

Investment Committee Meeting May 26, 2026

Meeting Items

- Agenda
- Total Fund Performance Review for period ending March 31, 2026
- 2026 Asset Liability Study Education: Capital Market Assumptions
- 2026 Asset Liability Study Education: Risk & Implementation Survey
- Asset Class Review: Private Equity Annual Review for period ending December 31, 2025
- Risk Budget Policy Adoption
- CIO Update
- Approval of Minutes – February 17, 2026

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



Employees' Retirement System of the State of Hawaii

May 26, 2026

2026 Q1 Performance Report

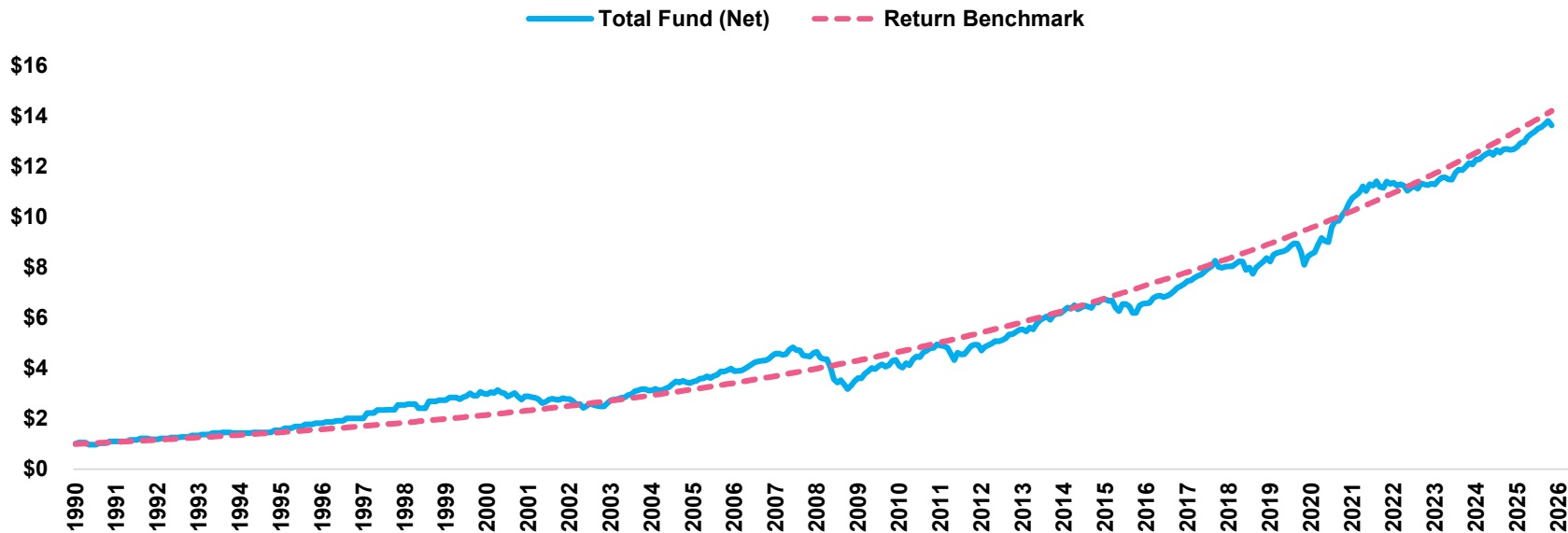
1. Introduction
2. ERS Portfolio Review
3. Plan Sponsor Peer Group Analysis
4. Appendix

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

Since Inception Growth of \$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	CYTD	QTD
Total Fund	7.6	6.9	6.4	7.7	5.9	6.6	7.6	5.4	0.5	0.5
<i>Risk-Adjusted Peer Median²</i>	<i>7.2</i>	<i>6.8</i>	<i>5.7</i>	<i>5.1</i>	<i>2.8</i>	<i>4.1</i>	<i>5.1</i>	<i>2.7</i>	<i>(0.2)</i>	<i>(0.2)</i>
Excess Return	0.4	0.2	0.7	2.6	3.0	2.4	2.6	2.7	0.7	0.7

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.

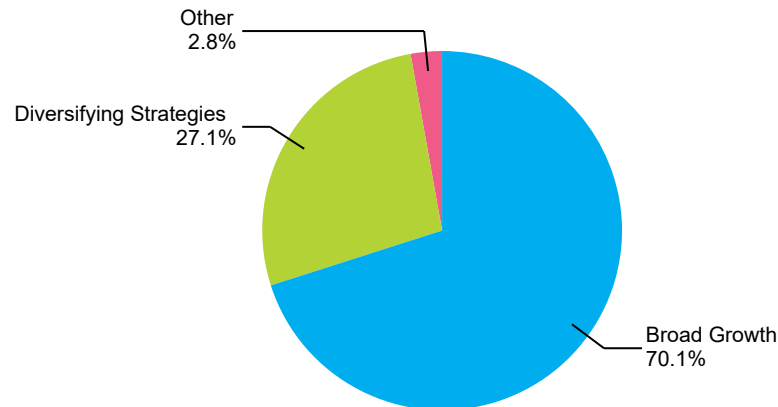
Total Fund | As of March 31, 2026

Portfolio Valuation		
	Quarter-to-Date	One Year
Total Fund		
Beginning Market Value	25,618,242,248	24,007,910,944
Net Cash Flows	-96,712,178	-247,394,421
Gain/Loss	139,967,921	1,900,981,468
Ending Market Value	25,661,497,991	25,661,497,991

ERS Total Fund Relative Performance									
	Inception	30 Yrs	20 Yrs	10 Yrs	5 Yrs	3 Yrs	1 Yr	FYTD	QTD
Total Fund	7.6	6.9	6.4	7.7	5.9	6.6	7.6	5.4	0.5
Return Benchmark	7.7	7.6	7.4	7.0	7.0	7.0	7.0	5.2	1.7
Excess Return	-0.1	-0.7	-1.0	0.7	-1.1	-0.4	0.6	0.2	-1.2
Total Fund	7.6	6.9	6.4	7.7	5.9	6.6	7.6	5.4	0.5
Market Benchmark	8.0	7.4	6.9	8.2	7.7	11.6	12.6	9.5	0.6
Excess Return	-0.4	-0.5	-0.5	-0.5	-1.8	-5.0	-4.9	-4.1	-0.1
Total Fund	7.6	6.9	6.4	7.7	5.9	6.6	7.6	5.4	0.5
Peer Benchmark	7.7	7.2	6.5	8.0	6.3	9.8	12.2	5.8	-0.6
Excess Return	-0.1	-0.3	-0.1	-0.3	-0.4	-3.2	-4.6	-0.4	1.1
Total Fund Rank	59	84	56	65	68	99	99	65	7

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.

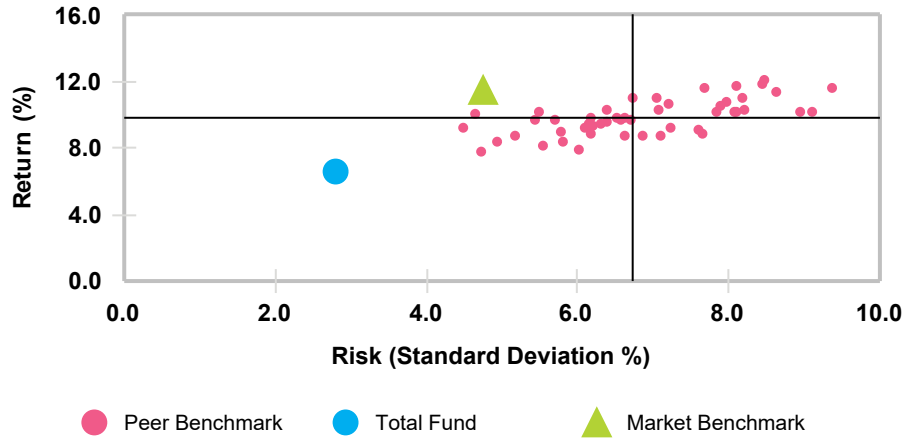
Asset Allocation vs. Target As of March 31, 2026					
	Balance (\$)	Current Allocation (%)	Policy (%)	Difference (%)	Policy Range (%)
Broad Growth	17,980,228,074	70.1	70.0	0.1	60.0 - 80.0
Global Equity	10,066,423,540	39.2	39.0	0.2	19.0 - 59.0
Global Credit	2,919,163,627	11.4	12.0	-0.6	6.0 - 18.0
Real Assets	4,994,640,907	19.5	19.0	0.5	9.0 - 29.0
Diversifying Strategies	6,958,390,372	27.1	30.0	-2.9	20.0 - 40.0
Liquid Defensive/Diversifying	6,046,992,378	23.6	26.0	-2.4	15.0 - 30.0
Illiquid Diversifying	911,397,994	3.6	4.0	-0.4	0.0 - 9.0
Other	722,879,544	2.8	0.0	2.8	0.0 - 0.0
Other	722,879,544	2.8	0.0	2.8	0.0 - 0.0
Total	25,661,497,991	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 March 31, 2026

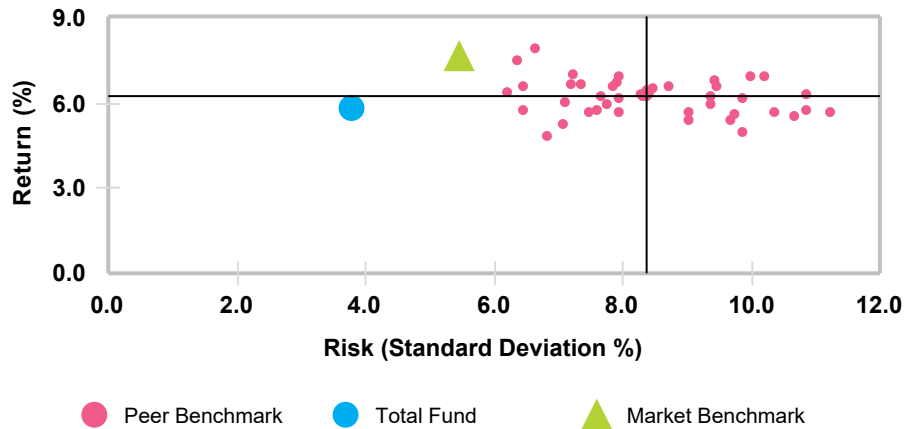
**Annualized Return vs. Annualized Standard Deviation
3 Years Ending March 31, 2026**



Annualized Risk-Return

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio
Total Fund	6.6	2.8	0.6
Market Benchmark	11.6	4.8	1.4
Peer Benchmark Median	9.8	6.7	0.7

**Annualized Return vs. Annualized Standard Deviation
5 Years Ending March 31, 2026**



Annualized Risk-Return

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio
Total Fund	5.9	3.8	0.6
Market Benchmark	7.7	5.5	0.8
Peer Benchmark Median	6.3	8.4	0.4

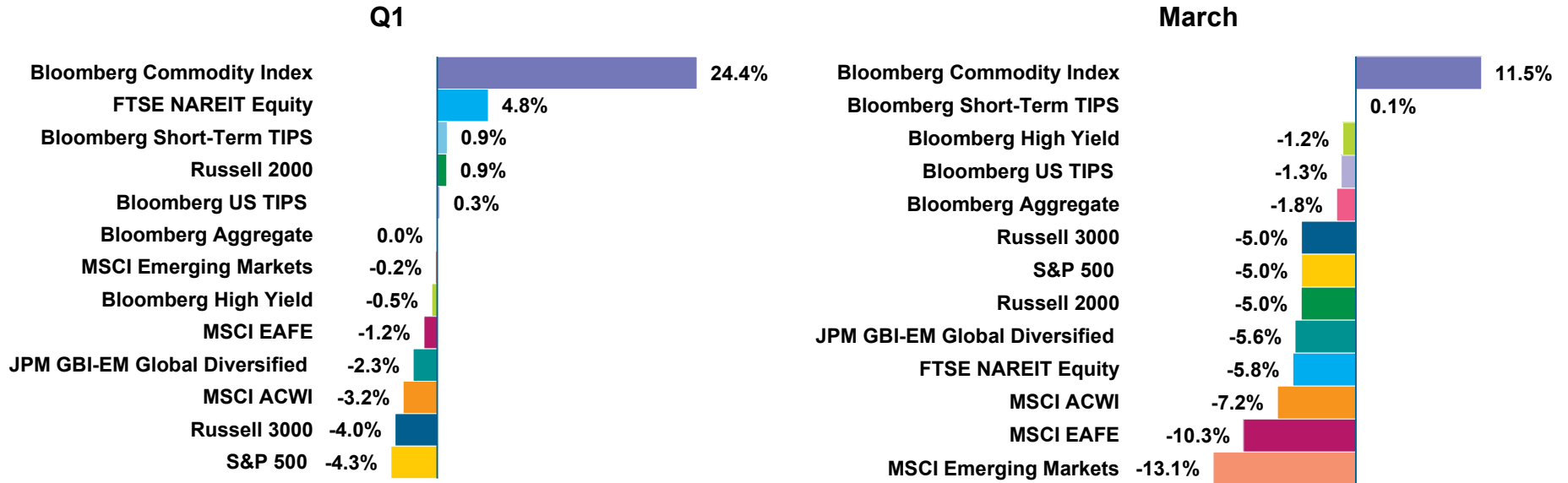
Peer Benchmark represents the plan sponsor peer group InvMetrics Public DB >\$1B Net universe and includes BNY Mellon Total Public Fund >\$1B universe and Investment Metrics client data.

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 first quarter of 2026, commodities led performance, significantly outperforming as geopolitical tensions drove oil prices higher. US REITs also had a strong quarter as investors rotated out of large-cap tech into defensive, income-generating assets, with data centers and healthcare properties driving results.
- In contrast, risk assets broadly lagged, with US equities declining, led by large-cap stocks, while international equities also posted negative returns amid continued concerns around technology valuations and energy related worries from the conflict in the Middle East.

¹ Source: Bloomberg. Data is as of March 31, 2026.

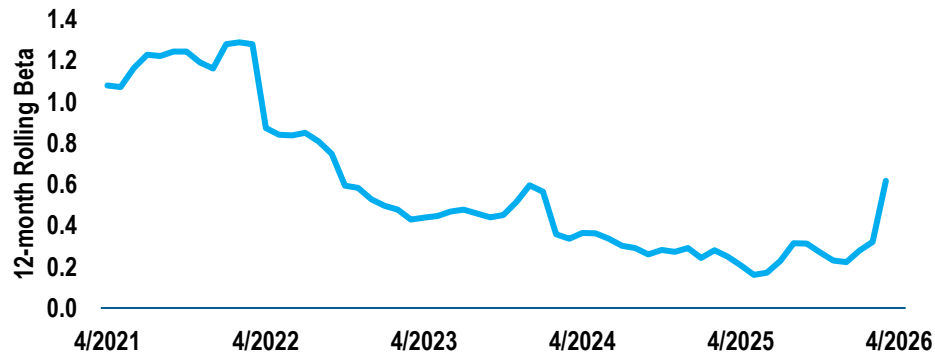
Key Trends

- Global growth expectations entering 2026 remained relatively resilient, with the IMF projecting global GDP growth of 3.3% for the year, masking growing divergence across regions. The US outlook remains comparatively stronger, while growth in the euro area and China is expected to moderate amid structural and policy headwinds.
- As the first quarter progressed, the global macro backdrop became more fragile, with geopolitical escalation in the Middle East introducing a significant energy price shock that threatens to weigh on growth while simultaneously re-accelerating inflation pressures. This dynamic has complicated the outlook for monetary policy globally.
- US consumer conditions showed early signs of strain entering 2026. Despite a strong January jobs report, hiring was narrowly concentrated, prior gains were revised lower, and confidence weakened — particularly among lower-income households facing persistent pressure from elevated prices and borrowing costs. February's unexpected loss of 133,000 payroll jobs confirmed that the labor market's apparent resilience might have been more fragile than the headline numbers suggested. However, the economy added 178,000 jobs in March, offsetting the previous month's job losses.
- US equity market leadership continued to broaden during Q1. Elevated valuations and increased dispersion shifted investor focus toward earnings durability, cash generation, and return on capital rather than momentum-driven growth. The underperformance of AI-linked mega-caps reinforced this trend.
- Global trade tensions remained outwardly contained during the quarter following the late-2025 tariff suspension, but underlying frictions persisted. Strategic competition in semiconductors and rare-earths, China's slowing growth and low inflation, and heightened geopolitical risk continue to pose downside risks to the global outlook.
- The late-February US-Israel strikes on Iran represent the most significant new risk to the global macro-outlook. Oil's sharp move higher, despite recent declines, is tightening financial conditions, threatening to reignite inflation just as some central banks were preparing to ease. This puts the Fed in an increasingly difficult position between a softening labor market and resurging energy prices.

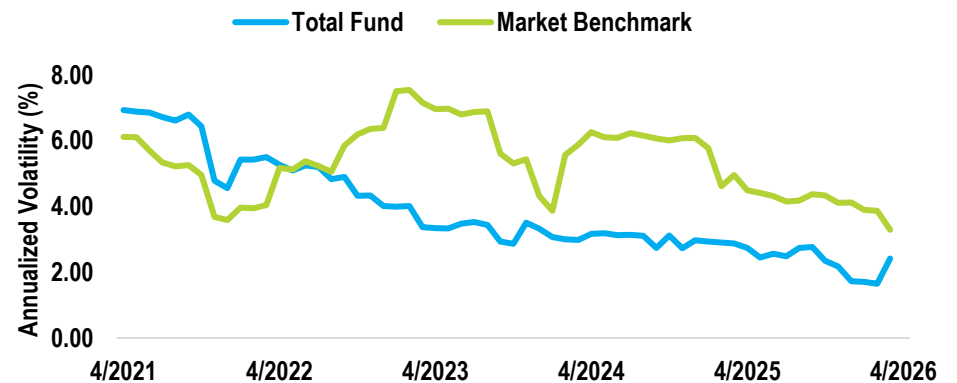
Macro Risk Analytics – Key Takeaways

- The late-February US-Israel strikes on Iran represent the most significant new risk to the global macro-outlook. The sharp increase in energy prices is threatening to reignite inflation just as some central banks were preparing to ease. This puts the Fed in an increasingly difficult position between a softening labor market and resurging energy prices. Global trade tensions remained outwardly contained during Q1 following the late-2025 tariff suspension, but underlying frictions persisted. Strategic competition in semiconductors and rare-earths, China's slowing growth and low inflation, and heightened geopolitical risk continue to pose downside risks to the global outlook. Domestically, US consumer conditions showed early signs of strain entering 2026 as the labor market might have been more fragile than the headline numbers suggested and as lower-income households in particular are facing persistent pressure from elevated prices and borrowing costs.
- Meketa's Market Sentiment Indicator remained **green** (i.e., positive) during Q1.
- The Actual Portfolio's beta (on a 12-month basis relative to the Policy Portfolio) increased sharply in Q1. Related, trailing 12-month volatility for the Actual Portfolio and Policy Portfolio remain at a relatively widespread though the spread started to rapidly narrow in March. Of note, a new policy benchmark was implemented on 1/1/2024.

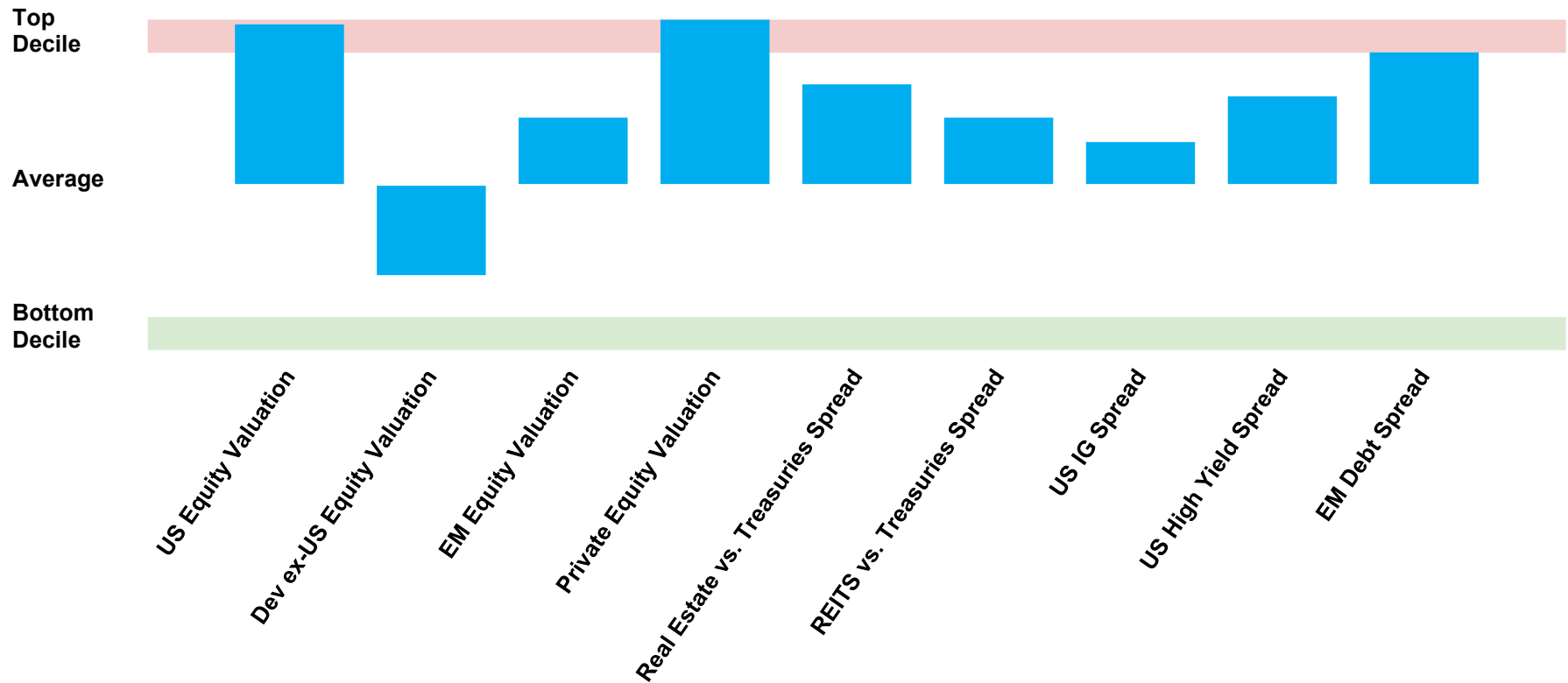
12-Month Rolling Beta vs. Policy Benchmark
(April 2021 - March 2026)



12-Month Rolling Risk (April 2021 - March 2026)



Valuation Metrics Dashboard
(current measures relative to history)



Other Market Metrics Dashboard

(current measures relative to history)

Top
Decile

Average

Bottom
Decile

Equity Volatility Level

Fixed Income Volatility Level

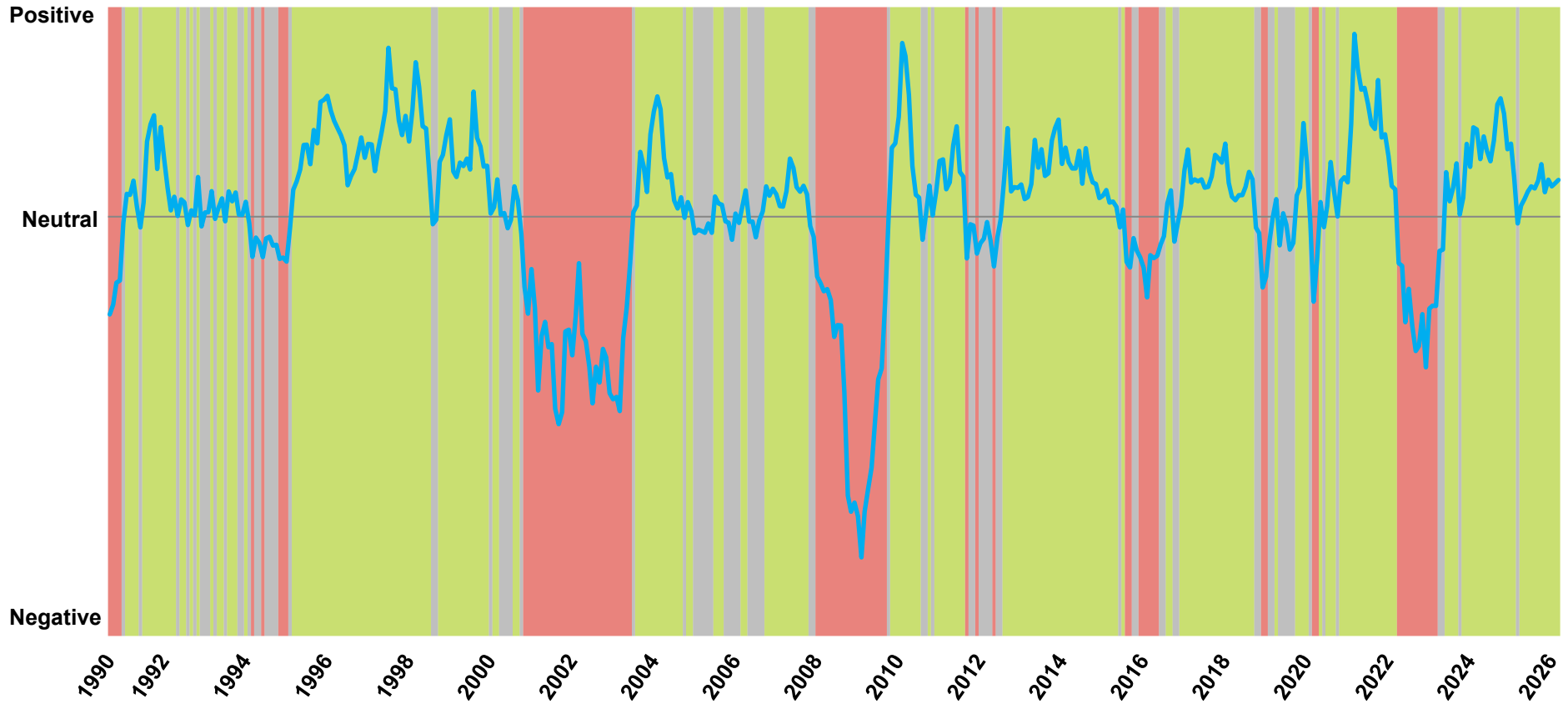
Systemic Risk Level

Yield Curve Slope Level

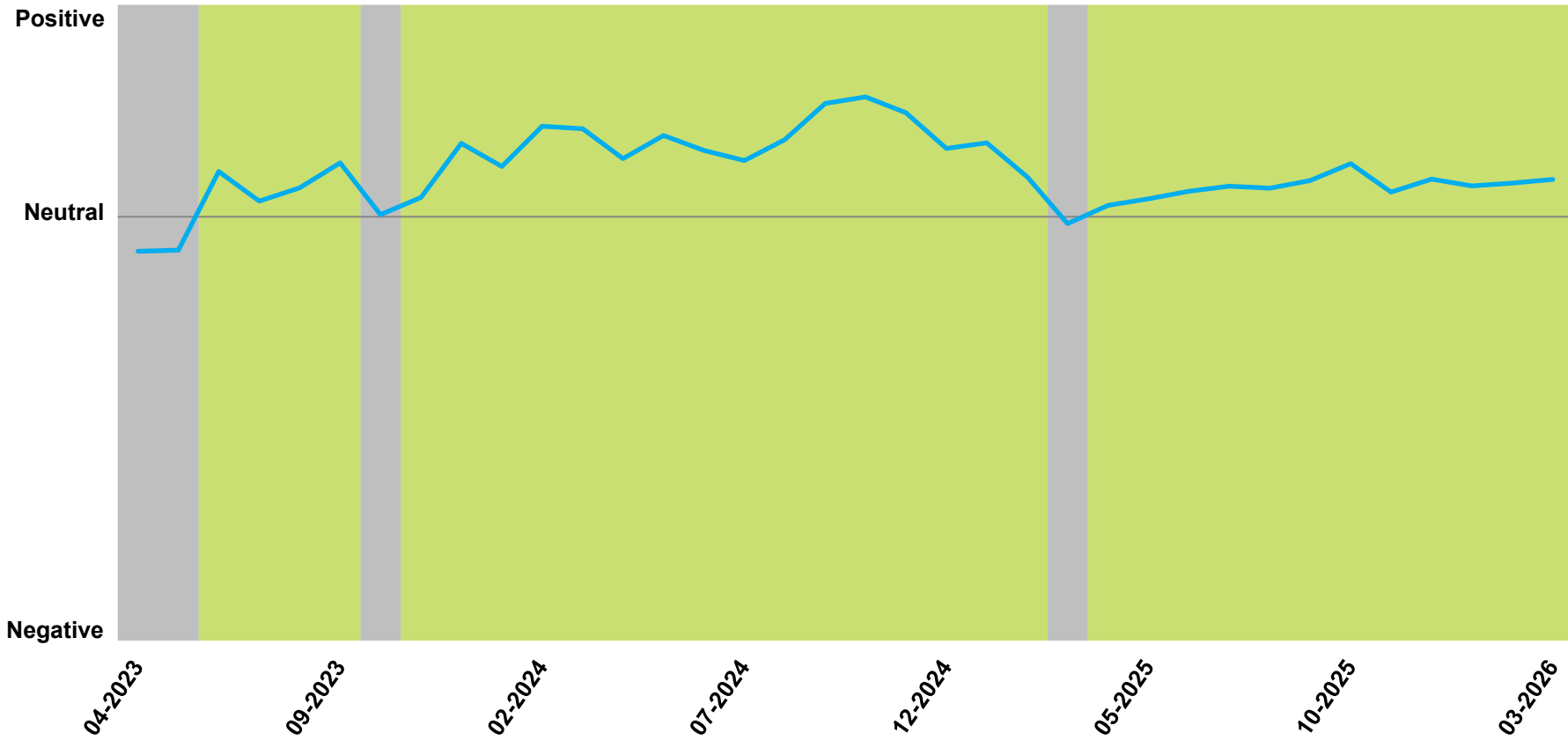
Breakeven Inflation Level

Market Sentiment Indicator (All History)

(As of March 31, 2026)

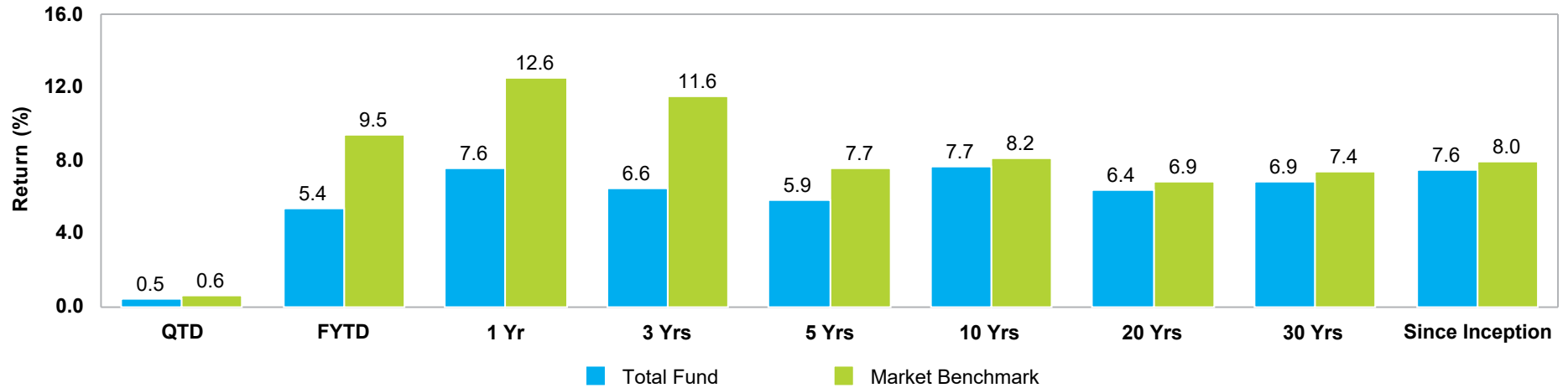


Market Sentiment Indicator (Last Three Years) (As of March 31, 2026)

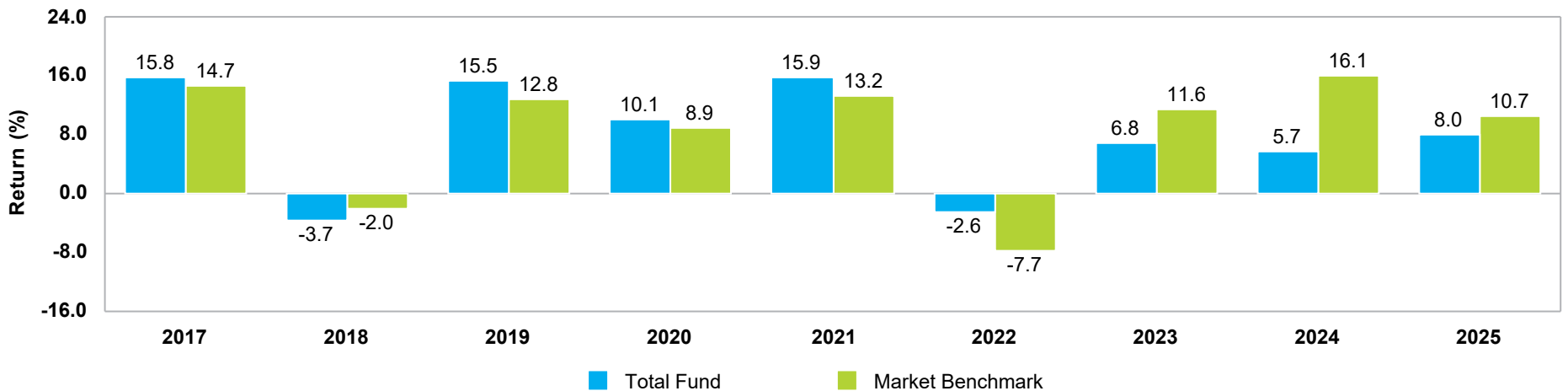


ERS Portfolio Review

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 March 31, 2026

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total ⁴
Broad Growth	70.0	0.2	70.2	(0.1)	(0.0)	(0.2)	(0.2)
Global Equity	39.2	0.2	39.9	(1.5)	(0.0)	(0.7)	(0.7)
Global Credit	11.9	1.1	11.4	0.6	(0.0)	(0.1)	(0.1)
Real Assets	18.9	(0.4)	18.9	2.3	(0.0)	0.5	0.5
Diversifying Strategies	30.0	1.4	26.6	2.0	(0.0)	0.2	0.1
Liquid Defensive/Diversifying	26.1	1.4	23.3	1.6	(0.0)	0.0	0.0
Illiquid Diversifying	3.9	1.9	3.3	4.7	(0.0)	0.1	0.1
Other Assets	0.0	0.8	3.2	1.3	0.0	0.0	0.0
Total⁵	100.0	0.6	100.0	0.5	(0.0)	(0.0)	(0.1)

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
1 Year ending March 31, 2026

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	70.0	15.6	70.2	8.9	0.0	(4.7)	(4.7)
Global Equity	39.2	21.7	39.4	11.0	0.0	(4.2)	(4.2)
Global Credit	11.9	8.1	11.7	7.2	0.0	(0.1)	(0.1)
Real Assets	18.9	8.2	19.1	5.7	(0.0)	(0.5)	(0.5)
Diversifying Strategies	30.0	5.1	25.4	5.0	0.3	(0.1)	0.3
Liquid Defensive/Diversifying	26.1	4.1	21.8	5.2	0.4	0.3	0.6
Illiquid Diversifying	3.9	12.3	3.6	3.9	0.0	(0.3)	(0.3)
Other Assets	0.0	4.0	4.4	5.0	(0.4)	0.0	(0.3)
Total⁴	100.0	12.6	100.0	7.6	(0.0)	(4.7)	(4.7)

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.

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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 March 31, 2026**

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	68.1	14.5	68.5	7.9	0.0	(4.5)	(4.5)
Global Equity	39.4	18.7	39.8	9.8	0.0	(3.5)	(3.5)
Global Credit	9.9	10.4	10.2	9.3	(0.0)	(0.1)	(0.1)
Real Assets	17.2	6.9	17.6	3.0	(0.0)	(0.7)	(0.7)
Diversifying Strategies	31.9	4.7	29.1	3.6	0.2	(0.3)	(0.1)
Liquid Defensive/Diversifying	27.5	3.1	24.8	3.0	0.2	(0.0)	0.2
Illiquid Diversifying	4.4	13.3	4.3	7.7	(0.0)	(0.2)	(0.2)
Other Assets	0.0	4.7	2.4	5.9	(0.2)	0.0	(0.1)
Total⁴	100.0	11.6	100.0	6.6	0.0	(4.8)	(4.7)

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.

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Performance Attribution¹ vs. Policy Benchmarks
5 Years ending March 31, 2026

	Policy ²		Portfolio ³		Impact on Return		
	Allocation (%)	Return	Allocation (%)	Return	Weighting	Implementation	Total
Broad Growth	67.3	9.2	69.3	6.6	0.0	(1.7)	(1.7)
Global Equity	43.3	10.4	46.0	8.2	0.1	(1.0)	(0.9)
Global Credit	7.7	6.1	6.6	6.1	0.0	0.0	0.0
Real Assets	12.6	9.3	12.9	6.7	0.0	(0.3)	(0.3)
Diversifying Strategies	32.7	3.8	28.2	4.0	0.2	0.1	0.2
Liquid Defensive/Diversifying	32.0	2.1	28.0	3.9	0.2	0.5	0.7
Illiquid Diversifying	4.4	9.6	3.8	3.9	(0.0)	(0.2)	(0.2)
Other Assets	0.0	3.3	2.4	3.1	(0.1)	(0.0)	(0.1)
Total⁴	100.0	7.7	100.0	5.9	0.1	(1.7)	(1.6)

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. 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 March 31, 2026

Asset Class Performance Summary							
	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	
Total Fund	0.5	7.6	6.6	5.9	7.5	7.7	
<i>Market Benchmark</i>	<i>0.6</i>	<i>12.6</i>	<i>11.6</i>	<i>7.7</i>	<i>8.6</i>	<i>8.2</i>	
Broad Growth	-0.1	8.9	7.9	6.6	8.6	9.1	
<i>Broad Growth Historical Benchmark</i>	<i>0.2</i>	<i>15.6</i>	<i>14.5</i>	<i>9.2</i>	<i>10.4</i>	<i>9.7</i>	
Global Equity	-1.5	11.0	9.8	8.2	11.0	11.5	
<i>Global Equity Historical Benchmark</i>	<i>0.2</i>	<i>21.7</i>	<i>18.7</i>	<i>10.4</i>	<i>13.0</i>	<i>12.1</i>	
Global Credit	0.6	7.2	9.3	6.1	7.2	6.8	
<i>Global Credit Historical Benchmark</i>	<i>1.1</i>	<i>8.1</i>	<i>10.4</i>	<i>6.1</i>	<i>6.7</i>	<i>6.4</i>	
Real Assets	2.3	5.7	3.0	6.7	7.0	6.8	
<i>Real Assets Historical Benchmark</i>	<i>-0.4</i>	<i>8.2</i>	<i>6.9</i>	<i>9.3</i>	<i>7.3</i>	<i>7.2</i>	
Diversifying Strategies	2.0	5.0	3.7	4.0	3.9	--	
<i>Diversifying Strategies Historical Benchmark</i>	<i>1.4</i>	<i>5.1</i>	<i>4.7</i>	<i>3.8</i>	<i>4.0</i>	<i>--</i>	
Liquid Defensive/Diversifying	1.6	5.2	3.0	3.9	3.7	--	
<i>Liquid Defensive Historical Benchmark</i>	<i>1.4</i>	<i>4.1</i>	<i>3.1</i>	<i>2.1</i>	<i>2.9</i>	<i>--</i>	
Illiquid Diversifying	4.7	3.9	7.7	3.9	--	--	
<i>Illiquid Diversifying Historical Benchmark</i>	<i>1.9</i>	<i>12.3</i>	<i>13.3</i>	<i>9.6</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.

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Equity	10,066,423,540	100.0	-1.5	11.0	9.8	8.2
<i>Global Equity Historical Benchmark</i>			<i>0.2</i>	<i>21.7</i>	<i>18.7</i>	<i>10.4</i>
Public Equity	4,892,271,504	48.6	-4.6	12.2	12.3	6.7
<i>MSCI AC World IMI Index (Net)</i>			<i>-2.7</i>	<i>20.6</i>	<i>16.2</i>	<i>9.0</i>
Active Public Equity	3,460,134,097	34.4	-5.3	9.2	10.4	5.3
Alliance Bernstein	488,201,201	4.8	-5.8	7.2	10.2	5.3
BlackRock Alpha Tilt	829,094,307	8.2	-1.8	22.9	18.5	11.0
Longview	469,103,315	4.7	-15.2	-11.0	2.7	3.3
Wellington (Mid-Large Cap)	585,398,035	5.8	-5.1	13.7	17.9	8.7
<i>MSCI AC World Index (Net)</i>			<i>-3.2</i>	<i>20.0</i>	<i>16.6</i>	<i>9.5</i>
Wasatch	474,890,620	4.7	-6.6	-2.6	5.5	-0.1
Wellington (Small Cap)	613,446,621	6.1	0.4	19.9	10.8	6.2
<i>MSCI ACWI Small Cap (Net)</i>			<i>1.1</i>	<i>26.0</i>	<i>13.4</i>	<i>5.6</i>
Passive Public Equity	1,432,137,407	14.2	-3.1	20.6	17.2	10.1
Legal & General	1,291,111,849	12.8	-3.1	20.6	16.9	9.8
Parametric Equity Overlay	141,025,558	1.4	--	--	--	--
<i>MSCI AC World Index (Net)</i>			<i>-3.2</i>	<i>20.0</i>	<i>16.6</i>	<i>9.5</i>
Private Equity	5,174,152,036	51.4	1.8	10.1	7.1	11.3
Hamilton Lane	4,578,393,620	45.5	1.6	9.9	7.3	11.4
HITIP I Stafford	7,923,056	0.1	-0.3	47.8	17.2	7.8
HITIP II Stafford	41,677,768	0.4	-0.4	5.9	-4.7	8.2
HITIP III Stafford	62,945,995	0.6	-0.5	8.6	0.8	2.4
Other Equity	483,211,596	4.8	4.0	11.2	6.8	12.0
<i>Private Equity Historical Benchmark</i>			<i>3.2</i>	<i>22.1</i>	<i>20.6</i>	<i>12.0</i>

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

Global Credit | As of March 31, 2026

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Global Credit	2,919,163,627	100.0	0.6	7.2	9.3	6.1
<i>Global Credit Historical Benchmark</i>			<i>1.1</i>	<i>8.1</i>	<i>10.4</i>	<i>6.1</i>
Private Credit	1,708,221,414	58.5	2.1	9.1	9.5	7.1
<i>Private Credit Historical Benchmark</i>			<i>2.1</i>	<i>8.6</i>	<i>10.8</i>	<i>6.5</i>
Public Credit	1,210,942,213	41.5	-1.5	4.5	9.5	5.6
HPS Credit	1,026,542,604	35.2	-1.5	4.4	8.8	5.2
Parametric Credit Overlay	184,399,609	6.3	--	--	--	--
<i>Public Credit Historical Benchmark</i>			<i>-0.8</i>	<i>6.9</i>	<i>9.2</i>	<i>5.3</i>

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

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Real Assets	4,994,640,907	100.0	2.3	5.7	3.0	6.7
<i>Real Assets Historical Benchmark</i>			<i>-0.4</i>	<i>8.2</i>	<i>6.9</i>	<i>9.3</i>
Real Estate	2,232,295,059	44.7	0.8	2.4	-2.4	4.7
<i>Real Estate Historical Benchmark</i>			<i>-0.8</i>	<i>8.4</i>	<i>5.9</i>	<i>9.1</i>
Core Real Estate	1,103,534,095	22.1	0.6	3.5	-1.7	5.9
<i>Core Real Estate Historical Benchmark</i>			<i>-0.8</i>	<i>8.4</i>	<i>5.8</i>	<i>8.8</i>
Non-Core Real Estate	1,128,760,964	22.6	1.1	1.3	-3.3	3.5
<i>Non-Core Real Estate Historical Benchmark</i>			<i>-0.8</i>	<i>8.4</i>	<i>6.0</i>	<i>9.4</i>
Agriculture	427,558,754	8.6	1.2	2.8	2.8	--
<i>Agriculture Historical Benchmark</i>			<i>-0.3</i>	<i>-8.3</i>	<i>-2.1</i>	<i>--</i>
Timber	219,237,993	4.4	-2.0	-1.2	9.1	7.6
<i>Timber Historical Benchmark</i>			<i>-0.7</i>	<i>-3.8</i>	<i>2.1</i>	<i>5.5</i>
Infrastructure	2,115,549,101	42.4	4.7	10.7	10.9	11.5
<i>Infrastructure Historical Benchmark</i>			<i>0.0</i>	<i>14.1</i>	<i>14.0</i>	<i>12.8</i>
Private Infrastructure	985,989,865	19.7	2.8	7.9	9.1	10.5
<i>Infrastructure Historical Benchmark</i>			<i>0.0</i>	<i>14.1</i>	<i>14.0</i>	<i>12.8</i>
Public Infrastructure	412,773,434	8.3	11.2	18.9	--	--
Morgan Stanley Infrastructure	412,773,434	8.3	11.2	18.9	--	--
<i>Dow Jones Brookfield Global Infrastructure</i>			<i>11.1</i>	<i>18.0</i>	<i>--</i>	<i>--</i>
Other Real Assets	716,785,802	14.4	3.9	10.3	7.8	--
Morgan Stanley Olomana	715,042,980	14.3	3.9	11.4	8.3	--
Parametric Real Assets Overlay	1,742,822	0.0	--	--	--	--
<i>Infrastructure Historical Benchmark</i>			<i>0.0</i>	<i>14.1</i>	<i>14.0</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.

Employees' Retirement System of the State of Hawaii

Liquid Defensive/Diversifying | As of March 31, 2026

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Liquid Defensive/Diversifying	6,046,992,378	100.0	1.6	5.2	3.0	3.9
<i>Liquid Defensive Historical Benchmark</i>			<i>1.4</i>	<i>4.1</i>	<i>3.1</i>	<i>2.1</i>
Defensive Return Capture	297,108,586	4.9	0.9	2.1	-2.3	-0.8
36 South	297,108,586	4.9	0.9	9.1	-2.5	--
<i>Long Treasury Historical Benchmark</i>			<i>-0.4</i>	<i>0.5</i>	<i>-1.5</i>	<i>-4.0</i>
Discretionary Alpha	769,341,902	12.7	0.6	10.5	7.9	6.4
Aequim Relative Value Arbitrage	278,754,904	4.6	2.1	9.7	10.4	9.3
Aristeia Relative Value Arbitrage	247,329,761	4.1	0.7	5.3	5.8	--
Brevan Howard Disc Global Macro	6,657,946	0.1	0.9	21.6	3.2	--
Melqart Relative Value Arbitrage	236,599,291	3.9	-1.3	9.3	10.5	--
<i>Discretionary Alpha Benchmark</i>			<i>0.1</i>	<i>4.0</i>	<i>4.9</i>	<i>4.5</i>
Intermediate Duration Treasury	2,800,288,525	46.3	0.1	4.2	--	--
Bank of Hawai'i Intermediate Duration	302,412,809	5.0	0.2	4.7	4.1	1.1
First Hawaiian Intermediate Duration	184,856,310	3.1	0.1	4.2	3.8	0.7
PIMCO Intermediate Duration	499,194,404	8.3	-0.1	--	--	--
SLC Intermediate Duration	1,374,111,838	22.7	0.1	4.2	--	--
Parametric Intermediate Duration Overlay	439,713,165	7.3	--	--	--	--
<i>Blmbg. U.S. Treasury: Intermediate</i>			<i>0.1</i>	<i>4.0</i>	<i>3.6</i>	<i>1.0</i>
Long Duration Treasury	718,063,543	11.9	-0.4	0.9	-1.1	-2.5
SLC Long Treasury	718,063,543	11.9	-0.4	0.9	-1.4	-3.8
<i>Long Treasury Historical Benchmark</i>			<i>-0.4</i>	<i>0.5</i>	<i>-1.5</i>	<i>-4.0</i>
Systematic Trend Following	1,462,189,821	24.2	6.5	8.7	2.6	6.1
Aspect	240,490,527	4.0	2.2	6.1	4.5	10.1
Broad Reach	195,752,961	3.2	12.9	12.3	5.2	--
Crabel Advanced Trend	192,252,471	3.2	7.2	17.8	2.3	3.7
Mount Lucas	324,256,347	5.4	4.3	5.0	0.0	1.5
Parametric Trend Overlay	509,437,515	8.4	--	--	--	--
<i>MLM Global Index EV Blend 15V</i>			<i>4.5</i>	<i>5.9</i>	<i>2.0</i>	<i>2.9</i>

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

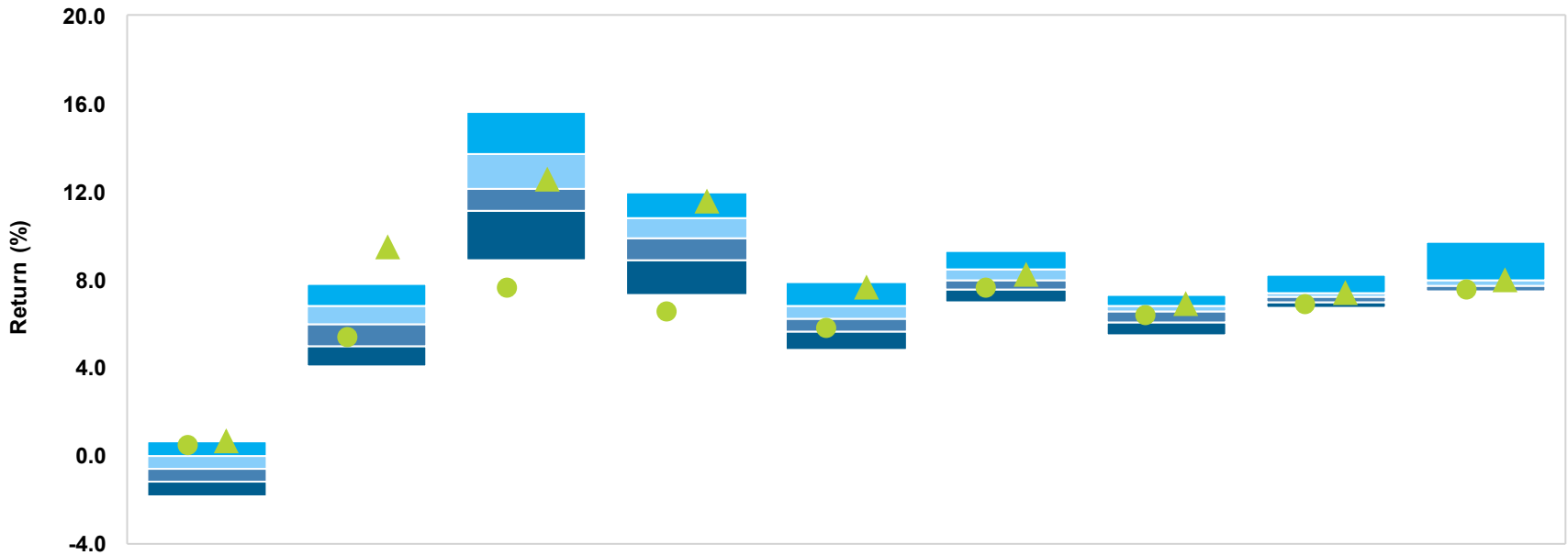
Illiquid Diversifying | As of March 31, 2026

Asset Class Performance Summary						
	Market Value (\$)	% of Portfolio	QTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)
Illiquid Diversifying	911,397,994	100.0	4.7	3.9	7.7	3.9
<i>Illiquid Diversifying Historical Benchmark</i>			<i>1.9</i>	<i>12.3</i>	<i>13.3</i>	<i>9.6</i>
Idiosyncratic Return Capture	674,870,912	74.0	5.9	0.6	5.3	3.7
<i>Idiosyncratic Return Capture Historical Benchmark</i>			<i>1.9</i>	<i>12.3</i>	<i>12.4</i>	<i>9.3</i>
Insurance Linked	236,527,082	26.0	1.4	7.2	10.6	4.2
<i>Swiss Re Global Catastrophe Bond Index (Hedged)</i>			<i>1.9</i>	<i>12.3</i>	<i>14.9</i>	<i>10.2</i>

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

Plan Sponsor Peer Group Analysis

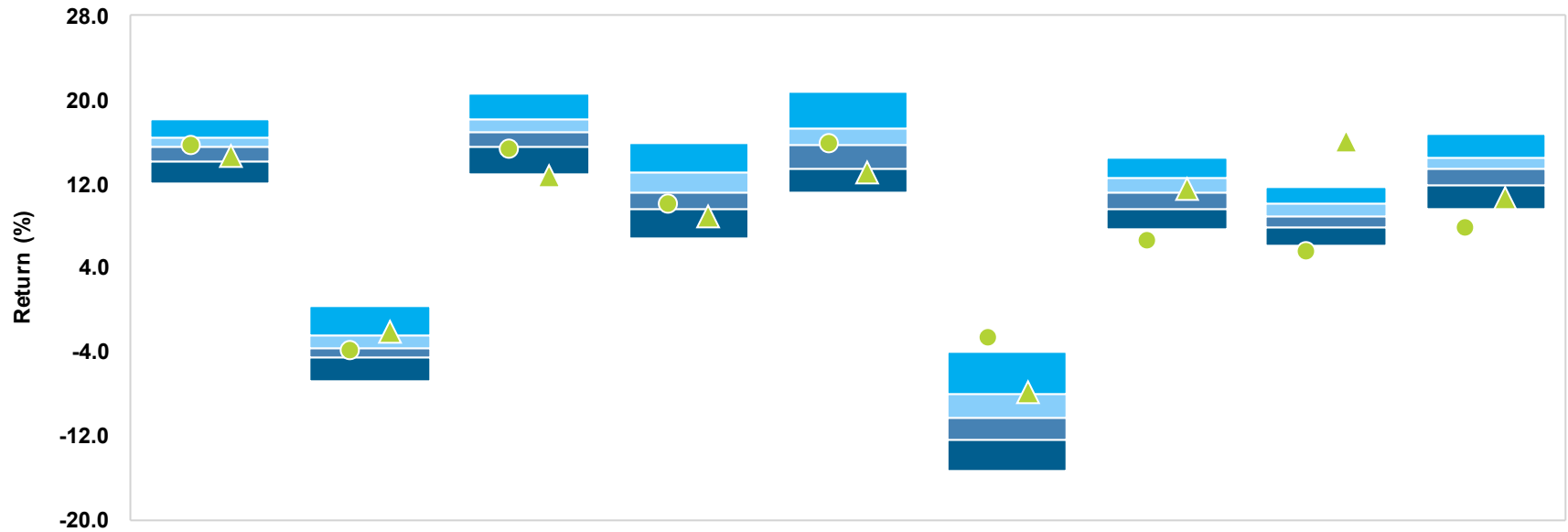
Peer Group Performance Comparison Trailing Periods Ending March 31, 2026



	QTD	FYTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	20 Yrs	30 Yrs	Since Inception
● Total Fund	0.5 (11)	5.4 (70)	7.6 (98)	6.6 (98)	5.9 (67)	7.7 (68)	6.4 (59)	6.9 (76)	7.6 (57)
▲ Market Benchmark	0.6 (8)	9.5 (1)	12.6 (43)	11.6 (11)	7.7 (8)	8.2 (39)	6.9 (22)	7.4 (20)	8.0 (26)
5th Percentile	0.7	7.8	15.6	12.0	7.9	9.3	7.4	8.3	9.7
1st Quartile	0.0	6.9	13.7	10.8	6.8	8.5	6.8	7.4	8.0
Median	-0.6	6.0	12.2	9.9	6.3	8.0	6.6	7.2	7.7
3rd Quartile	-1.2	5.0	11.1	8.9	5.7	7.6	6.1	7.0	7.5
95th Percentile	-1.8	4.1	8.9	7.4	4.8	7.0	5.5	6.7	7.5
Population	76	76	76	76	73	71	53	18	8

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

Peer Group Performance Comparison Calendar Year Returns



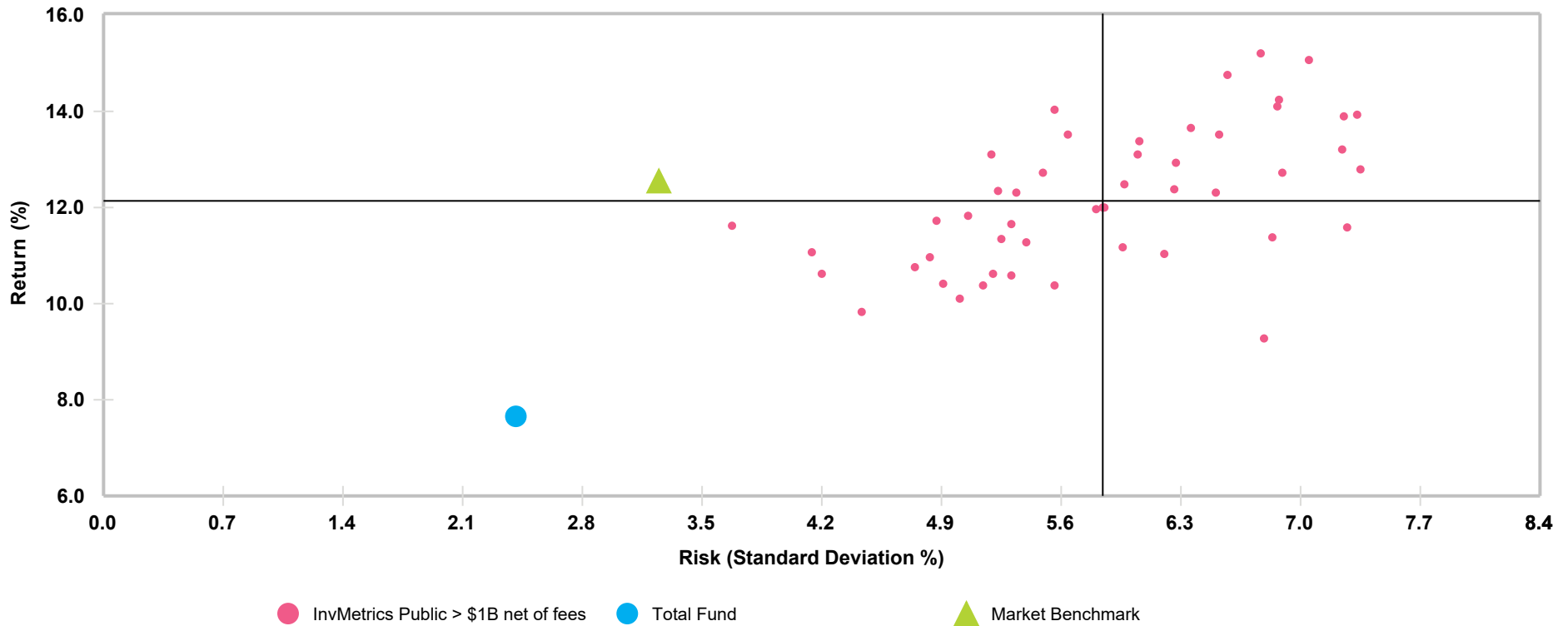
	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)	2025 (%)
● Total Fund	15.8 (45)	-3.7 (56)	15.5 (77)	10.1 (72)	15.9 (48)	-2.6 (4)	6.8 (98)	5.7 (97)	8.0 (98)
▲ Market Benchmark	14.7 (64)	-2.0 (23)	12.8 (96)	8.9 (83)	13.2 (78)	-7.7 (22)	11.6 (42)	16.1 (1)	10.7 (92)
5th Percentile	18.2	0.5	20.7	15.9	20.8	-4.0	14.5	11.8	16.8
1st Quartile	16.5	-2.3	18.3	13.1	17.3	-7.9	12.7	10.1	14.5
Median	15.5	-3.5	17.0	11.3	15.8	-10.3	11.3	9.0	13.5
3rd Quartile	14.2	-4.5	15.6	9.6	13.5	-12.3	9.7	8.0	12.0
95th Percentile	12.0	-6.7	13.1	6.9	11.3	-15.2	7.8	6.1	9.6
Population	191	179	203	227	219	188	198	190	175

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

	Risk/Return Statistics									
	1 Yr		3 Yrs		5 Yrs		7 Yrs		10 Yrs	
	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark	Total Fund	Benchmark
RETURN SUMMARY STATISTICS										
Return	7.6	12.6	6.6	11.6	5.9	7.7	7.5	8.6	7.7	8.2
Excess Performance	-4.9	0.0	-5.0	0.0	-1.8	0.0	-1.2	0.0	-0.5	0.0
RISK SUMMARY STATISTICS										
Standard Deviation	2.4	3.3	2.8	4.8	3.8	5.5	5.7	6.3	5.5	5.7
Beta	0.6	1.0	0.4	1.0	0.5	1.0	0.8	1.0	0.8	1.0
RISK/RETURN SUMMARY STATISTICS										
Information Ratio	-2.6	-	-1.3	-	-0.5	-	-0.3	-	-0.2	-
Sharpe Ratio	1.5	2.5	0.6	1.4	0.6	0.8	0.8	0.9	1.0	1.0
Tracking Error	1.7	0.0	3.7	0.0	3.7	0.0	3.4	0.0	3.0	0.0

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

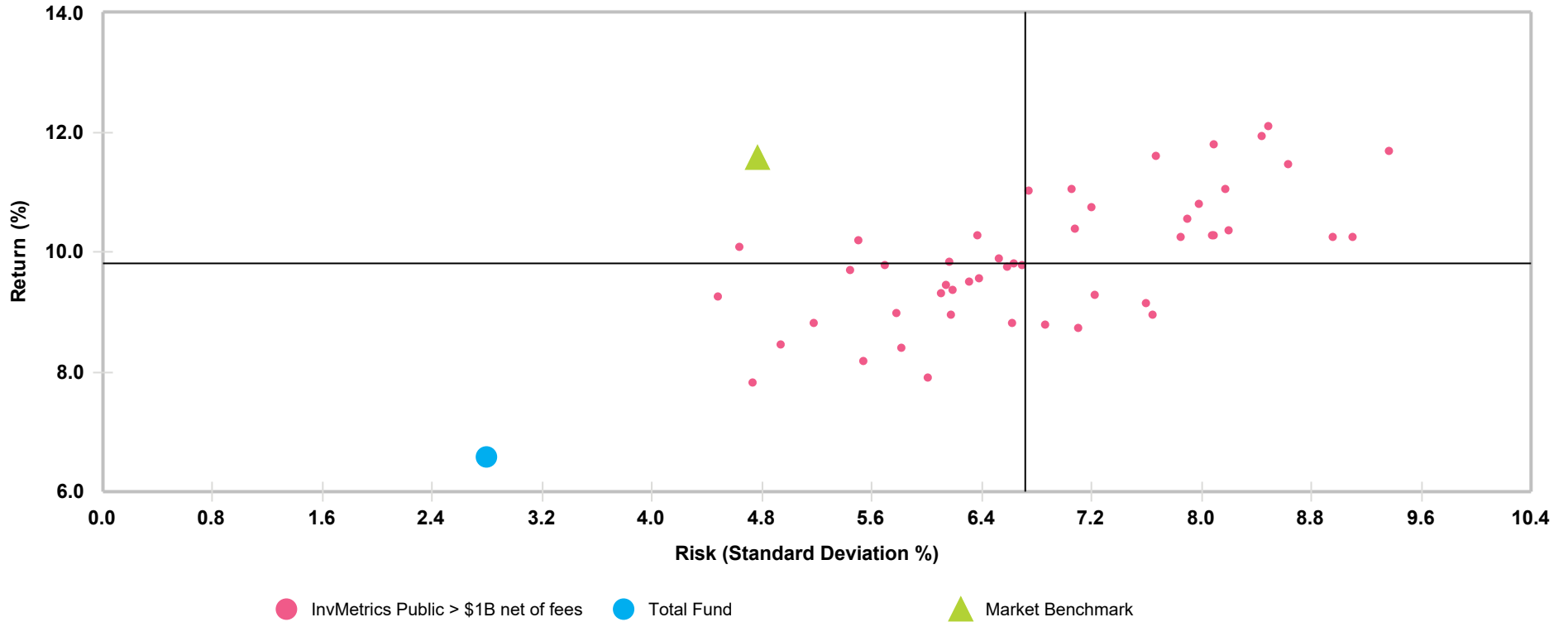
Annualized Return vs. Annualized Standard Deviation
1 Year ending March 31, 2026



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.6 (99)	2.4 (1)	1.5 (33)	-2.6 (100)
Market Benchmark	12.6 (42)	3.3 (2)	2.5 (1)	-
Peer Benchmark Median	12.2	5.8	1.4	-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.

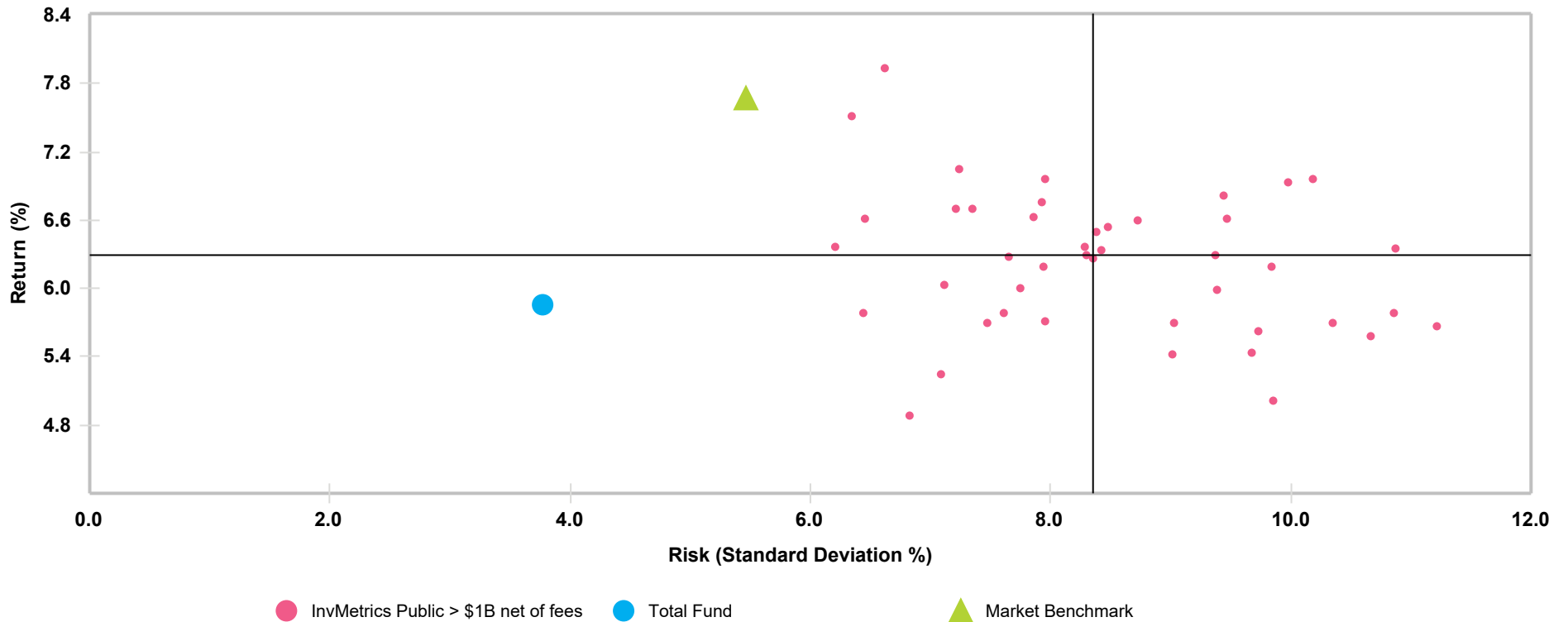
Annualized Return vs. Annualized Standard Deviation
3 Years ending March 31, 2026



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	6.6 (99)	2.8 (1)	0.6 (74)	-1.3 (100)
Market Benchmark	11.6 (13)	4.8 (9)	1.4 (1)	-
Peer Benchmark Median	9.8	6.7	0.7	-0.3

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.

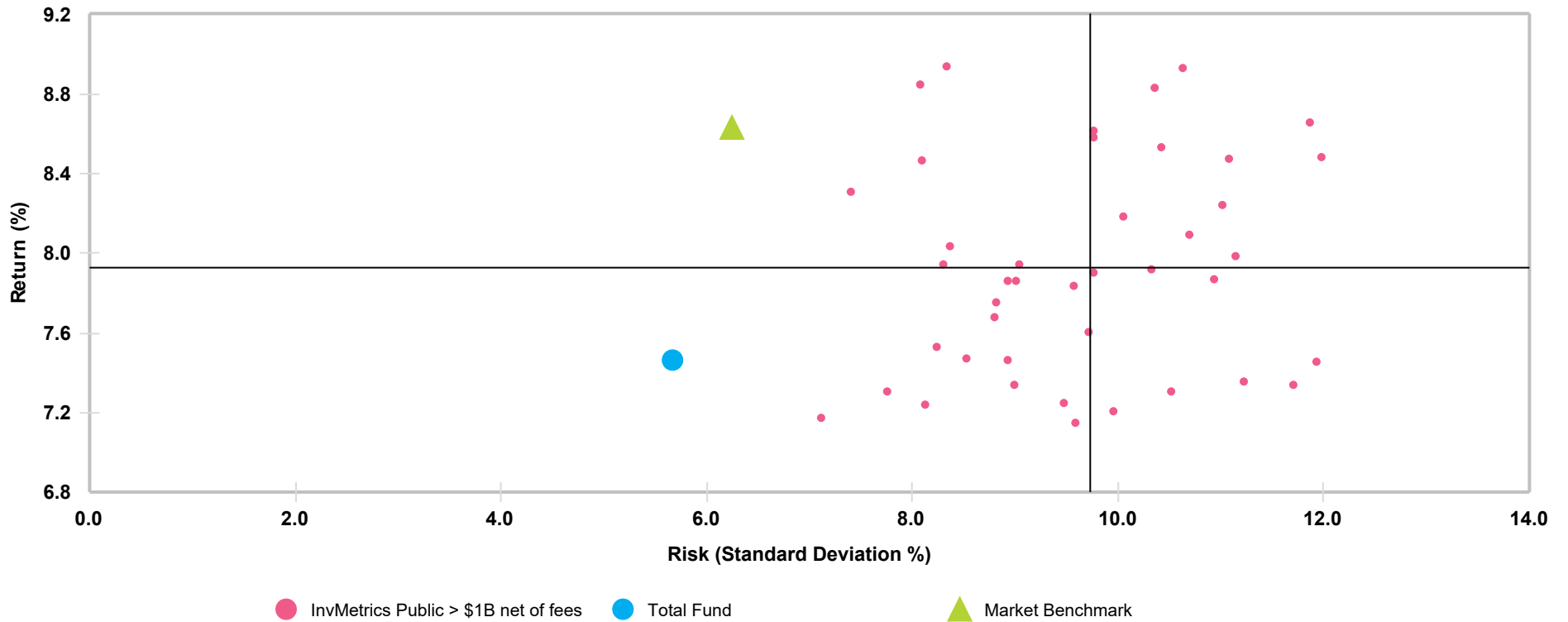
Annualized Return vs. Annualized Standard Deviation
5 Years ending March 31, 2026



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	5.9 (68)	3.8 (1)	0.6 (8)	-0.5 (96)
Market Benchmark	7.7 (7)	5.5 (1)	0.8 (1)	-
Peer Benchmark Median	6.3	8.4	0.4	-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.

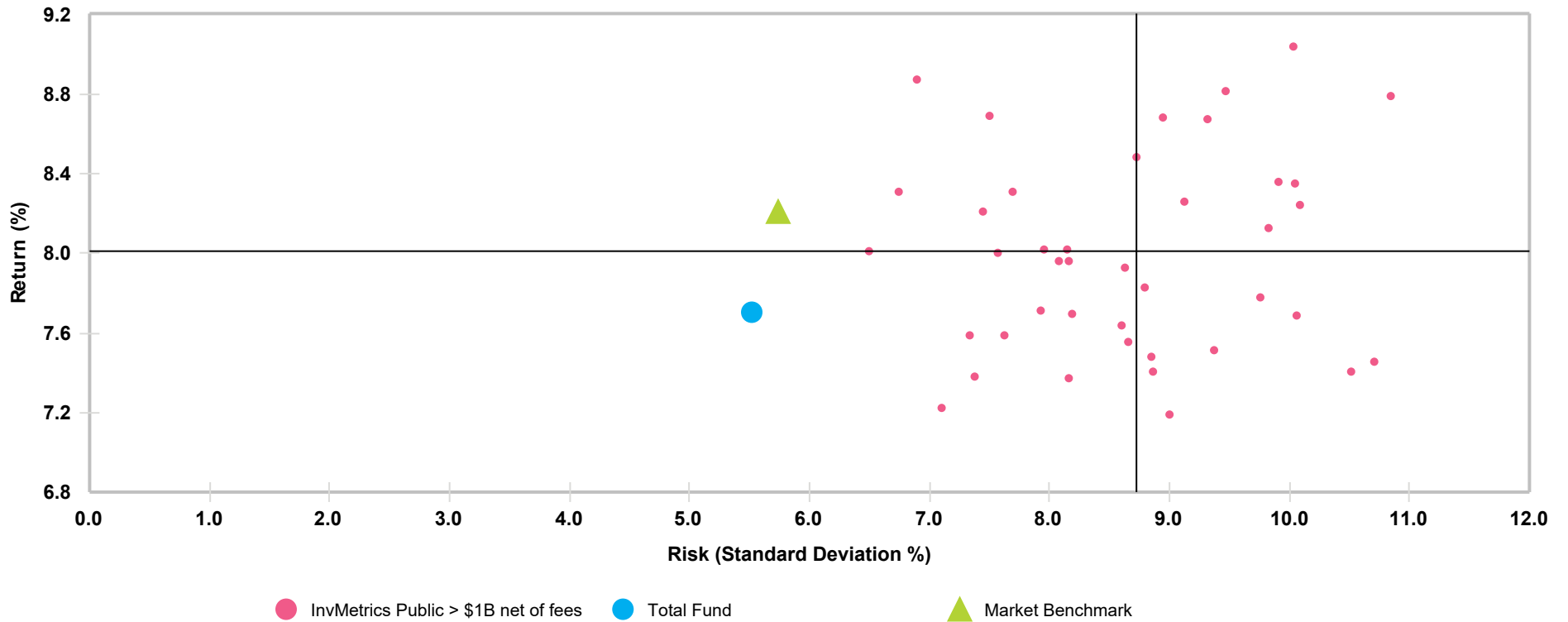
Annualized Return vs. Annualized Standard Deviation
7 Years ending March 31, 2026



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.5 (72)	5.7 (1)	0.8 (5)	-0.3 (99)
Market Benchmark	8.6 (19)	6.3 (1)	0.9 (1)	-
Peer Benchmark Median	7.9	9.7	0.6	-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 March 31, 2026



	Return	Standard Deviation	Sharpe Ratio	Information Ratio
Total Fund	7.7 (65)	5.5 (1)	1.0 (4)	-0.2 (90)
Market Benchmark	8.2 (41)	5.7 (1)	1.0 (2)	-
Peer Benchmark Median	8.0	8.7	0.7	0.0

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

Appendix

Definition of Benchmarks

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

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

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

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

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

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

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

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

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

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

Definition of Benchmarks (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Definition of Benchmarks (continued)

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

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

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

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

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

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

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

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

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

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

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

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

Plan Structure Evolution

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

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

Custom Benchmarks

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

Market Benchmark (Total Fund Policy Benchmark)

From	To	Market Benchmark (Total Fund Policy Benchmark)
01/01/2024	Current	70% Broad Growth Historical Benchmark, 30% Diversifying Strategies Historical Benchmark
07/01/2022	12/31/2023	65% Broad Growth Benchmark, 35% Diversifying Strategies Benchmark
07/01/2021	06/30/2022	67.5% Broad Growth Benchmark, 32.5% Diversifying Strategies Benchmark
07/01/2020	06/30/2021	72% Broad Growth Benchmark, 28% Diversifying Strategies Benchmark
01/01/2019	06/30/2020	68% Broad Growth Benchmark, 16% Crisis Risk Offset Benchmark, 8% Principal Protection Benchmark, 8% Real Return Benchmark
01/01/2018	12/31/2018	72% Broad Growth Benchmark, 13% Crisis Risk Offset Benchmark, 8% Principal Protection Benchmark, 7% Real Return Benchmark
04/01/2017	12/31/2017	76% Broad Growth Benchmark, 10% Crisis Risk Offset Benchmark, 9% Principal Protection Benchmark, 5% Real Return Benchmark
07/01/2016	03/31/2017	83% Broad Growth Benchmark, 12% Principal Protection Benchmark, 5% Real Return Benchmark
10/01/2014	06/30/2016	76% Broad Growth Benchmark, 12% Principal Protection Benchmark, 5% Real Return Benchmark, 7% NCREIF Property Index (Qtr Lagged)

From	To	Total Fund Asset-Based Policy Benchmarks (prior to the Functional Allocation Framework)
07/01/2013	09/30/2014	30% Russell 3000, 26% MSCI AC World ex US (Net), 15% Bloomberg Universal, 5% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 7% ERS Private Equity Performance, 5% ERS Real Return Performance, 5% CBOE S&P 500 BuyWrite (BXM)
07/01/2012	06/30/2013	30% Russell 3000, 26% MSCI AC World ex US (Net), 15.75% Bloomberg Universal, 5.25% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 6% ERS Private Equity Performance, 5% ERS Real Return Performance, 5% CBOE S&P 500 BuyWrite (BXM)
10/01/2011	06/30/2012	35% Russell 3000, 18% MSCI World ex US, 3% MSCI Emerging Markets, 18% Bloomberg Universal, 6% Bloomberg Multiverse ex US (Hedged), 7% NCREIF Property Index (Qtr Lagged), 5% ERS Private Equity Performance, 5% ERS Real Return Performance, 3% CBOE S&P 500 BuyWrite (BXM)
07/01/2011	09/30/2011	41% Russell 3000, 14.5% MSCI World ex US, 2.5% MSCI Emerging Markets (Net), 21% Bloomberg Universal, 7% Bloomberg Multiverse ex US (Hedged), 9% NCREIF Property Index (Qtr Lagged), 5% ERS Alternative Investments Performance
01/01/2009	06/30/2011	41% Russell 3000, 14.5% MSCI EAFE Free, 2.5% MSCI Emerging Markets (Net), 21% Bloomberg Universal, 7% Bloomberg Multiverse ex US (Hedged), 9% NCREIF Property Index (Qtr Lagged), 5% ERS Alternative Investments Performance
06/01/1990	12/31/2008	34.9% S&P 500, 4.5% S&P 400 MidCap, 4.5% Russell 2000, 14.5% MSCI EAFE Free, 2.5% MSCI Emerging Markets, 21% Bloomberg Aggregate, 7% Bloomberg Multiverse ex US (Hedged), 7.5% NCREIF Property Index (Qtr Lagged), 3.6% ERS Alternative Investments Performance

Custom Benchmarks: Immediate Sub-Composites of Total Fund

Broad Growth Historical Benchmark

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

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

Diversifying Strategies Benchmark

From	To	Diversifying Strategies Benchmark
01/01/2024	Current	86.7% Liquid Defensive Historical Benchmark, 13.3% Illiquid Diversifying Historical Benchmark
07/01/2022	12/31/2023	45% Liquid Defensive Historical Benchmark, 40% Liquid Diversifying Benchmark, 15% Illiquid Diversifying Historical Benchmark
04/01/2017	06/30/2022	50% Liquid Defensive Historical Benchmark, 40% Liquid Diversifying Benchmark, 10% Illiquid Diversifying Historical Benchmark

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

Custom Benchmarks: Global Equity Composite

Global Equity Historical Benchmark

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

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

Public Equity Historical Benchmark

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

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

Custom Benchmarks: Global Equity Composite (Continued)

Private Equity Historical Benchmark

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

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

Custom Benchmarks: Global Credit Composite

Global Credit Historical Benchmark

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

Public Credit Historical Benchmark

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

Private Credit Historical Benchmark

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

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

Notes on Component Indices

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

Custom Benchmarks: Real Assets Composite

Real Assets Historical Benchmark

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

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

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

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

Custom Benchmarks: Real Assets Composite (Continued)

Real Estate Historical Benchmark

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

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

Core Real Estate Historical Benchmark

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

Non-Core Real Estate Historical Benchmark

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

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

Custom Benchmarks: Real Assets Composite (Continued)

Agriculture Historical Benchmark

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

Timber Historical Benchmark

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

Infrastructure Historical Benchmark

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

Custom Benchmarks: Diversifying Strategies Composite

Liquid Defensive Historical Benchmark

From	To	Liquid Defensive Historical Benchmark
01/01/2024	Current	30.8% MLM Global Index EV (Blend), 15.4% Bloomberg US Treasury: Long Index, 53.8% Bloomberg US Treasury: Intermediate Index
07/01/2022	12/31/2023	40% MLM Global Index EV (Blend), 40% 90-Day T-Bill +2.5%, 15% Bloomberg US Treasury: Long Index, 5% Bloomberg US Intermediate Aggregate ex Credit
07/01/2021	06/30/2022	35% MLM Global Index EV (Blend), 20% 90-Day T-Bill +2.5%, 15% Bloomberg US Treasury: Long Index, 15% Bloomberg US Intermediate Aggregate ex Credit, 15% Bloomberg US TIPS 5+ Year Index
07/01/2016	06/30/2021	40% MLM Global Index EV (Blend), 30% Bloomberg US Treasury: Long Index, 30% Bloomberg US Intermediate Aggregate ex Credit Index

Defensive Return Capture Historical Benchmark

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

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

Discretionary Alpha Benchmark

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

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

Intermediate Duration Treasury Benchmark

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

Custom Benchmarks: Diversifying Strategies Composite (Continued)

Long Duration Treasury Historical Benchmark

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

MLM Global Index EV (Blend)

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

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

Illiquid Diversifying Historical Benchmark

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

Idiosyncratic Return Capture Historical Benchmark

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

Discontinued Custom Benchmarks

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

Crisis Risk Offset (CRO) Benchmark

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

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

Liquid Diversifying Benchmark

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

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

Options-Based Equity Benchmark

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

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

Principal Protection Benchmark

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

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

Discontinued Custom Benchmarks (Continued)

Public Growth Benchmark

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

From	To	Public Growth Benchmark
07/01/2022	12/31/2023	66.5% Traditional Growth Benchmark, 20% Global Credit Benchmark, 8% MSCI ACWI Minimum Volatility (Net), 5.5% ICE BofA All US Convertibles All Qualities (VXA0)
07/01/2021	06/30/2022	55.5% Traditional Growth Benchmark, 16% Options-Based Equity Benchmark, 15.5% Global Credit Benchmark, 9% MSCI ACWI Minimum Volatility (Net), 4% ICE BofA All US Convertibles All Qualities (VXA0)
07/01/2020	06/30/2021	55.5% Traditional Growth Benchmark, 20% Options-Based Equity Benchmark, 15.5% Global Credit Benchmark, 9% MSCI ACWI Minimum Volatility (Net)

Real Return Benchmark

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

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

Stabilized Growth Benchmark

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

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

Performance Attribution Glossary

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

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

Impact on Return

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

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Employees' Retirement System of the State of Hawaii

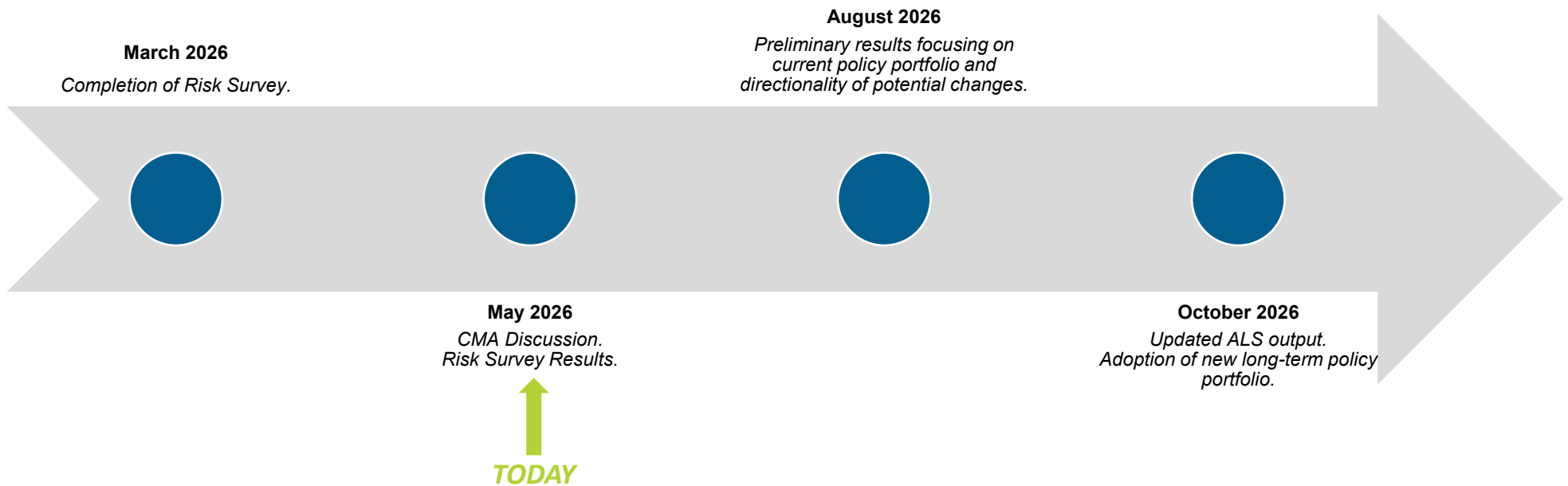
May 26, 2026

Asset-Liability Study Part 1:
Capital Market Assumptions

Goals of Today

1. Review Asset-Liability Study (“ALS”) timeline.
2. Discuss overview of ALS process.
3. Present Meketa’s 2026 Capital Market Assumptions (“CMAs”), including market context and background on the CMA development process.
4. Receive feedback/guidance to utilize proposed CMAs in the 2026 ALS.

Asset-Liability Study Timeline

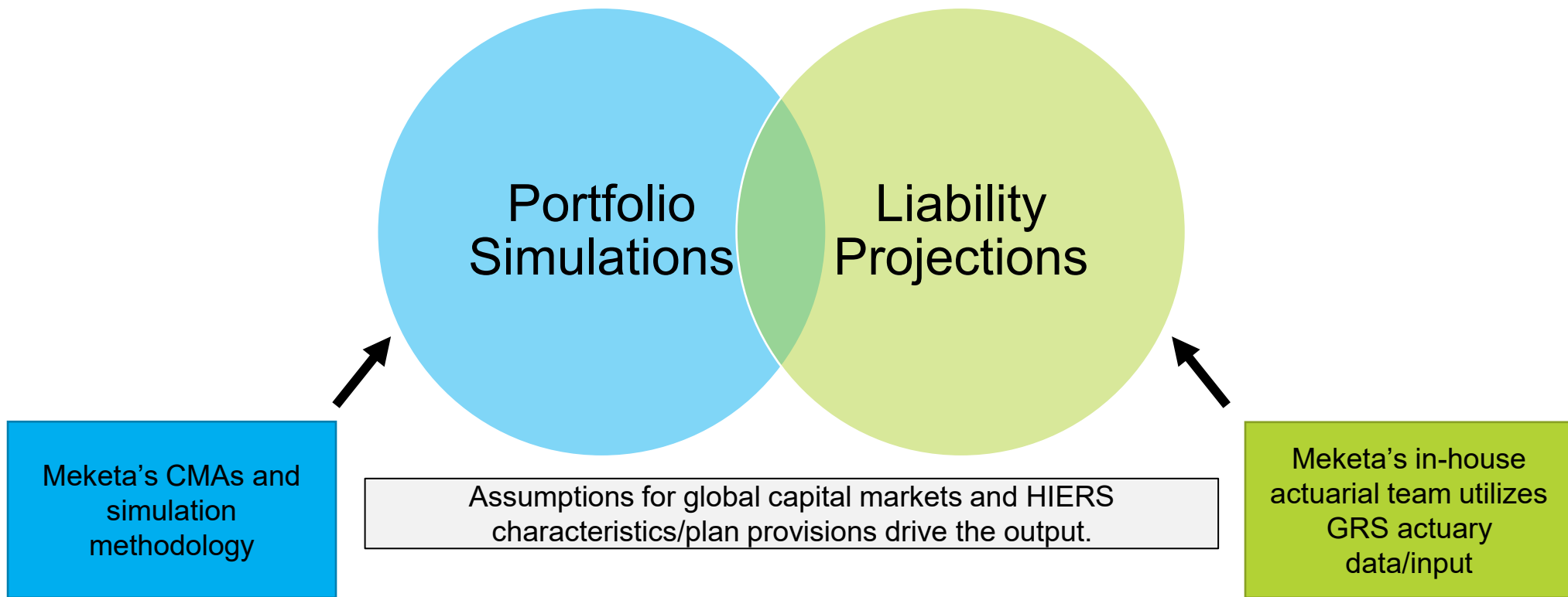


→ Meketa and Staff expect to conclude the Asset-Liability Study at the 2026 HIERS Summit.

ALS Process - Overview

Approach to Asset-Liability Studies

→ Asset-liability studies are the intersection of asset and liability projections.



Approach to Asset-Liability Studies

- The actuarial value of assets (AVA) and actuarial accrued liability (AAL) change from one year to the next in a formulaic fashion.
 - Note: actuarial losses/gains are important considerations that are generally related to experience vs. assumptions.

Asset-liability studies examine a wide range of modeled returns and corresponding impacts.

Example: Change in AVA and AAL

AVA at Beginning of Year

- + Contributions
- + Actual return (accounting for any smoothing)
- Benefits paid
- Expenses

= AVA at End of Year

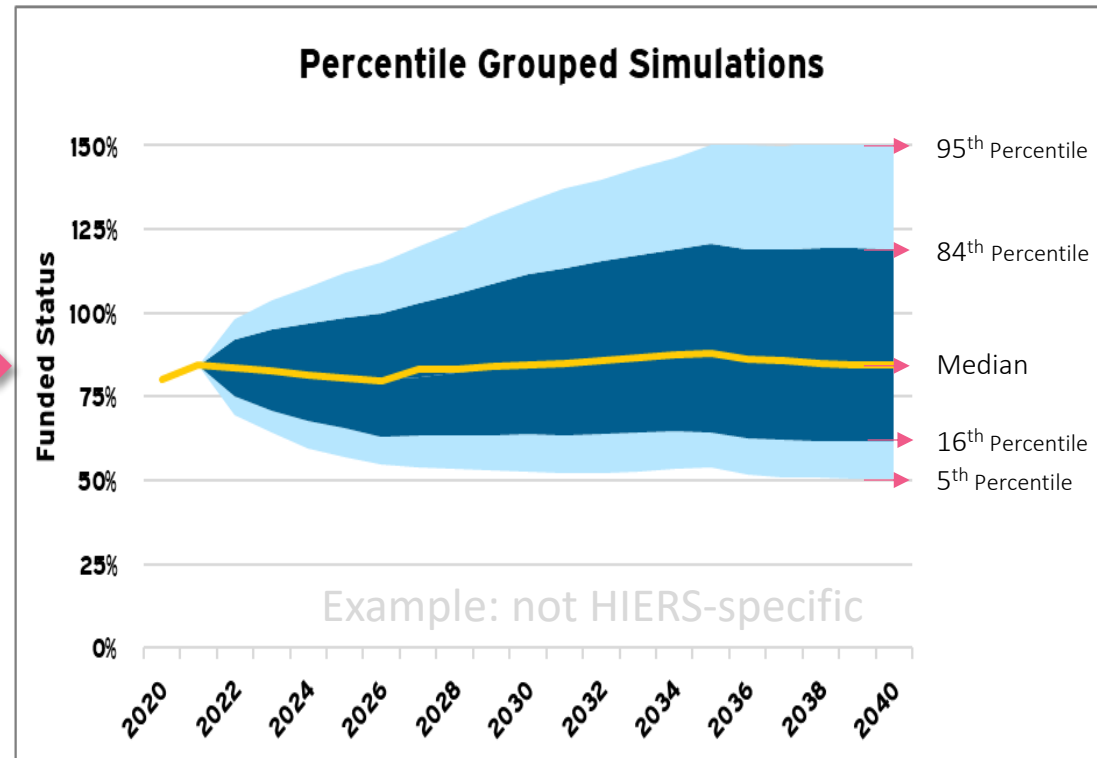
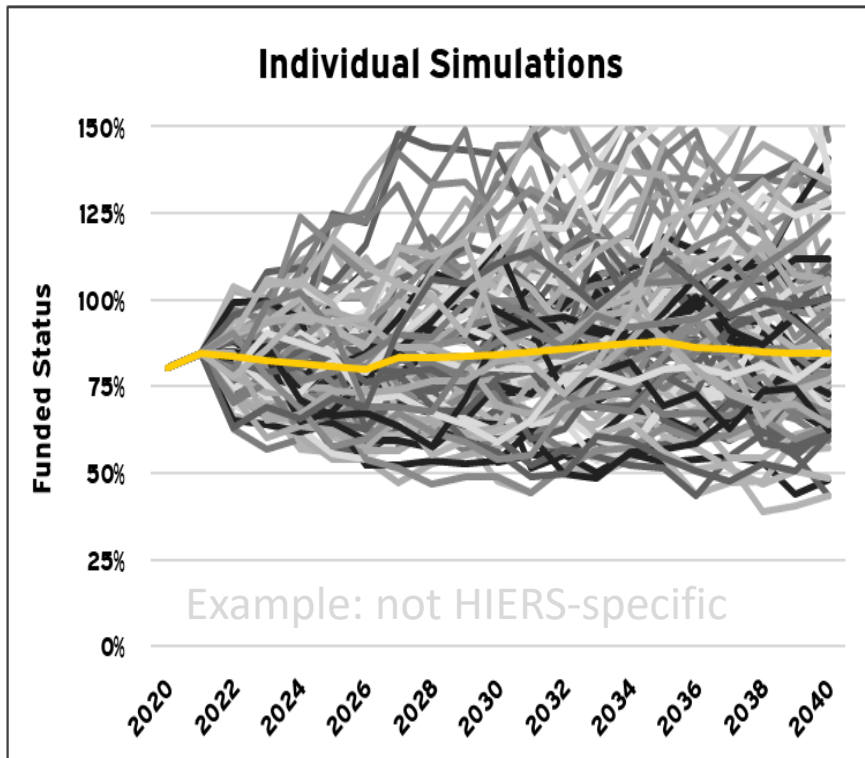
AAL at Beginning of Year

- + Service cost (benefits accrued during year)
- + Interest cost
- +/- Actuarial losses/gains during the year
- Benefits paid

= AAL at End of year

Example Asset-Liability Output

- Individual simulations that explore major asset-liability metrics (e.g., funded ratio) are combined into corridors of percentiles.
- Discussions shift to focus on probabilities/groupings rather than point estimates.



Capital Market Assumptions

Setting Capital Market Assumptions (“CMAs”)

- CMAs are the inputs needed to calculate a portfolio’s expected return, volatility, and relationships (i.e., correlations) to the broader markets.
 - CMAs are also used in mean-variance optimization, simulation-based optimization, asset-liability modeling, and every other technique for finding “optimal” portfolios.
- Consultants (including Meketa) generally set their CMAs once per year.
 - Our results are typically published in January based on previous December 31 data.
- This process involves setting long-term expectations for a variety of asset class/strategy attributes:
 - Returns
 - Standard Deviations
 - Correlations
- Meketa’s process relies on both quantitative and qualitative methodologies.
- We do not assume any “alpha generation”, and all assumptions are inclusive of estimated fees.

Asset Class Definitions

- We identify asset classes and strategies that are both investable and appropriate for the long-term allocation of funds.
- Several considerations influence this process:
 - Unique return behavior
 - Observable historical track record
 - A robust market
 - Client requests
- We then make forecasts for each asset class.
 - We created inputs for 115 “asset classes” for our 2026 Capital Markets Assumptions.

Building 10-Year Forecasts

→ Our first step is to develop 10-year forecasts based on fundamental models.

- Each model is based on the most important factors that drive returns for that asset class:

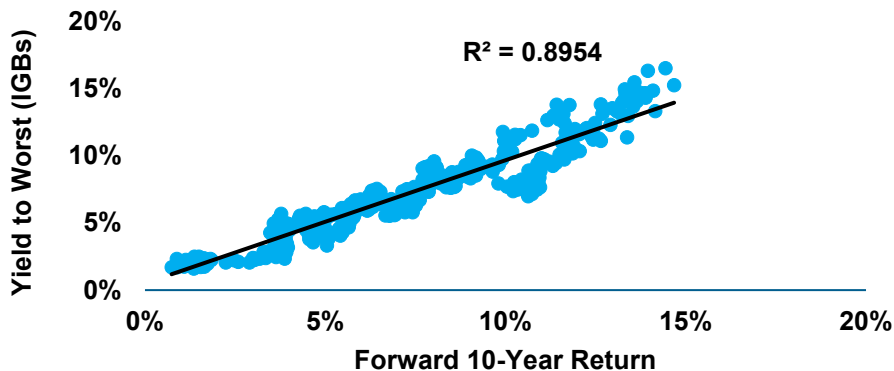
Asset Class Category	Major Factors
Equities	Dividend Yield, Earnings Growth, Valuation
Bonds	Yield to Worst, Default Rate, Recovery Rate
Commodities	Collateral Yield, Roll Yield, Inflation
Infrastructure	Public IS Valuation, Income, Growth, Leverage
Natural Resources	Price per Acre, Income, Public Market Valuation
Real Estate	Cap Rate, Yield, Growth, Leverage
Private Equity	EBITDA Multiple, Leverage, Public VC Valuation
Hedge Funds and Other	Leverage, Alternative Betas

→ The common components are income, growth, and valuation.

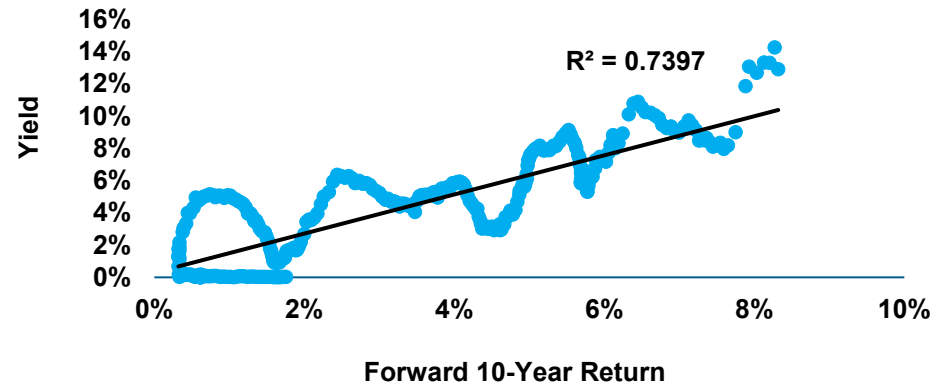
- Leverage and currency impact are also key factors for many strategies.

Some Factors are Naturally More Predictive Than Others

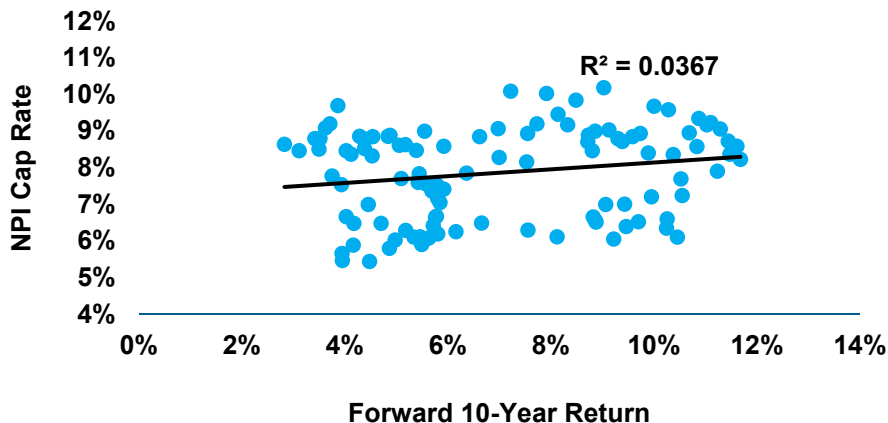
Investment Grade Bonds
Yield to Worst vs. Forward 10-Year Returns



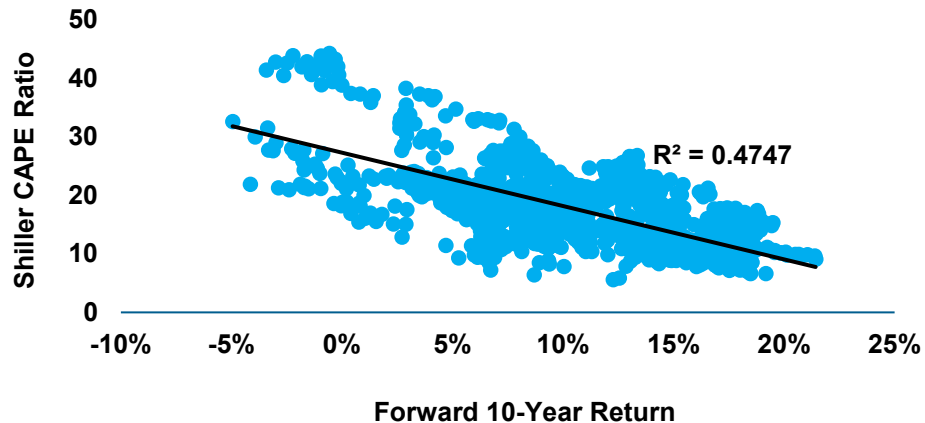
Cash (90-Day T-Bill)
Yield vs. Forward 10-Year Returns



Core Real Estate
Cap Rates vs. Forward 10-Year Returns



US Equities
Shiller CAPE vs. Forward 10-Year Returns



Sources: Bloomberg, FRED, NCREIF, S&P, Robert Shiller (Yale University), and Meketa Investment Group. As of December 31, 2024.

Generic Asset Classes – Expected Return and Changes from 2025

Asset Class	2026 10-year Expected Return (%)	Δ From 2025 (%)
Cash Equivalents	2.8	0.0
Investment Grade Bonds	4.2	-0.7
Long-term Government Bonds	4.5	-0.5
TIPS	3.8	-0.5
High Yield Bonds	5.4	-0.9
Bank Loans	5.6	-0.7
Emerging Market Debt	5.7	-0.6
Private Debt	7.8	-0.9
US Equity	6.3	-0.1
Developed Non-US Equity	6.2	-1.0
Emerging Non-US Equity	6.2	-0.9
Global Equity	6.3	-0.3
Private Equity	9.0	-0.8
Real Estate	7.1	+0.2
Infrastructure	7.4	+0.2
Commodities	5.0	-0.5
Hedge Funds	3.8	-0.4
Inflation	2.3	0.0

- 2026 expected returns declined for nearly all asset classes.
- Very few asset classes currently offer an expected return above 7% on a standalone basis, making it challenging to achieve a Total Portfolio expected return at or above 7%.

Summary of 2025 Market Events and 2026 CMAs

- **After a strong calendar year for risk-oriented assets, forward-looking returns generally declined across equity and credit markets (both public and private). Real assets were the exception.**
- Yields decreased across the majority of maturities, while credit spreads tightened at the margin, resulting in lower expected returns for fixed income assets.
- US equity produced strong returns (~17%), with earnings growth remaining robust. The increase in valuation was partially offset by earnings growth projections, but expected returns still declined.
- Non-US equity markets produced extremely strong returns (~30%+) without the commensurate increase in earnings power. The increase in valuations was not offset by earnings growth projections and expected returns notably declined.
- Real estate markets continue to stabilize, with marginal increases to projected income/rents. Infrastructure fundamentals remain strong.
- Private equity multiples (i.e., valuations) remain elevated and distribution/liquidity hurdles persist.
- Private credit is experiencing lower yields and default/loss assumptions increased at the margin.

HIERS Classes and Respective Expected Returns

		Notes/Primary Drivers of Changes	
Global Equity	Public Equity	Higher prices without commensurate earnings power/growth offset	↓
	Private Equity	Pricing and distribution/liquidity challenges	↓
Global Credit	Liquid Credit	Lower yields/spreads and base rates	↓
	Private Credit	Lower yields, updated opportunity set weightings, and increased default/loss assumptions	↓
Real Assets	Real Estate	Lower borrowing costs, more stabilized pricing, improved cap rates	↑
	Infrastructure	Lower borrowing costs, continued strong fundamentals/growth	↑
	Timberland and Agriculture	Lower borrowing costs, continued strong fundamentals/growth	↑
Liquid Defensive	Systematic Trend Following	<i>De minimis change</i>	↔
	Long US Treasuries	Lower yields	↓
	Intermediate Duration Govt Bonds	Lower yields	↓
Illiquid Diversifying	Reinsurance	Lower coupons/premium in catastrophe bond market	↓

HIERS Classes and Respective Expected Returns

		2025 ER (%)	2026 ER (%)
Global Equity	Public Equity	6.7	6.3 ↓
	Private Equity	9.8	9.0 ↓
Global Credit	Liquid Credit	6.3	5.5 ↓
	Private Credit	8.7	7.8 ↓
Real Assets	Real Estate	7.2	7.5 ↑
	Infrastructure	7.3	7.6 ↑
	Timberland and Agriculture	4.6	5.7 ↑
Liquid Defensive	Systematic Trend Following	3.4	3.5 ↔
	Long US Treasuries	5.0	4.5 ↓
	Intermediate Duration Govt Bonds	4.4	3.7 ↓
Illiquid Diversifying	Reinsurance	7.6	6.5 ↓

HIERS Classes and Respective Volatilities

		2025 Volatility (%)	2026 Volatility (%)
Global Equity	Public Equity	17.0	17.0
	Private Equity	25.0	26.0 ↑
Global Credit	Liquid Credit	10.0	10.0
	Private Credit	15.0	15.0
Real Assets	Real Estate	16.2	16.2
	Infrastructure	17.8	19.3 ↑
	Timberland and Agriculture	11.4	11.4
Liquid Defensive	Systematic Trend Following	15.0	15.0
	Long US Treasuries	12.0	12.0
	Intermediate Duration Govt Bonds	3.0	3.0
Illiquid Diversifying	Reinsurance	7.0	7.0

Next Steps

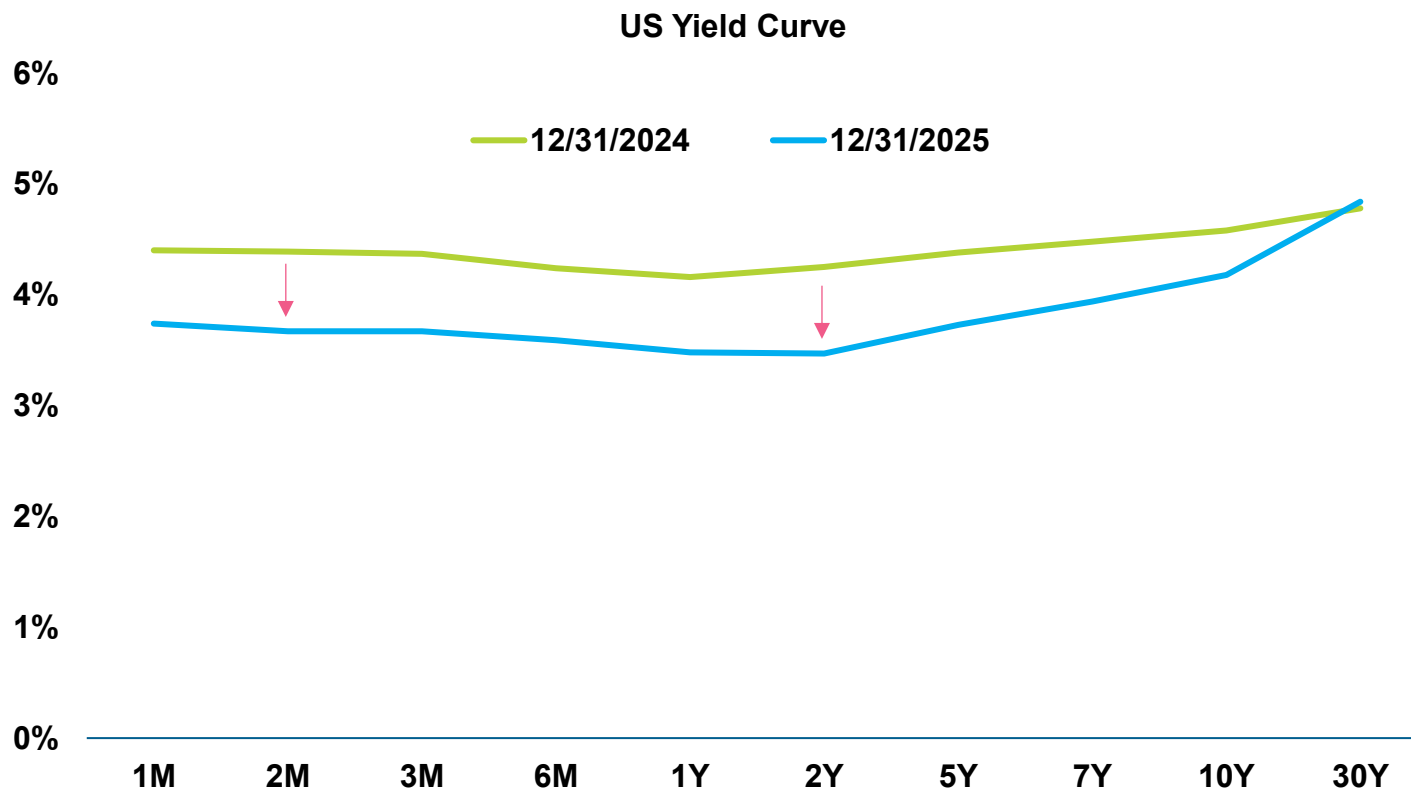
Next Steps

- Meketa's 2026 CMAs project lower returns for most well-diversified, institutional portfolios.
- Several asset classes also saw marginal increases to their volatility assumptions.
- Meketa and Staff propose the utilization of Meketa's standard CMAs in the 2026 Asset-Liability Study.
 - Given the variety of classes already utilized at HIERS, Meketa and Staff do not believe that additional asset classes need to be incorporated at this time.
- The ALS will examine potential outcomes for HIERS as a system over time.
 - Liquidity analysis will also be incorporated based on expected contributions, benefit payments, and private markets allocations (i.e., capital calls, distributions, etc.)
- **Meketa and Staff are seeking additional direction/guidance from the Investment Committee on the CMAs before beginning the ALS modeling process.**
 - Preliminary ALS output will be presented at the August 2026 IC meeting.

Appendix

Falling Interest Rates

- The short and intermediate portions of the yield curve moved down, driven by multiple Fed rate cuts.
- The result was a shift away from the slightly “U”-shaped curve to a somewhat more traditional shape (i.e., upward sloping, at least beyond two years).

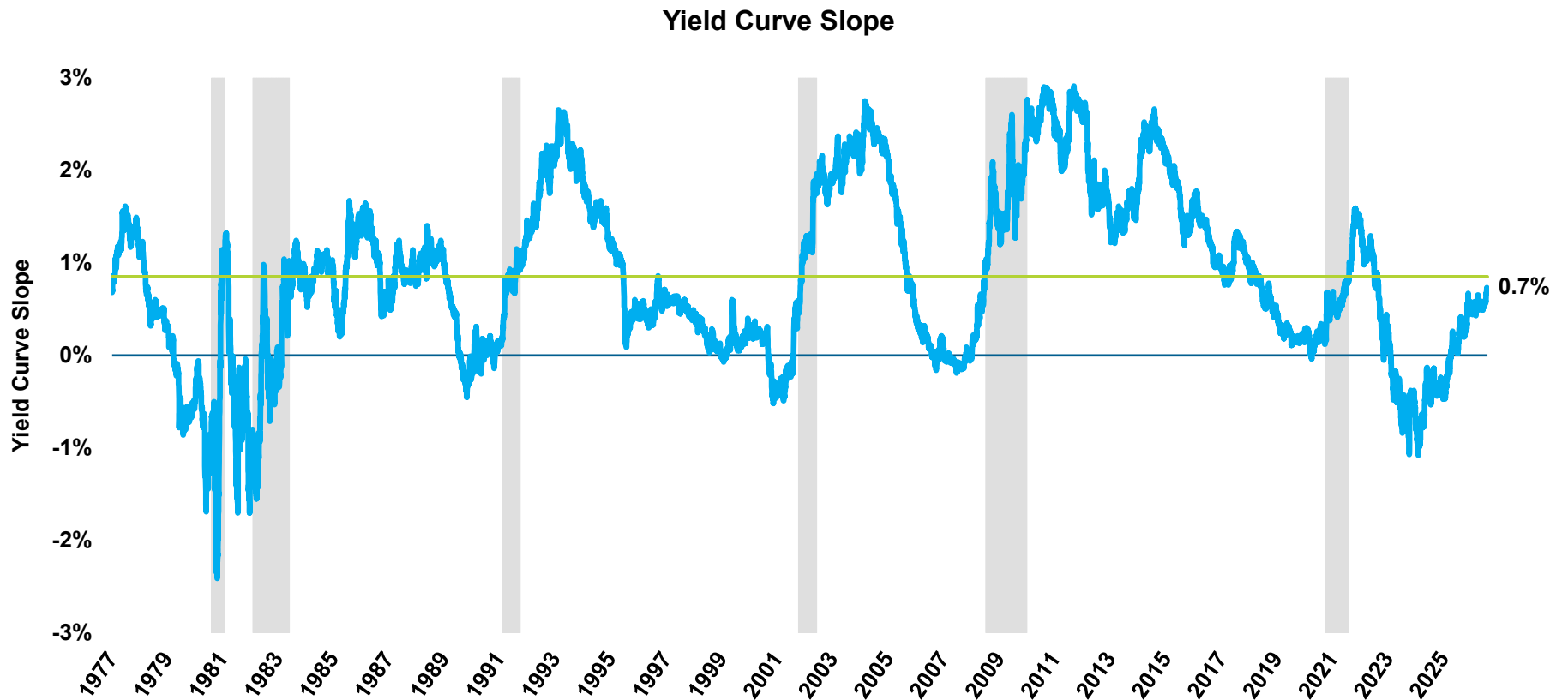


Source: Bloomberg. Data is as of December 31, 2025.

Normalizing Yield Curve

→ The yield curve began the year with a positive 2-10 spread but the curve was inverted in some other sections.

- The 2-10 spread moved closer to its long-term average during the year.



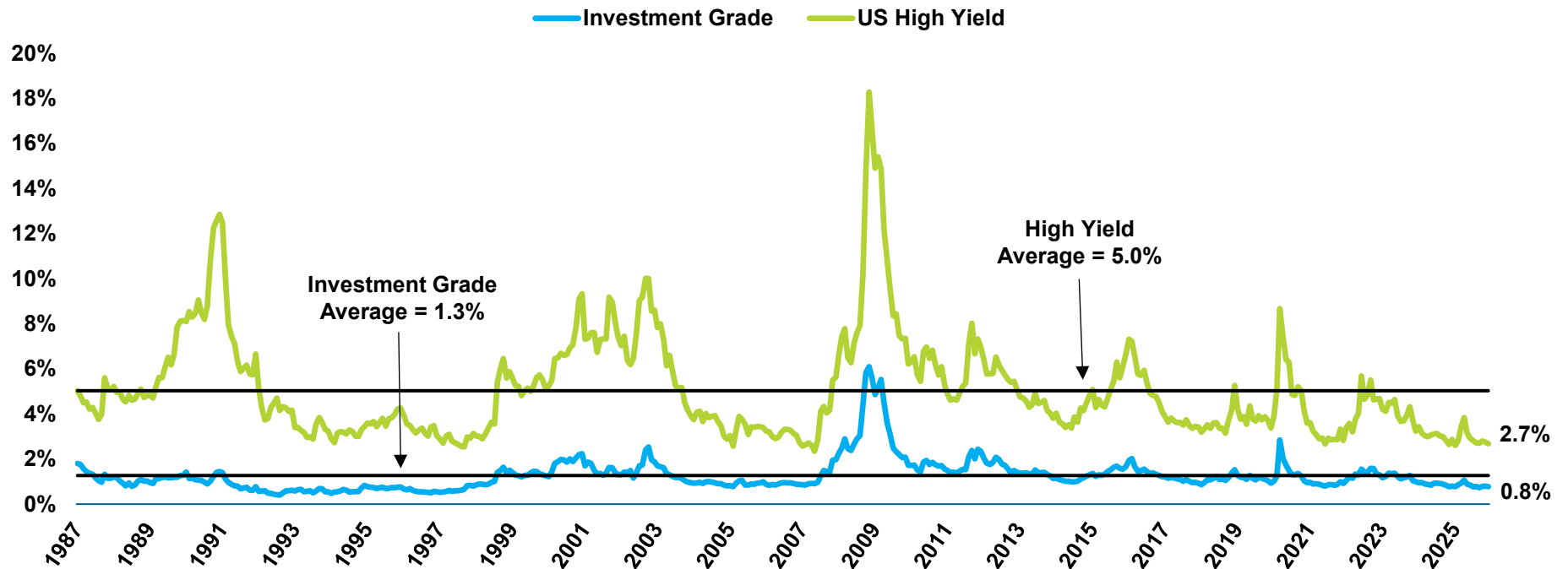
Source: FRED. Yield curve slope is calculated as the difference between the 10-Year US Treasury Yield and 2-Year US Treasury Yield. Data is as of December 31, 2025.

Slightly Narrower Credit Spreads

→ Credit spreads tightened slightly in 2025, moving further below their long-term averages.

- The spread for high yield bonds declined from 287 basis points to 266 basis points, while the spread for investment grade corporates declined from 80 basis points to 78 basis points.

US Investment Grade and High Yield Credit Spreads



Source: Bloomberg. High Yield is proxied by the Bloomberg High Yield Index and Investment Grade Corporates are proxied by the Bloomberg US Corporate Investment Grade Index. Spread is calculated as the difference between the Yield to Worst of the respective index and the 10-Year US Treasury yield. Data is as of December 31, 2025.

Lower Yields

- Short-term interest rates declined as the Fed cut its target rate, and the yield on the 10-year Treasury decreased.
- Tighter credit spreads amplified the yield reduction in credit markets.

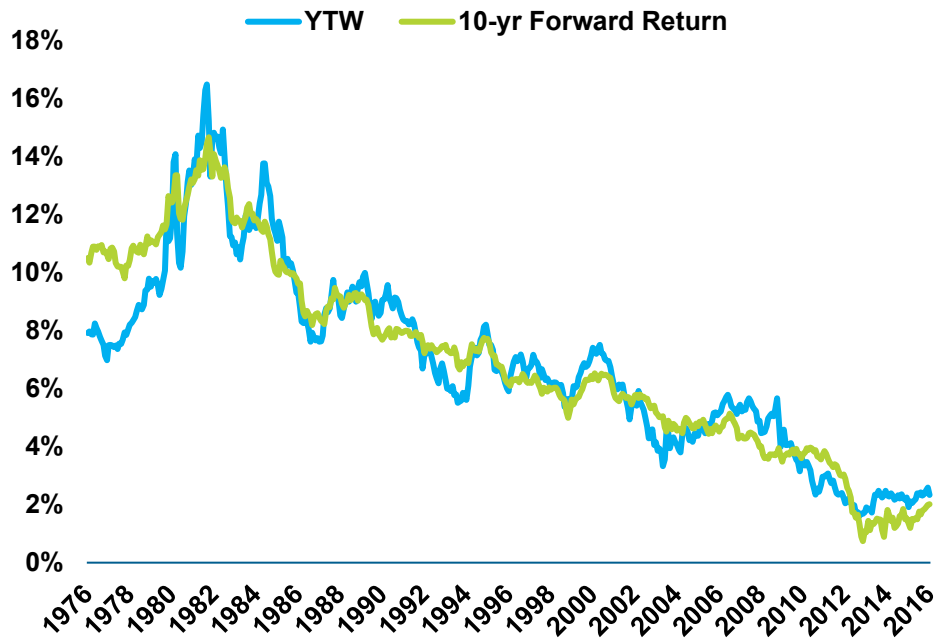
Index	Yield to Worst 12/31/25 (%)	Yield to Worst 12/31/24 (%)
Fed Funds Effective Rate	3.50 – 3.75	4.25 – 4.50
10-year Treasury	4.18	4.58
Bloomberg Aggregate	4.32	4.91
Bloomberg Corporate	4.81	5.33
Bloomberg Securitized	4.61	5.25
Bloomberg Global Aggregate	3.52	3.68
Bloomberg US Corporate High Yield	6.53	7.49

Source: Bloomberg. Data is as of December 31, 2024 and December 31, 2025.

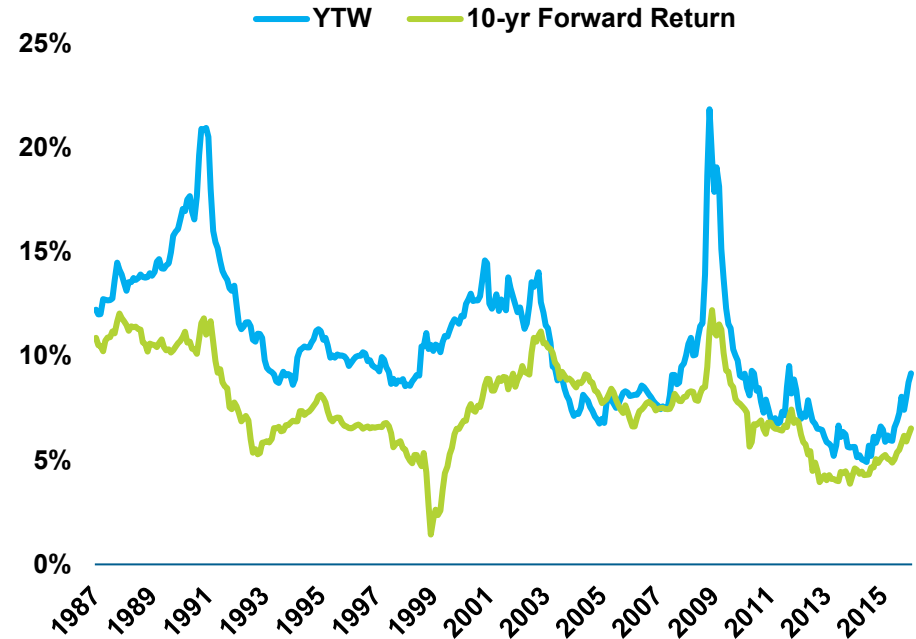
Yields Drive Future Returns

→ Changes in interest rates matter because yields have proven a very good predictor of future returns for bonds,¹ at least over a 10-year horizon.

YTW and Returns for Investment Grade Bonds



YTW and Returns for High Yield Bonds



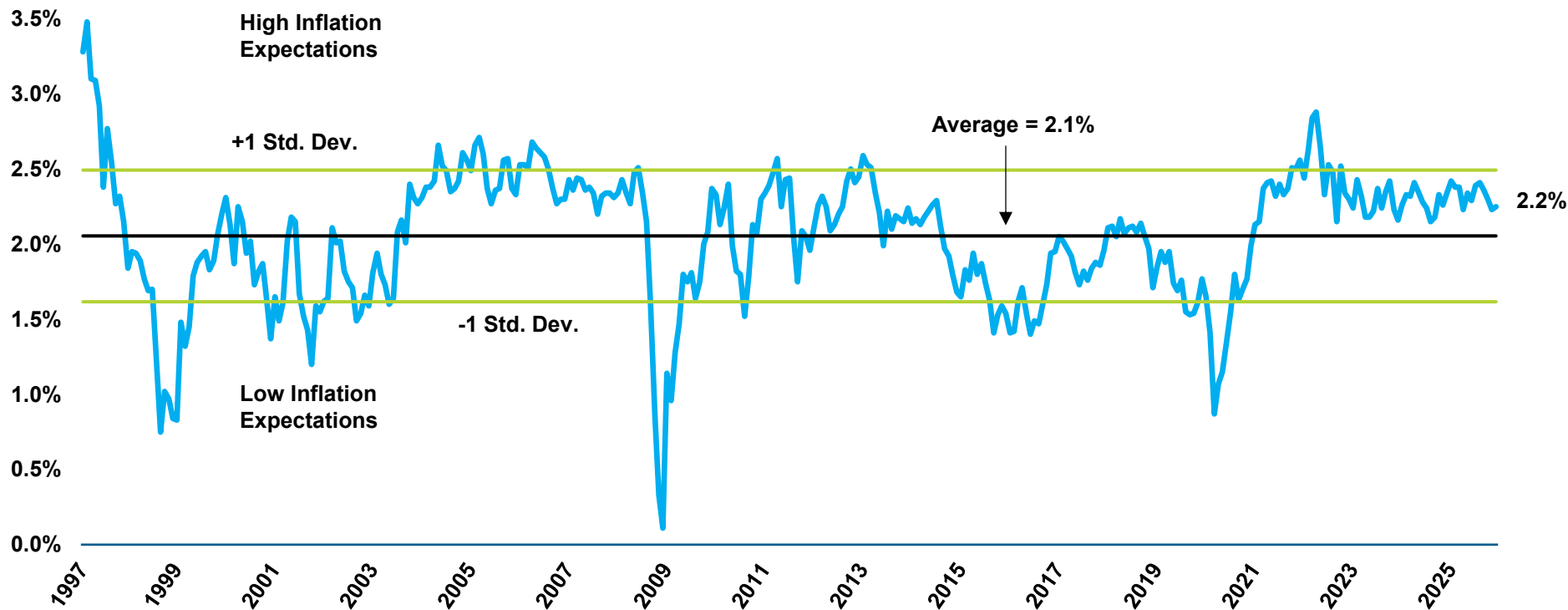
¹ When predicting returns for bonds, default risk should also be taken into account. For example, defaults are why the return for high yield bonds have generally been below the starting yield.
Source: Bloomberg Aggregate and Bloomberg High Yield indices. Data is as of December 31, 2025.

Similar Inflation Expectations

→ Despite many inflation-related headlines during the year, the market’s expectations for inflation were little changed at the end of 2025.

- The 10-year breakeven inflation rate decreased slightly, from 2.3% to 2.2%.

Ten-Year Breakeven Inflation

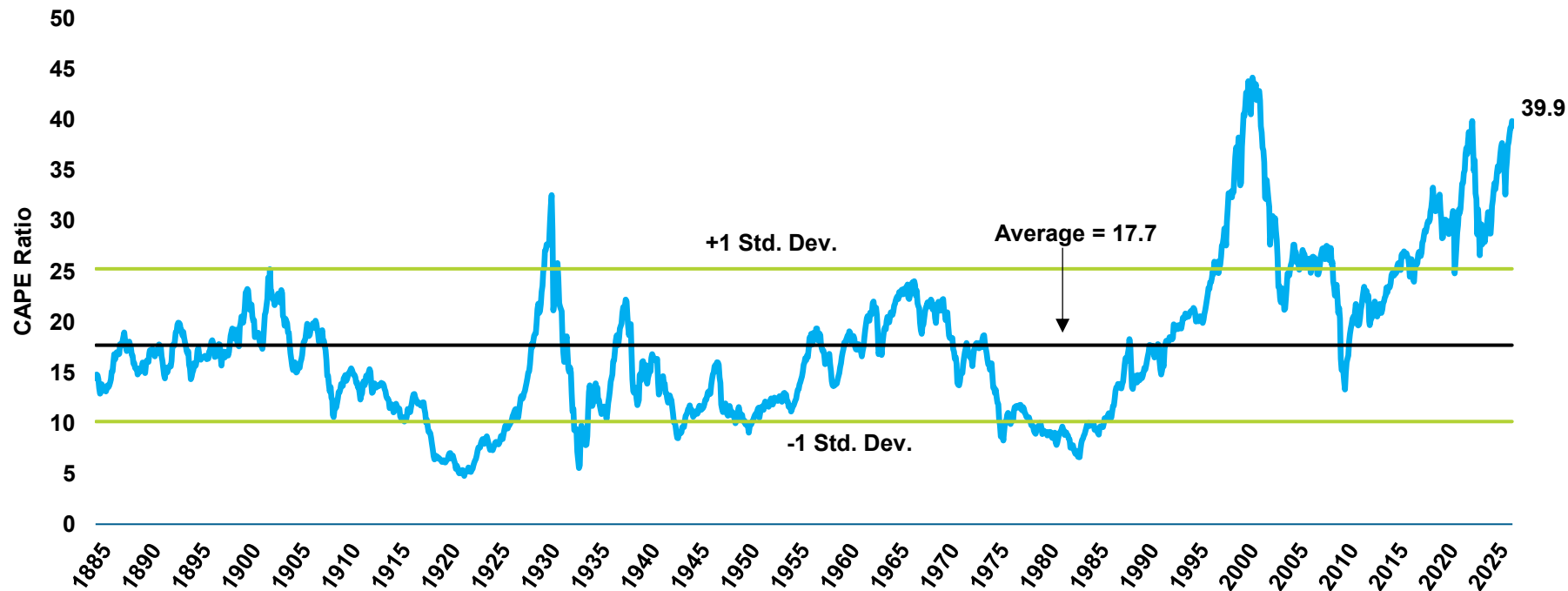


Source: US Treasury and Federal Reserve. Inflation is measured by the Consumer Price Index (CPI-U NSA). Data is as of December 31, 2025.

Surprisingly Little Change in US Equity Valuations

- US stocks had another good year, with the S&P 500 index gaining 17.9%.
- Valuations are higher than one year ago, with the CAPE moving from 38 to 39.9.
- Still, valuations remain elevated relative to their long-term history.

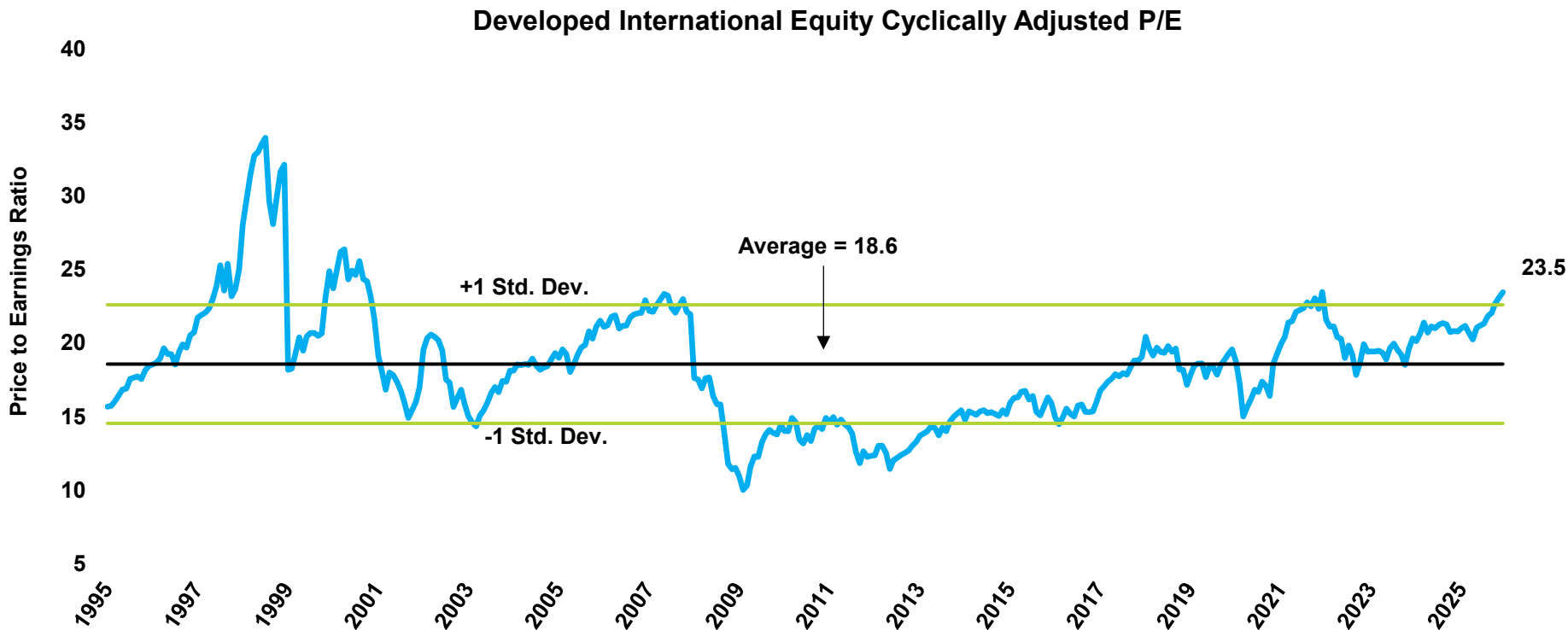
US Equity Cyclically Adjusted Price/Earnings



Source: Robert Shiller, Yale University, and Meketa Investment Group. Data is as of December 31, 2025 for the S&P 500 Index.

Higher Non-US Developed Equity Valuations

- EAFE equities had a great year, posting a 31.2% gain for USD investors.
 - A currency tailwind aided these gains, as EAFE posted a 20.6% return in local currency terms.
- The gains also reflected higher valuations, with the price-earnings ratio going from 21 to 23.5.
 - EAFE valuations are now above their historical average.

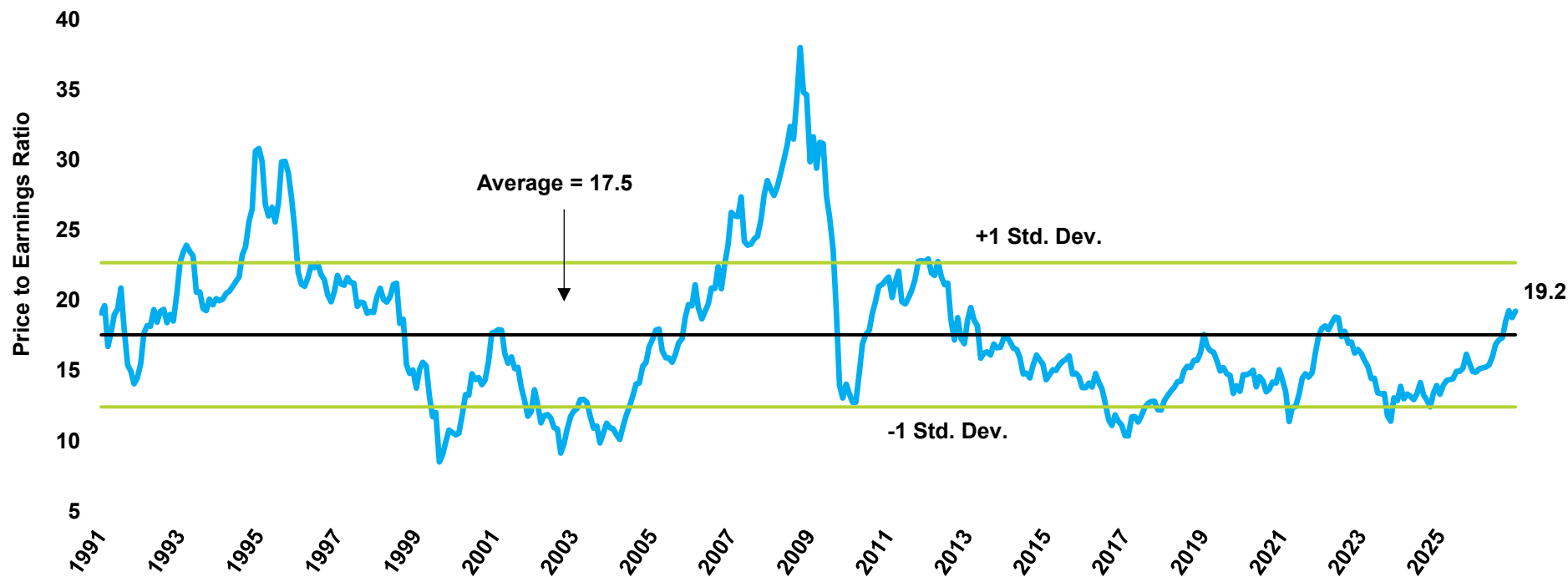


Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 31, 2025.

Higher Prices in Emerging Market Equities

- Emerging market equities had a great year, gaining 33.5% for USD investors.
- These gains were driven largely by higher valuations, with the price-earnings ratio going from 14.8 to 19.2.
 - As a result, EM equity valuations have also moved above their long-term average, with the EM ex-China index continuing to trade at higher valuations than the China index.

Emerging Market Equity Cyclically Adjusted P/E

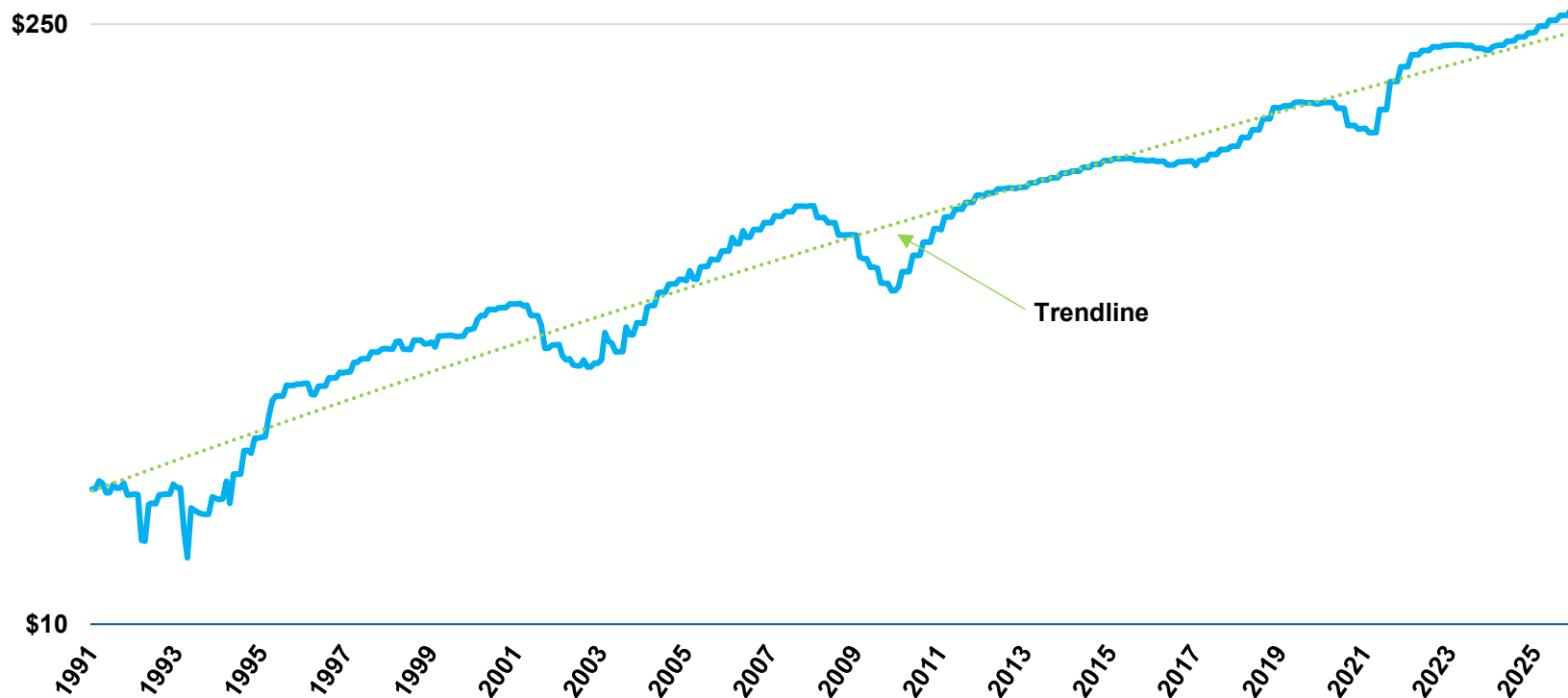


Source: MSCI and Bloomberg. Earnings figures represent the average of monthly "as reported" earnings over the previous ten years. Data is as of December 31, 2025.

Strong US Earnings Growth

- S&P 500 earnings (EPS) had a good year, growing by 13%.
 - At year-end, estimates were that EPS had hit a new peak.

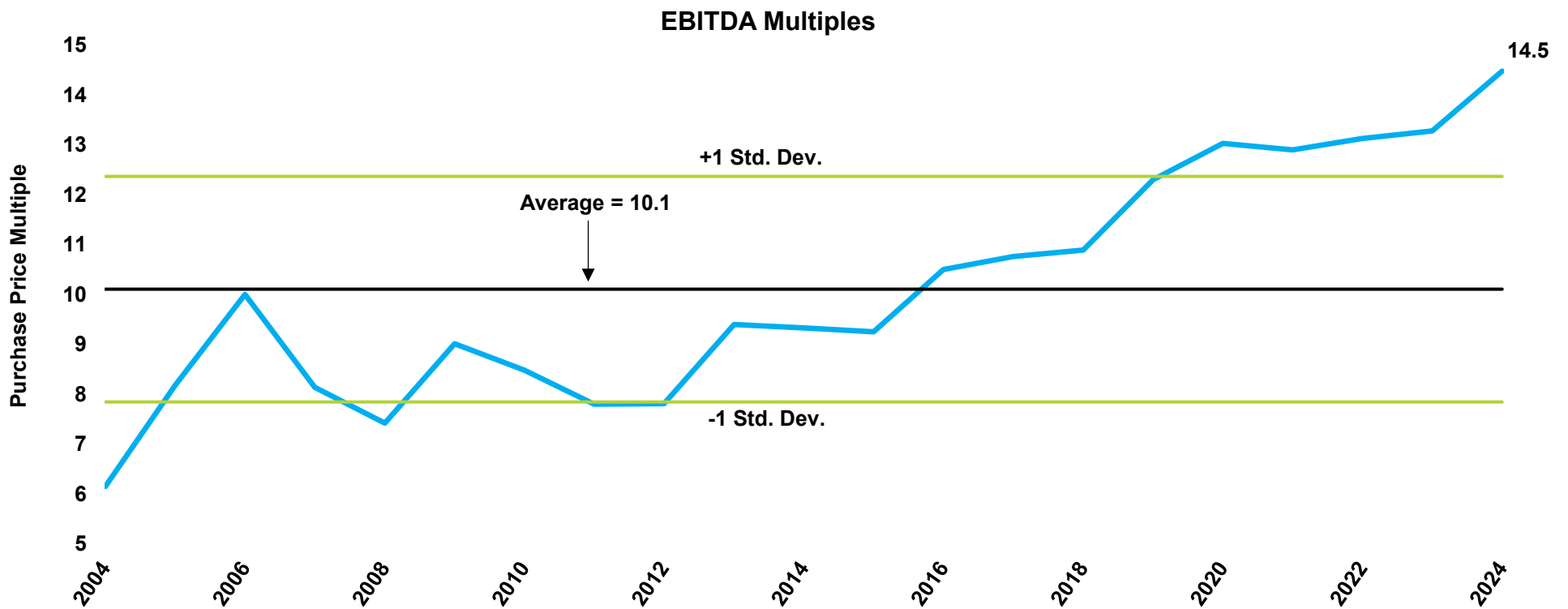
S&P 500 Earnings Per Share (Log Scale)



Source: S&P 500 Index data from Bloomberg. Represents trailing 12-month "as reported" earnings per share. Data is as of December 31, 2025.

Private Equity Prices Rebounding

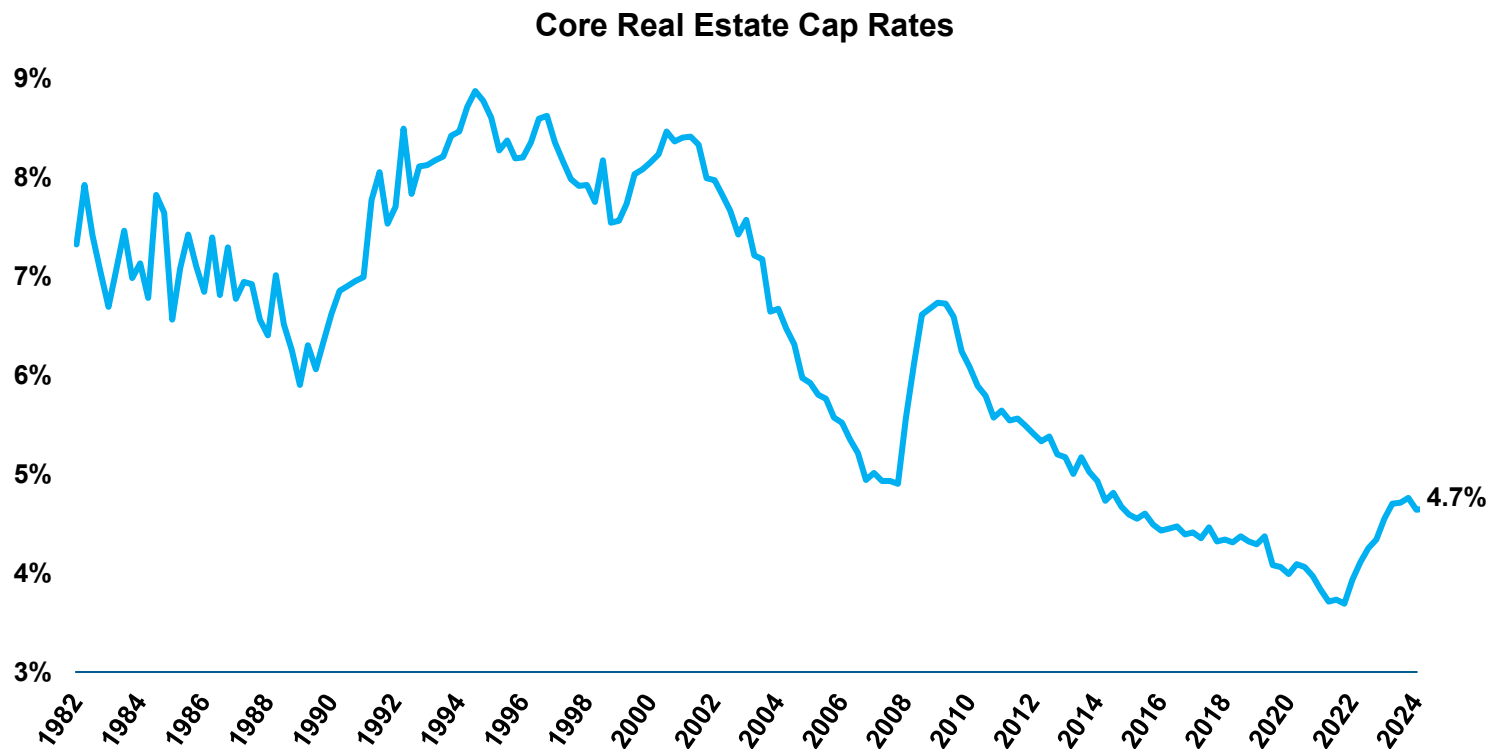
- EBITDA multiples for buyouts have risen substantially over the past ten years.
 - Preliminary data for 2025 show a slight downtick in multiples, but that is based on a very small fraction of the anticipated number of deals (~15% of the number of deals from 2024).



Source: Preqin Median EBITDA Multiples Paid in All LBOs. Data pulled as of 1/8/2025.

Real Estate Valuations Solidifying

- Cap rates appeared to level off in 2025.
 - This is likely welcomed by investors who have seen cap rates rise (and prices fall) for several years.
- Still, cap rates remain below the trough experienced during the Global Financial Crisis (“the GFC”).

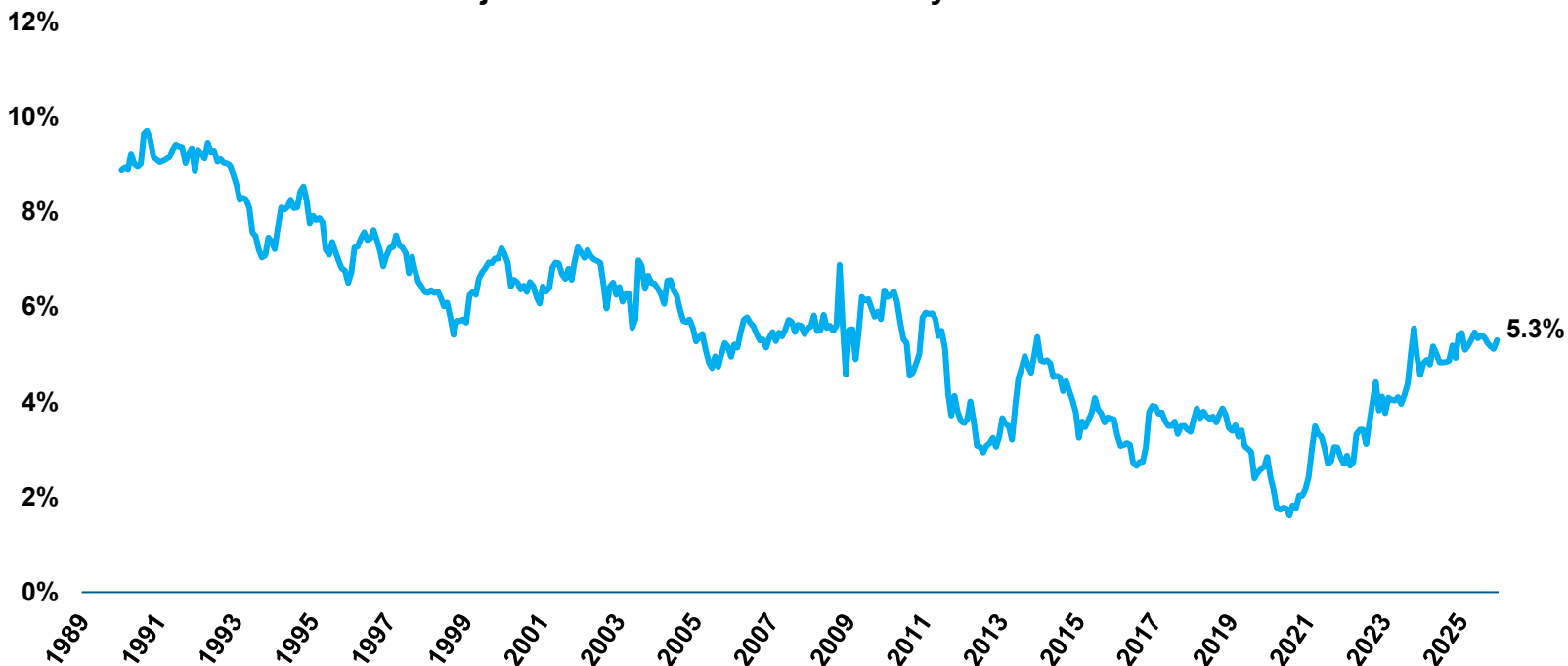


Source: NCREIF NPI value-weighted cap rates. As of September 30, 2025.

Slightly Lower Projected Rates in the Future

- As interest rates have declined, so have the market’s predictions for future interest rates.
 - The market is forecasting that the 10-year Treasury yield in ten years will be 5.30%, versus a prediction of 5.42% twelve months ago.
- Lower future interest rates for “risk-free” assets implies lower expected returns for any forecasting model that includes a risk premium approach.

Market Projection for the 10-Year Treasury Yield in Ten Years



Source: FRED. Represents the Fitted Instantaneous Forward Rate 10 Years Hence, as of December 31, 2025.

2026 Peer Comparison Sample

- The table below highlights 10-year expected returns from a sample of investment consultants & asset managers.
- Data was sourced from publicly available documents/websites on 2/15/25.
 - Peer data are all 2026 CMAs but represented a mix of 11/30 and 12/31 end dates for inputs.

Asset Class	Meketa	Verus	Wilshire	Callan	Vanguard	BlackRock	Northern Trust	Average (ex Meketa)
US Equity	6.3%	5.5%	4.5%	7.4%	4.9%	5.2%	6.8%	5.7%
Developed Non-US Equity	6.2%	6.8%	5.5%	7.3%	5.9%	7.1%	6.8%	6.6%
Emerging Markets Equity	6.2%	6.7%	5.7%	7.5%	4.2%	5.9%	6.9%	6.1%
Investment Grade Bonds	4.2%	4.7%	4.9%	4.8%	4.6%	4.1%	5.0%	4.7%
High Yield Bonds	5.4%	5.7%	6.1%	5.9%	4.8%	5.7%	5.5%	5.6%
Private Equity	9.0%	9.0%	6.1%	8.5%	---	12.9%	10.2%	9.3%
Private Real Estate*	7.2%	8.5%	6.9%	---	---	---	7.9%	7.8%
Core Private Real Estate	5.8%	7.2%	6.0%	6.3%	---	5.8%	---	6.3%

*Private Real Estate represents the firm’s stated, single line item assumption or an assumed blend of 50% Core / 25% Value Add / 25% Opportunistic.

2025 Peer Survey

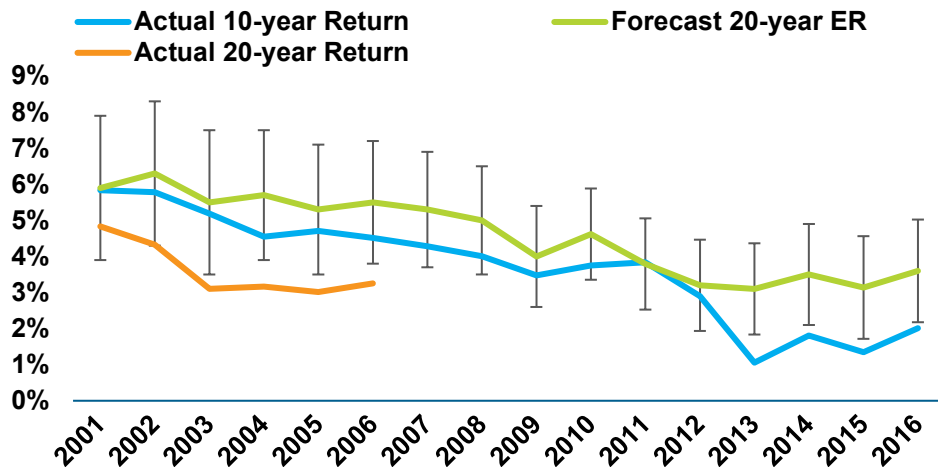
- Annually, Horizon Actuarial Services, LLC publishes a survey of capital market assumptions that they collect from various investment advisors.¹
- The Horizon survey is a useful tool to determine whether a consultant’s expectations for returns (and risk) are reasonable.

Asset Class	Horizon 10-Year Average (%)	Meketa 10-Year (%)
Cash Equivalents	3.6	2.8
TIPS	4.4	4.3
US Core Bonds	5.0	4.9
US High Yield Bonds	6.0	6.3
Emerging Market Debt	6.0	6.3
Private Debt	7.9	8.7
US Equity (large cap)	6.4	6.4
Developed Non-US Equity	7.0	7.2
Emerging Non-US Equity	7.4	7.1
Private Equity	9.1	9.8
Real Estate	6.2	6.9
Infrastructure	7.2	7.2
Commodities	4.7	5.5
Hedge Funds	5.9	4.2
Inflation	2.4	2.3

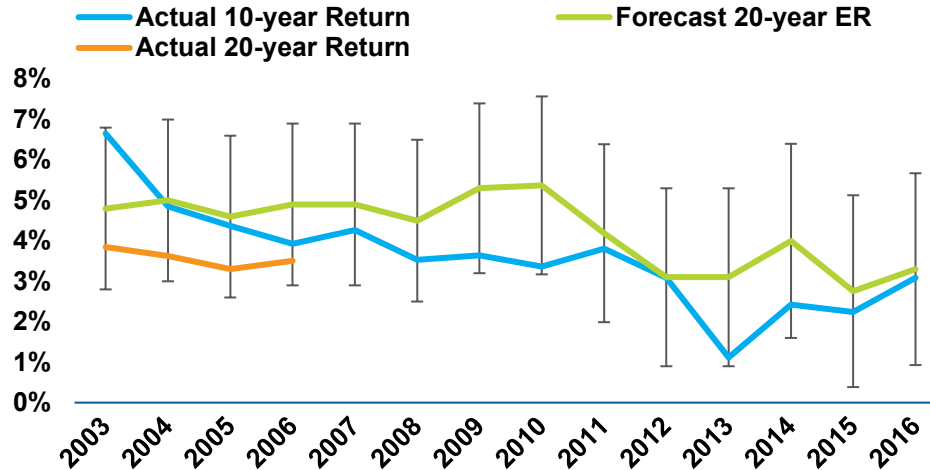
¹ The 10-year horizon included all 41 respondents to the survey. Figures are based on Meketa’s 2025 CMAs. The survey is typically published in August.

Our Track Record

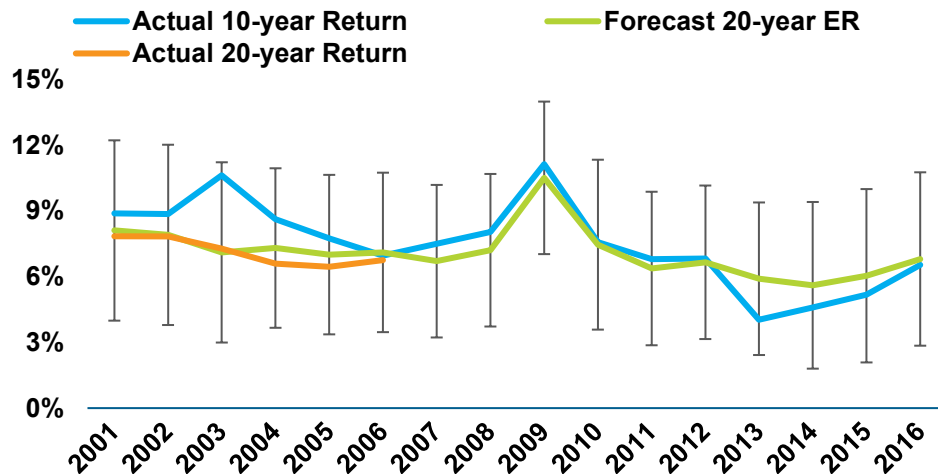
Investment Grade Bonds



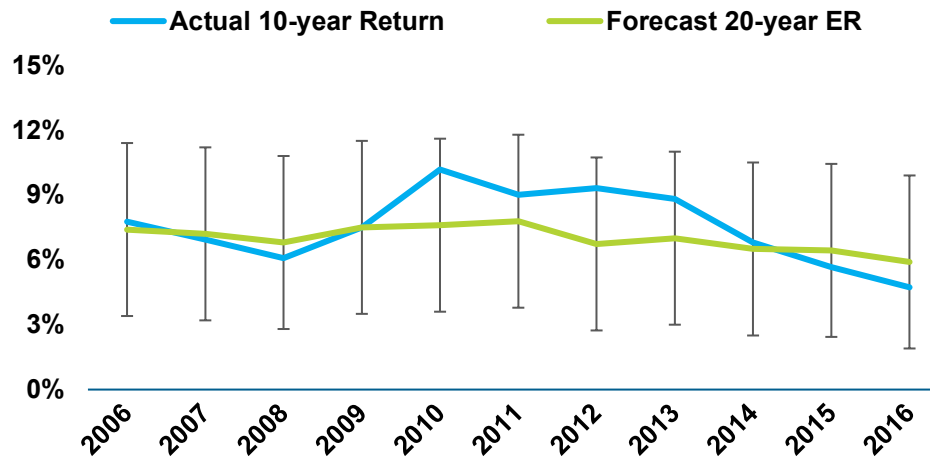
TIPS



High Yield Bonds

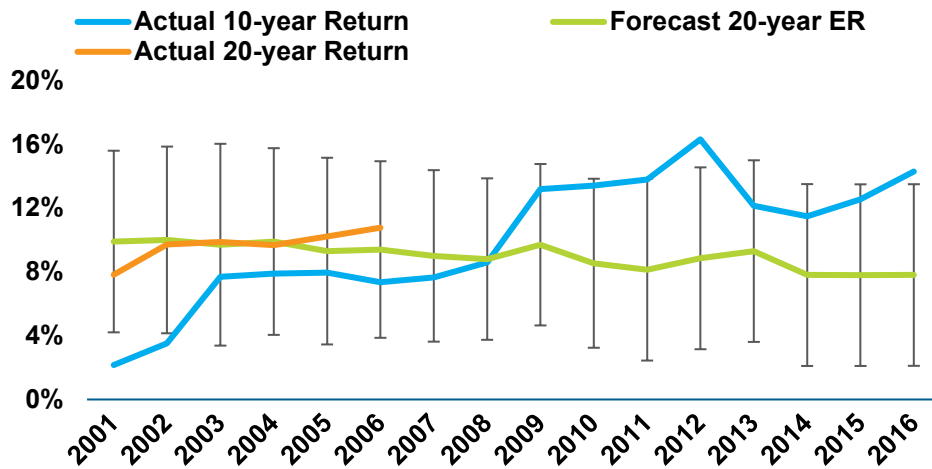


Core Real Estate

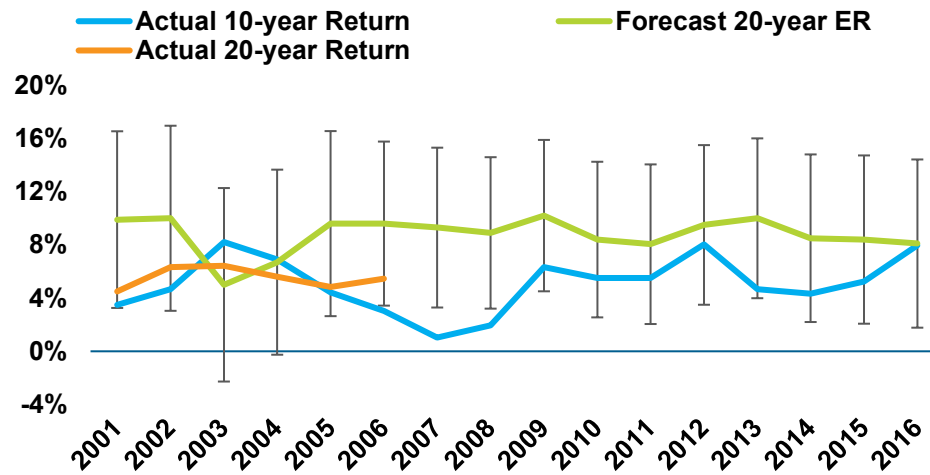


Our Track Record (continued)

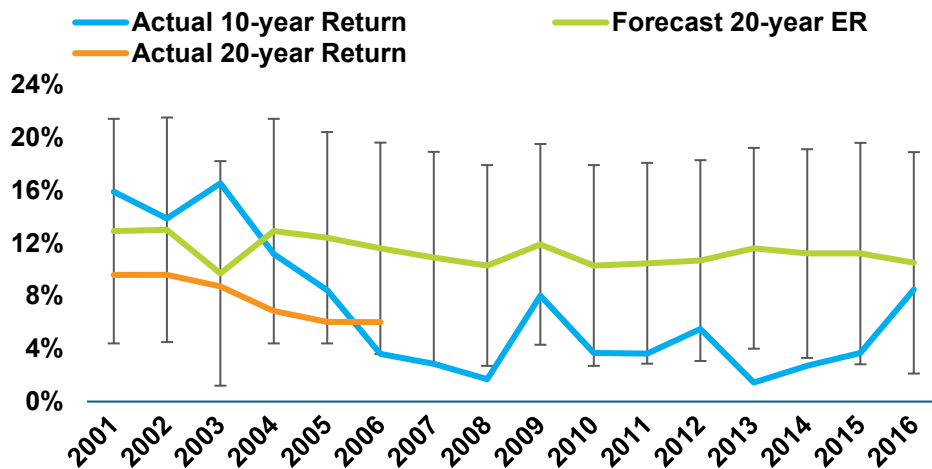
US Equity



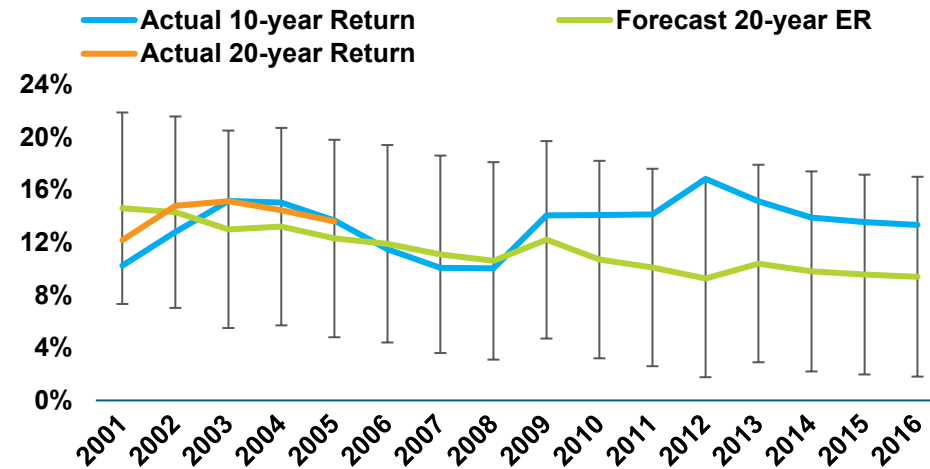
EAFE Equity



Emerging Markets Equity



Private Equity



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Employees' Retirement System of the State of Hawaii

May 26, 2026

Risk and Implementation Survey

- Results -

Introduction

- This presents the responses to the *Risk and Implementation Survey* for the 2026 Asset-Liability Study.
- Additional dialogue during the presentation will enhance the takeaways and utility of the exercise.

Survey Overview

- This survey collected responses from Board members (7 respondents) and Staff (9 respondents) across 20 questions covering investment objectives, risk tolerance, macroeconomic concerns, portfolio construction beliefs, and benchmark preferences.

Purpose

- The results serve as a foundation for the asset-liability modeling process, framing the inputs (e.g., asset classes and constraints) and output goals (e.g., key metrics and characteristics) that will guide allocation decisions.

Key Themes to Watch

- Strong Board-Staff alignment on funding priorities, overall objectives, and risk appetite, but notable divergences on risk framing, potential outcomes, knowledge of the investment framework, and appetite for portfolio differentiation.

How to Read This Presentation

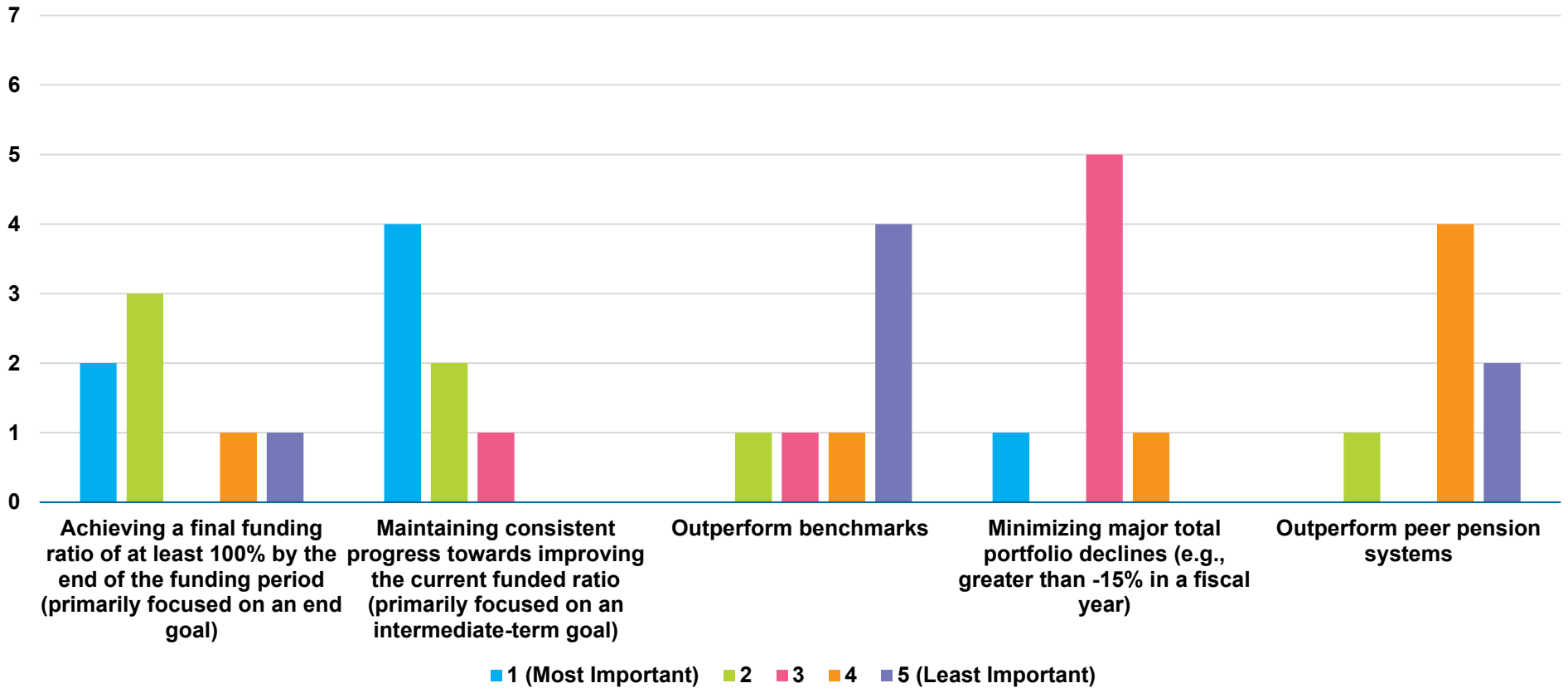
- Each question is presented with Board and Staff results side by side, followed by a takeaway slide summarizing the bottom-line comparison. A conclusion slide at the end synthesizes the major themes across all 20 questions.
 - Key takeaways are also presented on the subsequent slide.

Key Takeaways

- For some of the most important questions, there is general consensus both within and across the two groups.
- *Compared to prior HIERS surveys, as well as other Meketa clients, there are more areas of divergent responses.*
 - This is not necessarily a negative, but it should encourage additional dialogue during the presentation and overall asset-liability process.
 - Moreover, the areas of divergence are likely due, in part, to new members of the Board and Staff.
- Comments and Areas of Focus:
 - Both groups are critically focused on improving the funded ratio over both the medium- and long-term; this is a critical objective.
 - No respondent from either group favors reducing portfolio risk; it is largely a decision about keeping risk the same or increasing. Further dialogue should help clarify how “risk” is viewed by both parties.
 - It will be important to examine probabilities of experiencing downside scenarios (for investment returns and funded status) and their corresponding impacts (e.g., liquidity, contributions, etc.).
 - Certain viewpoints on downside funded ratio thresholds may be unrealistic if the global capital markets were to experience significantly deteriorating economic conditions.
 - It will be important to reaffirm the relative hierarchy of benchmarks (i.e., actuarial rate, market benchmark, peers). There was a general consistency but also marginal deviations across questions on this topic.
 - Explore pros/cons of a regionally diversified portfolio given the mixed viewpoints on the efficacy of a global portfolio vs. a US-centric portfolio.
 - Provide further education on the Diversifying Strategies class and its existing/ future components.

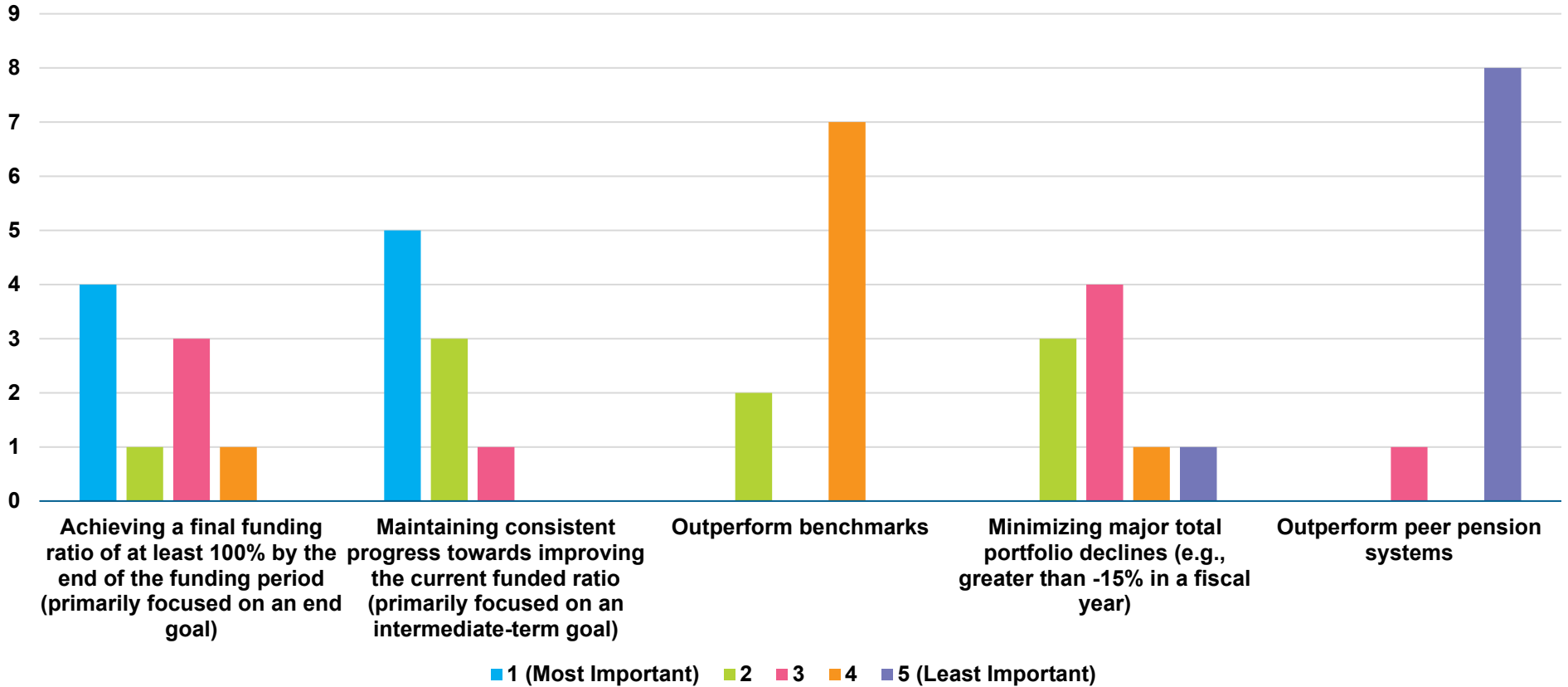
1. Please rank the following objectives in order of importance.
(1 = most important and 5 = least important)

Board Results



**1. Please rank the following objectives in order of importance.
(1 = most important and 5 = least important)**

Staff Results



**1. Please rank the following objectives in order of importance.
(1 = most important and 5 = least important)**

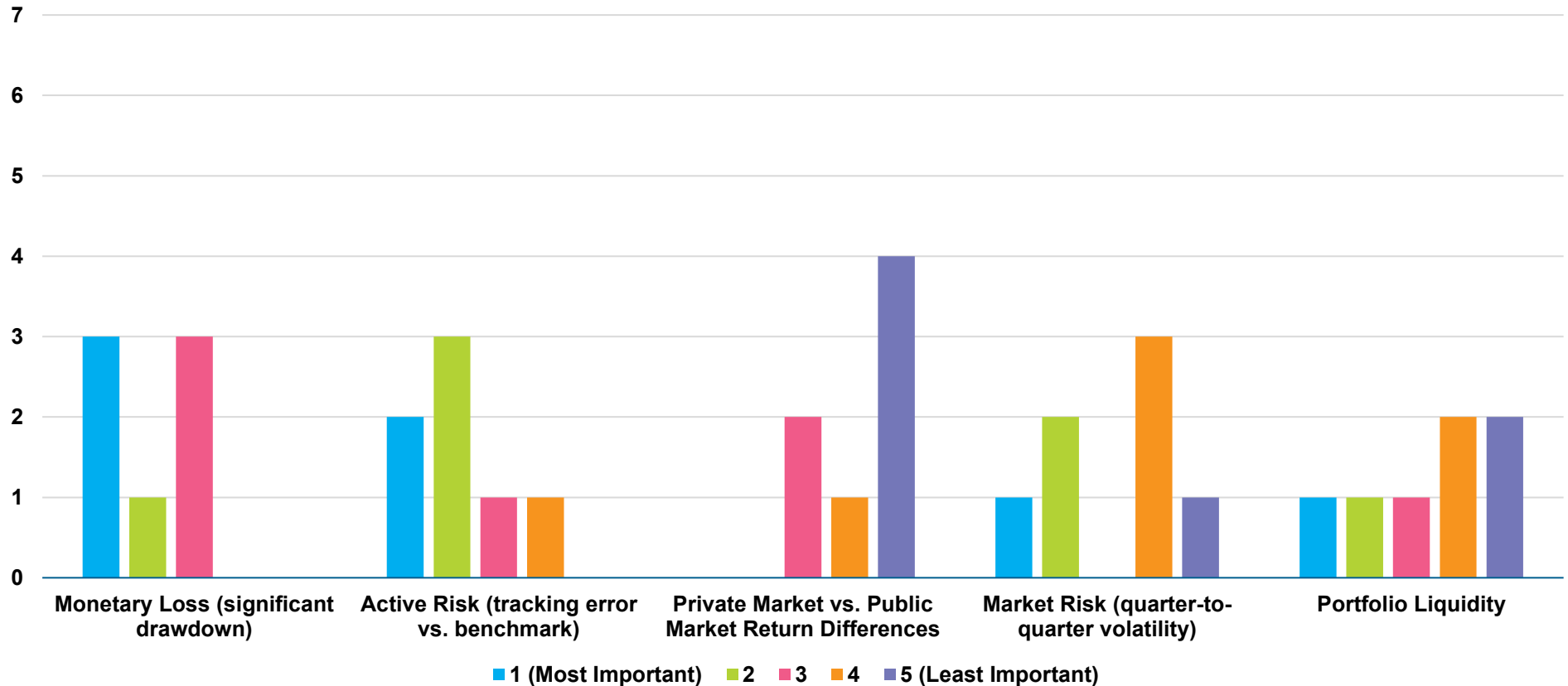
Takeaways

- Strong alignment on key objectives.
 - Both groups rank "maintaining consistent progress toward improving the funded ratio" as the #1 priority followed by "achieving 100% funding" at #2.
 - Indicates a primary focus on the end goal and the journey to get there.
- Relative performance measures (i.e., benchmarks and peers) are lower priorities.
 - For peer comparisons, 8 of 9 Staff members ranked it dead last — while the Board spreads its lowest rankings more evenly between outperforming benchmarks and peers.
- Minimizing major total portfolio declines is a middle/neutral objective for both groups, but such an experience would directly impact the key funding objectives that were selected as the primary objectives.

- **Both groups clearly prioritize funding-focused objectives over relative performance metrics, signaling shared mission alignment on fiduciary fundamentals.**

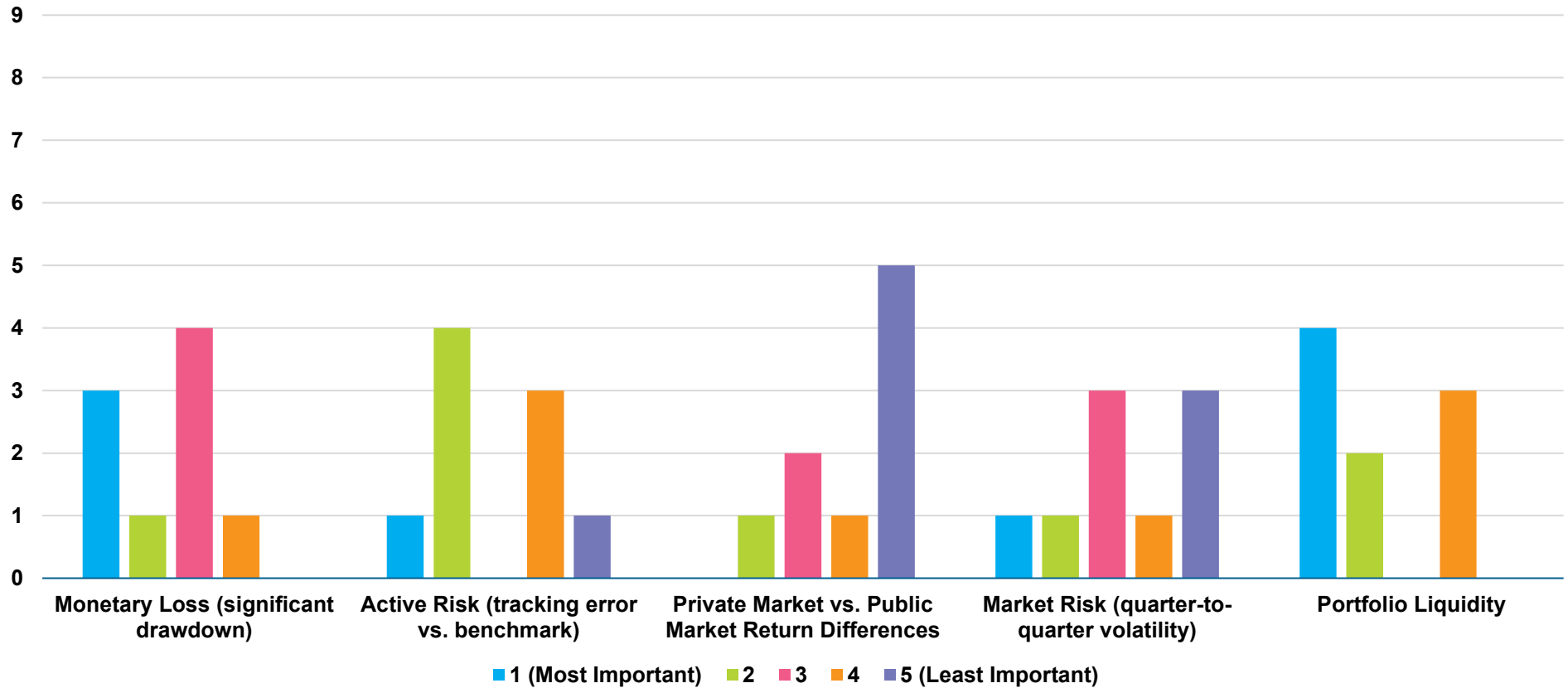
2. When thinking about the HIERS portfolio, please rank the following 5 investment risks in order of most important to least important over the next 5-10 years.
(1 = most important, 5 = least important)

Board Results



2. When thinking about the HIERS portfolio, please rank the following 5 investment risks in order of most important to least important over the next 5-10 years.
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Staff Results



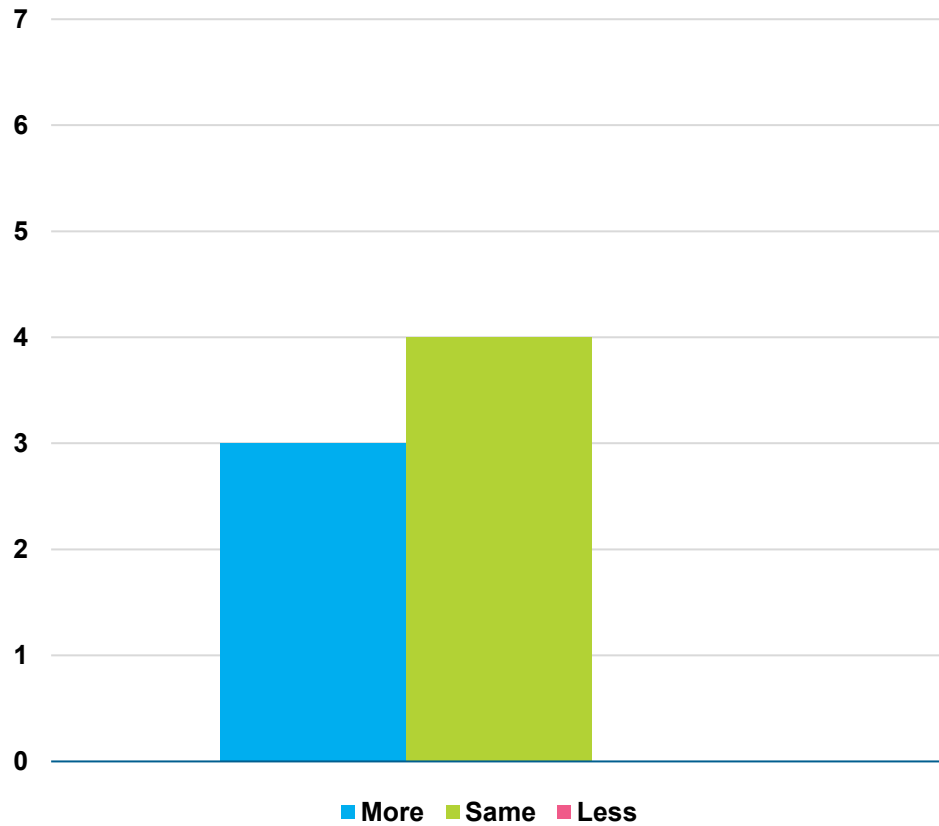
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Takeaways

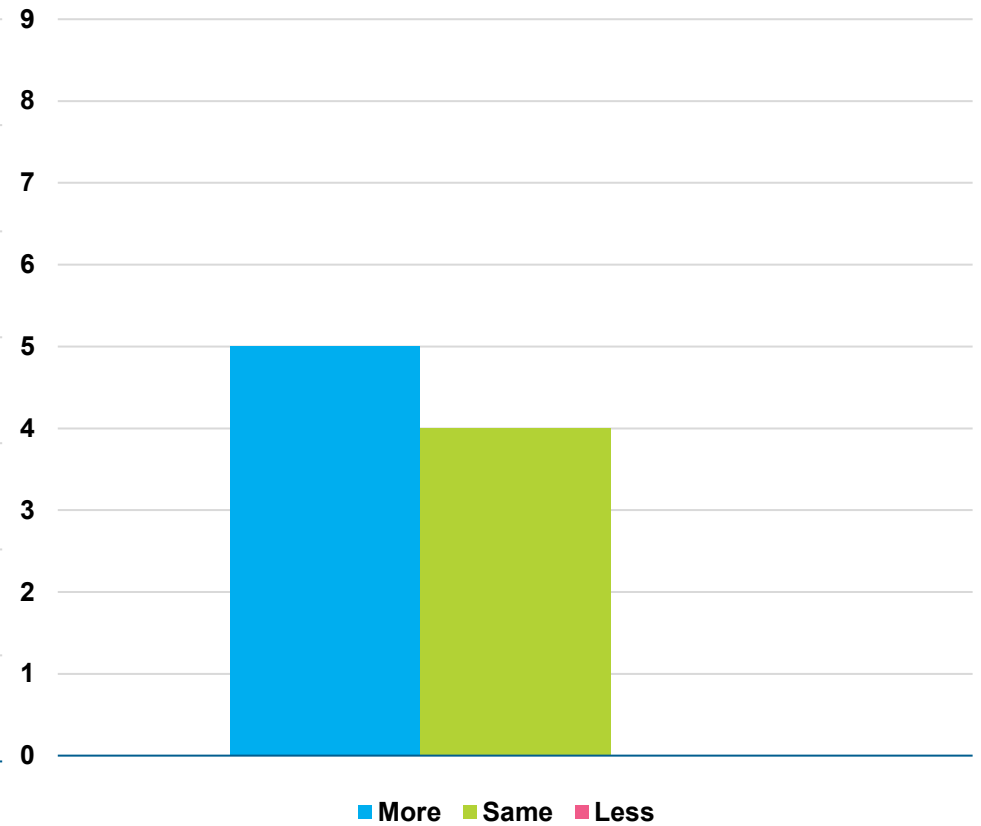
- Relatively high degree of dispersion within and across both groups. This indicates that there is a multitude of investment risks that are pertinent to HIERS.
- Monetary loss is the top-ranked risk for the Board (avg 2.0), while Staff ranks portfolio liquidity highest (avg 2.22).
- Active risk, a relatively new concept at HIERS, is viewed as a noteworthy risk by both groups.
- Both groups agree that private-vs-public market return differences rank near the bottom, suggesting comfort with the current private markets landscape.

3. To achieve long term goals, should the ERS be taking more, less, or the same amount of investment risk in the total portfolio?

Board Results



Staff Results



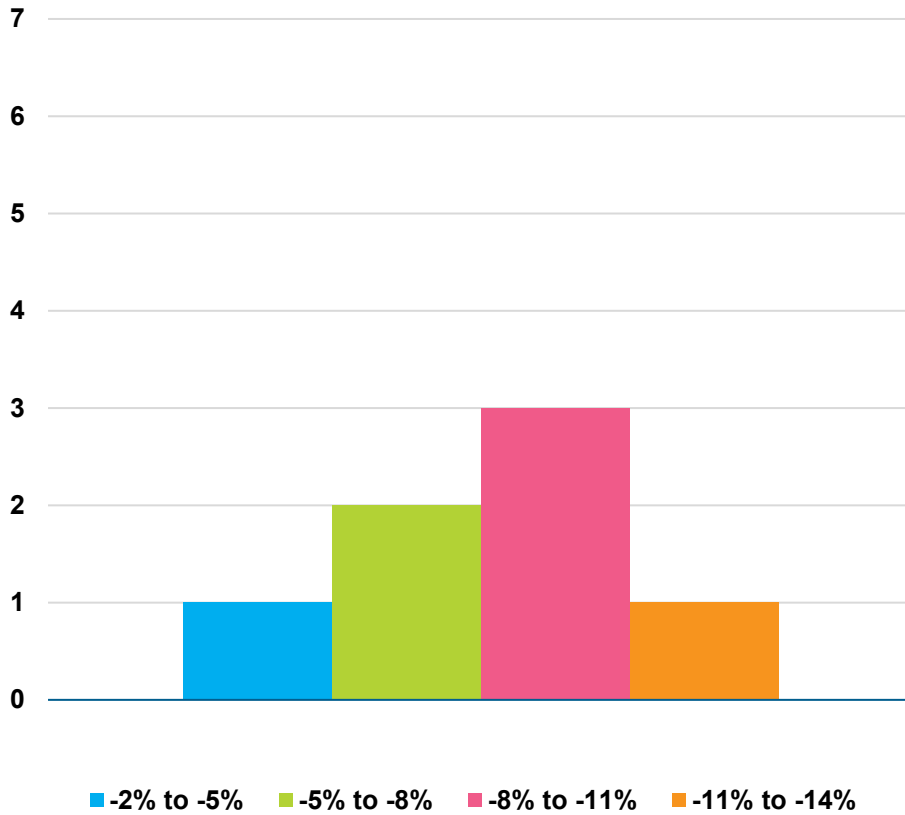
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Takeaways

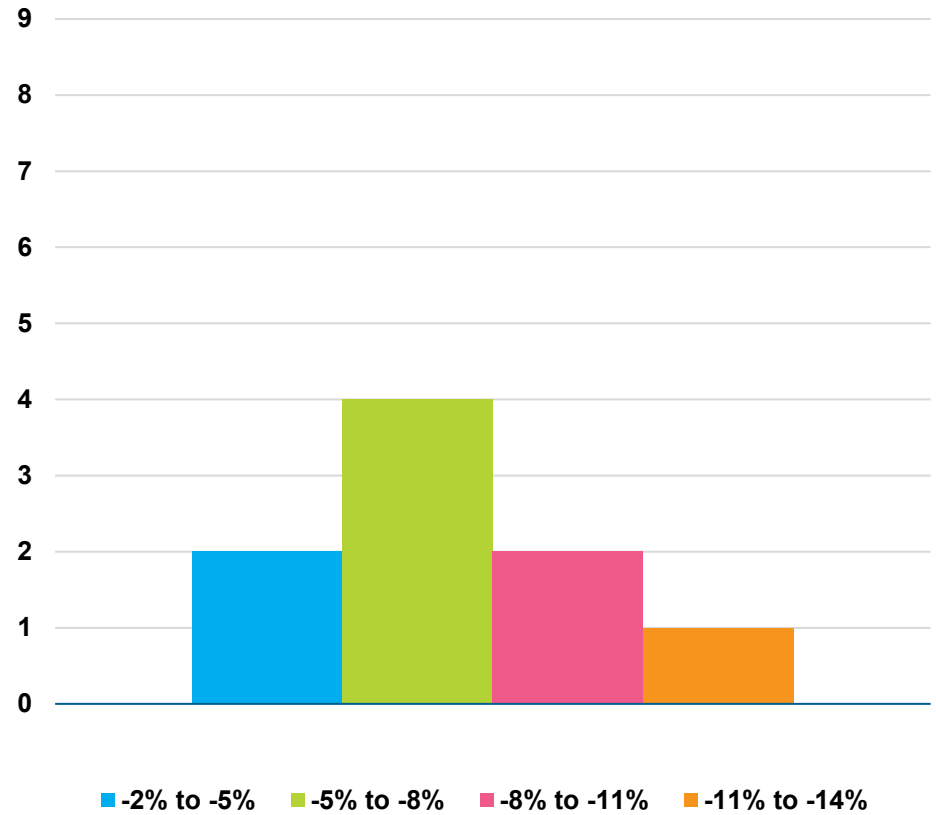
- Zero respondents from either group selected "less" — a strong consensus signal that the current risk posture is viewed as a floor, not a ceiling.
- Staff leans slightly more aggressive: 56% favor more risk vs. 44% same. Board is the inverse, with 57% preferring the same level and 43% favoring more.
- The directional agreement (no appetite for risk reduction) is more significant than the marginal more-vs-same split.

4. In your opinion, what would be considered to be a bad but not necessarily a catastrophic year?

Board Results



Staff Results



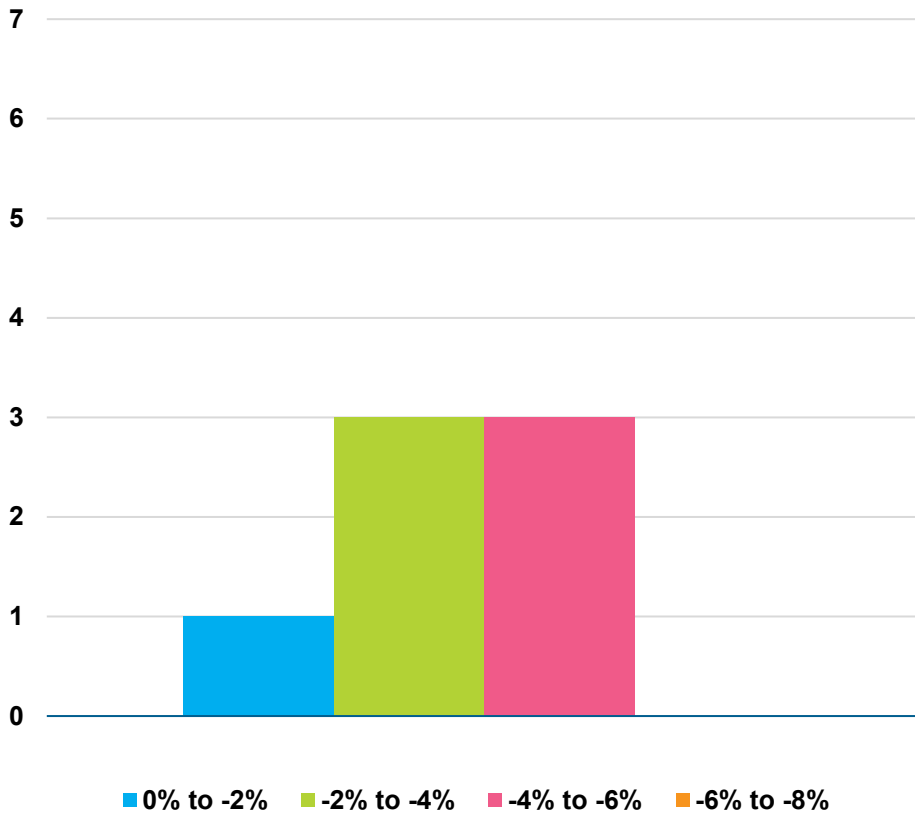
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Takeaways

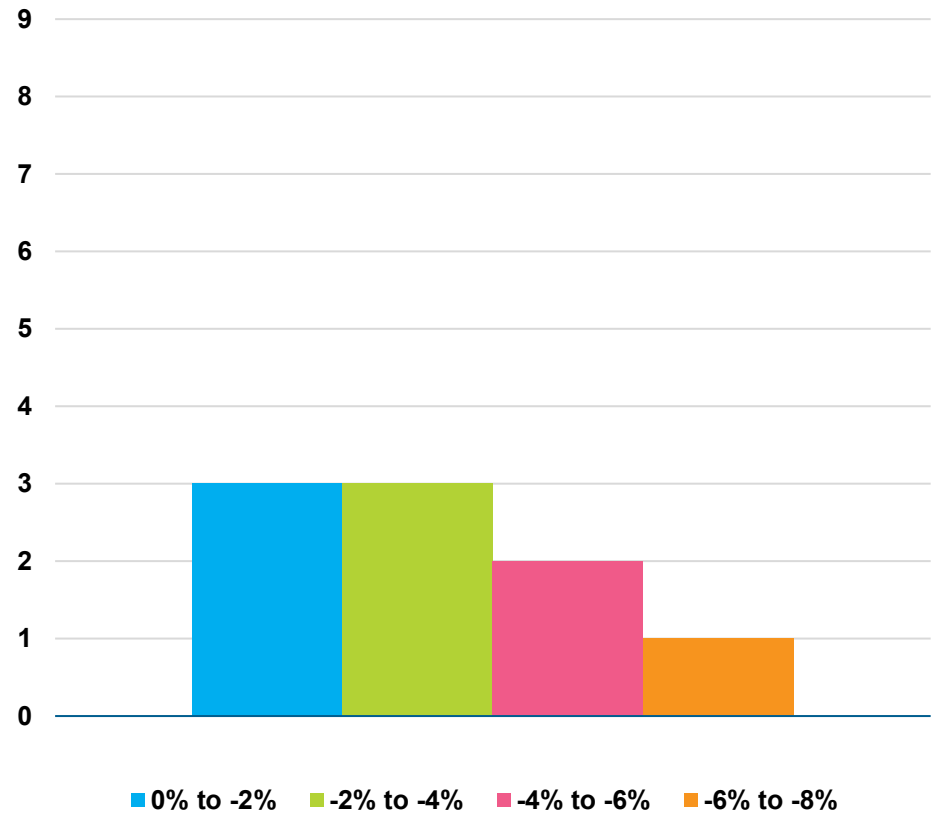
- Both groups largely avoid the extremes, suggesting reasonable calibration around expectations.
- The Board tilts toward the more extreme -8% to -11% range, whereas Staff clusters around -5% to -8%.
 - It is interesting to see the Staff have a slightly less pain threshold for single-year losses.

5. In your opinion, what would be considered to be a bad but not necessarily a catastrophic annualized return over three years?

Board Results



Staff Results



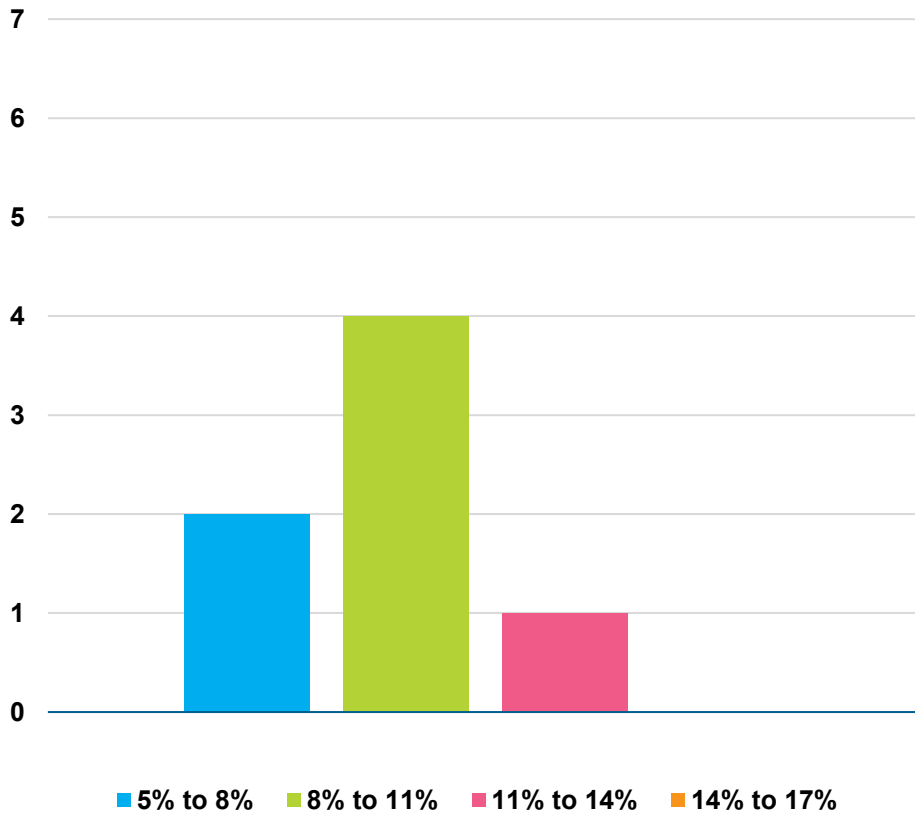
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Takeaways

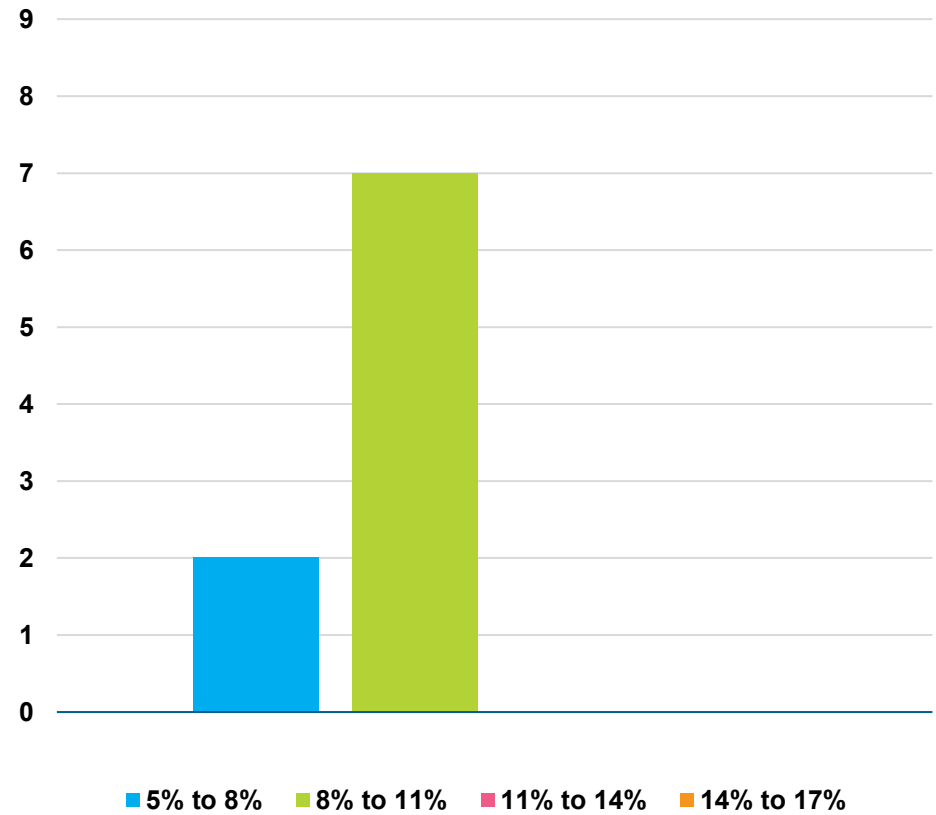
- Similar takeaways over the three-year period when compared to the single year drawdown question.
 - The Board indicates a slightly higher tolerance for drawdowns.

6. In your opinion, what would be considered to be a good but not necessarily outstanding year?

Board Results



Staff Results



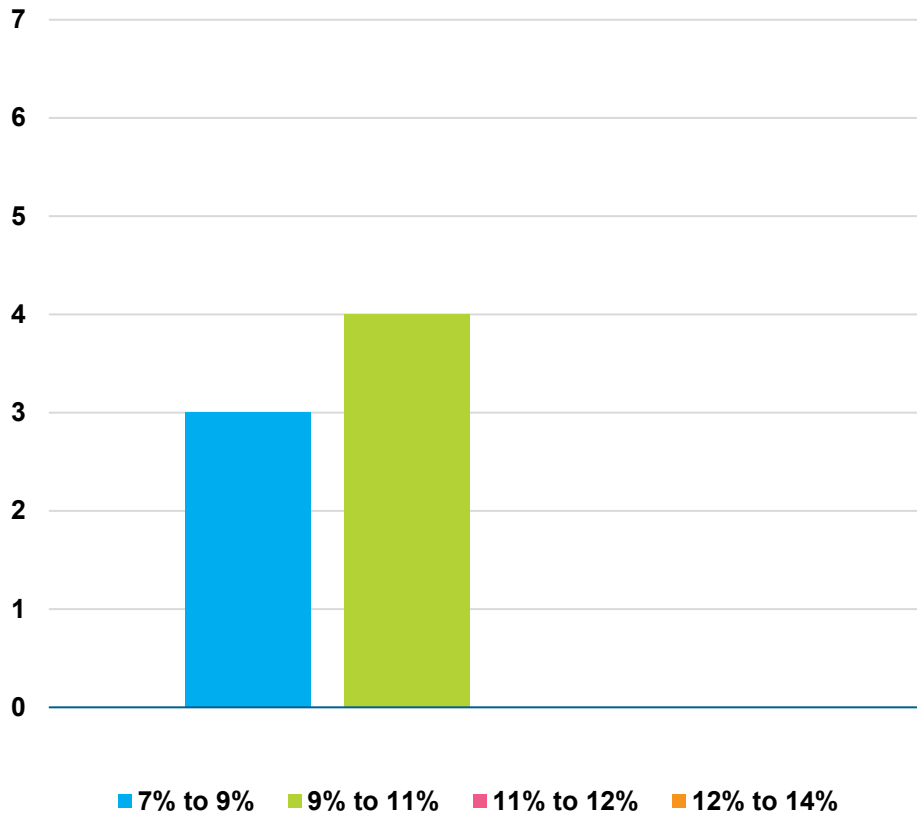
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Takeaways

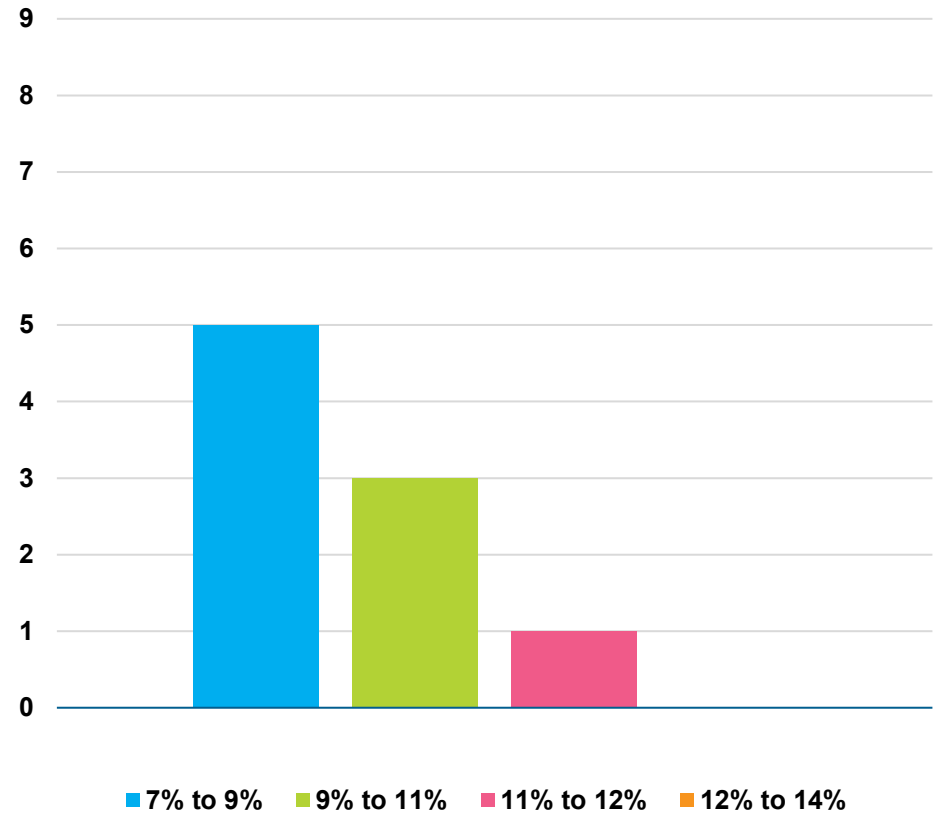
- The Staff shows strong consensus: 78% selected 8–11% as a "good" year, with no one selecting higher ranges. The Board also centers on 8–11% (57%) but is more dispersed.
- Both groups' expectations align well with realistic long-term balanced portfolio returns, indicating grounded rather than aspirational targets.

7. In your opinion, what would be considered to be a good but not necessarily outstanding annualized return over three years?

Board Results



Staff Results



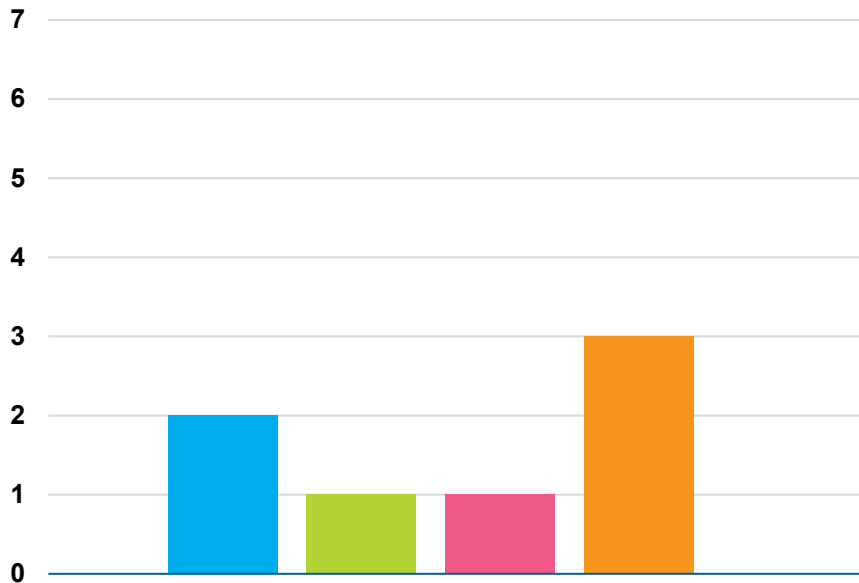
7. In your opinion, what would be considered to be a good but not necessarily outstanding annualized return over three years?

Takeaways

- Whereas the Board was more dispersed over the single period question, their responses are more concentrated over the three-year period question.
- Staff's responses were slightly more varied over the three-year period and are marginally more conservative than the Board, on average.
- Neither group expects sustained double-digit returns as merely "good," reflecting pragmatic expectations consistent with actuarial assumptions.

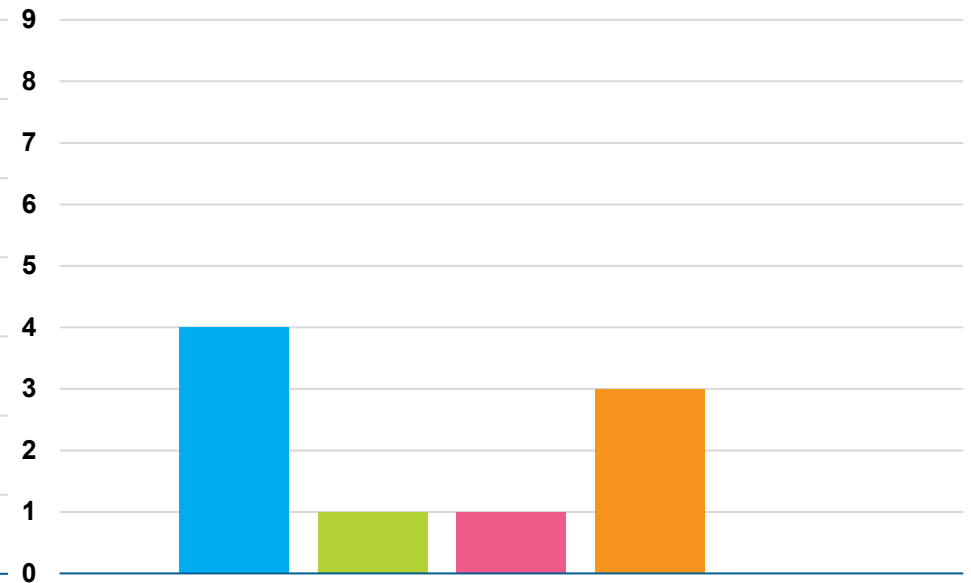
8. As an ERS Trustee, I am most concerned with which of the following macroeconomic issues (and its impact on HIERS) over the next 2-5 years?

Board Results



- Poor economic growth
- High inflation
- Strength of the US as a global economic/financial leader
- Geopolitical conflict
- Capital Markets Liquidity (e.g., private markets)

Staff Results



- Poor economic growth
- High inflation
- Strength of the US as a global economic/financial leader
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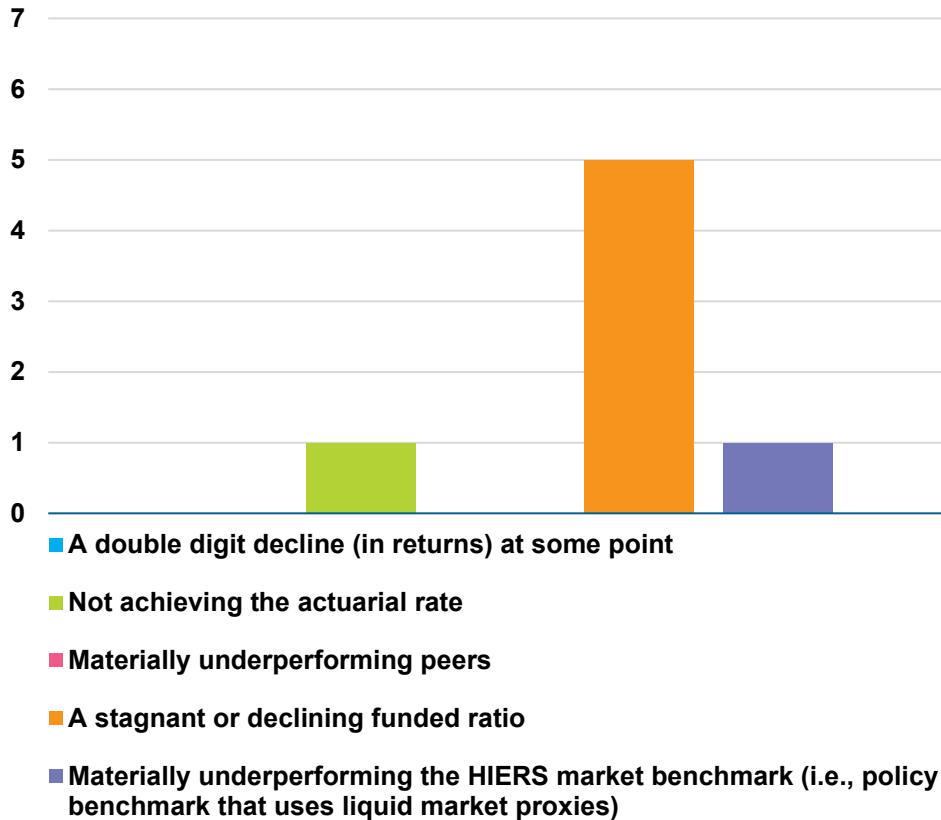
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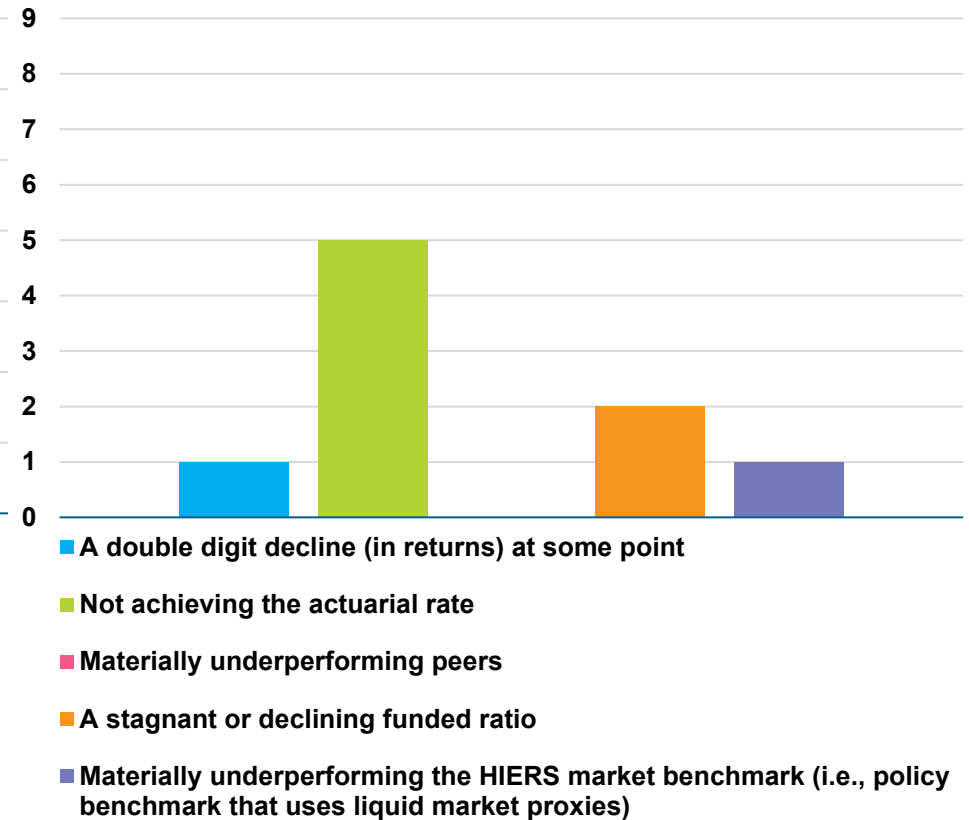
- Geopolitical conflict is the top concern for the Board (43%) and a close second for Staff (33%), while capital markets liquidity registers zero concern from either group.
 - Of the listed issues, geopolitical conflict is the most difficult to prepare for and predict from a strategic asset allocation perspective when pursuing a return at or above 7%.
- Staff shows notably stronger anxiety about poor economic growth (44% vs. 29% for the Board).
- Inflation and US global economic leadership receive minimal attention from both groups (1 selection each).

9. Which of the following outcomes is of the greatest concern over the next 10 years?

Board Results



Staff Results

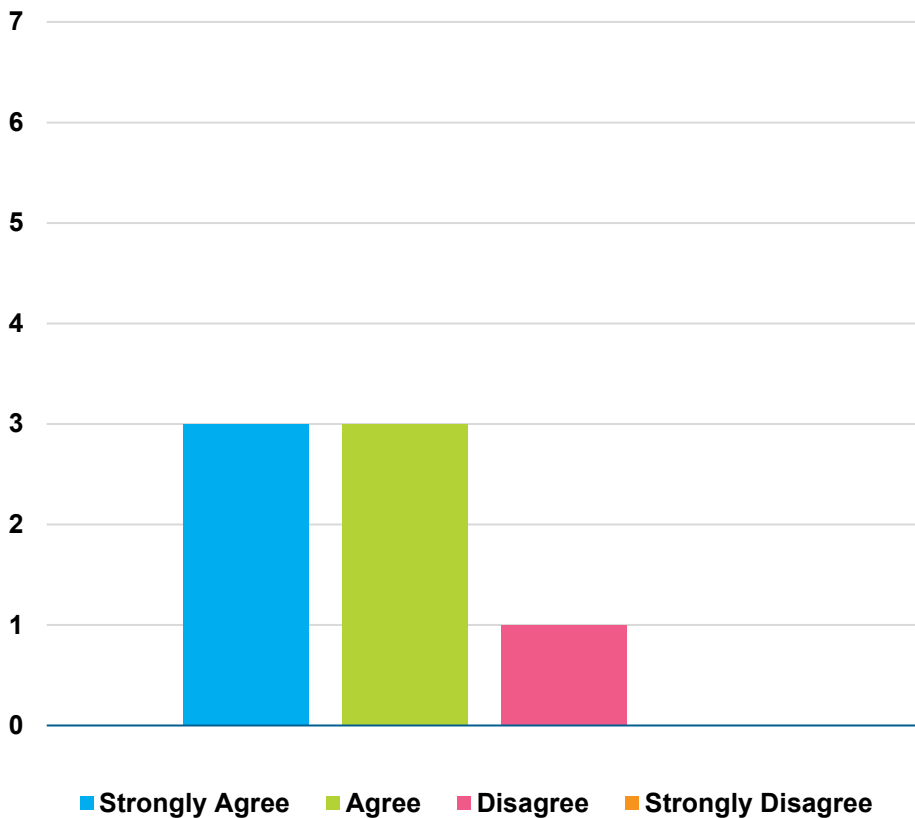


9. Which of the following outcomes is of the greatest concern over the next 10 years?**Takeaways**

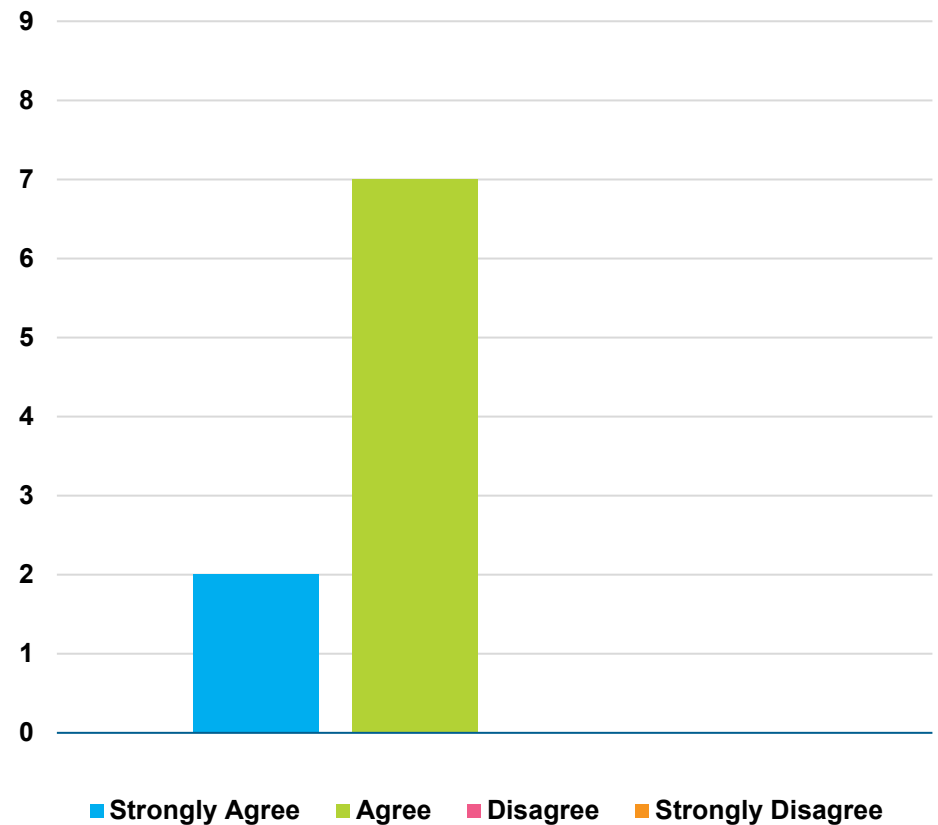
- From a pure response standpoint, this was the sharpest divergence in the survey: the Staff's top concern is not achieving the actuarial rate (56%), while the Board's is a stagnant or declining funded ratio (71%).
 - While these responses are different, they are interrelated as one (achieving the actuarial rate) is a primary input to improving the funded ratio over time.
- Neither group cares about underperforming peers (0% each) — reinforcing the pattern from Q1.

10. To avoid having the State increase its contribution rate, the ERS should minimize the likelihood of exceeding the statutory funding period. (24 years for FY 2025, 20 years beginning FY 2029)

Board Results



Staff Results



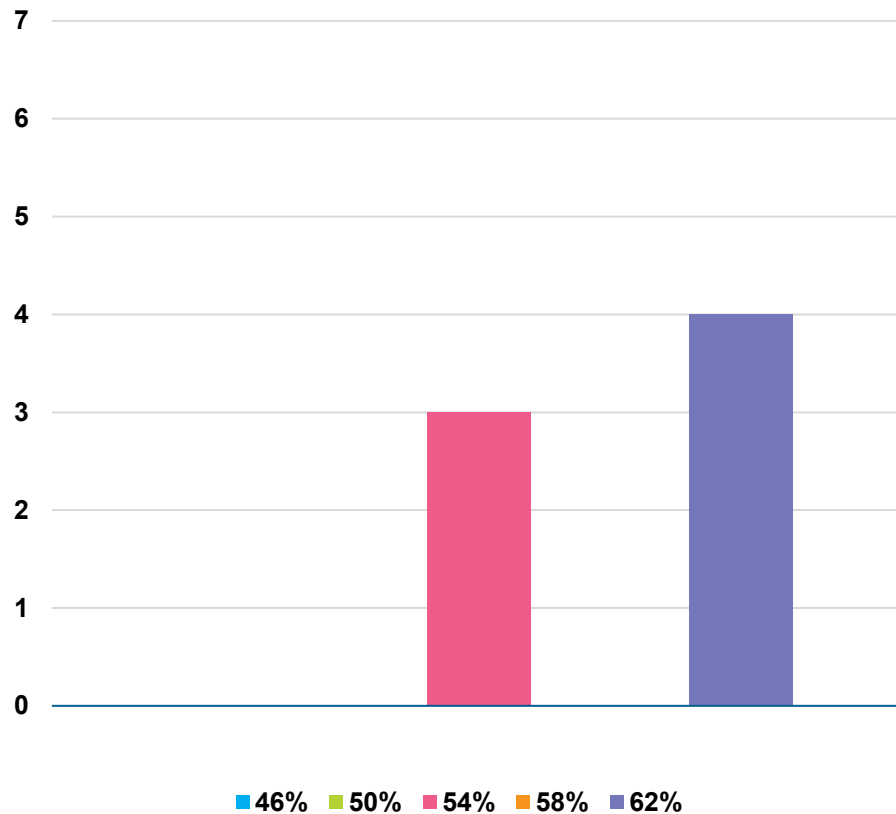
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Takeaways

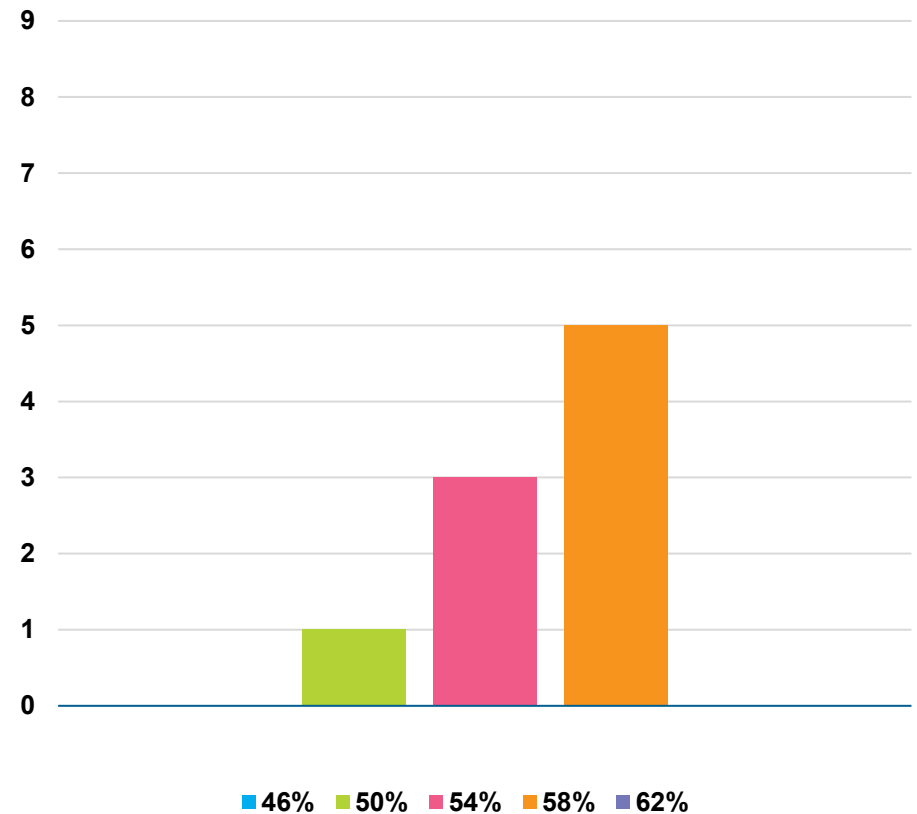
- Staff is unanimous: 100% agree. The Board also largely agrees at 86%, but one Board member dissents — the only disagreement from either group.
- This near-unanimous result underscores that avoiding increased state contribution rates is a near-binding constraint for portfolio construction, not merely a preference

11. What is the minimum funded ratio that the respondent is willing to accept in a market crisis scenario (i.e., very rapid deterioration in economic conditions)?
Current = 63.6% (FY 2025).

Board Results



Staff Results



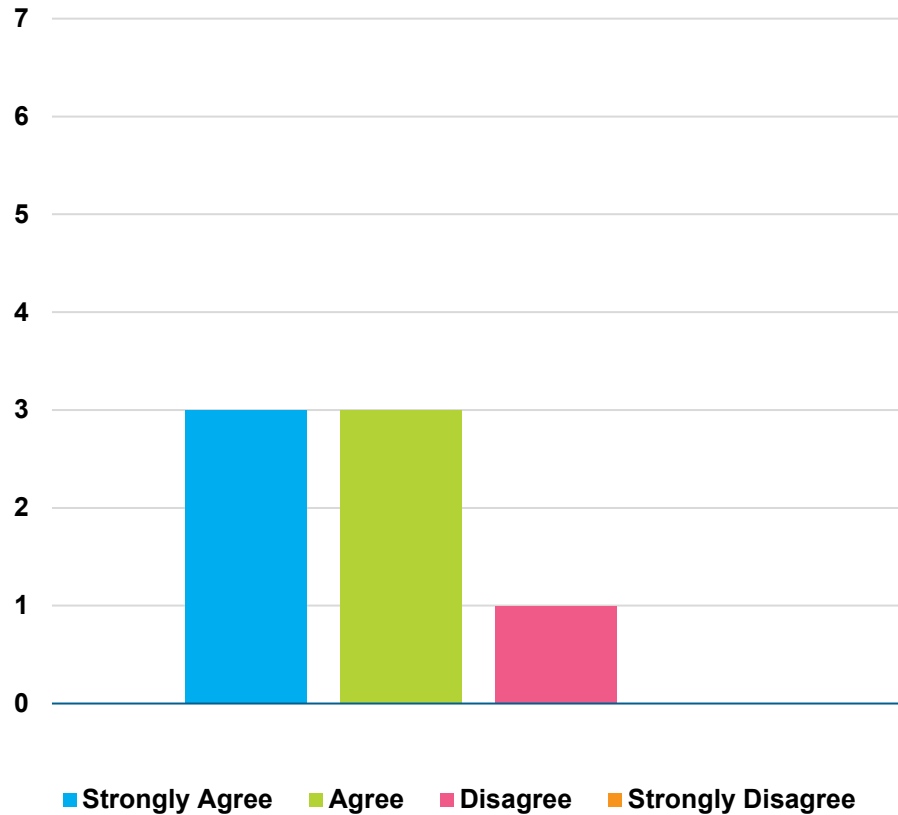
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Current = 63.6% (FY 2025).

Takeaways

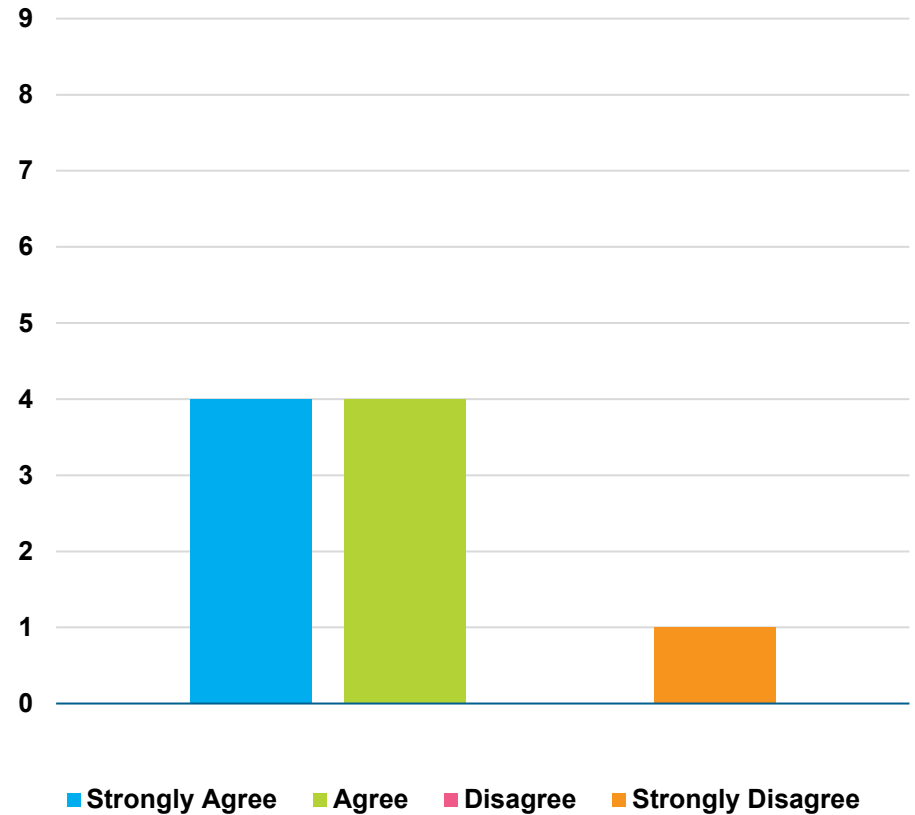
- The Board is polarized: 57% chose 62% (barely below current) while 43% accepted 54%. Staff clusters around 58% (56%), closer to the middle of the range.
 - The Board's split suggests internal disagreement on acceptable crisis drawdown.
 - It is important to manage expectations: during a market crisis situation it is highly likely that the funded ratio will drop by more than the indicated 1.6%.
- Neither group is willing to drop to 50% or below, establishing a clear psychological floor.

12. The Diversifying Strategies class can provide stability in funded ratio level over time.

Board Results



Staff Results

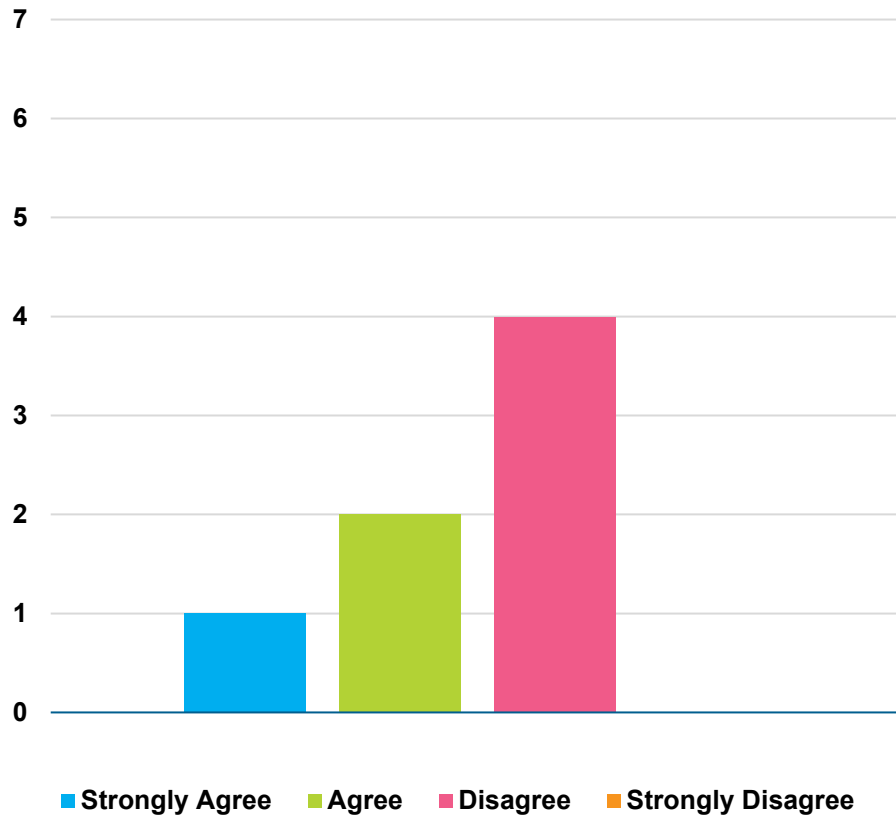


12. The Diversifying Strategies class can provide stability in funded ratio level over time.**Takeaways**

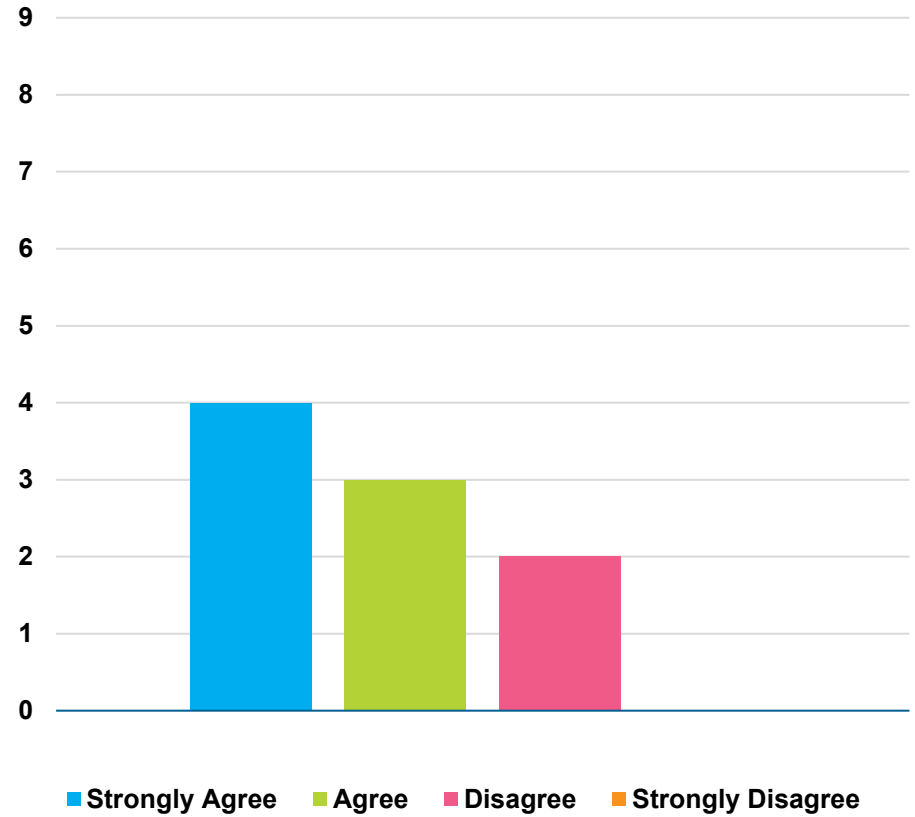
- Broad agreement from both groups with one dissenter in each group.
- The high conviction supports maintaining the Diversifying Strategies class within the HIERS portfolio, where the final allocation to the class dependent overall risk level of the chosen asset allocation policy targets.

13. I understand what can and cannot be included in the HIERS's Diversifying Strategies class.

Board Results



Staff Results

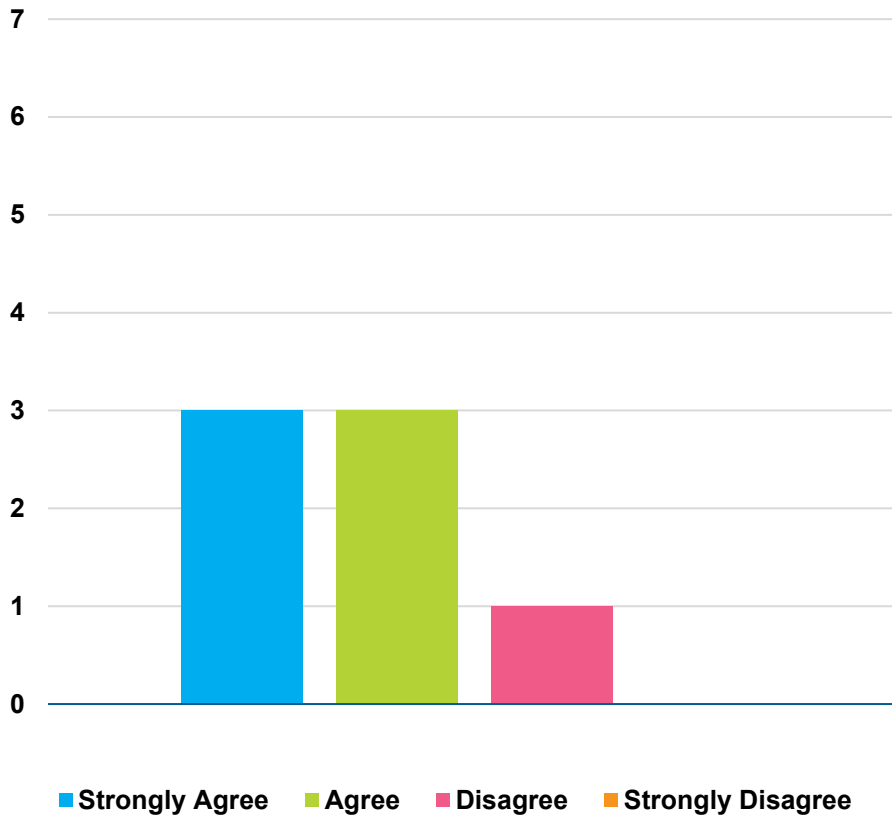


13. I understand what can and cannot be included in the HIERS's Diversifying Strategies class.**Takeaways**

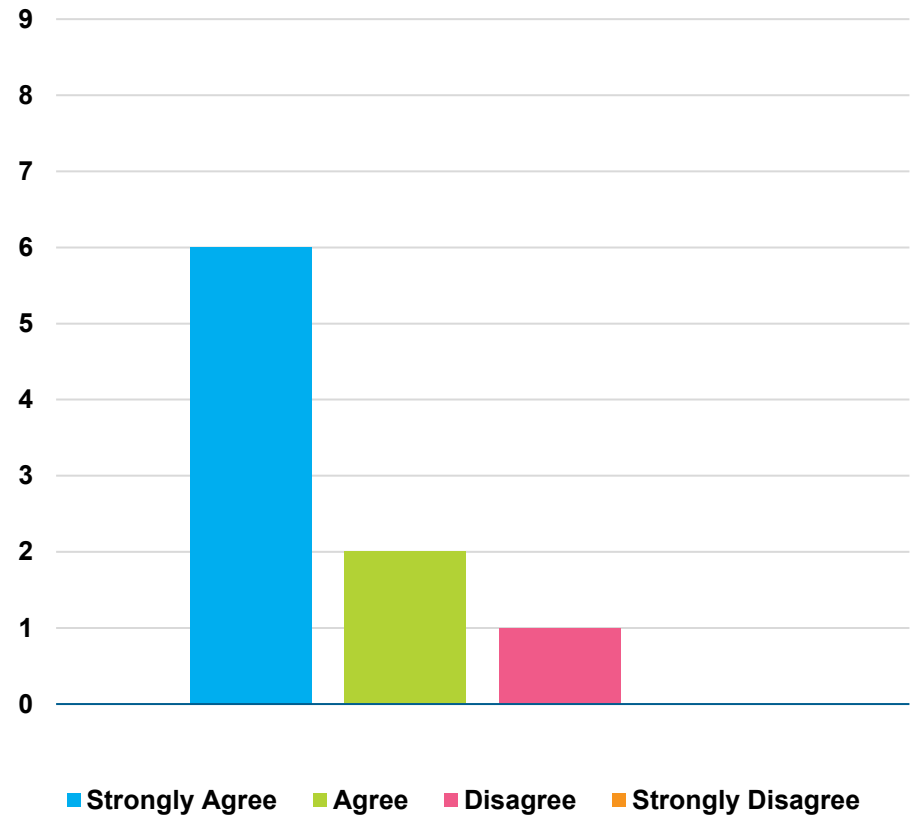
- Significant gap: 78% of Staff agrees they understand the asset class, but only 43% of the Board agrees — a majority of the Board (57%) reports insufficient understanding.
- This Board-side knowledge gap is directly actionable: it suggests a need for targeted trustee education about the class and its historical/current/future components.

14. The cash-flow position of the Fund (e.g., net positive contributions or net negative benefit payments) is an important consideration when constructing an investment portfolio.

Board Results



Staff Results



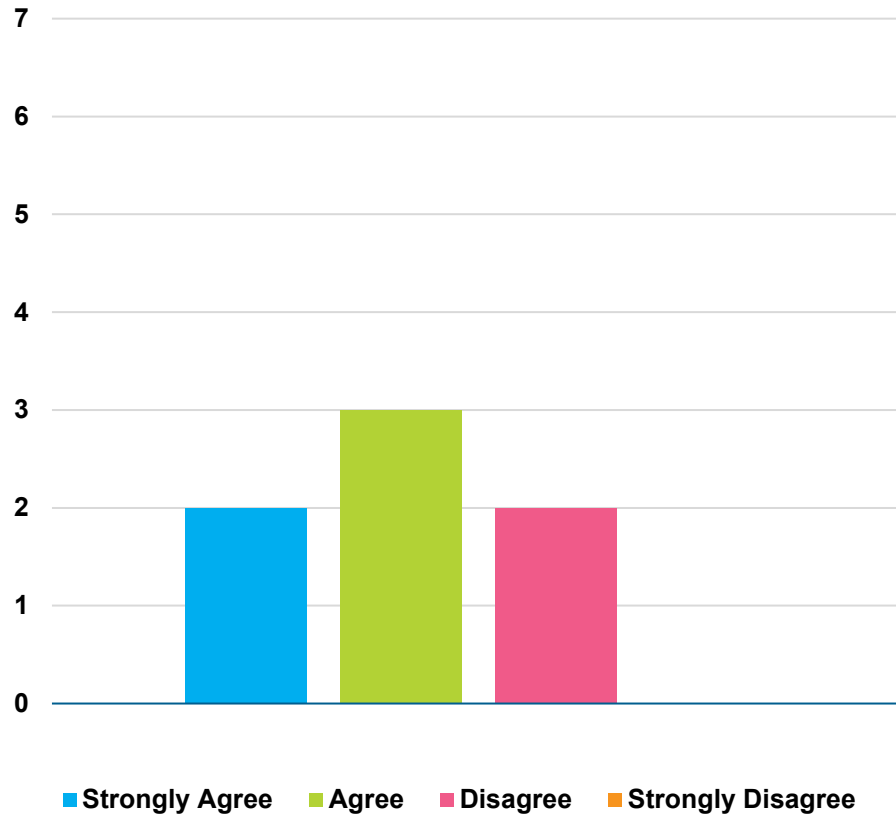
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Takeaways

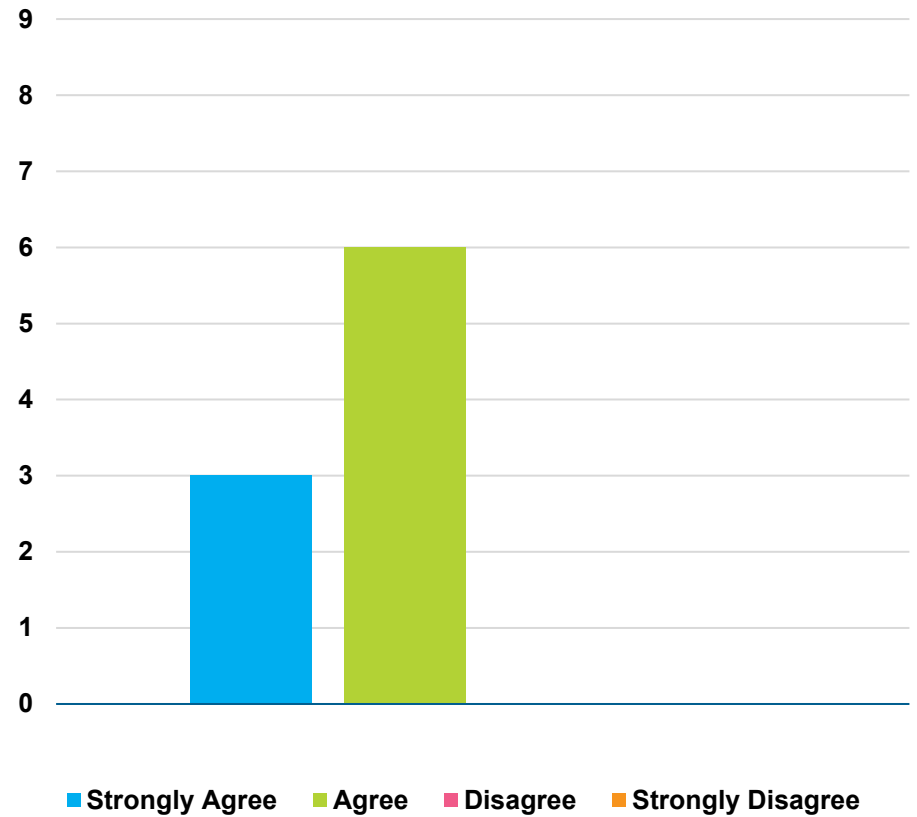
- Near-unanimous agreement across both the Board and Staff.
- This validates incorporating cash-flow modeling and liquidity needs explicitly into the asset allocation framework.
- The two “disagree” responses is something of concern, as the net cash-flow position is a critical consideration for portfolio construction. While there are elements of art and science in asset allocation design, the cash-flow position of a system is as close to science (and a headwind) as one can get in the overall process.

15. I understand what it means to be a risk-focused pension system.

Board Results



Staff Results

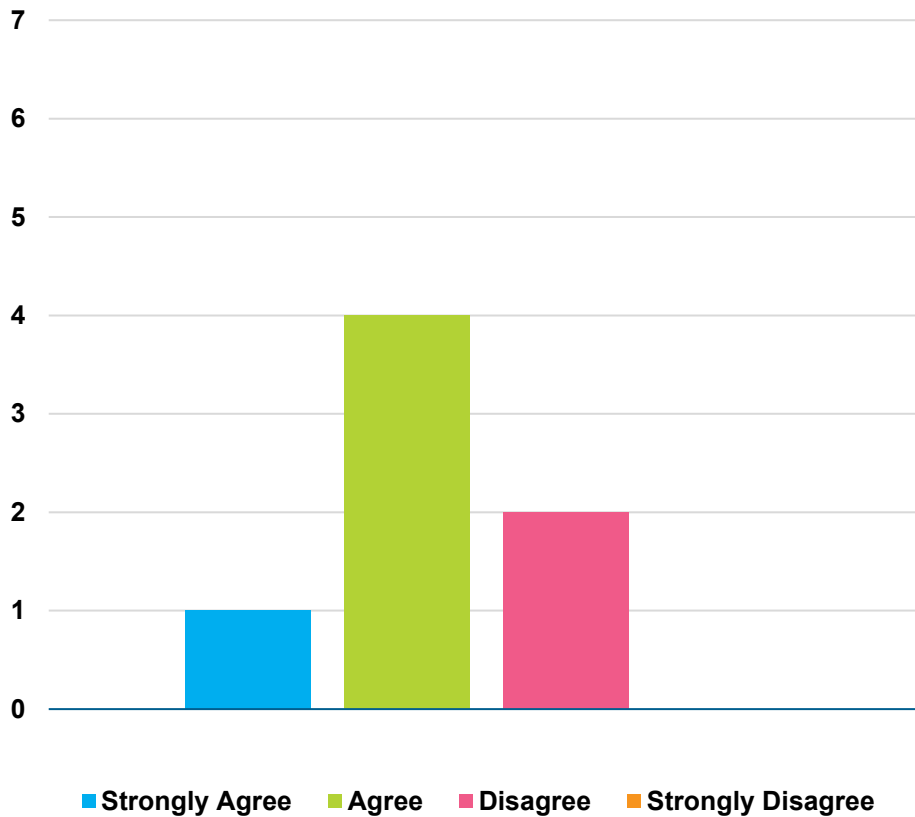


15. I understand what it means to be a risk-focused pension system.**Takeaways**

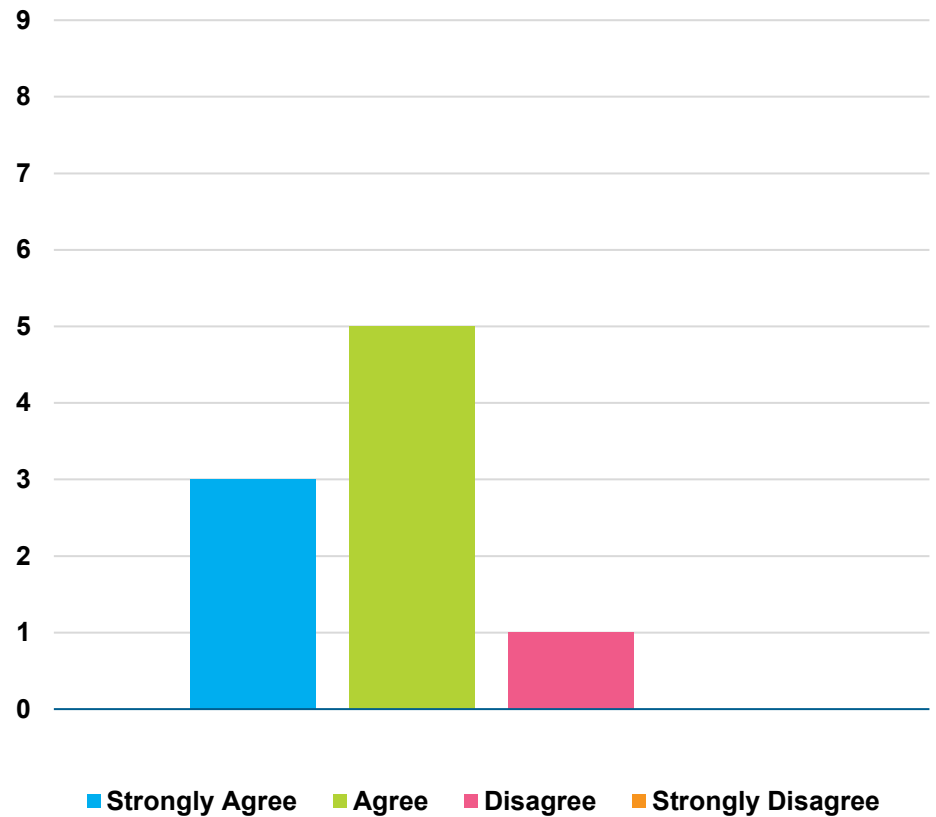
- Staff is fully confident: 100% agree. The Board is slightly less certain at 71% agreeing and 29% disagreeing — echoing the potential knowledge gap pattern from Q13.
- Combined with Q13, this points to a broader education opportunity for the Board on the fund's investment philosophy and risk framework.

16. High fee strategies are worthwhile if they produce high net-of-fee returns (e.g., a strategy with a 1% management fee and an 8.5% expected net-of-fee return is preferred to a strategy with a 20 basis point management fee and an 8.3% expected net-of-fee return).

Board Results



Staff Results



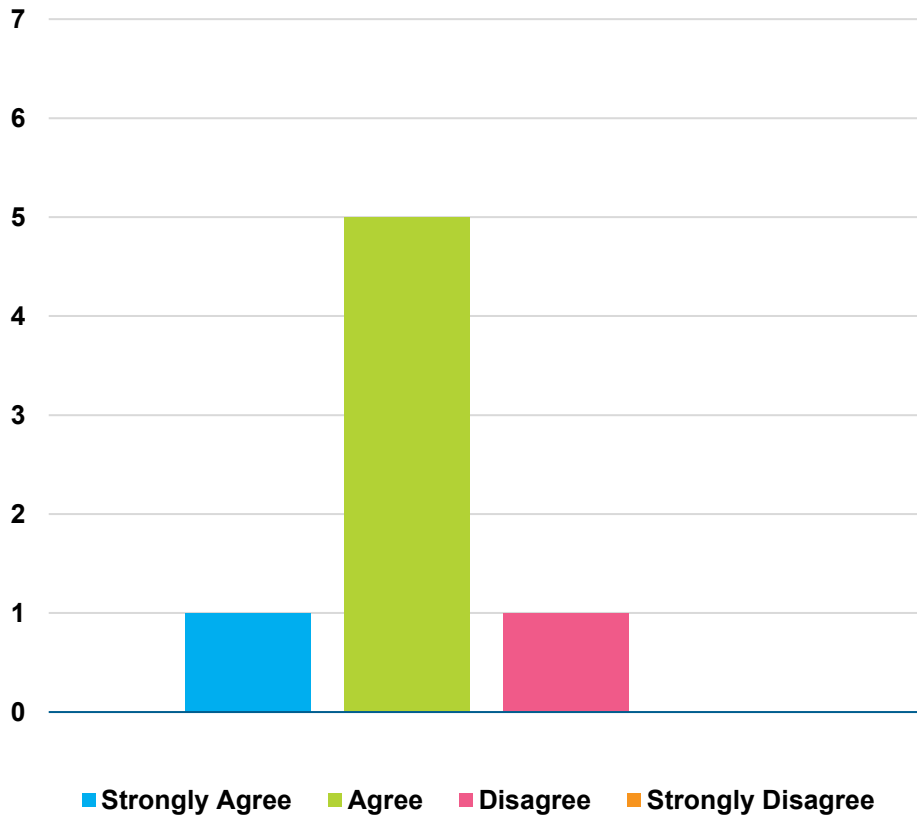
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Takeaways

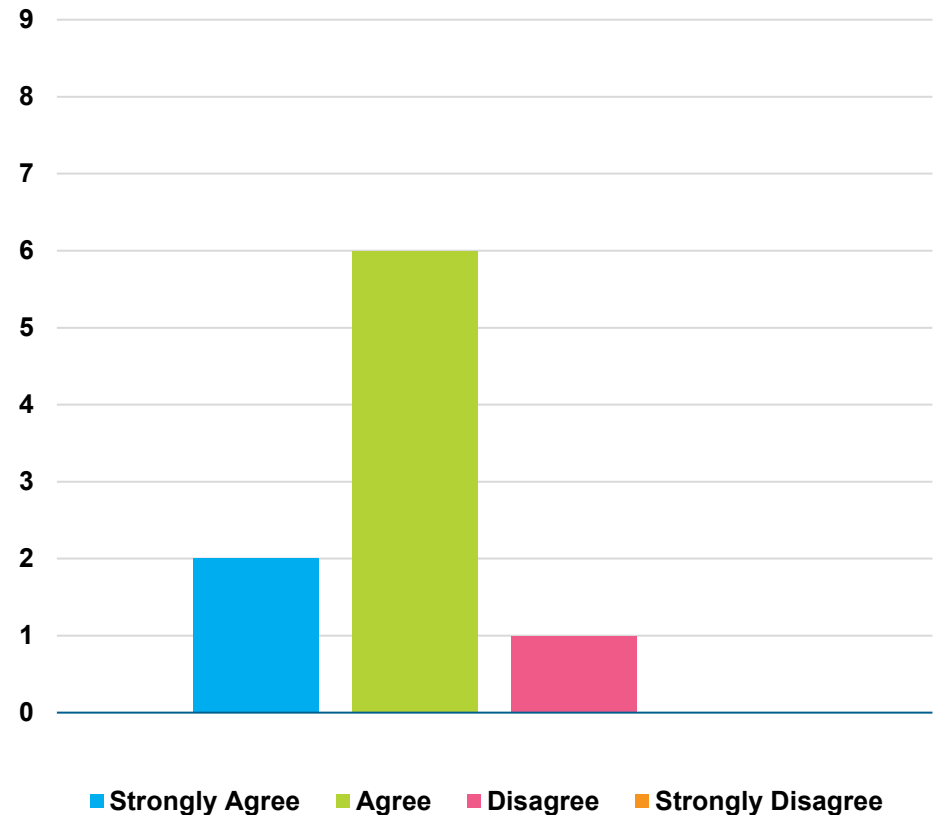
- General support across both groups for a focus on net-of-fee results over simple fee minimization.
- The slightly disagreement from both groups suggests a minority remains skeptical about fee-for-performance arguments.

17. Illiquid strategies typically return more than similar-risk, liquid strategies (e.g., private equity typically returns more than public equity on a risk-adjusted basis).

Board Results



Staff Results



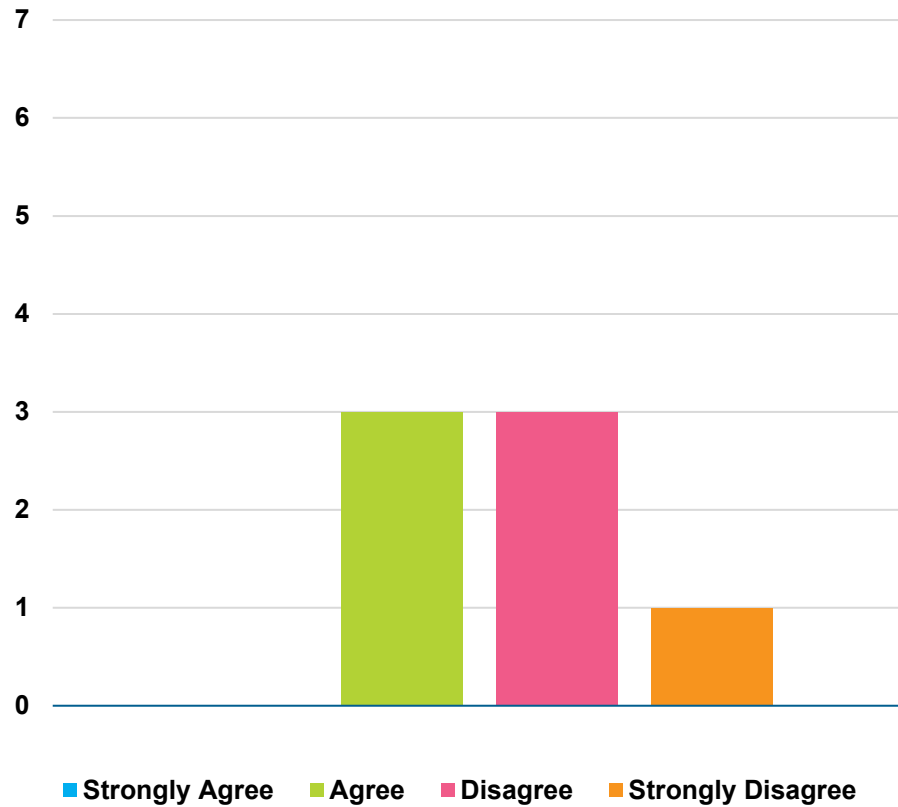
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Takeaways

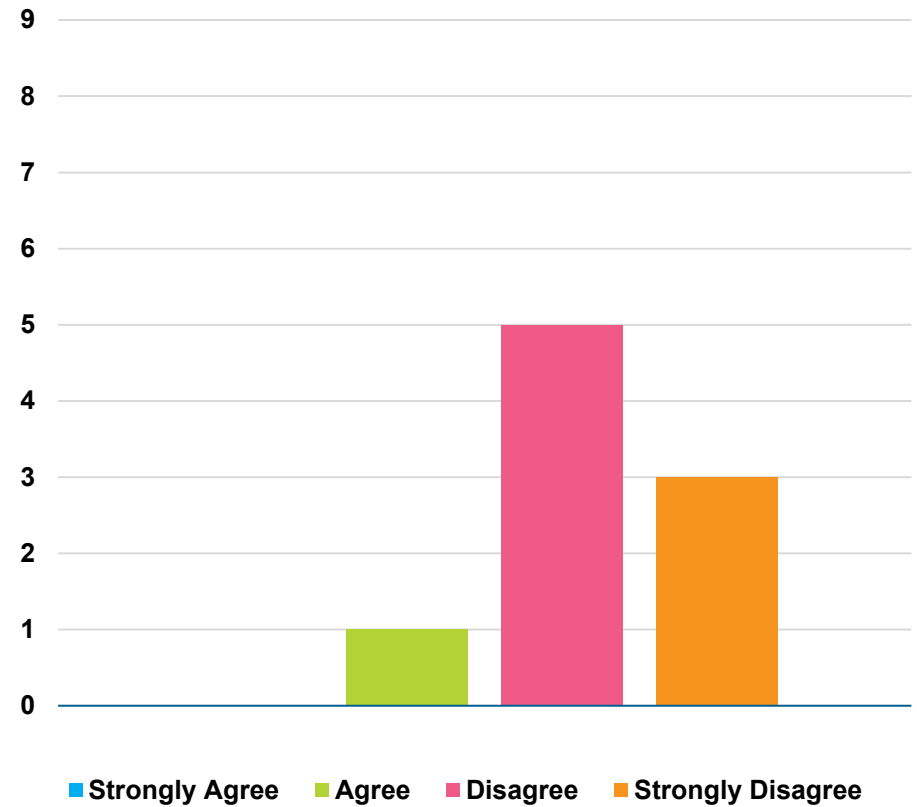
- Strong agreement from both groups (Board 86%, Staff 89%), indicating broad acceptance of the illiquidity premium thesis underpinning private market allocations.
- Near-identical conviction levels suggest this won't be a contested assumption in future asset allocation discussions.

18. Looking different from peers (e.g., asset allocation, return behavior, etc.) is something that concerns me.

Board Results



Staff Results



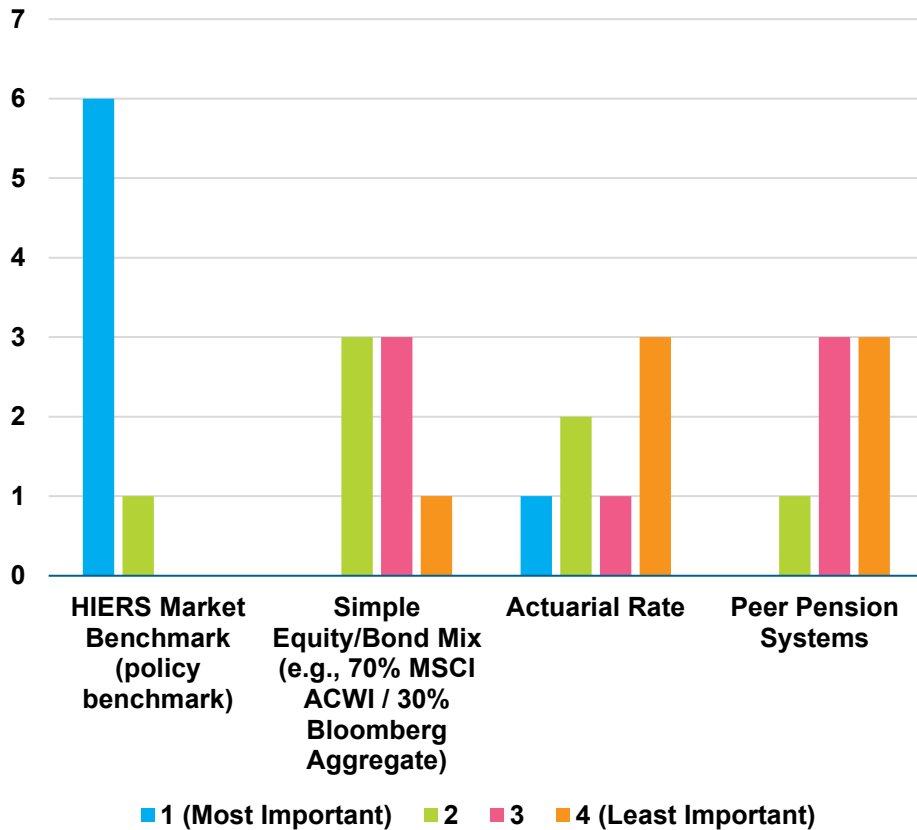
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is something that concerns me.**

Takeaways

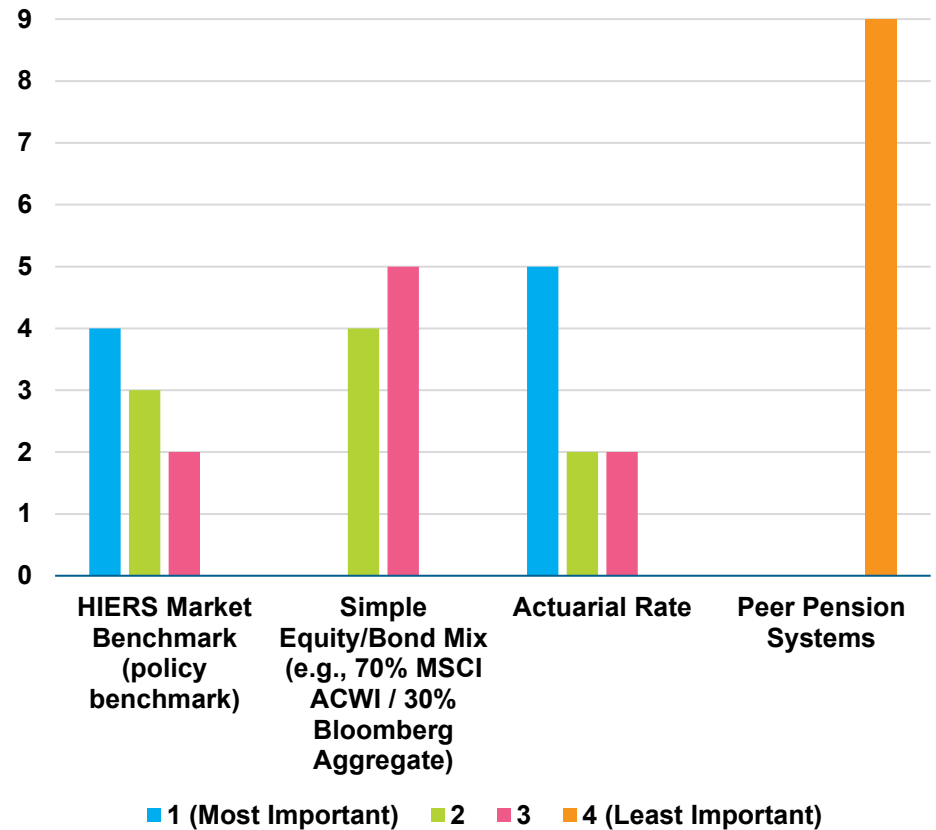
- Staff is emphatic: 89% disagree (33% strongly), signaling strong willingness to pursue a differentiated strategy if chosen by the Board.
 - The Board is more ambivalent at only 57% disagreeing.
- The 43% of the Board who are concerned about peer differentiation is somewhat at odds with prior responses (e.g., peer relative performance being a lower priority).
 - This supports potential modeling output that quantifies how “different” the HIERS portfolio is compared to peers. However, using this as a primary decision factor would be suboptimal from multiple angles.

19. Rank the following “benchmarks” in order of what you would prefer to not see HIERS “underperform” over a 1-5 year horizon.

Board Results



Staff Results



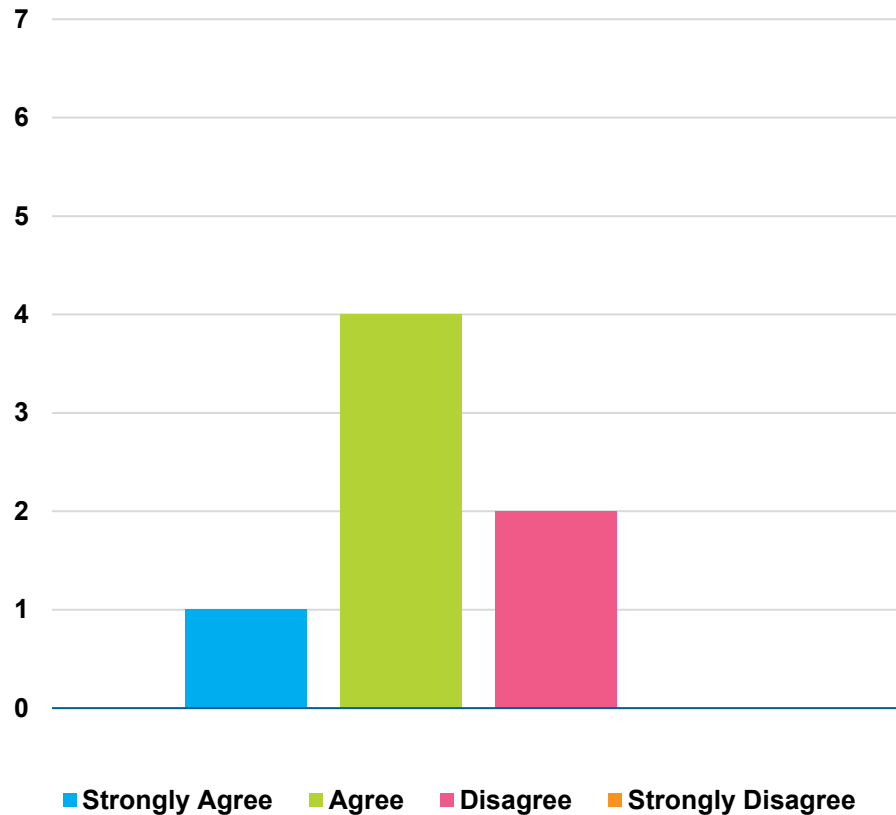
19. Rank the following “benchmarks” in order of what you would prefer to not see HIERS “underperform” over a 1-5 year horizon.

Takeaways

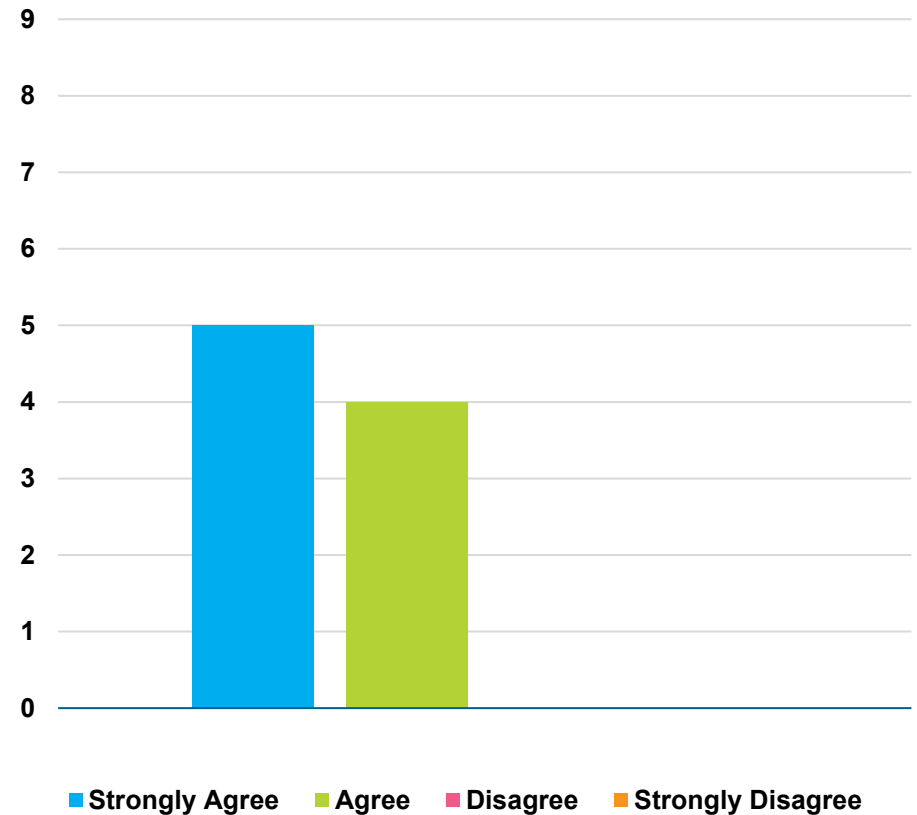
- The Board overwhelmingly prioritizes the HIERS market benchmark (avg rank 1.14 — nearly unanimous #1). Staff splits between the actuarial rate (avg 1.67) and the market benchmark (avg 1.78).
 - It is important to recognize that outperforming the market benchmark does not guarantee total system success, whereas outperforming the actuarial rate would (subject to contribution levels and other actuarial considerations).
- Both groups rank peer pension systems last, but Staff is absolute: all 9 respondents ranked peers dead last (avg 4.0) — the strongest single-item consensus in the entire survey.
- Staff's emphasis on the actuarial rate as a co-equal benchmark reflects their return-hurdle focus seen in Q9.

20. A globally diversified portfolio (e.g., US, non-US developed, and emerging markets) offers a better forward- looking risk-adjusted portfolio than a US-centric portfolio.

Board Results



Staff Results



20. A globally diversified portfolio (e.g., US, non-US developed, and emerging markets) offers a better forward- looking risk-adjusted portfolio than a US-centric portfolio.

Takeaways

- Staff unanimously agrees (100%, 56% strongly), while the Board shows meaningful skepticism — only 71% agree and 29% disagree. This is one of the larger conviction gaps in the survey.
- The Board's dissent may reflect recency bias from US market outperformance, geopolitical conflict (as discussed in Q8), or caution about non-US complexity.
 - This warrants further discussion regarding regional biases and associated merits/considerations.

Conclusion

For the most important questions, there is general consensus across both groups. Compared to prior surveys, there are more areas of divergence — not necessarily a negative, but it should encourage additional dialogue during the asset-liability process.

Summary of Results

- Both groups are critically focused on improving the funded ratio over the medium- and long-term. “Maintaining consistent progress” ranked #1 for both Board (avg 1.57) and Staff (avg 1.56), and “achieving 100% funding” ranked #2 for both.
- No respondent from either group favors reducing portfolio risk. Further dialogue should help clarify how “risk” is viewed by both parties.
- It will be important to examine probabilities of experiencing downside scenarios. Both groups set a crisis-scenario funded ratio floor around 54–58% (currently 63.6%), but certain viewpoints may be unrealistic under severely deteriorating conditions.
- Reaffirm the hierarchy of benchmarks: the Board prioritizes the HIERS market benchmark; Staff weighs the actuarial rate equally. Both tend to view peer comparisons as less important, but the Board provided a divergent answer to a related question.
- Explore pros/cons of a regionally diversified portfolio. Staff unanimously supports global diversification, while the Board shows meaningful skepticism (71% agree, 29% disagree).
- Provide further education on the Diversifying Strategies class and its existing/future components. A majority of the Board (57%) reports insufficient understanding of the asset class, and 29% are uncertain about what it means to be a risk-focused pension system. Staff shows strong confidence on both fronts (78% and 100%).

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Private Equity Strategic Summary

December 31, 2025

Market Value

\$4.77b
Dec. 31, 2024

\$5.15b
Dec. 31, 2025

✓ \$380 million net capital appreciation over the 1-year period

Asset Allocation

Strategy	Current NAV	%	Target	Notes
Buyouts	3,271	63.6%	60-80%	
Co/Direct Investments	69	1.3%	0-10%	
Growth Equity & Venture Cap.	1,536	29.8%	20-35%	
Secondaries, Special Sits, Mezz, & Distressed	269	5.2%	0-10%	[1]
Total	5,145	100.0%		

[1] Remaining amounts are legacy holdings currently being managed to maturity.

✓ Allocations in line with strategic targets

Long-Term Appreciation

11.7%
ITD

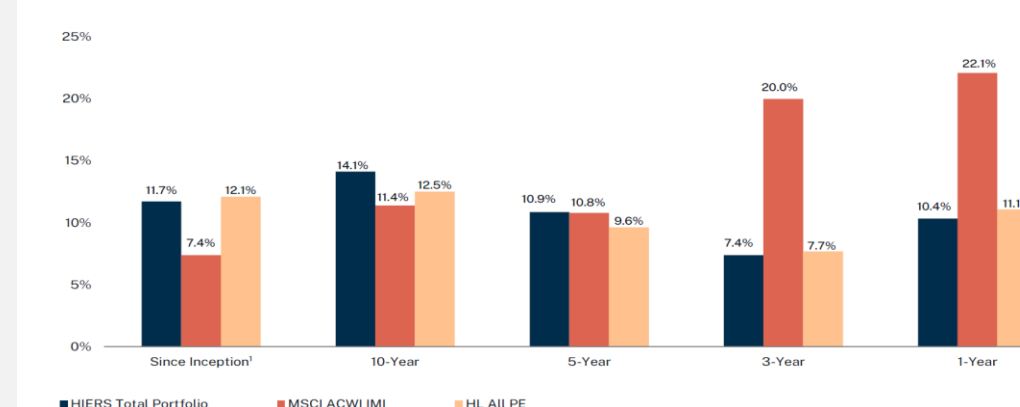
14.1%
10-Yrs

10.9%
5-Yrs

✓ Consistent delivery of long-term returns

Absolute Returns vs. Peers & Benchmarks

IRR Performance as of December 31, 2025:



✓ Long-term returns meeting/exceeding benchmarks

Liquidity Management

	1Q 2025	2Q 2025	3Q 2025	4Q 2025	Total
Pd In	(148.8)	(129.8)	(114.0)	(161.4)	(554.0)
Cap. Dist	104.3	180.3	179.0	211.4	675.0
Net	(44.5)	50.5	65.0	50.0	121.0

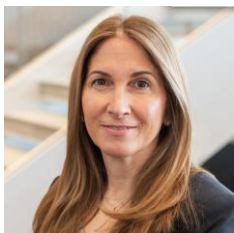
✓ Distributions exceeded contributions



Employees' Retirement System of the State of Hawaii

May 2026 Private Equity Program Update

Presenters



Ilene Levinson | Managing Director

Ilene is a Managing Director on the Fund Investment & Managed Solutions team, responsible for all aspects of fund due diligence in North America. She is a member of the Primary Fund Investment Committee.

Previously, Ilene was the Co-Investment Product Manager in the Product Management Group, where she served as the primary point of contact for all aspects of client relations for Hamilton Lane's co-investment activities.

Prior to joining Hamilton Lane in 2012, Ilene was a Principal at Beringea, focusing on private equity investing in the healthcare and media sectors. Previously, she worked as a Portfolio Manager at Harvard Planning and Real Estate and a Corporate Financial Analyst at Lehman Brothers.

Ilene received an M.B.A from the Darden School of Business at the University of Virginia and a B.A. from Wesleyan University.



Paul Yett | Managing Director

Paul is a Managing Director at Hamilton Lane, based in the San Francisco office, working closely with clients. Paul is the Chair of the Responsible Investment Committee, providing oversight for Hamilton Lane's responsible investment activities (as defined by ESG Risk Framework, Sustainable and Impact investments). Previously, Paul was the Director of ESG & Sustainability.

Paul began his career in the private markets in 1994 with Stone Pine Asset Management. He joined Hamilton Lane in 1998 as an investment professional and later manager of the global venture capital practice before taking on the role of Relationship Manager on the client service team.

Paul served on the Board of Directors of the Robert Toigo Foundation, focused on building stronger, more diverse organizations through the inclusion and advancement of under-represented diverse talent across finance.

Paul received a B.S. in Finance from San Diego State University and currently sits on the Board of Advisors for the University's International Business School.

Agenda

- Portfolio Review.....4
- Market Update.....14
- Appendix.....18

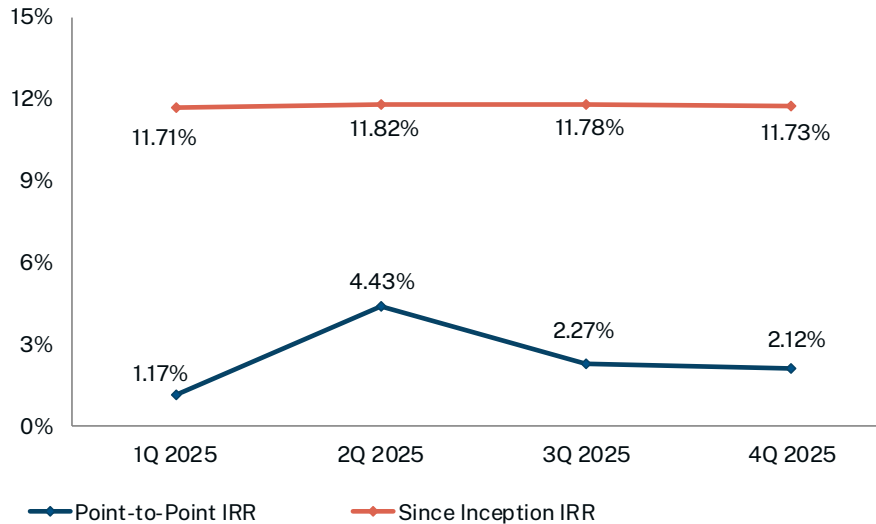
Portfolio Review

PE Portfolio Highlights – December 31, 2025

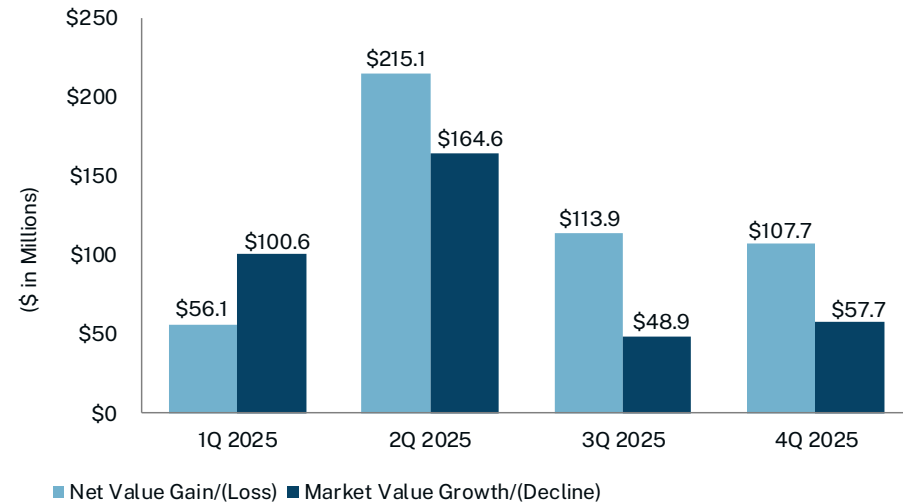
Performance

- Portfolio generated quarterly net IRR of 2.12%, or net value increase of \$107.7M
- The Portfolio outperformed its public benchmark, MSCI ACWI IMI, by 433 bps on a since inception basis
- Portfolio generated positive performance during one-year period with gains of \$492.8M

PE Portfolio Returns:



PE Portfolio Value Created:



Portfolio Snapshot

- Q4 2025: continued positive performance
 - Quarterly IRR of 2.12%
 - Net value change to \$107.7M
- Q1 2026 represents fourth quarter in a row of positive net cash flow

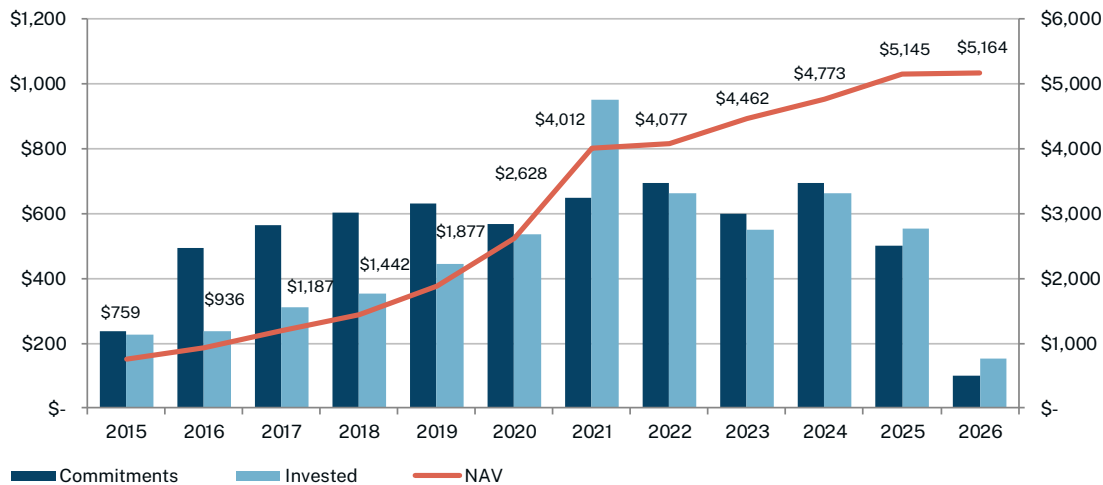
Portfolio Snapshot			
(USD in Millions)	9/30/2025	12/31/2025	Change
Total Active Partnerships	262	262	-
Liquidated Partnerships	103	107	4
Active GP Relationships	98	95	(3)
Capital Committed ¹	\$8,062.9	\$8,263.3	\$200.40
Unfunded Commitment	\$2,328.1	\$2,385.4	\$57.3
Paid-In Capital	\$6,385.7	\$6,547.0	\$161.3
Capital Distributed	\$5,043.3	\$5,254.7	\$211.4
Market Value	\$5,087.1	\$5,144.8	\$57.7
Total Value Multiple	1.6x	1.6x	0.0x
Realized Value Multiple	0.8x	0.8x	0.0x
Since Inception IRR	11.78%	11.73%	(5 bps)

Note: Change over the period may not sum due to rounding.

¹ The change in capital committed represents any new commitments in addition to currency fluctuations from foreign denominated partnerships.

Annual Portfolio Growth²

USD in Millions



- PE market value is up 7.8% over the one-year period ending 12/31/2025
 - Market value up 1.1% for the quarter

² 2026 commitments as of May 12, 2026; invested includes 2025 contributions through 3/31/2026

Quarterly Performance

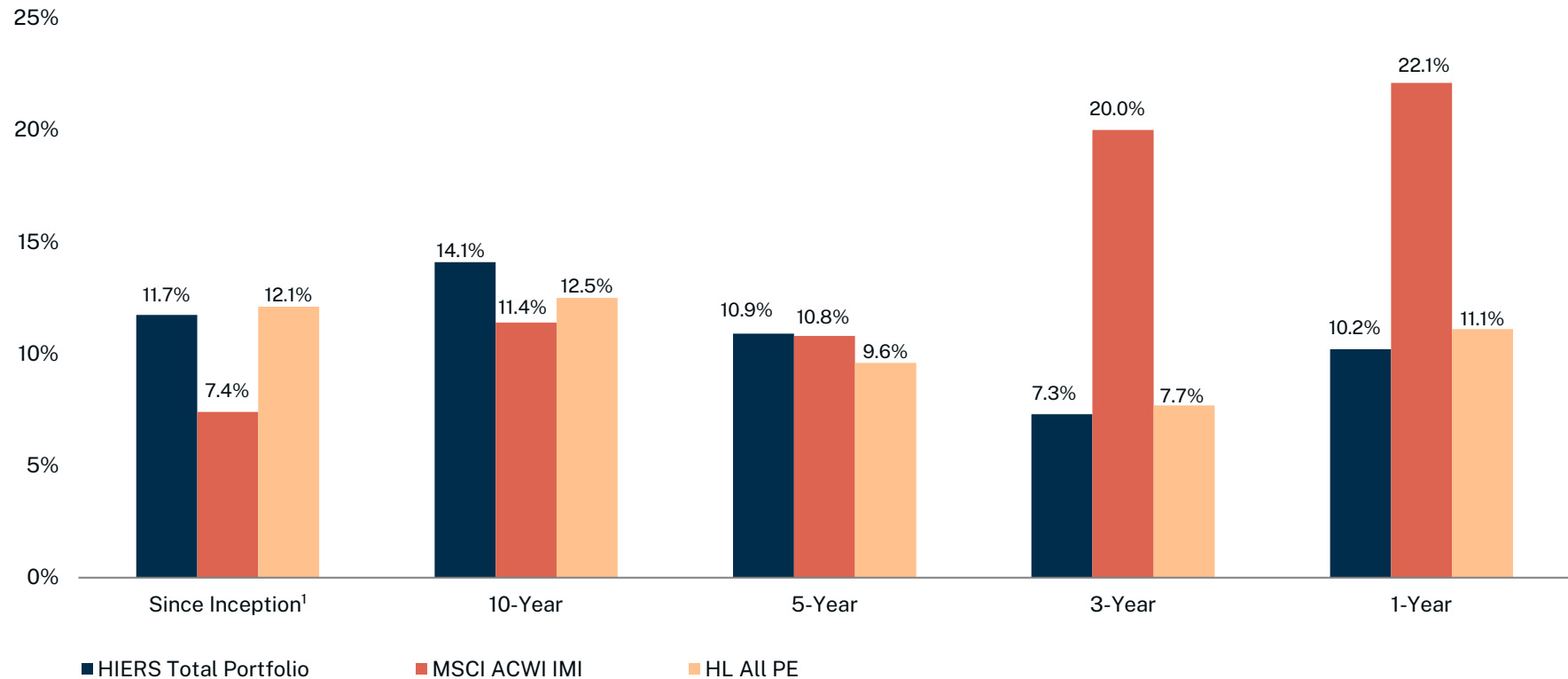
Portfolio Summary					
\$ millions	Quarter Ended				Year Ended
	3/31/2025	6/30/2025	9/30/2025	12/31/2025	12/31/2025
Beginning Market Value	\$4,773.0	\$4,873.6	\$5,038.2	\$5,087.1	\$4,773.0
Paid-In Capital	148.8	129.8	114.0	161.4	554.0
Distributions	104.3	180.3	179.0	211.4	675.0
Net Value Change	\$56.1	\$215.1	\$113.9	\$107.7	\$492.8
Ending Market Value	4,873.6	5,038.2	5,087.1	5,144.8	5,144.8
Unfunded Commitments	2,184.2	2,291.7	2,328.1	2,385.4	2,385.4
Total Exposure	\$7,057.8	\$7,329.9	\$7,415.2	\$7,530.2	\$7,530.2
Point-to-Point IRR	1.17%	4.43%	2.27%	2.12%	10.35%
Since Inception IRR	11.71%	11.82%	11.78%	11.73%	11.73%

- Q4 2025 represents the 51st quarter of positive net value gain out of the last 54 quarters
- \$492.8M net value increase over LTM period with all four quarters generating gains

Performance Against Benchmarks

HIERS' Portfolio generally outperforms benchmarks over longer time periods

IRR Performance as of December 31, 2025



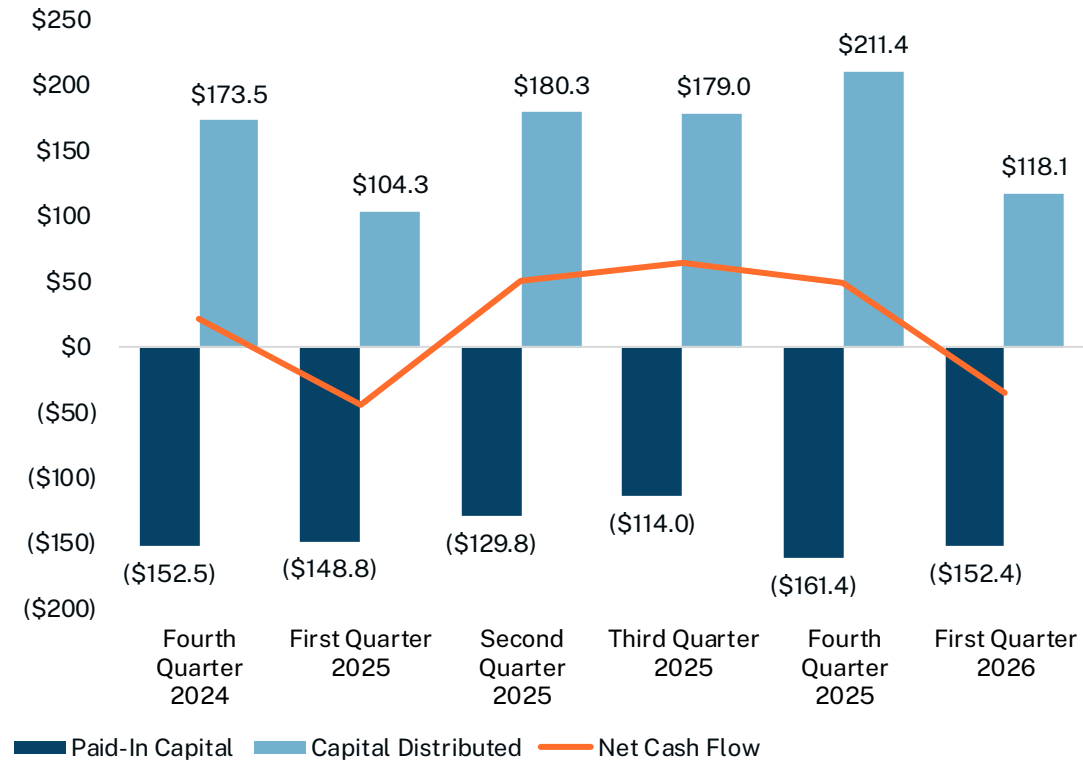
- Portfolio outperforming benchmark, MSCI ACWI IMI, across the 5-year, 10-year periods and since Inception periods
 - Portfolio outperforms public benchmark by 433 bps on a since inception basis
 - Average premium above MSCI of 238 bps across the 5-year, 10-year, and since inception periods

¹ Since Inception benchmark (MSCI ACWI IMI & HL All PE) start date is equal to HIERs Total Portfolio Since Inception start date of 9/16/1997.

Note: IRR Straight Return methodology used for MSCI ACWI Public Benchmarks.

Cash Flow Activity

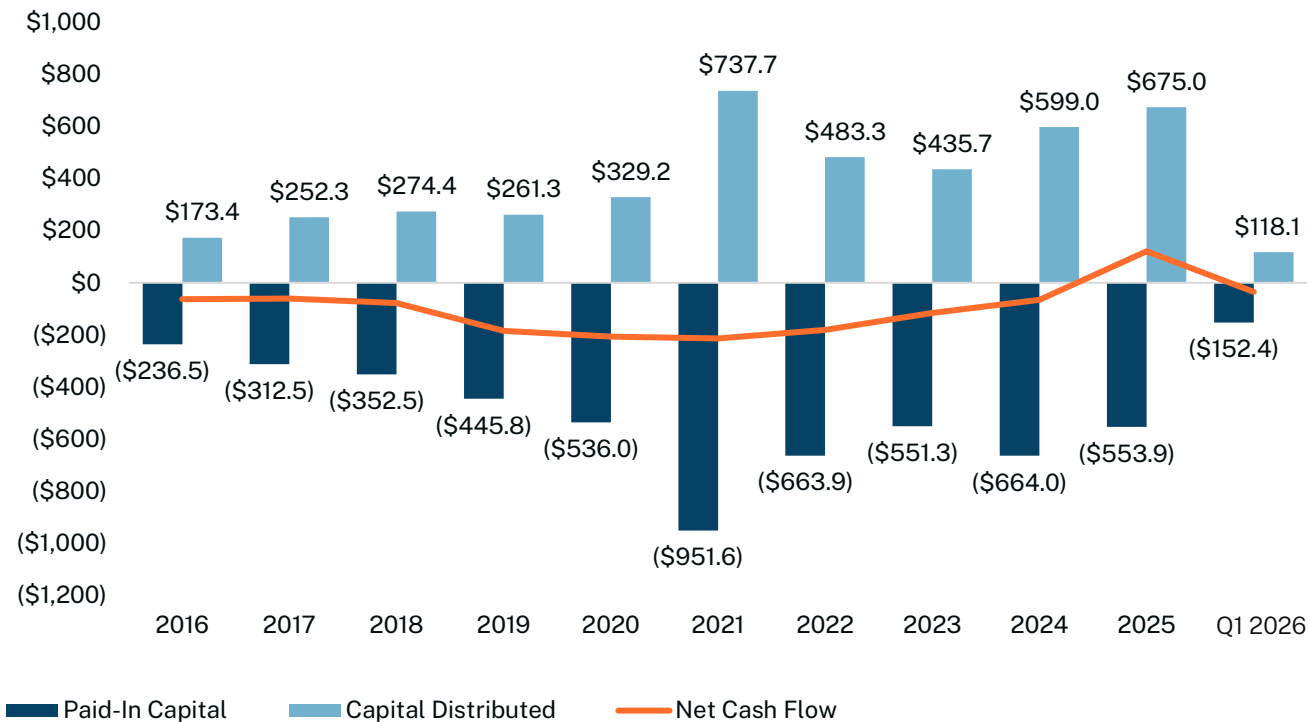
Quarterly Contributions and Distributions



- Contributions outweighed distributions by \$34.2M in Q1 2026
 - Q1 2026 contributions down 6% from Q4 2025; distributions down 44%
 - Q1 2026 contributions and distributions are up 2% and 13%, respectively, from Q1 2025

Cash Flow Activity

Annual Contributions and Distributions



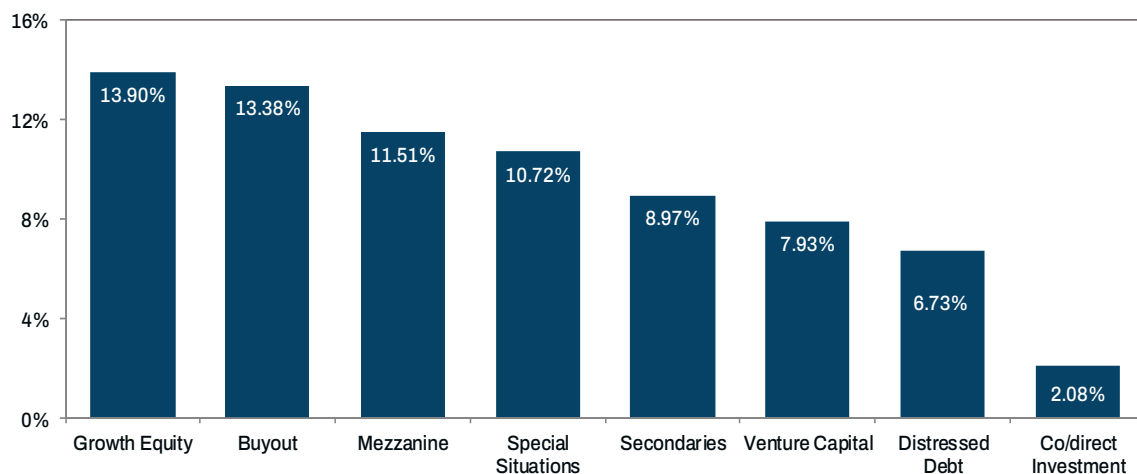
Foundation Manager Performance – December 31, 2025

Manager	Number of Funds	Commitment	Paid-In Capital	Unfunded Commitment	Distributions	Market Value	D/PI	Multiple	IRR
Manager 1	7	\$182.1	\$158.9	\$22.2	\$152.1	\$124.1	0.96x	1.74x	15.70%
Manager 2	2	85.0	88.4	14.1	69.8	79.3	0.79x	1.69x	12.50%
Manager 3	2	85.0	35.9	49.1	0.0	42.9	0.00x	1.20x	6.98%
Manager 4	2	95.0	101.0	12.9	34.4	107.9	0.34x	1.41x	12.50%
Manager 5	10	370.7	345.5	113.7	272.9	261.2	0.79x	1.55x	14.32%
Manager 6	3	182.4	87.2	95.2	35.3	88.1	0.40x	1.41x	14.06%
Manager 7	3	222.7	95.9	125.4	67.0	97.2	0.70x	1.71x	19.98%
Manager 8	3	150.0	95.7	63.7	14.8	108.8	0.16x	1.29x	7.90%
Manager 9	8	234.3	200.8	51.8	187.1	172.0	0.93x	1.79x	20.71%
Manager 10	2	85.0	99.1	12.2	46.6	92.8	0.47x	1.41x	11.38%
Manager 11	11	135.0	122.5	12.5	3.4	178.7	0.03x	1.49x	14.23%
Manager 12	3	144.6	105.8	47.9	53.8	121.2	0.51x	1.65x	18.31%
Manager 13	8	143.5	103.0	42.1	194.4	21.4	1.89x	2.10x	14.02%
Manager 14	5	216.0	169.4	60.0	68.7	202.1	0.41x	1.60x	12.54%
Manager 15	2	80.0	59.2	20.9	25.5	71.0	0.43x	1.63x	19.37%
Manager 16	6	104.8	111.1	7.6	107.6	118.5	0.97x	2.03x	21.22%
Manager 17	4	206.6	92.7	120.0	30.9	125.7	0.33x	1.69x	14.91%
Manager 18	5	167.0	143.9	38.5	135.1	105.9	0.94x	1.68x	13.63%
Manager 19	9	192.2	186.0	41.2	187.6	127.5	1.01x	1.69x	14.34%
Manager 20	8	180.0	106.8	73.1	1.1	165.5	0.01x	1.56x	14.12%
Manager 21	11	180.0	161.3	18.5	149.8	164.4	0.93x	1.95x	9.66%
Manager 22	4	202.5	95.1	109.7	6.6	123.2	0.07x	1.36x	9.54%
Manager 23	4	155.0	137.9	30.4	65.5	134.1	0.48x	1.45x	10.93%
Manager 24	5	273.3	217.4	75.9	139.0	202.2	0.64x	1.57x	13.92%
Manager 25	5	110.0	93.0	17.1	42.1	88.9	0.45x	1.41x	7.84%
Manager 26	4	87.9	41.9	47.5	18.4	32.8	0.44x	1.22x	10.03%
Manager 27	2	94.0	102.4	9.5	44.1	105.3	0.43x	1.46x	10.44%
Manager 28	6	268.5	182.5	116.8	196.5	166.7	1.08x	1.99x	16.13%
Manager 29	12	196.3	162.8	50.3	177.9	118.7	1.09x	1.82x	17.74%
Manager 30	7	255.0	272.0	22.5	249.2	186.9	0.92x	1.60x	15.23%
Manager 31	2	100.0	74.0	26.7	10.2	84.8	0.14x	1.28x	9.42%
Manager 32	4	160.0	184.6	19.8	147.1	165.9	0.80x	1.70x	14.29%
Manager 33	7	271.3	160.1	122.4	162.0	82.2	1.01x	1.53x	9.58%
Manager 34	2	85.0	93.5	7.1	208.9	44.3	2.23x	2.71x	23.81%
Total Foundation Managers (34)	178	\$5,700.8	\$4,487.3	\$1,698.3	\$3,305.4	\$4,112.5	0.74x	1.65x	13.62%
Total HL Portfolio	145	\$6,002.7	\$4,587.1	\$1,999.8	\$2,831.2	\$4,324.8	0.62x	1.56x	13.70%
Total Portfolio	369	\$8,263.3	\$6,547.0	\$2,385.4	\$5,254.7	\$5,144.8	0.80x	1.59x	11.73%

- Foundation Managers (HIERs has two active funds with) continue to represent majority of Portfolio value
 - 69% of committed capital and 80% of NAV
- Foundation Managers outperforming total Portfolio by 189 bps
- HL Portfolio outperforming total Portfolio by 197 bps

Performance Review by Strategy

As of December 31, 2025 (\$M)	Committed	% of Committed	Paid-In Capital	% Paid-In Capital	Capital Distributed	% Distributed	NAV	Multiple	IRR
Growth Equity	\$824.6	10.0%	\$713.2	86.5%	\$603.7	84.6%	\$578.3	1.66x	13.90%
Buyout	5,423.7	65.6%	4,157.9	76.7%	3,544.4	85.2%	3,271.1	1.64x	13.38%
Small	381.9	4.6%	273.0	71.5%	165.2	60.5%	210.3	1.38x	11.49%
Mid	1,590.7	19.3%	1,003.0	63.1%	943.2	94.0%	706.4	1.64x	14.88%
Large	1,792.1	21.7%	1,476.6	82.4%	1,495.4	101.3%	1,080.3	1.74x	12.95%
Mega	1,659.0	20.1%	1,405.2	84.7%	940.6	66.9%	1,274.1	1.58x	12.69%
Special Situations	287.0	3.5%	269.4	93.9%	282.2	104.7%	110.3	1.46x	10.72%
Mezzanine	51.6	0.6%	49.8	96.5%	76.1	152.8%	0.7	1.54x	11.51%
Venture Capital	1,234.2	14.9%	943.3	76.4%	476.8	50.5%	957.3	1.52x	7.93%
Distressed Debt	204.8	2.5%	237.2	115.8%	224.9	94.8%	68.3	1.24x	6.73%
Co/Direct Investment	102.4	1.2%	67.2	65.6%	1.2	1.7%	69.0	1.04x	2.08%
Secondaries	135.0	1.6%	109.0	80.8%	45.5	41.7%	89.8	1.24x	8.97%
Total	\$8,263.3	100.0%	\$6,547.0	79.2%	\$5,254.7	80.3%	\$5,144.8	1.59x	11.73%



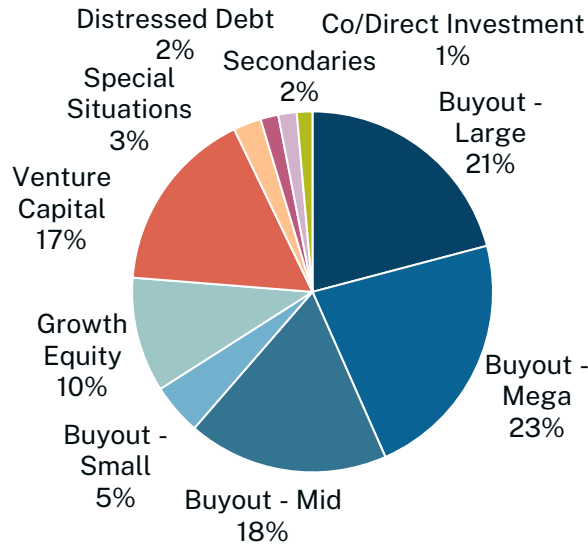
- Buyout accounts for 66% of commitments and 64% of NAV
 - Mid Buyout is Buyout's top sub-strategy by IRR at 14.88%
- Growth Equity continues to generate strong performance on an IRR and Multiple basis

¹ Secondary purchases presented within their respective investment strategy except for \$100M commitment to Landmark Equity Partners XVI, L.P. and \$35M commitment to Landmark Equity Partners XVII, L.P.

Portfolio Diversification

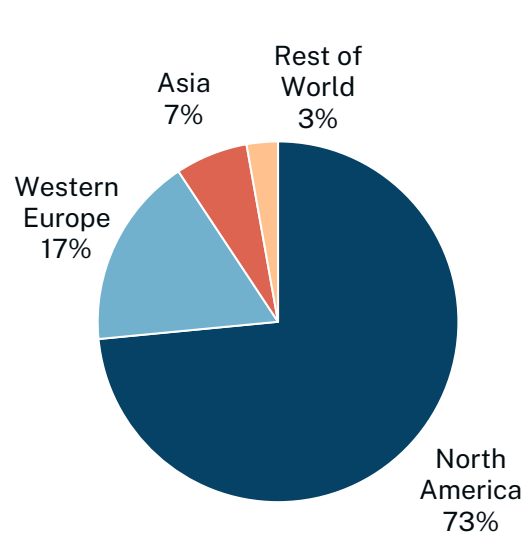
Strategic Diversification by Total Exposure

As of December 31, 2025



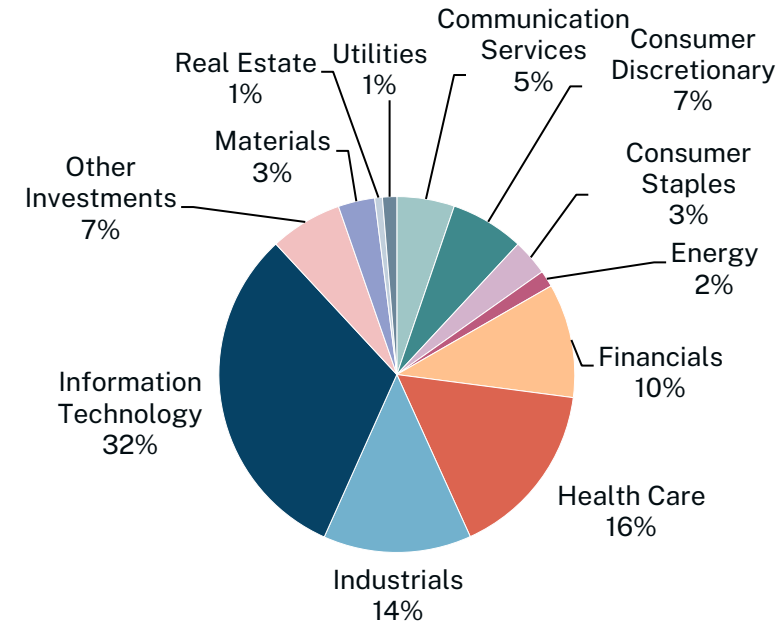
Underlying Investment Diversification by Geography¹

As of December 31, 2025



Underlying Investment Diversification by Industry¹

As of December 31, 2025



- Portfolio is prudently diversified by strategy, geography, and sector
- Strategy, geography and industry diversification remained relatively consistent QoQ and YoY
- Information Technology (32%) and Health Care (16%) remain the top two sector exposures

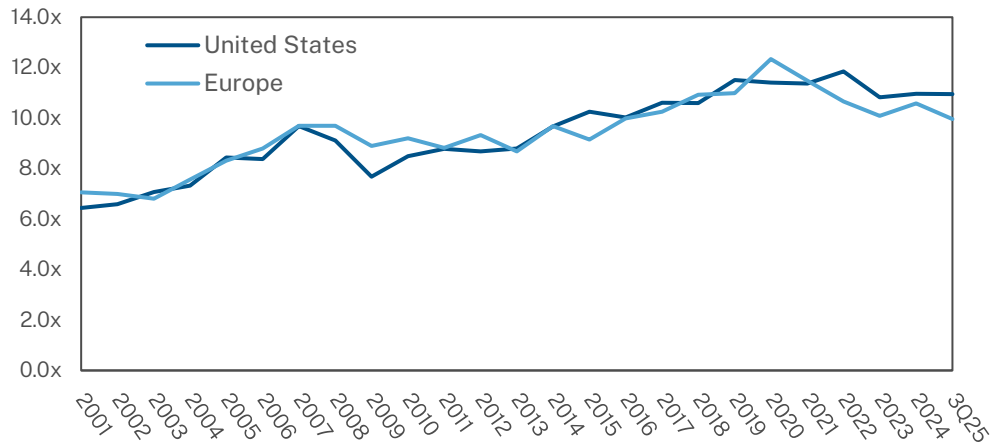
¹Analysis excludes FoF holdings.

Market Update

Private Market Trends

Purchase Price Multiples

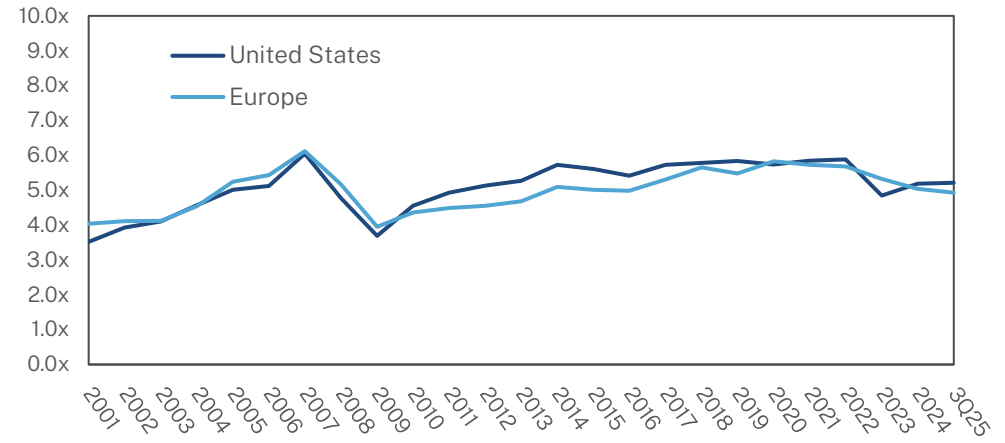
EV/EBITDA



Source: S&P LCD M&A Stats, European LBO Report (February 2026)

Leverage Multiples

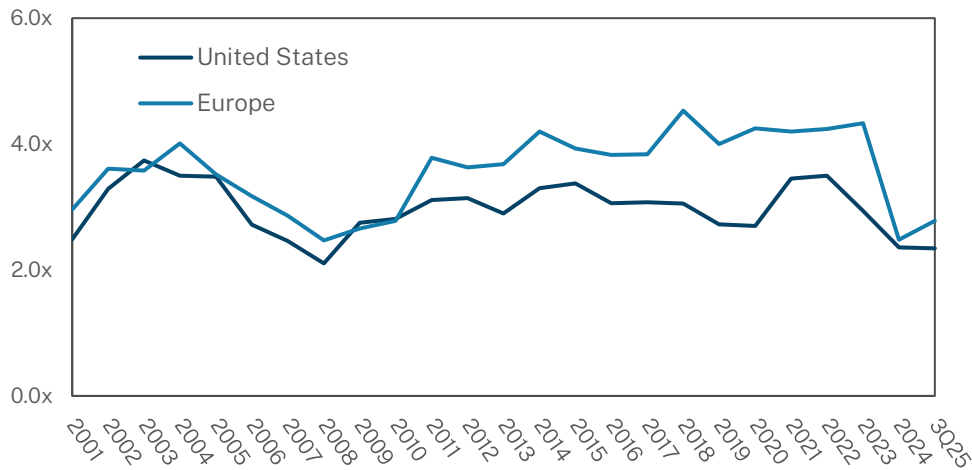
Net Debt/EBITDA



Source: S&P LCD M&A Stats, European LBO Report (February 2026)

Coverage Ratios

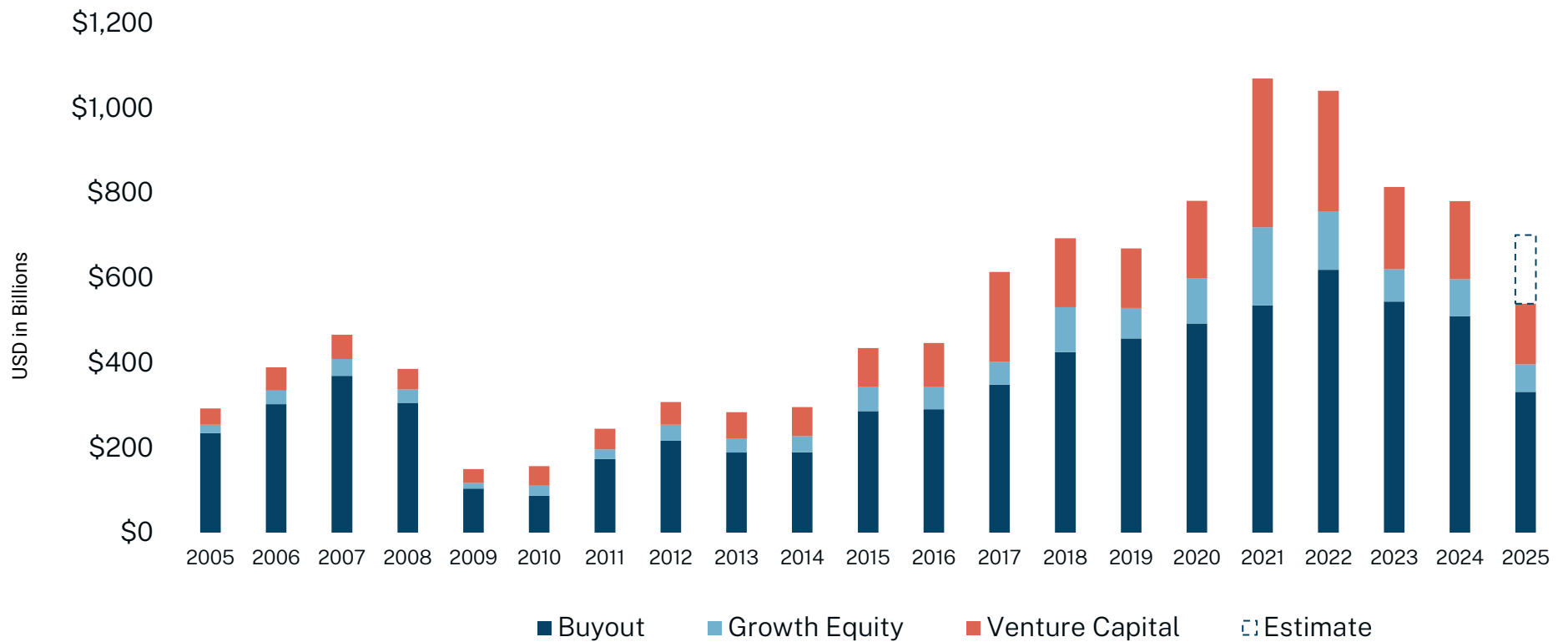
EBITDA/ Cash Interest Expense



Source: S&P LCD M&A Stats, European LBO Report (February 2026)

- Purchase price multiples have come down from record highs in both the United States and Europe
- Leverage multiples have decreased but still remain above record lows post GFC
- Coverage ratios have compressed as a result of increased interest rates

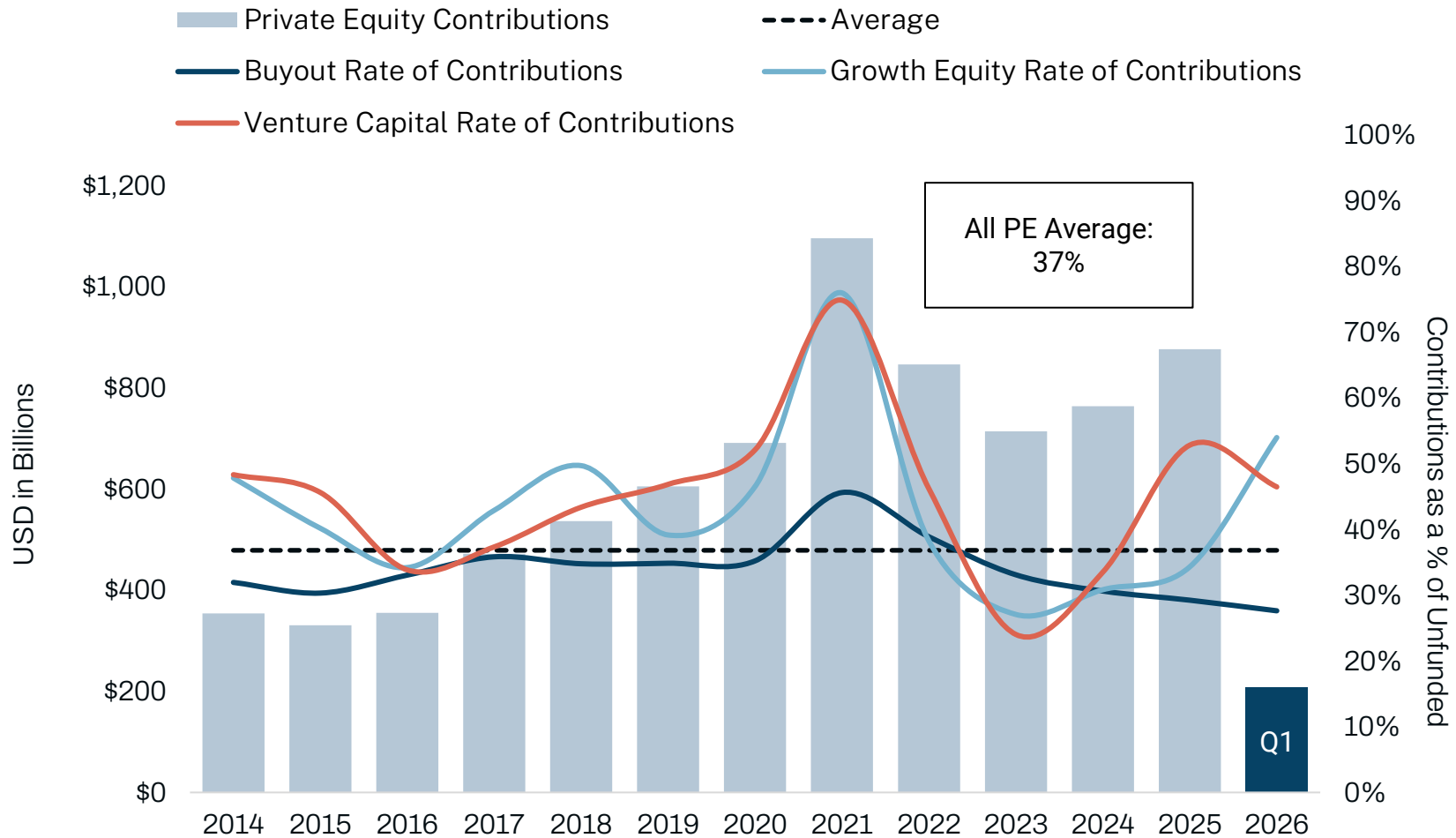
Closed-End Fundraising: Private Equity



- Private equity fundraising for 2025 came in lower than 2024 totals

*Vintage Year is defined as the date of a fund's first capital call.
Source: Pitchbook (May 2026)*

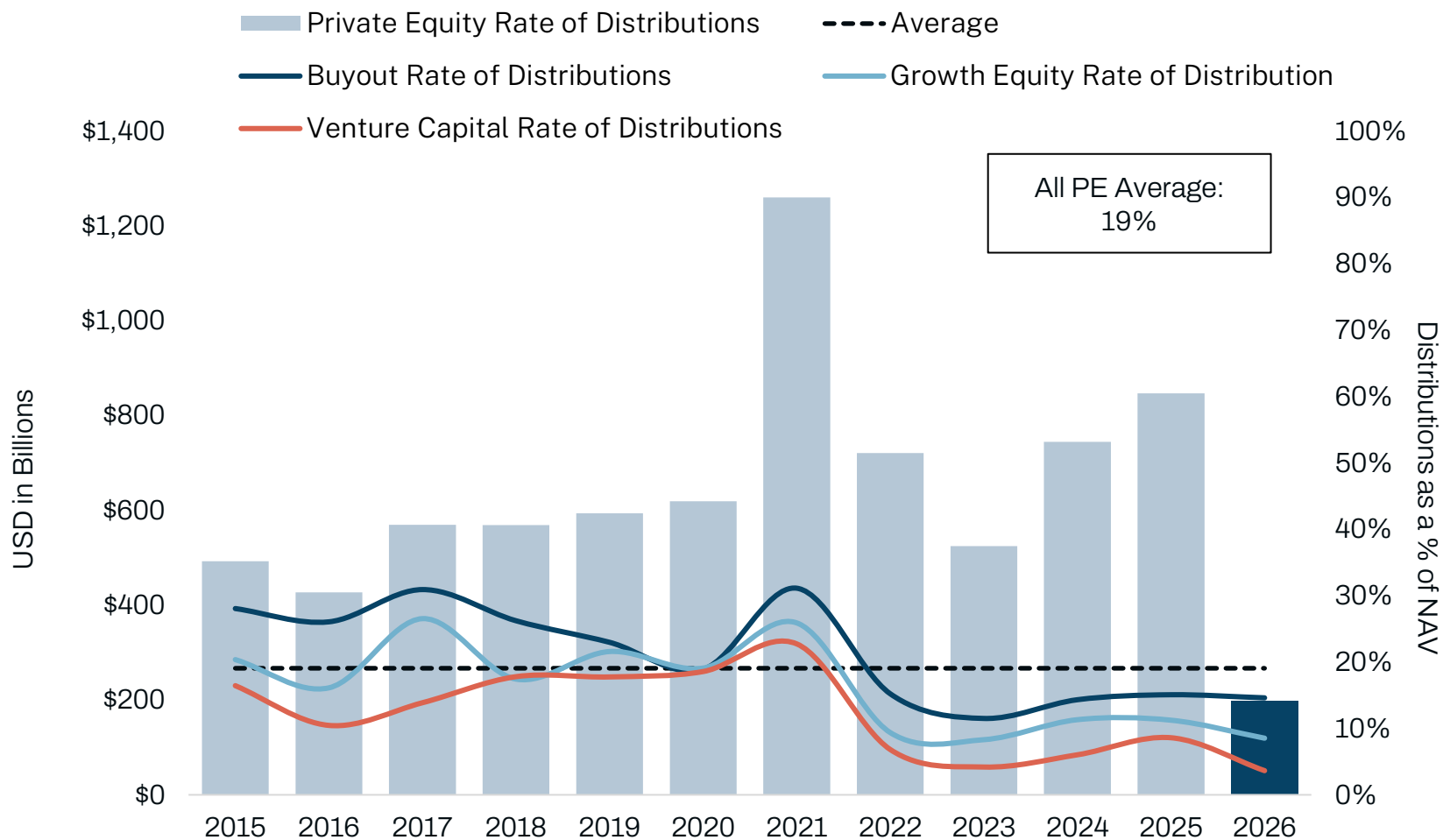
Private Equity Contributions



- Growth Equity contribution rates picked up in Q1 2026, while Venture and Buyout has decreased

Source: Hamilton Lane Data via Cobalt (May 2026)

Private Equity Distributions



- While the absolute amount of capital returned is higher than the prior year, 2025 distribution rates continues to be below historical averages
- There has been an uptick in distribution activity in 2025 compared to 2024

Source: Hamilton Lane Data via Cobalt (May 2026)

Appendix

2025 Strategic Plan

Commitment Pacing

- 2025 commitment pacing of \$600-\$1,000M

Includes:

- Hamilton Lane Discretion: \$350M to \$850M in primary commitments
- Stafford Ho'oulu: \$50M annual allocation
 - Includes Co-investments as well as Small-to-Mid Buyout, Venture Capital, and Growth Equity primary commitments
- Staff Discretion: \$100M to \$200M
- Hamilton Lane continues to guide towards the low-to-mid point of pacing range given uncertainty around portfolio liquidity

2025 Strategic Plan

General Partner Relationships

- Continue to review existing manager relationships and cut where there is redundancy or underperformance
- Selectively add new relationships to fill strategic/geographic gaps or replace underperformers

Commitment Sizing

- Continue to increase commitment sizes due to increased annual pacing
 - Maintain larger average commitment size for Foundation Managers

Strategic Diversification

- Primary commitment focus on Buyout investments
- Opportunistically invest in high-conviction Venture Capital & Growth Equity managers
- No Credit/Distressed Debt investments, which are now part of ERS' Credit Portfolio
- Limited conventional energy

Geographic Diversification

- Maintain current geographic exposure, with primary commitments to North America
- Opportunistically assess additional Western Europe and Asia relationships

Statement of Investments as of December 31, 2025

Investment Name	Committed	Paid-In Capital ¹	Capital Distributed	Reported Market Value	Net IRR
Total Core Portfolio	\$8,129,526,019	\$6,438,458,343	\$5,217,446,169	\$5,026,757,389	11.77%
Total Stafford HiTip Fund I, L.P.	25,250,000	24,801,862	30,966,335	9,993,030	8.07%
Total Stafford HiTip Fund II, L.P.	33,655,000	29,671,306	4,990,759	39,235,669	9.15%
Total Stafford HiTip Fund III, L.P.	74,910,000	54,107,399	1,286,460	68,858,760	9.83%
Total Portfolio	\$8,263,341,019	\$6,547,038,910	\$5,254,689,723	\$5,144,844,849	11.73%

Note: The analysis was completed using available information provided by the general partner of each investment, unless otherwise noted. Cash flows are representative of HIERS' actual cash paid and received. Market values reflect HIERS' unrealized interest in each investment. The information provided is from the HIERS' custodial bank and/or its consultants and has not been provided or approved by any of the Funds' General Partners or members.

¹ Paid-in Capital includes both commitment and non-commitment reducing capital calls

² Liquidated investment

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Employees' Retirement System of the State of Hawaii

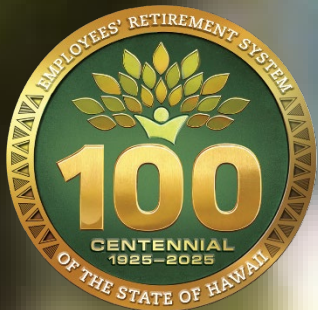
Risk Budgeting Education

Presenters:

Colin Bebee, CFA &

Lynn Kamimoto, CFA, CFE, CISSP, FRM

May 26, 2026



MEKETA
INVESTMENT GROUP

Agenda

1. Investment Risk Management Process

- Operational Implementation

2. Investment Risk Management Policy

- Action Requested

Appendix

- Total Portfolio Active Risk Budget as of 3/31/26



Investment Risk Management Process

Lynn Kamimoto, CFA, CFE, CISSP, FRM

Colin Bebee, CFA

Annual, or as needed



**Total Portfolio
Active Risk Budget**



**Investment Risk
Management Policy**



**Total Fund Risk
& Attribution**

Quarterly Reporting



**Changes to risk limits
target & assumptions**



**Risk limits
breach**



Risk Limit Breach Steps:

- ▶ Identify source and/or details
- ▶ Determine if short-term or long-term
- ▶ Determine if actionable vs non-actionable
- ▶ Meet with the General Consultant to discuss a plan
- ▶ Report to the Investment Committee on:
 - ▶ Summary of risk
 - ▶ Historical context
 - ▶ Assessment and recommendation

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/updated benchmarks
 - ▶ Risk management limits
 - ▶ 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
 - ▶ Strategic Allocation Target Ranges
 - ▶ Concentration Risk Limit

Investment Risk Management Policy

Lynn Kamimoto, CFA, CFE, CISSP, FRM

Colin Bebee, CFA

Investment Committee Approval:

- ▶ Investment Risk Management Policy



MAHALO!

Appendices

Total Portfolio Active Risk Budget

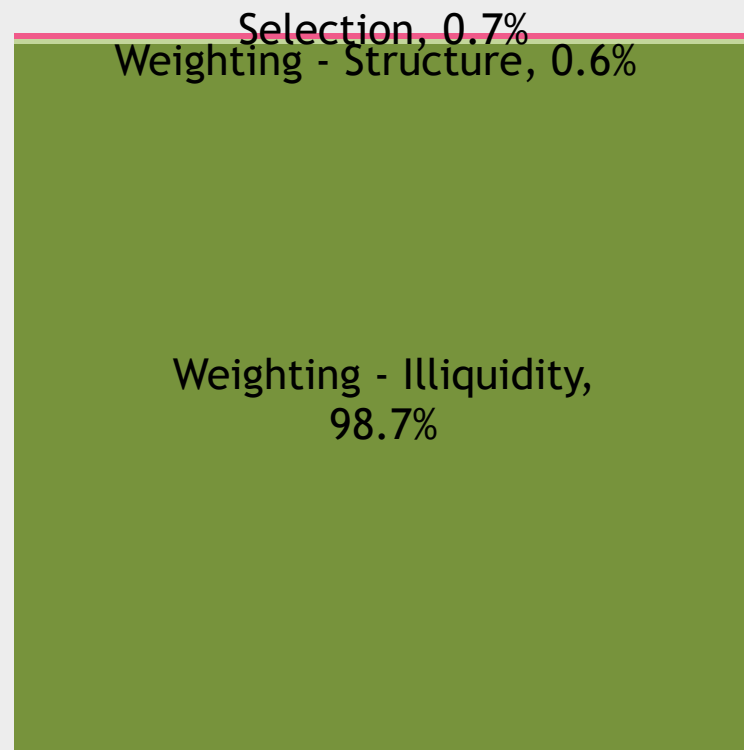
Lynn Kamimoto, CFA, CFE, CISSP, FRM

Colin Bebee, CFA

Broad Growth – as of 3/31/26

Allocations (% of Broad Growth)	Policy	Actual	Difference	Tracking Error Assumptions
Global Equity	56%	56%	-	
Public Equity	29%	27%	-2%	1.5%
Private Equity	27%	29%	+2%	12.0%
Global Credit	17%	16%	-	
Public Credit	6%	7%	+1%	2.5%
Private Credit	11%	10%	-1%	6.5%
Real Assets	27%	28%	-	
Public Real Assets	-	2%	+2%	0.3%
Private Real Assets	27%	26%	-1%	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.

Diversifying Strategies – as of 3/31/26

Allocations (% of DS)	Policy	Actual	Difference	Tracking Error Assumptions
Illiquid Diversifying	13%	13%	-	
Insurance Linked	13%	3%	-10%	2.0%
Idiosyncratic Return Capture	-	10%	+10%	7.5%
Liquid Defensive	87%	87%	-	
Systematic Trend Following	27%	21%	-6%	5.0%
Intermediate Duration	47%	40%	-7%	0.75%
Discretionary Alpha	-	11%	+11%	10.0%
Long Duration	13%	10%	-3%	0.50%
Defensive Return Capture	-	4%	+4%	15.0%
Cash	-	10%	+10%	-

Estimated Diversifying Strategies
Active Risk Budget

3.2%

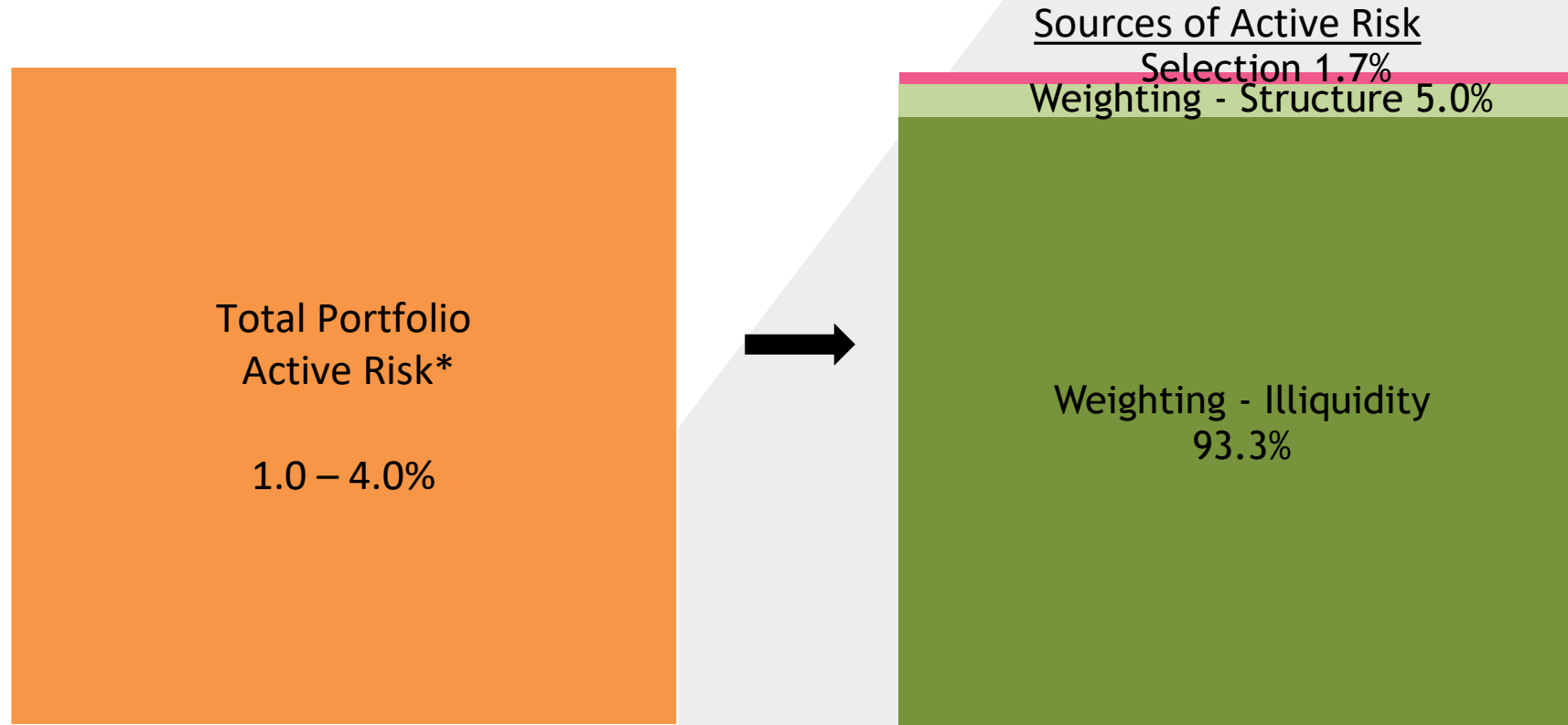
Selection, 26.6%

Weighting - Structure,
60.5%

Weighting - Illiquidity, 12.8%

*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 **Total Portfolio Risk Budget**.



*Utilizes Meketa's 2025 capital market assumptions and mean-variance analysis. As of 3/31/26. *Totals may not equal 100% due to rounding. For illustrative purposes only.

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

FEBRUARY 17, 2026

CITY FINANCIAL TOWER
201 MERCHANT STREET, SUITE 1200
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Committee Members	Mr. Emmit Kane, Chair
Trustees present:	Ms. Darlene Blakeney, Vice Chair
Committee Members	Dr. Genevieve Gines Ley
Trustees (via teleconference):	Mr. David Louie
Visiting Trustees present: (via teleconference)	Mr. Vince Barfield
Attorneys present:	Ms. Jenny Nakamoto, Deputy Attorney General
Attorneys present (via teleconference):	Ms. Nietzsche Tolan, Deputy Attorney General
Staff present: (City Financial Tower)	Mr. Kalbert Young, Executive Director Ms. Gail Strohl, Deputy Executive Director Ms. Kristin Varela, Chief Investment Officer Mr. Anthony Goo, Deputy Chief Investment Officer Mr. Aaron Au, Investment Officer – Private Equity Mr. Andrew Chen, Investment Officer – Credit Mr. Ian Wetzel, Investment Officer – Real Assets Ms. Lynn Kamimoto – Investment Officer - Risk Ms. Masayo Zabinski, Investment Accountant Ms. Andrea Gaspar, Administrative Assistant Ms. Lori Kim, Administrative Assistant Ms. Dale Kehau Kanae, Administrative Assistant Ms. Diana Gomes, Recording Secretary/Administrative Assistant
Guest present: (City Financial Tower)	Ms. Mika Malone, Meketa Investment Group, Inc.
Guest present: (via teleconference)	Mr. Colin Bebee, Meketa Investment Group, Inc. Mr. Adam Singleton, Man Group Mr. Jonathan Daffron, Man Group
Public present: (via teleconference)	Mr. Aaron Prince (unverified) Mr. Jon Schlesinger, Principal Ms. Phyllis Ida Kevin Balaod, With Intelligence 1-212-761-4162 (unverified)

CALL TO ORDER

A quorum being present (Chair Kane, Vice Chair Blakeney, Trustee Ley and Trustee Louie), Chair Kane called the Investment Committee meeting to order at 10:01 a.m. and requested Board members to identify themselves and confirm that no other individuals are present in the room. Committee members present confirmed. Chair Kane read the following statement, "Motion to hold the meeting allowing Trustees and members of the public to participate by interactive conference technology, pursuant to HRS § 92-3.7, with at least one meeting location open to the public that has audiovisual connection." On a motion made by Chair Kane, seconded by Trustee Louie and unanimously carried, the Investment Committee meeting commenced.

PUBLIC COMMENT PERIOD

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

NEW BUSINESS

- DISCUSSION AND ELECTION OF CHAIR AND VICE CHAIR OF THE INVESTMENT COMMITTEE

A discussion took place between committee members. Trustee Blakeney and Trustee Louie nominated Trustee Kane as Chair of the Investment Committee. Trustee Kane and Trustee Louie nominated Trustee Blakeney as Vice Chair.

On a motion made by Trustee Louie seconded by Trustee Ley and unanimously carried, the Investment Committee approved the election of Trustee Kane for Chair and Trustee Blakeney for Vice Chair. Chair Kane thanked the committee for their confidence.

- REVIEW OF THE INVESTMENT COMMITTEE CHARTER TO INCLUDE INVESTMENT COMMITTEE PERFORMANCE ASSESSMENT, AND REVIEW OF THE PRIOR YEAR'S INVESTMENT COMMITTEE ACTIVITY

CIO Varela noted that the Investment Committee Charter provided in the packet was approved in February 2025. No changes to recommend.

On a motion made by Trustee Louie, seconded by Vice Chair Blakeney and unanimously carried, the Investment Committee approved the Investment Committee Charter as presented.

CIO Varela presented the Investment Committee Annual Performance Assessment. The Summary Assessment, presented on page 2, completed all Committee Management, Committee Effectiveness, and Notable Accomplishments over the past year.

On a motion made by Trustee Louie, seconded by Trustee Ley and unanimously carried, the Investment Committee approved the Annual Performance Assessment as presented.

PRESENTATIONS

- ADOPTION OF ANNUAL INVESTMENT COMMITTEE WORKPLAN

The Annual Workplan has not changed from last year and subject to modifications at the discretion of the committee. This document outlines the goals and initiatives for the upcoming year.

On a motion made by Vice Chair Blakeney, seconded by Trustee Louie and unanimously carried, the Investment Committee approved the Annual Investment Committee Workplan as presented.

- MEKETA INVESTMENT GROUP, INC. – TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING DECEMBER 31, 2025

Ms. Mika Malone of Meketa Investment Group presented the Total Fund Performance Review for period ending December 31, 2025. 2025 was a strong year for risk assets. With the weaker dollar, stocks outside the US performed significantly stronger than stocks inside the US. Bonds were also strong for the year, driven by stable inflation across the period. ERS portfolio is designed for a steady, compounding rate of return overtime. Key highlights included:

- The ERS Total Portfolio consistently outperformed the Risk Adjusted Peer Median.
- The portfolio is designed to produce steady compounding returns and has consistently done so since its inception.
- Risk mitigation is critical to ensure the long-term sustainability and growth of the ERS.
- The ERS Investment Policy Statement defines success as achieving the long-term return needed
- The portfolio's market value as of December 31, 2025, was \$25.6 billion.

- ROTATING ALTERNATIVE ASSET CLASS REVIEW: DIVERSIFYING STRATEGIES PORTFOLIO REVIEW FOR PERIOD ENDING DECEMBER 31, 2025

CIO Varela presented the Diversifying Strategies Score Card for period ending December 31, 2025:

- Market value stands at \$6.79 billion.
- Asset allocation remains in line with strategic targets.
- Long-term returns underperformed the benchmarks.

Man Group consultants Mr. Jonathan Daffron, and Mr. Adam Singleton presented the Rotating Alternative Asset Class Review for Diversifying Strategies ending as of December 31, 2025.

The role of Diversifying Strategies in the portfolio is to provide a balance for the total portfolio providing a steady capital, especially when markets are falling and meant to perform differently from global assets. The goal is to have a solid balance in the portfolio. One of the main characteristics in this portion of the portfolio is liquidity and is where the Tier 1 liquidity is held. This liquidity is a critical part of the portfolio because it can be tapped at any time regardless of the market turmoil to pay members benefits. It is not meant to beat the stock market but to hold up in times of stress and remain liquid.

Highlights include:

- Diversifying Strategies Scorecard met 6 of 7 metrics. Market value liquidity, asset allocation, risk (tracking error), long-term appreciation, and defensiveness & diversification all met expectations.
- Return vs. policy benchmark metric underperformed over the last 12-months, 5-years and since inception periods.
- The Crisis Risk Committee met on April 10, 15 and 22, 2025.
- Gold breached its Crisis Risk Indicator Level of 6.5%, 24 times during the last 12 months driven by geopolitical tensions,

weakening dollar, tariff concerns and anticipation of Federal Reserve rate cuts.

- Market Risk breached its Crisis Level driven by equity volatility following tariff announcements.

• EDUCATION – RISK BUDGETING
(CONTINUED)

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

- Risk budgeting provides a strategic framework to guide decision-making and strengthen total-portfolio oversight.
- Active Risk Budget – most of the Total Portfolio and Board Growth active risk derived from weighting-illiquidity. For Diversifying Strategies, most of the active risk is from weighting-structure.
- Reporting and Tools – including operational implementation and risk limits breach curing options.
- Total Portfolio Active Risk (ex-ante) Budget proposed at 1-4%. ERS is trending at the upper range of this budget.

On a motion made by Vice Chair Blakeney and seconded by Trustee Ley, and unanimously carried, the Investment Committee approved the Active Risk Budget of 1-4% tracking error, as presented.

CIO UPDATE

CIO Varela informed the Investment Committee that there are no updates to report. The Annual Investment Activity Update is deferred to the May meeting.

APPROVAL OF MINUTES –
DECEMBER 3, 2025

On a motion made by Trustee Ley and seconded by Trustee Louie, and unanimously carried, the Investment Committee approved the minutes of December 3, 2025 meeting, with modifications.

ENTER EXECUTIVE SESSION

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

EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Louie, and unanimously carried, the Investment Committee entered Executive Session at 11:45 a.m.

EXECUTIVE SESSION, PURSUANT TO HRS § 88-27.5(A)(1), AND 92-5(A)(4), TO CONDUCT DISCUSSIONS AND DELIBERATIONS RELATING TO, AND IF APPROPRIATE, TO MAKE A DECISION ON INVESTMENTS OR PROSPECTIVE INVESTMENTS BY THE SYSTEM THAT REQUIRE THE CONSIDERATION OF INFORMATION OR RECORDS THAT ARE EXEMPT FROM DISCLOSURE UNDER HRS CHAPTER 92F, INCLUDING INFORMATION AND RECORDS THAT ARE

[Chair Kane identified all the participants in Executive Session, the Board staff members, Deputy Attorney General, and Guests are listed on Executive Session Minutes]

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

PROPRIETARY INFORMATION OR CONFIDENTIAL BUSINESS INFORMATION, AND TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO CONFIDENTIAL ERS INVESTMENT PORTFOLIO UPDATES REGARDING CHANGES IN (1) ANNUAL INVESTMENT ACTIVITY UPDATE, (2) INVESTMENT OFFICE UPDATES.

APPROVAL OF EXECUTIVE SESSION MINUTES – DECEMBER 3, 2025

On a motion made by Trustee Ley, seconded by Trustee Louie and unanimously carried, the Investment Committee approved the confidential Executive Session minutes of the December 3, 2025, with modifications.

EXIT EXECUTIVE SESSION

On a motion made by Trustee Ley, seconded by Trustee Louie, and unanimously carried, the Investment Committee exited Executive Session at 11:47 a.m.

SUMMARY OF EXECUTIVE SESSION

Chair Kane summarized what was discussed in Executive Session:

- Approved Executive Session minutes of December 3, 2025.
- Annual Investment Activity Update deferred to May.

ADJOURNMENT

On a motion made by Trustee Ley, seconded by Trustee Louie, and unanimously carried, Chair Kane adjourned the meeting at 12:01 p.m.

**REDACTED
SIGNATURE**

Kristin Varela
Chief Investment Officer
KV/dlg