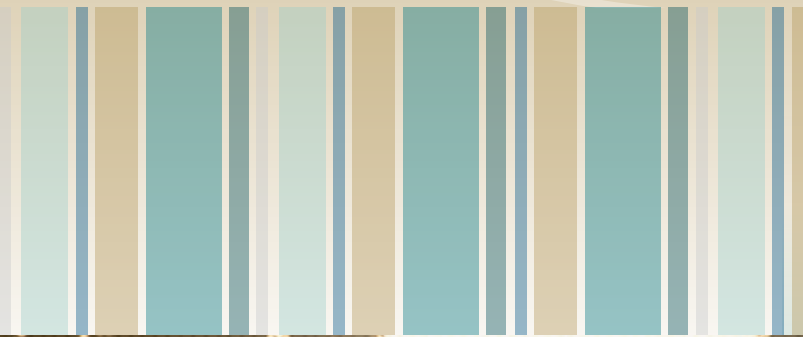




UNIVERSITY  
of HAWAII®  
FOUNDATION



# 2021 Endowment Report







UNIVERSITY of HAWAII®  
FOUNDATION

Aloha,

I'm pleased to present the University of Hawaii Foundation's endowment report for the fiscal year ending June 30, 2021.

In a survey following last year's report, you expressed a strong appreciation for stories illustrating the impact of your gifts, and I couldn't agree more. These profiles connect us to real names and faces, the beneficiaries of your kindness. They are students braving uncertain futures, researchers untangling centuries-old mysteries, and instructors equipping the next generation of professionals.

We witness the strength of your endowment in lives and laboratories, while also measuring its performance and percentages. The UH Foundation is committed to responsible, transparent stewardship of these funds, and we offer these quantitative snapshots as well.

We are living in volatile days, but the legacy of our carefully managed endowment is a reflection of you, our partners: abiding and unfaltering in support of this university and the communities it serves.

Thank you for entrusting us with this mission. We do not take it lightly.

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

**Tim Dolan**

UH Vice President of Advancement  
& UH Foundation CEO



ENDOWMENT  
*at-a-glance*



UH ENDOWMENT  
VALUE IN FY21:

**\$467.2**  
MILLION

TOTAL ENDOWMENT  
ACCOUNTS:

**1,644**

TOTAL PAYOUT TO UH  
FROM ENDOWMENT:

**\$12.5**  
MILLION

**21%**

OF GIFTS WENT  
TO ENDOWMENT



# Remembering Fudge Matsuda

THE LATE UH PRESIDENT AND  
HIS FAMILY LEAVE A LEGACY  
OF LEARNING FOR STUDENTS

Fujio Matsuda had such a curiosity for learning that well into his 90s he began studying the Hawaiian language. That passion followed Matsuda, who was known as Fudge, throughout his career as an engineer, an educator and as the first Hawai'i-born, and first Japanese-American, president of the University of Hawai'i.

It's a passion that will live on through a new endowment – the Fujio and Amy Matsuda Scholarship – that will support undergraduate students from Hawai'i pursuing a degree at any of the UH System's 10 campuses.

“His legacy is for everyone to have that, the ability to reach those goals and to satisfy their curiosity,” says daughter Joanie Brotman.

Matsuda, who passed away on Aug. 23, 2020, at the age of 95, was president of the university from 1974 to 1984. He left behind his wife of 71 years, Amy; six children; 14 grandchildren and eight great-grandsons.

“He tried very hard to protect academic freedom,” says his son Tom Matsuda. “That was very important to him. Directly related to that, he very strongly believed that to have a good functioning democracy, you need to have an educated population.”

## All roads lead to back to UH

Matsuda grew up in Kaka'ako and attended public schools. He graduated from McKinley High School in 1942 after the U.S. had entered World War II. He attended UH for one semester before enlisting with the Army.

After the war, he returned to UH to study engineering for two years, then transferred to Rose Polytechnic Institute in Indiana, where he graduated in 1949. He earned his doctorate from MIT in 1952, then taught at the University of Illinois. He and Amy and their first three children moved back to Hawai'i in 1955, when Fudge



Fudge Matsuda (L–R) in the Army, at MIT and at Hawai'i Department of Transportation. Above: as UH president.



Fudge & Amy Matsuda

returned to UH as a faculty member. He was chair of the civil engineering department in 1963 when he left UH to become director of the state Department of Transportation.

He returned to UH again in 1973 as vice president of business affairs, and the Board of Regents appointed him to the top job on July 24, 1974.

During his tenure as president, the university's budget grew from \$65 million to \$165 million in general fund appropriations, and the UH Foundation's budget grew from \$400,000 to \$4.5 million. He oversaw the construction of the William S. Richardson School of Law and its library, the Korean Studies Center, Marine Sciences building, an athletic complex and swimming pool, the Institute for Astronomy, Gilmore Hall and an art building.

His wife, Amy, said he also took pride in building the faculty, which had unionized under the UH Professional Assembly just before his tenure began. "He really vouched for the faculty," she says. "He was very supportive of them." She recalled him recruiting from the Mainland and other universities because "he wanted to get the best faculty he could for the students."

After stepping down, Matsuda became executive director of the Research Corporation of UH, a post he held until 1994.

## Increasing access for students

Students are at the heart of Fudge Matsuda's legacy. "He was always about increasing access for everyone in Hawai'i to get an education," son Tom Matsuda says. "It was very important for him, for the university to be a place where local kids could get a liberal arts education, meaning they could be exposed to all kinds of academic disciplines.

"In other words, the university wasn't a place to go get a job, it was a place to learn about the world," says Tom. "When we set up the scholarship, that was part of the thinking."

And he meant everyone – not just young people, but anyone who wants to learn "and wants to further their education," daughter Joanie Brotman says. "After he passed, we heard stories from people who were much, much older when they went back to school and how he had helped them," says Joanie. "I was surprised – he advocated for people in their 40s, 50s, 60s who never got a degree. It's not just kids, it's anyone, which fits what he modeled for us, that you just keep learning."

Matsuda instilled that love of learning and the drive to be curious and to become more educated in his own home, as well as among all who knew him, says Joanie.

"In very simple human terms, he just wanted to give kids a chance who otherwise wouldn't have had the opportunity to get a higher education," says Tom. "If even one local student takes advantage of the Matsuda Scholarship and becomes a strong contributing member of our community to make Hawai'i better, that would be a big legacy for us."



Matsuda Family

# Taking care of each other


PUBLIC HEALTH CHAIR  
'AN ENDURING SYMBOL'  
OF PARENTS' VALUES

## The value of education

Hyun Sook Chung was also an educator, teaching courses in English as a second language at Heald College. “It was unusual in those days for a woman to pursue higher education at all, let alone overseas,” says Joyce, “but my mother had the courage and confidence to major in English, as a non-native English speaker. She was never afraid of a challenge like that, and she turned it into helping international students coming to the U.S. to build a career and to better themselves. She and my dad instilled in us the importance and value of a good education.”

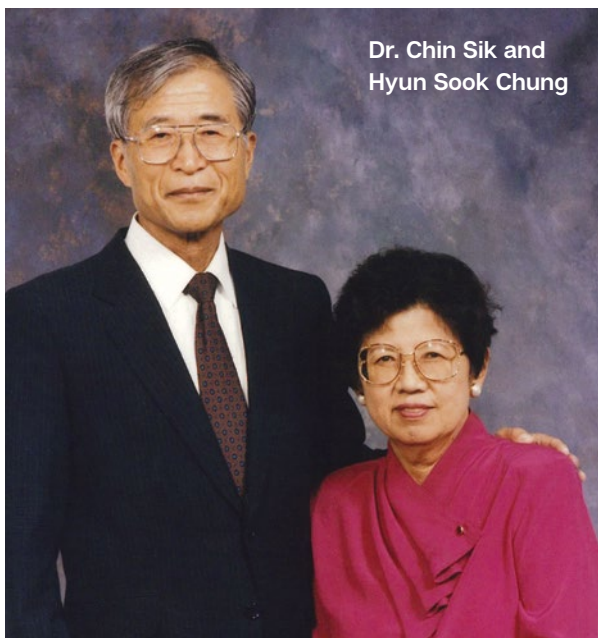
When their parents passed in 2009, Joyce and her brothers, Daniel and Raymond, established the Chin Sik and Hyun Sook Chung Memorial Award, to recognize their parents’ contributions and to encourage international travel among students. Their parents each came to the U.S. from Korea on government-sponsored scholarships providing education to young, promising students.

Joyce says, “They wouldn’t have had opportunities to study—and to raise their family—in America without scholarships. This fund honors the things that were important to them: students traveling internationally, opening doors and building bridges.”



**D**r. Chin Sik Chung was one of the first professors to come aboard when UH Mānoa established its School of Public Health. His work at the National Institutes of Health in Maryland brought him and his wife, Hyun Sook, both originally from Korea, to the islands a few years before for a short research project.

“They fell in love with Hawai‘i,” says their daughter, Joyce Chung. “The culture, the climate, the people: everything about it. So when an opportunity opened up to be a part of the school of public health’s founding in 1965, they jumped at the chance and never looked back. He helped build the school from the ground up and devoted his career to it. He loved the school and he loved Hawai‘i.”



Dr. Chin Sik and  
Hyun Sook Chung

## Impact on countless students

“Over time the lessons and values we learned from my parents continued to grow and my husband and I wanted to honor their life’s work in a meaningful way. We decided an endowed chair named after my mom and dad would be an enduring symbol and legacy to recognize them, while helping Public Health at UH Mānoa continue and strengthen the important work they do.”

Tetine Sentell, former director UH Mānoa’s Office of Public Health Studies and current interim dean of the Thompson School of Social Work & Public Health, says, “We are honored and excited about the Chin Sik and Hyun Sook Chung Endowed Chair in Public Health Studies, our first endowed faculty position! This tremendously generous gift from the Chung family continues Dr. Chung’s remarkable legacy: his impact on countless students and the field of public health in the state of Hawai’i and beyond. It will promote a spirit of



Daniel Chung, Tetine Sentell, Joyce Chung and Raymond Chung

deep mentorship and community-relevant public health, roles Dr. Chung played throughout his career. These issues are more urgent in the time of the coronavirus pandemic.”

The endowment bolsters recruitment and retention of highest-caliber faculty in Public Health Studies, with a focus on environmental health research.

## In the spirit of bettering our world

“We are at a moment when the environmental stakes are so high right now,” says Joyce. “It’s not just a question of losing species or land; it’s about human health and human survival. This link is not always so obvious, and we should recognize how our oceans, our livelihood, the food we eat and the air we breathe impacts everybody. Hawai’i is unique because of its exposure to the natural resources and how directly they impact people.”

Her parents’ dedication to education and research enhanced lives, says Joyce. “We would love to see this continue. I know the world evolves and changes, but to continue pursuit of whatever is at the forefront, in the spirit of bettering our world – the environment and people, the animals and nature and everything – will preserve their memory.

“This is what they valued. Taking care of one another. Giving and humility. Education and making yourself better. Loving others and the world around us.”



UH Public Health students work in a community garden.



# The gathering place

NEW ACM HUB DEDICATED TO ROY AND HILDA TAKEYAMA

Roy Takeyama believed education has the power to transform lives. The former UH Board of Regents Chair “came from nothing, and was the first and only person in his family to go to college,” says his daughter, Jan Sullivan, also a former UH Regent. “He went to college on the G.I. Bill, and could not have done it without this assistance. He knew that given the chance, anyone has the potential to earn a degree.”

Sullivan cites her parents’ belief in education for their support of the Academy for Creative Media since its inception. “They believed local students would find this innovative new option interesting, providing additional pathways to diversifying our economy in Hawai‘i,” she says.

The Roy and Hilda Takeyama Foundation donated \$1 million to ACM at UH West O‘ahu to support students with tuition, books, fees, travel, technology costs, internships and scholarships. In gratitude for the Takeyamas’ generosity, UHWO dedicated the hub of the academy’s new building as The Gathering Place in their honor. The building opened in 2020, and the school memorialized them with a plaque this fall.

ACM’s founder and director, Chris Lee, says, “The Takeyamas have been great, guiding spirits on this

journey. They’ve been our primary benefactors and earliest fans across the life of the program. ACM is the first system-wide program at UH, articulating to every campus. Mr. Takeyama had been trying to pursue something like this for a long time, for Hawai‘i’s economy and as a model for other programs in the university.

“We’re on the cusp of a huge tech revolution in creating and distributing content: how ideas, creativity and storytelling come together in these new ways to provide living wage jobs for our graduates here in the islands.”

Among ACM’s emergent storytellers are Mikaela Briones and Mavric Agustin-Carino, both from O‘ahu’s west side, recipients in 2020 of ACM’s first-ever full scholarships funded by the Takeyamas’ gift. Briones, an alum of Wai‘anae





High School's lauded Searider Productions, said, "I wasn't sure how I'd be able to pay for college, but now I'll be able to focus more on my studies. This scholarship means everything to me."

Reflecting on his year as a recipient, Augustin-Carino says the pandemic semesters were "a very hard challenge," but the scholarship enabled him to expand his vision. "I have been trying several things sparking my interest that I was not open to before. My goals have changed for the better

as I see more opportunities in other projects boosting my imagination."

More voices are on the way as ACM continues to amplify Hawai'i's stories and storytellers, bolstered and encouraged long into the future by Roy and Hilda Takeyama's commitment.

"Our community believes in them and their potential," says Sullivan. "They can build better futures for themselves and Hawai'i."

# UH Foundation Endowment Investments

## A MESSAGE FROM OUR INVESTMENT COMMITTEE CHAIR

Aloha Friends,

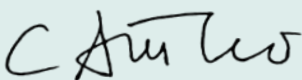
Thank you for providing a sustainable future for the University of Hawai'i. Endowment funds like yours offer stability and strength to UH, even as the ongoing pandemic makes other sources of funding difficult to predict.

The University of Hawai'i Foundation's endowment in fiscal year 2021 supported life-changing scholarships, forward-thinking faculty, critical research, and innovative programs to advance education for Hawai'i's people. Over the last decade, the endowment provided \$102.8 million to support UH's educational and research mission, including \$42.8 million in student aid.

After the initial disruptive reaction from the shock of the COVID-19 pandemic on financial markets in the prior fiscal year, markets were already recovering by July 1, 2020. Our fiscal year 2021 performance was driven by the same values guiding the endowment's stewardship every year: partnership with outstanding investment managers, diversification across asset classes, enthusiastic supporters and prudent risk management.

The UH Foundation is deeply grateful for the trust you express with your philanthropic investments. You're making a difference in the lives of UH's students, the vision of its faculty and the future of the Aloha State. We are deeply grateful for your steadfast generosity.

Mahalo,



**C. Scott Wo**

Chair, UH Foundation Board of Trustees Investment Committee



# 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 the University of Hawai'i programs and priorities into the future.

## Endowment overview

TOTAL PAYOUT TO UH FROM  
ENDOWMENT IN FY21:

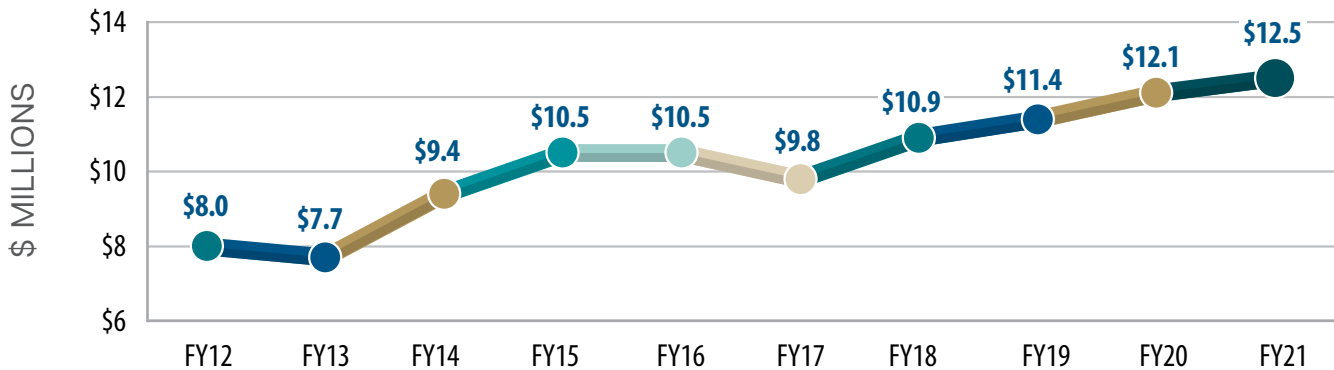
**\$12,547,641**

TOTAL NUMBER OF  
ENDOWMENT ACCOUNTS:

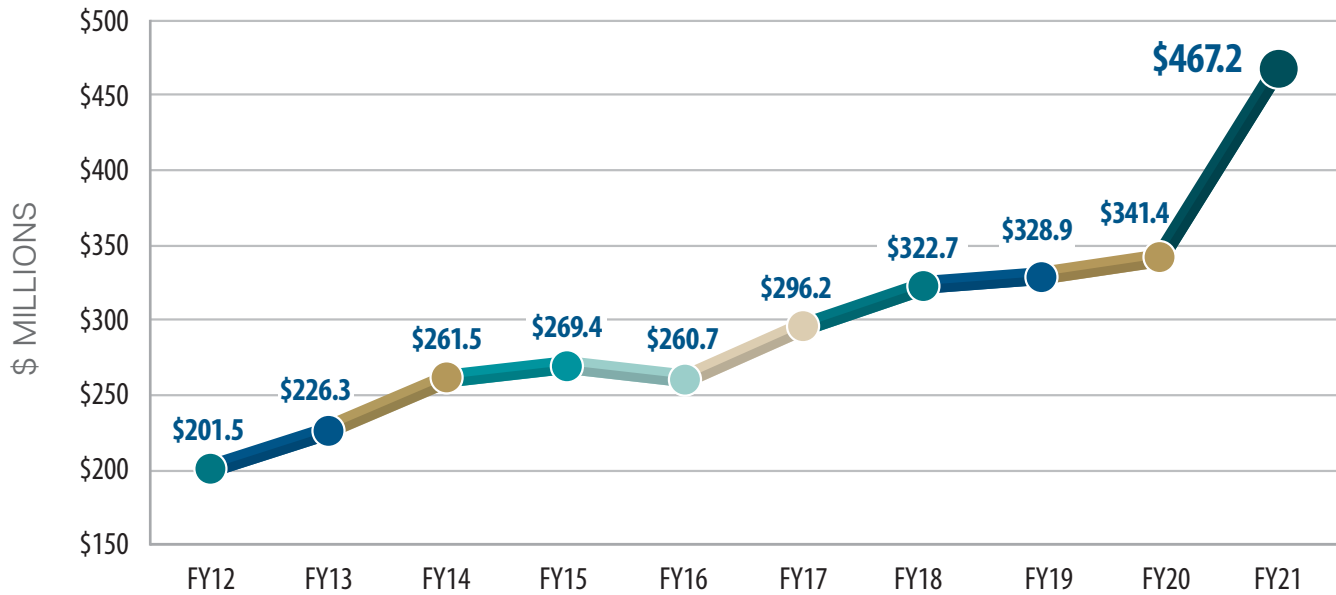
**1,644**



## Endowment payout trend



## 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 \$341.4 million on June 30, 2020, to \$467.20 million June 30, 2021. Additional donor investments in endowed funds increased the impact on the university in perpetuity.

## Investment performance

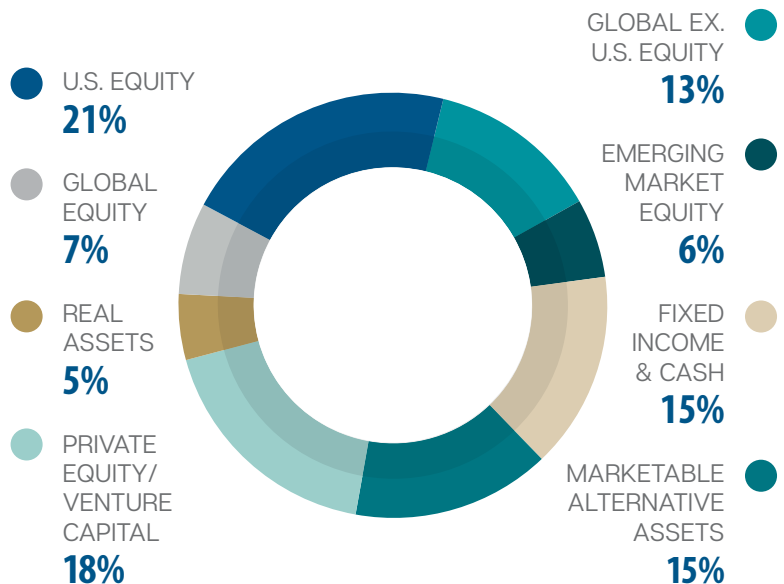
### Annual rate of return compared to benchmark

	Actual	Benchmark
FY21	<b>36.3%</b>	26.9%
3 YEARS	<b>12.9%</b>	10.1%
5 YEARS	<b>11.7%</b>	10.2%
10 YEARS	<b>8.2%</b>	7.5%

To provide a relative measure to gauge success, custom performance benchmarks are approved by the Investment Committee. The portfolio benchmark blends relevant indices weighted according to the policy target allocations to each respective asset class. Further, each investment manager has an individual benchmark designed to measure its performance relative to the objective identified in each manager's respective investment guidelines.

The current custom portfolio benchmark reflects a blend of HFRI FoF Diversified Index (15%), Fixed Income Benchmark (13%), and 91-Day Treasury Bill Index (2%), MSCI ACWI Lagged (22%), and MSCI ACWI Index (48%).

## 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/investmentmanagers2021](http://uhfoundation.org/investmentmanagers2021).

# UH Foundation Endowment Fund Leadership

JULY 1, 2020 – JUNE 30, 2021

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Michael K. Hirai

James P. Lally

Eric K. Martinson

Ken Miller

Sean Sugai

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James J. Pappas  
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*UH VP of Advancement  
& UH Foundation CEO*

**John Han**  
*Vice President for  
Administration & CFO*

**Jung Song**  
*Interim Senior AVP for  
Strategic Partnerships*

**Christine Koo**  
*AVP for Advancement  
Services*

**Margot Schrire**  
*AVP for Communications  
& External Relations*

**Karla Zarate-Ramirez**  
*AVP for 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.



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