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

July 13, 2026

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

Trustees present: (City Financial Tower by teleconference)	Mr. Vincent Barfield, Chair (in person)* Dr. Genevieve Ley, Vice Chair (in person)* Dr. Catherine Chan* Dr. Seth Colby (in person)* Mr. David Louie (in person)* Dr. Amanda Lowrey (in person)*
Trustee absent:	Ms. Darlene Blakeney Mr. Emmit Kane
Staff present: (City Financial Tower by teleconference)	Mr. Kalbert Young, Executive Director* Mr. Wesley Machida, Interim Deputy Executive Director* Mr. Kona Mann, Chief Compliance Officer* Mr. James Greubel, Program Specialist Ms. Shanna Sakagawa, Program Specialist Ms. Lori Kobayashi, Retirement Benefits Branch Manager* Mr. Anthony Goo, Interim Chief Investment Officer Mr. Aaron Au, Investment Officer – Private Equity Mr. Andrew Chen, Investment Officer – Credit Markets Ms. Lynn Kamimoto, Investment Officer – Risk Ms. Jennifer Kimura, Investment Officer – Liquid Markets Mr. Roman Mahi, Investment Specialist Mr. Ian Wetzel, Investment Officer – Real Assets Ms. Gerri Konishi, Home Loan Assistant Ms. Masayo Zabinski, Accountant Ms. Dale Kehau Kanae, Recording Secretary/Administrative Assistant* Ms. Lori Kim, Administrative Assistant* Ms. Andrea Gaspar, Administrative Assistant* Ms. Diana Gomes, Administrative Assistant
Attorneys present: (City Financial Tower by teleconference)	Ms. Jenny Nakamoto, Deputy Attorney General* Ms. Lori Tanigawa, Deputy Attorney General* Ms. Nietzsche Tolan, Deputy Attorney General* Ms. Diane Wong, Deputy Attorney General*
Guests present: (by teleconference)	Mr. Joe Newton, Gabriel Roeder Smith & Co. Mr. Lewis Ward, Gabriel Roeder Smith & Co. Mr. Tyson Suehiro, KMH LLP* Mr. Collin Bebee, Meketa Investment Group, Inc. Mr. Ty Smith, RSM US LLP*
Public present: (by teleconference)	15169167742 (Unverified) Catherine K Y's Notetaker (Otter ai) (Unverified) Mr. Joe Ebisa – WithIntelligence (Unverified) Ms. Phyllis Ida (Unverified) Mr. Jon Kawamura Ms. Ashlyn Onken Mr. Nate Weinstein – Osmosis (Unverified)

*Attended Executive Session

As a part of this meeting, refreshments of water, coffee, and pastries were provided.

QUORUM/CALL TO ORDER	A quorum being present (Chair Barfield, Vice Chair Ley, Trustees Chan, Louie and Lowrey), Chair Barfield called the meeting of the Board of Trustees (Board) of the Employees' Retirement System of the State of Hawaii (ERS) to order at 9:04 a.m. and identified the Trustees attending in person and requested Trustees attending remotely to identify themselves and confirm that they are the only ones present at their location while attending the meeting. Each of the Trustees attending remotely confirmed same. Trustees attending the meeting in person and remotely are noted on these minutes.
PUBLIC COMMENT	Chair Barfield called for public comment. There were no public present in person but five (5) public attended by teleconference with no comment and there was no written testimony received for this meeting. During the course of the meeting two (2) additional public also attended by teleconference. Chair Barfield announced and introduced new Trustee Dr. Amanda Lowrey a Food Safety Specialist with the Department of Health, Environmental Health Services Division, Food Safety Branch. Dr. Lowrey is currently on the 2025-2027 HGEA Board of Directors and has previously served as Treasurer with responsibility for budgeting operations and the investment portfolio. Trustee Lowrey also received her doctorate degree from Northwestern University and her Bachelor of Science degree from the University of Miami. Dr. Lowrey thanked the staff for their assistance with her on boarding, that she will have a lot of questions, and she thanked everyone for what they are doing for ERS. Chair Barfield also thanked Dr. Lowrey for her upcoming service and that she will be a great contributor to the Board.

EXECUTIVE DIRECTOR'S REPORT ON THE ADMINISTRATION OF THE SYSTEM WITH RESPECT TO SIGNIFICANT DEVELOPMENTS IN INVESTMENTS, POLICY, POTENTIAL LEGISLATION, AND REGULATORY MATTERS	Executive Director (ED) Kalbert Young gave an oral report to the Board on the Administration of the System with Respect to Significant Developments in Investments, Policy, Potential Legislation, and Regulatory Matters as follows:
	
	• The new fiscal year began July 1, 2026.
	• Administration anticipates producing more detailed budget information for the Board to convey budget management for this new fiscal year at a future Board meeting.
	• The scope and prospects of the operational budget for ERS heading into the new fiscal year, as mentioned in the previous Board meeting:
	  o The budget bill for State operations passed by the 2026 Legislature, was approved by Governor Green as Act 175.
	  o The operating appropriation of trust funds for FY2027 to the ERS is $29,378,766.00 for 118.00 authorized FTE positions.
	  o This represents the available appropriations from which Administration will be managing ERS operations for the fiscal year.
	• A couple of notable additions to the ERS:
	  o With the retirement of (former) Trustee Bennett Yap in February, a vacancy was created on the Board of Trustees for a general member elected seat. A call for nominations was publicized and closed on June 19th and the only nomination received before the deadline was Dr. Amanda Lowrey by HGEA. As such, Dr. Lowrey was deemed elected on June 23, 2026, and has completed her sworn oath of office.
	  o Since the last Board meeting, Deputy Executive Director (DED) Gail Strohl has since resigned from the position and left the ERS on June 15th.
	  o In the interest of preserving administrative support of ERS operations, ED Young has asked Wes Machida to serve as the Interim DED on a

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

temporary basis, until we can complete the process to recruit a new DED.
- Many are familiar with Wes who was a former B&F Director, ERS Trustee, Administrator (now known as Executive Director), and Assistant Administrator (now known as Deputy Executive Director), and a former Employer-Union Health Benefits Trust Fund (EUTF) Trustee who has a lot of background and experience in leading the ERS. ED Young is grateful for DED Machida's willingness to help him and ERS continue our forward movement in delivering our operational mission.

- SB 3097 SD1 HD1 CD1, passed by the Legislature has been approved by the Governor as Act 149. The Act makes three existing ERS positions excluded from civil service and subjects the appointment and compensation to the authority of the Board of Trustees. The positions are the DED (vacant), Chief Compliance Officer (CCO), and the Information Security Officer (not yet established, vacant).
- With the departure of former Chief Investment Officer (CIO) Kristin Varela of May 31st, Deputy CIO Anthony Goo has begun his service as the Interim CIO.
  - The solicitation to procure an executive search firm to assist with recruitment is underway. The deadline for respondents and proposals from interested firms is July 24th. Based on a previously stated timetable, we are progressing to potentially complete the search process towards the end of the calendar year, or early-start of 2027.
- Participated with Retirement Benefits Branch (RBB) Manager Lori Kobayashi in the State's July Benefits Fair on Kauai last week and presented an "Update of ERS Pension/ERS Planning Basics" for attendees. This is an example of a program to foster broader ERS Outreach to our communities that ED Young would like to encourage and grow.
- As reported at previous meetings, the Vitech/V3locity migration project of the pension administration system continues to accelerate and has been re-named the ERS Modernization Project. The ED called an all-hands meeting late last month to more broadly communicate the direction and teams leading this project. Accelerating this project has meant that more varying staff participation or assignments have been required to advance the project. Without exception, ED Young can attest that staff have responded and are actively moving towards advancing the project.
  - The former DED was the executive sponsor of the project and with the DED's departure, the executive sponsor responsibilities has been moved to CCO Kona Mann.
- The annual State Department of Budget & Finance Incentive and Service Awards Program will be held on July 31st. This year, honorees from the ERS include:
  - Jie Egusa, Lori Kim, and Geoffrey Oshiro – 10 years.
  - Weylin Agpaoa, Katherine Dacquel, and Ross Murasaki – 20 years.
  - Varden Lee from RBB and Masayo Zabinski from Accounting - ERS nominees for Employees of the Year.

  ED Young thanked all of the honorees for their career service and accomplishments to the State and ERS.

DEPUTY EXECUTIVE DIRECTOR'S REPORT ON THE OPERATIONS OF THE SYSTEM WITH RESPECT TO ISSUES AFFECTING MEMBER SERVICE,

Interim Deputy Executive Director (IDED) Wesley Machida thanked the Board and ERS management for welcoming him back to ERS. IDED Machida shared with the Board that one of his goals while he is here is to staff the current 28 ERS vacancies by reviewing and improving the recruitment process to be more efficient.

ACCOUNTING, AND INFORMATION SYSTEMS

IDED Machida presented an oral and written report to the Board on the June 2026 Monthly Operations Report and highlighted:

- Regarding the status of staffing, with the assistance of Darcie Mayeshiro of Budget & Finance, Administrative & Research Office (ARO) Human Resources Officer, ERS has been able to move actions of 8-9 vacancies as some positions have been vacant for 3-4 years. Two key vacant positions within RBB and Information Systems Branch, one position has been filled and the other is awaiting ARO clearance to present a conditional offer to a selected applicant. The remaining highlighted listed positions are moving through the recruitment process and are anticipated to be filled within the next month or so.
- Regarding the status of RBB Activities, most of the activities have met the 100% standard percentage, however, the goal is for all activities to meet 100%. The primary goal is to staff all the vacant positions and ensure that the quality of the recruited staff are able to fulfill the actions.
  Chair Barfield requested if the report summarizes key priority activities identified and if it might need any modifications? RBB Manager Lori Kobayashi suggested revising the report to accurately reflect data. DED Machida suggested adding as an activity to this report, the Finalization of Benefits, to include Temporary Hazard Pay adjustments. A reformatted report will be provided at the next Board meeting.
- Regarding Staff Support Services (SSS) Branch document scanning backlog, Vice Chair Ley suggested Hele Imua Internship Program paid for by the Department of Labor and Industrial Relations. This 12-week internship provides eligible candidates such as high school and college graduates who need work experience to meet position requirements and provides exposure to state government positions that may transition into gainful employment. DED Machida will look into the Program and also mentioned that some of the equipment SSS is using, such as the folding machine, will need to be updated and replaced.

(Trustee Seth Colby entered the meeting at 9:22 a.m.)

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

RBB Manager Lori Kobayashi gave an oral and written report to the Board on a brief overview of the services RBB provides and discussed:

- Overview
- Core Activities
- RBB Staffing
- Challenges
- 2025 Accomplishments
- 2026 Upcoming Projects

UPDATE OF 2026 BOARD OF TRUSTEES ELECTION OF OFFICERS AND COMMITTEE ASSIGNMENTS

Chair Barfield discussed with the Board the 2026 Board of Trustees Election of Officers and Committee Assignments noting the departure of Trustee Bennett Yap and addition of Trustee Amanda Lowrey. Chair Barfield also noted that the Governance Policy Committee, as well as all committees, can have no more than four (4) members due to quorum similarly of a Board meeting. Chair Barfield discussed the following changes to the Committees: Governance Policy Committee – remove Trustee Catherine Chan (Legislative Committee Chair), Investment Committee – replace Trustee Genevieve Ley with Trustee Amanda Lowrey, and Legislative Committee – replace Trustee Emmit Kane with Trustee Amanda Lowrey noting that a new Vice Chair will have to be elected. (A revised 2026 Officers and Committee Assignments with the noted changes is attached to these minutes for clarification.)

REPORT OF ACTIVITY OF THE ADMINISTRATIVE & AUDIT COMMITTEE

Administrative & Audit Committee (Committee) Chair Louie reported to the Board that the Committee last met on July 8, 2026, and discussed the following agenda items:

UPDATE ON TRUSTEE ELECTION FOR THE GENERAL EMPLOYEE-TRUSTEE VACANCY

ED Young updated the Board on the Trustee Election for the General Employee Trustee Vacancy stating that this agenda item has been discussed by Chair Barfield at the start of the meeting and as an update to the 2026 Board of Trustees Election of Officers and Committee Assignments, and by ED Young in his update report.

PRELIMINARY ANNUAL ACTUARIAL VALUATION REPORT BY GABRIEL ROEDER SMITH & COMPANY FOR THE YEAR ENDING JUNE 30, 2026

Gabriel Roeder Smith & Company (GRS), Messrs. Joe Newton and Lewis Ward presented an oral and written report to the Board on the Preliminary Annual Actuarial Valuation Report for the Year Ending June 30, 2026, and discussed:

Legislation – Act 134 (SLH 2026 – SB 3096)

- Act 134 (SLH 2026 – SB 3096 SD1 HD1 CD1)
  - Increases the employer contribution rate on behalf of police and fire employees to 44% of payroll beginning July 1, 2027.
  - Impact of these contribution rate increases will be reflected in the June 30, 2026, actuarial valuation.
- The increased contribution rate for Police and Fire is expected to shorten the amortization period as of June 30, 2026, for that group from 23 years to 20 years.
  - This is expected to produce approximately $590 million in contribution savings over the 23-year period.

Projected 2026 Actuarial Valuation Results

Projection of Funding Period from 2016 Legislative Impact Statement vs Actual Valuation Outcomes

Actual vs Projected UAAL

Funding Period

Comparison of 7% and 6% Future Actual Returns

Summary

- The funded ratio is projected to increase and the funding period is projected to decrease by 2 years.
- The System has entered positive amortization (UAAL is now expected to decrease each year).
- These results reflect $32.5 million in FY 2026 contributions on Temporary Hazardous Duty payments included in the June 30, 2025, actuarial valuation.
- Additional liabilities related to Temporary Hazardous Duty payments due to recalculated retirement benefits will be reflected when they are known.
- The disciplined commitment to follow the contribution schedule from Act 17 (SLH 2017) continues the process of strengthening the financial outlook for ERS. It is imperative that current contribution levels remain in place throughout the amortization period.

On a motion made by Committee Chair Louie, seconded by Vice Chair Ley, and unanimously carried the Board approved, as recommended by the Committee, the Preliminary Annual Actuarial Valuation Report for the Year Ending June 30, 2026, as presented.

After their presentation, Messrs. Newton and Ward left the meeting by ending their teleconference.

INTERNAL AUDIT UPDATE REPORT BY KMH LLP ON THE CURRENT STATUS OF ACTIVITIES COMPLETED DURING Q1 AND Q2 2026,

KMH LLP's (KMH) Tyson Suehiro and RSM US LLP's Ty Smith joined the meeting by teleconference and presented an oral and written report to the Board on KMH LLP's Current Status of Activities Completed During Q1 and Q2 2026, and an Update on the Completion Status of Management Action Plans for Past

AND AN UPDATE ON THE COMPLETION STATUS OF MANAGEMENT ACTION PLANS FOR PAST NON-INFORMATION TECHNOLOGY INTERNAL AUDIT OBSERVATIONS AND RECOMMENDATIONS

Non-Information Technology Internal Audit Observations and Recommendations, and discussed in summary:

EXECUTIVE SUMMARY
Administrative and Other Matters
Status on Current Projects:

- Contracting & Procurement Review
- Benefit Claims & Refund and Retiree Overpayments Processing Review
- Virtual Information Security Officer (vISO) Initiative
- Optro (GRC Tool) Management Training

Internal Audit Findings Remediation Status (Non-IT)

KMH's Mr. Suehiro noted to the Board that at the Committee meeting in Executive Session, KMH expressed their concerns in increased delays and lack of ERS' ability to meet certain Internal Audit requests. This will also be discussed in detail in Executive Session.

KMH's Mr. Suehiro also noted to the Board that with regard to Non-IT Internal Audit findings, reporting will be at a sub-task level instead of individual findings to be able to provide better clarity and transparency for management, Committee, and the Board.

KMH's Mr. Suehiro also noted to the Board that the Committee requested improvements to the Management Action Dashboard reporting, specifically adding a report date column containing the original date in which internal audit reports are issued, for a historical lookback.

On a motion made by Committee Chair Louie, seconded by Vice Chair Ley, and unanimously carried the Board approved, as recommended by the Committee, the Internal Audit Update Report on the Current Status of Activities Completed During Q1 and Q2 2026, and an Update on the Completion Status of Management Action Plans for Past Non-Information Technology Internal Audit Observations and Recommendations, as presented.

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

Chief Compliance Officer (CCO) Kona Mann presented an oral and written report to the Board on the Compliance Support Staff Report and Update on Implementation of ERS' Compliance Program on Risk Assessment, Policies & Procedures, and Third-Party Risk Management and discussed in summary:

EXECUTIVE SUMMARY
Key Highlights

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

REPORT OF ACTIVITY BY THE HUMAN RESOURCES COMMITTEE

Human Resources Committee (Committee) Chair Ley reported to the Board that the Committee last met on June 17, 2026, and discussed the following agenda items:

REVIEW THE ACTIVITIES AND TIMELINE OF THE HUMAN RESOURCES COMMITTEE

Committee Chair Ley shared with the Board that the Committee's next meeting will be in August to discuss Succession Plans for several ERS management positions.

DISCUSS PLANS TO IMPLEMENT ACT 149, SESSION LAWS OF HAWAII 2026 (SB 3097, SD1, HD1, CD1), "RELATING TO THE

Committee Chair Ley also shared with the Board that the Committee discussed Plans to Implement Act 149, Session Laws of Hawaii 2026 (SB 3097, SD1, HD, CD1), "Relating to the Exemption from Civil Service of Executive Personnel of the Employees' Retirement System," as it pertains to the Deputy Executive

EXEMPTION FROM CIVIL SERVICE OF EXECUTIVE PERSONNEL OF THE EMPLOYEES' RETIREMENT SYSTEM," AS IT PERTAINS TO THE DEPUTY EXECUTIVE DIRECTOR, CHIEF COMPLIANCE OFFICER, AND INFORMATON SECURITY OFFICER POSITIONS

Director, Chief Compliance Officer, and Information Security Officer Positions. Committee Chair Ley noted that this update was discussed earlier by ED Young in his update report.

DISCUSS THE RECENT DEPARTURE OF THE EMPLOYEES' RETIREMENT SYSTEM'S DEPUTY EXECUTIVE DIRECTOR, RECRUITMENT PROCESS OF A NEW DEPUTY EXECUTIVE DIRECTOR, AND THE ANNOUNCEMENT OF AN INTERIM DEPUTY EXECUTIVE DIRECTOR WESLEY MACHIDA

Committee Chair Ley also shared with the Board that the Committee discussed the Recent Departure of the Employees' Retirement System's Deputy Executive Director, Recruitment Process of a New Deputy Executive Director, and the Announcement of an Interim Deputy Executive Director Wesley Machida. Committee Chair Ley also noted that this update was also discussed earlier by ED Young in his update report.

DISCUSS UPDATE OF THE RECRUITMENT PROCESS OF THE VACANT EMPLOYEES' RETIREMENT SYSTEM'S CHIEF INVESTMENT OFFICER

Committee Chair Ley also shared with the Board that the Committee discussed the Update of the Recruitment Process of the Vacant Employees' Retirement System's Chief Investment Officer. Committee Chair Ley also noted that this update was also discussed earlier by ED Young in his update report.

DISCUSS PROPOSED PLAN TO THE EXEMPTION FROM CIVIL SERVICE OF THE EMPLOYEES' RETIREMENT SYSTEM'S INFORMATION TECHNOLOGY BAND D POSITION (INFORMATION SYSTEMS BRANCH CHIEF)

Committee Chair Ley also shared with the Board that the Committee discussed the Proposed Plan to the Exemption from Civil Service of the Employees' Retirement System's Information Technology Band D Position (Information Systems Branch Chief).

ED Young noted that the Committee requested proposed legislation exempting the Information Technology Band D position from civil service, as similarly written for the Deputy Executive Director and Chief Compliance Officer, to be presented for the 2027 Legislative session. ED Young further noted that the position will be vacant in March 2027, and that this item be brought before the Legislative Committee at its next meeting.

RECESS

Chair Barfield called for a recess at 10:25 a.m.

RECONVENE

A quorum being present (Chair Barfield, Vice Chair Ley, Trustees Chan, Colby, Louie, and Lowrey). Chair Barfield reconvened the meeting at 10:35 a.m.

PUBLIC COMMENT

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

REPORT OF ACTIVITY BY THE INVESTMENT COMMITTEE

In the absence of Investment Committee (Committee) Chair Kane and Vice Chair Blakeney, Board Chair Barfield reported to the Board that the Committee last met on May 26, 2026, and discussed Updates of the following items:

TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING MARCH 31, 2026

Interim Chief Investment Officer (ICIO) Anthony Goo presented an oral report of Meketa Investment Group Inc.'s (Meketa) written report to the Board, on the Total Fund Performance Review for Period Ending March 31, 2026, and highlighted:

INTRODUCTION
Portfolio Valuation
ERS Total Fund Relative Performance

TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING MARCH 31, 2026 (CONT'D)

Asset Allocation vs. Target
Annualized Return vs. Annualized Standard Deviation and Annualized Risk - Return

- 3-Years Ending and 5-Years Ending, March 31, 2026

ERS PORTFOLIO REVIEW
Performance Attribution vs. Policy Benchmarks

- 1 Year Ending March 31, 2026

Asset Class Performance Summary

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

2026 ASSET LIABILITY STUDY EDUCATION: CAPITAL MARKET ASSUMPTIONS

Meketa's Colin Bebee attended the meeting by teleconference and presented an oral and written report to the Board, on the 2026 Asset Liability Study Education (Part 1): Capital Market Assumptions, and highlighted:

GOALS OF TODAY
Asset-Liability Study Timeline

- Meketa and ERS staff expect to conclude the Asset-Liability Study at the 2026 HERS Summit

ASSET-LIABILITY STUDY PROCESS – OVERVIEW
Approach to Asset-Liability Studies

- Asset-liability studies are the intersection of asset and liability projections.
- The actuarial value of assets (AVA) and actuarial accrued liability (AAL) change from one year to the next in a formulaic fashion.

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 (CMA)

- CMAs are the inputs needed to calculate a portfolio's expected return, volatility, and relationships (i.e., correlations) to the broader markets.
- Consultants (including Meketa) generally set their CMAs once per year.
- This process involves setting long-term expectations for a variety of asset class/strategy attributes.
- Meketa's process relies on both quantitative methodologies.
- We do not assume any "alpha generation", and all assumptions are inclusive of estimated fees.

HIERS Classes and Respective Expected Returns
HIERS Classes and Respective Volatilities

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

2026 ASSET LIABILITY STUDY EDUCATION: RISK & IMPLEMENTATION SURVEY

ICIO Goo and Meketa's Mr. Bebee presented an oral and written report to the Board on the 2026 Asset-Liability Study Education: Risk & Implementation Survey (Results), and highlighted:

INTRODUCTION
Survey Overview
Purpose

2026 ASSET LIABILITY STUDY EDUCATION: RISK & IMPLEMENTATION SURVEY (CONT'D)

Key Themes to Watch
How to Read the Presentation

KEY TAKEAWAYS
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, contributors, etc.).
  - Certain viewpoints on downside funded ratio thresholds may be unrealistic if the global capital markets were to experience significantly deteriorating economic conditions.
- Provide further education on the Diversifying Strategies class and its existing/future components.

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

ROTATING ALTERNATIVE ASSET CLASS REVIEW: PRIVATE EQUITY ANNUAL REVIEW FOR PERIOD ENDING DECEMBER 31, 2025

ICIO Goo presented an oral and written report to the Board on the Rotating Alternative Asset Class Review: Private Equity Annual Review for Period Ending December 31, 2025, and highlighted:

PRIVATE EQUITY STRATEGIC SUMMARY
Market Value

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

Asset Allocation

- Allocation in line with strategic targets

Long-Term Appreciation

- Consistent delivery of long-term returns

Absolute Return vs. Peers & Benchmarks

- Long-term returns meeting/exceeding benchmarks

Liquidity Management

- Distributions exceeded contributions

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

REVIEW AND APPROVE INVESTMENT RISK MANAGEMENT POLICY

Investment Officer – Risk (IO-Risk) Lynn Kamimoto presented a written report to the Board on the Investment Risk Management Policy, and requested the Board approve the Investment Risk Management Policy as presented.

On a motion made by Trustee Colby, seconded by Vice Chair Ley, and unanimously carried, the Board approved the Investment Risk Management Policy as presented.

APPROVAL OF MINUTES
– MAY 7, 2026
– JUNE 1, 2026

On a motion made by Trustee Lowrey, seconded by Trustee Louie, and unanimously carried, the Board approved the Minutes of the May 7, 2026, and June 1, 2026, meetings as presented.

APPROVAL OF EXECUTIVE SESSION MINUTES
– MAY 7, 2026
– JUNE 1, 2026

On a motion made by Trustee Lowrey, seconded by Trustee Louie, and unanimously carried, the Board approved the Executive Session Minutes of the May 7, 2026, and June 1, 2026, meetings as presented.

APPROVAL OF CONFIDENTIAL EXECUTIVE SESSION MINUTES – MAY 7, 2026

On a motion made by Trustee Lowrey, seconded by Trustee Louie, and unanimously carried, the Board approved the Confidential Executive Session Minutes of the May 7, 2026, meeting as presented.

PUBLIC COMMENT

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

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

Chair Barfield provided the reason to enter into Executive Session:

> Executive Session, pursuant to HRS §92-5(a)(4), (6) and (8), to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to Cyber Security that involves Information Security, Technology Risk Management, and the protection of Employees' Retirement System Information Assets; related to Internal Audit Resource Reallocation; related to Risk Dashboard that involves Cyber Security, Information Security, Technology Risk Management, Security Vulnerabilities, and related Mitigation Activities; with respect to a potential compromise and settlement, and a compromise and settlement both pursuant to HRS §88-106.5, and appropriate action regarding a matter that requires the consideration of information that must be kept confidential pursuant to Hawaii State Constitution, Article 1, Section 6; and three cases with respect to litigation regarding Allan Zachary, SCWC-23-0000326, Robert G. Gomes, Jr., SCWC-23-0000498, and Linda S. Martell, SCWC-22-0000545.

ENTER EXECUTIVE SESSION

On a motion made by Vice Chair Ley, seconded by Trustee Lowrey, and unanimously carried, the Board entered into Executive Session at 11:33 a.m.

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

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

EXECUTIVE SESSION

- Pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to Cyber Security that involves Information Security, Technology Risk Management, and the protection of Employees' Retirement System Information Assets.
- Pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Internal Auditors and the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to the Internal Audit Resource Reallocation.
- Pursuant to HRS §92-5(a)(4) and (6), to consider and consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, and to consider sensitive matters related to the Risk Dashboard that involves Cyber Security, Information Security, Technology Risk Management, Security Vulnerabilities, and related Mitigation Activities.
- Pursuant to HRS §92-5(a)(4) and (8), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to a potential compromise and settlement pursuant to HRS §88-106.5; and appropriate action regarding a matter that requires the consideration of

information that must be kept confidential pursuant to Hawaii State Constitution, Article 1, Section 6.

- Pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, with respect to litigation regarding Allan Zachary, SCWC-23-0000326.
- Pursuant to HRS §92-5(a)(4), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities, with respect to litigation regarding Robert G. Gomes, Jr., SCWC-23-0000498L.
- Pursuant to HRS §92-5 (a)(4) to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to litigation regarding Linda S. Martell, SCWC-22-0000545.
- Pursuant to HRS §92-5 (a)(4) and (8), to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges, immunities, and liabilities with respect to a compromise and settlement pursuant to HRS §88-106.5; and appropriate action regarding a matter that requires the consideration of information that must be kept confidential pursuant to Hawaii State Constitution, Article 1, Section 6.

EXECUTIVE SESSION, PURSUANT TO HRS §92-5(a)(4) AND (6), TO CONSIDER AND CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, AND TO CONSIDER SENSITIVE MATTERS RELATED TO CYBER SECURITY THAT INVOLVES INFORMATION SECURITY, TECHNOLOGY RISK MANAGEMENT, AND THE PROTECTION OF EMPLOYEES' RETIREMENT SYSTEM INFORMATION ASSETS

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

EXECUTIVE SESSION, PURSUANT TO HRS §92-5(a)(4) AND (6), TO CONSIDER AND CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, AND TO CONSIDER SENSITIVE MATTERS RELATED TO THE RISK DASHBOARD THAT INVOLVES CYBER SECURITY, INFORMATION SECURITY, TECHNOLOGY RISK MANAGEMENT, SECURITY VULNERABILITIES, AND RELATED MITIGATION ACTIVITIES

EXECUTIVE SESSION, PURSUANT TO HRS §92-5(a)(4) AND (8), TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, AND PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO A POTENTIAL COMPROMISE AND SETTLEMENT PURSUANT TO HRS §88-106.5; AND APPROPRIATE ACTION REGARDING A MATTER THAT REQUIRES THE CONSIDERATION OF INFORMATION THAT MUST BE KEPT CONFIDENTIAL PURSUANT TO HAWAII STATE CONSTITUTION, ARTICLE 1, SECTION 6

EXECUTIVE SESSION, PURSUANT TO HRS §92-5(a)(4), TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, WITH RESPECT TO LITIGATION REGARDING ALLAN ZACHARY, SCWC-23-0000326

EXECUTIVE SESSION, PURSUANT TO HRS §92-5(a)(4), TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, WITH RESPECT TO LITIGATION REGARDING ROBERT G. GOMES, JR., SCWC-23-0000498

EXECUTIVE SESSION, PURSUANT TO HRS §92-5 (a)(4) TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, AND PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO LITIGATION REGARDING LINDA S. MARTELL, SCWC-22-0000545

EXECUTIVE SESSION, PURSUANT TO HRS §92-5 (a)(4) AND (8), TO CONSULT WITH THE BOARD'S ATTORNEYS ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, AND PRIVILEGES, IMMUNITIES, AND LIABILITIES WITH RESPECT TO A COMPROMISE AND

SETTLEMENT PURSUANT TO HRS §88-106.5; AND APPROPRIATE ACTION REGARDING A MATTER THAT REQUIRES THE CONSIDERATION OF INFORMATION THAT MUST BE KEPT CONFIDENTIAL PURSUANT TO HAWAII STATE CONSTITUTION, ARTICLE 1, SECTION 6

EXIT EXECUTIVE SESSION

On a motion made by Trustee Louie, seconded by Vice Chair Ley, and unanimously carried, the Board exited Executive Session at 12:26 p.m.

Chair Barfield announced that while in Executive Session, the Board consulted with its attorneys with respect to sensitive matters related to Cyber Security, the Board also consulted with the Internal Auditors and its attorneys with respect to sensitive matters related to the Internal Audit Resource Reallocation, and the Board consulted with its attorneys with respect to sensitive matters related to the Risk Dashboard, the Board consulted with its attorneys with respect to a potential compromise and settlement and a compromise and settlement both pursuant to HRS §88-106.5, and appropriate action regarding matters that require the consideration of information that must be kept confidential pursuant to Hawaii State Constitution, Article 1, Section 6, and the Board consulted with its attorneys with respect to three litigation cases regarding Allan Zachary, SCWC-23-0000326, Robert G. Gomes, Jr., SCWC-23-0000498, and Linda S. Martell, SCWC-22-0000545.

Chair Barfield also announced that in Executive Session regarding litigation, the Board agreed to retain outside counsel for Robert G. Gomes, Jr., SCWS-23-0000498.

On a motion made by Trustee Lowrey, seconded by Vice Chair Ley, and unanimously carried, the Board approved the retention of a Special Deputy Attorney General to represent the ERS in SCWC-23-0000498.

ADJOURNMENT

On a motion made by Trustee Colby, seconded by Vice Chair Ley, and unanimously carried, Chair Barfield adjourned the meeting at 12:31 p.m.

REDACTED SIGNATURE

Kalbert Young
Executive Director

dkik

2026

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

OFFICERS & COMMITTEE ASSIGNMENTS

BOARD MEMBERS
Vincent (Vince) Barfield, Chair
Genevieve (Genny) Gines Ley, Vice Chair
Darlene Blakeney
Catherine Chan
Seth Colby
Emmit Kane
David Louie
Amanda Lowrey

GOVERNANCE POLICY COMMITTEE*
Vincent (Vince) Barfield, Chair
(Board)
Genevieve (Genny) Gines Ley, Vice Chair
(Board and Human Resources Committee Chair)
David Louie
(*Administrative & Audit Committee Chair)*
Emmit Kane
(Investment Committee Chair)
~~Catherine Chan~~
~~(Legislative *Committee Chair)*~~

ADMINISTRATIVE & AUDIT COMMITTEE (2/11/26)
David Louie, Chair
Seth Colby, Vice Chair
Vincent (Vince) Barfield
Darlene Blakeney

HUMAN RESOURCES COMMITTEE (2/18/26)
Genevieve (Genny) Gines Ley, Chair
Catherine Chan, Vice Chair
Vincent (Vince) Barfield
Emmit Kane

INVESTMENT COMMITTEE (2/17/26)
Emmit Kane, Chair
Darlene Blakeney, Vice Chair
~~Genevieve (Genny) Gines Ley~~ Amanda Lowrey
David Louie

LEGISLATIVE COMMITTEE (2/26/26)
Catherine Chan, Chair
~~Emmit Kane, Vice~~ Chair Amanda Lowrey
Vincent (Vince) Barfield
Seth Colby

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

Noted dates are when Committee Chairs and Vice Chairs were elected.

New Legislative Committee Vice Chair will need to be selected.

Accepted by Board: Mar 9, 2026
Revised: July 13, 2026