

Board Packet List of Documents

Board of Trustees Meeting

March 9, 2026

- Meeting Agenda (including attached Schedule A)
- Reports by Staff
 2. ERS Operations Report – Feb 2026
- New Business
 1. 2026 Board of Trustees Officers and Committee Assignments.
 - 3.1 Administrative & Audit Committee Charter
 - 3.1.1 Administrative & Audit Committee 2025 Performance Review
 - 3.1.2 Internal Audit Charter
 - 3.1.3 Ethics & Compliance Charter
 - 3.2. Internal Audit Update Report by KMH LLP
 - 3.3 2025 Business Continuity Plan Tabletop Exercise
 - 3.4 Compliance Support Staff Report
 - 4.1. Human Resources Committee Charter
 - 4.1.1 Human Resources Committee Activities - Timeline 2025
 - 4.2 Human Resources Committee - Timeline 2026
 - 5.1 Legislative Committee Charter
 - 5.1.1 Legislative Committee 2025 Performance Review
 - 5.2 Legislative Bills 2026
 - 6.1 Investment Committee Charter
 - 6.1.1 Investment Committee 2025 Performance Review
 - 6.2 Fund Performance Report Q4 2025
 - 6.3 Alternative Asset Class – Diversifying Strategies Report Q4 2025
 - 6.4 Active Risk Budgeting
 - 6.5 2026 Investment Education Summit Budget
- APPROVAL OF MINUTES – Jan 12, 2026

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

NOTICE OF REGULAR MEETING

AGENCY: Board of Trustees of the Employees' Retirement System of the State of Hawaii
DATE: Monday, March 9, 2026; 10:45 a.m.
PLACE: City Financial Tower, 201 Merchant Street, Suite 1200, Honolulu, Hawaii 96813

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

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

<https://teams.microsoft.com/meet/29841539167107?p=IGUYJcBroVYN010GXf>

Or join by entering meeting ID: 298 415 391 671 07 Passcode: 7jS23LK3

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.

Or +1 808-829-4853 United States, Honolulu (Toll)
Conference ID: 175 742 70#

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

AGENDA

QUORUM/CALL TO ORDER

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, March 6, 2026, in order to ensure it is distributed in time for consideration. Please address written testimony if by e-mail to: dale.kanae@hawaii.gov or by postal mail to: Employees' Retirement System of the State of Hawaii, Board of Trustees, 201 Merchant Street, Suite 1400, Honolulu, HI 96813.

REPORTS BY STAFF

1. Executive Director's Report on the Administration of the System with Respect to Significant Developments in Investments, Policy, Potential Legislation, and Regulatory Matters.
2. Deputy Executive Director's Report on the Operations of the System with Respect to Issues Affecting Member Services, Accounting, and Information Systems.

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

NEW BUSINESS

1. 2026 Board of Trustees Officers and Committee Assignments.
2. Discussion and Appropriate Action Regarding the Filling of a Vacancy in the Office of the Trustees Formerly Held by Bennett Yap.

3. Report of Activity by the Administrative & Audit Committee.
 - 3.1. Review and Approve the Administrative and Audit Committee, Internal Audit, and Ethics & Compliance Charters to Include Evaluation of Committee Performance for 2025.
 - 3.2. Internal Audit Update Report by KMH LLP on the Proposed Updates to the 2026 Internal Audit Plan, the Current Status of Activities Completed During Q4, 2025, and an Update on the Completion Status of Management Action Plans for Past Non-Information Technology Internal Audit Observations and Recommendations.
 - 3.3. 2025 Business Continuity Plan Tabletop Exercise After-Action Report by KMH LLP.
 - 3.4. Compliance Support Staff Report and Update on Implementation of ERS' Compliance Program on Risk Assessment, Policies & Procedures, and Third-Party Risk Management.
4. Report of Activity by the Human Resources Committee.
 - 4.1. Review and Approve the Human Resources Committee Charter to Include Evaluation of Committee Performance for 2025.
 - 4.2. Review the Activities and Timeline of the Human Resources Committee.
5. Report of Activity by the Legislative Committee.
 - 5.1. Review and Approve the Legislative Committee Charter to Include Evaluation of Committee Performance for 2025.
 - 5.2. Review and Approve the Board's Position on Bills Relating to the Employees' Retirement System for the 2026 Legislative Session (included on Schedule A attached).
 - 5.3. Identify and Discuss Future Potential Legislative Proposals Determined to be Necessary or Desirable for the System's Investments, Administration, or Operations.
6. Report of Activity by Investment Committee.
 - 6.1. Review and Approve the Investment Committee Charter to Include Evaluation of Committee Performance for 2025.
 - 6.2. Total Fund Performance Review for Period Ending December 31, 2025.
 - 6.3. Rotating Alternative Asset Class Review: The Man Group Diversifying Strategies for Period Ending December 31, 2025.
 - 6.4. Adoption of Active Risk Budget.
 - 6.5. Discuss and Approve Budget Relating to the Employees' Retirement System 2026 Investment Education Summit.

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

APPROVAL OF MINUTES – January 12, 2026

EXECUTIVE SESSION

1. Executive Session, pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to Cyber Security Updates.
2. Executive Session pursuant to HRS §92-5 (a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to an Update on Ongoing Litigation for Allan Zachary, CAAP-23-0000326.
3. Executive Session pursuant to HRS §92-5 (a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to an Update on Ongoing Litigation for Robert G. Gomes, Jr., CAAP-23-0000498.

4. Executive Session pursuant to HRS §92-5 (a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to an Update on Ongoing Litigation and Appropriate Action for Linda S. Martell, CAAP-22-0000534 and CAAP-22-0000545.
5. Executive Session pursuant to HRS §92-5 (a)(4) and (8), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to a compromise and settlement pursuant to HRS §88-106.5; and appropriate action regarding a matter that requires the consideration of information that must be kept confidential pursuant to HRS §92F-13(1) and (4), §92F-14(b)(6), and Hawaii State Constitution, Article 1, Section 6.
6. Executive Session, pursuant to HRS §92-5 (a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding the Filling of a Vacancy in the Office of the Trustees Formerly Held by Bennett Yap.
7. Executive Session, pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of January 12, 2026.

ADJOURNMENT

If you require auxiliary aid/service or other accommodation due to a disability, please contact Dale Kehau Kanae at (808) 586-1706 or dale.kanae@hawaii.gov as soon as possible, preferably by Wednesday, March 4, 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.

Attachment
Schedule A

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
1	GM634	Board of Trustees of the Employees' Retirement System	Submitting for consideration and confirmation to the Board of Trustees of the Employees' Retirement System, gubernatorial nominee, Darlene Blakeny, for a term to expire 06-30-2032.
2	HB214 HD1 SD2	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of benefits under the System or the Hawaii Employer-Union Health Benefits Trust Fund if the retirant is employed in a position needed for succession planning, as a law enforcement officer stationed at a public school as a resource officer, as an investigator, or in a management position excluded from collective bargaining, subject to certain conditions. Requires the director of human resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature details on the employment of retirants as school resource officers or investigators. (SD2)
3	HB1183 HD2	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers. Effective 07/01/3000. (HD2)
4	HB1521 HD1	RELATING TO GOVERNMENT CONTRACTS.	Requires contractors performing an agency function to retain records related to the performance of that function and provide agencies with access to those records. Deems the records to be government records under the Uniform Information Practices Act. Effective 7/1/3000. (HD1)
5	HB1528 HD1	PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE HAWAII STATE CONSTITUTION TO INCREASE THE MANDATORY RETIREMENT AGE FOR STATE JUSTICES AND JUDGES.	Proposes a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy to seventy-five years of age. (HD1)
6	HB1529	RELATING TO BOARDS AND COMMISSIONS.	Reduces the quorum requirement for boards and commissions to a majority of current voting members of a board or commission. Reduces the number of affirmative votes needed to validate action of a board or commission to a majority of members voting at a meeting with quorum.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
7	HB1607 HD1	RELATING TO PUBLIC PROCUREMENT.	Permanently establishes the Small Business Procurement Program and Small Business Procurement Coordinator position within the State Procurement Office. Requires purchasing agencies to apply a local preference to Hawaii businesses in evaluating contracts awarded by competitive sealed bidding or competitive sealed proposals. Establishes criteria for a Hawaii business to qualify for a local preference. Establishes procedures for contract awardees who fail to meet or maintain the preference criteria. Establishes a special fund and requires the Small Business Procurement Coordinator to establish rules and policies, effective 1/1/2029, requiring small businesses to commit to contributing 0.2 per cent of state contract awards to the special fund. Repeals the Small Business Assistance Initiative established in Act 168, SLH 2022. Appropriates funds for the Small Business Procurement Coordinator. Effective 7/1/3000. (HD1)
8	HB1655 HD1	RELATING TO PUBLIC EMPLOYMENT.	Allows public employers and exclusive representatives of bargaining units to negotiate certain retirement benefits. Effective 7/1/3000. (HD1)
9	HB1657	RELATING TO PUBLIC EMPLOYMENT.	Authorizes state departments, divisions, and agencies to elect to assume hiring and recruitment functions from the Department of Human Resources Development for vacant civil service positions within that department, division, or agency under certain conditions. Requires the Department of Human Resources Development to adopt rules. Repeals existing law authorizing state departments, divisions, and agencies to conduct minimum qualification review of applicants for their vacant civil service positions.
10	HB1662	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.
11	HB1800	RELATING TO THE STATE BUDGET.	Adjusts and requests appropriations for fiscal biennium 2025-2027 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.
12	HB1809	RELATING TO THE EMPLOYMENT OF RETIRANTS.	Authorizes the State and counties to temporarily rehire retired public employees to fill positions identified as unique and critical to government operations.
13	HB1999	RELATING TO PUBLIC MEETINGS.	Requires certain information to appear at the beginning of notices for public meetings.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
14	HB2080	RELATING TO EMPLOYMENT OF RETIRANTS.	Authorizes the rehiring of retirants for positions that are unique and critical to operations. Limits the duration of each retirant's reemployment to 4 years.
15	HB2106	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are subject to public financial disclosure requirements.
16	HB2172 HD2	RELATING TO EMPLOYMENT OF RETIRANTS.	Establishes a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions. Repeals 6/30/2031. Effective 7/1/3000. (HD2)
17	HB2277	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY.	Increases employer contributions for normal cost and accrued liability for a specified group of employees to ensure the unfunded accrued liability of the Employees' Retirement System of the State of Hawaii does not exceed the maximum funding period.
18	HB2278	RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.	Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements.
19	HB2358 HD1	RELATING TO RETIREMENT.	Provides elective officers with the choice to be members of the Employees' Retirement System after each election. Repeals the condition that a choice to be excluded from the Employees' Retirement System is irrevocable and such choice may only be made once. Includes the Chief Investigator and Chief Special Investigator of the Department of Law Enforcement as class A members of the pension and retirement system. Establishes guidance for the computation of retirement benefits for the Chief Investigator, Chief Special Investigator, Director of Law Enforcement, and Deputy Directors of Law Enforcement. (HD1)
20	HB2359 HD1	RELATING TO RETIRANTS.	Establishes a five-year pilot program allowing retirants to be rehired for exempt service for one-year terms under certain circumstances. Provides that retirants employed under the program are excluded from the Hawaii Employer-Union Health Benefits Trust Fund and will not experience an interruption of pension benefits. Requires an employer of a retirant under the program to contribute to the Employees' Retirement System. Requires the Department of Human Resources Development to submit a report to the Legislature. Sunsets 6/30/2031. Effective 7/1/3000. (HD1)

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
21	HB2527	RELATING TO MILITARY BENEFITS.	Repeals portions of the Hawaii Revised Statutes that confer special benefits, protections, privileges, or entitlements to members of the United States armed forces in the State in the event that the United States government or any agency or entity of the United States government commences condemnation proceedings of any land or interest in land owned or held by the State.
22	SB99 SD1	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of retirement benefits if the retirant is employed as a law enforcement officer stationed at a public school as a school resource officer or investigator in positions identified by the Department of the Attorney General or Department of Law Enforcement or other law enforcement agency as a labor shortage or difficult-to-fill positions, subject to certain conditions. Requires the Director of Human Resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature, details on the employment of retirants as school resource officers or investigators. Effective 1/1/2077. (SD1)
23	SB731	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows a retirant employed as an investigator identified by the Department of Law Enforcement or Department of the Attorney General as a labor shortage or difficult-to-fill position to be rehired without reenrollment in the Employees' Retirement System and without a loss or interruption of retirement benefits, subject to certain conditions. Requires annual reports to the Legislature to include details on the employment of retirants as investigators.
24	SB2014 SD1	RELATING TO PUBLIC EMPLOYMENT.	Requires the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction that have been vacant for more than 5 years. Requires a list of positions abolished to be included in the Director's annual report to the Legislature. Requires funds for abolished positions to immediately lapse to the credit of the general fund.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
25	SB2075 SD1	RELATING TO PUBLIC PROCUREMENT.	Requires purchasing agencies to apply a local preference in evaluating bids or proposals from qualified Hawaii bidders or offerors who submit a timely preference certification. Establishes criteria for a bid or proposal to qualify for a local preference. Establishes requirements for the qualification and certification of Hawaii bidders and offerors. Authorizes the false or misleading actions for the obtaining or retaining of a Hawaii bidder or offeror preference to constitute cause for debarment. Allows the Procurement Policy Board to adopt rules. Effective 7/1/2525. (SD1)
26	SB2137 SD1	RELATING TO PUBLIC EMPLOYMENT.	Beginning 7/1/2027, authorizes state departments, divisions, and agencies to elect to assume hiring and recruitment functions from the Department of Human Resources Development for vacant civil service positions within that department, division, or agency under certain conditions. Requires the Department of Human Resources Development to adopt rules. Repeals existing law authorizing state departments, divisions, and agencies to conduct minimum qualification review of applicants for their vacant civil service positions. Effective 1/1/2077. (SD1)
27	SB2141	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.
28	SB2152 SD2	PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE HAWAII STATE CONSTITUTION TO INCREASE THE MANDATORY RETIREMENT AGE FOR STATE JUSTICES AND JUDGES.	Proposes a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy to seventy-five years of age. Effective 7/1/2050. (SD2)
29	SB2246	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are subject to public financial disclosure requirements.
30	SB2312 SD1	RELATING TO GOVERNMENT CONTRACTS.	Amends the Uniform Information Practices Act (UIPA) to require the contracted party of each contract to perform an agency function to retain records following the retention schedule of the agency and to provide the agency access to the records upon request. Establishes that all records retained by an agency function contractor shall be deemed government records for the purposes of the UIPA. Exempts contracts entered into by the Employees' Retirement System. Effective 1/1/2525. (SD1)
31	SB2380	RELATING TO PUBLIC EMPLOYMENT.	Allows public employers and exclusive representatives of bargaining units to negotiate certain retirement benefits.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
32	SB2388	PROPOSING AMENDMENTS TO THE HAWAII STATE CONSTITUTION TO ESTABLISH A CONTINUOUS LEGISLATIVE SESSION.	Establishes a continuous Legislature beginning in January 2031. Defines each regular session to be two calendar years. Requires the Legislature to convene on the first and third weeks of each month except for two months before a general or primary election. Repeals language regarding special sessions, adjournment, and recesses. Establishes procedures for the carry-over of bills from the first to the second year of a regular session. Establishes deadlines for certain bills to be submitted for gubernatorial consideration. Standardizes the number of days that the Governor must approve or veto a bill submitted for consideration. Repeals the Governor's ability to appoint an interim position if a vacancy occurs while the Senate is not in session. Establishes salaries of the members of the Legislature pursuant to recommendations by the Commission on Salaries submitted during the 2030 regular session, unless those recommendations are amended by law.
33	SB2449	RELATING TO PUBLIC MEETINGS.	Defines "business day" as used in Part I of Chapter 92, HRS, governing public meetings. Clarifies that board packets, if created, shall be made available for public inspection in the board's office during regular business hours, no later than three full business days before the public meeting. Defines "regular business hours".
34	SB2500	RELATING TO THE STATE BUDGET.	Adjusts and requests appropriations for fiscal biennium 2025-2027 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.
35	SB2526 SD1	RELATING TO EMPLOYMENT OF RETIRANTS.	Authorizes the rehiring of retirants for positions that are unique and critical to operations. Limits the duration of each retirant's reemployment to four years. Effective 1/1/2077. (SD1)
36	SB2555 SD1	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of benefits if the retirant is employed in a position identified as one needed for succession planning. Effective 1/1/2077. (SD1)
37	SB2606	RELATING TO WILDLIFE.	Establishes the Freshwater State Recreation Area Wildlife Sanctuary Corporation.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
38	SB2662 SD1	RELATING TO GOVERNMENT ACCOUNTABILITY.	Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor. Effective 1/1/2525. (SD1)
39	SB2672 SD1	RELATING TO RETIRANTS.	Establishes a five-year pilot program allowing retirants to be rehired for exempt service for one-year terms under certain circumstances. Provides that retirants employed under the program are excluded from the Hawaii Employer-Union Health Benefits Trust Fund and will not experience an interruption of pension benefits. Requires an employer of a retirant under the program to contribute to the Employees' Retirement System. Requires the Department of Human Resources Development to submit a report to the Legislature. Sunsets 6/30/2031.
40	SB2832	RELATING TO RETIREMENT.	Provides elective officers with the choice to be members of the Employees' Retirement System after each election. Repeals the condition that a choice to be excluded from the Employees' Retirement System is irrevocable and such choice may only be made once.
41	SB2836	RELATING TO EMPLOYMENT OF RETIRANTS.	Establishes a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions.
42	SB2849 SD1	RELATING TO PUBLIC MEETINGS.	Requires certain information to appear at the beginning of notices for public meetings. Effective 1/1/2525. (SD1)
43	SB2872 SD1	RELATING TO RETIRED EDUCATION EMPLOYEES.	Repeals the requirement that retirants rehired as teachers or administrators serve in a teacher shortage area identified by the Department of Education. Requires retirants rehired after 6/30/2026 as teachers or administrators in Department or charter schools to be paid the entry level salary for the teacher or administrator position as negotiated in the collective bargaining unit contract. Prohibits retirants rehired after 6/30/2026 from receiving additional employment benefits. Requires the DOE to adopt rules. (SD1)
44	SB2881	RELATING TO STATE INCOME TAX.	Provides that taxable income subject to reporting as distribution on Internal Revenue Service Form 1099-R may be subject to withholding at the taxpayer's election. Requires the Department of Taxation to adopt rules and prescribe forms. Applicable to taxable years beginning after 12/31/2026.

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
45	SB3096 SD1	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY.	Increases employer contributions for normal cost and accrued liability for a specified group of employees to ensure the unfunded accrued liability of the Employees' Retirement System of the State of Hawaii does not exceed the maximum funding period.
46	SB3097 SD1	RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.	Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements.
47	SB3180 SD1	RELATING TO STATE EMPLOYMENT.	Repeals language that limits the temporary employment of a person in a single position for 2 terms of 89 days. Requires each department and agency to submit an annual report to the Legislature that includes certain information about the department or agency's employment of 89-day hires. Automatically abolishes positions that have been vacant for more than 48 months. Effective 1/1/2077. (SD1)
48	SB3230 SD1	RELATING TO PROCUREMENT.	Authorizes governmental bodies and public employees to procure project management services through non-governmental third-party contracts under certain conditions. Clarifies the inherently governmental and nondelegable responsibility of state agencies, which must retain ultimate authority, accountability, and decision-making over contract performance. Requires every budget transfer to receive prior written certification from an appropriate fiscal officer as to the effect the budget transfer will have on the total project budget or the total contract budget. Appropriates funds to establish a Special Project Branch within the Public Works Division of the Department of Accounting and General Services, including funds for three full-time equivalent (3.0 FTE) permanent positions, to provide specialized expertise and staff resources that support the Division's implementation of certain complex, high-profile capital improvement program projects using innovative, non-traditional delivery methods. Effective 7/1/2525. (SD1)

Schedule A

#	Bill Number(s)	Bill Title	Bill Summary
49	SB3253 SD1	RELATING TO CONSERVATION.	Establishes the Hawaii Conservation Sanctuary Corporation to protect and expand the populations of endangered species and other wildlife, native or nonnative, by establishing sanctuaries in the State. Establishes powers and duties of the Corporation. Authorizes the Corporation to partner or otherwise collaborate with the Department of Land and Natural Resources. Establishes rules for the Corporation's Board of Governors, Executive Director, and business practices. Requires an annual report to the Governor, Lieutenant Governor, Legislature, Chairperson of the Board of Land and Natural Resources, and Director of Commerce and Consumer Affairs. Effective 7/1/2050. (SD1)
50	SB3332 SD1	RELATING TO STATE-FUNDED TRAVEL.	Establishes a two-year state-funded travel moratorium for certain state agencies, with certain exceptions. Permits the Department of Accounting and General Services to adopt rules. Requires reports to the Legislature. Effective 1/1/2525. Sunsets 6/30/2028. (SD1)

Employees' Retirement System Monthly Operations Report Highlights – February 2026

- STAFFING (updated through 3/2/2026)**

	Position Title	Vacant Date	Recruitment Status
1.	Program Specialist	4/1/25	4/3/25 – rqst sent to ARO-HR to open recruitment
2.	Program Specialist	New pos.	4/19/24 – draft Position Description (PD) sent to ARO-HR for review and approval
3.	Information Security Officer	New pos.	Developing Position Description (PD)
4.	Account Clerk V	10/17/22	11/14/25 – draft Position Description (PD) sent to ARO-HR for review and approval
5.	Account Clerk V	5/1/24	6/30/25 – revised PD in review w/ARO-HR
6.	Account Clerk V	1/1/25	Pending PD update
7.	Account Clerk V	8/1/25	11/14/25 – draft Position Description (PD) sent to ARO-HR for review and approval
8.	Administrative Assistant II	7/25/23	7/1/25 – reorg required per ARO-HR
9.	Procurement & Supply Spcl IV	2/3/26	2/3/26 – rqst sent to ARO-HR to open recruitment
10.	Information Technology Band C (Applications Supervisor)	3/22/23	7/28/25 – requested new Cert list
11.	Information Technology Band B (Programmer)	11/1/24	2/21/25 – rqst sent to ARO-HR to open recruitment
12.	Information Technology Band A (Systems)	12/17/24	2/21/25 – rqst sent to ARO-HR to open recruitment
13.	Information Technology Band B (Systems)	12/16/25	12/19/25 – rqst sent to ARO-HR to open recruitment
14.	General Professional VI	5/1/24	2/21/25 – rqst sent to ARO-HR to open recruitment
15.	General Professional VI (NIOSS)	5/16/20	1/26/26 & 2/24/25 – requested new Cert list
16.	General Professional VI	3/16/22	1/26/26 & 9/12/24 – requested new Cert list
17.	Retirement Claims Examiner V	1/1/24	3/1/24 – rqst sent to ARO-HR to open recruitment
18.	Retirement Claims Examiner III	5/1/24	5/1/25 – requested new Cert list
19.	Retirement Claims Examiner III	6/17/24	4/22/25 – requested new Cert list
20.	Retirement Claims Examiner IV	7/29/24	3/7/25 – request sent to ARO-HR to swap positions internally.
21.	Retirement Claims Examiner IV	8/1/25	9/19/25 – rqst sent to ARO-HR to open recruitment
22.	Retirement Claims Examiner III	11/3/25	12/19/25 – rqst sent to ARO-HR to open recruitment
23.	Retirement Claims Examiner III	2/24/26	2/25/26 – rqst sent to ARO-HR to open recruitment
24.	Office Assistant IV	10/1/25	10/29/25 – rqst sent to ARO-HR to open recruitment
25.	Office Assistant IV	1/1/26	1/26/26 – rqst sent to ARO-HR to open recruitment
26.	Office Assistant III	4/30/25	6/25/25 – rqst sent to ARO-HR to open recruitment
27.	Investment Officer	New pos.	7/1/25- draft PD sent to ARO for review and approval
28.	Investment Officer (Operations)	1/1/26	Active recruitment in process
29.	Investment Specialist	10/3/23	12/1/25 – selection made, awaiting ARO-HR approval to make a conditional offer
	Investment Officer (Liq Mkts)	9/1/23	Start date 3/2/26

- **MAJOR ACHIEVEMENTS, etc.**

- A. Retirement Benefits Branch (RBB)

- Finals – The Team finalized 193 retirees on estimated pension with 1,401 pending. The Team has 178 applications over the 6-month standard. Currently, the Team continues to finalize August 2025 retirements.
- Neighbor Island & Outreach Activities
 - 2/2/2026 - New Employee Orientation (Kauai)
 - 2/17/2026 – New Employee Orientation (Kauai)
 - 2/19/2026 – Kona Filing Session
 - 2/27/2026 – City & County of Honolulu Pre Retirement

- Call Center Activities

Calls Received

TOTAL	Retiree	Active	Other	Action Request Call Backs
1,293	499	650	133	11

Types of Inquiries

Retirement	General Office	Taxes (W4P & 1099)	EUTF	HIDRO	THP	Enrollment	Website	Refunds	Income Verification	Other
608	45	250	49	6	16	14	47	106	54	98

- B. Accounting Branch

- ERS FY 2025 financial statements (unaudited) provided to KKDLY LLC (auditor) and Gabriel Roeder Smith & Co (actuary)
- FY 2025 audit work is continuing; audit report scheduled to be issued in Summer 2026
- Continued working with Vitech/Linea on documenting V3/V3locity user test cases to help validate employer/member data in Pension Administration System
- Temporary Hazard Pay (THP) adjustments tanking longer than expected due to employer data reporting issues

C. Information Systems Branch (IS)

- Monthly patching/updating of non-production and production servers
- Class Code Reports – Returned to Agency: 149
- As part of the Data Cleansing Project, made reports accessible to RBB and Accounting staff
- Web member data updated from January 2026
- Remediated all fillable PDF forms on the ERS Website to be WCAG 2.1 ADA Compliant, with the regulation going into effect April 24, 2026
- Reconciled desktop and laptop inventory for FY2026 replacements

D. Administration

- Submitted edits for B&F General Obligation Bonds documents on February 2, 2026
- Holomua Spring Issue planning, articles, layout and production
- Presented 2026 Bills for LEG Committee review and approval of proposed BOT position and discussion of future legislation
- Legislative monitoring, testimony development and submittal, responding to inquiries by legislators and others regarding ERS-related legislation
- Weekly Legislative updates to Board of Trustees and staff
- Hawaii Domestic Relations Orders review and requests for information
- HRS 88-64 (Act 46, SLH 2023) implementation, process requests to review related cases, tax treatment of reported contributions
- Act 87 (SLH 2015) Employer Reporting (with Retirement Benefits and Accounting branches)
- Completed 1 Uniform Information Practices Act research and responses
- Attended V3locity/Linea Meetings
- Engaged with Linea on multiple Operational Change Management (OCM) and Business Process Improvement (BPI) meetings around communications.

E. Staff Support Services Branch (SSS)

- Walk in members: 560 in February, compared to 557 in January
- Document Scanning and Indexing (on-going) – major backlog (approx. +2 million)

Activities (December)	Documents Completed
Time Sensitive	3,766
Indexed (backlog)	763

Due to V3 upgrade QA count no longer available

• WEB STATISTICS for February 2026

- Member Information – Sessions = 20,111
- General ERS Website – Sessions = 22,523

Top 12 viewed site pages (descending order):

	Page	Page views
1.	Benefits Calculator	7,013
2.	Members > Planning for Retirement	6,505
3.	Members > Member Forms	5,125
4.	Members > Active	4,356
5.	Resources > Contact Us	4,077
6.	Resources > All Forms	3,334
7.	Home > Administration	1,641
8.	Retirees > retirees FAQ	1,562
9.	Retirees > Pension Info	1,489
10.	Members > leaving employment	983
11.	About-the-ERS	977
12.	Members > member FAQ	927

RETIREMENT BENEFITS BRANCH ACTIVITIES – February 2026

Activities	Standard	Completed	Standard Percentage	Pending	Remarks
1. Enrollment	Within 1 month of receipt - Enrollment Forms	925	100% (Jan 100%)	0	
2. Estimates Requests	Within 6 months of retirement date	74	100% (Jan 100%)	118	
3. Initial Payments	After 1 month of retirement date	76	100% (Dec/Jan 100%)	0	02/01/2026 retirements: Service (73); OD (3); SCD (0)
4. Refund Requests	Within 1 month after request, send letter	68	100% (Jan 100%)	28	
5. Refund Payments	Within 2 months after receipt of applications	47	100% (Jan 100%)	43	6 out of 43 pending payments: incomplete applications.
6. Deaths (Active members)	Within 1 month of report of death, send letter	10	67% (Dec 97%)	4	1 of 2 deaths reported – No benefits.
7. Death Payment (Active members)	Within 1 month of receipt of death claim form(s)	9	100% (Jan 100%)	0	296 Pending cases: Claim forms not received/other required documents.
8. Deaths (Retiree/Beneficiary)	Within 1 month of report of death, send letter	232	67% (Jan 63%)	341	341 pending – includes reported & non reported notifications; no action taken on vendor reported unless there is a benefit to be paid.
9. Death Payments (Beneficiary)	Within 1 month of receipt of death claim form(s)	50	100% (Jan 100%)	0	50 Pending – No death claims and forms from beneficiaries and estates
10. Ordinary Disability	Within 6 months complete application	2	50% (Jan 100%)	48	2 of 2 met the 6-month standard.
11. Service-Connected Disability/ Death	Within 14 months complete application	7	43% (Jan 0%)	42	3 of 7 met the 14-month standard in February. No Service-Connected Disability / Death applications were received by the Medical Board in January.

Disability Standard – Below are the disability applications completed in February 2026 by the ERS Administration (Executive Director) based on the revised Chapter 23, Hawaii Administrative Rules, on the Preliminary Decisions by the Medical Board (MB). All applications are now reviewed by the Deputy Attorney General (DAG) after staff's review.

Disability	Initials	Date Application Filed	Date Completed	Months	Reason for Delay
OD	JA	7/24/2023	1/14/2026	30	OD and SCD applications processed together; Multiple Independent Medical Evaluations (IME) required.
	SR	11/4/2025	1/20/2026	3	
			AVERAGE	17	
SCD	JA	7/24/2023	1/14/2026	30	Multiple IMEs required.
	NP	1/19/2024	1/20/2026	24	Delay in receiving IME report from Dept.
	KC	7/13/2024	1/20/2026	19	Delay in receiving HHSC Dept. records
	PH	7/30/2024	1/20/2026	18	IME required
	AK	6/23/2025	1/20/2026	7	
	LHK	9/24/2025	1/20/2026	4	
	LK	10/31/2025	1/20/2026	3	
			AVERAGE	15	

Finals Report
Board of Trustees Meeting
February 28, 2026

Finals Production as of February 28, 2026

2026	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Total
Retirements Filed													
LY Finalized	121	122	163	156	153	140	281	206	140	124	142	186	1,934
TY Projection	170	180	200	220	220	220	220	230	230	230	230	230	2,580
Actual (filed)	164	190											354
Ord. Death	3	3											6
RMD	0	0											0
Total Finalized	167	193	0	360									
Begin Pending	1,075	1,515											
New Retirements	596	73											669
Add'l (BOT & svc adj.)	8	3											11
Completion	-164	-190	0	0	0	0	0	0	0	0	0	0	-354
End Pending	1,515	1,401	0										

1. Highlights

- 193 Cases were finalized and paid in March.
- 183 Retirements, including 7 disability retirements and 0 RMD.
- 3 Active death monthly pension
- 120 cases were finalized with Act 134 Interest paid totaling \$729.93.
 - \$6.08 average interest paid.
- 26 Anti-spiking (Act 153) cases
- 1,401 Service and Disability retirements pending finalization.
 - Continue finalizing August 2025 retirements with 87.3% of the inventory within benchmark.
- Resources are currently at 4 Retirement Claims Examiner IV at full-time status.

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

Pending Status:

Backlog Cases over 6 months: 178 (12.7%) including 0 Disability retirements.

Benchmark Cases within 6 months: 1,223 (87.3%) including 35 disability retirements.

Total: 1,401

3. Re-Finalization

- Finals team has been re-finalizing DOE hazard pay cases.
- Non-Finals staff have started refinalizations for UPW, State & County THP cases on overtime.
- Pay adjustments due to late HIP reporting and retroactive pay increases per CBA add to backlog

2025

2026

**BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII**

OFFICERS & COMMITTEE ASSIGNMENTS

BOARD MEMBERS

Vincent (Vince) Barfield, Chair

~~**Bennett Yap, Vice Chair**~~

Darlene Blakeney

Catherine Chan

Seth Colby

Emmit Kane

Genevieve (Genny) Gines Ley

David Louie

INVESTMENT COMMITTEE (2/17/26)

Emmit Kane, Chair

Darlene Blakeney, Vice Chair

Genevieve (Genny) Gines Ley

David Louie

ADMINISTRATIVE & AUDIT COMMITTEE (2/11/26)

David Louie, Chair

Seth Colby, Vice Chair

Darlene Blakeney

~~Bennett Yap~~ **Vincent (Vince) Barfield**

LEGISLATIVE COMMITTEE (2/26/26)

Catherine Chan, Chair

Emmit Kane, Vice Chair

Vincent (Vince) Barfield

Seth Colby

HUMAN RESOURCES COMMITTEE (2/18/26)

Genevieve (Genny) Gines Ley, Chair

Catherine Chan, Vice Chair

Vincent (Vince) Barfield

~~Bennett Yap~~ **Emmit Kane**

GOVERNANCE POLICY COMMITTEE*

Vincent (Vince) Barfield, Chair

(Board Chair)

~~**Bennett Yap, Vice Chair**~~

(Board Vice Chair)

Emmit Kane

(Investment Committee Chair)

Genevieve (Genny) Gines Ley

(Human Resources Committee Chair)

David Louie

(Administrative & Audit Committee Chair)

Catherine Chan

(Legislative Committee Chair)

*Committee suspended, however, can meet on an as-needed basis (approved by Board as of Mar 11, 2024).

Draft: Jan 12, 2026

Revised & Accepted: Mar 9, 2026



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

I. PURPOSE

The Administrative & Audit 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 assist the Board in fulfilling its oversight responsibilities relating to:

- A. The integrity of the ERS’s financial statements, accounting and financial reporting processes including internal and external audits;
- B. The ERS’s compliance with legal and regulatory requirements;
- C. The qualifications, independence and the performance of the ERS’s Internal and External Auditors;
- D. Monitoring the performance of the systems of internal controls established by Management and the Board;
- E. The business practices and ethical standards of the ERS;
- F. The review and monitoring of the administration of the ERS; and
- G. The review and monitoring of the Compliance Program.

The Committee provides an avenue of open and free communication between the Board, the Internal Auditors, the External Auditors, the Chief Compliance Officer, and Management of the ERS.

II. COMMITTEE MEMBERSHIP

- A. The membership of the Committee shall consist of at least three members of the Board.
- B. The Board members of the Committee shall be appointed annually by the Board Chair. Committee appointments can be changed at the discretion of the Board Chair at any time. In the event of a vacancy (due to member resignation, removal, or death), the Board Chair will appoint a replacement to serve the remainder of the term.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- C. The members of the Committee shall be responsible for electing its Chair and Vice Chair.

III. MEETINGS

- A. The Committee must meet at least three (3) times per year or more frequently as circumstances require, with prior notice and publication of the agenda as provided by law.
- B. The Committee may ask members, ERS Management, advisors, and others to attend Committee meetings to provide pertinent information as necessary.

IV. AUTHORITY

The Committee shall have the power to conduct or authorize investigations into any matters within the Committee's scope of responsibilities. In the conduct of any investigation, the Committee shall have the authority to seek information it requires from ERS employees, Management, and external parties; and to engage advisors, or otherwise obtain independent legal, accounting, consulting, or other professional services it requires, at the expense of the ERS, with the approval of the Board.

V. RESPONSIBILITIES

The Committee provides oversight of various ERS functions: Administration, Risk Assessment, Internal Audits, External Audits, and Others. In fulfilling its oversight responsibilities, Committee members need to maintain an independent stance. Members of the Committee shall be considered independent if they have no relationship to the ERS that may interfere with the exercise of their fiduciary responsibilities.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

It is the duty of the Committee to report regularly to the Board with respect to any issues that arise concerning:

- A. The quality or integrity of the ERS's financial statements;
- B. The ERS's compliance with legal or regulatory requirements;
- C. The performance and independence of the ERS's External Auditors;
- D. The performance of the internal audit function;
- E. The allegations of serious suspected misconduct;
- F. Or any other matter within the scope of the Committee's function.

In carrying out its oversight responsibilities, the Committee's practices/procedures should remain flexible in order to best react to changing conditions and assure the Board that the risk assessment process, the accounting and financial reporting processes, internal controls, and internal and external auditing are in accordance with all related requirements and are of the highest quality.

Oversight Responsibilities Regarding Administration:

- A. Annually review the ERS strategic goals and objectives adopted by the Board and if appropriate, recommend any changes.
- B. Monitor Administration's implementation of these strategic goals and objectives.
- C. Provide direction to the Executive Director (ED) and Deputy Executive Director (DED) on priorities and actions to successfully execute the responsibilities of the Administrative Branch.
- D. Monitor compliance with administrative policies.
- E. Review and monitor the operating budget and provide recommendations to the full Board as necessary.

Oversight Responsibilities Regarding Risk Assessment:

- A. Inquire of Management, the Internal Auditors, and the External Auditors about significant risks or exposures.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- B. Meet with the necessary parties to discuss the results of periodic risk assessments and obtain a clear understanding of the risk assessment process.
- C. Assess the steps Management has taken to minimize significant risks or exposures to the ERS.

Oversight Responsibilities Regarding Internal Audits:

- A. Where appropriate, oversee the procurement of internal auditing services and recommend to the Board:
 - 1. The Internal Auditor to be nominated;
 - 2. Approval of fees for the Internal Auditor; and
 - 3. The discharge of the Internal Auditor.
- B. Review the adequacy and effectiveness of the ERS's accounting and financial controls (including information technology and security controls) with:
 - 1. Personnel (from financial, accounting, and information systems);
 - 2. Internal and External Auditors; andelicit any recommendations to improve the system of internal controls or particular areas where new or more detailed controls or procedures are desirable.
- C. Obtain an understanding of any corrective actions to be taken with regard to controls and procedures.
- D. Recommend to the Board any co-sourcing or outsourcing internal audit services.
- E. Review the ERS Internal Audit Charter, including the independence and authority of the internal audit function, and its reporting obligations, qualifications, and staffing for the calendar year, and recommend its approval to the Board.
- F. Review the annual Internal Audit Plan (and all major changes to the plan) and recommend its approval to the Board.
- G. Review the reports and findings/recommendations of the Internal Auditors and the responses of the ERS Management, and monitors completion of Management's action plans.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- H. Review a summary of major findings from completed internal audits and a progress report on the execution of the Internal Audit Plan and Management's implementation of action plans.
- I. Support the Chief Audit Executive through regular, direct communications.
- J. Meet separately with the Chief Audit Executive¹ and/or Management to discuss any matters that the Committee, or these parties, believe should be discussed privately.
- K. Review the effectiveness of the internal audit functions, including alignment with the Institute of Internal Auditors' Global International Audit Standards for the Professional Practice of Internal Auditing.
- L. Report the results of the Internal Audit Plan to the Board. At the invitation of the Committee, the Internal Auditors will attend Board meetings to assist in reporting the results of the Internal Audit Plan and to answer questions.

Oversight Responsibilities Regarding External Audits:

- A. Obtain a basic understanding of government accounting, financial reporting, auditing processes, and critical policies, and ensure that the financial leadership team is qualified and competent.
- B. The State Office of the Auditor is responsible for the procurement of external auditing services and determines:
 - 1. The External Auditor to be nominated;
 - 2. Approval of the audit fees of the External Auditor; and
 - 3. The discharge of the External Auditor.
- C. Review prior year comments from the Government Finance Officers Association (GFOA) in its determination of the ERS's compliance with the requirements for the Certificate of Achievement in Financial Reporting, where applicable.
- D. Review with Management and the External Auditor the draft financial statements to be filed with the GFOA.

¹ The Chief Audit Executive may be an individual employee or a firm contracted to outsource or co-source the internal audit function.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- E. Assess the integrity of the annual financial statements and related disclosures, including significant accounting judgements and estimates.
- F. Review and examine the independence (including any potential conflict of interest) of the External Auditor, including a review of Management consulting services and related fees provided by the External Auditor.
- G. Review with the External Auditor the coordination of audit effort to assure completeness of coverage, reduction of redundant efforts, and the effective use of audit resources.
- H. Review, at least annually, with Management and/or the External Auditor:
 - 1. Scope of the proposed audit for the current fiscal year and the procedures to be utilized.
 - 2. The ERS's annual financial statements and related footnotes.
 - 3. The External Auditor's audit of the financial statements and audit report thereon.
 - 4. The adequacy of the ERS's internal financial controls.
 - 5. Any significant changes required in the External Auditor's scope and audit plan.
 - 6. Other matters related to the conduct of the audit, which are to be communicated to the Committee under Generally Accepted Government Auditing Standards, including audit adjustments made and passed.
 - 7. Judgments about the quality, not just the acceptability of accounting principles and the clarity of the financial disclosures.
 - 8. Any difficulties encountered in the course of the external audits, including any disputes with Management, restrictions on the scope of their work or access to required information.
- I. Consider and review with Management any significant findings during the fiscal year and recommendations of the External Auditor's and Management's responses thereto.
- J. Meet separately with the External Auditor and/or Management to discuss any matters the Committee, or these parties, believe should be discussed privately with the Committee.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- K. Report the results of the annual external audit to the Board. At the invitation of the Committee, the External Auditor will attend Board meetings to assist in reporting the results of the annual audit and to answer questions.

Oversight Responsibilities Regarding the Ethics and Compliance Program:

- A. Annually review the goals and objectives adopted by the Board and, if appropriate, recommend any changes.
- B. Periodically review the Ethics and Compliance Program Charter and make revisions, if necessary.
- C. Periodically evaluate the program and exercise reasonable oversight with respect to the implementation and effectiveness of the program.

Other Oversight Responsibilities:

- A. Report Committee actions, including any investigative actions, to the Board with such recommendations as the Committee may deem appropriate.
- B. Monitor the implementation of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, auditing or other matters, including mechanisms for anonymous submission of related concerns by ERS employees or the appropriate bodies.
- C. Consult with the Attorney General on legal matters regarding financial transactions, fraud, or any other issue that could have a significant impact on the annual reports.
- D. Obtain any information and training needed to enhance the Committee members' understanding of the role of Internal and External Auditors, the risk management process, internal controls and a certain level of familiarity in government financial reporting standards and processes.
- E. Obtain the Board's approval of this Charter and, on an annual basis, evaluate the adequacy of this Charter and recommend any proposed changes to the Board for approval.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ADMINISTRATIVE & AUDIT COMMITTEE CHARTER

- F. Confirm annually that the Committee has performed its responsibilities as outlined in this Charter.
- G. Coordinate with the Legislative Committee, Investment Committee, Governance Policy Committee, and Human Resources Committee, as deemed necessary.
- H. Perform such other functions as assigned by the Board.

VI. LIMITATIONS OF THE ADMINISTRATIVE AND AUDIT COMMITTEE'S ROLE

- A. It is not the duty of the Committee to plan or conduct audits or to determine that the ERS's financial statements are complete, accurate, and in accordance with Generally Accepted Accounting Principles. This is the responsibility of Management and the External Auditors.
- B. While the Committee is responsible for reviewing the ERS's policies and practices with respect to risk assessment and management, it is the responsibility of the Executive Director and Senior Management to determine the appropriate level of the ERS's exposure to risk.

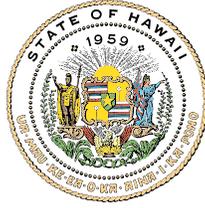
Adopted and Approved by the Board of Trustees: June 12, 2012, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024, March 10, 2025

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

*Revised and Accepted by the Administrative & Audit Committee: July 21, 2020, February 9, 2022, February 22, 2023, January 31, 2024, February 18, 2025, **February 11, 2026***

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

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

March 9, 2026

TO: Board of Trustees
Employees' Retirement System of the State of Hawaii

FROM: Kalbert Young, Executive Director 
Employees' Retirement System of the State of Hawaii

SUBJECT: Committee Review, January 2025 - December 2025

Here is a review of Administrative and Audit Committee meetings from January 2025 to December 2025.

February 18, 2025

The Administrative and Audit Committee re-elected Chair Chan and Vice Chair Barfield following a nomination by Trustee Ley, with the motion unanimously approved.

The Committee reviewed proposed revisions to the Administrative and Audit Committee, Internal Audit, and Ethics & Compliance Charters, including the addition of committee performance assessment. While no substantive changes were proposed for the Ethics & Compliance Charter, the Committee requested clarification to language regarding the Chief Compliance Officer's role and the Leadership Team definition. The revised charters were unanimously accepted and will be forwarded to the Board for approval.

KMH LLP and RSM US LLP presented the Q4 2024 Internal Audit Update Report, including the status of ongoing audits, management action plans, cumulative observations, and issued report findings. This item was informational only, and no action was required.

KMH LLP also presented the Risk Assessment Re-Evaluation and Proposed Two-Year Internal Audit Plan for 2025 and 2026. The Committee requested enhanced transparency for high-risk ratings, including references to completed audits, ratings, and report dates, and asked executive leadership to proactively notify the Committee and Board of significant risks. The Committee unanimously accepted the plan and will present it to the Board for approval.



Employees' Retirement System
of the State of Hawaii

The Chief Compliance Officer provided a quarterly update on the implementation of ERS' Compliance Program, Governance, Risk, and Compliance platform, and risk strategy. The Committee reiterated its request for a comprehensive risk dashboard identifying the top 10–20 organizational risks and their impacts. No action was required.

An update was provided on employer payroll reporting requirements under Act 87, SLH 2015. ERS is refining reporting controls and diagnostic tools with KMH LLP, and it is anticipated that no employers will be subject to pre-payment penalties in FY 2025. This item was informational only.

Finally, the Committee received a proposed timetable for the 2026 Trustee elections for one General Employee and one Retirant seat, with key milestones outlined for 2025. A final timetable will be presented to the Board at its next meeting. Staff also noted ongoing efforts to update Hawaii Administrative Rules related to trustee election procedures, including nominations and electronic voting.

August 21, 2025

Gabriel Roeder Smith & Company (GRS) presented the results of the three-year actuarial experience study, including the preliminary impact on the 2025 Annual Actuarial Valuation for the fiscal year ending June 30, 2024. The presentation covered the role of actuarial valuations and assumptions, investment return assumptions and national trends, salary growth experience, and specific considerations for police and fire members. GRS outlined recommended assumption updates to be used in the June 30, 2025 valuation. The Committee unanimously accepted the experience study and recommended it be presented to the Board for approval.

GRS also presented a proposed funding policy, including amortization reserve funding, intended to guide how and when high contribution rates may be unwound while maintaining liquidity and cash flow stability. The Committee supported the recommendation, noting the value of increased transparency and consistency for stakeholders, and agreed to present the funding policy to the Board at its next meeting.

KKDLY LLC presented the draft Auditor's Report and Financial Statements of the Employees' Retirement System as of June 30, 2024. After reviewing the audit objectives, scope, and financial highlights, the Committee unanimously accepted the report and recommended it be forwarded to the Board for approval.

KMH LLP, together with RSM US LLP, presented an Internal Audit Update Report covering activities completed during Q1 and Q2 of 2025, as well as the status of management action plans for prior audit findings. The Committee emphasized the importance of executive management accountability for high- and medium-risk outstanding items, including clear action plans and reliable resolution dates. The Committee unanimously accepted the internal audit report and recommended it be presented to the Board. Executive management committed to providing regular progress updates, including the possibility of monthly reports, and the Committee requested that internal audit updates be included on every Committee meeting agenda.

Several agenda items were deferred due to time constraints, including information and cybersecurity training under the virtual Information Security Officer project, enterprise risk management training, compliance program implementation updates, and the Velocity pension

administration system upgrade. The Investment Manager Selection and Evaluation Review was presented in summary as part of the Internal Audit Update Report and accepted by the Committee for presentation to the Board.

October 20, 2025

Gabriel Roeder Smith & Company (GRS) presented the Employees' Retirement System's Draft Funding Policy to the Committee. After discussion, the Committee unanimously accepted the Draft Funding Policy as presented and agreed to forward it to the Board for approval at its next meeting.

KMH LLP, together with RSM US LLP, presented the Internal Audit Update Report covering activities completed during Q3 of 2025 and the status of management action plans for prior internal audit observations and recommendations. The presentation included updates on current audit projects, proposed changes to the 2025 Internal Audit Plan, results summaries, management action dashboards, cumulative observations, and issued report findings. The Committee recommended that future business continuity tabletop exercises include a cybersecurity breach scenario and that such exercises be conducted annually.

The Committee reiterated its concerns regarding outstanding high-risk audit findings and strongly emphasized executive management's responsibility to provide accurate status updates and realistic targeted completion dates. Continued extensions and inaccurate reporting were deemed unacceptable. Executive management acknowledged the Committee's expectations and agreed to review and correct targeted completion dates as necessary. The Committee also requested that information technology-related findings, although reported in Executive Session, be referenced within the Internal Audit Report. The Committee unanimously accepted the Internal Audit Update Report, including the proposed changes, and recommended it be presented to the Board for approval.

The Chief Compliance Officer provided an update on the implementation of ERS' Compliance Program, including risk assessment efforts, policy and procedure development, third-party risk management, IT policy road mapping, and the AuditBoard implementation and migration projects. The Committee requested that written compliance reports be provided in advance of future meetings. This item was informational and required no action.

Lastly, the Committee received an informational report on the launch of the V3locity Pension Administration System upgrade, including key features, project costs, and the projected migration schedule. No action was required.

Source: Administrative and Audit Committee minutes (Note: October 20, 2025 minutes pending approval by the board)



Employees' Retirement System of the State of Hawaii

BOARD OF TRUSTEES

INTERNAL AUDIT CHARTER

I. INTRODUCTION

Internal auditing is an independent, risk-based, objective assurance and advisory activity¹ designed to create, protect, and sustain value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The Internal audit function is most effective when:

- Internal auditing is performed by competent professionals in alignment with the Institute of Internal Auditor's Global Internal Audit Standards™, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the Administrative & Audit Committee and Board of Trustees.
- Internal auditors are free from undue influence and committed to making objective assessments.

II. ROLE OF INTERNAL AUDIT

The Internal Audit function of the Employees' Retirement System ("ERS") is established by the ERS Board of Trustees ("Board") and its responsibilities are defined in this charter which is approved by the Board. The Chief Audit Executive ("CAE"), which may be an individual employee or a firm contracted to outsource or co-source the internal audit function, reports functionally to the ERS Administrative & Audit Committee ("Committee") and administratively to the ERS Executive Director ("ED")

¹ As defined by the Institute of Internal Auditors, an *assurance* activity is an examination of evidence for the purpose of providing an independent assessment on governance, risk management, and control processes for the organization, while an *advisory* activity refers to consulting and related client service activities intended to add value and improve an organization's processes.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INTERNAL AUDIT CHARTER

or designee. Approval from the Board is required for the hiring, compensation, removal, or replacement of the CAE.

The objectives of Internal Audit are to assist management and employees of the ERS in the effective discharge of their responsibilities by providing them with analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed and to promote effective internal controls at a reasonable cost.

III. AUTHORITY

The CAE and the Internal Audit staff are authorized to:

- A. Review all areas of the ERS;
- B. Have full, free, and unrestricted access to all of the ERS's activities, records, physical property, and personnel necessary to complete their work. Internal auditors are accountable for confidentiality and safeguarding records and information;
- C. Have full, free, and unrestricted access to the Board, Committee, ED, Deputy ED, Chief Investment Officer, Branch Chiefs, and all members of management;
- D. Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives; and
- E. Obtain the necessary assistance of personnel in units of the ERS where they perform audits, as well as other specialized services from within or outside the ERS.

The CAE and the Internal Audit staff are not authorized to:

- F. Perform any operational duties for the ERS;
- G. Initiate or approve accounting transactions external to the internal audit function; nor
- H. Direct the activities of any ERS employee not employed by the internal audit function, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INTERNAL AUDIT CHARTER

IV. INDEPENDENCE & OBJECTIVITY

The CAE will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If the CAE determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors have no direct responsibility or any authority over any of the activities or operations that they review. They should not develop and install procedures, prepare records, or engage in activities that would normally be reviewed by internal auditors.

Internal Audit's objectivity is not adversely affected, however, by recommending standards of controls to be applied in developing systems and procedures, or by evaluating existing or planned financial and operating systems and related procedures, and making recommendations for modification and improvements thereto in order to improve controls and/or enhance operational effectiveness.

V. SCOPE OF WORK

The scope of internal audit activities encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to ERS and management on the adequacy and effectiveness of risk management, control, and governance processes, as designed and represented by management, is adequate and



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INTERNAL AUDIT CHARTER

functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Operations are consistent with established goals and objectives.
- Operations are being carried out effectively, efficiently, ethically, and equitably.
- Resources are acquired economically, used efficiently, and adequately protected.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the ERS's control process.
- Significant legislative or regulatory issues impacting the ERS are recognized and addressed properly.

Opportunities for improving management control, process efficiency, and the ERS's image may be identified during audits. They will be communicated to the appropriate level of management.

VI. RESPONSIBILITIES

Internal Audit is responsible for the following activities:

Standards

- A. Ensure internal audit engagements are performed, documented, and communicated in alignment with the Global Internal Audit Standards and laws and/or regulations.
- B. Conduct a periodic risk assessment for the ERS and present the results to the Committee.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INTERNAL AUDIT CHARTER

- C. Biennially develop a two-year risk-based internal audit plan, which considers risks or control concerns identified by management, and submit the plan to the Committee and the Board for review and approval. Review and adjust the internal audit plan with appropriate approval by the Committee, as necessary.
- D. Implement the annual Internal Audit Plan, as approved, including, and as appropriate, any special tasks or projects requested by management, the Committee, and the Board.

Ethics

- E. Review the adequacy of the ERS's adopted code of conduct activities, including the process to receive, retain, and treat complaints received on accounting and auditing matters.
- F. Monitor management's process for ensuring compliance with Hawaii Revised Statutes – Chapter 84, Standards of Conduct (“State Ethics Code”).

Monitoring & Follow-Up

- G. Evaluate any plans to correct reported conditions for satisfactory improvement of the business process.
- H. Provide adequate follow-up to ensure corrective action is taken and evaluate its effectiveness before recommending closure of an issue.
- I. Monitor and evaluate the effectiveness of the organization's risk management processes.

Reporting

- J. Prepare and issue a written report following the conclusion of each audit and follow-up audit. This report shall include significant findings, recommendations to management, and management's action plan. A copy of the report will be forwarded to the Committee, ED, Deputy ED, Chief Compliance Officer, and appropriate members of management.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
INTERNAL AUDIT CHARTER

- K. Inform and advise management and the Committee as to significant deficiencies or other substantive issues noted in the course of its activities.
- L. Provide periodic reports on Internal Audit's progress on implementing the annual Internal Audit Plan, including management's progress on addressing previously reported matters, the impact of resource limitations, and significant interim changes.
- M. On a regular basis, the CAE will meet separately with the Committee to discuss any matters that is deemed necessary by the Committee or Internal Audit.

Other

- N. Conduct special examinations at the request of management or the Committee.
- O. Perform consulting services, beyond internal auditing assurance services, to assist management in meeting its objectives. Examples may include facilitation, consultation on internal control improvement initiatives, training, and advisory services.
- P. Assist in the investigation of significant suspected fraudulent activities within the organization and notify management and the Committee of the results.
- Q. Evaluate and assess significant merging/consolidating functions and new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- R. Keep the Committee informed of emerging trends and successful practices in internal auditing.
- S. Review this Internal Audit Charter on an annual basis to ensure the purpose, authority, and responsibilities of Internal Audit continue to be adequate in accomplishing its objectives. Modify as appropriate and submit to the Committee and ED for review and approval.

Adopted and Approved by the Board of Trustees: June 12, 2012, April 11, 2022, March 13, 2023, March 11, 2024, March 10, 2025

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

*Revised and Accepted by the Administrative & Audit Committee: June 9, 2020, February 22, 2023, January 31, 2024, February 18, 2025, **February 11, 2026***



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ETHICS & COMPLIANCE CHARTER

I. INTRODUCTION

The Employees' Retirement System ("ERS") Ethics and Compliance function is an independent monitoring, advisory, review, and reporting activity established within ERS to assist the organization in fulfilling its mission, vision, and fiduciary responsibilities by complying with laws, regulations, and ERS policies, for which oversight has been assigned. The function strives to ensure, promote and support an organizational culture that builds ethics and compliance awareness into the daily business processes for ERS. ERS's Compliance Program will accomplish this mission by monitoring business activities, policies and procedures, and by establishing an infrastructure that provides additional assurance to management that program areas are in compliance.

The Chief Compliance Officer ("CCO") is authorized to engage in independent reviews and activities for the development and implementation of a comprehensive system of operational controls to prevent illegal, unethical, or improper conduct and to implement compliance policies and procedures relating to standards of ethics and conduct for ERS' Board, employees, and vendors.

II. ROLES & RESPONSIBILITIES

Under the direction of the Executive Director ("ED") and involvement of the Leadership Team¹, and oversight of the Board, the CCO:

- A. Pursuant to the Ethics and Compliance Program Charter, manages day-to-day operation of the compliance program;
- B. Monitor and assess the Policy Management Framework and oversee the completion of the Policy Lifecycle;

¹ The Leadership Team is comprised of the Deputy Executive Director, Branch Chiefs, Chief Investment Officer, and Deputy Chief Investment Officer.



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ETHICS & COMPLIANCE CHARTER

- C. Assesses and audits ERS' controls and compliance with all applicable laws, statutes, administrative rules, regulations and best practices outlined in policies;
- D. Collaborates with other divisions to implement compliance policies and procedures and to direct compliance issues to appropriate channels for investigation and resolution;
- E. Collaborates with the Information Technology Branch Chief to build a strategic security program and coordinates all phases of security projects from requirement definition to design, architecture, implementation, testing, support, and maintenance;
- F. Develops and periodically reviews and updates standards of ethics and conduct to ensure that continuing effective guidance is provided to the Board, management, and employees;
- G. Coordinates with the Department of the Attorney General on legal matters so that ERS may faithfully execute it's duties and responsibilities;
- H. Coordinate with the Internal Auditor to monitor and provide independent oversight over the implementation of the approved annual Internal Audit Plan;
- I. Coordinates with management, the Committee, and the Board on any special tasks or projects aligned with the long-term interests of ERS;
- J. Ensures that compliance issues and concerns within the organization are being appropriately evaluated, investigated, and resolved;
- K. Coordinate audit efforts with those of the ERS's external auditors and other regulatory agencies;
- L. Responds to alleged violations of rules, regulations, policies, procedures, and standards of ethics and conduct by evaluating and, if necessary, recommending the initiation of investigative procedures;
- M. Develops and oversees a system for uniform handling of such violations;
- N. Identifies potential areas of compliance vulnerability and risk;
- O. Develops/implements corrective action plans for resolution of problematic issues and provides general guidance on how to avoid or deal with similar situations in the future;



Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
ETHICS & COMPLIANCE CHARTER

- P. Works in coordination with management and the Branch Chiefs to develop, maintain, and test the disaster recovery, business continuity, risk management and access control needs of the organization;
- Q. Provides reports as directed or requested to keep the Board, Administrative & Audit Committee, and management informed of the operation and progress of compliance efforts;
- R. Ensures proper reporting of violations or potential violations to duly authorized enforcement agencies as appropriate and/or required; and
- S. Works with the Board, Administrative & Audit Committee, Internal Auditor, Department of the Attorney General, and management to develop an effective compliance training program for Board Members, managers, and employees, including appropriate introductory training for new employees.

In carrying out these responsibilities, the CCO shall:

- A. Ensure objectivity and independence;
- B. Remain free of actual or perceived conflicts of interest;
- C. Discharge professional responsibilities with due care, competence, and diligence;.
- D. Have access to all functions, records, property, and personnel necessary to complete responsibilities; and
- E. Have full and free access to the Board and the Administrative & Audit Committee.

III. CHARTER REVIEW & HISTORY

The Administrative & Audit Committee shall, on behalf of the Board, review this Charter at least annually to ensure it remains relevant and appropriate.

Adopted and Approved by the Board of Trustees: March 13, 2023, March 11, 2024, March 10, 2025
Accepted by the Governance Policy Committee: March 7, 2023
*Introduced and Accepted by the Administrative & Audit Committee: February 22, 2023, January 31, 2024, February 18, 2025, **February 11, 2026***

**Employees' Retirement
System Internal Audit**

**Administrative & Audit
Committee Update
Report**

February 11, 2026



Employees' Retirement System

of the State of Hawaii

CONFIDENTIAL

This report is prepared solely for the internal use of the Employees' Retirement System management, the Administrative & Audit Committee, and the Board of Trustees. Distribution requires prior approval from the Administrative & Audit Committee or management.

Table of Contents

	<u>Page</u>
■ Executive Summary	1
■ 2025 Internal Audit Plan Results Summary	5
■ 2026 Internal Audit Plan – Proposed Updates	7
■ Management Action Dashboard	17
■ Management Action Plans – Completion Status	20
■ Cumulative Observation Analysis	22
■ Issued Reports Finding Status	24

Executive Summary

Executive Summary

Administrative and Other Matters

- Internal Audit (“IA”) continues to regularly meet with Executive Management to keep them apprised of current and upcoming IA projects and discuss new or updated needs of the organization. Most recently met with the Executive Director and Deputy Executive Director in January and February 2026 to provide IA’s perspective on the ERS and to discuss proposed updates to the 2026 Internal Audit Plan.
- Continue to meet with the Chief Compliance Officer (“CCO”) on a weekly basis to stay apprised on current ERS and CCO initiatives, including the V3locity Migration and AuditBoard implementation projects. Also discussed at weekly meetings are emerging risk areas, challenges and issues, and upcoming events and other matters.
- ERS exercised its one-year option to extend IA’s contract through January 31, 2027.

Status on Current Projects:

Contracting & Procurement Review

- Extended project timeline due to delays in receiving requested information and documents.
- Current plan is to complete fieldwork by the end of February 2026 and issue a final report in March 2026.
- Objectives include evaluating whether procurement and contracting processes comply with applicable Hawaii Revised Statutes, Hawaii Administrative Rules, and leading practices established by the Hawaii State Procurement Office (SPO); and assessing the area’s ability to fulfill the organization’s strategic objectives and business needs for procuring goods and/or services in an effective and efficient manner.

Executive Summary

Status on Current Projects (cont'd):

Business Continuity Plan - Tabletop Exercise

- Tabletop exercise was completed in October 2025.
- The scope of the exercise was to explore the continuity plan activation, immediate crisis communications, and continuity planning considerations following a tsunami that leaves ERS branches inaccessible.
- Participants included the Executive Director, Deputy Executive Director, Chief Investment Officer, Chief Compliance Officer, Branch Chiefs, Program Specialist Supervisor, and Staff Support Services Supervisor.
- Presentation of the After Action Report detailing the exercise results and recommendations will be provided during today's meeting.

Virtual Information Security Officer (vISO) Initiative – Roadmap Implementation

- vISO continuing to provide support to the Information Systems (“I/S”) Branch and hold periodic meetings with the State Chief Information Security Officer, Information Technology Manager and I/S branch staff.
- Security Steering Committee continues to meet monthly to discuss threat updates, roadmap completion, cyber risk management, and cyber education.
- IT-related findings remediation status will be presented during Executive Session.

Executive Summary

Status on Current Projects (cont'd):

2026 Internal Audit Plan Update Process

- The purpose and objective of this process was to develop an updated 2026 Internal Audit Plan for the ERS. The Plan was updated based on discussions with ERS management and the Board of Trustees during the past year; review of the current industry environment; and an evaluation of completed projects in recent years.
- The resulting 2026 Internal Audit Plan was developed to ensure that the ERS has sufficient and continuous internal audit coverage of those auditable areas judged as having a relatively higher risk profile or that otherwise require internal audit attention.

Action: Seeking approval from Administrative & Audit Committee of proposed updates to 2026 Internal Audit Plan.

2025 Internal Audit Plan Results Summary

2025 Internal Audit Plan Results Summary

Internal Audit Plan Period: January 1, 2025 through December 31, 2025																
PROJECT	Q1 2025			Q2 2025			Q3 2025			Q4 2025			Hours			
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Budget	Actual	ETC	Variance
IA 2024 Carryover Projects																
Investment Manager Selection & Evaluation Review													150	159	-	9
Contracting & Procurement Review													375	350	200	175
IA Assurance																
Benefit Claims & Refund and Retiree Overpayments Processing Review													400	40	375	15
Member/Retiree Record Processing, Retention, and Storage													350	45	350	45
Business Continuity Plan - Tabletop Exercise													250	254	10	14
IA Advisory & Other																
vISO Initiative - Roadmap Implementation													750	789	-	39
ERM Capability Roadmap and Training													250	296	-	46
Extension of vISO Initiative - Roadmap Implementation													250	256	-	6
BC and Crisis Communication Plans - Revisions and Updates													100	58	-	(42)
IA Recommendation & Implementation Assistance													100	13	-	(87)
Internal Audit Plan Update for Year 4													100	12	-	(88)
Compliance Office Collaboration and Assistance													150	238	-	88
Reporting, Communication and Other Administration													350	462	-	112
Total Hours													3,575	2,972	935	332

◆ Project Start Date
 In Process
 Draft Report Issued - Pending Mgmt Responses and/or A&AC Approval
 Completed - Work Fulfilled or Report/Deliverable Issued
 ◆—◆ Consulting & Other Projects
 ◆-◆ Meetings, Board Support, Other

Key:

Budget: Original Approved Budget and Budget Changes Approved by the Administrative & Audit Committee

Actual: Actual Hours Incurred Through December 31, 2025

ETC: Estimated Time to Complete

Variance: [(Actual + ETC) - Budget] = over / (under) budget

2026 Internal Audit Plan – Proposed Updates

2026 Internal Audit Plan – Proposed Updates

Internal Audit Plan Period: January 1, 2026 through December 31, 2026

PROJECT	Q1 2026			Q2 2026			Q3 2026			Q4 2026			Hours
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Budget
Carryover Projects													
Contracting & Procurement Review													200
Benefit Claims & Refund and Retiree Overpayments Processing Review		◆											375
Member/Retiree Record Processing, Retention, and Storage						◆							350
Assurance													
Biennial Follow-Up Review									◆				300
Investment Management, Monitoring & Performance Evaluation											◆		450
Advisory & Other													
V3locity Assessment and Updates			◆										250
Extension of vISO Initiative - Roadmap Implementation	◆	—		◆									275
IA Recommendation & Implementation Assistance	◆	—										◆	100
Risk Assessment Re-Evaluation & Two-Year Audit Plan							◆	—		◆			250
Compliance Office Collaboration and Assistance	◆	- - - - -										◆	150
Reporting, Communication and Other Administration	◆	- - - - -										◆	350
												Total Hours	3,050

◆ Project Start Date

 In Process

◆ — ◆ Consulting & Other Projects

◆ - - - - - ◆ Meetings, Board Support, Other

The timing and execution of the projects included in the proposed Audit Plan may change. Significant changes to the Audit Plan will be communicated to the Administrative & Audit Committee on a periodic basis.

2026 Internal Audit Plan – Original (Approved in Feb 25’)

Internal Audit Plan Period: January 1, 2026 through December 31, 2026													
PROJECT	Q1 2026			Q2 2026			Q3 2026			Q4 2026			Hours
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Budget
Assurance													
Biennial Follow-Up Review	◆												300
Investment Management, Monitoring & Performance Evaluation				◆									450
Investment Accounting									◆				450
V3locity Business Readiness Assessment							◆		◆				500
Advisory & Other													
Continuous Monitoring Tool Development - Part 3		◆											450
IA Recommendation & Implementation Assistance	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	100
Risk Assessment Re-Evaluation & Two-Year Audit Plan										◆	◆	◆	250
Compliance Office Collaboration and Assistance	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	150
Reporting, Communication and Other Administration	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	350
												Total Hours	3,000

 Project Start Date
  Consulting & Other Projects
  Meetings, Board Support, Other

The timing and execution of the projects included in the proposed Audit Plan may change. Significant changes to the Audit Plan will be communicated to the Administrative & Audit Committee on a periodic basis.

2026 Internal Audit Plan – Project Descriptions

The following represents the detailed Internal Audit Plan which covers the period from January 1, 2026 through December 31, 2026.

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
2025 CARRYOVER PROJECTS				
<p>Contracting & Procurement Review</p> <p>Assess and review the processes and controls related to contracting and procurement. This includes the review of policies and procedures, management and prioritization of procurement requests, internal controls on the preparation and finalization of procurements and associated contracting, and maintenance and retention of documentation. As applicable, evaluate the ERS' compliance with applicable HAR, HRS and Administrative Directives.</p> <p>PRIMARY FOCUS: Operational/Compliance</p>	<p>Administration</p> <p><i>Contracting & Procurement</i></p>	<p>Business Interruption Risk</p> <p>Compliance Risk</p> <p>Cycle Time Risk</p> <p>Efficiency Risk</p> <p>Performance Gap Risk</p> <p>Service Failure Risk</p>	Q1	200
<p>Benefit Claims & Refund and Retiree Overpayments Processing Review</p> <p>Evaluate processes and procedures around disbursements of benefit payments with specific focus on retiree overpayments and benefit claims and refunds. Review and assess whether benefit claims, refunds, and overpayments are processed accurately, uniformly, and timely in compliance with HRS, HAR, IRS, and Administrative Directives. Assess the internal controls over the refunding process and procedures to identify deficiencies that lead to overpayment of benefit claims.</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>Accounting</p> <p><i>Benefit Claims & Refund Audit</i></p> <p><i>Processing of Retiree Overpayments</i></p> <p><i>Disbursements of Benefit Payments</i></p>	<p>Compliance Risk</p> <p>Customer Satisfaction Risk</p> <p>Cycle Time Risk</p> <p>Efficiency Risk</p> <p>Performance Gap Risk</p> <p>Service Failure Risk</p>	Q1	375

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
2025 CARRYOVER PROJECTS				
<p>Member/Retiree Record Processing, Retention, and Storage</p> <p>Assess the design of processes and internal controls over the initial intake and processing, retention, and storage of ERS files, including member enrollment and retirement records, in order to efficiently and effectively retrieve records, as needed. Evaluate whether processes align with HRS, HAR, departmental records retention schedules, and guidance provided by the State of Hawaii Records Management Branch.</p> <p><i>PRIMARY FOCUS: Operational/Compliance</i></p>	<p>Staff Support Services <i>Member/Retiree Record Retention and Storage Data</i></p>	<p>Availability Risk Compliance Risk Access Risk Regulatory Risk Efficiency Risk</p>	<p>Q2</p>	<p>350</p>
<p>TOTAL PROPOSED CARRYOVER HOURS: 01/26 - 12/26</p>				<p>925</p>

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Biennial Follow-Up Review</p> <p>Assess the progress that responsible managers made in implementing prior finding recommendations for previously completed reviews between 2023 and 2025 as well as finding recommendations remediated for reviews completed prior to 2023.</p> <p>This includes remediated findings from the following reviews:</p> <ul style="list-style-type: none"> - IT Security Rapid Assessment & Internal Network Security Review - Employer Communication & Reporting Review - Member Enrollment & Re-Enrollment Process Review - Cash & Liquidity Management Review - Investment Manager Selection & Evaluation Review <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	Various (Org-wide)	<p>Cycle Time Risk</p> <p>Efficiency Risk</p> <p>Performance Gap Risk</p> <p>Service Failure Risk</p>	Q3	300

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ASSURANCE				
<p>Investment Management, Monitoring & Performance Evaluation</p> <p>Review and evaluate the Investment Office's recently updated framework, processes and controls over the management, monitoring and performance evaluation of its Investment Managers. Assess the design of processes and internal controls over the management and monitoring of ERS's investment managers, Investment Office's compliance with performance evaluation procedures, and where appropriate, review investment managers' compliance with their respective contract restrictions and requirements.</p> <p>PRIMARY FOCUS: Operational/Financial</p>	<p>Investment Office <i>Investment Management, Monitoring & Performance Evaluation</i></p>	<p>Organization Structure Risk Authority/Limit Risk Alignment Risk Efficiency Risk</p>	<p>Q4</p>	<p>450</p>
<p>TOTAL PROPOSED ASSURANCE HOURS: 01/26 - 12/26</p>				<p>750</p>

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ADVISORY				
<p>V3locity Assessment and Updates</p> <p>The objective of this project is to provide ongoing, independent oversight of the V3locity implementation and identify leading practice recommendations to be considered and incorporated. The implementation of a new pension administration system represents a significant organizational investment and introduces substantial operational, financial, technological, and compliance risks.</p> <p>This project aims to help ensure that leadership remains informed about project progress, emerging risks, and the effectiveness of governance and controls throughout the system development lifecycle. By maintaining visibility into the implementation through periodic updates, Internal Audit will support the ERS' ability to deliver a secure, accurate, and timely system that meets member, employer, and regulatory requirements.</p> <p>PRIMARY FOCUS: Operational/Information Technology</p>	Various (Org-wide)	<p>Availability Risk</p> <p>Communications Risk</p> <p>Infrastructure Risk</p> <p>Security Risk</p> <p>Service Failure Risk</p> <p>Technological Innovation Risk</p>	Q1	250

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
ADVISORY				
<p>Extension of vISO Initiative - Roadmap Implementation Continue to provide a C-level resource to implement the Cybersecurity Strategy and Roadmap as defined and developed as part of the Phase 1 project. Implementation activities will focus on priorities that align with the organization's business and strategic plans, while addressing the risk posture of the organization. Activities to include the following: define timetable and priorities for remediation of previous audit findings, security steering committee initiation, vendor risk assessments, IT and security policy development, cybersecurity awareness trainings, and establishment of a vulnerability management program.</p> <p>PRIMARY FOCUS: Operational/Information Technology</p>	Various (Org-wide)	Various Risks	Q1	275
<p>IA Recommendation & Implementation Assistance Assist ERS in implementing prior year internal audit report recommendations that have not been cleared due to lack of sufficient resources to address them in a timely manner. KMH will be collaborating and prioritizing with ERS' various branches to implement high, medium, and low risk recommendations.</p> <p>PRIMARY FOCUS: Operational/Compliance/Financial</p>	Various (Org Wide)	Various Risks	Ongoing	100
TOTAL PROPOSED CONSULTING HOURS: 01/26 - 12/26				625

2026 Internal Audit Plan – Project Descriptions (continued)

Internal Audit Plan – January 1, 2026 through December 31, 2026

Project	Auditable Area(s)	Quadrant I Risk(s)	Timing	Est. Hrs.
OTHER				
Function Administration - January 1, 2026 - December 31, 2026				
Risk Assessment Re-Evaluation & Two-Year Audit Plan			Q3	250
Compliance Office Collaboration and Assistance			Throughout	150
Reporting, Communication and Other Administration			Throughout	350
TOTAL OTHER HOURS: 01/26 - 12/26				750
TOTAL PROPOSED HOURS: 01/26 -12/26				3,050

Management Action Dashboard

Management Action Dashboard

The following represents the status of IA reviews with uncleared or overdue findings and recommendations. For IT-related review findings and recommendations, ERS' vISO and IT Manager are responsible for tracking and monitoring remediation. Statuses provided by management on IT-related recommendations are presented in Executive Session due to the sensitivity of information around IT and cybersecurity.

Name of Review	Contact	Overall Rating ¹	Total Number of Findings	Number of Findings Ranked			Completion Status (Only "High" and "Moderate" / "Medium" findings were tracked for the first four projects listed below)					
				"High"	"Moderate" or "Medium"	"Low"	Cleared	Outstanding - Not Overdue	Outstanding - Extended Original Target Date	Outstanding - Funding Shortfall	Overdue	Mgmt Chose Not to Implement
IT Security Rapid Assessment & Internal Network Security Review ("INSR")	IT Manager	Unacceptable	12	6	6	0	10	0	0	0	2	0
Financial Reporting Process Review	Accounting Manager	Marginal	5	1	4	0	2	0	0	0	3	0
Human Resources - Personnel Development & Retention Review	Deputy Executive Director	Generally Satisfactory	2	0	2	0	1	0	0	0	1	0
Cloud Risk and Security Assessment - Phase 1	IT Manager	Marginal	5	0	4	1	0	0	0	0	5	0
Employer Communication & Reporting Review	Retirement Benefits Manager, Accounting Manager, Program Specialist	Marginal	3	0	2	1	2	0	0	0	1	0
Cloud Risk and Security Assessment - Phase 2	IT Manager	Unacceptable	5	4	1	0	0	0	0	0	5	0
Member Enrollment & Re-Enrollment Review	Retirement Benefits Manager, SSS Supervisor, IT Manager	Unacceptable	5	2	3	0	2	0	2	0	1	0
TOTAL			37	13	22	2	17	0	2	0	18	0

Management Action Dashboard (continued)

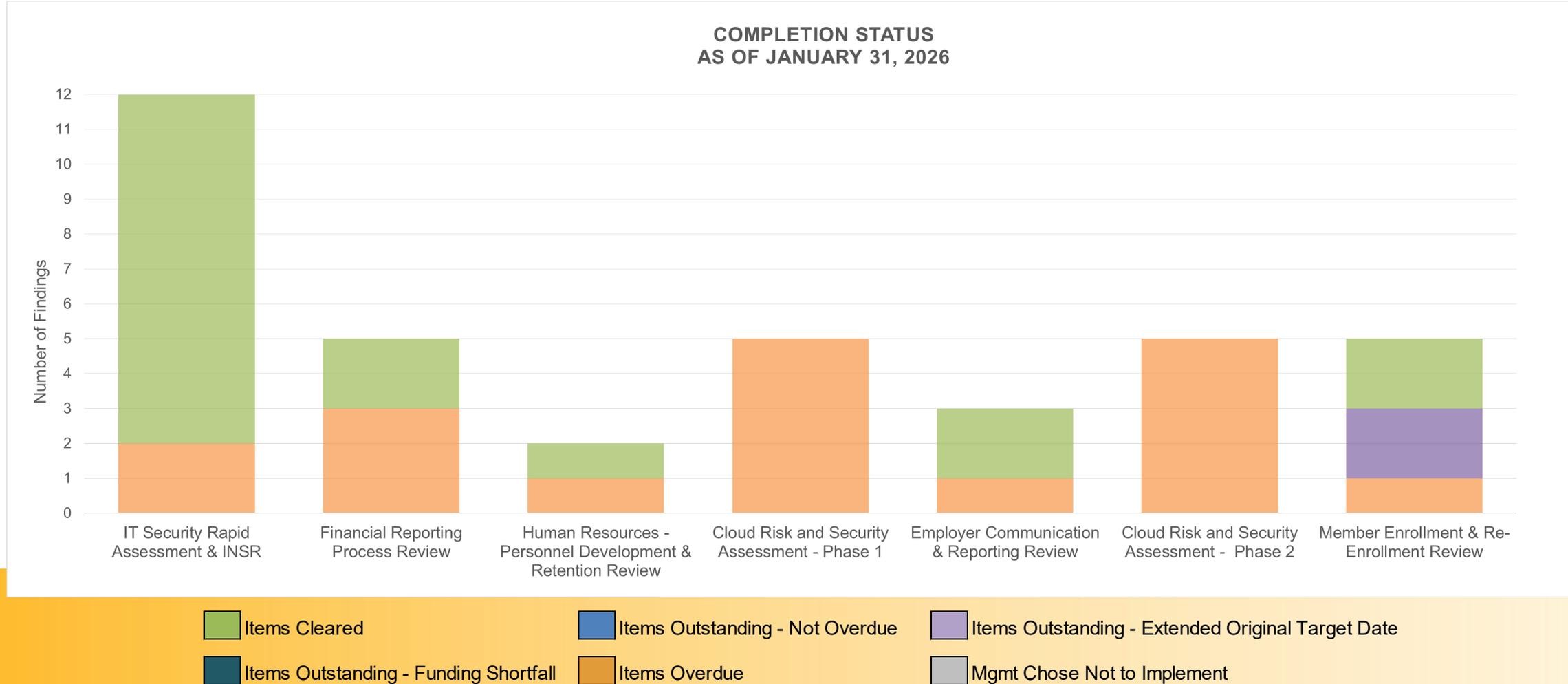
¹ Overall Rating Definitions:

- Strong** – The area reviewed has effectively assessed and managed its risks, implemented control processes, and complied with applicable policies, procedures, and appropriate laws and regulations. Internal control systems are sufficiently comprehensive and appropriate to the size and complexity of the organization. Monetary risk associated with control failures, if any, is not material. A few inconsistencies may have been noted, but compensating controls exist that sufficiently minimize the risk of loss (e.g., financial, reputational).
- Generally Satisfactory** – The area reviewed has adequately assessed and managed its risks, and has implemented generally effective control processes. Some weaknesses in controls may have been noted, but they are not such that the area is significantly exposed to risk of loss. Weaknesses or deficiencies identified are correctable in the normal course of business. Such areas are in general compliance with applicable policies, procedures, and appropriate laws and regulations.
- Marginal** – The area reviewed has control, policy, procedural, compliance and/or repeat findings that are sufficiently important to warrant the attention of more senior levels of management. Any deterioration in the current operating routine could lead to serious exposures and stakeholder criticisms. Should weaknesses continue without attention, they could lead to further deterioration of the rating to an *unacceptable* status.
- Unacceptable** – The area reviewed has serious control, policy, procedural, compliance and/or repeat findings. Exposure to potentially serious risk of loss exists. Exposure may also exist to potentially serious criticism by stakeholders. Such situations require urgent senior management involvement in implementing corrective action. Corrective action should be initiated immediately and may require significant amounts of time and resources to implement.

Management Action Plans – Completion Status

Management Action Plans – Completion Status

The following represents the number of findings that are cleared; outstanding – not overdue; outstanding – funding shortfall; findings for which there have been extensions granted; findings for which management chose not to implement; and overdue for each review. After the granting of two extensions, if the finding is not cleared, it will be shown as overdue.



Cumulative Observation Analysis

Cumulative Observation Analysis

Based on the 15 reviews completed over the last few years, we compiled a listing of common observations across the reviews. Management is currently in the process of addressing these organization-wide improvement opportunities.

Report	Areas of Improvement			
	Oversight & Monitoring	Policies and/or Procedures	Obtaining Appropriate Resources	Developing Efficient Processes
IT Security Rapid Assessment & INSR	✓	✓	✓	
Cash & Liquidity Management Review	✓	✓	✓	
Disability Hearings and Contested Cases Review	✓	✓	✓	
Investment and Risk Monitoring and Reporting Review	✓	✓		✓
Financial Reporting Process Review	✓	✓	✓	✓
Investment Consultant Selection and Evaluation	✓			✓
Communications and Community Relations Review		✓	✓	✓
Human Resources - Personnel Development & Retention Review		✓	✓	
Cloud Risk and Security Assessment - Phase 1	✓	✓	✓	
Benefit Estimates & Final Benefit Calculation Processing Review			✓	
Employer Communication & Reporting Review	✓	✓		✓
Cloud Risk and Security Assessment - Phase 2	✓	✓	✓	✓
Member Enrollment & Re-Enrollment Review	✓	✓	✓	✓
Investment Manager Selection & Evaluation Review	✓			

*No observations were noted in the Investment Governance Structure & Oversight Review.

Issued Reports Finding Status

Pages 25 to 33 represent a summary of the recommendations from the respective issued and final reports, with targeted implementation dates and a brief status **provided by management**. For all reports issued in 2019 (starting with the Financial Reporting Process Review) and on a go-forward basis, IA will track recommendations for all findings (“High”, “Medium”, and “Low”). Once recommendations are considered “cleared”, they will be removed from this status tracking.

Issued Report Finding Status

On a go-forward basis, statuses **provided by management on IT-related recommendations** will be presented in Executive Session due to the sensitivity of information around IT and cybersecurity. ERS' vISO will lead this presentation. Remediation status updates from the following reports will be covered:

- IT Security Rapid Assessment & Internal Network Security Review ("INSR")
- Cloud Risk and Security Assessment - Phase 1
- Cloud Risk and Security Assessment - Phase 2
- Member Enrollment & Re-Enrollment Process Review (Finding No. 4 Only)

Issued Report Finding Status (continued)

Financial Reporting Process Review	
Finding	Finding 3 – Financial reporting policies and procedures have not been reviewed or updated since the 1990s.
Recommendation	<p>The Accounting Branch should draft a set of updated policies and procedures for the financial reporting process areas. Policies and procedures should be established for the following:</p> <ul style="list-style-type: none"> ▪ Annual financial audit and CAFR preparation ▪ Monthly financial statement activities ▪ Financial statement preparation and distribution ▪ Management reports (internal)
Rating	Moderate
Target Completion Date(s)	<p>June 2020 (Revised #1 Target Date: December 2021); (Revised #2 Target Date: December 2024); (Revised #3 Target Date: December 2025); (Revised #4 Target Date: December 2026)</p>
Status – Provided by Management	<p>Outstanding – Overdue – ERS will seek the necessary resources to assist in the development of policies, procedures, and related training. Refer to updates provided for the Cash & Liquidity Management Review related to the timing of obtaining a third-party consultant.</p>

Issued Report Finding Status (continued)

Financial Reporting Process Review	
Finding	Finding 4 – Accounting policies and procedures have not been adjusted to maintain alignment with the changing Investment Policy and shifts in the investment portfolio.
Recommendation	<p>The Investment Office should actively involve and discuss potential investments with the Accounting Branch.</p> <p>The Accounting Branch should develop the appropriate policies, procedures and controls to align with any shifts in the investment portfolio.</p> <p>Management should also consider sending both Investment Office and qualified Accounting Branch personnel to on-site due diligence visits for select high valuation risk investments.</p>
Rating	Moderate
Target Completion Date(s)	<p>June 2020</p> <p>(Revised #1 Target Date: December 2021); (Revised #2 Target Date: December 2024); (Revised #3 Target Date: December 2025);</p> <p>(Revised #4 Target Date: December 2026)</p>
Status – Provided by Management	<p>Outstanding – Overdue –</p> <p>The Investment Office and Accounting Branch actively work together, with staff attending the weekly investment meeting and completing investment documentation.</p> <p>ERS is in the process of converting the accounting book of record from a combination of Custodian Bank and Investment Manager for Investments, to all investment reporting from the Custodian Bank. This includes implementing automated financial reporting process and reconciliation tools for investments with ERS custodian bank. This will be effective with reporting periods from July 1, 2026, for FY 2027.</p>

Issued Report Finding Status (continued)

Financial Reporting Process Review	
Finding	Finding 5 – Work report data files are consistently submitted by the employer groups with errors and in improper formatting. ERS resources, particularly the Accounting Branch and EC&B, are spending a significant amount of time correcting these errors which leads to delays in financial reporting.
Recommendation	ERS is meeting with representatives of employer groups to discuss improving reporting. In addition to this effort, ERS should complete the following: <ul style="list-style-type: none"> ▪ Developing IT scripts specific to individual employer submissions that may be able to identify common errors. ▪ Establishing an ERS help-line to coordinate training and support for different employer groups. Also, ERS can go to the individual employer work locations to conduct training on work report data files.
Rating	Moderate
Target Completion Date(s)	December 2020 (Revised #1 Target Date: December 2022); (Revised #2 Target Date: December 2024); (Revised #3 Target Date: TBD**) **Progress is evaluated on an on-going basis and it is unrealistic to determine a due date. See status comments.
Status – Provided by Management	<p>Outstanding – Overdue –</p> <p>ERS (with KMH team assisting with Act 87 requirements) continues to meet and work with State and County employer agencies to determine/update what is included in compensation for ERS benefits; to provide information on reporting processes and computer requirements; etc. to complete the compliance reporting requirements per Act 87.</p> <p>Limited ERS and employer resources hinders both parties in implementing the audit recommendations identified.</p> <p>It is unrealistic to determine the final implementation date given the results are highly dependent on employers implementing changes to the payroll and personnel systems to accurately and consistently report information to ERS; or for ERS to modify its pension system. These systems require approval of funding from legislature and city councils.</p>

Issued Report Finding Status (continued)

Human Resources – Personnel Development and Retention Review

Finding	Finding 2 – The ERS can improve its succession planning processes by incorporating “Succession Management” into their plans.
Recommendation	IA recommends the ERS incorporate Succession Management into their existing succession planning processes. Key components of a succession management approach should include: <ol style="list-style-type: none"> 1) Improved documentation around preparation, planning, and development improvement steps 2) Detailed developmental planning (training, coaching and mentoring) 3) Knowledge transfer and management practices
Rating	Medium
Target Completion Date(s)	December 2021 (Revised #1 Target Date: December 2022); (Revised #2 Target Date: December 2023); (Revised #3 Target Date: March 2024) (Revised #4 Target Date: December 2024); (Revised #5 Target Date: June 2025); (Revised #6 Target Date: December 2025); (Revised #7 Target Date: June 2026)
Status – Provided by Management	Outstanding – Overdue – For the Accounting Branch, potential successors have been identified by ERS. Training plan/development steps to be documented by March 2026, with training to be completed by June 2026. Future training to be included in personnel performance appraisals.

Issued Report Finding Status (continued)

Employer Communication & Reporting Framework

Finding	Finding 3 – Work report processing procedures are not detailed enough and do not capture the unique, detailed steps required when reviewing and processing reports for a specific employer agency. Work Reports Team staff are also not currently cross-trained to process and review an employer agency or department they are currently not assigned to.
Recommendation	IA recommends that each Work Reports Team staff have formal, consistent procedures, and sufficient detail to document how they address their assigned employer's issues and complexities in their review and processing of Work Reports. The Work Reports Team should develop a plan or schedule to ensure that the staff are able to cross train each other on their assigned employers and review files by using the procedures noted above.
Rating	Low
Target Completion Date(s)	December 2023 (Revised #1 Target Date: December 2024); (Revised #2 Target Date: December 2025); (Revised #3 Target Date: TBD**) **Progress is evaluated on an on-going basis and it is unrealistic to determine a due date. See status comments.
Status – Provided by Management	<p>Outstanding – Overdue – Effective date may need to be revised due to increased staff vacancies, and the V3locity migration project. It is difficult to determine a target date for actual implementation.</p> <p>Cross training in Accounting's work report processing has occurred for all employer reports, although formalized procedures are still being worked on and revised by the team member who was cross trained. Delays in documenting procedures are expected to continue due to leaves, increased staff vacancy, delays in B&F Hiring process and V3locity Migration project.</p> <p>KMH LLP was contracted to assist ERS with internal compliance testing of employers' payroll and personnel reporting. Accounting and RBB are currently working with KMH LLP on the audit criteria and procedures to review payroll reporting from employers for compliance with Act 87 requirements that are effective in July 2024.</p> <p>Accounting requested two Account Clerk V positions to be converted to Accountant III positions in order to hire staff with a higher skillset to understand employer payroll systems and perform employer outreach. Further, there continues to be increased workload in payroll adjustments reported by employers (such as hazard pay, servicemen's act, salary adjustments and class code corrections). Accounting is also working with employers on implementing their system changes. Completing these objectives has been negatively impacted by the staff vacancy since October 2022.</p> <p>In October 2025, ERS received approval to reclassify two Account Clerk V positions to Accountant III positions for the Work Report Team. Several ERS human resource actions are pending with Budget and Finance in order to fill vacant positions.</p>

Issued Report Finding Status (continued)

Member Enrollment & Re-Enrollment Process Review	
Finding	Finding 2 – A lack of file management policies and procedures resulted in significant delays in the ERS locating and providing requested enrollment forms. Management was unable to provide one or more enrollment forms for approximately 40% of the members requested.
Recommendation	IA recommends that management address the above finding in the following ways: 1. Consult with the State of Hawaii Records Management Branch to determine an efficient and effective process and controls to manage ERS' records. 2. Develop well-documented policies and procedures for file management, organization and storage. These should include the file management process designed after consulting with the State of Hawaii Records Management Branch.
Rating	High
Target Completion Date(s)	June 2025 (Revised #1 Target Date: November 2025); (Revised #2 Target Date: September 2026)
Status – Provided by Management	Outstanding – Extended Original Target Date – The CCO is in the process of developing a records file management, organization, storage, retention and disposal policy in compliance with State of Hawaii records management policy. SSS, IT, RBB and the CCO will then work on the development of branch-specific policies and procedures that address file management, organization and storage.

Issued Report Finding Status (continued)

Member Enrollment & Re-Enrollment Process Review	
Finding	Finding 3 – Management does not have data integrity control activities in place to review and verify member enrollment data information input into the PAS, exposing the ERS to an increased risk of not detecting data input errors.
Recommendation	<p>IA recommends that management implement the following to address this finding: RBB should develop a formal, documented review process to verify the accuracy of member enrollment information input into the PAS.</p> <ul style="list-style-type: none"> ▪ RBB should perform, at a minimum, a periodic review on a sample basis (i.e., weekly/bi-monthly review of a sample of new and return to work members). ▪ The reviewer should document the list of members reviewed, noting any errors identified, confirming that the review was completed and errors communicated with the RBB Office Assistant for correction and follow up.
Rating	Medium
Target Completion Date(s)	December 2024 (Revised #1 Target Date: March 2025); (Revised #2 Target Date: November 2025)
Status – Provided by Management	Cleared – Completed. Audit log has been created and are maintained with monthly samples from audits.

Issued Report Finding Status (continued)

Member Enrollment & Re-Enrollment Process Review	
Finding	Finding 5 – There are currently no documented policies and procedures or any control activities in place to validate the Return to Work Transfers Log’s completeness and accuracy, resulting in an incomplete listing of return to work members on the Return to Work Transfers Log.
Recommendation	IA recommends that management address the above finding in the following ways: 1. Develop well-documented policies and procedures for updating and validating the completeness and accuracy of the Return to Work Transfers Log. 2. Periodically reconciling the Return to Work Transfers Log with a PAS report of return to work members to verify completeness and accuracy of the log.
Rating	Medium
Target Completion Date(s)	November 2024, February 2025 (Revised #1 Target Date: November 2025); (Revised #2 Target Date: December 2025); (Revised #3 Target Date: June 2026)
Status – Provided by Management	Outstanding – Overdue – Change in plans since WF is unable to develop this. Looking into using the CCR and the PIF to compare data to derive a report to be reviewed. In addition, Data Cleansing is currently being developed as part of our pre-migration for our PAS. Reports will be generated for review of potential miscoding of RTW members.

Employees' Retirement System (ERS) of the State of Hawaii

Business Continuity Tabletop Exercise After-Action Report

Exercise Date: October 2, 2025

Draft Report Date: December 5, 2025

Final Report Date: January 29, 2026 (updated February 27, 2026)

Table of Contents

3	Exercise Scope, Purpose and Objectives
4	Exercise Participants
5	Executive Summary
6	Detailed Exercise Information
16	Appendix: Tabletop Exercise Materials

Exercise Objectives

Scope: The scope of the ERS business continuity tabletop exercise was to explore the continuity plan activation, immediate crisis communications and continuity planning considerations related to a tsunami scenario.

Purpose: The purpose was to discuss crisis communications, alternate/backup decision-makers and identify longer-term continuity strategies through scenario-based discussions.



Evaluate the effectiveness of communication protocols with employees and the affiliated entities.



Present short-term continuity decisions based on event assessment.



Identify alternate executive and Branch Chief decision-makers.



Discuss longer-term continuity planning activities.

Exercise Participants



RSM Team

- Alfred Ko
- Charles John
- Alyssa Connick
- Patrick Raeke



KMH Team

- Tyson Suehiro
- Peter Hanashiro



Hawaii ERS Exercise Participants

- Accounting Branch
- Information Systems Branch
- Investment Office
- Retirements Benefits Branch
- Support Services Branch



Executive Summary

Strengths

- Teams collaborated well in the absence of key leadership positions by deferring to preidentified alternate leadership to manage the incident.
- Branches utilized existing business continuity documentation and exhibited resilience despite the loss of critical resources.
- Strong internal communication protocols were demonstrated, including the use of top-down communication methods through Branch Chiefs.
- External communication procedures were effectively identified, including leveraging the external website and direct communication to members (if warranted).

Observations

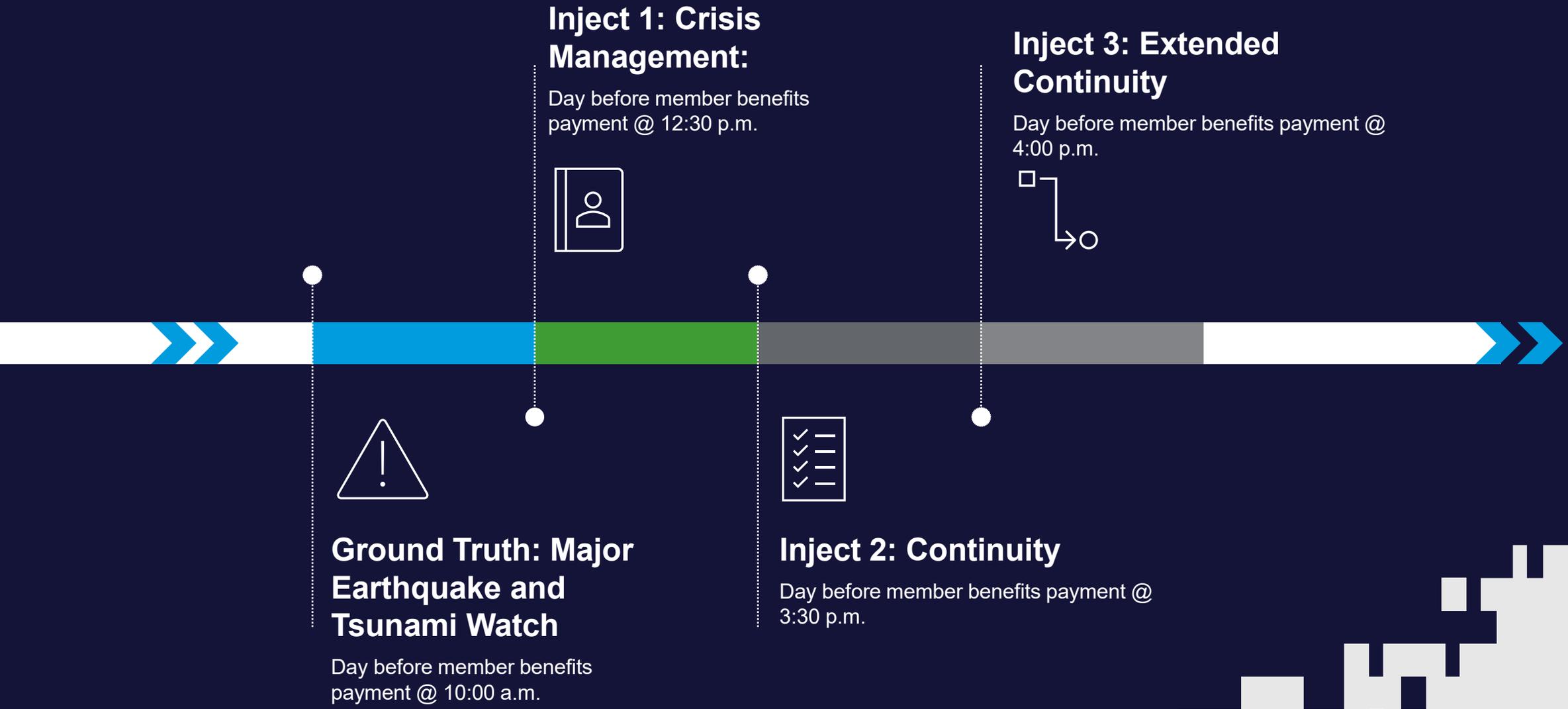
- Information systems leadership identified a critical reliance on the State of Hawaii’s IT disaster recovery capabilities as ERS data is backed up to the state data center.
- Information systems leadership identified risk associated with the on-site data center location on the second floor, which may be impacted by heavy flooding during a natural disaster.
- There is no formal work-around for the loss of Bank of Hawaii, which is responsible for disbursing member benefits payments.
- Some critical staff do not have laptops, which may impact remote work ability.
- Some aspects of existing crisis management and business continuity strategies do not include sufficient detail to support the effective navigation of a crisis.

Recommendations

- Collaborate with the state data center to better understand their information technology disaster recovery capabilities and communication procedures (including a point of contact) during a disaster event.
- Consider executing a risk assessment of the second-floor data center to better understand flooding risk and identify mitigation opportunities.
- Request access to business continuity and disaster recovery plans from Bank of Hawaii and Bank of New York Mellon. If possible, collaborate with Bank of New York Mellon to develop a strategy for a member benefits payment work-around if Bank of Hawaii was unavailable.
- Consider the need to equip critical staff with laptops to enhance remote work abilities (i.e., Cash Management Supervisor).
- Add additional detail to existing business continuity and crisis management strategies as part of the annual update process.

Detailed Exercise Information

Scenario Timeline



Scenario: Ground Truth and Immediate Decisions



Participant Discussion: What We Heard

- Strengths
 - In the absence of the executive director and the deputy executive director, the chief investment officer identified and assumed their succession planning responsibilities, demonstrated critical authorization capabilities and effectively collaborated with the chief compliance officer to assume crisis leadership responsibilities.
- Observations
 - Teams discussed the approximate 1% of member benefits payments that are executed through physical checks (approximately 150 people).
 - Couriers are used to pick up and deliver the physical checks from the ERS office to members. However, a tsunami would likely disrupt courier services and/or traffic routes.
 - Teams discussed the potential need to secure physical checks and communicate to members that check delivery may be delayed.
 - Teams discussed the potential impact to the Bank of Hawaii, including the scenario in which the Bank of Hawaii was unable to execute member benefits payments.
 - The opportunity for Bank of New York Mellon to make payments in the absence of Bank of Hawaii capabilities was discussed, but teams were unsure of the viability as no formal work-around has been discussed or collaboratively documented with Bank of New York Mellon.
 - Continuity and recovery plans for both banks have not been assessed.
 - Due to the scenario impact and timing, branches discussed the possibility that ERS may not be open to accept retirement applications, cancelations or adjustments.
 - Branches considered an extension of the deadline or adjustments to delivery (email or fax) methods, but this has not been discussed formally and would require approval from leadership.
 - Branch leadership did not have a formal plan to provide HR support, such as paid time off or administrative leave for those impacted by a disaster.

Scenario Summary

- A magnitude 9.0 earthquake occurs near Alaska’s Shumagin Islands. NOAA deepwater buoys detect coastal wave amplitudes exceeding 3.0 meters.
- 30 minutes after the earthquake from the Pacific Tsunami Warning Center (PTWC): “A tsunami watch is in effect for Hawaii. Stay tuned for updates.”
- The first wave was expected to reach Hawaiian shores four hours and 50 minutes after the earthquake.

Discussion Points

- ❖ Who is in charge at ERS given the executive director is unavailable?
- ❖ Based on the scenario events, identify ERS’s top priorities?
- ❖ Determine the general content topics for internal messages.
- ❖ How long will it take to create and distribute communication? What would be used to send the messages?
- ❖ For a tsunami warning, identify triggers to activate the continuity plans for the branches?
- ❖ What are the top business continuity priorities now?

Scenario: Ground Truth and Immediate Decisions



Improvement Opportunities

- Consider developing a contingency plan for the loss of courier services responsible for the pickup and delivery of approximately 150 physical checks for member benefits payments.
 - This may include securing checks in a dry, secure area and delaying delivery until normal operations are resumed.
 - Consider communication needs associated with informing members of adjusted check delivery timing or methods (if applicable).
- Consider requesting access to continuity and recovery plans from both the Bank of Hawaii and Bank of New York Mellon to assess continuity and recovery capabilities.
 - Also consider collaborating with Bank of New York Mellon to assess their capabilities to execute member benefit payments in the event of Bank of Hawaii loss.
 - If viable, develop and formally document a business continuity strategy outlining the ability to work around the loss of Bank of Hawaii through Bank of New York Mellon, specifically related to member benefits payments.
- Formally assess the potential need to extend deadlines associated with retirement applications, adjustments or cancelations if the deadline is impacted by a disaster event.
 - Consider required approvals within the state government and the communication procedures associated with extending this deadline.
- Collaborate to identify support that ERS can offer to impacted employees, including, but not limited to, the following:
 - Paid time off or administrative leave
 - Wellness benefits

Scenario Summary

- **A magnitude 9.0 earthquake occurs near Alaska’s Shumagin Islands. NOAA deepwater buoys detect coastal wave amplitudes exceeding 3.0 meters.**
- **30 minutes after the earthquake from the Pacific Tsunami Warning Center (PTWC): “A tsunami watch is in effect for Hawaii. Stay tuned for updates.**
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Discussion Points

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- ❖ **Based on the scenario events, identify ERS’s top priorities?**
- ❖ **Determine the general content topics for internal messages.**
- ❖ **How long will it take to create and distribute communication? What would be used to send the messages?**
- ❖ **For a tsunami warning, identify triggers to activate the continuity plans for the branches?**
- ❖ **What are the top business continuity priorities now?**

Inject 1: Crisis Management



Participant Discussion: What We Heard

- Strengths
 - Leadership identified communication needs as a top priority and outlined both internal and external communication procedures and considerations.
- Observations
 - Communications strategies lack the following detail:
 - Internal:
 - Leadership will need to meet to assess which critical staff are required within the next three hours (prior to expected wave impact) and who may be impacted by the coastal evacuation.
 - Immediate communication would be disseminated to Branch Chiefs via email and followed-up on via phone calls (if required). While Branch Chiefs stated that there are effective backup capability through Branch Supervisors, this is not documented.
 - Branch chiefs would execute top-down communication within their respective branches (i.e., leadership would communicate critical information to Branch Chiefs, and they would be responsible for informing their direct reports). However, not all staff have laptops/remote work capability. Branch Supervisors would backfill chiefs in the event of their unavailability.
 - Branches discussed communications to staff regarding life safety during a tsunami scenario, including a consideration for continued leadership check-ins with Branch Supervisors to determine staff availability and critical work activity progress.
 - External
 - Leadership identified the external website as the primary means of communication to members and that those communications would be paramount during benefit payment windows.
 - External messaging would be informed by the crisis communication plan and aim to assure members that ERS has prepared for such situations through detailed continuity planning and their member benefit payments will be delivered.
 - Communication lines would need to be established between critical third parties, such as Bank of New York Mellon and Bank of Hawaii.

Scenario Summary

- **PTWC upgrades the alert to a tsunami warning: “A tsunami warning is in effect. Evacuate coastal areas immediately.**
- **Three hours and 10 minutes until the wave arrival, emergency sirens have been activated and evacuation begins.**
- **At least half of the ERS branches will likely be inaccessible (but not necessarily due to water damage).**

Discussion Points

- ❖ **Branch chiefs: If you are not available, what is your succession plan at your branch (i.e., your successor and their backup)?**
- ❖ **Branch chiefs: Identify your five most important decisions to make for your branch and four critical continuity considerations. What information do you need from leadership?**
- ❖ **ERS leadership: Distinguish for employees the difference between a tsunami “watch” and a “warning” in your crisis communication messages.**
- ❖ **ERS leadership: Does coastal area evacuation impact operations (i.e., day before pay period closes)? What is the main content for an updated communications message?**

Inject 1: Crisis Management



Improvement Opportunities

- Branch chiefs should assess their capability to utilize multiple communication methods when tasked with communicating to staff within their branches, considering some staff do not have remote work capabilities and may be evacuating.
 - Leadership should collaborate with Branch Chiefs to assess the need to equip additional critical staff members (i.e., Cash Management Supervisor) with laptops to bolster remote work and critical activity continuity capabilities within branches.
- The crisis communication plan should be assessed to determine if backups (Branch Supervisors) for Branch Chiefs are identified and documented (including their contact information) in the event that a Branch Chief is forced to evacuate or is unreachable due to a disaster event.
- Consider developing, documenting and exercising a protocol for scripted emergency check-ins between ERS leadership and Branch Chiefs during disaster events.
 - Check-ins may focus on situational impact updates (including scope of damage), challenges, communication needs and operational continuity strategy effectiveness.

Scenario Summary

- **PTWC upgrades the alert to a tsunami warning: “A tsunami warning is in effect. Evacuate coastal areas immediately.**
- **Three hours and 10 minutes until the wave arrival, emergency sirens have been activated and evacuation begins.**
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Discussion Points

- ❖ **Branch chiefs: If you are not available, what is your succession plan at your branch (i.e., your successor and their backup)?**
- ❖ **Branch chiefs: Identify your five most important decisions to make for your branch and four critical continuity considerations. What information do you need from leadership?**
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- ❖ **ERS leadership: Does coastal area evacuation impact operations (i.e., day before pay period closes)? What is the main content for an updated communications message?**

Inject 2: Continuity



Participant Discussion: What We Heard

- Strength
 - The investment office detailed the need to maintain contact with Bank of New York Mellon to ensure that enough cash was on-hand pending scenario timing and operational impact.
- Observations
 - Participants discussed potential flooding concerns and their related impact to both technology and hard-copy paper records on-site.
 - Information Systems stakeholders identified the risk associated with the on-site data center being located on the second floor of the building, which may be impacted by severe inland flooding.
 - Data backups are stored within the State of Hawaii’s data center. Recovery capabilities and data retention volume of the state data center were not fully understood.
 - Staff discussed the need to secure vital paper records on-site prior to a widespread flooding event, including physical checks.
 - Pension payments are normally processed via ACH transfer to Bank of Hawaii six days in advance of payment delivery, which would alleviate the risk associated with an impact occurring near or at a benefit payment window.
 - ERS’s accounting branch is working to develop a plan related to ACH transfer impact.
 - Leadership discussed communication needs during impact, including addressing frequent questions or concerns received by members.
 - If additional or enhanced communication was needed, leadership would work to disseminate a press release via email to media partners identified in the crisis communication plan.

Scenario Summary

- 30 minutes before wave arrival, PTWC issues the following: “Tsunami waves are imminent. All evacuations should be complete. Stay away from shorelines.
- There are 10-foot waves that began flooding low-lying coastal areas, debris is carried inland, primary access roads are flooding, and beachfront homes are severely damaged or swept away.
- All ERS branches will likely be inaccessible (but not necessarily due to water damage).

Discussion Points

- ❖ Leadership concerns: With impact imminent, discuss the continuity priorities for the next three days if: offices are inaccessible, there is no power, roads are closed and the pay period is imminent.
- ❖ Branch concerns: With impact imminent, discuss the continuity priorities for the next three days if: offices are inaccessible, there is no power, roads are closed, and the pay period is imminent.
- ❖ What is the updated messaging to the affiliated entities?
- ❖ How often will messaging take place with employees after impact?

Inject 2: Continuity



Improvement Opportunities

- Collaborate with the state data center to better understand their information technology disaster recovery capabilities and communication procedures (including a point of contact) during a disaster event through requesting and analyzing their continuity and recovery plans.
- Consider executing a risk assessment of the second-floor data center to better understand flooding risk and identify mitigation opportunities.
- Assess or develop plan(s) for securing vital paper records, including physical checks in the event of widespread flooding or other physical damage to the office.
 - Within these plans, the types of vital paper record(s) should be identified and prioritized for securing, pending criticality for short-notice events, such as a tsunami.
 - Leadership may also consider investing in waterproof storage cabinets.
- The accounting branch should continue to develop, document and exercise a plan to continue with member benefit payments despite impact to the normal ACH transfer schedule (six days prior to payments).

Scenario Summary

- 30 minutes before wave arrival, PTWC issues the following: “Tsunami waves are imminent. All evacuations should be complete. Stay away from shorelines.
- There are 10-foot waves that began flooding low-lying coastal areas, debris is carried inland, primary access roads are flooding, and beachfront homes are severely damaged or swept away.
- All ERS branches will likely be inaccessible (but not necessarily due to water damage).

Discussion Points

- ❖ **Leadership concerns:** With impact imminent, discuss the continuity priorities for the next three days if: offices are inaccessible, there is no power, roads are closed and the pay period is imminent.
- ❖ **Branch concerns:** With impact imminent, discuss the continuity priorities for the next three days if: offices are inaccessible, there is no power, roads are closed and the pay period is imminent.
- ❖ What is the updated messaging to the affiliated entities?
- ❖ How often will messaging take place with employees after impact?

Inject 3: Extended Continuity



Participant Discussion: What We Heard

- Observations
 - The retirement benefits branch outlined an all-hands-on-deck approach to answering member inquiries and responding as quickly as possible. A quick reference guide or frequently asked questions tool to be used when responding to an overwhelming volume of inquiries was not discussed.
 - Leadership discussed the reputational harm associated with missing a member benefit payment and the barriers to executing payment would be exacerbated if in-office capabilities were lost, such as receiving and sending physical mail, reprocessing continuing benefits and having access to paper checks. These scenarios were discussed ad hoc and do not have operational continuity strategies.
 - The pension administration system was identified by the accounting branch as being extremely critical and vital to the processing of pension payments. An operational continuity strategy for the loss of the pension administration system has not been developed.
 - If this system were lost, staff assessed the potential for the Bank of Hawaii to reprocess last period's payments but have not verified or documented this capability.
 - Staff indicated that if a disaster impacted the ERS office location, the Bank of Hawaii (close geographical proximity) would likely be impacted as well.
 - Participants discussed their reliance on critical third parties, such as the mail scanning vendor and the physical check courier(s). A formal work-around for the loss of these vendors has not been developed.
 - Information systems stakeholders described various scenarios for potential technology loss, highlighting that while ERS staff would be able to work if the on-site data center is preserved, cloud storage capabilities are supported by the State of Hawaii data center, and their continuity and recovery capabilities are not fully understood.

Scenario Summary

- **Wave impact was worse than predicted and ERS branches are anticipated to be closed and inaccessible for two weeks.**
- **Given the increased impact and damage, staff absenteeism is predicted to be 25% across all ERS branches.**
- **A second benefits payment will be affected by the tsunami impacts.**

Discussion Points

- ❖ **Leadership concerns: What impacts will 25% staff absenteeism have across ERS operations? Are there pension payroll concerns? Identify triggers to instruct staff to return to the office after two and a half weeks.**
- ❖ **Branch concerns: Discuss the essential operations to be maintained for up to three weeks at your branch. What additional challenges will you face or need to consider over this period?**
- ❖ **For those employees scheduled for ERS-issues cellular devices, but do not have them currently, what is the impact?**

Inject 3: Extended Continuity



Improvement Opportunities

- Consider developing situation-dependent message templates the retirement benefits branch can leverage in the event of a high volume of member inquiries.
 - Templates may include general responses for frequently asked questions related to ERS's top hazards (i.e., tsunami or other severe weather, wildfire and/or cyberattack).
- Continue to collaborate with the Bank of Hawaii to determine if they have the capability to reprocess a previous period's benefit payments.
 - If able, work with business continuity stakeholders to formally develop, document and exercise this process, including reconciliation activities associated with disbursing a previous pay period's payment.
- Assess continuity capabilities associated with the loss of critical vendors, such as the physical mail scanner and the courier service.
 - This may include requesting access to the vendor company's business continuity plans and assessing whether internal ERS employees could backfill these roles in the event of a loss.

Scenario Summary

- **Wave impact was worse than predicted and ERS branches are anticipated to be closed and inaccessible for two weeks.**
- **Given the increased impact and damage, staff absenteeism is predicted to be 25% across all ERS branches.**
- **A second benefits payment will be affected by the tsunami impacts.**

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- ❖ **For those employees scheduled for ERS-issues cellular devices, but do not have them currently, what is the impact?**

Appendix: Business Continuity Tabletop Exercise Materials

Employees' Retirement System of the State of Hawaii

Business Continuity Exercise

October 4, 2025



Agenda

Topic	Time
Welcome and Introductions	5 minutes
Purpose, Scope and Objectives	5 minutes
Scenario Background	5 minutes
Module 1: Immediate Decisions	15 minutes
Module 2: Crisis Management and Communications	25 minutes
Module 3: 96-Hour Continuity Planning	20 minutes
Module 4: Extended Continuity Planning	20 minutes
Closing Remarks and Next Steps	5 minutes

Exercise Objectives

Scope: The scope of the ERS business continuity tabletop exercise is to explore the continuity plan activation, immediate crisis communications and continuity planning considerations following a tsunami.

Purpose: The purpose is to discuss crisis communications, alternate/backup decision-makers and identify longer-term continuity strategies through scenario-based discussions.



Evaluate the effectiveness of communication protocols with employees and the affiliated entities.



Present short-term continuity decisions based on event assessment.



Identify alternate executive and Branch Chief decision-makers.



Discuss longer-term continuity planning activities.

Exercise Assumptions

Do not fight the scenario.



The public followed the warnings and alerts and evacuated as instructed without serious injuries and fatalities to any ERS employees.



Emergency management actions and activities were carried out as planned.



The ERS executive director is on the mainland and is completely unreachable throughout the scenario timeline.



Scenario Background

Day Before Benefits Payment @ 10:00 a.m.–10:30 a.m.



A magnitude 9.0 earthquake occurs near Alaska's Shumagin Islands.

NOAA deepwater buoys detect coastal wave amplitudes exceeding 3.0 meters.



30 Minutes after the earthquake, from the Pacific Tsunami Warning Center (PTWC):

“A tsunami watch is in effect for Hawaii. Stay tuned for updates.”



First wave expected to reach Hawaiian shores four hours and 50 minutes after the quake.

Module 1 Discussion: Immediate Decisions

Day Before Benefits Payment @ 10:00 a.m.–10:30 a.m.



Immediate Decisions

- Who is in charge at ERS given the executive director is unavailable?
- Based on the scenario events, identify ERS's top priorities?



Crisis Communications

- Determine the general content topics for internal messages (e.g., employees) and external messages (e.g., members).
- How long will it take to create and distribute the communication? What would be used to send the messages?



Continuity Considerations

- For a tsunami warning, identify the event triggers to activate the continuity plans for the branches.
- What are the top business continuity priorities now?

Inject: Crisis Management

Day Before Benefits Payment @ 12:30 p.m.



PTWC upgrades the alert to a tsunami warning.

“A tsunami warning is in effect. Evacuate coastal areas immediately.”



Three hours and 10 minutes until wave arrival: Emergency sirens have been activated, and evacuation begins.



At least half of the ERS branches will likely be inaccessible (but not necessarily due to water damage).

Module 2 Discussion: Crisis Management and Communications

Day Before Benefits Payment @ 12:30 p.m.

Instructions:

- Take five minutes to address the answers to Questions 1–4.
- We will call on each branch to provide a short brief out.
- ERS leadership—Be prepared to discuss the main content for an updated crisis communications message to include affiliated entities if appropriate.

01

All Branch Chiefs: If you are not available, what is your succession plan at your branch (i.e., your successor, plus their backup)?

02

All Branch Chiefs: Identify your five most important decisions to make for your branch and four critical continuity considerations. What information do you need from leadership?

03

ERS leadership: Distinguish for employees the difference between a “watch” and a “warning” in your crisis communication messages.

04

ERS leadership: Does coastal area evacuation impact operations (i.e., day before pay period closes)? What is the main content for an updated communications message?

Inject: Continuity

Day Before Benefits Payment @ 3:30 p.m.



30 minutes before wave arrival, PTWC issues the following:

“Tsunami waves imminent. All evacuations should be complete. Stay away from shorelines.”



Wave Impact

- There are 10-foot waves that began flooding low-lying coastal areas.
- Debris carried inland.
- Primary access roads flooded.
- Beachfront homes severely damaged or swept away.



All ERS branches will likely be inaccessible (but not necessarily due to water damage).

Module 3 Discussion: 96-Hour Continuity Planning

Day Before Benefits Payment @ 3:30 p.m.



Leadership Concerns

- With impact imminent, discuss the continuity priorities for the next three days if:
 - Offices are inaccessible.
 - There is no power.
 - Roads are closed.
 - Pay period closes Tomorrow.



Branch Concerns

- With impact imminent, discuss the continuity priorities for the next three days if:
 - Offices are inaccessible.
 - There is no power.
 - Roads are closed.
 - Pay period closes Tomorrow.



Crisis Communications

- What is the updated messaging to the affiliated entities?
- How often will messaging take place with employees after impact?

Inject: Extended Continuity

Day Before Benefits Payment @ 4:00 p.m.



Wave impact was worse than predicted and ERS branches are anticipated to be closed and inaccessible for two weeks.



Given the increased impact and damage, staff absenteeism is predicted to be 25% across all ERS branches.



A second benefits payment will be affected by the tsunami impacts.

Module 4 Discussion: Extended Continuity Planning

Day Before Benefits Payment @ 4:00 p.m.



Leadership Concerns

- What impacts will 25% staff absenteeism have across ERS operations?
- Are there pension payroll concerns?
- Identify the triggers (or information necessary) to instruct staff to return to the office after two and a half weeks.



Branch Concerns

- Discuss the essential operations to be maintained for three weeks at your branch.
- What additional challenges will you face or need to consider over this time period?



Moving Forward

- For those employees scheduled for ERS-issued cellular devices, but do not have them currently, what is the impact?

Exercise Wrap-Up

Closing remarks and thank you!



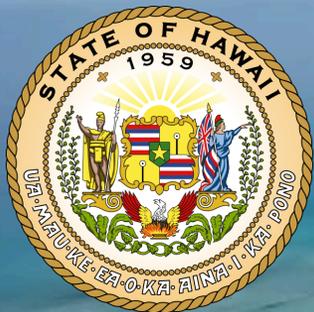
THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | CONSULTING

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Employees' Retirement System of the State of Hawaii

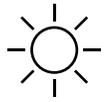


Employees' Retirement System
of the State of Hawaii

Compliance Quarterly Update
Kona Mann
February 20, 2025

Executive Summary:

This is the CCO's quarterly update. Report is being presented for Committee's awareness & discussion.



Key Highlights

- Compliance & Risk Management Activities: Continued IT Policy Development and Road Mapping; ERM Program Advancement; AuditBoard Implementation; Procurement of Risk & Resilience Managed Services; Procurement of Data & Analytics Consulting Services; Migration Project Management.
 - These key initiatives are currently underway.
 - These projects and initiatives are designed to enhance ERS' security and resilience posture.



Next Steps

- Actively work toward “standardized and repeatable” risk management activities, where risk processes are standardized, repeatable, and measured across the ERS.
- Finalize contracts with selected bidders for Risk and Resilience Managed Services and Data and Analytics Consulting Services.
- Finalize migration contract with Vitech/Majecso.



ERS Compliance & Risk Management Program

- **IT Policy Development & Road Mapping:**

The vISO, myself and the IT team have finalized the first stack of IT security policies (Cyber Risk Management, Vendor Risk Management, and Data Classification). The vISO and I continue to have our regular cadenced progress meetings with the IT branch. We continue our efforts to ensure accurate timelines for addressing and resolving outstanding IA findings as well as progress toward RoadMap Activities.

- **AuditBoard Implementation Project:**

Implementation of AuditBoard, ERS' new GRC (Governance, Risk, and Compliance) platform continues. Phase I focuses on uploading and testing foundational data. Expected completion date is pushed back to March 2026. This system will provide greater visibility, consistency in management, and reporting of risk related operational activities.

- **Procurement of Risk and Resilience Managed Services:**

A procurement to secure external expertise for the following services is in process of being approved and finalized with B&F:

- Virtual Information Security Officer Services
- Risk Management Program Development
- Business Continuity Planning (BCP)
- Disaster Recovery Planning (DRP)

These solicitations aim to bring specialized guidance and accelerate maturity in areas requiring focused technical and strategic capabilities.

- **Procurement of Data and Analytics Consulting Services:**

The year (1) key objectives are to drive organizational awareness, develop data literacy curriculum, and implement executable policies, processes, and controls.

- **Migration Project Management:**

A team is in place to manage our migration to V3locity with as minimal operational disruption as possible. Risk, business process improvement, change management, data assessments are embedded into project planning with our PM (Linea) to support effective governance and outcomes.





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

I. PURPOSE

The Human Resources 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 provide oversight of Human Resources Management and to determine and recommend compensation for executive and exempt positions in the ERS for Board approval based on annual performance assessments.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no more than four (4) trustees. The members of the Committee shall be appointed 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 meet at least one (1) time a year at such times and places as it deems necessary to fulfill its responsibilities. After each meeting, the Committee shall report to the Board regarding its actions and recommendations. The Committee may invite ERS officers and employees to its meetings as it deems appropriate. Except as otherwise directed by the Committee, the Executive Director, Deputy Executive Director, the Chief Investment Officer, and exempt Investment Office staff shall not be present at Committee meetings at which their compensation or performance is discussed or determined.



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

IV. AUTHORITY AND RESPONSIBILITIES

The Committee shall elect from its members a Chairperson and Vice Chairperson. The Committee shall have the following authority and responsibilities:

- To oversee the Executive Director's execution of the human resources management function within the State's policy framework and Budget & Finance's directives and guidance.
- To review, approve, and monitor, the annual goals and objectives of the Executive Director, Deputy Executive Director, and Chief Investment Officer as adopted by the Board. Successful accomplishment of the goals and objectives shall be the basis of compensation recommendations for the Executive Director and the Chief Investment Officer.
- Evaluate at least annually the Executive Director's, Deputy Executive Director's, and Chief Investment Officer's performance relative to the goals and objectives of their positions and those of the ERS.
- The Committee shall make recommendations to the Board regarding the compensation of the Executive Director and Chief Investment Officer.
- The Committee shall consult with the Executive Director on the goals and objectives applicable to the Deputy Executive Director, Chief Investment Officer, and exempt Investment Office staff.
- To review at least annually the Executive Director's and Chief Investment Officer's performance evaluations of exempt Investment Office staff's goals and objectives of staff's positions and those of the ERS.
- The Committee shall consult with the Executive Director and Chief Investment Officer regarding compensation recommendations for exempt Investment Office staff. The Committee shall make recommendations to the Board regarding the compensation of exempt Investment Office staff.
- To review with the Executive Director the implementation of performance goals and Committee recommendations at mid-year.



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

- To review and make recommendations to the Board regarding the adoption, amendment, or termination of employment agreements and severance arrangements or plans, including any benefits to be provided in connection with the appointment of the Executive Director and Chief Investment Officer. To develop and recommend to the Board for approval a succession plan ("Succession Plan"), to review the Succession Plan periodically with the Executive Director, to develop and evaluate potential candidates for the Executive Director, Deputy Executive Director, and Chief Investment Officer positions, and to recommend to the Board any changes to, and any candidates for succession under, the Succession Plan.
- To review the Training and Development Plan annually with the Executive Director and report on plan implementation to the Board.

V. OUTSIDE ADVISORS

The Committee shall have the authority, in its sole discretion, to select, retain and obtain the advice of compensation consultants as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. The Committee shall set the compensation, and oversee the work, of each compensation consultant. The Committee shall have the authority, in its sole discretion, to retain and obtain the advice and assistance of legal counsel and other advisors as it deems necessary to fulfill its duties and responsibilities under this Charter. The Committee shall set the compensation, and oversee the work, of its legal counsel and other advisors. The Committee shall not be required to implement or act consistently with the advice or recommendations of its compensation consultant(s), legal counsel, or other advisors, and the authority granted in this Part V shall not affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties under this Charter.



**Employees' Retirement System of the State of Hawaii
BOARD OF TRUSTEES
HUMAN RESOURCES COMMITTEE CHARTER**

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 deems appropriate.

Adopted and Approved by the Board of Trustees: April 10, 2017, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024, March 10, 2025

Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023

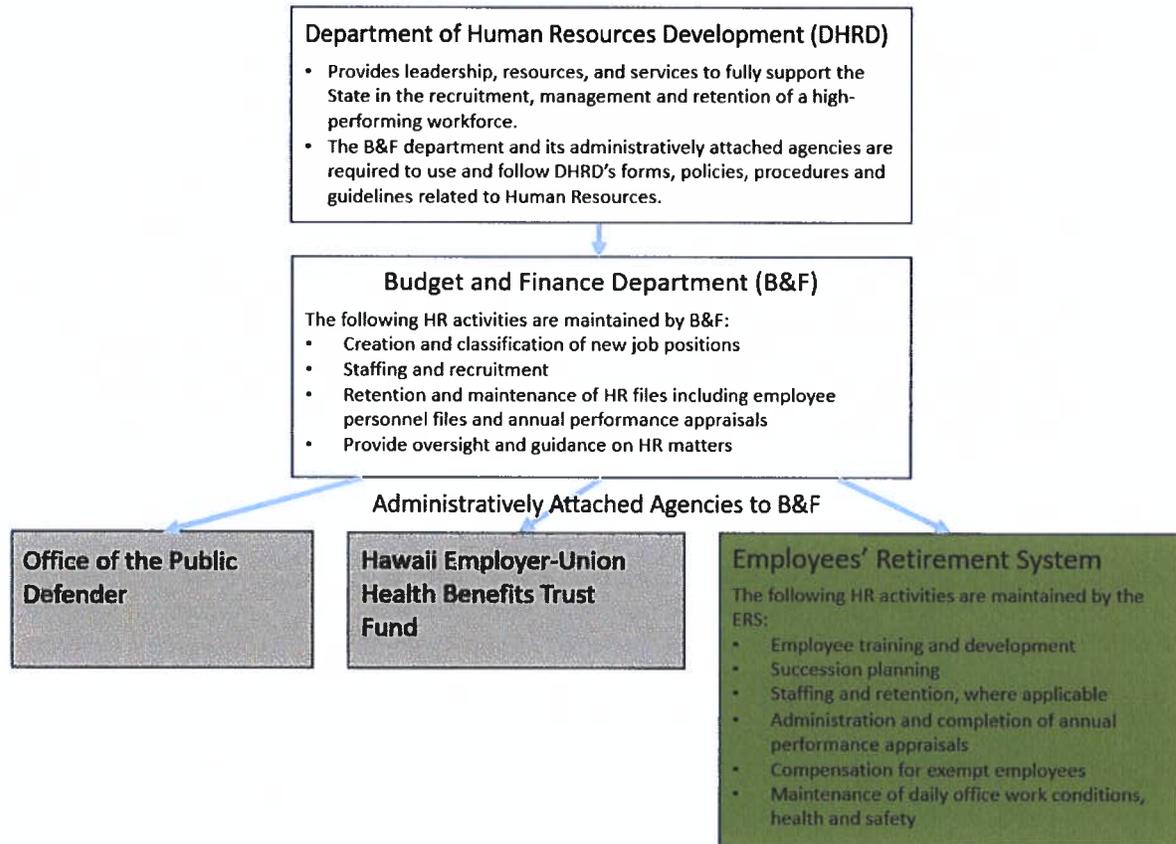
Revised and Accepted by the Compensation Review/Human Resources Committee: March 23, 2020, February 25, 2021, February 10, 2022, February 6, 2023, February 12, 2024, February 19, 2025, February 18, 2026

Attached for Reference:

Page 2, Human Resources Personnel Development and Retention Review, Internal Audit Report, September 2020, Report No.: STA011-XX-XX

The Performance Appraisal System is the annual employee review process required by the State of Hawaii (Section 76-41, Hawaii Revised Statutes). The purpose of the system is to evaluate the performance of employees in the civil service system and to improve employee performance. The ERS' managers and supervisors are responsible for performing and completing annual reviews of their staff member. Once completed, the employee performance appraisal forms are submitted to B&F. B&F is responsible for the tracking, collection and file maintenance of the performance appraisal form. Copies of each performance appraisal are provided to the ERS and individual employees. This process is the primary performance management tool used by the ERS to provide periodic feedback to its employees.

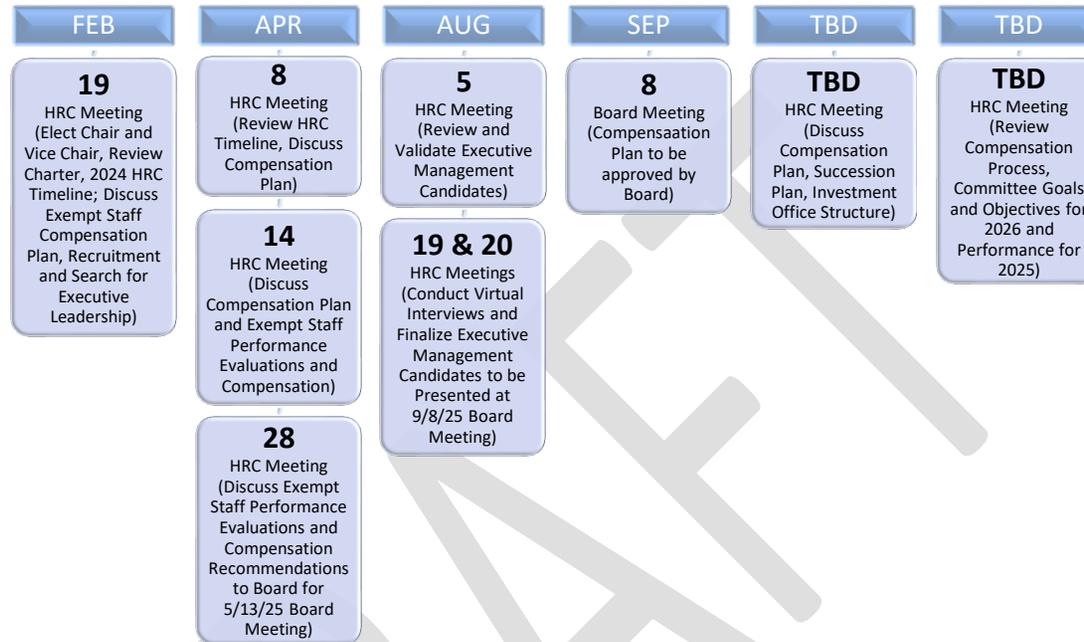
Human Resources Role Hierarchy for the Employees' Retirement System



The updated ERS Strategic Plan includes certain strategic HR initiatives. One of the Plan's Objectives is to "Maintain Plan Sustainability" and it includes the strategic initiative to "Optimize Operational Effectiveness." The measures and targets related to this initiative include:

- Develop, implement and maintain new and ongoing comprehensive staff training plan
 - Make job appropriate training available to all staff
- Institute an annual staff resources assessment, including a succession plan to maintain operational effectiveness
 - Assess staff resources annually, including a succession plan by FY 2020, updated annually

HUMAN RESOURCES COMMITTEE 2025 TIMELINE



Committee:

- Review Committee Charter, Update Timeline (by first meeting)
- Review all performance evaluations (ED, CIO, DCIO, IOs) and submit compensation recommendations to Board (May meeting)
- Develop long-term Compensation Plan (may include exempt award-based compensation)
- Review Succession Plan (may include staff development)
- Review Investment Office Structure
- Review the Compensation Process, and Committee Goals and Objectives for the next year

HUMAN RESOURCES COMMITTEE 2026 TIMELINE



Committee:

- Review Committee Charter, Update Timeline (by first meeting)
- Review all performance evaluations (ED, CIO, DCIO, IOs) and submit compensation recommendations to Board (May meeting)
- Develop long-term Compensation Plan (may include exempt award-based compensation)
- Review Succession Plan (may include staff development)
- Review Investment Office Structure
- Review the Compensation Process, and Committee Goals and Objectives for the next year

Executive Director (ED), Chief Investment Officer (CIO), Deputy Investment Officer (DCIO), Investment Officer (IO)

Updated: 2/18/26



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

I. PURPOSE

The Legislative 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 assist the Board in fulfilling its fiduciary oversight responsibilities by reviewing and advising on recommendations on proposed legislation.

II. COMMITTEE MEMBERSHIP

The Committee shall consist of no fewer than three (3) trustees. The members of the Committee shall be appointed by the Board. The members of the Committee shall be appointed for a one-year term 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 meet at least one (1) time a year at such times and places as it deems necessary to fulfill its responsibilities. The Committee shall report regularly to the Board regarding its actions and make recommendations to the Board as appropriate. The Committee may invite such members of management and advisors 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.

IV. AUTHORITY AND RESPONSIBILITIES

The members of the Committee shall elect its Chairperson and Vice Chairperson.



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

The Committee shall have the following authority and responsibilities regarding ERS Legislation:

- To review and approve annually the ERS's goals and objectives applicable to the legislative process.
- To review proposed legislation introduced by the ERS and by other parties, and to assign and provide direction for the Executive Director and Deputy Executive Director on priorities and actions to successfully support the legislative goals and responsibilities of the ERS.
- To recommend support or opposition of proposed legislation to the full Board for its consideration.

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 as necessary to assist with the execution of its duties and responsibilities as set forth in this Charter. 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 consistently with 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.



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

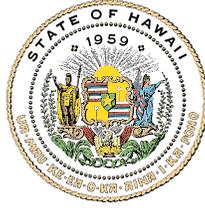
VI. PERFORMANCE EVALUATION

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 deems appropriate.

Adopted and Approved by the Board of Trustees on February 13, 2017, August 10, 2020, April 11, 2022, March 13, 2023, March 11, 2024, March 10, 2025
Accepted by the Governance Policy Committee: March 28, 2022, March 7, 2023
*Revised and Accepted by the Legislative Committee: August 10, 2020, February 7, 2022, January 31, 2023, February 2, 2024, February 13, 2025, **February 26, 2026***

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

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

March 9, 2026

TO: Board of Trustees
Employees' Retirement System of the State of Hawaii

FROM: Kalbert K. Young, Executive Director 
Employees' Retirement System of the State of Hawaii

SUBJECT: Legislative Committee Review, January 2025 - December 2025

Here is a review of the Legislative Committee meeting held between January 2025 to December 2025.

February 13, 2025

The Legislative Committee conducted the election of its officers. Upon nomination by Chair Yap, Vice Chair Ley was unanimously elected as Chair of the Legislative Committee. Chair Ley then presided over the remainder of the meeting. Trustee Mizumoto nominated former Chair Yap for Vice Chair, and the Committee unanimously elected Trustee Yap as Vice Chair.

The Committee reviewed and discussed the Legislative Committee Charter, which was updated to include a Legislative Committee performance assessment, as well as a review of prior-year committee activities. The Committee unanimously accepted the Charter as presented, along with the Committee's 2024 Performance Assessment, and recommended both be forwarded to the Board for approval.

The Committee reviewed and discussed legislative bills from the 2025 Legislative Session that may impact the Employees' Retirement System (ERS), including ERS-initiated bills, membership and benefits-related bills, and miscellaneous bills, along with ERS's recommended positions. Following discussion, the Committee approved a change in ERS's position on HB 214 (Relating to Government) from "Monitor" to "Provide Comments." The Committee unanimously accepted and reaffirmed the 2025 legislative bill positions, as amended, and will present them to the Board for approval.

Lastly, the Committee discussed the identification of potential future legislative proposals related to the System's investments, administration, and operations. No proposals were identified at this time, though the Chair encouraged the Committee to consider potential ideas for future discussion.



Employees' Retirement System
of the State of Hawaii



April 30, 2025

The Committee received an update on the 2025 Legislative Bills that may impact the Employees' Retirement System (ERS). Program Specialist Supervisor reviewed the updated list of ERS-initiated, membership and benefits-related, and miscellaneous bills, along with ERS's current positions on each measure. This update was provided for informational purposes only and will also be shared with the Board at its next meeting.

The Committee also discussed the identification of potential future legislative proposals related to the System's investments, administration, and operations. No formal proposals were identified for the next legislative session. However, Chair Ley suggested that future legislation could explore allowing service credit for 89-day hires once they become full-time and vested, as a potential tool to support state workforce recruitment. Additionally, ERS staff noted they are considering reintroducing legislation to reclassify certain senior management positions—such as the Deputy Executive Director, Chief Compliance Officer, and Information Security Officer—from civil service to exempt status.

August 26, 2025

The Committee discussed potential Employees' Retirement System (ERS) legislative proposals for the 2026 Legislative Session for recommendation to the Board of Trustees. Program Specialist Supervisor explained that, due to budgetary constraints, the Department of Budget and Finance limited ERS to submitting only one proposal as part of the Governor's legislative package, with any additional proposals requiring alternative means of submission.

The Committee reviewed a proposed employer contribution rate increase for the Police Officer, Firefighter, and Corrections Officer groups to address projected exceedance of the maximum funding period, as identified in the preliminary actuarial valuation by Gabriel Roeder Smith & Company (GRS) for the year ending June 30, 2025. Staff noted that this proposal was consistent with recommendations included in the three-year actuarial experience study previously accepted by the Administrative and Audit Committee. The Committee requested that additional dollar and ratio data related to the unfunded liability be included when the proposal is presented to the Board. The proposal was unanimously accepted and recommended for Board approval.

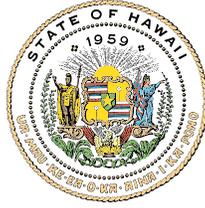
The Committee also reviewed a proposal to exempt the ERS Deputy Executive Director and Chief Compliance Officer positions from civil service under Chapter 76, Hawaii Revised Statutes. The Committee unanimously accepted this proposal and recommended it be forwarded to the Board for approval.

Given the limitation on submissions to the Department of Budget and Finance, the Committee discussed prioritization of the proposals. The Committee recommended that ERS staff submit both proposals to the Department of Budget and Finance for inclusion in the Governor's package and, if necessary, pursue alternate legislative avenues for any proposal not included. The Committee unanimously approved this approach and recommended it to the Board.

Lastly, the Committee discussed the identification of additional future legislative proposals related to ERS investments, administration, or operations. No additional proposals were identified at this time, though the Chair encouraged continued consideration of potential future legislative initiatives.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR



KALBERT K. YOUNG
EXECUTIVE DIRECTOR

GAIL STROHL
DEPUTY EXECUTIVE DIRECTOR

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

March 9, 2026

TO: Board of Trustees
Employees' Retirement System of the State of Hawaii

FROM: Kalbert K. Young, Executive Director 
Employees' Retirement System of the State of Hawaii

SUBJECT: Legislative Proposals Relating to the Employees' Retirement System

Attached are updated listings of the ERS-Initiated and ERS-related proposals by categories for the 2026 Legislative Session. Copies of selected ERS-related proposals are attached for your reference. The statuses of selected bills will be discussed.

Action: Approval of proposed recommendations

Attachments



Employees' Retirement System
of the State of Hawaii

ERS Initiated as of 3/2/2026										
#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
1	HB2277	ERS; Employer Contributions	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY.	Increases employer contributions for normal cost and accrued liability for a specified group of employees to ensure the unfunded accrued liability of the Employees' Retirement System of the State of Hawaii does not exceed the maximum funding period.	H 1/30/2026: Referred to LAB, FIN, referral sheet 5 First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LAB	NAKAMURA (Introduced by request of another party)	LAB, FIN	SB3096	Dead	Support
2	HB2278	ERS; Executive Personnel; Civil Service Exemption	RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.	Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements.	H 1/30/2026: Referred to LAB, FIN, referral sheet 5 First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LAB	NAKAMURA (Introduced by request of another party)	LAB, FIN	SB3097	Dead	Support
3	SB3096 SD1	ERS; Employer Contributions	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY.	Increases employer contribution rate for normal cost and accrued liability for police officers, firefighters, and corrections officers to ensure that the amortization period for the unfunded accrued liability of the State's Employees' Retirement System does not exceed the maximum funding period. Effective 1/1/2077. (SD1)	S 3/2/2026: The committee(s) on WAM recommend(s) that the measure be PASSED, UNAMENDED. The votes in WAM were as follows: 13 Aye(s): Senator(s) Dela Cruz, Moriwaki, DeCoite, Elefante, Hashimoto, Inouye, Kanuha, Kidani, Kim, Lee, C., Richards, Wakai, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2277	Active	Support
4	SB3097 SD1	ERS; Executive Personnel; Civil Service Exemption	RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.	Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements. Effective 1/1/2077. (SD1)	S 3/2/2026: The committee(s) on WAM recommend(s) that the measure be PASSED, UNAMENDED. The votes in WAM were as follows: 13 Aye(s): Senator(s) Dela Cruz, Moriwaki, DeCoite, Elefante, Hashimoto, Inouye, Kanuha, Kidani, Kim, Lee, C., Richards, Wakai, Fevella; Aye(s) with reservations: none ; 0 No(es): none; and 0 Excused: none.	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2278	Active	Support

Membership & Benefits Related as of 3/2/2026										
#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
5	HB1183 HD2	Department of Law Enforcement; Retirement for Public Officers and Employees; Allowances; Contributions; Pension and Retirement Systems	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers. Effective 07/01/3000. (HD2)	H 2/26/2026: The committee on FIN recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 16 Ayes: Representative(s) Todd, Takenouchi, Hartsfield, Hussey, Keohokapu-Lee Loy, Kitagawa, Kusch, Lee, M., Miyake, Morikawa, Perruso, Templo, Yamashita, Alcos, Gedeon, Reyes Oda; Ayes with reservations: none; 0 Noes: none; and 0 Excused: none.	SAYAMA, KILA, KITAGAWA, LAMOSAO, MARTEN, TAKAYAMA, WOODSON	LAB, JHA, FIN		Active	Provide Comments

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
6	SB99 SD1	DOE; ATG; ERS; Retirees; Hawaii Employer-Union Health Benefits Trust Fund; Benefits; School Resource Officers; Investigators; Counties; Report	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of retirement benefits if the retirant is employed as a law enforcement officer stationed at a public school as a school resource officer or investigator in positions identified by the Department of the Attorney General or Department of Law Enforcement or other law enforcement agency as a labor shortage or difficult-to-fill positions, subject to certain conditions. Requires the Director of Human Resources of the appropriate state jurisdiction or the human resources management chief executive of each county to include in their annual reports to the Legislature, details on the employment of retirants as school resource officers or investigators. Effective 1/1/2077. (SD1)	H 2/25/2026: Pass First Reading	ELEFANTE, AQUINO, CHANG, FEVELLA, GABBARD, HASHIMOTO, MCKELVEY, MORIWAKI, Fukunaga, Kanuha	LBT, WAM	HB214	Active	Provide Comments
7	SB731	DLE; AG; ERS; DHRD; Counties; Retirees; Benefits; Investigators; Reports	RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM.	Allows a retirant employed as an investigator identified by the Department of Law Enforcement or Department of the Attorney General as a labor shortage or difficult-to-fill position to be rehired without reenrollment in the Employees' Retirement System and without a loss or interruption of retirement benefits, subject to certain conditions. Requires annual reports to the Legislature to include details on the employment of retirants as investigators.	S 2/17/2026: The committee(s) on LBT deleted the measure from the public hearing scheduled on 02-18-26 3:01PM; CR 225 & Videoconference. First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LBT	DECOITE (Introduced by request of another party)	LBT, WAM/JDC		Dead	Provide Comments
8	HB1528 HD1	Constitutional Amendment; Judges; Mandatory Retirement Age	PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE HAWAII STATE CONSTITUTION TO INCREASE THE MANDATORY RETIREMENT AGE FOR STATE JUSTICES AND JUDGES.	Proposes a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy to seventy-five years of age. (HD1)	H 2/12/2026: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and none excused (0).	GARRETT, TARNAS	JHA, FIN	SB2152	Active	Monitor
9	HB1655 HD1	Collective Bargaining; Scope of Negotiations; Exclusions; Retirement Benefits	RELATING TO PUBLIC EMPLOYMENT.	Allows public employers and exclusive representatives of bargaining units to negotiate certain retirement benefits. Effective 7/1/3000. (HD1)	H 3/2/2026: Bill scheduled to be heard by FIN on Wednesday, 03-04-26 10:00AM in House conference room 308 VIA VIDEOCONFERENCE.	SAYAMA, ILAGAN, KILA, KUSCH, LEE, M., MARTEN, MATAYOSHI, OLDS, TAKAYAMA, TAM, TARNAS	LAB, FIN	SB2388	Active	Oppose

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
10	HB1662	DLE; Retirement for Public Officers and Employees; Allowances; Contributions; Pension and Retirement Systems	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.	H 2/3/2026: The committee(s) on LAB recommend(s) that the measure be deferred.	SAYAMA, ILAGAN, KILA, KITAGAWA, KUSCH, LEE, M., MARTEN, MIYAKE, OLDS, POEPOE, TAKAYAMA, TARNAS	LAB, JHA, FIN	SB2141	Dead	Provide Comments w/Concerns
11	HB1809	Public Employees; Retirants	RELATING TO THE EMPLOYMENT OF RETIRANTS.	Authorizes the State and counties to temporarily rehire retired public employees to fill positions identified as unique and critical to government operations.	H 1/26/2026: Referred to LAB, FIN, referral sheet 1 First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LAB	MIYAKE, AMATO, CHUN, EVSLIN, GEDEON, GRANDINETTI, ILAGAN, KAHALOA, KILA, KITAGAWA, KUSCH, MATSUMOTO, MORIKAWA, OLDS, PERRUSO, PIERICK, POEPOE, REYES ODA, TAKAYAMA, TAKENOUCI, TARNAS, WOODSON, Matayoshi	LAB, FIN		Dead	Provide Comments
12	HB2080	Hawaii Council of Mayors Package; Retirants; Employment	RELATING TO EMPLOYMENT OF RETIRANTS.	Authorizes the rehiring of retirants for positions that are unique and critical to operations. Limits the duration of each retirant's reemployment to 4 years.	H 1/28/2026: Referred to LAB, FIN, referral sheet 3 First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LAB	NAKAMURA (Introduced by request of another party)	LAB, FIN	SB2526	Dead	Provide Comments
13	HB2172 HD2	DOE; Hard-to-Staff Positions; Pilot Program; Employment; Retirants	RELATING TO EMPLOYMENT OF RETIRANTS.	Establishes a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions. Repeals 6/30/2031. Effective 7/1/3000. (HD2)	H 2/27/2026: Bill scheduled to be heard by FIN on Tuesday, 03-03-26 2:00PM in House conference room 308 VIA VIDEOCONFERENCE.	WOODSON, AMATO, EVSLIN, GARCIA, ILAGAN, IWAMOTO, KAHALOA, KAPELA, KILA, KUSCH, LOWEN, MARTEN, MATAYOSHI, MATSUMOTO, MIYAKE, MORIKAWA, OLDS, PERRUSO, PIERICK, POEPOE, REYES ODA, SOUZA, TAKAYAMA, TAKENOUCI, TARNAS, TEMPLO	EDN, LAB, FIN	SB2836	Active	Provide Comments
14	HB2358 HD1	Elective Officers; Membership; Employees' Retirement System	RELATING TO RETIREMENT.	Provides elective officers with the choice to be members of the Employees' Retirement System after each election. Repeals the condition that a choice to be excluded from the Employees' Retirement System is irrevocable and such choice may only be made once. Includes the Chief Investigator and Chief Special Investigator of the Department of Law Enforcement as class A members of the pension and retirement system. Establishes guidance for the computation of retirement benefits for the Chief Investigator, Chief Special Investigator, Director of Law Enforcement, and Deputy Directors of Law Enforcement. (HD1)	H 2/20/2026: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Quinlan excused (1).	SAYAMA, ILAGAN, KAHALOA, KAPELA, KILA, KITAGAWA, LEE, M., MARTEN, OLDS, POEPOE, TAKAYAMA, TAKENOUCI, TEMPLO	LAB, FIN	SB2832	Active	Oppose

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
15	HB2359 HD1	DHRD; ERS; EUTF; Public Employment; Retirants; State and County Positions; 89-Day Contracts; Report	RELATING TO RETIRANTS.	Establishes a five-year pilot program allowing retirants to be rehired for exempt service for one-year terms under certain circumstances. Provides that retirants employed under the program are excluded from the Hawaii Employer-Union Health Benefits Trust Fund and will not experience an interruption of pension benefits. Requires an employer of a retirant under the program to contribute to the Employees' Retirement System. Requires the Department of Human Resources Development to submit a report to the Legislature. Sunsets 6/30/2031. Effective 7/1/3000. (HD1)	H 2/20/2026: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and Representative(s) Quinlan excused (1).	SAYAMA, ILAGAN, KAPELA, KILA, KITAGAWA, KUSCH, MARTEN, MATAYOSHI, MIYAKE, MORIKAWA, OLDS, TAKAYAMA, TAKENOUCI, TARNAS, TEMPLO	LAB, FIN	SB2672	Active	Provide Comments
16	HB2527	Military Benefits, Entitlements, or Privileges; Hawaii Revised Statutes; Repeal	RELATING TO MILITARY BENEFITS.	Repeals portions of the Hawaii Revised Statutes that confer special benefits, protections, privileges, or entitlements to members of the United States armed forces in the State in the event that the United States government or any agency or entity of the United States government commences condemnation proceedings of any land or interest in land owned or held by the State.	H 2/2/2026: Referred to PBS/ECD, JHA, FIN, referral sheet 6 House Triple Referral Deadline 2/11/2026. Bill was not scheduled for a hearing by PBS/ECD	IWAMOTO, GRANDINETTI, HUSSEY, PERRUSO	PBS/ECD, JHA, FIN		Dead	Provide Comments
17	SB2141	DLE; Retirement for Public Officers and Employees; Allowances; Contributions; Pension and Retirement Systems	RELATING TO ALLOWANCE ON SERVICE RETIREMENTS.	Includes certain law enforcement administrators and employees of the Department of Law Enforcement as class A members of the pension and retirement systems and provides guidance for the computation of retirement benefits similar to police officers.	S 2/4/2026: The committee on PSM deferred the measure.	ELEFANTE, CHANG, FEVELLA, FUKUNAGA, MORIWAKI, RICHARDS, Hashimoto	LBT/PSM, WAM	HB1662	Dead	Provide Comments
18	SB2152 SD2	Constitutional Amendment; Judges; Mandatory Retirement Age	PROPOSING AN AMENDMENT TO ARTICLE VI, SECTION 3, OF THE HAWAII STATE CONSTITUTION TO INCREASE THE MANDATORY RETIREMENT AGE FOR STATE JUSTICES AND JUDGES.	Proposes a constitutional amendment to increase the mandatory retirement age for justices and judges from seventy to seventy-five years of age. Effective 7/1/2050. (SD2)	S 2/24/2026: 48 Hrs. Notice 03-05-26.	RHOADS, CHANG, ELEFANTE, FUKUNAGA, KEOHOKALOLE, KIDANI, RICHARDS, SAN BUENAVENTURA, Ihara, Kanuha, Wakai	JDC, WAM	HB1528	Active	Monitor
19	SB2388	Collective Bargaining; Scope of Negotiations; Exclusions; Retirement Benefits	RELATING TO PUBLIC EMPLOYMENT.	Allows public employers and exclusive representatives of bargaining units to negotiate certain retirement benefits.	S 2/4/2026: The committee on LBT deferred the measure.	ELEFANTE, CHANG, DECOITE, FEVELLA, LAMOSAO, RHOADS	LBT, WAM	HB1655	Dead	Oppose
20	SB2526 SD1	Hawaii Council of Mayors Package; Retirants; Employment	RELATING TO EMPLOYMENT OF RETIRANTS.	Authorizes the rehiring of retirants for positions that are unique and critical to operations . Limits the duration of each retirant's reemployment to four years. Effective 1/1/2077. (SD1)	S 2/20/2026: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	KOUCHI (Introduced by request of another party)	LBT, WAM	HB2080	Active	Provide Comments

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
21	SB2555 SD1	ERS; Retirants; Employment; Succession Planning	RELATING TO GOVERNMENT.	Allows a retirant to be employed without reenrollment in the Employees' Retirement System and without loss or interruption of benefits if the retirant is employed in a position identified as one needed for succession planning . Effective 1/1/2077. (SD1)	S 2/11/2026: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	MORIWAKI, CHANG, SAN BUENAVENTURA, Fukunaga	LBT, WAM		Active	Provide Comments
22	SB2606	Freshwater State Recreation Area Wildlife Sanctuary; Wildlife Conservation; Nonprofit Corporation	RELATING TO WILDLIFE.	Establishes the Freshwater State Recreation Area Wildlife Sanctuary Corporation.	S 2/11/2026: The committee on WLA deferred the measure.	DELA CRUZ, CHANG, HASHIMOTO, KIDANI, LAMOSAO	WLA/AEN, WAM		Dead	Provide Comments w/Concerns
23	SB2672 SD1	DHRD; ERS; EUTF; Public Employment; Retirants; State and County Positions; 89-Day Contracts; Report	RELATING TO RETIRANTS.	Establishes a five-year pilot program allowing retirants to be rehired for exempt service for one-year terms under certain circumstances. Provides that retirants employed under the program are excluded from the Hawaii Employer-Union Health Benefits Trust Fund and will not experience an interruption of pension benefits. Requires an employer of a retirant under the program to contribute to the Employees' Retirement System. Requires the Department of Human Resources Development to submit a report to the Legislature. Sunsets 6/30/2031. Effective 1/1/2077. (SD1)	S 2/18/2026: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	HASHIMOTO, LAMOSAO, MORIWAKI, Wakai	LBT, WAM	HB2359	Active	Provide Comments
24	SB2832	Elective Officers; Membership; Employees' Retirement System	RELATING TO RETIREMENT.	Provides elective officers with the choice to be members of the Employees' Retirement System after each election. Repeals the condition that a choice to be excluded from the Employees' Retirement System is irrevocable and such choice may only be made once.	S 1/30/2026: Referred to LBT, WAM. First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LBT	HASHIMOTO	LBT, WAM	HB2358	Dead	Oppose
25	SB2836	DOE; Hard-to-Staff Positions; Pilot Program; Employment; Retirants	RELATING TO EMPLOYMENT OF RETIRANTS.	Establishes a 5-year pilot program to authorize the Department of Education to rehire retired teachers and educational officers for hard-to-staff positions .	S 2/6/2026: The committee on EDU deferred the measure.	HASHIMOTO, Kim	EDU, WAM	HB2172	Dead	Provide Comments
26	SB2872 SD1	DOE; Retirants; Benefits; Exemption; Teachers; Administrators; Difficult-to-Fill Positions; Rules	RELATING TO RETIRED EDUCATION EMPLOYEES.	Repeals the requirement that retirants rehired as teachers or administrators serve in a teacher shortage area identified by the Department of Education . Requires retirants rehired after 6/30/2026 as teachers or administrators in Department or charter schools to be paid the entry level salary for the teacher or administrator position as negotiated in the collective bargaining unit contract. Prohibits retirants rehired after 6/30/2026 from receiving additional employment benefits. Requires the DOE to adopt rules. (SD1)	S 2/12/2026: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	KIM, CHANG, HASHIMOTO, MCKELVEY, RICHARDS	EDU/LBT, WAM		Active	Provide Comments

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
27	SB3253 SD1	DLNR; Hawaii Conservation Sanctuary; Endangered Species; Wildlife; Conservation	RELATING TO CONSERVATION.	Establishes the Hawaii Conservation Sanctuary Corporation to protect and expand the populations of endangered species and other wildlife, native or nonnative, by establishing sanctuaries in the State. Establishes powers and duties of the Corporation. Authorizes the Corporation to partner or otherwise collaborate with the Department of Land and Natural Resources. Establishes rules for the Corporation's Board of Governors, Executive Director, and business practices. Requires an annual report to the Governor, Lieutenant Governor, Legislature, Chairperson of the Board of Land and Natural Resources, and Director of Commerce and Consumer Affairs. Effective 7/1/2050. (SD1)	S 2/25/2026: The committee(s) on WAM deferred the measure until 03-03-26 10:15AM; Conference Room 211 & Videoconference.	LEE, C., CHANG, Richards	WLA/AEN, WAM		Active	Provide Comments

Miscellaneous as of 3/2/2026 (removed companion bills)

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
28	GM634	Board of Trustees of the Employees' Retirement System		Submitting for consideration and confirmation to the Board of Trustees of the Employees' Retirement System, Gubernatorial Nominee, DARLENE BLAKENY, for a term to expire 06-30-2032.	S 1/30/2026: Referred to LBT.		LBT		Active	Support
29	HB1521 HD1	Government Contracts; Contractors; Public Records	RELATING TO GOVERNMENT CONTRACTS.	Requires contractors performing an agency function to retain records related to the performance of that function and provide agencies with access to those records. Deems the records to be government records under the Uniform Information Practices Act. Effective 7/1/3000. (HD1)	H 2/10/2026: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; Representative(s) Garcia, Shimizu voting no (2) and none excused (0).	TARNAS, AMATO, GARRETT, ILAGAN, IWAMOTO, KEOHOKAPU-LEE LOY, KILA, LOWEN, MARTEN, OLDS, PERRUSO, POEPOE, REYES ODA, SOUZA, TAKAYAMA	JHA, FIN	SB2312	Active	Provide Comments
30	HB1529	Public Agency Meetings and Records; Boards and Commissions; Quorum; Number of Votes Necessary to Validate Acts	RELATING TO BOARDS AND COMMISSIONS.	Reduces the quorum requirement for boards and commissions to a majority of current voting members of a board or commission. Reduces the number of affirmative votes needed to validate action of a board or commission to a majority of members voting at a meeting with quorum.	H 1/26/2026: Referred to JHA, referral sheet 1	GARRETT	JHA		Active	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
31	HB1607 HD1	Public Procurement; Local Preference; Hawaii Businesses	RELATING TO PUBLIC PROCUREMENT.	Permanently establishes the Small Business Procurement Program and Small Business Procurement Coordinator position within the State Procurement Office. Requires purchasing agencies to apply a local preference to Hawaii businesses in evaluating contracts awarded by competitive sealed bidding or competitive sealed proposals. Establishes criteria for a Hawaii business to qualify for a local preference. Establishes procedures for contract awardees who fail to meet or maintain the preference criteria. Establishes a special fund and requires the Small Business Procurement Coordinator to establish rules and policies, effective 1/1/2029, requiring small businesses to commit to contributing 0.2 per cent of state contract awards to the special fund. Repeals the Small Business Assistance Initiative established in Act 168, SLH 2022. Appropriates funds for the Small Business Procurement Coordinator. Effective 7/1/3000. (HD1)	H 2/19/2026: Passed Second Reading as amended in HD 1 and referred to the committee(s) on FIN with none voting aye with reservations; none voting no (0) and none excused (0).	ILAGAN, AMATO, EVSLIN, HUSSEY, KEOHOKAPU-LEE LOY, KILA, MARTEN, MATAYOSHI, MATSUMOTO, MIYAKE, MORIKAWA, MURAOKA, PERRUSO, PIERICK, REYES ODA, SHIMIZU, TAKAYAMA, TARNAS	ECD, FIN	SB2075	Active	Monitor
32	HB1657	DHRD; Civil Service Positions; State Departments, Divisions, and Agencies; Recruitment and Hiring; Rules	RELATING TO PUBLIC EMPLOYMENT.	Authorizes state departments, divisions, and agencies to elect to assume hiring and recruitment functions from the Department of Human Resources Development for vacant civil service positions within that department, division, or agency under certain conditions. Requires the Department of Human Resources Development to adopt rules. Repeals existing law authorizing state departments, divisions, and agencies to conduct minimum qualification review of applicants for their vacant civil service positions.	H 1/26/2026: Referred to LAB, FIN, referral sheet 1 First Lateral Filing Deadline 2/19/2026. Bill was not scheduled for a hearing by LAB	SAYAMA, ILAGAN, KUSCH, LEE, M., MARTEN, MATAYOSHI, OLDS, TAKAYAMA, TARNAS	LAB, FIN	SB2137	Dead	Monitor
33	HB1800	State Budget	RELATING TO THE STATE BUDGET.	Adjusts and requests appropriations for fiscal biennium 2025-2027 funding requirements for operations and capital improvement projects of Executive Branch agencies and programs.	H 1/26/2026: Referred to FIN, referral sheet 1	NAKAMURA (Introduced by request of another party)	FIN	SB2500	Active	Monitor
34	HB1999	Public Agencies; Meetings; Notices; Disabilities; Readability	RELATING TO PUBLIC MEETINGS.	Requires certain information to appear at the beginning of notices for public meetings.	H 1/28/2026: Referred to JHA, referral sheet 3	TAKENOUCHI, MARTEN, OLDS, TAKAYAMA	JHA	SB2849	Active	Monitor
35	HB2106	State Ethics Commission Package; Financial Disclosures; Requirements	RELATING TO FINANCIAL DISCLOSURES.	Expands the scope of persons who are subject to public financial disclosure requirements.	H 2/19/2026: The committee on JHA recommend that the measure be PASSED, WITH AMENDMENTS. The votes were as follows: 10 Ayes: Representative(s) Tarnas, Poepoe, Belatti, Cochran, Hashem, Kahaloe, Sayama, Takayama, Garcia, Shimizu; Ayes with reservations: none; Noes: none; and Excused: none.	NAKAMURA (Introduced by request of another party)	JHA	SB2246	Active	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
36	SB2014 SD1	DHRD; Vacant Positions; Reclassification; Abolishment; Report; General Fund	RELATING TO PUBLIC EMPLOYMENT.	Requires the Director of Human Resources Development to abolish vacant positions within state departments and agencies under its jurisdiction that have been vacant for more than 5 years with certain exceptions. Requires a list of positions abolished to be included in the Director's annual report to the Legislature. Requires funds for abolished positions to immediately lapse to the credit of the appropriate fund. Effective 1/1/2077. (SD1)	S 2/25/2026: The committee(s) on WAM deferred the measure until 03-03-26 10:15AM; Conference Room 211 & Videoconference.	INOUYE	LBT, WAM		Active	Monitor
37	SB2380	Continuous Legislative Session; Constitutional Amendment; Constitutional Repeal	PROPOSING AMENDMENTS TO THE HAWAII STATE CONSTITUTION TO ESTABLISH A CONTINUOUS LEGISLATIVE SESSION.	Establishes a continuous Legislature beginning in January 2031. Defines each regular session to be two calendar years. Requires the Legislature to convene on the first and third weeks of each month except for two months before a general or primary election. Repeals language regarding special sessions, adjournment, and recesses. Establishes procedures for the carry-over of bills from the first to the second year of a regular session. Establishes deadlines for certain bills to be submitted for gubernatorial consideration. Standardizes the number of days that the Governor must approve or veto a bill submitted for consideration. Repeals the Governor's ability to appoint an interim position if a vacancy occurs while the Senate is not in session. Establishes salaries of the members of the Legislature pursuant to recommendations by the Commission on Salaries submitted during the 2030 regular session, unless those recommendations are amended by law.	S 2/11/2026: Report adopted; Passed Second Reading and referred to WAM.	CHANG	JDC, WAM		Active	Monitor
38	SB2449	Public Meetings; Business Days; Board Packets; Public Inspection; Regular Business Hours	RELATING TO PUBLIC MEETINGS.	Defines "business day" as used in Part I of Chapter 92, HRS, governing public meetings. Clarifies that board packets, if created, shall be made available for public inspection in the board's office during regular business hours, no later than three full business days before the public meeting. Defines "regular business hours".	S 2/5/2026: The committee on GVO deferred the measure.	RHOADS, CHANG, FUKUNAGA	GVO, JDC		Dead	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
39	SB2662 SD1	Auditor; External Consultants; Purchasing Agencies; Disclosure Requirements; Spending Caps; Audit; Exceptions; Reports	RELATING TO GOVERNMENT ACCOUNTABILITY.	Requires each purchasing agency to provide justification for hiring external consultants. Requires each agency to seek approval from the Legislature for consulting contracts exceeding a certain dollar amount. Requires annual reports to the Legislature. Requires the Compliance Audit Unit within the Office of the Auditor to conduct regular audits of agency consultant contracts to assess cost-effectiveness and compliance. Establishes exceptions. Requires each chief procurement officer to ensure that inherent government functions are not delegated to a contractor. Effective 1/1/2525. (SD1)	S 2/20/2026: Report adopted; Passed Second Reading, as amended (SD 1) and referred to WAM.	KIM, DECORTE, HASHIMOTO, KIDANI, MCKELVEY, Chang, Lamosao, Wakai	GVO, WAM		Active	Oppose
40	SB3180 SD1	State Employment; Temporary Employment; Eighty-Nine-Day Hires; Limits; Abolishment; Annual Reports	RELATING TO STATE EMPLOYMENT.	Repeals language that limits the temporary employment of a person in a single position for 2 terms of 89 days. Requires each department and agency to submit an annual report to the Legislature that includes certain information about the department or agency's employment of 89-day hires. Automatically abolishes positions that have been vacant for more than 48 months. Effective 1/1/2077. (SD1)	S 2/25/2026: The committee(s) on WAM deferred the measure until 03-03-26 10:15AM; Conference Room 211 & Videoconference.	MORIWAKI	LBT/GVO, WAM		Active	Monitor
41	SB3230 SD1	DAGS; Procurement; Ethical Public Procurement; Budget Transfers; Certification; Fiscal Officers; Public Works Division; Special Project Branch; Positions; Appropriation	RELATING TO PROCUREMENT.	Authorizes governmental bodies and public employees to procure project management services through non-governmental third-party contracts under certain conditions. Clarifies the inherently governmental and nondelegable responsibility of state agencies, which must retain ultimate authority, accountability, and decision-making over contract performance. Requires every budget transfer to receive prior written certification from an appropriate fiscal officer as to the effect the budget transfer will have on the total project budget or the total contract budget. Appropriates funds to establish a Special Project Branch within the Public Works Division of the Department of Accounting and General Services, including funds for three full-time equivalent (3.0 FTE) permanent positions, to provide specialized expertise and staff resources that support the Division's implementation of certain complex, high-profile capital improvement program projects using innovative, non-traditional delivery methods. Effective 7/1/2525. (SD1)	S 2/25/2026: The committee(s) on WAM deferred the measure until 03-03-26 10:15AM; Conference Room 211 & Videoconference.	DELA CRUZ, CHANG, KIDANI, Elefante	GVO, WAM		Active	Monitor

#	Bill No	Subject	Title	Summary	Status as of 3/2/2026	Introducer(s)	Refer	Comp	Active or Dead	ERS Position
42	SB3332 SD1	DAGS; State Agencies; State-Funded Travel Moratorium; Exceptions; Rules; Reports	RELATING TO STATE-FUNDED TRAVEL.	Establishes a two-year state-funded travel moratorium for certain state agencies, with certain exceptions. Permits the Department of Accounting and General Services to adopt rules. Requires reports to the Legislature. Effective 1/1/2525. Sunsets 6/30/2028. (SD1)	S 2/25/2026: The committee(s) on WAM deferred the measure until 03-03-26 10:15AM; Conference Room 211 & Videoconference.	KIM, FEVELLA, GABBARD, HASHIMOTO, San Buenaventura	GVO, WAM		Active	Monitor

A BILL FOR AN ACT

RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER
CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY.

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

1 SECTION 1. Section 88-122, Hawaii Revised Statutes, is
2 amended by amending subsection (e) to read as follows:
3 "(e) Commencing with fiscal year 2005-2006 and each
4 subsequent fiscal year until fiscal year 2007-2008, the employer
5 contributions for normal cost and accrued liability for each of
6 the two groups of employees in subsection (a) shall be based on
7 fifteen and three-fourths per cent of the member's compensation
8 for police officers, firefighters, and corrections officers and
9 thirteen and three-fourths per cent of the member's compensation
10 for all other employees. Commencing with fiscal year 2008-2009
11 and each subsequent fiscal year until fiscal year 2011-2012, the
12 employer contributions for normal cost and accrued liability for
13 each of the two groups of employees in subsection (a) shall be
14 based on nineteen and seven-tenths per cent of the member's
15 compensation for police officers, firefighters, and corrections
16 officers and fifteen per cent of the member's compensation for



1 all other employees. In fiscal year 2012-2013, the employer
2 contributions for normal cost and accrued liability for each of
3 the two groups of employees in subsection (a) shall be based on
4 twenty-two per cent of the member's compensation for police
5 officers, firefighters, and corrections officers and fifteen and
6 one-half per cent of the member's compensation for all other
7 employees. In fiscal year 2013-2014, the employer contributions
8 for normal cost and accrued liability for each of the two groups
9 of employees in subsection (a) shall be based on twenty-three
10 per cent of the member's compensation for police officers,
11 firefighters, and corrections officers and sixteen per cent of
12 the member's compensation for all other employees. In fiscal
13 year 2014-2015, the employer contributions for normal cost and
14 accrued liability for each of the two groups of employees in
15 subsection (a) shall be based on twenty-four per cent of the
16 member's compensation for police officers, firefighters, and
17 corrections officers and sixteen and one-half per cent of the
18 member's compensation for all other employees. Commencing with
19 fiscal year 2015-2016 until fiscal year 2016-2017, the employer
20 contributions for normal cost and accrued liability for each of
21 the two groups of employees in subsection (a) shall be based on



1 twenty-five per cent of the member's compensation for police
2 officers, firefighters, and corrections officers and seventeen
3 per cent of the member's compensation for all other employees.
4 In fiscal year 2017-2018, the employer contributions for normal
5 cost and accrued liability for each of the two groups of
6 employees in subsection (a) shall be based on twenty-eight per
7 cent of the member's compensation for police officers,
8 firefighters, and corrections officers and eighteen per cent of
9 the member's compensation for all other employees. In fiscal
10 year 2018-2019, the employer contributions for normal cost and
11 accrued liability for each of the two groups in subsection (a)
12 shall be based on thirty-one per cent of the member's
13 compensation for police officers, firefighters, and corrections
14 officers and nineteen per cent of the member's compensation for
15 all other employees. In fiscal year 2019-2020, the employer
16 contributions for normal cost and accrued liability for each of
17 the two groups in subsection (a) shall be based on thirty-six
18 per cent of the member's compensation for police officers,
19 firefighters, and corrections officers and twenty-two per cent
20 of the member's compensation for all other employees.
21 Commencing with fiscal year 2020-2021 and each subsequent fiscal



1 year^[7] until fiscal year 2026-2027, the employer contributions
2 for normal cost and accrued liability for each of the two groups
3 in subsection (a) shall be based on forty-one per cent of the
4 member's compensation for police officers, firefighters, and
5 corrections officers and twenty-four per cent of the member's
6 compensation for all other employees. Commencing with fiscal
7 year 2027-2028 and each subsequent fiscal year, the employer
8 contributions for normal cost and accrued liability for each of
9 the two groups of employees in subsection (a) shall be based on
10 forty-four per cent of the member's compensation for police
11 officers, firefighters, and corrections officers and twenty-four
12 per cent of the member's compensation for all other employees.
13 The contribution rates shall amortize the total unfunded accrued
14 liability of the entire plan over a period not to exceed the
15 maximum funding period.

16 The contribution rates shall be subject to adjustment:

- 17 (1) If the actual period required to amortize the unfunded
18 accrued liability exceeds the maximum funding period;
19 (2) If there is no unfunded accrued liability; or
20 (3) Based on the actuarial investigation conducted in
21 accordance with section 88-105."



1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect on January 1, 2077.



Report Title:

ERS; Unfunded Accrued Liability; Employer Contribution Rates;
Increase

Description:

Increases employer contribution rate for normal cost and accrued liability for police officers, firefighters, and corrections officers to ensure that the amortization period for the unfunded accrued liability of the State's Employees' Retirement System does not exceed the maximum funding period. Effective 1/1/2077. (SD1)

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



A BILL FOR AN ACT

RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE
PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM.

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

1 SECTION 1. Chapter 88, Hawaii Revised Statutes, is amended
2 by adding to part II, subpart A, a new section to be
3 appropriately designated and to read as follows:

4 "§88- Executive personnel. The board, through its
5 executive director, may appoint a deputy executive director, a
6 chief compliance officer, and an information security officer.
7 Each appointee shall serve under the direction of the executive
8 director, with duties and qualifications prescribed and each
9 appointee's salary fixed by the board, and shall be exempt from
10 chapter 76."

11 SECTION 2. Section 76-16, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The civil service to which this chapter applies shall
14 comprise all positions in the State now existing or hereafter
15 established and embrace all personal services performed for the
16 State, except the following:



- 1 (1) Commissioned and enlisted personnel of the Hawaii
2 National Guard and positions in the Hawaii National
3 Guard that are required by state or federal laws or
4 regulations or orders of the National Guard to be
5 filled from those commissioned or enlisted personnel;
- 6 (2) Positions filled by persons employed by contract where
7 the director of human resources development has
8 certified that the service is special or unique or is
9 essential to the public interest and that, because of
10 circumstances surrounding its fulfillment, personnel
11 to perform the service cannot be obtained through
12 normal civil service recruitment procedures. Any
13 contract may be for any period not exceeding one year;
- 14 (3) Positions that must be filled without delay to comply
15 with a court order or decree if the director
16 determines that recruitment through normal recruitment
17 civil service procedures would result in delay or
18 noncompliance, such as the Felix-Cayetano consent
19 decree;
- 20 (4) Positions filled by the legislature or by either house
21 or any committee thereof;



- 1 (5) Employees in the office of the governor and office of
2 the lieutenant governor, and household employees at
3 Washington Place;
- 4 (6) Positions filled by popular vote;
- 5 (7) Department heads, officers, and members of any board,
6 commission, or other state agency whose appointments
7 are made by the governor or are required by law to be
8 confirmed by the senate;
- 9 (8) Judges, referees, receivers, masters, jurors, notaries
10 public, land court examiners, court commissioners, and
11 attorneys appointed by a state court for a special
12 temporary service;
- 13 (9) One bailiff for the chief justice of the supreme court
14 who shall have the powers and duties of a court
15 officer and bailiff under section 606-14; one
16 secretary or clerk for each justice of the supreme
17 court, each judge of the intermediate appellate court,
18 and each judge of the circuit court; one secretary for
19 the judicial council; one deputy administrative
20 director of the courts; three law clerks for the chief
21 justice of the supreme court, two law clerks for each



1 associate justice of the supreme court and each judge
2 of the intermediate appellate court, one law clerk for
3 each judge of the circuit court, two additional law
4 clerks for the civil administrative judge of the
5 circuit court of the first circuit, two additional law
6 clerks for the criminal administrative judge of the
7 circuit court of the first circuit, one additional law
8 clerk for the senior judge of the family court of the
9 first circuit, two additional law clerks for the civil
10 motions judge of the circuit court of the first
11 circuit, two additional law clerks for the criminal
12 motions judge of the circuit court of the first
13 circuit, and two law clerks for the administrative
14 judge of the district court of the first circuit; and
15 one private secretary for the administrative director
16 of the courts, the deputy administrative director of
17 the courts, each department head, each deputy or first
18 assistant, and each additional deputy, or assistant
19 deputy, or assistant defined in paragraph (16);
20 (10) First deputy and deputy attorneys general, the
21 administrative services manager of the department of



1 the attorney general, one secretary for the
2 administrative services manager, an administrator and
3 any support staff for the criminal and juvenile
4 justice resources coordination functions, and law
5 clerks;

- 6 (11) (A) Teachers, principals, vice-principals, complex
7 area superintendents, deputy and assistant
8 superintendents, other certificated personnel,
9 and no more than twenty noncertificated
10 administrative, professional, and technical
11 personnel not engaged in instructional work;
- 12 (B) Effective July 1, 2003, teaching assistants,
13 educational assistants, bilingual or bicultural
14 school-home assistants, school psychologists,
15 psychological examiners, speech pathologists,
16 athletic health care trainers, alternative school
17 work study assistants, alternative school
18 educational or supportive services specialists,
19 alternative school project coordinators, and
20 communications aides in the department of
21 education;



1 (C) The special assistant to the state librarian and
2 one secretary for the special assistant to the
3 state librarian; and

4 (D) Members of the faculty of the university of
5 Hawaii, including research workers, extension
6 agents, personnel engaged in instructional work,
7 and administrative, professional, and technical
8 personnel of the university;

9 (12) Employees engaged in special, research, or
10 demonstration projects approved by the governor;

11 (13) (A) Positions filled by inmates, patients of state
12 institutions, and persons with severe physical or
13 mental disabilities participating in the work
14 experience training programs;

15 (B) Positions filled with students in accordance with
16 guidelines for established state employment
17 programs; and

18 (C) Positions that provide work experience training
19 or temporary public service employment that are
20 filled by persons entering the workforce or
21 persons transitioning into other careers under



1 programs such as the federal Workforce Investment
2 Act of 1998, as amended, or the Senior Community
3 Service Employment Program of the Employment and
4 Training Administration of the United States
5 Department of Labor, or under other similar state
6 programs;

7 (14) A custodian or guide at Iolani Palace, the Royal
8 Mausoleum, and Hulihee Palace;

9 (15) Positions filled by persons employed on a fee,
10 contract, or piecework basis, who may lawfully perform
11 their duties concurrently with their private business
12 or profession or other private employment and whose
13 duties require only a portion of their time, if it is
14 impracticable to ascertain or anticipate the portion
15 of time to be devoted to the service of the State;

16 (16) Positions of first deputies or first assistants of
17 each department head appointed under or in the manner
18 provided in section 6, article V, of the Hawaii State
19 Constitution; three additional deputies or assistants
20 either in charge of the highways, harbors, and
21 airports divisions or other functions within the



1 department of transportation as may be assigned by the
2 director of transportation, with the approval of the
3 governor; one additional deputy in the department of
4 human services either in charge of welfare or other
5 functions within the department as may be assigned by
6 the director of human services; four additional
7 deputies in the department of health, each in charge
8 of one of the following: behavioral health,
9 environmental health, hospitals, and health resources
10 administration, including other functions within the
11 department as may be assigned by the director of
12 health, with the approval of the governor; two
13 additional deputies in charge of the law enforcement
14 programs, administration, or other functions within
15 the department of law enforcement as may be assigned
16 by the director of law enforcement, with the approval
17 of the governor; three additional deputies each in
18 charge of the correctional institutions,
19 rehabilitation services and programs, and
20 administration or other functions within the
21 department of corrections and rehabilitation as may be



1 assigned by the director of corrections and
2 rehabilitation, with the approval of the governor; two
3 administrative assistants to the state librarian; and
4 an administrative assistant to the superintendent of
5 education;

6 (17) Positions specifically exempted from this part by any
7 other law; provided that:

8 (A) Any exemption created after July 1, 2014, shall
9 expire three years after its enactment unless
10 affirmatively extended by an act of the
11 legislature; and

12 (B) All of the positions defined by paragraph (9)
13 shall be included in the position classification
14 plan;

15 (18) Positions in the state foster grandparent program and
16 positions for temporary employment of senior citizens
17 in occupations in which there is a severe personnel
18 shortage or in special projects;

19 (19) Household employees at the official residence of the
20 president of the university of Hawaii;



- 1 (20) Employees in the department of education engaged in
2 the supervision of students during meal periods in the
3 distribution, collection, and counting of meal
4 tickets, and in the cleaning of classrooms after
5 school hours on a less than half-time basis;
- 6 (21) Employees hired under the tenant hire program of the
7 Hawaii public housing authority; provided that no more
8 than twenty-six per cent of the authority's workforce
9 in any housing project maintained or operated by the
10 authority shall be hired under the tenant hire
11 program;
- 12 (22) Positions of the federally funded expanded food and
13 nutrition program of the university of Hawaii that
14 require the hiring of nutrition program assistants who
15 live in the areas they serve;
- 16 (23) Positions filled by persons with severe disabilities
17 who are certified by the state vocational
18 rehabilitation office that they are able to perform
19 safely the duties of the positions;
- 20 (24) The sheriff;



- 1 (25) A gender and other fairness coordinator hired by the
2 judiciary;
- 3 (26) Positions in the Hawaii National Guard youth and adult
4 education programs;
- 5 (27) In the Hawaii state energy office in the department of
6 business, economic development, and tourism, all
7 energy program managers, energy program specialists,
8 energy program assistants, and energy analysts;
- 9 (28) Administrative appeals hearing officers in the
10 department of human services;
- 11 (29) In the [~~Med-QUEST~~] med-QUEST division of the
12 department of human services, the division
13 administrator, finance officer, health care services
14 branch administrator, medical director, and clinical
15 standards administrator;
- 16 (30) In the director's office of the department of human
17 services, the enterprise officer, information security
18 and privacy compliance officer, security and privacy
19 compliance engineer, security and privacy compliance
20 analyst, information technology implementation
21 manager, assistant information technology



1 implementation manager, resource manager, community or
2 project development director, policy director, special
3 assistant to the director, and limited English
4 proficiency project manager or coordinator;

5 (31) The Alzheimer's disease and related dementia services
6 coordinator in the executive office on aging;

7 (32) In the Hawaii emergency management agency, the
8 executive officer, public information officer, civil
9 defense administrative officer, branch chiefs, and
10 emergency operations center state warning point
11 personnel; provided that for state warning point
12 personnel, the director shall determine that
13 recruitment through normal civil service recruitment
14 procedures would result in delay or noncompliance;

15 (33) The executive director and seven full-time
16 administrative positions of the school facilities
17 authority;

18 (34) Positions in the Mauna Kea stewardship and oversight
19 authority;



- 1 (35) In the office of homeland security of the department
2 of law enforcement, the statewide interoperable
3 communications coordinator;
- 4 (36) In the social services division of the department of
5 human services, the business technology analyst;
- 6 (37) The executive director and staff of the 911 board;
- 7 (38) The software developer supervisor and senior software
8 developers in the department of taxation;
- 9 (39) In the department of law enforcement, five Commission
10 on Accreditation for Law Enforcement Agencies, Inc.,
11 coordinator positions;
- 12 (40) The state fire marshal and deputy state fire marshal
13 in the office of the state fire marshal;
- 14 (41) The administrator for the law enforcement standards
15 board;
- 16 (42) In the office of the director of taxation, the data
17 privacy officer and tax business analysts; ~~and~~
- 18 +] (43) [+] All positions filled by the Hawaii tourism authority
19 within the department of business, economic
20 development, and tourism[-]; and



1 (44) In the employees' retirement system of the State of
2 Hawaii, the deputy executive director, the chief
3 compliance officer and the information security
4 officer.

5 The director shall determine the applicability of this
6 section to specific positions.

7 Nothing in this section shall be deemed to affect the civil
8 service status of any incumbent as it existed on July 1, 1955."

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

11 SECTION 4. This Act shall take effect on January 1, 2077.



S.B. NO. 3097
S.D. 1

Report Title:

ERS; Executive Personnel; Civil Service Exemption

Description:

Allows the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint specified executive personnel positions of the Employees' Retirement System of the State of Hawaii and exempts these positions from the State's civil service requirements. Effective 1/1/2077.
(SD1)

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





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, **February 17, 2026***

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)



Employees' Retirement System of the State of Hawaii

February 17, 2026

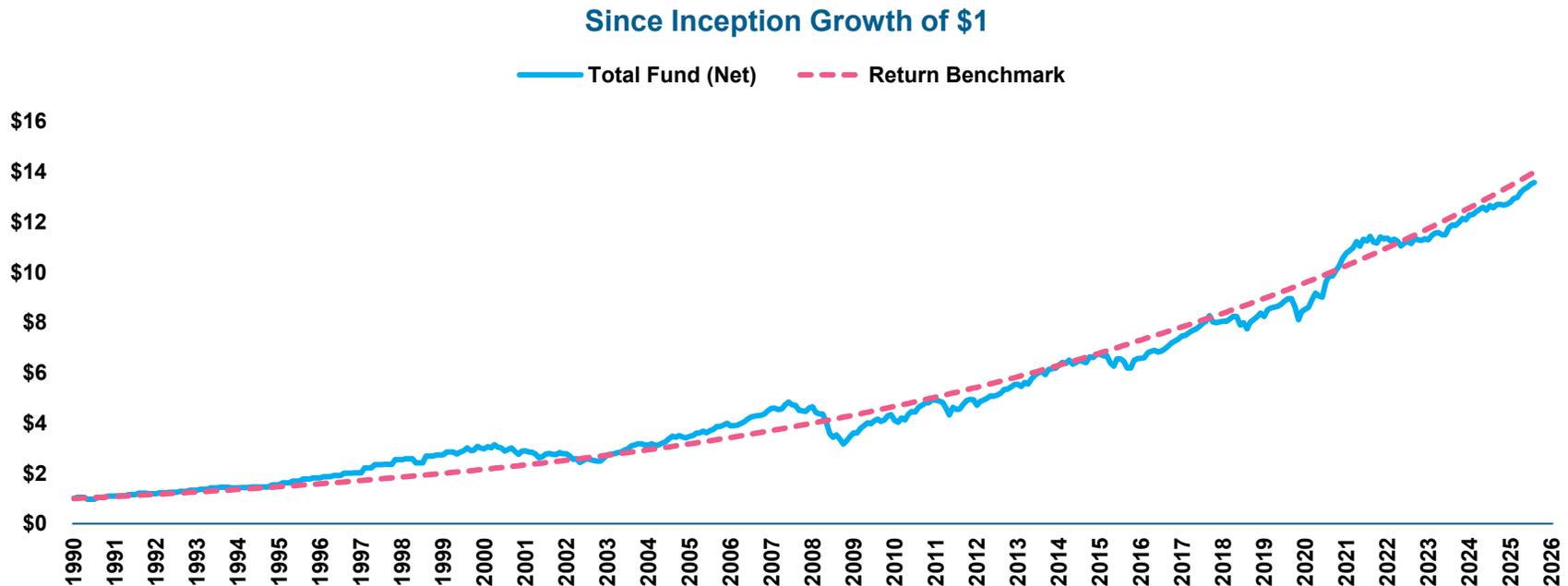
2025 Q4 Performance Report

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.

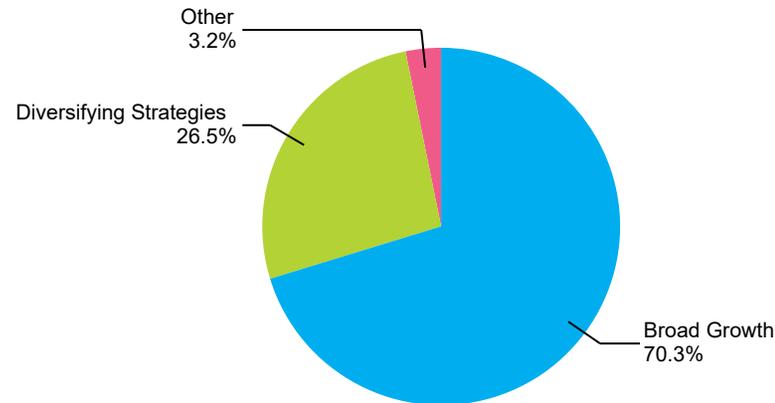
Total Fund | As of December 31, 2025

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.

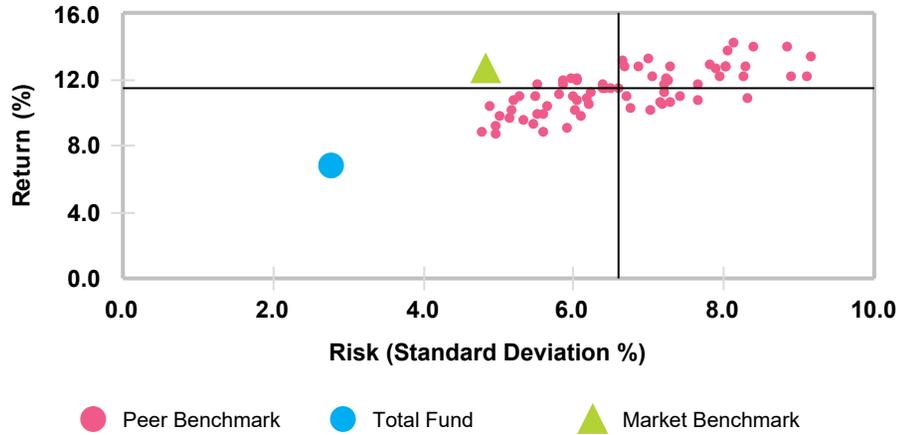
Asset Allocation vs. Target As of December 31, 2025					
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)
Broad Growth	18,003,701,392	70.3	70.0	0.3	60.0 - 80.0
Global Equity	10,177,601,672	39.7	39.0	0.7	19.0 - 59.0
Global Credit	2,978,046,038	11.6	12.0	-0.4	6.0 - 18.0
Real 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

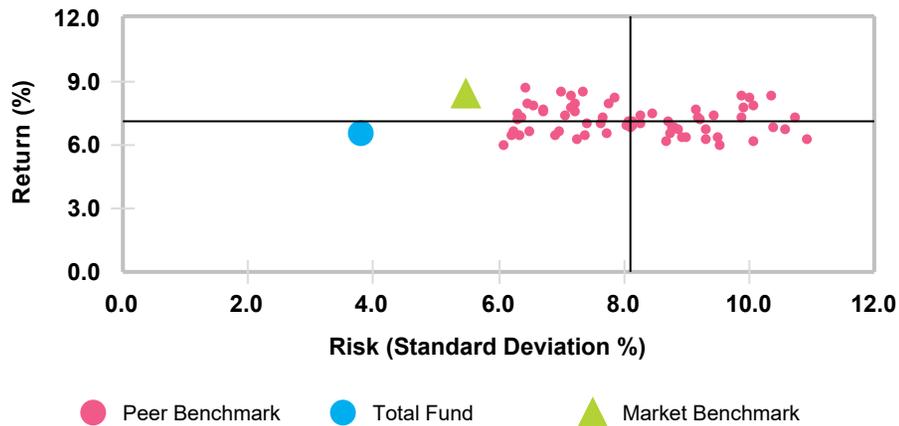
**Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2025**



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

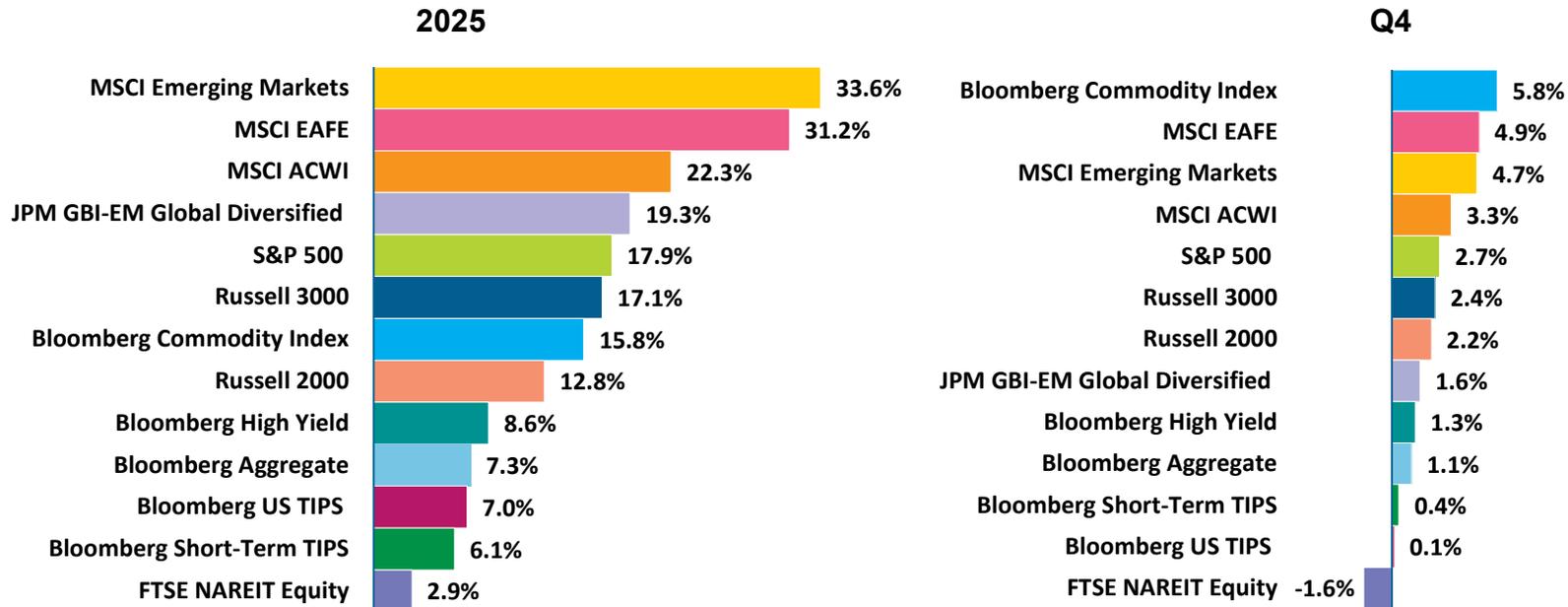
Peer Benchmark represents the plan sponsor peer group InvMetrics Public DB >\$1B Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data.

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.

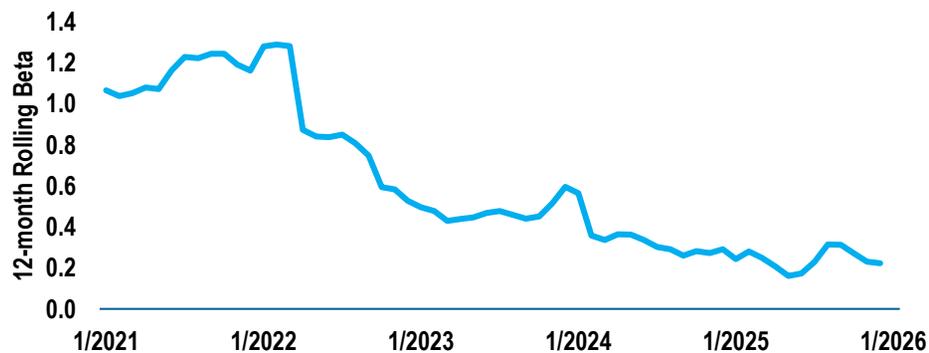
Key Trends

- 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.

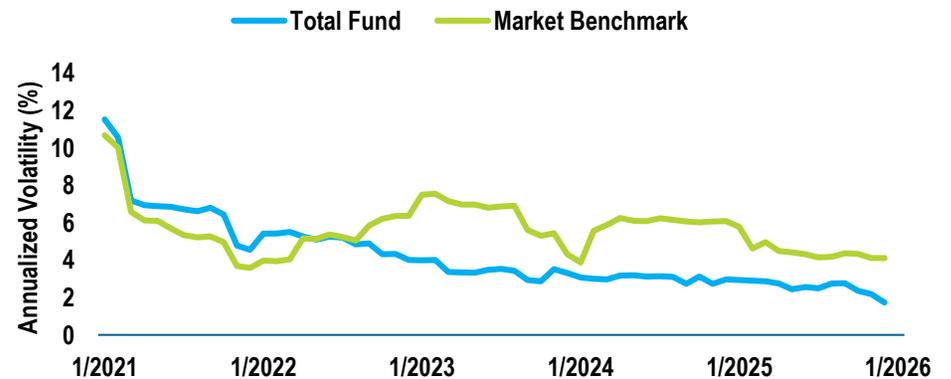
Macro Risk Analytics – Key Takeaways

- 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)

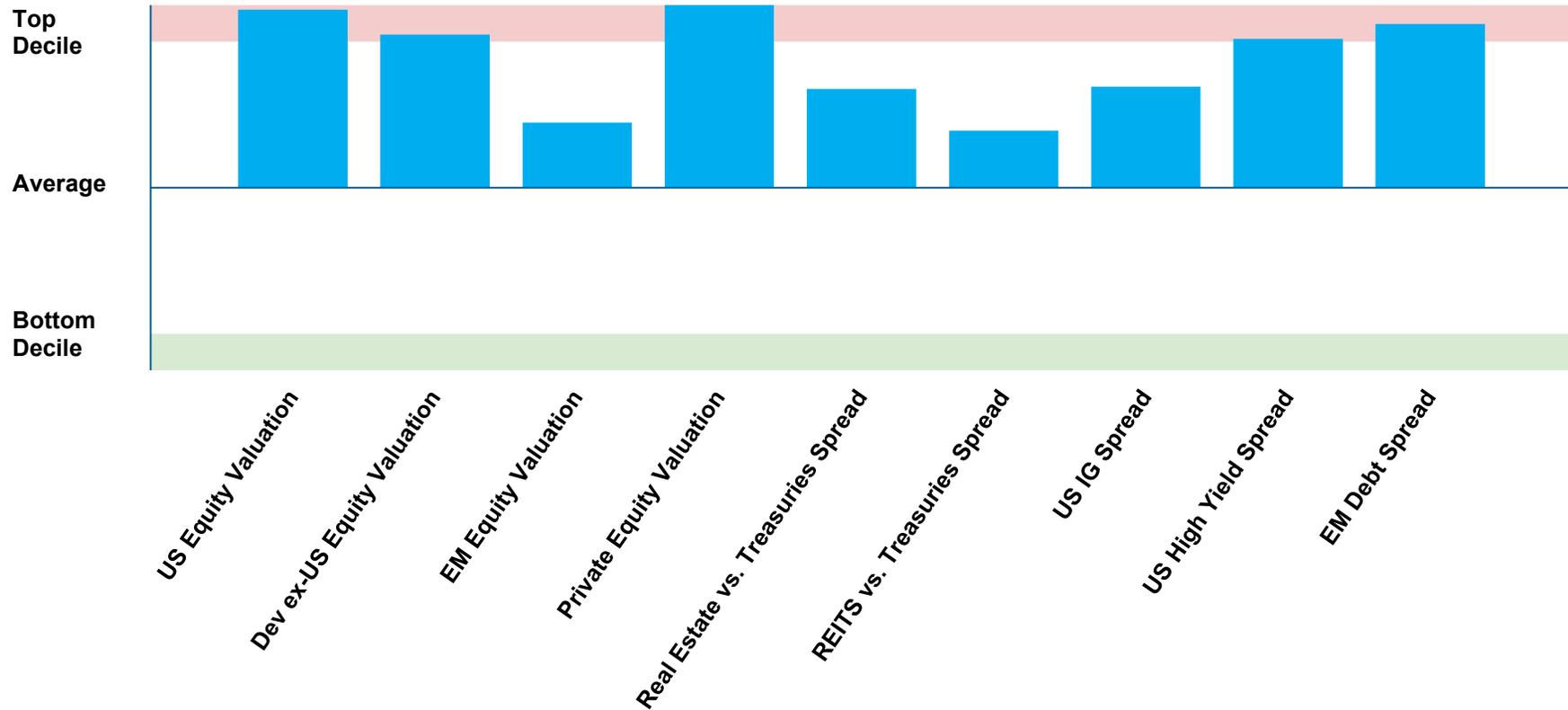


12-Month Rolling Risk (January 2021 - December 2025)



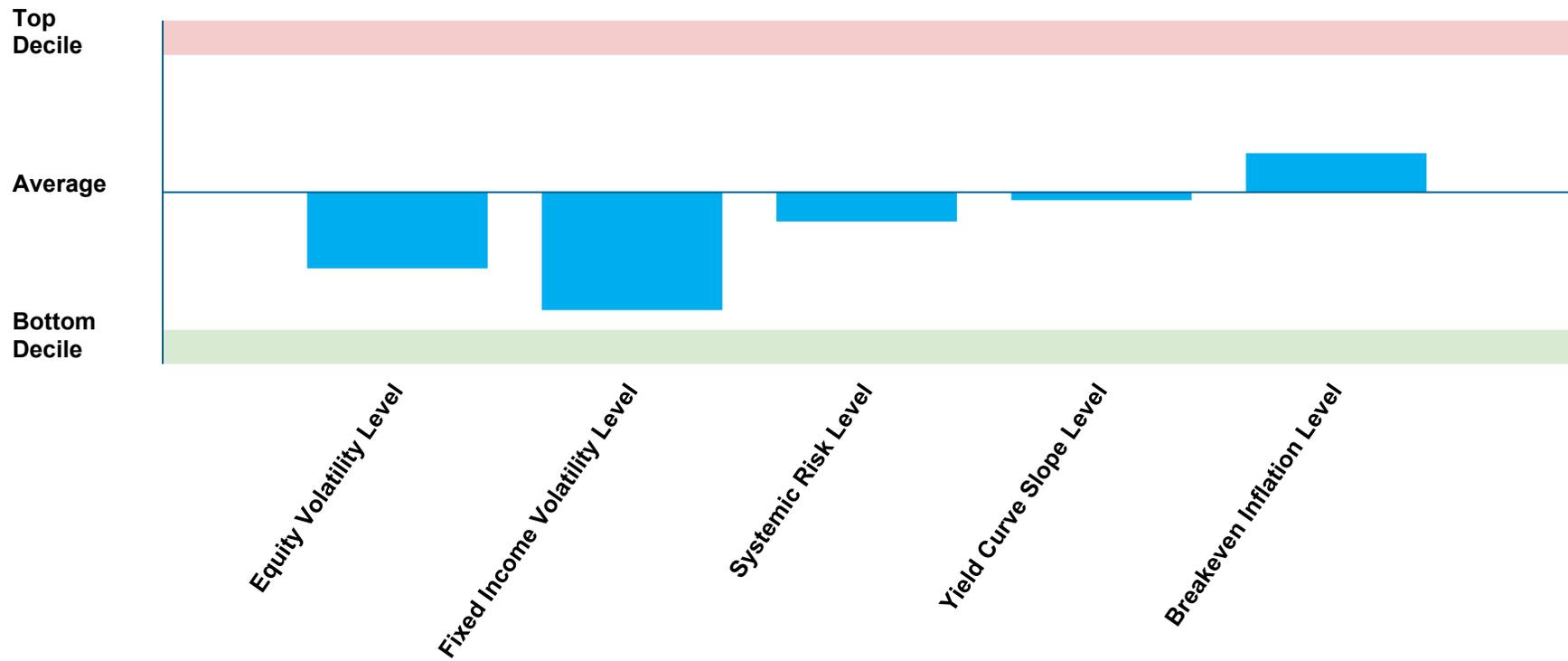
Valuation Metrics Dashboard

(current measures relative to history)



Other Market Metrics Dashboard

(current measures relative to history)



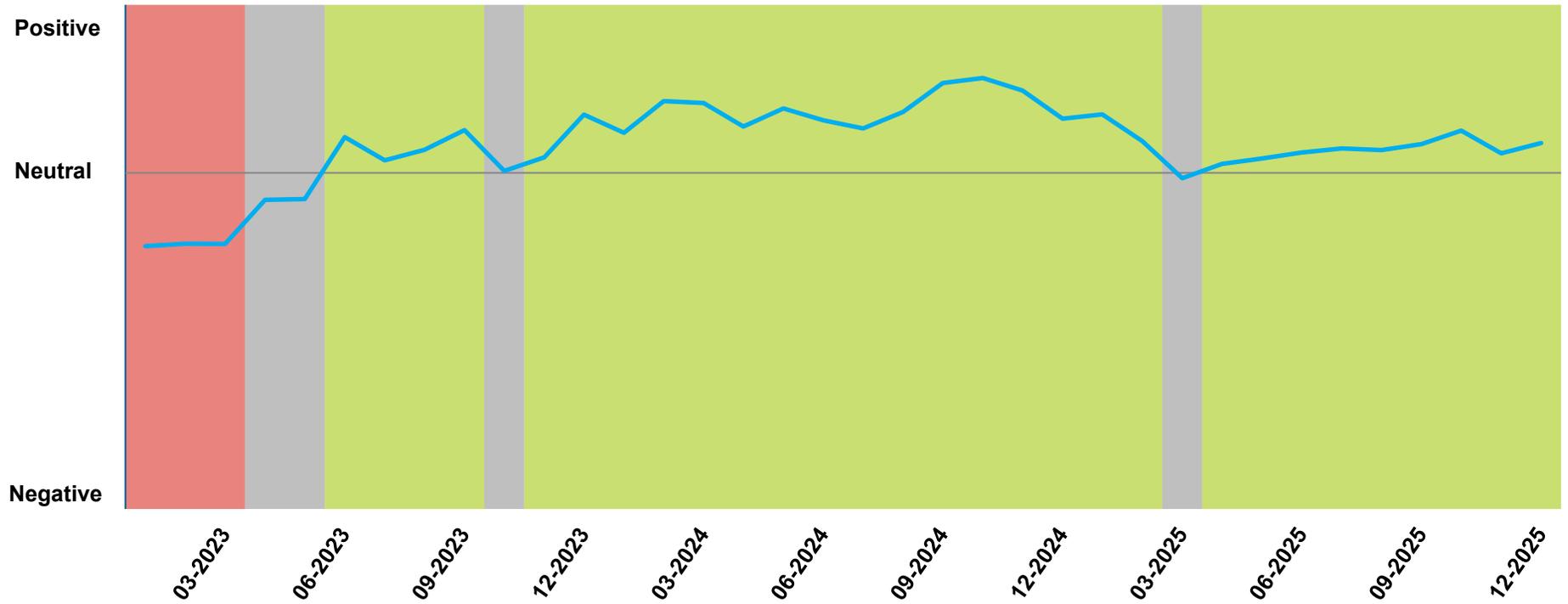
Market Sentiment Indicator (All History)

(As of December 31, 2025)



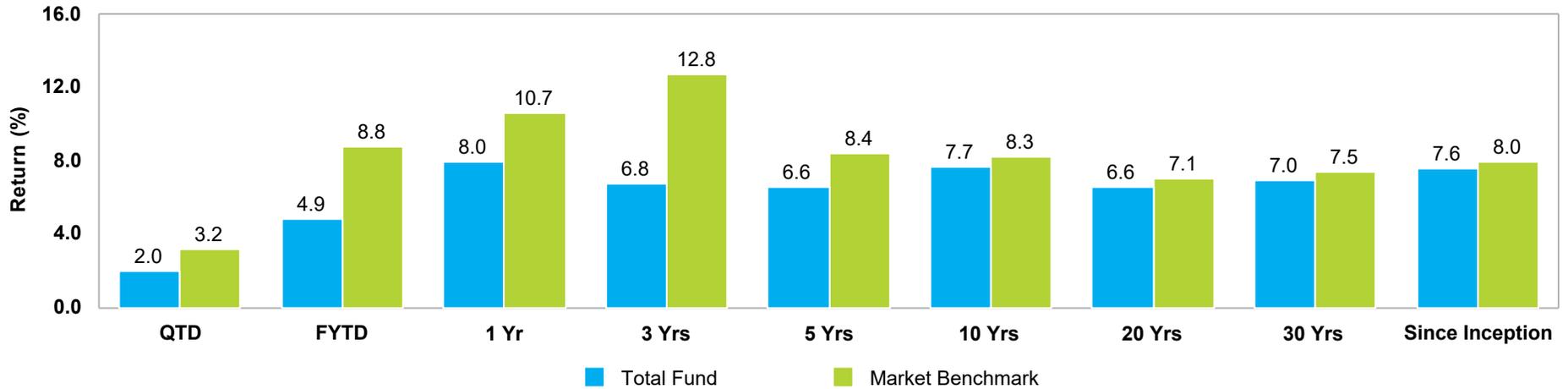
Market Sentiment Indicator (Last Three Years)

(As of December 31, 2025)

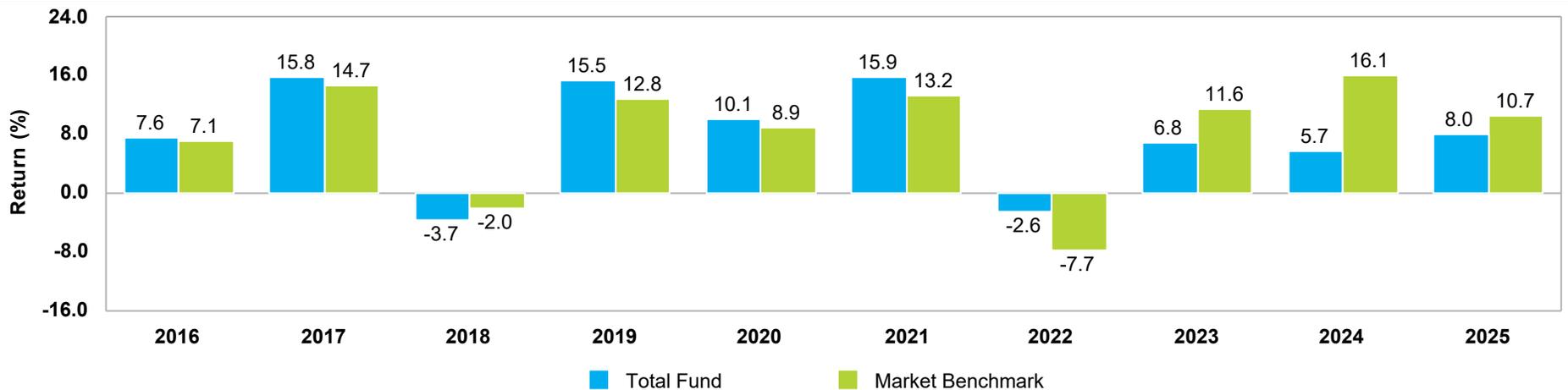


ERS Portfolio Review

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.

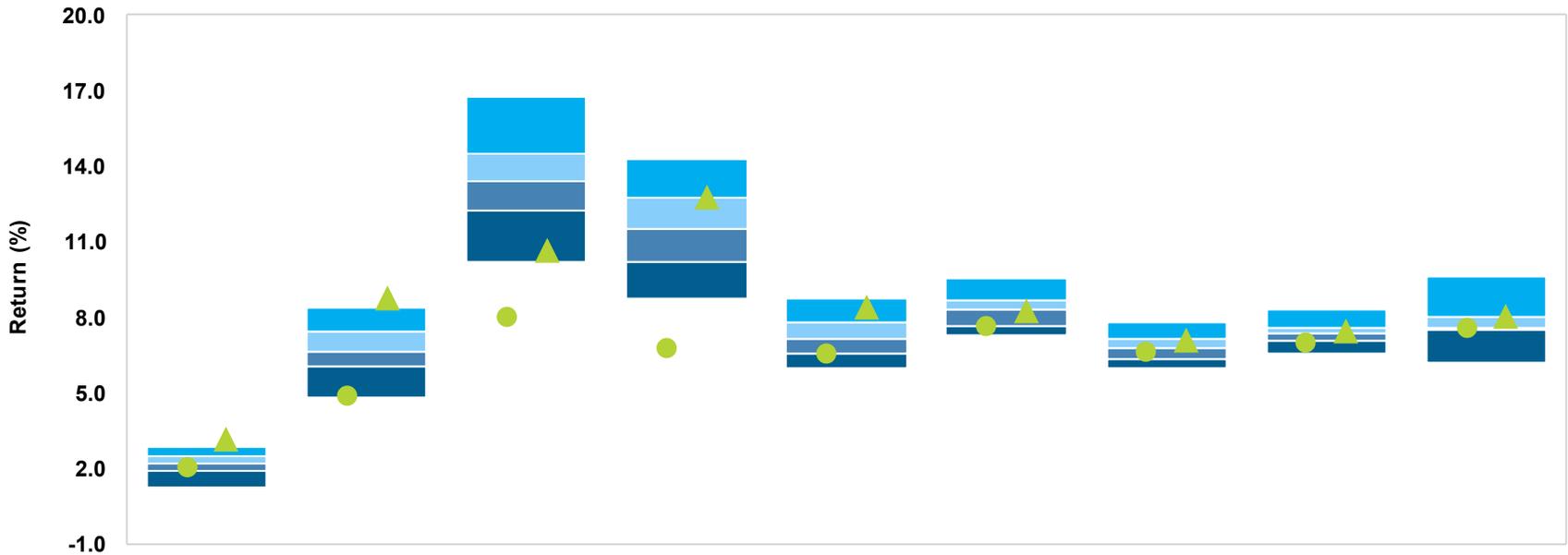
Illiquid Diversifying | As of December 31, 2025

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>			2.3	11.4	13.7	9.4
Idiosyncratic Return Capture	610,218,724	72.3	1.2	-2.1	3.5	4.0
<i>Idiosyncratic Return Capture Historical Benchmark</i>			2.3	11.4	12.4	9.1
Insurance Linked	233,324,424	27.7	2.9	5.8	10.6	4.1
<i>Swiss Re Global Catastrophe Bond Index (Hedged)</i>			2.3	11.4	16.1	9.9

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

Plan Sponsor Peer Group Analysis

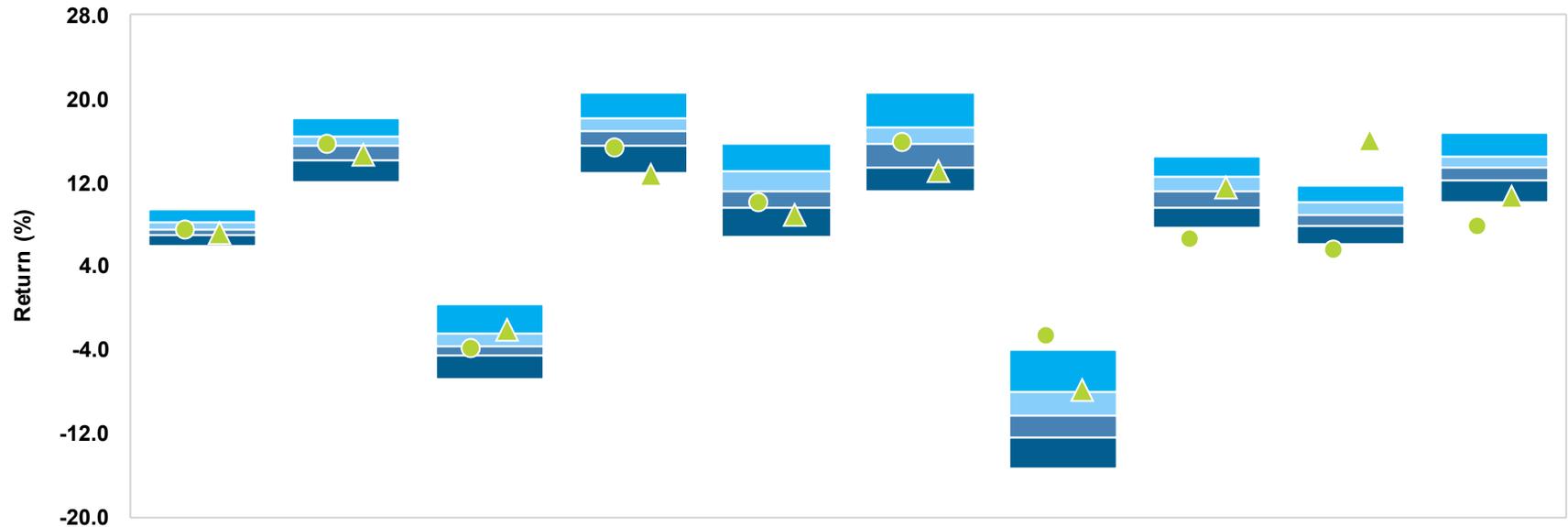
Peer Group Performance Comparison Trailing Periods Ending December 31, 2025



	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

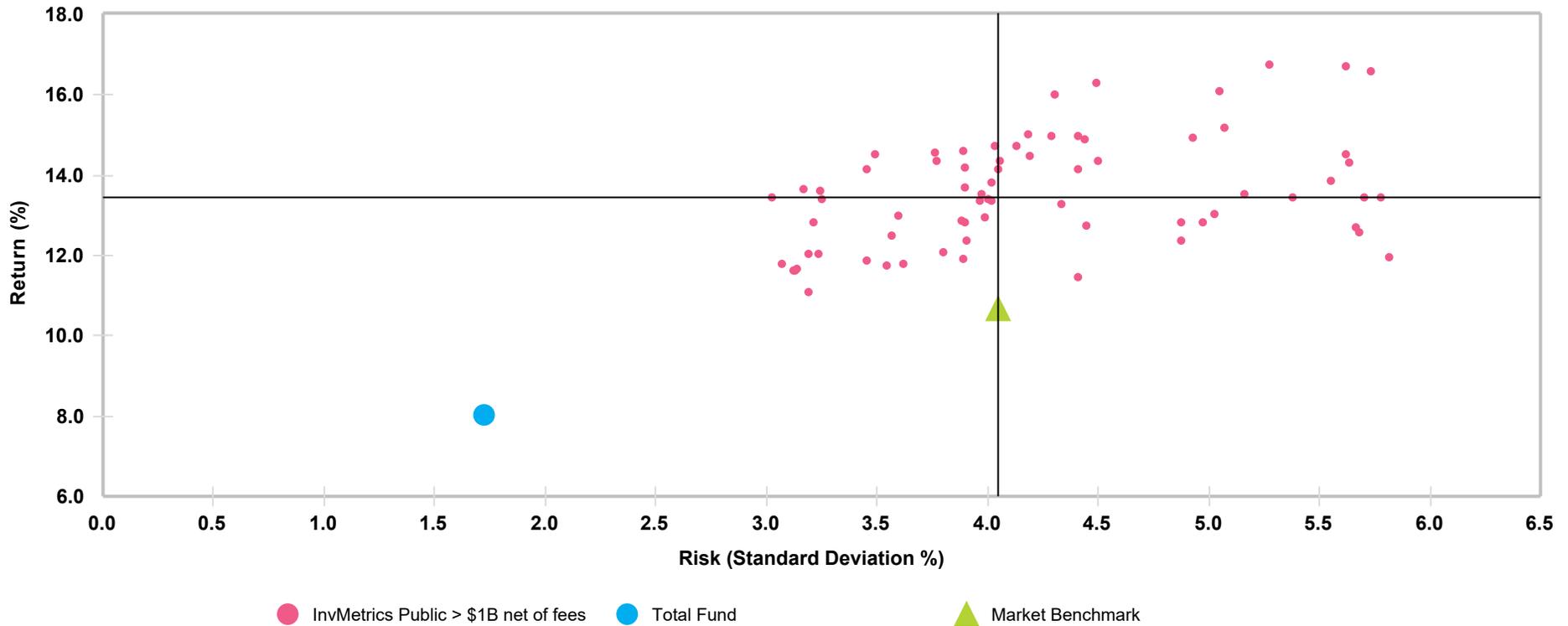
Calculation based on monthly periodicity. The plan sponsor peer group, InvMetrics Public DB >\$1B Net universe, includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data. Parenthesized numbers represent peer group percentile ranking.

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.

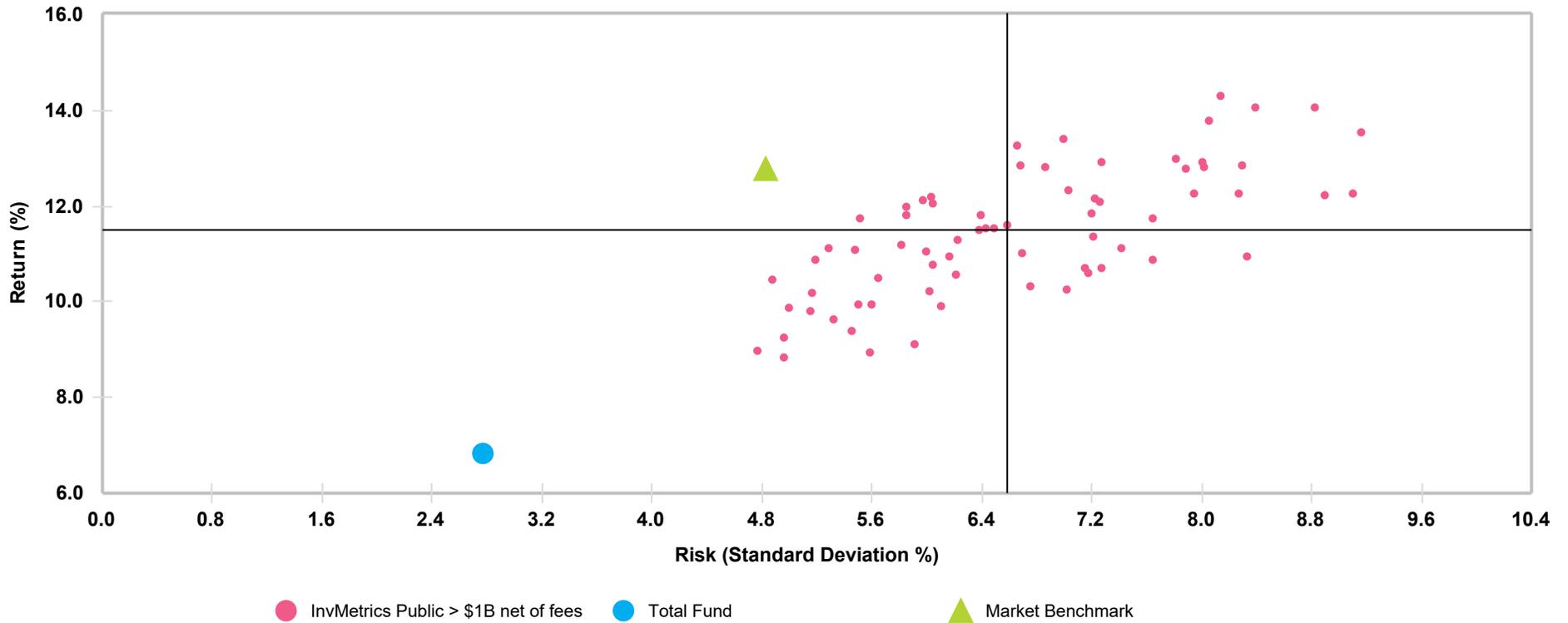
Annualized Return vs. Annualized Standard Deviation
1 Year ending December 31, 2025



	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.

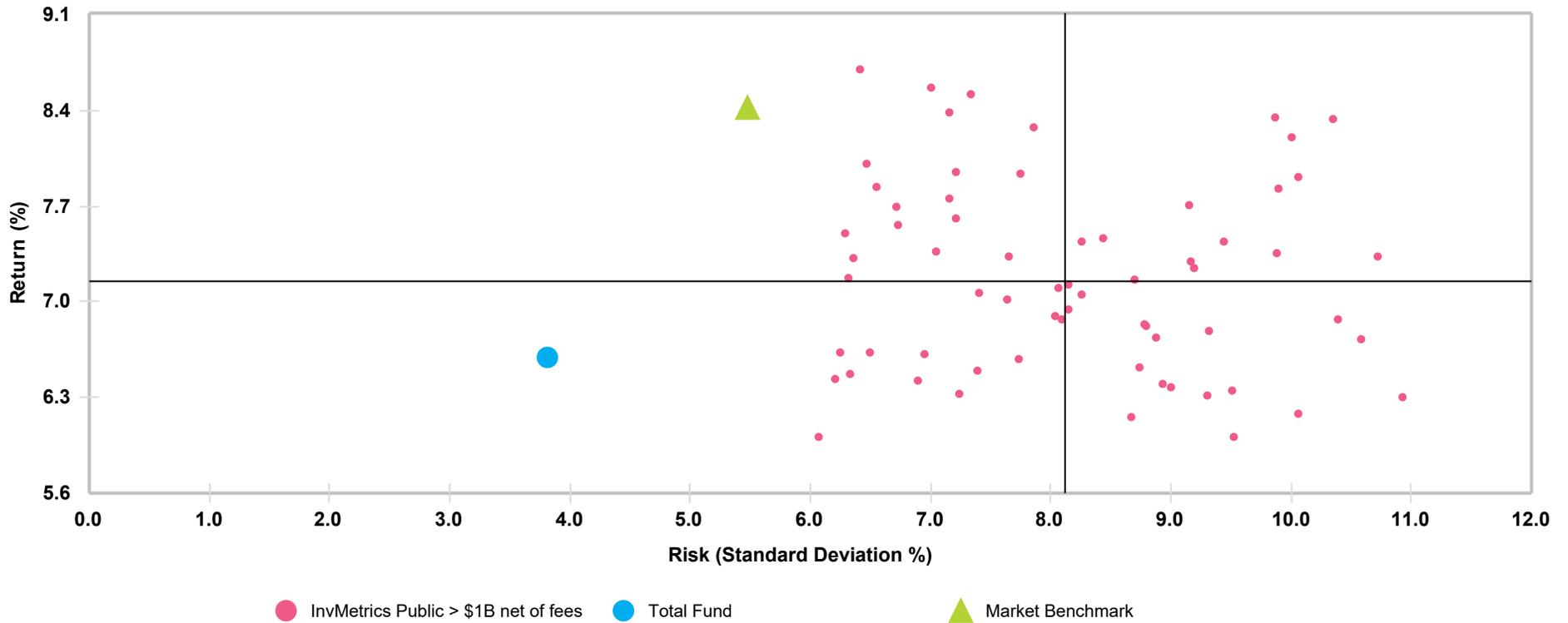
Annualized Return vs. Annualized Standard Deviation
3 Years ending December 31, 2025



	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.

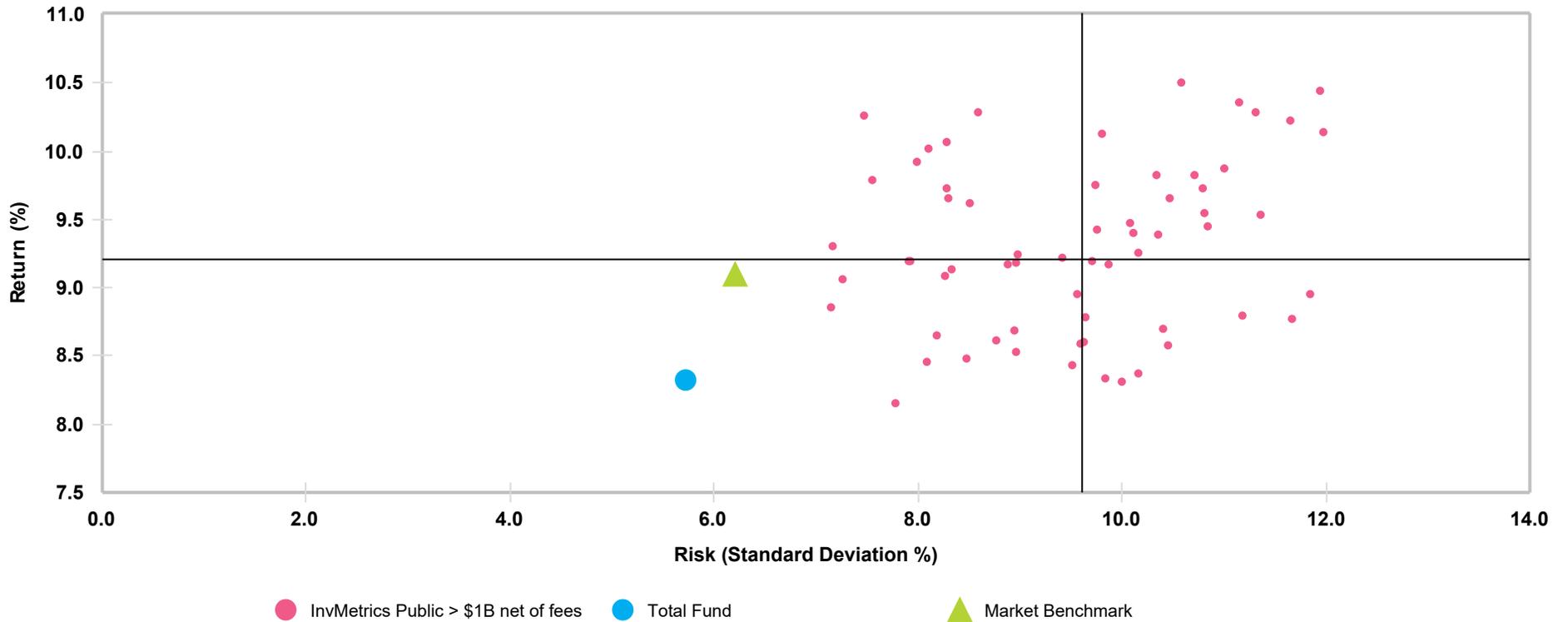
Annualized Return vs. Annualized Standard Deviation
5 Years ending December 31, 2025



	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.

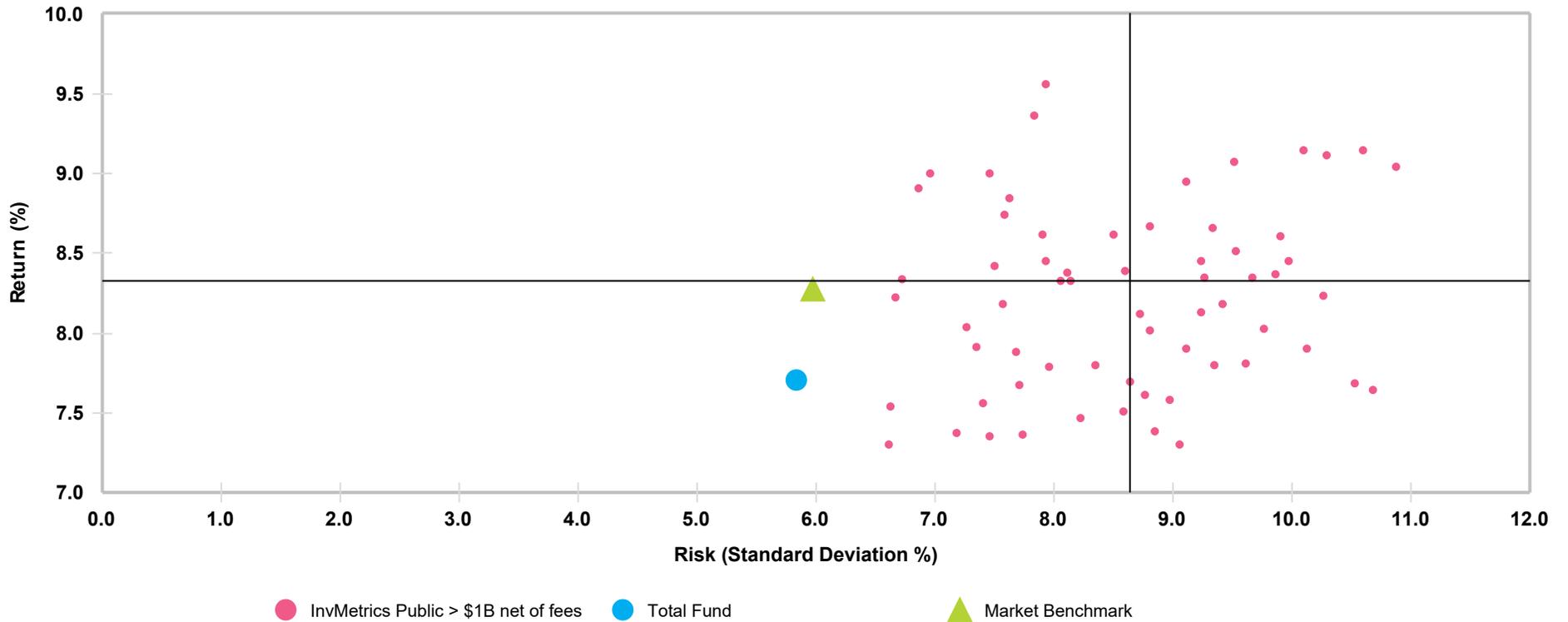
Annualized Return vs. Annualized Standard Deviation
7 Years ending December 31, 2025



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

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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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 ✔

Beta to MSCI AC World Index IMI	Target	Last 12m	Since Inception	Average Return in Equity Crises ¹ Since Inception
Diversifying Strategies	< 0.3	-0.05	-0.14	0.94%
Intermediate Duration	≤ 0	-0.06	0.18	-1.43%
Discretionary Alpha	0 - 0.3	0.33	0.09	-0.20%
Long Duration	≤ 0	-0.06	0.17	-1.17%
Defensive	≤ 0	-0.53	-1.01	7.95%
Trend	≤ 0.3	0.36	-0.10	1.03%
Illiquid	0 - 0.3	-0.30	0.01	-0.32%

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%

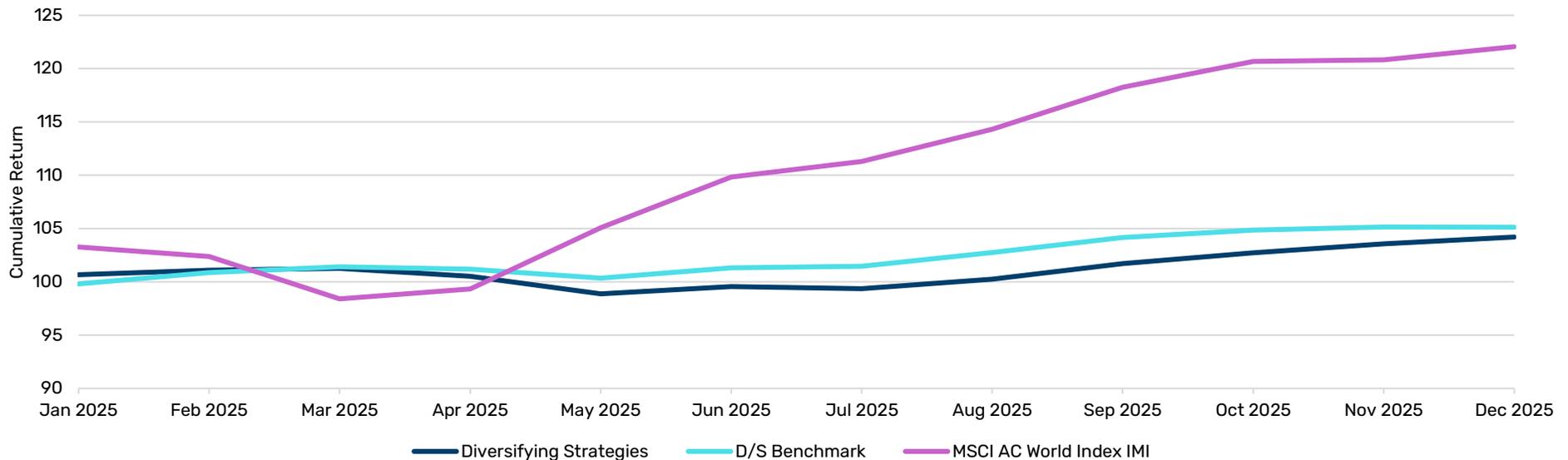
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This material is being provided at the express request of the Employees' Retirement System of the State of Hawaii and is not for forward distribution. Performance range: Apr 1, 2017 - Dec 31, 2025. Based on estimated returns net of all fees. The Diversifying 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%)



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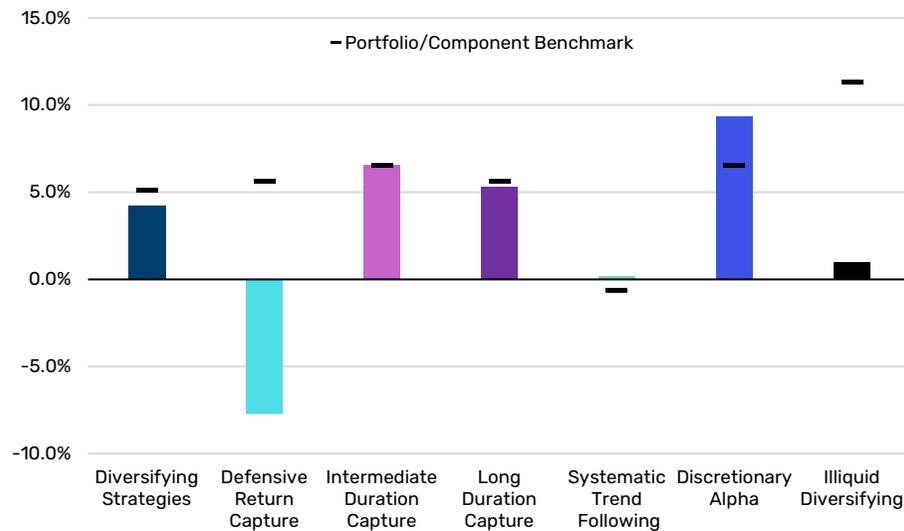
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Component Performance

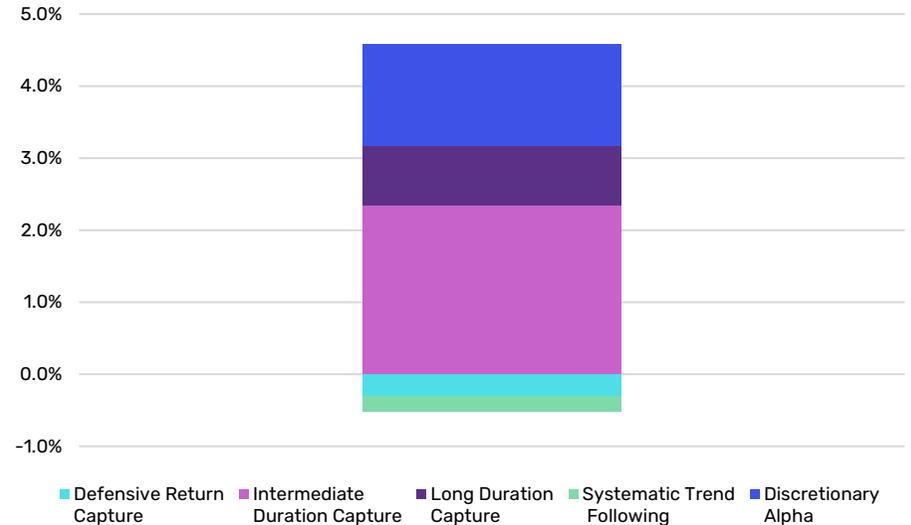
Liquid Strategies in line with Benchmark; Discretionary Alpha gains offset Defensive Return Capture losses

- **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



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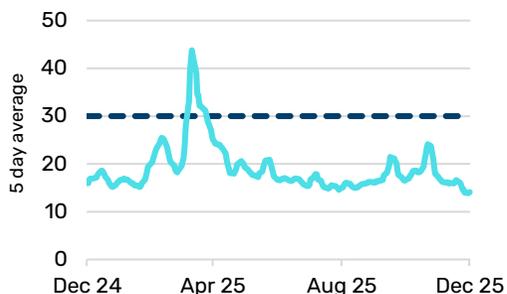
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Crisis Risk Indicators

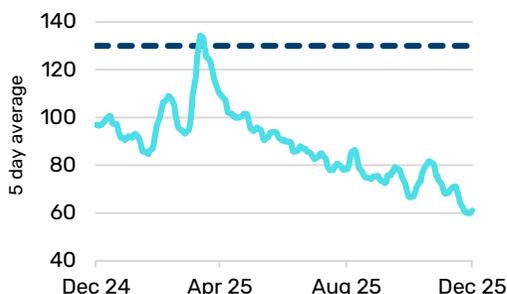
Liquid DS - Last 12m

- 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

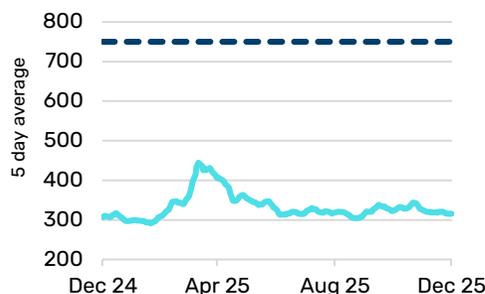
Market Risk (Equities)



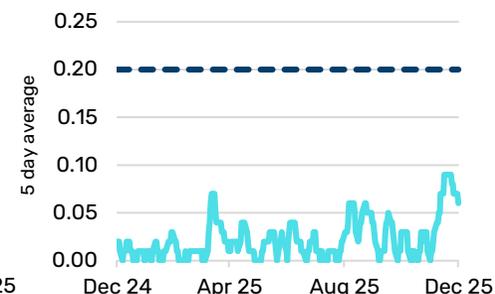
Market Risk (Bonds)¹



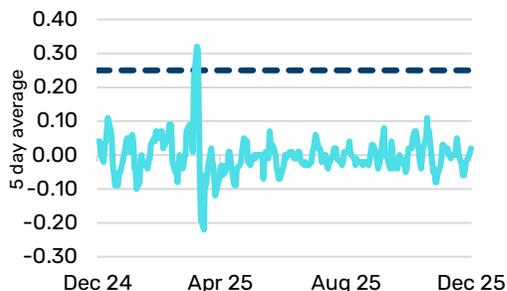
Solvency Risk³



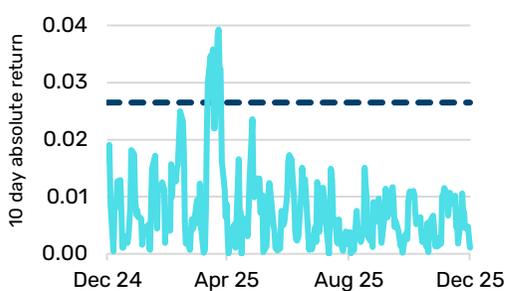
Liquidity Risk²



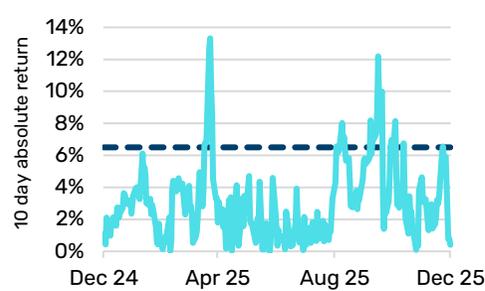
Flow Risk



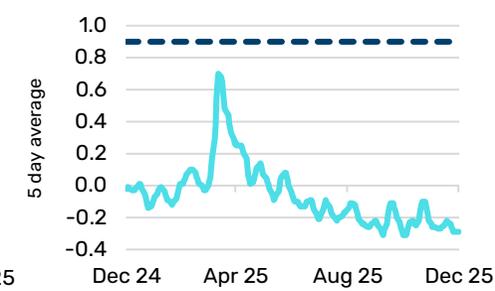
Dollar Risk



Gold Risk



Overall Systemic Risk



----- Crisis Level

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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%

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. 1. Based on daily trading estimates. 2. The categorization of risk additive and risk mitigating asset class deltas are for illustrative purposes only. No representation is made that any asset class delta will provide any risk mitigation or addition. 3. Not available for commingled vehicle 4. CPI data sourced from <https://www.bls.gov/charts/consumer-price-index/consumer-price-index-by-category-line-chart.htm> Source: Man Group Database.

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

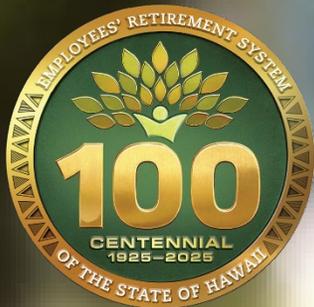
Employees' Retirement System of the State of Hawaii

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

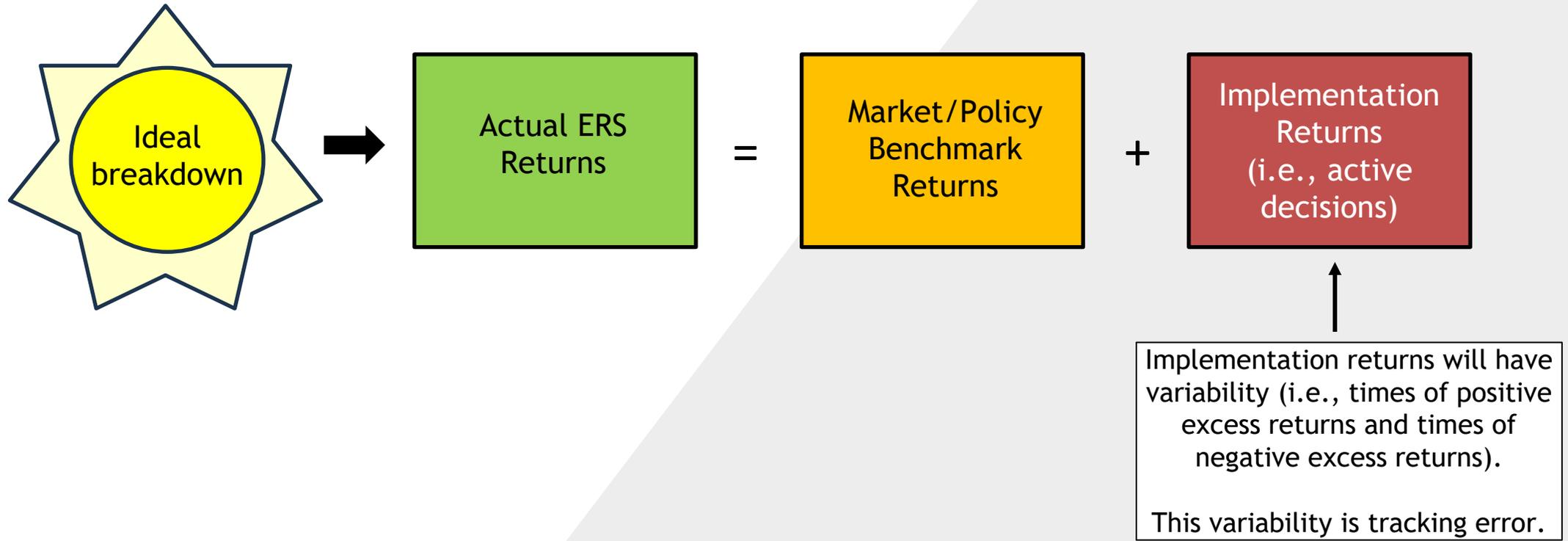
Why is Tracking Error Needed?

- ▶ 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

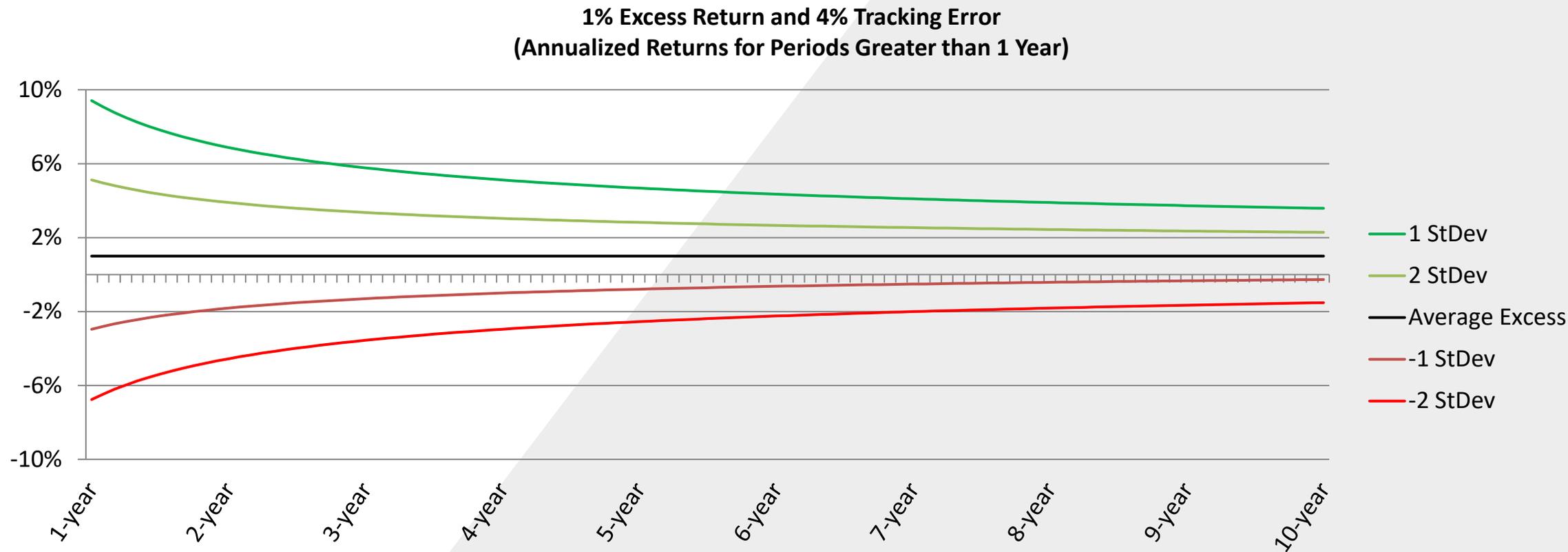
- ▶ Establish governance guidelines;
- ▶ Define appetite for excess risk and return, across the total fund;
- ▶ Establish allowances for levels of deviation away from defined market risks, as adopted in Strategic Asset Allocation.

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)

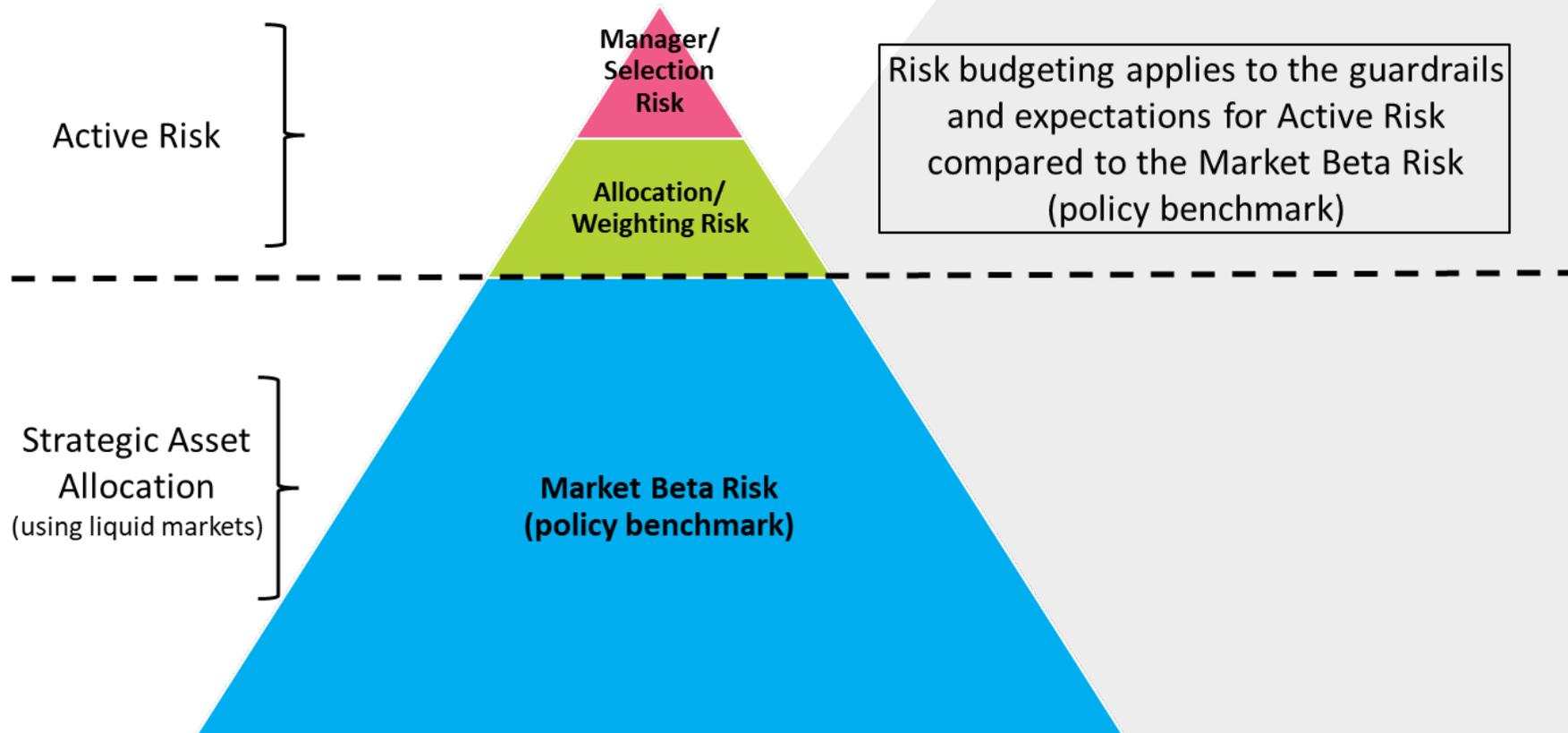
Tracking Error

- ▶ 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.

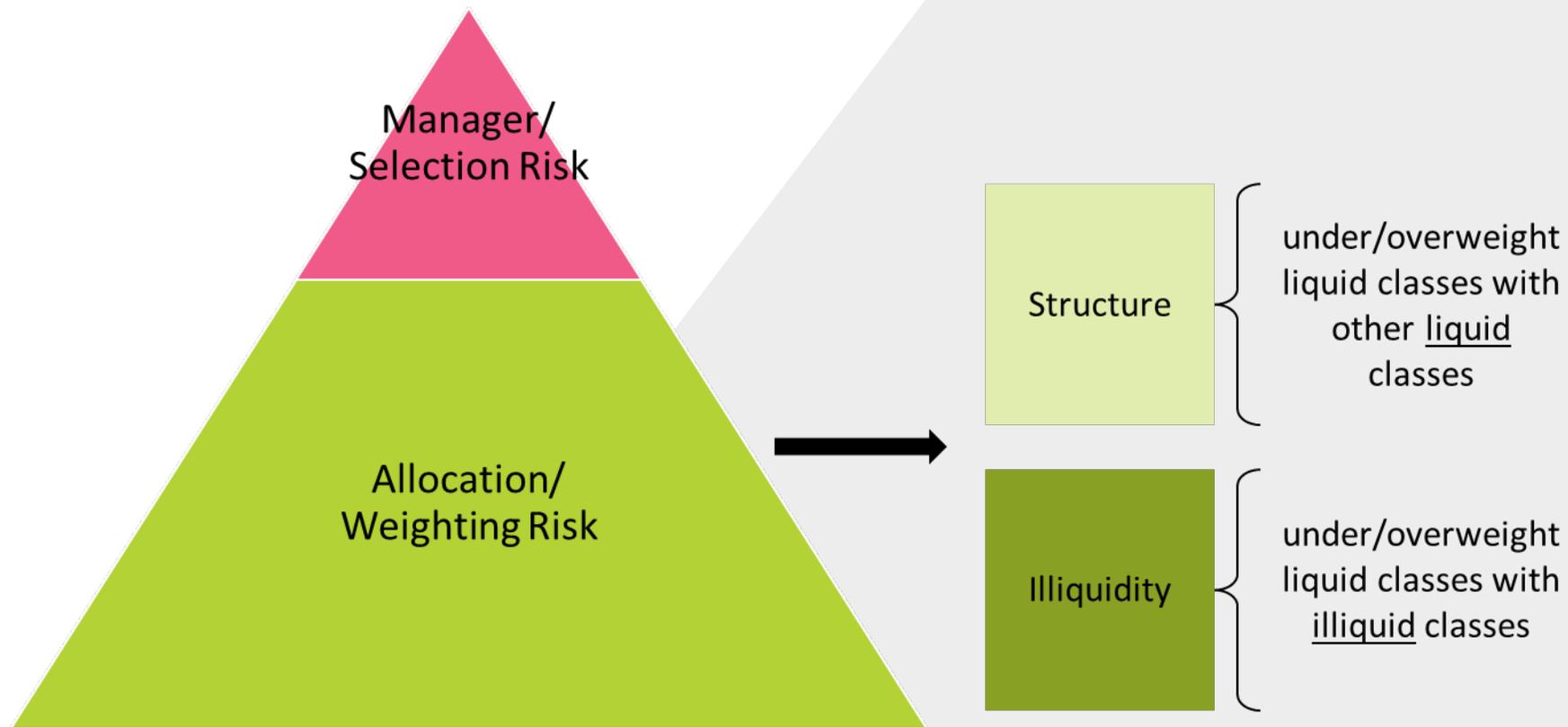


For illustrative purposes only. Past performance is no guarantee of future results.

- ▶ **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

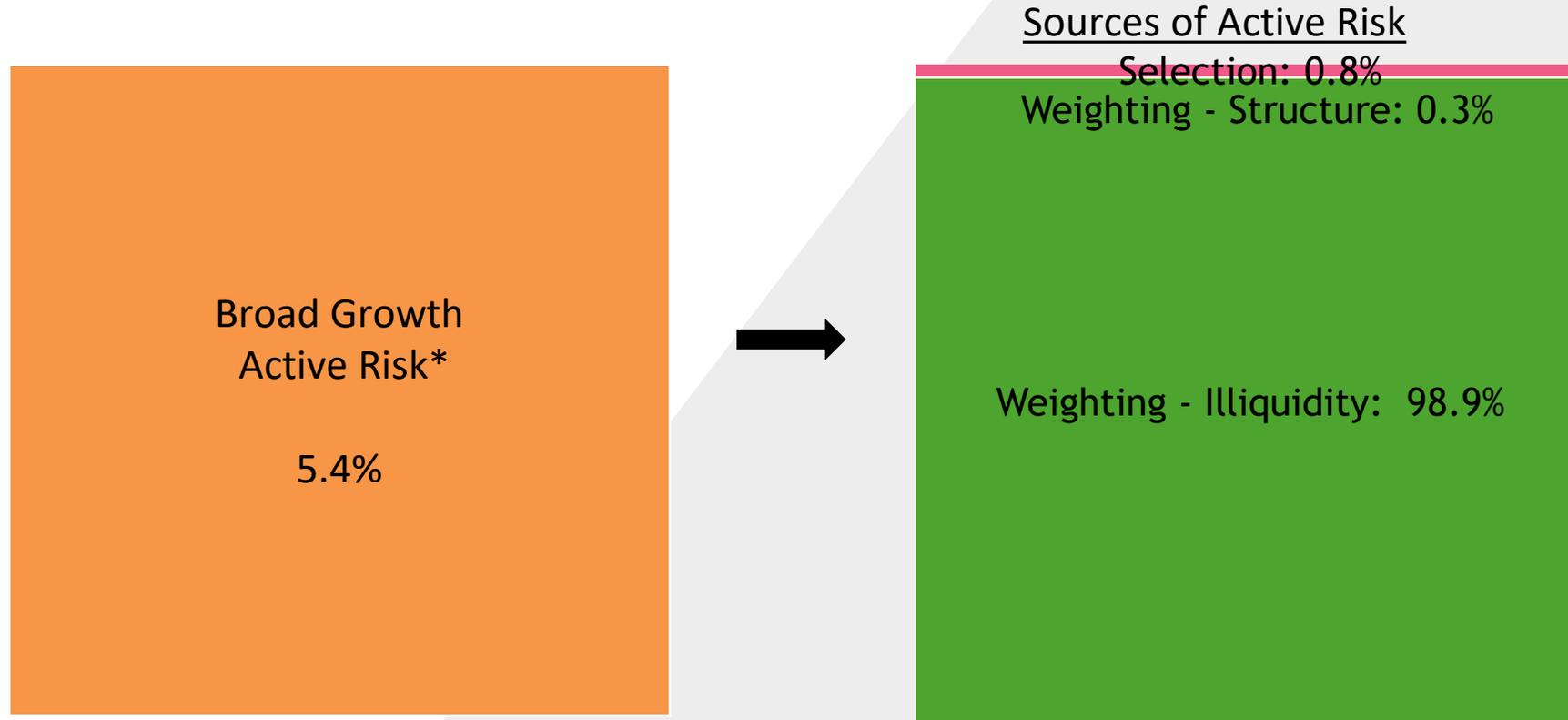
Allocations (% of Broad Growth)	Policy	Actual	Difference	Tracking Error Assumptions
Global Equity	56%	57%	-	
Public Equity	29%	28%	-1%	1.5%
Private Equity	27%	29%	+2%	12.0%
Global Credit	17%	17%	-	
Public Credit	6%	7%	+1%	2.5%
Private Credit	11%	10%	-1%	6.5%
Real Assets	27%	27%	-	
Public Real Assets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

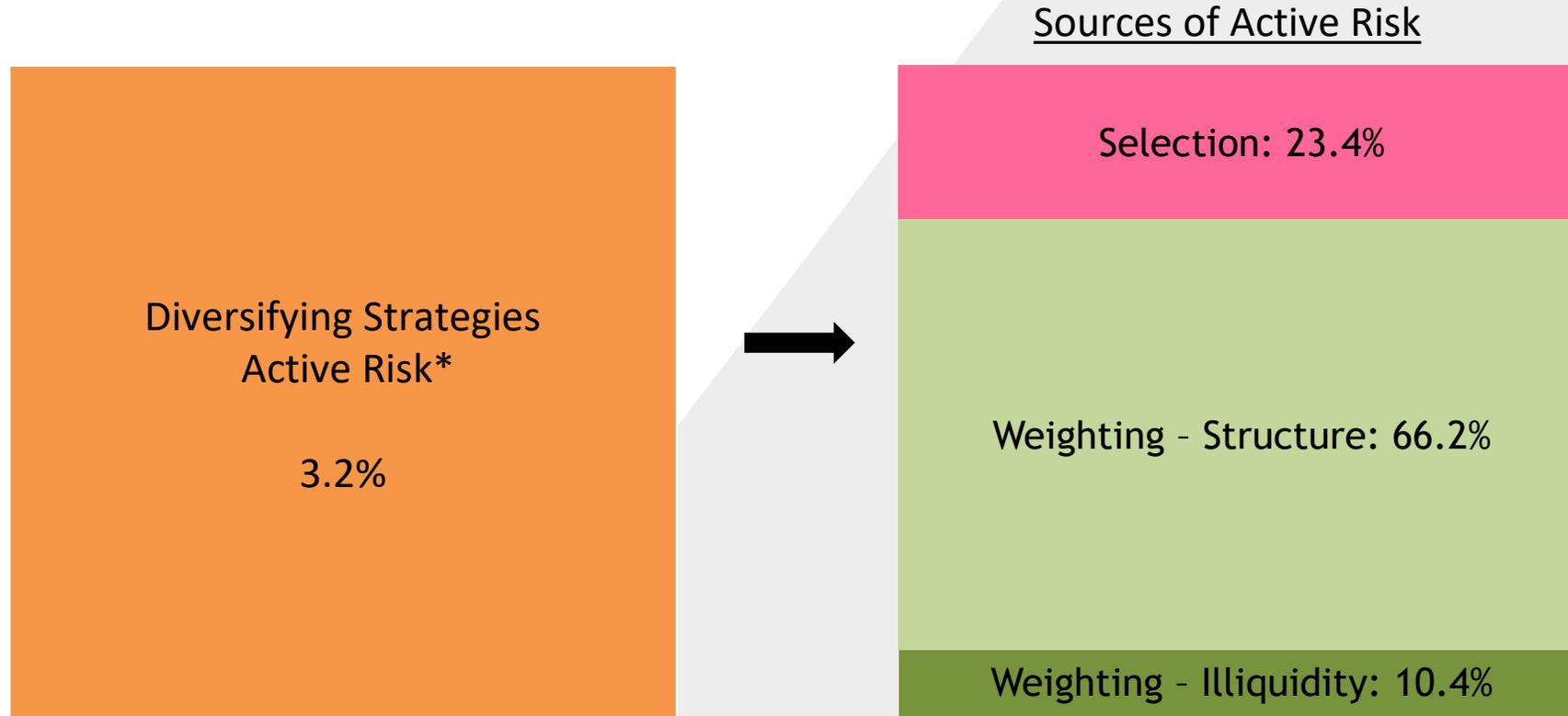
Allocations (% of DS)	Policy	Actual	Difference	Tracking Error Assumptions
Illiquid Diversifying	13%	12%	-1%	
Insurance Linked	13%	3%	-10%	2.0%
Idiosyncratic Return Capture	-	9%	+9%	7.5%
Liquid Defensive	87%	88%	+1%	
Systematic Trend Following	27%	21%	-6%	5.0%
Intermediate Duration	47%	35%	-12%	0.75%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

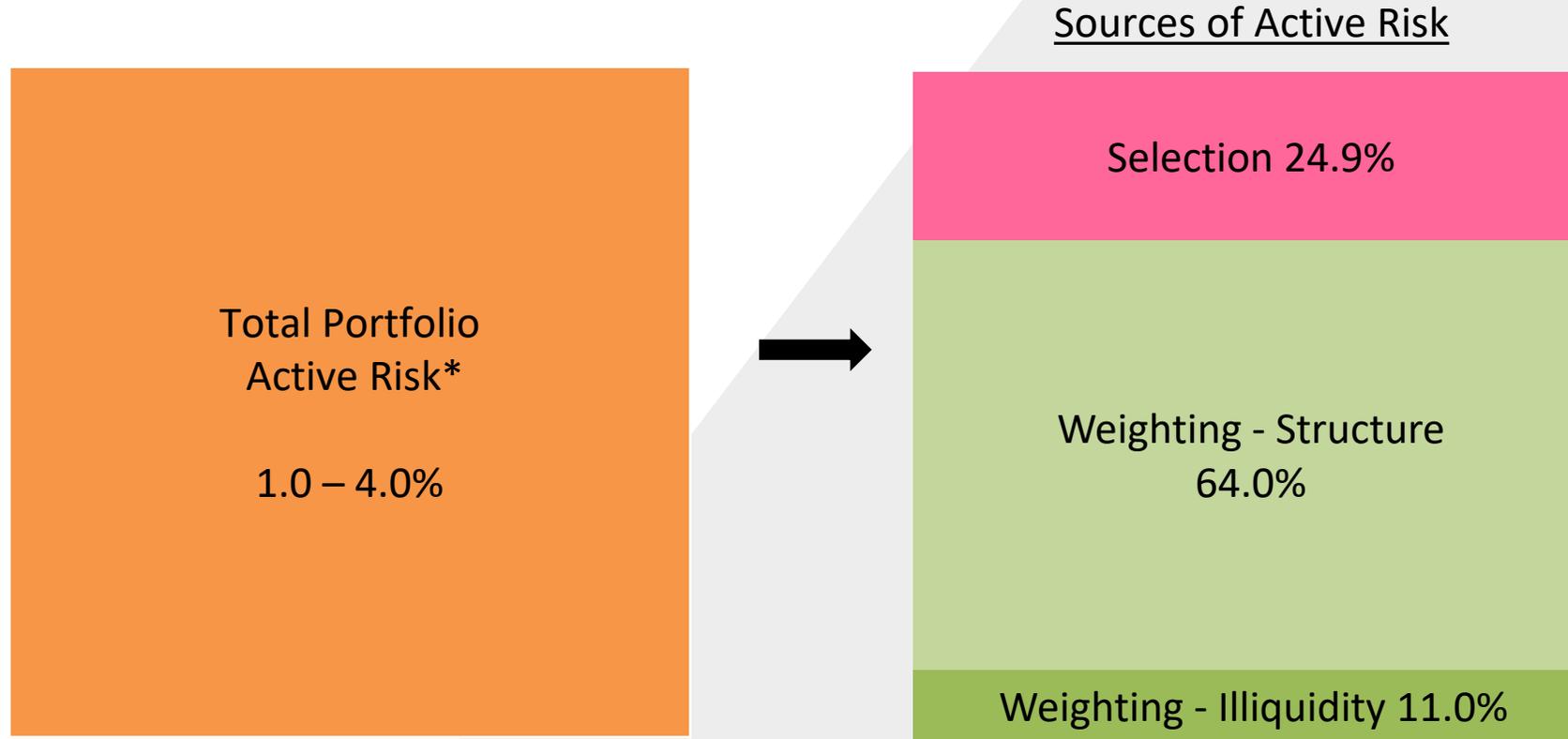
**Estimated Diversified Strategies
Active Risk Budget**

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.

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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."

MEMORANDUM

March 9, 2026

TO: Board of Trustees
Employees' Retirement System of the State of Hawai'i

THROUGH: Kalbert K. Young, Executive Director 
Employees' Retirement System of the State of Hawai'i

FROM: Anthony D. Goo, Deputy Chief Investment Officer 
Employees' Retirement System of the State of Hawai'i

SUBJECT: 2026 ERS Investment Education Summit – Site Location and Budget

Recommendation

Receive and file.

Background

The Employees' Retirement System (ERS) conducts an annual Investment Summit designed to bring together the Board of Trustees, ERS staff, and key investment partners to discuss a broad range of investment-related topics in an educational forum. The Summit is intended to support the continued development and refinement of ERS investment policies and strategies. Staff believes that the exchange of ideas and information at these sessions plays an important role in enabling Trustees to effectively fulfill their fiduciary responsibilities. The 2026 Investment Summit is scheduled for October 6–9, 2026.

Consistent with the established rotation schedule, the 2026 Summit will be held on Oahu. The most recent Summit hosted on Oahu occurred in 2019. Beginning in May 2025, ERS staff initiated discussions with several potential venues, including the Hilton Hawaiian Village Resort, Four Seasons Resort at Ko Olina, and The Ritz-Carlton – Turtle Bay. These properties were selected for further consideration based on their preliminary proposals, conference capabilities, and experience hosting events of similar scope and complexity.

Each venue was evaluated against a range of criteria, including location, meeting and business facilities, catering services, staffing support, accessibility, audio-visual capabilities, guest room quality and availability, and on-site amenities. Based on this review, staff determined that The Ritz-Carlton – Turtle Bay represents the most suitable venue for the 2026 Investment Summit.

Budget

A preliminary budget analysis has been completed for the 2026 Investment Summit. The estimated total cost for ERS Trustees (8) and staff (13) is approximately \$68,600. This estimate

includes ground transportation, three nights of hotel accommodations, meals and refreshments, meeting facilities, audio-visual services, service charges, taxes, and related event expenses.

The final cost may vary depending on the outcome of contract negotiations, selected meal arrangements, and final attendance levels.

The Executive Director and Investment Office Team anticipates to review future Investment Summits for educational objectives and expense efficiency taking into consideration the past and 2026 Summit.

AG

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

JANUARY 12, 2026

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

Trustees present:
(City Financial Tower
by teleconference)

Mr. Emmit Kane, Chair (in person)*
Mr. Vincent Barfield (in person)*
Ms. Darlene Blakeney (in person)*
Dr. Catherine Chan*
Dr. Seth Colby (in person)*
Dr. Genevieve Ley (in person)*
Mr. Bennett Yap (in person)*

Trustees absent:

Mr. David Louie

Staff present:
(City Financial Tower
by teleconference)

Mr. Kalbert Young, Executive Director*
Ms. Gail Strohl, Deputy Executive Director*
Mr. Kona Mann, Chief Compliance Officer*
Mr. James Greubel, Program Specialist*
Ms. Shanna Sakagawa, Program Specialist*
Ms. Lori Kobayashi, Retirement Benefits Branch Manager*
Mr. Larry Wolfe, Accounting Branch Manager
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 Markets
Ms. Lynn Kamimoto, Investment Officer – Risk
Mr. Ian Wetzel, Investment Officer – Real Assets
Ms. Gerri Konishi, Member Home Loan Assistant
Ms. Masayo Zabinski, Accountant
Ms. Dale Kehau Kanae, Recording Secretary/Administrative Assistant*
Ms. Lori Kim, Administrative Assistant*
Ms. Diana Gomes, Administrative Assistant

Attorneys present:
(City Financial Tower
by teleconference)

Ms. Jenny Nakamoto, Deputy Attorney General*
Ms. Lori Tanigawa, Deputy Attorney General*
Ms. Nietzsche Tolan, Deputy Attorney General*
Ms. Diane Wong, Deputy Attorney General*

Guests present:
(City Financial Tower
by teleconference)

Ms. Karli Fehrman, Gabriel Roeder Smith & Co.
Mr. Joe Newton, Gabriel Roeder Smith & Co.
Mr. Lewis Ward, Gabriel Roeder Smith & Co.
Mr. Colin Bebee, Meketa Investment Group, Inc.
Mr. Yuliya Oryol, Nossaman LLP (in person)
Mr. Andrew Betz, Stafford Capital Partners
Ms. Kathryn Finneran, The Townsend Group
Mr. D'metrius Grier, The Townsend Group
Mr. Jeff Leighton, The Townsend Group

Public present:
(by teleconference)

Kevin Balaod – WithIntelligence (Unverified)
Mr. Nate Weinstein Osmosis (Unverified)
15169167742 (Unverified)

*Attended Executive Session.

QUORUM/CALL TO ORDER

A quorum being present (Chair Kane, Trustees Barfield, Blakeney, Colby, Ley, and Yap), Chair Kane called the regular meeting of the Board of Trustees (Board) of the Employees’ Retirement System of the State of Hawaii (ERS) to order at 9:00 a.m. and welcomed the new Trustees Darlene Blakeney and Seth Colby, and the new Executive Director (ED) Kalbert Young and identified the Trustees attending in person and noted that Trustee Chan would be attending the meeting remotely. Trustees attending the meeting in person and remotely are noted on these minutes.

PUBLIC COMMENT

Chair Kane called for public comment. There was no public present in person, however, two (2) members of the public attended by teleconference and had no comment.

Chair Kane announced that agenda items would be taken out of order starting with New Business 1.

(Trustee Catherine Chan joined the meeting by teleconference at 9:05 a.m.)

2026 BOARD OF TRUSTEES
ELECTION OF OFFICERS
AND COMMITTEE
ASSIGNMENTS

Chair Kane discussed with the Board the Election of Officers and Committee Assignments and requested nominations for Chair and Vice Chair of the Board. Chair Kane nominated Trustee Barfield as Chair and Trustee Yap as Vice Chair. There were no other nominations.

On a motion made by Chair Kane, seconded by Trustee Ley, and unanimously carried, the Board approved Trustee Barfield as the new Chair, and Trustee Yap as the new Vice Chair.

Newly elected Chair Barfield presided over the remainder of the meeting and started with the Reports by Staff.

EXECUTIVE DIRECTOR’S
REPORT ON THE
ADMINISTRATION OF THE
SYSTEM WITH RESPECT
TO SIGNIFICANT
DEVELOPMENTS IN
INVESTMENTS, POLICY,
POTENTIAL LEGISLATION,
AND REGULATORY
MATTERS

ED Kalbert Young gave an oral report to the Board on the Administration of the System with Respect to Significant Developments in Investments, Policy, Potential Legislation, and Regulatory Matters as follows:

- Honored and appreciative to the Board for being selected to join ERS as the new Executive Director.
- First day January 1, 2026, coordinated transition with former ED Thomas Williams in November and December that provided opportunities to meet with executive leadership, management, administrative staff, and some of the branches within the ERS.
- First week, worked on baseline landscape perspectives, getting acclimated with issues on projects and administrative matters. Appreciated staff being so accommodating with meetings to be able to get acclimated.
- Welcomed the two new Trustees, Darlene Blakeney and Seth Colby, who is also the new State Budget & Finance Director.
- Governor Green submitted the proposed executive branch supplemental budget to the Legislature in December. Included for ERS is to increase the expenditure ceiling of trust funds for FY2027 by \$139,598.00, bringing it to \$27,434,244.00 in the appropriation. This increase also reflects a request to add one FTE position count for a retirement business analyst position. Also included in the budget proposal is an increase of \$3,527,463.00 in other non-trust funds to address the increase in the fringe benefit assessment rate that is applied to non-general fund programs like at the ERS. Thank you to Governor Green and B&F Director Dr. Seth Colby for their consideration with the budget that will be moving forward to the Legislature beginning on Wednesday, January 21, 2026.

EXECUTIVE DIRECTOR'S REPORT ON THE ADMINISTRATION OF THE SYSTEM WITH RESPECT TO SIGNIFICANT DEVELOPMENTS IN INVESTMENTS, POLICY, POTENTIAL LEGISLATION, AND REGULATORY MATTERS (CONT'D)

- Legislative informational briefings have been scheduled with departments and have started last week.
- This week, ERS and Gabriel Roeder, Smith & Company are scheduled to present the Actuarial Valuation Report to the Legislature in both the House and Senate, which will also be presented to the Board today. The same presentation is scheduled with EUTF, ERS, and employee and employer stakeholders.
- Attended a number of calls and meetings with executive representatives of the Counties, State Legislators, and one of the employee unions regarding issues and matters of importance to the ERS for the upcoming legislative session.
- The ED and leadership team will continue to evaluate and focus its energy towards addressing the potential legislation defending and championing the ERS and prioritizing expeditious responses to legislative matters during the upcoming session.

DEPUTY EXECUTIVE DIRECTOR'S REPORT ON THE OPERATIONS OF THE SYSTEM WITH RESPECT TO ISSUES AFFECTING MEMBER SERVICES, ACCOUNTING, AND INFORMATION SYSTEMS

Deputy Executive Director (DED) Gail Strohl gave an oral and written report to the Board, as presented, on the December 2025 Monthly Operations Report and highlighted the status of staffing recruitment and major achievements for the branches.

DED Strohl also reported that staff are working through pre-migration activities for the V3locity pension administration system project and are also in the process of renewing the custodial agreement with the Bank of New York.

There was no action required of the Board for this agenda item.

ACCOUNTING BRANCH REPORT ON GENERAL DUTIES, CURRENT AND FUTURE PROJECTS, GOALS, AND ACHIEVEMENTS

Accounting Manager (AM) Larry Wolfe presented an oral and written report to the Board on a brief overview of the services the Accounting Branch provides and discussed short term and intermediate goals as it relates to:

- Financial Auditor – KKDLY LLC
- Improve Financial Processing and Reporting
- Staff Development and Hiring
- V3locity Pension Administration System
- Employer Reporting Team (Act 87, SLH 2015)
- Procurement
- THP Payments

There was no action required of the Board for this agenda item.

PUBLIC COMMENT

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

DISCUSS THE 2026 BOARD OF TRUSTEES ELECTION OF OFFICERS AND COMMITTEE ASSIGNMENTS

Chair Barfield continued with the Board discussion of the 2026 Officers and Committee Assignments and presented a draft that included the Committee assignments. (A draft of the 2026 Officers and Committee Assignments is attached to these minutes for clarification, as it was not a part of the Board meeting documents.)

Chair Barfield asked that the Committees meet prior to the next Board meeting to determine the Chairs and Vice Chairs, review the respective Committee Charters, and to follow up on any agenda items from the last Committee meetings.

There were no objections from the Board to the draft 2026 Officers and Committee Assignments presented.

REPORT OF ACTIVITY BY
THE LEGISLATIVE
COMMITTEE

2026 LEGISLATIVE
PROPOSALS RELATING
TO THE EMPLOYEES'
RETIREMENT SYSTEM

BUF-09(26) "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM'S EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY," PROPOSES TO INCREASE EMPLOYER CONTRIBUTIONS FOR NORMAL COST AND ACCRUED LIABILITY FOR A SPECIFIED GROUP OF EMPLOYEES TO ENSURE THAT THE EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII'S UNFUNDED ACCRUED LIABILITY DOES NOT EXCEED THE MAXIMUM FUNDING PERIOD

BUF-10(26) "A BILL FOR AN ACT RELATING TO THE EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM," PROPOSES TO ALLOW THE BOARD OF TRUSTEES OF THE EMPLOYEES' RETIREMENT SYSTEM (ERS BOARD), THROUGH ITS EXECUTIVE DIRECTOR, TO APPOINT THE DEPUTY EXECUTIVE DIRECTOR (DED), CHIEF COMPLIANCE OFFICER (CCO), AND INFORMATION SECURITY OFFICER (ISO) OF THE EMPLOYEES' RETIREMENT SYSTEM OF HAWAII, AND TO EXEMPT THESE POSITIONS FROM THE STATE'S CIVIL SERVICE REQUIREMENTS

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 87/2015
REGARDING STATUS OF
EMPLOYER REPORTING
OF INFORMATION 2025

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED

Chair Barfield noted that there was no report by the Human Resources Committee, as the Committee last met on October 27, 2025, and reported at the last Board meeting.

Legislative Committee Chair Ley, reported to the Board that the Committee last met on August 26, 2025, prior to the last two Board meetings of September 8, and November 10, 2025.

ED Young and Program Specialist (PS) James Greubel presented to the Board, two (2) Bills submitted with the administration's executive branch package to be introduced for next session.

The first proposed bill entitled, An Act Relating to the Employees' Retirement System's Employer Contributions for Normal Cost and Accrued Liability, proposes to increase employer contributions for normal cost and accrued liability for police officers, fire fighters, and corrections officers from forty-one percent to forty-four percent of member's compensation to ensure that the Employees' Retirement System's unfunded accrued liability does not exceed the maximum funding period.

PS Greubel shared with the Board that the proposed employer contribution increase was based on the results of the 2025 Experience Study that was recommended by the Administrative & Audit Committee and approved by the Board at its meeting of September 8, 2025.

The second proposed bill entitled, An Act Relating to the Exemption from Civil Service of Executive Personnel of The Employees' Retirement System, proposes to allow the Board of Trustees of the Employees' Retirement System, through its Executive Director, to appoint the Deputy Executive Director, Chief Compliance Officer, and Information Security Officer of the Employees' Retirement System, and to exempt these positions from the State's civil service requirements.

The following annual reports were taken out of order.

ED Young reported to the Board that the Annual Report Act 87/2015 Regarding Status of Employer Reporting of Information 2025, as presented, was submitted to the Legislature. The Board was updated on the importance and progress of employer reporting of personnel and payroll information.

The Board suggested, for the members educational awareness, possibly publishing an article in Holomua on the importance of the employer's reporting of information to the ERS.

This report was provided for the Board's information, and no action was required.

Chief Investment Officer (CIO) Kristin Varela reported to the Board that the Annual Report Act 192/2007 Regarding Direct Holdings in Sudan Scrutinized

BY ACT 192/2007
REGARDING DIRECT
HOLDINGS IN SUDAN
SCRUTINIZED
COMPANIES 2025

Companies 2025, as presented, was submitted to the Legislature. The Board was updated that there were no identified “scrutinized companies” held in the ERS portfolio in 2025.

This report was provided for the Board’s information, and no action was required.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 260/2007
REGARDING THE
INNOVATION ECONOMY
(HAWAII TARGETED
INVESTMENT PROGRAM
(HiTIP))

CIO Varela also reported to the Board that the Annual Report Act 260/2007 Regarding the Innovation Economy (Hawaii Targeted Investment Program (HiTIP)), as presented, was submitted to the Legislature. The Board was updated regarding initiatives, the amount of deals reviewed within the local ecosystem, as well as the amount of jobs and capital flowing into Hawaii.

This report was provided for the Board’s information, and no action was required.

Chair Barfield announced that the Reports by the Committees would be taken out of order, and the Investment Committee would be the next to report.

REPORT OF ACTIVITY BY
THE INVESTMENT
COMMITTEE

Investment Committee (Committee) Vice Chair Yap reported to the Board that the Committee last met on December 3, 2025, and reviewed the 3rd Quarter Total Fund Performances, discussed results of long-term objective and market conditions; conducted its annual deep dive of the real asset portfolio including performance portfolio construction, pacing, and risk considerations; continued on-going educational series with a session focused on risk budgeting, reinforcing how risk is allocated and monitored across the total fund; and the Committee completed its annual governance review and will be presenting it for recommendations including investment policy statement review, benchmarking review, and liquidity review.

TOTAL FUND
PERFORMANCE
REVIEW FOR PERIOD
ENDING
SEPTEMBER 30, 2025

CIO Varela introduced Meketa Investment Group Inc.’s (Meketa) Colin Bebee who joined the meeting by teleconference, introduced himself for the benefit of the new Trustees and Executive Director, and presented an oral and written report to the Board, as previously presented to the Committee, on the Total Fund Performance Review for Period Ending September 30, 2025, and highlighted:

INTRODUCTION

Executive Summary

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

Portfolio Valuation

ERS Total Fund Relative Performance

Asset Allocation vs. Target

Annualized Return vs. Annualized Standard Deviation and Annualized Risk-Return

- 3-Years Ending and 5-Yers Ending, September 30, 2025

ERS PORTFOLIO REVIEW

Performance Attribution vs. Policy Benchmarks

- 1-Year Ending September 30, 2025

Asset Class Performance Summary

Plan Sponsor Peer Group Analysis

- Peer Group Performance Comparison Trailing Periods Ending September 30, 2025

This report was provided for the Board’s information, and no action was required.

Chair Barfield announced that the remainder of the Investment Committee Reports would be presented after the final Annual Report to the Legislature from the Legislative Committee and the Report of Activity by the Administrative & Audit Committee were presented.

REPORT OF ACTIVITY BY
THE ADMINISTRATIVE &
AUDIT COMMITTEE

Gabriel Roeder Smith & Company's (GRS) Joe Newton, Lewis Ward, and Karli Fehrman entered the meeting and introduced themselves for the benefit of the new Trustees and Executive Director. GRS requested that the Annual Actuarial Valuation Report be presented before the Annual Report to the Legislature Act 85/2017.

APPROVAL OF ANNUAL
ACTUARIAL
VALUATION REPORT
BY GABRIEL, ROEDER,
SMITH & COMPANY
FOR THE YEAR ENDING
JUNE 30, 2025

Administrative & Audit Committee (Committee) Chair Chan, reported to the Board that the Committee last met on October 20, 2025, prior to the last Board meeting of November 10, 2025. The following presentation to the Board was not heard by the Committee.

GRS Messrs. Newton and Ward, and Ms. Fehrman presented an oral and written report to the Board on the Annual Actuarial Valuation Report for the Year Ending June 30, 2025, and discussed:

PURPOSE OF THE ACTUARIAL VALUATION

*Annual Health Checkup of ERS, Primary Purpose, and Funding Period.
Historical and Projected Assets and Liabilities*

ACTUARIAL VALUATION HIGHLIGHTS

Results remain on track (if not ahead of, original projections from Act 17 (2017)), Funding period decreased as expected from 22 years to 21 years, Funded ratio improved from 63.0% to 63.6%, The Unfunded Actual Accrued Liability (UAAL) increased by approximately \$370 million, from \$14.0b to \$14.4b.

Actual vs. Projected UAAL

2025 EXPERIENCE STUDY

Valuation results are heavily based on a series of assumptions about future behavior and events, The assumptions are not static, While we monitor the appropriateness of the assumptions annually, ERS Statute requires a formal process occur every three years, The 2025 Experience study was rather uneventful in total, but there was a material change to the salary increases for Police and Fire Employees (again).

The Experience Study increased the assumed future salary increase for late career Police and Fire Employees

The new assumptions for Police and Fire is impactful enough to increase the funding period 2 years for that group, (There is a significant difference in the funding periods between the two groups).

History of the ERS Active Headcount and Payroll

Projection of Funding Period from Legislative Impact Statement vs. Actual Valuation Outcomes

Funding Period

NASRA Research: 2025 Distribution of Funding Periods

History of Funded Ratio

2024 NASRA Public Fund Survey Funded Ratio

Projection of Funded Ratio Compared to Original Legislative Communications

Sensitivity to Investment Performance Assumes No Change to Contributions

Funding Period Sensitivities

Projected Funding Period: 6% Actual Returns

Probabilities of Future Outcomes

APPROVAL OF ANNUAL
ACTUARIAL VALUATION
REPORT BY GABRIEL,
ROEDER, SMITH &
COMPANY FOR THE YEAR
ENDING JUNE 30, 2025
(CONT'D)

VALUATION SUMMARY

- *The disciplined commitment to follow the contribution schedule from Act 17 (2017) continues the process of strengthening the financial outlook for ERS.*
- *The scheduled employer contribution rates are expected to be adequate to satisfy Hawaii Revised Statutes §88-122(1). The Statutory Stress Test shows this is true even with substantial adverse experience.*
- *Act 192 (2024), implementing the new maximum amortization period, will better protect the System over the long term.*
- *The reduction in the maximum funding period will be viewed favorably by bond raters and satisfies all of the new Actuarial Standards of Practice.*

On a motion made by Trustee Kane, seconded by Vice Chair Yap, and unanimously carried, the Board approved the Annual Actuarial Valuation Report for the Year Ending June 30, 2025, as presented.

REPORT OF ACTIVITY BY
THE LEGISLATIVE
COMMITTEE (CONT'D)

The Report of Activity by the Legislative Committee continued.

ANNUAL REPORT TO THE
LEGISLATURE REQUIRED
BY ACT 85/2017
REGARDING THE
ACTUARIAL ASSET AND
LIABILITY STRESS TEST
2025

GRS's Messrs. Newton and Ward reported to the Board that the Annual Report Act 85/2017 Regarding the Actuarial Asset and Liability Stress Test 2025, as presented, was submitted to the Legislature. The Board was provided information of the requirements of the annual stress test report, the stress test summary results, the maximum funding period, disclosures, and temporary hazardous duty pay.

This report was provided for the Board's information, and no action was required.

RECESS

Chair Barfield called for a recess at 11:02 a.m.

RECONVENE

A quorum being present (Chair Barfield, Trustees Blakeney, Chan, Colby, Kane, Ley, and Yap). Chair Barfield reconvened the meeting at 11:09 a.m.

REPORT OF ACTIVITY BY
THE INVESTMENT
COMMITTEE (CONT'D)

Chair Barfield resumed the Report of Activity by the Investment Committee.

ROTATING
ALTERNATIVE ASSET
CLASS REVIEW:
TOWNSEND – REAL
ASSETS FOR PERIOD
ENDING JUNE 30, 2025

Investment Officer – Real Assets (IO-RA) Ian Wetzel introduced The Townsend Group's Kathryn Finneran, D'metrius Grier, and Jeff Leighton, who joined the meeting by teleconference, introduced themselves for the benefit of the new Trustees and Executive Director, and presented an oral and written report to the Board, as previously presented to the Committee, on the Rotating Alternative Asset Class Review: Townsend – Real Assets for Period ending June 30, 2025, and highlighted:

REAL ASSET STRATEGIC SUMMARY SCORECARD

Market Value, Asset Allocation, Long-Term Performance, Absolute Returns vs. Benchmarks, Liquidity Management

REAL ASSETS PERFORMANCE REVIEW

Executive Summary

- HIERS Real Estate Performance Summary
- HIERS Infrastructure Performance Summary
- HIERS Timber Performance Summary

Real Estate Portfolio

- Real Estate Portfolio Funding Status and Composition

ROTATING
ALTERNATIVE ASSET
CLASS REVIEW:
TOWNSEND – REAL
ASSETS FOR PERIOD
ENDING JUNE 30, 2025
(CONT'D)

- Non-Core Real Estate Portfolio Funding Status & Returns
- Real Estate Diversification vs. FTSE EPRA/NAREIT Global REITs Index

Agriculture Portfolio

- Agriculture Performance

This report was provided for the Board's information, and no action was required.

ANNUAL INVESTMENT
POLICY STATEMENT
REVIEW

CIO Varela presented an oral and written report to the Board, as previously presented to the Committee, on the Annual Investment Policy Statement Review, and highlighted:

The memorandum provided was part of the annual IPS review and outlines proposed revisions to Section E of the Investment Policy Statement. The rewrite was intended to modernize the Hawaii Targeted Investment Program (HiTIP), support the evolution of Hawaii linked private market opportunities, and position the program for long-term scalability under a clear and durable governance framework. It was noted that the Deputy Attorney General completed a review of the proposed revisions and confirmed that the revised Section E, as drafted, remains in compliance with Act 260 and does not alter or conflict with the statute's legislative intent.

On a motion made by Trustee Colby, seconded by Trustee Kane, and unanimously carried, the Board accepted the recommendation by the Committee and approved the Revisions and Updates to the ERS Investment Policy Statement to Section E (HiTIP Program), as presented.

ANNUAL BENCHMARK
REVIEW

Meketa's Mr. Bebee presented an oral and written report to the Board, as previously presented to the Committee, the Annual Benchmark Review, and highlighted:

LONG-TERM POLICY PORTFOLIO

Asset-Liability Results and Corresponding Benchmarks

Conclusion: Meketa and ERS Staff believe the asset class and Total Fund Benchmarks are well-designed and do not recommend any changes at this time.

On a motion made by Vice Chair Yap, seconded by Trustee Ley, and unanimously carried, the Board accepted the recommendation by the Committee and approved the Annual Benchmark Review, as presented.

ANNUAL PLAN
LIQUIDITY TARGET
REVIEW

Meketa's Mr. Bebee presented an oral and written report to the Board, as previously presented to the Committee, the Annual Plan Liquidity Target Review, and highlighted:

INTRODUCTION

LIQUIDITY NEEDS

LIQUIDITY TIERS

METHODOLOGY FOR DETERMINING TIER 1 MINIMUM

ERS – 2025 YTD EXPERIENCE

ERS Tier 1 Assets – 2025 YTD through 10/31

CONCLUSION

- Based on current market values and actuarial projections, Meketa and ERS Staff recommend that the 5% minimum remain unchanged for calendar year 2026.

ANNUAL PLAN
LIQUIDITY TARGET
REVIEW (CONT'D)

On a motion made by Vice Chair Yap, seconded by Trustee Ley, and unanimously carried, the Board accepted the recommendation by the Committee and approved the Annual Plan Liquidity Target Review, as presented.

APPROVAL OF MINUTES
– NOVEMBER 10, 2025

On a motion made by Trustee Ley, seconded by Trustee Kane, and unanimously carried, the Board approved the Minutes of the November 10, 2025, meeting as presented with emphasis on page 2, second paragraph of the Compliance Office Staff Report on General Duties Including Significant Current and Future Projects referencing the Board's request of a dashboard to be included as a part of the report, a snapshot highlighting where compliance and risks are for the ERS.

The Chief Compliance Officer Kona Mann acknowledge the Board's request.

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

Chair Barfield provided the reason to enter into Executive Session:

Executive Session, pursuant to HRS §92-5(a)(4), and (8), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities: with respect to the Trustees' Fiduciary Duties and Immunities, Appeals, and the Sunshine Law; an Update on Ongoing Litigation and Appropriate Action for Linda S. Martell, CAAP-22-0000534 and CAAP-22-0000545; and to discuss and to make a decision on the approval of Executive Session and Confidential Executive Session Minutes of November 10, 2025, which are confidential under State law.

(Due to technical difficulties, Trustee Chan left the meeting at 11:47 a.m. by ending her teleconference connection. Quorum was still maintained with Chair Barfield, Trustees Blakeney, Colby, Ley, Kane, and Yap)

ENTER EXECUTIVE
SESSION

On a motion made by Trustee Kane, seconded by Trustee Ley, and unanimously carried, the Board entered into Executive Session at 11:48 a.m.

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

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

EXECUTIVE SESSION

- Pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities with respect to the Trustees' Fiduciary Duties and Immunities, Appeals, and the Sunshine Law.
- Pursuant to HRS §92-5(a)(4) and (8), to consider information that must be kept confidential pursuant to State law, and to consult with the Board's attorney on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to an Update on Ongoing Litigation and appropriate action for Linda S. Martell, CAAP-22-0000534 and CAAP-22-0000545.
- Pursuant to HRS §92-5(a)(8), to Review and Approve Executive Session Minutes of November 10, 2025.
- Pursuant to HRS §92-5(a)(8), to Review and Approve the Confidential Executive Session Minutes of November 10, 2025.

EXECUTIVE SESSION,
PURSUANT TO HRS§ 92-5(a)(4)
TO CONSULT WITH THE
BOARD'S ATTORNEYS ON
QUESTIONS AND ISSUES
PERTAINING TO THE BOARD'S
POWERS, DUTIES, PRIVILEGES,
IMMUNITIES, AND LIABILITIES,
WITH RESPECT TO THE
TRUSTEES' FIDUCIARY DUTIES
AND IMMUNITIES, APPEALS,
AND THE SUNSHINE LAW

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(4)
AND (8), TO CONSIDER
INFORMATION THAT MUST BE
KEPT CONFIDENTIAL
PURSUANT TO STATE LAW,
AND TO CONSULT WITH THE
BOARD'S ATTORNEY ON
QUESTIONS AND ISSUES
PERTAINING TO THE BOARD'S
POWERS, DUTIES, AND
PRIVILEGES, IMMUNITIES, AND
LIABILITIES WITH RESPECT TO
AN UPDATE ON ONGOING
LITIGATION AND APPROPRIATE
ACTION FOR LINDA S.
MARTELL, CAAP-22-0000534
AND CAAP-22-0000545

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(8),
TO REVIEW AND APPROVE
EXECUTIVE SESSION MINUTES
OF NOVEMBER 10, 2025

EXECUTIVE SESSION,
PURSUANT TO HRS §92-5(a)(8),
TO REVIEW AND APPROVE THE
CONFIDENTIAL EXECUTIVE
SESSION MINUTES OF
NOVEMBER 10, 2025

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Colby, and unanimously carried, the Board exited Executive Session at 12:45 p.m.

Chair Barfield announced that while in Executive Session, the Board consulted with its attorneys regarding its powers and duties, with respect to the Trustees' Fiduciary Duties and Immunities, Appeals, and the Sunshine Law; was updated on ongoing litigation and Appropriate Action was taken for Linda S. Martell CAAP-22-0000534 and CAAP-22-0000545; and the Board approved the Executive Session minutes of November 10, 2025, as well as Confidential Executive Session Minutes of November 10, 2025.

ADJOURNMENT

On a motion made by Trustee Ley, seconded by Trustee Colby, and unanimously carried, Chair Barfield adjourned the meeting at 12:46 p.m.

REDACTED SIGNATURE

Kalbert Young
Executive Director

dkik

2025

2026

**BOARD OF TRUSTEES OF THE
EMPLOYEES' RETIREMENT SYSTEM
OF THE STATE OF HAWAII**

OFFICERS & COMMITTEE ASSIGNMENTS

BOARD MEMBERS

Vincent (Vince) Barfield, Chair

~~**Bennett Yap, Vice Chair**~~

Darlene Blakeney

Catherine Chan

Seth Colby

Emmit Kane

Genevieve (Genny) Gines Ley

David Louie

INVESTMENT COMMITTEE (2/17/26)

Emmit Kane, Chair

Darlene Blakeney, Vice Chair

Genevieve (Genny) Gines Ley

David Louie

ADMINISTRATIVE & AUDIT COMMITTEE (2/11/26)

David Louie, Chair

Seth Colby, Vice Chair

Darlene Blakeney

~~Bennett Yap~~

LEGISLATIVE COMMITTEE (2/26/26)

Catherine Chan, Chair

Emmit Kane, Vice Chair

Vincent (Vince) Barfield

Seth Colby

HUMAN RESOURCES COMMITTEE (2/18/26)

Genevieve (Genny) Gines Ley, Chair

Catherine Chan, Vice Chair

Vincent (Vince) Barfield

~~Bennett Yap~~

GOVERNANCE POLICY COMMITTEE*

Vincent (Vince) Barfield, Chair

(Board Chair)

~~**Bennett Yap, Vice Chair**~~

(Board Vice Chair)

Emmit Kane

(Investment Committee Chair)

Genevieve (Genny) Gines Ley

(Human Resources Committee Chair)

David Louie

(Administrative & Audit Committee Chair)

Catherine Chan

(Legislative Committee Chair)

*Committee suspended, however, can meet on an as-needed basis (approved by Board as of Mar 11, 2024).

Draft: Jan 12, 2026

Revised & Accepted: