

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Investment Committee Meeting
Monday, May 19, 2025

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson (via video conference)	Ms. Maureen Wakuzawa
Mr. Wesley Machida (via video conference)	Mr. James Wataru
Ms. Sabrina Nasir (via video conference)	

TRUSTEES ABSENT

Ms. Jacqueline Ferguson-Miyamoto	Mr. Robert Yu
Mr. Ryan Yamane	

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. Daniel McNamara, Meketa Investment Group
Mr. Samuel Brigham, Meketa Investment Group	Mr. Aaron Quach, Callan
Mr. Joe Ebisa, WithIntelligence	Mr. Michael Pellatz, Meketa Investment Group
Mr. Tad Fergusson, Meketa Investment Group (in person)	Ms. Stephanie Sorg, Meketa Investment Group (in person)

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 Monday, May 19, 2025.

II. REVIEW OF MINUTES – APRIL 1, 2025

The Investment Committee reviewed the draft minutes of April 1, 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 9:02 a.m. (Wataru/Wakuzawa)
The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

The regular meeting reconvened at 10:14 a.m.

Chairperson Fern reported that the following occurred during Executive Session:

- Approved a recommendation to the Board to commit funds to an alternative risk premia fund, subject to fee and contract negotiations.
- Approved a recommendation to the Board to commit funds to a private equity fund, subject to contract negotiations.
- Reviewed and discussed the April 1, 2025 Executive Session Minutes. Since there were no edits or objections, the minutes stand approved.

IV. NEW BUSINESS

A. Quarterly Performance Report – Q1 2025

Ms. Stephanie Sorg and Mr. Colin Bebee of Meketa Investment Group (Meketa) highlighted significant points in the Q1 Performance Report. The OPEB Trust finished the quarter at \$8.6

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billion, down -0.10% (net of fees), underperforming the policy benchmark which returned 0.8%. Since inception (June 23, 2011), the portfolio has returned 7.1% (net of fees) and is exceeding the actuarial return target of 7%. In the first quarter, systematic trend following within diversifying strategies and private equity within aggressive growth were the primary sources of underperformance. The EUTF Trust Fund finished the quarter at \$534.6 million, up 0.4% for the quarter (net of fees). Since inception (October 1, 2013), the portfolio has returned 3.7% (net of fees).

B. Quarterly Private Equity Report and Annual Portfolio Review – Q4 2024

Mr. Tad Fergusson of Meketa highlighted significant points in the Private Equity Annual Performance Review. At the end of the quarter, private equity reported a market value of \$894.1 million (10.5% of the OPEB Trust), and a net IRR of 12.5% since inception (April 20, 2018). Although the private equity program has generated strong absolute returns, it has underperformed the policy benchmark (Russell 3000 + 3%) return of 17.3% during that same period. The underperformance is largely a result of the strong performance of public equity indexes and the slow-down in private equity transactions which private equity managers rely on to adjust the value of their portfolio companies. When compared to the broader private equity universe, EUTF's private equity portfolio has outperformed the Preqin Private Equity Index over the trailing 1-year (7.6% vs. 6.9%) and 3-year (4.8% vs. 3.4%) periods as of 12/31/24. Meketa commented that the portfolio is still relatively immature, and a large proportion of the program is still in its investing period with ~\$900 million remaining unfunded as of the end of 2024. Meketa reiterated that private market strategies require long-term implementation (10+ year horizons), and that consistent and disciplined progress has been made towards the program's long-term objectives.

C. Quarterly Private Credit Report – Q4 2024

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

D. Quarterly Private Real Assets Report – Q4 2024

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

E. Total Portfolio Expected Return Update

Mr. Colin Bebee presented a Total Portfolio Expected Return Update for 2025 regarding the EUTF's strategic allocation policy and corresponding risk/return estimates. Based on Meketa's 2025 capital market assumptions, the EUTF portfolio remains appropriately positioned to meet its 7% return objective over the long-term. EUTF staff has been executing the transition in-line with the Evolving Policy Plan with the goal of achieving the long-term strategic allocation on or around the beginning of calendar year 2027.

V. FUTURE AGENDA ITEMS DISCUSSION AND POSSIBLE MEETING DATES, CONFERENCE TRAVEL REPORT

Mr. David Okamoto reported that the next Investment Committee meeting is scheduled for August 19, 2025. He also discussed a travel report for the 2025 Callan Institute National conference.

VI. ADJOURNMENT

MOTION was made and seconded for the Investment Committee to adjourn the meeting at 10:52 a.m. (Wataru/Wakuzawa) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-3)

APPROVED on August 19, 2025.

Documents Distributed:

1. Draft Board Minutes of April 1, 2025. (2 pages)

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2. EUTF, Q1 2025 Quarterly Report, prepared by Meketa, dated May 19, 2025. (105 pages)
3. EUTF, Private Equity Q4 2024 Quarterly, prepared by Meketa Investment Group, dated May 19, 2025 (21 pages)
4. EUTF, 4Q 2024, Private Credit Portfolio Review, prepared by Callan, dated May 19, 2025. (26 pages)
5. EUTF, Real Assets 4Q 2024, Quarterly Performance Review, prepared by Callan, dated May 19, 2025. (26 pages)
6. Memorandum to EUTF, from Meketa Investment Group, regarding Total Portfolio Expected Return Update - 2025, dated May 19, 2025. (3 pages)
7. Memorandum to Investment Committee from EUTF Chief Investment Officer, regarding Travel Summary – 2025 Callan Institute National Conference, dated May 19, 2025. (1 page)