

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

OCTOBER 28, 2020

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
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. Bennett Yap

Trustee absent: Mr. Wesley Machida

Staff present:
(City Financial tower
by teleconference) Mr. Thomas Williams, Executive Director
Ms. Kanoë Margol, Deputy Executive Director
Ms. Donna Curry, Program Specialist
Mr. Bart Asato, Program Specialist
Ms. Shanna Sakagawa, Program Specialist
Mr. Keith Miyamoto, Information Services Manager
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

Guests present:
(by teleconference) Mr. Peter Hanashiro, KMH LLP
Mr. Tyson Tsuehiro, KMH LLP
Mr. Jason Egami, KPMG LLP
Mr. Nelson Lau, KPMG LLP
Mr. Colin Bebee, Meketa Investment Group, Inc.
Mr. Neil Rue, Meketa Investment Group, Inc.
Ms. Anne Simpson, California Public Employees' Retirement System
Mr. Brian Rice, California State Teachers' Retirement System
Mr. Benjamin Eddy, BlackRock
Mr. Michael Ferraro, BlackRock
Mr. Akash Kar, BlackRock
Ms. Katie Caruso, BlackRock

Public present:
(by teleconference) Mr. Maja Ben Seed
Mr. Riley Fujisaki, Staff, House Finance Committee
Ms. Olivia Gaudet

Public present: Mr. Colin Hayashida
(by teleconference) Mr. Anukriti Hittle
Ms. Gwen Yamamoto Lau
Ms. Robin Shiroma

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Rauckhorst, Trustees Barfield, Chan, Hirai, Ley, Rauckhorst, 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 8:00 a.m.

On a motion made by Vice Chair Rauckhorst, seconded by Trustee Barfield, 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 Fourteenth Proclamation Related to the COVID-19 Emergency, dated October 13, 2020, in order to implement social distancing measures.

PUBLIC COMMENT

Chair Kane called for public comment. There were no members of the public present by teleconference at the start of the meeting, however, as the meeting progressed, seven (7) public participants joined the meeting, of which none of them had any public comments. Also, no public written testimony was received for this meeting.

Chair Kane welcomed everyone to the meeting and Executive Director Williams welcomed and gave a brief introduction of the presenters and thanked Investment Officer – Credit Markets (IO-CM) David Okamoto for developing the days training program.

MEKETA INVESTMENT GROUP – TRUSTEE ESG SURVEY RESULTS & DISCUSSION

IO-CM Okamoto introduced Meketa Investment Group, Colin Bebee who presented to the Board the Trustee ESG Survey Results & Discussion and reviewed the Introduction & Goals of the Survey, Responses, Conclusions, and Survey Questions.

The Board discussed the Survey Question Conclusions, ERS' Current Resources to Address ESG, Where ESG Sits in Terms of a Priority, and What Some of the Possible Next Steps Are.

CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CalPERS) – ESG RESEARCH & BEST PRACTICES

IO-CM Okamoto introduced California Public Employees' Retirement System (CalPERS) Anne Simpson who presented to the Board the Sustainable Investment Strategy: Risks & Opportunities for Long-Term Investors and discussed Review of evidence: The Sustainable Investment Research Initiative, Investment Beliefs, Governance & Sustainability Principles, and 5-Year Strategic Plan.

After her presentation, Chair Kane thanked Mrs. Simpson for her time and presentation before she left the meeting by exiting the teleconference.

CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CalSTRS) – INTEGRATING ESG IN THE INVESTMENT PROCESS

IO-CM Okamoto introduced California State Teachers' Retirement System (CalSTRS) Brian Rice who presented to the Board the Integrating ESG in the Investment Process moderated by ED Williams.

Mr. Rice introduced himself and gave his brief background to the Board and discussed the size, composition, and resources available to support ESG efforts within his organization. He also shared why ESG is a focus of their fund, where in the portfolio ESG analysis may be more effective, key external partners utilized in administering their ESG program and its

**CALIFORNIA STATE
TEACHERS' RETIREMENT
SYSTEM (CalSTRS) –
INTEGRATING ESG IN THE
INVESTMENT PROCESS
(Cont'd)**

**BLACK ROCK –
BLACKROCK FINANCIAL
MARKETS ADVISORY:
ESG INTEGRATION &
SURVEY**

ADJOURNMENT

REDACTED SIGNATURE

Thomas Williams
Executive Director

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effectiveness, what role their Board plays in their ESG efforts, and does their membership have any influence in their ESG portfolio efforts.

After his presentation, ED Williams thanked Mr. Rice for his time and presentation before he left the meeting by exiting the teleconference.

IO-CM Okamoto introduced BlackRock Messrs. Benjamin Eddy, Michael Ferraro, and Akash Kar who presented to the Board the ERS ESG Integration & Strategy and reviewed the BlackRock Financial Markets Advisory Information, Overview of ESG Integration, and ESG Integration Case Studies.

After their presentation, ED Williams thanked Messrs. Eddy, Ferraro, and Kar for their time and presentation before they left the meeting by exiting the teleconference.

Chair Kane and ED Williams thanked the ERS staff for their efforts in putting together the training.

On a motion made by Trustee Barfield, seconded by Trustee Chan, and unanimously carried, Chair Kane adjourned the meeting at 12:30 p.m.