

Investment Committee Meeting February 17, 2026

Meeting Items

- Agenda
- Discussion & Election of Chair & Vice Chair of the Investment Committee
- Review of the Investment Committee Charter/Investment Committee Performance Assessment
- Adoption of Annual Investment Committee Workplan
- Total Fund Performance Review for period ending December 31, 2025
- Asset Class Review: Diversifying Strategies for period ending December 31, 2025
- Risk Budgeting Adoption
- CIO Update
- Approval of Minutes – December 3, 2025

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: Investment Committee of the Board of Trustees of the
Employees' Retirement System of the State of Hawaii

DATE: Tuesday, February 17, 2026; 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 Investment Committee of the Board of Trustees may participate via interactive conference technology or in person at the meeting place stated above.

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

<https://teams.microsoft.com/meet/21368795761486?p=dgmeValsjXvypSqwn2>

Meeting ID: 213 687 957 614 86

Passcode: tu6jf2VQ

or

[+1 808-829-4853,413209163#](tel:+18088294853413209163) United States, Honolulu

[Find a local number](#)

Phone conference ID: 413 209 163#

Members of the public may provide testimony in person or by teleconference. 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.

In the event audiovisual communication cannot be maintained with participating Trustees and quorum is lost, the meeting shall be automatically recess 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

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, February 13, 2026, in order to ensure it is distributed in time for consideration. Please address written testimony if by e-mail to diana.gomes@hawaii.gov or by postal mail to: Employees' Retirement System of the State of Hawaii, Investment Committee, 201 Merchant Street, Suite 1400, Honolulu, Hawaii 96813.

NEW BUSINESS

1. Discussion and Election of Chair and Vice Chair of the Investment Committee.
2. Review of the Investment Committee Charter to Include Investment Committee Performance Assessment, and Review of the Prior Year's Investment Committee Activity.
Pursuant to HRS § 92-5(a)(4) and (8), the Committee may enter into Executive Session to consult with the Board of Trustees' attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities with respect to this matter.

ERS Investment Committee Meeting Agenda

February 17, 2026

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PRESENTATIONS

1. Adoption of Annual Investment Committee Workplan.
Kristin Varela, ERS Chief Investment Officer
2. Total Fund Performance Review for period ending December 31, 2025.
Kristin Varela, ERS Chief Investment Officer and Meketa Investment Group, Inc.
3. Rotating Alternative Asset Class Review: Diversifying Strategies Quarterly Review for period ending December 31, 2025.
Kristin Varela, ERS Chief Investment Officer and Man Group
4. Education: Risk Budgeting Adoption
Lynn Kamimoto, ERS Investment Officer and Meketa Investment Group

Pursuant to HRS §§ 88-27.5(a)(1) and HRS § 92-5(a)(4), the Committee 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 this matter.

REPORTS BY STAFF

1. Chief Investment Officer Update
Asset Liability Planning.

APPROVAL OF MINUTES – December 3, 2025

EXECUTIVE SESSION

1. Executive Session, pursuant to HRS §§ 88-27.5(a)(1), 92-5(a)(4) and (8), 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 Confidential ERS Investment Portfolio activity to include (1) Annual Investment Activity update, (2) Investment Office updates.
2. Executive Session, pursuant to HRS § 92-5(8), to Review and Approve the of Executive Session Minutes of December 3, 2025.

ADJOURNMENT

If you require auxiliary aid/service or other accommodation due to a disability, contact Diana Gomes at (808) 586-0175 or diana.gomes@hawaii.gov as soon as possible, preferably by Friday, February 13, 2026, 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 of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

I. PURPOSE

The Investment Committee (“Committee”) of the Employees’ Retirement System (“ERS”) of the State of Hawaii is a committee of the Board of Trustees (“Board”). Its primary function is to carry out the policy development and investment decision-making responsibilities delegated by the Board to include specified oversight, review and monitoring of investment decision-making, implementation, process compliance and reporting responsibilities of the Investment Office and its staff, consultants, and advisors.

II. COMMITTEE MEMBERSHIP

The Investment Committee of the Board of Trustees of the Employees’ Retirement System of the State of Hawaii shall consist of no more than four (4) Board members who shall be appointed by the Board Chair and approved by the Board. The members of the Committee shall be appointed for one-year terms and shall serve for such term or terms as the Board may determine or until earlier resignation. The Board may remove any member from the Committee at any time with or without cause.

III. MEETINGS

The Committee shall in general meet in advance of each Board meeting, except when there is a Special Board meeting, and at such other times and places as the members of the Committee deem necessary to fulfill the Committee’s responsibilities. The Committee shall report regularly to the Board regarding its actions and those of the investment staff and make recommendations to the Board as appropriate. The Committee may invite such member of management to its meetings as it deems appropriate. The Committee shall review this Charter at least annually and recommend any proposed changes to the Board for approval.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

IV. AUTHORITY AND RESPONSIBILITIES

Hawaii Revised Statutes (HRS) §88-110 vests authority for investing ERS assets with its Board. The Board, acting within its discretion, has delegated certain specified investment oversight and decision-making authority to the Investment Committee of the Board. The Board retains fiduciary responsibility for all ERS investment and non-investment decisions.

The members of the Committee shall designate from amongst its membership persons to serve as Chair and Vice-Chair.

The Committee shall have the following authority and responsibilities:

- To review and make investment policies and guideline recommendations for the Board's consideration.
- Establish the guidelines applicable to implementation and investment decision-making delegated to investment staff.

While guidelines are intended to be durable, they may be revised at the Committee's discretion.

- Establish and monitor investment office reporting requirements, process, and policy compliance.
- To review and make recommendations annually about the ERS's goals and objectives applicable to the Investment Office.
- To review and approve ongoing activities of the Investment Office in regards to the goals and objectives and any additional tasks assigned to the Investment Office from the Board.
- To assign and provide direction to the Chief Investment Officer (CIO) and, if applicable, the Executive Director (ED) on priorities and actions to successfully execute the responsibilities of the Investment Office.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INVESTMENT COMMITTEE CHARTER

The Committee shall consult with the ED on the goals and objectives applicable to the CIO and Investment Office.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to obtain the advice of any ERS consultant or ERS service provider for the purposes of carrying out its duties related to the Investment Office and investment activities. The Committee shall have the authority, in its sole discretion, to obtain the advice and assistance of ERS's legal counsel and such other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall not be required to implement or act upon the advice or recommendations of its consultant, legal counsel or other advisor to the Committee, and the authority granted in this Charter shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter. The consultant(s), outside counsel and any other advisors retained by, or providing advice to, the Committee (other than the ERS's in-house counsel) shall be independent as determined in the discretion of the Committee and Board.

VI. PERFORMANCE EVALUATION

The Committee shall conduct an annual evaluation of the performance of its duties under this Charter and shall present the results of the evaluation to the Board. The Committee shall conduct this evaluation in such manner as it and the Board deems appropriate.

Adopted and Approved by the Board of Trustees: September 30, 2013, November 9, 2020, April 11, 2022, July 10, 2023, March 11, 2024, March 10, 2025

Accepted by the Governance Policy Committee: November 5, 2020, March 28, 2022, July 10, 2023

Revised and Accepted by the Investment Committee: January 24, 2022, May 22, 2023, February 20, 2024, February 18, 2025

INVESTMENT COMMITTEE ANNUAL PERFORMANCE ASSESSMENT

CALENDAR YEAR: 2025



Employees' Retirement System

of the State of Hawaii

Summary Assessment

1. Committee Management
 - ✓ The Committee meetings are streamlined and appropriate in length.
 - ✓ The Committee meets the right number of times over the year.

2. Committee Effectiveness
 - ✓ Overall, the Committee is working effectively.
 - ✓ The Committee makes good use of time.
 - ✓ The Committee completed its adopted annual work plan.

3. Notable Committee Outcomes:
 - ✓ Continued streamlining of Investment Policy Statement.
 - ✓ Continued monitoring of Total Fund Liquidity Plan.
 - ✓ Continued assessment of Total Fund Benchmarking.
 - ✓ Continued education on key governing enhancements, such as active risk budgeting.
 - ✓ Successful completion of annual investment education summit.
 - ✓ Continued and effective oversight of Investment Implementation and performance results.

Overall performance assessment: Investment Committee functioned effectively in 2025, and performed within the expectations of the adopted Investment Committee Charter.

2025 Investment Committee Annual Work Plan Activity summarized, as follows.

2025 Investment Committee Annual Work Plan Activity

Rotating oversight introduced to allow for comprehensive reviews of various alternative asset classes (Private Equity, Real Assets, Credit, Diversifying Strategies). Off-cycle reviews to be provided as *receive and file*, quarterly.

February 18, 2025

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q4 2024)
 - Annual Investment Activity Review (CY 2024)

- ❖ Rotating Oversight
 - Alternative Asset Class: Diversifying Strategies Annual Review (Q4 2024)

- ❖ Annual Governance
 - Investment Committee Charter Review
 - Investment Committee Annual Performance Assessment
 - Investment Committee Work Plan Adoption

- ❖ Educational
 - Active Risk Budgeting (Continued)

June 5, 2025

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q1 2025)
 - Quarterly Investment Office Review

- ❖ Rotating Oversight
 - Alternative Asset Class: Private Equity Annual Review (Q4 2024)

- ❖ Annual Governance
 - None

- ❖ Educational
 - Active Risk Budgeting (Continued)

August 18, 2025

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q2 2025)
 - Quarterly Investment Office Review
- ❖ Rotating Oversight
 - Alternative Asset Class: Credit Annual Review (Q1 2025)
- ❖ Annual Governance
 - None
- ❖ Educational
 - None

September 23-26, 2025 Investment Summit

Special meeting of the Board of Trustees to adopt annual strategic implementation plans.

- ❖ Annual Governance
 - Total Fund Strategic Investment Update, CY 2026
 - Traditional Assets Strategic Workplan, CY 2026
 - Diversifying Assets Strategic Workplan, CY 2026
 - Illiquid Assets Strategic Workplan, CY 2026
- ❖ Educational
 - Investment Summit Educational Panels and Sessions

December 3, 2025

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q3 2025)
 - Quarterly Investment Office Review
- ❖ Rotating Oversight
 - Alternative Asset Class: Real Assets Annual Review (Q2 2025)
- ❖ Annual Governance
 - Plan Liquidity Target Review (adoption)
 - Annual Benchmark Review (adoption)
 - Investment Policy Statement Review (adoption)
- ❖ Educational
 - Active Risk Budgeting (Continued)

INVESTMENT COMMITTEE ANNUAL WORKPLAN

CALENDAR YEAR: 2026



Employees' Retirement System

of the State of Hawaii

2026 Investment Committee Annual Work Plan

All items are subject to change, at the direction of the Investment Committee.

Rotating oversight introduced to allow for comprehensive reviews of various alternative asset classes (Private Equity, Real Assets, Credit, Diversifying Strategies). Off-cycle reviews to be provided as *receive and file*, quarterly.

February 2026

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q4 2025)
 - Annual Investment Activity Review (CY 2025)
- ❖ Rotating Oversight
 - Alternative Asset Class: Diversifying Strategies Annual Review (Q4 2025)
- ❖ Annual Governance
 - Investment Committee Charter Review
 - Investment Committee Annual Performance Assessment
 - Investment Committee Work Plan Adoption
 - Annual Risk Budget Adoption
- ❖ Educational
 - None

May 2026

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q1 2026)
 - Quarterly Investment Office Review
- ❖ Rotating Oversight
 - Alternative Asset Class: Private Equity Annual Review (Q4 2025)
- ❖ Annual Governance
 - Active Risk Budgeting Policy and Procedure Review (adoption)
- ❖ Educational
 - Asset Liability Study, Part 1

August 2026

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q2 2026)
 - Quarterly Investment Office Review
- ❖ Rotating Oversight
 - Alternative Asset Class: Credit Annual Review (Q1 2026)
- ❖ Annual Governance
 - None
- ❖ Educational
 - Asset Liability Study, Part 2
 - Investment Policy Statement Best Practices

October 2026 Investment Summit

Special meeting of the Board of Trustees to adopt annual strategic implementation plans.

- ❖ Recurring Oversight
 - None
- ❖ Rotating Oversight
 - None
- ❖ Annual Governance
 - Asset Liability Study Adoption
 - Total Fund Strategic Investment Update, CY 2027
 - Traditional Assets Strategic Work Plan, CY 2027
 - Diversifying Assets Strategic Work Plan, CY 2027
 - Illiquid Assets Strategic Work Plan, CY 2027
- ❖ Educational
 - Investment Summit Educational Panels and Sessions

November 2026

- ❖ Recurring Oversight
 - Total Portfolio Performance and Risk Review (Q3 2026)
 - Quarterly Investment Office Review

- ❖ Rotating Oversight
 - Alternative Asset Class: Real Assets Annual Review (Q2 2026)

- ❖ Annual Governance
 - Annual Benchmarking Review *(and adoption, if necessary)*
 - Plan Liquidity Target Review *(and adoption, if necessary)*
 - Investment Policy Statement Review *(and adoption, if necessary)*

- ❖ Educational
 - Investment cost oversight and best practices



Employees' Retirement System of the State of Hawaii

February 17, 2026

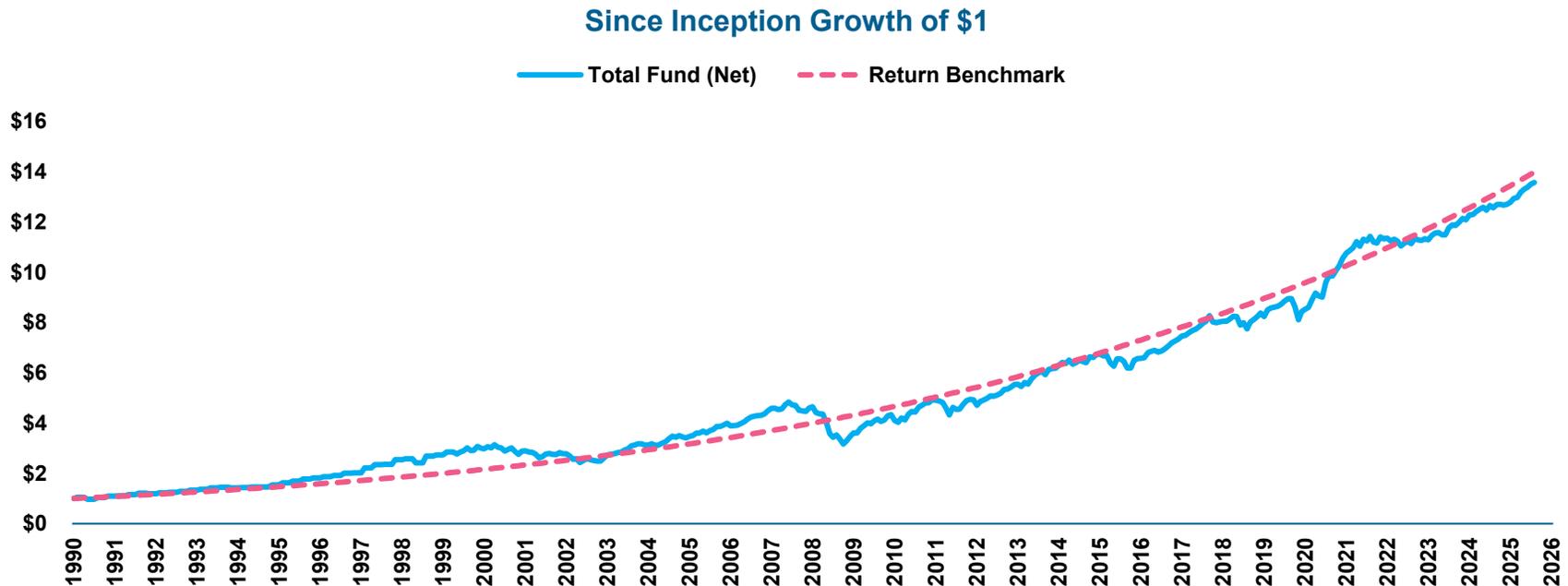
2025 Q4 Performance Report

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

Introduction

Executive Summary

- The ERS Board has constructed the investment portfolio to produce steady, compounding returns over time.
- Risk mitigation is critical in order to ensure the long-term sustainability and growth of the ERS.
- Within the ERS's Investment Policy Statement, success is defined as achieving the long-term return that is needed in conjunction with actuarially defined contributions to fund the plan over time.
- As detailed below, ERS has consistently generated steady, compounded growth since its performance inception.¹



¹ 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.

Executive Summary (Continued)

→ When considering risk assumed per unit of return received, ERS steadily outpaces its national peer set.

Risk-Adjusted Performance¹ of Hawaii ERS vs. Median Public Fund

	Since Inception	30 Yrs	20 Yrs	10 Yrs	5 Yrs	3 Yrs	1 Yr	FYTD	QTD
Total Fund	7.6	7.0	6.6	7.7	6.6	6.8	8.0	4.9	2.0
<i>Risk-Adjusted Peer Median²</i>	<i>7.5</i>	<i>7.1</i>	<i>5.9</i>	<i>5.6</i>	<i>3.3</i>	<i>4.9</i>	<i>5.7</i>	<i>3.8</i>	<i>2.2</i>
Excess Return	0.1	(0.1)	0.7	2.1	3.3	1.9	2.3	1.1	(0.2)

¹ Performance shown is net of fees since October 1, 2014, and a mix of net and gross of fees prior to October 1, 2014. Fiscal Year begins on July 1. Inception date is June 1, 1990.

² 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.

Total Fund | As of December 31, 2025

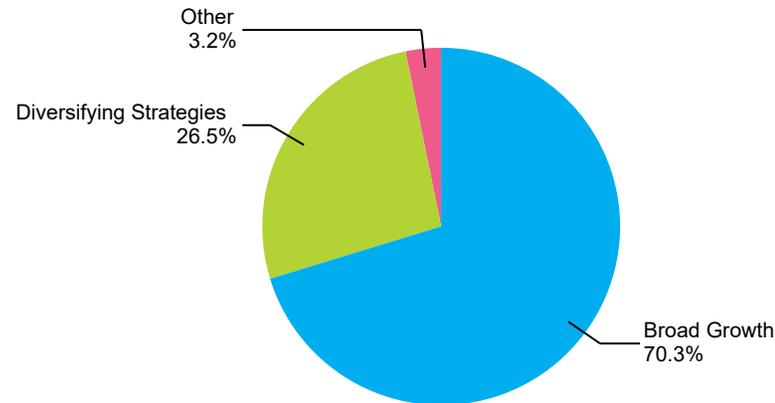
Portfolio Valuation		
	Quarter-to-Date	One Year
Total Fund		
Beginning Market Value	25,163,478,730	23,758,118,053
Net Cash Flows	-79,550,758	-250,433,370
Gain/Loss	534,314,275	2,110,557,565
Ending Market Value	25,618,242,248	25,618,242,248

ERS Total Fund Relative Performance									
	Inception	30 Yrs	20 Yrs	10 Yrs	5 Yrs	3 Yrs	1 Yr	FYTD	QTD
Total Fund	7.6	7.0	6.6	7.7	6.6	6.8	8.0	4.9	2.0
Return Benchmark	7.7	7.6	7.5	7.0	7.0	7.0	7.0	3.4	1.7
Excess Return	-0.1	-0.6	-0.8	0.7	-0.4	-0.2	1.0	1.4	0.3
Total Fund	7.6	7.0	6.6	7.7	6.6	6.8	8.0	4.9	2.0
Market Benchmark	8.0	7.5	7.1	8.3	8.4	12.8	10.7	8.8	3.2
Excess Return	-0.4	-0.5	-0.4	-0.6	-1.8	-5.9	-2.7	-3.9	-1.1
Total Fund	7.6	7.0	6.6	7.7	6.6	6.8	8.0	4.9	2.0
Peer Benchmark	7.6	7.4	6.8	8.3	7.1	11.5	13.4	6.7	2.2
Excess Return	0.0	-0.4	-0.2	-0.6	-0.5	-4.7	-5.4	-2.8	-0.2
Total Fund Rank	50	78	59	75	75	99	99	94	63

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, 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. 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.

Total Fund | As of December 31, 2025

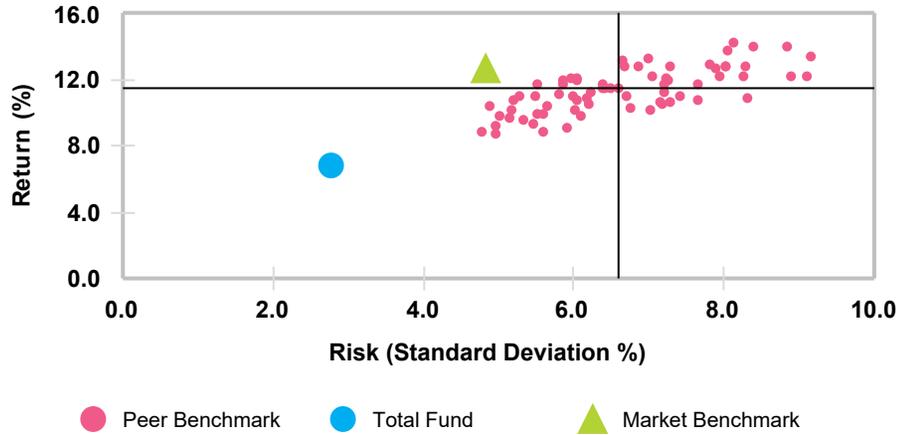
Asset Allocation vs. Target As of December 31, 2025					
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)
Broad Growth	18,003,701,392	70.3	70.0	0.3	60.0 - 80.0
Global Equity	10,177,601,672	39.7	39.0	0.7	19.0 - 59.0
Global Credit	2,978,046,038	11.6	12.0	-0.4	6.0 - 18.0
Real Assets	4,848,053,682	18.9	19.0	-0.1	9.0 - 29.0
Diversifying Strategies	6,795,305,444	26.5	30.0	-3.5	20.0 - 40.0
Liquid Defensive/Diversifying	5,951,762,297	23.2	26.0	-2.8	15.0 - 30.0
Illiquid Diversifying	843,543,148	3.3	4.0	-0.7	0.0 - 9.0
Other	819,235,411	3.2	0.0	3.2	0.0 - 0.0
Other	819,235,411	3.2	0.0	3.2	0.0 - 0.0
Total	25,618,242,248	100.0	100.0	0.0	



Policy targets effective January 1, 2024. "Other" includes ERS Operating Account and transitional or residual proceeds from liquidating or terminated accounts.

Total Fund | As of December 31, 2025

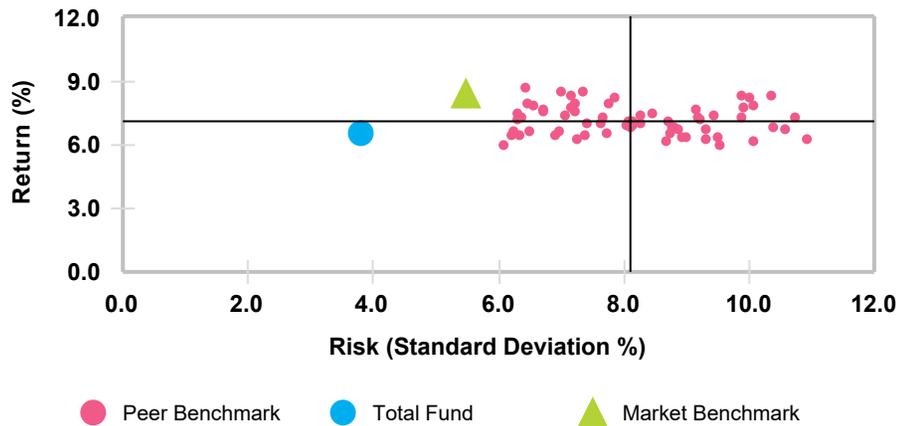
**Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2025**



Annualized Risk-Return

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio
Total Fund	6.8	2.8	0.7
Market Benchmark	12.8	4.8	1.5
Peer Benchmark Median	11.5	6.6	1.0

**Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2025**



Annualized Risk-Return

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio
Total Fund	6.6	3.8	0.9
Market Benchmark	8.4	5.5	0.9
Peer Benchmark Median	7.1	8.1	0.5

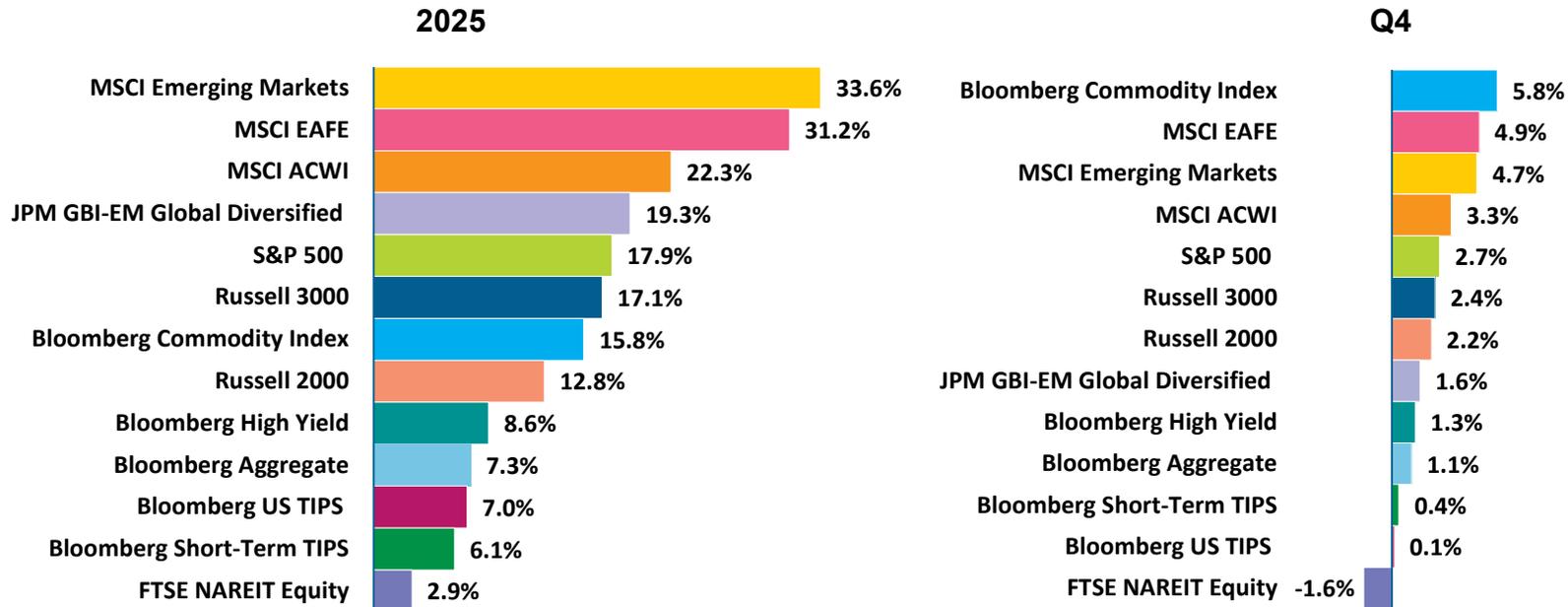
Peer Benchmark represents the plan sponsor peer group InvMetrics Public DB >\$1B Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data.

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



- In the fourth quarter, except for REITs, markets delivered positive returns. Non-US developed and emerging market stocks outperformed US stocks while bond markets benefited from stable inflation and lower interest rates. Commodities were the top performer given the significant run in precious and industrial metals.
- In 2025, all asset classes rose, with international equities leading the way. Key drivers of the strong performance last year include resilient earnings, AI optimism, a weaker US dollar, and expectations for lower interest rates.

¹ Source: Bloomberg. Data is as of December 31, 2025.

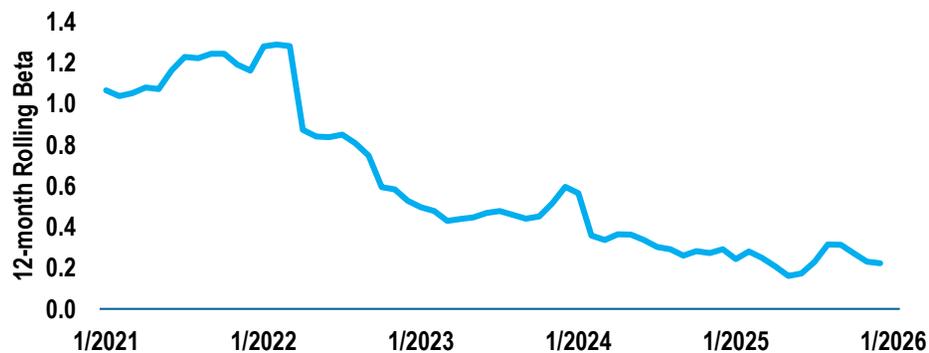
Key Trends

- According to the International Monetary Fund's (IMF) October's World Economic Outlook, the global economy will decelerate from 3.2% in 2025 to 3.1% in 2026. The US is expected to modestly accelerate economic growth in 2026 to 2.1% from 2.0% in 2025. The euro area will slow slightly from 1.2% in 2025 to 1.1% in 2026. China's economy is expected to slow from 4.8% in 2025 to 4.2% in 2026.
- Despite the decline in tariff rhetoric since earlier in 2025, questions remain about how tariffs will ultimately impact inflation. Overall, higher tariff levels and continued uncertainty could weigh on growth while increasing prices. Inflation levels and potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path.
- Some signs of US consumer stress have started to emerge, with weakness in the jobs market and sentiment deteriorating. Consumers are particularly concerned about losing their jobs and the potential for higher prices. Overall, risk to economic growth and to inflation from tariffs, as well as elevated borrowing costs, could put further pressure on consumers and lead to an even weaker job market. The resumption of collecting and reporting delinquent student loans could be a further headwind to consumption.
- US equities continue to reach new highs. Relatively strong earnings, AI optimism, and rate cuts from the Fed all helped drive stocks higher last year. How earnings track from here, particularly for the large AI-related companies that make up a significant portion of the market, will be key going forward. Many questions remain about the return on investment for companies making significant investments in building AI infrastructure. We could see this year a divergence in results within the "Magnificent 7" as well as a rotation into other more economically sensitive sectors.
- Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy. President Trump and President Xi met in late October last year and agreed to suspend trade sanctions for a year. However, it is not clear if China and the US will indeed de-escalate strategic high tech and rare earth tensions despite the official truce. How China manages its slowing economy, and deflationary pressures will also be important. Rising geopolitical tensions related to other countries like Venezuela, Denmark/Greenland, and Iran could also add to volatility this year.

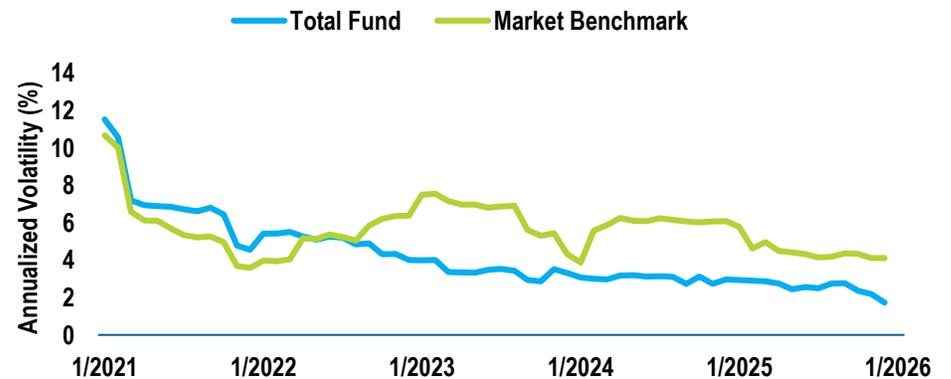
Macro Risk Analytics – Key Takeaways

- Though the Federal Reserve cut the Fed Funds Rate again in December, inflation levels, potential developments with tariffs combined with a weakening labor market will complicate the Fed's rate cutting path. While US equities continued to reach new highs in 2025 due to relatively strong earnings, Fed rate cuts, and AI optimism, many questions remain about the return on investment for companies making significant investments in building AI infrastructure. US consumers are concerned about losing their jobs and the potential for higher prices. Overall risk to economic growth, inflation from tariffs, elevated borrowing costs, and the recent resumption of student loan collections could put further pressure on consumers. Trade tensions between the US and China will remain an important focus as well as the overall health of China's economy with its slowing economy and deflationary pressures. Rising geopolitical tensions related to other countries like Venezuela, Denmark/Greenland, and Iran could also add to volatility this year.
- Meketa's Market Sentiment Indicator remained **green** (i.e., positive) during Q4.
- The Actual Portfolio's beta (on a 12-month basis relative to the Policy Portfolio) declined again in Q4 after a brief increase in Q3. Related, trailing 12-month volatility for the Actual Portfolio and Policy Portfolio remain at a relatively widespread. Of note, a new policy benchmark was implemented on 1/1/2024.

12-Month Rolling Beta vs. Policy Benchmark
(January 2021 - December 2025)

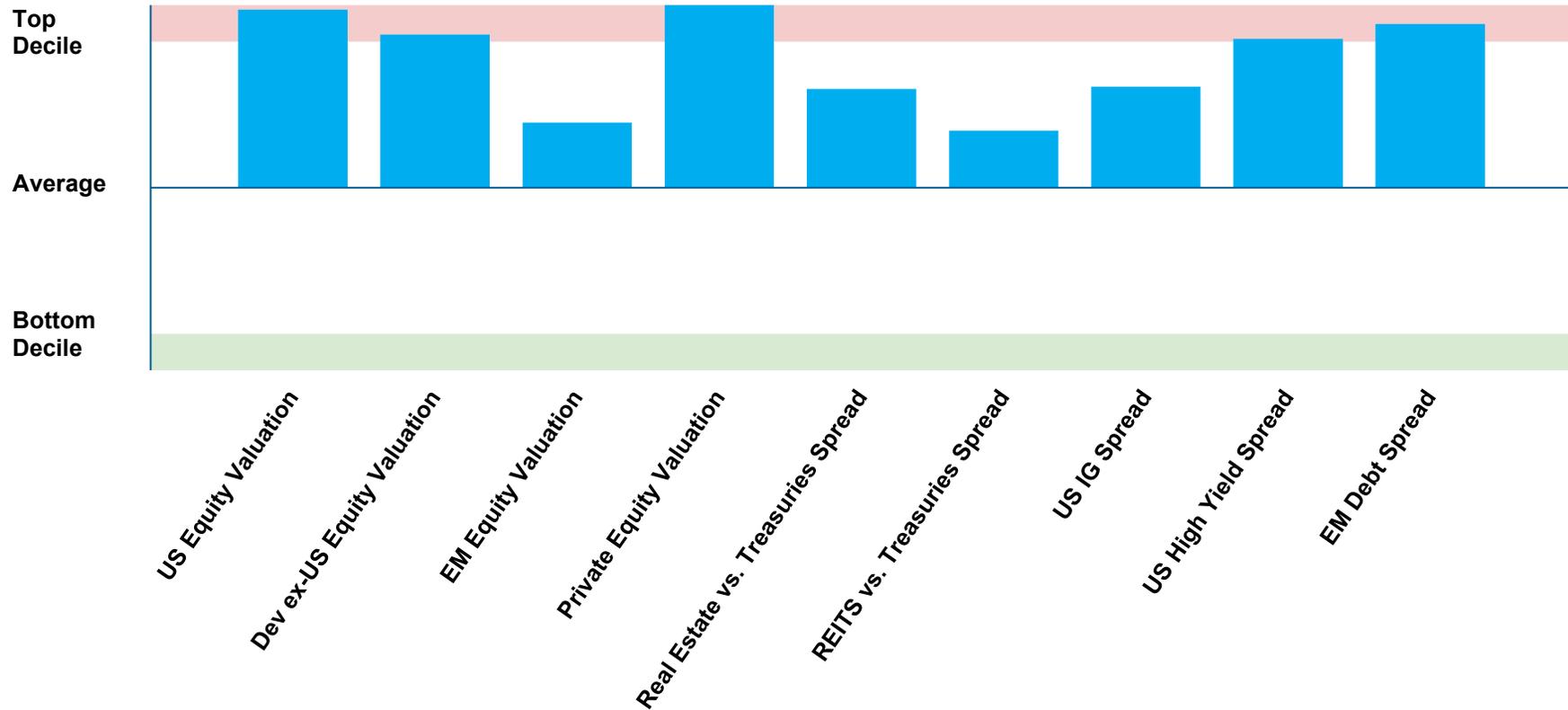


12-Month Rolling Risk (January 2021 - December 2025)



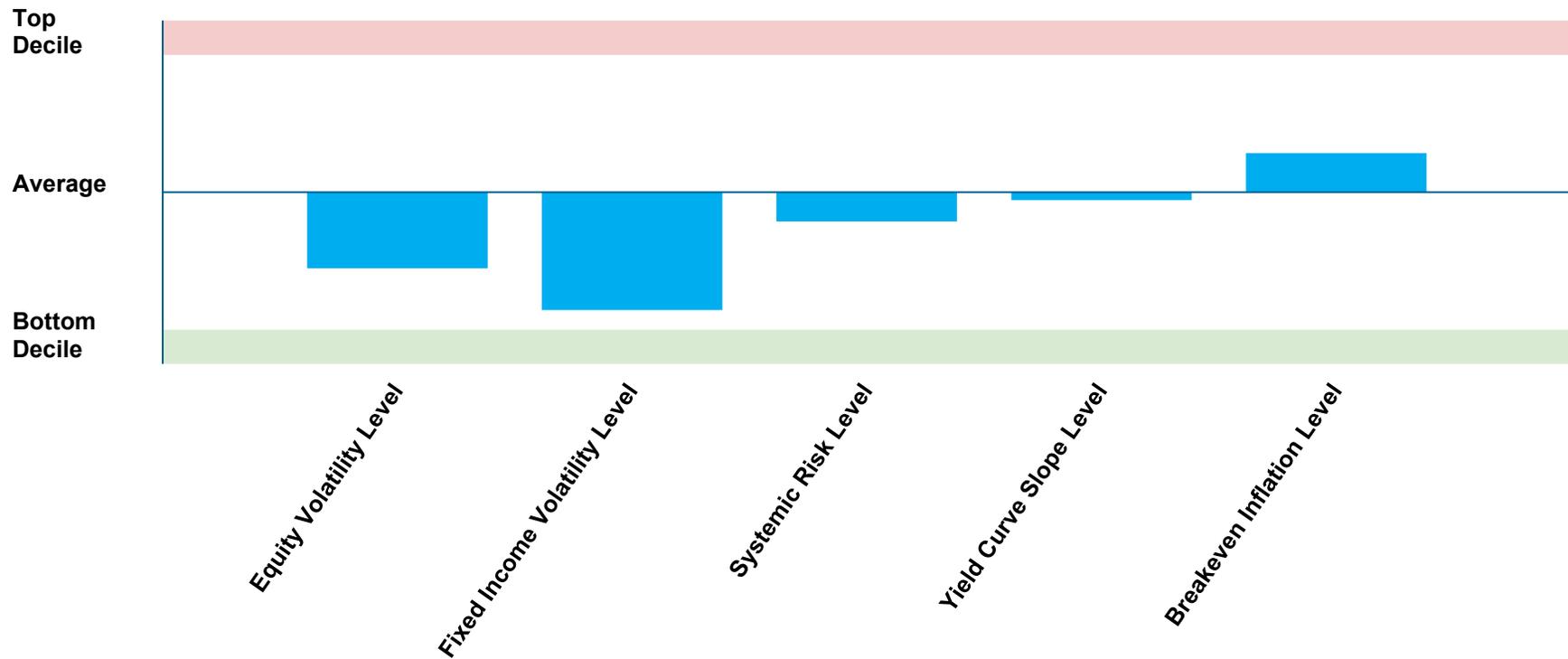
Valuation Metrics Dashboard

(current measures relative to history)



Other Market Metrics Dashboard

(current measures relative to history)



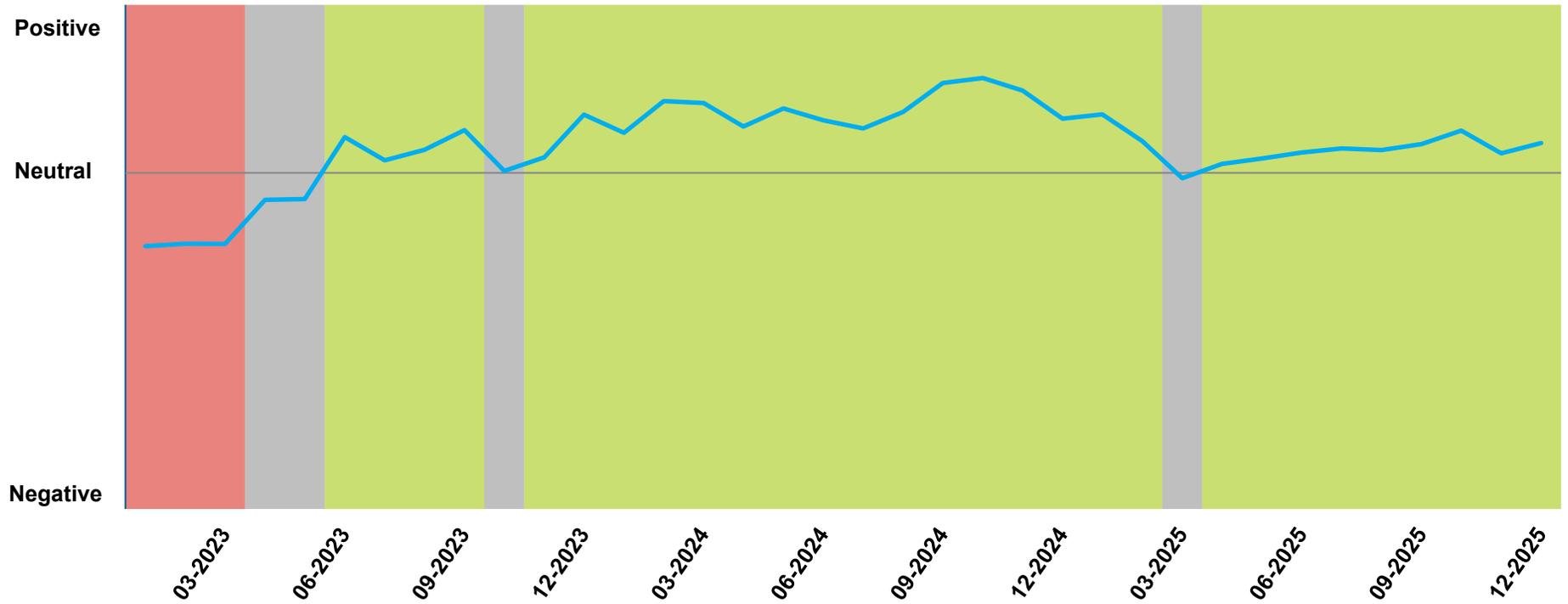
Market Sentiment Indicator (All History)

(As of December 31, 2025)



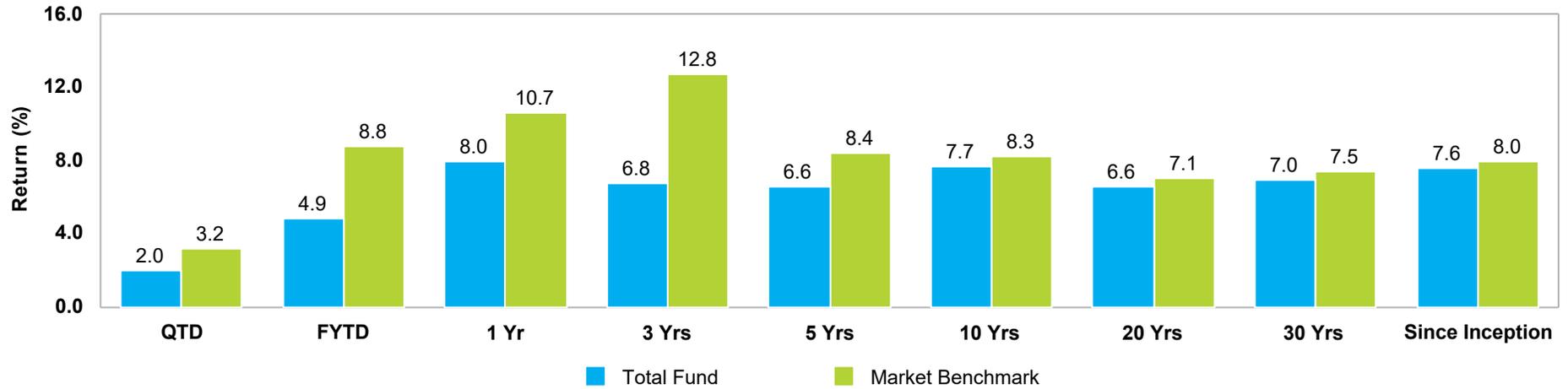
Market Sentiment Indicator (Last Three Years)

(As of December 31, 2025)

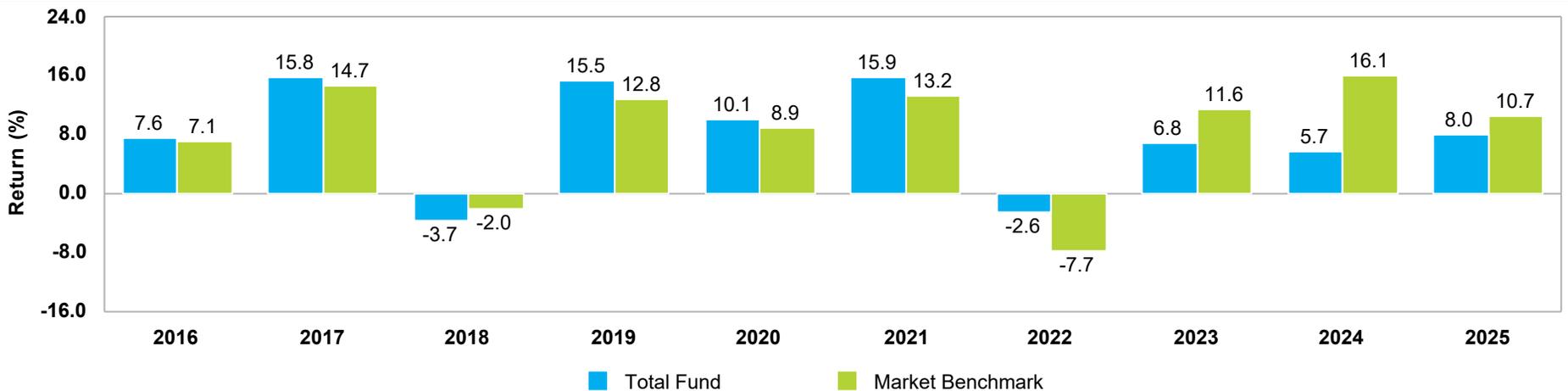


ERS Portfolio Review

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 December 31, 2025

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total ⁴
Broad Growth	70.0	4.1	70.3	1.9	0.0	(1.5)	(1.5)
Global Equity	39.2	5.4	39.7	2.4	0.0	(1.2)	(1.2)
Global Credit	11.9	2.3	11.7	2.2	0.0	0.0	0.0
Real Assets	18.9	2.6	18.8	0.8	0.0	(0.3)	(0.3)
Diversifying Strategies	30.0	0.9	25.3	2.5	0.1	0.4	0.5
Liquid Defensive/Diversifying	26.1	0.7	22.0	2.5	0.1	0.4	0.5
Illiquid Diversifying	3.9	2.3	3.3	1.9	0.0	0.0	0.0
Other Assets	0.0	1.0	4.4	1.1	(0.1)	0.0	(0.1)
Total⁵	100.0	3.2	100.0	2.0	0.0	(1.1)	(1.1)

¹ The underlying data points (asset values and net-of-fees returns) for performance attribution calculation are from BNY Mellon. Performance attribution is calculated using average allocation over the period measure and the period's annualized trailing return. Total impacts may not match period excess return (difference between Portfolio Return and Policy Return) due to rounding, rebalancing, and measurement frequencies. Please see "Performance Attribution Glossary" page in the Appendix for the definition and formula of the Impact on Return factors.

² Policy Allocation and Return columns represent those of each component's corresponding primary benchmarks ("Historical Benchmarks") as shown in the other parts of this report and are used in the attribution calculations. For Other Assets, ICE BofA 3-Month US T-Bills Index is used as benchmark.

³ Portfolio Allocation column illustrates the average beginning-of-month allocation of each component over the period measured.

⁴ Total impacts may not sum to excess return due to rounding, rebalancing, and measurement frequencies.

⁵ Policy Return and Portfolio Return values for the "Total" row are those of the Market Benchmark (policy benchmark of the total portfolio) and the Total Fund respectively. Values in the Impact on Return columns for "Total" row are the sums of calculated Impact on Return values in each column for Broad Growth, Diversifying Strategies, and Other Assets components. The sum of sub-composites (Global Equity, Global Credit, Real Assets, Liquid Defensive/Diversifying, and Illiquid Diversifying) along with Other Assets may not yield the same figure as obsolete sub-composites are excluded and the recalculated composite asset values may not contain the terminated accounts.

**Performance Attribution¹ vs. Policy Benchmarks
2025 Calendar Year**

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	70.0	12.8	70.1	9.7	0.0	(2.2)	(2.2)
Global Equity	39.2	19.8	39.1	12.8	0.0	(2.7)	(2.7)
Global Credit	11.9	8.4	11.8	8.1	0.0	0.0	0.0
Real Assets	18.9	1.9	19.3	4.6	0.0	0.5	0.5
Diversifying Strategies	30.0	5.1	26.6	4.2	0.2	(0.2)	0.0
Liquid Defensive/Diversifying	26.1	4.2	22.9	4.8	0.2	0.1	0.3
Illiquid Diversifying	3.9	11.4	3.8	1.0	0.0	(0.4)	(0.4)
Other Assets	0.0	4.2	3.2	4.7	(0.2)	0.0	(0.2)
Total⁴	100.0	10.7	100.0	8.0	0.0	(2.4)	(2.4)

¹ The underlying data points (asset values and net-of-fees returns) for performance attribution calculation are from BNY Mellon. Performance attribution is calculated using average allocation over the period measure and the period's annualized trailing return. Total impacts may not match period excess return (difference between Portfolio Return and Policy Return) due to rounding, rebalancing, and measurement frequencies. Please see "Performance Attribution Glossary" page in the Appendix for the definition and formula of the Impact on Return factors.

² Policy Allocation and Return columns represent those of each component's corresponding primary benchmarks ("Historical Benchmarks") as shown in the other parts of this report and are used in the attribution calculations. For Other Assets, ICE BofA 3-Month US T-Bills Index is used as benchmark. Policy Allocation column illustrates the average beginning-of-month target allocation of each component over the period measured; thus, the values may not match any particular set of targets.

³ Portfolio Allocation column illustrates the average beginning-of-month allocation of each component over the period measured.

⁴ Policy Return and Portfolio Return values for the "Total" row are those of the Market Benchmark (policy benchmark of the total portfolio) and the Total Fund respectively. Values in the Impact on Return columns for "Total" row are the sums of calculated Impact on Return values in each column for Broad Growth, Diversifying Strategies, and Other Assets components. The sum of sub-composites (Global Equity, Global Credit, Real Assets, Liquid Defensive/Diversifying, and Illiquid Diversifying) along with Other Assets may not yield the same figure as obsolete sub-composites are excluded and the recalculated composite asset values may not contain the terminated accounts.

Performance Attribution¹ vs. Policy Benchmarks
3 Years ending December 31, 2025

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	67.5	16.3	68.2	8.7	0.0	(5.2)	(5.2)
Global Equity	39.5	22.0	39.9	11.7	0.0	(4.1)	(4.1)
Global Credit	9.2	11.3	9.7	9.6	0.0	(0.2)	(0.2)
Real Assets	16.6	6.2	17.2	2.0	0.0	(0.7)	(0.8)
Diversifying Strategies	32.5	4.7	29.3	2.5	0.3	(0.6)	(0.4)
Liquid Defensive/Diversifying	28.0	2.8	24.9	1.9	0.3	(0.2)	0.1
Illiquid Diversifying	4.6	13.7	4.4	6.4	0.0	(0.3)	(0.3)
Other Assets	0.0	4.8	2.5	7.7	(0.2)	0.1	(0.1)
Total⁴	100.0	12.8	100.0	6.8	0.1	(5.7)	(5.6)

¹ The underlying data points (asset values and net-of-fees returns) for performance attribution calculation are from BNY Mellon. Performance attribution is calculated using average allocation over the period measure and the period's annualized trailing return. Total impacts may not match period excess return (difference between Portfolio Return and Policy Return) due to rounding, rebalancing, and measurement frequencies. Please see "Performance Attribution Glossary" page in the Appendix for the definition and formula of the Impact on Return factors.

The current plan structure became effective 01/01/2024. Global Equity, Global Credit, and Liquid Defensive/Diversifying composites were not used in the current form prior to 2024. To calculate performance attribution for the prior periods, reconstructed or approximated information is used; this may include but not limited to policy allocation targets reflected in the reconstructed historical benchmarks, the reconstructed historical benchmark returns, and composite asset values as reconstituted and recalculated by BNY Mellon. This reconstituted portfolio structure and asset values (and therefore Portfolio Allocation values) may not include all the underlying historical accounts such as those previously terminated.

² Policy Allocation and Return columns represent those of each component's corresponding primary benchmarks ("Historical Benchmarks") as shown in the other parts of this report and are used in the attribution calculations. For Other Assets, ICE BofA 3-Month US T-Bills Index is used as benchmark. Policy Allocation column illustrates the average beginning-of-month target allocation of each component over the period measured; thus, the values may not match any particular set of targets.

³ Portfolio Allocation column illustrates the average beginning-of-month allocation of each component over the period measured.

⁴ Policy Return and Portfolio Return values for the "Total" row are those of the Market Benchmark (policy benchmark of the total portfolio) and the Total Fund respectively. Values in the Impact on Return columns for "Total" row are the sums of calculated Impact on Return values in each column for Broad Growth, Diversifying Strategies, and Other Assets components. The sum of sub-composites (Global Equity, Global Credit, Real Assets, Liquid Defensive/Diversifying, and Illiquid Diversifying) along with Other Assets may not yield the same figure as obsolete sub-composites are excluded and the recalculated composite asset values may not contain the terminated accounts.

Performance Attribution¹ vs. Policy Benchmarks
5 Years ending December 31, 2025

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	68.2	10.3	70.2	7.9	0.0	(1.7)	(1.7)
Global Equity	43.9	12.1	47.5	10.1	0.1	(0.9)	(0.8)
Global Credit	8.0	6.3	6.4	6.6	0.0	0.0	0.0
Real Assets	12.2	9.7	12.0	6.9	0.0	(0.3)	(0.3)
Diversifying Strategies	31.8	3.6	27.1	3.3	0.2	(0.1)	0.1
Liquid Defensive/Diversifying	31.9	1.7	27.7	3.2	0.3	0.4	0.7
Illiquid Diversifying	4.1	9.4	3.4	3.8	0.0	(0.2)	(0.2)
Other Assets	0.0	3.2	2.6	2.9	(0.1)	0.0	(0.1)
Total⁴	100.0	8.4	100.0	6.6	0.1	(1.8)	(1.7)

¹ The underlying data points (asset values and net-of-fees returns) for performance attribution calculation are from BNY Mellon. Performance attribution is calculated using average allocation over the period measure and the period's annualized trailing return. Total impacts may not match period excess return (difference between Portfolio Return and Policy Return) due to rounding, rebalancing, and measurement frequencies. Please see "Performance Attribution Glossary" page in the Appendix for the definition and formula of the Impact on Return factors.

The current plan structure became effective 01/01/2024. Global Equity, Global Credit, and Liquid Defensive/Diversifying composites were not used in the current form prior to 2024. To calculate performance attribution for the prior periods, reconstructed or approximated information is used; this may include but not limited to policy allocation targets reflected in the reconstructed historical benchmarks, the reconstructed historical benchmark returns, and composite asset values as reconstituted and recalculated by BNY Mellon. This reconstituted portfolio structure and asset values (and therefore Portfolio Allocation values) may not include all the underlying historical accounts such as those previously terminated.

² Policy Allocation and Return columns represent those of each component's corresponding primary benchmarks ("Historical Benchmarks") as shown in the other parts of this report and are used in the attribution calculations. For Other Assets, ICE BofA 3-Month US T-Bills Index is used as benchmark. Policy Allocation column illustrates the average beginning-of-month target allocation of each component over the period measured; thus, the values may not match any particular set of targets. The major functional allocation categories of Broad Growth and Diversifying Strategies were adopted starting 07/2020; sum of their corresponding predecessors' policy allocations are assigned to for this calculation (i.e., Broad Growth [2019] and Real Returns as Broad Growth; Crisis Risk Offset and Principal Protection as Diversifying Strategies).

³ Portfolio Allocation column illustrates the average beginning-of-month allocation of each component over the period measured.

⁴ Policy Return and Portfolio Return values for the "Total" row are those of the Market Benchmark (policy benchmark of the total portfolio) and the Total Fund respectively. Values in the Impact on Return columns for "Total" row are the sums of calculated Impact on Return values in each column for Broad Growth, Diversifying Strategies, and Other Assets components. The sum of sub-composites (Global Equity, Global Credit, Real Assets, Liquid Defensive/Diversifying, and Illiquid Diversifying) along with Other Assets may not yield the same figure as obsolete sub-composites are excluded and the recalculated composite asset values may not contain the terminated accounts.

Total Fund | As of December 31, 2025

Asset Class Performance Summary							
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	
Total Fund	2.0	8.0	6.8	6.6	8.3	7.7	
<i>Market Benchmark</i>	<i>3.2</i>	<i>10.7</i>	<i>12.8</i>	<i>8.4</i>	<i>9.1</i>	<i>8.3</i>	
Broad Growth	1.9	9.7	8.7	7.9	9.8	9.1	
<i>Broad Growth Historical Benchmark</i>	<i>4.1</i>	<i>12.8</i>	<i>16.3</i>	<i>10.3</i>	<i>11.1</i>	<i>9.8</i>	
Global Equity	2.4	12.8	11.7	10.1	12.7	11.7	
<i>Global Equity Historical Benchmark</i>	<i>5.4</i>	<i>19.8</i>	<i>22.0</i>	<i>12.1</i>	<i>13.7</i>	<i>12.1</i>	
Global Credit	2.2	8.1	9.6	6.6	8.0	7.0	
<i>Global Credit Historical Benchmark</i>	<i>2.3</i>	<i>8.4</i>	<i>11.3</i>	<i>6.3</i>	<i>7.3</i>	<i>6.7</i>	
Real Assets	0.8	4.6	2.0	6.9	6.3	7.0	
<i>Real Assets Historical Benchmark</i>	<i>2.6</i>	<i>1.9</i>	<i>6.2</i>	<i>9.7</i>	<i>7.2</i>	<i>7.5</i>	
Diversifying Strategies	2.5	4.2	2.5	3.3	4.2	--	
<i>Diversifying Strategies Historical Benchmark</i>	<i>0.9</i>	<i>5.1</i>	<i>4.7</i>	<i>3.6</i>	<i>4.0</i>	<i>--</i>	
Liquid Defensive/Diversifying	2.5	4.8	1.9	3.2	4.1	--	
<i>Liquid Defensive Historical Benchmark</i>	<i>0.7</i>	<i>4.2</i>	<i>2.8</i>	<i>1.7</i>	<i>2.8</i>	<i>--</i>	
Illiquid Diversifying	1.9	1.0	6.4	3.8	--	--	
<i>Illiquid Diversifying Historical Benchmark</i>	<i>2.3</i>	<i>11.4</i>	<i>13.7</i>	<i>9.4</i>	<i>--</i>	<i>--</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.

Global Equity | As of December 31, 2025

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Equity	10,177,601,672	100.0	2.4	12.8	11.7	10.1
<i>Global Equity Historical Benchmark</i>			<i>5.4</i>	<i>19.8</i>	<i>22.0</i>	<i>12.1</i>
Public Equity	5,140,224,168	50.5	2.4	15.9	16.7	8.8
<i>MSCI AC World IMI Index (Net)</i>			<i>3.2</i>	<i>22.1</i>	<i>20.0</i>	<i>10.7</i>
Active Public Equity	3,662,539,514	36.0	2.0	13.4	14.9	7.6
Alliance Bernstein	518,474,946	5.1	1.0	15.7	15.6	8.0
BlackRock Alpha Tilt	844,283,424	8.3	3.9	24.4	22.2	12.5
Longview	553,326,006	5.4	0.1	3.5	11.0	8.4
Wellington (Mid-Large Cap)	616,977,582	6.1	3.7	20.0	22.1	10.4
<i>MSCI AC World Index (Net)</i>			<i>3.3</i>	<i>22.3</i>	<i>20.7</i>	<i>11.2</i>
Wasatch	508,539,993	5.0	-1.5	-4.9	10.2	1.5
Wellington (Small Cap)	611,151,580	6.0	3.3	17.5	13.1	8.2
<i>MSCI ACWI Small Cap (Net)</i>			<i>2.7</i>	<i>19.7</i>	<i>14.6</i>	<i>7.3</i>
Hillhouse China A Shares	9,785,982	0.1	0.0	24.2	4.5	--
<i>MSCI China A Onshore Index (Net)</i>			<i>2.3</i>	<i>29.9</i>	<i>8.6</i>	<i>-0.6</i>
Passive Public Equity	1,477,684,654	14.5	3.4	23.0	21.3	11.9
Legal & General	1,332,175,781	13.1	3.4	22.9	21.0	11.6
Parametric Equity Overlay	145,508,873	1.4	--	--	--	--
<i>MSCI AC World Index (Net)</i>			<i>3.3</i>	<i>22.3</i>	<i>20.7</i>	<i>11.2</i>
Private Equity	5,037,377,504	49.5	2.5	9.8	6.6	13.9
Hamilton Lane	4,500,183,125	44.2	2.3	9.9	6.9	14.1
HITIP I Stafford	8,022,751	0.1	13.1	49.1	15.0	10.5
HITIP II Stafford	41,510,156	0.4	0.7	4.9	-4.7	9.7
HITIP III Stafford	62,417,766	0.6	4.4	13.6	0.7	0.7
Other Equity	425,243,707	4.2	4.1	7.7	3.5	12.2
<i>Private Equity Historical Benchmark</i>			<i>7.7</i>	<i>16.8</i>	<i>23.2</i>	<i>14.6</i>

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

Global Credit | As of December 31, 2025

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Credit	2,978,046,038	100.0	2.2	8.1	9.6	6.6
<i>Global Credit Historical Benchmark</i>			<i>2.3</i>	<i>8.4</i>	<i>11.3</i>	<i>6.3</i>
Private Credit	1,731,183,962	58.1	2.5	8.6	8.8	7.4
<i>Private Credit Historical Benchmark</i>			<i>2.4</i>	<i>8.3</i>	<i>11.6</i>	<i>6.6</i>
Public Credit	1,246,862,076	41.9	1.8	7.5	11.5	6.5
HPS Credit	1,060,168,440	35.6	1.7	7.6	10.9	6.4
Parametric Credit Overlay	186,693,636	6.3	--	--	--	--
<i>Public Credit Historical Benchmark</i>			<i>2.1</i>	<i>8.6</i>	<i>10.6</i>	<i>5.7</i>

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

Real Assets | As of December 31, 2025

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Real Assets	4,848,053,682	100.0	0.8	4.6	2.0	6.9
<i>Real Assets Historical Benchmark</i>			<i>2.6</i>	<i>1.9</i>	<i>6.2</i>	<i>9.7</i>
Real Estate	2,194,698,988	45.3	0.1	1.3	-3.1	5.2
<i>Real Estate Historical Benchmark</i>			<i>4.4</i>	<i>-0.5</i>	<i>4.3</i>	<i>9.5</i>
Core Real Estate	1,101,594,859	22.7	0.3	2.9	-2.4	6.7
<i>Core Real Estate Historical Benchmark</i>			<i>4.4</i>	<i>-0.5</i>	<i>4.2</i>	<i>9.2</i>
Non-Core Real Estate	1,093,104,129	22.5	-0.1	-0.4	-4.0	3.7
<i>Non-Core Real Estate Historical Benchmark</i>			<i>4.4</i>	<i>-0.5</i>	<i>4.5</i>	<i>9.9</i>
Agriculture	422,519,193	8.7	0.5	2.4	2.4	--
<i>Agriculture Historical Benchmark</i>			<i>-1.7</i>	<i>-6.6</i>	<i>-1.0</i>	<i>--</i>
Timber	223,604,322	4.6	-0.1	1.2	9.8	8.0
<i>Timber Historical Benchmark</i>			<i>0.7</i>	<i>-13.9</i>	<i>3.9</i>	<i>5.8</i>
Infrastructure	2,007,231,180	41.4	1.8	9.0	9.9	11.5
<i>Infrastructure Historical Benchmark</i>			<i>1.7</i>	<i>10.5</i>	<i>14.8</i>	<i>13.3</i>
Private Infrastructure	945,978,016	19.5	1.4	9.3	8.8	10.8
<i>Infrastructure Historical Benchmark</i>			<i>1.7</i>	<i>10.5</i>	<i>14.8</i>	<i>13.3</i>
Public Infrastructure	371,298,254	7.7	0.2	14.6	--	--
Morgan Stanley Infrastructure	371,298,254	7.7	0.2	14.6	--	--
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>0.0</i>	<i>14.1</i>	<i>--</i>	<i>--</i>
Other Real Assets	689,954,910	14.2	3.2	5.7	6.4	--
Morgan Stanley Olomana	688,228,172	14.2	3.2	6.9	6.9	--
Parametric Real Assets Overlay	1,726,737	0.0	--	--	--	--
<i>Infrastructure Historical Benchmark</i>			<i>1.7</i>	<i>10.5</i>	<i>14.8</i>	<i>--</i>

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.

Liquid Defensive/Diversifying | As of December 31, 2025

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Liquid Defensive/Diversifying	5,951,762,297	100.0	2.5	4.8	1.9	3.2
<i>Liquid Defensive Historical Benchmark</i>			<i>0.7</i>	<i>4.2</i>	<i>2.8</i>	<i>1.7</i>
Defensive Return Capture	196,148,189	3.3	2.1	2.0	-3.9	-1.1
36 South	196,148,189	3.3	4.1	6.2	-4.1	--
<i>Defensive Return Capture Benchmark</i>			<i>1.2</i>	<i>6.5</i>	<i>5.5</i>	<i>4.6</i>
Discretionary Alpha	1,058,373,127	17.8	4.6	11.6	7.9	5.8
Aequim Relative Value Arbitrage	272,977,763	4.6	3.8	11.9	10.6	9.0
Aristeia Relative Value Arbitrage	245,493,775	4.1	0.9	7.5	6.4	--
Brevan Howard Disc Global Macro	300,189,686	5.0	15.1	17.0	2.8	--
Melqart Relative Value Arbitrage	239,711,903	4.0	1.6	14.5	11.4	--
<i>Discretionary Alpha Benchmark</i>			<i>1.2</i>	<i>6.5</i>	<i>5.5</i>	<i>4.6</i>
Intermediate Duration Treasury	2,409,943,981	40.5	1.1	6.5	--	--
Bank of Hawai'i Intermediate Duration	301,941,949	5.1	1.3	7.1	4.8	0.8
First Hawaiian Intermediate Duration	184,609,566	3.1	1.2	6.6	4.5	0.5
PIMCO Intermediate Duration	499,674,620	8.4	--	--	--	--
SLC Intermediate Duration	1,372,373,601	23.1	1.1	6.5	--	--
Parametric Intermediate Duration Overlay	51,344,244	0.9	--	--	--	--
<i>Blmbg. U.S. Treasury: Intermediate</i>			<i>1.2</i>	<i>6.5</i>	<i>4.4</i>	<i>0.6</i>
Long Duration Treasury	845,740,380	14.2	-0.1	5.8	0.4	-3.8
SLC Long Treasury	845,740,380	14.2	-0.1	5.8	0.6	-5.8
<i>Long Treasury Historical Benchmark</i>			<i>0.0</i>	<i>5.6</i>	<i>0.6</i>	<i>-6.0</i>
Systematic Trend Following	1,441,556,620	24.2	5.2	0.3	-2.6	6.0
Aspect	235,203,468	4.0	4.9	-1.4	0.5	10.4
Broad Reach	192,530,758	3.2	7.7	-2.2	0.6	--
Crabel Advanced Trend	226,044,492	3.8	8.2	6.6	-2.4	2.6
Mount Lucas	310,818,438	5.2	0.0	-1.5	-3.1	3.3
Parametric Trend Overlay	476,959,464	8.0	--	--	--	--
<i>MLM Global Index EV Blend 15V</i>			<i>0.3</i>	<i>-0.6</i>	<i>-0.7</i>	<i>4.1</i>

Performance shown is net of fees. Please see the Appendix for current and historical custom benchmark compositions. PIMCO Intermediate Duration was funded in December 2025. Returns will populate after first full quarter of performance.

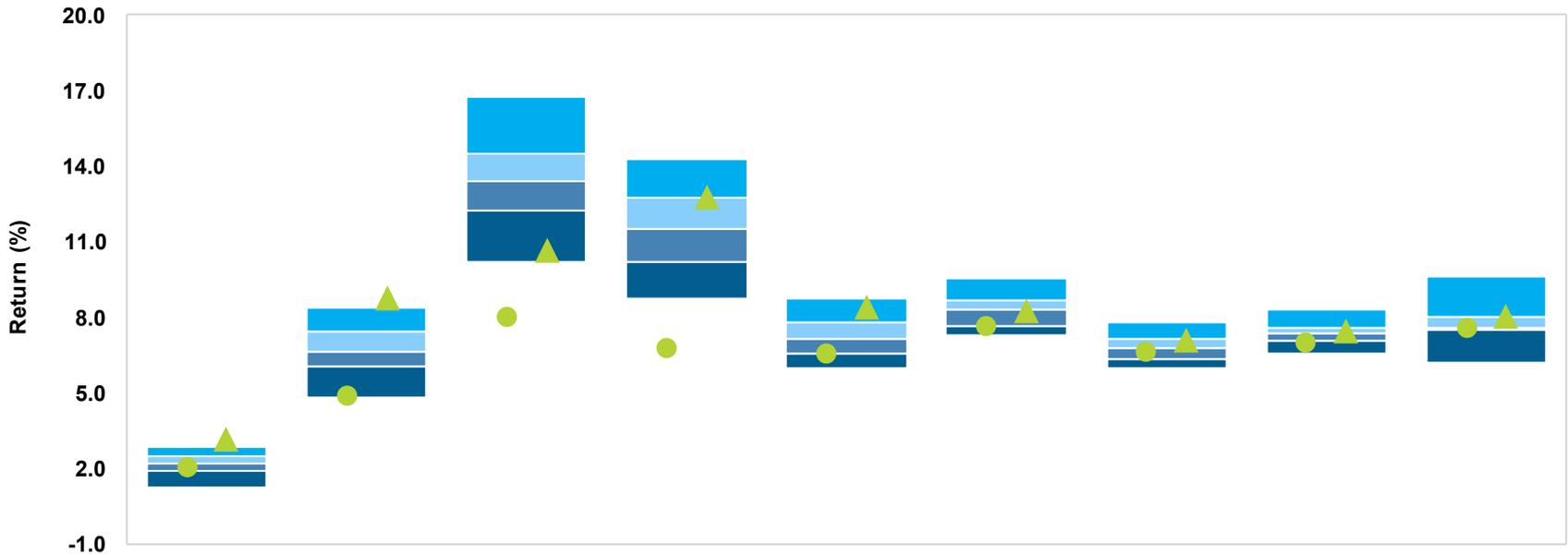
Illiquid Diversifying | As of December 31, 2025

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Illiquid Diversifying	843,543,148	100.0	1.9	1.0	6.4	3.8
<i>Illiquid Diversifying Historical Benchmark</i>			<i>2.3</i>	<i>11.4</i>	<i>13.7</i>	<i>9.4</i>
Idiosyncratic Return Capture	610,218,724	72.3	1.2	-2.1	3.5	4.0
<i>Idiosyncratic Return Capture Historical Benchmark</i>			<i>2.3</i>	<i>11.4</i>	<i>12.4</i>	<i>9.1</i>
Insurance Linked	233,324,424	27.7	2.9	5.8	10.6	4.1
<i>Swiss Re Global Catastrophe Bond Index (Hedged)</i>			<i>2.3</i>	<i>11.4</i>	<i>16.1</i>	<i>9.9</i>

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

Plan Sponsor Peer Group Analysis

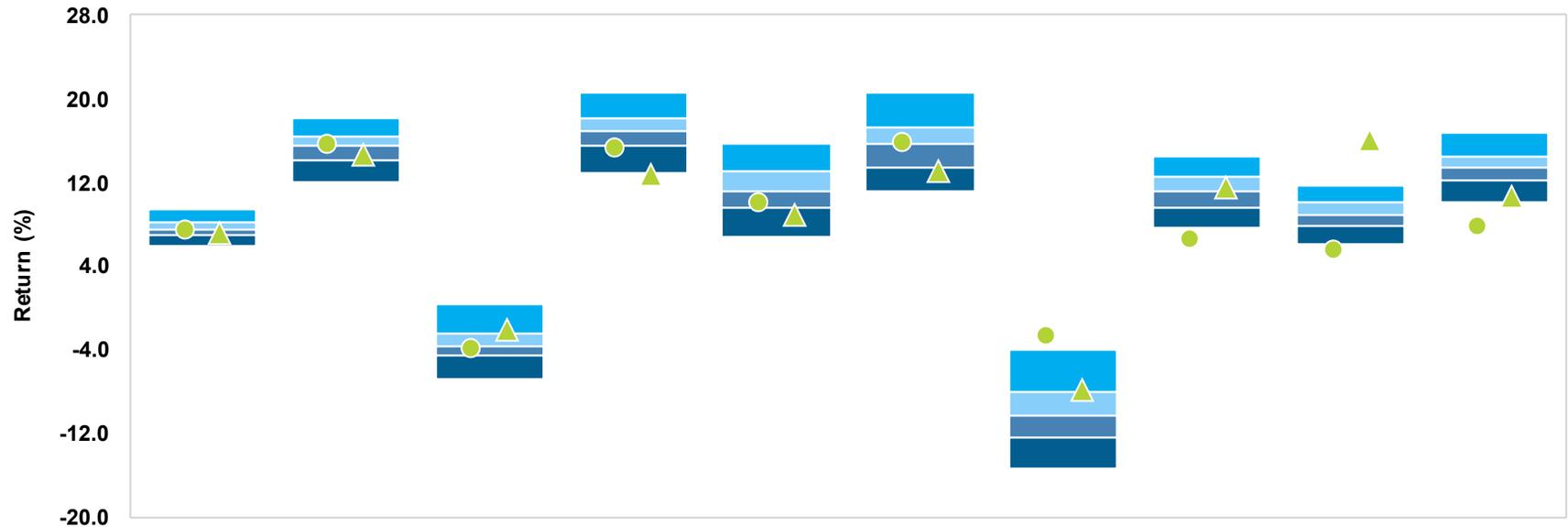
Peer Group Performance Comparison Trailing Periods Ending December 31, 2025



	QTD	FYTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	30 Yrs	Since Inception
● Total Fund	2.0 (63)	4.9 (94)	8.0 (99)	6.8 (99)	6.6 (75)	7.7 (75)	6.6 (59)	7.0 (78)	7.6 (50)
▲ Market Benchmark	3.2 (3)	8.8 (3)	10.7 (94)	12.8 (25)	8.4 (11)	8.3 (52)	7.1 (33)	7.5 (38)	8.0 (25)
5th Percentile	2.9	8.4	16.8	14.3	8.8	9.6	7.9	8.4	9.6
1st Quartile	2.5	7.5	14.5	12.8	7.8	8.7	7.2	7.6	8.0
Median	2.2	6.7	13.4	11.5	7.1	8.3	6.8	7.4	7.6
3rd Quartile	1.9	6.1	12.2	10.2	6.6	7.7	6.4	7.1	7.6
95th Percentile	1.2	4.8	10.2	8.8	6.0	7.3	6.0	6.6	6.2
Population	87	87	87	87	84	81	57	19	9

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



	2016 (%)	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)
● Total Fund	7.6 (50)	15.8 (45)	-3.7 (55)	15.5 (77)	10.1 (72)	15.9 (48)	-2.6 (4)	6.8 (98)	5.7 (97)	8.0 (99)
▲ Market Benchmark	7.1 (71)	14.7 (63)	-2.0 (23)	12.8 (96)	8.9 (83)	13.2 (77)	-7.7 (22)	11.6 (42)	16.1 (1)	10.7 (94)
5th Percentile	9.5	18.2	0.5	20.7	15.9	20.7	-4.0	14.5	11.8	16.8
1st Quartile	8.3	16.4	-2.3	18.2	13.1	17.3	-8.0	12.6	10.1	14.5
Median	7.6	15.5	-3.5	17.0	11.3	15.7	-10.3	11.3	9.0	13.4
3rd Quartile	7.0	14.2	-4.5	15.6	9.6	13.5	-12.3	9.7	8.0	12.2
95th Percentile	6.0	12.0	-6.7	13.1	6.9	11.3	-15.2	7.8	6.1	10.2
Population	186	192	180	204	228	220	189	199	191	87

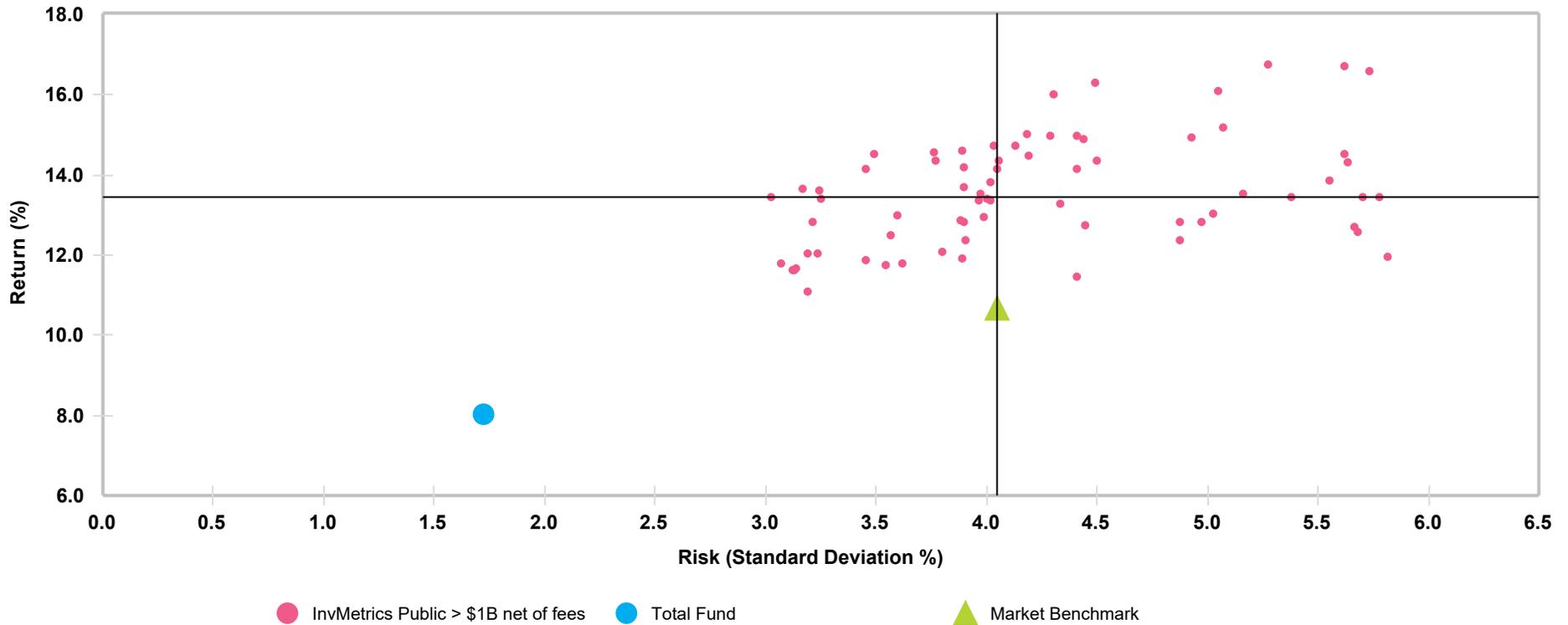
Calculation based on monthly periodicity. The plan sponsor peer group, InvMetrics Public DB >\$1B Net universe, includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

Risk/Return Statistics | As of December 31, 2025

	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	8.0	10.7	6.8	12.8	6.6	8.4	8.3	9.1	7.7	8.3
Excess Performance	-2.7	0.0	-5.9	0.0	-1.8	0.0	-0.8	0.0	-0.6	0.0
RISK SUMMARY STATISTICS										
Standard Deviation	1.7	4.1	2.8	4.8	3.8	5.5	5.7	6.2	5.8	6.0
Beta	0.2	1.0	0.4	1.0	0.5	1.0	0.8	1.0	0.9	1.0
RISK/RETURN SUMMARY STATISTICS										
Information Ratio	-0.7	-	-1.5	-	-0.5	-	-0.2	-	-0.2	-
Sharpe Ratio	2.1	1.5	0.7	1.5	0.9	0.9	0.9	1.0	0.9	1.0
Tracking Error	3.4	0.0	3.8	0.0	3.7	0.0	3.5	0.0	3.0	0.0

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

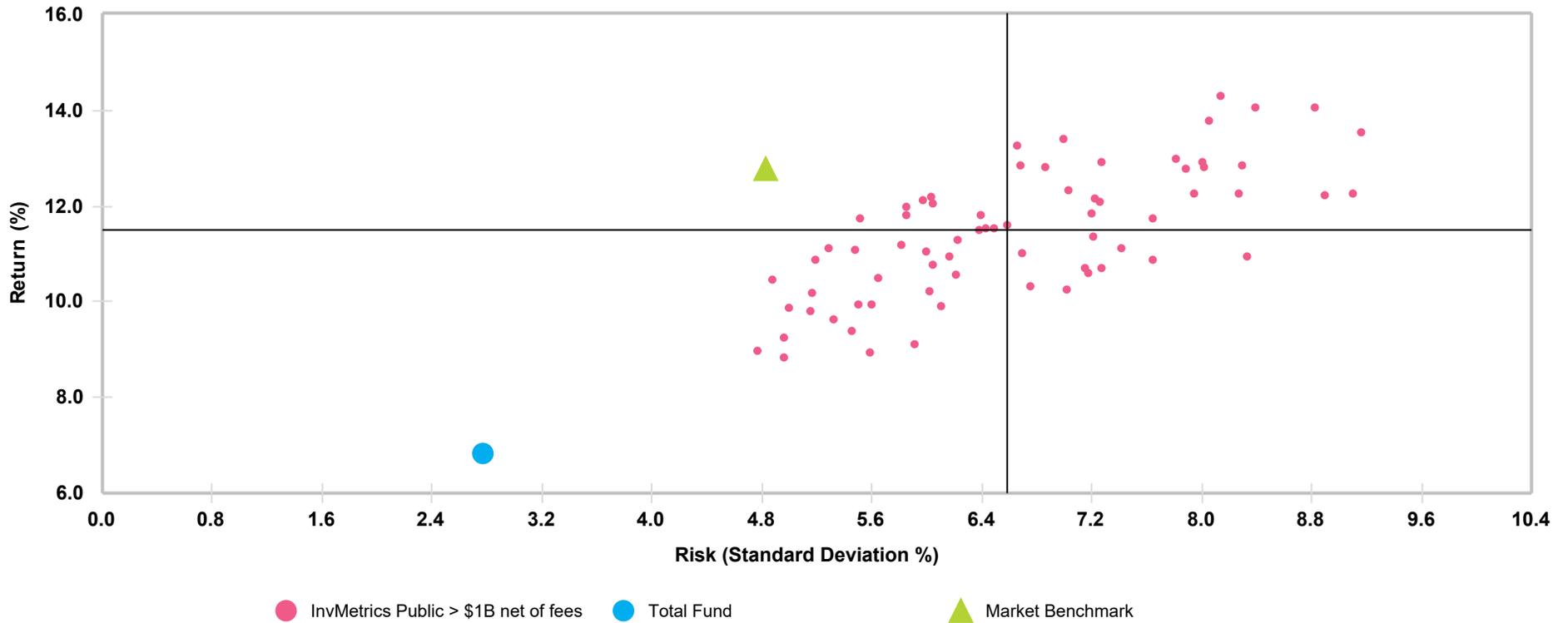
Annualized Return vs. Annualized Standard Deviation
1 Year ending December 31, 2025



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	8.0 (99)	1.7 (1)	2.1 (52)	-0.7 (99)
Market Benchmark	10.7 (94)	4.1 (50)	1.5 (91)	-
Peer Benchmark Median	13.4	4.0	2.2	0.6

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

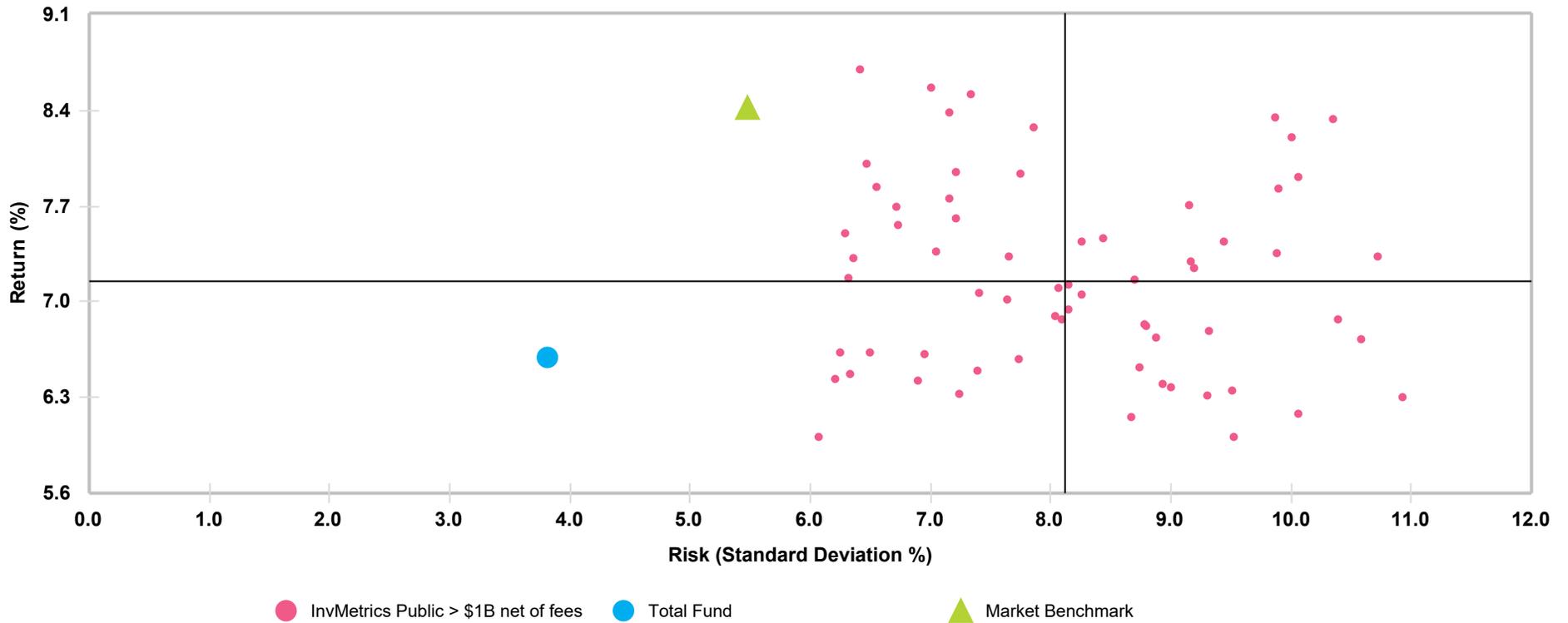
Annualized Return vs. Annualized Standard Deviation
3 Years ending December 31, 2025



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	6.8 (99)	2.8 (1)	0.7 (97)	-1.5 (99)
Market Benchmark	12.8 (25)	4.8 (8)	1.5 (1)	-
Peer Benchmark Median	11.5	6.6	1.0	-0.2

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

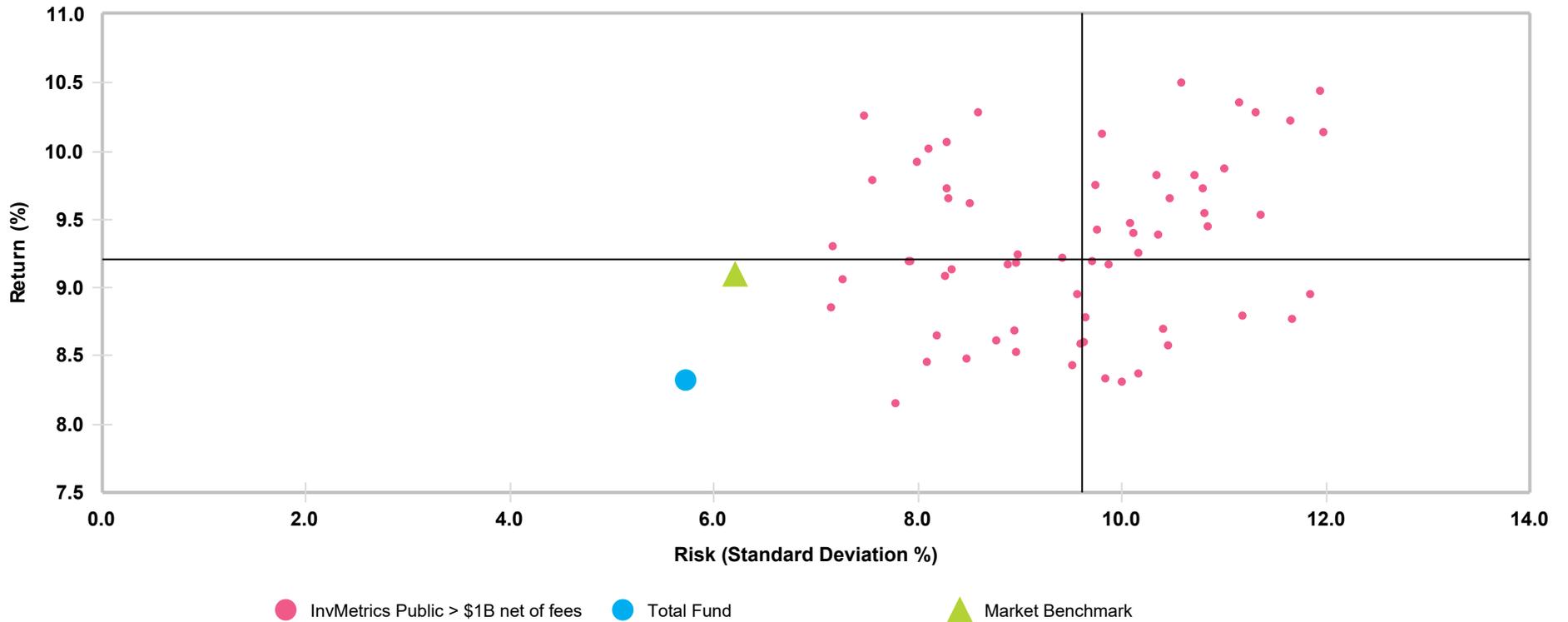
Annualized Return vs. Annualized Standard Deviation
5 Years ending December 31, 2025



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	6.6 (75)	3.8 (1)	0.9 (4)	-0.5 (98)
Market Benchmark	8.4 (11)	5.5 (3)	0.9 (1)	-
Peer Benchmark Median	7.1	8.1	0.5	-0.2

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

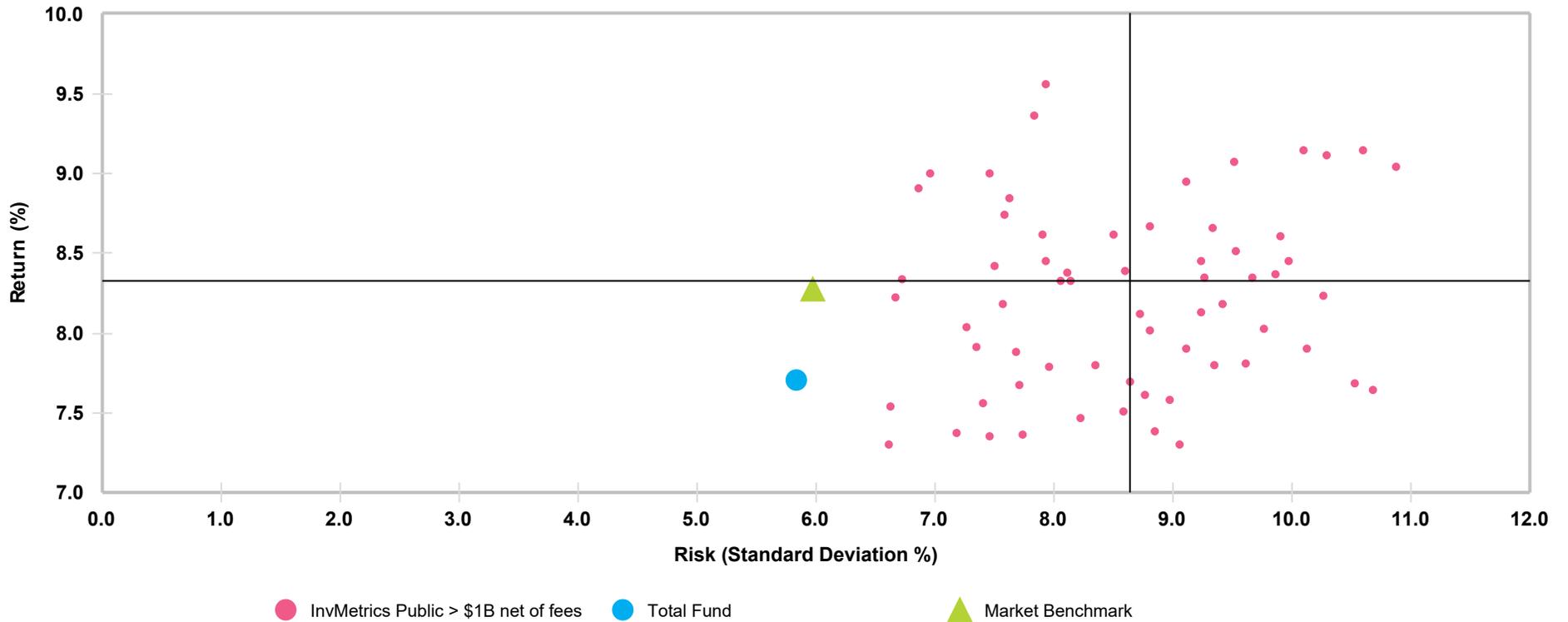
Annualized Return vs. Annualized Standard Deviation
7 Years ending December 31, 2025



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	8.3 (91)	5.7 (1)	0.9 (3)	-0.2 (97)
Market Benchmark	9.1 (59)	6.2 (1)	1.0 (1)	-
Peer Benchmark Median	9.2	9.6	0.7	0.1

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

Annualized Return vs. Annualized Standard Deviation
10 Years ending December 31, 2025



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.7 (75)	5.8 (1)	0.9 (9)	-0.2 (94)
Market Benchmark	8.3 (52)	6.0 (1)	1.0 (2)	-
Peer Benchmark Median	8.3	8.6	0.7	0.0

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

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.

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.

Definition of Benchmarks (continued)

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.

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.

Definition of Benchmarks (continued)

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.

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 <ul style="list-style-type: none"> → Broad Growth → Principal Protection → Real Return → Real Estate 	Total Fund <ul style="list-style-type: none"> → Broad Growth → Principal Protection → Real Return 	Total Fund <ul style="list-style-type: none"> → Broad Growth → Principal Protection → Real Return → Crisis Risk Offset (CRO) 	Total Fund <ul style="list-style-type: none"> → Broad Growth → Diversifying Strategies 	
Broad Growth <ul style="list-style-type: none"> → Growth-Oriented → Private Growth → Stabilized Growth 	Broad Growth <ul style="list-style-type: none"> → Traditional Growth → Private Growth → Stabilized Growth 		Broad Growth <ul style="list-style-type: none"> → Public Growth <ul style="list-style-type: none"> • Traditional Growth • Stabilized Growth → Private Growth → Real Assets 	Broad Growth <ul style="list-style-type: none"> → Global Equity → Global Credit → Real Assets
Real Estate				
Real Return <ul style="list-style-type: none"> → Public Inflation-Linked → Private Inflation-Linked 				
Principal Protection			Diversifying Strategies	
		Crisis Risk Offset (CRO) <ul style="list-style-type: none"> → Treasury Duration Capture → Systematic Trend Following → Alternative Return Capture 	<ul style="list-style-type: none"> → 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 <ul style="list-style-type: none"> → 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.

Market Benchmark (Total Fund Policy Benchmark)

From	To	Market Benchmark (Total Fund Policy Benchmark)
01/01/2024	Current	70% Broad Growth Historical Benchmark, 30% Diversifying Strategies Historical 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 Historical Benchmark

From	To	Broad Growth Historical Benchmark
01/01/2024	Current	56% Global Equity Historical Benchmark, 17% Global Credit Historical Benchmark, 27% Real Assets Historical Benchmark
07/01/2022	12/31/2023	50% Public Growth Benchmark, 28% Private Growth Benchmark, 22% Real Assets Historical Benchmark
07/01/2021	06/30/2022	66% Public Growth Benchmark, 20% Private Growth Benchmark, 14% Real Assets Historical Benchmark
07/01/2020	06/30/2021	70% Public Growth Benchmark, 16% Private Growth Benchmark, 14% Real Assets Historical 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	86.7% Liquid Defensive Historical Benchmark, 13.3% Illiquid Diversifying Historical Benchmark
07/01/2022	12/31/2023	45% Liquid Defensive Historical Benchmark, 40% Liquid Diversifying Benchmark, 15% Illiquid Diversifying Historical Benchmark
04/01/2017	06/30/2022	50% Liquid Defensive Historical Benchmark, 40% Liquid Diversifying Benchmark, 10% Illiquid Diversifying Historical 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 Historical 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 Historical Benchmark
01/01/2024	Current	51.3% Public Equity Historical Benchmark, 48.7% Private Equity Historical Benchmark
07/01/2022	12/31/2023	54.3% Public Equity Historical Benchmark, 45.7% Private Equity Historical Benchmark
07/01/2021	06/30/2022	64.7% Public Equity Historical Benchmark, 35.3% Private Equity Historical Benchmark
07/01/2020	06/30/2021	70.8% Public Equity Historical Benchmark, 29.2% Private Equity Historical Benchmark
01/01/2019	06/30/2020	69.5% Public Equity Historical Benchmark, 30.5% Private Equity Historical Benchmark
01/01/2018	12/31/2018	75.4% Public Equity Historical Benchmark, 24.6% Private Equity Historical Benchmark
07/01/2016	12/31/2017	81.8% Public Equity Historical Benchmark, 18.2% Private Equity Historical Benchmark
01/01/2016	06/30/2016	92.8% Public Equity Historical Benchmark, 7.2% Private Equity Historical Benchmark
10/01/2014	12/31/2015	94.0% Public Equity Historical Benchmark, 6.0% Private Equity Historical Benchmark
07/01/2013	09/30/2014	88.9% Public Equity Historical Benchmark, 11.1% Private Equity Historical Benchmark

Public Equity Historical 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 Historical 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 Historical 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 Historical 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 Historical Benchmark

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

Public Credit Historical Benchmark

From	To	Public Credit Historical 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 Historical Benchmark

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

Custom Benchmarks: Real Assets Composite (Continued)

Real Estate Historical 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 Historical 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 Historical Benchmark, 42.9% Non-Core Real Estate Historical Benchmark
07/01/2021	06/30/2022	55.7% Core Real Estate Historical Benchmark, 44.3% Non-Core Real Estate Historical Benchmark
07/01/2020	06/30/2021	53.3% Core Real Estate Historical Benchmark, 46.7% Non-Core Real Estate Historical Benchmark
07/01/2019	06/30/2020	60% Core Real Estate Historical Benchmark, 40% Non-Core Real Estate Historical Benchmark
07/01/2018	06/30/2019	66% Core Real Estate Historical Benchmark, 34% Non-Core Real Estate Historical Benchmark
07/01/2017	06/30/2018	73% Core Real Estate Historical Benchmark, 27% Non-Core Real Estate Historical Benchmark
07/01/2016	06/30/2017	80% Core Real Estate Historical Benchmark, 20% Non-Core Real Estate Historical Benchmark
07/01/2013	06/30/2016	100% Core Real Estate Historical Benchmark

Core Real Estate Historical Benchmark

From	To	Core Real Estate Historical Benchmark
01/01/2024	Current	100% FTSE EPRA NAREIT Global REITs Index (Gross) (Quarter Lagged)
01/01/2018	12/31/2023	100% NCREIF ODCE (Net) (Quarter Lagged)
07/01/2013	12/31/2017	100% NCREIF Property Index (Net) (Quarter Lagged)

Non-Core Real Estate Historical 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 Historical 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 Historical Benchmark
07/01/2013	06/30/2016	100% NCREIF Property Index (Net) (Quarter Lagged)

Custom Benchmarks: Real Assets Composite (Continued)

Agriculture Historical Benchmark

From	To	Agriculture Historical 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 Historical Benchmark

From	To	Timber Historical 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 Historical Benchmark

From	To	Infrastructure Historical 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 Historical Benchmark

From	To	Liquid Defensive Historical Benchmark
01/01/2024	Current	30.8% MLM Global Index EV (Blend), 15.4% Bloomberg US Treasury: Long Index, 53.8% 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
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, 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 Historical Benchmark

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

From	To	Defensive Return Capture Historical 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 Benchmark

From	To	Intermediate Duration Treasury 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 Historical Benchmark

From	To	Long Duration Treasury Historical 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 Historical Benchmark

From	To	Illiquid Diversifying Historical 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 Historical Benchmark

From	To	Idiosyncratic Return Capture Historical 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 (VXA0)
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 (VXA0)
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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HIERS Quarterly Reporting – Q4 2025

Strategic Direction Setting

February 2026

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Benchmarks and financial indices (where relevant) are shown for illustrative purposes only, and may not be available for direct investment, are unmanaged, assume reinvestment of income, do not reflect the impact of any management incentive fees and have limitations when used for comparison for other purposes because they may have different volatility or other material characteristics (such as number and types of instruments). A fund's investments are not restricted to the instruments composing any one index.

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Diversifying Strategies Goals and Criteria

Goal	Criteria	
		
 Market Value	<i>Stable market value net of redemptions</i>	<i>Declining market value net of redemptions</i>
 Long-term Appreciation	<i>5Y, ITD positive</i>	<i>5Y, ITD negative</i>
 Return vs. Policy Benchmark	<i>1Y above benchmark</i>	<i>1Y below benchmark</i>
 Asset Allocation vs. Policy	<i>Allocation is within range of Policy</i>	<i>Allocation differs significantly from Policy</i>
 Risk: measured by Tracking Error	<i>TE below maximum</i>	<i>TE above maximum</i>
 Defensiveness and Diversification	<i>Returns are uncorrelated with MSCI AC World Index IMI</i>	<i>Returns are highly correlated with MSCI AC World Index IMI</i>
 Liquidity	<i>>50% of assets Tier 1 or Tier 2</i>	<i><50% assets Tier 1 or Tier 2</i>

Diversifying Strategies Scorecard

Market Value ✔

12/31/24	12/31/25
\$6.94bn	\$6.79bn
Net appreciation of \$17.5MM after total redemptions of \$164MM (Illiquid Diversifying: \$159MM, Liquid Diversifying: \$5MM)	

Liquidity ✔

% of Diversifying Strategies	
Tier 1	38%
Tier 2	42%
Tier 3	0%
Tier 4	20%

Long-Term Appreciation ✔

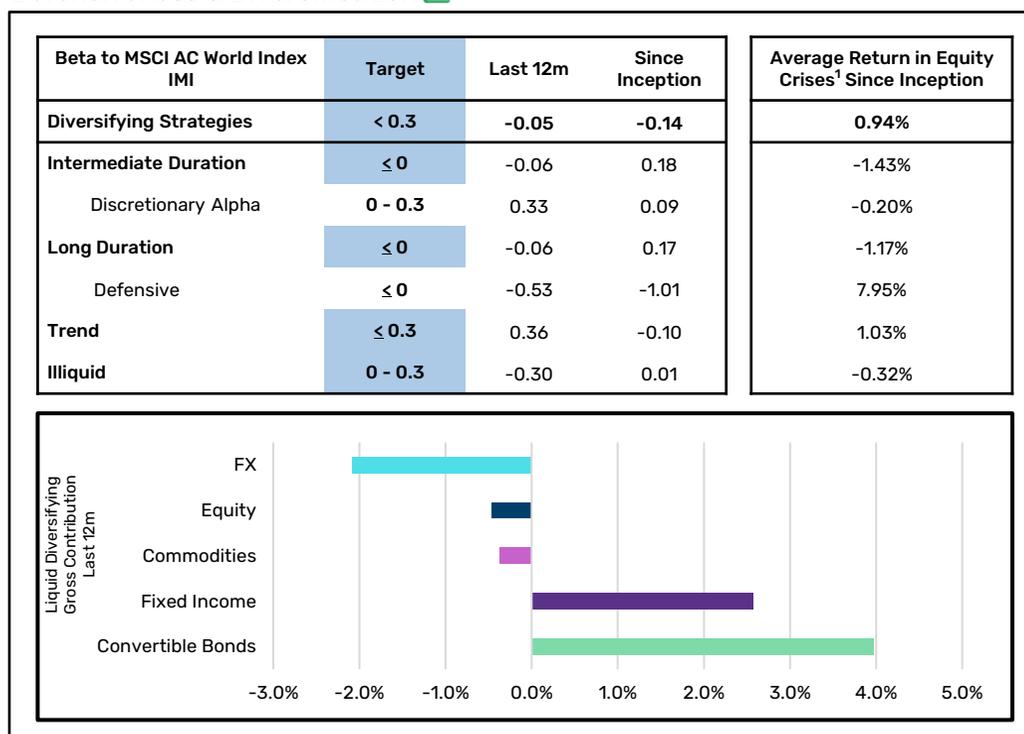
Return vs. Policy Benchmark ⚠

	Last 12m	5 Years	Since Inception
Diversifying Strategies	4.21%	3.27%	3.38%
Policy Benchmark	5.11%	3.56%	3.88%
Difference	-0.90%	-0.29%	-0.50%

Asset Allocation ✔

	Policy	12/31/25
Diversifying Strategies	30%	27%
Intermediate Duration	47%	35%
Discretionary Alpha	0%	16%
Long Duration	13%	12%
Defensive	0%	3%
Trend	27%	21%
Illiquid	13%	12%
Idiosyncratic	0%	9%

Defensiveness & Diversification ✔



Risk: measured by Tracking Error ✔

	Maximum	Last 12m	3 Years
Diversifying Strategies	5%	1.89%	3.68%
Intermediate Duration	1%	0.28%	1.23%
Long Duration	0.3%	0.10%	0.19%
Trend	5%	6.93%	7.35%
Illiquid	5%	5.10%	3.66%

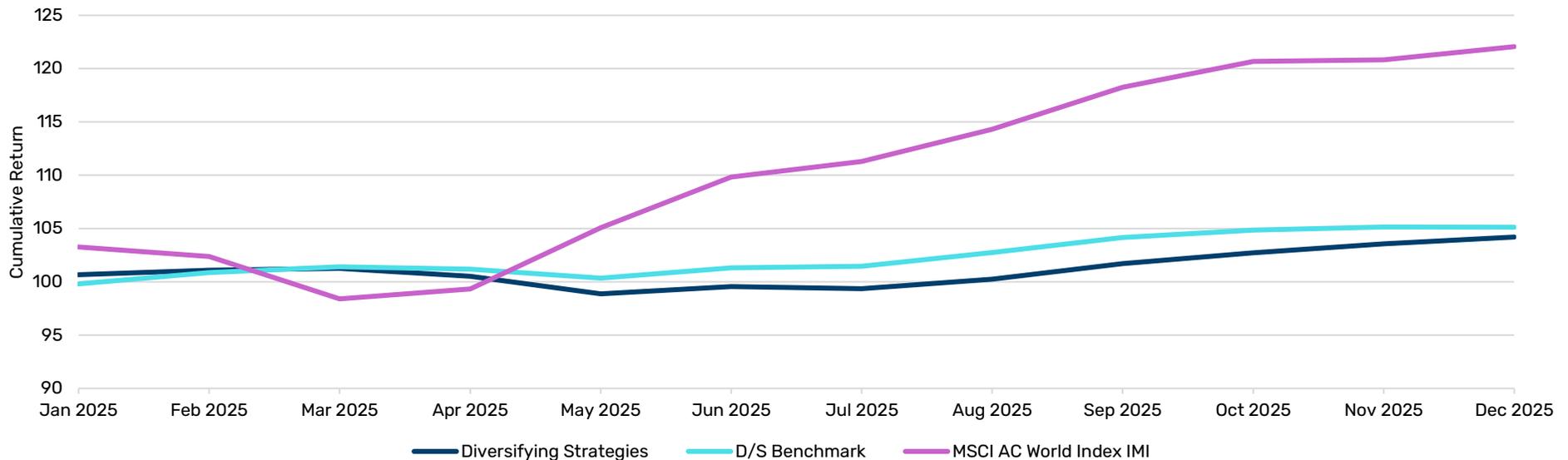
Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

This material is being provided at the express request of the Employees' Retirement System of the State of Hawaii and is not for forward distribution. Performance range: Apr 1, 2017 - Dec 31, 2025. Based on estimated returns net of all fees. The Diversifying Strategies Return and Benchmark are sourced from BNY Nexen. Correlation to Equities, Return in Crisis Periods and Tracking Errors are computed based on monthly return frequency. 1 - Equity Crisis period defined as more than -1 standard deviation in MSCI AC World Index IMI beginning of June 1, 1994. Targets provided by ERS Investment Team. Source: Man Group Database and Employees' Retirement System of the State of Hawaii.

Diversifying Strategies Performance vs. Policy Benchmark

Portfolio underperformed the policy benchmark over the last 12 months.

- 12-month performance: Diversifying Strategies Portfolio 4.21%; Benchmark 5.11%; Difference: -0.90%
- Key negative drivers of relative performance:
 - The **Illiquid Diversifying** component was the largest detractor which returned 0.98% versus its benchmark return of 11.37% (-10.39% underperformance) HIERS' Insurance Linked investment underperformed the benchmark as the portfolio held private ILS contracts that gradually matured between January and June, and a resulting meaningful cash balance was maintained as the portfolio ramped into cat bonds during the first half of 2025. Further, the smaller climate insurance sleeve was impacted by the renewables portfolio's sensitivity to fluctuations in power prices, generation levels, and the timing of revenue settlements
 - **Systematic Trend Following** was underweight in the portfolio by 5% (22% actual vs. 27% policy weight), which detracted from performance given the strategy's positive twelve-month returns
- Key positive drivers of relative performance:
 - With the strong performance in H2 2025, **Systematic Trend Following** finished the year in positive territory (+0.34%) , while its benchmark returned -0.62%. The outperformance led by Q4 2025 (5.23% vs benchmark return of 0.27%) where trend managers maintained elevated long equity positioning which appreciated throughout the quarter. Similarly, long FX positioning after mid-November added to the overall performance
 - **Discretionary strategies** outperformed their benchmark over the year (+11.56% versus a benchmark return of +6.51%)



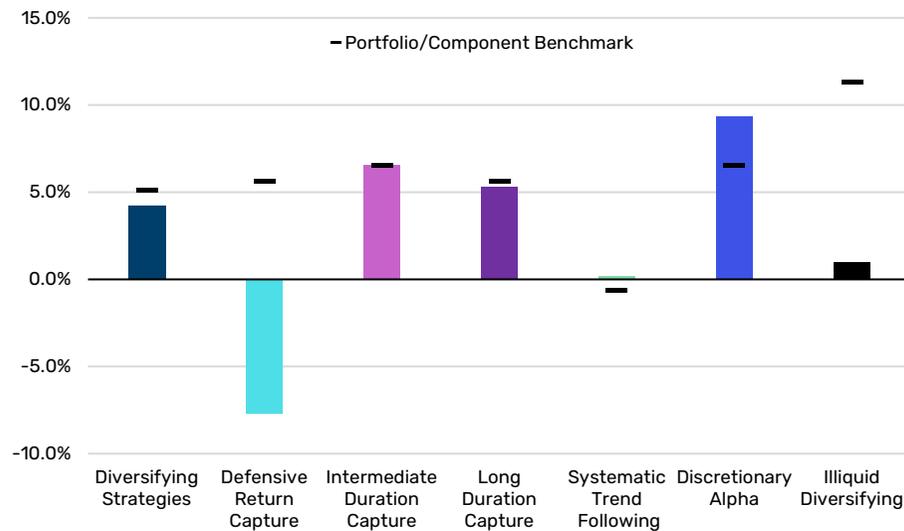
Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

Component Performance

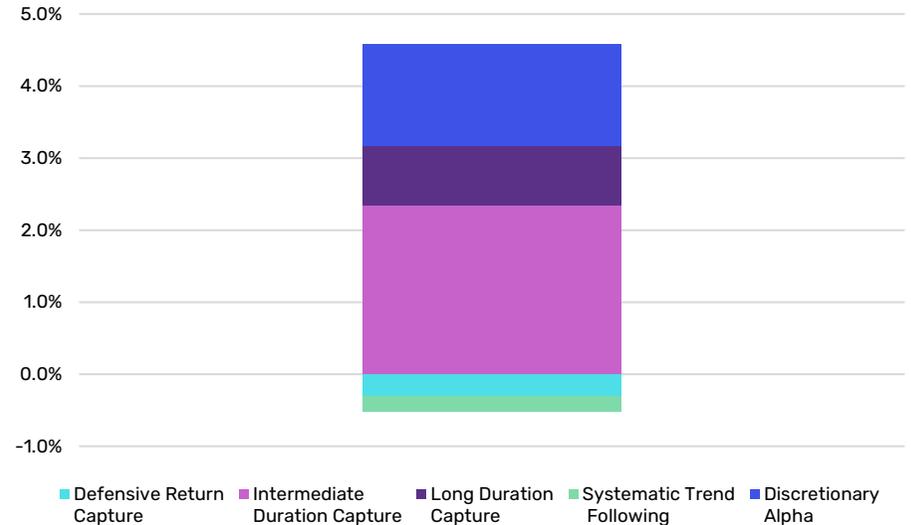
Liquid Strategies in line with Benchmark; Discretionary Alpha gains offset Defensive Return Capture losses

- **Systematic Trend Following** returned 0.34% over the trailing twelve months, with losses in FX, fixed income, and commodities overwhelming the gains in equities. The benchmark returned -0.62%. Q4 2025 marked a period of robust performance for Trend managers, with gains predominantly attributable to long equity and FX exposures. With the strong performance in second half of 2025, losses from the first half of the year were recouped and performance over the trailing twelve-month period finished in positive territory
- **Long Duration** returned 5.60% versus its benchmark of 5.59%. SLC maintained the term structure neutral positioning, slight duration long versus the benchmark, with a continued preference for lower coupon Treasury bonds, giving the portfolio favorable convexity relative to the benchmark
- **Intermediate Duration** returned 6.53%, slightly outperforming its benchmark return of 6.51%. The primary driver of outperformance for the year was an overweight position in agency mortgages, which generated an excess return of 170 basis points over U.S. Treasuries.
- **Discretionary Alpha** finished the period up 9.34%, with gains from all underlying managers
- **Defensive** managers returned -7.72% against surging equities. Performance in Q4 2025 was slightly negative led by the losses in equities (primarily US equities) which were partially offset by the gains from long USD, long commodity (gold) and long rates positioning
- **Illiquid Diversifying** returned 0.98%, non-insurance strategies underperformed the benchmark

DS Component Net Performance Jan 1, 2025 – Dec 31, 2025^{1,2}



Liquid Strategy Component Net Contribution Jan 1, 2025 – Dec 31, 2025¹



Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

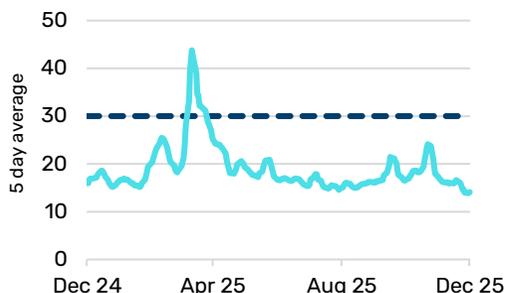
This material is being provided at the express request of the Employees' Retirement System of the State of Hawaii and is not for forward distribution. Performance range: Jan 1, 2025 – Dec 31, 2025. 1. Based on estimated returns net of all fees. 2. Benchmark specification. 3. Benchmarks as follows: Discretionary Alpha/Intermediate Duration Capture: Bloomberg US Treasury; Intermediate Index. Systematic Trend Following: MLM Global Index 15V Index. Defensive Return Capture/ Long Duration Capture: Bloomberg US Treasury Long Term Index Illiquid Diversifying: Swiss Re Cat Bond Total Return Index. Source: Man Group Database. Diversifying Strategies and Illiquid Diversifying benchmark and return data are sourced from BNY Nexen.

Crisis Risk Indicators

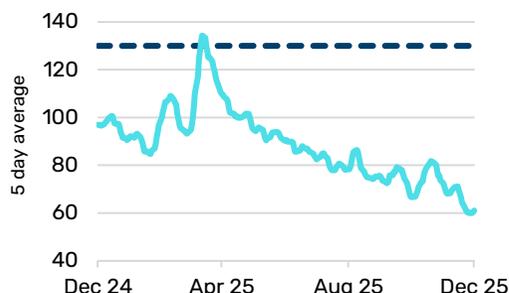
Liquid DS - Last 12m

- Gold breached its Crisis Risk Indicator Level of 6.5% a total of 24 times during the last 12 months: April, September, October, November and December 2025
 - During April 2025, the breaches were driven by tariff related concerns
 - During September and Q4 2025, the breaches were driven by geopolitical tensions, a weakening U.S. dollar, and anticipation of Federal Reserve rate cuts in 2026
- Market Risk (Equities) breached its Crisis Level between April 7, and April 23, 2025 driven by significant equity volatility following tariff announcements by President Trump
- Dollar Risk breached its Crisis Risk Indicator Level of 2.65% a total of 8 times from April 11 to April 24, 2025
- Flow Risk breached from April 7 to April 8, 2025
- The Crisis Risk Committee met on April 10, April 15 and April 22nd 2025

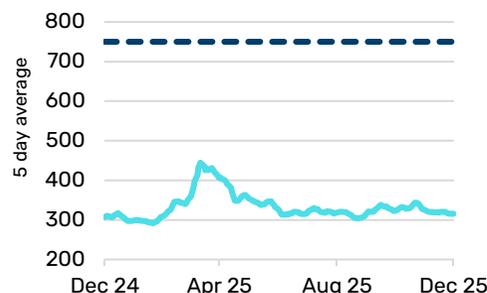
Market Risk (Equities)



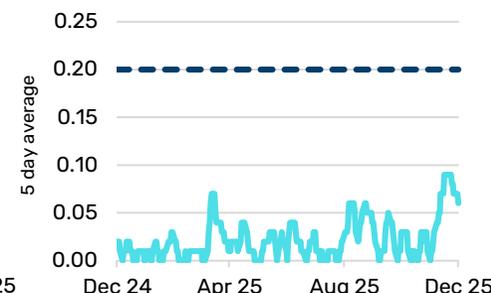
Market Risk (Bonds)¹



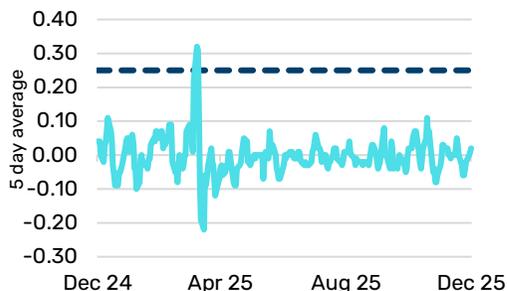
Solvency Risk³



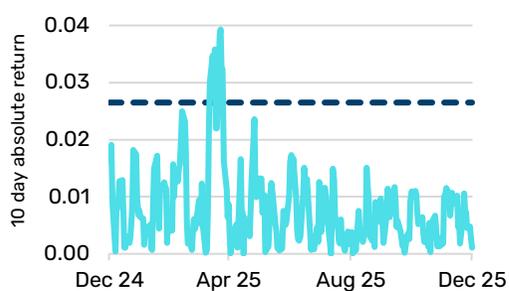
Liquidity Risk²



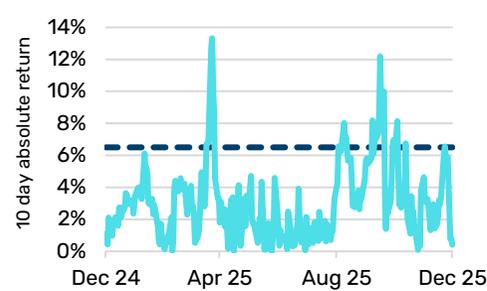
Flow Risk



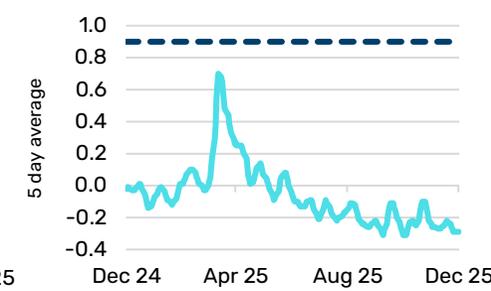
Dollar Risk



Gold Risk



Overall Systemic Risk



----- Crisis Level

Past performance is not indicative of future results. Returns may increase or decrease as a result of currency fluctuations.

This material is being provided at the express request of the Employees' Retirement System of the State of Hawaii and is not for forward distribution. As of December 31, 2025. Note, indicators were revamped later in Q2 2025 and some of these breaches are 'backtest' breaches. Market Risk (Equities): VIX Index (averaged over 5 trading days). Market Risk (Bonds): ICE BofA MOVE Index (average over 5 trading days). Solvency Risk: CDX High Yield Index (averaged over 5 trading days). Liquidity Risk: SOFR spread 3-month USD (5 day average absolute). Flow Risk: BofA Merrill Lynch GFSI Money Market Flow (averaged over 5 trading days), Dollar: Bloomberg Dollar Spot Index (10 day rolling change), Gold: USD Gold spot price (10 day rolling change), Overall Systemic Risk: BofA Merrill Lynch Global Financial Stress Indicator (averaged over 5 trading days). 1. New indicator added on April 17th 2025. 2. Replaced the TED spread to SOFR Spread 3 month USD on April 17th. 3. CDX HY replaced DLJHSTW index on June 26th. Source: Bloomberg.

Man External Alpha - Hedge Fund Strategy Outlook

Q1 2026 Outlook vs Q4 2025 Outlook

- We lifted our outlook for **Merger Arbitrage** to positive and maintained our position on **Special Situations** at neutral. We currently see extremely high levels of activity, but slightly tighter than average spread levels. After much deliberation, we have concluded that the best managers now have a broad enough universe of possible deals to generate attractive returns despite the tighter overall spread, and hence have raised our outlook
- We downgraded **Cat Bonds/ILS** to neutral. Cat bonds retain their attractive diversification properties and uncorrelated return streams, but the risk/reward has normalized after three consecutive years of double-digit yields. Issuance is expected to be significant, but so is investor demand, bolstered also by retained earnings from a largely loss-free 2025
- Maintain positive outlook for **Discretionary Macro**. We remain in a macro-driven environment where tariff uncertainty, fiscal largesse, sticky inflation and labor market concerns remain top-of-mind for investors. Discretionary Macro can generate alpha from divergent economic performance and policy responses
- Maintain positive outlook for **Convertible Arbitrage** and a neutral stance on **Credit Long/Short**. We continue to believe that the long-vol nature of Convertible Arbitrage, particularly around companies linked to the AI theme will be a source of alpha, from both new issuance and from gamma-trading around single stock volatility driven by retail investors.

Strategy	Q1 2026	Q4 2025	Change
Cat Bonds / ILS	Neutral	Positive	Downgrade
Convertible Arbitrage	Positive	Positive	-
Credit Long/Short	Neutral	Neutral	-
Discretionary Macro	Positive	Positive	-
Hedge Fund Seeding	Neutral	Neutral	-
Intermediate Duration	Neutral	Neutral	-
Litigation Finance	Neutral	Neutral	-
Long Duration	Neutral	Neutral	-
Long Vol / Tail Hedge	Positive	Positive	-
Merger Arbitrage	Positive	Neutral	Upgrade
Special Situations	Neutral	Neutral	-
Trend-Following	Neutral	Neutral	-

Asset Class Stress Tests

Liquid DS - December 2025



- Latest CPI print⁴ came in at 2.70% in December. As a result, the total stress incorporates IR -60 bps shock although the table also displays stress for IR +60 bps shock
- **Commodities; Risk Additive** - a decrease from the prior quarter end driven by STF managers reducing their exposure in Livestock and Energy
- **Equities; Risk Additive** - an increase from prior quarter end, driven by a redemption of a DRC manager
- **Fixed Income; potentially Risk Mitigating** - an increase from the prior quarter end, driven by STF managers shift to short duration
- **FX; potentially Risk Mitigating** - an increase from the prior quarter end, driven by STF managers increasing US dollar shorts
- **Credit; Risk Neutral** - an increase from the prior quarter end due to redemption of a DRC manager

Manager and Component Asset Class Stress Test^{1,2}

Q4 2025 - Estimates

	Equity	Fixed Income	FX	Commodities	Credit	Total (using -60bps shift for Fixed Income)	
	-10% move	+60bps shift	-60bps shift	-5% FX	-10% move	+30% widening	
Systematic Trend Following	-4.4%	0.6%	-0.6%	-2.6%	0.0%	-0.5%	-8.1%
Intermediate Duration Capture	0.0%	-2.1%	2.2%	0.0%	0.0%	0.0%	2.1%
Long Duration Capture	0.0%	-8.0%	8.9%	0.0%	0.0%	0.0%	8.9%
Defensive Return Capture	4.6%	-0.4%	0.4%	9.7%	0.9%	0.0%	15.6%
Discretionary Alpha	-1.6%	0.0%	0.6%	1.0%	0.1%	-2.7%	-2.7%
DS-LD	-1.2%	-1.9%	2.1%	-0.1%	0.1%	-0.6%	0.2%

Quarterly Change

	Equity	Fixed Income	FX	Commodities	Credit	Total (using -60bps shift for Fixed Income)	
	-10% move	+60bps shift	-60bps shift	-5% FX	-10% move	+30% widening	
Systematic Trend Following	0.3%	0.3%	-0.3%	-2.4%	0.4%	0.1%	-1.8%
Intermediate Duration Capture	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Long Duration Capture	0.0%	0.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Defensive Return Capture	-1.4%	-0.3%	0.3%	3.1%	2.5%	-1.9%	2.6%
Discretionary Alpha	-1.0%	0.7%	-0.2%	0.7%	0.0%	0.8%	0.3%
DS-LD	-0.5%	0.4%	-0.3%	-0.5%	0.2%	-0.1%	-1.1%

Operational Risk – HIERS >10% of AUM

HIERS MAC Name – Manager Name

HIERS Percentage of Firm AUM

DS LIQUID DIV DRC 36S LLC
36 South Capital Advisors LLP

10.3%

DS Liquid Def TADC SLC; DS Liquid DEF TADC SLC Int Treas – Class A
SLC Management, LLC

15% of US Total Return Team

DS LIQUID DEF STF MLM, LLC
Mount Lucas Management LP

19%

DS LIQUID DIV RVA AEQ, LLC
Aequim Alternative Investments LP

16%
*Actively Reducing

DS LIQUID DIV RVA MEL LLC
Melqart Asset Management UK Ltd.

18.8%

Leahi Capital – Standard and Select Class
Cloverlay Partners Management, LLC

20%
*September 30 2025

HIERS is not > 10% of any other Manager's AUM

Employees' Retirement System of the State of Hawaii

Risk Budgeting Education

Presenters:

Mika Malone, CAIA & Colin Bebee, CFA &
Lynn Kamimoto, CFA, CFE, CISSP, FRM

February 17, 2026



MEKETA
INVESTMENT GROUP

Agenda

1. History and Past Discussions

- Rationale
- Concept Review
- Definitions

2. Active Risk Budget

- Broad Growth Risk Budget
- Diversifying Strategies Risk Budget
- Total Portfolio Risk Budget

3. Reporting and Tools

- Reporting
- Risk Limits Breach
- Operational Implementation

4. Discussion & Approval

- Upcoming Investment Committee Meeting Topics
- Action Requested

Appendix



History and Past Discussions

Mika Malone, CAIA & Colin Bebee, CFA

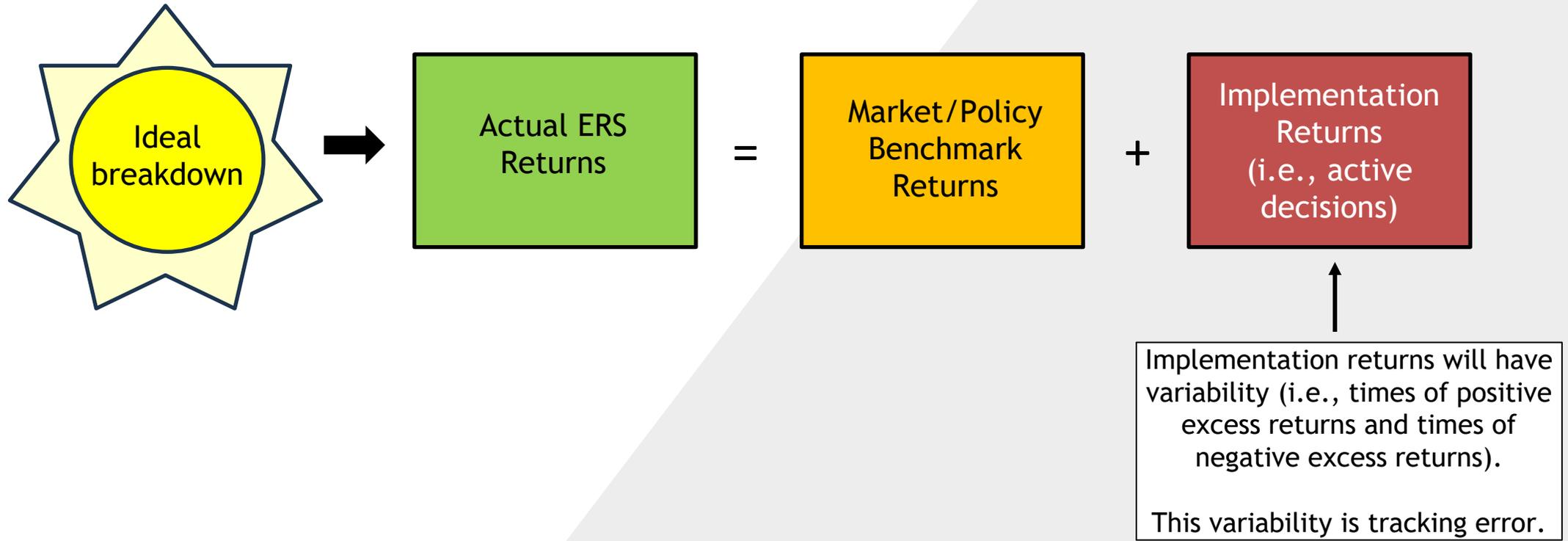
Why is Tracking Error Needed?

- ▶ The ERS Market Benchmark (i.e., policy benchmark) consists of low-cost, investable options.
 - ▶ The long-term expected return of this portfolio is ~6.1%, which is below the actuarial rate.
- ▶ By definition, in order to generate a return above the Market Benchmark, the actual holdings must differ (to varying degrees) from those in the benchmark.
 - ▶ Any variances relative to a benchmark should be intentional with the goal of maximizing risk-adjusted excess returns.
 - ▶ Unintentional deviations from the benchmark should be monitored and addressed.

Adding value above a benchmark requires looking different than the benchmark.

Looking different than a benchmark produces a different return pattern.

A different return pattern is tracking error.



As the ERS shifts closer to this idealized breakdown, the risk budget provides thresholds for how big/small the implementation decisions can be.

Roles & Responsibilities

Board/Investment Committee

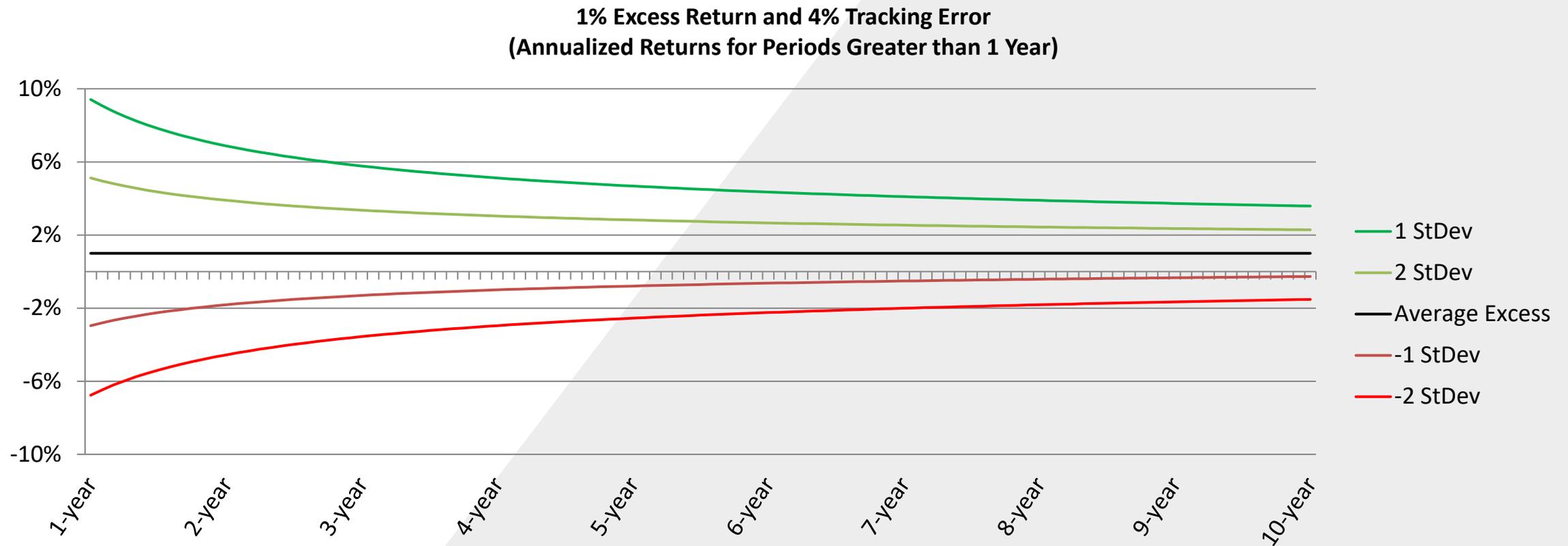
- ▶ Establish governance guidelines;
- ▶ Define appetite for excess risk and return, across the total fund;
- ▶ Establish allowances for levels of deviation away from defined market risks, as adopted in Strategic Asset Allocation.

CIO & Investment Staff

- ▶ Implementation of active risk decisions within the scope of Board/IC adopted governance;
- ▶ Balance prospects/uses of active risk with potential excess return;
- ▶ Ongoing optimization of strategies for improved risk-adjusted return.

Example Outcomes - Active Returns

- ▶ In order to develop hypothetical examples, one must have assumptions for excess return and tracking error levels.
- ▶ With a low/conservative excess return assumption of 1%, the below graphic demonstrates a range of outcomes for excess returns with a 4% tracking error.

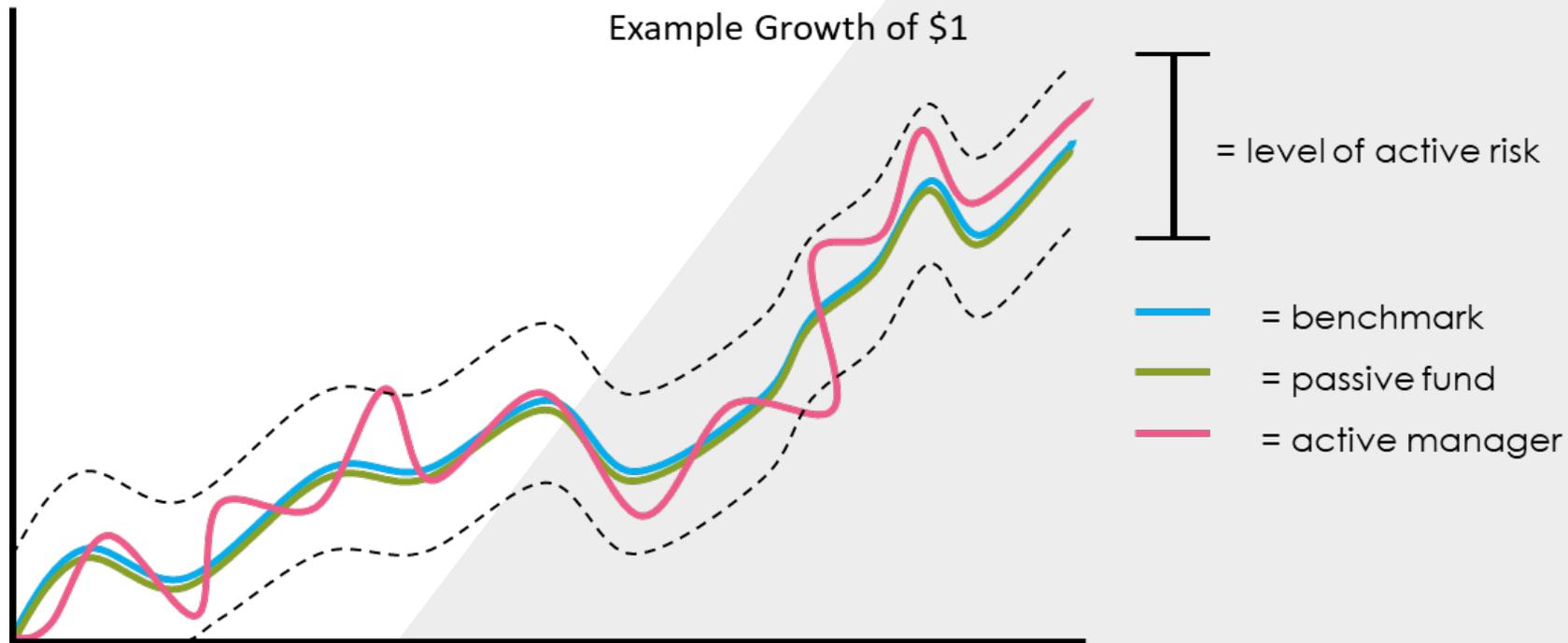


For illustrative purposes only. Past performance is no guarantee of future results.

- ▶ **Risk budgeting** refers to the concept of managing a portfolio based on risk contributions/levels.
 - ▶ Focused on the volatility of returns.
- ▶ For the purposes of this presentation and the ERS Investment Committee, we will generally focus on risk budgeting at the Total Portfolio level.
- ▶ Risk budgeting is closely related to the concept of “**active risk.**”
 - ▶ Active risk is the risk to be budgeted
 - ▶ Active risk and tracking error are synonymous
- ▶ At its core, **active risk** stems from weighting deviations compared to the benchmark:
 1. Over/underweight asset classes (i.e., allocation or weighting risk)
 2. Within asset classes, managers holding different securities than the benchmark (i.e., manager or selection risk)

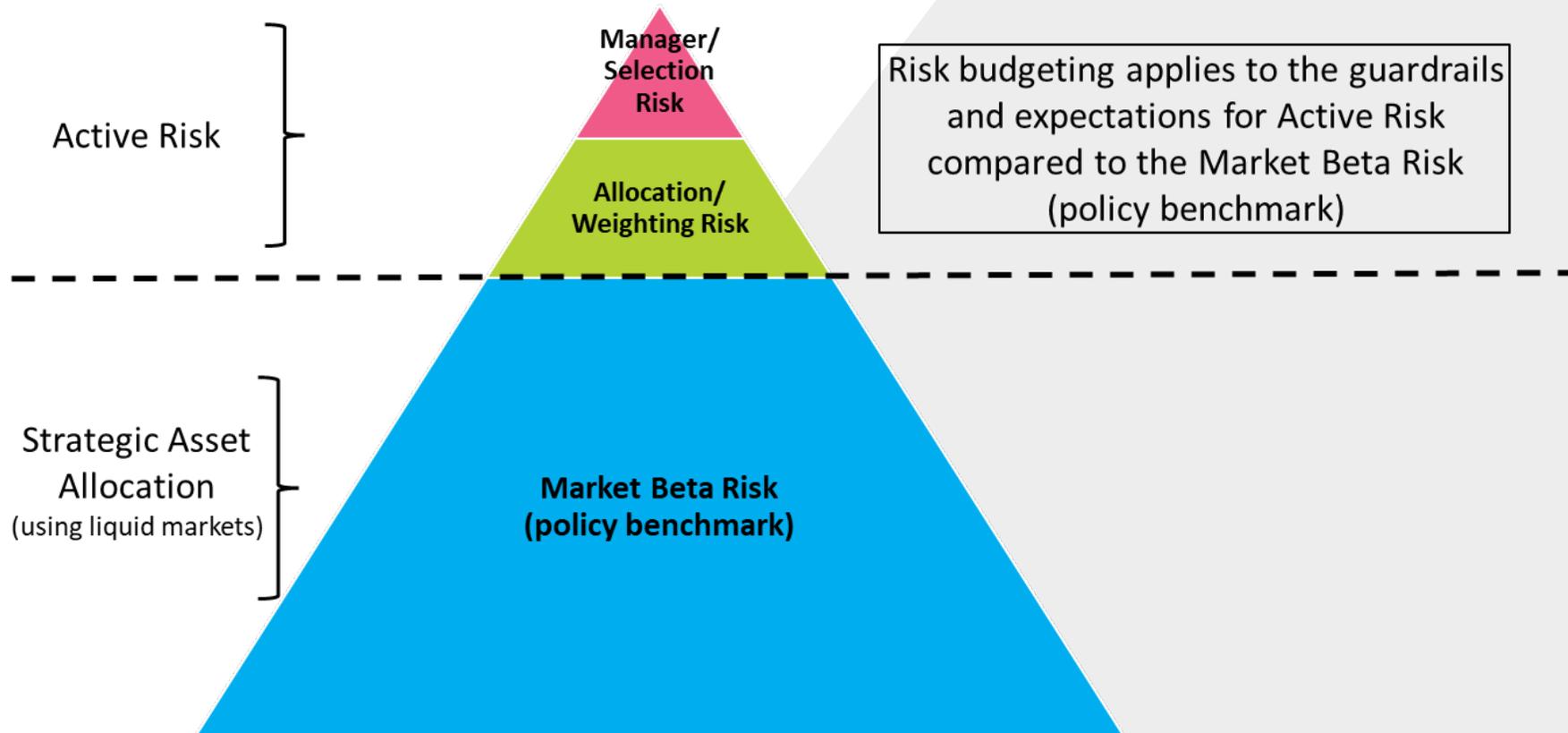
Tracking Error

- ▶ Tracking Error = standard deviation of excess returns relative to a benchmark.
 - ▶ Also referred to as “active risk”.
- ▶ The higher the tracking error, the greater the potential for positive and negative excess return outcomes.

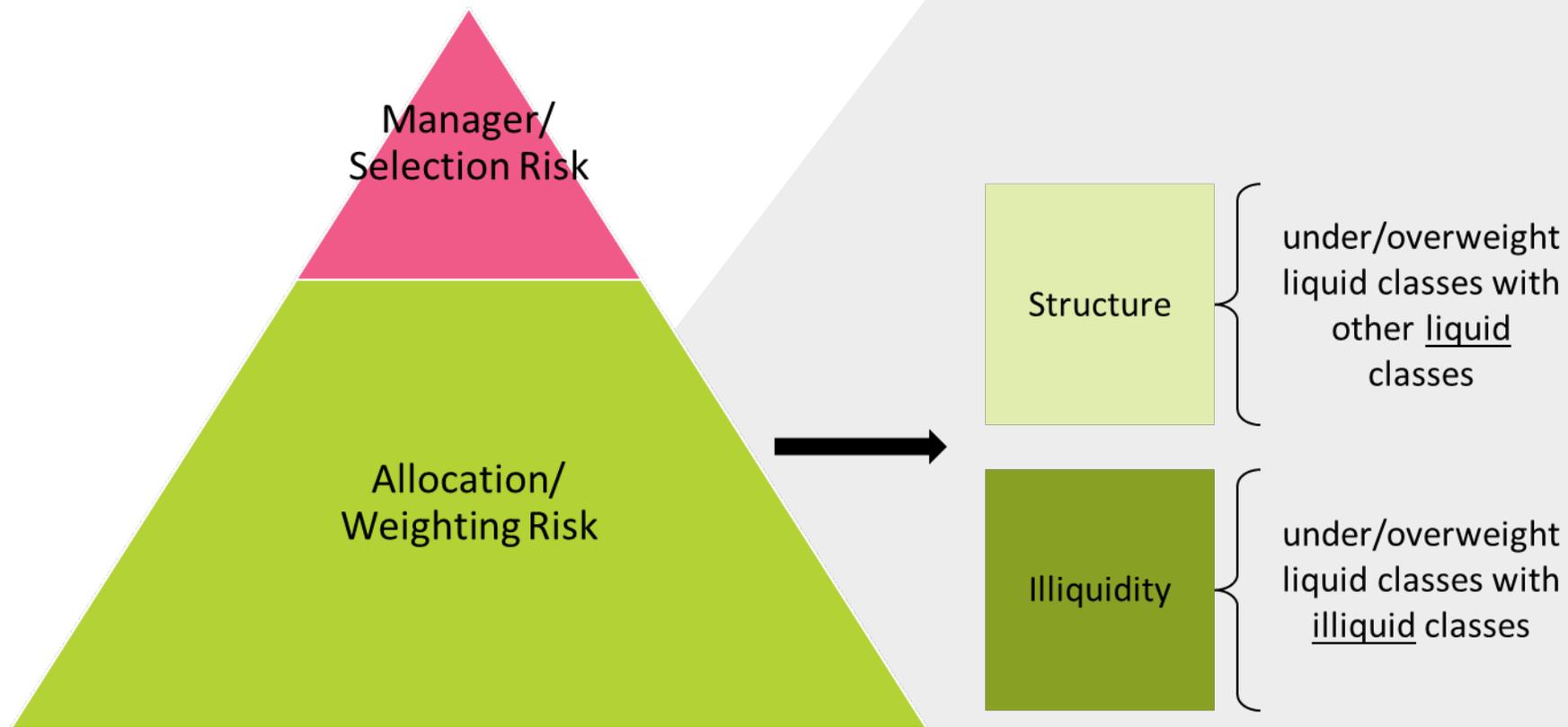


For illustrative purposes only. Past performance is no guarantee of future results.

- ▶ **Total Portfolio volatility** can be separated into **Market Beta Risk** (i.e., policy benchmark) and **Active Risk** (tracking error).
 - ▶ These components can be further separated into various sub-categories.

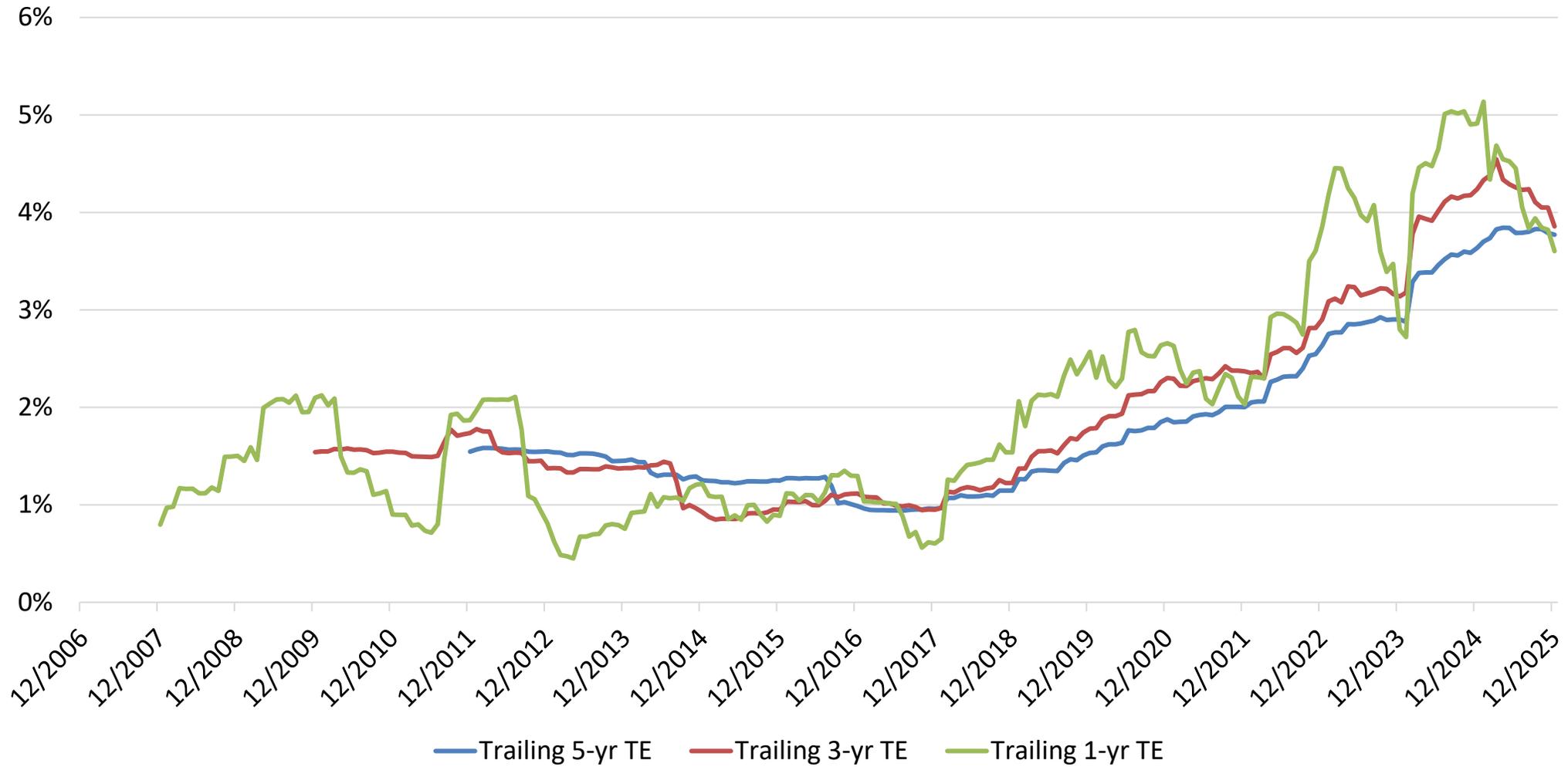


- ▶ Total Portfolio Active Risk is decomposed into two categories:
 - ▶ Manager/Selection Risk, contribution from active (liquid) managers
 - ▶ Allocation/Weighting Risk, which is further broken down into two sources: Illiquidity & Structure



Historical Tracking Error - Total Portfolio

HIERS Historical Tracking Error



For illustrative purposes only. Past performance is no guarantee of future results.

- ▶ Throughout 2023-2025, the ERS has discussed and/or approved three major activities, all of which influence the Risk Budgeting process.

Enhanced Board Oversight & Governance

Risk Budgeting	Benchmarks	Liquidity
2023 - Introduction	2023 - Asset Liability Study & Education of Benchmarking Constructs	2023 - Education
2024 - Education (How, Why, & What)	2024 - Adoption and Simplification of Benchmark Philosophy	2024 - Adoption of Minimum Total Plan Liquidity Targets & Monitoring
2025 - Major Classes & Total Funds	2025+ - Annual Review	2025+ - Annual Review
2026 - Adoption & Implementation		

- ▶ When making long-term portfolio structuring decisions, it is best practices to use capital market assumptions (“CMAs”) that are based on “economic reality”.
- ▶ These assumptions typically reflect a higher level of volatility within private markets than are experienced with the standard lagged reporting/mark-to-market processes. They also incorporate a higher correlation to liquid markets (e.g., public equity) than what may be experienced during the reporting process.

Estimated ERS Total Portfolio Active Risk

Standard CMAs
1.0 - 4.0%

- ▶ Short-term market volatility will cause material deviations to these measurements - these deviations will normalize longer periods of time.

Active Risk Budget

Lynn Kamimoto, CFA, CFE, CISSP, FRM

Mika Malone, CAIA & Colin Bebee, CFA

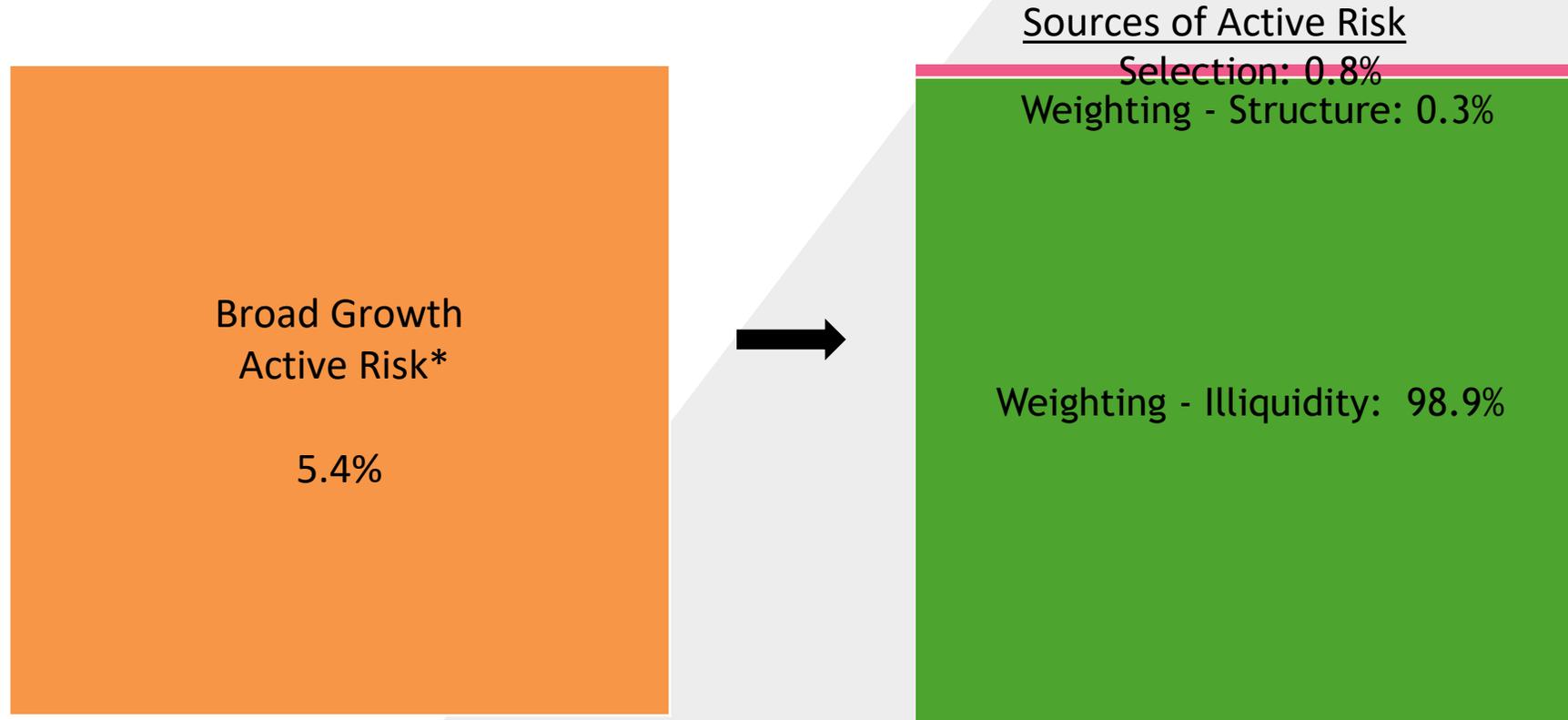
Allocations (% of Broad Growth)	Policy	Actual	Difference	Tracking Error Assumptions
Global Equity	56%	57%	-	
Public Equity	29%	28%	-1%	1.5%
Private Equity	27%	29%	+2%	12.0%
Global Credit	17%	17%	-	
Public Credit	6%	7%	+1%	2.5%
Private Credit	11%	10%	-1%	6.5%
Real Assets	27%	27%	-	
Public Real Assets	-	2%	+2%	0.3%
Private Real Assets	27%	25%	-2%	12.0%

**Estimated Broad Growth
Active Risk Budget**

5.4%

*Totals may not equal 100% due to rounding. For illustrative purposes only. Tracking error is relative to public market indices.

- ▶ ERS Staff and Meketa have developed a preliminary Broad Growth Risk Budget.



*Utilizes Meketa's 2025 capital market assumptions and mean-variance analysis. As of 12/31/25. *Totals may not equal 100% due to rounding. For illustrative purposes only.

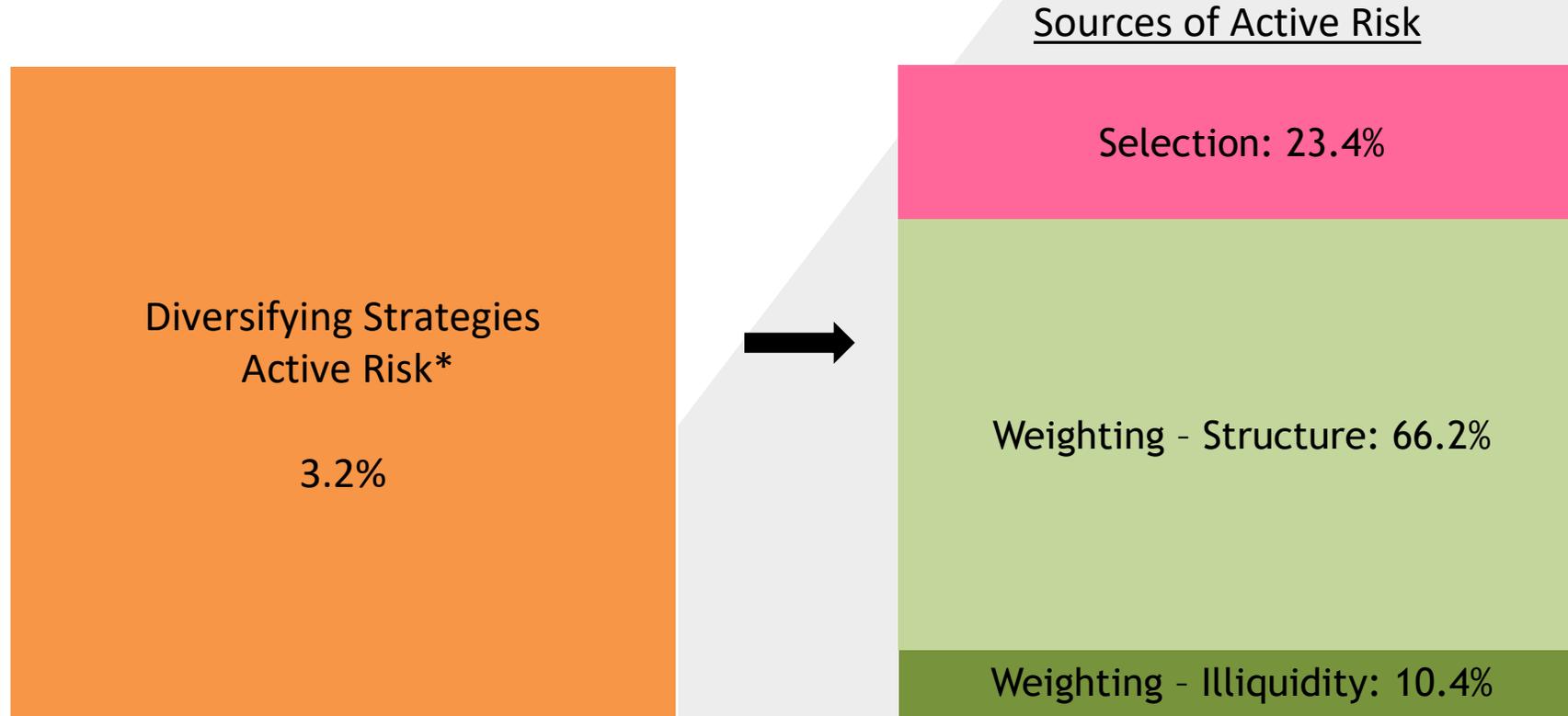
Allocations (% of DS)	Policy	Actual	Difference	Tracking Error Assumptions
Illiquid Diversifying	13%	12%	-1%	
Insurance Linked	13%	3%	-10%	2.0%
Idiosyncratic Return Capture	-	9%	+9%	7.5%
Liquid Defensive	87%	88%	+1%	
Systematic Trend Following	27%	21%	-6%	5.0%
Intermediate Duration	47%	35%	-12%	0.75%
Discretionary Alpha	-	16%	16%	10.0%
Long Duration	13%	12%	-1%	0.50%
Defensive Return Capture	-	3%	3%	15.0%
Cash	-	10%	10%	-

**Estimated Diversified Strategies
Active Risk Budget**

3.0%

*Totals may not equal 100% due to rounding. For illustrative purposes only. Assumes a 0.4 cross-correlation.

- ▶ ERS Staff and Meketa have developed a preliminary Diversified Strategies Risk Budget.



*Utilizes Meketa's 2025 capital market assumptions and mean-variance analysis. As of 12/31/25. *Totals may not equal 100% due to rounding. For illustrative purposes only.

Allocations (% of DS)	Policy	Actual	Difference	Tracking Error Assumptions
Illiquid Diversifying	13%	12%	-1%	
Insurance Linked	13%	4%	-9%	2.0%
Idiosyncratic Return Capture	-	8%	+8%	7.5%
Liquid Defensive	87%	88%	+1%	
Systematic Trend Following	27%	20%	-7%	5.0%
Intermediate Duration	47%	29%	-18%	0.75%
Discretionary Alpha	-	10%	10%	10.0%
Long Duration	13%	12%	-1%	0.50%
Defensive Return Capture	-	4%	4%	15.0%
Cash	-	14%	14%	-

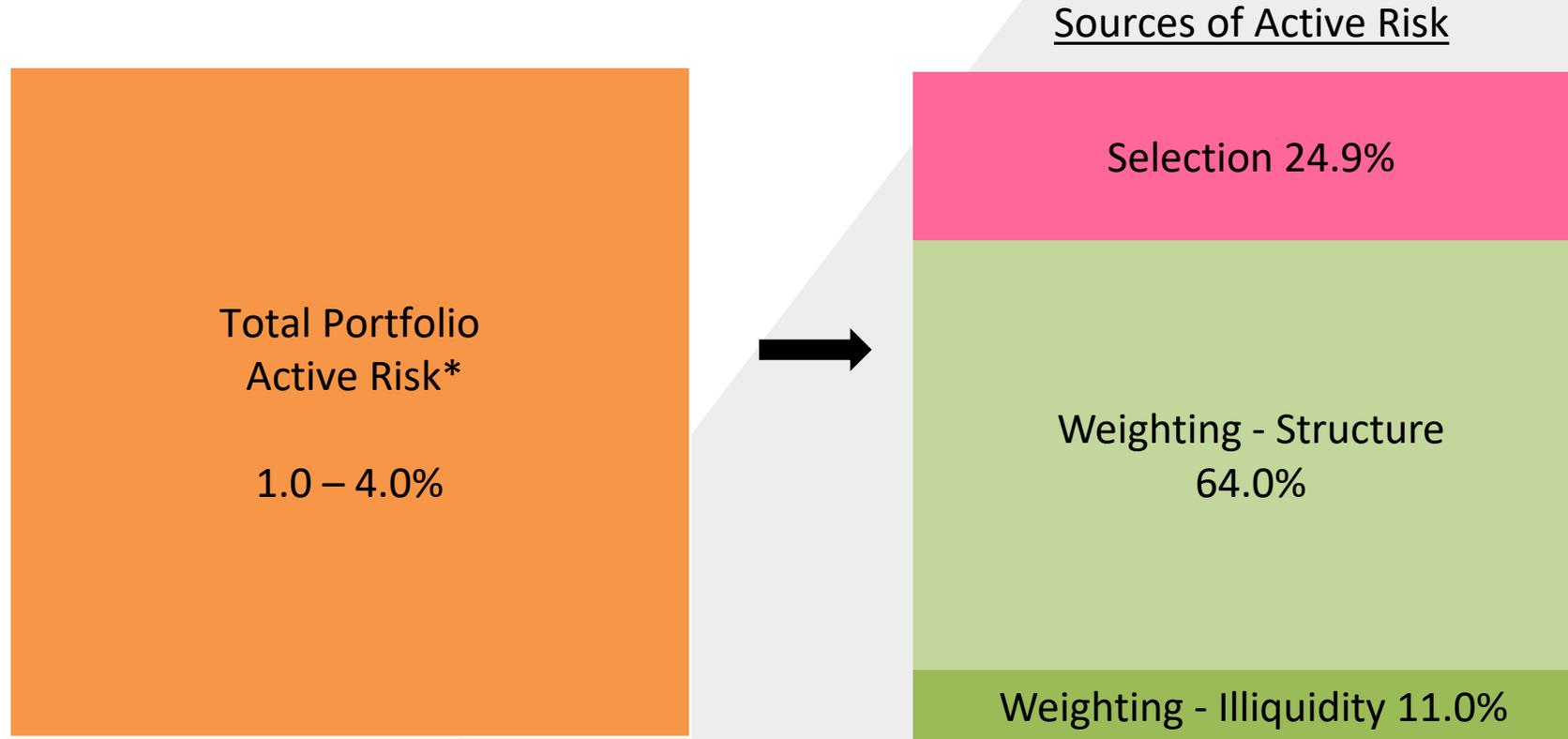
**Estimated Diversified Strategies
Active Risk Budget**

3.2%

*Totals may not equal 100% due to rounding. For illustrative purposes only. Assumes a 0.4 cross-correlation.

Total Portfolio Risk Budget

- ▶ ERS Staff and Meketa have developed a preliminary **Total Portfolio Risk Budget**.



*Utilizes Meketa's 2025 capital market assumptions and mean-variance analysis. As of 10/31/25. *Totals may not equal 100% due to rounding. For illustrative purposes only.

Reporting and Tools

Lynn Kamimoto, CFA, CFE, CISSP, FRM

Mika Malone, CAIA & Colin Bebee, CFA

- ▶ Investment Committee and/or Board reporting & approvals:
 - ▶ Annual, or as needed, Approval & Review
 - ▶ Total Portfolio Active Risk Budget
 - ▶ Quarterly Review
 - ▶ Total Fund Risk
 - ▶ Ex-ante/Forecasted attribution between manager selection, asset class structure, and illiquidity
 - ▶ CIO update if risk limits breached
 - ▶ CIO update(s) on changes to risk limits target and asset class risk budget guidelines
 - ▶ 2031 (5-years from 2026)
 - ▶ Historical active risk data available

Investment & Operational Levers

Investment Changes - Short Term

- ▶ Rebalance allocations of public markets assets, which may include cash and cash overlay positions.
- ▶ Move from active to passive strategies
- ▶ Reduce or pause private markets pacing.

Investment Changes - Long Term

- ▶ Review contracts and determine if exiting private positions early is possible, and if so whether the exit is net beneficial.
- ▶ Explore a secondary sale of private assets.

Operational Changes

- ▶ Update fund/manager agreements to reflect new benchmarks, risk management limits, and/or liquidity provisions (including lock-out time and clauses).
- ▶ Explore investment products/funds that provide more diversification for the total fund.

Governance Changes

Board/Investment Committee

- ▶ Approval of an updated:
 - ▶ Active Risk Budget
 - ▶ Liquidity Policy
 - ▶ Fund Benchmarks
 - ▶ Concentration Risk Limit

Risk Budgeting Operational Considerations:

- ▶ Roles & Responsibilities
 - ▶ Investment Committee and the Board establish the Total Portfolio Risk Budget.
 - ▶ CIO is responsible for Total Portfolio Risk Budget target and asset class risk guidelines.
 - ▶ CIO & Investment Staff are responsible for implementation and optimization.
- ▶ Total Fund benchmark was last updated January 1, 2024. Risk budgeting is Effective 4/1/26:
 - ▶ Forecasted data will be made available immediately.
 - ▶ Historical data will be reported from that date, when 5 years of performance is available.;
- ▶ **Asset-Liability (AL) Study** is conducted every 3 years.
 - ▶ 2026 report is in process, which means the proposed risk budget may change.
- ▶ **Capital Markets Assumptions (CMA)** review conducted annually.
 - ▶ Review risk budget annually.
- ▶ **Total Portfolio Approach**
 - ▶ Review managers/funds to ensure risk-adjusted performance meets a minimum level across the entire portfolio.
 - ▶ Each new manager/fund is examined against alternative uses of the allocated dollars.

Discussion & Action

Operational Implementation

Risk Budgeting Operational Considerations:

- ▶ Investment Committee and the Board establish the Total Portfolio Risk Budget. CIO is responsible for asset class risk guidelines.
- ▶ Total Fund benchmark was last updated January 1, 2024. Ex-post data will be reported from that date, until 3 years of performance is available.
- ▶ Every 3-years, a Capital Markets Assumptions (CMA) review is conducted. We started this process and expect to have an updated report in 2026, which means the proposed risk budget may change.
- ▶ Establish reporting for attribution between manager selection, asset class structure, and illiquidity.
- ▶ Review managers/funds to ensure risk-adjusted performance meets a minimum level across the entire portfolio.



May 2026 Investment Committee Meeting:

- ▶ Total Portfolio Active Risk Budget
- ▶ Active Risk Policy
- ▶ Operational Procedures Overview

INVESTMENT COMMITTEE APPROVAL

Request to approve a Total Portfolio Risk Budget of 1.0 - 4.0%

	Active Risk (ex-ante)
Total Portfolio	1.0 - 4.0%



MAHALO!

Appendices

Appendix 4: Meketa Disclosures - Important Notice

The information contained herein is confidential and intended for the sole use of the Employees' Retirement System of the State of Hawaii. All information is subject to market fluctuations and economic events, which will impact future recommendations and investment decisions. These contents are proprietary Information of Meketa Investment Group ("MIG") and may not be reproduced or disseminated in whole or part without prior written consent. This report has been prepared solely for informational purposes and no part is to be construed as a recommendation or an offer to buy or sell or a solicitation of an offer to buy or sell any security or to participate in any investment strategy.

All information including, but not limited to, MIG's investment views, returns or performance, risk analysis, sample trade plans, idea filtration process, benchmarks, investment process, investment strategies, risk management, market opportunity, representative strategies, portfolio construction, capitalizations, expectations, targets, parameters, guidelines, and positions may involve our views, estimates, assumptions, facts and information from other sources that are believed to be accurate and reliable and are as of the date this information is presented—any of which may change without notice. We have no obligation (express or implied) to update any or all of the Information or to advise you of any changes; nor do we make any express or implied warranties or representations as to the completeness or accuracy or accept responsibility for errors. This information is for illustrative purposes only and does not constitute an exhaustive explanation of the investment process, investment allocation strategies or risk management.

All performance and risk targets contained herein are subject to revision by MIG and are provided solely as a guide to current expectations. There can be no assurance that any investment or other product described herein will achieve any targets or that there will be any return on capital. Past performance is not indicative of future results. MIG does not provide tax advice. Accordingly, any discussion of U.S. tax matters contained herein is not intended or written to be used, and cannot be used, in connection with the promotion, marketing or recommendation by anyone unaffiliated with MIG of any of the matters addressed herein or for the purpose of avoiding U.S. tax-related penalties.

Certain information contained in this document constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may", "will", "should", "expect", "anticipate", "target", "project", "estimate", "intend", "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Funds and investments may differ materially from those reflected or contemplated in such forward-looking statements."

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

DECEMBER 3, 2025

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

Committee Member
Trustees present:
(via teleconference)

Mr. Lance Mizumoto, Chair
Mr. Bennett Yap, Vice Chair
Mr. Vincent Barfield
Mr. Emmit Kane

Visiting Trustees
present:
(via teleconference)

David Louie

Attorneys present:
(via teleconference)

Ms. Jenny Nakamoto, Deputy Attorney General

Staff present:
(City Financial Tower)

Ms. Kristin Varela, Chief Investment Officer
Mr. Anthony Goo, Deputy Chief Investment Officer
Mr. Aaron Au, Investment Officer – Private Equity
Mr. Andrew Chen, Investment Officer – Credit
Mr. Ian Wetzel, Investment Officer – Real Assets
Ms. Lynn Kamimoto – Investment Officer - Risk
Ms. Masayo Zabinski, Investment Accountant
Ms. Andrea Gaspar, Administrative Assistant
Ms. Lori Kim, Administrative Assistant
Ms. Dale Kehau Kanae, Administrative Assistant
Ms. Diana Gomes, Recording Secretary/Administrative Assistant

Staff present:
(via teleconference)

Ms. Christine Chang, Investment Officer – Diversifying Strategies

Guest present:

Mr. Andrew Betz, Stafford Capital

Guest present:
(via teleconference)

Mr. Colin Bebee, Meketa Investment Group, Inc.
Mr. Jeff Leighton, Townsend Group
Mr. Kathryn Finneran, Townsend Group
Mr. D'metrius Grier, Townend Group

Public present:
(via teleconference)

Mr. Andrew Roper (unverified)
1-516-916-7742 (unverified)

CALL TO ORDER

A quorum being present (Chair Mizumoto, Vice Chair Yap, 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.

Trustee Kane entered the meeting at 9:10 am.

NEW BUSINESS

- DISCUSSION OF 2026 EMPLOYEES’ RETIREMENT SYSTEM INVESTMENT COMMITTEE MEETINGS

The 2026 Investment Committee meeting schedule was presented to the Investment Committee.

On a motion made by Vice Chair Yap, seconded by Trustee Barfield and unanimously carried, the Investment Committee approved the 2026 meeting schedule.

PRESENTATIONS

- MEKETA INVESTMENT GROUP, INC. – TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING SEPTEMBER 30, 2025
- ROTATING ALTERNATIVE ASSET CLASS REVIEW: REAL ASSETS PORTFOLIO REVIEW FOR PERIOD ENDING JUNE 30, 2025

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

- The ERS Total Portfolio consistently outperformed the Risk Adjusted Peer Median.
- 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 September 30, 2025, was \$25.1 billion.

IO Wetzel presented the Real Assets Score Card for period ending June 30, 2025:

- Market value stands at \$4.67 billion.
- Asset allocation remains in line with strategic targets.
- Long-term returns exceed the benchmarks.
- The portfolio contributions exceed distributions over the last 1-year.

Townsend Group consultants Mr. Jeff Leighton, Ms. Kathryn Finneran and Mr. D’metrius Grier presented the Rotating Alternative Asset Class Review for the Real Assets ending as of June 30, 2025.

Highlights include:

- ERS target allocation for Real Assets is 19%.
- Recent infrastructure, agriculture, and real estate commitments will assist the portfolio to continue to move towards its target allocation.

- The program comprises of 73 active investments, across 35 GP relationships, totaling \$6.4B in commitments, and \$4.7B in net asset value.
- In 2025, another \$725 million will deploy with focus on infrastructure and real estate.
- ERS Real Assets has generated since inception IRR of 7.5%, as of June 30, 2025.
- The real estate portfolio generating 7.3% net IRR and 1.3x net equity multiple since inception. Timber portfolio generated an 8.2% net IRR and 3.1x net equity multiple since inception. Infrastructure portfolio generated a 12.7% net IRR and 1.3x net equity multiple since inception. Agriculture portfolio generated a 2.7% net IRR and 1.1x net equity multiple since inception. Olomana portfolio generated a 3.1% net IRR and 1.1x net equity multiple since inception.
- The portfolio is following the Investment Policy Statement (IPS) and outperforming the benchmark for the current quarter and since inception and continues over the longer-term periods.

- EDUCATION – RISK BUDGETING (CONTINUED)

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

- 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.
- A preliminary risk budget with underlying asset class tracking error assumptions for Broad Growth and Diversifying Strategies was reviewed.
- Most of the active risk in the Broad Growth portfolio is from the decision to participate in private markets, while active risk in Diversifying Strategies was driven by structure weightings.
- February 2026 Investment Committee meeting will cover the following:
 - Adoption of Total Portfolio Risk Budget.
 - Reporting and tools.
 - Define cure and action for breaches.

- HITIP EDUCATION SUMMARY

Mr. Andrew Betz of Stafford Capital presented information on the new direction of the HiTIP program. Highlights included:

- HiTIP originated in 2007 to expand capital access for Hawaii-based entrepreneurs.
- Provides strong risk adjusted returns in alignment with ERS targets.
- Increase the proportion of capital in Hawaii to 100%
- Expansion of asset classes across Private Markets and Real Assets.
- Retain capital gap focus.
- ERS benefits from its foundational investment role.
- Minimize headline risk by considering investor reactions.
- \$150M with one investment completed and two investments in the process.
- Targeting three to six investments per year.

- ANNUAL INVESTMENT POLICY STATEMENT REVIEW

CIO Varela presented the Annual Investment Policy Statement (IPS) Review. Listed below are the recommended revisions to the IPS.

SECTION E – HiTIP PROGRAM

The purpose to the revisions in Section E are to build the framework for the next phase of the HiTip program. The redline copy was included. A summary of recommendations to Section E include:

- Broader, more flexible program structure.
- Expanded allowance for investment structures.
- Clear articulation of roles, delegation, and oversight.
- Update objectives, performance expectations and KPIs.
- Improve alignment with statutory requirements and expectations.
- Staff reviewed the current IPS and prepared a revision to reflect the current governance model by reorganizing the section around purpose, objectives, allowable strategies and structures, delegation, and oversight.
- Staff took into consideration the expansion of Hawaii-linked opportunities in private markets and real assets and the opportunities available to expand in those areas.
- Staff used industry practices to direct Section E toward strategic guidance.

On a motion made by Trustee Kane, seconded by Trustee Barfield and unanimously carried, the Investment Committee accepted the Annual Investment Policy Statement Review for recommendation to the Board of Trustees for approval, pending review and approval from the Attorney General.

- ANNUAL BENCHMARKING REVIEW

Mr. Colin Bebee of Meketa Investment Group presented the Annual Benchmarking Review and explained the presentation will provide a quick review of benchmarks. No changes are recommended.

Benchmarks:

- The ERS Board of Trustees adopted a new long-term policy portfolio in June 2023.
- In August 2023, the ERS Board of Trustees approved the new asset class and total fund benchmarks.
- The new policy structure and benchmarks were implemented on January 1, 2024.
- Better alignment between benchmarks and betas/market risks.
- Improved investability.
- Elimination of artificial illiquidity premiums.
- Elimination of “riskless” indices.

Conclusion:

- ERS staff along with Meketa will continually review the effective benchmarks.
- Benchmark modifications may take place for the following reasons:
 - Board-directed asset allocation changes.
 - Modifications to the existing benchmarks.
 - Adjustments to ERS benchmarking philosophy or changes in industry best practices.

- No changes are proposed if ERS staff and Meketa believe current benchmarks are appropriate for the Total Portfolio.
- Benchmark reviews will occur on a regular basis with any changes proposed to the ERS Board of Trustees and Investment Committee.
- ERS will conduct the 2026 asset-liability study. The conclusion of the study may suggest modifications.

On a motion made by Trustee Kane, seconded by Vice Chair Yap and unanimously carried, the Investment Committee accepted the Annual Benchmark Review for recommendation to the Board of Trustees for approval.

- ANNUAL PLAN LIQUIDITY TARGET REVIEW

Mr. Colin Bebee of Meketa Investment Group presented the Annual Plan Liquidity Target Review and explained the presentation will provide a quick review of portfolio liquidity. No changes are recommended.

- Liquidity needs for a pension plan are different than other investors:
 - Consistent benefit payment outflows.
 - Private market capital calls.
 - For some closed systems, a portfolio may not have any contributions and will eventually be entirely liquidated.
 - Liquidity is important to rebalance and take advantage of investment opportunities.
- ERS conducts a comprehensive evaluation of the total portfolio's ability to meet liquidity requirements during asset-liability studies (every 3-5 years).
- Liquidity requirements include projected benefit payments over a 20-year period and private markets commitments/distributions over the first five years.
- Portfolios are examined under severe liquidity stress tests to assess the ability to meet liquidity requirements.
- Mature public pension systems require liquidity concerns.
- Liquidity is complex and it is important to examine each asset class under periods of market stress.
- During periods of market stress, liquidity should be accessed from asset classes with stable/improving values and low transaction costs.
- Based on current market values and actuarial projections, ERS staff and Meketa recommend that the 5% minimum remain unchanged for the calendar year 2026.

On a motion made by Trustee Barfield, seconded by Trustee Kane and unanimously carried, the Investment Committee accepted the Annual Plan Liquidity Target Review for recommendation to the Board of Trustees for approval.

CIO UPDATE

CIO Varela informed the Investment Committee that there are no updates to report.

APPROVAL OF MINUTES – AUGUST 18, 2025

On a motion made by Trustee Barfield and seconded by Vice Chair Yap, and unanimously carried, the Investment Committee approved the minutes of August 18, 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 11:20 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) INVESTMENT OFFICE UPDATES.

[Chair Mizumoto identified all the participants in Executive Session, the Board staff members, Deputy Attorney General, and Guests are identified with an asterisk on these minutes and listed on Executive Session Minutes]

(Public participation was paused as Executive Session was conducted in a separate virtual room.)

APPROVAL OF EXECUTIVE SESSION MINUTES – AUGUST 18, 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 August 18, 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 11:17 a.m.

Trustee Kane exited the meeting at 11:17 am.

SUMMARY OF EXECUTIVE SESSION

Chair Mizumoto summarized what was discussed in Executive Session:

- Approved Executive Session minutes of August 18, 2025.

ADJOURNMENT

On a motion made by Trustee Barfield, seconded by Vice Chair Yap, and unanimously carried, Chair Mizumoto adjourned the meeting at 11:22 a.m.

**REDACTED
SIGNATURE**

Kristin Varela
Chief Investment Officer
KV/dlg