



UNIVERSITY
of HAWAII®
FOUNDATION™

2020 Endowment Report





UNIVERSITY of HAWAII® FOUNDATION

Aloha,

With gratitude for your steadfast partnership with the University of Hawai'i, I present the University of Hawai'i Foundation's endowment report for the fiscal year ending June 30, 2020. This year's report offers a glimpse at the impact of your support.

It has been a year of unexpected challenges for the University of Hawai'i, for its students, and for you, our community of support. Yet with your foresight, the endowments established by each of you ensure that the university will continue some of its most essential work.

In these times of uncertainty, endowments provide stability, allowing the university to believe in and plan for brighter tomorrows. Scholarship endowments keep students on their course while the landscape shifts beneath them. Researchers and professors are able to remain focused on their work, and programs continue their innovation and student development with reliable endowment funding.



On behalf of the University of Hawai'i Foundation's Board of Trustees and the entire university community, I thank you for standing with UH and the many lives it touches. Together we can face the future of this great university with confidence.

Mahalo nui loa,

A handwritten signature in black ink that reads "Tim Dolan".

Tim Dolan

UH Vice President of Advancement
& UH Foundation CEO

Barbara Smith's century

UH MĀNOA CELEBRATES ETHNOMUSICOLOGY PROGRAM FOUNDER



When she arrived from New York to teach piano and music theory in Hawai‘i, Barbara Smith couldn’t have predicted that 70 years later she would be the honoree of a yearlong UH Mānoa celebration of her 100th birthday, the adored founder of its ethnomusicology program, and a mentor of countless local musicians and professors.

Not long after beginning her tenure, she grew aware of the profound disconnect between her students—many of whom had roots in Hawai‘i, Asia, and the Pacific Islands—and the university’s Eurocentric music curriculum. UH has long been a hub in the mid-Pacific for multicultural learning across many disciplines, but in 1947 its music programs hadn’t yet established their richly diverse identity.

Studying music from surrounding regions, she learned to play the koto, among other Asian instruments, and she studied hula and Hawaiian chant. Then she introduced courses in these areas, including Korean dance and Chinese butterfly harp. Her efforts brought the serious scholarship of these living musics to Hawai‘i, leading to master’s and doctoral programs in ethnomusicology.

“People ... thought it was for the birds”

“In general, people concerned with western music thought it was for the birds,” Smith told the *Honolulu Star-Bulletin* of attitudes in the early years of statehood. Yet today, Mānoa’s programs are renowned for promoting musical pluralism

throughout the college music experience and at every level of study. The Barbara Smith Amphitheater in the music department complex is testament to her lasting influence.

Perhaps less visible is her direct influence on Mānoa’s music students today, through financial assistance Smith established with the university. Her Graduate Fellowship in Ethnomusicology for Students from Asia and the Pacific helps cover tuition, books, fees, living expenses, health insurance, thesis preparation, and overseas field research for students pursuing graduate degrees in ethnomusicology. To date, students have received 57 awards to help with their studies. Smith’s Music Department Endowment Fund will benefit UH Mānoa’s music department.

“A true treasure of Hawai‘i”

Among Smith’s former students are Hawaiian music legends Eddie Kamae, Ohta-san (Herb Ohta), and Professor Emeritus Ricardo D. Trimillos, who has also established an ethnomusicology scholarship for Mānoa’s students, further testimony of Smith’s long-reaching impact on music and culture in the islands.

“Barbara Smith is one of the true treasures of Hawai‘i and our university,” says UH President David Lassner. “Her impact throughout Hawai‘i and the Asia Pacific region, and on the thousands of people she has touched directly and indirectly, cannot be measured.”



Barbara Smith, 2019

Photo courtesy of Hawai'i Arts Alliance

Ka wai ola

He arrived at UH Mānoa 15 years ago from India, with a freshly printed Master of Science degree in physics, anxious about the transition to a new university in a new country. Sanjay Mohanty, a master's student in civil engineering, wasn't sure he was on the right track.

Mohanty wrote a research proposal—a requirement for his studies—for the inaugural L. Stephen Lau Water Research Endowed Scholarship.

"I wasn't expecting much," he says. "When they awarded me the scholarship, it boosted my confidence. I knew I could fit in and excel in environmental engineering. The research was based on my own interests, and knowing the committee saw value in it helped me believe in myself."



Sanjay Mohanty

Mohanty proposed to use biochar—a charcoal soil additive produced by heating waste biomass at high temperature in an oxygen-free environment—to filter contaminated water. The Lau scholarship supported his initial testing of the concept.

"My research at Mānoa examined the transport of pesticides in subsurface soil, to inform what types

AFTER 15 YEARS, LAU SCHOLARSHIP IS STILL HELPING UH RESEARCHERS PRESERVE THE WATERS OF LIFE

of pesticides shouldn't be used in agriculture, to protect groundwater," says Mohanty. "I did some initial work on it, but not enough to publish or do something tangible at the time."

Mohanty didn't have an opportunity to continue work with biochar during his doctoral studies at another university, but during a postdoctoral tenure at Stanford, he explored the topic further. Today he is testing biochar's ability to treat pollutants in road runoff, via a project funded by the California Department of Transportation, at UCLA, where he is an assistant professor of civil and environmental engineering.

He says, "The Lau Scholarship provided the seed that has helped me during my postdoc and now at my position with UCLA. Without this seed, I don't know if I would have worked on this topic. It is safe to say it was the scholarship that changed my academic career."

"I had to believe in it myself"

Thirteen years after Mohanty received the first scholarship, Daniel Dores, an MS student in geology and geophysics, received the award while researching groundwater resources.

"My adviser had a project for me, but I wanted to take things a step further," Dores says. "I applied for the Lau Scholarship to help advance the research beyond the project's original scope, and it was quite successful. My adviser and I are working on publishing our results."

Dores used funds from the scholarship to analyze additional water samples, adding another layer to his research, but the benefits went beyond extra time in the lab. He says, "Applying for this scholarship helped me focus my research goals.



Daniel Dores

Before convincing someone else of the merits of my work, I had to really believe in it myself.

"It also taught me about the history of water science in Hawai'i," says Dores, "and it gave me context for my own research and how my work fit into the greater narrative of the study and protection of Hawai'i's water resources. It made me feel like I was a part of something bigger: a decades-long campaign to providing one of the state's most essential resources."

A truly lasting impact

Dr. L. Stephen Lau and Mrs. Virginia Lau (at right) established the scholarship to further knowledge of Hawai'i's natural waters. Dr. Lau, emeritus professor of civil engineering at UH Mānoa, was director of the UH Water Resource Research Center from 1971 to 1990.



The Lau scholarship is awarded every year, and its impact on students and their important work continues for much longer. Dores graduated with his MS in 2018 and was excited to stay with UH. Today, he is a geothermal geology technician for the Hawai'i Institute of Geophysics and Planetology. "I get to continue working and spending time with many of my colleagues from my master's program," he says.

For Mohanty, the scholarship is connected to memories of life at the East-West Center's Hale Mānoa.

"I used to share meals with visitors and scholars from different countries," he recalls. "Everyone in Hawai'i was welcoming. The culture, with its feeling of 'ohana, made me feel easier about leaving my own family in India. The value in being with friends and sharing a meal or story, irrespective of hardship in life, is something I learned there, and it stays with me now. I call Hawai'i my academic motherland, and I won't forget the roots I planted there."

Wai‘ale‘ale grows into its 2nd decade

When she took her first steps in the inaugural cohort of Kaua‘i Community College’s Wai‘ale‘ale Project in 2010, Lisa Rapozo worried she’d be the oldest student in class, that she might have difficulty keeping up. “I was really scared,” she says. “I felt I had missed out.”

In May 2020, she celebrated two graduations: she received her master’s degree in social work from UH Mānoa and her eldest son Ka‘imi, also a Wai‘ale‘ale participant, earned his AA from Kaua‘i CC. Today, Lisa is accumulating clinical hours toward her social work licensure. Ka‘imi begins work toward a bachelor’s degree at UH Hilo this fall. Lisa’s youngest son, not yet in high school, is already talking about attending college.

For non-traditional students like Lisa, college degrees weren’t a foregone conclusion. Yet the Wai‘ale‘ale Project helps them succeed at rates higher than students not enrolled in the program.

Nearly 800 Kaua‘i and Ni‘ihau residents have felt the impact of Wai‘ale‘ale’s coordinators, counselors, and mentors since 2010, with 315 participants earning 469 certificates, associate’s degrees, and bachelor’s degrees. Lisa is the first to earn a master’s degree.

“Wai‘ale‘ale is like a family, with lots of support and caring,” says Rapozo, who continued in the program as mentor for later cohorts. “When stuff doesn’t go your way, you may not have answers, but you have someone to talk to, to help find solutions.”

Opportunity, powered by community

Philanthropist Jim Lally helped launch the innovative bridge program to encourage otherwise non-college-bound high school students and adults to continue their educations. Specialists and peer mentors provide academic and personal support, while community donors and corporate sponsors provide tuition assistance.



Lisa Rapozo & her son Ka'imi Gonzalez, both Wai'ale'ale Project alumni, celebrate the Kaua'i CC program's 10th anniversary.

The Wa‘iale‘ale Project is still growing. Its first two endowed funds were established this year.

Weil ‘Ohana Wai‘ale‘ale Scholarship Endowment

Supporting non-traditional students has been one of Dr. Roberta Weil’s lifelong passions. She enrolled in community college in her late 20s, managing family and school responsibilities as she earned multiple degrees, receiving her PhD in higher education at age 50. After a career in education, Weil and her late husband Paul moved to Kaua‘i.

She says the Wai‘ale‘ale project allows her to help other nontraditional students succeed in college. “These students face many more hardships than I did, and I hope this endowment will enable them to fulfill their dreams and educational successes.”

LaFrance Foundation Wai‘ale‘ale Endowed Scholarship

Anela Kapaka-Rhoades established a foundation to honor her mother LaFrance Kapaka-Arboleda and to help Hawai‘i’s youth access higher education. Kapaka-Arboleda was a respected cultural resource and very active in the Hawaiian community. “My mother championed causes to benefit all the people of Hawai‘i. The Wai‘ale‘ale Project represents what she stood for,” Kapaka-Rhoades says. “She vowed to take care of our children on Kaua‘i. This scholarship is my way of keeping her legacy alive.”

UH FOUNDATION ENDOWMENT INVESTMENTS

A message from our Investment Committee chair

Aloha Friends,

It's been a year to remember – one of many challenges and also opportunities. While the broader market rebounded after the March low, we still do not know how long market fluctuation will continue. Nor do any of us know when our economy will fully recover. But we at the UH Foundation are taking steps to control the variables we can influence, and are committed to seeking out and leveraging the silver linings.

The current economic outlook remains mixed, with the apparent disconnect between Markets and Main Street. The unpredictable COVID-19 case counts around the U.S. are forcing rollbacks on reopening plans and threaten the sharp recovery that the markets have made during the second quarter.

Many of the market trends we've seen these past few years continue. U.S. outpacing foreign markets, growth stocks trouncing value, and large caps beating small caps. The magnitude of outperformance has been considerable and has generally worked against diversified, value-oriented portfolios. With the current economic conditions in mind, we still support a steady approach and rebalancing towards targets while closely monitoring underperforming managers and upgrading when opportunities arise.

Having a robust endowment is absolutely critical as even in these times of flux, it continues to provide a steady income. The impact for our university and our state has been significant. This past fiscal year, the UH Foundation endowment payout increased to \$12.1 million or 6.4% from the previous fiscal year. The endowment market value was \$341.4 million as of June 30, 2020.

We are deeply grateful for your partnership and philanthropic investments as we navigate these times together.



A handwritten signature in black ink, appearing to read "C. Scott Wo".

C. Scott Wo
UH Foundation Investment Committee Chair

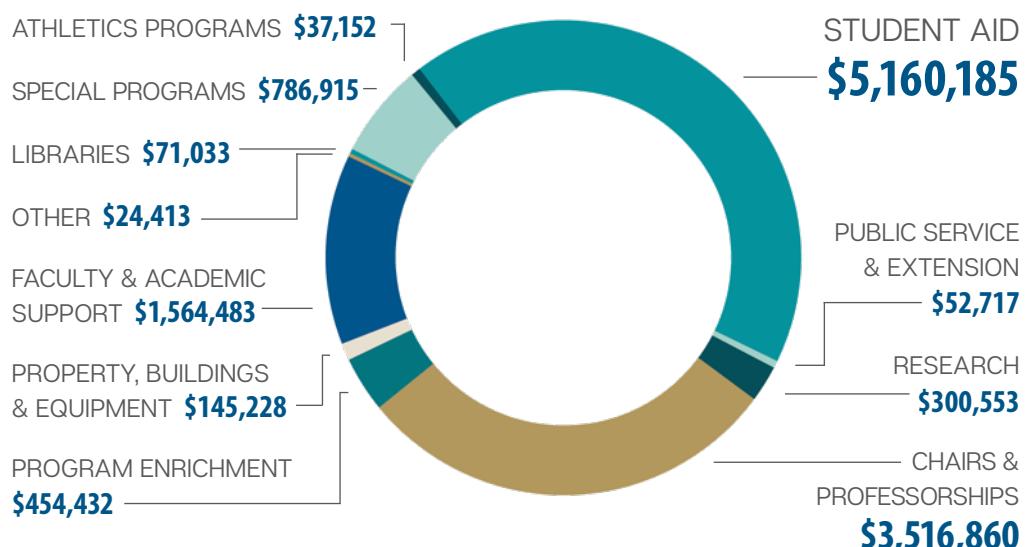
UH FOUNDATION ENDOWMENT INVESTMENTS

The Endowment Fund seeks future long-term growth of investments, at an acceptable risk level, sufficient to offset reasonable spending plus normal inflation, thereby preserving the purchasing power of the fund for future generations. Generous gifts from donors and a continued, disciplined focus on investment strategies and opportunities will help the endowment grow over the long term, so that it provides support for University of Hawai‘i programs and priorities into the future.

Endowment overview

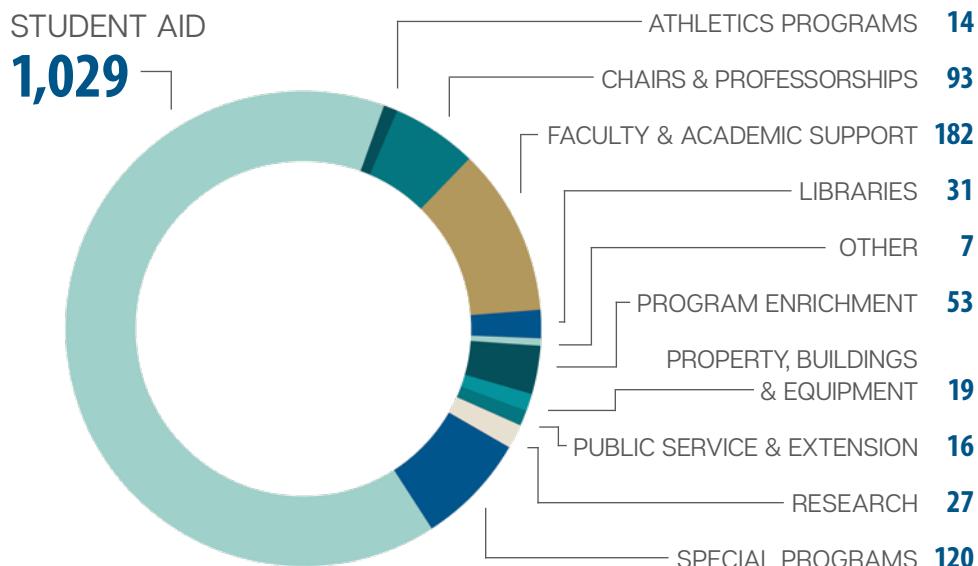
TOTAL PAYOUT
TO UH FROM
ENDOWMENT
IN FY20:

**\$12.1
MILLION**



TOTAL NUMBER
OF ENDOWMENT
ACCOUNTS:

1,591

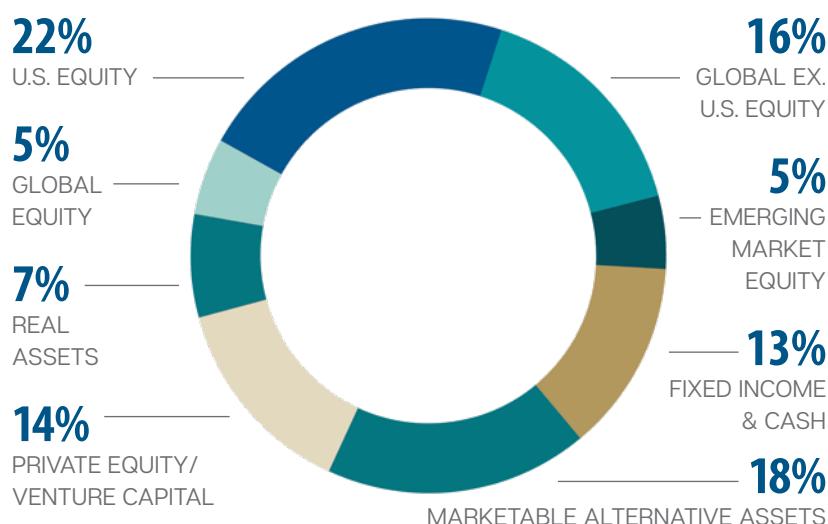


Endowment investment pool market values



The UH Foundation continues to produce competitive investment returns when compared to portfolio benchmarks and peer institutions. Thanks to the generosity of our donors and investment results, the endowment portfolio has grown from \$328.9 million on June 30, 2019, to \$341.4 million June 30, 2020. Additional donor investments in endowed funds increased the impact on the university in perpetuity.

Asset allocation



Endowment investment decisions are made by the UH Foundation Board of Trustees investment committee. The UH Foundation retains independent consulting firm Cambridge Associates to help achieve its investment objectives. A list of the UH Foundation's current investment managers can be found at uhfoundation.org/investmentmanagers2020.

Investment performance

Annual rate of return compared to benchmark

	Actual / Benchmark
FY20	-0.9% / -3.4%
3 YEARS	4.1% / 3.4%
5 YEARS	4.4% / 4.2%
10 YEARS	6.6% / 6.5%

The current benchmark reflects a blend of HFRI FoF Diversified Index (17%), Fixed Income Benchmark (13%), and 91-Day Treasury Bill Index (2%), MSCI ACWI Lagged (18%), and MSCI ACWI Index (50%).

UH FOUNDATION ENDOWMENT FUND LEADERSHIP

July 1, 2019 – June 30, 2020

Investment Committee



C. Scott Wo
CHAIR

Peter Fukunaga

Michael K. Hirai

James P. Lally

Eric K. Martinson

Ken Miller

Sean Sugai

Board of Trustees

Officers

Richard F. Wacker
CHAIR

Stanford S. Carr
VICE CHAIR

William E. Grayson
VICE CHAIR

C. Scott Wo
VICE CHAIR

Ted Pettit
TREASURER

Lori Teranishi
SECRETARY

Ex-Officio

Tim Dolan
Jill Hasegawa
Denis Isono
Benjamin Kudo
David K. Lassner

Trustees

Christine Chee-Ruiter
Herbert N. Conley, Jr.
Peter Fukunaga
Peter Grossman
Michael K. Hirai
Louise K. Y. Ing
Kathleen Kagawa
James P. Lally
Rosita G. Leong
Elliot "Buzz" Loden
Eric K. Martinson
Ken Miller
Ritchie Mudd
Susan Murray
Jackson Nakasone
A. Catherine Ngo
Diane Paloma
James J. Pappas
Mary E. Sellers
Sean Sugai
Kent R. Youel

Executive Staff

Tim Dolan

UH VP OF ADVANCEMENT
& UH FOUNDATION CEO

John Han

CHIEF OPERATING OFFICER

Jason Ono

CHIEF FINANCIAL OFFICER

Christine Koo

ASSOCIATE VP OF ADVANCEMENT
SERVICES

Jung Song

INTERIM SENIOR ASSOCIATE VP
OF STRATEGIC PARTNERSHIPS

Karla Zarate-Ramirez

ASSOCIATE VP OF MAJOR GIFTS

Mahalo!

The UH Foundation is devoted to making sure your gift is well-managed and working as hard as it can for the University of Hawai'i. Your generosity is helping us create a legacy for generations to come.



UNIVERSITY
of HAWAII[®]
FOUNDATION

1314 S. King Street, Suite B
Honolulu, HI 96814

uhfoundation.org