

MINUTES OF THE INVESTMENT COMMITTEE OF THE
BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII

AUGUST 18, 2025

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

Committee Member	Mr. Lance Mizumoto, Chair
Trustees present:	Mr. Bennett Yap, Vice Chair
(via teleconference)	Mr. Vince Barfield
	Mr. Emmitt Kane
Visiting Trustees	None
present:	
(via teleconference)	
Attorneys present:	Ms. Jenny Nakamoto, Deputy Attorney General
(via teleconference)	
Staff present:	Ms. Kristin Varela, Chief Investment Officer
(City Financial Tower)	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
	Mr. Ian Wetzel, Investment Officer – Real Assets
	Ms. Lynn Kamimoto – Risk Officer
	Ms. Gerri Konishi, Member Home Loan Assistant
	Ms. Masayo Zabinski, Investment Accountant
	Mr. AJ Senaga, Student Intern
	Ms. Andrea Gaspar, Administrative Assistant
	Ms. Lori Kim, Administrative Assistant
	Ms. Diana Gomes, Administrative Assistant
Guest present:	Mr. Colin Bebee, Meketa Investment Group, Inc.
(via teleconference)	Ms. Mika Malone, Meketa Investment Group, Inc.
	Mr. Andrew Betz, Stafford Capital
Public present:	Mr. Joe Ebisa, With Intelligence
(via teleconference)	

CALL TO ORDER

A quorum being present (Chair Mizumoto, Vice Chair Yap, Trustee Kane and Trustee Barfield), Chair Mizumoto called the Investment Committee meeting to order at 9:00 a.m. and requested Board members to identify themselves and confirm that no other individuals are present in the room. Committee members present confirmed. Chair Mizumoto read the following statement, “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.” On a motion made by Chair Mizumoto, seconded by Trustee Barfield and unanimously carried, the Investment Committee meeting commenced.

PUBLIC COMMENT PERIOD

Chair Mizumoto called for both written and public comment. There was no public comment or written testimony submitted.

PRESENTATIONS

- MEKETA INVESTMENT GROUP, INC. – TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING JUNE 30, 2025

Mr. Colin Bebee of Meketa Investment Group presented the Total Fund Performance Review for period ending June 30, 2025. Key highlights included:

- The ERS Total Portfolio consistently outperformed the Median Public Fund across most time periods and remains ahead of its national peer set.
- The portfolio is designed to produce steady compounding returns and has consistently done so since its inception.
- Risk mitigation practices support the long-term sustainability of the Fund.
- The portfolio’s market value as of June 30, 2025, was \$24 billion.

- ROTATING ALTERNATIVE ASSET CLASS REVIEW: PRIVATE CREDIT PORTFOLIO REVIEW FOR PERIOD ENDING MARCH 31, 2025

IO Chen presented the details of the score card for Private Credit:

- Market value stands at \$2.9 billion.
- Asset allocation remains in line with strategic targets.
- Long-term returns exceed benchmarks.
- The portfolio is diversified and maintains sufficient liquidity to meet capital commitments.

IO Chen and Meketa consultant Ms. Maya Ortiz de Montellano presented the Rotating Alternative Asset Class Review for the Private Credit ending as of March 31, 2025.

Highlights include:

- The private credit program began in 2019 and has an 8% target allocation; it represented 7.6% of the total assets as of the review period.
- The program targets a 9-11% net IRR and deploys approximately \$600 million per year.
- Fund diversification by strategy was reviewed, confirming broad exposure across direct lending, multi-strategy, real estate credit, opportunistic credit and special situations.

Risk Officer Lynn Kamimoto, Mr. Colin Bebee and Ms. Mika Malone of Meketa Investment Group continued the educational session on total-portfolio risk budgeting. Key points included:

- Risk budgeting evaluates the contribution of each asset class to overall portfolio risk and serves as an essential oversight tool.
- Board of Trustee requested an accelerated timeline for implementation.
- The current work focuses on public growth strategies and incorporates existing allocation weights and assumptions for other asset classes.
- Meketa and ERS Staff will continue providing updates to the Investment Committee.

- EDUCATION – RISK BUDGETING
(CONTINUED)

- Risk budgeting enhances governance by promoting cost awareness, consistent risk frameworks in manager mandates, clear performance hurdles, cross-asset accountability, and informed strategic actions.
- Risk budgeting ultimately provides a strategic framework to guide decision-making and strengthen total-portfolio oversight.

CIO UPDATE

CIO Varela informed the Investment Committee that there is nothing new to cover.

APPROVAL OF MINUTES – JUNE 5, 2025

On a motion made by Trustee Barfield and seconded by Vice Chair Yap, and unanimously carried, the Investment Committee approved the minutes of June 5, 2025, meeting as presented.

ENTER EXECUTIVE SESSION

[Before entering Executive Session, Chair Mizumoto read the names of all authorized participants. All unauthorized participants were asked to leave the meeting.]

EXECUTIVE SESSION

On a motion made by Trustee Barfield, seconded by Vice Chair Yap, and unanimously carried, the Investment Committee entered Executive Session at 11:11 a.m.

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(A)(1), AND HRS § 92-5(A)(4), TO CONDUCT DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A DECISION ON INVESTMENTS OR PROSPECTIVE INVESTMENTS BY THE SYSTEM THAT REQUIRE 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 UPDATES ON STATUS OR ISSUES RELATED TO CONFIDENTIAL ERS INVESTMENT PORTFOLIO UPDATES REGARDING CHANGES IN (1) STANLEY CAPITAL PARTNERS FUND INVESTMENT UPDATE AND (2) INVESTMENT OFFICE UPDATES.

[At the beginning of Executive Session, Chair Mizumoto asked each participant individually to confirm no unauthorized person is present or able to hear them at their remote locations or via another audio or audiovisual connection. All responded they were by themselves.]

APPROVAL OF EXECUTIVE
SESSION MINUTES – JUNE 5, 2025

On a motion made by Trustee Barfield, seconded by Vice Chair Yap and unanimously carried, the Investment Committee approved the confidential Executive Session minutes of the June 5, 2025, as presented.

EXIT EXECUTIVE SESSION

On a motion made by Trustee Barfield, seconded by Vice Chair Yap, and unanimously carried, the Investment Committee exited Executive Session at 11:44 a.m.

SUMMARY OF EXECUTIVE
SESSION

Chair Mizumoto summarized what was discussed in Executive Session:

- Update on Stanley Capital Partners Fund Investment.
- Investment office staffing update.
- Approved Executive Session minutes.

ADJOURNMENT

On a motion made by Trustee Barfield, seconded by Vice Chair Yap, and unanimously carried, Chair Mizumoto adjourned the meeting at 11:46 a.m.

**REDACTED
SIGNATURE**

Kristin Varela
Chief Investment Officer
KV/dlg