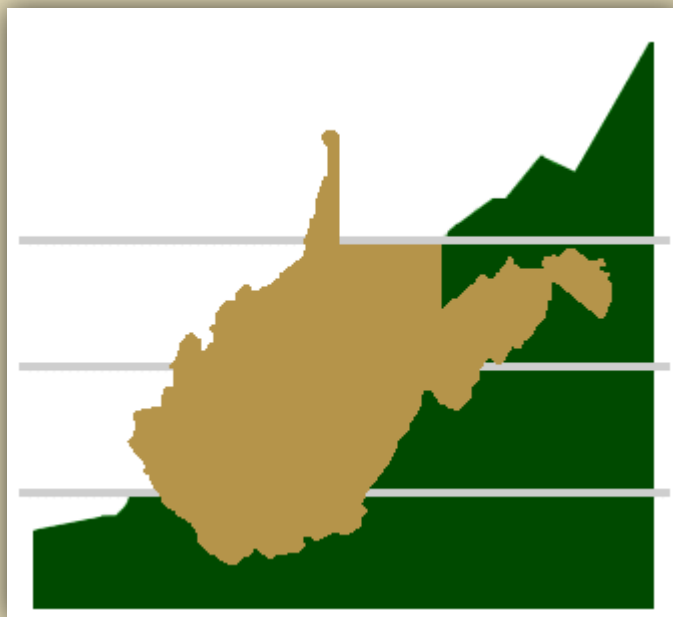


**West Virginia**

**Investment Management Board**



**Financial Statements**

**December 31, 2011**



# West Virginia Investment Management Board

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## **Financial Statements – Unaudited**

December 31, 2011

### **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

TIPS

TRS Annuity

Private Equity

Real Estate

Hedge Fund



**Financial Statements - Unaudited**

**December 31, 2011**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited December 31, 2011

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# Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,051,430
Collateral for securities loaned at fair value (Note 5)		34,758
Cash		2,778
Receivables:		
Investments sold		52,771
Dividends		3,124
Securities lending income		17
Unrealized gain on futures contracts (Note 6)		72
		<hr/>
<b>Total assets</b>		2,144,950

### Liabilities

Accrued expenses		613
Payable for investments purchased		13,349
Payable upon return of securities loaned (Note 5)		37,855
		<hr/>
<b>Total liabilities</b>		51,817
		<hr/>
<b>Net assets</b>	\$	<u><u>2,093,133</u></u>

### Analysis of net assets

Paid-in capital	\$	1,436,258
Accumulated undistributed net investment income		326,894
Accumulated undistributed net realized gain from investments		109,267
Unrealized net appreciation of investments		220,714
		<hr/>
<b>Net assets</b>	\$	<u><u>2,093,133</u></u>

### Unit data

Units outstanding		164,947,913
Net asset value, unit price	\$	<u><u>12.69</u></u>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	24,400	\$ 1,906	\$ 2,079
Airgas Inc	14,500	963	1,132
Alcoa Inc	233,200	3,286	2,017
Allegheny Technologies Inc	8,800	236	421
Alpha Natural Resources Inc	19,100	1,020	390
Ball Corporation	123,100	3,999	4,396
Bemis Company Inc	8,600	218	259
CF Industries Holdings Inc	26,400	3,218	3,827
Cliffs Natural Resources Inc	22,800	1,131	1,422
Dow Chemical Company	196,700	5,914	5,657
DuPont EI de Nemours Co	223,700	8,898	10,241
Eastman Chemical Company	71,000	2,927	2,773
Ecolab Inc	33,300	1,674	1,925
FMC Corporation	6,100	335	525
Freeport-McMoRan Copper & Gold	98,100	3,527	3,609
International Paper Company	39,300	789	1,163
Intl Flavors & Fragrances Inc	54,100	2,692	2,836
MeadWestvaco Corp	28,000	631	839
Monsanto Company	76,100	5,401	5,332
Newmont Mining Corp	45,200	2,297	2,712
Nucor Corporation	38,600	1,623	1,527
Owens-Illinois Inc	12,900	322	250
Peabody Energy Corp	24,200	900	801
PPG Industries Inc	51,600	3,818	4,308
Praxair Inc	41,400	3,665	4,426
Sealed Air Corporation	13,700	268	236
Sigma-Aldrich Corporation	11,200	618	700
Titanium Metals Corp	34,800	479	521
United States Steel Corp	12,000	543	318
Vulcan Materials	10,300	554	405
Weyerhaeuser Company	264,667	5,600	4,941
<i>Total Basic Materials - 3.4%</i>		69,452	71,988
<i>Capital Goods</i>			
3M Co	72,500	5,395	5,925
Apollo Group	50,600	2,600	2,726
Avery Dennison Corp	9,700	261	278
BF Goodrich Company	23,000	1,514	2,845
Boeing Company	89,100	5,282	6,535
C H Robinson Worldwide Inc	36,800	2,475	2,568
Caterpillar Inc	134,800	10,385	12,213
Cintas Corp	16,500	506	574
Cooper Industries PLC	23,300	1,252	1,262
CSX Corp	353,500	7,539	7,445
Cummins Engine Company Inc	18,000	935	1,584
Danaher Corp	104,100	4,284	4,897
Deere & Company	81,100	4,968	6,273
Donnelley & Sons	24,700	400	356
Dover Corp	16,700	670	969
Dun & Bradstreet Corp	18,800	1,489	1,407
Eaton Corporation	46,600	1,594	2,028
Emerson Electric Co	68,100	2,897	3,173
Equifax Inc	26,000	778	1,007
Expeditors Intl of Washington	25,900	1,016	1,061
Fastenal Company	73,500	2,252	3,205
FedEx Corp	28,300	2,066	2,363
Flowserve Corp	5,200	476	516
Fluor Corporation	29,000	1,608	1,457
General Dynamics Corp	52,700	3,251	3,500
General Electric Company	1,816,575	37,934	32,535
Grainger WW Inc	14,200	1,369	2,658

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Honeywell International Inc	195,600	8,686	10,631
Illinois Tool Works Inc	54,100	2,481	2,527
Iron Mountain Inc	168,100	5,276	5,177
Jacobs Engineering Group Inc	12,000	533	487
Joy Global Inc	9,600	891	720
L-3 Communications Hldgs Inc	82,200	5,660	5,481
Lockheed Martin Corp	75,600	5,638	6,116
Masco Corporation	90,800	1,071	952
Norfolk Southern Corp	53,200	2,767	3,876
Northrop Grumman Corp	62,600	3,302	3,661
PACCAR Inc	31,700	1,164	1,188
Pall Corporation	22,300	1,014	1,274
Parker-Hannifin Corporation	24,700	1,599	1,883
Pitney Bowes Inc	17,600	395	326
Precision Castparts Corp	14,500	1,770	2,389
Priceline.com Inc	14,510	3,904	6,786
Raytheon Company	88,300	3,885	4,272
Republic Services Inc	28,600	782	788
Robert Half International Inc	12,600	315	359
Rockwell Automation Inc	76,700	4,235	5,627
Rockwell Collins	13,700	706	759
Roper Industries Inc	40,600	2,924	3,527
Ryder System Inc	4,100	139	218
Southwest Airlines Co	70,900	657	607
Stanley Black & Decker Inc	15,077	652	1,019
Textron Inc	23,900	451	442
Tyco International Ltd	55,100	2,217	2,574
Union Pacific Corp	73,900	5,374	7,829
United Parcel Service Inc	90,900	5,336	6,653
United Technologies Corp	97,100	6,298	7,097
Waste Management Inc	45,100	1,411	1,475
<i>Total Capital Goods - 9.9%</i>		186,729	208,080
<i>Communication Services</i>			
American Tower REIT Inc	35,100	1,461	2,106
AT&T Inc	1,262,129	36,997	38,167
CenturyTel Inc	230,366	8,090	8,570
Frontier Communications Corp	93,386	778	481
Metropcs Communications Inc	179,100	1,896	1,555
Sprint Nextel Corporation	265,800	1,195	622
Verizon Communications	467,949	15,765	18,774
Windstream Corp	95,800	1,057	1,125
<i>Total Communication Services - 3.4%</i>		67,239	71,400
<i>Consumer Discretionary</i>			
Abercrombie & Fitch Co	54,400	3,041	2,657
Amazon.com Inc	36,900	4,907	6,387
AutoNation Inc	32,800	937	1,209
AutoZone Inc	16,700	3,897	5,427
Beam Inc	13,700	492	702
Bed Bath & Beyond Inc	35,100	1,694	2,035
Best Buy Co Inc	27,400	1,064	640
Big Lots Inc	17,800	592	672
Borg-Warner Automotive Inc	20,200	1,266	1,288
Cablevision Systems	112,900	2,598	1,605
CarMax Inc	24,400	590	744
Carnival Corp	40,100	1,319	1,309
CBS Corp	310,400	6,799	8,424
Chipotle Mexican Grill Inc	7,800	2,317	2,634
Coach Inc	27,200	1,011	1,660
Comcast Corp	469,750	9,134	11,138
CVS Caremark Corp	173,976	5,598	7,095
Darden Restaurants Inc	37,800	1,543	1,723

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

December 31, 2011

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
DeVry Inc	47,600	2,000	1,831
DIRECTV Group Inc	231,500	8,606	9,899
Discovery Communications Inc	24,600	794	1,008
Disney Walt Company	185,000	5,277	6,938
Dollar Tree Inc	22,200	1,828	1,845
DR Horton Inc	72,800	855	918
Expedia Inc	8,350	166	242
Family Dollar Stores	36,500	1,428	2,105
Ford Motor Company	372,100	3,509	4,004
GameStop Corp	74,200	1,792	1,790
Gannett Co Inc	20,500	255	274
Gap Inc	42,800	734	794
Genuine Parts Company	31,200	1,404	1,909
Goodyear Tire & Rubber Co	151,500	1,830	2,147
Harley-Davidson Inc	28,300	803	1,100
Harman Intl Industries Inc	5,500	187	209
Hasbro Inc	11,800	425	376
Home Depot Inc	185,300	5,452	7,790
International Game Technology	67,800	1,253	1,166
Interpublic Group of Co Inc	42,500	354	414
Johnson Controls Inc	74,700	2,179	2,335
Kohl's Corporation	23,500	1,265	1,160
Leggett & Platt Inc	11,200	155	258
Lennar Corporation	29,200	508	574
Limited Inc	143,500	3,774	5,790
Lowe's Corp Inc	165,500	3,519	4,200
Macys Retail Holdings Inc	51,300	1,055	1,651
Marriott International Inc	25,080	691	732
Mattel Inc	39,000	769	1,083
McDonald's Corporation	166,500	10,880	16,705
McGraw-Hill Companies Inc	127,900	4,778	5,752
NetFlix.com Inc	30,200	4,330	2,093
Newell Rubbermaid Inc	23,700	237	383
News Corp	196,300	2,501	3,502
Nike Inc	45,500	3,113	4,385
Nordstrom Inc	26,200	1,097	1,302
Omnicom Group Inc	57,800	2,483	2,577
Orchard Supply Hardware	569	24	24
O'Reilly Automotive Inc	22,500	1,250	1,799
Penney JC & Company	32,500	1,113	1,142
Pulte Corporation	155,700	1,000	982
Ralph Lauren Corp	11,200	1,171	1,546
Ross Stores Inc	125,300	3,916	5,956
Sears Holding Corp	21,900	1,172	696
Sherwin-Williams Co	13,000	915	1,161
Snap-On Inc	16,600	877	840
Staples Inc	63,600	1,335	883
Starbucks Corp	78,900	1,895	3,630
Starwood Hotels & Resorts Inc	17,200	613	825
Target Corp	61,800	2,969	3,165
Tiffany & Co	34,900	2,034	2,312
Time Warner Cable Inc	86,212	4,517	5,480
Time Warner Inc	89,600	2,377	3,238
TJX Companies Inc	61,700	2,901	3,983
TripAdvisor Inc	8,350	175	211
Urban Outfitters Inc	12,200	376	336
VF Corp	29,100	3,424	3,695
Viacom Inc	185,300	6,096	8,414
Washington Post Company	3,400	1,388	1,281
Whirlpool Corporation	6,400	444	304
Wyndham Worldwide Corporation	13,200	217	499
Wynn Resorts Limited	40,100	4,257	4,431

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Yum Brands Inc	119,000	5,400	7,022
<i>Total Consumer Discretionary - 10.6%</i>		182,941	222,445
<i>Consumer Staples</i>			
Altria Group Inc	508,820	10,955	15,087
Archer-Daniels-Midland Co	59,500	1,578	1,702
Avon Products Inc	38,200	1,147	667
Brown Forman Corp	48,800	2,907	3,929
Campbell Soup Co	15,800	521	525
Clorox Company	20,300	1,261	1,351
Coca-Cola Company	359,800	19,663	25,175
Coca-Cola Enterprises Inc	142,100	3,386	3,663
Colgate-Palmolive Co	67,300	5,585	6,218
ConAgra Foods Inc	163,600	3,955	4,319
Constellation Brands Inc	17,300	278	358
Costco Wholesale Corp	97,400	7,018	8,115
Dean Foods Company	108,400	1,198	1,214
Dr Pepper Snapple Group	27,200	715	1,074
Estee Lauder Companies Inc	68,400	4,674	7,683
General Mills Inc	76,500	2,638	3,091
Heinz HJ Company	64,300	2,897	3,475
Hershey Foods Corp	64,400	3,490	3,979
Hormel Foods Corp	113,800	2,587	3,333
Kellogg Company	92,900	4,950	4,698
Kimberly Clark Corporation	41,800	2,499	3,075
Kraft Foods Inc	252,800	7,608	9,445
Kroger Co	167,000	4,027	4,045
Lorillard, Inc	40,500	4,080	4,617
McCormick & Company Inc	87,400	3,804	4,407
Mead Johnson Nutrition Co-A	53,909	2,393	3,705
Molson Coors Brewing Co	14,600	698	636
Pepsico Inc	243,264	14,658	16,141
Philip Morris International	309,320	15,966	24,275
Procter & Gamble Company	452,632	27,145	30,195
Reynolds American Inc	166,100	4,585	6,880
Safeway Inc	40,500	772	852
Sara Lee Corp	411,900	6,109	7,793
Smucker JM Company	51,400	3,683	4,018
Supervalu Inc	106,400	950	864
Sysco Corp	77,800	2,005	2,282
The Mosiac Company	41,400	2,344	2,088
Tyson Foods, Inc	102,900	1,929	2,124
Walgreen Co	275,100	10,664	9,095
Wal-Mart Stores	276,000	14,454	16,494
Whole Foods Market Inc	26,300	1,080	1,830
<i>Total Consumer Staples - 12.2%</i>		212,856	254,517
<i>Energy</i>			
Anadarko Petroleum Corp	67,400	3,803	5,145
Apache Corporation	37,300	3,559	3,379
Baker Hughes Inc	139,742	7,969	6,797
Cabot Oil & Gas Corporation	61,100	3,938	4,637
Cameron International Corp	23,200	832	1,141
Chesapeake Energy Corp	133,700	3,746	2,980
ChevronTexaco Corp	379,155	30,734	40,342
ConocoPhillips	223,780	13,358	16,307
CONSOL Energy Inc	38,800	1,742	1,424
Denbury Resources Inc	52,200	789	788
Devon Energy Corporation	67,900	4,950	4,210
Diamond Offshore Drilling Inc	6,100	588	337
El Paso Corporation	179,800	2,423	4,777
EOG Resources Inc	24,000	2,014	2,364
Exxon Mobil Corporation	973,794	69,072	82,539

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
First Solar Inc	5,400	752	182
FMC Technologies Inc	31,100	1,011	1,624
Halliburton Company	177,200	5,855	6,115
Helmerich & Payne Inc	50,100	2,627	2,924
Hess Corp	35,700	2,043	2,028
Marathon Oil Corp	205,700	4,854	6,021
Marathon Petroleum Corporation	158,250	5,052	5,268
Murphy Oil Corporation	17,800	983	992
Nabors Industries Ltd	116,300	2,421	2,017
National-Oilwell Varco Inc	138,100	8,691	9,389
Newfield Exploration Company	11,400	720	430
Noble Corp	36,800	1,342	1,112
Noble Energy Inc	15,600	1,044	1,472
Occidental Petroleum Corp	73,800	5,527	6,915
Pioneer Natural Resources Co	28,200	1,691	2,523
QEP Resources Inc	56,500	1,668	1,655
Range Resources Corporation	46,500	2,848	2,880
Rowan Companies Inc	20,200	607	613
Schlumberger Ltd	181,711	11,766	12,413
Spectra Energy Corp	127,100	2,792	3,908
Sunoco Inc	19,200	658	788
Tesoro Petroleum Corporation	115,900	2,557	2,707
Valero Energy Corporation	209,400	4,648	4,408
Williams Companies Inc	156,300	3,948	5,161
<i>Total Energy - 12.5%</i>		225,622	260,712
<i>Financial Services</i>			
Ace Ltd	55,200	3,189	3,871
AFLAC Inc	41,600	1,758	1,800
Allstate Corp	44,800	1,309	1,228
American Express	120,900	4,298	5,703
American International Group	39,000	1,176	905
Ameriprise Financial Inc	74,300	3,148	3,688
Aon Corporation	200,000	9,464	9,360
Apartment Investment & Mgmt Co	11,700	163	268
Assurant Inc	8,400	243	345
Avalonbay Communities Inc	12,300	1,114	1,606
Bank of America Corporation	929,677	17,038	5,169
Bank of New York Mellon Corp	108,200	3,475	2,154
BB&T Corporation	97,300	2,382	2,449
Berkshire Hathaway Inc	183,596	13,754	14,008
BlackRock Inc	11,500	2,201	2,050
Boston Properties Inc	17,500	1,306	1,743
Capital One Financial Corp	84,200	3,589	3,561
CBRE Group Inc	124,200	2,077	1,890
Chubb Corp	44,200	2,407	3,060
Cincinnati Financial Corp	36,500	1,003	1,112
Citigroup Inc	282,460	14,220	7,432
CME Group Inc	5,900	1,743	1,438
Comerica Inc	34,000	1,005	877
Discover Financial Services	330,800	7,270	7,939
E*Trade Group Inc	21,820	368	174
Equity Residential Prop Trust	85,400	3,652	4,870
Federated Investors Inc	21,700	570	329
Fifth Third Bancorp	117,500	1,195	1,495
First Horizon National Corp	129,968	1,140	1,040
Franklin Resources Inc	15,700	1,351	1,508
Genworth Financial Inc	42,700	535	280
Goldman Sachs Group Inc	46,800	5,964	4,232
H&R Block Inc	233,900	3,714	3,820
Hartford Financial Services Gp	39,500	982	642
HCP Inc	36,200	1,159	1,500
Health Care REIT	23,000	1,077	1,254

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Host Hotels & Resorts Inc	63,162	722	933
Hudson City Bancorp Inc	46,100	731	288
Huntington Bancshares Inc	114,600	551	629
Intercontinental Exchange Inc	6,600	664	796
Invesco Limited	42,200	717	848
JP Morgan Chase & Co	564,753	20,594	18,778
KeyCorp	144,000	1,048	1,107
Kimco Realty Corporation	35,900	430	583
Legg Mason Inc	12,300	382	296
Leucadia National Corporation	172,600	5,413	3,925
Lincoln National Corp	26,100	665	507
Loews Corp	40,800	1,444	1,536
M & T Bank Corporation	15,000	1,127	1,145
Marsh & McLennan Co Inc	231,500	6,706	7,320
MasterCard Inc	17,900	4,953	6,673
MetLife Inc	109,800	3,940	3,424
Moody's Corp	145,000	4,622	4,884
Morgan Stanley	158,900	4,232	2,404
Nasdaq Stock Market Inc	13,000	285	319
Northern Trust Corp	21,500	1,110	853
NYSE Euronext	46,900	1,317	1,224
People's United Financial Inc	212,100	2,646	2,725
Plum Creek Timber Co Inc	45,000	1,637	1,645
PNC Financial Services Group	53,500	2,684	3,085
Principal Financial Group Inc	28,400	695	699
Progressive Corp	78,700	1,348	1,535
Prologis Inc	52,974	1,540	1,515
Prudential Financial Inc	56,100	2,674	2,812
Public Storage Inc	19,900	1,873	2,676
Regions Financial Corp	242,400	1,165	1,042
Schwab Charles Corp	216,400	3,227	2,437
Simon Property Group	29,602	2,340	3,817
SLM Corp	114,400	1,396	1,533
State Street Corp	50,900	2,292	2,052
SunTrust Banks Inc	48,000	1,049	850
T Rowe Price Associates Inc	24,300	1,146	1,384
Torchmark Corporation	43,400	1,576	1,883
Travelers Cos Inc	63,600	3,111	3,763
UnumProvident Corp	37,700	765	794
US Bancorp	213,500	5,038	5,775
Ventas Inc	25,600	1,186	1,411
Visa Inc-Class A Shares	61,900	5,372	6,285
Vornado Realty Trust	17,540	1,236	1,348
Wells Fargo & Company	599,300	15,744	16,517
XL Group PLC	29,000	503	573
Zions Bancorporation	44,300	761	721
<i>Total Financial Services - 11.1%</i>		245,696	232,149
<i>Health Care</i>			
Abbott Laboratories	171,400	8,798	9,638
Aetna Inc	90,400	3,240	3,814
Allergan Inc	43,700	2,996	3,834
AmerisourceBergen Corp	177,200	6,041	6,590
Amgen Inc	71,977	3,877	4,622
Bard CR Inc	63,400	5,919	5,421
Baxter International Inc	169,500	9,619	8,387
Becton Dickinson & Company	42,800	3,149	3,198
Biogen Idec Inc	80,100	6,323	8,815
Boston Scientific Corp	203,700	1,626	1,088
Bristol-Myers Squibb Company	237,742	5,788	8,378
Cardinal Health Inc	148,600	5,744	6,035
CareFusion Corporation	134,200	3,369	3,410
Celgene Corporation	39,700	2,222	2,684

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Cerner Corporation	74,200	4,435	4,545
CIGNA Corporation	94,200	3,635	3,956
Coventry Health Care Inc	70,100	2,158	2,129
Covidien PLC	220,600	11,194	9,929
DaVita Inc	23,500	1,665	1,782
DENTSPLY International Inc	54,800	1,916	1,917
Edwards Lifesciences Corp	12,600	1,046	891
Eli Lilly and Company	154,800	5,760	6,433
Express Scripts Inc	46,300	1,891	2,069
Forest Laboratories Inc	24,500	729	741
Gilead Sciences Inc	139,900	5,797	5,726
Hospira Inc	15,400	563	468
Humana Inc	53,900	2,926	4,722
Intuitive Surgical Inc	8,300	2,892	3,843
Johnson & Johnson	438,000	26,871	28,724
Laboratory Corp of Amer Hldgs	50,100	4,245	4,307
Life Technologies Corp	16,000	703	623
McKesson HBOC Inc	56,500	4,024	4,402
Medco Health Solutions Inc	43,900	2,294	2,454
Medtronic Inc	148,500	5,455	5,680
Merck & Co Inc	407,580	13,757	15,366
Mylan Laboratories Inc	105,600	1,859	2,266
Patterson Companies Inc	7,600	207	224
PerkinElmer Inc	9,500	181	190
Perrigo Company	16,700	1,661	1,625
Pfizer Inc	1,294,683	26,715	28,017
Quest Diagnostics Inc	71,100	3,806	4,128
St Jude Medical Inc	141,600	5,531	4,857
Stericycle Inc	55,500	4,287	4,325
Stryker Corporation	80,900	4,020	4,022
Tenet Healthcare Corporation	38,300	208	196
Thermo Electron Corporation	57,800	2,687	2,599
UnitedHealth Group Inc	222,500	8,417	11,276
Varian Medical Systems Inc	34,700	1,858	2,329
Waters Corporation	9,300	558	689
Watson Pharmaceuticals Inc	96,600	5,510	5,829
WellPoint Inc	113,600	7,120	7,526
Zimmer Holdings Inc	61,900	3,361	3,307
<i>Total Health Care - 12.9%</i>		250,653	270,026
<i>Technology</i>			
Accenture PLC	161,500	9,419	8,597
Adobe Systems Inc	49,100	1,496	1,388
Advanced Micro Devices Inc	47,500	270	257
Agilent Technologies Inc	166,500	6,825	5,816
Akamai Technologies Inc	16,100	428	520
Altera Corporation	132,200	4,185	4,905
Amphenol Corp	16,100	619	731
Analog Devices Inc	34,000	1,059	1,217
Apple Computer Inc	145,100	29,795	58,766
Applied Materials Inc	115,700	1,444	1,239
Autodesk Inc	26,600	768	807
Automatic Data Processing Inc	175,700	8,617	9,490
BMC Software Inc	16,900	562	554
Broadcom Corp	45,900	1,431	1,348
CA Inc	72,600	1,489	1,468
Cisco Systems Inc	495,800	9,563	8,964
Citrix Systems Inc	48,100	2,326	2,921
Cognizant Tech Solutions Corp	89,200	3,921	5,736
Computer Sciences Corp	12,600	634	299
Coming Inc	140,000	2,332	1,817
Dell Inc	186,600	2,734	2,730
eBay Inc	132,200	3,407	4,010

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Electronic Arts Inc	177,600	3,803	3,659
EMC Corporation	280,200	4,646	6,036
F5 Networks Inc	7,300	993	775
Fidelity Ntl Information Svcs	56,000	1,405	1,489
Fiserv Inc	45,200	2,559	2,655
FLIR Systems Inc	35,000	936	877
Google Inc	29,300	14,505	18,925
Harris Corporation	18,100	652	652
Hewlett-Packard Company	183,200	7,203	4,719
IBM Corp	213,400	24,434	39,240
Ingersoll-Rand PLC	50,600	2,032	1,542
Intel Corporation	565,500	11,650	13,713
Intuit Inc	26,400	887	1,388
Jabil Circuit Inc	15,400	195	303
JDS Uniphase Corporation	17,800	89	186
Juniper Networks Inc	50,400	1,249	1,029
KLA-Tencor Corporation	23,500	909	1,134
Lexmark International Inc	6,100	132	202
Linear Technology Corp	20,100	554	604
LSI Logic Corporation	211,000	1,320	1,255
Microchip Technology Inc	109,700	3,805	4,018
Micron Technology Inc	128,500	897	808
Microsoft Corporation	1,008,102	25,405	26,170
Molex Inc	11,000	215	262
Motorola Mobility Holdings Inc	25,500	10	989
Motorola Solutions Inc	85,927	3,936	3,978
NetApp Inc.	31,700	975	1,150
Novellus Systems Inc	6,800	143	281
NVIDIA Corporation	176,100	2,691	2,441
Oracle Corporation	586,144	12,752	15,035
Paychex Inc	206,600	6,237	6,221
Qualcomm Inc	260,900	12,559	14,271
Red Hat Inc	17,200	528	710
SAIC INC	202,400	2,720	2,487
Salesforce.com Inc	12,900	1,040	1,309
SanDisk Corporation	22,600	609	1,112
Scripps Networks Interactive	8,000	229	339
Symantec Corporation	143,100	2,319	2,240
TE Connectivity Ltd	64,500	2,203	1,987
Teradata Corporation	99,700	4,767	4,836
Teradyne Inc	31,900	355	435
Texas Instruments Inc	263,100	7,604	7,659
Total System Services Inc	71,300	1,248	1,395
VeriSign Inc	39,800	1,091	1,422
Western Digital Corp	20,500	587	634
Western Union Company	249,300	4,743	4,552
Xerox Corporation	126,095	1,074	1,004
Xilinx Inc	69,700	2,022	2,235
Yahoo! Inc	110,400	1,915	1,781
<i>Total Technology - 16.0%</i>		278,156	335,724
<i>Utilities</i>			
AES Corporation	58,400	772	691
AGL Resources Inc	40,837	1,651	1,726
Ameren Corporation	63,700	1,753	2,110
American Electric Power Co Inc	45,200	1,348	1,867
CenterPoint Energy Inc	182,200	2,728	3,660
CMS Energy Corporation	146,400	2,519	3,233
Consolidated Edison Inc	98,800	4,609	6,129
Constellation Energy Group	81,900	3,064	3,249
Dominion Resources Inc	149,100	6,362	7,914
DTE Energy Company	54,500	2,493	2,968
Duke Energy Corp	145,600	2,603	3,203

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Edison International	34,900	1,216	1,445
Entergy Corporation	15,900	1,213	1,161
EQT Corp	76,900	4,296	4,213
Exelon Corp	71,600	3,307	3,105
FirstEnergy Corp	126,532	5,113	5,605
Integrus Energy Group Inc	6,900	251	374
NextEra Energy Inc	79,400	4,372	4,834
NiSource Inc	123,400	2,099	2,938
Northeast Utilities	125,500	3,582	4,527
NRG Energy Inc	103,400	2,130	1,874
ONEOK Inc	75,300	4,087	6,528
Pepco Holdings	71,400	1,164	1,449
PG&E Corp	38,300	1,593	1,579
Pinnacle West Capital Corp	32,900	1,250	1,585
PPL Corporation	81,500	2,323	2,398
Progress Energy Inc	47,000	2,044	2,633
Public Service Enterprise Grp	94,600	3,132	3,123
Quanta Services Inc	30,100	645	648
SCANA Corporation	17,700	660	798
Sempra Energy	21,600	1,081	1,188
Southern Company	131,900	4,662	6,106
Southwestern Energy Company	45,500	1,790	1,453
TECO Energy Inc	17,200	242	329
Wisconsin Energy Corporation	109,900	2,919	3,842
Xcel Energy Inc	139,400	3,156	3,853
Xylem Inc	33,700	931	864
<i>Total Utilities - 5.1%</i>		89,160	105,202
Total Equity Securities - 97.1%		1,808,504	2,032,243
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund	19,187,414	19,187	19,187
Total Short-term Issues - 0.9%		19,187	19,187
Total Investment Securities - 98.0%		\$ 1,827,691	\$ 2,051,430
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 34,226	\$ 34,226
Mellon SL DBT II Liquidating Fund		550	532
Mellon GSL DBT II Liquidating Trust		3,079	-
Total Collateral for Securities Loaned		\$ 37,855	\$ 34,758

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends	\$ 3,916	\$ 23,481
Securities lending income	3	58
Securities lending borrower premiums	17	76
Net shareholder litigation proceeds	3	90
<b>Total investment income</b>	3,939	23,705
<b>Expenses</b>		
Investment advisor fees	(103)	(946)
Trustee fees	(1)	(4)
Custodian bank fees	(6)	(37)
Management fees	(56)	(326)
Fiduciary bond fees	-	(4)
Professional service fees	(10)	(61)
Securities lending agent fees	(3)	(21)
Futures commission expense	(5)	(13)
<b>Total expenses</b>	(184)	(1,412)
<b>Investment income, net</b>	3,755	22,293
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	4,241	16,354
Net increase (decrease) in the fair value of investments	12,112	(93,239)
<b>Net gain (loss) from investments</b>	16,353	(76,885)
<b>Net increase (decrease) in net assets from operations</b>	\$ 20,108	\$ (54,592)

*\*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, 2011\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 3,755	\$ 22,293
Net realized gain from investments	4,241	16,354
Net increase (decrease) in the fair value of investments	12,112	(93,239)
<b>Net increase (decrease) in net assets from operations</b>	20,108	(54,592)
<b>Unit transactions</b>		
Proceeds from sale of units	2	247,342
Amount paid for repurchase of units	(91,926)	(181,164)
<b>Net increase (decrease) in net assets from unit transactions</b>	(91,924)	66,178
<b>Increase (decrease) in net assets</b>	(71,816)	11,586
<b>Net assets, beginning of period</b>	2,164,949	2,081,547
<b>Net assets, end of period</b>	\$ 2,093,133	\$ 2,093,133
<b>Unit data</b>		
Units sold	159	21,103,208
Units repurchased	(7,314,390)	(14,317,789)
<b>Net increase (decrease) in units</b>	(7,314,231)	6,785,419

*\*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.*

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 in equity securities are carried at fair value, which is determined by a third party pricing service based on quoted market prices. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. 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 investment 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

# Large Cap Domestic Equity Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

of the securities loaned. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, consisting of the Mellon SL DBT II Liquidating Fund and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust). Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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 on a daily basis for the fluctuations of the underlying securities or index. The IMB records futures at fair market value as determined by the exchange on which they are traded. Gains or losses on open futures positions are unrealized. These gains or losses become realized when the position is closed.

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 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. Investment 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.

**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 net realized gains.

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

**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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS

Futures contracts are the only derivative financial instruments held in the Pool. These derivative financial instruments are not designated as hedging instruments under ASC 815; they are 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 primary risk managed by using these derivative financial instruments is market risk. See Note 2 for additional information on the Pool's purpose for entering into derivatives not designated as hedging instruments and for discussion on the risks associated with investing in these derivatives.

The table below presents the fair value of the derivative financial instruments not designated as hedging instruments recorded in the Statement of Assets and Liabilities as of December 31, 2011:

Derivatives not designated as hedging instruments under ASC 815	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Equity contracts	Unrealized gain on futures contracts	\$ 72		\$ -

The table below presents the impact of the derivative financial instruments not designated as hedging instruments recorded in the Statement of Operations for the period ended December 31, 2011:

Derivatives not designated as hedging instruments under ASC 815	Statement of Operations Location	Realized Gain (Loss)	Statement of Operations Location	Unrealized Gain (Loss)
Equity contracts	Net realized gain from investments	\$ (756)	Net decrease in the fair value of investments	\$ (268)

### NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 are:

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 4. 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,032,243	\$ -	\$ -	\$ 2,032,243
Regulated investment companies	-	19,187	-	19,187
Securities lending collateral funds	-	34,758	-	34,758
Futures	72	-	-	72
Total	<u>\$ 2,032,315</u>	<u>\$ 53,945</u>	<u>\$ -</u>	<u>\$ 2,086,260</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$ 37,096		
Initial collateral received:	Cost	Fair Value	Unrealized Loss
Cash	<u>\$ 37,855</u>	<u>\$ 34,758</u>	<u>\$ (3,097)</u>
Non-cash		<u>238</u>	
Total		<u>\$ 34,996</u>	

The Liquidating Trust, referenced in Note 2, was created in October 2008 to account for certain securities issued by Sigma Finance, Inc. The IMB's balance in the Liquidating Trust for all IMB investment pools that participate in the securities lending program was \$10,974 of which \$3,248 was assigned to the Large Cap Domestic Equity Pool. A loss reserve was established for the entire amount. Through December 31, 2011, the loss reserve has been adjusted to \$3,079 as a result of cash received in the Liquidating Trust. This \$3,079 is included in the unrealized loss reported in the above table.

In October 2008, the IMB suspended the distribution of any net securities lending income subject to final dissolution of the Liquidating Trust. For the period October 2008 through December 2011, the pool has recorded, but not distributed \$2,164 of net securities lending income.

# Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 6. FUTURES CONTRACTS

At December 31, 2011, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Value at December 31, 2011</u>	<u>Value Upon Entering Contract</u>	<u>Unrealized Gain (Loss)</u>
Mar 2012	758 S&P 500	Long	<u>\$ 47,474</u>	<u>\$ 47,402</u>	<u>\$ 72</u>

At December 31, 2011, the Pool had pledged cash of \$2,778 to cover margin requirements on open futures contracts.

### NOTE 7. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 13.16
Income from investment operations:	
Net investment income	0.13
Net realized and unrealized loss on investment transactions	<u>(0.60)</u>
Total from investment operations	<u>(0.47)</u>
Net asset value at December 31, 2011	<u>\$ 12.69</u>

**Time-weighted Total Return \*** -3.5%

#### Supplemental Data:

Net assets, end of period	\$ 2,093,133
Ratio to average net assets:	
Expenses **	0.14%
Net investment income **	2.17%
Portfolio turnover rate	27.03%

\* 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

*(Amounts in thousands, except share data)*

### NOTE 8. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 916,171
Public Employees' Retirement System	807,670
State Police Death, Disability and Retirement Fund	87,185
Workers' Compensation Old Fund	69,380
West Virginia Retiree Health Benefit Trust	57,751
Revenue Shortfall Reserve Fund - Part B	24,103
Judges' Retirement System	23,199
Deputy Sheriff's Retirement System	21,078
West Virginia Prepaid Tuition Trust Fund	19,648
Coal Workers' Pneumoconiosis Fund	19,482
State Police Retirement System	13,730
Board of Risk and Insurance Management	10,299
Wildlife Endowment Fund	7,360
Public Employees Insurance Agency	6,737
Emergency Medical Services Retirement System	6,196
West Virginia Department of Environmental Protection Trust	1,673
Workers' Compensation Self-Insured Guaranty Risk Pool	773
Workers' Compensation Uninsured Employers' Fund	680
Municipal Police Officers' and Firefighters' Retirement System	18
Total	<u>\$ 2,093,133</u>



**Financial Statements - Unaudited**

**December 31, 2011**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited December 31, 2011

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# Non-Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	712,626
Collateral for securities loaned at fair value (Note 4)		75,945
Receivables:		
Investments sold		16,188
Dividends		615
Securities lending income		42
Foreign tax withholding		1
		<u>1</u>
<b>Total assets</b>		<b>805,417</b>

### Liabilities

Accrued expenses		421
Payable for investments purchased		2,635
Payable upon return of securities loaned (Note 4)		78,117
		<u>78,117</u>
<b>Total liabilities</b>		<b>81,173</b>
<b>Net assets</b>	<b>\$</b>	<b><u>724,244</u></b>

### Analysis of net assets

Paid-in capital	\$	567,468
Accumulated undistributed net investment income		32,775
Accumulated undistributed net realized gain from investments		81,439
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		43,068
		<u>43,068</u>
<b>Net assets</b>	<b>\$</b>	<b><u>724,244</u></b>

### Unit data

Units outstanding		43,887,577
Net asset value, unit price	\$	<u>16.50</u>

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
Airgas Inc	42,800	\$ 2,804	\$ 3,342
Alpha Natural Resources Inc	200,521	8,730	4,097
Buckeye Technologies Inc	79,800	1,624	2,669
Celanese Corp	152,670	4,271	6,759
Crown Holdings Inc	184,930	5,476	6,210
Cytec Industries Inc	37,300	1,696	1,665
Domtar Corporation	32,500	2,312	2,599
Eastman Chemical Company	80,600	4,188	3,148
Huntsman Corp	180,100	3,091	1,801
Neenah Paper Inc	95,900	1,802	2,140
Owens-Illinois Inc	80,500	1,631	1,560
Packaging Corp of America	231,310	6,370	5,838
Schulman A Inc	154,400	3,300	3,270
Schweitzer-Mauduit Intl Inc	24,900	1,372	1,655
Westlake Chemical Corporation	176,350	7,863	7,096
<i>Total Basic Materials - 7.4%</i>		56,530	53,849
<i>Capital Goods</i>			
Aegean Marine Petroleum Networ	217,700	1,618	888
AGCO Corporation	37,000	1,554	1,590
Alaska Air Group Inc	28,600	1,696	2,148
Alliant Techsystems Inc	79,800	4,936	4,561
Applied Industrial Tech Inc	97,100	2,959	3,415
BE Aerospace Inc	212,225	5,678	8,215
Ceradyne Inc	35,900	1,674	961
Crane Company	156,020	5,512	7,288
EMCOR Group Inc	63,200	1,890	1,694
Foster Wheeler AG	119,700	2,778	2,291
Harsco Corporation	82,300	2,219	1,694
Hubbell Inc	122,710	6,962	8,204
IDEX Corporation	144,090	4,226	5,347
ITT Educational Services Inc	38,400	2,979	2,185
KBR Inc	182,000	4,543	5,072
Landstar System Inc	160,310	6,309	7,682
Lincoln Electric Hldgs Inc	50,600	1,861	1,979
NACCO Industries Inc	31,600	2,669	2,819
Owens Corning Inc	51,200	1,468	1,470
PHH Corp	85,300	1,551	913
Ryder System Inc	67,900	3,024	3,608
Strayer Education Inc	47,800	3,801	4,646
Timken Company	194,810	8,068	7,541
Toro Company	27,000	1,590	1,638
TransDigm Group Inc	51,920	4,341	4,968
United Rentals Inc	157,260	3,896	4,647
URS Corp	75,400	2,952	2,648
Waste Connections Inc	169,280	4,180	5,610
WESCO International Inc	93,050	3,476	4,933
<i>Total Capital Goods - 15.3%</i>		100,410	110,655
<i>Communication Services</i>			
NII Holdings Inc	169,480	4,485	3,610
<i>Total Communication Services - 0.5%</i>		4,485	3,610
<i>Consumer Discretionary</i>			
Aaron Rents Inc	120,600	3,189	3,218
Aeropostale Inc	266,400	4,576	4,063
AMERCO	18,800	1,885	1,662
American Eagle Outfitters Inc	106,000	1,580	1,621
Ameristar Casinos Inc	88,600	1,475	1,532
Ann Inc	70,100	1,963	1,737
Bridgepoint Education Inc	61,600	1,703	1,417
Brinker International Inc	93,200	2,077	2,494

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Cash America International Inc	41,400	1,399	1,930
Coinstar Inc	38,800	1,859	1,771
Foot Locker Inc	438,240	8,531	10,448
Goodyear Tire & Rubber Co	758,390	10,139	10,746
Hertz Global Holdings Inc	738,210	8,950	8,652
Hhgregg Inc	141,600	2,205	2,046
Lithia Motors Inc	96,200	1,329	2,103
Meritor Inc	305,500	1,545	1,625
Michael Kors Holdings Ltd	13,930	279	380
O'Reilly Automotive Inc	117,760	5,257	9,415
Papa John's International Inc	43,500	1,430	1,639
Scholastic Corporation	73,800	2,067	2,212
Signet Jewelers Ltd	132,290	4,790	5,815
Standard Motor Products Inc	163,400	1,989	3,276
Sturm Ruger & Company Inc	88,600	2,122	2,965
True Religion Apparel Inc	81,900	2,402	2,832
Williams Sonoma Inc	165,300	6,294	6,364
Wyndham Worldwide Corporation	123,000	4,228	4,653
<i>Total Consumer Discretionary - 13.3%</i>		85,263	96,616
<i>Consumer Staples</i>			
Alliance One International Inc	320,000	970	870
Andersons, Inc	35,800	1,525	1,563
Dean Foods Company	158,800	1,533	1,779
Nash Fich Company	35,800	1,331	1,048
Ralcorp Holdings Inc	133,110	8,959	11,381
Supervalu Inc	262,300	2,166	2,130
Universal Corporation	59,600	2,231	2,739
<i>Total Consumer Staples - 3.0%</i>		18,715	21,510
<i>Energy</i>			
China Natural Gas Inc	46,900	248	83
Denbury Resources Inc	559,410	8,594	8,447
EnSCO International PLC	84,920	3,537	3,984
Gran Tierra Energy	510,500	2,608	2,450
Nabors Industries Ltd	176,300	3,271	3,057
Patterson-UTI Energy Inc	201,000	3,654	4,016
Rowan Companies Inc	139,520	4,838	4,232
Tesoro Petroleum Corporation	716,190	16,643	16,730
Unit Corporation	30,800	1,425	1,429
VAALCO Energy Inc	214,500	1,495	1,296
Western Refining Inc	81,200	1,377	1,079
<i>Total Energy - 6.5%</i>		47,690	46,803
<i>Financial Services</i>			
Advance America Cash Advance	167,200	962	1,496
American Financial Group	70,000	1,741	2,582
AmTrust Financial Services Inc	118,800	2,173	2,822
Arch Capital Group Ltd	44,900	1,623	1,672
Artio Global Investors, Inc	193,200	1,473	943
Assurant Inc	142,500	4,693	5,851
Banco Latinoamericano Export	164,100	2,831	2,634
BOK Financial Corporation	70,800	3,710	3,889
Brandywine Realty Trust	134,100	1,636	1,274
Cathay General Bancorp	97,900	1,702	1,462
CBL & Associates Properties	114,300	1,722	1,795
Chemical Financial Corp	83,600	1,671	1,782
City Holding Company	52,200	1,725	1,769
Comerica Inc	215,100	5,599	5,550
Commonwealth REIT	116,600	2,602	1,940
CVB Financial Corp	296,500	2,663	2,974
East West Bancorp Inc	129,900	2,422	2,566
Everest Re Group Ltd	51,910	4,107	4,365

See accompanying notes to financial statements.



## Non-Large Cap Domestic Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
EZCORP Inc	56,500	1,199	1,490
First Citizens BancShares Inc	9,900	1,724	1,732
First Republic Bank	184,740	5,628	5,655
FleetCor Technologies Inc	152,080	4,089	4,543
H&R Block Inc	205,600	2,964	3,357
Hospitality Properties Trust	236,900	5,193	5,444
Huntington Bancshares Inc	805,800	4,662	4,424
Interactive Brokers Group Inc	297,500	4,786	4,445
Jones Lang LaSalle Inc	36,900	2,742	2,260
Lincoln National Corp	89,400	1,509	1,736
Maiden Holdings Ltd	279,500	2,491	2,448
Nasdaq Stock Market Inc	152,600	3,148	3,740
National Health Investors Inc	61,600	2,181	2,709
Nelnet Inc	57,600	1,252	1,409
Net 1 UEPS Technologies Inc	232,500	2,966	1,783
Oriental Financial Group Inc	230,500	2,885	2,791
Pacwest Bancorp	152,000	2,753	2,880
People's United Financial Inc	187,400	2,568	2,408
Popular Inc	1,744,800	3,641	2,425
ProAssurance Corporation	28,800	1,998	2,299
Protective Life Corporation	103,100	2,522	2,326
PS Business Parks Inc	89,500	4,695	4,961
Regions Financial Corp	1,143,900	4,312	4,919
Reinsurance Group of America	72,100	4,429	3,767
Republic Bancorp Inc	38,600	712	884
Retail Opportunity Investments	125,200	1,405	1,482
StanCorp Financial Group Inc	47,600	1,624	1,749
SVB Financial Group	31,800	1,463	1,517
Texas Capital Bancshares Inc	57,800	1,629	1,769
Torchmark Corporation	79,700	2,651	3,458
Tower Group Inc	121,200	2,816	2,445
Umpqua Holdings Corporation	128,900	1,265	1,597
Urstadt Biddle Properties	89,300	1,727	1,615
Waddell & Reed Financial Inc	171,380	4,352	4,245
Washington Federal Inc	189,100	3,097	2,646
Wesbanco Inc	45,300	755	882
Winthrop Realty Trust	212,200	2,020	2,158
Zions Bancorporation	109,200	1,652	1,778
<i>Total Financial Services - 20.9%</i>		148,560	151,542
<i>Health Care</i>			
Community Health Systems Inc	137,300	2,425	2,396
Coventry Health Care Inc	229,650	5,196	6,974
DENTSPLY International Inc	235,500	8,128	8,240
Elan Corporation PLC	598,630	4,954	8,225
Health Net Inc	121,000	2,633	3,681
Herbalife Ltd	33,400	879	1,726
Hi Tech Pharmacal	55,000	1,553	2,139
Hill-Rom Holdings Inc	161,460	5,171	5,440
IDEXX Laboratories Inc	84,160	6,092	6,477
Magellan Health Services Inc	63,000	2,850	3,117
Myriad Genetics Inc	127,800	2,727	2,676
PDL BioPharma Inc	753,300	4,443	4,670
PetMed Express Inc	183,700	1,721	1,907
Wellcare Health Plans Inc	42,500	1,205	2,231
<i>Total Health Care - 8.3%</i>		49,977	59,899
<i>Technology</i>			
Alliance Data Systems Corp	76,720	5,238	7,967
Amdocs Ltd	112,600	3,333	3,212
Avnet Inc	117,900	3,691	3,666
CACI International Inc	78,600	4,406	4,395
Calamos Asset Management	78,500	788	982
Capella Education Company	73,600	2,260	2,653

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Cbeyond, Inc	203,000	1,589	1,626
Comtech Telecommunication Corp	57,400	1,564	1,643
Digital Generation Inc	52,200	1,518	622
IHS Inc	76,150	6,182	6,561
Informatica Corporation	164,890	8,483	6,089
Lihua International Inc	190,800	1,667	908
LSI Logic Corporation	936,370	5,495	5,571
Mettler-Toledo International	49,050	6,112	7,245
MSCI Inc	122,140	3,250	4,022
Neutral Tandem Inc	235,500	2,536	2,517
Nuance Communications Inc	394,760	6,419	9,932
NXP Semiconductor NV	84,740	1,464	1,302
ON Semiconductor Corp	497,800	3,967	3,843
Polycom Inc	291,630	5,593	4,754
Sanmina Corporation	137,000	1,560	1,275
Skyworks Solutions Inc	205,360	4,031	3,331
Synnex Corporation	56,000	1,627	1,706
Syntel Inc	70,800	3,346	3,311
Tech Data Corporation	72,200	3,128	3,567
Teradyne Inc	398,960	5,461	5,438
Unisys Corporation	220,500	4,654	4,346
United Online Inc	873,000	4,986	4,749
Websense Inc	90,600	1,633	1,697
Xyratex Ltd	303,600	3,166	4,044
<i>Total Technology - 15.6%</i>		109,147	112,974
<i>Utilities</i>			
Alliant Energy Corp	102,400	3,340	4,517
American Water Works Co Inc	158,800	3,798	5,059
CMS Energy Corporation	139,500	2,930	3,080
El Paso Electric Company	94,100	2,202	3,260
NeuStar Inc	59,100	1,554	2,019
NV Energy Inc	125,500	1,937	2,052
OGE Energy Corp	86,400	3,190	4,900
Pinnacle West Capital Corp	115,300	4,974	5,555
PNM Resources	184,400	2,318	3,362
Portland General Electric Co	129,000	2,593	3,267
Vectren Corp	121,600	3,352	3,676
<i>Total Utilities - 5.6%</i>		32,188	40,747
Total Equity Securities - 96.4%		652,965	698,205
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 2.0%	14,420,919	14,421	14,421
Total Investment Securities - 98.4%		\$ 667,386	\$ 712,626
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 74,782	\$ 74,782
Mellon SL DBT II Liquidating Fund		1,204	1,163
Mellon GSL DBT II Liquidating Trust		2,131	-
Total Collateral for Securities Loaned		\$ 78,117	\$ 75,945

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Statement of Operations - Unaudited

Period Ended December 31, 2011\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 929	\$ 4,801
Securities lending income	5	55
Securities lending borrower premiums	44	151
Net shareholder litigation proceeds	-	49
Commission recapture	9	27
<b>Total investment income</b>	987	5,083
<b>Expenses</b>		
Investment advisor fees	(309)	(860)
Trustee fees	-	(1)
Custodian bank fees	(2)	(12)
Management fees	(20)	(110)
Fiduciary bond fees	-	(1)
Professional service fees	(3)	(20)
Securities lending agent fees	(7)	(32)
<b>Total expenses</b>	(341)	(1,036)
<b>Investment income, net</b>	646	4,047
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain (loss) from investments	(502)	8,915
Net increase (decrease) in the fair value of investments	1,472	(83,083)
<b>Net gain (loss) from investments</b>	970	(74,168)
<b>Net increase (decrease) in net assets from operations</b>	\$ 1,616	\$ (70,121)

*\*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, 2011\***

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 646	\$ 4,047
Net realized gain (loss) from investments	(502)	8,915
Net increase (decrease) in the fair value of investments	1,472	(83,083)
<b>Net increase (decrease) in net assets from operations</b>	1,616	(70,121)
<b>Unit transactions</b>		
Proceeds from sale of units	-	73,684
Amount paid for repurchase of units	(7,158)	(12,442)
<b>Net increase (decrease) in net assets from unit transactions</b>	(7,158)	61,242
<b>Decrease in net assets</b>	(5,542)	(8,879)
<b>Net assets, beginning of period</b>	729,786	733,123
<b>Net assets, end of period</b>	\$ 724,244	\$ 724,244
<b>Unit data</b>		
Units sold	-	4,674,130
Units repurchased	(434,731)	(739,592)
<b>Net increase (decrease) in units</b>	(434,731)	3,934,538

*\*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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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 in equity securities are carried at fair value, which is determined by a third party pricing service based on quoted market prices. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. Commissions on the purchases of investment securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# Non-Large Cap Domestic Equity Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, consisting of the Mellon SL DBT II Liquidating Fund and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust). Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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.

**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 net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 are:

## Non-Large Cap Domestic Equity Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 698,205	\$ -	\$ -	\$ 698,205
Regulated investment companies	-	14,421	-	14,421
Securities lending collateral funds	-	75,945	-	75,945
Total	<u>\$ 698,205</u>	<u>\$ 90,366</u>	<u>\$ -</u>	<u>\$ 788,571</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

#### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$ 76,275		
Initial collateral received:	Cost	Fair Value	Unrealized loss
Cash	<u>\$ 78,117</u>	<u>\$ 75,945</u>	<u>\$ (2,172)</u>
Non-cash		<u>323</u>	
Total		<u>\$ 76,268</u>	

The Liquidating Trust, referenced in Note 2, was created in October 2008 to account for certain securities issued by Sigma Finance, Inc. The IMB's balance in the Liquidating Trust for all IMB investment pools that participate in the securities lending program was \$10,974 of which \$2,247 was assigned to the Non-Large Cap Domestic Equity Pool. A loss reserve was established for the entire amount. Through December 31, 2011, the loss reserve has been adjusted to \$2,131 as a result of cash received in the Liquidating Trust. This \$2,131 is included in the unrealized loss reported in the above table.

In October 2008, the IMB suspended the distribution of any net securities lending income subject to final dissolution of the Liquidating Trust. For the period October 2008 through December 2011, the pool has recorded, but not distributed \$1,309 of net securities lending income.

# Non-Large Cap Domestic Equity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance:</b>	
Net asset value at June 30, 2011	\$ 18.35
Income from investment operations:	
Net investment income	0.10
Net realized and unrealized loss on investment transactions	(1.95)
Total from investment operations	<u>(1.85)</u>
Net asset value at December 31, 2011	<u>\$ 16.50</u>
<b>Time-weighted Total Return *</b>	-10.0%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 724,244
Ratio to average net assets:	
Expenses **	0.29%
Net investment income **	1.18%
Portfolio turnover rate	50.23%

\* 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, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 318,256
Public Employees' Retirement System	279,171
State Police Death, Disability and Retirement Fund	30,402
Workers' Compensation Old Fund	24,528
West Virginia Retiree Health Benefit Trust	19,975
Revenue Shortfall Reserve Fund - Part B	8,445
Judges' Retirement System	8,005
Deputy Sheriff's Retirement System	7,277
Coal Workers' Pneumoconiosis Fund	6,857
West Virginia Prepaid Tuition Trust Fund	4,861
State Police Retirement System	4,670
Board of Risk and Insurance Management	3,632
Wildlife Endowment Fund	2,584
Public Employees Insurance Agency	2,363
Emergency Medical Services Retirement System	2,119
West Virginia Department of Environmental Protection Trust	592
Workers' Compensation Self-Insured Guaranty Risk Pool	263
Workers' Compensation Uninsured Employers' Fund	237
Municipal Police Officers' and Firefighters' Retirement System	7
Total	<u>\$ 724,244</u>



**Financial Statements - Unaudited**

**December 31, 2011**



# International Qualified Pool

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## **Financial Statements - Unaudited December 31, 2011**

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# International Qualified Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	795,837
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### Liabilities

Accrued expenses		<u>397</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>795,440</u></b>
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### Analysis of net assets

Paid-in capital	\$	379,614
Accumulated undistributed net investment loss		(29,487)
Accumulated undistributed net realized gain from investments		24,874
Unrealized net appreciation of investments		<u>420,439</u>

<b>Net assets</b>	<b>\$</b>	<b><u>795,440</u></b>
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### Unit data

Units outstanding		20,621,611
Net asset value, unit price	\$	<u>38.57</u>

See accompanying notes to financial statements.

## International Qualified Pool

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### Schedule of Investments in Securities - Unaudited December 31, 2011

(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	12,188,738	\$ 375,398	\$ 795,837
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.			
No underlying investments exceed 5% of net assets of the International Qualified Pool.			
Total Investments in Other Funds - 100.0%		<u>\$ 375,398</u>	<u>\$ 795,837</u>

See accompanying notes to financial statements.

## International Qualified Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(345)	(2,128)
Trustee fees	-	(1)
Management fees	(21)	(132)
Fiduciary bond fees	(1)	(2)
Professional service fees	(4)	(24)
	<u>(371)</u>	<u>(2,287)</u>
<b>Total expenses</b>	<u>(371)</u>	<u>(2,287)</u>
<b>Investment loss, net</b>	(371)	(2,287)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	179	1,187
Net increase (decrease) in the fair value of investments	<u>7,607</u>	<u>(86,453)</u>
<b>Net gain (loss) from investments</b>	<u>7,786</u>	<u>(85,266)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>\$ 7,415</u>	<u>\$ (87,553)</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, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (371)	\$ (2,287)
Net realized gain from investments	179	1,187
Net increase (decrease) in the fair value of investments	7,607	(86,453)
<b>Net increase (decrease) in net assets from operations</b>	7,415	(87,553)
<b>Unit transactions</b>		
Proceeds from sale of units	327	10,769
Amount paid for repurchase of units	(301)	(10,639)
<b>Net increase in net assets from unit transactions</b>	26	130
<b>Increase (decrease) in net assets</b>	7,441	(87,423)
<b>Net assets, beginning of period</b>	787,999	882,863
<b>Net assets, end of period</b>	\$ 795,440	\$ 795,440
<b>Unit data</b>		
Units sold	8,558	253,103
Units repurchased	(7,877)	(249,842)
<b>Net increase in units</b>	681	3,261

*\*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 Cash Flows - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ 7,415	\$ (87,553)
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:		
Proceeds from disposition of investment securities	342	2,163
Increase (decrease) in accrued expenses	3	(6)
Net realized gain from investments	(179)	(1,187)
Net decrease (increase) in the fair value of investments	(7,607)	86,453
<b>Net cash used in operating activities</b>	(26)	(130)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	327	10,769
Amount paid for repurchase of units	(301)	(10,639)
<b>Net cash provided by financing activities</b>	26	130
<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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 net asset values of the individual funds, provided by the fund's management, as a practical expedient for measuring fair value.

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

# International Qualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

**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.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Investments in other funds	\$ -	\$ 795,837	\$ -	\$ 795,837

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

# International Qualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$	42.82
Income from investment operations:		
Net investment loss		(0.11)
Net realized and unrealized loss on investment transactions		(4.14)
Total from investment operations		(4.25)
Net asset value at December 31, 2011	\$	38.57

**Time-weighted Total Return \*** -9.9%

#### Supplemental Data:

Net assets, end of period	\$	795,440
Ratio to average net assets:		
Expenses **		0.55%
Net investment income **		-0.55%
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, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 390,611
Public Employees' Retirement System	340,654
State Police Death, Disability and Retirement Fund	37,127
Judges' Retirement System	9,826
Deputy Sheriff's Retirement System	8,967
State Police Retirement System	5,673
Emergency Medical Services Retirement System	2,573
Municipal Police Officers' and Firefighters' Retirement System	9
Total	\$ 795,440



**Financial Statements - Unaudited**

**December 31, 2011**



# International Nonqualified Pool

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## **Financial Statements - Unaudited December 31, 2011**

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# International Nonqualified Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	86,985
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### Liabilities

Accrued expenses		<u>6</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>86,979</u></b>
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### Net assets

Paid-in capital	\$	42,168
Accumulated undistributed net investment loss		(3,815)
Accumulated undistributed net realized gain from investments		27,902
Unrealized net appreciation of investments		<u>20,724</u>

<b>Net assets</b>	<b>\$</b>	<b><u>86,979</u></b>
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### Unit data

Units outstanding		2,424,251
Net asset value, unit price	\$	<u>35.88</u>

See accompanying notes to financial statements.



# International Nonqualified Pool

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## Schedule of Investments in Securities - Unaudited

December 31, 2011

(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 Trust	1,265,302	\$ 66,261	\$ 86,985
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.			
No underlying investments exceed 5% of net assets of the International Nonqualified Pool.			
Total Investments in Other Funds - 100.0%		<u>\$ 66,261</u>	<u>\$ 86,985</u>

See accompanying notes to financial statements.

# International Nonqualified Pool

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## Statement of Operations - Unaudited

Period Ended December 31, 2011\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(50)	(304)
Management fees	(1)	(14)
Professional service fees	<u>(1)</u>	<u>(3)</u>
<b>Total expenses</b>	<u>(52)</u>	<u>(321)</u>
<b>Investment loss, net</b>	(52)	(321)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	12	78
Net increase (decrease) in the fair value of investments	<u>852</u>	<u>(9,373)</u>
<b>Net gain (loss) from investments</b>	<u>864</u>	<u>(9,295)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>\$ 812</u>	<u>\$ (9,616)</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, 2011\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (52)	\$ (321)
Net realized gain from investments	12	78
Net increase (decrease) in the fair value of investments	852	(9,373)
<b>Net increase (decrease) in net assets from operations</b>	812	(9,616)
<b>Unit transactions</b>		
Proceeds from sale of units	52	29,017
Amount paid for repurchase of units	(50)	(504)
<b>Net increase in net assets from unit transactions</b>	2	28,513
<b>Increase in net assets</b>	814	18,897
<b>Net assets, beginning of period</b>	86,165	68,082
<b>Net assets, end of period</b>	\$ 86,979	\$ 86,979
<b>Unit data</b>		
Units sold	1,463	729,780
Units repurchased	(1,383)	(14,162)
<b>Net increase in units</b>	80	715,618

*\*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, 2011\***  
*(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	\$ 812	\$ (9,616)
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	-	(28,500)
Proceeds from disposition of investment securities	50	304
Increase in accrued expenses	-	4
Net realized gain from investments	(12)	(78)
Net decrease (increase) in the fair value of investments	(852)	9,373
<b>Net cash used in operating activities</b>	(2)	(28,513)
<b>Cash flows from financing activities</b>		
Proceeds from sale of units	52	29,017
Amount paid for repurchase of units	(50)	(504)
<b>Cash provided by financing activities</b>	2	28,513
<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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 net asset values of the individual funds, provided by the fund's management, as a practical expedient for measuring fair value.

**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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### 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.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ 86,985	\$ -	\$ 86,985

There were no transfers in or out of Levels 1 and 2 for the period ended December 31, 2011.

# International Nonqualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 4. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance:</b>	
Net asset value at June 30, 2011	\$ 39.85
Income from investment operations:	
Net investment loss	(0.13)
Net realized and unrealized loss on investment transactions	(3.84)
Total from investment operations	(3.97)
Net asset value at December 31, 2011	<u>\$ 35.88</u>
<b>Time-weighted Total Return *</b>	-10.0%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 86,979
Ratio to average net assets:	
Expenses **	0.74%
Net investment income **	-0.74%
Portfolio turnover rate	0.35%

\* 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, 2011.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 29,592
West Virginia Retiree Health Benefit Trust	23,761
Revenue Shortfall Reserve Fund - Part B	9,829
Coal Workers' Pneumoconiosis Fund	8,156
West Virginia Prepaid Tuition Trust Fund	4,312
Board of Risk and Insurance Management	4,305
Wildlife Endowment Fund	3,109
Public Employees Insurance Agency	2,695
West Virginia Department of Environmental Protection Trust	600
Workers' Compensation Self-Insured Guaranty Risk Pool	330
Workers' Compensation Uninsured Employers' Fund	290
Total	<u>\$ 86,979</u>





**Financial Statements - Unaudited**

**December 31, 2011**



# International Equity Pool

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# International Equity Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$ 1,665,820
Collateral for securities loaned at fair value (Note 4)	79,873
Cash denominated in foreign currencies (cost \$9,969)	9,895
Receivables:	
Investments sold	2,064
Dividends	3,201
Securities lending income	92
Foreign tax withholding	831
	<hr/>
<b>Total assets</b>	<b>1,761,776</b>

### Liabilities

Accrued expenses	1,909
Payable for investments purchased	1,443
Payable upon return of securities loaned (Note 4)	83,222
Unrealized loss on foreign currency forward contracts (Note 5)	15
	<hr/>
<b>Total liabilities</b>	<b>86,589</b>
	<hr/>
<b>Net assets</b>	<b>\$ 1,675,187</b>

### Analysis of net assets

Paid-in capital	\$ 1,105,844
Accumulated undistributed net investment income	284,510
Accumulated undistributed net realized gain from investments	348,360
Accumulated undistributed net realized gain from foreign currency transactions	95,029
Unrealized net depreciation of investments	(148,034)
Unrealized net depreciation on translation of assets and liabilities in foreign currencies	(10,522)
	<hr/>
<b>Net assets</b>	<b>\$ 1,675,187</b>

### Unit data

Units outstanding	88,328,740
Net asset value, unit price	\$ 18.97

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

(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	282,899	\$ 1,534	\$ 1,414
Nortel Inversora SA	123,040	2,538	2,852
<i>Total Argentina - 0.3%</i>		4,072	4,266
<i>Australia</i>			
BlueScope Steel Ltd	1,549,600	4,967	643
Caltex Australia Ltd	415,600	4,159	5,015
Downer EDI Ltd	720,314	2,422	2,363
DUET Group	1,235,624	1,713	2,223
Goodman Fielder Ltd	3,139,617	3,417	1,400
John Fairfax Holdings Ltd	1,769,212	2,495	1,306
Macquarie Group Ltd	180,400	3,653	4,400
Medusa Mining Ltd	364,226	2,387	1,662
Metcash Ltd	1,012,200	3,838	4,192
National Australia Bank Ltd	304,100	8,568	7,283
OneSteel Ltd	2,545,600	6,194	1,827
Rio Tinto Ltd	133,800	11,080	8,271
Southern Cross Media Group	285,367	940	315
Telstra Corporation Ltd	1,738,800	5,111	5,936
Wotif.com Holdings Ltd	432,962	1,801	1,585
<i>Total Australia - 2.9%</i>		62,745	48,421
<i>Austria</i>			
OMV AG	180,200	7,652	5,483
Voestalpine AG	63,400	2,580	1,783
<i>Total Austria - 0.4%</i>		10,232	7,266
<i>Belgium</i>			
Barco NV	22,300	1,603	1,122
Delhaize Le Lion SA	65,100	4,658	3,668
D'Ieteren SA NV	41,166	2,087	1,821
KBC Groep NV	113,900	5,008	1,439
Mobistar SA	37,796	2,386	1,987
Tessenderlo Chemie NV	65,300	2,990	1,741
<i>Total Belgium - 0.7%</i>		18,732	11,778
<i>Bermuda</i>			
China Yuchai International Ltd	226,207	3,831	3,119
Credicorp Ltd	23,200	2,021	2,540
Dickson Concepts Ltd	1,628,500	1,191	847
First Pacific Company Ltd	10,890,314	4,430	11,330
Haier Electronics Group	1,939,000	2,027	1,735
Peoples Food Holdings Ltd	12,701,000	9,798	6,367
Varitronix International Ltd	783,000	784	332
Yue Yuen Industrial Holdings	1,489,000	2,841	4,707
<i>Total Bermuda - 1.8%</i>		26,923	30,977
<i>Brazil</i>			
Banco Bradesco SA	257,800	4,890	4,300
Banco do Brasil SA	247,501	3,380	3,145
Banco do Estado do Rio Grande	705,400	5,052	7,564
Banco Santander Brasil SA	1,162,160	13,891	9,460
Brasil Telecom SA	401,924	10,442	5,458
BRF-Brasil Foods SA	103,100	1,960	2,016
Centrais Eletricas Brasileiras	1,291,020	14,390	14,332
CETIP	181,300	2,772	2,620
Cetrais Elect de Santa Catarina	155,600	4,108	3,022
CIA Paranaense De Energia	198,080	2,402	3,507
Companhia de Bebidas das Amer	99,500	3,099	3,591
Companhia de Saneamento	481,655	6,822	13,435
Companhia Energetica de Minas	298,000	4,799	5,315
Companhia Energetica do Ceara	281,750	4,773	5,204
Companhia Paranaense	148,020	2,928	3,105

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Ecorodovias Infra E Log	285,700	2,328	2,137
Eletropaulo Metropolitana SA	134,600	2,452	2,634
Embraer SA	396,598	8,322	10,002
Inpar SA	2,577,740	4,582	2,764
Itau Unibanco Holding SA	341,820	6,120	6,344
Localiza Rent A Car	175,700	2,862	2,411
Marcopolo SA	467,200	1,977	1,776
Marfrig Frigorificos e Comerci	1,354,185	11,035	6,200
OGX Petroleo e Gas Participac	184,700	1,618	1,349
PDG Realty SA	311,600	1,723	986
Petroleo Brasileiro SA	1,129,312	26,742	19,125
Tele Norte Leste Participacoes	321,447	5,052	3,698
Telefonica Brasil	316,589	2,915	8,652
Tim Participacoes SA	254,760	3,901	6,573
Tractebel Energia SA	129,500	2,174	2,080
Vale SA	339,900	9,694	7,081
<i>Total Brazil - 10.1%</i>		179,205	169,886
<i>Canada</i>			
Alimentation Couche-Tard Inc	227,500	3,223	7,082
ATCO Ltd	11,600	346	686
Canadian Imperial Bank	99,300	6,267	7,196
Celestica Inc	597,200	3,867	4,393
Cogeco Cable Inc	55,900	2,514	2,819
Gneworth MI Canada Inc	89,100	2,443	1,794
Laurentian Bank of Canada	83,174	2,496	3,907
Lundin Mining Corporation	798,300	2,844	3,034
Magna International Inc	164,000	8,605	5,476
Metro Inc	114,900	4,758	6,093
National Bank of Canada	83,300	3,692	5,902
Pacific Rubiales Energy Corp	114,700	2,992	2,110
Teck Corporation	187,800	6,177	6,623
Transcontinental Inc	239,200	3,637	2,962
Westjet Airlines LTD	275,500	3,515	3,182
<i>Total Canada - 3.8%</i>		57,376	63,259
<i>Cayman Islands</i>			
Baidu Inc	22,730	2,822	2,647
Belle International Holdings	1,186,500	2,206	2,068
Chaoda Modern Agricultures Ltd	23,777,636	16,827	306
Comba Telecom Systems Holdings	1,308,500	1,215	1,055
CST Mining Group Ltd	47,816,000	1,397	388
Daphne International Holdings	2,468,000	2,313	2,749
Kingboard Chemical Holdings	531,000	2,159	1,573
Kingboard Laminates Holding	3,250,500	2,844	1,482
Longking Holdings Ltd	8,027,000	3,084	2,708
New World Department Store	2,044,000	1,951	1,166
Tencent Holdings Ltd	80,600	1,970	1,620
TPK Holdings Co Ltd	41,600	1,210	542
VST Holdings Limited	5,142,000	1,682	642
Yingde Gases	2,890,500	3,104	2,951
<i>Total Cayman Islands - 1.3%</i>		44,784	21,897
<i>China</i>			
Bank of China Ltd	19,058,000	6,228	7,018
China Construction Bank Corp	6,281,100	5,263	4,383
China Merchants Bank	1,105,000	2,528	2,234
China Pet & Chem Cor (Sinopec)	8,680,000	7,227	9,131
China South Locomotive	1,525,000	1,016	872
Chongqing Machinery & Electric	7,926,000	1,644	1,306
Dongfeng Motor Group Company	1,662,000	2,154	2,850
Great Wall Motor Company Ltd	4,665,999	3,450	6,813
Harbin Power Equipment Company	2,702,000	3,273	2,359
Jiangxi Copper Company Ltd	793,000	2,325	1,713
Sichuan Xinhua Winshare	6,391,000	1,553	2,592

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Sinotrans Ltd	35,607,000	6,371	6,327
Weiqiao Textile Company Ltd	12,431,908	15,893	6,227
<i>Total China - 3.2%</i>		58,925	53,825
<i>Czech Republic</i>			
Telefonica O2 Czech Republic - 0.5%	386,860	8,973	7,544
<i>Denmark</i>			
D/S Norden A/S	48,009	1,857	1,128
Danske Bank A/S	144,600	3,042	1,842
DSV A/S	129,098	2,744	2,322
SimCorp A/S	14,481	1,810	2,218
<i>Total Denmark - 0.4%</i>		9,453	7,510
<i>Finland</i>			
Elisa Oyj	84,085	1,722	1,761
Huhtamaki	224,400	2,469	2,668
Outokumpu Technology	42,142	1,986	1,991
TietoEnator Oyj	171,000	4,238	2,442
<i>Total Finland - 0.5%</i>		10,415	8,862
<i>France</i>			
Altran Technologies SA	297,854	2,161	1,083
Axa	259,700	7,310	3,386
BNP Paribas	111,600	8,205	4,397
Compagnie Generale de Geophy	73,364	2,244	1,727
Credit Agricole SA	510,196	3,980	2,888
France Telecom SA	210,000	6,791	3,308
Ingenico SA	46,751	2,026	1,693
Rallye SA	35,300	2,308	990
Sanofi-Synthelabo SA	204,000	13,915	15,029
SCOR SE	230,671	5,695	5,408
Teleperformance	83,033	2,900	1,851
Total SA	232,600	14,724	11,927
Valeo SA	61,600	2,523	2,456
Virbac SA	11,651	1,030	1,813
Vivendi Universal	397,700	12,140	8,735
Wendel	14,953	1,462	1,000
<i>Total France - 4.0%</i>		89,414	67,691
<i>Germany</i>			
ADVA AG Optical Networking	220,398	1,592	1,037
Allianz AG	67,400	9,038	6,467
BASF AG	100,500	4,292	7,031
Bayer AG	103,100	5,498	6,612
Deutsche Bank AG	81,700	7,346	3,122
Deutsche Post AG	276,700	3,680	4,267
E.On AG	204,500	6,200	4,425
Fielmann AG	23,042	2,305	2,197
Fuchs Petrolub AG	66,396	1,534	2,915
GEA Group AG	94,908	2,124	2,692
Kabel Deutschland Holding AG	52,902	2,900	2,693
Krones AG	35,208	1,816	1,680
Muenchener Rueckversicherungs	51,800	8,810	6,373
MUT Aero Engines Holding AG	36,013	2,664	2,311
Pfeiffer Vacuum Technology AG	24,321	1,570	2,135
RWE AG	83,300	6,579	2,936
Symrise AG	90,320	2,184	2,418
ThyssenKrupp AG	146,200	3,770	3,364
TUI AG	373,839	3,404	2,328
Volkswagen AG	40,700	4,802	5,476
Wirecard AG	164,175	2,275	2,647
<i>Total Germany - 4.5%</i>		84,383	75,126

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,132	2
Alpha Bank AE	91,300	2,833	64
Hellenic Petroleum SA	43,638	608	361
<i>Total Greece - 0.0%</i>		4,573	427
<i>Hong Kong</i>			
Beijing Enterprises Holdings	286,000	1,555	1,716
BYD Electronics International	2,980,500	1,710	848
China Mobile (Hong Kong) Ltd	1,467,500	13,902	14,341
China Resources Power	5,970,500	10,762	11,516
China Taiping Insurance	531,000	1,152	985
CNOOC Ltd	1,906,000	4,245	3,333
Erste Group Bank AG	268,167	11,163	4,729
Esprit Holding Ltd	913,000	1,105	1,178
Galaxy Entertainment Group	540,000	998	990
Oriental Watch Holdings	1,992,000	1,090	913
Xinyi Glass Holdings Co Ltd	2,490,000	1,400	1,430
<i>Total Hong Kong - 2.5%</i>		49,082	41,979
<i>Hungary</i>			
Magyar Telekom - 0.4%	3,424,860	14,751	7,331
<i>India</i>			
Ashok Leyland Ltd	3,253,981	1,668	1,397
Aurobindo Pharma	752,050	2,904	1,206
Dr. Reddy's Laboratories	60,800	2,063	1,789
Grasim Industries Limited	64,442	3,519	3,049
HDFC Bank Ltd	103,600	3,286	2,723
Indiabulls Financial Services	1,075,300	3,920	2,790
Indian Oil Corporation Ltd	14,886	77	71
McLeod Russel India Ltd	346,493	2,094	1,230
Patni Computer Systems Ltd	83,770	1,755	1,368
Reliance Infrastructure Ltd	1,807,825	18,863	11,602
Tata Motors Ltd	186,200	5,047	3,147
<i>Total India - 1.8%</i>		45,196	30,372
<i>Indonesia</i>			
Bank Rakyat Indonesia	3,465,500	2,477	2,580
Semen Gresik (Persero) TBK	2,318,900	2,531	2,928
Timah Tbk PT	11,103,500	2,339	2,045
United Tractors TBK	1,138,087	3,015	3,307
<i>Total Indonesia - 0.6%</i>		10,362	10,860
<i>Ireland</i>			
Charter International PLC	141,528	872	2,079
Irish Life & Permanent Group	398,100	6,377	12
Total Produce PLC	82,700	92	41
<i>Total Ireland - 0.1%</i>		7,341	2,132
<i>Israel</i>			
Bank Leumi Le-Israel	976,800	3,243	2,787
Bezeq Israeli Telecommunication	795,078	1,130	1,452
Israel Discount Bank	1,644,552	3,628	2,193
Partner Communications Company	472,472	8,118	4,159
Syneron Medical Ltd	259,721	2,711	2,875
Teva Pharmaceutical Ltd	111,600	4,176	4,477
<i>Total Israel - 1.1%</i>		23,006	17,943
<i>Italy</i>			
Amplifon SpA	371,277	1,793	1,577
Enel SpA	1,044,300	5,684	4,262
ENI SpA	424,300	11,514	8,818
Finmeccanica SpA	276,900	4,130	1,027
Piaggio & C SPA	660,942	2,144	1,560

See accompanying notes to financial statements.



# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Pirelli & Company SpA	393,804	2,614	3,325
Prysmian SpA	108,038	1,769	1,346
Sorin SPA	814,494	1,652	1,253
Total Italy - 1.4%		31,300	23,168
<i>Japan</i>			
Aeon Delight Company Ltd	95,951	1,630	1,942
Akebono Brake Industry Co Ltd	97,848	524	422
Brother Industries Ltd	227,200	3,214	2,791
Century Leasing System Inc	214,200	2,725	4,051
Circle K Sunkus Company Ltd	111,900	1,592	1,854
Coca-Cola West Company	102,000	1,859	1,770
Cocokara Fine Holdings Inc	80,100	2,067	2,074
Daiseki Company Ltd	110,323	2,261	1,797
Disco Corp	26,000	1,311	1,357
Don Quijote Co Ltd	64,500	2,264	2,214
Eizo Nannao Corporation	51,700	1,645	1,060
Elpida Memory Inc	110,800	1,263	516
GEO Corporation	1,800	1,846	1,869
Hanwa Company Ltd	600,000	3,094	2,620
Heiwa Corporation	127,000	2,154	2,194
Hitachi Capital Corporation	67,400	608	935
Hitachi Metals Ltd	185,000	2,189	2,013
Hoshizaki Electric Company Ltd	85,796	1,288	2,016
Itochu Corp	499,000	3,527	5,072
Itochu Techno-Science Corp	108,000	3,366	4,850
Izumi Company Ltd	102,700	1,319	1,699
Japan Petroleum Exploration Co	53,700	2,280	2,101
JSR Corporation	116,886	2,008	2,157
JTEKT Corporation	159,700	1,559	1,571
JX Holdings Inc	958,421	6,146	5,792
KDDI Corporation	900	4,328	5,790
Keihin Corporation	160,500	1,387	2,662
Keiyo Bank Ltd	285,007	1,387	1,411
Kobayashi Pharmaceutical Co	41,121	1,919	2,165
Konica Corporation	317,000	2,250	2,365
Kyowa Exeo Corporation	239,500	2,147	2,257
Marubeni Corporation	654,800	2,948	3,991
Matsumotokiyoshi Holdings Co	167,400	3,080	3,390
Megmilk Snow Brand Co Ltd	110,800	2,142	2,127
Miraca Holdings Inc	144,700	3,107	5,764
Mitsubishi Tokyo Finl Grp Inc	1,467,600	6,590	6,237
Mitsui & Company Ltd	349,800	5,982	5,442
Mizuho Financial Grp Inc	4,206,600	8,886	5,686
Musashi Seimitsu Industry Co	92,831	2,376	2,008
NGK Insulators LTD	146,000	1,770	1,734
Nippon Telegraph & Telephone	188,900	8,428	9,661
NTT DoCoMo	5,500	8,422	10,115
Osaka Securities Exchange Co	285	1,403	1,637
Pola Orbis Holdings Inc	78,900	1,876	2,133
Sankyo Company Ltd	48,400	2,199	2,450
Sapporo Hokuyo Holdings Inc	705,600	3,211	2,531
Sapporo Holdings Ltd	804,341	3,381	3,042
Seino Holdings Corporation Ltd	330,000	1,730	2,561
Shimadzu Corporation	134,000	1,111	1,136
Sumitomo Corporation	783,000	10,541	10,604
Sumitomo Mitsui Financial Grp	118,500	3,918	3,302
Sundrug Co Ltd	88,000	2,252	2,667
THK Co Ltd	107,514	2,248	2,120
Toagosei Company Ltd	602,000	2,621	2,472
Tokyo Tatemono Company Ltd	867,700	3,259	2,628
Toshiba Plant Sys & Ser Corp	289,695	3,275	2,941
Toyo Suisan Kaisha Ltd	155,000	3,220	3,757
Toyota Motor Corp	25,200	1,408	840
Tsumura & Company	75,534	2,276	2,229

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
United Urban Investment Corp	2,191	2,453	2,486
Yaskawa Electric Corporation	192,000	1,552	1,635
Yodogawa Steel Works Ltd	512,000	2,194	2,223
Yokogawa Electric Corp	147,400	1,170	1,331
Yokohama Rubber Company Ltd	433,000	2,232	2,431
<i>Total Japan - 11.3%</i>		180,418	188,698
<i>Korea</i>			
BS Financial Group Inc	608,240	3,169	5,834
E-Mart Co Ltd	6,666	1,735	1,614
GS Holdings Corp	31,232	2,241	1,375
Hana Financial Group	175,590	6,644	5,419
Hyundai Mipo Dockyard Company	21,700	1,959	2,110
Hyundai Motor Co Ltd	18,331	3,795	3,389
Hyundai Motor Company	135,450	5,668	7,466
Hyundai Securities Co Ltd	341,900	2,955	2,558
Hyundai Securities Co Ltd Rights	137,640	-	-
Industrial Bank of Korea (IBK)	305,000	5,052	3,309
KB Financial Group Inc	307,446	13,433	9,676
Korea Electric Power Corp	333,948	9,158	7,407
Korea Exchange Bank	656,100	7,827	4,186
Korea Life Insurance Co Ltd	634,500	3,974	4,076
KT Corporation	87,400	4,009	2,705
LG Chemical Ltd	3,390	1,431	934
LG Household & Health Care Ltd	5,363	2,241	2,269
Lotte Chilsung Beverage Co	9,274	8,198	11,794
Lotte Confectionery Co Ltd	1,417	1,520	2,100
NHN Corporation	11,788	2,301	2,159
Posco	48,177	14,986	12,052
Samsung Electronics Co Ltd	16,442	11,769	15,100
Samsung Engineering Co	8,972	2,027	1,569
Samsung Heavy Industries	65,260	2,406	1,581
Shinhan Financial Group	101,730	3,962	3,510
SK Holdings Co Ltd	31,100	2,711	3,267
SK Telecom Company Ltd	80,577	11,368	9,897
<i>Total Korea - 7.6%</i>		136,539	127,356
<i>Luxembourg</i>			
Tenaris SA	59,000	2,482	2,194
Ternium	46,470	893	855
<i>Total Luxembourg - 0.2%</i>		3,375	3,049
<i>Malaysia</i>			
Axiata Group Berhad	1,258,000	2,074	2,040
Petronas Chemicals Group	828,000	1,878	1,619
Proton Holdings Berhad	768,400	1,125	1,168
<i>Total Malaysia - 0.3%</i>		5,077	4,827
<i>Mauritius</i>			
Golden Agri-Resources Ltd - 0.2%	7,533,779	3,409	4,154
<i>Mexico</i>			
Alfa SA A Shares	453,400	2,692	4,938
America Movil	298,833	7,106	6,754
Cemex SAB de CV	1,327,117	10,301	7,153
Fibra Uno Administracion SA	2,975,660	4,811	5,075
Fomento Economico Mexicano SAB	28,270	1,860	1,971
Genomma Lab Internacional	584,900	1,403	1,130
Gruma SA	192,890	285	365
Grupo Financiero Banorte	640,600	2,789	1,943
Grupo Televisa MM	1,368,013	5,172	5,757
Grupo Televisa SA	87,500	1,974	1,843
<i>Total Mexico - 2.2%</i>		38,393	36,929

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Netherlands</i>			
Aegon NV	779,500	6,586	3,138
ASM International NV	74,763	1,483	2,209
Delta Lloyd NV	150,800	3,505	2,545
Koninklijke (Royal) KPN NV	569,500	8,070	6,835
Koninklijke DSM NV	139,700	5,192	6,501
Nutreco Holding NV	46,953	2,453	3,099
<i>Total Netherlands - 1.5%</i>		27,289	24,327
<i>New Zealand</i>			
Chorus Ltd	402,320	943	979
Telecom Corp of New Zealand	2,011,600	3,097	3,248
<i>Total New Zealand - 0.3%</i>		4,040	4,227
<i>Norway</i>			
Cermaq ASA	178,900	2,702	2,104
DNB Holding ASA	230,200	3,057	2,258
Marine Harvest	2,440,966	1,881	1,058
StatoilHydro ASA	275,900	7,095	7,096
Stolt-Nielsen Ltd	96,500	2,011	1,940
TGS Nopec Geophysical Company	106,928	1,297	2,374
Veidekke ASA	272,143	2,467	1,765
<i>Total Norway - 1.1%</i>		20,510	18,595
<i>Pakistan</i>			
Lucky Cement Ltd	1,233,039	955	1,029
Nishat Mills Ltd	1,831,640	2,114	824
<i>Total Pakistan - 0.1%</i>		3,069	1,853
<i>Panama</i>			
Banco Latinoamericano de Exp	604,261	9,560	9,698
Copa Holdings	48,400	3,140	2,840
<i>Total Panama - 0.7%</i>		12,700	12,538
<i>Philippines</i>			
First Philippine Holdings Corp	2,879,117	1,819	4,038
Metropolitan Bank & Trust Co	1,573,509	2,498	2,438
<i>Total Philippines - 0.4%</i>		4,317	6,476
<i>Poland</i>			
KGHM Polska Miedz - 0.3%	154,400	5,140	4,973
<i>Portugal</i>			
Banco Espirito Santo - 0.1%	675,000	3,718	1,183
<i>Russia</i>			
Gazprom	940,400	9,458	10,025
Lukoil	355,140	21,464	18,889
Magnit	88,078	2,507	1,864
MMC Norilsk Nickel	402,961	6,648	6,169
Mobile TeleSystems	174,000	2,216	2,554
NovaTek OAO	14,784	1,862	1,851
Sberbank	1,106,300	3,624	2,489
Territorial Generation Co-1	2,804,352,260	1,571	813
<i>Total Russia - 2.7%</i>		49,350	44,654
<i>Singapore</i>			
ComfortDelGro Corporation	1,813,000	1,974	1,978
DBS Group Holdings Ltd	429,000	3,783	3,811
Flextronics International Ltd	1,545,070	6,765	8,745
Haw Par Corporation Ltd	532,000	2,330	2,162
Hong Leong Asia Ltd	1,164,000	2,220	1,405
<i>Total Singapore - 1.1%</i>		17,072	18,101

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>South Africa</i>			
Astral Foods Ltd	161,900	2,256	2,527
Clicks Group Ltd	426,700	2,512	2,443
Exxaro Resources Ltd	100,813	2,405	2,098
FirstRand Ltd	1,136,208	3,197	2,919
Imperial Holdings Ltd	565,300	3,867	8,647
JD Group Ltd	297,371	1,805	1,786
Metropolitan Holdings Ltd	1,946,300	3,206	4,122
MTN Group Ltd	620,520	9,381	11,047
Nampak Ltd	1,627,100	3,444	4,565
<i>Total South Africa - 2.4%</i>		32,073	40,154
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	763,400	8,451	5,817
Bolsas y Mercados Espanoles	63,623	1,685	1,718
Ebro Foods SA	82,876	1,430	1,544
Grifols SA	289,886	2,727	2,604
Repsol SA	282,500	8,211	8,704
Telefonica SA	332,800	7,121	5,783
Viscofan Sa	55,976	1,836	2,083
<i>Total Spain - 1.7%</i>		31,461	28,253
<i>Sweden</i>			
Alliance Oil Company Ltd	147,156	2,754	1,841
Boliden AB	577,000	8,085	8,459
Meda AB	261,032	2,139	2,726
NCC AB	212,300	3,788	3,747
<i>Total Sweden - 1.0%</i>		16,766	16,773
<i>Switzerland</i>			
Baloise Holding Ltd	73,300	4,946	5,048
BKW SA	27,649	1,830	1,078
Credit Suisse Group	254,400	11,023	6,004
Informa PLC	538,747	2,379	3,025
Kuoni Reisen Holding AG	8,058	2,777	1,939
Novartis AG	210,300	7,746	12,077
Partners Group Holding AG	13,752	1,304	2,410
Roche Holding AG	78,600	11,321	13,382
Swiss Re Ltd	78,300	3,982	4,008
Zurich Financial Services AG	28,300	6,612	6,431
<i>Total Switzerland - 3.3%</i>		53,920	55,402
<i>Taiwan</i>			
Catcher Technology Co Ltd	149,000	1,071	691
Chinatrust Financial Holding	3,592,583	2,818	2,242
Compal Electronics Inc	15,114,938	14,094	15,076
Gigabyte Technology Company	2,968,000	2,206	2,078
Hon Hai Precision Industry Co	974,000	2,681	2,667
Huaku Development Co Ltd	138,838	422	281
Largan Precision Co Ltd	63,000	1,819	1,178
Lite-On-It Corp	2,747,000	2,565	2,259
Novatek Microelectronics Corp	3,842,000	9,282	9,631
Taiwan Prosperity Chemical	1,410,600	5,642	3,103
Taiwan Semiconductor	319,100	3,999	4,120
United Microelectronics Corp	9,926,000	4,423	4,163
Wistron Corporation	3,238,000	3,847	4,101
<i>Total Taiwan - 3.1%</i>		54,869	51,590
<i>Thailand</i>			
Banpu Putlic Company Ltd	119,096	2,701	2,061
Kasikornbank Public Co Ltd	566,100	2,127	2,189
Krung Thai Bank Public Co Ltd	16,010,900	4,677	7,561
PTT PLC	212,526	2,260	2,142
<i>Total Thailand - 0.8%</i>		11,765	13,953

See accompanying notes to financial statements.

# International Equity Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Turkey</i>			
Dogus Otomotiv Servis	828,060	1,859	1,293
Koza Altin Isletmeleri AS	148,400	2,079	1,972
Selcuk Exza Deposu Ticaret AS	3,454,524	4,463	2,561
Türkiye Garanti Bankasi AS	1,622,840	5,939	5,070
Türkiye Sinai Kalkinma Bank	1,491,733	2,131	1,445
Türkiye Vakiflar Bankasi T-D	4,234,600	4,474	5,493
<i>Total Turkey - 1.1%</i>		20,945	17,834
<i>United Arab Emirates</i>			
Air Arabia - 0.4%	44,831,120	9,221	7,152
<i>United Kingdom</i>			
Arcos Dorados Holdings Inc	102,900	2,446	2,113
AstraZeneca Group PLC	332,100	14,549	15,354
Aviva PLC	640,900	5,495	2,996
Babcock International Group	250,743	2,536	2,866
Barclays PLC	1,178,654	9,498	3,225
BBA Aviation PLC	910,614	2,723	2,519
BP Amoco PLC	1,936,800	16,799	13,861
British Aerospace PLC	1,491,800	7,408	6,610
BT Group PLC	3,380,900	9,759	10,030
Cable & Wireless Communication	7,168,000	4,198	4,255
Computacenter PLC	900,800	3,344	4,684
Cookson Group PLC	228,125	1,517	1,805
Daily Mail & General Trust PLC	319,229	1,754	1,983
Debenhams PLC	3,379,730	3,475	3,075
Derwent London PLC	67,344	1,618	1,633
Domino Printing Sciences	232,303	2,412	1,848
Drax Group PLC	434,000	4,706	3,676
Enquest PLC	1,393,668	2,689	2,002
GlaxoSmithKline PLC	386,876	7,867	8,847
Greene King PLC	72,815	343	551
Homeserve PLC	311,419	2,249	1,387
HSBC Bank PLC	48,573	672	677
Hunting PLC	228,463	2,027	2,663
IG Group Holdings PLC	407,958	1,954	3,024
Inchcape PLC	603,600	2,657	2,752
International Personal Finance	382,982	1,470	1,021
J Sainsbury PLC	881,600	4,657	4,150
Legal & General Group PLC	2,319,500	4,876	3,706
Logica PLC	2,046,300	2,035	1,962
Marston's PLC	893,188	2,333	1,274
Meggitt PLC	498,237	1,008	2,732
Melrose PLC	463,649	1,999	2,450
Mitchells & Butlers PLC	611,151	3,089	2,221
Mondi PLC	894,012	6,800	6,322
Old Mutual PLC	2,992,800	6,274	6,302
Premier Farnell PLC	438,632	1,279	1,227
Premier Oil PLC	484,663	2,135	2,734
Royal & Sun Alliance Insurance	1,524,400	2,770	2,492
Royal Dutch Shell B Shares	689,200	19,372	26,284
RPS Group PLC	649,887	1,573	1,818
Spectris PLC	152,584	2,000	3,057
Spirax-Sarco Engineering	74,672	1,567	2,174
Spirent Commuications PLC	1,161,558	2,058	2,128
St. James Place PLC	380,838	1,132	1,921
Thomas Cook Group	959,500	3,433	220
Vodafone Group PLC	2,467,200	5,000	6,860
William Morrison Supermarkets	1,170,400	5,622	5,936
<i>Total United Kingdom - 11.6%</i>		197,177	193,427

See accompanying notes to financial statements.

# International Equity Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
<i>United States</i>			
Cognizant Tech Solutions A	40,400	2,759	2,598
First Cash Finl Svcs Inc	31,900	1,245	1,119
<i>Total United States - 0.2%</i>		4,004	3,717
Total Equities - 98.0%		1,797,860	1,642,715
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.4%	23,105,388	23,105	23,105
Total Investment Securities - 99.4%		<u>\$ 1,820,965</u>	<u>\$ 1,665,820</u>
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 78,650	\$ 78,650
Mellon SL DBT II Liquidating Fund		1,267	1,223
Mellon GSL DBT II Liquidating Trust		3,305	-
Total Collateral for Securities Loaned		<u>\$ 83,222</u>	<u>\$ 79,873</u>

*See accompanying notes to financial statements.*

# International Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 2,047	\$ 20,934
Interest	1	2
Securities lending income	8	60
Securities lending borrower premiums	101	579
Net shareholder litigation process	-	3
Commission recapture	-	2
	<b>2,157</b>	<b>21,580</b>
<b>Expenses</b>		
Investment advisor fees	(847)	(5,016)
Trustee fees	-	(3)
Custodian bank fees	(44)	(316)
Management fees	(46)	(271)
Fiduciary bond fees	(1)	(4)
Professional service fees	(8)	(50)
Securities lending agent fees	(16)	(99)
	<b>(962)</b>	<b>(5,759)</b>
	<b>1,195</b>	<b>15,821</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	11,500	5,776
Foreign currency transactions	(1,249)	3,240
Net decrease in the fair value of:		
Investments	(10,832)	(285,934)
Translation of assets and liabilities in foreign currencies	(20,965)	(102,015)
	<b>(21,546)</b>	<b>(378,933)</b>
	<b>(20,351)</b>	<b>(363,112)</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 Ended December 31, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 1,195	\$ 15,821
Net realized gain from investments	11,500	5,776
Net realized gain (loss) from foreign currency transactions	(1,249)	3,240
Net decrease in the fair value of investments	(10,832)	(285,934)
Net decrease in the translation of assets and liabilities in foreign currencies	(20,965)	(102,015)
<b>Net decrease in net assets from operations</b>	(20,351)	(363,112)
<b>Unit transactions</b>		
Proceeds from sale of units	15,207	228,804
Amount paid for repurchase of units	(6,859)	(37,150)
<b>Net increase in net assets from unit transactions</b>	8,348	191,654
<b>Decrease in net assets</b>	(12,003)	(171,458)
<b>Net assets, beginning of period</b>	1,687,190	1,846,645
<b>Net assets, end of period</b>	\$ 1,675,187	\$ 1,675,187
<b>Unit data</b>		
Units sold	792,244	11,503,040
Units repurchased	(357,366)	(1,651,967)
<b>Net increase in units</b>	434,878	9,851,073

*\*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

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 Axiom International Investors, LLC, Brandes Investment Partners, LLC, LSV Asset Management, and Pictet Asset Management Limited. 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 in equity securities are carried at fair value, which is determined by a third party pricing service based on quoted market prices. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. 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

*(Amounts in thousands, except share data)*

### 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, consisting of the Mellon SL DBT II Liquidating Fund and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust). Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**Foreign Currency Forward Contracts** - A foreign currency 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.

# International Equity Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

**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 net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

In certain foreign countries the Pool's dividend income and capital gains may be taxable. Such taxes are generally withheld from the payments of these types of income and as a result there is no provision recorded for these taxes. In certain cases there may be a full or partial reclaim available for the withheld taxes. The outstanding reclaims are reported on the Statement of Assets and Liabilities. Dividend income is reported net of withheld taxes on the Statement of Operations.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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.

## International Equity Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 1,642,715	\$ -	\$ -	\$ 1,642,715
Regulated investment companies	-	23,105	-	23,105
Securities lending collateral funds	-	79,873	-	79,873
Total	<u>\$ 1,642,715</u>	<u>\$ 102,978</u>	<u>\$ -</u>	<u>\$ 1,745,693</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (15)	\$ -	\$ (15)

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

#### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$ 79,309		
Initial collateral received:			
	Cost	Fair Value	Unrealized loss
Cash	<u>\$ 83,222</u>	\$ 79,873	<u>\$ (3,349)</u>
Non-cash		-	
Total		<u>\$ 79,873</u>	

The Liquidating Trust, referenced in Note 2, was created in October 2008 to account for certain securities issued by Sigma Finance, Inc. The IMB's balance in the Liquidating Trust for all IMB investment pools that participate in the securities lending program was \$10,974 of which \$3,486 was assigned to the International Equity Pool. A loss reserve was established for the entire amount. Through December 31, 2011 the loss reserve has been adjusted to \$3,305 as a result of cash received in the Liquidating Trust. This \$3,305 is included in the unrealized loss reported in the above table.

In October 2008, the IMB suspended the distribution of any net securities lending income subject to final dissolution of the Liquidating Trust. For the period October 2008 through December 2011, the pool has recorded, but not distributed \$4,743 of net securities lending income.

# International Equity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. FOREIGN CURRENCY FORWARD CONTRACTS

At December 31, 2011, open foreign currency forward contracts are as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized Gain (Loss)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	South Koren Won	12/29/2011	1/3/2012	1,662,197	\$ 1,443		\$ 1,446	\$ (3)
Short	British Pound	12/29/2011	1/3/2012		1,002	651	1,011	(9)
Short	British Pound	12/30/2011	1/4/2012		1,012	652	1,014	(2)
Short	Hong Kong Dollar	12/30/2011	1/4/2012		189	1,473	189	-
Short	Japanese Yen	12/30/2011	1/6/2012		31	2,380	31	-
Short	Mexican New Peso	12/30/2011	1/3/2012		607	8,495	608	(1)
Short	South Koren Won	12/29/2011	1/3/2012		230	264,320	230	-
					<u>\$ 4,514</u>		<u>\$ 4,529</u>	<u>\$ (15)</u>

The contracts listed above were initiated to correspond to transactions in securities trading in foreign currencies. The fair value, gains and losses, and risks are not material the Pool.

### NOTE 6. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 23.53
Income from investment operations:	
Net investment income	0.19
Net realized and unrealized loss on investment transactions	(3.55)
Net realized gain from foreign currency transactions	0.04
Net decrease in the translation of assets and liabilities in foreign currencies	<u>(1.24)</u>
Total from investment operations	<u>(4.56)</u>
Net asset value at December 31, 2011	<u>\$ 18.97</u>

**Time-weighted Total Return \*** -19.4%

#### Supplemental Data:

Net assets, end of period	\$1,675,187
Ratio to average net assets:	
Expenses **	0.67%
Net investment income **	1.88%
Portfolio turnover rate	39.62%

\* 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

# International Equity Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 737,463
Public Employees' Retirement System	647,872
State Police Death, Disability and Retirement Fund	70,107
Workers' Compensation Old Fund	56,360
West Virginia Retiree Health Benefit Trust	46,478
Revenue Shortfall Reserve Fund - Part B	19,631
Judges' Retirement System	18,520
Deputy Sheriff's Retirement System	16,893
Coal Workers' Pneumoconiosis Fund	15,823
State Police Retirement System	10,925
Board of Risk and Insurance Management	8,286
West Virginia Prepaid Tuition Trust Fund	8,188
Wildlife Endowment Fund	5,898
Public Employees Insurance Agency	5,479
Emergency Medical Services Retirement System	4,949
West Virginia Department of Environmental Protection Trust	1,127
Workers' Compensation Self-Insured Guaranty Risk Pool	624
Workers' Compensation Uninsured Employers' Fund	549
Municipal Police Officers' and Firefighters' Retirement System	15
Total	<u>\$ 1,675,187</u>

**Financial Statements - Unaudited**

**December 31, 2011**





# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2011

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## Short-Term Fixed Income Pool

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### Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

#### Assets

Investment securities at amortized cost	\$	182,773
Accrued interest receivable		<u>124</u>

**Total assets** 182,897

#### Liabilities

Cash overdraft		8,936
Accrued expenses		<u>36</u>

**Total liabilities** 8,972

**Net assets** \$ 173,925

#### Analysis of net assets

Paid-in capital	\$	173,880
Accumulated undistributed net investment loss		(1)
Accumulated undistributed net realized gain from investments		<u>46</u>

**Net assets** \$ 173,925

#### Unit data

Units outstanding		173,879,795
Net asset value, unit price	\$	<u><u>1.00</u></u>

See accompanying notes to financial statements.

# Short-Term Fixed Income Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

(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	1.380 %	0.047 %	02/15/2012	2,000	\$ 2,003	\$ 2,003
United States Treasury	4.630	0.034	02/29/2012	5,000	5,036	5,036
United States Treasury	0.880	0.366	02/29/2012	1,000	1,001	1,001
United States Treasury	1.380	0.095	05/15/2012	1,000	1,005	1,005
United States Treasury	3.880	0.166	10/31/2012	1,000	1,031	1,031
Total U. S. Treasury Issues - 5.8%					10,076	10,076
<b><u>U. S. Government Agency Issues</u></b>						
Federal Farm Credit Bank	0.220	0.170	07/23/2012	1,000	1,000	1,000
Federal Home Loan Bank	0.140	0.158	01/17/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.150	0.168	01/17/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.280	0.304	01/30/2012	1,500	1,500	1,500
Federal Home Loan Bank	0.090	0.152	03/01/2012	3,000	3,000	2,999
Federal Home Loan Bank	0.300	0.320	03/01/2013	1,000	1,000	1,001
Federal Home Loan Mortgage	0.130	0.168	08/08/2012	1,000	1,000	1,000
Federal Home Loan Mortgage	2.130	0.163	09/21/2012	2,736	2,774	2,774
Total U. S. Government Agency Issues - 8.2%					14,274	14,274
<b><u>Short-term Issues</u></b>						
Atlantis One Funding	0.000	0.284	01/10/2012	5,000	5,000	5,000
Bank of Nova Scotia	0.000	0.223	03/13/2012	5,000	4,998	4,998
Barclays US Funding Corp	0.000	0.081	01/11/2012	5,000	5,000	5,000
Deutsche Bank Finl LLC	0.000	0.365	01/09/2012	5,000	5,000	5,000
Dreyfus Cash Management Institutional Fund	0.010	0.760		8,936,513	8,937	8,937
Federal Home Loan Bank	0.000	0.020	01/04/2012	9,000	9,000	9,000
Federal Home Loan Bank	0.000	0.015	01/18/2012	5,000	5,000	5,000
Federal Home Loan Bank	0.000	0.030	02/01/2012	7,000	7,000	7,000
Federal Home Loan Bank	0.000	0.030	02/08/2012	4,000	4,000	4,000
Federal Home Loan Bank	0.000	0.112	02/10/2012	4,000	4,000	4,000
Federal Home Loan Bank	0.000	0.025	02/17/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.000	0.015	03/02/2012	7,000	7,000	7,000
Federal Home Loan Bank	0.000	0.183	10/17/2012	1,000	999	999
Federal Home Loan Mort Corp	0.000	0.030	01/06/2012	4,000	4,000	4,000
Federal Home Loan Mort Corp	0.000	0.001	01/13/2012	7,000	7,000	7,000
Federal Home Loan Mort Corp	0.000	0.112	02/21/2012	6,000	5,999	5,999
Federal Home Loan Mort Corp	0.000	0.101	02/23/2012	3,000	3,000	3,000
Federal Home Loan Mort Corp	0.000	0.020	03/05/2012	5,565	5,565	5,565
Federal Home Loan Mort Corp	0.000	0.091	05/08/2012	1,000	1,000	1,000
Federal National Mortgage Assn	0.000	0.010	01/09/2012	12,000	12,000	12,000
Federal National Mortgage Assn	0.000	0.173	03/01/2012	1,000	1,000	1,000
Federal National Mortgage Assn	0.000	0.117	03/07/2012	6,000	5,999	6,000
Federal National Mortgage Assn	0.000	0.112	05/01/2012	1,000	1,000	1,000
Federal National Mortgage Assn	0.000	0.101	05/02/2012	1,000	1,000	1,000
Federal National Mortgage Assn	0.000	0.152	07/02/2012	2,000	1,998	2,000
General Electric Intl	0.000	0.152	03/05/2012	5,000	4,999	4,999
Nordea NA Inc	0.000	0.375	01/18/2012	3,000	3,000	3,000
Repurchase Agreement	0.030	0.030	01/03/2012	8,936	8,936	8,936
UBS Finance (DE) LLC	0.000	0.193	01/17/2012	4,000	4,000	4,000
United States Treasury	0.000	0.068	01/05/2012	15,000	14,993	14,994
United States Treasury	0.000	0.035	01/12/2012	5,000	5,000	5,000
Total Short-Term Issues - 91.1%					158,423	158,427
Total Investment Securities - 105.1%					\$ 182,773	\$ 182,777

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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### Statement of Operations - Unaudited

Period Ended December 31, 2011\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 38	\$ 124
Net accretion (amortization)	(21)	2
	<u>17</u>	<u>126</u>
<b>Total investment income</b>	17	126
<b>Expenses</b>		
Investment advisor fees	(9)	(64)
Custodian bank fees	-	(5)
Management fees	(7)	(42)
Fiduciary bond fees	-	(1)
Professional service fees	(2)	(8)
	<u>(18)</u>	<u>(120)</u>
<b>Total expenses</b>	(18)	(120)
<b>Investment income (loss), net</b>	(1)	6
<b>Net realized gain from investments</b>	<u>2</u>	<u>-</u>
<b>Net increase in net assets from operations</b>	<u>\$ 1</u>	<u>\$ 6</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, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income (loss), net	\$ (1)	\$ 6
Net realized gain from investments	2	-
	1	6
<b>Net increase in net assets from operations</b>		
<b>Distributions to unitholders</b>		
Investment income, net	-	(7)
<b>Unit transactions</b>		
Proceeds from sale of units	126,127	908,413
Reinvestment of distributions	-	7
	126,127	908,420
Amount paid for repurchase of units	(136,945)	(1,093,264)
	(10,818)	(184,844)
<b>Net decrease in net assets from unit transactions</b>		
	(10,817)	(184,845)
<b>Decrease in net assets</b>		
	(10,817)	(184,845)
<b>Net assets, beginning of period</b>		
	184,742	358,770
<b>Net assets, end of period</b>		
	\$ 173,925	\$ 173,925
<b>Unit data</b>		
Units sold	126,127,210	908,412,611
Units issued from reinvestment of distributions	140	7,231
	126,127,350	908,419,842
Units repurchased	(136,945,537)	(1,093,264,197)
	(10,818,187)	(184,844,355)
<b>Net decrease in units</b>		
	(10,818,187)	(184,844,355)

*\*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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 which approximates fair value. The basic premise underlying the use of the amortized cost method of valuation is that high-quality, short-term debt securities held until maturity will eventually return to their amortized cost value, regardless of any current disparity between the amortized cost value and market value, and would not ordinarily be expected to fluctuate significantly in value. A money market fund is permitted to value its securities at amortized cost so long as the deviation between the amortized cost and current market value remains minimal and results in

# Short-Term Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

the computation of a share price that represents fairly the current net asset value per share of the fund. 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.

**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.

**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.

**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. The Pool does not routinely distribute dividends of net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 are:

## Short-Term Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
U.S. Treasury issues	\$ -	\$ 10,076	\$ -	\$ 10,076
U.S. government agency issues	-	14,274	-	14,274
Short-term issues	-	158,423	-	158,423
Total	<u>\$ -</u>	<u>\$ 182,773</u>	<u>\$ -</u>	<u>\$ 182,773</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

#### NOTE 4. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 1.00
Income from investment operations:	
Net investment income*	-
Net realized gain (loss) on investment transactions*	-
Total from investment operations	<u>-</u>
Less distributions from net investment income*	<u>-</u>
Net asset value at December 31, 2011	<u>\$ 1.00</u>

**Time-weighted Total Return \*\*** 0.0%

##### Supplemental Data:

Net assets, end of period	\$ 173,925
Ratio to average net assets:	
Expenses ***	0.09%
Net investment income ***	0.00%
Weighted average days to maturity	39
Maximum weighted average investment maturity per Board guidelines	60 days
Money market yield ****	0.00%

\* As percentage is less than 0.01, amount is rounded for reporting purposes

\*\* 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.



## Short-Term Fixed Income Pool

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### Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

#### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 90,342
Teachers' Employers Contribution Collection Account	30,954
Teachers' Retirement System	16,045
Coal Workers' Pneumoconiosis Fund	11,918
Public Employees Insurance Agency	8,853
Board of Risk and Insurance Management	6,692
Public Employees' Retirement System	5,558
West Virginia Prepaid Tuition Trust Fund	1,021
Workers' Compensation Self-Insured Guaranty Risk Pool	508
Deputy Sheriff's Retirement System	480
Workers' Compensation Uninsured Employers' Fund	444
Judges' Retirement System	358
State Police Retirement System	285
State Police Death, Disability and Retirement Fund	243
Wildlife Endowment Fund	96
West Virginia Retiree Health Benefit Trust	74
Municipal Police Officers' and Firefighters' Retirement System	4
West Virginia Department of Environmental Protection Trust	3
Emergency Medical Services Retirement System	1
Revenue Shortfall Reserve Fund	1
Total	<u>\$ 173,880</u>



**Financial Statements - Unaudited**

**December 31, 2011**



# Total Return Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2011

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# Total Return Fixed Income Pool

## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,264,292
Collateral for securities loaned at fair value (Note 5)		255
Cash		15,847
Cash denominated in foreign currencies (cost \$2,134)		2,101
Unrealized gain on futures contracts (Note 6)		1,194
Unrealized gain on foreign currency forward contracts (Note 8)		1,418
Receivables:		
Accrued interest		15,435
Investments sold		702
Dividends		6
Securities lending income		17
		<hr/>
<b>Total assets</b>		<b>2,301,267</b>

### Liabilities

Accrued expenses		413
Dividends payable		5,643
Payable for investments purchased		32,573
Payable upon return of securities loaned (Note 5)		1,870
Unrealized loss on futures contracts (Note 6)		3,586
Unrealized loss on foreign currency forward contracts (Note 8)		1,247
Option contracts written		11,011
		<hr/>
<b>Total liabilities</b>		<b>56,343</b>
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,244,924</b>

### Analysis of net assets

Paid-in capital	\$	1,814,483
Accumulated undistributed net investment income		743
Accumulated undistributed net realized gain from investments		326,486
Accumulated undistributed net realized gain from foreign currency transactions		13,067
Unrealized net appreciation of investments		89,752
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		393
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,244,924</b>

### Unit data

Units outstanding		162,557,292
Net asset value, unit price	\$	13.81

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value	
<b><u>Municipal Bonds</u></b>							
California	7.500 %	7.337 %	04/01/2034	16,575	\$ 16,859	\$ 19,888	
California	7.550	6.884	04/01/2039	9,340	10,101	11,420	
California	7.300	7.353	10/01/2039	2,155	2,141	2,548	
California	7.630	7.196	03/01/2040	1,600	1,682	1,969	
County of Carroll KY	0.080 A	0.909	10/01/2032	4,800	4,033	3,747	
Illinois State	4.960	3.643	03/01/2016	7,550	7,931	7,974	
Illinois State	5.370	5.365	03/01/2017	6,600	6,600	7,080	
Illinois State	5.670	5.057	03/01/2018	4,275	4,410	4,579	
Los Angeles Unified Sch Dist	6.760	6.025	07/01/2034	6,625	7,206	8,222	
New Jersey Turnpike Authority	7.100	6.679	01/01/2041	6,015	6,323	8,235	
Pennsylvania St Higher Ed Assn	1.580 A	1.624	05/01/2046	8,225	7,257	7,608	
Pennsylvania St Higher Ed Assn	2.050 A	1.886	05/01/2046	2,775	2,477	2,567	
Wake County Indl FACS-B-ARS	0.210 A	1.423	10/01/2022	6,700	5,872	5,476	
Wake County Indl FACS-D-ARS	0.190 A	1.510	10/01/2022	3,350	2,903	2,881	
Total Municipal Bonds - 4.2%						85,795	94,194
<b><u>U. S. Treasury Issues</u></b>							
United States Treasury	2.000	(0.094)	04/15/2012	6,660	7,475	7,467	
United States Treasury	1.000	0.238	04/30/2012	6,450	6,466	6,470	
United States Treasury	0.750	0.094	05/31/2012	5,000	5,013	5,014	
United States Treasury	0.630	0.202	07/31/2012	24,295	24,354	24,370	
United States Treasury	1.880	0.526	02/28/2014	1,370	1,410	1,417	
United States Treasury	1.250	0.859	04/15/2014	30,000	30,264	30,648	
United States Treasury	1.500	1.481	06/30/2016	580	580	600	
United States Treasury	1.000	0.948	08/31/2016	4,140	4,150	4,185	
United States Treasury	1.380	1.379	11/30/2018	56,560	56,546	56,755	
United States Treasury	3.130	1.815	05/15/2021	38,320	42,625	42,787	
United States Treasury *	2.000	1.808	01/15/2026	26,670	31,145	37,378	
United States Treasury	4.380	4.277	02/15/2039	5,400	5,486	7,011	
United States Treasury	4.380	4.621	05/15/2040	4,020	3,864	5,222	
United States Treasury	4.750	3.194	02/15/2041	9,050	11,701	12,472	
United States Treasury	2.130	2.199	02/15/2041	2,280	2,320	3,186	
United States Treasury	4.380	4.263	05/15/2041	1,540	1,569	2,007	
Total U. S. Treasury Issues - 11.0%						234,968	246,989
<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	5.681	4.122	06/18/2036	59,187	63,926	64,806	
FNMA Mortgage Pools	5.824	3.117	02/01/2034	366,090	397,352	402,671	
<i>Total U. S. Government Agency MBS</i>						461,278	467,477
<i>U. S. Government Agency TBAs</i>							
Federal National Mortgage Assn	6.000	5.224	01/01/2042	29,800	32,573	32,812	
<i>U. S. Government Agency CMO</i>							
Federal Home Loan Mortgage	1.240 A	(5.843)	04/25/2020	4,145	276	292	
Federal Home Loan Mortgage	1.680 A	(5.389)	06/25/2020	4,351	397	429	
Federal Home Loan Mortgage	1.520 A	(4.546)	08/25/2020	38,401	3,132	3,312	
Federal Home Loan Mortgage	1.100	0.000	03/15/2034	208	208	208	
Federal National Mortgage Assn	7.000	3.170	11/25/2040	20,089	22,295	22,757	
Federal National Mortgage Assn	6.500	5.176	09/25/2042	54	59	61	
Federal National Mortgage Assn	6.500	4.558	12/25/2042	2,337	2,568	2,719	
Federal National Mortgage Assn	7.500	4.579	12/25/2045	2,597	2,935	3,043	
<i>Total U.S. Government Agency CMO</i>						31,870	32,821
Total U.S. Government Agency Issues - 23.7%						525,721	533,110
<b><u>Corporate Issues</u></b>							
<i>Corporate Bonds</i>							
AES Corporation	8.000	8.000	06/01/2020	6,400	6,400	7,040	
Ally Financial Inc	4.500	5.522	02/11/2014	17,420	17,060	16,802	

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*\*All or portions of these securities are pledged as collateral for futures contracts.*

*See accompanying notes to financial statements.*

# Total Return Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
American Express	6.150	6.071	08/28/2017	1,250	1,255	1,430
American Express	6.800	6.550	09/01/2066	1,660	1,721	1,652
American International Group	4.250	4.448	09/15/2014	3,200	3,184	3,108
American International Group	5.850	5.922	01/16/2018	910	907	890
American International Group	8.250	5.087	08/15/2018	4,825	5,673	5,107
American International Group	6.400	6.435	12/15/2020	2,390	2,384	2,412
Amgen Inc	4.500	4.506	03/15/2020	1,290	1,289	1,357
Anadarko Finance Co	7.500	6.559	05/01/2031	1,240	1,367	1,500
Anadarko Petroleum Corp	6.380	6.069	09/15/2017	740	750	858
AOL Time Warner Inc	7.630	6.150	04/15/2031	4,500	5,244	5,809
AOL Time Warner Inc	7.700	5.911	05/01/2032	9,474	11,463	12,361
Asciano Finance	3.130	3.158	09/23/2015	4,890	4,884	4,729
Asciano Finance	4.630	4.654	09/23/2020	1,480	1,477	1,389
ASIF Global Financing	4.900	4.777	01/17/2013	510	511	514
AT&T Corp	8.000	6.053	11/15/2031	2,750	3,364	3,885
AT&T Inc	5.500	5.575	02/01/2018	5,076	5,057	5,876
AT&T Inc	6.550	6.152	02/15/2039	525	552	668
BAC Capital Trust XI	6.630	7.267	05/23/2036	15,130	14,002	13,270
Bank of America Corp	4.880	1.532	09/15/2012	20	20	20
Bank of America Corp	6.500	6.500	08/01/2016	410	410	413
Bank of America Corp	5.420	3.544	03/15/2017	600	653	541
Bank of America Corp	7.630	5.211	06/01/2019	15,000	17,201	15,513
Bank of America Corp	5.630	5.979	07/01/2020	1,510	1,475	1,395
Bank of America Corp	5.000	5.091	05/13/2021	1,380	1,371	1,257
Barclays Bank PLC	6.750	5.134	05/22/2019	2,900	3,185	3,215
Barclays Bank PLC	5.130	4.727	01/08/2020	5,490	5,630	5,639
BNSF Railway Co 2007-1 P	6.000	4.731	04/01/2024	963	1,075	1,114
Boston Properties LP	5.880	5.323	10/15/2019	4,950	5,122	5,574
Boston Properties LP	5.630	4.370	11/15/2020	4,600	5,020	5,134
Boston Scientific Corp	6.400	4.792	06/15/2016	9,415	10,015	10,556
Boston Scientific Corp	6.000	6.466	01/15/2020	500	486	558
BP Capital Markets PLC	3.130	3.187	10/01/2015	3,010	3,003	3,153
Burlington NO SF 00-1 TR	8.250	3.815	01/15/2021	335	395	405
Burlington NO SF 06-2 TR	5.630	3.991	04/01/2024	473	522	536
Burlington North Santa Fe	5.650	4.016	05/01/2017	3,600	3,880	4,155
Burlington North Santa Fe	4.700	4.757	10/01/2019	850	847	954
Burlington North Santa Fe	4.100	4.153	06/01/2021	7,075	7,046	7,635
Calpine Corp	7.880	7.875	01/15/2023	2,500	2,500	2,688
Canadia Pacific Railroad Co	5.750	5.922	01/15/2042	1,950	1,903	2,061
Capital One Financial Corp	6.750	4.403	09/15/2017	12,075	13,481	13,530
Capital One Financial Corp	4.750	4.838	07/15/2021	3,250	3,228	3,345
CIGNA Corporation	8.500	4.320	05/01/2019	3,399	4,283	4,258
CIGNA Corporation	7.650	6.813	03/01/2023	1,925	2,048	2,250
CIGNA Corporation	7.880	6.865	05/15/2027	1,545	1,692	1,848
CIGNA Corporation	6.150	5.839	11/15/2036	3,488	3,627	3,742
CIGNA Corporation	5.880	5.921	03/15/2041	1,135	1,128	1,201
Citigroup Inc	5.000	4.901	09/15/2014	6,750	6,767	6,681
Citigroup Inc	3.950	3.505	06/15/2016	2,160	2,200	2,153
Citigroup Inc	6.130	5.111	11/21/2017	17,245	18,119	18,404
Citigroup Inc	5.380	4.754	08/09/2020	1,610	1,680	1,656
Citigroup Inc	6.880	6.929	03/05/2038	3,460	3,438	3,801
Comcast Cable Communication	8.880	4.655	05/01/2017	2,615	3,130	3,375
Comcast Corp	6.500	4.573	01/15/2017	4,500	4,886	5,293
Comcast Corp	6.300	3.377	11/15/2017	2,700	3,117	3,194
Comcast Corp	5.880	3.492	02/15/2018	2,000	2,260	2,313
Comcast Corp	6.400	5.508	05/15/2038	2,600	2,921	3,124
Commonwealth Edison	6.150	4.735	03/15/2012	1,500	1,504	1,516
Continental Airlines Inc	9.250	9.250	05/10/2017	1,148	1,148	1,183
Continental Airlines Inc	7.250	7.250	11/10/2019	5,404	5,404	5,755
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2098	5,000	3,227	3,700
Countrywide Financial Corp	5.800	7.825	06/07/2012	10	10	10
Countrywide Financial Corp	6.250	7.951	05/15/2016	2,550	2,393	2,402
Cox Communications Inc	9.380	4.731	01/15/2019	11,495	14,653	15,549
Credit Agricole SA	8.380	8.375	12/13/2049	4,130	4,130	3,098

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*See accompanying notes to financial statements.*



# Total Return Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
CVS Caremark Corp	6.940	7.044	01/10/2030	1,946	1,946	2,156
Delta Air Lines	6.820	6.823	08/10/2022	2,118	2,118	2,208
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	1,635	1,626	1,820
Dow Chemical Company	8.550	5.414	05/15/2019	6,709	7,971	8,778
Dow Chemical Company	9.400	6.163	05/15/2039	5,540	7,893	8,327
El Paso Corporation	7.800	11.244	08/01/2031	469	338	541
El Paso Corporation	7.750	7.814	01/15/2032	222	221	256
ERP Operating-LP	4.630	4.673	12/15/2021	3,300	3,287	3,365
Ford Motor Credit Company	5.630	5.306	09/15/2015	9,200	9,296	9,522
Ford Motor Credit Company	5.750	5.750	02/01/2021	10,300	10,300	10,734
Freeport-McMoRan Copper & Gold	8.380	6.848	04/01/2017	4,630	4,937	4,919
General Electric Capital Corp	5.450	5.188	01/15/2013	570	571	596
General Electric Capital Corp	5.900	3.549	05/13/2014	2,000	2,106	2,190
General Electric Capital Corp	5.500	4.531	01/08/2020	7,755	8,253	8,533
General Electric Capital Corp	4.380	4.185	09/16/2020	3,550	3,599	3,628
General Electric Capital Corp	4.630	4.118	01/07/2021	2,550	2,647	2,645
General Electric Capital Corp	6.380	4.146	11/15/2067	4,910	4,859	4,836
Glitnir BankI HF	0.000 <i>N</i>	0.045	09/25/2012	3,390	941	881
Glitnir BankI HF	0.000 <i>N</i>	0.006	06/15/2016	5,000	6	6
Glitnir BankI HF	0.000 <i>N</i>	0.024	09/14/2049	600	1	1
Goldman Sachs Capital II	5.790	2.806	12/29/2049	3,960	3,254	2,435
Goldman Sachs Group Inc	6.150	6.141	04/01/2018	3,680	3,682	3,798
Goldman Sachs Group Inc	6.250	6.241	02/01/2041	2,810	2,813	2,757
Greenpoint Manufacture Housing	3.790 <i>A</i>	5.323	03/18/2029	1,000	820	749
Greenpoint Manufacture Housing	3.790 <i>A</i>	4.150	06/19/2029	475	385	347
Greenpoint Manufacture Housing	3.790 <i>A</i>	4.096	02/20/2030	550	446	396
Greenpoint Manufacture Housing	2.290 <i>A</i>	3.399	08/21/2031	4,100	3,441	3,172
Greenpoint Manufacture Housing	2.290 <i>A</i>	3.293	11/22/2031	825	700	685
Greenpoint Manufacture Housing	3.780 <i>A</i>	5.062	02/20/2032	850	713	644
Greenpoint Manufacture Housing	3.780 <i>A</i>	3.719	03/13/2032	1,225	1,027	923
Grifols Inc	8.250	8.250	02/01/2018	410	410	431
Groupe BPCE	12.500	9.578	<i>P</i>	3,317	4,329	2,994
HCA Inc	6.300	5.640	10/01/2012	9,500	9,545	9,666
HCA Inc	6.250	6.251	02/15/2013	8,000	8,000	8,160
HCA Inc	6.750	5.618	07/15/2013	1,400	1,423	1,446
HCA Inc	5.750	5.627	03/15/2014	3,300	3,308	3,366
HCA Inc	6.500	5.853	02/15/2016	3,500	3,582	3,553
Health Net Inc	6.380	7.209	06/01/2017	2,850	2,745	2,964
Hewlett-Packard Company	3.300	3.346	12/09/2016	4,300	4,291	4,391
Household Finance Corporation	7.000	5.660	05/15/2012	20	20	20
Household Finance Corporation	6.380	6.462	11/27/2012	440	440	453
HSBC Finance Corp	6.680	7.080	01/15/2021	1,450	1,411	1,500
HSBC Holdings PLC	5.100	5.128	04/05/2021	3,125	3,119	3,321
HSBC Holdings PLC	6.500	6.137	05/02/2036	10,725	11,206	10,837
HSBC Holdings PLC	6.500	6.601	09/15/2037	490	484	484
Humana Inc	7.200	6.671	06/15/2018	2,030	2,086	2,368
Humana Inc	8.150	8.095	06/15/2038	730	734	947
ICICI Bank Limited	6.380	6.696	04/30/2022	2,238	2,003	1,947
ILFC E-Capital Trust II	6.250	3.527	12/21/2065	4,520	4,074	3,051
John Deere Capital Corp	5.350	5.235	04/03/2018	1,550	1,559	1,820
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,597	1,649
JP Morgan Chase & Co	5.130	5.030	09/15/2014	40	40	42
JP Morgan Chase & Co	5.150	5.330	10/01/2015	790	785	838
JP Morgan Chase & Co	4.950	4.275	03/25/2020	7,140	7,470	7,589
JP Morgan Chase XVII	5.850	6.301	08/01/2035	807	763	813
JPM Chase Capital XXV	6.800	6.684	10/01/2037	1,000	1,014	1,004
Kaupthing Bank HF	0.000 <i>N</i>	2.606	02/28/2015	7,930	1,963	1,963
Kerr-McGee Corporation	6.950	5.911	07/01/2024	490	534	584
Kerr-McGee Corporation	7.880	6.593	09/15/2031	1,665	1,898	2,087
Kinder Morgan Energy Partners	7.130	5.552	03/15/2012	740	742	748
Kinder Morgan Energy Partners	5.850	7.004	09/15/2012	150	149	155
Kinder Morgan Energy Partners	5.000	6.163	12/15/2013	940	920	996
Kinder Morgan Energy Partners	6.000	6.219	02/01/2017	1,610	1,595	1,822
Kroger Co	6.400	5.641	08/15/2017	220	228	262

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*See accompanying notes to financial statements.*

# Total Return Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Lafarge SA	6.200	4.487	07/09/2015	6,175	6,514	6,284
Lafarge SA	6.500	5.317	07/15/2016	7,250	7,591	7,395
Lehman Bros CAP TR VII	0.000 <i>N</i>	0.007	12/28/2017	8,860	4	1
Lloyds TSB Bank PLC	5.800	5.831	01/13/2020	2,145	2,141	2,036
Lloyds TSB Bank PLC	6.380	6.386	01/21/2021	1,900	1,899	1,904
Lorillard Tobacco Company	8.130	6.688	06/23/2019	2,680	2,904	3,192
Macys Retail Holdings Inc	6.650	7.294	07/15/2024	6,415	6,078	7,155
Macys Retail Holdings Inc	6.900	6.746	04/01/2029	3,000	3,047	3,300
Macys Retail Holdings Inc	6.700	6.501	07/15/2034	1,990	2,036	2,197
Macys Retail Holdings Inc	6.380	6.832	03/15/2037	4,100	3,875	4,763
Merrill Lynch & Company Inc	6.880	6.887	04/25/2018	8,890	8,885	8,765
MetLife Inc	6.400	7.089	12/15/2036	3,170	2,916	3,000
MMC Corporation Berhad	6.250	4.223	01/15/2018	4,775	5,285	5,647
Morgan Stanley	6.630	6.224	04/01/2018	360	367	355
National Semiconductor Corp	6.600	5.898	06/15/2017	2,580	2,663	3,169
Newfield Exploration Company	6.630	5.817	04/15/2016	4,650	4,790	4,790
News America Inc	6.650	5.993	11/15/2037	2,785	3,023	3,155
Nordea Bank AB	4.880	4.938	05/13/2021	2,980	2,966	2,519
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	870	885	1,077
Pacific Life Global Funding	5.150	5.161	04/15/2013	450	450	470
Pernod Ricard SA	4.450	4.213	01/15/2022	2,140	2,181	2,242
Petrobras Intl Fin Co	3.880	3.061	01/27/2016	1,050	1,082	1,082
Pfizer Inc	6.200	4.552	03/15/2019	6,250	6,876	7,712
Rabobank Nederland	11.000	10.092	<i>P</i>	544	593	636
Reed Elsevier Capital	7.750	3.463	01/15/2014	2,300	2,492	2,566
Reed Elsevier Capital	8.630	4.357	01/15/2019	3,975	4,992	4,961
Reynolds American Inc	6.750	6.619	06/15/2017	2,330	2,344	2,648
Reynolds Group Holdings	6.880	6.875	02/15/2021	1,360	1,360	1,353
Reynolds Group ISS/Reynold	7.130	6.778	04/15/2019	400	408	407
Royal Bank of Scotland Grp PLC	5.000	7.737	10/01/2014	3,960	3,697	3,269
Royal Bank of Scotland Grp PLC	0.000	0.000	<i>P</i>	1,200	1,200	644
Royal Bank of Scotland PLC	4.380	4.419	03/16/2016	3,225	3,220	3,077
Royal Bank of Scotland PLC	5.630	5.850	08/24/2020	6,000	5,909	5,755
Royal Bank of Scotland PLC	6.130	6.175	01/11/2021	5,325	5,307	5,253
Safeway Inc	3.950	4.684	08/15/2020	570	541	563
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	3,100	3,157
Southern Natural Gas Co	5.900	5.897	04/01/2017	570	570	651
Springleaf Finance Corp	6.900	7.000	12/15/2017	720	717	518
Sprint Capital Corp	6.900	7.701	05/01/2019	1,145	1,094	942
Sprint Capital Corp	8.750	7.015	03/15/2032	680	806	550
Sprint Nextel Corporation	6.000	6.741	12/01/2016	8,075	7,826	6,702
State Street Corp	4.960	4.727	03/15/2018	1,980	2,004	2,058
Student Loan Marketing Assn	8.450	8.316	06/15/2018	5,225	5,258	5,382
Teachers Insurance & Annuity	6.850	6.860	12/16/2039	1,230	1,228	1,579
Telecom Italia Capital	5.250	5.095	11/15/2013	2,825	2,833	2,714
Telecom Italia Capital	6.170	8.076	06/18/2014	2,075	1,989	1,996
Telecom Italia Capital	7.000	5.598	06/04/2018	3,880	4,169	3,627
Telecom Italia Capital	7.170	7.026	06/18/2019	2,900	2,925	2,718
Telefonica Emisiones SAU	5.460	5.299	02/16/2021	1,930	1,953	1,842
Tenet Healthcare Corporation	8.880	9.625	07/01/2019	250	240	281
Tennessee Gas Pipeline	7.500	4.308	04/01/2017	3,380	3,881	4,024
Time Warner Cable Inc	8.750	4.804	02/14/2019	9,990	12,337	12,757
Time Warner Cable Inc	8.250	4.876	04/01/2019	975	1,174	1,225
Time Warner Cable Inc	4.000	4.081	09/01/2021	5,685	5,649	5,752
Time Warner Cable Inc	5.500	5.558	09/01/2041	230	228	242
Time Warner Entertainment Co	8.380	8.068	07/15/2033	3,050	3,145	3,998
TNK-BP Finance SA	7.880	8.692	03/13/2018	2,820	2,711	3,014
Travelers Cos Inc	6.250	4.048	06/20/2016	1,150	1,252	1,340
Travelers Cos Inc	5.750	4.273	12/15/2017	1,623	1,748	1,894
Union Pacific Corp	4.160	4.011	07/15/2022	4,812	4,874	5,223
Union Pacific RR Co 07-3	6.180	4.877	01/02/2031	818	891	987
United Business Media LT	5.750	5.979	11/03/2020	3,330	3,278	3,359
UNP RR Co 1999 Pass Trust	7.600	3.775	01/02/2020	638	743	764
UNP RR Co 2005 Pass Trust	5.080	4.328	01/02/2029	4,340	4,537	4,803

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# Total Return Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Vale Overseas Ltd	6.880	6.914	11/21/2036	2,812	2,798	3,202
Vedanta Resources PLC	8.750	8.751	01/15/2014	952	952	923
Verizon Communications	6.100	5.595	04/15/2018	1,710	1,755	2,054
Virgin Media Secured Fin	5.250	5.319	01/15/2021	2,010	2,000	2,130
Vulcan Materials	6.500	6.521	12/01/2016	2,850	2,848	2,943
Vulcan Materials	7.500	7.500	06/15/2021	2,925	2,925	3,159
Wachovia Capital Trust	5.570	5.635	12/29/2049	2,540	2,535	2,127
Wachovia Corp	5.630	6.046	10/15/2016	1,050	1,032	1,143
Wachovia Corp	5.750	4.261	02/01/2018	7,280	7,851	8,270
Wal-Mart Stores	5.800	5.143	02/15/2018	610	631	748
WellPoint Inc	5.880	4.695	06/15/2017	5,096	5,382	5,872
WellPoint Inc	7.000	4.133	02/15/2019	6,250	7,343	7,541
Wells Fargo & Company	5.250	3.972	10/23/2012	140	141	145
Wells Fargo Capital X	5.950	6.338	12/15/2036	3,280	3,121	3,284
Xerox Corporation	6.400	4.485	03/15/2016	8,525	9,143	9,539
Xerox Corporation	6.350	3.960	05/15/2018	7,452	8,445	8,394
<i>Total Corporate Bonds</i>					698,024	711,588
<i>Corporate Asset Backed Issues</i>						
EDUCAP Student Loan Asset Back	1.750 A	2.200	06/25/2038	5,200	4,312	4,576
Education Funding Capital Trst	1.790 A	1.746	12/15/2042	900	818	859
Hertz Vehicle Financing LLC	5.290	5.350	03/25/2016	1,600	1,600	1,732
Lehman XZ Trust	0.510	8.597	04/25/2046	4,438	2,538	2,058
Mid-State Trust	3.500	3.531	12/15/2045	1,348	1,345	1,377
NC State Education Authority	1.320	1.810	07/25/2030	11,400	10,743	10,469
Nelnet Student Loan Trust	1.070 A	2.648	03/22/2032	10,700	9,590	10,655
Pegasus Aviation Lease Sec	8.370	16.049	03/25/2030	500	324	193
Public Service New Hampshire	6.480	5.468	05/01/2015	196	199	204
<i>Total Corporate Asset Backed Issues</i>					31,469	32,123
<i>Corporate CMO</i>						
Banc of America Mortgage Sec	5.250 A	6.974	12/01/2034	3,685	3,524	3,307
Banc of America Mortgage Sec	2.860 A	3.183	04/25/2035	815	798	608
Bear Stearns Adj Rate Mortgage	2.330	4.183	12/25/2046	1,508	1,397	882
Countrywide Alternative Loan T	2.630 A	2.726	12/25/2035	1,991	1,979	1,086
Countrywide Home Loans	2.730 A	2.724	06/20/2036	1,082	1,082	646
Greenpoint Mtge Funding Trust	0.500	13.482	04/25/2036	1,869	1,013	847
Indymac Inda Mtg Loan Trust	5.730 A	5.708	09/25/2037	1,579	1,578	1,131
Indymac Indx Mtg Loan Trust	0.500	19.626	04/25/2046	1,900	1,030	857
IndyMac Residential Asset Sec	4.750	4.363	02/25/2019	2,649	2,662	2,672
JP Morgan Mortgage Trust	2.700 A	3.087	08/25/2035	1,479	1,455	1,012
Luminent Mortgage Trust	0.490	16.439	02/25/2046	4,114	2,321	1,954
MASTR ARM Trust	2.690 A	3.103	01/25/2036	1,006	987	719
MASTR Performing Loan Trust	7.000	6.329	08/25/2034	78	79	79
Merrill Lynch Mortgage Invest	2.600 A	3.012	12/25/2034	33	33	32
Morgan Stanley Mortgage Loan	2.510 A	2.564	10/25/2034	1,257	1,251	1,009
Morgan Stanley Mortgage Loan	4.580 A	4.498	06/25/2037	4,181	4,191	1,942
Washington Mutual Mortgage	2.550 A	2.851	08/25/2035	1,456	1,433	1,065
Washington Mutual Mortgage	2.480 A	2.903	10/25/2035	511	508	464
Washington Mutual Mortgage	2.470 A	2.777	12/25/2035	1,740	1,714	1,341
Washington Mutual Mortgage	2.310 A	2.387	11/25/2036	182	181	120
Washington Mutual Mortgage	2.390 A	2.396	12/25/2036	690	690	445
Washington Mutual Mortgage	2.610 A	17.373	02/25/2037	591	329	391
Washington Mutual Mortgage	5.090 A	5.320	03/01/2037	208	206	120
Wells Fargo Mortgage Backed	2.620 A	7.168	12/25/2034	2,617	2,137	2,360
Wells Fargo Mortgage Backed	2.700 A	3.158	04/25/2036	241	240	182
<i>Total Corporate CMO</i>					32,818	25,271
<i>Corporate Preferred Securities</i>						
Citigroup Capital XIII	0.000	1.922		278	7,355	7,247
<i>Total Corporate Issues - 34.6%</i>					769,666	776,229

A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity.

\*All or portions of these securities are pledged as collateral for futures contracts.

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>Investments in Other Funds</u></b>						
Western Asset High Yield Portfolio				5,190	49,134	42,040
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 Opportunistic US Dollar High Yield Securities Portfolio, LLC				1,063	23,197	24,195
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				970	18,033	23,477
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 Floating Rate High Income Fund, LLC				5,044	62,180	79,913
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				5,078	48,816	51,223
Investment Objective - To maximize total return by investing in investment grade fixed income securities.						
Redemption Provisions - Daily						
Western Asset Opportunistic Asian Securities Portfolio, LLC				4,160	43,343	51,296
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				311	4,909	5,056
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				1,790	23,724	31,293
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				6,965	62,113	81,405
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	32,221
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 - 18.8%					357,731	422,119
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund	0.010	0.760		128,577	128,577	128,577
Federal Home Loan Mort Corp *	0.000	0.113	01/10/2012	3,130	3,130	3,130
Federal Home Loan Mort Corp	0.000	0.051	01/11/2012	20	20	20
Federal Home Loan Mort Corp	0.000	0.152	06/01/2012	58,400	58,363	58,391
Federal National Mortgage Assn	0.000	0.112	01/10/2012	275	275	275
Total Short-term Issues - 8.5%					190,365	190,393
<b><u>Option Contracts Purchased</u></b>						
<i>Call, strike price, expiration</i>						
Swaption, 3.5, November 2017				-	210	563

A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity.

\*All or portions of these securities are pledged as collateral for futures contracts.

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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

**December 31, 2011**

*(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>
<i>Put, strike price, expiration</i>						
Swaption, 6.0, November 2017				-	1,085	695
Total Option Contracts Purchased - 0.1%					1,295	1,258
Total Investment Securities - 100.9%					<u>\$ 2,165,541</u>	<u>\$ 2,264,292</u>
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 251	\$ 251
Mellon SL DBT II Liquidating Fund					4	4
Mellon GSL DBT II Liquidating Trust					1,615	-
Total Collateral for Securities Loaned					<u>\$ 1,870</u>	<u>\$ 255</u>

*A - Adjustable rate security. N - Security is in nonaccrual status pending bankruptcy proceeding. P - Perpetual bond, no stated maturity.*

*\*All or portions of these securities are pledged as collateral for futures contracts.*

*See accompanying notes to financial statements.*

## Total Return Fixed Income Pool

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### Option Contracts Written - Unaudited

December 31, 2011

(Amounts in thousands)

<u>Type</u>	<u>Description</u>	<u>Maturity</u>	<u>Strike Price</u>	<u>Contracts</u>	<u>Cost</u>	<u>Fair Value</u>
Call	Swaption	10/2/2013	4.965	(224)	\$ (1,329)	\$ (5,192)
Call	Swaption	10/3/2013	4.860	(224)	(1,356)	(4,983)
Put	Swaption	10/2/2013	4.965	(224)	(1,329)	(133)
Put	Swaption	10/3/2013	4.860	(224)	(1,356)	(147)
Put	Swaption	11/6/2017	7.250	(227)	(563)	(362)
Put	Swaption	11/6/2017	9.500	(227)	(318)	(194)
Total Option Contracts Written - (0.5%)					<u>\$ (6,251)</u>	<u>\$ (11,011)</u>

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

### Statement of Operations - Unaudited

Period Ended December 31, 2011\*

*(Amounts in thousands)*

	Month	Year To Date
<b>Investment income</b>		
Interest	\$ 7,049	\$ 40,582
Dividends	747	1,991
Securities lending income	16	75
Securities lending borrower premiums	4	37
Net amortization	(1,725)	(4,881)
<b>Total investment income</b>	6,091	37,804
<b>Expenses</b>		
Investment advisor fees	(349)	(2,139)
Trustee fees	(1)	(4)
Custodian bank fees	(4)	(34)
Management fees	(59)	(364)
Fiduciary bond fees	(1)	(5)
Professional service fees	(11)	(67)
Securities lending agent fees	(3)	(17)
Futures commission expense	(3)	(90)
<b>Total expenses</b>	(431)	(2,720)
<b>Investment income, net</b>	5,660	35,084
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	4,502	(9,579)
Foreign currency transactions	(1)	(1,302)
Net increase (decrease) in the fair value of:		
Investments	13,543	(19,297)
Translation of assets and liabilities in foreign currencies	120	333
<b>Net gain (loss) from investments and foreign currency</b>	18,164	(29,845)
<b>Net increase in net assets from operations</b>	\$ 23,824	\$ 5,239

*\*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, 2011\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 5,660	\$ 35,084
Net realized gain (loss) from investments	4,502	(9,579)
Net realized loss from foreign currency transactions	(1)	(1,302)
Net increase (decrease) in the fair value of investments	13,543	(19,297)
Net increase in the translation of assets and liabilities in foreign currencies	120	333
<b>Net increase in net assets from operations</b>	23,824	5,239
<b>Distributions to unitholders</b>		
Investment income, net	(5,643)	(34,990)
<b>Unit transactions</b>		
Proceeds from sale of units	3,911	132,275
Reinvestment of distributions	4,920	36,359
	8,831	168,634
Amount paid for repurchase of units	(3,410)	(227,875)
<b>Net increase (decrease) in net assets from unit transactions</b>	5,421	(59,241)
<b>Increase (decrease) in net assets</b>	23,602	(88,992)
<b>Net assets, beginning of period</b>	2,221,322	2,333,916
<b>Net assets, end of period</b>	\$ 2,244,924	\$ 2,244,924
<b>Unit data</b>		
Units sold	285,512	9,482,916
Units issued from reinvestment of distributions	359,173	2,619,559
	644,685	12,102,475
Units repurchased	(248,942)	(16,436,420)
<b>Net increase (decrease) in units</b>	395,743	(4,333,945)

*\*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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 Pool is to earn superior returns with low volatility by actively investing in the extended fixed income markets. Dodge & Cox and Western Asset Management Company (Western) manage the Pool. The Pool's investment performance, net of external investment management fees, is expected to meet or exceed the Barclays Capital 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 in debt securities are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Investments in other funds are valued at the reported net asset values of the individual funds, provided by the fund's management, as a practical expedient for measuring fair value. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Interest rate

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

and total return swap values are based on market values received from third parties or are determined by valuation models. Foreign currency forward contracts are valued at the difference between the forward contract amount and the month-end forward exchange rate. 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.

**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 (seller) 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.

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

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 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, consisting of the Mellon SL DBT II Liquidating Fund and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust). Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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 or as an alternative investment of cash.

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. Investment 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 Currency Forward Contracts** - A foreign currency 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 take advantage of the relative changes in currency exchange rates. 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 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

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

involve the exchange of principal between the parties. Interest is paid or received periodically. Fair values are based on market values received from third parties or are determined by valuation models.

**Total Return Swaps** - Total return swaps represent agreements in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In total return swaps, the underlying asset, referred to as the reference asset, is usually an equity index, loans, or bonds. This is owned by the party receiving the set rate payment.

**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, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. 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.

**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. The Pool does not routinely distribute dividends of net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments held in the Pool include foreign exchange contracts, futures, options, interest rate swaps, and total return swaps. None of these derivative financial instruments are designated as hedging instruments under ASC 815; they are used to implement portfolio strategy, capture valuation opportunities, and to exploit market inefficiencies. The primary risks managed by using these derivative financial instruments include interest rate, foreign exchange rate, and market price risks. See Note 2 for additional information on the Pool's purpose for entering into derivatives not designated as hedging instruments and for discussion on the risks associated with investing in these derivatives.

The table below presents the fair value of the derivative financial instruments not designated as hedging instruments recorded in the Statement of Assets and Liabilities as of December 31, 2011:

Derivatives not designated as hedging instruments under ASC 815	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities	Fair	Statement of Assets and Liabilities	Fair
	Location	Value	Location	Value
Fixed Income / Interest rate contracts	Investment in securities at fair value	\$ 1,258	Option contracts written	\$ (11,011)
Fixed Income / Interest rate contracts	Unrealized gain on futures contracts	1,194	Unrealized loss on futures contracts	(3,586)
Foreign exchange contracts	Unrealized gain on foreign currency forward contracts	1,418	Unrealized loss on foreign currency forward contracts	(1,247)
Total		<u>\$ 3,870</u>		<u>\$ (15,844)</u>

The table below presents the impact of the derivative financial instruments not designated as hedging instruments recorded in the Statement of Operations for the period ended December 31, 2011:

Derivatives not designated as hedging instruments under ASC 815	Statement of Operations Location	Realized Gain (Loss)	Statement of Operations Location	Unrealized Gain (Loss)
Fixed income / Interest rate contracts	Net realized gain (loss) from investments	\$ (27,654)	Net increase (decrease) in the fair value of investments	\$ (4,445)
Foreign exchange contracts	Net realized gain (loss) from foreign currency transactions	(1,302)	Net increase (decrease) in the fair value of translation of assets and liabilities in foreign currencies	442
Total		<u>\$ (28,956)</u>		<u>\$ (4,003)</u>

# Total Return Fixed Income Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Commingled funds	\$ -	\$ 422,119	\$ -	\$ 422,119
Corporate issues	-	768,982	-	768,982
Foreign currency forward contracts	-	1,418	-	1,418
Futures	1,194	-	-	1,194
Municipal bonds	-	94,194	-	94,194
Options	-	1,258	-	1,258
Preferred securities	7,247	-	-	7,247
Regulated investment companies	-	128,577	-	128,577
Securities lending collateral funds	-	255	-	255
Short-term issues	-	61,816	-	61,816
U.S. government agency issues	-	533,110	-	533,110
U.S. Treasury issues	-	246,989	-	246,989
Total	<u>\$ 8,441</u>	<u>\$ 2,258,718</u>	<u>\$ -</u>	<u>\$ 2,267,159</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (1,247)	\$ -	\$ (1,247)
Futures	(3,586)	-	-	(3,586)
Options	-	(11,011)	-	(11,011)
Total	<u>\$ (3,586)</u>	<u>\$ (12,258)</u>	<u>\$ -</u>	<u>\$ (15,844)</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$	230,058			
Initial collateral received:					
		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>	
Cash	\$	<u>1,870</u>	\$	<u>255</u>	\$ <u>(1,615)</u>
Non-cash				233,143	
Total			\$	<u>233,398</u>	

The Liquidating Trust, referenced in Note 2, was created in October 2008 to account for certain securities issued by Sigma Finance, Inc. The IMB's balance in the Liquidating Trust for all IMB investment pools that participate in the securities lending program was \$10,974 of which \$1,703 was assigned to the Total Return Fixed Income Pool. A loss reserve was established for the entire amount. Through December 31, 2011 the loss reserve has been adjusted to \$1,615 as a result of cash received in the Liquidating Trust. This \$1,615 is included in the unrealized loss reported in the above table.

In October 2008, the IMB suspended the distribution of any net securities lending income subject to final dissolution of the Liquidating Trust. For the period October 2008 through December 2011, the pool has recorded, but not distributed \$743 of net securities lending income.

#### NOTE 6. FUTURES CONTRACTS

At December 31, 2011, open positions in futures contracts denominated in U.S. dollars were as follows:

Expiration	Open Contracts	Position	Value at December 31, 2011	Value Upon Entering Contract	Unrealized Gain (Loss)
Sep 2012	74 Euro 90 Day Future	Long	\$ 18,364	\$ 18,370	\$ (6)
Mar 2012	283 US Ultra Bond Future	Long	45,333	44,958	375
Sep 2013	(74) Euro 90 Day Future	Short	(18,354)	(18,366)	12
Mar 2012	(332) US Long Bond Future	Short	(48,078)	(48,046)	(32)
Mar 2012	(2,742) US Treasury 10Yr Note Future	Short	(359,545)	(356,423)	(3,122)
Mar 2012	(443) US Treasury 2Yr Note Future	Short	(97,702)	(97,657)	(45)
Mar 2012	(754) US Treasury 5Yr Note Future	Short	(92,936)	(92,555)	(381)
			<u>\$ (552,918)</u>	<u>\$ (549,719)</u>	<u>\$ (3,199)</u>

At December 31, 2011, open positions in futures contracts denominated in foreign currencies were as follows:

Expiration	Open Contracts	Currency	Position	Value at December 31, 2011 Local Currency	Initial Value in Local Currency	December 31, 2011 Exchange Rate	Unrealized Gain (Loss)
Mar 2012	170 Euro Bund Future	Euro	Long	<u>30,684</u>	<u>30,062</u>	1.2982	<u>\$ 807</u>

At December 31, 2011, the Pool had pledged cash of \$7,234 and securities of \$5,706 to cover margin requirements on open futures contracts.



## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 7. OPTION CONTRACTS

A summary of the activity in short (written) option positions for the period ended December 31, 2011 is as follows:

	Puts		Calls	
	Number of Contracts	Premiums (Received)/Paid	Number of Contracts	Premiums (Received)/Paid
Options outstanding at June 30, 2011	(2,344)	\$ (4,118)	(1,685)	\$ (3,307)
Options written	(584)	(303)	(872)	(819)
Options closed	1,632	754	1,988	1,360
Options expired	394	101	121	81
Options outstanding at December 31, 2011	(902)	\$ (3,566)	(448)	\$ (2,685)

#### NOTE 8. FOREIGN CURRENCY FORWARD CONTRACTS

At December 31, 2011, open foreign currency forward contracts were as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized Gain (Loss)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	Euro Currency	11/3/2011	2/16/2012	11,289	\$ 14,661		\$ 15,534	\$ (873)
Long	Mexican New Peso	11/4/2011	2/16/2012	133,952	9,559		9,933	(374)
Short	Euro Currency	11/4/2011	2/16/2012		6,678	4,829	6,272	406
Short	Euro Currency	11/9/2011	2/16/2012		21,075	15,449	20,063	1,012
					\$ 51,973		\$ 51,802	\$ 171

#### NOTE 9. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 13.98
Income from investment operations:	
Net investment income	0.21
Net realized and unrealized loss on investment transactions	(0.16)
Net realized loss from foreign currency transactions	(0.01)
Total from investment operations	0.04
Less distributions from net investment income	(0.21)
Net asset value at December 31, 2011	\$ 13.81

**Time-weighted Total Return \*** 0.3%

##### Supplemental Data:

Net assets, end of period	\$ 2,244,924
Ratio to average net assets:	
Expenses **	0.24%
Net investment income **	3.05%
Portfolio turnover rate	31.45%

\* 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



## Total Return Fixed Income Pool

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### Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

#### NOTE 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011. 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>
Teachers' Retirement System	\$ 619,162
Public Employees' Retirement System	604,119
Workers' Compensation Old Fund	351,751
Revenue Shortfall Reserve Fund - Part B	133,212
Revenue Shortfall Reserve Fund	131,132
West Virginia Retiree Health Benefit Trust	97,742
Coal Workers' Pneumoconiosis Fund	74,396
Public Employees Insurance Agency	69,135
State Police Death, Disability and Retirement Fund	64,308
Board of Risk and Insurance Management	38,898
Judges' Retirement System	17,054
Deputy Sheriff's Retirement System	15,880
State Police Retirement System	10,462
Wildlife Endowment Fund	5,508
Emergency Medical Services Retirement System	4,736
Workers' Compensation Self-Insured Guaranty Risk Pool	2,988
Workers' Compensation Uninsured Employers' Fund	2,574
West Virginia Department of Environmental Protection Trust	1,016
Access WV	835
Municipal Police Officers' and Firefighters' Retirement System	16
Total	<u>\$ 2,244,924</u>



**Financial Statements - Unaudited**

**December 31, 2011**



# Core Fixed Income Pool

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## Financial Statements - Unaudited December 31, 2011

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# Core Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,180,381
Cash		23
Collateral for securities loaned at fair value (Note 4)		42,082
Receivables:		
Accrued interest		8,381
Investments sold		684
Dividends		1
Securities lending income		10
Other		112
		<hr/>
<b>Total assets</b>		1,231,674

### Liabilities

Accrued expenses		500
Dividends payable		2,674
Payable upon return of securities loaned (Note 4)		42,104
		<hr/>
<b>Total liabilities</b>		45,278
		<hr/>
<b>Net assets</b>	\$	<u>1,186,396</u>

### Analysis of net assets

Paid-in capital	\$	1,047,766
Accumulated undistributed net realized gain from investments		64,012
Unrealized net appreciation of investments		74,618
		<hr/>
<b>Net assets</b>	\$	<u>1,186,396</u>

### Unit data

Units outstanding		105,869,357
Net asset value, unit price	\$	<u>11.21</u>

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>Municipal Bonds</u></b>						
American Municipal Power-Ohio	7.500 %	7.314 %	02/15/2050	580	\$ 594	\$ 757
Illinois	5.100	5.763	06/01/2033	350	322	318
New York St Dorm Authority	5.600	5.787	03/15/2040	260	253	307
Ohio State University	4.800	4.853	06/01/2111	761	753	788
Port Authority NY and NJ	5.650	5.647	11/01/2040	600	600	681
Tennessee Valley Authority	4.630	4.693	09/15/2060	400	395	478
Total Municipal Bonds - 0.3%					2,917	3,329
<b><u>U. S. Treasury Issues</u></b>						
United States Treasury	2.000	0.721	04/15/2012	1,000	1,120	1,121
United States Treasury	0.000	1.445	11/15/2014	5,750	5,517	5,685
United States Treasury	0.000	2.704	02/15/2015	150	138	148
United States Treasury	2.630	2.861	02/29/2016	200	198	216
United States Treasury	2.630	1.976	04/30/2016	1,670	1,714	1,807
United States Treasury	0.000	3.332	08/15/2016	4,800	4,121	4,615
United States Treasury	3.130	3.241	10/31/2016	9,300	9,252	10,312
United States Treasury	0.000	2.256	11/15/2016	3,120	2,797	2,983
United States Treasury	3.250	3.132	12/31/2016	18,000	18,097	20,098
United States Treasury	4.630	3.056	02/15/2017	6,500	6,980	7,713
United States Treasury	0.000	3.273	02/15/2017	6,122	5,182	5,820
United States Treasury	3.250	2.910	03/31/2017	11,600	11,790	12,988
United States Treasury	3.130	2.432	04/30/2017	6,715	6,946	7,479
United States Treasury	2.750	2.381	05/31/2017	2,280	2,322	2,495
United States Treasury	8.880	3.186	08/15/2017	13,360	17,240	19,123
United States Treasury	4.750	2.705	08/15/2017	18,645	20,615	22,450
United States Treasury	0.000	2.162	08/15/2017	500	443	470
United States Treasury	0.000	3.492	11/15/2017	7,050	5,753	6,581
United States Treasury	2.750	2.731	12/31/2017	15,000	15,016	16,444
United States Treasury	2.630	2.849	01/31/2018	6,000	5,926	6,535
United States Treasury	3.500	2.488	02/15/2018	1,000	1,057	1,140
United States Treasury	0.000	3.537	02/15/2018	3,950	3,187	3,664
United States Treasury	0.000	3.743	08/15/2018	500	391	457
United States Treasury	1.750	1.519	10/31/2018	11,000	11,164	11,321
United States Treasury	1.380	1.286	11/30/2018	9,895	9,953	9,929
United States Treasury	3.130	3.136	05/15/2019	7,585	7,579	8,505
United States Treasury	0.000	4.013	05/15/2019	4,550	3,395	4,065
United States Treasury	0.000	4.021	08/15/2019	300	222	266
United States Treasury	8.500	3.516	02/15/2020	1,750	2,361	2,692
United States Treasury	0.000	4.006	05/15/2020	4,500	3,229	3,917
United States Treasury	8.750	3.409	05/15/2020	900	1,247	1,409
United States Treasury	0.000	3.269	05/15/2020	15,037	11,456	12,962
United States Treasury	8.750	3.030	08/15/2020	8,550	12,219	13,486
United States Treasury	0.000	3.411	08/15/2020	8,550	6,382	7,313
United States Treasury	0.000	3.772	11/15/2020	700	502	593
United States Treasury	0.000	4.230	02/15/2021	200	137	168
United States Treasury	8.130	3.524	05/15/2021	1,000	1,364	1,556
United States Treasury	0.000	3.501	11/15/2021	5,000	3,550	4,082
United States Treasury	0.000	3.851	02/15/2022	1,250	850	1,010
United States Treasury	7.130	3.585	02/15/2023	1,000	1,322	1,512
United States Treasury	0.000	2.453	05/15/2023	900	682	691
United States Treasury	0.000	4.526	05/15/2024	1,100	632	811
United States Treasury	0.000	4.240	08/15/2024	1,100	648	802
United States Treasury	0.000	6.392	11/15/2024	250	135	181
United States Treasury	0.000	6.934	02/15/2025	700	361	501
United States Treasury	6.000	4.435	02/15/2026	400	465	577
United States Treasury	0.000	4.862	05/15/2026	850	426	578
United States Treasury	6.750	4.073	08/15/2026	625	808	965
United States Treasury	6.500	4.024	11/15/2026	550	701	834
United States Treasury	0.000	4.129	11/15/2026	5,500	2,990	3,672
United States Treasury	6.630	3.883	02/15/2027	800	1,049	1,231
United States Treasury	0.000	3.300	02/15/2027	11,500	6,981	7,606
United States Treasury	6.380	4.079	08/15/2027	400	505	606

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
United States Treasury	0.000	4.707	08/15/2027	950	459	616
United States Treasury	6.130	4.343	11/15/2027	150	180	223
United States Treasury	0.000	4.358	11/15/2027	1,500	757	964
United States Treasury	0.000	4.552	02/15/2028	2,050	992	1,306
United States Treasury	0.000	4.851	05/15/2028	100	46	63
United States Treasury	5.500	4.534	08/15/2028	1,050	1,168	1,482
United States Treasury	0.000	4.822	11/15/2028	2,000	895	1,241
United States Treasury	0.000	4.655	02/15/2029	300	136	185
United States Treasury	0.000	4.554	05/15/2029	150	69	91
United States Treasury	6.130	2.572	08/15/2029	100	150	152
United States Treasury	0.000	3.206	08/15/2029	800	457	483
United States Treasury	0.000	4.399	11/15/2029	700	322	419
United States Treasury	0.000	4.598	02/15/2030	1,100	483	653
United States Treasury	6.250	4.023	05/15/2030	600	772	928
United States Treasury	0.000	3.768	05/15/2030	400	202	236
United States Treasury	0.000	4.619	08/15/2030	900	384	526
United States Treasury	0.000	4.447	11/15/2030	950	414	550
United States Treasury	5.380	4.030	02/15/2031	1,300	1,528	1,853
United States Treasury	0.000	5.044	11/15/2032	1,150	560	620
United States Treasury	0.000	6.996	05/15/2033	1,200	481	635
United States Treasury	0.000	7.445	08/15/2033	700	268	367
United States Treasury	0.000	7.666	11/15/2033	1,000	373	520
United States Treasury	0.000	4.533	02/15/2034	750	278	386
United States Treasury	0.000	7.942	05/15/2034	500	180	255
United States Treasury	4.500	3.698	02/15/2036	300	337	393
United States Treasury	0.000	4.591	05/15/2036	200	66	95
Total U. S. Treasury Issues - 23.6%					251,074	279,427
<b>U. S. Government Agency Issues</b>						
<i>U. S. Government Agency MBS (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Issues	5.187	2.991	04/23/2033	53,992	57,469	58,575
FNMA Issues	4.868	2.422	06/04/2026	107,416	112,215	117,352
GNMA Issues	6.591	3.876	02/21/2036	3,523	3,803	4,006
<i>Total U. S. Government Agency MBS</i>					173,487	179,933
<i>U. S. Government Agency CMO (coupon, yield, and maturity date are weighted averages)</i>						
FDIC Issues	2.980	3.027	12/06/2020	1,299	1,298	1,350
FHLB Issues	6.549	2.992	03/10/2019	1,132	1,186	1,222
FHLMC Issues	6.026	5.239	10/18/2033	131,411	97,867	104,951
FNMA Issues	5.834	5.070	06/12/2033	174,875	135,482	143,521
GNMA Issues	7.968	13.468	06/23/2034	82,262	28,387	34,318
<i>Total U. S. Government Agency CMO</i>					264,220	285,362
<i>U. S. Government Agency Bonds</i>						
FannieMae STRIPS	0.000	5.737	11/15/2021	1,000	639	767
Federal Farm Credit Bank	5.130	3.384	11/15/2018	1,000	1,106	1,203
Federal Home Loan Mortgage	5.500	3.324	08/23/2017	2,900	3,222	3,545
Federal National Mortgage Assn	0.000	2.342	07/05/2014	2,300	2,173	2,251
Federal National Mortgage Assn	5.000	2.195	05/11/2017	3,000	3,423	3,561
Federal National Mortgage Assn	5.380	3.276	06/12/2017	2,000	2,208	2,416
FICO	0.000	5.655	09/26/2019	700	487	594
RFCSP Strip Principal	0.000	4.186	07/15/2020	500	368	417
<i>Total U. S. Government Agency Bonds</i>					13,626	14,754
Total U. S. Government Agency Issues - 40.5%					451,333	480,049
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
Ace Ina Hldg Inc	5.880	3.570	06/15/2014	240	253	265
Ace Ina Hldg Inc	5.600	2.613	05/15/2015	430	471	480
AFLAC Inc	8.500	5.066	05/15/2019	100	121	123
AFLAC Inc	6.450	6.488	08/15/2040	108	107	114
AGL Capital Corporation	4.450	2.753	04/15/2013	260	266	269
AGL Capital Corporation	5.250	5.094	08/15/2019	250	252	279

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
AGL Capital Corporation	3.500	3.683	09/15/2021	353	348	353
AGL Capital Corporation	5.880	5.887	03/15/2041	120	120	142
Aid-Israel	0.000	2.110	08/15/2017	1,000	889	921
Aid-Israel	0.000	1.950	03/15/2018	5,000	4,433	4,526
AIG Sunamer Global	6.900	6.417	03/15/2032	110	116	117
Alabama Power Co	6.130	5.106	05/15/2038	128	147	170
Alberta Energy Company Ltd	8.130	5.675	09/15/2030	200	256	266
Allied Waste North America	6.880	6.978	06/17/2015	250	249	264
Allstate Corp	5.000	3.585	08/15/2014	470	486	507
Allstate Life Global Fn Trust	5.380	1.804	04/30/2013	300	314	317
American Airlines PT TRS 11-1	5.250	5.250	07/31/2021	118	118	110
American Airlines PT TRS 11-2	8.630	8.625	10/15/2021	126	126	129
American Express	7.000	4.742	03/19/2018	595	666	719
American Express Credit Co	5.880	2.100	05/02/2013	40	42	42
American Express Credit Co	7.300	4.692	08/20/2013	600	624	651
American Express Credit Co	5.130	4.116	08/25/2014	625	641	671
American Express Credit Co	2.800	2.818	09/19/2016	340	340	342
American Honda Finance	2.600	2.601	09/20/2016	410	410	412
American Honda Finance	7.630	4.559	10/01/2018	500	588	628
American Water Cap Corp	6.090	3.499	10/15/2017	300	340	349
American Water Cap Corp	6.590	5.338	10/15/2037	300	352	370
Ameritech Capital Funding	6.450	5.178	01/15/2018	70	75	81
Amgen Inc	6.150	3.425	06/01/2018	285	329	332
Amgen Inc	5.700	5.035	02/01/2019	210	218	236
Amgen Inc	3.450	3.826	10/01/2020	610	593	596
Amgen Inc	4.950	5.002	10/01/2041	200	198	198
Amgen Inc	5.650	5.684	06/15/2042	103	102	112
Anadarko Petroleum Corp	7.630	3.498	03/15/2014	130	141	144
Anadarko Petroleum Corp	8.700	8.258	03/15/2019	300	307	383
Anadarko Petroleum Corp	6.950	5.872	06/15/2019	285	303	340
Anheuser-Busch	1.500	1.501	07/14/2014	264	264	266
Anheuser-Busch	7.750	5.149	01/15/2019	580	667	751
Anheuser-Busch	8.200	5.072	01/15/2039	255	372	402
ANR Pipeline	9.630	5.447	11/01/2021	240	316	353
ANZ National (Intl) LTD	2.380	2.418	12/21/2012	175	175	178
Aon Corporation	3.500	3.605	09/30/2015	121	121	124
Apache Corporation	6.000	1.594	09/15/2013	480	515	523
Appalachian Power Company	5.950	6.624	05/15/2033	250	231	277
Arrow Electronics Inc	6.880	6.098	07/01/2013	215	217	231
Arrow Electronics Inc	6.880	5.965	06/01/2018	235	246	265
Arrow Electronics Inc	7.500	6.484	01/15/2027	225	247	246
ASIF Global Financing	4.900	1.744	01/17/2013	907	936	915
Associates Corp NA	6.950	9.375	11/01/2018	350	307	380
AT&T Corp	8.000	6.187	11/15/2031	41	49	58
AT&T Inc	5.500	4.564	02/01/2018	370	388	428
AT&T Inc	5.600	5.165	05/15/2018	565	578	657
AT&T Inc	5.800	3.067	02/15/2019	200	235	236
AT&T Inc	4.450	4.232	05/15/2021	500	508	549
AT&T Inc	6.300	6.621	01/15/2038	600	574	737
AT&T Inc	5.350	5.341	09/01/2040	1,374	1,376	1,546
Atmos Energy Corp	6.350	2.858	06/15/2017	875	1,028	1,037
Atmos Energy Corp	8.500	8.529	03/15/2019	150	150	198
AUST & NZ Banking Group	3.250	3.339	03/01/2016	200	199	202
BAE Systems Holdings Inc	5.200	2.802	08/15/2015	195	211	210
Bank of America Corp	4.900	3.276	05/01/2013	500	510	500
Bank of America Corp	7.380	7.510	05/15/2014	600	598	622
Bank of America Corp	5.130	8.762	11/15/2014	300	273	299
Bank of America Corp	6.500	6.545	08/01/2016	500	499	504
Bank of America Corp	5.630	5.039	10/14/2016	250	256	240
Bank of America Corp	5.650	5.595	05/01/2018	1,390	1,394	1,324
Bank of America Corp	5.630	5.431	07/01/2020	190	192	176
Bank of America Corp	5.000	5.056	05/13/2021	145	144	132
Bank of Nova Scotia	3.400	3.428	01/22/2015	127	127	133
Bank of Nova Scotia	1.650	1.686	10/29/2015	345	345	345
Bank of Nova Scotia	4.380	4.395	01/13/2021	214	214	234

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Bank Tokyo - Mitsubishi UFJ	3.850	3.859	01/22/2015	356	356	378
Barclays Bank PLC	5.200	5.227	07/10/2014	400	400	412
Barclays Bank PLC	6.750	5.145	05/22/2019	950	1,043	1,053
Barclays Bank PLC	5.130	5.231	01/08/2020	500	497	514
BB&T Corporation	5.700	1.547	04/30/2014	340	372	372
BB&T Corporation	3.200	2.245	03/15/2016	365	379	380
BB&T Corporation	4.900	5.999	06/30/2017	800	759	851
BB&T Corporation	6.850	7.048	04/30/2019	225	222	275
Bell Tel Co Pennsylvania	8.350	7.266	12/15/2030	400	444	500
BellSouth Corporation	5.200	4.342	09/15/2014	300	306	332
BellSouth Corporation	6.000	5.368	11/15/2034	149	161	169
Berkshire Hathaway Fin	4.600	4.335	05/15/2013	100	100	105
Berkshire Hathaway Fin	5.100	1.733	07/15/2014	600	650	654
Berkshire Hathaway Fin	2.450	2.497	12/15/2015	477	476	495
Berkshire Hathaway Fin	5.400	3.505	05/15/2018	300	332	350
BG Energy Capital PLC	5.130	5.239	10/15/2041	200	197	216
BHP Billiton Financial USA	5.500	5.577	04/01/2014	200	200	220
BHP Billiton Financial USA	6.500	4.224	04/01/2019	720	821	890
BlackRock Inc	6.250	4.677	09/15/2017	500	539	582
Blackstone Holdings Financial	5.880	5.938	03/15/2021	550	548	537
BNY Mellon	4.500	2.783	04/01/2013	305	311	318
BNY Mellon	5.130	3.868	08/27/2013	350	357	372
BNY Mellon	2.950	2.978	06/18/2015	500	500	519
BNY Mellon	4.600	4.625	01/15/2020	115	115	125
Boeing Company	9.750	2.232	04/01/2012	260	265	266
Boeing Company	5.130	4.019	02/15/2013	100	101	105
Boeing Company	4.880	4.664	02/15/2020	230	233	269
Boeing Company	6.130	5.181	02/15/2033	150	168	189
BP Capital Markets PLC	3.130	3.127	03/10/2012	250	250	251
BP Capital Markets PLC	3.630	3.625	05/08/2014	100	100	105
BP Capital Markets PLC	3.880	3.148	03/10/2015	730	746	780
British Telecom PLC	5.950	5.942	01/15/2018	275	275	304
British Telecom PLC	9.880 A	6.740	12/15/2030	145	193	204
Bunge Limited Finance Co	5.880	6.484	05/15/2013	50	50	52
Bunge Limited Finance Co	8.500	7.218	06/15/2019	373	400	454
Bunge NA Finance LP	5.900	7.617	04/01/2017	54	50	59
Burlington North Santa Fe	5.900	4.746	07/01/2012	150	151	153
Burlington North Santa Fe	5.650	4.368	05/01/2017	225	239	260
Burlington North Santa Fe	4.700	4.722	10/01/2019	350	350	393
Burlington North Santa Fe	3.450	3.479	09/15/2021	106	106	109
Burlington North Santa Fe	7.290	6.510	06/01/2036	80	88	113
C & P Telephone	7.150	7.864	05/01/2023	400	379	427
Canadian Natural Resources Ltd	5.700	3.408	05/15/2017	300	333	355
Canadian Natural Resources Ltd	5.900	4.608	02/01/2018	615	657	725
Capital One Bank USA NA	6.500	10.704	06/13/2013	100	95	105
Capital One Financial Corp	7.380	5.321	05/23/2014	295	308	324
Capital One Financial Corp	5.500	10.399	06/01/2015	200	172	217
Capital One Financial Corp	6.750	4.903	09/15/2017	1,055	1,150	1,182
Capital One Financial Corp	4.750	4.860	07/15/2021	400	397	412
Cargill Inc	7.350	5.427	03/06/2019	250	278	317
Cargill Inc	4.310	4.716	05/14/2021	106	103	115
Carolina Power & Light	5.300	4.589	01/15/2019	200	208	234
Caterpillar Financial Services	5.850	4.754	09/01/2017	820	864	977
Caterpillar Financial Services	5.450	3.907	04/15/2018	280	304	327
Caterpillar Financial Services	7.150	6.147	02/15/2019	395	417	506
CBS Corp	5.750	5.766	04/15/2020	53	53	60
Centel Capital Corp	9.000	6.495	10/15/2019	200	230	225
Centerpoint Energy Houston	5.750	5.100	01/15/2014	185	187	202
Centerpoint Energy Houston	7.000	5.151	03/01/2014	185	192	208
Centerpoint Energy Inc	6.500	3.256	05/01/2018	310	367	362
Centerpoint Energy Resources	5.950	3.744	01/15/2014	165	172	179
Centerpoint Energy Resources	6.130	2.810	11/01/2017	300	353	344
Cisco Systems Inc	5.500	4.491	02/22/2016	210	218	244
Cisco Systems Inc	4.450	4.555	01/15/2020	250	248	284

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Cisco Systems Inc	5.500	5.644	01/15/2040	300	294	367
Citigroup Inc	6.380	6.536	08/12/2014	295	294	310
Citigroup Inc	6.010	3.809	01/15/2015	300	319	313
Citigroup Inc	4.750	4.876	05/19/2015	87	87	88
Citigroup Inc	4.590	3.858	12/15/2015	563	578	567
Citigroup Inc	6.000	5.584	08/15/2017	1,865	1,899	1,954
Citigroup Inc	6.130	7.043	11/21/2017	555	530	592
Citigroup Inc	8.500	6.852	05/22/2019	470	512	553
Citigroup Inc	5.380	5.507	08/09/2020	300	297	308
Citigroup Inc	7.000	6.049	12/01/2025	490	533	509
Citigroup Inc	8.130	8.310	07/15/2039	350	343	429
Cleveland Electric Illum	7.880	5.053	11/01/2017	300	342	377
Cleveland Electric Illum	8.880	7.005	11/15/2018	225	248	302
CME Group Inc	5.750	1.734	02/15/2014	507	549	553
CNA Financial Corp	5.850	3.764	12/15/2014	250	264	263
CNA Financial Corp	6.500	4.776	08/15/2016	285	305	308
CNA Financial Corp	5.880	5.917	08/15/2020	170	170	175
Coca-Cola Company	3.630	3.725	03/15/2014	100	100	106
Coca-Cola Company	4.880	4.993	03/15/2019	100	99	117
Coca-Cola Company	3.300	3.310	09/01/2021	104	104	110
Coca-Cola Enterprises	4.250	2.511	03/01/2015	250	263	271
Columbus Southern Power	6.050	6.649	05/01/2018	205	199	241
Comcast Cable Comm Holdings	9.460	7.133	11/15/2022	775	907	1,104
Comcast Cable Holdings	10.130	5.959	04/15/2022	240	316	348
Comcast Corp	5.900	4.623	03/15/2016	625	655	715
Comcast Corp	4.950	3.412	06/15/2016	95	101	105
Comcast Corp	6.500	5.409	01/15/2017	200	210	235
Comerica Bank	5.200	4.930	08/22/2017	250	253	270
Commonwealth REIT	6.650	9.684	01/15/2018	430	371	460
Commonwealth REIT	5.880	6.166	09/15/2020	325	319	327
Conn Light and Pwr	5.650	2.391	05/01/2018	435	518	515
ConocoPhillips	5.200	3.086	05/15/2018	501	562	583
ConocoPhillips	6.650	3.716	07/15/2018	294	344	367
ConocoPhillips	5.750	5.911	02/01/2019	100	99	121
ConocoPhillips	6.000	4.520	01/15/2020	940	1,033	1,161
Cons Edison Co of NY	5.100	4.756	06/15/2033	200	209	220
Cons Edison Co of NY	6.300	5.749	08/15/2037	150	161	200
Cons Edison Co of NY	5.500	5.713	12/01/2039	350	340	427
Consumers Energy Company	6.700	5.661	09/15/2049	394	457	499
Corp Andina De Fomento	3.750	3.542	01/15/2016	532	536	540
Countrywide Financial Corp	6.250	5.331	05/15/2016	600	621	565
Cox Communications Inc	5.450	3.845	12/15/2014	225	235	250
Credit Suisse New York	5.000	2.419	05/15/2013	200	207	205
Credit Suisse New York	5.500	5.524	05/01/2014	170	170	177
Credit Suisse New York	5.400	5.020	01/14/2020	230	236	217
Credit Suisse USA Inc	4.880	6.376	01/15/2015	250	240	261
Credit Suisse USA Inc	5.130	3.774	08/15/2015	680	711	716
Credit Suisse USA Inc	5.850	4.652	08/16/2016	400	419	436
Credit Suisse USA Inc	7.130	5.535	07/15/2032	275	328	325
CRH America Inc	6.000	3.793	09/30/2016	254	278	271
Crown Castle Towers LLC	3.210	3.009	08/15/2015	350	353	354
CSX Corp	6.300	4.952	03/15/2012	100	100	101
CSX Corp	6.250	3.730	03/15/2018	640	728	762
CSX Corp	7.380	6.722	02/01/2019	200	207	249
CSX Corp	4.250	3.511	06/01/2021	335	355	358
CVS Caremark Corp	5.930	5.927	01/10/2034	250	250	258
CVS Caremark Corp	6.130	6.066	09/15/2039	735	741	894
Daimler Finance NA Holdings	7.300	1.894	01/15/2012	245	245	245
Daimler Finance NA Holdings	6.500	4.154	11/15/2013	610	635	664
Danaher Corp	3.900	3.903	06/23/2021	275	275	304
Dell Inc	5.650	4.846	04/15/2018	317	331	367
Dell Inc	5.880	4.037	06/15/2019	200	223	235
Delta Air Lines 2011-1	5.300	5.300	04/15/2019	74	74	75
Delta Air Lines Inc	4.950	4.950	05/23/2019	129	129	130
Deutsche Bank AG London	2.380	2.409	01/11/2013	435	435	432

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Deutsche Bank AG London	3.880	3.962	08/18/2014	305	304	310
Deutsche Telekom Int Fin	6.750	4.691	08/20/2018	200	223	238
Deutsche Telekom Int Fin	6.000	5.651	07/08/2019	635	648	729
Deutsche Telekom Int Fin	8.750 A	5.629	06/15/2030	170	230	237
Devon Energy Corporation	6.300	3.229	01/15/2019	495	590	605
Diageo Capital PLC	5.200	1.199	01/30/2013	200	209	209
Diageo Capital PLC	4.830	4.387	07/15/2020	402	415	455
Diageo Finance BV	5.500	2.552	04/01/2013	265	274	280
Directv Holdings/Fing	4.600	4.608	02/15/2021	400	400	416
Directv Holdings/Fing	6.000	6.098	08/15/2040	750	740	818
DnB NOR Boligkreditt AS	2.100	2.193	10/14/2015	300	299	298
Dominion Resources Inc	6.400	4.717	06/15/2018	465	508	561
Dominion Resources Inc	5.200	3.297	08/15/2019	50	56	58
Dominion Resources Inc	4.900	4.999	08/01/2041	64	63	69
Dow Chemical Company	7.600	2.207	05/15/2014	235	264	266
Dow Chemical Company	8.550	5.719	05/15/2019	417	487	546
Dow Chemical Company	4.250	4.284	11/15/2020	64	64	67
Dow Chemical Company	4.130	4.174	11/15/2021	114	114	117
Duke Energy Carolinas	7.000	4.034	11/15/2018	250	294	322
Duke Energy Carolinas	4.300	4.304	06/15/2020	211	211	238
Duke Energy Corp	3.550	3.552	09/15/2021	116	116	119
Duke Energy Ohio Inc	5.450	5.010	04/01/2019	395	405	471
DuPont EI de Nemours Co	6.000	3.208	07/15/2018	608	707	743
DuPont EI de Nemours Co	5.600	4.670	12/15/2036	320	364	396
DuPont EI de Nemours Co	4.900	4.987	01/15/2041	125	123	141
Eaton Corporation	7.630	4.412	04/01/2024	325	423	451
eBay Inc	3.250	4.072	10/15/2020	630	592	636
Eli Lilly and Company	3.550	3.578	03/06/2013	100	100	101
Encana Corp	6.500	5.141	05/15/2019	100	108	120
Enel Finance Intl SA	5.130	5.144	10/07/2019	700	699	625
Eni SpA	5.700	5.741	10/01/2040	250	249	262
EOG Resources Inc	5.630	5.356	06/01/2019	200	203	236
EOG Resources Inc	4.400	2.949	06/01/2020	340	377	377
Erac USA Finance Company	2.250	2.317	01/10/2014	286	286	285
ERP Operating-LP	4.630	4.673	12/15/2021	85	85	87
Exelon Generation Co LLC	5.350	1.710	01/15/2014	360	386	385
Exelon Generation Co LLC	4.000	4.013	10/01/2020	288	288	296
Exelon Generation Co LLC	5.750	5.778	10/01/2041	86	86	99
Fifth Third Bancorp	3.630	2.956	01/25/2016	455	467	462
Florida Power & Light	5.950	4.176	10/01/2033	120	150	153
Florida Power & Light	5.960	5.307	04/01/2039	335	366	442
Florida Power Corp	6.400	5.331	06/15/2038	280	322	380
FMR LLC	6.450	6.504	11/15/2039	250	248	268
FPL Group Capital Inc	6.000	6.006	03/01/2019	125	125	146
France Telecom	4.380	3.419	07/08/2014	400	409	423
France Telecom	8.500	5.770	03/01/2031	130	171	185
Fuel Trust	4.210	4.207	04/15/2016	220	220	222
Gap Inc	5.950	6.848	04/12/2021	243	228	232
General Electric Capital Corp	5.880	2.016	02/15/2012	162	163	163
General Electric Capital Corp	0.700	3.318	04/10/2012	500	496	500
General Electric Capital Corp	5.900	5.926	05/13/2014	1,500	1,499	1,643
General Electric Capital Corp	5.500	3.739	06/04/2014	675	702	734
General Electric Capital Corp	2.250	2.266	11/09/2015	675	675	678
General Electric Capital Corp	5.630	5.798	09/15/2017	400	396	443
General Electric Capital Corp	5.630	4.497	05/01/2018	1,290	1,366	1,445
General Electric Capital Corp	6.000	5.091	08/07/2019	2,435	2,573	2,797
General Electric Capital Corp	5.500	5.614	01/08/2020	1,320	1,310	1,452
General Electric Capital Corp	4.380	4.424	09/16/2020	445	443	455
General Electric Capital Corp	5.880	8.520	01/14/2038	200	145	212
General Electric Company	5.250	4.377	12/06/2017	605	631	694
General Mills Inc	5.200	4.836	03/17/2015	100	101	111
General Mills Inc	5.650	4.103	02/15/2019	470	514	558
Georgia Power Company	5.250	5.030	12/15/2015	200	202	227
Glaxosmithkline Cap Inc	4.380	3.625	04/15/2014	215	218	233
Glaxosmithkline Cap Inc	6.380	5.354	05/15/2038	275	314	368

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Goldman Sachs Group Inc	5.250	2.371	10/15/2013	300	315	306
Goldman Sachs Group Inc	3.630	3.576	02/07/2016	415	416	401
Goldman Sachs Group Inc	5.750	5.226	10/01/2016	50	51	52
Goldman Sachs Group Inc	6.250	7.134	09/01/2017	290	278	303
Goldman Sachs Group Inc	5.950	5.036	01/18/2018	200	209	205
Goldman Sachs Group Inc	6.150	5.857	04/01/2018	535	542	552
Goldman Sachs Group Inc	7.500	5.618	02/15/2019	2,980	3,304	3,291
Goldman Sachs Group Inc	5.380	5.493	03/15/2020	450	447	444
Goldman Sachs Group Inc	6.000	5.227	06/15/2020	240	253	246
Goldman Sachs Group Inc	5.250	5.257	07/27/2021	138	138	135
Goldman Sachs Group Inc	6.750	6.519	10/01/2037	140	144	130
Goldman Sachs Group LP	8.000	3.407	03/01/2013	210	221	219
GTE Corporation	6.840	3.750	04/15/2018	200	234	240
GTE Corporation	8.750	5.975	11/01/2021	250	301	350
GTP Acquisition Partners	4.350	4.387	06/15/2041	606	606	603
Halliburton Company	6.150	4.627	09/15/2019	360	395	442
Halliburton Company	7.450	7.646	09/15/2039	100	98	144
Hewlett-Packard Company	6.130	2.327	03/01/2014	375	405	404
Hewlett-Packard Company	4.750	1.527	06/02/2014	105	113	111
Hewlett-Packard Company	5.400	4.620	03/01/2017	280	290	309
Hewlett-Packard Company	4.380	4.398	09/15/2021	492	491	508
Hewlett-Packard Company	6.000	6.010	09/15/2041	485	484	537
Historic Time Warner Inc	9.150	6.368	02/01/2023	945	1,152	1,293
Home Depot Inc	5.400	5.919	03/01/2016	500	490	577
Honeywell International Inc	5.400	3.475	03/15/2016	360	387	419
Household Finance Corporation	4.750	7.304	07/15/2013	17	16	17
HSBC Bank PLC	1.630	1.673	07/07/2014	364	364	360
HSBC Bank PLC	3.500	3.518	06/28/2015	116	116	117
HSBC Bank PLC	3.100	3.108	05/24/2016	229	229	229
HSBC Bank PLC	4.130	4.199	08/12/2020	389	387	384
HSBC Bank PLC	4.750	4.761	01/19/2021	300	300	311
HSBC Bank USA	4.630	3.425	04/01/2014	320	328	327
HSBC Finance Corp	0.820	7.348	01/15/2014	500	436	461
HSBC Finance Corp	5.000	7.398	06/30/2015	455	421	462
HSBC Finance Corp	5.500	4.032	01/19/2016	300	316	307
HSBC Holdings PLC	4.880	4.389	01/14/2022	350	364	370
IBM Corp	1.950	2.071	07/22/2016	168	167	173
IBM Corp	7.630	5.057	10/15/2018	330	378	443
IBM Corp	8.380	3.315	11/01/2019	460	619	652
IBM Corp	8.000	5.720	10/15/2038	300	393	488
Indiana Michigan Power	7.000	4.840	03/15/2019	145	164	178
Intel Corporation	3.300	3.328	10/01/2021	456	455	480
Intuit Inc	5.750	3.575	03/15/2017	863	951	968
Jackson National Life Global	6.130	1.249	05/30/2012	535	546	545
Jackson National Life Global	5.380	2.699	05/08/2013	500	518	523
Jefferies Group Inc	5.130	5.082	04/13/2018	340	341	299
Jefferies Group Inc	8.500	6.801	07/15/2019	490	538	497
Jefferies Group Inc	6.450	8.192	06/08/2027	330	280	275
John Deere Capital Corp	5.100	1.753	01/15/2013	185	191	193
John Deere Capital Corp	5.750	4.607	09/10/2018	233	248	282
Johnson Controls Inc	5.000	4.342	03/30/2020	500	523	556
Johnson Controls Inc	4.250	4.101	03/01/2021	80	81	85
Kansas City Power	5.300	5.343	10/01/2041	385	383	414
KCP&L Greater Missouri	11.880	2.285	07/01/2012	270	283	284
Kellogg Company	4.250	3.896	03/06/2013	100	100	104
Kellogg Company	3.250	2.783	05/21/2018	333	342	350
Key Bank NA	5.800	5.972	07/01/2014	350	349	374
Keycorp	6.500	1.971	05/14/2013	200	212	212
Kimberly Clark Corporation	7.500	4.845	11/01/2018	250	288	330
Kohl's Corporation	6.250	5.839	12/15/2017	90	92	107
Kraft Foods Inc	6.500	3.647	08/11/2017	700	800	833
Kraft Foods Inc	6.130	5.169	08/23/2018	435	458	513
Kraft Foods Inc	5.380	4.837	02/10/2020	734	760	847
Kroger Co	7.500	3.797	01/15/2014	278	298	311
Kroger Co	6.400	6.119	08/15/2017	100	101	119

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Kroger Co	6.150	4.861	01/15/2020	540	585	655
Lincoln National Corp	4.850	4.867	06/24/2021	89	89	91
Lockheed Martin Corp	4.250	3.665	11/15/2019	305	317	324
Lockheed Martin Corp	5.720	5.765	06/01/2040	300	298	337
Lowe's Companies Inc	7.110	5.609	05/15/2037	195	234	257
M & T Bank Corporation	5.380	3.575	05/24/2012	190	191	193
Macquarie Group	7.300	4.638	08/01/2014	560	596	583
Macquarie Group	7.630	7.269	08/13/2019	475	485	487
Macquarie Group	6.250	6.395	01/14/2021	237	235	226
Manitoba Providence CDA	2.130	2.165	04/22/2013	43	43	44
Manuf & Traders Trust Co	6.630	6.100	12/04/2017	715	731	824
Marathon Oil Corp	6.000	3.633	10/01/2017	200	224	233
Marathon Oil Corp	5.900	3.517	03/15/2018	110	124	129
Mass Mutual Global Funding	3.630	2.402	07/16/2012	350	352	355
Mass Mutual Global Funding	2.880	2.960	04/21/2014	122	122	125
Mass Mutual Global Funding	2.300	2.313	09/28/2015	144	144	145
Massachusetts Electric	5.900	5.924	11/15/2039	182	181	229
Medco Health Solutions Inc	7.130	3.921	03/15/2018	485	570	565
Merrill Lynch & Company Inc	6.400	5.451	08/28/2017	1,100	1,150	1,065
Merrill Lynch & Company Inc	6.880	6.034	04/25/2018	650	678	641
Met Life Global Funding I	2.500	2.010	01/11/2013	915	920	926
Met Life Global Funding I	5.130	3.295	04/10/2013	600	613	627
Met Life Global Funding I	5.130	3.070	06/10/2014	200	210	215
Met Life Global Funding I	3.650	3.670	06/14/2018	1,000	999	1,038
Metlife Institutional Funding	1.480	1.274	04/04/2014	250	250	249
Microsoft Corporation	1.630	1.717	09/25/2015	360	359	370
Monsanto Company	5.130	5.008	04/15/2018	160	161	185
Monumental Global Funding	5.500	4.142	04/22/2013	100	102	104
Morgan Stanley	5.300	4.052	03/01/2013	550	558	557
Morgan Stanley	4.750	8.248	04/01/2014	250	232	246
Morgan Stanley	6.000	4.815	05/13/2014	825	846	833
Morgan Stanley	4.200	4.209	11/20/2014	331	331	319
Morgan Stanley	5.450	4.660	01/09/2017	800	828	770
Morgan Stanley	6.250	7.603	08/28/2017	430	404	421
Morgan Stanley	5.950	6.577	12/28/2017	685	664	653
Morgan Stanley	6.630	5.923	04/01/2018	650	673	642
Morgan Stanley	5.630	6.198	09/23/2019	1,310	1,264	1,213
Morgan Stanley	5.750	5.667	01/25/2021	115	116	107
National Australia Bank	2.500	2.500	01/08/2013	500	500	503
National Australia Bank	2.750	2.778	09/28/2015	200	200	199
National Australia Bank	3.000	3.060	07/27/2016	500	499	498
National Bank of Canada	1.650	1.659	01/30/2014	451	451	456
National City Bank	5.800	5.680	06/07/2017	850	855	936
National Rural Utilities	2.630	2.677	09/16/2012	60	60	61
National Rural Utilities	5.450	2.605	02/01/2018	195	226	225
National Rural Utilities	10.380	4.900	11/01/2018	410	537	590
Nationwide Mutual Insurance	9.380	7.695	08/15/2039	430	512	520
NBC Universal	4.380	4.528	04/01/2021	150	148	158
NBC Universal	5.950	5.969	04/01/2041	175	175	206
Nevada Power Company	6.500	2.997	08/01/2018	355	429	428
Nevada Power Company	7.130	5.401	03/15/2019	300	330	375
Nevada Power Company	5.380	5.396	09/15/2040	51	51	60
New York Life Global Fdg	4.650	3.682	05/09/2013	285	289	299
New York Life Global Fdg	3.000	2.610	05/04/2015	515	521	539
News America Inc	7.250	5.514	05/18/2018	64	70	77
News America Inc	8.880	7.605	04/26/2023	450	490	592
News America Inc	7.750	5.876	01/20/2024	150	174	185
News America Inc	7.300	7.225	04/30/2028	250	252	286
News America Inc	6.650	6.115	11/15/2037	125	134	142
Niagara Mohawk Power	4.880	4.881	08/15/2019	100	100	112
Nomura Holdings Inc	5.000	2.878	03/04/2015	195	207	196
Nomura Holdings Inc	6.700	6.403	03/04/2020	200	204	211
Nordea Bank AB	4.880	4.938	05/13/2021	355	353	300
Norfolk Southern Corp	7.250	5.354	02/15/2031	575	704	798
Northern States Power- Minn	6.250	5.620	06/01/2036	360	390	498

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Northern States Power- Minn	5.350	5.363	11/01/2039	64	64	79
Northern Trust Company	6.500	4.266	08/15/2018	250	282	298
Northern Trust Corp	5.500	4.130	08/15/2013	102	104	108
Northrop Grumman Corp	5.050	3.698	08/01/2019	490	533	546
Nova Scotia Province	9.250	4.643	03/01/2020	200	262	295
Nucor Corporation	5.750	4.303	12/01/2017	242	260	285
Nucor Corporation	5.850	3.483	06/01/2018	300	340	358
Oncor Electric Delivery	6.800	4.098	09/01/2018	615	710	748
Ontario Providence Canada	2.950	2.975	02/05/2015	1,000	999	1,053
Ontario Providence Canada	2.700	2.710	06/16/2015	500	500	524
Oracle Corporation	4.950	0.926	04/15/2013	125	131	132
Oracle Corporation	5.750	5.177	04/15/2018	250	258	303
Oracle Corporation	5.000	4.688	07/08/2019	400	408	472
Oracle Corporation	6.500	5.656	04/15/2038	605	674	818
Oracle Corporation	5.380	5.278	07/15/2040	270	274	329
Paccar Financial Corp	1.550	1.168	09/29/2014	230	232	233
Pacific Gas & Electric Corp	8.250	4.653	10/15/2018	345	416	455
Pacific Gas & Electric Corp	3.250	3.312	09/15/2021	49	49	50
Pacific Life Global Funding	5.150	4.548	04/15/2013	170	171	178
Pacific Life Global Funding	5.000	4.976	05/15/2017	400	400	424
PacifiCorp	5.500	4.874	01/15/2019	350	363	413
PacifiCorp	6.100	5.153	08/01/2036	316	357	404
Parker-Hannifin Corp	3.500	3.059	09/15/2022	600	624	620
PC Financial Partnership	5.000	2.386	11/15/2014	180	193	195
Pennsylvania Electric Co	6.050	3.448	09/01/2017	210	238	240
Pepeco Holdings	7.900	5.749	12/15/2038	335	433	518
Pepsico Inc	7.900	4.259	11/01/2018	171	208	231
Petro-Canada	6.050	5.383	05/15/2018	447	463	526
Petro-Canada	6.800	6.466	05/15/2038	225	234	291
Pfizer Inc	4.650	2.187	03/01/2018	205	234	234
PG&E Corp	5.750	5.875	04/01/2014	150	150	163
Pharmacia Corporation	6.500	4.660	12/01/2018	700	775	876
Philips Electronics NV	5.750	3.507	03/11/2018	80	90	92
Philips Electronics NV	7.200	4.879	06/01/2026	180	223	239
Pitney Bowes Inc	4.880	2.626	08/15/2014	200	211	213
Pitney Bowes Inc	5.600	4.431	03/15/2018	100	106	104
Pitney Bowes Inc	6.250	5.189	03/15/2019	240	255	260
PNC Bank NA	6.880	4.989	04/01/2018	250	275	284
PNC Funding Corp	5.250	5.101	11/15/2015	300	301	326
PNC Funding Corp	5.630	3.845	02/01/2017	300	324	327
PNC Funding Corp	5.130	5.150	02/08/2020	160	160	181
Potash Corp-Saskatchewan	3.750	2.830	09/30/2015	500	516	536
PPG Industries Inc	7.400	4.939	08/15/2019	260	300	324
PPG Industries Inc	9.000	6.096	05/01/2021	625	753	874
PPL Energy Supply LLC	4.600	4.604	12/15/2021	590	590	598
Praxair Inc	3.950	3.652	06/01/2013	130	131	136
Praxair Inc	4.380	4.446	03/31/2014	200	200	215
Praxair Inc	5.200	3.733	03/15/2017	510	545	588
Pricoa Global Funding	5.450	5.499	06/11/2014	350	350	378
Principal Life Global	6.250	7.272	02/15/2012	600	599	604
Principal Life Global	5.050	8.354	03/15/2015	500	454	540
Principal Life Inc Fdg	5.100	3.519	04/15/2014	400	414	423
Progress Energy Inc	6.050	6.115	03/15/2014	150	150	166
Progress Energy Inc	7.750	5.834	03/01/2031	100	122	142
Prudential Insurance Company	8.300	5.843	07/01/2025	650	798	832
PSEG Power LLC	5.130	4.780	04/15/2020	504	516	565
PSEG Power LLC	4.150	4.161	09/15/2021	152	152	158
Public Service Colorado	3.200	3.247	11/15/2020	45	45	47
Public Service Electric & Gas	5.380	5.083	11/01/2039	169	176	209
Public Service Oklahoma	5.150	5.186	12/01/2019	118	118	132
Public Service Oklahoma	4.400	4.494	02/01/2021	137	136	148
Quebec Province	6.350	4.145	01/30/2026	900	1,110	1,220
Rabobank Nederland	3.200	3.310	03/11/2015	500	498	509
Rabobank Nederland	2.130	2.177	10/13/2015	114	114	112
Rabobank Nederland	4.500	4.534	01/11/2021	219	218	228

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Rabobank Nederland	5.800	6.007	09/30/2110	300	290	336
Republic Services Inc	5.500	3.442	09/15/2019	360	410	415
Rio Tinto Fin USA Ltd	8.950	2.509	05/01/2014	605	692	708
Rio Tinto Fin USA Ltd	3.500	3.593	11/02/2020	51	51	52
Rio Tinto Fin USA Ltd	3.750	3.781	09/20/2021	588	587	616
Royal Bank of Canada	2.300	2.357	07/20/2016	855	853	869
Ryder System Inc	3.600	3.623	03/01/2016	180	180	186
Ryder System Inc	3.500	3.533	06/01/2017	96	96	97
Sabmiller PLC	5.500	2.679	08/15/2013	500	522	533
San Diego Gas & Electric	5.350	5.359	05/15/2040	27	27	34
Schwab Charles Corp	4.950	1.863	06/01/2014	500	536	542
Sempra Energy	8.900	4.581	11/15/2013	347	373	391
Sempra Energy	6.500	6.539	06/01/2016	100	100	117
Sempra Energy	9.800	5.164	02/15/2019	450	572	608
Shell International Fin	1.880	1.916	03/25/2013	75	75	76
Shell International Fin	4.000	3.737	03/21/2014	575	578	618
Shell International Fin	3.100	3.115	06/28/2015	73	73	78
Shell International Fin	4.300	4.343	09/22/2019	285	284	331
Shell International Fin	4.380	4.434	03/25/2020	290	289	339
Shell International Fin	6.380	6.026	12/15/2038	140	146	193
Siemens Financieringsmat	6.130	5.126	08/17/2026	470	518	571
Simon Property Group LP	6.750	6.412	05/15/2014	140	141	154
Simon Property Group LP	5.630	4.874	08/15/2014	50	51	55
Simon Property Group LP	6.100	9.051	05/01/2016	325	291	369
Simon Property Group LP	6.130	5.748	05/30/2018	140	143	161
Simon Property Group LP	7.380	6.200	06/15/2018	166	176	196
Simon Property Group LP	5.650	4.549	02/01/2020	275	295	315
Southern Cal Edison	4.150	4.153	09/15/2014	100	100	108
Southern Cal Edison	6.050	6.110	03/15/2039	250	248	331
Southern Cal Edison	5.500	5.634	03/15/2040	170	167	212
Southern Company	4.150	3.106	05/15/2014	500	512	534
Southern Company	1.950	1.982	09/01/2016	130	130	131
Southtrust Bank NA	7.690	5.873	05/15/2025	400	467	488
Southwestern Electric Power	6.450	5.261	01/15/2019	115	123	134
Southwestern Public Service	8.750	5.352	12/01/2018	288	344	393
Spectra Energy Capital	6.200	5.533	04/15/2018	445	459	505
Spectra Energy Capital	6.750	8.473	07/15/2018	160	146	180
Spectra Energy Capital	8.000	5.666	10/01/2019	450	515	566
Stadshypotek AB	1.450	1.457	09/30/2013	697	697	696
Staples Inc	9.750	6.064	01/15/2014	325	348	372
State Street Corp	4.300	3.339	05/30/2014	500	511	535
Statoil ASA	3.130	2.279	08/17/2017	692	722	730
Statoil ASA	3.150	3.172	01/23/2022	350	349	360
SunTrust Banks Inc	5.250	2.676	11/05/2012	371	379	380
SunTrust Banks Inc	3.600	3.281	04/15/2016	630	638	642
Svenska Handelsbanken AB	3.130	3.127	07/12/2016	494	494	497
Talisman Energy Inc	7.750	4.567	06/01/2019	475	569	586
Target Corp	7.000	5.065	01/15/2038	440	562	615
TCI Communications Inc	7.880	7.698	02/15/2026	100	102	132
Telecom Italia Capital	4.950	4.108	09/30/2014	400	409	371
Telecom Italia Capital	7.000	8.462	06/04/2018	100	93	93
Telefonica Emisiones SAU	5.860	3.741	02/04/2013	200	204	203
Telefonica Emisiones SAU	6.420	4.065	06/20/2016	500	548	523
Telefonica Emisiones SAU	6.220	5.138	07/03/2017	300	315	307
Telefonica Emisiones SAU	5.880	5.877	07/15/2019	50	50	49
Telefonica Emisiones SAU	5.460	5.462	02/16/2021	117	117	112
Tennessee Valley Authority	5.250	5.275	09/15/2039	98	98	125
The Mosaic Company	3.750	3.667	11/15/2021	363	365	367
The Mosaic Company	4.880	4.971	11/15/2041	33	33	34
Thomson Corporation	4.700	4.744	10/15/2019	150	150	166
Time Warner Cable Inc	8.250	4.372	02/14/2014	730	786	823
Time Warner Cable Inc	6.750	4.658	07/01/2018	150	167	178
Time Warner Cable Inc	8.750	4.412	02/14/2019	300	379	383
Time Warner Cable Inc	7.300	6.397	07/01/2038	300	334	365
Time Warner Entertainment Co	8.380	6.560	07/15/2033	325	393	426

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Toronto-Dominion Bank	2.200	2.140	07/29/2015	1,350	1,353	1,382
Total Capital SA	2.300	2.129	03/15/2016	540	544	554
Toyota Motor Credit Corp	3.200	2.095	06/17/2015	70	73	74
Toyota Motor Credit Corp	2.000	2.110	09/15/2016	2,950	2,936	2,979
Trans-Canada Pipelines	6.500	6.574	08/15/2018	250	249	306
Trans-Canada Pipelines	7.130	3.903	01/15/2019	220	263	281
Trans-Canada Pipelines	3.800	2.870	10/01/2020	300	321	324
Trans-Canada Pipelines	7.630	7.632	01/15/2039	50	50	72
Transocean Inc	6.500	6.390	11/15/2020	960	967	992
Travelers PPTY Casualty	7.750	5.666	04/15/2026	410	493	543
Tyco International Group SA	8.500	4.733	01/15/2019	495	605	638
Tyco/Tyco International Fin SA	7.000	4.057	12/15/2019	200	240	246
UBS AG Stamford CT	3.880	3.970	01/15/2015	500	499	499
UBS AG Stamford CT	5.880	5.576	12/20/2017	300	304	312
UBS AG Stamford CT	5.750	4.472	04/25/2018	100	107	104
Union Carbide Corp	7.500	5.809	06/01/2025	250	289	295
Union Pacific Corp	4.160	4.011	07/15/2022	358	363	389
Union Pacific Corp	5.780	4.235	07/15/2040	310	389	375
United Mexican States	6.380	3.627	01/16/2013	630	647	658
United Mexican States	5.750	5.959	10/12/2110	326	315	347
United Technologies Corp	6.130	4.006	02/01/2019	485	548	599
United Technologies Corp	5.400	5.468	05/01/2035	170	168	201
UNP RR CO 2003 PASS TRUST	4.700	5.675	01/02/2024	83	79	90
UPS of America Inc	8.380	4.731	04/01/2020	125	156	177
UPS of America Inc	8.380	5.178	04/01/2030	230	307	337
US Bancorp	2.880	2.977	11/20/2014	450	449	469
US Bancorp	2.450	2.059	07/27/2015	456	462	467
US Bancorp	4.130	4.000	05/24/2021	275	278	306
Verizon Communications	5.550	3.794	02/15/2016	165	176	189
Verizon Communications	5.500	4.896	02/15/2018	720	743	839
Verizon Communications	8.750	4.820	11/01/2018	345	423	466
Verizon Communications	8.950	5.546	03/01/2039	170	251	272
Verizon Communications	7.350	7.564	04/01/2039	400	390	559
Verizon New England Inc	7.880	6.381	11/15/2029	330	382	401
Verizon Virginia Inc	4.630	4.968	03/15/2013	375	374	390
Verizon Wireless Capital	8.500	3.044	11/15/2018	220	294	297
Viacom Inc	3.880	4.076	12/15/2021	177	174	181
Viacom Inc	7.880	6.380	07/30/2030	380	441	483
Virginia Electric & Power Co	5.400	4.990	04/30/2018	490	501	585
Vodafone Group	5.750	6.019	03/15/2016	200	198	231
Vodafone Group	5.450	4.869	06/10/2019	369	382	430
Volkswagen Intl Fin NV	1.630	1.728	08/12/2013	100	100	100
Wachovia Bank NA	0.880	3.115	03/15/2016	850	774	761
Wachovia Corp	5.500	4.287	05/01/2013	1,400	1,422	1,477
Wachovia Corp	5.250	2.817	08/01/2014	102	108	108
Wachovia Corp	5.750	5.126	06/15/2017	775	798	876
Wachovia Corp	5.750	5.581	02/01/2018	775	780	880
Wal-Mart Stores	7.550	5.479	02/15/2030	350	433	511
Wal-Mart Stores	5.250	5.736	09/01/2035	425	398	508
Walt Disney Company	4.130	4.194	12/01/2041	305	301	315
Waste Management Inc	7.380	4.325	03/11/2019	250	296	315
Waste Management Inc	4.750	4.596	06/30/2020	622	629	682
WEA Finance/WT Fin Aust	6.750	5.448	09/02/2019	658	710	734
WellPoint Inc	5.880	5.231	06/15/2017	500	515	576
Wells Fargo & Company	5.000	7.000	11/15/2014	100	95	107
Wells Fargo & Company	3.680	3.008	06/15/2016	390	401	408
Wells Fargo & Company	5.630	5.426	12/11/2017	865	873	986
Wells Fargo & Company	4.600	4.319	04/01/2021	380	388	417
Wells Fargo Bank NA	4.750	2.821	02/09/2015	565	597	589
Westpac Banking Corp	4.880	4.884	11/19/2019	406	406	432
Westpac Banking Corp	4.200	2.749	02/27/2015	345	360	360
Wisconsin Electric Power	6.000	0.833	04/01/2014	257	286	286
Wisconsin Electric Power	2.950	3.070	09/15/2021	11	11	11
Wyeth	5.500	1.972	02/01/2014	190	204	208
Xcel Energy Inc	4.700	4.741	05/15/2020	45	45	51

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Xerox Corporation	6.750	4.601	02/01/2017	191	209	219
Xerox Corporation	5.630	5.438	12/15/2019	350	354	382
<i>Total Corporate Bonds</i>					227,005	240,201
<i>Corporate Asset Backed Issues</i>						
AH Mortgage Advance Trust	2.630	2.650	05/10/2012	691	691	687
AH Mortgage Advance Trust	3.370	3.400	05/10/2013	2,334	2,334	2,325
Ally Auto Receivables Trust	1.110	1.115	11/15/2013	920	920	923
Ally Auto Receivables Trust	1.450	1.458	05/15/2014	248	248	249
Ally Auto Receivables Trust	1.550	1.576	10/15/2014	357	357	361
Ally Auto Receivables Trust	1.380	1.393	01/15/2015	285	285	287
Americredit Auto Receivables	1.660	1.669	03/17/2014	54	54	54
Americredit Auto Receivables	0.840	0.849	11/10/2014	787	787	786
Americredit Auto Receivables	1.140	1.155	04/08/2015	445	445	444
Banc of America Auto Trust	1.310	1.315	07/15/2014	230	230	231
Banc of America Auto Trust	1.940	1.954	06/15/2017	510	510	518
Bank of America Auto Trust	2.670	2.691	07/15/2013	70	70	70
Bank of America Auto Trust	2.130	2.140	09/16/2013	137	137	137
Bank of America Auto Trust	3.520	3.555	06/15/2016	200	200	204
Bank of America Auto Trust	2.180	2.198	02/15/2017	310	310	315
Carmax Auto Owner Trust	1.560	1.572	07/15/2014	205	205	206
Chase Funding Mortgage Loan	4.500	5.860	11/25/2034	446	438	445
Chase Funding Mortgage Loan	5.350 A	6.675	11/25/2034	500	458	433
Chase Funding Mortgage Loan	4.280	6.248	11/25/2034	712	631	672
Chrysler Financial Auto Sec	2.820	2.842	01/15/2016	76	76	76
CNH Equipment Trust	1.850	1.858	12/16/2013	1	1	1
CNH Equipment Trust	1.540	1.552	07/15/2014	217	217	217
CNH Equipment Trust	1.200	1.209	05/16/2016	375	375	376
CNH Equipment Trust	2.040	2.055	10/17/2016	256	256	262
CPS Auto Trust	4.210	4.250	09/15/2016	559	559	559
Ford Credit Auto Owner Trust	2.790	2.811	08/15/2013	96	96	97
Ford Credit Auto Owner Trust	4.500	4.548	07/15/2014	300	300	310
GMAC Mortgage Corp Loan Trust	0.630	11.122	10/25/2035	600	557	499
Honda Auto Receivables Trust	2.310	2.329	05/15/2013	48	48	48
Honda Auto Receivables Trust	3.300	3.329	09/15/2015	250	250	255
Huntington Auto Trust	1.010	1.016	01/15/2016	400	400	398
Huntington Auto Trust	1.310	1.313	11/15/2016	400	400	397
Hyuandai Auto Receivables Trst	0.970	0.984	11/15/2013	360	360	361
Hyuandai Auto Receivables Trst	1.630	1.638	07/15/2015	400	400	405
John Deere Owner Trust	2.590	2.614	10/15/2013	10	10	10
John Deere Owner Trust	1.570	1.577	10/15/2013	195	195	195
John Deere Owner Trust	1.290	1.296	01/15/2016	365	365	367
John Deere Owner Trust	1.960	1.974	04/16/2018	285	285	291
LAI Vehicle Lease Securitizat	2.550	2.670	09/15/2016	461	461	460
Mercedes-Benz Auto Rec Trust	1.420	1.433	07/15/2013	196	196	197
Mercedes-Benz Auto Rec Trust	0.850	0.853	03/15/2014	273	273	273
NCUA Guaranteed Notes	0.650 A	0.625	12/07/2020	254	254	255
Newcastle Investment Trust	2.450	2.447	12/10/2033	267	267	268
Nissan Auto Receivables Trust	0.870	0.878	07/15/2014	380	380	380
Nissan Auto Receivables Trust	1.310	1.319	09/15/2016	300	300	302
Residential Asset Sec Corp	0.660	6.188	10/25/2035	500	491	475
Santander Drive Auto Rec Trust	2.060	2.070	08/15/2013	197	197	196
Santander Drive Auto Rec Trust	2.390	1.421	06/15/2017	400	408	406
Saxon Asset Securities Trust	4.790 A	4.205	06/25/2033	323	328	323
Toyota Auto Rec Owner Trust	0.770	0.775	04/15/2014	765	765	765
USAA Auto Owner Trust	2.530	2.544	07/15/2015	295	295	300
Westlake Auto Receivables Trst	1.080	1.083	07/15/2013	195	195	195
Westlake Auto Receivables Trst	1.490	1.497	06/16/2014	303	303	303
World Omni Auto Receivable	3.330	3.363	05/15/2013	25	25	25
<i>Total Corporate Asset Backed Issues</i>					19,598	19,594
<i>Corporate CMO</i>						
AH Mortgage Advance Trust	3.270	3.306	09/15/2013	1,334	1,334	1,329
AH Mortgage Advance Trust	6.900	7.000	09/15/2013	500	500	500
American General Mortgage Loan	5.150	3.637	03/25/2040	604	616	618

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
American General Mortgage Loan	5.750	4.066	09/25/2048	1,525	1,539	1,528
American General Mortgage Loan	5.750	4.877	09/25/2048	1,100	1,106	1,109
American General Mortgage Loan	5.750	8.302	09/25/2048	1,300	1,248	1,317
Amortizing Residential Coll Tr	3.450	5.118	02/25/2032	327	301	299
ASG Resecuritization Trust	5.220 A	5.179	05/24/2036	400	400	389
ASG Resecuritization Trust	5.220 A	9.618	05/24/2036	806	766	799
ASG Resecuritization Trust	0.480 A	0.640	10/28/2036	463	450	449
ASG Resecuritization Trust	5.090 A	8.315	03/26/2037	1,371	1,302	1,354
ASG Resecuritization Trust	5.030 A	18.859	06/26/2037	870	744	870
ASG Resecuritization Trust	6.000	9.136	06/28/2037	1,138	1,118	1,161
Banc of Amer Altern Loan Trust	5.000	4.750	09/25/2018	507	509	517
Banc of Amer Altern Loan Trust	5.500	7.118	02/25/2019	454	434	459
Banc of Amer Altern Loan Trust	5.500	5.566	09/25/2019	315	314	314
Banc of Amer Altern Loan Trust	5.500	7.899	09/25/2033	324	289	334
Banc of Amer Altern Loan Trust	5.500	5.696	11/25/2033	379	377	388
Banc of Amer Altern Loan Trust	6.000	6.572	01/25/2034	345	334	345
Banc of Amer Altern Loan Trust	6.000	6.771	01/25/2034	564	544	565
Banc of America Commercial Mtg	5.410	3.765	09/10/2016	150	159	162
Banc of America Commercial Mtg	4.670	5.024	07/10/2043	400	396	433
Banc of America Commercial Mtg	4.730	7.964	07/10/2043	600	543	614
Banc of America Commercial Mtg	5.890	6.051	07/10/2044	1,000	995	1,096
Banc of America Commercial Mtg	5.370	10.517	09/10/2045	660	559	731
Banc of America Commercial Mtg	5.120	5.057	10/10/2045	230	231	254
Banc of America Commercial Mtg	5.630	6.516	07/10/2046	700	680	775
Banc of America Funding Corp	5.500	5.809	10/25/2034	777	770	796
Banc of America Funding Corp	5.500	4.670	10/25/2034	71	71	71
Banc of America Funding Corp	5.030 A	5.436	12/20/2034	255	255	239
Banc of America Funding Corp	5.360 A	4.315	02/26/2035	939	976	980
Banc of America Mortgage Sec	0.740	1.780	08/25/2018	315	309	301
Banc of America Mortgage Sec	5.000	3.937	04/25/2019	173	177	176
Banc of America Mortgage Sec	6.500	6.758	09/25/2032	275	272	289
Banc of America Mortgage Sec	2.870 A	3.098	04/25/2033	326	323	313
Banc of America Mortgage Sec	5.500	4.675	05/25/2033	1,000	1,015	1,023
Banc of America Mortgage Sec	2.960 A	2.948	06/25/2033	336	336	306
Banc of America Mortgage Sec	2.890 A	3.018	04/25/2034	1,007	1,000	907
Banc of America Mortgage Sec	5.500	2.848	04/25/2034	1,400	1,463	1,429
Bank of America Corp	5.750	9.455	09/20/2034	476	420	500
BCAP LLC Trust	5.430 A	4.766	03/26/2012	307	307	307
BCAP LLC Trust	5.500	7.333	11/26/2034	1,127	1,069	1,148
BCAP LLC Trust	5.010 A	4.342	04/26/2035	463	467	454
BCAP LLC Trust	1.090	4.467	01/26/2036	524	477	487
BCAP LLC Trust	5.250	5.219	05/26/2037	159	159	158
BCAP LLC Trust	5.750	6.055	06/26/2037	878	867	879
BCAP LLC Trust	4.980 A	4.451	07/26/2045	1,418	1,441	1,350
Bear Stearns Adj Rate Mortgage	5.000 A	4.792	07/25/2033	334	335	321
Bear Stearns Adj Rate Mortgage	5.040 A	4.804	05/25/2034	283	285	280
Bear Stearns Adj Rate Mortgage	2.220 A	2.858	08/25/2035	475	459	436
Bear Stearns Commercial Mtg	5.440 A	4.645	03/11/2039	235	239	261
Bear Stearns Commercial Mtg	0.240 A	6.393	06/11/2041	14,702	226	218
Bear Stearns Commercial Mtg	5.470	2.094	06/11/2041	500	533	538
Bear Stearns Commercial Mtg	5.540	10.089	10/12/2041	300	259	337
Chase Mortgage Finance Corp	5.000	2.938	03/25/2018	316	327	319
Chase Mortgage Finance Corp	2.760 A	3.241	02/25/2037	938	919	878
Chase Mortgage Finance Corp	2.740 A	2.816	02/25/2037	227	226	222
Chase Mortgage Finance Corp	2.780 A	4.351	07/25/2037	570	529	500
Citicorp Mortgage Securities	5.500	2.272	06/25/2034	781	817	816
Citigroup Commercial Mortgage	4.830 A	4.789	05/15/2043	400	400	422
Citigroup Mortgage Loan Trust	5.250	16.348	10/25/2033	489	400	496
Citigroup Mortgage Loan Trust	5.090 A	4.917	08/25/2034	268	269	273
Citigroup Mortgage Loan Trust	2.710 A	2.825	02/25/2035	387	385	378
Citigroup Mortgage Loan Trust	5.500	5.498	05/25/2035	412	412	398
Citigroup Mortgage Loan Trust	6.000	10.653	06/25/2036	926	845	965
Citigroup Mortgage Loan Trust	5.120 A	4.496	11/25/2038	1,052	1,058	1,049
Citigroup/Deutsche Back	0.170 A	10.617	12/11/2049	47,767	425	451
Citigroup/Deutsche Bank	0.080 A	6.260	01/15/2046	79,210	230	202

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Commercial Mortgage Pass-Thru	4.980	9.224	05/10/2043	1,000	901	1,090
Countrywide Home Loans	4.500	5.864	06/25/2019	493	479	503
Countrywide Home Loans	5.250	5.251	09/25/2033	286	285	287
Countrywide Home Loans	5.000	6.249	10/25/2033	758	717	746
Countrywide Home Loans	5.250	5.860	04/25/2034	1,527	1,485	1,562
Credit Suisse Mortgage Capital	5.500	5.500	10/27/2035	220	219	220
Credit Suisse Mortgage Capital	5.070 A	4.277	10/26/2037	244	244	238
Credit Suisse Mortgage Capital	5.850	5.892	03/15/2039	500	502	537
Credit Suisse Mortgage Capital	1.260 A	1.263	02/27/2047	1,461	1,461	1,461
Credit Suisse Mortgage Capital	1.260 A	1.593	06/28/2047	297	297	297
Credit Suisse Mortgage Capital	4.060 A	7.880	06/25/2050	300	279	278
CS First Boston Mortgage Sec	2.810 A	3.199	06/25/2033	552	531	519
CS First Boston Mortgage Sec	5.250	6.134	11/25/2033	1,222	1,188	1,264
CS First Boston Mortgage Sec	5.500	3.263	09/25/2034	741	782	780
CS First Boston Mortgage Sec	5.500	3.352	12/25/2034	808	849	849
CS First Boston Mortgage Sec	18.090 A	19.549	06/25/2035	187	182	194
CS First Boston Mortgage Sec	4.730	4.846	07/15/2037	400	398	413
Deutsche ALT- A Sec Mortgage	5.580 A	5.846	02/25/2020	309	306	315
Deutsche Mortgage Securities	0.390 A	8.640	04/26/2037	529	517	517
First Horizon Mortgage Ps Thru	4.500	4.452	09/25/2018	646	646	651
GE Capital Commercial Mortgage	4.830	4.279	06/10/2048	1,000	1,016	977
GMAC Commercial Mortgage Sec	5.240	10.434	11/10/2045	1,810	1,534	1,949
GMAC Mortgage Corp Loan Trust	5.000	4.073	01/25/2020	317	321	324
GMAC Mortgage Corp Loan Trust	3.030 A	4.539	10/19/2033	817	783	768
GMAC Mortgage Corp Loan Trust	5.000	6.078	10/25/2033	474	455	469
GMAC Mortgage Corp Loan Trust	5.000	8.701	11/25/2033	1,060	982	1,093
GMAC Mortgage Corp Loan Trust	2.990 A	3.203	12/19/2033	1,282	1,264	1,192
GMAC Mortgage Corp Loan Trust	6.500	5.374	01/25/2035	586	603	617
GMAC Mortgage Corp Loan Trust	4.250	4.243	07/25/2040	5	5	5
Greenwich Capital Comm Funding	4.860 A	5.694	01/10/2015	210	205	217
GS Mortgage Securities Corp	5.550	9.293	04/10/2038	1,000	884	1,087
GSR Mortgage Loan Trust	6.000	7.713	09/25/2034	719	689	753
GSR Mortgage Loan Trust	0.640	8.616	03/25/2035	584	370	471
GSR Mortgage Loan Trust	5.500	3.038	06/25/2035	95	96	95
GSR Mortgage Loan Trust	0.790	4.512	06/25/2035	335	302	295
GSR Mortgage Loan Trust	5.500	11.519	01/25/2037	100	85	94
Household Home Equity Loan Tst	0.550	4.659	01/20/2035	212	186	188
Household Home Equity Loan Tst	0.770	5.465	01/20/2035	423	364	367
Household Home Equity Loan Tst	0.440	4.612	01/20/2036	433	375	404
Household Home Equity Loan Tst	0.430	3.424	03/20/2036	374	335	345
Household Home Equity Loan Tst	0.480	1.826	03/20/2036	250	226	209
Household Home Equity Loan Tst	5.600	5.191	03/20/2036	564	564	566
Household Home Equity Loan Tst	1.480	4.512	11/20/2036	569	492	504
IMPAC CMB Trust	0.590	2.775	05/25/2035	481	431	405
IMPAC Secured Assets Corp	5.500	7.158	08/25/2033	716	672	743
IMPAC Secured Assets Corp	0.640	3.402	05/25/2036	590	508	495
IMPAC Secured Assets Corp	0.640	2.745	08/25/2036	999	860	887
JP Morgan Chase Commercial Mtg	5.580 A	2.211	07/12/2014	700	752	778
JP Morgan Chase Commercial Mtg	5.360 A	4.218	08/12/2037	700	724	688
JP Morgan Chase Commercial Mtg	4.400	2.085	01/12/2039	700	730	734
JP Morgan Chase Commercial Mtg	5.550	3.506	05/12/2045	500	541	549
JP Morgan Chase Commercial Mtg	5.400	9.292	05/15/2045	950	823	1,047
JP Morgan Chase Commercial Mtg	0.440	5.306	05/15/2047	800	729	729
JP Morgan Mortgage Trust	2.650 A	2.813	11/25/2033	1,247	1,237	1,143
JP Morgan Mortgage Trust	2.750 A	4.033	08/25/2034	1,622	1,545	1,467
JP Morgan Mortgage Trust	5.020 A	4.947	02/25/2035	1,000	1,001	929
JP Morgan Mortgage Trust	4.450 A	3.652	02/25/2035	342	344	339
JP Morgan Mortgage Trust	2.800 A	2.734	07/25/2035	951	952	864
JP Morgan Re-REMIC	4.270 A	4.073	08/26/2035	547	548	535
Lake Country Mortgage Loan Tst	0.640	1.258	07/25/2034	700	672	667
LB-UBS Commercial Mortgage Tst	5.160	7.515	01/15/2016	300	279	331
LB-UBS Commercial Mortgage Tst	4.370	2.169	03/15/2036	598	624	625
LB-UBS Commercial Mortgage Tst	0.120 A	6.017	02/15/2041	24,617	256	269
LVII Resecuritization Trust	3.000 A	2.852	09/27/2037	468	468	472
Master Adjustable Rate Mtgage	2.720 A	5.310	11/21/2034	375	367	367

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Master Adjustable Rate Mtgage	2.720 A	2.908	11/21/2034	1,350	1,336	1,232
Master Reperforming Loan Trust	0.640	7.453	05/25/2035	823	551	652
Master Resecuritization Trust	13.630	4.028	05/28/2035	542	317	377
MASTR Asset Securitization	5.500	11.166	09/25/2033	166	146	172
MASTR Asset Securitization	5.250	3.713	12/25/2033	1,069	1,110	1,106
Merrill Lynch Mortgage Invest	0.790	4.994	04/25/2029	400	330	341
Merrill Lynch Mortgage Invest	0.840	2.444	08/25/2029	438	406	367
Merrill Lynch Mortgage Invest	2.730 A	3.135	07/25/2033	195	191	179
Merrill Lynch Mortgage Invest	2.610 A	2.943	08/25/2034	318	312	292
Merrill Lynch Mortgage Invest	2.080 A	2.513	12/25/2034	654	637	616
Merrill Lynch Mortgage Trust	5.670 A	5.348	05/12/2039	260	263	290
Merrill Lynch/Countrywide Comm	0.210 A	3.413	12/12/2049	16,646	216	221
Morgan Stanley Capital I	4.050	3.906	06/15/2021	340	343	360
Morgan Stanley Capital I	0.110 A	-1.437	12/15/2043	16,066	200	231
Morgan Stanley Capital I	0.240 A	7.958	02/12/2044	44,562	389	348
Morgan Stanley Capital Inc	1.040 A	5.549	01/25/2035	119	103	117
Morgan Stanley Capital Inc	5.640 A	5.608	06/11/2042	250	251	285
Morgan Stanley Mortgage Loan	5.650 A	5.278	04/25/2034	363	368	368
Morgan Stanley Mortgage Loan	5.500	29.629	08/25/2034	4,735	582	650
Morgan Stanley Re-REMIC Trust	4.970	2.440	04/16/2040	1,400	1,465	1,458
Morgan Stanley Re-REMIC Trust	3.000	2.636	07/17/2056	320	321	321
Morgan Stanley Re-REMIC Trust	5.000	3.110	07/17/2056	1,450	1,484	1,478
NCUA Guaranteed Notes	2.650	2.865	01/01/2018	3,532	3,511	3,690
NCUA Guaranteed Notes	0.860 A	0.836	12/08/2020	921	921	925
NCUA Guaranteed Notes	2.400	2.461	12/08/2020	518	517	526
Prime Mortgage Trust	6.000	5.106	02/25/2034	301	309	318
RBSSP Resecuritization Trust	6.500	3.758	02/26/2036	638	654	674
RBSSP Resecuritization Trust	4.000	4.225	05/26/2037	500	496	495
Residential Accredit Loans	16.010	16.422	10/25/2017	189	189	213
Residential Accredit Loans	0.940	3.599	07/25/2033	495	443	426
Residential Accredit Loans	5.500	5.536	08/25/2033	632	632	634
Residential Accredit Loans	5.750	7.317	10/25/2033	541	507	560
Residential Accredit Loans	5.500	14.394	05/25/2034	1,516	1,057	1,329
Salomon Brothers Mortgage Sec	3.950 A	10.054	04/25/2032	228	194	192
Salomon Brothers Mortgage Sec	2.740 A	3.421	09/25/2033	697	676	645
Springleaf Mortgage Loan Trust	4.050 A	4.003	01/25/2058	1,095	1,094	1,093
Structured Asset Investment	0.560 A	7.556	06/25/2035	300	292	281
Structured Asset Mortgage Inv	0.000	6.837	07/25/2032	182	126	156
Structured Asset Mortgage Inv	0.940 A	2.179	10/19/2034	624	566	513
Structured Asset Securities	0.790	6.898	06/25/2033	744	683	707
Structured Asset Securities	5.500	6.080	10/25/2033	758	741	767
Structured Asset Securities	5.250 A	5.697	11/25/2033	217	213	226
Structured Asset Securities	5.020 A	5.115	12/25/2033	271	270	267
Structured Asset Securities	5.540	6.477	12/25/2033	1,302	1,253	1,270
Structured Asset Securities	5.550 A	6.493	03/25/2034	589	568	562
Structured Asset Securities	4.690 A	4.484	02/25/2035	1,027	1,039	1,014
Structured Asset Securities	5.000	18.301	05/25/2035	208	158	204
Thornburg Mtg Securities Trust	0.930	2.472	09/25/2043	730	678	649
TIAA Seasoned Commercial Mtg	5.740 A	5.198	08/15/2039	2,500	2,522	2,703
Vendee Mortgage Trust	6.750	5.737	06/15/2026	747	786	873
Vendee Mortgage Trust	6.750	4.384	06/15/2028	622	707	730
Wachovia Bank Comm Mtg Trust	5.210	2.725	01/15/2041	652	693	698
Wachovia Bank Comm Mtg Trust	5.740 A	8.068	05/15/2043	1,440	1,337	1,593
Washington Mutual Mortgage	5.500	5.566	08/25/2019	594	592	620
Washington Mutual Mortgage	0.000	23.684	07/25/2033	220	152	139
Washington Mutual Mortgage	2.450 A	3.020	08/25/2033	246	239	232
Washington Mutual Mortgage	2.480 A	2.635	08/25/2033	271	268	254
Washington Mutual Mortgage	2.460 A	2.686	09/25/2033	969	958	917
Washington Mutual Mortgage	2.560 A	2.994	09/25/2033	348	339	331
Washington Mutual Mortgage	5.250	8.031	10/25/2033	2,311	2,158	2,376
Washington Mutual Mortgage	16.240	15.533	11/25/2033	388	393	408
Washington Mutual Mortgage	0.690	2.812	03/25/2034	250	245	244
Washington Mutual Mortgage	2.560 A	4.115	06/25/2034	265	246	257
Washington Mutual Mortgage	2.560 A	2.641	06/25/2034	664	660	642
Washington Mutual Mortgage	5.500	6.214	06/25/2034	834	803	854

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Washington Mutual Mortgage	5.000	3.271	07/25/2034	692	715	715
Washington Mutual Mortgage	5.500	48.609	05/25/2035	715	67	110
Wells Fargo Mortgage Backed	4.750	4.579	12/25/2018	1,016	1,018	1,046
Wells Fargo Mortgage Backed	5.000	2.906	01/25/2020	333	343	345
Wells Fargo Mortgage Backed	5.000	4.088	11/25/2020	304	308	316
Wells Fargo Mortgage Backed	4.430 A	4.569	11/25/2033	970	965	980
Wells Fargo Mortgage Backed	4.740 A	2.473	12/25/2033	335	338	336
Wells Fargo Mortgage Backed	4.910 A	4.623	02/25/2034	555	557	566
Wells Fargo Mortgage Backed	2.680 A	4.275	09/25/2034	1,538	1,440	1,458
Wells Fargo Mortgage Backed	2.720 A	3.558	10/25/2034	620	587	567
Wells Fargo Mortgage Backed	2.710 A	3.359	10/25/2034	528	513	498
Wells Fargo Mortgage Backed	2.710 A	4.775	10/25/2034	363	332	349
Wells Fargo Mortgage Backed	2.710 A	4.221	12/25/2034	765	720	718
Wells Fargo Mortgage Backed	2.740 A	7.012	12/25/2034	365	324	350
Wells Fargo Mortgage Backed	2.710 A	4.053	12/25/2034	510	483	484
Wells Fargo Mortgage Backed	2.740 A	3.592	12/25/2034	365	357	355
Wells Fargo Mortgage Backed	2.700 A	4.899	06/25/2035	195	185	181
WF-RBS Commercial Mortgage Tst	4.380	4.266	05/15/2021	600	606	639
<i>Total Corporate CMO</i>					131,069	135,036
Total Corporate Issues - 33.2%					377,672	394,831
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund				22,745,000	22,745	22,745
Total Short-term Issues - 1.9%					22,745	22,745
Total Investment Securities - 99.5%					\$ 1,105,741	\$ 1,180,381
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 41,437	\$ 41,437
Mellon SL DBT II Liquidating Fund					667	645
Total Collateral for Securities Loaned					\$ 42,104	\$ 42,082

A - Adjustable rate security.

See accompanying notes to financial statements.

## Core Fixed Income Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 5,013	\$ 29,678
Dividends	1	3
Net amortization	(2,166)	(6,591)
Securities lending income	9	66
<b>Total investment income</b>	2,857	23,156
<b>Expenses</b>		
Investment advisor fees	(142)	(898)
Trustee fees	-	(2)
Custodian bank fees	(5)	(31)
Management fees	(31)	(188)
Fiduciary bond fees	(1)	(3)
Professional service fees	(6)	(35)
Securities lending agent fees	(2)	(9)
Securities lending borrower rebates	4	(6)
<b>Total expenses</b>	(183)	(1,172)
<b>Investment income, net</b>	2,674	21,984
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	1,163	7,958
Net increase in the fair value of investments	7,955	25,566
<b>Net gain from investments</b>	9,118	33,524
<b>Net increase in net assets from operations</b>	\$ 11,792	\$ 55,508

*\*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, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 2,674	\$ 21,984
Net realized gain from investments	1,163	7,958
Net increase in the fair value of investments	7,955	25,566
<b>Net increase in net assets from operations</b>	11,792	55,508
<b>Distributions to unitholders</b>		
Investment income, net	(2,674)	(21,984)
<b>Unit transactions</b>		
Proceeds from sale of units	42,812	98,050
Reinvestment of distributions	3,711	23,784
	46,523	121,834
Amount paid for repurchase of units	(102)	(158,977)
<b>Net increase (decrease) in net assets from unit transactions</b>	46,421	(37,143)
<b>Increase (decrease) in net assets</b>	55,539	(3,619)
<b>Net assets, beginning of period</b>	1,130,857	1,190,015
<b>Net assets, end of period</b>	\$ 1,186,396	\$ 1,186,396
<b>Unit data</b>		
Units sold	3,849,945	8,833,545
Units issued from reinvestment of distributions	333,668	2,145,457
	4,183,613	10,979,002
Units repurchased	(9,173)	(14,265,186)
<b>Net increase (decrease) in units</b>	4,174,440	(3,286,184)

*\*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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 Core 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 Pool is to generate investment income, provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. manages this Pool. This Pool's investment performance, net of external investment management fees, is expected to meet or exceed the Barclays Capital U.S. 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 in debt securities are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. 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

*(Amounts in thousands, except share data)*

### 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. 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. 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.

**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. The Pool does not routinely distribute dividends of net realized 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.

# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

**Income Taxes** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Regulated investment companies	\$ -	\$ 22,745	\$ -	\$ 22,745
U.S. government agency issues	-	480,049	-	480,049
U.S. Treasury issues	-	279,427	-	279,427
Corporate issues	-	394,831	-	394,831
Municipal bonds	-	3,329	-	3,329
Securities lending collateral funds	-	42,082	-	42,082
Total	<u>\$ -</u>	<u>\$ 1,222,463</u>	<u>\$ -</u>	<u>\$ 1,222,463</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$	172,292		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>42,104</u>	\$ 42,082	\$ <u>(22)</u>
Non-cash			133,653	
Total			<u>\$ 175,735</u>	

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$	10.90
Income from investment operations:		
Net investment income		0.21
Net realized and unrealized gain on investment transactions		<u>0.31</u>
Total from investment operations		0.52
Less distributions from net investment income		<u>(0.21)</u>
Net asset value at December 31, 2011	\$	<u>11.21</u>

**Time-weighted Total Return \*** 4.7%

#### Supplemental Data:

Net assets, end of period	\$	1,186,396
Ratio to average net assets:		
Expenses **		0.19%
Net investment income **		3.68%
Portfolio turnover rate		12.26%

\* 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

(Amounts in thousands, except share data)

#### NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011. 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>
Teachers' Retirement System	\$ 300,270
Public Employees' Retirement System	298,171
Workers' Compensation Old Fund	191,647
Revenue Shortfall Reserve Fund - Part B	72,555
Revenue Shortfall Reserve Fund	71,422
West Virginia Retiree Health Benefit Trust	53,203
Coal Workers' Pneumoconiosis Fund	40,524
West Virginia Prepaid Tuition Trust Fund	38,389
Public Employees Insurance Agency	37,637
State Police Death, Disability and Retirement Fund	31,316
Board of Risk and Insurance Management	21,185
Judges' Retirement System	8,309
Deputy Sheriff's Retirement System	7,748
State Police Retirement System	5,109
Wildlife Endowment Fund	2,595
Emergency Medical Services Retirement System	2,273
Workers' Compensation Self-Insured Guaranty Risk Pool	1,624
Workers' Compensation Uninsured Employers' Fund	1,403
West Virginia Department of Environmental Protection Trust	553
AccessWV	455
Municipal Police Officers' and Firefighters' Retirement System	8
Total	<u>\$ 1,186,396</u>



**Financial Statements - Unaudited**

**December 31, 2011**





# TIPS Pool

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## **Financial Statements - Unaudited December 31, 2011**

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# TIPS Pool

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## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	686,714
Collateral for securities loaned at fair value (Note 4)		1,550
Receivables:		
Accrued interest		4,252
Investments sold		258,636
Securities lending income		<u>35</u>
<b>Total assets</b>		<b>951,187</b>

### Liabilities

Accrued expenses		97
Payable for investments purchased		1,851
Payable upon return of securities loaned (Note 4)		<u>1,551</u>
<b>Total liabilities</b>		<b><u>3,499</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>947,688</u></u></b>

### Analysis of net assets

Paid-in capital	\$	885,372
Accumulated undistributed net investment loss		(1,560)
Accumulated undistributed net realized gain from investments		21,784
Unrealized net appreciation of investments		<u>42,092</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>947,688</u></u></b>

### Unit data

Units outstanding		87,938,363
Net asset value, unit price	\$	<u><u>10.78</u></u>

See accompanying notes to financial statements.

# TIPS Pool

## Schedule of Investments in Securities - Unaudited (continued) December 31, 2011 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value Shares	Amortized Cost	Fair Value
<b><u>U.S. Treasury Issues</u></b>						
United States Treasury	0.630 %	(0.640) %	04/15/2013	12,085	\$ 13,156	\$ 13,170
United States Treasury	1.880	(0.554)	07/15/2013	19,210	24,567	24,780
United States Treasury	2.000	(0.388)	01/15/2014	18,660	23,980	24,208
United States Treasury	1.250	(0.409)	04/15/2014	14,455	16,053	16,201
United States Treasury	2.000	(0.369)	07/15/2014	18,310	23,319	23,694
United States Treasury	1.630	(0.169)	01/15/2015	16,285	20,363	20,812
United States Treasury	0.500	(0.362)	04/15/2015	20,235	21,742	22,105
United States Treasury	1.880	(0.163)	07/15/2015	16,035	20,012	20,584
United States Treasury	2.000	(0.025)	01/15/2016	15,885	19,601	20,244
United States Treasury	0.130	(0.740)	04/15/2016	36,615	38,925	39,177
United States Treasury	2.500	0.014	07/15/2016	16,308	20,342	21,145
United States Treasury	2.380	0.178	01/15/2017	14,125	17,602	18,403
United States Treasury	2.630	0.202	07/15/2017	12,445	15,405	16,185
United States Treasury	1.630	0.307	01/15/2018	13,285	15,487	16,356
United States Treasury	1.380	0.339	07/15/2018	13,485	15,105	16,032
United States Treasury	2.130	0.446	01/15/2019	12,525	14,741	15,703
United States Treasury	1.880	0.490	07/15/2019	14,115	16,497	17,635
United States Treasury	1.380	0.573	01/15/2020	17,340	19,295	20,668
United States Treasury	1.250	0.633	07/15/2020	26,870	29,322	31,553
United States Treasury	1.130	0.899	01/15/2021	30,985	32,695	35,767
United States Treasury	0.630	0.169	07/15/2021	33,725	35,337	36,260
United States Treasury	2.380	1.135	01/15/2025	20,775	28,687	31,738
United States Treasury	2.000	1.190	01/15/2026	15,895	20,019	22,277
United States Treasury	2.380	1.237	01/15/2027	12,970	16,824	18,805
United States Treasury	1.750	1.274	01/15/2028	13,485	15,570	17,509
United States Treasury	3.630	1.361	04/15/2028	12,190	22,681	25,401
United States Treasury	2.500	1.299	01/15/2029	13,360	16,662	18,795
United States Treasury	3.880	1.381	04/15/2029	14,760	28,089	31,664
United States Treasury	3.380	1.421	04/15/2032	4,465	7,647	8,766
United States Treasury	2.130	1.561	02/15/2040	10,415	12,298	14,636
United States Treasury	2.130	1.466	02/15/2041	18,495	22,001	25,844
Total U.S. Treasury Issues - 72.4%					644,024	686,117
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund - 0.1%				597	597	597
Total Investment Securities - 72.5%					\$ 644,621	\$ 686,714
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 1,526	\$ 1,526
Mellon SL DBT II Liquidating Fund					25	24
Total Collateral for Securities Loaned					\$ 1,551	\$ 1,550

See accompanying notes to financial statements.

# TIPS Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 1,277	\$ 7,538
Net accretion (amortization)	(2,824)	437
Securities lending income	42	114
<b>Total investment income</b>	(1,505)	8,089
 <b>Expenses</b>		
Investment advisor fees	(15)	(102)
Trustee fees	(2)	(2)
Custodian bank fees	(1)	(11)
Management fees	(26)	(148)
Fiduciary bond fees	-	(2)
Professional service fees	(5)	(27)
Securities lending agent fees	(6)	(17)
Securities lending borrower rebates	-	(1)
<b>Total expenses</b>	(55)	(310)
<b>Investment income (loss), net</b>	(1,560)	7,779
 <b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	16,812	21,558
Net increase (decrease) in the fair value of investments	(14,890)	36,209
<b>Net gain from investments</b>	1,922	57,767
<b>Net increase in net assets from operations</b>	\$ 362	\$ 65,546

*\*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.*

# TIPS Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income (loss), net	\$ (1,560)	\$ 7,779
Net realized gain from investments	16,812	21,558
Net increase (decrease) in the fair value of investments	(14,890)	36,209
<b>Net increase in net assets from operations</b>	362	65,546
<b>Distributions to unitholders</b>		
Investment income, net	-	(9,339)
<b>Unit transactions</b>		
Proceeds from sale of units	2,574	77,093
Reinvestment of distributions	1,635	15,329
	4,209	92,422
Amount paid for repurchase of units	(2,524)	(92,634)
<b>Net increase (decrease) in net assets from unit transactions</b>	1,685	(212)
<b>Increase in net assets</b>	2,047	55,995
<b>Net assets, beginning of period</b>	945,641	891,693
<b>Net assets, end of period</b>	\$ 947,688	\$ 947,688
<b>Unit data</b>		
Units sold	238,947	7,298,727
Units issued from reinvestment of distributions	151,813	1,471,557
	390,760	8,770,284
Units repurchased	(234,298)	(8,752,693)
<b>Net increase in units</b>	156,462	17,591

*\*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.*

# TIPS Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 invests in Treasury Inflation-Protected Securities (TIPS) and its objective is to match the performance of the Barclay's Capital U.S. TIPS Bond Index on an annualized basis over rolling three-year to five-year periods, gross of fees. Assets 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 in TIPS are carried at fair value, which is determined by a third party pricing service based quoted market prices, generally using the midpoint of the bid and offer price, and applying the relevant inflation factor. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. 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.

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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.

**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.

**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. The Pool does not routinely distribute dividends of net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

# TIPS Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
U.S. Treasury issues	\$ -	\$ 686,117	\$ -	\$ 686,117
Regulated investment companies	-	597	-	597
Securities lending collateral funds	-	1,550	-	1,550
Total	<u>\$ -</u>	<u>\$ 688,264</u>	<u>\$ -</u>	<u>\$ 688,264</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$	611,042		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>1,551</u>	\$ 1,550	<u>\$ (1)</u>
Non-cash			622,424	
Total			<u>\$ 623,974</u>	



# TIPS Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$	10.14
Income from investment operations:		
Net investment income		0.09
Net realized and unrealized gain on investment transactions		0.66
Total from investment operations		0.75
Less distributions from net investment income		(0.11)
Net asset value at December 31, 2011	\$	10.78

**Time-weighted Total Return \*** 7.3%

**Supplemental Data:**

Net assets, end of period	\$	947,688
Ratio to average net assets:		
Expenses **		0.06%
Net investment income **		1.67%
Portfolio turnover rate		12.55%

\* 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, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 239,301
Public Employees' Retirement System	210,177
Revenue Shortfall Reserve Fund	204,174
Workers' Compensation Old Fund	91,699
Revenue Shortfall Reserve Fund - Part B	47,902
West Virginia Retiree Health Benefit Trust	43,203
Public Employees Insurance Agency	26,736
Coal Workers' Pneumoconiosis Fund	25,743
State Police Death, Disability and Retirement Fund	22,916
Board of Risk and Insurance Management	13,482
Judges' Retirement System	6,063
Deputy Sheriff's Retirement System	5,546
State Police Retirement System	3,590
Wildlife Endowment Fund	1,920
Emergency Medical Services Retirement System	1,624
Access WV	1,065
Workers' Compensation Self-Insured Guaranty Risk Pool	1,016
Workers' Compensation Uninsured Employers' Fund	893
West Virginia Department of Environmental Protection Trust	633
Municipal Police Officers' and Firefighters' Retirement System	5
Total	\$ 947,688



**Financial Statements - Unaudited**

**December 31, 2011**



# TRS Annuity Pool

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## Financial Statements - Unaudited December 31, 2011

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# TRS Annuity Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost \$ 106,180

### Liabilities

Accrued expenses 8

**Net assets** \$ 106,172

### Analysis of net assets

Paid-in capital \$ 83,451

Accumulated undistributed net investment income 22,721

**Net assets** \$ 106,172

### Unit data

Units outstanding 9,295,525

Net asset value, unit price \$ 11.42

*See accompanying notes to financial statements.*

## TRS Annuity Pool

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### Schedule of Investments in Securities - Unaudited

December 31, 2011

(Amounts in thousands, except share data)

<u>Security Name</u>	<u>Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<b><u>Annuity Contract</u></b>			
Variable Annuity Life Insurance Company	106,180,069	\$ 106,180	\$ 106,180
Total Annuity Contract - 100.0%		<u>\$ 106,180</u>	<u>\$ 106,180</u>

See accompanying notes to financial statements.

## TRS Annuity Pool

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**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 396	\$ 2,330
<b>Expenses</b>		
Management fees	(3)	(17)
Professional service fees	<u>(1)</u>	<u>(30)</u>
<b>Total expenses</b>	<u>(4)</u>	<u>(47)</u>
<b>Investment income, net</b>	<u>392</u>	<u>2,283</u>
<b>Net increase in net assets from operations</b>	<u>\$ 392</u>	<u>\$ 2,283</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, 2011\***  
*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 392	\$ 2,283
<b>Unit transactions</b>		
Proceeds from sale of units	6	44
<b>Increase in assets from unit transactions</b>	6	44
<b>Increase in net assets</b>	398	2,327
<b>Net assets, beginning of period</b>	105,774	103,845
<b>Net assets, end of period</b>	\$ 106,172	\$ 106,172
<b>Unit data</b>		
Units sold	396	3,894
<b>Increase in units</b>	396	3,894

*\*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, 2011\***  
*(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	\$ 392	\$ 2,283
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(396)	(2,330)
Increase (decrease) in accrued expenses	(2)	3
	<u>(6)</u>	<u>3</u>
<b>Net cash used in operating activities</b>	(6)	(44)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	<u>6</u>	<u>44</u>
<b>Cash provided by financing activities</b>	<u>6</u>	<u>44</u>
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	<u>-</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ -</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

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 TRS Annuity 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 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 \$248,293. Effective April 23, 2009, the IMB elected to liquidate this contract and will receive five equal annual payments of \$55,058. Payments were received on May 4, 2009, 2010, and 2011. Remaining payments will be received on May 4, 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

*(Amounts in thousands, except share data)*

### 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. At December 31, 2011 amortized cost approximated fair value.

**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.

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

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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

# TRS Annuity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Annuity contract	\$ -	\$ -	\$ 106,180	\$ 106,180

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2011 was as follows:

	Annuity contract
Balance at June 30, 2011	\$ 103,850
Net realized gain/(loss)	-
Net change in unrealized appreciation/(depreciation)	-
Purchases	2,330
Sales	-
Net transfers in/(out) of Level 3	-
Balance at December 31, 2011	\$ 106,180

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 11.18
Net investment income from investment operations	0.24
Net asset value at December 31, 2011	\$ 11.42

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

#### Supplemental Data:

Net assets, end of period	\$ 106,172
Ratio to average net assets:	
Expenses **	0.09%
Net investment income **	4.35%
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, 2011**





# Private Equity Pool

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## Financial Statements - Unaudited December 31, 2011

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# Private Equity Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	988,792
Receivables:		
Partnership distributions		529
Dividends		<u>2</u>
<b>Total assets</b>		<b>989,323</b>

### Liabilities

Accrued expenses		<u>197</u>
<b>Net assets</b>	<b>\$</b>	<b><u>989,126</u></b>

### Analysis of net assets

Paid-in capital	\$	860,724
Accumulated undistributed net investment loss		(4,424)
Accumulated undistributed net realized loss from investments		(60,234)
Unrealized net appreciation of investments		<u>193,060</u>
<b>Net assets</b>	<b>\$</b>	<b><u>989,126</u></b>

### Unit data

Units outstanding		90,458,749
Net asset value, unit price	\$	<u>10.93</u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
<b><u>Partnerships</u></b>			
Advent International GPE VI - A. L.P.		\$ 25,286	\$ 27,141
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		30,012	32,210
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.			
Franklin Park Venture Fund Series 2008, L.P.		12,027	13,786
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.			
Franklin Park Venture Fund Series 2009, L.P.		9,384	10,307
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.			
Franklin Park Venture Fund Series 2010, L.P.		3,661	3,376
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.			
Franklin Park Venture Fund Series 2011, L.P.		1,782	1,744
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 Debt & LBO Fund II, L.P.		17,753	17,242
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.			

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Hellman & Friedman Capital Partners VII, L.P. Investment Objective - To make investments, both domestically and internationally, in public and private companies seeking long-term capital appreciation. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		8,343	7,878
Insight Equity II L.P. 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.		9,505	7,387
Insight Equity Mezzanine I, L.L.P. 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.		1,449	1,294
JFL Equity Investors III, L.P. Investment Objective - To seek long-term capital appreciation by acquiring, holding, and disposing of securities involved in or connected with defense, aerospace, marine, or engineering industries. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		6,705	5,342
KPS Special Situations Fund III (Supplemental), L.P. 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 that need immediate and significant change. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		11,930	11,970
LLR Equity Partners III, L.P. 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.		24,560	20,693

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Mason Wells Buyout Fund III, L.P. Investment Objective - To deliver superior risk-adjusted investment returns by applying the Mason Wells Value Creation System to drive improvements to operating and financial performance at portfolio companies. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		12,637	11,857
Natural Gas Partners IX, L.P. 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.		37,702	47,582
Odyssey Investment Partners Fund IV, L.P. 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.		17,544	20,067
Platinum Equity Capital Partners II, L.P. 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.		36,152	37,551
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.		19,437	18,900
TA XI, L.P. Investment Objective - To achieve capital appreciation with relatively modest risk by originating investments in profitable, middle-market companies in growth industries. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		15,300	15,708

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Wellspring Capital Partners V, L.P. Investment Objective - To target under-managed or underperforming companies possessing strong core franchises and solid fundamentals in the consumer products, manufacturing, retail, distribution, and business and consumer service industries. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		3,938	3,342
Welsh, Carson, Anderson & Stowe XI, L.P. 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.		25,521	26,499
Wicks Capital Partners Fund IV, L.P. Investment Objective - To invest in and build middle market businesses in selected segments of the information, education and media industries. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		484	484
Total Partnerships - 34.6%		331,112	342,360
<b><u>Investments in Other Funds</u></b>			
Bridgewater All Weather Portfolio II, LTD Investment Objective - To seek to provide attractive returns with relatively limited risks, with no material bias to perform better or worse in any particular type of economic environment. Redemption Provisions - Monthly on the first business day A detail of the underlying investments is not available.	423,877	433,268	615,080
Total Investments in Other Funds - 62.2%		433,268	615,080
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 3.2%	31,351,830	31,352	31,352
Total Investment Securities - 100.0%		\$ 795,732	\$ 988,792

See accompanying notes to financial statements.

# Private Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Dividends	\$ 1	\$ 8
<b>Expenses</b>		
Trustee fees	-	(2)
Custodian bank fees	-	(1)
Management fees	(26)	(161)
Fiduciary bond fees	-	(2)
Professional service fees	(72)	(430)
Fund closing costs	(31)	(42)
<b>Total expenses</b>	<u>(129)</u>	<u>(638)</u>
<b>Investment loss, net</b>	(128)	(630)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	10,122	52,999
Net increase in the fair value of investments	<u>4,267</u>	<u>14,468</u>
<b>Net gain from investments</b>	<u>14,389</u>	<u>67,467</u>
<b>Net increase in net assets from operations</b>	<u>\$ 14,261</u>	<u>\$ 66,837</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 Equity Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (128)	\$ (630)
Net realized gain from investments	10,122	52,999
Net increase in the fair value of investments	4,267	14,468
<b>Net increase in net assets from operations</b>	14,261	66,837
<b>Unit transactions</b>		
Proceeds from sale of units	293	41,851
Amount paid for repurchase of units	(7,986)	(140,730)
<b>Net decrease in net assets from unit transactions</b>	(7,693)	(98,879)
<b>Increase (decrease) in net assets</b>	6,568	(32,042)
<b>Net assets, beginning of period</b>	982,558	1,021,168
<b>Net assets, end of period</b>	\$ 989,126	\$ 989,126
<b>Unit data</b>		
Units sold	27,188	3,891,258
Units repurchased	(740,936)	(13,242,836)
<b>Net decrease in units</b>	(713,748)	(9,351,578)

*\*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, 2011\***  
*(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	\$ 14,261	\$ 66,837
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:		
Purchase of investment securities	(24,981)	(98,888)
Proceeds from disposition of investment securities	36,223	196,263
Purchases and sales of short-term investment securities, net	(2,892)	2,620
Increase in receivable for partnership distributions	(529)	(529)
Increase in dividends receivable	-	(1)
Increase in accrued expenses	-	44
Net realized gain from investments	(10,122)	(52,999)
Net increase in the fair value of investments	(4,267)	(14,468)
<b>Net cash provided by operating activities</b>	<b>7,693</b>	<b>98,879</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	293	41,851
Paid for repurchase of units	(7,986)	(140,730)
<b>Net cash used in financing activities</b>	<b>(7,693)</b>	<b>(98,879)</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash</b>		
Beginning balance	-	-
Ending balance	<u>\$ -</u>	<u>\$ -</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 Equity Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 \$957,440 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

*(Amounts in thousands, except share data)*

### 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, 2011. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions.

**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 investments in private equity funds are recognized when the private equity fund has realized its interest in a portfolio company and we have sufficient information as to the amount and date of the distribution. Gains and losses on the sale of other investments are recognized at the time of sale by the average cost 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 net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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

(Amounts in thousands, except share data)

### 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Regulated investment companies	\$ -	\$ 31,352	\$ -	\$ 31,352
Investments in other funds	-	-	615,080	615,080
Partnerships	-	-	342,360	342,360
Total	<u>\$ -</u>	<u>\$ 31,352</u>	<u>\$ 957,440</u>	<u>\$ 988,792</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2011 was as follows:

	<u>Investments in other funds</u>	<u>Partnerships</u>
Balance at June 30, 2011	\$ 735,267	\$ 252,081
Net realized gain/(loss)	47,096	5,903
Net change in unrealized appreciation/(depreciation)	12,717	1,751
Purchases	-	98,888
Sales	(180,000)	(16,263)
Net transfers in/(out) of Level 3	-	-
Balance at December 31, 2011	<u>\$ 615,080</u>	<u>\$ 342,360</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, 2011 the IMB had made commitments to twenty-two private equity general partnerships totaling \$827,000. The IMB had funded \$338,253 of these commitments at December 31, 2011, leaving unfunded commitments of \$488,747.

# Private Equity Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$	10.23
Income from investment operations:		
Net investment loss		(0.01)
Net realized and unrealized gain on investment transactions		0.71
Net asset value at December 31, 2011	\$	<u>10.93</u>

**Time-weighted Total Return \*** 6.9%

#### Supplemental Data:

Net assets, end of period	\$	989,126
Ratio to average net assets:		
Expenses **		0.12%
Net investment income **		-0.12%
Portfolio turnover rate		9.90%

\* 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, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 481,951
Public Employees' Retirement System	423,834
State Police Death, Disability and Retirement Fund	45,836
Judges' Retirement System	12,129
Deputy Sheriff's Retirement System	11,093
State Police Retirement System	7,184
Wildlife Endowment Fund	3,839
Emergency Medical Services Retirement System	3,250
Municipal Police Officers' and Firefighters' Retirement System	10
Total	<u>\$ 989,126</u>



**Financial Statements - Unaudited**

**December 31, 2011**





# Real Estate Pool

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## Financial Statements - Unaudited December 31, 2011

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# Real Estate Pool

## Statement of Assets and Liabilities - Unaudited December 31, 2011

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	310,062
Collateral for securities loaned at fair value (Note 4)		6,311
Cash denominated in foreign currencies (cost \$1)		1
Receivables:		
Investments sold		121
Foreign tax withholding		16
Dividends		207
Securities lending income		<u>1</u>
<b>Total assets</b>		<b>316,719</b>

### Liabilities

Payable for investments purchased		99
Accrued expenses		161
Payable upon return of securities loaned (Note 4)		6,314
Unrealized loss on foreign currency forward contracts (Note 6)		<u>1</u>
<b>Total liabilities</b>		<b><u>6,575</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>310,144</u></u></b>

### Analysis of net assets

Paid-in capital	\$	267,539
Accumulated undistributed net investment income		10,624
Accumulated undistributed net realized gain from investments		21,711
Accumulated undistributed net realized gain from foreign currency transactions		210
Unrealized net appreciation of investments		9,659
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		<u>401</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>310,144</u></u></b>

### Unit data

Units outstanding		34,422,867
Net asset value, unit price	\$	<u><u>9.01</u></u>

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments in Securities - Unaudited December 31, 2011

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
<b>Investments in Other Funds</b>			
AG Core Plus Realty Fund III, L.P. Investment Objective - To generate at 12-13% net return to investors through the acquisition of equity interests in high-quality assets which are likely to appreciate over time. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		\$ 10,500	\$ 10,368
Blackstone RE Partners Europe III, L.P. Investment Objective - To invest in a broad range of real estate and real estate related investments in Europe. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		4,350	5,613
DRA Growth & Income Fund VII Investment Objective - To capitalize on inefficiencies in real estate markets and to make real estate investments that provide value add opportunities expected to provide investors a 12-15% rate of return on their investments. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		720	723
Invesco Core Real Estate - U.S.A. Fund Investment Objective - The Fund will invest in core properties located in the United States. Redemption Provisions - Quarterly with 90 days written notice. A detail of the underlying investments is not available.		30,000	37,550
Kennedy Wilson Real Estate Fund IV, L.P. Investment Objective - To seek targeted real estate investment in the opportunistic and value-add strategies located primarily in the western United States. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		16,178	15,936
Lone Star Real Estate Fund II Investment Objective - To invest in global real estate investments in distressed commercial real estate debt and equity. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		3,574	3,297
Lone Star Fund VII Investment Objective - To invest in global real estate investments in distressed loans and securities, with a focus on single family and residential assets. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		4,347	4,753
Mesa West Real Estate Income Fund II, L.P. Investment Objective - To originate and service first mortgage and mezzanine loans on middle-market, value-added and traditional commercial real estate assets in the United States. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		18,479	18,247
Oaktree Real Estate Opportunities Fund V, L.P. Investment Objective - To target distressed real estate debt and equity investments that provide an opportunity for substantial long-term capital appreciation and current income. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		21,500	21,402
Quadrant Fund I, LLC Investment Objective - To achieve a highly stable dividend yield and attractive total return by investing in real estate assets on a relative value basis across private and public, debt and equity investments. Redemption Provisions - Quarterly on the last business day. No underlying investments exceed 5% of net assets of the Private Real Estate Pool.		15,000	11,707

*See accompanying notes to financial statements.*

# Real Estate Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
RCG Longview Debt Fund IV, L. P. Investment Objective - To generate attractive risk-adjusted returns by capitalizing on inefficiencies in the commercial real estate lending marketplace. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		22,690	19,892
RREEF America REIT II, Inc. Investment Objective - To invest in a portfolio of core equity investments in income producing real property diversified by property type and geographically in the United States. Redemption Provisions - Quarterly with 45 days written notice. A detail of the underlying investments is not available.		30,000	34,621
UBS Trumbull Property Fund Investment Objective - To invest in a portfolio of core equity investments in income producing real property diversified by property type and geographically in the United States. Redemption Provisions - Quarterly with 60 days written notice. A detail of the underlying investments is not available.		50,000	54,196
<b>Total Investments in Other Funds - 76.8%</b>		<b>227,338</b>	<b>238,305</b>
<b>Real Estate Investment Trusts</b>			
<i>Australia</i>			
CFS Retail Property Trust	91,957	169	159
Dexus Property Group	265,500	205	226
Goodman Group	452,028	279	264
GPT Group	177,880	502	560
Investa Office Fund	245,400	138	151
Mirvac Group	125,700	160	152
Stockland	231,400	840	757
Westfield Group	89,600	893	717
Westfield Retail Trust	149,690	284	382
<i>Total Australia - 1.1%</i>		<u>3,470</u>	<u>3,368</u>
<i>Bermuda</i>			
Great Eagle Holdings Ltd	15,000	44	29
Hongkong Land Holdings	173,084	1,042	786
Kerry Properties Ltd	186,800	950	618
Shangri-La Asia Ltd	240,416	544	415
<i>Total Bermuda - 0.6%</i>		<u>2,580</u>	<u>1,848</u>
<i>Brazil</i>			
BR Malls Participacoes	6,700	72	65
Sonae Sierra Brasil	3,800	46	49
<i>Total Brazil - 0.0%</i>		<u>118</u>	<u>114</u>
<i>Canada</i>			
Boardwalk	10,400	441	515
Brookfield Properties Corp	20,600	341	322
Calloway	8,200	186	216
Canadian	1,600	47	56
Cominar Real Estate Investment	3,500	71	76
H&R	4,900	89	112
Primaris Retail	2,500	46	51
RioCan	36,243	830	941
<i>Total Canada - 0.7%</i>		<u>2,051</u>	<u>2,289</u>
<i>Cayman Islands</i>			
China Resources Land Ltd	130,000	229	209
Lifestyle International Hldngs	310,000	704	683
Longfor Properties	153,000	216	173
Soho China Ltd	100,000	87	67
<i>Total Cayman Islands - 0.4%</i>		<u>1,236</u>	<u>1,132</u>

See accompanying notes to financial statements.

# Real Estate Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<i>China</i>			
Guangzhou R&F Properties Corp - 0.0%	185,000	284	146
<i>France</i>			
ICADE	6,810	716	537
Klepierre	6,779	256	194
Mercialys	3,400	124	110
Societe Immobiliere de Locatio	860	106	84
Unibail-Rodamco	7,335	1,485	1,323
<i>Total France - 0.7%</i>		2,687	2,248
<i>Germany</i>			
GSW Immobilien AG - 0.0%	4,790	132	139
<i>Hong Kong</i>			
Cheung Kong Holdings Ltd	12,000	165	143
China Overseas Land & Invstmnt	463,000	946	774
Hang Lung Properties Ltd	270,000	1,133	768
Hysan Development Company	193,192	705	634
Link REIT	120,600	366	444
Sino Land Company Ltd.	116,200	173	165
Sun Hung Kai Properties Ltd	92,300	1,408	1,157
Wharf Hldgs Ltd	48,720	299	220
<i>Total Hong Kong - 1.4%</i>		5,195	4,305
<i>Japan</i>			
Advance Residence Investment	32	64	62
AEON Mall Company Ltd	26,000	593	552
Daiwa House Industry Co Ltd	47,000	513	561
Frontier Real Estate Inv Corp	16	137	130
Japan Real Estate Inv Corp	22	199	172
Japan Retail Fund Inv Corp	75	105	111
Kenedix Realty Investment Corp	22	79	64
Mitsubishi Estate Co Ltd	70,600	1,193	1,055
Mitsui Fudosan Co Ltd	77,500	1,378	1,130
Nippon Accommodations Fund	12	78	81
Nippon Building Fund Inc	16	158	131
Nomura Real Estate Holdings	7,100	130	106
Tokyo Tatemono Company Ltd	6,000	18	18
United Urban Investment Corp	56	59	64
<i>Total Japan - 1.4%</i>		4,704	4,237
<i>Netherlands</i>			
Corio NV - 0.0%	1,740	121	76
<i>Singapore</i>			
Ascendas	39,000	64	55
CapitaCommercial Trust	208,000	223	169
Capitaland Ltd	372,500	1,032	635
CapitaMall Trust	142,000	208	186
City Developments Ltd	66,000	582	453
Global Logistic Properties	184,600	289	250
Wing Tai Holdings Ltd	176,000	230	128
<i>Total Singapore - 0.6%</i>		2,628	1,876
<i>Spain</i>			
Melia International SA - 0.1%	60,000	506	303
<i>Sweden</i>			
Castellum AB	27,288	330	340
Hufvudstaden AB	4,580	47	47
<i>Total Sweden - 0.1%</i>		377	387

See accompanying notes to financial statements.

# Real Estate Pool

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

December 31, 2011

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<i>Switzerland</i>			
PSP Swiss Property AG	570	55	48
Swiss Prime Site AG	1,870	137	141
<i>Total Switzerland - 0.1%</i>		192	189
<i>Thailand</i>			
Central Pattana Public Company - 0.2%	405,200	375	485
<i>United Kingdom</i>			
British Land Company PLC	36,206	283	260
Derwent London PLC	30,740	722	745
Great Portland Estates PLC	74,870	384	376
Hammerson PLC	90,170	590	504
Land Securities Group PLC	76,955	813	760
Safestore Holdings PLC	33,000	66	51
SEGRO	16,980	77	55
Shaftesbury PLC	33,433	218	243
<i>Total United Kingdom - 1.0%</i>		3,153	2,994
<i>United States</i>			
American Campus Communities	10,900	331	457
Avalonbay Communities Inc	5,700	633	744
Boston Properties	17,000	1,432	1,693
BRE Properties	6,500	275	328
DDR Corp	41,300	485	503
Douglas Emmett Inc	15,700	266	286
Equity Residential	12,800	616	730
Essex Property Trust Inc	10,400	1,246	1,461
Federal Realty Investment Tst	9,300	727	844
General Growth Properties Inc	27,234	400	409
HCP Inc	24,700	892	1,023
Health Care REIT	19,100	973	1,042
Highwoods Properties Inc	2,500	79	74
Host Hotels & Resorts Inc	54,400	853	803
Kimco Realty Corporation	10,400	186	169
Liberty Property Trust	10,700	347	330
Macerich Co	10,100	432	511
Pebblebrook Hotel Trust	4,200	83	81
Post Properties Inc	3,900	149	171
Prologis Inc	53,481	1,653	1,529
Public Storage	10,000	1,031	1,345
Simon Property Group	25,400	2,424	3,276
SL Green Realty Corp	11,400	761	760
Starwood Hotels & Resorts	13,200	757	633
Tanger Factory Outlet Centers	5,300	125	155
Taubman Centers Inc	11,500	544	714
UDR Inc	39,200	917	984
Ventas Inc	19,000	650	1,047
Vornado Realty Trust	13,300	1,089	1,022
<i>Total United States - 7.5%</i>		20,356	23,124
Total Real Estate Investment Trusts - 15.9%		50,165	49,260
<b>Short-term Issues</b>			
Dreyfus Cash Management Institutional Fund - 7.3%	22,497,090	22,497	22,497
Total Investment Securities - 100.0%		\$ 300,000	\$ 310,062
<b>Collateral for Securities Loaned</b>			
BNY Mellon Securities Lending Overnight Fund		\$ 6,214	\$ 6,214
Mellon SL DBT II Liquidating Fund		100	97
Total Collateral for Securities Loaned		\$ 6,314	\$ 6,311

See accompanying notes to financial statements.

## Real Estate Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ (1)	\$ (2)
Operating	-	747
Dividends, net of foreign withholding taxes	239	772
Fund closing interest	728	733
Securities lending income	1	4
Securities lending borrower premiums	2	8
	<b>969</b>	<b>2,262</b>
<b>Expenses</b>		
Investment advisor fees	(33)	(209)
Trustee fees	(1)	(1)
Custodian bank fees	(5)	(32)
Management fees	(9)	(47)
Fiduciary bond fees	-	(1)
Professional service fees	(34)	(263)
Management fees - external	-	(150)
Securities lending agent fees	(1)	(2)
	<b>(83)</b>	<b>(705)</b>
	<b>886</b>	<b>1,557</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	281	9
Foreign currency transactions	(6)	85
Net increase (decrease) in the fair value of:		
Investments	(145)	497
Translation of assets and liabilities in foreign currencies	(162)	(836)
	<b>(32)</b>	<b>(245)</b>
	<b>854</b>	<b>1,312</b>
	<b>\$ 854</b>	<b>\$ 1,312</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.*

## Real Estate Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 886	\$ 1,557
Net realized gain from investments	281	9
Net realized gain (loss) from foreign currency transactions	(6)	85
Net increase (decrease) in the fair value of investments	(145)	497
Net decrease in the translation of assets and liabilities in foreign currencies	(162)	(836)
<b>Net increase in net assets from operations</b>	854	1,312
<b>Unit transactions</b>		
Proceeds from sale of units	5,327	62,339
Amount paid for repurchase of units	(117)	(1,338)
<b>Net increase in net assets from unit transactions</b>	5,210	61,001
<b>Increase in net assets</b>	6,064	62,313
<b>Net assets, beginning of period</b>	304,080	247,831
<b>Net assets, end of period</b>	\$ 310,144	\$ 310,144
<b>Unit data</b>		
Units sold	592,867	6,923,599
Units repurchased	(13,022)	(149,895)
<b>Net increase in units</b>	579,845	6,773,704

*\*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.*



## Real Estate Pool

**Statement of Cash Flows - Unaudited**  
**Period Ended December 31, 2011\***  
*(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	\$ 854	\$ 1,312
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(7,679)	(71,578)
Proceeds from disposition of investment securities	2,538	14,503
Purchases and sales of short-term investment securities, net	(779)	(5,486)
Decrease (increase) in receivable for investments sold	3	(13)
Increase in dividends receivable	(132)	(63)
Increase in foreign tax withholding receivable	(12)	(4)
Decrease in securities lending receivable	-	1
Decrease in accrued expenses	(1)	(16)
Increase (decrease) in payable for investments purchased	(34)	99
Net realized gain from investments	(281)	(9)
Net realized loss (gain) from foreign currency transactions	6	(85)
Net decrease (increase) in the fair value of investments	145	(497)
Net decrease in the translation of assets and liabilities in foreign currencies	162	836
<b>Net cash used in operating activities</b>	(5,210)	(61,000)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	5,327	62,339
Amount paid for repurchase of units	(117)	(1,338)
<b>Cash provided by financing activities</b>	5,210	61,001
<b>Net change in cash</b>	-	1
<b>Cash</b>		
Beginning balance	1	-
Ending balance	\$ 1	\$ 1

*\*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.*

# Real Estate Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 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 holds the IMB's investments in real estate funds, real estate limited partnerships and real estate investment trusts (REITS). Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for the real estate funds and limited partnerships. The REITS are managed by European Investors, Inc. and ING Clarion Real Estate Securities.

### 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, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$238,305 of such 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

# Real Estate Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

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 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, 2011. Foreign currency forward contracts are valued at either spot or forward month-end exchange rates. Investments in equity securities are carried at fair value, which is determined by a third party pricing service based on quoted market prices. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. 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. 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 BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. 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 as net increase or decrease in the fair value of investments.

**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.

**Foreign Currency Forward Contracts** - A foreign currency 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

# Real Estate Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

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 investments in real estate funds are recognized when the real estate fund has realized its interest in a portfolio holding and we have sufficient information as to the amount and date of the distribution. Gains and losses on the sale of other investments are recognized at the time of sale by the average cost method.

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

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

**Operating Income** - Operating income from real estate partnerships is recognized when distributed to the partners.

**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

In certain foreign countries the Pool's dividend income and capital gains may be taxable. Such taxes are generally withheld from the payments of these types of income and as a result there is no provision recorded for these taxes. In certain cases there may be a full or partial reclaim available for the withheld taxes. The outstanding reclaims are reported on the Statement of Assets and Liabilities. Dividend income is reported net of withheld taxes on the Statement of Operations.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 are:

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

## Real Estate Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

Assets	Level 1	Level 2	Level 3	Total
Real estate investment trusts	\$ 49,260	\$ -	\$ -	\$ 49,260
Regulated investment companies	-	22,497	-	22,497
Investments in other funds	-	-	238,305	238,305
Securities lending collateral funds	-	6,311	-	6,311
Total	<u>\$ 49,260</u>	<u>\$ 28,808</u>	<u>\$ 238,305</u>	<u>\$ 316,373</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2011 was as follows:

	Investments in other funds
Balance at June 30, 2011	\$ 175,132
Net realized gain/(loss)	692
Net change in unrealized appreciation/(depreciation)	6,351
Purchases	64,557
Sales	(8,427)
Net transfers in/(out) of Level 3	-
Balance at December 31, 2011	<u>\$ 238,305</u>

#### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at December 31, 2011.

Fair value of securities on loan	\$ 6,121		
Initial collateral received:	Cost	Fair Value	Unrealized loss
Cash	<u>\$ 6,314</u>	<u>\$ 6,311</u>	<u>\$ (3)</u>
Non-cash		-	
Total		<u>\$ 6,311</u>	

# Real Estate Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. COMMITMENTS

The IMB, with the assistance of its consultant, began implementing its plan to invest in real estate in February 2008. The IMB has committed \$495,000 to sixteen real estate investment funds/partnerships. The IMB had funded \$227,689 of these commitments at December 31, 2011, leaving unfunded commitments of \$267,311.

### NOTE 6. FOREIGN CURRENCY FORWARD CONTRACTS

At December 31, 2011, open foreign currency forward contracts are as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized Gain (Loss)	
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)		
Long	Honk Kong Dollar	12/29/2011	1/3/2012	120	15		15	-	
Long	Honk Kong Dollar	12/30/2011	1/4/2012	33	4		4	-	
Short	U.S. Dollar	12/28/2011	1/3/2012		3	4	3	-	
Short	U.S. Dollar	12/28/2011	1/4/2012		64	4,994	65	(1)	
Short	U.S. Dollar	12/29/2011	1/4/2012		3	4	3	-	
Short	U.S. Dollar	12/29/2011	1/5/2012		23	1,769	23	-	
Short	U.S. Dollar	12/30/2011	1/5/2012		4	5	4	-	
Short	U.S. Dollar	12/30/2011	1/6/2012		8	623	8	-	
				\$	124		\$	126	\$ (1)

The contracts listed above were initiated to correspond to transactions in securities trading in foreign currencies. The fair value, gains and losses, and risks are not material to the Pool.

### NOTE 7. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$ 8.96
Income from investment operations:	
Net investment income	0.05
Net realized and unrealized gain on investment transactions	0.03
Net decrease in the translation of assets and liabilities in foreign currencies	<u>(0.03)</u>
Total from investment operations	<u>0.05</u>
Net asset value at December 31, 2011	<u>\$ 9.01</u>

**Time-weighted Total Return \*** 0.5%

**Supplemental Data:**

Net assets, end of period	\$ 310,144
Ratio to average net assets:	
Expenses **	0.49%
Net investment income **	1.08%
Portfolio turnover rate	5.41%

\* 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

## Real Estate Pool

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### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 8. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 151,261
Public Employees' Retirement System	133,015
State Police Death, Disability and Retirement Fund	14,318
Judges' Retirement System	3,785
Deputy Sheriff's Retirement System	3,457
State Police Retirement System	2,234
Wildlife Endowment Fund	1,060
Emergency Medical Services Retirement System	1,011
Municipal Police Officers' and Firefighters' Retirement System	3
Total	<u>\$ 310,144</u>





**Financial Statements - Unaudited**

**December 31, 2011**



# Hedge Fund Pool

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## Financial Statements - Unaudited December 31, 2011

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# Hedge Fund Pool

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## Statement of Assets and Liabilities - Unaudited

December 31, 2011

*Amounts in thousands, except unit data)*

### Assets

Investment securities at fair value	\$	1,036,666
Advance on investment in other funds (Note 4)		45,000
Receivables:		
Investments sold		13,592
Accrued interest		3
Dividends		2
		<hr/>
<b>Total assets</b>		1,095,263

### Liabilities

Accrued expenses		<hr/> 154
<b>Net assets</b>	<b>\$</b>	<b><hr/><hr/>1,095,109</b>

### Analysis of net assets

Paid-in capital	\$	1,012,140
Accumulated undistributed net investment loss		(3,013)
Accumulated undistributed net realized gain from investments		8,502
Unrealized net appreciation of investments		77,480
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b><hr/><hr/>1,095,109</b>

### Unit data

Units outstanding		102,009,836
Net asset value, unit price	\$	<hr/> <hr/> 10.74

*See accompanying notes to financial statements.*

# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
<b><u>Investments in Other Funds</u></b>			
AllBlue Limited		\$ 48,048	\$ 66,603
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 subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
AQR Delta Offshore Fund II, Ltd.		40,000	39,677
Investment Objective - To produce high, risk-adjusted returns while targeting a low, long-term correlation to traditional markets.			
Redemption Provisions - Monthly with 60 days prior written notice.			
A detail of the underlying investments is not available.			
Anchorage Capital Partners		30,000	28,575
Investment Objective - To earn superior risk-adjusted returns while emphasizing preservation of capital.			
Redemption Provisions - Hard lock-up through September 30, 2011 then annually with 90 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Brevan Howard Fund Limited		38,256	52,493
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 subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Bridgewater Pure Alpha		38,624	55,840
Investment Objective - To achieve substantial capital appreciation in a wide range of asset classes using proprietary investment systems.			
Redemption Provisions - Monthly with 5 days prior written notice.			
A detail of the underlying investments is not available.			
Bridgewater Pure Alpha Major Markets		13,900	14,891
Investment Objective - To achieve substantial capital appreciation in a wide range of asset classes using proprietary investment systems.			
Redemption Provisions - Monthly with 5 days prior written notice.			
A detail of the underlying investments is not available.			
CQS Convertible & Quantitative Strategies		33,234	31,150
Investment Objective - To achieve attractive risk-adjusted returns over the medium to long term.			
Redemption Provisions - Monthly with 90 days prior written notice subject to provisions on maximum withdrawals.			
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, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Davidson Kempner International, Ltd. Investment Objective - To achieve capital appreciation. Redemption Provisions - Quarterly with 60 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		57,917	70,549
Double Black Diamond Ltd. Investment Objective - To produce returns substantially in excess of those derived from risk-free investments without a substantial increase in overall risk. Redemption Provisions - Hard lock-up through December 31, 2011 then quarterly with 60 days prior written notice subject to maximum withdrawal provisions. A detail of the underlying investments is not available.		60,000	58,685
Golden Tree Offshore Fund, Ltd. 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 written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		31,280	39,465
Graham Global Investment Fund, Ltd. Investment Objective - To achieve long-term capital appreciation through professionally managed trading in derivative instruments of global fixed income, foreign exchange, commodities, and other stock indices. Redemption Provisions - Monthly with 3 days prior written notice. A detail of the underlying investments is not available.		30,000	25,824
Highbridge Capital 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 written notice for 42% and Quarterly with 65 days prior written notice for 58%. A detail of the underlying investments is not available.		49,833	49,186
Ivory Offshore 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.		36,822	38,771
Magnetar Capital Fund Investment Objective - To achieve superior risk-adjusted returns. Redemption Provisions - Quarterly with 90 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		73,638	70,318

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Marshall Wace LLP Investment Objective - To provide investors with above average absolute returns primarily through investing and trading in equities and equity related instruments. Redemption Provisions - Monthly with 15 days prior written notice. A detail of the underlying investments is not available.		45,000	48,493
M&G Episode 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 - Monthly with 30 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		28,247	30,064
O'Connor Global 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.		51,959	67,203
Och Ziff Investment Objective - To achieve consistent, absolute returns with low volatility primarily by seeking to exploit pricing inefficiencies in equity debt securities of Asian companies. Redemption Provisions - Hard lock-up through September 30, 2011 then annually with 45 days prior written notice. A detail of the underlying investments is not available.		40,000	40,591
Perry Partners Investment Objective - To achieve positive annual returns accompanied by a low level of beta and volatility in correlation relative to equity markets. Redemption Provisions - Quarterly with 90 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		60,000	63,393
Pershing Square International, Ltd. Investment Objective - To invest in long and short investment opportunities that exhibit significant valuation discrepancies between current trading prices and intrinsic business value. Redemption Provisions - Hard lockup until September 2013, then quarterly with 65 days prior written notice subject to maximum withdrawal restrictions. A detail of the underlying investments is not available.		30,000	32,356

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

**December 31, 2011**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Shepherd Investments		4,504	4,332
Investment Objective - To achieve an attractive rate of return, relative to the level of risk assumed.			
Redemption Provisions- Redemption has been requested and proceeds will be paid subject to provisions on maximum withdrawals and upon liquidation of investments.			
A detail of the underlying investments is not available.			
Taconic Opportunity		60,000	60,939
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 subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Tenor Opportunity		29,999	30,442
Investment Objective - To generate attractive risk-adjusted returns by employing a variety of strategies primarily focused on convertible arbitrage.			
Redemption Provisions - Quarterly with 60 days prior written notice subject to to maximum withdrawal provisions.			
A detail of the underlying investments is not available.			
VICIS Capital		16,620	5,521
The IMB has elected to withdraw from the VICIS Capital fund. Our redemption has been requested and proceeds will be paid to us as investments are liquidated.			
Total Investment in Other Funds - 93.6%		947,881	1,025,361
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.0%	11,305,212	11,305	11,305
Total Investment Securities 94.6%		\$ 959,186	\$ 1,036,666

*See accompanying notes to financial statements.*



# Hedge Fund Pool

**Statement of Operations - Unaudited**  
**Period Ended December 31, 2011\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 2	\$ 3
Dividends	2	4
	<hr/>	<hr/>
<b>Total investment income</b>	4	7
 <b>Expenses</b>		
Trustee fees	-	(2)
Custodian bank fees	-	(1)
Management fees	(30)	(171)
Fiduciary bond fees	-	(2)
Professional service fees	(39)	(276)
	<hr/>	<hr/>
<b>Total expenses</b>	(69)	(452)
<b>Investment loss, net</b>	(65)	(445)
 <b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain (loss) from investments	2,716	(471)
Net decrease in the fair value of investments	(4,810)	(24,367)
	<hr/>	<hr/>
<b>Net loss from investments</b>	(2,094)	(24,838)
<b>Net decrease in net assets from operations</b>	<u>\$ (2,159)</u>	<u>\$ (25,283)</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, 2011\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (65)	\$ (445)
Net realized gain (loss) from investments	2,716	(471)
Net decrease in the fair value of investments	(4,810)	(24,367)
<b>Net decrease in net assets from operations</b>	(2,159)	(25,283)
<b>Unit transactions</b>		
Proceeds from sale of units	25,418	59,916
Amount paid for repurchase of units	-	(12,447)
<b>Net increase in net assets from unit transactions</b>	25,418	47,469
<b>Increase in net assets</b>	23,259	22,186
<b>Net assets, beginning of period</b>	1,071,850	1,072,923
<b>Net assets, end of period</b>	\$ 1,095,109	\$ 1,095,109
<b>Unit data</b>		
Units sold	2,362,993	5,535,891
Units repurchased	-	(1,137,314)
<b>Net increase in units</b>	2,362,993	4,398,577

*\*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, 2011\***  
*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net decrease in net assets from operations	\$ (2,159)	\$ (25,283)
Adjustments to reconcile net decrease in net assets from operations net cash used in operating activities:		
Purchase of investment securities	-	(107,500)
Proceeds from disposition of investment securities	9,690	45,691
Purchases and sales of short-term investment securities, net	9,446	(7,134)
Increase in accrued interest receivable	(2)	(3)
Increase in dividends receivable	(1)	-
Decrease in receivable for investments sold	520	36,872
Increase in advance on investment in other securities	(45,000)	(15,000)
Increase (decrease) in accrued expenses	(6)	50
Net realized loss (gain) from investments	(2,716)	471
Net decrease in the fair value of investments	4,810	24,367
<b>Net cash used in operating activities</b>	(25,418)	(47,469)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	25,418	59,916
Amount paid for repurchase of units	-	(12,447)
<b>Net cash provided by financing activities</b>	25,418	47,469
<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.*

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public body corporate 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 investment strategy.

### 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, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$1,025,361 of investments in such 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

# Hedge Fund Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

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 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, 2011. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions.

**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.

**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 net realized 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** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of December 31, 2011.

### NOTE 3. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. 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).

ASC 820 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 ASC 820 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.

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### 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 ASC 820 fair value hierarchy levels as of December 31, 2011:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Regulated investment companies	\$ -	\$ 11,305	\$ -	\$ 11,305
Investments in other funds	-	-	1,025,361	1,025,361
Total	<u>\$ -</u>	<u>\$ 11,305</u>	<u>\$ 1,025,361</u>	<u>\$ 1,036,666</u>

There were no transfers in or out of Levels 1 and 2 during the period ended December 31, 2011.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended December 31, 2011 was as follows:

	<u>Investments in other funds</u>
Balance at June 30, 2011	\$ 988,390
Net realized gain/(loss)	(471)
Net change in unrealized appreciation/(depreciation)	(24,367)
Purchase	107,500
Sales	(45,691)
Net transfers in/(out) of Level 3	-
Balance at December 31, 2011	<u>\$ 1,025,361</u>

### NOTE 4. ADVANCE ON INVESTMENT IN OTHER FUNDS

On December 29, 2011, the IMB funded \$45 million to PFM Diversified Offshore Fund A.I., Ltd. As of December 31, 2011, this amount has been recorded as an advance on investments in other funds. The terms of PFM Diversified Offshore Fund A.I., Ltd. require subscription amounts to be received at least five days in advance of the subscription day which occurred on January 3, 2012 for the IMB.

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$	10.99
Net realized and unrealized loss on investment transactions		(0.25)
Net asset value at December 31, 2011	\$	<u>10.74</u>

**Time-weighted Total Return \*** -2.3%

#### Supplemental Data:

Net assets, end of period	\$	1,095,109
Ratio to average net assets:		
Expenses **		0.08%
Net investment income **		-0.08%
Portfolio turnover rate		4.46%

\* - 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

### NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at December 31, 2011.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 442,783
Public Employees' Retirement System	393,723
West Virginia Retiree Health Benefit Trust	82,666
Coal Workers' Pneumoconiosis Fund	50,132
State Police Death, Disability and Retirement Fund	43,281
Board of Risk and Insurance Management	26,269
Public Employees Insurance Agency	16,851
Judges' Retirement System	11,521
Deputy Sheriff's Retirement System	10,571
State Police Retirement System	6,821
Wildlife Endowment Fund	3,750
Emergency Medical Services Retirement System	3,088
Workers' Compensation Self-Insured Guaranty Risk Pool	1,903
Workers' Compensation Uninsured Employers' Fund	1,741
Municipal Police Officers' and Firefighters' Retirement System	9
Total	<u>\$ 1,095,109</u>