



UNIVERSITY of HAWAI'I®  

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FOUNDATION

2012 ENDOWMENT REPORT



UNIVERSITY  
of HAWAI'I®  
FOUNDATION

*For Our University, Our Hawai'i, Our Future.*

## 2012 ENDOWMENT REPORT

### MESSAGE FROM OUR CHAIR



*Aloha Donors and Friends of UH,*

*We are grateful for the investment you have made in the University of Hawai'i and welcome this opportunity to report to you on our endowment investment strategy and returns. In addition, you'll find stories of how gifts like yours are making a difference at UH every day.*

*Because of the continued instability of financial markets, for the fiscal year ending June 30, 2012, the return for the UH Foundation endowment was -2.1%. While the domestic equity portion of the portfolio performed well, international equities and real assets were affected by the debt and sovereign crisis in the Eurozone as well as slowing growth in China and other emerging markets.*

*In this uncertain climate, we continue to monitor and adjust our long-term investment strategy and allocations to be well-positioned to serve the University's best interest in the future. We appreciate the confidence that our donors continue to have in us as demonstrated by more than \$12.2 million in new endowed gifts. Thanks to this generosity, the market value of the endowment at fiscal year-end was \$201.5 million.*

*As the endowment grows, its payouts become ever more important to UH as state funding for public higher education declines. We, the University, and UH students and staff are indebted to you for your investment in us.*

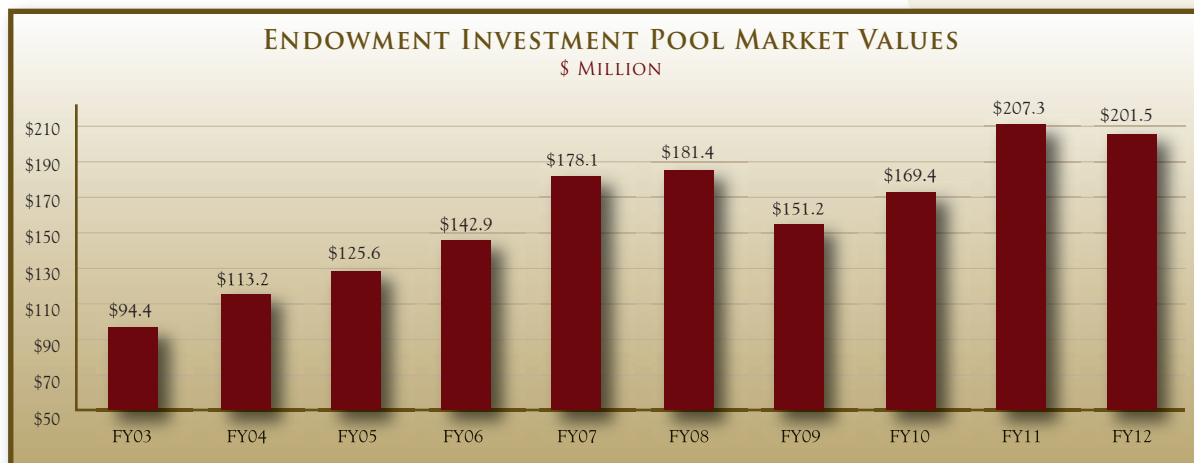
*Mahalo nui loa,*

**C. Scott Wo**

Chair, Investment Committee, UH Foundation

### MONITORING THE ENVIRONMENT AND CHARTING THE BEST COURSE

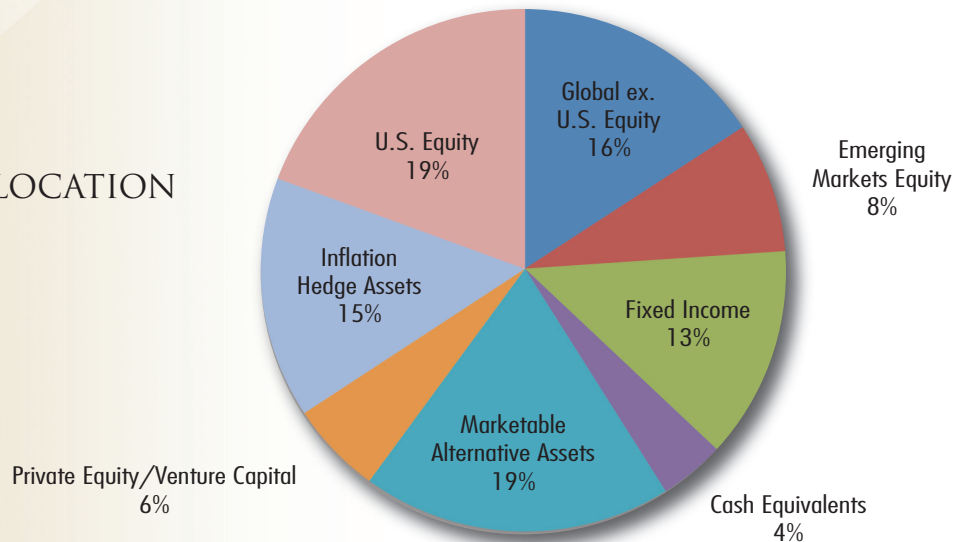
During these challenging times the Foundation recognizes the importance of its asset allocation to balance risk and meet our long-term financial goals. The Investment Committee continues to monitor the environment and the endowment's performance and make changes as required.



*The endowment has declined before, but in time has bounced back and reached new heights. We remain optimistic that the economy will continue to work through its challenges and ultimately this will be reflected in the endowment.*

# UH FOUNDATION ENDOWMENT INVESTMENTS

## ENDOWMENT ASSET ALLOCATION AT 6/30/12



## ANNUAL RATE OF RETURN

	Fiscal Year 2012	Annualized Trailing Three Years	Annualized Since 12/31/03
Actual	-2.1%	+8.8%	+5.2%
Benchmark	-1.7%	+8.4%	+4.1%

The current benchmark reflects a blend of Russell 3000 (17%), MSCI EAFE (17%), MSCI Emerging Markets Index (9%), HFRI Diversified FOF Index (20%), Russell 3000 Index +3% (lagged one quarter) (5%), Marketable Real Assets Benchmark (5%), CPI-U + 6% (lagged on quarter) (12%), Fixed Income Benchmark (14%) BofA ML 91-Day T-Bills (1%).

## THE AMBASSADOR L. W. “BILL” LANE, JR. AND JEAN LANE ENDOWED FUND FOR SUSTAINABLE TOURISM AND THE ENVIRONMENT

How do we protect the environment that draws visitors to Hawai‘i so that Hawai‘i remains a popular destination for travelers and a pleasant place to live for Hawai‘i’s residents now and in the future?

Early promoters of Hawai‘i as a tourist destination, the late Ambassador L.W. “Bill” Lane, Jr. and Jean Lane were also long-time champions of environmental, heritage and cultural preservation and education. They knew that in order for Hawai‘i’s tourism industry to flourish, cultural and environmental sustainability was critical.

To help students, travel industry leaders, policy-makers and the public explore this issue, they established the Ambassador L. W. “Bill” Lane, Jr. and Jean Lane Endowed Fund for Sustainable Tourism and the Environment at the School of Travel Industry Management (TIM) at UH Mānoa.

The annual income from the Lanes’ endowed fund supports a course for future travel industry professionals on sustainable



tourism and the environment. The fund also underwrites lectures and conferences that give students, industry and community leaders as well as the general public opportunities to examine what can be done to protect Hawai‘i as well as Hawai‘i’s tourism industry.

*This endowment funds the exploration of the critical issues dealing with sustainability and the balanced use of natural resources for promoting economic growth and employment in tourism, while protecting fragile natural resources and conserving non-renewable resources for future generations.*



Since the inaugural lecture in 2001, these public events have brought together experts to address different aspects of sustainability such as:

***Sustainable Tourism – Challenges and Opportunities for Hawai‘i.*** This lecture extended the effort to educate and raise awareness in the Hawai‘i community on the importance of sustainable tourism and how the concept is embraced across the globe. Bernard Lane, director of the Rural Tourism Unit and senior lecturer at the University of Bristol in England, lectured on the challenges of implementing a more sustainable tourism policy at enterprise and state levels.

***Tourism Strategies for Sustainability and Profit: Is Balance Possible?*** This conference assembled experts from industry and academia. Participants included Pearl Imada-Iboshi, then state chief economist; former Mayor Jeremy Harris; Peter Apo, then director of the Native

Hawaiian Hospitality Association; David Vidal, director of research for Global Corporate Citizenship; Paul Casey, then CEO of Hawaiian Airlines; and Pam Wight, ecotourism expert in Canada. Additional participants included Bernard Lane, editor of the *Journal of Sustainable Tourism*; Ivo Martinac, a leader in the sustainable energy engineering program at the Royal Institute of Technology in Sweden; and Juanita Liu, TIM school dean.

***Hotel Trends with a Focus on a Sustainable Hawai‘i*** drew from the expertise of four distinguished TIM alumni: Christina Gabriel (‘92), general manager of Marriott’s Waiohai Beach Club and Marriott’s Kaua‘i Lagoons Kalanipu‘u; Ren Hirose (‘85), general manager of the W Scottsdate; Paul Tang (‘70), vice president and managing director of the Hyatt Regency Grand Cypress Resort; and Paul Yokota (‘79), president of FCH Enterprises.

Every year TIM students are able to benefit from networking with these distinguished experts on the latest trends in the industry. It is especially inspiring to have TIM alumni advise the students on how they have influenced the industry to be more sustainable. The course on sustainable tourism, originally developed and taught by Professor Juanita Liu, is now offered every year in the TIM curriculum. Currently, the TIM faculty are expanding the outreach to the entire campus by creating a multi-disciplinary certificate on sustainable tourism.

*Through this endowment, the Lanes have invested in the future by educating leaders charged with making critical decisions in the management of tourism enterprises and setting policies affecting growth and sustainability strategy so the Hawai‘i that we love will be here to enjoy tomorrow as well.*

## NURTURING FACULTY AND STAFF EXCELLENCE AT UH HILO

### EDWARD J. KORMONDY ENDOWED EXCELLENCE AWARDS FOR FACULTY AND STAFF

Edward J. Kormondy, professor of biology and former chancellor at UH Hilo and UH West O‘ahu, recognizes the critical role faculty play in determining the educational experience of students. To nurture faculty and staff excellence, he established an endowment at UH Hilo as he was stepping down from the chancellorship in 1993.

The Edward J. Kormondy Endowed Excellence Awards for Faculty and Staff recognize excellent performance on the part of deserving UH Hilo faculty and staff in four arenas. Included are an Excellence in Service Award, a Professional Staff Award, an

Excellence in Scholarly and/or Creative Activities Award, and the Chancellor’s Citation for Excellence in Teaching.

To honor Dr. Kormondy and thank him for his years of service, 106 friends and colleagues joined in his efforts to provide perpetual funding for the awards, giving generously to help launch this endowment.

The impact of this gift can be seen through the work of the 57 exceptional UH Hilo faculty and staff who have been recognized with one of these prestigious awards since 1999.

*“The UH Hilo awards funded by the Kormondy endowment honor outstanding contributions by members of our university ‘ohana.*

*The awards provide an opportunity for us to celebrate faculty and staff who show exceptional commitment to teaching, scholarly and creative activities, service, and professional contributions, all of which make a positive impact on students, colleagues, and our island community.”*

*~ University of Hawai‘i at Hilo Chancellor Donald Straney*



## 2012 EXCELLENCE IN SERVICE AWARD RECIPIENT

**Dr. Seri Luangphinit** was born in Hilo into a family of 3rd generation plantation workers. She received her B.A. from the University of Hawai'i at Mānoa and her Ph.D. from the University of Oregon. After spending several years in Japan and Oregon she felt fortunate to secure a job that brought her home to teach in Hawai'i.

Seri, as she is known to her students, is an associate professor of English and the humanities division chair in the College of Arts & Sciences at UH Hilo. *"As a senior faculty member, I am humbled to receive this award. It was a particular honor to have been nominated by four other faculty members. I was surprised by their nomination, because it's not about me, but what all of us can achieve together. I believe that one of my obligations is to help provide opportunities to younger colleagues. Awards like this encourage faculty to help the people around them and think about how we can make UH Hilo—already a great institution — even better."* ~ Dr. Seri Luangphinit

## NURTURING TEACHING AND EXCELLENCE AT THE COMMUNITY COLLEGES THE WO FAMILY FOUNDATION ENDOWED FUND FOR TEACHING AND EXCELLENCE SUPPORTS THE WO LEARNING CHAMPIONS PROGRAM

In 2000, the Bob and Betty Wo Family Foundation and the Jim and Juanita Wo Family Foundation launched the Wo Learning Champions initiative. This unique program provides professional enrichment for faculty and staff at all seven of Hawai'i's community colleges.

With a focus on learning and an eye on leadership development, the Wo Learning Champions program invests in junior members of the academic community, renews its senior faculty and staff, and promotes the enrichment of all at the state's community colleges.

Two faculty or staff from each of the UH community colleges are selected to serve as Wo Learning Champions for a period of 18 months. Together, they plan and conduct activities for faculty and staff across the system and on their campus. In doing so, they expand their relationships on their campuses and enhance their leadership skills in coordinating activities and working across the system. Monthly meetings acquaint participants with programs and strengths of other campuses. This cross-fertilization often inspires champions to initiate new programs and ideas when they return to their home campus.

*"Having an endowment that supports the Wo Learning Champions means that we will have ongoing funds to supplement what the individual campuses can provide for their professional development programs.*

*The Wo Learning Champions program is important because it promotes relationships between different categories of employees, between members of the UH family on different campuses, on different islands, and supports the larger campus communities in their growth as professionals."*

*~ Louise Pagotto, Vice Chancellor for Academic Affairs, Kapi'olani Community College*

### MANY OF THE WO LEARNING CHAMPIONS ARE TAKING ON NEW LEADERSHIP ROLES, INCLUDING:

#### **1st Generation Jan 2001 - May 2002**

**Joni Onishi**, Hawai'i CC - from accounting faculty to Interim Vice Chancellor for Academic Affairs

**Leigh Dooley**, Kapi'olani CC - writing/literature faculty member who now is also a leader in systemwide professional development projects

**Ellen Ishida-Babineau**, Windward CC - from writing faculty to Vice Chancellor for Academic Affairs

#### **2nd Generation Aug 2002 - Dec 2003**

**Beth Sanders**, Hawai'i CC - from accounting faculty to Interim Director of the UH Center at West Hawai'i

**Kelli Goya**, Kapi'olani CC - from media design & production staff in the Information Media Technology Services unit to faculty member responsible for coordinating Pathways initiative to promote student engagement, learning and achievement.

**Wes Teraoka**, Leeward CC - from geography faculty member to Social Sciences department chair

#### **Third Generation Jan 2004 - May 2005**

**Sharoh Moore**, Kapi'olani CC - from counselor in the Developmental Program to department chair of Kahikoluamea

#### **Fourth Generation Aug 2005 - Dec 2006**

**Sheryl Legaspi**, then at Honolulu CC - from staff at the Skills Center to counselor in UH Mānoa's KŌKUA program

#### **Fifth Generation Jan 2007 - May 2008**

**Jonathan Wong**, then at Honolulu CC - from support staff for Title III to technology support faculty for the Pathways Initiative at Kapi'olani CC

**Della Kunimune**, Leeward CC - from accounting faculty to Interim Director of Planning, Policy, and Assessment

#### **Eighth Generation Aug 2011 - Dec 2012**

**Debasis Bhattacharya**, Maui College - from IT faculty to Interim Vice Chancellor for Information Technology

Right, The Wo Learning Champions gathered at Honolulu Community College's Marine Education Training Center to learn about the Hawaiian culture and marine technology through an experiential ride on the Hokule'a. They also experienced forklift driving and towing. The Champions used many of the skills certified in trade majors at Honolulu CC.





ENDOWMENT FUND LEADERSHIP  
UNIVERSITY OF HAWAI'I FOUNDATION • JULY 1, 2011 ~ JUNE 30, 2012

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