

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

JANUARY 13, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
HONOLULU, HAWAII 96813

Trustees present: Mr. Emmit Kane, Chair
Mr. Jerome Rauckhorst, Vice Chair
Mr. Vincent Barfield
Dr. Catherine Chan
Dr. Genevieve Ley
Mr. Wesley Machida
Mr. Neal Miyahira
Mr. Bennett Yap

Staff present: Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Mr. Karl Kaneshiro, Retirement Benefits Manager
Mr. Keith Miyamoto, Information Services Manager
Ms. Kathleen Shiroma, Information Services, System Supervisor
Ms. Sandra Staub, Information Services, Applications Supervisor
Ms. Elizabeth Burton, Chief Investment Officer
Mr. Aaron Au, Investment Officer – Illiquid Markets
Mr. Andrew Chen, Investment Specialist
Mr. Anthony Goo, Investment Officer – Liquid Markets
Mr. Howard Hodel, Investment Officer – Risk Management
Mr. David Okamoto, Investment Officer – Credit Markets
Mr. Ian Wetzel, Investment Officer
Ms. Diana Gomes, Secretary
Ms. Gerri Konishi, Member Home Loan Assistant
Ms. Dale Kehau Kanae, Recording Secretary
Ms. Lori Kim, Secretary

Attorneys present: Mr. Ivan Torigoe, Deputy Attorney General
Mr. Clayton Zane, Deputy Attorney General

Guests present: Mr. John Tom Maloney, Jr., D'Amato & Maloney, LLP
Mr. Joseph Newton, Gabriel Roeder Smith & Co.
Mr. Mehdi Riazi, Gabriel Roeder Smith & Co.
Mr. Lewis Ward, Gabriel Roeder Smith & Co.
Mr. Colin Bebee, Meketa Investment Group, Inc.
Ms. Mika Malone, Meketa Investment Group, Inc.
Mr. Neil Rue, Meketa Investment Group, Inc.
Mr. Brant Gresham, PIMCO
Mr. Rick Pagnani, PIMCO
Mr. Chris Santore, PIMCO
Ms. Cara Fleckenstein, Agecroft Partners LLC
Mr. Stephen Velotti, Pillar Capital Management Ltd.

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Hirai, Ley, Machida, and Yap), Chair Kane called the regular meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:00 a.m.

WELCOME AND
INTRODUCTION OF NEW
TRUSTEES

Chair Kane introduced and welcomed the new trustees, Mr. Craig Hirai and Mr. Bennett Yap.

Chair Kane announced that meeting agenda items would be taken out of order, thus, New Business Item No. 1 was presented first.

2020 SCHEDULE OF ERS
BOARD OF TRUSTEES
MEETINGS, ELECTION OF
OFFICERS, AND
COMMITTEE
ASSIGNMENTS

Chair Kane asked the Board for nominations for 2020 officers starting with the Chair. Trustee Barfield nominated Chair Kane and Trustee Machida seconded the nomination. Chair Kane asked if there were any other nominations for Board Chair. No other nominations were moved.

On a motion made by Trustee Barfield, seconded by Trustee Machida, and unanimously carried, the Board agreed that Trustee Kane continue as Chair of the Board for a term of one year or until a successor is elected.

Chair Kane then asked the Board for nominations for Vice Chair. Trustee Machida nominated Trustee Barfield, Trustee Barfield then nominated Trustee Rauckhorst and urged the Board to vote for Trustee Rauckhorst as he would like to remain as the Investment Committee Chair. Based on the request from Trustee Barfield, Trustee Machida withdrew his nomination of Trustee Barfield.

On a motion made by Trustee Barfield, seconded by Trustee Machida, and unanimously carried, the Board agreed that Trustee Rauckhorst also continue as Vice Chair of the Board for a term of one year or until a successor is elected.

Chair Kane then discussed with the Board the proposed Committees for 2020 suggesting the Investment and Compensation Review Committees remain as is, and that the Governance Policy Committee, recently established as a permanent Committee would also remain as is. Chair Kane further suggested and discussed that the two remaining Committees, the Administrative portion of the Administrative & Legislative Committee would become part of the Audit Committee, thus, the Administrative & Audit Committee and the Legislative Committee.

Chair Kane also discussed with the Board a restructuring transition for 2020, that between now and the ERS Summit, the proposed Committees will select their own Chairs and Vice Chairs and revisit their Committee Charters. Chair Kane further suggested that after the ERS Summit, the Board would meet every other month, and the Committees would continue to meet and report at the Board meeting. This gives the Committees more responsibility. He further suggested that the selected Committee Chairs would comprise the Governance Policy Committee. He also asked the Board to consider reducing the members of the Investment Committee and would also like to make that change after the ERS Summit. Chair Kane shared with the Board that these are recommendations in the Governance Policy. One last

2020 SCHEDULE OF ERS
BOARD OF TRUSTEES
MEETINGS, ELECTION OF
OFFICERS, AND
COMMITTEE
ASSIGNMENTS (CONT'D)

comment from Chair Kane was that there will be no change to the Kaanapali Ad Hoc Committee.

After discussion, on a motion made by Vice Chair Rauckhorst, seconded by Trustee Bafield, and unanimously carried, the Board adopted the Committee Assignments and changes to the Committees as set forth in Attachment A to these minutes.

PUBLIC COMMENT

Chair Kane called for public comment. There were no public present, therefore no public comment.

RECESS

Chair Kane called for a recess at 9:13 a.m. and announced that the meeting would reconvene following the conclusion of the Chapter 91 Proceedings and the Investment Committee Meeting.

(All in attendance left the meeting except for the Board; Deputy Attorneys General, Ivan Torigoe and Clayton Zane; Executive Director Thomas Williams; Deputy Executive Director Kanoe Margol; and Retirement Benefits Manager Karl Kaneshiro).

RECONVENE

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Ley, Machida, and Yap), Chair Kane reconvened the meeting at 9:54 a.m.

MEKETA INVESTMENT
GROUP, INC. – GENERAL
INVESTMENT
CONSULTANT OVERVIEW
OF DUTIES

Meketa Investment Group, Inc. (Meketa), Neil Rue, Mika Malone, and Colin Bebee presented an oral and written report to the Board on an Overview of its Duties:

Mr. Rue gave a brief background of the history of Meketa and introduced Ms. Malone that gave an overview of the firm covering: Experienced, Stable, and Independent Consulting Firm Services; Deep and Growing Team, Significant Public Fund Experience, Generating and Vetting Research Ideas, Client Education, Provides an Intensive Level of Client Service, Broad Manager Research Coverage, Private Markets Advisory Services, and Hedge Fund Consulting Services.

Mr. Bebee discussed ERS/Meketa's Relationship: A Longstanding, Productive Relationship; Fiduciary Advisor to the Board, and Extension of Staff (moved from consultant-driven to staff-driven).

Chair Kane announced that New Business Item No. 9 would be presented next.

LEGISLATIVE PROPOSALS
RELATING TO THE
EMPLOYEES'
RETIREMENT SYSTEM
FOR THE 2020
LEGISLATIVE SESSSION

Program Specialist Donna Curry, presented on behalf of Executive Director Williams an oral and written report to the Board on legislative proposals relating to the Employees' Retirement System that have been accepted by the Governor's office for the 2020 Legislative Session.

Ms. Curry discussed the four proposed legislative bills

- BUF-11 – Relating to Compensation for the Purposes of the Employees' Retirement System (Base Pay and Compensation to be amended in Sections 88-21, and 88-21.5 as the Base Compensation Rate designated by the employees' personnel action report in order to ensure that

LEGISLATIVE PROPOSALS
RELATING TO THE
EMPLOYEES'
RETIREMENT SYSTEM
FOR THE 2020
LEGISLATIVE SESSION
(CONT'D)

retirement benefits are computed fairly and equitably for all public employees and will facilitate employer reporting of compensation on a consistent and timelier basis);

- BUF-12 – Relating to Qualified Domestic Relations Orders (Amendments to Section 88-93.5 to define the benefit the member is expected to receive and is receiving, to clarify the process of obtaining ERS information, the qualification and notification process, and to further define benefits payable);
- BUF-13 – Related to Employees' Retirement System Investments (Amends Section 88-103 to identify certain specific types of investment fund information, the disclosure of which would likely put the ERS at a competitive disadvantage, and therefore, exempts such categories from disclosure under Chapter 92F); and
- BUF-14 – Relating to Employees' Retirement System Disability Retirement (Supports the legislative intent and clarifies the requirements of service-connected disability retirement and accidental death benefits by amending Sections 88-21, 88-79, 88-82, 88-85.5, 88-261(a) and 88-336, constructively reducing unfunded increases to the ERS's liabilities).

Deputy Attorney General (DAG), Ivan Torigoe requested to discuss in Executive Session with the Board information regarding BUF-11 and BUF-14 to provide attorney-client privileged legal analysis and advice.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board entered into Executive Session at 10:33 a.m.

(All public in attendance left the meeting).

LEGISLATIVE PROPOSALS
RELATING TO THE
EMPLOYEES' RETIREMENT
SYSTEM FOR THE 2020
LEGISLATIVE SESSION
(CONT'D)

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 11:01 a.m.

PIMCO REINSURANCE
EDUCATION SESSION

Investment Officer – Risk Management (IO-RM) Howard Hodel, and PIMCO's Brant Gresham, Rick Pagnani, and Chris Santore presented an oral and written report to the Board on PIMCO's Educational Overview of Insurance Linked Securities (ILS).

Mr. Gresham gave a brief introduction of PIMCO and introduced Mr. Pagnani that gave an overview of: Insurance, Reinsurance, and ILS: How it All Fits Together; Historical Perspective, and ILS Securitize Reinsurance for Investors.

Mr. Santore discussed: Potential Investor Benefits, Potential for Attractive Risk-Adjusted Returns, ILS Generally Uncorrelated to Financial Markets, Understanding ILS Risk Characteristics, Recent ILS Historical Performance, and ILS Instrument Structures.

Chair Kane announced that Executive Session Items No. 4 and 5 would be presented next.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Trustee Barfield, and unanimously carried, the Board entered into Executive Session at 11:27 a.m.

EXECUTIVE SESSION

- Pursuant to HRS § 88-27.5(a)(1) and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make decisions on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a Reinsurance Fund Commitment; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1) and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make decisions on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a Reinsurance Fund Commitment; appropriate action.

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE DECISIONS ON
INVESTMENTS OR
PROSPECTIVE
INVESTMENTS BY THE
SYSTEM THAT REQUIRE
THE CONSIDERATION OF
INFORMATION OR
RECORDS THAT ARE
EXEMPT FROM
DISCLOSURE UNDER HRS
CHAPTER 92F, INCLUDING
INFORMATION AND
RECORDS THAT ARE
PROPRIETARY
INFORMATION OR
CONFIDENTIAL BUSINESS
INFORMATION, AND TO
CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE
BOARD'S POWERS, DUTIES,
PRIVILEGES, IMMUNITIES,
AND LIABILITIES WITH

RESPECT TO A
REINSURANCE FUND
COMMITMENT;
APPROPRIATE ACTION

(Trustee Chan entered the meeting at 12:00 p.m.)

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE DECISIONS ON
INVESTMENTS OR
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BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE
BOARD'S POWERS, DUTIES,
PRIVILEGES, IMMUNITIES,
AND LIABILITIES WITH
RESPECT TO A
REINSURANCE FUND
COMMITMENT;
APPROPRIATE ACTION

EXIT EXECUTIVE SESSION

On a motion made by Trustee Barfield, seconded by Trustee Machida, and unanimously carried, the Board exited Executive Session at 1:00 p.m.

RECESS

Chair Kane called for a lunch recess at 1:00 p.m.

RECONVENE

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Ley, Machida, and Yap), Chair Kane reconvened the meeting at 1:15 p.m.

Chair Kane announced that agenda items will continue to be taken out of order and the next items would be New Business items 4 and 5.

ACTUARIAL VALUATION
REPORT FOR THE YEAR
ENDING JUNE 30, 2019,
AND ACTUARIAL
EXPERIENCE STUDY FOR
THE PERIOD ENDING
JUNE 30, 2019

Gabriel, Roeder, Smith and Company (GRS), Joe Newton, Mehdi Riazi, and Lewis Ward presented an oral and written report to the Board regarding the 94th Annual Actuarial Valuation Report for the Year Ending June 30, 2019.

Mr. Newton discussed with the Board:

Purpose of the Actuarial Valuation

- For ERS, the primary purpose of the annual actuarial valuation is to assess whether the current funding policy is expected to fully amortize the UAAL over a period of 30 years or less.

Sources of Impact

- Investments underperformed 7.00% assumption on market basis;
- Liabilities grew faster than expected due to salary increases larger than current expectations; and
- Contributions in dollars are expected to be modestly higher due to salary increases and head count increases for All Other Employees, but head count for Police and Fire Employees declined for third straight year.

Stress Test Summary

- Actuarial valuation results show System is on target to be fully funded in less than 30 years; and
- Stress test shows that System is sustainable in a low return environment.

Valuation Summary

- While it does not show in the current UAAL and funded ratio, the current actuarial assumptions and the contribution commitment from Act 17 (SB 936) have materially strengthened the outlook for ERS;
- The scheduled employer contribution rates are expected to be adequate to satisfy HRS §88-122(e)(1) even with substantial adverse experience;
- However, all of the positive outlook assumes the scheduled increases in contribution rates occur and investment income objectives are achieved. It is imperative that the currently scheduled funding strategies are implemented and sustained;
- UAAL is anticipated to grow until contribution rates are fully phased-in and funding period reaches 20 years (approximately 2025).

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board accepted GRS's 94th Annual Actuarial Valuation Report for the year ending June 30, 2019.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 85/2017
REGARDING THE
ACTUARIAL ASSET AND
LIABILITY STRESS TEST
2019

Program Specialist Donna Curry, and Gabriel, Roeder, Smith and Company (GRS), Joe Newton, Mehdi Riazi, and Lewis Ward presented a written report to the Board that was submitted to the Legislature as required by Act 85, SLH 2017, regarding the Actuarial Asset and Liability Stress Test for 2019. Messrs. Newton, Riazi, and Ward remained for questions on the report, however, Program Specialist Curry commented that this report was a receive and file.

Messrs. Newton, Riazi, and Ward left the meeting after their presentations.

Chair Kane announced that the next agenda items would be the Executive Director's Report and the Deputy Executive Director's Operations Report.

EXECUTIVE DIRECTOR'S
REPORT

Executive Director (ED) Williams gave an oral presentation of his report as follows:

- Discussed with Attorney General Clare Connors possible

EXECUTIVE DIRECTOR'S REPORT (CONT'D)

assistance/temporary assignment of an additional Deputy Attorney General due to the volume of legal work. AG Connors will try to support us in the next budget cycle. If that is not soon enough, ED Williams requested recommendations from the Board and guidance from our Deputy Attorneys General if the Board is interested in hiring local legal counsel with investment expertise.

- ERS staff and DAG Torigoe met with Tom Maloney regarding ERS Legislation of BUF-11 and -14 as reported.
- ERS staff met with the Governor's Office regarding ERS Legislation as reported by Program Specialist Donna Curry.
- OIP dismissed an appeal by a reporter trying to get information on the departure of a former employee, which ERS declined to provide. Due to lack of continued pursuit, the case was dismissed. Also, OIP indicated they would remain neutral on an ERS proposed bill regarding protection of certain investment-related confidential information. Having to disclose such information, would reduce our competitiveness and frustrate investments.
- Act 87, as it relates to employer contribution reporting, has created administrative, data, and potential tax-exempt problems for ERS which BUF-11 tries to rectify. Act 87 also imposes penalties if the employer is not able to provide information in a format that ERS requires by July 2021. The penalty requires payment of a full year's contributions in advance as opposed to on a monthly basis. Payroll systems across the State and Counties suggest they will not be able to make the deadline and we have been asked to consider working with them to have the penalties delayed.
- Reviewing with CIO Burton, Investment Officers, and BNY Mellon two possible options for pre-funding of employer contributions.
- Served as a Presiding Officer with Deputy Executive Director Kanoe Margol at the HiDRO Administrative Hearing on Proposed Rules.
- CIO Burton discussed the Investment Summit.
- New Trustee Orientation is being scheduled with ERS staff.
- A Request for Proposal closed last Friday for a Compensation Consultant. Two organizations submitted proposals that will be evaluated over the next few days.
- Budget hearings are ongoing. Met with Senate Ways and Means and House Finance. We have requests for two investment officers and technological support.
- Met with HGEA Randy Perreira to share our perspective on BUF-11 and -14, discussed there might be some push back on behalf of employees that think their benefits are being reduced.
- Actuarial meetings with all of the stakeholders, employers, unions, finance officers, staff, and the legislature are scheduled for the rest of the week.

OPERATIONS REPORT

Deputy Executive Director (DED) Kanoe Margol presented the written operations report and highlighted the ERS staffing vacancies and personnel related matters. DED Margol further commented that ERS is continuing to work with the State and County Employer's on the payroll reporting issues. DED Margol also gave updates on projects of the Accounting, Information Services, and Retirement Benefits Branches.

Chair Kane announced the continuation of the agenda items, excluding items 4 and 5 already discussed.

2020 SCHEDULE OF ERS
BOARD OF TRUSTEES
MEETINGS, REVIEW OF
COMMITTEES, ELECTION
OF OFFICERS, AND
COMMITTEE
ASSIGNMENTS

Chair Kane requested the Board accept the 2020 Board of Trustees Meeting Schedule.

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Barfield, and unanimously carried, the Board accepted the 2020 ERS Board of Trustees meeting schedule.

2019 VERIFICATION OF
INVESTMENT MANAGER
COMPLIANCE WITH THE
EMPLOYEES'
RETIREMENT SYSTEM'S
DERIVATIVE POLICY

Investment Officer – Risk Management (IO-RM) Howard Hodel, and Meketa Investment Group, Inc. (Meketa), Neil Rue and Colin Bebee presented a written report to the Board on the 2019 Verification of Investment Manager Compliance with the Employees' Retirement System's Derivative Policy. Mr. Hodel reported it as a receive and file with no issues.

PHASE-IN ALLOCATIONS
FOR NEW INVESTMENT
POLICY STATEMENT
TARGET PORTFOLIO

Investment Officer – Risk Management (IO-RM) Howard Hodel presented an oral and written report to the Board on the Phase-In Allocations for New Investment Policy Statement Target Portfolio.

Mr. Hodel discussed with the Board that ERS staff are recommending the Board approve the proposed phase in for the new Investment Policy Statement Target Portfolio. The phase-in is a realistic estimate of the time needed for ERS staff to build out the new portfolio that was approved by the Board on October 15, 2019.

On a motion made by Trustee Barfield, seconded by Trustee Machida, and unanimously carried, the Board accepted the Phase-In Allocation for New Investment Policy Statement Target Portfolio.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 87/2015
REGARDING STATUS OF
EMPLOYER REPORTING
OF PAYROLL
INFORMATION

Program Specialist Donna Curry, presented a written report to the Board that was submitted to the Legislature as required by Act 87, SLH 2015, regarding Status of Employer Reporting of Payroll Information.

Program Specialist Curry commented that this was a receive and file, and this item has been discussed in detail and is a part of BUF-11.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 192/2007
REGARDING DIRECT
HOLDINGS IN SUDAN
SCRUTINIZED COMPANIES

Chief Investment Officer Elizabeth Burton, presented a written report to the Board that was submitted to the Legislature as required by Act 192, SLH 2007, regarding Direct Holdings in Sudan Scrutinized Companies.

Chief Investment Officer, Elizabeth Burton reported to the Board that there were no identified "scrutinized companies" held in the ERS portfolio in 2019.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 260/2007
REGARDING THE HAWAII
TARGETED INVESTMENT
PROGRAM (HiTIP)

Chief Investment Officer Elizabeth Burton, presented a written report to the Board that was submitted to the Legislature as required by Act 260, SLH 2007, regarding the Hawaii Targeted Investment Program (HiTIP).

Chief Investment Officer, Elizabeth Burton commented that this was a receive and file.

Chair Kane announced that the next agenda item is the Approval of Minutes.

APPROVAL OF MINUTES –
OCTOBER 15, 2019

On a motion made by Trustee Barfield, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board approved the Minutes for October 15, 2019, as presented.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board entered into Executive Session at 2:18 p.m.

(All public present exited the meeting).

EXECUTIVE SESSION
(CONT'D)

- Pursuant to HRS § 88-27.5(a)(1) and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a private equity investment advised by Hamilton Lane; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1), and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to a Private Investment; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1), and HRS § 92-5(a)(4), to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that require the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to the Employees' Retirement System's Traditional Growth – Active Global Equity Mid/Large Cap Mandate; appropriate action.
- Pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities with respect to potential claims relating to an Employees' Retirement System Collection Action; appropriate action.
- Pursuant to HRS § 92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities with respect to Trustees' Fiduciary Duties and Immunities: A Working Overview

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE A DECISION ON
INVESTMENTS OR
PROSPECTIVE
INVESTMENTS BY THE
SYSTEM THAT REQUIRE
THE CONSIDERATION OF
INFORMATION OR
RECORDS THAT ARE
EXEMPT FROM
DISCLOSURE UNDER HRS
CHAPTER 92F, INCLUDING
INFORMATION AND
RECORDS THAT ARE
PROPRIETARY
INFORMATION OR
CONFIDENTIAL BUSINESS
INFORMATION, AND TO
CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE
BOARD'S POWERS, DUTIES,
PRIVILEGES, IMMUNITIES,
AND LIABILITIES WITH
RESPECT TO A PRIVATE
EQUITY INVESTMENT
ADVISED BY HAMILTON
LANE; APPROPRIATE
ACTION

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1), AND HRS § 92-
5(a)(4), TO CONDUCT
DISCUSSIONS AND
DELIBERATIONS RELATING
TO, AND IF APPROPRIATE,
TO MAKE A DECISION ON
INVESTMENTS OR
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DISCLOSURE UNDER HRS
CHAPTER 92F, INCLUDING
INFORMATION AND

RECORDS THAT ARE PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO A PRIVATE INVESTMENT; APPROPRIATE ACTION

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(a)(1), AND HRS § 92-5(a)(4), TO CONDUCT DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A DECISION ON INVESTMENTS OR PROSPECTIVE INVESTMENTS BY THE SYSTEM THAT REQUIRE THE CONSIDERATION OF INFORMATION OR RECORDS THAT ARE EXEMPT FROM DISCLOSURE UNDER HRS CHAPTER 92F, INCLUDING INFORMATION AND RECORDS THAT ARE PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S TRADITIONAL GROWTH – ACTIVE GLOBAL EQUITY MID/LARGE CAP MANDATE; APPROPRIATE ACTION

EXECUTIVE SESSION,
PURSUANT TO HRS § 92-
5(a)(4), TO CONSULT WITH
THE BOARD'S ATTORNEYS
ON QUESTIONS AND
ISSUES PERTAINING TO
THE BOARD'S POWERS,
DUTIES, PRIVILEGES,
IMMUNITIES AND
LIABILITIES WITH RESPECT
TO POTENTIAL CLAIMS
RELATING TO AN
EMPLOYEES' RETIREMENT
SYSTEM COLLECTION
ACTION; APPROPRIATE
ACTION

(Trustee Machida exited the meeting at 2:44 p.m.).

APPROVAL OF
EXECUTIVE SESSION
MINUTES
- OCTOBER 15, 2019

EXECUTIVE SESSION,
PURSUANT TO HRS § 92-
5(a)(4), TO CONSULT WITH
THE BOARD'S ATTORNEYS
ON QUESTIONS AND
ISSUES PERTAINING TO
THE BOARD'S POWERS,
DUTIES, PRIVILEGES,
IMMUNITIES AND
LIABILITIES WITH RESPECT
TO TRUSTEES' FIDUCIARY
DUTIES AND IMMUNITIES:
A WORKING OVERVIEW

EXIT EXECUTIVE SESSION

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 3:03 p.m.

ADJOURNMENT

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Ley, and unanimously carried, Chair Kane adjourned the meeting at 3:03 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik

**BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII**

OFFICERS & COMMITTEE ASSIGNMENTS

Proposed 1/12/2020

BOARD MEMBERS

Vince Barfield
Catherine Chan
Craig Hirai
Emmit Kane
Genevieve Ley
Wes Machida
Jerry Rauckhorst
Bennett Yap

INVESTMENT COMMITTEE

Vince Barfield
Catherine Chan
Craig Hirai
Emmit Kane
Genevieve Ley
Wes Machida
Jerry Rauckhorst
Bennett Yap

LEGISLATIVE COMMITTEE

Catherine Chan
Craig Hirai
Emmit Kane
Wes Machida

ADMINISTRATIVE & AUDIT

Vince Barfield
Genevieve Ley
Jerry Rauckhorst
Bennett Yap

**COMPENSATION REVIEW COMMITTEE
COMMITTEE**

Vince Barfield
Catherine Chan
Emmit Kane
Jerry Rauckhorst

GOVERNANCE POLICY

Chair of Board or Designee
Committee Chairs

KA'ANAPALI COMMITTEE (Ad Hoc)