THE ASSOCIATED STUDENTS OF THE UNIVERSITY OF HAWAIʻI AT MĀNOA
2465 Campus Road, Campus Center 211A
Honolulu, HI 96822

Senate Resolution 23-15

Approving a Change in Financial Advisors for the ASUH Stadium Stock Portfolio

BE IT ENACTED BY THE UNDERGRADUATE SENATE:

WHEREAS, the Associated Students of the University of Hawaiʻi at Mānoa (ASUH) is the elected body representing approximately 14,000 full-time classified undergraduate students; and

WHEREAS, ASUH has employed Merrill Lynch since 2000, as the investment consultant/financial advisor of the fund; and

WHEREAS, the current value of the fund is $8,327,220.50*;* and

WHEREAS, ASUH uses up to 5% of the value of the portfolio each year to benefit students (BORP 8.207.E.8.c.(c.); and

WHEREAS, the ASUH-Investments and Long Range Planning Committee (ASUH-ILRP) has proposed a change in investment financial advisors due to a corporate-wide decision within Merill Lynch to completely withdraw from providing wealth management services to public entities, and

WHEREAS, the ASUH-ILRP Committee sent out Invitations to Submit Proposals to a list of seven companies provided by former UH Vice President of Budget and Finance Howard Todo, in line with companies invited to submit proposals for other UH portfolios ; and

WHEREAS, the ASUH-ILRP Committee received four written proposals and interviewed three companies; and

WHEREAS, it is proposed that the financial advisors be changed to Graystone Consulting-Hawaii; and

WHEREAS, Graystone Consulting-Hawaii demonstrated dedication to bettering the ASUH-ILRP Committee's knowledge about investments, similar to Merrill Lynch; and

WHEREAS, Graystone Consulting-Hawaii ensured that the ASUH-ILRP Committee would have a defined role in their decision making process, especially in manager decisions; and

WHEREAS, Graystone Consulting-Hawaii has the highest number of analysts (twenty) which are responsible for the investment manager research to help make decisions related to the selection of managers; and

WHEREAS, both financial advisors of Graystone Consulting-Hawaii are based in Hawaii making them easily accessible; and

WHEREAS, the personal investment advisory fee of the investment consultant/financial advisor will be 0.25% annually based on the value and allocation of the portfolio, one of the lowest fees of the companies who submitted proposals; and

BE IT RESOLVED, that the 102nd ASUH Senate endorses the change in financial advisors to Graystone Consulting-Hawaii; and

BE IT FURTHER RESOLVED, that in line with BORP 8.207.E.8.c.(c.), the 102nd ASUH Senate requests the support and approval of University of Hawaiʻi Vice-President for Budget and Finance/Chief Financial Officer, the BOR Committee on Budget and Finance, and the Board of Regents, with the proposed change in investment managers; and

BE IT FINALLY RESOLVED, that copies of this resolution be sent to: the University of Hawaiʻi Board of Regents; Office of the University of Hawaiʻi President; University of Hawaiʻi Vice-President for Budget and Finance/Chief Financial Officer; University of Hawaiʻi at Mānoa Chancellor; University of Hawaiʻi at Mānoa Vice Chancellor of Administration, Finance and Operations, University of Hawaiʻi at Mānoa Vice Chancellor for Students.

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Krista Ann Lee
Introducing Member
Chairperson, Committee on Investments and Long Range Planning
Senator at Large

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Kelly Zakimi
Introducing Member
Vice-President