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

MAY 26, 2026

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

Committee Members present: (City Financial Tower)	Mr. Emmit Kane, Chair Ms. Darlene Blakeney, Vice Chair Dr. Genevieve Ley Mr. David Louie
Visiting Trustees present: (via teleconference)	Mr. Vince Barfield
Attorneys present: (City Financial Tower)	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. 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 Ms. Lynn Kamimoto – Investment Officer - Risk Ms. Jennifer Kimura – Investment Officer - Operations Mr. Roman Mahi, Investment Specialist 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)	Mr. Andrew Betz, Stafford Capital Mr. Rick Fratus, Stafford Capital Mr. Paul Yett, Hamilton Lane Ms. Ilene Levinson, Hamilton Lane Mr. Raymond Sin, US Air Force
Guest present: (via teleconference)	Mr. Colin Bebee, Meketa Investment Group, Inc. Ms. Mika Malone, Meketa Investment Group, Inc.
Public present: (via teleconference)	Mr. Akin Greville, Wellington 1-516-916-7742 (unverified)

CALL TO ORDER

A quorum being present (Chair Kane, Trustee Ley and Trustee Louie), Chair Kane called the Investment Committee meeting to order at 1:30 p.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.

Vice Chair Blakeney joined the meeting in-person at 1:35 pm.

DCIO Goo mentioned that this meeting is CIO Varela's last Investment Committee meeting as she is pursuing a new opportunity in New Mexico. CIO Varela thanked everyone for the privilege of being CIO at ERS for the past three years. She continued to thank the leadership and team for all their support.

PRESENTATIONS

- MEKETA INVESTMENT GROUP, INC. – TOTAL FUND PERFORMANCE REVIEW FOR PERIOD ENDING MARCH 31, 2026

Mr. Colin Bebee of Meketa Investment Group presented the Total Fund Performance Review for period ending March 31, 2026. The 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 to fund the plan over time.
- The portfolio's market value as of March 31, 2026, was $25.6 billion.

- MEKETA INVESTMENT GROUP, INC. – 2026 ASSET LIABILITY STUDY: CAPITAL MARKET ASSUMPTIONS

Meketa and Staff are expected to finish the Asset-Liability Study by October 2026, at the Summit.

- Asset-Liability studies are the intersection of asset and liability projections and investigate a range of modeled returns and corresponding impacts.
- Capital Market Assumptions (CMA) are needed to calculate a portfolio's expected return, volatility, and association to the broader market.
- Meketa sets their CMAs once a year which involves quantitative and qualitative methodologies.
- Asset classes and strategies that are investible and appropriate for long-term allocation of funds are identified. Influencing factors are:

- Unique return behavior
- Observable historical track record
- Robust market
- Client requests
- Forecasts are then made for each asset classes.

- The ALS will investigate possible outcomes for ERS' system over time.
- For the 2026 Asset-Liability Study, Meketa and Staff propose to use Meketa's standard CMAs.
- Preliminary ALS output will be presented at the August 2026 Investment Committee meeting.

- MEKETA INVESTMENT GROUP, INC. – 2026 ASSET LIABILITY STUDY: RISK & IMPLEMENTATION SURVEY

The results will serve as a foundation for the asset-liability model and support the current path of ERS.

- The survey consisted of 20 questions covering investment objectives, risk tolerance, macroeconomic concerns, portfolio construction beliefs and benchmark preference.
- Seven Board members and nine Staff responded to the survey.
- All respondents felt it was important to focus on improving medium- and long-term funded ratio.
- Neither group favored reducing portfolio risk but instead keep risk the same or increase it.
- Both groups ranked priority #1 as "maintaining consistent progress toward improving the funded ratio", and priority #2 as "achieving 100% funding."
- The Board's top-ranked risk is monetary loss, while Staff ranked portfolio liquidity as the highest.
- When asked the amount of investment risk in the total portfolio, 57% of the Board preferred the same level of risk and 43% favored more, whereas, with the Staff, 56% favored more risk and 44% the same level.
- The Board indicated a higher tolerance for drawdowns.
- Geopolitical conflict is the top macroeconomic concern for the Board. Staff showed an anxiety about poor economic growth.
- There was support in maintaining the Diversifying Strategies class within the portfolio.
- Fund investment philosophy, risk framework and Diversifying Strategies are topics that present additional education opportunities for the Board.
- Both groups agreed for a focus on net-of-fee results over simple fee minimization.
- The Board prioritizes the HIERS market benchmark.
- There was a consensus across both groups for the questions asked in the survey.

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

IO Au presented the Private Equity Score Card for period ending December 31, 2025:

  - All five scorecard categories earned a Green rating – all areas are meeting or exceeding expectations.

- Market value stands at $5.15 billion, up $380 million.
- Asset allocation remains in line with strategic targets.

- Long-term returns exceeded benchmarks at the 5-year (10.9%) and 10-year (14.1%) horizons.
- Distributions exceeded contributions-for 2025 the program was self funding.

Hamilton Lane consultants Ms. Ilene Levinson, and Mr. Paul Yett presented the Rotating Alternative Asset Class Review for Private Equity ending as of December 31, 2025.

Highlights include:

- The Private Equity portfolio generate a quarterly IRR of 2.12%, or net value increase of $107.M.
- The portfolio outperformed its public benchmark by 433 bps since inception.
- During a one-year period, the portfolio generated gains of $492.8M.
- Q4 represented 51 of 54 quarters of positive net value gains.
- Foundation Managers outperformed total portfolio by 189 bps and the Hamilton Lane portfolio outperformed the total portfolio by 197 bps.
- Growth Equity continuously generates a strong performance on an IRR and multiple basis.
- The portfolio is diversified by strategy, geography and sector. Strategy, geography and industry remain consistent with Information Technology and Health Care the top two sectors.
- ERS portfolio has some of the best managers that are in high demand.

- EDUCATION – RISK BUDGET POLICY ADOPTION

IO-Risk Lynn Kamimoto 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.
- Short-term changes include: 1) Rebalance public market assets, including cash and cash overlay positions, 2) Change from active to passive strategies, and 3) Reduce or pause private markets pacing.
- Long-term changes include: 1) Review contracts to determine if exiting private positions early is net beneficial and 2) Explore a secondary sale of private assets.
- Operational changes include: 1) Update fund/manager agreements, 2) New/update benchmarks, 3) Risk management limits, 4) Liquidity provisions, and 5) Explore investment products with more diversification for the total fund.

On a motion made by Trustee Louie and seconded by Trustee Ley, and unanimously carried, the Investment Committee accepted the Investment Risk Management Policy, as presented and for board approval.

CIO UPDATE	CIO Varela mentioned that it was a pleasure working with everyone for the past three years and thanked the Investment Committee for the opportunity. The Investment team has two new members. Jennifer Kimura joined the team on March 2nd as an Investment Officer – Operations and Roman Mahi joined on March 30th as an Investment Specialist. This year two summer interns will start on June 1. Both positions are voluntary and mainly to gain knowledge. Shaylin Yamada graduated from Northern Arizona University in May and Maxwell Chin is a sophomore at Boston College. Ian Wetzel has been named to the Markets Group 2026 "Next Elite" list which highlights emerging leaders helping shape the future of institutional investing. The recognition reflects individual contributions, discipline and teamwork. CIO Varela concluded that Anthony Goo will officially be the Interim CIO. DCIO Goo has been a strong team member as well as leader. Along with the leadership team of IOs Kimura and Kamimoto to support DCIO Goo, CIO Varela has confidence in the team during the transition period.
APPROVAL OF MINUTES – FEBRUARY 17, 2026	On a motion made by Trustee Louie and seconded by Vice Chair Blakeney, and unanimously carried, the Investment Committee approved the minutes of February 17, 2026, as presented.
APPROVAL OF EXECUTIVE SESSION MINUTES – FEBRUARY 17, 2026	On a motion made by Trustee Louie and seconded by Vice Chair Blakeney, and unanimously carried, the Investment Committee approved the confidential Executive Session minutes of the February 17, 2026, with modifications.
ENTER EXECUTIVE SESSION	The meeting did not go into Executive Session.
ADJOURNMENT	On a motion made by Trustee Louie, seconded by Vice Chair Blakeney, and unanimously carried, Chair Kane adjourned the meeting at 3:25 p.m.

REDACTED SIGNATURE

Anthony Goo
Interim Chief Investment Officer
AG/dlg