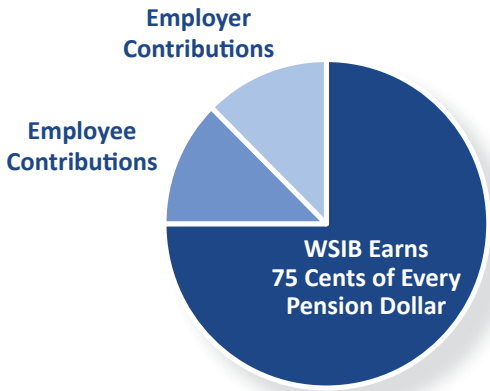


GREAT RETURNS EQUAL LOWER COSTS TO THE SYSTEM



The Washington State Investment Board manages investments for 17 retirement plans for public employees, teachers, school employees, law enforcement officers, firefighters and judges.

We also manage investments for several other important public funds that benefit Washington's industrial insurance program, colleges and universities, and developmental disability programs.

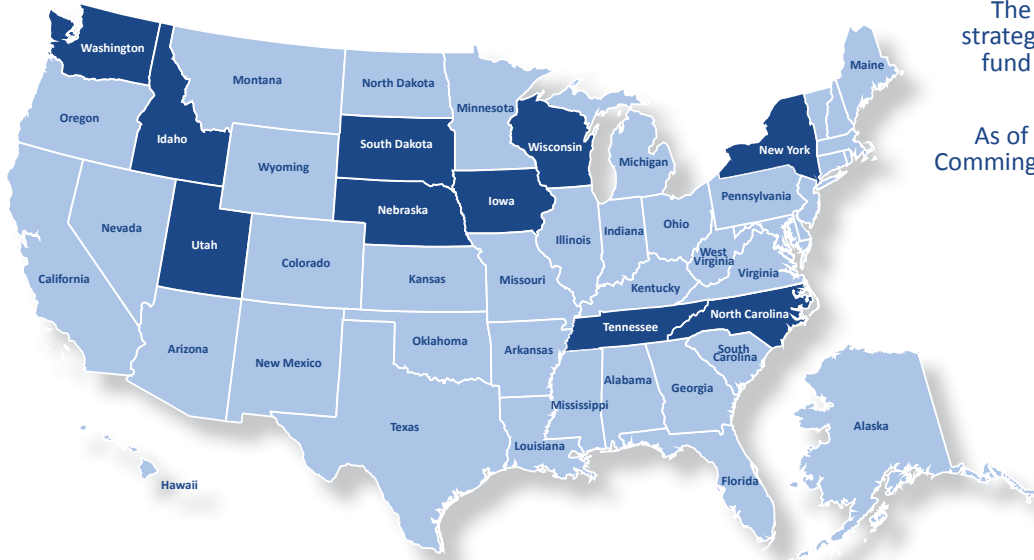
WSIB's excellent investment performance dramatically contributes to the state's bottom line by earning the lion's share of money needed to cover state pension benefits.

For the next 40 years, 75% of every beneficiaries' pension dollar will be generated by the WSIB's investments program.*



*Projections by Washington Office of the State Actuary based on 2015 actuarial valuations report.

TOP 10 FUNDED STATE PENSION SYSTEMS



The WSIB's long term, diversified investment strategy has made Washington's public pension fund one of the best performing in the nation

As of June 30, 2018, investment returns of the Commingled Trust Fund are 8.78% since inception (June 1992).

Source: The PEW Center on the States, 2016.

WSIB Expenses 2018
\$429.8 Million
(0.33%)

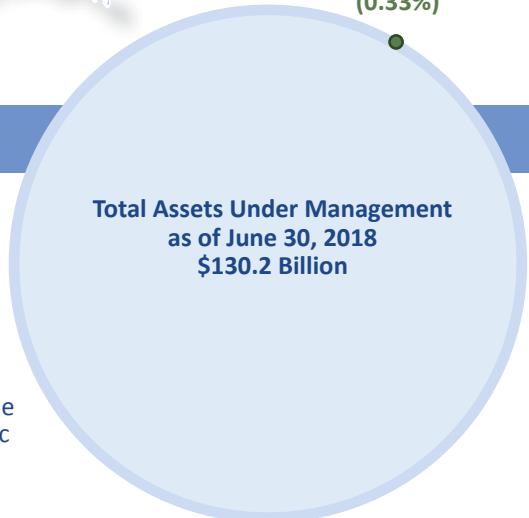
COST EFFECTIVE

All of the WSIB's expenses are funded off the assets we manage and we do not directly receive revenue from the general fund.

International benchmarking studies have consistently ranked the WSIB as one of the lowest cost, highest performing institutional investors in the world.

"Look to the long-term returns and don't get carried away by short-term changes. The approach has worked for years, giving Washington state one of the most secure public pension systems in the country."

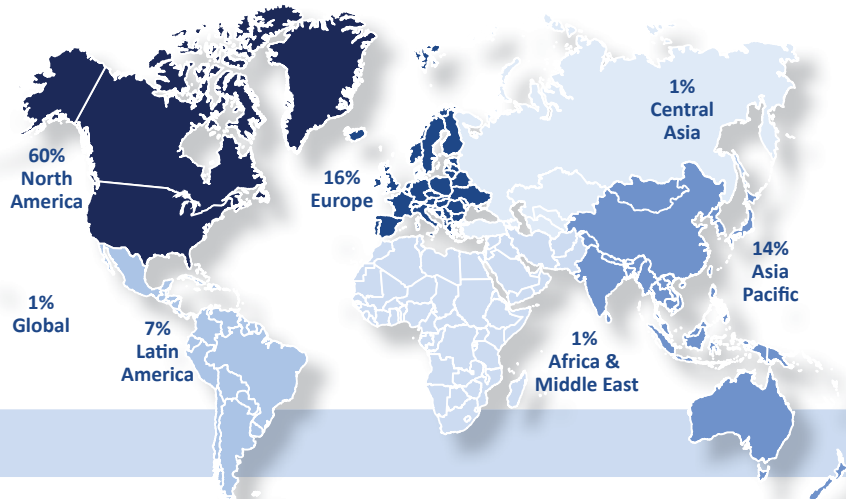
Crosscut ~ May 25, 2010



Commingled Trust Fund (CTF) Geographic Diversification

WSIB invests in 74 countries on 6 continents within 49 currencies with over 12,000 holdings.

This well diversified global portfolio is designed to manage risk across different economic market conditions while producing the best possible returns.



DIVERSITY PRODUCES GREAT RETURNS

Asset allocation creates well-balanced portfolios that weather the impacts of changing market conditions to meet or exceed the financial objectives of those we serve. Diversity is one of the fiduciary duties of the WSIB.

As of June 30, 2018						
Since Inception of the CTF (June 1992): 8.78%						
Asset Class	Market Value	Allocation	1 Year	3 Year	5 Year	10 Year
Fixed Income	\$21,814,846,775	23.52%	0.02%	2.38%	2.67%	4.52%
Tangible Assets	\$4,359,762,232	4.36%	4.27%	6.35%	5.53%	3.41%
Real Estate	\$17,186,883,276	17.17%	14.84%	11.78%	12.52%	6.55%
Public Equity	\$34,681,735,881	34.24%	11.42%	8.88%	10.20%	6.52%
Private Equity	\$20,610,704,765	20.59%	15.84%	12.30%	13.59%	9.18%
Innovation	\$45,246,370	0.05%	-45.80%	-22.94%	-10.66%	-4.30%
Cash	\$1,404,730,902	0.08%	1.49%	0.87%	0.56%	0.48%
Total Fund	\$100,103,910,202	100.00%	10.04%	8.62%	9.50%	6.61%

FIXED INCOME

Examples include U.S. treasuries and government agencies, treasury inflation protection securities (TIPS), corporate debt, mortgage-backed securities, collateralized mortgage obligations (CMO), asset-backed securities (ABS), and commercial mortgage backed securities (CMBS).

TANGIBLE ASSETS

Investments in this asset class include agriculture, commodities, infrastructure, natural resource rights, and timber.

REAL ESTATE

The majority of the WSIB’s partnerships in this asset class invest in high-quality real estate leased to third parties. The combination of steady income generated from lease payments and the potential upside from appreciation combine to generate returns that are expected to fall between the returns for fixed income and equities.

PUBLIC EQUITY

An asset class where individuals and/or organizations can buy ownership in shares/stock of a company through a public market.

PRIVATE EQUITY

Private equity investments include securities that are not listed on a public exchange and are not easily accessible to most individuals. These investments range from initial capital in start-up enterprises to leveraged buyouts of mature corporations. Private equity investments are typically long-term commitments that may last up to 12 years or more. Although they are illiquid and perhaps more risky than publicly-traded investments, when employed consistently as part of a larger balanced portfolio, they can offer higher returns than traditional public equity investments.

IMPECCABLE INTEGRITY & TRANSPARENT PROCESS

The Board consists of 10 voting and 5 non-voting members who are selected by voting members for their professional investment expertise and qualifications.

Members of the State Investment Board are fiduciaries whose mission is to manage investments for retirement and public trust funds with the highest standard of professional conduct for the exclusive benefit of fund beneficiaries.

To ensure that their actions and decisions are transparent and independent of outside political and other influences, the Board rigorously follows strict code of conduct and conflict of interest policies, conducts its business in open public meetings, and discloses thorough and timely information on its website about how billions of dollars in investments are managed and accounted for.

Integrity is part of the WSIB’s DNA and it demands excellence of an experienced and well governed Board of Trustees, staff, investment managers, and companies in which we invest.

Three ex-officio members:
The State Treasurer
Director of the Department of Retirement Systems
Director of the Department of Labor and Industries
Two Legislators:
A member of the Senate
A member of the House of Representatives
Five public employee pension representatives:
Law Enforcement Officers’ and Fire Fighters’ System
Public Employees Retirement System
Teachers’ Retirement System
School Employees’ Retirement System
Retired member of a state retirement system
Five Investment Professionals