

2025 Retirement Strategy

PORTFOLIO OVERVIEW

A Retirement Strategy Fund is a target-date fund and contains a diversified investment mix that adjusts automatically over time. The Fund is monitored regularly, and its investment mix changes as the target date approaches. When you're in your early working years, the emphasis of the Fund is on growth in order to build savings. As you move toward retirement (and continuing 15 years beyond your target date for retirement), the investments of the Fund gradually evolve, becoming more conservative to help protect against market fluctuations—and it all happens automatically.

OBJECTIVE

Seek the highest total return over time consistent with the Retirement Strategy Fund's investment mix.

INVESTMENT STRATEGY

- A diversified portfolio of equities (also known as stocks), bonds (also known as fixed income) and other diversifying investments built for investors who anticipate retiring around 2025; typically those born between 1958 and 1962.
- Investment mix becomes progressively more conservative over time as the Retirement Strategy Fund approaches and passes through its target date for retirement.

PRIMARY INVESTMENTS

- Equity holdings are diversified across investment styles, company sizes (including both publicly traded and privately held companies) and geographic regions, and also include global real estate investment trusts (REITs).

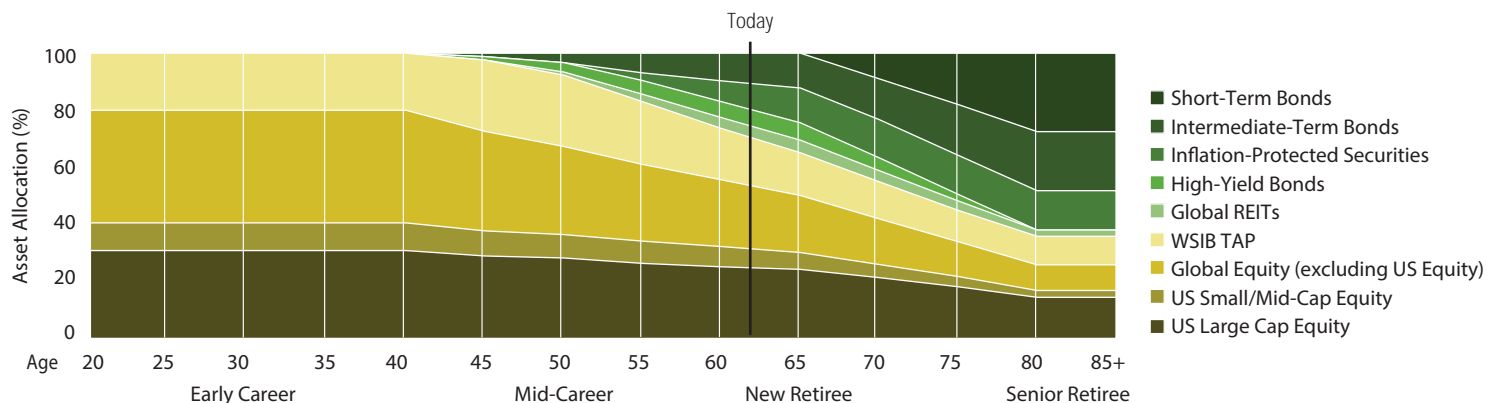
- The bond portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, and also includes high-yield bonds.
- The Funds invest in real assets, including global REITs, private real estate and tangible assets, which may help diversify equity risk and provide inflation protection.
- The Washington State Investment Board (WSIB) Total Allocation Portfolio (TAP) invests globally across five major asset classes, which comprise 30% public equity, 19% fixed income, 25% private equity, 18% real estate and 8% tangible assets.*

* TAP long-term policy targets are as of October 18, 2021. For more information about TAP, please refer to the TAP investment option on the DRS website.

MANAGER SUMMARY

The Retirement Strategy Funds are provided by the WSIB. The WSIB has selected AllianceBernstein L.P. (AB) to help manage this custom series of target-date funds. The WSIB determined the Total Allocation Portfolio (TAP) allocation by age within the Retirement Strategy Funds, after which AB completed the asset allocation design utilizing the remaining asset classes. In addition, AB actively manages the Short-Term Bond, High-Yield Bond, Global REIT, and US Small and Mid-Cap Equity investment components. BlackRock Institutional Trust Company (BTC) passively manages the US Large Cap Equity and Global Equity (excluding US Equity) components. Under the direction and oversight of the WSIB, TAP assets are primarily managed by external investment professionals and partners. The fixed-income portfolio for the TAP is internally managed by WSIB staff. WSIB's internal fixed-income staff also actively manages the Intermediate-Term Bond component and passively manages the Inflation-Protected Securities component.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/22*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2025 Retirement Strategy Fund	-10.91%	-11.22%	5.99%	6.54%	7.74%
2025 Composite Benchmark	-11.46%	-12.41%	4.83%	5.67%	7.35%

* Please note the portfolio's inception date is 10/3/08. The returns are presented net of the Fund Management Fee. Periods of less than one year represent cumulative returns.

† The Fund Management Fee includes the most current expenses for the funds and may change. The Fund Management Fee does not include the Plan 3 record keeping fee of 0.0840% and the WSIB Expenses of 0.0215%, or the DCP/JRA Administrative fee of 0.1248%. Additional fee data is available online.

General Fund Information

Inception Date	10/3/08
Portfolio Turnover Rate (as of 12/31/21)	24%
Fund Management Fee [†]	0.18%

PORTFOLIO CONSTRUCTION AS OF 6/30/22[‡]

Investment Component	Actual % of Portfolio
Equity	
US Large Cap Equity	23.33%
US Small/Mid-Cap Growth Equity	2.59
US Small/Mid-Cap Value Equity	3.12
Global Equity (excluding US Equity)	20.71
Global Real Estate Investments	
Global Real Estate Investment Trusts (REITs)	3.98
Bonds	
Inflation-Protected Securities	9.88
Intermediate-Term Bonds	11.08
High-Yield Bonds	5.78
WSIB Total Allocation Portfolio (TAP)	
WSIB TAP	19.52
Total	100.00%

‡ Actual allocations will change over time. Column may not sum due to rounding.

BENCHMARK RETURN NOTES

The benchmark for a Retirement Strategy Fund is a customized benchmark that has the same target asset allocation as the Fund and uses index returns to represent performance of the asset classes. The benchmark returns are calculated by weighting the monthly index returns of each asset class by the Fund's monthly target allocation for each asset class. Target allocations adjust quarterly in accordance with the Retirement Strategy Fund's standard glide path. The S&P 500 Index is used to represent the allocation to US Large Cap Equity, Russell 2500 Value to represent US Small/Mid-Cap Value Equity, Russell 2500 Growth to represent US Small/Mid-Cap Growth Equity, MSCI EAFE (inception through 9/30/13) and MSCI ACWI ex-USA IMI (thereafter) to represent Global Equity (excluding US Equity), FTSE EPRA/NAREIT Developed to represent Global REIT, Bloomberg US Intermediate Credit to represent Intermediate-Term Bond, Bloomberg High Yield (2% Constrained) to represent High-Yield Bond, Bloomberg US TIPS to represent Inflation-Protected Securities, ICE BofA Merrill Lynch 1–3 Year Treasury to represent Short-Term Bond, and a weighting of 69% MSCI ACWIMI w/US Gross and 31% Barclays Capital Universal to represent the WSIB TAP with a one-month lag. Prior to January 2012, the WSIB TAP benchmark reflected different percentage weightings and target indices.

A WORD ABOUT RISK

Before investing for retirement, there are many factors to consider, including your time horizon, retirement needs, goals and assets (income and investments outside of those in your employer-sponsored retirement plan). You should view the Retirement Strategy Funds as one part of your entire plan for retirement income.

The Retirement Strategy Funds' underlying investments include international companies, which involve such risks as currency fluctuations, economic instability and political developments. The portfolios also invest some of their assets in small and midsize companies. Such investments increase the risk of greater price fluctuations. In addition, the portfolios have a portion of their assets in bonds. Investments in bonds are subject to interest-rate risk, credit risk and inflation risk. Furthermore, the portfolios invest part of their assets in the WSIB Total Allocation Portfolio (TAP) which includes investments in private equity, real estate, and tangible assets. These asset classes add diversification within the portfolios and provide access to long-term illiquid investment opportunities otherwise not available to most individuals. These investments are considered riskier than publicly traded investments but can offer the potential for greater returns than traditional public equity investments when part of a larger, balanced portfolio. As with all investments, there is a risk of not meeting your retirement income needs. Because the Retirement Strategy Funds are managed to specific retirement dates, you may be taking on greater risk if your actual year of retirement differs dramatically from what you estimated.

Past performance does not guarantee future results. You should consider the investment objectives, risks, charges and expenses of the Retirement Strategy Funds carefully before investing. The Retirement Strategy Funds are a customized product, not a registered investment company, and interests in the funds have not been registered with the Securities Exchange Commission. Therefore, there is no prospectus for these funds. The funds are only available in the Deferred Compensation Program and Plan 3.