



**Thursday, April 17, 2025  
Board Meeting**

**1. Call to Order/Roll Call (9:30 a.m.)**

---

**2. Adoption of Minutes (9:30-9:35)**

---

A. Adoption of February 20, 2025 Minutes

**3. Public Comment (9:35-10:00)**

---

**4. CEO Report (10:00-10:10)**

---

A. CEO Report to the Board - March/April 2025

**5. Ad Hoc Governance Committee Report (10:10-10:20)**

---

**6. Audit Committee Report (10:20-10:25)**

---

**7. Public Markets Committee Report (10:25-10:30)**

---

**8. Capital Market Assumptions (10:30-12:40)**

---

A. Commingled Trust Fund Investment Beliefs Review

B. Break (11:15-11:25)

C. Capital Market Assumptions Recommendation

**9. Lunch (12:40-1:10)**

---

**10. Defined Contribution Investment Beliefs (1:10-1:25)**

---

A. Defined Contribution Investment Beliefs

**11. Asset Stewardship/Corporate Governance (1:25-2:25)**

---

A. Fiscal Year (FY) 2024 Review of Proxy Voting Delegated to Public Equity External Managers and Global Proxy Voting Policy 2.05.200 Revisions

**12. Break (2:25-2:35)**

---

**13. WSIB Private Credit (2:35-3:20)**

---

A. WSIB Private Credit

**14. Economically Targeted Investments Annual Report (3:20-3:50)**

---

A. Economically Targeted Investments Annual Report

**15. Other Items (3:50-4:00)**

---

**16. Adjourn (4:00)**

---

**WASHINGTON STATE INVESTMENT BOARD**  
**Board Meeting Minutes**  
**April 17, 2025**

The Washington State Investment Board met in open public session at the office of the Washington State Investment Board 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: 282 631 524 915; Passcode: UZkcag; Dial in by telephone number +1-564-999-2000 and 1-833-322-1218; Phone conference ID: 950 455 318#. The meeting was also live-streamed and recorded by TVW.

Members Present:     Greg Markley, Chair  
                             Sara Ketelsen  
                             Kathryn Leathers  
                             Liz Lewis  
                             Yona Makowski  
                             David Nierenberg  
                             Treasurer Mike Pellicciotti  
                             Mary Pugh  
                             Heather Redman  
                             Joel Sacks  
                             Tracy Stanley  
                             George Zinn

Members Absent:     Representative Mia Gregerson  
                             Senator June Robinson  
                             Ada Healey

Also Present:         Allyson Tucker, Chief Executive Officer  
                             Chris Hanak, Chief Investment Officer  
                             Li Gao, Senior Investment Officer - RMAA  
                             Aileen Liu, Assistant Senior Investment Officer – RMAA  
                             Chris Green, Assistant Senior Investment Officer – RMAA  
                             Phil Paroian, Senior Investment Officer, Public Equity  
                             Bridget Murphy, Asset Stewardship Officer  
                             Rhonda McNavish, Assistant Senior Investment Officer – Public Equity  
                             Julia Ferreira, Assistant Senior Investment Officer – RMAA  
                             DuWayne Belles, Investment Officer – RMAA  
                             Carmen Matsumoto, Assistant Senior Investment Officer – Private Equity  
                             Jessica Carter, Executive Assistant  
  
                             Tor Jernudd, Attorney General's Office  
                             Donna Albert

Barbara Carey  
Kristen Edmark  
Andrew Eckels  
Llyn Doremus  
Ben Avery  
Ryan Leitner  
Bryson Hadley  
Fassil Michael, Institutional Shareholder Services (ISS)

**CALL TO ORDER**

Chair Markley called the meeting to order at 9:30 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 February 20, 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 two minutes to comment.

Donna Albert addressed the Board regarding climate concerns and requested that the Board divest from fossil fuel investments.

Barbara Carey addressed the Board regarding climate concerns and requested divestment from fossil fuels.

Kristen Edmark addressed the Board regarding climate concerns and asked the Board to develop an effective plan to move away from fossil fuel investments.

Andrew Eckels addressed the Board on behalf of 350 Seattle regarding climate risk and proxy voting and asked that the WSIB align its voting with the Climate Action 100+.

Llyn Doremus addressed the Board regarding proxy voting, requesting that the WSIB include more information in its Proxy Voting Policy and providing a list of recommendations.

Ben Avery addressed the Board on behalf of the Sierra Club, Washington State Chapter, regarding proxy voting, transparency in corporate decisions, and the impact on climate change.

Ryan Leitner addressed the Board on behalf of the Private Equity Stakeholder Project regarding the WSIB's exposure to the Gavin coal-fired power plant through its commitment to Blackstone Capital Partners Fund VII. The plant is currently up for sale, with a Bridgepoint company as the anticipated purchaser. Ryan Leitner requested that the WSIB call on Bridgepoint to pledge to retire Gavin and make no further investment with Bridgepoint until they do so.

Bryson Hadley addressed the Board regarding the WSIB's method of posting its coal exposures online and requested that the WSIB provide downloadable data with public identifiers for ease of public research.

Board Chair Markley addressed those providing public comment. He thanked them for their comments, highlighted the availability of the WSIB's Sustainability Report, commented on the Board's Investment Beliefs and support of environmental shareholder proposals, and encouraged public commenters to continue reaching out to staff to get the answers and information requested.

Allyson Tucker reported that in addition to the oral comments provided, the Board received 66 written public comment submissions, which were provided to the Board before the start of the meeting.

## **CEO REPORT TO THE BOARD – MARCH/APRIL 2025**

**Presenter: Allyson Tucker, Chief Executive Officer**

Allyson Tucker presented the CEO report for March and April, sharing a brief market overview and preliminary performance data. She noted the WSIB's long-term focus and the importance of sticking to core competencies and investment philosophy in turbulent markets. There are high levels of uncertainty, recession risks are rising, and geopolitical risk seems to be coming more acute, necessitating more thought around the developments that

may impact the portfolios over the long term. She acknowledged that down markets are uncomfortable and create additional work; it's important that Board members ask questions and be knowledgeable. She thanked the Board and staff for their support through her confirmation by the State Finance Committee and acknowledged Heather Redman, Mary Pugh, and Steve Draper for their speaking contributions at the Pacific Pension and Investment Institute (PPI) Roundtable held in Seattle, noting that she is currently the Vice Chair of the organization. She commented on Board member onboarding activities, education sessions provided to the Board throughout the year, staff representation at stakeholder meetings, and Yona Makowski's presentation to the Washington Retired Public Employees' Council.

Yona Makowski thanked staff for their assistance with the presentation, and noted former Chief Investment Officer, Gary Bruebaker's participation.

Discussion ensued regarding the WSIB's disclosure of thermal-coal exposure, specifically variances between the MSCI classifications and that of Urgewald, and the WSIB's planned education session on the subject, which will be an opportunity for Board members to provide feedback on the WSIB's approach.

#### **AD HOC GOVERNANCE COMMITTEE REPORT**

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

David Nierenberg reported that the Committee has held 22 detailed interviews with current and former Board members and WSIB employees. One of the key issues coming out of the sessions is consideration of how the Board addresses questions and disagreements. The Committee has identified a consultant, Funston Advisory Services (FAS) to assist with the Committee's next steps for recommendations around several areas of potential improvement. Over the next 3 months, FAS will conduct a review of the Board's charters and Committee structure, and the Committee will meet with FAS to work on the details of the recommendations to be discussed at the July Board meeting.

#### **AUDIT COMMITTEE REPORT**

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

Sara Ketelsen reported that the Audit Committee met on March 4 with a full agenda. Staff from the State Auditor's Office presented the audit areas for the Fiscal Year 2022 through 2024 Accountability Audit. The audit areas for evaluation are Long Term Services

Supports Trust Account, Travel, External Manager Due Diligence and Approval, and Trade Processing and Settlement. Upon completion, the results will be presented to the Audit Committee.

The Committee received the results of the Payroll internal audit. Staff concluded that processes and controls are in place over the payroll function to ensure compliance with applicable state laws and rules and agency policy, and that duties are properly separated to ensure assets are safeguarded. There were five audit recommendations to strengthen controls and assist with operational continuity.

The Committee also received the results of the Proxy Voting internal audit. Staff concluded that processes and controls are in place to ensure that U.S. proxies are voted in a manner consistent with the Board's Global Proxy Voting Policy and Guidelines and that the WSIB is monitoring public equity investment managers' proxy voting practices and policies for non-U.S. votes in accordance with Board policy. The Board's Proxy Voting Policy and Guidelines outline the general principles to guide the voting of proxies, and some guidelines adopt a more measured approach to the vote decision. For higher-risk or higher-profile topics, the Board expects staff to research and understand the proposal brought forward and to vote in line with the Board's fiduciary duty and in the best interest of the plan beneficiaries. There were no formal audit recommendations.

Staff reported on the status of the Fiscal Year 2025 Internal Audit Plan. Two changes to the plan were addressed: the revised reporting date of the Compliance Monitoring – Public Markets audit and the postponement and future consideration of the Labor and Industries Real Estate Consulting engagement.

Based on new Internal Audit standards, staff also provided an education session on the qualifications and competencies of the WSIB's Audit Director. The presentation covered the requirements related to education, certifications, experience, and competencies and highlighted aspects from the WSIB's position and several peers as well as a suggested hiring plan for the WSIB's Audit Director position in the event it is vacated.

The Committee received the Annual Investment Compliance Report, which reviewed investment compliance activities, gifts, and personal investments. The presentation highlighted information on the regulatory reporting requirements of the WSIB, operational

due diligence activities, compliance system testing results, 2024 gift reporting analytics, and personal trading and reporting requirements for Board members and staff.

In addition, the Committee reviewed the independence of the financial statement auditor, received an update on the status of prior audit recommendations, and received the quarterly investment referral report.

The Committee convened in Executive Session to review the Audit Director's performance evaluation and adjust compensation.

Discussion ensued, with the Board recognizing Marie Steffen for her work as the WSIB's Audit Director.

## **PUBLIC MARKETS COMMITTEE REPORT**

### **Presenter: Liz Lewis, Public Markets Committee Chair**

On March 4, 2025, the Public Markets Committee received an educational presentation from Public Equity staff regarding the potential inclusion of active small-cap management within the Commingled Trust Fund (CTF), a research topic included in Public Equity's 2025 Annual Plan. The CTF public equity portfolio is currently invested via passive, active global, and active emerging markets strategies. Active small-cap management would represent an additional approach to investing, and the education session explored whether active small-cap equity could enhance the returns of the CTF's public equity portfolio. Staff explained that the WSIB has historically not invested with active small-cap managers due to the limited capacity at skilled managers to accommodate a fund of the WSIB's size and concern that the impact on the total portfolio return would not adequately offset the drawbacks of the strategy.

The presentation addressed benchmark modularity; market efficiency; assessment of manager skill; U.S., international, and emerging market active manager small-cap historical performance; manager capacity and liquidity limitations; portfolio construction considerations; and scale of investment opportunity. Staff concluded that there is strong evidence that non-U.S. small cap may be inefficient and some evidence that U.S. small cap may be inefficient; however, to have a meaningful impact on the CTF public equity portfolio returns, the successful deployment of significant capital would be required. Emerging markets small cap is less appealing due to the limited amount of capital available to deploy,

the added complexity, and its less liquid nature. Continued research will be evaluated and prioritized as appropriate.

## **COMMINGLED TRUST FUND INVESTMENT BELIEFS**

### **Presenters: Chris Hanak, Chief Investment Officer**

Chris Hanak presented an overview of the CTF Investment Beliefs, addressing the Board with a brief market activity update. He shared that there was positive performance for the quarter. He addressed volatility, the performance of the CTF, and how disruptions illustrate the value of WSIB's Investment Beliefs, which will be discussed further in the presentation.

Discussion ensued regarding volatility, including where the focus should be, future education sessions planned, and asset class correlation.

Mr. Hanak explained that the CTF Investment Beliefs serve as a foundation for the WSIB's pension investment program. The fundamental assumptions or principles upon which the WSIB's investment program is based are reflected in the beliefs. The beliefs also speak to the WSIB's investment philosophy and values as an organization. This review is an educational component of the CTF strategic asset allocation study, which will result in an updated asset allocation recommendation. Part of the review will address the role of beliefs in guiding asset allocation decisions and the capital market assumption process. He discussed the link between the historical growth and asset allocation of the CTF and shared timelines of the Board's discussions and adoption of the CTF Investment Beliefs.

Discussion ensued regarding the CTF's growth and performance compared to the passive benchmark.

Mr. Hanak shared a timeline of the Board's key strategic allocation decisions, citing early adoption of private equity, the global approach to equity, fixed income, real estate, and tangible assets. He addressed beliefs around mission, sustainability, risk, asset allocation, active management performance measurement, and organizational core competencies. He discussed sustainability investing in the long term, explaining the importance and sharing details of how the Board acts in support of sustainability. Focusing on the risk investment beliefs, he addressed how the CTF is compensated for risks at the investment, asset class, and portfolio levels.



Discussion ensued regarding tracking risk; staff's investigation into the use of artificial intelligence (AI) in simulations and modeling, keeping data protection top of mind; and consideration of risk.

Mr. Hanak addressed the asset allocation investment beliefs, and provided capital market history, portfolio diversification over the long term, and effectiveness, detailing the considerations. He addressed asset management, highlighting the importance of diversification among investment partners, and he covered active management, highlighting the importance of humility and objectivity and sharing that staff has planned benchmark educational sessions for the June Public Markets and Private Markets Committee meetings. He concluded with the investment beliefs related to performance management, noting the organizational core competencies.

Discussion ensued regarding integrity, the adoption of investment beliefs by peer pension funds, and the integration of the beliefs into annual plans and the CEO's strategic plan.

[The Board recessed at 11:15 a.m. and reconvened in open session at 11:25 a.m.]

## **CAPITAL MARKET ASSUMPTIONS**

**Presenters: Li Gao, Senior Investment Officer – RMAA**

**Aileen Liu, Assistant Senior Investment Officer – RMAA**

**Chris Green, Assistant Senior Investment Officer – RMAA**

Staff presented the Capital Market Assumptions (CMAs), noting they are critical building blocks in the WSIB's strategic asset allocation modeling for all funds managed by the Board. The CMAs quantify the expected annual return and risk level of each asset class over the long run and the relationship (correlation) between asset classes. The WSIB's capital market assumptions are strategic, with a long-term horizon, and are not tactical, short-term forecasts. CMAs consider historical asset class returns and macroeconomic data over multiple market cycles, adjusted for any anticipated fundamental changes to long-term returns. The objective is to estimate a central point and range (standard deviation) around which future returns will likely fall, rather than pinpoint the exact asset class return in any year. The CMAs are updated every 2 years and are used in the valuation work conducted by the Office of the State Actuary, in the pricing of prepaid college tuition units, and in certain strategic asset allocation studies for stakeholders that will be conducted over the next two years.

Staff defined expected return, arithmetic average return, and compound, or geometric average, return; explained the asset class roles within the CTF; noted the consideration of private credit; and provided an update on climate change impact on the CMAs. They discussed the detailed process for developing the CMAs and shared the methodologies and considerations in arriving at the recommended arithmetic return expectations. They provided volatility and correlation forecasts, explaining the importance of estimating volatility and correlations and how this relates to pricing assets. They also covered de-smoothing for private assets.

Discussion ensued regarding staff's consideration of the potential impact of inflation and interest rates on long term CMAs; the average credit spread and the WSIB's conservative U.S. equity recommendation; the way in which staff considers volatility assumptions across the various portfolios; impact of volatility (i.e., standard deviation) on the individual asset classes; and the impact to the standard deviation of a sustained shift in market dynamics; putting additional focus on allocations within the asset classes; and staff's historic ability to outperform benchmarks during implementation.

Staff highlighted scenarios and summarized the resulting return expectations, noting that the CMAs are critical inputs driving strategic asset allocation decisions. Despite recent market turbulence and uncertainties, staff's recommended CMAs reflect reasonably conservative estimates anchored in long-term equilibrium, considering historical averages and the experience of past market cycles.

Discussion ensued regarding the current economic and political environment and the importance of the asset allocation and manager selection decisions to continue to meet and exceed the benchmarks; consideration of the impacts of interest rates, inflation, and tariffs and general uncertainties in the current market environment; the importance and reasons for variances between the WSIB's expectations and the consultant CMA expectation data contained within the analysis; research conducted by staff to analyze and consider the relevance of the consultant data; and timing of the publishing of consultant and other CMAs.

**Chair Markley moved that the Board approve the proposed 2025 capital market return, risk, and correlation assumptions as presented.**  
**Yona Makowski seconded the motion.**

Discussion ensued regarding the standard biennial cadence of CMA adoption, the flexibility for the Board to review the CMAs mid-cycle should the economic environment change, and the change in 2013 from annual CMAs to biennial CMAs.

Treasurer Pellicciotti acknowledged the thorough work of staff and noted that this is one of the most important votes that the Board will take. The information presented is relying on data from last year, and things have changed. He shared that this is a policy decision in which each Board member needs to evaluate the determination because everything downstream will be affected. Given his concerns related to growth projections, he would like more information on the consultant comparison of CMAs and to possibly consider other growth options.

Discussion ensued regarding the opportunity for additional discussion on the topic at the July Board meeting, with the input of the five investment advisers on the Board; additional acknowledgement of the importance of the decision; decision-making based on information at hand; utilization of scenario analysis to address issues in real time.

Kathryn Leathers commended staff on their work and commented that she has some of the same concerns that Treasurer Pellicciotti expressed. She is more comfortable with the decision, knowing that the Board would be able to revisit the decision and adjust if necessary.

Allyson Tucker stated that she believes the methodology is sound and expansive. The CMA development process is a large amount of work; thus, the shift to a biennial cadence. The Board is not considering a median or mean mid-point single number, but rather is looking for a sound process resulting in a prudent decision with the information at hand. Once the CMAs are adopted, the next step is to consider a variety of scenarios to determine the appropriate CTF asset allocation.

**The motion carried with Treasurer Pellicciotti opposed.**

[The Board recessed at 1:30 p.m. and reconvened in open session at 2:02 p.m.]

**DEFINED CONTRIBUTION (DC) INVESTMENT BELIEFS**

**Presenters: Aileen Liu, Assistant Senior Investment Officer - RMAA**

**Phil Paroian, Senior Investment Officer - Public Equity**

Staff explained that the DC Investment Beliefs were introduced at the December 12, 2024, Board meeting and discussed further at the February 20, 2025, Board meeting. Staff recommends adoption of the DC Investment Beliefs, as presented. Department of Retirement Systems staff, including the agency Director, have reviewed the Investment Beliefs and support Board adoption.

**Chair Markley moved that the Board adopt the Defined Contribution Investment Beliefs as proposed. Sara Ketelsen seconded, and the motion carried unanimously.**

**ASSET STEWARDSHIP/CORPORATE GOVERNANCE**

**Presenters: Bridget Murphy, Asset Stewardship Officer**

**Fassil Michael, Institutional Shareholder Services (ISS)**

**Rhonda McNavish, Assistant Senior Investment Officer - Public Equity**

Staff introduced the Asset Stewardship/Corporate Governance presentation sharing an overview of the presentation components. Ms. Murphy explained that the WSIB typically votes U.S. proxies and delegates non-U.S. proxies to external public equity managers. ISS reviewed the delegated proxy voting of the WSIB external public equity managers and would be reviewing broad governance trends in the US and globally. Ms. McNavish further reviewed the external managers' proxy voting. Finally, Ms. Murphy recommended an amendment to the WSIB's Global Proxy Voting Policy.

Fassil Michael addressed the Board regarding the methodology of the proxy voting review that covered four categories: board quality, economic factors, compensation, and shareholder rights. He presented the results of the comparison of manager votes to ISS and company management, concluding that the voting activity of WSIB's global investment managers reflects sound corporate governance practices. He addressed the global competitiveness debate that continues to occupy center stage both in the U.S. and Europe, the improving pay disclosures related to executive remuneration in Continental Europe, expected climate-related proposals for 2025, global governance hot topics, and an overview of activities in Canada, the U.S., Europe, Latin America, Japan, and Asia ex-Japan.

Discussion ensued regarding the tradeoffs of corporations reincorporating in Texas, the definition of a “controlled company,” issues related to dual class shares, Delaware dispute resolution, and ISS research and review conclusions.

Rhonda McNavish addressed the Board regarding the WSIB’s manager review process to ensure that the external equity managers are voting our stakeholders’ shares in a responsible manner and consistent with their fiduciary duty. One of the ways that we do this is to have the WSIB’s equity managers provide the WSIB and ISS with a record of the proxy votes that have been delegated to them once a year, and these reports are presented in summary to the Board by ISS. The ISS analysis views the investment manager’s votes from two perspectives: alignment with the ISS Benchmark proxy voting policy and alignment with company management. Public equity staff then reviews the ISS results within the context of the managers’ investment philosophies and processes. Public Equity staff concludes, and the ISS report confirms, that the WSIB’s external public equity investment managers are voting their proxies in a responsible manner consistent with their fiduciary duty and investment processes. She provided examples of passive, active quantitative, and active fundamental investment manager strategies.

Discussion ensued regarding the impact of the proxy proposals in the U.S. and internationally.

Bridget Murphy presented the proposed proxy voting policy revisions. The first extends the approach to assessing company requests for reincorporation from international jurisdictions to state-by-state jurisdictions, and the second clarifies the link between the proxy voting guidelines and the CTF Investment Beliefs specific to climate-related risks and opportunities.

Discussion ensued regarding the practice of reviewing the proxy voting policy annually and the process for bringing forth potential policy revisions.

**Chair Markley moved that the Board approve the proposed revisions to the Global Proxy Voting Policy 2.05.200 as presented. Yona Makowski seconded, and the motion carried unanimously.**

**WSIB PRIVATE CREDIT REVIEW**

**Presenters: Julia Ferreira, Assistant Senior Investment Officer - RMAA**  
**DuWayne Belles, Investment Officer - RMAA**

Staff presented an overview of a potential standalone WSIB Private Credit asset class within the CTF, outlining staff's ongoing research and noting that the analysis is intended to educate the Board and inform discussions as part of the 2025 CTF Strategic Asset Allocation Study. The presentation covered the WSIB's private credit history and the evolution of private credit as an institutional asset class, the industry landscape, and terminology definitions. Staff explained a wide range of risk-return characteristics of private credit and highlighted that the current strategic focus is on corporate private credit. They addressed direct lending, opportunistic credit, and distressed credit and provided details on the targeted strategies used. Staff provided information about private credit market segmentation and described portfolio construction considerations, highlighting credit spread and losses as critical drivers of return. Also discussed was the potential role of private credit within the CTF; target risk and return, typical exposure, and income assumptions; and the objectives, characteristics, and key risks compared to the WSIB's other asset classes. Staff emphasized that each asset class contributes to diversification as a risk management tool and summarized the benefits that private credit offers the CTF, including improved risk-return profile, increased diversification, and consistent income and cash flow pattern. Staff shared risk considerations and key strategies for proactively managing risk, highlighting prudent capital deployment and disciplined manager selection. Staff concluded that years of research demonstrate private credit's potential to offer attractive risk-adjusted returns, enhanced diversification, and consistent income, all of which are characteristics that staff believe can strengthen the CTF's overall risk-return profile.

Discussion ensued regarding leveraging the WSIB's extensive industry relationships, the process for bringing forth a formal recommendation to add private credit as a stand-alone asset class, how the investments would be constructed over time, potential overlap between the innovation and private equity portfolios, benefit of utilizing private credit rather than bonds, downturn risks, and the contractual return nature of private credit.

**ECONOMICALLY TARGETED INVESTMENTS (ETI) ANNUAL REPORT**

**Presenters: Carmen Matsumoto, Assistant Senior Investment Officer – Private Equity**  
**Bridget Murphy, Asset Stewardship Officer**

Carmen Matsumoto introduced the Economically Targeted Investments (ETI) Annual Report, noting that pursuant to WSIB policy, the Board is responsible for reviewing ETI activity on an annual basis. She shared the definition of an ETI and noted that only those ETIs that are commensurate on a risk-adjusted financial basis with alternative available investments will be considered. The decision to invest in an ETI in consideration of its collateral benefits shall be made only after the opportunity is deemed acceptable, exclusively on its economic investment merits, and the collateral benefits of an ETI shall not be considered part of the return of the investment or part of risk reduction. She shared historical background on the ETI program and explained that the data is received through survey responses from WSIB's general partners who invest in the U.S. She presented the survey results, breaking down results by sector and geography; Washington State IPO activity; the fair market value of WSIB's Washington-based investment across all asset classes; the history of Washington-based private equity investments across asset classes over 10 years; and the fair market value of Washington-based investments across the private equity portfolio. She noted that on a gross multiple basis, Washington-based investments have slightly outperformed the total private equity portfolio, consistent with prior years.

Bridget Murphy provided a summary of the WSIB's public company engagement activities, highlighting partnerships with the CDP, the Climate Action 100+, Invest Ahead, which is formally the Thirty Percent Coalition, and the Investor Coalition for Equal Votes.

Discussion ensued regarding the evolution of the advocacy group activities and the impacts of the current regulatory environment.

**ADJOURNMENT**

There was no further business to come before the Board, and the meeting adjourned at 4:00 p.m.