

June 18, 2026

Board Meeting

2100 Evergreen Park Dr SW, Olympia, WA 98502

The link to view the meeting virtually can be found at www.sib.wa.gov/meetings.html

- 1. Call to Order/Roll Call (9:30 am)**
- 2. Adoption of Minutes (9:30-9:35)**
- 3. 2027 Board Meeting Schedule (9:35-9:35)**
- 4. Public Comment (9:35-10:20)**
 - A. Oral Public Comment (9:35-10:20)
 - B. Written Public Comment (10:20-10:20)
- 5. Ad Hoc Governance Committee Report (10:20-10:30)**
- 6. Administrative Committee Report (10:30-10:40)**
 - A. 2027-2029 Biennial Appropriated Budget, and Fiscal Year 2027 non-appropriated Budget
- 7. Audit Committee Report (10:40-10:45)**
 - A. State Auditor's Office – Fiscal Year 2025 Accountability Audit
 - B. Fiscal Year 2027 Audit Plan
- 8. Public Markets Committee Report (10:45-10:50)**
 - A. Public Markets Equity - Retirement Funds Policy 2.10.100 Revisions
- 9. Private Markets Committee Report (10:50-10:55)**
 - A. Tangible Assets Investment Recommendation – Incline III Aviation Limited Partnership
 - B. Tangible Assets Investment Recommendation - LS Power Equity Partners VI, L.P.
- 10. Break (10:55-11:00)**
- 11. Education Session (11:00-12:00)**
 - A. Ownership Works Panel
- 12. Executive Session**

A. Ownership Works Panel Continued

13. CEO Report (12:00-12:15)

14. Lunch (12:15-1:00)

15. Quarterly Performance Update (1:00-1:10)

A. Quarterly Performance Update

16. Education Session (1:10-2:10)

A. 2026 Ethics+
 Ethics, Conflicts, Public Records, Quiet Periods, and Open Public Meeting Act
 Training

17. Other Items (2:10-2:15)

18. Adjourn (2:15 pm)



WASHINGTON STATE INVESTMENT BOARD

BOARD MEETING MINUTES – JUNE 18, 2026

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: 256 240 261 618 88 Passcode: cr3qv2Pr; Dial in by telephone number +1-564-999-2000; Phone conference ID: 201 905 688#. The meeting was also live-streamed and recorded by TVW.

Members Present: Yona Makowski, Chair
Representative Mia Gregerson
Ada Healey
Sara Ketelsen
Kathryn Leathers
Liz Lewis
Greg Markley
David Nierenberg
Treasurer Mike Pellicciotti
Mary Pugh
Senator June Robinson
Joel Sacks
Tracy Stanley

Members Absent: Heather Redman
George Zinn

Also Present: Allyson Tucker, Chief Executive Officer
Chris Hanak, Chief Investment Officer
Liz Smith, Legal, Risk, and Compliance Director
Stacia Sowersby, Attorney General's Office
Beau Ruff, Attorney General's Office
Jessica Carter, Confidential Secretary
Anna-Lisa Miller, Executive Director, Ownership Works
Kathy Bolhous, Chief Executive Officer, Charter Next Generation
Cesar Gueikian, Chief Executive Officer, Gibson
Dave Bangert, Chief Executive Officer, C.H.I. Overhead Doors

CALL TO ORDER

Chair Makowski called the meeting to order at 9:34 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 Makowski moved that the Board adopt the April 16, 2026, meeting minutes. Sara Ketelsen seconded, and the motion carried unanimously.

2027 BOARD MEETING SCHEDULE

Presenter: Yona Makowski, Board Chair

Chair Makowski shared the proposed meeting dates of February 18, April 15, June 17, July 13-15, September 16, November 18, December 16-17.

Board Chair Makowski moved that the Board approve the 2027 Board meeting schedule as proposed. Kathryn Leathers seconded and the motion carried unanimously.

PUBLIC COMMENT

The Board received public comments from 27 members of the public, both in-person and virtually, covering various topic areas. Speakers raised concerns about the Board's investments in fossil fuels, coal, and companies connected to military activities and ongoing conflicts. Speakers urged the Board to consider the environmental, social, ethical, and financial risks of these investments and increase investment in sustainable and clean-energy options. Concerns were also expressed about TowerBrook investments and labor issues, including fair wages, benefits, and working conditions for caregivers. Public commenters encouraged the Board to adopt more socially responsible investment practices and use additional data and risk analysis when making investment decisions. The Board Chair thanked attendees for their comments and shared her comments with the group.

WRITTEN PUBLIC COMMENT

Allyson Tucker reported that the Board received 23 written public comment submissions, which were provided to the Board before the start of the meeting.

AD HOC GOVERNANCE COMMITTEE REPORT

Presenter: David Nierenberg, Ad Hoc Governance Committee Chair
Scott Miller, Segal

David provided an update regarding the Governance, Risk, and Compliance Service Pool procurement and stated that the Committee selected Segal to support the work of the Committee. A detailed update will be provided at the July Board Strategic Planning meeting.

Scott Miller addressed the Board providing his background and sharing the next steps regarding the Board's self-evaluation. The results are expected to be reviewed at the December meeting.

Discussion ensued regarding the timeline of the work and process into the year.



ADMINISTRATIVE COMMITTEE REPORT

Presenter: Yona Makowski, Administrative Committee Chair

Chair Makowski shared that the Administrative Committee met prior to the Board meeting to review the 2027-2029 Biennial Appropriated Budget and Fiscal Year 2027 Non-appropriated Budget. She noted the increase request in the budget, addressed the current budget environment for the state, and noted the Committee's support of the WSIB requests.

[Mary Pugh joined the meeting at 10:30 am]

Curt Gavigan addressed the Board providing background on the requests, details about how WSIB investment results contribute to the overall state budget, and the strength of the state's pensions system and contributions of the WSIB's well-functioning investment program.

Chair Makowski moved that the Board approve the 2027-2029 Biennial Appropriated Budget and Fiscal Year 2027 Non-appropriated Budget as proposed. Sara Ketelsen seconded and the motion carried unanimously.

AUDIT COMMITTEE REPORT

Presenter: Liz Lewis, Audit Committee Chair

The Audit Committee met on June 2 with two action items for the Board's consideration. The first item for consideration was the State Auditor's Office – Fiscal Year 2025 Accountability Audit.

On behalf of the Audit Committee, Liz Lewis moved that the Board accept the State Auditor's Office Accountability Audit Report of the Washington State Investment Board for Fiscal Year 2025. Yona Makowski seconded.

Committee Chair Lewis shared that the State Auditor's Office (SAO) presented the results of its accountability audit. For the key operational and investment areas reviewed, the audit found that the WSIB complied with applicable laws, regulations, and internal policies and had appropriate controls in place to safeguard public resources. The SAO subsequently published the final report which was posted in Diligent, with no changes from the draft presented to the Audit Committee.

Discussion ensued about the lag between the end of the audit scope and the timing of an audit.

The motion carried unanimously.

On behalf of the Audit Committee, Liz Lewis moved that the Board approve the Fiscal Year 2027 Audit Plan as proposed. Sara Ketelsen seconded.

Committee Chair Lewis continued with the Fiscal Year 2027 Audit Plan sharing that the Audit Plan was developed using a comprehensive risk assessment process designed to employ internal audit resources effectively and efficiently while



providing coverage of key risks. The plan includes audits covering investment activities and manager oversight for public equities and tangible assets, alternative asset valuations, contract management activities, investment performance reporting, inventoriable assets, and regular reviews of payment, payroll, and system access. One audit will be outsourced and will focus on information technology security and compliance with WaTech policies and standards. Two additional areas — securities lending and commingled funds monthly accounting, pricing, unitization, and distributions — are identified as contingency audits.

The motion carried unanimously.

Committee Chair Lewis shared the results of two internal audits. The Cash Overlay internal audit highlighted the WSIB's processes and controls in place over the program oversight and the monitoring of the investment manager, as well as the processes and controls employed by the investment manager to address operational continuity and compliance with contract terms and mandates. The audit identified three recommendations to further strengthen processes, support operational continuity, and ensure compliance with the contract. The Ethics Program internal audit concluded that the WSIB's program is effective and supports a strong culture of ethics and compliance, there were no audit recommendations.

Committee Chair Lewis noted that staff also provided an update on the Fiscal Year 2026 Internal Audit Plan, including ongoing work and a minor adjustment to the reporting schedule. In addition, the Committee reviewed financial audit planning materials, received updates on prior audit recommendations and investment referrals, and established its 2027 meeting schedule.

PUBLIC MARKETS COMMITTEE REPORT (10:45-10:50)

Presenter: Tracy Stanley, Public Markets Committee Chair

The Public Markets Committee met on June 2 to consider action on policy revisions and to receive two educational sessions. The item for consideration is the revisions to the Public Markets Equity – Retirement Funds Policy 2.10.100.

On behalf of the Public Markets Committee, Tracy Stanley moved that the Board approve the revisions to the Public Markets Equity - Retirement Funds Policy 2.10.100 as presented. Sara Ketelsen seconded.

The Public Markets Committee recommends that minor language and technical revisions be made to policy 2.10.100 Public Markets Equity – Retirement Funds. The proposed revisions include changes for clarity, consistency, and alignment with other Board policies.

The motion carried unanimously.

Committee Chair Stanley concluded by sharing that the Public Equity staff provided educational sessions on lessons from market history and the Board's long-term use of passive U.S. public equity strategies. The historical review highlighted the importance of diversification, maintaining a long-term perspective, and remaining invested through periods of market volatility. Staff also reviewed the Board's experience with passive market capitalization-weighted strategies and research into alternative approaches over the past 30 years.

PRIVATE MARKETS COMMITTEE REPORT

Presenter: Joel Sacks, Private Markets Committee Chair

The Private Markets Committee met on June 4, 2026. The Committee set its 2027 meeting schedule, received two action items for the Board's consideration, and participated in two educational sessions.

On behalf of the Private Markets Committee, Joel Sacks moved that the Board invest up to \$250 million, plus fees and expenses, in Incline III Aviation Limited Partnership, subject to continuing due diligence and final negotiation of terms and conditions. Yona Makowski seconded.

Committee Chair Sacks shared that staff presented Incline III Aviation Limited Partnership, a private aviation fund managed by Babcock & Brown Aircraft Management (BBAM), as an investment opportunity within the Board's 2026 Tangible Assets Annual Plan. The strategy will invest in a diversified portfolio of commercial aircraft and engines leased globally, with a focus on generating predictable cash flows and attractive yields. Staff noted that the investment provides diversification and exposure to an aviation market supported by strong global travel demand, limited aircraft supply, and favorable industry conditions. The investment manager, BBAM, brings significant experience and specialized capabilities in aviation leasing, and staff believe the opportunity would provide attractive income and diversification within the tangible assets portfolio.

The motion carried unanimously.

On behalf of the Private Markets Committee, Joel Sacks moved that the Board invest up to \$300 million, plus fees and expenses, in LS Power Equity Partners VI, L.P., subject to continuing due diligence and final negotiation of terms and conditions. Yona seconded

Committee Chair Sacks shared that staff presented LS Power Equity Partners VI, L.P., a North America-focused power and energy infrastructure fund, as an investment opportunity within the Board's 2026 Tangible Assets Annual Plan. The fund will invest across power generation, energy infrastructure, and related assets, providing exposure to long-term trends such as electrification, increasing power demand from data centers and artificial intelligence, grid modernization, and the energy transition. LS Power brings more than three decades of industry experience and established capabilities in investing in, operating, and managing energy assets. Staff believe the fund is well positioned to benefit from growing demand for power and energy infrastructure while providing attractive distributions and long-term risk-adjusted returns.

The motion carried unanimously.

[The Board recessed at 10:52 am and reconvened in open session 11:00 a.m.]

[Representative Gregerson left the meeting at 11:00 am]

OWNERSHIP WORKS PANEL

Presenter: Allyson Tucker, Chief Executive Officer
Anna-Lisa Miller, Executive Director, Ownership Works



Kathy Bolhous, Chief Executive Officer, Charter Next Generation

Cesar Gueikian, Chief Executive Officer, Gibson

Dave Bangert, Chief Executive Officer, C.H.I. Overhead Doors

Allyson Tucker addressed the Board and provided background on the WSIB's involvement with Ownership Works.

Anna-Lisa Miller provided an overview of Ownership Works and its shared-ownership model, which partners with private equity firms to provide employees with an opportunity to benefit financially from the success of their companies. The discussion covered the program's structure, employee financial guidance, and reported impacts on employee retention, workplace safety, and investment performance. Board members discussed how employee payouts are funded, how the model applies during changes in ownership or portfolio transitions, and its approach to working with unions. The presentation also addressed how private equity firms determine whether to adopt the model and the support Ownership Works provides to leadership teams to implement the program effectively. Discussion further considered how shared ownership complements, rather than replaces, wages and other employee benefits, as well as its potential to strengthen employee engagement, workplace culture, and governance.

EXECUTIVE SESSION

Chair Makowski announced that the Board would go into executive session to discuss financial and commercial information related to the investment of public trust or retirement funds. Public knowledge regarding the discussion would result in loss to such funds or in private loss to the providers of this information. The executive session was expected to last until approximately 12:10 p.m.

OWNERSHIP WORKS PANEL CONTINUED

Presenter: Allyson Tucker, Chief Executive Officer
Anna-Lisa Miller, Executive Director, Ownership Works
Kathy Bolhous, Chief Executive Officer, Charter Next Generation
Cesar Gueikian, Chief Executive Officer, Gibson
Dave Bangert, Chief Executive Officer, C.H.I. Overhead Doors

[Executive session was extended to 12:20 p.m.]

[The Board reconvened in open session at 12:20 p.m.]

CEO REPORT TO THE BOARD – MAY/JUNE 2026

Presenter: Allyson Tucker, CEO

Allyson Tucker addressed the Board and provided an update on a busy spring at WSIB, highlighting Public Service Recognition Week and activities recognizing the agency's commitment to public service and beneficiaries. She also shared highlights from the Ownership Works CEO and Executive Convening, knowledge-sharing with leaders from 10 pension funds, and a Stanford event focused on emerging investment technologies, AI, and related governance considerations. She included that staff are also preparing for the upcoming Board Strategic Planning meeting, which will

include presentations and educational sessions related to risk, AI, and governance.

[The Board recessed at 12:24 p.m. and reconvened in open session at 1:05 p.m.]

QUARTERLY PERFORMANCE UPDATE

Presenter: Chris Hanak, Chief Investment Officer

Chris Hanak presented investment performance for the period ending March 31, 2026. The Commingled Trust Fund (CTF) returned 0.36 percent, outperforming the passive benchmark return of -1.87 percent but underperforming the implementation value-added benchmark of 0.67 percent. For the 12-month period, the CTF returned 10.88 percent, reflecting strong absolute performance despite underperforming the passive benchmark return of 15.75 percent and the implementation value-added benchmark return of 15.10 percent. The variance was due in large part to performance in the public market indexes.

Mr. Hanak provided an update on the economic environment, noting that the Fed kept the overnight Fed Funds target rate unchanged and that employment has remained relatively stable.

Discussion ensued regarding the Private Equity custom benchmark. Mr. Hanak continued with a review of 12-month returns for individual asset classes and Labor & Industries (L&I). He noted that there was a restatement related to the third quarter 2025 Tangible Assets Executive Summary Performance. The revised and original materials were sent to the Board in May.

EDUCATION SESSION

Presenter: Liz Smith, Legal Risk, and Compliance Director

A. 2026 Ethics+ – Ethics, Conflicts, Public Records, Quiet Periods, and Open Public Meeting Act Training

Liz Smith addressed the Board and presented the annual Ethics review, providing context on governance and the importance of the topics covered. The Ethics in Public Service Act was reviewed as the baseline, with WSIB policies providing additional requirements.

Ms. Smith reviewed appropriate use of resources, when to seek guidance, conflicts of interest and disclosure, recusal, gift and entertainment rules, travel-related considerations, confidentiality, use of position, and fiduciary responsibilities. She also covered voting and non-voting member personal investment requirements, Material Nonpublic Information (MNPI), travel reimbursement, and sanctions for violations.

The review also covered the Board's Code of Conduct, procurement procedures, quiet periods and related notifications, public records requirements, and Board and employee responsibilities. Finally, Ms. Smith provided training on the Open Public Meetings Act (OPMA) requirements, including meeting definitions, unintended meetings, quorum requirements, and public comment, with examples and reminders throughout.

Discussion ensued regarding quorum requirements when multiple Board members are present at events, as well as committee quorum and the participation of non-committee members. Staff clarified that standing committee meetings



are structured differently from regular Board meetings. Staff also reviewed the Board's approach for providing information and educational opportunities to Board members.

[David Nierenberg left the meeting at 1:57 p.m.]

Ms. Smith concluded with the timeline for annual training. Discussion ensued regarding the training requirements under the Act and applicable policy.

OTHER ITEMS

Joel Sacks expressed appreciation for the contributions of a long-serving Labor & Industries and prior WSIB employee who is retiring. Mary Pugh shared her appreciation for the recent public market's education session.

ADJOURNMENT

There was no further business to come before the Board, and the meeting adjourned at 2:12 p.m.

WRITTEN PUBLIC COMMENT

Written Public Comment has been received from the following:

- 
- Donna Albert
 - David Bellefeuille-Rice
 - Maureen Canny
 - Diana Danin
 - Rocco DeVito
 - Lesa Dunphy
 - Kristin Edmark
 - April Frazier
 - Alyssa Giachino
 - Chris Goelz
 - Anthony Harris-White
 - Mark Keely
 - Sally Keely
 - Fran Korten
 - Suzanne Kraus
 - JB
 - Toni Long
 - Stacey Opiopio
 - Mildred Palmer
 - Tyler Runyan
 - Polly Taylor
 - Eric Tabb
 - Bob Zeigler

Anna-Lisa Miller

Executive Director, Ownership Works

Anna-Lisa Miller is the founding Executive Director of Ownership Works. She is responsible for the organization's strategy, key partnerships, growth, and overall impact.

With a career deeply rooted in expanding shared ownership, advancing racial equity, and driving systemic change, Anna-Lisa is a recognized leader in the nonprofit sector. She brings extensive experience in building organizations, designing impactful programs, and forging partnerships that deliver lasting social and economic benefits to communities.

Before founding Ownership Works, Anna-Lisa served as Development Director at Project Equity, where she championed employee ownership as a transformative tool for local businesses and communities. Prior to that, she was the Chief Operating Officer of The Kohala Center, a sustainable development organization in Hawaii. There, she led diverse teams across initiatives ranging from shared ownership models to watershed restoration. Her leadership extended to serving on the Executive Committee of Hawaii's Lieutenant Governor's Farm to School Program, earning recognition from the Hawaii State Senate for her contributions.

Anna-Lisa began her professional journey as a corporate attorney with Paul, Weiss, Rifkind, Wharton & Garrison, practicing corporate and public finance law in New York City, Chicago, and Washington, D.C. After five years in the legal field, she transitioned to the nonprofit sector in 2014, driven by her passion for creating opportunities that uplift workers and families.

Anna-Lisa was named as one of the top 10 business leaders who spearheaded industry-transforming change in 2024 by Business Insider. She is currently an appointed 2024-2025 class Visiting Executive Fellow for the Institute for the Study of Employee Ownership and Profit Sharing at the Rutgers School of Management and Labor Relations.



OWNERSHIP WORKS

Washington State Investment Board Briefing

June 18, 2026

In 2021, Ownership Works launched one of the most ambitious wealth-creation initiatives for working families in the country

2030 Goal: Create **\$20B** in wealth for workers

45

Private equity firms committed to sharing ownership



184

Companies launched shared ownership programs

Wealth for workers

\$14B+

Total projected wealth generated for 268K employees¹

\$55K

Average **exit** payout across 28K workers

74%

of employees receiving payouts are low-and-moderate income

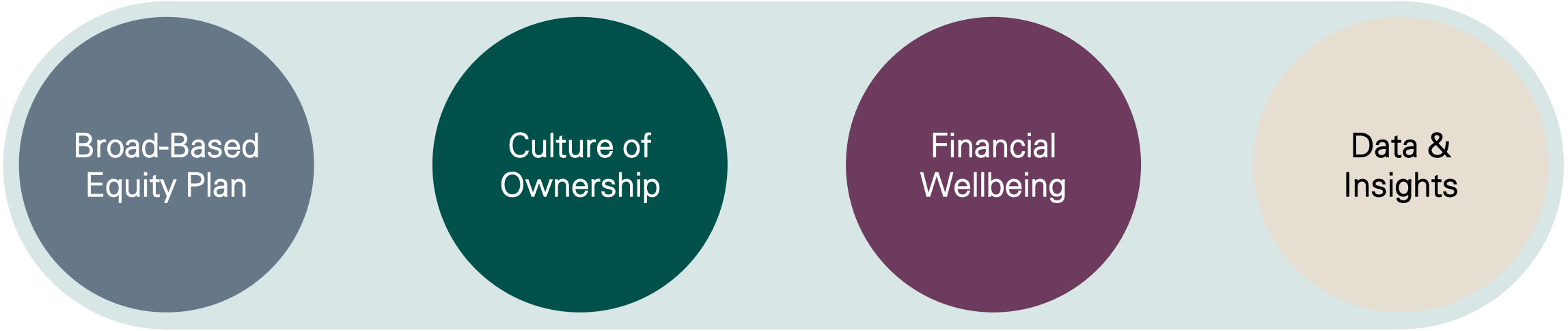
36%

of employees receiving payouts are people of color

1. \$1.7 billion already paid out from exits and dividends to date.

Our holistic model creates measurable impact for employees and investors

Holistic shared ownership model



The diagram illustrates the Holistic shared ownership model as a horizontal bar containing four colored circles. From left to right, the circles are: a grey circle labeled 'Broad-Based Equity Plan', a dark teal circle labeled 'Culture of Ownership', a purple circle labeled 'Financial Wellbeing', and a light beige circle labeled 'Data & Insights'. Below each circle is a horizontal line of the same color, followed by a descriptive text block.

Broad-Based
Equity Plan

Extend equity participation to all employees – *free and incremental*

Culture of
Ownership

Foster a culture where employees feel, think, and act like owners

Financial
Wellbeing

Provide employees with financial education and tools

Data &
Insights

Capture data and share insights to fuel adoption

Shared ownership creates value throughout the investment lifecycle

Sourcing



Gain a sourcing advantage with family-owned businesses

Attract and retain top deal team and portfolio company talent who value the opportunity to do well while doing good

Integrate acquisitions by aligning new workforces

Elevate operational excellence by engaging employees as owners

Expand exit multiples through a track record of operational improvements and a high-performance ownership culture

Exit

78%

of companies saw turnover improvements

74%

of companies saw **safety** improvements

89%

of companies above the median IRR for comparable deals¹

“We only took the bid meeting with [PE firm] because our banker said we had to. Your team pitched the broad-based ownership concept during the meeting and walking out the CEO and I told our banker, ‘Find a way to close this deal with [PE firm].’”

Portfolio Company CFO

1. Comparison groups match by GICS sector and investment entry year. Results will change as more exits occur and the benchmarks are revised to reflect updated peer group valuations.

Companies like GSI demonstrate the win-win

A high-performance ownership culture delivered a 5x MOIC and payouts averaging 25 months of salary for hourly workers

\$325K

Payout for longest-tenured hourly employees
(~4 years of salary)

~5x

MOIC
(2018 to 2024)

+5 pp

Margin expansion
(2018 to 2024)

-50%

Voluntary turnover
(2019 to 2024)

-56%

Safety incidents
(2021 to 2023)



“If we’re living the mission every day, we should see the performance scorecard improve. If we’re all ambitious, we should all share in the outcome of that ambition.”

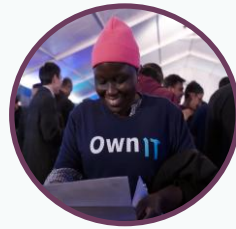
Dominic Ivankovich, CEO, GSI



For CoolIT's employee-owners, ownership created life-changing wealth

650 employee-owners received landmark payouts averaging \$240,000

“It’s going to help pay for my kids who are joining college next year [...] It’s a new beginning.”



Tete Esther Francis
Mechanical Assembler
CoolIT Systems



Jyoti Verma
Accounts Payable
CoolIT Systems

“After my work today, I’m going to view [a house with the realtor] and I’ll put the money here on my own first house.”

Financial Wellness Support



Free financial planning
One year of 1:1 coaching with Addition Wealth



Free tax preparation
Prep, filing, & advice with EY

Shared ownership in practice



Kathy Bolhous

Chairman & CEO,
Charter Next Generation



Dave Bangert

President of New Markets
and Innovation, Nucor



César Gueikian

President & CEO,
Gibson Guitars

QUARTERLY PERFORMANCE AS OF MARCH 31, 2026

Chris Hanak
Chief Investment Officer



TOTAL FUND MARKET VALUE AND NET PERFORMANCE

COMMINGLED TRUST FUND (CTF)



		Qtr.	1 Year	3 Year	5 Year	10 Year	20 Year
Total Fund:	\$187,429,848,897	0.36%	10.88%	8.75%	8.14%	9.84%	7.97%
Passive Benchmark		-1.87%	15.75%	12.66%	6.69%	8.64%	6.72%
Implementation Value Added Benchmark		0.67%	15.10%	12.09%	8.07%	9.39%	
TUCS Public Fund >\$1B Median		-0.24%	12.55%	10.21%	7.10%	8.80%	
TUCS Public/Corporate Fund >\$1B Median		-0.29%	11.80%	9.60%	6.65%	8.44%	

NET PERFORMANCE

COMMINGLED TRUST FUND (CTF)

	Qtr.	1 Year	3 Year	5 Year	10 Year	20 Year
Fixed Income	-0.35%	5.01%	5.06%	1.53%	3.08%	4.26%
Bloomberg Universal	-0.15%	4.64%	4.18%	0.65%	2.11%	3.56%
Tangible Assets	1.46%	8.48%	8.24%	9.02%	8.06%	N/A
CPI (Lagged One Quarter) + 400 bps	1.54%	6.65%	6.95%	8.47%	7.21%	N/A
Real Estate	0.55%	4.52%	0.94%	9.63%	10.19%	9.00%
8% Return Over Rolling 10 Years					8.00%	
NCREIF (Lagged One Quarter)	1.15%	4.91%	-1.01%	3.79%	4.85%	6.29%
Public Equity	-1.98%	19.98%	16.62%	9.46%	11.44%	7.92%
Custom Benchmark	-2.69%	20.93%	16.53%	9.32%	11.42%	7.91%
Private Equity	2.65%	11.14%	9.69%	10.59%	13.48%	11.53%
Custom Benchmark	4.05%	25.35%	23.29%	14.04%	14.76%	10.91%
Innovation	2.02%	6.23%	8.92%	9.46%	1.18%	N/A
Custom Benchmark	2.41%	15.09%	15.26%	9.70%	10.53%	N/A

Public Equity benchmark: MSCI ACWI IMI w/U.S. Gross and a custom historical blend

Private Equity benchmark: MSCI ACWI IMI w/U.S. Gross (Lagged One Quarter) + 300 bps and a custom historical blend

Innovation benchmark: The weighted average of the underlying benchmarks for each asset/idea within the portfolio

NET PERFORMANCE

LABOR & INDUSTRIES' FUNDS

	Qtr.	1 Year	3 Year	5 Year	10 Year
Accident	-0.80%	7.08%	6.16%	2.30%	4.08%
Custom Benchmark	-0.52%	6.63%	6.13%	2.09%	3.79%
Medical Aid	-0.82%	8.04%	7.01%	2.98%	4.53%
Custom Benchmark	-0.61%	7.68%	7.02%	2.86%	4.28%
Pension Reserve	-0.77%	5.86%	4.69%	0.62%	3.35%
Custom Benchmark	-0.45%	5.43%	5.11%	0.70%	3.10%
Self-Insurance Reserve	-0.76%	N/A	N/A	N/A	N/A
Custom Benchmark	-0.45%	N/A	N/A	N/A	N/A

2026 ETHICS+ ETHICS, CONFLICTS, PUBLIC RECORDS, QUIET PERIODS, AND OPEN PUBLIC MEETINGS ACT

June 18, 2026

Liz Smith

Legal, Risk, and Compliance Director



INTEGRITY IS NONNEGOTIABLE



- **Ethics in Public Service Act, RCW 42.52**
 - **Use of public resources**
 - **Political activity**
- **Washington State Investment Board (WSIB) Ethics Policies**
 - **Conflict of Interest and Recusal Policy 2.00.101**
 - **Recusal process**
 - **Gifts Policy 2.00.102**
 - **Confidentiality and Use of Position Policy 2.00.103**
 - **Post-WSIB employment**
 - **Personal Investments Policy 2.00.104**
 - **Travel Reimbursement by Investment Partners and Others Policy 2.00.105**
 - **Sanctions for Violations 2.00.106**
- **WSIB Code of Conduct Policy 2.00.150**
- **Quiet Periods per Service Provider Policy 2.00.230**
 - **Open rolling procurement**
- **Public Records Act, RCW 42.56**
- **Open Public Meetings Act (OPMA), RCW 42.30**
- **Conclusion**

WASHINGTON HAS STRONG ETHICAL STANDARDS FOR PUBLIC SERVANTS

Ethics in Public Service Act (RCW 42.52)

- Establishes minimum standards of conduct while performing public duties
- Seeks to remove doubt
- Applies to all WSIB Board members and employees
- Protects the public trust

The law sets the baseline—WSIB policies go further

Use state resources only for official purposes

- Proper use of public resources for official state purpose or agency-approved use
- No personal use of state resources (except de minimis use)

All of these

- Little or no cost to the state
- Brief and infrequent
- Does not interfere with the performance of the state officers' or employees' official duties
- Does not compromise the security or integrity of state property, information systems, or software

None of these

- Not for the purpose of conducting an outside business
- Not in furtherance of private employment
- Not to realize a private financial gain
- Not for supporting, promoting, or soliciting an outside organization or group

Use of Public Resources for Political Campaigns (RCW 42.52.180)

- Cannot use or authorize the use of state resources to assist a campaign or to promote or oppose a ballot proposition
 - Includes “knowing acquiescence” by a person with authority
 - No *de minimis* exception

Strictly interpreted and enforced

CONFLICT OF INTEREST AND RECUSAL 2.00.101

IDENTIFY POTENTIAL CONFLICTS EARLY AND STEP ASIDE

Highest ethical and moral standards

- Utmost integrity, professionalism, and principled behavior
- Conduct the business of the state only in a manner that advances the public's interest

Avoid

- Conflict of interest
- The appearance of a conflict

Disclosure

- Actual or reasonably foreseeable
- Disclose early
 - No later than the meeting (before subject is discussed)

Recusal

- From all discussions or deliberations
- From any vote or recommendation
- Refrain from attempting to influence any other Board member or employee



No state officer or state employee may receive, accept, take, seek, or solicit, directly or indirectly, anything of economic value as a gift, gratuity, or favor from a person if it could be reasonably expected that the gift, gratuity, or favor would influence the vote, action, or judgment of the officer or employee, or be considered as part of a reward for action or inaction

A gift is anything of economic value given without equivalent value in return

Some things are exempt and not considered a gift

Common Gift Scenarios

Examples

- **Flowers**
- **Box of cookies or chocolates**
- **Wine, gift baskets, or holiday gifts**

Do Not Forget About

- **Meals**
- **Lodging**
- **Admission to events**
- **Fee waivers or sponsored attendance**

ETHICS POLICIES – GIFTS 2.00.102

HANDLE GIFTS PROMPTLY AND APPROPRIATELY

Refuse (in person)

- If not accepted, no further action is required

Report

- All reportable gifts
 - Within 10 business days of receipt

Return or donate

- Gifts that cannot be accepted
 - Within 30 days of receipt
 - Must still be reported

There is a **SHORT** list of specific types of gifts that do not need to be reported

- When in doubt, ask



ETHICS POLICIES – GIFTS 2.00.102

BE CAUTIOUS WITH TRAVEL, EVENTS, AND ACCESS

Entertainment

- Entertainment prohibition
 - If provided or sponsored by a person or entity that provides or could provide goods or services to the WSIB
 - If provided to influence or reward the employee or Board member or to obtain or develop business with the Board
- Otherwise, attendance may be allowed if the entertainment is part of an event you are permitted to attend and is open to all attendees

Dinner versus hosted receptions

- A broadly attended, work-related event
- Open to a wide range of participants, not targeted to specific individuals
- Provides light refreshments (e.g., snacks, appetizers, beverages)
 - Does not include a full meal
- Not intended to influence or reward a specific employee or Board member

Other common travel-related gift questions

- Door or raffle prizes
- Gift baskets, upgrades, exclusive or invite-only receptions



ETHICS POLICIES – CONFIDENTIALITY AND USE OF POSITION 2.00.103

PROTECT INFORMATION AND DO NOT MISUSE YOUR POSITION

Confidentiality

- Safeguard confidential information

Use of Position

- Do not use position for special privileges

Post-WSIB Employment Restrictions

- Contracting restrictions
 - Temporary
- Continuing restrictions





Report Accounts and People

All Covered Accounts

- All new accounts
 - Within 15 calendar days

Related Parties

Disclose any other household members

Pre-Clear Trades and Transactions

All non-exempt trades

- In covered accounts
 - Market and limit orders
- Other investment requests

Follow Prohibitions

- Direct investment in general partner (or the owner of a general partner)
- No use of WSIB confidential or proprietary information
- Initial public offerings in which the WSIB has an interest

If you believe you have Material Nonpublic Information (MNPI) related to your Board member position, inform the Chief Executive Officer (CEO)

ETHICS POLICIES – 2.00.105 AND 2.00.106

FOLLOW APPROVAL RULES – VIOLATIONS HAVE CONSEQUENCES

Travel Reimbursement by Investment Partners and Others Policy 2.00.105

- **Prior approval required**
 - **Avoid actual and potential conflicts of interest and prohibited gifts**

Sanctions for Violations 2.00.106

- **Promotes accountability and integrity**
 - **Responsibility, transparency, and trust**
- **A Board member, the CEO, or an employee who violates a Board Policy may be subject to official reprimand or action as provided by law**
 - **Board members, CEO, and Internal Audit Director**
 - **Employees**

WSIB CODE OF CONDUCT POLICY 2.00.150

PROFESSIONALISM AND PREPARATION MATTER

Board member should exhibit integrity, professionalism, and ethical behavior

- **Respectful, straightforward, and constructive communication**
- **Promote cohesion for the benefit of the WSIB and its beneficiaries**
- **Prepare for each Board or Committee meeting**
- **Attend and actively participate in meetings**
- **Know and follow applicable laws**
- **Abide by all policies and decisions of the Board**
- **Refer to policies and decisions of the Board in a respectful manner with the media or other external parties as set forth in the WSIB Communications Policy 2.00.175**
- **Respect the lines of authority within the organizational structure of the WSIB**



Do not discuss procurement matters with service providers outside Board or Committee meetings

Generally, during quiet periods, Board members should not meet with specified service providers in their WSIB Board member capacity

- Exceptions (open events with no procurement discussion)
- Public Equity active manager communications
 - If a manager mentions a desire to seek business with the WSIB or references the WSIB's search process, inform them
 - The WSIB has an ongoing open rolling search process and all communications related to a search must be directed to the WSIB's Legal, Risk, and Compliance (LRC) unit

Quiet Period Begins

- Issuance of formal procurement
- Board-imposed quiet period
- Indefinite quiet period
 - Public Equity open rolling procurement

Quiet Period Ends

- Service provider is appointed or announced, or the search otherwise ends
 - CEO may extend a quiet period
- Board ends a quiet period

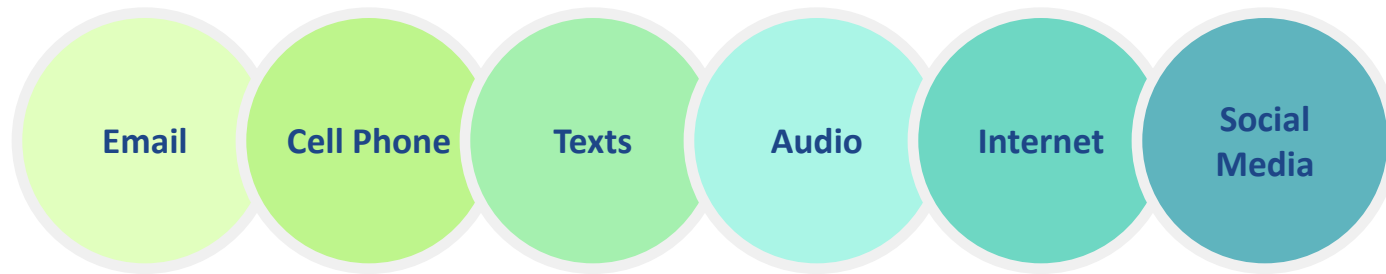
Notice of Quiet Periods

- Emails
- CEO Report



Public Records

- **Broad definitions**



Your Responsibilities

- **Know record retention rules**
- **Report requests**
- **Exercise good judgment**
- **Conduct reasonable searches when requested**

“The people of this state do not yield their sovereignty to the agencies which serve them. The people, in delegating authority, do not give their public servants the right to decide what is good for the people to know and what is not good for them to know. The people insist on remaining informed and informing the people's public servants of their views so that they may retain control over the instruments they have created.”

Unintended meetings can occur more easily than expected

What is a Meeting?

Meetings at which action is taken

- **Action – Transaction of the official business of a public agency by a governing body, including but not limited to, receipt of public testimony, deliberations, discussions, considerations, reviews, evaluations, and final actions**

Avoid Unintended Meetings

A “meeting’ of a governing body occurs when a majority of its members gathers with the collective intent of transacting the governing body's business”*

- **Email chains**
- **Hub-and-spoke communications**

- Board actions occur in open meetings, with limited exceptions
- Quorum, committees, and public comment requirements apply

Governing Body

Board

- Quorum: 6 voting members

Committee

- Per OPMA when:
 - Acting on behalf of the governing body
 - Conducting hearings, or
 - Taking testimony or public comment
- Per Board Operations Policy 2.00.210
 - WSIB Committee meetings

Public Comment

- Provide an opportunity at or before every regular meeting at which final action is taken
- Final actions entail a vote or collective Board decision
- Encourage remote access when feasible



Specific Board Member Trainings

