



EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII

INVESTMENT POLICY REVISIONS

Date	Section	Description
10/11/12	C.7, Employees' Retirement System Distribution of Brokerage Commission	Updated Policy
10/11/12	C.8, Securities Lending Guidelines	Updated Policy
11/13/12	C.7, Employees' Retirement System Distribution of Brokerage Commission	Sands Exemption
12/10/12	B.5, General Responsibilities of Various Parties	Updated CIO Responsibilities
1/14/13	C.4, Guidelines for Manager "Watch List" or Termination	Updated actions available to the Board and added quantitative factors for new asset classes
1/14/13	C.13, Policy for the Use of Placement Agents	Added Policy for the use of Placement Agents
1/14/13	C.3.A, Domestic and International Equity Securities	Approved 25% passive / 75% active allocation within Large Cap Value Equity
1/14/13	C.3.B, Fixed-Income Securities	Updated policy to include detailed Fixed-Income asset class and manager structure that was approved in 2007
1/14/13	C.3.H, Covered Calls	Updated policy to include detailed Covered Calls asset class and manager structure that was approved in 2010
3/31/13	C.1, ERS Plan Summary	Corrected typo; International Equity Long-range Asset Allocation Target Lower Limit was revised from 219%to 19%
5/10/13	E.III.C.5.a and c, Reporting Requirements	Extended due dates for private equity quarterly reports and Annual Tactical Plan
7/1/13	E. Appendix 2, Prospective Private Equity Investment Disclosure Form	Updated private equity consultant contact information
7/1/13	B.4, B.5, B.9, B.10. and C.10	Revised Administrator to Executive Director
9/30/13	C.3.C and C.3.F, Derivatives Guidelines	Updated policy to allow for the use of interest rate caps and floors
9/30/13	C.11, Securities Litigation Guidelines	Updated process to include steps to handle rejected claims
10/17/13	E, Private Equity Program	Replaced current policy with new policy presented by Hamilton Lane
1/13/14	C.1, ERS Plan Summary	Updated Plan data to reflect June 30, 2013 information



Date	Section	Description
1/13/14	F, HiTIP Program	Updated policy to reflect changes that were approved in July 2011. Section was also reformatted to coincide with rest of the manual
3/10/14	C.3.A, Domestic and International Equities	Broadened opportunity set of exposure-oriented vehicles by adding exchange-traded-notes (ETNs) and promissory notes
3/10/14	C.3.F(1), Real Return, Global Inflation-Linked Program	Adjusted Credit Quality guidelines to allow a Treasury/Sovereign-issued security to be rated by no less than one NSRO, instead of a minimum of two
8/25/14	<p>For the purposes of this high-level revision, the Section and Description fields have been consolidated into the following summary:</p> <p>During the fourth quarter of 2014, the Board of Trustees of the ERS ("Trustees") implemented a redesigned <i>Investment Policy, Guidelines, and Procedures</i> manual ("Manual"). The Manual, also referred to as the Investment Policy Statement or IPS, was redesigned to better reflect the risk-based, functional allocation framework that the Trustees now utilize to allocate capital within the ERS Investment Portfolio ("Portfolio"). This framework allows for the ERS to better measure and manage the major risks within the Portfolio. The primary changes to the Manual were as follows:</p> <ol style="list-style-type: none"> 1) Consolidation of redundancies across various sections in order to streamline the Manual. (<i>Sections B and C</i>) 2) Development of program sections within the Manual that pertain to specific strategic classes and sub-segments. Each strategic class contains various strategies and segments that share similar characteristics and risks. (<i>Sections D, E, F, G, and H</i>) 3) Creation of manager-specific investment guidelines. Manager-specific guidelines, rather than broad guidelines, allow for more specific parameters/restrictions with respect to investment managers' activities. (<i>Sections D, E, and F</i>) 4) General update to legal language, governance, investment definitions, and ERS administration. (<i>Sections A, B, C, and Appendices</i>) 	
4/13/15	F Appendix, Infrastructure and Agriculture Sub-Components	Addition of two sub-component sections that contain guidelines/procedures for Infrastructure and Agriculture investments/portfolios
6/8/15	C.2.D, Policy on Local Managers	Updated policy to better reflect fiduciary responsibilities and corresponding local manager allocations / search process
6/30/15	D.4.B, Extended Global Credit Managers E.4.A, Non-US Intermediate Fixed Income Manager D Appendix, Private Growth Component	Quarterly clean-up of IPS to reflect: 1) manager-specific minor verbiage changes, 2)



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	F.2.D and F.2.E, Infrastructure Class Structure	corrected component benchmark (Private Growth), and 3) funded infrastructure mandate (KKR)
9/14/15	C.9.D, Single Manager Portfolio and Firm Allocation Limits for Active Mandates	Temporary exemption for Gateway (covered calls)
9/14/15	C.14, Board of Trustees Discretionary Account Guidelines	Addition of conservative guidelines to govern BOT discretionary account
9/14/15	C.11, Securities Litigation Guidelines	Updated language regarding utilization of outside counsel
10/13/15	C.1 and C.9.B, Investment Plan Summary and Strategic Allocation Rebalancing Guidelines	Updated to reflect new strategic allocation and evolving policy targets
2/8/16	I, Crisis Risk Offset Program	Addition to reflect new class and corresponding guidelines
3/14/16	J, Opportunities Program	Addition to reflect new class and corresponding guidelines
7/11/16	C.1, Investment Plan Summary and Evolving Strategic Allocation Targets	Updated to reflect new strategic allocation and evolving policy targets
7/11/16	D, Broad Growth Program	Updated to reflect redesigned strategic class structure
7/11/16	D.PG Component.2.G.6, Single Investment	Updated to align commitment sizing with portfolio structure
12/12/16	H, Hawaii Targeted Investment Program	Updated to reflect new policies concerning co-investments, locally-based partnerships, and other procedures
12/31/16	D, Broad Growth Program	Quarterly clean-up of IPS to reflect terminated, uncontracted, and newly funded managers
3/13/17	C.1 and C.9.B, Investment Plan Summary and Strategic Allocation Rebalancing Guidelines	Updated to reflect revised evolving policy targets
3/13/17	I, Crisis Risk Offset Program	Updated to reflect finalized guidelines and impending class/manager inception(s)
3/31/17	D, Broad Growth Program	Quarterly clean-up of IPS to reflect terminated managers
4/10/17	C.7.C, Distribution of Brokerage Commission	Termination/removal of the Commission Recapture Program (effective 6/30/17)
6/13/17	G, Real Estate Program	Updated to reflect expanded definitions and allocations.
7/10/17	D.2.D and D.2.E, Management of Components and Managers' Allocations	Updated to reflect completed manager searches



Date	Section	Description
8/14/17	D.2.C, Components' Allocations and Allocation Ranges	Updated to reflect forecasted transition activity
9/30/17	D, Broad Growth Program	Quarterly clean-up of IPS to reflect terminated, uncontracted, and newly funded managers
12/11/17	C.6, Reporting Requirements for Investment Managers	Updated to reflect current processes
12/11/17	D, Broad Growth Program (Core Real Estate and Private Growth Appendices)	Updated to reflect current allocation structure and component/sub-component management processes
12/31/17	E, Principal Protection Program and C.5.A, Investment Meeting Policy	Quarterly clean-up of IPS to reflect newly funded managers, implementation of previously approved class structure, and to align the IPS with current manager meeting practices
3/12/18	D, Broad Growth Program	Inclusion of new Credit Program guidelines (Appendix).
3/31/18	C.1, Investment Plan Summary D.2.E, Components' Managers and Managers' Allocations D.4.B, Manager Investment Guidelines E.2.C, Class Managers and Managers' Allocations E.4.A, Manager Investment Guidelines	Quarterly clean-up of IPS to update/reconcile strategic allocation targets and reflect recent manager name changes.
4/9/18	F.2, F.3, and F.4, Real Return	Updated elements within the Real Return Program to reflect change from active to passive GILS management.
5/15/18	B.5, Responsibilities of the Various Parties D, Broad Growth Program (Private Equity.2.C.1 Appendix)	Updated to incorporate recommendations from KMH Investment Audit regarding various reporting items.
6/30/18	E.3.A, Class Return Benchmarks	Quarterly clean-up of IPS to align the Principal Protection class benchmark with the recent transition.
12/31/18	D, Broad Growth Program	Quarterly clean-up of IPS to reflect recent manager changes.
2/11/19	D, Broad Growth Program (Core Real Estate Appendix)	Updated to reflect sub-component definitions and new geographic target ranges.



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3/11/19	C.1 and C.9.B, Investment Plan Summary and Strategic Allocation Rebalancing Guidelines I, Crisis Risk Offset Program J, Implementation Overlay Program	Updated to reflect: 1) Current interim asset allocation targets, 2) Newly approved CRO components, corresponding allocations, and guideline modifications, and 3) Inclusion of guidelines for new overlay program.
5/14/19	C.12, Responsible Investing	Enhanced to reflect input from the UNPRI and proxy voting administrator.
7/8/19	C.11, Securities Litigation Guidelines	Updated to reflect enhancements of policies per input from the Attorney General's office.
8/12/19	H.2.A, Legal Structure H.4.A, Treasury Duration Capture Manager Guidelines	Updated to reflect revised structure and management of Long U.S. Treasury portfolio.