

KAMEHAMEHA SCHOOLS ANNUAL REPORT

July 1, 2014 – June 30, 2015



TRUSTEE
MESSAGE

NEW STRATEGIC PLAN THE FIRST STEP IN MOVING VISION 2040 TOWARD REALITY

Kamehameha trustees feel an urgency to help all Native Hawaiian learners achieve greater success



Kamehameha Schools' mission is to fulfill Pauahi's desire to create educational opportunities in perpetuity to improve the capability and well-being of people of Hawaiian ancestry.

This is a significant time for our organization, as July 2015 marked the beginning of our new five-year strategic plan (SP2020). Our new strategic direction is anchored on the mission of Kamehameha Schools: to fulfill Pauahi's desire to create educational opportunities in perpetuity to improve the capability and well-being of people of Hawaiian ancestry.

This mission is unchanging. It gives us focus — and a mandate — to make an even greater impact on Native Hawaiians.

We are fortunate to have the opportunity to build on the tremendous progress of the past, which provides a foundation that allows us to set our sights and expectations even higher.

It is our kuleana as trustees to provide the vision that will position Kamehameha Schools. As trustees acting in our fiduciary and strategic capacities, we feel an urgency to help all Native Hawaiian learners achieve greater success. Our collective mana'o has informed the following vision statement:

Within a generation of 25 years, we see a thriving Lāhui where our learners achieve postsecondary educational success, enabling good life and career choices. We also envision that our learners will be grounded in Christian and Hawaiian values and will be leaders who contribute to their communities, both locally and globally.

This long-term vision — Vision 2040 — provides unified direction not only for the next five years, but also for the next 25 years. Central to Vision 2040 is a thriving Lāhui characterized by significantly higher rates of success in postsecondary education, career, and leadership.

Change at all levels is needed for our Lāhui to truly thrive.

Kamehameha Schools plays an important role in this effort, particularly in providing high-quality educational experiences for Native Hawaiian children and families.

Toward this end, we continue to maintain a laser focus on educational attainment and outcomes such as the Educational Pathway Milestones outlined in SP2020. (To read the complete plan, please visit www.ksbe.edu/sp2020.)

But Kamehameha Schools is not alone in working toward a thriving Lāhui. Strategic collaborations with those that have aligned missions will be key in the years ahead.

As Kamehameha Schools develops into a high-performing Native Hawaiian organization and engages with strategic collaborators, it is important to emphasize the mission-critical attitudes and practices that are essential for our learners and our organization to succeed in an increasingly competitive world:

- Strive for greatness – Kūlia i ka nu'u
- Work with urgency and discipline – 'Eleu ma ka hana me ke akahele pū
- Develop strong, effective, and accountable leadership – Kahukahu alaka'ina
- Build strength – Ho'oikaika mau
- Be innovative – 'Imi hakuha
- Be courageous – Kū i koa
- Be focused – Kia mana'o

We observe these guiding attitudes and practices in Chief Executive Officer Jack Wong, whose thoughtfulness, persistence, and skills have led the organization forward in this time of change.

Central to Vision 2040 is a thriving Lāhui characterized by significantly higher rates of success in postsecondary education, career, and leadership.

This is further reflected in our CEO's selection of new executives and his forming of his executive leadership council 'Aha Kūlia.

'Aha Kūlia members have in turn realigned KS leadership and operating units to ensure that our functions, operations, and outcomes are better aligned to our SP2020 goals.

There are also those who have worked and led Kamehameha Schools for many years and are now retiring or taking on new roles.

For example, Neil Hannahs KSK'69 has been a pillar in our organization and in the community for nearly four decades. For those who have given so much to the mission of Kamehameha Schools, we mahalo you and look forward to new ways of working together toward a thriving Lāhui.

It is the privilege of Kamehameha Schools to serve keiki and 'ōpio, who will in turn become the leaders to serve and elevate future generations. Even with all the success and accomplishments over the past 128 years, we can – and we must – do even better at serving these future leaders.

Ours is a firm and renewed commitment to serve these future leaders by focusing on the KS mission, Vision 2040, and SP2020.

We offer our profound gratitude to all who have contributed to a successful year at Kamehameha Schools. We are honored to serve with you.

Me ka mahalo nunui,

Kamehameha Schools Board of Trustees

Robert K.W.H. Nobriga KSK'91
Chairman

Corbett A.K. Kalama
Vice Chairman

Micah A. Kāne KSK'87
Secretary/Treasurer

Lance Keawe Wilhelm KSK'83



Kamehameha Schools trustees, from left: Micah Kāne, Robert Nobriga, Corbett Kalama, Lance Wilhelm



FY2015 HIGHLIGHTS



INVESTING IN EDUCATION

Kamehameha Schools invests \$336 million in its campus- and community-based educational programs.

Fiscal year 2015 (July 1, 2014 – June 30, 2015) was the tenth year of the 10-year Kamehameha Schools Education Strategic Plan, adopted in 2005 and based on the Kamehameha Schools Strategic Plan 2000-2015.

Kamehameha's Education Strategic Plan offered a framework to create long-term, intergenerational change for Native Hawaiians via education. The purpose of the Education Strategic Plan was to improve educational outcomes for greater numbers of Hawaiian children, with a specific emphasis on young learners (ages prenatal to 8) in Hawai'i.

Over the 10-year course of the education plan, Kamehameha Schools more than doubled the number of learners it served each year, moving from 22,400 learners served in 2005 to more than 45,000 learners served in each of the past five fiscal years.

As the organization moves into a new era, Kamehameha's guiding document will now be the Strategic Plan 2020 (SP2020), which is the first step toward achieving the organization's Vision 2040.

(For much more on SP2020 and Vision 2040, please visit www.ksbe.edu/sp2020.)

As of June 30, 2015, the overall fair market value of the Kamehameha Schools

endowment, which includes Hawai'i real estate and global financial assets, was \$11.1 billion with the endowment achieving a return of 3.9 percent.

For fiscal year 2015, Kamehameha Schools invested \$336 million in its educational spending, consisting primarily of \$172 million on campus-based programs and \$106 million on community-focused programs.

The schools' trust spending rate was 3.7 percent based on the five-year average value.

In fiscal year 2015, the number of children and families served by Kamehameha's campus and community programs was 46,079 learners, including a total of 12,209 parents and caregivers in the prenatal to grade 12 community who received training to support their children.

These resources enabled the organization to accomplish the following educational highlights:

KAMEHAMEHA SCHOOLS EARLY LEARNING INITIATIVES

KS served 14,194 keiki and their parents and caregivers through 30 KS-center-based preschools, preschool scholarships, literacy instruction and various educational collaborations.

- Served 1,562 learners in 30 KS preschool sites across the state

- Awarded 2,408 Pauahi Keiki Scholarships totaling \$17.3 million. The Pauahi Keiki Scholars (PKS) program provides need-based scholarships for keiki who attend participating non-Kamehameha preschools.

- Served 532 learners age 0-3 and 570 parents and caregivers through the Hi'ilani program. Hi'ilani is an early childhood family education program that serves children prenatal to 36 months of age and their families.

- Awarded 588 Kipona Scholarships (PKS) totaling \$3.3 million. The Kipona Scholarship program offers need-based scholarships to keiki applying to kindergarten at non-Kamehameha private schools.

- Served 2,797 learners in 19 Department of Education schools (K-3 classrooms) in targeted communities participating in the KS Literacy Instruction and Support

In fiscal year 2015, the number of children and families served by Kamehameha's campus and community programs was 46,079 learners...

program. The Literacy Instruction and Support division provides student services, along with teacher development, that enhance literacy among Native Hawaiian children attending Department of Education schools on Hawai'i, Moloka'i, O'ahu and Kaua'i.

KAMEHAMEHA SCHOOLS GRADES FOUR THROUGH POST HIGH INITIATIVES

KS served 19,773 learners through its enrichment, campus outreach, collaborations, distance learning, and summer school programs.

- The Explorations Series served 3,974 learners. The Exploration Series is comprised of three different summer boarding programs (Ho'omāka'ika'i, Ho'olauna and Kūlia I Ka Pono) each targeted to a specific grade levels. Programs offer an opportunity for haumāna (students) to experience summer activities and huaka'i (field trips) designed to introduce and expand upon Hawaiian cultural traditions and knowledge.

- The Kupa 'Āina program served 2,430 learners. The Kupa 'Āina Summer Bridge program prepares students for success in their first year of college.

- A total of 2,475 Post-High Scholarships awarded totaling \$14.6 million to learners currently attending college.

- Career and Post-High Counseling and Guidance services provided to 2,067

learners. The program supports Native Hawaiian students in achieving a higher education degree, entering the career of their choosing and cultivating their ability to be servant leaders.

- The Kamehameha Scholars program served 716 students. Kamehameha Scholars is a year-round supplementary educational enrichment program with a focus on college and career guidance.

KAMEHAMEHA SCHOOLS CAMPUS PROGRAMS

Kamehameha Schools educated 5,409 learners, including graduating 693 seniors at campus programs on Hawai'i, on Maui and at Kapālama.

- Kamehameha Schools Hawai'i enrolled 1,155 learners and graduated 130

- Kamehameha Schools Maui enrolled 1,072 learners and graduated 118

continued on page 4





KS ENDOWMENT EXCEEDS ITS PERFORMANCE TARGETS

'A'ōhe hana nui ke alu 'ia.
No task is too big when shared by all.

This fiscal year (July 1, 2014 to June 30, 2015) was an exciting and transformative one for Kamehameha Schools and Pauahi's beneficiaries – a new Vision 2040: ambitious and far-reaching goals for Native Hawaiian education and a thriving Lāhui; rigorous five-year milestones for bringing that vision to fulfillment; and new leadership for steering the organization forward.

SP2020 (Strategic Plan 2020) is the first of those five-year plans, which defines Kamehameha's endowment's objective clearly: "to produce superior risk-adjusted returns comparable with national top-tier endowment funds to provide sufficient resources to fund our strategies."

For fiscal year 2015, the endowment fulfilled its support role for Kamehameha's mission.

The endowment sustained \$336 million in educational spend, representing 97 percent of the financial support for Kamehameha's educational programs. Another \$8.6 million from the endowment was directed to the stewardship of Pauahi's lands.

At the end of the fiscal

year, net of these investments in education and 'āina, the endowment stood at \$11.1 billion, up from \$11.0 billion of the prior year.

While supporting current spending needs and growing capacity to support future keiki, the KS endowment also exceeded its performance targets.

This year, the endowment's 3.9 percent return outpaced the 3.0 percent return of its composite market benchmark and the median return of large endowments. Over longer cycles, the outperformance over our KS benchmarks (and versus our peers) has been more pronounced.

That margin of value added over market benchmarks has made a critical difference in the endowment's ability to outperform the Long-Term Investment Objective (CPI + 5 percent), the level needed to support current and future

generations of Native Hawaiian learners.

Kamehameha targets 4 percent of the endowment's value, averaged over five years, to determine the proportion of the endowment that can be spent every year. The remaining returns are reinvested to ensure that educational spending keeps up with inflation over time, promoting intergenerational equity in perpetuity.

For the 10 years ending June 30, 2015, the endowment produced an annualized return of 9.0 percent, exceeding KS's Long-Term Investment Objective of inflation plus 5 percent, which was 5.7 percent for this period.

Long-term performance is built one year at a time, and in FY15, market conditions were challenging for generating returns. For the year, Hawai'i Commercial Real Estate returned 11.7 percent (versus its 13.0 percent benchmark) and the global, diversified Financial Assets portfolio returned 0.9 percent (versus -0.7 percent for its composite benchmark).

Hawai'i Commercial Real Estate, at \$3.2 billion (28 percent of the total endowment portfolio), underperformed the one-year benchmark, but over three- and five-year periods has outpaced its benchmark by comfortable margins.

During the year, Kamehameha Schools sold the improvements at Hawai'i Kai Towne Center while retaining ownership of the land beneath the center. The sale improved overall asset diversification of the Kamehameha Schools endowment assets.

Additionally, KS completed the sale

of two blocks in Kaka'ako as part of the district's long term master plan and substantial completion of the following development projects:

For the 10 years ending June 30, 2015, the endowment produced an annualized return of 9.0 percent, exceeding KS's Long-Term Investment Objective of inflation plus 5 percent, which was 5.7 percent for this period.

Kolo Phase II – Located in Mō'ili'ili, adjacent to the University of Hawai'i, Mānoa, the Kolo Village Phase II project renovated and transformed a collection of six severely deteriorated walk-up apartment buildings into a vibrant and safe community. Today, Kolo Village is 99 percent occupied, with approximately two-thirds of the units rented to UH students, faculty, and/or staff.

Kapālama Shopping Center – The renovation of this 35,000 square foot shopping center, built in 1959, marked the start of Kamehameha Schools' efforts to revitalize the industrial Kalihi neighborhood and is a catalyst project in the Kapālama Strategic Implementation Plan. The project entailed

a variety of significant structural and leasing upgrades.

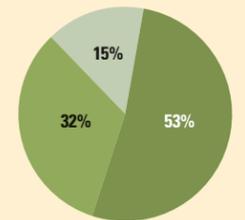
Hale'iwa Store Lots (HSL) – Located in historic Hale'iwa town, the HSL project is a critical component of Kamehameha Schools' North Shore Master Plan. The project resulted in the redevelopment of the former Matsumoto's Shave Ice site (the iconic mom-and-pop shave ice establishment) and the creation of commercial space to support local merchants and

reinforce the "mom and pop" nature of small businesses that populate this tightly knit community. The project was recently awarded the 2015 American Planning Association Hawai'i Chapter annual award in the Environment/Preservation category for demonstrating great innovation to preserve and enhance the historic plantation character, unique Hawai'i culture, and natural environment.

continued on page 4

Kamehameha Schools Trust Spending Fiscal Year 2015

CATEGORY	AMOUNT
Campus-based Programs	\$172 million
Community Education & Scholarships	\$106 million
Major Repairs, Capital, IT Projects & Other	\$47 million
TOTAL EDUCATIONAL SPENDING	\$325 million
Debt Financing & Other	\$11 million
TOTAL TRUST SPENDING	\$336 million



Kamehameha Schools Investment Returns Periods Ending June 30, 2015

	ONE YEAR	FIVE YEAR	TEN YEAR	SINCE JULY 1, 1999
Endowment Fund	3.9%	11.1%	9.0%	8.9%
Composite Benchmark	3.0%	9.2%	5.7%	5.7%
Total Endowment Fund Long-Term Objective (CPI+5%)	5.1%	6.8%	7.1%	7.3%





ENDOWMENT



FY2015 HIGHLIGHTS



KS ENDOWMENT EXCEEDS ITS PERFORMANCE TARGETS

continued from page 3

SALT – KS also made substantial progress in the SALT retail project in Kaka’ako, an adaptive reuse development which serves as a retail center for the community and a critical component of the Kaiāulu ‘o Kaka’ako Master Plan. SALT will be 85,000 square-feet of curated retail, restaurant and mixed-use space. The project will embody the urban, island culture of the emerging Our Kaka’ako neighborhood, with the adaptive re-use of existing structures, open-air concepts, green spaces, and central plaza to give SALT a lively, pedestrian-friendly feel.

The Hawai’i real estate market continued its strong performance throughout the fiscal year. This has produced not only in strong rental income, but sustained low vacancies as well.

The Financial Assets portfolio represents 71 percent of the value of the KS endowment. Unlike the robust, mid-teens return of FY14, the Financial Asset portfolio returned less than 1 percent this fiscal year. Although absolute performance was low, the portfolio’s return outpaced its overall composite benchmark by 1.6 percent. Five of the nine asset categories outperformed their respective benchmarks.

Market headwinds were formidable this year. Global growth was tepid at best, and although China continued to grow, the slowing rate of its expansion weighed on the markets.

Deflationary concerns overseas prompted international monetary

authorities to cut rates, while in the U.S., after years of very accommodative Federal Reserve System policies that bolstered asset prices, the financial markets braced themselves for inevitable interest rate hikes. Against this backdrop, the U.S. dollar strengthened and foreign currencies fell, hurting the values of non-U.S. dollar assets.

How these developments affected the Financial Asset portfolio varied.

For yet another year, Private Equity posted strong returns at 13.4 percent, although it was only financial asset class producing double digit returns. Developed market equities, Absolute Return strategies (which act to diversify and stabilize the portfolio), and U.S. Fixed Income each produced low single digit returns.

Asset classes vulnerable to a strengthening dollar and weak international economic conditions, like Emerging Markets, Global Fixed Income, and Real Assets, all ended the year lower. Although each of these areas outperformed their benchmarks, exposures to these classes hurt absolute performance.

For Real Assets in particular, those factors coupled with the collapsing price of oil – a boon for Kamehameha’s Hawai’i holdings and school operating costs – resulted in a negative 16.6 percent return year over year.

It’s noteworthy that FY15’s flat or negative returns in most asset classes come after years of buoyant, above normal, performance. Few asset classes can be

categorized as inexpensive and those that arguably are cheap, like commodities and emerging markets, are also among the most volatile.

For Kamehameha Schools, the implication is that the organization can’t just rely on strong markets to produce the returns needed to meet the educational spending and growth needs of SP2020.

Recognizing that KS might be in a multi-year period of generally lower returns, our collective kuleana is to identify areas where we can earn that additional return over market benchmarks. That value add has been critical to the endowment’s ability to meet its short and long term objectives in the past and will be especially important going forward.

At the same time, SP2020 has given KS the opportunity to reframe the role of the endowment over the long haul. In earlier times, we considered our reach to be limited to the extent of our endowment resources.

Today, we are pursuing multiple ways to expand our ability to support Native Hawaiian learning success: through more impactful spending, better partnering with our communities, more effective collaborations, fundraising and advancement.

Kamehameha Schools Planning and Development Senior Director Giorgio Caldarone, Investment Director M’liss Moore KSK’78, and Financial Assets Managing Director Elizabeth Hokada contributed to this report.

INVESTING IN EDUCATION

continued from page 2

■ Kamehameha Schools Kapālama enrolled 3,182 learners and graduated 445 seniors

■ Orphan and indigent children comprised approximately 27 percent of the 2015-16 invited students

■ An additional 1,992 non-campus learners enrolled in campus-based summer programs

KAMEHAMEHA SCHOOLS PUBLIC SCHOOL SUPPORT

Kamehameha Schools invested a total of \$25.2 million in Hawai’i State Department of Education funding and collaborations.

■ \$8.6 million for on-site literacy instruction by Kamehameha Schools staff to 2,797 learners in 19 DOE schools (K-3 classrooms) statewide

■ \$6.9 million in funding support for a variety of programs for students in DOE schools including summer enrichment programs, homework centers and after-school tutoring, place-based learning in lo’i kalo and Hawaiian fishponds, distance learning and classroom-based Hawaiian social studies instruction for grades four and five

■ \$6.8 million in per-pupil funding and support for 17 Hawaiian-focused start up and conversion public charter schools serving more than 3,900 students.

■ Teacher education and professional development opportunities provided to 1,212 educators in the DOE

KAMEHAMEHA SCHOOLS COMMUNITY EDUCATION COLLABORATIONS

A total of \$18 million in collaborative efforts with more than 60 community organizations statewide. The top five community education collaborators were:

■ ‘Aha Pūnana Leo: Hawaiian language immersion classrooms

■ Alu Like, Inc.: Comprehensive services for Native Hawaiian families, including early education, vocational education, workforce development, substance abuse prevention and financial literacy

■ State Department of Education Charter Schools: Support went to selected charter schools established to address particular educational needs of Native Hawaiians and that demonstrated a commitment to ‘Ike Hawai’i

■ Kanu o Ka ‘Āina Learning ‘Ohana (KALO): supports culturally driven programs

■ University of Hawai’i system: scholarships, internships, ‘Āina-based education, STEM (Science Technology Engineering Math) and agriculture curricular support



REPORT ON FINANCIAL ACTIVITIES

JULY 1, 2014 – JUNE 30, 2015

Kamehameha Schools' mission is to fulfill Pauahi's desire to create educational opportunities in perpetuity to improve the capability and well-being of people of Hawaiian ancestry.



Kamehameha Schools is a private charitable educational trust endowed by the will of Hawaiian princess Bernice Pauahi Bishop (1831-1884), the great-granddaughter and last direct descendant of King Kamehameha I.

During her lifetime, Princess Pauahi witnessed the rapid decline of the Hawaiian population. The princess

knew that education would be key to the survival of her people, so in an enduring act of aloha, she left them a precious gift upon her passing – 375,000 acres of ancestral land.

She instructed the trustees of her estate to use the land to educate her people. Today, her endowment supports an educational system that serves thousands of Hawaiian learners.

For fiscal year 2015, Kamehameha Schools invested \$336 million in educational spending, consisting primarily of \$172 million on campus-based programs and \$106 million on community-focused programs.

Spending highlights include \$17.3 million in Pauahi Keiki Scholarships to 2,408 preschool students and \$3.3 million in Kipona scholarships to 588 students at other K-12 private schools.

A total of \$14.6 million in post-high scholarships was awarded to 2,475 students attending college. Another \$18 million was spent on collaboration efforts with more than 60 community organizations statewide.

In addition, Kamehameha Schools provided \$25.2 million in support of public schools in largely Hawaiian communities, including \$6.8 million in per-pupil funding and support to 3,900 students in 17 Hawaiian-focused start up and conversion public charter school and \$8.6 million for on-site literacy instruction by Kamehameha Schools' staff in 19 Department of Education schools (K-3 classrooms) statewide.

Additional support included \$6.9 million in funding for a variety of programs for students in DOE schools, including summer enrichment programs, homework centers and after-school tutoring, place-based learning in lo'i kalo and Hawaiian fishponds, distance learning, classroom-based Hawaiian social studies instruction for grades 4-5 and the Kamehameha Scholars and Kupa 'Āina programs. Another \$2.9 million was provided in educator training and support, including funding for Teach for America participants serving predominantly Hawaiian public schools.

As of June 30, 2015, the overall fair market value of the Kamehameha Schools endowment, which includes Hawai'i real estate and global financial assets, was \$11.1 billion. The endowment achieved a return of 3.9 percent during the fiscal year.

The Consolidated Balance Sheet that follows shows total assets to be \$9.0 billion: it records real estate at cost rather than fair market value, and includes endowment, educational, agricultural and conservation assets.

Fiscal year 2015 was the tenth year of the 10-year Kamehameha Schools Education Strategic Plan, adopted in 2005 and based on the Kamehameha Schools Strategic Plan 2000-2015.

The number of children and families served by Kamehameha Schools campus and community programs in fiscal year 2015 was 46,079 learners, including a total of 12,209 parents and caregivers in the prenatal to grade 12 community who received training to support their children.

In direct service to Pauahi's mission of educating her beneficiaries, Kamehameha Schools saw the following service results in education.

PRENATAL TO 8 YEARS OF AGE

Kamehameha Schools served 14,194 keiki ages 0-8 and their parents and caregivers through 30 KS-center-based preschools, preschool scholarships, literacy instruction and various educational collaborations.

GRADES 4 THROUGH POST-HIGH

Kamehameha Schools served 19,773 learners through its enrichment, campus outreach, collaborations, distance learning and summer school programs such as the Explorations Series, Kamehameha Scholars, Kupa 'Āina and Career Post-High Counseling and Guidance.

CAMPUS PROGRAMS

Kamehameha Schools educated 5,409 learners, including graduating 693 seniors at campus programs on Hawai'i, on Maui and at Kapālama. Orphan and indigent children comprised approximately 27 percent of the 2015-2016 invited students.

For more, including a copy of Kamehameha Schools audited "Consolidated Financial Statements and Supplemental Schedules" for fiscal year 2015, please visit www.ksbe.edu/ annual reports.

CONSOLIDATED BALANCE SHEET

June 30, 2015
(in thousands)

Assets

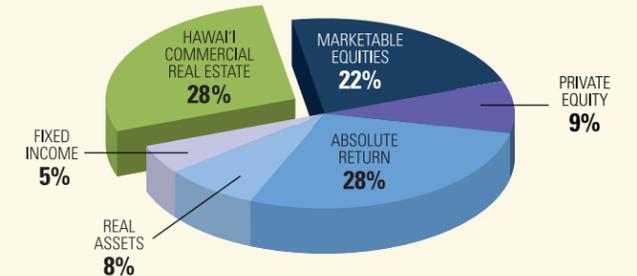
Current assets		
Cash and cash equivalents	\$ 32,529	
Receivables, net	6,618	
Other	2,981	
Total current assets		42,128
Trust investments		
Financial investments	7,848,175	
Amounts receivable for securities sold	118,747	
Interest receivables	9,490	
Real estate investments, net	207,281	8,183,693
Other investments		36,369
Property and equipment, net		697,575
Deferred charges and other		113,809
Total assets		<u>\$ 9,073,574</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 44,484	
Current portion of notes payable	9,783	
Deferred income and other	26,393	
Total current liabilities		80,660
Notes payable		183,979
Accrued pension liability		72,706
Accrued postretirement benefits		53,699
Amounts payable for securities purchased		74,831
Deferred income and other		188,715
Total liabilities		<u>654,590</u>
Commitments and contingencies		
Net assets – unrestricted		8,418,984
Total liabilities and net assets		<u>\$ 9,073,574</u>

KAMEHAMEHA SCHOOLS' ENDOWMENT

Kamehameha Schools' mission is fully supported by its endowment. The endowment was valued at \$11.1 billion as of June 30, 2015. A globally diversified financial assets portfolio of \$7.9 billion, and Hawai'i commercial real estate representing \$3.2 billion at fair market value.



KAMEHAMEHA SCHOOLS' LANDS

Commercially zoned lands make up 1 percent of total acreage (363,636) belonging to Kamehameha Schools. Agricultural and conservation lands comprise 99 percent and are primarily considered sustainability assets, not included in the endowment fund. During the fiscal year 2015, Kamehameha Schools spent \$8.6 million (net of agricultural rents) to steward agricultural and conservation lands and natural resources.

