Washington State Investment Board

BOARD ADOPTED POLICY

POLICY NUMBER: 2.00.200	**EFFECTIVE DATE:** 4/16/12
TITLE: Board Education	**SUPERSEDES:** 4/21/05
BOARD ADOPTION: 4/16/12	**APPROVED:**

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 WSIB. 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 eight 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 such 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.

Mentoring

New Board members may wish to participate in a mentorship with a standing Board member. The Executive Director will discuss this with the new Board member during orientation. If desired, a standing Board member will be assigned to meet with the new member to discuss how they came to the WSIB, review packet materials prior to the new member's first Board and Committee meetings, introduce the new member at their first meeting, and contact the new member on a quarterly basis over a one-year period.

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 each year 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; and
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.

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

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.

Governance and Fiduciary Duty • Fiduciary duty • Roles of the sponsor, administrator, management, and service providers • Basics of trust law • Effective decision-making • Roberts Rules of Order • Corporate governance and proxy voting	***Investment Policy and Asset Allocation*** • Characteristics of traditional equity and fixed income investments • Characteristics of alternative investments • Risk and risk management • Diversification and asset allocation • Active versus passive management • Performance measurement • Due diligence • Execution costs and transitions • Derivatives
Actuarial Polices and Funding • Role of the actuary • Actuarial process • Funding policy • Asset/liability management	***Regulatory and Legal Issues*** • Governing legislation • State ethics laws • State Open Meetings Act
Audit • The audit function • Enterprise risk management • Internal controls • Financial reporting	

Organization Name	Event Name	Location	Description	Recommended To
American Association of State Compensation Insurance Funds http://www.aascif2017.com/	**2018 AASCIF Conference** July 22-25	Minneapolis/ St. Paul, MN	Program not available yet.	All trustees
BlackRock, Inc.	**Institutional Investor Conference** April 23-24	New York, NY	Program not available yet.	All trustees
Callan Institute www.callan.com	**Callan 2018 National Conference** January 29-31	San Francisco, CA	Program will include Zanny Minton Beddoes, Editor-in-Chief, The Economist, on the economy and geopolitics; Hal Hershfield, UCLA Anderson School of Management, and Raphael Schoenle, Brandeis University, on financial decision-making; Shankar Vedantam - host of the Hidden Brain on NPR, on the hidden brain in finance; and Dr. R. David Edelman - Director of MIT's Project on Technology, the Economy, & National Security, on cybersecurity.	Public Markets Committee members
Callan Associates Callan College www.callan.com/education	**Fiduciary College - Introduction to Investments** April 10-11 July 24-25 October 2-3	San Francisco, CA San Francisco, CA Chicago, IL	This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts 1-1/2 days and is designed for individuals who have less than 2 years of experience with asset management oversight and/or support responsibilities. Participants will gain a fundamental understanding of the basic types of institutional funds, including their purpose within the structure of investment programs.	New trustees in 1st term
Council of Institutional Investors (CII) www.cii.org	**2018 Spring Meeting** March 12-14 **2018 Fall Meeting** October 24-26	Washington DC Boston, MA	CII is a nonprofit, nonpartisan association of corporate, public, and union employee benefit funds and endowments with a focused policy mission to be the leading voice for effective corporate governance practices for U.S. companies and strong shareowner rights and protections. CII is a diverse community of professionals who come together to learn, share perspectives and advocate. CII educates members about best corporate governance practices and provides opportunities for members to interact with peers, policymakers, and investment executives.	All trustees

Organization Name	Event Name	Location	Description	Recommended To
International Centre for Pension Management (ICPM) www.icpmnetwork.com	**Spring Discussion Forum** June 10-12	Toronto, Ontario CANADA	ICPM organizes two Discussion Forums each year that bring together ICPM's Research Partners with leading authorities from academia and policy-making circles to network and build knowledge about critical issues facing the pension system. Held in different parts of the world, Discussion Forums provide a collegial setting for senior executives in the ICPM network and other distinguished pension and investment practitioners to exchange ideas on key pension management topics. In addition, these events feature presentations by academic researchers on findings from ICPM-sponsored research. Research papers, presentation materials, and case studies presented at past Discussion Forums are available as a resource for ICPM's Research Partners on global best practices. Summaries of key insights are also provided.	All trustees
International Centre for Pension Management (ICPM) www.icpmnetwork.com	**Board Effectiveness Program (BEP)**	Toronto, Ontario CANADA	In partnership with Rotman's International Centre for Pension Management, this program focuses on board performance support for pension and other long-horizon investment institutions. This learning program communicates the critical role these pivotal societal financial giants hold in providing economic security for beneficiaries. The program is designed to develop the ability and capacity to navigate the growing complexities of the sector and improve business processes while continuing to build equity.	New trustees in 1st term
Kohlberg Kravis Roberts & Co. www.kkr.com	**Americas Investors' Meeting** June 25-27	Rancho Palos Verdes, CA	Market presentations by KKR executives and opportunity to meet informally with KKR executives, various management teams in the portfolio, and other KKR fund investors.	All trustees
KPMG Institutes https://boardleadership.kpmg.us/events/series/kpmg-board-leadership-conference.html	**KPMG Board Leadership Conference (fka Annual Audit Committee Issues Conference)** January 8-10	San Diego, CA	This conference brings together seasoned board directors, governance professionals, and business leaders to explore the governance challenges and priorities driving the board agendas in the year ahead. The conference has been expanded to provide a wider range of board and business insights driving not only the audit committee agenda but also other key committees and the full board. The program will provide time for networking and peer interaction, while covering a host of timely board topics (with a continued focus by KPMG's Audit Committee Institute on the critical challenges facing audit committees). Included will be informed perspectives from leading thinkers on the economic, social, and governance forces driving corporate performance today and over the long term.	Audit Committee Chair

Organization Name	Event Name	Location	Description	Recommended To
National Conference on Public Employees Retirement System (NCPERS) www.ncpers.org	**Trustee Educational Seminar** May 12-13	New York, NY	The Trustee Educational Seminar (TEDS) is a pre-conference program held in conjunction with the Annual Conference and Exhibition, intended for new and novice trustees who are seeking a better understanding of their role and responsibilities as trustee of their pension fund. It also serves as a refresher for experienced trustees interested in staying up-to-date. This two-day program provides an introduction to fiduciary responsibilities, creating a solid foundation of knowledge for those who have limited experience in pension plan trusteeship. Program content is designed to address the critical elements of trust fund management including, important topics such as investing, legal requirements, and trustee ethics. TEDS attendees earn 8 hours of continuing education credits.	New trustees in 1st term
	Annual Conference May 13-16		More than 1,000 trustees, administrators, state and local officials, investment, financial and union officers, pension staff, and regulators attend the NCPERS Annual Conference and Exhibition each year. Attendees benefit from the comprehensive educational programming, dynamic speakers, and networking opportunities with money managers, investment service providers, and public fund colleagues from across the nation.	All trustees
National Council on Teacher Retirement www.nctr.org	**Annual Conference** October 6-10	Washington DC	Program not available yet.	All trustees
Pacific Pension & Investment Institute www.pacificpension.org	**Winter Roundtable** March 14-16	Washington DC	Pacific Pension & Investment Institute (PPI) convenes global pension and investment thought leaders for in-depth dialogue and knowledge sharing on issues facing long-term institutional investors in Asia, the Pacific Rim, and worldwide. PPI is a global organization with individual and institutional members from leading pension funds, sovereign wealth funds, endowments, foundations, commercial asset management, and other investment experts. With over 12 trillion (USD) in assets under management, advisement and administration, our membership represents a powerful force in the global economy. The programs for 2018 will follow up on many of the discussions that took place during the 2017 events.	Chair; Vice Chair
	Summer Roundtable Jul 11-13	La Jolla, CA		Chair; Vice Chair

Organization Name	Event Name	Location	Description	Recommended To
Pacific Pension & Investment Institute www.pacificpension.org	**Executive Seminar** October 14-16	Melbourne, Australia	Program not available yet.	Chair; Vice Chair
	Asia Roundtable October 17-19	Melbourne, Australia	Program not available yet.	Chair; Vice Chair
Texas Pacific Group www.texaspacificgroup.com	**Annual Meeting** October 15-17	Scottsdale, AZ	General discussion sessions with TPG executives and other investors.	Private Markets Committee members
Top 1000 Funds Top1000funds.com	**Fiduciary Investors Symposium** TBD	Palo Alto, CA	The Fiduciary Investors Symposium has become recognized as an event that challenges the influence and responsibility of fiduciary capital and explores the evolution in investment management. The on-campus venues facilitate a unique space for different thinking and discussion, and the event includes tours of various university faculties. Top 1000 Funds is an advocate for fiduciary capitalism and the power of asset owners to change the nature of the investment industry, including addressing principal/agent and fee problems, stabilizing financial markets, and directing capital for the betterment of society and the environment.	All trustees

Attendance by Board members at any education session requires advance approval of the Board Chair.