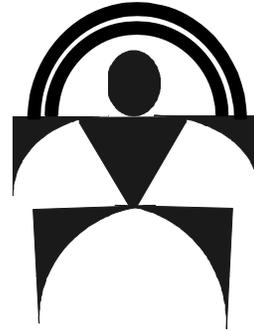


Native Hawaiian Legal Defense & Education Fund (NHLDEF)
d.b.a.

The Ho'omaka Foundation

Corporate Structure



NHO Parent

HF

Kuhana

Kukulu

Kili

Akahi

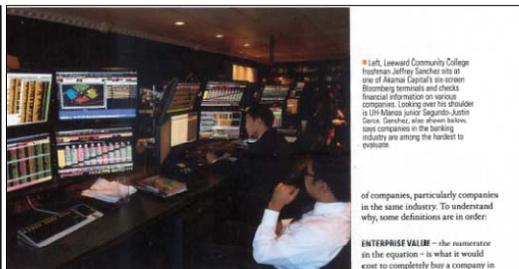
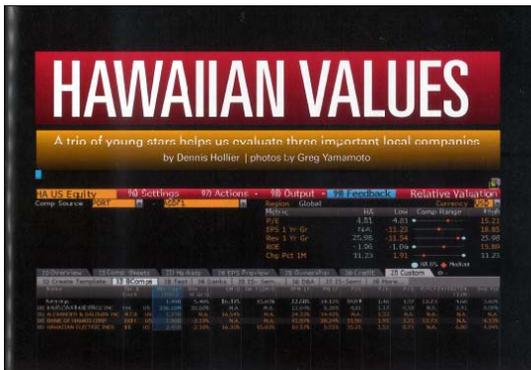
Kaula

Kako'o

Benefits to Native Hawaiians



Students at the New York Stock Exchange



Left, Leeward Community College freshman Jeffrey Sanchez sits at one of Akamai Capital's six-screen Bloomberg terminals and checks financial information on various companies. Looking over his shoulder is UH Manoa junior Sagomo-Justin Sato. Sanchez, also shown below, says companies in the banking industry are among the hardest to research.

of companies, particularly companies in the same industry. To understand why, some definitions are in order:

ENTERPRISE VALUE — the numerator in the equation — is what it would cost to completely buy a company in an arm-length transaction. Minnick says, EV is a more accurate value than the market capitalization often cited in the press because it accounts for a company's debt. By definition, EV is the price to buy all the stock in the company — the market cap — plus pay off all the debt, minus cash on hand.

EBITDA — earnings before interest, taxes, depreciation and amortization — is a shorthand measure of a company's operating profits. It basically adds interest expenses,

information online, always freely available to investors and analysts like ourselves," Sato says. Yahoo! Finance and similar free services also provide a lot of information. "Here, you can get an idea what a company does and how its financial results were for the fiscal year and compare those results to the previous year. You can also use the same data to compare EBITDA to other companies in the same industry."

It helps to be fluent in Excel in order to make the most of the data. For example, Sanchez demonstrates how to copy tables from a 10-K, a company's annual financial statement with the SEC, and paste them directly into an Excel worksheet so you can manipulate the data or create your own tables. Like any good analyst, he works quickly, without touching the mouse.

Which numbers are most important? That's especially problematic for smaller, publicly traded companies — like most of those in Hawaii — that have limited coverage by analysts. The answer, Sato says, is to look at how analysts cover other companies in the same industry. "I would look at the largest company," he says, "because

Robert Howe has been playing the markets since he was in high school. In 1973, he inherited \$5,000 from his aunt and his father suggested he buy stock with the windfall. How close a young consumer-products company called Radio Shack. "Over the next decade," he says, "the stock went up 20-fold, even while the market as a whole fell 65 percent. That paid for Yale and Harvard Business School."

Howe has now been a fund manager for more than 30 years. He's the founder and CEO of Geomatrix, a prominent investment fund in Asian markets. He also helps run the Akamai Finance Academy, a Kailua-based nonprofit that gives local kids the hands-on experience they need to compete with "Princesses transfer fund kids" for asset-management jobs on Wall Street. When *Hawaii*

Business wanted to learn more about valuation, the complex art of analyzing what companies are worth, Howe seemed like the ideal teacher.

He had a better idea. Have some of Akamai's young finance students analyze a few of Hawaii's publicly traded companies. That way, we would learn what numbers analysts look at when they value important local companies, while introducing traders to Hawaii's next generation of financiers.

So, one Sunday morning, we sat down in front of the Bloomberg machines at the Akamai Finance Academy on the top floor of a nondescript two-story Kailua building to chat with three of the program's star analysts: Sagomo-Justin Sato, a junior at UH-Manoa and a graduate of Kapolei High School; Jeffrey Sanchez, a freshman at Leeward Community College and graduate of Milliani High School; and Ivan Minnick, a UH graduate and an associate with the program's investment arm, Akamai Capital. Here's an analysis of three Hawaii companies.

HAWAIIAN ELECTRIC INDUSTRIES

The first problem facing an investor is how to get information. The Akamai analysts have access to high-tech, six-screen Bloomberg machines, but they wanted to show that such costly resources aren't necessary.

"When I started out," says Sato, "I didn't know much about Hawaiian Electric or what types of businesses it was, so the first thing I did was go to its website and search for the company's annual report." Googling "Hawaiian Electric investor information," he quickly pulls up the company's annual report and a long list of filings required by the U.S. Securities and Exchange Commission.

"Most publicly traded companies post their annual reports and other financial



Students on floor of the New York Stock Exchange