

# Washington State Investment Board Economically Targeted Investments Policy



**2025 Annual Report  
April 16, 2026**

## INTRODUCTION AND SUMMARY

This is the twenty-third annual report on Washington State Investment Board (WSIB or the Board) Economically Targeted Investments (ETI). This report provides a summary of the Board's activities regarding the ETI policy and the Washington-based investment activity over the past year.

The WSIB conducts its investment activities in accordance with investment policies and procedures designed to maximize returns at a prudent level of risk. At the core of the WSIB's risk management program is the requirement that investment portfolios remain globally diversified. Accordingly, the WSIB invests in global asset classes including public equity, fixed income, real estate, tangible assets, and private equity to help control risk and ensure stronger overall performance. As of September 30, 2025, the Board managed \$230.5 billion in 40 funds investing on 6 continents, in 94 countries, within 48 currencies, and over 18,623 investment holdings.

Per the ETI policy, WSIB staff conducted the annual survey of the WSIB's private equity general partners (GPs) for the 12 months ending September 30, 2025. Key findings were as follows:

- 25 GPs looked at 366 Washington-based investment opportunities.
- 256 investment opportunities were still under consideration as of September 30, 2025.
- 16 investments were completed.
- The WSIB's private equity GPs continue to seek quality investment opportunities in Washington state.

As of June 30, 2025, the WSIB's investment portfolio held \$5.5 billion in Washington-based investments across its public equity, fixed income, real estate, tangible assets, innovation portfolio, and private equity investment programs. This represents approximately 3.1 percent of the state's Commingled Trust Fund (CTF). Every investment was made in accordance with the WSIB's statutory mandate to maximize return at a prudent level of risk. For additional context, in 2024, the state's gross domestic product (GDP) was reported by the U.S. Bureau of Economic Analysis as \$854.7 billion or 0.8 percent of the World's GDP.

## OVERVIEW OF THE ETI POLICY

In March 2003, the Board adopted the ETI policy. The policy defines ETI as investments that have a primary objective of contributing investment returns to pension trust fund assets, with a possible collateral objective of assisting the regional economy and the economic well-being of Washington, its localities, and its residents. The policy is designed to communicate the role and responsibilities of the Board relative to such initiatives.

As stated in the policy, the Board believes Washington is an excellent place in which to invest a portion of the trust funds it manages. The Board has a fiduciary duty to invest and manage the trust funds in a manner consistent with statutes, regulations, Board policies, and the highest standard of professional conduct for the exclusive benefit of fund beneficiaries. Investments are made in alignment with the WSIB's established policies and procedures, which are designed exclusively to maximize return at a prudent level of risk. Exposure to the Washington economy is considered in a manner that is consistent with the Board's fiduciary obligations and its independent exercise of discretion. As a result, the Board will only consider those ETIs that are commensurate on a risk-adjusted financial basis to alternatively available investments.

Subject to staffing capacity, the Board established a role for WSIB staff to facilitate the exchange of information between its private equity GPs and appropriate parties with knowledge of quality, in-state investment opportunities. The Board has delegated authority to WSIB staff to ask its private equity GPs to provide annual reports on Washington-based investments evaluated during the prior year. Additionally, the policy directs WSIB staff to provide an annual summary of the Board's activities regarding the ETI policy and Washington-based investment activity, including Washington-based opportunities selected for investment, to the Board, beneficiaries, Legislature, and Governor.

## OVERVIEW OF PRIVATE EQUITY

Private equity investments include securities that are generally not listed on a public exchange and are not easily accessible to most individuals. These investments range from initial capital in start-up enterprises, known as venture capital, to leveraged buyouts of mature corporations, referred to as corporate finance. Private equity investments are typically long-term commitments that are held for 12 years or more. Although less liquid, and riskier than other asset classes, private equity investments can offer higher returns than traditional public equity and are an attractive asset when employed as part of a larger, balanced portfolio.

The WSIB's private equity portfolio originated in 1981. Private equity investments are made through limited partnerships formed and managed by a GP. These GPs acquire or create ongoing businesses or operating companies, which are placed into limited partnerships and managed to produce an investment return. When the companies are sold in the public market or to strategic or financial buyers, the true return on investment is measured. To meet investment return and investment plan objectives, the WSIB's private equity portfolio has diversified investments in a broad cross section of sub-sectors, industries, and geographic regions, including Washington.

## WASHINGTON-BASED INVESTMENT ACTIVITY<sup>1</sup>

This section provides a summary of Washington-based investment activity between October 1, 2024, and September 30, 2025.

The table below provides a breakdown of all venture capital investments completed in Washington; the northwest region, which includes Washington, Oregon, Idaho, Montana, and Wyoming; and the U.S.

### VENTURE CAPITAL ACTIVITY

	Investments Completed	Capital Invested (\$ Billions)
Washington	608	\$6.6
Northwest	1,009	\$8.9
U.S.	23,016	\$329.2

Washington represented almost 3 percent of venture capital investments completed in the U.S. and accounted for 2 percent of the capital invested. Washington represented a little more than 60 percent of venture capital investments completed in the northwest region and accounted for 74 percent of the capital invested. By industry sector, the information technology sector had the largest percentage of capital invested at 38 percent, followed by the energy sector with 18.5 percent of the capital invested. Healthcare was the third largest sector with 16 percent. More than 77 percent of the investments completed in Washington were \$25 million or larger in size, while 12 percent of the deals were between \$10 million and \$24.9 million in size. In terms of venture capital funding stages, late-stage ventures captured 69 percent of the invested capital, or \$4.6 billion. At the other end of the spectrum, early-stage venture represented 20 percent of the capital invested at \$1.3 billion. By comparison, California was the state with the most venture capital activity in the U.S. Venture capitalists invested \$210.1 billion in 6,886 deals during this timeframe.

The table below provides a breakdown of all corporate finance investments completed in Washington, the northwest region, and the U.S.

### CORPORATE FINANCE ACTIVITY

	Investments Completed	Capital Invested (\$ Billions)
Washington	137	\$21.0
Northwest	274	\$22.7
U.S.	7,201	\$445.2

<sup>1</sup> Source: PitchBook Data, Inc.

Washington represented a little more than 1.9 percent of corporate finance investments completed in the U.S. and 4.7 percent of the capital invested. Washington also accounted for 50 percent of the corporate finance investments completed in the northwest and 92.6 percent of the capital invested. The business services sector accounted for 35 percent or \$7.4 billion of the capital invested in Washington, while the information technology sector accounted for 64 percent of the capital invested in the state, and the financial services sector accounted for 1 percent. Eighty-eight percent of Washington-based investments completed were \$2.5 billion or more in size, while 10 percent were between \$1 billion and \$2.49 billion in size. Looking at Washington-based investments by strategy, leveraged buyout transactions represented 49 percent of the total capital invested; add-on acquisitions accounted for 24 percent; and public to private transactions represented 20 percent of capital invested. In comparison, California accounted for 11.3 percent of corporate finance investment activity in the U.S with \$50.4 billion invested in 771 investments during this timeframe.

### INITIAL PUBLIC OFFERING ACTIVITY

In 2025, one initial public offering (IPO) was completed in Washington state, raising \$202.0 million, compared to six IPOs completed in 2024, which raised \$1.49 billion. There was only one special purpose acquisition company (SPAC) transaction completed in 2025. In 2024, only one SPAC transaction was completed.

### WASHINGTON-BASED INVESTMENTS IN THE CTF PORTFOLIO

The state of Washington is home to many successful companies, and Washington-based investments can be found in many WSIB investment portfolios. The following table reflects a summary of Washington-based investments in the WSIB CTF portfolio from FY2021 through FY2025.

#### FAIR MARKET VALUE AS OF FISCAL YEARS ENDED JUNE 30, 2025 (\$ MILLIONS)

Asset Class	Fair Market Value (\$ Millions)				
	2021	2022	2023	2024	2025
Public Equity	\$2,944.6	\$2,010.3	\$2,398.9	\$2,999.1	\$3,062.0
Fixed Income	278.5	227.0	253.7	185.9	180.4
Real Estate	1,193.8	1,388.9	1,311.9	1,309.8	905.6
Tangible Assets	469.9	674.0	698.0	738.6	729.4
Innovation Portfolio	34.1	18.4	12.6	15.0	11.3
Private Equity	729.0	476.8	517.7	556.8	610.1
<b>Total</b>	<b>\$5,649.9</b>	<b>\$4,795.4</b>	<b>\$4,795.4</b>	<b>\$5,805.2</b>	<b>\$5,498.8</b>
<b>Washington Investments as a Percentage of CTF</b>					<b>3.1%</b>
<b>State of Washington GDP as a Percentage of the Investable Universe GDP</b>					<b>0.8%</b>

Note: Values include Boeing

The WSIB CTF portfolio contains numerous public equity and fixed income investments in Washington-based companies. In the year-over-year comparison, investments in Washington were down \$306.5 million in 2025, or -5.3 percent. With regards to Washington-based investments in CTF asset classes:

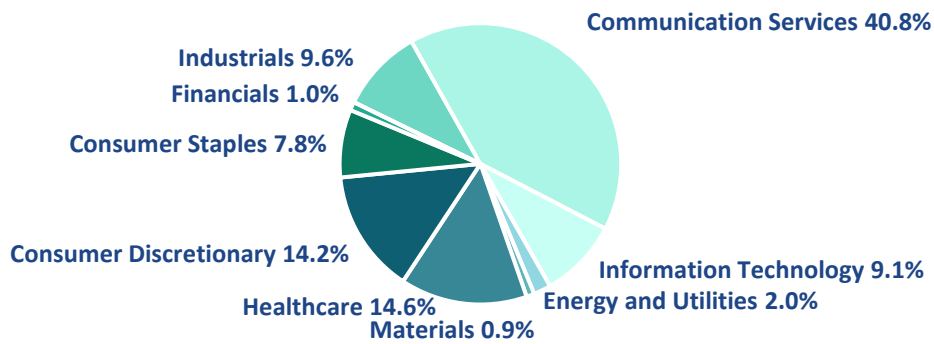
- The value of public equities increased 2.1 percent, which was largely driven by positive movements in the stock price performance of large Washington-based companies in the passive indices.
- The value for fixed income decreased \$5.5 million, from \$185.9 million to \$180.4 million, which was primarily driven by the maturity of several Washington-based holdings.
- The -30.9 percent decrease in the fair market of the real estate portfolio reflects a combination of increases and decreases in the value of individual properties held in the portfolio.

- Tangible assets decreased by \$9.3 million or -1.3 percent, driven by a decrease in the value of existing assets in the portfolio. This decline in value was partially offset by eight new Washington-based investments in the tangible assets portfolio.
- The innovation portfolio value decreased \$3.7 million, or -24.4 percent, primarily due to the liquidation of an investment and a net decline in the market value of existing investments.
- The 9.6 percent increase in value for private equity was due to an increase in the fair market value of various companies in the 2025 fiscal year and \$81.3 million of new in-state investments, which was somewhat offset by \$78.5 million of proceeds from realizations.

As of June 30, 2025, the WSIB had \$610.1 million invested in Washington-based companies in its private equity portfolio, representing approximately 1.2 percent of the total domestic private equity portfolio value. Since 1992, our private equity GPs have invested \$982.8 million in Washington-based companies. The current Washington-based investments have been made by 30 different funds managed by 19 individual GPs, two of which are regionally based.

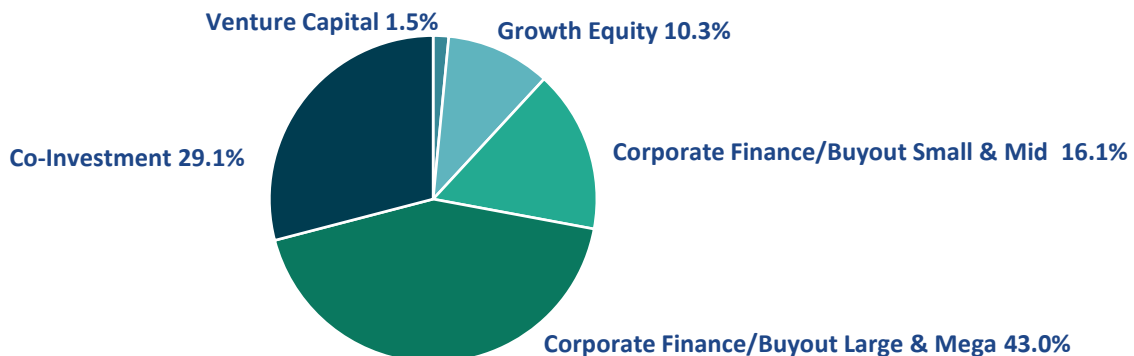
The following chart shows the breakout of Washington-based investments in the private equity portfolio by sector. The largest concentration is in the Communications Services sector at 40.8 percent, followed by the Healthcare and Consumer Discretionary sectors at 14.6 percent and 14.2 percent, respectively.

**PRIVATE EQUITY HOLDINGS IN WASHINGTON-BASED COMPANIES BY SECTOR  
AS OF JUNE 30, 2025 (\$ MILLIONS)**



The chart below shows the breakout of Washington-based investments in the private equity portfolio by investment strategy. The largest concentration is in Corporate Finance/Buyout at 43 percent, followed by Co-investment strategy at 29.1 percent.

**PRIVATE EQUITY HOLDINGS IN WASHINGTON-BASED COMPANIES BY STRATEGY  
AS OF JUNE 30, 2025 (\$ MILLIONS)**



As of June 30, 2025, the WSIB’s private equity portfolio, which is invested with 88 GPs in 303 partnership funds, was valued at \$51.1 billion. An additional \$16.3 billion had yet to be called by the GPs. The unfunded commitment represents a significant amount of capital to be invested in the future by current WSIB GPs, many of whom actively review and evaluate investments in Washington State. As of June 30, 2025, the WSIB had invested approximately \$982.8 million as a limited partner through the private equity program in Washington-based transactions. The total amount invested by WSIB GPs in Washington-based transactions was \$16.7 billion.

## HIGHLIGHTS OF 2025 ETI ACTIVITY

### ANNUAL SURVEY OF WASHINGTON-BASED GENERAL PARTNERS

The WSIB conducted its annual survey of its private equity GPs by requesting information about their investment activity in Washington state for the twelve months ending September 30, 2025. The survey was sent to GPs that invest in the U.S. with current active investment periods. In this survey, staff asked GPs to provide the number of investments completed and the number of investments that were still being evaluated at the time of their response. The table below shows that WSIB private equity GPs are actively reviewing and investing in Washington-based companies. The data shows that Washington is rich with investment opportunity and does not appear to have a problem attracting private equity firms to source and ultimately execute investments. The data is also an important reminder that while a larger number of investments are reviewed, only a small number are ultimately completed. Staff’s continued interaction with GPs encourages interest in Washington state investment opportunities and helps to facilitate investment activity.

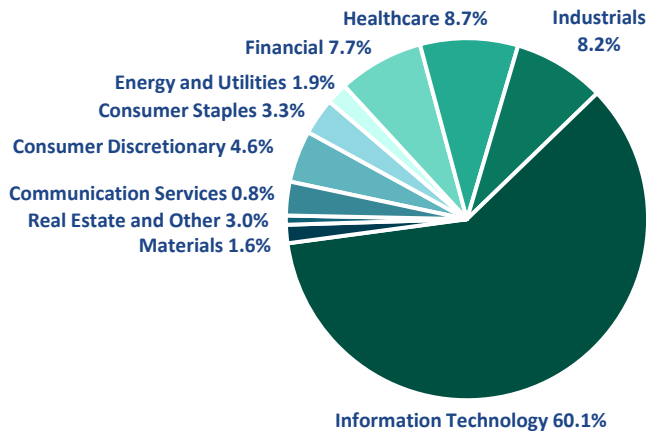
	2021	2022	2023	2024	2025
<b>GPs Surveyed</b>	46	43	45	39	40
<b>GPs that Reviewed WA-Based Investments</b>	26	28	21	29	25
<b>Total WA-Based Investments Reviewed</b>	340	335	349	353	366
<b>Total WA-Based Investments Passed On</b>	199	154	142	112	94
<b>Total WA-Based Investments Under Review</b>	109	163	197	221	256
<b>Total WA-Based Investments Completed</b>	32	18	10	20	16

Note: Includes partners that invest in the U.S. and are in an active investment period.

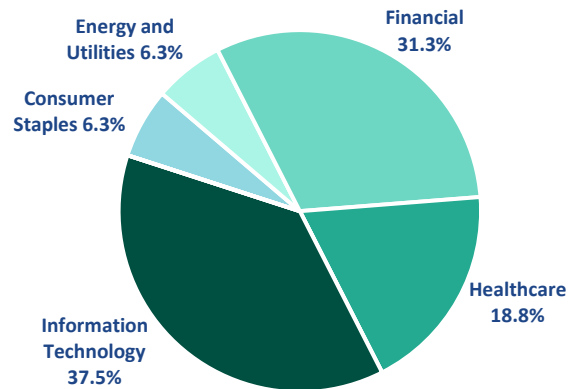
The following pie charts provide a breakdown of the investments reviewed and those completed by our GPs in Washington state by sector. Of the 366 investments reviewed by our GPs, 60.1 percent were in the information technology sector, 8.7 percent were in the healthcare sector, and 8.2 percent were in the industrials sector. Together, the consumer discretionary and the consumer staples sectors comprised almost 8 percent of the investments reviewed. Collectively, communication services, energy, materials, and utilities made up 8.2 percent of the investments reviewed.

The WSIB’s GPs completed 37.5 percent of their Washington-based investments in the information technology sector, followed by 31.3 percent in the financials sector. Almost 19 percent of GP investments in Washington were completed in the health care sector, while the consumer staples and the energy sector each represented 6 percent of the investments completed.

## Investments Reviewed (366)



## Investments Completed (16)



## REGIONAL FUNDS AND NETWORKS

Each year, WSIB staff meets with and corresponds with regional firms and interested parties to better understand the investment environment, broaden the WSIB’s regional contact base, and enhance the WSIB’s image. WSIB staff will continue to build and strengthen these relationships over the long term to the benefit of all parties. The WSIB is currently invested in Endeavour Capital, a firm with regional offices in Seattle and Portland, Oregon.

## ENGAGEMENT WITH PUBLICLY LISTED WASHINGTON-BASED COMPANIES (AND THE NORTHWEST)

The WSIB engages with a select number of publicly listed companies, with a focus on those based in the state of Washington. These engagements center on the WSIB’s asset stewardship priorities of shareholder rights, board diversity, and climate-related risks. Further, to have optimal impact, the WSIB has, to date, largely worked on these issues in partnership with select investor coalitions, including the Climate Action 100+ (CA 100+), The CDP (formerly the Carbon Disclosure Project), Invest Ahead (formerly the Thirty Percent Coalition), and the Investor Coalition for Equal Votes (ICEV). Our efforts are focused on environmental, social, and governance (ESG) factors that are material to long term investment outcomes and aligned with WSIB investment priorities.

Invest Ahead suspended its direct engagement program prior to the period, and thus there were no opportunities to engage directly with companies in Washington state during the period as a part of that campaign. The ICEV is a newer campaign and the WSIB has not taken a lead on any individual companies to date, although that may change over time.

The regulatory landscape surrounding engagement has been shifting over the past two years, and in February 2025, the Securities and Exchange Commission (SEC) issued new guidance on the definition of a passive investor, as well as considerations for those investors acting as a group or coalition. The WSIB, like many of its investment partners, has been reviewing our engagement work through both a regulatory and individual lens during this two-year period, aligning our aims with those of our Climate and DEI Blueprints and related considerations. We are currently enhancing the engagement program.

Highlights from 2025 from each of these campaigns include:

### THE CDP (FORMERLY THE CARBON DISCLOSURE PROJECT)

- Participated in the “CDP Non-Disclosure Campaign”.
- In 2025, 223 investors representing nearly \$23 trillion in assets under management (AUM) requested information from 1,314 (1,998 in 2024) companies on climate change, water security, and forests.
- The CDP noted in its review that companies were 2.4x more likely to issue disclosures on climate change after being targeted by investors (2.9x on forests and 2.1x on water security).

- The WSIB led outreach efforts for 20 Washington-based companies, which was in line with the prior year. Two of those companies responded to the questionnaire and provided the requested disclosures to the CDP during the period.

### **THE CLIMATE ACTION 100+**

- The WSIB joined the CA 100+ at its inception in 2018 and following a review in 2023, renewed participation in phase 2 of the campaign, which was launched in June 2023 and will extend to 2030.
- The WSIB co-led two campaigns within the CA 100+ until mid-2023, which involved working closely with large Washington-based companies that are structurally significant to global climate risks and solutions.
- One of the campaigns the WSIB led was successful as the company strengthened its climate-related business practices and was removed from the target list for phase 2.
- The other company remains on the CA 100+ target list for phase 2.
- The WSIB transitioned from the lead to a supporting investor on this campaign.
- The WSIB also joined a new phase 2 campaign for a Washington-based company, as a supporting investor, and had an initial on-site meeting with that company during the period.
- Engagement topics and areas of progress for those companies included governance enhancements of climate-related issues, setting and disclosing emissions and net zero targets, new or enhanced climate lobbying and spending disclosures, and Task Force on Climate-Related Financial Disclosures mapping.

### **INVEST AHEAD (FORMERLY THIRTY PERCENT COALITION)**

- The coalition changed its name during 2024 to reflect a shifting strategy.
- Invest Ahead has now closed its long-standing Adopt-a-Company program in favor of the new Board Composition and Effectiveness Engagement program.
- No Washington-based companies were directly targeted for engagement as a part of Invest Ahead's 2025 activities.

### **THE WSIB JOINED THE ICEV IN JUNE 2022**

- Founded by the Council of Institutional Investors (CII) and Railpen (UK) and is now co-led solely by investors (CII remains a member).
- The WSIB is a founding member alongside select other U.S. pension peers.
  - This coalition now represents a combined \$4.5 trillion in AUM and now includes more UK-based and other global investors.
- In 2025, the coalition continued to engage with individual pre-IPO and select listed companies and company advisors to advocate for single class share structures, and/or appropriate mitigating sunset clauses.

### **LOOKING FORWARD**

The WSIB will continue to be a point of contact and source of assistance for investment activity in Washington. The WSIB will continue to:

- Assist Washington-based companies in finding potential sources of appropriate capital through relationships with regional and national GPs as well as other funding sources.
- Enhance relationship building with regional GPs and other investment organizations.
- Continue to promote awareness and provide accessibility to potential Washington-based opportunities.
- Seek out opportunities to engage with local companies on priority ESG issues.

WSIB staff will also continue to build on the policy implementation efforts made to date to maximize returns at a prudent level of risk, while serving as an interested ally and resource to help the investment environment in Washington thrive.

## APPENDIX

### DOLLARS INVESTED AND NUMBER OF VENTURE CAPITAL AND CORPORATE FINANCE INVESTMENTS OCTOBER 1, 2024, THROUGH SEPTEMBER 30, 2025 (\$ BILLIONS)

#### WASHINGTON

##### VENTURE CAPITAL

Number of Investments: 608  
Amount: \$6.6

##### CORPORATE FINANCE

Number of Investments: 137  
Amount: \$21.0

#### NORTHWEST

##### VENTURE CAPITAL

Number of Investments: 1,009  
Amount: \$8.9

##### CORPORATE FINANCE

Number of Investments: 274  
Amount: \$22.7

#### U.S.

##### VENTURE CAPITAL

Number of Investments: 23,016  
Amount: \$329.2

##### CORPORATE FINANCE

Number of Investments: 7,201  
Amount: \$445.2

