

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

SEPTEMBER 14, 2020

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

Trustees present: Mr. Emmit Kane, Chair
(by teleconference) 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: Mr. Thomas Williams, Executive Director
(City Financial tower Ms. Kanoe Margol, Deputy Executive Director
by teleconference) Ms. Donna Curry, Program Specialist
Mr. Bart Asato, Program Specialist
Ms. Shanna Sakagawa, 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: Mr. Ivan Torigoe, Deputy Attorney General
(by teleconference) Ms. Elmira Tsang, Deputy Attorney General (audio only)
Ms. Diane Wong, Deputy Attorney General

Guests present: Mr. Greg Leograndis, Aequim Alternative Investments LP
(by teleconference) Mr. Franklin Parlamis, Aequim Alternative Investments LP
Ms. Courteney Keatinge, Glass, Lewis & Co.
Mr. John Wieck, Glass, Lewis & Co.
Mr. Andreas Moon, I-Squared Capital
Mr. Colin Bebee, Meketa Investment Group, Inc.
Ms. Mika Malone, Meketa Investment Group, Inc.
Mr. Neil Rue, Meketa Investment Group, Inc.
Mr. Iftikhar Ahmed, Townsend Group, an Aon Company
Mr. Jack Dowd, Townsend Group, an Aon Company
Mr. Richard Ferguson, Townsend Group, an Aon Company
Mr. Chae Hong, Townsend Group, an Aon Company
Mr. Storm Klyve-Underkofler, Townsend Group, an Aon Company

Public present: Ms. Bianca Agustin, Research Director, United for Respect
(by teleconference) Mr. Riley Fujisaki, Staff, House Finance Committee
Ms. Lindsay Saienni, Reporter, Financial Investment News
Mr. Dane Wicker, Clerk, Senate Ways and Means Committee

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, 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 10:22 a.m.

On a motion made by Trustee Yap, 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 Twelfth Supplementary Proclamation Related to the COVID-19 Emergency, dated August 20, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Kane called for public comment. There were four (4) members of the public present by teleconference and Ms. Bianca Agustin attempted to provide her comment, however, due to technical audio difficulties was unable to and will submit her comment in writing. (Comments are attached to these minutes for reference). There was also no public written testimony received by e-mail for this meeting.

RECESS

Chair Kane called for a recess at 10:25 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, Machida, and Yap), Chair Kane reconvened the meeting at 10:58 a.m.

GLASS, LEWIS & CO., OVERVIEW OF SERVICES AND SUMMARY OF ERS 2020 PROXY VOTING

Investment Officer – Risk Management – RM (IO-RM), Howard Hodel, and Glass, Lewis & Co., Courtney Keatinge and John Wieck, entered the meeting by teleconference and presented an oral and written report to the Board on the Overview of Services and Summary of ERS 2020 Proxy Voting and discussed:

INTRODUCTION

Voting, Research & Policy, Policy Gradient, Public Pension vs ESG Policy, and Case Study: Policy Differences

REVIEW OF 2019-2020 VOTING ACTIVITY

2020 Proxy Season Highlights, and State of Hawaii ERS Voting Statistics

GLASS LEWIS VOTING ACTIVITY REPORT FOR ERS

After their presentation, Ms. Keatinge and Mr. Wieck left the meeting by ending their teleconference.

EXECUTIVE DIRECTOR'S REPORT

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

- ERS is working with Bank of New York Mellon on an automated Capital Calls Management System, implemented effective September 1, 2020. It will avoid challenges from the past of penalties of missed Capital Calls.
- Due to the Mayor and Governor's Emergency Orders extending the lockdown, ERS decided to reduce the capacity of walk in members. This has been a concern of staff since the onset of COVID-19 in March, and we have discouraged in person counseling by communicating this to employers and posting a notice on our website. We have since locked the front doors, installed an intercom, a thermal scanner to check temperatures and whether or not members are wearing masks. We have also installed a lock box for members to drop off their documents. Claims examiners are able to counsel members via telephone or video conference on-site, which has been well

EXECUTIVE DIRECTOR'S
REPORT (CONT'D)

- received by staff and has improved their sense of safety.
- ERS received a \$5,000 refund credit from GRS for travel not taken by them and ERS is hoping other providers consider a similar gesture.
 - ERS has been working with B&F in response to the Legislatures request that each agency consider reductions in their budget of 10%, 15%, or 20% up to FY 2023. These reductions would cut into staffing.
 - As reported previously, recruitment continues with ten (10) of the twelve (12) vacancies requested in the exemption to the Governor regarding vacant positions.
 - We are reminding ERS staff of cyber security especially with remote workers. Our IS Branch is increasing monitoring.
 - ED will be working with B&F on an underwriting of general obligation bonds.
 - ERS is also working with B&F on alternate work week schedules for staff which allows a 4-day work week of 10 hours per day, mainly for staff not able to work remotely.
 - B&F incentive service awards were presented to seven (7) of our employees: Pele Fonoti and Todd Oshiro (10 years), Nenita Morales and Carl Silva (20 years), Cullen Fujimoto and Kehau Kanae (30 years), and Karl Kaneshiro (40 years).
 - ERS staff will be meeting with Chair Sylvia Luke of the House Finance Committee on September 22, 2020 to discuss investment performance and budgets for FY 2021-2023.

Chair Kane congratulated all the service award recipients and thanked them for their years of service.

DEPUTY EXECUTIVE
DIRECTOR'S OPERATIONS
REPORT

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

The Board requested that staff overtime be monitored.

As part of the Operations Report, Program Specialist (PS) Donna Curry provided an update on the Hawaii Domestic Relations Order program as presented informing the Board that the program successfully started on July 1, 2020 with information and forms available on the ERS website and by request. The next milestone will be the successful processing of retirement payments for HiDRO retirees and alternate payees.

STAFF INFORMATION
SERVICES VBRANCH
CHIEF'S REPORT

This agenda item was deferred to the next Board meeting on October 13, 2020.

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

Chair Kane requested reports from the Committee Chairs and noted that the New Business agenda items would be taken out of order and reported on as it relates to the appropriate Committee.

Administrative & Audit Committee (Committee) Chair Ley reported that a meeting will be held on September 21, 2020, and KPMG will present its Draft Auditor's Report and Financial Statements.

REPORTS BY BOARD
COMMITTEE CHAIRS:
ADMINISTRATIVE &
AUDIT, COMPENSATION
REVIEW, GOVERNANCE

Legislative Committee (Committee) Chair Chan reported that at a meeting held on August 28, 2020, the Committee reviewed and affirmed recommendations of four proposed legislative Bills related to the Employees' Retirement System to be re-introduced for the 2021 Legislative session requesting approval by the Board.

**POLICY, LEGISLATIVE,
AND KAA NAPALI AD-HOC**

POTENTIAL LEGISLATIVE PROPOSALS RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM FOR THE 2021 LEGISLATIVE SESSION FOR REVIEW AND APPROVAL TO BE CONSIDERED FOR THE GOVERNOR'S ADMINISTRATIVE PACKAGE OF LEGISLATION

New Business Agenda Item No. 4 was presented as part of the Legislative Committee report by Program Specialist (PS) Donna Curry giving a brief summary of the proposed Bills as presented. PS Curry also mentioned that the Committee discussed additional legislative proposals, however, decided to defer for later consideration. The proposed bills recommended by the Committee to the Board for approval were:

- BUF-ERS01 (15): Relating to the Employees' Retirement System;
- BUF-ERS02 (16): Relating to Qualified Domestic Relations Orders;
- BUF-ERS03 (17): Relating to Employees' Retirement System Investments; and
- BUF-ERS04 (18): Relating to Employees' Retirement System Disability Retirement.

On a motion made by Trustee Machida, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board re-affirmed approval of the proposed Bills as presented and recommended by the Legislative Committee.

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

Governance Policy Committee (Committee) Chair Kane reported on Agenda Item No. 2, stating that the Committee revised its Charter as presented and is recommending approval by the Board.

On a motion made by Chair Kane, seconded by Trustee Barfield, and unanimously carried, the Board approved the Governance Policy Committee Charter as presented.

APPROVAL OF GOVERNANCE POLICY COMMITTEE CHARTER

DELEGATION BY BOARD OF LIMITED INVESTMENT DECISION-MAKING AUTHORITY TO A NEWLY RECONSTITUTED INVESTMENT COMMITTEE AND TO STAFF

Committee Chair Kane then reported on New Business Agenda Item No. 3, and requested that the Board consider the concept of delegating limited investment decision-making authority from the Board to the Investment Committee and Investment Office staff. Chair Kane reminded the Board that this process will be done by increments and will happen over time.

ED Williams discussed with the Board that at the Governance Policy Committee meeting on July 25, 2020, Meketa Investment Group (Meketa) presented the concept of potentially delegating authority to the Investment Committee and Investment Office staff within defined parameters. ED Williams also mentioned that at the August 10, 2020, Board meeting Chair Kane polled the Board for their thoughts on the transition of the re-composition of the Investment Committee, and with the exception of Trustee Hirai being absent, all of the Trustees supported the concept. As a result, Meketa was asked to develop steps to take going forward.

Meketa's, Neil Rue discussed with the Board their presentation and believes further delegation of investment decisions is a best practices approach that warrants strong consideration by the ERS Board of Trustees. As the ERS evolves toward increased complexities with both a larger participant/beneficiary base and a larger scale investment portfolio, streamlining the investment decision-making structure will likely help the Board maintain its diligent focus on the overall priorities of the ERS.

Chair Kane discussed the Investment Committee, as well as the role of all

DELEGATION BY BOARD
OF LIMITED INVESTMENT
DECISION-MAKING
AUTHORITY TO A NEWLY
RECONSTITUTED
INVESTMENT COMMITTEE
AND TO STAFF (CONT'D)

the Committees going forward, that they will be scrutinizing, vetting and making recommendations to the Board, thereby reducing the amount of meetings by the full Board.

Trustee Ley commented that concurrence to reduce the composition of the Investment Committee was agreed upon by all Board members, with the exception of Trustee Hirai being absent, however, the delegation of all authority to the Investment Committee and Investment Office staff was not discussed with the Board. Trustee Ley also mentioned that although not all members of the Board are on the Investment Committee, all members still have a fiduciary responsibility. Trustee Ley requested more details be worked on regarding this.

Chair Kane agreed with Trustee Ley's assessment and also noted that the Board can delegate authority, however, cannot delegate responsibility. Chair Kane also explained that the delegation to both Investment Committee and Investment Office staff would come with guidelines as to the level of decision making they will be allowed. All details still need to be worked on by the Board, however, the term "full delegation" was not a correct description.

Both Trustees Barfield and Machida concurred with the concept of the delegation with policy guidelines. Trustee Hirai also concurred, however, recommended reviewing the policy guidelines annually.

Chair Kane asked the Board to consider forming the Investment Committee to start and take identifying next steps using the memorandum submitted by Meketa as an outline or guidance and to have the Investment Committee come back to the Board with a recommendation.

Chair Kane discussed assignments of the Investment Committee and re-affirmed Trustee Barfield as Chair and Trustee Chan as Vice Chair. In turn, Chair Kane asked that Trustee Hirai replace Trustee Machida on the Administrative & Audit Committee and Trustee Machida become a member of the Investment Committee. For clarification, the member of the Investment Committee will be Chair Barfield, Vice Chair Chan, and Trustees Kane and Machida, and the members of the Administrative & Audit Committee will be Chair Ley, Vice Chair Yap, and Trustees Hirai and Rauckhorst.

Having no objections to changes of the Administrative & Audit and Investment Committees, on a motion made by Trustee Barfield, seconded by Vice Chair Rauckhorst, and unanimously carried, the Board approved the changes to the Committees as described above.

INVESTMENT POLICY
REVISIONS: BROAD
GROWTH

Chief Investment Officer (CIO) Elizabeth Burton presented an oral and written report to the Board on the Investment Policy Statement (IPS) Revisions: Broad Growth Program.

CIO Burton discussed with the Board the last of the revisions to the Investment Policy on Broad Growth and Hawaii Targeted Investment Program (HiTIP). CIO Burton requested approval of the revisions by the Board as presented with the exception of the Corporate Governance Policies in all sections.

The Board requested to broaden the HiTIP range for Hawaii focused partnerships, changing the upper end of the range from 25% (in draft presented) to 50%. The resulting ranges will be ~15-50% for Hawaii

INVESTMENT POLICY
REVISIONS: BROAD
GROWTH (CONT'D)

focused partnerships & remaining 50-85% for regional and/or national partnerships/LLCs that fall under the latter two HiTIP categories in the IPS.

On a motion made by Trustee Barfield, seconded by Trustee Machida, and unanimously carried, the Board approved the changes to the Investment Policy Statement as presented with the addition of broadening the HiTIP upper end of range for Hawaii focused partnerships to 50% and with the exception of the Corporate Governance Policies in all sections.

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board entered into Executive Session at 12:39 p.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 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 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 Meketa Investment Group's 2020 Annual Public Market Managers Fee Review.
- 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 relating to Infrastructure 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 a Diversifying Strategies Manager Recommendation; 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

EXECUTIVE SESSION
(CONT'D)

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 Diversifying Strategies Manager Recommendation; 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 § 88-27.5(a)(2) and HRS § 92-5(a)(4) to conduct discussion and deliberations or to make decisions relating to procurements that are exempt from Chapter 103D to the same extent that the discussion, deliberation and decision would be required to be conducted or made confidentially if the procurement were subject to Chapter 103D; and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities relating to Terms and Conditions of Purchase of Board Member Education and Training Services, and, if appropriate, to make related decisions.
- Pursuant to HRS § 92-5(a)(4) and (a)(8), to consult with the Board's attorneys for legal advice regarding procurement and funding of Special Deputy Attorney General contracts for legal services relating to investments in private equity and real estate funds, hedge funds, separate accounts, investment service providers and similar sophisticated investment transactions, and involving consideration of information that must be kept confidential pursuant to state law; 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 against the ERS; appropriate action.
- Pursuant to HRS § 88-92-5(a)(2) and (4), Report of the Compensation Review Committee relating to the performance, evaluation, goals and objectives established for certain exempt and non-exempt staff of the Employees' Retirement System; 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

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
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 MEKETA INVESTMENT GROUP'S 2020 ANNUAL PUBLIC MARKET MANAGERS FEE REVIEW

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 RELATING TO INFRASTRUCTURE 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 A DIVERSIFYING STRATEGIES MANAGER RECOMMENDATION; 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 DIVERSIFYING STRATEGIES MANAGER RECOMMENDATION; APPROPRIATE ACTION

(Chair Kane left the meeting at 2:10 p.m. by exiting the teleconference, and Vice Chair Rauckhorst presided over the remainder of the meeting. Quorum was maintained (Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, Machida, and Yap.)

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 § 88-27.5(a)(2) AND HRS § 92-5(a)(4) TO CONDUCT DISCUSSION AND DELIBERATIONS OR TO MAKE DECISIONS RELATING TO PROCUREMENTS THAT ARE EXEMPT FROM CHAPTER 103D TO THE SAME EXTENT THAT THE DISCUSSION, DELIBERATION AND DECISION WOULD BE REQUIRED TO BE CONDUCTED OR MADE CONFIDENTIALLY IF THE PROCUREMENT WERE SUBJECT TO CHAPTER 103D; AND CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES RELATING TO TERMS AND CONDITIONS OF PURCHASE OF BOARD MEMBER EDUCATION AND TRAINING SERVICES, AND, IF APPROPRIATE, TO MAKE RELATED DECISIONS

EXECUTIVE SESSION, PURSUANT TO HRS § 92-5(a)(4) AND (a)(8), TO CONSULT WITH THE BOARD'S ATTORNEYS FOR LEGAL ADVICE REGARDING PROCUREMENT AND FUNDING OF SPECIAL DEPUTY ATTORNEY GENERAL CONTRACTS FOR LEGAL SERVICES RELATING TO INVESTMENTS IN PRIVATE EQUITY AND REAL ESTATE FUNDS, HEDGE FUNDS, SEPARATE ACCOUNTS, INVESTMENT SERVICE

PROVIDERS AND SIMILAR SOPHISTICATED INVESTMENT TRANSACTIONS, AND INVOLVING CONSIDERATION OF INFORMATION THAT MUST BE KEPT CONFIDENTIAL PURSUANT TO STATE LAW; 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 AGAINST THE ERS; APPROPRIATE ACTION

(Trustee Chan left the meeting at 2:27 p.m. Quorum was maintained (Vice Chair Rauckhorst, Trustees Barfield, Hirai, Ley, Machida, and Yap.)

APPROVAL OF EXECUTIVE SESSION MINUTES

– JULY 13, 2020

Before the next agenda item, everyone was excused from the meeting, except for Committee members and Deputy Attorney General Ivan Torigoe at 3:09 p.m.)

EXECUTIVE SESSION, PURSUANT TO HRS § 88-92-5(a)(2) AND (4), REPORT OF THE COMPENSATION REVIEW COMMITTEE RELATING TO THE PERFORMANCE, EVALUATION, GOALS AND OBJECTIVES ESTABLISHED FOR CERTAIN EXEMPT AND NON-EXEMPT STAFF OF THE EMPLOYEES' RETIREMENT SYSTEM; APPROPRIATE ACTION

(See DAG Torigoe's Confidential Supplemental Minutes for this portion of the meeting)

EXIT EXECUTIVE SESSION

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board exited Executive Session at 3:52 p.m.

APPROVAL OF MINUTES

– JULY 13, 2020

On a motion made by Trustee Machida, seconded by Trustee Ley, and unanimously carried, the Board approved the Minutes of July 13, 2020, as presented.

ADJOURNMENT

On a motion made by Trustee Ley, seconded by Trustee Machida, and unanimously carried, Chair Kane adjourned the meeting at 3:53 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik