

Committee on Resource Management

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

Members

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

DATE: Tuesday, May 3, 2022

TIME: 1:30 p.m.

PLACE: Virtual Meeting viewable at www.oha.org/livestream OR

Listen by phone: (213) 338-8477,

Webinar ID: 867 8657 9366

Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 867 8657 9366. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.

AGENDA

I. Call to Order

II. Public Testimony on Items Listed on the Agenda*

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

III. Approval of Minutes

A. April 12, 2022

IV. Unfinished Business - None

V. New Business

A. Presentation & Updates: Commonfund Managed Investments in the Native Hawaiian Trust Fund, Joe Falcha, Director and Rachel Clivaz, Associate

B. Presentation & Updates: Hi'ilei Aloha LLC and Hi'ipaka LLC, Richard Pezzulo, Executive Director, Hi'ipaka LLC dba Waimea Valley, Roberts "Bob" Leinau, Greg C. Pietsch and Leilani Kūpahu-Marino Kaho'āno, Community LLC Managers

C. Workshop by Administration: Native Hawaiian Trust Fund Portfolio Structure Review, Including Investment Policy Statement

VI. Announcements

VII. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: everetto@oha.org no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: www.oha.org/rm.



**STATE OF HAWAII'
OFFICE OF HAWAIIAN AFFAIRS**

In the event that the livestream or the audiovisual connection is interrupted and cannot be restored, the meeting may continue as an audio-only meeting through the phone and Webinar ID listed at the beginning of this agenda. Meeting recordings are available upon request to BOTmeetings@oha.org until the written meeting minutes are posted to OHA's website.

†Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

*** Public Testimony on Items Listed on the Agenda must be limited to matters listed on the meeting agenda.**

Hawai'i Revised Statutes, Chapter 92, Public Agency Meetings and Records, prohibits Board members from discussing or taking action on matters not listed on the meeting agenda.

Testimony can be provided to the OHA Board of Trustees either as: (1) **written testimony emailed** at least 24 hours prior to the scheduled meeting, (2) **written testimony mailed** and received at least two business days prior to the scheduled meeting, or (3) live, **oral testimony online** during the virtual meeting.

- (1) Persons wishing to provide **written testimony** on items listed on the agenda should submit testimony via **email** to BOTmeetings@oha.org at least **24 hours prior** to the scheduled meeting or via **postal mail** to Office of Hawaiian Affairs, Attn: Meeting Testimony, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817 **to be received at least two business days prior** to the scheduled meeting. Any testimony received after these deadlines will be 'late' testimony and will be distributed to the Board members after the scheduled meeting. **Due to COVID-19 office closure and limited in-office staffing, please do not fax or hand-deliver written testimony.**
- (2) Persons wishing to provide **oral testimony online** or **at the physical meeting location** during the virtual meeting must first register at:

https://us06web.zoom.us/webinar/register/WN_6aga-pWWSwmOdV4BcjPGpQ

You need to register if you would like to orally testify. Once you have completed your registration, a confirmation email will be sent to you with a link to join the virtual meeting, along with further instructions on how to provide oral testimony during the virtual meeting. The registration page will close once the Public Testimony or Community Concerns agenda items have concluded.

To provide oral testimony online, you will need:

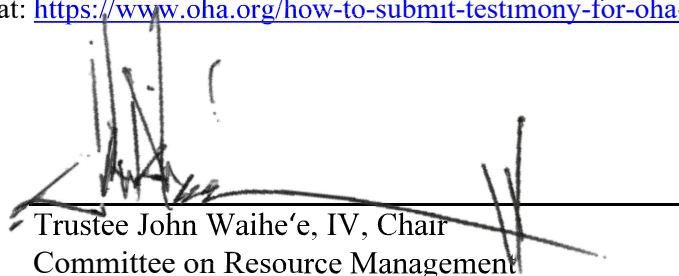
- (1) a computer or mobile device to connect to the virtual meeting;
- (2) internet access; and
- (3) a microphone to provide oral testimony.

Oral testimony online or at the physical meeting location will be limited to five (5) minutes.

Oral testimony by telephone/landline **will not** be accepted at this time.

Once your oral testimony is completed, you will be asked to disconnect from the meeting. If you do not sign off on your own, support staff will remove you from the Zoom meeting. You can continue to view the remainder of the meeting on the livestream or by telephone, as provided at the beginning of this agenda.

Please visit OHA's website for more detailed information on how to submit Public Testimony OR Community Concerns at: <https://www.oha.org/how-to-submit-testimony-for-oha-bot-meetings/>.


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

04/27/2022

Date

May 3, 2022 - Continued

Committee on Resource Management

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

Members

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

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Trustee Carmen Hulu Lindsey, *Maui*

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OFFICE OF HAWAIIAN AFFAIRS**

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

April 12, 2022 1:30 p.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Leina'ala Ahu Isa
Trustee Dan Ahuna
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brendon Kalei'aina Lee
Trustee C. Hulu Lindsey
Trustee Mililani Trask

BOT STAFF:

Crayn Akina
Melissa Wennihan

ADMINISTRATION STAFF:

Sylvia Hussey, CEO / Ka Pouhana / Administrator
Casey Brown, COO / Ka Pou Nui
Erin Nakama, IT
Everett Ohta, Corporation Counsel
Grace Chen, FS
Kevin Chak, IT
Nietzsche Ozawa, Corporation Counsel
Ramona Hinck, CFO

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Tuesday, March 22, 2022 to order at **1:30 p.m.**

Chair Waihe'e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (1:30 p.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	LEINA'ALA	AHU ISA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	Arrived at 1:34 p.m.

At the Call to Order, **EIGHT (8) Trustees are PRESENT**, thereby constituting a quorum.

II. PUBLIC TESTIMONY on Items Listed on the Agenda*

None

III. APPROVAL OF MINUTES

- A. March 8, 2022
- B. March 22, 2022

Trustee Lindsey moves to approve the minutes of March 8 and March 22, 2022.

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

							1:32 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK						Arrived at 1:34 p.m.
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

IV. UNFINISHED BUSINESS

None

V. NEW BUSINESS

A. ACTION ITEM RM #22-05: Kakaako Makai Site A, 1101 Ala Moana Blvd, Activation of Business Plan and Nā Lama Kukui Debt Service, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23)

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. I'm going to ask that CEO - Casey, CFO – Ramona, and our Financial Analyst - Grace turn on their cameras, so that we can engage with our Trustees.

Trustees, Action Item 22-05 is the culmination of the strategic approvals that the Board made from the Permitted Interaction Group back in February, to approve the activation plan for Site A plus the Nā Lama Kukui refinancing that was completed in the middle of March.

So, this action item coming here about a month later, operationalizes those authorities and we are putting it here, for your recommended approval to establish the budgets and then to adjust all the debt service items that were a result of the Nā Lama Kukui refinancing.

So, with that Chair Waihe'e, Administration will entertain any questions from Trustees about the action item.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Chair Waihe'e. Thanks for that Sylvia, I think that answers my question.

So, the purpose of having the three different seemingly unrelated topics under one action item is because the budget realignments are all tied together. *Right?*

Pouhana Hussey: Right.

Trustee Lee: Okay, thanks. Thank you, Mr. Chair.

Chair Waihe'e: Thank you, Trustee Lee. *Are there any other questions?*

There are no further questions.

MOTION #1:

Re: Kaka'ako Makai Site A, 1101 Ala Moana Blvd.

Trustee Lindsey moves to:

Approve and activate the Kaka'ako Makai Site A, 1101 Ala Moana Blvd, Business Plan, Non-Core Operating Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) as detailed in Table 1. below:

Table 1. Kaka'ako Makai Site A FY 2022 Budget

CATEGORY	FY 2022
Contracts	\$2,945,459
Debt Service	26,600
Program	27,941
Total	\$3,000,000

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION #1							Motion: 1:35 p.m. Vote: 1:36 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA				X	1: KANALUA, 2: A'OLE (NO)	
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE				X		
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
RM CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	2	0	0

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

Chair Waihe'e notes for the record that SEVEN (7) members vote 'AE (YES), TWO (2) members vote A'OLE (NO), and the **MOTION PASSES**.

MOTION #2:

re: Impacts of Nā Lama Kukui Refinancing

Trustee Lindsey moves to:

Approve the budgeted uses and related expenses, associated with the Board of Trustees' authorized refinancing of Nā Lama Kukui, for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), as detailed in the tables below:

Table 2a: FY22 Refinancing Impacts

LOAN REFINANCING	FY 2022				
	APPROVED BUDGET	APPROVED REALIGNMENT #1	APPROVED REALIGNMENT #2	PROPOSED AI RM22-05	ADJUSTMENT
CORE BUDGET¹					
Debt Service	\$553,178	\$553,178	\$553,178	\$408,358	\$(144,820)
Program ²	-	-	-	1,717	1,717
Subtotal	\$553,178	\$553,178	\$553,178	\$410,075	\$(143,103)
KAKA'AKO MAKAI					
Debt Service	-	-	-	\$26,600	\$26,600
Program	-	-	-	27,941	27,941
Subtotal	-	-	-	\$54,541	\$54,541
NA LAMA KUKUI					
Contracts ³	\$900	\$900	\$900	\$110,000	\$109,100
Debt Service	2,550,979	2,550,979	2,550,979	2,013,821	(537,158)
Program	-	-	-	190,807	190,807
Subtotal	\$2,551,879	\$2,551,879	\$2,551,879	\$2,314,627	\$(237,252)
TOTAL	\$3,105,057	\$3,105,057	\$3,105,057	\$2,779,243	\$(325,814)

¹ Core budget's line of credit financing for OHA's governance planning initiative and other projects.

² Program expenses relating to loan refinancing, i.e., other charges, title and escrow fees.

³ Legal services relating to loan refinancing.

Table 2b: FY23 Refinancing Impacts

LOAN REFINANCING	FY 2023				
	APPROVED BUDGET	APPROVED REALIGNMENT #1	APPROVED REALIGNMENT #2	PROPOSED AI RM22-05	ADJUSTMENT
CORE BUDGET					
Debt Service	\$531,742	\$531,742	\$531,742	\$24,834	\$(506,908)
KAKA'AKO MAKAI					
Debt Service				83,838	83,838
NA LAMA KUKUI					
Debt Service	2,510,952	2,510,952	2,510,952	552,188	(1,958,764)
TOTAL	\$1,521,347	\$1,521,347	\$1,521,347	\$330,430	\$(1,190,917)

Trustee Akina seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION #2							Motion: 1:37 p.m. Vote: 1:38 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA		2	X			
RM VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
RM CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				9	0	0	0

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

V. NEW BUSINESS

B. ACTION ITEM RM #22-06: Budget Management Policy Updates re: Carryover Provisions

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. Trustees, as robust as our Budget Management Policies are, in applying, Administration has found that we wanted to be explicit in our Budget Management Policies to identify multi-year carryover abilities to enable our spending in the right periods.

In the Action Item, we described a number of situations. So, on page two of the Action Item, Section IV, there's a discussion of all the number of multi-year budgets, and carryover provisions, and situations that Administration is tracking for the organization. You'll see Operating Budgets, Capital Budgets, and Project Budgets that are there. We want it to be explicit, while we have had a practice of carryover and Administration has come to the Board for those explicit authorities, putting it into policy would ensure that we're in alignment with policy, and our procedure and practice.

So, that's why Administration is bringing forward this Budget Policy Amendment to explicitly lay out the authorities over multi-year, multiple budgets. Ensuring that we're aligned with the spending policies that are in place, and so in that discussion, you will also see further on in that section why the guardrails, around looking at each case.

So, one of the first examples we provide is that, because we have prioritized Public Land Trust Revenues to be identified for Grants or Beneficiary and Community investments; if there is a need for us to spend that money in the following year, whether by process or otherwise, right now, our policies don't provide explicitly for that.

We have implicitly operated on that, because we brought that back to the Board for explicit authority to carry-over dollars. This amendment ensures that it is codified in policy.

In that section, you'll also see a number of other considerations. When it is impacted by the Native Hawaiian Trust Fund Spending Policy. Administration before bringing any recommendations to the Board will discuss and analyze what the impact on spending policy would be.

I will leave that Chair Waihe'e to the Trustees, if there are any questions on the examples, or the reasons for the Budget Management Policy Amendment.

Chair Waihe'e recognizes Trustee Akina.

Trustee Akina: Thank you, Chair. I just have a question for Ka Pouhana.

Will any of these adjustments or realignments result in negative outcomes for some of the organization's reduction of Grants funding?

Pouhana Hussey: No, most of the Grants adjustments are because - if the entity declines an award, and we've had those situations. What we want the ability to do, is to gather that unspent, and redeploy it. So, either re-award it or push it into the next cycle.

One of the changes that we have implemented with Grants budgeting is that we are opening two cycles, at least, for most of the granting cycles. With the 'Ahahui Event cycles we are actually opening four cycles, so any unused budget or uncommitted would just be pushed into the next cycle and make those resources available. Or, as the Grants are closing out for the year, if they're unspent, that allows for those funds to be pushed forward for further awarding.

Trustee Akina: Thank you very much.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Mr. Chair.

Ka Pouhana, so to put it simply, this is just an encumbrance policy, right?

Now we have codified that - so if we don't spend it, for whatever reason, the organization will now still consider that money encumbered so we know we're going to spend it, because it's still encumbered. We now have a policy that states that.

Pouhana Hussey: So conceptually, yes.

Trustee Lee: I know I'm putting it really, simply.

Pouhana Hussey: Encumbrance has a very, specific, accounting term; like for general funds.

For the general funds, the encumbrance does need to be done by June 30th, because that's what the proviso was given. So, we need to be mindful of when we're spending that money to ensure that we do encumber those by June 30th.

Any other grants for Trust Funds, because they are Trust Funds, the Trustees can decide when that is. So, if we need to push that forward or string that out, for a capital project, the Trustees have that authority. And this policy amendment helps to make that very clear.

Trustee Lee: Right, so the policy helps Administration, not necessarily to have to come back to the Trustees every single time.

Pouhana Hussey: Correct I mean we would come to...

Trustee Lee: I understand that.

Pouhana Hussey: Yeah.

Chair Waihe'e asks if there is any further discussion.

There is no further discussion.

Trustee Lindsey moves to:

Approve the addition of item 3.45.g. to section 3045 Budget Management of the Executive Policy Manual as follows (and at Attachment A in its entirety):

3.45.g. Multi-Year, Carryover. Multi-year budgets and/or carryover budget provisions (e.g., programs, projects), as a part of the budget evaluation activities described above, are to be presented to the Board for action including all projected impacts on related policies (e.g., spending, cash management) and other considerations (e.g., funding source).

Vice-Chair Alapa seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

							Motion: 1:45 p.m. Vote: 1:46 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				9	0	0	0

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

V. NEW BUSINESS

C. ACTION ITEM RM #22-07: Core Personnel, Non-Core Budget Adjustments for 2020-2021 (FY21), 2021-2022 (FY22) and 2022-2023 (FY23)

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. So, Trustees this is essentially a Budget Realignment, and we didn't officially call it Budget Realignment #3. Budget Realignment #3 is coming next month.

This came as a result, of again, operational needs. The first one, in particular, is the Core Personnel reclassification; we continue to be about a-third-vacant; running vacant positions in our reorganization. While as much as we are trying to recruit, we also need to operationally take other measures which are to secure third-party resources to be able to account for the operational needs that are there.

So, the first part of the Action Item is asking that, with the reorganization reserve, that the Board approved for the reorganization in the 2022 budgets; of the million dollars there's approximately \$400,000, that we were holding for any potential claims that might happen.

As we continue to analyze, of the \$400,000 we want to ask for authority to repurpose \$300,000 for what we are calling a third-party, either Auxiliary Services or Commercial Property Services. Basically, we want to buy the service to be able to advance.

The Trustees are well aware of the significant Commercial Property work that is going on, not only with Kaka'ako Makai, but with the new acquisition of the Iwilei properties, and just the overall planning. So more Commercial Property supports are needed to manage all of the activities, instead of relying only on in-house personnel.

The second part of that is to secure Auxiliary Services, which are services that can be deployed in a number of contexts. One is in Accounting; so, we're looking for Auxiliary Services that are highly transactional, volume-based, and that rely on the same kinds of skills as Grants.

So, Auxiliary Services are meant to support processing, transactional, systems work that we can deploy in a number of places. They can work in Accounting. They can go to Grants. They can help in Beneficiary Services if there's processing that's needed there. So, the additional funds are being requested out of the core for that kind of third-party services.

I'll stop there, if the Committee has any questions before going on to the non-core adjustment part of this.

Chair Waihe'e recognizes Trustee Akina.

Trustee Akina: Thank you, Chair. I'd like to ask Ka Pouhana a couple of questions about that. In the reclassification of these funds from the severance and retirement benefits, as well as the COBRA insurance - *will there be any adverse impact on former or current employees of OHA?*

Pouhana Hussey: So, all of the reorganization activities included all separation agreements. Any of the reorganization for impacted employees have all been addressed in the reorganization, including any agreements, as well as benefits that were paid. So, whatever that is, it's already accounted for, if you will.

Pouhana Hussey: The reserve also includes an amount that we have for a third-party career and transition assistance, so if impacted employees wanted to access transition services to help in the transition, we have already contracted and engaged a contractor for that. So that reserve that's there already, that's been encumbered, and includes services like that for impacted employees.

Trustee Akina: Thank you.

Chair Waihe'e asks if there are any other questions.

There are no further questions.

re: Core Personnel Reclassification

Trustee Lindsey moves to:

Approve the reclassification of \$300,000, from 52150 Severance & Retirement Program (\$150,000) and 57015 COBRA Health Insurance (\$150,000) to 57110 Services on a Fee Basis (\$300,000) within the FY 2020-2021 (FY21) Reorganization budget, for 3rd party contracting, to address unfilled, authorized positions, and the related operational impacts, processes, and functions.

Vice-Chair Alapa seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no further discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION #1							Motion: 1:51 p.m. Vote: 1:52 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				9	0	0	0

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

Chair Waihe'e notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

re: Non-Core Budget Adjustments - Kaka'ako Makai

Trustee Lindsey moves to:

Approve the following budgetary adjustments between expense categories for Kaka'ako Makai in Table 1 below:

Table 1: FY2022 Approved Budgets and RM #22-07 Budget Comparison

Category	Approved Budget	Approved Realignment #1	Approved Realignment #2	Proposed in Action Item RM #22-05	Proposed in Action Item RM #22-07	Adjustments
CONTRACTS	\$ 944,443	\$1,499,443	\$2,106,885	\$5,052,344	\$4,561,123	\$(491,221)
DEBT SERVICE	-	-	-	26,600	26,600	-
EQUIPMENT	243,060	628,060	628,060	628,060	1,175,879	547,819
OVERHEAD	445,285	391,927	391,927	391,927	633,838	241,911
PERSONNEL	102,819	102,819	102,819	102,819	102,819	-
PROGRAM	60,651	60,651	53,209	81,150	82,050	(53,209)
TRAVEL	-	-	-	-	-	-
Total	\$1,796,258	\$2,682,900	\$3,282,900	\$6,282,900	\$6,582,309	\$299,409

Trustee Akaka seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is none.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

MOTION #2							Motion: 1:53 p.m. Vote: 1:53 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'AINA	LEE				X		
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	1	0	0

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

Chair Waihe'e notes for the record that EIGHT (8) members vote 'AE (YES), ONE (1) member votes A'OLE (NO), and the **MOTION PASSES**.

V. NEW BUSINESS

D. Workshop: Draft Sponsorship Policy, Processes, Procedures

Chair Waihe'e turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair. Thank you, Trustees. What administration wanted to do was to share some thinking and sketching that has been going on as part of the Ad hoc committee on Grants and Sponsorships.

As we think about this concept of Sponsorships, what we wanted to start with, is this first, what we have called in our Budget, the Beneficiary and Community Investment (Portfolio); and that we make a number of investments in our communities in a number of ways. Primarily through Grants, but we do execute contracts to be able to - that's part of our investment in our communities.

Just for thinking purposes, again, we'd like to think about Grants and in the workshop memo there's a policy definition, working definition, that we want to be able to socialize and think about as we talk about these policies.

Grants; let's think about collaboration. So, we'll talk about Grants and the thinking there is that these are at the organization level. Grants are given to organizations to be able to strengthen organizations, projects, programs, events, and processes that align to our Strategic Plan and our Community, and our Outcomes.

Collaborations – we want to focus on collaborations that impact Community level, as well as, Systems level types of collaborations, and you'll see the examples here that the debt service is a collaboration with Hawaiian Home Lands. The Hawaiian-Focused Charter Schools - the funding that is provided for that is done at a Systems level to affect systems. Any work that we do with Papa Ola Lōkahi and the Native Hawaiian Health Systems.

So, the collaboration space we try to organize, there's a new, sort of box, that we want to call out.

How do we help Native Hawaiian and Advocacy Systems in our Criminal Justice and Social Services Systems?

So, we'd like to think about collaboration in those spaces. As well as - we're familiar with the Education collaboration, but we'd like OHA to think about collaboration in Advocacy systems, particularly Criminal Justice and Social Services.

And then, last but not least, a kind of bucket of investment is called Aid. Aid can be done at the Beneficiary level, as well as the Community level, and when we think about Aid in the way we describe it, our Emergency Financial Assistance is an Aid program at the Beneficiary level.

The Community - Native Hawaiian Legal Corp. contracts that are done for legal services are done at the Community level, but benefit individual beneficiaries.

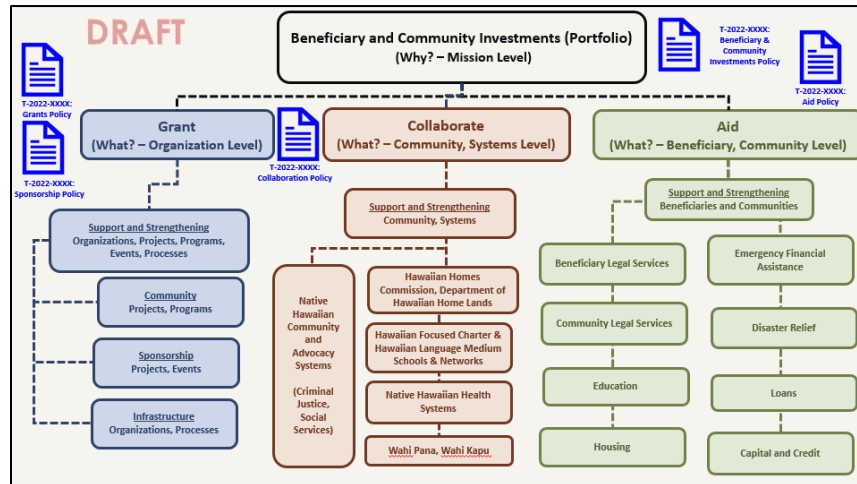
Our Education Scholarship Program is at the Beneficiary level.

Native Hawaiian Revolving Loan Programs are at the Business or Individual level.

So, we're just trying to describe what the Beneficiary and Community Investment Portfolio might look like, all the different buckets.

Pouhana Hussey: Then, as you can see what we would derive are policies, specifically to each of these strands, so that we have a holistic, overarching policy, as well as specific mechanism policies that are there.

So, this is kind of the overall picture that Administration is sketching for us to think about so that when we talk about Sponsorships, you can see where we are in trying to hone-in on some policies.



Pouhana Hussey: So, as it relates to sponsorships, we know that we already sponsor, the 'Ahahui Grants, our Event Sponsorships.

The Board has also approved line-item Sponsorships for Merrie Monarch, 'Aha Pūnana Leo, and the Moanalua Gardens Foundation; so, the Board is very familiar with sponsorships.

The previous Board Sponsorships and other Event Sponsorships, of course, are familiar to the Board, and what Administration wanted to share was - *here's a way of thinking about Sponsorships on a number of levels, for a number of purposes, and then utilize a number of mechanisms.*

The Board may recall that in the budget, the Board approved what was called, *Community Sponsorships*. Sponsorships that are less than \$1,000 and are meant to help communities in very small, but meaningful ways and just a lot quicker in responding to them. Those were the kinds of sponsorships like, a \$200 sponsorship for the 'Ōlelo Hawai'i Contest at the High School or other kinds of meaningful, mission-aligned events, but much smaller and quicker to access by our communities.

This four-tiered model is proposed as a sketch and let's start from the bottom, because that's most familiar, and then go up to the top. At the bottom is what we're calling Kaiāulu Sponsorships; these are sponsorships that would be less than \$10,000. They have Community implications, they're one year, very short term, one and done kinds of things. The process shouldn't be so involved, but enough to be meaningful, to ensure that the sponsorship dollars go to an event-aligned activity.

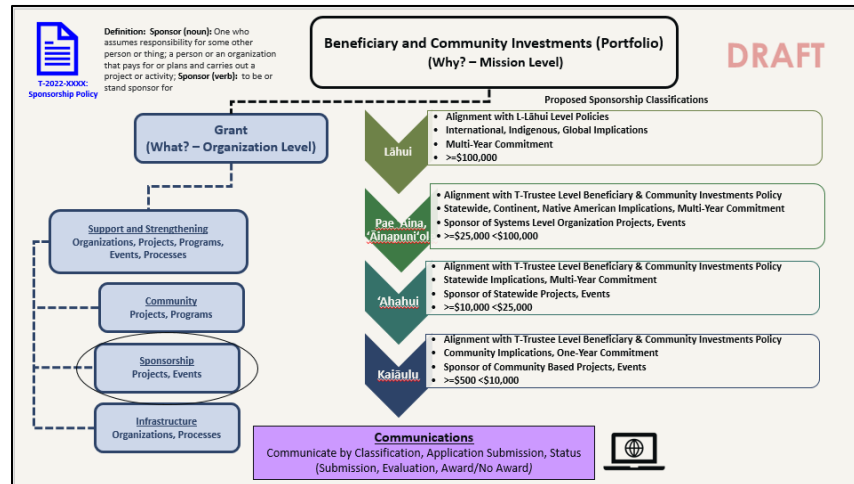
The next one would be 'Ahahui, and these would be, as it is described here, and the next slide we'll talk about some of the examples that might be here. This would be more traditionally what we would envision the 'Ahahui and instead of \$10,000, we would raise it to \$25,000, just for scaling purposes.

Then the next level would be for those - we do sponsor, indigenous, native other kinds. So, the National Congress of American Indians, we have been a sponsor of their annual convention. The National Indian Education Association, the Alaska Federation of Natives, some of these larger Native American

Organizations that we partner with at the Federal level, we have provided sponsorships. Much smaller than these are proposed, mostly in the \$5,000 range. This is a category that we're asking, to call out, and to think about.

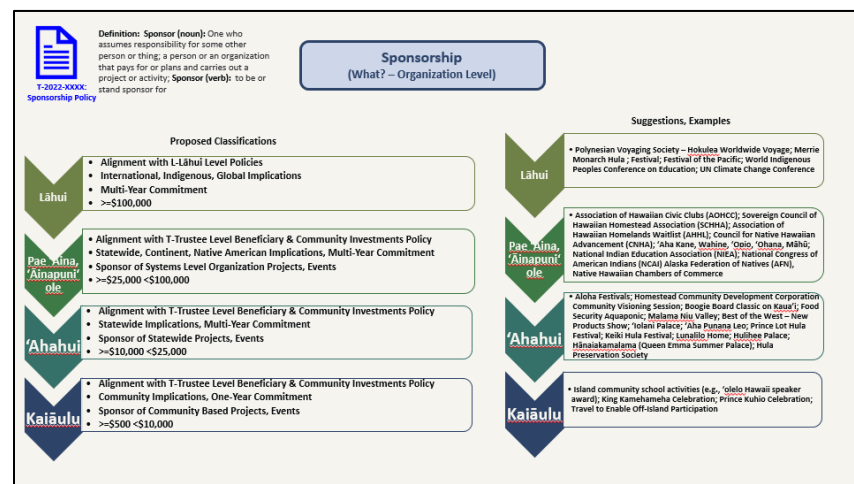
Pouhana Hussey: Then the last category is what we're just labeling Lāhui. So, this is where something like the Festival of the Pacific, Hōkūle'a's Worldwide Voyage, anything that's multi-year, International, has global implications and generally results in more than \$100,000 in sponsorships.

Chair Waihe'e, I was just going to share this with the Committee, and then allow some time for the Committee to provide some feedback. *As to this, does it make sense?*



Pouhana Hussey: The next slide takes the four levels, and then maps across what might some of those sponsorships look like. So, in the Lāhui sponsorship, things like the Polynesian Voyaging Society, multi-year, International, global implications. Festival of the Pacific, Merrie Monarch, that's a Global, International event. The UN Climate Change Conference, the IUCN is an example of an International, Global type event. Each of them is an example - there to suggest what might fit into each of the categories.

All of the sponsorships, regardless of what level, would all come back to the Trustees for approval. Administration would facilitate the aggregation, the vetting and then bring for action to the Board.



Pouhana Hussey: So, again I'll leave it for Trustee's comments or questions.

Chair Waihe'e recognizes Trustee Lee.

Trustee Lee: Thank you, Mr. Chair. Ka Pouhana, this is great. I mean it really is. It maps it all very clearly so that future auditors can't come back and say that we don't have a clear, laid out, roadmap, as to how we're going to deploy our financial aid to our beneficiaries. This is fantastic.

Pouhana Hussey: Thank you, Trustee Lee.

Trustee Lee: Thank you to you and to the Ad-hoc Committee.

Chair Waihe'e recognizes Trustee Lindsey.

Trustee Lindsey: I see that we are giving money out of our Hawaiian realm, like the Native American Indians. When we tried to give \$5,000 to the Tongan Government for the hardship that they were going through, we were questioned by our attorney, that we shouldn't be giving money away that's not Hawaiian. *Can you explain that to me?*

Pouhana Hussey: So, my understanding with the Tongan aid relief, is because the benefit was going specifically to non-beneficiaries, compared to the event sponsorship, that the National Congress of American Indians, the Alaska Federation of Natives, and the National Indian Education Association, these are all entities at the Federal level that carry our federal budgets request when we go in.

For example, the Native Hawaiian Education Program ask of the US Department of Education, the Indian country budget includes our asks, in that, and the Indian country Budget is overseen by the National Congress of American Indians, and that occurs, both in health and in housing, with NAHASDA. Our Indian country friends carry our budgets with them in their budget asks as well. So, supporting those networks, modestly at \$5000, is what has been done in the past, and has worked well for us to maintain good relationships with them.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: *Ka Pouhana, where would 'Iolani Palace and Bishop Museum fall in that?* I saw CNHA there, but yet we denied their request, I still don't understand what happened with CNHA, but they are listed. First, 'Iolani Palace, I want to find out.

Pouhana Hussey: So 'Iolani Palace has come in as 'Ahahui. If there is an event or actually of late, 'Iolani Palace has been a line-item sponsorship that Administration has put forward for the Board to approve. It's been a modest amount, relatively in the grand scheme, \$15,000. What could be done is a collaboration, I would say in this collaboration column here, what could fit in here also is a collaboration with a community.

For example, sometimes there's property, there's a wahi pana that's there and it's available, and people are trying to preserve it. We can think about, if OHA's role could be about perhaps buying it, holding it, so that it doesn't get tossed away or sold off. But work with the Community in a plan of over five-years, we would eventually turn that over to the Community. Really the Community should be the one to take care of their wahi pana and what is going on there. So that would be an example of a collaboration that would be done with a community.

Pouhana Hussey: In the case of Bishop Museum or even 'Iolani Palace, if they came to us with a specific collaboration. For example, Bishop Museum, asked about the Kalanipu'u Cape and what could be done to help support that, and we had a conversation about that. Collaborations, I would recommend for something bigger, but it would need to be a very, specific project. So, if it's Lunalilo Home, as an example, and how that can broaden more spaces, or more capabilities for kupuna and programming, that would fall into the collaboration realm and we could work with them. Otherwise, Sponsorships is really more event-driven; you have the event, pau. All of which is available for consideration under a broad policy like this.

Trustee Ahu Isa: I guess you have a different style from the other CEO, because they would have the event, and then by sponsoring we would end up buying tables, so the Trustees are there. Like Bishop Museum, 'Iolani Palace, Lunalilo Home, but this way, you're just giving out the grants and *we approve it - or you approve it.*

Pouhana Hussey: So, what we say is the award was made by the Trustees; and when we notify them we say "Congratulations." We will issue the check when you tell us what you're going to use the money for; and you need to provide an application and your W-9, and all of that. So that we can meet all of those requirements, and then we will release the check to them. Then, if it's a collaboration with substantially more dollars, then we would certainly set it up for deliverables, milestones. If we're going to support the building of something, then we're going to want those milestones before we release dollars.

Trustee Ahu Isa: Okay, mahalo.

Chair Waihe'e asks if there are any other questions.

There are no further questions.

Chair Waihe'e: Okay, thank you, Sylvia.

Pouhana Hussey: So, Trustees after this workshop, if there are no questions, then in the workshop materials was an example of the actual policy itself, there was also a flowchart. Generally, the processes to be used for each level. Obviously, the Lāhui level process is much more extended, that's an action item.

The smaller, Kaiāulu ones - they come in, which is great because they can come to the office, talk with the Beneficiary services, gather all the information and then we aggregate it. Then once a month, we can bring it to the Board for approval, because we still have that approval process. Then we can also tell everybody, so it's not a secret, this is how it works. Here's the application, you bring it in, it gets aggregated and then we bring it to the Trustees and then we track budget wise, all of that.

Chair Waihe'e recognizes Vice-Chair Alapa.

Vice-Chair Alapa: She just answered what I was going to ask about. Thanks, Sylvia. I actually wanted to know how soon this can be implemented, because there's a huge event happening on Moloka'i for the Paniolo Rodeo Festival and they're looking at sponsorship of awards. I just had a meeting with them last night, I wanted to know when they could apply for the Kaiāulu sponsorship.

Pouhana Hussey: I would say that policy wise, Administration can list the policy to come before the next RM meeting, and then, once it gets its two readings. But process wise, we could implement it, because the Board has already approved the Kaiāulu awards, the smaller awards, less than \$1,000,

the Board has approved the budget for that. So, Administration could run the process, and then the policy comes to codify that, but the budget has been established for those smaller awards. I guess I'm saying, Trustees, just know, because you have approved the Kaiāulu budgets, Administration will go ahead and operationalize that as the sponsorship policies moving as well.

Vice-Chair Alapa: They were looking at \$2,800. *Does that fall into that particular area?*

Pouhana Hussey: The budget was established for less than \$1,000 for the smaller Kaiāulu awards. Let's think about how we can get the policy as quickly as possible, so we can activate that. *So, I think Chair Waihe'e, the next RM meeting is the 3rd?*

Chair Waihe'e: It is.

Pouhana Hussey: So, Administration can bring forward the Sponsorship Policy documents there, and then the two subsequent Board readings can be done in the month of May.

Vice-Chair Alapa: Okay, their event is June 12th. The Kamehameha Day weekend, so that's why they're having the rodeo to honor Kamehameha, as well as the Paniolo, and continuing the tradition of what they've done for many, many years as Paniolo on Moloka'i, as well as throughout the state.

Pouhana Hussey: *Chair Waihe'e, is there anything else you'd like Administration to follow up with?*

Chair Waihe'e: No, not at the moment.

Chair Waihe'e recognizes Trustee Ahu Isa.

Trustee Ahu Isa: Ka Pouhana, I wanted to express my mahalo to you, for the micro-grants, the mini grants for beneficiary financial aid. All we had before were the micro-loans, and they didn't work, they couldn't qualify. Like the one I was telling you about, the cremation. My brother who's a doctor said that anybody that died from COVID had to be cremated, they had about five bodies, waiting to be cremated and couldn't get the money, and they were Hawaiians. Mahalo for that.

Pouhana Hussey: Trustee Ahu Isa, the Ka Wailele Program, our Emergency Financial Assistance, maybe early February, the programmatic rules were added so that now it covers prescription, as well as funeral costs and things like that. Our beneficiaries should be directed to Hawai'i Community Lending, who is currently operating our Wailele Program to be able to have those needs addressed through that.

Trustee Ahu Isa: Mahalo.

Chair Waihe'e asks if there are any other questions.

There are no other questions.

Chair Waihe'e: Okay, once again, Sylvia, thank you, good job.

VI. ANNOUNCEMENTS

None

VII. ADJOURNMENT

Trustee Akaka moves to adjourn the RM meeting.

Trustee Ahuna seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is zero discussion.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

							2:16 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA			X			
DAN	AHUNA		2	X			
KALEIHIKINA	AKAKA	1		X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY			X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				9	0	0	0

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

Chair Waihe'e adjourns the RM meeting at 2:16 p.m.

Respectfully submitted,

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on May 3, 2022.

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

Committee on Resource Management

Trustee John Waihe'e IV, *At-Large - Chair*

Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair*

Members

Trustee Leina'ala Ahu Isa, *At-Large*

Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

Trustee Keli'i Akina, *At-Large*

Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

DATE: Tuesday, May 3, 2022

TIME: 1:30 p.m.

PLACE: Virtual Meeting viewable at www.oha.org/livestream OR

Listen by phone: (213) 338-8477,

Webinar ID: 867 8657 9366

Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 867 8657 9366. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.

AGENDA

I. Call to Order

II. Public Testimony on Items Listed on the Agenda*

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

III. Approval of Minutes

A. April 12, 2022

IV. Unfinished Business - None

V. New Business

A. Presentation & Updates: Commonfund Managed Investments in the Native Hawaiian Trust Fund,
Joe Falcha, Director and Rachel Clivaz, Associate

B. Presentation & Updates: Hi'ilei Aloha LLC and Hi'ipaka LLC, Richard Pezzulo, Executive Director, Hi'ipaka LLC dba Waimea Valley, Roberts "Bob" Leinau, Greg C. Pietsch and Leilani Kūpahu-Marino Kaho'āno, Community LLC Managers

C. Workshop by Administration: Native Hawaiian Trust Fund Portfolio Structure Review, Including Investment Policy Statement

VI. Announcements

VII. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: everetto@oha.org no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: www.oha.org/rm.

Office of Hawaiian Affairs

Performance Update

May 3, 2022

commonfund

Important Disclosures

Proprietary, Confidential Business Information and Trade Secrets - These materials are proprietary and contain confidential business information and trade secrets, and accordingly, pursuant to Haw. Rev. Stat. s.s. 92F-13(3) and 92F-13(4) (1993), are exempt from disclosure under the State of Hawaii's Uniform Information Practices Act.

Office of Hawaiian Affairs | Performance Summary

As of March 31, 2022

	Market Value	1 Year	3 Years	5 Years	Since Inception	Inception Date
Diversifying / HF Strategies	\$24,380,390					
Total Portfolio (GAAC)		0.67%	3.03%	2.93%	2.71%	7/31/2011
Policy Benchmark (3 Month T + 400bps)		4.12%	4.66%	5.09%	4.58%	
Difference		-3.45%	-1.63%	-2.16%	-1.87%	
Marketable Equity Portfolio	\$49,077,954					
OHA Cash	\$1,957,737					
Global Equity Fund (Liquid)	\$47,120,216					
Total Portfolio (Global Equity Fund)*		3.62%	11.50%	10.35%	8.06%	6/30/2014
Policy Benchmark (MSCI ACWI)*		7.28%	13.75%	11.64%	8.75%	
Difference		-3.66%	-2.25%	-1.29%	-0.69%	
Private Capital²	\$41,370,133	69.82%	35.59%	28.19%	17.99%	8/31/2011
MSCI ACWI + 300bps		30.44%	15.59%	16.20%	13.73%	
Difference		39.38%	20.00%	11.99%	4.26%	
Credit Portfolio	\$9,678,458					
Total Portfolio (WAMCO SDHY)		1.20%	4.45%	4.39%	2.59%	11/30/2013
Policy Benchmark (Barclays Agg)		-4.15%	1.69%	2.14%	2.40%	
Difference		5.35%	2.76%	2.25%	0.19%	
Private Natural Resources*	\$14,910,241	26.30%	14.13%	5.21%	-0.28%	3/31/2013
MSCI World Energy*		69.95%	-7.08%	-0.58%	-1.54%	
		-43.65%	21.21%	5.79%	1.26%	
	\$139,417,175					

*As of September 30, 2021

Past performance is not indicative of future results.

Fund performance is depicted net of fees. Please see Important Notes, Benchmarks and Performance.

May 3, 2022

Office of Hawaiian Affairs Commonfund Capital Portfolio

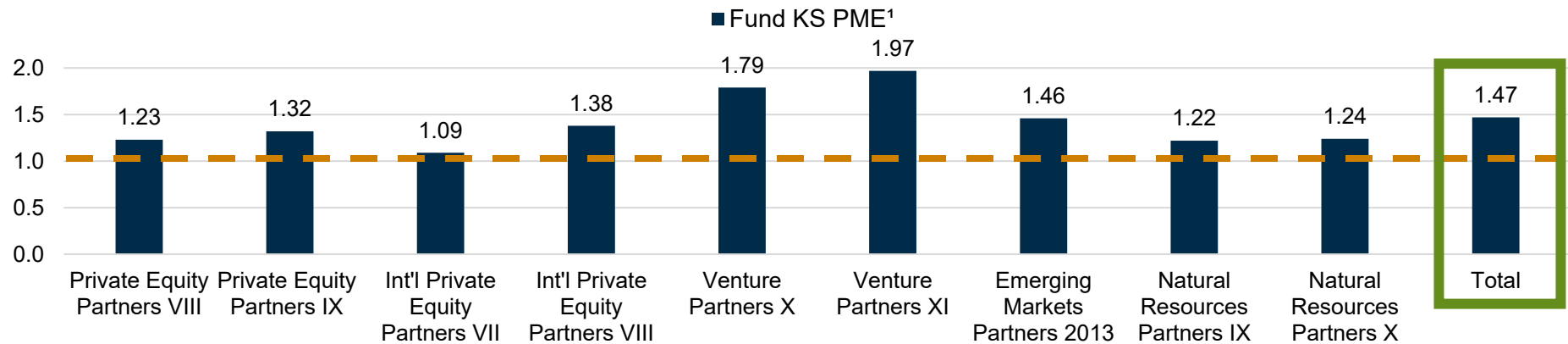
As of December 31, 2021

Non-Marketable Fund	Incep. Date	Commitment	Capital Calls	Distributions	Market Value
Private Equity Partners VIII	11/2/2012	\$2,000,000	\$1,735,000	-\$2,340,265	\$1,507,627
Private Equity Partners IX	6/12/2015	\$2,000,000	\$1,713,000	-\$1,442,040	\$2,399,673
Int'l Private Equity Partners VII	6/30/2011	\$3,000,000	\$2,755,500	-\$2,283,135	\$1,980,373
Int'l Private Equity Partners VIII	6/12/2015	\$3,000,000	\$2,565,000	-\$1,700,820	\$2,955,529
Venture Partners X	3/7/2012	\$5,000,000	\$4,812,500	-\$6,157,560	\$12,582,007
Venture Partners XI	2/3/2015	\$4,750,000	\$4,498,250	-\$2,207,999	\$13,192,282
Emerging Markets Partners 2013	12/11/2012	\$5,000,000	\$4,550,000	-\$1,836,769	\$7,602,819
Natural Resources Partners IX	10/1/2012	\$10,000,000	\$9,305,000	-\$3,268,167	\$7,897,005
Natural Resources Partners X	11/20/2015	\$9,500,000	\$8,018,000	-\$2,848,806	\$7,183,414
Non-Marketable Total		\$44,250,000	\$39,952,250	-\$24,085,561	\$57,300,729

1. OHA private capital benchmark
Performance is net of fees. Past performance is not indicative of future results. Please see Important notes

Office of Hawaiian Affairs Commonfund Capital Portfolio

As of September 30, 2021



Fund Name	Vintage	Age (Years)	Commitment (\$M)	Index	FUND GGS Direct Alpha ²	FUND KS PME ¹
					(%)	(x)
Private Equity Partners VIII	2012	8.9	\$2.0	S&P 500 Index	4.75	1.23
Private Equity Partners IX	2015	6.3	\$2.0	S&P 500 Index	8.13	1.32
Int'l Private Equity Partners VII	2011	10.3	\$3.0	MSCI ACWI ex US Index	1.66	1.09
Int'l Private Equity Partners VIII	2015	6.3	\$3.0	MSCI ACWI ex US Index	10.77	1.38
Venture Partners X	2012	9.1	\$5.0	S&P 500 Index	10.45	1.79
Venture Partners XI	2015	6.7	\$4.8	S&P 500 Index	18.93	1.97
Emerging Markets Partners 2013	2012	8.3	\$5.0	MSCI Emerging Markets Index	8.38	1.46
Natural Resources Partners IX	2012	9.0	\$10.0	MSCI Energy Index	4.35	1.22
Natural Resources Partners X	2015	5.9	\$9.5	MSCI Energy Index	9.84	1.24
TOTAL			\$44.3		8.98	1.47

- **8.98%** of net annualized return over the public market equivalent composite
- **47%** net return over the public market equivalent composite

1,2 : Please see "Performance Compared to Public Market Equivalent "PME"" on page 6
Please see "Important Notes on Performance"

1. Commonfund Capital, Inc. presents return information for its partnerships on a dollar-weighted (e.g., internal rate of return) basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis, which is used principally to report performance of publicly-traded securities. The IRR since inception is the most commonly used calculation methodology for presentation of performance in the private capital business. Comparison of returns calculated on an IRR basis with returns.

2. Also referred to as Net Multiple, total value to invested capital net of the general partner's carried interest = (Distribution + Ending Capital Balance/Capital Drawdown).

3. PME, or “Public Market Equivalent,” compares the returns of an investment in a private fund to the returns of a public index and reflects multiple performance. The PME method measures the difference in ending capital between a private fund and a hypothetical investment in a public index, incorporating the values of the public index at the time of the private fund's cash inflows and outflows. The PME measures shown above were calculated by Burgiss using the Kaplan Schoar future value method. Burgiss' calculations discount all distributions and the residual value of the fund using the respective index and divides the resulting value by the sum of all contributions to the fund discounted using the respective index. The PME can be viewed as a market-adjusted performance multiple of the private investment. For funds that are not fully realized, the PME is at least partially dependent on the residual value assigned by Commonfund Capital. Commonfund's valuation policies and procedures involve a high degree of subjective judgment. Commonfund's private funds have risk and return characteristics that are materially different from public indices.

4. The (GGS) Gredil, Griffiths, Stucke Direct Alpha measure is similar to the PME measure, but it uses an IRR-based methodology to account for the timing of cash flows. Direct Alpha reflects annualized return, measured in basis points, describing the relative performance of the private market investment to the stated index as of the measurement date; the calculation is an IRR, based on the series of fund cash flows and the residual value, discounted to a single point in time using the respective index returns; the cash flows are discounted to the same point in time to effectively eliminate the impact of any changes in the stated public market index from the private market cash flows. The GGS Direct Alpha measures shown above were calculated by Burgiss using the future value method. Like the PME method, the GGS Direct Alpha method is at least partially dependent on the application of valuation policies and procedures that involve a high degree of subjective judgment. The GGS Direct Alpha method also measures the returns of Commonfund's private funds against the returns of a broad market index with a materially different risk and return profile.

All values are calculated by assuming the distributions from the fund or funds were reinvested into each respective index as such distributions were generated and that such cumulative value of reinvested dividends is added to the remaining value of the fund or funds at current quarter end. Of course, an investor in a CCI fund or funds would not achieve this performance without such reinvestment. The calculation is net of manager and CCI fees and carry.

The returns calculated are for illustrative purposes only. Past performance does not guarantee future results. Additional footnotes are on the following page. For a complete description of performance, see Commonfund Capital Summary Financial Data at the end of this presentation.

Additional Footnotes:

There is no adjustment made for any potential price impact on the indices of attempting to invest (or reinvest) the capital calls and distributions on the dates they occurred. The calculated returns generated from investing in the indices include reinvested dividends but do not presume any management fees or other costs associated with investing in an index.

The underlying values of each index are calculated by assuming the capital calls for the fund were invested into the index on the date the capital was due. Such an assumption is hypothetical; it is unlikely than an actual investor in the index would invest and redeem in such a pattern. The depicted returns are not adjusted to reflect the liquidity profiles of the underlying funds or indices, and so may not be useful for all comparative purposes.

We have chosen the index or indices for the public market equivalent based on our view of investor preference and we can perform comparisons against other customary indices upon request.

Commonfund Capital uses the MSCI ACWI ex-US Index for ex-US PE Funds, the S&P 500 for the U.S. Private Equity Funds and for the Venture Capital Funds, the MSCI World Energy Index for the Natural Resources Funds, and the MSCI Emerging Markets Index for the Emerging Markets Fund as the appropriate comparative public market equivalent (“PME”).

The MSCI ACWI ex-USA Index captures large and mid-cap representation across 22 of 23 Developed Markets (DM) countries -- excluding the United States. With 1,003 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

The S&P 500 Index is a widely recognized gauge of the U.S. equities market. This index is an unmanaged capitalization-weighted index consisting of 500 of the largest capitalization U.S. common stocks. The returns of the S&P 500 include the reinvestment of dividends.

The MSCI World Energy Index is designed to capture the large and mid cap segments across 23 Developed Markets (DM) countries. All securities in the index are classified in the Energy sector as per the Global Industry Classification Standard (GICS®).

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. (List as of July 2015).

Important Notes

Important Notes on Performance

The value of an investment in any investment product managed or sponsored by Commonfund Capital, Inc. (each, an “**Investment Product**”) may fall or rise and any such investment carries the risk of a total loss of capital. An investment in an Investment Product is suitable only for sophisticated investors with the financial capacity and willingness to accept the high risks and lack of liquidity inherent in such an investment. While a useful tool in evaluating Commonfund's investment activities, there can be no assurance that any Investment Product presented in these materials will achieve results similar to those attained by other Investment Products. Performance information shown in this presentation, including “Net IRR”, does not represent the return to any individual investor. Unless otherwise indicated, the following capitalized terms used in this presentation shall have the meaning set forth below.

Internal Rate of Return (“**IRR**”) is the interest rate at which the net present value of all the cash flows (both positive and negative) from a project or investment equal zero. Each partnership's IRR should be evaluated in light of information on such partnership's investment program, the risk associated therewith, and performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports.

Net IRR: When presented, “**Net IRR**” is net of the fees, expenses and carried interest charged by the underlying managers and/or target investments of the Commonfund Capital partnership, as well as net of the fees, expenses and carried interest ultimately borne by the limited partners in the respective Commonfund Capital partnership (limited partner data calculated on weighted average blended basis). Because certain limited partners pay discounted fees and/or carried interest, performance returns for a full-fee paying limited partner will be lower than the Net IRR shown in this presentation. Where applicable, returns take into consideration the reinvestment or “recycling” of investment proceeds.

Net TVPI or Net MOIC (also referred to as “**Net Multiple**”). Total Value to Paid-in-Capital (“**TVPI**”) or Multiple on Invested Capital (“**MOIC**”) is the ratio of total value (realized and unrealized) divided by invested capital (net of the general partner interest and any limited partners that do not pay a management fee). Total value is equal to distributions to limited partners plus the partnership's ending capital balance (the ending capital balance is sometimes referred to as the Net Asset Value or “**NAV**”). Invested capital is sometimes referred to as “capital drawn”.

DPI: Realization multiple or distributions to paid-in-capital (“**DPI**”) is the ratio of a partnership's cumulative distributions divided by paid-in-capital.

Gross IRR, MOIC and DOIC (“Distributions on Invested Capital”): MOIC is the ratio of total value (realized and unrealized) divided by invested capital, and DOIC is the ratio of distributed value divided by total invested capital. When presented, Gross IRR, MOIC and DOIC are net of the fees, expenses and carried interest charged by the underlying managers and/or target investments of the Commonfund Capital fund, but gross of the fees, expenses and carried interest ultimately borne by certain and/or all investors in the Commonfund Capital fund (the application of which will reduce IRR, MOIC and DOIC).

Pro Forma: When presented, Pro Forma represents the returns of specific investments satisfying the applicable criteria (for purposes of this presentation, direct investments made by Commonfund Capital comingled venture funds) as if made by a pooled investment vehicle and are net of the fees, expenses and carried interest charged by the underlying managers, and unless otherwise noted, gross of the fees, expenses and carried interest that would be charged by Commonfund Capital (the application of which will reduce IRR and MOIC). Pro Forma returns are hypothetical and do not represent the return to any individual investor. The use of Pro Forma IRR and Pro Forma MOIC are subject to risks and limitations, a summary of which Commonfund Capital will provide upon request, and do not reflect the actual returns to any investor.

Hypothetical Net IRR Ex-borrowing: Certain of the investment vehicles (and the vehicles in which they have invested) listed have, or are continuing to use, a subscription line of credit facility, which has the effect of delaying capital calls to the investors, and in some cases replacing the applicable capital call in its entirety. Since the IRR is calculated based on the date of the capital contribution by limited partners (rather than the date of borrowing), the IRR of the applicable investment vehicle using such subscription line of credit facilities is typically higher (particularly in the early years of such investment vehicle) than they would have been had such investments been funded in cash by the investors at the time they were made. A Hypothetical Net IRR Ex-borrowing is shown for those partnerships with a first drawdown date of 2014 or later. The Hypothetical Net IRR Ex-borrowing is a hypothetical number and depicts what the net IRR of the applicable Commonfund Capital investment partnership would have been had such investment partnership not borrowed. The Hypothetical Net IRR Ex-borrowing is expected to be higher or lower than it would be had the effect of borrowing at the underlying investment level been taken into account.

Partnership performance information is only shown for partnerships for which at least one year of performance information is available. Performance metrics for partnerships in the early stages of their investment cycle are not meaningful or indicative of long-term performance. For venture, private equity and natural resources partnerships, benchmark information is only shown for partnerships for which at least 3 years of performance information is available. For co-investments partnerships, benchmark information is only shown for partnerships for which at least 2 years of performance information is available. No comparable Burgiss benchmark is available for secondary partnerships.

Public Market Equivalent (“**PME**”) compares the returns of an investment in a private investment to the returns of a public index incorporating the values of the public index at the time of the private investment's cash inflows and outflows.

Unless otherwise indicated, return information is presented in U.S. Dollars. Investments in foreign currencies are converted to U.S. Dollars at the exchange rate at the valuation date.

Past performance is not indicative of future performance. Please see Commonfund Capital Summary Financial Data and Important Notes at the end of this presentation.

THIS PRESENTATION IS NOT AN OFFERING AND IT IS QUALIFIED IN ITS ENTIRETY BY THE FULL CONFIDENTIAL OFFERING MEMORANDUM AND THE AGREEMENT OF LIMITED PARTNERSHIP FOR THE PARTNERSHIP; SUCH DOCUMENTS SHOULD BE READ WITH CARE BEFORE INVESTING. There are significant risks involved in an investment in the Partnership; investors should carefully review the risk factors and conflicts of interest set forth in the Confidential Offering Memorandum of the Partnership.

Commonfund Capital, Inc. | Summary Financial Data

September 30, 2021 | (Unaudited)

Dollars in millions

	First Drawdown	Capital Commitments	Capital Drawn	(%)	Distribution to Investors	Total Value ¹	Net Multiple ²	Burgiss Benchmark ³	Net IRR ⁴	Hypothetical Net IRR ex- Borrowing ⁵
Venture Capital										
Endowment Venture Partners I ⁶	Mar-90	\$ 88.9	\$ 88.9	100%	\$ 293.5	\$ 293.5	3.3x	17.9%	26.0%	
Endowment Venture Partners II ⁶	Apr-93	175.0	175.0	100%	860.6	860.6	4.9x	31.8%	48.9%	
Endowment Venture Partners III ⁶	Apr-96	250.0	247.5	99%	881.6	881.6	3.6x	12.9%	83.2%	
Endowment Venture Partners IV	Sep-98	489.2	480.7	98%	527.5	530.3	1.1x	-2.4%	1.6%	
Endowment Venture Partners V	Jan-00	727.1	708.3	97%	673.4	698.1	1.0x	-0.5%	-0.2%	
Commonfund Capital Venture Partners VI	Jan-02	596.3	580.0	97%	940.2	1,005.3	1.7x	3.1%	8.3%	
Commonfund Capital Venture Partners VII	Sep-05	500.5	494.2	99%	817.3	1,006.4	2.0x	4.7%	10.0%	
Commonfund Capital Venture Partners VIII	Aug-07	656.9	637.2	97%	1,121.1	1,654.8	2.6x	9.4%	13.5%	
Commonfund Capital Venture Partners IX	Apr-10	451.8	437.1	97%	1,006.2	2,102.0	4.8x	19.6%	26.5%	
Commonfund Capital Venture Partners X	Sep-12	502.4	479.8	95%	504.7	1,881.7	3.9x	21.6%	26.1%	
Commonfund Capital Venture Partners XI	Jan-15	525.0	491.9	94%	199.1	1,698.1	3.5x	27.3%	38.0%	36.7%
Commonfund Capital Venture Partners XII ⁷	Nov-17	432.4	323.2	75%	6.9	628.5	1.9x	33.7%	52.9%	42.9%
Commonfund Capital Venture Partners XIII ⁷	Jan-20	625.0	343.8	55%	-	568.6	1.7x ⁸	N/M ⁸	115.7% ⁸	86.2% ⁸
U.S. Private Equity ⁹										
Endowment Equity Partners I ⁶	Oct-88	\$ 42.9	\$ 42.9	100%	\$ 91.0	\$ 91.0	2.1x	11.9%	13.7%	
Endowment Private Equity Partners II ⁶	Jul-94	171.2	161.8	95%	334.6	334.6	2.1x	10.4%	19.6%	
Endowment Private Equity Partners III ⁶	Jan-98	299.0	284.5	95%	388.4	388.4	1.4x	9.5%	6.3%	
Endowment Private Equity Partners IV ⁶	Jan-00	452.2	441.3	98%	927.8	927.8	2.1x	13.4%	17.1%	
Commonfund Capital Private Equity Partners V ⁶	Mar-02	725.6	700.2	97%	1,264.2	1,264.2	1.8x	9.6%	10.8%	
Commonfund Capital Private Equity Partners VI	Jul-05	754.4	721.6	96%	1,072.5	1,142.6	1.6x	8.8%	7.0%	
Commonfund Capital Private Equity Partners VII	Mar-07	1,018.8	947.5	93%	1,607.1	2,147.6	2.3x	11.6%	14.4%	
Commonfund Capital Private Equity Partners VIII	Dec-11	218.1	189.2	87%	221.7	421.7	2.2x	13.1%	18.9%	
Commonfund Capital Private Equity Partners IX ⁷	Dec-14	280.5	240.3	86%	188.3	545.6	2.3x	16.0%	25.2%	24.3%
Commonfund Capital Private Equity Partners X ⁷	Oct-17	160.9	83.3	52%	22.9	155.2	1.8x	18.6%	34.7%	30.1%
Commonfund Capital Private Equity Partners XI ⁷	May-20	206.6	37.2	18%	-	60.6	1.6x ⁸	N/M ⁸	204.7% ⁸	60.2% ⁸

Past performance is not indicative of future performance. See Important Notes following the Summary Financial Data. Notes are an integral part of the Summary Financial Data. See Commonfund Important Notes | Benchmarks and Financial Indices and Performance | Closed-End Investment Products

Commonfund Capital, Inc. | Summary Financial Data

September 30, 2021 | (Unaudited)

Dollars in millions

	First Drawdown	Capital Commitments	Capital Drawn	(%)	Distribution to Investors	Total Value ¹	Net Multiple ²	Burgiss Benchmark ³	Net IRR ⁴	Hypothetical Net IRR ex- Borrowing ⁵
Private Equity Outside the U.S.										
International Private Equity Partners I ⁶	Dec-95	\$ 85.3	\$ 85.3	100%	\$ 107.3	\$ 107.3	1.3x	8.0% ¹⁰	4.3%	
International Private Equity Partners II ⁶	Jan-98	110.9	103.9	94%	143.5	143.5	1.4x	5.2% ¹⁰	6.0%	
International Private Equity Partners III ⁶	Dec-99	220.9	217.1	98%	437.0	437.0	2.0x	14.0% ¹⁰	16.8%	
Commonfund Capital Int'l. Partners IV ⁶	Apr-01	312.1	305.3	98%	565.1	565.1	1.8x	11.7% ¹⁰	13.0%	
Commonfund Capital Int'l. Partners V	Sep-05	506.2	490.3	97%	688.4	758.6	1.6x	7.1% ¹⁰	6.5%	
Commonfund Capital Int'l. Partners VI	Mar-07	804.8	752.9	94%	1,098.9	1,248.2	1.7x	7.6% ¹⁰	9.3%	
Commonfund Capital Int'l. Partners VII	Mar-10	243.1	223.3	92%	166.0	346.3	1.6x	10.8% ¹⁰	8.6%	
Commonfund Capital Int'l. Partners VIII ⁷	Jan-15	139.5	119.3	86%	76.1	219.9	1.8x	17.0% ¹⁰	21.0%	20.0%
Commonfund Capital Int'l. Partners IX ⁷	Apr-18	74.8	34.9	47%	2.6	60.1	1.6x	14.9% ¹⁰	41.6%	31.7%
Commonfund Capital Int'l. Partners X ⁷	Jun-20	115.4	9.2	8%	-	13.8	1.4x ⁸	N/M ⁸	119.9% ⁸	38.1% ⁸
Emerging Markets										
Commonfund Capital Emerging Markets 2013 ⁷	Jun-13	\$ 199.4	\$ 179.4	90%	\$ 64.3	\$ 377.1	2.1x	17.7% ¹¹	17.0%	
Commonfund Capital Emerging Markets II ⁷	Nov-17	84.4	63.1	75%	3.8	112.1	1.7x	22.8% ¹¹	32.3%	27.2%
Commonfund Capital Emerging Markets III ⁷	Jun-20	66.7	7.3	11%	-	12.9	1.7x ⁸	N/M ⁸	356.1% ⁸	78.5% ⁸
Global Private Equity										
Commonfund Capital Global Private Equity 2014 ⁷	Jan-15	\$ 151.2	\$ 130.8	86%	\$ 80.6	\$ 272.8	2.1x	15.6% ¹²	21.5%	21.5%
Commonfund Capital Global Private Equity II ⁷	Oct-17	228.8	122.1	53%	14.9	212.9	1.7x	17.7% ¹²	34.7%	34.6%
Commonfund Capital Global Private Equity III ⁷	Jun-20	236.6	35.3	15%	-	53.4	1.5x ⁸	N/M ⁸	224.6% ⁸	215.9% ⁸
Specialty Funds										
Commonfund Capital Secondary Partners 2015 ⁷	Aug-15	\$ 170.7	\$ 134.9	79%	\$ 127.7	\$ 250.6	1.8x	N/A ¹³	23.6%	20.7%
Commonfund Capital Secondary Partners II ⁷	Dec-17	450.1	288.8	64%	81.7	629.7	2.1x	N/A ¹³	55.4%	39.7%
Commonfund Capital Secondary Partners III ⁷	Nov-20	675.0	60.8	9%	-	131.3	N/M ⁸	N/M ⁸	N/M ⁸	N/M ⁸
Commonfund Capital Co-Investment Opportunities 2015 ⁷	Jan-15	66.3	62.0	93%	60.8	132.6	2.1x	18.4% ¹⁴	19.7%	18.7%
Commonfund Capital Co-Investment Opportunities II ⁷	Oct-17	84.0	80.4	96%	20.8	147.4	1.8x	27.7% ¹⁴	26.4%	24.6%
Commonfund Capital Co-Investment Opportunities III ⁷	Mar-20	160.0	84.8	53%	7.2	122.9	1.4x ⁸	N/M ⁸	127.3% ⁸	94.7% ⁸

Past performance is not indicative of future performance. See Important Notes following the Summary Financial Data. Notes are an integral part of the Summary Financial Data. See Commonfund Important Notes | Benchmarks and Financial Indices and Performance | Closed-End Investment Products

Commonfund Capital, Inc. | Summary Financial Data

September 30, 2021 | (Unaudited)

Dollars in millions

	First Draw down	Capital Commitment s	Capital Drawn	(%)	Distribution to Investors	Total Value ¹	Net Multiple ²	Burgiss Benchmark ³	Net IRR ⁴	Hypothetical Net IRR ex- Borrowing ⁵
Natural Resources										
Endow ment Energy Partners ⁶	Oct-89	\$ 82.5	\$ 82.5	100%	\$ 131.6	\$ 131.6	1.6x	N/A ¹⁵	8.9%	
Endow ment Energy Partners II ⁶	Dec-91	30.1	30.1	100%	47.7	47.7	1.6x	N/A ¹⁵	12.6%	
Endow ment Energy Partners III ⁶	Jul-95	129.9	118.0	91%	336.2	336.2	2.9x	N/A ¹⁵	16.7%	
Endow ment Energy Partners IV ⁶	Jan-98	171.0	167.2	98%	634.1	634.1	3.8x	N/A ¹⁵	25.2%	
Commonfund Capital Natural Resources Partners V	Aug-03	252.8	249.0	99%	374.2	386.7	1.6x	N/A ¹⁵	9.2%	
Commonfund Capital Natural Resources Partners VI	Sep-05	302.2	296.2	98%	370.6	381.6	1.3x	N/A ¹⁵	4.1%	
Commonfund Capital Natural Resources Partners VII	Jan-07	505.0	498.4	99%	463.5	570.6	1.1x	N/A ¹⁵	2.4%	
Commonfund Capital Natural Resources Partners VIII	Nov-08	752.2	736.8	98%	395.5	701.0	1.0x	-0.8% ¹⁵	-0.9%	
Commonfund Capital Natural Resources Partners IX	Oct-12	507.0	465.4	92%	155.7	559.8	1.2x	5.7% ¹⁵	3.9%	
Commonfund Capital Natural Resources Partners X	Aug-15	252.7	208.9	83%	71.4	262.9	1.3x	7.6% ¹⁵	10.0%	8.9%
Commonfund Capital Natural Resources Partners XI ⁷	May-18	170.4	75.8	44%	-	85.8	1.1x	9.7% ¹⁵	9.6%	7.6%
Commonfund Capital Environmental Sustainability Partners 2020 ⁷	Mar-21	191.2	3.8	2%	-	11.7	N/M ⁸	N/M ⁸	N/M ⁸	N/M ⁸
Commonfund Capital Partners										
Commonfund Capital Partners 1999	Sep-99	\$ 47.2	\$ 46.2	98%	\$ 64.8	\$ 65.0	1.4x	1.9% ¹⁶	6.2%	
Commonfund Capital Partners 2000	Apr-01	96.8	94.4	98%	162.0	166.3	1.8x	8.1% ¹⁶	9.0%	
Commonfund Capital Partners III	Jul-05	29.1	28.6	98%	43.7	50.8	1.8x	7.3% ¹⁶	7.4%	
Commonfund Capital Partners IV	Aug-07	40.0	37.5	94%	57.1	74.1	2.0x	9.0% ¹⁶	10.6%	
Commonfund Capital Partners V	Sep-11	102.2	91.4	89%	96.1	244.7	2.7x	14.9% ¹⁶	20.2%	
Commonfund Capital Partners VI	Apr-16	66.9	56.2	84%	18.4	117.9	2.1x	19.4% ¹⁶	25.6%	25.4%
Commonfund Capital Partners VII ⁷	Jun-18	85.9	46.0	54%	2.5	78.1	1.7x	22.6% ¹⁶	39.5%	38.8%
Commonfund Capital Partners VIII ⁷	Jun-21	69.5	14.6	21%	-	20.4	N/M ⁸	N/M ⁸	N/M ⁸	N/M ⁸
Commonfund Capital New Leaders										
Commonfund Capital New Leaders ⁶	Mar-99	\$ 103.1	\$ 100.7	98%	\$ 113.1	\$ 113.1	1.1x	1.2% ¹⁶	2.1%	
Commonfund Capital New Leaders II ⁶	Oct-00	60.6	58.4	96%	78.7	78.7	1.4x	8.9% ¹⁶	4.3%	

Past performance is not indicative of future performance. See Important Notes following the Summary Financial Data. Notes are an integral part of the Summary Financial Data. See Commonfund Important Notes | Benchmarks and Financial Indices and Performance | Closed-End Investment Products

THESE IMPORTANT NOTES ARE AN INTEGRAL PART OF THE SUMMARY FINANCIAL DATA

All data set forth herein is on a since inception basis and excludes commitments by the applicable general partner. All performance data are net of fees and carried interest and excludes commitments by the applicable general partner and any limited partners that do not pay a management fee.

1. Total distributions plus the ending capital net of the general partner interest.
2. The Net Multiple is the ratio of total value divided by invested capital (net of the general partner interest and any limited partners that do not pay a management fee). Total value is equal to distributions plus ending capital balance (the ending capital balance is sometimes referred to as the Net Asset Value or "NAV"). Invested capital is sometimes referred to "capital drawn".
3. The Burgiss benchmarks for all partnerships listed are (i) intended to represent the opportunity set available for the given strategy and (ii) other than for co-investment partnerships, have been calculated using the grouped median return based on the relevant vintage years and representing at least two and no more than four vintage years, as determined by Commonfund Capital. Investors are cautioned against solely relying on the disclosed benchmarks in their investment decision. In addition, the calculation of the Burgiss benchmarks used by Commonfund Capital prior to Q3 2016 differs from the calculation of the benchmarks reported above. For additional information regarding the benchmarks, please contact Commonfund Capital.
4. Each partnership's net IRR (Internal Rate of Return) should be evaluated in light of information on such partnership's investment program, the risks associated therewith, and partnership performance as disclosed in the respective Offering Memorandum and Annual and Quarterly Reports. Return information calculated on a dollar-weighted (e.g., internal rate of return), since inception basis, which is standard for the private capital industry, rather than the time-weighted (e.g., annual or other period rate of return) basis. Comparison of returns calculated on a net IRR basis with returns on a time-weighted basis is not appropriate. There can be no assurance that unrealized investments ultimately will be realized at the valuations used in calculating net IRRs or Net Multiples or that the calculated net IRRs will be obtained. Actual realized returns will depend on, among other factors, future operating results, the value of assets and market conditions at the time of disposition, any related transaction costs and the timing and manner of sale. Certain of the investment partnerships (and the vehicles in which they have invested) listed have, or are continuing to use, a committed line of credit or otherwise borrow, which has the effect of delaying capital calls to the investors, and in some cases replacing the applicable capital call in its entirety. Since the net IRR is calculated based on the date of the capital contribution by limited partners (rather than the date of borrowing), the net IRR of the applicable investment partnership using such borrowing may be higher or lower than they would have been had such investments been funded in cash by the investors at the time they were made.
5. The Hypothetical Net IRR Ex-borrowing is a hypothetical number

and depicts what the net IRR of the applicable Commonfund Capital investment partnership would have been had such investment partnership not borrowed. The Hypothetical Net IRR Ex-borrowing is shown solely for those partnerships with a first drawdown date of 2014 or later. Partnerships with a first drawdown date prior to 2014 did not use a committed line of credit, but have, and may continue to borrow directly from Commonfund Capital or its affiliates, and such borrowing may impact the net IRR as disclosed above. In addition, certain of the investments made by the applicable Commonfund Capital investment partnership themselves borrow, on a long term basis or through a committed line or credit facility. As a result, such borrowing by the investments of the applicable Commonfund Capital investment partnership similarly will cause such Commonfund Capital investment partnership to have a higher or lower internal rate of return than if such underlying investments had not borrowed. The Hypothetical Net IRR Ex-borrowing has not been adjusted to account for the effect of such underlying investment borrowing (including if the underlying investment is itself a Commonfund Capital investment partnership), and accordingly, the Hypothetical Net IRR Ex-borrowing is expected to be higher or lower than it would be had the effect of borrowing at the underlying investment level been taken into account.

6. This partnership has been fully realized and concluded. Performance is as of the partnership's final liquidation date. Benchmark data is as of the date of the last investment sold.
7. Certain limited partners in the investment partnership have a management fee discount, and certain limited partners in Commonfund Capital Secondary Partners 2015, Commonfund Capital Secondary Partners II, Commonfund Capital Secondary Partners III, Commonfund Capital Co-Investment Opportunities 2015, Commonfund Capital Co-Investment Opportunities II, Commonfund Capital Co-Investment Opportunities III and Commonfund Capital Environmental Sustainability Partners 2020 have a carried interest discount (in each case due, for example, to their participation in an early close or the size of their commitments); the performance data herein for the applicable investment partnership reflects the weighted average blended management fee (and, if applicable, carried interest) applicable to actual limited partners of such investment partnership.
8. This partnership is in the early stages of its investment life cycle. Performance metrics on this partnership may not be indicative of long-term performance.
9. Endowment Mezzanine Partners I, L.P., a \$5.5 million partnership, was raised in 1988 and was liquidated March 31, 2003. This partnership had a final inception-to-date net IRR of (4.8%).
10. IPEP I – IPEP III and CIP IV-CIP V use asset class categories Equity (including the venture capital sub-category) and Debt ex-U.S. performance data. Benchmarks for CIP VI – CIP IX exclude the venture capital sub-category due to a change in the Commonfund Capital mandate. IPEP I – IPEP III and CIP IV – CIP VII include all countries outside the United States. CIP VIII and IX include only developed markets outside the United States due to a change in the Commonfund Capital mandate.
11. The Burgiss benchmarks for CEM 2013 and CEM II are calculated

using asset class categories Equity (including the venture capital sub-category) and Debt using the emerging markets geography.

12. The Burgiss benchmarks for GPE 2014 and GPE II are calculated using asset class categories Equity (excluding the venture capital sub-category) and Debt and includes all countries.
13. No comparable Burgiss benchmark available.
14. The Burgiss benchmark shown is calculated using the median return for the vintage year of the respective co-investment partnership using the category "Equity" (excluding the "Venture Capital" sub-category) for developed markets in the United States and Europe.
15. Effective March 31, 2017, Commonfund Capital adopted the Burgiss natural resources benchmark. Commonfund Capital did not publish a natural resources benchmark prior to this date. The Burgiss benchmark is calculated using the asset class sub-category "Natural Resources" within the "Real Assets" category. For those investment vehicles where Commonfund Capital has determined that the number of data-points included in the applicable vintage years of their respective benchmark may be insufficient for a reasonable comparison, no benchmark is disclosed. The Burgiss natural resources benchmark may be limited in utility due to the number of data-points comprising the benchmark.
16. The Burgiss benchmarks for CCP and CCNL partnerships are calculated using asset class categories Equity and Debt for all of the partnerships. In addition, CCP IV includes performance data for the Real Assets asset class category (excluding real estate sub-category) and CCP VI and VII include performance data for the Natural Resources asset class sub-category (excluding other Real Assets subcategories).

Commonfund Capital also manages multiple single investor investment vehicles and custom and separate accounts; information regarding such vehicles and accounts is excluded from this report.

Past performance is not indicative of future performance.

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Trustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair

Members

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Trustee Dan Ahuna, *Kaua'i / Ni'ihau*

Trustee Kaleihikina Akaka, *O'ahu*

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Trustee Brendon Kalei'aina Lee, *At-Large*

Trustee Carmen Hulu Lindsey, *Maui*

Trustee Mililani Trask, *Hawai'i Island*



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

DATE: Tuesday, May 3, 2022

TIME: 1:30 p.m.

PLACE: Virtual Meeting viewable at www.oha.org/livestream OR

Listen by phone: (213) 338-8477,

Webinar ID: 867 8657 9366

Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 867 8657 9366. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.

AGENDA

I. Call to Order

II. Public Testimony on Items Listed on the Agenda*

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)

III. Approval of Minutes

A. April 12, 2022

IV. Unfinished Business - None

V. New Business

A. Presentation & Updates: Commonfund Managed Investments in the Native Hawaiian Trust Fund, Joe Falcha, Director and Rachel Clivaz, Associate

B. Presentation & Updates: Hi'ilei Aloha LLC and Hi'ipaka LLC, Richard Pezzulo, Executive Director, Hi'ipaka LLC dba Waimea Valley, Roberts "Bob" Leinau, Greg C. Pietsch and Leilani Kūpahu-Marino Kaho'āno, Community

LLC Managers

C. Workshop by Administration: Native Hawaiian Trust Fund Portfolio Structure Review, Including Investment Policy Statement

VI. Announcements

VII. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: everetto@oha.org no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: www.oha.org/rm.



WAIMEA VALLEY

HI'IPAKA LLC

**HI'ILEI ALOHA and HI'IPAKA LLC UPDATE
OFFICE OF HAWAIIAN AFFAIRS
COMMITTEE ON RESOURCE MANAGEMENT
May 3, 2022**

Hi`ilei Aloha / Hi`ipaka LLC Manager Introductions



**Leilani Kupahu-
Marino Kahoano**



Greg Pietsch



Bob Leinau

New Manager Orientation Meeting

May 10, 2021

Attended by OHA Managers and non-OHA (aka Community) Managers

New Manager Orientation Agenda

- Hi`ilei Aloha/Hi`ipaka LLC documents provided.
- Creation of LLCs & History of Hi`ilei Aloha LLC (Mona Bernardino)
- History of Hi`ipaka LLC (Richard Pezzulo)
- Hi`ipaka LLC Today (Richard Pezzulo)
- Selection Process of Hi`ipaka LLC Managers (Sylvia M. Hussey)
- Tour of Waimea Valley (Richard Pezzulo)

New Managers - Major Activities

- Supervised winddown of Hi`ilei Aloha LLC
- Attended Monthly Manager Meetings
- Participated in visioning and planning for future expansion of Waimea Valley and EDA grant
- Completed ED 2021 performance evaluation
- Review and approval of:
 - Hi`ipaka LLC Quarterly reports
 - 2021 work plans/budgets
 - Operating Account Balance Policy (up to 4 months of operating expenses)
 - Hi`ipaka LLC Service Awards standard operating procedures
 - Hi`ipaka LLC capital budget realignment
 - Financial Reserve Policy to allow reserve funds to be invested
 - 2022 Work Plans and Budgets
 - Hi`ilei Aloha LLC and Hi`ipaka LLC 2021 Annual Report
 - 2021 Financial Audit

Hi'ilei Aloha LLC 2021 Update



Hi`ilei Aloha LLC 2021 Update

2021 Focus

Wind down of all Hi`ilei Aloha LLC activities.

- Accountant-Controller laid off in January.
- YouthBuild Waimanalo project completed in June.
- Chief Operating Officer laid off in September.

Hi'ilei Aloha LCC 2021 Update

Financial

- OHA provided the final disbursement of \$48,290.28 in September 2021.
- Outstanding services were terminated except the Cannon photocopier lease.
- The photocopier lease expires on June 30, 2022 and a monthly payment of \$150.54 (\$902.70 total) will be made until then. There may be a pick up charge for the copier.

The Hi'ilei Aloha LLC checkbook was turned over to the Hi'ilei Managers.

- 2022 Anticipated Payments
 - photocopier charges \$902.70
 - 2021 Audit \$18,000
 - \$800 for Hi'ilei Aloha LLC website which hosts the LLCs Form 990s and audits.

Hi'ipaka LLC will need to loan Hi'ilei Aloha \$6,000 to cover 2022 expenditures.

Hi'ilei continues as the parent organization of Hi'ipaka LLC - Waimea Valley with minor carrying expenses.

Hi'ipaka LLC 2021 Update

Beyond COVID

Impact of COVID-19

- Forced to shut down for several months due to the Governor's "stay at home" order.
- Furloughed 45 employees until April 2021.
- Net loss of \$1.9 million in 2020.
- Utilized \$1 million in reserves.

Building Resilience

The 2020 closures provided Waimea Valley staff with the opportunity to review and reflect on its operations and programs with a view towards building resilience through a stronger organization.

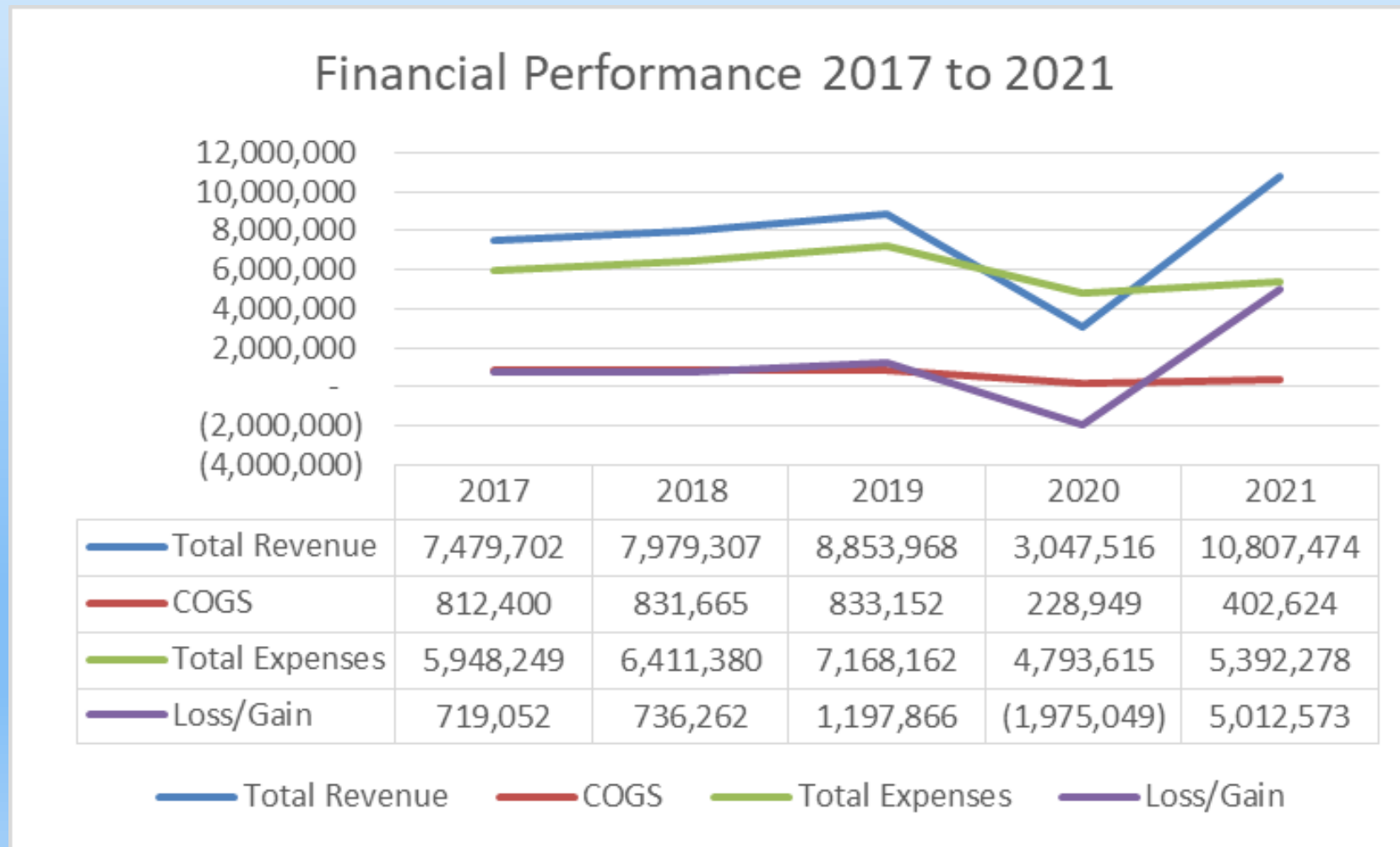
Hi'ipaka LLC Focus

Post COVID Focus 2021 to 2023

- I. Regain financial sustainability.
- II. Restart /expand programs and activities to provide a unique visitor experience with a strong cultural focus.
- III. Continue to build a base of Kama`āina visitors.

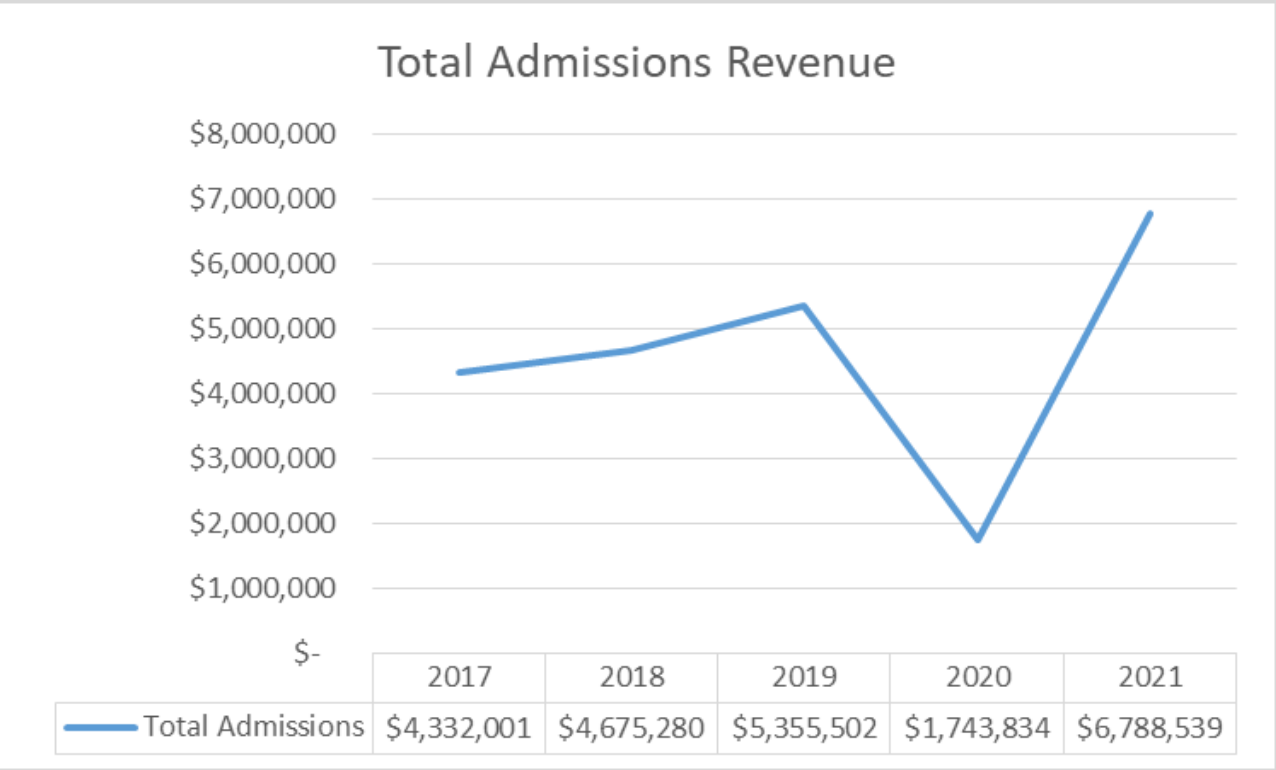
Hi'ipaka LLC 2021 Update

Hi`ipaka LLC regained financial sustainability in 2021.



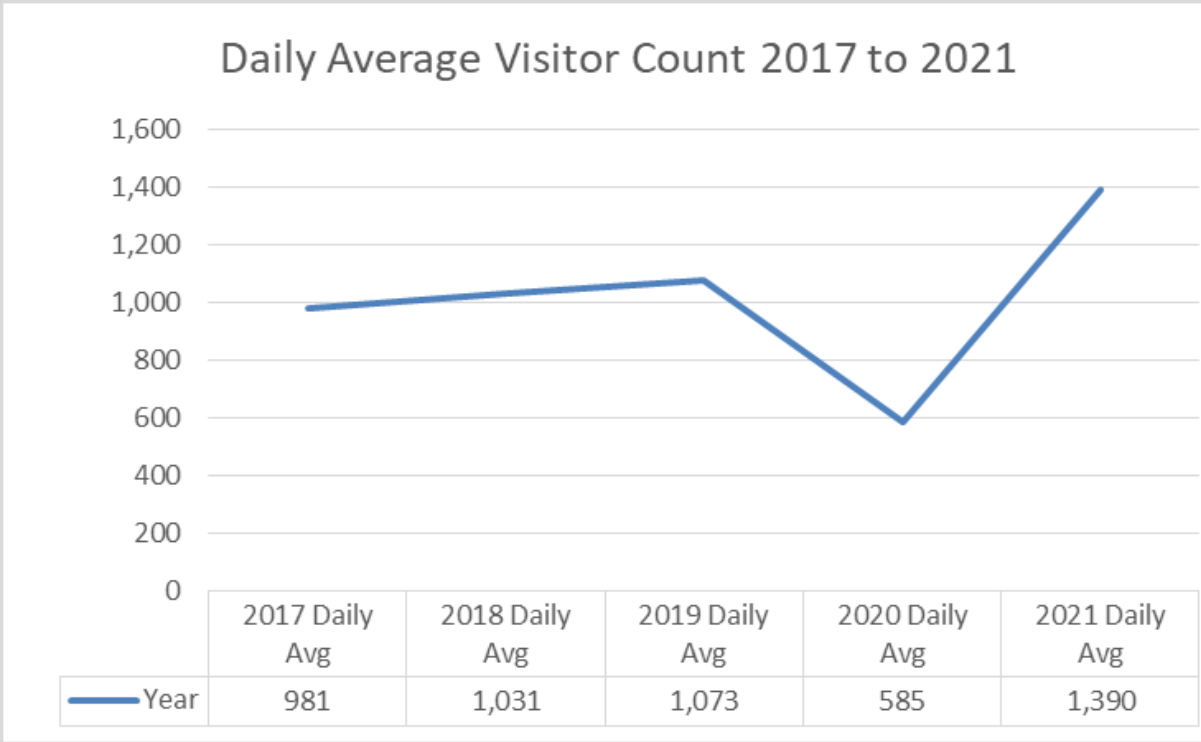
Hi'ipaka LLC 2021 Update

Received a total of 482,812 visitors to the Valley



Admissions revenue \$6.8 million

Daily average visitor count – 1,390



Hi'ipaka LLC 2021 Update

Cash Management

Hi'ipaka LLC cash reserves were depleted by \$1,046,630 in 2020. As of December 31, 2021 the financial reserve balance increased as noted below.

	December 31, 2019	December 31, 2020	December 31, 2021
Checking Account Balance	\$864,469	\$138,218	\$1,931,798
Savings Account Balance	\$3,013,811	\$1,967,181	\$4,468,059

To obtain a better return on reserve funds the Managers revised the Hi'ipaka Financial Reserve Policy to allow excess funds to be placed in short term, higher yielding investments with Bank of Hawaii acting as investment manager.

Hi'ipaka LLC 2021 Update

Programs and Activities

A number of programs and activities were re-started and/or improved in 2021 to provide a unique visitors experience.

Artisan/Cultural Practitioner Program

The artisan program was redesigned to attract a range of artisans. At the end of 2021, ten artisans/cultural practitioners were contracted to work in the Valley.



Join Our Team!

Nā Po'e Hana No'eau a Nā Kā'e'a'e'a

THE ARTISANS & EXPERTS

'Ano'ai me ke aloha! Waimea Valley is seeking artisans and expert botanical guides to help us share and perpetuate Hawai'i's cultural and botanical treasures.

ARTISANS will create unique cultural experiences for guests at the Valley through lessons, presentations, activities, and other interactive formats. Practitioners are being sought in the following areas:

- **Kālai pōhaku** / Stone carver
- **Kani ka pila** / Music
- **Kapa** / Tapa making
- **Kaula** / Rope making
- **La'au Hawai'i** / Hawaiian plants
- **La'au lapa'au** / Healing plants
- **Lawai'a** / Fishing
- **Lei** / Lei making
- **Loko i'a; loko kuapā** / Fishpond
- **Mahī'ai** / Farmer
- **Mahina** / Moon
- **Mo'olelo** / Storytelling
- **Paniolo** / Cowboy
- **Ulana** / Weaving
- **Wa'a** / Canoe
- Other **hana no'eau**

BOTANICAL GUIDES will lead tours or talks on Hawaiian plants (e.g. kalo and/or awa); or on a Waimea Valley garden that matches their area of expertise. The Valley's world-class botanical collections feature flora from around the world, with special emphasis on Hawai'i.

Artisans and botanical guides are independent contractors paid hourly, working approximately 2 to 10 hours per week. Contracts are issued for a 1-year period. For application and full program details, please visit waimeavalley.net.

Learn More/Apply Now:



Questions/Contact:
Ka'ulamealani Diamond
Waimea Valley Cultural Programs Manager
(808) 638-5852 / kdiamond@waimeavalley.net

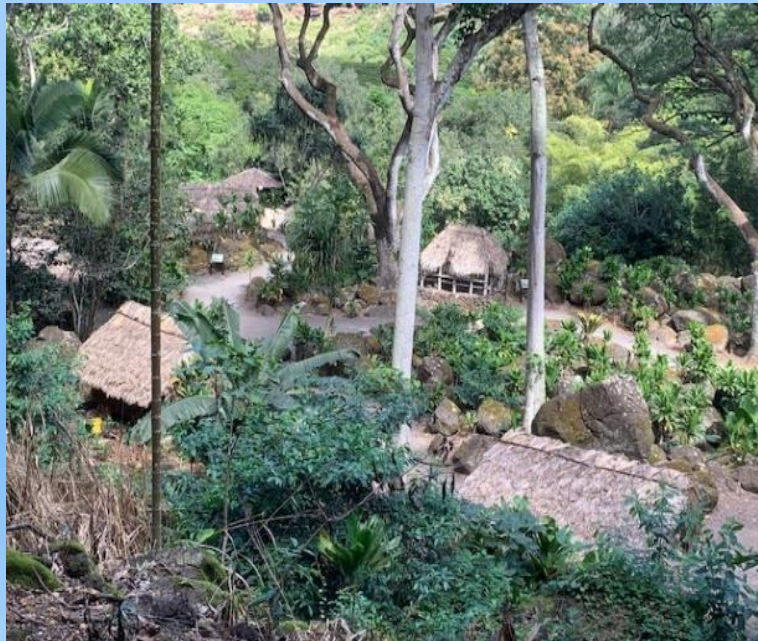


Hi'ipaka LLC 2021 Update

Kauhale Restoration

Restoration of Kauhale was a major focus in 2021 to provide visitors with a unique cultural experience.

A major objective is to shift the visitor focus from the waterfall to the cultural significance and history of the Valley with Kauhale being the focal point. Several hale were rebuilt to include:



Hale Kuku (Kapa Making House)

Hale Papa`a (Storage House)

Hale Ola (Healing House)

Hale Mua (Men's Eating House)

Hi'ipaka LLC 2021 Update

Wi-Fi Information Stations

The Wi-Fi in the Valley was upgraded in early 2021 with funding from an IMLS grant.

Five info-stations have been created and installed to include:



- Introduction to the Valley at the Ticket Booth and Visitor Center
- Exceptional Trees (Monkey Pods at the ticket booth)
- Kauhale Artifacts – located at Kauhale
- Agricultural Terraces – upper meadow
- Conservation @ Waterfall

Hi'ipaka LLC 2021 Update

Waimea Valley Education Program

Twenty-five schools with 634 students came to the Valley in 2021.

The year looked promising until Delta and then Omicron variants changed field trip plans for most schools.

We do not anticipate many Waimea Valley school field trips until the second half of 2022.



Hi'ipaka LLC 2021 Update

Toa Lū'au

Toa Lū'au operated at 50% capacity for most of 2021.

The Lū'aus generated \$222,555 in rental revenue for the Valley.

Currently there is a plan for the Lū'au to move to the amphitheater and operate six days per week.

Toa Lū'au will offer a day time hula show during the summer.



Hi'ipaka LLC 2021 Update

Weddings and Events

- City COVID regulations made booking events very challenging in 2021.
- Many 2020 clients cancelled or postponed events until 2021 or 2022.
- Special Events generated \$211,655 in revenue in 2021.
- The future looks promising 2021 and 2022.

Inquiries	1,105
Site Tours	144
Events Booked	73



Hi'ipaka LLC 2021 Update

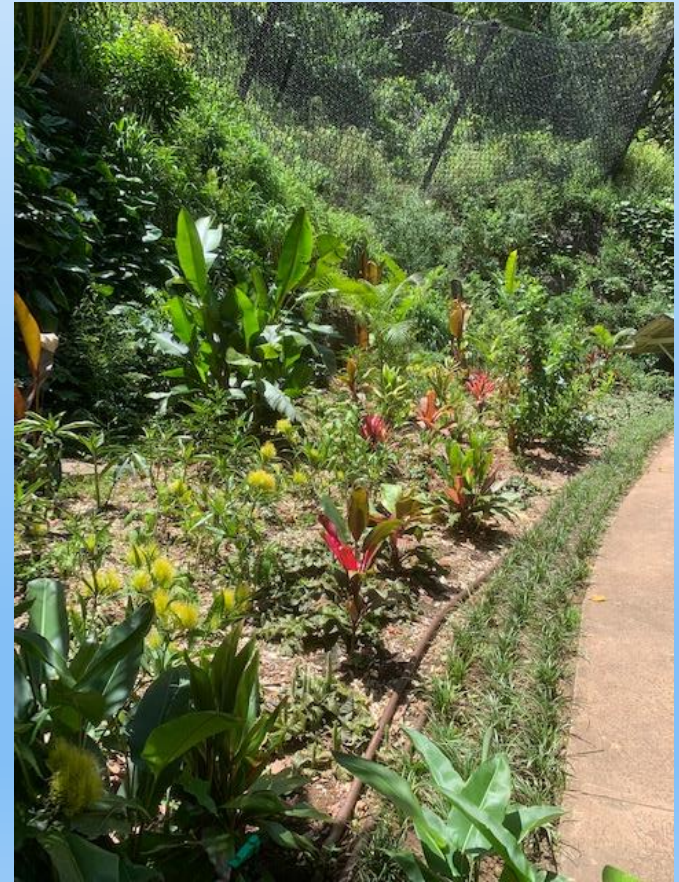
Safe and Clean Facilities

Safe and clean facilities are an important part of the visitor experience.

A rock fall impact fence along the walkway to the waterfall was completed at a cost of \$576,306.



Routine cleaning
and sanitizing.



New Waterfall Walkway Garden

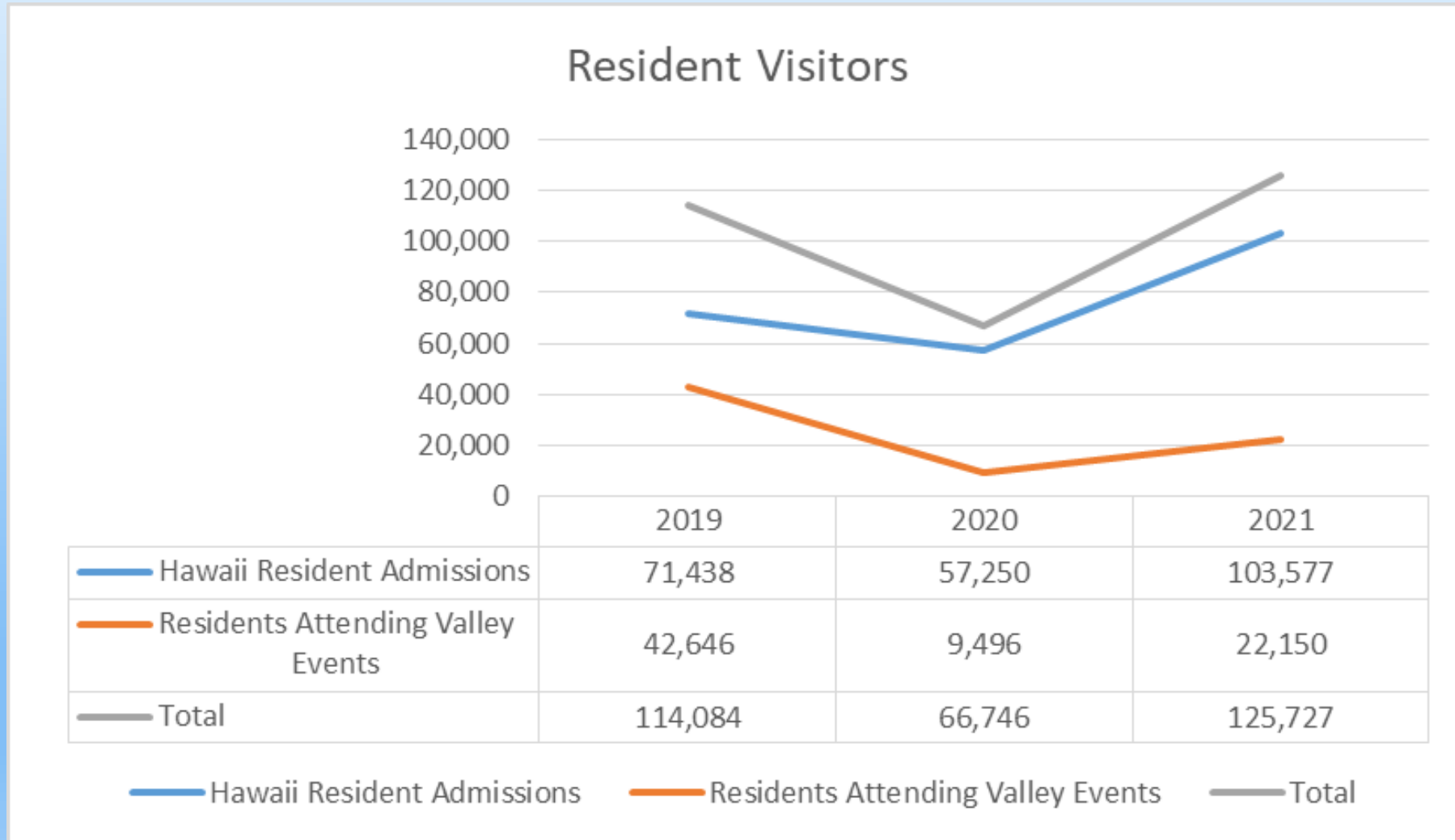
Hi'ipaka LLC 2021 Update

Increasing the number of Kama`āina visitors is being achieved through the following initiatives and activities:

- Discounted pricing for daily Kama`āina admissions
- Discounted pricing on annual passes.
- Garden/Conservation support opportunities
- Kama`āina activities and promotions
- Kama`āina morning walker program

Hi'ipaka LLC 2021 Update

Kama`āina /Military Visitor Count – 125,727, 26% of total visitors



Kama`āina and Military admissions revenue \$481,271

Hi'ipaka LLC 2021 Update

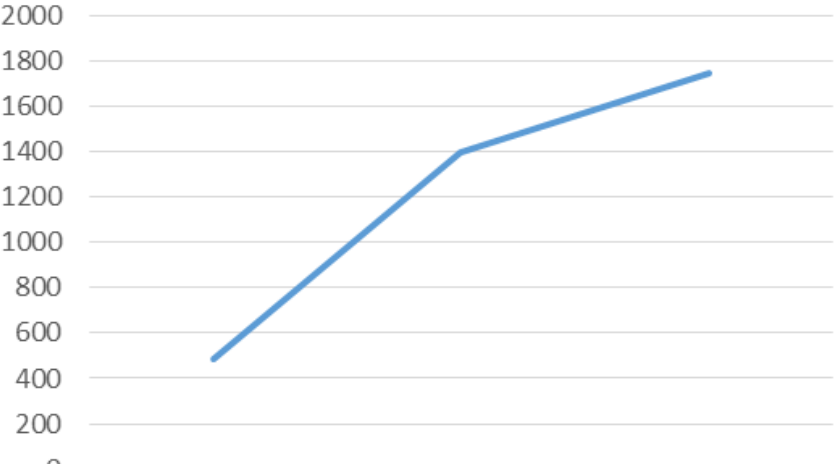
Increasing the number of Kama`āina visitors

Discounted Pricing

Discounted, annual, lifetime and organization passes.

Pass	2019 Price	Discounted Price
Individual	\$50	\$30
Family	\$100	\$60
Lifetime	\$1,000	\$600

Number Annual Passes Sold



Number Annual Passes Sold

2019

2020

2021

486

1,400

1,745

Dollars Annual Pass Sales



Dollars Annual Pass Sales

2019

2020

2021

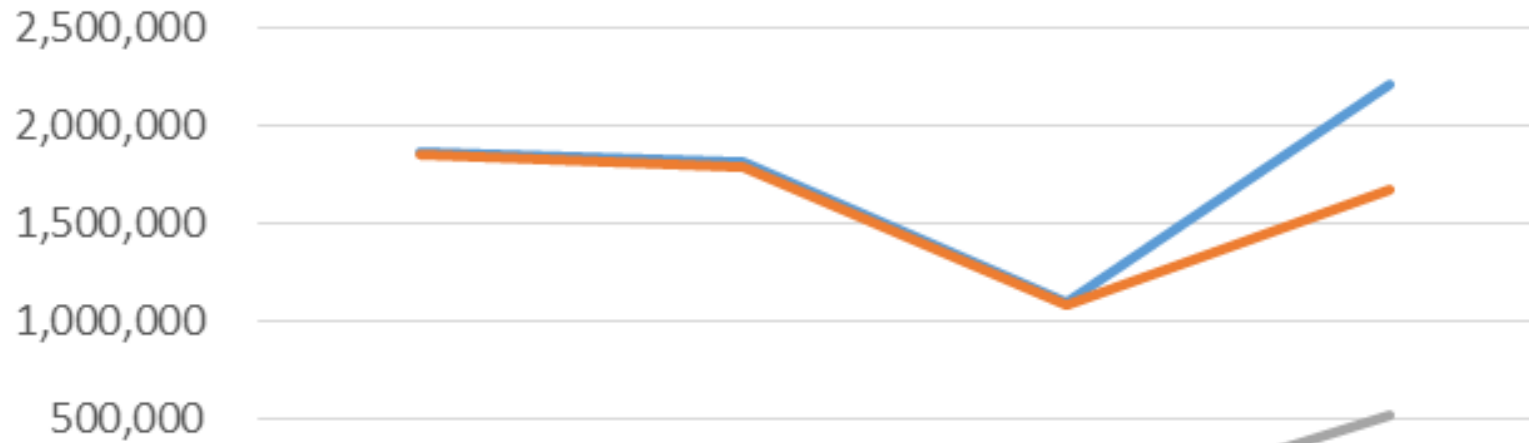
\$44,000

\$84,110

\$95,000

Hi'ipaka LLC Q1 - 2022 Update

Q1 Financial Performance 2019 to 2022

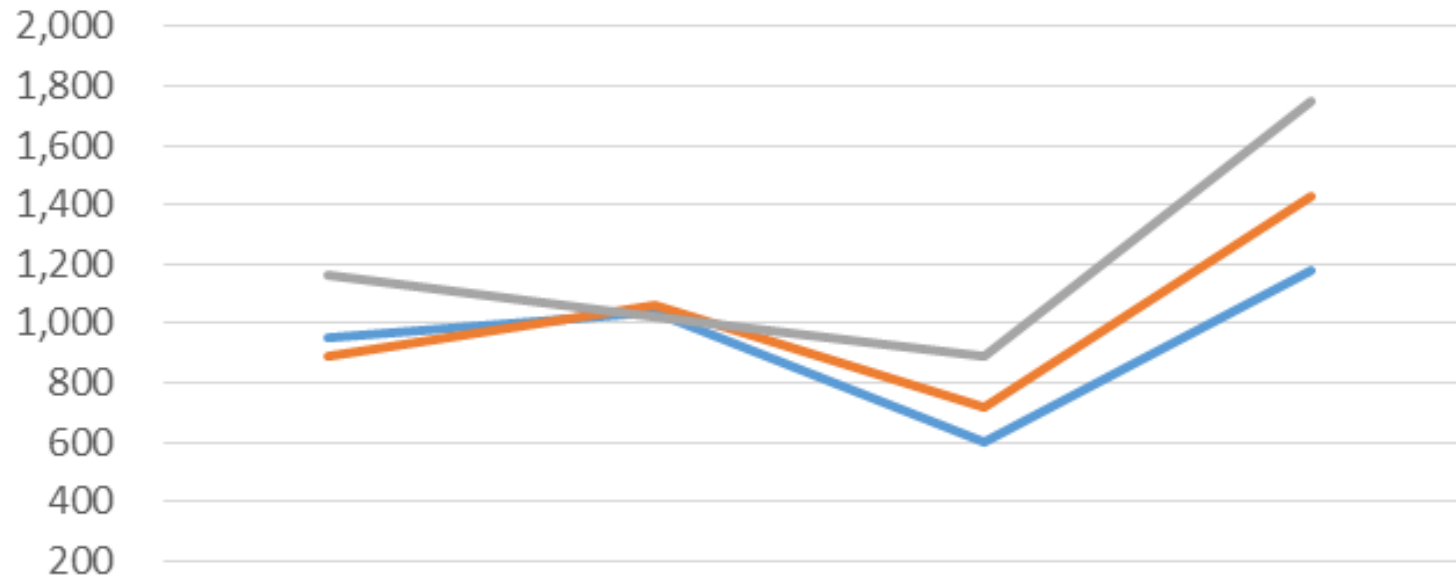


	2019	2020	2021	2022
Revenue	1,863,470	1,805,816	1,101,330	2,202,862
Expenses/COGs	1,852,468	1,791,853	1,084,694	1,676,549
Net Profit	11,002	13,963	16,636	526,313

Revenue Expenses/COGs Net Profit

Hi'ipaka LLC Q1 - 2022 Update

Daily Average Visitor Count Q1



	2019	2020	2021	2022
January	950	1,039	601	1,179
February	891	1,062	717	1,429
March	1,165	1,020	892	1,747

January February March

Restoring and Expanding Activities

1. Moon Walks
2. May Day
3. Summer Concert Series
4. Kalo and Awa Festival
5. Makahiki
6. Luau to increase the number of evenings
7. Daytime show

EDA Grant Application

Hi`ipaka, LLC is applying for grant funding from the federal Economic Development Administration for five construction projects totaling \$4 million.

The five projects will support our objective to have a stronger cultural focus for visitors and support the increasing number of visitors to the Valley.

2022 - 2023 Planning Activity

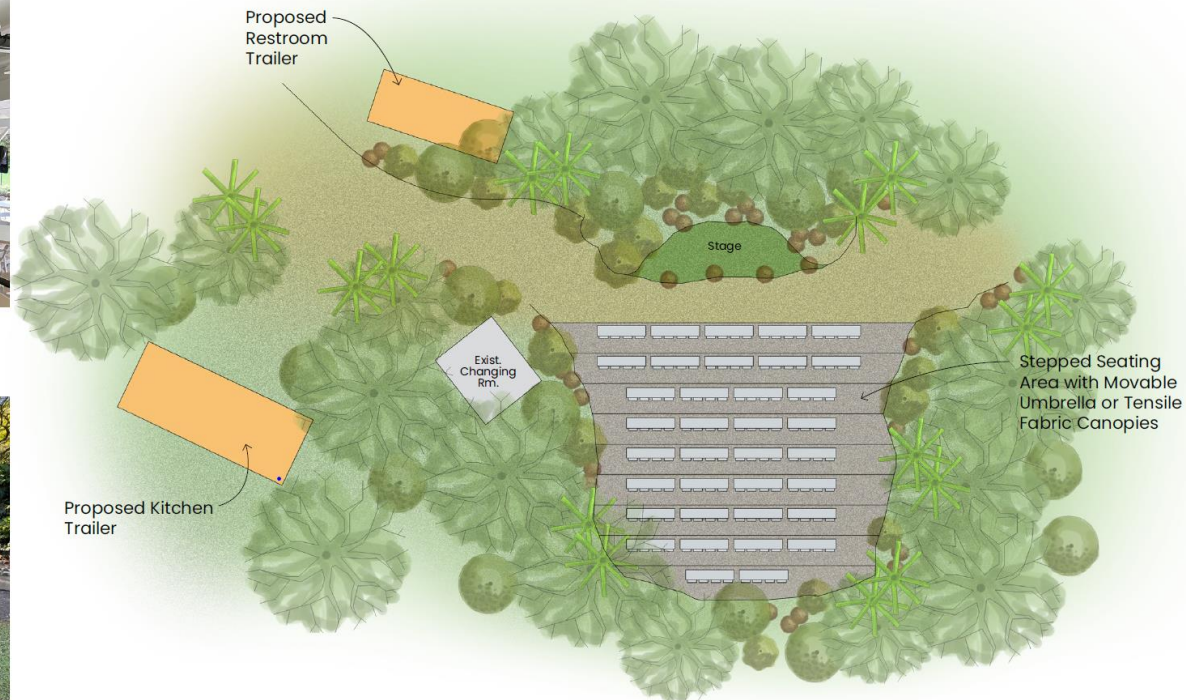
Expand the site of our Lū'au



Existing Lū'au Site at Pavilion



Existing Amphitheater Site



Expand Lū'au Site to Amphitheater

2022 - 2023 Planning Activity

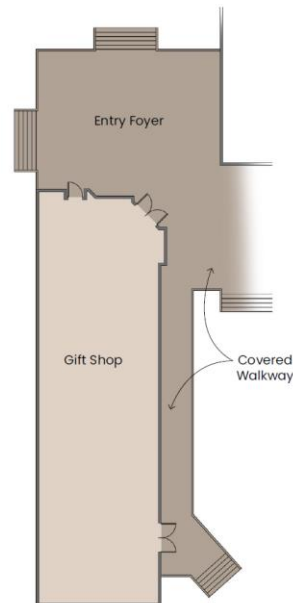
Expand the square footage of the Gift Shop to add a cultural walk to communicate the cultural significance Waimea Valley to visitors when they enter



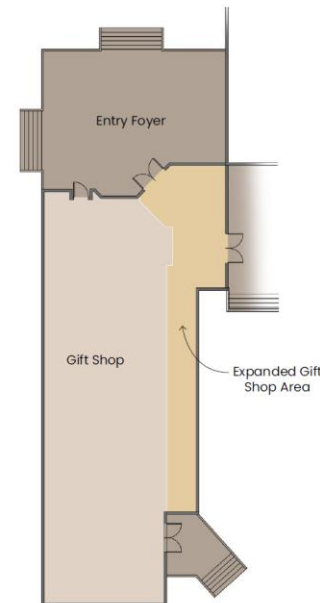
Expand the Gift Shop



Existing Gift Shop



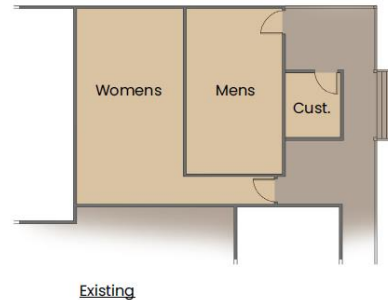
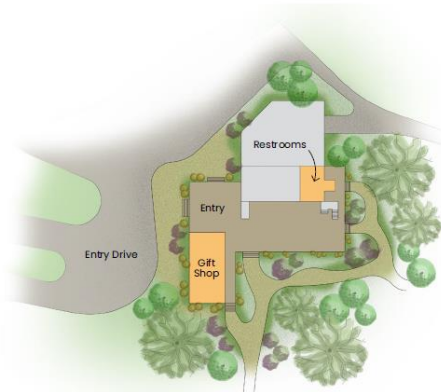
Existing



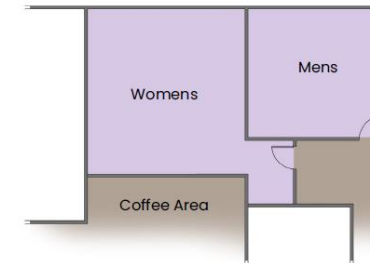
Proposed

2022 - 2023 Planning Activity

Expand the women`s bathrooms and build new men`s bathroom at the Visitor Center to accommodate increased visitor numbers



Expand Existing Restrooms



Proposed

Visitor Center Renovations



Existing Entry



Existing Restrooms

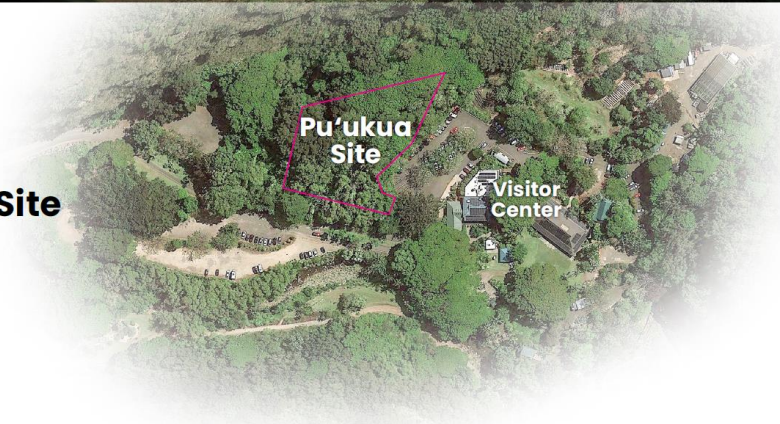


2022 - 2023 Planning Activity

Create a Hawaiian educational site at Pu'ukua including an agro forestry garden and traditional Hawaiian hale



Develop the Pu'ukua Site



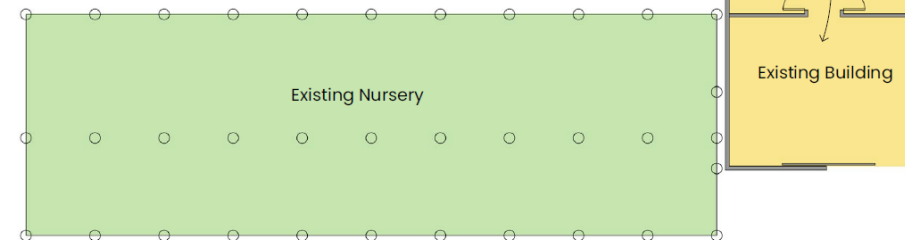
2022 - 2023 Planning Activity

Renovate the library area to create a Resource Center for artisans and docents

Create a Resource Center



Existing Nursery



Renovate Existing
Storage to Create
a Large Workspace
Area and Two Offices

Existing Building

Q & A

Committee on Resource ManagementTrustee John Waihe'e IV, *At-Large - Chair*Trustee Luana Alapa, *Moloka'i / Lāna'i - Vice Chair****Members***Trustee Leina'ala Ahu Isa, *At-Large*Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brendon Kalei'aina Lee, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS**

**MEETING OF THE
COMMITTEE ON RESOURCE MANAGEMENT (RM)**

DATE: Tuesday, May 3, 2022**TIME:** 1:30 p.m.**PLACE:** Virtual Meeting viewable at www.oha.org/livestream OR

Listen by phone: (213) 338-8477,

Webinar ID: 867 8657 9366

Due to COVID-19, the OHA Board of Trustees and its standing committees will hold virtual meetings until further notice.

This virtual meeting can be viewed and observed via livestream on OHA's website at www.oha.org/livestream or listened to by phone at: (213) 338-8477, Webinar ID: 867 8657 9366. A physical meeting location open to the general public will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817. All members of the public that wish to access the physical meeting location must pass a wellness check and provide proof of full vaccination or a negative COVID-19 test taken within 72 hours of entry.

AGENDA

I. Call to Order**II. Public Testimony on Items Listed on the Agenda***

(Please see page 2 on how to submit written testimony or provide oral testimony online.

Oral testimony by telephone/landline **will not** be accepted)**III. Approval of Minutes**

A. April 12, 2022

IV. Unfinished Business - None**V. New Business**

A. Presentation & Updates: Commonfund Managed Investments in the Native Hawaiian Trust Fund, Joe Falcha, Director and Rachel Clivaz, Associate

B. Presentation & Updates: Hi'ilei Aloha LLC and Hi'ipaka LLC, Richard Pezzulo, Executive Director, Hi'ipaka LLC dba Waimea Valley, Roberts "Bob" Leinau, Greg C. Pietsch and Leilani Kūpahu-Marino Kaho'āno, Community LLC Managers

C. Workshop by Administration: Native Hawaiian Trust Fund Portfolio Structure Review, Including Investment Policy Statement**VI. Announcements****VII. Adjournment**

If you require an auxiliary aid or accommodation due to a disability, please contact Everett Ohta at telephone number (808) 594-1988 or by email at: everetto@oha.org no later than three (3) business days prior to the date of the meeting. Meeting materials will be available to the public 72 hours prior to the meeting and posted to OHA's website at: www.oha.org/rm.



**STATE OF HAWAII'
OFFICE OF HAWAIIAN AFFAIRS**

In the event that the livestream or the audiovisual connection is interrupted and cannot be restored, the meeting may continue as an audio-only meeting through the phone and Webinar ID listed at the beginning of this agenda. Meeting recordings are available upon request to BOTmeetings@oha.org until the written meeting minutes are posted to OHA's website.

†Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

*** Public Testimony on Items Listed on the Agenda must be limited to matters listed on the meeting agenda.**

Hawai'i Revised Statutes, Chapter 92, Public Agency Meetings and Records, prohibits Board members from discussing or taking action on matters not listed on the meeting agenda.

Testimony can be provided to the OHA Board of Trustees either as: (1) **written testimony emailed** at least 24 hours prior to the scheduled meeting, (2) **written testimony mailed** and received at least two business days prior to the scheduled meeting, or (3) live, **oral testimony online** during the virtual meeting.

- (1) Persons wishing to provide **written testimony** on items listed on the agenda should submit testimony via **email** to BOTmeetings@oha.org at least **24 hours prior** to the scheduled meeting or via **postal mail** to Office of Hawaiian Affairs, Attn: Meeting Testimony, 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817 **to be received at least two business days prior** to the scheduled meeting. Any testimony received after these deadlines will be 'late' testimony and will be distributed to the Board members after the scheduled meeting. **Due to COVID-19 office closure and limited in-office staffing, please do not fax or hand-deliver written testimony.**
- (2) Persons wishing to provide **oral testimony online** or **at the physical meeting location** during the virtual meeting must first register at:

https://us06web.zoom.us/webinar/register/WN_6aga-pWWSwmOdV4BcjPGpQ

You need to register if you would like to orally testify. Once you have completed your registration, a confirmation email will be sent to you with a link to join the virtual meeting, along with further instructions on how to provide oral testimony during the virtual meeting. The registration page will close once the Public Testimony or Community Concerns agenda items have concluded.

To provide oral testimony online, you will need:

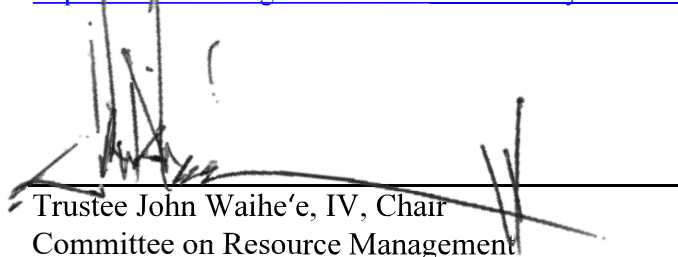
- (1) a computer or mobile device to connect to the virtual meeting;
- (2) internet access; and
- (3) a microphone to provide oral testimony.

Oral testimony online or at the physical meeting location will be limited to five (5) minutes.

Oral testimony by telephone/landline **will not** be accepted at this time.

Once your oral testimony is completed, you will be asked to disconnect from the meeting. If you do not sign off on your own, support staff will remove you from the Zoom meeting. You can continue to view the remainder of the meeting on the livestream or by telephone, as provided at the beginning of this agenda.

Please visit OHA's website for more detailed information on how to submit Public Testimony OR Community Concerns at: <https://www.oha.org/how-to-submit-testimony-for-oha-bot-meetings/>.


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

04/27/2022

Date

May 3, 2022 - Continued

FINANCIAL ASSETS
OVERVIEW

Native Hawaiian Trust Fund

NHTF Overview

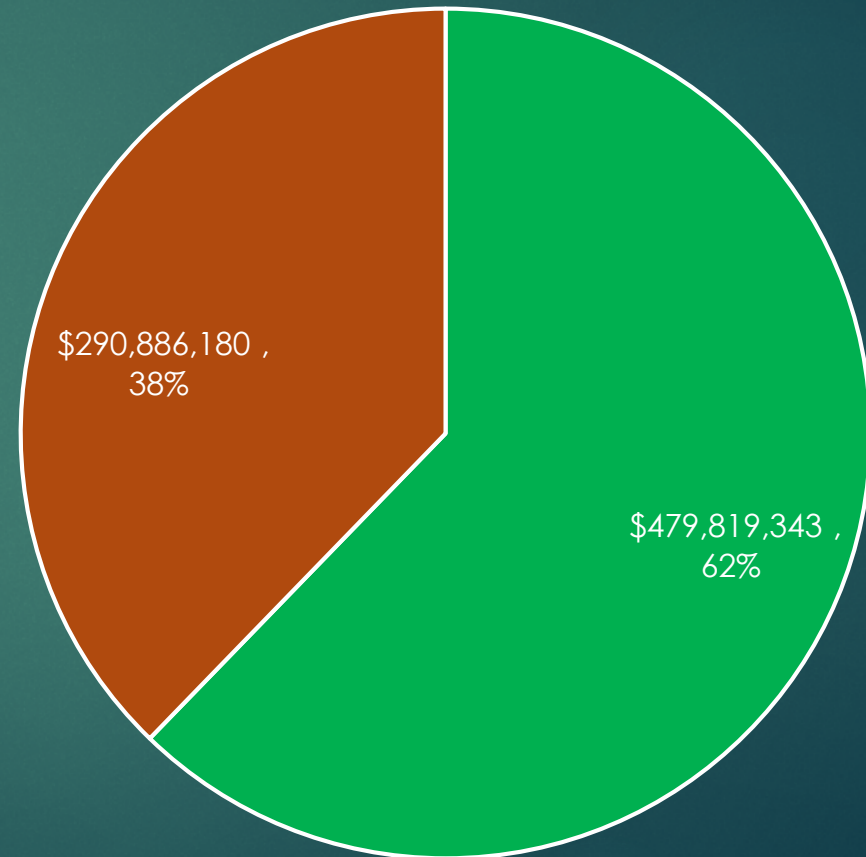


OFFICE OF HAWAIIAN AFFAIRS

**NATIVE HAWAIIAN TRUST FUND
INVESTMENT POLICY STATEMENT**

Adopted by the Board of Trustees, August 24, 2017
Effective October 1, 2017

Market Value
as of December 31, 2021
\$770,705,523



■ Financial Assets ■ Hawaii Commercial Real Estate

Goals for Financial Assets

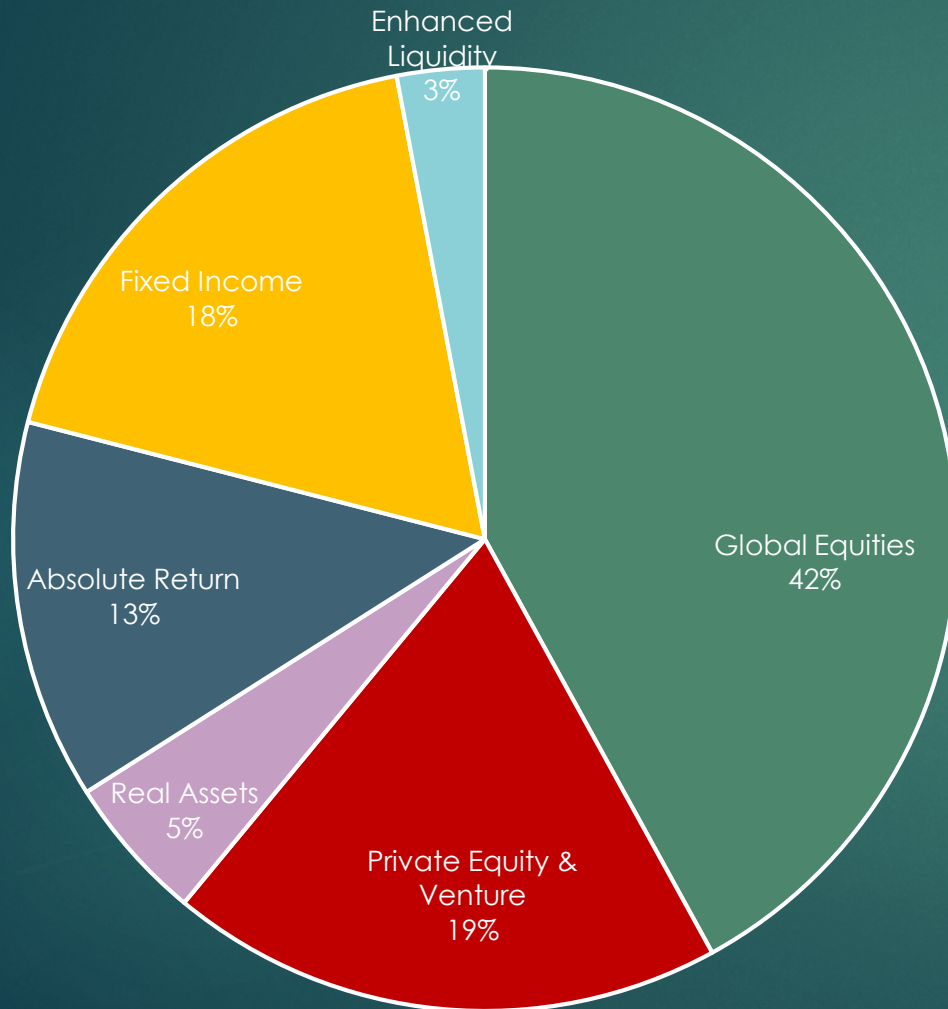
- ✓ Long-term - Consumer Price Index(CPI) + 5% Return Objective
- ✓ Provide Intergenerational Equity - Spending 5%(20 Quarter Rolling Average)
- ✓ Preserve and grow Endowment into perpetuity

Implementation

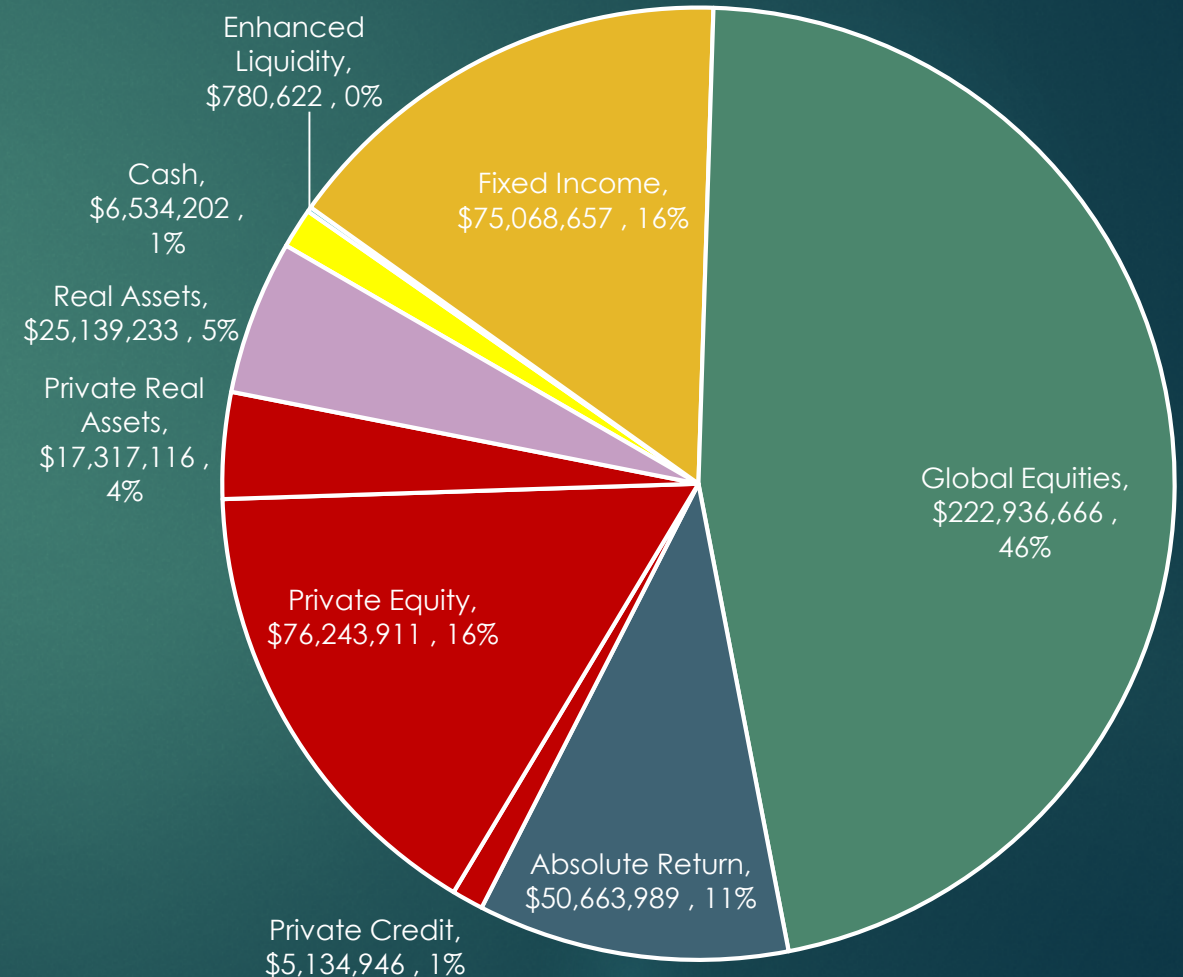
- ✓ “Manager of Managers” Approach
 - Common Fund, JPMorgan, Goldman Sachs, and Pantheon
- ✓ Direct Allocations
 - State Street and PIMCO

Financial Assets – Asset Class Exposure

Strategic Asset Allocation Targets



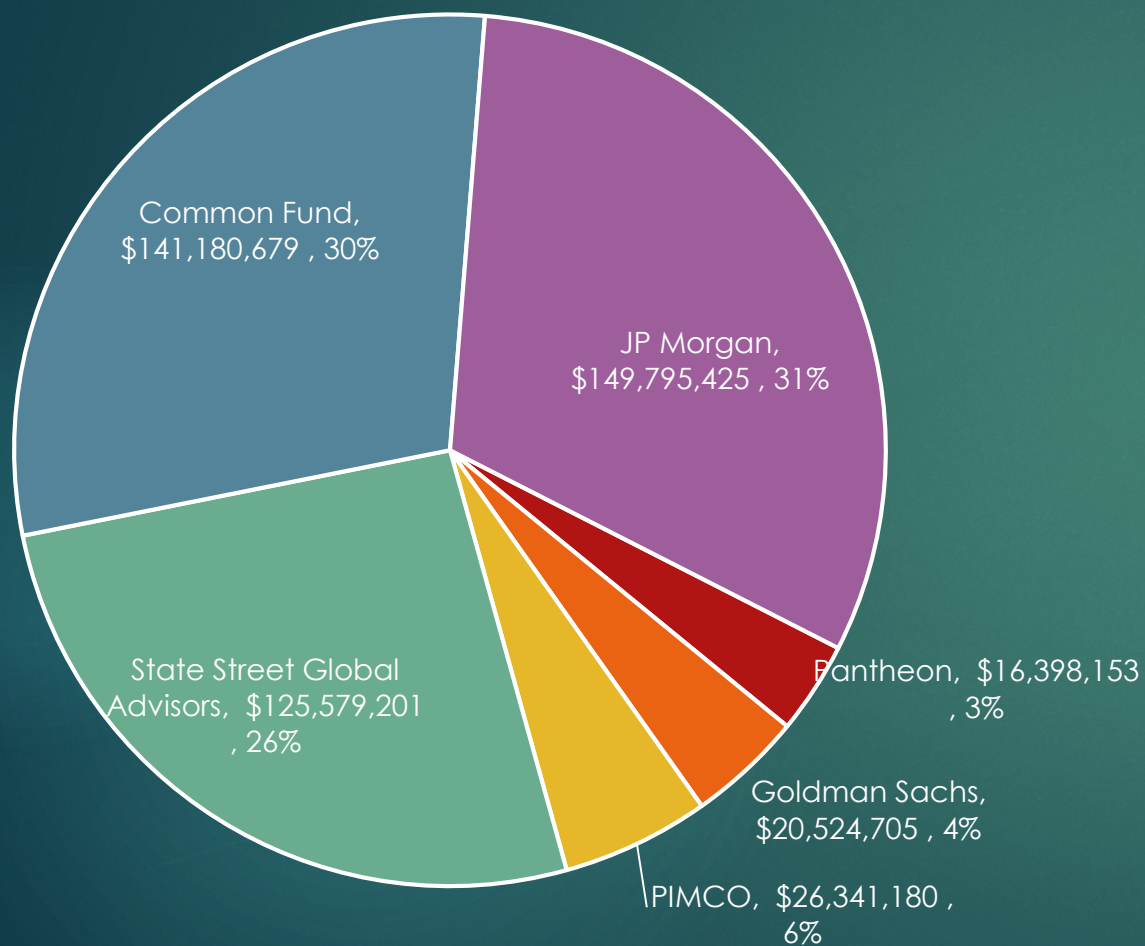
As of December 31, 2021



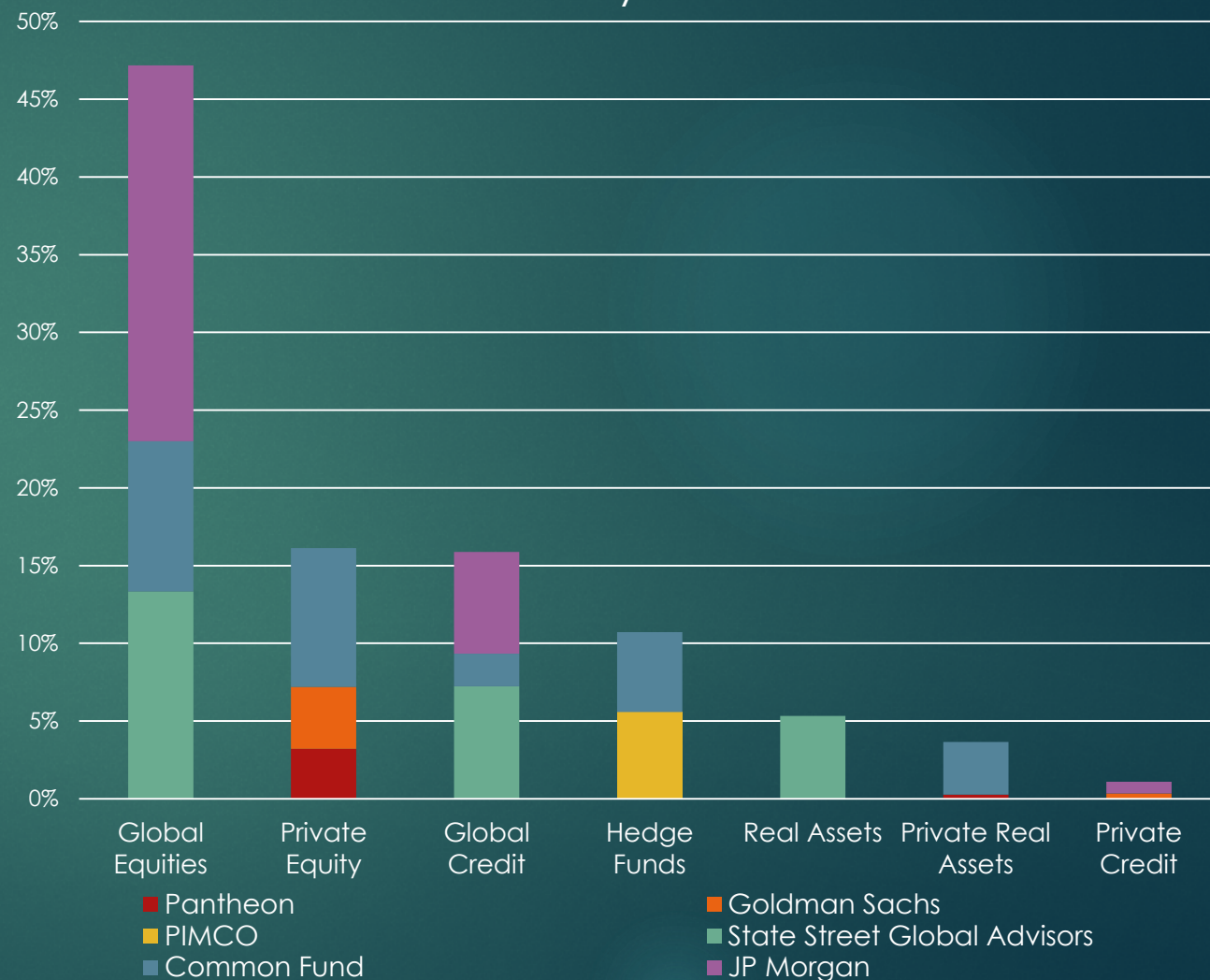
Manager of Manager Approach



Allocation by Manager



Allocation by Asset Class



NHTF - Policy Updates

➤ Trustee Workshops Completed – last 12 months

- ✓ Endowment Investment Policy Statement (IPS)
- ✓ Spending Policy
- ✓ Debt Management Policy
- ✓ Asset Allocation
- ✓ Governance
- ✓ Private Portfolio Investments

➤ Goal of IPS Policy Updates – next 3 to 12 months

- *Improve Long-term Expected Returns*
- *Align Asset Allocation along with long-term goals*
- *Enhance Governance Structure*
- *Improve investment implementation*

Fee Analysis

Manager Fee Analysis - Marketable Funds

As of December 31, 2021

	Annual Fee (%)	Advisory Fee (%)	Market Value (\$)	Estimated Annual Fee (\$)
Total OHA Plan			477,517,080	3,343,012
Global Equities			226,526,884	846,983
State Street Money Market	0.00%	-	-	-
Commonfund Open Cash	0.00%	-	3,590,217	-
State Street S&P 500 Index Strategy (SSSYX)	0.02%	-	37,954,621	7,591
JP Morgan US Equity R6 (JUEMX)	0.44%	-	24,798,515	109,113
JP Morgan Value Advantage Instl (JVAYX)	0.64%	-	20,287,292	129,839
JP Morgan Growth Advantage (JGVVX)	0.64%	-	17,814,249	114,011
JP Morgan Small Cap Blend R6 (JSCHX)	0.74%	-	1,474,744	10,913
State Street Global AC Equity ex-US (SSGLX)	0.06%	-	25,090,539	15,054
Strategic Solutions Global Equity	0.27%	0.29%	45,616,675	255,453
JP Morgan International Research Enhcd Equity (JEIQX)	0.25%	-	19,654,159	49,135
JP Morgan International Equity R6 (JNEMX)	0.50%	-	17,101,699	85,508
JP Morgan Emerging Markets Equity (JEMWX)	0.79%	-	3,845,505	30,379
JP Morgan Emerging Mkts Research Enhanced (EMRSX)	0.43%	-	9,298,669	39,984
Global Fixed Income			61,795,139	120,291
SSGA Funds	0.00%	-	401	-
JPM Open Cash	0.00%	-	1,063,922	-
State Street Aggregate Bond Index (SSFEX)	0.025%	-	34,189,804	8,547
JP Morgan Core Bond (JCBUX)	0.34%	-	11,582,514	39,381
JP Morgan Core Plus (JCPUX)	0.39%	-	4,979,166	19,419
WAMCO Short Dated High Yield Portfolio	0.28%	0.25%	9,902,299	52,482
JP Morgan High Yield R6 (JHYUX)	0.60%	-	77,033	462
Global Real Assets			39,477,074	90,090
iShares TIPS Bond (TIP)	0.19%	-	14,337,841	27,242
SSGA Real Asset NL Strategy (HWA4)	0.25%	-	25,139,233	62,848
Hedge Funds			50,663,989	929,210
Global Absolute Alpha Company	0.50%	1.75%	24,322,809	547,263
PIMCO Tactical Opportunities Fund*	1.25%	0.20%	26,341,180	381,947
Enhanced Liquidity Account			780,622	624
SSGA 1-3 Year U.S. Credit Index (CM2WNON)	0.08%	-	780,622	624

*Includes 20% incentive fee over the 4-week T-Bill

	OHA Commitment (\$)	Annual Fee (%)	Advisory Fee (%)	Carried Interest (%)	Preferred Return (%)	Market Value (\$)	Estimated Annual Fee (\$)
Fund of Funds						55,390,595	880,756
Commonfund Private Equity Partners VIII	2,000,000	0.49%	1.11%	2.5%	-	1,507,627	24,122
GS GEM PEM Off	2,500,000	0.396%				2,590,036	10,257
Commonfund Emerging Markets Partners 2013	5,000,000	0.54%	1.48%	2.5%	-	7,602,819	153,577
Commonfund Private Equity Partners IX	2,000,000	0.42%	0.99%	2.5%	-	2,399,673	33,835
Pantheon Europe Fund IV LP	3,830,243	0.345%		5.0%	10.0%	295,991	1,022
Pantheon USA Fund VI LP	6,000,000	0.00%		5.0%	10.0%	147,598	-
Pantheon Europe Fund VI LP	4,800,000	0.492%		5.0%	10.0%	2,286,108	11,249
GS PEP 2004 Offshore	9,900,000	0.042%				279,987	118
GS PEP 2005 Offshore	2,000,000	0.07%				116,289	81
Pantheon USA Fund VIII LP	7,500,000	0.443%		5.0%	10.0%	3,416,946	15,133
GS PEP X Offshore	3,000,000	0.125%				988,988	1,236
Commonfund Venture Partners X	5,000,000	0.59%	1.89%	2.5%	-	12,582,007	312,034
GS PEP Asia Offshore	1,000,000	0.094%				183,598	173
GS PEP IX Offshore	1,000,000	0.094%				183,542	173
Commonfund International Partners VIII	3,000,000	0.39%	1.61%	2.5%	-	2,955,529	59,111
Commonfund International Partners VII	3,000,000	0.35%	0.32%	2.5%	-	1,980,373	13,268
Commonfund Venture Partners XI	4,750,000	0.63%	1.09%	2.5%	-	13,192,282	226,907
Pantheon Emerging Asia Fund VI LP	2,000,000	0.689%		5.0%	10.0%	2,681,201	18,460
Total Multi-Strategy						21,423,837	231,974
Pantheon Global Co-Investment Opps II	1,000,000	0.90%		10.0%	8.0%	698,117	6,283
Pantheon Global Secondary Fund IV LP	5,000,000	0.531%		10.0%	8.0%	499,138	2,653
Pantheon Global Secondary Fund V	7,000,000	0.90%		10.0%	8.0%	5,026,951	45,243
GS Vintage V Offshore	4,500,000	0.094%				312,471	294
Pantheon Global Secondary Fund II LP	5,000,000	0.00%		5.0%	8.0%	73,111	-
GS Vintage VI Offshore	5,000,000	0.30%				1,301,137	3,903
GS Vintage VII Offshore	5,000,000	0.938%				5,177,050	48,561
GS Co-Investment Partners II Offshore	8,000,000	1.50%				8,335,862	125,038
Total Private Debt						4,368,893	
Highbridge Offshore Mezzanine Partners II LP	5,000,000	1.25%		20.0%	8.0%	1,716,651	21,458
GS Mezzanine V	N/A	1.50%				42,778	642
Highbridge Irish Specialty Loan Fund III	3,000,000	0.00%		15.0%	7.0%	107,104	-
GS Broad Street Senior Credit Partners	N/A	1.00%				1,366,228	13,662
Highbridge European Asset Value Offshore	3,000,000	1.50%		20.0%	8.0%	1,136,132	17,042
Total Private Real Assets						17,090,046	243,084
Commonfund Natural Resources Partners X	9,500,000	0.63%	1.01%	2.5%	-	7,183,414	117,808
JP Morgan Asian I&R Res Opp Fund II	1,250,000	0.00%		-	-	519,379	-
GS Broad Street Real Estate Credit Partners II GP	N/A					245,822	-
Pantheon Global Infrastructure Fund II	2,000,000	0.675%		5.0%	8.0%	1,244,426	8,400
Commonfund Natural Resources Partners IX	10,000,000	0.63%	0.85%	2.5%	-	7,897,005	116,876

NATIVE HAWAIIAN TRUST FUND

INVESTMENT POLICY STATEMENT

The following Investment Policy Statement (IPS) has been duly adopted, by the Office of Hawaiian Affairs, Board of Trustees at its meeting held on August 12, 2021 and is in full force and effect on August 12, 2021.

Carmen Hulu Lindsey, Chairperson
Board of Trustees

Date

First Reading: August 5, 2021
Second Reading: August 12, 2021

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Distribution:

- 9- Each OHA Trustee via Asset & Resource Management Committee
- 1- OHA BOT Secretary
- 1- OHA Chief Executive Officer
- 1- OHA Chief Operating Officer
- 1- OHA Chief Financial Officer
- 1- OHA Controller
- 1- OHA Chief Investment Officer
- 1- OHA Investment Consultant
- 5- Each Investment Advisor/ Non-Marketable Alternatives Provider
- 1- Custodian

THE OFFICE OF HAWAIIAN AFFAIRS NATIVE HAWAIIAN TRUST FUND INVESTMENT POLICY STATEMENT

OBJECTIVES AND POLICY GUIDELINES

Section 1. Introduction and Scope

1.1 Introduction. This statement governs the investment of assets held in the Office of Hawaiian Affairs Native Hawaiian Trust Fund (the "Fund").

This Policy Statement is set forth so that the Board of Trustees ("BOT") of the Office of Hawaiian Affairs ("OHA"), OHA Staff, Investment Consultant, Investment Advisors and Investment Managers (where appropriate), and beneficiaries may be made aware of the investment policy with regard to the investment of the Fund's assets, the investment objectives, and the expectations and requirements with respect to the ongoing management of the Fund's assets.

1.2 The Trust. OHA's mission is to mālama (protect) Hawai'i's people and environmental resources and the Trust Fund's assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally. The overall goal of the Fund is to provide superior investment returns to sustain the beneficiaries in perpetuity and to uphold OHA's mission.

1.3 Purpose of the Investment Policy Statement. In keeping with the fiduciary requirements and obligations of all parties involved in managing the Fund under existing Federal and State laws, the purposes of this Policy Statement (the "Statement") are to provide the:

- a) BOT, OHA staff, Consultant and Advisors with a clear and mutual understanding of the Fund's philosophy, investment objectives and policies;
- b) Advisors with guidance, objectives and limitations in investing the Fund's assets; and
- c) BOT with a meaningful basis to evaluate the Advisors' performance in order to meet the BOT's fiduciary responsibility to monitor prudently the Fund's investments.

This Statement represents the BOT's philosophy regarding the investment of the Fund's assets. The BOT will review and revise the Statement as needed to ensure that it continues to reflect the BOT's expectations and objectives. All of the BOT's modifications or amendments to the Statement shall be made in writing and will be provided to all Investment Advisors and Consultants.

It is also intended that the investment policies be sufficiently specific to be meaningful, but adequately flexible to be practicable. It is further understood that all performance standards and return objectives in this Statement are intended as evaluation tools for determining whether to continue to retain the Advisors. The parties understand that the Advisors cannot give assurance of actual investment results and that the Advisors understand that the BOT will terminate its relationship with an Advisor based on a determination that the Advisor is not achieving the performance standards.

1.4 Manager-of-Managers Approach. The BOT has elected to employ Advisors in an outsourced manager-of-managers investment approach, without necessarily bundling custodial services. There is a preference for a full discretionary approach to invest across multiple asset classes. When necessary to achieve the Fund's objectives, the BOT may hire an Advisor with a non-Manager-of-Managers approach or to manage assets with a specific asset class mandate. Under the outsourcing agreement, the Advisors will assume certain BOT fiduciary responsibilities as set forth in the applicable agreement(s) between the Advisors and the BOT. The Advisors are accountable for the prudent management of all assets subject to their oversight and, where applicable, will make all key investment decisions, such as tactical asset allocation and manager selection, within the context set by this Statement and in adherence to the duties and powers set forth in the applicable management, advisory, or trust agreements. The BOT

still maintains responsibility for imposing guidelines, targets and asset allocation constraints as set forth in this Statement, and for monitoring the Advisors to ensure they act prudently and adhere to all aspects of the Statement.

1.5 Spending Policy. The annual amount withdrawn from the Fund shall constitute no more than five percent (5%) annually of the Fund's market value, excluding any Fiscal Reserve spending, using the methodology specified in the OHA Native Hawaiian Trust Fund Spending Policy. The calculation of the maximum withdrawal amounts are set forth in the Native Hawaiian Trust Fund Spending Policy and Fiscal Reserve Withdrawal Guidelines.

Section 2. General Objectives

2.1 Prioritized Investment Objectives. The overall objectives of the Fund are in the following order of priority:

- a) To grow the Fund's assets consistently by at least inflation plus five percent annually (Consistent Capital Growth);
- b) To invest in a manner that seeks to ensure the continuous preservation of purchasing power of the overall portfolio (Capital Preservation);
- c) To achieve a portfolio return that meets or exceeds the return of the Fund's Policy Portfolio Benchmark on a net of fee basis over a long time horizon (Benchmark Outperformance); and
- d) To diversify the portfolio by asset type, security (issuer) and Investment Manager to reduce the volatility of returns (Adequate Diversification).

2.2 Long-Term Objective. Consistent capital growth is the primary objective of the Fund. The investment portfolio shall be designed with the objective of protecting principal while earning a rate of return that is targeted to meet or exceed the real spending rate and the strategic benchmark index of the Fund over the long term in order to preserve the Fund's assets and ensure that sufficient liquidity will be available to cover future cash requirements. Consistent capital growth is achieved by investing prudently in a wide range of asset classes to achieve proper diversification, thereby reducing volatility. Since the Advisors will focus on long-term capital appreciation, the Fund may experience a drawdown of principal, although over a full market cycle, the Advisors in aggregate are expected to produce a total annual return that will exceed inflation as measured by the Consumer Price Index (CPI) by five percent. It is anticipated that the Fund will experience an annualized average volatility of approximately 13% annually with a maximum rolling 12-month annualized volatility of roughly 20% over a market cycle.

All parties named in this Statement shall carry out their business in compliance to all existing and future applicable state and federal regulations (Regulatory Compliance Requirement) and for assets subject to their discretion maintain adequate liquidity to meet all anticipated expenditures after sufficient notice (Adequate Liquidity Requirement).

2.3 Definition of Market Cycle. Throughout this Statement the term "market cycle" is used. Market cycles include both a rising and a declining market. Generally, a rising market will be defined as a period of at least two consecutive quarters of rising stock prices and a declining market will be defined as a period of at least two consecutive quarters of declining stock prices. Therefore, a Market Cycle (the minimum period of evaluation) shall be at least one year and more typically three to six years.

2.4 Definition of Investment Consultant, Investment Advisor and Investment Manager. Throughout this Statement the terms Investment "Consultant", Investment "Advisor" and Investment "Manager" are used. Consultant shall refer to the entity hired by the OHA Chief Executive Officer ("CEO") to assist OHA staff and BOT in overseeing the Fund and to monitor and evaluate the Advisors; "Advisor" shall refer to each Fiduciary (typically utilizing the "manager-of-managers" approach) hired by the BOT to exercise investment discretion over a portion of the Fund's assets within the parameters set forth in the Statement; and "Manager" shall refer to any portfolio manager selected by the Advisors to invest the Fund's assets.

Section 3. Standards of Care

3.1 Board of Trustees and OHA Staff. The standard of care applied to the BOT and OHA internal staff assigned to the Fund shall be the "prudent person" standard, defined as follows: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The BOT may rely upon the expert advice and counsel of its external providers to satisfy the "prudent person" standard provided the BOT has established adequate controls and fulfills its oversight responsibilities regarding the external providers as outlined in this Statement.

3.2 External Providers. The standard of care applied to all external providers (i.e., Consultant, Advisors (indirectly Investment Managers hired by the Advisors), and Custodian) shall be as set forth in the agreement between the BOT or CEO, as appropriate, and each external provider. The BOT will negotiate a standard for the Investment Advisors that is similar in effect to the "prudent expert" standard, defined as: "Investments shall be managed with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims".

3.3 Code of Ethics. OHA Trustees, OHA officers, and OHA employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of their investment program, or that could impair their ability to make impartial decisions. OHA Trustees and employees involved in the investment process shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. OHA employees and officers shall refrain from undertaking personal investment transactions with entities that conduct business with the Fund. Should any Trustees have personal involvement with any direct investment transaction or any perceived conflicts of interest, the Trustee should disclose the involvement immediately and be recused from discussions and votes on said investment. OHA Trustees, officers, and employees shall abide by the Standard of Conducts established under Chapter 84 of the Hawai'i Revised Statutes and the code of ethics stated in the OHA Bylaws and, where appropriate, the OHA Employee Handbook and the BOT Executive Policy Manual.

Section 4. Delegation of Authority

The Office of Hawaiian Affairs Native Hawaiian Trust Fund maintains a structured and organized process in implementing its investment program. To accomplish the mission, objectives and desired investment returns of the Fund, the Board of Trustees has delegated authority to various individuals and organizations.

4.1 BOT Composition. The BOT currently consists of representatives from:

- a) O'ahu
- b) Kaua'i and Ni'ihau
- c) Moloka'i and Lana'i
- d) Hawai'i
- e) Maui
- f) At large (4)

4.2 BOT Responsibilities. The BOT recognizes that it may not possess sufficient expertise to manage directly the assets of the Fund. The BOT, therefore, employs the services of various external experts to act as Fiduciaries--Consultants, Advisors and/or Custodians and seeks advice from independent parties. The BOT does rely on this expertise in carrying out its responsibility to oversee the overall management of the Fund's assets, and will meet quarterly to review the performance of the Fund and the activities of the external providers for reasonable consistency with the objectives of the Fund as set forth in this Statement. When necessary, the BOT will provide

guidance to the investment process. BOT may delegate certain of its responsibilities to the CEO to assist with the implementation of this Statement. BOT responsibilities include, but are not limited to:

- a) Approve the Investment Policy Statement and all modifications to the Statement;
- b) Approve Advisors and Non-Marketable Alternatives Providers. The BOT delegates authority to the CEO to select the Custodian, Consultant and Investment Advisory Committee (IAC) members;
- c) Monitor results of all Fund assets as a whole and those assigned to each Advisor. The BOT shall include in its quarterly assessment such topics as: economic outlook, portfolio diversification, asset allocation and structure, Advisors' strategies, potential risks, and the performance of the overall portfolio as well as each of the Fund's asset classes versus its benchmark rate of return and peer institutions;
- d) Review quarterly reports regarding the activities of Advisors, Consultant, Investment Advisory Committee and OHA staff overseeing the Fund;
- e) Review quarterly reports from the Custodian and Advisors regarding the composition of each Advisor's assets under management versus the Fund's strategic target and the asset class strategies of each Advisor;
- f) Review the quarterly report of the Consultant regarding the performance of the Fund and the Advisors;
- g) As necessary, review the Fund's strategic direction or significant issues impacting the Fund or Fiduciaries, and take action as appropriate;
- h) Attend a minimum of two investment educational events held in Hawai'i per year; and
- i) Attend out-of-State training, educational or due diligence events that are recommended by the CEO and approved by the Chairperson of the BOT.

4.3 Duties of the Consultant, Investment Advisory Committee, CEO and OHA Staff. The duties of the Consultant will be as set forth in the agreement entered into between the CEO and the Consultant. The duties of the Investment Advisory Committee are as outlined in the Committee's Charter. This Committee has no authority to make decisions, but only serves to provide independent comments to the Consultant, the CEO and staff, and BOT representatives regarding the economic outlook and the Fund's assets, strategies, performance, risks and Fiduciaries. The duties of the CEO, OHA staff, Investment Advisory Committee and Consultant will be set forth in the OHA Native Hawaiian Trust Fund Operational Procedures. The CEO is responsible for approving these Operational Procedures and for reviewing and approving all investment decisions not made by an Advisor, except those reserved for the BOT. The Consultant and OHA staff are responsible for assisting the CEO and the BOT in the execution of their responsibilities. Duties of the Consultant and OHA staff jointly include, but are not limited to:

- a) Monitor the performance of each Advisor's portfolio as frequently as market conditions dictate, including review of the Advisor's monthly reports;
- b) Aggregate as necessary and monitor the performance of the Fund's investment portfolios monthly and prepare quarterly performance and Advisor activity reports for review by the CEO and BOT;
- c) Monitor the monthly reconciliation of the portfolio positions and valuations among the Custodian and Advisors (OHA staff only);
- d) Seek to ensure that assets are invested in accordance with the requirements specified in this Statement;
- e) Recommend to the CEO and implement operational procedures that will enhance the investment program of the Fund and ensure that proper internal controls are implemented to safeguard the assets of the Fund, including preparing Investment Guideline Summaries for each of the Advisors;
- f) Recommend benchmarks for approval to the CEO;
- g) Prepare periodic market-cycle and annual reviews of the Fund's investments and the Advisors' performance, including findings from annual due diligence visits for presentation to the BOT;
- h) Conduct onsite annual due diligence of the Advisors and Custodian;
- i) Coordinate and vet changes to the Investment Policy Statement and serve as chair (Consultant) and secretary (OHA staff) to the Investment Advisory Committee;
- j) Evaluate the reasonableness of recommendations of Advisors and Non-Marketable Alternatives Providers regarding investment decisions and policies requiring the approval of the CEO.
- k) Evaluate and recommend Direct Investments in Hawaii for the approval of the CEO and BOT, as appropriate;
- l) Manage the Fund's Enhanced Liquidity Account assets awaiting disbursement to OHA consistent with the

Operational Procedures reviewed by the CFO and approved by the CEO; and

- m) Evaluate and recommend (OHA staff and Consultant) new Advisors for the approval by the CEO and BOT;
- n) Maintain knowledge of current trends and conditions with respect to investment management through continuing education.

4.4 Duties of the Advisors. The duties of the Advisors shall be as set forth in the agreements entered into between the BOT and the Advisors, and will explicitly include this Statement as an addendum. The Advisors act as Fiduciaries of the Fund for the assets they have under management. Duties of the Advisors include, but are not limited to:

- a) Invest the assets of the Fund within the constraints of the Statement while adhering to the investment management style, concepts and principles for which they were retained by the BOT. Advisors are responsible for tactical asset allocation and manager selection unless otherwise stated in the management and/or trust agreement with OHA;
- b) Where applicable per the Advisor management agreement, for all investment decisions requiring the CEO's approval, recommend specific investments and provide strategic and/or tactical investment advice to the BOT, CEO, OHA staff, and Consultant as appropriate to render a decision that will achieve the Fund's investment objectives;
- c) Seek to achieve best execution and price for all transactions effected on behalf of the Fund with brokers and dealers qualified to execute institutional orders on an ongoing basis and if appropriate, facilitate the recapture of commissions on behalf of the Fund;
- d) Reconcile within tolerance limits monthly accounting, transaction, valuation and asset summary data with the Custodian's transactions, valuations and holdings, including resolving any discrepancies with the Custodian;
- e) For investments where a market value is not available, assist the Custodian as necessary in finding appropriate pricing sources or establishing fair value procedures.
- f) Report to the BOT on all significant matters pertaining to their firm's ownership, investment style and philosophy, changes in personnel and performance relevant to the management of the Fund. Items relevant to the Fund include those that would have a direct or indirect impact on the ability of the Advisor to continue to provide a high level of service;
- g) Vote the proxies of invested companies (or delegate the vote to Managers), as they deem appropriate, although the BOT reserves the right to vote proxies in separately managed accounts if it so chooses;
- h) Periodically conduct capital market studies and make recommendations to the BOT regarding changes to the Statement and strategic asset allocation targets and ranges based on the risk/return objectives of the Fund and the economic and market outlook. The timing of these analyses, and either reaffirmation or recommendation of modifications to this Statement, shall be as agreed upon with the BOT, but normally every two to five years, but no less frequently than every six years;
- i) Select qualified Investment Managers, and monitor existing Managers' style consistency and performance at least monthly, including due diligence of those Managers regarding personnel, ownership, risk management and the investment process;
- j) Negotiate fee arrangements and other contract terms with the investment Managers on behalf of the Fund;
- k) Communicate with the Consultant and/or OHA staff on at least a monthly basis regarding actions taken, or any material changes, issues or circumstances warranting attention including performance of the Fund, market conditions and outlook, manager-turnover, Managers' or Advisor's staff turnover, etc;
- l) Prepare and present a quarterly executive summary report to the BOT as requested by the Consultant or OHA staff including performance versus benchmarks, asset allocation, economic outlook, fees, Manager summary, and any other significant issues impacting the Fund;
- m) Assist the Consultant and OHA staff in preparing Investment Guideline Summaries for the approval of the CEO covering the assets under their management and annually prepare a compliance and derivatives usage report (Each Advisor's Investment Guideline Summary will govern the assets under their management in conjunction with the Investment Policy Statement and the Investment Management Agreement between the

- Advisor and OHA);
- n) Host an annual onsite comprehensive and/or topical due diligence for the Consultant and OHA staff and officials and as requested provide portfolio analytics and style consistency adherence at the manager-level for the Advisor's commingled vehicles;
- o) Negotiate and arrange for brokerage and any applicable recordkeeping services;
- p) Render special projects at the request of the BOT, the Consultant or OHA staff; and
- q) Provide certain other services, as described elsewhere in this Statement, such as investment training, market research, educational programs, analytical tools, etc.

4.5 Duties of the Custodian. The duties of the Custodian shall be as set forth in the agreement between the BOT and the Custodian. In addition to other responsibilities contained in that agreement the Custodian will:

- a) Provide complete custody and depository services for the Fund's assets including obtaining market values or fair values for all assets on at least a monthly basis;
- b) Provide a monthly report of transactions by the Advisors and, where applicable, by OHA (Enhanced Liquidity Account) as set forth in the Custody agreement;
- c) Provide audited monthly and annual accounting statements for all the Fund's assets and transactions;
- d) Collect all interest income, dividends and principal realization and properly report them in all accounting statements;
- e) Disperse funds to cover expenses, accept funds from OHA or the Advisors, and disperse funds to OHA or the Advisors as properly instructed by CEO or OHA staff, and properly report these transactions in all accounting statements; and
- f) Reconcile monthly accounting, transaction and asset summary data and communicate and resolve any discrepancies with the Advisors.

Section 5. Asset Allocation Guidelines and Long Term Targets

The BOT prefers Advisors who can construct and manage a portfolio encompassing multiple strategic asset classes using a Manager-of-Manager approach and utilize the Fund's strategic target index as their primary benchmark (strategic target weight times strategic benchmark index return for each strategic asset class). The purpose of the strategic target asset allocation is to provide an optimal mix of investments that has the potential to produce the desired returns with the least amount of fluctuation in the overall value of the investment portfolio. The minimum and maximum levels listed below are targeting guidelines as opposed to absolute barriers; Advisors should bring asset allocations which are outside of their approved targeting range back to the range per their rebalancing policy unless granted a written exception by the CEO. The Traditional and Alternative Assets Advisors are not responsible for Hawai'i Direct Investments and the Enhanced Liquidity Account. The Alternatives Advisor may hedge the under or over exposure to asset classes with barriers to entry and exit (Non-Marketable Alternatives) with similar liquid (marketable) asset classes (e.g. hedge underexposure to targeted private equity using traditional equity or marketable equity alternatives).

There is no specific asset allocation target to Hawai'i Direct Investments, however, asset allocation concerns will weigh into consideration when evaluating any other capital investments. It is expected that Hawai'i commercial real estate will remain a substantial portion of the Fund given OHA's legacy and identity as a Native Hawaiian organization.

5.1 Asset Allocation.

Asset Class Portfolios	Maximum	Minimum	Strategic Target	Benchmark Index	Primary Objective
Traditional Asset Classes					
Traditional Global Equities	55%	22%	42%	MSCI ACWI	Growth
Traditional Global Fixed Income	22%	11%	18%	Bloomberg US Aggregate	Income
Traditional Global Real Assets	11%	0%	5%	US TIPS +3%	Inflation Hedge
Total Traditional Assets	88%	33%	65%		
Alternative Asset Classes					
Hedge Funds	19.2%	6.4%	13%	3-Month T-Bills +4%	Volatility Management
Private Markets*	25.6%	0%	19%	MSCI ACWI +3%	Growth
Total Alternative Assets	44.8%	6.4%	32%		
Enhanced Liquidity Account					
Enhanced Liquidity	10%	0%	3%	1-3 Year Treasury	Liquidity
Total Financial Assets			100%		
Hawai‘i Direct Investments					
Hawai‘i Direct Investments	No Target			CPI +5%	Total Return
*The Private Market allocation will consist of the previous Non-Marketable Equity, Credit, and Real Assets & Opportunistic portfolios					

The Strategic Targets for the Asset Classes listed in the table above multiplied by the benchmarks recommended by the Consultant and approved by the CEO constitute the Policy Portfolio. The table below regroups the Asset Classes by their primary objective.

Asset Class Portfolios	Maximum	Minimum	Strategic Target
Growth			
Traditional Global Equities	55%	22%	42%
Private Markets	25.6%	0%	19%
Total Growth	80.6%	22%	61%
Income			
Traditional Global Fixed Income	22%	11%	18%
Total Income	22%	11%	18%
Volatility Management			
Hedge Funds	19.2%	6.4%	13%
Inflation Hedge			
Traditional Global Real Assets	11%	0%	5%
Total Inflation Hedge	11%	0%	5%
Liquidity			
Enhanced Liquidity	10%	0%	3%
Hawai'i Direct Investments			
Hawai'i Direct Investments	No Target		

All Hawai'i-based Direct Investments are excluded from the discretionary Manager-of-Managers framework. The OHA staff with the assistance of the Consultant will be responsible for the due diligence, performance monitoring and reporting of such investments. For Hawai'i commercial real estate, OHA chooses to utilize internal management of the assets. Management shall formulate and implement an overall strategy incorporating both economic and cultural focus. Internal management will also leverage the expertise of OHA's Real Estate Advisory Committee and external real estate consultant.

Private Market investments are accomplished outside of the discretionary Advisor framework as the Advisors do not have investment discretion over these assets. Approved Non-Marketable Alternatives Providers will provide OHA staff and the Consultant with sufficient information and analyses to evaluate their investment recommendations. The information may include Manager due diligence reports and portfolio analytics so that the CEO can make an informed decision relating to the investment. It is recognized that there may be underinvestment or overinvestment in these illiquid asset classes due to the timing of capital calls and distributions.

5.2 Benchmarks. Each Advisor will use the primary strategic benchmark index listed in their Investment Guideline Summary as a guide in managing assets under their control. The strategic asset allocation targets and ranges, performance benchmarks, and additional investment guidelines are also set forth in each Advisor's Investment Guideline Summary or Investment Management Agreement. As necessary, the Consultant will recommend changes to the strategic targets, ranges, performance benchmarks, and any additional guidelines and the CEO must approve those changes before they become effective. The CEO will notify the BOT of Investment Guideline changes in writing.

Every new product of an Advisor must be assigned to one of the above asset classes as agreed upon between the Advisor and OHA Staff and/or the Consultant, with notification of the CEO. In addition, each investment may have a custom benchmark different from that of the asset class as agreed upon with the Consultant. The secondary benchmark is the Consumer Price Index (CPI) plus 5.0% annually for the Fund as a whole. The Consultant will also recommend, in consultation with each Advisor, peer manager and peer institution benchmarks and these will be approved by the CEO. Besides reporting portfolio performance versus these portfolio benchmarks, the Advisors shall report investment results on individual funds or portfolios versus their custom benchmarks.

The BOT recognizes that the actual asset allocation of the Fund may vary between or even outside of the minimum and maximum in the short term depending on market conditions and/or tactical asset allocation shifts. Asset classes not contemplated above or elsewhere in this Policy may be added to the Fund upon approval in writing by the BOT. The Advisors will only be responsible for meeting the investment objectives applicable to the portion of the Fund entrusted to such Advisors.

Rebalancing Policy. The primary purposes of rebalancing are to (1) ensure that the Fund's actual asset allocation does not drift too far from the strategic asset allocation; and (2) improve the performance of the Fund. The CEO will ensure that any agreement entered into with an Investment Advisor sets forth a rebalancing policy satisfactory to the BOT. There is no specific asset allocation target to Hawai'i Direct Investments, however, asset allocation concerns will weigh into consideration when evaluating any capital investment.

Section 6. Cash Holdings

It is the policy of the Fund that the Advisors fully invest the assets of the Fund under their control except to accommodate large cash flows. Unhedged cash and equivalents may be held in the Fund for defensive purposes at the Advisor's discretion during abnormal market conditions. The equity portion of the Advisor's portfolio should strive to maintain less than 5% of the portfolio in cash equivalents, unless the cash is hedged to achieve the appropriate asset class exposure. The fixed income portion of the Advisor's portfolio may maintain higher cash balances (e.g., as barbell strategies necessitate this exposure to cash).

Cash equivalents maximize liquidity and safety of principal. Maturities should be short enough that cash equivalents can be liquidated with a limited loss of principal. The following types of cash equivalents are eligible for investment:

- a) Money market mutual funds (2a7) which invest solely in U.S. Treasury and government agency securities;
- b) Deposits which are 100% federally insured or collateralized with U.S. government or agency securities with a market value of at least 100% of the face amount of the certificate;
- c) U.S. Treasury bills and short-term U.S. government agency securities;
- d) Overnight repurchase agreements collateralized with U.S. government or agency securities with a market value of at least 102% of the face amount; and
- e) Commercial paper of the highest two grades as rated by a nationally recognized rating agency.

Section 7. Pooled/Commingled Investments/Mutual Funds

Commingled investment vehicles where there is a pooling of securities owned by multiple clients for diversification, risk reduction, or cost benefits, include mutual funds, trust funds, private placements, and limited

partnerships, and are explicitly permissible. Although private placements and limited partnerships are exempt from both federal and state securities registration, they are considered appropriate vehicles for the Fund.

Section 8. Permissible Investments

8.1 Asset Class Definitions, Objectives, Permissible Instruments, Strategies, & Requirements. Investments in each asset class listed in Section 5, except for those investments excluded from the Advisors' responsibility, must be well diversified as defined below and in the Investment Guideline Summary or Investment Management Agreement of each Advisor. Advisors, as Fiduciaries, must exercise prudence in all matters and invest solely for the benefit of the Fund. For each asset class, the Advisors will retain Managers who invest in separate accounts or in commingled vehicles. An Advisor may select itself, an affiliated Manager, or an external Manager. Advisors may also retain Managers to provide "active overlay" strategies that use securities, currencies and derivative instruments, including but not limited to forwards, options, futures contracts, options, currency forwards, futures contracts and swaps (e.g. interest rate, credit default and total return) to replicate an index or combination of indexes. These overlay strategies will seek to (a) manage Fund exposure to various asset classes, (b) manage overall Fund risk, and (c) under certain conditions, enhance total return with tightly controlled leverage constraints.

Each Advisor must demonstrate that it has the capability to manage the risks involved in each asset class. Key to controlling risks is the ability to conduct robust ongoing due diligence on the Managers it selects and the ability to measure, manage and report portfolio risks, including issuer concentration, market, credit, duration, liquidity, leverage, currency and other major risks. The Consultant, with the assistance of OHA staff and the Advisors, must document the investment restrictions and risk controls for the portfolio of each Advisor in the Investment Guideline Summaries. The Advisors are not allowed to leverage the Fund's assets at the portfolio level without prior written approval of the BOT, although individual managers or commingled vehicles in certain asset classes and strategies may employ leverage under controlled conditions. Risk hedging in each asset class is explicitly permitted, including currency risks relative to the benchmark index and temporarily hedging the exposure in an illiquid asset class with a similar liquid asset class.

a) Traditional Global Equity - Common & Preferred Stocks and Un-levered Equity Derivatives. The primary role of traditional global equity is to seek to provide total return in excess of inflation, consistent with the appropriate benchmark index. Traditional equity may be actively managed in diversified portfolios of long only positions and/or long and short positions netting to approximately 100% long, be passively managed, utilize active overlay strategies, or be managed in any combination of active, passive and overlay strategies. The goal of an actively managed stock portfolio will be to achieve a net return after fees in excess of its benchmark index with comparable risk. Securities should be publicly owned and traded actively enough to insure liquidity without significantly adverse effects on price due to rapid sale. The Advisor should diversify the portfolio by geography—domestic and international, both developed and emerging markets, by investment style—value and growth, by manager, by approach—quantitative versus fundamental, by sector and industry, and capitalization—small, mid and large. An Advisor may select itself or an affiliated Manager in this asset class.

b) Traditional Global Fixed Income – Cash Equivalents, Bonds, Loans and Un-levered Fixed Income Derivatives. The primary role of Global Fixed Income is to seek to: 1) generate income while diversifying the investment assets, 2) provide a safe, stable return, and 3) provide a deflationary hedge. The fixed income asset class may include, but is not limited to the following components:

- a) Cash equivalents;
- b) US core credit including investment grade corporate, asset-backed, municipals and mortgage securities;
- c) High-yield securities and liquid loans; and
- d) Foreign government securities, investment grade foreign corporate debt denominated in US dollars or foreign currencies from both emerging markets and developed countries.

Advisors should ensure that managers are carefully managing portfolio duration, convexity, yield curve structure, sector exposure, issuer concentration, credit quality, non-U.S. securities, and currency risk to achieve a balanced and

reasonable risk budget relative to the benchmark index for the fixed income portfolio. An Advisor may select itself or an affiliated Manager in this asset class.

c) Global Real Assets – Real Estate Investment Trusts (REITs) and Treasury Inflation Protected Securities (TIPS). The primary role of global real estate is to seek to provide total return in excess of inflation, consistent with an appropriate real estate benchmark index. The Managers selected by the Advisors must have demonstrated a favorable record in managing real estate portfolios. The public real estate asset portfolio of the Fund may be comprised of commingled pools and/or a portfolio of real estate investment trusts (REITs), which are well diversified by property type and geographic location. Advisors shall invest in instruments which comprise a portfolio well diversified by the four main property types, including office, retail, industrial, and multifamily residential, as well as by geographic region, and tenancy/leasing structure. If a real estate investment is made via a commingled vehicle, the prospectus or operating guidelines of that vehicle will serve as the operative policy. The Advisors are responsible for ensuring that the selected vehicle or portfolio has adequate risk controls in place and that the Manager is investing according to the operative policy. The Advisors may also invest in TIPS as a diversifier, or if they believe that they provide a better value than REITs, as an inflation hedge. An Advisor may select itself or an affiliated Manager in this asset class.

d) Low Volatility Marketable Alternatives – Funds of Hedge Funds, Individual Hedge Funds, Commodity Funds, and Mutual and Exchange Traded Funds employing alternative strategies. The primary role of this asset class is to seek to provide a consistently positive return source above the risk free rate that has low volatility and low correlation to the other asset classes, and the secondary role is to provide an inflation hedge through a commodity allocation. This asset class consists of a diversified portfolio of hedge fund strategies deemed appropriate by the Advisor for this role, including but not limited to macro, commodity trading advisors, relative value, opportunistic, global tactical asset allocation, distressed, and opportunistic. The Alternatives Advisor may utilize funds of hedge funds, a portfolio of individual hedge funds, mutual funds or market neutral overlay strategies designed to achieve a consistently positive return above the risk free rate. The Alternatives Advisor may select itself or an affiliate as the fund-of-funds Manager or as one or more of the hedge fund Managers. The Alternatives Advisor is responsible for ensuring that the selected vehicle has adequate risk controls in place. The Alternatives Advisor will seek to ensure that Managers invest according to the offering memorandum or partnership agreement. The Alternatives Advisor may select Managers that utilize reasonable amounts of leverage at the fund-of-funds level and Managers that utilize reasonable leverage within their individual hedge funds. The liquidity requirements for individual hedge funds or hedge fund-of-funds will be defined in the Advisor's Investment Guideline Summary. Advisors should seek to avoid direct or indirect investments in funds with redemption gates or side pockets, as well as funds which lack reasonable transparency consistent with the investment strategy. Advisors should also avoid any funds with excessive fees in relation to market practice and/or expected returns, or terms which do not align the interests of the Manager with the client, as well as those that have the majority of assets in illiquid investments.

The primary role of the commodities allocation is to seek to provide a consistently positive return above inflation with a low or negative correlation to the other asset classes. Commodities provide an inflation hedge and should consist of a diversified portfolio of energy, metal, agricultural and other commodities, including but not limited to oil, natural gas, grains, metals, and livestock. The Alternatives Advisor may utilize separate accounts or commingled funds using a single Manager or a multi-manager approach. The Alternatives Advisor should utilize strategies that have at least monthly liquidity under normal conditions and further liquidity guidelines will be specified in the Advisor's Investment Guideline Summary. The Alternatives Advisor may select an affiliate as the Manager-of-Managers or as one of the Managers. The Alternatives Advisor is responsible for ensuring that the selected Managers have adequate risk controls in place, especially for separately managed accounts. The Alternatives Advisor will seek to ensure that Managers utilizing funds invest according to the offering memorandum or partnership agreement.

e) Non-Marketable Equity Alternatives – Private Equity Funds, Funds of Private Equity Funds, Equity Hedge Funds, and Cash Equivalents & Overlay Strategies. The primary role of Non-Marketable Equity Alternatives is to seek to provide enhanced total return to traditional equity through vehicles which may have limited liquidity and/or utilize leverage and derivatives, but employ strategies which go beyond the long only equity portfolio. Equity Alternatives include, but are not limited to, investments in private equity, venture capital, portable alpha, and long- biased equity hedge funds. The Alternatives Advisor may utilize hedge funds that correlate to the equity markets or

overlay strategies such as portable alpha to hedge an underexposure to the targeted level of Non-Marketable Equity Alternatives, and hold cash temporarily to meet capital calls. The Alternatives Advisor may select itself or an affiliated Manager to hedge an underexposure in this asset class. The CEO may approve funds of private equity funds, which consist of funds making primary and/or secondary investments in underlying private equity funds as well as some direct investments. These funds are managed for returns with low correlation to returns in the traditional equity markets, and with very little liquidity. Assets invested in these private funds are generally illiquid for five to ten or more years. The CEO needs to invest the Fund's assets in a consistent long-term approach so as to limit the vintage year risk where there is a wide range of performance depending on the year the fund is launched. The Non-Marketable Alternatives Providers will seek to ensure that general partners invest according to the offering memorandum or partnership agreement. The Providers are responsible for ensuring that the selected vehicle has adequate risk controls in place and invests within the stated style and the scope of its offering memorandum or partnership agreement. Due to the long-term nature of a private equity investment, the measurement period for complete evaluation will be over a ten-year period. A ten-year return is intended to cover at least one complete market cycle, and is consistent with the average term of private equity fund-of-funds investments. The OHA staff and Consultant will evaluate and the CEO must approve all investments in Non-Marketable funds within this asset class.

f) Non-Marketable Credit Alternatives — Mezzanine Debt Funds, Specialty Loan Funds, Distressed Debt Funds, and Credit Hedge Funds. The primary role of Non-Marketable Credit Alternatives is to seek to provide enhanced total return to traditional credit through vehicles which may have limited liquidity and/or utilize leverage and derivatives, but provide access to fixed income strategies with higher return potential. Credit alternatives include, but are not limited to mezzanine debt, bank loans, distressed debt, special situations, portable alpha, and hedge funds utilizing credit strategies. These strategies should have returns with moderate correlation to traditional fixed income returns and low correlation to the other asset classes. The Non-Marketable Alternatives Providers are responsible for ensuring that their selected vehicles have adequate risk controls in place and that their selected vehicles conform to the offering memorandum or partnership agreement. The Alternatives Advisor may select itself or an affiliated Manager to hedge an underexposure in this asset class using credit hedge funds, overlay strategies, or traditional credit strategies. The OHA staff and Consultant will evaluate and the CEO must approve all investments in Non-Marketable funds within this asset class.

g) Non-Marketable Real Assets & Opportunistic Alternatives — Natural Resource Funds, Infrastructure Funds, Commodity Funds, Master Limited Partnerships (MLP's) and unique investments that do not fit into another Asset Class. The primary role of Non-Marketable Real Assets & Opportunistic Alternative investments is to seek to provide an inflation hedge, and the secondary role is to provide enhanced total return above Traditional Real Assets by committing capital for ten years or more to private market real asset strategies. Real assets include, but are not limited to real estate, TIPS, commodities, and natural resources. The OHA Staff and Consultant will evaluate and the CEO must approve all investments in Non-Marketable funds within this asset class. The Alternatives Advisor may hedge target exposure using such marketable assets as MLP's, CTA's, REITs, TIPS, overlay strategies, or mutual and exchange-traded funds utilizing real asset strategies. The Alternatives Advisor may select itself or an affiliated Manager to hedge underexposure in this asset class.

h) Hawai'i Direct Investments. The primary role of Hawai'i Direct Investments is to seek a total return of five percent in excess of inflation from Hawai'i commercial real estate. This asset class also includes the OHA corporate headquarters and private equity and debt investments with significant operations in Hawai'i. All direct real estate investments must be made within the context of the Direct Investment Policy Statement.

Section 9. Prohibited Investments

The following investments are prohibited. Should a prohibited transaction occur, the Advisor must report it immediately after discovery to the Consultant and OHA staff, who will report it at the next BOT meeting.

9.1 Self-Dealing Transactions. Managers cannot purchase or hold any security of the Advisor who selected them, unless permitted by law.

9.2 Financial Institution Deposits including CDs. Direct deposits may not exceed the Federal Deposit Insurance Corporation insurance limit unless they are 100% collateralized by eligible U.S. government securities or fully covered by a surety bond.

9.3 Letter Stock. Letter stock and other unregistered equity securities are prohibited except in the alternative asset classes.

Section 10. Derivatives Policy

This Derivatives Policy applies to all investments with the exception of those permitted in funds in the alternative asset classes. Investments in derivatives shall not create a leverage effect on portfolio returns and must be consistent with the asset class they are in. Structured securities, futures, forwards, total return swaps, interest rate swaps, credit default swaps, options and other derivatives are permitted only if they are used in a defensive hedging manner (e.g. to hedge a currency, equitize cash, or to create an overlay strategy or structured fixed income portfolio). Advisors will be required to report on a periodic basis (at least annually) to the BOT on their use of derivatives for any purpose and to assure compliance with this Policy.

Section 11. Voting of Proxies

The BOT has delegated the authority to Advisors and Managers to vote proxies. For separately managed accounts (not pooled vehicles), the BOT reserves its right to exercise its proxy rights when it so chooses and to vote the proxies of invested companies as it deems appropriate. The proxy voting review process and guidelines are set forth in the OHA Native Hawaiian Trust Fund Operational Procedures.

Section 12. Trades, Exchanges & Valuation

12.1 Selling or Exchanging Securities. Investment Managers may sell or exchange securities in the course of daily management of specific funds. The goal of all such trades is to maximize portfolio performance while maintaining an appropriate risk profile.

12.2 Marking to Market. To account for market fluctuations and volatility, the Custodian or its agent (independent pricing agent) will mark to market all securities at least monthly. When market values are not available, the Custodian will follow the prevailing best practices regarding fair valuation. If a significant market event takes place during the month that impacts the value of the portfolio, the Custodian or its agent will determine the impact on the portfolio.

Section 13. Procedures for Selecting and Reviewing Investment Advisors

13.1 Review Process. Fund investments will be managed by professional Advisors and Managers except to the extent the BOT specifically delegates investment authority for other strategies for which the Fund's Advisors do not have specific expertise under the Manager-of-Managers' approach or for OHA's Enhanced Liquidity Account. When the BOT elects to retain a new Investment Advisor(s), it will instruct OHA staff and the Consultant to conduct a search for the Advisor and issue a public notice on OHA's website. HRS §103D-102(b)(2)(F) specifically exempts investment from the State procurement process. The selection process will include, but not be limited to, the following:

- a) The Consultant will perform a review of the universe of available candidates for the specific assignment and provide a list of best-in-class Advisors to OHA staff from a formal screening process of qualified candidates.
- b) The initial list will consist of either eight to ten Advisors, but may be fewer depending on the investment approach.
- c) OHA procurement will review the list of candidates ensuring that they meet OHA's compliance standards.
- d) The Consultant will provide OHA staff performance and risk statistics as available and applicable as well as a summary of each Advisor.
- e) OHA staff and the Consultant will evaluate the Advisors and shorten the list to four candidates.
- f) The Consultant will request each qualifying candidate to provide information which will include but is not limited to three-year, five-year, and ten-year performance record, as available, and the associated risks taken to achieve the returns, the quality and stability of the investment personnel and process of each company, adherence to philosophy/style and the fees charged by each company.
- g) OHA staff and the Consultant will provide a summary of the responses received, which will include a list of evaluation criteria to be approved by the CEO for the BOT. At least two finalists will be selected to make an oral presentation to the BOT.
- h) Final selection will be approved by the BOT.
- i) Timing of funds to Advisors will be based on the asset allocation, availability of funds, and structure of the investment.
- j) OHA staff will be responsible for coordinating the contract execution with any external Advisor or Manager approved by the BOT.

13.2 Selection Criteria for Advisors. Criteria will be established for each Advisor search undertaken by the BOT and will be tailored to the BOT's needs. These criteria are applicable to discretionary Manager-of-Managers and may not necessarily be applicable for the Enhanced Liquidity Account Manager. In general, eligible Advisors will possess attributes including, but not limited to, the following:

- a) For Manager-of- Manager searches, the firm must exhibit capabilities to offer Manager-of-Manager programs across a variety of asset classes and are capable of utilizing qualified Hawai'i-based Managers;
- b) For specific asset class searches, the firm must be experienced in managing money for institutional clients in the asset class/product category/investment style specified by the BOT;
- c) The firm must have a minimum five-year history with managing institutional assets, demonstrate continuity of key personnel,; shorter-term histories will be considered for entire portfolio management teams that have portable track records from predecessor firms;
- d) The firm must display a record of stability in retaining and attracting qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients;
- e) The firm must have an asset base sufficient to accommodate the Fund's portfolio: Manager of Managers should have at least \$20 billion of discretionary institutional assets under management; the Fund's portfolio should represent no more than 5% of the firm's total asset base for any Advisor;
- f) The firm must demonstrate adherence to the investment style sought by the BOT, and adherence to the firm's stated investment discipline;
- g) The firm should promote good governance in its proxy voting policy and adhere to best practice standards regarding transparency, manager fee structure, leverage, and liquidity in the alternative asset classes;

- h) The firm's fees should be competitive with industry standards for each product category and overall;
- i) The firm must comply with the "Duties of the Investment Advisors" outlined in this Statement and should conform to GIPS (Global Investment Performance Standards) for performance reporting;
- j) The firm must be able to offer investment education programs to the BOT and OHA staff at least once a year; and
- k) The firm must be able to provide analytics tools and/or reports necessary for OHA staff and Consultant to monitor and analyze asset allocation, risk, and manager performance.

13.3 Criteria for Advisor Review and Monitoring. The BOT reserves the right to terminate an Investment Advisor at any time with reasonable notice as defined in the contract between the BOT and the Investment Advisor. Grounds for termination may include, but are not limited to:

- a) Failure to comply with the guidelines agreed upon for the management of the Fund's assets; including holding restricted securities and conducting prohibited transactions;
- b) Failure to achieve performance objectives specified in this Statement or the Advisor's contractual guidelines;
- c) Significant deviation from the Advisor's stated investment philosophy/style and/or process.
- d) Loss of key personnel or significant ownership changes that create instability in the organization;
- e) Evidence of illegal or unethical behavior by the Investment Advisor;
- f) Lack of willingness to cooperate with reasonable requests by the BOT, Investment Consultant or OHA staff for information, meetings or other material;
- g) Loss of confidence by the BOT; and
- h) A change in the Fund's asset allocation program which necessitates a shift of assets to another process or style.

The presence of any one, or a combination of these, factors will be carefully reviewed by the BOT, but will not necessarily result in an automatic termination.

13.4 Performance Monitoring. The OHA staff and Consultant shall monitor monthly statements and receive quarterly performance reports from the Advisors. The Advisors shall monitor, at least monthly, the investment results of each Manager under contract to determine whether or not that Manager is performing up to the standard required by the benchmark of performance specified in the Manager's contract.

13.5 Advisors Total Return Comparison. The BOT expects that each Advisor's total portfolio performance over a market cycle will meet or exceed the benchmark index established for that Advisor.

13.6 Total Portfolio Returns. The BOT expects that the Fund's combined investment results over a market cycle will be in the top 50% of a nationally recognized universe of foundations and endowments with similar sized portfolios.

13.7 Asset Class Returns. Specific asset class investment results shall be measured against benchmarks as detailed in the Advisor's Investment Guideline Summary.

13.8 Advisor Alerts. Advisors are expected to keep the BOT, OHA staff and Consultant informed of any material changes in their respective firms (i.e. change in personnel, ownership, policy, etc.).

13.9 Termination. If at any time the standard required is not being met by an Advisor, the BOT will determine what action will be taken toward the Investment Advisor. The decision to terminate an Investment Advisor shall be by majority vote of the BOT present at the meeting subject to the contractual agreement.

Section 14. Liquidity Policy

The Redemption liquidity of the total Trust Fund will be maintained with a minimum 65% of the Fund's assets able to be liquidated at market value under normal conditions on at least a quarterly basis (advance notification and some

restrictions may apply). Investments with liquidity less than quarterly require the approval of the CEO. At least 50% of the total Trust Fund's assets must be liquid on at least a monthly basis at market value without restriction or advance notice longer than five business days under normal conditions. The Liquidity requirements for each Advisor and the assets under their management will be specified in their Investment Guideline Summaries and/or Investment Management Agreements.

Section 15. Errors & Omissions

The Advisor is to correct any material violation of the provisions of this Statement within a reasonable time period upon discovery. The Advisor will reimburse the Fund for a realized loss resulting from a material violation as agreed in the contract between the BOT and the Advisor.

Section 16. Adding New Asset Classes

The Investment Consultant with the assistance of OHA staff will work with the Advisors to assign each investment (e.g. fund) to an asset class portfolio, a custom benchmark index, and a peer manager universe. If the Advisor proposes an investment that does not fit into one of the approved asset classes listed in Section 5, the Advisor will prepare a written recommendation to the OHA staff / Consultant justifying the investment. The recommendation must include a description, of the new asset class, rationale for including the new investment, historical returns and risk statistics, liquidity, analysis of impact on the risk/return of the Fund, the benchmark index and manager peer universe. OHA staff and the consultant will provide a recommendation to the BOT. Adding a new asset class will require the approval of the CEO and the BOT.

Section 17. Interpretation

This Statement will be incorporated as an addendum in the agreements between the OHA BOT and each Advisor. In the event of any conflict or inconsistency between the terms of the agreement and this Statement, other than the Section 4.4 Duties of the Investment Advisors and anything designated as a Fundamental Investment Policy, the terms of the agreement with the Advisor shall govern.

Section 18. Hawai'i Direct Investment Policy (HDIP)

The primary role of the HDI asset class is to create financially viable Hawai'i commercial real estate holdings while also protecting and preserving Hawai'i lands and their cultural significance. OHA's Hawai'i commercial real estate portfolio will seek to generate a total return (Income and Capital Appreciation) to meet OHA's spending requirements while also preserving purchasing power for future generations. OHA will make capital investments to enhance, maintain, and protect existing improvements on its Hawai'i commercial real estate holdings and consider real estate acquisitions and monetization where compelling and for strategic reasons.

A secondary objective targets equity and/or debt positions in private companies based in Hawai'i as further guided by the OHA Economic Development Policy and BOT-approved lending programs for Native Hawaiians. Investments other than corporate real estate and BOT-approved lending programs must be approved by a supermajority vote of the BOT.

All direct investments should demonstrate the ability to generate current income and capital gains consistent with the asset class benchmark index and Fund's long-term objective.

18.2 Delegation of Authority. All final acquisition, development, and/or disposition decisions of Hawai'i direct investments must be approved by the BOT. The BOT delegates to the CEO the authority to:

- a) Administer the HDIP and approve and implement procedures to carry it out;
- b) Delegate duties to OHA staff as necessary to fulfill and implement this policy;
- c) Deny opportunities that do not satisfy current policy, guidelines, and/or criteria approved by the BOT;
- d) Execute contract and agreements;
- e) Conduct investment due diligence, negotiations, and on-going performance monitoring;
- f) Structure real estate financing terms for approval by the BOT;
- g) As necessary, oversee and manage the operational functions associated with each investment, including selecting and terminating service providers, negotiating leases and setting fee schedules (including market-based lease terms for OHA occupied space), obtaining and approving permits, licensing, and leasing, approving tenant improvements, sub-leases, evictions, use and service agreements, and making all other operational decisions associated with the investment; and
- h) Determine when to segregate assets to fund acquisitions and to place those assets with OHA staff to invest in the Enhanced Liquidity Account (ELA) until acquisitions are closed. These funds do not count toward the spending limit on annual transfers to the ELA

The BOT reserves the right to approve all other decisions not listed above.

18.3 Permissible Investments

Hawai'i Real Estate

- a) Hawai'i commercial real estate strategies seek to create financially viable properties owned by OHA focusing on total return to meet current spending requirements.
- b) The objective for Hawai'i commercial real estate strategies is to outperform, net of commissions and fees, a blend of real estate indices that reflect the holdings of the Fund. The performance will be monitored regularly and evaluated over rolling five and ten-year periods.
- c) Only real property that is Hawai'i commercial real estate property is included in the Fund.
- d) OHA may finance real estate acquisition or capital improvements with a mortgage. The property may be pledged as collateral under a non-recourse structure to OHA. Any amount of recourse back to OHA, including an OHA guarantee, will be considered a use of capital and therefore be subjected to the OHA's Debt Management Policy.
- e) The market valuation of Hawai'i commercial real estate is determined by biennium appraisals conducted by a reputable independent appraisal firm and that value will be utilized until the next appraisal. Before the first appraisal, the market value of the asset is assumed to equal its acquisition cost.

Other Investments

- a) Includes income and growth-oriented strategies with significant operations in Hawai'i which are managed in an integrated manner to meet the long-term spending objectives of OHA.
- b) BOT-approved lending programs for Native Hawaiians.

Section 19. Enhanced Liquidity Account Investments

The BOT has authorized the use of an Enhanced Liquidity Account (ELA) utilizing primarily short-term and intermediate-term U.S. government and agency securities, TIPS, MLP's, liquid alternative risk premia strategies, and passive beta strategies to manage OHA's short-term (less than 18 months) cash flow. The ELA may be managed internally by OHA staff or externally by a registered investment advisor. The primary objectives of the ELA are to expedite the ability to meet fiscal obligations and efficiently manage short-term cash needs; a secondary objective is to provide a highly liquid, low volatility, low or anti-correlating asset to the Fund. As such, OHA may hold up to 10% of the net assets of the Fund in the ELA. The custody of short-term investment assets shall remain with OHA's Fund Custodian.

19.1 Permissible Investments. Assets held within the ELA must have no less than monthly liquidity under normal

conditions. Passive index mutual funds, passive exchange-traded funds, passive institutional commingled funds, liquid alternative risk premia strategies, short-term U.S. government and agency securities, cash, and cash equivalents are permitted. A list of allowable investment vehicles for each asset class must be reviewed by the CFO and Consultant, approved by the CEO, and presented to the BOT for review. OHA staff or its external Manager may only select from this Approved List of investments vehicles in the ELA.

19.2 Asset Allocation and Rebalancing. The investments should be highly liquid with low volatility. Under normal conditions, the ELA's assets should be targeted no more than 2.0 percentage points (absolute) away from the strategic target allocation set forth in the ELA Manager's Investment Guideline Summary or Investment Management Agreement. OHA staff and the Consultant will devise a targeting and rebalancing process with a maximum tolerance approved by the CEO. If managed internally, OHA staff will execute the process; otherwise the external Manager will execute the process. Decisions to target the asset allocation outside of the maximum 2.0% tolerance shall be reviewed by the Investment Advisory Committee and/or CFO, approved by the CEO, and reported to the BOT prior to implementation.

19.3 Internal Controls. Internal operational controls and procedures relating to short-term investments shall be outlined in the OHA Native Hawaiian Trust Fund Operational Procedures.

19.4 Advisor and Manager Selection. The BOT will approve OHA staff under the supervision of the CFO and CEO as the Advisor and an external Manager to manage the ELA. The external Manager may not have full investment discretion; therefore, provisions relating to discretionary Advisors in this Statement may not necessarily apply to the ELA Manager. The duties of the ELA Manager shall be established based on the Investment Management Agreement between the Manager and the BOT. BOT presentations by four finalists are not necessary for ELA Manager selection.

19.5 ELA Policy Benchmark & Investment Guidelines. The Policy performance benchmark for the ELA shall be the combination of market indexes and the risk free rate as set forth in the Manager's Investment Guideline Summary or Investment Management Agreement, which will also establish investment guidelines for managing the account.

Section 20. Investment Risk Management Policy

The Native Hawaiian Trust Fund Investment Risk Management Policy is designed to ensure that there are risk control measures in place to identify, monitor, and manage the level of risks and to balance the long-term expected risk and return objectives of the Fund investment portfolio. The OHA Board of Trustees ("BOT") recognizes that the undertaking of risks is generally unavoidable in investment management. The purpose of this policy is not to eliminate risks, but to understand the risks through the implementation of disciplined processes and procedures. Risk control measures include continuous monitoring and timely reporting by OHA staff to ensure the effectiveness of OHA's investment risk management system. This Policy is not intended to provide an exhaustive list of risks or provide a comprehensive list of process and procedures to identify and mitigate risks. Rather, this policy provides generally accepted approaches to risk management that can be implemented through investment guidelines and operational policies and procedures.

Risk Management

Key risk factors may stem from internal or external sources. The assessment of risk may be both qualitative and quantitative. The OHA staff and Consultant shall conduct an annual qualitative risk assessment identifying key risk factors, sources of risk, risk mitigants, and remediation plan, if necessary, to manage these risks. OHA staff shall also provide quantitative risk reporting to the BOT using commonly accepted quantitative risk reporting measures on a quarterly basis. Risk management measures may include the following:

- 1) Establish internal policies and procedures to minimize operational and legal risks;
- 2) Establish investment guidelines for eligible investments, diversification, rebalancing, liquidity, leverage, and use of derivatives;
- 3) Annual reporting of portfolio volatility (measured using standard deviation of returns) and expected volatility

- and return provided by the Investment Advisors;
- 4) Annual reporting of tracking error for OHA's liquid assets;
 - 5) Annual reporting of leverage, currency risk, concentration risk, and liquidity risk;
 - 6) Annual external financial audit by a reputable independent audit firm; and

- 7) Periodic review of the Investment Policy Statement and Risk Management Policy as necessary to assess the relevance and effectiveness of these policies.

Implementation

It is the responsibility of OHA's Chief Executive Officer to ensure that risk management policies and procedures are in place to identify, monitor, and manage investment risk. It is the OHA staff's responsibility to implement internal procedures and continuously monitor the investment portfolio and Advisor activities to ensure policy and guideline compliance. OHA staff shall rely on most recent data available provided by the Custodian and Advisors to analyze risk statistics and provide risk reporting. A risk management review shall be provided to the BOT by the Investment Consultant on an annual basis, or more frequently as needed.

Adopted 5/29/03 (ARM 03-05); amended 10/24/08 (ARM 08-04); amended 8/3/09 (ARM 09-07); amended 4/15/10 (ARM 10-02); amended 9/27/12 (ARM 12-08); amended 6/19/14 (ARM 14-03); amended 8/24/17 (RM 17-08); amended 9/19/19 (RM 19-13); amended 08/12/21 (RM 21-10).