

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Investment Committee Meeting
Tuesday, February 18, 2025

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson
Mr. Robert Yu, Vice-Chairperson
Ms. Jacqueline Ferguson-Miyamoto

Ms. Sabrina Nasir (via video conference, excused at 9:54 a.m.)
Ms. Maureen Wakuzawa

TRUSTEES ABSENT

Mr. Wesley Machida
Mr. James Wataru

Mr. Ryan Yamane

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General (via video conference)

EUTF STAFF

Mr. Derek Mizuno, Administrator
Mr. David Okamoto, Chief Investment Officer
Mr. Brett Tatsuno, Investment Officer

Mr. Justin Isobe
Mr. Joao Marco Maffini
Ms. Desiree Yamauchi

CONSULTANTS (via video conference, unless otherwise noted)

Mr. Colin Bebee, Meketa Investment Group (in person)
Mr. Tad Fergusson, Meketa Investment Group (in person)
Mr. Jonathan Gould, Callan LLC (in person)
Mr. Mark McKeown, Meketa Investment Group

Mr. Ricky Pamensky, Meketa Investment Group
Mr. Avery Robinson, Callan LLC (in person)
Ms. Stephanie Sorg, Meketa Investment Group (in person)

OTHERS PRESENT (via video or audio conference)

Ms. Tiffany Andrade, HMSA
Anonymous

I. CALL TO ORDER

The meeting of the Investment Committee was called to order at 9:00 a.m. by Trustee Christian Fern, Chairperson, in the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) Board Room, City Financial Tower, 201 Merchant Street, Suite 1700, Honolulu, Hawaii, on Tuesday, February 18, 2025.

II. REVIEW OF MINUTES – DECEMBER 10, 2024

The Investment Committee reviewed the draft minutes of December 10, 2024. Since there were no edits or objections by the Trustees, the minutes stand approved.

III. EXECUTIVE SESSION

MOTION was made and seconded to move into Executive Session at 9:02 a.m. (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

Trustee Sabrina Nasir was excused from the meeting at 9:54 a.m., during Executive Session.

The regular meeting reconvened at 10:42 a.m.

Chairperson Fern reported that the following occurred during Executive Session:

- Approved a recommendation to the Board to commit funds to a private equity fund, subject to contract negotiations.
- Approved a recommendation to the Board to commit funds to a private real assets fund, subject to contract negotiations and advisement of the Deputy Attorney General.
- Approved a recommendation to the Board to commit funds to a multi-asset credit manager, subject to contract negotiations.
- Discussed private credit manager updates.

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- 1 • Reviewed and discussed the December 10, 2024 Executive Session Minutes. Since there were no
2 edits or objections, the minutes stand approved.
3

4 IV. NEW BUSINESS

5 A. Quarterly Performance Report - Q4 2024

6 Ms. Stephanie Sorg and Mr. Colin Bebee of Meketa Investment Group (Meketa) highlighted
7 significant points in the Q4 Performance Report. The OPEB Trust finished the quarter at \$8.5
8 billion, with a slight loss of -0.5% for the quarter and up 8.4% for the 1-year period (net of fees).
9 These results underperformed the policy benchmark of -0.2% and 9.8%, respectively, primarily
10 due to short-term benchmarking challenges within the Private Equity and Private Credit asset
11 classes. Since inception (June 23, 2011), the portfolio has returned 7.3% (net of fees) versus the
12 policy benchmark return of 7.3%.
13

14 Ms. Sorg and Mr. Bebee reported that the EUTF Trust Fund finished the quarter at \$555.8 million,
15 down -1.7% for the quarter and up 6.8% for the 1-year period (net of fees). Since inception
16 (October 1, 2013), the portfolio has returned 3.8% (net of fees).
17

18 B. Quarterly Private Real Assets Report and Annual Portfolio Review – Q3 2024

19 Mr. Avery Robinson and Mr. Jonathan Gould of Callan LLC (Callan) highlighted the significant
20 points in the third-quarter 2024 Real Assets performance report and annual asset class review. At
21 the end of the quarter, Private Real Assets reported a market value of \$702.6 million (8.3% of the
22 total portfolio), with a since inception return of 4.9% (net of fees), outperforming the asset class
23 benchmark of 4.3%.
24

25 After Callan’s presentation, the Committee, Callan, and EUTF staff discussed sector trends within
26 real assets.
27

28 C. Quarterly Private Equity Report – Q3 2024

29 This report was included for informational purposes and was not discussed at the meeting.
30

31 D. Quarterly Private Credit Report – Q3 2024

32 This report was included for informational purposes and was not discussed at the meeting.
33

34 E. Draft Strategic Plan 2025-2029

35 Mr. Derek Mizuno presented Goal #3 of EUTF’s draft 2025-2029 Strategic Plan that pertains to
36 the Investment Office. Goal #3 states: “Achieve a return, net of fees, of 7% or greater over the
37 three-year period ending 6/30/29 within prudent levels of risk.” The objective of Goal #3 is to,
38 “Exceed the median return of the peer group over the three-year period ending 6/30/29 within
39 prudent levels of risk.” The tactics to achieve the goal and objective include adhering to EUTF’s
40 Investment Policy Statement, meeting private market asset allocation targets, and maintaining an
41 Investment Office staffing ratio of one employee for every 10-15 funds.
42

43 MOTION was made and seconded to recommend to the Board approval of Goal #3 and the related
44 objectives and tactics for the Strategic Plan for the period July 1, 2025 to June 30, 2029.

45 (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-1/Employee-
46 Beneficiary Trustees-3)
47

48 V. FUTURE AGENDA ITEMS DISCUSSION AND POSSIBLE MEETING DATES

49 Mr. David Okamoto reported that the next Investment Committee meeting is scheduled for Tuesday,
50 April 1, 2025.
51

52 VI. ADJOURNMENT

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1 MOTION was made and seconded for the Investment Committee to adjourn the meeting at 11:21 a.m.
2 (Yu/Ferguson-Miyamoto) The motion passed unanimously. (Employer Trustees-1/Employee-
3 Beneficiary Trustees-3)
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5

6 Documents Distributed:

- 7 1. Draft Board Minutes of December 10, 2024. (3 pages)
8 2. EUTF, Q4 2024 Quarterly Report, prepared by Meketa, dated February 18, 2025. (103 pages)
9 3. EUTF, Real Assets 3Q 2024, Annual Performance Review, prepared by Callan, dated February 18, 2025.
10 (27 pages)
11 4. EUTF, Private Equity Q3 2024 Quarterly Report, prepared by Meketa Investment Group, dated February
12 18, 2025. (16 pages)
13 5. EUTF, 3Q 2024, Private Credit Portfolio Review, prepared by Callan, dated February 18, 2025. (26
14 pages)
15 6. Draft EUTF Strategic Plan, 7/1/25-6/30/29, Redacted Version. (6 pages)

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