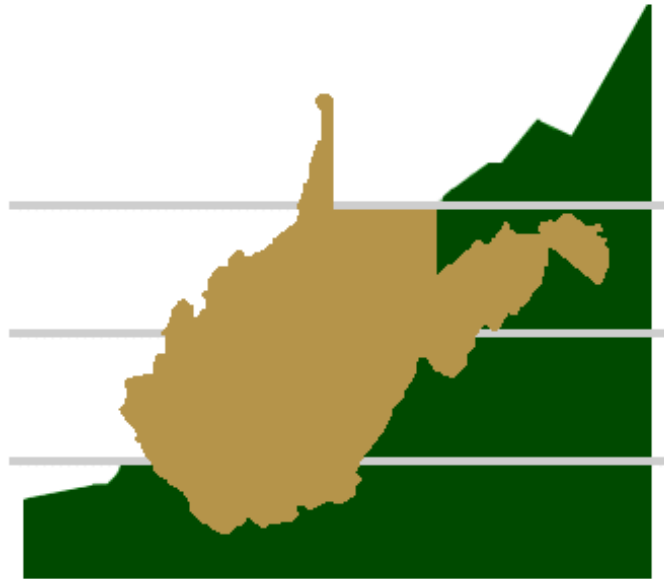


# **West Virginia Investment Management Board**

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Financial Statements  
December 31, 2009



# West Virginia Investment Management Board

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## **Financial Statements—Unaudited**

December 31, 2009

### **ORDER OF PRESENTATION**

Large Cap Domestic Equity

Non-Large Cap Domestic Equity

International Qualified

International Nonqualified

International Equity

Short-Term Fixed Income

Total Return Fixed Income

Core Fixed Income

TRS Annuity

Private Equity

Private Real Estate

Hedge Fund



**Financial Statements - Unaudited**

**December 31, 2009**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited December 31, 2009

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# Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,953,002
Cash		902
Collateral for securities loaned at fair value (Note 4)		72,495
Receivables:		
Investments sold		63,178
Dividends		2,490
Securities lending income		29
		<hr/>
<b>Total assets</b>		2,092,096

### Liabilities

Accrued expenses		506
Payable for investments purchased		24,977
Payable upon return of securities loaned (Note 4)		75,970
		<hr/>
<b>Total liabilities</b>		101,453

**Net assets** \$ 1,990,643

### Analysis of net assets

Paid-in capital	\$	1,727,036
Accumulated undistributed net investment income		245,141
Accumulated undistributed net realized loss from investments		(95,719)
Unrealized net appreciation of investments		114,185
		<hr/>
<b>Net assets</b>	\$	<u><u>1,990,643</u></u>

### Unit data

Units outstanding		187,320,846
Net asset value, unit price	\$	<u><u>10.63</u></u>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b><u>Equity Securities</u></b>			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	65,700	5,149	5,326
Airgas Inc	14,000	677	666
Alcoa Inc	122,000	1,619	1,967
Allegheny Technologies Inc	17,900	508	801
Ball Corporation	78,300	3,614	4,048
Bemis Company Inc	11,400	266	338
CF Industries Holdings Inc	8,100	721	735
Cliffs Natural Resourcesw Inc	25,400	1,137	1,171
CONSOL Energy Inc	17,200	777	857
Dow Chemical Company	144,300	3,804	3,987
DuPont EI de Nemours Co	149,400	3,881	5,030
Eastman Chemical Company	40,900	2,170	2,464
Ecolab Inc	23,700	1,092	1,057
FMC Corporation	11,100	589	619
Freeport-McMoRan Copper & Gold	58,849	3,962	4,725
International Paper Company	73,900	1,558	1,979
Intl Flavors & Fragrances Inc	13,300	470	547
Massey Energy Company	14,700	418	618
MeadWestvaco Corp	98,300	2,390	2,814
Monsanto Company	91,490	7,436	7,479
Newmont Mining Corp	72,200	3,158	3,416
Nucor Corporation	76,400	3,414	3,564
Owens-Illinois Inc	77,000	2,371	2,531
Pactiv Corporation	14,000	204	338
Peabody Energy Corp	51,300	1,768	2,319
PPG Industries Inc	28,300	1,479	1,657
Praxair Inc	61,800	5,039	4,963
Sealed Air Corporation	126,800	2,556	2,772
Sigma-Aldrich Corporation	13,400	728	677
Titanium Metals Corp	9,000	86	113
United States Steel Corp	17,700	856	976
Vulcan Materials	12,000	645	632
Weyerhaeuser Company	24,400	896	1,053
<i>Total Basic Materials - 3.6%</i>		65,438	72,239
<i>Capital Goods</i>			
3M Co	96,800	6,713	8,002
AK Steel Holding Corporation	11,600	233	248
Apollo Group	12,200	870	739
Avery Dennison Corp	11,900	320	434
Block H&R Inc	31,600	592	715
Boeing Company	108,900	6,294	5,895
Burlington Northern Santa Fe	46,700	3,775	4,606
C H Robinson Worldwide Inc	40,100	2,184	2,355
Caterpillar Inc	77,200	4,090	4,400
Cintas Corp	34,700	921	905
CSX Corp	57,300	2,285	2,778
Cummins Engine Company Inc	30,400	1,046	1,394
Danaher Corp	25,200	1,703	1,895
Deere & Company	90,500	3,929	4,895
Donnelley & Sons	91,200	1,878	2,031
Dover Corp	48,800	1,575	2,031
Dun & Bradstreet Corp	7,100	532	599
Eaton Corporation	34,500	2,047	2,195
Emerson Electric Co	78,900	3,162	3,361
Equifax Inc	22,500	633	695
Expeditors Intl of Washington	20,100	696	699
Fastenal Company	12,600	489	525
FedEx Corp	30,300	2,172	2,529
Flowserve Corp	13,500	1,166	1,276
Fluor Corporation	54,900	3,031	2,473

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
General Dynamics Corp	44,500	2,599	3,034
General Electric Company	2,133,175	49,137	32,275
Goodrich BF Company	94,000	5,099	6,040
Grainger WW Inc	35,600	2,773	3,447
Honeywell International Inc	173,900	6,787	6,817
Illinois Tool Works Inc	51,300	2,078	2,462
Iron Mountain Inc	99,800	2,676	2,271
ITT Industries Inc	17,400	888	865
Jacobs Engineering Group Inc	25,300	1,216	952
L-3 Communications Hldgs Inc	11,100	885	965
Lockheed Martin Corp	60,700	4,684	4,574
Masco Corporation	48,600	595	671
Monster Worldwide Inc	86,400	1,364	1,503
Norfolk Southern Corp	35,600	1,506	1,866
Northrop Grumman Corp	39,300	2,033	2,195
PACCAR Inc	56,700	2,121	2,057
Pall Corporation	12,500	384	453
Parker-Hannifin Corporation	33,200	1,757	1,789
Pitney Bowes Inc	30,100	668	685
Precision Castparts Corp	32,400	3,327	3,575
Priceline.com Inc	13,210	2,594	2,885
Raytheon Company	37,900	1,701	1,953
Republic Services Inc	30,700	812	869
Robert Half International Inc	27,300	632	730
Rockwell Automation Inc	70,700	2,824	3,321
Rockwell Collins	57,600	2,713	3,189
Roper Industries Inc	16,900	904	885
Ryder System Inc	5,900	201	243
Southwest Airlines Co	70,000	672	800
Textron Inc	59,200	987	1,114
Union Pacific Corp	80,600	4,573	5,150
United Parcel Service Inc	115,100	6,412	6,603
United Technologies Corp	129,400	7,968	8,982
Waste Management Inc	55,800	1,682	1,887
<i>Total Capital Goods - 8.8%</i>		179,588	174,782
<i>Communication Services</i>			
American Tower Corporation	38,800	1,419	1,677
AT&T Inc	1,512,929	45,133	42,407
CenturyTel Inc	95,005	2,739	3,440
Frontier Communications Corp	33,100	249	259
Metropcs Communications Inc	30,200	302	230
Qwest Communications Intl Inc	368,100	1,470	1,550
Sprint Nextel Corporation	396,400	1,927	1,451
Verizon Communications	598,249	20,415	19,820
Windstream Corp	66,221	640	728
<i>Total Communication Services - 3.6%</i>		74,294	71,562
<i>Consumer Discretionary</i>			
Abercrombie & Fitch Co	27,700	894	965
Amazon.com Inc	59,600	5,162	8,017
AutoNation Inc	38,600	701	739
AutoZone Inc	25,300	3,472	3,999
Bed Bath & Beyond Inc	67,200	2,379	2,595
Best Buy Co Inc	113,400	4,375	4,475
Big Lots Inc	16,200	431	469
Black & Decker Corporation	6,400	296	415
Carnival Corp	78,200	2,367	2,478
CBS Corp	107,700	1,230	1,513
Coach Inc	105,200	3,302	3,843
Comcast Corp	577,550	9,852	9,737
CVS Caremark Corp	240,476	7,395	7,746
Darden Restaurants Inc	90,700	2,593	3,181

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
DeVry Inc	6,600	364	374
DIRECTV Group Inc	185,900	4,942	6,200
Disney Walt Company	285,800	7,343	9,217
DR Horton Inc	40,900	455	445
Eastman Kodak Co	28,400	142	120
Expedia Inc	120,500	2,530	3,100
Family Dollar Stores	28,900	755	804
Ford Motor Company	526,600	3,661	5,266
Fortune Brands Inc	14,200	610	613
GameStop Corp	17,400	464	382
Gannett Co Inc	47,100	575	699
Gap Inc	109,600	2,023	2,296
Genuine Parts Company	15,300	570	581
Goodyear Tire & Rubber Co	91,600	1,371	1,292
Harley-Davidson Inc	36,000	825	907
Harman Intl Industries Inc	16,700	418	589
Hasbro Inc	13,300	415	426
Home Depot Inc	350,700	8,935	10,146
International Game Technology	137,400	2,629	2,579
Interpublic Group of Co Inc	111,800	791	825
Johnson Controls Inc	149,500	3,883	4,072
Kohl's Corporation	83,000	4,141	4,476
Leggett & Platt Inc	16,500	228	337
Lennar Corporation	61,200	690	782
Limited Inc	88,900	1,373	1,710
Lowe's Corp Inc	200,400	4,192	4,687
Macy's Inc	80,500	1,119	1,349
Marriott International Inc	120,266	2,963	3,277
Mattel Inc	44,900	828	897
McDonald's Corporation	224,500	12,545	14,018
McGraw-Hill Companies Inc	131,200	3,490	4,397
Meredith Corp	21,300	559	657
New York Times Company	28,500	297	352
Newell Rubbermaid Inc	56,800	685	853
News Corp	461,100	5,404	6,312
Nike Inc	87,500	5,213	5,781
Office Depot Inc	161,600	733	1,042
Omnicom Group Inc	84,100	3,102	3,293
O'Reilly Automotive Inc	95,600	3,587	3,644
Penney JC & Company	64,500	1,827	1,716
Polo Ralph Lauren Corporation	20,000	1,495	1,620
Pulte Corporation	36,317	398	363
RadioShack Corp	24,100	296	470
Ross Stores Inc	32,700	1,418	1,397
Sears Holding Corp	9,700	657	809
Sherwin-Williams Co	12,100	689	746
Snap-On Inc	6,100	212	258
Stanley Works	20,300	754	1,046
Staples Inc	154,000	3,385	3,787
Starbucks Corp	249,300	4,451	5,749
Starwood Hotels & Resorts Inc	31,600	996	1,156
Target Corp	104,200	4,947	5,040
Tiffany & Co	22,300	920	959
Time Warner Cable Inc	114,912	4,838	4,756
Time Warner Inc	231,166	6,088	6,736
TJX Companies Inc	124,000	3,971	4,532
VF Corp	16,700	1,216	1,223
Viacom Inc	248,500	6,876	7,388
Washington Post Company	700	325	308
Whirlpool Corporation	13,800	969	1,113
Wyndham Worldwide Corporation	51,300	649	1,035
Wynn Resorts Limited	17,800	954	1,036

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Yum Brands Inc	90,400	3,018	3,161
<i>Total Consumer Discretionary - 10.8%</i>		190,648	215,373
<i>Consumer Staples</i>			
Altria Group Inc	337,520	6,397	6,626
Archer-Daniels-Midland Co	117,100	3,239	3,666
Avon Products Inc	71,900	2,407	2,265
Brown Forman Corp	10,500	521	562
Campbell Soup Co	18,200	595	615
Clorox Company	13,200	771	805
Coca-Cola Company	438,900	23,024	25,017
Coca-Cola Enterprises	285,600	5,667	6,055
Colgate-Palmolive Co	94,500	6,903	7,763
ConAgra Foods Inc	61,300	1,325	1,413
Constellation Brands Inc	21,000	316	335
Costco Wholesale Corp	42,200	2,392	2,497
Dean Foods Company	19,100	367	345
Dr Pepper Snapple Group	68,800	1,546	1,947
Estee Lauder Companies Inc	16,400	671	793
General Mills Inc	40,200	2,485	2,847
Heinz HJ Company	39,100	1,550	1,672
Hershey Foods Corp	91,100	3,358	3,260
Hormel Foods Corp	56,500	2,084	2,172
Kellogg Company	44,100	2,043	2,346
Kimberly Clark Corporation	45,900	2,495	2,924
Kraft Foods Inc	177,400	4,668	4,822
Kroger Co	83,100	2,119	1,706
Lorillard, Inc	34,200	2,441	2,744
McCormick & Company Inc	13,800	468	499
Mead Johnson Nutrition Co-A	39,010	1,079	1,705
Molson Coors Brewing Co	14,900	721	673
Pepsi Bottling Group Inc	104,500	3,636	3,919
Pepsico Inc	277,600	16,227	16,878
Philip Morris International	350,220	16,107	16,877
Proctor & Gamble Company	543,432	31,786	32,948
Reynolds American Inc	21,000	893	1,112
Safeway Inc	39,700	781	845
Sara Lee Corp	66,100	623	805
Smucker JM Company	25,400	1,159	1,568
Supervalu Inc	77,000	1,186	979
Sysco Corp	57,200	1,282	1,598
Tyson Foods, Inc	141,200	1,663	1,733
Walgreen Co	170,300	6,189	6,253
Wal-Mart Stores	446,200	23,445	23,849
Whole Foods Market Inc	82,300	2,202	2,259
<i>Total Consumer Staples - 10.0%</i>		188,831	199,697
<i>Energy</i>			
Anadarko Petroleum Corp	99,200	5,198	6,192
Apache Corporation	47,400	4,648	4,890
Baker Hughes Inc	41,400	1,745	1,676
BJ Services Company	92,000	1,690	1,711
Cabot Oil & Gas Corporation	40,900	1,436	1,783
Cameron International Corp	47,200	1,501	1,973
Chesapeake Energy Corp	99,400	2,758	2,572
ChevronTexaco Corp	412,155	31,369	31,732
ConocoPhillips	234,880	13,584	11,995
Denbury Resources Inc	26,400	398	391
Devon Energy Corporation	54,200	3,722	3,984
Diamond Offshore Drilling Inc	16,900	1,535	1,663
El Paso Corporation	172,600	1,509	1,697
EOG Resources Inc	43,600	3,605	4,242
Exxon Mobil Corporation	1,059,240	75,492	72,230

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
First Solar Inc	6,000	906	812
FMC Technologies Inc	31,600	1,649	1,828
Halliburton Company	134,000	3,240	4,032
Hess Corp	46,100	2,789	2,789
Marathon Oil Corp	151,442	5,061	4,728
Murphy Oil Corporation	55,300	3,294	2,997
Nabors Industries Ltd	38,800	780	849
National-Oilwell Varco Inc	76,400	3,419	3,368
Noble Energy Inc	45,300	2,923	3,226
Occidental Petroleum Corp	142,800	10,347	11,617
Pioneer Natural Resources Co	23,800	749	1,146
Range Resources Corporation	45,000	2,196	2,243
Rowan Companies Inc	16,100	373	365
Schlumberger Ltd	200,400	12,706	13,044
Smith International Inc	25,800	735	701
Spectra Energy Corp	71,300	1,148	1,462
Sunoco Inc	12,400	352	324
Tesoro Petroleum Corporation	45,600	648	618
Valero Energy Corporation	73,300	1,398	1,228
Williams Companies Inc	99,700	1,731	2,102
XTO Energy Inc	103,775	4,263	4,829
<i>Total Energy - 10.7%</i>		210,897	213,039
<i>Financial Services</i>			
AFLAC Inc	74,400	3,235	3,441
Allstate Corp	57,100	1,757	1,715
American Express	213,500	6,536	8,651
American International Group	73,600	2,461	2,207
Ameriprise Financial Inc	80,200	2,141	3,113
Aon Corporation	26,300	1,072	1,008
Apartment Investment & Mgmt Co	12,400	124	197
Assurant Inc	39,200	1,288	1,156
Avalonbay Communities Inc	7,500	548	616
Bank of America Corporation	1,337,377	28,378	20,141
Bank of New York Mellon Corp	285,100	9,422	7,974
BB&T Corporation	118,600	3,097	3,009
Boston Properties Inc	18,900	1,252	1,268
Capital One Financial Corp	104,800	3,197	4,018
CB Richard Ellis Grp Inc	132,200	1,242	1,794
Chubb Corp	33,700	1,706	1,657
Cincinnati Financial Corp	37,800	936	992
Citigroup Inc	2,516,807	16,765	8,331
CME Group Inc	14,100	4,164	4,737
Comerica Inc	76,300	2,030	2,256
Discover Financial Services	188,000	2,335	2,765
E*Trade Group Inc	168,200	291	296
Equity Residential Prop Trust	27,800	850	939
Federated Investors Inc	74,700	1,908	2,054
Fifth Third Bancorp	334,700	2,951	3,263
First Horizon National Corp	67,641	718	906
Franklin Resources Inc	32,300	2,737	3,403
Genworth Financial Inc	172,600	1,711	1,959
Goldman Sachs Group Inc	92,300	13,172	15,584
Hartford Financial Services Gp	99,700	2,024	2,319
HCP Inc	69,100	2,036	2,110
Health Care Inc	12,700	535	563
Host Hotels & Resorts Inc	170,789	1,622	1,993
Hudson City Bancorp Inc	44,500	743	611
Huntington Bancshares Inc	533,300	2,166	1,947
Intercontinental Exchange Inc	18,100	1,707	2,033
Invesco Limited	128,200	2,379	3,011
Janus Capital Group Inc	19,300	270	260
JPMorgan Chase & Co	633,353	23,752	26,392

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
KeyCorp	197,900	1,282	1,098
Kimco Realty Corporation	39,800	440	538
Legg Mason Inc	28,800	786	869
Leucadia National Corporation	20,100	498	478
Lincoln National Corp	77,600	1,398	1,931
Loews Corp	131,400	4,505	4,776
M & T Bank Corporation	17,600	1,100	1,177
Marsh & McLennan Co Inc	50,200	1,242	1,108
Marshall & Ilsley Corporation	317,900	1,919	1,733
MasterCard Inc	22,300	4,820	5,708
MetLife Inc	150,500	5,197	5,320
Moody's Corp	97,700	2,315	2,618
Morgan Stanley Dean Witter Co	207,600	6,337	6,145
Nasdaq Stock Market Inc	19,000	408	377
Nordstrom Inc	33,900	940	1,274
Northern Trust Corp	54,700	3,300	2,866
NYSE Euronext	118,400	3,148	2,996
People's United Financial Inc	44,200	695	738
Plum Creek Timber Co Inc	15,600	477	589
PNC Financial Services Group	107,100	5,191	5,654
Principal Financial Group Inc	92,900	2,163	2,233
Progressive Corp	195,600	3,030	3,519
ProLogis Trust	46,900	559	642
Prudential Financial Inc	97,900	4,032	4,872
Public Storage Inc	33,000	2,554	2,688
Regions Financial Corp	277,700	1,447	1,469
Schwab Charles Corp	137,900	2,493	2,595
Simon Property Group	38,004	2,550	3,033
SLM Corp	149,700	1,215	1,687
State Street Corp	121,300	5,983	5,281
SunTrust Banks Inc	81,400	1,935	1,652
T Rowe Price Associates Inc	43,200	2,073	2,300
Torchmark Corporation	18,800	787	826
Travelers Cos Inc	126,400	5,619	6,302
UnumProvident Corp	84,900	1,624	1,657
US Bancorp	292,100	6,684	6,575
Ventas Inc	29,700	1,088	1,299
Visa Inc-Class A Shares	89,200	7,853	7,801
Vornado Realty Trust	15,041	955	1,052
Wells Fargo & Company	754,900	19,604	20,375
XL Capital Ltd	160,100	2,173	2,940
Zions Bancorporation	116,600	1,768	1,496
<i>Total Financial Services - 14.1%</i>		279,445	280,976
<i>Health Care</i>			
Abbott Laboratories	231,200	11,815	12,482
Aetna Inc	67,000	1,935	2,124
Allergan Inc	65,800	3,572	4,146
AmerisourceBergen Corp	76,700	1,594	2,000
Amgen Inc	117,800	6,288	6,664
Bard CR Inc	9,300	728	724
Baxter International Inc	106,800	5,950	6,267
Becton Dickinson & Company	25,300	1,774	1,995
Biogen Idec Inc	34,500	1,729	1,846
Boston Scientific Corp	400,300	3,654	3,603
Bristol-Myers Squibb Company	322,542	6,676	8,144
Cardinal Health Inc	34,400	921	1,109
CareFusion Corporation	16,800	364	420
Celgene Corporation	56,300	3,045	3,135
Cephalon Inc	7,900	456	493
CIGNA Corporation	95,700	2,651	3,375
Coventry Health Care Inc	99,100	2,097	2,407
DaVita Inc	9,800	553	576

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
DENTSPLY International Inc	15,700	522	552
Express Scripts Inc	46,900	3,509	4,053
Forest Laboratories Inc	85,600	2,492	2,749
Genzyme Corporation	26,100	1,459	1,279
Gilead Sciences Inc	141,800	6,443	6,136
Hospira Inc	55,200	2,385	2,815
Humana Inc	32,500	1,066	1,426
IMS Health Inc	23,700	359	499
Intuitive Surgical Inc	7,800	2,160	2,367
Johnson & Johnson	573,100	34,819	36,913
King Pharmaceuticals Inc	73,300	632	899
Laboratory Corp of Amer Hldgs	10,700	700	801
Life Technologies Corp	69,400	3,437	3,624
Lilly Eli and Company	121,400	4,640	4,335
McKesson HBOC Inc	47,200	2,875	2,950
Medco Health Solutions Inc	107,400	4,864	6,864
Medtronic Inc	133,700	5,246	5,880
Merck & Co Inc	586,880	19,468	21,445
Millipore Corp	19,000	1,314	1,375
Mylan Laboratories Inc	220,200	3,205	4,058
Patterson Companies Inc	35,500	968	993
PerkinElmer Inc	41,500	824	854
Pfizer Inc	1,488,483	33,700	27,076
Quest Diagnostics Inc	45,600	2,265	2,753
St Jude Medical Inc	59,400	2,252	2,185
Stericycle Inc	9,000	435	497
Stryker Corporation	35,800	1,704	1,803
Tenet Healthcare Corporation	313,500	1,714	1,690
Thermo Electron Corporation	61,800	2,750	2,947
UnitedHealth Group Inc	218,400	6,055	6,657
Varian Medical Systems Inc	11,900	499	558
Waters Corporation	12,700	727	787
Watson Pharmaceuticals Inc	52,600	1,837	2,083
WellPoint Inc	115,200	5,592	6,715
Zimmer Holdings Inc	44,500	2,520	2,630
<i>Total Health Care - 11.7%</i>		221,239	232,758
<i>Technology</i>			
Adobe Systems Inc	83,300	2,789	3,064
Advanced Micro Devices Inc	167,100	757	1,618
Affiliated Computer Svcs Inc	36,800	1,711	2,197
Agilent Technologies Inc	70,400	2,052	2,187
Akamai Technologies Inc	35,900	695	910
Altera Corporation	59,700	1,082	1,351
Amphenol Corp	41,700	1,693	1,926
Analog Devices Inc	112,500	3,045	3,553
AOL Inc	1	0	0
Apple Computer Inc	158,600	23,528	33,422
Applied Materials Inc	191,700	2,530	2,672
Autodesk Inc	21,900	521	556
Automatic Data Processing Inc	90,200	3,431	3,862
BMC Software Inc	134,000	4,788	5,373
Broadcom Corp	136,300	3,193	4,289
CA Inc	67,000	1,297	1,505
Cisco Systems Inc	1,125,790	23,643	26,951
Citrix Systems Inc	44,100	1,596	1,835
Cognizant Tech Solutions Corp	115,400	4,075	5,231
Computer Sciences Corp	48,600	2,157	2,796
Compuware Corporation	25,100	184	181
Corning Inc	268,900	4,506	5,192
Dell Inc	258,400	3,823	3,711
eBay Inc	262,000	6,091	6,165
Electronic Arts Inc	43,700	807	776

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
EMC Corporation	362,300	4,955	6,329
Fidelity Ntl Information Svcs	124,400	2,931	2,916
Fiserv Inc	84,200	3,999	4,082
FLIR Systems Inc	16,000	447	524
Google Inc	42,700	20,343	26,473
Harris Corporation	12,600	395	599
Hewlett-Packard Company	438,100	17,966	22,567
Intel Corporation	925,000	18,660	18,870
International Business Machs	289,200	29,769	37,856
Intuit Inc	61,100	1,644	1,878
Jabil Circuit Inc	32,600	326	566
JDS Uniphase Corporation	57,100	299	471
Juniper Networks Inc	98,500	2,474	2,627
KLA-Tencor Corporation	97,800	3,284	3,536
Lexmark International Inc	8,300	180	216
Linear Technology Corp	57,800	1,403	1,766
LSI Logic Corporation	108,900	574	654
McAfee, Inc	38,100	1,509	1,546
MEMC Electronic Materials Inc	33,500	553	456
Microchip Technology Inc	107,100	2,830	3,111
Micron Technology Inc	123,000	798	1,299
Microsoft Corporation	1,363,402	34,578	41,556
Molex Inc	59,600	938	1,284
Motorola Inc	561,100	4,304	4,354
National Semiconductor Corp	62,800	941	965
NetApp Inc.	133,500	3,334	4,587
Novell Inc	36,700	148	152
Novellus Systems Inc	83,700	1,612	1,954
NVIDIA Corporation	127,900	1,330	2,389
Oracle Corporation	777,844	15,324	19,081
Paychex Inc	34,700	994	1,063
QLogic Corporation	12,500	215	236
Qualcomm Inc	328,300	13,913	15,187
Red Hat Inc	56,300	1,478	1,740
SAIC INC	59,600	1,134	1,129
Salesforce.com Inc	28,900	1,673	2,132
SanDisk Corporation	30,200	547	875
Scripps Networks Interactive	51,700	2,004	2,146
Sun Microsystems Inc	139,100	905	1,303
Symantec Corporation	129,200	1,985	2,311
Tellabs Inc	262,600	1,433	1,492
Teradata Corporation	126,800	3,732	3,985
Teradyne Inc	39,200	352	421
Texas Instruments Inc	262,200	6,622	6,833
Total System Services Inc	171,900	2,715	2,969
VeriSign Inc	25,800	524	625
Western Digital Corp	61,100	1,800	2,698
Western Union Company	128,300	2,126	2,418
Xerox Corporation	82,200	768	695
Xilinx Inc	92,000	1,884	2,306
Yahoo! Inc	266,100	4,614	4,465
<i>Total Technology - 19.7%</i>		329,260	393,016
<i>Utilities</i>			
AES Corporation	276,700	3,709	3,683
Allegheny Energy Inc	17,900	467	420
Ameren Corporation	24,700	626	690
American Electric Power Co Inc	60,200	1,740	2,094
CenterPoint Energy Inc	40,900	479	593
CMS Energy Corporation	166,600	2,145	2,609
Consolidated Edison Inc	39,800	1,605	1,808
Constellation Energy Group	74,100	2,445	2,606
Dominion Resources Inc	57,800	1,999	2,250

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
DTE Energy Company	18,900	642	824
Duke Energy Corp	136,300	2,379	2,346
Edison International	31,100	1,040	1,082
Entergy Corporation	31,900	2,771	2,611
EQT Corp	111,500	4,614	4,897
Exelon Corp	67,300	3,411	3,289
FirstEnergy Corp	29,400	1,333	1,366
FPL Group Inc	182,500	9,908	9,640
Integrus Energy Group Inc	8,100	291	340
NICOR Inc	4,800	176	202
NiSource Inc	46,400	667	714
Northeast Utilities	66,700	1,515	1,720
PEPCO Holdings	23,400	340	394
PG&E Corp	71,600	2,843	3,197
Pinnacle West Capital Corp	11,600	355	424
PPL Corporation	108,100	3,877	3,493
Progress Energy Inc	32,100	1,247	1,316
Public Service Enterprise Grp	133,900	4,664	4,452
Quanta Services Inc	23,400	510	488
Questar Corporation	38,700	1,467	1,609
SCANA Corporation	21,600	739	814
Sempra Energy	86,100	4,407	4,820
Southern Company	83,700	2,657	2,789
Southwestern Energy Company	62,800	2,564	3,027
TECO Energy Inc	34,500	475	561
Wisconsin Energy Corporation	20,900	872	1,041
Xcel Energy Inc	175,700	3,404	3,728
Total Utilities - 3.9%		74,383	77,937
Total Equity Securities - 96.9%		1,814,023	1,931,379
<b>Short-term Issues</b>			
Dreyfus Cash Management	21,318,922	21,319	21,319
Total Short-term Issues - 1.1%		21,319	21,319
<b>Futures Contracts</b>			
S & P 500 EMINI Futures, expiring Mar 2010	307		304
Total Futures Contracts - 0.0%			304
Total Investment Securities - 98.0%		\$ 1,835,342	\$ 1,953,002

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividend	\$ 2,876	\$ 20,514
Securities lending	23	165
Shareholder litigation proceeds	19	424
Commission recapture	33	113
<b>Total investment income</b>	2,951	21,216
<b>Expenses</b>		
Investment advisor fees	(162)	(625)
Trustee fees	(2)	(7)
Custodian bank fees	(11)	(57)
Management fees	(67)	(399)
Fiduciary bond fees	(1)	(5)
Professional service fees	(13)	(78)
Securities lending agent fees	(7)	(66)
Securities lending borrower rebates	13	164
<b>Total expenses</b>	(250)	(1,073)
<b>Investment income, net</b>	2,701	20,143
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	10,736	79,261
Net increase in the fair value of investments	29,932	279,084
<b>Net gain from investments</b>	40,668	358,345
<b>Net increase in net assets from operations</b>	\$ 43,369	\$ 378,488

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Large Cap Domestic Equity Pool

### Statement of Changes in Net Assets - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 2,701	\$ 20,143
Net realized gain from investments	10,736	79,261
Net increase in the fair value of investments	29,932	279,084
<b>Net increase in net assets from operations</b>	43,369	378,488
<b>Unit transactions</b>		
Proceeds from sale of units	35,954	141,567
Amount paid for repurchase of units	(28)	(304,131)
<b>Net increase (decrease) in net assets from unit transactions</b>	35,926	(162,564)
<b>Increase in net assets</b>	79,295	215,924
Net assets, beginning of period	1,911,348	1,774,719
<b>Net assets, end of period</b>	\$ 1,990,643	\$ 1,990,643
<b>Unit data</b>		
Units sold	3,458,692	14,265,840
Units repurchased	(2,686)	(31,182,794)
<b>Net increase (decrease) in units</b>	3,456,005	(16,916,954)

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Large Cap Domestic Equity Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool's objective is to exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. Assets are managed by Intech Investment Management, LLC, and State Street Global Advisors.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Futures contracts are valued at the last settlement price established each day by the exchange on which they are traded. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the Mellon GSL Reinvestment Trust. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to

# Large Cap Domestic Equity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations.

**Futures Contracts** - A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the IMB is required to pledge to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker for the fluctuations of the underlying securities or index. The IMB records futures at fair market value. Gains or losses on open futures positions are unrealized. These gains or losses become realized when the position is closed.

Interest rate futures may be used to enhance portfolio yields, to hedge an existing position, or as an alternative investment of cash. Stock index futures may be used to provide immediate exposure to fluctuations in the market values of the stocks in the underlying index and to provide liquidity for cash flows.

The market risk associated with holding interest rate and stock index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Hedging risk associated with these futures contracts arises because the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The IMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Equity Securities	\$1,931,378,876	\$ -	\$ -	\$1,931,378,876
Regulated Investment Companies	-	21,318,922	-	21,318,922
Securities Lending Collateral Funds	-	72,494,625	-	72,494,625
Futures	304,147	-	-	304,147
Total	<u>\$1,931,683,023</u>	<u>\$ 93,813,547</u>	<u>\$ -</u>	<u>\$2,025,496,570</u>

### NOTE 4. SECURITIES LENDING

At December 31, 2009, the fair value of securities on loan was \$74,226,624, the initial collateral received was \$76,138,572, and the fair value of reinvested collateral held was \$72,654,191. Of the collateral held, \$75,969,512 was received as cash and invested in the Mellon GSL DBT II Collateral Fund (Collateral Fund), the Mellon SL DBT II Liquidating Fund (Liquidating Fund), and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust).

In early November 2008, the IMB was notified that certain securities issued by Sigma Finance, Inc. (Sigma) were transferred from the Mellon GSL DBT II Collateral Fund on October 1, 2008, to the Liquidating Trust. Units of the Liquidating Trust were transferred to the IMB's securities lending cash collateral account. For all of the IMB investment pools that participate in the securities lending program, the value of the units in the Liquidating Trust on an amortized cost basis was \$10,973,960 as calculated by the IMB's proportionate interest in the Mellon GSL DBT II Collateral Fund as of the close of business on

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 4. SECURITIES LENDING (Continued)

September 30, 2008. Sigma was subsequently placed into receivership and the IMB is exposed to a potential loss of the full value of the Sigma investment. In October, the IMB recorded a reserve for these potential losses in each investment pool in proportion to its participation in the securities lending program at September 30, 2008. The reserve recorded for the Pool was \$3,247,638.

Effective April 20, 2009, the assets of the Collateral Fund with maturities greater than one day were transferred to the Liquidating Fund. As securities mature in the Liquidating Fund, the proceeds are transferred to the Collateral Fund. The combined value of the holdings in the Collateral Fund and the Liquidating Fund is used to determine the fair value of reinvested collateral.

Additionally, the distribution of securities lending income has been restricted beginning October 1, 2008. The restriction will remain in place until the actual loss on Sigma is realized. At December 31, 2009 the accumulated undistributed securities lending income was \$1,660,438.

### NOTE 5. FUTURES CONTRACTS

At December 31, 2009, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Value at December 31, 2009</u>	<u>Value Upon Entering Contract</u>	<u>Cumulative Net Gain (Loss) Since Inception</u>
Mar 2010	307 S&P 500	Long	<u>\$ 17,049,245</u>	<u>\$ 16,745,788</u>	<u>\$ 303,457</u>

At December 31, 2009, the Pool had pledged cash of \$902,362 to cover margin requirements on open futures contracts.

### NOTE 6. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$ 8.69
Income from investment operations:	
Net investment income	0.11
Net realized and unrealized gain on investment transactions	<u>1.83</u>
Total from investment operations	<u>1.94</u>
Net asset value at December 31, 2009	<u>\$ 10.63</u>

**Time-weighted Total Return \*** 22.3%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$ 1,990,643
Ratio to average net assets:	
Expenses **	0.12%
Net investment income **	2.14%
Portfolio turnover rate	65.38%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

# Large Cap Domestic Equity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 893,890,076
Public Employees' Retirement System	807,178,849
State Police Death, Disability and Retirement Fund	88,935,301
Revenue Shortfall Reserve Fund B	35,649,428
Workers' Compensation Old Fund	33,307,096
Judges' Retirement System	22,212,159
Coal Workers' Pneumoconiosis Fund	21,583,604
Prepaid Tuition Trust Fund	21,201,609
Deputy Sheriff's Retirement System	19,548,699
State Police Retirement System	10,944,853
Board of Risk and Insurance Management	10,338,164
Public Employees' Insurance Agency	8,426,497
Wildlife Endowment Fund	7,823,643
Retiree Health Benefit Trust	4,879,266
Emergency Medical Services Retirement System	4,723,658
Total	<u>\$ 1,990,642,902</u>



**Financial Statements - Unaudited**

**December 31, 2009**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited December 31, 2009

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# Non-Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	372,232
Cash		23
Collateral for securities loaned at fair value (Note 4)		60,393
Receivables:		
Investments sold		2,945
Dividends		224
Securities lending income		13
		<hr/>
<b>Total assets</b>		435,830

### Liabilities

Accrued expenses		520
Payable for investments purchased		3,876
Payable upon return of securities loaned (Note 4)		62,829
		<hr/>
<b>Total liabilities</b>		67,225
		<hr/>
<b>Net assets</b>	\$	<u><u>368,605</u></u>

### Analysis of net assets

Paid-in capital	\$	349,249
Accumulated undistributed net investment income		18,954
Accumulated undistributed net realized loss from investments		(42,904)
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		43,812
		<hr/>
<b>Net assets</b>	\$	<u><u>368,605</u></u>

### Unit data

Units outstanding		28,860,995
Net asset value, unit price	\$	<u><u>12.77</u></u>

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
Bemis Company Inc	68,200	1,672	2,022
Cabot Corporation	55,400	1,156	1,453
Celanese Corp	104,600	2,378	3,358
CONSOL Energy Inc	86,900	2,453	4,328
Crown Holdings Inc	125,700	2,860	3,215
Fuller HB Company	77,500	1,646	1,763
Innophos Holdings Inc	31,900	773	733
Lubrizol Corporation	22,200	1,128	1,619
Massey Energy Company	192,100	4,382	8,070
Minerals Technology Inc	21,300	1,128	1,160
NewMarket Corporation	13,400	880	1,538
OM Group Inc	30,200	553	948
Schulman A Inc	64,100	1,383	1,294
Schweitzer-Mauduit Intl Inc	15,500	716	1,090
Stepan Co	12,800	772	830
<i>Total Basic Materials - 9.1%</i>		23,880	33,421
<i>Capital Goods</i>			
Alaska Air Group Inc	37,300	1,086	1,289
Alliant Techsystems Inc	15,200	1,208	1,342
Ametek Inc	84,100	2,438	3,216
Apogee Enterprises Inc	73,200	845	1,025
BE Aerospace Inc	217,475	4,050	5,111
Chart Industries Inc	39,600	818	654
Crane Company	65,900	1,782	2,018
Drew Industries	62,700	1,308	1,295
Dycom Industries Inc	112,200	789	901
Enpro Industries, Inc.	35,300	764	932
Gardner Denver Inc	44,400	972	1,889
Genco Shipping & Trading Ltd	50,700	1,062	1,135
Hewitt Associates Inc	20,000	772	845
IDEX Corporation	112,850	2,931	3,515
Joy Global Inc	41,350	1,000	2,132
Kaiser Aluminum Corp	24,000	840	999
KBR Inc	93,900	1,903	1,784
L B Foster Company	20,400	619	608
Landstar System Inc	71,250	2,690	2,762
Lennox International Inc	22,800	832	890
Oshkosh Truck Corporation	43,400	1,545	1,607
Owens Corning Inc	10,800	177	277
Republic Airways Holdings Inc	110,500	2,393	815
SkyWest Inc	54,500	1,372	922
SPX Corporation	23,500	1,061	1,285
Teletech Holdings Inc	56,100	944	1,124
Toro Company	25,000	703	1,045
Walter Industries Inc	11,300	671	851
Waste Connections Inc	55,500	1,729	1,850
WESCO International Inc	153,800	5,033	4,154
<i>Total Capital Goods - 13.1%</i>		44,337	48,272
<i>Communication Services</i>			
NII Holdings Inc	139,800	2,767	4,694
Telephone & Data Systems	60,700	1,648	2,059
<i>Total Communication Services - 1.8%</i>		4,415	6,753
<i>Consumer Discretionary</i>			
American Eagle Outfitters Inc	204,333	2,195	3,470
American Greetings Corp	69,100	1,621	1,506
ATC Technology Corporation	52,900	830	1,262
Bob Evans Farms Inc	51,900	1,514	1,503
Cash America International Inc	51,800	1,751	1,811

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Citrip.com International Ltd	48,750	2,378	3,503
Darling International Inc	125,500	1,839	1,052
Deckers Outdoor Corporation	11,400	676	1,160
DeVry Inc	47,500	2,487	2,695
Dillard's Inc	67,900	634	1,253
Discovery Communications Inc	74,500	1,410	2,285
Finish Line Inc	64,100	755	804
Gentex Corporation	70,200	1,256	1,253
Helen of Troy Ltd	60,700	1,252	1,485
Hibbett Sports Inc	123,500	2,295	2,716
Jones Apparel Group Inc	87,900	1,492	1,412
Jos A Bank Clothiers Inc	21,200	935	894
Navigant Consulting Inc	188,900	3,057	2,807
NetFlix.com Inc	18,000	481	992
O'Reilly Automotive Inc	66,900	1,958	2,550
Rent-A-Center Inc	54,500	983	966
Scholastic Corporation	47,200	1,092	1,408
Scientific Games Corporation	144,500	2,291	2,102
Stage Stores Inc	57,100	697	706
Steven Madden Ltd	20,000	515	825
<i>Total Consumer Discretionary - 11.5%</i>		36,394	42,420
<i>Consumer Staples</i>			
BJ's Wholesale Club Inc	21,400	607	700
Cheesecake Factory Inc	37,900	615	818
Church & Dwight Company Inc	50,650	2,582	3,062
Fresh Del Monte Produce Inc	33,200	720	734
Lancaster Colony Corp	24,300	950	1,207
Ralcorp Holdings Inc	53,850	3,326	3,215
<i>Total Consumer Staples - 2.6%</i>		8,800	9,736
<i>Energy</i>			
Cal Drive International Inc	143,200	1,338	1,083
Contango Oil & Gas	27,800	1,262	1,307
CVR Energy Inc	115,900	1,386	795
Denbury Resources Inc	219,500	2,360	3,249
Enesco International PLC	87,150	3,163	3,481
Exterran Holdings Inc	215,000	6,851	4,612
Getty Realty Corporation	40,600	1,034	955
Hercules Offshore Inc	256,000	874	1,224
Holly Corporation	46,800	1,041	1,199
Oil States International Inc	34,800	836	1,367
Patterson-UTI Energy Inc	83,300	1,686	1,279
SEACOR SMIT Inc	9,600	604	732
Southern Union Company	33,100	760	751
Sunoco Inc	33,500	976	874
<i>Total Energy - 6.2%</i>		24,171	22,908
<i>Financial Services</i>			
American Financial Group	70,000	1,741	1,747
American Physicians Capital	26,533	752	804
Assurant Inc	47,100	1,200	1,389
Axis Capital Hldgs Ltd	59,900	2,121	1,702
Banco Latinoamericano Export	102,700	1,936	1,428
Bank of the Ozarks Inc	49,100	1,186	1,437
BOK Financial Corporation	15,600	640	741
City Holding Company	33,800	1,274	1,092
Delphi Financial Group Inc	54,800	1,000	1,226
DuPont Fabros Technology Inc	86,300	909	1,553
Endurance Specialty Hldg Ltd	45,300	1,676	1,687
Federated Investors Inc	54,600	1,055	1,502
First Cash Financial Services	49,700	774	1,103
First Horizon National Corp	256,786	3,087	3,441

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
FPIC Insurance Group Inc	25,000	908	966
GFI Group Inc	107,700	770	490
HCC Insurance Holdings Inc	25,300	641	708
Horace Mann Educators Corp	106,300	1,131	1,329
HRPT Properties Trust	216,300	1,275	1,399
Infinity Property & Casualty	36,300	1,471	1,475
International Bancshares Corp	99,700	1,506	1,885
Jones Lang LaSalle Inc	19,200	1,036	1,160
Knight Capital Group Inc	41,000	922	631
LTC Properties Inc.	51,200	1,114	1,370
Mercury General Corp	39,100	1,501	1,535
Montpelier Re Hldgs Ltd	105,600	1,651	1,829
National Financial Partners	144,500	1,244	1,169
National Health Investors Inc	45,900	1,445	1,698
Net 1 UEPS Technologies Inc	41,700	786	809
NewAlliance Bancshares Inc	113,000	1,678	1,357
Ocwen Financial Corporation	104,300	1,026	998
optionsXpress Holdings Inc	68,200	1,830	1,054
Oriental Financial Group Inc	113,800	2,042	1,229
Park National Corporation	20,800	959	1,225
Platinum Underwriters Hldg Ltd	42,000	1,367	1,608
ProAssurance Corporation	18,300	970	983
PS Business Parks Inc	14,500	674	726
Republic Bancorp Inc	38,600	712	795
Safety Insurance Group Inc	27,500	1,153	996
Selective Insurance Group Inc	43,000	675	707
StanCorp Financial Group Inc	18,200	945	728
Taubman Centers Inc	55,400	1,472	1,989
Unitrin Inc	72,100	1,203	1,590
Waddell & Reed Financial Inc	103,000	2,229	3,146
World Acceptance Corporation	47,700	1,402	1,709
<i>Total Financial Services - 16.3%</i>		57,089	60,145
<i>Health Care</i>			
Alexion Pharmaceuticals Inc	139,288	3,733	6,800
AMN Healthcare Srvc Inc	100,600	1,717	911
Charles River Laboratories	70,700	2,735	2,382
DaVita Inc	73,500	3,396	4,317
Elan Corporation PLC	412,100	3,418	2,687
Health Net Inc	84,200	1,284	1,961
Healthspring Inc	83,500	1,124	1,470
Herbalife Ltd	35,300	1,401	1,432
Hill-Rom Holdings Inc	74,700	1,714	1,792
IDEXX Laboratories Inc	79,300	2,654	4,239
Illumina Inc	110,000	3,842	3,375
Invacare Corp	49,900	766	1,245
Life Technologies Corp	71,200	2,051	3,718
Magellan Health Services Inc	35,600	1,174	1,450
Mednax Inc	36,500	1,512	2,194
OSI Pharmaceuticals Inc	113,050	3,626	3,511
Santarus Inc	281,500	1,895	1,301
Shire PLC	92,500	4,640	5,430
Skilled Healthcare Group Inc	156,500	1,303	1,166
Wellcare Health Plans Inc	41,200	962	1,515
<i>Total Health Care - 14.4%</i>		44,947	52,896
<i>Technology</i>			
Amkor Technology Inc	156,800	635	1,123
Avnet Inc	39,200	793	1,182
BMC Software Inc	53,100	1,654	2,129
Brocade Communications Systems	256,900	1,914	1,960
Celestica Inc	110,800	666	1,046
Check Point Software	179,000	4,185	6,065
Citrix Systems Inc	69,650	2,055	2,898

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Comverse Technology Inc	306,900	3,750	2,906
DynCorp International Inc	84,800	1,099	1,217
EarthLink Inc	169,400	1,396	1,408
i2 Technologies Inc	49,400	821	945
Ingram Micro Inc	105,600	1,628	1,843
Insight Enterprises Inc	40,800	659	466
Integrated Device Technology	226,500	1,492	1,465
Jabil Circuit Inc	107,200	1,344	1,862
John Bean Technologies Corp	39,100	725	665
Lexmark International Inc	26,400	465	686
LSI Logic Corporation	486,700	2,757	2,925
Maxim Integrated Products Inc	139,850	2,055	2,842
Mettler-Toledo International	57,100	5,054	5,995
MicroStrategy Incorporated	8,000	710	752
MSCI Inc	54,950	1,000	1,747
Netgear Inc	36,800	675	798
Novellus Systems Inc	125,650	2,455	2,933
Nuance Communications Inc	303,100	4,555	4,707
Plantronics Inc	31,800	749	826
Polycom Inc	145,750	2,619	3,639
Salesforce.com Inc	35,650	1,102	2,630
Synnex Corporation	29,400	587	901
Tech Data Corporation	41,200	1,332	1,922
USA Mobility Inc	81,000	1,970	892
ValueClick, Inc	95,500	762	966
VeriFone Holdings Inc	161,300	1,526	2,642
VeriSign Inc	97,100	2,541	2,354
Wright Express Corp	48,400	1,120	1,542
Zebra Technologies Corp	32,400	560	919
<i>Total Technology - 19.5%</i>		59,410	71,798
<i>Utilities</i>			
AGL Resources Inc	22,200	757	810
Alliant Energy Corp	66,200	1,915	2,003
DPL Inc	41,900	1,156	1,156
Energen Corporation	46,500	1,338	2,176
EQT Corp	41,900	1,852	1,840
MDU Resources Group Inc	38,000	807	897
Mirant Corporation	123,100	2,177	1,880
National Fuel Gas Company	40,000	1,143	2,000
NeuStar Inc	31,300	602	721
NorthWestern Corporation	45,000	1,188	1,171
NV Energy Inc	125,500	1,937	1,554
OGE Energy Corp	46,400	1,537	1,712
ONEOK Inc	27,300	1,371	1,217
PNM Resources	80,300	1,029	1,014
<i>Total Utilities - 5.5%</i>		18,809	20,151
Total Equity Securities - 100.0%		322,252	368,500
<b>Short-term Issues</b>			
Dreyfus Cash Management Institutional Fund - 1.0%	3,732,194	3,732	3,732
Total Investment Securities - 101.0%		\$ 325,984	\$ 372,232

See accompanying notes to financial statements.



## Non-Large Cap Domestic Equity Pool

### Statement of Operations - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 390	\$ 1,802
Securities lending	19	144
Shareholder litigation proceeds	23	97
Commission recapture	37	87
<b>Total investment income</b>	469	2,130
<b>Expenses</b>		
Investment advisor fees	37	268
Trustee fees	-	(1)
Custodian bank fees	(2)	(12)
Management fees	(12)	(76)
Fiduciary bond fees	-	(1)
Professional service fees	(2)	(15)
Securities lending agent fees	(3)	(35)
Securities lending borrower rebates	(3)	30
<b>Total expenses</b>	15	158
<b>Investment income, net</b>	484	2,288
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	956	6,210
Net increase in the fair value of investments	20,599	69,708
<b>Net gain from investments</b>	21,555	75,918
<b>Net increase in net assets from operations</b>	\$ 22,039	\$ 78,206

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Non-Large Cap Domestic Equity Pool

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### Statement of Changes in Net Assets - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 484	\$ 2,288
Net realized gain from investments	956	6,210
Net increase in the fair value of investments	20,599	69,708
<b>Net increase in net assets from operations</b>	22,039	78,206
<b>Unit transactions</b>		
Proceeds from sale of units	58	22,001
Amount paid for repurchase of units	-	(44,066)
<b>Net increase (decrease) in net assets from unit transactions</b>	58	(22,065)
<b>Increase in net assets</b>	22,097	56,141
Net assets, beginning of period	346,508	312,464
<b>Net assets, end of period</b>	\$ 368,605	\$ 368,605
<b>Unit data</b>		
Units sold	4,871	1,989,189
Units repurchased	-	(3,813,680)
<b>Net increase (decrease) in units</b>	4,871	(1,824,491)

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Non-Large Cap Domestic Equity Pool

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## NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment-related operations of the IMB's Non-Large Cap Domestic Equity Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool invests in the equities of small- to mid-sized companies and its objective is to exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets are managed by Aronson + Johnson + Ortiz, LP and Westfield Capital Management.

## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the Mellon GSL Reinvestment Trust. The IMB receives

# Non-Large Cap Domestic Equity Pool

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## NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

## NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

## Non-Large Cap Domestic Equity Pool

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### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Equity Securities	\$ 368,499,697	\$ -	\$ -	\$ 368,499,697
Regulated Investment Companies	-	3,732,194	-	3,732,194
Securities Lending Collateral Funds	-	60,393,514	-	60,393,514
Total	<u>\$ 368,499,697</u>	<u>\$ 64,125,708</u>	<u>\$ -</u>	<u>\$ 432,625,405</u>

### NOTE 4. SECURITIES LENDING

At December 31, 2009, the fair value of securities on loan is \$61,142,957, initial collateral received is \$62,828,708, and the fair value of reinvested collateral held is \$60,393,514. All of the collateral was received as cash and is invested in the Mellon GSL DBT II Collateral Fund (Collateral Fund), the Mellon SL DBT II Liquidating Fund (Liquidating Fund), and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust).

In early November 2008, the IMB was notified that certain securities issued by Sigma Finance, Inc. (Sigma) were transferred from the Mellon GSL DBT II Collateral Fund on October 1, 2008, to the Liquidating Trust. Units of the Liquidating Trust were transferred to the IMB's securities lending cash collateral account. For all of the IMB investment pools that participate in the securities lending program, the value of the units in the Liquidating Trust on an amortized cost basis was \$10,973,960 as calculated by the IMB's proportionate interest in the Mellon GSL DBT II Collateral Fund as of the close of business on September 30, 2008. Sigma was subsequently placed into receivership and the IMB is exposed to a potential loss of the full value of the Sigma investment. In October, the IMB recorded a reserve for these potential losses in each investment pool in proportion to its participation in the securities lending program at September 30, 2008. The reserve recorded for the Pool is \$2,247,392.

Effective April 20, 2009, the assets of the Collateral Fund with maturities greater than one day were transferred to the Liquidating Fund. As securities mature in the Liquidating Fund, the proceeds are transferred to the Collateral Fund. The combined value of the holdings in the Collateral Fund and the Liquidating Fund is used to determine the fair value of reinvested collateral.

Additionally, the distribution of securities lending income has been restricted beginning October 1, 2008. The restriction will remain in place until the actual loss on Sigma is realized. At December 31, 2009, the accumulated undistributed securities lending income is \$802,587.

## Non-Large Cap Domestic Equity Pool

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### NOTE 5. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance:</b>	
Net asset value at June 30, 2009	\$ 10.18
Income from investment operations:	
Net investment income	0.07
Net realized and unrealized gain on investment transactions	2.52
Total from investment operations	<u>2.59</u>
Net asset value at December 31, 2009	<u>\$ 12.77</u>
<b>Time-weighted Total Return *</b>	25.4%
<b>Supplemental Data:</b>	
Net assets, end of period (\$000's)	\$ 368,605
Ratio to average net assets:	
Expenses **	-0.09%
Net investment income **	1.28%
Portfolio turnover rate	39.20%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

### NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 163,308,304
Public Employees' Retirement System	151,593,115
State Police Death, Disability and Retirement Fund	16,769,639
Revenue Shortfall Reserve Fund B	6,604,947
Workers' Compensation Old Fund	5,637,065
Judges' Retirement System	4,187,826
Coal Workers' Pneumoconiosis Fund	4,045,277
Prepaid Tuition Trust Fund	4,006,039
Deputy Sheriff's Retirement System	3,675,806
State Police Retirement System	1,982,177
Board of Risk and Insurance Management	1,934,621
Public Employees' Insurance Agency	1,576,475
Wildlife Endowment Fund	1,471,186
Retiree Health Benefit Trust	910,835
Emergency Medical Services Retirement System	902,094
Total	<u>\$ 368,605,406</u>

**Financial Statements - Unaudited**

**December 31, 2009**





# International Qualified Pool

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## **Financial Statements - Unaudited December 31, 2009**

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# International Qualified Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value \$ 716,931

### Liabilities

Accrued expenses 372

**Net assets** \$ 716,559

### Analysis of net assets

Paid-in capital \$ 379,011

Accumulated undistributed net investment loss (20,616)

Accumulated undistributed net realized gain from investments 20,559

Unrealized net appreciation of investments 337,605

**Net assets** \$ 716,559

### Unit data

Units outstanding 20,605,794

Net asset value, unit price \$ 34.77

See accompanying notes to financial statements.

# International Qualified Pool

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## Schedule of Investments in Securities - Unaudited

December 31, 2009

(Amounts in thousands, except share data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<b><u>Investments in Other Funds</u></b>			
Silchester International Value Equity Group Trust	1,231,627,164	\$ 379,326	\$ 716,931
Investment Objective - To achieve desired exposure to equity securities of companies ordinarily incorporated in countries other than the United States.			
Redemption Provisions - Monthly on the first business day.			
Total Investments in Other Funds - 100.1%		<u>\$ 379,326</u>	<u>\$ 716,931</u>

See accompanying notes to financial statements.

## International Qualified Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(312)	(1,821)
Trustee fee	-	(2)
Management fees	(24)	(147)
Fiduciary bond fees	-	(2)
Professional service fees	(5)	(29)
	<u>(341)</u>	<u>(2,001)</u>
<b>Total expenses</b>	<u>(341)</u>	<u>(2,001)</u>
<b>Investment loss, net</b>	(341)	(2,001)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	142	783
Net increase in the fair value of investments	9,031	105,252
	<u>9,173</u>	<u>106,035</u>
<b>Net gain from investments</b>	<u>9,173</u>	<u>106,035</u>
<b>Net increase in net assets from operations</b>	<u>\$ 8,832</u>	<u>\$ 104,034</u>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## International Qualified Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (341)	\$ (2,001)
Net realized gain from investments	142	783
Net increase in the fair value of investments	9,031	105,252
<b>Net increase in net assets from operations</b>	8,832	104,034
<b>Unit transactions</b>		
Proceeds from sale of units	55	6,081
Amount paid for repurchase of units	(25)	(5,938)
<b>Net increase in net assets from unit transactions</b>	30	143
<b>Increase in net assets</b>	8,862	104,177
Net assets, beginning of period	707,697	612,382
<b>Net assets, end of period</b>	\$ 716,559	\$ 716,559
<b>Unit data</b>		
Units sold	1,597	181,459
Units repurchased	(715)	(177,162)
<b>Net increase in units</b>	882	4,297

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## International Qualified Pool

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**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 8,832	\$ 104,034
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Proceeds from disposition of investment securities	308	1,778
Net realized gain from investments	(142)	(783)
Increase in accrued expenses	3	80
Net increase in the fair value of investments	(9,031)	(105,252)
<b>Net cash used in operating activities</b>	(30)	(143)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	55	6,081
Paid for repurchase of units	(25)	(5,938)
<b>Net cash provided by financing activities</b>	30	143
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# International Qualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's International Qualified Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

Funds are invested in Silchester International Investors' Value Equity Group Trust. The Pool is expected to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East (EAFE) index by 200 basis points on an annualized basis over three to five-year periods, net of external investment management fees. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in the Pool.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in other funds are valued at the reported unit values of the individual funds as provided by fund's management.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

# International Qualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Investments in Other Funds	\$ -	\$ 716,931,578	\$ -	\$ 716,931,578



# International Qualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$	29.73
Income from investment operations:		
Net investment loss		(0.10)
Net realized and unrealized loss on investment transactions		5.14
Total from investment operations		5.04
Net asset value at December 31, 2009	\$	34.77

**Time-weighted Total Return \*** 17.0%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$	716,559
Ratio to average net assets:		
Expenses **		0.58%
Net investment income **		-0.58%
Portfolio turnover rate		0.00%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 341,391,189
Public Employees' Retirement System	317,593,279
State Police Death, Disability and Retirement Fund	35,108,994
Judges' Retirement System	8,762,772
Deputy Sheriff's Retirement System	7,694,015
State Police Retirement System	4,148,846
Emergency Medical Services Retirement System	1,860,327
Total	\$ 716,559,422



**Financial Statements - Unaudited**

**December 31, 2009**



# International Nonqualified Pool

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## Financial Statements - Unaudited December 31, 2009

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# International Nonqualified Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	55,550
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### Liabilities

Accrued expenses		<u>5</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>55,545</u></b>
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### Net assets

Paid-in capital	\$	13,619
Accumulated undistributed net investment loss		(2,773)
Accumulated undistributed net realized gain from investments		27,569
Unrealized net appreciation of investments		<u>17,130</u>

<b>Net assets</b>	<b>\$</b>	<b><u>55,545</u></b>
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### Unit data

Units outstanding		1,707,591
Net asset value, unit price	\$	<u>32.53</u>

See accompanying notes to financial statements.

# International Nonqualified Pool

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## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<b>Investments in Other Funds</b>			
Silchester International Value Equity Trust	90,513,439	\$ 38,420	\$ 55,550
Investment Objective - To achieve desired exposure to equity securities of companies ordinarily incorporated in countries other than the United States.			
Redemption Provisions - Monthly on the first business day.			
Total Investments in Other Funds - 100.0%		\$ 38,420	\$ 55,550

See accompanying notes to financial statements.

## International Nonqualified Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(36)	(314)
Management fees	(2)	(20)
Professional service fees	-	(4)
	<u>(38)</u>	<u>(338)</u>
<b>Total expenses</b>	<u>(38)</u>	<u>(338)</u>
<b>Investment loss, net</b>	(38)	(338)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	11	17,976
Net increase (decrease) in the fair value of investments	696	(1,985)
	<u>707</u>	<u>15,991</u>
<b>Net gain from investments</b>	<u>707</u>	<u>15,991</u>
<b>Net increase in net assets from operations</b>	<u>\$ 669</u>	<u>\$ 15,653</u>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*



## International Nonqualified Pool

### Statement of Changes in Net Assets - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (38)	\$ (338)
Net realized gain from investments	11	17,976
Net increase (decrease) in the fair value of investments	696	(1,985)
<b>Net increase in net assets from operations</b>	669	15,653
<b>Unit transactions</b>		
Proceeds from sale of units	42	297
Amount paid for repurchase of units	(37)	(61,647)
<b>Net increase (decrease) in net assets from unit transactions</b>	5	(61,350)
<b>Increase (decrease) in net assets</b>	674	(45,697)
Net assets, beginning of period	54,871	101,242
<b>Net assets, end of period</b>	\$ 55,545	\$ 55,545
<b>Unit data</b>		
Units sold	1,315	9,271
Units repurchased	(1,160)	(1,938,801)
<b>Net increase (decrease) in units</b>	155	(1,929,530)

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## International Nonqualified Pool

### Statement of Cash Flows - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 669	\$ 15,653
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Proceeds from disposition of investment securities	35	61,687
Net realized gain from investments	(11)	(17,976)
Increase (decrease) in accrued expenses	(2)	1
Net decrease (increase) in the fair value of investments	(696)	1,985
<b>Net cash provided by (used in) operating activities</b>	(5)	61,350
<b>Cash flows from financing activities</b>		
Proceeds from units sold	42	297
Amount paid for repurchase of units	(37)	(61,647)
<b>Cash provided by (used in) financing activities</b>	5	(61,350)
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# International Nonqualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's International Nonqualified Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

Funds are invested in Silchester International Investors' Value Equity Trust. The Pool is expected to produce investment returns that exceed the Morgan Stanley Capital International's EAFE index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in other funds are valued at the reported unit values of the individual funds as provided by fund's management.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

# International Nonqualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Investments in Other Funds	\$ -	\$ 55,549,557	\$ -	\$ 55,549,557

# International Nonqualified Pool

## Notes to Financial Statements - Unaudited

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$	27.84
Income from investment operations:		
Net investment loss		(0.11)
Net realized and unrealized loss on investment transactions		4.80
Total from investment operations		4.69
Net asset value at December 30, 2009	\$	32.53

**Time-weighted Total Return \*** 16.8%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$	55,545
Ratio to average net assets:		
Expenses **		0.71%
Net investment income **		-0.71%
Portfolio turnover rate		0.00%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund B	\$ 13,700,888
Workers' Compensation Old Fund	12,638,653
Coal Workers' Pneumoconiosis Fund	8,511,484
Prepaid Tuition Trust Fund	8,352,896
Board of Risk and Insurance Management	4,050,254
Public Employees' Insurance Agency	3,301,175
Wildlife Endowment Fund	3,081,641
Retiree Health Benefit Trust	1,907,906
Total	\$ 55,544,897



**Financial Statements - Unaudited**

**December 31, 2009**





# International Equity Pool

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## Financial Statements - Unaudited December 31, 2009

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# International Equity Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,593,450
Cash		(11)
Cash denominated in foreign currencies (cost \$10,013)		9,920
Collateral for securities loaned at fair value (Note 4)		118,814
Receivables:		
Investments sold		2,745
Dividends		2,635
Securities lending income		71
Foreign tax withholding		724
Unrealized gain on foreign currency exchange contracts (Note 5)		10
		<hr/>
<b>Total assets</b>		<b>1,728,358</b>

### Liabilities

Accrued expenses		1,728
Payable for investments purchased		2,323
Payable upon return of securities loaned (Note 4)		122,670
		<hr/>
<b>Total liabilities</b>		<b>126,721</b>
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>1,601,637</b>

### Analysis of net assets

Paid-in capital	\$	1,030,193
Accumulated undistributed net investment income		192,932
Accumulated undistributed net realized gain from investments		144,717
Accumulated undistributed net realized gain from foreign currency transactions		57,776
Unrealized net appreciation of investments		156,822
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		19,197
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>1,601,637</b>

### Unit data

Units outstanding		82,539,080
Net asset value, unit price	\$	19.40

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Argentina</i>			
Grupo Clarin-GDR CL B Reg S	28,950	\$ 121	\$ 145
Telecom Argentina SA	144,998	2,066	2,439
<i>Total Argentina - 0.2%</i>		2,187	2,584
<i>Australia</i>			
Amcor Ltd	807,589	3,783	4,525
Australian Worldwide Explora	553,310	820	1,393
BlueScope Steel Ltd	1,000,400	3,920	2,798
Centennial Coal Company Ltd	489,766	540	1,762
Downer EDI Ltd	733,200	2,478	6,165
DUET Group	721,947	927	1,169
Goodman Fielder Ltd	2,216,200	3,417	3,249
John Fairfax Holdings Ltd	1,119,139	1,818	1,751
Macquarie Group Ltd	89,100	1,759	3,878
Metcash Ltd	510,100	1,900	2,051
OZ Minerals	1,828,288	1,884	1,940
Premier Investment Ltd	126,500	737	944
Quantas Airways Ltd	1,186,100	3,771	3,189
Sigma Pharmaceuticals Ltd	3,474,289	3,459	3,093
Southern Cross Media Group	944,500	3,110	1,639
Telstra Corporation Ltd	1,229,600	3,655	3,793
<i>Total Australia - 2.7%</i>		37,978	43,339
<i>Austria</i>			
Voestalpine AG - 0.3%	114,349	4,352	4,216
<i>Belgium</i>			
Agfa Gevaert NV	200,658	1,035	1,304
Barco NV	22,300	1,603	912
Bekaert NV	10,110	1,505	1,574
Delhaize Le Lion SA	49,000	3,343	3,770
Fortis Rights	134,400	-	-
Solvay SA	39,400	3,990	4,271
Telenet Group Holding NV	51,417	882	1,470
Tessenderlo Chemie NV	65,300	2,990	2,160
<i>Total Belgium - 1.0%</i>		15,348	15,461
<i>Bermuda</i>			
China Green Holdings Ltd	1,082,086	969	1,028
China Yurun Food Group Ltd	47,000	103	139
Cosco Pacific Ltd	46,000	66	59
Credicorp Ltd	2,865	216	221
Giordano International Ltd	352,645	117	105
GOME Electrical Appliances	318,000	89	116
Hiscox Ltd	526,100	2,407	2,693
Huabao International Holdings	1,330,000	1,155	1,436
Nine Dragons Paper Holdings	67,000	122	108
Orient Overseas Int'l Ltd	243,100	789	1,138
Pacific Basin Shipping Ltd	1,377,831	1,167	1,000
Sinofert Holdings Ltd	86,000	40	48
Yue Yuen Industrial Holdings	2,356,000	4,748	6,836
<i>Total Bermuda - 0.9%</i>		11,988	14,927
<i>Brazil</i>			
AES Tiete SA	4,100	47	47
All America Latina Logistica	16,900	127	158
B2W Companhia Global do Varejo	2,260	63	62
Banco Bradesco SA	64,339	1,297	1,362
Banco do Brasil SA	21,300	370	363
Banco do Estado do Rio Grande	601,872	4,281	5,075
Banco Santander Brasil SA	23,365	302	322
BM&F Bovespa SA	51,907	365	365
BR Malls Participacoes	5,492	76	68

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Bradespar SA	9,600	178	212
Brasil Telecom SA	414,673	10,572	9,926
Braskem SA Pref A	2,191,545	13,831	17,701
BRF-Brasil Foods SA	11,784	358	364
Centrais Eletricas Brasileiras	797,790	8,001	15,340
CESP-Companhia Energetica	7,831	94	108
Cetrais Elect de Santa Catarina	155,600	4,108	3,133
CIA Brasileira de Meios de Pag	25,381	242	223
CIA Paranaense De Energia	419,890	5,292	8,861
Compahnia de Transmissaon	1,400	39	42
Companhia Brasileira	3,100	89	116
Companhia de Bebidas das Amer	6,295	537	632
Companhia de Concessoes Rodov	8,400	160	192
Companhia de Saneamento	861,213	10,505	16,985
Companhia Energetica de Minas	14,525	223	263
Companhia Siderurgica Nacional	16,875	523	541
Cosan SA Industria e Comercio	5,264	57	77
CPFL Energia SA	3,700	66	75
Cyrela Brazil Realty SA	9,200	165	183
Duratex SA	9,100	66	85
EDP-Energias do Brasil SA	2,700	44	52
Eletropaulo Metropolitana SA	242,936	4,434	4,808
Empresa Brasileira	487,570	8,100	10,780
Fertilizantes Fosfatados SA	4,500	45	43
Fibria Celulose SA	6,946	109	156
Gafisa SA	4,739	79	77
Gerdau SA	32,610	435	528
GVT Holdings SA	3,931	98	126
Hypermarcas SA	2,796	60	64
Itau Unibanco Holding SA	85,822	1,731	1,921
Itausa - Investimentos Itau SA	87,200	516	593
JBS SA	16,126	84	86
JBS SA Rights	23	-	-
Klabin SA	16,900	40	51
Localiza Rent A Car	5,057	57	56
Lojas Americanas SA	13,100	87	117
Lojas Renner SA	5,100	112	115
Marfrig Frigorificos e Comerci	6,222	64	68
Metalurgica Gerdau SA	12,300	208	246
MRV Engenharia e Participacoes	10,623	67	86
Natura Cosmeticos SA	7,800	140	162
Net Servicos de Comunicacao SA	7,352	87	101
OGX Petroleo e Gas Participac	54,000	448	530
PDG Realty SA	11,459	118	114
Petroleo Brasileiro SA	192,769	4,755	5,049
Porto Seguro SA	3,786	39	44
Redecard SA	400,428	4,439	6,662
Rossi Residencial SA	6,971	59	61
Souza Cruz SA	3,400	119	113
Sul America SA	82,649	1,151	2,465
Suzano Papel e Celulose SA	5,600	55	66
Tele Norte Leste Participacoes	445,840	7,056	11,385
Telemar Norte Leste SA	1,200	38	43
TIM Participacoes SA	399,080	7,667	11,857
Tractebel Energia SA	5,800	70	72
Ultrapar Participacoes SA	3,100	127	142
Usinas Siderurgicas de Minas	16,000	408	456
Vale SA	148,289	3,331	3,872
Vivo Participacoes SA	531,327	8,315	16,514
Total Brazil - 10.1%		116,826	162,562
<i>Canada</i>			
Alimentation Couche-Tard Inc	352,300	4,992	6,997
ATCO Ltd	21,800	651	960
BCE Inc	40,443	894	1,119

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Biovail Corporation	257,200	3,293	3,602
Bombardier	1,078,600	3,495	4,939
Canadian Imperial Bank	79,900	4,731	5,194
Celestica Inc	597,200	3,867	5,674
China Railway Group Ltd	159,000	132	124
Fairfax Financial Holdings Inc	15,500	3,578	6,062
Laurentian Bank of Canada	83,174	2,496	3,392
Manitoba Telecom Services	120,600	4,695	3,854
National Bank of Canada	153,700	6,813	8,832
Transcontinental Inc	239,200	3,637	2,948
<i>Total Canada - 3.4%</i>		43,274	53,697
<i>Cayman Islands</i>			
Agile Property Holdings Ltd	70,000	87	103
Ajisen China Holdings Ltd	1,586,845	1,034	1,359
Alibaba.com Ltd	54,000	127	125
Belle International Holdings	163,000	166	190
Bosideng International Holdings	21,424,000	1,959	4,808
China Digital TV Holdings	43,275	352	264
China Dongxiang Group	95,000	63	74
China High Speed Transmission	36,000	74	88
China Mengniu Dairy Co	48,000	129	172
China Resources Land Ltd	86,000	199	196
China Zhongwang Holdings	68,000	67	55
Country Garden Holdings Co	172,000	65	64
Daphne International Holdings	1,902,000	1,479	1,533
Geely Automobile Holdings Ltd	150,000	44	83
Hengan International Group	28,000	173	208
Hidili Industry International	43,000	42	54
Kingboard Chemical Holdings	354,000	1,417	1,406
Renhe Commercial Holdings	324,000	64	74
Shimae Property Holdings	67,500	120	128
Shui On Land Ltd	116,500	69	69
Soho China Ltd	87,500	48	47
Want Want China Holdings Ltd	111,000	65	78
<i>Total Cayman Islands - 0.7%</i>		7,843	11,178
<i>Chile</i>			
Banco Santander Chile	3,397	187	220
Cencosud SA	4,367	184	222
Compania Cervecerias Unidas SA	1,908	66	74
Empresa Nacional de Electricid	8,191	377	412
Enersis SA	19,564	352	447
Lan Airlines SA	10,165	134	169
Sociedad Quimica Minera Chile	6,761	253	254
Vina Concha Y Toro	1,819	77	76
<i>Total Chile - 0.1%</i>		1,630	1,874
<i>China</i>			
Anhui Conch Cement Co Ltd	18,000	121	116
Bank of China Ltd	23,005,000	8,045	12,461
Bank of Communications	248,000	298	288
Beijing Capital Intl Airport	78,000	50	52
China Bluechemical Ltd	68,000	37	42
China CITIC Bank	213,000	146	182
China Coal Energy Co	150,000	204	275
China Communication Services	74,000	40	36
China Communications Construction	181,000	198	173
China Construction Bank Corp	1,924,000	1,572	1,655
China Cosco Holdings Company	105,500	130	130
China Life Insurance Co	319,000	1,417	1,578
China National Bldg Material	50,000	113	104
China Railway Construction Ltd	78,000	104	100
China Shipping Container Lines	142,000	52	51
China Shipping Development Co	56,000	75	84

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
China South Locomotive	81,000	47	60
China Telecom Corp Ltd	596,000	275	249
Dongfang Electric Corp Ltd	8,000	41	43
Dongfeng Motor Group Company	116,000	129	167
First Tractor Company Ltd	2,998,000	1,032	1,941
Guangzhou R&F Properties Corp	40,400	74	71
Huaneng Power International	130,000	85	74
Industrial & Comm Bnk of China	1,956,000	1,496	1,625
Jiangsu Expressway Co Ltd	50,000	42	45
Metallurgical Corp of China	106,000	72	63
PetroChina Co Ltd	904,000	1,047	1,087
PICC Property & Casualty Co	102,000	72	92
Ping An Insurance Co	54,500	449	478
Shandong Weigao Gp Med Polymer	12,000	42	40
Shanghai Electric Group Co	118,000	56	55
Sichuan Xinhua Winshare	6,391,000	1,553	2,605
Sinopec Shanghai Petrochemical	98,000	40	39
Sinotrans Ltd	30,340,000	5,194	7,982
Tsingtao Brewery Company Ltd	14,000	54	78
Weichai Power Co Ltd	9,000	51	73
Yanzhou Coal Mining Company	1,464,000	2,342	3,240
Zijin Mining Group	172,000	172	165
ZTE Corporation	11,600	63	72
<i>Total China - 2.4%</i>		27,030	37,671
<i>Colombia</i>			
Bancolombia SA	111,679	3,947	5,083
Ecopetrol SA	19,729	545	479
<i>Total Colombia - 0.3%</i>		4,492	5,562
<i>Czech Republic</i>			
CEZ	6,818	357	320
Komerční Banka AS	642	129	137
Telefonica O2 Czech Republic	356,732	8,369	8,102
Unipetrol	140,000	2,184	1,061
<i>Total Czech Republic - 0.6%</i>		11,039	9,620
<i>Denmark</i>			
D/S Norden A/S	31,760	1,333	1,283
Danske Bank A/S	157,600	3,364	3,586
SimCorp A/S	10,449	1,151	1,964
<i>Total Denmark - 0.4%</i>		5,848	6,833
<i>Egypt</i>			
Commercial International Bank	12,451	131	124
Edyptian Company for Mobile Sv	1,502	60	66
Egyptian Financial Group-Herme	11,650	66	53
Egyptian Kuwaiti Holding Co	30,568	73	60
Orascom Construction Industries	4,302	192	196
Orascom Telecom Holdings	22,519	147	103
Telecom Egypt	17,097	56	56
<i>Total Egypt - 0.0%</i>		725	658
<i>Finland</i>			
Elcoteq Network	5,519	102	7
Huhtamaki	224,400	2,469	3,123
TietoEnator Oyj	171,000	4,238	3,557
<i>Total Finland - 0.4%</i>		6,809	6,687
<i>France</i>			
April Group	45,671	1,587	1,586
Arkema	38,696	1,586	1,443
Axa	259,700	7,310	6,163
BioMerieux	10,421	849	1,221
BNP Paribas	58,900	4,720	4,724

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Bull SA	326,369	677	1,433
Casino Guichard Perrachon SA	52,000	3,859	4,665
Credit Agricole SA	47,800	1,693	848
European Aeronautic Defence	439,300	6,178	8,878
France Telecom SA	210,000	6,791	5,252
Ispen SA	25,519	1,442	1,419
Metropole Television	53,255	1,267	1,373
Rallye SA	35,300	2,308	1,241
Rhodia SA	57,027	988	1,032
SA des Ciments Vicat	23,528	1,689	1,985
Sanofi-Synthelabo SA	175,200	11,939	13,840
SCOR SE	152,600	3,648	3,831
Total SA	143,200	10,475	9,247
Virbac SA	14,455	992	1,508
Vivendi Universal	284,900	9,739	8,500
<i>Total France - 5.0%</i>		79,737	80,189
<i>Germany</i>			
Allianz AG	23,600	3,989	2,967
BASF AG	118,600	5,065	7,443
Bijou Brigitte Accessoires AG	10,169	1,042	1,714
Deutsche Bank AG	44,900	4,484	3,194
Deutsche Lufthansa AG	172,200	4,568	2,907
E.On AG	267,200	8,100	11,160
Fuchs Petrolub AG	17,261	989	1,612
GEA Group AG	91,900	1,992	2,049
Hannover Rueckversicherung AG	23,752	807	1,119
Hochtief AG	14,616	927	1,115
Kontron AG	128,270	1,155	1,470
Krones AG	22,784	1,086	1,157
Leoni AG	70,504	959	1,648
Muenchener Rueckversicherungs	38,700	6,977	6,045
MUT Aero Engines Holding AG	94,800	3,636	5,173
Pfeiffer Vacuum Technology AG	20,598	1,089	1,721
Rhoen-Klinikum AG	57,628	1,097	1,411
RWE AG	43,700	3,725	4,278
Software AG	14,859	920	1,629
Suedzucker AG	124,631	1,882	2,602
ThyssenKrupp AG	146,200	3,770	5,575
TUI AG	133,819	1,193	1,125
<i>Total Germany - 4.3%</i>		59,452	69,114
<i>Greece</i>			
Alapis Holding Ind & Commer	1,859,100	1,132	1,360
Alpha Bank AE	88,400	2,804	1,040
Hellenic Petroleum SA	67,538	941	757
Marfin Popular Bank Public Co	346,100	1,553	1,137
<i>Total Greece - 0.3%</i>		6,430	4,294
<i>Hong Kong</i>			
Air China Ltd	92,000	52	72
Aluminum Corp of China	170,000	185	187
Angang New Steel Company	46,000	86	102
Beijing Enterprises Holdings	22,000	123	160
BYD Company Ltd	22,000	188	194
Chaoda Modern Agricultures Ltd	20,738,000	12,011	22,198
China Agri-Industries Holdings	4,165,000	1,952	5,479
China Everbright Ltd	32,000	75	79
China Merchants Bank	148,500	350	390
China Merchants Holdings Intl	46,000	151	150
China Mobile (Hong Kong) Ltd	257,500	2,473	2,419
China Oilfield Services Ltd	64,000	63	77
China Overseas Land & Investment	176,000	386	372
China Pet & Chem Cor (Sinopec)	4,228,000	3,786	3,768
China Resources Enterprise Ltd	52,000	160	190

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
China Resources Power	70,000	155	139
China Shenhua Energy Company	138,500	611	679
China Taiping Insurance	34,000	107	110
China Travel International	220,000	47	66
China Unicom (Hong Kong) Ltd	252,000	346	334
Citic Pacific Ltd	46,000	120	124
CNOOC Ltd	765,000	1,074	1,204
CNPC Hong Kong Ltd	90,000	80	120
Dah Sing Financial Group	190,800	998	1,058
Datang Intl Power Generation	134,000	67	58
Denway Motors Ltd	206,000	95	131
Dickson Concepts Ltd	1,628,500	1,191	895
Erste Group Bank AG	134,380	5,826	5,024
First Pacific Company Ltd	26,565,732	10,805	16,239
Fosun International	67,000	46	47
Fountain Set (Holdings) Ltd	13,738,000	3,358	2,179
Franshion Properties China Ltd	132,000	38	47
Fushan Intl Energy Group Ltd	116,000	82	113
Guangdong Investment Ltd	104,000	53	61
Harbin Power Equipment Company	72,000	71	64
Hopson Development Holdings	32,000	50	46
Inspur International Ltd	8,276,940	1,402	1,185
Jiangxi Copper Company Ltd	60,000	136	142
Lenovo Grp Ltd	194,000	95	122
Li Ning Company	31,500	93	120
Maanshan Iron & Steel Company	72,000	43	53
Parkson Retail Group Ltd	53,000	81	94
Shanghai Industrial Holdings	23,000	109	118
Sino-Ocean Holdings Ltd	128,000	120	119
Sinotruk Hong Kong Ltd	31,500	37	37
SmarTone Telecommunications	6,401,500	6,377	5,284
Tencent Holdings Ltd	39,000	655	847
Tingyi Holding Corporation	72,000	155	178
TPV Technology Ltd	5,591,400	3,303	3,447
Varitronix International Ltd	783,000	784	245
Weiqiao Textile Company Ltd	13,096,000	16,742	8,985
Zhejiang Expressway Company	3,364,000	2,524	3,119
<i>Total Hong Kong - 5.5%</i>		79,917	88,670
<i>Hungary</i>			
Magyar Telekom	3,117,786	15,018	12,117
MOL Hungarian Oil & Gas Nyrt	2,207	185	199
OTP Bank Nyrt	86,725	3,415	2,512
Richter Gedeon Nyrt	591	122	135
<i>Total Hungary - 0.9%</i>		18,740	14,963
<i>India</i>			
Axix Bank Ltd	16,500	336	339
Dr. Reddy's Laboratories	11,522	229	279
Gail India Ltd	6,670	307	354
Grasim Industries Ltd	2,948	150	157
HDFC Bank Ltd	6,373	728	829
ICICI Bank Ltd	30,272	1,105	1,142
Infosys Technologies	35,777	1,709	1,977
Larsen & Toubro Ltd	15,643	539	573
Mahindra & Mahindra Ltd	10,863	205	250
Ranbaxy Laborato-SP	17,000	143	185
Reliance Industries Ltd	42,948	1,906	1,997
Satyam Computer Services Ltd	31,623	191	146
State Bank of India	3,702	347	361
Sterlite Industries (India)	29,838	478	544
Tata Motors Ltd	20,150	244	340
Tata Steel Ltd	20,695	227	274
Wipro Ltd	19,978	362	445
<i>Total India - 0.6%</i>		9,206	10,192

See accompanying notes to financial statements.



# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued) December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Indonesia</i>			
Aneka Tambang TBK	141,000	35	33
Astra Agro Lestari TBK	16,500	36	40
Astra International TBK	85,500	292	316
Bank Central Asia TBK	520,500	253	269
Bank Danamon Indonesia TBK	122,500	62	59
Bank Mandiri	305,500	149	153
Bank Rakyat Indonesia	232,000	182	189
Bumi Recources TBK	737,500	225	190
Indocement Tunggal Prakarsa	62,500	71	91
Indofood Sukses Mak TBK	185,500	59	70
Indosat TBK	57,000	32	29
Intl Nickel Indonesia TBK	84,000	36	33
Lippo Karawaci TBK	423,000	29	23
Perusahaan Gas Negara	505,500	193	210
Semen Gresik (Persero) TBK	62,500	43	50
Tambang Bukit Asam TBK	34,000	51	62
Telekomunikasi Indones TBK	426,000	380	428
Unilever Indonesia TBK	64,500	71	76
United Tractors TBK	63,000	101	104
<i>Total Indonesia - 0.2%</i>		2,300	2,425
<i>Ireland</i>			
C&C Group PLC	384,121	1,488	1,659
Irish Life & Permanent PLC	398,100	6,377	1,885
Total Produce PLC	82,700	92	40
<i>Total Ireland - 0.2%</i>		7,957	3,584
<i>Israel</i>			
Bank Hapoalim BM	41,748	152	183
Bank Leumi Le-Israel	1,026,581	3,438	4,729
Bezeq Israeli Telecommunicatio	1,071,522	1,599	2,709
Cellcom Israel Ltd	2,077	63	67
Check Point Software Tech	7,096	208	240
Elbit Systems Ltd	889	59	58
Israel Chemicals Ltd	21,367	251	282
Israel Corporation Ltd	81	52	59
Israel Discount Bank	20,705	40	49
Makhteshim-Agan Industries Ltd	3,234,967	13,982	15,457
Mizrahi Tefahot Bank Ltd	5,178	43	48
Nice Systems Ltd	2,571	78	80
Ormat Industries Ltd	5,000	45	46
Partner Communications Company	3,243	61	66
Syneron Medical Ltd	330,882	3,454	3,458
Teva Pharmaceutical Ltd	37,622	1,911	2,119
<i>Total Israel - 1.9%</i>		25,436	29,650
<i>Italy</i>			
Ansaldo STS SpA	79,153	1,029	1,512
Banca Popolare di Milano Scarl	119,115	908	851
Danieli SpA	86,161	549	1,137
Davide Campari - Milano SpA	165,214	845	1,729
DiaSorin	45,618	914	1,628
Enel SpA	1,044,300	5,684	6,064
ENI SpA	271,500	8,677	6,934
Enia SpA	71,100	488	540
Finmeccanica SpA	94,600	2,201	1,519
Indesit Company SpA	15,294	163	171
Iride SpA	529,800	1,005	1,011
Lottomatica SPA	51,213	1,137	1,031
Pirelli & Company SpA	2,769,043	1,344	1,669
<i>Total Italy - 1.6%</i>		24,944	25,796
<i>Japan</i>			
Aeon Delight Company Ltd	109,500	1,863	1,551

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Astellas Pharma Inc	206,700	7,370	7,682
Canon Marketing Japan Inc	71,700	1,239	1,055
Circle K Sunkus Company Ltd	153,800	2,188	1,895
Cosmo Oil Company	782,000	2,769	1,638
Daibiru Corporation	14,104	108	101
DDI Corporation	900	4,328	4,766
Don Quijote Co Ltd	66,550	958	1,608
Eizo Nannao Corporation	51,700	1,645	1,230
Enix Corporation	69,500	1,808	1,459
Fields Corporation	633	869	784
Hanwa Company Ltd	600,000	3,094	2,172
Hitachi Cable Ltd	887,000	3,002	2,668
Hitachi Capital Corporation	67,400	608	816
Hitachi High-Technologies Corp	83,000	1,366	1,640
Hitachi Kiki Company Ltd	31,600	376	360
Hogy Medical Company Ltd	33,786	1,815	1,637
Hokuto Corporation	66,200	1,306	1,376
Hoshizaki Electric Company Ltd	86,196	1,160	1,229
Idemitsu Kosan Company Ltd	17,886	1,410	1,037
Itochu Corp	499,000	3,527	3,656
Izumi Company Ltd	103,100	1,126	1,248
JSR Corporation	106,900	1,492	2,159
JTEKT Corporation	188,711	1,715	2,402
Kaken Pharmaceutical Co Ltd	115,000	1,063	976
Kanto Auto Works Ltd	119,600	1,670	1,075
Keihin Corporation	160,500	1,387	2,381
Keiyo Bank Ltd	241,000	1,155	1,067
Kobayashi Pharmaceutical Co	32,459	1,208	1,297
Konica Corporation	438,000	3,109	4,479
Kyoei Steel Ltd	91,400	1,535	1,685
Kyowa Exeo Corporation	176,000	1,633	1,486
Marubeni Corporation	654,800	2,948	3,594
McDonald's Holding Company	65,539	1,220	1,252
Megmilk Snow Brand Co Ltd	76,864	1,441	1,131
Miraca Holdings Inc	160,100	3,438	4,377
Mitsui & Company Ltd	230,000	4,638	3,239
Mizuho Financial Grp Inc	1,008,100	2,678	1,798
Mochida Pharmaceutical Company	111,435	1,156	996
NEC Corporation	879,000	2,526	2,257
Nippon Electric Glass Co Ltd	130,000	1,136	1,775
Nippon Mining Holdings Inc	686,000	4,110	2,925
Nippon Oil Corporation	254,600	2,036	1,176
Nippon Telegraph & Telephone	188,900	8,428	7,406
NOK Corporation	144,093	1,526	1,980
NTT DoCoMo	5,500	8,422	7,657
Numura Real Estate Office Fund	266	1,427	1,440
Onward Kashiyama Company	406,000	3,969	2,508
Sankyo Company Ltd	48,400	2,199	2,412
Seiko Epson Corporation	138,000	2,066	2,218
Seino Holdings Corporation Ltd	330,000	1,730	2,091
Seven Bank Ltd	666	1,494	1,323
Sumitomo Corporation	363,800	5,694	3,685
Sumitomo Heavy Industries	328,000	1,450	1,649
Sumitomo Mitsui Financial Grp	59,000	2,183	1,676
Sundrug Co Ltd	85,100	1,625	1,888
Takeda Pharmaceutical Co Ltd	219,900	9,889	9,047
Tokyo Ohka Kogyo Company Ltd	86,800	1,673	1,608
Toshiba Plant Sys & Ser Corp	144,000	1,795	1,813
Toyo Tanso Company Ltd	27,351	1,461	1,313
Tsumura & Company	43,100	1,239	1,389
UNY Company Ltd	224,000	2,052	1,566
Yamaguchi Financial Group	133,099	1,310	1,232
Yodogawa Steel Works Ltd	512,000	2,194	2,073
Yokohama Rubber Company Ltd	477,000	2,013	2,085
<i>Total Japan - 9.1%</i>		153,068	145,194

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Korea</i>			
Amorepacific Corporation	136	97	109
Celltrion Inc	2,270	28	29
Cheil Industris Inc	2,002	81	97
CJ CheilJedang Corp	330	57	58
Daegu Bank	5,030	70	74
Daelim Industrial Co Ltd	1,170	73	84
Daewoo International Corp	2,132	59	61
Daewoo Securities Co Ltd	5,230	90	89
Daewoo Shipbuilding & Marine	4,040	57	61
Dongbu Insurance Company Ltd	1,650	50	46
Dongkuk Steel Mill Co Ltd	1,560	35	36
Doosan Corporation	420	31	34
Doosan Heavy Industries	1,330	75	93
Doosan Infracore Co, Ltd	3,200	47	45
Glovis Company Ltd	470	44	46
GS Engineering & Construction	1,510	124	141
GS Holdings Corp	2,160	58	63
Halla Climate Control Corp	364,500	3,474	4,210
Hana Financial Group	8,050	262	227
Hanjin Heavy Indus & Const	1,320	28	26
Hanjin Shipping Co	2,037	35	36
Hanjin Shipping Holdings Co	392	5	5
Hankook Tire Company Ltd	3,220	63	71
Hanwha Chemical Corporation	270,560	2,979	3,137
Hanwha Corporation	2,060	72	85
Hite Brewery Co Ltd	220	30	32
Honam Petrochemical Corp	610	44	54
Hynix Semiconductor Inc	19,930	324	396
Hyosung Corporation	970	57	71
Hyundai Dept Store Co	620	57	60
Hyundai Development Company	2,390	83	77
Hyundai Engineering & Construc	2,110	115	128
Hyundai Heavy Industries Co	1,610	239	240
Hyundai Mipo Dockyard Company	27,660	2,500	2,447
Hyundai Mobis	2,680	363	394
Hyundai Motor Co Ltd	258,300	8,577	9,760
Hyundai Securities Co Ltd	5,030	66	64
Hyundai Steel Co	2,330	151	173
Industrial Bank of Korea (IBK)	311,890	5,136	3,750
Kaewoo Engineering & Construct	4,820	56	53
Kangwon Land Inc	4,070	59	58
KB Financial Group Inc	231,124	10,173	11,849
KCC Corp	200	59	64
Kia Motors Corporation	8,530	130	147
Korea Electric Power Corp	322,890	10,451	9,455
Korea Exchange Bank	20,570	255	256
Korea Gas Corporation	980	44	41
Korea Investment Holdings Co	1,560	45	45
Korea Zinc Company	25,060	2,785	4,390
Korean Air Lines Co	1,520	60	72
KT Corporation	92,800	4,193	3,116
KT&G Corporation	4,690	283	259
LG Chemical Ltd	5,970	597	635
LG Dacom Corporation	1,720	24	26
LG Display Co Ltd	9,830	267	331
LG Electronics Inc	4,690	425	445
LG Hausys Ltd	4,672	399	481
LG Household & Health Care Ltd	360	78	90
LG Telecom Ltd	5,730	42	42
Lotte Chilsung Beverage Co	16,020	14,154	11,597
Lotte Confectionery Co Ltd	1,447	1,552	1,602
Lotte Shopping Company Ltd	21,230	2,278	6,308
LS Cable Ltd	750	63	75
LS Industrial Systems Co	700	54	58

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Mirae Asset Securities Co	970	56	54
NCsoft Corporation	580	76	74
NHN Corporation	1,729	257	285
OCI Company Ltd	540	111	101
Pohang Iron & Steel Co Ltd	2,764	1,158	1,467
Pusan Bank	294,310	3,629	3,526
S1 Corporation	720	30	30
Samsung C&T Corporation	5,290	235	255
Samsung Card Co	1,560	68	77
Samsung Electro Mechanics Co	2,520	209	233
Samsung Electronics Co Ltd	8,628	4,575	5,715
Samsung Engineering Co	1,270	112	118
Samsung Fire & Marine Ins Co	1,610	318	276
Samsung Heavy Industries	6,840	142	142
Samsung SDI Co Ltd	1,450	175	185
Samsung Securities Co Ltd	2,110	117	115
Samsung Techwin Company Ltd	1,580	124	123
Shinhan Financial Group	17,030	670	632
Shinsegae Co Ltd	598	289	276
SK Energy Co Ltd	2,530	256	255
SK Holdings Co Ltd	32,100	2,801	2,453
SK Networks Co Ltd	3,090	32	28
SK Telecom Company Ltd	16,870	3,104	2,456
S-Oil Corporation	1,900	99	88
STX Offshore & Shipbuilding	1,770	21	19
STX Pan Ocean Co Ltd	4,350	40	42
Tong Yang Securities Inc	2,970	35	31
Woongjin Coway Co Ltd	2,040	68	67
Woori Finance Holdings Co	10,230	139	122
Worri Investment & Securities	3,640	50	52
Yuhan Corporation	378	59	58
<i>Total Korea - 6.1%</i>		93,317	97,459
<i>Malaysia</i>			
AMMB Holdings Berhad	81,000	104	118
Axiata Group Berhad	116,000	104	103
Berjaya Sports Toto Berhad	34,000	43	43
British American Tobacco Malay	6,700	87	84
Bursa Malaysia Berhad	15,600	37	36
Commerce Asset Hldg Berhad	90,100	304	338
Digi.com Berhad	16,100	101	103
Gamuda Berhad	73,400	67	56
Genting Berhad	101,700	207	218
Genting Malaysia Berhad	147,900	118	121
Hong Leong Bank Berhad	21,700	43	52
IGB Corporation Berhad	70,000	45	41
IJM Corporation Berhad	36,800	49	48
IOI Corporation Berhad	167,786	248	268
Kuala Lumpur Kepong Berhad	22,000	90	106
Malayan Banking Berhad	162,100	312	325
MISC Berhad	51,100	131	126
Nordstrom Inc	59,000	44	42
Parkson Holdings Berhad	24,038	35	37
Petronas Gas Berhad	22,600	64	65
Plus Expressways Berhad	68,800	66	66
PPB Group Berhad	24,500	110	114
Proton Holdings Berhad	1,654,500	2,423	1,889
Public Bank Berhad	49,000	147	161
Sime Darby Berhad	137,500	344	360
SP Setia Berhad	37,200	43	43
Tanjong Public Ltd Company	683,900	3,063	3,364
Telekom Malaysia Berhad	47,200	42	42
Tenaga Nasional Berhad	89,400	214	219
UMW Holdings Berhad	25,100	46	47
YTL Corporation Berhad	34,200	73	73

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
YTL Power International Berhad	94,100	59	62
<i>Total Malaysia - 0.5%</i>		8,863	8,770
<i>Mexico</i>			
Alfa SA A Shares	746,400	4,419	4,769
America Movil SAB de CV	786,100	1,693	1,853
Carso Global Telecom SAB de CV	29,400	117	131
Cemex SAB de CV	384,100	448	458
Cemex SAGB de CV	1,435,816	11,720	16,971
Coca-Cola Femsa SAB de CV	11,400	56	75
Desarrolladora Homex SA	9,300	55	52
Fomento Economico Mexicano SA	91,300	402	438
Grupo Aeroportuario del Pacifi	20,100	53	63
Grupo Bimbo SAB de CV	14,900	81	99
Grupo Carso SAB de CV	24,568	73	75
Grupo Elektra SA de CV	3,000	113	148
Grupo Financiero Banorte - O	59,682	197	219
Grupo Financiero Inbursa SAB	28,100	77	82
Grupo Mexico SAB de CV	161,207	292	371
Grupo Modelo SA de CV	21,400	94	120
Grupo Televisa MM	2,665,560	10,068	11,072
Industrias Penoles SA de CV	4,200	70	90
Kimberly-Clark de Mexico SAB	22,700	92	102
Mexichem SAB de CV	37,900	57	73
Telefonos de Mexico SA	3,721,110	8,006	7,728
Telmex International SAB	224,700	152	200
Urbi Desarrollos Urbanos SA	20,600	40	46
Wal-Mart de Mexico SAB	124,600	427	560
<i>Total Mexico - 2.9%</i>		38,802	45,795
<i>Netherlands</i>			
Aegon NV	274,100	3,714	1,785
ASM International NV	46,687	633	1,189
CSM NV	170,211	2,079	4,487
Fugro NV	18,508	716	1,069
Gemalto NV	28,928	1,004	1,266
Koninklijke DSM NV	139,700	5,192	6,907
Nutreco Holding NV	20,681	760	1,166
<i>Total Netherlands - 1.1%</i>		14,098	17,869
<i>New Zealand</i>			
Fletcher Building Ltd - 0.1%	189,796	720	1,103
<i>Norway</i>			
DnB Holding ASA	230,200	3,057	2,501
StatoilHydro ASA	125,700	4,074	3,151
Stolt-Nielsen SA	96,500	2,011	1,341
TGS Nopec Geophysical Company	86,373	691	1,567
Veidekke ASA	306,000	2,774	2,638
<i>Total Norway - 0.7%</i>		12,607	11,198
<i>Pakistan</i>			
Nishat Mills Ltd - 0.1%	1,263,200	1,844	1,047
<i>Panama</i>			
Banco Latinoamericano de Exp - 0.5%	604,261	9,560	8,399
<i>Peru</i>			
Compania de Minas Buenaventura - 0.0%	8,043	277	269
<i>Philippines</i>			
Ayala Corporation	9,270	59	61
Ayala Land Inc	277,000	68	67
Bank of Philippine Islands	69,200	67	72
First Philippine Holdings Corp	4,618,700	2,919	4,796

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued) December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Manila Electric Company	23,790	94	105
Philippine Long Distance Tel	2,490	132	141
SM Investments Corporation	9,770	66	69
SM Prime Holdings Inc	213,000	45	45
Universal Robina Corporation	9,029,600	2,191	3,174
<i>Total Philippines - 0.5%</i>		5,641	8,530
<i>Poland</i>			
Asseco Poland SA	2,574	53	57
Bank Handlowy w Warszawie	1,446	32	35
Bank Pekao SA	5,220	283	295
Bank Zachodni WBK SA	969	51	64
BRE Bank SA	461	41	42
Getin Holding SA	14,154	43	44
Globe Trade Centre SA	5,339	45	48
Ing Bank Slaski SA	145	32	39
KGHM Polska Miedz	5,310	166	197
Polski Koncern Naftowy Orlen	354,792	3,077	4,209
Polskie Gornictwo Naftowe Gaz	52,205	65	69
Powszechna Kasa Oszczednosci	22,121	263	294
Telekomunikacja Polska SA	432,445	3,178	2,398
TVN SA	6,196	30	31
<i>Total Poland - 0.5%</i>		7,359	7,822
<i>Portugal</i>			
Banco Espirito Santo - 0.1%	349,800	2,449	2,294
<i>Russia</i>			
Cherepovets MK Severstal	8,417	68	80
Comstar United Telesystems	6,519	34	36
Federal Grid Co Unified Energy	11,244,436	129	119
Gazprom	354,444	7,200	8,879
Gazprom Neft	2,870	70	72
Lukoil	88,640	6,867	4,982
Magnitogorsk Iron & Steel Work	700,800	6,294	7,919
Mechel	7,781	143	146
Mining & Metallurgical Co	37,945	492	520
MMC Norilsk Nickel	296,596	4,759	4,256
Mobile TeleSystems	78,872	2,656	3,856
NovaTek OAO	3,552	178	234
Novolipetsk Steel (NLMK)	3,037	78	93
OAO TMK	2,128	36	38
Pharmstandard	3,257	56	67
Polymetal	4,900	46	45
Polyus Gold	5,946	146	143
Rosneft Oil	54,090	416	465
RusHydro	3,977,396	139	151
Sberbank	369,686	772	1,038
Sistema JSFC	6,063	102	127
Surgutneftegaz	58,189	384	381
Tatneft	9,203	239	268
Territorial Generation Co-1	1,414,751,220	750	784
Uralkali	5,798	116	122
Vimpel-Communications	13,997	262	260
VTB Bank OJSC	30,587	118	144
Wimm-Bill-Dnn Foods	2,748	49	65
<i>Total Russia - 2.2%</i>		32,599	35,290
<i>Singapore</i>			
Changjiang Fertilizer Holdings	53	1	-
ComfortDelGro Corporation	1,347,000	1,208	1,573
Flextronics International Ltd	1,121,980	3,206	8,202
Golden Agri-Resources Ltd	14,360,579	2,758	5,217
Haw Par Corporation Ltd	271,000	1,076	1,121
Hong Leong Asia Ltd	1,164,000	2,220	2,404

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
MobileOne Ltd	9,344,300	10,437	12,579
Noble Group Ltd	3,577,000	2,999	8,280
Peoples Food Holdings Ltd	12,701,000	9,798	5,654
Venture Corp Ltd	215,200	1,138	1,357
<i>Total Singapore - 2.9%</i>		34,841	46,387
<i>South Africa</i>			
ABSA Group Ltd	13,620	214	238
African Bank Investments Ltd	32,251	126	131
African Rainbow Minerals	4,473	88	106
Anglo Platinum Ltd	2,513	220	270
Anglogold Ashanti Ltd	12,710	499	529
ArcelorMittal South Africa Ltd	7,528	114	105
Aspen Pharmacare Holdings	9,150	75	91
Astral Foods Ltd	161,900	2,256	2,243
Aveng Ltd	16,689	94	90
Bidvest Group Ltd	12,055	184	211
Discovery Holdings Ltd	11,246	44	49
Exxaro Resources Ltd	5,253	61	75
FirstRand Ltd	119,005	261	296
Foschini Ltd	8,630	70	71
Gold Fields Ltd	28,243	379	376
Growthpoint Properties Ltd	59,483	105	113
Harmony Gold Mining Co Ltd	15,284	162	157
Impala Platinum Holdings Ltd	22,664	515	625
Imperial Holdings Ltd	675,691	3,993	8,107
Investec Ltd	9,064	68	66
JD Group Ltd	297,371	1,805	2,003
Kumba Iron Ore Ltd	3,372	108	140
Liberty Holdings Ltd	4,831	42	45
Massmart Holdings Ltd	8,498	98	103
Metropolitan Holdings Ltd	1,946,300	3,206	3,547
MTN Group Ltd	62,138	992	995
Murray & Roberts Holdings	13,311	102	84
Nampak Ltd	1,627,100	3,444	3,343
Naspers Ltd	16,215	561	661
Nedbank Group Ltd	8,103	126	136
Netcare Ltd	39,041	55	73
Northam Platinum Ltd	6,078	27	40
Pick n Pay Stores Ltd	9,615	50	54
Pretoria Portland Cement Co	21,034	92	99
Redefine Income Fund Ltd	100,635	95	98
Remgro Ltd	18,553	217	225
Reunert Ltd	7,486	55	59
RMB Holdings Ltd	30,626	111	123
Sanlam Ltd	86,627	233	268
Sappi Ltd	21,541	80	104
Sasol	24,212	908	980
Shoprite Holdings Ltd	17,207	140	152
Standard Bank Group Ltd	49,222	622	682
Steinhoff International Holdings	51,105	110	144
Telkom South Africa Ltd	10,992	62	56
Tiger Brands Ltd	6,947	138	161
Truworths International Ltd	18,226	103	108
Vodacom Group (Pty) Ltd	15,704	113	120
Woolworths Holdings Ltd	28,683	62	69
<i>Total South Africa - 1.8%</i>		23,285	28,621
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	763,400	8,451	12,651
Grifols SA	94,071	1,478	1,647
Grupo Catalana Occidente SA	64,874	1,561	1,462
Repsol SA	323,400	9,400	8,688
Telefonica SA	332,800	7,121	9,321
<i>Total Spain - 2.1%</i>		28,011	33,769

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Sweden</i>			
Intrum Justitia AB	136,205	818	1,712
KappAhl Holding AB	207,287	682	2,090
NCC AB	212,300	3,788	3,516
Svenska Handelsbanken AB	188,700	2,901	5,397
Telefonaktiebolaget LM	424,600	3,220	3,919
<i>Total Sweden - 1.0%</i>		11,409	16,634
<i>Switzerland</i>			
Baloise Holding Ltd	73,300	4,946	6,102
Clariant AG	226,448	1,340	2,677
Credit Suisse Group	59,600	2,793	2,952
Helvetia Patria Holding	6,473	897	2,008
Novartis AG	265,800	9,791	14,527
Partners Group Holding AG	14,373	1,325	1,816
Petroplus Holdings AG	64,892	1,052	1,195
Sika AG	815	680	1,273
Swiss Life Holding	16,575	1,984	2,116
Swiss Re	78,300	4,167	3,780
Swisscom AG	8,300	2,855	3,176
Temenos Group AG	78,742	619	2,045
Zurich Financial Services AG	23,400	5,452	5,127
<i>Total Switzerland - 3.0%</i>		37,901	48,794
<i>Taiwan</i>			
Acer Inc	113,000	277	340
Advanced Semiconductor Engr	435,649	289	393
Asia Cement Corporation	72,000	80	78
Asustek Computer Inc	171,000	300	330
Au Optronics Corp	2,416,102	3,406	2,931
Benq Corporation	68,000	40	43
Catcher Technology Co Ltd	23,000	59	64
Cathay Financial Hldg Co Ltd	261,000	459	487
Chang Hwa Commercial Bank	220,000	100	105
Cheng Shin Rubber Industry Co	36,000	77	83
Cheng Uei Precision Industry	16,000	32	37
Chi Mei Optoelectronics Corp	211,000	110	148
Chicony Electronics Co Ltd	17,000	39	41
China Development Financial	424,000	113	130
China Steel Corporation	437,000	402	451
Chinatrust Financial Holdings	377,000	246	235
Chunghwa Picture Tubes	426,000	46	55
Chunghwa Telecom Co Ltd	233,000	413	433
Compal Electronics Inc	10,680,173	9,876	14,809
Coretronic Corporation	30,000	37	44
Delta Electronics Inc	74,000	209	231
E Sun Financial Holding Co	139,000	58	58
Epistar Corporation	22,000	76	83
Everlight Electronics Co Ltd	13,885	42	52
Far Eastern Department Stores	38,000	40	44
Far Eastern Textile Ltd	125,000	149	156
Far EasTone Telecommunications	8,461,931	10,445	10,093
Feng Hsin Iron & Steel Co	20,000	31	34
First Financial Hldg Co Ltd	211,000	131	131
Formosa Chemicals & Fibre Corp	126,000	241	273
Formosa Petrochemical Corp	55,000	139	142
Formosa Plastics Corporation	177,000	357	372
Foxconn Technology Co Ltd	26,000	78	101
Fubon Financial Holding	200,000	234	246
Giant Manufacturing Co Ltd	12,000	32	34
Gigabyte Technology Company	2,968,000	2,206	2,909
HannStar Display Corporation	9,494,111	3,765	2,467
Hon Hai Precision Industry Co	340,000	1,351	1,610
HTC Corporation	29,000	312	332
Hua Nan Financial Holdings	154,000	95	97

See accompanying notes to financial statements.



# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Innolux Display Corporation	93,000	123	138
Inotera Memories Inc	71,000	45	60
Inventec Co Ltd	83,000	47	50
KGI Securities Company Ltd	127,000	66	75
Largan Precision Co Ltd	4,000	50	53
Lite-On Technology Corp	90,000	118	135
Macronix International Co	145,000	78	83
MediaTek Inc	41,000	653	715
Mega Financial Holding Co	343,000	210	198
Nan Ya Plastics Corp	227,000	369	414
Nan Ya Printed Circuit Bd Corp	9,000	30	34
Novatek Microelectronics Corp	22,000	52	74
Phison Electronics Corp	4,000	32	34
PixArt Imaging Inc	4,000	33	34
Polaris Securities Co Ltd	90,000	51	54
Pou Chen Corporation	101,000	68	80
Powerchip Semiconductor Corp	330,000	33	41
Powertech Technology Inc	25,000	72	85
President Chain Store Corp	23,000	54	55
Quanta Computer Inc	3,509,456	5,000	7,637
Realtek Semiconductor Corp	19,000	43	56
RichTek Technology Corp	6,000	50	61
Shin Kong Financial Holding	235,025	98	98
Siliconware Precision Inds	126,000	173	171
Simplo Technology Co Ltd	9,000	49	53
SinoPac Financial Holdings	248,000	100	100
Synnex Technology Intl Corp	48,000	100	104
Taishin Financial Holdings Co	178,000	75	70
Taiwan Cement Corporation	132,000	148	140
Taiwan Cooperative Bank	158,000	98	99
Taiwan Fertilizer Co Ltd	32,000	111	114
Taiwan Glass Industrial Corp	39,000	31	32
Taiwan Mobile Co Ltd	83,000	151	162
Taiwan Semiconductor Manf Co	1,088,000	2,079	2,194
Tatung Company Ltd	161,000	37	39
Teco Electric & Machinery Co	78,000	33	34
Transcend Information Inc	13,000	45	49
Tripod Technology Corp	17,000	45	57
Tung Ho Steel Enterprise Corp	32,000	33	35
U-Ming Marine Transport Corp	20,000	36	41
Unimicron Technology Corp	39,000	46	57
Uni-President Enterprises Corp	148,000	171	183
United Microelectronics Corp	549,000	270	295
Walsin Lihwa Corp	29,499,000	9,312	11,021
Winbond Electronics Corp	34,590,000	8,350	10,566
Wintek Corp	42,000	30	37
Wistron Corporation	78,000	143	151
WPG Holdings Co Ltd	28,000	40	49
Yageo Corporation	15,272,000	4,982	5,586
Young Fast Optoelectronics	3,000	39	33
Yuanta Financial Holding Co	324,000	237	238
Yulon Motor Co Ltd	38,000	44	45
<i>Total Taiwan - 5.2%</i>		70,775	82,721
<i>Thailand</i>			
Advanced Info Service Public	41,100	113	107
Bangkok Bank Public Company	62,600	222	218
Bank of Ayudhya Public Co	84,300	47	57
Banpu Public Company Ltd	6,500	84	112
CP ALL PLC	101,700	60	76
IRPC PCL	446,100	56	59
Kasikornbank Public Co Ltd	54,300	131	138
Krung Thai Bank Public Co	13,532,200	3,957	3,998
Land & Houses Public Company	230,200	42	43
PTT Aromatics & Refining PLC	50,600	35	39

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
PTT Chemical PCL	16,700	35	37
PTT Exploration & Production	53,400	229	234
PTT PLC	39,300	297	290
Siam Cement Public Co Ltd	13,800	89	97
Siam Commercial Bank Public Co	55,200	137	144
Thai Oil Public Co Ltd	37,800	50	48
<i>Total Thailand - 0.4%</i>		5,584	5,697
<i>Turkey</i>			
AkBank TAS	33,828	192	213
Anadolu Efes Biracilik Ve Malt	9,134	101	102
Arcelik AS	4,699,172	11,916	18,340
Asya Katilim Bankasi AS	20,297	42	47
BIM Birlesik Magazalar AS	1,712	68	79
Enka Insaat ve Sanayi AS	10,555	44	49
Eregli Demir Ve Celik Fabrik	16,465	49	49
Ford Otomotiv Sanayi AS	1,161,699	6,697	7,014
Haci Omer Sabanci Holding	21,424	81	82
Koc Holding AS	21,787	57	64
Selcuk Exza Deposu Ticaret AS	1,159,270	1,007	1,918
Trakya Cam Sanayii AS	3,506,605	2,342	4,351
Tupras-Turkiye Petrol Rafinery	5,647	95	112
Turk Telekomunikasyon AS	23,681	71	72
Turkcell Iletisim Hizmet AS	813,231	5,350	5,751
Turkity Is Bankasi (Isbank)	48,617	187	204
Turkiye Garanti Bankasi AS	94,719	357	401
Turkiye Halk Bankasi	14,095	84	112
Turkiye Vakiflar Bankasi T-D	5,064,328	5,394	14,393
Yapi ve Kredi Bankasi AS	39,214	84	86
<i>Total Turkey - 3.3%</i>		34,218	53,439
<i>United Kingdom</i>			
Aberdeen Asset Management PLC	578,009	1,153	1,251
Aggreko PLC	144,696	751	2,173
AstraZeneca Group PLC	201,300	8,100	9,461
Aviva PLC	347,700	4,071	2,234
Barclays PLC	1,178,654	9,498	5,253
BP Amoco PLC	1,892,800	17,716	18,340
Bradford & Bingley PLC	202,000	1,045	-
British Aerospace PLC	879,500	4,446	5,106
Britvic PLC	739,600	2,325	4,873
BT Group PLC	1,427,300	5,116	3,112
Carillion PLC	404,545	1,411	1,985
Centrica PLC	673,200	2,097	3,056
Charter International PLC	163,100	960	1,902
Computacenter PLC	900,800	3,344	3,641
Daily Mail & General Trust PLC	244,431	1,234	1,651
Dana Petroleum PLC	62,291	1,495	1,183
Drax Group PLC	336,200	4,504	2,252
Dunelm Group PLC	260,106	1,292	1,596
GlaxoSmithKline PLC	396,005	8,599	8,438
Greene King PLC	270,197	1,699	1,780
Halfords Group PLC	211,712	965	1,365
Hothschild Mining PLC	308,598	1,551	1,703
Hunting PLC	91,281	746	859
IG Group Holdings PLC	283,893	1,057	1,741
IMI PLC	525,900	3,980	4,403
Informa PLC	362,489	1,172	1,873
Legal & General Group PLC	1,431,600	3,410	1,863
Logica PLC	2,046,300	2,035	3,757
London Stock Exchange Group	125,840	1,613	1,459
Marston's PLC	893,188	2,333	1,269
Meggitt PLC	482,110	857	2,024
Micro focus International PLC	267,746	1,074	1,970
N Brown Group PLC	372,318	1,416	1,491

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

**December 31, 2009**

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
Northern Foods PLC	290,100	781	313
Old Mutual PLC	2,141,000	4,842	3,775
Pace Micro Technology PLC	395,739	901	1,336
Premier Oil PLC	112,813	1,651	2,013
Royal & Sun Alliance Insurance	1,063,100	1,800	2,070
Royal Dutch Shell B Shares	664,600	18,801	19,442
RPS Group PLC	459,073	958	1,609
Serco Group PLC	196,895	1,068	1,685
Spectris PLC	450,019	4,939	5,363
St. James Place PLC	277,582	706	1,103
Tate & Lyle PLC	402,600	3,556	2,813
Thomas Cook Group	959,500	3,433	3,565
Tomkins PLC	1,165,500	1,867	3,636
Vodafone Group PLC	2,467,200	5,000	5,725
William Hill PLC	509,148	1,488	1,527
Woolworths Group PLC	1,940,874	442	-
<i>Total United Kingdom - 9.8%</i>		155,298	161,039
<i>United States</i>			
Southern Copper Corporation - 0.0%	9,000	276	296
Total Equities - 98.3%		1,394,169	1,574,037
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.2%	19,268,116	19,268	19,268
Total Investment Securities - 99.5%		\$ 1,413,558	\$ 1,593,450
<b><u>Foreign Currency Forward Contracts</u></b>			
Long Positions			
New Turkish Lira, expiring 01/04/2010			\$ 10
Total Long Positions			10
Total Foreign Currency Forward Contracts			\$ 10

See accompanying notes to financial statements.

# International Equity Pool

**Statement of Operations - Unaudited**  
**Period December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 2	\$ (6)
Dividends, net of foreign withholding taxes	2,917	18,325
Securities lending income	35	294
Shareholder litigation proceeds	-	104
Commission recapture	-	2
	<b>2,954</b>	<b>18,719</b>
<b>Expenses</b>		
Investment advisor fees	(750)	(4,581)
Trustee fees	(1)	(6)
Custodian bank fees	(50)	(520)
Management fees	(53)	(343)
Fiduciary bond fees	-	(4)
Professional service fees	(10)	(67)
Securities lending agent fees	(17)	(117)
Securities lending borrower rebates	53	331
	<b>(828)</b>	<b>(5,307)</b>
	<b>2,126</b>	<b>13,412</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain from:		
Investments	5,290	85,845
Foreign currency transactions	563	19,442
Net increase (decrease) in the fair value of:		
Investments	84,573	280,303
Translation of assets and liabilities in foreign currencies	(31,647)	37,735
	<b>58,779</b>	<b>423,325</b>
	<b>\$ 60,905</b>	<b>\$ 436,737</b>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## International Equity Pool

### Statement of Changes in Net Assets - Unaudited Period December 31, 2009\*

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 2,126	\$ 13,412
Net realized gain from investments	5,290	85,845
Net realized gain from foreign currency transactions	563	19,442
Net increase in the fair value of investments	84,573	280,303
Net increase (decrease) in the translation of assets and liabilities in foreign currencies	(31,647)	37,735
<b>Net increase in net assets from operations</b>	60,905	436,737
<b>Unit transactions</b>		
Proceeds from sale of units	1,282	27,963
Amount paid for repurchase of units	(274)	(407,446)
<b>Net increase (decrease) in net assets from unit transactions</b>	1,008	(379,483)
<b>Increase in net assets</b>	61,913	57,254
Net assets, beginning of period	1,539,724	1,544,383
<b>Net assets, end of period</b>	\$ 1,601,637	\$ 1,601,637
<b>Unit data</b>		
Units sold	68,679	1,516,626
Units repurchased	(14,680)	(22,995,141)
<b>Net increase (decrease) in units</b>	53,999	(21,478,515)

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# International Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's International Equity Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

This Pool invests in the equities of international companies. Assets are managed by Brandes Investment Partners, LLC, LSV Asset Management, Pictet Asset Management Limited, and State Street Global Advisors. The objective of the Pool is to exceed, net of external investment management fees, Morgan Stanley Capital International's All Country World Free Ex US index over three- to five-year periods.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Foreign currency forward contracts are valued at either spot or forward month-end exchange rates. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# International Equity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Foreign Currency** – Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars at exchange rates reported by the Bank of New York Mellon on the following basis:

- a. Market value of investment securities, other assets and liabilities - at the closing rate of exchange at the valuation date.
- b. Purchases and sales of investment securities, income and expenses - at the rate of exchange prevailing on the respective dates of such transactions.

The IMB isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from market prices of securities held.

Reported net realized foreign exchange gains and losses arise from sales of portfolio securities, sales and maturities of short-term securities, sales of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities including investments in securities at month end, resulting from changes in the exchange rate.

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for international securities is secured by initial collateral of at least 105 percent of the market value of the securities loaned. Cash collateral received is invested in the Mellon GSL Reinvestment Trust. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations.

**Foreign Exchange Forward Contracts** - A foreign exchange forward contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The managers enter into such contracts to hedge the assets and liabilities related to securities denominated in a foreign currency. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations and are valued at the prevailing market exchange rates at month end. An unrealized gain or loss is recorded as the difference between the amount valued at month end and the amount to be received or paid at the expiration date. The unrealized gain or loss is reclassified to realized gain or loss when the contract expires.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

# International Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Equity Securities	\$1,574,181,845	\$ -	\$ -	\$1,574,181,845
Regulated Investment Companies	-	19,268,116	-	19,268,116
Foreign Exchange Forward Contracts	-	9,607	-	9,607
Securities Lending Collateral Funds	-	118,813,807	-	118,813,807
Total	\$1,574,181,845	\$ 138,091,530	\$ -	\$1,712,273,375



# International Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 4. SECURITIES LENDING

At December 31, 2009, the fair value of securities on loan is \$116,675,032, initial collateral received is \$122,669,507, and the fair value of reinvested collateral held is \$118,813,807. All of the collateral was received as cash and is invested in the Mellon GSL DBT II Collateral Fund (Collateral Fund), the Mellon SL DBT II Liquidating Fund (Liquidating Fund), and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust).

In early November 2008, the IMB was notified that certain securities issued by Sigma Finance, Inc. (Sigma) were transferred from the Mellon GSL DBT II Collateral Fund on October 1, 2008, to the Liquidating Trust. Units of the Liquidating Trust were transferred to the IMB's securities lending cash collateral account. For all of the IMB investment pools that participate in the securities lending program, the value of the units in the Liquidating Trust on an amortized cost basis was \$10,973,960 as calculated by the IMB's proportionate interest in the Mellon GSL DBT II Collateral Fund as of the close of business on September 30, 2008. Sigma was subsequently placed into receivership and the IMB is exposed to a potential loss of the full value of the Sigma investment. In October, the IMB recorded a reserve for these potential losses in each investment pool in proportion to its participation in the securities lending program at September 30, 2008. The reserve recorded for the Pool is \$3,486,232.

Effective April 20, 2009, the assets of the Collateral Fund with maturities greater than one day were transferred to the Liquidating Fund. As securities mature in the Liquidating Fund, the proceeds are transferred to the Collateral Fund. The combined value of the holdings in the Collateral Fund and the Liquidating Fund is used to determine the fair value of reinvested collateral.

Additionally, the distribution of securities lending income has been restricted beginning October 1, 2008. The restriction will remain in place until the actual loss on Sigma is realized. At December 31, 2009 the accumulated undistributed securities lending income is \$2,345,354.

### NOTE 5. FOREIGN CURRENCY FORWARD CONTRACTS

At December 31, 2009, open foreign currency forward contracts are as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized appreciation (depreciation)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long/Cover	Australian Dollar	12/31/2009	1/5/2010	116,494	\$ 104,768		\$ 104,879	\$ (111)
Long/Cover	Euro Currency	12/31/2009	1/4/2010	6,535	9,377		9,419	(42)
Long/Cover	Euro Currency	12/31/2009	1/5/2010	26,477	37,988		38,159	(171)
Long/Cover	Hong Kong Dollar	12/31/2009	1/5/2010	378,629	48,830		48,826	4
Long/Cover	New Turkish Lira	12/30/2009	1/4/2010	2,511,197	1,675,304		1,665,802	9,502
Short/Cover	Hong Kong Dollar	12/31/2009	1/4/2010		344,895	2,674,558	344,924	(29)
Short/Cover	Japanese Yen	12/31/2009	1/4/2010		73,997	6,842,502	73,500	497
Short/Cover	Japanese Yen	12/31/2009	1/5/2010		113,823	10,600,356	113,866	(43)
					<u>\$ 2,408,982</u>		<u>\$ 2,399,375</u>	<u>\$ 9,607</u>

# International Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 6. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2009	\$	14.85
Income from investment operations:		
Net investment income		0.15
Net realized and unrealized gain on investment transactions		3.77
Net realized gain from foreign currency transactions		0.21
Net increase in the translation of assets and liabilities in foreign currencies		0.42
Total from investment operations		4.55
Net asset value at December 31, 2009	\$	19.40

**Time-weighted Total Return \*** 30.7%

**Supplemental Data:**

Net assets, end of period (\$000's)	\$	1,601,637
Ratio to average net assets:		
Expenses **		0.68%
Net investment income **		1.65%
Portfolio turnover rate		34.95%

\* Return data are net of fees for the fiscal year-to-date and are not annualized

\*\* All ratios are for the fiscal year-to-date annualized

### NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 708,944,961
Public Employees' Retirement System	659,988,031
State Police Death, Disability and Retirement Fund	71,105,412
Revenue Shortfall Reserve Fund B	29,466,792
Workers' Compensation Old Fund	27,489,053
Judges' Retirement System	17,727,674
Coal Workers' Pneumoconiosis Fund	17,168,448
Prepaid Tuition Trust Fund	16,996,278
Deputy Sheriff's Retirement System	15,566,588
State Police Retirement System	8,383,947
Board of Risk and Insurance Management	8,214,494
Public Employees' Insurance Agency	6,688,611
Wildlife Endowment Fund	6,233,172
Retiree Health Benefit Trust	3,866,370
Emergency Medical Services Retirement System	3,797,252
Total	\$ 1,601,637,083

**Financial Statements - Unaudited**

**December 31, 2009**



# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2009

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## Short-Term Fixed Income Pool

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### Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

#### Assets

Investment securities at amortized cost	\$	222,448
Accrued interest		<u>41</u>

**Total assets** 222,489

#### Liabilities

Accrued expenses		<u>40</u>
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**Net assets** \$ 222,449

#### Analysis of net assets

Paid-in capital	\$	222,443
Accumulated undistributed net realized gain from investments		<u>6</u>

**Net assets** \$ 222,449

#### Unit data

Units outstanding		222,443,194
Net asset value, unit price	\$	<u>1.00</u>

See accompanying notes to financial statements.

# Short-Term Fixed Income Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>U. S. Government Agency Issues</u></b>						
Federal Farm Credit Bank	0.110	0.140	08/26/2011	1,000	\$ 1,000	\$ 999
Federal Home Loan Bank	0.310	0.332	01/14/2010	2,000	2,000	2,000
Federal Home Loan Bank	0.870	0.961	01/26/2010	1,000	1,000	1,000
Federal Home Loan Bank	0.960	1.069	02/04/2010	1,500	1,500	1,501
Federal Home Loan Bank	1.050	1.166	02/23/2010	1,000	1,000	1,001
Federal Home Loan Bank	0.180	0.231	05/04/2010	2,000	2,000	2,000
Federal Home Loan Bank	0.500	0.520	10/18/2010	2,000	2,000	1,999
Federal Home Loan Bank	0.140	0.162	11/17/2010	3,000	2,999	2,999
Federal Home Loan Bank	0.160	0.161	12/01/2010	2,000	2,000	1,999
Federal Home Loan Bank	0.300	0.225	12/06/2010	3,000	3,000	3,003
Federal Home Loan Mort Corp	0.570	0.570	01/08/2010	4,000	4,000	4,000
Federal Home Loan Mort Corp	0.150	0.184	07/12/2010	4,000	4,000	4,001
Federal National Mortgage	0.230	0.264	08/05/2010	3,000	2,999	3,001
Total U. S. Government Agency Issues - 13.3%					29,498	29,503
<b><u>Short-term Issues</u></b>						
Abbey National North America	0.000	0.183	01/05/2010	4,000	4,000	4,000
Amsterdam Funding Corp	0.000	0.223	03/16/2010	2,000	2,000	2,000
Atlantis One Funding	0.000	0.162	01/05/2010	5,000	5,000	5,000
CAFCO LLC	0.000	0.243	02/03/2010	4,000	3,999	3,999
Calyon North America Inc	0.000	0.137	01/19/2010	5,000	5,000	5,000
Deutsche Bank Finl LLC	0.000	0.294	04/08/2010	6,000	5,995	5,992
Federal Home Loan Bank	0.000	0.101	01/06/2010	6,000	6,000	6,000
Federal Home Loan Bank	0.000	0.101	02/05/2010	6,000	5,999	5,999
Federal Home Loan Bank	0.000	0.274	02/24/2010	2,000	1,999	1,999
Federal Home Loan Mort Corp	0.000	0.254	02/05/2010	2,000	2,000	2,000
Federal Home Loan Mort Corp	0.000	0.101	02/17/2010	6,000	5,999	5,999
Federal Home Loan Mort Corp	0.000	0.120	02/23/2010	5,000	4,999	4,999
Federal Home Loan Mort Corp	0.000	0.142	02/26/2010	4,000	3,999	3,999
Federal Home Loan Mort Corp	0.000	0.132	03/01/2010	3,000	2,999	2,999
Federal Home Loan Mort Corp	0.000	0.255	03/22/2010	2,500	2,499	2,499
Federal Home Loan Mort Corp	0.000	0.152	03/23/2010	3,000	2,999	2,999
Federal Home Loan Mort Corp	0.000	0.203	03/29/2010	2,000	1,999	1,999
Federal National Mortgage Assn	0.000	0.041	01/11/2010	3,435	3,435	3,435
Federal National Mortgage Assn	0.000	0.315	01/15/2010	3,000	3,000	3,000
General Electric Capital Corp	0.000	0.091	01/15/2010	5,000	5,000	5,000
ING Funding LLC	0.000	0.223	01/08/2010	5,000	5,000	5,000
Intessa Funding LLC	0.000	0.172	01/22/2010	6,000	6,000	6,000
National Australia Funding Inc	0.000	0.178	02/17/2010	4,000	3,999	3,999
Natixis Commercial Paper Corp	0.000	0.132	01/04/2010	4,000	4,000	4,000
Nordea NA Inc	0.000	0.203	01/26/2010	6,000	5,999	5,999
Repurchase Agreement	0.010	0.010	12/01/2009	36,038	36,038	36,038
Sheffield Receivables Corp	0.000	0.220	01/11/2010	5,000	5,000	5,000
UBS Finance Delaware LLC	0.000	0.096	01/19/2010	5,000	5,000	5,000
United States Treasury	0.000	0.040	02/25/2010	17,000	16,999	16,999
United States Treasury	0.000	0.041	04/01/2010	14,000	13,998	13,998
United States Treasury	0.000	0.123	04/15/2010	12,000	11,996	11,997
Dreyfus Cash Management	0.010	0.760		795	1	1
Total Short-Term Issues - 86.7%					192,950	192,948
Total Investment Securities - 100.0%					\$ 222,448	\$ 222,451

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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### Statement of Operations - Unaudited

Period Ended December 31, 2009\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 13	\$ 86
Net accretion	22	194
	<hr/>	<hr/>
<b>Total investment income</b>	35	280
<b>Expenses</b>		
Investment advisor fees	(10)	(66)
Custodian bank fees	(1)	(6)
Management fees	(6)	(32)
Professional service fees	(1)	(6)
	<hr/>	<hr/>
<b>Total expenses</b>	(18)	(110)
<b>Investment income, net</b>	17	170
<b>Net realized gain from investments</b>	9	15
	<hr/>	<hr/>
<b>Net increase in net assets from operations</b>	<u>\$ 26</u>	<u>\$ 185</u>

\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed.  
See accompanying notes to financial statements.



## Short-Term Fixed Income Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 17	\$ 170
Net realized gain from investments	9	15
	<b>26</b>	<b>185</b>
<b>Distributions to unitholders</b>		
Investment income, net	(17)	(170)
<b>Unit transactions</b>		
Proceeds from sale of units	118,960	799,036
Reinvestment of distributions	17	170
	118,977	799,206
Amount paid for repurchase of units	(259,125)	(841,326)
	<b>(140,148)</b>	<b>(42,120)</b>
	<b>(140,139)</b>	<b>(42,105)</b>
Net assets, beginning of period	362,588	264,554
	<b>\$ 222,449</b>	<b>\$ 222,449</b>
<b>Unit data</b>		
Units sold	118,960,389	799,035,977
Units issued from reinvestment of distributions	16,805	170,248
	118,977,194	799,206,225
Units repurchased	(259,124,566)	(841,326,056)
	<b>(140,147,372)</b>	<b>(42,119,831)</b>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Short-Term Fixed Income Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Short-Term Fixed Income Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The main objective of the Pool is to maintain sufficient liquidity to fund withdrawals by the participant plans and to invest cash contributions until such time as the money can be transferred to other asset classes without sustaining capital losses. JP Morgan Investment Advisors, Inc. manages the Pool. The Pool's investment performance, net of external investment management fees, is expected to meet or exceed the Salomon ninety-day T-bill index plus fifteen basis points.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at amortized cost. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

**Repurchase Agreements** - In connection with transactions in repurchase agreements, it is the IMB's policy that its designated custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the IMB may be delayed or limited.

# Short-Term Fixed Income Pool

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## Notes to Financial Statements

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the Mellon GSL Reinvestment Trust. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations.

**Asset-Backed Securities** – The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Amortization** - Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reported in the Statement of Operations in the year of the change.

**Distributions to Participants** - The net investment income of the Pool is declared as a dividend and distributed daily to the participants based upon their pro rata participation in the Pool. The distributions of net investment income are credited to the participants' accounts in the form of dividend reinvestments in the Pool and are presented first as distributions to participants, and then as reinvestment of distributions on the Statement of Changes in Net Assets.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

# Short-Term Fixed Income Pool

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## Notes to Financial Statements

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Short-term Issues	\$ -	\$ 192,950,042	\$ -	\$ 192,950,042
U.S. Government Agency Issues	-	29,497,799	-	29,497,799
Total	<u>\$ -</u>	<u>\$ 222,447,841</u>	<u>\$ -</u>	<u>\$ 222,447,841</u>

# Short-Term Fixed Income Pool

## Notes to Financial Statements

### NOTE 4. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2009	\$ 1.00
Net asset value at December 31, 2009	\$ 1.00

Time-weighted Total Return *	0.1%
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**Supplemental Data:**

Net assets, end of period (\$000's)	\$ 222,449
Ratio to average net assets:	
Expenses **	0.09%
Net investment income **	0.13%
Weighted average days to maturity	40
Maximum weighted average investment maturity per Board guidelines	60 days
Money market yield ***	0.08%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

\*\*\* The money market yield represents the rate of income, net of expenses, earned over the past month and is not intended to indicate future performance. The return is annualized over a 365-day year, assuming no reinvestment of earnings.

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

Participant	Account Value
Workers' Compensation Old Fund	\$ 106,251,986
Teachers' Retirement System	47,451,462
Teachers' Employers Contribution Collection Account	26,766,510
Public Employees' Retirement System	11,963,274
Coal Workers' Pneumoconiosis Fund	11,029,832
Workers' Compensation Uninsured Employers Fund	8,729,624
Workers' Compensation Self-insured Employers Fund	7,591,547
State Police Retirement System	552,473
Revenue Shortfall Reserve Fund	547,379
Deputy Sheriff's Retirement System	483,913
Emergency Medical Services Retirement System	324,303
State Police Death, Disability and Retirement Fund	250,174
Revenue Shortfall Reserve Fund B	230,914
Judges' Retirement System	138,178
Wildlife Endowment Fund	126,623
Board of Risk and Insurance Management	3,640
Retiree Health Benefit Trust	752
Prepaid Tuition Trust Fund	534
Public Employees' Insurance Agency	76
Total	\$ 222,443,194



**Financial Statements - Unaudited**

**December 31, 2009**





# Total Return Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2009

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# Total Return Fixed Income Pool

## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,599,748
Cash		8,124
Cash denominated in foreign currencies (cost \$1,569)		1,517
Collateral for securities loaned at fair value (Note 4)		121,575
Unrealized gain on foreign currency exchange contracts (Note 8)		266
Receivables:		
Accrued interest		6,847
Investments sold		200,812
Dividends		24
Securities lending income		20
		<u>          </u>
<b>Total assets</b>		<b>1,938,933</b>

### Liabilities

Accrued expenses		822
Dividends payable		7,990
Payable for investments purchased		195,367
Payable upon return of securities loaned (Note 4)		123,659
Option contracts written		8,760
		<u>          </u>
<b>Total liabilities</b>		<b>336,598</b>
		<u>          </u>
<b>Net assets</b>	\$	<b>1,602,335</b>

### Analysis of net assets

Paid-in capital	\$	1,255,957
Accumulated undistributed net investment income		458
Accumulated undistributed net realized gain from investments		352,598
Accumulated undistributed net realized gain from foreign currency transactions		16,340
Unrealized net depreciation of investments		(23,487)
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		469
		<u>          </u>
<b>Net assets</b>	\$	<b>1,602,335</b>

### Unit data

Units outstanding		121,811,088
Net asset value, unit price	\$	<u>          </u> <u>13.15</u>

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Investments in Other Funds</b>						
Western Asset High Yield Portfolio				16,474	\$ 159,490	\$ 136,236
Investment Objective - To maximize total return by investing in fixed income securities that are rated below investment grade at time of purchase.						
Redemption Provisions - Daily						
Western Asset International Investment Grade Securities Portfolio				1,353	25,152	31,539
Investment Objective - To maximize total return by investing in fixed income securities that are rated investment grade at time of purchase.						
Redemption Provisions - Daily						
Western Asset Opportunistic US Dollar High Yield Securities Portfolio, LLC				3,578	53,892	67,084
Investment Objective - To maximize total return by investing in fixed income securities that are rated below investment grade at time of purchase.						
Redemption Provisions - Daily						
Western Asset Floating Rate High Income Fund, LLC				8,455	100,990	115,083
Investment Objective - To maximize total return by investing in U.S. dollar-denominated loans, loan participations and below investment grade fixed income securities.						
Redemption Provisions - Daily						
Western Asset US Enhanced Cash, LLC				8,423	80,975	79,148
Investment Objective - To maximize total return by investing in investment grade fixed income securities.						
Redemption Provisions - Daily						
Western Asset Opportunistic Asian Securities Portfolio, LLC				5,017	52,279	56,584
Investment Objective - To maximize total return by investing in debt and fixed income securities of Asian issuers.						
Redemption Provisions - Daily						
Western Asset Non-U.S. Inflation Linked Securities Portfolio, LLC				1,430	22,581	21,464
Investment Objective - To maximize total return by investing in inflation linked securities of non-U.S. issuers (70%) and U.S. issuers (30%).						
Redemption Provisions - Daily						
Western Asset Opportunistic Local Market Debt Securities Portfolio, LLC				2,707	33,811	41,623
Investment Objective - To maximize total return by investing in lower rated debt and other fixed income securities of non-U.S. issuers.						
Redemption Provisions - Daily						
Western Asset Opportunistic Structured Securities Portfolio, LLC				9,012	80,373	86,168
Investment Objective - To maximize total return by investing in primarily investment grade asset backed fixed income securities.						
Redemption Provisions - Daily						
Western Asset Opportunistic Developing Markets Corporate Credit Securities Portfolio, LLC				2,384	22,282	27,808
Investment Objective - To maximize total return by investing in U.S. dollar-denominated fixed income securities of non-U.S. issuers in developing markets.						
Redemption Provisions - Daily						
Total Investments in Other Funds - 41.4%					631,825	662,737
<b>U. S. Treasury Issues</b>						
United States Treasury	2.125 %	2.308 %	11/30/2014	74,900	74,261	73,127
United States Treasury	3.125	3.141	10/31/2016	14,130	14,116	13,952
United States Treasury	2.750	2.849	11/30/2016	18,090	17,977	17,416
United States Treasury	3.625	3.443	08/15/2019	1,880	1,908	1,848
United States Treasury	3.375	3.476	11/15/2019	34,970	34,675	33,637
United States Treasury	2.000	1.808	01/15/2026	26,670	29,022	29,175
United States Treasury	4.500	4.292	08/15/2039	90	93	88
United States Treasury	4.375	4.482	11/15/2039	4,620	4,538	4,422
Total U. S. Treasury Issues - 10.8%					176,590	173,665
<b>U. S. Government Agency Issues</b>						
<i>U. S. Government Agency Bonds</i>						
Federal National Mortgage Assn	5.250	7.425	08/01/2012	3,710	3,438	3,959
<i>U. S. Government Agency CMO</i>						
Federal Home Loan Mortgage	1.046 A	0.000	03/15/2034	436	-	435
Total U.S. Government Agency Issues - 0.3%					3,438	4,394

A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity  
See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
AES Corporation	7.750	7.362	03/01/2014	120	122	122
AES Corporation	8.000	7.910	10/15/2015	4,150	4,175	4,259
AES Corporation	7.750	7.714	10/15/2017	2,970	2,976	3,015
AES Corporation	8.000	8.000	06/01/2020	10,400	10,400	10,582
Aiful Corporation	5.000	5.167	08/10/2010	1,810	1,797	1,557
Allstate Life Global Fn Trust	5.380	5.398	04/30/2013	1,700	1,698	1,815
American Express	6.800	6.550	08/28/2017	1,660	1,722	1,486
American Express	6.150	6.072	09/01/2066	3,370	3,388	3,522
American General Finance Corp	6.900	7.000	12/15/2017	1,580	1,569	1,097
American Intl Group	5.850	5.922	01/16/2018	910	905	747
Anadarko Finance Co	6.750	5.384	05/01/2011	100	108	106
Anadarko Finance Co	7.500	6.498	05/01/2031	1,280	1,436	1,436
Anadarko Petroleum Corp	6.450	6.433	09/15/2036	4,350	4,360	4,543
ASIF Global Financing	6.880	4.777	05/01/2012	510	514	469
AT&T Corp Wireless Services	4.900	5.709	01/17/2013	480	557	542
AT&T Inc	8.130	5.575	05/01/2012	5,076	5,047	5,296
AT&T Inc	5.500	5.291	09/15/2014	1,220	1,204	1,312
BAC Capital Trust XIV	5.100	6.231	02/01/2018	570	519	393
Bank of America Corp	5.630	5.591	12/31/2049	270	268	283
Bank of America Corp	5.380	3.544	08/15/2011	600	696	592
Bank One Corporation	5.420	6.087	03/15/2017	2,415	2,382	2,578
Bear Stearns Companies Inc	5.900	7.289	11/15/2011	4,250	4,238	4,878
Caterpillar Financial Services	7.250	5.235	02/01/2018	2,010	2,043	2,094
Citigroup Inc	5.450	4.901	04/15/2018	6,750	6,801	6,507
Citigroup Inc	5.000	6.929	09/15/2014	5,140	5,105	5,130
Comcast Corp	6.880	5.705	03/05/2038	3,605	3,824	4,039
Comcast Corp	6.500	6.334	01/15/2015	6,915	6,996	7,655
Commonwealth Edison	6.500	4.735	01/15/2017	1,500	1,638	1,618
Continental Airlines Inc	6.150	7.250	03/15/2012	5,830	5,830	5,932
Continental Airlines Inc	9.125	9.250	05/10/2017	1,370	1,370	1,524
Corp Bond Backed CTF-CCE	7.125	7.000	11/10/2019	5,000	2,175	3,000
Countrywide Financial Corp	0.000	7.950	05/15/2018	2,550	2,283	2,594
Countrywide Financial Corp	6.250	7.825	06/07/2012	40	37	42
Credit Agricole SA	5.800	8.125	05/15/2016	4,130	4,130	4,378
CVS Caremark Corp	8.125	7.044	12/13/1949	5,476	5,476	5,505
Delta Air Lines	6.820	6.823	08/10/2022	2,451	2,451	2,341
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	1,635	1,616	1,736
Dominion Resources Inc	4.750	4.773	09/17/2012	280	280	288
Dr Pepper Snapple Group	6.820	6.822	05/01/2018	1,830	1,830	2,053
Dynegy Holdings Inc	7.750	8.739	06/01/2019	2,290	2,124	1,987
Eastman Kodak Co	7.250	6.913	11/15/2013	2,785	2,847	2,298
El Paso Corporation	7.800	11.226	08/01/2031	469	331	442
El Paso Corporation	7.750	7.814	01/15/2032	222	220	210
El Paso Performance-Link	7.750	7.724	07/15/2011	6,890	6,897	7,063
Exelon Corp	4.750	4.637	10/01/2012	890	898	949
FirstEnergy Corp	6.450	6.603	11/15/2011	11	11	12
FirstEnergy Corp	7.380	6.853	11/15/2031	5,560	5,910	6,026
Ford Motor Credit Company	8.000 A	8.798	06/15/2011	4,230	4,016	4,236
Ford Motor Credit Company	5.880	5.583	05/15/2015	5,800	5,780	5,742
Ford Motor Credit Company	12.000	12.250	12/15/2016	8,360	8,263	9,695
Freeport-McMoRan Copper & Gold	8.380	6.848	04/01/2017	7,680	8,452	8,410
General Electric Capital Corp	6.380	3.888	01/15/2013	9,160	9,187	7,946
General Electric Capital Corp	5.450 A	5.188	11/15/2067	570	577	606
General Electric Company	5.000	4.833	02/01/2013	3,590	3,629	3,798
General Motors Corp	0.000 N	1.904	07/15/2033	3,900	3,559	1,053
Glitnr BankI HF	0.000 N	0.006	07/28/2011	5,000	4,997	1
Glitnr BankI HF	0.000 N	0.024	09/25/2012	600	594	-
Glitnr BankI HF	0.000 N	-	06/15/2016	2,530	2,530	531
Glitnr BankI HF	0.000 N	0.045	09/14/2049	3,390	3,382	712
GMAC LLC	0.000	8.026	12/31/2013	50	25	27
GMAC LLC	7.500	14.913	12/31/2018	1,303	971	1,257

A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity  
See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Goldman Sachs Capital II	5.790 A	2.448	12/29/2049	3,960	3,254	3,069
Goldman Sachs Group Inc	6.600	6.556	01/15/2012	2,030	2,036	2,207
Goldman Sachs Group Inc	6.150	6.141	04/01/2018	3,680	3,682	3,939
Groupe BPCE	12.500	9.578		5,317	6,939	5,858
Household Finance Corporation	6.380	5.707	10/15/2011	120	125	128
Household Finance Corporation	7.000	5.660	05/15/2012	20	22	22
Household Finance Corporation	6.380	6.462	11/27/2012	440	437	479
Humana Inc	7.200	6.671	11/27/2013	2,030	2,099	2,076
Hypotheckenbk In Essen	5.000	5.023	01/20/2012	2,060	2,058	2,183
ICICI Bank Limited	6.380 A	6.578	04/30/2022	2,238	2,003	1,995
ILFC E-Capital Trust II	6.250 A	3.243	12/21/2065	4,520	4,552	2,350
John Deere Capital Corp	5.350	5.235	04/03/2018	3,050	3,077	3,223
JPMorgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,642	1,696
JPMorgan Chase & Co	5.130	5.030	09/15/2014	560	564	591
JPMorgan Chase & Co	5.150	5.330	10/01/2015	790	780	818
Kaupthing Bank HF	0.000 N	2.606	02/28/2015	7,930	6,641	1,963
Kerr-McGee Corporation	7.880	6.583	07/01/2024	3,605	4,180	4,205
Kerr-McGee Corporation	6.950	6.236	09/15/2031	330	355	357
Kinder Morgan Energy Partners	6.750	6.157	03/15/2011	560	573	592
Kinder Morgan Energy Partners	7.130	5.551	03/15/2012	910	965	992
Kinder Morgan Energy Partners	5.000	6.163	09/15/2012	940	876	987
Kinder Morgan Energy Partners	6.000	6.219	12/15/2013	1,610	1,585	1,690
Kinder Morgan Energy Partners	5.850	7.004	02/15/2018	150	144	161
Kinder Morgan Energy Partners	5.950	6.030	01/15/2038	2,800	2,783	2,966
Koninklijke KPN NV	8.000	5.703	10/01/2010	2,500	2,734	2,625
Koninklijke KPN NV	8.380	6.760	10/01/2030	2,105	2,511	2,638
Kroger Co	6.400	5.641	08/15/2017	220	232	240
Kroger Co	6.150	5.941	01/15/2020	240	244	257
L-3 Communications Corp	5.875	5.762	01/15/2015	1,680	1,688	1,678
L-3 Communications Corp	6.375	6.092	10/15/2015	5,060	5,131	5,079
L-3 Communications Corp	5.200	5.246	10/15/2019	6,370	6,347	6,301
Lehman Brothers Holdings	0.000 N	0.012	01/24/2013	1,690	1,689	330
Lehman Brothers Holdings	0.000 N	(0.053)	09/26/2014	3,040	3,048	623
Lehman Brothers Holdings Inc	0.000 N	0.007	07/19/2017	8,860	8,853	3
Lehman Brothers Holdings Inc	0.000 N	0.017	12/28/2017	110	110	-
Lehman Brothers Holdings Inc	0.000 N	0.114	11/29/2049	4,430	4,221	1
Lorillard Tobacco Company	8.125	6.688	6/23/2019	5,060	5,569	5,563
McDonalds Corp	5.350	5.225	03/01/2018	5,120	5,168	5,490
Merrill Lynch & Company Inc	6.880	6.887	04/25/2018	10,890	10,881	11,733
MetLife Inc	6.400	7.003	12/15/2066	4,870	4,458	4,261
Morgan Stanley Dean Witter Co	6.630	6.224	01/09/2012	360	371	389
Morgan Stanley Dean Witter Co	6.600	5.476	04/01/2012	3,615	3,912	3,933
Morgan Stanley Dean Witter Co	5.630	5.806	04/01/2018	2,450	2,433	2,586
MUFG Capital Fin 1 LTD	6.350 A	4.075	07/29/2049	2,090	2,090	1,902
Nelnet Student Loan Trust	1.980 A	1.762	04/25/2024	4,480	4,480	4,677
News America Inc	6.650	6.763	11/15/2037	270	266	285
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	2,120	2,160	2,213
Pacific Gas & Electric Corp	5.800	6.056	03/01/2037	1,050	1,013	1,064
Pacific Life Global Funding	5.150	5.161	04/15/2013	450	450	470
Rabobank Nederland	11.000	10.092		544	593	663
Resona PFD Global Securities	7.190 A	2.061	12/29/2049	750	753	613
Reynolds American Inc	6.750	6.619	06/15/2017	4,740	4,782	4,909
Royal Bank of Scotland Grp PLC	6.375	6.375	02/01/2011	1,270	1,270	1,274
Royal Bank of Scotland Grp PLC	5.000	7.737	10/01/2014	7,310	6,482	6,460
Royal Bank of Scotland Grp PLC	7.640 A	7.640		1,400	1,400	756
Santander US Debt SA UNI	0.550 A	0.361	07/23/2010	10,000	9,992	9,990
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	2,230	2,952
Shinsei Fin Cayman Ltd	6.420 A	2.169	01/29/2049	5,560	5,378	3,239
Southern Natural Gas Co	8.000 A	9.187	04/01/2017	1,090	959	1,253
Southern Natural Gas Co	5.900	5.897	03/01/2032	570	570	585
Sprint Capital Corp	6.900	6.750	03/15/2012	120	121	110
Sprint Capital Corp	8.380	6.005	05/01/2019	3,690	4,100	3,819
Sprint Capital Corp	8.750	7.014	03/15/2032	680	819	641

A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity  
See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued) December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Systems 2001 Asset Trust	6.660	5.342	09/15/2013	5,438	5,716	5,563
Teachers Insurance & Annuity	6.850	6.860	12/16/2039	1,230	1,228	1,272
Telecom Italia Capital	5.250	5.287	11/15/2013	435	434	458
Telecom Italia Capital	4.950	4.995	09/30/2014	810	807	840
Telecom Italia Capital	5.250	5.332	10/01/2015	820	815	857
Tenet Healthcare Corporation	8.880	9.625	07/01/2019	250	238	270
Time Warner Entertainment Co	8.380	8.068	07/15/2033	3,050	3,157	3,646
TNK-BP Finance SA	7.880	8.692	03/13/2018	2,820	2,668	2,905
Travelers Cos Inc	6.250	4.583	03/15/2037	570	538	519
TXU Corp	5.550	7.064	11/15/2014	430	389	305
TXU Corp	6.500	8.559	11/15/2024	2,230	1,819	1,047
TXU Corp	6.550	8.063	11/15/2034	2,805	2,336	1,300
Tyco International Group SA	6.750	4.956	02/15/2011	1,090	1,156	1,144
Tyco/Tyco International Fin SA	6.880	5.818	01/15/2021	1,710	1,867	1,919
UnitedHealth Group Inc	5.250	4.986	03/15/2011	40	40	41
Vale Overseas Ltd	6.880	6.982	11/21/2036	2,812	2,774	2,810
Vedanta Resources PLC	8.750	8.751	01/15/2014	1,430	1,430	1,462
Verizon Communications	6.100	5.595	04/15/2018	1,710	1,775	1,859
Verizon Global Funding Corp	6.880	4.979	06/15/2012	90	102	100
Verizon Global Funding Corp	7.380	5.220	09/01/2012	1,180	1,356	1,330
Wachovia Capital Trust	5.800 A	1.938	12/29/2049	2,540	2,542	1,943
Wachovia Corp	5.500	5.552	05/01/2013	9,840	9,818	10,453
Wachovia Corp	5.630	6.046	10/15/2016	4,150	4,027	4,243
Wal-Mart Stores	5.800	5.143	02/15/2018	610	641	677
WellPoint Inc	5.880	5.980	06/15/2017	260	258	268
Wells Fargo & Company	5.250	3.972	09/01/2012	140	145	149
Wells Fargo Capital X	5.950	6.337	12/15/2036	3,280	3,111	2,854
Wisconsin Electric Power	5.700	5.705	12/01/2036	5,000	4,996	5,040
Wyeth	5.950	5.999	04/01/2037	2,570	2,553	2,680
XTO Energy Inc	7.500	4.797	04/15/2012	625	739	697
XTO Energy Inc	5.650	5.683	04/01/2016	770	768	842
XTO Energy Inc	5.500	5.687	06/15/2018	6,100	6,013	6,507
Zimmer Holdings	4.625	4.634	11/30/2019	3,650	3,647	3,617
<i>Total Corporate Bonds</i>					419,949	385,836
<i>Corporate Asset Backed Issues</i>						
Hertz Vehicle Financing LLC	0.000 N	5.350	03/25/2015	2,800	2,800	2,794
Pegasus Aviation Lease Sec	8.370	17.655	07/25/2017	500	285	160
Public Service New Hampshire	6.480	5.468	05/01/2015	432	451	469
<i>Total Corporate Asset Backed Issues</i>					3,536	3,423
<i>Corporate CMO</i>						
Banc of America Mortgage Sec	5.180 A	6.183	12/01/2034	6,389	6,109	5,936
Banc of America Mortgage Sec	4.710 A	5.220	04/25/2035	1,021	997	887
Bear Stearns Adj Rate Mortgage	5.000 A	2.334	12/25/2046	1,968	1,932	1,338
Countrywide Alternative Loan T	5.440 A	14.197	11/20/2035	2,901	1,653	1,523
Countrywide Alternative Loan T	5.680 A	5.541	12/25/2035	2,342	2,327	1,504
Countrywide Asset-Backed Cert	1.280 A	14.043	08/25/2047	1,341	1,340	885
Countrywide Home Loans	6.750 A	5.378	06/20/2036	2,583	1,874	1,413
GMAC Mortgage Corp Loan Trust	0.500 A	5.682	09/19/2035	2,237	1,185	1,217
Greenpoint Mtge Funding Trust	4.750 A	30.562	04/25/2036	5,538	5,586	5,344
Indymac Inda Mtg Loan Trust	0.500 A	6.092	09/25/2037	2,417	1,281	1,124
Indymac Indx Mortgage Ln Trust	6.110 A	25.506	04/25/2046	2,344	2,343	1,626
IndyMac Residential Asset Sec	4.750	4.509	02/25/2019	2,101	2,064	1,705
JPMorgan Mortgage Trust	4.950 A	5.287	08/25/2035	5,493	2,856	2,522
Lehman XZ Trust	0.480 A	30.418	04/25/2046	4,873	2,680	2,437
Luminent Mortgage Trust	7.000 A	15.910	02/25/2046	93	95	88
MASTR ARM Trust	4.850 A	5.312	01/25/2036	1,494	1,464	1,204
MASTR Performing Loan Trust	7.000	6.277	08/25/2034	48	47	42
Merrill Lynch Mortgage Invest	4.830 A	3.944	12/25/2034	1,509	1,502	1,177
Morgan Stanley Mortgage Loan	6.420 A	3.541	10/25/2034	4,836	4,848	2,555
Morgan Stanley Mortgage Loan	5.810 A	6.162	06/25/2037	12,445	12,370	5,200
Residential Accredited Loans Inc	5.060 A	5.946	12/01/2035	1,045	1,029	862

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See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Structured Asset Mortgage Inv	0.500 A	10.405	08/25/2036	8,566	4,712	4,143
Thornburg Mtg Securities Trust	6.190 A	6.286	09/25/2037	7,381	7,350	5,896
Thornburg Mtg Securities Trust	6.180 A	6.563	09/25/2037	7,415	7,309	5,925
Washington Mutual Mortgage	4.820 A	5.229	08/25/2035	1,338	1,320	1,268
Washington Mutual Mortgage	5.040 A	5.340	10/25/2035	2,350	2,313	1,844
Washington Mutual Mortgage	4.910 A	5.239	12/25/2035	2,008	1,973	1,697
Washington Mutual Mortgage	5.570 A	5.572	11/25/2036	923	922	656
Washington Mutual Mortgage	5.390 A	19.644	12/25/2036	741	409	524
Washington Mutual Mortgage	5.570 A	17.700	12/25/2036	749	413	500
Washington Mutual Mortgage	5.590 A	5.784	02/25/2037	271	268	187
Washington Mutual Mortgage	5.600 A	5.690	03/01/2037	238	237	175
Wells Fargo Mortgage Backed	4.570 A	10.400	12/25/2034	3,644	2,951	3,421
Wells Fargo Mortgage Backed	5.240 A	5.658	04/25/2036	683	675	598
<i>Total Corporate CMO</i>					86,434	67,423
<i>Corporate Preferred Securities</i>						
General Motors Corp				132,200	2,403	754
GMAC INC				1,438	431	948
<i>Total Corporate Preferred Securities</i>					2,834	1,702
Total Corporate Issues - 28.6%					512,753	458,384
<b>Short-term Issues</b>						
Dreyfus Cash Management				293,871,461	293,871	293,871
Total Short-term Issues - 18.3%					293,871	293,871
<b>Option Contracts Purchased</b>						
US Treasury 10Yr Note Option, expiring January 2010			01/22/2010	289	114	406
US Treasury 10Yr Note Option, expiring February 2010			02/19/2010	1,148	793	1,991
Total Option Contracts Purchased - 0.1%					907	2,397
<b>Interest Rate Swaps</b>						
Greenwich Capital Holdings, expiring 2018 - 2039, notional value of \$63,360,000						(867)
Credit Suisse First Boston, expiring 2010 - 2039, notional value of \$159,740,000						360
CS First Boston Mtg Secs, expiring 2014, notional value of \$134,770,000						(583)
Total Interest Rate Swaps - (0.1%)						(1,090)
<b>Futures Contracts</b>						
<i>Long Positions</i>						
<i>U.S. Dollar</i>						
US Treasury 2Yr Note Future, expiring March 2010				744		(710)
US Treasury 10Yr Note Future, expiring March 2010				382		(509)
Euro 90 Day Future, expiring March 2010				1,042		1,051
Euro 90 Day Future, expiring June 2010				448		594
Euro 90 Day Future, expiring September 2010				171		253
Euro 90 Day Future, expiring December 2011				1,300		(265)
						414
<i>Euro</i>						
Euro Bond Future, expiring December 2009				(139)		261
<i>Total Long Positions</i>						675
<i>Short Positions</i>						
<i>U.S. Dollar</i>						
US Treasury Bond Future, expiring March 2010				(865)		3,999
US Treasury 5Yr Note Future, expiring March 2010				(431)		845
Euro 90 Day Future, expiring December 2010				(1,300)		(129)
<i>Total Short Positions</i>						4,715
Total Futures Contracts - 0.3%						5,390
Total Investment Securities - 99.7%					\$ 1,619,384	\$ 1,599,748

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See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

<u>Security Name</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Par Value, Shares or Contracts</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<b><u>Foreign Currency Forward Contracts</u></b>						
<i>Long Position</i>						
Euro Currency, expiring 02/17/2010						<u>266</u>
Total Foreign Currency Forward Contracts - 0.0%						<u>\$ 266</u>

*A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity  
See accompanying notes to financial statements.*



## Total Return Fixed Income Pool

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### Option Contracts Written - Unaudited

December 31, 2009

(Amounts in thousands)

<u>Security Name</u>	<u>Cost</u>	<u>Fair Value</u>
<b><u>Option Contracts Written</u></b>		
Euro 90 Day Future Option	\$ (333)	\$ (842)
Euro 90 Day Future Option	(119)	(311)
Euro 90 Day Future Option	(464)	(9)
Euro 90 Day Future Option	(42)	(5)
Euro 90 Day Future Option	(75)	(53)
Euro 90 Day Future Option	(75)	(109)
US Treasury 10Yr Note Option	(35)	(167)
US Treasury 10Yr Note Option	(391)	(1,112)
Swaption	(1,329)	(1,759)
Swaption	(1,356)	(1,844)
Swaption	(1,329)	(1,316)
Swaption	(1,356)	(1,233)
Total Option Contracts Written - (0.5%)	<u>\$ (6,904)</u>	<u>\$ (8,760)</u>

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 3,213	\$ 20,607
Dividend	5,014	13,097
Securities lending	23	82
Net accretion	177	2,052
<b>Total investment income</b>	8,427	35,838
 <b>Expenses</b>		
Investment advisor fees	(343)	(1,969)
Trustee fees	(1)	(7)
Custodian bank fees	(4)	(32)
Management fees	(55)	(435)
Fiduciary bond fees	(1)	(6)
Professional service fees	(10)	(85)
Securities lending agent fees	(5)	(12)
Securities lending borrower rebates	1	(21)
<b>Total expenses</b>	(418)	(2,567)
<b>Investment income, net</b>	8,009	33,271
 <b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	7,944	13,489
Foreign currency transactions	(18)	688
Net increase in the fair value of:		
Investments	8,164	192,693
Translation of assets and liabilities in foreign currencies	307	452
<b>Net gain from investments and foreign currency</b>	16,397	207,322
<b>Net increase in net assets from operations</b>	\$ 24,406	\$ 240,593

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Total Return Fixed Income Pool

### Statement of Changes in Net Assets - Unaudited

**Period Ended December 31, 2009\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 8,009	\$ 33,271
Net realized gain from investments	7,944	13,489
Net realized gain (loss) from foreign currency transactions	(18)	688
Net increase in the fair value of investments	8,164	192,693
Net increase in the translation of assets and liabilities in foreign currencies	307	452
	<b>24,406</b>	<b>240,593</b>
<b>Distributions to unitholders</b>		
Investment income, net	(7,990)	(33,223)
<b>Unit transactions</b>		
Proceeds from sale of units	96,084	317,453
Reinvestment of distributions	2,650	35,940
	98,734	353,393
Amount paid for repurchase of units	(95,705)	(1,188,037)
	<b>3,029</b>	<b>(834,644)</b>
	<b>19,445</b>	<b>(627,274)</b>
Net assets, beginning of period	1,582,890	2,229,609
	<b>Net assets, end of period</b>	<b>Net assets, end of period</b>
	\$ 1,602,335	\$ 1,602,335
<b>Unit data</b>		
Units sold	7,379,937	24,816,828
Units issued from reinvestment of distributions	203,563	2,883,701
	7,583,500	27,700,529
Units repurchased	(7,350,875)	(93,227,189)
	<b>232,625</b>	<b>(65,526,660)</b>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Total Return Fixed Income Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Total Return Fixed Income Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The main objective of this bond pool is to earn superior returns with low volatility by actively investing in the extended fixed income markets. Western Asset Management Company (Western) manages the Pool. The Pool's investment performance, net of external investment management fees, is expected to meet or exceed the Barclays Capital US Universal index.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Interest rate and credit default swap values are based on market values received from third parties or are determined by valuation models. Foreign currency forward contracts are valued at either spot or forward month-end exchange rates. Investments in other funds are valued at the reported unit values of the individual funds as provided by fund's management. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Foreign Currency** – Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars at exchange rates reported by the Bank of New York Mellon on the following basis:

- a. Market value of investment securities, other assets and liabilities - at the closing rate of exchange at the valuation date.
- b. Purchases and sales of investment securities, income and expenses - at the rate of exchange prevailing on the respective dates of such transactions.

The IMB isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from market prices of securities held.

Reported net realized foreign exchange gains and losses arise from sales of portfolio securities, sales and maturities of short-term securities, sales of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded and the U.S. dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities including investments in securities at month end, resulting from changes in the exchange rate.

**Option Contracts** - The IMB may purchase or write equity, bond, currency, or index option contracts that have recognized liquidity and are actively traded on major exchanges or are executed with major dealers. These option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security, or settle cash for an index option, underlying the contract at an agreed upon price (strike price) during or at the conclusion of a specified period of time.

Premiums paid upon the purchase of an option contract are recorded as an asset and subsequently adjusted to market value. Upon exercising a purchased option, a gain is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, minus premiums paid. If the option expires unexercised, a loss is recognized in the amount of the premiums paid for the option.

Premiums received when option contracts are written are recorded as a liability and subsequently adjusted to market value. If a written option contract expires unexercised, a gain is recorded equal to the amount of the premiums received. The difference between the premiums received and the amount paid to effect a closing transaction is also recorded as a gain or loss. When a written option is exercised, a loss is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, minus premiums received.

Written option contracts are used to enhance investment returns and reduce portfolio convexity when implied volatility is high. Purchased option contracts are used to increase portfolio convexity when implied volatility is low, to implement certain yield curve strategies, or to hedge sector exposure.

When writing put options, there is risk that a loss may be incurred if the market price of the underlying instrument decreases and the option is exercised. This loss is determined by market conditions and cannot be specifically limited. The risk associated with writing call options is the loss of potential profit if the market price of the security increases and the option is exercised. Purchased put or call options bear the risk of loss of the premium paid if market conditions are not favorable to exercise the option. There may also be risk that the value of the option contract does not correlate perfectly with movements of the underlying instrument due to certain market distortions.

The IMB limits its exposure to credit risk by only buying or selling options traded on major exchanges, or executed with major dealers. There is a risk of the inability to enter into a closing transaction if a liquid secondary market does not exist. The IMB maintains sufficient levels of cash or cash equivalents to meet cash flow obligations.

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

of the securities loaned. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the Mellon GSL Reinvestment Trust. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations.

**Futures Contracts** - A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the IMB is required to pledge to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker for the fluctuations of the underlying securities or index. The IMB records futures at fair market value. Gains or losses on open futures positions are unrealized. These gains or losses become realized when the position is closed.

Interest rate futures may be used to enhance portfolio yields, to hedge an existing position, or as an alternative investment of cash. Stock index futures may be used to provide immediate exposure to fluctuations in the market values of the stocks in the underlying index and to provide liquidity for cash flows.

The market risk associated with holding interest rate and stock index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Hedging risk associated with these futures contracts arises because the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The IMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

**Foreign Exchange Forward Contracts** - A foreign exchange forward contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. Western enters into such contracts to hedge the assets and liabilities related to securities denominated in a foreign currency. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations and are valued at the prevailing market exchange rates at month end. An unrealized gain or loss is recorded as the difference between the amount valued at month end and the amount to be received or paid at the expiration date. The unrealized gain or loss is reclassified to realized gain or loss when the contract expires.

**Interest Rate Swaps** - Interest rate swaps represent agreements between counterparties to exchange cash flows based on the difference between two interest rates, applied to a notional principal amount for a specified period. Interest rate swaps do not involve the exchange of principal between the parties. Interest is paid or received periodically.

**Credit Default Swaps** - Credit default swaps are agreements between counterparties to transfer the credit risk of referenced debt securities. The buyer of the credit default swap gains protection against a negative credit event such as a default or credit rating downgrade and the seller assumes the credit risk and is obligated to pay upon the occurrence of such an event.

**Asset-Backed Securities** - The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value. The Pool invests in these securities to enhance yields on investments.

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Amortization** - Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reported in the Statement of Operations in the year of the change.

**Distributions to Participants** - The monthly net investment income of the Pool is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

#### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Commingled Funds	\$ -	\$ 662,737,865	\$ -	\$ 662,737,865
Corporate Issues	-	456,680,924	-	456,680,924
Regulated Investment Companies	-	293,871,461	-	293,871,461
U.S. Government Agency Issues	-	4,393,788	-	4,393,788
U.S. Treasury Issues	-	173,665,767	-	173,665,767
Securities Lending Collateral Funds	-	121,574,754	-	121,574,754
Futures	5,389,917	-	-	5,389,917
Preferred Securities	947,822	-	-	947,822
Convertible Securities	-	753,540	-	753,540
Foreign Exchange Forward Contracts	-	265,566	-	265,566
Interest Rate Swaps	-	(1,089,339)	-	(1,089,339)
Options	(6,362,999)	-	-	(6,362,999)
Total	<u>\$ (25,260)</u>	<u>\$ 1,712,854,326</u>	<u>\$ -</u>	<u>\$ 1,712,829,066</u>

#### NOTE 4. SECURITIES LENDING

At December 31, 2009, the fair value of securities on loan was \$122,888,547, initial collateral received was \$125,464,975, and the fair value of reinvested collateral held was \$123,343,869. Of the collateral held, \$123,659,213 was received as cash and was invested in the Mellon GSL DBT II Collateral Fund (Collateral Fund), the Mellon SL DBT II Liquidating Fund (Liquidating Fund), and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust).

In early November 2008, the IMB was notified that certain securities issued by Sigma Finance, Inc. (Sigma) were transferred from the Mellon GSL DBT II Collateral Fund on October 1, 2008, to the Liquidating Trust. Units of the Liquidating Trust were transferred to the IMB's securities lending cash collateral account. For all of the IMB investment pools that participate in the securities lending program, the value of the units in the Liquidating Trust on an amortized cost basis was \$10,973,960 as calculated by the IMB's proportionate interest in the Mellon GSL DBT II Collateral Fund as of the close of business on September 30, 2008. Sigma was subsequently placed into receivership and the IMB is exposed to a potential loss of the full value of the Sigma investment. In October, the IMB recorded a reserve for these potential losses in each investment pool in proportion to its participation in the securities lending program at September 30, 2008. The reserve recorded for the Pool was \$1,703,359.



## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

#### NOTE 4. SECURITIES LENDING (Continued)

Effective April 20, 2009, the assets of the Collateral Fund with maturities greater than one day were transferred to the Liquidating Fund. As securities mature in the Liquidating Fund, the proceeds are transferred to the Collateral Fund. The combined value of the holdings in the Collateral Fund and the Liquidating Fund was used to determine the fair value of reinvested collateral.

Additionally, the distribution of securities lending income has been restricted beginning October 1, 2008. The restriction will remain in place until the actual loss on Sigma is realized. The accumulated undistributed securities lending income at December 31, 2009 was \$457,913.

#### NOTE 5. FUTURES CONTRACTS

At December 31, 2009, open positions in futures contracts denominated in U.S. dollars were as follows:

Expiration	Open Contracts		Position	Value at December 31, 2009	Value Upon Entering Contract	Cumulative Net Gain (Loss) Since Inception
Mar 2010	1,042	Euro 90 Day	Long	\$ 259,575,225	\$ 258,528,369	\$ 1,046,856
Mar 2010	744	US Treasury 2Yr Note	Long	160,901,626	161,613,607	(711,981)
Mar 2010	382	US Treasury 10Yr Note	Long	44,103,094	44,613,008	(509,914)
Jun 2010	448	Euro 90 Day	Long	111,238,400	110,646,816	591,584
Sep 2010	171	Euro 90 Day	Long	42,279,750	42,027,723	252,027
Dec 2011	1,300	Euro 90 Day	Long	315,315,000	315,584,225	(269,225)
Mar 2010	(431)	US Treasury 5Yr Note	Short	(49,298,992)	(50,142,755)	843,763
Mar 2010	(865)	US Treasury Bond	Short	(99,799,375)	(103,795,111)	3,995,736
Dec 2010	(1,300)	Euro 90 Day	Short	(320,027,500)	(319,894,525)	(132,975)
				<u>\$ 464,287,228</u>	<u>\$ 459,181,357</u>	<u>\$ 5,105,871</u>

At December 31, 2009, open positions in futures contracts denominated in foreign currencies are as follows:

Expiration	Open Contracts	Currency	Position	Value at December 31, 2009 Local Currency	Initial Value in Local Currency	December 31, 2009 Exchange Rate	Cumulative Net Gain (Loss) Since Inception
Mar 2010	(139)	Euro Bond Future	Short	16,845,410	16,663,806	1.43475	\$ 260,556

At December 31, 2009, the Pool had pledged cash of \$12,865 to cover margin requirements on open futures contracts.

#### NOTE 6. SWAPS

At December 31, 2009, open positions in interest rate swaps are as follows:

Counterparty	Notional Value	Maturity Date	Receiving			Paying			Fair Value
			Rate	Type	Base	Rate	Type	Base	
Greenwich Cap.	\$ 10,560,000	12/18/2018	1.0%	Floating	3 mo. Libor	4.3%	Fixed	N/A	\$ (408,659)
Greenwich Cap.	35,200,000	7/16/2019	1.0%	Floating	3 mo. Libor	3.6%	Fixed	N/A	781,004
Greenwich Cap.	17,600,000	7/16/2039	4.1%	Fixed	N/A	1.0%	Floating	3 mo. Libor	(1,238,948)
CS First Boston	134,770,000	2/28/2014	1.0%	Floating	3 mo. Libor	2.8%	Fixed	N/A	(582,692)
Credit Suisse	78,080,000	12/10/2039	1.0%	Floating	3 mo. Libor	4.2%	Fixed	N/A	4,003,021
Credit Suisse	81,660,000	3/10/2010	4.4%	Fixed	N/A	1.0%	Floating	3 mo. Libor	(3,643,065)
	<u>\$357,870,000</u>								<u>\$ (1,089,339)</u>

At December 31, 2009, the Pool had pledged cash of \$8,670,000 as collateral on open swap contracts.

## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

#### NOTE 7. OPTION CONTRACTS

At December 31, 2009, open option contracts were as follows:

Type	Description	Maturity	Strike Price	Face	Premiums (Received)/Paid	Value at December 31, 2009
<i>Long Positions</i>						
Put	US Treasury 10Yr Note Option	1/22/2010	116.500	289	\$ 113,830	\$ 406,406
Put	US Treasury 10Yr Note Option	2/19/2010	116.500	1,148	792,981	1,991,063
Total Long Positions					906,811	2,397,469
<i>Short Positions</i>						
Call	Euro 90 Day Future Option	3/15/2010	99.000	(516)	(333,078)	(841,725)
Call	Euro 90 Day Future Option	3/15/2010	99.000	(191)	(118,516)	(311,569)
Call	Euro 90 Day Future Option	9/13/2010	98.125	(100)	(74,675)	(52,500)
Call	Swaption	10/2/2013	4.965	(224)	(1,328,977)	(1,316,432)
Call	Swaption	10/3/2013	4.860	(224)	(1,356,410)	(1,233,277)
Put	US Treasury 10Yr Note Option	1/22/2010	115.000	(289)	(35,186)	(167,078)
Put	US Treasury 10Yr Note Option	2/19/2010	115.000	(1,148)	(390,894)	(1,112,125)
Put	Euro 90 Day Future Option	3/15/2010	98.875	(707)	(463,531)	(8,838)
Put	Euro 90 Day Future Option	3/15/2010	99.375	(104)	(42,187)	(5,200)
Put	Euro 90 Day Future Option	9/13/2010	99.125	(100)	(74,675)	(108,750)
Put	Swaption	10/2/2013	4.965	(224)	(1,328,977)	(1,759,039)
Put	Swaption	10/3/2013	4.860	(224)	(1,356,410)	(1,843,935)
Total Short Positions					(6,903,516)	(8,760,468)
Total Option Contracts					\$ (5,996,705)	\$ (6,362,999)

A summary of the activity in short (written) option positions for the period ended December 31, 2009 is as follows:

	Puts		Calls	
	Number of Contracts	Premiums (Received)/Paid	Number of Contracts	Premiums (Received)/Paid
Options outstanding at June 30, 2009	(4,775)	\$ (4,118,647)	(3,126)	\$ (4,427,335)
Options written	(5,335)	(2,257,563)	(2,775)	(2,222,086)
Options closed	1,901	1,015,541	704	556,692
Options expired	5,413	1,668,808	3,941	2,881,074
Options outstanding at December 31, 2009	(2,796)	\$ (3,691,861)	(1,256)	\$ (3,211,655)

#### NOTE 8. FOREIGN CURRENCY FORWARD CONTRACTS

At December 31, 2009, open foreign currency forward contracts were as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized appreciation (depreciation)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Short/Hedge	Euro	11/5/2009	2/17/2010		7,993,823	5,386,673	7,728,257	265,566
					<u>\$ 7,993,823</u>		<u>\$ 7,728,256</u>	<u>\$ 265,566</u>

# Total Return Fixed Income Pool

## Notes to Financial Statements - Unaudited

### NOTE 9. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$	11.90
Income from investment operations:		
Net investment income		0.22
Net realized and unrealized gain on investment transactions		1.25
Total from investment operations		1.47
Less distributions from net investment income		(0.22)
Net asset value at December 31, 2009	\$	13.15

**Time-weighted Total Return \*** 12.4%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$	1,602,335
Ratio to average net assets:		
Expenses **		0.25%
Net investment income **		3.32%
Portfolio turnover rate		46.99%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

### NOTE 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009. The balances do not include the dividend declared by the Pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

<u>Participant</u>	<u>Account Value</u>
Public Employees' Retirement System	\$ 498,070,334
Teachers' Retirement System	369,185,340
Workers' Compensation Old Fund	236,504,671
Retiree Health Benefit Trust	104,964,530
Revenue Shortfall Reserve Fund	71,224,929
Revenue Shortfall Reserve Fund B	68,673,661
Coal Workers' Pneumoconiosis Fund	66,927,718
State Police Death, Disability and Retirement Fund	54,659,704
Public Employees' Insurance Agency	41,311,655
Board of Risk and Insurance Management	35,043,862
Prepaid Tuition Trust Fund	15,311,635
Judges' Retirement System	13,701,827
Deputy Sheriff's Retirement System	12,196,576
State Police Retirement System	6,672,314
Wildlife Endowment Fund	4,929,321
Emergency Medical Services Retirement System	2,956,645
Total	<u>\$ 1,602,334,722</u>



**Financial Statements - Unaudited**

**December 31, 2009**



# Core Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2009

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# Core Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,363,675
Receivables:		
Accrued interest		5,362
Investments sold		1,781
Dividends		<u>3</u>
<b>Total assets</b>		<b>1,370,821</b>

### Liabilities

Accrued expenses		928
Dividends payable		2,923
Payable for investments purchased		<u>2,907</u>
<b>Total liabilities</b>		<b><u>6,758</u></b>

**Net assets** \$ 1,364,063

### Analysis of net assets

Paid-in capital	\$	1,344,903
Accumulated undistributed net realized gain from investments		7,708
Unrealized net appreciation of investments		<u>11,452</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,364,063</u></u></b>

### Unit data

Units outstanding		132,041,696
Net asset value, unit price	\$	<u><u>10.33</u></u>

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>U. S. Treasury Issues</u></b>						
United States Treasury	1.750 %	1.335 %	08/15/2012	2,700	\$ 2,729	\$ 2,717
United States Treasury	0.000	1.623	08/15/2012	4,000	3,834	3,844
United States Treasury	3.880	1.670	02/15/2013	300	320	320
United States Treasury	0.000	2.177	02/15/2013	200	187	189
United States Treasury	0.000	2.796	02/15/2014	4,100	3,657	3,714
United States Treasury	1.880	2.255	02/28/2014	1,000	985	984
United States Treasury	1.750	2.213	03/31/2014	500	491	488
United States Treasury	0.000	2.283	05/15/2014	7,100	6,430	6,366
United States Treasury	2.630	2.231	06/30/2014	2,000	2,034	2,015
United States Treasury	0.000	2.343	08/15/2014	3,000	2,694	2,660
United States Treasury	0.000	2.361	11/15/2014	750	669	657
United States Treasury	2.630	2.659	12/31/2014	3,500	3,494	3,490
United States Treasury	0.000	2.704	02/15/2015	150	131	130
United States Treasury	9.880	2.377	11/15/2015	3,100	4,365	4,259
United States Treasury	2.630	2.861	02/29/2016	200	197	195
United States Treasury	2.630	2.947	04/30/2016	1,000	982	969
United States Treasury	7.250	2.641	05/15/2016	500	634	619
United States Treasury	0.000	3.331	08/15/2016	4,800	3,858	3,829
United States Treasury	3.130	3.278	10/31/2016	3,000	2,972	2,962
United States Treasury	7.500	3.023	11/15/2016	10,900	13,903	13,737
United States Treasury	0.000	3.302	11/15/2016	250	200	197
United States Treasury	3.250	3.345	12/31/2016	4,450	4,424	4,412
United States Treasury	4.630	3.056	02/15/2017	6,500	7,148	7,019
United States Treasury	0.000	3.562	02/15/2017	5,150	4,006	3,997
United States Treasury	8.750	3.078	05/15/2017	14,000	19,194	18,923
United States Treasury	4.500	3.079	05/15/2017	9,300	10,164	9,942
United States Treasury	8.880	3.192	08/15/2017	13,350	18,441	18,198
United States Treasury	4.750	3.018	08/15/2017	15,000	16,756	16,276
United States Treasury	0.000	3.491	11/15/2017	7,050	5,369	5,227
United States Treasury	0.000	3.464	02/15/2018	2,950	2,233	2,157
United States Treasury	8.500	3.484	02/15/2020	750	1,068	1,039
United States Treasury	0.000	4.006	05/15/2020	4,500	2,983	2,905
United States Treasury	8.750	3.409	05/15/2020	1,400	2,048	1,975
United States Treasury	0.000	4.018	05/15/2020	2,450	1,622	1,576
United States Treasury	8.750	3.729	08/15/2020	3,550	5,100	5,022
United States Treasury	0.000	3.855	08/15/2020	4,500	3,000	2,852
United States Treasury	0.000	4.258	11/15/2020	400	253	250
United States Treasury	0.000	4.230	02/15/2021	200	126	123
United States Treasury	8.130	3.524	05/15/2021	1,000	1,428	1,368
United States Treasury	0.000	4.091	02/15/2022	450	276	260
United States Treasury	0.000	4.526	05/15/2024	1,100	577	549
United States Treasury	0.000	4.459	08/15/2024	700	367	347
United States Treasury	0.000	6.392	11/15/2024	250	126	122
United States Treasury	6.750	4.072	08/15/2026	625	826	789
United States Treasury	6.500	4.024	11/15/2026	550	716	678
United States Treasury	6.630	3.883	02/15/2027	800	1,072	999
United States Treasury	6.380	4.079	08/15/2027	400	515	489
United States Treasury	6.130	4.210	11/15/2027	50	62	60
United States Treasury	0.000	4.554	05/15/2029	150	63	58
United States Treasury	5.380	4.312	02/15/2031	1,000	1,146	1,105
United States Treasury	0.000	4.591	05/15/2036	200	60	56
Total U. S. Treasury Issues - 12.0%					165,935	163,114
<b><u>U. S. Government Agency Issues</u></b>						
<i>U. S. Government Agency MBS (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Mortgage Pools	6.304	5.660	04/04/2034	76,180	80,424	81,273
FNMA Mortgage Pools	6.104	5.384	04/07/2032	72,510	76,656	77,532
GNMA Mortgage Pools	6.920	6.175	05/05/2036	2,188	2,361	2,364
Total U. S. Government Agency MBS					159,441	161,169
<i>U. S. Government Agency CMO (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Issues	7.608	7.811	11/13/2030	72,042	47,935	49,369
FNMA Issues	7.017	6.929	08/09/2032	130,033	94,854	97,490

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued) December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
GNMA Issues	9.371	7.348	03/09/2034	101,731	26,620	29,017
<i>Total U. S. Government Agency CMO</i>					169,409	175,876
Total U. S. Government Agency Issues - 24.7%					328,850	337,045
<b><u>Municipal Bonds</u></b>						
Illinois	5.100	5.763	06/01/2033	350	320	292
Total Municipal Bonds - 0.0%					320	292
<b><u>Corporate Issues</u></b>						
<i>Corporate Bonds</i>						
Ace Ina Hldg Inc	5.880	3.570	06/15/2014	240	263	260
Allied Waste North America	6.880	6.978	06/17/2015	250	249	265
Allstate Corp	5.000	3.585	08/15/2014	470	498	495
American Express	7.000	5.284	03/19/2018	320	356	352
American Express Credit Co	7.300	4.692	08/20/2013	600	652	674
American Express Credit Co	5.130	4.116	08/25/2014	625	651	659
American Honda Finance	7.630	5.027	10/01/2018	300	355	343
Ameritech Capital Funding	6.450	5.178	01/15/2018	70	76	74
Amgen Inc	5.700	5.035	02/01/2019	210	220	225
Anadarko Petroleum Corp	8.700	8.251	03/15/2019	300	308	373
Anadarko Petroleum Corp	6.950	5.869	06/15/2019	285	307	323
Anheuser- Busch	7.200	4.539	01/15/2014	300	329	340
Anheuser- Busch	7.750	6.532	01/15/2019	175	189	205
ANR Pipeline	9.630	5.265	11/01/2021	125	173	166
ANZ National (Intl) LTD	2.380	2.418	12/21/2012	175	175	174
Appalachian Power Company	5.950	6.624	05/15/2033	250	230	241
Arrow Electronics Inc	6.880	6.098	07/01/2013	215	220	234
Arrow Electronics Inc	6.880	5.965	06/01/2018	235	249	246
Associates Corp NA	6.950	9.358	11/01/2018	350	299	354
AT&T Corp	8.000	6.174	11/15/2031	1,000	1,217	1,221
AT&T Corp Wireless Services	7.880	2.894	03/01/2011	500	528	537
AT&T Inc	4.950	3.716	01/15/2013	175	181	187
AT&T Inc	5.600	5.809	05/15/2018	365	360	383
AT&T Inc	6.300	7.669	01/15/2038	300	253	305
Atmos Energy Corp	8.500	8.529	03/15/2019	150	150	182
Bank of America Corp	5.500	5.648	06/14/2012	2,000	1,993	2,134
Bank of America Corp	7.380	7.510	05/15/2014	600	597	681
Bank of America Corp	5.130	8.762	11/15/2014	300	258	311
Bank of America Corp	6.500	6.545	08/01/2016	500	499	538
Bank of America Corp	7.630	7.735	06/01/2019	210	208	243
Bank of New York Co Inc	4.500	2.783	04/01/2013	305	321	322
Bank of New York Co Inc	5.130	3.868	08/27/2013	350	365	378
Bank of New York Co Inc	4.600	4.625	01/15/2020	115	115	112
Barclays Bank PLC	5.200	5.227	07/10/2014	400	400	424
Barclays Bank PLC	6.750	4.973	05/22/2019	500	566	558
BB&T Corporation	3.850	3.851	07/27/2012	175	175	181
BB&T Corporation	3.380	3.399	09/25/2013	340	340	343
BB&T Corporation	4.900	5.999	06/30/2017	800	748	779
BB&T Corporation	6.850	7.048	04/30/2019	225	222	252
BellSouth Corporation	5.200	4.342	09/15/2014	300	311	321
Berkshire Hathaway Fin	4.000	4.082	04/15/2012	600	599	629
Berkshire Hathaway Fin	4.600	4.335	05/15/2013	100	101	106
BHP Billiton Financial USA	5.500	5.577	04/01/2014	200	199	219
BlackRock Inc	6.250	4.677	09/15/2017	500	550	538
Boeing Company	9.750	2.232	04/01/2012	260	302	299
Boeing Company	5.130	4.019	02/15/2013	100	103	107
BP Capital Markets PLC	3.130	3.127	03/10/2012	250	250	258
BP Capital Markets PLC	3.630	3.625	05/08/2014	100	100	102
British Telecom PLC	9.130	6.000	12/15/2010	260	267	279
British Telecom PLC	5.950	5.942	01/15/2018	275	275	279
Bunge Limited Finance Co	5.880	6.484	05/15/2013	50	49	52
Bunge Limited Finance Co	8.500	7.207	06/15/2019	373	405	425
Bunge NA Finance LP	5.900	7.617	04/01/2017	54	49	53

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Burlington Northern Santa Fe	5.900	4.746	07/01/2012	150	154	163
Burlington Northern Santa Fe	4.700	4.722	10/01/2019	350	349	347
Burlington Northern Santa Fe	7.290	6.510	06/01/2036	80	88	91
C & P Telephone	7.150	7.864	05/01/2023	400	377	407
Capital One Bank USA NA	6.500	10.704	06/13/2013	100	88	108
Capital One Financial Corp	7.380	5.321	05/23/2014	295	318	334
Capital One Financial Corp	5.500	10.399	06/01/2015	200	160	209
Capital One Financial Corp	6.750	5.613	09/15/2017	625	669	673
Cargill Inc	6.380	3.633	06/01/2012	100	106	109
Cargill Inc	7.350	5.427	03/06/2019	250	284	288
Carolina Power & Light	5.300	4.589	01/15/2019	200	210	209
Caterpillar Financial Services	5.850	4.754	09/01/2017	820	877	875
Caterpillar Financial Services	7.150	6.133	02/15/2019	395	422	457
Cenovus Energy Inc	5.700	5.708	10/15/2019	165	165	172
Centerpoint Ener Houston	5.750	5.100	01/15/2014	185	189	199
Centerpoint Ener Houston	7.000	5.151	03/01/2014	185	198	211
Cisco Systems Inc	5.500	4.491	02/22/2016	210	221	231
Cisco Systems Inc	5.900	6.273	02/15/2039	210	200	212
Cisco Systems Inc	5.500	5.644	01/15/2040	300	294	287
Citigroup Inc	5.250	7.887	02/27/2012	200	190	207
Citigroup Inc	5.500	7.166	04/11/2013	600	571	622
Citigroup Inc	6.380	6.536	08/12/2014	295	293	309
Citigroup Inc	5.500	5.615	10/15/2014	300	299	304
Citigroup Inc	6.000	9.072	08/15/2017	190	158	190
Citigroup Inc	6.130	8.449	11/21/2017	300	260	302
Citigroup Inc	8.500	8.765	05/22/2019	265	261	306
Citigroup Inc	8.130	8.310	07/15/2039	350	343	395
Cleveland Electric Illum	7.880	5.053	11/01/2017	300	354	353
Cleveland Electric Illum	8.880	7.005	11/15/2018	225	252	278
Coca-Cola Company	3.630	3.725	03/15/2014	100	100	103
Coca-Cola Company	4.880	4.993	03/15/2019	100	99	104
Columbus Southern Power	6.050	6.649	05/01/2018	205	197	216
Comcast Cable Comm Holdings	9.460	8.128	11/15/2022	500	552	643
Comcast Corp	5.900	5.728	03/15/2016	350	353	377
Comcast Corp	6.500	5.409	01/15/2017	200	213	221
Comerica Bank	7.130	7.097	12/01/2013	250	250	250
ConocoPhillips	5.750	5.911	02/01/2019	100	99	109
ConocoPhillips	6.000	4.630	01/15/2020	875	970	970
Consumers Energy Company	6.700	5.661	09/15/2049	394	458	444
Cox Communications Inc	5.450	3.845	12/15/2014	225	241	241
Credit Suisse FB USA Inc	5.130	5.058	01/15/2014	155	155	165
Credit Suisse FB USA Inc	4.880	6.376	01/15/2015	250	234	262
Credit Suisse FB USA Inc	5.130	4.005	08/15/2015	525	554	558
Credit Suisse FB USA Inc	7.130	5.535	07/15/2032	275	331	321
Credit Suisse New York	3.450	3.496	07/02/2012	200	200	206
Credit Suisse New York	5.500	5.524	05/01/2014	170	170	184
Credit Suisse USA Inc	5.850	6.720	08/16/2016	200	191	213
CSX Corp	6.300	4.952	03/15/2012	100	103	108
CSX Corp	6.250	5.299	03/15/2018	200	213	215
CSX Corp	7.380	6.722	02/01/2019	200	209	228
Daimler Finance NA Holdings	6.500	7.740	11/15/2013	275	264	301
Dell Inc	5.650	4.846	04/15/2018	317	334	332
Deutsche Bank AG London	3.880	3.962	08/18/2014	305	304	311
Deutsche Telekom Int Fin	6.000	5.648	07/08/2019	635	651	678
Diageo Capital PLC	7.380	3.318	01/15/2014	402	463	465
Diageo Finance BV	5.500	2.865	04/01/2013	120	130	129
Dominion Resources Inc	6.400	4.717	06/15/2018	465	519	508
Dow Chemical Company	4.850	4.855	08/15/2012	235	235	247
Dow Chemical Company	8.550	5.984	05/15/2019	290	343	346
Duke Energy Ohio Inc	5.450	5.008	04/01/2019	395	408	416
Encana Corp	6.500	5.141	05/15/2019	500	550	559
Enel Finance Intl SA	5.130	5.151	10/07/2019	600	599	604
EOG Resources Inc	5.630	5.356	06/01/2019	200	204	212
FirstEnergy Corp	7.380	6.270	11/15/2031	90	102	98
Florida Power & Light	5.960	5.307	04/01/2039	335	367	353

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Florida Power Corp	6.400	5.331	06/15/2038	280	324	306
FMR LLC	6.450	6.504	11/15/2039	250	248	233
FPL Group Capital Inc	6.000	6.006	03/01/2019	125	125	135
France Telecom	4.380	3.419	07/08/2014	400	416	418
General Electric Capital Corp	5.880	2.016	02/15/2012	162	175	174
General Electric Capital Corp	0.400 A	3.210	04/10/2012	500	469	489
General Electric Capital Corp	5.250	4.913	10/19/2012	800	807	851
General Electric Capital Corp	5.900	5.926	05/13/2014	1,500	1,499	1,622
General Electric Capital Corp	5.500	3.739	06/04/2014	675	723	715
General Electric Capital Corp	4.380	4.193	09/21/2015	645	651	653
General Electric Capital Corp	5.630	7.254	09/15/2017	200	181	206
General Electric Capital Corp	5.630	8.002	05/01/2018	250	214	256
General Electric Capital Corp	6.000	6.015	08/07/2019	105	105	109
General Electric Capital Corp	5.880	8.520	01/14/2038	200	144	185
General Electric Company	5.250	5.983	12/06/2017	305	291	312
General Mills Inc	5.200	4.836	03/17/2015	100	102	107
Georgia Power Company	5.250	5.030	12/15/2015	200	202	216
Glaxosmithkline Cap Inc	4.380	3.625	04/15/2014	215	221	226
Goldman Sachs	3.630	3.652	08/01/2012	300	300	309
Goldman Sachs	7.500	5.927	02/15/2019	1,375	1,524	1,603
Goldman Sachs Group Inc	4.750	7.235	07/15/2013	200	185	209
Goldman Sachs Group Inc	5.150	5.113	01/15/2014	415	416	439
Goldman Sachs Group Inc	5.750	5.226	10/01/2016	50	51	53
Goldman Sachs Group Inc	6.250	7.134	09/01/2017	290	275	311
Goldman Sachs Group Inc	5.950	5.036	01/18/2018	200	212	211
Goldman Sachs Group Inc	6.150	5.839	04/01/2018	535	545	573
Goldman Sachs Group Inc	6.750	6.519	10/01/2037	140	144	144
GTE Corporation	8.750	5.975	11/01/2021	250	308	308
Halliburton Company	6.150	4.627	09/15/2019	360	402	402
Halliburton Company	7.450	7.646	09/15/2039	100	98	124
Hewlett-Packard Company	2.950	2.956	08/15/2012	225	225	230
Hewlett-Packard Company	5.400	4.620	03/01/2017	280	293	299
Historic Time Warner Inc	9.150	6.368	02/01/2023	945	1,176	1,140
Home Depot Inc	5.400	5.913	03/01/2016	500	487	523
Household Finance Corporation	4.750	7.304	07/15/2013	17	16	18
HRPT Properties Trust	6.650	10.261	01/15/2018	375	302	344
HSBC Finance Corp	0.530	7.207	01/15/2014	500	383	469
HSBC Finance Corp	5.000	9.339	06/30/2015	300	245	310
International Business Machs	7.630	5.057	10/15/2018	330	389	403
Intuit Inc	5.750	4.907	03/15/2017	233	245	241
Jefferies Group Inc	7.750	25.463	03/15/2012	340	244	368
Jefferies Group Inc	8.500	7.633	07/15/2019	290	307	317
Jefferies Group Inc	6.450	8.192	06/08/2027	330	277	281
John Deere Capital Corp	5.250	5.329	10/01/2012	225	225	243
John Deere Capital Corp	5.750	4.607	09/10/2018	233	252	253
Kellogg Company	4.250	3.896	03/06/2013	100	101	105
Key Bank NA	5.800	5.972	07/01/2014	350	348	341
Kimberly Clark Corporation	7.500	4.845	11/01/2018	250	297	302
Kohl's Corporation	6.250	5.839	12/15/2017	90	92	100
Kraft Foods Inc	6.750	4.586	02/19/2014	250	270	276
Kraft Foods Inc	6.130	5.169	08/23/2018	435	464	459
Kroger Co	7.500	3.796	01/15/2014	278	316	317
Kroger Co	6.400	6.119	08/15/2017	100	102	109
Kroger Co	6.150	5.095	01/15/2020	475	514	508
Lilly Eli and Company	3.550	3.578	03/06/2013	100	100	104
Lockheed Martin Corp	7.750	6.031	05/01/2026	95	112	113
Lockheed Martin Corp	8.500	5.565	12/01/2029	225	304	292
M & T Bank Corporation	5.380	3.575	05/24/2012	190	198	198
Manuf & Traders Trust Co	6.630	7.668	12/04/2017	465	437	477
Marathon Oil Corp	7.500	5.509	02/15/2019	215	245	248
Marshall & Ilsley Corp	5.350	9.819	04/01/2011	215	204	213
Mass Mutual Global Funding	3.630	3.652	07/16/2012	150	150	154
Massachusetts Electric	5.900	5.924	11/15/2039	182	181	185
Merrill Lynch & Company Inc	6.150	8.809	04/25/2013	341	315	365
Merrill Lynch & Company Inc	6.880	6.034	04/25/2018	650	685	700

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Met Life Global Funding I	2.880	2.975	09/17/2012	500	499	504
Met Life Global Funding I	5.130	5.006	04/10/2013	300	301	318
Miller Brewing Company	5.500	3.464	08/15/2013	300	321	319
Monsanto Company	5.130	5.008	04/15/2018	160	161	167
Monumental Global Funding	5.500	4.142	04/22/2013	100	104	103
Morgan Stanley	6.000	4.799	05/13/2014	825	863	887
Morgan Stanley	4.200	4.209	11/20/2014	331	331	331
Morgan Stanley	5.630	5.680	09/23/2019	510	508	514
Morgan Stanley Dean Witter Co	6.250	7.609	08/28/2017	430	395	449
Morgan Stanley Dean Witter Co	6.630	6.270	04/01/2018	400	409	432
Morgan Stanley Mortgage Loan	4.750	8.248	04/01/2014	250	219	251
National City Bank	5.800	5.680	06/07/2017	850	856	850
National Rural Utilities	2.630	2.671	09/16/2012	60	60	60
National Rural Utilities	10.380	8.107	11/01/2018	100	114	133
Nevada Power Company	7.130	5.401	03/15/2019	300	337	335
New York Global Life Fdg	4.650	3.682	05/09/2013	285	294	299
News America Holdings Inc	8.880	9.297	04/26/2023	250	242	292
News America Inc	7.250	5.514	05/18/2018	64	71	73
News America Inc	7.300	7.225	04/30/2028	250	252	262
Niagara Mohawk Power	4.880	4.881	08/15/2019	100	100	99
NiSource Finance Corp	10.750	7.509	03/15/2016	460	533	567
Northern States Power- Minn	5.350	5.363	11/01/2039	64	64	62
Northern Trust Corp	5.500	4.130	08/15/2013	102	107	112
Northrop Grumman Corp	7.750	5.091	03/01/2016	195	222	231
Nucor Corporation	5.750	4.303	12/01/2017	242	265	260
Oncor Electric Delivery	6.800	4.952	09/01/2018	315	356	350
Oracle Corporation	5.750	5.177	04/15/2018	250	260	270
Oracle Corporation	5.000	4.688	07/08/2019	400	409	413
Oracle Corporation	6.500	5.765	04/15/2038	405	446	445
Pacific Gas & Electric Corp	8.250	4.653	10/15/2018	345	434	421
Pacific Life Global Funding	5.150	5.631	04/15/2013	100	99	104
PACIFICORP	5.500	4.874	01/15/2019	350	366	371
PEPCO Holdings	7.900	5.749	12/15/2038	335	436	428
Pepsico Inc	7.900	4.537	11/01/2018	515	640	632
Petro-Canada	6.050	5.704	05/15/2018	245	251	263
Petro-Canada	6.800	6.466	05/15/2038	225	235	248
PG&E Corp	5.750	5.875	04/01/2014	150	149	162
PNC Funding Corp	5.250	7.406	11/15/2015	200	180	206
Praxair Inc	3.950	3.652	06/01/2013	130	131	135
Praxair Inc	4.380	4.446	03/31/2014	200	199	211
Pricoa Global Funding	5.450	5.499	06/11/2014	350	349	371
Principal Life Global	6.250	7.272	02/15/2012	600	588	630
Principal Life Global	5.050	8.354	03/15/2015	500	432	483
Progress Energy Inc	6.050	6.115	03/15/2014	150	150	164
PSEG Power LLC	7.750	2.572	04/15/2011	396	422	424
Public Service Electric & Gas	5.380	5.397	11/01/2039	69	69	67
Public Service Oklahoma	5.150	5.186	12/01/2019	118	118	117
Sempra Energy	8.900	6.589	11/15/2013	200	216	232
Sempra Energy	6.500	6.539	06/01/2016	100	100	108
Sempra Energy	9.800	7.451	02/15/2019	150	173	187
Shell International Fin	4.000	4.006	03/21/2014	500	500	522
Shell International Fin	4.300	4.343	09/22/2019	285	284	282
Shell International Fin	6.380	6.026	12/15/2038	140	147	158
Simon Property Group Inc	6.750	6.404	05/15/2014	140	142	149
Simon Property Group Inc	5.630	4.874	08/15/2014	50	52	51
Simon Property Group Inc	6.100	9.051	05/01/2016	325	280	332
Simon Property Group Inc	6.130	5.748	05/30/2018	140	143	142
Simon Property Group LP	7.380	6.200	06/15/2018	166	179	176
Southern Cal Edison	4.150	4.153	09/15/2014	100	100	105
Southern Cal Edison	6.050	6.110	03/15/2039	250	248	266
Southern Company	4.150	4.173	05/15/2014	100	100	103
Southwestern Electric Power	6.450	5.261	01/15/2019	115	125	123
Southwestern Public Service	8.750	5.352	12/01/2018	288	357	351
Spectra Energy	6.200	6.993	04/15/2018	245	233	260
Spectra Energy Capital	6.750	8.473	07/15/2018	160	143	170

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Spectra Energy Capital	8.000	5.666	10/01/2019	450	528	527
Staples Inc	9.750	6.035	01/15/2014	325	367	396
State Street Corp	4.300	4.321	05/30/2014	300	300	310
Talisman Energy Inc	7.750	7.809	06/01/2019	30	30	35
TCI Communications Inc	7.880	7.698	02/15/2026	100	102	112
Telecom Italia Capital	4.950	4.108	09/30/2014	625	647	648
Telecom Italia Capital	7.000	8.462	06/04/2018	100	91	110
Telefonica Eisiones SAU	5.860	3.741	02/04/2013	200	212	216
Telefonica Eisiones SAU	6.220	5.862	07/03/2017	150	153	165
Telefonica Eisiones SAU	5.880	5.877	07/15/2019	50	50	54
Tennessee Valley Authority	5.250	5.275	09/15/2039	98	98	97
Thomson Corporation	4.700	4.744	10/15/2019	150	149	148
Time Warner Cable Inc	8.250	5.583	02/14/2014	380	417	444
Time Warner Cable Inc	7.300	6.397	07/01/2038	300	335	333
TransCanada Pipe	7.630	7.632	01/15/2039	50	50	62
Trans-Canada Pipelines	6.500	6.574	08/15/2018	250	249	279
Travelers PPTY Casualty	7.750	5.838	04/15/2026	310	372	353
UBS AG Stamford CT	5.880	5.576	12/20/2017	300	306	308
Union Pacific Corp	6.500	2.457	04/15/2012	300	327	328
Union Pacific Corp	5.700	4.718	08/15/2018	260	278	272
Union Pacific Corp	7.880	6.065	01/15/2019	160	180	194
United Mexican States	6.380	3.627	01/16/2013	630	679	696
United Technologies Corp	6.130	4.488	02/01/2019	285	319	315
UNP RR CO 2003 PASS TRUST	4.700	7.947	01/02/2024	90	86	85
US Bancorp	2.880	2.977	11/20/2014	450	448	439
Verizon Communications	5.500	4.893	02/15/2018	720	749	751
Verizon Communications	7.350	7.564	04/01/2039	400	390	464
Verizon Florida LLC	6.130	5.835	01/15/2013	275	277	294
Verizon Virginia Inc	4.630	4.968	03/15/2013	375	371	389
Viacom Inc	6.250	7.799	04/30/2016	145	134	158
Virginia Electric & Power Co	5.400	4.990	04/30/2018	490	504	514
Vodafone Group	5.750	6.019	03/15/2016	200	197	215
Vodafone Group	5.450	4.869	06/10/2019	369	385	382
Wachovia Bank NA	0.580	2.799	03/15/2016	850	742	763
Wachovia Corp	5.300	3.203	10/15/2011	345	357	366
Wachovia Corp	5.500	5.860	05/01/2013	950	940	1,009
Wachovia Corp	5.750	5.125	06/15/2017	775	805	806
Wachovia Corp	5.750	6.830	02/01/2018	400	374	417
Wal-Mart Stores	5.250	5.736	09/01/2035	425	397	418
Waste Management Inc	7.380	7.011	03/11/2019	60	61	69
WEA Finance/WT Fin Aust	6.750	6.933	09/02/2019	148	146	159
WellPoint Inc	5.880	6.710	06/15/2017	200	190	206
Wells Fargo & Company	3.750	3.786	10/01/2014	390	389	389
Wells Fargo & Company	5.000	7.000	11/15/2014	100	92	103
Wells Fargo & Company	5.630	5.416	12/11/2017	865	875	900
Westpac Banking	4.880	4.884	11/19/2019	406	406	401
Xerox Corporation	5.630	5.438	12/15/2019	350	349	350
XTO Energy Inc	4.630	3.416	06/15/2013	100	104	106
XTO Energy Inc	6.250	4.955	08/01/2017	326	352	371
<i>Total Corporate Bonds</i>					94,656	98,658
<i>Corporate Asset Backed Issues</i>						
Ally Auto Receivables Trust	2.330	2.347	09/15/2012	500	500	504
Bank of America Auto Trust	2.670	2.691	07/15/2013	600	600	610
Bank of America Auto Trust	3.520	3.555	06/15/2016	200	200	205
Bank of America Auto Trust	2.130	2.140	09/16/2013	650	650	656
CNH Equipment Trust	1.850	1.858	12/16/2013	105	105	105
CNH Equipment Trust	5.280	5.342	11/15/2012	250	250	261
CNH Equipment Trust	2.970	2.996	03/15/2013	200	200	203
Chrysler Financial Auto Sec	2.820	2.842	01/15/2016	250	250	254
Citifinancial Auto Issuance	2.590	2.604	10/15/2013	930	930	934
Ford Credit Auto Owner Trust	2.790	2.810	08/15/2013	400	400	408
Ford Credit Auto Owner Trust	4.500	4.547	07/15/2014	300	300	315
Honda Auto Receivables Trust	2.310	2.329	05/15/2013	200	200	203
Honda Auto Receivables Trust	3.300	3.329	09/15/2015	250	250	256

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
John Deere Owner Trust	2.590	2.612	10/15/2013	300	300	305
John Deere Owner Trust	1.570	1.577	10/15/2013	715	715	714
USAA Auto Owner Trust	1.540	1.546	02/18/2014	470	470	468
USAA Auto Owner Trust	2.530	2.544	07/15/2015	295	295	293
World Omni Auto Receivable	3.330	3.363	05/15/2013	365	364	374
<i>Total Corporate Asset Backed Issues</i>					6,979	7,068
<i>Corporate CMO</i>						
ASG Resecuritization Trust	5.870 A	9.295	05/24/2036	1,701	1,579	1,701
ASG Resecuritization Trust	5.590 A	9.707	03/26/2037	2,228	2,052	2,194
ASG Resecuritization Trust	5.540 A	17.649	06/26/2037	1,547	1,234	1,547
ASG Resecuritization Trust	6.000	9.545	06/28/2037	1,840	1,756	1,813
Banc of Amer Altern Loan Trust	5.500	6.977	02/25/2019	717	680	687
Banc of Amer Altern Loan Trust	5.500	5.567	09/25/2019	451	449	446
Banc of Amer Altern Loan Trust	5.500	7.249	09/25/2033	424	378	423
Banc of Amer Altern Loan Trust	5.500	5.686	11/25/2033	646	641	644
Banc of Amer Altern Loan Trust	6.000	6.371	01/25/2034	423	410	406
Banc of Amer Altern Loan Trust	6.000	6.673	01/25/2034	717	691	688
Banc of America Commercial Mtg	5.370	10.516	09/10/2045	660	519	638
Banc of America Funding Corp	5.500	4.534	10/25/2034	805	809	798
Banc of America Mortgage Sec	5.000	4.022	04/25/2019	373	381	371
Banc of America Mortgage Sec	6.500	6.737	09/25/2032	437	433	430
Banc of America Mortgage Sec	4.500	4.373	04/25/2034	1,129	1,134	1,131
Bank of America Auto Trust	1.670	1.679	12/15/2013	280	280	279
Bank of America Corp	5.750	7.161	09/20/2034	723	638	657
BCAP LLC Trust	5.500	7.118	11/26/2034	1,504	1,396	1,459
BCAP LLC Trust	5.250	4.431	05/26/2037	728	728	728
BCAP LLC Trust	5.750	6.038	06/26/2037	1,879	1,855	1,855
Bear Stearns Commercial Mtg	5.540	9.695	10/12/2041	300	242	298
Chase Funding Mortgage Loan	4.280	6.656	11/25/2034	982	858	836
Chase Mortgage Finance Corp	4.050 A	5.739	07/25/2037	802	742	727
Chase Mortgage Finance Corp.	4.130 A	6.694	02/25/2037	312	293	293
Citicorp Mortgage Securities	4.500	3.622	05/25/2033	303	305	304
Citicorp Mortgage Securities	4.500 A	4.487	05/25/2034	398	397	398
Citigroup Mortgage Loan Trust	5.250	7.433	10/25/2033	1,107	912	1,103
Citigroup Mortgage Loan Trust	5.070 A	4.977	08/25/2034	663	664	658
Citigroup Mortgage Loan Trust	6.000	8.652	06/25/2036	994	905	903
Commercial Mortgage Pass-Thru	4.980	9.224	05/10/2043	1,000	843	993
Countrywide Home Loans	4.500	5.301	06/25/2019	1,035	1,005	1,013
Countrywide Home Loans	5.250	5.253	09/25/2033	1,000	997	1,005
Credit Suisse Mortgage Capital	5.500	5.501	10/27/2035	905	902	902
CS First Boston Mortgage	18.200	19.399	06/25/2035	366	357	313
First Horizon Mortgage Ps Thru	4.500	4.461	09/25/2018	1,348	1,347	1,333
First Horizon Mortgage Ps Thru	5.000	4.610	03/25/2034	439	439	438
GMAC Commercial Mortgage Sec.	5.240	0.000	11/10/2045	1,810	1,810	1,755
GMAC Mortgage Corp Loan Trust	5.000	4.363	01/25/2020	469	477	467
GMAC Mortgage Corp Loan Trust	4.130 A	6.427	10/19/2033	1,308	1,250	1,232
GMAC Mortgage Corp Loan Trust	5.000	6.157	10/25/2033	664	637	627
GMAC Mortgage Corp Loan Trust	5.000	8.257	11/25/2033	1,020	888	868
GS Mortgage Securities Corp	5.550	9.278	04/10/2038	1,000	838	912
GSMPS Mortgage Loan Trust	0.580	7.751	03/25/2035	713	446	575
GSR Mortgage Loan Trust	5.500	10.283	01/25/2037	100	78	76
Household Home Equity Loan Tst	0.500	4.924	01/20/2035	287	245	263
Household Home Equity Loan Tst	0.720	5.479	01/20/2035	575	479	474
Household Home Equity Loan Tst	0.390	4.420	01/20/2036	625	527	545
Household Home Equity Loan Tst	0.380	3.315	03/20/2036	548	483	482
Household Home Equity Loan Tst	5.600	5.191	03/20/2036	750	756	760
Household Home Equity Loan Tst	1.430	3.987	11/20/2036	819	699	696
IMPAC Secured Assets Corp	5.500	6.642	08/25/2033	1,004	941	1,000
IMPAC Secured Assets Corp	0.580	2.331	08/25/2036	829	689	659
JP Morgan Chase Commercial Mtg	5.400	9.292	05/15/2045	950	780	883
JPMorgan Mortgage Trust	4.050 A	5.023	08/25/2034	2,711	2,582	2,369
LB-UBS Commercial Mortgage Tst	5.160	7.515	01/15/2016	300	270	290
Master Adjustable Rate Mtgage	3.100 A	5.698	11/21/2034	1,000	957	979
Master Reperforming Loan Trust	0.580	6.905	05/25/2035	969	641	769

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Master Resecuritization Trust	13.630	13.625	05/28/2035	821	440	473
MASTR Asset Securitization	5.500	7.874	09/25/2033	338	297	342
Merrill Lynch Mortgage Invest	0.890	4.967	04/25/2029	472	385	384
Morgan Stanley Capital Inc	0.980 A	4.797	01/25/2035	334	281	319
Morgan Stanley Mortgage Loan	5.500	5.737	08/25/2034	6,586	822	934
Residential Accredit Loans	16.140	16.630	10/25/2017	371	371	367
Residential Accredit Loans	5.750	6.508	10/25/2033	738	690	698
Residential Accredit Loans	5.500	14.346	05/25/2034	1,358	941	917
Salomon Brothers Mortgage Sec	3.450	10.991	04/25/2032	406	336	333
Station Place Securitization	1.730	1.865	12/29/2010	1,000	999	999
Structured Asset Mortgage Inv	0.000	5.974	07/25/2032	286	189	213
Structured Asset Securities	0.730	6.493	06/25/2033	1,398	1,248	1,274
Structured Asset Securities	5.500	6.047	10/25/2033	1,088	1,064	1,045
Structured Asset Securities	5.540	6.801	12/25/2033	1,000	951	929
Structured Asset Securities	5.000	11.022	05/25/2035	403	308	385
Structured Asset Securities	13.440	15.899	05/25/2035	244	236	202
Thornburg Mtg Securities Trust	0.550	0.000	09/25/2043	254	254	221
TIAA Seasoned Commercial Mtg	6.070 A	5.534	08/15/2039	2,500	2,536	2,592
Vendee Mortgage Trust	6.750	5.507	06/15/2026	905	957	975
Wachovia Bank Comm Mtg Trust	5.740 A	8.074	05/15/2043	1,440	1,287	1,419
Washington Mutual Mortgage	2.850 A	3.478	08/25/2033	358	347	335
Washington Mutual Mortgage	5.500	5.567	08/25/2019	846	843	835
Washington Mutual Mortgage	0.000	14.088	07/25/2033	352	236	267
Washington Mutual Mortgage	2.880 A	3.406	09/25/2033	453	442	449
Washington Mutual Mortgage	5.250	7.672	10/25/2033	2,081	1,842	1,808
Washington Mutual Mortgage	16.410	16.080	11/25/2033	1,050	1,067	907
Washington Mutual Mortgage	3.140 A	5.467	06/25/2034	373	345	354
Washington Mutual Mortgage	4.190 A	6.418	01/25/2035	2,136	1,972	1,995
Washington Mutual Mortgage	5.500	5.744	05/25/2035	889	92	122
Wells Fargo Mortgage Backed	4.750	4.649	12/25/2018	2,392	2,395	2,404
Wells Fargo Mortgage Backed	4.470 A	4.586	11/25/2033	2,184	2,173	2,146
Wells Fargo Mortgage Backed	4.880 A	4.727	02/25/2034	1,223	1,227	1,172
Wells Fargo Mortgage Backed	3.070 A	5.222	09/25/2034	731	685	666
Wells Fargo Mortgage Backed	3.300 A	4.129	10/25/2034	781	758	757
Wells Fargo Mortgage Backed	3.260 A	6.118	10/25/2034	538	491	529
Wells Fargo Mortgage Backed	3.120 A	5.708	12/25/2034	768	715	701
Wells Fargo Mortgage Backed	3.960 A	12.450	12/25/2034	590	516	575
Wells Fargo Mortgage Backed	3.110 A	5.091	12/25/2034	768	725	734
Wells Fargo Mortgage Backed	3.960 A	5.838	12/25/2034	590	571	576
<i>Total Corporate CMO</i>					77,758	79,446
Total Corporate Issues - 13.6%					179,393	185,172
<b>Short-term Issues</b>						
Dreyfus Cash Management				28,308,698	28,309	28,309
Total Short-term Issues - 2.1%					28,309	28,309
<b>Investments in Other Funds</b>						
SSgA - Passive Bond Market Index Non-Lending Fund						
Investment Objective - To match the return of the Lehman Brothers Aggregate Bond Index				28,692,541	649,416	649,743
Redemption Provisions - Daily						
Total Investment in Other Funds - 47.6%					649,416	649,743
Total Investment Securities - 100.0%					\$ 1,352,223	\$ 1,363,675

A - Adjustable rate security.

See accompanying notes to financial statements.



## Core Fixed Income Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 4,152	\$ 20,155
Dividend	3	58
Net amortization	(736)	(3,754)
	<b>Total investment income</b>	<b>16,459</b>
<b>Expenses</b>		
Investment advisor fees	(435)	(944)
Trustee fees	(1)	(3)
Custodian bank fees	(4)	(25)
Management fees	(47)	(193)
Fiduciary bond fees	-	(2)
Professional service fees	(9)	(38)
	<b>Total expenses</b>	<b>(1,205)</b>
	<b>Investment income, net</b>	<b>15,254</b>
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	-	7,684
Net increase (decrease) in the fair value of investments	(21,193)	9,865
	<b>Net gain (loss) from investments</b>	<b>17,549</b>
	<b>Net increase (decrease) in net assets from operations</b>	<b>\$ 32,803</b>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Core Fixed Income Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 2,923	\$ 15,254
Net realized gain from investments	-	7,684
Net increase (decrease) in the fair value of investments	(21,193)	9,865
<b>Net increase (decrease) in net assets from operations</b>	(18,270)	32,803
<b>Distributions to unitholders</b>		
Investment income, net	(2,923)	(15,254)
<b>Unit transactions</b>		
Proceeds from sale of units	81,714	1,442,303
Reinvestment of distributions	2,663	14,358
	84,377	1,456,661
Amount paid for repurchase of units	(44,930)	(505,030)
<b>Net increase in net assets from unit transactions</b>	39,447	951,631
<b>Increase in net assets</b>	18,254	969,180
Net assets, beginning of period	1,345,809	394,883
<b>Net assets, end of period</b>	\$ 1,364,063	\$ 1,364,063
<b>Unit data</b>		
Units sold	7,788,929	139,927,529
Units issued from reinvestment of distributions	253,796	1,397,064
	8,042,725	141,324,593
Units repurchased	(4,282,764)	(48,593,278)
<b>Net increase in units</b>	3,759,961	92,731,315

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The Core Fixed Income pool (Pool) began operations on March 2, 2009.

The accompanying financial statements reflect only the investments and investment related operations of the Pool. They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The main objective of this core bond pool is to generate investment income, provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. and State Street Global Advisors manage this pool. This pool's investment performance, net of external investment management fees, is expected to meet or exceed the Barclays Capital US Aggregate index.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# Core Fixed Income Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Asset-Backed Securities** – The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Amortization** - Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reported in the Statement of Operations in the year of the change.

**Distributions to Participants** - The monthly net investment income is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Regulated Investment Companies	\$ -	\$ 28,308,698	\$ -	\$ 28,308,698
U.S. Government Agency Issues	-	337,044,655	-	337,044,655
U.S. Treasury Issues	-	163,114,197	-	163,114,197
Corporate Issues	-	185,172,970	-	185,172,970
Commingled Funds	-	649,742,600	-	649,742,600
Municipal Bonds	-	291,515	-	291,515
Total	\$ -	\$ 1,363,674,635	\$ -	\$ 1,363,674,635

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$ 10.05
Income from investment operations:	
Net investment income	0.26
Net realized and unrealized gain on investment transactions	0.18
Total from investment operations	0.44
Less distributions from net investment income	(0.16)
Net asset value at December 31, 2009	\$ 10.33

**Time-weighted Total Return \*** 5.0%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$ 1,364,063
Ratio to average net assets:	
Expenses **	0.27%
Net investment income **	3.38%
Portfolio turnover rate	103.89%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

## Core Fixed Income Pool

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### Notes to Financial Statements - Unaudited

#### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009. The balances do not include the dividend declared by the Pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

<u>Participant</u>	<u>Account Value</u>
Public Employees' Retirement System	\$ 355,836,538
Workers' Compensation Old Fund	246,596,136
Teachers' Retirement System	294,127,309
Retiree Health Benefit Trust	103,197,943
Revenue Shortfall Reserve Fund B	72,140,118
Coal Workers' Pneumoconiosis Fund	65,933,055
Revenue Shortfall Reserve Fund	66,399,205
Public Employees' Insurance Agency	40,779,031
State Police Death, Disability and Retirement Fund	39,315,404
Board of Risk and Insurance Management	34,668,008
Prepaid Tuition Trust Fund	15,278,427
Judges' Retirement System	10,091,887
Deputy Sheriff's Retirement System	9,262,702
State Police Retirement System	5,019,911
Wildlife Endowment Fund	3,725,969
Emergency Medical Services Retirement System	1,691,045
Total	<u>\$ 1,364,062,688</u>

**Financial Statements - Unaudited**

**December 31, 2009**





# TRS Annuity Pool

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## Financial Statements - Unaudited December 31, 2009

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# TRS Annuity Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value \$ 203,379

### Liabilities

Accrued expenses 40

**Net assets** \$ 203,339

### Analysis of net assets

Paid-in capital \$ 193,348

Accumulated undistributed net investment income 9,991

**Net assets** \$ 203,339

### Unit data

Units outstanding 19,424,736

Net asset value, unit price \$ 10.47

See accompanying notes to financial statements.

# TRS Annuity Pool

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## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

<u>Security Name</u>	<u>Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<u>Annuity Contract</u>			
Variable Annuity Life Insurance Company	203,378,508	\$ 203,379	\$ 203,379
Total Annuity Contract - 100.0%		203,379	203,379
Total Investment Securities - 100.0%		<u>\$ 203,379</u>	<u>\$ 203,379</u>

See accompanying notes to financial statements.

## TRS Annuity Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 759	\$ 4,463
<b>Expenses</b>		
Management fees	(7)	(44)
Professional service fees	<u>(22)</u>	<u>(33)</u>
<b>Total expenses</b>	<u>(29)</u>	<u>(77)</u>
<b>Investment income, net</b>	<u>730</u>	<u>4,386</u>
<b>Net increase in net assets from operations</b>	<u>\$ 730</u>	<u>\$ 4,386</u>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed.  
See accompanying notes to financial statements.*

## TRS Annuity Pool

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**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 730	\$ 4,386
<b>Unit transactions</b>		
Proceeds from sale of units	10	49
<b>Increase in net assets from unit transactions</b>	10	49
<b>Increase in net assets</b>	740	4,435
Net assets, beginning of period	202,599	198,904
<b>Net assets, end of period</b>	\$ 203,339	\$ 203,339
<b>Unit data</b>		
Units sold	970	4,740
<b>Increase in units</b>	970	4,740

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## TRS Annuity Pool

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**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Investment income, net	\$ 730	\$ 4,386
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(759)	(4,464)
Increase in accrued expenses	19	29
<b>Net cash used in operating activities</b>	(10)	(49)
 <b>Cash flows from financing activities</b>		
Proceeds from units sold	10	49
<b>Cash provided by financing activities</b>	10	49
<b>Net change in cash</b>	-	-
 <b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed.  
See accompanying notes to financial statements.*

# TRS Annuity Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The TRS Annuity pool (Pool) began operations on December 10, 2008.

The accompanying financial statements reflect only the investments and investment related operations of the Pool. They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool holds an investment contract strictly for the benefit of the Teachers Retirement System (TRS). The IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan outside of the IMB, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The contract, issued by the Variable Annuity Life Insurance Company (VALIC), could not be liquidated as part of the restructuring, and was transferred in kind to the IMB on December 10, 2008. The final amount transferred on the contract was \$248,292,529. Effective April 23, 2009, the IMB elected to liquidate this contract and will receive five equal annual payments of \$55,058,102. The first payment was received on May 4, 2009 and subsequent payments will be received on May 4, 2010, 2011, 2012, and 2013. The contract and the payments include a guaranteed annual interest yield of 4.5%. VALIC is a wholly-owned subsidiary of American International Group, Inc. (AIG), but is not in bankruptcy.

# TRS Annuity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. The VALIC contract is a private contract between the issuer and the IMB and is not a marketable security. It is carried at fair value using a discounted cash flow model based on the underlying cash flows of the contract, implicit rate of return, and estimated credit risk premiums using observable market data.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Interest Income** - Interest income is recognized as earned on the accrual method.

**Distributions to Participants** - The Pool does not routinely distribute dividends or net capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.



# TRS Annuity Pool

## Notes to Financial Statements - Unaudited

### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Annuity Contract	\$ -	\$ -	\$ 203,378,508	\$ 203,378,508

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2009 was as follows:

	Annuity Contract
Balance at June 30, 2009	\$ 198,915,431
Net realized gain/(loss)	-
Net change in unrealized appreciation/(depreciation)	-
Net purchases/(sales)	4,463,077
Net transfers in/(out) of Level 3	-
Balance at December 31, 2009	\$ 203,378,508

### NOTE 4. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2009	\$ 10.24
Net investment income from investment operations	0.23
Net asset value at December 31, 2009	\$ 10.47

**Time-weighted Total Return \*** 2.2%

**Supplemental Data:**

Net assets, end of period (\$000's)	\$ 203,339
Ratio to average net assets:	
Expenses **	0.08%
Net investment income **	4.36%
Portfolio turnover rate	0.00%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date and are annualized



**Financial Statements - Unaudited**

**December 31, 2009**



# Private Equity Pool

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## Financial Statements - Unaudited December 31, 2009

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# Private Equity Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	797,487
Dividends receivable		<u>1</u>
<b>Total assets</b>		797,488

### Liabilities

Accrued expenses		<u>181</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>797,307</u></u></b>

### Analysis of net assets

Paid-in capital	\$	938,923
Accumulated undistributed net investment loss		(2,206)
Accumulated undistributed net realized loss from investments		(149,596)
Unrealized net appreciation of investments		<u>10,186</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>797,307</u></u></b>

### Unit data

Units outstanding		98,647,531
Net asset value, unit price	\$	<u><u>8.08</u></u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<b>Partnerships</b>			
Advent GPE VI		\$ 10,600	\$ 9,767
Investment Objective - To provide risk capital for, and make investments in the securities of, privately held and publicly listed companies primarily in Europe and North America.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Carlyle Partners V		15,426	12,276
Investment Objective - To generate superior, long-term capital appreciation through privately negotiated equity and equity related investments.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
FP Venture 2008		3,600	3,221
Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
FP Venture 2009		1,646	1,509
Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
H.I.G. Bayside II		14,879	16,607
Investment Objective - To invest in distressed debt obligations and other securities of distressed lower middle market companies.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Insight Equity II LP		775	99
Investment Objective - To acquire underperforming, operationally challenged, or financially distressed small and middle market businesses and to seek to reorganize operations and strategy to restore profitability and growth.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Insight Equity Mezzanine LLP		1,228	1,093
Investment Objective - To invest in mezzanine securities issued by companies in which Insight is also an equity sponsor.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
KPS Special Situations Fund III		3,156	2,947
Investment Objective - Seek to invest alongside KPS Special Situations Fund III, L.P. and KPS Special Situations Fund III (A), L.P., to make controlling equity and equity-related investments in underperforming or distressed companies engaged in manufacturing, transportation, and service industries challenged by the need to effect immediate and significant change - Special Situations			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
LLR Partners III		8,344	6,452
Investment Objective - To provide investors with substantial long-term capital gains by investing in a diversified portfolio of equity securities.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Natural Gas Partners IX		14,948	11,641
Investment Objective - To generate long-term capital gains through equity investments in companies engaged in the energy and resource related industries, with an emphasis on privately negotiated equity investments in North America oil and gas companies.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Odyssey Investment		8,341	7,376
Investment Objective - To seek long-term capital appreciation by principally pursuing control oriented equity and equity related investments in middle market companies located primarily in the United States.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited (Continued)

**December 31, 2009**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Platinum Equity Capital Partners II Investment Objective - To make private investments in equity, equity oriented or debt securities that offer equity-like returns, of underperforming companies to generate capital appreciation. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		19,556	16,283
Riverside Fund IV, L.P. Investment Objective - To pursue and add value to control investments in small, profitable healthcare and technology companies primarily in the United States through financial and operational improvements and to grow the companies both organically and through add-on acquisitions. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		2,974	2,974
Welsh, Carson, Anderson & Stover Investment Objective - To provide capital to domestic or foreign corporations, partnerships and joint ventures and to assist in developing the business of those enterprises. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		3,047	1,987
Total Partnerships - 11.8%		108,520	94,232
<b><u>Investments in Other Funds</u></b>			
Bridgewater Associates All Weather Portfolio II Investment Objective - To maintain market exposure for funds awaiting investment in private equity limited partnerships.  Redemption Provisions - Monthly on the first business day A detail of the underlying investments is not available.	669,395	669,395	693,869
Total Investments in Other Funds - 87.0%		669,395	693,869
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.2%	9,385,628	9,386	9,386
Total Investment Securities - 100.0%		\$ 787,301	\$ 797,487

See accompanying notes to financial statements.



# Private Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividend	\$ 1	\$ 26
<b>Expenses</b>		
Trustee fees	(1)	(3)
Custodian bank fees	-	(1)
Management fees	(27)	(155)
Fiduciary bond fees	-	(2)
Professional service fees	(62)	(368)
Fund closing costs	-	(150)
<b>Total expenses</b>	<b>(90)</b>	<b>(679)</b>
<b>Investment loss, net</b>	<b>(89)</b>	<b>(653)</b>
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain (loss) from investments	253	(78,996)
Net increase (decrease) in the fair value of investments	(12,130)	143,577
<b>Net gain (loss) from investments</b>	<b>(11,877)</b>	<b>64,581</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (11,966)</b>	<b>\$ 63,928</b>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Private Equity Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (89)	\$ (653)
Net realized gain (loss) from investments	253	(78,996)
Net increase (decrease) in the fair value of investments	(12,130)	143,577
<b>Net increase (decrease) in net assets from operations</b>	(11,966)	63,928
<b>Unit transactions</b>		
Proceeds from sale of units	452	170,810
Amount paid for repurchase of units	(363)	(20,321)
<b>Net increase in net assets from unit transactions</b>	89	150,489
<b>Increase (decrease) in net assets</b>	(11,877)	214,417
Net assets, beginning of period	809,184	582,890
<b>Net assets, end of period</b>	\$ 797,307	\$ 797,307
<b>Unit data</b>		
Units sold	55,168	22,350,722
Units repurchased	(44,304)	(2,604,853)
<b>Net increase in units</b>	10,864	19,745,869

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Private Equity Pool

**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ (11,966)	\$ 63,928
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(10,099)	(181,291)
Proceeds from disposition of investment securities	2,413	24,897
Net realized loss (gain) from investments	(253)	78,996
Purchases and sales of short-term investment securities, net	7,683	6,454
Decrease in receivable for investments sold	-	34
Decrease in dividends receivable	1	8
Increase in accrued expenses	2	62
Net decrease (increase) in the fair value of investments	12,130	(143,577)
<b>Net cash used in operating activities</b>	(89)	(150,489)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	452	170,810
Paid for repurchase of units	(363)	(20,321)
<b>Net cash provided by financing activities</b>	89	150,489
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Private Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Private Equity Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool was established to hold the IMB's investments in various types of private equity funds. Franklin Park Associates, LLC has been retained by the IMB to provide consulting services for this asset class.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$788,101,045 of investments in private partnerships and other investment funds which are reported at fair value. For all of these investments, the IMB has concluded that the net asset value reported by the underlying fund approximates the fair value of the investment. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the

# Private Equity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the carrying amount of such investments is a reasonable estimate of fair value as of December 31, 2009.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Investment Gains and Losses** - Gains and losses on the sale of investments in other funds are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends or net capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

# Private Equity Pool

## Notes to Financial Statements - Unaudited

### NOTE 3. FAIR VALUE MEASUREMENTS

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	<u>Level I</u>	<u>Level II</u>	<u>Level III</u>	<u>Total</u>
Regulated Investment Companies	\$ -	\$ 9,385,628	\$ -	\$ 9,385,628
Investments in Other Funds	-	-	693,869,103	693,869,103
Partnerships	-	-	94,231,942	94,231,942
Total	<u>\$ -</u>	<u>\$ 9,385,628</u>	<u>\$ 788,101,045</u>	<u>\$ 797,486,673</u>

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2009 was as follows:

	<u>Investments in Other Funds</u>	<u>Partnerships</u>
Balance at June 30, 2009	\$ 504,142,661	\$ 62,982,211
Net realized gain/(loss)	(80,005,280)	1,009,909
Net change in unrealized appreciation/(depreciation)	139,731,722	3,727,591
Net purchases/(sales)	130,000,000	26,512,231
Net transfers in/(out) of Level 3	-	-
Balance at December, 2009	<u>\$ 693,869,103</u>	<u>\$ 94,231,942</u>

### NOTE 4. COMMITMENTS

The IMB, with the assistance of its consultant, began implementing its plan to invest in private equity partnerships in February 2008. As of December 31, 2009 the IMB had made commitments to sixteen private equity general partnerships totaling \$618,000,000. The IMB had funded \$108,528,268 of these commitments at December 31, 2009, leaving unfunded commitments of \$509,471,732.

# Private Equity Pool

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## Notes to Financial Statements - Unaudited

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$	7.39
Net realized and unrealized gain on investment transactions		0.69
Net asset value at December, 2009	\$	<u>8.08</u>

**Time-weighted Total Return \*** 9.4%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$	797,307
Ratio to average net assets:		
Expenses **		0.19%
Net investment income **		-0.18%
Portfolio turnover rate		3.62%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date and are annualized

### NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 378,358,927
Public Employees' Retirement System	349,382,656
State Police Death, Disability and Retirement Fund	40,493,068
Judges' Retirement System	10,009,689
Deputy Sheriff's Retirement System	8,828,819
State Police Retirement System	4,685,856
Wildlife Endowment Fund	3,540,585
Emergency Medical Services Retirement System	2,007,527
Total	<u>\$ 797,307,127</u>





**Financial Statements - Unaudited**

**December 31, 2009**



# Private Real Estate Pool

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**Financial Statements - Unaudited  
December 31, 2009**

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# Private Real Estate Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	469,125
Receivables:		
Accrued interest		3,708
Dividends		<u>2</u>
<b>Total assets</b>		<b>472,835</b>

### Liabilities

Accrued expenses		<u>125</u>
<b>Net assets</b>	<b>\$</b>	<b><u>472,710</u></b>

### Analysis of net assets

Paid-in capital	\$	480,896
Accumulated undistributed net investment income		1,038
Unrealized net depreciation of investments		<u>(9,224)</u>
<b>Net assets</b>	<b>\$</b>	<b><u>472,710</u></b>

### Unit data

Units outstanding		62,124,795
Net asset value, unit price	\$	<u>7.61</u>

See accompanying notes to financial statements.

# Private Real Estate Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Shares	Amortized Cost	Fair Value
<b><u>U.S. Treasury Issues</u></b>						
United States Treasury	3.500 %	(0.273) %	1/15/2011	8,360,000	\$ 10,789	\$ 10,771
United States Treasury	2.375	(0.062)	4/15/2011	14,590,000	16,386	16,362
United States Treasury	3.375	0.064	1/15/2012	5,000,000	6,496	6,511
United States Treasury	2.000	0.091	4/15/2012	11,830,000	13,151	13,171
United States Treasury	3.000	0.159	7/15/2012	17,440,000	22,473	22,546
United States Treasury	0.625	0.271	4/15/2013	11,830,000	12,239	12,304
United States Treasury	1.875	0.501	7/15/2013	16,670,000	20,564	20,666
United States Treasury	2.000	0.685	1/15/2014	17,130,000	21,088	21,195
United States Treasury	1.250	0.554	4/15/2014	12,680,000	13,334	13,387
United States Treasury	2.000	0.726	7/15/2014	16,020,000	19,414	19,465
United States Treasury	1.625	0.867	1/15/2015	15,950,000	18,731	18,781
United States Treasury	1.875	0.927	7/15/2015	14,190,000	16,576	16,618
United States Treasury	2.000	1.054	1/15/2016	14,090,000	16,192	16,207
United States Treasury	2.500	1.090	7/15/2016	14,320,000	16,688	16,694
United States Treasury	2.375	1.172	1/15/2017	12,660,000	14,670	14,659
United States Treasury	2.625	1.206	7/15/2017	11,620,000	13,355	13,330
United States Treasury	1.625	1.254	1/15/2018	11,840,000	12,563	12,508
United States Treasury	1.375	1.269	7/15/2018	11,850,000	11,981	11,904
United States Treasury	2.125	1.333	1/15/2019	11,820,000	12,701	12,622
United States Treasury	1.875	1.343	7/15/2019	12,680,000	13,447	13,326
United States Treasury	2.375	1.848	1/15/2025	20,490,000	25,117	24,797
United States Treasury	2.000	1.892	1/15/2026	14,370,000	15,885	15,720
United States Treasury	2.375	1.930	1/15/2027	11,830,000	13,497	13,346
United States Treasury	1.750	1.947	1/15/2028	11,830,000	11,844	11,706
United States Treasury	3.625	2.009	4/15/2028	11,790,000	19,637	19,479
United States Treasury	2.500	1.978	1/15/2029	11,830,000	12,894	12,778
United States Treasury	3.875	2.020	4/15/2029	13,920,000	23,704	23,556
United States Treasury	3.375	2.001	4/15/2032	4,010,000	6,085	6,038
Total U.S. Treasury Issues - 91.1%					431,501	430,447
<b><u>Investments in Other Funds</u></b>						
Blackstone PE Partners Europe III					584	584
Investment Objective - Seek out European real estate and real-estate related investments that offer the possibility of achieving investment returns above those traditionally available from such investments.						
Redemption Provisions - upon termination of partnership.						
Quadrant Fund I, LLC					15,000	9,118
Investment Objective - To provide an attractive total return by investing in a diversified portfolio of real estate assets.						
Redemption Provisions - Quarterly on the last business day						
A detail of the underlying investments is not available.						
RCG Longview Debt Fund IV, L. P.					9,801	7,513
Investment Objective - To provide above market, risk adjusted returns by investing in a variety of debt and debt-like instruments.						
Redemption Provisions - upon termination of partnership.						
Total Investments in Other Funds - 3.6%					25,385	17,215
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund				21,463,022	21,463	21,463
Total Short-term Issues - 4.5%					21,463	21,463
Total Investment Securities - 99.2%					\$ 478,349	\$ 469,125

See accompanying notes to financial statements.

## Private Real Estate Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 843	\$ 1,438
Operating	-	369
Dividend	2	22
Net accretion (amortization)	37	(21)
	<u>882</u>	<u>1,808</u>
<b>Total investment income</b>	<u>882</u>	<u>1,808</u>
<b>Expenses</b>		
Investment advisor fees	(7)	(13)
Custodian bank fees	(2)	(4)
Management fees	(16)	(36)
Professional service fees	(36)	(207)
Management fees - external	-	(150)
	<u>(61)</u>	<u>(410)</u>
<b>Total expenses</b>	<u>(61)</u>	<u>(410)</u>
<b>Investment income, net</b>	821	1,398
<b>Net decrease in the fair value of investments</b>	<u>(9,628)</u>	<u>(468)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>\$ (8,807)</u>	<u>\$ 930</u>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Private Real Estate Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 821	\$ 1,398
Net decrease in the fair value of investments	(9,628)	(468)
<b>Net increase (decrease) in net assets from operations</b>	(8,807)	930
<b>Unit transactions</b>		
Proceeds from sale of units	64,749	434,388
<b>Increase in net assets from unit transactions</b>	64,749	434,388
<b>Increase in net assets</b>	55,942	435,318
Net assets, beginning of period	416,768	37,392
<b>Net assets, end of period</b>	\$ 472,710	\$ 472,710
<b>Unit data</b>		
Units sold	8,353,915	57,139,419
<b>Increase in units</b>	8,353,915	57,139,419

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Private Real Estate Pool

**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2009\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ (8,807)	\$ 930
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(64,414)	(431,967)
Proceeds from disposition of investment securities	(256)	116
Purchases and sales of short-term investment securities, net	371	(318)
Decrease in dividends receivable	-	9
Increase in accrued income receivable	(1,262)	(3,708)
Increase in accrued expenses	28	61
Net amortization (accretion)	(37)	21
Net decrease in the fair value of investments	9,628	468
<b>Net cash used in operating activities</b>	<b>(64,749)</b>	<b>(434,388)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	64,749	434,388
<b>Cash provided by financing activities</b>	<b>64,749</b>	<b>434,388</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*



# Private Real Estate Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Private Real Estate Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool was established to hold the IMB's investments in private real estate funds. Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for this asset class. United States Treasury Inflation-Protected Securities were added to the Pool in November 2009, and are managed by State Street Global Advisors.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$17,215,400 of investments in private partnerships and other investment funds which are reported at fair value. For all of these investments, the IMB has concluded that the net asset value reported by the underlying fund approximates the fair value of the investment. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary

# Private Real Estate Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the carrying amount of such investments is a reasonable estimate of fair value as of December 31, 2009.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Interest Income** – Interest income is recognized as earned on the accrual method.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends or net capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

# Private Real Estate Pool

## Notes to Financial Statements - Unaudited

### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

	Level I	Level II	Level III	Total
Regulated Investment Companies	\$ -	\$ 21,463,022	\$ -	\$ 21,463,022
U.S. Treasury Issues	-	430,446,439	-	430,446,439
Investments in Other Funds	-	-	17,215,400	17,215,400
Total	<u>\$ -</u>	<u>\$ 451,909,461</u>	<u>\$ 17,215,400</u>	<u>\$ 469,124,861</u>

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2009 was as follows:

	Investments in Other Funds
Balance at June 30, 2009	\$ 16,301,689
Net realized gain/(loss)	-
Net change in unrealized appreciation/(depreciation)	586,107
Net purchases/(sales)	327,604
Net transfers in/(out) of Level 3	-
Balance at December 31, 2009	<u>\$ 17,215,400</u>

### NOTE 4. COMMITMENTS

The IMB, with the assistance of its consultant, began implementing its plan to invest in private real estate in February 2008. The IMB committed \$130,000,000 to four real estate investment funds/partnerships. The IMB had funded \$25,384,777 of these commitments at December 31, 2009, leaving unfunded commitments of \$104,615,223.

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$ 7.50
Income from investment operations:	
Net investment income	0.03
Net realized and unrealized gain on investment transactions	0.08
Total from investment operations	0.11
Net asset value at December 31, 2009	<u>\$ 7.61</u>

**Time-weighted Total Return \*** 1.5%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$ 472,710
Ratio to average net assets:	
Expenses **	0.53%
Net investment income **	1.81%
Portfolio turnover rate	0.09%

\* Return data is net of fees for the fiscal year-to-date and is not annualized

\*\* All ratios are for the fiscal year-to-date annualized

# Private Real Estate Pool

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## Notes to Financial Statements - Unaudited

### NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 224,414,791
Public Employees' Retirement System	208,569,624
State Police Death, Disability and Retirement Fund	22,944,950
Judges' Retirement System	5,734,203
Deputy Sheriff's Retirement System	5,059,047
State Police Retirement System	2,746,000
Wildlife Endowment Fund	2,023,764
Emergency Medical Services Retirement System	1,217,489
Total	<u>\$ 472,709,868</u>

**Financial Statements - Unaudited**

**December 31, 2009**



# Hedge Fund Pool

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## Financial Statements - Unaudited December 31, 2009

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# Hedge Fund Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2009

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,181,864
Dividends receivable		<u>3</u>
<b>Total assets</b>		1,181,867

### Liabilities

Accrued expenses		<u>167</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,181,700</u></u></b>

### Analysis of net assets

Paid-in capital	\$	1,180,208
Accumulated undistributed net investment loss		(1,321)
Accumulated undistributed net realized gain from investments		5,846
Unrealized net depreciation of investments		<u>(3,033)</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,181,700</u></u></b>

### Unit data

Units outstanding		118,122,857
Net asset value, unit price	\$	<u><u>10.00</u></u>

See accompanying notes to financial statements.



# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<b><u>Investments in Other Funds</u></b>			
AllBlue Limited		\$ 65,520	\$ 82,573
Investment Objective - To provide consistent long-term appreciation of assets through active investment in a diversified portfolio.			
Redemption Provisions - Monthly on the first business day with 33 days' prior written notice.			
A detail of the underlying investments is not available.			
Anchorage Crossover Credit		48,000	44,098
Investment Objective - To earn superior risk-adjusted returns while emphasizing preservation of capital.			
Redemption Provisions - Bi-annually with 90 days' prior written notice.			
A detail of the underlying investments is not available.			
Bennelong Asia Pacific		36,000	27,009
Investment Objective - To achieve long- and short-term capital appreciation primarily through equity investments in companies organized or operating in the Asia Pacific region.			
Redemption Provisions - Monthly with 90 days' prior written notice.			
A detail of the underlying investments is not available.			
Brevan Howard Fund		39,386	48,086
Investment Objective - To generate consistent long-term appreciation through active leveraged trading and investment on a global basis.			
Redemption Provisions - Monthly with 90 days' prior written notice.			
A detail of the underlying investments is not available.			
BW Pure Alpha		49,243	48,132
Investment Objective - To achieve substantial capital appreciation in a wide range of asset classes.			
Redemption Provisions - Monthly on the first business day with 5 days' prior written notice.			
A detail of the underlying investments is not available.			
CQS Convertible Strategies		60,000	53,135
Investment Objective - To achieve attractive risk-adjusted returns over the medium to long term.			
Redemption Provisions - Annually with 365 days' prior notice.			
A detail of the underlying investments is not available.			
Davidson Kempner		74,645	81,959
Investment Objective - To achieve capital appreciation.			
Redemption Provisions - Quarterly with 65 days' prior notice.			
A detail of the underlying investments is not available.			
Golden Tree Offshore		60,000	65,107
Investment Objective - To achieve superior risk-adjusted total returns through investments in public and private non-investment grade and nonrated debt securities.			
Redemption Provisions - Quarterly with 90 days' prior notice.			
A detail of the underlying investments is not available.			
Highbridge Capital		90,000	87,775
Investment Objective - To attain consistent capital appreciation with low volatility through arbitrage and absolute return investment strategies in the global equity and corporate debt securities markets.			
Redemption Provisions - Quarterly with 45 days' prior notice.			
A detail of the underlying investments is not available.			
Ionic Capital		40,000	37,185
Investment Objective: To generate superior risk-adjusted returns in both rising and falling markets.			
Redemption Provisions: Quarterly with 60 days' prior notice.			
Ivory Offshore		48,000	51,156
Investment Objective - To take long and short positions primarily in equity securities of publicly traded companies.			
Redemption Provisions - Quarterly with 45 days' prior written notice.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited (Continued)

December 31, 2009

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
Level Global		50,217	50,389
Investment Objective - To achieve above average capital appreciation primarily through investments in equity securities and other equity-related instruments.			
Redemption Provisions - Quarterly with 60 days' prior written notice. A detail of the underlying investments is not available.			
Magnetar Capital Fund		90,000	75,711
Investment Objective - To achieve superior risk-adjusted returns.			
Redemption Provisions - Quarterly with 90 days' prior written notice. A detail of the underlying investments is not available.			
M&G Episode		42,814	43,102
Investment Objective - To deliver attractive returns with appropriate volatility by seeking to exploit the mis-pricing of asset class and intra-asset class risk.			
Redemption Provisions - Quarterly with 30 days' prior written notice. A detail of the underlying investments is not available.			
O'Connor Global		72,281	84,624
Investment Objective - To realize consistently high risk-adjusted appreciation in the value of its assets.			
Redemption Provisions - Quarterly with 60 days' prior written notice. A detail of the underlying investments is not available.			
Perry Partners		60,000	58,882
Investment Objective - To achieve positive annual returns accompanied by a low level of beta and volatility in correlation relative to equity markets.			
Redemption Provisions - Annually with 90 days' prior written notice. A detail of the underlying investments is not available.			
PMA Asian Opportunities		36,000	34,079
Investment Objective - To achieve an absolute target return with strict adherence to stop-loss limits on the portfolio.			
Redemption Provisions - Quarterly with 90 days' prior written notice. A detail of the underlying investments is not available.			
Shepherd Investments		90,000	79,639
Investment Objective - To achieve an attractive rate of return, relative to the level of risk assumed.			
Redemption Provisions - Quarterly with 90 days' prior written notice. A detail of the underlying investments is not available.			
Taconic Opportunity		60,000	61,684
Investment Objective - To provide solid risk-adjusted, absolute returns by focusing on bottom-up, research-driven, probabilistic investing.			
Redemption Provisions - Quarterly with 60 days' prior written notice. A detail of the underlying investments is not available.			
VICIS Capital		37,785	32,533
Investment Objective - To achieve attractive risk-adjusted returns through investment in a diversified portfolio of assets.			
Redemption Provisions - Quarterly with 30 days' prior notice. A detail of the underlying investments is not available.			
Total Investment in Other Funds - 97.0%		1,149,891	1,146,858
<b>Short-term Issues</b>			
Dreyfus Cash Management Institutional Fund - 3.0%	35,006,056	35,006	35,006
Total Investment Securities - 100.0%		\$ 1,184,897	\$ 1,181,864

See accompanying notes to financial statements.

# Hedge Fund Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2009**  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Dividend	\$ 3	\$ 20
<b>Expenses</b>		
Trustee fees	(1)	(4)
Custodian fees	-	(1)
Management fees	(41)	(252)
Fiduciary bond fees	-	(3)
Professional service fees	(41)	(251)
<b>Total expenses</b>	<u>(83)</u>	<u>(511)</u>
<b>Investment loss, net</b>	(80)	(491)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	-	5,846
Net increase in the fair value of investments	9,806	84,391
<b>Net gain from investments</b>	<u>9,806</u>	<u>90,237</u>
<b>Net increase in net assets from operations</b>	<u>\$ 9,726</u>	<u>\$ 89,746</u>

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

## Hedge Fund Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2009**  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (80)	\$ (491)
Net realized gain from investments	-	5,846
Net increase in the fair value of investments	9,806	84,391
<b>Net increase in net assets from operations</b>	9,726	89,746
<b>Unit transactions</b>		
Proceeds from sale of units	83	55,612
Amount paid for repurchase of units	-	(76,102)
<b>Net increase (decrease) in net assets from unit transactions</b>	83	(20,490)
<b>Increase in net assets</b>	9,809	69,256
Net assets, beginning of period	1,171,891	1,112,444
<b>Net assets, end of period</b>	\$ 1,181,700	\$ 1,181,700
<b>Unit data</b>		
Units sold	8,380	5,943,069
Units repurchased	-	(7,898,311)
<b>Net increase (decrease) in units</b>	8,380	(1,955,242)

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed. See accompanying notes to financial statements.*

# Hedge Fund Pool

**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2009**  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 9,726	\$ 89,746
Adjustments to reconcile net increase in net assets from operations net cash provided by (used in) operating activities:		
Purchase of investment securities	-	(40,000)
Proceeds from disposition of investment securities	-	95,955
Purchases and sales of short-term investment securities, net	(3)	(35,006)
Increase in dividends receivable	-	(3)
Increase in accrued expenses	-	35
Net realized gain from investments	-	(5,846)
Net increase in the fair value of investments	(9,806)	(84,391)
<b>Net cash provided by (used in) operating activities</b>	<b>(83)</b>	<b>20,490</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	83	55,612
Amount paid for repurchase of units	-	(76,102)
<b>Net cash provided by (used in) financing activities</b>	<b>83</b>	<b>(20,490)</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

*\*The WVIMB operates on a fiscal year beginning on July 1. The "year to date" information is for the period July 1 through the month listed.  
See accompanying notes to financial statements.*

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration and investment management services to designated State pension funds, the State's Workers' Compensation and Coal Workers' Pneumoconiosis funds, and certain other State government funds.

A Board of Trustees, consisting of thirteen members, governs the IMB. The Governor, the State Auditor and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints all other Trustees for a term of six years.

The IMB operates on a fiscal year beginning July 1 and ending June 30.

The accompanying financial statements reflect only the investments and investment related operations of the IMB's Hedge Fund Pool (Pool). They do not reflect activity of the other investment pools under the control of the IMB or the Administrative Fund of the IMB, or any other assets or liabilities, or restrictions thereon, or the various investment pool participants. Accordingly, these financial statements are not intended to and do not present the comprehensive financial position and operations of the IMB or any of the investment pool participants.

These financial statements have been prepared on a basis of accounting following U.S. generally accepted accounting principles (GAAP) established by the Financial Accounting Standards Board (FASB) and the American Institute of Certified Public Accountants applicable to investment companies, which is a comprehensive basis of accounting other than GAAP for state and local governments established by the Government Accounting Standards Board. The IMB has selected this basis of accounting because it believes that the disclosures required for investment companies better reflect the purpose and operations of the Pool.

A summary of the differences between financial statements prepared in accordance with GAAP for investment companies and GAAP for state and local governments are as follows:

	Investment Company GAAP	State and Local GAAP
Management Discussion and Analysis	Not required	Required
Schedule of Investments in Securities	Required	Not required
Statement of Operations	Required	Not required
Investment Risk Disclosures	Not required	Required
Financial Highlights	Required	Not required

There are no differences in the reported amounts of assets, liabilities, net assets, investment operations, distributions, or unit transactions between GAAP for investment companies and GAAP for state and local governments.

The Pool was established to hold the IMB's investments in hedge funds. Albourne America, LLC has been retained by the IMB to provide consulting services for this asset class.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$1,146,857,972 of investments in alternative investment funds which are reported at fair value. For all of these investments, the IMB has concluded that the net asset value reported by the underlying fund approximates the fair value of the investment. These investments are redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the interests in the funds. Although a secondary market exists for these investments, it is

# Hedge Fund Pool

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## Notes to Financial Statements - Unaudited

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the redemption rights in the funds were restricted or eliminated and the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the carrying amount of such investments is a reasonable estimate of fair value as of December 31, 2009.

**Investment Transactions** - Investment transactions are accounted for on a trade date basis.

**Use of Estimates** - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**Dividend Income** - Dividend income is recognized on the ex-dividend date.

**Distributions to Participants** - The Pool does not routinely distribute dividends or net capital gains.

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

### NOTE 3. FAIR VALUE MEASUREMENTS

FAS 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The IMB adopted FAS 157 for fiscal year 2009.

Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

FAS 157 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FAS 157 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

### NOTE 3. FAIR VALUE MEASUREMENTS (Continued)

The table below summarizes the valuation of the investment securities in accordance with FAS 157 fair value hierarchy levels as of December 31, 2009:

	Level I	Level II	Level III	Total
Regulated Investment Companies	\$ -	\$ 35,006,056	\$ -	\$ 35,006,056
Investments in Other Funds	-	-	1,146,857,972	1,146,857,972
Total	\$ -	\$ 35,006,056	\$ 1,146,857,972	\$ 1,181,864,028

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2009 was as follows:

	Investments in Other Funds
Balance at June 30, 2009	\$ 1,112,575,678
Net realized gain/(loss)	5,846,295
Net change in unrealized appreciation/(depreciation)	84,391,311
Net purchases/(sales)	(55,955,312)
Net transfers in/(out) of Level 3	-
Balance at December 31, 2009	\$ 1,146,857,972

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2009	\$ 9.26
Net realized and unrealized loss on investment transactions	0.74
Net asset value at December 31, 2009	\$ 10.00

**Time-weighted Total Return \*** 8.0%

#### Supplemental Data:

Net assets, end of period (\$000's)	\$ 1,181,700
Ratio to average net assets:	
Expenses **	0.09%
Net investment income **	-0.08%
Portfolio turnover rate	3.50%

\* - Return data is net of fees and is for the fiscal year-to-date and is not annualized

\*\* - All ratios are for the fiscal year-to-date annualized



# Hedge Fund Pool

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## Notes to Financial Statements - Unaudited

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2009.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 412,723,769
Public Employees' Retirement System	386,643,727
Workers' Compensation Old Fund	133,436,524
Coal Workers' Pneumoconiosis Fund	49,260,194
Revenue Shortfall Reserve Fund B	47,280,795
State Police Death, Disability and Retirement Fund	40,815,177
Revenue Shortfall Reserve Fund	32,701,014
Public Employees' Insurance Agency	25,586,750
Board of Risk and Insurance Management	23,546,231
Judges' Retirement System	10,181,673
Deputy Sheriff's Retirement System	8,939,876
State Police Retirement System	4,819,088
Wildlife Endowment Fund	3,579,778
Emergency Medical Services Retirement System	2,185,868
Total	<u>\$ 1,181,700,464</u>