

PUBLIC EQUITY ASSET MANAGEMENT OPPORTUNITIES FOR MANAGERS

OPEN AND UPCOMING SEARCHES

ACTIVE GLOBAL EQUITY AND ACTIVE EMERGING MARKETS EQUITY OPEN PROCUREMENTS

The WSIB has launched two open procurements to identify active global equity managers and active emerging markets equity managers for the Commingled Trust Fund (CTF). The search documents, posted on the WSIB website, describe the searches and process in more detail and are available at <https://www.sib.wa.gov/hiring.html>. If you have any questions, please contact the WSIB Contracts Unit at Contracts@sib.wa.gov.

Note: The WSIB is in a quiet period related to both searches. Any communication with WSIB staff or Board members in violation of the quiet period rules as outlined in the “Quiet Period” section of the search documents and in the Board’s [Service Provider Policy 2.00.230](#) may result in a candidate being eliminated from consideration.

PASSIVE EQUITY MANAGER REBID

Staff is planning to launch the rebid of the passive equity mandates used in the CTF, Plans 3, Deferred Compensation Program (DCP), Judicial Retirement Account (JRA), and other programs in 2024.

CURRENT AREAS OF FOCUS

- Active global equity
- Active emerging markets equity (Broad EM; no regional or single-country strategies)
- Passive equity

STRATEGIES WHERE THE WSIB DOES NOT INVEST

The WSIB has no interest at this time in any U.S.-only active public equity strategies, strategies with liquidity restrictions (lock-ups, gates, 90-day notice periods, etc.), hedge fund structures, or fund-of-fund strategies. The WSIB is committed to an open and fair procurement process, and encourages all managers to apply when they have a product offering applicable to a particular WSIB search. This document will be amended as needed to reflect the current status of manager searches and to give public notice of any changes.

30%

TARGET
ALLOCATION
FOR CTF PUBLIC
EQUITY

6

INVESTMENT
PROFESSIONALS
WITH DIRECT
OVERSIGHT

9

PROGRAMS

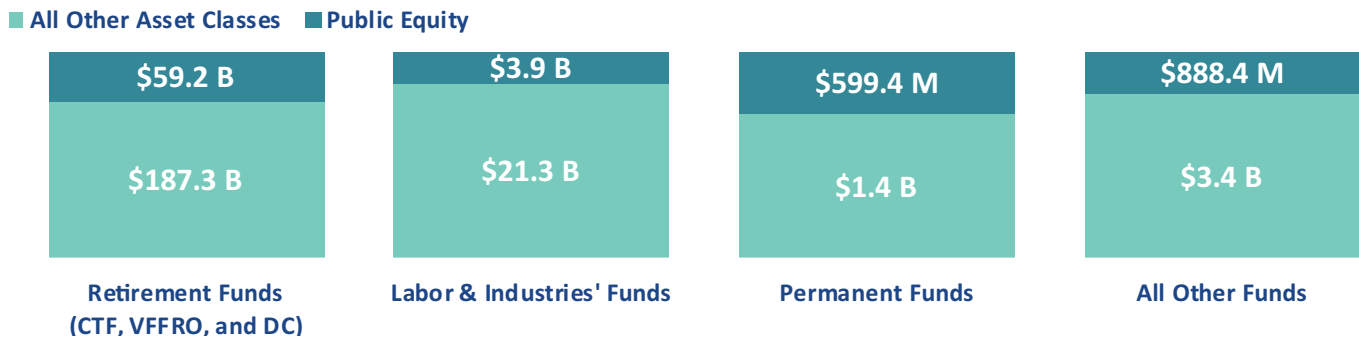
32

MANDATES

14

MANAGERS

WSIB'S PUBLIC EQUITY PROGRAM OVERSEES \$64.6 BILLION AS OF SEPTEMBER 30, 2024



ROLE AND STRUCTURE

DEFINED BENEFIT

The CTF (Hybrid DB Plan/DC Plan) has a target allocation of 51 percent to illiquid private market investments. Given the asset mix, governance structure, and the WSIB's finite resources, the Board has adopted the following structures as part of its public equity investments:

- Passive U.S. equity
- Passive non-U.S. equity
- Passive emerging markets equity
- Active global equity
- Active emerging markets equity

The criteria for public equity within this plan include:

- Broad, inexpensive asset class exposure
- Liquid and transparent strategies
- Active management when the WSIB can efficiently and effectively identify and monitor best in class managers in less efficient segments of the market

DEFINED CONTRIBUTION

In 2011, the defined contribution investment options were revised to provide members with a streamlined, simplified menu of options. The options include several public equity index funds and a comprehensive series of target date funds.

OTHER PROGRAMS

Public equity is also used in other programs, including insurance and endowment funds. Nearly all of the equity-only mandates in other plans are passive.

CURRENT PROCESS FOR PUBLIC EQUITY MANAGER PROCUREMENT

Every year, the Board reviews the Public Equity Annual Plan outlining initiatives for the coming year. Should a search be approved, the WSIB will publicly advertise in Pensions & Investments, directing managers to the WSIB website for current information on strategies that are being researched by WSIB staff. As noted above, the active global equity and active emerging markets equity searches in the CTF have been migrated to a rolling open procurement process. The search documents (<https://www.sib.wa.gov/hiring.html>) contain details about the revised process.

All interested managers are instructed to submit their information to a public database (currently eInvestment Alliance) as well as the respective database(s) of the consultant(s) hired for the search.

WSIB staff will assess candidate firms using internal resources, eInvestment Alliance, consultant(s), and/or any other resources that are appropriate.

Should staff identify appropriate and beneficial strategies, due diligence will be conducted.

Any staff-recommended strategies or managers must be recommended by the Public Markets Committee and approved by the Board. Upon approval, hiring is subject to negotiation of a contract with acceptable terms, conditions, and fees.

PROCESS FOR INTERESTED PUBLIC EQUITY MANAGERS

If a meeting with WSIB Public Equity staff is desired, prospective managers must:

- Offer one of the strategies currently under consideration by the WSIB (e.g., active global equity, active emerging markets equity, and/or passive management).
- Provide sufficient detail such that the subject strategy is transparent.
- Offer a strategy that is liquid with no lock-ups or gates.
- Identify at least one investment professional from the investment team for the strategy being proposed for discussion. This individual must have direct input into the purchase and sell decisions for the portfolio holdings.
- Ensure that the profile and data on the subject strategy in the eInvestment Alliance database is complete, accurate, and up-to-date.

There is no charge for any interested manager to be listed in eInvestment Alliance. For any questions or for assistance, please contact the eInvestment Data Team at dataoutreach@einvestment.com

PROCESS FOR CONTACTING THE WSIB

Regarding the open procurement searches for active global equity and active emerging markets equity strategies, the Search Coordinator is the primary point of contact for these procurements and will be the SOLE point of contact for any manager except as described in the search documents (e.g. reaching out to SIBDLPublicEquities@sib.wa.gov to request a meeting.)

Throughout the duration of these searches, all communications are to be directed, in writing, to the contacts listed below.

Washington State Investment Board
2100 Evergreen Park SW, P.O. Box 40916
Olympia, WA 98504-0916
ATTN.: WSIB Contracts Unit, Public Equity Active Manager
E-MAIL: contracts@sib.wa.gov

Contact by candidate's staff or by anyone on behalf of the candidate with WSIB staff or Board members regarding this search and not previously authorized by the search documents or the Search Coordinator, may disqualify the candidate.

WSIB staff regularly reviews eVestment Alliance. Managers do not need to contact the WSIB as long as they are listed in the database. Preferential consideration will not be given to managers that contact the WSIB directly.

If you are requesting a meeting:

- All requirements noted on the previous page must be met
- Emails requesting meeting must provide:
 - Proposed date and time
 - Proposed agenda
 - A sample presentation from your firm
 - Brief bios of each person who will attend the proposed meeting
- Final presentation materials must be received by staff at least two full business days prior to the meeting

Meetings will be prioritized based on workload, applicability to current initiatives, and evaluation of the manager's information in the eVestment Alliance database.