Aloha mai kākou,

Completed in 2020, Liliʻuokalani Trust (LT’s) Vision 2045 - Wehe Ke Ala (the path is clear) envisions the pae ʻāina in 2045 with increasing numbers of thriving Native Hawaiian children (kamaliʻi) realizing their greatest potential.

LT will reach Vision 2045 through a series of five-year plans. Strategic Plan 2020-2025 includes five focus areas: innovative programs, trauma-informed social emotional support services, robust research and evaluation, organizational excellence, and effective resource management.

LT’s expanded goal to seek lasting transformational change for our kamaliʻi began to take shape in 2016. With significant strides gained and nearly every strategy goal met, we began 2020 energized and excited to serve.

A global pandemic would soon disrupt our plans for the year, our playbook kaput. Priorities were shifted and budgets reduced to meet emergency needs, while maintaining a margin of safety during the worst economic meltdown in modern times. LT teammates, empowered and armed with the right technological tools, moved quickly, inventing and innovating on the fly. Many of the solutions born out of necessity will remain, as they have provided efficiencies and increased access for some. In total, $1 million and countless teammate hours aided families and communities during the pandemic.

LT’s multiyear plan to reposition program spaces continued with the acquisition of LT Ranch and Liliʻuokalani Center. The former will become an animal and arts therapy facility on Hawaiʻi Island; the latter will be a world-class youth development space in urban Honolulu. Both will serve kamaliʻi across the pae ʻāina.

Comprised of Hawaiʻi real estate and a global investment fund, LT’s endowment assets ended the year more diversified than at any time in the Trust’s 112-year history. The assets provided resilience, rent concessions notwithstanding. The investment fund outperformed its short- and long-term benchmarks and endowment assets as a whole returned 15.0% on an annualized inception basis versus a benchmark return of 5.8%.

The delta variant of COVID-19 continues to impact operations. A mix of virtual and in-person programs and services continues, with plans to resume in-person programs and larger multiday camps as soon as conditions allow.

The pandemic sharpened our focus on e nā kamalei lupalupa (thriving Hawaiian children). We remain resolute, ready to serve.

E ʻonipa’a kākou i ka hana nui!

Dawn Harflinger
President and Chief Executive Officer

2020 Highlights

- Laid a programmatic foundation for LT’s early childhood initiatives by investing in the evidence-based Strong Roots curriculum.
- Introduced Ka Pili ʻOhana, an innovative program focused on permanency and reunification of Native Hawaiian children in the foster care system.
- Extended services to Native Hawaiian youth up to age 26, with the final approval of the Probate Court.
- Launched Hoʻokele, a powerful new data and evaluation system for LT programs and case management.
- Deployed a comprehensive COVID-19 response, including the temporary opening of Lydia House to provide housing and holistic supports to former foster youth negatively impacted by the pandemic.
- Opened the renovated Colonel David M. Peters Building, bringing flexible, creative spaces to Maui kamaliʻi.
- Supported and expanded the Native Hawaiian Data Portal and collaborated with Kamehameha Schools, the Office of Hawaiian Affairs and others to research the impact of COVID-19 on Native Hawaiians.
- Published Nānā I Ke Kumu Helu ʻEkolu, introducing a new generation to Hawaiian cultural healing practices.
- Honored the Queen’s memory and legacy through the publication of her diaries and working with the Hawaiʻi State Archives on digitizing her papers.
Our Vision
E nā kamalei lupalupa
Thriving Hawaiian children

Covid-19 Response

- Committed $1 million to aid families and communities.
- Responded to 2,079 requests for information and support from a new Kklu Line phone number.
- Provided $310,000 in direct emergency financial assistance to families.
- Supported 77 food distribution events across the pae‘aina, helping to put nearly $2 million in fresh, nutritious foods in the hands of impacted community members.

A new edition of Nānā I Ke Kumu was published for the first time in nearly 40 years. Previous editions were published in 1972 and 1979.
Investment Portfolio
Asset Allocation

For the years ended December 31, 2020 and 2019

<table>
<thead>
<tr>
<th></th>
<th>2020 TARGET</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth Assets</td>
<td>70.0%</td>
<td>66.2%</td>
<td>36.0%</td>
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<tr>
<td>Diversified Assets</td>
<td>20.0%</td>
<td>23.5%</td>
<td>20.1%</td>
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<tr>
<td>Deflation Sensitive</td>
<td>10.0%</td>
<td>10.3%</td>
<td>43.9%</td>
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<tr>
<td>TOTAL</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
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</table>

Source: Cambridge Associates, LLC.
*2019 results have been restated to conform with 2020’s asset classifications.

Our Mission
Liliʻuokalani Trust provides opportunities for Hawaiian children to realize their greatest potential: living healthy, joyful, and prosperous lives, while contributing positively to their families, communities, and the world.

Hawaiʻi Real Estate

HAWAIʻI PRIVATE REAL ESTATE HOLDINGS

46.3% CASH-ON-CASH RETURN
5.4% TARGET* VALUE ADDED
40.9% VALUE ADDED

*No formal benchmark; the Endowment’s long-term target return is CPI-U + 4%.
Starting 2020, returns for Hawaiʻi Real Estate are total returns (including market value appreciation).
Prior years reported cash-on-cash returns.

Endowment Market Value

[$ IN MILLIONS]

The Trust continues to diversify its assets and strategically focus future real estate development in West Hawaiʻi.

Endowment Performance

For the year ended December 31, 2020

> INVESTMENT PORTFOLIO

<table>
<thead>
<tr>
<th>ASSET CLASSIFICATION</th>
<th>RETURN</th>
<th>BENCHMARK</th>
<th>VALUE ADDED</th>
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<tbody>
<tr>
<td>Growth Assets</td>
<td>20.0%</td>
<td>16.3%</td>
<td>3.7%</td>
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</table>
| Benchmark: Index portfolios comprised of Russell 3000, MSCI All Country World Index with US Gross (N), the MSCI World Index with US Gross (N), MSCI World ex US Index (N) and MSCI Emerging Markets Index (N) in proportion to fund’s normal allocations to these asset classes.

| Diversified Assets            | 6.9%   | 10.6%     | -3.7%       |
| Benchmark: Hedge Fund Research Fund of Funds Diversified Index

| Deflation Sensitive           | 1.7%   | 4.5%      | -2.8%       |
| Benchmark: 75% of the Barclays Intermediate Term Treasury Index; and 25% of the 90 Day Treasury Bill Rate

| TOTAL FUND                    | 18.2%  | 5.4%      | 12.8%       |
| (excl. Private Real Estate holdings) |
| Benchmark: CPI-U plus 4% |

Source: Cambridge Associates LLC
Direct Services To Kamali‘i

1,527 kamali‘i received direct services from LT or via collaborations*. An additional 46 kamali‘i were served via LT collaborations with community partners.

CHARITABLE SPENDING RATES

<table>
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<tr>
<th>Year</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>2020</td>
<td>3.7%</td>
</tr>
<tr>
<td>2019</td>
<td>4.4%</td>
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<tr>
<td>5-YR AVG</td>
<td>4.2%</td>
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<tr>
<td>MINIMUM</td>
<td>3.3%</td>
</tr>
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In 2020, LT provided $40.3 million in direct funding for kamali‘i services and programs.

*The reduction in the numbers served from previous years is due to the impact of COVID-19.

KAMALI‘I SERVICES COMBINATIONS

- Kamali‘i & ‘Ohana Services Only: 53%
- Youth Development Only: 27%
- Social Services Groups Only: 7%
- Youth Crisis Management Only: 1%
- Multiple Programs*: 12%

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