



**Thursday, June 12, 2025**  
**Administrative Committee**

**1. Call to Order (8:30a)**

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**2. Adoption of Minutes (8:30-8:35)**

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A. Adoption of February 20, 2025 Minutes

**3. 2026 Administrative Committee Meeting Schedule (8:35-8:40)**

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A. 2026 Administrative Committee Meeting Schedule

**4. Budget (8:40-9:00)**

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A. Quarterly Budget Update

B. Fiscal Year 2026 Non-Appropriated Budget

**5. Policy Review (9:00-9:10)**

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A. Board Policy 3-Year Review

**6. Other Items (9:10-9:15)**

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**7. Adjourn (9:15)**

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**WASHINGTON STATE INVESTMENT BOARD**  
**Board Meeting Minutes**  
**June 12, 2025**

The Washington State Investment Board (WSIB) met in open public session at the office of the WSIB at 2100 Evergreen Park Drive SW, Olympia, Washington and via Microsoft Teams video conferencing available to participants and members of the public at <https://www.microsoft.com/en-us/microsoft-teams/join-a-meeting?rtc=1>; Meeting ID: 233 383 361 059; Passcode: TkKG9A; Dial in by telephone number +1-564-999-2000 , Phone conference ID: 741 298 075#. The meeting was also live-streamed and recorded by TVW.

Members Present:       Greg Markley, Chair  
                              Representative Mia Gregerson  
                              Sara Ketelsen  
                              Kathryn Leathers  
                              Yona Makowski  
                              Treasurer Mike Pellicciotti  
                              Senator June Robinson  
                              Joel Sacks  
                              Tracy Stanley  
                              David Nierenberg  
                              Mary Pugh  
                              Heather Redman  
                              George Zinn

Members Absent:       Ada Healey  
                              Liz Lewis

Also Present:           Allyson Tucker, Chief Executive Officer (CEO)  
                              Chris Hanak, Chief Investment Officer (CIO)  
                              Liz Smith, Legal, Risk, and Compliance Director  
                              Steve Draper, Senior Investment Officer - Real Estate  
                              Jessica Carter, Executive Assistant

                              Tor Jernudd, Attorney General's Office  
                              Eliana Horn  
                              Diana Fakhoury  
                              Bill Dole  
                              Ledah Wilcox  
                              Sarah Potter  
                              Greta Treistman  
                              Donna Albert  
                              Barbara Carey  
                              Donna Albert  
                              Keith Gonzalez  
                              Kristen Edmark

Michael Cembalest, J.P. Morgan  
Dan Shulte, Partners Enterprise Capital  
Trishul Thakore, Evergreen Real Estate Partners  
Ret. General David Petraeus, KKR  
Bill Longbrake

**CALL TO ORDER**

Chair Markley called the meeting to order at 9:32 a.m. and took roll call; all Board members listed as present were able to participate fully in the meeting while in attendance.

**ADOPTION OF MINUTES**

**Chair Markley moved that the Board adopt the April 17, 2025, meeting minutes. Yona Makowski seconded, and the motion carried unanimously.**

**PUBLIC COMMENT**

Chair Markley reported that 12 people signed up to provide oral public comment, and each would have 2 minutes to comment.

Eliana Horn, Diana Fakhoury, Bill Dole, Ledah Wilcox, Sara Potter, and Greta Treistman each addressed the Board regarding investments in companies that provide support to Israel in the current conflict and requested that the Board divest from specific holdings.

Andrew Eckles addressed the Board regarding climate-related concerns and requested that the Board consider climate change in the investment decision-making process.

Barbara Carey addressed the Board regarding climate-related concerns and requested the Board develop a net zero emissions plan to address systemic climate risk and increase transparency.

Donna Albert addressed the Board regarding climate-related concerns and requested the Board divest from fossil fuels and align the investment portfolio with Washington State climate goals.

Keith Gonzalez addressed the Board, expressing support for previous public comments. They shared their experience at the Department of Ecology, voiced concerns about the labor

market, and highlighted how climate change could affect investments and pension recipients.

Kristin Edmark joined the meeting to provide public comment but was unable to speak due to technical difficulties. She provided written public comment included in the Board's materials.

Chair Markley thanked the commenters, noting that the Board engages in education and discussion about the issues.

Allyson Tucker reported that the Board received 20 written public comment submissions, which were provided to the Board before the start of the meeting.

### **CEO REPORT TO THE BOARD – MAY/JUNE 2025**

**Presenter: Allyson Tucker, CEO**

Allyson Tucker presented the CEO report for May and June sharing highlights from Public Service Recognition Week, previewing the Board's strategic planning meeting in July, and noting details about the migration to the new Board meeting materials platform. She reported on attendance at the JP Morgan third annual Scottsdale Climate Action Forum; addressed current quiet periods; and highlighted key strategic steps being taken to support the Board, including education sessions and the Board mentor program, inviting Board members to attend committee meetings for educational purposes.

### **ADMINISTRATIVE COMMITTEE REPORT**

**Presenters: Greg Markley, Board Chair**

**Liz Smith, Legal, Risk, and Compliance Director**

The Administrative Committee met prior to the Board meeting to consider policy revisions, the proposed Fiscal Year (FY) 2026 Non-Appropriated Budget, and to receive the quarterly budget update.

At the request of Chair Markley, Liz Smith presented the recommended revisions to the Board's ethics-related policies. Board Policies are required to be reviewed every 3 years to ensure they remain relevant and appropriate. The presented policies were last reviewed and revised by the Board in 2022, with the exception of the Service Provider Policy and the

Code of Conduct Policy; these two policies were included in this review cycle due to their relation to the other ethics-related policies.

There were no proposed revisions to the Code of Conduct Policy 2.00.150 and the Travel Reimbursements by Investment Partners and Others Policy 2.00.105; these policies were presented for review and reaffirmation only. The proposed policy revisions to the Conflict of Interest and Recusal Policy 2.00.101, Gifts Policy 2.00.102, Confidentiality and Use of Position Policy 2.00.103, Personal Investments Policy 2.00.104, Sanctions for Violations Policy 2.00.106, and Service Provider Policy 2.00.230 were outlined.

**On behalf of the Administrative Committee, Chair Markley moved that the Board reaffirm the Code of Conduct Policy 2.00.150 and the Travel Reimbursements by Investment Partners and Others Policy 2.00.105 and approve the revisions to the Conflict of Interest and Recusal Policy 2.00.101, the Gifts Policy 2.00.102, the Confidentiality and Use of Position Policy 2.00.103, the Personal Investments Policy 2.00.104, the Sanctions for Violations Policy 2.00.106, and the Service Provider Policy 2.00.230 as proposed. Yona Makowski seconded, and the motion carried unanimously.**

Staff reported that the appropriated budget has a projected balance of approximately \$13.9 million, a 27.4 percent savings, and the non-appropriated budget has a projected balance of approximately \$65.9 million, an 8.2 percent savings.

Chair Markley recognized Celina Verme for 40 years of state service and congratulated her on her upcoming retirement.

The second item for the Board's consideration was the FY2026 Non-Appropriated Budget. Funding for Washington State Investment Board (WSIB) operations is derived from earnings of managed funds. There are two ways portions of the earnings are spent: the biennial budget (appropriated) and investment expenses (non-appropriated budget). The non-appropriated budget is approved by the Board every year. The proposed budget represents an additional \$6,644,000, an increase of 0.8 percent over the Board-approved FY2025 non-appropriated budget.

**On behalf of the Administrative Committee, Chair Markley moved that the Board approve the Fiscal Year 2026 Non-Appropriated Budget as proposed. Yona Makowski seconded, and the motion carried unanimously.**

## **AUDIT COMMITTEE REPORT**

**Presenter: Sara Ketelsen, Audit Committee Chair**

The Audit Committee met on June 3 with a full agenda, including two action items for the Board's consideration. The first item for consideration was the State Auditor's Office (SAO) Accountability Audit for July 1, 2021, through June 30, 2024.

Staff from the SAO presented their draft report for the accountability audit to the Audit Committee, reviewing the audit scope and presenting the results of the Long-Term Services and Supports Trust Account, travel, external manager due diligence and approval, and trade processing and settlement audits. For the reviewed audit areas, the SAO concluded that the WSIB complied with relevant state laws, regulations, and internal policies and determined that appropriate controls were in place to ensure the safeguarding of public resources. The SAO has published the final report on its website, and it has been included in the Audit Committee materials. There were no changes from the draft presented to the Audit Committee.

**On behalf of the Audit Committee, Sara Ketelsen moved to recommend the Board accept the State Auditor's Office Accountability Audit Report of the Washington State Investment Board for Fiscal Years 2022 through 2024. Joel Sacks seconded, and the motion carried unanimously.**

The second item for the Board's consideration was the FY2026 Audit Plan. The Audit Plan was developed using a comprehensive risk assessment process designed to utilize internal audit resources in an efficient and effective manner and to provide coverage of key risks. The Audit Plan accounts for the additional staff resource as approved in the WSIB's budget. The proposed audit areas are Public Markets Trade Processing and Settlement, Investment Accounting Reconciliations – Daily and Monthly, Public Records Requests, Ethics Program and Conflict of Interest, Inventoriable Assets, Cash Overlay – External Manager Monitoring, Audit Recommendation Follow Up Project, and Computer Assisted Auditing (Payments,

Payroll, System Access), as well as two contingency audits: Securities Lending and Investment Performance Reporting.

**On behalf of the Audit Committee, Sara Ketelsen moved that the Board approve the Fiscal Year 2026 Audit Plan. Joel Sacks seconded, and the motion carried unanimously.**

The Committee received the results of the Real Estate Commingled Trust Fund (CTF) internal audit. Staff concluded that processes and controls are in place to ensure the Real Estate CTF investments are thoroughly researched, properly approved and executed, and adequately monitored. In addition, key person risk related to the Real Estate Director of Operations position is being managed. There was one audit recommendation that served to ensure compliance with Board policy, which was completed and verified during the audit.

The Audit Director presented the long-term priorities for the Internal Audit unit, which were developed to align with and support the strategic objectives of the WSIB. Staff discussed the development process, timeframe, and future review process. An internal audit value proposition statement was developed along with three objectives and supporting initiatives to guide the unit's long-term priorities. Staff will review the long-term priorities with the Audit Committee and CEO at least once every 4 years.

The Committee reviewed the planning letters for the FY2025 Financial Statement Audit and received an update on the status of prior audit recommendations, as well as the final quarterly report from the FY2025 audit plan. The Committee also set its 2026 meeting schedule, received the quarterly investment referral report, and received a staffing update from the Audit Director in executive session.

## **PUBLIC MARKETS COMMITTEE REPORT**

**Presenter: Sara Ketelsen, Acting Public Markets Committee Chair**

The Public Markets Committee met on June 3 to consider one action item, the Passive Equity Index Management Recommendation, to receive a public markets benchmarking education session, and to set its 2026 meeting schedule.

Sara Ketelsen explained that because the current passive equity index provider contracts are expiring in December 2025, staff conducted a search for providers, which are utilized in

multiple WSIB programs. Staff provided an overview of the search process and the recommendation, and the Committee received presentations from State Street Global Advisors and BlackRock Institutional Trust Company.

**On behalf of the Public Markets Committee, Sara Ketelsen moved that the Board select BlackRock Institutional Trust Company and State Street Global Advisors as passive index equity managers for the WSIB, subject to continuing due diligence and final negotiation of terms and conditions. Mia Gregerson seconded the motion.**

Discussion ensued regarding the term of the contracts and the process for extension.

**The motion carried unanimously.**

[Subsequent to adoption of the motion, staff confirmed that Public Equity recommends a 5-year contract term, with either one or two 5-year extensions. It was also noted that the Department of Enterprise Services allows for longer-term contracts and the Target Date Funds contract have a greater number of 5-year extensions which allows a longer term.]

The Committee received an educational benchmark overview, during which staff explained the various types of benchmarks and the rationale behind their application, with a particular focus on public equity and fixed income. The session reinforced the Board's authority over benchmark selection and outlined the staff's role in ongoing benchmark research, monitoring, and recommendations. Staff also addressed the unique challenges of benchmarking private assets and reviewed the current CTF asset class benchmarks. The discussion included the way these benchmarks inform portfolio evaluation over time and how peer data composites are used to provide additional context.

## **PRIVATE MARKETS COMMITTEE REPORT**

**Presenter: Joel Sacks, Private Markets Committee Chair**

The Private Markets Committee met on June 5, 2025. The Committee set its 2026 meeting schedule, received the informational closing log, and participated in several educational sessions.



Private Equity staff shared an education session titled *What Makes a Good Limited Partner*. The discussion focused on what makes a good limited partner (LP) from the LP perspective and what makes a good LP from the general partner (GP) perspective. Staff emphasized a two-way street approach between the LP and GP and noted the importance of active participation with the Institutional Limited Partners Association.

Risk Management and Asset Allocation, Real Estate, Tangible Assets, and Private Equity staff collaborated on a benchmark overview. Staff explained the various types of benchmarks and the rationale behind their application, with a particular focus on private asset classes. The session reinforced the Board's authority over benchmark selection and outlined the staff's role in ongoing benchmark research, monitoring, and recommendations. Staff also addressed the unique challenges of benchmarking private assets and reviewed the current CTF asset class benchmarks. The discussion included the way these benchmarks inform portfolio evaluation over time and how peer data composites are used to provide additional context.

In preparation for the upcoming strategic asset allocation modeling exercise, the Committee received a market update for each of the three private markets asset classes. Staff from Albourne, the Board's Private Equity consultant, presented a private equity investment outlook; staff from Meketa, one of the Board's Tangible Assets consultants, presented a tangible assets investment outlook, and staff from Partners Enterprise Capital and Evergreen Real Estate Partners, two of the real estate intermediaries, addressed the Committee regarding the real estate investment landscape.

Albourne staff also presented an education session on venture capital. The presentation focused on a description of venture capital, a history of venture capital investment performance, and ways in which LPs might gain venture capital exposure. Also discussed were some of the venture capital investment challenges and an outlook for new commitments.

The Committee convened in executive session for an update from staff on the Private Equity Model Portfolio.

## **AD HOC GOVERNANCE COMMITTEE REPORT**

**Presenter: David Nierenberg, *Ad Hoc* Governance Committee Chair**

David Nierenberg reviewed the activities that led to the formation of the *Ad Hoc* Governance Committee and acknowledged the Committee members. He discussed the Committee's activities, noting the assistance of Funston Advisory Services (FAS), and outlined the key areas of review: Board and Committee charters, trustee job descriptions, delegation of authority, and oversight. Rick Funston of FAS will address structure and policy at the July Board meeting.

Mr. Nierenberg emphasized the Board's fiduciary responsibility to handle issues thoughtfully through data and analysis and thanked the Committee for its work. Joel Sacks echoed this approach and encouraged the Board to reflect on areas of strength and growth.

Allyson Tucker reminded the Board of procurement processes to be followed for future consultant work and proposed that staff initiate a Request for Proposal (RFP) for a governance and risk consultant pool. There was no objection from the Board.

## **2026 BOARD MEETING SCHEDULE**

### **Presenter: Greg Markley, Board Chair**

Chair Markley shared the proposed 2026 Board meeting dates of February 19, April 16, June 18, July 14-16, September 17, November 19, and December 17-18.

**Chair Markley moved that the Board adopt the 2026 Board meeting dates as presented. Yona Makowski seconded, and the motion carried unanimously.**

[The Board recessed at 10:57 a.m. and reconvened in open session at 11:07 a.m.]

## **EDUCATION SESSION: THE ENERGY TRANSITION**

### **Presenter: Michael Cembalest, J.P. Morgan Asset and Wealth Management**

Mr. Cembalest presented an energy transition education session addressing political implications, the growing global energy demand, energy bill subsidies, clean energy costs, and decarbonization policy trends, highlighting the growth of solar and wind power and the rapid global energy transition. He discussed challenges in electrifying the industrial sector, U.S. energy demand, fossil fuel imports, and supply chain delays in gas turbine production. He touched on transmission and pipeline

constraints, nuclear cost disparities, and the economics of sustainable jet fuel, as well as insights on renewables and battery demand trends across key U.S. power markets.

Discussion ensued regarding hydrogen advancements, asset allocation for sustainable returns, the Mountain Valley Pipeline, China's energy role, and regional generation capacity.

[The Board recessed at 12:00 p.m. and reconvened in open session at 12:30 p.m.]

## **EXECUTIVE SESSION**

**Chair Markley announced the Board would go into executive session to discuss financial and commercial information relating to an investment since public knowledge regarding the discussion would result in loss to the funds managed by the WSIB or would result in private loss to the providers of the information. The executive session was expected to last until approximately 2:00 p.m., after which time the Committee would reconvene in open session.**

[The Board went into executive session at 12:30 p.m.]

### **Education Session: The WSIB's Differentiated Approach to Real Estate Investing**

**Presenters: Dan Schulte, Partners Enterprise Capital**

**Trishul Thakore, Evergreen Real Estate Partners**

[The Board reconvened in open session at 1:55 p.m.]

[The Board recessed at 1:55 p.m. and reconvened in open session at 2:00 p.m.]

## **EDUCATION SESSION: GEOPOLITICAL OUTLOOK**

**Presenters: Ret. General David Petraeus, KKR**

**Allyson Tucker, CEO**

Allyson Tucker introduced Ret. General David Petraeus and highlighted his career accomplishments. In a question-and-answer format, Ret. General Petraeus provided an overview of the Ukraine-Russia conflict, discussed the evolving nature of warfare,

particularly the central role of drones, addressed U.S. defense spending, and touched on the complexities of holding assets in Russia. Additional topics included the independence of the U.S. military, potential investment implications, domestic readiness, the importance of non-partisan defense planning, and key legal considerations.

Ret. General Petraeus outlined global economic risks, including trade disruptions and supply chain instability. He discussed international drone defense strategies, including Israel's approach, and stressed the need for deterrence and procurement reform. He noted Ukraine's innovation in conflict as a model for adaptation and discussed U.S. deterrence strategies in the Western Pacific amid China's pressure on Taiwan, highlighting elements of the Pacific Deterrence Initiative. He touched on KKR's evaluation of geopolitical risks and engagement with partners on global developments, including tariff implications and shifting investment themes.

Discussion ensued regarding implications of geopolitical and defense trends on the strategic asset allocation study.

## **EDUCATION SESSION: ECONOMIC OUTLOOK**

### **Presenter: Bill Longbrake, WSIB Board Member 2010-2023**

Bill Longbrake presented an economic outlook with a focus on projected trends over the next 10 to 15 years. He noted two key aspects of capital market assumptions: the use of financial theory and incorporation of a range of consultant perspectives. He addressed the fundamentals of saving supply and investment demand, explained interest rate components and risk premiums, and introduced the concept of the neutral interest rate.

Discussion ensued regarding factors influencing the neutral interest rate.

Mr. Longbrake highlighted the impact of sustained innovation on long-term rates and rising U.S. deficits and examined the trade-weighted value of the dollar, the effect of inflation on the base rate, and the implications of productivity shifts, including those driven by artificial intelligence (AI). He shared broader reflections on the U.S. employment growth, global savings imbalances, public debt, and inflation, tying these trends to the transition toward higher neutral rates, and addressed the role of government during the financial crisis and changes in the real estate market. He noted his personal experience and appreciation for his time serving on the Board.

**QUARTERLY PERFORMANCE UPDATE**

**Presenter: Christ Hanak, Chief Investment Officer**

Chris Hanak presented a performance update for the period ending March 31, 2025, sharing key performance data, along with an update on the CTF strategic asset allocation study to be discussed in detail at the July Board meeting.

Discussion ensued regarding the final operating budget and the impact of the assumed rate of return.

**ADJOURNMENT**

There was no further business to come before the Board, and the meeting adjourned at 4:15 p.m.