

**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

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

**DATE:** Wednesday April 17, 2024**TIME:** 1:30 p.m.**PLACE:** Remote Meeting by Interactive Conference Technology  
and in-person at OHA Maui Ola Boardroom

Nā Lama Kukui

560 N. Nimitz Hwy.

Honolulu, HI. 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 829 7825 6027

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 829 7825 6027.**

**A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817.**

**AGENDA**

**I. Call to Order****II. Approval of Minutes**

A. March 6, 2024

**III. Unfinished Business – None****IV. New Business**

A. Consequent Capital Management Introduction

1. Investment Beliefs policy recommendation (Consequent Capital)
2. Presentation: PIMCO (Fixed Income) – Kevin Gray and Bill Murphy
3. Presentation: State Street Global Advisors (SSGA) (Equities Index), Sonya Park

**V. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at [everetto@oha.org](mailto:everetto@oha.org) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).

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 and written meeting minutes are posted to OHA's website.



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

**Public Testimony** will be called for each agenda item and must be limited to those 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** or **at the physical meeting location** 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](mailto: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.

(2) Persons wishing to provide **oral testimony online** during the virtual meeting must first register at:

[https://us06web.zoom.us/webinar/register/WN\\_In4Uh2MFQB2yoo02Of6SNQ](https://us06web.zoom.us/webinar/register/WN_In4Uh2MFQB2yoo02Of6SNQ)

You need to register if you would like to **orally testify online**. 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 online** during the virtual meeting.

To provide **oral testimony online**, you will need:

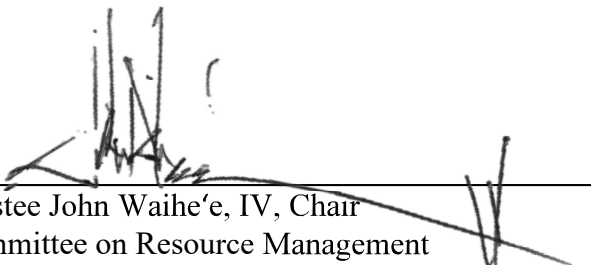
- (a) a computer or mobile device to connect to the virtual meeting;
- (b) internet access; and
- (c) a microphone to provide oral testimony.

Once your **oral testimony online** 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.

(3) Persons wishing to provide **oral testimony at the physical meeting location** can sign up the day-of the meeting at the Nā Lama Kukui OHA lobby.

**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.

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

04/11/2024

\_\_\_\_\_  
Date

April 17, 2024 - Continued

**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair***Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

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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**

**March 6, 2024 10:00 a.m.**

**ATTENDANCE:**

Chairperson John Waihe'e, IV  
Vice-Chairperson Luana Alapa  
Trustee Dan Ahuna  
Trustee Kaleihikina Akaka  
Trustee Keli'i Akina  
Trustee Brickwood Galuteria  
Trustee C. Hulu Lindsey  
Trustee J. Keoni Souza  
Trustee Mililani Trask

**BOT STAFF:**

Anuheia Diamond  
Crayn Akina  
Joyce Yang  
Kahelelani Keawekane  
Kanani laea  
Kauikeaolani Wailehua  
Kyla Hee  
Lei Ann Durant  
Mark Watanabe  
Melissa Wennihan  
Morgan Kauai Robello  
Nathan Takeuchi

**BOT STAFF (cont'd):**

Pohai Ryan  
Richelle Kim  
Ruben Sierra  
Sommer Soares

**ADMINISTRATION STAFF:**

Stacy Ferreira, CEO / Ka Pouhana  
Casey Brown, COO / Ka Pou Nui  
Carla Hostetter, Director of Research and Evaluation  
Dave Kozuki, IT  
Kevin Chak, IT  
Lau'wae Clayton, ADM  
Nietzsche Ozawa, Interim Senior Legal Counsel  
Niniau Kawaihae, Director of Community Engagement  
Ramona Hinck, CFO  
Ryan Lee, Director of Treasury  
Sandra Stancil, ADM  
Tatum Keala Neumann, Grants  
Tiger Li, IT

**GUESTS**

Gerry Flintoft, Consequent Capital Management  
Vijoy Chattergy, Consequent Capital Management

**I. CALL TO ORDER**

**Chair Waihe'e** calls the Committee on Resource Management meeting for Wednesday, March 6, 2024 to order at **10:00 a.m.**

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

MEMBERS			AT CALL TO ORDER (10:00 a.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRICKWOOD	GALUTERIA	PRESENT	
TRUSTEE	C. HULU	LINDSEY	PRESENT	
TRUSTEE	J. KEONI	SOUZA	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

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



## II. APPROVAL OF MINUTES

### **A. February 7, 2024**

**Chair Waihe'e** asks if there is anyone signed-up to testify on this agenda item.

**RM Staffer Akina:** No one has signed-up to testify on this agenda item nor for any other agenda item.

**Trustee Lindsey** moves to approve the minutes of February 7, 2024.

**Trustee Souza** 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							10:02 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	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**.

## III. UNFINISHED BUSINESS

None

#### **IV. NEW BUSINESS**

##### **A. The Native Hawaiian Trust Fund (NHTF) Investment Portfolio Review for the Quarter Ending December 31, 2023**

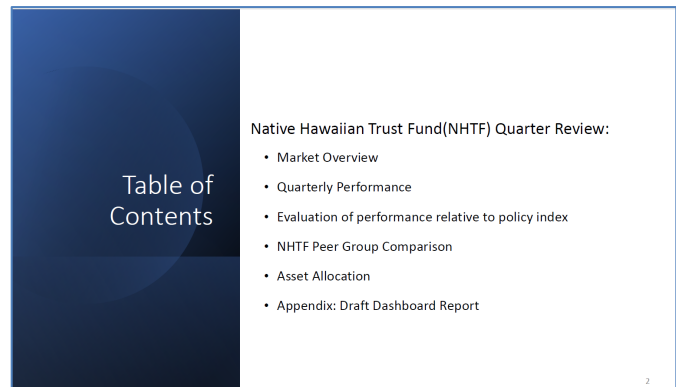
**Chair Waihe'e** asks if there is anyone signed-up to testify on this agenda item.

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

**Chair Waihe'e** turns it over to Ka Pouhana Stacy Ferreira.

**Ka Pouhana Ferreira:** Aloha Trustees, at this point I would like to invite our Endowment Director Ryan Lee to join us.

**Endowment Director Lee:** Good morning, I'll be reviewing the Native Hawaiian Trust Fund quarterly performance. You should have all received the quarterly report from Northern Trust about a month ago. Typically, reports are released a month after quarter end and Administration in the past has presented performance updates, so we'd like to get back on track in updating the Trustees more frequently.



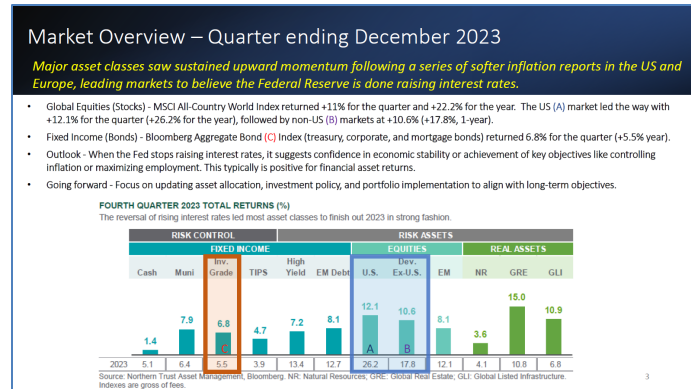
**Endowment Director Lee:** So, I'll be highlighting key areas of the performance rather than going through the entire report. I'll be covering market overview, quarterly performance, evaluation of performance relative to the policy index, peer group comparison, asset allocation, as well as the draft dashboard that Administration has been working on.

The next slide provides a backdrop of the market for the last quarter. So Major Asset Classes actually saw...

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** The table of contents that you show on the screen is not what was sent to me on the neighbor islands. So, following this, I need to have this sheet replaced. Okay, let's go ahead.

**Chair Waihe'e:** Okay, go ahead, Ryan.



**Endowment Director Lee:** So, starting with the Market Overview, just as a backdrop of the quarter, ending December 2023. Major asset classes rallied after a series of softer inflation reports in the U.S. and Europe. So, basically leading the Federal Reserve - that they're done raising interest rates.

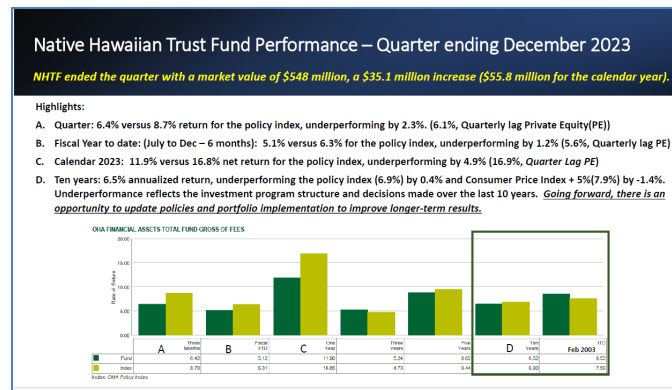
As you know, markets are forward-looking, so when markets think that the Fed is done with raising interest rates, meaning that the economy is in balance, inflation and employment are in balance, this is typically positive for financial assets. So, what you've seen over the last quarter is that a lot of the major asset classes rally.

If you look at the chart on the bottom, it highlights the major asset classes from fixed income, equities and real assets. The bar charts represent the quarter returns for the asset classes, whereas if you look below, it represents the returns for the year.

So, we look at the blue boxes, global equities rallied 11% for the quarter, 22% for the year. US Markets A - led the way at 12.1%, whereas non-US Markets B returned 10.6%.

When you look also at fixed income, which is represented in the orange box, C, the Bloomberg aggregate returned 6.8% for the quarter. So, when their expectation is that interest rates would be coming down, bonds also rallied. So, it basically was a good market overall.

**Endowment Director Lee:** So, *what does it mean for the Native Hawaiian Trust Fund performance?*



**Endowment Director Lee:** For the Quarter Native Hawaiian Trust Fund ended with a market value of \$548 million, a \$35.1 million increase, or about a \$55.8 million increase for the calendar year. As mentioned in this market environment, the backdrop, the returns were strong.

For the quarter, the Native Hawaiian Trust Fund returns 6.4% versus 8.7% for the policy index, underperforming by 2.3%.

**Endowment Director Lee:** But, with the Native Hawaiian Trust Fund, it's invested in private equity assets which tends to have delayed valuations.

So, when we look at another benchmark that we use, with a lag version, it returns 6.1%. So, it matched closely to the returns of the policy index.

I also highlighted the fiscal year, which is June to December. The Trust Fund returned 5.1%, as well for the calendar year, which returned 11.9%. It's important to note that as long-term investors, we need to focus on the long-term results.

So, looking at the 10 year, which is highlighted in D, the green box, over the 10 years, the Trust fund annualized 6.5% underperforming both the policy index and the long-term objective of CPI, which is the consumer price index +5. Now, this underperformance reflects the investment program structure and decisions that we made over the last 10 years, but on the go forward basis, there's opportunity to update policies, as well as a full implementation to improve longer term results.

*Any questions or comments before I move on?*

**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Thank you, Ryan, this is very helpful. Our market value of 548 million dollars that you have here as one of the highlights - *when do you anticipate that that will hit a billion dollars?*

**Endowment Director Lee:** That is something that we will be looking at within the asset allocation modeling review. It will take time, but I think if you maintain a long-term objective and discipline in investing there's a timeframe that will get there. I'll get back to you on that.

**Trustee Akina:** Well, your report, in the following pages shows that most of our accounts have actually grown since inception. If we have the same kind of growth, *what do you estimate the timeframe would be to get to a billion dollars?*

**Endowment Director Lee:** I would need to get back to you on that.

**Trustee Akina:** Thank you.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** *Ryan, the \$64 million that was given to OHA by the State of Hawai'i for back revenues is a part of this \$548 million?*

**Endowment Director Lee:** That is correct.

**Trustee Lindsey:** So that's not from any portfolio investment.

**Endowment Director Lee:** It's a combination. As you remember, 2022 was a difficult year for the portfolio, I believe it was down about 11%. So along with the contribution and investment returns, before we covered most of those losses in 2022, but also there's some gains that reflect this year.

**Trustee Lindsey:** Thank you.

**Chair Waihe'e** recognizes Ka Pouhana Ferreira.

**Pouhana Ferreira:** Aloha Ryan, I just wanted to go back to Trustee Akina's question and I know you're going to get back to him on a more precise response. But to your point, if we update our Investment Policy as you're currently working on, and we look at managing the portfolio in ways that you're suggesting, that increase is very likely to get to that trajectory, to have this hit.

**Endowment Director Lee:** Correct, then you need to put a portfolio that can achieve those type of returns over the long term. So, you do need to be active within the portfolio, but the focus on the long-term investment is critical to attaining that 1-billion-dollar target that you referred to.

**Evaluation of NHTF performance against its Policy Benchmark**  
*The performance gap should narrow over time as updated private market valuations become available. Industry best practices is to evaluate the Private Equity Program over the long-term.*

- Contributors: Global Public Equity (A)
- Detractors: Private Equity (B) returned -1.4% vs. the + 11.8% policy benchmark MSCI ACWI +3% (delayed valuations compared to public market benchmarks), and Cash (C) overweight.

Policy Level Attribution - Three Months

	Weights	Beginning Values	Ending Values	Rate of Return	Relative Return	Attribution Effects	Relative Return	Attribution Effects	Relative Return
	Weights	Beginning Values	Ending Values	Rate of Return	Relative Return	Attribution Effects	Relative Return	Attribution Effects	Relative Return
USA Financial Assets	100.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
USA Policy Index	100.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Global Equity	44.29	4.43	4.43	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index	44.29	4.43	4.43	0.00	0.00	0.00	0.00	0.00	0.00
A Total Private Equity	100.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index + 3%	100.00	1.00	1.00	0.00	0.00	0.00	0.00	0.00	0.00
B Total Global Total Assets	8.89	0.89	0.89	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index + 3%	8.89	0.89	0.89	0.00	0.00	0.00	0.00	0.00	0.00
Total Hedge Funds	13.29	1.33	1.33	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index + 3%	13.29	1.33	1.33	0.00	0.00	0.00	0.00	0.00	0.00
Total Fixed Income	17.50	1.75	1.75	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index + 3%	17.50	1.75	1.75	0.00	0.00	0.00	0.00	0.00	0.00
Total Real Estate	2.22	0.22	0.22	0.00	0.00	0.00	0.00	0.00	0.00
MSCI ACWI Index + 3%	2.22	0.22	0.22	0.00	0.00	0.00	0.00	0.00	0.00
Cash	2.00	0.20	0.20	0.00	0.00	0.00	0.00	0.00	0.00
Residual									

The above Attribution Model is based on the Geometric methodology

**Endowment Director Lee:** The next page, this is an evaluation of the performance against this policy benchmark, and it's more analysis of where the performance or underperformance is coming from. This actually shows where the underperformance is coming from, which is the private equity which I've highlighted. So over time as the market valuations become available, the performance gap should narrow.

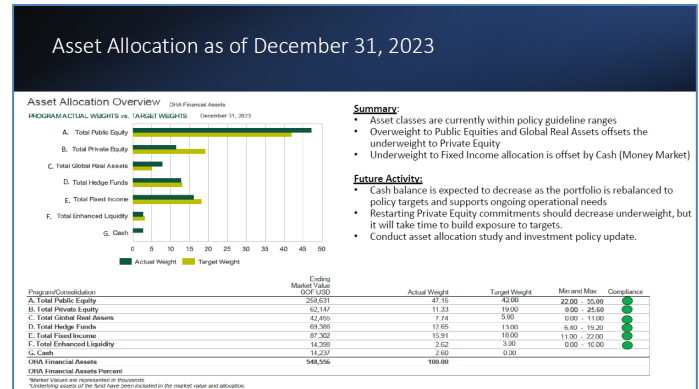
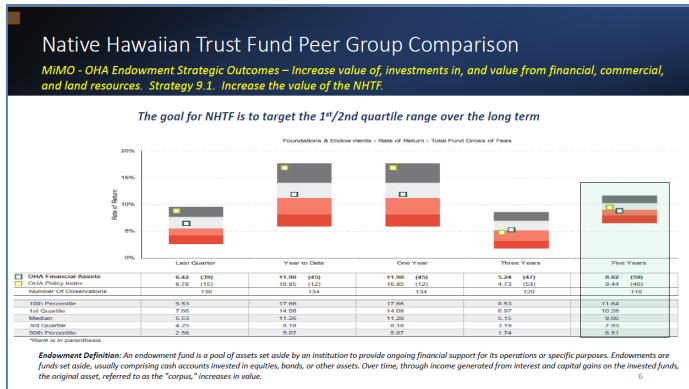
**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Thank you, Ryan, what I heard you say was that the underperformance was coming from private equity. *What is the point that you're trying to make with regard to that?*

**Endowment Director Lee:** That because we're investing private equity, it's a long-term asset class and it's one of the highest returning. You need to focus on the longer-term results when evaluating a private equity program. When you look at shorter results, we're publicly because of delayed valuations, it doesn't give you a good picture of the actual returns, you need to focus more on the longer-term results to evaluate the success.

**Trustee Akina:** Thank you.

**Endowment Director Lee:** So that's what it's meant to highlight.



**Endowment Director Lee:** Now the following page looks at the Native Hawaiian Trust Fund compared to its peer group. So, this is looking at other endowments and foundations of similar size; about 118 institutions.

So, what this tries to say is - *how does the OHA Native Hawaiian Trust Fund returns fit compared to its peers?*

So, it's best to look at that over the long term. Unfortunately, we only have five years, but we'll use this data to at least highlight where the Native Hawaiian Trust Fund falls.

If you look at this chart here, that's highlighted in green. The Five-Year returns are slightly below median compared to the peer group. The point I want to make here is that on a go-forward-basis, the goal for the Native Hawaiian Trust Fund is that at least target first or second quarter returns above median - where that aligns with the strategic plan of increasing the value of the Native Hawaiian Trust Fund.

**Endowment Director Lee:** Next page is a snapshot of the asset allocation, as of December 31, 2023, and this table shows the current weights versus the policy targets. So, the bar charts on the left, you can see the actual data that's on the bottom. What you see on the bottom is what the actual weights of the asset class versus target, as well as the policy ranges / guidelines that have been established.

Today, asset classes are all currently within the policy value ranges which are highlighted in green. In terms of current exposure, we're currently over to public equities and real assets, which offsets the underweight to private equity. At the same time with the underweight to fixed income is also offset by the over to cash.

When we look at future activities for the portfolio, the cash balance is expected to decrease as a proposed rebalance back to targets, as well as supporting organization spending.

And remember, we draw close to \$3 million per quarter from the Trust Fund to fund operations, so that cash balance will come down. At the same time, we talked about restarting the private equity program. So, these commitments over time should decrease the underweight, but again, it will take time to put that exposure.

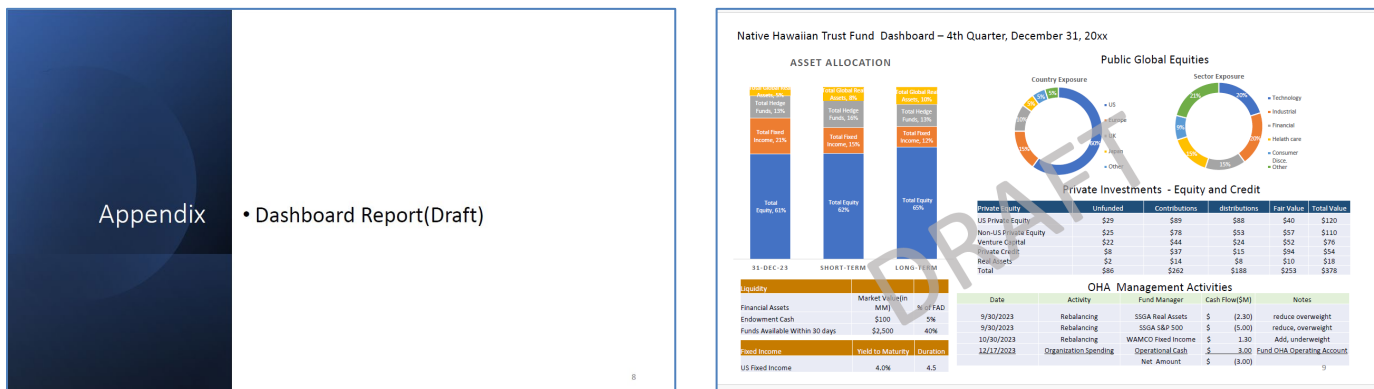
Also, as you know, we're working on updating the Asset Allocation Investment Policies and Performance Implementation. That process, that work, would help align the portfolio back towards the long-term objectives for the portfolio.



**Endowment Director Lee:** This is a snapshot and Asset Allocations are monitored on a monthly basis to make sure that we're in compliance, but it's updated to the Board at least quarterly.

**Chair Waihe'e** recognizes Ka Pouhana Ferreira.

**Pouhana Ferreira:** Mahalo, Chair. I just wanted to add on to Ryan's report that Ryan and I will be setting up one-on-one meetings with each Trustee to follow up on this report so that we can have more customized conversations around any questions, concerns and be able to have more in-depth conversations with each of you. Mahalo.



**Endowment Director Lee:** I'll just go briefly over the dashboard that we've been working on.

This is future reporting that we're working on along with the updates we're going to provide to Trustees. So, it's a quick way of looking at the Trust Fund portfolio, to know what the portfolio risks are and the asset allocation activities that are happening within the portfolio.

This is what we're proposing - to present to the Trustees more, on a frequent basis, to update the Trust Fund activities.

**Trustee Akina:** Very good.

**Endowment Director Lee:** Thank you.

**Chair Waihe'e** asks if there are any questions or comments.

There are no questions or comments

**Chair Waihe'e:** Thank you, Ryan.

## Chair Waihe'e recognizes Trustee Trask.

**Trustee Trask:** I wanted to point out that the 48-hour notice requirement, and the attachments to it are not the attachments we're going over in this committee meeting. I think that will require that this be reposted.

The data that was sent to me at my office, is the data that was posted on the 48-hour notice, but that is not what was given to us today. I received your information, staff, at 10 minutes after 10:00 a.m. When I opened up and told you all that we did not have the correct data, and my secretary just now checked the public agenda, and it wasn't put on.

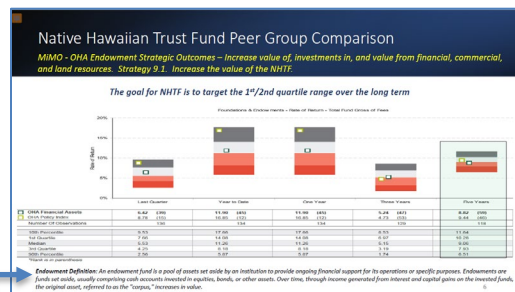
When I reviewed the first information sent, I noticed that there was a significant change in it, staff. The document that you have as financial assets dashboard now has a draft stamped on it, and other pages attached to it that were previously sent under the publicly noticed agenda have been deleted, and I want the record to reflect that I'm concerned about it, because in the original documents I received from our staff, there is a document, OHA Finance Dashboard Q4xx, staff. OHA Finance Dashboard, Q4xx, which shows operating capital expenses, spending policy metrics, an endowment for formats.

**Trustee Trask:** *Can you explain to me, staff, why you removed that?*

I'll tell you honestly that I was shocked to see it. This is the format for the Bishop Estate. We don't have any endowment in OHA, we don't have it. What was posted here did not go out on the public agenda.

**Chair Waihe'e** recognizes CFO Hinck.

**CFO Hinck:** Thank you. Chair. Good morning, Trustees. Ryan, could you go through that slide that has the endowment definition, can we bring up that slide again and also the connection to our MiMO.

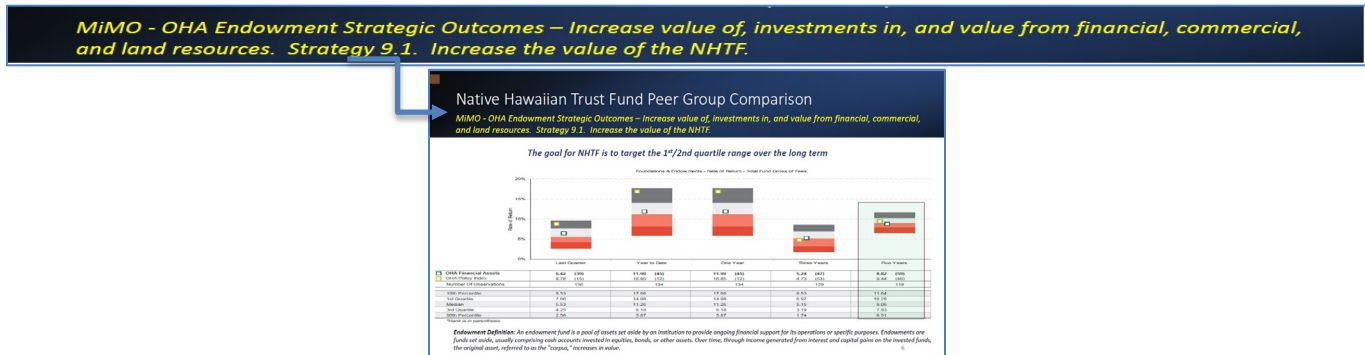


**Endowment Definition:** An endowment fund is a pool of assets set aside by an institution to provide ongoing financial support for its operations or specific purposes. Endowments are funds set aside, usually comprising cash accounts invested in equities, bonds, or other assets. Over time, through income generated from interest and capital gains on the invested funds, the original asset, referred to as the "corpus," increases in value.

**CFO Hinck:** So, on the bottom there is the definition of an endowment fund, *is a pool of assets set aside by an institution to provide ongoing financial support for its operations or specific purposes. Endowments are funds set aside, usually comprising cash accounts invested in equities, bonds, or other assets. Over time, through income generated from interest and capital gains on the invested funds, the original asset, referred to as the “corpus,” increases in value.*

**CFO Hinck:** So, we have a specific OHA Endowment Strategic Outcome for this, at the top, is to *increase value of investments in, and value from financial, commercial, and land resources.*

That's our Strategy 9.1. The increase in the value of the Native Hawaiian Trust Fund.



**Trustee Trask:** I understand what you're doing, Ramona. I understand it. It is not an endowment, and OHA is a State agency not like Bishop Estate. *Do you know what I'm saying?*

You can make a definition here, but it is not considered an endowment; it's not.

The Bishop Estate, I agree, the Bishop Estate, it's very clear, but here, it's not an endowment. We're dealing with public assets, and when I take a look at the documentation that was made public, and where we are now, I understand concerns of people calling me, saying, why is OHA looking at an endowment, you're not the Bishop Estate, and I agree. That's why these documents, Endowment Performance, I see you have a definition, but it's not a legal endowment.

**CFO Hinck:** But we have assets that we want to manage as an endowment similar to Kamehameha Schools.

**Trustee Trask:** I understand that, but that is a policy set by this Board and it is not a policy that is set by the staff. I could not find a vote at any point over the last two years, I can't find it, where OHA is saying that as a matter of our fiscal policy as a State agency, we're gonna set up and run management of finances as an endowment, as Bishop Estate.

That is what came up on the documents. I didn't understand the calls, but I do now, because these documents were switched. Well, the first document that went out does include the endowment performance, but we're a State Agency, not Bishop Estate.

**CFO Hinck:** I'm pretty sure the data and information reflected in the first draft or the first documents that went out are the same. What we attempted to do was - just to bring clarification to each of the slides - so the information presented did not change. In the draft of those dashboards that were also attached to the report, the first slide was taken out only because it has to do more with financial reporting than investment reporting.

**Trustee Trask:** I understand that Ramona, and that's my point. There's no bifurcation, financial reporting or investment reporting to this Board, because part of the way we find we handle our financing is to look at appropriate investment. But we do it as a State Agency, and here what I see is that the Executive Staff has actually characterized it in the same manner that you all did when you worked for KS. We don't have an endowment. We don't have an endowment.

I'm concerned because I already got calls on it, we're only a few minutes into our meeting, but what was posted on the public agenda has already been seen and changing the graphics after the 48 hour period is not allowable to state agencies. I'll follow up in writing.

**Chair Waihe'e** recognizes Interim General Counsel Ohta.

**Interim General Counsel Ohta:** Thank you, Chair Waihe'e. Good morning, Trustees. I just wanted to speak to the meeting materials that the Trustees had received. So, the Sunshine law requires that we post our board packet, what we refer to as the meeting folder, no later than 48 hours prior to the meeting - if we're going to be sharing materials with the Trustees ahead of a meeting. So that is what was done here.

However, there were revisions made to that slide deck, but they were unable to be shared with the Trustees prior to the meeting, and within that 48-hour period. So that's why the Trustees have a different slide deck and what was shared at the presentation by Ryan just now, and it's because we're restricted under the Sunshine Law from making those changes within the 48-hour period.

That's just to ensure that the Trustees, the Board members receive the same information as the public prior to the meeting, rather than having access to additional materials. So, at the same time, the public received that information, in this presentation, the Trustees also receive that information, per Sunshine.

**Trustee Trask:** It's a violation of the Sunshine Law, Everett and when you change the data, such as what you did, it's not a mistake. We do not have an endowment. We are not the Bishop Estate, and public information went out incorrectly. We're a State Agency folks. This is a major problem. Major.

Because what it shows me is that a lot of our staffers who have come from Bishop Estate are reporting to us in manners inappropriate to the State. I'm trying to avoid litigation. We do not have an endowment, and we should not be managing assets in the way that others do, and in the process violating the State Sunshine Law.

**Chair Waihe'e** asks if there are any further questions.

There are no further questions.

#### **IV. NEW BUSINESS**

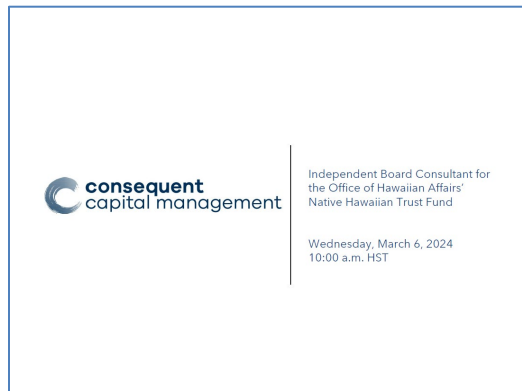
##### **B. Consequent Capital Management**

##### **1. Recommendations for the Native Hawaiian Trust Fund (NHTF)**

**Chair Waihe'e** asks if there is anyone signed-up to testify on this agenda item.

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

**Chair Waihe'e** turns it over to Independent Board Investment Advisor Vijoy Chattergy.



**Independent Board Investment Advisor Chattergy:** Aloha kākou, Chair and Trustees.

Nice to see everyone, staff, as well as other invited or attending stakeholders, and interested parties.

Thank you again for having us address the RM Committee (RMC). As you know we are the Board Consultant, Consequent Capital Management, my name is Vijoy Chattergy, and I have a couple of documents, a presentation, and a markup Investment Policy statement from 2021 that I'm going to talk to a little bit today.

I do want to note that previously we talked about coming back and making some recommendations to the Board, possibly at this meeting, but instead of that, I'm continuing to keep us in that problem space as opposed to solution space.

And what I've done is I'm trying to highlight areas that I think that ultimately, you're going to want to have recommendations and vote on them, to manage the investment program.

But as we're still in problem space, the conversation today is more getting ideas on the table, thoughts about where we might go, so when we do come back and make sort of hard recommendations, everyone has had a chance to kind of evaluate and comment on that, and I think that's very important.

**Independent Board Investment Advisor Chattergy:** When I worked in Japan, many years ago, they had a concept called *nemawashi*, which is, I have to be careful here, 'cause I'm not Japanese.

I'm going to give a concept of a cultural term to a native Hawaiian leadership group which I'm also not native Hawaiian, so I'm really on thin ice here.

But this concept of *nemawashi*, the way I interpret it, was kind of like the meeting before the meeting, and there are other ways to think about it, the communication, and the need.

So, when I draw on that in terms of what we're trying to do for Consequent for the Trustees and staff is to make sure that before we start coming in and saying, oh, you should do this, or do that, we have the meeting before the meeting.

We have some consensus, not that everybody has to agree, but we at least evaluate, we hear from everyone, and we try to accommodate a program that's going to work for you, going forward, of course, with the idea that any program, any policy statements that are created ultimately can change over time, and there should be a process for that.

So, problem space, *nemawashi* with people, and I did have a chance to talk to a lot of the Trustees, though not everyone, and also with the CEO and her staff as well, but that's kind of where we are.



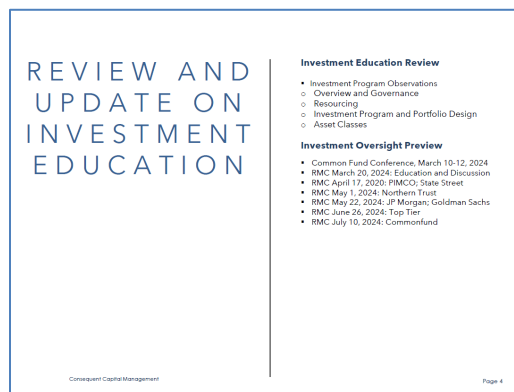
**Independent Board Investment Advisor Chattergy:** In terms of the presentation, you've seen this before, and I am aware that there are some activities after this meeting. So even though I'm a former CIO and that means that we love to talk, and we think that what we're saying is really important, I'm going to try to move along. If Chair or someone wants to say, *hey, we need to get going* - I totally understand, no offense. I'd like to continue to *nemawashi* with you outside of the meetings, to get to where we need.

So just like before, our PowerPoint presentation is similar to the way we present to you in general, the background information is there. We're going to update a little bit on the activities and then policy review recommendations which again aren't really strong recommendations at this point. Then we have a glossary of terms; we try to include terms that are relevant specifically to this conversation.

**Independent Board Investment Advisor Chattergy:** Then separately we had distributed your Native Hawaiian Trust Fund Investment Policy statement as it was adopted in 2021, where I made some highlights and some red lines, and again not making recommendations, but trying to draw your attention to the areas where I think that we will need to address going forward, and of course that's all driven by yourselves, as opposed to us - the consultants.

Just before going on, let me just say something nice about the staff's presentation. I think it was terrific that they've come back and are presenting the quarterly report, and that they are doing a lot behind the scenes.

The difference between your own staff and a consultant is kind of that breakfast analogy about the chicken and the pig. *You know the chicken contributes to breakfast, but the pig is committed.* That's one way to keep in mind in terms of how we work - not to make anyone hungry.



**Independent Board Investment Advisor Chattergy:** If we turn to page 4 of the presentation, this is a review. The last time we provided some education in terms of observations, not so much education and the highlights there - we focus a little bit on overview and governance in terms of resourcing.

**Independent Board Investment Advisor Chattergy:** I wanted to emphasize, you think about the people and the material that you use. But the other concept that we brought out that I think is important, is this idea of your sort of brand, intellectual property, and I'll talk a little bit about that in terms of the Commonfund conference that's coming up.

I think that is something to think about, the investment program and design, that's what we're going to go into more conversations about in terms of recommendations. I have spoken to Chair about, maybe possibly doing some of those conversations, not only in public session, but in executive session, and I understand, in order to have that approved, because of Sunshine laws and other rules, we will have to get that approved by your lawyers. But if we can have an open conversation, not make any decisions or vote on anything, obviously that has to happen in public, but to be able to talk about certain items and issues with the portfolio that arguably are confidential in terms of the business secrets of your managers, and for us to talk frankly.

We don't want to put OHA at a disadvantage, because people will say, *oh, you're just gonna talk about the way we trade or invest in public, and that has precedence with other Hawai'i asset owners.* Again, for this meeting we'll be in public session, but maybe at a future meeting.



**Independent Board Investment Advisor Chattergy:** Then the last thing that we went over a little bit, not in too much detail, were the different asset classes that are in the portfolio.

You have the traditional asset classes, and then you have more functional type growth and other types of definitions, for how you classify your assets. And for the Trustees, if you recall the one thing I kind of went back to was my high school chemistry teacher, who said, *you know you have to wake up in the middle of the night, and if someone asks you what is a mole, you have to know that it's, you know, whatever 6.02 times 10 to the 23<sup>rd</sup>*. That's the one thing I remember from high school chemistry.

But there are some things in the asset class that it would behoove you as Trustees to at least be able to wake up and be able to say:

- *What does it mean to be private equity?*
- *What are the types of strategies?*
- *What is the allocation that OHA has for it? ; and then ultimately,*
- *Why is it in your portfolio?*

If you can kind of answer those questions for yourselves, for your constituents, for the general public, that will take you a long way to really feeling comfortable and understanding how to manage this portfolio.

But obviously you can go a lot deeper, and many of you have expressed an interest in going a lot deeper and learning about more. So that is just sort of like the minimum. So, thank you, Teacher Logasa; that's my use of your lesson here.

In terms of the investment oversight preview, that's our list of what we expect at upcoming RMC Meetings. The one thing I want to emphasize because it's right upon us is that I know that a number of the Trustees and staff will be going to the Commonfund Conference, as you do every year, I think it's in Orlando.

There are hopefully, when I spoke before about when you hear an investment reporter, you talk to a manager, you kind of have an idea in your mind while you're having the meeting, you have a thesis, if you will.

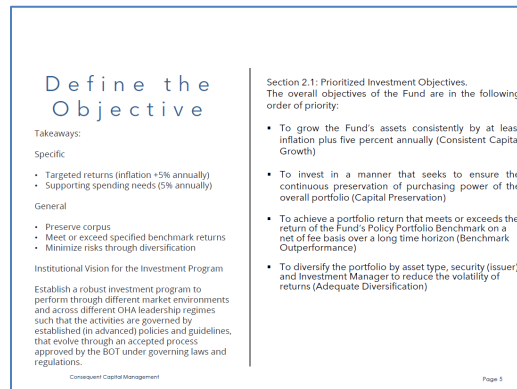
So, I'm sure you're going to be attending the event and have your own reasons and questions for Commonfund, and what you want to see and get out of the event. One thing I want to suggest is that you also take that time when you're at Commonfund to educate Commonfund about OHA, because what that intentionality brings to anyone in the capital market space, any of your managers, is an understanding of why they manage money for you. Because I guarantee you they probably don't have a good feel for who, OHA is, *why you exist, what your mission is*.

As any investor, I've done this before, when I was an asset manager, is when I meet with a manager, I'll actually pull out my own presentation before they give me their presentation. I want to tell you about my group, I want to tell you about what's important to us, and now you present to me so that this makes sense.

**Independent Board Investment Advisor Chattergy:** So what I'm suggesting is in terms of one thing, maybe to get out of any meeting, but just because you have this Commonfund coming up is to make sure they understand *who and what OHA is*, and *why they're managing assets for you*, and that's something that you can do as like an ambassador for OHA, really.

I mean, I know you're the Trustees, you're elected officials. So, you do that all the time, on behalf of all the issues you deal with, but in terms of the capital markets, that could be a goal and intentionality of the meeting.

So just a suggestion again, you know I'm just the chicken, I'm not the pig in the breakfast. So, I'm just trying to give some ideas that I would do.



**Independent Board Investment Advisor Chattergy:** In any event, why don't we move on to page 5. Here, I'm talking a little bit about how you've defined your objectives.

Again, on the left side, it's sort of takeaways and thoughts, and then on the right side are some bullet points. Now on the right side of this page, these bullet points come directly from your Investment Policy Statement. So, there are four there, in terms of your objectives, *what you're trying to achieve*.

*The important thing to take out of them is the first bullet point is that you want to grow.* You want to grow this portfolio, it's important, not just because you're trying to get good returns, but because this is what you need in perpetuity for the Hawaiian people. So that's an objective that you have.

*The second bullet point, the takeaway is that you want to preserve your purchasing power.* You want to preserve the value of your portfolio, and that's a great objective to have, and I think that all of these objectives imply certain things. If you're saying you grow, that means *okay, we better invest in equities because they seem to grow over time*. Preserving purchasing power means we're concerned about inflation. We want to make sure that a dollar today is going to be able to buy a dollar in 10 years, and we know that inflation eats away at that, so that's the second objective.

*The third objective that you have in your Investment Policy Statement is a focus on portfolio return, and I want to emphasize, the thought there, is that, it's not just:*

- Oh, did you get a good return in private equity?*
- Did you get a good return in fixed income?*

It's the portfolio return, and while you might dig into individual asset classes, you may even want to ask:

- Is this manager someone we should be working with going forward or not?*

**Independent Board Investment Advisor Chattergy:** The overall view and mission of you as Trustees is:

- *How is the overall portfolio doing?*
- *Is it meeting the objectives I need, or you as a group, need collectively to fund the programs that you've identified, that you want to fund to help the Hawaiian community?*

That's why the portfolio exists, right, ultimately to fund that mission. We're not an investment agency, we're not an asset manager, and so that bigger mission is reflected in the language here, that is the portfolio return.

*The last thing there is about diversifying.* So that's a thought about volatility, which we've talked about and how that can be negative in the portfolio. Again, you may want some assets to be more volatile than others. It's not saying that you don't want volatility, but you're not a trader, you're a long-term investor. And as a long-term investor, one of the ways, and I think I gave you a list of several ways to manage volatility, but one of them certainly was holding a diverse portfolio of assets of strategies of fund managers. So, these are very good objectives that you have defined here.

**Independent Board Investment Advisor Chattergy:** The other thing, I put a sort of, I call it a vision, a statement on the left-hand side of this page, in terms of, again it's just a draft and a suggestion, but trying to articulate what it is that you're trying to do. *What's your objective?*

Again, defining the objective, going back to that idea like, if you had to save the world in an hour, spend 55 minutes trying to define the problem, and spend 5 minutes solving the problem. So, what is it that you're trying to do, so I talk about building this investment program and supporting the mission overall. You can read that, and you can take it or leave it, but I think that's something that you may want to do.

How you might express that in terms of your Investment Policy Statement is, you may want to come up with a statement or a bullet point of your beliefs, in terms of the capital markets, in terms of investing.

There are some very prominent funds, asset owners out there, some of the California plans that include in their statements about *who they are, what they believe*. And by belief, again, this is focused in on the capital markets and the investment portfolio.

So, the belief is like:

- *Do you believe in efficient markets?*
- *Do you believe in long-term investing?*

And they will, they will say affirmatively what they believe, and it may be worth an exercise. I'm thinking I can come back, maybe at the next March meeting, and give you some ideas in terms of listing, because when we know what your investment beliefs are, it will likely, like these objectives, help to shape the kind of opportunities you want to look for in the portfolio. It also is a nice educational piece, it's a shortcut for all of you, but if there were new Trustees to come in the future, it gives them a shortcut to kind of say, *oh, this is what we believe. Do you agree with that? Should you invest and guide that way?* So, it's also kind of a teaching tool, if you will.

**Chair Waihe'e** recognizes Trustee Akina.

**Trustee Akina:** Vijoy, thank you, and thanks for reminding us of our objectives here. With respect to growing the fund by inflation plus 5%, let me ask you two questions.

- The first one is -  
*Do you see that as possible for us, as a feasible objective to continue pursuing? ;and*
- Secondly, if so, let me give you the question I gave to Ryan, and that would be -  
*How long will it be for us to get beyond the \$548 million to a billion dollars?*

**Independent Board Investment Advisor Chattergy:** Okay, so the first question, in terms of whether that's a legitimate objective, the 5% plus inflation. It's certainly a very acceptable objective, and it's a proper way to express that. The question and where you want to review periodically, is when inflation is changing a lot, and it's not really just inflation, today, it's the future expectations of inflation.

So, it's not just today's inflation rate, plus the return. It's sort of projecting forward over some quarters or an average of the past, and you think it's going forward, and whether you can meet that.

And that portion, even though it hasn't varied much over the last decade, it can sometimes be the part that surprises you because you can plan for a 5% return. You have different kinds of investments that you're making. And you project that, *okay, and so that's fairly stable, that's the long term*. That's why you're not buying and selling managers every week or every month. But that inflation when it surprises you, that's always the danger.

If you expect the inflation to be 5%., again, we can plan for it. It's that unexpected inflation that arises, that's the problem. So, I think that it is legitimate, I think you can achieve it, but you need to revisit it often.

**Independent Board Investment Advisor Chattergy:** You can revisit it on a schedule, say every year or every two years we're going to revisit that assumption.

Or it could be on an ad-hoc basis. When suddenly, the Fed just raised rates by 100 basis points, we need to revisit this, or *do we not revisit it?* So, those are the ways that you would do that.

On the second question about doubling your assets, that's really what you're asking, because you're at about 500 million, now, *when will you be a billion?* I think that staff, Ryan will come back with a more detailed idea of this is *what, and how do you project that out there?*

But, just as a rule of thumb, and again, it's a rule of thumb, is the rule of 72. So, you double your assets, depending on what your expected return is by dividing 72 by that return. So, let's say you expect an 8% return, so 72 divided by 8 is 9. So, you're going to get to a billion in 9 years.

Now, the conversation that you can have, your follow up question, I'm sure, is like:

- *Well, is that acceptable?*
- *Do we have 9 years?*
- *Do we want to do it faster?*
- *Do we want to do it slower?*

So, if you want to do it fast, you want a 10% return. Okay, but now this implies a lot of questions.

**Independent Board Investment Advisor Chattergy:** So, if I am saying, *hey, the way your portfolio is built is you can get an 8% return into the future, into 9 years, or whatever you'll double your assets.*

But, oh, you want a 10% return, that usually will imply you've got to take a little more risk to do that. *So, are you willing to sleep at night, knowing you got a little more risk in the portfolio? Because it's going to get me to my doubling of assets a little quicker, maybe, like 8 months, or something quicker than otherwise?*

So that's a conversation that you need to have, that's the *nemawashi*. Then ultimately, the vote that you guys have is like, *we need more aggressive managers*. So, these are the levers that you pull. If your objective is we want to double our assets - we think we can achieve a 7% return, a 10% return or an 8% - *what are you comfortable with?*

Then what does that imply, and again, what it implies is a level of risk that you have to tolerate. I kind of look at the managing assets from a risk perspective first, and then I expect the returns to fall out of that.

A lot of people look at returns; just want the best returns. That's what a lot of family offices, I shouldn't downplay family offices, but I'm an institutional investor, so that's what we do, but they might think of risks differently.

**Trustee Akina:** Vijoy, thank you very much for answering that question and what I'm getting at...

**Independent Board Investment Advisor Chattergy:** Just before you go on to your next one, let me just say that a more precise answer, because there are a lot of variables, and that's why I think Ryan says he wants to come back, because he wants to give you a more precise answer.

There are a lot of variables that go into that:

- *How much is your spending going to be?*
- *Can you save more?*
- *Are you going to get more from the State?*

They're variables in there, so when I said, you can double your assets in 9 years, it's rule of thumb, it's not a guarantee. Just to be clear.

**Trustee Akina:** Thank you, and that helps us to weigh whether we want to simply accept the outcomes of our investment passively, or whether we want to drive an outcome toward a specific goal. Thank you.

**Independent Board Investment Advisor Chattergy:** Sure, thank you.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** I'd like to ask Vijoy, because when you made the last statement about risk, it brings to our mind what our fiduciary obligation really is for investment. There's a choice in terms of balancing risk versus gain.

**Trustee Trask:** But I wanted to ask you either now or in the future, trainings, because when I look at it being a State agency with a fiduciary trust, obligation, and incoming revenues basically being State. I'm not really sure what the measurement of risk is. When I read some of the backup materials, even at the OHA office, the advisory is that we should not be investing assets in a risky manner, because it's public trust funds.

But, as you just said, you know, there's risk, and there's *risk*. So, I feel like I'm going to need a little clearer statement about what is the risk that we can take. I mean, we're making different investment decisions, we want to make the best return. But, on the other hand, sometimes in the market, when people play the market, they do take risks that I think are beyond what a Fiduciary, State Agency could do - so. I just wanted to ask you that, because we're talking about risk, and as you said, we want to minimize risk. But *how much risk can we maximize, and where?* Thanks.

**Independent Board Investment Advisor Chattergy:** Thank you, Trustee Trask. Those are excellent comments and observations, and you know, there are many ways to define risk. You do want to go through an optimization exercise, and staff has talked about doing an asset allocation, and updating expected returns. Then *how do you optimize that?*

So that's part of that exercise, but everyone should have a clear idea in their own minds, if not also collectively, of what is risk. Just, again off the top of my head, most institutional investors will define risk as the permanent loss of capital of your corpus. So, they're willing to take risk where maybe there's volatility in the portfolio, prices go up and down, the value goes up and down. But as long as you haven't permanently lost that for some reason, those are acceptable risks.

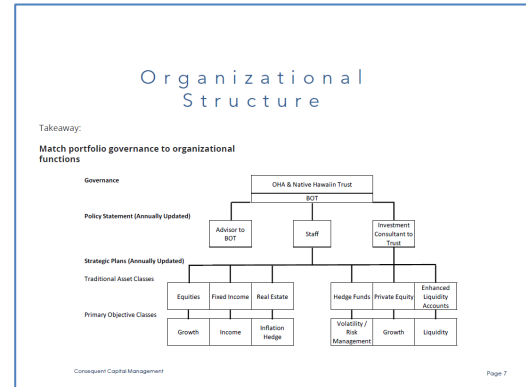
Then, how does that translate into the types of opportunities; private equity, public equity, fixed income, hedge funds. Those are the conversations that you can have and the questions you can ask. These are the kinds of questions that you should be putting to your investment managers as they come in the coming weeks, and also when you're in Florida with Commonfund.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** Thank you, Chair. I just wanted to share with our colleagues, when Dan and I took office in 2012, 11 years ago, our corpus was \$360 million. So, from then until now it's \$550 million approximately today, but minus the 64 million that the State gave us, that's where we were at over that 11-year period. So, that's just to give us an idea how long it took us to get here, and we have since increased our annual Public Land Trust payment to \$21.5 million. So, just to give us an idea.

**Independent Board Investment Advisor Chattergy:** Yeah, that's very helpful. Thank you.

Also, I should note that when you talk about the future contributions and the fact that your investment portfolio is growing because you have positive cash flow, not every asset owner is that. Your Investment Managers should understand that, because you're different in a way, and you're growing. It's a great way to kind of build a portfolio and build that institutional wealth, because you have positive cash flow. But there are a lot of institutions that actually, these days, particularly in the pension world, that have negative cash flow. So, making that differentiation in the minds of your investors should hone them into, how do you manage, and how do you get business from OHA. And that's part of what I'm suggesting as a way to focus your activities when you go and see a manager like Commonfund - but thank you for that.



**Independent Board Investment Advisor Chattergy:** Okay, again, I know that time is short, but if we could move on to page 6 of the presentation. Here, there may be some immediate needs, and I know that staff is working on some of the items that arise out of this sort of need to maybe consider the activities that the Native Hawaiian Trust Fund needs to manage forward.

So, we talked about things like, doing an asset allocation study. So, revising the Investment Policy Statement, I understand that's a process that staff has worked on. I'm looking forward to collaborating with them, because I've given you some comments in the attached document related to the existing policy statement, so we'll look to work with them on that, and look to present something.

There probably is a need as a quasi-public agency, to have something like a consultant or CIO, and on the next page I kind of break down different options that you might consider. Now, in addition to just listing those options, I think it's important that everyone kind of really understands:

- *What does that mean?*
- *What are the implications of having the portfolio managed in different ways?*

Then ultimately, you, as a Board of Trustees, should select the direction that that you're comfortable going in.

The other thing we just mentioned was the asset allocation study.

Then Ryan brought up about the private markets needing to reinvest cash and capital. So that's another area that it's clear that you need to return to the market for. When we had Pantheon come in and the presenter Iain, talked about the fact that you weren't making new commitments, but they were still investing for you, based on prior commitments. So, we haven't benefited from the fact that some of the more recent Pantheon funds have done better. But again, that's not to say you should guess, should we invest or not invest with a manager like that. You need to have a program where you are disciplined and always trying to get exposure to those private markets over time, and we can talk a little bit more about the kinds of tools you need to have that sort of discipline.

Then a little bit on the design and implementation of the portfolio moving to a more holistic approach to overseeing your Native Hawaiian Trust Fund, and that then will lead to the way you manage the risk and opportunities within the portfolio. So that's kind of a list of priorities.



**Independent Board Investment Advisor Chattergy:** On page 7, we were shown very early on when we took on the mandate, a chart of the governance structure of OHA's investment program. So, this is just a draft. It's nothing that we're necessarily recommending, but a way to maybe streamline reporting back up into the Board. So therefore, accountability and transparency, and the only thing there that you guys have added, since we came on, is this Advisor to the Board, and that's sort of the role that we're playing.

Then, if you wanted to bring in something like an Investment Consultant and there probably should be a dotted line between the staff and the Investment Consultant, because they would need to work closely, with staff, but then report to the Board.

**Independent Board Investment Advisor Chattergy:** Then the underneath that is the way your portfolio is reported and structured in your reports right now, although when we dig into it, it's not managed, and the decisions are made in a holistic view, kind of top down. You've given a lot of authority to the different managers to make decisions, and we can talk a little more about that later.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** I'm looking at pages 6 and 7. The policy statement, I think definitely under your immediate needs. Where you have on page 6, revise governance authority to the Board, immediately, to the Board. Hire Investment Consultant or OCIO. These things, when you say, need immediate attention, I would like you to put down to the right of what you're advising me, when we need to get it achieved by. Immediate attention could be two months, *is it three months?*

We have you on a one-year contract. I need some assistance on this, but I would like to know, for the 5 bullet points on page 6, if you could give me a timeline, so I can make sure that we get it before the board within that timeline.

The other thing is that when I look at page 7, the Investment Consultant or the OCIO, is not in my mind part of the OHA Board. It is an individual or a company that is an independent consultant to the Trust, *is that correct?*

**Independent Board Investment Advisor Chattergy:** So, couple of things, in terms of a timeframe, it does kind of depend on you and your colleagues, in terms of how quickly you want to address these things. And you know that doing an RFP takes a certain amount of time.

If you want to hire an outside service provider for some of these roles, I can kind of go back and think about the timeline. I know we're trying to move forward with the Investment Policy Statement, as quickly as possible. But again, that's why the document is in highlights and red lines for you all to consider, because ultimately, you're going to have to approve whatever that is, so we can do that. But again, it's going to require a little more of that meeting before the meeting and getting to a point where people are comfortable. And maybe there's some kind of executive session conversations that could be had, in the next meeting or two, to do that.

Regarding the role of Investment Consultant or OCIO, in terms of this draft organizational chart, you do want to have, an Independent Consultant, although quite frankly, in terms of the investment consulting industry today, the big consultants often have different kinds of conflicts in that they're also managing assets, they're not just giving advice.

**Independent Board Investment Advisor Chattergy:** So that's something to keep in mind. There are not many that are purely independent, if I understand the way we're talking about independent, but you do want them to not have conflicts of interest or address those conflicts of interest.

You want them to give you honest, unbiased advice in terms of how to structure, or manage, or invest the portfolio and those are the kinds of questions and issues that can come up as you develop your scope of services and requirements. And again, I think that's something that as a collective body, you need to consider, but it's a good question.

**Trustee Trask:** One of the reasons why I'm asking this is because these things need our immediate attention. I absolutely agree.

**Trustee Trask:** Now, my next question, Mr. Chattergy. *What is your contract with my office, and how long can we expect to benefit from your assistance in this way?*

I mean, right now I understand, I need to either get things together, so we can have an independent investment consultant or an OCIO that is not in this office, that I get. But given the training you've given our Board, that's why I was looking for a timeframe so that we can plan ahead and get it into our calendar. But when I look at the graphic on number 7, it is not correct in my mind, because the investment consultant or the OCIO, is independent of this board, and not on this staff. *Do you understand?*

**Independent Board Investment Advisor Chattergy:** I think I understand. I think maybe the specifics of the contract is something I could discuss offline with you.

**Trustee Trask:** I understand, but I don't want to let it fall through the cracks. We're not going to come back and revisit this in 10 years, Vijoy. Your assistance and training are greatly helping us, and I'm concerned that before we get to where we need to go incrementally, especially with the immediate needs, this Board has to address, I'm concerned that we will lose your assistance.

That is why I'm requesting this, I don't know if you want to see it, but I make this as my personal request as a board member, because I would like to take a look at your contract. We're not going to go back to OCIOs on the salary here. No. We will have an independent consultant or an independent OCIO, and when we take a look at the future graphs, Vijoy, please disconnect it, because it gives the impression here that it stays under Administration, and it is not.

**Trustee Souza:** *Point of Order, we shouldn't be discussing that, it's not on the agenda.*

**Trustee Trask:** I'm requesting it, because we need the advice and assistance, that is why, and I will take a look at it as a Trustee. Please forward it to me.

**Independent Board Investment Advisor Chattergy:** Thank you, Trustee Trask. Regardless of the contract, I'll try to be as helpful as I can, whenever I can. So, aloha.



**Independent Board Investment Advisor Chattergy:** As for page 8. What I'm trying to do here is to sort of give you the options. Actually, it's along the lines of whether you want to use a consultant, or an OCIO, or internal manager. These are the different options, I think, in terms of overseeing the portfolio.

The first option there is the Manager of Managers approach, that's what you have now. So that would be like, if you just want to keep things the way they are, maybe make some adjustments, that would be that option.

The option number 4 is if you went a hundred percent in-house with staff, which there are big plans and groups that do that.

**Independent Board Investment Advisor Chattergy:** The two intermediate steps there, 2 and 3 are sort of the traditional investment consultant route, which you see, like some of the public plans, often use that. And then they can sometimes use specialty consultants, some expertise that their general consultant maybe has less experience in like, private markets or real estate, or something like that, and you've seen that with other Hawai'i asset owners.

Then there's the Outsourced CIO, which there's different levels of discretion. Anything from a 100% discretion to something less than that, that some groups allow in terms of working with an OCIO, but again, those are kind of comments and questions.

There are pluses and minuses to any one of these approaches, there's no one right answer, and there's no one size fits all. It has to be what's appropriate for OHA, and while I'm happy to give my ideas about pluses and minuses, at the end of the day, it's not me, it's you who have to figure out the way forward, and those kind of conversations should happen before you come to a point where you're going to vote or recommend something.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** I just want to quickly ask you, Vijoy - *when you make these recommendations, could you put up cost on the side of each one?* I say this because I did ask about what an OCIO would cost, and their cost is like \$300,000 a year, and I was also told by Vijoy in the early days that a corpus of less than a billion dollars really doesn't need an OCIO. So, I think we should look at these recommendations with the dollar signs in the back, and then we can probably make a better decision.

**Independent Board Investment Advisor Chattergy:** Right, I think that all three of your sorts of 'Manager of Managers' also have that kind of OCIO and investment consultant opportunities. So those are questions we can put directly to them and sometimes they give dollar amounts, sometimes they give basis point amounts.

I'm not necessarily recommending any of them. There over a hundred OCIO firms out there, and they're at least, 50 or more credible investment consultants, as well, but it all depends on the right fit, and the right skill set that you want.

But we can definitely talk through the costs, and that should be part of your effort. It's also, I think helpful to maybe try and understand, and I think staff has done some of this already, in terms of looking at the cost of the current program, and the way that you pay managers. Then that would be a good sort of like, *okay, this is where you are. Is the cost of doing something else more or less?* That makes sense in terms of cost, benefit analysis.

**Trustee Lindsey:** Thank you.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** Could I just ask you Vijoy, because when I look at my notes from previous sections with you, we had talked about some of the ways that we could build up our strengths, and there was some mention about how others in our State were doing it.

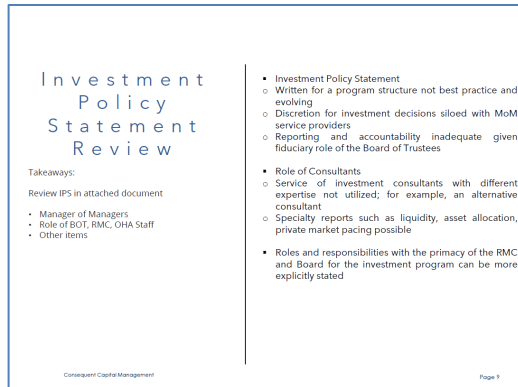
One of them was the ERS, when I look at the 1, 2, 3, 4, I mean, it's pretty clear that 1 and 4 are no use to us. We're a Trust, *but where is the ERS? How do they do theirs?* They're the State Retirement.

**Independent Board Investment Advisor Chattergy:** I don't follow them that closely anymore, so I'm not sure exactly. But what I've heard is that they do still have their general consultant, then they have some specialty consultants in real estate and private equity. Staff is given some ability to make investments within certain levels, and they have to report back at least once a year.

**Independent Board Investment Advisor Chattergy:** So, they are more working, I guess, hand in glove with the consultants. I'm not really sure. When I was there, there wasn't as much discretion given to the staff. I think if you look at EUTF, a similar sort of situation with Kuan Yuan, who came and presented last time, they work with a consultant.

I guess the more general answer is, it kind of varies, and it can evolve over time, and it needs to evolve, and be appropriate for the institution and the experience and the abilities of all the decision makers within that that organization, and their comfort with how they are managing the portfolio.

**Trustee Trask:** Thank you.



**Independent Board Investment Advisor Chattergy:** Okay, I know we're moving along with time, page 9. This is the Investment Policy review, so there are bullet points there. I was going to just highlight, if you look at the attachment, which is the IPS that I marked up, really the things that are highlighted in yellow are just areas where I think that language is going to change, or maybe the structure of that is going to change.

There are some red line version notes, and there are some comments there. So again, it's not making recommendations by putting this in front of you, it's just trying to bring your attention to areas that may need to be addressed. What I would say is that, in general, the areas that I think are emphasized here, other than just certain exceptions are the idea of the Manager of Managers approach and the accountability to the Board, that's what was emphasized here.

Other things that will fall out of that, like the discretion that's given to your asset managers. I think, will also naturally be addressed from that, but there are some sort of inconsistencies with that, that if you don't have a Manager of Managers approach, then that falls out anyways. But again, it's just trying to bring your attention to the issues that I think ultimately, you're going to be addressing when you redo these governing documents.

The portfolio design on page 10, is more along the lines that you're going to come back and consider. *Is this the appropriate best practice way you want to manage your portfolio or not?* And that, I think, concludes my comments and session today.

The rest is just the investment glossary, which hopefully also has some of the concepts that we've discussed in it, but happy to answer any additional questions.

I will note that there are some online resources when it comes to trying to understand:

- What does an investment consultant do?
- What does an OCIO do?

Even, what a Manager of Managers does, and I can make that available to everyone, so you can view it at your leisure and come back with any questions or comments going forward.

**Independent Board Investment Advisor Chattergy:** So, thank you for your time and I want to be mindful of that.

**Chair Waihe'e:** Thank you, Vijoy.

#### IV. NEW BUSINESS

##### **C. Presentation by Administration on Event Sponsorship Grants**

**Chair Waihe'e** asks if there is anyone signed-up to testify on this agenda item.

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

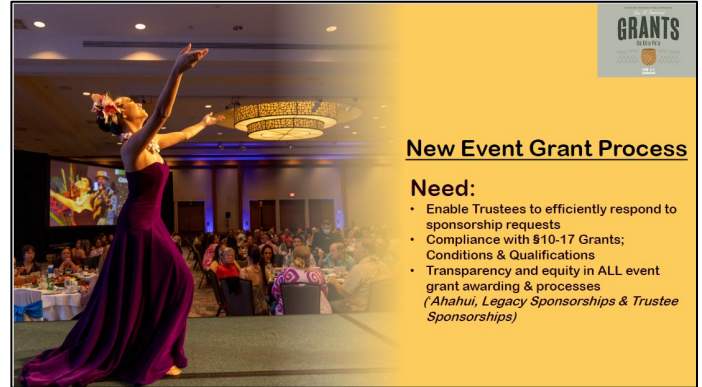
**Chair Waihe'e** turns it over to Ka Pouhana Stacy Ferreira.

**Pouhana Ferreira:** Mahalo Chair, at this time I'm going to have COO Casey Brown share.

**Ka Pou Nui Brown:** Mahalo Pouhana. Aloha mai, Trustees. This is your last topic today. I'm going to try to move moderately briskly, as I know we want to get to the next event. I'm going to ask Carla Hostetter to share her screen, so you guys can follow along, and while she's setting that up, I want to also quickly introduce the sort of the past, and what is to be the future home of our Grants team.

So, Carla, stepped in to help shepherd the Grants team when the prior CEO left, and so she's on, and we also have our Grants Manager Keala Neumann, who's on and has helped to make improvements to the grants process that you guys all have been seeing and been aware of.

The future of grants is going to be with Niniau Kawaihae, who you were introduced to. So eventually, we're going to have the grants program rest in our Community Engagement.



**Pou Nui Brown:** So, we have a new event sponsorship grant process. It's really an aggregation of existing grants. So, we're trying to take anything that looks, walks, talks like an event, or like a sponsorship, and we want to consolidate them, put them under a simpler, more streamlined process.

On slide 2, the Event Grant sponsorship process. First and foremost, this is going to combine three existing types of funding grants that we have, one of them being that the trustees... we know trustees are always tapped, bumped, requested by beneficiaries and community groups to fund all those good events that exist out there. We want to provide a process that captures that. Right now, there is a process, but it's not so formalized.

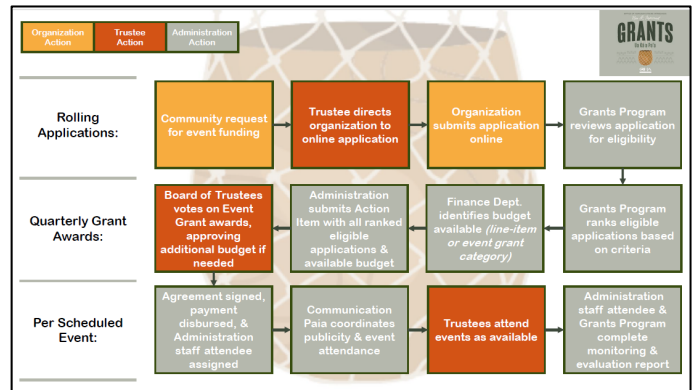
Historically, you guys would have handled this through the Trustee protocol allowance, which was much bigger.



**Pou Nui Brown:** Then we also had a CEO sponsorship bucket which allowed some authority there, but as a result of Report No. 18-03, Audit of the Office of Hawaiian Affairs, those were taken away. So, you folks have been trying to deal with that on your own, and we're trying to bring a process here to addresses that.

We also have 'Ahahui grants, which are event grants; they look and walk like sponsorships.

Then we also have legacy sponsorships which we put into the budget, and you folks approved as a body in those items. We're going to put those altogether, put them under one process.



**Pou Nui Brown:** So, this is the *New Event Grant Sponsorship Process*. It has an 'inoa, Ho'ākoakoa Lāhui, and if you have a question about that I'll ask Keala to speak on that. So, stop me if you want to know about the name.

Going through this you'll see this is a profile snapshot of the event grant sponsorship process. It's going to range from \$5,000 to \$25,000; it will be an all year-round application process.

We're going to have the online application, it'll be very simple by design. This is not a large grant amount, we don't want to provide an overly rigorous application process for our beneficiaries, as well as our staff. One award per year, per organization, and this is set to launch, barring no other material feedback from you folks here, it's set to launch April 1st.

The next slide is a process flow slide. The main takeaway from here is really that we're going to have rolling applications - it's open - every day - all year.

What's going to happen is, our staff is going to batch these applications every quarter, evaluate them and then bring them to the Board so you guys can review and approve.

That's the main takeaway from this. It'll never close, we'll always have it open. Beneficiaries can go to the online application process. Trustees when you guys are bumped or poked, you can send them to the website. It will always be there, and our staff will be ready to process their application.

**Chair Waihe'e** recognizes Trustee Souza.

**Trustee Souza:** Thank you. So, say if they're a legacy group, that's already approved in a budget to get it every year - *Could you also apply for this, because it says, once a year? Is that separate from the legacy?*



**Pou Nui Brown:** This will be addressing those legacy sponsorships. So, we will direct them to put an application into this process.

**Trustee Souza:** Okay, thank you. Thank you, Chair.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** Follow up to Trustee Keoni's question. *If they're legacy, why do they have to apply every year?*

**Pou Nui Brown:** We want to have some form of documentation of our funding going out Chair. It was being done through the budget realignment and the budget planning process which, the main point that we want to hit, is to make sure you folks are approving as a body, and not as any individual approving any of these funding.

So that's why it was in the budget. It's still going to come through as approval by a body, yourselves, but that's an area that needs a little more formal documentation. We want to add a little rigor to that and treat it similar like grants, consistently.

**Trustee Lindsey:** And that's what we did when we approved the legacy. We put the like kind for: Keiki Hula, HARA, Merrie Monarch. They're so busy, sometimes they forget to apply, and I think that we should offer it because of the service they do for our lāhui. We should have it on our calendar to give them that money.

*Why do we have to always make them ask?* Because to me it's like begging for money, the Hawaiians are tired of begging for money. We should give them what we approved. If there's a question by Administration, then you ask the question of those organizations, because *sometimes who knows, an emergency occurs, and say, Keiki Hula gets cancelled*, well, we're not going to give money, if it's canceled.

**Trustee Souza:** Can I add to that, I'm sorry. *What is the timeframe, because they're really legacy?* The process I'm assuming for somebody new, I'm sure, this grant process will be a lot longer, because they're legacy. Say the event is next week they forgot to apply a month before, but because the legacy is already approved - *does it just need to be an application that goes in and they're good to go?* I'm assuming that's how it works.

**Pou Nui Brown:** Yeah, I think, as a renewal, we would have their info. on file. So, those that are renewing annually, they would be evaluated very quickly.

However, the plan is to batch these quarterly, so if we see those types of grants that are in a situation that they forgot to apply or whatnot, then we'd have to come up with a process to get that approval quickly from you folks.

One thing that could help - is the comment you just shared Chair - is, maybe there's a way, an evaluative criterion, we could add that flags these legacies, so we don't have to put them on the burden of continuing applying. But let us think about how we can capture that if the Board chooses to have that.

**Trustee Souza:** I really don't see a problem if these guys apply. I mean, they're throwing big events, throwing annual events. The only thing that usually changes is the event date, the logistics stuff on their end. But I'm assuming if they want our \$15,000, they're gonna come for it. They're not gonna forget to ask for it.

**Trustee Lindsey:** Well, none of the legacies are that high. Actually, the legacy grants that were approved by the Board in the past, all had a \$10,000 limit.

**Trustee Souza:** I thought HARA was 15...

**Pou Nui Brown:** Chair, actually we have some legacies that have been higher than that.

**Trustee Lindsey:** \$15,000 last year, it was raised, and Merrie Monarch went to \$25,000. But, I'm familiar with that being the top dollar, because there are many legacy requests and for the legacy, that means it happens every year. And that's the point I was trying to make.

*Why do they have to apply every year when we approve them to have that money every year?*

**Trustee Lindsey:** Unless they're asking for more money, it should come before the Board.

**Trustee Souza:** Just to be clear what qualifies them to be a legacy, like, say, we started something this year and saying, it's going to happen the next five years. *Is that considered legacy, or would you have to have five years under your belt already, or 10 years?*

**Trustee Lindsey:** No...

**Trustee Souza:** *So, what is legacy...?*

**Trustee Lindsey:** Like: Keiki Hula, Merrie Monarch, in fact, even the Eddie was included. Not only hula stuff, but most of the legacy are cultural things, cultural, and that's like important to our Lāhui. So, the whole point I'm trying to make is, I don't want them to feel like they're begging us, because that's their right to get this money. Otherwise, these things would not happen in our community.

**Pou Nui Brown:** Correct, so Administration will do its best to balance, not overburdening any of our grantees, especially the legacies. But by Chapter 10-17 we do require a minimum amount of documentation, like an application, so we'll try to make that as simple as possible.

**Trustee Lindsey:** Maybe we can send it out prior to the event, so that we can remind them we got money for you folks, fill in this form and send it in.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** I just want to say that I'm so happy to see this. Staff - really a good job on this, and I'm so happy that we can launch. The *if* we're gonna launch in April.

I just wanted to say to the staff when we send in our articles for the previous month, I'm hoping that the August edition will dedicate a full page to what we're doing here. Also, I'm so happy to see the simplified Grant application. I think this is just a great job, good job, staff. We can get the word out ourselves, if we get all the articles in right before April. We should be able to make that deadline, and have it come out and be featured in our April *Ka Wai Ola*. Good job.

**Pou Nui Brown:** Mahalo nui, Trustee.

**Chair Waihe'e** recognizes Trustee Lindsey.

**Trustee Lindsey:** *Casey, can you please share with the Board how many people came out for the Grant Training Statewide?* Because I know in Maui it was record amount that we had, over 40 people.

**Pou Nui Brown:** I'm happy to, I'm so proud of the team. I'm going to actually turn it over to Keala. Keala, would you turn your camera on and maybe share some of the stats...

**Trustee Akaka:** I also wanted to ask a question regarding the new Grant application training that we've had throughout the islands, before Keala speaks. If she can also explain what the general theme of mana'o that was shared and asked in terms of what the need is and what we are doing that is good for them, and if we can continue feedback that can be shared as well. Thank you.

**Grants Manager Neumann:** Yes, Aloha Nui Kākou, aloha. Mahalo nui for having me today. Mahalo nui e ka Board of Trustees, mahalo.

As far as our grants training turnout, it was wonderful to be able to visit; starting in Maui, heading over to Kaua'i, O'ahu, virtual, heading over to Wai'anae, Moloka'i, Hilo and Kona, just being able to kind of hit all corners, and communities, or at least trying to, throughout the pae 'āina.

**Grants Manager Neumann:** Very, very fortunate to meet a lot of our different organizations and really get some face time. We haven't got out into the community for I believe what has been over 5 years. The Grants program hasn't been able to have that kind of facetime with the community, so that was a blessing for us.

If I'm not mistaken, for our virtual training, although everyone was not able to get connected, we did have over 300 individuals that were registered. I did not do a final tally, but I can assume if I were to take all the numbers, compile, and kind of redact the duplicates - we would be well over, I would say in the 500 to 600 range, of individuals representing different Native Hawaiian serving nonprofits throughout the pae 'āina.

So, of course, very, very fortunate to be able to get out there and share our mana'o. And of course this is what I shared in the trainings - that what we expressed and shared - was a lot of *heart* work, and a lot of *hard* work - that went into revamping this process, making it more accessible, making it more feasible for our nonprofits, and to really get out our Native Hawaiian money back to our Native Hawaiians, that's the overarching goal, of course.

As far as what Trustee Akaka has asked of me to share, I believe that what I received was a majority of very positive feedback, a lot of our nonprofits were very thankful and very hopeful.

First and foremost, of the streamlined process, of the streamlined eligibility requirements.

The way that I tried to break it down and really connect with them, kanaka-to-kanaka, and just sharing how I envision our process and moving forward for the OHA Grants program to be - as transparent as possible and that we will do everything in our power to be as helpful as we can in our capacity.

**Grants Manager Neumann:** We did also receive a lot of feedback, especially from the smaller organizations regarding match funding requirements. So, that has always and will continue to be an issue. So, match funding requirements, although lowered from 20% across the board, for our larger community grants now reduced to 15% across the board, seems very much so to still be an issue for our smaller grants.

Also the fact that our grants are by reimbursement, so the fact that our nonprofits receive an initial payment of 25% upfront, and then, as they expend each quarter and they get their reports into us, we review those reports, we're able to reimburse them for the expenses that they draw down, so to speak, each quarter.

I'm hoping that kind of helps to bring light to some of the bigger issues that were brought to my attention, the outlying and outstanding concerns, and the largest concerns that were brought to my attention, in summary, in these in-person trainings.

Please know as well, as I have a captive audience here in the live stream, that the on-demand training will becoming very, very shortly. Along with resources for the application. So, more resources to help our applicants further along their application process, and then the on-demand training as well. Mahalo nui.

**Chair Waihe'e:** Thank you.

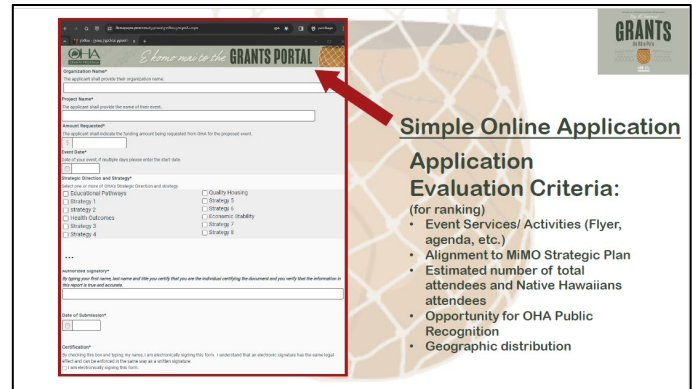
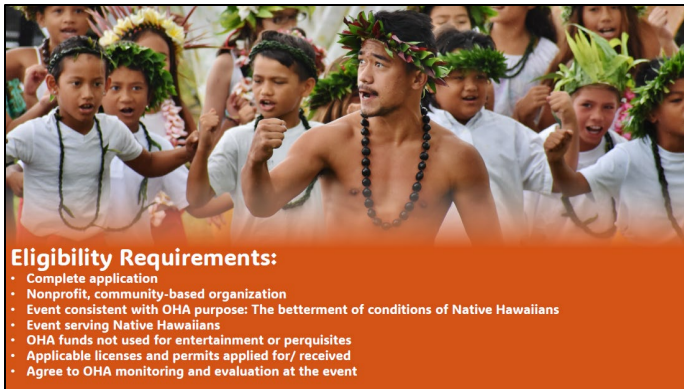
**Chair Waihe'e** recognizes Trustee Alapa.

**Trustee Alapa:** Aloha, Keala. I just wanted to say, I was there at the Moloka'i Grant's writing workshop, and it's the first time I sat through an entire workshop of this nature to see what our beneficiaries go through in the application process. I just want to say what an excellent job Keala and 'Āhia, and the staff have done in the Grant writing workshop process.

**Trustee Alapa:** I've seen a lot of happy faces, which is really great to see, and I hope that many of our beneficiaries will have a chance to be awarded a grant, provided they've done everything, and of course, with the support of our staff to help make this process so much easier for them.

This is exciting for us to witness and see; such a long time. I've been advocating for this Grant writing workshop for quite a while for our people, especially on Moloka'i. I'm happy to see that we can have a continuation, maybe a follow-up or something. That would be great, because it keeps people engaged when they know that we really do care, and we want to see to it. I'd love to see everyone get an award.

So again, thank you, Keala, for all of your support, and I hear you guys did a great job, I'm not sure of 'Āhia is on here, but hey, thanks.



**Pou Nui Brown:** Okay, I'll summarize the last two slides really, quickly. The eligibility requirements, for you folks to take a look at that. These are not unusual requirements, and these will be serving as a way to evaluate the grants because I know Board of Trustees, although you'd want to award every one of those that apply, to Trustee Alapa's comment, Administration wants to provide you enough info. in case we don't have enough budget to simply award everybody that applies.

So, these are the requirements we're going to rely on to do that evaluation for you folks, and that's it.

The last slide is really just a quick glimpse of what the online form will look like.

**Chair Waihe'e** recognizes Trustee Ahuna.

**Trustee Ahuna:** *Sorry, can you go back to the slide that had all the boxes (page 4)?*

You see how Trustees attend events, as available. I want to just make a comment, not all the events we can attend like Merrie Monarch. So, I'm just hoping, maybe in the future we can talk to them, maybe we can get on a list or something.

**Pou Nui Brown:** Gotcha.

**Trustee Ahuna:** Thank you.

**Pou Nui Brown:** Mahalo, Trustee.

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

There is no further questions or discussion.

**Chair Waihe'e:** If there are no further questions, thank you Casey, Stacey, Administration for all your work.

## V. ANNOUNCEMENTS

**Trustee Lindsey:** I want to call on our Pouhana to briefly report to our Board on the trip to Fiji.

**Pouhana Ferreira:** Mahalo Chair. I will follow up with a more formal report to Trustees. I think it was a very informative and instructive trip for us, and I think it was valuable for Chair and I to go as a precursor to FestPac. So that we had a good understanding of what the expectation of it is, or what the expectation of the commission here in Hawai'i, as well as OHA in terms of how we will receive delegations. There will be over 25 delegations coming from Pacific nations. *And what is that level of expectation of ho'okipa, of cultural protocol, that we should be preparing for?*

But above and beyond that, I think it was really important for us to get reacquainted with our Polynesian cousins prior to meeting in June. You don't want to come in June and be the first time you're doing the meet and greet, and the traditional tribal leaders *talanoa*. *Talanoa*, would be like our *halawai*, our meeting.

It was really, good for Chair to be able to meet with the other tribal leaders. One, to do the meet and greet, but two, to really start setting the geopolitical agenda that will be talked about when they all come in June, and so to have some consensus and some coherence around what are the top issues of our Polynesian people, that was the beginnings of that agenda setting.

So, things like climate change, indigenous rights, were just a few of the topics that were discussed at the highest levels of the leaders at the table. So that, when June comes it's not a dog-and-pony show of culture. It's much more about - *what is our place in the Pacific?* But, more importantly, as a political block, this voice of policy and advocacy in a global stage, and FestPac really sets that arena for those really, difficult, and sometimes it seems intractable issues that we as Polynesian peoples are dealing with.

As individual nations, very difficult to have any kind of impact, but when you have 29 nations coming together as a political block, now you have a force of influence and impact.

So, I want to just *mahalo* Chair, again. She was meeting with the highest levels of leadership from Samoa, Tonga, Fiji, Aotearoa, and then Hawai'i. I think she represented Hawai'i, and OHA extremely well.

I was very proud to be part of the delegation from Hawai'i and I'm even more confident knowing that when the 29 Nations come to Hawai'i, Hawai'i will be prepared, the Office of Hawaiian Affairs will be prepared.

I would like to note Hailama Farden was also on the trip, who is going to be our new Senior Director of Hawaiian Cultural Affairs. So, the level of confidence was bolstered, even more so because he now is also very much clued into the expectation of what the cultural protocol will be, not only for the Office of Hawaiian Affairs, but for Hawai'i. I'm very excited to receive not just the leaders from the 29 nations, but thousands that are going to be coming with them, so I think we're going to be well prepared.

**Chair Waihe'e** recognizes Trustee Trask.

**Trustee Trask:** I just wanted to say that when we take a look at FestPac, I'm kind of concerned, and I want something to get on the Board agenda, because we have a trustee in charge of protocol, it's Trustee Souza. And over the last few months I've talked with some of you about what event OHA will, host. We don't even have our kīhei designed yet, I've talked with some of you about that.

So, we do one print for OHA, Chair reminded me that our symbol is the kalo, what a beautiful one. But in terms of our own protocols here in Hawai'i, I haven't seen a single thing.

*We have a protocol trustee, but does he have a budget? Can we get this on the agenda soon?*

**Trustee Trask:** Also, we should be hosting something. It's in Hawai'i, they won't come back for 45 years. So, I would like to see the protocol chair brought in and given a budget, and let's start taking a look at kīhei and other things.

**Chair Waihe'e:** Thank you, Mili. We have to keep this to announcements and not a discussion on FestPac.

**Chair Waihe'e** recognizes Interim General Counsel Ohta.

**Interim General Counsel Ohta:** Thank you, it was mainly to the same point, Chair Waihe'e, but thank you. It's certainly an area of importance for this Board and OHA, but we don't want to engage in an extended discussion or deliberation on this.

## VI. ADJOURNMENT

**Trustee Souza** moves to adjourn the RM meeting.

**Vice-Chair Alapa** 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**.

							11:45 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA	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** adjourns the RM meeting at 11:45 a.m.



Respectfully submitted,

---

Melissa Wennihan  
Trustee Aide  
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on April 17, 2024

---

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

**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair***Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

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

**DATE:** Wednesday April 17, 2024**TIME:** 1:30 p.m.**PLACE:** Remote Meeting by Interactive Conference Technology  
and in-person at OHA Maui Ola Boardroom

Nā Lama Kukui

560 N. Nimitz Hwy.

Honolulu, HI. 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 829 7825 6027

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**AGENDA**

**I. Call to Order****II. Approval of Minutes**

A. March 6, 2024

**III. Unfinished Business – None****IV. New Business****A. Consequent Capital Management Introduction**

1. Investment Beliefs policy recommendation (Consequent Capital)
2. Presentation: PIMCO (Fixed Income) – Kevin Gray and Bill Murphy
3. Presentation: State Street Global Advisors (SSGA) (Equities Index), Sonya Park

**V. Adjournment**

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

Wednesday, April 17, 2024  
1:30 p.m. HST

# MEETING AGENDA

1. BACKGROUND INFORMATION
2. UPDATE ACTIVITIES
3. INVESTMENT BELIEFS:  
REVIEW & RECOMMENDATION
4. APPENDIX: INVESTMENT  
BELIEFS PROMPTS
5. GLOSSARY TERMS

Separate Document/Presentation

- Investment Beliefs Recommendation
- PIMCO
- State Street Global Advisors

# ABOUT US



- Independent investment advisory firm registered with the Securities & Exchange Commission
- Established in 2016 from the acquired assets of Gray & Company, an institutional consulting firm founded in 1991
- Office in Honolulu, HI, and corporate headquarters located in Atlanta, GA
- Full-service minority owned investment advisor serving institutional investor clients, including cities, labor unions, hospital systems, universities, and mission-specific non-profit organizations
- Comprehensive and holistic approach to investment advisory services including support of underrepresented and underutilized investment managers to provide diversity to our clients' portfolios.

# REVIEW AND UPDATE ON INVESTMENT EDUCATION

## **Investment Education Review**

- Investment Beliefs
- Manager of Manager Presentations (PIMCO; State Street)

## **Investment Oversight Preview**

- RMC May 1, 2024: Northern Trust
- RMC May 22, 2024: JP Morgan; Goldman Sachs; Meketa Investment Group
- RMC June 26, 2024: Top Tier; Wyoming Permanent Mineral Trust Fund (tentative)
- RMC July 10, 2024: Commonfund

# Investment Beliefs (review)

## Takeaways:

Investment beliefs reflect how the capital markets are understood and interpreted through the investment portfolio,

- Broadly held by entity
- Communicates activities and strategies
- Educates leadership and staff
- Positions entity in the marketplace
- Provides continuity through time

- **Investment Beliefs Statements** articulate the fundamental perceptions of trustees and their institutions on the nature of financial markets and the role they play in these markets...help trustees, fiduciaries, and others responsible clarify their views on the nature of financial markets through which they must operate and how these markets function. (Koedijk et al., 2009)

- Not a **Mission Statement**

- Fundamental goals
- Reason for existence

- Not an **Investment Policy Statement**

- Roadmap to how to achieve investment goals
- Operational guidelines sometimes included

- **Examples** of Investment Belief Statements

- [https://iri.hks.harvard.edu/files/iri/files/iri\\_investment\\_beliefs\\_statements.pdf](https://iri.hks.harvard.edu/files/iri/files/iri_investment_beliefs_statements.pdf)
- <https://www.calstrs.com/investment-beliefs;>  
[https://www.calstrs.com/files/89dc58bd6/calstrs\\_investment\\_beliefs.pdf](https://www.calstrs.com/files/89dc58bd6/calstrs_investment_beliefs.pdf)
- See appendix for sample discussion

# APPENDIX



# INVESTMENT BELIEF PROMPTS

## **Selective prompts referenced from 2011 Initiative for Responsible Investing by Harvard University**

- Do you believe investing can best serve the interests of your beneficiaries? How do you define the interests of your beneficiaries?
- How often and in what form do you believe it is important to communicate your investment beliefs and practices to beneficiaries, investors, or the general public?
- Do you believe that markets are efficient in setting prices, and if so, how much of the time and to what degree?
- Do you believe that investment is a zero-sum game? Can alpha or excess returns be achieved over time?
- Do you believe active management can add value to the risk-adjusted returns of a portfolio? If so, under what circumstances?
- Do you believe that asset allocation plays an important role in determining overall portfolio returns? If so, to what degree relative to security selection?
- What do you believe an appropriate definition of risk in financial markets should be?
- What do you believe the benefits of diversification should be and what do you believe the appropriate role of diversification in an investment policy should be?
- Do you believe stable, honest and transparent financial markets make an important contribution to a healthy economy?
- How do you assure that the interests of future, as well as present, beneficiaries are served and that your decisions are impartial in their benefits to future as well as present beneficiaries?
- Do you believe that the incorporation of social and environmental factors into the investment process can shift it toward long-term horizons?
- Is it important to work with asset managers whose investment beliefs correspond with yours? Do you believe that conflicts of interest between you and your asset managers are a potential danger?

# INVESTMENT GLOSSARY

- A -

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

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

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

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

- B -

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

# INVESTMENT GLOSSARY

- B -

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

- C -

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

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

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

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

# INVESTMENT GLOSSARY

-- D -

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

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

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

**Diversification:** Diversification is a risk management strategy that creates a mix of various investments within a portfolio. A diversified portfolio contains a mix of distinct asset types and investment vehicles in an attempt to limit exposure to any single asset or risk. The rationale behind this technique is that a portfolio constructed of different kinds of assets will, on average, yield higher long-term returns and lower the risk of any individual holding or security.

# INVESTMENT GLOSSARY

- E -

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

- F -

**Fiduciary Responsibility:** A fiduciary is a person or organization that acts on behalf of another person or persons, putting their clients' interests ahead of their own, with a duty to preserve good faith and trust. Being a fiduciary thus requires being bound both legally and ethically to act in the other's best interests.

- H -

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

- I -

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

# INVESTMENT GLOSSARY

- I -

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

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

- L -

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

**Liquidity:** Core liquidity refers to the cash and other financial assets that banks possess that can easily be liquidated and paid out as part of operational cash flows (OCF). Examples of core liquidity assets would be cash, government (Treasury) bonds, and money market funds.

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

- M -

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

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

# INVESTMENT GLOSSARY

- M -

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

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

- O -

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

- P -

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

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



# INVESTMENT GLOSSARY

- P -

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

- R -

**Regulatory Compliance Requirement:** Compliance with all existing and future applicable state and federal regulations.

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

- S -

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

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



# INVESTMENT GLOSSARY

- S -

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

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

- T -

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

- V -

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

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

# DISCLOSURE STATEMENT

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

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**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair**Members**Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

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## MEMORANDUM

To: Resource Management Committee  
Office of the Hawaiian Affairs

From: Consequent Capital Management

Date: April 17, 2024

Re: Investment Beliefs to be Adopted into the Investment Policy Statement

### **Recommendation**

The Resource Management Committee (RMC) should recommend the adoption of the investment beliefs stated in this memorandum pending any final edits and modifications as approved by the Office of Hawaiian Affairs (OHA) trustees. The investment beliefs can be incorporated at the beginning of Section 2 of the OHA Investment Policy Statement of 2021.

### **Discussion**

The adoption of a set of clearly articulated Investment Beliefs that the OHA Board can support and that the staff and service providers can refer to as guiding principles for investment decision preferences and direction will support the efficient and effective management of the Native Hawaiian Trust Fund (NHTF). Investment Beliefs can also be used to educate current and future OHA personnel as well as to provide continuity between current and future trustees.

Many institutional asset owners include investment beliefs as part of its Investment Policy Statement document. For example, the California State Teachers' Retirement System (CalSTRS) states, "investment beliefs provide a foundational framework for all of CalSTRS' investment decision-makers to invest in a manner that reflects CalSTRS' unique view of the global investment markets and its vision for participating in these markets to accomplish its fiduciary goal. In this respect, these investment beliefs should help guide CalSTRS' policy leaders and other decision makers to develop appropriate policies, procedures, and investment plans for CalSTRS' assets.

Globally, large institutional investors have used investment beliefs as a basis for their investment decisions and for trimming their portfolio ideas or investments that were not congruent. Externally, publicly posting their investment beliefs helped funds' members and stakeholders evaluate their fund's investment program and provided more background for current and future decisions."

Furthermore, Harvard University did a study in 2011, noting the importance of investment beliefs and clarifying the difference of beliefs with mission and investment policy statements and objective. The document noted, "Investment Beliefs Statements articulate the fundamental perceptions of trustees and their institutions on the nature of financial markets and the role they play in these markets. An Investment Beliefs Statement is neither a mission statement nor an investment policy statement, however. The former sets forth the institution's fundamental goals.

The latter describes the specifics of how the institution hopes to achieve those goals. An Investment Beliefs Statement serves as a bridge between high-level goals and practical decision-making. Investment Belief Statements are important because they help trustees, fiduciaries, and others responsible clarify their views on the nature of financial markets through which they must operate and how these markets function. They set forth the institution's rationales for the selection of investment styles and managers; the principles they apply in the investment process; and the strategic decisions they make and why. (Koedijk et al., 2009)"

### **Proposed Investment Beliefs**

Investment beliefs provide a foundational framework for all OHA's investment decision-makers to invest in a manner that reflects OHA's unique identity and view of the global investment markets and its vision for participating in these markets to accomplish its fiduciary goal. Institutional investors use investment beliefs as a basis for investment decisions such as trimming portfolio ideas or investments that do not support the beliefs. Publicly posting investment beliefs communicates to staff, beneficiaries, stakeholders, and service providers the intention of the NHTF's investment program and provides context for current and future decisions. Investment beliefs guide OHA's Trustees, investment staff, and service providers to develop appropriate policies, procedures, and investment plans for the NHTF.

At the Office of Hawaiian Affairs, we hold the following investment beliefs:

1. Financial capital markets trend toward efficiency over the long-term as reflected in the fundamental characteristics of a strategy, investment opportunity, or vehicle, and are therefore appropriate for the NHTF to achieve its long-term objectives of consistent capital growth and capital preservation.
2. When financial markets are considered more efficient such as when numerous investors are "price-takers", it is appropriate for the NHTF to seek out low-cost passive investment strategies such as broadly diversified large-capitalization index funds.
3. Financial capital markets do experience episodes of inefficiency, particularly in sub-market cycle periods, when information is not dispersed widely and investors exhibit non-rational or behavioral flaws in decision-making, and therefore more active management is preferable, such in private markets and anomaly capture strategies, for example, long-short equity neutral or volatility premium harvesting.
4. When financial capital market inefficiencies are expected to persist over an expected period of market dislocation due to changes in market conditions, investor behavior, external intervention, or a combination thereof, it is appropriate for the NHTF to seek excess returns (sometimes called alpha) and market premium (one being the illiquidity risk premium) as measured through benchmark outperformance.
5. Market participants inherently have conflicting self-interest and levels of organizational quality such that OHA's execution of policies and procedures can yield important operational benefits through vetting of agency issues and ensuring

appropriate alignment of interests for the performance of the NHTF and benefits of the Native Hawaiian people, today and into the future.

6. Technology innovations, intellectual insights, and product engineering continually present investors with evolving opportunities that can lead to enhanced investment performance, which OHA will evaluate the risk/return qualities of such developments for the NHTF, with the intention of avoiding trendy over-hyped investment narratives while considering substantial enhancements that create lasting value and good for the economy and society as a whole. Ongoing education is an essential part of monitoring the NHTF over time in order to stay current with the changing nature of markets and the industry.
7. Investing in financial capital markets present a plethora of risks to capital, organization, and reputation that are manifest in the markets, businesses, and people that comprise investment markets and opportunities which OHA believes can be measured and managed actively in the NHTF exhibited by metrics, adequate diversification, downside protection, and proper initial and ongoing due diligence.
8. OHA believes that investments in the financial capital markets can adhere to Hawaiian values as articulated by the Board of Trustees, Mana i Maui Ola (strategic plan), and other contemporary and historical cultural practices through the active efforts to build the NHTF's investment portfolio to mālama Hawai'i's people and environmental resources, and OHA'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 lāhui, recognized nationally and internationally.



**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair***Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

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

**DATE:** Wednesday April 17, 2024**TIME:** 1:30 p.m.**PLACE:** Remote Meeting by Interactive Conference Technology  
and in-person at OHA Maui Ola Boardroom

Nā Lama Kukui

560 N. Nimitz Hwy.

Honolulu, HI. 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 829 7825 6027

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 829 7825 6027.**

**A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817.**

**AGENDA**

**I. Call to Order****II. Approval of Minutes**

A. March 6, 2024

**III. Unfinished Business – None****IV. New Business****A. Consequent Capital Management Introduction**

1. Investment Beliefs policy recommendation (Consequent Capital)

2. **Presentation:** PIMCO (Fixed Income) – Kevin Gray and Bill Murphy

3. Presentation: State Street Global Advisors (SSGA) (Equities Index), Sonya Park

**V. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at [everetto@oha.org](mailto:everetto@oha.org) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).

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 and written meeting minutes are posted to OHA's website.





PIMCO



April 2024

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# Disclosures

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The investment strategies discussed herein are speculative and involve a high degree of risk, including the possible loss of some or all capital. Investments in any products described herein may be volatile, and investors should have the financial ability and be willing to accept such risks. Shares in the Fund are illiquid as there is no secondary market for the Fund shares and none is expected to develop. Fund shares are subject to restrictions on transfer. Fees and expenses charged in connection with an investment in the Fund may be higher than the fees and expenses of other investment alternatives and may offset investment profits.

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# Disclosures

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**The GIPS Composite Report for the PIMCO Tactical Opportunities Composite is included in the back of this presentation. GIPS® is a registered trademark owned by CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.**

All \$ amounts referenced are in USD and source citations are PIMCO unless stated otherwise.

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# Agenda

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**1** Introduction to PIMCO

**2** Tactical Opportunities Fund

**3** Why PIMCO

**4** Additional Information

# PIMCO is a global manager with long-term perspective

Deep expertise across complementary, alternative investment capabilities since 2007



**1971**

PIMCO Founded

**\$1.86T** Firm wide AUM

**130+** Private market investment professionals

**3000+** Employees

**115+** Credit portfolio managers across Investment Grade, High Yield, Loans EM, Municipals and Securitized

## Public Credit

*Inception 1971*

**\$450+ Billion**

Investment Grade  
Multi-Sector Credit  
Leveraged Finance  
Capital Securities

## Hedge Funds

*Inception 2004*

**\$18+ Billion**

Discretionary Hedge Funds  
Systematic Hedge Funds  
Customized Mandates

## Private Strategies

*Inception 2007*

**\$146+ Billion**

Opportunistic  
Private Lending  
Alternative Credit  
Real Estate

As of 31 December 2023 unless otherwise indicated.

SOURCE: PIMCO. PIMCO manages \$1.86 trillion in assets, including \$1.48 trillion in third-party client assets as of 31 December 2023. Assets include \$90.9 billion (as of 31 December 2023) in assets managed by Prime Real Estate (formerly Allianz Real Estate), an affiliate and wholly-owned subsidiary of PIMCO and PIMCO Europe GmbH, that includes PIMCO Prime Real Estate GmbH, PIMCO Prime Real Estate LLC and their subsidiaries and affiliates. PIMCO Prime Real Estate LLC investment professionals provide investment management and other services as dual personnel through Pacific Investment Management Company LLC. PIMCO Prime Real Estate GmbH operates separately from PIMCO.

# Diverse perspectives drive PIMCO

## Inclusion and Diversity: The Path Forward

**Inclusion and Diversity efforts at PIMCO are guided by four distinct pillars**

### **Encourage Diverse Perspectives**

Great ideas and innovative solutions emerge when teams look at opportunities from every angle. This has been the core of our approach for 50+ years.

### **Drive Impact in Our Communities**

Donating our resources, time and talents we work together to combat challenges facing the communities where we work, and beyond.



### **Cultivate a Pipeline of Diverse Talent**

We're invested in cultivating the pipeline of diverse talent – at PIMCO and within the asset management industry at large.

### **Invest in Connection**

We invest in connection because we know that bringing together unique points of view results in better decisions, creative solutions and greater outcomes.

# PIMCO's Alternative Credit & Private Strategies platform at a glance

**2007**

Launch of Alternative  
Credit & Private Strategies

**\$146bn+**

Alternatives Assets under  
management\*

**130+**

Private market investment  
professionals

## Opportunistic

*Corporate • Asset Based*

**\$10 Billion AUM**

## Private Lending

*Multi-Sector • Specialty • Real Estate*

**\$52 Billion AUM**

## Alternative Credit

*Flexible • Structured • Contingent*

**\$19 Billion AUM**

## Real Estate

*Core • Value-Add • Opportunistic*

**\$65 Billion AUM**

As of 31 December 2023

Source: PIMCO. **For illustrative purposes only.**

\*PIMCO's Alternative AUM is comprised of committed and uncalled capital across Opportunistic, Private Lending, Alternative Credit, and Real Estate strategies. PIMCO manages \$1.86 trillion in assets, including \$1.48 trillion in third-party client assets as of 31 December 2023. Assets include \$90.9 billion (as of 31 December 2023) in assets managed by PIMCO Prime Real Estate (formerly Allianz Real Estate), an affiliate and wholly-owned subsidiary of PIMCO and PIMCO Europe GmbH, that includes PIMCO Prime Real Estate GmbH, PIMCO Prime Real Estate LLC and their subsidiaries and affiliates. PIMCO Prime Real Estate LLC investment professionals provide investment management and other services as dual personnel through Pacific Investment Management Company LLC. PIMCO Prime Real Estate GmbH operates separately from PIMCO.

Refer to Appendix for additional strategy availability, investment strategy and risk information.

# PIMCO's Edge: Harnessing our full platform to deliver consistent outcomes

1

## Scale & Access

Our leadership position and deep relationships are a persistent source of value to clients

- Global investment platform built on decades of experience with debt markets
- Broad bench of specialty global teams seeking to uncover value in every market
- Comprehensive access to deal flow and sourcing capabilities across public and private markets

2

## Ability to Navigate Complex Markets

We can allocate capital flexibly across assets classes and risk spectrum

- Forward-looking macroeconomic framework developed through secular and cyclical forums
- 80+ global credit research analysts conducting proprietary analysis
- Highly specialized private resources in corporate credit, real estate and specialty finance with asset management, underwriting and restructuring expertise

3

## Consistent, Disciplined Approach

50+ year time-tested process aims to deliver outperformance through varied market cycles

- Disciplined approach to portfolio construction seeks high conviction views while aiming to avoid any single risk to dominate returns
- Focus on data, behavioral science, and responsible risk management to adapt to changing market conditions and pursue resilient portfolios
- Strong culture of team work engenders tight coordination and connectivity across global platform

4

## Quantitative Rigor

Data-driven tools help enhance and optimize investment decision-making

- Dedicated Portfolio Implementation, Analytics, and Risk teams to proactively focus on portfolio optimization
- Robust risk management framework is deeply integrated into our process
- Significant ongoing investment in technology, proprietary analytics, and big data

As of 31 December 2023. SOURCE: PIMCO  
Refer to Appendix for additional investment strategy and risk information.



# Tactical Opportunities Fund



# PIMCO's Tactical Opportunities Fund overview

## Investment Strategy

- Multi-sector, opportunistic credit strategy with beta hedges
- Flexibility to deploy into private and public assets across verticals

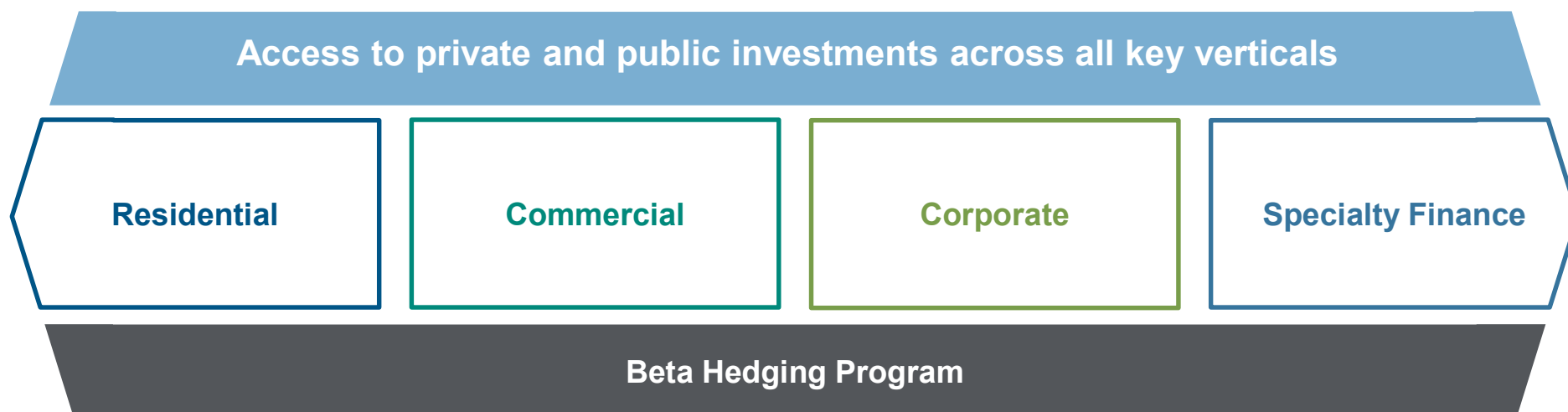
## Fund Summary

**Inception date:** February 1, 2013

**AUM:** \$6.6 billion

## Fund Structure

- Open-ended, semi-liquid<sup>1</sup> private fund
- Monthly NAV
- Income distribution share class available



An investment in any PIMCO managed Investment Opportunity entails a high degree of risk and investors could lose all or a portion of their investment.

As of 29 February 2024. SOURCE: PIMCO.

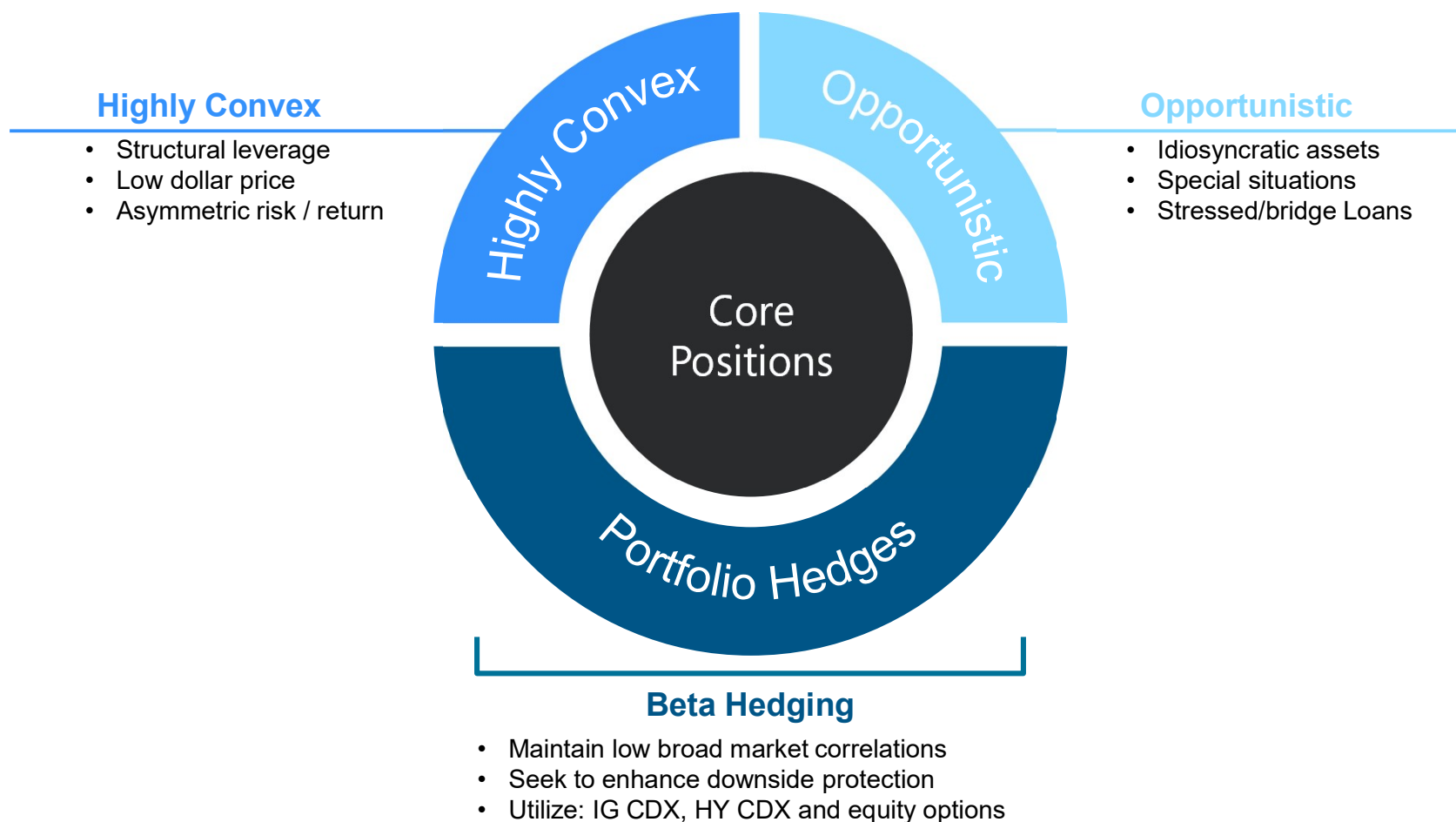
This information is summary in nature and is no way complete, and these terms may change materially at any time. If you express an interest in investing in the Fund, you will be provided with an offering memorandum, limited partnership agreement, subscription agreement, and other Fund documents ("Fund Documents"), which shall govern in the event of any conflict with the general terms listed in this material. You must rely only on the information contained in the Fund Documents in making any decision to invest.

<sup>1</sup>Refer to Slide 15 for additional information regarding temporary restrictions on liquidity.

Refer to Appendix for additional investment strategy and risk information.

# Portfolio construction framework

***Core positions target potentially attractive risk-adjusted returns with a measure of downside protection, prudent use of leverage, and dynamic beta hedging***



As of 29 February 2024. SOURCE: PIMCO

The investment terms referenced are presented for illustrative purposes only, as a general example of the type of investments that may be or have been acquired by the Tactical Opportunities Fund, as well as PIMCO's current capabilities in sourcing, modeling and managing such investments (which may evolve over time). There can be no guarantee that the Tactical Opportunities Fund will have or continue to have access to comparable investments, or that PIMCO will utilize similar strategies or techniques in connection with Tac Opps investments.

Refer to Appendix for additional investment strategy, portfolio structure and risk information.

# Tac Opps performance review

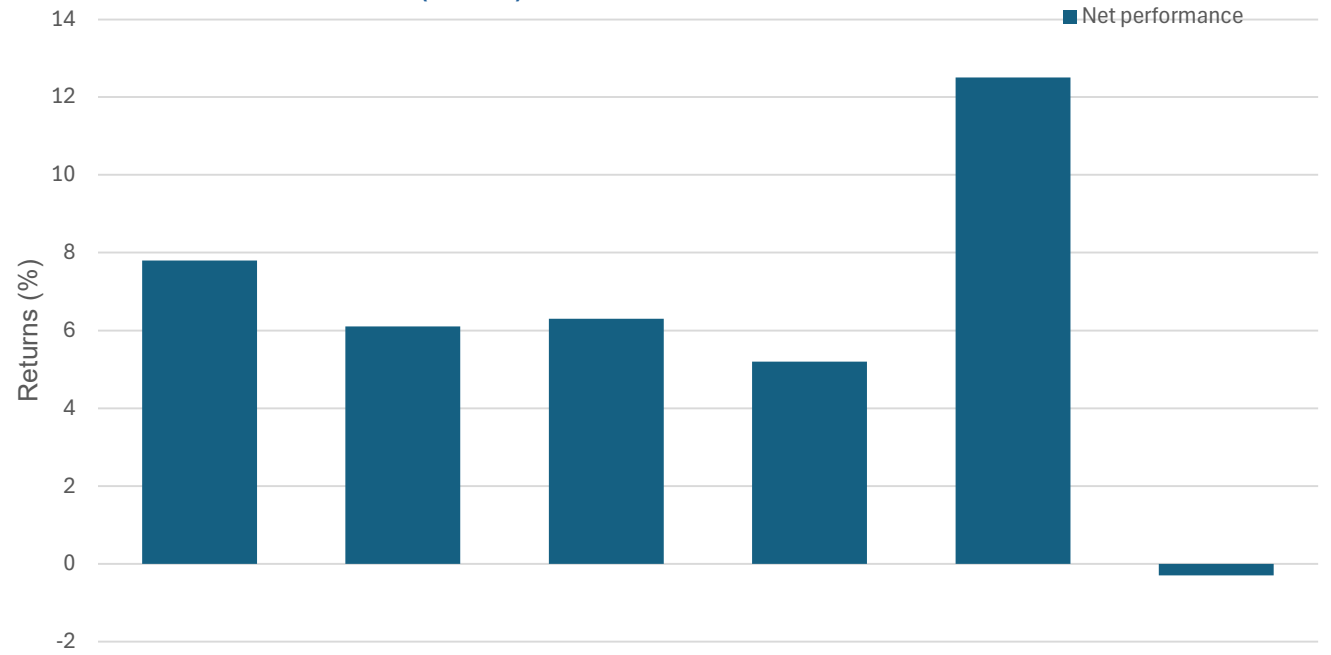
## PIMCO Tactical Opportunities Fund

AUM as of Feb'24                   \$     6,627 mm

## Office of Hawaiian Affairs

Capital balance as of Feb'24     \$   28,742,974

Historical Fund net returns (in USD)



	S.I. 31 Jan '13	OHA S.I. 1 Feb '18	5 yrs.	3 yrs.	1 yr.	YTD 29 Feb '24
Net Performance (%)	7.8	6.1	6.3	5.2	12.5	-0.3

As of 29 February 2024.  
**Past performance is not a guarantee or a reliable indicator of future results.** All periods longer than one year are annualized.  
 Performance is net of performance, management and administration fees. Performance reflects Class A investment.  
<sup>1</sup>OHA performance will differ from Class A tracking performance due to the impact of timing of entry into the fund on the accrual of incentive fee

# PIMCO is well-positioned to capitalize on bank retrenchment

---



## We Know the Assets

Deep asset-level expertise across all risks that permeate bank balance sheets – corporate, real estate, residential and specialty finance



## Scaled Flexible Capital

Ability to acquire large portfolios of securities, loan portfolios and/or create bespoke risk-transfer arrangements



## Trusted Liquidity Provider

Long-standing reputation as a trusted counterparty with proven ability to act quickly, quietly, in size and across the risk spectrum



## Dedicated Bank Sourcing

Dedicated Capital Markets Group and deep relationships with bank leadership teams and policymakers

As of 29 February 2024 unless otherwise noted. SOURCE: PIMCO.

**For illustrative purposes only. The views and expectations expressed are those of PIMCO.** There can be no guarantee that the trends mentioned above will continue. Statements concerning financial market trends are based on current market conditions, which will fluctuate. Refer to Appendix for additional investment strategy, outlook and risk information.

## Why PIMCO?



# Core tenets of The PIMCO Platform

---

## Scale & Flexible Capital

- Platform provides clients with a diverse range of solutions across the risk and liquidity spectrum

## Integrated Platform

- Leveraging the broader the PIMCO platform to source, underwrite and structure investments across asset classes

## Opportunistic Bias

- Emphasizing a value-oriented investment style, capitalizing on our perch at the intersection of public and private markets

## Rigorous Underwriting

- Seeking to create value through embracing complexity and providing liquidity across global investment sectors

## PIMCO Infrastructure

- Incorporating analytics, financing and portfolio construction to optimize returns and navigate cycles on behalf of our clients

As of 31 January 2024 unless otherwise noted. SOURCE: PIMCO  
For illustrative purposes only. The views and expectations expressed are those of PIMCO.  
Refer to Appendix for additional investment strategy, outlook and risk information.

# Benefits of partnering with PIMCO

We define partnership as a symbiotic, long-term relationship between an asset owner and a manager that significantly benefits both organizations through deep engagement.

## EDUCATION

### PIMCO Institute

Deepen your understanding of global capital markets through interactive sessions with peers and PIMCO experts.



## ACCESS

### PIMCO Pro – Client Portal

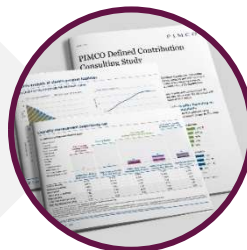
Login to our dynamic, self-service digital platform to access customized portfolio information, value-add analytical tools, market data and many other new features.



## ANALYTICS

### Bespoke Client Analytics

Partner to generate objective, actionable insights that can help you attain portfolio outcomes and leverage complementary PIMCO analytics to deepen understanding of portfolio risk factors.



## NETWORKING

### Client-Driven Thought Leadership and Events

Receive regular PIMCO content applicable to broader market themes and specific client peer groups, alongside participation in a multitude of events across formats.



### PIMCO Global Advisory Board

Access economic, political, and market insights from a team of renowned experts (Ben Bernanke, Joshua Bolten, Gordon Brown, Mark Carney, Michèle Flournoy).



As of 31 December 2023; Source: PIMCO



## Additional Information



# Our edge in Alternative Credit

## Scale & Presence

- Deep presence across the risk spectrum in public and private markets
- Focus on four main asset classes:
  - *Corporate Credit*
  - *Real Estate*
  - *Residential Credit*
  - *Specialty Finance*

## Access & Sourcing

- Deep relationships with borrowers and sellers of risk
- Reputation as trusted provider
- Dedicated capital markets group



## Integrated Investment Process

- Industry leading macroeconomic process
- Granular underwriting supported by analytics & data
- Relative value lens across asset classes
- Multi-faceted approach to portfolio construction

## Disciplined Approach

- Time-tested approach to risk management
- Focus on capacity management
- Patient and responsible business growth

As of 29 February 2024 unless otherwise noted. SOURCE: PIMCO.

**For illustrative purposes only. The views and expectations expressed are those of PIMCO.** There can be no guarantee that the trends mentioned above will continue. Statements concerning financial market trends are based on current market conditions, which will fluctuate.

Refer to Appendix for additional investment strategy, outlook and risk information.

# Intense focus on portfolio risk management

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PIMCO risk management team led by Josh Davis, global head of portfolio risk management

## PIMCO risk management team manages the following key risks

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### Fund

- Work with PIMCO Investment Committee (IC) and Tac Opps PMs to set risk targets and monitor overall fund risk
- Stress test fund

### Operational

- Oversee operational controls and settlement functions

### Liquidity

- Monitor fund liquidity needs based on forward settlement and derivative positions

### Concentration

- Monitor asset and sector concentrations

### Counterparty

- Regularly review trading counterparties and monitor indirect exposure daily
- Manage collateral

### Regulatory

- Closely monitor economic, political and idiosyncratic developments

## Additional resources to ensure risks are properly monitored

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### Proprietary analytics team

- 30+ proprietary systems to measure and monitor risk factors across markets and security types

### Financial engineering and technology teams

- Focus on continual development of risk management systems

### Alternatives product management and operations teams

- Teams dedicated to the daily monitoring of fund objectives and guidelines

As of 31 December 2023. SOURCE: PIMCO.

There can be no assurance that the process outlined above will produce the desired results or achieve any particular level of returns.

# PIMCO's Proprietary ESG Evaluation



## Proprietary Issuer ESG Scores

- Asset class specific issuer assessment including corporates, sovereign, municipalities, securitized, etc.
- Bespoke sector specific assessment, e.g. food, utilities, banks



## Evaluation of ESG Bonds

- Scoring system which assesses the rationale for “use-of-proceeds” bonds, sustainability-linked bonds across key pillars:
  - Strategic Fit
  - Impact
  - Red Flags



## Thematic Tools and Frameworks

- Proprietary tools to evaluate and manage climate risks in particular e.g. **climate risk scores**, (based on transition and physical risk)
- Bespoke deep-dives by themes including human capital, biodiversity and natural capital
- PIMCO’s proprietary decarbonization framework

SOURCE: PIMCO. For illustrative purposes only.

ESG bonds refer to green, social, sustainability or sustainability-linked bonds based on issuer as classified by the issuer, 3rd parties or PIMCO through use of a framework and/or legal documentation. **Green Bonds** are those issues with proceeds specifically earmarked to be used for climate and environmental projects. **Social Bonds** are use-of-proceeds bonds earmarked to finance new and existing projects or activities with positive social impacts. **Sustainability Bonds** are use-of-proceeds bonds earmarked to finance new and existing projects or activities with positive environmental and social impacts. **Sustainability-Linked Bonds (SLBs)** are bonds that include sustainability-linked covenants, as explained by the issuer through use of a framework and/or legal documentation.

Refer to Appendix for additional ESG investing, investment strategy, PIMCO ESG rating, and risk information.

# Biography

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## **Kevin Gray**

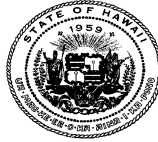
Mr. Gray is an executive vice president and account manager in the Newport Beach office and a member of PIMCO's U.S. public pension practice, representing both public and private market strategies. Prior to joining PIMCO in 2005, he was with Union Bank of California. He has 20 years of investment experience and holds an MBA with concentrations in finance and investments from the Marshall School of Business at the University of Southern California. He received his undergraduate degree from the University of San Diego. Mr. Gray is a member of the investment committee of the Horace Kelley Art Foundation.

## **Bill Murphy, CFA**

Mr. Murphy is a senior vice president and account manager in the Newport Beach office, responsible for institutional client servicing. He is also the MBA supervisor in the institutional client management group, managing and guiding new investment professionals. He is a member of the steering committee for PIMCO Veterans. Prior to joining PIMCO in 2019, he served in the U.S. Air Force for five years in various roles, most recently as lead neuromorphic computing engineer developing applications to glean insights from intelligence data, and achieved the rank of captain. He holds an MBA from the University of Chicago Booth School of Business, a master's degree in electrical engineering from the Air Force Institute of Technology, and an undergraduate degree from the University of Cincinnati. He is a CFA charterholder.

## **Andrew Mark, CFA**

Mr. Mark is a senior vice president and credit strategist in the Newport Beach office, focused on credit alternatives, including private credit strategies. He previously focused on multi-sector fixed income strategies for the firm, including total return, global and emerging markets. Prior to joining PIMCO in 2015, he was a currency trader and operations analyst at Artisan Partners and also served five years on active duty as an officer in the U.S. Army. He holds an undergraduate degree in history from Marquette University.

**Committee on Resource Management**Trustee John Waihe'e IV, *At-Large* - ChairTrustee Luana Alapa, *Moloka'i / Lāna'i* - Vice Chair***Members***Trustee Dan Ahuna, *Kaua'i / Ni'ihau*Trustee Kaleihikina Akaka, *O'ahu*Trustee Keli'i Akina, *At-Large*Trustee Brickwood Galuteria, *At-Large*Trustee Carmen Hulu Lindsey, *Maui*Trustee J. Keoni Souza, *At-Large*Trustee Mililani Trask, *Hawai'i Island*

**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

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

**DATE:** Wednesday April 17, 2024**TIME:** 1:30 p.m.**PLACE:** Remote Meeting by Interactive Conference Technology  
and in-person at OHA Maui Ola Boardroom

Nā Lama Kukui

560 N. Nimitz Hwy.

Honolulu, HI. 96817

viewable at <https://www.oha.org/livestream> OR

Listen by phone: (213) 338-8477, Webinar ID: 829 7825 6027

**This virtual meeting can be viewed and observed via livestream on OHA's website at [www.oha.org/livestream](http://www.oha.org/livestream) or listened to by phone at: (213) 338-8477, Webinar ID: 829 7825 6027.**

**A physical meeting location, open to members of the public who would like to provide oral testimony or view the virtual meeting, will be available at 560 N. Nimitz Hwy., Suite 200, Honolulu HI 96817.**

**AGENDA**

**I. Call to Order****II. Approval of Minutes**

A. March 6, 2024

**III. Unfinished Business – None****IV. New Business****A. Consequent Capital Management Introduction**

1. Investment Beliefs policy recommendation (Consequent Capital)
2. Presentation: PIMCO (Fixed Income) – Kevin Gray and Bill Murphy
3. Presentation: State Street Global Advisors (SSGA) (Equities Index), Sonya Park

**V. Adjournment**

If you need an auxiliary aid/service or other accommodation due to a disability, please contact Everett Ohta at (808) 594-1988 or by email at [everetto@oha.org](mailto:everetto@oha.org) as soon as possible. Requests made as early as possible have a greater likelihood of being fulfilled. Upon request, this notice is available in alternate/accessible formats.

Meeting materials for this meeting will be available for the public to view 48 hours prior to this meeting at OHA's main office located at 560 N. Nimitz Hwy., Suite 200, Honolulu, HI 96817. Meeting materials will also be available to view at OHA's neighbor island offices and will be posted to OHA's website at: [www.oha.org/rm](http://www.oha.org/rm).

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 and written meeting minutes are posted to OHA's website.

# State Street Global Advisors

## A Presentation to the Office of Hawaiian Affairs

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# State Street Global Advisors Firm Overview



# State Street Corporation at a Glance

## Lines of Business

### Investment Services

**Improving operational excellence and achieving growth** with a complete front-to-back perspective through State Street Alpha®, delivering best-in-class operations outsourcing, technology and data platforms across traditional and alternative assets.

### Markets and Financing

**Enhancing and preserving the value of your portfolios** with leading multi-asset class trading and securities financing, FX solutions and data-driven investment research and market insights.

### Investment Management

**Helping the world's investors achieve their financial goals** with a universe of index and active strategies as the 4th largest asset manager in the world.

**230+ years**

of experience

**\$41.8T**

in assets under custody and/or administration<sup>1</sup>

**~11%**

World's assets<sup>2</sup> responsible for

**100+**

Geographic markets<sup>3</sup>

**~46,000**

Employees worldwide<sup>3</sup>

<sup>1</sup> This represents State Street's 2023 Q4 Assets Under Custody and Administration, AUCA, (USD \$41.8T)) as of December 31, 2023.

<sup>2</sup> Represents State Street AUC/A divided by Global Financial Assets, including Global Equity, Global Debt Securities and Global Broad Money (M3), as of December 31, 2022. Sources: SIFMA, OECD, World Bank.

<sup>3</sup> As of December 31, 2023

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# About State Street Global Advisors

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## \$4.13T

Assets Under Management<sup>1</sup>

---

## \$2.84T

AUM with Institutional clients<sup>2</sup>

---

## \$1.29T

AUM with Financial Intermediary clients<sup>2</sup>

---

## #1

US's first, and world's largest, ETF<sup>3</sup>

---

## 45 years

Managing investments

---

## 57

Countries with clients<sup>4</sup>

---

## 10

Global investment centers

<sup>1</sup> This figure is presented as of December 31, 2023 and includes approximately \$64.44 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

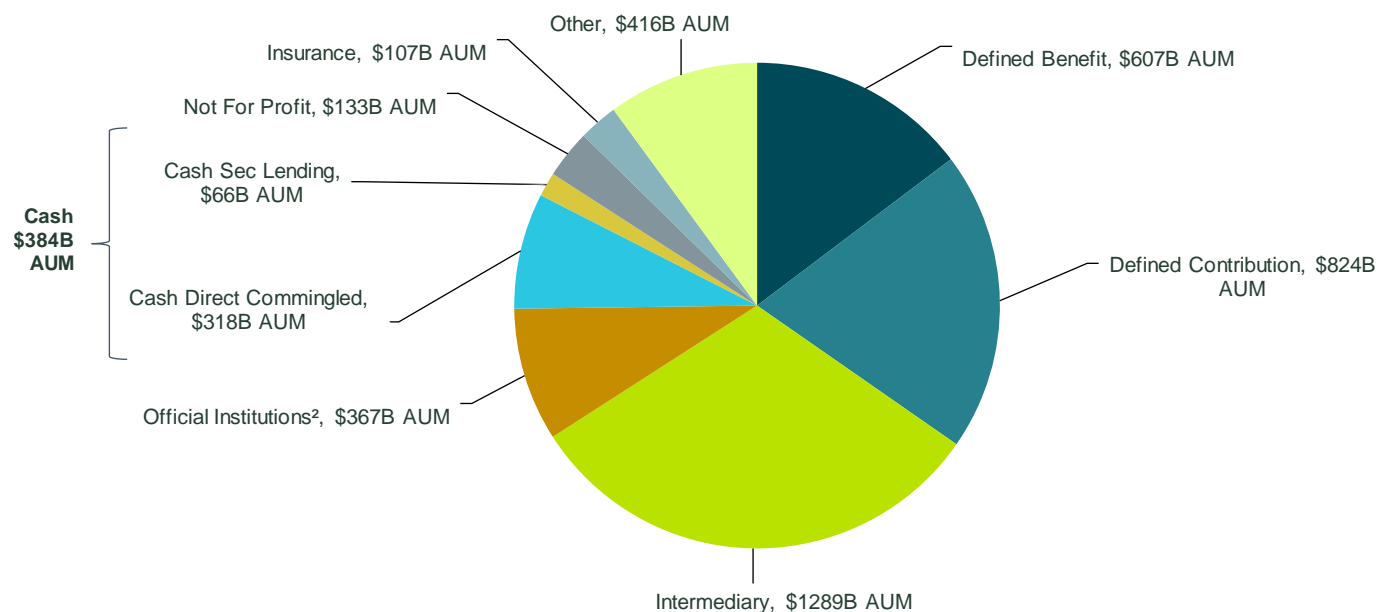
<sup>2</sup> Source: State Street Global Advisors Finance

<sup>3</sup> Bloomberg Finance L.P., as of October 31, 2023

<sup>4</sup> As of December 31, 2023.

# The World's 4<sup>th</sup> Largest Asset Manager, with US \$4.13T in Assets Under Management<sup>1</sup>

## Clients by AUM



Source: State Street Global Advisors Finance Team.

<sup>1</sup> This figure is presented as of December 31, 2023 and includes approximately \$64.44 billions USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

<sup>2</sup> Official Institutions is a client type that includes all plan type assets including DB and DC.

---

# We're a Leading Partner to Institutional and Intermediary Clients

---

## #1

---

Passive global equity manager

---

Endowment & foundation asset manager globally

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Manager of passive global/non-US bond assets

---

## #2

---

US defined benefit manager

---

Passive US bonds manager

---

Central bank assets manager

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## #3

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Largest global ETF provider

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Passive non-US equity manager

---

Factor-based strategies manager

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## Top 10

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US defined contribution manager

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Institutional Money Market provider<sup>1</sup>

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Global ESG mandates manager

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Outsourced Chief Investment Officer (OCIO) services

Source: Pensions & Investments Research Center, as of December 31, 2022. Updated annually.  
1 iMoneyNet (Institutional Money Market Provider) as of December 31, 2023.

# Our Comprehensive Investment Capabilities Cover the Risk/Reward Spectrum

Equity	Fixed Income & Cash <sup>1</sup>	Multi-Asset	Alternatives <sup>2</sup>
<b>\$2.51T</b>	<b>\$1.08T</b>	<b>\$313B</b>	<b>\$226B</b>
Active <ul style="list-style-type: none"> <li>Quantitative</li> <li>Fundamental</li> </ul>	Active	Strategic & Tactical Asset Allocation	Hedge Funds
Smart Beta	Smart Beta	Outcome Oriented <ul style="list-style-type: none"> <li>Target Date Funds</li> <li>Real Assets</li> <li>Inflation Protection</li> <li>Absolute Return</li> </ul>	Private Equity
Index	Index	Exposure Management	Private & Public Real Estate
	Cash Management	Model Portfolios	Currency
			Commodities
			Real Assets

## Defined Benefit / Defined Contribution Solutions

### Global Fiduciary Solutions

### Alternatives Program Management

### Environmental, Social & Governance

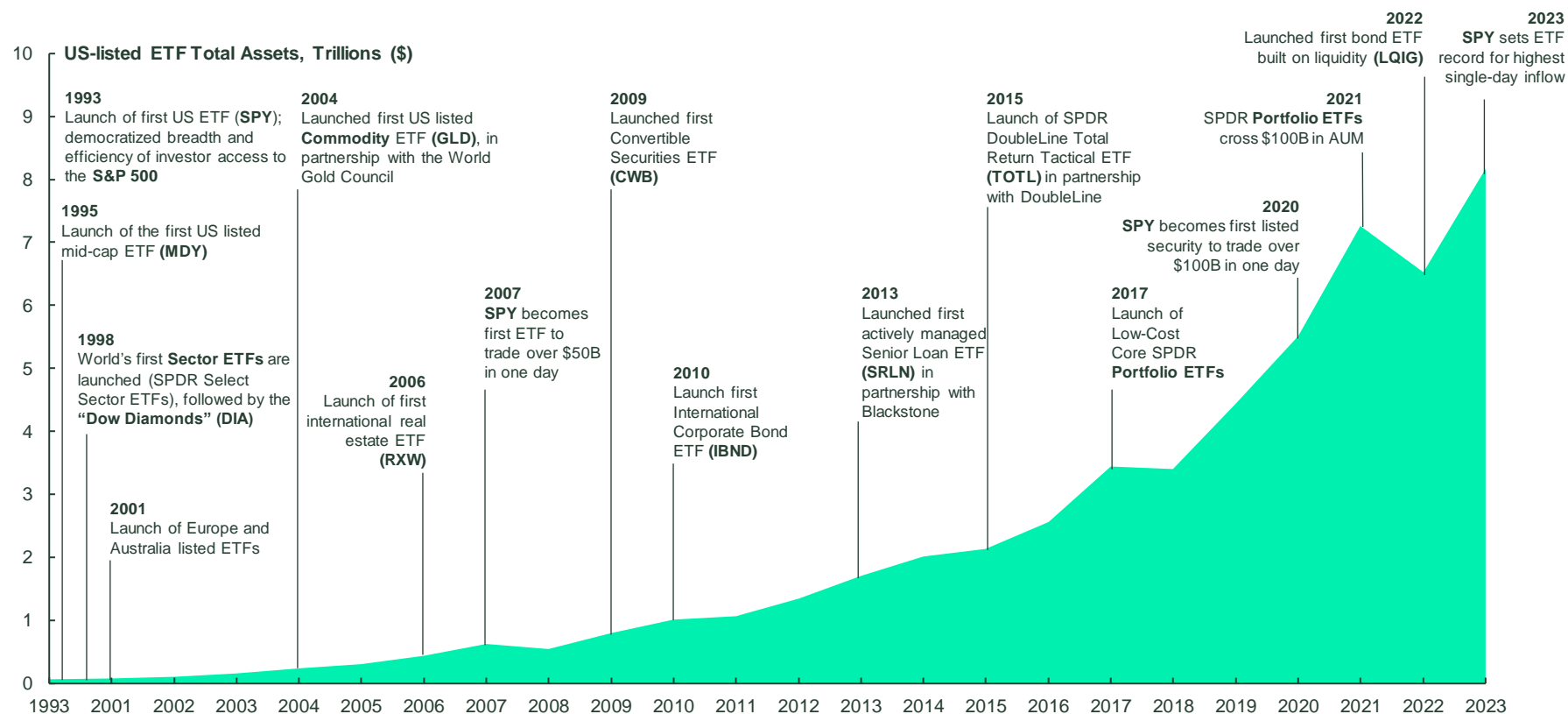
Source: State Street Global Advisors Finance Team. Figures are in USD ; Period end as of December 31, 2023

1 Cash includes both floating- and constant-net-asset-value portfolios held in commingled structures or separate accounts.

2 Alternatives Includes real estate investment trusts, currency and commodities, including gold-backed ETFs for which SSGA only serves as marketing agent.

# We Created Many of the World's First ETFs and Uphold a Legacy of ETF Leadership

Beginning in 1993 with the SPDR S&P 500 ETF Trust (NYSE: SPY), we have democratized, diversified, and accelerated the rapid growth of a multitrillion dollar ETF market



Source: State Street Global Advisors as of December 31, 2023; The information contained above is for illustrative purposes only.

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# Our Business Leadership Team

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## Yie-Hsin Hung, President & CEO

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**Apea Amoa**  
Chief Financial Officer

**Kevin Anderson**  
Head of Institutional, Asia-Pacific

**Matteo Andreetto**  
Head of Intermediary, Europe

**John Brockelman**  
Chief Marketing Officer

**Gunjan Chauhan**  
Head of Capital Markets and  
Strategic Partners, ETFs

**Jaclyn Collier**  
Chief Compliance Officer

**Tim Corbett**  
Chief Risk Officer

**Lochiel Crafter**  
Head of Global Client Coverage

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**Brendan Curran**  
Head of US Defined Contribution

**Greg Hartch**  
Global Head of ETF Strategy,  
Planning and Infrastructure

**Marie-Anne Heeren**  
Head of Institutional, Europe

**Kim Hochfeld**  
Head of Global Cash

**David Ireland**  
Head of Institutional, Americas

**Susan Lasota**  
Chief Technology Officer and  
Head of Transformation

**Emmanuel Laurina**  
Head of Client Coverage, Middle East and Africa

**Sunita Naik**  
Head of State Street Global Advisors India

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**Karen Niessink**  
Chief Administrative Officer

**Sean O'Malley**  
General Counsel

**Anna Paglia**  
Chief Business Officer

**Ann Prendergast**  
Head of EMEA State Street Global Advisors

**Barry F.X. Smith**  
Chief Operating Officer, Global Client Coverage

**Sue Thompson**  
Head of Intermediary and Wealth, Americas

**Meaghan Victor**  
Head of Intermediary, Asia-Pacific

**Stephen Yeats**  
Head of Global Fixed Income Beta Solutions

As of February 1, 2024.

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# Our Global Investment Team

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**Yie-Hsin Hung**, President & CEO

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**Lori Heinel**, Global CIO

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**Olivia Engel**  
Head of Strategy and Operations, Investments

**Dan Farley**  
CIO, Investment Solutions Group

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**Shweta Narasimhadevara**  
Global Head of Product

**Michael Solecki**  
CIO, Fundamental Equity

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**Matthew Steinaway**  
CIO, Global Fixed Income, Currency & Cash

**John Tucker**  
CIO, Systematic Equity

**Karen Wong**  
Global Head of ESG and Sustainable Investing

As of February 1, 2024.



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# Account Summary

# Office of Hawaiian Affairs

## Investment Summary (expressed in USD)

As of March 31, 2024:

	Market Value (\$)
State Street Real Asset NL Strategy	26,405,198
State Street 1-3 Year US Credit Index NL Strategy	14,502,836
<b>Total</b>	<b>40,908,034</b>

## Statement of Asset Changes (expressed in USD)

The following changes took place in the Office of Hawaiian Affairs account for the period of April 1, 2023 to March 31, 2024:

	Starting Balance (\$) 04/01/2023	Contributions (\$)	Withdrawals (\$)	Appreciation/ (Depreciation)* (\$)	Ending Balance (\$) 03/31/2024
State Street Real Asset NL Strategy	25,892,186	46	(60,730)	573,696	26,405,198
State Street 1-3 Year US Credit Index NL Strategy	13,865,841	0	(10,711)	647,706	14,502,836
<b>Total</b>	<b>39,758,027</b>	<b>46</b>	<b>(71,441)</b>	<b>1,221,402</b>	<b>40,908,034</b>

Source: SSGA. \* Includes dividends, interest and realized/unrealized gains and losses.

# Office of Hawaiian Affairs

## Summary of Performance

Following are the preliminary gross and net returns for the Office of Hawaiian Affairs portfolio versus the corresponding benchmarks as of March 31, 2024:

	One Month (%)	Three Months (%)	Year to Date (%)	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Inception (%)
<b>State Street Real Asset NL Strategy</b>								<b>May/2013</b>
Total Returns (Gross)	4.19	1.12	1.12	2.22	6.44	6.62	3.55	3.21
Real Assets Custom Blended Index	4.26	1.13	1.13	2.22	6.30	6.29	3.36	3.05
<b>Difference</b>	<b>-0.06</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.14</b>	<b>0.34</b>	<b>0.19</b>	<b>0.16</b>
Total Returns (Net)	4.18	1.06	1.06	1.98	6.19	6.37	3.31	2.97
Real Assets Custom Blended Index	4.26	1.13	1.13	2.22	6.30	6.29	3.36	3.05
<b>Difference</b>	<b>-0.08</b>	<b>-0.07</b>	<b>-0.07</b>	<b>-0.24</b>	<b>-0.11</b>	<b>0.09</b>	<b>-0.05</b>	<b>-0.08</b>
<b>State Street 1-3 Year US Credit Index NL Strategy</b>								<b>Feb/2017</b>
Total Returns (Gross)	0.50	0.75	0.75	4.67	0.86	1.92	N/A	1.98
Bloomberg U.S. 1-3 Year Credit Bond Index	0.50	0.72	0.72	4.66	0.76	1.83	N/A	1.93
<b>Difference</b>	<b>-0.01</b>	<b>0.02</b>	<b>0.02</b>	<b>0.02</b>	<b>0.11</b>	<b>0.08</b>	<b>N/A</b>	<b>0.05</b>
Total Returns (Net)	0.49	0.73	0.73	4.59	0.80	1.80	N/A	1.87
Bloomberg U.S. 1-3 Year Credit Bond Index	0.50	0.72	0.72	4.66	0.76	1.83	N/A	1.93
<b>Difference</b>	<b>-0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.07</b>	<b>0.04</b>	<b>-0.03</b>	<b>N/A</b>	<b>-0.06</b>

Source: SSGA

Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US Dollars.

---

# Office of Hawaiian Affairs

**SSGA Mutual Funds**  
As of March 31, 2024:

	Market Value (\$)
State Street Equity 500 Index	70,363,527
State Street Global All Cap	38,619,038
State Street Aggregate Bond	58,962,326
<b>Total</b>	<b>167,944,891</b>

Source: SSGA. \* Includes dividends, interest and realized/unrealized gains and losses.

# Office of Hawaiian Affairs

## Summary of Performance

Following is NAV of SSGA Mutual funds versus the corresponding benchmarks as of March 31, 2024:

	One Month (%)	Three Months (%)	Year to Date (%)	One Year (%)	Three Years (%)	Five Years (%)	Ten Years (%)	Inception (%)
<b>State Street Equity 500 Index</b>								<b>Ap/2001</b>
Fund at NAV	3.21	10.55	10.55	29.87	11.44	14.95	12.85	8.58
S&P 500 Index	3.22	10.56	10.56	29.88	11.49	15.05	12.96	8.57
<b>Difference</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.05</b>	<b>-0.01</b>	<b>-0.11</b>	<b>0.01</b>
<b>State Street Global All Cap</b>								<b>Sep/2014</b>
Fund at NAV	2.97	4.21	4.21	12.77	1.72	5.96	N/A	4.09
MSCI ACWI ex-USA IMI index	3.09	4.33	4.33	13.20	1.72	6.00	N/A	4.17
<b>Difference</b>	<b>-0.12</b>	<b>-0.12</b>	<b>-0.12</b>	<b>-0.43</b>	<b>0.00</b>	<b>-0.04</b>	<b>N/A</b>	<b>-0.08</b>
<b>State Street Aggregate Bond</b>								<b>Sep/2014</b>
Fund at NAV	0.87	-0.76	-0.76	1.60	-2.52	0.32	N/A	1.31
State Street Aggregate Bond	0.92	-0.78	-0.78	1.70	-2.46	0.36	N/A	1.42
<b>Difference</b>	<b>-0.05</b>	<b>0.02</b>	<b>0.02</b>	<b>-0.1</b>	<b>-0.06</b>	<b>-0.04</b>	<b>N/A</b>	<b>-0.11</b>

Source: SSGA

Total returns are historical and include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated.

Past performance is not a reliable indicator of future performance. Investment return and principal value will fluctuate, so you may have a gain or loss when shares are sold.

Current performance may be higher or lower than that quoted. All results are historical and assume the reinvestment of dividends and capital gains. Visit

[www.ssgafunds.com](http://www.ssgafunds.com) for most recent month-end performance.

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# Equity Indexing at State Street Global Advisors

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# Why State Street Global Advisors for Equity Indexing

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## Experience enables scale and expertise

- **40+ years** of experience
- **500+** Equity Indexes Managed
- **1000+** Institutional Clients
- **21 years** avg PM experience<sup>1</sup>
- **\$155B/yr** Internal Liquidity<sup>2</sup>

---

## Research facilitates innovation

- ✓ Optimal Portfolio Construction
- ✓ Efficient Implementation
- ✓ Custom Solutions
- ✓ Index Predictions
- ✓ Rebalance Analytics

---

## Collaboration fuels consistency

- **>99%<sup>3</sup>** of equity index funds track within tolerance
- Global Organized Trading
- **16%** lower trade commissions than peer average<sup>4</sup>
- Integrated Risk Management

<sup>1</sup>Investment Team members include portfolio managers and researchers as of December 31, 2023

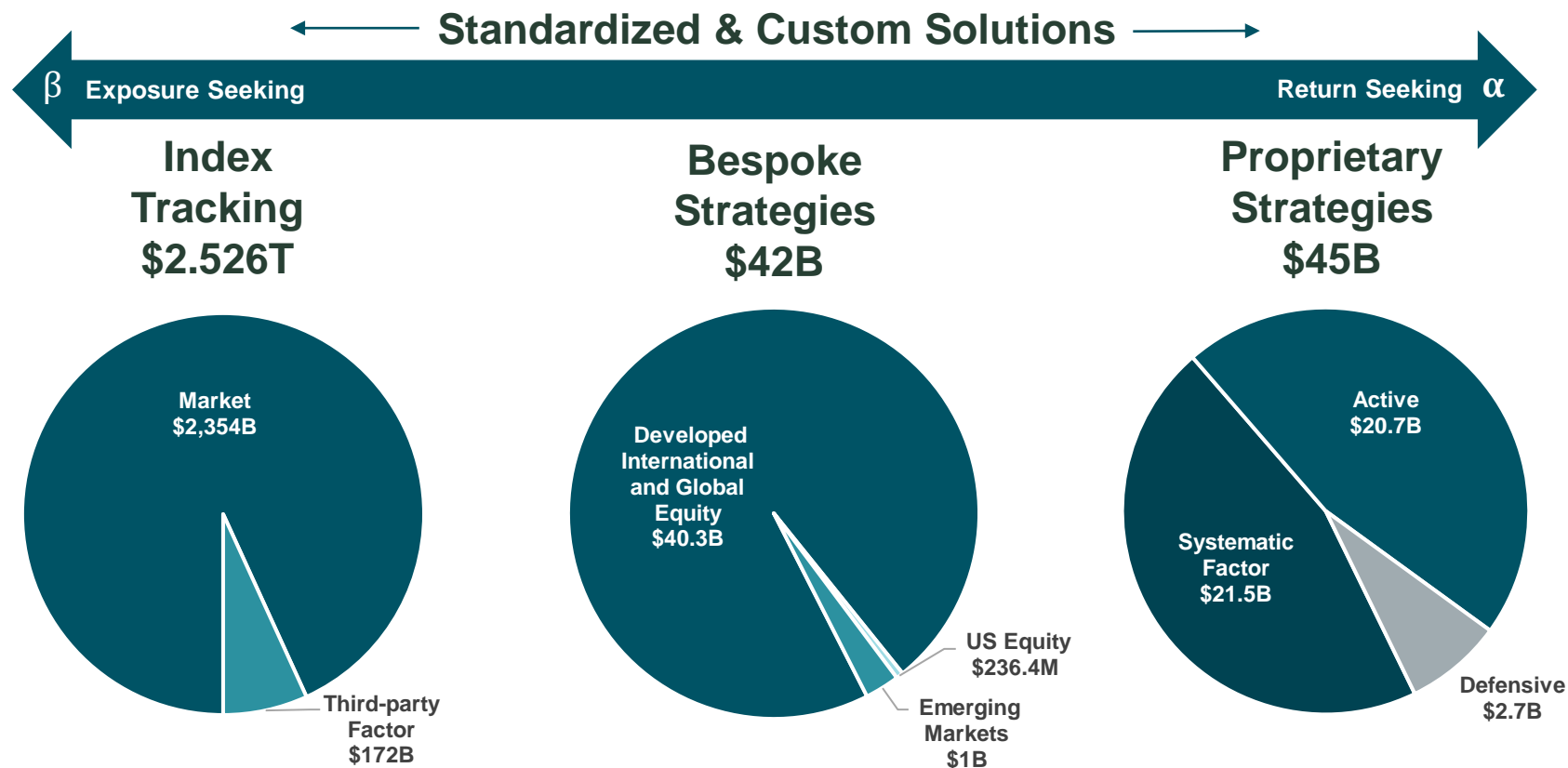
<sup>2</sup>In 2023, total crossing in non-registered pooled funds managed by SSGA SEB..

<sup>3</sup>Based on cumulative quarterly gross-of-fees returns for all SEB managed pooled, and separate account for both 3 years and 5 years period ending December 31, 2023. Tracking difference based on the difference between portfolio and benchmark cumulative returns.

<sup>4</sup>Comparing SSGA rate to 2022 Greenwich Associates Priorities group commission survey of 26 firms with AUM +75B.

# Broad Exposures, Custom Solutions

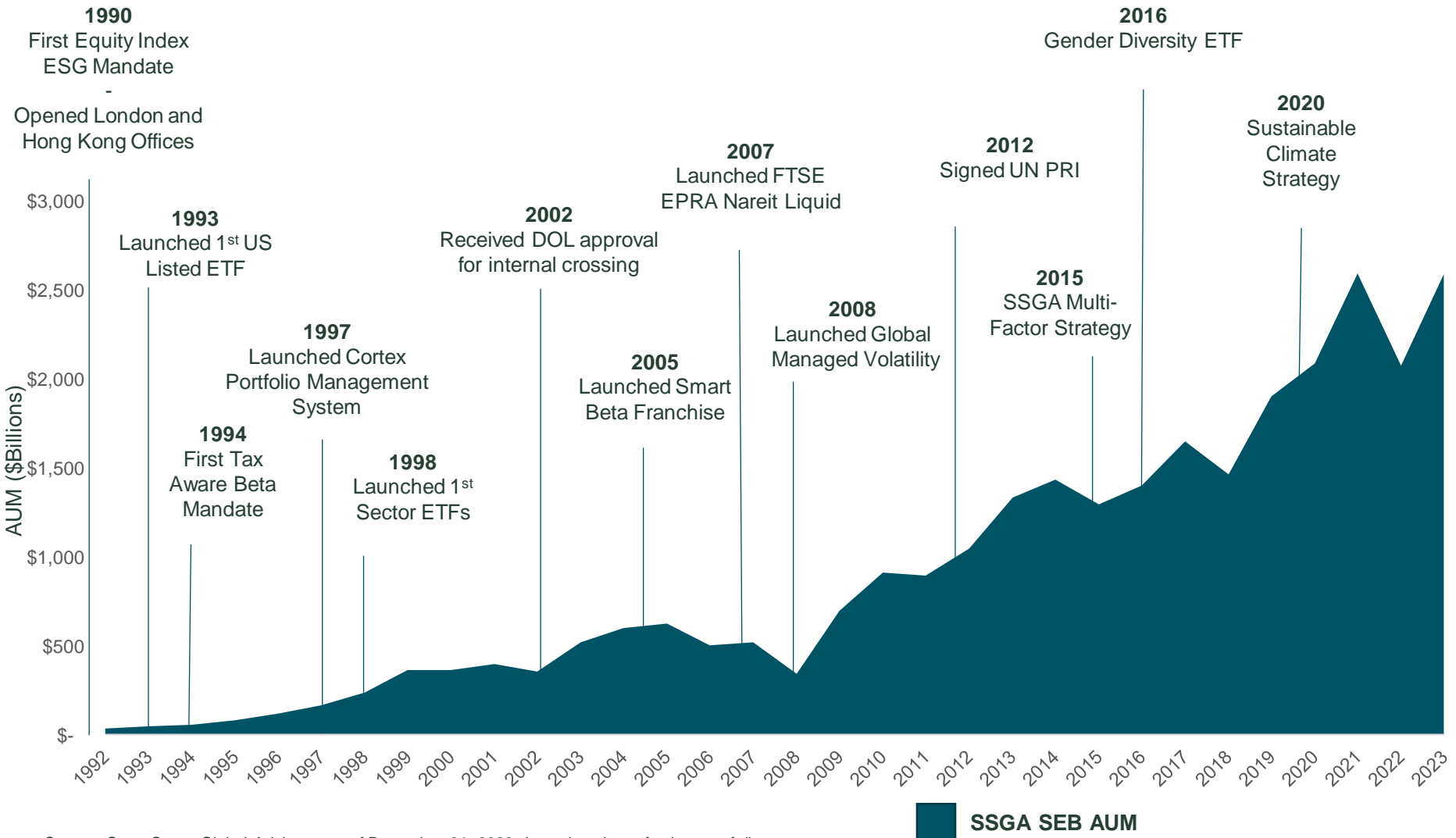
\$2.61 Trillion in Systematic Equity AUM



Source: State Street Global Advisors, as of December 31, 2023. All figures in Billions, USD. Assets include those managed by the Systematic Equity Beta and Systematic Equity Active teams.



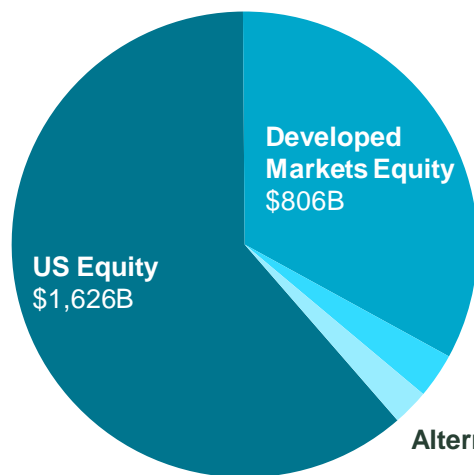
# Index Innovation Heritage



Source: State Street Global Advisors, as of December 31, 2023. Inception date of select portfolios.

# Indexed Equity Offering

\$2.59 Trillion Equity Beta AUM



Emerging Markets Equity  
\$98B

Alternative Equity \$60B



**Smart Beta**  
\$194 billion



**ESG**  
\$482 billion



**Alternatives**  
\$60 billion



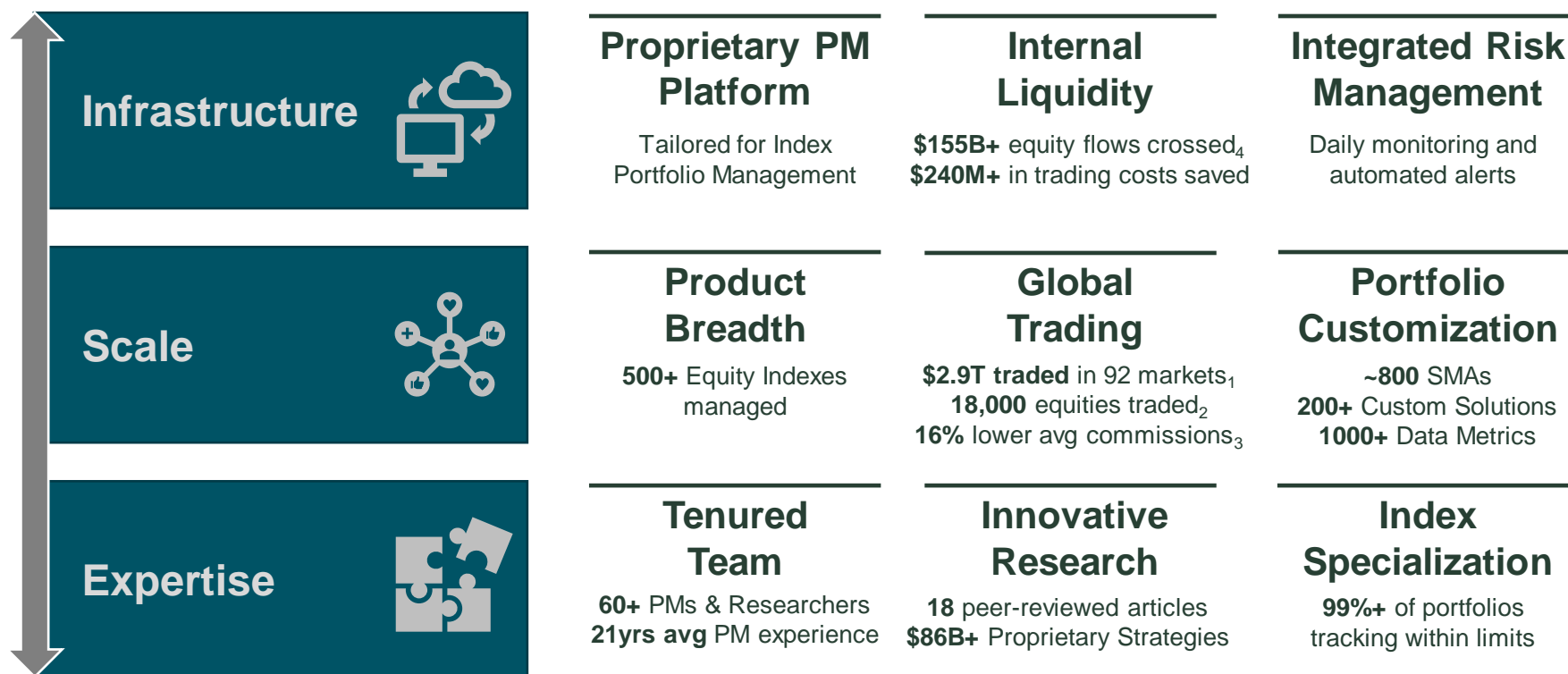
**Tax-Aware**  
\$21 billion



Source: State Street Global Advisors, as of December 31, 2023. All figures in Billions, USD.

# Leverage our Experience

Integrating human insight and technology to create better client outcomes



Source: State Street Global Advisors, as of December 31, 2023.

<sup>1</sup>In 2023, totals inclusive across currency, fixed income, futures and equity trading.

<sup>2</sup>Distinct count of equity and fixed income securities traded as a function of Cusip, Sedol or ISIN.

<sup>3</sup>Comparing SSGA rate to 2022 Greenwich Associates Priorities group commission survey of 26 firms with AUM +75B.

<sup>4</sup>In 2023, total crossing in non-registered pooled funds managed by SSGA SEB. Total savings based on estimated open market rates.

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# Innovate with Research

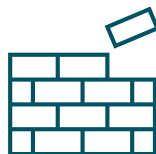
A proactive approach to equity indexing



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## Index Analysis

Methodology Evaluation  
Predictions Modeling  
Rebalance Analysis  
Corporate Events



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## Portfolio Construction

Optimization Techniques  
Risk Modeling  
Liquidity Analysis  
T-Cost Modeling



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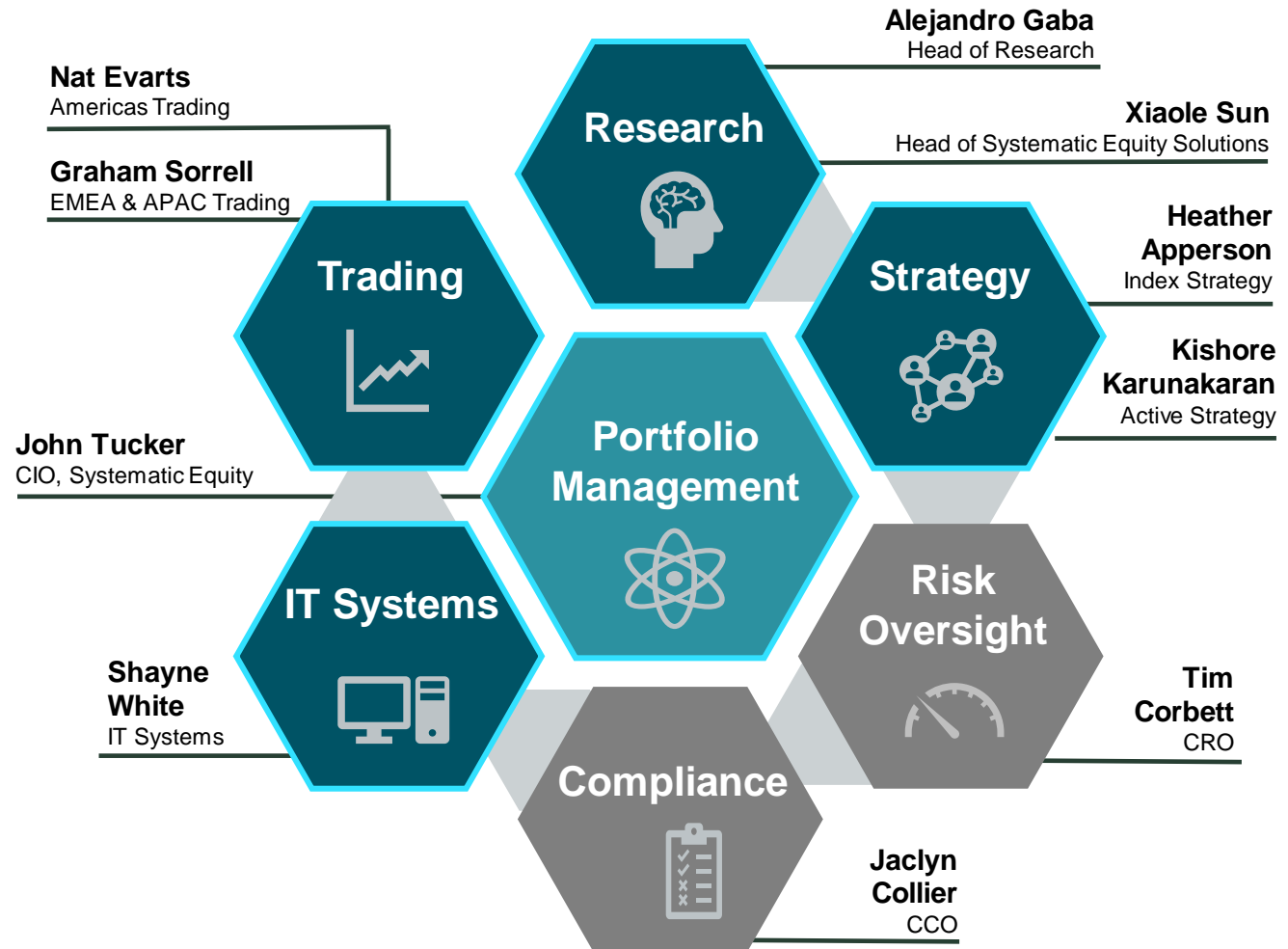
## Custom Solutions

Factors  
ESG & Climate  
Tax Aware  
Thematic

# Consistency through Collaboration

Integrated organizational structure, coordinated approach

-  **Integrated Teams**
-  **Cohesive Workflow**
-  **Client Centric**
-  **Risk Aware**



The information contained above is for illustrative purposes only. Portfolio Management, Research, Trading, Strategy, and IT systems are all part of the Systematic Equity Team under John Tucker. Compliance and Risk Oversight collaborate with, but are intentionally independent from the Investment Team.

# Well-Defined Investment Process

Achieving client objectives through a transparent, repeatable process



## Source Data

- Select Index
- Source Constituents and weights
- Identify unique criteria exclusions, tilts, etc.
- Gather reference data, Pricing, Sector and Country membership
- ESG & Climate Metrics factor exposures where applicable

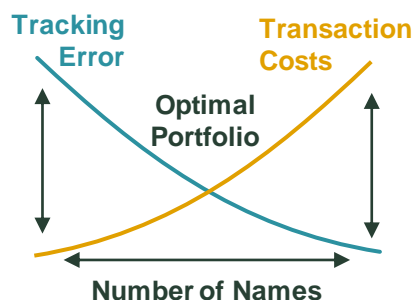
## Design Portfolio

Assess Characteristics

- Portfolio Size
- Market Structure
- Estimated Costs
- Liquidity

Determine Approach

- Replication vs Optimization
- Usage of Futures



## Implement Changes

Construction in Cortex

- Cash Flows
- Rebalances
- Corporate Events
- Cash Equitization

Optimization

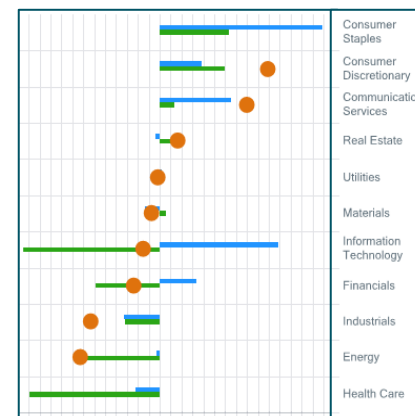
Build trade list and submit to trading team

Internal crossing used where available

## Monitor Outcomes

Daily measurement & review of:

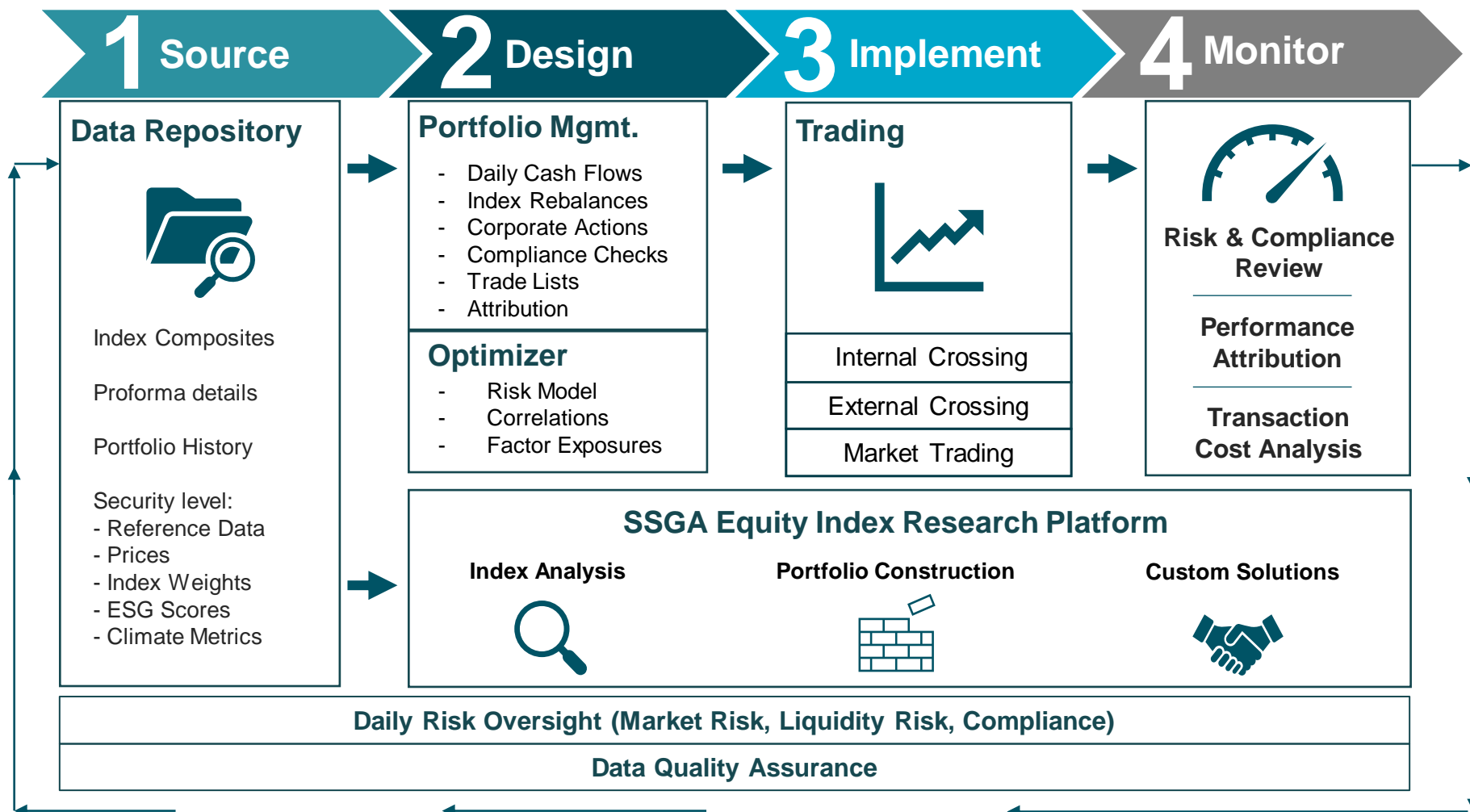
- Pre & Post Trade Compliance
- Ex-Ante TE
- Security Weights
- Sector & Country Weights
- Cash Balances



The information contained above is for illustrative purposes only.

# Proprietary Investment Platform

Designed to support our Investment Process



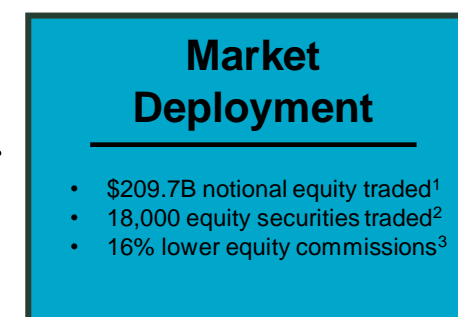
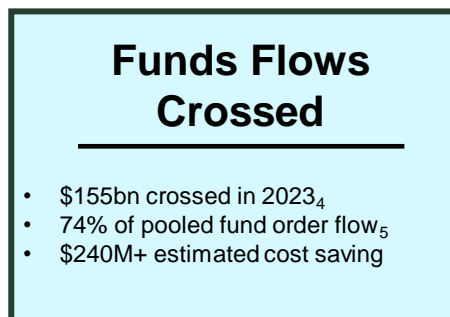
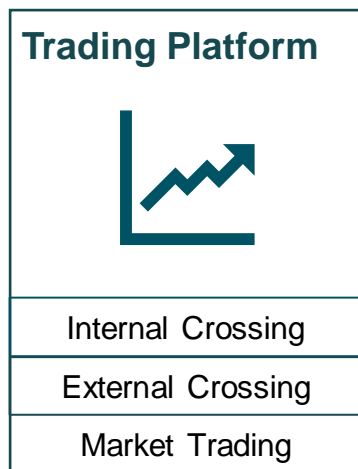
The information contained above is for illustrative purposes only.

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# Index Trading Strategy

Tailored for Equity Indexing

## 3 Implement



The information contained above is for illustrative purposes only.

Source: State Street Global Advisors, as of December 31, 2023

<sup>1</sup>In 2023, estimated SSGA SEB client flows (exclusive to SEB commingled funds).

<sup>2</sup>Distinct count of equity and fixed income securities traded as a function of Cusip, Sedol or ISIN.

<sup>3</sup>Comparing SSGA rate to 2022 Greenwich Associates Priorities group commission survey of 26 firms with AUM +75B.

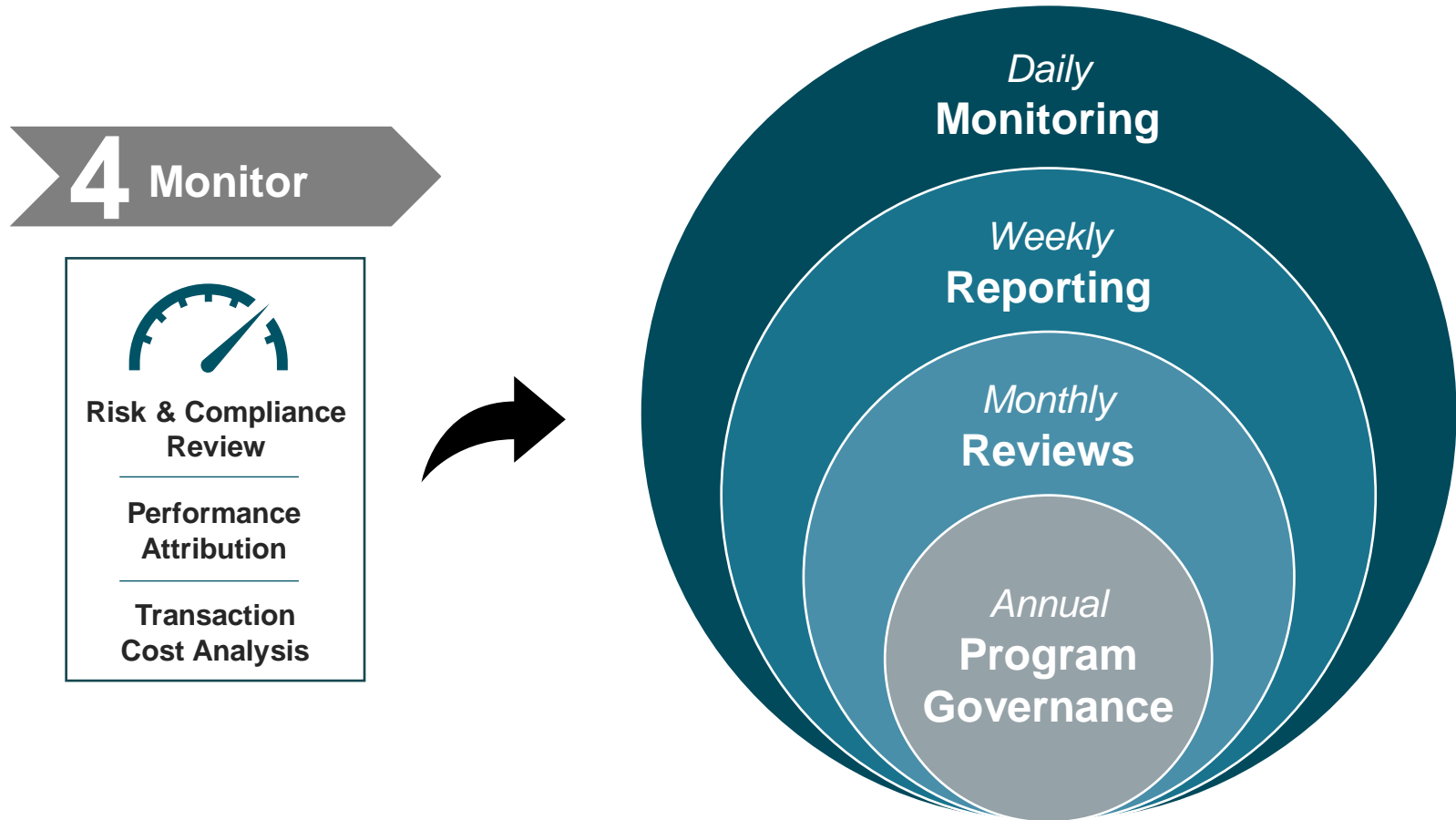
<sup>4</sup>In 2023, total crossing in non-registered pooled funds managed by SSGA SEB. Total savings based on estimated open market rates.

<sup>5</sup>In 2023, "pooled fund order flow" represents investor-initiated contributions and redemptions to equity portfolios. These are sourced internally, as in: flows that have unit crossed, withheld by PM (free cash flow) plus equity security crossed. Excludes trading related to portfolio rebalances and index changes.



# Proactive Risk Management

Integrated at all levels of the portfolio management process



The information contained above is for illustrative purposes only.

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# Why State Street Global Advisors for Equity Indexing

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**Experience**  
**enables**  
**expertise**

---

**Research**  
**facilitates**  
**innovation**

---

**Collaboration**  
**creates**  
**consistency**

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# Fixed Income Quarterly Review

# Key Trends Across Our Fixed Income Business

## 1. Strong Net Inflows

*Increased demand for reliable, efficient exposure management by institutional investors:*

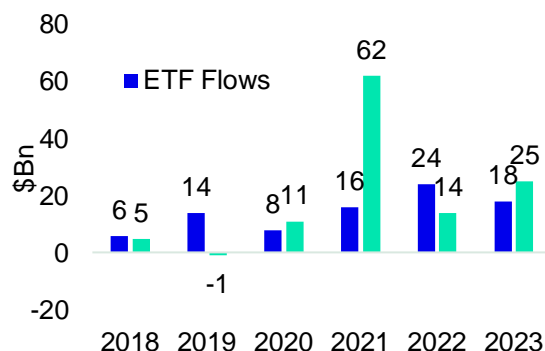
2021: +\$78Bn +16% organic

2022: +\$38Bn +7% organic

YTD : +\$42Bn +8% organic

### Key Drivers:

- Increased adoption of indexing strategies by a variety of investors: OCIO, Asset Owners, Asset Allocators, Intermediaries
- Beta Partnerships – want a single manager across all exposures
- Expertise, transparency, efficiency



## 2. Complex Exposures

*Indexing in EMD, IG Corp and High Yield being increasingly adopted by large investors to compliment and/or replace active management:*

EMD: +\$6Bn +19% in 3 years

HY: +\$5Bn +18% in 3 years

New in 2024: Leverage Loans

Systematic Active FI (SAFI)

Index Plus – HY & EMD

### Key Drivers:

- Process improvements delivering performance reliability, transparency and cost efficiencies
- Index strategies can maximise the impact of Asset Allocation decisions
- Diversified index portfolios compliment concentrated active strategies

Exposure (Strategy Basis)	AUM Bn, (\$)	5Y Growth, (%)
IG Corp	73.5	24
High Yield	29.1	40
Global Convertibles	4.8	7
EMD	40.6	84
<b>Total</b>	<b>148.0</b>	<b>39</b>

## 3. Custom Solutions

*Sophisticated investors partner with us to create customized exposures for an expanding range of outcomes*

1 : Few | 1 : More | 1 : Many | All-to-All

Climate | Custom Indices | LDI | Solutions

### Key Drivers:

- Alignment of investment choices with client values and increasing regulation
- Partner with clients to create customized exposures for an expanding range of outcomes and trade-offs: income, liquidity management, de-risking, ESG etc.

### Client Example 1: Global IG Corp benchmark,

- 30% WACI reduction
- targeting 2x Green Bonds
- ESG Score Maximisation.

### Client Example 2: EUR IG custom portfolio

- Cashflow match 1-10Y (2034)
- Optimising portfolio yield within rating constraints
- Maintain sector diversification through time

Source: State Street Global Advisors. As of 31-Dec-23.

# Process Discipline Delivers Results

Our stratified sampling approach seeks to deliver reliable outcomes by controlling risks, minimizing costs and adding incremental returns

## **Control Risks**

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Identify and match key risk dimensions

Monitor and control risk within set tolerances

## **Minimize Costs**

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Selective turnover

Innovative trading techniques

Efficient execution

## **Add Incremental Return**

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Proactive management of index changes/events

Pragmatic security selection

Harvest new issue/primary market premium

Source: SSGA. The above objectives are based on certain assumptions and analysis made by SSGA. There is no guarantee that the objectives will be achieved.

# Our Global FICC\* Team

## Chief Investment Officer

**Matthew Steinaway, CFA**



## Global Capabilities

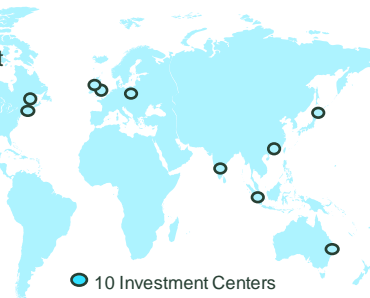
**\$1.2T** Assets Under Management

**126** Investment Professionals

**19** Years Average Experience

**11** Years Average Tenure

**10** Investment Centers



## Additional Resources

**12** Fixed Income Strategists & Specialists

**13** Investment & Liquidity Risk^

**14** ESG Professionals & Asset Stewardship^

**11** Credit Research Analysts

**8** Quant Research Analysts^

## Indexed Fixed Income \$596 Bn

**45** Investment Professionals  
**18** Years Average Experience

**Stephen Yeats, CFA**

Global Head of  
Fixed Income Beta Solutions

Indexing  
Enhanced Indexing  
Systematic  
Liability Driven Investment  
Buy & Maintain

## Active FI & Currency \$126 Bn

**27** Investment Professionals  
**20** Years Average Experience

**Matthew Nest, CFA**

Global Head of  
Active Fixed Income

Active Rates and Credit  
Multi-sector Fixed Income  
Ultra-short  
Structured Credit  
Currency Solutions

## Cash Management \$490 Bn

**14** Investment Professionals  
**24** Years Average Experience

**Pia McCusker**

Global Head of  
Cash Management

Sovereign Rates  
Secured/Structured Credit  
Traditional/Non-Traditional Repo  
Securities Lending  
Enhanced Cash

## Fixed Income Trading

**16** Investment Professionals  
**18** Years Average Experience

**Maile Robichaud**

Head of FI Trading Boston

**Sharon Ruffles**

Head of FI Trading London

\$442 Bn traded in 2023  
24 hr Trading  
4 Trading Hubs

As of December 31, 2023.

\*Fixed Income Cash, and Currency. ^Cross asset-class team/team member – not included in total count. CFA® is a trademark of the CFA Institute.

# Comprehensive Platform

Navigating complexity across the whole FI spectrum with the scale and breadth that provide unrivalled insight into market liquidity and flow dynamics

- Scale: \$596 Bn Indexed Fixed Income AUM
- Breadth: 100+ Strategy “Building Blocks”
- Vehicles: Separate Accounts — Commingled — ETFs
- Innovation: Complex Beta, Systematic

Multi Sector \$144 B	Sovereign \$284 B	IG Corporate \$84 B	HY Corporate \$34 B	Securitized \$10 B	Emerging Markets \$41 B	ESG \$89 B
Global Aggregate	Global Governments	Global Credit	Global HY	Mortgage Backed	EM Local Currency	ESG-Screened
US, Euro, Sterling, Aggregate	US Treasuries, STRIPS	US, Euro, Sterling Credit	US, Euro HY	Asset Backed	EM Hard Currency	Climate
Asia Bond	Euro Governments	US High Quality Corporate	Short HY	Commercial Mortgage Backed	EM Corporate	R-Factor
Short, Intermediate, Long Duration	UK Gilts	US Long Duration Credit	Preferreds		EM Inflation	Values-Based/Client-Specific
LDI	Inflation Linked	Systematic Active Fixed Income (SAFI)	Convertibles			
	China Bond	Municipals	Leveraged Loans			

Source: SSGA as of December 31, 2023.

New in 2024

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# Real Assets Overview



# Real Assets — Overview

## What are real assets?

Real Assets	Examples
Commodities	Oil, Natural Gas, Gold, Silver, Aluminum, Copper, Corn, Wheat, Soybeans, Coffee, Cattle, Hogs
Global Natural Resource Stocks	Oil & Gas, Energy & Equipment Services, Metal & Mining, Agricultural
Infrastructure	Toll Roads, Ports, Airports, Utility (Elec., Gas, Water), Oil & Natural Gas Distribution
Real Estate	Direct, Equity REITS
Inflation-Linked Bonds	TIPS, ILG (UK Inflation-linked Gilts), OATi/OAT€i (France)
Precious Metals	Gold, Silver, Platinum, Palladium
Renewable Resources / Timber	Forest and Forest Products, Water, Solar and Wind Power
Farmland	Annual and Permanent Crops
Collectables	Artwork, Coins, Cars
Floating-Rate Loans	Leveraged Loans

## Why consider incorporating them into your portfolio?

- Inflation mitigation potential
- Diversification
- Additional sources of absolute return
- Source of income

Source: State Street Global Advisors. Investment Solutions Group. Diversification does not ensure a profit or guarantee against loss.

# Real Assets Periodic Table

## Potential Diversification Benefits

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Global Natural Resources 40.85	US REITs 33.16					Global Natural Resources 57.22	US REITs 28.07						Global Natural Resources 30.77	Global Infrastructure 19.07		Global Infrastructure 25.75				
Global Infrastructure 39.01	Global Infrastructure 29.60	Commodity 36.51	Global Infrastructure 38.56	Global Natural Resources 58.84		US REITs 28.46	Commodity 19.55		US REITs 17.12				Real Assets 14.56	Global Natural Resources 18.14		US REITs 23.10		US REITs 45.91		
US REITs 36.18	Global Natural Resources 23.68	Global Natural Resources 28.57	US REITs 35.97	Commodity 24.87		Real Assets 25.89	Global Natural Resources 19.54		Global Infrastructure 10.89				Commodity 14.56	Real Assets 8.61		Global Natural Resources 15.91	US TIPS 10.99	Commodity 27.93		
Commodity 28.79	Commodity 20.45	Real Assets 17.25	Global Natural Resources 30.04	Global Infrastructure 22.44		Global Infrastructure 24.04	Real Assets 16.20		Real Assets 7.77		US REITs 32.00		Global Infrastructure 11.45	US REITs 3.76		Real Assets 13.79	Real Assets 1.96	Global Natural Resources 26.29		US REITs 13.96
Real Assets 25.64	Real Assets 19.53	Global Infrastructure 14.22	Commodity 15.04	Real Assets 12.00		Commodity 23.12	US TIPS 6.31	US TIPS 13.56	Global Natural Resources 6.99		Global Infrastructure 12.12		US REITs 6.68	Commodity 3.64		US TIPS 8.43	Global Natural Resources 1.55	Real Assets 21.10	Commodity 15.32	Global Infrastructure 5.78
US TIPS 8.40	US TIPS 8.46	US REITs 13.82	Real Assets 11.50	US TIPS 11.64		US TIPS 11.41	Global Infrastructure 4.79	US REITs 9.37	US TIPS 6.98	Global Infrastructure 14.00	US TIPS 3.64	US REITs 4.48	US TIPS 4.68	US TIPS 3.01		Commodity 6.09	Commodity 1.44	Global Infrastructure 11.04	Global Natural Resources 14.72	US TIPS 3.90
US Inflation 1.88	US Inflation 3.26	US Inflation 3.42	US Inflation 2.54	US Inflation 4.08	US Inflation 0.09	US Inflation 2.72	US Inflation 1.50	US Inflation 2.96	US Inflation 1.74	US Inflation 1.50	US Inflation 0.76	US Inflation 0.73	US Inflation 2.07	US Inflation 2.11	US Inflation 1.91	US Inflation 2.29	US Inflation 1.36	US Inflation 7.04	US Inflation 6.45	US Inflation 3.35
		US TIPS 2.84	US TIPS 0.41	US REITs -17.56	US TIPS -2.35			Real Assets -0.48	Commodity -0.37	US REITs 1.22	Real Assets -1.06	US TIPS -1.44			US TIPS -1.26		Global Infrastructure -6.49	US TIPS 5.96	Real Assets 2.94	Real Assets 1.09
					Commodity -29.81			Global Infrastructure -1.30		Global Natural Resources -2.86	Global Natural Resources -9.94	Global Infrastructure -12.17			US REITs -4.22		US REITs -11.20		Global Infrastructure -0.99	Global Natural Resources -1.64
					Real Assets -33.88			Commodity -8.81		Real Assets -4.54	Commodity -15.17	Real Assets -14.17			Real Assets -7.04				US TIPS -11.85	Commodity -8.53
					Global Infrastructure -39.49			Global Natural Resources -14.11		US TIPS -8.61		Commodity -23.45			Global Natural Resources -9.37					US REITs -25.96
					US REITs -39.20					Commodity -9.08		Global Natural Resources -27.53			Global Infrastructure -10.37					
					Global Natural Resources -46.30										Commodity -11.68					

■ Real Assets	State Street Global Advisor's Real Asset Composite Index
■ Commodities	Bloomberg Roll Select Commodity Total Return Index
■ Global Natural Resource Equities	S&P Global LargeMidCap Commodity and Resources Index (2005 – Present) and S&P Global Natural Resources Index (2003–2004)

■ Global Infrastructure Equities	S&P Global Infrastructure Index
■ US Real Estate	Dow Jones US Select Real Estate Investment Trust (REIT) Index
■ US Inflation-Linked Bonds	Bloomberg Barclays US Inflation-Linked Securities Index
□ US Inflation	US CPI-U Non-Seasonally Adjusted

Source: State Street Global Advisors and FactSet, Data from 2003 to December 2023. Diversification does not ensure a profit or guarantee against loss. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. All index returns are in USD. Past performance is not a reliable indicator of future performance. Prior to 2005, performance reflects the S&P Global Natural Resources Index (2003–2004).

# Global Investment Solutions Group

Deep experience managing the Real Asset Strategy

## Global Chief Investment Officer

Dan Farley, CFA



## Team Highlights

32 CFA Charterholders

3 PhDs

18 Years Avg. Industry Experience

## Global Support

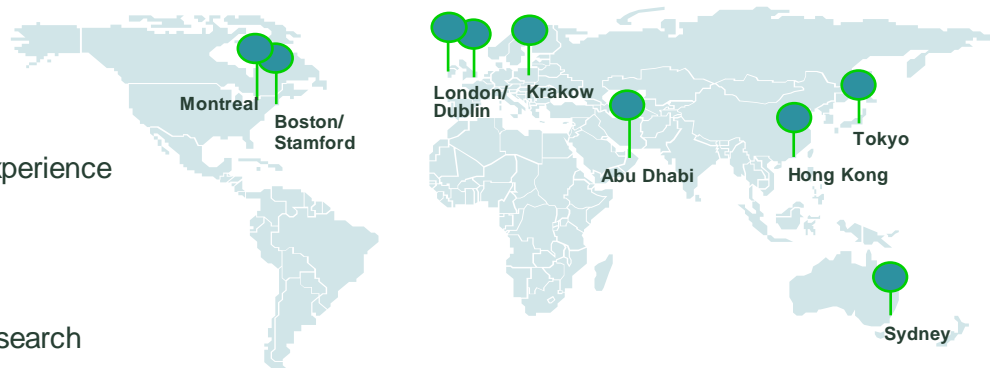
Global Trading

Investment Strategy & Research

Economics Team

State Street Corp

Investment Risk Team



## Real Asset Team

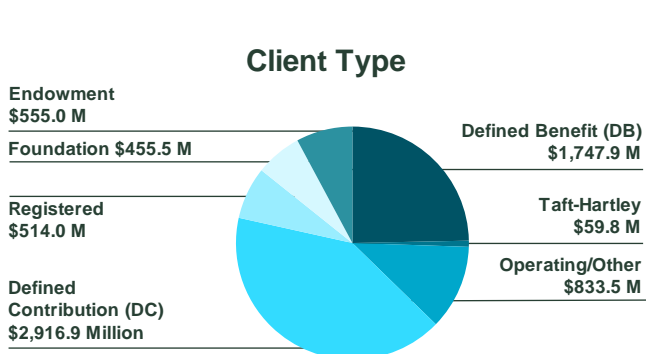
Portfolio Managers	Experience Years
Rob Guiliano (US - Boston)	27
Mike Narkiewicz (US - Boston)	19
Gordon Kearney (UK - London)	22
James Morgan, CFA, CAIA (UK - London)	16

Portfolio Strategists	Experience Years
Keith Snell, CFA (US - Boston)	16
Mehvish Ayub, CFA (UAE - Abu Dhabi)	20

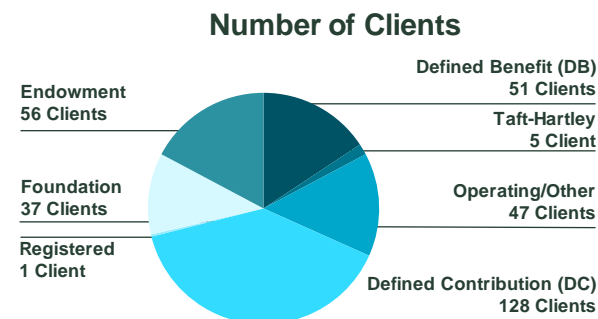
As of December 31, 2023. CFA® is a trademark of the CFA Institute. CAIA® is a registered trademark of the Chartered Alternative Investment Analyst Association.

# Real Asset Strategies – US Managed Clients

- Experience managing multi-asset class solutions since 1987
- Portfolio management team of over 50 investment professionals globally
- Provide real asset products across broad array of global strategic benchmarks
- Commingled funds and separately managed accounts



**Real Assets**  
**Assets Under Management**  
 As of December 31, 2023  
 \$7.08B for 325 Accounts



<b>Bloomberg Commodity Roll Select Index<sup>SM</sup> Strategy</b>  Managed by Global Equity Beta Solutions Team Over \$3.11B in commodity indexed strategies Commingled funds	<b>S&amp;P Global LargeMidCap Natural Resources Index Strategy</b>  Managed by Global Equity Beta Solutions Team Over 7.48B in global natural resource equity indexed strategies One of the largest managers of international index assets Commingled funds and ETFs	<b>S&amp;P Global Infrastructure Index Strategy</b>  Managed by Global Equity Beta Solutions Team Over 11.19B in global infrastructure equity indexed strategies One of the largest managers of international index assets Commingled funds and ETFs	<b>US REIT Index Strategy</b>  <b>Global Real Estate Sec. Index Strategy</b>  Managed by Global Equity Beta Solutions Team \$38.07B in real estate equity indexed strategies Commingled funds and ETFs	<b>1-10 Year US Treasury Inflation Protected Sec. (TIPS) Index Strategy</b> <b>Global Inflation Linked Bond Index Strategy (Unhedged and Hedged)</b> Managed by Global Fixed Income Team \$43.99B in inflation-linked bond indexed strategies Commingled funds and ETFs
--	---	---	--	---

\*AUM as of December 31, 2023. Total AUM is exclusive of all cash and securities lending assets. All umbrella funds have been removed from the calculations. All calculations are unaudited. Fund View presented unless otherwise noted. Figures in USD. Source: Business Intelligence Gateway (BIG), State Street Global Advisors.

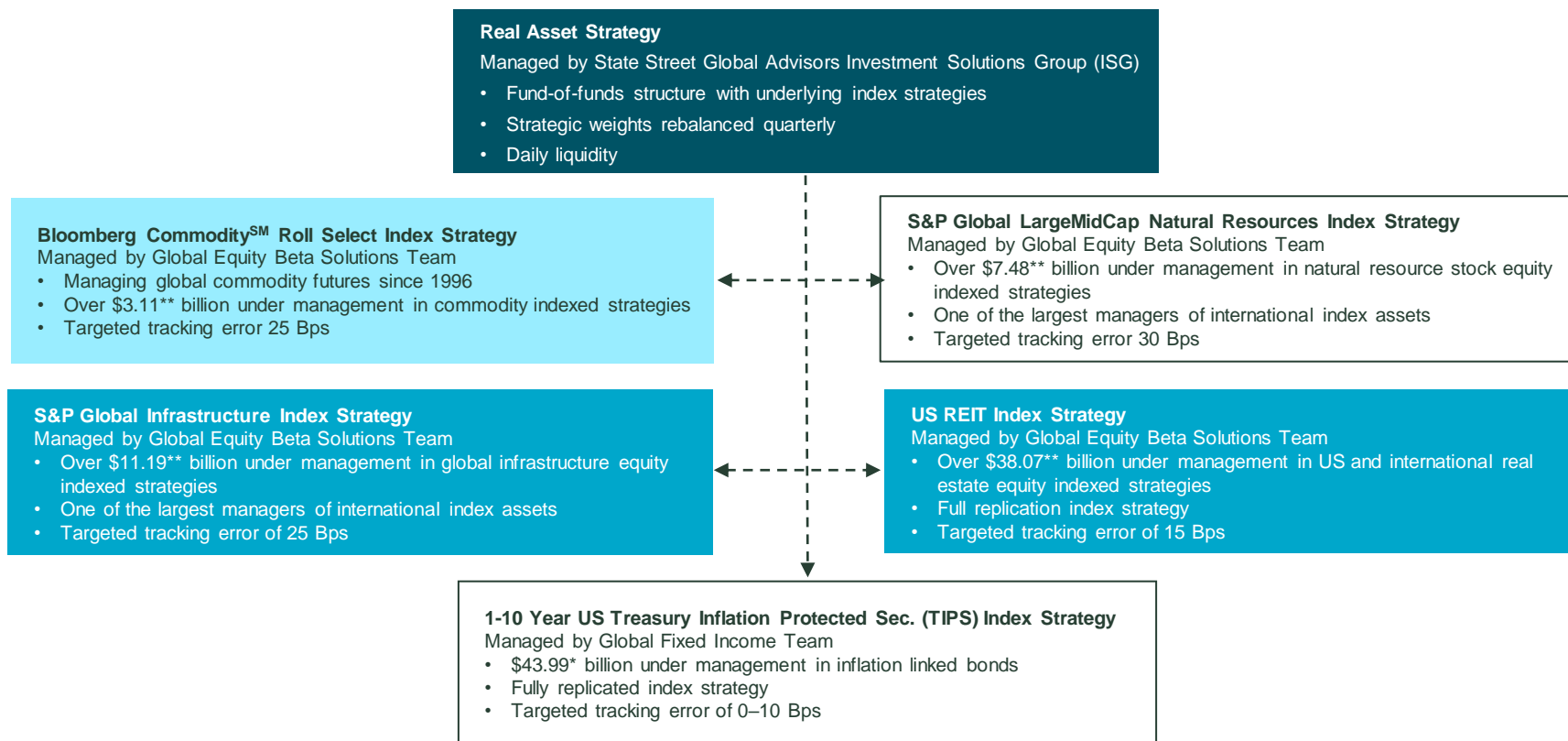
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# Real Asset Strategies — Objective

- **Objective of strategy**
  - Seeks positive real return, as measured against US CPI
  - Seeks to match benchmark with full replication of underlying assets as closely as practicable before expenses over the long term
- **Inflation mitigation**
  - Commodities and inflation mitigating securities
  - Natural resource and real estate securities to a lesser degree
- **Diversification across multiple, real asset classes**
- **No tactical allocations between assets or security selection within underlying strategies**
- **Risk managed**
  - Target standard deviation to match longer-dated US TIPS
  - Low targeted tracking error to benchmark
  - Limited currency exposure in international natural resource securities
  - Disciplined rebalancing policy and cash flow management
- **Cost effective management fees**
- **Daily liquidity**
- **No securities lending of the underlying securities**
- **No capacity constraints**

Diversification does not ensure a profit or guarantee against loss. The above targets are based on certain assumptions and analysis made by SSGA. There is no guarantee that the estimates will be achieved.

# Real Asset Strategies — Multi-Strategy Approach

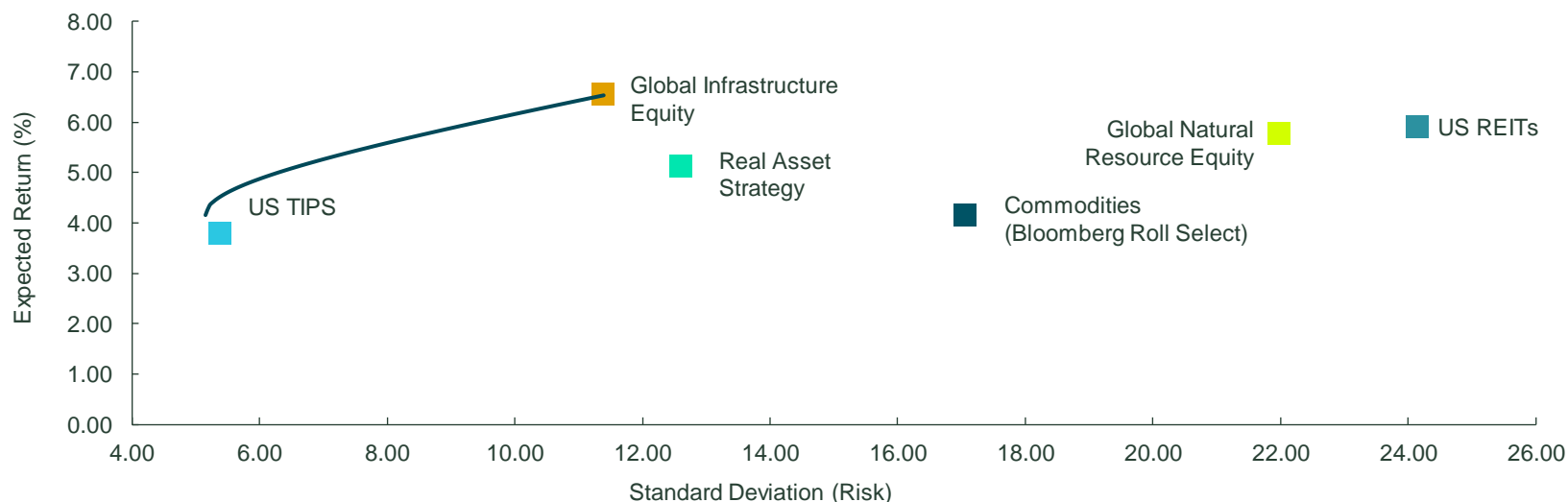


Source: Business Intelligence Gateway (BIG), State Street Global Advisors. AUM as of December 31, 2023. Total AUM is exclusive of all cash and securities lending assets. All umbrella funds have been removed from the calculations. All calculations are unaudited. Fund View presented unless otherwise noted. Figures in USD.

# Real Asset Strategies — Strategic Asset Allocation

Asset	Benchmark	(%) of Strategy
Commodities	Bloomberg Roll Select Commodity Index	25
Global Natural Resources	S&P Global LargeMidCap Commodity and Resources Index	25
Global Infrastructure	S&P Global Infrastructure Index	20
US REITs	Dow Jones US Select REIT Index	10
US TIPS	Bloomberg US Govt Inflation-Linked 1-10 Year Index	20

## Multi-Strategy Real Asset Efficient Frontier



Sources: State Street Global Advisors.

As of December 31, 2023.

Portfolio weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Expected returns are based on State Street Global Advisor's Investment Solutions Group ("ISG") long-term asset class forecasted returns, long-term standard deviations and correlations as of December 31, 2023 are estimated based on certain assumptions and analysis made by State Street Global Advisors. There is no guarantee that the estimates will be achieved.

# Real Asset Strategy

Annualized returns for the period ending December 31, 2023 (USD)

	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception(%)
Real Asset Composite (Gross)	3.70	1.19	1.19	8.19	8.27	3.90	4.03
State Street Global Advisors Custom Blended Index	3.71	1.09	1.09	8.01	7.89	3.68	3.77
<b>Difference</b>	<b>-0.01</b>	<b>0.10</b>	<b>0.10</b>	<b>0.18</b>	<b>0.38</b>	<b>0.22</b>	<b>0.26</b>
Real Asset Composite (Net)	3.62	0.89	0.89	7.87	7.94	3.58	3.71
State Street Global Advisors Custom Blended Index	3.71	1.09	1.09	8.01	7.89	3.68	3.77
<b>Difference</b>	<b>-0.09</b>	<b>-0.20</b>	<b>-0.20</b>	<b>-0.14</b>	<b>0.05</b>	<b>-0.10</b>	<b>-0.06</b>

## Objectives

- Seeks to achieve positive real returns with an overall portfolio risk similar to that of longer-dated US TIPS and match the returns of the composite benchmark over the long term

## Benchmark description

- Composite benchmark of the Bloomberg Roll Select Commodity Index (25%), S&P® Global LargeMidCap Commodity and Resources Index (25%), S&P® Global Infrastructure Index (20%), Dow Jones US Select REIT Index (10%), and Bloomberg Barclays 1- 10 Years US TIPS Index (20%)

## Investment approach

- Strategic allocation and quarterly rebalancing
- Implemented with indexed strategies
- Daily liquidity

## Attributes of the strategy

- Potential inflation hedge
- Low correlation with other traditional asset classes
- Current Income

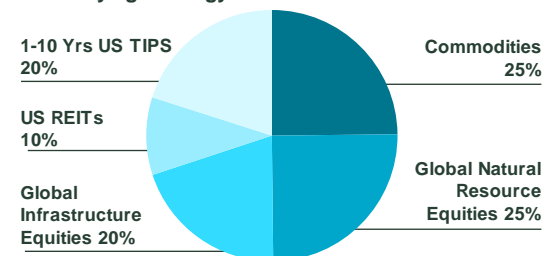
## Risks

- Indexed Managed
- Commodity, Natural Resource and Infrastructure Equity, Real Estate Sector, and Treasury Inflation Protected Securities Exposures
- Derivative Exposure
- Foreign Investments

Source: SSGA and FactSet, Inception date of the Composite: April 2005.

\* The Supplemental Information above is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. The calculation method for value added returns may show rounding differences.

## Underlying Strategy Breakdown



## Characteristics\*

<b>1-10 Years US TIPS</b>	
Number of Issues	36
Average Quality	AAA
Average Maturity	4.43
Yield to Worst (%)	4.21
Real Yield (%)	1.99
Average Convexity	0.26
Effective Duration	4.20
Real Duration	4.27
Composite AUM (\$M)	\$10,610.42
<b>US REITS</b>	
P/NAV	1.01
P/FFO	19.01
Dividend Yield	3.88
No. of Holdings	104
Composite AUM (\$M)	\$1,488.85
Beta	1
FFO Growth	17.33
Standard Deviation	21.44
Weighted Average Market Cap (\$M)	\$39,615.27

<b>Bloomberg Commodity</b>	
No. of Commodities	23
Instl. Liquid Reserve 7 Day Yield (%)	5.45
Composite AUM (\$M)	\$1,211.05
Beta	1
Standard Deviation	14.94
<b>S&amp;P Global LargeMidCap Natural Resource Equities</b>	
P/E Ratio (Fwd 12 Mos.)	11.81
P/B Ratio	1.65
Est. 3-5Yr EPS Growth	4.45
Dividend Yield	3.91
Beta (Trailing 36 Mos.)	0.99
Std. Dev. (Ann'd 36 Mos.)	19.52
Composite AUM (\$M)	\$1,816.66
Wtd. Avg. Market Cap (\$M)	\$84,037.04
No. of Holdings	214
<b>S&amp;P Global Infrastructure Equities</b>	
P/E Ratio (Fwd 12 Mos.)	11.81
P/B Ratio	1.65
Est. 3-5Yr EPS Growth	4.45
Dividend Yield	3.91
Beta (Trailing 36 Mos.)	0.99
Std. Dev. (Ann'd 36 Mos.)	19.52
Composite AUM (\$M)	\$940.62
Wtd. Avg. Market Cap (\$M)	\$84037.04
No. of Holdings	214

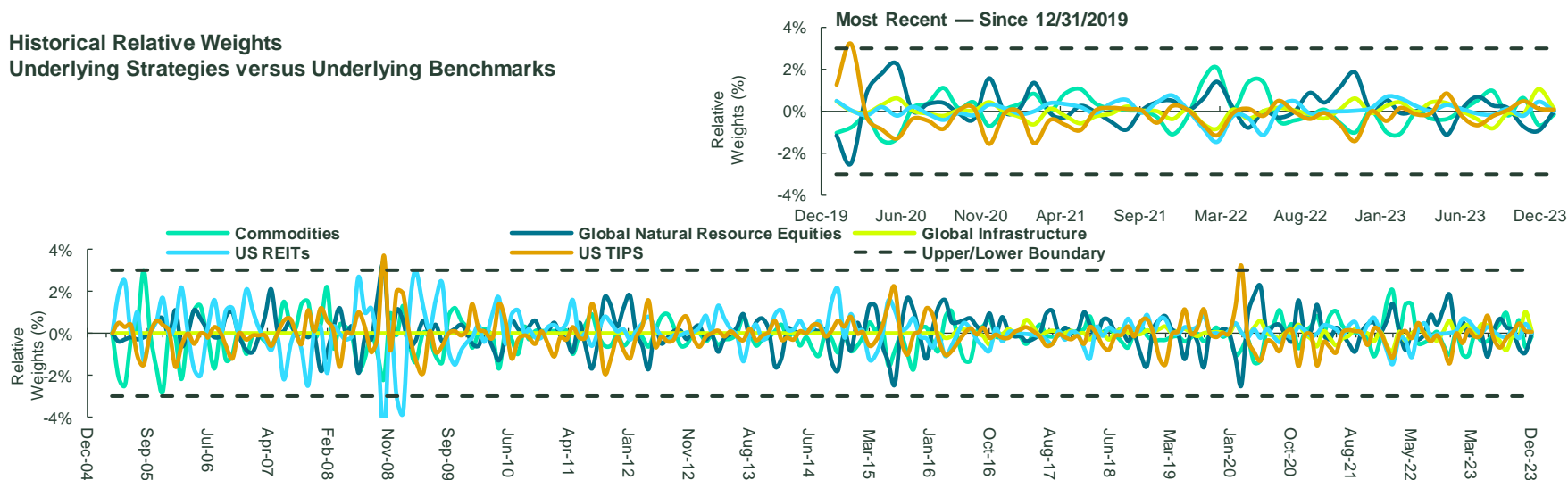


# Real Asset Strategy — Attribution and Relative Weights

## Cumulative Excess Return Attribution Analysis

	Asset Allocation		Security Selection		Interaction		Total	
	YTD (%)	Since Inception (%)	YTD (%)	Since Inception (%)	YTD (%)	Since Inception (%)	YTD (%)	Since Inception (%)
<b>Real Assets Strategy</b>								
Commodities	0.03	2.18	-0.05	-0.26	0.00	-0.01	-0.02	1.90
Global Natural Resource Equities	-0.05	1.75	0.07	1.42	0.00	-0.04	0.02	3.13
Global Infrastructure Equities	0.04	0.11	0.09	0.83	0.00	0.00	0.14	0.94
US REITs	0.00	1.49	0.00	-0.12	0.00	0.02	0.00	1.39
US TIPS	-0.07	1.73	0.01	-0.28	0.00	-0.02	-0.05	1.44
<b>Total</b>	<b>-0.04</b>	<b>7.26</b>	<b>0.13</b>	<b>1.59</b>	<b>0.00</b>	<b>-0.04</b>	<b>0.08</b>	<b>8.81</b>

## Historical Relative Weights Underlying Strategies versus Underlying Benchmarks



Source: State Street Global Advisors and FactSet, as of December 31, 2023.

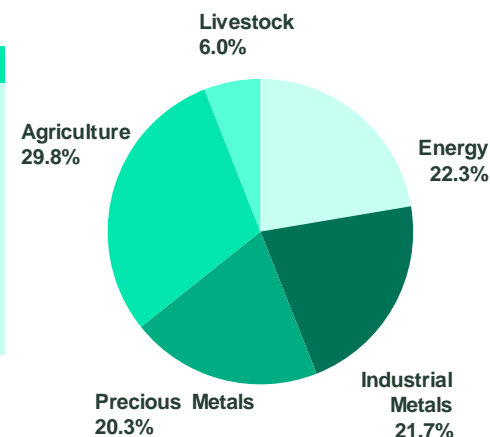
Weights and allocations are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. Inception date of the Strategy: April 2005.

Past performance is not a reliable indicator of future performance. Benchmark returns are unmanaged and do not reflect the deduction of any fees or expenses. Benchmark returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable. Performance is calculated in USD. Performance returns for periods of less than one year are not annualized. The performance shown is of a rep account. The Supplemental Information above is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. This information should not be a recommendation to buy or sell any security shown. It is not known whether the securities shown will be profitable in the future. The performance figures contained herein are provided on a gross of fees basis and do not reflect the deduction of advisory or other fees which could reduce the return.

# Bloomberg Commodity Roll Select Benchmark Overview

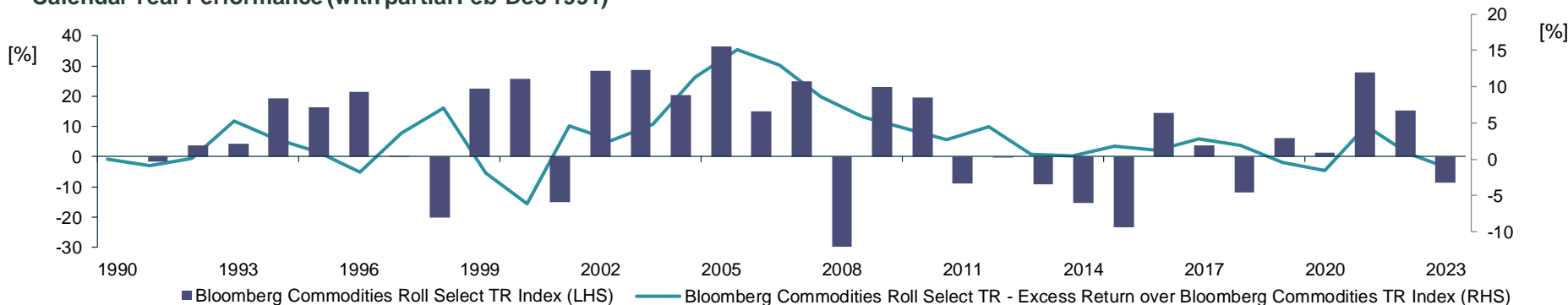
## Commodity Weights

Energy (%)		Industrial Metals (%)		Precious Metals (%)		Agriculture (%)		Livestock (%)	
Brent Crude Oil	7.42	Aluminum	4.52	Gold	17.98	Chicago Wheat	2.58	Lean Hogs	2.14
Crude Oil	2.93	Copper	5.53	Silver	2.29	Coffee	3.62	Live Cattle	3.83
Low Sulfur Gas Oil	2.54	Nickel	0.94			Corn	4.43		
Natural Gas	5.79	Zinc	7.96			Cotton	1.60		
ULS Diesel	1.91	Lead	2.72			Kansas Wheat	1.44		
Unleaded Gasoline	1.75					Soybeans	2.69		
						Soybean Meal	4.95		
						Soybean Oil	3.03		
						Sugar	5.41		



- Same methodology as the Bloomberg Commodity Index<sup>SM</sup> with exception of how index rolls into futures contracts:
  - Dynamic roll methodology aims to mitigate the effects of contango on the roll yield
  - At each monthly roll period for each commodity, index selects futures contracts with most backwardation or least contango from contracts with 9 months or fewer until expiration
- Index includes 23 commodities futures
- No commodity more than 15% or less than 2%
- Each sector weight set at max of 33% in January and floats for remainder of year

## Calendar Year Performance (with partial Feb-Dec 1991)



Source: State Street Global Advisors, Bloomberg Finance, L.P. As of December 31, 2023. Inception date of the Index: February 1991.

On July 1, 2014 The Dow Jones-UBS Roll Select Commodity Index Strategy was renamed to Bloomberg Roll Select Commodity Index Strategy. Sectors are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to buy or sell any security shown. It is not known whether the securities shown will be profitable in the future. Past performance is not a reliable indicator of future performance. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable.

# Bloomberg Roll Select Commodity Index Strategy

## Returns for the period ending December 31, 2023 (USD)

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Since Incept.* (%)
Bloomberg Roll Select Commodity Index Composite (Gross)	-4.06	-8.66	-8.66	10.19	7.60	-0.25	-1.33
Bloomberg Roll Select Commodity TR Index	-4.05	-8.53	-8.53	10.50	7.75	-0.11	-1.17
<b>Difference</b>	<b>-0.01</b>	<b>-0.13</b>	<b>-0.13</b>	<b>-0.32</b>	<b>-0.15</b>	<b>-0.14</b>	<b>-0.16</b>
Bloomberg Roll Select Commodity Index Composite (Net)	-4.12	-8.89	-8.89	9.91	7.33	-0.50	-1.58
Bloomberg Roll Select Commodity TR Index	-4.05	-8.53	-8.53	10.50	7.75	-0.11	-1.17
<b>Difference</b>	<b>-0.07</b>	<b>-0.36</b>	<b>-0.36</b>	<b>-0.59</b>	<b>-0.42</b>	<b>-0.39</b>	<b>-0.41</b>

### Objective

- Seeks to match the returns and characteristics of the Bloomberg Roll Select Commodity Index as closely as practicable, before expenses over the long term

### Benchmark description

- Dynamic version of Bloomberg Commodity Index that follows a transparent, rules-based process whereby it rolls into the futures contract showing the most backwardation or least contango to minimize the negative effects of contango on index performance
- Liquidity and production weighted index, comprises 24 commodity futures contracts in the 5 major commodity groups
- No sector more than 35% and no commodity more than 15% or less than 0.4% at reconstitution

### Investment approach

- Uses futures and swaps to obtain commodity index exposure
- Uses State Street Institutional Liquid Reserves (ILR) or STIF Strategy for notional cash, T-Bills for collateral, and State Street Global Advisors Prime Money Market fund for margin maintenance

### Attributes of the strategy

- 100% exposure to broad-based commodities market
- Cost-efficient trading — use of futures or swaps
- Low turnover and tight tracking

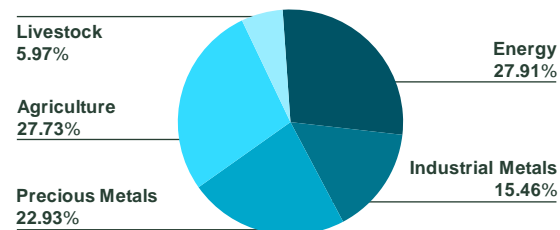
Source: State Street Global Advisors and Bloomberg, Data as of 31 December 2023

\*Inception date of the Composite: 31 December 2012.

Weights are as of the date indicated and are subject to change and should not be relied upon as current thereafter.

Returns greater than one year are annualized. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in (USD). Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable and are calculated in US dollars. It is not possible to invest directly in an index. Performance returns are calculated in US dollars. Calculation for value added returns may show rounding differences.

### Sector Weights



Energy	Industrial Metals	Precious Metals	Agriculture	Livestock
Crude Oil	Copper	Gold	Corn	Lean Hogs
Natural Gas	Aluminum	Silver	Soybeans	Live Cattle
Brent Crude	Zinc		Soybean Oil	
Low Sulphur Gas Oil	Nickel		Coffee	
Unleaded Gasoline	Lead		Sugar	
Heating Oil			Soybean Meal	
			Chicago Wheat	
			Kansas Wheat	
			Cotton	

### Risks

- Indexed Managed
- Commodity Exposure
- Derivative Exposure

# S&P Global LargeMidCap Natural Resources Index — Overview

## S&P Global LargeMidCap Commodity and Resources Index Eligibility and Construction:

- Index designed to provide liquid exposure to three different global natural resource groups across nearly 33 countries
  - 33.33% allocations to Energy, Materials, and Agriculture buckets with select GICS sub-industries\*
  - Allocations rebalanced on a quarterly basis
- Broad exposure down the market capitalization spectrum, capturing large and mid-cap constituents in both developed and emerging markets
- Composed of approximately 188 companies, meeting specific investability requirements
- Universe drawn from S&P Global BMI
  - Based on float-adjusted, market capitalization weighted
  - Includes companies in top 85% of each market

## Natural Resource Stocks Strategy

- Replication with additive offsets
- Daily liquidity

## S&P Global LargeMidCap Commodity and Resources Index Clusters with GICS Sub-Industries

### Energy

- Integrated Oil & Gas
- Oil & Gas Exploration & Production
- Coal & Consumable Fuels

### Agriculture

- Fertilizers & Agricultural Chemicals
- Agricultural Products
- Forest Products

### Materials

- Diversified Metals & Mining
- Gold
- Aluminum
- Precious Metals & Minerals
- Silver
- Copper

## Country Breakdown

Developed Markets		Emerging Markets	
Australia	Norway	Brazil	Pakistan
Austria	Portugal	Chile	Peru
Canada	Singapore	China	Poland
France	Spain	Colombia	Saudi Arabia
Israel	Sweden	Hungary	South Africa
Italy	United Kingdom	India	South Korea
Japan	United States	Indonesia	Taiwan
		Malaysia	Thailand
		Mexico	Turkey

Source: State Street Global Advisors and S&P Dow Jones Indexes. As of December 31, 2023.

\* S&P Global LargeMidCap Natural Commodity and Resources Index bucket allocations identified with Global Industry Classification Standard (GICS) as outlined in the S&P Global BMI, S&P/IFCI Methodology, August 2022. Information as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

# S&P® Global Large MidCap Natural Resources Index Strategy

## Returns for the period ending December 31, 2023 (USD)

	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Incept.* (%)
S&P® Global LargeMidCap Natural Resources Composite (Gross)	0.81	-1.25	-1.25	12.89	11.29	4.76	2.71
S&P® Global LargeMidCap Commodity and Resources TR Index	0.83	-1.63	-1.63	12.54	10.90	4.36	2.32
<b>Difference</b>	<b>-0.02</b>	<b>0.38</b>	<b>0.38</b>	<b>0.36</b>	<b>0.39</b>	<b>0.39</b>	<b>0.39</b>
S&P® Global LargeMidCap Natural Resources Composite (Net)	0.76	-1.43	-1.43	12.69	11.09	4.57	2.52
S&P® Global LargeMidCap Commodity and Resources TR Index	0.83	-1.63	-1.63	12.54	10.90	4.36	2.32
<b>Difference</b>	<b>-0.07</b>	<b>0.20</b>	<b>0.20</b>	<b>0.15</b>	<b>0.19</b>	<b>0.21</b>	<b>0.20</b>

### Objective

- Seeks to match the returns and characteristics of the S&P LargeMidCap Commodity and Resources Index, before expenses, over the long term

### Benchmark description

- Measures the performance of LargeMidCap constituents that fall into three different natural resources buckets: Energy, Materials and Agriculture
- Constituents in each bucket are classified by GICS sub-industries

### Investment approach

- Uses full replication

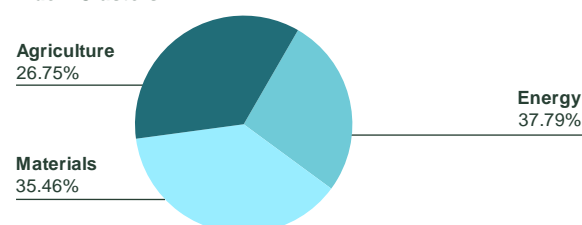
### Attributes of the strategy

- 100% exposure to broad-based global natural resource stocks
- Cost-efficient trading

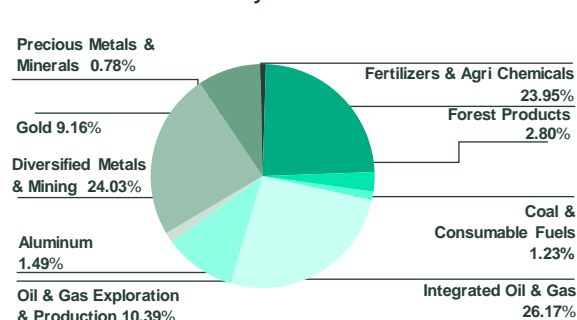
### Risks

- Indexed Managed
- Natural Resource Equity Exposure
- Foreign Investments

### Index Clusters



### Index GICS Sub-Industry Breakdown



### Country Exposure (Top 5)

United States	36.58
Canada	12.89
United Kingdom	12.73
Australia	11.58
Other Developed Markets	12.70
Other Emerging Markets	13.52

### Characteristics

P/E Ratio (Fwd 12 Months)	11.81
P/B Ratio	1.65
Est. 3-5Yr EPS Growth	4.55
Dividend Yield (Trailing 12 Months) (%)	3.90
Beta (Trailing 36 Months)	0.99
Std. Dev. (Ann'd 36 Months) (%)	19.70
Composite AUM (\$M)	1,816.66
Wtd. Avg. Market Cap (\$M)	84,037
No. of Holdings	214

Source: SSGA, S&P Dow Jones Indices, and FactSet, Data as of 31 December 2023.

\*Inception date of the Composite: 31 August 2011

Weights and Characteristics are as of the date indicated and are subject to change and should not be relied upon as current thereafter.

Returns greater than one year are annualized. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in (USD). Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable and are calculated in US dollars. It is not possible to invest directly in an index. Performance returns are calculated in US dollars. Calculation for value added returns may show rounding differences.

# S&P Global Infrastructure Index — Strategy Overview

## S&P Global Infrastructure Index Eligibility and Construction:

- Index designed to provide liquid exposure to three different global infrastructure groups across nearly 20 countries
- Allocations of 20% to Energy, 40% to Transportation, and 40% to Utilities clusters with select GICS sub-industries\*
  - 60 developed and 15 emerging market stocks
  - Maximum stock weight of 5%
  - Allocations rebalanced on a semi-annual basis in March and September
- Broad exposure to large-cap constituents in both developed and emerging markets
- Composed of 75 companies, meeting specific investability requirements
- Universe drawn from S&P Global BMI
  - Based on float-adjusted, market capitalization weighted

## Global Infrastructure Equity Strategy

- Replication with additive offsets
- Daily liquidity

## S&P Global Infrastructure Index Global Index Clusters with GICS Sub-Industries\*

### Energy

- Oil & Gas Storage & Transportation

### Transportation

- Airport Services
- Highway & Railtracks
- Marine Ports & Services

### Utilities

- Electric Utilities
- Gas Utilities
- Multi Utilities
- Water Utilities
- Independent Power Producers & Energy Traders\*\*
- Renewable Electricity

## Country Breakdown

Developed Markets		Emerging Markets
Australia	Netherlands	Brazil
Canada	New Zealand	Chile
Denmark	Singapore	China
France	Spain	Mexico
Germany	Switzerland	
Italy	United Kingdom	
Japan	United States	
Luxembourg		

Source: State Street Global Advisors and S&P Dow Jones Indexes. As of December 31, 2023.

\* S&P Global Infrastructure Index bucket allocations identified with Global Industry Classification Standard (GICS) as outlined in the S&P Global BMI, S&P/IFCI Methodology, June 2023.

\*\* Excludes Gas & Power Marketing & Trading Specialists and/or Integrated Energy Merchants.

Information as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

# S&P Global Infrastructure Index Strategy

## Returns for the period ending December 31, 2023 (USD)

	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Incept.* (%)
S&P Global Infrastructure Index Composite (Gross)	10.79	6.36	6.36	5.63	6.99	N/A	5.93
S&P Global Infrastructure TR Index	10.71	5.78	5.78	5.16	6.46	N/A	5.36
<b>Difference</b>	<b>0.08</b>	<b>0.57</b>	<b>0.57</b>	<b>0.47</b>	<b>0.53</b>	<b>N/A</b>	<b>0.56</b>
S&P Global Infrastructure Index Composite (Net)	10.76	6.23	6.23	5.50	6.86	N/A	5.81
S&P Global Infrastructure TR Index	10.71	5.78	5.78	5.16	6.46	N/A	5.36
<b>Difference</b>	<b>0.05</b>	<b>0.45</b>	<b>0.45</b>	<b>0.34</b>	<b>0.40</b>	<b>N/A</b>	<b>0.44</b>

### Objective

- Seeks to match the returns and characteristics of the S&P Global Infrastructure Index, before expenses, over the long term

### Benchmark description

- Measures the performance of 75 of the largest publicly listed infrastructure companies that fall into three different clusters: Energy, Transportation, and Utilities
- Constituents in each bucket are classified by GICS sub-industries

### Investment approach

- Uses full replication

### Attributes of the strategy

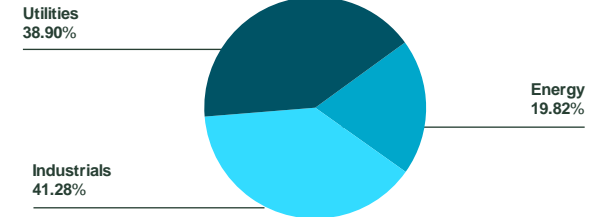
- 100% exposure to broad-based global infrastructure stocks
- Cost-efficient trading

### Risks

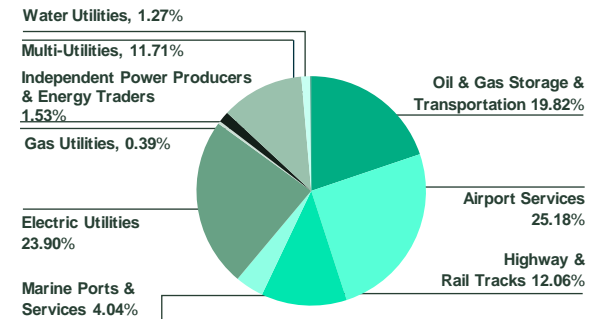
- Indexed Managed
- Infrastructure Equity Exposure
- Foreign Investments

Country Exposure (Top 5)	
United States	37.83
Canada	9.04
Australia	9.33
Spain	8.96
Italy	2.86
Other Developed Markets	27.51
Other Emerging Markets	4.47

### Index Clusters



### Index GICS Sub-Industry Breakdown



### Characteristics

P/E Ratio (Fwd 12 Months)	15.33
P/B Ratio	1.89
Est. 3-5Yr EPS Growth	6.62
Dividend Yield (Trailing 12 Months )	4.07
Beta (Trailing 36 Months)	1.00
Std. Dev. (Annualized 36 Months)	15.83
Composite AUM (\$M)	940.62
Wtd. Avg. Market Cap (\$M)	33.963
No. of Holdings	75

Source: SSGA, S&P Dow Jones Indices and Factset. Data as of 31 December 2023

\*Inception date of the Composite: 30 April 2016

Weights and Characteristics are as of the date indicated and are subject to change and should not be relied upon as current thereafter.

Returns greater than one year are annualized. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in (USD). Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income as applicable and are calculated in US dollars. It is not possible to invest directly in an index. Performance returns are calculated in US dollars. Calculation for value added returns may show rounding differences.



# US REIT Index Strategy

## Returns for the period ending December 31, 2023 (USD)

	QTD (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
SSGA US REIT Index Composite (Gross)	16.35	13.96	13.96	7.17	6.11	6.99	8.76
DJ-US US Select REIT Index (Floated Adj)	16.35	13.96	13.96	7.18	6.12	7.00	8.74
<b>Difference</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.01</b>	<b>-0.01</b>	<b>-0.01</b>	<b>0.03</b>
SSGA US REIT Index Composite (Net)	16.31	13.79	13.79	7.00	5.93	6.79	N/A
DJ-US US Select REIT Index (Floated Adj)	16.35	13.96	13.96	7.18	6.12	7.00	N/A
<b>Difference</b>	<b>-0.04</b>	<b>-0.17</b>	<b>-0.17</b>	<b>-0.17</b>	<b>-0.20</b>	<b>-0.22</b>	<b>N/A</b>

### Objective

- Seeks to match the returns and characteristics of the Dow Jones US Select REIT Index as closely as practicable, before expenses over the long term

### Benchmark description

- Float adjusted market capitalization weighted index of US publicly traded Real Estate Investment Trusts (REITs), whose charter is the equity ownership and operation of commercial real estate

### Investment approach

- Uses full replication

### Attributes of the strategy

- Diversified and liquid exposure to the US core commercial real estate market
- Low turnover and consistent tracking
- Distinct opportunities for low-cost trading

### Risks

- Indexed Managed
- Real Estate sector-level Exposure

Source: SSGA, S&P Dow Jones Indices, and FactSet. Data as of 31 December 2023.

\*Inception date of the Composite: 30 November 1996

Weights and Characteristics are as of the date indicated and are subject to change and should not be relied upon as current thereafter.

Returns greater than one year are annualized. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in (USD).

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Characteristics	
Weighted Average Price/NAV	1.01
Weighted Average Price/FFO	19.01
Weighted Average FFO Growth	17.34
Dividend Yield (Trailing 12 Months) (%)	3.89
Beta (Trailing 36 Months)	1.00
Std. Dev. (Annualized 36 Months) (%)	21.45
Composite AUM (\$M)	1,488
Wtd. Avg. Market Cap (\$M)	39,517
No. of Holdings	104

Sector Weights (%)	
Industrial	29.81
Apartments	14.86
Strip Centers	11.4
Healthcare	10.82
Self-Storage	9.81
Malls	5.11
Office	5.00
Diversified	4.29
Hotels	4.00
Manufactured Homes	3.15
Mixed Industrial/Office	0.83
Retail/Other	0.62
Factory Outlets	0.30



# 1–10 Year US TIPS Index Strategy

Annualized returns for the period ending December 31, 2023 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Incept.* (%)
1–10 Year US TIPS Index Composite (Gross) <sup>1,2</sup>	3.68	4.44	4.44	0.68	3.44	2.31	2.31
Bloomberg US Govt. Inflation-Linked 1–10 Yrs Index <sup>4</sup>	3.77	4.39	4.39	0.72	3.48	2.32	2.33
<b>Difference</b>	<b>-0.09</b>	<b>0.05</b>	<b>0.05</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.02</b>	<b>-0.02</b>
1–10 Year US TIPS Index Composite (Net) <sup>1,3</sup>	3.65	4.35	4.35	0.59	3.35	2.22	2.23
Bloomberg US Govt. Inflation-Linked 1–10 Yrs Index <sup>4</sup>	3.77	4.39	4.39	0.72	3.48	2.32	2.33
<b>Difference</b>	<b>-0.12</b>	<b>-0.04</b>	<b>-0.04</b>	<b>-0.13</b>	<b>-0.13</b>	<b>-0.11</b>	<b>-0.10</b>
<b>Tracking Error (bps)</b>	---	---	22	18	14	11	10

Characteristics	Strategy	Index
Average Quality	AA1	AA1
Average Maturity (Yrs.)	4.43	4.46
Real Yield (%)	1.99	1.99
Average Convexity	0.26	0.26
Real Duration (Yrs.)	4.27	4.30
Composite AUM (\$M)	10,610	N/A
Number of Issues	36	34

## Objective

- Seeks to match the total rate of return of the Bloomberg US Government Inflation-Linked 1–10 Yrs Index before expenses, over the long term

## Benchmark description

- Approximately 34 securities representing approximately \$1.41 trillion market value in US dollar denominated US Treasury debt

## Investment approach

- Invests in a portfolio of well-diversified US Treasury inflation-linked securities
- Duration neutral to index at all times
- Sector and security weights are matched to the index
- Full replication

## Attributes of the strategy

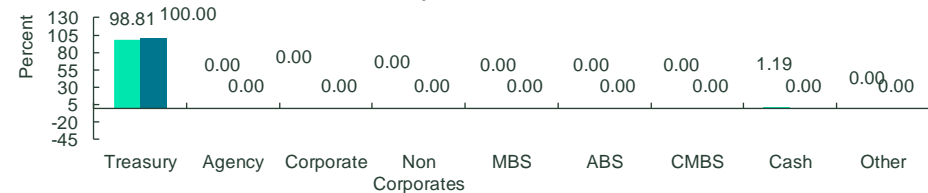
- Provides broad exposure to the Treasury inflation protected securities market
- Extensive trading capabilities and size

## Risks

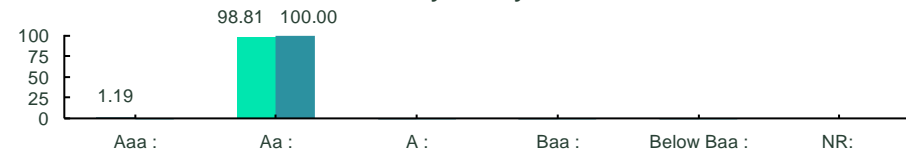
- Indexed Managed
- Treasury Inflation Protected Securities Exposure
- Derivatives

## Breakdown by Market Value

### By Sector



### By Quality



■ 1-10 Year US TIPS Index Composite ■ Bloomberg US Government Inflation-Linked 1-10 Yrs Index

Source: SSGA and Bloomberg PORT/Global Family of Indices. © 2023 Bloomberg PORT for market data, prices, and estimates for characteristic calculations. Inception date of the Composite: February 2011. <sup>1</sup> Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset — weighted using Composite member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income. <sup>2</sup> These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss. <sup>3</sup> These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss. <sup>4</sup> Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income and the reinvestment of dividends (net of withholding tax rates) and other income and are calculated in US dollars. It is not possible to invest directly in an index. Performance returns are calculated in US dollars. Calculation for value added returns may show rounding differences. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. gPBGILB

# ISG Investment Risk Management

## Multi-Faceted Approach to Risk Management, Compliance and Oversight

Risk Management and Oversight Functions within State Street Global Advisors Investment Solutions Group	
Ongoing review of ex-ante and ex-post portfolio risk characteristics — total risk and benchmark-relative risk	Portfolio Managers, ISG Management
Monthly review of portfolio performance attribution reports	Portfolio Managers, ISG Management
Monthly review of all tactical portfolio positions to ensure consistency with guidelines	ISG Management
Regular meeting to review and evaluate performance of underlying strategies	Portfolio Managers, ISG Management
Independent Oversight Provided State Street Global Advisors Control Suite and State Street Global Advisors Investment Committee	
Systematic pre- and post- trade tolerance checks to verify compliance with portfolio guidelines	State Street Global Advisors Compliance
Review of ex-ante sample portfolio risk metrics generated through the use of external modeling tools	State Street Global Advisors Risk Management
Ex-post review of select portfolio risk characteristics — total risk and benchmark-relative risk	State Street Global Advisors Risk Management
Periodic reporting to the Investment Committee by State Street Global Advisors Risk team, escalation of exceptions as required	State Street Global Advisors Investment Committee
Regular reporting to the Investment Strategy Review Committee (sub-committee of the Investment Committee) by ISG Chief Investment Officer	State Street Global Advisors Investment Committee

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# Why Real Assets and Why State Street Global Advisors?

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## Real Return Assets may help enhance a traditional balanced portfolio, and seeks to:

- Mitigate inflation impacts
- Improve risk-adjusted returns for overall portfolio
- Provide additional income

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## Why State Street Global Advisors for Real Asset portfolio management?

- **Experience of firm**
  - State Street Global Advisors Investment Solutions Group — Over \$392.63\*\* billion in assets under management and advisory
  - Inflation Linked Bonds — Over \$43.99\* Billion under management
  - US and International REITs — Ten-year track record and over \$38.07\*\* Billion in real estate assets
  - Over a ten-year history in global commodity futures management
  - Responsible for managing over \$3.11\*\* Billion in commodity index strategy assets
- **Modular fund structure — Commingled**
- **Daily liquidity**
- **Cost effective management fees**

Source: State Street Global Advisors

\*\* As of June 30, 2023. \*As of December 31, 2023. Figures in USD.

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# Appendix A:

# GIPS® Presentations

# GIPS® Report: Real Asset Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Apr 2005
Real Asset Composite, Gross	7.06	3.27	3.27	8.93	6.45	3.30	N/A
Real Asset Composite, Net	6.98	2.96	2.96	8.60	6.12	2.98	N/A
Real Assets Custom Blended Index	7.08	2.94	2.94	8.32	6.10	3.09	N/A

Year	Real Asset Composite Gross	Real Asset Composite Net	Real Assets Custom Blended Index
2022	3.27	2.96	2.94
2021	21.20	20.83	21.10
2020	3.27	2.94	1.96
2019	13.77	13.40	13.79
2018	-7.04	-7.34	-7.04
2017	8.78	8.43	8.61
2016	14.29	13.92	14.56
2015	-14.01	-14.27	-14.17
2014	-0.84	-1.13	-1.06
2013	-4.54	-4.83	-4.54

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	15.42	15.42	15.69	2,618,528,690	0.08	3,416,880
2021	*	N/A	12.88	12.87	13.23	3,224,101,643	0.08	4,073,239
2020	*	N/A	12.71	12.70	13.04	2,259,401,230	0.07	3,410,883
2019	*	N/A	6.93	6.92	6.97	1,944,034,261	0.06	3,052,585
2018	*	N/A	7.15	7.15	7.19	1,684,570,991	0.07	2,457,404
2017	*	N/A	8.23	8.23	8.30	1,714,505,219	0.06	2,714,705
2016	*	N/A	9.19	9.19	9.28	1,020,970,735	0.04	2,291,833
2015	*	N/A	8.31	8.31	8.39	881,155,959	0.04	2,188,091
2014	*	N/A	8.67	8.67	8.77	923,420,785	0.04	2,383,493
2013	*	N/A	12.38	12.38	12.45	1,256,381,294	0.06	2,279,237

gRIAsUSD

\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management (GEAM) was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Past and Future Performance:** Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially.

**Trademark:** GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Footnotes

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on January 01, 2009, and the inception date is April 01, 2005.

**Benchmark Description:** The benchmark for the composite is a Custom Blended Index calculated by weighting the underlying index monthly returns. The composite benchmark is rebalanced quarterly. As of December 31, 2022, the benchmark is a blend of the following indices: Bloomberg Roll Select Commodity Total Return Index (25%), S&P Global Large/Mid Cap Commodity and Resource Index (25%), Dow Jones U.S. Select REIT (Full Float) (10%), Bloomberg US Govt Inflation-Linked 1-10 year (20%), S&P Global Infrastructure Index (20%). The breakdown of the custom benchmark for different time periods is available upon request. The index returns are unmanaged and do not reflect the deduction of any fees or expenses. The index returns reflect all items of income, gain and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** None.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return. If the highest, actual management fee paid is not available, the highest model fee will be used.

**Fee Schedule:** Management fees are 0.300% of the first \$50,000,000; 0.270% of the next \$50,000,000; and 0.250% thereafter for a commingled fund; and 0.350% of the first \$50,000,000; 0.300% of the next \$50,000,000; and 0.250% thereafter for separately managed accounts. The minimum annual management fee for a separately managed accounts is \$115,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

**Significant Events:** In January 2022 Cyrus Taraporevala, President and Chief Executive Officer, announced his intention to retire. Yie-Hin Hung has been named the new President and Chief Executive Officer of State Street Global Advisors, reporting to Ron O'Hanley, State Street's Chairman and Chief Executive Officer as of December 5, 2022. Noel Archard, Global Head of Product, left State Street Global Advisors to pursue other professional opportunities. Shweta Narasimhadevara was named as his replacement in July 2022. John Brockelman, former Global Head of Brand Marketing and Communications, was named State Street Global Advisors' Chief Marketing Officer in April 2022. Sean O'Malley was named State Street Global Advisors' General Counsel from his interim service in this role, which began in September 2021. Steven Lipiner, State Street Global Advisors' former Chief Financial Officer, was chosen to succeed Marc Brown as Chief Operating Officer upon Marc's retirement. Apea Amoa, was selected as the firm's Chief Financial Officer in August 2022. James MacNevin, Head of State Street Global Advisors, Asia Pacific, retired in June 2022. Kevin Anderson was named as his successor. Greg Harth, who previously served as State Street Global Advisors' Head of Private Investments, was named Global Head of SPDR ETF Strategy, Planning and Infrastructure. Brendan Curran has been named Head of Defined Contribution, Americas, in September 2022, with the departure of Craig DeGiacomo earlier in the year. Sean Dillon, Head of US Securities Lending Cash Strategies, and George Bicher, Portfolio Manager, have departed from the firm in Q4 and Q2 2022 respectively.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its custom benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy seeks to offer diversification and a disciplined rebalancing process by investing approximately 25% of the Strategy's assets in commodities, 25% in global natural resource stocks, 20% in global infrastructure stocks, 10% in U.S. REITs, and 20% in U.S. intermediate TIPS. The Strategy seeks to approximate, as closely as practicable, before expenses, the performance of its custom Index over the long term, which is designed to seek to provide a long-term targeted return in excess of the U.S. CPI measure of inflation, while targeting a level of risk, as measured by standard deviation, similar to longer-dated U.S. TIPS, over the long term. Both of these metrics are based on SSGA's expectations for future returns, risk and correlations across the included asset classes and cannot be guaranteed. The Strategy's asset class exposures are rebalanced on a quarterly basis. Asset class differences in weightings and increased portfolio risk relative to the Index may occur as a result of intra-quarter market movements. The Strategy may allocate cash flows or partially rebalance the Strategy in efforts to reduce differences in weightings compared with the Index, or to maintain an active risk level that is consistent with the Strategy's objective. SSGA may implement the Strategy's asset allocations through investments in investment pools (which may, but need not necessarily, be registered under the U.S. Investment Company Act of 1940, as amended) managed or sponsored by SSGA or an affiliate. Because of the unit issuance processes employed by the various underlying investment pools, allocations by the Strategy to certain pools on a given trading day may be invested in such pools at the next trading day's net asset value per unit. This will result in the portion of the Strategy's assets being invested in such investment pools being held in cash for the trading day and may result in increased tracking error. This could adversely impact the return to any investor. The Strategy, or any of the investment pools in which it invests, may hold a portion of its assets in cash and cash instruments, including short-term investment vehicles managed by SSGA or an affiliate. SSGA will not normally enter into foreign currency exchange transactions for the Strategy. The Strategy's return may not match the return of its Index. As part of its proxy voting program, SSGA is offering eligible investors that hold units in certain Portfolios a range of voting policies that can be applied to the voting of shares held in that Portfolio. Investors in these select Portfolios may, from time to time, enter into arrangements with SSGA pursuant to which such investors direct that a pro rata portion of shares held by the Portfolio attributable to such investors be voted pursuant to a voting policy made available by a third party proxy voting administrator. For a Portfolio structured as a pooled investment vehicle, an investor's choice of voting policy and the voting of shares in accordance with such policy may not reflect, and may in fact conflict with, the concerns and values of one or more other investors in the Portfolio. To the extent that shares held by the Portfolio are voted pursuant to SSGA's proxy voting program, there is a risk that such shares may be voted in a way that is different to how other equivalent shares held by the Portfolio are being voted. Please also refer to "Essential SSGA: A Summary of State Street Global Advisors' U.S.-Domiciled Commingled Funds, U.S.-Managed Separately Managed Accounts and Related Conflicts of Interest" for additional information on SSGA's policy on proxy voting and the risk factors associated with the SSGA proxy voting program. The availability of the SSGA proxy voting program is subject to any applicable regulatory, operational (including in respect of fractional voting rights), local market (including any applicable local restrictions on split voting), tax, cost or other constraints of the third party proxy voting or SSGA. SSGA reserves the right to suspend or cancel, in full or in part, the SSGA proxy voting program (in any one instance or more broadly), including with immediate effect, if required by applicable law or regulation or if SSGA otherwise considers that such action is appropriate. This may result in shares being voted in accordance with the SSGA's proxy voting policy rather than in accordance with an investor's choice of voting policy.

# GIPS® Report: Bloomberg Roll Select Commodity Index Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Dec 2012
Bloomberg Roll Select Commodity Index Composite, Gross	2.60	14.61	14.61	14.14	6.85	-0.33	N/A
Bloomberg Roll Select Commodity Index Composite, Net	2.53	14.32	14.32	13.86	6.58	-0.58	N/A
Bloomberg Roll Select Commodity Total Return Index	2.74	15.32	15.32	14.38	6.99	-0.17	N/A

Year	Bloomberg Roll Select Commodity Index Composite Gross	Bloomberg Roll Select Commodity Index Composite Net	Bloomberg Roll Select Commodity Total Return Index
2022	14.61	14.32	15.32
2021	27.80	27.48	27.93
2020	1.53	1.27	1.44
2019	6.19	5.92	6.09
2018	-11.81	-12.03	-11.68
2017	3.47	3.22	3.64
2016	14.50	14.21	14.56
2015	-23.53	-23.72	-23.45
2014	-15.40	-15.61	-15.17
2013	-9.38	-9.61	-9.08

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	16.48	16.47	16.52	1,426,563,201	0.04	3,416,880
2021	*	N/A	13.56	13.55	13.55	2,545,928,145	0.06	4,073,239
2020	*	N/A	12.22	12.22	12.20	1,828,471,496	0.05	3,410,883
2019	*	N/A	8.14	8.14	8.12	1,518,708,753	0.05	3,052,585
2018	*	N/A	9.04	9.04	9.03	1,304,151,296	0.05	2,457,404
2017	*	N/A	11.50	11.50	11.50	1,137,167,349	0.04	2,714,705
2016	*	N/A	13.15	13.15	13.16	619,244,769	0.03	2,291,833
2015	*	N/A	11.62	11.62	11.65	430,363,114	0.02	2,188,091
2014	*	N/A	N/A	N/A	N/A	485,307,804	0.02	2,383,493
2013	*	N/A	N/A	N/A	N/A	479,827,568	0.02	2,279,237

gP-UBSCom

\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management ("GEAM") was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Past and Future Performance:** Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially.

**Trademark:** GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Footnotes

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on June 01, 2013, and the inception date is December 01, 2012.

**Benchmark Description:** The benchmark for the Composite is the Bloomberg Roll Select Commodity Total Return Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** None.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return. If the highest, actual management fee paid is not available the highest model fee will be used.

**Fee Schedule:** Management fees are 0.250% of the first \$50,000,000; 0.200% of the next \$50,000,000; and 0.180% thereafter. The minimum annual management fee for separately managed accounts is \$250,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

**Significant Events:** In January 2022 Cyrus Taraporevala, President and Chief Executive Officer, announced his intention to retire. Yie-Hsin Hung has been named the next President and Chief Executive Officer of State Street Global Advisors, reporting to Ron O'Hanley, State Street's Chairman and Chief Executive Officer as of December 5, 2022. Noel Archard, Global Head of Product, left State Street Global Advisors to pursue other professional opportunities. Shweta Narasimhadevara was named as his replacement in July 2022. John Brockelman, former Global Head of Brand Marketing and Communications, was named State Street Global Advisors' Chief Marketing Officer in April 2022. Sean O'Malley was named State Street Global Advisors' General Counsel from his interim service in this role, which began in September 2021. Steven Lipiner, State Street Global Advisors' former Chief Financial Officer, was chosen to succeed Marc Brown as Chief Operating Officer upon Marc's retirement. Apea Amoa, was selected as the firm's Chief Financial Officer in August 2022. James MacNevin, Head of State Street Global Advisors, Asia Pacific, retired in June 2022. Kevin Anderson was named as his successor. Greg Hartz, who previously served as State Street Global Advisors' Head of Private Investments, was named Global Head of SPDR ETF Strategy, Planning and Infrastructure. Brendan Curran has been named Head of Defined Contribution, Americas, in September 2022, with the departure of Craig DeGiacomo earlier in the year. Sean Dillon, Head of US Securities Lending Cash Strategies, and George Bicher, Portfolio Manager, have departed from the firm in Q4 and Q2 2022 respectively.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. The Strategy will not necessarily own all, or any, of the futures contracts included in the Index. The Strategy typically attempts to replicate the performance of the Index by entering into derivatives transactions, such as total return swap transactions, that provide a return based on the performance of the Index. In some circumstances, the Strategy may purchase the commodity futures contracts comprising the Index, in the same proportions as they are represented in the Index. In other circumstances the Strategy may attempt instead to purchase a representative selection of the futures contracts that comprise the Index, in an attempt to replicate the performance of the Index. In such a case, SSGA will select a portfolio of investments for the Strategy (which may or may not be those futures contracts included in the Index) that SSGA expects will provide a return comparable to that of the Index. The Strategy will typically maintain a substantial cash balance. The Strategy will normally invest that cash in other short-term pooled investment vehicles sponsored, managed, or otherwise affiliated with SSGA, such as, for example, registered investment companies, private investment pools, or commingled trust funds. More information on the cash strategy is available upon request. The Strategy may at any time invest in additional or different investment vehicles, or may invest directly in short investments, in SSGA's discretion. The Strategy's return may not match the return of the Index. As part of its proxy voting program, SSGA is offering eligible investors that hold units in certain Portfolios a range of voting policies that can be applied to the voting of shares held in that Portfolio. Investors in these select Portfolios may, from time to time, enter into arrangements with SSGA pursuant to which such investors direct that a pro rata portion of shares held by the Portfolio attributable to such investors be voted pursuant to a voting policy made available by a third party proxy voting administrator. For a Portfolio structured as a pooled investment vehicle, an investor's choice of voting policy and the voting of shares in accordance with such policy may not reflect, and may in fact conflict with, the concerns and values of one or more other investors in the Portfolio. To the extent that shares held by the Portfolio are voted pursuant to SSGA's proxy voting program, there is a risk that such shares may be voted in a way that is different to how other equivalent shares held by the Portfolio are being voted. Please also refer to "Essential SSGA: A Summary of State Street Global Advisors' U.S.-Domiciled Commingled Funds, U.S.-Managed Separately Managed Accounts and Related Conflicts of Interest" for additional information on SSGA's policy on proxy voting and the risk factors associated with the SSGA proxy voting program. The availability of the SSGA proxy voting program is subject to any applicable regulatory, operational (including in respect of fractional voting rights), local market (including any applicable local restrictions on split voting), tax, cost or other constraints of the third party proxy voting or SSGA. SSGA reserves the right to suspend or cancel, in full or in part, the SSGA proxy voting program (in any one instance or more broadly), including with immediate effect, if required by applicable law or regulation or if SSGA otherwise considers that such action is appropriate. This may result in shares being voted in accordance with the SSGA's proxy voting policy rather than in accordance with an investor's choice of voting policy.



# GIPS® Report: S&P Global Large MidCap Natural Resources Index Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Aug 2011
S&P Global LargeMidCap Natural Resources Index Composite, Gross	13.85	15.15	15.15	14.18	9.49	4.63	N/A
S&P Global LargeMidCap Natural Resources Index Composite, Net	13.79	14.94	14.94	13.97	9.29	4.44	N/A
S&P Global Large Midcap Commodity and Resources Index	13.80	14.72	14.72	13.74	9.10	4.23	N/A

Year	S&P Global LargeMidCap Natural Resources Index Composite Gross	S&P Global LargeMidCap Natural Resources Index Composite Net	S&P Global Large Midcap Commodity and Resources Index
2022	15.15	14.94	14.72
2021	26.54	26.31	26.29
2020	2.15	1.97	1.55
2019	16.17	15.96	15.91
2018	-9.01	-9.17	-9.37
2017	18.89	18.68	18.14
2016	30.96	30.73	30.77
2015	-27.20	-27.33	-27.53
2014	-9.59	-9.76	-9.94
2013	-2.44	-2.62	-2.86

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	25.30	25.29	25.47	2,172,053,648	0.06	3,416,880
2021	*	N/A	23.04	23.03	23.18	2,411,368,490	0.06	4,073,239
2020	*	N/A	23.24	23.23	23.38	1,883,097,500	0.06	3,410,883
2019	*	N/A	14.26	14.26	14.36	1,764,689,895	0.06	3,052,585
2018	*	N/A	14.49	14.49	14.55	1,351,931,247	0.06	2,457,404
2017	*	N/A	18.43	18.42	18.46	1,355,822,718	0.05	2,714,705
2016	*	N/A	18.94	18.94	18.96	1,068,818,999	0.05	2,291,833
2015	*	N/A	16.21	16.20	16.24	847,715,483	0.04	2,188,091
2014	*	N/A	14.32	14.32	14.44	1,011,733,942	0.04	2,383,493
2013	*	N/A	N/A	N/A	N/A	1,185,957,229	0.05	2,279,237

gP-GLNRS

\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management ("GEAM") was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Past and Future Performance:** Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially.

**Trademark:** GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Footnotes

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on December 01, 2011, and the inception date is August 01, 2011.

**Benchmark Description:** The benchmark for the composite is the S&P Global Large Midcap Commodity and Resources Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain, and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** None.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return. If the highest, actual management fee paid is not available the highest model fee will be used.

**Fee Schedule:** Management fees are 0.140% of the first \$50,000,000; 0.120% of the next \$50,000,000; and 0.110% thereafter. The minimum annual management fee for separately managed accounts is \$250,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

**Significant Events:** In January 2022 Cyrus Taraporevala, President and Chief Executive Officer, announced his intention to retire.

Yie-Hsin Hung has been named the next President and Chief Executive Officer of State Street Global Advisors, reporting to Ron O'Hanley, State Street's Chairman and Chief Executive Officer as of December 5, 2022. Noel Archard, Global Head of Portfolio, left State Street Global Advisors to pursue other professional opportunities. Shweta Narasimhadevara was named as his replacement in July 2022. John Brockelman, former Global Head of Brand Marketing and Communications, was named State Street Global Advisors' Chief Marketing Officer in April 2022. Sean O'Malley was named State Street Global Advisors' General Counsel from his interim service in this role, which began in September 2021. Steven Lipiner, State Street Global Advisors' former Chief Financial Officer, was chosen to succeed Marc Brown as Chief Operating Officer upon Marc's retirement. Apoa Amoa, was selected as the firm's Chief Financial Officer in August 2022. James MacNevin, Head of State Street Global Advisors, Asia Pacific, retired in June 2022. Kevin Anderson was named as his successor. Greg Hartsch, who previously served as State Street Global Advisors' Head of Private Investments, was named Global Head of SPDR ETF Strategy, Planning and Infrastructure. Brendan Curran has been named Head of Defined Contribution, Americas, in September 2022, with the departure of Craig DeGiacomo earlier in the year. Sean Dillon, Head of US Securities Lending Cash Strategies, and George Bicher, Portfolio Manager, have departed from the firm in Q4 and Q2 2022 respectively.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA typically will attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depositary receipts, or other securities convertible into common stock. Equity securities held by the Strategy may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question. SSGA may also utilize other pooled investment vehicles, including those managed by SSGA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. A Portfolio may also invest in the securities of Chinese companies, normally restricted to residents of the People's Republic of China (commonly known as "A Shares" or "China A Shares"), through the Stock Connect program or other channels. From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. The Strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index. As part of its proxy voting program, SSGA is offering eligible investors that hold units in certain Portfolios a range of voting policies that can be applied to the voting of shares held in that Portfolio. Investors in these select Portfolios may, from time to time, enter into arrangements with SSGA pursuant to which such investors direct that a pro rata portion of shares held by the Portfolio attributable to such investors be voted pursuant to a voting policy made available by a third party proxy voting administrator. For a Portfolio structured as a pooled investment vehicle, an investor's choice of voting policy and the voting of shares in accordance with such policy may not reflect, and may in fact conflict with, the concerns and values of one or more other investors in the Portfolio. To the extent that shares held by the Portfolio are voted pursuant to SSGA's proxy voting program, there is a risk that such shares may be voted in a way that is different to how other equivalent shares held by the Portfolio are being voted. Please also refer to "Essential SSGA: A Summary of State Street Global Advisors' U.S.-Domiciled Commingled Funds, U.S.-Managed Separately Managed Accounts and Related Conflicts of Interest" for additional information on SSGA's policy on proxy voting and the risk factors associated with the SSGA proxy voting program. The availability of the SSGA proxy voting program is subject to any applicable regulatory, operational (including in respect of fractional voting rights), local market (including any applicable local restrictions on split voting), tax, cost or other constraints of the third party proxy voting or SSGA. SSGA reserves the right to suspend or cancel, in full or in part, the SSGA proxy voting program (in any one instance or more broadly), including with immediate effect, if required by applicable law or regulation or if SSGA otherwise considers that such action is appropriate. This may result in shares being voted in accordance with the SSGA's proxy voting policy rather than in accordance with an investor's choice of voting policy.

# GIPS® Report: S&P Global Infrastructure Index Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Apr 2016
S&P Global Infrastructure Index Composite, Gross	10.89	-0.62	-0.62	1.38	3.55	N/A	5.86
S&P Global Infrastructure Index Composite, Net	10.86	-0.74	-0.74	1.26	3.43	N/A	5.74
S&P Global Infrastructure Index	10.83	-0.99	-0.99	0.93	2.99	N/A	5.30

Year	S&P Global Infrastructure Index Composite Gross	S&P Global Infrastructure Index Composite Net	S&P Global Infrastructure Index
2022	-0.62	-0.74	-0.99
2021	11.50	11.37	11.04
2020	-5.96	-6.07	-6.49
2019	26.48	26.35	25.75
2018	-9.68	-9.77	-10.37
2017	19.86	19.74	19.07
(Apr-Dec) 2016	2.96	2.85	2.72

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Firm's Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	21.87	21.86	21.93	960,651,626	0.03	3,416,880
2021	*	N/A	19.80	19.80	19.88	1,363,878,674	0.03	4,073,239
2020	*	N/A	19.77	19.77	19.85	606,677,057	0.02	3,410,883
2019	*	N/A	9.68	9.68	9.72	871,259,713	0.03	3,052,585
2018	*	N/A	N/A	N/A	N/A	654,258,513	0.03	2,457,404
2017	*	N/A	N/A	N/A	N/A	612,051,411	0.02	2,714,705
(Apr-Dec) 2016	*	N/A	N/A	N/A	N/A	143,509,065	0.01	2,291,833

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\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management ("GEAM") was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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## Footnotes

**Composite Description:** The S&P Global Infrastructure Index Composite seeks an investment return that approximates as closely as practicable, before expenses, the performance of the S&P® Global Infrastructure (the "Index") over the long term.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on October 31, 2016, and the inception date is April 01, 2016.

**Benchmark Description:** The benchmark for the composite is the S&P Global Infrastructure Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain, and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** None.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return. If the highest, actual management fee paid is not available the highest model fee will be used.

**Fee Schedule:** Management fees are 0.150% of the first \$50,000,000; 0.120% of the next \$50,000,000; and 0.100% thereafter. The minimum annual management fee for separately managed accounts is \$250,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

**Significant Events:** In January 2022 Cyrus Taraporevala, President and Chief Executive Officer, announced his intention to retire. Yie-Hsin Hung has been named the next President and Chief Executive Officer of State Street Global Advisors, reporting to Ron O'Hanley, State Street's Chairman and Chief Executive Officer as of December 5, 2022. Noel Archard, Global Head of Product, left State Street Global Advisors to pursue other professional opportunities. Shweta Narasimhadevara was named as his replacement in July 2022. John Brockelman, former Global Head of Brand Marketing and Communications, was named State Street Global Advisors' Chief Marketing Officer in April 2022. Sean O'Malley was named State Street Global Advisors' General Counsel from his previous service in this role, which began in September 2021. Steven Lipiner, State Street Global Advisors' former Chief Financial Officer, was chosen to succeed Marc Brown as Chief Operating Officer upon Marc's retirement. Apea Amoa, was selected as the firm's Chief Financial Officer in August 2022. James MacNevin, Head of State Street Global Advisors, Asia Pacific, retired in June 2022. Kevin Anderson was named as his successor. Greg Hartch, who previously served as State Street Global Advisors' Head of Private Investments, was named Global Head of SPDR ETF Strategy, Planning and Infrastructure. Brendan Curran has been named Head of Defined Contribution, Americas, in September 2022, with the departure of Craig DeGiacomo earlier in the year. Sean Dillon, Head of US Securities Lending Cash Strategies, and George Bicher, Portfolio Manager, have departed from the firm in Q4 and Q2 2022 respectively.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA typically will attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depositary receipts, or other securities convertible into common stock. Equity securities held by the Strategy may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question. SSGA may also utilize other pooled investment vehicles, including those managed by SSGA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. A Portfolio may also invest in the securities of Chinese companies, normally restricted to residents of the People's Republic of China (commonly known as "A Shares" or "China A Shares"), through the Stock Connect program or other channels. From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. The Strategy may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index. As part of its proxy voting program, SSGA is offering eligible investors that hold units in certain Portfolios a range of voting policies that can be applied to the voting of shares held in that Portfolio. Investors in these select Portfolios may, from time to time, enter into arrangements with SSGA pursuant to which such investors direct that a pro rata portion of shares held by the Portfolio attributable to such investors be voted pursuant to a voting policy made available by a third party proxy voting administrator. For a Portfolio structured as a pooled investment vehicle, an investor's choice of voting policy and the voting of shares in accordance with such policy may not reflect, and may in fact conflict with, the concerns and values of one or more other investors in the Portfolio. To the extent that shares held by the Portfolio are voted pursuant to SSGA's proxy voting program, there is a risk that such shares may be voted in a way that is different to how other equivalent shares held by the Portfolio are being voted. Please also refer to "Essential SSGA: A Summary of State Street Global Advisors' U.S.-Domiciled Commingled Funds, U.S.-Managed Separately Managed Accounts and Related Conflicts of Interest" for additional information on SSGA's policy on proxy voting and the risk factors associated with the SSGA proxy voting program. The availability of the SSGA proxy voting program is subject to any applicable regulatory, operational (including in respect of fractional voting rights), local market (including any applicable local restrictions on split voting), tax, cost or other constraints of the third party proxy voting or SSGA. SSGA reserves the right to suspend or cancel, in full or in part, the SSGA proxy voting program (in any one instance or more broadly), including with immediate effect, if required by applicable law or regulation or if SSGA otherwise considers that such action is appropriate. This may result in shares being voted in accordance with the SSGA's proxy voting policy rather than in accordance with an investor's choice of voting policy.



# GIPS® Report: U.S. REIT Index Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Nov 1996
U.S. REIT Index Composite, Gross	4.74	-25.96	-25.96	-1.37	2.50	5.73	N/A
U.S. REIT Index Composite, Net	4.70	-26.07	-26.07	-1.54	2.32	5.51	N/A
Dow Jones U.S. Select REIT Index(SM)	4.76	-25.96	-25.96	-1.37	2.50	5.74	N/A

Year	U.S. REIT Index Composite Gross	U.S. REIT Index Composite Net	Dow Jones U.S. Select REIT Index(SM)
2022	-25.96	-26.07	-25.96
2021	45.87	45.64	45.91
2020	-11.17	-11.35	-11.20
2019	23.02	22.77	23.10
2018	-4.12	-4.32	-4.22
2017	3.75	3.54	3.76
2016	6.64	6.43	6.68
2015	4.42	4.21	4.48
2014	31.96	31.61	32.00
2013	1.19	0.86	1.22

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	24.02	24.02	24.04	1,425,657,522	0.04	3,416,880
2021	*	N/A	20.29	20.29	20.31	1,682,686,383	0.04	4,073,239
2020	*	N/A	20.12	20.11	20.15	1,669,259,634	0.05	3,410,883
2019	*	N/A	11.87	11.86	11.91	1,800,806,240	0.06	3,052,585
2018	*	N/A	13.44	13.44	13.50	1,477,471,578	0.06	2,457,404
2017	*	N/A	13.30	13.29	13.35	1,392,237,786	0.05	2,714,705
2016	*	N/A	15.03	15.02	15.08	1,328,104,332	0.06	2,291,833
2015	*	N/A	14.50	14.50	14.55	1,078,965,568	0.05	2,188,091
2014	*	N/A	13.23	13.23	13.28	1,522,755,254	0.06	2,383,493
2013	*	N/A	16.63	16.62	16.68	912,244,447	0.04	2,279,237

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\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management ("GEAM") was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

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## Footnotes

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on January 01, 2009, and the inception date is November 01, 1996. **Benchmark Description:** The benchmark for the composite is the Dow Jones U.S. Select REIT Index(SM). Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain, and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** This composite contains portfolios that were managed on a sub-advised basis for the period from November 01, 1996 to December 31, 2012.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return. If the highest, actual management fee paid is not available the highest model fee will be used.

**Fee Schedule:** Management fees are 0.080% of the first \$50,000,000; 0.070% of the next \$50,000,000; and 0.060% thereafter for a commingled fund; and 0.100% of the first \$50,000,000; 0.090% of the next \$50,000,000; and 0.070% thereafter for separately managed accounts. The minimum annual management fee for a separately managed accounts is \$175,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

**Significant Events:** In January 2022 Cyrus Taraporevala, President and Chief Executive Officer, announced his intention to retire. Ye-Hsin Hung has been named the next President and Chief Executive Officer of State Street Global Advisors, reporting to Ron O'Hanley, State Street's Chairman and Chief Executive Officer as of December 5, 2022. Noel Archard, Global Head of Product, left State Street Global Advisors to pursue other professional opportunities. Shweta Narasimhadevara was named as his replacement in July 2022. John Brockelman, former Global Head of Brand Marketing and Communications, was named State Street Global Advisors' Chief Marketing Officer in April 2022. Sean O'Malley was named State Street Global Advisors' General Counsel from his interim service in this role, which began in September 2021. Steven Lipiner, State Street Global Advisors' former Chief Financial Officer, was chosen to succeed Marc Brown as Chief Operating Officer upon Marc's retirement. Apea Amoa, was selected as the firm's Chief Financial Officer in August 2022. James MacNevin, Head of State Street Global Advisors, Asia Pacific, retired in June 2022. Kevin Anderson was named as his successor. Greg Hartzel, who previously served as State Street Global Advisors' Head of Private Investments, was named Global Head of SPDR ETF Strategy, Planning and Infrastructure. Brendan Curran has been named Head of Defined Contribution, Americas, in September 2022, with the departure of Craig DeGiacomo earlier in the year. Sean Dillon, Head of US Securities Lending Cash Strategies, and George Bicher, Portfolio Manager, have departed from the firm in Q4 and Q2 2022 respectively.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. The Strategy's return may not match the return of the Index. As part of its proxy voting program, SSGA is offering eligible investors that hold units in certain Portfolios a range of voting policies that can be applied to the voting of shares held in that Portfolio. Investors in these select Portfolios may, from time to time, enter into arrangements with SSGA pursuant to which such investors direct that a pro rata portion of shares held by the Portfolio attributable to such investors be voted pursuant to a voting policy made available by a third party proxy voting administrator. For a Portfolio structured as a pooled investment vehicle, an investor's choice of voting policy and the voting of shares in accordance with such policy may not reflect, and may in fact conflict with, the concerns and values of one or more other investors in the Portfolio. To the extent that shares held by the Portfolio are voted pursuant to SSGA's proxy voting program, there is a risk that such shares may be voted in a way that is different to how other equivalent shares held by the Portfolio are being voted. Please also refer to "Essential SSGA: A Summary of State Street Global Advisors' U.S.-Domiciled Commingled Funds, U.S.-Managed Separately Managed Accounts and Related Conflicts of Interest" for additional information on SSGA's policy on proxy voting and the risk factors associated with the SSGA proxy voting program. The availability of the SSGA proxy voting program is subject to any applicable regulatory, operational (including in respect of fractional voting rights), local market (including any applicable local restrictions on split voting), tax, cost or other constraints of the third party proxy voting or SSGA. SSGA reserves the right to suspend or cancel, in full or in part, the SSGA proxy voting program (in any one instance or more broadly), including with immediate effect, if required by applicable law or regulation or if SSGA otherwise considers that such action is appropriate. This may result in shares being voted in accordance with the SSGA's proxy voting policy rather than in accordance with an investor's choice of voting policy.

# GIPS® Report: 1-10 Year U.S. Treasury Inflation Protected Securities (TIPS) Index Composite (As of December 31, 2022)

## Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Feb 2011
1-10 Year U.S. Treasury Inflation Protected Securities (TIPS) Index Composite, Gross	1.47	-7.48	-7.48	1.98	2.49	1.28	N/A
1-10 Year U.S. Treasury Inflation Protected Securities (TIPS) Index Composite, Net	1.44	-7.56	-7.56	1.89	2.40	1.19	N/A
Bloomberg U.S. Government Inflation-Linked 1-10 Yrs Index	1.64	-7.38	-7.38	2.05	2.53	1.30	N/A

Year	1-10 Year U.S. Treasury Inflation Protected Securities (TIPS) Index Composite Gross	1-10 Year U.S. Treasury Inflation Protected Securities (TIPS) Index Composite Net	Bloomberg U.S. Government Inflation-Linked 1-10 Yrs Index
2022	-7.48	-7.56	-7.38
2021	5.62	5.53	5.69
2020	8.52	8.42	8.57
2019	6.92	6.83	6.94
2018	-0.27	-0.37	-0.28
2017	1.93	1.83	1.93
2016	3.99	3.88	4.01
2015	-0.54	-0.60	-0.53
2014	0.88	0.83	0.87
2013	-5.61	-5.66	-5.59

Year	No. of Portfolios at Period End	Composite Dispersion Gross	3 Yr Annualized Standard Deviation – Composite Gross	3 Yr Annualized Standard Deviation – Composite Net	3 Yr Annualized Standard Deviation – Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2022	*	N/A	5.36	5.36	5.37	9,130,775,290	0.27	3,416,880
2021	*	N/A	2.93	2.93	2.94	9,835,938,695	0.24	4,073,239
2020	*	N/A	2.88	2.88	2.89	6,118,729,557	0.18	3,410,883
2019	*	N/A	2.10	2.10	2.10	4,238,344,555	0.14	3,052,585
2018	*	N/A	2.33	2.33	2.33	3,390,186,132	0.14	2,457,404
2017	*	N/A	2.67	2.67	2.68	2,916,598,653	0.11	2,714,705
2016	*	N/A	3.20	3.20	3.22	2,644,513,990	0.12	2,291,833
2015	*	N/A	3.75	3.75	3.76	2,103,996,407	0.10	2,188,091
2014	*	N/A	3.71	3.71	3.72	1,729,576,403	0.07	2,383,493
2013	*	N/A	N/A	N/A	N/A	835,996,512	0.04	2,279,237

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\* 5 portfolios or less.

Quarterly and YTD returns are not annualized.

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA-Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA-Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA-Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. SSGA-Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2021. GE Asset Management ("GEAM") was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with all the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. Verification does not provide assurance on the accuracy of any specific performance report.

**Past and Future Performance:** Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially.

**Trademark:** GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

## Footnotes

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**List Available:** A list of composite descriptions, a list of limited distribution pooled fund descriptions, and a list of broad distribution pooled funds are available upon request.

**Creation & Inception Dates:** The composite was created on October 01, 2013, and the inception date is February 01, 2011.

**Benchmark Description:** The benchmark for the composite is the Bloomberg U.S. Government Inflation-Linked 1-10 Yrs Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain, and loss.

**Currency:** Performance is presented in US Dollar.

**Use of Subadvisors:** None.

**Fees:** Gross of management fee returns do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%. Net of management fee returns are calculated at the composite level by deducting the highest, actual management fee paid by any of its constituents over each quarterly period from the monthly gross return.

If the highest, actual management fee paid is not available, the highest model fee will be used.

**Fee Schedule:** Management fees are 0.040% of the first \$50,000,000; 0.030% of the next \$50,000,000; and 0.025% thereafter for a commingled fund; and 0.050% of the first \$50,000,000; 0.040% of the next \$50,000,000; and 0.025% thereafter for separately managed accounts. The minimum annual management fee for separately managed accounts is \$175,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** None.

**Dispersion:** Asset-Weighted standard deviation is calculated using the gross of management fee annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year. In SSGA's view there is no material difference between the gross and net composite dispersion given the net of management fee methodology used.

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# Appendix B:

# Important Disclosures

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# Important Disclosures

For Investment Professional Use Only.

**This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.**

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

The major risks associated with investing in the natural resources sector, including large price volatility due to non-diversification and concentration in natural resources companies.

Market data, prices, and estimates for characteristics calculations provided by Bloomberg Barclays POINT®. Average Credit Quality reflects market value weight of all the rated securities held by the portfolio (excludes unrated securities) using the middle rating provided by either S&P, Moody's and Fitch or lower if only two agency ratings are available. All other portfolio data provided by State Street Global Advisors.

Diversification does not ensure a profit or guarantee against loss.

Equity securities are volatile and can decline significantly in response to broad market and economic conditions.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations all of which may be magnified in emerging markets. Investing in foreign domiciled securities may involve risk of capital loss from unfavourable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations. Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Currency Risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Investing in futures is highly risky. Futures positions are considered highly leveraged because the initial margins are significantly smaller than the cash value of the contracts. There are a number of risks associated with futures investing including but not limited to counterparty credit risk, basis risk, currency risk, derivatives risk, foreign issuer exposure risk, sector concentration risk, leveraging and liquidity risks.

Derivative investments may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

The MSCI World Index is a trademark of MSCI Inc.

Standard & Poor's, S&P and SPDR are registered trademarks of Standard & Poor's Financial Services LLC (S&P); Dow Jones is a registered trademark of Dow Jones Trademark Holdings LLC (Dow Jones); and these trademarks have been licensed for use by S&P Dow Jones Indices LLC (SPDJI) and sublicensed for certain purposes by State Street Corporation. State Street Corporation's financial products are not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, their respective affiliates and third party licensors and none of such parties make any representation regarding the advisability of investing in such product(s) nor do they have any liability in relation thereto, including for any errors, omissions, or interruptions of any index.

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# Important Disclosures

Availability of internal crossing at SSGA may be affected by your asset class, vehicle type, jurisdiction, or other factors. have any liability in relation thereto, including for any errors, omissions, or interruptions of any index.

All the index performance results referred to are provided exclusively for comparison purposes only. It should not be assumed that they represent the performance of any particular investment.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Investments in mid-sized companies may involve greater risks than in those of larger, better known companies, but may be less volatile than investments in smaller companies.

The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

Generally, among asset classes, stocks are more volatile than bonds or short-term instruments. Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns. U.S. Treasury Bills maintain a stable value if held to maturity, but returns are generally only slightly above the inflation rate.

All information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.

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# Important Disclosures

The views expressed in this material are the views of Investment Teams through the period ended 4/08/2024 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investing involves risk including the risk of loss of principal.

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The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor.

**Not FDIC Insured –No Bank Guarantee – May Lose Value.**

**Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-800-997-7327 or visit [www.ssgafunds.com](http://www.ssgafunds.com). Read it carefully.**

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Web: [www.ssga.com](http://www.ssga.com)

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Information Classification: Limited Access

Tracking Number: 6537429.1.1.AM.INST

Expiration Date: July 31, 2024