

**POLICY NUMBER:** 2.00.200**EFFECTIVE DATE:** 11/15/18**TITLE:** Board Education**SUPERSEDES:** 4/19/12**BOARD ADOPTION:** 11/15/18**REVIEWED:** *(Wet signature on hard copy)*

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**INTRODUCTION**

The Washington State Investment Board (WSIB) firmly believes that each Board member has an obligation to be well-informed in matters pertaining to pension and other trust fund investing and administration. In order to help all members of the Board fulfill this obligation according to their own individual needs and preferences, this policy and guideline for Board member education has been developed.

Each individual brings a unique set of skills and experience to his or her role as a member of the Board. Therefore, the determination as to what constitutes an appropriate course of study to enhance these skills is best left to the individual member. However, given the diverse and ever-changing aspects of pension fund investing, it is likely that most Board members will find worthwhile offerings in one or more of the training topics described in Appendix 1.

Board members are encouraged to participate in at least one WSIB-paid education event per year, in addition to any direct manager/partner conferences. The event(s) should contain at least 8 hours of educational content relevant to the investment and oversight of the WSIB. This expectation is satisfied by similar training events required by other entities to which one may belong; however, the WSIB will not reimburse for training events not generally available to all members (e.g., college alumni-sponsored, union-sponsored).

**Orientation Program**

The Executive Director will design a formal orientation program for the benefit of new Board members. The aim of the orientation program will be to ensure that new Board members are in a position to contribute fully to Board and Committee deliberations and effectively carry out their fiduciary duties as soon as possible after joining the Board.

**Continuing Education – In-house**

At least once each year, the Executive Director will organize an educational seminar for the benefit of all Board members. The Executive Director will consult the Board to identify topics of interest. Educational seminars are considered official meetings for which eligible Board members will be compensated.

**Continuing Education – Conferences**

All Board members are encouraged to attend appropriate conferences in accordance with the provisions of the Board Travel Policy.

The Executive Director and Chief Investment Officer will regularly provide the Board with information on any conferences they believe may be beneficial for Board members.

Attendance by Board members at any conference shall require approval by the Board Chair in advance.

The Board shall establish a list of *recommended* conferences (see Appendix 2).

### **Reporting**

On an annual basis, the Executive Director will submit a report to the Board on the educational activities of the Board. At a minimum, the report will summarize:

- a) Attendance by Board members at conferences during the year.
- b) Attendance at in-house educational sessions held during the year.
- c) Other educational activities that took place during the year.

### **POLICY REVIEW**

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

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Policy Adopted 7/14/92  
Revised 2/19/98  
Revised 1/21/99  
Revised 10/21/99  
Revised 8/1/03  
Revised 2/19/04  
Revised 4/21/05  
Reviewed 7/20/06  
Reviewed 4/16/09  
Revised 4/19/12  
Reviewed 4/16/15  
Revised 11/15/18

## Investment Training Topics

The following list of education topics is intended to provide guidance to Board members in focusing their education efforts. Board members are strongly encouraged to attend conferences and engage in other educational activities that will develop their knowledge across the various topics. The list is intended as a guideline only and is not exhaustive.

<p><b><i>GOVERNANCE AND FIDUCIARY DUTY</i></b></p> <ul style="list-style-type: none"> <li>• Fiduciary duty</li> <li>• Roles of the sponsor, administrator, management, and service providers</li> <li>• Basics of trust law</li> <li>• Effective decision-making</li> <li>• Roberts Rules of Order</li> <li>• Corporate governance and proxy voting</li> </ul>	<p><b><i>INVESTMENT POLICY AND ASSET ALLOCATION</i></b></p> <ul style="list-style-type: none"> <li>• Characteristics of traditional equity and fixed income investments</li> <li>• Characteristics of alternative investments</li> <li>• Risk and risk management</li> <li>• Diversification and asset allocation</li> <li>• Active versus passive management</li> <li>• Performance measurement</li> <li>• Due diligence</li> <li>• Execution costs and transitions</li> <li>• Derivatives</li> </ul>
<p><b><i>ACTUARIAL POLICES AND FUNDING</i></b></p> <ul style="list-style-type: none"> <li>• Role of the actuary</li> <li>• Actuarial process</li> <li>• Funding policy</li> <li>• Asset/liability management</li> </ul>	<p><b><i>REGULATORY AND LEGAL ISSUES</i></b></p> <ul style="list-style-type: none"> <li>• Governing legislation</li> <li>• State ethics laws</li> <li>• State Open Meetings Act</li> </ul>
<p><b><i>AUDIT</i></b></p> <ul style="list-style-type: none"> <li>• The audit function</li> <li>• Enterprise risk management</li> <li>• Internal controls</li> <li>• Financial reporting</li> </ul>	