

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

JULY 13, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1500
HONOLULU, HAWAII 96813

Trustees present:
(by teleconference)

Mr. Emmit Kane, Chair
Mr. Jerome Rauckhorst, Vice Chair
Mr. Vincent Barfield
Dr. Catherine Chan
Mr. Craig Hirai
Dr. Genevieve Ley
Mr. Wesley Machida
Mr. Bennett Yap

Staff present:
(City Financial tower
by teleconference)

Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Ms. Elizabeth Burton, Chief Investment Officer
Mr. Aaron Au, Investment Officer – Illiquid Markets
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
Mr. Andrew Chen, Investment Specialist
Ms. Gerri Konishi, Member Home Loan Assistant (audio only)
Ms. Diana Gomes, Secretary
Ms. Dale Kehau Kanae, Recording Secretary
Ms. Lori Kim, Secretary

Attorneys present:
(by teleconference)

Mr. Ivan Torigoe, Deputy Attorney General
Ms. Elmira Tsang, Deputy Attorney General
Ms. Diane Wong, Deputy Attorney General
Mr. Clayton Zane, Deputy Attorney General (audio only)

Guests present:
(by teleconference)

Mr. Joseph Newton, Gabriel Roeder Smith & Co.
Mr. Lewis Ward, Gabriel Roeder Smith & Co.
Mr. Keith Balter, Hancock Timber Resource Group
Mr. Eric Dooley, Hancock Timber Resource Group
Ms. Emi Adachi, Heitman Capital Management, LLC
Mr. Chris Anderson, Heitman Capital Management LLC
Ms. Jennifer Boss, Heitman Capital Management, LLC
Ms. Dia Carney, Heitman Capital Management, LLC
Mr. Thomas Krumweide, Heitman Capital Management, LLC
Mr. Tyler Lewis, Heitman Capital Management, LLC
Mr. John Mancuso, Heitman Capital Management, LLC
Mr. Ryan Matyas, Heitman Capital Management, LLC
Mr. Paul Rezens, Heitman Capital Management, LLC
Mr. Michael Rosenson, Heitman Capital Management, LLC
Mr. Pascal Souvenir, Heitman Capital Management, LLC
Ms. Melanie Varrato, Heitman Capital Management, LLC
Mr. Colin Bebee, Meketa Investment Group, Inc.
Ms. Mika Malone, Meketa Investment Group, Inc.

Guests present: Mr. Andrew Betez, Stafford Capital Partners
(by teleconference) Mr. Jack Dowd, Townsend Group, an Aon Company
(Cont'd) Mr. Richard Ferguson, Townsend Group, an Aon Company
Mr. Chae Hong, Townsend Group, an Aon Company

Public present: Ms. Lindsay Saienni, Reporter of Financial Investment News
(by teleconference) Mr. Thomas Lofton, Clearwater Analytics
Mr. Luther Yost, Clearwater Analytics

QUORUM/CALL TO ORDER A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Ley, 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 9:02 a.m.

On a motion made by Trustee Barfield, seconded by Trustee Ley, and unanimously carried, to be able to hold a meeting closed to the public and allow Trustees to participate by teleconference or other remote meeting technology, pursuant to the Governor of the State of Hawaii's Ninth Supplementary Proclamation dated June 10, 2020, in order to implement social distancing measures.

PUBLIC COMMENT Chair Kane called for public comment. There were three (3) members of the public present by teleconference, however, none of the public present had any public comments. There was also no public written testimony received by e-mail for this meeting.

RECESS Chair Kane called for a recess at 9:06 a.m. and announced that the meeting would reconvene following the conclusion of the Investment Committee Meeting.

RECONVENE A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, and Yap), Chair Kane reconvened the meeting at 9:57 a.m.

EXECUTIVE DIRECTOR'S REPORT Executive Director (ED) Williams gave an oral presentation of his report and discussed as follows:

- Welcomed and introduced new Deputy Attorney General (DAG) Diane Wong.
- DAG Clayton Zane has announced that he will be retiring at the end of the month. This creates another vacancy we will attempt to fill.
- Met with Budget & Finance (B&F) Director Craig Hirai regarding exemption to the Governor regarding vacant positions as a result of the hiring freeze due to deficits in the next fiscal year. We have 12 vacancies within Accounting, Information Services, Retirement Benefits, and Staff Support Services Branches which significantly impacts our day-to-day operations. The vacancies in our Accounting and Information Services Branches affect vital projects such as Vitech upgrade to V10, movement to the Cloud and Oracle Financials which though delayed, however, are scheduled to become live by November. We were fortunate to retain existing vacant positions, as vacant positions and funding with other State departments were eliminated by the Legislature.
- Congratulations to Trustee Craig Hirai on his confirmation as Director of B&F. His term runs until January 1, 2023, another 2-1/2 years.
- The Governance Committee will meet at ERS for most of the day on July 24, 2020, to discuss the Investment Policy Statement, delegations to the Investment Team, and a presentation to be made by Funston Advisory Services on BoardSmart, a Trustee educational tool. An educational retreat may be planned later in the Summer or in the Fall.

EXECUTIVE DIRECTOR'S
REPORT (CONT'D)

- ED Williams will attend a rating agency presentation at B&F on July 23, 2020. Program Specialist Donna Curry and ED Williams are working on updating the offering statement for the Bonds that the State expects to issue. The status of the pension plan and funding is a key issue of the Bond rating agencies. The strong commitment the State has made to increase and continue contributions is viewed very positively by the agencies.
- ED Williams and Deputy Executive Director Kanoe Margol were focused on encumbering key procurements, approved by the Governor, relating to Oracle Financials, Vitech maintenance, move to the Cloud, and telephone system upgrade. Thanks to Trustee Machida for assisting us during the encumbrance process. But for his help, the funds may have been lost. We received confirmation from the State Comptroller, Curt Otaguro approving the \$3.6 M encumbrance.
- Attended the National Council on Teacher Retirement (NCTR) System Directors' Roundtable (virtual) with 28 Directors including Texas Teachers, CalSTRS, CalPERS, that focused on what systems around the nation are doing relating to COVID from no changes to working 100% virtually.
- An NCTR 20th Annual Trustee Workshop (virtual) will be held July 20-22 with the UC Berkeley Center for Executive Education to be attended by Trustee Chan and Yap.
- ERS is reconsidering its approach toward providing in-person member services. In March we decided to no longer encourage personal meetings and instead provide telephone counseling. That has not prevented our members from walking in and the numbers for March (410), April (190), May (225), and June could be comparable to May. Walk ins have created a number of health concerns for staff, although efforts have been taken to better protect them.
- Securities litigation continues to be an area we spend a lot of time on, our DAG Elmira Tsang has provided a report discussing the requests and proposals relating to participating in various cases. ERS has been reluctant to move forward when returns are below our targeted threshold and the fund participates as a passive member of the claims unit regardless of whether we are lead plaintiffs or not. In consideration of stresses placed on our DAG, we want them to focus on supporting us in our investment activities, contracting, rulemaking, etc.
- Held virtual ERS meetings with all staff updating them on the organization's efforts to protect their health and safety regarding COVID. We have done everything possible to provide staff with masks, disinfectants, wipes, face shields, and sneeze guards. Building management has taken extensive steps to protect the tenants and our staff by providing periodic deep cleaning, regular cleaning multiple times a day, social distancing in the elevators and hallways, and have changed the air filters with higher quality ones and are changing them more frequently. They are testing ionization devices on the 14th floor, and if it works, they will place them on all the floors.
- The Compensation Review Committee has met several times this month and last month to perform evaluations of the ED, DED, and CIO. Summaries of the performance and evaluations of investment and administrative staff will be presented, as well as goals for the remainder of the fiscal year and succession planning, to eventually be presented to the Board.

DEPUTY EXECUTIVE
DIRECTOR'S OPERATIONS
REPORT

Deputy Executive Director (DED) Kanoe Margol presented her Operations Report and gave updates on ERS staffing and projects of Administration, Accounting, Information Services, Retirement Benefits and Staff Support Services Branches.

Since there were no Retirement Benefits Branch (RBB) statistics submitted as part of the report, the Board asked about the status of both the backlog of

DEPUTY EXECUTIVE
DIRECTOR'S OPERATIONS
REPORT (CONT'D)

RBB Activities and with the Medical Board. The DED reported that there has been some progress for both the RBB Activities and with the Medical Board and although statistics were not available for June, it should be provided in next month's report. The RBB Manager will be shifting staff, as needed, to provide the needed support.

REPORTS BY BOARD
COMMITTEE CHAIRS:
ADMINISTRATIVE &
AUDIT, COMPENSATION
REVIEW, GOVERNANCE
POLICY, LEGISLATIVE,
AND KAAPALI AD-HOC

Chair Kane requested reports from Committee Chairs.

Administrative & Audit Committee, Chair Ley reported to the Board that the next meeting will be held July 21, 2020, and the Committee will finalize and approve the Committee and Internal Audit Charters, and the ERS Communications Plan.

Compensation Review Committee, Chair Rauckhorst reported to the Board the minimal changes to the Compensation Review Committee Charter, as presented, and that it is ready for approval by the Board. Chair Kane asked DAG Torigoe if the Charter would need to be an official agenda item in order to be approved. DAG Torigoe confirmed it should and Board Chair Kane requested approval be deferred until the next meeting. There were no questions on the changes by Board members. Chair Rauckhorst also reported on the Committee's updated 2020 Timeline, as presented, and evaluations of the ED, DED, and CIO are progressing. Reports on the evaluations will be presented to the Board at the August 10, and September 14, 2020 meetings. The Committee will meet next on August 4 and 18, 2020.

Legislative Committee, Chair Chan reported to the Board that since the Legislature just reconvened, she will follow-up with ERS staff on any changes. Chair Kane agreed and ED Williams acknowledged that ERS staff will set up a meeting with Chair Chan to discuss legislative initiatives for 2021 and any developments of the session just ended.

Chair Kane reported that the Governance Policy Committee will be meeting on July 24, 2020, to discuss housekeeping items and selection of the Committee Chair and Vice Chair.

Chair Kane advised that the Kaanapali Ad Hoc will be addressed later as part of the Executive Session.

ACTUARIAL ISSUES AND
OUTLOOK FOR THE YEAR
ENDING JUNE 30, 2020

Gabriel, Roeder, Smith and Company (GRS), Joe Newton and Lewis Ward presented an oral and written report to the Board regarding the Actuarial Issues and Outlook for Year Ending June 30, 2020.

Mr. Newton discussed with the Board:

Impact on Update

- Actual FY20 market return in the range of 1-2%.
- Contribution strategy took another step up the phase in pattern

Act 17 (SB 936) Contribution Rates

Market and Actuarial (Smoothed) Values of Assets

Projected 2020 Actuarial Valuation Results

Projection of UAAL (June 30, 2020)

Estimated Stress Test Results: Scenarios where contributions do not change

Update Summary

- The year was quite volatile, ending up much better than envisioned three months ago.
- While it does not show in the current UAAL and funded ratio, the

ACTUARIAL ISSUES AND
OUTLOOK FOR THE YEAR
ENDING JUNE 30, 2020
(CONT'D)

current actuarial assumptions and the contribution commitment produce a strong outlook for ERS

- The scheduled employer contribution rates are expected to be adequate to satisfy Hawaii Revised Statutes §88-122(e)(1), even with substantial adverse experience.
- However, all of the positive outlook assumes the current contribution rates continue. It is imperative that the currently scheduled funding strategies are implemented and sustained.

The Board asked Mr. Newton if contributions were made by Employers during the last furloughs? Mr. Newton replied that contributions were not made which added to the unfunded liability. The Board also mentioned that positions were frozen and funding will be reduced, thus contributions coming in will be nowhere near what was anticipated. Mr. Newton responded that adjustments will have to be made for the January report. This presentation was a receive and file and no action from the Board was required.

After their presentation Messrs. Newton and Ward left the meeting by exiting the teleconference.

(Trustee Machida entered the meeting at 10:31 a.m., during the presentation.)

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board entered into Executive Session at 10:39 a.m.

(Public participation was ended by closing the link to the meeting)

EXECUTIVE SESSION

- Pursuant to HRS § 88-27.5(a)(1) and (3), 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; or to deliberate concerning the authority of persons designated by the Board to negotiate investments or the sale of property held by or for the benefit of the system, or during the conduct of such negotiations; 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 with respect to a private equity investment advised by Hamilton Lane; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1) and (3), 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; or to deliberate concerning the authority of persons designated by the Board to negotiate investments or sale of property held by or for the benefit of the system, or during the conduct of such negotiations; 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 Heitman Capital Management, LLC, Portfolio Review and Tactical Plan Update; appropriate action.
- Pursuant to HRS § 88-27.5(a)(1) and (3), and HRS § 92-5(a)(4), to conduct

EXECUTIVE SESSION
(CONT'D)

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; or to deliberate concerning the authority of persons designated by the Board to negotiate investments or sale of property held by or for the benefit of the system, or during the conduct of such negotiations; 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 Hancock Timber Resource Group, Portfolio Review and Tactical Plan Update; appropriate action.

- Pursuant to HRS § 88-27.5(a)(1) and (3), 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; or to deliberate concerning the authority of persons designated by the Board to negotiate investments or sale of property held by or for the benefit of the system, or during the conduct of such negotiations; 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 Stafford Capital Partners (Hawaii Targeted Investment Program), Portfolio Review and Tactical Plan Update; 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 credit 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 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, change in parent company of Western Asset Management Company, LLC; 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 recommendation to make changes to the manager watch list; appropriate action.
- Pursuant to HRS § 92-5(a)(4) to consult with the board's attorneys on questions and issues pertaining to the Boards powers, duties, privileges, immunities, and liabilities relating to terms and conditions of procurement of software license support and maintenance services and database support and maintenance, and, if appropriate, to make related decisions.
- 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, and status with respect to securities litigation and potential securities litigation; appropriate action.

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND (3), 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; OR TO DELIBERATE CONCERNING THE AUTHORITY OF PERSONS DESIGNATED BY THE BOARD TO NEGOTIATE INVESTMENTS OR THE SALE OF PROPERTY HELD BY OR FOR THE BENEFIT OF THE SYSTEM, OR DURING THE CONDUCT OF SUCH NEGOTIATIONS; 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 WITH RESPECT TO A PRIVATE EQUITY

INVESTMENT ADVISED BY
HAMILTON LANE;
APPROPRIATE ACTION

RECESS

Due to the numerous participants being admitted to the teleconference for the next agenda item, Chair Kane called for a recess at 11:00 a.m.

RECONVENE

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, Machida, and Yap), Chair Kane reconvened the meeting at 11:10 a.m.

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND (3), 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; OR TO
DELIBERATE CONCERNING
THE AUTHORITY OF PERSONS
DESIGNATED BY THE BOARD
TO NEGOTIATE INVESTMENTS
OR SALE OF PROPERTY HELD
BY OR FOR THE BENEFIT OF
THE SYSTEM, OR DURING THE
CONDUCT OF SUCH
NEGOTIATIONS; 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 HEITMAN CAPITAL
MANAGEMENT, LLC,
PORTFOLIO REVIEW AND
TACTICAL PLAN UPDATE;
APPROPRIATE ACTION

EXECUTIVE SESSION,
PURSUANT TO HRS § 88-
27.5(a)(1) AND (3), 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; OR TO DELIBERATE CONCERNING THE AUTHORITY OF PERSONS DESIGNATED BY THE BOARD TO NEGOTIATE INVESTMENTS OR SALE OF PROPERTY HELD BY OR FOR THE BENEFIT OF THE SYSTEM, OR DURING THE CONDUCT OF SUCH NEGOTIATIONS; 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 HANCOCK ~~TIMBER~~ NATURAL RESOURCE GROUP, PORTFOLIO REVIEW AND TACTICAL PLAN UPDATE; APPROPRIATE ACTION

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(a)(1) AND (3), 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; OR TO DELIBERATE CONCERNING THE AUTHORITY OF PERSONS DESIGNATED BY THE BOARD TO NEGOTIATE INVESTMENTS OR SALE OF PROPERTY HELD BY OR FOR THE BENEFIT OF THE SYSTEM, OR DURING THE

CONDUCT OF SUCH NEGOTIATIONS; 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 STAFFORD CAPITAL PARTNERS (HAWAII TARGETED INVESTMENT PROGRAM), PORTFOLIO REVIEW AND TACTICAL PLAN UPDATE; APPROPRIATE ACTION

(Trustee Hirai and Chair Kane left the meeting at 1:12 p.m. and Vice Chair Rauckhorst presided over the remainder of the meeting).

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 CREDIT 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 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, CHANGE IN PARENT COMPANY OF WESTERN ASSET MANAGEMENT COMPANY, LLC; 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 WITH RESPECT TO A RECOMMENDATION TO MAKE CHANGES TO THE MANAGER WATCH LIST; 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 BOARDS POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES RELATING TO

TERMS AND CONDITIONS OF
PROCUREMENT OF
SOFTWARE LICENSE SUPPORT
AND MAINTENANCE
SERVICES AND DATABASE
SUPPORT AND
MAINTENANCE, AND, IF
APPROPRIATE, TO MAKE
RELATED DECISIONS

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, AND STATUS
WITH RESPECT TO
SECURITIES LITIGATION AND
POTENTIAL SECURITIES
LITIGATION; APPROPRIATE
ACTION

APPROVAL OF EXECUTIVE
SESSION MINUTES
– MAY 12, 2020

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Machida, and unanimously carried, with the exception of Chair Kane and Trustee Hirai being excused, the Board exited Executive Session at 1:55 p.m.

APPROVAL OF MINUTES
– MAY 12, 2020

On a motion made by Trustee Ley, seconded by Trustee Machida, and unanimously carried, with the exception of Chair Kane and Trustee Hirai being excused, the Board approved the Minutes of May 12, 2020, as presented.

ADJOURNMENT

On a motion made by Trustee Ley, seconded by Trustee Yap, and unanimously carried, with the exception of Chair Kane and Trustee Hirai being excused, Vice Chair Rauckhorst adjourned the meeting at 1:56 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik