

Board Packet List of Documents

Board of Trustees Meeting
September 9, 2024

- Meeting Agenda

- Staff Reports
 - R 1 ERS Operations Report – Aug 2024
 - R 2 Program Support Staff Report

- New Business
 - NB 1.1 Appointment of Executive Director as Presiding Officer for HAR Public Hearing
 - NB 2.1.1 Draft Bill and Justification Relating to Automatic Disbursements
 - NB 2.1.2 Draft Bill and Justification Relating to Employer Reporting Requirements
 - NB 3.1 Total Fund Performance Review by Meketa Investment Group, Inc.
 - NB 3.2 Private Credit Portfolio Review by Meketa Investment Group, Inc.

- APPROVAL OF MINUTES – July 8, 2024

Board Packet Documents are available to the public for inspection on the Employees' Retirement System's Website: <https://ers.ehawaii.gov/board-and-committee-agendas-and-meeting-packets>, and in the Employees' Retirement System's Office, 201 Merchant Street, Suite 1400, Honolulu, HI 96813

NOTICE OF REGULAR MEETING

AGENCY: Board of Trustees of the Employees' Retirement System of the State of Hawaii
DATE: Monday, September 9, 2024; 10:00 a.m.
PLACE: City Financial Tower, 201 Merchant Street, Suite 1200, Honolulu, Hawaii 96813

The meeting will be conducted pursuant to HRS §92-3.7, under which Members of the Board of Trustees may participate via interactive conference technology; and members of the public may also participate via interactive conference technology or in person at the meeting place stated above.

Members of the public may also attend the meeting and provide testimony in person or by teleconference, either audio or video, at the following link or phone number:

https://teams.microsoft.com/l/meetup-join/19%3ameeting_OTM0MjAxNTctNjQ5NS00MmM3LTk0OGYtOWI0MmIxMjkzMDZj%40thread.v2/0?context=%7b%22Tid%22%3a%223847dec6-63b2-43f9-a6d0-58a40aaa1a10%22%2c%22Oid%22%3a%228f795840-377f-479d-bb5d-6ec41c4a01bc%22%7d

Or join by entering meeting ID: 270 747 356 30 Passcode: aoz63N

Individuals testifying at the meeting are requested to limit their testimony to three (3) minutes or an amount of time otherwise designated by the Chairperson.

Or +1 808-829-4853 United States, Honolulu (Toll)
Conference ID: 401 823 010#

In the event audiovisual communication cannot be maintained with participating Trustees and quorum is lost, the meeting shall be automatically recessed for up to 30 minutes, during which time, an attempt to restore audiovisual communication will be made. If such attempt is unsuccessful, all Trustees, members of the public, staff and other interested individuals may continue to participate in the meeting via telephone using the above-listed telephone and conference ID numbers, whereby audio-only communication will be established for all participants and the meeting will continue. If reconvening the meeting is not possible because neither audiovisual nor audio-only communication can be re-established, the meeting will be terminated.

AGENDA

QUORUM/CALL TO ORDER

Motion to hold the meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Members of the public may submit written testimony on these agenda items via e-mail or postal mail with receipt recommended by 4:30 p.m. on Friday, September 6, 2024, in order to ensure it is distributed in time for consideration. Please address written testimony if by e-mail to: dale.kanae@hawaii.gov or by postal mail to: Employees' Retirement System of the State of Hawaii, Board of Trustees, 201 Merchant Street, Suite 1400, Honolulu, HI 96813.

REPORTS BY STAFF

1. Executive Director's Report on the Operations and Administration of the System with Respect to Issues Affecting Member Services, Accounting, and Information Technology Systems, to Include Significant Developments in Investments, Policy, Staffing, Potential Legislation, and Regulatory Matters.
2. Program Support Staff Report on General Duties Including Significant Current and Future Projects.

Pursuant to HRS §92-5(a)(4), the Board of Trustees may enter into Executive Session to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to these matters.

NEW BUSINESS

1. Update Report of Activity by the Administrative & Audit Committee Chair.

1.1 Appointment of Executive Director to Serve as Presiding Officer at a Public Hearing on Draft Amendments to Hawaii Administrative Rules, Title 6, Chapter 24.

A copy of the potential amendments being considered is available to be viewed in person at the ERS Office and is also posted at <https://ers.hawaii.gov/resources/all-publications>, under “Hawaii Administrative Rules (HAR).”

Pursuant to HRS §92-5(a)(4), the Board of Trustees may enter into Executive Session to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to these matters.

2. Update Report of Activity by the Legislative Committee Chair.

2.1. Discussion of Potential Future Legislative Proposals Relating to the Employees’ Retirement System.

2.1.1 Conform Hawaii Revised Statutes (HRS) Chapter 88, to Ensure Compliance with the Internal Revenue Code of 1986, as Amended, Regarding Automatic Disbursements;

2.1.2 Amend HRS Chapter 88, to Provide Clarification Regarding Employer Reporting Requirements; and

2.1.3 Identification of Future Legislative Proposals Determined to be Necessary or Desirable for the System’s Investments, Administration, and/or Operations.

Pursuant to HRS §92-5(a)(4), the Board of Trustees may enter into Executive Session to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to these matters.

3. Update Report of Activity by the Investment Committee Chair.

3.1. Total Fund Performance Review for Period Ending June 30, 2024.

3.2. Private Credit Portfolio Review for Period Ending March 31, 2024.

Pursuant to HRS §88-27.5(a)(1) and HRS §92-5(a)(4), the Board of Trustees may enter into Executive Session to conduct discussions and deliberations relating to, and if appropriate, to make a decision on investments or prospective investments by the system that requires the consideration of information or records that are exempt from disclosure under HRS Chapter 92F, including information and records that are proprietary information or confidential business information, and to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to these matters.

APPROVAL OF MINUTES – July 8, 2024

EXECUTIVE SESSION

1. Executive Session, pursuant to HRS §92-5(a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to an Update on Ongoing Litigation; appropriate action for Cynthia Giebink vs. ERS, Civil No. 2CCV-23-0000113.
2. Executive Session, pursuant to HRS §92-5(a)(4), and (8), to consider information that must be kept confidential pursuant to state law, and to consult with the Board’s attorneys on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities with respect to Temporary Hazard Pay and the Potential Impacts to the Employees’ Retirement System; appropriate action.
3. Executive Session, pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of July 8, 2024.

ADJOURNMENT

If you require auxiliary aid/service or other accommodation due to a disability, please contact Dale Kehau Kanae at (808) 586-1706 or dale.kanae@hawaii.gov as soon as possible, preferably by Wednesday, September 4, 2024, and the ERS will try to obtain the auxiliary aid/service or accommodation, but cannot guarantee that the request can be fulfilled.

Upon request, this notice can be made available in large print.

Employees' Retirement System Monthly Operations Report Highlights – August 2024

- STAFFING (updated through 9/1/2024)**

	Position Title	Vacant Date	Recruitment Status
1.	Retirement System Deputy Executive Director	4/1/24	8/15/24 – active recruitment.
2.	Program Specialist VI	6/1/24	5/24/24 – request sent to ARO-HR to open recruitment.
3.	Program Specialist	New pos.	4/19/24 – draft PD sent to ARO for review and approval.
4.	Account Clerk V	10/17/22	PD in review w/ ARO since 9/26/23.
5.	Investment Accountant V	New pos.	8/30/24 – tentative start date for new employee, 10/1/24.
6.	Secretary II	7/25/23	11/22/23 – revised PD in review w/ARO-HR
7.	Account Clerk V	5/1/24	8/1/24 – 89 day hire, nte 10/28/24, 1 st appointment
8.	Information Technology Band C (Applications Supervisor)	3/22/23	6/11/24 – selected applicant accepted another job offer; rqst. new Cert list.
9.	Information Technology Band B (Systems)	2/16/24	2/20/24 – rqst new Cert list.
10.	Information Technology Band B (Systems)	12/23/22	8/2/24 – rcvd list, 6 applicants; found otr. job/no longer interested; rqst new Cert list.
11.	Information Technology Band B (Programmer)	1/1/24	4/4/24 – rcvd list, 8 applicants; found otr. job/no longer interested; rqst new Cert list.
12.	Secretary II	1/1/24	4/4/24 – rcvd new list, 20 applicants; found otr. job/no longer interested; rqst new list.
13.	General Professional VI	4/16/24	In process of opening recruitment.
14.	General Professional VI (NIOSS)	5/16/20	8/12/24 – rcvd new list, 1 applicant, interview scheduled.
15.	General Professional VI	3/16/22	8/12/24 – rcvd new list, 1 applicant, interview scheduled.
16.	Retirement Claims Examiner V	1/1/24	6/27/24 – TA rqst approved for period 7/1 – 9/30/24; awaiting ARO-HR to open recruitment.
17.	Retirement Claims Examiner III	5/1/24	8/2/24 – rcvd new list, 18 applicants, 2 interviews scheduled.
18.	Retirement Claims Examiner III	6/17/24	6/20/24 – in process of opening recruitment.
19.	Retirement Claims Examiner III	7/29/24	7/30/24 – in process of opening recruitment.
20.	Office Assistant IV	2/24/24	4/23/24 – rqst sent to ARO-HR to open recruitment.
21.	Office Assistant IV	1/1/24	7/9/24 - awaiting new Cert list.
22.	Office Assistant IV	1/23/24	5/20/24 – selected applicant found other job; rqst new Cert list.
23.	Office Assistant III	2/16/24	8/22/24 – new employee to start on 9/16/24.
24.	Investment Officer	New pos.	In process of establishing PD
25.	Senior Investment Officer	9/1/23	In process of revising PD & opening recruitment
26.	Investment Specialist	10/3/23	8/13/24 – rcvd new list, 2 applicants, interviews in process.

- **MAJOR ACHIEVEMENTS, etc.**

- A. Retirement Benefits Branch (RBB)

- Finals – The Team finalized 167 retirees on estimated pension with 702 pending pension adjustments. As a result, we now have 2% (16) applications over the 6-month standard, compared to 3% (23) in the prior month. The Team is finalizing June 2024 retirements.
- Neighbor Island Activities
 - Hilo – 8/8 (Kona filing session)
8/28 (Kona filing session)
- Informational events
 - 8/6 UH Pre Retirement
 - 8/9 City & County of Honolulu Pre Retirement

- B. Accounting Branch

- KKDLY LLC working on the FY 2023 audit. Plan/target is to still issue FY 2023 audit in October 2024 and GASB 67/68 Employer report to meet State and County Employers financial reporting deadlines.
- FY 2025 priority procurements in progress and awaiting approvals.
- Work in progress for Tax Reclaims.
- In collaboration with Admin & RBB on-going work regarding Employer Reporting issues (“Work Reports Team” led by Supervisor of Accounting’s Disbursement and Benefits Section).
- On-going support for Investment Operations, e.g., capital calls, account openings, tax forms, investment reporting for audit purposes, investment manager payments, etc.

- C. Information Systems Branch (IS)

- Class Code Reports Processed: 162
- Completed Computers and Servers patching.
 - Patching are updates made to computers and servers to minimize security vulnerabilities.
- Completed Pension Administration System Production & non-Production Patching and Backups
 - Patching are updates made to servers to minimize security vulnerabilities.
 - Backups are made prior to the updates as an extra precaution.
- Completed Accounting System Production & Non-Production Critical Patch Updates (CPU) and Backups
 - Critical Patch Updates (CPU) are security fixes for multiple security vulnerabilities.
 - Backups are made prior to the CPU as an extra precaution.

- New IT Band A, Applications Programmer started 7/16/2024.
- Approved on behalf of ERS I/S Temporary Hazzard Pay (THP) claims.
- Completed web member update on the ERS website with data through April 2024.
- Completed replacement of 6 copiers including setup for staff.
- Completed repair of the data center Uninterruptible Power Supply (UPS) and replaced batteries.
- Completed Setup of 4 new RCE's.
- Holomua Mailing List

D. Administration

- Our banking contract was awarded to Bank of Hawaii for 3 years with an option to extend for 2 additional years.
- Holomua Fall Issue production.
- Completed 2 Uniform Information Practices Act research and responses.
- HRS 88-64 (Act 46, SLH 2023) implementation, process requests to review related cases, tax treatment of reported contributions.
- Completed Hawaii Domestic Relations Orders review and requests for information.
- Coordinating edits for B&F General Obligation Bonds documents.
- Attended V3locity Meetings.
- Temporary Hazard Pay (THP) – Met with stakeholders (ERS/DHRD/DAGS/B&F) and developed examples of various payment reporting options to provided AGs, Tax Counsel and GRS with. Working with ERS staff and AGs to finalize ERS's employer reporting requirements.
- Legislative proposal development for 2024 session.
- Facilitated resolution of benefit administration for HRS 88-74, 88-81, & 88-98.

E. Staff Support Services Branch (SSS)

- Walk in members: 546 in August, compared to 613 in July.
- Document Scanning and Indexing (on-going) – major backlog (approx. +2 million)

Activities (June)	Documents Completed
Time Sensitive	3,603
Indexed (backlog)	1,807

*Due to V3 upgrade QA count no longer available

• .WEB STATISTICS FOR August 2024

- Member Information – Sessions = 17,702
- General ERS Website – Sessions = 20,614

Top 12 viewed site pages (descending order):

	Page	Page views
1.	Members > Planning For Retirement	7397
2.	Benefits Calculator	7381
3.	Members > Member Forms	5177
4.	Resources > All Forms	3729
5.	Members > Active	3671
6.	Resources > Contact Us	3552
7.	Home > Administration	1852
8.	Retirees > Pension Info	1287
9.	Members > Leaving Employment	1176
10.	Members > Member FAQs	1098
11.	About-the-ers	1074
12.	Retirees > Retirees FAQs	1056

RETIREMENT BENEFITS BRANCH ACTIVITIES – August 2024

Activities	Standard	Completed	Standard Percentage	Pending	Remarks
1. Enrollment	Within 1 month of receipt - Enrollment Forms	713	100% (July 100%)	700	Lead staff out-extended leave since May 7. Staff working OT. 700 pending received from 8/15 – present. Increase in enrollment due to new hires from Employers (DOE, Univ of HI, CCH) for new FY.
2. Estimates Requests	Within 6 months of retirement date	236	100% (July 100%)	273	
3. Initial Payments	After 1 month of retirement date	181	100% (July 100%)		
4. Refund Requests	Within 1 month after request, send letter	162	100% (July 100%)	16	.
5. Refund Payments	Within 2 months after receipt of applications	47	100% (July 100%)	114	31 out of 114 Pending cases: Incomplete applications, work reports not updated, member still employed, miscoding, and vesting status.
6. Deaths (Active members)	Within 1 month of report of death, send letter	35	47% (July 73%)	39	20 of 74 deaths reported – No benefits.
7. Death Payment (Active members)	Within 1 month of receipt of death claim form(s)	9	100% (July 100%)	9	
8. Deaths (Retiree/Beneficiary)	Within 1 month of report of death, send letter	221	92% (July 88%)	18	Deaths are reported by family members and vendors (DOH, PBI, obituary). Pending letters may still be within the standard.
9. Death Payments (Beneficiary)	Within 1 month of receipt of death claim form(s)	41	100% (July 100%)	206	206 Pending – No death claims and forms from beneficiaries and estates
10. Ordinary Disability	Within 6 months complete application	3	100% (July 73%)	47	3 of 3 met the 6-month standard.
11. Service-Connected Disability/ Death	Within 14 months complete application	8	75% (July 0%)	57	6 of 8 met the 14-month standard

Disability Standard – Below are the disability applications completed in August 2024 by the ERS Administration (Executive Director) based on the revised Chapter 23, Hawaii Administrative Rules, on the Preliminary Decisions by the Medical Board (MB). All applications are now reviewed by the Deputy Attorney General (DAG) after staff’s review.

Disability	Initials	Date Application Filed	Date Completed	Months	Reason for Delay
Ordinary	JS	1/25/2025	7/25/2024	6	
	EK	2/21/2023	7/25/2024	5	
	KAM	3/4/2024	7/25/2024	5	
			Average	5	
Service-Connected	RJS	12/5/2022	7/11/2024	19	MB requested IME
	AH	3/13/2023	7/11/2024	16	DOE WC delays
	NG	7/31/2023	7/11/2024	12	
	LM	8/9/2023	7/11/2024	11	
	GT	10/18/2023	7/29/2024	9	
	JB	2/12/2024	7/11/2024	5	
	IN	2/27/2024	7/11/2024	5	
	JA	3/1/2024	7/11/2024	4	
			Average	10	

Finals Report Board of Trustees Meeting August 31, 2024

Finals Production as of August 31, 2024

2024													
Retirements Filed	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
LY Finalized	150	225	245	269	284	250	273	301	282	270	214	215	2978
TY Projection	170	180	200	220	220	220	220	230	230	230	230	230	2580
Actual (filed)	242	286	179	185	204	203	275	163					1737
Ord. Death	11	6	0	7	0	5	4	4					37
RMD	6	0	1	0	0	0	0	0	0	0	0		7
Total Finalized	259	292	180	192	204	208	279	167	0	0	0		1781
Begin Pending	794	1139	937	847	786	674	741	684					
New Retirements	580	83	82	112	86	264	212	174					1593
Add'l (BOT & svc adj.)	7	1	7	12	6	6	6	7					52
Completion	-242	-286	-179	-185	-204	-203	-275	-163	0	0	0	0	-1737
End Pending	1139	937	847	786	674	741	684	702	702	702	0	0	

1. Highlights

- 167 cases were finalized and paid in August.
- 163 Retirements, including 6 disability retirements.
- 4 Active death monthly pension

- 9 cases were finalized with Act 134 Interest paid totaling \$48.62.
 - \$5.40 average interest paid.
- 37 Anti-spiking (Act 153) cases
- 702 Service and Disability retirements pending finalization.
 - Continue finalizing June 2024 retirements with 98% of the cases within benchmark.
- Resources are currently at 6 Retirement Claims Examiner IV at full-time status.

2. Aging Status Standard: To finalize pensions within 6 months or interest starts on the 7th month.

Pending Status:

Backlog Cases over 6 months: 16 (2%) including 1 Disability retirements.

Benchmark Cases within 6 months: 686 (98%) including 13 Disability retirements.
702

3. Re-Finalization (On Hold)

- Pay adjustments due to late HIP reporting and retroactive pay increases per CBA add to backlog.
- Hazard Pay refinals.

Program Support Update

ERS Board of Trustees

September 9, 2024



Employees' Retirement System
of the State of Hawaii

Program Support Duties

- Plan, develop, coordinate, monitor and evaluate programs, operations, and activities in support of ERS's programs.
- Coordinate and assist with legislative matters.
- Liaison to various groups including the deputy attorneys general, actuary, BOT legislative committee, and employers.
- Resolve benefit administration issues.
- Point-of-contact for Uniform Information Practices Act (UIPA) and other external requests.
- Conduct outreach and informational activities such as news releases, Holomua newsletter and ERS website. Coordinate certain internal communications.
- Review and qualify Hawaii Domestic Relations Orders (HiDRO) and respond to HiDRO Requests for Information.



Employees' Retirement System
of the State of Hawaii

Projects

CURRENT MAJOR PROJECTS

- Employer Reporting Audit Development
- Temporary Hazard Pay Reporting
- 2025 Legislative Session
- HRS 88-64 Settlements/Act 46 (SLH 2023)
- HAR Chapter 24 Revisions
- Membership customer service surveys
- Imaging process efficiency analysis

FUTURE PROJECTS

- Digitization and self-service for members, retirees and employers
- Recruitment and Training of new Program Specialist
- ERS Centennial Celebration



JOSH GREEN, M.D.
GOVERNOR



THOMAS WILLIAMS
EXECUTIVE DIRECTOR

STATE OF HAWAII
EMPLOYEES' RETIREMENT SYSTEM

September 9, 2024

TO: Board of Trustees
Employees' Retirement System

FROM: Thomas Williams
Executive Director

SUBJECT: Presiding Officer for Hawaii Administrative Rules Public Hearing

Appointment of Executive Director to serve as presiding officer at the public hearing for the draft Hawaii Administrative Rules for amendments to Chapter 24.

Action: Approve as recommended.



Employees' Retirement System
of the State of Hawaii

City Financial Tower • 201 Merchant Street, Suite 1400 • Honolulu, Hawaii 96813-2980
Telephone (808) 586-1735 • Fax (808) 586-1677 • <http://ers.hawaii.gov>

____.B. NO.____

A BILL FOR AN ACT

RELATING TO AUTOMATIC CASHOUTS OF THE EMPLOYEE'S RETIREMENT SYSTEM.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to maintain the
2 employees' retirement system of the State of Hawaii's (the
3 "system") Federal tax qualification requirements by conforming
4 Chapter 88 to updated stipulations of the Internal Revenue Code
5 of 1986, as amended, (IRC) regarding automatic disbursements,
6 including Required Minimum Distributions (RMD), by the Setting
7 Every Community Up for Retirement Enhancement (SECURE) Act 2.0
8 of 2022.

9 SECTION 2. Section 88-74.7, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "(a) The purpose of this section is to provide for
12 distribution of benefits in accordance with a reasonable and
13 good faith interpretation of section 401(a)(9) of the Internal
14 Revenue Code. Section 401(a)(9) of the Internal Revenue Code
15 requires that the "entire interest" of a member be distributed
16 or that distribution of the member's benefits begin no later
17 than the member's "required beginning date".

____.B. NO.____

1 ~~[(b) For the purposes of this section, "required beginning~~
2 ~~date" means April 1 of the calendar year following the calendar~~
3 ~~year in which a member terminates service or attains age seventy~~
4 ~~and one-half, whichever is later.~~

5 ~~(e)]~~ (b) A member or former member's accumulated
6 contributions or hypothetical account balance, as defined in
7 section 88-311, shall be paid to the member or former member, or
8 payment of the benefits payable under part II, VII, or VIII of
9 this chapter shall commence, no later than the member's or
10 former member's required beginning date. The payment or
11 payments shall be made on, or beginning no later than, the
12 member's or former member's required beginning date even if the
13 member or former member does not apply for payment or file a
14 retirement application.

15 ~~[(d)]~~ (c) If, by a member's or former member's required
16 beginning date:

17 (1) The member or former member's accumulated
18 contributions or hypothetical account balance, as
19 defined in section 88-311, are not paid to the member
20 or former member; or

21 (2) Payment of the benefits payable under part II, VII, or
22 VIII of this chapter do not commence,

____.B. NO._____

1 the system shall pay the service retirement benefits for which
2 the member or former member is eligible pursuant to part II,
3 VII, or VIII of this chapter, as applicable, retroactive to the
4 member's or former member's required beginning date with regular
5 interest.

6 [~~e~~] (d) If the system does not receive a written election
7 from the member or former member under section 88-83, 88-283, or
8 88-333, as applicable, prior to the later of the member's or
9 former member's required beginning date or sixty days following
10 the receipt by the member or former member of notice from the
11 system that the member or former member is required to make an
12 election, the following election shall be deemed to have been
13 made as of the member or former member's required beginning
14 date:

15 (1) If the member or former member is unmarried or has no
16 reciprocal beneficiary, the member or former member shall
17 be deemed to have elected the maximum retirement allowance;
18 or

19 (2) If the member or former member is married or has a
20 reciprocal beneficiary, the member or former member shall
21 be deemed to have elected option 3 under section 88-83, or
22 option A under section 88-283, as applicable, and to have

____.B. NO.____

1 designated the member's or former member's spouse or
2 reciprocal beneficiary as the member's or former member's
3 beneficiary;

4 provided that if the system receives the written election after
5 the member's or former member's required beginning date, but
6 within sixty days following receipt by the member or former
7 member of notice from the system that the member or former
8 member is required to make the election, the written election
9 shall apply, and the member's or former member's retirement
10 benefit shall be recomputed, based on the written election,
11 retroactive to the member or former member's required beginning
12 date. The amount of any underpayment resulting from recomputing
13 the benefit shall bear regular interest. If recomputing the
14 benefit results in an overpayment, payments shall be adjusted so
15 that the actuarial equivalent of the benefit to which the member
16 or former member was correctly entitled shall be paid.

17 [~~f~~] (e) If the system does not have current information
18 about the member's or former member's marital or reciprocal
19 beneficiary status at the time of a deemed election, the
20 following presumptions shall apply:

21 (1) If the member or former member was married or had a
22 reciprocal beneficiary at the time the member or

____.B. NO._____

1 former member last provided information to the system
2 about the member's or former member's marital or
3 reciprocal beneficiary status, it shall be presumed
4 that the member or former member is still married to
5 the same spouse or is in the same reciprocal
6 beneficiary relationship. If the system does not have
7 information as to the age of the spouse or reciprocal
8 beneficiary, the spouse or reciprocal beneficiary
9 shall be presumed to be forty years younger than the
10 member or former member for purposes of computing the
11 member's or former member's benefit; and

12 (2) If the member or former member was unmarried and did
13 not have a reciprocal beneficiary at the time the
14 member or former member last provided information to
15 the system about the member or former member's marital
16 status, it shall be presumed that the member or former
17 member is married and that the spouse of the member or
18 former member is forty years younger than the member
19 or former member.

20 [~~(g)~~] (f) The presumptions in subsection [~~(f)~~] (e) shall
21 cease to apply when the member or former member provides the
22 system with current information as to the member's or former

____.B. NO._____

1 member's marital or reciprocal beneficiary status and the age of
2 the member or former member's spouse or reciprocal beneficiary,
3 if any, on the member's or former member's required beginning
4 date. The information shall be provided in a form satisfactory
5 to the system. At that time, the member's or former member's
6 retirement allowance shall be recomputed, retroactive to the
7 member's or former member's required beginning date, based on
8 the updated information; provided that, except as provided in
9 subsection [~~(e)~~] (b), the member or former member shall not be
10 permitted to change the member's or former member's retirement
11 allowance option election or beneficiary; provided further that
12 the benefit being paid to any member or former member who, on
13 the member's or former member's required beginning date, was
14 unmarried and did not have a reciprocal beneficiary, but who was
15 deemed to elect option 3 or option A with an assumed spouse or
16 reciprocal beneficiary, shall be converted to the maximum
17 retirement allowance retroactive to the member's or former
18 member's required beginning date. The amount of any
19 underpayment resulting from recomputing the benefit shall bear
20 regular interest. If recomputing the benefit results in an
21 overpayment, payments shall be adjusted so that the actuarial

____.B. NO.____

1 equivalent of the benefit to which the member or former member
2 was correctly entitled shall be paid.

3 ~~[(h)]~~ (g) If the system cannot locate the member or former
4 member, the member's or former member's benefit shall be payable
5 only until the end of the member's or former member's life
6 expectancy, as determined at the member's or former member's
7 required beginning date. If the member or former member has not
8 by that time made a claim for benefits, the member or former
9 member shall be deemed to be deceased at that time. Interest
10 under subsection ~~[(d)]~~ (c) shall cease on benefits presumed to
11 be abandoned property, pursuant to part I of chapter 523A, upon
12 payment of the property to the administrator under part I of
13 chapter 523A.

14 ~~[(i)]~~ (h) Rules necessary for the purposes of this section
15 shall be adopted as provided in section 88-22.5."

16 SECTION 3. Section 88-321(b), Hawaii Revised Statutes, is
17 amended to read as follows:

18 "(b) Notwithstanding any other law to the contrary:

19 (1) A class C member who returns to service after June 30,
20 2006, and who does not return to service as a class A
21 or class B member shall become a class H member upon
22 return to service; provided that, if the member is a

____.B. NO._____

1 former class A or class B member who received a refund
2 of contributions picked up and paid by the member's
3 employer pursuant to section 88-46(b), the member may
4 not become a class H member and shall return to
5 service as a class C member, unless the refund was
6 made pursuant to section 88-96 or 88-271(b);

7 (2) A class A or a class B member, who returns to service
8 after June 30, 2006, but does not have vested benefit
9 status as provided in section 88-96(b) and who does
10 not return to service as a class A or class B member,
11 shall become a class H member upon return to service
12 and the member's credited service as a class A or B
13 member shall be converted to class C credited service.
14 The system shall return to the member the member's
15 accumulated contributions if the member's accumulated
16 contributions are \$1,000 or less at the time of
17 distribution. If the member's accumulated
18 contributions for the class A or B credited service
19 that was converted to class C credited service are
20 greater than \$1,000 and the member does not make
21 written application, contemporaneously with the
22 member's return to service, for return of such

____.B. NO.____

1 contributions, the member, except as provided by
2 section 88-341, may not withdraw the member's
3 accumulated contributions for the class A or B
4 credited service that was converted to class C
5 credited service until the member retires or [~~attains~~
6 ~~age sixty-two~~] pursuant to sections 88-22.5 and 88-
7 74.7;

8 (3) A class A member who returns to service after June 30,
9 2008, with vested benefit status and who does not
10 return to service as a class B member shall return to
11 service as a class A member; and

12 (4) A class B member who returns to service after June 30,
13 2008, with vested benefit status and who does not
14 return to service as a class B member shall return to
15 service as a class A member."

16 SECTION 4. Section 88-341(a), Hawaii Revised Statutes, is
17 amended to read as follows:

18 "(a) Any class H member who ceases to be an employee and
19 who became a member before July 1, 2012, and has fewer than five
20 years of credited service, excluding unused sick leave, or who
21 becomes a member after June 30, 2012, and has fewer than ten
22 years of credited service, excluding unused sick leave, shall,

____.B. NO._____

1 upon application to the board, be paid all of the former
2 employee's accumulated contributions, and the former employee's
3 membership shall thereupon terminate and all credited service
4 shall be forfeited; provided that an individual shall not be
5 paid the individual's accumulated contributions if either:

6 (1) The individual becomes an employee again within
7 fifteen calendar days from the date the individual
8 ceased to be an employee; or

9 (2) At the time the application for return of accumulated
10 contributions is received by the board, the individual
11 has become an employee again.

12 Regular interest shall be credited to the former employee's
13 account until the former employee's accumulated contributions
14 are withdrawn; provided that the former employee's membership
15 shall not continue after the fourth full year following the
16 calendar year in which the individual's employment terminates.

17 If the former employee does not become an employee again and has
18 not withdrawn the former employee's accumulated contributions,
19 the system shall return the former employee's accumulated
20 contributions to the former employee [~~as soon as possible after~~
21 ~~the later of: (A) the former employee attaining age sixty two;~~

____.B. NO.____

1 ~~or (B) the termination of the former employee's~~
2 ~~membership]pursuant to sections 88-22.5 and 88-74.7."~~

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect upon its approval.

6 INTRODUCED BY: _____

7 BY REQUEST

____.B. NO._____

Report Title:

Employees' Retirement System; Required Beginning Dates;
Automatic Payments

Description:

Amends Chapter 88, HRS to conform to updated required beginning dates and automatic cashout requirements in the Internal Revenue Code of 1986, as amended.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO AUTOMATIC CASHOUTS OF THE EMPLOYEES' RETIREMENT SYSTEM.

PURPOSE: To maintain the Employees' Retirement System of the State of Hawaii's (ERS) Federal tax qualification requirements by updating Chapter 88 to follow stipulations of the Internal Revenue Code of 1986, as amended, (IRC) regarding automatic disbursements. Specifically, the bill proposes to reference the IRC definition of the Required Beginning Dates (RBD) for the tiered increase in ages for Required Minimum Distributions (RMD) and remove the automatic distribution requirement for non-vested Hybrid members so as not to mandate administration of a third-party retirement account vendor as instituted by the Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 of 2019.

MEANS: Amends sections 88-74.7(b), 88-321(b) and 88-341(a), Hawaii Revised Statutes (HRS).

JUSTIFICATION: The employees' retirement system of the State of Hawaii is intended to be a tax-qualified retirement plan under section 401(a) of the IRC.

As such, the system must maintain compliance with all applicable sections under the IRC. Section 107 of the SECURE Act 2.0 of 2019 implemented changes to section 401(a)(9) of the IRC which introduced optional staggered RBDs based on year of birth when determining RMDs.

Section 88-74.7(b) currently defines the RMD age as 70 ½, as previously established by the IRC. Additional RBD ages of 72, 73, and 75, based on various year end effective

dates, were subsequently introduced into the IRC.

The ERS has chosen to implement these staggered beginning dates by proposing to rely on the "required beginning date", as defined in section 401(a)(9) of the IRC, as amended, and already referenced in section 88-22.5(a)(3), HRS. This is proposed alongside a repeal of section 88-74.7(b) which solely describes the previously existing RBD determination and is no longer accurate nor necessary.

Also, section 4975(d) of the IRC requires that automatic disbursements under \$5,000 but over \$1,000 which occur without the participant's consent, not including RMDs, be rolled over into a default Individual Retirement Account (IRA) if the participant does not affirmatively elect otherwise. Section 120 of the SECURE Act 2.0 introduced an additional requirement that the retirement plan service provider must provide employer plans with automatic portability services.

Such services involve the automatic transfer of a participant's default IRA (established in connection with a distribution from a former employer's plan) into the participant's new employer's retirement plan, unless the participant affirmatively elects otherwise.

The proposed repeal of the requirement of an automatic disbursement for a non-vested terminated Hybrid member under section 88-341 would relieve the ERS of the administrative burden and cost of establishing a default IRA for automatic disbursements which fall under the parameters of section 4975(d) IRC to be transferred into and out of. The amendment to section 88-321(b)(2) would conform the parameters of a former non-vested class A or B member to receive a refund of their class

A or B accumulated contributions to the proposed amendment of section 88-341.

The function of the automatic cashout proposed for repeal is also redundant as it is currently filled by complying with the RMD requirements of section 401(a)(9) of the IRC as well as sections 88-22.5 and 88-74.7, HRS. Repeal of the automatic cashout would allow former members a longer period in which to elect their cashout prior to being subject to the required beginning date under section 401(a)(9) of the IRC.

Impact on the public: None.

Impact on the department and other agencies: Maintain beneficial tax qualification under IRC 401(a) and reduce administrative burden and cost of instituting and maintaining a default IRA with automatic portability services.

GENERAL FUND:	None.
OTHER FUNDS:	Indeterminate cost savings to the ERS fund.
PPBS PROGRAM DESIGNATION:	BUF-141/Retirement.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon Approval.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM EMPLOYER REPORTING
AUDIT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The purpose of this Act is to extend the time
2 between the employer audit period, the mandated reporting of the
3 audit results, and the billing date of the contribution pre-
4 payment for those reporting departments or agencies which failed
5 to provide the information in the required format.

6 SECTION 2. Section 88-103.7, Hawaii Revised Statutes, is
7 amended by amending subsection (c) to read as follows:

8 "(c) If a department or agency of the State or county
9 fails to furnish the system with the information required
10 pursuant to this section in the format required by the system,
11 the State or county shall pay to the system, on the first day of
12 the fiscal year [~~following~~] one year after the end of the fiscal
13 year in which the failure to furnish the required information
14 occurred, an amount equal to the employer contributions payable
15 by the State or county, relative to the department or agency
16 that is not in compliance with this section, during the fiscal
17 year in which the failure to furnish the required information

____.B. NO.____

1 occurred. This amount shall be applied to contributions
2 required under section 88-124 for the State and section 88-126
3 for the counties."

4 SECTION 3. Section 88-103.7, Hawaii Revised Statutes, is
5 amended by amending subsection (f) to read as follows:

6 "(f) The system shall annually submit to the department of
7 budget and finance and the legislature, not later than twenty
8 days prior to the convening of each regular session, a report
9 that details the following for the [~~current~~] previous fiscal
10 year:

11 (1) Any department or agency of the state or counties that
12 failed to comply with this section; and

13 (2) Any amounts required to be paid under subsection (c),
14 including the anticipated amounts payable in the upcoming
15 fiscal year, and identification of any state budget
16 programs that may be affected."

17 SECTION 4. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 5. This Act shall take effect upon its approval.

20

21 INTRODUCED BY: _____

22

BY REQUEST

____.B. NO.____

Report Title:

Employees' Retirement System; Employer Reporting

Description:

Adds a year between the audit period and the billing due date and changes reporting of audit results from during the current fiscal year to after the previous fiscal year.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Budget and Finance

TITLE: A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM EMPLOYER REPORTING AUDIT.

PURPOSE: To extend the time between the employer audit period, the mandated reporting of the audit results, and the billing date of the contribution pre-payment for those reporting departments or agencies which failed to provide the information in the required format.

MEANS: Amends section 88-103.7(c) and 88-103.7(f), Hawaii Revised Statutes (HRS).

JUSTIFICATION: Section 88-103.7 HRS requires that all departments and agencies of the State or counties furnish information in the format required by the system. The auditing of that information is intended to be by fiscal years (July to June).

As a result of the failure to report information, section 88-103.7(c) HRS requires that the pre-payment of employer contributions be made on the first day of the fiscal year following the fiscal year in which the failure to furnish the required information occurred. This timeline necessitates that the collection of employer reporting, the audit process, and the assessment of the payment by the employer be completed in the same fiscal year to provide appropriate notice for payment preparation. This compressed timeframe does not allow an audit of information from a full year to be conducted.

The proposed amendment to section 88-103.7(c) is to change the payment due date from the first day of the fiscal year following the fiscal year in which the failure to furnish the info occurred, to being due the first day of the next fiscal

year following the fiscal year in which the failure to furnish the information occurred. This change would provide a longer period over which to collect, audit, and analyze the reported data as well as afford a greater period for employers to prepare pre-payment.

Section 88-103.7(f) HRS also requires that the system submit an annual report detailing any department or agency which failed to comply with reporting requirements, for the current fiscal year, to the Department of Budget & Finance and the Hawaii State Legislature not later than twenty days prior to the convening of each regular session.

This timeline of reporting for the current fiscal year causes compressed reporting and audit periods be employed to file the report timely. The reporting period starts July and ends September with the audit period ending in December.

The proposed amendment to section 88-103.7(f) is to change the report from being on the current fiscal year to the previous fiscal year. This would allow for a more extensive period to be collected for both the reporting and auditing of the employer information to be reported.

Impact on the public: None.

Impact on the department and other agencies: Allows a more comprehensive period for the collection, auditing, and reporting of employer information for the ERS and earlier reporting and notification of pre-billing to the legislature, reporting departments, and agencies for budgeting purposes.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM	BUF-141/Retirement.

DESIGNATION:

OTHER AFFECTED State and counties.
AGENCIES:

EFFECTIVE DATE: Upon Approval.



Employees' Retirement System of the State of Hawaii

August 19, 2024

2024 Q2 Performance Report

1. Introduction
2. ERS Portfolio Review
3. Plan Sponsor Peer Group Analysis
4. Appendix

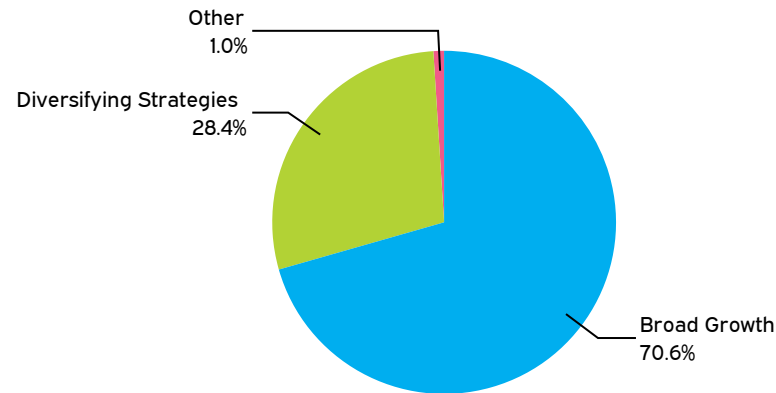
Introduction

Portfolio Valuation			
	Quarter-to-Date	Calendar Year-to-Date	One Year
Total Fund			
Beginning Market Value	23,271,069,490	22,880,493,536	22,231,227,557
Net Cash Flow	-8,112,380	126,067,447	-71,590,865
Capital Appreciation	333,108,146	589,504,273	1,436,428,564
Ending Market Value	23,596,065,256	23,596,065,256	23,596,065,256

ERS Total Fund Relative Performance									
	Inception	30 Yrs	20 Yrs	10 Yrs	5 Yrs	3 Yrs	1 Yr	YTD	QTD
Total Fund	7.6	7.4	7.0	6.7	7.7	4.3	7.4	3.6	1.4
Return Benchmark	7.7	7.7	7.5	7.1	7.0	7.0	7.0	3.4	1.7
Excess Return	-0.1	-0.3	-0.5	-0.4	0.7	-2.7	0.4	0.2	-0.3
Total Fund	7.6	7.4	7.0	6.7	7.7	4.3	7.4	3.6	1.4
Market Benchmark	7.9	7.7	7.0	6.5	7.7	5.3	13.1	8.8	2.0
Excess Return	-0.3	-0.3	0.0	0.2	0.0	-1.0	-5.7	-5.2	-0.6
Total Fund	7.6	7.4	7.0	6.7	7.7	4.3	7.4	3.6	1.4
Peer Benchmark	7.6	7.5	6.8	6.4	7.1	3.0	9.6	5.1	1.0
Excess Return	0.0	-0.1	0.2	0.3	0.6	1.3	-2.2	-1.5	0.4
Total Fund Rank	50	53	37	33	33	14	85	87	25

Total Fund performance consists of net of fees returns. Fiscal year begins on July 1. Inception date is June 1, 1990. Current Market Benchmark composition (effective January 1, 2024) is 70% Broad Growth Benchmark and 30% Diversifying Strategies Benchmark. Please see the Appendix for current and historical custom benchmark compositions. Return Benchmark represents the ERS's actuarial assumption rate. Peer Benchmark represents the plan sponsor peer group InvMetrics Public DB >\$1B Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data.

Asset Allocation vs. Target As of June 30, 2024					
	Current Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)
Broad Growth	16,651,581,424	70.6	70.0	0.6	60.0 - 80.0
Global Equity	9,488,912,423	40.2	39.0	1.2	19.0 - 59.0
Global Credit	2,753,175,150	11.7	12.0	-0.3	6.0 - 18.0
Real Assets	4,409,493,852	18.7	19.0	-0.3	9.0 - 29.0
Diversifying Strategies	6,708,444,865	28.4	30.0	-1.6	20.0 - 40.0
Liquid Defensive/Diversifying	5,782,980,167	24.5	26.0	-1.5	15.0 - 30.0
Illiquid Diversifying	925,464,698	3.9	4.0	-0.1	0.0 - 9.0
Other	236,038,967	1.0	0.0	1.0	0.0 - 0.0
Other	236,038,967	1.0	0.0	1.0	0.0 - 0.0
Total	23,596,065,256	100.0	100.0	0.0	



Target allocation effective January 1, 2024. "Other" includes ERS Operating Account, Parametric Overlay program, and transitional or residual proceeds from liquidating or terminated accounts.

Hawaii ERS vs. Public Fund Peers

→ On a risk-unadjusted basis, the ERS Total Portfolio outperformed the Median Public Fund Peer Group¹ during the quarter and over the trailing 3-, 5-, 10-, and 20-year periods.

Risk-Adjusted Performance² of Hawaii ERS vs. Median Public Fund

	Since Inception	30 Yrs	20 Yrs	10 Yrs	5 Yrs	3 Yrs	1 Yr / FYTD	CYTD	QTD
Total Fund	7.6	7.4	7.0	6.7	7.7	4.3	7.4	3.6	1.4
<i>Risk-Adjusted Peer Median³</i>	<i>7.6</i>	<i>7.2</i>	<i>6.0</i>	<i>4.7</i>	<i>4.3</i>	<i>1.3</i>	<i>3.6</i>	<i>2.5</i>	<i>0.5</i>
Excess Return	0.1	0.2	1.0	2.0	3.4	3.0	3.8	1.1	0.9

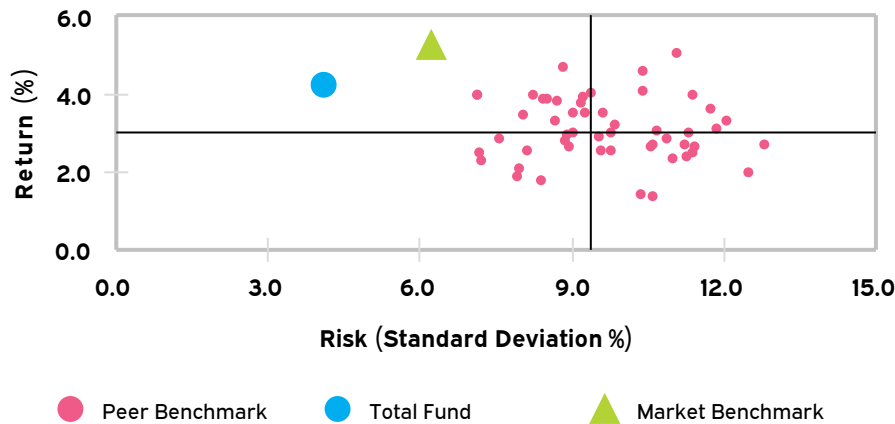
→ On a risk-adjusted basis, the ERS Total Portfolio has consistently, and materially, outperformed relative to the Median Public Fund over all time periods. This is indicative of a more efficient (i.e., higher return per unit of risk) portfolio that was explicitly constructed by the ERS over the last several asset-liability studies.

¹ Peer universe data from Investment Metrics (IM) Public Defined Benefit >\$1B Net Universe includes Investment Metrics client data and plan sponsor peer group data from BNY Mellon.

² Performance shown is net of fees since October 1, 2014, and a mix of net and gross of fees prior to October 1, 2014.

³ The risk-adjusted median normalizes the median fund to the ERS's exhibited volatility. Calculated as: risk-adjusted median return = unadjusted median return × (ERS volatility ÷ median fund volatility), where volatility is measured as standard deviation. Figures for periods greater than one year are annualized. Fiscal Year begins on July 1. Inception date is June 1, 1990.

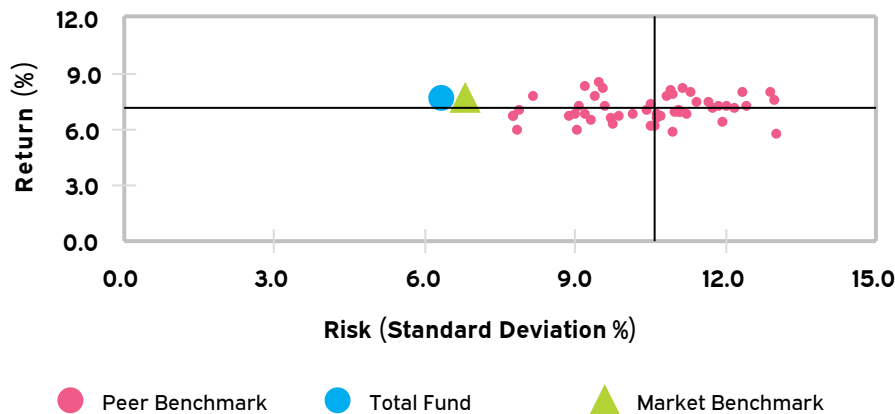
**Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2024**



Annualized Risk-Return

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio
Total Fund	4.3	4.1	0.3
Market Benchmark	5.3	6.2	0.4
Peer Benchmark Median	3.0	9.4	0.0

**Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2024**

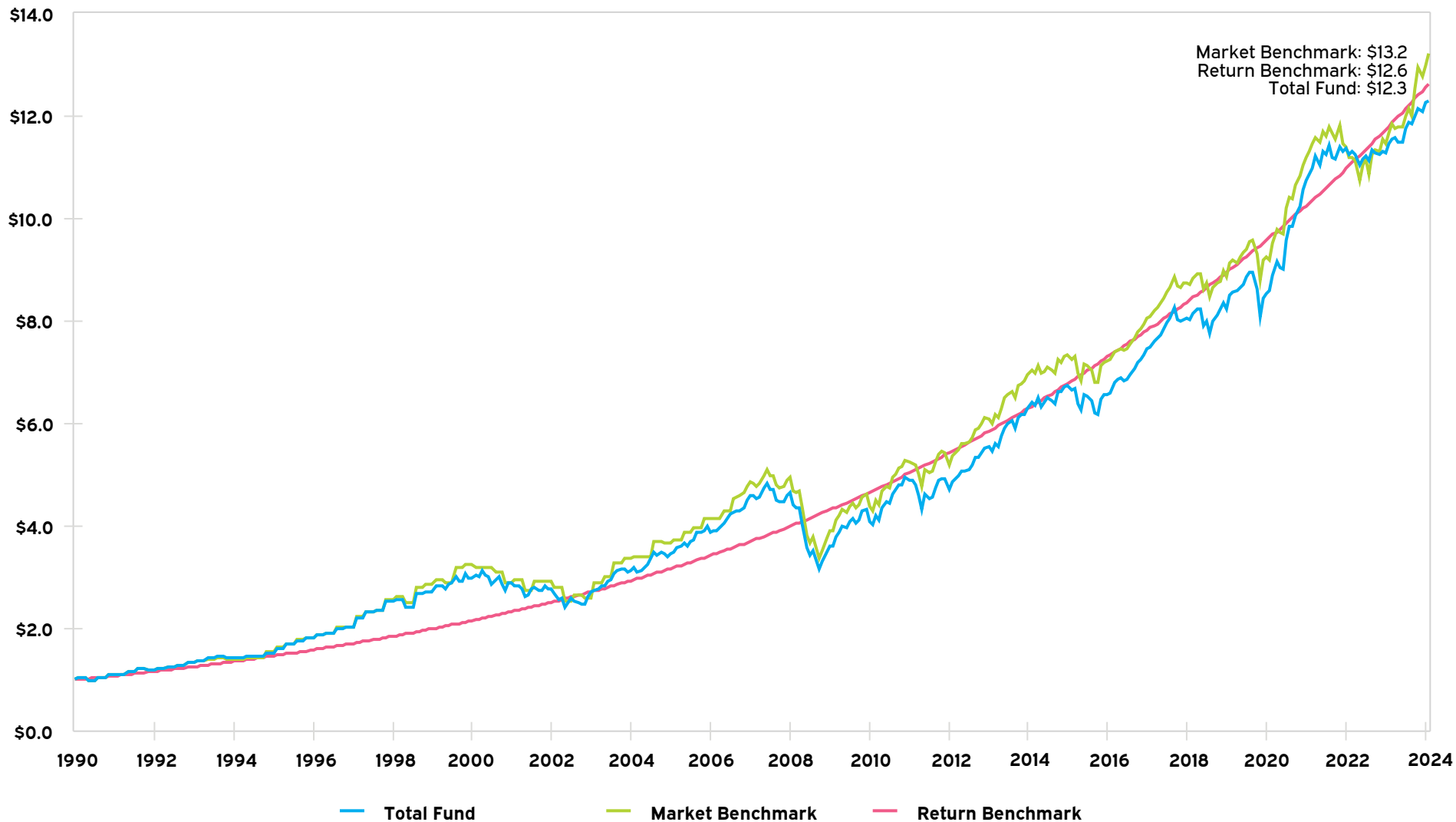


Annualized Risk-Return

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio
Total Fund	7.7	6.3	0.8
Market Benchmark	7.7	6.8	0.8
Peer Benchmark Median	7.1	10.6	0.5

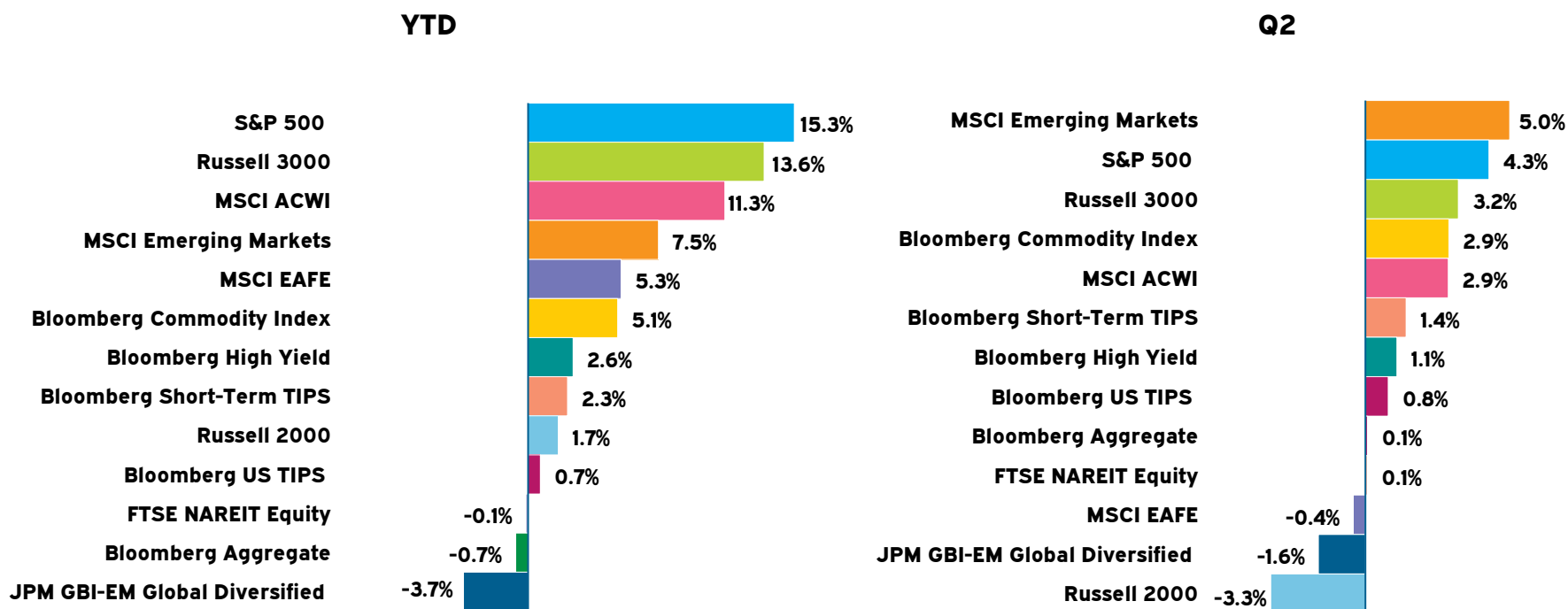
Peer Benchmark represents the plan sponsor peer group InvMetrics Public DB >\$1B Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data.

Since Inception Growth of \$1



Inception date is June 1, 1990. Return Benchmark represents the ERS's actuarial assumption rate, which is 7.0% since July 2016, 7.65% from July 2015 to July 2016, 7.75% July 2011 to July 2015, 8.00% prior to July 2011.

Index Returns¹



→ Declining inflation, resilient growth, and strong corporate earnings supported most asset classes in the second quarter.

→ Mid-way through 2024, US stocks have significantly outperformed other asset classes on a year-to-date basis.

¹ Source: Bloomberg. Data is as of June 30, 2024.

Summary

Key Trends:

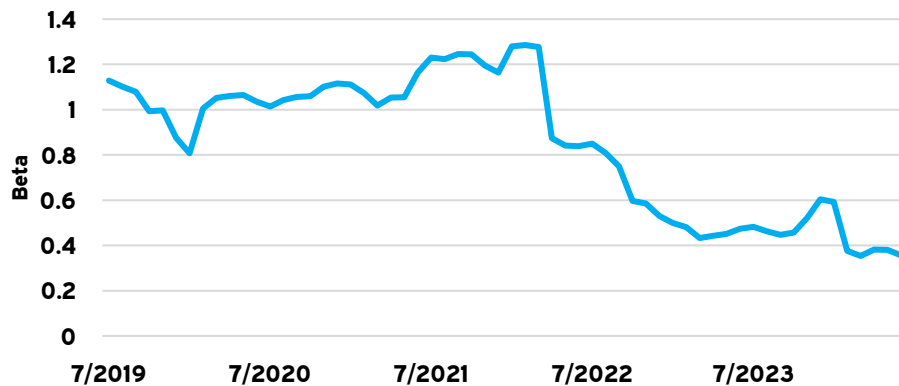
- According to the International Monetary Fund's (IMF) April report, global growth this year is expected to match the 2023 estimate at around 3.2% with most major economies predicted to avoid a recession. Continued strong economic growth does run the risk of inflation and interest rates staying higher for longer.
- Key economic data in the US has largely weakened and come in below expectations, causing markets to expect between two and three rate cuts this year. Uncertainty remains though regarding the timing and pace of interest rate cuts in the coming year.
- We have started to see some divergences in monetary policy with other central banks, such as the European Central Bank (ECB), starting to cut interest rates while the Fed remains on hold. This disparity will likely influence investment flows and currencies.
- US consumers could feel pressure as certain components of inflation (e.g., shelter) remain high, borrowing costs are elevated, and the job market may weaken.
- A focus for US equities going forward will be whether earnings can remain resilient if growth slows. Also, the future paths of the large technology companies that have driven market gains will be important.
- Equity valuations remain lower in emerging and developed markets, but risks remain, including China's economic uncertainty and ongoing weakness in the real estate sector. Japan's recent tightening of monetary policy along with changes in corporate governance in the country could influence relative results.

Macro Risk Analytics – Key Takeaways

- “Growing but slowing” is the general overview of economic activity within the United States. While economic activity (i.e., corporate earnings, GDP, income growth, unemployment, etc.) remains relatively resilient, pockets of weakness have begun to show in certain data releases. With strong market moves across liquid markets in recent periods, valuations for several asset classes still exhibit elevated levels. Central bank actions, particularly their approach to lowering/raising interest rates, remain one of the most critical market drivers.
- Meketa’s Market Sentiment Indicator remained **green** (i.e., positive) during Q2.
- The Actual Portfolio’s beta (on a 12-month basis relative to the Policy Portfolio) remained stabled in Q2 but is at extremely low levels. Related, trailing 12-month volatility for the Actual Portfolio and Policy Portfolio remain at a relatively wide spread. Of note, a new policy benchmark was implemented on 1/1/2024.

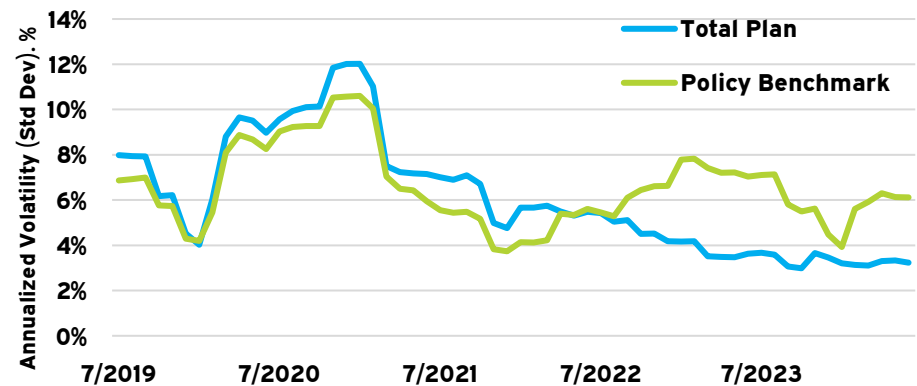
12 Month Rolling Beta vs. Policy Benchmark

Jul 19 - Jun 24

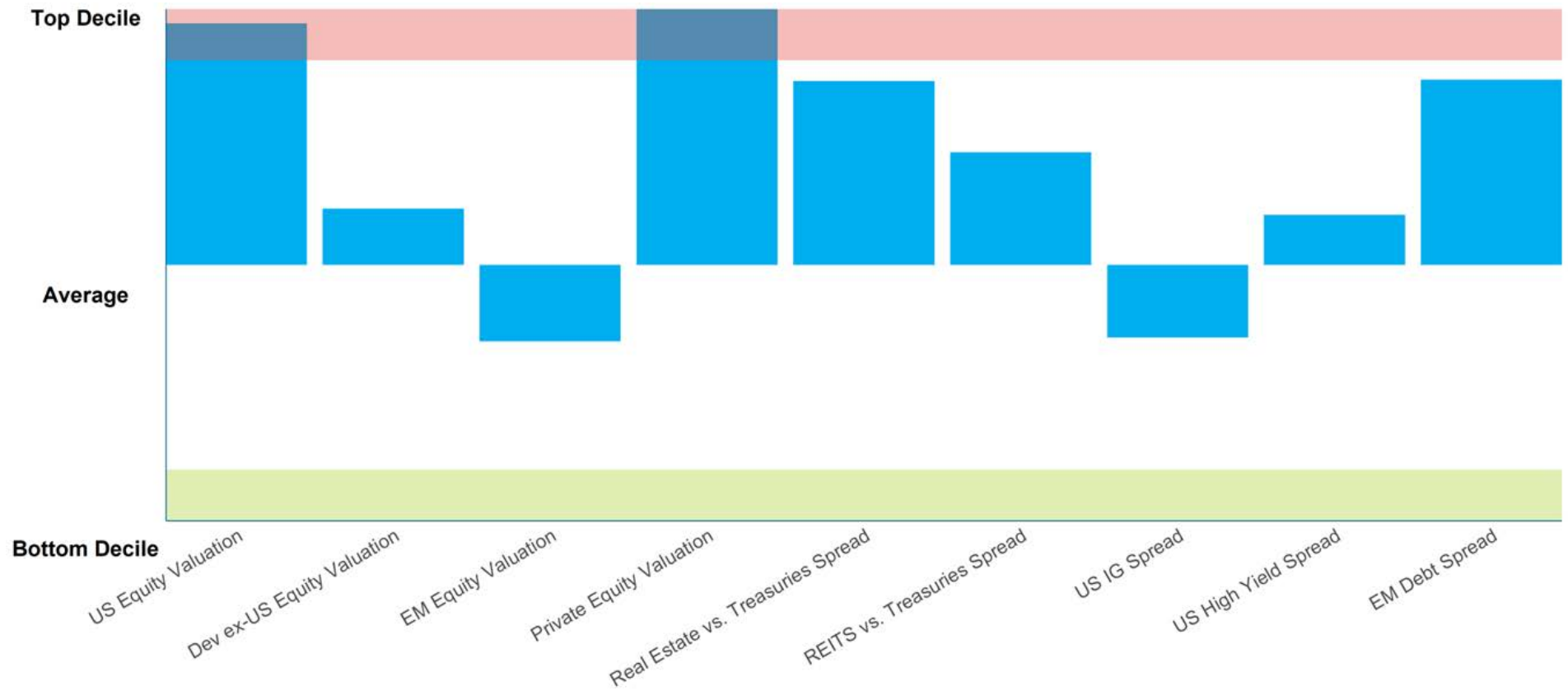


12 Month Rolling Risk

Jul 19 - Jun 24

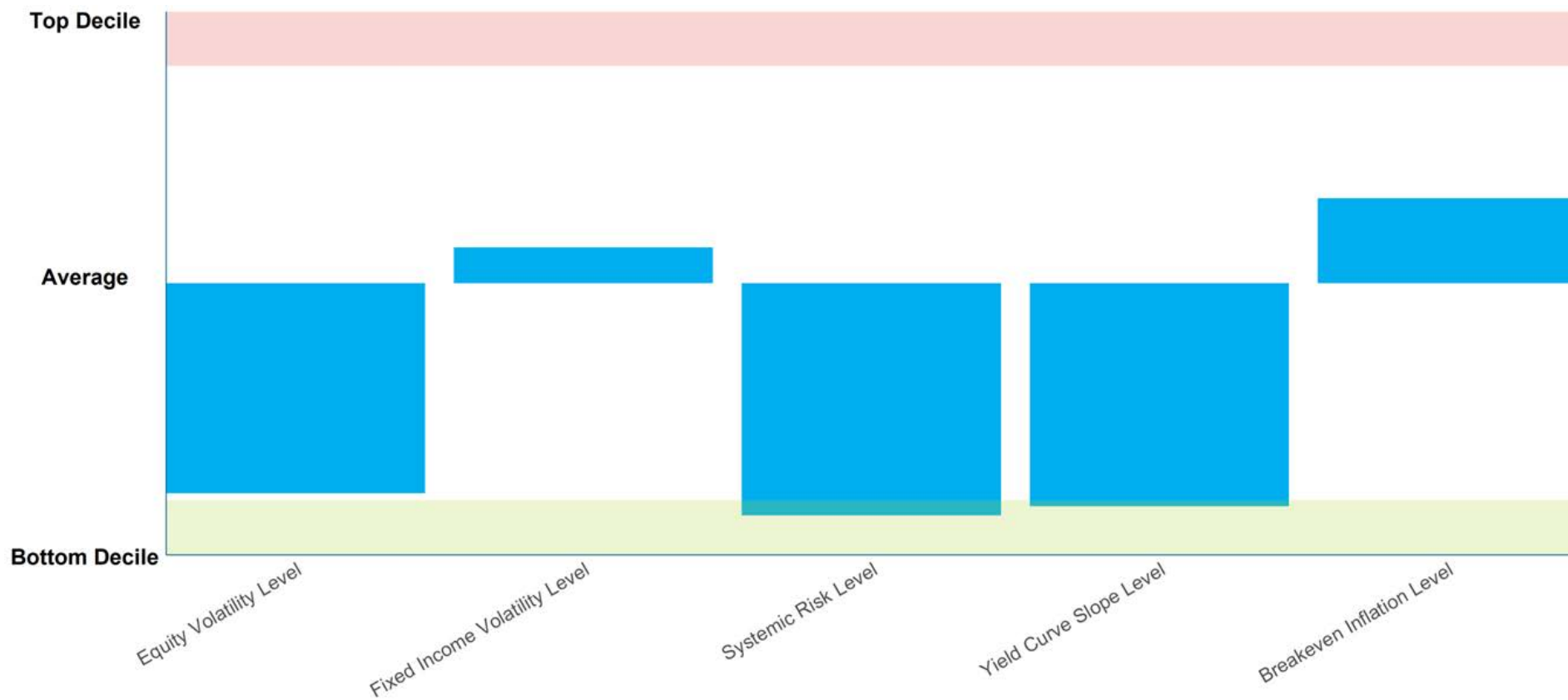


Valuation Metrics Dashboard (current measures relative to history)

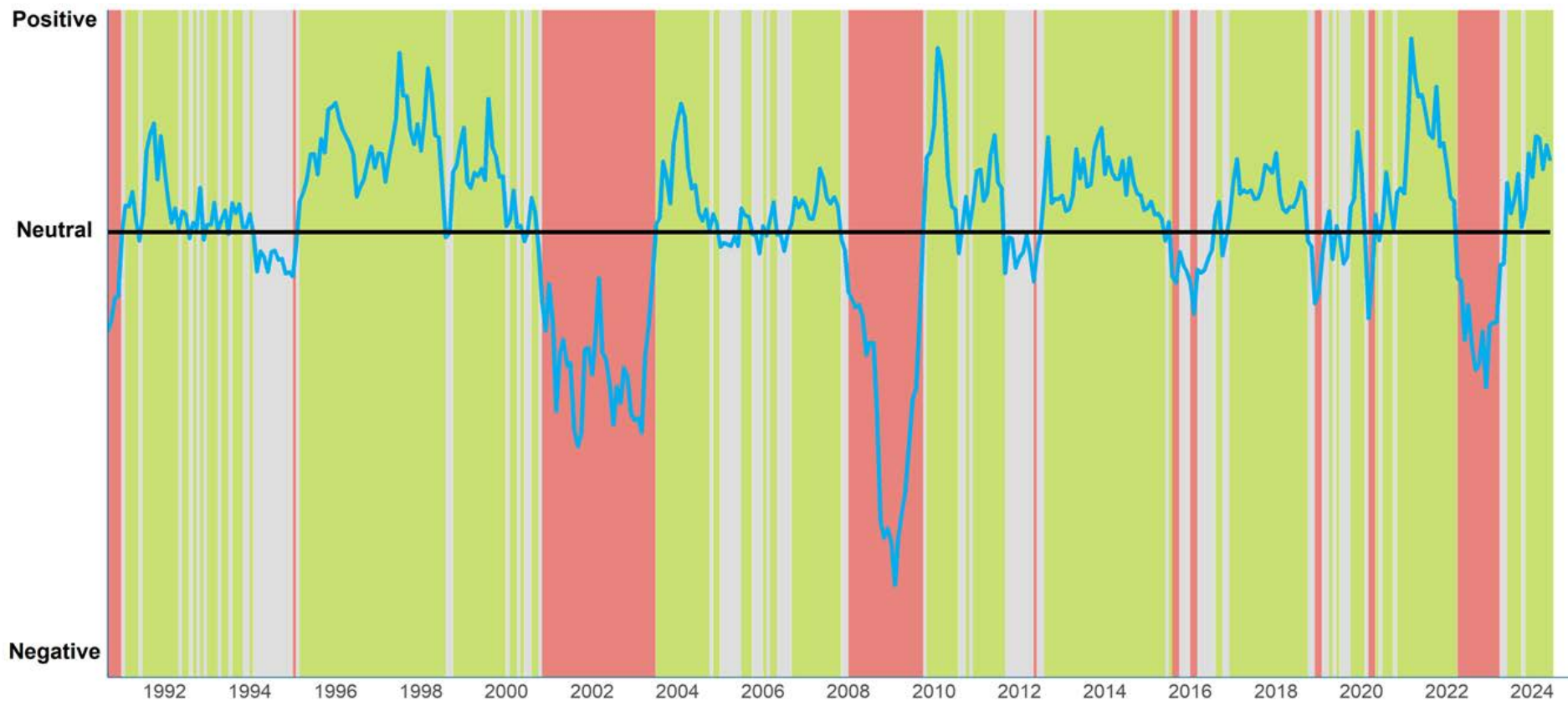


Other Market Metrics Dashboard

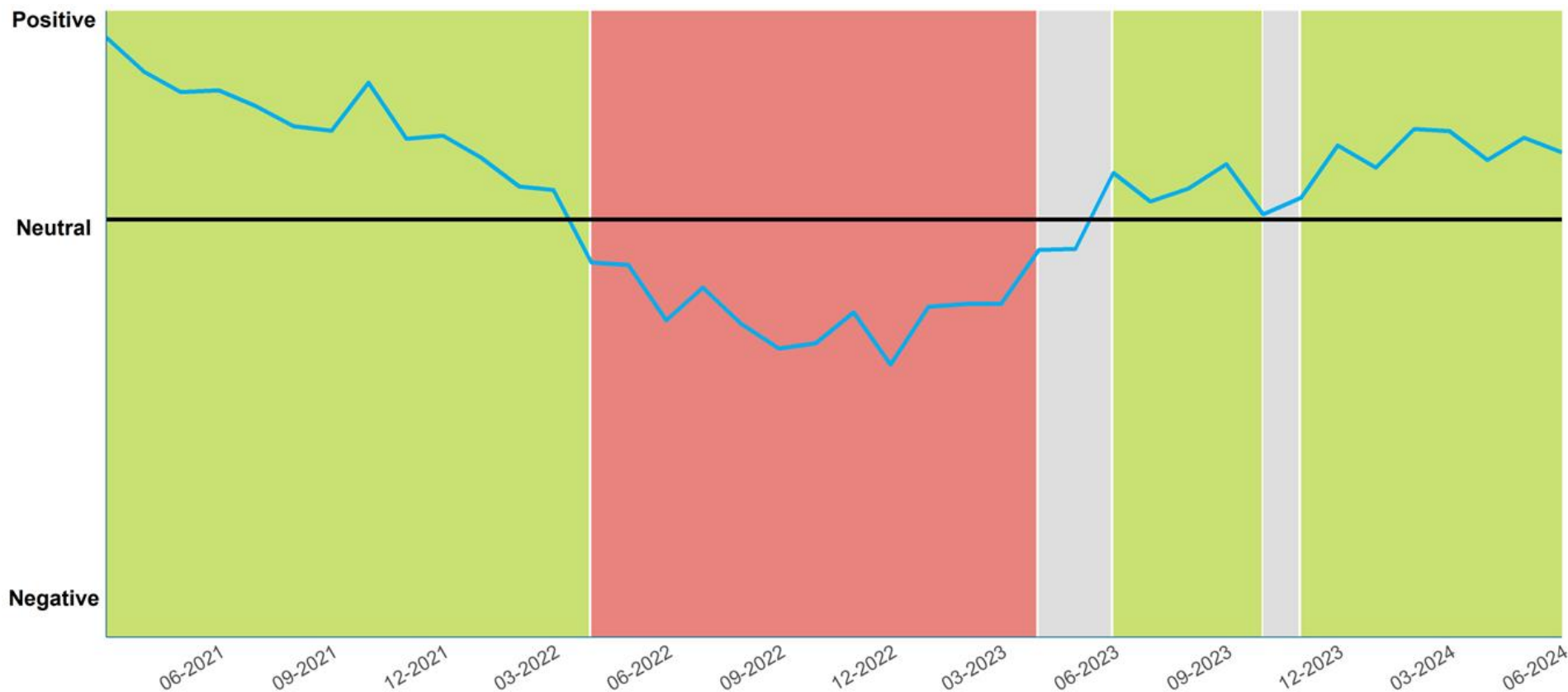
(current measures relative to history)



Market Sentiment Indicator (All History)

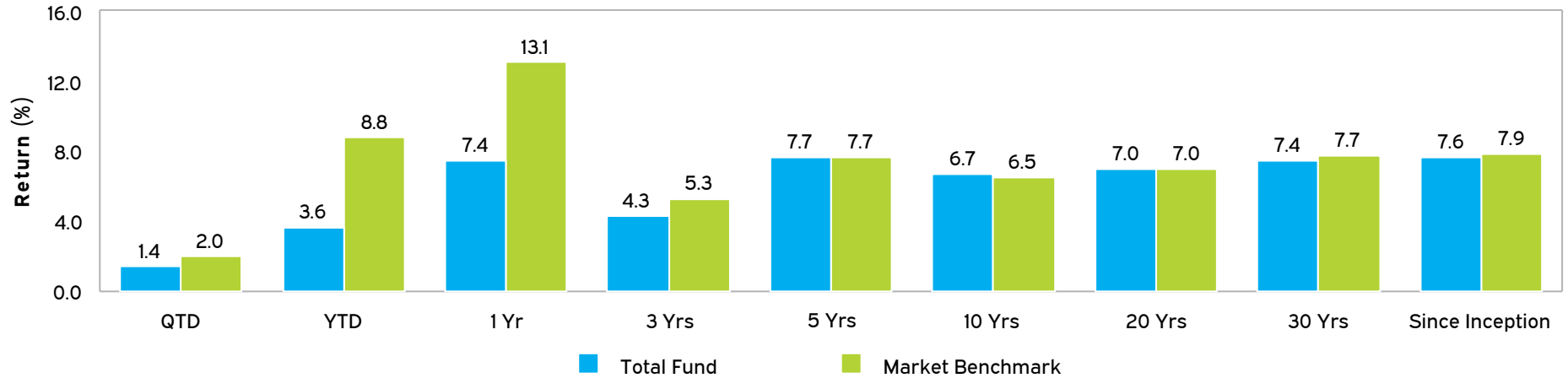


Market Sentiment Indicator (Last Three Years)

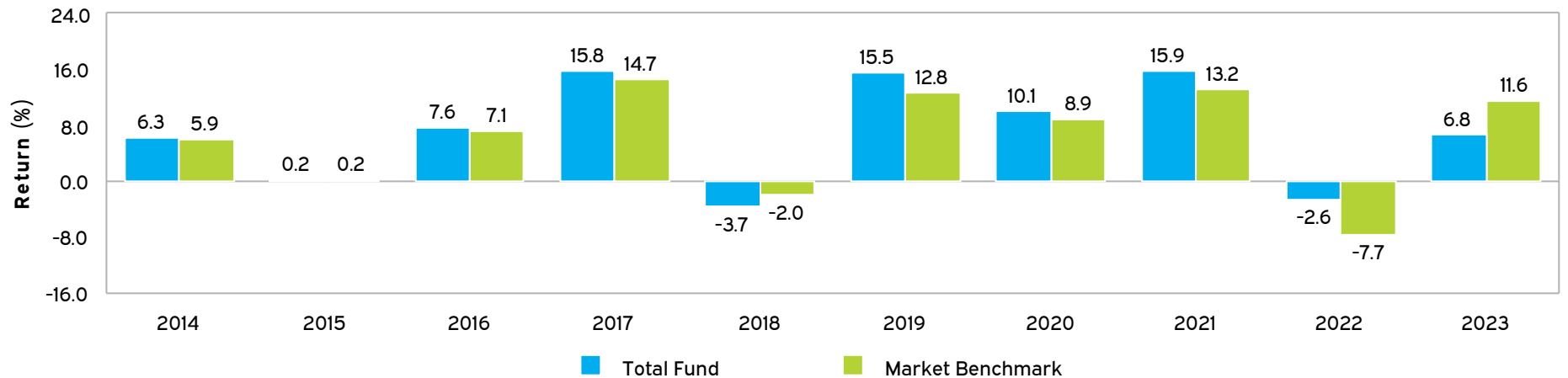


ERS Portfolio Review

Trailing Performance



Calendar Year Performance



Performance shown is net of fees. Inception date is 6/1/1990. Please see the Appendix for the Market Benchmark's composition history.

Performance Attribution¹ vs. Policy Benchmark – Quarter ending June 30, 2024

	Policy		Portfolio		Impact on Return		
	Allocation (%) ²	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	70.0	3.1	67.7	1.8	(0.0)	(0.9)	(0.9)
Global Equity	39.2	5.0	39.1	1.7	(0.0)	(1.3)	(1.3)
Global Credit	11.9	2.1	10.5	2.7	(0.0)	0.1	0.1
Real Assets	18.9	(0.4)	18.1	1.5	(0.0)	0.4	0.4
Diversifying Strategies	30.0	(0.6)	28.1	1.0	0.1	0.4	0.5
Liquid Defensive/Diversifying	26.1	(0.9)	24.1	0.8	0.1	0.4	0.4
Illiquid Diversifying	3.9	1.2	4.1	2.1	0.0	0.0	0.1
Other Assets	0.0	0.0	4.2	(0.1)	(0.1)	0.0	(0.1)
Total	100.0	2.0	100.0	1.5	0.0	(0.5)	(0.5)

¹ Performance attribution data is calculated and provided by BNY Mellon. BNY Mellon calculates performance attribution using gross of fees performance; net of fees calculation is not available. Total impacts may not sum to excess return due to rounding, rebalancing, and measurement frequencies.

² Policy allocation weights refer to the benchmark composition and may not match the policy target weights at all times.

Performance Attribution¹ vs. Policy Benchmark –Calendar Year-to-Date ending June 30, 2024

	Policy		Portfolio		Impact on Return		
	Allocation (%) ²	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	70.0	12.8	66.6	4.7	(0.0)	(5.4)	(5.5)
Global Equity	39.2	15.2	38.7	6.2	(0.0)	(3.4)	(3.4)
Global Credit	11.9	6.6	10.3	5.8	0.1	0.0	0.1
Real Assets	18.9	12.2	17.6	1.1	(0.1)	(2.0)	(2.1)
Diversifying Strategies	30.0	0.0	28.3	2.6	0.3	0.5	0.7
Liquid Defensive/Diversifying	26.1	(0.8)	24.0	2.4	0.3	0.5	0.8
Illiquid Diversifying	3.9	5.8	4.4	4.1	(0.1)	(0.0)	(0.1)
Other Assets	0.0	0.0	5.0	2.0	(0.3)	0.0	(0.3)
Total	100.0	8.9	100.0	3.8	(0.1)	(4.9)	(5.1)

¹ Performance attribution data is calculated and provided by BNY Mellon. BNY Mellon calculates performance attribution using gross of fees performance; net of fees calculation is not available. Total impacts may not sum to excess return due to rounding, rebalancing, and measurement frequencies.

² Policy allocation weights refer to the benchmark composition and may not match the policy target weights at all times.

Asset Class Performance Summary					
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)
Total Fund	1.4	7.4	4.3	7.7	7.4
<i>Market Benchmark</i>	<i>2.0</i>	<i>13.1</i>	<i>5.3</i>	<i>7.7</i>	<i>7.2</i>
Broad Growth	1.8	8.8	4.3	8.7	8.4
<i>Broad Growth Historical Benchmark</i>	<i>3.1</i>	<i>17.4</i>	<i>6.3</i>	<i>9.1</i>	<i>8.6</i>
Global Equity	1.7	11.9	5.7	11.7	11.2
<i>Global Equity Historical Benchmark</i>	<i>5.0</i>	<i>21.8</i>	<i>6.0</i>	<i>11.5</i>	<i>10.6</i>
Global Credit	2.7	11.7	4.7	6.7	6.0
<i>Global Credit Historical Benchmark</i>	<i>2.1</i>	<i>13.9</i>	<i>4.6</i>	<i>5.8</i>	<i>5.5</i>
Real Assets	1.5	0.9	5.5	6.4	6.8
<i>Real Assets Historical Benchmark</i>	<i>-0.4</i>	<i>9.3</i>	<i>10.4</i>	<i>7.0</i>	<i>7.0</i>
Diversifying Strategies	0.8	4.7	4.4	4.1	4.3
<i>Diversifying Strategies Historical Benchmark</i>	<i>-0.6</i>	<i>3.6</i>	<i>2.7</i>	<i>3.6</i>	<i>3.7</i>
Liquid Defensive/Diversifying	0.6	3.7	4.4	4.0	4.2
<i>Liquid Defensive Historical Benchmark</i>	<i>-0.9</i>	<i>1.5</i>	<i>0.1</i>	<i>2.4</i>	<i>2.3</i>
Illiquid Diversifying	2.0	10.8	3.5	--	--
<i>Illiquid Diversifying Historical Benchmark</i>	<i>1.2</i>	<i>12.0</i>	<i>7.6</i>	--	--

Total Fund performance shown is net of fees.

Relevant valuations may not have been available for all underlying Global Equity, Real Assets, and Diversifying Strategies managers at the time this report was produced; in such cases, most recent available data is used. Benchmarks for Broad Growth and its underlying components contain lagged index returns. Please see the Appendix for current and historical custom benchmark compositions.

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Equity	9,488,912,423	100.0	1.7	11.9	5.7	11.7
<i>Global Equity Historical Benchmark</i>			<i>5.0</i>	<i>21.8</i>	<i>6.0</i>	<i>11.5</i>
Public Equity	4,886,393,257	51.5	1.2	16.5	3.6	10.0
<i>MSCI AC World IMI Index (Net)</i>			<i>2.4</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>
Active Public Equity	3,430,246,011	36.2	0.3	14.6	2.4	9.2
Alliance Bernstein	623,243,840	6.6	1.5	14.2	2.2	--
Longview	800,163,927	8.4	-1.4	10.8	6.9	9.9
Parametric Equity Overlay	169,854,809	1.8	--	--	--	--
Wellington (Mid-Large Cap)	504,105,587	5.3	-2.2	20.4	3.5	--
<i>MSCI AC World IMI Index (Net)</i>			<i>2.4</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>
Wasatch	492,558,428	5.2	0.9	12.6	-2.6	10.1
Wellington (Small Cap)	674,177,237	7.1	2.1	17.1	3.3	9.4
<i>MSCI ACWI Small Cap (Net)</i>			<i>-1.6</i>	<i>10.6</i>	<i>-0.8</i>	<i>7.3</i>
Hillhouse China A Shares	166,142,183	1.8	3.9	3.6	--	--
<i>MSCI China A Onshore Index (Net)</i>			<i>-2.6</i>	<i>-10.6</i>	<i>-14.9</i>	<i>-0.6</i>
Passive Public Equity	1,456,147,246	15.3	3.3	20.9	6.3	11.5
BlackRock Alpha Tilt	648,970,609	6.8	3.8	22.5	7.0	11.7
Legal & General	807,176,637	8.5	3.0	19.6	5.7	11.1
<i>MSCI AC World IMI Index (Net)</i>			<i>2.4</i>	<i>18.4</i>	<i>4.7</i>	<i>10.4</i>

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Global Equity | As of June 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Private Equity	4,602,519,165	48.5	2.1	7.3	10.2	15.6
<i>Private Equity Historical Benchmark</i>			<i>7.8</i>	<i>23.9</i>	<i>8.2</i>	<i>12.5</i>
Hamilton Lane	4,264,365,335	44.9	2.3	7.8	10.3	15.8
HITIP I Stafford	10,128,264	0.1	1.2	21.9	-0.7	-3.0
HITIP II Stafford	40,695,080	0.4	-4.2	-8.9	8.1	8.7
HITIP III Stafford	37,422,048	0.4	-6.1	-8.6	0.2	--
Other Equity	249,908,438	2.6	1.3	3.7	10.0	13.0

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Asset Class Performance Summary						
	Market Value \$	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Credit	2,753,175,150	100.0	2.7	11.7	4.7	6.7
<i>Global Credit Historical Benchmark</i>			<i>2.1</i>	<i>13.9</i>	<i>4.6</i>	<i>5.8</i>
Private Credit	1,625,625,777	59.0	2.6	9.6	5.5	--
Real Estate Credit	230,276,037	8.4	0.3	3.3	--	--
Avenue Asia	113,332,958	4.1	9.5	13.7	--	--
Carval Credit	226,147,063	8.2	2.3	9.2	5.6	--
Fortress Lending	146,178,517	5.3	3.4	16.2	--	--
Jefferies Direct Lending II Lafayette	26,138,448	0.9	10.3	22.2	--	--
Square USA	65,546,455	2.4	3.5	6.8	--	--
NB Private Debt Fund V (A), L.P OHA	20,258,701	0.7	3.0	--	--	--
Tactical	164,116,714	6.0	1.5	8.9	7.1	--
Orthogon Partners III	3,071,904	0.1	-12.9	-14.8	--	--
PIMCO Private Income Fund	106,489,208	3.9	2.7	7.3	--	--
SilverRock Credit	266,467,709	9.7	1.6	15.1	7.2	--
SilverRock 2022	257,602,062	9.4	2.4	5.2	--	--
<i>Private Credit Historical Benchmark</i>			<i>2.3</i>	<i>14.6</i>	<i>5.0</i>	<i>--</i>
Public Credit	1,127,549,372	41.0	2.8	16.6	4.9	6.6
HPS Credit	935,938,035	34.0	1.3	15.0	4.4	6.7
Parametric Credit Overlay	191,611,337	7.0	--	--	--	--
<i>Public Credit Historical Benchmark</i>			<i>1.7</i>	<i>11.7</i>	<i>3.7</i>	<i>5.1</i>

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Real Assets	4,409,493,852	100.0	1.5	0.9	5.5	6.4
<i>Real Assets Historical Benchmark</i>			<i>-0.4</i>	<i>9.3</i>	<i>10.4</i>	<i>7.0</i>
Real Estate	2,024,625,077	45.9	-0.4	-4.3	4.6	6.1
<i>Real Estate Historical Benchmark</i>			<i>-1.5</i>	<i>8.5</i>	<i>10.2</i>	<i>6.2</i>
Core Real Estate	1,083,676,185	24.6	-0.6	-3.5	5.7	7.3
<i>Core Real Estate Historical Benchmark</i>			<i>-1.5</i>	<i>8.2</i>	<i>9.8</i>	<i>7.2</i>
NonCore Real Estate	940,948,892	21.3	-0.2	-5.2	3.5	4.9
<i>NonCore Real Estate Historical Benchmark</i>			<i>-1.5</i>	<i>8.8</i>	<i>10.7</i>	<i>4.4</i>
Agriculture	389,151,663	8.8	0.7	3.1	--	--
<i>Agriculture Historical Benchmark</i>			<i>0.9</i>	<i>0.7</i>	<i>--</i>	<i>--</i>
Timber	232,086,998	5.3	17.0	17.1	13.8	7.4
<i>Timber Historical Benchmark</i>			<i>3.9</i>	<i>17.7</i>	<i>13.6</i>	<i>8.5</i>
Infrastructure	1,763,630,114	40.0	2.1	7.3	7.1	12.7
<i>Infrastructure Historical Benchmark</i>			<i>-0.4</i>	<i>15.7</i>	<i>12.0</i>	<i>10.0</i>
Private Infrastructure	599,330,986	13.6	2.6	6.0	6.7	12.5
Core Infrastructure Value-Add	414,175,203	9.4	2.3	--	--	--
Infrastructure	185,155,783	4.2	3.3	--	--	--
Public Infrastructure	466,571,893	10.6	-0.1	--	--	--
Other Real Assets	697,727,235	15.8	3.2	6.6	--	--

Performance shown is net of fees. Both performance and benchmark data for Real Assets component are sourced from BNY Mellon's time-weighted data. Please see the Appendix for current and historical custom benchmark compositions.

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Liquid Defensive/Diversifying	5,782,980,167	100.0	0.6	3.7	4.4	4.0
<i>Liquid Defensive Historical Benchmark</i>			<i>-0.9</i>	<i>1.5</i>	<i>0.1</i>	<i>2.4</i>
Defensive Return Capture	639,681,004	11.1	-1.4	-2.8	2.6	--
CRO FRM Master Account	904	0.0				
Lombard Odier	14,236,594	0.2	-0.3	-1.8	0.2	-2.7
P/E Global Macro	214,094,459	3.7	0.3	9.3	15.8	3.4
Saba	181,763,110	3.1	-5.1	-16.6	--	--
36 South Cap Adv	229,585,937	4.0	1.0	-4.8	--	--
<i>Defensive Return Capture Historical Benchmark</i>			<i>0.6</i>	<i>4.2</i>	<i>4.4</i>	<i>4.0</i>
Discretionary Alpha	1,104,060,866	19.1	1.0	9.7	5.5	3.5
Aequim Relative Value Arbitrage	292,871,068	5.1	1.6	8.3	10.1	--
Aristeia Relative Value Arbitrage	224,580,037	3.9	-0.4	6.9	4.5	--
Melqart Relative Value Arbitrage	225,079,055	3.9	-1.2	16.2	--	--
Monashee Relative Value Arbitrage	196,585,025	3.4	-0.6	8.9	-2.0	--
Myam Asian Opportunity	164,945,680	2.9	7.0	16.4	--	--
<i>Discretionary Alpha Historical Benchmark</i>			<i>0.6</i>	<i>4.2</i>	<i>4.3</i>	<i>4.0</i>
Intermediate Duration Treasury	1,726,339,385	29.9	0.6	--	--	--
Bank of Hawaii	275,709,614	4.8	0.5	3.3	-1.5	0.3
First Hawaiian Bank	169,666,877	2.9	0.5	3.1	-1.7	0.1
Parametric Treasury Overlay	135,185,189	2.3	--	--	--	--
SLC Intermediate Treasury	1,145,777,705	19.8	0.7	--	--	--
<i>Blmbg. U.S. Treasury: Intermediate</i>			<i>0.6</i>	<i>3.4</i>	<i>-1.4</i>	<i>0.3</i>

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Liquid Defensive/Diversifying | As of June 30, 2024

	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Long Duration Treasury	636,756,963	11.0	-1.3	-5.1	-6.4	-0.1
SLC Long Treasury	636,756,963	11.0	-1.3	-5.0	-9.1	--
<i>Long Treasury Historical Benchmark</i>			<i>-1.8</i>	<i>-5.6</i>	<i>-9.3</i>	<i>-3.0</i>
Systematic Trend Following	1,676,141,949	29.0	1.3	2.2	9.9	10.1
AlphaSimplex	244,943,102	4.2	1.2	-3.3	11.3	13.8
Aspect	258,935,340	4.5	2.2	6.3	19.2	13.2
Brevan Howard Disc Global Macro	255,439,449	4.4	-0.9	-7.2	--	--
Broad Reach	206,524,635	3.6	4.1	6.3	--	--
Crabel Advanced Trend	243,220,131	4.2	2.7	0.0	5.5	9.4
Graham Quant Macro	266,753,936	4.6	2.6	25.0	16.2	11.5
Mount Lucas	200,325,356	3.5	-1.8	-3.3	0.4	3.5
<i>MLM Global Index EV Blend 15V</i>			<i>-3.1</i>	<i>0.0</i>	<i>2.3</i>	<i>4.4</i>

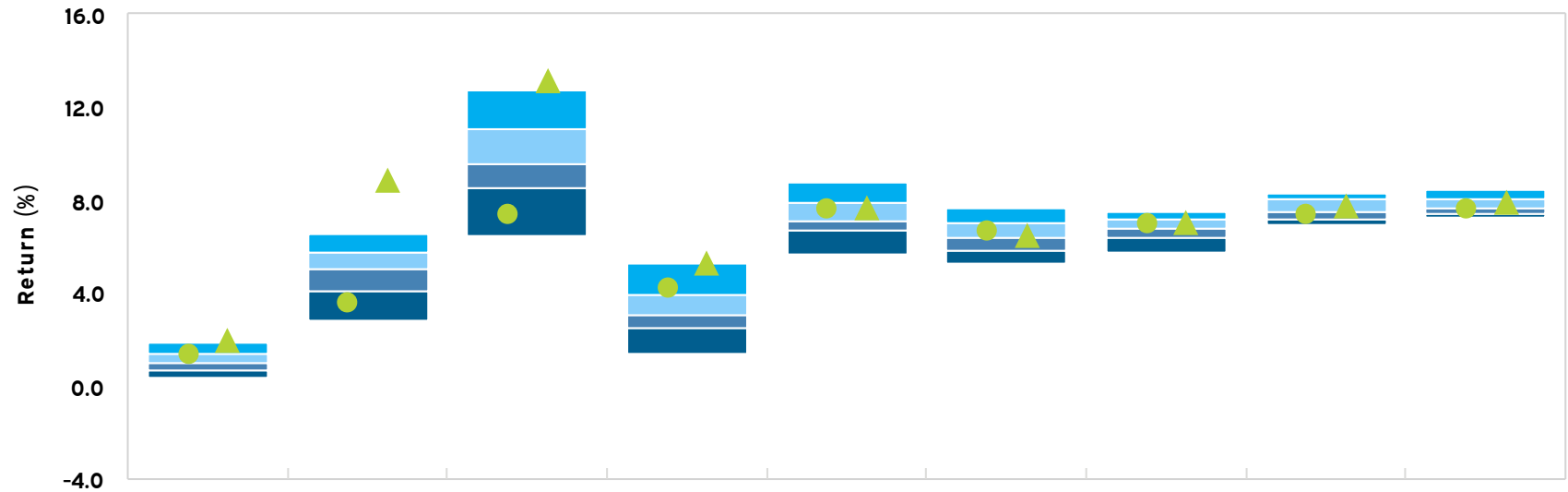
Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Asset Class Performance Summary					
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)
Illiquid Diversifying	925,464,698	100.0	2.0	10.8	3.5
<i>Illiquid Diversifying Historical Benchmark</i>			<i>1.2</i>	<i>12.0</i>	<i>7.6</i>
Idiosyncratic Return Capture	458,962,937	49.6	1.9	6.9	4.8
BlackStone Mauna	97,034,600	10.5	1.8	10.5	7.3
Cloverlay Leahi	194,248,420	21.0	3.9	5.0	--
Parabellum Partners III	42,225,623	4.6	-1.5	-1.5	--
Stable	125,454,294	13.6	0.6	3.9	--
<i>Idiosyncratic Return Capture Historical Benchmark</i>			<i>1.2</i>	<i>10.5</i>	<i>7.1</i>
Insurance Linked	466,501,761	50.4	2.2	16.1	2.5
Nephila Ulu	217,943,710	23.5	2.3	19.4	2.5
Pillar Enso	248,558,051	26.9	2.2	13.3	2.5
<i>Swiss Re Global Catastrophe Bond Index (Hedged)</i>			<i>1.2</i>	<i>14.7</i>	<i>8.5</i>

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions.

Plan Sponsor Peer Group Analysis

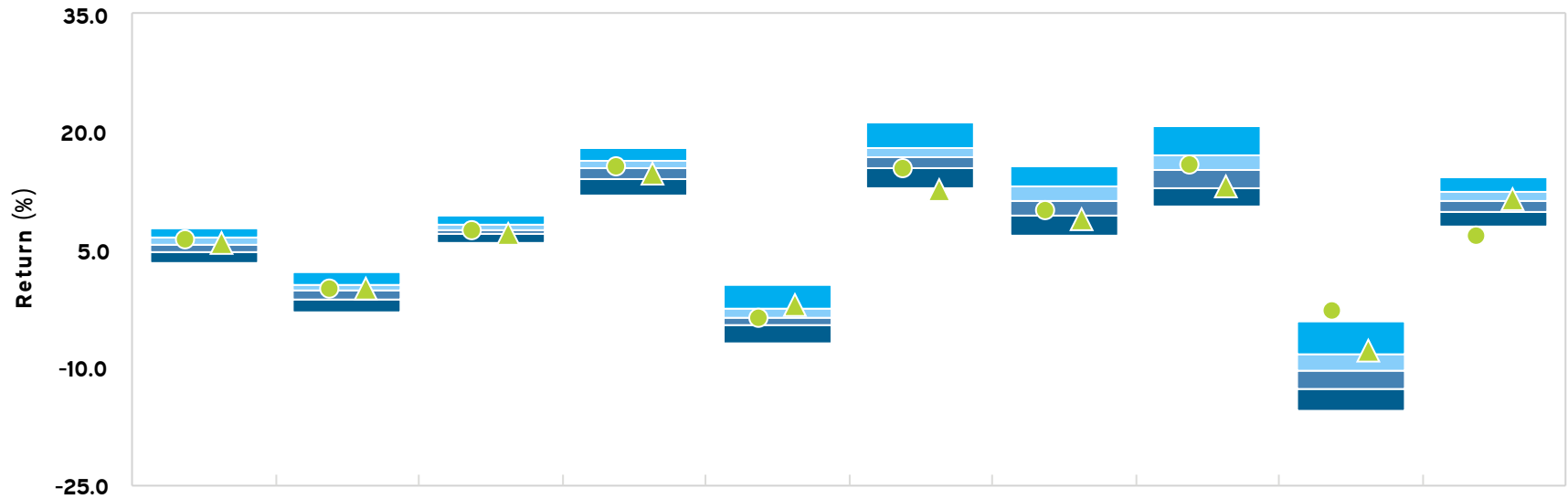
Peer Group Performance Comparison Trailing Periods Ending June 30, 2024



	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	30 Yrs	Since Inception
● Total Fund	1.4 (25)	3.6 (87)	7.4 (85)	4.3 (14)	7.7 (33)	6.7 (33)	7.0 (37)	7.4 (53)	7.6 (50)
▲ Market Benchmark	2.0 (3)	8.8 (1)	13.1 (3)	5.3 (5)	7.7 (33)	6.5 (47)	7.0 (36)	7.7 (41)	7.9 (40)
5th Percentile	1.9	6.5	12.7	5.3	8.8	7.6	7.5	8.3	8.5
1st Quartile	1.4	5.8	11.1	3.9	7.9	7.1	7.2	8.0	8.0
Median	1.0	5.1	9.6	3.0	7.1	6.4	6.8	7.5	7.6
3rd Quartile	0.7	4.1	8.6	2.5	6.7	5.8	6.4	7.2	7.4
95th Percentile	0.3	2.8	6.5	1.4	5.7	5.2	5.8	6.9	7.2
Population	70	70	70	65	65	62	48	13	8

Calculation based on monthly periodicity. Fiscal year begins on July 1. The plan sponsor peer group, InvMetrics Public DB >\$1B Net universe, includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

Peer Group Performance Comparison Calendar Year Returns



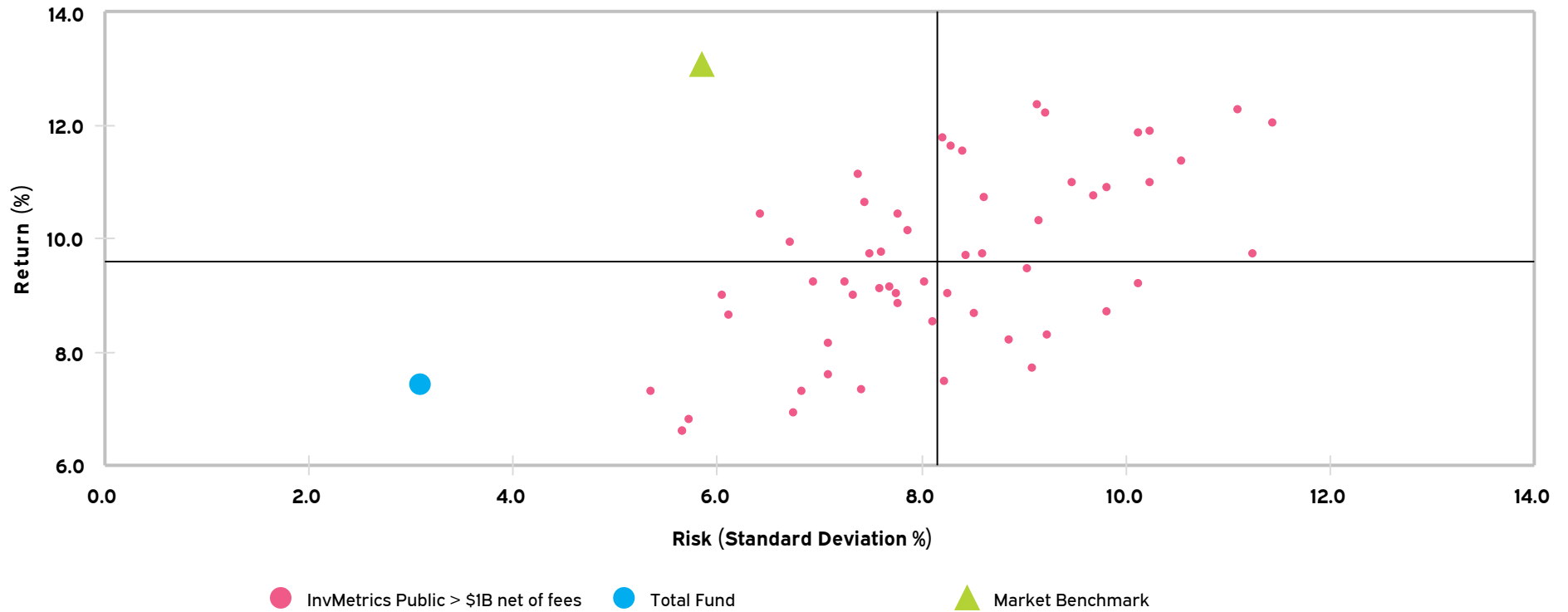
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
● Total Fund	6.3 (34)	0.2 (36)	7.6 (50)	15.8 (42)	-3.7 (55)	15.5 (77)	10.1 (70)	15.9 (44)	-2.6 (4)	6.8 (98)
▲ Market Benchmark	5.9 (42)	0.2 (37)	7.1 (71)	14.7 (61)	-2.0 (22)	12.8 (96)	8.9 (82)	13.2 (73)	-7.7 (20)	11.6 (42)
5th Percentile	7.9	2.2	9.5	18.0	0.5	21.2	15.7	20.7	-4.0	14.4
1st Quartile	6.6	0.7	8.2	16.3	-2.3	17.9	13.1	17.2	-8.2	12.5
Median	5.7	-0.2	7.6	15.4	-3.5	16.8	11.2	15.2	-10.3	11.3
3rd Quartile	4.7	-1.2	7.0	14.1	-4.5	15.5	9.3	13.0	-12.6	9.8
95th Percentile	3.4	-2.9	5.8	12.0	-6.8	12.9	6.8	10.6	-15.5	7.9
Population	166	167	171	176	166	189	214	205	173	175

Calculation based on monthly periodicity. The plan sponsor peer group, InvMetrics Public DB >\$1B Net universe, includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

	Risk/Return Statistics									
	1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark
RETURN SUMMARY STATISTICS										
Return	7.4	13.1	4.3	5.3	7.7	7.7	7.4	7.2	6.7	6.5
Excess Performance	-5.7	0.0	-1.0	0.0	0.0	0.0	0.1	0.0	0.3	0.0
RISK SUMMARY STATISTICS										
Standard Deviation	3.1	5.9	4.1	6.2	6.3	6.8	6.3	6.4	6.5	6.5
Beta	0.4	1.0	0.5	1.0	0.8	1.0	0.9	1.0	0.9	1.0
RISK/RETURN SUMMARY STATISTICS										
Information Ratio	-1.2	-	-0.3	-	0.0	-	0.0	-	0.1	-
Sharpe Ratio	0.6	1.2	0.3	0.4	0.8	0.8	0.8	0.8	0.8	0.8
Tracking Error	4.4	0.0	3.9	0.0	3.4	0.0	3.0	0.0	2.6	0.0

Net of fees performance is shown or used in calculating the statistics on this page.

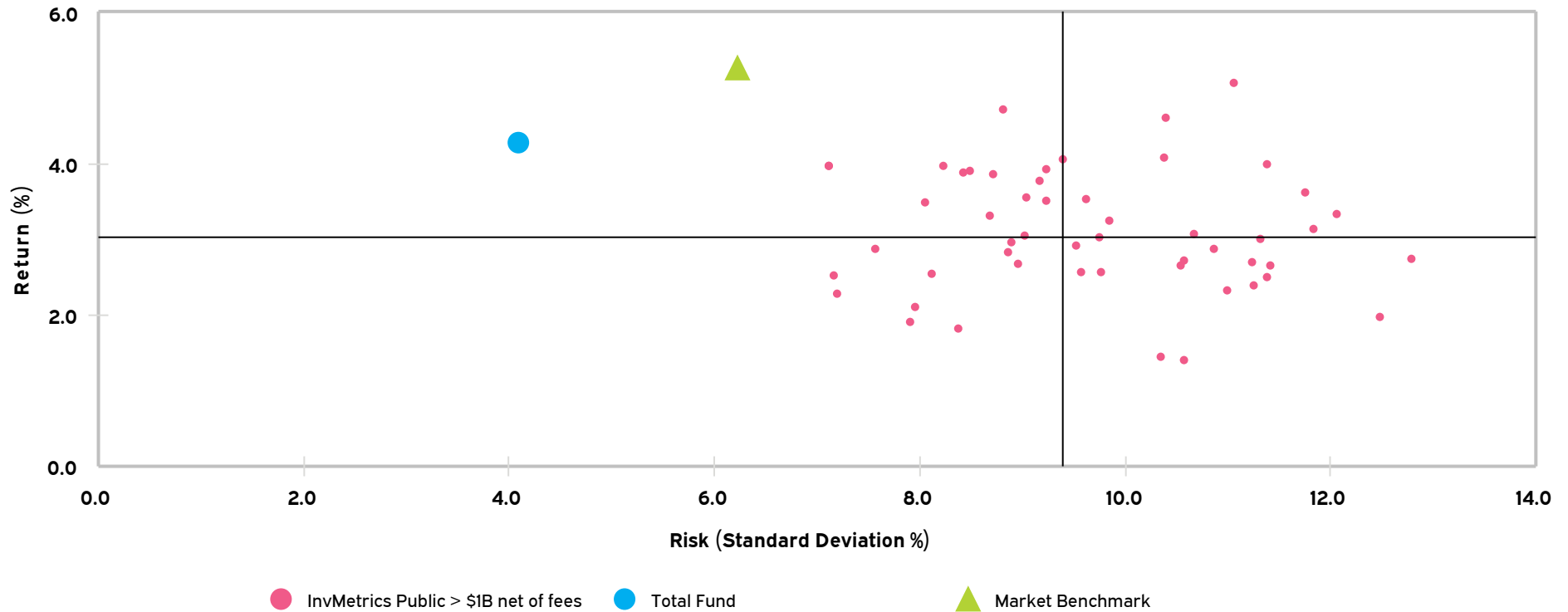
Annualized Return vs. Annualized Standard Deviation 1 Year ending June 30, 2024



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.4 (85)	3.1 (1)	0.6 (26)	-1.2 (98)
Market Benchmark	13.1 (3)	5.9 (10)	1.2 (1)	-
Peer Benchmark Median	9.6	8.2	0.5	-0.5

Peer Benchmark represents the plan sponsor peer group Peer Benchmark Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

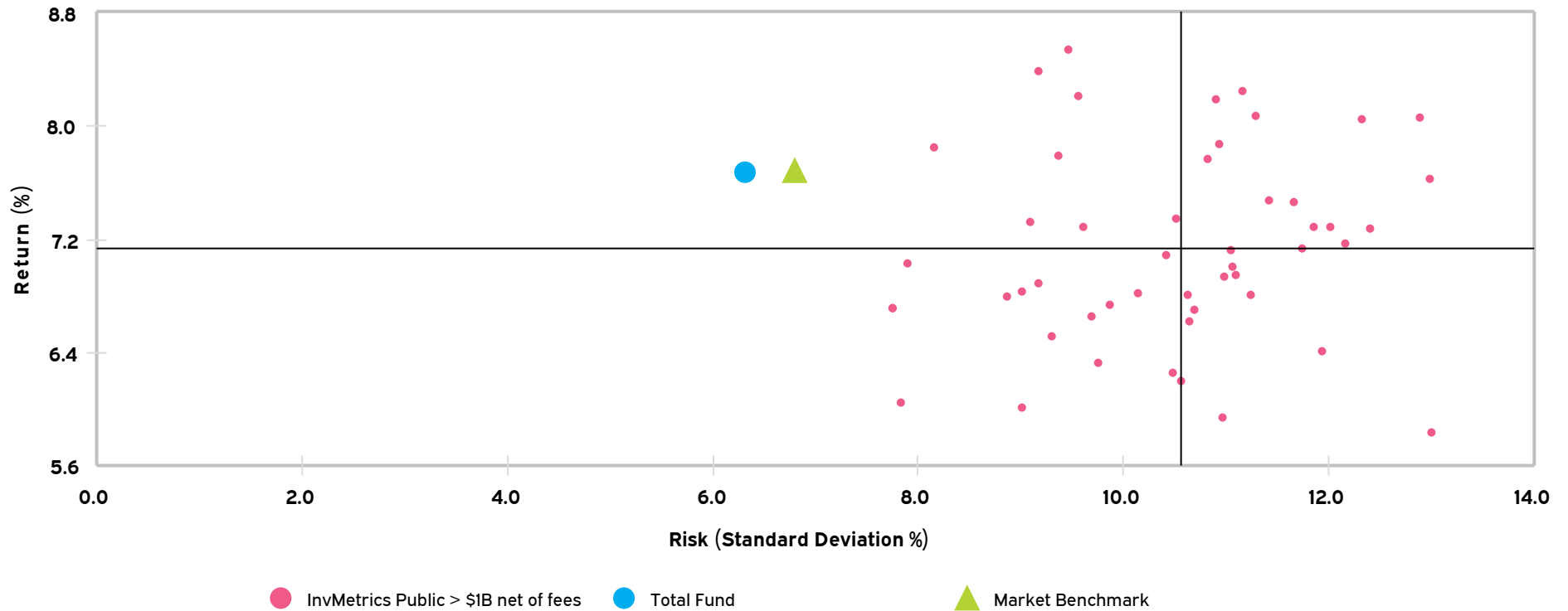
Annualized Return vs. Annualized Standard Deviation
3 Years ending June 30, 2024



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	4.3 (14)	4.1 (1)	0.3 (9)	-0.3 (49)
Market Benchmark	5.3 (5)	6.2 (2)	0.4 (5)	-
Peer Benchmark Median	3.0	9.4	0.0	-0.3

Peer Benchmark represents the plan sponsor peer group Peer Benchmark Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

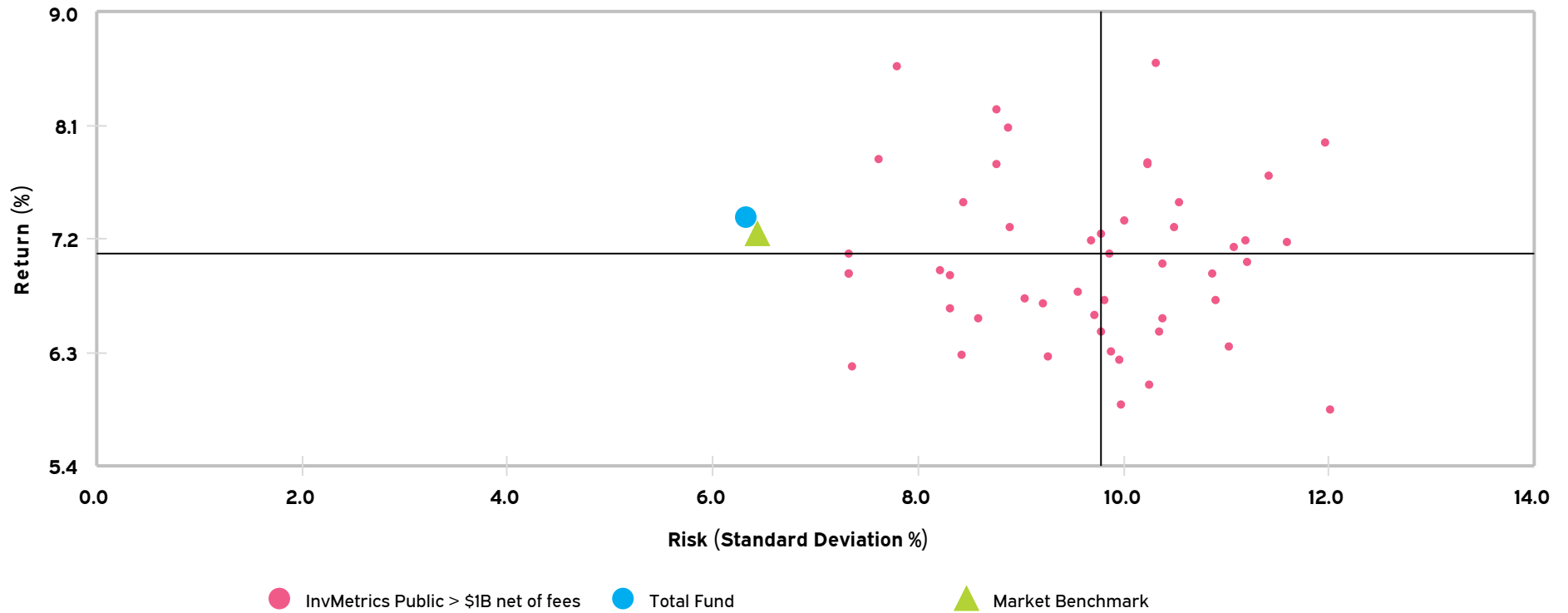
Annualized Return vs. Annualized Standard Deviation
5 Years ending June 30, 2024



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.7 (33)	6.3 (1)	0.8 (3)	0.0 (48)
Market Benchmark	7.7 (33)	6.8 (1)	0.8 (7)	-
Peer Benchmark Median	7.1	10.6	0.5	0.0

Peer Benchmark represents the plan sponsor peer group Peer Benchmark Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

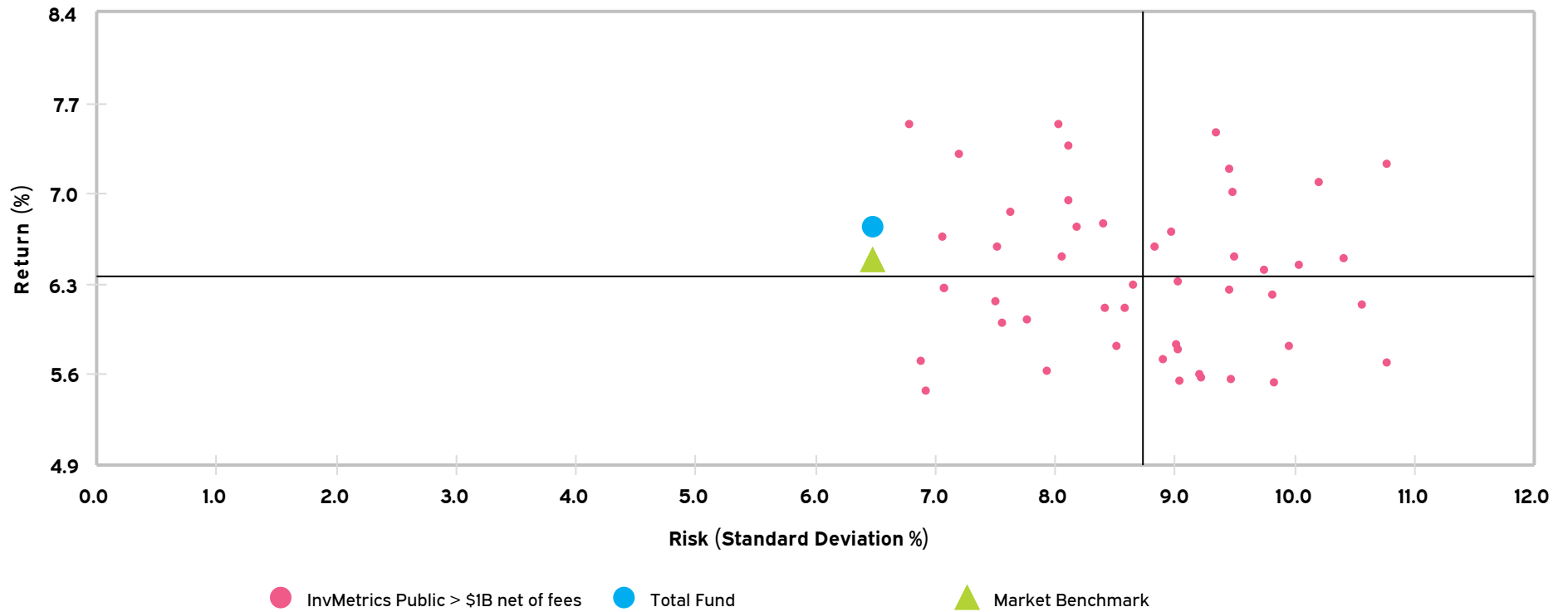
Annualized Return vs. Annualized Standard Deviation 7 Years ending June 30, 2024



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.4 (36)	6.3 (1)	0.8 (7)	0.0 (48)
Market Benchmark	7.2 (41)	6.4 (1)	0.8 (8)	-
Peer Benchmark Median	7.1	9.8	0.5	0.0

Peer Benchmark represents the plan sponsor peer group Peer Benchmark Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

Annualized Return vs. Annualized Standard Deviation
10 Years ending June 30, 2024



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	6.7 (33)	6.5 (2)	0.8 (10)	0.1 (32)
Market Benchmark	6.5 (47)	6.5 (2)	0.8 (12)	-
Peer Benchmark Median	6.4	8.7	0.6	0.0

Peer Benchmark represents the plan sponsor peer group Peer Benchmark Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

Appendix

Definition of Benchmarks

Bloomberg Aggregate is an index comprised of approximately 6,000 publicly traded investment-grade bonds including US Government, mortgage-backed, corporate, and yankee bonds with an approximate average maturity of 10 years.

Bloomberg Global High Yield is a multi-currency measure of the global high yield debt market. The Index is comprised of the US High Yield, the Pan-European High Yield, and Emerging Markets Hard Currency High Yield Indices. The high yield and emerging markets sub-components are mutually exclusive.

Bloomberg High Yield covers the universe of fixed rate, non-investment grade debt. Eurobonds and debt issues from countries designated as emerging markets (e.g., Argentina, Brazil, Venezuela, etc.) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included. Original issue zeroes, step-up coupon structures, 144-As and pay-in-kind bonds (PIKs, as of October 1, 2009) are also included. Must be rated high yield (Ba1/BB+ or lower) by at least two of the following ratings agencies: Moody's, S&P, Fitch. If only two of the three agencies rate the security, the lower rating is used to determine index eligibility. All issues must have at least one year to final maturity regardless of call features and have at least \$150 million par amount outstanding.

Bloomberg Multiverse Non-US Hedged provides a broad-based measure of the international fixed-income bond market. The index represents the union of the BC Global Aggregate Index and the BC Global High Yield Index. In this sense, the term "Multiverse" refers to the concept of multiple universes in a single macro index.

Bloomberg US Credit includes publicly issued US corporate and foreign debentures and secured notes that which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investors Service, with all issues having at least one year to maturity and an outstanding par value of at least \$250 million. Issues must be publicly issued, dollar-denominated and non-convertible.

Bloomberg Universal includes market coverage by the Aggregate Bond Index fixed rate debt issues, which are rated investment grade or higher by Moody's Investor Services, Standard and Poor's Corporation, or Fitch Investors Service, with all issues having at least one year to maturity and an outstanding par value of at least \$100 million) and includes exposures to high yield CMBS securities. All returns are market value weighted inclusive of accrued interest.

Bloomberg World Govt Inflation-Linked Bond (WGILB) measures the performance of the major government inflation-linked bond markets. The index is designed to include only those markets in which a global government linker fund is likely and able to invest. To be included a market must have aggregate issuance of \$4 billion or more and have minimum rating of A3/A- for G7 and euro-zone issuers, Aa3/AA- otherwise, using the middle rating from Moody's, S&P and Fitch ("two out of three" rule). The index is available in local currency and in most major currencies hedged or un-hedged.

Definition of Benchmarks (continued)

CBOE S&P 500 Buy Write Index (BXM) is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. Announced in April 2002, the BXM Index was developed by the CBOE in cooperation with Standard & Poor's. To help in the development of the BXM Index, the CBOE commissioned Professor Robert Whaley to compile and analyze relevant data from the time period from June 1988 through December 2001. Data on daily BXM prices now is available from June 30, 1986, to the present time (see below). The BXM is a passive total return index based on (1) buying an S&P 500 stock index portfolio, and (2) "writing" (or selling) the near-term S&P 500 Index (SPXSM) "covered" call option, generally on the third Friday of each month. The SPX call written will have about one month remaining to expiration, with an exercise price just above the prevailing index level (i.e., slightly out of the money). The SPX call is held until expiration and cash settled, at which time a new one-month, near-the-money call is written. Please visit the BXM FAQ for more information about the construction of the index.

CBOE S&P 500 Put Write Index (PUT) is a benchmark index designed to track the performance of a hypothetical cash-secured put-write strategy on the S&P 500 Index. Announced in June 2007, the PUT strategy is designed to sell a sequence of one-month, at-the-money, S&P 500 Index puts and invest cash at one- and three-month Treasury Bill rates. The number of puts sold varies from month to month, but is limited so that the amount held in Treasury Bills can finance the maximum possible loss from final settlement of the S&P 500 Index puts.

ICE BofA 3-Month US Treasury Bills (90-Day T-bills) tracks the performance of US Treasury bills with 3-month maturity.

MLM Global Index is the first passive index of returns to futures investing. The objective of the Index strategy is to provide pure systematic trending following exposure in a consistent, efficient, and cost effective manner which captures the price risk premium offered by those who seek price certainty.

MSCI ACWI is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The Index captures large and mid-cap representation across 47 country indices comprising 23 developed and 24 emerging market country indices. The developed market country indices included are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indices included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey, and the United Arab Emirates.

MSCI ACWI ex US ND comprises both developed and emerging markets less the United States. The index consisted of 22 countries classified as developed markets and 24 classified as emerging markets. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI ACWI IMI captures large, mid, and small cap representation across 23 developed markets and 24 emerging markets countries. The Index is comprehensive, covering approximately 99% of the global equity investment opportunity set.

MSCI ACWI Minimum Volatility is a global equity (developed and emerging markets) index constructed by MSCI that utilizes an estimated security co-variance matrix to produce an index that has the lowest absolute volatility for a given set of constraints. The estimated security co-variance matrix is based on the relevant Barra multi-factor equity model.

Definition of Benchmarks (continued)

MSCI ACWI Small Cap is a free float-adjusted market capitalization weighted index captures the small cap representation across 23 developed markets and 24 emerging markets countries.

MSCI EAFE Free (Europe, Australasia, Far East) ND is a free float-adjusted market capitalization index that is designed to measure developed market equity performance, excluding the US & Canada. This series approximates the minimum possible dividend reinvestment. The dividend is reinvested after deduction of withholding tax, applying the rate to non-resident individuals who do not benefit from double taxation treaties. MSCI Barra uses withholding tax rates applicable to Luxembourg holding companies, as Luxembourg applies the highest rates.

MSCI EM (Emerging Markets) GD is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets. This series approximates the maximum possible dividend reinvestment. The amount reinvested is the entire dividend distributed to individuals resident in the country of the company, but does not include tax credits.

MSCI Europe is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in Europe. As of June 2007, this index consisted of the following 16 developed market country indices: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom.

MSCI Pacific is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the developed markets in the Pacific region. As of June 2007, this index consisted of the following 5 Developed Market countries: Australia, Hong Kong, Japan, New Zealand, and Singapore.

MSCI USA is a free float adjusted market capitalization index that is designed to measure large- and mid-cap US equity market performance. The MSCI USA Index is member of the MSCI Global Equity Indices and represents the US equity portion of the global benchmark MSCI ACWI Index.

MSCI World ex US ND is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. The MSCI World Index consists of the following 22 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom.

Morningstar Leveraged Loan (formerly **S&P Leveraged Loan**) is a capitalization-weighted syndicated loan index based upon market weightings, spreads, and interest payments. The Index covers the US market back to 1997.

NAREIT Index consists of all tax-qualified REITs listed on the New York Stock Exchange, American Stock Exchange, and the NASDAQ National Market System. The data is market weighted.

NCREIF Property Index (NPI) the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Returns are gross of fees; including income, realized gains/losses, and appreciation/depreciation; and are market value weighted.

NCREIF Timberland Index is a quarterly time series composite return measure of investment performance of a large pool of individual timber properties acquired in the private market for investment purposes only. All properties in the Timberland Index have been acquired, at least in part, on behalf of tax-exempt institutional investors - the great majority being pension funds. As such, all properties are held in a fiduciary environment.

Definition of Benchmarks (continued)

Russell 1000 measures the performance of the 1,000 largest securities in the Russell 3000 Index. Russell 1000 is highly correlated with the S&P 500 Index and capitalization weighted.

Russell 1000 Growth measures the performance of those Russell 1000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.

Russell 1000 Value measures the performance of those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.

Russell 2000 measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 8% of the total market capitalization of the Russell 3000 Index.

Russell 2000 Growth measures the performance of those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-to-earnings ratios.

Russell 2000 Value measures the performance of those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-to-earnings ratios.

Russell 3000 represents the largest 3,000 US companies based on total market capitalization, representing approximately 98% of the investable US equity market.

S&P 500 is an index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

Plan Structure Evolution

Prior to 10/2014, Employees' Retirement System of the State of Hawaii ("ERS" or "Plan") had an allocation policy based asset classes (such as US Large Cap Equity, Developed International Equity, Real Estate). Since 10/2014, the ERS has adopted a risk-based, functional framework which uses strategic/functional classes designed to achieve a certain goal and/or be exposed to a specific set of macroeconomic risks through various underlying asset classes and strategies. Since then, the plan structure and the nomenclature of its components have evolved over time to fit the ERS's needs. This page summarizes this evolution since 10/2014 on a high level.

10/2014-06/2016	07/2016-03/2017	04/2017-06/2020	07/2020-12/2023	01/2024-Current
Total Fund → Broad Growth → Principal Protection → Real Return → Real Estate	Total Fund → Broad Growth → Principal Protection → Real Return	Total Fund → Broad Growth → Principal Protection → Real Return → Crisis Risk Offset (CRO)	Total Fund → Broad Growth → Diversifying Strategies	
Broad Growth → Growth-Oriented → Private Growth → Stabilized Growth	Broad Growth → Traditional Growth → Private Growth → Stabilized Growth		Broad Growth → Public Growth <ul style="list-style-type: none"> • Traditional Growth • Stabilized Growth → Private Growth → Real Assets	Broad Growth → Global Equity → Global Credit → Real Assets
Real Estate				
Real Return → Public Inflation-Linked → Private Inflation-Linked				
Principal Protection			Diversifying Strategies	
		Crisis Risk Offset (CRO) → Treasury Duration Capture → Systematic Trend Following → Alternative Return Capture	→ Liquid Defensive <ul style="list-style-type: none"> • Treasury / Agency Duration • Systematic Trend • Defensive Return → Liquid Diversifying <ul style="list-style-type: none"> • Alternative Return • Relative Value → Illiquid Diversifying <ul style="list-style-type: none"> • Insurance-Linked • Idiosyncratic Return 	Diversifying Strategies → Liquid Defensive / Diversifying <ul style="list-style-type: none"> • Systematic Trend • Defensive Return • Intermediate Duration • Long Duration • Discretionary Alpha → Illiquid Diversifying <ul style="list-style-type: none"> • Insurance-Linked • Idiosyncratic Return

Custom Benchmarks

This section includes the compositions of custom benchmarks currently in use. Policy Benchmarks for Total Fund, Broad Growth, and Diversifying Strategies are presented first, followed by the benchmarks of their lower-level composites sorted according to the Plan structure. Discontinued custom benchmarks are listed separately afterward and are noted as such when they appear in this section.

Total Fund Policy Benchmark

From	To	Total Fund Policy Benchmark
01/01/2024	Current	70% Broad Growth Benchmark, 30% Diversifying Strategies Benchmark
07/01/2022	12/31/2023	65% Broad Growth Benchmark, 35% Diversifying Strategies Benchmark
07/01/2021	06/30/2022	67.5% Broad Growth Benchmark, 32.5% Diversifying Strategies Benchmark
07/01/2020	06/30/2021	72% Broad Growth Benchmark, 28% Diversifying Strategies Benchmark
01/01/2019	06/30/2020	68% Broad Growth Benchmark, 16% Crisis Risk Offset Benchmark, 8% Principal Protection Benchmark, 8% Real Return Benchmark
01/01/2018	12/31/2018	72% Broad Growth Benchmark, 13% Crisis Risk Offset Benchmark, 8% Principal Protection Benchmark, 7% Real Return Benchmark
04/01/2017	12/31/2017	76% Broad Growth Benchmark, 10% Crisis Risk Offset Benchmark, 9% Principal Protection Benchmark, 5% Real Return Benchmark
07/01/2016	03/31/2017	83% Broad Growth Benchmark, 12% Principal Protection Benchmark, 5% Real Return Benchmark
10/01/2014	06/30/2016	76% Broad Growth Benchmark, 12% Principal Protection Benchmark, 5% Real Return Benchmark, 7% NCREIF Property Index (Qtr Lagged)
From	To	Total Fund Asset-Based Policy Benchmarks (prior to the Functional Allocation Framework)
07/01/2013	09/30/2014	30% Russell 3000, 26% MSCI AC World ex US (Net), 15% Bloomberg Universal, 5% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 7% ERS Private Equity Performance, 5% ERS Real Return Performance, 5% CBOE S&P 500 BuyWrite (BXM)
07/01/2012	06/30/2013	30% Russell 3000, 26% MSCI AC World ex US (Net), 15.75% Bloomberg Universal, 5.25% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 6% ERS Private Equity Performance, 5% ERS Real Return Performance, 5% CBOE S&P 500 BuyWrite (BXM)
10/01/2011	06/30/2012	35% Russell 3000, 18% MSCI World ex US, 3% MSCI Emerging Markets, 18% Bloomberg Universal, 6% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 5% ERS Private Equity Performance, 5% ERS Real Return Performance, 3% CBOE S&P 500 BuyWrite (BXM)
07/01/2011	09/30/2011	41% Russell 3000, 14.5% MSCI World ex US, 2.5% MSCI Emerging Markets (Net), 21% Bloomberg Universal, 7% Bloomberg Multiverse ex US (Hedged), 9% NCREIF Property Index (Qtr Lagged), 5% ERS Alternative Investments Performance
01/01/2009	06/30/2011	41% Russell 3000, 14.5% MSCI EAFE Free, 2.5% MSCI Emerging Markets (Net), 21% Bloomberg Universal, 7% Bloomberg Multiverse ex US (Hedged), 9% NCREIF Property Index (Qtr Lagged), 5% ERS Alternative Investments Performance
06/01/1990	12/31/2008	34.9% S&P 500, 4.5% S&P 400 MidCap, 4.5% Russell 2000, 14.5% MSCI EAFE Free, 2.5% MSCI Emerging Markets, 21% Bloomberg Aggregate, 7% Bloomberg Multiverse ex US (Hedged), 7.5% NCREIF Property Index (Qtr Lagged), 3.6% ERS Alternative Investments Performance

Custom Benchmarks: Immediate Sub-Composites of Total Fund

Broad Growth Benchmark

From	To	Broad Growth Benchmark
01/01/2024	Current	56% Global Equity Benchmark, 17% Global Credit Benchmark, 27% Real Assets Benchmark
07/01/2022	12/31/2023	50% Public Growth Benchmark, 28% Private Growth Benchmark, 22% Real Assets Benchmark
07/01/2021	06/30/2022	66% Public Growth Benchmark, 20% Private Growth Benchmark, 14% Real Assets Benchmark
07/01/2020	06/30/2021	70% Public Growth Benchmark, 16% Private Growth Benchmark, 14% Real Assets Benchmark
01/01/2019	06/30/2020	41% Traditional Growth Benchmark, 41% Stabilized Growth Benchmark, 18% Private Growth Benchmark
01/01/2018	12/31/2018	43% Traditional Growth Benchmark, 43% Stabilized Growth Benchmark, 14% Private Growth Benchmark
07/01/2016	12/31/2017	45% Traditional Growth Benchmark, 45% Stabilized Growth Benchmark, 10% Private Growth Benchmark
01/01/2016	06/30/2016	77% Traditional Growth Benchmark, 17% Stabilized Growth Benchmark, 6% Private Growth Benchmark
10/01/2014	12/31/2015	78% Traditional Growth Benchmark, 17% Stabilized Growth Benchmark, 5% Private Growth Benchmark

For the historical components Traditional Growth Benchmark and Private Growth Benchmark please refer to Public Equity Benchmark and Private Equity Benchmark respectively. Public Growth Benchmark and Stabilized Growth Benchmark are no longer in use. Please see their historical compositions in the "Discontinued Custom Benchmarks" section.

Diversifying Strategies Benchmark

From	To	Diversifying Strategies Benchmark
01/01/2024	Current	87% Liquid Defensive Benchmark, 13% Illiquid Diversifying Benchmark
07/01/2022	12/31/2023	45% Liquid Defensive Benchmark, 40% Liquid Diversifying Benchmark, 15% Illiquid Diversifying Benchmark
04/01/2017	06/30/2022	50% Liquid Defensive Benchmark, 40% Liquid Diversifying Benchmark, 10% Illiquid Diversifying Benchmark

Liquid Diversifying Benchmark is no longer in use. Please see its historical compositions in the "Discontinued Custom Benchmarks" section.

Custom Benchmarks: Global Equity Composite

Global Equity Policy Benchmark

Global Equity composite was created effective on 01/01/2024 to aggregate the Public and Private Equity components which had previously existed within separate higher-level composites. Accordingly, the Global Equity Policy Benchmark was retroactively reconstructed for periods prior to 01/01/2024 reflecting the historical policy targets for the underlying Public and Private Equity components.

From	To	Global Equity Policy Benchmark
01/01/2024	Current	51.3% Public Equity Benchmark, 48.7% Private Equity Benchmark
07/01/2022	12/31/2023	54.3% Public Equity Benchmark, 45.7% Private Equity Benchmark
07/01/2021	06/30/2022	64.7% Public Equity Benchmark, 35.3% Private Equity Benchmark
07/01/2020	06/30/2021	70.8% Public Equity Benchmark, 29.2% Private Equity Benchmark
01/01/2019	06/30/2020	69.5% Public Equity Benchmark, 30.5% Private Equity Benchmark
01/01/2018	12/31/2018	75.4% Public Equity Benchmark, 24.6% Private Equity Benchmark
07/01/2016	12/31/2017	81.8% Public Equity Benchmark, 18.2% Private Equity Benchmark
01/01/2016	06/30/2016	92.8% Public Equity Benchmark, 7.2% Private Equity Benchmark
10/01/2014	12/31/2015	94.0% Public Equity Benchmark, 6.0% Private Equity Benchmark
07/01/2013	09/30/2014	88.9% Public Equity Benchmark, 11.1% Private Equity Benchmark

Public Equity Benchmark

From 10/2014 through 12/2023, public equity assets have resided within the Broad Growth strategic class with names such as "Traditional Growth" or "Traditional Equity". Thus, Public Equity Benchmark may be considered the successor of Traditional Growth and Traditional Equity Benchmarks. Please note that Public Equity Benchmark is different from the discontinued Public Growth Benchmark; its historical benchmark composition is included in the "Discontinued Custom Benchmarks" section.

From	To	Public Equity Benchmark
10/01/2014	Current	100% MSCI All Country World Investable Market Index (Net)
07/01/2012	09/30/2014	53.6% Russell 3000, 46.4% MSCI All Country World ex US (Net)
10/01/2011	06/30/2014	62.5% Russell 3000, 32.1% MSCI World ex US (Net), 5.4% MSCI Emerging Markets (Net)
07/01/2011	09/30/2011	70.7% Russell 3000, 25.0% MSCI World ex US (Net), 4.3% MSCI Emerging Markets (Net)
01/01/2009	06/30/2011	70.7% Russell 3000, 25.0% MSCI EAFE (Net), 4.3% MSCI Emerging Markets (Net)
03/01/2008	12/31/2008	57.3% S&P 500, 7.4% S&P Mid Cap 400, 7.4% Russell 2000, 23.8% MSCI EAFE (Net), 4.1% MSCI Emerging Markets (Net)

Custom Benchmarks: Global Equity Composite (Continued)

Private Equity Benchmark

From 10/2014 through 12/2023, private equity assets have resided within the Broad Growth strategic class as "Private Growth". Thus, Private Equity Benchmark may be considered the successor of Private Growth Benchmark.

From	To	Private Equity Benchmark
01/01/2024	Current	100% MSCI ACWI IMI (Net) (Quarter Lagged)
10/01/2014	12/31/2023	100% MSCI ACWI IMI (Net) +2% (Quarter Lagged)
10/01/2011	09/30/2014	Private Equity Actual Performance

Custom Benchmarks: Global Credit Composite

Global Credit Policy Benchmark

From	To	Global Credit Benchmark
01/01/2024	Current	33.3% Public Credit Benchmark, 66.7% Private Credit Benchmark
07/01/2021	12/31/2023	50% Public Credit Benchmark, 50% Private Credit Benchmark
07/01/2020	06/30/2021	25% Public Credit Benchmark, 75% Private Credit Benchmark
10/01/2014	06/30/2020	100% Public Credit Benchmark

Public Credit Policy Benchmark

From	To	Public Credit Benchmark
07/01/2021	Current	50% Bloomberg Global High Yield (Hedged), 50% Morningstar LSTA US Leveraged Loan 100 Index
07/01/2020	06/30/2021	50% Bloomberg Global High Yield (Hedged), 50% Morningstar LSTA US Leveraged Loan 100 Index*
10/01/2014	06/30/2020	50% Bloomberg Global Credit (Hedged) 33.3% Bloomberg Global High Yield (Hedged), 16.7% Morningstar LSTA US Leveraged Loan 100 Index*

Private Credit Policy Benchmark

From	To	Private Credit Benchmark
01/01/2024	Current	50% Bloomberg Global High Yield (Hedged) (Quarter Lagged), 50% Morningstar LSTA US Leveraged Loan 100 Index (Quarter Lagged)
07/01/2021	12/31/2023	25% Bloomberg Global High Yield (Hedged) +1% (Month Lagged), 25% Morningstar LSTA US Leveraged Loan 100 Index +1% (Month Lagged), 25% Bloomberg Global High Yield (Hedged) +1% (Quarter Lagged), 25% Morningstar LSTA US Leveraged Loan 100 Index +1% (Quarter Lagged)
07/01/2020	06/30/2021	50% Bloomberg Global High Yield (Hedged) +1% (Month Lagged), 50% Morningstar LSTA US Leveraged Loan 100 Index +1% (Month Lagged)*
11/01/2019	06/30/2020	100% Public Credit Benchmark

From 11/2019 to 06/2020, Private Credit Benchmark is the same as Public Credit Benchmark.

Notes on Component Indices

Historically, prior to 07/01/2021, Morningstar LSTA US Leveraged Loan Index (formerly known as "S&P LSTA US Leveraged Loan Index") was used in the places where Morningstar LSTA US Leveraged Loan 100 Index occurs on this page. Due to licensing issues, Morningstar LSTA US Leveraged Loan 100 Index is applied retroactively to periods prior to 07/2021. Compositions which historically used Morningstar LSTA US Leveraged Loan Index are marked on this page with an asterisk (*).

Custom Benchmarks: Real Assets Composite

Real Assets Policy Benchmark

Real Assets composite contains the following asset classes: Real Estate (Core and Non-Core), Agriculture (or Farmland), Timberland, Infrastructure (Private and Public), and Other Real Assets. They existed separately under various higher level composites at different points in the Plan's history prior to the Real Asset composite's inception in 07/2020.

Prior to 07/2016, **Real Estate** was an immediate sub-composite of Total Fund. From 07/2016 through 06/2020, Core Real Estate and Non-Core Real Estate were separately subsumed into Stabilized Growth and Private Growth categories respectively (which were both contained within Broad Growth). From 10/2014 to 07/2020, **Agriculture, Timber, and Infrastructure** constituted the Private Inflation-Linked component within Real Return, an immediate subordinate of Total Fund.

The Real Assets Policy Benchmark for periods prior to 07/2020 were retroactively reconstructed using the historical policy allocation targets for the underlying components.

From	To	Real Assets Policy Benchmark
01/01/2024	Current	47% Real Estate Benchmark, 7% Agriculture Benchmark, 9% Timber Benchmark, 37% Infrastructure Benchmark
07/01/2022	12/31/2023	70% Real Estate Benchmark, 10% Agriculture Benchmark, 10% Timber Benchmark, 10% Infrastructure Benchmark
07/01/2021	06/30/2022	70% Real Estate Benchmark, 8% Agriculture Benchmark, 12% Timber Benchmark, 10% Infrastructure Benchmark
07/01/2020	06/30/2021	75% Real Estate Benchmark, 5% Agriculture Benchmark, 12.5% Timber Benchmark, 7.5% Infrastructure Benchmark
01/01/2019	06/30/2020	52% Real Estate Policy Benchmark, 48% Real Return Benchmark
01/01/2018	12/31/2018	57% Real Estate Policy Benchmark, 43% Real Return Benchmark
04/01/2017	12/31/2017	70% Real Estate Policy Benchmark, 30% Real Return Benchmark
07/01/2016	06/30/2017	75% Real Estate Policy Benchmark, 25% Real Return Benchmark
01/01/2016	06/30/2016	80% Real Estate Policy Benchmark, 20% Real Return Benchmark
10/01/2014	12/31/2015	83% Real Estate Policy Benchmark, 17% Real Return Benchmark

Custom Benchmarks: Real Assets Composite (Continued)

Real Estate Policy Benchmark

Real Estate composite became effective in 01/2024 as an aggregate of the Core and Non-Core Real Estate components. The Real Estate Policy Benchmark was retroactively reconstructed for periods prior to 01/2024 reflecting the historical policy allocation targets for the underlying Core and Non-Core components.

From	To	Real Estate Policy Benchmark
01/01/2024	Current	100% FTSE EPRA NAREIT Global REITs Index (Gross) (Quarter Lagged)
07/01/2022	12/31/2023	57.1% Core Real Estate Benchmark, 42.9% Non-Core Real Estate Benchmark
07/01/2021	06/30/2022	55.7% Core Real Estate Benchmark, 44.3% Non-Core Real Estate Benchmark
07/01/2020	06/30/2021	53.3% Core Real Estate Benchmark, 46.7% Non-Core Real Estate Benchmark
07/01/2019	06/30/2020	60% Core Real Estate Benchmark, 40% Non-Core Real Estate Benchmark
07/01/2018	06/30/2019	66% Core Real Estate Benchmark, 34% Non-Core Real Estate Benchmark
07/01/2017	06/30/2018	73% Core Real Estate Benchmark, 27% Non-Core Real Estate Benchmark
07/01/2016	06/30/2017	80% Core Real Estate Benchmark, 20% Non-Core Real Estate Benchmark
07/01/2013	06/30/2016	100% Core Real Estate Benchmark

Core Real Estate Benchmark

From	To	Core Real Estate Benchmark
01/01/2024	Current	100% FTSE EPRA NAREIT Global REITs Index (Gross) (Quarter Lagged)
07/01/2020	12/31/2023	100% NCREIF ODCE (Net) (Quarter Lagged)
07/01/2013	06/30/2020	100% NCREIF Property Index (Net) (Quarter Lagged)

Non-Core Real Estate Benchmark

From 07/2016-06/2020, this composite sat within Private Growth segment and was benchmarked against Private Equity Benchmark (formerly, "Private Growth Benchmark").

From	To	Non-Core Real Estate Benchmark
01/01/2024	Current	100% FTSE EPRA NAREIT Global REITs Index (Gross) (Quarter Lagged)
07/01/2020	12/31/2023	100% NCREIF ODCE (Net) +1% (Quarter Lagged)
07/01/2016	06/30/2020	100% Private Equity Benchmark
07/01/2013	06/30/2016	100% NCREIF Property Index (Net) (Quarter Lagged)

Custom Benchmarks: Real Assets Composite (Continued)

Agriculture Benchmark

From	To	Agriculture Benchmark
01/01/2024	Current	100% S&P GCSI Agriculture Index (Quarter Lagged)
10/01/2021	12/31/2023	100% NCREIF Farmland Index (Quarter Lagged)

Timber Benchmark

From	To	Timber Benchmark
01/01/2024	Current	100% S&P Global Timber & Forestry Index (Net) (Quarter Lagged)
09/01/1999	12/31/2023	100% NCREIF Timberland Index (Quarter Lagged)

Infrastructure Benchmark

From	To	Infrastructure Benchmark
01/01/2024	Current	100% Dow Jones Brookfield Global Infrastructure Index (Net) (Quarter Lagged)
12/01/2014	12/31/2023	100% Consumer Price Index (Seasonally Adjusted) +4%

Custom Benchmarks: Diversifying Strategies Composite

Liquid Defensive Benchmark

From	To	Liquid Defensive Benchmark
01/01/2024	Current	31% MLM Global Index EV (Blend), 15% Bloomberg US Treasury: Long Index, 54% Bloomberg US Treasury: Intermediate Index
07/01/2022	12/31/2023	40% MLM Global Index EV (Blend), 40% 90-Day T-Bill +2.5%, 15% Bloomberg US Treasury: Long Index, 5% Bloomberg US Intermediate Aggregate ex Credit Index
07/01/2021	06/30/2022	35% MLM Global Index EV (Blend), 20% 90-Day T-Bill+2.5%, 15% Bloomberg US Treasury: Long Index, 15% Bloomberg US Intermediate Aggregate ex Credit Index, 15% Bloomberg US TIPS 5+ Year Index
07/01/2016	06/30/2021	40% MLM Global Index EV (Blend), 30% Bloomberg US Treasury: Long Index, 30% Bloomberg US Intermediate Aggregate ex Credit Index

Defensive Return Capture Benchmark

Defensive Return Capture and Discretionary Alpha Benchmarks have the same underlying components since 07/01/2020.

From	To	Defensive Return Capture Benchmark
01/01/2024	Current	100% Bloomberg US Treasury: Intermediate Index
07/01/2020	12/31/2023	100% 90-Day T-Bill +2.5%

Discretionary Alpha Benchmark

Defensive Return Capture and Discretionary Alpha Benchmarks have the same underlying components since 07/01/2020.

From	To	Discretionary Alpha Benchmark
01/01/2024	Current	100% Bloomberg US Treasury: Intermediate Index
07/01/2020	12/31/2023	100% 90-Day T-Bill +2.5%

Intermediate Duration Treasury Policy Benchmark

From	To	Intermediate Duration Treasury Policy Benchmark
01/01/2024	Current	100% Bloomberg US Treasury: Intermediate Index
04/01/2017	12/31/2023	100% Bloomberg US Intermediate Aggregate ex Credit

Custom Benchmarks: Diversifying Strategies Composite (Continued)

Long Duration Treasury Policy Benchmark

From	To	Long Duration Treasury Policy Benchmark
04/01/2022	Current	100% Bloomberg US Treasury: Long Index
02/01/2021	03/31/2022	50% Bloomberg US Treasury: Long Index, 50% Bloomberg TIPS 5+ Year Index
04/01/2017	01/31/2021	100% Bloomberg US Treasury: Long Index

MLM Global Index EV (Blend)

MLM Global Index EV (Blend) is used as the benchmark for the Systematic Trend Following composite and as a component of other custom benchmarks.

From	To	MLM Global Index EV (Blend)
04/01/2019	Current	100% MLM Global Index EV (15V)
04/01/2017	03/31/2019	100% MLM Global Index LT 15V

Illiquid Diversifying Benchmark

From	To	Illiquid Diversifying Benchmark
01/01/2024	Current	100% Swiss RE Global Catastrophe Bond Hedged Index
07/01/2022	12/31/2023	65% 90-Day T-Bills +3.5%, 35% Swiss RE Global Catastrophe Bond Hedged Index
07/01/2021	06/30/2022	50% 90-Day T-Bills +3.5%, 50% Swiss RE Global Catastrophe Bond Hedged Index
04/01/2014	06/30/2021	65% 90-Day T-Bills +3.5%, 35% Swiss RE Global Catastrophe Bond Hedged Index

Idiosyncratic Return Capture Benchmark

From	To	Idiosyncratic Return Capture Benchmark
01/01/2024	Current	100% Swiss RE Global Catastrophe Bond Hedged Index
07/01/2020	12/31/2023	100% 90-Day T-Bills +3.5%

Discontinued Custom Benchmarks

This section includes only the discontinued custom benchmarks which have been a component of current custom benchmarks' history and does not include all the discontinued historical custom benchmarks. The items in this section are ordered alphabetically.

Crisis Risk Offset (CRO) Benchmark

Crisis Risk Offset (CRO) Benchmark was a component of Total Fund Policy Benchmark from 2017 to 2020. The composite consisted of Systematic Trend Following, Alternative Return Capture, and Treasury Duration Capture (in the form of long duration treasuries) components.

From	To	Crisis Risk Offset (CRO) Benchmark
04/01/2019	06/30/2020	35% MLM Global Index EV (Blend), 40% 90-day T-Bills +2.5%, 25% Bloomberg US Treasury: Long Index
04/01/2017	03/31/2019	45% MLM Global Index EV (Blend), 30% 90-day T-Bills +5%, 25% Bloomberg US Treasury: Long Index

Liquid Diversifying Benchmark

Liquid Diversifying Benchmark was a component of Diversifying Strategies Benchmark from 2017 through 2023.

From	To	Liquid Diversifying Benchmark
04/01/2017	12/31/2023	100% 90-Day T-Bills +2.5%

Options-Based Equity Benchmark

Options-Based Equity Benchmark was a component of Public Growth Benchmark from 2020 to 2022.

From	To	Options-Based Equity Benchmark
07/01/2020	06/30/2022	50% CBOE S&P 500 PutWrite (PUT), 35% CBOE MSCI EAFE PutWrite (PXEA), 15% CBOE MSCI Emerging Markets PutWrite (PXEF)

Principal Protection Benchmark

Principal Protection Benchmark was a component of Total Fund Policy Benchmark from 2014 to 2020. The composite primarily consisted of intermediate duration bonds.

From	To	Principal Protection Benchmark
01/01/2018	06/30/2020	55% Bloomberg US Intermediate ex Credit Index, 45% Bloomberg Global Intermediate ex Credit Index (Hedged)
10/01/2014	12/31/2017	100% Bloomberg Global Intermediate ex Credit Index (Hedged)

Discontinued Custom Benchmarks (Continued)

Public Growth Benchmark

Public Growth Benchmark was a component of Broad Growth Benchmark from 2020 through 2023. Please see Global Credit Benchmark and Traditional Growth Benchmark in the Current Custom Benchmarks section under Global Credit Benchmark and Public Equity Benchmark respectively.

From	To	Public Growth Benchmark
07/01/2022	12/31/2023	66.5% Traditional Growth Benchmark, 20% Global Credit Benchmark, 8% MSCI ACWI Minimum Volatility (Net), 5.5% ICE BofA All US Convertibles All Qualities (VXAO)
07/01/2021	06/30/2022	55.5% Traditional Growth Benchmark, 16% Options-Based Equity Benchmark, 15.5% Global Credit Benchmark, 9% MSCI ACWI Minimum Volatility (Net), 4% ICE BofA All US Convertibles All Qualities (VXAO)
07/01/2020	06/30/2021	55.5% Traditional Growth Benchmark, 20% Options-Based Equity Benchmark, 15.5% Global Credit Benchmark, 9% MSCI ACWI Minimum Volatility (Net)

Real Return Benchmark

Real Return Benchmark was a component of Total Fund Policy Benchmark from 2014 to 2020.

From	To	Real Return Benchmark
10/01/2014	06/30/2020	100% Consumer Price Index (Seasonally Adjusted) +3%

Stabilized Growth Benchmark

Stabilized Growth Benchmark was a component of Broad Growth Benchmark from 2014 to 2020.

From	To	Stabilized Growth Benchmark
01/01/2018	06/30/2020	8.5% Bloomberg Global Credit (Hedged), 5.67% Bloomberg Global High Yield (Hedged), 17% CBOE S&P 500 BuyWrite (BXM), 17% CBOE S&P 500 PutWrite (PUT), 2.83% Morningstar LSTA Leveraged Loan, 8.5% MSCI ACWI ex US (Net), 8.5% 90-day T-Bills, 17% MSCI ACWI Minimum Volatility (Net), 15% NCREIF ODCE Index (Net) (Quarter Lagged)
07/01/2016	12/31/2017	8.5% Bloomberg Global Credit (Hedged), 5.67% Bloomberg Global High Yield (Hedged), 17% CBOE S&P 500 BuyWrite (BXM), 17% CBOE S&P 500 PutWrite (PUT), 2.83% Morningstar LSTA Leveraged Loan, 8.5% MSCI ACWI ex US (Net), 8.5% 90-day T-Bills, 17% MSCI ACWI Minimum Volatility (Net), 15% NCREIF Property Index (Net) (Quarter Lagged)
10/01/2014	06/30/2016	30% Bloomberg Global Credit (Hedged), 20% Bloomberg Global High Yield (Hedged), 40% CBOE S&P 500 BuyWrite (BXM), 10% Morningstar LSTA Leveraged Loan Index

Performance Attribution Glossary

Performance Attribution is the process of comparing a portfolio's performance with its benchmark identifying and quantifying the sources of differential returns (also called active returns).

Differential Returns / Active Returns / Value Added are the difference between the return on a portfolio and the return on the benchmark.

Impact on Return

Attribution Segment	Definition	Formula	Where:
Weighting (also called allocation, sector allocation, or pure sector allocation)	The effects of portfolio manager decisions to over/underweight each sector	$(w_i - W_i) \times (b_i - b)$	w_i = portfolio segment weight W_i = benchmark segment weight b_i = benchmark segment return b = total benchmark return
Selection (also called within-sector selection)	The effects of portfolio manager decision to buy specific securities	$(r_i - b_i) \times W_i$	r_i = portfolio segment return b_i = benchmark segment return W_i = benchmark segment weight
Interaction (also called allocation/selection interaction)	The effects of portfolio managers decisions to security selection can inadvertently cause sector over/underweighting	$(r_i - b_i) \times (w_i - W_i)$	r_i = portfolio segment return b_i = benchmark segment return w_i = portfolio segment weight W_i = benchmark segment weight

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INVESTMENT GROUP

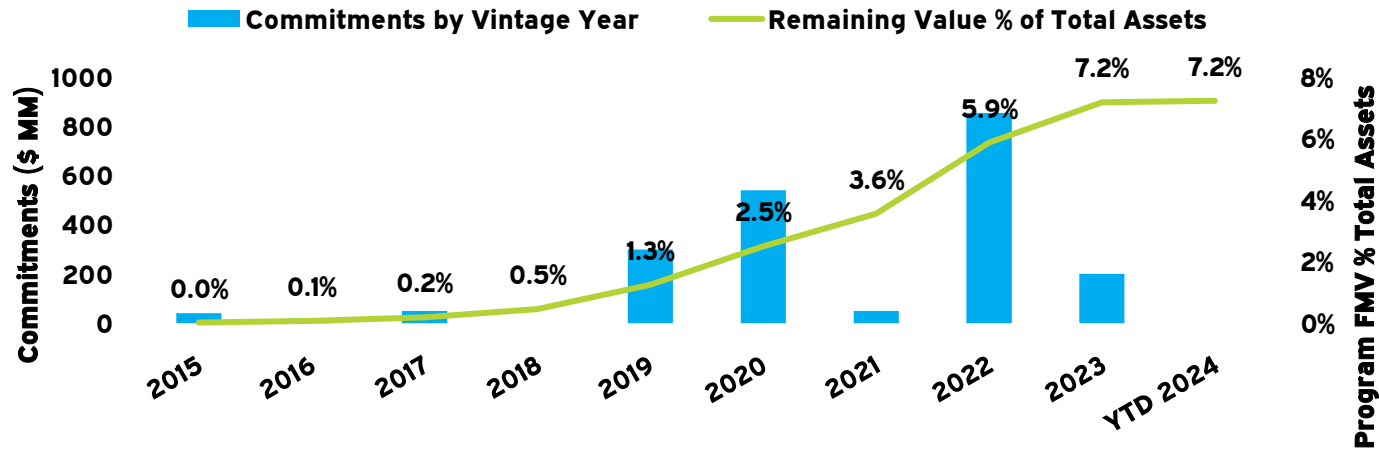
Employees' Retirement System of the State of Hawaii

First Quarter 2024

Private Credit Program

Introduction

Employees' Retirement System of the State of Hawaii has increased the target of the Private Debt Program to 8% of total assets, up from 5.2% (prior target). As of March 31st, 2024, the Private Debt Program represented 7.2% of total assets, which accounts for funds transferred in July 2023. The Program targets a 9-11% net IRR while emphasizing yield-oriented opportunities that distribute income. The Program is targeting \$600 million of annual private credit commitments in 2023 and 2024.



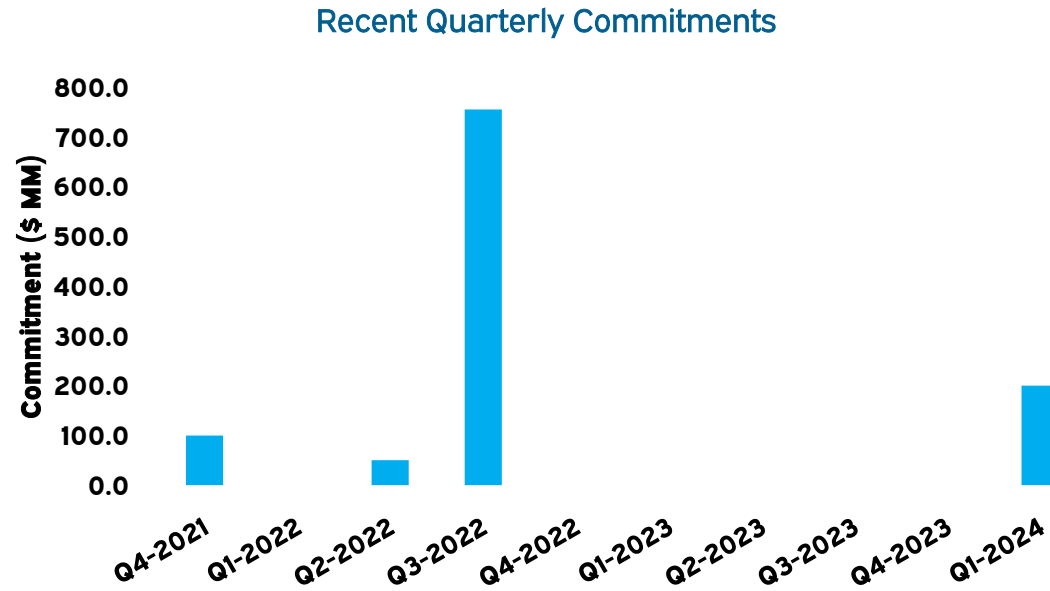
Program Status

No. of Investments	19
Committed (\$M)	2,305.3
Contributed (\$M)	1,746.8
Distributed (\$M)	418.4
Remaining Value (\$M)	1,683.0

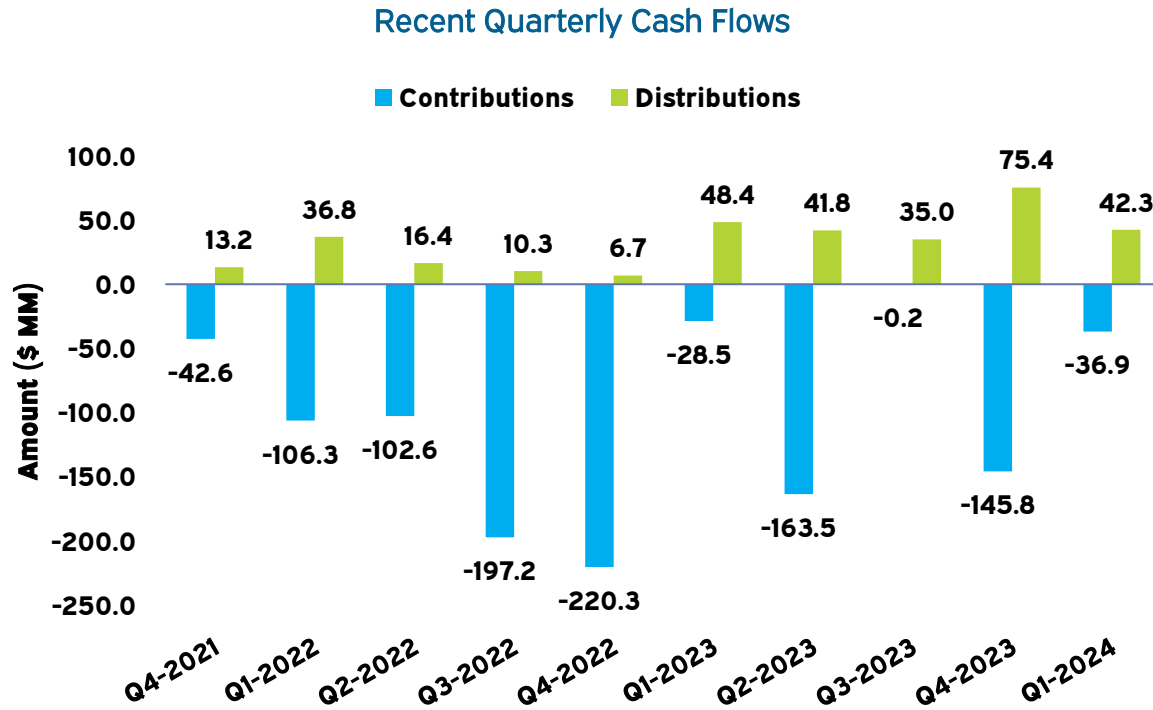
Performance Since Inception

	Program
DPI	0.24x
TVPI	1.20x
IRR	9.0%

Commitments



Cash Flows



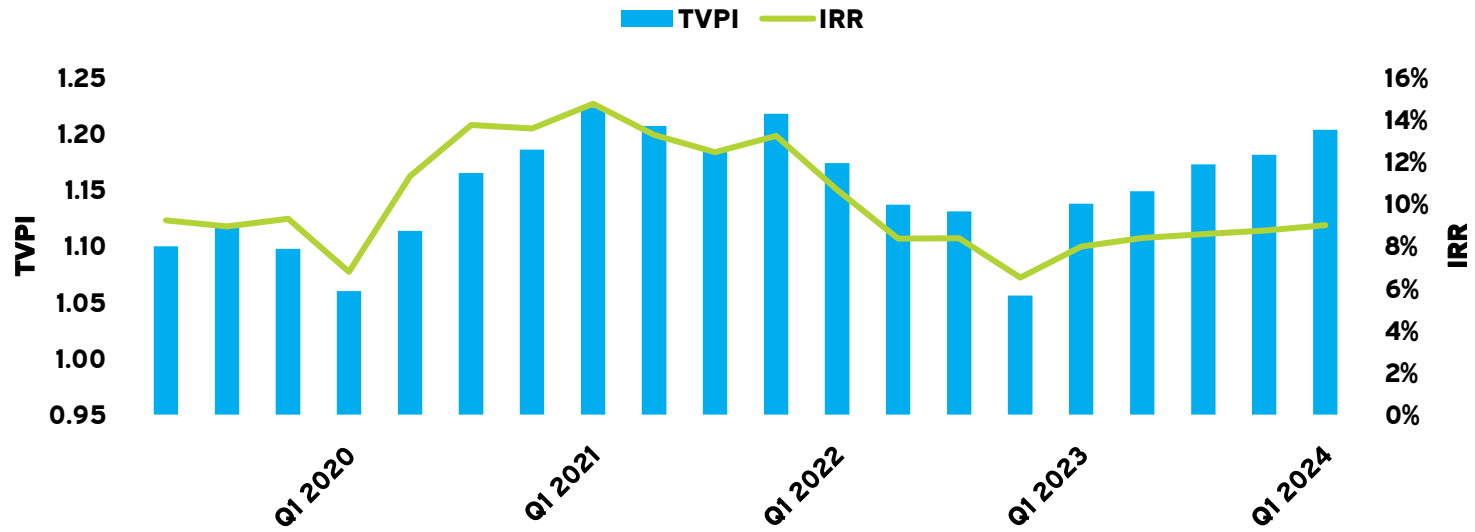
By Strategy

Group	Number	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining Value (\$ M)	Exposure (\$ M)	DPI (X)	TVPI (X)	IRR (%)
Direct Lending	3	350.0	97.9	260.2	15.6	113.5	373.8	0.16	1.32	NM
Multi-strategy	2	300.0	269.4	71.2	44.3	257.0	328.2	0.16	1.12	7.2
Opportunistic	1	5.3	3.7	1.7	0.1	3.1	4.8	0.03	0.86	NM
Real Estate	7	350.0	314.9	70.5	152.0	227.8	298.2	0.48	1.21	5.8
Special Situations	6	1,300.0	1,061.0	281.7	206.3	1,081.5	1,363.3	0.19	1.21	10.2
Total	19	2,305.3	1,746.8	685.3	418.4	1,683.0	2,368.3	0.24	1.20	9.0

By Vintage

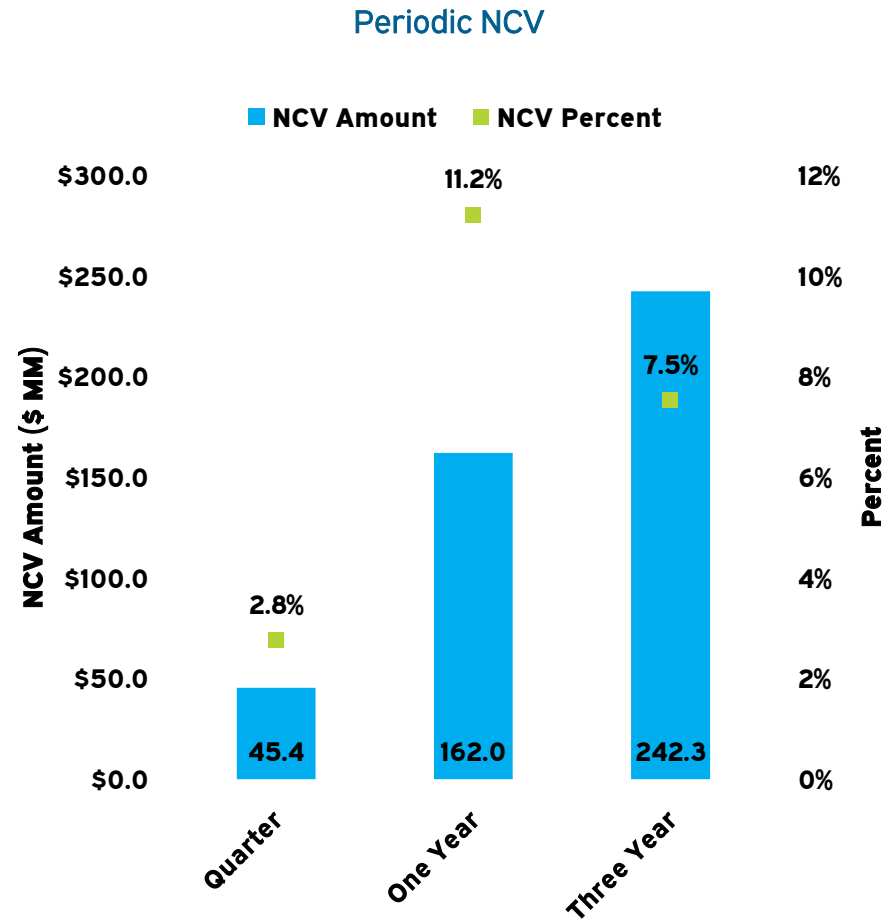
Group	Number	Committed (\$ M)	Contributed (\$ M)	Unfunded (\$ M)	Distributed (\$ M)	Remaining Value (\$ M)	Exposure (\$ M)	DPI (X)	TVPI (X)	IRR (%)
Open-end Fund	3	250.0	254.6	0.0	62.1	239.3	239.3	0.24	1.18	4.9
2015	1	40.0	32.0	8.0	37.9	4.0	12.0	1.18	1.31	10.0
2016	1	20.0	16.7	10.0	9.6	7.5	17.5	0.57	1.02	0.8
2017	1	50.0	66.5	5.0	42.6	38.4	43.4	0.64	1.22	7.7
2019	1	300.0	312.2	16.8	97.8	308.5	325.4	0.31	1.30	10.3
2020	4	540.0	450.5	94.7	101.6	441.8	536.5	0.23	1.21	8.5
2021	1	50.0	35.1	23.0	13.9	29.5	52.5	0.40	1.24	NM
2022	6	855.3	559.2	347.8	53.0	593.4	941.2	0.09	1.16	NM
2023	1	200.0	20.0	180.0	0.0	20.6	200.6	0.00	1.03	NM
Total	19	2,305.3	1,746.8	685.3	418.4	1,683.0	2,368.3	0.24	1.20	9.0

Since Inception Performance Over Time



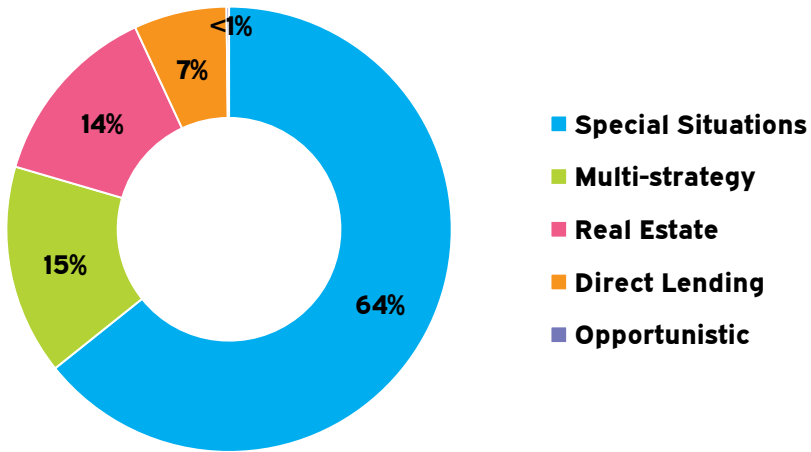
Horizon IRRs

	1 Year (%)	3 Year (%)	5 Year (%)	10 Year (%)	Since Inception (%)
Aggregate Portfolio	11.0	7.3	8.9	NM	9.0

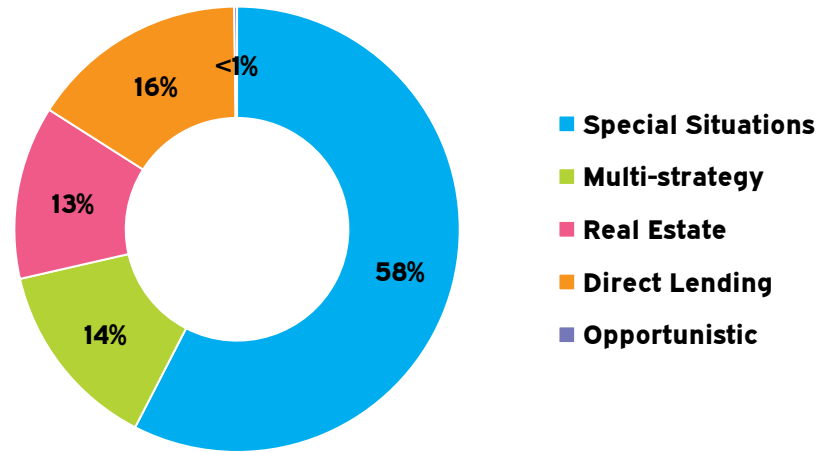


By Strategy

Percent of FMV

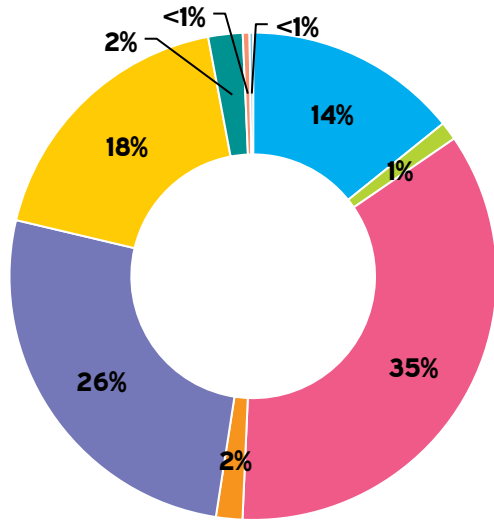


Percent of Exposure

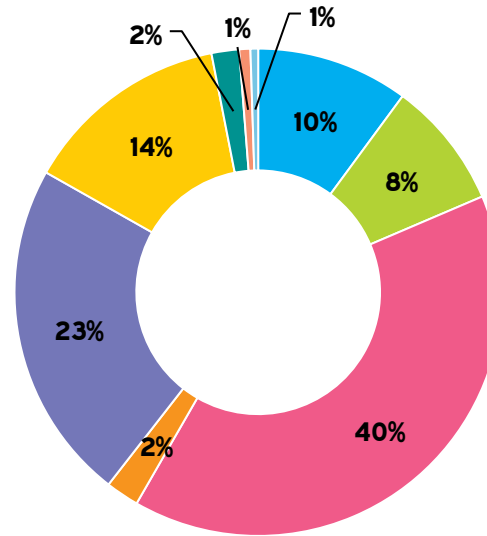


By Vintage

Percent of FMV

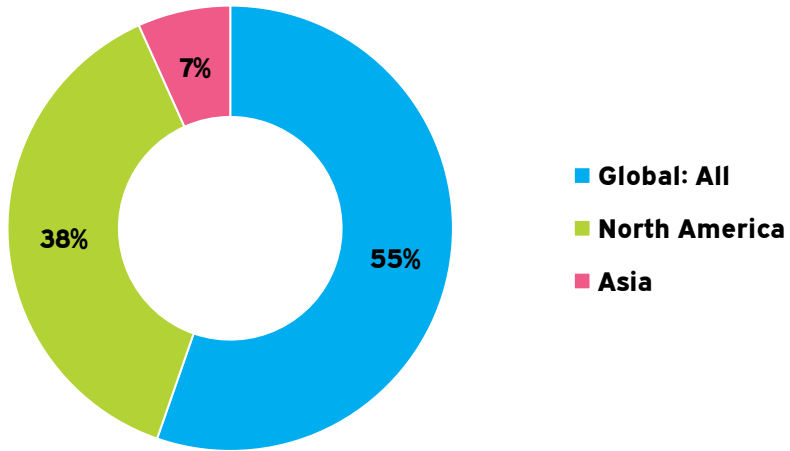


Percent of Exposure

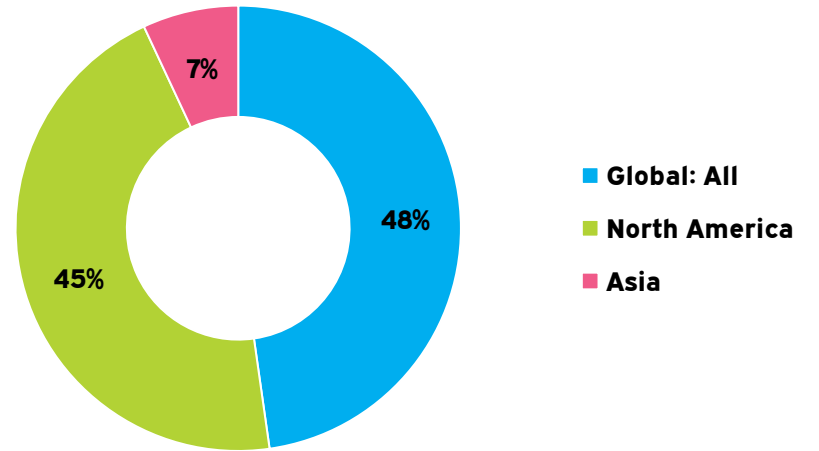


By Geographic Focus

Percent of FMV



Percent of Exposure



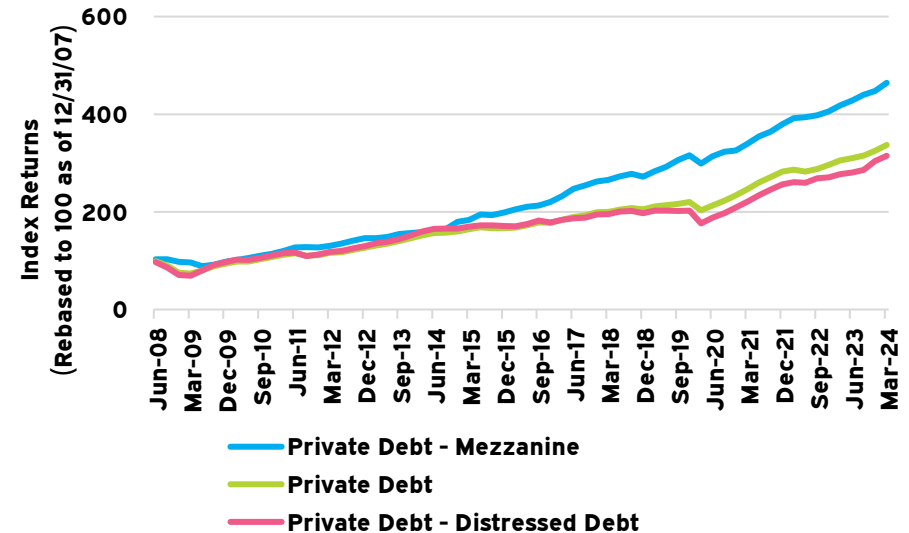
Private Credit: Performance Update (Q1-24)

- The Preqin All Private Debt Index returned +3.7% in Q1 against a backdrop of increased competition between direct lenders and the broadly syndicated loan market. Demand was driven by the increased risk appetite of Collateralized Loan Obligations (CLOs) for loans to support new issuance.
- Fundraising slowed in Q1 2024 to \$34 billion which Pitchbook described as the slowest start to fundraising since 2016.¹
- Fundraising was markedly concentrated with the largest share of capital allocated to funds seeking to raise \$1 billion+ with the 10 largest funds in market garnering 75% of commitments in the quarter.²

Preqin All Private Debt Index (as of 12/31/2023)

Trailing Time Period	Horizon IRR (%)
1 year	7.4
3 years	15.8
5 years	11.7
10 years	9.2

Preqin Private Debt Strategy Index



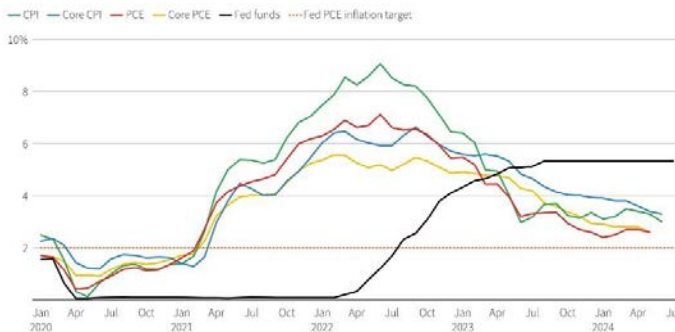
¹ Preqin: Global Private Market Fundraising Report (Q1 2024)

² Preqin: Global Private Market Fundraising Report (Q1 2024)

Private Credit: Key Economic Drivers

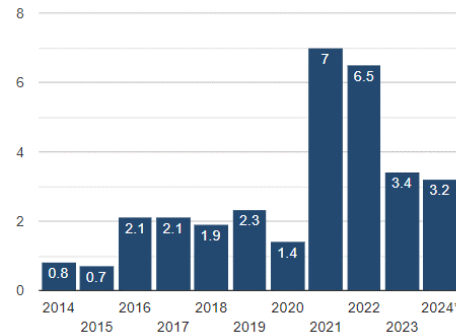
- While Fed Funds rates have flatlined moderating inflationary pressures have reignited investor speculation around the timing of potential rate cuts (Chart 1, Chart 2).
- Bank lending activity in aggregate across lines of business has seen diminished growth despite resurgent issuance in Q1 by banks in the broadly syndicated corporate loan market (Chart 3).
- On the consumer side, higher interest rates have led to increasing delinquencies for credit card and auto loans. One large private markets GP noted that credit card delinquencies for the youngest households (ages 18-29) are approaching levels last seen during the Great Financial Crisis.¹

CPI / Fed Funds (Chart 1)²

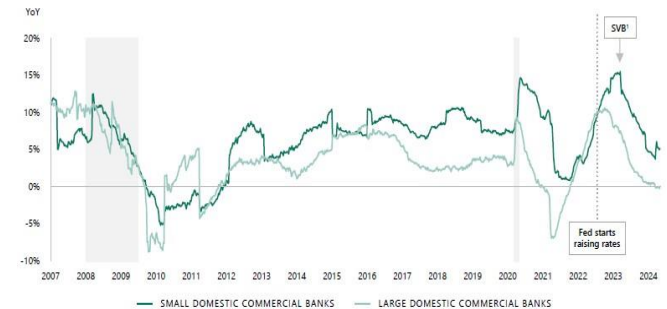


Note: CPI = Consumer Price Index; PCE = Personal Consumption Expenditures Price Index; Core = excluding food and energy; Fed funds = Fed policy rate
Source: Federal Reserve (funds rate and target); Bureau of Labor Statistics (CPI); Bureau of Economic Analysis (PCE); inflation rates are annual

U.S. Inflation Rates (Chart 2)³



Bank Lending Growth (Chart 3)⁴



¹ Apollo: "Flexibility Is Key: Why Invest Opportunistically in Private Credit," Bank Lending Growth (data as of January 31, 2024)

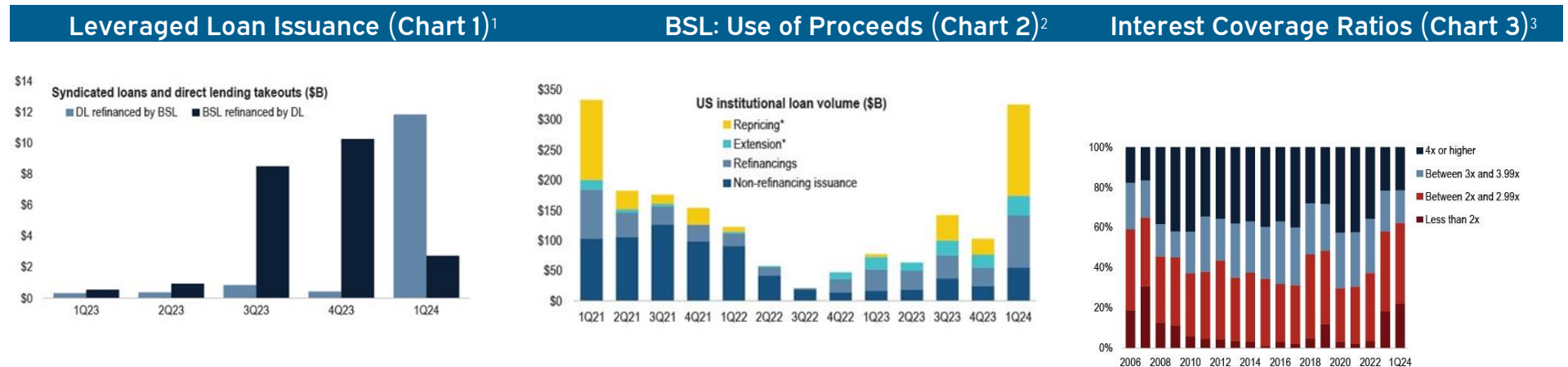
² Reuters: "June price drop may shorten the Fed's last mile on inflation" (July 12, 2024)

³ Source: www.inflationcalculator.com, United States Annual Inflation Rates (2013 to 2023)

⁴ Apollo: "Flexibility Is Key: Why Invest Opportunistically in Private Credit," Bank Lending Growth (data as of January 31, 2024)

Private Credit: U.S. Senior Direct Lending

- The broadly syndicated loan (BSL) market resurged in Q1 2024 with \$325 billion of leveraged loan activity. Banks reclaimed market share from direct lenders with demand buoyed by increased risk appetite from CLOs. (Chart 1)
- Use of proceeds for the surge in issuance was dominated by repricing amendments, which accounted for 46% of loan issuance activity. Repricing amendments do not add to net new supply of loans. Notably, the average borrowing spread contracted by 54bps according to Pitchbook LCD. (Chart 2)
- Lower rated borrowers (single-B and lower) used the opening in capital markets and easing of lending standards to return to credit markets for refinancing.
- Interest coverage ratios showed further deterioration as the percentage with less than 2x coverage comprised 22% of this year's loans. (Chart 3)

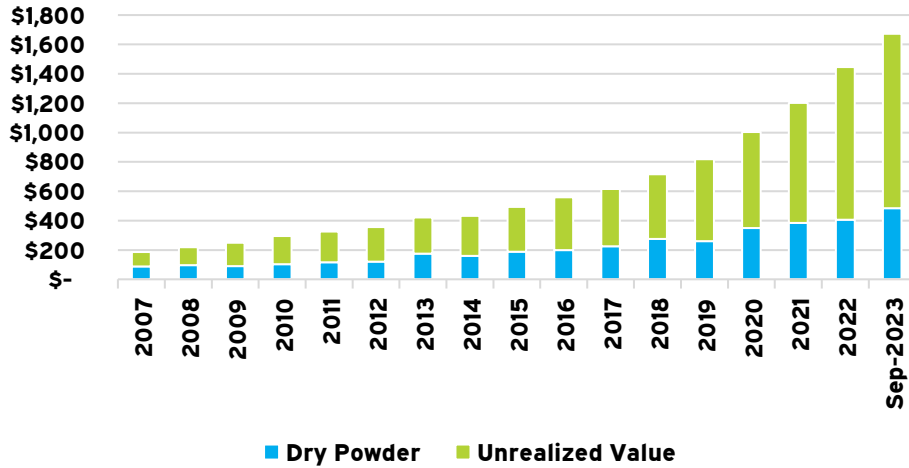


¹ Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)

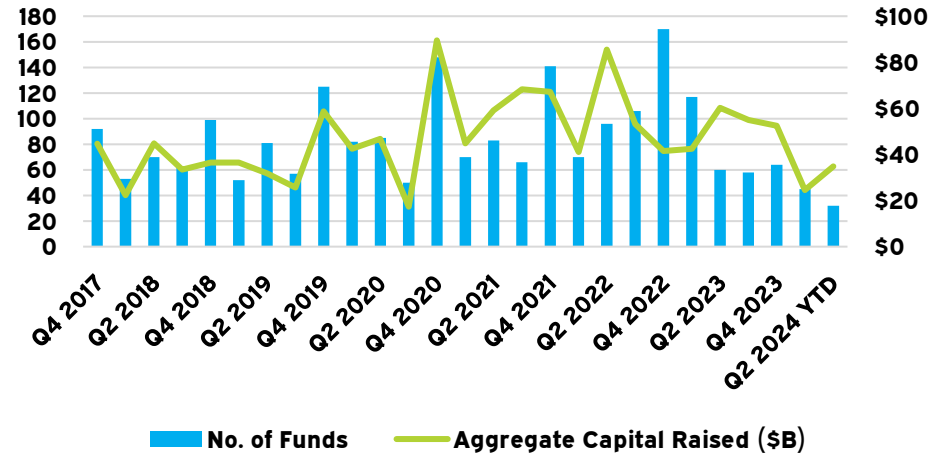
² Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)

³ Pitchbook LCD US Credit Markets Quarterly Wrap (a/o 3/31/24)

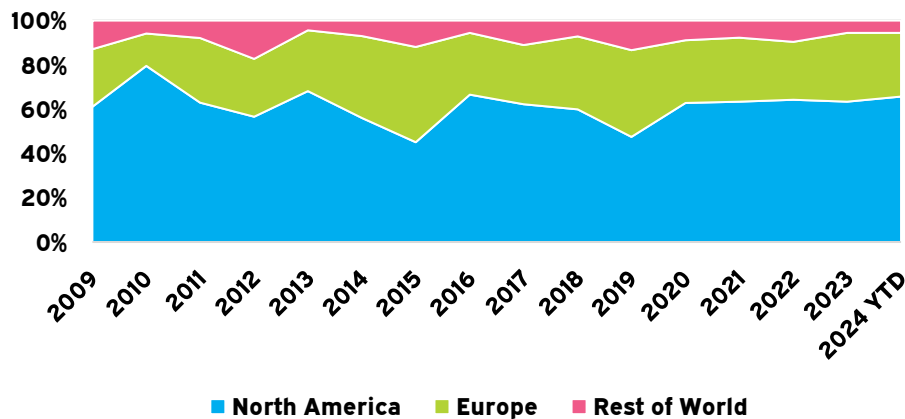
Global Private Debt AUM, as of Year End (\$B)



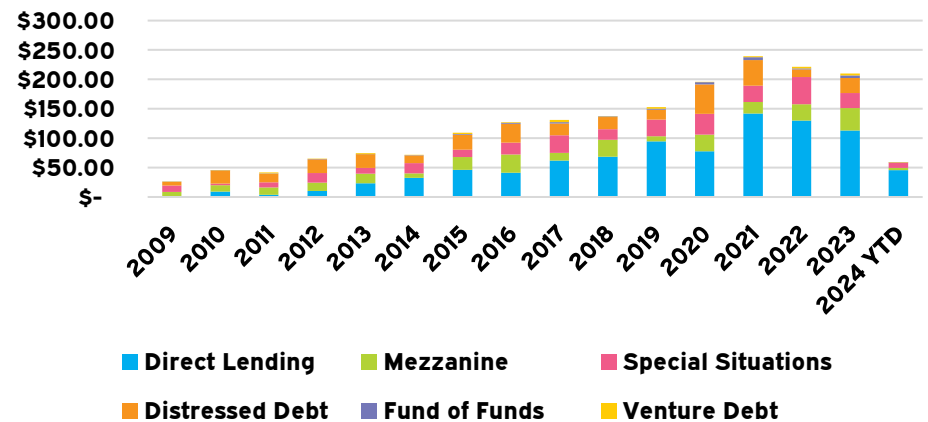
Global Private Debt Fundraising



Global Private Debt Fundraising, by Primary Region



Global Private Debt Fund Raising, by Fund Strategy



Below are details on specific terminology and calculation methodologies used throughout this report:

Committed	The original commitment amount made to a given fund. Some funds may be denominated in non-USD currencies, and such commitment amounts represent the sum of fund contributions translated to USD at their daily conversion rates plus the unfunded balance translated at the rate as of the date of this report.
Contributed	The amount of capital called by a fund manager against the commitment amount. Contributions may be used for new or follow-on investments, fees, and expenses, as outlined in each fund's limited partnership agreement. Some capital distributions from funds may reduce contributed capital balances. Some funds may be denominated in non-USD currencies, and such aggregate contributions represent the sum of each fund contribution translated to USD at its daily conversion rate.
Distributed	The amount of capital returned from a fund manager for returns of invested capital, profits, interest, and other investment related income. Some distributions may be subject to re-investment, as outlined in each fund's limited partnership agreement. Some funds may be denominated in non-USD currencies, and such aggregate distributions represent the sum of each fund distribution translated to USD at its daily conversion rate.
DPI	Acronym for "Distributed-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculation equals Distributed divided by Contributed. DPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.
Exposure	Represents the sum of the investor's Unfunded and Remaining Value.
IRR	Acronym for "Internal Rate of Return", which is a performance measurement for Private Market investments. IRRs are calculated by Meketa based on daily cash flows and Remaining Values as of the date of this report. IRRs for funds and groupings of funds are net of all fund fees and expenses as reported by fund managers to Meketa.
NCV	Acronym for "Net Change in Value", which is a performance measurement for Private Market investments. The performance calculation equals the appreciation or depreciation over a time period neutralized for the impact of cash flows that occurred during the time period.
NM	Acronym for "Not Meaningful", which indicates that a performance calculation is based on data over too short a timeframe to yet be meaningful or not yet possible due to inadequate data. Meketa begins reporting IRR calculations for investments once they have reached more than two years since first capital call. NM is also used within this report in uncommon cases where the manager has reported a negative Remaining Value for an investment.

Public Market Equivalent ("PME")

A calculation methodology that seeks to compare the performance of a portfolio of private market investments with public market indices. The figures presented in this report are based on the PME+ framework, which represents a net IRR value based on the actual timing and size of the private market program's daily cash flows and the daily appreciation or depreciation of an equivalent public market index. Meketa utilizes the following indices for private market program PME+ calculations:

Infrastructure: Dow Jones Brookfield Global Infrastructure Index

Natural Resources: S&P Global Natural Resources Index

Private Debt: Meryl Lynch High Yield Master II Bond Index

Private Equity: MSCI ACWI Investable Market Index

Real Assets (excluding Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index and S&P Global Natural Resources Index

Real Assets (including Real Estate): Equal blend of Dow Jones Brookfield Global Infrastructure Index, S&P Global Natural Resources Index, and Dow Jones U.S. Select Real Estate Securities Index

Real Estate: Dow Jones U.S. Select Real Estate Securities Index

Remaining Value

The investor's value as reported by a fund manager on the investor's capital account statement. All investor values in this report are as of the date of this report, unless otherwise noted. Some funds may be denominated in non-USD currencies, and such remaining values represent the fund's local currency value translated to USD at the rate as of the date of this report.

TVPI

Acronym for "Total Value-to-Paid-In", which is a performance measurement for Private Market investments. The performance calculations represents Distributed plus Remaining Value, then divided by Contributed. TVPIs for funds and groupings of funds are net of all fund fees and expenses as reported to by fund managers to Meketa.

Unfunded

The remaining balance of capital that a fund manager has yet to call against a commitment amount. Meketa updates unfunded balances for funds to reflect all information provided by fund managers provided in their cash flow notices. Some funds may be denominated in non-USD currencies, and such unfunded balances represent the fund's local currency unfunded balance translated to USD at the rate as of the date of this report.

The material contained in this report is confidential and may not be reproduced, disclosed, or distributed, in whole or in part, to any person or entity other than the intended recipient. The data are provided for informational purposes only, may not be complete, and cannot be relied upon for any purpose other than for discussion.

Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

If we manage your assets on a discretionary basis, please contact us if there are any changes in your financial situation or investment objectives, or if you want to impose any reasonable restrictions on our management of your account or reasonably modify existing restrictions.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material.

This document may contain certain forward-looking statements, forecasts, estimates, projections, and opinions ("Forward Statements"). No representation is made or will be made that any Forward Statements will be achieved or will prove to be correct. A number of factors, in addition to any risk factors stated in this material, could cause actual future results to vary materially from the Forward Statements. No representation is given that the assumptions disclosed in this document upon which Forward Statements may be based are reasonable. There can be no assurance that the investment strategy or objective of any fund or investment will be achieved, or that the client will receive a return of the amount invested.

In some cases Meketa Investment Group assists the client in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the client.

Because there is no readily accessible market for private markets assets (companies and partnerships), the values placed on private markets assets are calculated by General Partners using conservative and industry standard pricing procedures. Annually, an independent auditor reviews the pricing procedures employed by the General Partner of each partnership.

The values of companies and partnerships are audited at year-end, and are not audited at other quarter-end periods. While financial information may be audited, there is some discretion as to the method employed to price private companies and, therefore, private markets partnerships. At all times, Meketa Investment Group expects General Partners to utilize conservative and industry standard pricing procedures, and requires the General Partners to disclose those procedures in their reports. However, because of the inherent uncertainty of valuation, these estimated values may differ from the values that would be used if a ready market for the investments existed, and the differences could be significant.

MINUTES OF THE REGULAR MEETING OF THE
BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

JULY 8, 2024

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
HONOLULU, HAWAII 96813

Trustees present: Mr. Emmit Kane, Chair (in person)*
(by teleconference) Mr. Lance Mizumoto, Vice Chair*
Mr. Vincent Barfield*
Dr. Catherine Chan*
Dr. Genevieve Ley*
Mr. Bennett Yap*

Trustee absent: Mr. Luis Salaveria

Staff present: Mr. Thomas Williams, Executive Director*
(City Financial Tower Mr. James Greubel, Program Specialist*
by teleconference) Ms. Shanna Sakagawa, Program Specialist*
Mr. Keith Miyamoto, Information Services Branch Manager*
Ms. Sandra Straub, Information Services Systems Supervisor*
Ms. Lori Kobayashi, Retirement Benefits Branch Manager*
Ms. Kristin Varela, Chief Investment Officer*
Mr. Anthony Goo, Deputy Chief Investment Officer*
Mr. Aaron Au, Investment Officer – Private Equity
Ms. Christine Chang, Investment Officer – Diversifying Strategies*
Mr. Andrew Chen, Investment Officer – Credit Markets
Ms. Lynn Kamimoto, Investment Officer – Risk*
Mr. Ian Wetzel, Investment Officer – Real Assets
Ms. Gerri Konishi, Member Home Loan Assistant*
Ms. Dale Kehau Kanae, Recording Secretary*
Ms. Lori Kim, Secretary*
Ms. Andrea Gasper, Secretary*
Ms. Diana Gomes, Secretary

Attorney present: Ms. Jenny Nakamoto, Deputy Attorney General*
(by teleconference) Ms. Lori Tanigawa, Deputy Attorney General*
Ms. Elmira Tsang, Deputy Attorney General*
Ms. Diane Wong, Deputy Attorney General*

Guests present: Mr. Lewis Ward, Gabriel Roeder Smith
(by teleconference) Ms. Natalie Fitch, Hamilton Lane Advisors, LLC
Mr. Peter Hanashiro, KMH LLP
Mr. Tyson Suehiro, KMH LLP
Mr. Colin Bebee, Meketa Investment Group, Inc.

Public present: Mr. Joe Ebisa, With Intelligence
(by teleconference) Mr. Frank Rogozienski

*Attended Executive Session.

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Mizumoto, Trustees Barfield, Chan, Ley, and Yap), Chair Kane called the regular meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 10:12 a.m. and requested each Trustee identify themselves and confirm that they are the only ones present at their remote location while attending the meeting. Each of the Trustees present confirmed same.

On a motion made by Vice Chair Mizumoto, seconded by Trustee Barfield, and unanimously carried, to be able to hold a meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to HRS §92-3.7, with at least one meeting location open to the public that has audiovisual connection.

PUBLIC COMMENT

Chair Kane called for public comment. There was no public present in person, however, two (2) members of the public were present by teleconference, but they had no public comment. Also, no written testimony was received for this meeting.

EXECUTIVE DIRECTOR'S REPORT ON THE OPERATIONS AND ADMINISTRATION OF THE SYSTEM WITH RESPECT TO ISSUES AFFECTING MEMBER SERVICES, ACCOUNTING, AND INFORMATION TECHNOLOGY SYSTEMS, TO INCLUDE SIGNIFICANT DEVELOPMENTS IN INVESTMENTS, POLICY, STAFFING, POTENTIAL LEGISLATION, AND REGULATORY MATTERS

Executive Director (ED) Williams gave an oral report to the Board on the Operations and Administration of the System with Respect to Issues Affecting Members Services, Accounting, and Information Technology Systems, to Include Significant Developments in Investments, Policy, Staffing, Potential Legislation, and Regulatory Matters as follows:

- Fiscal year-end deadlines and challenges of procurement processing.
- Monitoring of investment performance and presentations by Meketa Investment Group, Inc., and Hamilton Lane Advisors LLC.
- Preliminary Annual Actuarial Valuation Report to be presented by Gabriel Roeder Smith & Company.
- Closing of the Legislative Session and summary of activities including HB 1598/Act 011, HB 1599/Act 012, and HB 1600/Act 013 regarding Sunshine Law requirements for Boards, SB 3070/Act 192 signed by the Governor on July 3, 2024, that changes the ERS maximum amortization funding period from 30- to 20-years over a 5-year period beginning this fiscal year and ending in 2029.
- State Budget HB 40, that would allow \$135 M appropriated and an additional possible \$300 M contributions to ERS, may not be distributed, as in 2022, \$300 M appropriated was deferred and has lapsed. The Governor will likely veto the appropriations as the budget needs to be balanced.
- Medical Board contracts will begin in August to members Chair Dr. Patricia Chinn, Dr. Bernard Chun, and Dr. Peter Do for well under the total approved budget of \$505,000 per year for a period of three-years with the option to extend for two, one-year periods.
- Temporary Hazard Pay guidelines have been established and distribution to State employees is scheduled to start in October. Employees that have worked in person at least 420 days from March 2020 to April 2022 would receive \$20 K and those with less than 420- but more than 0-days would get \$10 K to be paid in two installments, the first in October 2024, and the second sometime in the spring of 2025. Only Tier 1 employees are entitled to additional payments being eligible for retirement contributions and benefits.
- A change in State auditor from Eide Bailly LLP to KKDLY, LLC to provide audit services for ERS and State agencies for 2023 and 2024.
- Trustee Educational Opportunities. Trustee Barfield has submitted a report from his attendance at the Annual Conference and Exhibition by the National Conference on Public Employee Retirement Systems from May 18-23, 2024. It is suggested that all Trustees submit similar reports upon return from attending any conference or educational opportunity. Future educational opportunities will be listed on BoardWorks.
- Monthly Operations Report Highlights – June 2024, was summarized as submitted and the recruitment and challenges of filling vacant positions were discussed.

PUBLIC COMMENT

Chair Kane again called for public comment. There were no public comments from public members attending.

UPDATE REPORT OF
ACTIVITY BY THE
GOVERNANCE POLICY
COMMITTEE CHAIR

Governance Policy Committee (Committee) Chair Kane reported to the Board that Executive Director (ED) Thomas Williams will present the Board Self Evaluation.

DISCUSSION RELATED
TO BOARD SELF
EVALUATION

ED Williams presented to the Board, as submitted, the 2024 HIERS Board Self-Evaluation prepared by Funston Advisory Services LLC and discussed:

HIERS Board Self-Evaluation Process
Summary of Effectiveness Ratings
Summary of Priorities for Improvement
High Level Self-Evaluation Summary
Conduct Business of the Board and Its Committees
Set Direction, Delegate, and Oversee
Obtain Independent Verification and Use of External Advisors
Board Education and Development
Board Interactions with Staff and Evaluations of Direct Reports
Experience, Skills and Qualifications Matrix

The Board had no questions regarding the Self-Evaluation and no action was needed or taken.

UPDATE REPORT OF
ACTIVITY BY THE
ADMINISTRATIVE &
AUDIT COMMITTEE

Administrative & Audit Committee (Committee) Chair Chan reported to the Board that Gabriel Roeder Smith & Company's Lewis Ward will present the Preliminary Annual Actuarial Valuation Report. For the year ending June 30, 2024.

PRELIMINARY
ANNUAL ACTUARIAL
VALUATION REPORT
BY GABRIEL ROEDER
SMITH & COMPANY
FOR THE YEAR
ENDING JUNE 30, 2024

Mr. Ward joined the meeting by teleconference and presented an oral and written report to the Board, as submitted, a mid-year update and discussed:

Projected 2024 Actuarial Valuation Results
Projection of Funding Period from 2016 Legislative Impact Statement vs Actual Valuation Outcomes
The UAAL Slightly Grew in Dollars From Last Year, But This Was Expected and is Still Well Below 2016 Projections

Two Legislative Bills

- SB 3070, HD1 CD1
- HB 40, SD1 CD2

New Policy Begins at 25 Years as of 2024 and Begins a Process of Lowering the Maximum Period by 1 Each Year

The Funding Period Under the New Policy is Not Expected to Breach the Maximum as Long as ERS Achieves 6% Returns or Better

Summary

- The funded ratio is projected to increase and the funding period to decrease by 1 (as expected).
- The System continues to move towards positive amortization, expected to begin in FY 2026 or FY 2027.
- The new maximum amortization period will protect the System over the long term.
- It is likely this type of change will be seen very favorably by bond raters and satisfies all of the new Actuarial Standards of Practice.

On a motion made by Committee Vice Chair Barfield, seconded by Vice Chair Mizumoto, and unanimously carried, the Board approved, as recommended by the Administrative & Audit Committee, the Preliminary Annual Actuarial Valuation Report for the Year Ending June 30, 2024, as presented.

MEMBER ENROLLMENT
& RE-ENROLLMENT
PROCESS REVIEW
REPORT BY KMH LLP

INTERNAL AUDIT
UPDATE REPORT BY
KMH LLP ON THE
CURRENT STATUS OF
ACTIVITIES
COMPLETED DURING
Q1 AND Q2, 2024, AND
AN UPDATE ON THE
COMPLETION STATUS
OF MANGEMENT
ACTION PLANS FOR
PAST INTERNAL
AUDIT
OBSERVATIONS AND
RECOMMENDATIONS

CONSIDERATION AND
DISCUSSION OF POTENTIAL
AMENDMENTS TO TITLE 6
OF HAWAII
ADMINISTRATIVE RULES
FOR CHAPTER 6-24
“ELECTION OF MEMBERS
AND RETIRANT OF THE
SYSTEM TO THE BOARD OF
TRUSTEES” TO INCLUDE
ADDITIONAL IDENTIFIERS
OF NOMINATOR
VALIDATION AND CLARIFY
INDEPENDENT BALLOTING
AGENTS’ ROLES IN BOARD
ELECTIONS; FOR REVIEW
AND RECOMMENDATION
TO THE BOARD OF
TRUSTEES. A COPY OF THE
POTENTIAL AMENDMENTS
BEING CONSIDERED IS
AVAILABLE TO BE VIEWED
IN PERSON AT THE ERS
OFFICE AND IS ALSO
POSTED AT
[ers.hawaii.gov/resources/
all-publications](https://ers.hawaii.gov/resources/all-publications) UNDER
“HAWAII ADMINISTRATIVE
RULES (HAR)”

(After his presentation Mr. Ward left the meeting by ending his teleconference.)

KMH LLP’s Messrs. Peter Hanashiro and Tyson Suehiro joined the meeting by teleconference and presented oral and written reports to the Board on KMH LLP’s Member Enrollment & Re-Enrollment Process Review Report and Internal Audit Update Report.

Mr. Hanashiro reported to the Board that the Member Enrollment & Re-Enrollment Process Review Report was included as part of the Internal Audit Update Report and discussed in summary the Internal Audit Update Report:

EXECUTIVE SUMMARY

Administrative and Other Matters

Status on Current Projects

- Virtual Chief Information Security Officer (vCISO)
- Follow-Up Review

Status on Current Projects (Carryover from 2023)

- Member Enrollment & Re-Enrollment Review
- Continuous Monitoring Tool Development – Part 1

The Committee shared with the Board their concerns with unacceptable ratings and although challenges are due to resource shortages, lack of policies and procedures, and other various reasons, a plan needs to be immediately devised and implemented to address all potential risks. Deadlines cannot continue to be extended and delayed and outsourcing may need to be a consideration.

On a motion made by Committee Vice Chair Barfield, seconded by Trustee Ley, and unanimously carried, the Board approved, as recommended by the Administrative & Audit Committee, the Internal Audit Update Report, as presented.

Program Specialist (PS) James Greubel presented an oral and written report to the Board on the Potential Amendments to Title 6 of the Hawaii Administrative Rules (HAR) for Chapter 6-24, “Election of Members and Retirant of the System to the Board of Trustees”.

PS Greubel reviewed the amendments to the HAR with the Board, as presented, noting that the Committee reviewed and agreed with the amendments, however, did not formally accept the amendments as additional language regarding the petition to be able to be submitted electronically was requested. The Board discussed, and agreed, that the amended language does not restrict a petition from being submitting electronically, and therefore, the Committee recommended the Board’s approval of the amended HAR, as presented. (The HAR is attached to these minutes for clarification).

On a motion made by Trustee Ley, seconded by Trustee Mizumoto, and unanimously carried, the Board approved the amendments to Title 6 of the Hawaii Administrative Rules for Chapter 6-24, as “Election of Members and Retirant of the System to the Board of Trustees,” as presented.

COMPLIANCE SUPPORT
STAFF REPORT AND
UPDATE ON
IMPLEMENTATION OF ERS'
COMPLIANCE PROGRAM ON
RISK ASSESSMENT,
POLICIES & PROCEDURES,
AND THIRD-PARTY RISK
MANAGEMENT

Executive Director Williams requested and recommended that the Compliance Support Staff Report be deferred as the Chief Compliance Officer was absent and no action was needed by the Board.

Chair Kane agreed with the recommendation and deferred the Compliance Support Staff Report to the next meeting.

UPDATE REPORT OF
ACTIVITY BY THE
INVESTMENT COMMITTEE
CHAIR

Investment Committee (Committee) Chair Mizumoto reported to the Board that the Committee met on May 28, 2024, and discussed the Total Fund Performance Review for Period Ending March, 31, 2024, the Private Equity Quarterly Review for Period Ending December 31, 2023, and an Educational Presentation on Risk Budgeting, however, only the Total Fund Performance Review and Private Equity Quarterly Review was presented to the Board.

Chief Investment Officer (CIO) Kristin Varela discussed with the Board, that the Total Fund Performance Review Report was labeled preliminary as the new strategic benchmarks were adopted effective January 1, 2024, and significant changes were made, which are still in process of being audited. A final report will be released, upon completion of an audit of the benchmarks by ERS Investment Staff and Meketa.

TOTAL FUND
PERFORMANCE
REVIEW FOR PERIOD
ENDING MARCH 31,
2024

Meketa Investment Group Inc's Colin Bebee joined the meeting by teleconference and presented additional background information to the Board on the reason for the preliminary report noting the completion of the Asset Liability in June 2023 which approved the use of the new benchmarks starting January 1, 2024. This being the first report using the new benchmarks, final reviews are being carefully done to verify the accuracy of the large volume of changes. Mr. Bebee noted that overall, there are no concerns of the total fund return in the report. Mr. Bebee continued his presentation with an oral and written report to the Board on the Total Fund Performance Review for period ending March 31, 2024, entitled 2024 Q1 Performance Report (Preliminary).

ERS PORTFOLIO REVIEW

Asset Class Performance Summary

PRIVATE EQUITY
QUARTERLY REVIEW
FOR PERIOD ENDING
DECEMBER 31, 2023

Investment Officer – Private Equity Aaron Au provided an update to the Board that a pacing plan was approved in July 2023 for investments into private equity of between \$800 M and \$1 B, and currently approximately \$345 M or 40% has been allocated for the 2024 calendar year pacing plan.

Hamilton Lane Advisors LLC's Natalie Fitch joined the meeting by teleconference and presented an oral and written report to the Board on the Private Equity Quarterly Review for Period Ending December 31, 2023.

In addition to the report, Ms. Fitch shared information with the Board regarding vintages of funds that were more than 10 years old, with remaining value. The ERS has 89 funds, and it was recommended that the best approach is to let the funds run off as long as no or minimal fees are charged. Ms. Fitch offered to include updated information regarding Vintage Funds in her next report.

APPROVAL OF MINUTES
– MAY 14, 2024

On a motion made by Trustee Chan, seconded by Trustee Ley, and unanimously carried, the Board approved the Minutes of May 14, 2024, as presented.

PUBLIC COMMENT

Chair Kane called for public comment. There were no public comments from public members attending.

Chair Kane identified all the participants in Executive Session, the Board, staff members, Deputy Attorneys general, and Guests are identified with an asterisk on these minutes and listed on the Executive Session Minutes.

Chair Kane provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §92-5(a)(4), (6), and (8), to consider and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities on sensitive matters related to Cyber Security Updates; on information that must be kept confidential pursuant to State law with respect to Updates on Ongoing Litigation; on the Closure of Weiss Asset Management; and to make a decision on the approval of Executive Session and Confidential Executive Session Minutes.

ENTER EXECUTIVE
SESSION

On a motion made by Vice Chair Mizumoto, seconded by Trustee Yap, and unanimously carried, the Board entered into Executive Session at 11:57 a.m.

(Public participation concluded by ending the teleconference link.)

All attendees participating by teleconference affirmed that no other persons were in their rooms or able to listen in on their audio or audiovisual connection. Recording Secretary Dale Kehau Kanae confirmed that no unauthorized persons were in the conference room or able to listen in via audio or audiovisual connection while on the teleconference.

EXECUTIVE SESSION

- Pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to Cyber Security Updates.
- Pursuant to HRS §92-5(a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to Updates on Ongoing Litigation; appropriate action for: (1) Kirk Flores, Sr. vs. ERS, Civil No. 3CCV-24- 0000028; (2) Cynthia Giebink vs. ERS, Civil No. 2CCV-23-0000113; (3) Debra Robertson vs. ERS CAAP-20-0000740; and (4) Josephine M. Rondolos-Elizares vs. ERS, Civil No. 3CCV-19-0000076.
- Pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to the Closure of Weiss Asset Management.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of May 14, 2024.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Confidential Executive Session Minutes of May 14, 2024.

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(4)
AND (6), TO CONSIDER AND
CONSULT WITH THE BOARD'S
ATTORNEYS ON QUESTIONS
AND ISSUES PERTAINING TO
THE BOARD'S POWERS,
DUTIES, PRIVILEGES,
IMMUNITIES, AND
LIABILITIES, AND TO
CONSIDER SENSITIVE
MATTERS RELATED TO
CYBER SECURITY UPDATES

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(4)
AND (8), TO CONSIDER
INFORMATION THAT MUST BE
KEPT CONFIDENTIAL

PURSUANT TO STATE LAW,
AND TO CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE BOARD'S
POWERS, DUTIES, PRIVILEGES,
IMMUNITIES, AND
LIABILITIES WITH RESPECT
TO UPDATES ON ONGOING
LITIGATION; APPROPRIATE
ACTION FOR: (1) KIRK FLORES,
SR. vs. ERS, CIVIL NO. 3CCV-24-
0000028; (2) CYNTHIA GIEBINK
vs. ERS, CIVIL NO. 2CCV-23-
0000113; (3) DEBRA
ROBERTSON vs. ERS CAAP-20-
0000740; AND (4) JOSEPHINE M.
RONDOLOS-ELIZARES vs. ERS,
Civil No. 3CCV-19-0000076

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(4),
TO CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE BOARD'S
POWERS, DUTIES, PRIVILEGES,
IMMUNITIES, AND
LIABILITIES WITH RESPECT
TO THE CLOSURE OF WEISS
ASSET MANAGEMENT

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(8),
TO REVIEW AND APPROVE
EXECUTIVE SESSION
MINUTES OF MAY 14, 2024

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(8),
TO REVIEW AND APPROVE
CONFIDENTIAL EXECUTIVE
SESSION MINUTES OF MAY 14,
2024

EXIT EXECUTIVE SESSION

On a motion made by Trustee Yap, seconded by Trustee Barfield, and unanimously carried, the Board exited Executive Session at 12:39 p.m.

Chair Kane announced that while in Executive Session, the Board discussed Cyber Security Updates, Reviewed Updates on Ongoing Litigation and took appropriate action, Reviewed the Closure of Weiss Asset Management, and the Board also approved Executive Session and Confidential Executive Session Minutes of May 14, 2024.

ADJOURNMENT

On a motion made by Trustee Barfield, seconded by Vice Chair Mizumoto, and unanimously carried, Chair Kane adjourned the meeting at 12:40 p.m.

REDACTED SIGNATURE

Thomas Williams
Executive Director

TW:dkik

HAWAII ADMINISTRATIVE RULES

TITLE 6

DEPARTMENT OF BUDGET AND FINANCE

EMPLOYEES' RETIREMENT SYSTEM

CHAPTER 24

ELECTION OF MEMBERS AND RETIRANT OF THE SYSTEM
TO THE BOARD OF TRUSTEES

- §6-24-1 Definitions
- §6-24-2 Candidates proposed by employee
organizations or retirant organizations
- §6-24-3 Other candidates
- §6-24-4 Contents of ballots
- §6-24-4.01 Electronic voting authorized
- §6-24-5 Mailing of ballots
- §6-24-6 Return of ballots
- §6-24-7 Non-receipt of ballots; spoiled ballots;
new ballots
- §6-24-8 Election committee
- §6-24-9 Opening and tallying of ballots
- §6-24-10 Declaration of election
- §6-24-11 Ballots to be held for thirty days
- §6-24-12 Computation of time

Historical Note: This chapter is based substantially on Rule covering the Election of Members of the System to the Board of Trustees. [Eff. 11/5/71; am 5/26/77; R 11/9/81]

§6-24-1 Definitions. Definitions generally applicable to this chapter are also provided in section 88-21, HRS, and section 6-20-1. As used in this chapter:

"Alternate Identifier" means a unique system-generated number assigned to members and retirees of the system.

"Employee organization" means an organization classified as an employee organization under section 89-2 HRS.

"General employee" means a member who is an employee of the State or a county, including police officers and firefighters but excluding teachers.

"General employee organization" means an organization which is comprised principally of members who are general employees.

"General employee-trustee" means a trustee who is classified as a general employee.

"Retirant organization" means an organization which is comprised principally of retirants.

"Retirant-trustee" means a trustee who is included in the definition of a retirant.

"Teacher" means a member classified as a teacher under section 88-102, HRS; a teacher or an educational officer certified as a teacher by the department of education, and includes a dean, professor, instructor, and lecturer of the University of Hawaii and the community college system.

"Teacher-trustee" means a trustee who is included in the definition of a teacher. [Eff 11/9/81; am and comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-2 Candidates proposed by employee organizations or retirant organizations. (a) Each of the general employee organizations, if the election is for a general employee-trustee; each of the teacher organizations, if the election is for a teacher-trustee; the above mentioned organizations and retirant organizations, if the election is for a retirant-trustee; shall be invited to submit a list of candidates whose names the organization desires to have on the ballot, together with brief resumes of

their qualifications. The resume of each candidate shall contain not more than one hundred words, inclusive of the candidate's name.

(b) The list of candidates must be received by the system at its Honolulu office, by 4:30 p.m., no later than sixty days from the date the system posts or circulates the notice to submit a list of candidates. Any list of candidates received after the sixtieth day shall not be considered. [Eff 11/9/81; am and comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; comp] (Auth: HRS §§88-24, 88-28)(Imp: HRS §88-24)

§6-24-3 Other candidates. Any member or retirant who has not been proposed as a candidate by an employee or retirant organization, as the case may be, and who desires to be a candidate for election to the board may have the member's or retirant's name placed on the ballot by submitting a petition to the board, if the following conditions are met:

- (1) The petitioner shall be a general employee if the election is for a general employee-trustee; a teacher, if the election is for a teacher-trustee; or a retirant, if the election is for a retirant-trustee;
- (2) The petition shall be certified by the petitioner and shall be accompanied by the signatures of at least one hundred members or retirants of the system who desire to have the petitioner's name on the ballot. The signatures shall be obtained on a form provided by the system or other approved digital methods. For identification and member or retirant verification purposes, the signatures shall be accompanied by [~~the last four digits of~~] the member's or retirant's [~~social security number,~~] current mailing address, [~~and~~] current or former employing agency [~~of each person signing the~~

~~petition, and shall be certified by the petitioner;], and either:~~

- (A) The last four digits of the member's or retirant's social security number;
 - (B) The member's or retirant's Alternate Identifier; or
 - (C) The member's or retirant's month and day of birth;
- (3) The petition must be received by the system at its Honolulu office (together with a resume of the qualifications of the petitioner containing not more than one hundred words, inclusive of the petitioner's name) or an independent balloting agent as the case may be, no later than 4:30 p.m. sixty days from the date the notice to submit petition is published; and
- (4) The system or independent balloting agent as the case may be, shall verify the petitioner's status as a member or retirant of the system, as the case may be, and the signatures and status as a member or retirant of the system, as the case may be, of at least one hundred of the persons signing the petition.

The system shall notify the public of the opportunity to petition the board to have a member's or retirant's name placed on the ballot by publishing a notice to submit petition [~~shall be published~~] in a newspaper of general circulation in the State. The notice shall announce the forthcoming election[7] and shall contain other information as appropriate. [Eff 11/9/81; am and comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-4 Contents of ballots. The ballot shall:

- (1) List in alphabetical sequence the names of the candidates; and

- (2) Contain a resume of their qualifications containing not more than one hundred words, inclusive of the candidate's name[, ~~or the qualifications of each candidate~~]. [Eff 11/9/81; am and comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28)
(Imp: HRS §88-24)

§6-24-4.01 Electronic voting authorized. (a) The system may use electronic means to allow members and retirants to vote. The [~~administrator~~] executive director may implement and maintain the electronic voting system, or the board may appoint an independent electronic balloting service that specializes in the solicitation and compilation of ballots for government entities through electronic means, for the purpose of performing some or all of the functions in connection with electronic voting.

(b) If electronic voting is used, electronic ballots shall be sent, received, and maintained in a manner substantially equivalent to the manner in which paper ballots are sent, received, and maintained. The [~~administrator~~] executive director or the independent balloting agent, whichever implements the electronic voting system, shall maintain and ensure the integrity and security of the electronic voting system. [Eff and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-5 Mailing of ballots. (a) For printed ballots, a ballot shall be mailed to each member and retirant together with a postage guaranteed return envelope, between [~~September~~] July 1 and [~~December~~] October 1 of the calendar year preceding the year in which the term of an elected trustee expires; provided that if a vacancy occurs for the unexpired term of a trustee, the board shall determine whether to fill the

vacancy by appointment or election and if by election, the dates for the mailing of ballots.

(b) The system shall maintain a listing of the names and mailing addresses of all members and retirants to whom ballots were sent. [Eff 11/9/81; am and comp 2/9/89 and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-6 Return of ballots. (a) For printed ballots, members and retirants shall have at least fifteen days from the date of the mailing of the ballot within which to return the ballot to the system or independent balloting agent as the case may be. The postmark date on the return envelope shall determine whether the envelope has been returned within the prescribed period. The system, or independent balloting agent as the case may be, shall date stamp all envelopes which are hand-delivered, or which are not post-marked, or which are received [~~by the system~~] after the last day for the return of ballots.

(b) All ballots received after the time prescribed for the return of ballots shall be kept separately by the system or the independent balloting agent as the case may be, for inspection and disposition by the election committee.

(c) The system, or independent balloting agent as the case may be, shall maintain a daily record of the number of ballots received. Printed ballots shall be kept sealed and locked in boxes until the day for the tallying of ballots. [Eff 11/9/81; am and comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-7 Non-receipt of ballots; spoiled ballots; new ballots. (a) Any member or retirant who claims not

to have received a paper or electronic ballot shall be issued a new ballot through paper or electronic means, if the records indicate that no ballot was sent to the member or retirant, the ballot was sent to the wrong mailing address, or the member or retirant was not able to access the electronic ballot, through no fault of the member or retirant; provided that if the ballot was sent to the wrong mailing address, a reasonable time shall elapse to permit return of the ballot before the issuance of a new ballot. If the records indicate that the ballot was sent to the proper mailing address, a new ballot shall be issued if the member or retirant shall file a written statement, or by other prescribed and approved means, to certify[ing] that the member or retirant did not receive the ballot.

(b) A member or retirant who has spoiled a ballot may request a new ballot which shall be issued only upon the receipt of the spoiled ballot by the system or the independent balloting agent as the case may be.

(c) The system, or the independent balloting agent as the case may be, shall keep a record of all ballots issued under the provisions of this section. [Eff 11/9/81; comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §§88-24)

§6-24-8 Election committee. The system shall appoint an election committee of three members who shall be recommended by employee and retirant organizations. The committee shall supervise the opening and tallying of ballots and shall, upon completion of the tally, certify to the board of trustees the results of the election. [Eff 11/9/81; comp 2/9/89; am and comp 7/10/95; comp 11/26/09; comp] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-9 Opening and tallying of ballots. (a) The system, or independent balloting agent as the case may be, shall tally the ballots no earlier than four days after the last day for the return of ballots by mail.

(b) Ballots shall be opened and tallied under the supervision of the election committee. Electronic ballots may be opened and tallied by an independent electronic balloting [~~service~~] agent under the supervision of the election committee.

(c) Any ballot containing more than the number of votes permitted by the instructions on the ballot and any ballot containing any erasure shall be invalid. The election committee shall be the sole judge as to the validity of any other questionable ballot. [Eff 11/9/81; am and comp 2/9/89; am 1/29/90; am and comp 7/10/95; am and comp 11/26/09; am and comp

] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-10 Declaration of election. Upon receipt of the certified results of the election from the election committee, the board of trustees shall declare as elected the person (or persons, if there is more than one trustee to be elected) receiving the highest number of votes. [Eff 11/9/81; comp 2/9/89; comp 7/10/95; comp 11/26/09; comp]
(Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-11 Ballots to be held for thirty days. All ballots which have been tallied shall be held by the system or independent balloting agent as the case may be, for a period of at least thirty days following the day when the successful candidate or candidates take office. If there are no questions raised as to the results of the election, the system or independent balloting agent as the case may be, may then destroy the ballots. [Eff 11/9/81; comp 2/9/89; am and comp

7/10/95; comp 11/26/09; am and comp
] (Auth: HRS §§88-24, 88-28) (Imp: HRS §88-24)

§6-24-12 Computation of time. In computing any period of time prescribed or allowed by this chapter, or any order of the board, the day of the act, event, or default after which the designated period of time is to run shall not be included. The last day of the period shall be included unless it is a Saturday, Sunday, or legal holiday in the State, in which event the period of time runs until the end of the next day which is neither a Saturday, Sunday, nor legal holiday. Intermediate Saturdays, Sundays, or legal holidays shall not be include in the computation when the period of time prescribed or allowed is seven days or less. A half-holiday shall not be considered a holiday for purposes of these computations. All references in this chapter to days shall mean calendar days, unless otherwise expressed. [Eff 11/9/81; comp 2/9/89; am and comp 7/10/95; am and comp 11/26/09; am and comp
] (Auth: HRS §88-28) (Imp: HRS §§88-24, 88-28)