

**POLICY NUMBER:** 2.00.200**EFFECTIVE DATE:** 12/16/21**TITLE:** Board Education**SUPERSEDES:** 11/15/18**BOARD ADOPTION:** 12/16/21**REVIEWED:**

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**INTRODUCTION**

The Washington State Investment Board (WSIB) firmly believes that each Board member has an obligation to be well-informed in matters pertaining to pension and other trust fund investing and administration. To assist all members of the Board in fulfilling their obligation in line with their own individual needs and preferences, this policy provides guidelines Board member education.

Each individual brings a unique set of skills and experience to their role as a member of the Board. Therefore, the determination as to what constitutes an appropriate course of study to enhance these skills is best left to the individual member. However, given the diverse and ever-changing aspects of pension fund investing, it is likely that most Board members will find worthwhile offerings in one or more of the training topics.

Board members are encouraged to participate in at least one WSIB-paid education event per year, in addition to any direct manager/partner conferences. The event(s) should generally contain at least 8 hours of educational content relevant to the investment and oversight of the WSIB. This expectation is satisfied by attendance at similar training events required by other entities to which one may belong; however, the WSIB will not reimburse individual Board members for training events that are not generally available to all Board members (e.g., college alumni-sponsored, union-sponsored).

**DUTIES AND RESPONSIBILITIES****Orientation Program**

The Chief Executive Officer (CEO) will design a formal orientation program for the benefit of new Board members. The aim of the orientation program will be to ensure that new Board members are in a position to contribute fully to Board and Committee deliberations and effectively carry out their fiduciary duties as soon as possible after joining the Board.

**In-House Continuing Education**

The CEO will organize educational sessions for the benefit of all Board members that will be incorporated into regularly scheduled Board meetings. The CEO will consult the Board to identify topics of interest.

**External Conference Continuing Education**

All Board members are encouraged to attend appropriate conferences in accordance with the provisions of the Board Travel Policy.

On an annual basis, the Board shall establish a list of recommended conferences for the following year. In addition, the CEO will regularly provide the Board with information on any conferences they believe may be beneficial for Board members.

Attendance by Board members at any conference shall require approval by the Board Chair in advance.

### **Investment Training Topics**

The following list of education topics is intended to provide guidance to Board members in focusing their education efforts. Board members are strongly encouraged to attend conferences and engage in other educational activities that develop their knowledge across the various topics. The list is intended as a guideline only and is not exhaustive.

#### Governance and Fiduciary Duty

- Fiduciary duty
- Roles of the sponsor, administrator, management, and service providers
- Basics of trust law
- Effective decision-making
- Roberts Rules of Order
- Corporate governance and proxy voting

#### Investment Policy and Asset Allocation

- Characteristics of traditional equity and fixed income investments
- Characteristics of alternative investments
- Risk and risk management
- Diversification and asset allocation
- Active versus passive management
- Performance measurement
- Due diligence
- Execution costs and transitions
- Derivatives

#### Actuarial Policies and Funding

- Role of the actuary
- Actuarial process
- Funding policy
- Asset/liability management

#### Regulatory and Legal Issues

- Governing legislation
- State ethics laws
- Open Public Meetings Act

#### Audit

- The audit function
- Enterprise risk management
- Internal controls
- Financial reporting

### **Reporting**

On an annual basis, the CEO will submit a report to the Board on the educational activities of the Board. At a minimum, the report will summarize the following:

1. Attendance by Board members at external conferences during the year.
2. Attendance at in-house educational sessions held during the year.
3. Other educational activities that took place during the year.

**POLICY REVIEW**

The Board shall review this policy at least once every three (3) years to ensure that it remains relevant and appropriate.

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