice, but every now and then we're down 50%. That doesn't sound too good to me in terms of an investment, because that's a big tail risk.

Now that tail risk, maybe it won't happen for 50 years, maybe it happens every two or three years. Those are the kind of questions that you want to drill into, because am I comfortable as a steward for the OHA portfolio to accept that kind of a tail, even if it's unlikely to happen. *Are you okay with that?*

There are different ways to eliminate that left tail risk. So, the bottom bullet point on the left, you can kind of eliminate that by allocation choices. You can say, *well, I'm not going to invest in those strategies because there's just too much uncertainty*. That's one thing you can do as a Trustee, as a steward of the OHA portfolio.

You can also diversify. So okay, this strategy has some risk in it, maybe a little higher than other strategies, but if I own a lot of different strategies, presumably you've diversified the portfolio, and that will help to mitigate the risk that may be that one out of 50 years the strategy doesn't work, but everything else does work. So that's a portfolio construction, and that's a diversification.

There are also specific hedging strategies that you can use to hedge out, like we want to cut that tail off. *I'm willing to accept a 3% loss, but I don't want a 5% loss*. *So, let's bring in a manager, let's make sure the manager can hedge that additional downside*.

So, those are things that are possible. We can talk about that more in terms of what it means for the OHA portfolio.

Independent Board Investment Advisor Chattergy: Then the last thing in terms of avoiding the downside is just luck.

Some of this stuff, you just get a little bit lucky, and you manage to avoid it.

A lot of the models, a lot of the analysis that goes into some of these metrics here - you really don't get certainty or confidence in the metric that comes to you unless you have a lot of observations, and until you have a lot of observations - you don't know.

Is the manager demonstrating a skill set in avoiding the downside, or are they just getting lucky? So that's difficult.

But as long-term investors. again, I mentioned at the beginning, you have a certain strength, and that strength is that you can hold onto positions. You can manage the portfolio for the long term and households, day traders, and groups like that - they can't take advantage of being able to invest over a long period of time to generate their returns for different reasons, but that's something that, as a long-term investor, you have to consider.

So, when you make policy, when you choose managers, you don't want to be trying to change them out every year. You want to say this is the strategy, I understand the risk, I know that some years it's going to be what I want, some years it might disappoint, but if I believe in the overall structure, then I'm going to be willing to hold that through time. It doesn't mean you wouldn't sell it at some point, but just your approach as institutional investors needs to be grounded in strategic, long-term thinking, and that's what these metrics in different ways get at.

Independent Board Investment Advisor Chattergy: Again, these are dense concepts, these are nuanced concepts. What I'm trying to present to you is as a Trustee overseeing a fiduciary responsibility, *how do you think about these concepts in terms of what's meaningful to you?* There's a lot more we can learn about it. I'm not trying to teach you a college course here. I'm just trying to give you some of the tools and the ways to think about these concepts. Now you can have conversations with consultants, with managers, with your stakeholders, about why and how you manage and invest the portfolio.

Again, what I'd like to do is, I'd come like to come and meet with you individually to go over some of this; field questions. I'll do the same with staff and we'll continue to make our observations and come back to you with some recommendations, in terms of your policies, in terms of your portfolio structure, and maybe even somewhat to certain managers.

Vice-Chair Alapa: You mentioned something about Tail Risk which include events that have a small probability of occurring, *what events are you referring to?*

Independent Board Investment Advisor Chattergy: So, events that happen that are out on the tails; they can be events that happen every so often, the ones that you're focused-in on, saying like, extreme events or very unlikely events.

Sometimes they've been called Black Swans. So, a black swan comes from the concept that for the West, for thousands of years they only saw white swans, and they said, a swan is white, that's it, that's all you get is a White Swan.

Then they went ahead and sort of colonized. They went to Australia, and the Western powers that occupied Australia suddenly came across a black swan. That was impossible until they actually observed that there were actually black swans out there, because there was never a black swan in the West, that's what I'm told. I don't know if that's entirely true, but that's what we're told.

So, a black swan event is one of these events that you just don't know is coming. You can't conceive of it, because all your experience is only seeing white swans through history, so there must only be white swans. Suddenly the Black Swan changes your world. So, in the financial markets it would be the kind of event where the price of a house never goes down, invest in housing, housing prices don't go down because everyone forgot that sometimes they do. Then in 2008, we had what we would call Black Swan. I mean, prices of houses have gone down in history, but nobody is alive who remembers that, so everyone thought, just invest in a house, you'll be safe, your family be secure, then 2008 happens. That was considered like a Black Swan event, very unlikely and extreme.

So there is a case, and I've invested in strategies that create something called Crisis Alpha. The idea - that in a financial crisis - what are the strategies that do well, because you know your stocks are going down. *Is there anything that does well when everything else is going down?* And that is sort of like, *if there was a Black Swan event, how do you protect yourself, if you can?*

Vice-Chair Alapa: *Can you foresee that happening again?*

Independent Board Investment Advisor Chattergy: I think every time you have a new data point like that, you kind of say, *yeah, it could happen again*. There are people right now who are saying, *Hey, you're in a housing buzz, there are problems with the housing market, there are problems with lending in the housing market*.

Could 2008 happen again? I think it goes down to…, I forget who said it, *History doesn't repeat it rhymes*.

So, yes. *Could markets go down 50% again?* Yeah, it could.

Under what conditions we probably won't know until we're in the middle of it, and that's why, as Trustees, as institutional investors, you want to build a portfolio that you're comfortable with living through different examples.

Now, the chances of markets really going to another 2008 are low, are minimal, but they're not zero. As a Trustee, you want to say:

- *Well, how much am I willing to live with the possibility?*
- *What if the markets go down the way they did in 2008?*
- *How will our portfolio perform?*

Independent Board Investment Advisor Chattergy: *And is that okay?* Because after - it spends the next 10 years coming back up.

So those are the considerations that you want to do. You can't eliminate risk entirely in any portfolio, certainly not in the OHA portfolio, but you want to know what those risks are, and then you want to be able to say to yourself, *I accept these risks, but I don't accept those risks*.

That's like the idea of *okay, you have a list, this is what I'm willing to invest in*. It used to be that the government only let institutional investors invest in bonds, the stocks are too risky. You cannot own stock, you can only own bonds. So, I think, even as late as the '70s or '80s, a lot of institutional investors only owned bonds.

Then over time, they said, *Oh, well, stock, that's a certain risk, and we can model that and that's okay*. So, then they allowed groups to invest more in stocks, and now there's more diversified alternatives that are considered acceptable for institutional investors to invest in a portfolio concept.

Chair Waiheʻe recognizes Trustee Galuteria.

Trustee Galuteria: Vijoy, *to what degree is long-term investment geopolitical or geographical, or even seasonal? Any of these come into play, I'm talking like world conflicts, that sort of thing? How does that affect us long-term investors?*

Independent Board Investment Advisor Chattergy: Yeah, it's a challenge, I think (John Maynard) Keynes the twentieth century economist said something roughly like;
What good is it if you know you're investing for when the oceans are calm and you know they're gonna be calm again, but in the tempest, when things are going crazy you don't have anything to say.

Independent Board Investment Advisor Chattergy: So, there is a balancing that you have to do in terms of there are shorter term and acute risk in the markets that could have a dramatic impact on your portfolio versus, *hey, I'm a long-term investor, I don't have to worry about this.*

Some of us might have been around in 1987 and you remember that Black Monday when the market sold down, and that was *oh, we're headed to another depression*.

Well, if you just ignored that event, and you just held on, the markets have run way up, so it's kind of like that. That was a very acute and challenging event at the time for a lot of us, but it didn't last, and staying invested for the long term meant that you did very well. No guarantee it worked out that way, we could have gone into another great depression, but it didn't for various reasons.

So, as a long-term investor, assessing these sorts of risks like; geopolitical, *or should I not be investing in China right now, because the Chinese market is going down, but it's the second biggest economy, should I invest?*

What you want to be thinking about is, *are these shorter-term, potentially transitory events which may last years? Are they something that we can stomach, we can handle?*

For example, if I have pension benefits to pay out - well, I want to manage the portfolio so that suddenly, if the markets became liquid, or I lost 10% of the portfolio, *can I still pay my pension beneficiaries?* That's the way you think, like okay, *how do we adjust or manage these short-term stresses for our long-term objectives?*

Now you as OHA, you run programs with the assets, you draw on that and you run your programs. So, you want to make sure that, however, your programs are funded through the portfolio, that portfolio contribution is there, year in, year out, because it would be tragic not to be able to run those programs.

So, that's the way to think about those short-term risks.

Is there some event in the short-term, like if the housing market went down again and it goes down 20%, 50% - *how would that affect my ability to run the different OHA programs over time?*

If there's enough liquidity, if there's enough assets to continue to run those programs, then that's acceptable.

If you can't run them because of the kind of investments you're making or you don't have enough liquidity, then you might think, well, what if markets went down 50%, *how do we deal with that?*

If it went down 10%, not a problem. So, I'm trying to give you different ways to think about it, I don't know if that helps.

Trustee Galuteria: So, just stay the course.

Independent Board Investment Advisor Chattergy: That's often-what folks will say is, *stay the course*, but by staying the course, that assumes that you have structured a strategic portfolio that gives you exposure to different kinds of assets in a diversified way. That you're able to hold on to those positions through market cycles, through changes in interest rates, through changes in inflation, through maybe a financial crisis.

And again, the decision that you're making is at a policy level, and you're doing the best you can to kind of say, well, you know, *what's the likelihood of 2008 happening again? What's the likelihood of 2001 happening again? What if a 1987 happens again? Which one of those is too much for you to bear risk? Does your current portfolio reflect the ability for you as an organization to withstand that kind of a downturn?*

Now, again, you have to balance that, though, because, even though I said, *hey, focus more on the downside*, you want to capture that upside. So, if you're only focusing all the time on like, *I want to avoid all these risks*, well you have to have some risk, you have to have some ability to generate positive returns.

A year ago, nobody knew that the S&P 500 was going to be driven by these magnificent 7 stocks, and that the markets would be near record levels. Everyone thought we'd be in a recession right now. So, guess what, everybody was pretty much wrong. So as a Trustee, you want to be able to capture as much of the upside but mitigate that downside in case things go wrong.

So, it's a portfolio thinking, it's strategic thinking, and it's long-term thinking. We all have to acknowledge that we just don't know where the markets are. Going to be next year, a year from now, five years from now, we have a good idea that probably stocks are going to continue to grow the way they have the last 100 years for the next 100 years. So, you want to have that exposure, but we don't know for sure, and we don't know what time periods in the next 100 years, are stocks going to be down 30% or 20%.

If you've built a portfolio as an institution that wants to be for the long-term, hopefully you have strategies and you have approaches in the portfolio that will allow you to weather those down markets.

As an institution you can do that much better than an individual. As an individual, I can't be down 30%, I'm going to miss my mortgage or something like that, but as an institution, investing for the long-term, you should be able to withstand that. That's one of the strengths of being a long-term investor, an institution like you are.

Vice-Chair Alapa: *Do you recommend, you mentioned tech stocks, are we able as investors, trustees to participate in that?*

Independent Board Investment Advisor Chattergy: You do participate in it, for sure you participate in the State Street Index Fund that you're invested with, because they own all the stocks in the S&P 500, so that's one way. Some of the other strategies will also have exposure to those tech stocks, so you do participate in it. But I'll just recall, as I said, the first time I was in front of you, is that my strength is not going to be able to tell you what stocks to invest or not invest in *right?* I'm trying to give you advice in terms of structure, in terms of long-term investing, and that's where I can add value.

Independent Board Investment Advisor Chattergy: But I would say, even though, *hey, those stocks have run up a lot*, and maybe people are trimming some of those positions which isn't a bad thing to do, but I don't know where they'll go. They may continue to go up.

Some people are saying, these guys, these big stocks can continue to go up. But hopefully, you have other strategies in there that expose you to other things. So, if suddenly this year, those stocks aren't up 43% like they were last year, but they may be up 10% or down 5%, other parts of your portfolio will generate the returns that allow you to continue to fund your activities and to grow into the future. That's the advantage of having a diversified portfolio, which you do have, and which I recommend you continue to have, even if the structure or the governance changes.

Chair Waiheʻe recognizes Trustee Ahuna.

Trustee Ahuna: Thank you, Chair. My question is to the overall structure, you talked about upside, downside, with managers, I'm worried about managers. *What's the difference between an active manager and just what's going on with like a regular manager?*

Independent Board Investment Advisor Chattergy: So, generally to start out with, I would just say, all managers are active in some way, even if they were a passive manager, because not making a decision to invest in something or invest in a certain way, is kind of a decision. But the general description, and let's just stay with the liquid market. So, let's stick with the markets where securities trade on an exchange like stocks. The difference between an active manager and a passive manager would be that an active manager is saying, *I have a skill in investing*.

Remember at the first meeting I talked about four different ways of generating excess return. You got better information, you interpret information better, you got better execution, or you got better risk management.

So, what an active manager is generally saying is, *I've got a strategy, and I do something because it takes skill to generate excess returns beyond the S&P 500*, let's say as your index.

So, I'm going to get paid a little more for that, and I'm going to generate returns that you can't achieve without my skill.

A passive manager will say, I'm just going to give you exposure to the market, like your State Street strategy. I'm just going to give you exposure to the S&P 500, and I'm going to match that S&P 500, no matter if stocks are going up, no matter if stocks are going down. So over time, you're going to generate the return of having exposure to those stocks, but I'm not doing anything special.

I don't have a better model, I'm not trying to interpret information, I'm just making sure you have that exposure over time. So, they charge a lower fee because they're not saying they have some special skill, they're just saying I have the ability to give you exposure to the market, generally.

Actually, one of our speakers uses that strategy a lot in their portfolio, and we'll hear from them directly.

Trustee Ahuna: Okay, just a quick follow up question, because, for me, sometimes paying a little bit more, we get better results. So, when you talk about managers, the return and stuff like that. Sometimes I feel like the active managers, they get the most out of it, so even though we're paying a little bit more, sometimes it can still be a better thing.

Independent Board Investment Advisor Chattergy: Yes, I'm sort of agnostic.

It really depends if they can demonstrate the ability to generate those returns over time. As long as they do that, if that's a fair price, meaning it's competitive with what other managers with that skill set are charging, then yes, that could actually be a good thing to have in the portfolio.

Chair Waiheʻe asks if there are any further questions.

There are no further questions.

IV. NEW BUSINESS

B. Consequent Led Panel of CIOs on Managing a Multi-asset Portfolio for Fiduciary Institutional Investment Programs

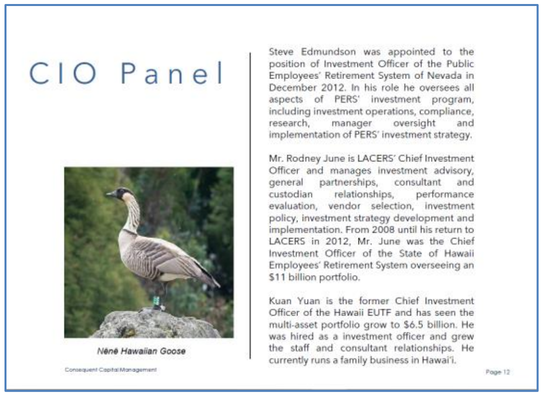
Chair Waiheʻe asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waiheʻe turns it over to Independent Board Investment Advisor Vijoy Chattergy.

Independent Board Investment Advisor Chattergy: Okay, I'd like to invite our CIO panel to turn on their cameras and be given the microphone. This is on page 12 of the presentation, you'll see a short description. We have three, really, qualified and very well-respected investors.

You'll see Stephen Edmundson there on the left, well I don't know if everyone's screen is the same, but Steve is with the Public Employees' Retirement System of Nevada (NVPERS), and there's a short description there. I'm going to give him a chance to introduce himself, and Steve has a portfolio that is very famous in the institutional world in terms of how they manage it. So, we'll talk a little bit about passive and active with him.



Independent Board Investment Advisor Chattergy: Mr. Rodney June, is with the LACERS logo there, Rod is a former Chief Investment Officer for the State of Hawaiʻi Pension Plan, the ERS, and he is the current Chief Investment Officer for the Los Angeles City Employees' Retirement System (LACERS). He actually has family from Hawaiʻi, and he is sometimes back in the islands every now and then, but he also knows how we manage money here in the islands. He is a very well-regarded Chief Investment Officer, and I should mention he was my former boss. I learned a lot about institutional investing from Rod, so the full disclosure there, Rod, I hope you don't mind.

Then the final person is actually Kuan Yuan, who is the former Chief Investment Officer of the Hawaiʻi Employer-Union Health Benefits Trust Fund or more commonly known as the EUTF. If you remember last time, we heard from one of the Trustees from EUTF who was Kuan's boss, in that sense, and Kuan was hired as an Investment Officer. Then, as the portfolio grew and his responsibilities grew, they actually made him a Chief Investment Officer. So, we'll hear a little bit about how that grew.

Independent Board Investment Advisor Chattergy: Thank you to all three of you for joining us, I appreciate it. I know that, Steve and Rod, you are kind of out there in the West and Kuan is actually locally-based here.

So, let me begin. I'm going to moderate this panel, and I'll begin by asking questions, I'm just going to ask, generally, of all 3 panelists.

The trustees have a short description in terms of your background in your organization, but *could you share a little bit more about your career trajectory, and maybe in particular, were there any lessons or jobs that you held that help you be prepared to be an institutional investor?*

Steve, since you're the furthest away, why don't we start with you, and then we'll go over to Kuan and then Rod.

Nevada PERS CIO Edmundson: Great, thanks for inviting me to join today. Just a quick introduction, my name is Steve Edmundson, I'm the CIO here at Nevada PERS (NVPERS). We're, as of today, right around a 61-billion-dollar public DB (Defined Benefit) plan, here in the State of Nevada. We cover all the public employees within the State, so whether you're a state employee or a city or county or school district employee, you're a participant in Nevada PERS.

I've been here at PERS since 2005, so going on 19 years here at the retirement system. I came from the private sector originally, working in a corporate treasury, and then moved over here to the retirement system. There were three people here at the time, I was originally hired on as an analyst, and was quickly promoted to the Deputy Investment Officer job. Then in 2012 I became the CIO here at Nevada PERS, so I've been here for a while now.

In terms of things that have helped me along the way in in my career; I would say first and foremost, I've just had the luck and privilege of being able to work with some fantastic people, both prior to working here at Nevada PERS, that mentored me along the way through my finance career in the private sector. Then coming over here, I had a couple of terrific mentors, that I worked up through the process of becoming CIO, and the previous CIO here, who I'm still good friends with was a terrific mentor as well. When you work in the public domain, like you know we're operating here, I believe this is a public board meeting - it requires a unique skill set. You have to be able to put together an investment portfolio that will work over time, but also operate in a very public and visible way, and being able to manage through some difficult times while you're in the spotlight; so it requires some PR skills along the way, too.

Independent Board Investment Advisor Chattergy: Thank you, Steve. Rod, same question, background and then what was something that influenced you or made you into the CIO you are.

Los Angeles City Employees' Retirement System (LACERS) CIO June: Very good Vijoy and good afternoon OHA Trustees. Thank you for having me here today. It's sort of good to be back on the island, even though physically I'm here in California, but as Vijoy said, I do get back to the islands quite often, because I have a lot of family on Oʻahu.

I started off working for the City of LA, I'll kind of start there. I've had jobs prior to that, and I won't go into too much detail, but started my career with the City of Los Angeles, out of graduate school, back in 1990 and worked in affordable housing programs that were HUD funded and gained a lot of experience on the administrative side. I was also a project manager that helped develop multi-family affordable housing in the City of Los Angeles, and working with politicians and community development banks, and a lot of different leaders in the city, I think gave me very good grounding or moving forward into a position like the Chief Investment Officer.

I was an employee of a bank, I was a lending officer at one time, I was also a substitute teacher, believe it or not, and a management consultant. So the variety of experiences that I gained from varied positions, but also working as a management consultant in different kinds of businesses, help me understand how businesses can add value over time, and that's exactly what we do in a public pension plan, or what you're doing at OHA is to add value, to increase the corpus of your portfolio and to make money in a very prudent and smart way. So, that's sort of sort of my trajectory.

LACERS CIO June: I worked at LACERS, starting in 1998, and I had the good fortune of working in all of the asset classes, because at the time we were about a 7-billion-dollar plan. I was able to sort of work across public equities, non-U.S. Equities, real estate, and private equity, and that gave me a good foundation to eventually become a CIO.

I was head of private equity for the plan, just prior to going over to Hawaiʻi in 2008 to be become the CIO for the State of Hawaiʻi Employees' Retirement System (ERS), and I wouldn't say it was so much my private equity background, as it was probably more my varied background in a number of asset classes, I think that that helped quite a bit.

I was in Hawaiʻi for almost 5 years, and then my boss back at Los Angeles City employees retired, and his position opened up, and I thought it would be a good time to get back to California and get that position. So, I've been at LACERS as CIO for about a little over 11 years now, and it's been a very good ride for me.

I think, working in Hawaiʻi for a multi-employer retirement system, and with LACERS as the CIO, where we handle just the civilian employees of the city of LA - we do not have the Fire and Police, they have their own plan, and the utility workers have their own plan - that's where I'm at today, but I think it's all the varied experiences that I've had in various jobs - that all contributed to helping me to become an effective CIO, and I'll pause there. Thank you.

Independent Board Investment Advisor Chattergy: Thank you, Rod, and then Kuan same question, and I'll note that while you've left the EUTF as the CIO, you're now running a family business here in the islands.

Former CIO of Hawaiʻi EUTF Yuan: Aloha Trustees, Staff, Vijoy and fellow panelists, great to be with you this afternoon. My name is Kuan Yuan, as Vijoy assured, I spent some time at the Hawaiʻi EUTF, and I'll go back a little bit from the beginning of my career. I think every step had some influence in preparing me for the CIO role. So, my first job was as an auto mechanic. My family valued education, but just didn't have the resources to help me pay for one, but I was really fortunate that I came across an entrepreneurial opportunity, and I got to run a small automotive service and distribution company for about four years, I successfully grew that, and that's what paid for college.

I attended HPU and studied management. After HPU I had a chance to join one of the world's largest tire manufacturers, and around that time I realized I was really, missing an important tool. I didn't have a working knowledge of finance and I didn't study that in college, to my fault. So, I decided to fix that, and I joined Bank of Hawaiʻi. I joined the Trust department to try to learn finance on the job. Being in the Trust department we also dealt with investments, so it actually helped me not only learn finance, but build an investing foundation.

So, my role at Bank of Hawaiʻi really evolved over time, but it involved three hats; one hat, I was managing investments, so these are high network clients or small institutions, so think about the smaller companies or institutions with 10-million-in-assets or less.

The other hat I was wearing was operations management. Somehow in the investment side, when their operations evolved, I get pulled in to oversee or manage that.

Former CIO of Hawaiʻi EUTF Yuan: Then the third hat I was wearing was, strategic planning. Trying to think about ways to manage and grow revenue for the division. So, the latter 2, although, wasn't really directly part of day to day job, I think maybe because of my earlier involvement with small business, with growing business, kind of naturally pulled me into those roles.

Former CIO of Hawaiʻi EUTF Yuan: Fast forward to 2016, I was approached about the opportunity at EUTF, and sounds like the Board may have heard a little bit about the history there.

Basically, the organization was coming in to a lot of money in a short period of time, and the amount of assets was going to grow at a very steep trajectory.

The investments, up to that point - there was no dedicated investment staff, and so they needed to bring on staff and build an investment office.

So, I think given my experience wearing multiple hats that seemed to be a good fit because they needed someone that had the investment foundation, but also, readily and really needed someone to get involved on the operational side, build up the operational side, but also think strategically and how to grow the portfolio and investment office over time.

So, I joined the organization as an Investment Officer and about four and a half years later I was promoted to Chief Investment Officer. I think the original idea was, you come in as an officer, if you're successful in growing that portfolio, growing the investment office, then I will have a shot at the Chief Investment Officer position. I was fortunate to have been promoted into that role. I am the former, so that means I am no longer with the organization.

So, this past September, after a great seven-year run, I felt that they were in a great place. Performance was strong and they had great prospects ahead, where they were ready for really the next generation of leadership, so I stepped aside. My wife and I founded Blue Tide where we're buying and operating small to medium sized businesses from retiring owners that don't have a succession plan. In a nutshell, that's my professional history that has led up to EUTF and today. I'll take a pause there, thank you.

Independent Board Investment Advisor Chattergy: Thank you, Kuan, that's perfect.

Okay, the trustees here have been hearing about governance and fiduciary responsibilities and how to manage an institutional portfolio, as such. I wonder if you could talk a little bit about, this is to everyone, your work with a board and with staff in terms of reaching the mission of the organization. Maybe I'll go to Rod first and then Kuan, and then, Steve. If you could talk a little bit about how you work with trustees, staff, stakeholders, just give us a one or two ways that you think is effective.

LACERS CIO June: Yes, sure, I'll be happy to start. Working with boards as a CIO, it's primarily through Board meetings, because we are a public entity. The work that I do, how I transmit information to them, and recommendations is all through that sort of governance structure, which is through the meeting process.

LACERS CIO June: I will say, to be most effective with the board, I rely heavily on the governance structure, which is really looking back at the policies, having a strong grounding, understanding policies, knowing how to implement the policy, and to ensure that we are in compliance with policy because the policy is really designed to assure that you can achieve your financial goals in the best way possible. You have the highest likelihood of doing so.

So, I would say mine is probably more governance-oriented, it wasn't always that way. I think when I first became CIO, I probably ran the program more off the seat of my pants, but I've learned over time that the governance structure really addresses how you achieve performance and how you minimize the risk in doing so. I think it’s the best path to take.

I know there's an inclination for trustees and even staff to want to do things that are maybe more tactical, less strategic, but your policy framework really is more of a strategic approach and a lot of thought and care is generally put into the design and crafting of language of the policy.

I think it really incorporates the institutional mind set of the organization. So, what I'm executing on implementation of any type of investment, I always go back and look at the policy and ensure that I conform with it, and I stay within those bounds.

And when trustees have questions about *well, can't we do this, or can't we do that, or should we do this?* It usually goes back to, if I don't know what the policies are at the time I will usually say, *give me a chance to look at the policy and see if it addresses that particular idea that you have*. If it doesn't, and this seems like a good idea, then we can always go back and amend the policy.

That requires a lot of deliberation, a lot of consultation with consultants, staff, and other experts to make sure you get it right, because those policies need to endure over the long period of time, not just three or five years. Policies are usually good for 10 years, or into perpetuity. So, I would just summarize that my approach working with boards is really shaped by the governance structure of our plan.

Independent Board Investment Advisor Chattergy: Thank you, Rod. Steve, same question, as it relates to working with the board and having an effective board.

NVPERS CIO Edmundson: Yeah, thanks Vijoy. I would say that my experience working with the board is somewhat similar to what Rod has described. We're both public entities, so we largely interact and are required to interact with these public board meetings.

If I was going to add something to that, specifically here in Nevada, one of the things that I found that is really important, is that everybody here in Nevada, and I think it's something that we've done particularly well; between staff, board and our constituents, meaning our members and beneficiaries, the teachers and the firefighters and the employers that participate in Nevada's pension plan, *is that* we are all very much in agreement of what our overall mission is.

We're here to fund a public pension plan. Everybody puts on their fiduciary hat, they drop aside whatever other interest they might be representing, and we all represent the singular interest here in Nevada when dealing with the pension affairs, and that's ultimately to fund the retirement benefits of our members and beneficiaries.

NVPERS CIO Edmundson: In addition to that, what I think we've done particularly well is to build a culture that in an investment portfolio reflects the broader culture of our organization here in Nevada. It's kind of getting to some of the stuff that Vijoy was talking about earlier in his presentation, which I thought was fantastic. That we really have to craft an investment portfolio that can withstand those deep spots in the stream. You can get through the difficult moments, and a large part of that is creating a portfolio that fits well with the culture of both our governance structure and with our constituents.

That's one of the reasons why our portfolio is kind of simply designed with a heavy influence on indexing. That is something that has resonated with our members and beneficiaries, it's resonated with our governance structure, and so inevitably, there's going to be, sort of like, pick your poison.

Decide, which problems you want to have and which problems you can withstand. Then build up a portfolio that's kind of designed to get you through those spots. I think that our governance structure and working with the board in that capacity has ultimately allowed us to do that.

Independent Board Investment Advisor Chattergy: Thank you, Steve.

Kuan, working with a board, and we did hear from Christian Fern last time, so I know that you worked closely with Christian as he was a Trustee, Head of the Investment Committee.

You want to add comments to what Rod and Steve have said?

Former CIO of Hawaiʻi EUTF Yuan: Yeah, sure. There's a lot of similarities with what Rod and Steve have said, and first of all, I personally have a high degree of respect for trustees and the responsibilities that you're taking on.

You're wearing multiple hats, you're representing your constituents, and in this role, the fiduciary responsibility to the organization and it’s a balancing act of many forces that are involved. So, I really respect that, the roles you're in.

In the case of EUTF specifically, I think the key underpinning was a high area of trust that was built up over time, between staff and the board. I think that really enables the governance and the execution to all work very smoothly. It took many years to really build up that trust, but kind of like what Rod was sharing with the structure, where the board really focused on the strategic level, monitoring and overseeing and the staff comes in to execute and implement.

We were actually in the earlier stages of starting to take on some delegation of decision, which takes time itself. Again, I will point to the Trust being really the key underpinning in the overall governance structure that makes things happen.

Independent Board Investment Advisor Chattergy: Okay, thank you Kuan. I'm going to now just ask an individual question of each panelist to round out the portfolio.

So, if I could go to Steve first. Steve, you had mentioned that the portfolio you've built, the way you manage it sort of reflects the culture of the organization and the people that you work with. I know one thing that the Nevada program has been known for in the past is sort of having a heavy dose of passive strategies in the portfolio. I wonder if you could help the trustees understand that approach, and why it was so meaningful to the Nevada plan.

NVPERS CIO Edmundson: Great, sure Vijoy. Nevada has developed a reputation in the industry for being kind of the simple plan out there. We have fewer moving parts, we have a tiny investment staff for a 60-billion-dollar investment portfolio. It consists of myself and one other person now. Up until 2022, I, myself, was the singular investment employee, for a number of years.

This emphasis that we've placed on indexing, largely derives from the way that we manage the fund. Very much from the top-down level; we manage asset allocation. Indexing is an absolutely fabulous tool for the way that we manage the fund from that top-down asset allocation, in that we can put the exact market exposures into the fund that we want.

So, let's say we want to own U.S. stocks. We can index to S&P 500 and so we can put that pie slice in the exact way that we want into the portfolio, and we can do it in a really efficient and low-cost way.

One of the benefits to indexing is that it keeps your fees low, and getting to the culture here, that's something that's resonated with our constituents over the years. If you're invested in, say, an active equity portfolio, it might cost 45 basis points. Relative indexing might cost you a basis point.

So, starting from that low fee structure, to begin with, that's something that's resonated culturally with our members and beneficiaries. They very much understand owning large cap blue chip stocks. They know that when they go up, we'll participate. They also understand that when they go down that we'll participate in the downside as well. This is something that they know and expect and it's easily explainable. Keeping fees low in a public environment is always beneficial.

The reality is from an investment standpoint - lower fees - we have a high fee structure in the investment portfolio.

NVPERS CIO Edmundson: There was a discussion earlier today on this call about *well, sometimes it's worth it*, absolutely, but the key thing is whether or not you can kind of stick through those tough times with those expensive investment portfolios. If you're paying managers a whole bunch of money, and you go through a three or five year period down cycle and you're not able to stick with it, then inevitably you make the emotional mistake of getting rid of whatever that strategy was at the wrong time.

Indexing is a good way for us to avoid those kinds of emotional mistakes within the portfolio.

I would say, maybe the downside to the way that we do it, is simply that we look different than everybody else. When you construct an investment portfolio that is different, you kind of stick your neck out there a little bit.

Our portfolio is going to behave differently than our peer group across market cycles, and we're prepared for that. So, we spend a lot of time around managing expectations; when will we look good, when will we look bad. Everybody understands that, and that's getting to the earlier discussion about working with our board and our governance structure.

I think that we've been able to do that since we've been doing it for a long time now, everybody knows what to expect with our portfolio in any given market environment. And again, it's just kind of pick your poison and the one that we've picked is kind of the low fee structure.

NVPERS CIO Edmundson: We understand what the portfolio will do in specific environments. We don't pretend that we can avoid a downside volatility in various markets, and we understand that. And we're able to live through those tough times as a result. I would say at the end of the day, that's probably the most important thing is to be able to pick an approach and stick with it, because if you abandon it at the wrong time, then inevitably that will ultimately hurt returns more than anything else.

Independent Board Investment Advisor Chattergy: Thank you, Steve. That's great, very insightful. Rod, in your case, even though you worked in all the major asset classes through your career, I think it's fair to say that even in the '2000s, you were pioneering in terms of public plans and institutional investors in investing in alternatives and private equity, in particular.

Even though you saw that in the endowments and even Washington state was an early adopter, but a lot of plans hadn't gone in that direction. I think with your background, you were a proponent of using alternatives and building diverse portfolios. So maybe, in contrast to what Steve just described, can you give us some insights in terms of your thinking of building a portfolio the way you did.

LACERS CIO June: Yeah, certainly. I would like to at least talk just a few seconds on the *active* versus *passive*. We have a combination of both at the LACERS, we are passively invested in U.S. Large-Cap, which is a very efficient asset class. But many of the other asset classes like small-cap U.S. equities, emerging market equities, for example, where there's more inefficiency.

Our board believes that we can add value to that area through active management, if we can choose the right managers, and I could talk for minutes on that, but we do have a combination of both.

We have been in private equity at LACERS since 1996. So, we have, I'd say a fairly long runway of being in the asset class. We have a fairly mature portfolio. We've allocated close to or slightly over 5 billion dollars to that asset class over the last 25 years. It is our best performing asset class, but it is also the riskiest asset class.

Vijoy had spoken earlier about volatility, in order to get those types of returns you have to subject yourself to volatility. It is a bet, if you will, that our board is willing to take. It's also an essential asset class, meaning that our assumed rate of return at our retirement system is 7%. In order to achieve that 7% bogey over long periods of time, we really have no choice but to search out higher performing asset classes, that yes, does carry greater risk, and yes, carries much higher fees, but without being in those asset classes, we would fall short in ever reaching close to 7%, which is our assumed return.

LACERS CIO June: So, we are in that asset class. We try to diversify. We don't time the market, meaning that intuitively one can say, this is a good time to be in private equity, the markets are robust, interest rates are low, and there's times when you want to say, no, we shouldn't be there. But we try to take a very even-keeled balanced and consistent approach to private equity. Meaning that we tend to allocate the same amount of dollars from year to year. There is a plan behind that, and that's called our Annual Strategic Plan, which we review with our board every year, and we get them to understand what the next 12 months will look like. They approve that plan, and then staff executes on that plan.

For private equity, that is the one asset class plus another asset class, private credit, where the Board has delegated decision-making authority to the consultant and staff, which means that every time we make a commitment to a fund investment in private equity; and our fund investments are generally 20 to 75 million dollars per commitment, we do not need to go and get board approval in advance.

LACERS CIO June: They have established a policy framework that has all the guardrails and risk parameters in it, and we follow that, and we make the commitment. Then we notify our board after we've made the commitment and assure them that we have followed the policy that they had approved for executing on private equity.

Again, it's our highest performing asset class, but it does carry risk, that's true with any asset class. The greater return that you expect to get from it the greater volatility or fluctuations you can expect to have. But, when you combine private equity with other asset classes, your overall risk is reduced down, and that's the term that we use, diversification. We try to diversify as much risk away as we can by building around different asset classes, and we have a highly diversified portfolio at LACERS, and I'm going to pause there.

Independent Board Investment Advisor Chattergy: Thank you, Rod. Also, a lot of great insights there, and things I think we'll come back to discuss. Kuan, you talked a little bit already about your journey at EUTF, and how the position evolved. I was wondering if you could maybe focus in on how you went from a zero Assets Under Management (AUM) Portfolio to a 6-billion-dollar Portfolio in terms of the kinds of resources that you needed or the kinds of support that you provided or were provided by the different leaders in the EUTF, including trustees and including executive directors. *Could you talk a little bit about that, the resource needs of going from a 0 portfolio to $6 billion?*

Former CIO of Hawaiʻi EUTF Yuan: Sure. To set the stage coming into the role, there was a consultant that was already involved, and that consultant was previously working with the administrator of the fund to manage the day-to-day.

At that time, the portfolio looked something like about maybe 4 or 5 asset classes, and each of those asset classes was probably a mutual fund or some publicly traded vehicle.

Now, at that time, right when I stepped in, the consultant already worked with the board to decide what the long-term picture was going to look like, and that involved somewhere, I think, 12 or 13 asset classes. So, most of the things that needed to be there that the Board wanted to be there, it is not there yet.

So, from that standpoint we have to figure out first of all, *how do we prioritize amongst these different asset classes that we need to have this fully functioning performance?* And what that is, going back to Vijoy's presentation earlier, you talked about downside risk and tail risk, and these different types of ways of thinking. *How do you generate strong returns, but also you want to prevent losses when times are not there?* So those are what the different parts of the additional asset classes we're trying to add in, including alternatives like private equity.

So, how we ended up tackling the problem was we took a blend of passive and active approach where you enforce basically any liquid assets, any liquid investments, we just make that passive, and we know over the long run, bang for the buck, is probably going to be on the alternatives, on the private market side.

So, let's get exposure. First get what we need, and then start building out the private markets gradually.

Former CIO of Hawaiʻi EUTF Yuan: So, as we're going through that, we were first using the same set of consultants. We basically went to one consultant that provided us all different types of help, and that really worked. We give them credit and kudos to them. They gave us really, good, sound advice, and as we start to evolve, we developed a better feel for specific needs in different parts of the portfolio.

So, from a consultant standpoint, we thought, we need to reassess what are the different providers, and what are the different strengths.

A couple of years down the road we ended up bringing in other consultants for specific parts of the portfolio. So, that's how the consultant-side evolved.

Staffing, as a public entity, I'm sure we all face the same challenge of you have to go through the legislative process to request positions, and it takes years for that to happen. It took about three years for us to get our second staff; I was the first, it took three years for us to get our first analyst, and then took probably another year or two for the next position. So, we knew that was going to be a long process, to staff up.

Former CIO of Hawaiʻi EUTF Yuan: So, that also impacted how we thought about our working relations with consultants.

- *Where can we make the model where it's flexible?*
- *Where we can lean on them for tasks, for roles that we cannot effectively or quickly staff up but remain in control of more strategic decisions or strategic relationships?*

And as we ramp up staffing, we can, maybe take some of those responsibilities back from the consultant.

I jumped around to a couple of things, but overall, staff's involvement grew, as the team grew, and the consultant's role changed over time as our team got to the right size.

Independent Board Investment Advisor Chattergy: Okay, thank you, Kuan. If any of the panelists have any more comments, happy to take that. Also, trustees, if you'd like to ask any questions of the panelist or myself, happy to entertain that at this time. Otherwise, we'll conclude our presentation

Chair Waiheʻe recognizes Trustee Lindsey.

Trustee Lindsey: Vijoy, I just wondered *at what point in time, since you've started with us, would you be able to share the condition of our policies?*

Independent Board Investment Advisor Chattergy: So, what I'd like to do is at the next RMC meeting later this month, is to share our observations. Then to bring to the trustees on March 6th, the next following RMC meeting, recommendations on those observations in terms of policy changes. So, that would probably consist of a memo, as well as potentially a red line version. If that's acceptable in terms of how the board goes about doing what they need to do. Then I think at that point the process of where the trustees would evaluate and recommend would probably happen at the next meeting, after the Commonfund event, that's sort of the timing we're expecting.

Trustee Lindsey: Thank you.

Independent Board Investment Advisor Chattergy: Okay, trustees, thank you very much for your time and your attention here. Thank you to our three guest speakers, who did a fabulous job, and I know that your times are very valuable as well. So, I appreciate you making time for us this afternoon and providing very insightful thoughts on how you do your job as an investor. So, thank you very much.

Salutations exchanged between Trustees & Panelists.

Chair Waiheʻe: Yes, thank you very much and thank you, Vijoy.

IV. NEW BUSINESS

C. Presentation: Update on OHA's August 2023 Maui Wildfire Disaster Aid Response

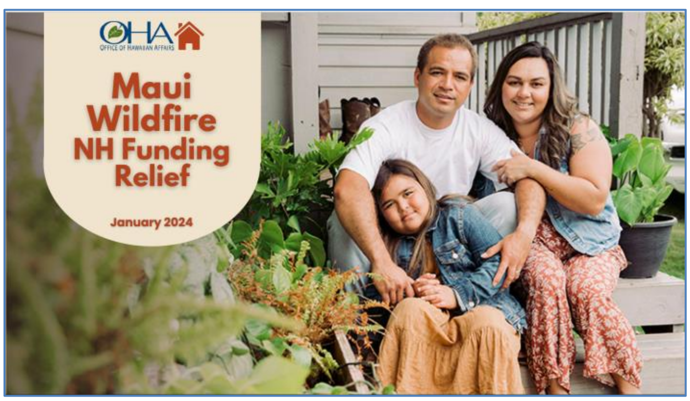
Chair Waiheʻe asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waiheʻe turns it over to Ka Pouhana Ferreira.

Pouhana Ferreira: Mahalo nui Chair. Trustees, you should have a copy of the presentation in front of you, and if I could ask for the presentation up on the screen.

Pouhana Ferreira: So, I was asked to assist Chair Hulu Lindsey in putting together a proposal for the Board, and this is more information sharing at this point, to get feedback from Trustees. So, I wanted to share with you what we've put together.



Pouhana Ferreira: So back in August, when the wildfires occurred, the Trustees made a bold commitment of 5 million dollars towards the recovery efforts for Maui, not necessarily just Lahaina, but also those that were suffering losses in Kula, as well.

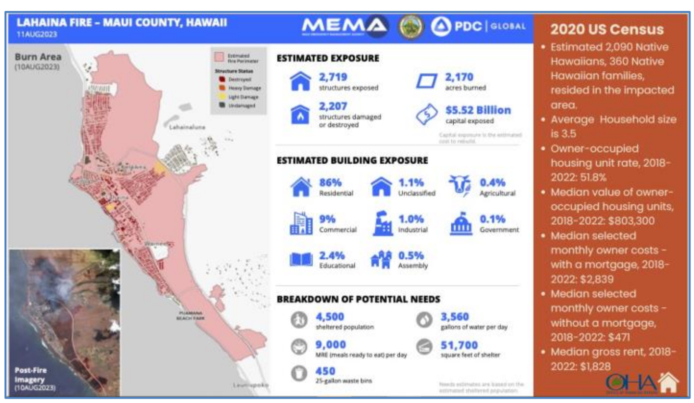
On our website, if you go to www.oha.org you'll see a statement from our Board on September 6th, committing to our Native Hawaiian families impacted by the 2023 Maui wildfires, the 5 million dollars in aid for disaster recovery.

Pouhana Ferreira: However, that wasn't the only aid that was provided to our Maui beneficiaries. As you can see on this slide the 5-million-dollar commitment is by far the largest, but I do want to also point out that the trustees made other commitments to our beneficiaries. One was helping with the economic development data gathering to really assess how Native Hawaiian businesses were being affected by the wildfire tragedy.

We've also been very involved in natural and cultural resource, advocacy and consultation. Our Compliance team, Kai Markell and Kamakana Ferrera have been essential in providing feedback on Olowalu and other coastal studies that are being done. Now with runoff as the rains have hit the Lahaina community, and ensuring that again, the county and other governmental agencies are in compliance with State, County, and Federal laws, and certainly ensuring that our beneficiary Native Hawaiian rights are being monitored and followed.

We also provided resources at Hakuone. We offered warehousing space for Maui relief donations that has just recently come to an end but was critical when we had thousands of individuals wanting to provide extra care and support in all kinds of ways, whether it was food or clothing to our Maui brothers and sisters.

Pouhana Ferreira: We also provided sponsorship to the Wiwoʻole Maui benefit concert that raised funds for the Maui community. Then, just recently, we provided sponsorship to the Lele Aloha Hoʻūlu Lahaina Unity March, held in Lahaina in January, where we had Trustee Ahuna representing our Board for that effort.



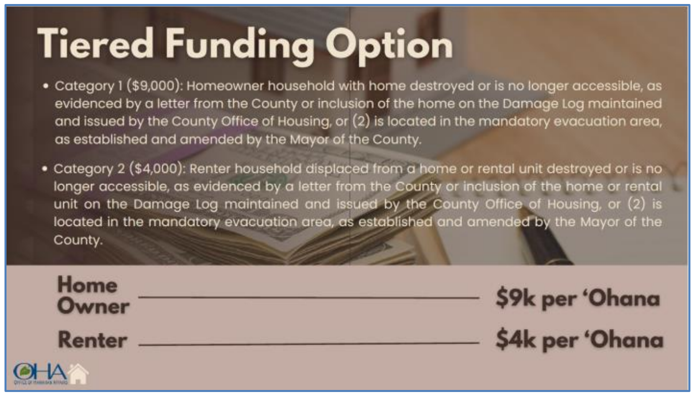
Pouhana Ferreira: So, again, the Board has been very active since August in many different ways. But the 5 million dollars is top of mind, I think, for the Board, and I know that many of you have been getting calls or emails or folks stopping by to kind of pick your brain on *what's that next step?* So, we want to share with you what our thinking is.

Before I get into the proposal, I just want to leave you with some data points that I think will help to inform the proposal. The 2020 US Census estimated about 2,090 Native Hawaiians, or about 360 Native Hawaiian families that resided in the impacted area, and this is specifically to Lahaina, so this doesn't include our Kula ‘ohana. Owner-occupied housing units from 2018 to 2022 was about 51.8% and the median value of an owner-occupied housing units in 2018 through 2022 was about $800,000 and I'm sure that's attributed much to the tourism factor in Lahaina.

It's also important to note that the *median* selected monthly owner cost with a mortgage, is about $2,800, and a *median* selected monthly owner cost without a mortgage, is about $471. So, I just want to baseline our understanding around what that means in terms of owner costs or monthly owner cost. So, that includes things like utilities, HOA, Property taxes, Homeowner’s insurance and ongoing home maintenance.

Some additional information; the White House just released a fact sheet today, this morning, six months after the fire, FEMA recapped what they've done in Maui. So, six months since the Fire, FEMA has put 330 million dollars in loans and grants towards the response and recovery efforts. They've also provided 43.7 million in assistance to 7,000 households. So, why I mention this FEMA data for you is because it's really important to know that right now there's an extreme priority to move folks out of hotels into long-term housing, and the reason for that is FEMA's funding is intended to end in February 2025. So that's coming pretty quickly.

I've had the opportunity to participate in the Maui Economic Recovery Commission on behalf of OHA. I know that both Chair along with myself - have had conversations with the Maui Mayor, and getting feedback from him and from the work that we've been participating in. This is Chair’s Island, so she's on the ground, she gets a lot of feedback, probably on the daily, on what needs to happen and what her constituents want. So, that's really helped to inform what we're going to share with you.



Pouhana Ferreira: So, knowing that the FEMA funding is going to be ending, we do have folks transitioning out of these temporary shelters. There is an extreme need to get funding into our resident’s hands so that they can make this transition into longer term, more stable housing. We want to make sure that their basic needs are being met, so we don't want our beneficiaries to continue to have to jump through many hoops and go to various places to figure out how to get funding. We believe that OHA’s funding is going to be very critical and getting it to them in a very direct and quick way at this point, is where we want to go.

We're planning on launching this in April and running through December 2024, we want to be able to provide tiered-funding options to our beneficiaries in Maui affected by the fires.

Category One would be $9,000, and this would go to homeowner households with homes destroyed or homes that are no longer accessible, as evidenced by: a letter from the County or inclusion of the home on the Damage Log maintained and issued by the County Office of Housing, or is also located in the Mandatory Evacuation Area, as established and amended by the Mayor of the County.

The second category is $4,000 to renter households displaced from a home or rental unity destroyed or is no longer accessible, as evidenced by a letter from the County or inclusion of the home on the Damage Log maintained and issued by the County Office of Housing, or is also located in the Mandatory Evacuation Area, as established and amended by the Mayor of the County.

So again, we're looking at 2 tiers of funding. One, if you are a homeowner, and two, if you are a renter.

Before I go on, I do want to let you know that our CFO Ramona Hinck did a lot of investigation on the tax implications of giving these awards directly to beneficiaries because we do not want them to be penalized by getting any funding directly, and so what we were able to get back was that *there will be no tax implications, and that funding will be considered emergency relief*.

CFO Hinck: Just for details, OHA doesn't have to issue a *1099* to the recipient of a qualified disaster payment, and the recipient’s post income shall not include any amount received as a qualified disaster relief payment.

Pouhana Ferreira: Mahalo for that due diligence, Ramona. We appreciate that on behalf of our beneficiaries.

Pouhana Ferreira: The next slide is the process, and I'm not going to go too much into the weeds, but please know that this is a very high-level overview of the process. I don't want to bore you.

There's much more that's going to be entailed in terms of us delivering this, but at a very high level, our Maui office will facilitate and manage the eligibility verification process and awarding of the funds.

So, we're very grateful that we do have staff already on Maui that will be leading, and with support from our Oʻahu office here, and we are looking at sending temporary (temp) assistance for the duration of the time that we will be giving these direct awards from April till December.

It's also important to note that we are going to be utilizing a verified list provided by the County of Maui. So, Chair and I will be working diligently to get that list prior to us starting any processing and disbursements.

Pouhana Ferreira: So here you see a very truncated eligibility requirement list. We are looking at applicants that are at least 18 years of age, with Native Hawaiian ancestry. There may be non-Hawaiian adults that may apply on behalf of a minor Hawaiian child living in the same household. So, we do know that we have many Native Hawaiian children who are overrepresented in our foster care system, so this may be a case where we have legal guardians who will be receiving benefits on their behalf.

The household must be in one of the impacted disaster districts or zones, determined by the county officials. And a household may consist of a person living alone, or multiple, unrelated individuals or families living together, we know that Hawaii is a very expensive place, so many times residents had multi-generational families co-residing.

There are other things that are currently in development, as we prepare to go forward with this proposal. We will be working very closely with our Communications Department to ensure that we can get the word out to our beneficiaries, who were affected by the fires.

In one of our recent Emergency Response Commission meetings, they provided a slide and e kala mai, I don't have that to share with you, but I will share it in a subsequent BOT meeting. It was shocking to me of how many have moved to the continent already.

So, I'd like to present that to you, because I think it's really important to know that even though we don't have all of our residents here - that didn't stay in Maui, or have relocated to one of our other islands, that we have many that are now on the continent, that also need our support.

Pouhana Ferreira: So, we will be working with our Communications department to make sure that we can get this message out, as far and wide as possible.

We are putting together an implementation plan and I want to thank our COO, Casey Brown, who assisted me in very quickly putting together this implementation plan, because there are a lot of details. We want to make sure that we're keeping good records, that we are collecting the required documentation and that we are again going to be coordinating along with the County of Maui to ensure that the beneficiaries are getting the support that they need.

Pouhana Ferreira: I want to close here with saying that we do have a timeline right now of April through December, and as much as we'd like to believe that we will get out all of the money, the 5 million dollars, that may not be the case. So, we will reassess with the Board at the end of the year to see how far we've come, what progress we've made, and if there's any additional next steps that are required.

Ka Pou Nui Brown: Just to add Ka Pouhana, fresh off the presses, that with our April estimated date was to have our CRM, our software in place so that we could leverage salesforce software to do some of this intake evaluation, the information exchange, but we're also capable of going manual, meaning more of a paper process, so that we can get things up running even sooner.

So, we can do that by the end of February, if the Trustees so choose to move forward with this proposal, we can set up a manual process to get things moving even quicker.

Pouhana Ferreira: Mahalo, Casey.

Trustee Lindsey: I just want to say that we have part of the list, not the whole list and that's what's holding us back from starting to qualify our people. This proposal or plan came up from my going into the community and talking to the people that were displaced. The different hubs that we had in Maui, especially in Lahaina, several hubs, five or six of them, just lulling around talking story with them, and they've all complained that the monies that have been going to the nonprofits have not been funneling back into their hands, and they need money. We're holding off to see how close it would come to when they showed a real need, after we exhausted all the benefits of the State, the Federal, and the County, and that was part of the advice from the Mayor to us. So, I think we're at that point where maybe we can offer this money to them because it's going to take a few years before they recover, and I believe they're needing help now.

Chair Waiheʻe recognizes Trustee Souza.

Trustee Souza: Mahalo, Chair. Thank you for the presentation Stacy, I love the option, we're getting it directly to our people. Ramona, if you can confirm, I know there are more monies that were possibly available. The reason why I ask is because we don't know the real number just yet, I think they're still finding that out. So, I just want to know, if there's potentially other options; if we don't get the monies out, or if we needed more money.

I know there's a couple temporary housing options that I'd like to explore as well that already committed by; FEMA, the State of Hawaiʻi, and Hawaiʻi Community Foundation, that was announced a couple of weeks ago. It's going to be a part of those efforts as well; the housing option, as well as this option as well, which I do support. Thank you.

Trustee Souza: *Ramona, can you confirm that there are other funds possibly available?* Because I know this was just a start for the Board to contribute to the recovery efforts.

CFO Hinck: So, currently, we do have a large grant budget. So, we can allocate some of the current budget in grants to reallocate it someplace else or repurpose it; so that's one option.

The second option is, we're kind of right up against our spending limit, so it's going to be hard to access more budget monies because we're up against our spending limit, and that also includes any kind of grant carryovers, because we have to assess the carryover in light of our spending limit, too.

So, I think the best option we have right now is to look to reallocating some of our Grants budget. We just went through a realignment, so I can recalculate what the spending limit is and our budget to see what the excess is, but the last time I looked at it right before we did the realignment, we didn't have too much cushion.

Trustee Souza: Okay, thank you Ramona, for the update. I definitely support this, and I guess we'll see as it goes along, how fast we can get all these monies to help our beneficiaries. Thank you so much.

Chair Waiheʻe recognizes Trustee Akaka.

Trustee Akaka: Mahalo, this question is for Ramona regarding the spending limit that you mentioned. *What were some of the top amounts that we recently allocated or distributed, or planning to distribute that would affect the spending limit?*

CFO Hinck: So, we used our current budget, and we reallocated certain funds, but then the big one was the 1-million-dollar governance loan that we paid out in FY24 that we had actually budgeted in FY23. So, that increased our budget by 1 million dollars right there and then the other big thing was in commercial properties, the Hakuone $1.3 million additional expenditures for Lot L for repairs.

Pou Nui Brown: I would say this $5 million is probably the biggest unplanned amount in our entire budget Trustees, so Mona is accounting for this 5 million with being part of that spend rate that is by far the biggest bucket in a one time, unforeseen event that was not planned for when we were budgeting last year.

Chair Waiheʻe recognizes Trustee Ahuna.

Trustee Ahuna: Thank you, Chair. I was just wondering - *what are the number of residents, homeowners, and renters? Do we actually know an amount, does anybody know?*

Trustee Lindsey: I think putting it together, was around 3,000, and that includes families and individuals. I think our CEO divided it up according to what we think the families numbered around, 220 renters and 350 lost their homes.

Trustee Ahuna: So that would be under 5 million. So perfect.

Trustee Lindsey: Not really, we took about the whole 5 million.

Pouhana Ferreira: Yeah, I think we'll definitely be able to answer your question, trustee, when we get the list, because these are estimates obviously, because we needed to put the proposal together. But we'll have a more definitive number soon.

Pou Nui Brown: I want to acknowledge one thing about this monumental amount that the Trustees approved for 5 million dollars, I also want to note that this will be the first time OHA is going to be directly giving money to individuals.

Historically, we normally give it to organizations, but this is going directly to the individuals, and I want to acknowledge the team across OHA's administration that came together to stand up the process to be able to do this in a quick time, in response to the Trustees' directive.

I commend the team. It was a cross-functional team across almost every division that came together, and they came together to put up the infrastructure, to be able to deploy and disperse the money.

Our very first time OHA's giving money directly to our beneficiaries in their hands, I just want to mahalo them. Thank you.

Trustee Lindsey: Thank you, Casey.

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Vice-Chair Alapa seconds the motion.

Chair Waiheʻe asks if there is any discussion.

There is zero discussion.

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

TRUSTEE		1	2	ʻAE (YES)	AʻOLE (NO)	KANALUA (ABSTAIN)	3:24 p.m. EXCUSED
DAN	**AHUNA**			X			
KALEIHIKINA	**AKAKA**			X			
KELIʻI	**AKINA**			X			
VICE-CHAIR LUANA	**ALAPA**		2	X			
BRICKWOOD	**GALUTERIA**						Departed at 3:16 p.m.
CARMEN HULU	**LINDSEY**	1		X			
J. KEONI	**SOUZA**			X			
MILILANI	**TRASK**						Departed at 2:08 p.m.
CHAIR JOHN	**WAIHEʻE**			X			
TOTAL VOTE COUNT				**7**	**0**	**0**	**2**

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

Chair Waiheʻe adjourns the RM meeting at 3:24 p.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on March 6, 2024

Trustee John Waihe‘e, IV
Chair
Committee on Resource Management