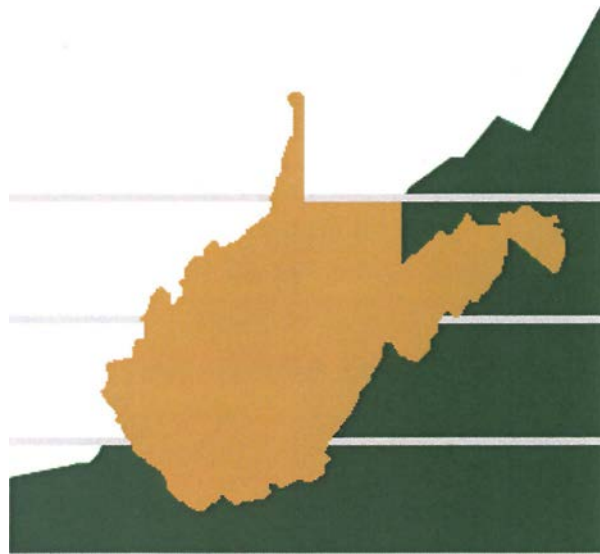


West Virginia Investment Management Board



2016 Schedule of Investment Performance



October 11, 2016

Board of Trustees
West Virginia Investment Management Board

We have conducted a performance audit of the accompanying Schedule of Investment Performance (the, "Schedule") of the individual investment pools operated by the West Virginia Investment Management Board (WVIMB). The audit was conducted in accordance with Article 6 of the West Virginia State Board of Investments (Section 12-6-6 (d)) for the year ending June 30, 2016.

Our examination included such testing, as we believed adequate, to verify that the performance information provided in the Schedule has been prepared and fairly presented in accordance with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

This Schedule is the responsibility of WVIMB's management. Our responsibility is to express an opinion on the Schedule based on our audit.

In our opinion, the Schedule referred to above presents fairly, in all material respects, the performance of the individual investment pools as of June 30, 2016, in conformity with the Performance Presentation Standards as detailed in the footnotes to the Schedule.

Yours Sincerely,

Justin Hatley

Director | Performance Analytics
Verus

**Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2015 to June 30, 2016**

Trust Accounts

	Total Rate of Return*
Public Employees' Retirement System	(0.1)%
Teachers' Retirement System	(0.1)
Emergency Medical Services Retirement System	(0.1)
State Police Death, Disability and Retirement Fund	0.0
Judges' Retirement System	(0.1)
State Police Retirement System	(0.1)
Deputy Sheriff's Retirement System	(0.1)
Municipal Police Officers' and Firefighters' Retirement System	(0.2)
Municipal Policemen's or Firemen's Pension and Relief Funds	(0.2)
Workers' Compensation Old Fund	1.5
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	(0.1)
Workers' Compensation Self-Insured Employer Security Risk Pool	0.0
Workers' Compensation Uninsured Employers' Fund	(0.4)
Coal Workers' Pneumoconiosis Fund	(0.3)
Board of Risk and Insurance Management	(0.4)
Public Employees Insurance Agency	(0.1)
West Virginia Retiree Health Benefit Trust Fund	0.0
Berkeley County Development Authority	N/A
Wildlife Endowment Fund	0.0
Prepaid Tuition Trust Fund	2.1
Revenue Shortfall Reserve Fund	3.4
Revenue Shortfall Reserve Fund – Part B	1.7
West Virginia Department of Environmental Protection Trust	(2.7)
West Virginia Department of Environmental Protection Agency	(0.8)

The Berkeley County Development Authority was not invested for the full fiscal year. Returns are not reported for periods shorter than one year.

* - Returns are net of all fees. See Note 2.

**Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2015 to June 30, 2016**

Investment Pools

	Total Rates of Return		
	<u>Gross of all fees</u>	<u>Net of manager fees</u>	<u>Net of all fees</u>
Large Cap Domestic Equity Pool	4.3%	4.2%	4.1%
Non-Large Cap Domestic Equity Pool	(9.3)	(9.5)	(9.5)
International Qualified Equity Pool	(7.3)	(7.8)	(7.8)
International Non-Qualified Equity Pool	(7.4)	(8.0)	(8.0)
International Equity Pool	(8.3)	(8.8)	(8.9)
Total Return Fixed Income Pool	3.1	2.8	2.8
Opportunistic Debt Pool (a)	1.2	1.2	0.8
Core Fixed Income Pool	6.3	6.1	6.1
TIPS Pool	4.4	4.4	4.3
Short-Term Fixed Income Pool	0.3	0.2	0.2
Private Equity Pool	7.4	7.4	7.3
Real Estate Pool	10.9	10.8	10.8
Hedge Fund Pool	(4.7)	(4.7)	(4.7)

(a) For the period October 1, 2015 through June 30, 2016

Monthly Money Market Yield (annualized %)
(See Note 3)

	<u>Short-Term Fixed Income Pool</u>
July 2015	0.00%
August 2015	0.00
September 2015	0.06
October 2015	0.05
November 2015	0.05
December 2015	0.10
January 2016	0.19
February 2016	0.24
March 2016	0.27
April 2016	0.27
May 2016	0.28
June 2016	0.30

Schedule of Investment Performance
West Virginia Investment Management Board
For the Period July 1, 2015 to June 30, 2016

Note 1

This report represents the performance returns of the West Virginia Investment Management Board (IMB). It is prepared to comply with *West Virginia Code § 12-6-6(d)*, and is intended solely as an attestation of the returns for the periods indicated. For a more in depth discussion of the investment pools and participant plans, including returns for additional time periods, please refer to the IMB's annual report which may be requested directly from the IMB at 500 Virginia Street East, Suite 200, Charleston, WV 25301 or on the web at www.wvimb.org.

Note 2

The Total Rate of Return for the trust accounts and the investment pools is calculated using the Modified Dietz time weighted rate of return method. The Modified Dietz method weights each cash flow by the amount of time it is held in the portfolio. The formula for the Modified Dietz method is:

$$\text{RDIETZ} = \frac{\text{MVE} - \text{MVB} - \text{F}}{\text{MVB} + \text{FW}}$$

Note 3

The monthly money market yield represents the rate of income, net of expenses, earned during the respective month. The return is annualized over a 365-day or 366-day year, assuming no reinvestment of earnings.