

Mr. Pete Fawcett Ms. Mary Ludgin Mr. Jim Proud Mr. Paul Rezens Mr. Ryan Tripton) Heitman Capital Management
Mr. Jeff Cavanaugh Ms. Deirdre Perez) Invesco Real Estate
Mr. Jim Hutchinson Ms. Allison McFaul Ms. Kristin Schneider) LaSalle Investment Management
Mr. Louis Paletta Ms. Ginger Quillen) Lone Star Funds
Mr. Ryan Krauch Mr. Mark Zytka) Mesa West Capital
Mr. Justin Guichard Mr. Tony Harrington) Oaktree Capital Management
Mr. Neil Rue Mr. John Linder) Pension Consulting Alliance
Mr. Noah Levy Mr. Mark Oczkus) Prudential Real Estate Investors

QUORUM/CALL TO ORDER

A quorum being present, Chair Matsumoto called the meeting of the Board of Trustees of the Employees' Retirement System (the Board) to order at 9:05 a.m., in the Mauna Kea Ballroom at the Hawaii Prince Hotel Waikiki.

AMENDMENT OF THE AGENDA

On a motion made by Trustee Ferguson-Miyamoto, seconded by Trustee Lee Loy, and unanimously carried, the Board amended the agenda to add the following discussions to executive session:

- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review presented by the Blackstone Group; and
- Pursuant to HRS § 92-5(a)(8), to deliberate, and act upon the Tactical Plans of Heitman Capital Management, LaSalle Investment Management, and Invesco Real Estate, for Fiscal Year 2013.

ENTRY INTO EXECUTIVE SESSION

On a motion made by Trustee Lee Loy, seconded by Trustee Barfield, and unanimously carried, the Board entered into executive session to:

- Pursuant to HRS § 92-5(a)(2), and (8), to deliberate and make decisions on the findings and recommendations of the ad hoc Chief Investment Officer Search Committee; and
- Pursuant to HRS § 92-5(a)(8), to deliberate, and act upon the Tactical Plans of Heitman Capital Management, LaSalle Investment Management, and Invesco Real Estate, for Fiscal Year 2013.

(Mr. Chattergy, Mr. Umaranikar, Ms. Kugiya, Ms. Hirata, Ms. Curry, and Ms. Konishi left the room.)

EXECUTIVE SESSION TO
DELIBERATE AND MAKE
DECISIONS ON THE FINDINGS AND
RECOMMENDATION OF THE AD
HOC CHIEF INVESTMENT OFFICER
SEARCH COMMITTEE

(Trustee Young left the meeting and did not return for the remainder of the meeting.)

(Mr. Chattergy, Mr. Umaranikar, Ms. Kugiya, Ms. Hirata, Ms. Curry, and Ms. Konishi returned to the room.)

EXECUTIVE SESSION TO
DELIBERATE AND ACT UPON THE
TACTICAL PLANS OF HEITMAN
CAPITAL MANAGEMENT,
LASALLE INVESTMENT
MANAGEMENT, AND INVESCO
REAL ESTATE, FOR FISCAL YEAR
2013

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ferguson-Miyamoto, seconded by Trustee Kane, and unanimously carried, the Board exited from executive session.

(Representatives of the participating investment managers joined the meeting at this time.)

WELCOME REMARKS BY
MR. VIJOY CHATTERGY, ERS
INTERIM CHIEF INVESTMENT
OFFICER

Mr. Vijoy Chattergy, ERS's Interim Chief Investment Officer, introduced himself, the trustees, and staff, as well as the guests in attendance.

PRESENTATION BY MS. MARY
LUDGIN OF HEITMAN CAPITAL
MANAGEMENT ON EMERGING
MARKETS

Mr. Chattergy introduced Ms. Mary Ludgin, Director of Global Investment Research at Heitman Capital Management, LLC, who gave a presentation on emerging markets.

(All investment manager representatives left room at this time.)

ENTRY INTO EXECUTIVE SESSION

On a motion made by Trustee Ferguson-Miyamoto, seconded by Trustee Barfield, and unanimously carried (Trustee Lee Loy was not present for the vote), the Board entered executive session:

- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of Angelo Gordon II and III;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of CB Richard Ellis Strategic Partners U.S. Value 5; and
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Blackstone Real Estate Partners Fund VII.

EXECUTIVE SESSION TO HEAR, CONSIDER, DELIBERATE, AND ACT UPON THE PORTFOLIO PERFORMANCE REVIEW OF ANGELO GORDON II AND III

EXECUTIVE SESSION TO HEAR, CONSIDER, DELIBERATE, AND ACT UPON THE PORTFOLIO PERFORMANCE REVIEW OF CB RICHARD ELLIS STRATEGIC PARTNERS U.S. VALUE 5

EXECUTIVE SESSION TO HEAR, CONSIDER, DELIBERATE, AND ACT UPON THE PORTFOLIO PERFORMANCE REVIEW OF BLACKSTONE REAL ESTATE PARTNERS FUND VII

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ferguson-Miyamoto, seconded by Trustee Kane, and unanimously carried, the Board exited from executive session.

RECESS

Chair Matsumoto called a recess for lunch at 12:35 p.m. and announced that the meeting would reconvene in the Mauna Kea Ballroom at 1:15 p.m.

(Mr. Rue and Trustee Kane left the meeting and did not return for the remainder of the meeting.)

RECONVENE

A quorum being present, Chair Matsumoto reconvened the meeting at 1:25 p.m.

ENTRY INTO EXECUTIVE SESSION

On a motion made by Trustee Lee Loy, seconded by Trustee Ferguson-Miyamoto, and unanimously carried, the Board entered executive session:

- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the BlackSand Capital Opportunity Fund I, L.P.;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the LaSalle Income & Growth Fund V;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Lone Star Fund VII and Lone Star Real Estate Fund II;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Oaktree PPIP Private Fund, L.P.;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Mesa West Real Estate Income Fund II, L.P. presented by Mesa West Capital;
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Senior Housing Partnership Fund IV, L.P.; and
- Pursuant to HRS § 92-5(a)(8), to hear, consider, deliberate, and act upon the portfolio performance review of the Fortress Japan Opportunity Fund II (U.S. Dollar) presented by Fortress Investment Group.

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
BLACKSAND CAPITAL
OPPORTUNITY FUND I, L.P.

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
LASALLE INCOME & GROWTH
FUND V

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
LONE STAR FUND VII AND LONE
STAR REAL ESTATE FUND II

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
OAKTREE PPIP PRIVATE FUND,
L.P.

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
MESA WEST REAL ESTATE
INCOME FUND II, L.P.

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
SENIOR HOUSING PARTNERSHIP
FUND IV, L.P.

EXECUTIVE SESSION TO HEAR,
CONSIDER, DELIBERATE, AND
ACT UPON THE PORTFOLIO
PERFORMANCE REVIEW OF THE
FORTRESS JAPAN OPPORTUNITY
FUND II (U.S. DOLLAR)

EXIT EXECUTIVE SESSION

On a motion made by Trustee Lee Loy, seconded by Trustee Barfield,
and unanimously carried, the Board exited from executive session.

NEXT MEETING –
OCTOBER 18, 2012

Chair Matsumoto announced that the next Board meeting is scheduled
for October 18, 2012.

ADJOURNMENT

On a motion made by Trustee Lee Loy, seconded by Trustee
Ferguson-Miyamoto, and unanimously carried, the Board adjourned
the meeting at 5:17 p.m.

REDACTED SIGNATURE

Wesley K. Machida
Administrator

WKM: jh