FUNDS MANAGED

Currently, the State Investment Board manages over $50 billion in retirement, industrial insurance, permanent, and other trust funds. It has management responsibility for 31 funds which are categorized in four classes: the retirement funds, the industrial insurance trust funds, permanent, and other trust funds.

Retirement Funds

The 13 retirement or pension funds comprise the largest class of funds under the investment control of the Board. Approximately three quarters of the total funds managed are retirement funds.

Deferred Compensation Funds

The state deferred compensation plan is a retirement savings program for state employees.

Insurance (Labor and Industries) Funds

There are four funds commonly referred to as the Labor and Industries funds or industrial insurance funds. These funds are derived from insurance premiums paid by employers and employees throughout the state and are used to pay disability, medical, and death benefits to beneficiaries. These funds represent approximately one-seventh of the total funds managed.

Permanent Funds

There are six permanent funds. With the exception of the very small Millersylvania Park Trust, the permanent funds are land grant funds whose earnings are dedicated to the capital development and the maintenance of facilities and equipment at common schools and institutions of higher education. The permanent funds typically represent less than two percent of the total funds managed.

Other Trust Funds

There are seven other trust funds created by the state which are invested by the State Investment Board. These funds are the Game and Special Wildlife Fund, the State Employees Insurance Reserve, the Radiation Perpetual Fund, the Reclamation Revolving Fund, Guaranteed Education Tuition, the Developmental Disabilities Endowment Trust, and the State Emergency Reserve Fund. These funds represent less than two percent of the total funds managed.

ASSET ALLOCATION

One of the fiduciary duties of the State Investment Board is the duty to diversify. The Board makes investments from these eligible investments:

1) Short-term Fixed Income
2) Long-term Fixed Income

3) Common Stocks and Equivalents
4) Leveraged Buyout and Venture Capital Limited Partnerships
5) Special Situations
6) Real Estate Equity and/or Debt

To maintain the desired diversification, the Board has adopted asset allocation policies. Monthly, Board staff report the current allocation of assets with a comparison of how allocations match the Board adopted ranges for each asset class.

Asset allocation policies are periodically reviewed by the Board and can be changed or retained depending on the results of studies and long-term market expectations.