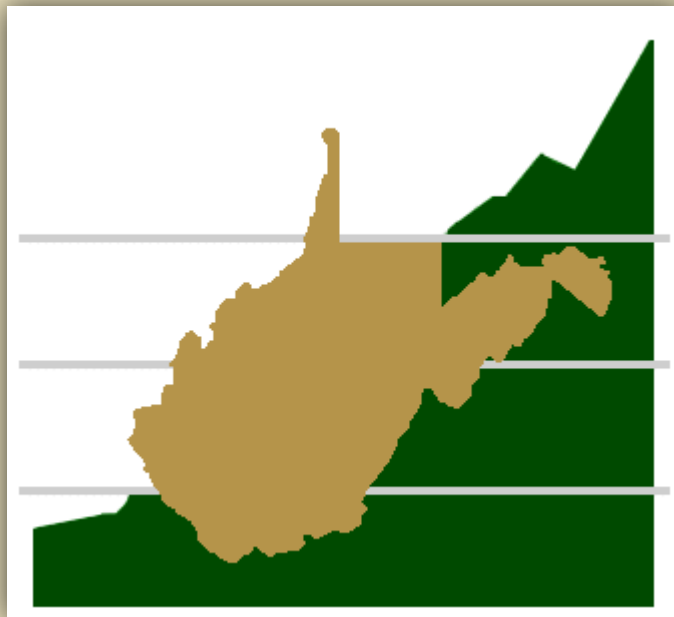


**West Virginia**

**Investment Management Board**



**Financial Statements**

**January 31, 2012**



# West Virginia Investment Management Board

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## **Financial Statements – Unaudited**

January 31, 2012

### **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**

**January 31, 2012**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited January 31, 2012

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# Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,131,566
Collateral for securities loaned at fair value (Note 5)		27,947
Cash		242
Receivables:		
Investments sold		17,273
Dividends		2,262
Securities lending income		31
Unrealized gain on futures contracts (Note 6)		540
		<hr/>
<b>Total assets</b>		2,179,861

### Liabilities

Accrued expenses		680
Payable for investments purchased		17,650
Payable upon return of securities loaned (Note 5)		31,037
		<hr/>
<b>Total liabilities</b>		49,367
		<hr/>
<b>Net assets</b>	\$	<u><u>2,130,494</u></u>

### Analysis of net assets

Paid-in capital	\$	1,391,019
Accumulated undistributed net investment income		329,202
Accumulated undistributed net realized gain from investments		112,762
Unrealized net appreciation of investments		297,511
		<hr/>
<b>Net assets</b>	\$	<u><u>2,130,494</u></u>

### Unit data

Units outstanding		161,382,885
Net asset value, unit price	\$	<u><u>13.20</u></u>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b><u>Equity Securities</u></b>			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	24,400	\$ 1,906	\$ 2,148
Airgas Inc	19,800	1,390	1,563
Alcoa Inc	159,200	2,149	1,617
Allegheny Technologies Inc	13,600	476	617
Alpha Natural Resources Inc	32,900	1,288	662
Ball Corporation	104,900	3,384	4,118
Bemis Company Inc	8,600	218	269
CF Industries Holdings Inc	22,000	2,638	3,902
Cliffs Natural Resources Inc	22,800	1,131	1,647
Dow Chemical Company	153,600	4,387	5,147
DuPont EI de Nemours Co	223,700	8,898	11,384
Eastman Chemical Company	53,400	2,120	2,687
Ecolab Inc	42,000	2,190	2,538
FMC Corporation	6,100	335	565
Freeport-McMoRan Copper & Gold	98,100	3,527	4,533
International Paper Company	39,300	789	1,224
Intl Flavors & Fragrances Inc	45,500	2,255	2,539
MeadWestvaco Corp	28,000	631	824
Monsanto Company	73,200	5,202	6,006
Newmont Mining Corp	49,300	2,542	3,031
Nucor Corporation	43,100	1,815	1,918
Owens-Illinois Inc	24,800	610	596
Peabody Energy Corp	24,200	900	825
PPG Industries Inc	51,600	3,818	4,622
Praxair Inc	54,100	5,011	5,745
Sealed Air Corporation	13,700	268	273
Sigma-Aldrich Corporation	29,700	1,829	2,021
Titanium Metals Corp	50,800	731	781
United States Steel Corp	12,000	543	362
Vulcan Materials	10,300	554	452
Weyerhaeuser Company	205,967	4,373	4,123
<i>Total Basic Materials - 3.7%</i>		67,908	78,739
<i>Capital Goods</i>			
3M Co	72,500	5,395	6,286
Apollo Group	58,700	3,051	3,076
Avery Dennison Corp	9,700	261	263
BF Goodrich Company	21,300	1,405	2,657
Boeing Company	95,200	5,737	7,062
C H Robinson Worldwide Inc	33,200	2,211	2,285
Caterpillar Inc	107,400	7,915	11,719
Cintas Corp	39,800	1,384	1,476
Cooper Industries PLC	19,400	1,042	1,147
CSX Corp	308,600	6,469	6,959
Cummins Engine Company Inc	22,900	1,432	2,382
Danaher Corp	96,200	3,926	5,051
Deere & Company	73,800	4,453	6,358
Donnelley & Sons	24,700	400	281
Dover Corp	16,700	670	1,059
Dun & Bradstreet Corp	9,200	715	762
Eaton Corporation	37,900	1,254	1,858
Emerson Electric Co	65,800	2,780	3,381
Equifax Inc	26,000	778	1,013
Expeditors Intl of Washington	21,000	774	938
Fastenal Company	82,900	2,683	3,870
FedEx Corp	28,300	2,066	2,589
Flowserve Corp	5,200	476	573
Fluor Corporation	29,000	1,608	1,631
General Dynamics Corp	46,500	2,835	3,216
General Electric Company	1,816,575	37,934	33,988
Grainger WW Inc	14,200	1,369	2,709

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Honeywell International	179,300	7,928	10,407
Illinois Tool Works Inc	48,000	2,148	2,545
Iron Mountain Inc	151,900	4,759	4,682
Jacobs Engineering Group Inc	12,000	533	537
Joy Global Inc	13,200	1,200	1,197
L-3 Communications Hldgs Inc	82,200	5,660	5,815
Lockheed Martin Corp	80,100	6,012	6,594
Masco Corporation	52,800	645	637
Norfolk Southern Corp	56,200	2,986	4,058
Northrop Grumman Corp	62,600	3,302	3,634
PACCAR Inc	31,700	1,164	1,401
Pall Corporation	12,100	463	722
Parker-Hannifin Corporation	17,100	1,006	1,380
Pitney Bowes Inc	17,600	395	334
Precision Castparts Corp	16,000	2,034	2,619
Priceline.com Inc	13,410	3,598	7,100
Raytheon Company	81,200	3,574	3,897
Republic Services Inc	28,600	782	837
Robert Half International Inc	12,600	315	349
Rockwell Automation Inc	65,300	3,586	5,085
Rockwell Collins	13,700	706	793
Roper Industries Inc	37,500	2,689	3,502
Ryder System Inc	8,600	391	484
Southwest Airlines Co	70,900	657	679
Stanley Black & Decker Inc	15,077	652	1,058
Textron Inc	23,900	451	609
Tyco International Ltd	50,200	1,992	2,558
Union Pacific Corp	70,300	5,076	8,036
United Parcel Service Inc	90,900	5,336	6,877
United Technologies Corp	97,100	6,298	7,608
Waste Management Inc	45,100	1,411	1,568
<i>Total Capital Goods - 10.0%</i>		178,772	212,191
<i>Communication Services</i>			
American Tower REIT Inc	35,100	1,461	2,229
AT&T Inc	1,262,129	36,997	37,119
CenturyTel Inc	203,966	7,134	7,553
Frontier Communications Corp	87,886	733	376
Metropcs Communications Inc	153,800	1,625	1,360
Sprint Nextel Corporation	265,800	1,195	563
Verizon Communications	467,949	15,765	17,623
Windstream Corp	68,900	720	831
<i>Total Communication Services - 3.2%</i>		65,630	67,654
<i>Consumer Discretionary</i>			
Abercrombie & Fitch Co	65,100	3,524	2,991
Amazon.com Inc	36,900	4,907	7,175
AutoNation Inc	39,000	1,149	1,395
AutoZone Inc	17,900	4,313	6,227
Beam Inc	13,700	492	717
Bed Bath & Beyond Inc	38,900	1,925	2,361
Best Buy Co Inc	27,400	1,064	656
Big Lots Inc	26,600	925	1,050
Borg-Warner Automotive Inc	20,200	1,266	1,508
Cablevision Systems	112,900	2,598	1,643
CarMax Inc	19,700	439	599
Carnival Corp	40,100	1,319	1,211
CBS Corp	310,400	6,799	8,840
Chipotle Mexican Grill Inc	8,700	2,628	3,195
Coach Inc	30,400	1,229	2,130
Comcast Corp	444,950	8,637	11,827
CVS Pass Through Trust	190,476	6,287	7,952
Darden Restaurants Inc	46,600	1,933	2,138

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
DeVry Inc	47,600	2,000	1,797
DIRECTV Group Inc	231,500	8,606	10,420
Discovery Communications Inc	29,700	1,020	1,274
Disney Walt Company	172,500	4,974	6,710
Dollar Tree Inc	27,400	2,269	2,324
DR Horton Inc	90,400	1,098	1,258
Expedia Inc	20,750	534	672
Family Dollar Stores	36,500	1,428	2,037
Ford Motor Company	372,100	3,509	4,621
GameStop Corp	88,900	2,154	2,077
Gannett Co Inc	20,500	255	290
Gap Inc	42,800	734	812
Genuine Parts Company	27,800	1,237	1,773
Goodyear Tire & Rubber Co	183,400	2,262	2,384
Harley-Davidson Inc	28,300	803	1,251
Harman Intl Industries Inc	5,500	187	232
Hasbro Inc	11,800	425	412
Home Depot Inc	177,200	5,182	7,866
International Game Technology	86,900	1,575	1,384
Interpublic Group of Co Inc	42,500	354	439
Johnson Controls Inc	74,700	2,179	2,373
Kohl's Corporation	23,500	1,265	1,081
Leggett & Platt Inc	11,200	155	240
Lennar Corporation	40,500	760	870
Limited Inc	153,300	4,173	6,417
Lowe's Corp Inc	128,200	2,692	3,440
Macys Retail Holdings Inc	71,200	1,737	2,399
Marriott International Inc	25,080	691	864
Mattel Inc	39,000	769	1,209
McDonald's Corporation	182,600	12,477	18,087
McGraw-Hill Companies Inc	127,900	4,778	5,883
NetFlix.com Inc	14,300	2,146	1,719
Newell Rubbermaid Inc	23,700	237	438
News Corp	196,300	2,501	3,696
Nike Inc	47,400	3,308	4,929
Nordstrom Inc	32,600	1,412	1,610
Omnicom Group Inc	57,800	2,483	2,636
O'Reilly Automotive Inc	34,100	2,200	2,779
Penney JC & Company	26,300	887	1,093
Pulte Corporation	209,100	1,415	1,558
Ralph Lauren Corp	11,200	1,171	1,702
Ross Stores Inc	142,200	4,768	7,227
Sears Holding Corp	21,900	1,172	923
Sherwin-Williams Co	10,400	708	1,014
Snap-On Inc	10,000	482	565
Staples Inc	63,600	1,335	930
Starbucks Corp	78,900	1,895	3,781
Starwood Hotels & Resorts Inc	21,200	828	1,150
Target Corp	66,400	3,200	3,374
Tiffany & Co	34,900	2,034	2,227
Time Warner Cable Inc	73,512	3,820	5,419
Time Warner Inc	96,300	2,628	3,569
TJX Companies Inc	82,600	4,270	5,628
TripAdvisor Inc	21,550	544	709
Urban Outfitters Inc	12,200	376	323
VF Corp	40,100	4,890	5,273
Viacom Inc	185,300	6,096	8,717
Washington Post Company	2,800	1,147	1,060
Whirlpool Corporation	6,400	444	348
Wyndham Worldwide Corporation	13,200	217	525
Wynn Resorts Limited	34,600	3,646	3,987
Yum Brands Inc	128,300	5,967	8,125
<i>Total Consumer Discretionary - 11.4%</i>		191,943	243,545

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Consumer Staples</i>			
Altria Group Inc	508,820	10,955	14,450
Archer-Daniels-Midland Co	59,500	1,578	1,703
Avon Products Inc	38,200	1,147	679
Brown Forman Corp	48,800	2,907	3,963
Campbell Soup Co	15,800	521	501
Clorox Company	25,800	1,634	1,771
Coca-Cola Company	359,800	19,663	24,297
Coca-Cola Enterprises Inc	162,200	3,922	4,345
Colgate-Palmolive Co	76,400	6,389	6,931
ConAgra Foods Inc	198,700	4,903	5,299
Constellation Brands Inc	17,300	278	362
Costco Wholesale Corp	88,200	6,295	7,256
Dean Foods Company	108,400	1,198	1,166
Dr Pepper Snapple Group	50,700	1,614	1,968
Estee Lauder Companies Inc	136,800	4,674	7,925
General Mills Inc	76,500	2,638	3,047
Heinz HJ Company	76,400	3,531	3,961
Hershey Foods Corp	87,000	4,879	5,314
Hormel Foods Corp	113,800	2,587	3,275
Kellogg Company	92,900	4,950	4,600
Kimberly Clark Corporation	45,000	2,726	3,220
Kraft Foods Inc	277,800	8,570	10,640
Kroger Co	167,000	4,027	3,968
Lorillard, Inc	54,600	5,656	5,863
McCormick & Company Inc	72,800	3,147	3,679
Mead Johnson Nutrition Co-A	64,909	3,199	4,809
Molson Coors Brewing Co	14,600	698	626
Pepsico Inc	243,264	14,658	15,975
Philip Morris International	309,320	15,966	23,128
Proctor & Gamble Company	452,632	27,145	28,534
Reynolds American Inc	166,100	4,585	6,516
Safeway Inc	40,500	772	890
Sara Lee Corp	411,900	6,109	7,888
Smucker JM Company	51,400	3,683	4,049
Supervalu Inc	168,300	1,400	1,163
Sysco Corp	87,200	2,288	2,626
The Mosiac Company	37,200	2,101	2,082
Tyson Foods, Inc	147,700	2,790	2,753
Walgreen Co	247,400	9,553	8,253
Wal-Mart Stores Inc	262,700	13,756	16,119
Whole Foods Market Inc	33,000	1,587	2,443
<i>Total Consumer Staples - 12.1%</i>		220,679	258,037
<i>Energy</i>			
Anadarko Petroleum Corp	67,400	3,803	5,441
Apache Corporation	37,300	3,559	3,688
Baker Hughes Inc	139,742	7,969	6,866
Cabot Oil & Gas Corporation	181,400	6,000	5,787
Cameron International Corp	27,400	1,052	1,458
Chesapeake Energy Corp	154,900	4,203	3,273
ChevronTexaco Corp	379,155	30,734	39,098
ConocoPhillips	223,780	13,358	15,264
CONSOL Energy Inc	38,800	1,742	1,387
Denbury Resources Inc	77,800	1,259	1,467
Devon Energy Corporation	52,400	3,665	3,344
Diamond Offshore Drilling Inc	6,100	588	380
El Paso Corporation	194,500	2,811	5,226
EOG Resources Inc	24,000	2,014	2,547
Exxon Mobil Corporation	973,794	69,072	81,546
First Solar Inc	5,400	752	228
FMC Technologies Inc	31,100	1,011	1,590

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Halliburton Company	177,200	5,855	6,517
Helmerich & Payne Inc	50,100	2,627	3,092
Hess Corp	32,200	1,780	1,813
Marathon Oil Corp	205,700	4,854	6,457
Marathon Petroleum Corporation	153,850	4,893	5,880
Murphy Oil Corporation	17,800	983	1,061
Nabors Industries Ltd	116,300	2,421	2,166
National-Oilwell Varco Inc	126,700	7,880	9,373
Newfield Exploration Company	11,400	720	431
Noble Corp	28,200	1,020	982
Noble Energy Inc	15,600	1,044	1,570
Occidental Petroleum Corp	76,600	5,797	7,642
Pioneer Natural Resources Co	28,200	1,691	2,800
QEP Resources Inc	63,900	1,868	1,830
Range Resources Corporation	60,000	3,581	3,451
Rowan Companies Inc	20,200	607	687
Schlumberger Ltd	175,411	11,320	13,186
Spectra Energy Corp	118,900	2,582	3,744
Suncoke Energy Inc	1,220	13	16
Sunoco Inc	13,800	387	529
Tesoro Petroleum Corporation	115,900	2,557	2,901
Valero Energy Corporation	209,400	4,648	5,024
Williams Companies Inc	139,100	2,827	4,009
WPX Energy Inc	52,100	724	859
<i>Total Energy - 12.4%</i>		226,271	264,610
<i>Financial Services</i>			
Ace Ltd	55,200	3,189	3,842
AFLAC Inc	41,600	1,758	2,006
Allstate Corp	44,800	1,309	1,292
American Express Co	124,600	4,479	6,247
American International Group	49,700	1,450	1,248
Ameriprise Financial Inc	74,300	3,148	3,979
Aon Corporation	200,000	9,464	9,686
Apartment Investment & Mgmt Co	11,700	163	287
Assurant Inc	8,400	243	333
Avalonbay Communities Inc	15,200	1,483	2,067
Bank of America Corporation	970,677	17,316	6,921
Bank of New York Mellon Corp	108,200	3,475	2,178
BB&T Corporation	104,100	2,569	2,830
Berkshire Hathaway Inc	183,596	13,754	14,388
BlackRock Inc	10,300	1,967	1,875
Boston Properties Inc	17,500	1,306	1,821
Capital One Financial Corp	75,100	3,156	3,436
CBRE Group Inc	106,300	1,758	2,052
Charles Schwab Corp	161,600	2,458	1,883
Chubb Corp	40,500	2,194	2,730
Cincinnati Financial Corp	22,400	605	732
Citigroup Inc	296,160	14,619	9,098
CME Group Inc	5,900	1,743	1,413
Comerica Inc	43,200	1,260	1,195
Discover Financial Services	277,400	6,056	7,540
E*Trade Group Inc	54,120	658	443
Equity Residential Prop Trust	79,800	3,400	4,752
Federated Investors Inc	21,700	570	371
Fifth Third Bancorp	151,300	1,644	1,968
First Horizon National Corp	129,968	1,140	1,135
Franklin Resources Inc	15,700	1,351	1,666
Genworth Financial Inc	84,700	856	653
Goldman Sachs Group Inc	49,000	6,206	5,462
H&R Block Inc	207,000	3,296	3,387
Hartford Financial Services Gp	55,300	1,265	969
HCP Inc	36,200	1,159	1,521

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Health Care REIT	18,900	867	1,081
Host Hotels & Resorts Inc	63,162	722	1,037
Hudson City Bancorp Inc	46,100	731	310
Huntington Bancshares Inc	157,000	800	898
Intercontinental Exchange Inc	8,700	901	996
Invesco Limited	42,200	717	952
JP Morgan Chase & Co	539,853	19,717	20,137
KeyCorp	171,100	1,261	1,329
Kimco Realty Corporation	35,900	430	655
Legg Mason Inc	12,300	382	313
Leucadia National Corporation	154,800	4,841	4,297
Lincoln National Corp	26,100	665	562
Loews Corp	40,800	1,444	1,522
M & T Bank Corporation	15,000	1,127	1,196
Marsh & McLennan Co Inc	231,500	6,706	7,313
MasterCard Inc	20,500	5,838	7,289
MetLife Inc	115,300	4,135	4,074
Moody's Corp	145,000	4,622	5,398
Morgan Stanley	179,700	4,586	3,351
Nasdaq Stock Market Inc	13,000	285	322
Northern Trust Corp	21,500	1,110	885
NYSE Euronext	56,700	1,580	1,506
People's United Financial Inc	212,100	2,646	2,615
Plum Creek Timber Co Inc	36,000	1,287	1,396
PNC Financial Services Group	53,500	2,684	3,152
Principal Financial Group Inc	28,400	695	776
Progressive Corp	101,600	1,798	2,060
Prologis Inc	52,974	1,540	1,680
Prudential Financial Inc	60,300	2,913	3,452
Public Storage Inc	22,000	2,156	3,055
Regions Financial Corp	242,400	1,165	1,265
Simon Property Group	29,602	2,340	4,022
SLM Corp	114,400	1,396	1,710
State Street Corp	50,900	2,292	1,994
SunTrust Banks Inc	58,200	1,256	1,197
T Rowe Price Associates Inc	23,100	1,068	1,336
Torchmark Corporation	43,400	1,576	1,982
Travelers Cos Inc	59,800	2,906	3,486
UnumProvident Corp	37,700	765	861
US Bancorp	213,500	5,038	6,025
Ventas Inc	25,600	1,186	1,493
Visa Inc-Class A Shares	69,000	6,075	6,944
Vornado Realty Trust	17,540	1,236	1,419
Wells Fargo & Company	599,300	15,744	17,506
XL Group PLC	29,000	503	588
Zions Bancorporation	71,300	1,237	1,200
<i>Total Financial Services - 11.7%</i>		247,436	250,043
<i>Health Care</i>			
Abbott Laboratories	171,400	8,798	9,281
Aetna Inc	90,400	3,240	3,950
Allergan Inc	53,100	3,819	4,668
AmerisourceBergen Corp	157,600	5,340	6,142
Amgen Inc	71,077	3,824	4,828
Bard CR Inc	55,100	5,130	5,098
Baxter International Inc	169,500	9,619	9,404
Becton Dickinson & Company	31,900	2,315	2,501
Biogen Idec Inc	87,800	7,218	10,356
Boston Scientific Corp	203,700	1,626	1,214
Bristol-Myers Squibb Company	258,342	6,466	8,329
Cardinal Health Inc	136,600	5,250	5,878
CareFusion Corporation	121,500	3,045	2,910
Celgene Corporation	39,700	2,222	2,886

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Cerner Corporation	85,600	5,126	5,212
CIGNA Corporation	94,200	3,635	4,223
Coventry Health Care Inc	70,100	2,158	2,108
Covidien PLC	176,100	8,928	9,069
DaVita Inc	18,400	1,263	1,505
DENTSPLY International Inc	54,800	1,916	2,068
Edwards Lifesciences Corp	12,600	1,046	1,042
Eli Lilly and Company	184,500	6,946	7,332
Express Scripts Inc	43,400	1,762	2,220
Forest Laboratories Inc	24,500	729	779
Gilead Sciences Inc	130,600	5,429	6,381
Hospira Inc	15,400	563	531
Humana Inc	47,800	2,570	4,255
Intuitive Surgical Inc	9,300	3,349	4,277
Johnson & Johnson	438,000	26,871	28,869
Laboratory Corp of Amer Hldgs	50,100	4,245	4,579
Life Technologies Corp	16,000	703	775
McKesson HBOC Inc	51,400	3,632	4,200
Medco Health Solutions	38,800	2,012	2,406
Medtronic Inc	148,500	5,455	5,728
Merck & Co Inc	391,380	13,204	14,978
Mylan Laboratories Inc	94,700	1,656	1,965
Patterson Companies Inc	7,600	207	245
PerkinElmer Inc	9,500	181	228
Perrigo Company	16,700	1,661	1,597
Pfizer Inc	1,294,683	26,715	27,706
Quest Diagnostics Inc	64,500	3,449	3,746
St Jude Medical Inc	141,600	5,531	5,906
Stericycle Inc	49,200	3,780	4,134
Stryker Corporation	54,600	2,664	3,026
Tenet Healthcare Corporation	38,300	208	203
Thermo Electron Corporation	52,900	2,451	2,798
UnitedHealth Group Inc	222,500	8,417	11,523
Varian Medical Systems Inc	21,400	1,096	1,410
Waters Corporation	9,300	558	805
Watson Pharmaceuticals Inc	107,700	6,166	6,314
WellPoint Inc	113,600	7,120	7,307
Zimmer Holdings Inc	47,200	2,557	2,867
<i>Total Health Care - 12.8%</i>		243,871	271,762
<i>Technology</i>			
Accenture PLC	161,500	9,419	9,260
Adobe Systems Inc	49,100	1,496	1,520
Advanced Micro Devices Inc	47,500	270	319
Agilent Technologies Inc	103,000	4,042	4,374
Akamai Technologies Inc	16,100	428	519
Altera Corporation	132,200	4,185	5,260
Amphenol Corp	16,100	619	876
Analog Devices Inc	27,500	807	1,076
Apple Computer Inc	145,100	29,795	66,235
Applied Materials Inc	115,700	1,444	1,420
Autodesk Inc	21,400	564	770
Automatic Data Processing Inc	175,700	8,617	9,625
BMC Software Inc	15,700	506	569
Broadcom Corp	45,900	1,431	1,577
CA Inc	46,100	879	1,188
Cisco Systems Inc	512,100	9,886	10,060
Citrix Systems Inc	50,300	2,469	3,280
Cognizant Tech Solutions Corp	82,600	3,637	5,927
Computer Sciences Corp	12,600	634	325
Coming Inc	140,000	2,332	1,802
Dell Inc	223,700	3,356	3,854
eBay Inc	125,600	3,200	3,968

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Electronic Arts Inc	254,900	5,259	4,735
EMC Corporation	263,600	4,340	6,790
F5 Networks Inc	7,300	993	874
Fidelity Ntl Information Svcs	56,000	1,405	1,599
Fiserv Inc	41,100	2,312	2,585
FLIR Systems Inc	22,700	615	585
Google Inc	29,300	14,505	16,997
Harris Corporation	11,000	395	451
Hewlett-Packard Company	183,200	7,203	5,126
IBM Corp	230,200	27,490	44,337
Ingersoll-Rand PLC	27,900	1,070	975
Intel Corporation	598,700	12,528	15,818
Intuit Inc	26,400	887	1,490
Jabil Circuit Inc	15,400	195	349
JDS Uniphase Corporation	17,800	89	226
Juniper Networks Inc	50,400	1,249	1,055
KLA-Tencor Corporation	23,500	909	1,201
Lexmark International Inc	6,100	132	213
Linear Technology Corp	20,100	554	670
LSI Logic Corporation	154,300	947	1,168
Microchip Technology Inc	99,800	3,449	3,683
Micron Technology Inc	99,000	710	752
Microsoft Corporation	1,008,102	25,405	29,769
Molex Inc	11,000	215	291
Motorola Mobility Holdings Inc	25,500	10	985
Motorola Solutions Inc	79,227	3,655	3,677
NetApp Inc.	31,700	975	1,196
Novellus Systems Inc	6,800	143	321
NVIDIA Corporation	143,300	2,117	2,117
Oracle Corporation	586,144	12,752	16,535
Paychex Inc	150,300	4,519	4,736
Qualcomm Inc	260,900	12,559	15,346
Red Hat Inc	17,200	528	798
SAIC INC	202,400	2,720	2,603
Salesforce.com Inc	15,500	1,316	1,810
SanDisk Corporation	27,200	851	1,248
Scripps Networks Interactive	8,000	229	347
Symantec Corporation	122,300	1,955	2,102
TE Connectivity Ltd	55,800	1,904	1,903
Teradata Corporation	99,700	4,767	5,340
Teradyne Inc	31,900	355	522
Texas Instruments Inc	228,500	6,528	7,399
Total System Services Inc	71,300	1,248	1,529
VeriSign Inc	29,600	761	1,096
Western Digital Corp	20,500	587	745
Western Union Company	217,600	4,102	4,156
Xerox Corporation	126,095	1,074	977
Xilinx Inc	89,000	2,655	3,191
Yahoo! Inc	110,400	1,915	1,708
<i>Total Technology - 16.8%</i>		273,097	357,930
<i>Utilities</i>			
AES Corporation	58,400	772	745
AGL Resources Inc	57,737	2,358	2,397
Ameren Corporation	53,300	1,460	1,686
American Electric Power Co Inc	45,200	1,348	1,788
CenterPoint Energy Inc	226,100	3,548	4,176
CMS Energy Corporation	127,200	2,178	2,777
Consolidated Edison Inc	98,800	4,609	5,825
Constellation Energy Group	95,800	3,578	3,490
Dominion Resources Inc	179,900	7,918	9,002
DTE Energy Company	58,000	2,680	3,086
Duke Energy Corp	134,500	2,406	2,866

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Edison International	29,400	1,006	1,207
Energy Corporation	19,400	1,459	1,346
EQT Corp	104,900	5,695	5,300
Exelon Corp	83,400	3,772	3,318
FirstEnergy Corp	138,032	5,597	5,828
Integrus Energy Group Inc	6,900	251	358
NextEra Energy Inc	93,700	5,218	5,608
NiSource Inc	154,500	2,803	3,512
Northeast Utilities	105,400	2,998	3,663
NRG Energy Inc	154,800	3,003	2,613
ONEOK Inc	68,300	3,701	5,680
PG&E Corp	38,300	1,593	1,557
Pinnacle West Capital Corp	28,500	1,080	1,347
Potomac Electric Power	52,300	839	1,028
PPL Corporation	128,100	3,613	3,560
Progress Energy Inc	51,600	2,293	2,803
Public Service Enterprise Grp	129,600	4,209	3,932
Quanta Services Inc	30,100	645	650
SCANA Corporation	12,100	438	542
Sempra Energy	21,600	1,081	1,229
Southern Company	131,900	4,662	6,009
Southwestern Energy Company	55,400	2,089	1,725
TECO Energy Inc	17,200	242	310
Wisconsin Energy Corporation	109,900	2,919	3,737
Xcel Energy Inc	139,400	3,156	3,708
Xylem Inc	24,500	683	648
<i>Total Utilities - 5.2%</i>		97,900	109,056
Total Equity Securities - 99.3%		1,813,507	2,113,567
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund	17,998,529	17,999	17,999
Total Short-term Issues - 0.8%		17,999	17,999
Total Investment Securities - 100.1%		\$ 1,831,506	\$ 2,131,566
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 27,558	\$ 27,558
Mellon SL DBT II Liquidating Fund		400	389
Mellon GSL DBT II Liquidating Trust		3,079	-
Total Collateral for Securities Loaned		\$ 31,037	\$ 27,947

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends	\$ 2,473	\$ 25,954
Securities lending income	4	62
Securities lending borrower premiums	35	111
Net shareholder litigation proceeds	1	91
<b>Total investment income</b>	2,513	26,218
<b>Expenses</b>		
Investment advisor fees	(126)	(1,072)
Trustee fees	-	(4)
Custodian bank fees	(5)	(42)
Management fees	(54)	(380)
Fiduciary bond fees	(1)	(5)
Professional service fees	(10)	(71)
Securities lending agent fees	(8)	(29)
Futures commission expense	(1)	(14)
<b>Total expenses</b>	(205)	(1,617)
<b>Investment income, net</b>	2,308	24,601
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	3,495	19,849
Net increase (decrease) in the fair value of investments	76,797	(16,442)
<b>Net gain from investments</b>	80,292	3,407
<b>Net increase in net assets from operations</b>	\$ 82,600	\$ 28,008

*\*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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 2,308	\$ 24,601
Net realized gain from investments	3,495	19,849
Net increase (decrease) in the fair value of investments	76,797	(16,442)
<b>Net increase in net assets from operations</b>	82,600	28,008
<b>Unit transactions</b>		
Proceeds from sale of units	1	247,343
Amount paid for repurchase of units	(45,240)	(226,404)
<b>Net increase (decrease) in net assets from unit transactions</b>	(45,239)	20,939
<b>Increase in net assets</b>	37,361	48,947
<b>Net assets, beginning of period</b>	2,093,133	2,081,547
<b>Net assets, end of period</b>	\$ 2,130,494	\$ 2,130,494
<b>Unit data</b>		
Units sold	79	21,103,287
Units repurchased	(3,565,107)	(17,882,896)
<b>Net increase (decrease) in units</b>	(3,565,028)	3,220,391

*\*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 January 31, 2012.

### 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 January 31, 2012:

Derivatives not designated as hedging instruments under ASC 815	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities	Fair Value	Statement of Assets and Liabilities	Fair Value
	Location		Location	
Equity contracts	Unrealized gain on futures contracts	\$ 540		\$ -

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 January 31, 2012:

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	\$ (149)	Net increase (decrease) in the fair value of investments	\$ 200

### 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,113,567	\$ -	\$ -	\$ 2,113,567
Futures	540	-	-	540
Regulated investment companies	-	17,999	-	17,999
Securities lending collateral funds	-	27,947	-	27,947
Total	<u>\$ 2,114,107</u>	<u>\$ 45,946</u>	<u>\$ -</u>	<u>\$ 2,160,053</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2012.

Fair value of securities on loan	\$	30,539		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	\$	<u>31,037</u>	\$ 27,947	<u>\$ (3,090)</u>
Non-cash			250	
Total			<u>\$ 28,197</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 January 31, 2012, 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 January 2012, the pool has recorded, but not distributed \$2,194 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 January 31, 2012, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Value at January 31, 2012</u>	<u>Value Upon Entering Contract</u>	<u>Unrealized Gain (Loss)</u>
Mar 2012	201 S&P 500	Long	<u>\$ 13,147</u>	<u>\$ 12,607</u>	<u>\$ 540</u>

At January 31, 2012, the Pool had pledged cash of \$257 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	0.15
Net realized and unrealized loss on investment transactions	<u>(0.11)</u>
Total from investment operations	<u>0.04</u>
Net asset value at January 31, 2012	<u>\$ 13.20</u>

**Time-weighted Total Return \*** 0.4%

#### Supplemental Data:

Net assets, end of period	\$ 2,130,494
Ratio to average net assets:	
Expenses **	0.13%
Net investment income **	2.05%
Portfolio turnover rate	30.46%

\* 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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 933,518
Public Employees' Retirement System	821,340
State Police Death, Disability and Retirement Fund	88,634
Workers' Compensation Old Fund	69,731
West Virginia Retiree Health Benefit Trust	58,859
Revenue Shortfall Reserve Fund - Part B	24,741
Judges' Retirement System	23,567
Deputy Sheriff's Retirement System	21,516
West Virginia Prepaid Tuition Trust Fund	20,215
Coal Workers' Pneumoconiosis Fund	19,938
State Police Retirement System	13,986
Board of Risk and Insurance Management	10,512
Wildlife Endowment Fund	7,478
Public Employees Insurance Agency	6,918
Emergency Medical Services Retirement System	6,304
West Virginia Department of Environmental Protection Trust	1,733
Workers' Compensation Self-Insured Guaranty Risk Pool	791
Workers' Compensation Uninsured Employers' Fund	695
Municipal Police Officers' and Firefighters' Retirement System	18
Total	<u>\$ 2,130,494</u>



**Financial Statements - Unaudited**

**January 31, 2012**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited January 31, 2012

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# Non-Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	771,950
Collateral for securities loaned at fair value (Note 4)		69,744
Receivables:		
Investments sold		12,939
Dividends		634
Securities lending income		55
Foreign tax withholding		1
		<u>1</u>
<b>Total assets</b>		<b>855,323</b>

### Liabilities

Accrued expenses		481
Payable for investments purchased		16,897
Payable upon return of securities loaned (Note 4)		71,903
		<u>71,903</u>
<b>Total liabilities</b>		<b>89,281</b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>766,042</u></u></b>

### Analysis of net assets

Paid-in capital	\$	553,721
Accumulated undistributed net investment income		33,575
Accumulated undistributed net realized gain from investments		85,898
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		93,354
		<u>93,354</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>766,042</u></u></b>

### Unit data

Units outstanding		43,054,569
Net asset value, unit price	\$	<u><u>17.79</u></u>

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

(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	\$ 3,378
Alpha Natural Resources Inc	200,521	8,730	4,034
Buckeye Technologies Inc	45,700	930	1,532
Celanese Corp	135,190	3,782	6,585
Crown Holdings Inc	184,930	5,476	6,670
Domtar Corporation	32,500	2,312	2,807
Eastman Chemical Company	80,600	4,188	4,056
Glatfelter PH Company	113,300	1,675	1,675
Huntsman Corp	180,100	3,091	2,293
Neenah Paper Inc	95,900	1,802	2,280
Packaging Corp of America	231,310	6,370	6,509
Schulman A Inc	231,400	4,910	5,669
Schweitzer-Mauduit Intl Inc	24,900	1,372	1,731
Westlake Chemical Corporation	145,250	6,476	8,490
<i>Total Basic Materials - 7.5%</i>		53,918	57,709
<i>Capital Goods</i>			
Aegean Marine Petroleum Networ	217,700	1,618	1,108
AGCO Corporation	37,000	1,554	1,884
Alaska Air Group Inc	28,600	1,696	2,177
Alliant Techsystems Inc	79,800	4,936	4,741
Applied Industrial Tech Inc	97,100	2,959	3,746
BE Aerospace Inc	177,635	4,752	7,496
Ceradyne Inc	35,900	1,674	1,188
Crane Company	138,070	4,877	6,627
EMCOR Group Inc	63,200	1,890	1,822
Foster Wheeler AG	119,700	2,778	2,688
Gardner Denver Inc	45,740	3,494	3,412
Harsco Corporation	82,300	2,219	1,830
Hubbell Inc	122,710	6,962	8,830
IDEX Corporation	144,090	4,226	5,839
ITT Educational Services Inc	38,400	2,979	2,529
KBR Inc	182,000	4,543	5,849
Landstar System Inc	160,310	6,309	8,200
NACCO Industries Inc	31,600	2,669	3,230
Owens Corning Inc	51,200	1,468	1,728
Ryder System Inc	112,790	5,482	6,348
Strayer Education Inc	47,800	3,801	5,201
Timken Company	222,190	9,429	10,850
Toro Company	50,500	3,102	3,201
TransDigm Group Inc	51,920	4,341	5,427
United Rentals Inc	157,260	3,896	6,014
URS Corp	75,400	2,952	3,103
Waste Connections Inc	169,280	4,180	5,469
WESCO International Inc	93,050	3,476	5,851
<i>Total Capital Goods - 16.5%</i>		104,262	126,388
<i>Communication Services</i>			
NII Holdings Inc	187,230	4,843	3,769
<i>Total Communication Services - 0.5%</i>		4,843	3,769
<i>Consumer Discretionary</i>			
Aaron Rents Inc	120,600	3,189	3,209
Aerpostale Inc	131,400	2,257	2,151
AMERCO	18,800	1,885	1,818
Ameristar Casinos Inc	88,600	1,475	1,733
Ann Inc	119,800	3,122	2,906
Bridgepoint Education Inc	61,600	1,703	1,515
Brinker International Inc	93,200	2,077	2,409
Cash America International Inc	41,400	1,399	1,816
Coinstar Inc	38,800	1,859	1,930

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
DeVry Inc	50,410	1,897	1,903
Foot Locker Inc	438,240	8,531	11,499
Goodyear Tire & Rubber Co	536,160	7,495	6,970
Hertz Global Holdings Inc	738,210	8,950	10,040
Lithia Motors Inc	96,200	1,329	2,137
Men's Wearhouse Inc	114,400	3,843	3,946
Meritor Inc	305,500	1,545	1,919
Michael Kors Holdings Ltd	13,930	279	431
O'Reilly Automotive Inc	82,650	3,689	6,737
Papa John's International Inc	43,500	1,430	1,684
Scholastic Corporation	73,800	2,067	2,178
Signet Jewelers Ltd	132,290	4,790	6,030
Standard Motor Products Inc	163,400	1,989	3,381
Sturm Ruger & Company Inc	88,600	2,122	3,513
True Religion Apparel Inc	81,900	2,402	2,967
Williams Sonoma Inc	194,480	7,296	6,974
Wyndham Worldwide Corporation	123,000	4,228	4,890
<i>Total Consumer Discretionary - 12.6%</i>		82,848	96,686
<i>Consumer Staples</i>			
Alliance One International Inc	320,000	970	931
Andersons, Inc	35,800	1,525	1,451
Cal-Maine Foods Inc	44,700	1,666	1,696
Dean Foods Company	257,900	2,606	2,775
Nash Fich Company	35,800	1,331	1,046
Ralcorp Holdings Inc	133,110	8,959	11,640
Universal Corporation	59,600	2,231	2,675
<i>Total Consumer Staples - 2.9%</i>		19,288	22,214
<i>Energy</i>			
China Natural Gas Inc	46,900	248	83
Denbury Resources Inc	465,680	7,154	8,783
EnSCO International PLC	84,920	3,537	4,470
Gran Tierra Energy	510,500	2,608	2,946
Nabors Industries Ltd	176,300	3,271	3,283
Patterson-UTI Energy Inc	251,800	4,600	4,751
Rowan Companies Inc	139,520	4,838	4,745
Tesoro Petroleum Corporation	716,190	16,643	17,926
Unit Corporation	30,800	1,425	1,394
VAALCO Energy Inc	214,500	1,495	1,334
<i>Total Energy - 6.5%</i>		45,819	49,715
<i>Financial Services</i>			
Advance America Cash Advance	167,200	962	1,316
American Financial Group	70,000	1,741	2,567
AmTrust Financial Services Inc	118,800	2,173	3,080
Arch Capital Group Ltd	44,900	1,623	1,619
Assurant Inc	142,500	4,693	5,643
Banco Latinoamericano Export	164,100	2,831	3,037
BOK Financial Corporation	70,800	3,710	3,944
Boston Private Finl Hldgs Inc	207,200	1,684	1,705
Brandywine Realty Trust	134,100	1,636	1,427
Cathay General Bancorp	97,900	1,702	1,541
Chemical Financial Corp	83,600	1,671	1,892
Citizens Republic Bancorp	43,100	538	554
City Holding Company	52,200	1,725	1,855
Comerica Inc	331,900	8,862	9,184
Commonwealth REIT	234,300	4,738	4,609
CVB Financial Corp	171,200	1,538	1,803
East West Bancorp Inc	129,900	2,422	2,853
Everest Re Group Ltd	67,940	5,474	5,802
EZCORP Inc	56,500	1,199	1,515
First Citizens BancShares Inc	9,900	1,724	1,750

See accompanying notes to financial statements.



# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
First Horizon National Corp	178,800	1,684	1,561
First Republic Bank	219,260	6,700	6,573
FleetCor Technologies Inc	152,080	4,089	5,169
Hospitality Properties Trust	236,900	5,193	5,740
Huntington Bancshares Inc	805,800	4,662	4,609
Interactive Brokers Group Inc	297,500	4,786	4,498
Jones Lang LaSalle Inc	61,450	4,609	4,840
Lazard Ltd	122,100	3,322	3,507
Lincoln National Corp	89,400	1,509	1,926
Maiden Holdings Ltd	383,600	3,417	3,575
Nasdaq Stock Market Inc	152,600	3,148	3,778
National Health Investors Inc	61,600	2,181	2,982
Nelnet Inc	57,600	1,252	1,420
Net 1 UEPS Technologies Inc	232,500	2,966	2,465
Oriental Financial Group Inc	230,500	2,885	2,637
Pacwest Bancorp	212,300	4,074	4,516
Popular Inc	1,744,800	3,641	2,739
ProAssurance Corporation	28,800	1,998	2,351
Protective Life Corporation	103,100	2,522	2,579
PS Business Parks Inc	89,500	4,695	5,562
Regions Financial Corp	926,000	3,491	4,834
Reinsurance Group of America	72,100	4,429	3,929
Republic Bancorp Inc	38,600	712	981
Retail Opportunity Investments	125,200	1,405	1,485
StanCorp Financial Group Inc	47,600	1,624	1,840
Texas Capital Bancshares Inc	57,800	1,629	1,833
Torchmark Corporation	79,700	2,651	3,640
Tower Group Inc	121,200	2,816	2,617
Urstadt Biddle Properties	89,300	1,727	1,747
Washington Federal Inc	323,600	5,245	5,100
Winthrop Realty Trust	212,200	2,020	2,536
<i>Total Financial Services - 21.1%</i>		149,728	161,265
<i>Health Care</i>			
Community Health Systems Inc	137,300	2,425	2,568
Coventry Health Care Inc	229,650	5,196	6,906
DENTSPLY International Inc	235,500	8,128	8,888
Elan Corporation PLC	598,630	4,954	8,147
Health Net Inc	121,000	2,633	4,567
Herbalife Ltd	33,400	879	1,933
Hill-Rom Holdings Inc	161,460	5,171	5,330
IDEXX Laboratories Inc	84,160	6,092	7,119
Magellan Health Services Inc	63,000	2,850	3,075
Myriad Genetics Inc	178,600	3,859	4,226
PDL BioPharma Inc	753,300	4,443	4,814
PetMed Express Inc	183,700	1,721	2,293
Wellcare Health Plans Inc	42,500	1,205	2,540
<i>Total Health Care - 8.1%</i>		49,556	62,406
<i>Technology</i>			
Alliance Data Systems Corp	76,720	5,238	8,501
Amdocs Ltd	112,600	3,333	3,315
Avnet Inc	117,900	3,691	4,111
CACI International Inc	78,600	4,406	4,613
Calamos Asset Management	78,500	788	980
Capella Education Company	73,600	2,260	3,115
Cbeyond, Inc	203,000	1,589	1,726
Comtech Telecommunication Corp	57,400	1,564	1,771
IHS Inc	76,150	6,182	6,814
Informatica Corporation	164,890	8,483	6,975
JDS Uniphase Corporation	133,200	1,645	1,690
Lihua International Inc	190,800	1,667	1,160
LSI Logic Corporation	801,620	4,746	6,068

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Mettler-Toledo International	49,050	6,112	8,608
MSCI Inc	122,140	3,250	3,979
Neutral Tandem Inc	235,500	2,536	2,894
Nuance Communications Inc	299,110	4,863	8,531
NXP Semiconductor NV	146,920	2,543	3,119
ON Semiconductor Corp	497,800	3,967	4,331
Polycom Inc	291,630	5,593	5,812
Quest Software Inc	86,100	1,668	1,752
Sanmina Corporation	137,000	1,560	1,504
Skyworks Solutions Inc	205,360	4,031	4,432
Synnex Corporation	56,000	1,627	2,026
Syntel Inc	70,800	3,346	3,322
Tech Data Corporation	72,200	3,128	3,749
Teradyne Inc	320,580	4,388	5,241
Unisys Corporation	220,500	4,654	4,624
United Online Inc	873,000	4,986	4,959
Websense Inc	90,600	1,633	1,712
Xyratex Ltd	303,600	3,166	4,821
<i>Total Technology - 16.5%</i>		108,643	126,255
<i>Utilities</i>			
Alliant Energy Corp	102,400	3,340	4,341
American Water Works Co Inc	158,800	3,798	5,356
CMS Energy Corporation	139,500	2,930	3,045
El Paso Electric Company	94,100	2,202	3,275
NeuStar Inc	59,100	1,554	2,158
NV Energy Inc	125,500	1,937	2,033
OGE Energy Corp	86,400	3,190	4,567
Pinnacle West Capital Corp	115,300	4,974	5,449
PNM Resources	184,400	2,318	3,284
Portland General Electric Co	129,000	2,597	3,217
Vectren Corp	121,600	3,348	3,474
<i>Total Utilities - 5.2%</i>		32,188	40,199
Total Equity Securities - 97.4%		651,093	746,606
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 3.3%	25,344,137	25,344	25,344
Total Investment Securities - 100.7%		\$ 676,437	\$ 771,950
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 68,774	\$ 68,774
Mellon SL DBT II Liquidating Fund		998	970
Mellon GSL DBT II Liquidating Trust		2,131	-
Total Collateral for Securities Loaned		\$ 71,903	\$ 69,744

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

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### Statement of Operations - Unaudited

Period Ended January 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 823	\$ 5,624
Securities lending income	8	63
Securities lending borrower premiums	61	212
Net shareholder litigation proceeds	69	118
Commission recapture	1	28
<b>Total investment income</b>	962	6,045
<b>Expenses</b>		
Investment advisor fees	(122)	(982)
Trustee fees	-	(1)
Custodian bank fees	(2)	(14)
Management fees	(19)	(129)
Fiduciary bond fees	(1)	(2)
Professional service fees	(4)	(24)
Securities lending agent fees	(14)	(46)
<b>Total expenses</b>	(162)	(1,198)
<b>Investment income, net</b>	800	4,847
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	4,459	13,374
Net increase (decrease) in the fair value of investments	50,286	(32,797)
<b>Net gain (loss) from investments</b>	54,745	(19,423)
<b>Net increase (decrease) in net assets from operations</b>	\$ 55,545	\$ (14,576)

*\*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

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 800	\$ 4,847
Net realized gain from investments	4,459	13,374
Net increase (decrease) in the fair value of investments	50,286	(32,797)
<b>Net increase (decrease) in net assets from operations</b>	55,545	(14,576)
<b>Unit transactions</b>		
Proceeds from sale of units	-	73,684
Amount paid for repurchase of units	(13,747)	(26,189)
<b>Net increase (decrease) in net assets from unit transactions</b>	(13,747)	47,495
<b>Increase in net assets</b>	41,798	32,919
<b>Net assets, beginning of period</b>	724,244	733,123
<b>Net assets, end of period</b>	\$ 766,042	\$ 766,042
<b>Unit data</b>		
Units sold	-	4,674,130
Units repurchased	(833,008)	(1,572,600)
<b>Net increase (decrease) in units</b>	(833,008)	3,101,530

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

# 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 January 31, 2012.

### 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 746,606	\$ -	\$ -	\$ 746,606
Regulated investment companies	-	25,344	-	25,344
Securities lending collateral funds	-	69,744	-	69,744
Total	<u>\$ 746,606</u>	<u>\$ 95,088</u>	<u>\$ -</u>	<u>\$ 841,694</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2012.

Fair value of securities of loan	\$	71,071		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>71,903</u>	\$ 69,744	<u>\$ (2,159)</u>
Non-cash			-	
Total			<u>\$ 69,744</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 January 31, 2012, 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 January 2012, the pool has recorded, but not distributed \$1,364 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	0.12
Net realized and unrealized loss on investment transactions	(0.68)
Total from investment operations	<u>(0.56)</u>
Net asset value at January 31, 2012	<u>\$ 17.79</u>
<b>Time-weighted Total Return *</b>	-3.0%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 766,042
Ratio to average net assets:	
Expenses **	0.28%
Net investment income **	1.19%
Portfolio turnover rate	58.69%

\* 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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 336,676
Public Employees' Retirement System	295,460
State Police Death, Disability and Retirement Fund	32,028
Workers' Compensation Old Fund	25,776
West Virginia Retiree Health Benefit Trust	21,182
Revenue Shortfall Reserve Fund - Part B	8,963
Judges' Retirement System	8,470
Deputy Sheriff's Retirement System	7,735
Coal Workers' Pneumoconiosis Fund	7,240
West Virginia Prepaid Tuition Trust Fund	5,059
State Police Retirement System	4,990
Board of Risk and Insurance Management	3,820
Wildlife Endowment Fund	2,712
Public Employees Insurance Agency	2,507
Emergency Medical Services Retirement System	2,255
West Virginia Department of Environmental Protection Trust	629
Workers' Compensation Self-Insured Guaranty Risk Pool	282
Workers' Compensation Uninsured Employers' Fund	251
Municipal Police Officers' and Firefighters' Retirement System	7
Total	<u>\$ 766,042</u>



**Financial Statements - Unaudited**

**January 31, 2012**



# International Qualified Pool

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## **Financial Statements - Unaudited January 31, 2012**

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# International Qualified Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	828,641
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### Liabilities

Accrued expenses		<u>51</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>828,590</u></b>
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### Analysis of net assets

Paid-in capital	\$	379,639
Accumulated undistributed net investment loss		(29,871)
Accumulated undistributed net realized gain from investments		25,253
Unrealized net appreciation of investments		<u>453,569</u>

<b>Net assets</b>	<b>\$</b>	<b><u>828,590</u></b>
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### Unit data

Units outstanding		20,622,290
Net asset value, unit price	\$	<u>40.18</u>

See accompanying notes to financial statements.

# International Qualified Pool

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## Schedule of Investments in Securities - Unaudited

January 31, 2012

(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	12,178,183	\$ 375,072	\$ 828,641
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>\$ 375,072</u>	<u>\$ 828,641</u>

See accompanying notes to financial statements.

## International Qualified Pool

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**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(358)	(2,486)
Trustee fees	(1)	(2)
Management fees	(21)	(153)
Fiduciary bond fees	-	(2)
Professional service fees	(4)	(28)
	<u>(384)</u>	<u>(2,671)</u>
<b>Total expenses</b>	<u>(384)</u>	<u>(2,671)</u>
<b>Investment loss, net</b>	(384)	(2,671)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	379	1,566
Net increase (decrease) in the fair value of investments	<u>33,130</u>	<u>(53,323)</u>
<b>Net gain (loss) from investments</b>	<u>33,509</u>	<u>(51,757)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>\$ 33,125</u>	<u>\$ (54,428)</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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (384)	\$ (2,671)
Net realized gain from investments	379	1,566
Net increase (decrease) in the fair value of investments	33,130	(53,323)
<b>Net increase (decrease) in net assets from operations</b>	33,125	(54,428)
<b>Unit transactions</b>		
Proceeds from sale of units	25	10,794
Amount paid for repurchase of units	-	(10,639)
<b>Net increase in net assets from unit transactions</b>	25	155
<b>Increase (decrease) in net assets</b>	33,150	(54,273)
<b>Net assets, beginning of period</b>	795,440	882,863
<b>Net assets, end of period</b>	\$ 828,590	\$ 828,590
<b>Unit data</b>		
Units sold	679	253,782
Units repurchased	-	(249,842)
<b>Net increase in units</b>	679	3,940

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

## International Qualified Pool

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**Statement of Cash Flows - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ 33,125	\$ (54,428)
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:		
Proceeds from disposition of investment securities	705	2,868
Decrease in accrued expenses	(346)	(352)
Net realized gain from investments	(379)	(1,566)
Net decrease (increase) in the fair value of investments	(33,130)	53,323
	<u>(25)</u>	<u>(155)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	25	10,794
Amount paid for repurchase of units	-	(10,639)
	<u>25</u>	<u>155</u>
<b>Net change in cash</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.*



# 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 January 31, 2012.

### 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Investments in other funds	\$ -	\$ 828,641	\$ -	\$ 828,641

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

# 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		(0.13)
Net realized and unrealized loss on investment transactions		(2.51)
Total from investment operations		(2.64)
Net asset value at January 31, 2012	\$	40.18

**Time-weighted Total Return \*** -6.2%

#### Supplemental Data:

Net assets, end of period	\$	828,590
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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 406,904
Public Employees' Retirement System	354,840
State Police Death, Disability and Retirement Fund	38,673
Judges' Retirement System	10,235
Deputy Sheriff's Retirement System	9,341
State Police Retirement System	5,910
Emergency Medical Services Retirement System	2,680
Municipal Police Officers' and Firefighters' Retirement System	7
Total	\$ 828,590



**Financial Statements - Unaudited**

**January 31, 2012**



# International Nonqualified Pool

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## **Financial Statements - Unaudited January 31, 2012**

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# International Nonqualified Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	90,598
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### Liabilities

Accrued expenses		<u>5</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>90,593</u></b>
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### Net assets

Paid-in capital	\$	42,171
Accumulated undistributed net investment loss		(3,868)
Accumulated undistributed net realized gain from investments		27,915
Unrealized net appreciation of investments		<u>24,375</u>

<b>Net assets</b>	<b>\$</b>	<b><u>90,593</u></b>
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### Unit data

Units outstanding		2,424,331
Net asset value, unit price	\$	<u>37.37</u>

See accompanying notes to financial statements.



# International Nonqualified Pool

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## Schedule of Investments in Securities - Unaudited

January 31, 2012

(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 - 100.0%	1,264,589	\$ 66,223	\$ 90,598
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.			

See accompanying notes to financial statements.

## International Nonqualified Pool

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### Statement of Operations - Unaudited

Period Ended January 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(51)	(355)
Management fees	(2)	(16)
Professional service fees	-	(3)
	<u>(53)</u>	<u>(374)</u>
<b>Total expenses</b>	<u>(53)</u>	<u>(374)</u>
<b>Investment loss, net</b>	(53)	(374)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	13	91
Net increase (decrease) in the fair value of investments	<u>3,651</u>	<u>(5,722)</u>
<b>Net gain (loss) from investments</b>	<u>3,664</u>	<u>(5,631)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>\$ 3,611</u>	<u>\$ (6,005)</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 January 31, 2012\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (53)	\$ (374)
Net realized gain from investments	13	91
Net increase (decrease) in the fair value of investments	3,651	(5,722)
<b>Net increase (decrease) in net assets from operations</b>	3,611	(6,005)
<b>Unit transactions</b>		
Proceeds from sale of units	3	29,020
Amount paid for repurchase of units	-	(504)
<b>Net increase in net assets from unit transactions</b>	3	28,516
<b>Increase in net assets</b>	3,614	22,511
<b>Net assets, beginning of period</b>	86,979	68,082
<b>Net assets, end of period</b>	\$ 90,593	\$ 90,593
<b>Unit data</b>		
Units sold	80	729,860
Units repurchased	-	(14,162)
<b>Net increase in units</b>	80	715,698

*\*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 January 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ 3,611	\$ (6,005)
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	51	355
Increase (decrease) in accrued expenses	(1)	3
Net realized gain from investments	(13)	(91)
Net decrease (increase) in the fair value of investments	(3,651)	5,722
	<u>(3)</u>	<u>(28,516)</u>
<b>Cash flows from financing activities</b>		
Proceeds from sale of units	3	29,020
Amount paid for repurchase of units	-	(504)
	<u>3</u>	<u>28,516</u>
	-	-
<b>Net change in cash</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.

# 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 January 31, 2012.

### 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 January 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ 90,598	\$ -	\$ 90,598

There were no transfers in or out of Levels 1 and 2 for the period ended January 31, 2012.

# International Nonqualified Pool

## 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	\$	39.85
Income from investment operations:		
Net investment loss		(0.15)
Net realized and unrealized loss on investment transactions		(2.33)
Total from investment operations		(2.48)
Net asset value at January 31, 2012	\$	37.37

**Time-weighted Total Return \*** -6.2%

#### Supplemental Data:

Net assets, end of period	\$	90,593
Ratio to average net assets:		
Expenses **		0.74%
Net investment income **		-0.74%
Portfolio turnover rate		0.41%

\* 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

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 30,820
West Virginia Retiree Health Benefit Trust	24,751
Revenue Shortfall Reserve Fund - Part B	10,237
Coal Workers' Pneumoconiosis Fund	8,495
West Virginia Prepaid Tuition Trust Fund	4,491
Board of Risk and Insurance Management	4,483
Wildlife Endowment Fund	3,238
Public Employees Insurance Agency	2,807
West Virginia Department of Environmental Protection Trust	625
Workers' Compensation Self-Insured Guaranty Risk Pool	344
Workers' Compensation Uninsured Employers' Fund	302
Total	\$ 90,593





**Financial Statements - Unaudited**

**January 31, 2012**



# International Equity Pool

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# International Equity Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,869,428
Collateral for securities loaned at fair value (Note 4)		100,062
Cash denominated in foreign currencies (cost \$7,324)		7,426
Receivables:		
Investments sold		6,509
Dividends		3,576
Securities lending income		70
Foreign tax withholding		799
Unrealized gain on foreign currency forward contracts (Note 5)		36
		<hr/>
<b>Total assets</b>		1,987,906

### Liabilities

Accrued expenses		2,002
Payable for investments purchased		8,544
Payable upon return of securities loaned (Note 4)		103,408
Unrealized loss on foreign currency forward contracts (Note 5)		18
		<hr/>
<b>Total liabilities</b>		113,972
		<hr/>
<b>Net assets</b>	\$	<u>1,873,934</u>

### Analysis of net assets

Paid-in capital	\$	1,153,040
Accumulated undistributed net investment income		285,194
Accumulated undistributed net realized gain from investments		346,123
Accumulated undistributed net realized gain from foreign currency transactions		94,754
Unrealized net depreciation of investments		(26,966)
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		21,789
		<hr/>
<b>Net assets</b>	\$	<u>1,873,934</u>

### Unit data

Units outstanding		90,817,279
Net asset value, unit price	\$	<u>20.63</u>

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

(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	3,173
<i>Total Argentina - 0.2%</i>		4,072	4,587
<i>Australia</i>			
BlueScope Steel Ltd	1,549,600	4,967	667
Caltex Australia Ltd	415,600	4,159	5,623
Downer EDI Ltd	720,314	2,422	2,764
DUET Group	1,301,733	1,831	2,504
Flight Centre Ltd	2,563	52	53
Goodman Fielder Ltd	3,139,617	3,417	1,752
John Fairfax Holdings Ltd	1,863,870	2,569	1,466
Macquarie Group Ltd	239,200	5,118	6,480
Medusa Mining Ltd	383,713	2,483	2,202
Metcash Ltd	1,302,113	5,083	5,591
National Australia Bank Ltd	304,100	8,568	7,708
OneSteel Ltd	2,545,600	6,194	2,002
Rio Tinto Ltd	133,800	11,080	9,834
SAI Global Limited	212,462	1,095	1,118
Southern Cross Media Group	285,367	940	352
Telstra Corporation Ltd	1,738,800	5,111	6,154
Wotif.com Holdings Ltd	456,126	1,888	1,895
<i>Total Australia - 3.1%</i>		66,977	58,165
<i>Austria</i>			
OMV AG	180,200	7,652	5,913
Voestalpine AG	112,500	4,077	3,691
<i>Total Austria - 0.5%</i>		11,729	9,604
<i>Belgium</i>			
Barco NV	22,300	1,603	1,210
Delhaize Le Lion SA	104,000	6,948	5,668
D'Ieteren SA NV	43,368	2,185	2,157
KBC Groep NV	113,900	5,008	2,161
Mobistar SA	39,818	2,493	1,993
Tessenderlo Chemie NV	65,300	2,990	2,231
<i>Total Belgium - 0.8%</i>		21,227	15,420
<i>Bermuda</i>			
China Yuchai International Ltd	226,207	3,831	3,527
Credicorp Ltd	24,000	2,108	2,728
Dickson Concepts Ltd	1,628,500	1,191	907
First Pacific Company Ltd	10,890,314	4,430	12,443
Haier Electronics Group	1,829,000	1,905	1,882
Peoples Food Holdings Ltd	12,701,000	9,798	6,978
Varitronix International Ltd	783,000	784	332
Yue Yuen Industrial Holdings	1,682,000	3,440	5,152
<i>Total Bermuda - 1.8%</i>		27,487	33,949
<i>Brazil</i>			
Banco Bradesco SA	192,200	3,631	3,437
Banco do Brasil SA	377,101	5,384	5,858
Banco do Estado do Rio Grande	705,400	5,052	8,108
Banco Santander Brasil SA	1,162,160	13,891	10,599
Brasil Telecom SA	401,924	10,442	5,739
BRF-Brasil Foods SA	97,600	1,858	1,955
Centrais Elect de Sata Catarin	155,600	4,108	3,027
Centrais Eletricas Brasileiras	1,291,020	14,390	14,875
CETIP	185,900	2,839	2,862
CIA Paranaense De Energia	198,080	2,402	3,733
Companhia de Bebidas das Amer	74,800	2,344	2,722
Companhia de Saneamento	481,655	6,822	16,053
Companhia Energetica de Minas	298,000	4,799	6,022

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Companhia Energetica do Ceara	281,750	4,773	5,461
Companhia Paranaense	148,020	2,928	3,388
Ecorodovias Infra E Log	295,700	2,401	2,078
Eletropaulo Metropolitana SA	134,600	2,452	2,784
Embraer SA	396,598	8,322	10,875
Inpar SA	2,577,740	4,582	3,078
Itau Unibanco Holding SA	341,820	6,120	6,823
Localiza Rent A Car	181,000	2,942	2,967
Marcopolo SA	480,300	2,029	2,173
Marfrig Frigorificos e Comerci	1,354,185	11,035	6,205
OGX Petroleo e Gas Participac	194,000	1,689	1,834
PDG Realty SA	240,100	1,303	971
Petroleo Brasileiro SA	1,162,112	27,695	24,040
Tele Norte Leste Participacoes	321,447	5,052	3,656
Telefonica Brasil	316,589	2,915	8,814
Tim Participacoes SA	257,660	3,978	7,433
Tractebel Energia SA	56,500	948	979
Vale SA	345,900	9,834	8,588
<i>Total Brazil - 10.0%</i>		178,960	187,137
<i>Canada</i>			
Alimentation Couche-Tard Inc	227,500	3,223	6,908
ATCO Ltd	11,600	346	690
Canadian Imperial Bank	99,300	6,267	7,549
Celestica Inc	597,200	3,867	5,086
Cogeco Cable Inc	55,900	2,514	2,692
Ensign Energy Services Inc	72,500	1,128	1,128
Genworth MI Canada Inc	89,100	2,443	2,020
Laurentian Bank of Canada	83,174	2,496	3,832
Lundin Mining Corporation	798,300	2,844	4,036
Magna International Inc	164,000	8,605	6,774
Metro Inc	114,900	4,758	6,272
National Bank of Canada	83,300	3,692	6,248
Pacific Rubiales Energy Corp	119,900	3,091	3,016
Sherritt International Company	604,400	3,606	3,815
Teck Corporation	187,800	6,177	7,963
Transcontinental Inc	239,200	3,637	3,065
Westjet Airlines LTD	275,500	3,515	3,434
<i>Total Canada - 4.0%</i>		62,209	74,528
<i>Cayman Islands</i>			
Baidu Inc	23,300	2,892	2,971
Belle International Holdings	1,231,500	2,285	2,001
Chaoda Modern Agricultures Ltd	21,531,636	14,462	278
Comba Telecom Systems Holdings	2,003,000	1,729	1,403
CST Mining Group Ltd	26,454,000	773	304
Daphne International Holdings	2,326,000	2,198	2,998
Kingboard Laminates Holding	3,250,500	2,844	1,740
Longking Holdings Ltd	10,369,000	3,897	4,266
New World Department Store	2,153,000	2,017	1,297
Tencent Holdings Ltd	59,200	1,439	1,448
TPK Holdings Co Ltd	65,600	1,524	952
VST Holdings Limited	5,142,000	1,682	782
Yingde Gases	2,890,500	3,104	3,336
<i>Total Cayman Islands - 1.3%</i>		40,846	23,776
<i>China</i>			
Bank of China Ltd	19,058,000	6,228	8,184
China Construction Bank Corp	6,454,100	5,386	5,169
China Merchants Bank	1,144,500	2,610	2,527
China Pet & Chem Cor (Sinopec)	8,680,000	7,227	10,542
China South Locomotive	1,525,000	1,016	1,005
Chongqing Machinery & Electric	7,926,000	1,644	1,595
Dongfeng Motor Group Company	1,662,000	2,154	3,108
Great Wall Motor Company Ltd	4,665,999	3,450	8,003

See accompanying notes to financial statements.

# International Equity Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Harbin Power Equipment Company	3,342,000	3,849	3,237
Jiangxi Copper Company Ltd	818,000	2,381	2,082
PetroChina Company Ltd	11,990	1,685	1,745
Sichuan Xinhua Winshare	6,391,000	1,553	2,876
Sinotrans Ltd	35,607,000	6,371	7,347
Weiqiao Textile Company Ltd	12,431,908	15,893	6,397
<i>Total China - 3.4%</i>		61,447	63,817
<i>Czech Republic</i>			
Telefonica O2 Czech Republic - 0.4%	386,860	8,973	7,722
<i>Denmark</i>			
D/S Norden A/S	50,577	1,918	1,267
Danske Bank A/S	144,600	3,042	2,113
DSV A/S	136,005	2,869	2,780
SimCorp A/S	15,786	1,997	2,399
<i>Total Denmark - 0.5%</i>		9,826	8,559
<i>Finland</i>			
Elisa Oyj	88,583	1,816	1,865
Huhtamaki	224,400	2,469	2,743
TietoEnator Oyj	171,000	4,238	2,583
<i>Total Finland - 0.4%</i>		8,523	7,191
<i>France</i>			
Altran Technologies SA	313,790	2,222	1,483
Axa	259,700	7,310	3,945
BNP Paribas	111,600	8,205	4,729
Compagnie Generale de Geophy	77,289	2,341	2,157
Credit Agricole SA	510,196	3,980	3,146
France Telecom SA	289,000	8,066	4,337
Ingenico SA	49,252	2,117	2,069
Ipsos	16,308	525	521
Rallye SA	35,300	2,308	1,143
Sanofi-Synthelabo SA	217,400	14,899	16,071
SCOR SE	234,848	5,793	5,913
Teleperformance	87,475	3,001	2,193
Total SA	232,600	14,724	12,303
Valeo SA	102,000	4,225	4,791
Virbac SA	11,935	1,094	1,672
Vivendi Universal	439,800	13,097	9,212
<i>Total France - 4.0%</i>		93,907	75,685
<i>Germany</i>			
ADVA AG Optical Networking	232,190	1,653	1,253
Allianz AG	67,400	9,038	7,417
BASF AG	100,500	4,292	7,733
Bayer AG	103,100	5,498	7,226
Deutsche Bank AG	81,700	7,346	3,464
Deutsche Post AG	276,700	3,680	4,600
E.On AG	204,500	6,200	4,376
Fielmann AG	24,274	2,423	2,520
Fuchs Petrolub AG	69,948	1,692	3,241
GEA Group AG	77,721	1,766	2,498
Kabel Deutschland Holding AG	55,732	3,045	2,908
Krones AG	37,091	1,911	2,125
Muenchener Rueckversicherungs	51,800	8,810	6,754
MUT Aero Engines Holding AG	37,939	2,786	2,648
Pfeiffer Vacuum Technology AG	25,622	1,686	2,638
RWE AG	83,300	6,579	3,188
Symrise AG	95,152	2,317	2,712
ThyssenKrupp AG	146,200	3,770	4,147
TUI AG	393,840	3,532	2,868
Volkswagen AG	68,000	8,689	10,992

See accompanying notes to financial statements.

# International Equity Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Wirecard AG	164,528	2,303	2,959
<i>Total Germany - 4.7%</i>		89,016	88,267
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,132	2
Alpha Bank AE	91,300	2,833	182
Hellenic Petroleum SA	43,638	608	329
<i>Total Greece - 0.0%</i>		4,573	513
<i>Hong Kong</i>			
Beijing Enterprises Holdings	300,000	1,638	1,741
BYD Electronics International	2,040,000	1,170	689
China Mobile (Hong Kong) Ltd	1,506,000	14,282	15,400
China Resources Power	5,928,500	10,686	11,575
China Taiping Insurance	996,200	1,974	1,840
CNOOC Ltd	1,954,000	4,333	4,017
Erste Group Bank AG	268,167	11,163	5,894
Esprit Holding Ltd	961,800	1,167	1,419
Galaxy Entertainment Group	565,000	1,045	1,233
Oriental Watch Holdings	2,578,000	1,351	1,164
Xinyi Glass Holdings Co Ltd	2,622,000	1,479	1,552
<i>Total Hong Kong - 2.5%</i>		50,288	46,524
<i>Hungary</i>			
Magyar Telekom - 0.4%	3,424,860	14,751	8,142
<i>India</i>			
Ashok Leyland Ltd	4,045,651	2,062	2,230
Aurobindo Pharma	752,050	2,904	1,749
Dr. Reddy's Laboratories	61,800	2,093	2,110
Grasim Industries Limited	65,542	3,577	3,483
HDFC Bank Ltd	115,600	3,632	3,587
Indiabulls Financial Services	1,075,300	3,920	3,943
Indian Oil Corporation Ltd	75,205	407	439
McLeod Russel India Ltd	346,493	2,094	1,316
Patni Computer Systems Ltd	72,697	1,523	1,347
Reliance Infrastructure Ltd	1,807,825	18,863	19,592
Tata Motors Ltd	230,600	5,851	5,553
<i>Total India - 2.4%</i>		46,926	45,349
<i>Indonesia</i>			
Bank Rakyat Indonesia	3,084,000	2,208	2,350
Semen Gresik (Persero) TBK	2,111,400	2,304	2,653
Timah Tbk PT	11,632,000	2,445	2,433
United Tractors TBK	918,587	2,443	2,897
<i>Total Indonesia - 0.6%</i>		9,400	10,333
<i>Ireland</i>			
Irish Life & Permanent Group	398,100	6,377	17
Total Produce PLC	82,700	92	41
<i>Total Ireland - 0.0%</i>		6,469	58
<i>Israel</i>			
Bank Leumi Le-Israel	976,800	3,243	3,191
Bezeq Israeli Telecommunicatio	795,078	1,130	1,379
Israel Discount Bank	1,644,552	3,628	2,370
Partner Communications Company	472,472	8,118	3,914
Syneron Medical Ltd	259,721	2,711	2,821
Teva Pharmaceutical Ltd	111,600	4,176	5,030
<i>Total Israel - 1.0%</i>		23,006	18,705
<i>Italy</i>			
Amplifon SpA	391,141	1,878	1,761
De'Longhi SPA	11,866	112	117
Enel SpA	1,044,300	5,684	4,273

See accompanying notes to financial statements.



## International Equity Pool

### Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
ENI SpA	424,300	11,514	9,387
Finmeccanica SpA	276,900	4,130	1,247
Piaggio & C SPA	696,304	2,229	1,850
Pirelli & Company SpA	536,312	3,876	4,964
Prysmian SpA	113,818	1,845	1,710
Sorin SPA	858,072	1,724	1,557
<i>Total Italy - 1.4%</i>		32,992	26,866
<i>Japan</i>			
Aeon Delight Company Ltd	95,951	1,630	1,969
Akebono Brake Industry Co Ltd	71,371	382	360
Asahi Kasei Corp	758,000	4,601	4,792
Brother Industries Ltd	227,200	3,214	3,060
Century Leasing System Inc	214,200	2,725	4,371
Circle K Sunkus Company Ltd	111,900	1,592	1,927
Coca-Cola West Company	107,400	1,953	1,845
Cocokara Fine Holdings Inc	80,100	2,067	2,101
Daiseki Company Ltd	86,460	1,726	1,567
Disco Corp	35,300	1,812	1,905
Don Quijote Co Ltd	60,900	2,138	2,262
Eizo Nannao Corporation	51,700	1,645	1,105
Elpida Memory Inc	116,700	1,292	494
GEO Corporation	1,800	1,846	1,955
Hanwa Company Ltd	600,000	3,094	2,864
Heiwa Corporation	127,000	2,154	2,284
Hitachi Capital Corporation	67,400	608	1,015
Hitachi Metals Ltd	231,000	2,708	2,651
Hoshizaki Electric Company Ltd	90,296	1,393	2,079
Itochu Corp	499,000	3,527	5,425
Itochu Techno-Science Corp	92,100	2,870	4,258
Izumi Company Ltd	36,815	473	650
Japan Petroleum Exploration Co	61,800	2,604	2,731
JSR Corporation	123,086	2,126	2,515
JTEKT Corporation	240,200	2,355	2,571
JVC Kenwood Holdings	316,900	1,275	1,305
JX Holdings Inc	958,421	6,146	5,782
KDDI Corporation	1,100	5,634	6,968
Keihin Corporation	160,500	1,387	2,953
Keiyo Bank Ltd	300,007	1,463	1,475
Kobayashi Pharmaceutical Co	36,821	1,731	1,893
Konica Corporation	317,000	2,250	2,307
Kyowa Exeo Corporation	239,500	2,147	2,400
Marubeni Corporation	654,800	2,948	4,517
Matsumotokiyoshi Holdings Co	167,400	3,080	3,429
Megmilk Snow Brand Co Ltd	110,800	2,142	2,183
Miraca Holdings Inc	144,700	3,107	5,414
Mitsubishi Tokyo Finl Grp Inc	1,467,600	6,590	6,717
Mitsui & Company Ltd	349,800	5,982	5,936
Mizuho Financial Grp Inc	4,206,600	8,886	6,344
Musashi Seimitsu Industry Co	97,731	2,483	2,248
NGK Insulators LTD	201,000	2,460	2,578
Nippon Telegraph & Telephone	188,900	8,428	9,439
NTT DoCoMo	5,500	8,422	9,767
Osaka Securities Exchange Co	250	1,231	1,461
Pola Orbis Holdings Inc	83,100	1,989	2,242
Sankyo Company Ltd	48,400	2,199	2,364
Sapporo Hokuyo Holdings Inc	705,600	3,211	2,536
Sapporo Holdings Ltd	704,341	2,961	2,716
Seino Holdings Corporation Ltd	330,000	1,730	2,519
Shimadzu Corporation	141,000	1,170	1,228
Sumitomo Corporation	783,000	10,541	11,244
Sumitomo Mitsui Financial Grp	191,100	5,996	6,078
Sundrug Co Ltd	58,900	1,523	1,745
THK Co Ltd	113,214	2,363	2,432
Toagosei Company Ltd	602,000	2,621	2,519

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Tokyo Tatemono Company Ltd	913,700	3,405	3,343
Toshiba Plant Sys & Ser Corp	289,695	3,275	3,264
Toyo Suisan Kaisha Ltd	155,000	3,220	3,816
Toyota Motor Corp	25,200	1,408	929
Tsumura & Company	59,834	1,803	1,782
United Urban Investment Corp	2,347	2,617	2,555
Yaskawa Electric Corporation	221,000	1,808	1,951
Yodogawa Steel Works Ltd	512,000	2,194	2,364
Yokogawa Electric Corp	181,000	1,490	1,787
Yokohama Rubber Company Ltd	433,000	2,232	2,595
<i>Total Japan - 11.0%</i>		190,083	205,881
<i>Korea</i>			
BS Financial Group Inc	617,660	3,260	7,010
E-Mart Co Ltd	6,914	1,797	1,671
GS Holdings Corp	32,749	2,312	1,816
Hana Financial Group	175,590	6,644	6,002
Hyundai Mipo Dockyard Company	21,700	1,959	2,434
Hyundai Motor Co Ltd	19,988	4,119	3,932
Hyundai Motor Company	135,450	5,668	7,862
Hyundai Securities Co Ltd	341,900	2,955	3,241
Industrial Bank of Korea (IBK)	305,000	5,052	3,435
KB Financial Group Inc	311,146	13,554	11,798
Korea Electric Power Corp	333,948	9,158	8,294
Korea Exchange Bank	656,100	7,827	4,620
KT Corporation	87,400	4,009	2,599
LG Chemical Ltd	4,520	1,796	1,505
LG Household & Health Care Ltd	2,922	1,222	1,243
Lotte Chilsung Beverage Co	9,274	8,198	10,526
Lotte Confectionery Co Ltd	1,417	1,520	2,144
NHN Corporation	12,117	2,364	2,287
Posco	48,877	15,045	13,544
Samsung Electronics Co Ltd	16,660	11,975	16,418
Samsung Engineering Co	10,547	2,326	2,014
Samsung Heavy Industries	68,800	2,498	2,186
Shinhan Financial Group	101,730	3,962	4,053
SK Holdings Co Ltd	31,100	2,711	3,890
SK Telecom Company Ltd	112,690	15,213	14,295
<i>Total Korea - 7.4%</i>		137,144	138,819
<i>Luxembourg</i>			
Tenaris SA	25,000	1,050	982
Ternium	46,470	893	1,053
<i>Total Luxembourg - 0.1%</i>		1,943	2,035
<i>Malaysia</i>			
Axiata Group Berhad	1,297,200	2,136	1,991
Petronas Chemicals Group	864,000	1,950	1,894
<i>Total Malaysia - 0.2%</i>		4,086	3,885
<i>Mauritius</i>			
Golden Agri-Resources Ltd - 0.2%	7,439,779	3,436	4,354
<i>Mexico</i>			
Alfa SA A Shares	453,400	2,692	5,969
America Movil	298,833	7,106	6,936
Cemex SAB de CV	1,327,117	10,301	9,038
Fibra Uno Administracion SA	2,975,660	4,766	5,900
Fomento Economico Mexicano SAB	29,770	1,965	2,099
Genomma Lab Internacional	612,200	1,458	1,346
Gruma SA	192,890	285	428
Grupo Financiero Banorte	656,400	2,839	2,622
Grupo Televisa MM	1,368,013	5,172	5,412
Grupo Televisa SA	90,300	2,034	1,781
<i>Total Mexico - 2.2%</i>		38,618	41,531

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Netherlands</i>			
Aegon NV	779,500	6,586	3,781
ASM International NV	80,651	1,664	2,668
Delta Lloyd NV	150,800	3,505	2,762
Gemalto NV	38,961	1,937	2,093
Koninklijke (Royal) KPN NV	569,500	8,070	6,247
Koninklijke Ahold NV	482,900	6,521	6,404
Koninklijke DSM NV	139,700	5,192	7,173
Nutreco Holding NV	49,465	2,622	3,508
<i>Total Netherlands - 1.8%</i>		36,097	34,636
<i>New Zealand</i>			
Chorus Ltd	402,320	943	1,084
Telecom Corp of New Zealand	2,011,600	3,097	3,483
<i>Total New Zealand - 0.2%</i>		4,040	4,567
<i>Norway</i>			
Cermaq ASA	178,900	2,702	2,469
DNB Holding ASA	230,200	3,057	2,432
Marine Harvest	2,571,565	1,942	1,398
StatoilHydro ASA	275,900	7,095	6,928
Stolt-Nielsen Ltd	96,500	2,011	2,076
TGS Nopec Geophysical Company	112,649	1,434	2,823
Veidekke ASA	272,143	2,467	1,984
<i>Total Norway - 1.1%</i>		20,708	20,110
<i>Pakistan</i>			
Lucky Cement Ltd	1,233,039	955	1,156
Nishat Mills Ltd	1,831,640	2,114	923
<i>Total Pakistan - 0.1%</i>		3,069	2,079
<i>Panama</i>			
Banco Latinoamericano de Exp	604,261	9,560	11,185
Copa Holdings	49,700	3,217	3,387
<i>Total Panama - 0.8%</i>		12,777	14,572
<i>Philippines</i>			
First Philippine Holdings Corp	2,879,117	1,819	3,998
Metropolitan Bank & Trust Co	1,655,309	2,630	2,928
<i>Total Philippines - 0.4%</i>		4,449	6,926
<i>Poland</i>			
KGHM Polska Miedz - 0.4%	154,400	5,140	6,678
<i>Portugal</i>			
Banco Espirito Santo - 0.1%	675,000	3,718	1,116
<i>Russia</i>			
Gazprom	940,400	9,458	11,379
Lukoil	372,970	22,496	21,761
Magnit	111,430	3,088	2,863
MMC Norilsk Nickel	402,961	6,648	7,741
Mobile TeleSystems	174,000	2,216	2,916
NovaTek OAO	15,584	1,965	2,099
OAO TMK	131,533	1,535	1,555
Sberbank	1,324,512	4,265	3,960
<i>Total Russia - 2.9%</i>		51,671	54,274
<i>Singapore</i>			
ComfortDelGro Corporation	1,694,000	1,847	2,003
DBS Group Holdings Ltd	429,000	3,783	4,629
Flextronics International Ltd	1,545,070	6,765	10,615
Haw Par Corporation Ltd	532,000	2,330	2,427
Hong Leong Asia Ltd	1,164,000	2,220	1,594

See accompanying notes to financial statements.

# International Equity Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Venture Corp Ltd	157,000	800	903
<i>Total Singapore - 1.2%</i>		17,745	22,171
<i>South Africa</i>			
Astral Foods Ltd	161,900	2,256	2,501
AVI Ltd	52,900	282	281
Barloworld Ltd	96,340	1,020	1,081
Clicks Group Ltd	388,360	2,237	1,977
Exxaro Resources Ltd	104,413	2,483	2,584
FirstRand Ltd	1,172,708	3,292	3,391
Imperial Holdings Ltd	552,930	3,652	9,828
JD Group Ltd	97,371	591	618
Metropolitan Holdings Ltd	1,946,300	3,206	4,529
MTN Group Ltd	620,520	9,381	10,598
Nampak Ltd	1,627,100	3,355	4,715
<i>Total South Africa - 2.2%</i>		31,755	42,103
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	763,400	8,451	5,946
Bolsas y Mercados Espanoles	67,027	1,777	1,830
Ebro Foods SA	87,310	1,514	1,673
Grifols SA	167,966	2,868	2,983
Repsol SA	282,500	8,211	7,766
Telefonica SA	332,800	7,121	5,807
Viscofan Sa	95,779	3,344	3,695
<i>Total Spain - 1.6%</i>		33,286	29,700
<i>Sweden</i>			
Alliance Oil Company Ltd	138,862	2,326	1,595
Boliden AB	577,000	8,085	9,855
Meda AB	274,998	2,284	2,900
NCC AB	212,300	3,788	4,384
<i>Total Sweden - 1.0%</i>		16,483	18,734
<i>Switzerland</i>			
Baloise Holding Ltd	73,300	4,946	5,627
BKW SA	29,128	1,890	1,140
Credit Suisse Group	254,400	11,023	6,606
Informa PLC	567,571	2,543	3,502
Kuoni Reisen Holding AG	8,489	2,880	2,515
Novartis AG	210,300	7,746	11,389
Partners Group Holding AG	14,487	1,431	2,536
Roche Holding AG	78,600	11,321	13,317
Swiss Re Ltd	78,300	3,982	4,251
Zurich Financial Services AG	28,300	6,612	6,801
<i>Total Switzerland - 3.1%</i>		54,374	57,684
<i>Taiwan</i>			
Catcher Technology Co Ltd	149,000	1,071	927
Chinatrust Financial Holding	4,052,583	3,114	2,616
Compal Electronics Inc	15,114,938	14,094	16,960
Gigabyte Technology Company	2,968,000	2,206	2,397
Hon Hai Precision Industry Co	1,012,000	2,786	3,260
Huaku Development Co Ltd	138,838	422	335
Largan Precision Co Ltd	72,000	2,011	1,548
Lite-On-It Corp	2,747,000	2,565	2,697
Novatek Microelectronics Corp	3,842,000	9,282	10,921
Taiwan Prosperity Chemical	1,410,600	5,642	3,738
Taiwan Semiconductor	330,900	4,156	4,659
United Microelectronics Corp	9,926,000	4,423	5,200
Wistron Corporation	3,238,000	3,847	4,859
<i>Total Taiwan - 3.2%</i>		55,619	60,117
<i>Thailand</i>			
Banpu Putlic Company Ltd	123,196	2,773	2,350

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Kasikornbank Public Co Ltd	583,800	2,195	2,435
Krung Thai Bank Public Co Ltd	16,010,900	4,677	7,921
PTT PLC	216,826	2,304	2,384
<i>Total Thailand - 0.8%</i>		11,949	15,090
<i>Turkey</i>			
Dogus Otomotiv Servis	828,060	1,859	1,711
Koza Altin Isletmeleri AS	155,100	2,169	2,758
Selcuk Exza Deposu Ticaret AS	3,454,524	4,463	3,159
Turkiye Garanti Bankasi AS	1,622,840	5,939	5,881
Turkiye Sinai Kalkinma Bank	1,311,464	1,850	1,592
Turkiye Vakiflar Bankasi T-D	4,234,600	4,474	6,908
<i>Total Turkey - 1.2%</i>		20,754	22,009
<i>United Arab Emirates</i>			
Air Arabia - 0.5%	49,680,491	9,983	8,819
<i>United Kingdom</i>			
Afren PLC	519,610	1,042	988
Arcos Dorados Holdings Inc	106,400	2,517	2,288
AstraZeneca Group PLC	332,100	14,549	16,008
Aviva PLC	814,200	6,345	4,489
Babcock International Group	264,158	2,691	3,041
Barclays PLC	1,178,654	9,498	3,953
BBA Aviation PLC	959,334	2,861	2,822
BP Amoco PLC	1,936,800	16,799	14,391
British Aerospace PLC	1,491,800	7,408	7,246
BT Group PLC	3,380,900	9,759	10,857
Cable & Wireless Communication	7,168,000	4,198	4,853
Computacenter PLC	900,800	3,344	5,650
Cookson Group PLC	240,330	1,619	2,188
Daily Mail & General Trust PLC	336,308	1,864	2,319
Debenhams PLC	3,379,730	3,475	3,616
Derwent London PLC	70,947	1,708	1,873
Domino Printing Sciences	244,731	2,518	2,290
Drax Group PLC	434,000	4,706	3,640
Enquest PLC	1,468,233	2,805	2,465
GlaxoSmithKline PLC	374,400	7,614	8,331
Greene King PLC	72,815	343	565
Homeserve PLC	328,080	2,331	1,470
HSBC Bank PLC	73,700	1,029	1,150
Hunting PLC	240,686	2,175	3,061
IG Group Holdings PLC	429,785	2,125	3,213
Inchcape PLC	603,600	2,657	3,246
International Personal Finance	403,472	1,530	1,212
J Sainsbury PLC	1,239,500	6,401	5,641
Legal & General Group PLC	2,319,500	4,876	4,224
Logica PLC	2,046,300	2,035	2,448
Marston's PLC	893,188	2,333	1,367
Meggitt PLC	524,894	1,159	3,007
Melrose PLC	488,455	2,136	2,898
Mitchells & Butlers PLC	643,849	3,211	2,608
Mondi PLC	779,100	5,721	6,209
Old Mutual PLC	2,992,800	6,274	6,895
Premier Farnell PLC	462,100	1,349	1,508
Premier Oil PLC	510,594	2,286	3,311
Royal & Sun Alliance Insurance	1,524,400	2,770	2,550
Royal Dutch Shell B Shares	689,200	19,372	25,107
RPS Group PLC	684,658	1,671	2,253
Spectris PLC	137,083	1,851	3,312
Spirax-Sarco Engineering	78,667	1,687	2,457
Spirent Communicatios PLC	1,223,705	2,175	2,294
St. James Place PLC	401,214	1,238	2,216
Thomas Cook Group	959,500	3,433	204
Vodafone Group PLC	2,467,200	5,000	6,650

See accompanying notes to financial statements.

# International Equity Pool

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

**January 31, 2012**

*(Amounts in thousands, except share data)*

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
William Morrison Supermarkets	1,170,400	5,626	5,282
<i>Total United Kingdom - 11.3%</i>		202,114	209,666
<i>United States</i>			
Cognizant Tech Solutions A	41,700	2,845	2,992
First Cash Finl Svcs Inc	32,700	1,273	1,316
<i>Total United States - 0.2%</i>		4,118	4,308
Total Equities - 98.6%		1,848,763	1,846,761
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.2%	22,667,600	22,667	22,667
Total Investment Securities - 99.8%		<u>\$ 1,871,430</u>	<u>\$ 1,869,428</u>
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 98,671	\$ 98,671
Mellon SL DBT II Liquidating Fund		1,432	1,391
Mellon GSL DBT II Liquidating Trust		3,305	-
Total Collateral for Securities Loaned		<u>\$ 103,408</u>	<u>\$ 100,062</u>

*See accompanying notes to financial statements.*

# International Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 1,654	\$ 22,588
Interest	3	5
Securities lending income	26	86
Securities lending borrower premiums	76	655
Net shareholder litigation process	-	3
Commission recapture	1	3
<b>Total investment income</b>	1,760	23,340
<b>Expenses</b>		
Investment advisor fees	(940)	(5,956)
Trustee fees	(1)	(4)
Custodian bank fees	(63)	(379)
Management fees	(46)	(317)
Fiduciary bond fees	-	(4)
Professional service fees	(8)	(58)
Securities lending agent fees	(18)	(117)
<b>Total expenses</b>	(1,076)	(6,835)
<b>Investment income, net</b>	684	16,505
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	(2,237)	3,539
Foreign currency transactions	(275)	2,965
Net increase (decrease) in the fair value of:		
Investments	121,068	(164,866)
Translation of assets and liabilities in foreign currencies	32,311	(69,704)
<b>Net gain (loss) from investments and foreign currency</b>	150,867	(228,066)
<b>Net increase (decrease) in net assets from operations</b>	\$ 151,551	\$ (211,561)

*\*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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 684	\$ 16,505
Net realized gain (loss) from investments	(2,237)	3,539
Net realized gain (loss) from foreign currency transactions	(275)	2,965
Net increase (decrease) in the fair value of investments	121,068	(164,866)
Net increase (decrease) in the translation of assets and liabilities in foreign currencies	32,311	(69,704)
	<b>151,551</b>	<b>(211,561)</b>
<b>Unit transactions</b>		
Proceeds from sale of units	47,196	276,000
Amount paid for repurchase of units	-	(37,150)
	<b>47,196</b>	<b>238,850</b>
	<b>198,747</b>	<b>27,289</b>
	<b>1,675,187</b>	<b>1,846,645</b>
	<b>\$ 1,873,934</b>	<b>\$ 1,873,934</b>
<b>Unit data</b>		
Units sold	2,488,538	13,991,578
Units repurchased	1	(1,651,966)
	<b>2,488,539</b>	<b>12,339,612</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

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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 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 January 31, 2012.

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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 1,846,761	\$ -	\$ -	\$ 1,846,761
Regulated investment companies	-	22,667	-	22,667
Foreign currency forward contracts	-	36	-	36
Securities lending collateral funds	-	100,062	-	100,062
Total	<u>\$ 1,846,761</u>	<u>\$ 122,765</u>	<u>\$ -</u>	<u>\$ 1,969,526</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	<u>\$ -</u>	<u>\$ (18)</u>	<u>\$ -</u>	<u>\$ (18)</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2012.

Fair value of securities on loan	\$	95,492		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>103,408</u>	\$ 100,062	<u>\$ (3,346)</u>
Non-cash			-	
Total			<u>\$ 100,062</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 January 31, 2012 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 January 2012, the pool has recorded, but not distributed \$4,827 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 January 31, 2012, 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	Australian Dollar	1/27/2012	2/1/2012	471	\$ 500		\$ 500	\$ -
Long	Australian Dollar	1/30/2012	2/2/2012	612	650		646	4
Long	Brazil Real	1/30/2012	2/1/2012	1,395	797		799	(2)
Long	Brazil Real	1/31/2012	2/2/2012	2,114	1,208		1,217	(9)
Long	Indonesian Rupiah	1/30/2012	2/1/2012	9,260	1		1	-
Long	Indonesian Rupiah	1/30/2012	2/2/2012	206,919	23		23	-
Long	Japanese Yen	1/31/2012	2/3/2012	6,726	88		88	-
Long	South African Rand	1/25/2012	2/1/2012	8,207	1,052		1,021	31
Short	Brazil Real	1/30/2012	2/1/2012		812	1,425	815	(3)
Short	Brazil Real	1/31/2012	2/2/2012		2,388	1,914	2,390	(2)
Short	Canadian Dollar	1/31/2012	2/1/2012		63	63	63	-
Short	Japanese Yen	1/27/2012	2/1/2012		243	18,670	245	(2)
Short	Japanese Yen	1/30/2012	2/2/2012		80	6,120	80	-
Short	Japanese Yen	1/31/2012	2/1/2012		1	92	1	-
Short	Singapore Dollar	1/31/2012	2/3/2012		250	314	250	-
Short	South African Rand	1/31/2012	2/7/2012		258	2,012	258	-
Short	South African Rand	1/27/2012	2/1/2012		51	393	50	1
					<u>\$ 8,465</u>		<u>\$ 8,447</u>	<u>\$ 18</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	0.20
Net realized and unrealized loss on investment transactions	(2.31)
Net realized gain from foreign currency transactions	0.04
Net decrease in the translation of assets and liabilities in foreign currencies	(0.83)
Total from investment operations	(2.90)
Net asset value at January 31, 2012	<u>\$ 20.63</u>

**Time-weighted Total Return \*** -12.3%

#### Supplemental Data:

Net assets, end of period	\$ 1,873,934
Ratio to average net assets:	
Expenses **	0.67%
Net investment income **	1.66%
Portfolio turnover rate	41.43%

\* 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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 825,347
Public Employees' Retirement System	724,495
State Police Death, Disability and Retirement Fund	78,228
Workers' Compensation Old Fund	62,822
West Virginia Retiree Health Benefit Trust	52,022
Revenue Shortfall Reserve Fund - Part B	22,015
Judges' Retirement System	20,748
Deputy Sheriff's Retirement System	19,006
Coal Workers' Pneumoconiosis Fund	17,704
State Police Retirement System	12,315
Board of Risk and Insurance Management	9,296
West Virginia Prepaid Tuition Trust Fund	9,034
Wildlife Endowment Fund	6,593
Public Employees Insurance Agency	6,154
Emergency Medical Services Retirement System	5,554
West Virginia Department of Environmental Protection Trust	1,266
Workers' Compensation Self-Insured Guaranty Risk Pool	701
Workers' Compensation Uninsured Employers' Fund	615
Municipal Police Officers' and Firefighters' Retirement System	19
Total	<u>\$ 1,873,934</u>

**Financial Statements - Unaudited**

**January 31, 2012**





# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited January 31, 2012

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# Short-Term Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost	\$	209,019
Accrued interest receivable		<u>153</u>

**Total assets** 209,172

### Liabilities

Accrued expenses		35
Payable for investments purchased		<u>6,998</u>

**Total liabilities** 7,033

**Net assets** \$ 202,139

### Analysis of net assets

Paid-in capital	\$	202,092
Accumulated undistributed net realized gain from investments		<u>47</u>

**Net assets** \$ 202,139

### Unit data

Units outstanding		202,092,465
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 January 31, 2012

(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	\$ 2,001	\$ 2,001
United States Treasury	4.630	0.034	02/29/2012	5,000	5,018	5,017
United States Treasury	0.880	0.366	02/29/2012	1,000	1,000	1,001
United States Treasury	1.380	0.095	05/15/2012	1,000	1,004	1,004
United States Treasury	0.380	0.088	08/31/2012	2,000	2,003	2,003
United States Treasury	3.880	0.166	10/31/2012	1,000	1,028	1,028
Total U. S. Treasury Issues - 6.0%					12,054	12,054
<b><u>U. S. Government Agency Issues</u></b>						
Federal Farm Credit Bank	0.260	0.220	07/23/2012	1,000	1,000	1,001
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	2,770	2,770
Total U. S. Government Agency Issues - 4.3%					8,770	8,771
<b><u>Short-term Issues</u></b>						
Amsterdam Funding Corp	0.000	0.233	02/15/2012	4,000	4,000	4,000
Aspen Funding Corp	0.000	0.314	02/22/2012	4,000	3,999	3,999
Atlantis One Funding	0.000	0.386	03/12/2012	5,000	4,998	4,998
Bank of Nova Scotia	0.000	0.223	03/13/2012	5,000	4,999	4,999
Barclays US Funding Corp	0.000	0.203	02/13/2012	5,000	5,000	5,000
Deutsche Bank Finl LLC	0.000	0.355	02/08/2012	8,000	7,999	7,999
Dreyfus Cash Management Institutional Fund	0.010	0.760		622	1	1
Federal Home Loan Bank	0.000	0.030	02/01/2012	7,000	7,000	7,000
Federal Home Loan Bank	0.000	0.010	02/03/2012	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	0.074	02/10/2012	7,000	7,000	7,000
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	0.035	03/21/2012	5,000	5,000	5,000
Federal Home Loan Bank	0.000	0.041	04/13/2012	8,000	7,998	7,998
Federal Home Loan Bank	0.000	0.081	05/02/2012	5,000	4,999	4,999
Federal Home Loan Bank	0.000	0.183	10/17/2012	1,000	999	999
Federal Home Loan Mort Corp	0.000	0.112	02/21/2012	6,000	6,000	6,000
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	5,564	5,565
Federal Home Loan Mort Corp	0.000	0.091	05/08/2012	1,000	1,000	1,000
Federal Home Loan Mort Corp	0.000	0.081	07/02/2012	2,000	1,999	1,999
Federal Home Loan Mort Corp	0.000	0.071	08/10/2012	4,000	3,999	3,999
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	5,999
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	1,999	1,999
General Electric Intl	0.000	0.152	03/05/2012	5,000	4,998	4,999
ING Funding LLC	0.000	0.243	02/03/2012	6,000	6,000	6,000
Repurchase Agreement	0.170	0.170	02/01/2012	16,454	16,454	16,454
UBS Finance (DE) LLC	0.000	0.177	02/17/2012	4,000	4,000	4,000
United States Treasury	0.000	0.003	02/02/2012	10,000	10,000	10,000
United States Treasury	0.000	0.005	02/09/2012	5,196	5,195	5,196
United States Treasury	0.000	0.025	04/05/2012	10,000	10,000	9,999
United States Treasury	0.000	0.051	07/05/2012	10,000	9,997	9,997
United States Treasury	0.000	0.081	08/02/2012	2,000	1,999	1,999
Windmill Funding Corp	0.000	0.213	02/23/2012	3,000	3,000	3,000
Total Short-Term Issues - 93.1%					188,195	188,197
Total Investment Securities - 103.4%					\$ 209,019	\$ 209,022

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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### Statement of Operations - Unaudited

Period Ended January 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 34	\$ 158
Net amortization	(16)	(14)
	<u>18</u>	<u>144</u>
<b>Total investment income</b>	18	144
<b>Expenses</b>		
Investment advisor fees	(9)	(73)
Trustee fee	(1)	(1)
Custodian bank fees	-	(5)
Management fees	(6)	(48)
Fiduciary bond fees	-	(1)
Professional service fees	(1)	(9)
	<u>(17)</u>	<u>(137)</u>
<b>Total expenses</b>	(17)	(137)
<b>Investment income, net</b>	1	7
<b>Net realized gain from investments</b>	<u>1</u>	<u>1</u>
<b>Net increase in net assets from operations</b>	<u>\$ 2</u>	<u>\$ 8</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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 1	\$ 7
Net realized gain from investments	1	1
<b>Net increase in net assets from operations</b>	2	8
<b>Distributions to unitholders</b>		
Investment income, net	-	(7)
<b>Unit transactions</b>		
Proceeds from sale of units	161,525	1,069,938
Reinvestment of distributions	-	7
	161,525	1,069,945
Amount paid for repurchase of units	(133,313)	(1,226,577)
<b>Net increase (decrease) in net assets from unit transactions</b>	28,212	(156,632)
<b>Increase (decrease) in net assets</b>	28,214	(156,631)
<b>Net assets, beginning of period</b>	173,925	358,770
<b>Net assets, end of period</b>	\$ 202,139	\$ 202,139
<b>Unit data</b>		
Units sold	161,525,902	1,069,938,513
Units issued from reinvestment of distributions	-	7,231
	161,525,902	1,069,945,744
Units repurchased	(133,313,232)	(1,226,577,429)
<b>Net increase (decrease) in units</b>	28,212,670	(156,631,685)

*\*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 January 31, 2012.

### 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Short-term issues	\$ -	\$ 188,195	\$ -	\$ 188,195
U.S. government agency issues	-	8,770	-	8,770
U.S. Treasury issues	-	12,054	-	12,054
Total	<u>\$ -</u>	<u>\$ 209,019</u>	<u>\$ -</u>	<u>\$ 209,019</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

#### 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 January 31, 2012	<u>\$ 1.00</u>

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

##### Supplemental Data:

Net assets, end of period	\$ 202,139
Ratio to average net assets:	
Expenses ***	0.09%
Net investment income ***	0.00%
Weighted average days to maturity	48
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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 94,328
Teachers' Employers Contribution Collection Account	31,438
Public Employees' Retirement System	25,892
Teachers' Retirement System	16,730
Coal Workers' Pneumoconiosis Fund	11,613
Public Employees Insurance Agency	8,964
Board of Risk and Insurance Management	6,679
Judges' Retirement System	1,323
State Police Retirement System	1,097
West Virginia Prepaid Tuition Trust Fund	1,014
Deputy Sheriff's Retirement System	787
Emergency Medical Services Retirement System	693
Workers' Compensation Self-Insured Guaranty Risk Pool	618
Workers' Compensation Uninsured Employers' Fund	441
State Police Death, Disability and Retirement Fund	266
Wildlife Endowment Fund	100
West Virginia Retiree Health Benefit Trust	54
Revenue Shortfall Reserve Fund - Part B	29
Municipal Police Officers' and Firefighters' Retirement System	16
West Virginia Department of Environmental Protection Trust	9
Revenue Shortfall Reserve Fund	1
Total	<u>\$ 202,092</u>



**Financial Statements - Unaudited**

**January 31, 2012**



# Total Return Fixed Income Pool

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## Financial Statements - Unaudited January 31, 2012

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# Total Return Fixed Income Pool

## Statement of Assets and Liabilities - Unaudited January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,300,492
Collateral for securities loaned at fair value (Note 5)		4,812
Cash		10,259
Cash denominated in foreign currencies (cost \$2,054)		2,121
Unrealized gain on futures contracts (Note 6)		2,104
Unrealized gain on swap contracts (Note 7)		2,486
Unrealized gain on foreign currency forward contracts (Note 9)		1,562
Receivables:		
Accrued interest		14,864
Investments sold		73,121
Dividends		7
Securities lending income		17

**Total assets** 2,411,845

### Liabilities

Accrued expenses		356
Dividends payable		4,440
Payable for investments purchased		101,041
Payable upon return of securities loaned (Note 5)		6,429
Unrealized loss on futures contracts (Note 6)		8,297
Unrealized loss on swap contracts (Note 7)		3,835
Unrealized loss on foreign currency forward contracts (Note 9)		755

**Total liabilities** 125,153

**Net assets** \$ 2,286,692

### Analysis of net assets

Paid-in capital	\$	1,820,616
Accumulated undistributed net investment income		759
Accumulated undistributed net realized gain from investments		325,066
Accumulated undistributed net realized gain from foreign currency transactions		12,987
Unrealized net appreciation of investments		126,390
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		874

**Net assets** \$ 2,286,692

### Unit data

Units outstanding		163,001,327
Net asset value, unit price	\$	<u>14.03</u>

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

(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	\$ 16,860	\$ 21,643	
California	7.550	6.884	04/01/2039	9,340	10,100	12,521	
California	7.300	7.353	10/01/2039	2,155	2,141	2,785	
California	7.630	7.196	03/01/2040	1,600	1,682	2,152	
County of Carroll KY	0.080 A	0.909	10/01/2032	4,800	4,035	3,693	
Illinois State	4.960	3.643	03/01/2016	7,550	7,924	8,095	
Illinois State	5.370	5.365	03/01/2017	6,600	6,600	7,182	
Illinois State	5.670	5.057	03/01/2018	4,275	4,408	4,696	
Los Angeles Unified Sch Dist	6.760	6.025	07/01/2034	6,625	7,205	8,660	
New Jersey Turnpike Authority	7.100	6.679	01/01/2041	6,015	6,323	8,550	
Pennsylvania St Higher Ed Assn	1.320 A	1.449	05/01/2046	8,225	7,271	7,606	
Pennsylvania St Higher Ed Assn	1.980 A	1.839	05/01/2046	2,775	2,478	2,567	
Wake County Indl FACS-B-ARS	0.120 A	1.337	10/01/2022	6,700	5,878	5,398	
Wake County Indl FACS-D-ARS	0.130 A	1.442	10/01/2022	3,350	2,907	2,881	
Total Municipal Bonds - 4.3%						85,812	98,429
<b><u>U. S. Treasury Issues</u></b>							
United States Treasury	2.000	(0.094)	04/15/2012	6,660	7,456	7,475	
United States Treasury	1.000	0.238	04/30/2012	6,450	6,462	6,465	
United States Treasury	0.750	0.094	05/31/2012	5,000	5,011	5,011	
United States Treasury	0.630	0.202	07/31/2012	24,295	24,346	24,359	
United States Treasury	1.880	0.526	02/28/2014	1,370	1,408	1,416	
United States Treasury	1.250	0.859	04/15/2014	30,000	30,255	30,666	
United States Treasury	1.500	1.481	06/30/2016	580	580	603	
United States Treasury	1.000	0.948	08/31/2016	4,140	4,150	4,212	
United States Treasury	1.380	1.379	11/30/2018	56,560	56,547	57,209	
United States Treasury	2.000	1.899	11/15/2021	78,780	79,487	80,159	
United States Treasury *	2.000	1.808	01/15/2026	26,670	31,117	38,493	
United States Treasury	4.380	3.582	05/15/2040	9,370	10,624	12,092	
United States Treasury	4.750	3.138	02/15/2041	12,080	15,765	16,529	
United States Treasury	4.380	4.263	05/15/2041	1,540	1,569	1,990	
Total U. S. Treasury Issues - 12.5%						274,777	286,679
<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 Issues	5.682	4.119	6/22/2036	57,830	62,406	63,273	
FNMA Issues	5.819	3.102	11/25/2033	345,276	374,131	380,134	
<i>Total U. S. Government Agency MBS</i>						436,537	443,407
<i>U. S. Government Agency TBAs</i>							
Federal National Mortgage Assn	6.000	5.187	02/01/2042	7,700	8,452	8,463	
Federal National Mortgage Assn	6.000	5.192	03/01/2042	22,100	24,243	24,245	
<i>Total U. S. Government Agency TBAs</i>						32,695	32,708
<i>U. S. Government Agency CMO</i>							
Federal Home Loan Mortgage	1.410 A	(2.239)	04/25/2020	4,142	275	290	
Federal Home Loan Mortgage	1.840 A	(2.962)	06/25/2020	4,348	394	425	
Federal Home Loan Mortgage	1.680 A	(1.756)	08/25/2020	38,369	3,114	3,342	
Federal Home Loan Mortgage	1.070	0.000	03/15/2034	200	200	200	
Federal National Mortgage Assn	7.000	3.170	11/25/2040	19,507	21,597	22,054	
Federal National Mortgage Assn	6.500	5.176	09/25/2042	54	58	62	
Federal National Mortgage Assn	6.500	4.558	12/25/2042	2,329	2,557	2,729	
Federal National Mortgage Assn	7.500	4.579	12/25/2045	2,583	2,915	3,036	
<i>Total U.S. Government Agency CMO</i>						31,110	32,138
Total U.S. Government Agency Issues - 22.2%						500,342	508,253
<b><u>Corporate Issues</u></b>							
<i>Corporate Bonds</i>							
AES Corporation	8.000	8.000	06/01/2020	6,400	6,400	7,264	

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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)

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Ally Financial Inc	4.500	5.523	02/11/2014	17,420	17,078	17,418
American Express Co	6.150	6.071	08/28/2017	1,250	1,255	1,465
American Express Co	6.800	6.550	09/01/2066	1,660	1,721	1,677
American International Group	4.250	4.448	09/15/2014	3,200	3,184	3,215
American International Group	5.850	5.922	01/16/2018	910	907	949
American International Group	8.250	5.087	08/15/2018	4,825	5,665	5,556
American International Group	6.400	6.435	12/15/2020	2,390	2,384	2,600
Amgen Inc	4.500	4.506	03/15/2020	1,290	1,289	1,409
Anadarko Finance Co	7.500	6.559	05/01/2031	1,240	1,366	1,556
Anadarko Petroleum Corp	6.380	6.069	09/15/2017	740	750	875
AOL Time Warner Inc	7.630	6.150	04/15/2031	4,500	5,242	5,894
AOL Time Warner Inc	7.700	5.911	05/01/2032	9,474	11,459	12,575
Asciano Finance	3.130	3.158	09/23/2015	4,890	4,884	4,759
Asciano Finance	4.630	4.654	09/23/2020	1,480	1,477	1,461
ASIF Global Financing XIX	4.900	4.777	01/17/2013	510	511	517
AT&T Corp	8.000	6.053	11/15/2031	2,750	3,363	3,997
AT&T Inc	5.500	5.575	02/01/2018	5,076	5,057	6,018
AT&T Inc	6.550	5.508	02/15/2039	925	1,057	1,167
AT&T Inc	5.350	4.605	09/01/2040	5,000	5,589	5,584
BAC Capital Trust XI	6.630	7.267	05/23/2036	15,130	14,003	14,087
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	437
Bank of America Corp	5.420	3.544	03/15/2017	600	652	589
Bank of America Corp	7.630	5.211	06/01/2019	15,000	17,181	16,954
Bank of America Corp	5.630	5.979	07/01/2020	1,510	1,475	1,530
Bank of America Corp	5.000	5.091	05/13/2021	1,380	1,371	1,350
Barclays Bank PLC	6.750	5.134	05/22/2019	2,900	3,182	3,370
Barclays Bank PLC	5.130	4.728	01/08/2020	5,490	5,629	5,862
BNSF Railway Co 2007-1 P	6.000	4.731	04/01/2024	963	1,074	1,136
Boston Properties LP	5.880	5.323	10/15/2019	4,950	5,121	5,718
Boston Properties LP	5.630	4.370	11/15/2020	4,600	5,017	5,309
Boston Scientific Corp	6.400	4.792	06/15/2016	9,415	10,005	10,678
Boston Scientific Corp	6.000	6.466	01/15/2020	500	486	569
BP Capital Markets PLC	3.130	3.187	10/01/2015	3,010	3,004	3,192
Burlington NO SF 00-1 TR	8.250	3.785	01/15/2021	313	372	388
Burlington NO SF 06-2 TR	5.630	3.991	04/01/2024	473	521	548
Burlington North Santa Fe	5.650	4.016	05/01/2017	3,600	3,876	4,214
Burlington North Santa Fe	4.700	4.757	10/01/2019	850	847	976
Burlington North Santa Fe	4.100	4.153	06/01/2021	7,075	7,046	7,720
Calpine Corp	7.880	7.875	01/15/2023	2,500	2,500	2,681
Canadia Pacific Railroad Co	5.750	5.922	01/15/2042	1,950	1,903	2,065
Capital One Financial Corp	6.750	4.403	09/15/2017	12,075	13,464	13,900
Capital One Financial Corp	4.750	4.838	07/15/2021	3,250	3,228	3,421
CIGNA Corporation	8.500	4.320	05/01/2019	3,399	4,275	4,361
CIGNA Corporation	7.650	6.813	03/01/2023	1,925	2,048	2,314
CIGNA Corporation	7.880	6.865	05/15/2027	1,545	1,691	1,982
CIGNA Corporation	6.150	5.839	11/15/2036	3,488	3,627	3,968
CIGNA Corporation	5.880	5.921	03/15/2041	1,135	1,128	1,269
Citigroup Inc	5.000	4.901	09/15/2014	6,750	6,766	6,941
Citigroup Inc	3.950	3.505	06/15/2016	2,160	2,199	2,220
Citigroup Inc	6.130	5.111	11/21/2017	17,245	18,108	18,973
Citigroup Inc	5.380	4.754	08/09/2020	1,610	1,679	1,705
Citigroup Inc	6.880	6.929	03/05/2038	3,460	3,438	4,066
Comcast Cable Communication	8.880	4.655	05/01/2017	2,615	3,123	3,405
Comcast Corp	6.500	4.573	01/15/2017	4,500	4,880	5,365
Comcast Corp	6.300	3.377	11/15/2017	2,700	3,112	3,249
Comcast Corp	5.880	3.492	02/15/2018	2,000	2,257	2,352
Comcast Corp	6.400	5.508	05/15/2038	2,600	2,920	3,168
Commonwealth Edison	6.150	4.735	03/15/2012	1,500	1,502	1,510
Continental Airlines Inc	9.250	9.250	05/10/2017	1,148	1,148	1,217
Continental Airlines Inc	7.250	7.250	11/10/2019	5,404	5,404	5,917
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2098	5,000	3,245	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	2,395	2,566

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*See accompanying notes to financial statements.*



# Total Return Fixed Income Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value	
Cox Communications Inc	9.380	4.731	01/15/2019	11,495	14,623	15,457	
Credit Agricole SA	8.380	8.375	12/13/2049	4,130	4,130	3,387	
CVS Pass Through Trust	6.940	7.044	01/10/2030	1,941	1,941	2,199	
Delta Air Lines	6.820	6.823	08/10/2022	2,118	2,118	2,298	
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	1,635	1,626	1,842	
Dow Chemical Company	8.550	5.414	05/15/2019	6,709	7,960	8,893	
Dow Chemical Company	9.400	6.164	05/15/2039	5,540	7,890	8,617	
El Paso Corporation	7.800	11.245	08/01/2031	469	338	550	
El Paso Corporation	7.750	7.814	01/15/2032	222	221	261	
ERP Operating-LP	4.630	4.673	12/15/2021	3,300	3,288	3,516	
Export-Import Bank Korea	4.000	4.043	01/11/2017	6,675	6,662	6,806	
Ford Motor Credit Company	5.630	5.306	09/15/2015	9,200	9,294	9,781	
Ford Motor Credit Company	5.750	5.750	02/01/2021	10,300	10,300	11,210	
Freeport-McMoRan Copper & Gold	8.380	6.848	04/01/2017	4,630	4,933	4,885	
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	2,102	2,212	
General Electric Capital Corp	5.500	4.531	01/08/2020	7,755	8,248	8,738	
General Electric Capital Corp	4.380	4.185	09/16/2020	3,550	3,598	3,711	
General Electric Capital Corp	4.630	4.118	01/07/2021	2,550	2,646	2,709	
General Electric Capital Corp	6.380	4.083	11/15/2067	4,910	4,855	4,885	
Glitnir BankI HF	0.000	N	0.045	09/25/2012	3,390	941	856
Glitnir BankI HF	0.000	N	0.006	06/15/2016	5,000	6	6
Glitnir BankI HF	0.000	N	0.024	09/14/2049	600	1	1
Goldman Sachs Capital II	5.790	2.717	12/29/2049	3,960	3,254	2,703	
Goldman Sachs Group Inc	6.150	6.141	04/01/2018	3,680	3,682	3,968	
Goldman Sachs Group Inc	6.250	6.241	02/01/2041	2,810	2,813	2,871	
Greenpoint Manufacture Housing	3.780	A	5.319	03/18/2029	1,000	820	769
Greenpoint Manufacture Housing	3.780	A	4.159	06/19/2029	475	385	351
Greenpoint Manufacture Housing	3.780	A	4.091	02/20/2030	550	446	398
Greenpoint Manufacture Housing	2.290	A	3.400	08/21/2031	4,050	3,401	3,126
Greenpoint Manufacture Housing	2.290	A	3.293	11/22/2031	825	700	685
Greenpoint Manufacture Housing	3.800	A	5.085	02/20/2032	850	713	644
Greenpoint Manufacture Housing	3.790	A	3.736	03/13/2032	1,200	1,006	905
Grifols Inc	8.250	8.250	02/01/2018	410	410	450	
Groupe BPCE	12.500	9.578		P	3,317	4,329	3,124
HCA Inc	6.300	5.640	10/01/2012	9,500	9,540	9,690	
HCA Inc	6.250	6.251	02/15/2013	8,000	8,000	8,220	
HCA Inc	6.750	5.618	07/15/2013	1,400	1,422	1,470	
HCA Inc	5.750	5.628	03/15/2014	3,300	3,307	3,411	
HCA Inc	6.500	5.853	02/15/2016	3,500	3,580	3,658	
Health Net Inc	6.380	7.209	06/01/2017	2,850	2,746	3,007	
Hewlett-Packard Company	3.300	3.346	12/09/2016	4,300	4,291	4,494	
HSBC Finance Corp	7.000	5.660	05/15/2012	20	20	20	
HSBC Finance Corp	6.380	6.462	11/27/2012	440	440	456	
HSBC Finance Corp	6.680	7.080	01/15/2021	1,450	1,412	1,506	
HSBC Holdings PLC	5.100	5.128	04/05/2021	3,125	3,119	3,396	
HSBC Holdings PLC	6.500	6.137	05/02/2036	10,725	11,205	11,461	
HSBC Holdings PLC	6.500	6.601	09/15/2037	490	484	521	
Humana Inc	7.200	6.671	06/15/2018	2,030	2,085	2,441	
Humana Inc	8.150	8.095	06/15/2038	730	734	996	
ICICI Bank Limited	6.380	6.680	04/30/2022	2,238	2,003	2,014	
ILFC E-Capital Trust II	6.250	3.458	12/21/2065	4,520	4,054	3,254	
John Deere Capital Corp	5.350	5.235	04/03/2018	1,550	1,559	1,826	
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,597	1,661	
JP Morgan Chase & Co	5.130	5.030	09/15/2014	40	40	43	
JP Morgan Chase & Co	5.150	5.330	10/01/2015	790	785	847	
JP Morgan Chase & Co	4.950	4.275	03/25/2020	7,140	7,467	7,656	
JP Morgan Chase XVII	5.850	6.301	08/01/2035	807	763	827	
JPM Chase Capital XXV	6.800	6.684	10/01/2037	1,000	1,014	1,009	
Kaupthing Bank HF	0.000	N	2.606	02/28/2015	7,930	1,963	1,963
Kerr-McGee Corporation	6.950	5.911	07/01/2024	490	534	595	
Kerr-McGee Corporation	7.880	6.593	09/15/2031	1,665	1,898	2,167	
Kinder Morgan Energy Partners	7.130	5.552	03/15/2012	740	741	745	
Kinder Morgan Energy Partners	5.850	7.004	09/15/2012	150	149	154	

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See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Kinder Morgan Energy Partners	5.000	6.163	12/15/2013	940	921	994
Kinder Morgan Energy Partners	6.000	6.219	02/01/2017	1,610	1,595	1,840
Kroger Co	6.400	5.641	08/15/2017	220	228	265
Lafarge SA	5.850	4.248	07/09/2015	6,175	6,487	6,347
Lafarge SA	6.500	5.317	07/15/2016	7,250	7,586	7,457
Lehman Bros CAP TR VII	0.000 <i>N</i>	0.017	07/19/2017	110	-	-
Lehman Bros CAP TR VII	0.000 <i>N</i>	0.007	12/28/2017	8,860	4	1
Lehman Bros CAP TR VII	0.000 <i>N</i>	0.116	11/29/2049	4,430	-	-
Lloyds TSB Bank PLC	5.800	5.831	01/13/2020	2,145	2,141	2,185
Lloyds TSB Bank PLC	6.380	6.386	01/21/2021	1,900	1,899	2,032
Lorillard Tobacco Company	8.130	6.688	06/23/2019	2,680	2,902	3,265
Macys Retail Holdings Inc	6.650	7.294	07/15/2024	6,415	6,079	7,648
Macys Retail Holdings Inc	6.900	6.746	04/01/2029	3,000	3,047	3,620
Macys Retail Holdings Inc	6.700	6.501	07/15/2034	1,990	2,036	2,380
Macys Retail Holdings Inc	6.380	6.832	03/15/2037	4,100	3,875	4,928
Merrill Lynch & Company Inc	6.880	6.887	04/25/2018	8,890	8,885	9,594
MetLife Inc	6.400	7.089	12/15/2036	3,170	2,916	3,089
MMC Corporation Berhad	6.250	4.223	01/15/2018	4,775	5,279	5,741
Morgan Stanley	6.630	6.224	04/01/2018	360	367	379
National Semiconductor	6.600	5.898	06/15/2017	2,580	2,662	3,157
Newfield Exploration Company	6.630	5.817	04/15/2016	4,650	4,788	4,778
News America Inc	6.650	5.993	11/15/2037	2,785	3,023	3,346
Nordea Bank AB	4.880	4.938	05/13/2021	2,980	2,966	2,810
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	870	884	1,094
Pacific Life Global Funding	5.150	5.161	04/15/2013	450	450	469
Pernod Ricard SA	2.950	2.890	01/15/2017	650	652	662
Pernod Ricard SA	4.450	4.213	01/15/2022	2,140	2,181	2,236
Petrobras Intl Fin Co	3.880	3.061	01/27/2016	1,050	1,082	1,075
Pfizer Inc	6.200	4.552	03/15/2019	6,250	6,870	7,863
Rabobank Nederland	11.000	10.092	<i>P</i>	544	593	673
Reed Elsevier Capital	7.750	3.463	01/15/2014	2,300	2,485	2,572
Reed Elsevier Capital	8.630	4.357	01/15/2019	3,975	4,982	4,940
Reynolds American Inc	6.750	6.619	06/15/2017	2,330	2,344	2,715
Reynolds Group Holdings	6.880	6.875	02/15/2021	1,360	1,360	1,418
Reynolds Group ISS/Reynold	7.130	6.778	04/15/2019	400	408	420
Royal Bank of Scotland Grp PLC	5.000	7.737	10/01/2014	3,960	3,704	3,791
Royal Bank of Scotland Grp PLC	0.000	0.000	<i>P</i>	1,200	1,200	816
Royal Bank of Scotland PLC	4.380	4.419	03/16/2016	3,225	3,220	3,268
Royal Bank of Scotland PLC	5.630	5.850	08/24/2020	6,000	5,910	6,185
Royal Bank of Scotland PLC	6.130	6.175	01/11/2021	5,325	5,307	5,723
Safeway Inc	3.950	4.684	08/15/2020	570	541	574
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	3,109	3,145
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	558
Sprint Capital Corp	6.900	7.701	05/01/2019	1,145	1,095	976
Sprint Capital Corp	8.750	7.015	03/15/2032	680	806	571
Sprint Nextel Corporation	6.000	6.742	12/01/2016	8,075	7,829	7,126
State Street Corp	4.960	4.727	03/15/2018	1,980	2,004	2,079
Student Loan Marketing Assn	6.000	6.250	01/25/2017	2,225	2,202	2,238
Student Loan Marketing Assn	8.450	8.317	06/15/2018	5,225	5,258	5,656
Teachers Insurance & Annuity	6.850	6.860	12/16/2039	1,230	1,228	1,620
Telecom Italia Capital	5.250	5.095	11/15/2013	2,825	2,832	2,839
Telecom Italia Capital	6.170	8.076	06/18/2014	2,075	1,991	2,085
Telecom Italia Capital	7.000	5.598	06/04/2018	3,880	4,166	3,890
Telecom Italia Capital	7.170	7.026	06/18/2019	2,900	2,925	2,936
Telefonica Emisiones SAU	5.460	5.299	02/16/2021	880	890	874
Tenet Healthcare Corporation	8.880	9.625	07/01/2019	250	240	283
Tennessee Gas Pipeline	7.500	4.308	04/01/2017	3,380	3,875	4,038
Time Warner Cable Inc	8.750	4.805	02/14/2019	9,990	12,315	13,136
Time Warner Cable Inc	8.250	4.876	04/01/2019	975	1,172	1,256
Time Warner Cable Inc	4.000	4.081	09/01/2021	5,685	5,649	5,946
Time Warner Cable Inc	5.500	5.558	09/01/2041	230	228	249
Time Warner Entertainment	8.380	8.068	07/15/2033	3,050	3,145	4,048
TNK-BP Finance SA	7.880	8.692	03/13/2018	2,820	2,712	3,151

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# Total Return Fixed Income Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Travelers Cos Inc	6.250	4.048	06/20/2016	1,150	1,251	1,360
Travelers Cos Inc	5.750	4.273	12/15/2017	1,623	1,746	1,947
Union Pacific Corp	4.160	4.011	07/15/2022	4,812	4,874	5,277
Union Pacific RR Co 07-3	6.180	4.877	01/02/2031	800	871	960
United Business Media LT	5.750	5.979	11/03/2020	3,330	3,279	3,329
UNP RR Co 1999 Pass Trust	7.600	3.775	01/02/2020	580	675	707
UNP RR Co 2005 Pass Trust	5.080	4.325	01/02/2029	4,198	4,387	4,686
Vale Overseas Ltd	6.880	6.914	11/21/2036	2,812	2,799	3,306
Vedanta Resources PLC	8.750	8.751	01/15/2014	952	952	962
Verizon Communications	6.100	5.595	04/15/2018	1,710	1,755	2,093
Vulcan Materials	6.500	6.521	12/01/2016	2,850	2,848	2,993
Vulcan Materials	7.500	7.500	06/15/2021	2,925	2,925	3,196
Wachovia Capital Trust	5.570	5.635	12/29/2049	2,540	2,535	2,245
Wachovia Corp	5.630	6.046	10/15/2016	1,050	1,032	1,172
Wachovia Corp	5.750	4.261	02/01/2018	7,280	7,845	8,383
Wal-Mart Stores Inc	5.800	5.143	02/15/2018	610	631	752
WellPoint Inc	5.880	4.695	06/15/2017	5,096	5,378	5,952
WellPoint Inc	7.000	4.134	02/15/2019	6,250	7,333	7,689
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	3,288
Xerox Corporation	6.400	4.485	03/15/2016	8,525	9,133	9,653
Xerox Corporation	6.350	3.960	05/15/2018	7,452	8,434	8,576
<i>Total Corporate Bonds</i>					709,945	746,218
<i>Corporate Asset Backed Issues</i>						
EDUCAP Student Loan Asset Back	0.270	A 9.462	06/25/2038	5,200	4,948	4,576
Education Funding Capital Trst	1.780	A 1.749	12/15/2042	900	813	828
Hertz Vehicle Financing LLC	5.290	5.350	03/25/2016	1,600	1,600	1,754
Lehman XZ Trust	0.500	8.568	04/25/2046	4,416	2,532	2,178
Mid-State Trust	3.500	3.531	12/15/2045	1,342	1,339	1,384
NC State Education Authority	1.460	1.953	07/25/2030	11,400	10,752	10,339
Nelnet Student Loan Trust	1.180	A 2.184	03/22/2032	10,700	9,593	8,585
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	203
<i>Total Corporate Asset Backed Issues</i>					32,100	30,040
<i>Corporate CMO</i>						
Banc of America Mortgage Sec	5.250	A 6.974	12/01/2034	3,683	3,526	3,395
Banc of America Mortgage Sec	2.860	A 3.185	04/25/2035	813	796	609
Bear Stearns Adj Rate Mortgage	2.330	4.214	12/25/2046	1,487	1,378	839
Countrywide Alternative Loan T	2.630	A 2.726	12/25/2035	1,975	1,962	1,122
Countrywide Home Loans	2.740	A 2.737	06/20/2036	1,072	1,072	665
Greenpoint Mtge Funding Trust	0.490	13.449	04/25/2036	1,857	1,007	892
Indymac Inda Mtg Loan Trust	5.670	A 5.646	09/25/2037	1,541	1,540	1,117
Indymac Indx Mtg Loan Trust	0.490	19.591	04/25/2046	1,886	1,022	966
IndyMac Residential Asset Sec	4.750	4.363	02/25/2019	2,513	2,526	2,535
JP Morgan Mortgage Trust	2.720	A 3.102	08/25/2035	1,465	1,441	1,037
Luminent Mortgage Trust	0.480	16.406	02/25/2046	4,070	2,296	2,006
MASTR ARM Trust	2.700	A 3.111	01/25/2036	1,004	985	744
MASTR Performing Loan Trust	7.000	6.329	08/25/2034	77	78	79
MLCC Mortgage Investors Inc	2.590	A 3.003	12/25/2034	33	32	32
Morgan Stanley Mortgage Loan	2.550	A 2.612	10/25/2034	1,255	1,249	975
Morgan Stanley Mortgage Loan	4.420	A 4.346	06/25/2037	4,147	4,156	1,894
WAMU Mortgage Pass-Through Cer	2.540	A 2.845	08/25/2035	1,444	1,421	1,090
WAMU Mortgage Pass-Through Cer	2.480	A 2.900	10/25/2035	496	493	450
WAMU Mortgage Pass-Through Cer	2.470	A 2.773	12/25/2035	1,722	1,697	1,367
Washington Mutual Mortgage	2.300	A 2.379	11/25/2036	181	180	122
Washington Mutual Mortgage	2.390	A 2.393	12/25/2036	683	682	438
Washington Mutual Mortgage	2.610	A 17.367	02/25/2037	589	331	405
Washington Mutual Mortgage	5.010	A 5.241	03/01/2037	207	205	123
Wells Fargo Mortgage Backed	2.620	A 7.168	12/25/2034	2,608	2,136	2,404
Wells Fargo Mortgage Backed	2.700	A 3.158	04/25/2036	231	230	180
<i>Total Corporate CMO</i>					32,441	25,486

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)

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<i>Corporate Preferred Securities</i>						
Citigroup Capital XIII	0.000	1.922		278	7,355	7,492
Total Corporate Issues - 35.4%					781,841	809,236
<b>Investments in Other Funds</b>						
Western Asset High Yield Portfolio				5,190	49,134	43,493
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	24,931
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	23,701
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	81,876
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	51,893
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	52,532
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	5,144
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	33,409
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	83,216
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	22,283	33,234
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 - 18.9%					357,732	433,429
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund	0.010	0.760		106,053,329	106,053	106,053
Federal Home Loan Mort Corp	0.000	0.152	06/01/2012	58,400	58,371	58,393
Total Short-term Issues - 7.2%					164,424	164,446

*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)

**January 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>Option Contracts Purchased</u></b>						
<i>Call, strike price, expiration</i>						
Option, 133, February 2012				-	15	20
Total Option Contracts Purchased - 0.0%					15	20
Total Investment Securities - 100.5%					\$ 2,164,943	\$ 2,300,492
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 4,745	\$ 4,745
Mellon SL DBT II Liquidating Fund					69	67
Mellon GSL DBT II Liquidating Trust					1,615	-
Total Collateral for Securities Loaned					\$ 6,429	\$ 4,812

*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

### Statement of Operations - Unaudited

Period Ended January 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 6,138	\$ 46,720
Dividends	168	2,159
Securities lending income	17	92
Securities lending borrower premiums	3	40
Shareholder litigation proceeds	15	15
Net amortization	(1,446)	(6,327)
<b>Total investment income</b>	4,895	42,699
 <b>Expenses</b>		
Investment advisor fees	(355)	(2,494)
Trustee fees	(1)	(5)
Custodian bank fees	(5)	(39)
Management fees	(60)	(424)
Fiduciary bond fees	(1)	(6)
Professional service fees	(11)	(78)
Securities lending agent fees	(4)	(21)
Futures commission expense	(2)	(92)
<b>Total expenses</b>	(439)	(3,159)
<b>Investment income, net</b>	4,456	39,540
 <b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized loss from:		
Investments	(1,420)	(10,999)
Foreign currency transactions	(80)	(1,382)
Net increase in the fair value of:		
Investments	36,638	17,341
Translation of assets and liabilities in foreign currencies	481	814
<b>Net gain from investments and foreign currency</b>	35,619	5,774
<b>Net increase in net assets from operations</b>	\$ 40,075	\$ 45,314

*\*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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 4,456	\$ 39,540
Net realized loss from investments	(1,420)	(10,999)
Net realized loss from foreign currency transactions	(80)	(1,382)
Net increase in the fair value of investments	36,638	17,341
Net increase in the translation of assets and liabilities in foreign currencies	481	814
	<b>40,075</b>	<b>45,314</b>
<b>Distributions to unitholders</b>		
Investment income, net	(4,440)	(39,430)
<b>Unit transactions</b>		
Proceeds from sale of units	5,783	138,058
Reinvestment of distributions	5,643	42,002
	11,426	180,060
Amount paid for repurchase of units	(5,293)	(233,168)
	<b>6,133</b>	<b>(53,108)</b>
	<b>41,768</b>	<b>(47,224)</b>
	<b>2,244,924</b>	<b>2,333,916</b>
	<b>\$ 2,286,692</b>	<b>\$ 2,286,692</b>
<b>Unit data</b>		
Units sold	418,753	9,901,669
Units issued from reinvestment of distributions	408,606	3,028,165
	827,359	12,929,834
Units repurchased	(383,324)	(16,819,744)
	<b>444,035</b>	<b>(3,889,910)</b>

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

# Total Return Fixed Income Pool

## Notes to Financial Statements - Unaudited

(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 January 31, 2012.

## 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 January 31, 2012:

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
Fixed Income / Interest rate contracts	Investment in securities at fair value	\$ 20		\$ -
Fixed Income / Interest rate contracts	Unrealized gain on swap contracts	2,486	Unrealized loss on swap contracts	(3,835)
Fixed Income / Interest rate contracts	Unrealized gain on futures contracts	2,104	Unrealized loss on futures contracts	(8,297)
Foreign exchange contracts	Unrealized gain on foreign currency forward contracts	1,562	Unrealized loss on foreign currency forward contracts	(755)
Total		<u>\$ 6,172</u>		<u>\$ (12,887)</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 January 31, 2012:

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	\$ (32,358)	Net increase (decrease) in the fair value of investments	\$ 178
Foreign exchange contracts	Net realized gain (loss) from foreign currency transactions	(1,382)	Net increase (decrease) in the fair value of translation of assets and liabilities in foreign currencies	1,078
Total		<u>\$ (33,740)</u>		<u>\$ 1,256</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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Commingled funds	\$ -	\$ 433,429	\$ -	\$ 433,429
Corporate issues	-	801,744	-	801,744
Foreign currency forward contracts	-	1,562	-	1,562
Futures	2,104	-	-	2,104
Municipal bonds	-	98,429	-	98,429
Options	20	-	-	20
Preferred securities	7,492	-	-	7,492
Regulated investment companies	-	106,053	-	106,053
Securities lending collateral funds	-	4,812	-	4,812
Short-term issues	-	58,393	-	58,393
Swaps	-	2,486	-	2,486
U.S. government agency issues	-	508,253	-	508,253
U.S. Treasury issues	-	286,679	-	286,679
Total	<u>\$ 9,616</u>	<u>\$ 2,301,840</u>	<u>\$ -</u>	<u>\$ 2,311,456</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (755)	\$ -	\$ (755)
Futures	(8,297)	-	-	(8,297)
Swaps	-	(3,835)	-	(3,835)
Total	<u>\$ (8,297)</u>	<u>\$ (4,590)</u>	<u>\$ -</u>	<u>\$ (12,887)</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

## 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 January 31, 2012.

Fair value of securities on loan	\$	236,948		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	\$	<u>6,429</u>	\$	<u>4,812</u>
Non-cash				<u>235,388</u>
Total			\$	<u>240,200</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 January 31, 2012 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 January 2012, the pool has recorded, but not distributed \$759 of net securities lending income.

#### NOTE 6. FUTURES CONTRACTS

At January 31, 2012, open positions in futures contracts denominated in U.S. dollars were as follows:

Expiration	Open Contracts	Position	Value at January 31, 2012	Value Upon Entering Contract	Unrealized Gain (Loss)
Mar 2012	450 US Ultra Bond Future	Long	\$ 71,986	\$ 70,847	\$ 1,139
Mar 2012	(759) US Treasury 5Yr Note Future	Short	(94,152)	(93,172)	(980)
Mar 2012	(443) US Treasury 2Yr Note Future	Short	(97,792)	(97,657)	(135)
Mar 2012	(2,742) US Treasury 10Yr Note Future	Short	(362,630)	(356,423)	(6,207)
Mar 2012	(571) US Long Bond Future	Short	(83,045)	(82,070)	(975)
			<u>\$ (565,633)</u>	<u>\$ (558,475)</u>	<u>\$ (7,158)</u>

At January 31, 2012, open positions in futures contracts denominated in foreign currencies were as follows:

Expiration	Open Contracts	Currency	Position	Value at January 31, 2012 Local Currency	Initial Value in Local Currency	January 31, 2012 Exchange Rate	Unrealized Gain (Loss)
Mar 2012	170 Euro Bund Future	Euro	Long	<u>31,093</u>	<u>30,356</u>	1.3091	<u>\$ 965</u>

At January 31, 2012, the Pool had pledged cash of \$10,177 and securities of \$5,731 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. SWAPS

At January 31, 2012, the open position in the interest rate swap is as follows:

Counterparty	Notional Value	Maturity Date	Receiving			Paying			Unrealized Gain (Loss)
			Rate	Type	Base	Rate	Type	Base	
Barclays Capital	24,170	1/17/2022	0.6%	Floating	3M Libor	2.1%	Fixed	N/A	(357)
RBS Holdings USA Inc	23,930	1/17/2022	0.6%	Floating	3M Libor	2.1%	Fixed	N/A	(342)
Bank of America	2,160	1/17/2022	2.0%	Fixed	N/A	0.6%	Floating	3M Libor	18
Barclays Bank	22,750	1/27/2022	0.6%	Floating	3M Libor	2.1%	Fixed	N/A	(401)
Deutsche Bank	14,660	1/27/2022	0.6%	Floating	3M Libor	2.1%	Fixed	N/A	(267)
Total Interest Rate Swaps	<u>87,670</u>								<u>(1,349)</u>

At January 31, 2012, the Pool had pledged cash of \$430 as collateral on open swap contracts.

#### NOTE 8. OPTION CONTRACTS

A summary of the activity in short (written) option positions for the period ended January 31, 2012 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	(585)	(303)	(873)	(819)
Options closed	2,535	4,320	2,437	4,045
Options expired	394	101	121	81
Options outstanding at January 31, 2012	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

#### NOTE 9. FOREIGN CURRENCY FORWARD CONTRACTS

At January 31, 2012, 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	\$ 14,779		\$ 15,534	\$ (755)
Long	Mexican New Peso	11/4/2011	2/16/2012	133,952	10,289		9,933	356
Short	Euro Currency	11/4/2011	2/16/2012		6,678	4,829	6,322	356
Short	Euro Currency	11/9/2011	2/16/2012		21,074	15,449	20,224	850
					<u>\$ 52,820</u>		<u>\$ 52,013</u>	<u>\$ 807</u>

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 10. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 13.98
Income from investment operations:	
Net investment income	0.24
Net realized and unrealized gain on investment transactions	0.06
Net realized loss from foreign currency transactions	<u>(0.01)</u>
Total from investment operations	0.29
Less distributions from net investment income	<u>(0.24)</u>
Net asset value at January 31, 2012	<u><u>\$ 14.03</u></u>

**Time-weighted Total Return \*** 2.0%

#### Supplemental Data:

Net assets, end of period	\$ 2,286,692
Ratio to average net assets:	
Expenses **	0.23%
Net investment income **	2.95%
Portfolio turnover rate	37.19%

\* 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 11. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at January 31, 2012. 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	\$ 626,749
Public Employees' Retirement System	614,101
Workers' Compensation Old Fund	358,083
Revenue Shortfall Reserve Fund - Part B	136,370
Revenue Shortfall Reserve Fund	135,135
West Virginia Retiree Health Benefit Trust	101,170
Coal Workers' Pneumoconiosis Fund	76,039
Public Employees Insurance Agency	71,037
State Police Death, Disability and Retirement Fund	65,205
Board of Risk and Insurance Management	40,013
Judges' Retirement System	17,532
Deputy Sheriff's Retirement System	16,402
State Police Retirement System	10,856
Wildlife Endowment Fund	5,579
Emergency Medical Services Retirement System	4,821
Workers' Compensation Self-Insured Guaranty Risk Pool	3,047
Workers' Compensation Uninsured Employers' Fund	2,649
West Virginia Department of Environmental Protection Trust	1,030
AccessWV	860
Municipal Police Officers' and Firefighters' Retirement System	14
Total	<u>\$ 2,286,692</u>



**Financial Statements - Unaudited**

**January 31, 2012**



# Core Fixed Income Pool

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## Financial Statements - Unaudited January 31, 2012

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# Core Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,179,103
Collateral for securities loaned at fair value (Note 4)		36,831
Receivables:		
Accrued interest		8,005
Investments sold		736
Securities lending income		9
Other		123
		<hr/>
<b>Total assets</b>		1,224,807

### Liabilities

Accrued expenses		596
Dividends payable		4,793
Payable for investments purchased		1,299
Payable upon return of securities loaned (Note 4)		36,846
		<hr/>
<b>Total liabilities</b>		43,534

**Net assets** \$ 1,181,273

### Analysis of net assets

Paid-in capital	\$	1,034,432
Accumulated undistributed net realized gain from investments		64,822
Unrealized net appreciation of investments		82,019
		<hr/>
<b>Net assets</b>	<u><u>\$</u></u>	<u>1,181,273</u>

### Unit data

Units outstanding		104,679,533
Net asset value, unit price	<u><u>\$</u></u>	<u>11.28</u>

See accompanying notes to financial statements.

## Core Fixed Income Pool

### Schedule of Investments in Securities - Unaudited

**January 31, 2012**

*(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	\$ 755
Illinois	5.100	5.763	06/01/2033	350	322	331
New York St Dorm Authority	5.600	5.787	03/15/2040	260	253	316
Ohio State University	4.800	4.853	06/01/2111	761	753	816
Port Authority NY and NJ	5.650	5.647	11/01/2040	600	600	719
Tennessee Valley Authority	4.630	4.693	09/15/2060	400	395	470
Total Municipal Bonds - 0.3%					2,917	3,407
<b><u>U. S. Treasury Issues</u></b>						
United States Treasury	2.000	0.721	04/15/2012	1,000	1,118	1,122
United States Treasury	0.000	1.445	11/15/2014	4,750	4,563	4,711
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	217
United States Treasury	2.630	1.976	04/30/2016	1,670	1,713	1,816
United States Treasury	0.000	3.332	08/15/2016	4,800	4,131	4,659
United States Treasury	3.130	3.241	10/31/2016	9,300	9,253	10,372
United States Treasury	0.000	2.256	11/15/2016	3,120	2,802	3,014
United States Treasury	3.250	3.132	12/31/2016	18,000	18,095	20,222
United States Treasury	4.630	3.056	02/15/2017	6,500	6,973	7,756
United States Treasury	0.000	3.274	02/15/2017	6,122	5,195	5,886
United States Treasury	3.250	2.910	03/31/2017	11,600	11,788	13,065
United States Treasury	3.130	2.432	04/30/2017	6,715	6,943	7,524
United States Treasury	2.750	2.381	05/31/2017	2,280	2,322	2,512
United States Treasury	8.880	3.186	08/15/2017	9,360	12,043	13,470
United States Treasury	4.750	2.705	08/15/2017	18,645	20,589	22,598
United States Treasury	0.000	2.162	08/15/2017	500	444	476
United States Treasury	0.000	3.492	11/15/2017	7,050	5,769	6,663
United States Treasury	2.750	2.731	12/31/2017	15,000	15,015	16,553
United States Treasury	2.630	2.849	01/31/2018	6,000	5,926	6,577
United States Treasury	3.500	2.488	02/15/2018	1,000	1,056	1,148
United States Treasury	0.000	3.537	02/15/2018	3,950	3,196	3,707
United States Treasury	0.000	3.743	08/15/2018	500	392	463
United States Treasury	1.750	1.519	10/31/2018	11,000	11,162	11,408
United States Treasury	1.380	1.286	11/30/2018	9,895	9,952	10,009
United States Treasury	3.130	3.136	05/15/2019	6,090	6,085	6,875
United States Treasury	0.000	4.013	05/15/2019	4,550	3,406	4,118
United States Treasury	0.000	4.021	08/15/2019	300	222	269
United States Treasury	8.500	3.516	02/15/2020	1,750	2,356	2,707
United States Treasury	0.000	4.006	05/15/2020	4,500	3,239	3,957
United States Treasury	8.750	3.409	05/15/2020	900	1,244	1,418
United States Treasury	0.000	3.270	05/15/2020	15,037	11,485	13,133
United States Treasury	8.750	3.031	08/15/2020	8,550	12,189	13,566
United States Treasury	0.000	3.411	08/15/2020	8,550	6,399	7,407
United States Treasury	0.000	3.773	11/15/2020	700	504	600
United States Treasury	0.000	4.230	02/15/2021	200	137	170
United States Treasury	8.130	3.524	05/15/2021	1,000	1,362	1,563
United States Treasury	0.000	3.501	11/15/2021	5,000	3,560	4,127
United States Treasury	0.000	3.851	02/15/2022	1,250	852	1,022
United States Treasury	7.130	3.585	02/15/2023	1,000	1,320	1,520
United States Treasury	0.000	2.453	05/15/2023	900	683	698
United States Treasury	0.000	4.526	05/15/2024	1,100	635	818
United States Treasury	0.000	4.240	08/15/2024	1,100	650	809
United States Treasury	0.000	6.392	11/15/2024	250	136	182
United States Treasury	0.000	6.934	02/15/2025	700	362	503
United States Treasury	6.000	4.435	02/15/2026	400	465	578
United States Treasury	0.000	4.862	05/15/2026	850	428	580
United States Treasury	6.750	4.073	08/15/2026	625	807	967
United States Treasury	6.500	4.024	11/15/2026	550	701	835
United States Treasury	0.000	4.129	11/15/2026	5,500	3,000	3,680
United States Treasury	6.630	3.883	02/15/2027	800	1,048	1,232
United States Treasury	0.000	3.300	02/15/2027	11,500	6,999	7,618
United States Treasury	6.380	4.079	08/15/2027	400	505	607
United States Treasury	0.000	4.707	08/15/2027	950	461	618

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
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	759	966
United States Treasury	0.000	4.552	02/15/2028	2,050	996	1,308
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	1,167	1,482
United States Treasury	0.000	4.822	11/15/2028	2,000	899	1,242
United States Treasury	0.000	4.655	02/15/2029	300	137	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	151
United States Treasury	0.000	3.206	08/15/2029	800	458	483
United States Treasury	0.000	4.399	11/15/2029	700	323	419
United States Treasury	0.000	4.598	02/15/2030	1,100	484	652
United States Treasury	6.250	4.023	05/15/2030	600	772	927
United States Treasury	0.000	3.768	05/15/2030	400	202	235
United States Treasury	0.000	4.619	08/15/2030	900	386	524
United States Treasury	0.000	4.447	11/15/2030	950	416	548
United States Treasury	5.380	4.030	02/15/2031	1,300	1,528	1,850
United States Treasury	0.000	5.044	11/15/2032	1,150	561	616
United States Treasury	0.000	6.997	05/15/2033	1,200	482	631
United States Treasury	0.000	7.445	08/15/2033	700	269	364
United States Treasury	0.000	7.666	11/15/2033	1,000	374	516
United States Treasury	0.000	4.533	02/15/2034	750	279	383
United States Treasury	0.000	7.942	05/15/2034	500	180	253
United States Treasury	4.500	3.698	02/15/2036	300	337	391
United States Treasury	0.000	4.591	05/15/2036	200	66	94
Total U. S. Treasury Issues - 23.1%					243,536	272,870
<b>U. S. Government Agency Issues</b>						
<i>U. S. Government Agency MBS (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Issues	5.174	2.987	05/13/2033	52,765	56,078	57,231
FNMA Issues	4.837	2.412	04/22/2026	107,000	111,536	117,666
GNMA Issues	6.599	3.902	02/12/2036	3,448	3,716	3,941
<i>Total U. S. Government Agency MBS</i>					171,330	178,838
<i>U. S. Government Agency CMO (coupon, yield, and maturity date are weighted averages)</i>						
FDIC Issues	2.980	3.027	12/06/2020	1,268	1,267	1,321
FHLB Issues	5.300	-0.196	06/15/2012	520	526	525
FHLMC Issues	6.059	5.320	10/03/2033	129,867	98,611	104,425
FNMA Issues	5.865	5.120	06/17/2033	172,013	133,216	142,356
GNMA Issues	8.067	13.680	07/04/2034	80,609	27,943	34,367
<i>Total U. S. Government Agency CMO</i>					261,563	282,994
<i>U. S. Government Agency Bonds</i>						
FannieMae STRIPS	0.000	5.737	11/15/2021	1,000	640	776
Federal Farm Credit Bank	5.130	3.384	11/15/2018	1,000	1,105	1,212
Federal Home Loan Mortgage	5.500	3.324	08/23/2017	2,900	3,218	3,564
Federal National Mortgage Assn	0.000	2.342	07/05/2014	2,300	2,176	2,256
Federal National Mortgage Assn	5.000	2.195	05/11/2017	3,000	3,417	3,601
Federal National Mortgage Assn	5.380	3.276	06/12/2017	2,000	2,205	2,436
FICO	0.000	5.655	09/26/2019	700	489	602
RFCO Strip Principal	0.000	4.186	07/15/2020	500	369	420
<i>Total U. S. Government Agency Bonds</i>					13,619	14,867
Total U. S. Government Agency Issues - 40.4%					446,512	476,699
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
Ace Ina Hldg Inc	5.880	3.570	06/15/2014	240	252	264
Ace Ina Hldg Inc	5.600	2.613	05/15/2015	430	470	487
AFLAC Inc	8.500	5.066	05/15/2019	100	121	126
AFLAC Inc	6.450	6.488	08/15/2040	108	107	118
AGL Capital Corporation	4.450	2.753	04/15/2013	260	265	268
AGL Capital Corporation	5.250	4.312	08/15/2019	400	423	457
AGL Capital Corporation	3.500	3.683	09/15/2021	353	348	358

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
AGL Capital Corporation	5.880	5.887	03/15/2041	120	120	147
Aid-Israel	0.000	2.110	08/15/2017	1,000	890	933
Aid-Israel	0.000	1.950	03/15/2018	5,000	4,440	4,581
AIG Sunamer Global	6.900	6.417	03/15/2032	110	116	121
Alabama Power Co	6.130	5.106	05/15/2038	128	147	172
Alberta Energy Company Ltd	8.130	5.675	09/15/2030	200	256	260
Allied Waste North America	6.880	6.978	06/17/2015	250	249	263
Allstate Corp	5.000	3.585	08/15/2014	470	486	512
Allstate Life Global Fn Trust	5.380	1.804	04/30/2013	300	313	317
American Airlines PT TRS 11-1	5.250	5.250	01/31/2021	115	115	109
American Airlines PT TRS 11-2	8.630	8.625	10/15/2021	126	126	134
American Express Co	7.000	4.742	03/19/2018	595	666	731
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	623	653
American Express Credit Co	5.130	3.579	08/25/2014	825	856	897
American Express Credit Co	2.800	2.818	09/19/2016	340	340	348
American Honda Finance	2.600	2.601	09/20/2016	410	410	420
American Honda Finance	7.630	4.559	10/01/2018	500	587	640
American Water Cap Corp	6.090	3.499	10/15/2017	300	340	354
American Water Cap Corp	6.590	5.338	10/15/2037	300	352	367
Ameritech Capital Funding	6.450	5.178	01/15/2018	70	75	81
Amgen Inc	6.150	3.425	06/01/2018	285	329	341
Amgen Inc	5.700	5.035	02/01/2019	210	218	245
Amgen Inc	3.450	3.826	10/01/2020	610	593	626
Amgen Inc	4.950	5.002	10/01/2041	200	198	206
Amgen Inc	5.650	5.684	06/15/2042	103	102	116
Anadarko Petroleum Corp	7.630	3.498	03/15/2014	130	141	144
Anadarko Petroleum Corp	8.700	8.259	03/15/2019	300	307	393
Anadarko Petroleum Corp	6.950	5.873	06/15/2019	285	303	345
Anheuser-Busch	1.500	1.501	07/14/2014	264	264	268
Anheuser-Busch	7.750	5.149	01/15/2019	580	667	762
Anheuser-Busch	8.200	5.072	01/15/2039	255	371	401
ANR Pipeline	9.630	5.447	11/01/2021	240	315	354
ANZ National (Intl) LTD	2.380	2.418	12/21/2012	175	175	177
Aon Corporation	3.500	3.605	09/30/2015	121	121	127
Apache Corporation	6.000	1.594	09/15/2013	480	514	523
Appalachian Power Company	5.950	6.624	05/15/2033	250	231	275
Arizona Public Service	4.500	4.557	04/01/2042	103	102	105
Arrow Electronics Inc	6.880	6.098	07/01/2013	215	217	230
Arrow Electronics Inc	6.880	5.965	06/01/2018	235	246	268
Arrow Electronics Inc	7.500	6.484	01/15/2027	225	247	249
ASIF Global Financing XIX	4.900	1.744	01/17/2013	907	934	920
Associates Corp NA	6.950	9.375	11/01/2018	350	308	389
AT&T Corp	8.000	6.187	11/15/2031	41	49	60
AT&T Inc	5.500	4.564	02/01/2018	370	388	439
AT&T Inc	5.600	5.165	05/15/2018	565	578	671
AT&T Inc	5.800	3.067	02/15/2019	200	234	242
AT&T Inc	4.450	4.232	05/15/2021	500	508	559
AT&T Inc	6.300	6.621	01/15/2038	600	574	732
AT&T Inc	5.350	5.341	09/01/2040	1,374	1,376	1,535
Atmos Energy Corp	6.350	2.858	06/15/2017	875	1,026	1,041
Atmos Energy Corp	8.500	8.529	03/15/2019	150	150	200
AUST & NZ Banking Group	3.250	3.339	03/01/2016	200	199	204
BAE Systems Holdings Inc	5.200	2.802	08/15/2015	195	211	211
Bank of America Corp	4.900	3.276	05/01/2013	500	510	514
Bank of America Corp	7.380	7.510	05/15/2014	600	598	647
Bank of America Corp	5.130	8.762	11/15/2014	300	274	309
Bank of America Corp	6.500	6.545	08/01/2016	500	499	533
Bank of America Corp	5.630	5.039	10/14/2016	250	256	258
Bank of America Corp	5.650	5.545	05/01/2018	2,100	2,111	2,148
Bank of America Corp	5.630	5.431	07/01/2020	190	192	193
Bank of America Corp	5.000	5.056	05/13/2021	145	144	142
Bank of America Corp	5.700	5.755	01/24/2022	370	368	383
Bank of Nova Scotia	3.400	3.428	01/22/2015	127	127	135
Bank of Nova Scotia	1.650	1.686	10/29/2015	345	345	349

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Bank of Nova Scotia	4.380	4.395	01/13/2021	214	214	236
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	421
Barclays Bank PLC	6.750	5.145	05/22/2019	950	1,042	1,104
Barclays Bank PLC	5.130	5.231	01/08/2020	500	497	534
BB&T Corporation	5.700	1.547	04/30/2014	340	371	372
BB&T Corporation	3.200	2.245	03/15/2016	365	379	388
BB&T Corporation	4.900	5.999	06/30/2017	800	760	878
BB&T Corporation	6.850	7.048	04/30/2019	225	223	280
BellSouth Corporation	5.200	4.342	09/15/2014	300	306	332
BellSouth Corporation	6.000	5.368	11/15/2034	149	161	167
Berkshire Hathaway Fin	4.600	4.335	05/15/2013	100	100	105
Berkshire Hathaway Fin	5.100	1.733	07/15/2014	600	648	658
Berkshire Hathaway Fin	2.450	2.497	12/15/2015	477	476	500
Berkshire Hathaway Fin	5.400	3.505	05/15/2018	300	332	358
Berkshire Hathaway Inc	1.900	1.901	01/31/2017	190	190	193
BG Energy Capital PLC	5.130	5.239	10/15/2041	200	197	224
BHP Billiton Financial USA	5.500	5.577	04/01/2014	200	200	221
BHP Billiton Financial USA	6.500	4.224	04/01/2019	720	820	908
BlackRock Inc	6.250	4.677	09/15/2017	500	538	595
Blackstone Holdings Financial	5.880	5.938	03/15/2021	550	548	545
BNY Mellon	4.500	2.783	04/01/2013	305	311	319
BNY Mellon	5.130	3.868	08/27/2013	350	357	373
BNY Mellon	2.950	2.978	06/18/2015	500	500	525
BNY Mellon	4.600	4.625	01/15/2020	115	115	129
Boeing Company	5.130	4.019	02/15/2013	100	101	105
Boeing Company	4.880	4.664	02/15/2020	230	233	275
Boeing Company	6.130	5.181	02/15/2033	150	168	193
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	106
BP Capital Markets PLC	3.880	3.148	03/10/2015	730	746	788
British Telecom PLC	5.950	5.942	01/15/2018	275	275	313
British Telecom PLC	9.630 A	6.540	12/15/2030	145	193	216
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	399	462
Bunge NA Finance LP	5.900	7.617	04/01/2017	54	50	60
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	238	263
Burlington North Santa Fe	4.700	4.722	10/01/2019	350	350	402
Burlington North Santa Fe	3.450	3.479	09/15/2021	106	106	110
Burlington North Santa Fe	7.290	6.510	06/01/2036	80	88	113
Canadian Natural Resources Ltd	5.700	3.408	05/15/2017	300	333	359
Canadian Natural Resources Ltd	5.900	4.608	02/01/2018	615	656	736
Capital One Bank USA NA	6.500	10.704	06/13/2013	100	95	106
Capital One Financial Corp	7.380	5.321	05/23/2014	295	308	328
Capital One Financial Corp	5.500	10.399	06/01/2015	200	173	217
Capital One Financial Corp	6.750	4.903	09/15/2017	1,055	1,149	1,214
Capital One Financial Corp	4.750	4.860	07/15/2021	400	397	421
Cargill Inc	7.350	5.427	03/06/2019	250	278	318
Cargill Inc	4.310	4.716	05/14/2021	106	103	116
Caterpillar Financial Services	5.850	4.754	09/01/2017	820	864	984
Caterpillar Financial Services	5.450	3.907	04/15/2018	280	304	332
Caterpillar Financial Services	7.150	6.147	02/15/2019	395	417	508
CBS Corp	5.750	5.766	04/15/2020	53	53	61
CBS Corp	7.880	6.380	07/30/2030	380	441	491
Cellco Partnership/Verizon Wir	8.500	3.044	11/15/2018	220	293	307
Centel Capital Corp	9.000	6.495	10/15/2019	200	230	227
Centerpoint Energy Houston	5.750	5.100	01/15/2014	185	187	201
Centerpoint Energy Houston	7.000	5.151	03/01/2014	185	192	207
Centerpoint Energy Inc	6.500	3.256	05/01/2018	310	366	364
Centerpoint Energy Resources	5.950	3.744	01/15/2014	165	172	178
Centerpoint Energy Resources	6.130	2.810	11/01/2017	300	352	350
Charles Schwab Corp	4.950	1.863	06/01/2014	500	535	544
Cisco Systems Inc	5.500	4.491	02/22/2016	210	218	247
Cisco Systems Inc	4.450	4.555	01/15/2020	250	248	290

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (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	364
Citigroup Inc	6.380	6.536	08/12/2014	295	294	319
Citigroup Inc	6.010	3.809	01/15/2015	300	318	326
Citigroup Inc	4.750	4.876	05/19/2015	87	87	92
Citigroup Inc	4.590	3.858	12/15/2015	563	578	591
Citigroup Inc	6.000	5.585	08/15/2017	1,865	1,899	2,043
Citigroup Inc	6.130	7.044	11/21/2017	555	530	611
Citigroup Inc	8.500	6.854	05/22/2019	470	512	574
Citigroup Inc	5.380	5.507	08/09/2020	300	297	318
Citigroup Inc	7.000	6.049	12/01/2025	490	533	528
Citigroup Inc	8.130	8.310	07/15/2039	350	343	458
Cleveland Electric Illum	7.880	5.053	11/01/2017	300	342	379
Cleveland Electric Illum	8.880	7.005	11/15/2018	225	247	303
CME Group Inc	5.750	1.734	02/15/2014	507	548	554
CNA Financial Corp	5.850	3.764	12/15/2014	250	264	266
CNA Financial Corp	6.500	4.776	08/15/2016	285	305	311
CNA Financial Corp	5.880	5.917	08/15/2020	170	170	179
Coca-Cola Company	3.630	3.725	03/15/2014	100	100	107
Coca-Cola Company	4.880	4.993	03/15/2019	100	99	118
Coca-Cola Company	3.300	3.310	09/01/2021	104	104	112
Coca-Cola Refresh USA	4.250	2.511	03/01/2015	250	263	274
Columbus Southern Power	6.050	6.649	05/01/2018	205	199	242
Comcast Cable Comm Holdings	9.460	7.134	11/15/2022	775	906	1,119
Comcast Cable Holdings	10.130	5.959	04/15/2022	240	316	354
Comcast Corp	5.900	4.624	03/15/2016	625	654	726
Comcast Corp	4.950	3.412	06/15/2016	95	101	107
Comcast Corp	6.500	5.409	01/15/2017	200	209	238
Comerica Bank	5.200	4.930	08/22/2017	250	253	274
Commonwealth REIT	6.650	9.685	01/15/2018	430	371	467
Commonwealth REIT	5.880	6.166	09/15/2020	325	319	335
Connecticut Light and Power	5.650	2.391	05/01/2018	435	517	518
ConocoPhillips	5.200	3.086	05/15/2018	501	561	587
ConocoPhillips	6.650	3.716	07/15/2018	294	343	368
ConocoPhillips	5.750	5.911	02/01/2019	100	99	123
ConocoPhillips	6.000	4.520	01/15/2020	940	1,032	1,183
Cons Edison Co of NY	5.100	4.756	06/15/2033	200	209	222
Cons Edison Co of NY	6.300	5.749	08/15/2037	150	161	202
Cons Edison Co of NY	5.500	5.713	12/01/2039	350	340	434
Consumers Energy Company	6.700	5.661	09/15/2049	394	457	506
Corp Andina De Fomento	3.750	3.542	01/15/2016	532	536	541
Countrywide Financial Corp	6.250	5.331	05/15/2016	600	621	604
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	206	208
Credit Suisse New York	5.500	5.524	05/01/2014	170	170	181
Credit Suisse New York	5.400	5.020	01/14/2020	230	236	233
Credit Suisse USA Inc	4.880	6.376	01/15/2015	250	240	264
Credit Suisse USA Inc	5.130	3.774	08/15/2015	680	710	732
Credit Suisse USA Inc	5.850	4.654	08/16/2016	400	418	450
Credit Suisse USA Inc	7.130	5.535	07/15/2032	275	328	343
CRH America Inc	6.000	3.793	09/30/2016	254	278	278
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	727	772
CSX Corp	7.380	6.722	02/01/2019	200	207	253
CSX Corp	4.250	3.511	06/01/2021	335	355	366
CVS Pass Through Trust	5.930	5.927	01/10/2034	250	250	265
CVS Pass Through Trust	6.130	6.066	09/15/2039	735	741	911
Daimler Finance NA LLC	6.500	4.160	11/15/2013	610	634	663
Daimler Finance NA LLC	2.950	2.988	01/11/2017	300	299	305
Danaher Corp	3.900	3.903	06/23/2021	275	275	308
Dell Inc	5.650	4.846	04/15/2018	317	331	373
Dell Inc	5.880	3.475	06/15/2019	550	635	656
Delta Air Lines 2010 -2A	4.950	4.950	05/23/2019	129	129	134
Delta Air Lines 2011-1	5.300	5.300	04/15/2019	74	74	78
Deutsche Bank AG London	2.380	2.409	01/11/2013	435	435	438

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (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	317
Deutsche Telekom Int Fin	6.750	4.691	08/20/2018	200	223	242
Deutsche Telekom Int Fin	6.000	5.651	07/08/2019	635	648	747
Deutsche Telekom Int Fin	8.750 A	5.629	06/15/2030	170	230	246
Devon Energy Corporation	6.300	3.229	01/15/2019	495	589	611
Diageo Capital PLC	5.200	1.199	01/30/2013	200	208	209
Diageo Capital PLC	4.830	4.387	07/15/2020	402	414	463
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	428
Directv Holdings/Fing	6.000	6.098	08/15/2040	750	740	835
DnB Boligkreditt AS	2.100	2.193	10/14/2015	300	299	300
Dominion Resources Inc	6.400	4.717	06/15/2018	465	508	566
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	71
Dow Chemical Company	7.600	2.207	05/15/2014	235	263	267
Dow Chemical Company	5.900	2.031	02/15/2015	335	373	378
Dow Chemical Company	8.550	5.720	05/15/2019	417	486	553
Dow Chemical Company	4.250	4.284	11/15/2020	64	64	68
Dow Chemical Company	4.130	4.174	11/15/2021	114	114	120
Duke Energy Carolinas	7.000	4.034	11/15/2018	250	294	325
Duke Energy Carolinas	4.300	4.304	06/15/2020	211	211	241
Duke Energy Carolinas	3.900	2.696	06/15/2021	210	231	233
Duke Energy Corp	3.550	3.552	09/15/2021	116	116	121
Duke Energy Ohio Inc	5.450	5.010	04/01/2019	395	405	472
DuPont EI de Nemours Co	6.000	3.208	07/15/2018	608	706	758
DuPont EI de Nemours Co	5.600	4.670	12/15/2036	320	364	399
DuPont EI de Nemours Co	4.900	4.987	01/15/2041	125	123	144
Eaton Corporation	7.630	4.412	04/01/2024	325	422	454
eBay Inc	3.250	4.072	10/15/2020	630	592	644
Eli Lilly and Company	3.550	3.578	03/06/2013	100	100	100
Encana Corp	6.500	5.141	05/15/2019	100	108	117
Enel Finance International NV	5.130	5.144	10/07/2019	700	699	640
Eni SpA	5.700	5.741	10/01/2040	250	249	268
Entergy Gulf States LA	6.000	3.328	05/01/2018	380	437	440
EOG Resources Inc	5.630	5.356	06/01/2019	200	203	240
EOG Resources Inc	4.400	2.949	06/01/2020	340	376	381
Erac USA Finance Company	2.250	2.317	01/10/2014	286	286	287
ERP Operating-LP	4.630	4.673	12/15/2021	85	85	91
Exelon Generation Co LLC	5.350	1.710	01/15/2014	360	385	386
Exelon Generation Co LLC	4.000	4.013	10/01/2020	288	288	303
Exelon Generation Co LLC	5.750	5.778	10/01/2041	86	86	100
Fifth Third Bancorp	3.630	2.956	01/25/2016	455	466	474
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	383
FMR LLC	6.450	6.504	11/15/2039	250	248	272
France Telecom	4.380	3.419	07/08/2014	400	409	426
France Telecom	8.500	5.770	03/01/2031	130	171	183
Fuel Trust	4.210	4.207	04/15/2016	220	220	226
Gap Inc	5.950	6.848	04/12/2021	243	228	233
General Electric Capital Corp	5.880	2.016	02/15/2012	162	162	162
General Electric Capital Corp	0.700	3.520	04/10/2012	500	497	500
General Electric Capital Corp	5.900	5.926	05/13/2014	1,500	1,499	1,659
General Electric Capital Corp	5.500	3.739	06/04/2014	675	701	741
General Electric Capital Corp	2.250	2.266	11/09/2015	675	675	694
General Electric Capital Corp	5.630	5.799	09/15/2017	400	396	455
General Electric Capital Corp	5.630	4.498	05/01/2018	1,290	1,365	1,479
General Electric Capital Corp	6.000	5.091	08/07/2019	2,435	2,572	2,819
General Electric Capital Corp	5.500	5.614	01/08/2020	1,320	1,310	1,487
General Electric Capital Corp	4.380	4.424	09/16/2020	445	443	465
General Electric Capital Corp	5.880	8.520	01/14/2038	200	145	219
General Electric Company	5.250	4.379	12/06/2017	605	630	707
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	564
Georgia Power Company	5.250	5.030	12/15/2015	200	202	228

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
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	372
Goldman Sachs Group Inc	5.250	2.371	10/15/2013	300	314	315
Goldman Sachs Group Inc	3.630	3.576	02/07/2016	415	416	413
Goldman Sachs Group Inc	5.750	5.226	10/01/2016	50	51	54
Goldman Sachs Group Inc	6.250	7.134	09/01/2017	290	278	318
Goldman Sachs Group Inc	5.950	5.036	01/18/2018	200	209	215
Goldman Sachs Group Inc	6.150	5.858	04/01/2018	535	542	577
Goldman Sachs Group Inc	7.500	5.618	02/15/2019	2,980	3,301	3,382
Goldman Sachs Group Inc	5.380	5.493	03/15/2020	450	447	457
Goldman Sachs Group Inc	6.000	5.227	06/15/2020	240	252	254
Goldman Sachs Group Inc	5.250	5.257	07/27/2021	138	138	138
Goldman Sachs Group Inc	6.750	6.519	10/01/2037	140	144	139
Goldman Sachs Group LP	8.000	3.407	03/01/2013	210	220	219
GTE Corporation	6.840	3.750	04/15/2018	200	234	247
GTE Corporation	8.750	5.975	11/01/2021	250	301	352
GTP Acquisition Partners	4.350	4.387	06/15/2041	606	606	610
Halliburton Company	6.150	4.627	09/15/2019	360	395	441
Halliburton Company	7.450	7.646	09/15/2039	100	98	145
HCP Inc	3.750	3.828	02/01/2019	105	104	105
Hewlett-Packard Company	6.130	2.327	03/01/2014	375	404	409
Hewlett-Packard Company	4.750	1.527	06/02/2014	105	113	112
Hewlett-Packard Company	5.400	4.620	03/01/2017	280	290	314
Hewlett-Packard Company	4.380	4.398	09/15/2021	492	491	518
Hewlett-Packard Company	6.000	6.010	09/15/2041	485	484	557
Historic TW Inc	9.150	6.368	02/01/2023	945	1,151	1,302
Home Depot Inc	5.400	5.919	03/01/2016	500	491	584
Honeywell International	5.400	3.475	03/15/2016	360	386	420
HSBC Bank PLC	1.630	1.673	07/07/2014	364	364	361
HSBC Bank PLC	3.500	3.518	06/28/2015	116	116	120
HSBC Bank PLC	3.100	3.108	05/24/2016	229	229	234
HSBC Bank PLC	4.130	4.199	08/12/2020	389	387	395
HSBC Bank PLC	4.750	4.761	01/19/2021	300	300	318
HSBC Bank USA	4.630	3.425	04/01/2014	320	328	332
HSBC Finance Corp	4.750	7.304	07/15/2013	17	16	17
HSBC Finance Corp	0.820	7.547	01/15/2014	500	439	477
HSBC Finance Corp	5.000	7.402	06/30/2015	455	422	479
HSBC Finance Corp	5.500	4.032	01/19/2016	300	316	321
HSBC Holdings PLC	4.880	4.389	01/14/2022	350	364	376
IBM Corp	1.950	2.071	07/22/2016	168	167	174
IBM Corp	7.630	5.057	10/15/2018	330	378	451
IBM Corp	8.380	3.316	11/01/2019	460	618	663
IBM Corp	8.000	5.720	10/15/2038	300	393	485
Indiana Michigan Power	7.000	4.840	03/15/2019	145	164	180
Intel Corporation	3.300	3.328	10/01/2021	456	455	484
Intuit Inc	5.750	3.575	03/15/2017	863	949	979
Jackson National Life Global	6.130	1.249	05/30/2012	535	543	543
Jackson National Life Global	5.380	2.699	05/08/2013	500	517	522
Jefferies Group Inc	5.130	5.082	04/13/2018	340	341	306
Jefferies Group Inc	8.500	6.802	07/15/2019	490	537	513
Jefferies Group Inc	6.450	8.192	06/08/2027	330	280	299
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	287
John Sevier Comb Cycle	4.630	4.275	01/15/2042	1,158	1,210	1,201
Johnson Controls Inc	5.000	4.342	03/30/2020	500	522	566
Johnson Controls Inc	4.250	4.101	03/01/2021	80	81	86
Kansas City Power and Light	5.300	5.343	10/01/2041	385	383	428
KCP&L Greater Missouri	11.880	2.285	07/01/2012	270	281	282
Kellogg Company	4.250	3.896	03/06/2013	100	100	104
Kellogg Company	3.250	2.783	05/21/2018	333	342	352
Key Bank NA	5.800	5.972	07/01/2014	350	349	379
Keycorp	6.500	1.971	05/14/2013	200	211	212
Kimberly Clark Corporation	7.500	4.845	11/01/2018	250	288	331
Kohl's Corporation	6.250	5.839	12/15/2017	90	92	108
Kraft Foods Inc	6.500	3.647	08/11/2017	700	799	844

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Kraft Foods Inc	6.130	5.169	08/23/2018	435	458	525
Kraft Foods Inc	5.380	4.837	02/10/2020	734	760	857
Kroger Co	7.500	3.797	01/15/2014	278	297	311
Kroger Co	6.400	6.119	08/15/2017	100	101	120
Kroger Co	6.150	4.862	01/15/2020	540	585	659
Lincoln National Corp	4.850	4.867	06/24/2021	89	89	93
Lockheed Martin Corp	4.250	3.665	11/15/2019	305	317	331
Lockheed Martin Corp	5.720	5.765	06/01/2040	300	298	345
Lowe's Companies Inc	7.110	5.609	05/15/2037	195	234	264
M & T Bank Corporation	5.380	3.575	05/24/2012	190	191	193
Macquarie Group	7.300	4.638	08/01/2014	560	595	588
Macquarie Group	7.630	7.269	08/13/2019	475	485	489
Macquarie Group	6.250	6.395	01/14/2021	237	235	235
Macys Retail Holdings Inc	7.450	3.417	07/15/2017	300	360	366
Manitoba Province	2.130	2.165	04/22/2013	43	43	44
Manuf & Traders Trust Co	6.630	6.102	12/04/2017	715	731	827
Marathon Oil Corp	6.000	3.633	10/01/2017	200	224	235
Marathon Oil Corp	5.900	3.517	03/15/2018	110	124	130
Mass Mutual Global Funding	3.630	2.403	07/16/2012	350	352	355
Mass Mutual Global Funding	2.880	2.960	04/21/2014	122	122	126
Mass Mutual Global Funding	2.300	2.313	09/28/2015	144	144	147
Massachusetts Electric	5.900	5.924	11/15/2039	182	181	227
McDonnell Douglas Corp	9.750	2.232	04/01/2012	260	263	264
Medco Health Solutions	7.130	3.921	03/15/2018	485	569	572
Merrill Lynch & Company Inc	6.400	5.451	08/28/2017	1,100	1,149	1,163
Merrill Lynch & Company Inc	6.880	6.034	04/25/2018	650	678	701
Met Life Global Funding I	2.500	2.010	01/11/2013	915	919	927
Met Life Global Funding I	5.130	3.297	04/10/2013	600	613	629
Met Life Global Funding I	5.130	3.070	06/10/2014	200	209	217
Met Life Global Funding I	3.650	3.670	06/14/2018	1,000	999	1,044
Metlife Institutional Funding	1.480	1.481	04/04/2014	250	250	250
Microsoft Corporation	1.630	1.717	09/25/2015	360	359	373
Monsanto Company	5.130	5.008	04/15/2018	160	161	187
Monumental Global Funding	5.500	4.142	04/22/2013	100	102	104
Morgan Stanley	5.300	4.052	03/01/2013	550	557	567
Morgan Stanley	4.750	8.248	04/01/2014	250	233	254
Morgan Stanley	6.000	4.816	05/13/2014	825	846	866
Morgan Stanley	4.200	4.209	11/20/2014	331	331	335
Morgan Stanley	5.450	4.660	01/09/2017	800	828	819
Morgan Stanley	6.250	7.603	08/28/2017	430	404	447
Morgan Stanley	5.950	6.577	12/28/2017	685	664	704
Morgan Stanley	6.630	5.923	04/01/2018	650	673	685
Morgan Stanley	5.630	6.198	09/23/2019	1,310	1,265	1,304
Morgan Stanley	5.750	5.667	01/25/2021	115	116	115
National Australia Bank	2.500	2.500	01/08/2013	500	500	504
National Australia Bank	2.750	2.778	09/28/2015	200	200	202
National Australia Bank	3.000	3.060	07/27/2016	500	499	507
National Bank of Canada	1.650	1.659	01/30/2014	451	451	457
National City Bank	5.800	5.680	06/07/2017	850	855	958
National Rural Utilities Co-op	2.630	2.677	09/16/2012	60	60	61
National Rural Utilities Co-op	5.450	2.605	02/01/2018	195	226	229
National Rural Utilities Co-op	10.380	4.902	11/01/2018	410	536	599
National Semiconductor	6.600	2.140	06/15/2017	430	527	526
Nationwide Mutual Insurance	9.380	7.695	08/15/2039	430	512	529
NBC Universal	5.150	3.184	04/30/2020	200	228	229
NBC Universal	4.380	4.528	04/01/2021	150	148	163
NBC Universal	5.950	5.969	04/01/2041	175	175	210
Nevada Power Company	6.500	2.997	08/01/2018	355	428	432
Nevada Power Company	7.130	5.401	03/15/2019	300	330	380
Nevada Power Company	5.380	5.396	09/15/2040	51	51	61
New York Life Global Fdg	4.650	3.682	05/09/2013	285	288	298
New York Life Global Fdg	3.000	2.610	05/04/2015	515	521	544
News America Inc	7.250	5.514	05/18/2018	64	70	79
News America Inc	8.880	7.606	04/26/2023	450	490	591
News America Inc	7.750	5.876	01/20/2024	150	174	187

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
News America Inc	7.300	7.225	04/30/2028	250	252	294
News America Inc	6.650	6.115	11/15/2037	125	134	150
Nextera Energy Capital	6.000	6.006	03/01/2019	125	125	147
Niagara Mohawk Power	4.880	4.881	08/15/2019	100	100	112
Nissan Motor Acceptance	4.500	2.640	01/30/2015	500	527	526
Nomura Holdings Inc	5.000	2.878	03/04/2015	195	207	201
Nomura Holdings Inc	6.700	6.403	03/04/2020	200	204	215
Nordea Bank AB	4.880	4.938	05/13/2021	355	353	335
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	492
Northern States Power- Minn	5.350	5.363	11/01/2039	64	64	80
Northern Trust Company	6.500	4.266	08/15/2018	250	282	301
Northern Trust Corp	5.500	4.130	08/15/2013	102	104	109
Northrop Grumman Corp	5.050	3.698	08/01/2019	490	533	555
Nova Scotia Province	9.250	4.643	03/01/2020	200	261	293
Nucor Corporation	5.750	4.303	12/01/2017	242	260	289
Nucor Corporation	5.850	2.904	06/01/2018	615	719	740
Oncor Electric Delivery	6.800	4.098	09/01/2018	615	709	755
Ontario Providence Canada	2.950	2.975	02/05/2015	1,000	999	1,056
Ontario Providence Canada	2.700	2.710	06/16/2015	500	500	526
Oracle Corporation	4.950	0.926	04/15/2013	125	131	132
Oracle Corporation	5.750	5.177	04/15/2018	250	258	307
Oracle Corporation	5.000	4.688	07/08/2019	400	408	474
Oracle Corporation	6.500	5.656	04/15/2038	605	674	820
Oracle Corporation	5.380	5.278	07/15/2040	270	274	328
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	459
Pacific Gas & Electric Corp	3.250	3.312	09/15/2021	49	49	51
Pacific Life Global Funding	5.150	4.549	04/15/2013	170	171	177
Pacific Life Global Funding	5.000	4.976	05/15/2017	400	400	426
PacifiCorp	5.500	4.874	01/15/2019	350	363	415
PacifiCorp	6.100	5.153	08/01/2036	316	357	410
Parker-Hannifin Corp	3.500	3.059	09/15/2022	600	624	630
PC Financial Partnership	5.000	2.386	11/15/2014	180	193	197
Pennsylvania Electric Co	6.050	3.448	09/01/2017	210	238	243
Pepsico Inc	7.900	4.259	11/01/2018	171	207	233
Petro-Canada	6.050	5.383	05/15/2018	447	463	538
Petro-Canada	6.800	6.466	05/15/2038	225	234	298
Pfizer Inc	4.650	2.187	03/01/2018	205	234	235
PG&E Corp	5.750	5.875	04/01/2014	150	150	163
Pharmacia Corporation	6.500	4.660	12/01/2018	700	775	892
Philips Electronics NV	5.750	3.507	03/11/2018	80	90	93
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	214
Pitney Bowes Inc	5.600	4.431	03/15/2018	100	106	106
Pitney Bowes Inc	6.250	5.189	03/15/2019	240	255	259
PNC Bank NA	6.880	4.989	04/01/2018	250	275	293
PNC Funding Corp	5.250	5.103	11/15/2015	300	301	326
PNC Funding Corp	5.630	3.845	02/01/2017	300	324	332
PNC Funding Corp	5.130	5.150	02/08/2020	160	160	184
Potash Corp-Saskatchewan	3.750	2.830	09/30/2015	500	516	539
Potomac Electric Power	7.900	5.749	12/15/2038	335	433	529
PPG Industries Inc	7.400	4.939	08/15/2019	260	300	325
PPG Industries Inc	9.000	6.096	05/01/2021	625	752	876
PPL Energy Supply LLC	4.600	4.604	12/15/2021	590	590	616
Praxair Inc	3.950	3.652	06/01/2013	130	130	136
Praxair Inc	4.380	4.446	03/31/2014	200	200	215
Praxair Inc	5.200	3.733	03/15/2017	510	545	591
Pricoa Global Funding I	5.450	5.499	06/11/2014	350	350	378
Principal Life Global	6.250	7.272	02/15/2012	600	600	601
Principal Life Global	5.050	8.354	03/15/2015	500	455	540
Principal Life Inc Fdg	5.100	3.519	04/15/2014	400	413	429
Progress Energy Carolina	5.300	4.589	01/15/2019	200	208	238
Progress Energy Inc	6.050	6.115	03/15/2014	150	150	165
Progress Energy Inc	7.750	5.834	03/01/2031	100	122	142

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

**January 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Prudential Insurance Company	8.300	5.843	07/01/2025	650	797	827
PSEG Power LLC	5.130	4.780	04/15/2020	504	516	568
PSEG Power LLC	4.150	4.161	09/15/2021	152	152	159
Public Service Colorado	3.200	3.247	11/15/2020	45	45	48
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	134
Public Service Oklahoma	4.400	4.494	02/01/2021	137	136	150
Quebec Province	6.350	4.145	01/30/2026	900	1,109	1,223
Rabobank Nederland	3.200	3.310	03/11/2015	500	498	513
Rabobank Nederland	2.130	2.177	10/13/2015	114	114	114
Rabobank Nederland	4.500	4.534	01/11/2021	219	218	236
Rabobank Nederland	5.800	6.007	09/30/2110	300	290	302
Rabobank Nederland Utrecht	3.380	3.394	01/19/2017	82	82	84
Republic Services Inc	5.500	3.442	09/15/2019	360	409	415
Rio Tinto Fin USA Ltd	8.950	2.510	05/01/2014	605	690	709
Rio Tinto Fin USA Ltd	3.500	3.593	11/02/2020	51	51	53
Rio Tinto Fin USA Ltd	3.750	3.781	09/20/2021	588	587	631
Royal Bank of Canada	2.300	2.357	07/20/2016	855	853	874
Ryder System Inc	3.600	3.623	03/01/2016	180	180	189
Ryder System Inc	3.500	3.533	06/01/2017	96	96	100
SabMiller PLC	5.500	2.680	08/15/2013	500	521	530
San Diego Gas & Electric	5.350	5.359	05/15/2040	27	27	34
Sempra Energy	8.900	4.584	11/15/2013	347	372	390
Sempra Energy	6.500	6.539	06/01/2016	100	100	118
Sempra Energy	9.800	5.165	02/15/2019	450	570	613
Shell International Fin	1.880	1.916	03/25/2013	75	75	76
Shell International Fin	4.000	3.738	03/21/2014	575	578	617
Shell International Fin	3.100	3.115	06/28/2015	73	73	79
Shell International Fin	4.300	4.343	09/22/2019	285	284	332
Shell International Fin	4.380	4.434	03/25/2020	290	289	342
Shell International Fin	6.380	6.026	12/15/2038	140	146	195
Siemens Financieringsmat	6.130	5.126	08/17/2026	470	518	577
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	54
Simon Property Group LP	6.100	9.051	05/01/2016	325	292	375
Simon Property Group LP	6.130	5.748	05/30/2018	140	143	168
Simon Property Group LP	7.380	6.200	06/15/2018	166	176	202
Simon Property Group LP	5.650	4.549	02/01/2020	275	295	325
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	336
Southern Cal Edison	5.500	5.634	03/15/2040	170	167	214
Southern Company	4.150	3.106	05/15/2014	500	511	536
Southern Company	1.950	1.982	09/01/2016	130	130	133
Southtrust Bank NA	7.690	5.873	05/15/2025	400	466	486
Southwestern Electric Power	6.450	5.261	01/15/2019	115	123	135
Southwestern Public Service	8.750	5.352	12/01/2018	288	343	395
Spectra Energy Capital	6.200	5.534	04/15/2018	445	459	516
Spectra Energy Capital	6.750	8.473	07/15/2018	160	147	183
Spectra Energy Capital	8.000	5.666	10/01/2019	450	515	574
Stadshypotek AB	1.450	1.457	09/30/2013	697	697	697
Staples Inc	9.750	6.065	01/15/2014	325	347	372
State Street Corp	4.300	3.340	05/30/2014	500	511	537
Statoil ASA	3.130	2.279	08/17/2017	692	722	747
Statoil ASA	3.150	3.172	01/23/2022	350	349	365
SunTrust Banks Inc	5.250	2.676	11/05/2012	371	378	379
SunTrust Banks Inc	3.600	3.282	04/15/2016	630	638	651
Svenska Handelsbanken AB	3.130	3.127	07/12/2016	494	494	507
Talisman Energy	7.750	4.567	06/01/2019	475	568	595
Target Corp	7.000	5.065	01/15/2038	440	562	622
TCI Communications Inc	7.880	7.698	02/15/2026	100	102	132
Telecom Italia Capital	4.950	4.108	09/30/2014	400	408	392
Telecom Italia Capital	7.000	8.462	06/04/2018	100	93	100
Telefonica Emisiones SAU	5.860	3.741	02/04/2013	200	200	205
Telefonica Emisiones SAU	6.420	4.065	06/20/2016	500	547	535
Telefonica Emisiones SAU	6.220	5.138	07/03/2017	300	315	321

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Telefonica Emisiones SAU	5.880	5.877	07/15/2019	50	50	51
Telefonica Emisiones SAU	5.460	5.462	02/16/2021	117	117	116
Tennessee Valley Authority	5.250	5.275	09/15/2039	98	98	124
The Mosiac Company	3.750	3.667	11/15/2021	363	365	380
The Mosiac Company	4.880	4.971	11/15/2041	33	33	34
Thomson Reuters Corp	4.700	4.744	10/15/2019	150	150	167
Time Warner Cable Inc	8.250	4.373	02/14/2014	730	784	828
Time Warner Cable Inc	6.750	4.658	07/01/2018	150	167	182
Time Warner Cable Inc	8.750	4.412	02/14/2019	300	378	394
Time Warner Cable Inc	7.300	6.397	07/01/2038	300	334	378
Time Warner Entertainment	8.380	6.560	07/15/2033	325	392	431
Toronto-Dominion Bank	2.200	2.140	07/29/2015	1,350	1,353	1,383
Total Capital SA	2.300	2.129	03/15/2016	540	544	561
Toyota Motor Credit Corp	3.200	2.095	06/17/2015	70	73	75
Toyota Motor Credit Corp	2.000	2.110	09/15/2016	2,950	2,936	3,001
Trans-Canada Pipelines	6.500	6.574	08/15/2018	250	249	311
Trans-Canada Pipelines	7.130	3.903	01/15/2019	220	263	283
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	73
Transocean Inc	6.500	6.390	11/15/2020	960	967	1,063
Travelers PPTY Casualty	7.750	5.666	04/15/2026	410	492	546
Tyco International Finance	8.500	4.733	01/15/2019	495	604	646
Tyco/Tyco International Fin SA	7.000	4.057	12/15/2019	200	239	251
UBS AG Stamford CT	3.880	3.970	01/15/2015	500	499	515
UBS AG Stamford CT	5.880	5.576	12/20/2017	300	304	336
UBS AG Stamford CT	5.750	4.472	04/25/2018	100	107	112
Union Carbide Corp	7.500	5.809	06/01/2025	250	289	297
Union Pacific Corp	4.160	4.011	07/15/2022	358	363	393
Union Pacific Corp	5.780	4.235	07/15/2040	310	389	385
United Mexican States	6.380	3.627	01/16/2013	630	646	661
United Mexican States	5.750	5.959	10/12/2110	326	315	341
United Technologies Corp	6.130	4.006	02/01/2019	485	547	604
United Technologies Corp	5.400	5.468	05/01/2035	170	168	200
UNP RR CO 2003 PASS TRUST	4.700	5.675	01/02/2024	81	77	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	335
US Bancorp	2.880	2.977	11/20/2014	450	449	472
US Bancorp	2.450	2.059	07/27/2015	456	462	475
US Bancorp	4.130	4.000	05/24/2021	275	278	306
Verizon Communications	5.550	3.794	02/15/2016	165	176	191
Verizon Communications	5.500	4.896	02/15/2018	720	742	858
Verizon Communications	8.750	4.820	11/01/2018	345	422	479
Verizon Communications	8.950	5.546	03/01/2039	170	251	274
Verizon Communications	7.350	7.564	04/01/2039	400	390	561
Verizon Maryland Inc	7.150	7.864	05/01/2023	400	379	425
Verizon New England Inc	7.880	6.381	11/15/2029	330	382	401
Verizon Pennsylvania	8.350	7.266	12/15/2030	400	444	510
Verizon Virginia Inc	4.630	4.968	03/15/2013	375	374	391
Viacom Inc	3.880	4.076	12/15/2021	177	174	186
Virginia Electric & Power Co	5.400	4.990	04/30/2018	490	501	589
Vodafone Group	5.750	6.019	03/15/2016	200	198	234
Vodafone Group	5.450	4.869	06/10/2019	369	382	442
Volkswagen Intl Fin NV	1.630	1.728	08/12/2013	100	100	101
Wachovia Bank NA	0.880	3.115	03/15/2016	850	776	778
Wachovia Corp	5.500	4.289	05/01/2013	1,400	1,420	1,478
Wachovia Corp	5.250	2.817	08/01/2014	102	108	110
Wachovia Corp	5.750	5.126	06/15/2017	775	797	891
Wachovia Corp	5.750	5.582	02/01/2018	775	780	892
Wal-Mart Stores Inc	7.550	5.479	02/15/2030	350	432	514
Wal-Mart Stores Inc	5.250	5.736	09/01/2035	425	398	501
Walt Disney Company	4.130	4.194	12/01/2041	305	301	313
Waste Management Inc	7.380	4.326	03/11/2019	250	295	315
Waste Management Inc	4.750	4.596	06/30/2020	622	629	695
WEA Finance/WT Fin Aust	6.750	5.449	09/02/2019	658	710	777
WellPoint Inc	5.880	5.232	06/15/2017	500	514	584

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
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	416
Wells Fargo & Company	5.630	5.427	12/11/2017	865	873	995
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	596	603
Westpac Banking Corp	4.200	2.749	02/27/2015	345	360	366
Westpac Banking Corp	4.880	4.884	11/19/2019	406	406	436
Wisconsin Electric Power	6.000	0.833	04/01/2014	257	285	285
Wisconsin Electric Power	2.950	3.070	09/15/2021	11	11	11
Wyeth	5.500	1.972	02/01/2014	190	203	209
Xcel Energy Inc	4.700	4.741	05/15/2020	45	45	51
Xerox Corporation	6.750	4.601	02/01/2017	191	209	220
Xerox Corporation	5.630	5.438	12/15/2019	350	354	385
<i>Total Corporate Bonds</i>					233,579	250,847
<i>Corporate Asset Backed Issues</i>						
AH Mortgage Advance Trust	2.630	2.650	05/10/2012	691	691	689
AH Mortgage Advance Trust	2.980	3.001	03/13/2013	753	753	753
AH Mortgage Advance Trust	3.370	3.400	05/10/2013	2,334	2,334	2,334
AH Mortgage Advance Trust	3.720	3.751	03/13/2014	1,575	1,575	1,575
Ally Auto Receivables Trust	1.110	1.115	11/15/2013	920	920	924
Ally Auto Receivables Trust	1.450	1.458	05/15/2014	226	226	227
Ally Auto Receivables Trust	1.550	1.576	10/15/2014	357	357	363
Ally Auto Receivables Trust	1.380	1.393	01/15/2015	285	285	287
Americredit Auto Receivables	1.660	1.669	03/17/2014	45	45	45
Americredit Auto Receivables	0.840	0.849	11/10/2014	747	747	747
Americredit Auto Receivables	1.140	1.155	04/08/2015	445	445	445
Banc of America Auto Trust	1.310	1.315	07/15/2014	209	209	210
Banc of America Auto Trust	1.940	1.954	06/15/2017	510	510	519
Bank of America Auto Trust	2.670	2.691	07/15/2013	42	42	42
Bank of America Auto Trust	2.130	2.140	09/16/2013	104	104	104
Bank of America Auto Trust	3.520	3.555	06/15/2016	200	200	203
Bank of America Auto Trust	2.180	2.198	02/15/2017	310	310	316
Carmax Auto Owner Trust	1.560	1.572	07/15/2014	188	188	189
Chase Funding Mortgage Loan	4.500	5.860	11/25/2034	432	424	431
Chase Funding Mortgage Loan	5.350 A	6.675	11/25/2034	500	458	434
Chase Funding Mortgage Loan	4.280	6.248	11/25/2034	701	622	662
Chrysler Financial Auto Sec	2.820	2.842	01/15/2016	65	65	66
CNH Equipment Trust	1.540	1.552	07/15/2014	156	156	156
CNH Equipment Trust	1.200	1.209	05/16/2016	375	375	378
CNH Equipment Trust	2.040	2.055	10/17/2016	256	256	263
CPS Auto Trust	4.210	4.250	09/15/2016	548	548	547
Ford Credit Auto Owner Trust	2.790	2.811	08/15/2013	79	79	79
Ford Credit Auto Owner Trust	4.500	4.548	07/15/2014	300	300	310
Honda Auto Receivables Trust	2.310	2.329	05/15/2013	39	39	39
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	399
Huntington Auto Trust	1.310	1.313	11/15/2016	400	400	400
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	407
John Deere Owner Trust	2.590	2.614	10/15/2013	1	1	1
John Deere Owner Trust	1.570	1.577	10/15/2013	157	157	157
John Deere Owner Trust	1.290	1.296	01/15/2016	365	365	368
John Deere Owner Trust	1.960	1.974	04/16/2018	285	285	293
LAI Vehicle Lease Securitizat	2.550	2.670	09/15/2016	435	434	434
Mercedes-Benz Auto Rec Trust	1.420	1.433	07/15/2013	182	182	183
Mercedes-Benz Auto Rec Trust	0.850	0.853	03/15/2014	273	273	274
NCUA Guaranteed Notes	0.650 A	0.647	12/07/2020	249	249	249
Newcastle Investment Trust	2.450	2.447	12/10/2033	260	259	262
Nissan Auto Receivables Trust	0.870	0.878	07/15/2014	380	380	381
Nissan Auto Receivables Trust	1.310	1.319	09/15/2016	300	300	303
Residential Asset Mtg Prod	0.620	11.102	10/25/2035	600	562	509
Residential Asset Sec Corp	0.650	6.169	10/25/2035	500	492	478
Santander Drive Auto Rec Trust	2.060	2.070	08/15/2013	189	189	188
Santander Drive Auto Rec Trust	2.390	1.421	06/15/2017	400	407	408

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Saxon Asset Securities Trust	4.790 A	4.205	06/25/2033	315	319	315
Toyota Auto Rec Owner Trust	0.770	0.775	04/15/2014	765	765	766
USAA Auto Owner Trust	2.530	2.544	07/15/2015	295	295	301
Westlake Auto Receivables Trst	1.080	1.083	07/15/2013	169	169	169
Westlake Auto Receivables Trst	1.490	1.496	06/16/2014	303	303	303
World Omni Auto Receivable tst	3.330	3.363	05/15/2013	6	6	6
<i>Total Corporate Asset Backed Issues</i>					21,465	21,507
<i>Corporate CMO</i>						
AH Mortgage Advance Trust	3.270	3.306	09/15/2013	1,334	1,334	1,328
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	572	583	585
American General Mortgage Loan	5.750	4.066	09/25/2048	1,525	1,537	1,547
American General Mortgage Loan	5.750	4.877	09/25/2048	1,100	1,106	1,123
American General Mortgage Loan	5.750	8.302	09/25/2048	1,300	1,250	1,342
ASG Resecuritization Trust	5.220 A	5.182	05/24/2036	400	400	389
ASG Resecuritization Trust	5.220 A	9.625	05/24/2036	794	757	787
ASG Resecuritization Trust	0.470 A	0.628	10/28/2036	441	428	427
ASG Resecuritization Trust	5.010 A	8.231	03/26/2037	1,365	1,300	1,344
ASG Resecuritization Trust	4.980 A	18.792	06/26/2037	844	729	844
ASG Resecuritization Trust	6.000	9.136	06/28/2037	1,105	1,088	1,127
Banc of Amer Altern Loan Trust	5.000	4.750	09/25/2018	491	492	500
Banc of Amer Altern Loan Trust	5.500	7.118	02/25/2019	440	421	449
Banc of Amer Altern Loan Trust	5.500	5.566	09/25/2019	307	306	306
Banc of Amer Altern Loan Trust	5.500	7.899	09/25/2033	316	282	325
Banc of Amer Altern Loan Trust	5.500	5.696	11/25/2033	370	367	378
Banc of Amer Altern Loan Trust	6.000	6.572	01/25/2034	337	327	338
Banc of Amer Altern Loan Trust	6.000	6.771	01/25/2034	553	534	555
Banc of America Commercial Mtg	5.410	3.765	09/10/2016	150	159	165
Banc of America Commercial Mtg	4.670	5.024	07/10/2043	400	396	438
Banc of America Commercial Mtg	4.730	7.964	07/10/2043	600	544	626
Banc of America Commercial Mtg	5.890	6.051	07/10/2044	1,000	995	1,121
Banc of America Commercial Mtg	5.370	10.517	09/10/2045	660	561	739
Banc of America Commercial Mtg	5.120	5.057	10/10/2045	230	230	256
Banc of America Commercial Mtg	5.630	6.516	07/10/2046	700	680	786
Banc of America Funding Corp	5.500	5.809	10/25/2034	770	763	789
Banc of America Funding Corp	5.500	4.670	10/25/2034	60	60	60
Banc of America Funding Corp	5.030 A	5.436	12/20/2034	228	226	217
Banc of America Funding Corp	5.360 A	4.314	02/26/2035	925	961	965
Banc of America Mortgage Sec	0.730	1.762	08/25/2018	301	296	288
Banc of America Mortgage Sec	5.000	3.937	04/25/2019	171	175	174
Banc of America Mortgage Sec	6.500	6.758	09/25/2032	256	254	269
Banc of America Mortgage Sec	2.870 A	3.098	04/25/2033	325	322	320
Banc of America Mortgage Sec	5.500	4.675	05/25/2033	957	971	979
Banc of America Mortgage Sec	2.890 A	2.878	06/25/2033	332	332	309
Banc of America Mortgage Sec	2.890 A	3.019	04/25/2034	1,004	997	931
Banc of America Mortgage Sec	5.500	2.848	04/25/2034	1,400	1,461	1,428
Bank of America Corp	5.750	9.455	09/20/2034	466	412	488
BCAP LLC Trust	5.340 A	4.679	03/26/2012	297	296	297
BCAP LLC Trust	5.500	7.334	11/26/2034	1,108	1,052	1,129
BCAP LLC Trust	5.010 A	4.341	04/26/2035	438	442	429
BCAP LLC Trust	1.080	4.448	01/26/2036	502	457	466
BCAP LLC Trust	5.250	5.219	05/26/2037	154	154	153
BCAP LLC Trust	5.750	6.055	06/26/2037	841	831	843
BCAP LLC Trust	5.130 A	4.603	07/26/2045	1,370	1,391	1,296
Bear Stearns Adj Rate Mortgage	5.000 A	4.794	07/25/2033	325	325	318
Bear Stearns Adj Rate Mortgage	5.050 A	4.809	05/25/2034	272	274	270
Bear Stearns Adj Rate Mortgage	2.220 A	2.858	08/25/2035	471	455	443
Bear Stearns Commercial Mtg	5.620 A	4.821	03/11/2039	235	238	264
Bear Stearns Commercial Mtg	0.290 A	10.524	06/11/2041	14,677	226	216
Bear Stearns Commercial Mtg	5.470	2.094	06/11/2041	500	532	539
Bear Stearns Commercial Mtg	5.540	10.089	10/12/2041	300	260	342
Chase Mortgage Finance Corp	5.000	2.938	03/25/2018	307	317	311
Chase Mortgage Finance Corp	2.760 A	3.241	02/25/2037	919	901	874
Chase Mortgage Finance Corp	2.760 A	2.828	02/25/2037	216	216	212

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Chase Mortgage Finance Corp	2.780 A	4.353	07/25/2037	568	527	499
Citicorp Mortgage Securities	5.500	2.272	06/25/2034	756	790	789
Citigroup Commercial Mortgage	4.830 A	4.789	05/15/2043	400	400	419
Citigroup Mortgage Loan Trust	5.250	16.348	10/25/2033	471	388	478
Citigroup Mortgage Loan Trust	5.100 A	4.924	08/25/2034	227	227	229
Citigroup Mortgage Loan Trust	2.610 A	2.730	02/25/2035	377	375	366
Citigroup Mortgage Loan Trust	5.500	5.498	05/25/2035	409	409	400
Citigroup Mortgage Loan Trust	6.000	10.653	06/25/2036	912	835	950
Citigroup Mortgage Loan Trust	4.000	2.810	11/25/2036	3,135	3,194	3,213
Citigroup Mortgage Loan Trust	4.500	2.801	12/25/2036	3,305	3,398	3,403
Citigroup Mortgage Loan Trust	4.720 A	4.110	11/25/2038	1,016	1,021	1,012
Citigroup/Deutsche Bank Commer	0.090 A	11.428	01/15/2046	79,127	228	198
Citigroup/Deutsche Bank Commer	0.230 A	19.283	12/11/2049	47,535	424	450
Commercial Mortgage Pass-Thru	4.980	9.224	05/10/2043	1,000	903	1,101
Countrywide Home Loans	4.500	5.864	06/25/2019	480	466	489
Countrywide Home Loans	5.250	5.251	09/25/2033	258	257	258
Countrywide Home Loans	5.000	6.249	10/25/2033	761	721	750
Countrywide Home Loans	5.250	5.860	04/25/2034	1,534	1,492	1,565
Credit Suisse Mortgage Capital	5.500	5.500	10/27/2035	197	196	197
Credit Suisse Mortgage Capital	5.000 A	4.217	10/26/2037	224	224	219
Credit Suisse Mortgage Capital	5.850	5.892	03/15/2039	500	499	548
Credit Suisse Mortgage Capital	1.290 A	1.297	02/27/2047	1,422	1,422	1,422
Credit Suisse Mortgage Capital	1.300 A	1.630	06/28/2047	272	272	272
Credit Suisse Mortgage Capital	4.250 A	8.080	06/25/2050	300	279	277
CS First Boston Mortgage Sec	2.830 A	3.213	06/25/2033	502	484	481
CS First Boston Mortgage Sec	5.250	6.134	11/25/2033	1,227	1,194	1,267
CS First Boston Mortgage Sec	5.500	3.263	09/25/2034	721	760	759
CS First Boston Mortgage Sec	5.500	3.352	12/25/2034	807	847	847
CS First Boston Mortgage Sec	18.090 A	19.549	06/25/2035	183	178	187
CS First Boston Mortgage Sec	4.730	4.846	07/15/2037	400	398	420
Deutsche ALT-A Sec Inc Mtg	5.800 A	6.068	02/25/2020	299	296	307
Deutsche Mortgage Securities	0.420 A	8.679	04/26/2037	505	495	485
First Horizon Mortgage Ps Thru	4.500	4.452	09/25/2018	626	625	630
GE Capital Commercial Mortgage	4.830	4.279	06/10/2048	1,000	1,015	1,023
GMAC Commercial Mortgage Sec	5.240	10.435	11/10/2045	1,810	1,539	1,963
GMAC Mortgage Corp Loan Trust	5.000	4.073	01/25/2020	310	314	317
GMAC Mortgage Corp Loan Trust	3.030 A	4.539	10/19/2033	814	781	780
GMAC Mortgage Corp Loan Trust	5.000	6.078	10/25/2033	469	451	465
GMAC Mortgage Corp Loan Trust	5.000	8.701	11/25/2033	1,023	950	1,055
GMAC Mortgage Corp Loan Trust	2.990 A	3.203	12/19/2033	1,278	1,260	1,217
GMAC Mortgage Corp Loan Trust	6.500	5.374	01/25/2035	579	595	606
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	886	1,108
GSR Mortgage Loan Trust	6.000	7.714	09/25/2034	706	677	739
GSR Mortgage Loan Trust	0.630	8.588	03/25/2035	579	367	467
GSR Mortgage Loan Trust	5.500	3.038	06/25/2035	52	52	52
GSR Mortgage Loan Trust	0.780	4.492	06/25/2035	308	278	272
GSR Mortgage Loan Trust	5.500	11.519	01/25/2037	100	86	95
Household Home Equity Loan Tst	0.550	4.654	01/20/2035	208	183	188
Household Home Equity Loan Tst	0.770	5.460	01/20/2035	416	358	360
Household Home Equity Loan Tst	0.440	4.607	01/20/2036	428	372	389
Household Home Equity Loan Tst	0.430	3.420	03/20/2036	369	331	341
Household Home Equity Loan Tst	0.480	1.822	03/20/2036	246	222	210
Household Home Equity Loan Tst	5.600	5.191	03/20/2036	529	529	531
Household Home Equity Loan Tst	1.480	4.508	11/20/2036	564	487	499
IMPAC CMB Trust	0.580	2.755	05/25/2035	473	424	407
IMPAC Secured Assets Corp	5.500	7.158	08/25/2033	714	671	742
IMPAC Secured Assets Corp	0.630	3.382	05/25/2036	586	505	507
IMPAC Secured Assets Corp	0.630	2.725	08/25/2036	981	845	882
JP Morgan Chase Commercial Mtg	5.770 A	2.389	07/12/2014	700	750	758
JP Morgan Chase Commercial Mtg	5.540 A	4.393	08/12/2037	700	723	715
JP Morgan Chase Commercial Mtg	4.400	2.085	01/12/2039	700	729	738
JP Morgan Chase Commercial Mtg	5.550	3.506	05/12/2045	500	540	559
JP Morgan Chase Commercial Mtg	5.400	9.292	05/15/2045	950	825	1,070
JP Morgan Chase Commercial Mtg	0.440	5.318	05/15/2047	800	731	732

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
JP Morgan Mortgage Trust	2.650 A	2.812	11/25/2033	1,233	1,223	1,152
JP Morgan Mortgage Trust	2.750 A	4.033	08/25/2034	1,609	1,535	1,486
JP Morgan Mortgage Trust	5.010 A	4.941	02/25/2035	1,000	1,001	949
JP Morgan Mortgage Trust	4.440 A	3.644	02/25/2035	302	303	302
JP Morgan Mortgage Trust	2.810 A	2.749	07/25/2035	943	945	858
JP Morgan Re-REMIC	4.270 A	4.074	08/26/2035	532	532	518
Lake Country Mortgage Loan Tst	0.630	1.240	07/25/2034	684	656	652
LB-UBS Commercial Mortgage Tst	5.160	7.515	01/15/2016	300	280	335
LB-UBS Commercial Mortgage Tst	4.370	2.169	03/15/2036	598	623	628
LB-UBS Commercial Mortgage Tst	0.160 A	11.231	02/15/2041	24,596	259	268
LVII Resecuritization Trust	3.000 A	2.852	09/27/2037	371	371	374
Master Adjustable Rate Mtgage	2.720 A	5.310	11/21/2034	347	341	343
Master Adjustable Rate Mtgage	2.720 A	2.908	11/21/2034	1,350	1,336	1,262
Master Reperforming Loan Trust	0.630	7.427	05/25/2035	815	545	612
Master Resecuritization Trust	13.630	4.028	05/28/2035	523	307	366
MASTR Asset Securitization	5.500	11.166	09/25/2033	158	139	163
MASTR Asset Securitization	5.250	3.713	12/25/2033	1,074	1,113	1,109
Merrill Lynch Mortgage Invest	2.730 A	3.135	07/25/2033	194	190	183
Merrill Lynch Mortgage Trust	5.850 A	5.537	05/12/2039	260	263	294
Merrill Lynch/Countrywide Comm	0.270 A	9.900	12/12/2049	16,235	211	221
MLCC Mortgage Investors Inc	0.790	4.994	04/25/2029	397	328	349
MLCC Mortgage Investors Inc	0.840	2.444	08/25/2029	434	403	376
MLCC Mortgage Investors Inc	2.600 A	2.939	08/25/2034	313	307	285
MLCC Mortgage Investors Inc	2.130 A	2.569	12/25/2034	648	632	622
Morgan Stanley Capital I	4.050	3.906	06/15/2021	340	343	367
Morgan Stanley Capital I	5.790 A	5.764	06/11/2042	250	251	290
Morgan Stanley Capital I	0.180 A	7.434	12/15/2043	15,956	201	228
Morgan Stanley Capital I	0.410 A	32.064	02/12/2044	44,455	392	341
Morgan Stanley Capital Inc	1.030 A	5.529	01/25/2035	113	98	111
Morgan Stanley Mortgage Loan	5.650 A	5.278	04/25/2034	357	362	361
Morgan Stanley Mortgage Loan	5.500	29.629	08/25/2034	4,719	572	639
Morgan Stanley Re-REMIC Trust	4.970	2.440	04/16/2040	1,400	1,462	1,467
Morgan Stanley Re-REMIC Trust	3.000	2.636	07/17/2056	295	295	296
Morgan Stanley Re-REMIC Trust	5.000	3.110	07/17/2056	1,450	1,482	1,479
NCUA Guaranteed Notes	2.650	2.865	01/01/2018	3,519	3,498	3,700
NCUA Guaranteed Notes	0.860 A	0.857	12/08/2020	917	917	920
NCUA Guaranteed Notes	2.400	2.461	12/08/2020	507	506	519
Prime Mortgage Trust	6.000	5.106	02/25/2034	296	304	314
RBSSP Resecuritization Trust	6.500	3.758	02/26/2036	630	645	665
RBSSP Resecuritization Trust	4.000	4.225	05/26/2037	490	486	485
Residential Accredit Loans	16.050	16.461	10/25/2017	181	182	204
Residential Accredit Loans	0.930	3.579	07/25/2033	485	434	417
Residential Accredit Loans	5.500	5.536	08/25/2033	635	635	637
Residential Accredit Loans	5.750	7.317	10/25/2033	521	489	539
Residential Accredit Loans	5.500	14.394	05/25/2034	1,523	1,066	1,338
Salomon Brothers Mortgage Sec	3.950 A	10.054	04/25/2032	224	192	190
Salomon Brothers Mortgage Sec	2.740 A	3.421	09/25/2033	695	675	654
Springleaf Mortgage Loan Trust	4.050 A	4.005	01/25/2058	1,081	1,079	1,079
Structured Asset Investment	0.550 A	7.537	06/25/2035	300	293	282
Structured Asset Mortgage Inv	0.000	6.837	07/25/2032	180	125	154
Structured Asset Mortgage Inv	0.940 A	2.175	10/19/2034	624	566	528
Structured Asset Securities Co	3.450	5.118	02/25/2032	323	297	295
Structured Asset Securities Co	0.780	6.879	06/25/2033	701	644	666
Structured Asset Securities Co	5.500	6.080	10/25/2033	745	729	754
Structured Asset Securities Co	5.260 A	5.706	11/25/2033	211	208	220
Structured Asset Securities Co	5.030 A	5.125	12/25/2033	269	267	263
Structured Asset Securities Co	5.540	6.477	12/25/2033	1,285	1,236	1,254
Structured Asset Securities Co	5.550 A	6.493	03/25/2034	588	568	587
Structured Asset Securities Co	4.690 A	4.484	02/25/2035	1,027	1,038	1,015
Structured Asset Securities Co	5.000	18.301	05/25/2035	205	158	201
Thornburg Mtg Securities Trust	0.920	2.456	09/25/2043	724	673	657
TIAA Seasoned Commercial Mtg	5.720 A	5.178	08/15/2039	2,500	2,521	2,708
Vendee Mortgage Trust	6.750	5.737	06/15/2026	741	780	879
Vendee Mortgage Trust	6.750	4.384	06/15/2028	617	700	718
Wachovia Bank Comm Mtg Trust	5.210	2.725	01/15/2041	652	692	702

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Wachovia Bank Comm Mtg Trust	5.920 A	8.272	05/15/2043	1,440	1,330	1,629
WAMU Mortgage Pass-Through Cer	5.500	5.566	08/25/2019	586	584	611
WAMU Mortgage Pass-Through Cer	2.440 A	3.018	08/25/2033	243	236	234
WAMU Mortgage Pass-Through Cer	2.490 A	2.636	08/25/2033	268	266	256
WAMU Mortgage Pass-Through Cer	2.460 A	2.687	09/25/2033	952	940	916
WAMU Mortgage Pass-Through Cer	2.540 A	2.974	09/25/2033	347	338	338
WAMU Mortgage Pass-Through Cer	5.250	8.031	10/25/2033	2,321	2,169	2,384
WAMU Mortgage Pass-Through Cer	16.290	15.583	11/25/2033	348	352	364
WAMU Mortgage Pass-Through Cer	0.680	2.794	03/25/2034	235	231	229
WAMU Mortgage Pass-Through Cer	2.550 A	4.105	06/25/2034	263	244	247
WAMU Mortgage Pass-Through Cer	2.550 A	2.632	06/25/2034	657	654	618
WAMU Mortgage Pass-Through Cer	5.500	6.214	06/25/2034	838	806	857
WAMU Mortgage Pass-Through Cer	5.000	3.271	07/25/2034	668	689	689
Washington Mutual MSC Mortgage	0.000	23.684	07/25/2033	219	154	158
Washington Mutual MSC Mortgage	5.500	48.609	05/25/2035	702	65	114
Wells Fargo Mortgage Backed	4.750	4.579	12/25/2018	966	966	995
Wells Fargo Mortgage Backed	5.000	2.906	01/25/2020	321	331	336
Wells Fargo Mortgage Backed	5.000	4.088	11/25/2020	287	291	298
Wells Fargo Mortgage Backed	4.430 A	4.571	11/25/2033	934	929	938
Wells Fargo Mortgage Backed	4.740 A	2.472	12/25/2033	325	328	325
Wells Fargo Mortgage Backed	4.920 A	4.636	02/25/2034	540	542	548
Wells Fargo Mortgage Backed	2.680 A	4.275	09/25/2034	1,525	1,427	1,433
Wells Fargo Mortgage Backed	2.720 A	3.559	10/25/2034	604	573	568
Wells Fargo Mortgage Backed	2.710 A	3.357	10/25/2034	524	509	503
Wells Fargo Mortgage Backed	2.710 A	4.773	10/25/2034	360	330	353
Wells Fargo Mortgage Backed	2.710 A	4.218	12/25/2034	751	707	718
Wells Fargo Mortgage Backed	2.740 A	7.016	12/25/2034	364	324	356
Wells Fargo Mortgage Backed	2.710 A	4.050	12/25/2034	501	475	484
Wells Fargo Mortgage Backed	2.740 A	3.592	12/25/2034	364	356	360
Wells Fargo Mortgage Backed	2.700 A	4.891	06/25/2035	194	185	183
WF-RBS Commercial Mortgage Tst	4.380	4.266	05/15/2021	600	606	655
<i>Total Corporate CMO</i>					135,649	140,362
Total Corporate Issues - 34.9%					390,693	412,716
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund				13,410,806	13,411	13,411
Total Short-term Issues - 1.1%					13,411	13,411
Total Investment Securities - 99.8%					\$ 1,097,069	\$ 1,179,103
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund					\$ 36,319	\$ 36,319
Mellon SL DBT II Liquidating Fund					527	512
Total Collateral for Securities Loaned					\$ 36,846	\$ 36,831

A - Adjustable rate security.

See accompanying notes to financial statements.

## Core Fixed Income Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 4,404	\$ 34,082
Dividends	1	4
Net accretion (amortization)	576	(6,015)
Securities lending income	11	77
	<u>4,992</u>	<u>28,148</u>
<b>Total investment income</b>	4,992	28,148
<b>Expenses</b>		
Investment advisor fees	(155)	(1,053)
Trustee fees	(1)	(3)
Custodian bank fees	(5)	(36)
Management fees	(31)	(219)
Fiduciary bond fees	-	(3)
Professional service fees	(5)	(40)
Securities lending agent fees	(3)	(12)
Securities lending borrower rebates	1	(5)
	<u>(199)</u>	<u>(1,371)</u>
<b>Total expenses</b>	(199)	(1,371)
<b>Investment income, net</b>	4,793	26,777
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	810	8,768
Net increase in the fair value of investments	7,401	32,967
	<u>8,211</u>	<u>41,735</u>
<b>Net gain from investments</b>	8,211	41,735
<b>Net increase in net assets from operations</b>	<u>\$ 13,004</u>	<u>\$ 68,512</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.

## Core Fixed Income Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 4,793	\$ 26,777
Net realized gain from investments	810	8,768
Net increase in the fair value of investments	7,401	32,967
<b>Net increase in net assets from operations</b>	13,004	68,512
<b>Distributions to unitholders</b>		
Investment income, net	(4,793)	(26,777)
<b>Unit transactions</b>		
Proceeds from sale of units	1,534	99,584
Reinvestment of distributions	2,673	26,457
	4,207	126,041
Amount paid for repurchase of units	(17,541)	(176,518)
<b>Net decrease in net assets from unit transactions</b>	(13,334)	(50,477)
<b>Decrease in net assets</b>	(5,123)	(8,742)
<b>Net assets, beginning of period</b>	1,186,396	1,190,015
<b>Net assets, end of period</b>	\$ 1,181,273	\$ 1,181,273
<b>Unit data</b>		
Units sold	136,889	8,970,434
Units issued from reinvestment of distributions	238,578	2,384,035
	375,467	11,354,469
Units repurchased	(1,565,291)	(15,830,477)
<b>Net decrease in units</b>	(1,189,824)	(4,476,008)

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



# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

(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 January 31, 2012.

### 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 January 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate issues	\$ -	\$ 412,716	\$ -	\$ 412,716
Municipal bonds	-	3,407	-	3,407
Regulated investment companies	-	13,411	-	13,411
Securities lending collateral funds	-	36,831	-	36,831
U.S. government agency issues	-	476,699	-	476,699
U.S. Treasury issues	-	272,870	-	272,870
Total	\$ -	\$ 1,215,934	\$ -	\$ 1,215,934

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

# 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 January 31, 2012.

Fair value of securities on loan	\$	145,670		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Cash	\$	<u>36,846</u>	\$ 36,831	\$ (15)
Non-cash			111,822	
Total			<u>\$ 148,653</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		0.25
Net realized and unrealized gain on investment transactions		<u>0.38</u>
Total from investment operations		0.63
Less distributions from net investment income		<u>(0.25)</u>
Net asset value at January 31, 2012	\$	<u>11.28</u>

**Time-weighted Total Return \*** 5.9%

#### Supplemental Data:

Net assets, end of period	\$	1,181,273
Ratio to average net assets:		
Expenses **		0.19%
Net investment income **		3.85%
Portfolio turnover rate		13.72%

\* 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 January 31, 2012. 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	\$ 297,346
Public Employees' Retirement System	293,268
Workers' Compensation Old Fund	191,171
Revenue Shortfall Reserve Fund - Part B	73,146
Revenue Shortfall Reserve Fund	72,093
West Virginia Retiree Health Benefit Trust	54,995
Coal Workers' Pneumoconiosis Fund	40,705
Public Employees Insurance Agency	37,920
West Virginia Prepaid Tuition Trust Fund	37,616
State Police Death, Disability and Retirement Fund	31,101
Board of Risk and Insurance Management	21,440
Judges' Retirement System	8,371
Deputy Sheriff's Retirement System	7,843
State Police Retirement System	5,197
Wildlife Endowment Fund	2,723
Emergency Medical Services Retirement System	2,257
Workers' Compensation Self-Insured Guaranty Risk Pool	1,646
Workers' Compensation Uninsured Employers' Fund	1,419
West Virginia Department of Environmental Protection Trust	550
AccessWV	459
Municipal Police Officers' and Firefighters' Retirement System	7
Total	<u>\$ 1,181,273</u>



**Financial Statements - Unaudited**

**January 31, 2012**





# TIPS Pool

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## **Financial Statements - Unaudited January 31, 2012**

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# TIPS Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	709,203
Collateral for securities loaned at fair value (Note 4)		1,568
Receivables:		
Accrued interest		1,229
Investments sold		7,975
Securities lending income		30
		<hr/>
<b>Total assets</b>		720,005

### Liabilities

Accrued expenses		85
Payable for investments purchased		11,472
Payable upon return of securities loaned (Note 4)		1,568
		<hr/>
<b>Total liabilities</b>		13,125

**Net assets**      \$      706,880

### Analysis of net assets

Paid-in capital	\$	628,733
Accumulated undistributed net investment loss		(1,873)
Accumulated undistributed net realized gain from investments		22,639
Unrealized net appreciation of investments		57,381
		<hr/>
<b>Net assets</b>	\$	706,880

### Unit data

Units outstanding		64,124,173
Net asset value, unit price	\$	11.02
		<hr/>

See accompanying notes to financial statements.

# TIPS Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012 (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	\$ 13,133	\$ 13,248
United States Treasury	1.880	(0.554)	07/15/2013	19,110	24,374	24,778
United States Treasury	2.000	(0.388)	01/15/2014	18,510	23,725	24,225
United States Treasury	1.250	(0.409)	04/15/2014	14,335	15,887	16,236
United States Treasury	2.000	(0.369)	07/15/2014	18,150	23,056	23,727
United States Treasury	1.630	(0.169)	01/15/2015	16,145	20,145	20,886
United States Treasury	0.500	(0.362)	04/15/2015	20,060	21,522	22,230
United States Treasury	1.880	(0.163)	07/15/2015	15,895	19,792	20,680
United States Treasury	2.000	(0.025)	01/15/2016	15,750	19,390	20,381
United States Treasury	0.130	(0.712)	04/15/2016	36,295	38,529	39,478
United States Treasury	2.500	0.014	07/15/2016	16,168	20,115	21,309
United States Treasury	2.380	0.178	01/15/2017	14,000	17,405	18,572
United States Treasury	2.630	0.202	07/15/2017	12,335	15,232	16,351
United States Treasury	1.630	0.307	01/15/2018	13,170	15,327	16,518
United States Treasury	1.380	0.339	07/15/2018	13,370	14,953	16,212
United States Treasury	2.130	0.446	01/15/2019	12,410	14,577	15,853
United States Treasury	1.880	0.490	07/15/2019	13,995	16,328	17,856
United States Treasury	1.380	0.573	01/15/2020	17,185	19,097	20,931
United States Treasury	1.250	0.633	07/15/2020	26,635	29,030	32,038
United States Treasury	1.130	0.899	01/15/2021	30,690	32,353	36,331
United States Treasury	0.630	0.169	07/15/2021	33,435	34,993	36,979
United States Treasury	0.130	(0.298)	01/15/2022	11,000	11,471	11,471
United States Treasury	2.380	1.135	01/15/2025	20,575	28,367	32,322
United States Treasury	2.000	1.190	01/15/2026	15,730	19,786	22,703
United States Treasury	2.380	1.237	01/15/2027	12,830	16,618	19,160
United States Treasury	1.750	1.274	01/15/2028	13,370	15,421	17,937
United States Treasury	3.630	1.361	04/15/2028	12,060	22,397	25,885
United States Treasury	2.500	1.299	01/15/2029	13,245	16,494	19,188
United States Treasury	3.880	1.381	04/15/2029	14,415	27,380	31,857
United States Treasury	3.380	1.421	04/15/2032	4,405	7,532	8,948
United States Treasury	2.130	1.561	02/15/2040	10,045	11,849	14,692
United States Treasury	2.130	1.466	02/15/2041	17,675	21,003	25,680
Total U.S. Treasury Issues - 99.7%					647,281	704,662
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund - 0.6%				4,541	4,541	4,541
Total Investment Securities - 100.3%					\$ 651,822	\$ 709,203
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 1,546	\$ 1,546
Mellon SL DBT II Liquidating Fund					22	22
Total Collateral for Securities Loaned					\$ 1,568	\$ 1,568

See accompanying notes to financial statements.

# TIPS Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 814	\$ 8,352
Net amortization	(1,120)	(683)
Securities lending income	37	151
<b>Total investment income</b>	(269)	7,820
 <b>Expenses</b>		
Investment advisor fees	(13)	(115)
Trustee fees	-	(2)
Custodian bank fees	(2)	(13)
Management fees	(18)	(166)
Fiduciary bond fees	-	(2)
Professional service fees	(3)	(30)
Securities lending agent fees	(8)	(25)
Securities lending borrower rebates	-	(1)
<b>Total expenses</b>	(44)	(354)
<b>Investment income (loss), net</b>	(313)	7,466
 <b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	855	22,413
Net increase in the fair value of investments	15,289	51,498
<b>Net gain from investments</b>	16,144	73,911
<b>Net increase in net assets from operations</b>	\$ 15,831	\$ 81,377

*\*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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income (loss), net	\$ (313)	\$ 7,466
Net realized gain from investments	855	22,413
Net increase in the fair value of investments	15,289	51,498
<b>Net increase in net assets from operations</b>	15,831	81,377
<b>Distributions to unitholders</b>		
Investment income, net	-	(9,339)
<b>Unit transactions</b>		
Proceeds from sale of units	-	77,093
Reinvestment of distributions	-	15,329
	-	92,422
Amount paid for repurchase of units	(256,639)	(349,273)
<b>Net decrease in net assets from unit transactions</b>	(256,639)	(256,851)
<b>Decrease in net assets</b>	(240,808)	(184,813)
<b>Net assets, beginning of period</b>	947,688	891,693
<b>Net assets, end of period</b>	\$ 706,880	\$ 706,880
<b>Unit data</b>		
Units sold	-	7,298,727
Units issued from reinvestment of distributions	-	1,471,557
	-	8,770,284
Units repurchased	(23,814,190)	(32,566,883)
<b>Net decrease in units</b>	(23,814,190)	(23,796,599)

*\*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 January 31, 2012.

# 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 January 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
U.S. Treasury issues	\$ -	\$ 704,662	\$ -	\$ 704,662
Regulated investment companies	-	4,541	-	4,541
Securities lending collateral funds	-	1,568	-	1,568
Total	<u>\$ -</u>	<u>\$ 710,771</u>	<u>\$ -</u>	<u>\$ 710,771</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2012.

Fair value of securities on loan \$ 517,996

<u>Initial collateral received:</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	<u>\$ 1,568</u>	\$ 1,568	<u>\$ -</u>
Non-cash		527,050	
Total		<u>\$ 528,618</u>	



# TIPS 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	\$ 10.14
Income from investment operations:	
Net investment income	0.09
Net realized and unrealized gain on investment transactions	0.90
Total from investment operations	0.99
Less distributions from net investment income	(0.11)
Net asset value at January 31, 2012	\$ 11.02
<b>Time-weighted Total Return *</b>	9.7%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 706,880
Ratio to average net assets:	
Expenses **	0.06%
Net investment income **	1.41%
Portfolio turnover rate	14.21%

\* 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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 207,239
Teachers' Retirement System	120,310
Public Employees' Retirement System	105,630
Workers' Compensation Old Fund	91,433
Revenue Shortfall Reserve Fund - Part B	48,186
West Virginia Retiree Health Benefit Trust	43,342
Public Employees Insurance Agency	26,958
Coal Workers' Pneumoconiosis Fund	25,806
Board of Risk and Insurance Management	13,566
State Police Death, Disability and Retirement Fund	11,395
Judges' Retirement System	3,028
Deputy Sheriff's Retirement System	2,778
State Police Retirement System	1,802
AccessWV	1,080
Workers' Compensation Self-Insured Guaranty Risk Pool	1,023
Wildlife Endowment Fund	960
Workers' Compensation Uninsured Employers' Fund	898
Emergency Medical Services Retirement System	811
West Virginia Department of Environmental Protection Trust	632
Municipal Police Officers' and Firefighters' Retirement System	3
Total	\$ 706,880



**Financial Statements - Unaudited**

**January 31, 2012**



# TRS Annuity Pool

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## Financial Statements - Unaudited January 31, 2012

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# TRS Annuity Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost \$ 106,577

### Liabilities

Accrued expenses 8

**Net assets** \$ 106,569

### Analysis of net assets

Paid-in capital \$ 83,456

Accumulated undistributed net investment income 23,113

**Net assets** \$ 106,569

### Unit data

Units outstanding 9,295,975

Net asset value, unit price \$ 11.46

See accompanying notes to financial statements.

# TRS Annuity Pool

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**Schedule of Investments in Securities - Unaudited**  
**January 31, 2012**  
*(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 - 100.0%	106,576,662	<u>\$ 106,577</u>	<u>\$ 106,577</u>

*See accompanying notes to financial statements.*

## TRS Annuity Pool

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**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 397	\$ 2,727
<b>Expenses</b>		
Management fees	(2)	(19)
Professional service fees	<u>(3)</u>	<u>(33)</u>
<b>Total expenses</b>	<u>(5)</u>	<u>(52)</u>
<b>Investment income, net</b>	<u>392</u>	<u>2,675</u>
<b>Net increase in net assets from operations</b>	<u>\$ 392</u>	<u>\$ 2,675</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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<u>Month</u>	<u>Year To Date</u>
<b>Operations</b>		
Investment income, net	\$ 392	\$ 2,675
<b>Unit transactions</b>		
Proceeds from sale of units	<u>5</u>	<u>49</u>
<b>Increase in assets from unit transactions</b>	<u>5</u>	<u>49</u>
<b>Increase in net assets</b>	397	2,724
<b>Net assets, beginning of period</b>	<u>106,172</u>	<u>103,845</u>
<b>Net assets, end of period</b>	<u><u>\$ 106,569</u></u>	<u><u>\$ 106,569</u></u>
<b>Unit data</b>		
Units sold	<u>450</u>	<u>4,344</u>
<b>Increase in units</b>	<u><u>450</u></u>	<u><u>4,344</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

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**Statement of Cash Flows - Unaudited**  
**Period Ended January 31, 2012\***  
*(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	\$ 2,675
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(397)	(2,727)
Increase in accrued expenses	-	3
	<u>(5)</u>	<u>3</u>
<b>Net cash used in operating activities</b>	(5)	(49)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	<u>5</u>	<u>49</u>
<b>Cash provided by financing activities</b>	<u>5</u>	<u>49</u>
<b>Net change in cash</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.*

# TRS Annuity 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 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 January 31, 2012 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 January 31, 2012.

### 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Annuity Contracts	\$ -	\$ -	\$ 106,577	\$ 106,577

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended January 31, 2012 was as follows:

	Annuity contract
Balance at June 30, 2011	\$ 103,850
Net realized gain/(loss)	-
Net change in unrealized appreciation/(depreciation)	-
Purchases	2,727
Sales	-
Net transfers in/(out) of Level 3	-
Balance at January 31, 2012	\$ 106,577

### NOTE 4. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$ 11.18
Net investment income from investment operations	0.28
Net asset value at January 31, 2012	\$ 11.46

**Time-weighted Total Return \*** 2.6%

**Supplemental Data:**

Net assets, end of period	\$ 106,569
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**

**January 31, 2012**





# Private Equity Pool

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## Financial Statements - Unaudited January 31, 2012

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# Private Equity Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,028,601
Dividends receivable		<u>2</u>
<b>Total assets</b>		1,028,603

### Liabilities

Accrued expenses		<u>197</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,028,406</u></u></b>

### Analysis of net assets

Paid-in capital	\$	871,506
Accumulated undistributed net investment loss		(4,521)
Accumulated undistributed net realized loss from investments		(60,233)
Unrealized net appreciation of investments		<u>221,654</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,028,406</u></u></b>

### Unit data

Units outstanding		91,444,797
Net asset value, unit price	\$	<u><u>11.25</u></u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

*(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	\$ 28,798
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	32,211
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.		12,321	14,080
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.		4,067	3,782
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)

**January 31, 2012**

*(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.		8,421	7,955
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.		9,945	7,827
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.		1,411	1,256
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)

**January 31, 2012**

*(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.		37,160	47,040
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.		18,003	20,526
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.		37,472	38,871
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)

**January 31, 2012**

*(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.		7,487	6,891
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.		660	660
Total Partnerships - 34.0%		337,254	350,159
<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	433,269	642,018
Total Investments in Other Funds - 62.5%		433,269	642,018
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 3.5%	36,424,494	36,424	36,424
Total Investment Securities - 100.0%		\$ 806,947	\$ 1,028,601

*See accompanying notes to financial statements.*

# Private Equity Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Dividends	\$ 2	\$ 10
<b>Expenses</b>		
Trustee fees	-	(2)
Custodian bank fees	(1)	(2)
Management fees	(27)	(188)
Fiduciary bond fees	-	(2)
Professional service fees	(71)	(501)
Fund closing costs	-	(42)
<b>Total expenses</b>	<u>(99)</u>	<u>(737)</u>
<b>Investment loss, net</b>	(97)	(727)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	1	53,000
Net increase in the fair value of investments	<u>28,594</u>	<u>43,062</u>
<b>Net gain from investments</b>	<u>28,595</u>	<u>96,062</u>
<b>Net increase in net assets from operations</b>	<u>\$ 28,498</u>	<u>\$ 95,335</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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (97)	\$ (727)
Net realized gain from investments	1	53,000
Net increase in the fair value of investments	28,594	43,062
<b>Net increase in net assets from operations</b>	28,498	95,335
<b>Unit transactions</b>		
Proceeds from sale of units	10,820	52,671
Amount paid for repurchase of units	(38)	(140,768)
<b>Net increase (decrease) in net assets from unit transactions</b>	10,782	(88,097)
<b>Increase in net assets</b>	39,280	7,238
<b>Net assets, beginning of period</b>	989,126	1,021,168
<b>Net assets, end of period</b>	\$ 1,028,406	\$ 1,028,406
<b>Unit data</b>		
Units sold	989,524	4,880,782
Units repurchased	(3,476)	(13,246,312)
<b>Net increase (decrease) in units</b>	986,048	(8,365,530)

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



# Private Equity Pool

**Statement of Cash Flows - Unaudited**  
**Period Ended January 31, 2012\***  
*(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	\$ 28,498	\$ 95,335
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(8,923)	(107,811)
Proceeds from disposition of investment securities	2,781	199,044
Purchases and sales of short-term investment securities, net	(5,074)	(2,454)
Decrease in receivable for partnership distributions	529	-
Decrease in dividends receivable	2	1
Increase in accrued expenses	-	44
Net realized gain from investments	(1)	(53,000)
Net increase in the fair value of investments	(28,594)	(43,062)
<b>Net cash provided by (used in) operating activities</b>	(10,782)	88,097
<b>Cash flows from financing activities</b>		
Proceeds from units sold	10,820	52,671
Paid for repurchase of units	(38)	(140,768)
<b>Net cash provided by (used in) financing activities</b>	10,782	(88,097)
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

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

# Private Equity Pool

## Notes to Financial Statements - Unaudited

(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 \$992,177 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 January 31, 2012. 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 January 31, 2012.

### 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 January 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ -	\$ 642,018	\$ 642,018
Partnerships	-	-	350,159	350,159
Regulated investment companies	-	36,424	-	36,424
Total	<u>\$ -</u>	<u>\$ 36,424</u>	<u>\$ 992,177</u>	<u>\$ 1,028,601</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended January 31, 2012 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	5,904
Net change in unrealized appreciation/(depreciation)	39,655	3,407
Purchases	-	107,811
Sales	(180,000)	(19,044)
Net transfers in/(out) of Level 3	-	-
Balance at January 31, 2012	<u>\$ 642,018</u>	<u>\$ 350,159</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 January 31, 2012 the IMB had made commitments to twenty-two private equity general partnerships totaling \$827,000. The IMB had funded \$350,523 of these commitments at January 31, 2012, leaving unfunded commitments of \$476,477.

# Private Equity Pool

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## 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 income	(0.01)
Net realized and unrealized gain on investment transactions	1.03
Total from investment operations	<u>1.02</u>
Net asset value at January 31, 2012	<u>\$ 11.25</u>

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

#### Supplemental Data:

Net assets, end of period	\$1,028,406
Ratio to average net assets:	
Expenses **	0.12%
Net investment income **	-0.12%
Portfolio turnover rate	10.80%

\* 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 January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 500,733
Public Employees' Retirement System	441,043
State Police Death, Disability and Retirement Fund	47,809
Judges' Retirement System	12,603
Deputy Sheriff's Retirement System	11,490
State Police Retirement System	7,430
Wildlife Endowment Fund	3,910
Emergency Medical Services Retirement System	3,378
Municipal Police Officers' and Firefighters' Retirement System	10
Total	<u>\$ 1,028,406</u>



**Financial Statements - Unaudited**

**January 31, 2012**





# Real Estate Pool

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## Financial Statements - Unaudited January 31, 2012

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# Real Estate Pool

## Statement of Assets and Liabilities - Unaudited

January 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	565,607
Collateral for securities loaned at fair value (Note 4)		6,695
Cash denominated in foreign currencies (cost \$1)		1
Receivables:		
Investments sold		287
Foreign tax withholding		22
Interest		1,402
Dividends		174
Securities lending income		2
		<u>2</u>
<b>Total assets</b>		<u>574,190</u>

### Liabilities

Accrued expenses		310
Payable for investments purchased		373
Payable upon return of securities loaned (Note 4)		6,698
		<u>6,698</u>
<b>Total liabilities</b>		<u>7,381</u>
<b>Net assets</b>	\$	<u>566,809</u>

### Analysis of net assets

Paid-in capital	\$	514,364
Accumulated undistributed net investment income		10,120
Accumulated undistributed net realized gain from investments		22,575
Accumulated undistributed net realized gain from foreign currency transactions		209
Unrealized net appreciation of investments		18,736
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		805
		<u>805</u>
<b>Net assets</b>	\$	<u>566,809</u>

### Unit data

Units outstanding		61,817,909
Net asset value, unit price	\$	<u>9.17</u>

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments in Securities - Unaudited January 31, 2012

(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	38,667
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.		14,265	14,005
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.		2,822	2,545
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.		5,105	5,511
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	18,248
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	20,667
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	11,943

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012 (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	35,564
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
Total Investments in Other Funds - 42.0%		225,431	237,942
<b>Equity Securities</b>			
<i>Australia</i>			
CFS Retail Property Trust	91,957	169	168
Dexus Property Group	265,500	205	251
Goodman Group	452,028	279	307
GPT Group	153,780	436	505
Investa Office Fund	245,400	138	166
Mirvac Group	125,700	160	165
Stockland	231,400	840	826
Westfield Group	89,600	893	809
Westfield Retail Trust	149,690	284	402
<i>Total Australia - 0.6%</i>		3,404	3,599
<i>Bermuda</i>			
Great Eagle Holdings Ltd	15,000	44	37
Hongkong Land Holdings	173,084	1,042	891
Kerry Properties Ltd	186,800	950	717
Shangri-La Asia Ltd	240,416	544	499
<i>Total Bermuda - 0.4%</i>		2,580	2,144
<i>Brazil</i>			
Sonae Sierra Brasil - 0.0%	3,800	46	52
		46	52
<i>Canada</i>			
Boardwalk	14,800	671	775
Brookfield Properties Corp	32,800	538	568
Calloway	6,400	145	171
Canadian	2,300	73	85
Cominar Real Estate Investment	2,600	52	56
H&R	4,900	89	114
Primaris Retail	2,500	46	54
RioCan	40,432	940	1,047
<i>Total Canada - 0.5%</i>		2,554	2,870
<i>Cayman Islands</i>			
Agile Property Holdings Ltd	72,000	85	80
China Resources Land Ltd	130,000	229	230
Lifestyle International Hldngs	310,000	704	725
Longfor Properties	153,000	216	201
<i>Total Cayman Islands - 0.2%</i>		1,234	1,236

See accompanying notes to financial statements.

## Real Estate Pool

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

January 31, 2012

(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	181
<i>France</i>			
ICADE	6,810	716	555
Klepierre	7,879	290	237
Mercialys	3,100	113	108
Societe Immobiliere de Locatio	860	106	87
Unibail-Rodamco	7,335	1,485	1,410
<i>Total France - 0.4%</i>		2,710	2,397
<i>Germany</i>			
GSW Immobilien AG - 0.0%	5,960	165	185
<i>Hong Kong</i>			
Cheung Kong Holdings Ltd	12,000	165	162
China Overseas Land & Invstmnt	463,000	946	863
Hang Lung Properties Ltd	270,000	1,133	928
Hysan Development Company	193,192	705	760
Link REIT	95,600	290	348
New World Development Co Ltd	78,000	86	85
Sino Land Company Ltd.	153,200	227	255
Sun Hung Kai Properties Ltd	92,552	1,412	1,282
Wharf Hldgs Ltd	48,720	299	277
<i>Total Hong Kong - 0.9%</i>		5,263	4,960
<i>Japan</i>			
Advance Residence Investment	32	64	58
AEON Mall Company Ltd	26,000	593	575
Daiwa House Industry Co Ltd	47,000	513	594
Frontier Real Estate Inv Corp	16	137	128
Japan Real Estate Inv Corp	22	199	192
Japan Retail Fund Inv Corp	75	105	109
Kenedix Realty Investment Corp	22	79	65
Mitsubishi Estate Co Ltd	68,600	1,159	1,095
Mitsui Fudosan Co Ltd	76,500	1,360	1,257
Nippon Accommodations Fund	12	78	79
Nippon Building Fund Inc	14	137	126
Nomura Real Estate Holdings	7,100	130	110
Tokyo Tatemono Company Ltd	25,000	80	91
United Urban Investment Corp	56	59	61
<i>Total Japan - 0.8%</i>		4,693	4,540
<i>Netherlands</i>			
Corio NV - 0.0%	2,440	153	114
<i>Singapore</i>			
Ascendas	35,000	58	52
CapitaCommercial Trust	208,000	223	178
Capitaland Ltd	372,500	1,032	780
CapitaMall Trust	142,000	208	193
City Developments Ltd	66,000	582	518
Global Logistic Properties	184,600	289	293
Wing Tai Holdings Ltd	176,000	230	172
<i>Total Singapore - 0.4%</i>		2,622	2,186
<i>Spain</i>			
Melia International SA - 0.1%	60,000	506	355
<i>Sweden</i>			
Castellum AB	27,288	330	347
Hufvudstaden AB	6,280	66	66
<i>Total Sweden - 0.1%</i>		396	413

See accompanying notes to financial statements.

## Real Estate Pool

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

January 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<i>Switzerland</i>			
PSP Swiss Property AG	270	26	23
Swiss Prime Site AG	1,450	105	110
<i>Total Switzerland - 0.0%</i>		131	133
<i>Thailand</i>			
Central Pattana Public Company - 0.1%	405,200	375	514
<i>United Kingdom</i>			
British Land Company PLC	36,206	283	279
Derwent London PLC	30,740	722	812
Great Portland Estates PLC	67,770	345	385
Hammerson PLC	85,970	561	512
Land Securities Group PLC	76,955	813	819
Safestore Holdings PLC	33,000	66	55
SEGRO	31,580	128	110
Shaftesbury PLC	33,433	218	264
<i>Total United Kingdom - 0.6%</i>		3,136	3,236
<i>United States</i>			
American Campus Communities	10,900	331	467
Apartment Investment & Mgmt Co	25,800	604	634
Apartment Investment & Mgmt Co - Preferred Stock	315,000	7,881	8,001
Ashford Hospitality Trust - Preferred Stock	13,000	307	318
Avalonbay Communities Inc	14,250	1,747	1,938
BioMed Realty Trust Inc	34,450	630	640
Boston Properties	17,000	1,432	1,769
Boston Properties Inc	10,650	1,077	1,108
Brandywine Realty Trust	69,550	666	740
Brandywine Realty Trust - Preferred Stock	16,702	415	421
BRE Properties	6,500	275	337
BRE Properties Inc	12,550	637	650
Camden Property Trust	8,550	531	551
CBL & Associates Properties - Preferred Stock	198,350	4,828	4,953
Cogdell Spencer - Preferred Stock	480,561	12,139	12,245
Colonial Properties Trust	33,400	705	714
Commonwealth REIT	33,400	586	657
Commonwealth REIT - Preferred Stock	75,000	1,852	1,869
Corporate Office Properties	34,650	744	840
DDR Corp	49,100	583	681
DDR Corp - Preferred Stock	100,000	2,495	2,500
Douglas Emmett Inc	17,400	303	364
Duke Realty Corp - Preferred Stock	480,000	12,528	12,744
Equity Lifestyle Properties - Preferred Stock	100,000	2,523	2,612
Equity Residential	19,800	1,025	1,179
Equity Residential Prop Trust	40,300	2,286	2,400
Essex Property Trust Inc	9,600	1,162	1,382
Extra Space Storage Inc	39,200	962	1,032
Federal Realty Investment Trst	15,750	1,321	1,488
General Growth Properties Inc	138,334	2,081	2,183
Glimcher Realty Trust - Preferred Stock	215,000	5,160	5,149
HCP Inc	74,300	2,953	3,123
Health Care REIT	37,000	1,958	2,117
Highwoods Properties Inc	2,500	79	83
Host Hotels & Resorts Inc	138,650	2,133	2,277
Hudson Pacific Properties - Preferred Stock	500,000	12,593	13,200
Kimco Realty Corporation	55,150	942	1,006
Liberty Property Trust	11,500	372	383
Macerich Co	10,500	453	570
Macerich Company	18,700	965	1,015
Mack-Cali Realty Corp	33,400	885	961
Pebblebrook Hotel Trust	4,200	83	93
Piedmont Office Realty Trust	55,250	956	1,023
Post Properties Inc	4,800	188	215

See accompanying notes to financial statements.

# Real Estate Pool

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

**January 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Prologis Inc	126,331	3,777	4,006
Public Storage	10,000	1,031	1,389
Public Storage Inc	8,550	1,156	1,187
Regency Centers Corp	15,500	587	640
Regency Centers Corp - Preferred Stock	28,810	724	737
Rouse Properties Inc	4,218	47	52
Simon Property Group	45,000	5,043	6,114
SL Green Realty Corp	36,550	2,508	2,688
SL Green Realty Corp - Preferred Stock	389,000	9,741	9,916
STAG Industrial Inc - Preferred Stock	45,750	1,150	1,154
Starwood Hotels & Resorts	26,400	1,390	1,432
Tanger Factory Outlet Centers	5,300	125	156
Taubman Centers Inc	9,400	445	630
Taubman Centers Inc - Preferred Stock	25,000	633	636
UDR Inc	69,200	1,672	1,801
Ventas Inc	73,250	3,609	4,271
Vornado Realty Trust	20,600	1,655	1,666
<i>Total United States - 24.3%</i>		<u>129,669</u>	<u>137,107</u>
Total Equity Securities - 29.4%		159,921	166,222
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 10.4%	59,161,240	\$ 59,161	\$ 59,161

*(Continued)*

*See accompanying notes to financial statements.*

# Real Estate Pool

## Schedule of Investments in Securities - Unaudited (continued) January 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Corporate Bonds</b>						
Colonial Realty LP	6.250 %	3.959 %	06/15/2014	9,793	\$ 10,295	\$ 10,291
Colonial Realty LP	5.500	4.489	10/01/2015	6,759	6,987	6,993
Colonial Realty LP	6.050	4.951	09/01/2016	2,000	2,089	2,081
Commonwealth REIT	5.750	4.215	11/01/2015	1,226	1,291	1,298
Commonwealth REIT	6.250	4.845	08/15/2016	4,000	4,226	4,262
Commonwealth REIT	6.250	5.024	06/15/2017	5,000	5,285	5,346
Corporate Office Property LP	4.250	4.649	04/15/2030	6,600	6,279	6,394
DDR Corp	9.630	4.919	03/15/2016	2,772	3,253	3,253
Equity One, Inc	6.000	4.272	09/15/2016	400	429	418
Health Care REIT	3.630	3.886	03/15/2016	12,000	11,882	12,217
Health Care REIT	6.200	4.217	06/01/2016	1,100	1,185	1,204
Hospitality Properties Trust	5.130	4.362	02/15/2015	1,440	1,471	1,477
Kilroy Realty Corporation	5.000	3.817	11/03/2015	2,212	2,303	2,312
Prolgois LP	5.630	4.078	11/15/2015	2,560	2,698	2,711
Prolgois LP	5.750	4.069	04/01/2016	6,000	6,382	6,479
Prolgois LP	2.630	2.671	05/15/2038	15,000	14,870	14,849
Reckson Operating Partnership	5.880	4.083	08/15/2014	6,586	6,868	6,881
Reckson Operating Partnership	6.000	4.561	03/31/2016	7,250	7,642	7,669
Rouse Company	5.380	5.375	11/26/2013	4,701	4,701	4,713
Senior Housing Prop Trust	4.300	4.627	01/15/2016	1,435	1,418	1,434
Total Corporate Bonds - 18.0%					101,554	102,282
Total Investment Securities - 99.8%					<u>\$ 546,067</u>	<u>\$ 565,607</u>
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund					\$ 6,602	\$ 6,602
Mellon SL DBT II Liquidating Fund					96	93
Total Collateral for Securities Loaned					<u>\$ 6,698</u>	<u>\$ 6,695</u>

See accompanying notes to financial statements.



## Real Estate Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 294	\$ 292
Operating	18	765
Dividends, net of foreign withholding taxes	161	933
Fund closing interest	(625)	108
Net amortization	(50)	(50)
Securities lending income	-	4
Securities lending borrower premiums	2	10
	(200)	2,062
<b>Total investment income</b>		
<b>Expenses</b>		
Investment advisor fees	(168)	(377)
Trustee fees	-	(1)
Custodian bank fees	(11)	(43)
Management fees	(14)	(61)
Fiduciary bond fees	-	(1)
Professional service fees	(36)	(299)
Management fees - external	(75)	(225)
Securities lending agent fees	-	(2)
	(304)	(1,009)
<b>Total expenses</b>		
	(504)	1,053
<b>Investment income (loss), net</b>		
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	864	873
Foreign currency transactions	(1)	84
Net increase (decrease) in the fair value of:		
Investments	9,077	9,574
Translation of assets and liabilities in foreign currencies	404	(432)
	10,344	10,099
<b>Net gain from investments and foreign currency</b>		
	\$ 9,840	\$ 11,152
<b>Net increase in net assets from operations</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 January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income (loss), net	\$ (504)	\$ 1,053
Net realized gain from investments	864	873
Net realized gain (loss) from foreign currency transactions	(1)	84
Net increase in the fair value of investments	9,077	9,574
Net increase (decrease) in the translation of assets and liabilities in foreign currencies	404	(432)
<b>Net increase in net assets from operations</b>	9,840	11,152
<b>Unit transactions</b>		
Proceeds from sale of units	246,825	309,164
Amount paid for repurchase of units	-	(1,338)
<b>Net increase in net assets from unit transactions</b>	246,825	307,826
<b>Increase in net assets</b>	256,665	318,978
<b>Net assets, beginning of period</b>	310,144	247,831
<b>Net assets, end of period</b>	\$ 566,809	\$ 566,809
<b>Unit data</b>		
Units sold	27,395,042	34,318,641
Units repurchased	-	(149,895)
<b>Net increase in units</b>	27,395,042	34,168,746

*\*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 January 31, 2012\*

*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 9,840	\$ 11,152
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(211,813)	(283,391)
Proceeds from disposition of investment securities	3,225	17,728
Purchases and sales of short-term investment securities, net	(36,664)	(42,150)
Increase in receivable for investments sold	(166)	(179)
Increase in foreign tax withholding receivable	(6)	(10)
Increase in interest receivable	(1,402)	(1,402)
Decrease (increase) in dividends receivable	33	(30)
Increase in securities lending receivable	(1)	-
Increase in accrued expenses	149	133
Increase in payable for investments purchased	274	373
Amortization	50	50
Net realized gain from investments	(864)	(873)
Net realized loss (gain) from foreign currency transactions	1	(84)
Net increase in the fair value of investments	(9,077)	(9,574)
Net decrease (increase) in the translation of assets and liabilities in foreign currencies	(404)	432
<b>Net cash used in operating activities</b>	(246,825)	(307,825)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	246,825	309,164
Amount paid for repurchase of units	-	(1,338)
<b>Cash provided by financing activities</b>	246,825	307,826
<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 trust (REIT) securities. Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for the real estate funds and limited partnerships. The REIT securities are managed by European Investors, Inc., CBRE Clarion Securities, LLC., and Security Capital Research & Management Inc.

### 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 \$237,942 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 January 31, 2012. 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.

**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.

**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 January 31, 2012.

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:

## Real Estate 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 January 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ 102,282	\$ -	\$ -	\$ 102,282
Equity securities	166,222	-	-	166,222
Investments in other funds	-	-	237,942	237,942
Regulated investment companies	-	59,161	-	59,161
Securities lending collateral funds	-	6,695	-	6,695
Total	<u>\$ 268,504</u>	<u>\$ 65,856</u>	<u>\$ 237,942</u>	<u>\$ 572,302</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended January 31, 2012 was as follows:

	Investments in <u>other funds</u>
Balance at June 30, 2011	\$ 175,132
Net realized gain/(loss)	1,420
Net change in unrealized appreciation/(depreciation)	7,894
Purchases	63,376
Sales	(9,880)
Net transfers in/(out) of Level 3	-
Balance at January 31, 2012	<u>\$ 237,942</u>

#### NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2012.

Fair value of securities of loan	\$ 6,481		
Initial collateral received:	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	<u>\$ 6,698</u>	<u>\$ 6,695</u>	<u>\$ (3)</u>
Non-cash		-	
Total		<u>\$ 6,695</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 \$225,755 of these commitments at January 31, 2012, leaving unfunded commitments of \$269,245.

### NOTE 6. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 8.96
Income from investment operations:	
Net investment income	0.03
Net realized and unrealized gain on investment transactions	0.19
Net decrease in the translation of assets and liabilities in foreign currencies	(0.01)
Total from investment operations	<u>0.21</u>
Net asset value at January 31, 2012	<u>\$ 9.17</u>

Time-weighted Total Return \* 2.4%

#### Supplemental Data:

Net assets, end of period	\$ 566,809
Ratio to average net assets:	
Expenses **	0.53%
Net investment income **	0.56%
Portfolio turnover rate	6.61%

\* 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 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 276,424
Public Employees' Retirement System	242,698
State Police Death, Disability and Retirement Fund	26,176
Judges' Retirement System	6,951
Deputy Sheriff's Retirement System	6,376
State Police Retirement System	4,134
Wildlife Endowment Fund	2,183
Emergency Medical Services Retirement System	1,861
Municipal Police Officers' and Firefighters' Retirement System	6
Total	<u>\$ 566,809</u>



**Financial Statements - Unaudited**

**January 31, 2012**



# Hedge Fund Pool

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## Financial Statements - Unaudited January 31, 2012

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# Hedge Fund Pool

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## Statement of Assets and Liabilities - Unaudited

January 31, 2012

*Amounts in thousands, except unit data)*

### Assets

Investment securities at fair value	\$	1,096,735
Receivables:		
Investments sold		11,829
Accrued interest		<u>5</u>
<b>Total assets</b>		<b>1,108,569</b>

### Liabilities

Accrued expenses		<u>139</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,108,430</u></u></b>

### Analysis of net assets

Paid-in capital	\$	1,004,507
Accumulated undistributed net investment loss		(3,080)
Accumulated undistributed net realized gain from investments		8,501
Unrealized net appreciation of investments		<u>98,502</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,108,430</u></u></b>

### Unit data

Units outstanding		101,298,865
Net asset value, unit price	\$	<u><u>10.94</u></u>

*See accompanying notes to financial statements.*

# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited

**January 31, 2012**

*(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	\$ 67,010
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	40,042
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	29,493
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	52,950
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	55,438
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	15,166
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	31,837
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)

**January 31, 2012**

*(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	71,288
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	60,027
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	40,400
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	25,917
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.		49,831	50,700
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	39,693
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	71,685

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

**January 31, 2012**

*(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	48,892
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	30,630
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	68,198
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	41,981
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	65,645
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	34,250

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

January 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
PFM Diversified Offshore Fund Investment Objective - To generate attractive risk-adjusted capital appreciation by employing a variety of strategies primarily focused in liquid equity markets.  Redemption Provisions - Eighty-five percent lockup until January 2015, then every three years with 45 days prior written notice and subject to maximum withdrawal A detail of the underlying investments is not available.		45,000	45,707
Shepherd Investments 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.		4,504	4,405
Taconic Opportunity 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.		60,000	63,751
Tenor Opportunity 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.		30,000	30,756
VICIS Capital 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.		16,620	5,521
Total Investment in Other Funds - 98.6%		992,880	1,091,382
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 0.5%	5,352,888	5,353	5,353
Total Investment Securities 99.1%		<u>\$ 998,233</u>	<u>\$ 1,096,735</u>

See accompanying notes to financial statements.



# Hedge Fund Pool

**Statement of Operations - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 2	\$ 5
Dividends	-	4
	<u>2</u>	<u>9</u>
<b>Total investment income</b>	<b>2</b>	<b>9</b>
<b>Expenses</b>		
Trustee fees	-	(2)
Custodian bank fees	-	(1)
Management fees	(28)	(199)
Fiduciary bond fees	(1)	(3)
Professional service fees	(40)	(316)
	<u>(69)</u>	<u>(521)</u>
<b>Total expenses</b>	<b>(69)</b>	<b>(521)</b>
<b>Investment loss, net</b>	<b>(67)</b>	<b>(512)</b>
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized loss from investments	(1)	(472)
Net increase (decrease) in the fair value of investments	21,022	(3,345)
	<u>21,021</u>	<u>(3,817)</u>
<b>Net gain (loss) from investments</b>	<b>21,021</b>	<b>(3,817)</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ 20,954</b>	<b>\$ (4,329)</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.*

## Hedge Fund Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended January 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (67)	\$ (512)
Net realized loss from investments	(1)	(472)
Net increase (decrease) in the fair value of investments	21,022	(3,345)
<b>Net increase (decrease) in net assets from operations</b>	20,954	(4,329)
<b>Unit transactions</b>		
Proceeds from sale of units	1	59,917
Amount paid for repurchase of units	(7,634)	(20,081)
<b>Net increase (decrease) in net assets from unit transactions</b>	(7,633)	39,836
<b>Increase in net assets</b>	13,321	35,507
<b>Net assets, beginning of period</b>	1,095,109	1,072,923
<b>Net assets, end of period</b>	\$ 1,108,430	\$ 1,108,430
<b>Unit data</b>		
Units sold	93	5,535,984
Units repurchased	(711,064)	(1,848,378)
<b>Net increase (decrease) in units</b>	(710,971)	3,687,606

*\*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 January 31, 2012\***  
*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ 20,954	\$ (4,329)
Adjustments to reconcile net increase (decrease) in net assets from operations net cash provided by (used in) operating activities:		
Purchase of investment securities	(45,000)	(152,500)
Proceeds from disposition of investment securities	-	45,691
Purchases and sales of short-term investment securities, net	5,952	(1,182)
Increase in accrued interest receivable	(2)	(5)
Decrease in dividends receivable	2	2
Decrease in receivable for investments sold	1,763	38,635
Decrease in advance on investment in other funds	45,000	30,000
Increase (decrease) in accrued expenses	(15)	35
Net realized loss from investments	1	472
Net decrease (increase) in the fair value of investments	(21,022)	3,345
<b>Net cash provided by (used in) operating activities</b>	7,633	(39,836)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	1	59,917
Amount paid for repurchase of units	(7,634)	(20,081)
<b>Net cash provided by (used in) financing activities</b>	(7,633)	39,836
<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 \$1,091,382 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 January 31, 2012. 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 January 31, 2012.

### 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 January 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Regulated investment companies	\$ -	\$ 5,353	\$ -	\$ 5,353
Investments in other funds	-	-	1,091,382	1,091,382
Total	<u>\$ -</u>	<u>\$ 5,353</u>	<u>\$ 1,091,382</u>	<u>\$ 1,096,735</u>

There were no transfers in or out of Levels 1 and 2 during the period ended January 31, 2012.

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended January 31, 2012 was as follows:

	<u>Investments in other funds</u>
Balance at June 30, 2011	\$ 988,390
Net realized gain/(loss)	(472)
Net change in unrealized appreciation/(depreciation)	(3,345)
Purchase	152,500
Sales	(45,691)
Net transfers in/(out) of Level 3	-
Balance at January 31, 2012	<u>\$ 1,091,382</u>

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 10.99
Net realized and unrealized loss on investment transactions	<u>(0.05)</u>
Net asset value at January 31, 2012	<u>\$ 10.94</u>

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

#### Supplemental Data:

Net assets, end of period	\$ 1,108,430
Ratio to average net assets:	
Expenses **	0.08%
Net investment income **	-0.08%
Portfolio turnover rate	4.43%

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

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

# Hedge Fund Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at January 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 451,315
Public Employees' Retirement System	398,253
West Virginia Retiree Health Benefit Trust	82,342
Coal Workers' Pneumoconiosis Fund	50,887
State Police Death, Disability and Retirement Fund	42,934
Board of Risk and Insurance Management	26,579
Public Employees Insurance Agency	16,830
Judges' Retirement System	11,451
Deputy Sheriff's Retirement System	10,505
State Police Retirement System	6,742
Wildlife Endowment Fund	3,810
Emergency Medical Services Retirement System	3,071
Workers' Compensation Self-Insured Guaranty Risk Pool	1,939
Workers' Compensation Uninsured Employers' Fund	1,762
Municipal Police Officers' and Firefighters' Retirement System	10
Total	<u>\$ 1,108,430</u>