

HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
Minutes of the Investment Committee Meeting
Monday, May 18, 2026

TRUSTEES PRESENT

Mr. Christian Fern, Chairperson (via video conference) Mr. Aedward Los Banos (via video conference, entered at 9:03 a.m.)
Mr. Robert Yu, Vice Chairperson Mr. James Wataru

TRUSTEES ABSENT

Ms. Jacqueline Ferguson-Miyamoto Ms. Kristen Sakamoto
Mr. Brian Furuto Ms. Maureen Wakuzawa

ATTORNEY

Mr. Michael Chambrella, Deputy Attorney General

EUTF STAFF

Ms. Donna Tonaki, Assistant Administrator Mr. Justin Isobe
Mr. David Okamoto, Chief Investment Officer Ms. Desiree Yamauchi
Mr. Brett Tatsuno, Investment Officer

CONSULTANTS

Mr. Colin Bebee, Meketa Investment Group Ms. Stephanie Sorg, Meketa Investment Group
Mr. Michael Pellatz, Meketa Investment Group

OTHERS PRESENT (via video conference)

Mr. Joe Ebisa, WithIntelligence

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 18, 2026.

II. REVIEW OF MINUTES – MARCH 10, 2026

The Investment Committee reviewed the draft minutes of March 10, 2026. 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/Wataru) The motion passed unanimously. (Employer Trustees-1/Employee-Beneficiary Trustees-2)

Trustee Aedward Los Banos entered the meeting at 9:03 a.m., during Executive Session.

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 a private equity fund, subject to contract negotiations.
- Discussed a private equity manager update.
- Approved a recommendation to the Board to commit funds to a private real assets fund, subject to contract negotiations.
- Discussed a private equity co-investment.
- Reviewed and discussed the March 10, 2026 Executive Session Minutes. Since there were no edits or objections, the minutes stand approved.

1 IV. NEW BUSINESS

2 A. Quarterly Performance Report – Q1 2026

3 Ms. Stephanie Sorg and Mr. Colin Bebee of Meketa Investment Group (Meketa) highlighted
4 significant points in the Q1 Performance Report. The OPEB Trust finished the quarter at \$10.3
5 billion, gaining 1.1% and 13.1% (net of fees) for the quarter and 1-year, respectively. The quarter's
6 result outperformed the policy benchmark of 0.9%, while 1-year performance trailed the
7 benchmark of 13.4%, primarily due to underperformance in the Aggressive Growth asset classes.
8 Specifically, relative returns were impacted by short-term benchmarking challenges in Private
9 Equity and the year's sharp Micro Cap growth rally which was not fully captured by the manager's
10 quality bias. Since inception (June 23, 2011), the portfolio has returned 7.5% (net of fees) versus
11 the policy benchmark return of 7.6%.

12
13 The EUTF Trust Fund finished the quarter at \$486.4 million, up 1.0% for the quarter and 8.7% for
14 the 1-year period (net of fees). Since inception (October 1, 2013), the portfolio has returned 4.1%
15 (net of fees).

16
17 After the presentation, the Committee, Meketa, and EUTF staff discussed potential impacts of the
18 Iran conflict and the new Federal Reserve Chair.

19
20 B. Quarterly Private Equity Report and Annual Portfolio Review – Q4 2025

21 Mr. Michael Pellatz of Meketa presented the fourth-quarter 2025 Private Equity performance
22 report and annual asset class review. At the end of the quarter, Private Equity reported a market
23 value of \$1.14 billion (11.3% of the total portfolio), with a since inception return of 12.3% (net of
24 fees), underperforming the asset class benchmark of 18.0%.

25
26 C. Governance Education Session – Delegated Authority

27 Mr. Bebee presented an education session on delegated authority and the Total Portfolio Approach
28 (TPA). TPA is a flexible portfolio construction methodology where every investment decision is
29 evaluated by its marginal contribution to the whole portfolio's risk and return. The Board selects a
30 total fund risk level and staff implements a portfolio with similar risk. Unlike Strategic Asset
31 Allocation (SAA), which EUTF currently utilizes, there are no specific asset allocation targets.
32 Instead, a reference portfolio of publicly investable stocks and bonds typically serves as the overall
33 fund's primary benchmark.

34
35 Several large sovereign wealth and public pension funds have adopted TPA, but the operational
36 requirements for full implementation are substantial and performance claims should be treated
37 with caution. Therefore, Meketa does not believe TPA is a worthwhile endeavor for the EUTF, but
38 further expansion of delegated authority may be attractive.

39
40 Before full adoption, many institutional investors step into delegated authority through various
41 incremental activities. This has been the case for EUTF, as staff has already been delegated certain
42 responsibilities including portfolio rebalancing and approval of private equity co-investments.
43 Approving delegated authority for full manager selection would be the next step, which would be
44 in line with an industry-wide trend among public pension systems. Based on feedback from the
45 Committee in favor of exploring the concept further, Meketa and staff will bring forth additional
46 education on delegated authority, including example policies and procedures.

47
48 D. Quarterly Private Credit Report – Q4 2025

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

50
51 E. Quarterly Private Real Assets Report – Q4 2025

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1 This report was included for informational purposes and was not discussed at the meeting.
2

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

5 Mr. David Okamoto reported that the next Investment Committee meeting is scheduled for August 17,
6 2026. Mr. Okamoto also discussed a travel report that recapped his attendance at the 2026 Callan
7 Institute National Conference held on April 20-22, 2026.
8

9 VI. ADJOURNMENT

10 MOTION was made and seconded for the Investment Committee to adjourn the meeting at 11:10 a.m.
11 (Yu/Wataru) The motion passed unanimously. (Employer Trustees-2/Employee-Beneficiary Trustees-
12 2)
13
14

15 Documents Distributed:

- 16 1. Draft Board Minutes March 10, 2026. (3 pages)
17 2. EUTF, Q1 2026 Quarterly Report, prepared by Meketa, dated May 18, 2026. (112 pages)
18 3. EUTF, Private Equity Q4 2025 Quarterly Report, prepared by Meketa, dated May 18, 2026. (22 pages)
19 4. EUTF, Governance Discussion – Delegated Authority and the Total Portfolio Approach (TPA), prepared
20 by Meketa Investment Group, dated May 18, 2026. (23 pages)
21 5. EUTF, 4Q 2025 Private Credit Portfolio Review, prepared by Callan, dated May 18, 2026. (26 pages)
22 6. EUTF, Real Assets 4Q 2025, Quarterly Performance Review, prepared by Callan, dated May 18, 2026.
23 (25 pages)
24 7. Memorandum to Investment Committee from EUTF Chief Investment Officer, regarding Travel
25 Summary – 2026 Callan Institute National Conference, dated May 18, 2026. (1 page)