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**STATE OF HAWAII'
EMPLOYEES' RETIREMENT SYSTEM**

NEWS RELEASE

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ERS Appoints Kristin Varela as New Chief Investment Officer

HONOLULU – The Employees' Retirement System of the State of Hawaii (ERS) announced the appointment of Kristin Varela as its Chief Investment Officer (CIO) effective January 17, 2023.

The ERS Board of Trustees approved Varela's appointment after a nationwide search by the firm Kumabe HR, which received more than 200 applications for the position.



Kristin Varela

"It's an honor and an enormous privilege to be appointed to this position," Varela said. "I am excited to join such a prestigious team and look forward to serving the hard-working employees of Hawaii."

Said Trustees Chair Vince Barfield: "I join the board and staff in welcoming Kristin to our team. She comes highly experienced in the public plan arena and is particularly skilled in the institutional risk and asset classes that are the underpinnings of our successful investment strategy. We look forward to her leadership in further strengthening our program."

Varela holds nearly 15 years of experience in the institutional investment industry and has served in the public and private sectors throughout her career. Most recently, she served as the Deputy Chief Investment Officer and Interim Chief Investment Officer for the Public Employees Retirement Association of New Mexico. She oversaw the delegated implementation of a \$17 billion pension portfolio, ensuring the long-term solvency of the plan and serving more than 90,000 active and retired members.

Varela brings broad expertise in modeling, market analysis, and manager-specific due diligence across various asset classes of public, private, and alternative markets. She specializes in risk-based asset allocation, innovative investment solutions, and prudent portfolio implementation.

ERS Executive Director Thomas Williams said: "Public funds always benefit from hiring the best talent available. While a specific fund's staffing needs may evolve over time, a constant is



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outstanding intellect, character, commitment, competence, and vision. Kristin checks all these boxes and more.”

Varela holds a BBA in Finance from New Mexico Highlands University and is a recognized industry leader, featured by Chief Investment Officer, as an "Industry Innovation Awards" finalist (2021) and a top "Forty-Under-Forty" next-generation leader (2017).

Varela succeeds Elizabeth Burton, who resigned at the end of June after nearly four years as CIO. Howard Hodel, who is serving as acting CIO, has announced his retirement later in 2023. Hodel has agreed to stay on to assist in the transition to new leadership.

The ERS was one of only seven public pension funds nationwide to achieve a positive return for Fiscal Year 2022 and is broadly recognized for its innovative approach to investment risk mitigation. The market value of the ERS portfolio at the end of the fiscal year was \$21.97 billion.

About the ERS

The Employees’ Retirement System (ERS) of the State of Hawaii was established in 1926 and provides retirement allowances and other benefits to more than 149,000 retirees, beneficiaries, inactive vested members, and active public employees working for the State and the counties of Hawaii. The Board of Trustees serves as the governing body of the ERS, with certain areas of administrative control vested in the State Department of Budget and Finance. The ERS is a qualified defined benefit public pension plan covered under Section 401(a) of the Internal Revenue Code. The ERS and its Board of Trustees account for and safeguard assets in the ERS investment portfolio and invest funds to help finance its retirement benefits program. The \$21.97 billion global investment portfolio of the ERS holds a diversified set of assets across different strategies and risk categories.

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