

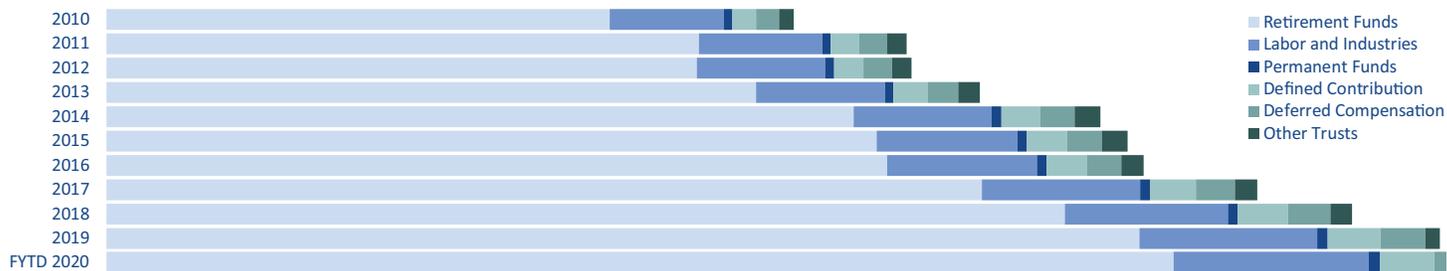


FUNDS MANAGED

The WSIB manages investments for 38 separate funds including:

- ⊙ 17 retirement plans (defined benefit and defined contribution) for public employees, teachers, school employees, law enforcement officers, firefighters, and judges. This also includes the Deferred Compensation Program to supplement other retirement benefits.
- ⊙ 5 industrial insurance funds for injured workers and their employers.
- ⊙ 7 permanent funds to benefit schools, colleges, and universities.
- ⊙ 9 other funds that primarily consist of the GET College Tuition Program, the Developmental Disabilities Endowment Fund, and the Washington State Opportunity Scholarship Fund.

ASSETS UNDER MANAGEMENT (PAST 10 FISCAL YEARS)



RETIREMENT PLANS

COMMINGLED TRUST FUND

Assets for the public retirement plans are pooled into a Commingled Trust Fund (CTF) to help control risk and ensure stronger performance overall. Most of these pension systems are strictly defined benefit programs including the 1 & 2 plans for public employees, teachers, law enforcement officers and firefighters, state patrol, volunteer fire fighters, and judges.

CTF as of June 30, 2020: \$111.5 Billion			
Asset Class	Market Value	Target Allocation	Current Allocation
Fixed Income	\$22,732,636,039	20.00%	21.29%
Tangible Assets	\$5,978,911,979	7.00%	5.36%
Real Estate	\$20,559,129,512	18.00%	18.43%
Public Equity	\$35,719,697,250	32.00%	33.56%
Private Equity	\$23,451,749,288	23.00%	21.03%
Innovation	\$266,247,502	0.00%	0.24%
Cash	\$2,814,761,236	0.00%	0.09%

OTHER USEFUL RESOURCES

- | | |
|-------------------------|--------------------|
| WSIB Investment Reports | DRS Plan 3 |
| WSIB Investment Beliefs | DRS DCP |
| WSIB Policies | Contribution Rates |



DEFINED BENEFIT

Defined benefit plans pay retirees a specified amount that is generally based on a combination formula including years of service, age at retirement, and final salary. Washington's defined benefit plans include PERS 1 & 2 for public employees, TRS 1 and 2 for teachers, SERS 2 for school employees, PSERS 2 for public safety employees, LEOFF 1 & 2 for law enforcement officers and firefighters, and WSP 1 & 2 for state troopers.

DEFINED CONTRIBUTION

Plan 3 Overview

Plan 3 retirement systems for teachers (TRS 3), school employees (SERS 3), and public employees (PERS 3) are hybrids that offer a combination of defined benefit and defined contribution features.

How are these hybrid plans set up?

- ⦿ Employer contributions finance the defined benefit component of the plan.
- ⦿ Members (employees) finance the defined contribution component.

What happens with the defined contribution component?

Members select one of two investment programs for their contributions:

- ⦿ The WSIB Total Allocation Program (TAP) is identical to the Commingled Trust Fund providing a portfolio mix of asset classes not typically available in other investment program
- ⦿ The Self Directed Investment Program provides a menu of funds allowing participants to design portfolios consistent with their individual retirement objectives, investment skills, and risk tolerances.
- ⦿ Retirement income generated by either the TAP or the Self Directed Investment options depends on what members contribute and how well their investment choices perform.

Deferred Compensation

The Deferred Compensation Program is a supplemental, tax-deferred savings plan that allows participants to invest a portion of their salary into one or many different investment options.

Judicial Retirement

The Judicial Retirement Account Fund is a supplemental, self-directed, defined contribution retirement plan for state judges. The JRA offers the same investment options as the Deferred Compensation Program.

LABOR & INDUSTRIES' FUNDS

The L&I portfolio consists of five separate funds developed to help Washington meet its financial obligations to injured workers and their employers. The asset investments for this portfolio are managed by the WSIB on behalf of the Department of Labor and Industries.

The four funds that are currently funded in the L&I portfolio Accident, Medical Aid, Pension Reserve, and Supplemental Pension use income from premiums paid by employers and employees as well as investment earnings to pay for medical care, wage replacement, and disability pensions to workers injured on the job.

PERMANENT FUNDS

Five of the seven permanent funds - Agricultural College, Common School, Normal School, Scientific, and State University - were established through land grants from the federal government to benefit Washington State Schools, colleges and universities.

The American Indian Scholarship Endowment Fund and the Foster Care Endowment Scholarship Program were created to help eligible individuals attend college.

OTHER FUNDS

GET COLLEGE TUITION PROGRAM

This was created to invest money received from the sale of pre-paid college tuition credits. The GET program is administered by the Advanced College Tuition Payment Program Committee.

DEVELOPMENTAL DISABILITIES ENDOWMENT TRUST FUND

This was created as a means to encourage and support families as they plan for the long-term care needs of individuals with disabilities. In addition to investment earnings, the trust fund is supported by public dollars and private contributions.

WASHINGTON STATE OPPORTUNITIES SCHOLARSHIP FUND

This fund was created by the Washington State Legislature to encourage student participation in high employer-demand programs of study. The WSOS funds are comprised of private funds and state matching funds.