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**STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM**

NEWS RELEASE

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**EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII (ERS) COMMITS ADDITIONAL
\$25 MILLION TO HAWAII TARGETED INVESTMENT PROGRAM (HiTIP)**

To promote economic growth in Hawaii when urgently needed, the Employees' Retirement System approved an additional \$25 million commitment for a total commitment of \$75 million to its third Hawaii Targeted Investment Program ("HiTIP") fund.

The fund invests in venture and growth capital with a mandate to look specifically for investments in Hawaii through alternative asset specialist Stafford Capital Partners ("Stafford").

During its May 12 board meeting, the ERS Board of Trustees voted to increase investments in Hawaii-based industries and startups through its unique targeted program. HiTIP is a component of the broader ERS private equity program, which was created by the ERS to invest in Hawaii while maintaining its fiduciary responsibilities. The ERS's primary responsibility is to provide secure retirement, disability, and death benefits for state and county employees and beneficiaries. It believes that investing selectively in Hawaii's economy magnifies its value.

"We would like to thank the ERS Trustees and staff for their continued trust in the HiTIP program," said Andrew Betz, investment manager for Stafford. "There are currently several exciting investment opportunities in Hawaii, and ERS's recent decision provides HiTIP with the ability to further support the Hawaii community as it deals with the impacts of the COVID-19 pandemic."

The purpose of the HiTIP is to produce competitive private equity returns for ERS through investments in emerging growth businesses that sell their goods or services into markets for which national or international competition exists, with specific emphasis on Hawaii. Launched in 2007, HiTIP was created by the State Legislature based on the Hawaii Innovation Initiative to diversify and transform the state's economy. HiTIP invests in local venture capital firms as well as venture capital firms that have or look to have some part of their portfolio companies based in Hawaii.

To date, the program has made commitments to 21 underlying investment funds, which have, in turn, reviewed over 650 Hawaii-based companies for potential investment and completed investments into nine companies operating in or that were started in Hawaii. "The Hawaii innovation ecosystem has benefited greatly from these foundational investments made on behalf of the ERS," said Executive Director Thom Williams.



Employees' Retirement System
of the State of Hawaii

“The great thing about technology and innovation is that you can build it anywhere—so why not here at home?” ERS Chief Investment Officer, Elizabeth Burton said. “Innovation typically is job creative not destructive—throughout history, it creates more jobs than it displaces. Innovation can plug gaps—education, transportation, the list goes on. We are in a fortunate position to finance innovation for the betterment of the people of Hawaii—we can put these assets to use to create solutions and returns simultaneously.”

This new commitment will allow HiTIP to increase its support of the local innovation ecosystem through increased commitments to local fund managers and the development of deeper relationships with mainland-based fund managers with the eagerness and ability to make a more substantial contribution to Hawaii. Local venture capital fund managers will see an increase in capital commitments, in some cases doubling the amount previously forecast. Said Williams, “anything we can do to support the State’s economic recovery while achieving our return expectations is beneficial not only to our members but to our fund as well.”

About the ERS

The Employees’ Retirement System (ERS) of the State of Hawaii was established in 1926 to provide retirement allowances and other benefits to state and county government employees. The Board of Trustees is the governing body of the ERS, with certain areas of administrative control vested in the State Department of Budget and Finance. The ERS is a qualified defined benefit public pension plan covered under Section 401(a) of the Internal Revenue Code. The ERS and its Board of Trustees account for and safeguard assets in the ERS investment portfolio and invests funds to help finance its retirement benefits program.

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