

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Investment Committee Meeting
Monday, July 2, 2018

TRUSTEES PRESENT

Mr. Roderick Becker, Chairperson
Ms. Celeste Nip, Vice Chairperson
Ms. Linda Currivan Musto

Mr. Damien Elefante (arrived 9:15 am)
Mr. Christian Fern

TRUSTEES ABSENT

Ms. Laurel Johnston

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF AND CONSULTANTS

Mr. Derek Mizuno, Administrator
Ms. Maria Quartero

Mr. Kuan Yuan
Mr. Colin Bebee, Consultant

I. CALL TO ORDER

The meeting of the Investment Committee was called to order at 9:05 a.m. by Trustee Roderick Becker, Chairperson, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, City Financial Tower, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Monday, July 2, 2018.

MOTION was made and seconded to move agenda item IV. Education Review – Alternative Risk Premia before agenda item III. Executive Session. (Currivan Musto/Fern) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-3)

II. APPROVAL OF MINUTES – May 9, 2018

The Investment Committee reviewed the draft minutes of May 9, 2018.

MOTION was made and seconded to approve the minutes of May 9, 2018 as circulated. (Fern/Currivan Musto) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-3)

IV. EDUCATION REVIEW – ALTERNATIVE RISK PREMIA

Mr. Colin Bebee presented the Education Review on Alternative Risk Premia.

Trustee Elefante arrived at 9:15 a.m.

III. EXECUTIVE SESSION

MOTION was made and seconded for the Investment Committee to move into Executive Session at 9:41 a.m. (Currivan Musto/Nip) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

The meeting reconvened at 10:03 a.m.

In Executive Session the Investment Committee approved:

1. The May 9, 2018 Executive Session minutes.
2. Four finalists to interview for the Alternative Risk Premia Strategy.

V. INVESTMENT MANAGER DUE DILIGENCE PLAN UPDATE

Mr. Kuan Yuan presented a memorandum dated June 28, 2018 with an update on recently completed and upcoming due diligence activity as part of the ongoing monitoring of investment managers. PCA has conducted nine onsite visits in the past twelve months, all with satisfactory results. There are currently no scheduled onsite visits, and no visits necessary until September 2019.

VI. FUTURE AGENDA ITEMS DISCUSSION AND POSSIBLE MEETING DATES

Mr. Yuan reported that the next meeting is scheduled on Tuesday, July 10, 2018, 9:00 a.m.

VII. ADJOURNMENT

MOTION was made and seconded for the Investment Committee to adjourn the meeting at 10:09 a.m. (Nip/Elfante) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

Respectfully submitted,

/s/

Roderick Becker, Chairperson

APPROVED on July 10, 2018.

Documents Distributed:

1. Draft May 9, 2018 Investment Committee minutes.
2. Educational Review: Alternative Risk Premia Presentation by PCA dated July 2018.
3. Memorandum to the EUTF Investment Committee from the EUTF Investment Officer Regarding Investment Manager Due Diligence Plan Update dated June 28, 2018.