



**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 NORTH NIMITZ HIGHWAY, SUITE 200
HONOLULU, HAWAII 96817**

June 2, 2017

**REQUEST FOR PROPOSAL HFM 2017-12
HEDGE FUND MANAGER TO MANAGE THE NATIVE HAWAIIAN TRUST FUND
ADDENDUM 3**

**QUESTIONS AND ANSWERS
PRIOR TO PRE-PROPOSAL CONFERENCE**

1. What type of hedge fund managers (multi-asset, global macro, distressed, event driven, long-short, etc.) will be considered?

Investment strategies with low correlation to equities will be given preference.

2. Will more than one firm be considered for the mandate? How much is the hedge fund manager expected to handle?

Selection will be made after review of all compliant proposals. \$15-20 mm.

3. Why is the search being conducted – contract expiration of current provider, standard due diligence, need to further diversify hedge fund portfolio, first time seeking hedge fund manager, etc.?

The search is being undertaken to fund a new mandate and diversify current hedge fund portfolio, in accordance with investment policy.

4. If the fund already utilizes hedge fund managers, I wanted to inquire what firms? Will they be invited to rebid? What is the trust fund's current target allocation to hedge funds?

The new hedge fund will be in addition to the current manager. 12% of total Trust Fund.

5. Further, I was hoping you could provide some updated information on the Investment Transactions Program and the Native Hawaiian Trust Fund – I was hoping to obtain updated investment figures for both plans.

The Investment Transactions Program is the administrator for the Trust Fund. See website.

6. Do you have any preferred hedge fund strategies?

Investment strategies with low correlation to equities will be given preference.

7. Do you have manager requirements (minimum AUM, track record, manager location)?

Minimum requirements are listed in the RFP.

8. Do you have any sector focus?

Investment strategies with low correlation to equities will be given preference.

9. Do you have any geographical focus?

Geographical focus will be considered during review of submitted proposals.

10. Do you have any liquidity requirements?

No.

11. Are you willing to accept lock-ups?

Terms will be considered during review of submitted proposals.

12. Do you have any leverage requirements?

No.

13. Do you have any expected returns?

No.

14. What is the mandate/ allocation size?

\$15-20mm

15. Single or multiple hedge funds?

Selection will be made after review of all compliant proposals

16. Does the following reports need to be done in person or not:

- a. Monthly performance reporting and account reconciliation?
- b. Quarterly presentation to the Board of Trustees?
- c. Annual reports to the Board of Trustees?

a. Not in person

b. No

c. Yes.