MEKETA

Washington Saves Retirement Savings Program

July 21, 2026

Investment Beliefs: Follow-Up Discussion

Agenda

1. **Background**
2. **Proposed "Core" Investment Beliefs**

“Investment beliefs are the bridge between the Board’s values and its investment decisions.”

Purpose of Today's Discussion

→ Continue the Investment Beliefs discussion from the last meeting, approve core beliefs

→ Focus today is:

- Review consolidated list of investment beliefs
- Provide final edits and refinements
- Address any concerns
- **Seeking Approval of Washington Saves Investment Beliefs (Action item)**

→ Next Steps:

- Incorporate Investment Beliefs into Investment Policy Statement

Statement of Investment Beliefs – Why This Matters

→ Investment beliefs are a set of principles defined by the Board that express what is most important when making investment decisions.

Investment Beliefs help define and document how the Board thinks about:

→ What drives good outcomes for participants

→ How participants are likely to use the program over time

→ The tradeoffs the program should prioritize

As an automatic enrollment program, outcomes will be driven primarily by:

→ The default investment design

→ Simplicity and clarity

→ Long-term cost efficiency

These beliefs are important because they:

→ Establish a shared understanding across the Board

→ Provide a foundation for developing the Investment Policy Statement

→ Help ensure decisions remain consistent over time and aligned with what the Board values

Takeaway: *This is about defining what matters most — so it can be carried through consistently into policy and decision-making.*

Building Investment Beliefs

May

→ **Investment Belief Development Process**

- Discussed the role of investment beliefs within the IPS.
- Board completed an investment beliefs survey covering participant outcomes, investment design, risk, costs, and the overall structure of the Program.
- Reviewed preliminary survey results.

June

→ **Initial Review + Refinement**

- Reviewed draft set of beliefs developed from the survey responses.
- Board provided feedback on the proposed language and concepts.
- Values-aligned options presented as potential future considertion.

July

→ **Beliefs Revised to Reflect Board's views**

- Key themes reflected in the refined beliefs
  - Help participants build retirement savings over time.
  - Incorporate participant behavior into investment design.
  - Favor simple, low-cost investment solutions.
  - Establish a durable framework for future investment decisions and the Washington Saves IPS.

→ **Action Item**: Seek Board approval of the proposed Investment Beliefs, which will be incorporated into a future Washington Saves Investment Policy Statement.

Proposed "Core" Investment Beliefs

Initial	Refined
1. Investment decisions should focus on improving long-term participant outcomes.	1. Helping participants build retirement savings is the program's primary objective.
2. Investment design should reflect how participants actually use the program and behave over time.	2. Investment design should reflect how participants save and invest over time.
3. The default investment will drive outcomes for most participants and should be designed accordingly.	3. The default investment should be the focus of investment design.
4. Investment risk should decrease as participants get closer to retirement.	4. Investments should provide appropriate risk exposure throughout a participant's savings journey.
5. The investment menu should offer a limited number of options.	5. Simplicity, low costs, and broad diversification support participant success.
6. Costs matter and should be carefully managed.	
7. Passive Strategies should form the foundation of the investment lineup.	
8. Additional complexity should only be introduced where it clearly improves participant outcomes.	

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