

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Investment Committee Meeting
Tuesday, April 1, 2025

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson	Ms. Sabrina Nasir (via video conference, excused at 10:19 a.m.)
Mr. Robert Yu, Vice-Chairperson (via video conference)	Ms. Maureen Wakuzawa
Ms. Jacqueline Ferguson-Miyamoto	Mr. Ryan Yamane (via video conference, excused at 10:15 a.m.)

TRUSTEES ABSENT

Mr. Wesley Machida	Mr. James Wataru
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ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Mr. Derek Mizuno, Administrator	Mr. Justin Isobe
Mr. David Okamoto, Chief Investment Officer	Mr. Joao Marco Maffini
Mr. Brett Tatsuno, Investment Officer	Ms. Desiree Yamauchi

CONSULTANTS (via video conference, unless otherwise noted)

Mr. Colin Bebee, Meketa Investment Group (in person)	Mr. Aaron Quach, Callan LLC
Mr. Constantine Braswell, Callan LLC	Mr. Avery Robinson, Callan LLC
Mr. Ryan Lobdell, Meketa Investment Group	Ms. Stephanie Sorg, Meketa Investment Group

OTHERS PRESENT (via video or audio conference)

Mr. Kevin Balaod, With.Intelligence

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, April 1, 2025.

II. REVIEW OF MINUTES – FEBRUARY 18, 2025

The Investment Committee reviewed the draft minutes of February 18, 2025. 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 9:03 a.m. (Ferguson-Miyamoto/Wakuzawa) The motion passed unanimously. (Employer Trustees-3/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 9:56 a.m.

Chairperson Fern reported that the following occurred during Executive Session:

- Approved a recommendation to the Board to commit funds to a private real assets fund, subject to contract negotiations.
- Approved a recommendation to the Board to commit funds to a private credit fund, subject to contract negotiations.
- Discussed private real assets manager updates.
- Approved a recommendation to the Board to award a new custodian contract.
- Reviewed and discussed the February 18, 2025 Executive Session Minutes. Since there were no edits or objections, the minutes stand approved.

IV. NEW BUSINESS

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A. Diversifying Strategies Education

Mr. Colin Bebee provided an educational overview of the Diversifying Strategies (DS) asset class which was first implemented in 2016 to diversify the portfolio's equity risk. The session covered sub-strategies blending fundamental/discretionary and rule-based/systematic approaches, noting that while the current alternative risk premia manager uses a systematic approach, Meketa and staff's upcoming manager search will consider a broader range of strategies, including global macro, relative value/event driven, equity market neutral, and multi-strategy managers. The DS class is structured around First Responders, Second Responders, and Diversifiers to address different market environments.

Trustees Ryan Yamane and Sabrina Nasir were excused from the meeting during the presentation, at 10:15 a.m. and 10:19 a.m., respectively.

B. Long Volatility Benchmark Change

Mr. Bebee presented a memorandum recommending changes to the Long Volatility benchmark, a component of Diversifying Strategies. Due to changes in the existing Eurekahedge Long Volatility Index (ELVI), Meketa recommended maintaining the ELVI through 12/31/2024, transitioning to the With Intelligence Long Volatility Index beginning 1/1/2025, and ultimately adopting the HFR Long Volatility Index (expected in early Q2 2025) retroactively to 1/1/2025 once available.

MOTION was made and seconded to recommend to the Board a change to the Long Volatility benchmark from the Eurekahedge Long Volatility Index to the With Intelligence Long Volatility Index effective January 1, 2025, then to the HFR Long Volatility Index once it is published. (Ferguson-Miyamoto/Wakuzawa) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-3)

V. FUTURE AGENDA ITEMS DISCUSSION AND POSSIBLE MEETING DATES

Mr. David Okamoto reported that the next Investment Committee meeting is scheduled for May 19, 2025.

VI. ADJOURNMENT

MOTION was made and seconded for the Investment Committee to adjourn the meeting at 10:35 a.m. (Ferguson-Miyamoto/Yu) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-3)

APPROVED on May 19, 2025.

Documents Distributed:

1. Draft Board Minutes of February 18, 2025. (3 pages)
2. Diversifying Strategies Education, prepared by Meketa Investment Group, dated April 1, 2025. (20 pages)
3. Memorandum to EUTF from Meketa Investment Group, regarding Long Volatility Changes and Related Recommendations, dated April 1, 2025. (2 pages)