Asset Allocation as of December 31, 2015
State of Hawaii Employees’ Retirement System

Risk-Based Policy Framework

<table>
<thead>
<tr>
<th>Strategic Class</th>
<th>Actual Allocation ($ mm)</th>
<th>Actual Percentage</th>
<th>Target Allocation ($ mm)</th>
<th>Target Percentage *</th>
<th>Allocation Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Growth</td>
<td>10,697.0</td>
<td>75.9%</td>
<td>10,706.3</td>
<td>76.0%</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Principal Protection</td>
<td>1,739.1</td>
<td>12.4%</td>
<td>1,690.5</td>
<td>12.0%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>864.6</td>
<td>6.1%</td>
<td>986.1</td>
<td>7.0%</td>
<td>-0.9%</td>
</tr>
<tr>
<td>Real Return</td>
<td>639.1</td>
<td>4.5%</td>
<td>704.4</td>
<td>5.0%</td>
<td>-0.5%</td>
</tr>
<tr>
<td>Other</td>
<td>147.4</td>
<td>1.1%</td>
<td>0.0</td>
<td>0.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,087.3</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>14,087.3</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>0.0%</strong></td>
</tr>
</tbody>
</table>

Source: BNY Mellon

* Target Percentages are the 2014 Risk-Based Policy Targets.
Numbers subject to changes and rounding errors.
### Asset Allocation - Actual

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Allocation ($ mm)</th>
<th>Actual Percentage</th>
<th>Target Allocation ($ mm)</th>
<th>Target Percentage</th>
<th>Allocation Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Equity</td>
<td>4,915.9</td>
<td>34.9%</td>
<td>4,656.6</td>
<td>33.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Non-US Equity</td>
<td>3,021.6</td>
<td>21.4%</td>
<td>3,662.7</td>
<td>26.0%</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>2,789.4</td>
<td>19.8%</td>
<td>2,817.5</td>
<td>20.0%</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Real Estate</td>
<td>864.6</td>
<td>6.1%</td>
<td>864.6</td>
<td>6.1%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Private Equity</td>
<td>742.5</td>
<td>5.3%</td>
<td>742.5</td>
<td>5.3%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Real Return</td>
<td>639.1</td>
<td>4.5%</td>
<td>639.1</td>
<td>4.5%</td>
<td>0.0%</td>
</tr>
<tr>
<td>Covered Calls</td>
<td>966.8</td>
<td>6.9%</td>
<td>704.4</td>
<td>5.0%</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other</td>
<td>147.4</td>
<td>1.0%</td>
<td>0.0</td>
<td>0.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>14,087.3</td>
<td>100.0%</td>
<td>14,087.3</td>
<td>100.0%</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

Source: BNY Mellon

### Asset Allocation - Target

- **Domestic Equity**: 33.1%
- **Non-US Equity**: 26.0%
- **Fixed Income**: 20.0%
- **Real Estate**: 6.1%
- **Private Equity**: 5.3%
- **Real Return**: 4.5%
- **Covered Calls**: 5.0%
- **Other**: 0.0%

### Asset Allocation Actuals vs. Targets

![Asset Allocation Actuals vs. Targets](image)

- **Domestic Equity**
  - Actual: 34.9%
  - Target: 33.1%
- **Non-US Equity**
  - Actual: 21.4%
  - Target: 26.0%
- **Fixed Income**
  - Actual: 19.8%
  - Target: 20.0%
- **Real Estate**
  - Actual: 6.1%
  - Target: 6.1%
- **Private Equity**
  - Actual: 5.3%
  - Target: 5.3%
- **Real Return**
  - Actual: 4.5%
  - Target: 4.5%
- **Covered Calls**
  - Actual: 6.9%
  - Target: 5.0%
- **Other**
  - Actual: 1.0%
  - Target: 0.0%

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1. Target Percentages are the 2013 Policy Targets:
   - 30% Dom. Eqt.; 26% Non-US Eqt.; 20% Fxd. Inc.; 7% Real Est.; 5% Real Ret.; 5% Covered Calls.
2. Private equity target of 7% is projected to be attained in 2018. Numbers subject to changes and rounding errors.