
**Employees' Retirement System
of the State of Hawaii**

**Board of Trustees Investment
Policy and Procedures Manual**

July 2006

Table of Contents

I.	Introduction	1
II.	ERS Plan Structure	1
	1. ERS Plan Summary	1
	2. Mission Statement	2
	3. Statutes	3
	4. Administration	3
	5. General Responsibilities of the Various Parties	4
	6. Fiduciary Responsibilities of the Various Parties	10
	7. Delegation of Authority	12
	8. Code of Ethics and Conflicts of Interest	13
	9. Operating Procedures	19
III.	Specific Policies and Procedures of the ERS	20
	1. Investment Policy Statement	21
	2. Asset Allocation Rebalancing Guidelines	48
	3. Policy on Local Managers	49
	4. New Investment Proposals	50
	5. Asset Transition Guidelines	50
	6. Securities Litigation Guidelines	51
	7. Proxy Voting Guidelines	53
	8. Anti-Terrorism Policy	59
	9. Real Estate Procedures and Guidelines	61
	10. Private Equity Partnership Portfolio Policies and Procedures	79
	11. Timberland Policies and Procedures	101

Appendices

Appendix A	Fiduciary Responsibilities and Prudent Investment Decision Making	119
Appendix B	Fiduciary Code of Conduct	142
Appendix C	Performance Measurement Checklist and Detailed CFA Institute Standards	147
Appendix D	Letter from Deputy Attorney General Concerning Delegation of Authority	156
Appendix E	Callan Manager Style Groups	157
Appendix F	Glossary of Investment Terms	162