2000 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for retired investors, typically those born in 1937 or before
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

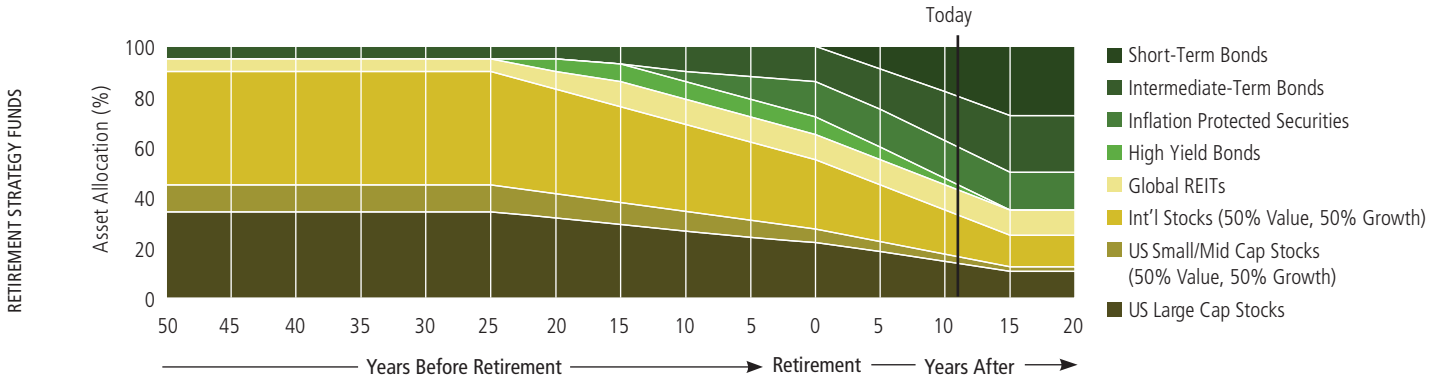
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	13.77%
U.S. Small/Mid Cap Growth Stocks	1.33
U.S. Small/Mid Cap Value Stocks	1.31
International Growth Stocks	8.23
International Value Stocks	8.32
Global Real Estate Investment Trusts (REITs)	10.10
Bonds	
Inflation Protected Securities	14.69
Intermediate-Term Bonds	19.97
High Yield Bonds	1.84
Short-Term Bonds	20.44
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2000 Retirement Strategy Fund	1.76%	16.46%	—	—	9.80%
2000 Composite Benchmark	1.76%	16.46%	—	—	8.46%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.26%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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. For more information see your Investment Guide.

2005 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for retired investors, typically those born between 1938 and 1942
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

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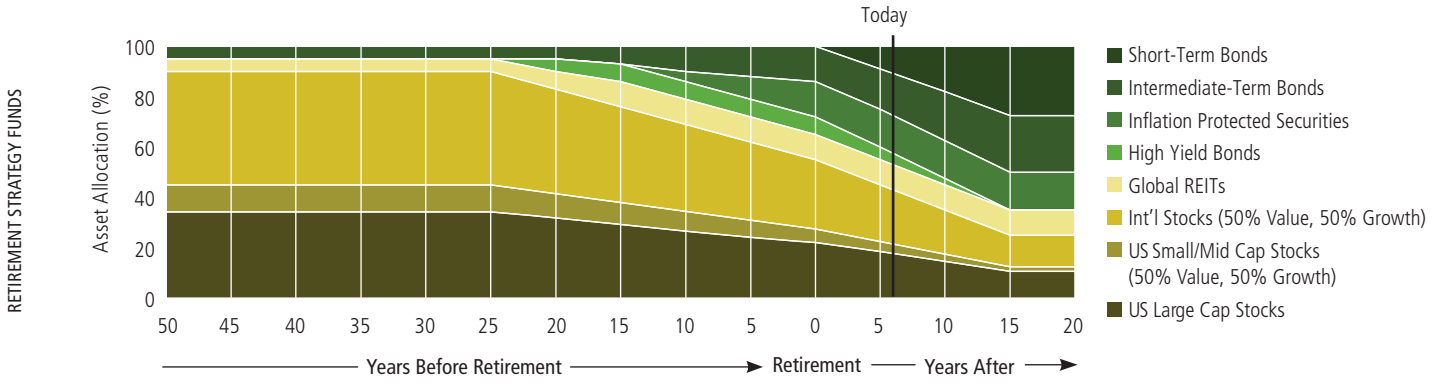
Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	17.62%
U.S. Small/Mid Cap Growth Stocks	1.91
U.S. Small/Mid Cap Value Stocks	1.87
International Growth Stocks	10.49
International Value Stocks	10.63
Global Real Estate Investment Trusts (REITs)	9.97
Bonds	
Inflation Protected Securities	14.81
Intermediate-Term Bonds	16.86
High Yield Bonds	4.29
Short-Term Bonds	11.55
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2005 Retirement Strategy Fund	1.71%	19.74%	—	—	10.60%
2005 Composite Benchmark	1.71%	19.74%	—	—	9.22%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.27%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

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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. 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.

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2010 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2010, typically those born between 1943 and 1947
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

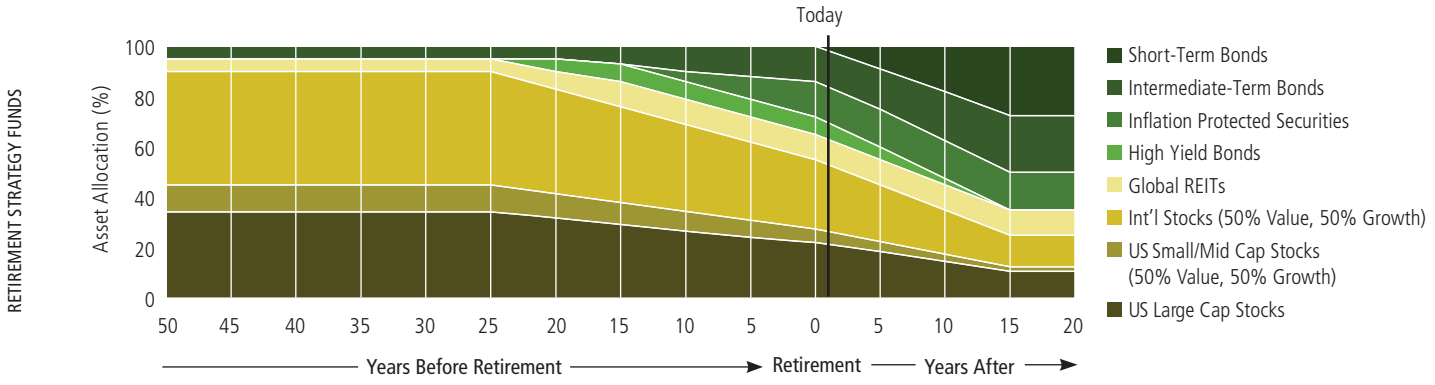
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	21.37%
U.S. Small/Mid Cap Growth Stocks	2.56
U.S. Small/Mid Cap Value Stocks	2.52
International Growth Stocks	13.27
International Value Stocks	13.46
Global Real Estate Investment Trusts (REITs)	10.12
Bonds	
Inflation Protected Securities	13.91
Intermediate-Term Bonds	14.11
High Yield Bonds	6.45
Short-Term Bonds	2.23
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2010 Retirement Strategy Fund	1.65%	23.03%	—	—	11.09%
2010 Composite Benchmark	1.65%	23.03%	—	—	9.99%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.29%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

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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. 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.

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2015 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2015, typically those born between 1948 and 1952
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

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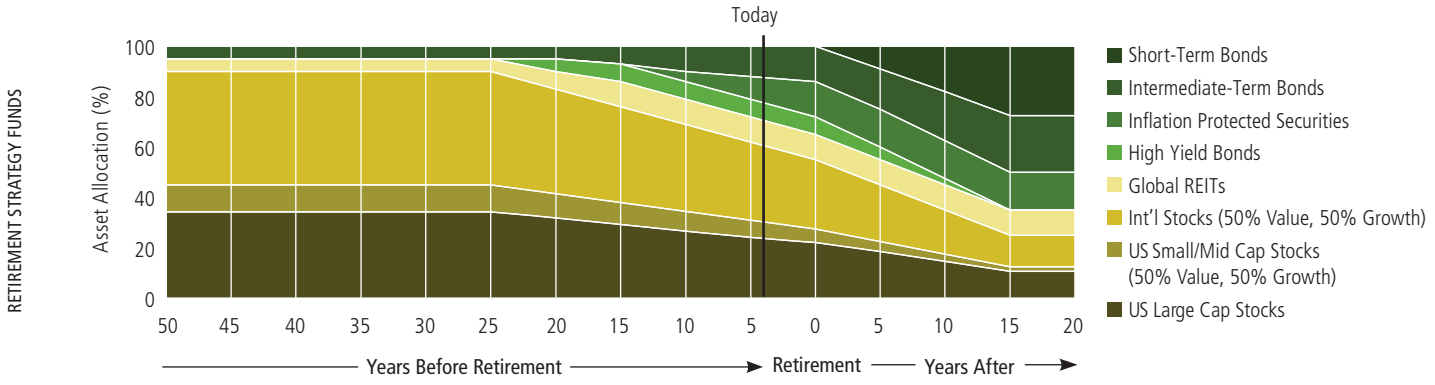
Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	23.88%
U.S. Small/Mid Cap Growth Stocks	3.26
U.S. Small/Mid Cap Value Stocks	3.18
International Growth Stocks	15.08
International Value Stocks	15.31
Global Real Estate Investment Trusts (REITs)	10.01
Bonds	
Inflation Protected Securities	10.08
Intermediate-Term Bonds	12.22
High Yield Bonds	6.97
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2015 Retirement Strategy Fund	1.50%	25.04%	—	—	11.27%
2015 Composite Benchmark	1.50%	25.04%	—	—	10.10%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.31%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

Benchmark Return Notes

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2020 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

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Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2020, typically those born between 1953 and 1957
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

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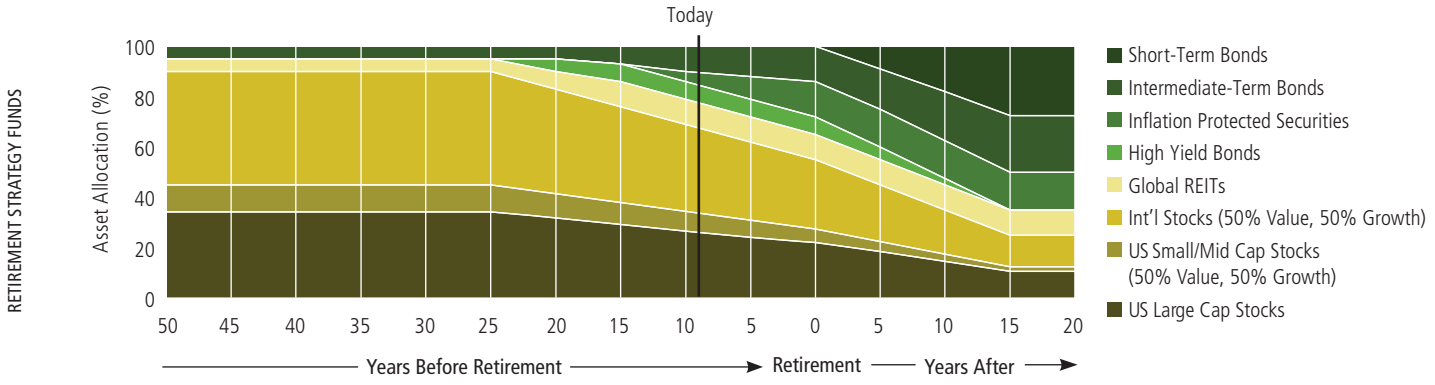
Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	26.17%
U.S. Small/Mid Cap Growth Stocks	3.89
U.S. Small/Mid Cap Value Stocks	3.79
International Growth Stocks	16.66
International Value Stocks	16.92
Global Real Estate Investment Trusts (REITs)	9.90
Bonds	
Inflation Protected Securities	5.30
Intermediate-Term Bonds	10.36
High Yield Bonds	7.02
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2020 Retirement Strategy Fund	1.32%	26.82%	—	—	11.15%
2020 Composite Benchmark	1.32%	26.82%	—	—	10.10%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.33%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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. For more information see your Investment Guide.

2025 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

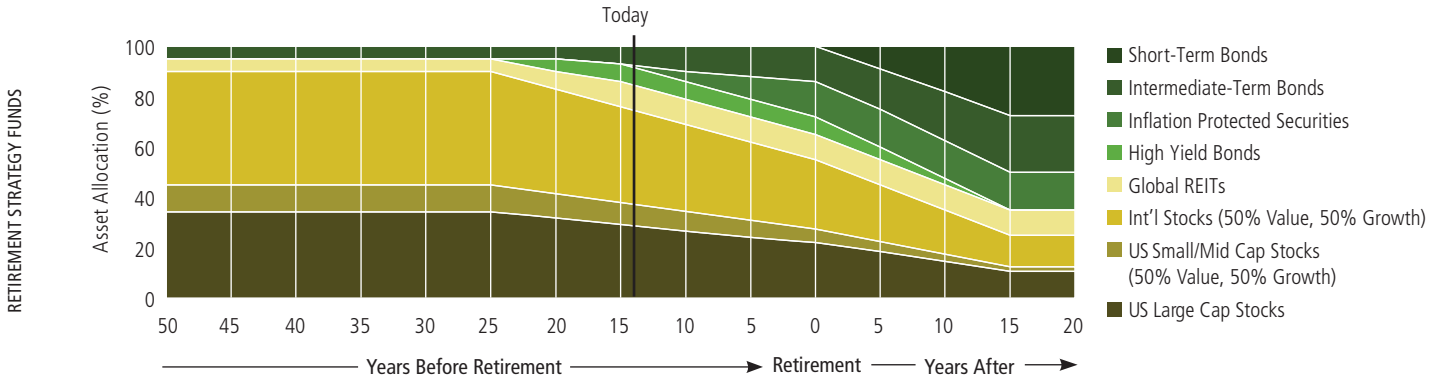
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	28.72%
U.S. Small/Mid Cap Growth Stocks	4.24
U.S. Small/Mid Cap Value Stocks	4.14
International Growth Stocks	18.51
International Value Stocks	18.79
Global Real Estate Investment Trusts (REITs)	10.06
Bonds	
Inflation Protected Securities	0.99
Intermediate-Term Bonds	7.62
High Yield Bonds	6.92
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2025 Retirement Strategy Fund	1.16%	28.58%	—	—	11.03%
2025 Composite Benchmark	1.16%	28.58%	—	—	10.08%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.34%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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. For more information see your Investment Guide.

2030 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2030, typically those born between 1963 and 1967
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

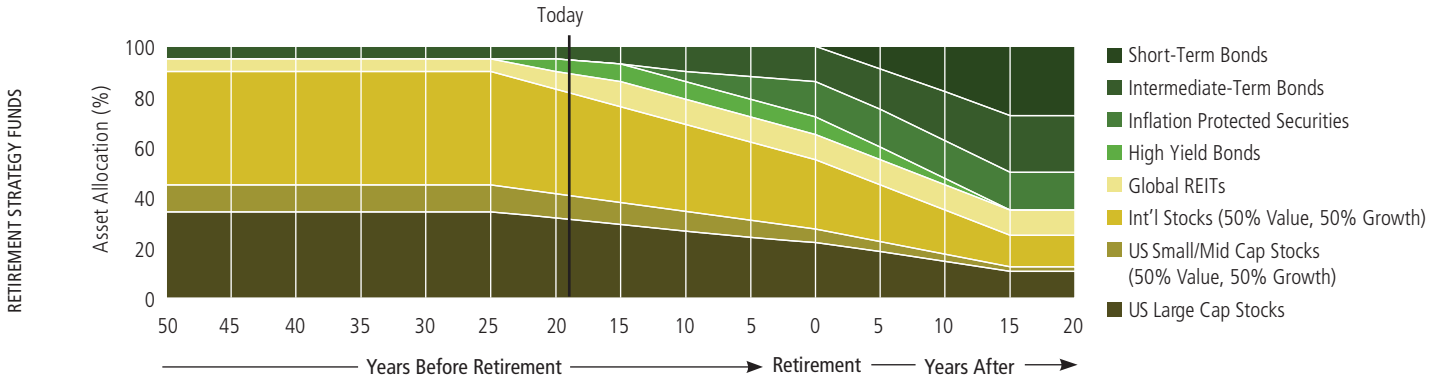
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	31.18%
U.S. Small/Mid Cap Growth Stocks	4.72
U.S. Small/Mid Cap Value Stocks	4.69
International Growth Stocks	20.32
International Value Stocks	20.59
Global Real Estate Investment Trusts (REITs)	7.74
Bonds	
Intermediate-Term Bonds	5.36
High Yield Bonds	5.40
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2030 Retirement Strategy Fund	1.04%	29.51%	—	—	10.54%
2030 Composite Benchmark	1.04%	29.51%	—	—	9.76%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.35%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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. For more information see your Investment Guide.

2035 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2035, typically those born between 1968 and 1972
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

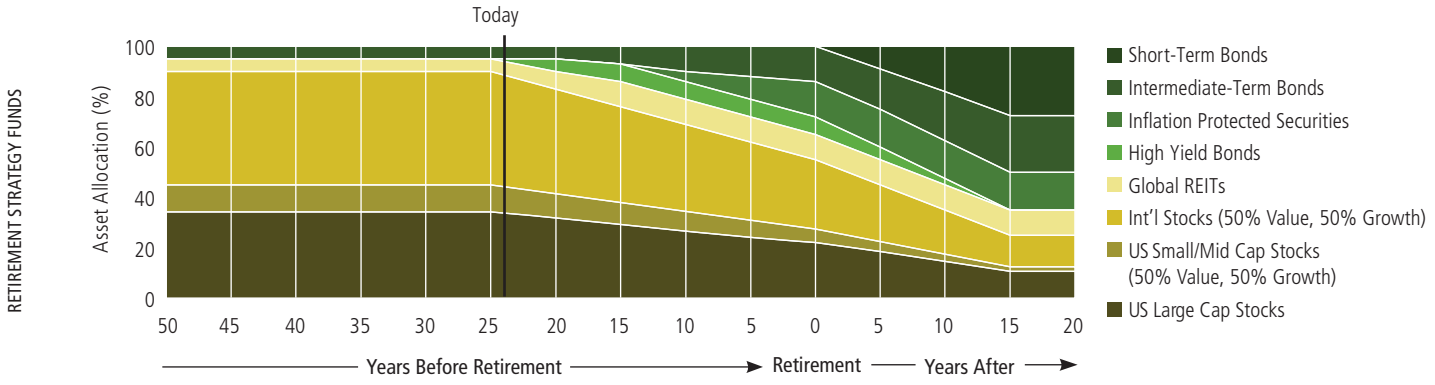
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	33.78%
U.S. Small/Mid Cap Growth Stocks	5.44
U.S. Small/Mid Cap Value Stocks	5.30
International Growth Stocks	21.76
International Value Stocks	22.09
Global Real Estate Investment Trusts (REITs)	5.47
Bonds	
Intermediate-Term Bonds	4.81
High Yield Bonds	1.35
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2035 Retirement Strategy Fund	0.97%	30.32%	—	—	9.93%
2035 Composite Benchmark	0.97%	30.32%	—	—	9.28%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.34%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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.

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2040 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2040, typically those born between 1973 and 1977
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

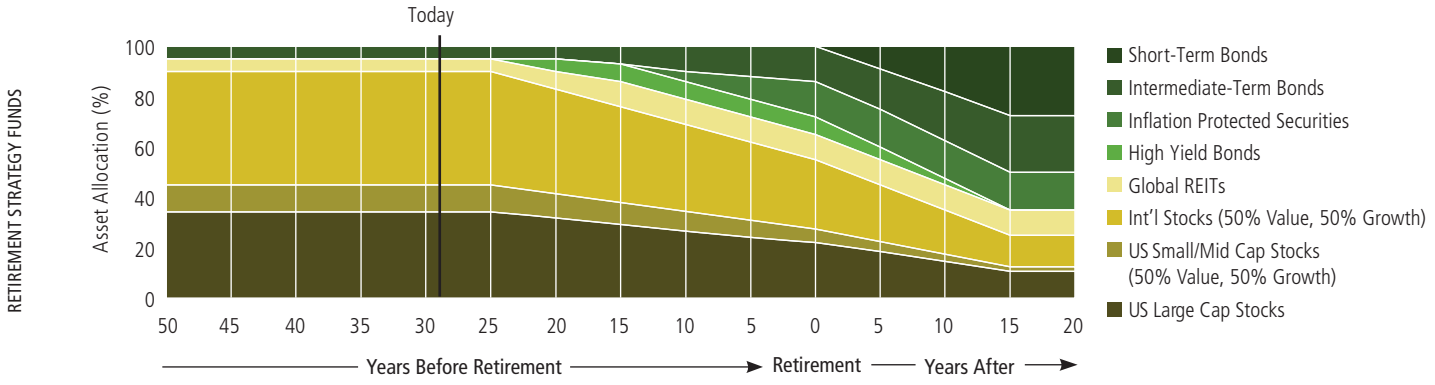
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	34.34%
U.S. Small/Mid Cap Growth Stocks	5.50
U.S. Small/Mid Cap Value Stocks	5.36
International Growth Stocks	22.30
International Value Stocks	22.54
Global Real Estate Investment Trusts (REITs)	5.00
Bonds	
Intermediate-Term Bonds	4.96
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2040 Retirement Strategy Fund	0.95%	30.42%	—	—	9.93%
2040 Composite Benchmark	0.95%	30.42%	—	—	9.29%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.34%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

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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. 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.

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2045 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2045, typically those born between 1978 and 1982
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

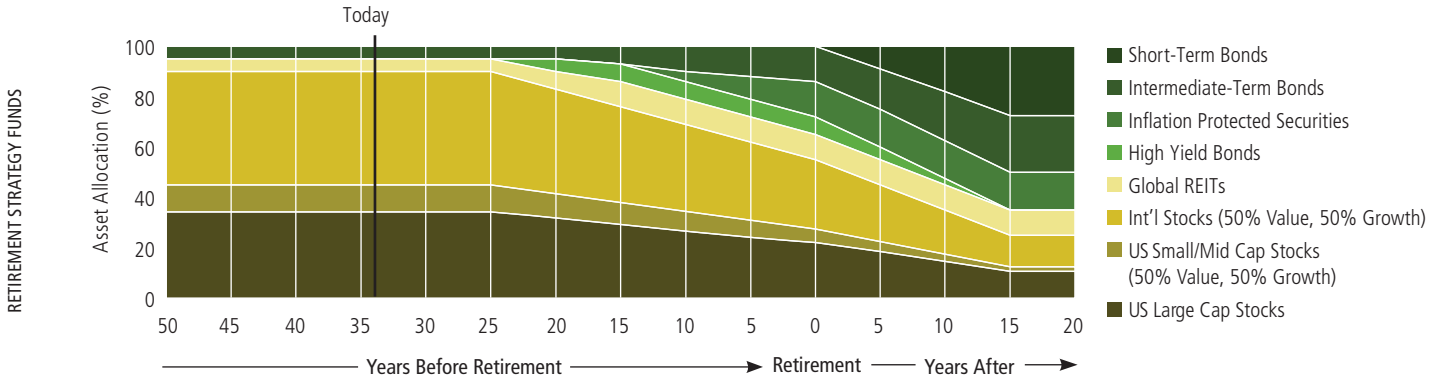
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	34.22%
U.S. Small/Mid Cap Growth Stocks	5.52
U.S. Small/Mid Cap Value Stocks	5.35
International Growth Stocks	22.42
International Value Stocks	22.73
Global Real Estate Investment Trusts (REITs)	4.94
Bonds	
Intermediate-Term Bonds	4.81
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2045 Retirement Strategy Fund	0.95%	30.42%	—	—	10.02%
2045 Composite Benchmark	0.95%	30.42%	—	—	9.29%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.34%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

Third-party, trademarks and service marks belong to their respective owners. AllianceBernstein provided the information on its custom benchmark.

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. 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. For more information see your Investment Guide.

2050 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

When you are far from your target date for retirement, most of the assets are invested in globally diversified equity portfolios. As you get closer to the target date for retirement, and continuing for 15 years beyond your target date for retirement, the management team gradually adjusts your Retirement Strategy Fund to a more conservative asset mix. That means fewer stocks and more bonds and short-term investments that can help generate income and protect your savings in retirement.

Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2050, typically those born between 1983 and 1987
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
- Invests up to 10% of the Retirement Strategy Fund's total assets in global REITs, which may provide attractive income combined with an historically low correlation to other asset classes

Manager Summary

The Retirement Strategy Funds are provided by the Washington State Investment Board (WSIB) and managed by AllianceBernstein L.P. under contract to the WSIB.

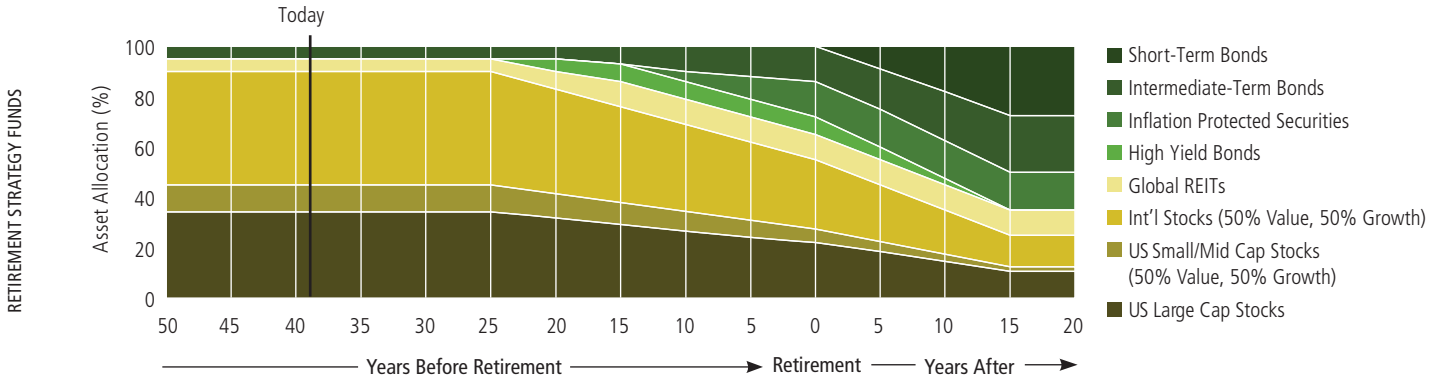
AllianceBernstein designs and implements the asset allocation and actively manages the glidepath as well as the Short-Term Bond, High Yield Bond, Global REIT, International Stock, and U.S. Small and Mid Cap Stock investment components. Northern Trust passively manages the Inflation Protected Securities component. BlackRock Institutional Trust Company (BTC) passively manages the U.S. Large Cap Stock component. WSIB's internal fixed income staff actively manages the Intermediate-Term Bond component.

Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	34.21%
U.S. Small/Mid Cap Growth Stocks	5.34
U.S. Small/Mid Cap Value Stocks	5.35
International Growth Stocks	22.49
International Value Stocks	22.74
Global Real Estate Investment Trusts (REITs)	4.97
Bonds	
Intermediate-Term Bonds	4.89
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2050 Retirement Strategy Fund	0.95%	30.42%	—	—	10.05%
2050 Composite Benchmark	0.95%	30.42%	—	—	9.29%

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

General Fund Information

Inception Date:	10/3/08
Fund Management Fee†:	0.34%

†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 0.0935% and the WSIB Expenses of 0.0209%, or the DCP Administrative fee of 0.1400% (as of July 1, 2010). Additional fee data is available online and in your Investment Guide.

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 were 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 was used to represent the allocation to U.S. Large Cap Stocks, Russell 2500 Value to represent the allocation to U.S. Small/Mid Cap Value Stocks, Russell 2500 Growth to represent the allocation to U.S. Small/Mid Cap Growth Stocks, MSCI EAFE to represent International Stocks, FTSE EPRA/NAREIT Developed to represent Global REITs, Barclays Capital U.S. Intermediate Credit to represent Intermediate-Term Bonds, Barclays Capital High Yield (2% Constrained) to represent High Yield Bonds, Barclays Capital TIPS to represent Inflation Protected Securities, and BofA Merrill Lynch 1-3 Year Treasury to represent Short-Term Bonds.

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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. 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.

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2055 Retirement Strategy

Portfolio Overview

Retirement Strategy Funds are diversified asset allocation portfolios designed for people who want to leave ongoing investment decisions to an experienced portfolio management team. All you have to do is pick the Retirement Strategy Fund with the date closest to your expected target date for retirement (2055, 2050, 2045, 2040, 2035, etc). The management team adjusts the asset mix of your Retirement Strategy Fund over time to the allocation it deems appropriate for your age.

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Objective

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

Investment Strategy

- A diversified portfolio of equities and bonds built for investors who anticipate retiring around 2055, typically those born in 1988 or after
- 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 and geographic regions, as well as global real estate investment trusts (REITs)
- Targets an equity mix of 50% U.S. securities and 50% non-U.S. securities
- The fixed-income portion of the Retirement Strategy Fund invests primarily in investment-grade bonds, but also includes high yield bonds
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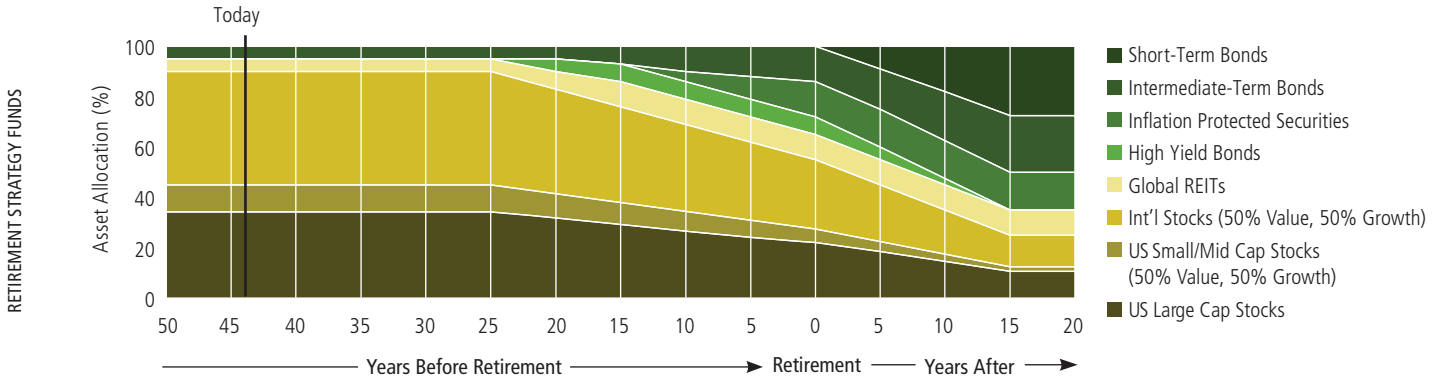
Portfolio Construction as of 6/30/11*

Asset Class	Actual % of Portfolio
Stocks	
U.S. Large Cap Stocks	34.28%
U.S. Small/Mid Cap Growth Stocks	5.35
U.S. Small/Mid Cap Value Stocks	5.35
International Growth Stocks	22.41
International Value Stocks	22.67
Global Real Estate Investment Trusts (REITs)	5.00
Bonds	
Intermediate-Term Bonds	4.94
Total	100.00%

*Actual allocations will change over time. Columns may not sum due to rounding.

Investments Become More Conservative Over Time



Annualized Performance as of 6/30/11*

	Qtr.	1 Year	3 Years	5 Years	Since Inception
2055 Retirement Strategy Fund	0.95%	30.42%	—	—	9.22%
2055 Composite Benchmark	0.95%	30.42%	—	—	11.50%

*Please note the portfolio's inception date is 1/4/10. The returns are presented net of fees. Periods of less than one year represent cumulative returns.

General Fund Information

Inception Date:	1/4/10
Fund Management Fee†:	0.34%

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