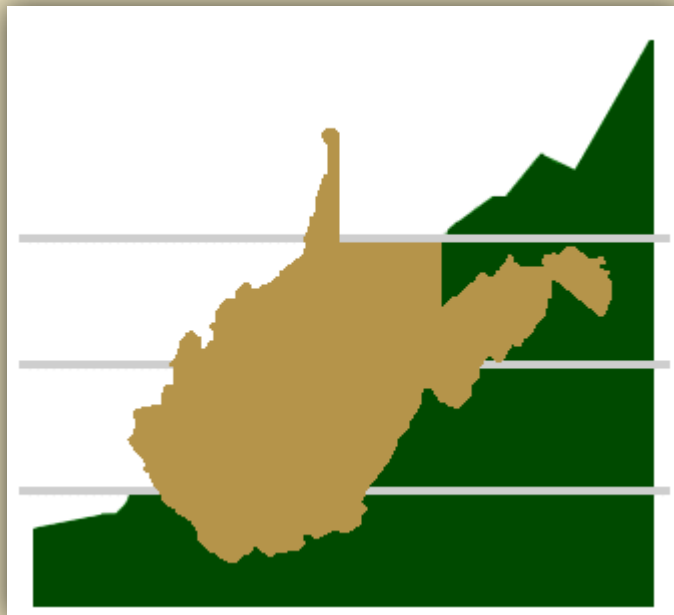


**West Virginia**

**Investment Management Board**



**Financial Statements**

**May 31, 2012**



# West Virginia Investment Management Board

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## **Financial Statements – Unaudited**

May 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**

**May 31, 2012**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited May 31, 2012

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# Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,001,040
Collateral for securities loaned at fair value (Note 5)		13,297
Cash		2,056
Cash pledged as collateral for derivative contracts		1,703
Receivables:		
Investments sold		12,731
Dividends		5,283
Securities lending income		16
		<u>16</u>
<b>Total assets</b>		<b>2,036,126</b>

### Liabilities

Accrued expenses		610
Payable for investments purchased		1,316
Payable upon return of securities loaned (Note 5)		16,382
Unrealized loss on futures contracts (Note 6)		940
		<u>940</u>
<b>Total liabilities</b>		<b>19,248</b>
<b>Net assets</b>	<b>\$</b>	<b><u>2,016,878</u></b>

### Analysis of net assets

Paid-in capital	\$	1,244,600
Accumulated undistributed net investment income		345,506
Accumulated undistributed net realized gain from investments		173,443
Unrealized net appreciation of investments		253,329
		<u>253,329</u>
<b>Net assets</b>	<b>\$</b>	<b><u>2,016,878</u></b>

### Unit data

Units outstanding		150,982,126
Net asset value, unit price	\$	<u>13.36</u>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	40,400	\$ 3,340	\$ 3,193
Airgas Inc	46,400	3,598	4,028
Alcoa Inc	86,400	1,058	739
Allegheny Technologies Inc	8,800	236	283
Alpha Natural Resources Inc	48,000	1,512	503
Ball Corporation	69,000	2,192	2,758
Bemis Company Inc	8,600	218	261
CF Industries Holdings Inc	25,000	3,312	4,274
Cliffs Natural Resources Inc	28,900	1,579	1,381
Dow Chemical Company	132,500	3,711	4,115
DuPont EI de Nemours Co	179,100	6,961	8,643
Eastman Chemical Company	22,600	749	1,052
Ecolab Inc	131,800	7,700	8,331
FMC Corporation	27,600	1,123	1,407
Freeport-McMoRan Copper & Gold	93,600	3,347	2,999
International Paper Company	78,300	2,080	2,286
Intl Flavors & Fragrances Inc	14,900	699	840
MeadWestvaco Corp	17,600	329	484
Monsanto Company	71,700	5,094	5,535
Newmont Mining Corp	49,800	2,588	2,349
Nucor Corporation	106,600	4,305	3,812
Owens-Illinois Inc	104,900	2,525	2,050
Peabody Energy Corp	24,200	900	565
PPG Industries Inc	45,500	3,355	4,707
Praxair Inc	67,600	6,526	7,182
Sealed Air Corporation	14,700	291	230
Sigma-Aldrich Corporation	73,800	4,993	5,120
Titanium Metals Corp	23,400	300	269
United States Steel Corp	12,000	543	244
Vulcan Materials	10,900	568	378
Weyerhaeuser Company	45,767	1,017	911
<i>Total Basic Materials - 4.0%</i>		76,749	80,929
<i>Capital Goods</i>			
3M Co	62,000	4,627	5,233
Apollo Group	42,400	2,221	1,349
Avery Dennison Corp	9,700	261	282
BF Goodrich Company	39,000	3,687	4,905
Boeing Company	72,200	4,254	5,026
C H Robinson Worldwide Inc	25,700	1,668	1,497
Caterpillar Inc	124,400	9,676	10,900
Cintas Corp	55,300	1,994	2,041
Cooper Industries PLC	13,900	745	980
CSX Corp	203,600	4,045	4,253
Cummins Engine Company Inc	48,500	4,485	4,702
Danaher Corp	51,000	1,919	2,650
Deere & Company	43,900	2,415	3,243
Donnelley & Sons	17,500	294	188
Dover Corp	15,200	610	860
Dun & Bradstreet Corp	12,200	816	824
Eaton Corporation	42,700	1,542	1,822
Emerson Electric Co	60,900	2,587	2,848
Equifax Inc	33,600	1,195	1,518
Expeditors Intl of Washington	18,900	670	723
Fastenal Company	148,700	5,760	6,577
FedEx Corp	29,300	2,192	2,612
Flowserve Corp	13,400	1,392	1,377
Fluor Corporation	15,500	784	727
General Dynamics Corp	32,300	1,896	2,068
General Electric Company	1,510,775	31,641	28,841
Grainger WW Inc	40,800	6,890	7,901

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Honeywell International	130,500	5,804	7,264
Illinois Tool Works Inc	41,000	1,789	2,302
Iron Mountain Inc	50,100	1,523	1,420
Jacobs Engineering Group Inc	15,900	675	565
Joy Global Inc	59,300	4,607	3,312
L-3 Communications Hldgs Inc	8,500	664	580
Lockheed Martin Corp	57,700	4,362	4,778
Masco Corporation	164,600	2,068	2,085
Norfolk Southern Corp	51,000	2,804	3,342
Northrop Grumman Corp	25,300	1,270	1,486
PACCAR Inc	58,000	2,331	2,179
Pall Corporation	27,900	1,388	1,553
Parker-Hannifin Corporation	20,900	1,381	1,708
Pitney Bowes Inc	17,600	395	240
Precision Castparts Corp	20,100	2,763	3,341
Priceline.com Inc	7,710	2,023	4,823
Raytheon Company	31,500	1,399	1,585
Republic Services Inc	25,400	694	670
Robert Half International Inc	59,200	1,665	1,682
Rockwell Automation Inc	24,700	1,288	1,791
Rockwell Collins	12,200	629	615
Roper Industries Inc	44,400	3,416	4,494
Ryder System Inc	39,400	1,962	1,702
Southwest Airlines Co	70,900	657	640
Stanley Black & Decker Inc	17,477	851	1,158
Textron Inc	52,300	1,166	1,236
Tyco International Ltd	43,000	1,679	2,286
Union Pacific Corp	74,000	5,653	8,244
United Parcel Service Inc	87,500	5,221	6,557
United Technologies Corp	80,900	5,238	5,995
Waste Management Inc	37,800	1,174	1,226
<i>Total Capital Goods - 9.3%</i>		168,805	186,806
<i>Communication Services</i>			
American Tower REIT Inc	71,800	3,882	4,658
AT&T Inc	1,115,129	32,726	38,104
CenturyTel Inc	133,566	4,620	5,238
Crown Castle Intl Corporation	64,600	3,470	3,527
Frontier Communications Corp	87,886	733	329
Metropcs Communications Inc	29,700	282	190
Sprint Nextel Corporation	265,800	1,195	683
Verizon Communications	365,249	12,266	15,209
Windstream Corp	49,400	489	462
<i>Total Communication Services - 3.4%</i>		59,663	68,400
<i>Consumer Discretionary</i>			
Abercrombie & Fitch Co	21,400	1,036	718
Amazon.com Inc	32,300	4,226	6,877
AutoNation Inc	11,300	317	407
AutoZone Inc	17,700	4,272	6,731
Beam Inc	13,700	492	830
Bed Bath & Beyond Inc	43,500	2,256	3,143
Best Buy Co Inc	98,700	2,597	1,848
Big Lots Inc	29,500	1,035	1,084
Borg-Warner Automotive Inc	13,000	813	933
Cablevision Systems	21,200	526	243
CarMax Inc	19,700	439	556
Carnival Corp	37,000	1,217	1,187
CBS Corp	259,700	5,629	8,290
Chipotle Mexican Grill Inc	7,800	2,437	3,222
Coach Inc	59,100	3,399	3,986
Comcast Corp	369,450	7,177	10,681
CVS Pass Through Trust	198,676	6,812	8,928

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
Darden Restaurants Inc	14,900	498	771
DeVry Inc	5,200	287	142
DIRECTV Group Inc	132,000	4,766	5,867
Discovery Communications Inc	48,500	1,946	2,430
Disney Walt Company	154,900	4,631	7,080
Dollar Tree Inc	50,400	4,440	5,200
DR Horton Inc	179,300	2,419	2,976
Expedia Inc	39,250	1,216	1,801
Family Dollar Stores	10,600	325	718
Ford Motor Company	418,100	4,114	4,415
Fossil Inc	8,500	1,139	622
GameStop Corp	57,700	1,406	1,107
Gannett Co Inc	121,300	1,669	1,584
Gap Inc	31,600	531	837
Genuine Parts Company	50,400	2,708	3,175
Goodyear Tire & Rubber Co	198,400	2,454	2,073
Harley-Davidson Inc	52,900	2,031	2,549
Harman Intl Industries Inc	11,800	476	463
Hasbro Inc	9,600	346	340
Home Depot Inc	175,400	5,536	8,654
International Game Technology	152,600	2,621	2,182
Interpublic Group of Co Inc	56,500	523	587
Johnson Controls Inc	64,200	1,804	1,935
Kohl's Corporation	21,800	1,173	999
Leggett & Platt Inc	11,200	155	233
Lennar Corporation	102,100	2,249	2,786
Limited Inc	164,300	4,748	7,288
Lowe's Companies Inc	155,400	3,619	4,152
Macys Retail Holdings Inc	173,000	5,741	6,583
Marriott International Inc	84,280	2,963	3,262
Mattel Inc	50,200	1,178	1,563
McDonald's Corporation	213,400	15,706	19,065
McGraw-Hill Companies Inc	105,000	3,951	4,555
NetFlix.com Inc	4,700	826	298
Newell Rubbermaid Inc	84,100	1,375	1,547
News Corp	194,100	2,600	3,727
Nike Inc	73,800	6,350	7,984
Nordstrom Inc	28,500	1,235	1,350
Omnicom Group Inc	55,400	2,394	2,641
O'Reilly Automotive Inc	72,000	5,774	6,897
Penney JC & Company	73,800	2,378	1,936
Pulte Corporation	239,200	1,680	2,239
Ralph Lauren Corp	10,400	1,169	1,548
Ross Stores Inc	148,300	5,129	9,377
Sears Holding Corp	3,400	213	168
Sherwin-Williams Co	11,400	981	1,478
Snap-On Inc	4,600	160	278
Staples Inc	57,600	1,209	757
Starbucks Corp	104,600	3,423	5,741
Starwood Hotels & Resorts Inc	65,900	3,349	3,483
Target Corp	97,300	4,996	5,635
Tiffany & Co	16,600	857	919
Time Warner Cable Inc	37,812	1,876	2,851
Time Warner Inc	127,600	3,854	4,398
TJX Companies Inc	268,700	8,199	11,409
TripAdvisor Inc	35,650	969	1,529
Urban Outfitters Inc	16,500	490	462
VF Corp	67,100	8,801	9,464
Viacom Inc	142,400	4,664	6,797
Washington Post Company	400	184	140
Whirlpool Corporation	6,400	444	396
Wyndham Worldwide Corporation	72,100	2,994	3,591
Wynn Resorts Limited	7,800	691	804

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Yum Brands Inc	153,500	7,760	10,800
<i>Total Consumer Discretionary - 13.8%</i>		221,073	278,302
<i>Consumer Staples</i>			
Altria Group Inc	419,320	9,036	13,498
Archer-Daniels-Midland Co	55,800	1,480	1,779
Avon Products Inc	38,200	1,147	632
Brown Forman Corp	35,800	2,125	3,121
Campbell Soup Co	15,800	521	501
Clorox Company	10,500	628	722
Coca-Cola Company	292,200	15,989	21,836
Coca-Cola Enterprises Inc	83,000	1,983	2,271
Colgate-Palmolive Co	75,800	6,420	7,451
ConAgra Foods Inc	200,500	5,006	5,043
Constellation Brands Inc	13,400	215	258
Costco Wholesale Corp	49,300	3,300	4,259
Dean Foods Company	48,400	640	757
Dr Pepper Snapple Group	25,900	697	1,069
Estee Lauder Companies Inc	61,700	1,986	3,341
General Mills Inc	56,500	1,917	2,163
Heinz HJ Company	52,200	2,378	2,771
Hershey Foods Corp	51,400	2,836	3,437
Hormel Foods Corp	34,500	743	1,032
Kellogg Company	27,500	1,404	1,341
Kimberly Clark Corporation	67,100	4,381	5,324
Kraft Foods Inc	309,500	9,960	11,845
Kroger Co	70,000	1,711	1,541
Lorillard, Inc	44,000	4,507	5,438
McCormick & Company Inc	17,600	660	992
Mead Johnson Nutrition Co-A	97,109	5,924	7,841
Molson Coors Brewing Co	38,600	1,743	1,484
Pepsico Inc	197,064	11,860	13,371
Philip Morris International	296,720	15,382	25,076
Procter & Gamble Company	389,932	23,426	24,289
Reynolds American Inc	91,000	2,492	3,807
Safeway Inc	34,600	676	658
Sara Lee Corp	258,900	3,781	5,411
Smucker JM Company	21,800	1,472	1,669
Sysco Corp	58,600	1,474	1,636
The Mosaic Company	24,400	1,364	1,163
Tyson Foods, Inc	69,200	1,220	1,340
Walgreen Co	77,400	2,760	2,362
Wal-Mart Stores Inc	251,200	13,175	16,534
Whole Foods Market Inc	30,000	1,493	2,658
<i>Total Consumer Staples - 10.5%</i>		169,912	211,721
<i>Energy</i>			
Anadarko Petroleum Corp	53,100	2,910	3,239
Apache Corporation	31,800	2,965	2,588
Baker Hughes Inc	56,742	2,891	2,368
Cabot Oil & Gas Corporation	95,200	3,010	3,098
Cameron International Corp	58,700	2,717	2,682
Chesapeake Energy Corp	56,500	1,527	955
ChevronTexaco Corp	373,655	30,582	36,734
ConocoPhillips	185,080	8,480	9,654
CONSOL Energy Inc	26,600	1,149	747
Denbury Resources Inc	200,600	3,497	3,033
Devon Energy Corporation	33,400	2,162	1,988
Diamond Offshore Drilling Inc	6,100	588	355
EOG Resources Inc	24,300	2,110	2,413
Exxon Mobil Corporation	883,394	62,714	69,461
First Solar Inc	5,400	752	68
FMC Technologies Inc	114,900	4,879	4,624

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Halliburton Company	107,000	3,143	3,216
Helmerich & Payne Inc	69,200	3,621	3,135
Hess Corp	24,800	1,266	1,084
Kinder Morgan Inc	96,797	3,135	3,309
Kinder Morgan Inc-Warrant	132,352	302	302
Marathon Oil Corp	217,200	5,182	5,410
Marathon Petroleum Corporation	86,350	2,667	3,115
Murphy Oil Corporation	16,200	896	755
Nabors Industries Ltd	148,700	2,798	2,015
National-Oilwell Varco Inc	153,800	9,939	10,266
Newfield Exploration Company	11,400	720	342
Noble Corp	20,400	725	638
Noble Energy Inc	35,800	2,967	3,024
Occidental Petroleum Corp	77,000	5,964	6,104
Phillips 66	92,540	2,537	2,779
Pioneer Natural Resources Co	38,700	2,955	3,742
QEP Resources Inc	15,700	380	413
Range Resources Corporation	32,300	1,867	1,855
Rowan Companies Inc	20,200	607	606
Schlumberger Ltd	140,211	8,938	8,868
Spectra Energy Corp	180,200	4,459	5,174
Sunoco Inc	24,000	932	1,115
Tesoro Petroleum Corporation	98,100	2,194	2,170
Valero Energy Corporation	51,600	1,003	1,089
Williams Companies Inc	143,000	3,149	4,366
WPX Energy Inc	41,600	568	610
<i>Total Energy - 10.9%</i>		205,847	219,509
<i>Financial Services</i>			
Ace Ltd	59,800	3,572	4,325
AFLAC Inc	81,000	3,452	3,246
Allstate Corp	41,800	1,221	1,419
American Express Co	136,500	5,380	7,621
American International Group	71,600	2,103	2,089
Ameriprise Financial Inc	51,900	2,150	2,487
Aon PLC	67,900	3,079	3,157
Apartment Investment & Mgmt Co	11,700	163	317
Assurant Inc	61,700	2,297	2,060
Avalonbay Communities Inc	9,900	925	1,384
Bank of America Corporation	922,877	16,015	6,783
Bank of New York Mellon Corp	102,100	3,279	2,079
BB&T Corporation	143,400	3,783	4,334
Berkshire Hathaway Inc	164,196	12,312	13,031
BlackRock Inc	12,788	2,351	2,184
Boston Properties Inc	14,200	1,025	1,462
Capital One Financial Corp	81,100	3,479	4,166
CBRE Group Inc	52,000	788	855
Charles Schwab Corp	93,100	1,481	1,160
Chubb Corp	38,500	2,090	2,775
Cincinnati Financial Corp	49,700	1,620	1,793
Citigroup Inc	386,560	17,069	10,248
CME Group Inc	5,600	1,655	1,442
Comerica Inc	83,900	2,536	2,552
Discover Financial Services	185,300	3,992	6,135
E*Trade Group Inc	21,820	368	185
Equity Residential	33,800	1,341	2,065
Federated Investors Inc	9,400	248	189
Fifth Third Bancorp	233,200	2,820	3,113
First Horizon National Corp	138,268	1,243	1,173
Franklin Resources Inc	11,700	951	1,249
Genworth Financial Inc	254,200	2,061	1,332
Goldman Sachs Group Inc	42,900	5,507	4,106
H&R Block Inc	144,200	2,301	2,202

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Hartford Financial Services Gp	35,500	883	597
HCP Inc	64,300	2,307	2,626
Health Care REIT	29,900	1,485	1,659
Host Hotels & Resorts Inc	245,862	3,626	3,752
Hudson City Bancorp Inc	93,100	1,021	577
Huntington Bancshares Inc	259,500	1,451	1,697
Intercontinental Exchange Inc	6,300	639	771
Invesco Limited	98,400	2,089	2,140
JP Morgan Chase & Co	477,753	17,505	15,838
KeyCorp	104,900	765	787
Kimco Realty Corporation	35,900	430	644
Legg Mason Inc	21,200	627	540
Leucadia National Corporation	93,400	2,870	1,898
Lincoln National Corp	53,400	1,283	1,104
Loews Corp	25,400	863	988
M & T Bank Corporation	11,400	845	927
Marsh & McLennan Co Inc	177,900	5,113	5,689
MasterCard Inc	20,800	6,144	8,455
MetLife Inc	124,900	4,515	3,648
Moody's Corp	71,400	2,215	2,613
Morgan Stanley	301,800	6,565	4,032
Nasdaq Stock Market Inc	9,500	208	208
Northern Trust Corp	19,600	1,012	846
NYSE Euronext	22,400	640	545
People's United Financial Inc	212,100	2,646	2,467
Plum Creek Timber Co Inc	12,900	405	471
PNC Financial Services Group	63,300	3,370	3,888
Principal Financial Group Inc	57,800	1,504	1,420
Progressive Corp	71,400	1,239	1,552
Prologis Inc	55,174	1,643	1,764
Prudential Financial Inc	76,700	3,796	3,563
Public Storage	30,000	3,260	4,004
Regions Financial Corp	192,800	1,010	1,213
Simon Property Group	32,702	2,954	4,824
SLM Corp	77,600	863	1,084
State Street Corp	57,700	2,601	2,378
SunTrust Banks Inc	77,500	1,698	1,776
T Rowe Price Associates Inc	25,300	1,226	1,457
Torchmark Corporation	57,800	2,255	2,697
Travelers Cos Inc	41,700	1,960	2,606
UnumProvident Corp	24,700	467	493
US Bancorp	250,000	6,260	7,778
Ventas Inc	23,700	1,098	1,394
Visa Inc-Class A Shares	90,400	8,686	10,414
Vornado Realty Trust	15,940	1,123	1,306
Wells Fargo & Company	615,200	16,426	19,717
XL Group PLC	25,200	438	515
Zions Bancorporation	14,800	289	282
<i>Total Financial Services - 12.2%</i>		246,975	246,362
<i>Health Care</i>			
Abbott Laboratories	141,100	7,269	8,719
Aetna Inc	57,200	1,960	2,339
Alexion Pharmaceuticals Inc	30,300	2,808	2,744
Allergan Inc	59,300	4,463	5,352
AmerisourceBergen Corp	49,600	1,512	1,835
Amgen Inc	72,877	4,047	5,066
Bard CR Inc	8,900	751	865
Baxter International Inc	92,700	5,211	4,692
Becton Dickinson & Company	17,600	1,231	1,287
Biogen Idec Inc	64,000	5,197	8,368
Boston Scientific Corp	119,300	1,017	685
Bristol-Myers Squibb Company	271,942	7,041	9,067

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Cardinal Health Inc	38,100	1,233	1,577
CareFusion Corporation	19,300	435	468
Celgene Corporation	64,800	4,104	4,423
Cerner Corporation	35,800	2,062	2,791
CIGNA Corporation	50,900	1,869	2,235
Coventry Health Care Inc	21,000	570	638
Covidien PLC	45,600	2,285	2,361
DaVita Inc	8,400	474	683
DENTSPLY International Inc	27,700	946	1,025
Edwards Lifesciences Corp	10,200	849	871
Eli Lilly and Company	181,400	6,860	7,428
Express Scripts Holding Co	67,568	3,139	3,526
Forest Laboratories Inc	21,900	651	767
Gilead Sciences Inc	109,300	4,596	5,460
Hospira Inc	13,000	476	406
Humana Inc	30,800	1,594	2,353
Intuitive Surgical Inc	11,900	4,786	6,225
Johnson & Johnson	450,100	27,738	28,100
Laboratory Corp of Amer Hldgs	11,800	888	983
Life Technologies Corp	16,000	703	655
McKesson HBOC Inc	23,800	1,526	2,077
Medtronic Inc	86,200	3,224	3,176
Merck & Co Inc	379,580	12,896	14,265
Mylan Laboratories Inc	37,900	601	821
Patterson Companies Inc	7,600	207	253
PerkinElmer Inc	9,500	181	253
Perrigo Company	8,300	816	862
Pfizer Inc	1,104,783	22,848	24,162
Quest Diagnostics Inc	16,800	873	956
St Jude Medical Inc	30,600	1,161	1,176
Stericycle Inc	14,000	946	1,222
Stryker Corporation	27,200	1,260	1,399
Tenet Healthcare Corporation	38,300	208	180
Thermo Electron Corporation	37,200	1,703	1,878
UnitedHealth Group Inc	149,300	5,468	8,326
Varian Medical Systems Inc	9,100	407	534
Waters Corporation	7,100	423	566
Watson Pharmaceuticals Inc	32,100	1,729	2,288
WellPoint Inc	45,500	2,663	3,066
Zimmer Holdings Inc	14,500	773	879
<i>Total Health Care - 9.5%</i>		168,678	192,333
<i>Technology</i>			
Accenture PLC	143,500	8,373	8,194
Adobe Systems Inc	44,700	1,362	1,388
Advanced Micro Devices Inc	47,500	270	289
Agilent Technologies Inc	30,200	884	1,228
Akamai Technologies Inc	62,300	1,927	1,828
Altera Corporation	26,800	673	895
Amphenol Corp	14,200	546	755
Analog Devices Inc	45,100	1,517	1,640
Apple Computer Inc	139,300	29,022	80,478
Applied Materials Inc	108,300	1,352	1,119
Autodesk Inc	46,600	1,564	1,492
Automatic Data Processing Inc	158,000	7,752	8,240
BMC Software Inc	13,300	429	563
Broadcom Corp	57,300	1,855	1,854
CA Inc	46,600	933	1,159
Cisco Systems Inc	1,042,300	19,780	17,021
Citrix Systems Inc	42,600	2,131	3,113
Cognizant Tech Solutions Corp	75,100	3,400	4,375
Computer Sciences Corp	12,600	634	336
Coming Inc	128,400	2,139	1,668

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Dell Inc	398,600	6,232	4,915
eBay Inc	110,400	2,793	4,327
Electronic Arts Inc	148,600	3,018	2,024
EMC Corporation	178,600	2,841	4,260
F5 Networks Inc	45,200	5,665	4,677
Fidelity Ntl Information Svcs	25,400	623	833
Fiserv Inc	29,300	1,621	1,976
FLIR Systems Inc	12,700	355	271
Google Inc	34,700	17,958	20,156
Harris Corporation	9,000	323	358
Hewlett-Packard Company	164,100	6,407	3,722
IBM Corp	226,300	27,566	43,653
Ingersoll-Rand PLC	32,100	1,260	1,326
Intel Corporation	752,300	17,028	19,439
Intuit Inc	34,000	1,357	1,912
Jabil Circuit Inc	118,000	2,493	2,257
JDS Uniphase Corporation	17,800	89	181
Juniper Networks Inc	45,200	1,120	777
KLA-Tencor Corporation	105,400	4,995	4,830
Lexmark International Inc	6,100	132	153
Linear Technology Corp	28,500	827	827
LSI Logic Corporation	94,900	556	631
Microchip Technology Inc	106,000	3,692	3,288
Micron Technology Inc	81,000	587	473
Microsoft Corporation	1,020,102	26,105	29,777
Molex Inc	66,500	1,708	1,534
Motorola Solutions Inc	103,927	4,862	4,997
NetApp Inc.	29,700	913	884
Novellus Systems Inc	43,200	1,822	1,807
NVIDIA Corporation	53,900	553	670
Oracle Corporation	454,244	10,028	12,024
Paychex Inc	50,800	1,488	1,522
Qualcomm Inc	233,900	11,281	13,405
Red Hat Inc	88,000	4,441	4,521
SAIC INC	23,400	441	260
Salesforce.com Inc	13,700	1,185	1,899
SanDisk Corporation	103,400	3,983	3,381
Scripps Networks Interactive	8,000	229	438
Symantec Corporation	63,500	947	942
TE Connectivity Ltd	106,400	3,661	3,343
Teradata Corporation	53,300	2,456	3,543
Teradyne Inc	125,300	1,883	1,811
Texas Instruments Inc	205,000	5,857	5,838
Total System Services Inc	82,100	1,495	1,910
VeriSign Inc	29,400	820	1,124
Western Digital Corp	20,500	587	643
Western Union Company	152,200	2,805	2,496
Xerox Corporation	117,495	1,001	848
Xilinx Inc	73,800	2,191	2,359
Yahoo! Inc	102,100	1,771	1,556
<i>Total Technology - 18.3%</i>		290,594	368,433
<i>Utilities</i>			
AES Corporation	200,000	2,560	2,418
AGL Resources Inc	55,737	2,262	2,089
Ameren Corporation	149,700	4,552	4,837
American Electric Power Co Inc	94,500	3,239	3,639
CenterPoint Energy Inc	120,200	1,847	2,432
CMS Energy Corporation	113,300	1,932	2,640
Consolidated Edison Inc	93,400	4,404	5,638
Dominion Resources Inc	187,600	8,449	9,766
DTE Energy Company	39,800	1,814	2,262
Duke Energy Corp	224,900	4,354	4,943

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Edison International	64,700	2,534	2,909
Entergy Corporation	63,600	4,366	4,104
EQT Corp	89,300	4,768	4,142
Exelon Corp	212,438	8,865	7,856
FirstEnergy Corp	107,232	4,412	5,017
Integrus Energy Group Inc	6,600	237	357
NextEra Energy Inc	140,300	8,047	9,167
NiSource Inc	214,300	4,225	5,377
Northeast Utilities	35,596	1,050	1,282
NRG Energy Inc	72,100	1,439	1,105
ONEOK Inc	67,400	3,658	5,594
PG&E Corp	35,100	1,460	1,534
Pinnacle West Capital Corp	18,600	697	918
Potomac Electric Power	38,200	600	728
PPL Corporation	229,000	6,409	6,268
Progress Energy Inc	101,100	4,938	5,542
Public Service Enterprise Grp	135,800	4,350	4,236
Quanta Services Inc	30,100	645	680
SCANA Corporation	61,600	2,671	2,892
Sempra Energy	52,500	2,969	3,413
Southern Company	156,300	5,820	7,176
Southwestern Energy Company	29,900	1,222	838
TECO Energy Inc	17,200	242	299
Wisconsin Energy Corporation	94,100	2,496	3,561
Xcel Energy Inc	163,600	3,812	4,584
Xylem Inc	15,400	425	382
<i>Total Utilities - 6.4%</i>		117,770	130,625
Total Equity Securities - 98.3%		1,726,066	1,983,420
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 0.9%	17,620,177	17,620	17,620
Total Investment Securities - 99.2%		\$ 1,743,686	\$ 2,001,040
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 13,073	\$ 13,073
Mellon SL DBT II Liquidating Fund		230	224
Mellon GSL DBT II Liquidating Trust		3,079	-
Total Collateral for Securities Loaned		\$ 16,382	\$ 13,297

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends	\$ 5,545	\$ 43,108
Securities lending income	2	71
Securities lending borrower premiums	18	239
Net shareholder litigation proceeds	1	92
<b>Total investment income</b>	5,566	43,510
<b>Expenses</b>		
Investment advisor fees	(292)	(1,743)
Trustee fees	-	(6)
Custodian bank fees	(5)	(66)
Management fees	(51)	(593)
Fiduciary bond fees	(1)	(8)
Professional service fees	(10)	(111)
Securities lending agent fees	(4)	(57)
Futures commission expense	(1)	(21)
<b>Total expenses</b>	(364)	(2,605)
<b>Investment income, net</b>	5,202	40,905
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	9,266	80,530
Net decrease in the fair value of investments	(137,791)	(60,624)
<b>Net gain (loss) from investments</b>	(128,525)	19,906
<b>Net increase (decrease) in net assets from operations</b>	\$ (123,323)	\$ 60,811

*\*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

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 5,202	\$ 40,905
Net realized gain from investments	9,266	80,530
Net decrease in the fair value of investments	(137,791)	(60,624)
<b>Net increase (decrease) in net assets from operations</b>	(123,323)	60,811
<b>Unit transactions</b>		
Proceeds from sale of units	2	262,309
Amount paid for repurchase of units	(50,268)	(387,789)
<b>Net decrease in net assets from unit transactions</b>	(50,266)	(125,480)
<b>Decrease in net assets</b>	(173,589)	(64,669)
<b>Net assets, beginning of period</b>	2,190,467	2,081,547
<b>Net assets, end of period</b>	\$ 2,016,878	\$ 2,016,878
<b>Unit data</b>		
Units sold	141	22,236,951
Units repurchased	(3,546,196)	(29,417,319)
<b>Net decrease in units</b>	(3,546,055)	(7,180,368)

*\*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 May 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 May 31, 2012:

Derivatives not designated as hedging instruments under ASC 815	<u>Asset Derivatives</u>		<u>Liability Derivatives</u>	
	Statement of Assets and Liabilities	Fair Value	Statement of Assets and Liabilities	Fair Value
	Location		Location	
Equity contracts		\$ -	Unrealized loss on futures contracts	\$ (940)

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 May 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	\$ 1,936	Net decrease in the fair value of investments	\$ (1,280)

### 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 1,983,420	\$ -	\$ -	\$ 1,983,420
Regulated investment companies	-	17,620	-	17,620
Securities lending collateral funds	-	13,297	-	13,297
Total	<u>\$ 1,983,420</u>	<u>\$ 30,917</u>	<u>\$ -</u>	<u>\$ 2,014,337</u>

Liabilities	Level 1	Level 2	Level 3	Total
Futures	\$ (940)	\$ -	\$ -	\$ (940)

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

### NOTE 5. SECURITIES LENDING

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

Fair value of securities on loan	\$ 16,179		
Initial collateral received:	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	<u>\$ 16,382</u>	\$ 13,297	<u>\$ (3,085)</u>
Non-cash		250	
Total		<u>\$ 13,547</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 May 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 May 2012, the pool has recorded, but not distributed \$2,305 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 May 31, 2012, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Value at May 31, 2012</u>	<u>Value Upon Entering Contract</u>	<u>Unrealized Gain (Loss)</u>
Jun 2012	216 S&P 500	Long	<u>\$ 14,139</u>	<u>\$ 15,079</u>	<u>\$ (940)</u>

At May 31, 2012, the Pool had pledged cash of \$1,703 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	0.25
Net realized and unrealized loss on investment transactions	<u>(0.05)</u>
Total from investment operations	<u>0.20</u>
Net asset value at May 31, 2012	<u>\$ 13.36</u>

**Time-weighted Total Return \*** 1.6%

#### Supplemental Data:

Net assets, end of period	\$ 2,016,878
Ratio to average net assets:	
Expenses **	0.13%
Net investment income **	2.13%
Portfolio turnover rate	51.62%

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

\*\* All ratios are for the fiscal year-to-date 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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 884,229
Public Employees' Retirement System	778,841
State Police Death, Disability and Retirement Fund	82,152
Workers' Compensation Old Fund	66,331
West Virginia Retiree Health Benefit Trust	54,952
Revenue Shortfall Reserve Fund - Part B	23,066
Judges' Retirement System	22,571
Deputy Sheriff's Retirement System	20,621
West Virginia Prepaid Tuition Trust Fund	19,406
Coal Workers' Pneumoconiosis Fund	18,307
State Police Retirement System	13,907
Board of Risk and Insurance Management	9,726
Wildlife Endowment Fund	7,081
Public Employees Insurance Agency	6,401
Emergency Medical Services Retirement System	6,182
West Virginia Department of Environmental Protection Trust	1,674
Workers' Compensation Self-Insured Guaranty Risk Pool	756
Workers' Compensation Uninsured Employers' Fund	647
Municipal Police Officers' and Firefighters' Retirement System	28
Total	<u>\$ 2,016,878</u>



**Financial Statements - Unaudited**

**May 31, 2012**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited May 31, 2012

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# Non-Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	678,056
Collateral for securities loaned at fair value (Note 4)		31,745
Receivables:		
Investments sold		3,866
Dividends		569
Securities lending income		62
Foreign tax withholding		1
		<u>1</u>
<b>Total assets</b>		<b>714,299</b>

### Liabilities

Accrued expenses		333
Payable for investments purchased		2,942
Payable upon return of securities loaned (Note 4)		33,892
		<u>33,892</u>
<b>Total liabilities</b>		<b>37,167</b>
<b>Net assets</b>	<b>\$</b>	<b><u>677,132</u></b>

### Analysis of net assets

Paid-in capital	\$	490,585
Accumulated undistributed net investment income		36,714
Accumulated undistributed net realized gain from investments		116,307
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		34,032
		<u>34,032</u>
<b>Net assets</b>	<b>\$</b>	<b><u>677,132</u></b>

### Unit data

Units outstanding		39,653,276
Net asset value, unit price	\$	<u>17.08</u>

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
Alpha Natural Resources Inc	249,061	\$ 8,724	\$ 2,610
Celanese Corp	123,340	3,451	4,910
Coeur d'Alene Mines Corporatio	69,400	1,698	1,173
Crown Holdings Inc	168,830	4,999	5,755
Domtar Corporation	41,900	3,246	3,315
Eastman Chemical Company	62,200	3,232	2,896
Georgia Gulf Corporation	75,730	2,350	2,254
Glatfelter PH Company	113,300	1,675	1,716
Huntsman Corp	231,400	3,518	2,962
Packaging Corp of America	211,160	5,815	5,665
Schulman A Inc	195,000	4,138	4,167
Schweitzer-Mauduit Intl Inc	71,700	4,713	4,797
Wausau-Mosinee Paper Corp	165,500	1,568	1,524
Westlake Chemical Corporation	79,060	3,525	4,308
<i>Total Basic Materials - 7.1%</i>		52,652	48,052
<i>Capital Goods</i>			
Aegean Marine Petroleum Networ	217,700	1,618	1,056
AGCO Corporation	65,900	2,867	2,650
Alaska Air Group Inc	57,200	1,696	1,962
Alliant Techsystems Inc	60,300	3,730	2,952
Apollo Group	123,200	4,829	3,920
Applied Industrial Tech Inc	59,400	1,810	2,240
BE Aerospace Inc	162,385	4,344	7,035
Crane Company	126,020	4,451	4,775
Dycom Industries Inc	81,100	1,827	1,588
Foster Wheeler AG	167,600	3,805	2,998
Gardner Denver Inc	89,720	6,860	4,852
Harsco Corporation	82,300	2,219	1,654
Hubbell Inc	112,010	6,355	8,840
IDEX Corporation	131,540	3,858	5,226
ITT Educational Services Inc	38,400	2,979	2,185
KBR Inc	132,600	3,310	3,377
Landstar System Inc	117,200	4,612	6,176
Lennox International Inc	42,400	1,848	1,819
NACCO Industries Inc	31,600	2,669	3,316
Oshkosh Truck Corporation	128,800	3,251	2,637
Owens Corning Inc	103,180	3,144	3,184
Ryder System Inc	157,650	8,025	6,812
Timken Company	197,390	8,413	9,416
TransDigm Group Inc	54,020	4,716	6,644
Trinity Industries Inc	58,300	1,551	1,440
United Rentals Inc	163,530	4,396	5,650
URS Corp	75,400	2,952	2,727
Waste Connections Inc	181,340	4,665	5,612
WESCO International Inc	111,660	4,786	6,643
<i>Total Capital Goods - 17.6%</i>		111,586	119,386
<i>Consumer Discretionary</i>			
Aaron Rents Inc	120,600	3,189	3,202
Aeropostale Inc	79,000	1,357	1,462
AMERCO	28,300	2,896	2,381
American Eagle Outfitters Inc	340,420	5,824	6,574
Ann Inc	119,800	3,122	3,221
Arctic Cat Inc	91,000	3,505	3,291
Asbury Automotive Group Inc	69,500	1,755	1,858
Ascena Retail Group Inc	98,000	2,042	1,855
Boise Inc	212,700	1,590	1,468
Coinstar Inc	38,800	1,859	2,383
Copart Inc	59,800	1,389	1,621
Foot Locker Inc	352,360	7,448	11,184

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Hertz Global Holdings Inc	436,940	5,298	5,947
Hot Topic Inc	164,000	1,713	1,625
Interpublic Group of Co Inc	256,900	2,793	2,669
Leapfrog Enterprises Inc	152,400	1,523	1,588
Lear Corporation	40,000	1,884	1,594
Lithia Motors Inc	72,100	1,782	1,761
Meritor Inc	305,500	1,545	1,653
Michael Kors Holdings Ltd	48,450	1,738	1,908
O'Reilly Automotive Inc	75,500	3,370	7,232
Signet Jewelers Ltd	141,970	5,356	6,198
Thor Industries Inc	58,000	1,897	1,784
Whirlpool Corporation	54,300	3,836	3,360
Williams Sonoma Inc	185,240	6,974	6,467
Wyndham Worldwide Corporation	138,300	5,061	6,887
<i>Total Consumer Discretionary - 13.5%</i>		80,746	91,173
<i>Consumer Staples</i>			
Alliance One International Inc	320,000	970	918
Cal-Maine Foods Inc	44,700	1,666	1,589
Dean Foods Company	257,900	2,606	4,034
Nu Skin Enterprises Inc	72,010	4,142	3,088
Ralcorp Holdings Inc	121,610	6,939	7,728
<i>Total Consumer Staples - 2.6%</i>		16,323	17,357
<i>Energy</i>			
Denbury Resources Inc	338,510	5,200	5,118
EnSCO International PLC	77,520	3,229	3,481
Gran Tierra Energy	510,500	2,608	2,578
Helix Energy Solutions Group	111,800	2,169	1,915
Rowan Companies Inc	173,320	6,095	5,200
Sunoco Inc	94,500	3,742	4,390
Tesoro Petroleum Corporation	577,850	13,414	12,782
VAALCO Energy Inc	214,500	1,495	1,830
Western Refining Inc	144,700	2,768	2,798
<i>Total Energy - 5.9%</i>		40,720	40,092
<i>Financial Services</i>			
Allied World Assurance	70,100	5,169	5,391
American Financial Group	70,000	1,741	2,722
Assurant Inc	142,500	4,693	4,757
Assured Guaranty Ltd	96,000	1,618	1,146
Banco Latinoamericano Export	164,100	2,831	3,200
BancorpSouth Inc	145,000	1,981	1,956
CapitalSource Inc	467,100	3,173	2,957
Citizens Republic Bancorp	96,100	1,639	1,563
Comerica Inc	313,150	8,374	9,526
Commonwealth REIT	234,300	4,738	4,135
East West Bancorp Inc	129,900	2,422	2,908
Everest Re Group Ltd	126,310	11,332	12,899
First Citizens BancShares Inc	9,900	1,724	1,668
First Republic Bank	123,510	3,763	3,878
FleetCor Technologies Inc	138,830	3,732	5,262
Hospitality Properties Trust	205,200	4,498	4,824
Huntington Bancshares Inc	942,800	5,570	6,166
Interactive Brokers Group Inc	134,300	2,160	1,915
International Bancshares Corp	251,300	5,057	4,642
Jones Lang LaSalle Inc	145,030	11,376	10,515
Lazard Ltd	204,750	5,427	4,722
Lender Processing Services Inc	64,100	1,553	1,479
Lincoln National Corp	89,400	1,509	1,848
Maiden Holdings Ltd	239,400	2,132	1,949
Montpelier Re Hldgs Ltd	244,700	5,067	5,109
National Health Investors Inc	61,600	2,181	2,973

See accompanying notes to financial statements.



## Non-Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Nelnet Inc	57,600	1,252	1,344
Net 1 UEPS Technologies Inc	232,500	2,966	2,025
Pacwest Bancorp	212,300	4,074	4,843
Penn Real Estate Invest Tst	116,100	1,691	1,472
Popular Inc	74,830	1,561	1,143
ProAssurance Corporation	28,800	1,998	2,538
Protective Life Corporation	103,100	2,522	2,718
PS Business Parks Inc	76,000	3,987	5,008
Raymond James Financial Inc	155,040	5,347	5,299
Regions Financial Corp	690,900	2,604	4,346
Reinsurance Group of America	109,900	6,565	5,514
RenaissanceRe Holdings Ltd	32,100	2,522	2,474
Republic Bancorp Inc	38,600	712	814
SEI Investments Company	82,400	1,679	1,476
Sunstone Hotel Investors Inc	157,900	1,600	1,581
Triple-S Management Corp	72,200	1,685	1,253
UMB Financial Corp	32,500	1,501	1,585
Umpqua Holdings Corporation	203,800	2,701	2,615
Urstadt Biddle Properties	43,300	838	771
Washington Federal Inc	323,600	5,245	5,310
Wilshire Bancorp Inc	60,800	309	305
Winthrop Realty Trust	212,200	2,020	2,184
<i>Total Financial Services - 24.6%</i>		160,839	166,728
<i>Health Care</i>			
Community Health Systems Inc	137,300	2,425	3,022
Coventry Health Care Inc	242,500	6,359	7,372
DENTSPLY International Inc	215,000	7,420	7,955
Elan Corporation PLC	546,880	4,526	7,634
Health Net Inc	121,000	2,633	3,100
Herbalife Ltd	35,800	1,546	1,603
Hologic Inc	242,830	4,549	4,070
IDEXX Laboratories Inc	60,263	4,631	5,113
Myriad Genetics Inc	178,600	3,859	4,310
PDL BioPharma Inc	753,300	4,443	4,889
PetMed Express Inc	291,300	3,052	3,324
Sun Healthcare Group Inc	402,300	2,719	1,951
Thoratec Corp	47,500	1,572	1,441
<i>Total Health Care - 8.2%</i>		49,734	55,784
<i>Technology</i>			
Alliance Data Systems Corp	70,020	4,780	8,823
Amdocs Ltd	112,600	3,333	3,237
Amkor Technology Inc	313,500	1,680	1,483
Avnet Inc	117,900	3,691	3,595
Calamos Asset Management	78,500	788	854
Capella Education Company	73,600	2,260	2,260
Cbeyond, Inc	203,000	1,589	1,202
Fortinet Inc	171,440	4,051	3,643
IHS Inc	65,310	5,328	6,465
Informatica Corporation	168,650	8,578	6,987
Ingram Micro Inc	116,400	2,297	2,075
JDS Uniphase Corporation	303,580	3,842	3,081
Lihua International Inc	190,800	1,667	1,025
LSI Logic Corporation	674,900	4,846	4,488
Mettler-Toledo International	29,430	3,664	4,595
Neutral Tandem Inc	235,500	2,536	3,196
Nuance Communications Inc	197,550	3,212	4,087
NXP Semiconductor NV	134,170	2,322	2,832
ON Semiconductor Corp	357,830	2,852	2,412
SAIC INC	178,800	2,036	1,986
Sanmina Corporation	137,000	1,560	974
Skyworks Solutions Inc	202,850	4,312	5,449

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Syntel Inc	35,740	1,689	1,998
Tech Data Corporation	72,200	3,128	3,437
Teradyne Inc	300,590	4,172	4,344
Unisys Corporation	256,900	5,166	4,036
United Online Inc	873,000	4,986	3,448
Xyratex Ltd	303,600	3,166	3,473
<i>Total Technology - 14.1%</i>		93,531	95,485
<i>Utilities</i>			
Alliant Energy Corp	102,400	3,340	4,474
American Water Works Co Inc	158,800	3,798	5,433
CMS Energy Corporation	139,500	2,930	3,250
El Paso Electric Company	94,100	2,202	2,888
NeuStar Inc	59,100	1,554	1,902
NV Energy Inc	125,500	1,937	2,171
OGE Energy Corp	86,400	3,190	4,600
Pinnacle West Capital Corp	115,300	4,974	5,694
PNM Resources	184,400	2,318	3,439
Portland General Electric Co	129,000	2,596	3,241
<i>Total Utilities - 5.5%</i>		28,839	37,092
Total Equity Securities - 99.1%		634,970	671,149
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.0%	6,906,748	6,907	6,907
Total Investment Securities - 100.1%		\$ 641,877	\$ 678,056
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 31,211	\$ 31,211
Mellon SL DBT II Liquidating Fund		550	534
Mellon GSL DBT II Liquidating Trust		2,131	-
Total Collateral for Securities Loaned		\$ 33,892	\$ 31,745

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Statement of Operations - Unaudited

Period Ended May 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 765	\$ 9,018
Securities lending income	5	90
Securities lending borrower premiums	73	454
Net shareholder litigation proceeds	50	190
Commission recapture	8	59
<b>Total investment income</b>	901	9,811
<b>Expenses</b>		
Investment advisor fees	(97)	(1,456)
Trustee fees	-	(2)
Custodian bank fees	(1)	(23)
Management fees	(18)	(203)
Fiduciary bond fees	(1)	(3)
Professional service fees	(4)	(38)
Securities lending agent fees	(16)	(100)
<b>Total expenses</b>	(137)	(1,825)
<b>Investment income, net</b>	764	7,986
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	3,613	43,783
Net decrease in the fair value of investments	(64,893)	(92,119)
<b>Net loss from investments</b>	(61,280)	(48,336)
<b>Net decrease in net assets from operations</b>	\$ (60,516)	\$ (40,350)

*\*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 May 31, 2012\*

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 764	\$ 7,986
Net realized gain from investments	3,613	43,783
Net decrease in the fair value of investments	(64,893)	(92,119)
<b>Net decrease in net assets from operations</b>	(60,516)	(40,350)
<b>Unit transactions</b>		
Proceeds from sale of units	2	73,736
Amount paid for repurchase of units	(13,902)	(89,377)
<b>Net decrease in net assets from unit transactions</b>	(13,900)	(15,641)
<b>Decrease in net assets</b>	(74,416)	(55,991)
<b>Net assets, beginning of period</b>	751,548	733,123
<b>Net assets, end of period</b>	\$ 677,132	\$ 677,132
<b>Unit data</b>		
Units sold	107	4,677,047
Units repurchased	(747,294)	(4,976,810)
<b>Net decrease in units</b>	(747,187)	(299,763)

\*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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 671,149	\$ -	\$ -	\$ 671,149
Regulated investment companies	-	6,907	-	6,907
Securities lending collateral funds	-	31,745	-	31,745
Total	<u>\$ 671,149</u>	<u>\$ 38,652</u>	<u>\$ -</u>	<u>\$ 709,801</u>

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

#### NOTE 4. SECURITIES LENDING

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

Fair value of securities of loan	\$	33,049		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	\$	<u>33,892</u>	\$ 31,745	<u>\$ (2,147)</u>
Non-cash			-	
Total			<u>\$ 31,745</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 May 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 May 2012, the pool has recorded, but not distributed \$1,579 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	0.19
Net realized and unrealized loss on investment transactions	(1.46)
Total from investment operations	<u>(1.27)</u>
Net asset value at May 31, 2012	<u><u>\$ 17.08</u></u>
<b>Time-weighted Total Return *</b>	-6.9%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 677,132
Ratio to average net assets:	
Expenses **	0.26%
Net investment income **	1.22%
Portfolio turnover rate	102.52%

\* 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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 297,787
Public Employees' Retirement System	262,008
State Police Death, Disability and Retirement Fund	27,814
Workers' Compensation Old Fund	22,424
West Virginia Retiree Health Benefit Trust	18,582
Revenue Shortfall Reserve Fund - Part B	7,796
Judges' Retirement System	7,573
Deputy Sheriff's Retirement System	6,946
Coal Workers' Pneumoconiosis Fund	6,195
State Police Retirement System	4,640
West Virginia Prepaid Tuition Trust Fund	4,390
Board of Risk and Insurance Management	3,292
Wildlife Endowment Fund	2,397
Public Employees Insurance Agency	2,163
Emergency Medical Services Retirement System	2,076
West Virginia Department of Environmental Protection Trust	567
Workers' Compensation Self-Insured Guaranty Risk Pool	254
Workers' Compensation Uninsured Employers' Fund	218
Municipal Police Officers' and Firefighters' Retirement System	10
Total	<u><u>\$ 677,132</u></u>



**Financial Statements - Unaudited**

**May 31, 2012**



# International Qualified Pool

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## Financial Statements - Unaudited May 31, 2012

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# International Qualified Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	749,654
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### Liabilities

Accrued expenses		<u>50</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>749,604</u></b>
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### Analysis of net assets

Paid-in capital	\$	379,742
Accumulated undistributed net investment loss		(31,399)
Accumulated undistributed net realized gain from investments		26,030
Unrealized net appreciation of investments		<u>375,231</u>

<b>Net assets</b>	<b>\$</b>	<b><u>749,604</u></b>
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### Unit data

Units outstanding		20,624,791
Net asset value, unit price	\$	<u>36.34</u>

See accompanying notes to financial statements.

# International Qualified Pool

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## Schedule of Investments in Securities - Unaudited

May 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 - 100.0%	12,157,109	\$ 374,423	\$ 749,654
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.			

See accompanying notes to financial statements.

## International Qualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(326)	(3,913)
Trustee fees	-	(2)
Management fees	(20)	(237)
Fiduciary bond fees	-	(3)
Professional service fees	(4)	(44)
	<u>(350)</u>	<u>(4,199)</u>
<b>Total expenses</b>	<u>(350)</u>	<u>(4,199)</u>
<b>Investment loss, net</b>	(350)	(4,199)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	162	2,343
Net decrease in the fair value of investments	<u>(86,550)</u>	<u>(131,661)</u>
<b>Net loss from investments</b>	<u>(86,388)</u>	<u>(129,318)</u>
<b>Net decrease in net assets from operations</b>	<u>\$ (86,738)</u>	<u>\$ (133,517)</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 May 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (350)	\$ (4,199)
Net realized gain from investments	162	2,343
Net decrease in the fair value of investments	(86,550)	(131,661)
<b>Net decrease in net assets from operations</b>	(86,738)	(133,517)
<b>Unit transactions</b>		
Proceeds from sale of units	26	10,897
Amount paid for repurchase of units	-	(10,639)
<b>Net increase in net assets from unit transactions</b>	26	258
<b>Decrease in net assets</b>	(86,712)	(133,259)
<b>Net assets, beginning of period</b>	836,316	882,863
<b>Net assets, end of period</b>	\$ 749,604	\$ 749,604
<b>Unit data</b>		
Units sold	637	256,283
Units repurchased	-	(249,842)
<b>Net increase in units</b>	637	6,441

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

## International Qualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net decrease in net assets from operations	\$ (86,738)	\$ (133,517)
Adjustments to reconcile net decrease in net assets from operations to net cash used in operating activities:		
Proceeds from disposition of investment securities	325	4,294
Decrease in accrued expenses	(1)	(353)
Net realized gain from investments	(162)	(2,343)
Net decrease in the fair value of investments	86,550	131,661
<b>Net cash used in operating activities</b>	<b>(26)</b>	<b>(258)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	26	10,897
Amount paid for repurchase of units	-	(10,639)
<b>Net cash provided by financing activities</b>	<b>26</b>	<b>258</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash</b>		
Beginning balance	-	-
Ending balance	<u>\$ -</u>	<u>\$ -</u>

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



# 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

## 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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Investments in other funds	\$ -	\$ 749,654	\$ -	\$ 749,654

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

# International Qualified 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	\$	42.82
Income from investment operations:		
Net investment loss		(0.20)
Net realized and unrealized loss on investment transactions		(6.28)
Total from investment operations		(6.48)
Net asset value at May 31, 2012	\$	36.34

**Time-weighted Total Return \*** -15.2%

#### Supplemental Data:

Net assets, end of period	\$	749,604
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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 368,111
Public Employees' Retirement System	321,019
State Police Death, Disability and Retirement Fund	34,983
Judges' Retirement System	9,258
Deputy Sheriff's Retirement System	8,449
State Police Retirement System	5,346
Emergency Medical Services Retirement System	2,424
Municipal Police Officers' and Firefighters' Retirement System	14
Total	\$ 749,604



**Financial Statements - Unaudited**

**May 31, 2012**



# International Nonqualified Pool

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## Financial Statements - Unaudited May 31, 2012

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# International Nonqualified Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	81,796
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### Liabilities

Accrued expenses		<u>5</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>81,791</u></b>
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### Net assets

Paid-in capital	\$	42,182
Accumulated undistributed net investment loss		(4,083)
Accumulated undistributed net realized gain from investments		27,969
Unrealized net appreciation of investments		<u>15,723</u>

<b>Net assets</b>	<b>\$</b>	<b><u>81,791</u></b>
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### Unit data

Units outstanding		2,424,625
Net asset value, unit price	\$	<u>33.73</u>

See accompanying notes to financial statements.



# International Nonqualified Pool

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## Schedule of Investments in Securities - Unaudited

May 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%	1,261,732	\$ 66,073	\$ 81,796
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 May 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(47)	(558)
Management fees	(2)	(26)
Professional service fees	(1)	(5)
	<u>(50)</u>	<u>(589)</u>
<b>Total expenses</b>	<u>(50)</u>	<u>(589)</u>
<b>Investment loss, net</b>	(50)	(589)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	9	145
Net decrease in the fair value of investments	(9,483)	(14,374)
	<u>(9,474)</u>	<u>(14,229)</u>
<b>Net loss from investments</b>	<u>(9,474)</u>	<u>(14,229)</u>
<b>Net decrease in net assets from operations</b>	<u>\$ (9,524)</u>	<u>\$ (14,818)</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 May 31, 2012\*

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment loss, net	\$ (50)	\$ (589)
Net realized gain from investments	9	145
Net decrease in the fair value of investments	(9,483)	(14,374)
<b>Net decrease in net assets from operations</b>	(9,524)	(14,818)
<b>Unit transactions</b>		
Proceeds from sale of units	35	29,063
Amount paid for repurchase of units	(32)	(536)
<b>Net increase in net assets from unit transactions</b>	3	28,527
<b>Increase (decrease) in net assets</b>	(9,521)	13,709
<b>Net assets, beginning of period</b>	91,312	68,082
<b>Net assets, end of period</b>	\$ 81,791	\$ 81,791
<b>Unit data</b>		
Units sold	925	731,004
Units repurchased	(850)	(15,012)
<b>Net increase in units</b>	75	715,992

*\*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 May 31, 2012\*

*(Amounts in thousands)*

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net decrease in net assets from operations	\$ (9,524)	\$ (14,818)
Adjustments to reconcile net 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	48	559
Increase (decrease) in accrued expenses	(1)	3
Net realized gain from investments	(9)	(145)
Net decrease in the fair value of investments	9,483	14,374
<b>Net cash used in operating activities</b>	(3)	(28,527)
<b>Cash flows from financing activities</b>		
Proceeds from sale of units	35	29,063
Amount paid for repurchase of units	(32)	(536)
<b>Cash provided by financing activities</b>	3	28,527
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

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

# International Nonqualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in other funds are valued at the reported net asset values of the individual funds, provided by the fund's management, as a practical expedient for measuring fair value.

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

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

# International Nonqualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method.

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

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

**Income Taxes** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of May 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 May 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ 81,796	\$ -	\$ 81,796

There were no transfers in or out of Levels 1 and 2 for the period ended May 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		(0.24)
Net realized and unrealized loss on investment transactions		(5.88)
Total from investment operations		(6.12)
Net asset value at May 31, 2012	\$	33.73

**Time-weighted Total Return \*** -15.3%

#### Supplemental Data:

Net assets, end of period	\$	81,791
Ratio to average net assets:		
Expenses **		0.73%
Net investment income **		-0.73%
Portfolio turnover rate		0.63%

\* 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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 27,825
West Virginia Retiree Health Benefit Trust	22,379
Revenue Shortfall Reserve Fund - Part B	9,241
Coal Workers' Pneumoconiosis Fund	7,669
Board of Risk and Insurance Management	4,047
West Virginia Prepaid Tuition Trust Fund	4,025
Wildlife Endowment Fund	2,923
Public Employees Insurance Agency	2,534
West Virginia Department of Environmental Protection Trust	564
Workers' Compensation Self-Insured Guaranty Risk Pool	311
Workers' Compensation Uninsured Employers' Fund	273
Total	\$ 81,791





**Financial Statements - Unaudited**

**May 31, 2012**



# International Equity Pool

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## Financial Statements - Unaudited May 31, 2012

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# International Equity Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,738,669
Collateral for securities loaned at fair value (Note 4)		116,545
Cash denominated in foreign currencies (cost \$20,887)		20,543
Receivables:		
Investments sold		5,238
Dividends		13,579
Securities lending income		340
Foreign tax withholding		2,042
Unrealized gain on foreign currency forward contracts (Note 5)		24
		<hr/>
<b>Total assets</b>		1,896,980

### Liabilities

Accrued expenses		2,128
Payable for investments purchased		4,880
Payable upon return of securities loaned (Note 4)		119,910
Unrealized loss on foreign currency forward contracts (Note 5)		17
		<hr/>
<b>Total liabilities</b>		126,935
		<hr/>
<b>Net assets</b>	\$	<u><u>1,770,045</u></u>

### Analysis of net assets

Paid-in capital	\$	1,229,204
Accumulated undistributed net investment income		320,110
Accumulated undistributed net realized gain from investments		358,967
Accumulated undistributed net realized gain from foreign currency transactions		94,873
Unrealized net depreciation of investments		(173,387)
Unrealized net depreciation on translation of assets and liabilities in foreign currencies		(59,722)
		<hr/>
<b>Net assets</b>	\$	<u><u>1,770,045</u></u>

### Unit data

Units outstanding		94,498,521
Net asset value, unit price	\$	<u><u>18.73</u></u>

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited

May 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	\$ 990
Nortel Inversora SA	123,040	2,538	1,981
<i>Total Argentina - 0.2%</i>		4,072	2,971
<i>Australia</i>			
BlueScope Steel Ltd	1,549,600	4,967	519
Caltex Australia Ltd	415,600	4,159	5,502
Downer EDI Ltd	720,314	2,422	2,299
DUET Group	1,445,509	2,096	2,720
Flight Centre Ltd	128,430	2,813	2,267
Goodman Fielder Ltd	3,139,617	3,417	1,797
Macquarie Group Ltd	278,000	6,160	7,272
Medusa Mining Ltd	383,713	2,483	1,954
Metcash Ltd	1,480,513	5,855	5,486
National Australia Bank Ltd	404,300	11,114	8,816
OneSteel Ltd	2,545,600	6,194	2,605
Rio Tinto Ltd	133,800	11,080	7,379
SAI Global Limited	485,186	2,565	2,193
Southern Cross Media Group	285,367	940	356
Telstra Corporation Ltd	1,738,800	5,111	5,987
Wotif.com Holdings Ltd	604,511	2,512	2,422
<i>Total Australia - 3.4%</i>		73,888	59,574
<i>Austria</i>			
Andritz AG	52,805	2,569	2,792
Erste Group Bank AG	536,017	16,569	9,262
OMV AG	214,600	8,816	5,845
Voestalpine AG	137,600	4,958	3,437
<i>Total Austria - 1.2%</i>		32,912	21,336
<i>Belgium</i>			
Barco NV	22,300	1,603	1,232
Delhaize Le Lion SA	119,900	7,837	4,362
D'leteren SA NV	63,471	3,074	2,403
KBC Groep NV	113,900	5,008	1,745
Mobistar SA	39,818	2,493	1,179
Tessenderlo Chemie NV	65,300	2,990	1,687
<i>Total Belgium - 0.7%</i>		23,005	12,608
<i>Bermuda</i>			
Alliance Oil Company Ltd	182,446	2,763	1,548
China Yuchai International Ltd	226,207	3,831	2,809
Credicorp Ltd	27,200	2,518	3,395
Dickson Concepts Ltd	1,628,500	1,191	871
First Pacific Company Ltd	10,890,314	4,430	11,226
Haier Electronics Group	1,266,000	1,345	1,489
Peoples Food Holdings Ltd	13,272,000	10,065	4,737
Skworth Digital Holdings Ltd	5,046,000	2,429	2,230
Varitronix International Ltd	783,000	784	326
Yue Yuen Industrial Holdings	1,682,000	3,440	5,234
<i>Total Bermuda - 1.9%</i>		32,796	33,865
<i>Brazil</i>			
Banco do Brasil SA	497,701	7,314	4,919
Banco do Estado do Rio Grande - Preferred Stock	705,400	5,052	5,577
Banco Santander Brasil SA	1,162,160	13,891	9,239
BR Malls Participacoes	252,000	3,063	2,765
BRF-Brasil Foods SA	104,500	2,007	1,627
Centrais Elect de Sata Catarin - Preferred Stock	155,600	4,108	2,964
Centrais Eletricas Brasileiras	716,760	8,176	4,702
Centrais Eletricas Brasileiras - Preferred Stock	383,500	4,038	3,544
CETIP	161,100	2,469	2,317
CETIP - Right	79	-	-

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
CIA Paranaense De Energia	198,080	2,402	3,475
Companhia de Bebidas das Amer	49,100	1,590	1,883
Companhia de Saneamento	263,700	4,440	9,253
Companhia Energetica de Minas - Preferred Stock	294,500	3,794	5,120
Companhia Energetica do Ceara	218,650	3,704	3,786
Companhia Paranaense	148,020	2,928	3,008
Ecorodovias Infra E Log	272,600	2,223	2,174
Eletropaulo Metropolitana SA - Preferred Stock	134,600	2,452	1,596
Embraer SA	318,028	6,673	8,968
Gerdau SA	238,300	2,454	1,895
Inpar SA	2,577,740	4,582	2,420
Itau Unibanco Holding SA	341,820	6,120	4,946
Localiza Rent A Car	141,400	2,342	2,236
Marcopolo SA - Preferred Stock	469,800	2,043	2,182
Marfrig Frigorificos e Comerci	926,285	7,548	4,165
Oi SA	1,145,173	15,494	7,265
Petroleo Brasileiro SA	664,062	21,365	12,659
Petroleo Brasileiro SA - Preferred Stock	628,300	9,234	5,939
Telefonica Brasil	316,589	2,915	7,478
Tim Participacoes SA	293,560	5,049	7,178
Vale SA	215,300	5,863	3,942
Vale SA - Preferred Stock	323,000	8,622	5,861
<i>Total Brazil - 8.2%</i>		173,955	145,083
<i>Canada</i>			
ATCO Ltd	11,600	346	800
Canadian Imperial Bank	99,300	6,267	6,909
Celestica Inc	597,200	3,867	4,330
Cogeco Cable Inc	55,900	2,514	2,485
Ensign Energy Services Inc	215,500	3,383	2,736
Genworth MI Canada Inc	89,100	2,443	1,596
Laurentian Bank of Canada	83,174	2,496	3,441
Lundin Mining Corporation	662,500	2,360	2,597
Magna International Inc	164,000	8,605	6,610
Metro Inc	154,500	6,876	7,609
National Bank of Canada	100,800	5,026	7,168
Pacific Rubiales Energy Corp	95,600	2,506	2,500
Precision Drilling Corporation	410,600	4,276	3,195
Rogers Communications Inc	132,100	5,094	4,505
Sherritt International Company	604,400	3,606	2,970
Teck Corporation	187,800	6,177	5,610
Transcontinental Inc	239,200	3,637	2,217
Westjet Airlines LTD	275,500	3,515	4,096
<i>Total Canada - 4.0%</i>		72,994	71,374
<i>Cayman Islands</i>			
Baidu Inc	26,440	3,331	3,114
Belle International Holdings	1,389,500	2,558	2,231
Chaoda Modern Agricultures Ltd	19,491,636	12,313	26
Daphne International Holdings	1,974,000	1,905	2,126
Hengan International Group	169,500	1,749	1,622
Kingboard Laminates Holding	3,250,500	2,844	1,189
Longking Holdings Ltd	10,369,000	3,897	3,220
New World Department Store	2,153,000	2,017	1,207
Tencent Holdings Ltd	97,700	2,563	2,686
VST Holdings Limited	5,812,000	1,733	1,033
Xinyi Glass Holdings Co Ltd	3,286,000	1,911	1,960
Yingde Gases	2,890,500	3,104	2,641
<i>Total Cayman Islands - 1.3%</i>		39,925	23,055
<i>China</i>			
Bank of China Ltd	19,058,000	6,228	7,342
China Construction Bank Corp	7,316,100	6,097	5,072
China Merchants Bank	1,291,000	2,932	2,492
China Pet & Chem Cor (Sinopec)	8,680,000	7,227	7,728

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
China South Locomotive	3,723,000	2,681	2,864
Chongqing Machinery & Electric	7,926,000	1,644	1,360
Dongfeng Motor Group Company	2,208,000	3,171	3,755
Great Wall Motor Company Ltd	4,665,999	3,450	9,583
Harbin Power Equipment Company	4,930,000	5,590	4,783
Jiangxi Copper Company Ltd	993,000	2,826	2,088
PetroChina Company Ltd	16,090	2,295	2,028
Sichuan Xinhua Winshare	6,391,000	1,553	2,742
Sinotrans Ltd	35,607,000	6,371	5,919
Weiqiao Textile Company Ltd	12,431,908	15,893	5,174
<i>Total China - 3.6%</i>		67,958	62,930
<i>Czech Republic</i>			
Telefonica O2 Czech Republic - 0.4%	386,860	8,973	7,042
<i>Denmark</i>			
D/S Norden A/S	69,847	2,446	1,811
Danske Bank A/S	144,600	3,042	1,914
SimCorp A/S	17,397	2,254	2,715
<i>Total Denmark - 0.4%</i>		7,742	6,440
<i>Finland</i>			
Huhtamaki	224,400	2,469	3,102
TietoEnator Oyj	171,000	4,238	2,599
<i>Total Finland - 0.3%</i>		6,707	5,701
<i>France</i>			
Altran Technologies SA	313,790	2,222	1,481
Axa	343,200	8,663	3,854
BNP Paribas	111,600	8,205	3,550
Compagnie Generale de Geophy	86,610	2,613	1,877
Credit Agricole SA	510,196	3,980	1,824
Etablissements Maurel et Prom	106,723	1,910	1,428
France Telecom SA	289,000	8,066	3,631
Ingenico SA	74,596	3,357	3,153
Ipsos	74,741	2,540	2,320
Rallye SA	35,300	2,308	1,006
Sanofi-Synthelabo SA	217,400	14,899	14,784
SCOR SE	247,703	6,130	5,375
Teleperformance	89,421	3,055	2,137
Total SA	232,600	14,724	9,998
Valeo SA	161,784	7,249	6,838
Vivendi - Rights	30	-	-
Vivendi Universal	508,089	14,198	8,205
<i>Total France - 4.0%</i>		104,119	71,461
<i>Germany</i>			
ADVA AG Optical Networking	229,674	1,567	1,306
Allianz AG	67,400	9,038	6,093
BASF AG	100,500	4,292	7,006
Bayer AG	103,100	5,498	6,519
Deutsche Bank AG	96,600	8,016	3,474
Deutsche Post AG	338,800	4,756	5,580
Draegerwerk AG	4,064	415	417
E.On AG	252,600	7,276	4,616
Fielmann AG	24,274	2,423	2,086
Fuchs Petrolub AG	69,948	1,692	3,602
Kabel Deutschland Holding AG	60,979	3,313	3,459
Krones AG	42,184	2,200	2,051
Muenchener Rueckversicherungs	44,700	7,603	5,541
MUT Aero Engines Holding AG	42,775	3,154	3,132
Pfeiffer Vacuum Technology AG	26,176	1,854	2,677
Rheinmetall AG	35,322	2,095	1,457
RWE AG	83,300	6,579	3,042
Symrise AG	61,627	1,501	1,731

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
ThyssenKrupp AG	146,200	3,770	2,412
TUI AG	354,304	3,152	1,979
Volkswagen AG	68,000	8,689	10,232
<i>Total Germany - 4.4%</i>		88,883	78,412
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,131	3
Alpha Bank AE	91,300	2,833	99
Hellenic Petroleum SA	43,638	608	257
<i>Total Greece - 0.0%</i>		4,572	359
<i>Hong Kong</i>			
AAC Technologies Holdings Inc.	550,000	1,692	1,736
Beijing Enterprises Holdings	392,500	2,173	2,253
China Mobile (Hong Kong) Ltd	1,589,000	15,186	16,073
China Resources Power	4,626,500	8,339	8,370
China Taiping Insurance	752,400	1,484	1,255
Citic Pacific Ltd	2,143,000	4,154	3,303
CNOOC Ltd	2,221,000	4,922	4,018
Esprit Holding Ltd	1,002,700	1,342	1,615
Fushan Intl Energy Group Ltd	4,136,000	1,424	1,370
Galaxy Entertainment Group	796,000	1,731	1,932
Global Bio-Chem Technology	1,824,000	429	310
Oriental Watch Holdings	2,888,000	1,472	893
<i>Total Hong Kong - 2.4%</i>		44,348	43,128
<i>Hungary</i>			
Magyar Telekom - 0.4%	3,864,270	15,829	6,713
<i>India</i>			
Ashok Leyland Ltd	5,364,700	2,817	2,388
Aurobindo Pharma	752,050	2,904	1,458
Dr. Reddy's Laboratories	38,900	1,320	1,145
Grasim Industries Limited	78,900	4,315	3,271
HDFC Bank Ltd	131,000	4,161	3,663
Indiabulls Financial Services	1,075,300	3,920	4,372
Indian Oil Corporation Ltd	1,333,045	6,933	6,067
ITC Limited	403,979	1,825	1,650
Maruti Suzuki India Ltd	99,887	2,595	1,957
McLeod Russel India Ltd	346,493	2,094	1,724
Patni Computer Systems Ltd	23,353	489	424
Reliance Infrastructure Ltd	1,530,315	15,967	12,233
Tata Motors Ltd	230,600	5,851	4,794
<i>Total India - 2.6%</i>		55,191	45,146
<i>Indonesia</i>			
Bank Rakyat Indonesia	2,479,500	1,781	1,490
Indofood Sukses Mak TBK	2,244,500	1,187	1,128
Semen Gresik (Persero) TBK	2,387,400	2,670	2,781
Timah Tbk PT	15,752,500	3,295	2,296
<i>Total Indonesia - 0.4%</i>		8,933	7,695
<i>Ireland</i>			
Irish Life & Permanent Group	398,100	6,377	13
Total Produce PLC	82,700	92	46
<i>Total Ireland - 0.0%</i>		6,469	59
<i>Israel</i>			
Bank Leumi Le-Israel	976,800	3,243	2,466
Bezeq Israeli Telecommunicatio	795,078	1,096	1,003
Israel Discount Bank	1,644,552	3,628	1,803
Partner Communications Company	472,472	8,118	2,128
Syneron Medical Ltd	259,721	2,711	2,761
Teva Pharmaceutical Ltd	171,700	6,922	6,879
<i>Total Israel - 1.0%</i>		25,718	17,040

See accompanying notes to financial statements.



# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Italy</i>			
Amplifon SpA	351,282	1,687	1,736
De'Longhi SPA	29,070	323	329
Enel SpA	1,254,800	6,552	3,572
ENI SpA	424,300	11,514	8,184
Finmeccanica SpA	276,900	4,130	921
Lottomatica SPA	75,285	1,434	1,310
Pirelli & Company SpA	392,456	3,144	3,889
Prysmian SpA	158,952	2,492	2,244
Sorin SPA	858,072	1,724	1,467
<i>Total Italy - 1.3%</i>		33,000	23,652
<i>Japan</i>			
77 Bank Ltd	543,000	2,453	2,077
Aeon Delight Company Ltd	94,851	1,640	2,209
Asahi Kasei Corp	918,000	5,625	4,964
Brother Industries Ltd	227,200	3,214	2,489
Century Leasing System Inc	214,200	2,725	3,791
Coca-Cola West Company	130,900	2,361	2,198
Cocokara Fine Holdings Inc	80,100	2,067	2,797
Daiseki Company Ltd	94,260	1,864	1,528
Disco Corp	37,300	1,946	1,991
Don Quijote Co Ltd	63,800	2,240	2,290
Eizo Nannao Corporation	51,700	1,645	1,072
Foster electric Company Ltd	104,300	1,645	1,556
GEO Corporation	1,800	1,846	2,119
Hanwa Company Ltd	600,000	3,094	2,219
Heiwa Corporation	127,000	2,154	2,293
Hitachi Capital Corporation	67,400	608	959
Hitachi Metals Ltd	166,000	1,955	1,933
Hoshizaki Electric Company Ltd	102,496	1,667	2,517
Itochu Corp	499,000	3,527	5,466
Itochu Techno-Science Corp	86,200	2,686	3,990
Japan Petroleum Exploration Co	55,200	2,287	2,136
JSR Corporation	121,886	2,187	2,106
JTEKT Corporation	175,900	1,725	1,714
JVC Kenwood Holdings	568,100	2,319	1,891
JX Holdings Inc	958,421	6,146	4,865
KDDI Corporation	1,100	5,634	6,797
Keihin Corporation	160,500	1,387	2,407
Keiyo Bank Ltd	283,007	1,380	1,256
Konica Corporation	317,000	2,250	2,272
Kyorin Co Ltd	126,000	2,319	2,603
Kyowa Exeo Corporation	239,500	2,147	2,193
Marubeni Corporation	654,800	2,948	4,192
Matsumotokiyo Holdings Co	167,400	3,080	3,683
Megmilk Snow Brand Co Ltd	110,800	2,142	1,844
Miraca Holdings Inc	144,700	3,107	5,525
Mitsubishi Tokyo Finl Grp Inc	1,467,600	6,590	6,363
Mitsui & Company Ltd	422,100	7,215	5,943
Mizuho Financial Grp Inc	4,206,600	8,886	6,169
Musashi Seimitsu Industry Co	76,131	1,934	1,481
NGK Insulators LTD	180,000	2,191	1,873
Nippon Denko Company Ltd	366,000	1,735	1,354
Nippon Telegraph & Telephone	188,900	8,428	8,142
NTT DoCoMo	5,500	8,422	8,774
Otsuka Holdings Co Ltd	192,800	5,732	6,063
Pola Orbis Holdings Inc	98,800	2,408	2,671
Q.P. Corporation	143,000	2,109	2,021
Sankyo Company Ltd	48,400	2,199	2,333
Sapporo Hokuyo Holdings Inc	705,600	3,211	2,034
Sapporo Holdings Ltd	649,341	2,678	1,946
Seino Holdings Corporation Ltd	330,000	1,730	2,150
Shimadzu Corporation	262,000	2,233	2,188
Sumitomo Corporation	783,000	10,541	10,515

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Sumitomo Mitsui Financial Grp	191,100	5,996	5,578
Sundrug Co Ltd	90,200	2,475	2,842
THK Co Ltd	114,614	2,361	2,171
Toagosei Company Ltd	602,000	2,621	2,234
Tokyo Tatemono Company Ltd	751,700	2,747	2,425
Toshiba Plant Sys & Ser Corp	275,695	3,113	2,897
Toyo Suisan Kaisha Ltd	155,000	3,220	3,963
UBIC Inc	7,720	852	644
United Urban Investment Corp	2,133	2,379	2,304
Yaskawa Electric Corporation	234,000	1,900	1,755
Yodogawa Steel Works Ltd	512,000	2,194	1,848
Yokogawa Electric Corp	224,000	1,948	1,894
Yokohama Rubber Company Ltd	433,000	2,232	2,921
<i>Total Japan - 11.4%</i>		200,300	201,438
<i>Korea</i>			
BS Financial Group Inc	649,670	3,643	6,385
Hana Financial Group	175,280	6,605	5,525
Hyundai Motor Co Ltd	21,433	4,445	4,431
Hyundai Motor Company	207,252	9,760	12,415
Hyundai Securities Co Ltd	341,900	2,955	2,361
Industrial Bank of Korea (IBK)	305,000	5,052	3,101
KB Financial Group Inc	304,146	13,200	9,503
Korea Electric Power Corp	333,948	9,158	6,366
Korea Exchange Bank	656,100	7,827	4,564
KT Corporation	112,800	4,761	2,671
LG Chemical Ltd	5,127	1,928	1,264
LG Electronics Inc	33,733	2,710	1,889
Lotte Chilsung Beverage Co	7,401	6,543	8,484
Lotte Confectionery Co Ltd	1,417	1,519	1,867
NHN Corporation	9,531	1,883	1,958
Posco	57,077	15,747	11,871
Samsung Electronics Co Ltd	14,160	10,855	14,529
Samsung Engineering Co	13,720	2,914	2,185
Samsung Heavy Industries	76,790	2,787	2,378
Shinhan Financial Group	254,130	10,007	8,171
SK Holdings Co Ltd	31,100	2,711	3,228
SK Telecom Company Ltd	83,000	11,227	8,474
<i>Total Korea - 7.0%</i>		138,237	123,620
<i>Luxembourg</i>			
Ternium - 0.0%	46,470	893	880
<i>Malaysia</i>			
Axiata Group Berhad	1,468,200	2,432	2,486
Petronas Chemicals Group	422,500	948	893
Sime Darby Berhad	815,000	2,660	2,487
<i>Total Malaysia - 0.3%</i>		6,040	5,866
<i>Mauritius</i>			
Golden Agri-Resources Ltd - 0.1%	3,772,779	1,589	1,903
<i>Mexico</i>			
Alfa SA A Shares	453,400	2,692	5,689
America Movil	338,533	8,109	7,976
Cemex SAB de CV	1,380,201	10,301	7,646
Fibra Uno Administracion SA	2,663,251	4,365	4,943
Fomento Economico Mexicano SAB	30,100	2,032	2,373
Grupo Financiero Banorte	745,900	3,231	3,339
Grupo Televisa MM	1,368,013	5,172	5,214
Grupo Televisa SA	170,100	3,742	3,230
<i>Total Mexico - 2.3%</i>		39,644	40,410
<i>Netherlands</i>			
Aegon NV	879,800	7,090	3,705

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Aegon NV - Rights	879,800	-	-
ASM International NV	35,275	771	1,199
Delta Lloyd NV	150,800	3,505	1,867
Delta Lloyd NV - Rights	150,800	-	-
Koninklijke (Royal) KPN NV	569,500	8,070	5,383
Koninklijke Ahold NV	577,000	7,790	6,778
Koninklijke DSM NV	139,700	5,192	6,646
Koninklijke DSM NV - Rights	139,700	-	-
Nutreco Holding NV	58,914	3,308	3,866
<i>Total Netherlands - 1.7%</i>		35,726	29,444
<i>New Zealand</i>			
Chorus Ltd	402,320	943	986
Telecom Corp of New Zealand	2,011,600	3,097	3,900
<i>Total New Zealand - 0.3%</i>		4,040	4,886
<i>Norway</i>			
Cermaq ASA	178,900	2,702	1,872
DNB Holding ASA	230,200	3,057	2,075
Marine Harvest	3,035,738	2,208	1,481
StatoilHydro ASA	275,900	7,095	6,225
Stolt-Nielsen Ltd	96,500	2,011	1,555
TGS Nopec Geophysical Company	112,649	1,434	2,801
Veidekke ASA	272,143	2,467	1,981
<i>Total Norway - 1.0%</i>		20,974	17,990
<i>Pakistan</i>			
Nishat Mills Ltd - 0.1%	1,831,640	2,114	970
<i>Panama</i>			
Banco Latinoamericano de Exp	604,261	9,560	11,783
Copa Holdings	35,100	2,318	2,914
<i>Total Panama - 0.8%</i>		11,878	14,697
<i>Philippines</i>			
First Philippine Holdings Corp	2,029,217	1,282	3,344
Metropolitan Bank & Trust Co	1,872,369	3,071	3,869
<i>Total Philippines - 0.4%</i>		4,353	7,213
<i>Poland</i>			
KGHM Polska Miedz - 0.3%	154,400	5,140	5,548
<i>Portugal</i>			
Banco Espirito Santo - 0.0%	675,000	2,243	381
<i>Russia</i>			
Fed Hydro (RusHydro) ADR	1,624,023	6,222	3,816
Gazprom	1,291,150	13,421	11,319
Lukoil	408,916	24,689	21,332
Magnit	106,097	2,950	2,610
MMC Norilsk Nickel	402,961	6,648	5,972
Mobile TeleSystems	274,700	3,923	4,571
OAo TMK	139,166	1,703	1,724
Rosneft Oil	340,466	2,414	2,094
Sberbank	1,497,605	4,849	3,710
<i>Total Russia - 3.2%</i>		66,819	57,148
<i>Singapore</i>			
ComfortDelGro Corporation	1,770,000	1,977	2,019
DBS Group Holdings Ltd	429,000	3,783	4,401
Flextronics International Ltd	1,736,940	8,107	11,151
Haw Par Corporation Ltd	532,000	2,330	2,386
Hong Leong Asia Ltd	1,164,000	2,220	1,436
Venture Corp Ltd	207,000	1,114	1,282
<i>Total Singapore - 1.3%</i>		19,531	22,675

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>South Africa</i>			
Aspen Pharmacare Holdings	108,486	1,733	1,490
Astral Foods Ltd	161,900	2,256	2,292
Barloworld Ltd	255,646	2,823	2,526
Clicks Group Ltd	355,173	2,055	1,941
Exxaro Resources Ltd	89,309	2,165	1,973
FirstRand Ltd	1,213,673	3,468	3,650
Imperial Holdings Ltd	563,974	3,878	10,891
Metropolitan Holdings Ltd	1,946,300	3,206	3,794
MTN Group Ltd	620,520	9,381	9,746
Nampak Ltd	1,627,100	3,355	4,371
<i>Total South Africa - 2.4%</i>		34,320	42,674
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	763,400	8,451	4,054
Bolsas y Mercados Espanoles	31,168	826	539
Repsol SA	282,500	8,211	4,220
Telefonica SA	332,800	7,121	3,677
Viscofan SA	65,491	2,330	2,649
<i>Total Spain - 0.9%</i>		26,939	15,139
<i>Sweden</i>			
Boliden AB	577,000	8,085	7,357
Meda AB	274,998	2,284	2,629
NCC AB	212,300	3,788	3,565
<i>Total Sweden - 0.8%</i>		14,157	13,551
<i>Switzerland</i>			
Aryzta AG	45,090	2,172	2,032
Baloise Holding Ltd	73,300	4,946	4,518
BKW SA	50,182	2,641	1,650
Credit Suisse Group	219,200	9,498	4,153
DKSH Holdings Ltd	31,112	1,666	1,553
Informa PLC	607,510	2,813	3,189
Kudelski SA - BR	196,595	1,379	1,507
Kuoni Reisen Holding AG	8,687	2,943	2,521
Novartis AG	266,800	10,898	13,851
Partners Group Holding AG	14,487	1,431	2,400
Roche Holding AG	69,500	10,010	10,843
Swiss Re Ltd	78,300	3,982	4,512
Zurich Financial Services AG	28,300	6,612	5,784
<i>Total Switzerland - 3.3%</i>		60,991	58,513
<i>Taiwan</i>			
Catcher Technology Co Ltd	227,000	1,624	1,441
Chinatrust Financial Holding	4,778,075	3,570	2,665
Chipbond Technology Corp	2,627,000	3,320	3,459
Compal Electronics Inc	15,114,938	14,094	15,597
Gigabyte Technology Company	2,968,000	2,206	2,600
Hon Hai Precision Industry Co	754,000	2,196	2,210
Lite-On-It Corp	2,747,000	2,565	2,623
Novatek Microelectronics Corp	3,842,000	9,282	11,404
Taiwan Prosperity Chemical	1,410,600	5,642	3,403
Taiwan Semiconductor	375,500	4,823	5,156
Wistron Corporation	3,238,000	3,847	4,112
<i>Total Taiwan - 3.1%</i>		53,169	54,670
<i>Thailand</i>			
Banpu Putlic Company Ltd	151,300	3,342	2,140
Kasikornbank Public Co Ltd	662,600	2,586	3,228
Krung Thai Bank Public Co Ltd	16,010,900	4,677	7,549
PTT PLC	264,400	2,870	2,601
<i>Total Thailand - 0.9%</i>		13,475	15,518

See accompanying notes to financial statements.

# International Equity Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Turkey</i>			
Arcelik AS	259,200	1,141	1,088
Dogus Otomotiv Servis	828,060	1,859	1,915
Ford Otomotiv Sanayi AS	398,700	3,789	3,455
Koza Altin Isletmeleri AS	124,271	1,804	2,100
Selcuk Exza Deposu Ticaret AS	3,454,524	4,463	2,984
Turkiye Garanti Bankasi AS	2,337,860	8,642	7,502
Turkiye Sinai Kalkinma Bank	1,484,831	2,069	1,745
Turkiye Vakiflar Bankasi T-D	4,234,600	4,474	6,748
<i>Total Turkey - 1.6%</i>		28,241	27,537
<i>United Arab Emirates</i>			
Air Arabia - 0.4%	49,680,491	9,983	7,791
<i>United Kingdom</i>			
Afren PLC	1,290,042	2,700	2,305
AstraZeneca Group PLC	424,400	18,737	17,101
Aviva PLC	814,200	6,345	3,277
Babcock International Group	229,358	2,390	3,001
Barclays PLC	1,178,654	9,498	3,198
Barratt Developments PLC	1,541,305	2,968	2,844
BBA Aviation PLC	828,708	2,472	2,466
BP Amoco PLC	2,203,400	18,852	13,392
British Aerospace PLC	1,491,800	7,408	6,264
BT Group PLC	3,380,900	9,759	10,735
Cable & Wireless Communication	7,168,000	4,198	3,010
Computacenter PLC	900,800	3,344	5,069
Cookson Group PLC	268,428	1,887	2,588
Daily Mail & General Trust PLC	414,887	2,428	2,429
Debenhams PLC	3,379,730	3,475	4,029
Derwent London PLC	97,313	2,448	2,612
Domino Printing Sciences	244,731	2,518	2,109
Drax Group PLC	434,000	4,706	3,657
Enquest PLC	1,468,233	2,805	2,746
GlaxoSmithKline PLC	374,400	7,614	8,287
Greene King PLC	72,815	343	548
HSBC Bank Plc	73,700	1,243	1,299
Hunting PLC	240,686	2,175	3,093
IG Group Holdings PLC	429,785	2,125	2,865
Inchcape PLC	603,600	2,657	2,915
International Personal Finance	540,838	2,027	1,864
J Sainsbury PLC	1,464,800	7,455	6,495
Jazztel PLC	353,135	2,220	1,940
Legal & General Group PLC	2,319,500	4,876	3,941
Logica PLC	2,046,300	2,035	3,493
Mail.ru Group Ltd	72,744	2,801	2,282
Marston's PLC	893,188	2,333	1,354
Melrose PLC	534,768	2,420	3,496
Mitchells & Butlers PLC	643,849	3,211	2,244
Mondi PLC	779,100	5,721	6,080
Old Mutual PLC	2,215,589	5,308	4,829
Premier Farnell PLC	744,035	2,330	1,821
Premier Oil PLC	550,263	2,566	2,884
Royal & Sun Alliance Insurance	1,524,400	2,770	2,318
Royal Dutch Shell B Shares	689,200	19,372	22,048
RPS Group PLC	684,658	1,671	2,181
Spectris PLC	137,083	1,851	3,389
Spirax-Sarco Engineering	87,048	1,962	2,768
Spirent Commuicatos PLC	1,223,705	2,175	3,010
St. James Place PLC	492,611	1,753	2,366
Thomas Cook Group	959,500	3,433	277
Vodafone Group PLC	2,467,200	5,000	6,569
William Morrison Supermarkets	1,471,000	6,997	6,253
<i>Total United Kingdom - 11.5%</i>		217,382	205,741

See accompanying notes to financial statements.

# International Equity Pool

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

**May 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
<i>United States</i>			
Cognizant Tech Solutions A	42,000	2,890	2,447
First Cash Finl Svcs Inc	44,900	1,780	1,682
Southern Copper Corporation	54,200	1,798	1,542
<i>Total United States - 0.3%</i>		6,468	5,671
Total Equities - 97.5%		1,956,635	1,727,518
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 0.6%	11,151,444	11,151	11,151
Total Investment Securities - 98.1%		<u>\$ 1,967,786</u>	<u>\$ 1,738,669</u>
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 114,583	\$ 114,583
Mellon SL DBT II Liquidating Fund		2,022	1,962
Mellon GSL DBT II Liquidating Trust		3,305	-
Total Collateral for Securities Loaned		<u>\$ 119,910</u>	<u>\$ 116,545</u>

*See accompanying notes to financial statements.*

# International Equity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 15,868	\$ 61,369
Interest	-	7
Securities lending income	23	163
Securities lending borrower premiums	402	1,296
Net shareholder litigation process	-	3
Commission recapture	-	4
	<b>16,293</b>	<b>62,842</b>
<b>Expenses</b>		
Investment advisor fees	(891)	(9,898)
Trustee fees	(1)	(6)
Custodian bank fees	(53)	(639)
Management fees	(48)	(516)
Fiduciary bond fees	-	(7)
Professional service fees	(9)	(96)
Securities lending agent fees	(85)	(259)
	<b>(1,087)</b>	<b>(11,421)</b>
	<b>Investment income, net</b>	<b>51,421</b>
	<b>15,206</b>	<b>51,421</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	3,383	16,383
Foreign currency transactions	(1,286)	3,084
Net decrease in the fair value of:		
Investments	(173,812)	(311,287)
Translation of assets and liabilities in foreign currencies	(72,799)	(151,215)
	<b>(244,514)</b>	<b>(443,035)</b>
	<b>Net loss from investments and foreign currency</b>	<b>(443,035)</b>
	<b>(244,514)</b>	<b>(443,035)</b>
	<b>Net decrease in net assets from operations</b>	<b>(391,614)</b>
	<b>\$ (229,308)</b>	<b>\$ (391,614)</b>

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

## International Equity Pool

**Statement of Changes in Net Assets - Unaudited**  
**Period Ended May 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 15,206	\$ 51,421
Net realized gain from investments	3,383	16,383
Net realized gain (loss) from foreign currency transactions	(1,286)	3,084
Net decrease in the fair value of investments	(173,812)	(311,287)
Net decrease in the translation of assets and liabilities in foreign currencies	(72,799)	(151,215)
<b>Net decrease in net assets from operations</b>	(229,308)	(391,614)
<b>Unit transactions</b>		
Proceeds from sale of units	1,429	368,126
Amount paid for repurchase of units	(7,542)	(53,112)
<b>Net increase (decrease) in net assets from unit transactions</b>	(6,113)	315,014
<b>Decrease in net assets</b>	(235,421)	(76,600)
<b>Net assets, beginning of period</b>	2,005,466	1,846,645
<b>Net assets, end of period</b>	<u>\$ 1,770,045</u>	<u>\$ 1,770,045</u>
<b>Unit data</b>		
Units sold	67,537	18,420,268
Units repurchased	(356,454)	(2,399,414)
<b>Net increase (decrease) in units</b>	<u>(288,917)</u>	<u>16,020,854</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 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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 1,727,518	\$ -	\$ -	\$ 1,727,518
Regulated investment companies	-	11,151	-	11,151
Foreign currency forward contracts	-	24	-	24
Securities lending collateral funds	-	116,545	-	116,545
Total	<u>\$ 1,727,518</u>	<u>\$ 127,720</u>	<u>\$ -</u>	<u>\$ 1,855,238</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	<u>\$ -</u>	<u>\$ (17)</u>	<u>\$ -</u>	<u>\$ (17)</u>

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

#### NOTE 4. SECURITIES LENDING

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

Fair value of securities on loan	\$ 108,382		
Initial collateral received:	Cost	Fair Value	Unrealized loss
Cash	<u>\$ 119,910</u>	\$ 116,545	<u>\$ (3,365)</u>
Non-cash		-	
Total		<u>\$ 116,545</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 May 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 May 2012, the pool has recorded, but not distributed \$5,402 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 May 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	Hong Kong Dollar vs. Japanese Yen	05/30/2012	06/01/2012	1,112	\$ 143	11,312	\$ 144	\$ (1)
Long	Japanese Yen vs. Euro Currency Unit	05/30/2012	06/01/2012	2,878	37	29	36	1
Long	Japanese Yen vs. Euro Currency Unit	05/31/2012	06/04/2012	5,815	74	59	73	1
Long	Japanese Yen vs. Hong Kong Dollar	05/31/2012	06/04/2012	5,814	74	575	74	-
Long	Swiss Franc vs. Japanese Yen	05/30/2012	06/01/2012	296	305	24,324	310	(5)
Long	Turkish Lira	05/30/2012	06/01/2012	488	262		264	(2)
Long	Turkish Lira	05/31/2012	06/04/2012	482	258		259	(1)
Short	Emirati Dirham	05/30/2012	06/04/2012		812	2,981	812	-
Short	Euro Currency Unit	05/31/2012	06/01/2012		46	37	46	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	26	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	18	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	25	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	12	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	19	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		3	205	3	-
Short	Japanese Yen	05/31/2012	06/01/2012		1	98	1	-
Short	Japanese Yen	05/31/2012	06/01/2012		1	104	1	-
Short	Japanese Yen	05/31/2012	06/01/2012		2	148	2	-
Short	Japanese Yen	05/31/2012	06/01/2012		1	53	1	-
Short	Japanese Yen	05/31/2012	06/01/2012		1	54	1	-
Short	South Korean Won	05/30/2012	06/01/2012		1,633	1,935,428	1,640	(7)
Short	South Korean Won	05/31/2012	06/04/2012		488	577,245	489	(1)
Short	Mexican Peso	05/30/2012	06/01/2012		1,169	16,429	1,147	22
					<u>\$ 5,310</u>		<u>\$ 5,303</u>	<u>\$ 7</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.

# International Equity Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 6. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$ 23.53
Income from investment operations:	
Net investment income	0.59
Net realized and unrealized loss on investment transactions	(3.71)
Net realized gain from foreign currency transactions	0.04
Net decrease in the translation of assets and liabilities in foreign currencies	(1.72)
Total from investment operations	(4.80)
Net asset value at May 31, 2012	\$ 18.73

**Time-weighted Total Return \*** -20.3%

**Supplemental Data:**

Net assets, end of period	\$ 1,770,045
Ratio to average net assets:	
Expenses **	0.68%
Net investment income **	3.12%
Portfolio turnover rate	50.58%

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

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

### NOTE 7. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 780,756
Public Employees' Retirement System	687,155
State Police Death, Disability and Retirement Fund	71,928
Workers' Compensation Old Fund	57,967
West Virginia Retiree Health Benefit Trust	48,659
Revenue Shortfall Reserve Fund - Part B	20,373
Judges' Retirement System	20,054
Deputy Sheriff's Retirement System	18,330
Coal Workers' Pneumoconiosis Fund	15,951
State Police Retirement System	12,450
Board of Risk and Insurance Management	8,529
West Virginia Prepaid Tuition Trust Fund	7,988
Wildlife Endowment Fund	6,302
Public Employees Insurance Agency	5,651
Emergency Medical Services Retirement System	5,563
West Virginia Department of Environmental Protection Trust	1,131
Workers' Compensation Self-Insured Guaranty Risk Pool	668
Workers' Compensation Uninsured Employers' Fund	563
Municipal Police Officers' and Firefighters' Retirement System	27
Total	\$ 1,770,045

**Financial Statements - Unaudited**

**May 31, 2012**





# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited May 31, 2012

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# Short-Term Fixed Income Pool

---

## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost	\$	238,765
Receivables:		
Investments sold		25,000
Accrued interest		51
		<hr/>
<b>Total assets</b>		263,816

### Liabilities

Accrued expenses		38
		<hr/>
<b>Net assets</b>	\$	<u>263,778</u>

### Analysis of net assets

Paid-in capital	\$	263,728
Accumulated undistributed net realized gain from investments		50
		<hr/>
<b>Net assets</b>	\$	<u>263,778</u>

### Unit data

Units outstanding		263,728,316
Net asset value, unit price	\$	<u>1.00</u>

See accompanying notes to financial statements.

# Short-Term Fixed Income Pool

## Schedule of Investments in Securities - Unaudited

**May 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	0.380 %	0.088 %	08/31/2012	2,000	\$ 2,001	\$ 2,001
United States Treasury	3.880	0.166	10/31/2012	1,000	1,015	1,015
United States Treasury	1.380	0.208	03/15/2013	2,000	2,018	2,019
Total U. S. Treasury Issues - 1.9%					5,034	5,035
<b><u>U. S. Government Agency Issues</u></b>						
Federal Farm Credit Bank	0.310	0.290	07/23/2012	1,000	1,000	1,000
Federal Home Loan Bank	0.140	0.148	09/25/2012	4,000	4,000	4,000
Federal Home Loan Bank	0.160	0.174	11/13/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.380	0.400	03/01/2013	1,000	1,000	1,001
Federal Home Loan Bank	0.230	0.248	04/05/2013	1,000	1,000	1,000
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	2,752	2,752
Federal National Mortgage Assn	1.750	0.144	08/10/2012	4,000	4,012	4,012
Federal National Mortgage Assn	0.630	0.148	09/24/2012	1,000	1,001	1,002
Total U. S. Government Agency Issues - 6.7%					17,765	17,767
<b><u>Short-term Issues</u></b>						
Bank of Nova Scotia	0.000	0.167	06/11/2012	5,000	5,000	5,000
Dreyfus Cash Management Institutional Fund	0.010	0.760		812	1	1
Federal Home Loan Bank	0.000	0.076	06/01/2012	6,000	6,000	6,000
Federal Home Loan Bank	0.000	0.096	06/20/2012	8,000	8,000	8,000
Federal Home Loan Bank	0.000	0.101	07/05/2012	5,000	5,000	5,000
Federal Home Loan Bank	0.000	0.115	07/11/2012	8,000	7,999	7,998
Federal Home Loan Bank	0.000	0.112	07/13/2012	10,000	9,998	9,998
Federal Home Loan Bank	0.000	0.117	07/18/2012	6,000	5,999	5,999
Federal Home Loan Bank	0.000	0.122	07/27/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.000	0.122	08/01/2012	3,500	3,499	3,499
Federal Home Loan Bank	0.000	0.117	08/08/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.000	0.183	10/17/2012	1,000	999	1,000
Federal Home Loan Bank	0.000	0.162	10/31/2012	5,000	4,997	4,998
Federal Home Loan Bank	0.000	0.157	11/02/2012	12,000	11,992	11,993
Federal Home Loan Bank	0.000	0.162	11/16/2012	2,000	1,999	1,999
Federal Home Loan Mort Corp	0.000	0.086	06/04/2012	7,000	7,000	7,000
Federal Home Loan Mort Corp	0.000	0.081	07/02/2012	2,000	2,000	2,000
Federal Home Loan Mort Corp	0.000	0.122	07/17/2012	1,000	1,000	1,000
Federal Home Loan Mort Corp	0.000	0.112	07/30/2012	10,000	9,998	9,998
Federal Home Loan Mort Corp	0.000	0.122	08/06/2012	4,000	3,999	3,999
Federal Home Loan Mort Corp	0.000	0.071	08/10/2012	4,000	3,999	3,999
Federal National Mortgage Assn	0.000	0.152	07/02/2012	2,000	2,000	2,000
Mizuho Funding LLC	0.000	0.365	06/06/2012	3,000	3,000	3,000
Repurchase Agreement	0.190	0.190	06/01/2012	58,490	58,490	58,490
Sheffield Receivables	0.000	0.233	06/12/2012	5,500	5,500	5,500
United States Treasury	0.000	0.081	06/07/2012	9,000	9,000	9,000
United States Treasury	0.000	0.082	06/14/2012	10,000	10,000	10,000
United States Treasury	0.000	0.051	07/05/2012	10,000	10,000	10,000
United States Treasury	0.000	0.082	07/19/2012	5,000	4,999	4,999
United States Treasury	0.000	0.081	07/26/2012	7,500	7,498	7,498
United States Treasury	0.000	0.081	08/02/2012	2,000	2,000	2,000
Total Short-Term Issues - 81.9%					215,966	215,968
Total Investment Securities - 90.5%					\$ 238,765	\$ 238,770

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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### Statement of Operations - Unaudited

Period Ended May 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 20	\$ 245
Dividends	1	1
Net accretion (amortization)	8	(4)
	<hr/>	<hr/>
<b>Total investment income</b>	29	242
<b>Expenses</b>		
Investment advisor fees	(11)	(112)
Trustee fee	-	(1)
Custodian bank fees	(1)	(9)
Management fees	(7)	(75)
Fiduciary bond fees	-	(1)
Professional service fees	(1)	(14)
	<hr/>	<hr/>
<b>Total expenses</b>	(20)	(212)
<b>Investment income, net</b>	9	30
<b>Net realized gain from investments</b>	2	4
	<hr/>	<hr/>
<b>Net increase in net assets from operations</b>	<u>\$ 11</u>	<u>\$ 34</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 May 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 9	\$ 30
Net realized gain from investments	2	4
	11	34
<b>Distributions to unitholders</b>		
Investment income, net	(9)	(30)
<b>Unit transactions</b>		
Proceeds from sale of units	183,302	1,673,581
Reinvestment of distributions	9	30
	183,311	1,673,611
Amount paid for repurchase of units	(120,619)	(1,768,607)
	62,692	(94,996)
	62,694	(94,992)
	201,084	358,770
	\$ 263,778	\$ 263,778
<b>Unit data</b>		
Units sold	183,302,148	1,673,581,313
Units issued from reinvestment of distributions	8,453	29,505
	183,310,601	1,673,610,818
Units repurchased	(120,618,132)	(1,768,606,652)
	62,692,469	(94,995,834)

*\*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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Short-term issues	\$ -	\$ 215,966	\$ -	\$ 215,966
U.S. government agency issues	-	17,765	-	17,765
U.S. Treasury issues	-	5,034	-	5,034
Total	\$ -	\$ 238,765	\$ -	\$ 238,765

There were no transfers in or out of Levels 1 and 2 during the period ended May 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	-
Less distributions from net investment income*	-
Net asset value at May 31, 2012	\$ 1.00

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

##### Supplemental Data:

Net assets, end of period	\$ 263,778
Ratio to average net assets:	
Expenses ***	0.09%
Net investment income ***	0.01%
Weighted average days to maturity	45
Maximum weighted average investment maturity per Board guidelines	60 days
Money market yield ****	0.04%

\* 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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 98,068
Teachers' Retirement System	49,815
Teachers' Employers Contribution Collection Account	44,789
State Police Death, Disability and Retirement Fund	22,262
Public Employees' Retirement System	15,323
Coal Workers' Pneumoconiosis Fund	11,891
Public Employees Insurance Agency	9,193
Board of Risk and Insurance Management	6,984
Revenue Shortfall Reserve Fund - Part B	1,567
West Virginia Prepaid Tuition Trust Fund	1,010
Workers' Compensation Self-Insured Guaranty Risk Pool	685
State Police Retirement System	584
Workers' Compensation Uninsured Employers' Fund	460
Deputy Sheriff's Retirement System	415
Judges' Retirement System	225
Emergency Medical Services Retirement System	186
West Virginia Retiree Health Benefit Trust	126
Wildlife Endowment Fund	95
Revenue Shortfall Reserve Fund	33
Municipal Police Officers' and Firefighters' Retirement System	15
West Virginia Department of Environmental Protection Trust	1
AccessWV	1
Total	<u>\$ 263,728</u>



**Financial Statements - Unaudited**

**May 31, 2012**



# Total Return Fixed Income Pool

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## Financial Statements - Unaudited May 31, 2012

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# Total Return Fixed Income Pool

## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,338,068
Collateral for securities loaned at fair value (Note 5)		3,926
Cash denominated in foreign currencies (cost \$2,763)		2,714
Cash pledged as collateral for derivative contracts		6,288
Unrealized gain on futures contracts (Note 6)		197
Unrealized gain on foreign currency forward contracts (Note 8)		582
Receivables:		
Accrued interest		14,631
Investments sold		101,173
Dividends		14
Securities lending income		15
Other		125
		<hr/>
<b>Total assets</b>		<b>2,467,733</b>

### Liabilities

Accrued expenses		1,001
Dividends payable		4,685
Payable for investments purchased		89,881
Payable upon return of securities loaned (Note 5)		5,543
Unrealized loss on futures contracts (Note 6)		4,164
Unrealized loss on foreign currency forward contracts (Note 8)		1,005
Option contracts written		295
		<hr/>
<b>Total liabilities</b>		<b>106,574</b>

**Net assets** \$ 2,361,159

### Analysis of net assets

Paid-in capital	\$	1,876,844
Accumulated undistributed net investment income		829
Accumulated undistributed net realized gain from investments		326,583
Accumulated undistributed net realized gain from foreign currency transactions		13,981
Unrealized net appreciation of investments		143,394
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		(472)
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b><u><u>2,361,159</u></u></b>

### Unit data

Units outstanding		166,947,686
Net asset value, unit price	\$	<u><u>14.14</u></u>

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited

May 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	\$ 16,858	\$ 20,863	
California	7.550	6.884	04/01/2039	6,840	7,394	8,833	
California	7.300	7.353	10/01/2039	2,155	2,141	2,686	
California	7.630	7.196	03/01/2040	1,600	1,682	2,077	
County of Carroll KY	0.240 A	1.095	10/01/2032	4,800	4,046	3,668	
Illinois State	4.960	3.643	03/01/2016	7,550	7,896	8,175	
Illinois State	5.370	5.365	03/01/2017	6,600	6,600	7,259	
Illinois State	5.670	5.057	03/01/2018	4,275	4,402	4,780	
Los Angeles Unified Sch Dist	6.760	6.026	07/01/2034	6,625	7,201	8,777	
New Jersey Turnpike Authority	7.100	6.680	01/01/2041	6,015	6,321	8,532	
Pennsylvania St Higher Ed Assn	0.200 A	0.544	05/01/2046	8,125	7,230	7,561	
Pennsylvania St Higher Ed Assn	0.230 A	0.521	05/01/2046	2,750	2,479	2,559	
Wake County Indl FACS-B-ARS	0.350 A	1.564	10/01/2022	6,700	5,899	5,422	
Wake County Indl FACS-D-ARS	0.440 A	1.792	10/01/2022	3,350	2,919	2,689	
Total Municipal Bonds - 4.0%						83,068	93,881
<b><u>U. S. Treasury Issues</u></b>							
United States Treasury	0.630	0.202	07/31/2012	15,295	15,306	15,308	
United States Treasury	0.500	0.186	11/30/2012	12,000	12,019	12,021	
United States Treasury	0.630	0.215	04/30/2013	15,300	15,357	15,358	
United States Treasury	0.750	0.226	08/15/2013	5,000	5,032	5,031	
United States Treasury	1.880	0.526	02/28/2014	1,370	1,402	1,408	
United States Treasury	1.250	0.859	04/15/2014	30,000	30,217	30,542	
United States Treasury	1.500	1.481	06/30/2016	580	580	602	
United States Treasury	1.000	0.948	08/31/2016	4,140	4,149	4,215	
United States Treasury	1.380	1.418	02/28/2019	5,160	5,146	5,297	
United States Treasury	1.250	1.026	04/30/2019	53,300	54,093	54,162	
United States Treasury	2.000	1.912	11/15/2021	59,340	59,789	61,885	
United States Treasury	2.000	2.128	02/15/2022	1,200	1,186	1,248	
United States Treasury *	2.000	1.808	01/15/2026	26,670	31,536	39,912	
United States Treasury	4.380	3.583	05/15/2040	9,370	10,615	12,708	
United States Treasury	4.380	4.263	05/15/2041	1,540	1,569	2,092	
United States Treasury	3.130	3.123	11/15/2041	13,590	13,595	14,860	
Total U. S. Treasury Issues - 11.7%						261,591	276,649
<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	5.768	2.637	02/16/2037	75,653	82,217	83,187	
FNMA Issues	5.821	2.815	11/27/2033	307,179	332,603	339,337	
<i>Total U. S. Government Agency MBS</i>						414,820	422,524
<i>U.S. Government Agency TBAs</i>							
Federal National Mortgage Assn	6.000	5.165	07/01/2042	15,400	16,945	16,940	
<i>U. S. Government Agency CMO</i>							
Federal Home Loan Mortgage	1.230 A	7.453	04/25/2020	4,123	274	296	
Federal Home Loan Mortgage	1.680 A	7.839	06/25/2020	4,333	396	432	
Federal Home Loan Mortgage	1.510 A	7.299	08/25/2020	38,229	3,017	3,349	
Federal Home Loan Mortgage	1.040	0.000	03/15/2034	167	167	167	
Federal Home Loan Mortgage	6.000	2.181	05/15/2036	716	828	843	
Federal National Mortgage Assn	7.000	3.155	11/25/2040	17,368	19,224	19,691	
Federal National Mortgage Assn	5.500	2.182	04/25/2042	2,700	3,027	3,068	
Federal National Mortgage Assn	6.500	2.758	09/25/2042	51	55	59	
Federal National Mortgage Assn	6.500	4.979	12/25/2042	2,257	2,473	2,630	
Federal National Mortgage Assn	7.500	5.102	12/25/2045	2,482	2,795	2,900	
<i>Total U. S. Government Agency CMO</i>						32,256	33,435
Total U. S. Government Agency Issues - 20.0%						464,021	472,899
<b><u>Corporate Issues</u></b>							
<i>Corporate Bonds</i>							
AES Corporation	8.000	8.000	06/01/2020	6,400	6,400	7,200	

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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)

May 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	5.529	02/11/2014	17,420	17,131	17,376
American Express Co	6.150	6.072	08/28/2017	1,250	1,254	1,474
American Express Co	6.800	6.550	09/01/2066	1,660	1,721	1,702
American International Group	4.250	4.448	09/15/2014	3,200	3,186	3,313
American International Group	5.850	5.922	01/16/2018	910	907	998
American International Group	8.250	5.087	08/15/2018	4,825	5,628	5,802
American International Group	6.400	6.435	12/15/2020	2,390	2,385	2,682
Amgen Inc	4.500	4.506	03/15/2020	1,290	1,289	1,411
Anadarko Finance Co	7.500	6.559	05/01/2031	1,240	1,365	1,548
Anadarko Petroleum Corp	6.380	6.072	09/15/2017	740	749	865
AOL Time Warner Inc	7.630	6.150	04/15/2031	4,500	5,235	5,861
AOL Time Warner Inc	7.700	5.911	05/01/2032	9,474	11,441	12,549
Asciano Finance	3.130	3.158	09/23/2015	4,890	4,885	4,878
ASIF Global Financing XIX	4.900	4.777	01/17/2013	510	510	516
AT&T Corp	8.000	6.053	11/15/2031	2,750	3,357	4,083
AT&T Inc	5.500	5.575	02/01/2018	5,076	5,058	6,001
AT&T Inc	6.550	5.508	02/15/2039	925	1,057	1,181
AT&T Inc	5.350	4.605	09/01/2040	5,000	5,585	5,635
BAC Capital Trust XI	6.630	7.267	05/23/2036	15,130	14,008	16,597
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	444
Bank of America Corp	5.420	3.544	03/15/2017	600	649	605
Bank of America Corp	7.630	5.211	06/01/2019	15,000	17,100	17,146
Bank of America Corp	5.630	5.979	07/01/2020	1,510	1,476	1,564
Bank of America Corp	5.000	5.091	05/13/2021	1,380	1,371	1,385
Barclays Bank PLC	6.750	5.134	05/22/2019	2,900	3,172	3,341
Barclays Bank PLC	5.130	4.728	01/08/2020	2,290	2,346	2,456
BNSF Railway Co 2007-1 P	6.000	4.731	04/01/2024	903	1,006	1,055
Boston Properties LP	5.880	5.323	10/15/2019	4,950	5,115	5,707
Boston Properties LP	5.630	4.370	11/15/2020	4,600	5,004	5,368
Boston Scientific Corp	6.400	4.792	06/15/2016	9,415	9,965	10,884
Boston Scientific Corp	6.000	6.466	01/15/2020	500	486	593
BP Capital Markets PLC	3.130	3.187	10/01/2015	3,010	3,004	3,169
Burlington NO SF 00-1 TR	8.250	3.785	01/15/2021	313	368	393
Burlington NO SF 06-2 TR	5.630	3.991	04/01/2024	436	481	507
Burlington North Santa Fe	4.700	4.757	10/01/2019	850	847	974
Burlington North Santa Fe	4.100	4.153	06/01/2021	7,075	7,047	7,784
Calpine Corp	7.880	7.875	01/15/2023	2,500	2,500	2,644
Canadia Pacific Railroad Co	5.750	5.922	01/15/2042	1,950	1,903	2,290
Capital One Financial Corp	6.750	4.405	09/15/2017	6,882	7,632	8,222
Capital One Financial Corp	4.750	4.838	07/15/2021	3,250	3,229	3,570
Chesapeake Energy Corp	0.000	0.552	12/02/2017	1,810	1,756	1,777
CIGNA Corporation	8.500	4.320	05/01/2019	3,399	4,240	4,419
CIGNA Corporation	7.650	6.813	03/01/2023	1,925	2,045	2,401
CIGNA Corporation	7.880	6.865	05/15/2027	1,545	1,689	2,011
CIGNA Corporation	6.150	5.839	11/15/2036	3,488	3,626	4,146
CIGNA Corporation	5.880	5.921	03/15/2041	1,135	1,128	1,303
Citigroup Inc	5.000	4.901	09/15/2014	6,750	6,764	6,902
Citigroup Inc	3.950	3.505	06/15/2016	2,160	2,196	2,195
Citigroup Inc	6.130	5.111	11/21/2017	15,745	16,494	17,035
Citigroup Inc	5.380	4.754	08/09/2020	1,610	1,677	1,730
Citigroup Inc	6.880	6.929	03/05/2038	3,460	3,438	4,059
Comcast Cable Communication	8.880	4.655	05/01/2017	2,615	3,095	3,380
Comcast Corp	6.500	4.573	01/15/2017	4,500	4,857	5,350
Comcast Corp	6.300	3.377	11/15/2017	2,700	3,090	3,254
Comcast Corp	5.880	3.492	02/15/2018	2,000	2,244	2,357
Comcast Corp	6.400	5.508	05/15/2038	2,600	2,918	3,197
Continental Airlines Inc	9.250	9.250	05/10/2017	1,071	1,071	1,174
Continental Airlines Inc	7.250	7.250	11/10/2019	5,257	5,257	5,914
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2098	5,000	3,320	3,650
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	2,405	2,624
Cox Communications Inc	9.380	4.731	01/15/2019	11,495	14,495	15,579
Credit Agricole SA	8.380	8.375	12/13/2049	4,130	4,130	3,118
CVS Pass Through Trust	6.940	7.044	01/10/2030	1,923	1,923	2,297

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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)

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value	
Delta Air Lines	6.820	6.823	08/10/2022	2,052	2,052	2,222	
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	1,635	1,627	1,841	
Dow Chemical Company	8.550	5.415	05/15/2019	6,709	7,913	8,874	
Dow Chemical Company	9.400	5.987	05/15/2039	7,240	10,519	11,477	
El Paso Corporation	7.800	11.248	08/01/2031	469	338	534	
El Paso Corporation	7.750	7.814	01/15/2032	222	221	253	
ERP Operating-LP	4.630	4.504	12/15/2021	4,400	4,440	4,797	
Export-Import Bank Korea	4.000	4.043	01/11/2017	6,675	6,663	6,998	
Ford Motor Credit Company	5.630	5.307	09/15/2015	9,200	9,286	10,125	
Ford Motor Credit Company	5.750	5.750	02/01/2021	10,300	10,300	11,725	
General Electric Capital Corp	5.450	5.188	01/15/2013	570	571	587	
General Electric Capital Corp	5.500	4.532	01/08/2020	7,755	8,231	8,875	
General Electric Capital Corp	4.380	4.185	09/16/2020	3,550	3,597	3,830	
General Electric Capital Corp	4.630	4.118	01/07/2021	2,550	2,643	2,785	
General Electric Capital Corp	4.650	3.474	10/17/2021	2,000	2,187	2,197	
General Electric Capital Corp	6.380	4.060	11/15/2067	4,910	4,849	5,051	
Glitmir BankI HF	0.000	N	N/A	5,000	6	6	
Glitmir BankI HF	0.000	N	N/A	600	1	1	
Goldman Sachs Capital II	1.230	2.685	12/29/2049	3,960	3,254	2,614	
Goldman Sachs Group Inc	6.150	6.141	04/01/2018	3,680	3,682	3,842	
Goldman Sachs Group Inc	6.250	6.241	02/01/2041	2,810	2,813	2,830	
Greenpoint Manufacture Housing	2.990	A	4.513	03/18/2029	1,025	830	828
Greenpoint Manufacture Housing	3.740	A	5.512	06/19/2029	500	400	388
Greenpoint Manufacture Housing	3.740	A	5.463	02/20/2030	525	420	402
Greenpoint Manufacture Housing	3.740	A	5.024	02/20/2032	850	713	645
Greenpoint Manufacture Housing	3.740	A	3.744	03/13/2032	1,150	964	924
Groupe BPCE	12.500		9.578	P	3,317	4,329	3,218
HCA Inc	6.300	5.640	10/01/2012	5,750	5,762	5,808	
HCA Inc	6.250	6.252	02/15/2013	8,000	8,000	8,160	
HCA Inc	6.750	5.618	07/15/2013	1,400	1,417	1,451	
HCA Inc	5.750	5.632	03/15/2014	3,300	3,306	3,407	
HCA Inc	6.380	3.610	01/15/2015	5,295	5,658	5,613	
HCA Inc	6.500	5.853	02/15/2016	3,500	3,574	3,688	
Health Net Inc	6.380	7.209	06/01/2017	2,850	2,751	2,907	
Hewlett-Packard Company	3.300	3.346	12/09/2016	4,300	4,292	4,438	
HSBC Finance Corp	6.380	6.462	11/27/2012	440	440	451	
HSBC Finance Corp	6.680	7.080	01/15/2021	1,450	1,413	1,565	
HSBC Holdings PLC	5.100	5.128	04/05/2021	3,125	3,119	3,457	
HSBC Holdings PLC	6.500	6.137	05/02/2036	10,725	11,202	11,841	
HSBC Holdings PLC	6.500	6.601	09/15/2037	490	484	548	
Humana Inc	7.200	6.671	06/15/2018	2,030	2,083	2,457	
Humana Inc	8.150	8.095	06/15/2038	730	734	986	
ICICI Bank Limited	6.380	6.676	04/30/2022	1,994	1,784	1,790	
ILFC E-Capital Trust II	6.250	3.433	12/21/2065	4,520	4,011	3,254	
John Deere Capital Corp	5.350	5.235	04/03/2018	1,550	1,559	1,851	
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,594	1,632	
JP Morgan Chase & Co	5.130	5.030	09/15/2014	40	40	42	
JP Morgan Chase & Co	5.150	5.330	10/01/2015	790	786	841	
JP Morgan Chase & Co	4.950	4.276	03/25/2020	7,140	7,456	7,775	
JP Morgan Chase & Co	4.350	3.935	08/15/2021	4,875	5,030	5,089	
JP Morgan Chase XVII	5.850	6.301	08/01/2035	807	763	823	
JPM Chase Capital XXV	6.800	6.684	10/01/2037	1,000	1,014	1,003	
Kaupthing Bank HF	0.000	N	N/A	7,930	1,963	1,983	
Kerr-McGee Corporation	6.950	5.912	07/01/2024	490	533	608	
Kerr-McGee Corporation	7.880	6.593	09/15/2031	1,665	1,896	2,139	
Kinder Morgan Energy Partners	5.850	7.004	09/15/2012	150	150	152	
Kinder Morgan Energy Partners	5.000	6.163	12/15/2013	940	924	989	
Kinder Morgan Energy Partners	6.000	6.219	02/01/2017	1,610	1,596	1,862	
KLA-Tencor Corporation	6.900	3.149	05/01/2018	4,900	5,885	5,895	
Kroger Co	6.400	5.641	08/15/2017	220	227	266	
Kroger Co	3.400	3.466	04/15/2022	1,600	1,591	1,589	
Lafarge SA	6.200	4.489	07/09/2015	6,175	6,477	6,546	
Lafarge SA	6.500	5.317	07/15/2016	7,250	7,563	7,703	
Legg Mason Inc	5.500	5.682	05/21/2019	5,900	5,839	5,993	
Lehman Bros CAP TR VII	0.000	N	N/A	110	-	-	

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See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value	
Lehman Bros CAP TR VII	0.000	N	N/A	12/28/2017	8,860	-	-
Lehman Bros CAP TR VII	0.000	N	N/A	11/29/2049	4,430	-	-
Lloyds TSB Bank PLC	4.200	4.163	03/28/2017	5,675	5,684	5,667	
Lloyds TSB Bank PLC	5.800	5.831	01/13/2020	2,145	2,141	2,208	
Lorillard Tobacco Company	8.130	6.688	06/23/2019	2,680	2,894	3,342	
Macys Retail Holdings Inc	6.650	7.294	07/15/2024	6,415	6,085	7,759	
Macys Retail Holdings Inc	6.900	6.746	04/01/2029	3,000	3,046	3,542	
Macys Retail Holdings Inc	6.700	6.501	07/15/2034	1,990	2,036	2,410	
Macys Retail Holdings Inc	6.380	6.832	03/15/2037	4,100	3,876	4,917	
Merrill Lynch & Company Inc	6.880	6.887	04/25/2018	8,890	8,885	9,769	
MetLife Inc	6.400	7.089	12/15/2036	3,170	2,918	3,012	
MMC Corporation Berhad	6.250	4.223	01/15/2018	4,775	5,254	5,799	
Morgan Stanley	6.630	6.224	04/01/2018	360	367	365	
National Semiconductor	6.600	5.898	06/15/2017	2,580	2,658	3,206	
Newfield Exploration Company	6.630	5.817	04/15/2016	4,650	4,778	4,755	
News America Inc	6.400	5.095	12/15/2035	2,260	2,662	2,570	
News America Inc	6.650	5.993	11/15/2037	2,785	3,022	3,209	
Nordea Bank AB	4.880	4.938	05/13/2021	2,980	2,967	2,905	
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	870	884	1,110	
Pacific Life Global Funding	5.150	5.161	04/15/2013	450	450	465	
Pernod Ricard SA	2.950	2.890	01/15/2017	650	652	658	
Pernod Ricard SA	4.450	4.213	01/15/2022	2,140	2,179	2,234	
Petrobras Intl Fin Co	3.880	3.061	01/27/2016	1,050	1,079	1,086	
Petrobras Intl Fin Co	5.380	4.230	01/27/2021	5,275	5,709	5,629	
Rabobank Nederland	11.000	10.092		P 544	593	679	
Reed Elsevier Capital	8.630	4.177	01/15/2019	6,550	8,218	8,364	
Reynolds American Inc	6.750	6.619	06/15/2017	2,330	2,343	2,806	
Reynolds Group Holdings	6.880	6.875	02/15/2021	1,360	1,360	1,380	
Reynolds Group ISS/Reynold	7.130	6.778	04/15/2019	400	408	411	
Royal Bank of Scotland Grp PLC	5.000	7.737	10/01/2014	3,960	3,733	3,878	
Royal Bank of Scotland Grp PLC	7.640	7.640		P 1,200	1,200	756	
Royal Bank of Scotland PLC	4.380	4.419	03/16/2016	3,225	3,220	3,245	
Royal Bank of Scotland PLC	5.630	5.850	08/24/2020	6,000	5,913	6,164	
Royal Bank of Scotland PLC	6.130	6.175	01/11/2021	5,325	5,307	5,682	
Safeway Inc	3.950	4.684	08/15/2020	570	542	558	
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	3,149	3,167	
Southern Natural Gas Co	5.900	5.897	04/01/2017	570	570	657	
Springleaf Finance Corp	6.900	7.000	12/15/2017	720	717	565	
Sprint Capital Corp	6.900	7.701	05/01/2019	1,145	1,096	996	
Sprint Capital Corp	8.750	7.015	03/15/2032	680	805	573	
Sprint Nextel Corporation	6.000	6.743	12/01/2016	8,075	7,843	7,389	
State Street Corp	4.960	4.727	03/15/2018	1,980	2,003	2,071	
Student Loan Marketing Assn	6.000	6.250	01/25/2017	2,225	2,203	2,188	
Student Loan Marketing Assn	8.450	8.317	06/15/2018	5,225	5,256	5,512	
Teachers Insurance & Annuity	6.850	6.860	12/16/2039	1,230	1,228	1,614	
Telecom Italia Capital	5.250	5.095	11/15/2013	2,825	2,831	2,811	
Telecom Italia Capital	6.170	8.076	06/18/2014	2,075	2,002	2,065	
Telecom Italia Capital	7.000	5.598	06/04/2018	3,880	4,154	3,865	
Telecom Italia Capital	7.170	7.026	06/18/2019	2,900	2,924	2,889	
Tenet Healthcare Corporation	8.880	9.625	07/01/2019	250	241	278	
Tennessee Gas Pipeline	7.500	4.308	04/01/2017	3,380	3,846	4,055	
Time Warner Cable Inc	8.750	4.805	02/14/2019	9,990	12,221	13,234	
Time Warner Cable Inc	8.250	4.876	04/01/2019	975	1,164	1,272	
Time Warner Cable Inc	4.000	4.081	09/01/2021	5,685	5,650	5,926	
Time Warner Cable Inc	5.500	5.558	09/01/2041	230	228	247	
Time Warner Entertainment	8.380	8.068	07/15/2033	3,050	3,144	4,210	
TNK-BP Finance SA	7.880	8.692	03/13/2018	2,820	2,717	3,180	
Union Pacific Corp	4.160	4.011	07/15/2022	4,812	4,873	5,400	
Union Pacific RR Co 07-3	6.180	4.877	01/02/2031	800	869	959	
United Business Media LT	5.750	5.979	11/03/2020	3,330	3,280	3,428	
UNP RR Co 1999 Pass Trust	7.600	3.775	01/02/2020	580	669	706	
UNP RR Co 2005 Pass Trust	5.080	4.326	01/02/2029	4,198	4,379	4,656	
Vale Overseas Ltd	6.880	6.914	11/21/2036	2,812	2,799	3,218	
Vedanta Resources PLC	8.750	8.751	01/15/2014	952	952	969	
Verizon Communications	6.100	5.595	04/15/2018	1,710	1,753	2,078	

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# Total Return Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Vulcan Materials	6.500	6.521	12/01/2016	2,850	2,848	2,950
Vulcan Materials	7.500	7.500	06/15/2021	2,925	2,925	3,159
Wachovia Capital Trust	5.570	5.635	12/29/2049	2,540	2,535	2,362
Wachovia Corp	5.630	6.046	10/15/2016	1,050	1,033	1,177
Wachovia Corp	5.750	4.262	02/01/2018	7,280	7,817	8,433
Wal-Mart Stores Inc	5.800	5.143	02/15/2018	610	630	743
WellPoint Inc	5.880	5.980	06/15/2017	260	259	308
WellPoint Inc	7.000	4.134	02/15/2019	6,250	7,288	7,881
Wells Fargo & Company	5.250	3.972	10/23/2012	140	141	142
Wells Fargo Capital X	5.950	6.338	12/15/2036	3,280	3,124	3,267
Xerox Corporation	6.400	4.485	03/15/2016	8,525	9,088	9,736
Xerox Corporation	6.350	3.960	05/15/2018	7,452	8,388	8,749
<i>Total Corporate Bonds</i>					702,620	745,771
<i>Corporate Asset Backed Issues</i>						
EDUCAP Student Loan Asset Back	1.790	A 11.445	06/25/2038	4,958	4,814	4,362
Education Funding Capital Trst	1.740	A 1.854	12/15/2042	900	781	839
Hertz Vehicle Financing LLC	5.290	5.350	03/25/2016	1,600	1,600	1,756
Lehman XZ Trust	0.460	13.613	04/25/2046	4,314	2,613	2,074
Mid-State Trust	3.500	3.531	12/15/2045	1,313	1,310	1,365
NC State Education Authority	1.370	1.855	07/25/2030	11,400	10,763	10,808
Nelnet Student Loan Trust	1.030	A 2.017	03/22/2032	10,700	9,612	8,640
Pegasus Aviation Lease Sec	8.370	16.049	03/25/2030	500	326	150
Public Service New Hampshire	6.480	5.468	05/01/2015	133	135	136
SLM Student Loan Trust	3.340	A 3.362	05/15/2017	8,790	8,789	8,782
<i>Total Corporate Asset Backed Issues</i>					40,743	38,912
<i>Corporate CMO</i>						
Banc of America Mortgage Sec	5.250	A 6.428	12/01/2034	3,263	3,126	2,998
Banc of America Mortgage Sec	3.130	A 3.433	04/25/2035	778	762	584
Bear Stearns Adj Rate Mortgage	2.480	4.098	12/25/2046	1,424	1,319	914
Countrywide Alternative Loan T	2.630	A 2.758	12/25/2035	1,861	1,850	1,061
Countrywide Home Loans	2.900	A 2.898	06/20/2036	1,003	1,002	628
Indymac Inda Mtg Loan Trust	5.590	A 5.555	09/25/2037	1,470	1,469	1,168
Indymac Indx Mtg Loan Trust	0.450	14.872	04/25/2046	1,836	994	1,012
IndyMac Residential Asset Sec	4.750	4.333	02/25/2019	2,089	2,100	2,120
JP Morgan Mortgage Trust	2.730	A 3.084	08/25/2035	1,398	1,376	1,080
MASTR ARM Trust	2.720	A 3.025	01/25/2036	954	936	755
MASTR Performing Loan Trust	7.000	6.338	08/25/2034	75	76	77
MLCC Mortgage Investors Inc	2.550	A 2.915	12/25/2034	32	32	32
Morgan Stanley Mortgage Loan	2.730	A 2.796	10/25/2034	1,228	1,223	1,021
Morgan Stanley Mortgage Loan	3.030	A 2.944	06/25/2037	4,039	4,048	1,933
WAMU Mortgage Pass-Through Cer	2.540	A 2.823	08/25/2035	1,355	1,333	1,162
WAMU Mortgage Pass-Through Cer	2.450	A 2.841	10/25/2035	411	408	386
WAMU Mortgage Pass-Through Cer	2.460	A 2.692	12/25/2035	1,659	1,635	1,432
Washington Mutual Mortgage	2.260	A 2.329	11/25/2036	176	175	122
Washington Mutual Mortgage	2.350	A 2.351	12/25/2036	664	664	448
Washington Mutual Mortgage	2.710	A 17.676	02/25/2037	575	323	416
Washington Mutual Mortgage	2.670	A 2.870	03/01/2037	196	194	122
Wells Fargo Mortgage Backed	2.620	A 6.538	12/25/2034	2,498	2,054	2,449
Wells Fargo Mortgage Backed	2.680	A 3.103	04/25/2036	216	216	163
<i>Total Corporate CMO</i>					27,315	22,083
<i>Corporate Preferred Securities</i>						
Citigroup Capital XIII	0.000	1.694		314	8,345	8,311
Total Corporate Issues - 34.5%					779,023	815,077
<b>Foreign Government Bonds</b>						
Mex Bonos Desarr Fix Rt - 0.2%	6.500	0.283	06/09/2022	782	5,850	5,587

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)

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>Investments in Other Funds</u></b>						
Western Asset High Yield Portfolio					49,652	44,476
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					23,197	25,392
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					41,976	49,403
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					62,180	83,207
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					38,085	41,536
Investment Objective - To maximize total return by investing in investment grade fixed income securities.						
Redemption Provisions - Daily						
Western Asset Opportunistic Asian Securities Portfolio, LLC					43,343	52,274
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					4,909	4,985
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					23,724	31,536
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					49,543	70,053
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					22,282	33,655
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 - 18.5%					358,891	436,517
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund	0.010	0.760		177,641,215	177,641	177,641
Federal Home Loan Mort Corp	0.000	0.152	06/01/2012	58,400	58,400	58,400
Total Short-term Issues - 10.0%					236,041	236,041
<b><u>Option Contracts Purchased</u></b>						
<i>Call, strike price, expiration</i>						
US Treasury 10Yr Note Option, 132, June 2012				-	53	255

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)

**May 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
US Treasury 10Yr Note Option, 133, August 2012				1	356	1,147
<i>Total Calls</i>					409	1,402
<i>Put, strike price, expiration</i>						
Euro 90 Day Future Option, 99.5, June 2012				1	128	15
Total Option Contracts Purchased - 0.1%					537	1,417
Total Investment Securities - 99.0%					<u>\$ 2,189,022</u>	<u>\$ 2,338,068</u>
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 3,860	\$ 3,860
Mellon SL DBT II Liquidating Fund					68	66
Mellon SGSL DBT II Liquidating Trust					1,615	-
Total Collateral for Securities Loaned					<u>\$ 5,543</u>	<u>\$ 3,926</u>

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

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

*See accompanying notes to financial statements.*

## Total Return Fixed Income Pool

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### Option Contracts Written - Unaudited

May 31, 2012

(Amounts in thousands)

<u>Type</u>	<u>Description</u>	<u>Maturity</u>	<u>Strike Price</u>	<u>Contracts</u>	<u>Cost</u>	<u>Fair Value</u>
Call	US Treasury 10 Yr Note Option	6/22/2012	133.500	(120)	\$ (18)	\$ (120)
Call	US Treasury 10 Yr Note Option	8/24/2012	136.000	(304)	(151)	(171)
Put	Euro 90 Day Future Option	6/18/2012	99.250	(592)	<u>(57)</u>	<u>(4)</u>
Total Option Contracts Written - (0.0%)					<u>\$ (226)</u>	<u>\$ (295)</u>

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

### Statement of Operations - Unaudited

Period Ended May 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 6,308	\$ 72,294
Dividends	15	2,871
Net amortization	(1,171)	(10,850)
Securities lending income	17	168
Securities lending borrower premiums	2	51
Net shareholder litigation proceeds	-	14
	<b>5,171</b>	<b>64,548</b>
<b>Expenses</b>		
Investment advisor fees	(366)	(3,934)
Trustee fees	(1)	(7)
Custodian bank fees	(6)	(62)
Management fees	(57)	(652)
Fiduciary bond fees	(1)	(9)
Professional service fees	(11)	(123)
Securities lending agent fees	(4)	(39)
Futures commission expense	(25)	(154)
	<b>(471)</b>	<b>(4,980)</b>
	<b>Investment income, net</b>	<b>59,568</b>
	<b>4,700</b>	<b>4,980</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	705	(9,482)
Foreign currency transactions	166	(388)
Net increase (decrease) from:		
Investments	(8,515)	34,345
Translation of assets and liabilities in foreign currencies	(494)	(532)
	<b>(8,138)</b>	<b>23,943</b>
	<b>Net gain (loss) from investments</b>	<b>23,943</b>
	<b>(8,138)</b>	<b>23,943</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (3,438)</b>	<b>\$ 83,511</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

### Statement of Changes in Net Assets - Unaudited

Period Ended May 31, 2012\*

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 4,700	\$ 59,568
Net realized gain (loss) from investments	705	(9,482)
Net realized gain (loss) from foreign currency transactions	166	(388)
Net increase (decrease) in the fair value of investments	(8,515)	34,345
Net decrease in the translation of assets and liabilities in foreign currencies	(494)	(532)
	(3,438)	83,511
<b>Net increase (decrease) in net assets from operations</b>		
<b>Distributions to unitholders</b>		
Investment income, net	(4,685)	(59,388)
<b>Unit transactions</b>		
Proceeds from sale of units	41,204	218,432
Reinvestment of distributions	5,023	61,715
	46,227	280,147
Amount paid for repurchase of units	(1,594)	(277,027)
	44,633	3,120
<b>Net increase in net assets from unit transactions</b>		
	36,510	27,243
<b>Increase in net assets</b>		
	2,324,649	2,333,916
<b>Net assets, beginning of period</b>		
	\$ 2,361,159	\$ 2,361,159
<b>Net assets, end of period</b>		
<b>Unit data</b>		
Units sold	2,903,374	15,574,742
Units issued from reinvestment of distributions	353,945	4,422,976
	3,257,319	19,997,718
Units repurchased	(112,319)	(19,941,269)
	3,145,000	56,449
<b>Net increase in units</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

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in debt securities are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. Investments in other funds are valued at the reported net asset values of the individual funds, provided by the fund's management, as a practical expedient for measuring fair value. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Interest rate

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

and total return swap values are based on market values received from third parties or are determined by valuation models. Foreign currency forward contracts are valued at the difference between the forward contract amount and the month-end forward exchange rate. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

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

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

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

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

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

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

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

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

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

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

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

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, consisting of the Mellon SL DBT II Liquidating Fund and the Mellon GSL DBT II Liquidating Trust (Liquidating Trust). Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as net increase or decrease in the fair value of investments.

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

Interest rate futures may be used to enhance portfolio yields or as an alternative investment of cash.

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

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

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

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

# Total Return Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

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

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

**Asset-Backed Securities** - The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

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

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

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method.

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

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

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

**Distributions to Participants** - The monthly net investment income is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets. The Pool does not routinely distribute dividends of net realized gains.

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

**Income Taxes** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of May 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 May 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	
Fixed income / Interest rate contracts	Investment in securities at fair value	\$ 1,417	Option contracts written	\$ (295)
Fixed income / Interest rate contracts	Unrealized gain on futures contracts	197	Unrealized loss on futures contracts	(4,164)
Foreign exchange contracts	Unrealized gain on foreign currency forward contracts	582	Unrealized loss on foreign currency forward contracts	(1,005)
Total		<u>\$ 2,196</u>		<u>\$ (5,464)</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 May 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	\$ (42,787)	Net increase (decrease) in the fair value of investments	\$ 4,855
Foreign exchange contracts	Net realized gain (loss) from foreign currency transactions	(388)	Net increase (decrease) in the fair value of translation of assets and liabilities in foreign currencies	(152)
Total		<u>\$ (43,175)</u>		<u>\$ 4,703</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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Commingled funds	\$ -	\$ 436,517	\$ -	\$ 436,517
Corporate issues	-	806,766	-	806,766
Foreign currency forward contracts	-	582	-	582
Foreign government bonds	-	5,587	-	5,587
Futures	197	-	-	197
Municipal bonds	-	93,881	-	93,881
Options	1,417	-	-	1,417
Preferred Securities	8,311	-	-	8,311
Regulated investment companies	-	177,641	-	177,641
Securities lending collateral funds	-	3,926	-	3,926
Short-term issues	-	58,400	-	58,400
U.S. government agency issues	-	472,899	-	472,899
U.S. Treasury issues	-	276,649	-	276,649
Total	<u>\$ 9,925</u>	<u>\$ 2,332,848</u>	<u>\$ -</u>	<u>\$ 2,342,773</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (1,005)	\$ -	\$ (1,005)
Futures	(4,164)	-	-	(4,164)
Options	(295)	-	-	(295)
Total	<u>\$ (4,459)</u>	<u>\$ (1,005)</u>	<u>\$ -</u>	<u>\$ (5,464)</u>

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

Fair value of securities on loan	\$	279,951		
Initial collateral received:				
		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Cash	\$	<u>5,543</u>	\$ 3,926	<u>\$ (1,617)</u>
Non-cash			280,267	
Total			<u>\$ 284,193</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 May 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 May 2012, the pool has recorded, but not distributed \$828 of net securities lending income.

#### NOTE 6. FUTURES CONTRACTS

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

Expiration	Open Contracts	Position	Value at May 31, 2012	Value Upon Entering Contract	Unrealized Gain (Loss)
Sep 2012	40 US Long Bond Future	Long	\$ 6,760	\$ 6,563	\$ 197
Sep 2012	(452) US Treasury 10 Yr Note Future	Short	(67,673)	(66,444)	(1,229)
Sep 2012	(2,012) US Treasury 2 Yr Note Future	Short	(538,965)	(536,398)	(2,567)
Sep 2012	(163) US Treasury 2 Yr Note Future	Short	(35,926)	(35,898)	(28)
Sep 2012	(737) US Treasury 5 Yr Note Future	Short	(91,526)	(91,192)	(334)
Jun 2012	(6) US Ultra Bond Future	Short	(746)	(740)	(6)
			<u>\$ (728,076)</u>	<u>\$ (724,109)</u>	<u>\$ (3,967)</u>

At May 31, 2012, the Pool had pledged cash of \$6,288 and securities of \$5,943 to cover margin requirements on open futures contracts.

#### NOTE 7. OPTION CONTRACTS

A summary of the activity in short (written) option positions for the period ended May 31, 2012 is as follows:

	<u>Puts</u>		<u>Calls</u>	
	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	(2,012)	(615)	(1,654)	(1,135)
Options closed	2,892	4,509	2,794	4,192
Options expired	872	167	121	81
Options outstanding at May 31, 2012	<u>(592)</u>	<u>\$ (57)</u>	<u>(424)</u>	<u>\$ (169)</u>



## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 8. FOREIGN CURRENCY FORWARD CONTRACTS

At May 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	Mexican Peso	05/02/2012	08/16/2012	133,952	\$ 9,275		\$ 10,280	\$ (1,005)
Short	Euro Currency Unit	05/08/2012	08/16/2012		6,280	4,829	5,975	305
Short	Euro Currency Unit	05/08/2012	08/16/2012		5,423	4,160	5,146	277
					<u>\$ 20,978</u>		<u>\$ 21,401</u>	<u>\$ (423)</u>

#### NOTE 9. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 13.98
Income from investment operations:	
Net investment income	0.36
Net realized and unrealized gain on investment transactions	<u>0.16</u>
Total from investment operations	0.52
Less distributions from net investment income	<u>(0.36)</u>
Net asset value at May 31, 2012	<u>\$ 14.14</u>

**Time-weighted Total Return \*** 3.8%

##### Supplemental Data:

Net assets, end of period	\$ 2,361,159
Ratio to average net assets:	
Expenses **	0.23%
Net investment income **	2.82%
Portfolio turnover rate	49.51%

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

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



## Total Return Fixed Income Pool

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### Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

#### NOTE 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at May 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	\$ 657,197
Public Employees' Retirement System	637,653
Workers' Compensation Old Fund	366,786
Revenue Shortfall Reserve Fund - Part B	138,537
Revenue Shortfall Reserve Fund	135,091
West Virginia Retiree Health Benefit Trust	104,813
Coal Workers' Pneumoconiosis Fund	75,763
Public Employees Insurance Agency	71,734
State Police Death, Disability and Retirement Fund	65,658
Board of Risk and Insurance Management	40,805
Judges' Retirement System	18,849
Deputy Sheriff's Retirement System	17,325
State Police Retirement System	11,719
Wildlife Endowment Fund	5,888
Emergency Medical Services Retirement System	5,376
Workers' Compensation Self-Insured Guaranty Risk Pool	3,270
Workers' Compensation Uninsured Employers' Fund	2,699
West Virginia Department of Environmental Protection Trust	1,113
AccessWV	860
Municipal Police Officers' and Firefighters' Retirement System	23
Total	<u>\$ 2,361,159</u>



**Financial Statements - Unaudited**

**May 31, 2012**



# Core Fixed Income Pool

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## Financial Statements - Unaudited May 31, 2012

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# Core Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,232,992
Collateral for securities loaned at fair value (Note 4)		15,895
Receivables:		
Accrued interest		7,392
Investments sold		5,595
Dividends		3
Securities lending income		8
Other		261
		<hr/>
<b>Total assets</b>		1,262,146

### Liabilities

Accrued expenses		438
Dividends payable		3,429
Payable for investments purchased		770
Payable upon return of securities loaned (Note 4)		15,903
		<hr/>
<b>Total liabilities</b>		20,540

**Net assets** \$ 1,241,606

### Analysis of net assets

Paid-in capital	\$	1,085,728
Accumulated undistributed net realized gain from investments		66,349
Unrealized net appreciation of investments		89,529
		<hr/>
<b>Net assets</b>	\$	<u><u>1,241,606</u></u>

### Unit data

Units outstanding		109,223,772
Net asset value, unit price	\$	<u><u>11.37</u></u>

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited May 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	\$ 789
Illinois	5.100	5.763	06/01/2033	350	322	330
New York St Dorm Authority	5.600	5.787	03/15/2040	260	253	322
Ohio State University	4.800	4.853	06/01/2111	761	753	857
Port Authority NY and NJ	5.650	5.647	11/01/2040	600	600	761
Tennessee Valley Authority	0.000	3.210	11/01/2025	1,000	652	677
Tennessee Valley Authority	5.880	3.791	04/01/2036	350	464	493
Tennessee Valley Authority	5.250	5.275	09/15/2039	98	98	129
Tennessee Valley Authority	4.630	4.693	09/15/2060	400	395	493
Total Municipal Bonds - 0.4%					4,131	4,851
<b><u>U. S. Treasury Issues</u></b>						
United States Treasury	0.000	1.446	11/15/2014	2,550	2,461	2,530
United States Treasury	11.250	0.514	02/15/2015	900	1,159	1,163
United States Treasury	4.000	0.529	02/15/2015	1,000	1,093	1,098
United States Treasury	0.000	2.704	02/15/2015	150	139	148
United States Treasury	4.500	0.549	02/15/2016	2,000	2,289	2,294
United States Treasury	2.630	2.861	02/29/2016	200	198	216
United States Treasury	2.630	1.977	04/30/2016	1,670	1,710	1,805
United States Treasury	0.000	0.628	05/15/2016	500	488	489
United States Treasury	0.000	3.087	08/15/2016	5,300	4,657	5,164
United States Treasury	3.130	3.241	10/31/2016	9,300	9,256	10,316
United States Treasury	0.000	2.257	11/15/2016	3,120	2,823	3,028
United States Treasury	3.250	3.132	12/31/2016	10,560	10,612	11,804
United States Treasury	4.630	3.056	02/15/2017	6,500	6,944	7,697
United States Treasury	0.000	3.275	02/15/2017	6,122	5,252	5,924
United States Treasury	3.250	2.910	03/31/2017	11,600	11,776	13,017
United States Treasury	3.130	2.432	04/30/2017	6,715	6,929	7,505
United States Treasury	2.750	2.381	05/31/2017	2,280	2,319	2,511
United States Treasury	8.880	3.186	08/15/2017	9,360	11,895	13,288
United States Treasury	4.750	2.706	08/15/2017	18,645	20,480	22,495
United States Treasury	0.000	2.162	08/15/2017	500	447	481
United States Treasury	4.250	1.181	11/15/2017	600	697	712
United States Treasury	0.000	3.493	11/15/2017	7,050	5,836	6,750
United States Treasury	2.750	2.731	12/31/2017	15,000	15,015	16,607
United States Treasury	2.630	2.849	01/31/2018	6,000	5,930	6,607
United States Treasury	3.500	2.488	02/15/2018	1,000	1,053	1,150
United States Treasury	0.000	3.537	02/15/2018	3,950	3,234	3,767
United States Treasury	0.000	3.743	08/15/2018	500	397	473
United States Treasury	1.750	1.519	10/31/2018	11,000	11,155	11,568
United States Treasury	1.380	1.286	11/30/2018	9,895	9,950	10,173
United States Treasury	3.130	3.136	05/15/2019	2,090	2,088	2,391
United States Treasury	0.000	4.013	05/15/2019	4,550	3,451	4,221
United States Treasury	0.000	4.021	08/15/2019	300	225	276
United States Treasury	3.380	1.596	11/15/2019	400	450	466
United States Treasury	8.500	3.516	02/15/2020	1,750	2,334	2,706
United States Treasury	0.000	4.006	05/15/2020	4,500	3,282	4,070
United States Treasury	8.750	2.659	05/15/2020	1,400	2,005	2,209
United States Treasury	0.000	2.982	05/15/2020	18,037	14,231	16,227
United States Treasury	8.750	3.032	08/15/2020	8,550	12,064	13,599
United States Treasury	2.630	1.762	08/15/2020	1,300	1,385	1,439
United States Treasury	0.000	3.412	08/15/2020	8,550	6,472	7,639
United States Treasury	0.000	3.773	11/15/2020	700	510	621
United States Treasury	0.000	4.230	02/15/2021	200	139	176
United States Treasury	8.130	3.524	05/15/2021	1,000	1,351	1,574
United States Treasury	0.000	1.842	05/15/2021	2,100	1,782	1,829
United States Treasury	0.000	3.501	11/15/2021	5,000	3,601	4,285
United States Treasury	0.000	3.851	02/15/2022	1,250	863	1,062
United States Treasury	7.130	3.585	02/15/2023	1,000	1,312	1,543
United States Treasury	0.000	2.453	05/15/2023	900	689	731
United States Treasury	0.000	4.526	05/15/2024	1,100	644	861
United States Treasury	0.000	4.240	08/15/2024	1,100	659	854
United States Treasury	0.000	6.392	11/15/2024	250	137	192

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 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	0.000	6.934	02/15/2025	700	366	533
United States Treasury	6.000	4.435	02/15/2026	400	464	594
United States Treasury	0.000	2.772	02/15/2026	300	206	220
United States Treasury	0.000	4.862	05/15/2026	850	435	618
United States Treasury	6.750	4.073	08/15/2026	625	804	993
United States Treasury	0.000	2.801	08/15/2026	350	236	252
United States Treasury	6.500	4.024	11/15/2026	550	698	859
United States Treasury	0.000	4.130	11/15/2026	5,500	3,041	3,931
United States Treasury	6.630	3.506	02/15/2027	1,000	1,353	1,585
United States Treasury	0.000	3.193	02/15/2027	16,825	10,526	11,923
United States Treasury	6.380	4.079	08/15/2027	400	503	625
United States Treasury	0.000	4.707	08/15/2027	950	468	662
United States Treasury	6.130	4.343	11/15/2027	150	180	230
United States Treasury	0.000	4.358	11/15/2027	1,500	770	1,036
United States Treasury	0.000	4.552	02/15/2028	2,050	1,011	1,404
United States Treasury	0.000	4.851	05/15/2028	100	47	68
United States Treasury	5.500	4.534	08/15/2028	1,050	1,166	1,535
United States Treasury	0.000	4.822	11/15/2028	2,000	913	1,337
United States Treasury	0.000	4.655	02/15/2029	300	139	199
United States Treasury	0.000	4.554	05/15/2029	150	70	99
United States Treasury	6.130	2.572	08/15/2029	100	149	157
United States Treasury	0.000	3.206	08/15/2029	800	463	522
United States Treasury	0.000	4.399	11/15/2029	700	327	453
United States Treasury	0.000	4.598	02/15/2030	1,100	492	705
United States Treasury	6.250	4.023	05/15/2030	600	770	962
United States Treasury	0.000	3.768	05/15/2030	400	205	254
United States Treasury	0.000	4.619	08/15/2030	900	392	568
United States Treasury	0.000	4.447	11/15/2030	950	422	594
United States Treasury	5.380	4.031	02/15/2031	1,300	1,525	1,924
United States Treasury	0.000	4.919	11/15/2032	1,450	722	843
United States Treasury	0.000	6.998	05/15/2033	1,200	486	685
United States Treasury	0.000	7.445	08/15/2033	700	271	396
United States Treasury	0.000	7.666	11/15/2033	1,000	378	560
United States Treasury	0.000	4.533	02/15/2034	750	283	416
United States Treasury	0.000	7.942	05/15/2034	500	182	275
United States Treasury	0.000	4.755	08/15/2034	450	219	245
United States Treasury	0.000	3.166	02/15/2035	400	196	214
United States Treasury	4.500	3.144	02/15/2036	1,700	2,081	2,319
United States Treasury	0.000	4.591	05/15/2036	200	67	103
Total U. S. Treasury Issues - 22.6%					248,894	280,649
<b>U. S. Government Agency Issues</b>						
<i>U. S. Government Agency MBS (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Issues	5.018	2.878	09/04/2033	48,889	51,954	53,312
FNMA Issues	4.700	3.209	11/11/2025	105,399	110,240	116,838
GNMA Issues	6.640	4.244	01/15/2036	3,064	3,303	3,508
<i>Total U. S. Government Agency MBS</i>					165,497	173,658
<i>U. S. Government Agency CMO (coupon, yield, and maturity date are weighted averages)</i>						
FDIC Issues	2.980	3.027	12/06/2020	1,198	1,197	1,237
FHLB Issues	5.300	(0.201)	06/15/2012	488	489	488
FHLMC Issues	5.973	5.099	12/02/2033	123,637	94,132	100,789
FNMA Issues	5.779	5.331	05/08/2033	164,069	128,294	138,112
GNMA Issues	8.014	14.930	09/10/2034	74,939	27,811	33,860
<i>Total U. S. Government Agency CMO</i>					251,923	274,486
<i>U. S. Government Agency Bonds</i>						
FannieMae STRIPS	0.000	5.737	11/15/2021	1,000	648	810
Federal Farm Credit Bank	5.130	3.384	11/15/2018	1,000	1,100	1,226
Federal Home Loan Mortgage	5.500	3.324	08/23/2017	2,900	3,200	3,558
Federal National Mortgage Assn	0.000	2.342	07/05/2014	2,300	2,192	2,260
Federal National Mortgage Assn	5.000	2.195	05/11/2017	3,000	3,392	3,581
Federal National Mortgage Assn	5.380	3.276	06/12/2017	2,000	2,193	2,428
FICO	0.000	5.655	09/26/2019	700	495	618

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
RFCO Strip Principal	0.000	2.607	07/15/2020	2,700	2,228	2,361
<i>Total U. S. Government Agency Bonds</i>					15,448	16,842
Total U. S. Government Agency Issues - 37.5%					432,868	464,986
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
ABB Finance USA Inc	1.630	1.772	05/08/2017	81	80	81
ABB Finance USA Inc	2.880	3.129	05/08/2022	117	114	117
ABB Finance USA Inc	4.380	4.568	05/08/2042	58	56	60
Ace Ina Hldg Inc	5.880	3.570	06/15/2014	240	251	263
Ace Ina Hldg Inc	5.600	2.613	05/15/2015	430	466	482
Aetna Inc	4.500	4.766	05/15/2042	71	68	71
AFLAC Inc	8.500	5.066	05/15/2019	100	120	132
AFLAC Inc	6.450	6.488	08/15/2040	108	107	126
African Development Bank	8.800	3.096	09/01/2019	1,000	1,368	1,365
AGL Capital Corporation	4.450	2.753	04/15/2013	260	264	267
AGL Capital Corporation	5.250	4.314	08/15/2019	400	422	465
AGL Capital Corporation	3.500	3.683	09/15/2021	353	348	369
AGL Capital Corporation	5.880	5.887	03/15/2041	120	120	150
Aid-Israel	0.000	2.110	08/15/2017	1,000	896	941
Aid-Israel	0.000	1.950	03/15/2018	5,000	4,469	4,650
AIG Sunamer Global Fin X	6.900	6.417	03/15/2032	110	116	135
Alabama Power Co	6.130	5.106	05/15/2038	128	147	170
Alberta Energy Company Ltd	8.130	5.675	09/15/2030	200	255	258
Allied Waste North America	6.880	6.978	06/17/2015	250	249	259
Allstate Corp	5.000	3.585	08/15/2014	470	484	510
Allstate Life Global Fn Trust	5.380	1.804	04/30/2013	300	310	313
American Airlines PT TRS 11-1	5.250	5.250	01/31/2021	115	115	119
American Airlines PT TRS 11-2	8.630	8.624	10/15/2021	122	122	128
American Express Co	7.000	4.743	03/19/2018	595	662	732
American Express Credit Co	5.880	2.100	05/02/2013	40	41	42
American Express Credit Co	7.300	4.692	08/20/2013	600	618	644
American Express Credit Co	5.130	3.582	08/25/2014	825	852	889
American Express Credit Co	2.800	2.818	09/19/2016	340	340	350
American Honda Finance	2.600	2.601	09/20/2016	410	410	425
American Honda Finance	7.630	4.560	10/01/2018	500	583	641
American Water Cap Corp	6.090	3.499	10/15/2017	300	338	353
American Water Cap Corp	6.590	5.338	10/15/2037	300	352	380
Ameritech Capital Funding	6.450	5.178	01/15/2018	70	74	81
Amgen Inc	6.150	3.425	06/01/2018	285	327	340
Amgen Inc	5.700	5.035	02/01/2019	210	218	247
Amgen Inc	3.450	3.826	10/01/2020	610	594	626
Amgen Inc	4.950	5.002	10/01/2041	200	198	201
Amgen Inc	5.650	5.684	06/15/2042	103	102	114
Anadarko Finance Co	7.500	5.295	05/01/2031	400	505	499
Anadarko Petroleum Corp	7.630	3.498	03/15/2014	130	139	143
Anadarko Petroleum Corp	8.700	8.260	03/15/2019	300	307	399
Anadarko Petroleum Corp	6.950	5.873	06/15/2019	285	302	351
Anheuser-Busch	1.500	1.501	07/14/2014	264	264	267
Anheuser-Busch	7.750	5.151	01/15/2019	580	663	767
Anheuser-Busch	8.200	5.072	01/15/2039	255	371	418
ANR Pipeline	9.630	5.447	11/01/2021	240	313	365
Aon Corporation	3.500	3.605	09/30/2015	121	121	126
Apache Corporation	6.000	1.594	09/15/2013	480	507	511
Apache Corporation	4.750	4.767	04/15/2043	153	153	168
Appalachian Power Company	5.950	6.624	05/15/2033	250	231	287
Arizona Public Service	4.500	4.557	04/01/2042	103	102	111
Arrow Electronics Inc	6.880	6.098	07/01/2013	175	176	186
Arrow Electronics Inc	3.380	2.440	11/01/2015	140	144	146
Arrow Electronics Inc	6.880	5.965	06/01/2018	235	246	275
Arrow Electronics Inc	7.500	6.484	01/15/2027	225	246	261
ASIF Global Financing XIX	4.900	1.745	01/17/2013	907	925	917
Associates Corp NA	6.950	9.378	11/01/2018	350	309	391
AT&T Corp	8.000	6.187	11/15/2031	41	49	61

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
AT&T Inc	5.500	4.564	02/01/2018	370	387	437
AT&T Inc	5.600	5.167	05/15/2018	565	577	674
AT&T Inc	5.800	3.067	02/15/2019	200	233	243
AT&T Inc	4.450	4.232	05/15/2021	500	508	570
AT&T Inc	6.300	6.621	01/15/2038	600	575	742
AT&T Inc	5.350	5.341	09/01/2040	1,374	1,376	1,548
Atmos Energy Corp	6.350	2.859	06/15/2017	875	1,017	1,035
Atmos Energy Corp	8.500	8.529	03/15/2019	150	150	202
AUST & NZ Banking Group	3.250	3.339	03/01/2016	200	199	208
BAE Systems Holdings Inc	5.200	2.802	08/15/2015	195	209	213
Bank of America Corp	4.900	3.276	05/01/2013	500	507	512
Bank of America Corp	7.380	7.510	05/15/2014	600	599	647
Bank of America Corp	5.130	8.762	11/15/2014	300	276	311
Bank of America Corp	6.500	6.545	08/01/2016	500	499	541
Bank of America Corp	5.630	5.039	10/14/2016	250	256	263
Bank of America Corp	5.650	5.545	05/01/2018	2,100	2,111	2,187
Bank of America Corp	5.630	5.431	07/01/2020	190	192	197
Bank of America Corp	5.000	5.056	05/13/2021	145	144	146
Bank of America Corp	5.700	5.506	01/24/2022	574	582	610
Bank of Nova Scotia	3.400	3.428	01/22/2015	127	127	134
Bank of Nova Scotia	1.650	1.686	10/29/2015	345	345	353
Bank of Nova Scotia	4.380	4.395	01/13/2021	214	214	242
Bank Tokyo - Mitsubishi UFJ	3.850	3.859	01/22/2015	356	356	377
Barclays Bank PLC	5.200	5.227	07/10/2014	400	400	421
Barclays Bank PLC	6.750	5.145	05/22/2019	950	1,038	1,094
Barclays Bank PLC	5.130	5.231	01/08/2020	500	497	536
Barclays PLC	2.250	2.352	05/10/2017	203	202	203
Barrick NA Finance LLC	4.400	3.338	05/30/2021	208	225	224
BB&T Corporation	5.700	1.547	04/30/2014	340	367	370
BB&T Corporation	3.200	2.245	03/15/2016	365	378	387
BB&T Corporation	4.900	5.999	06/30/2017	800	762	874
BB&T Corporation	6.850	7.048	04/30/2019	225	223	284
BellSouth Corporation	5.200	4.342	09/15/2014	300	306	327
BellSouth Corporation	6.000	5.368	11/15/2034	149	161	166
Berkshire Hathaway Fin	4.600	4.335	05/15/2013	100	100	104
Berkshire Hathaway Fin	5.100	1.733	07/15/2014	600	642	653
Berkshire Hathaway Fin	2.450	2.497	12/15/2015	477	476	498
Berkshire Hathaway Fin	5.400	3.505	05/15/2018	300	330	354
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	227
BHP Billiton Financial USA	5.500	5.577	04/01/2014	200	200	217
BHP Billiton Financial USA	6.500	4.225	04/01/2019	720	816	919
BlackRock Inc	6.250	4.677	09/15/2017	500	536	602
BlackRock Inc	3.380	3.438	06/01/2022	360	358	364
Blackstone Holdings Financial	5.880	5.938	03/15/2021	550	548	576
BNY Mellon	4.500	2.783	04/01/2013	305	309	315
BNY Mellon	5.130	3.868	08/27/2013	350	355	369
BNY Mellon	2.950	2.978	06/18/2015	500	500	525
BNY Mellon	4.600	4.625	01/15/2020	115	115	130
Boeing Company	5.130	4.019	02/15/2013	100	101	103
Boeing Company	4.880	4.664	02/15/2020	230	233	278
Boeing Company	6.130	5.181	02/15/2033	150	168	200
Boston Gas Company	4.490	4.487	02/15/2042	85	85	92
BP Capital Markets PLC	3.630	3.625	05/08/2014	100	100	105
BP Capital Markets PLC	3.880	3.148	03/10/2015	730	744	780
BP Capital Markets PLC	3.250	3.245	05/06/2022	377	377	383
British Telecom PLC	5.950	5.942	01/15/2018	275	275	319
British Telecom PLC	9.630 A	6.540	12/15/2030	145	193	219
Bunge Limited Finance Co	5.880	6.484	05/15/2013	50	50	52
Bunge Limited Finance Co	8.500	7.220	06/15/2019	373	399	475
Bunge NA Finance LP	5.900	7.617	04/01/2017	54	50	61
Burlington North Santa Fe	5.900	4.746	07/01/2012	150	150	151
Burlington North Santa Fe	5.650	4.368	05/01/2017	225	238	264
Burlington North Santa Fe	4.700	4.722	10/01/2019	350	350	401
Burlington North Santa Fe	3.450	3.479	09/15/2021	106	106	111

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Burlington North Santa Fe	7.290	6.510	06/01/2036	80	88	107
Burlington Resources Inc	8.200	4.182	03/15/2025	180	251	254
Cameron International Corp	1.600	1.615	04/30/2015	79	79	79
Canadian Natural Resources Ltd	5.700	3.408	05/15/2017	300	331	352
Canadian Natural Resources Ltd	5.900	4.608	02/01/2018	615	654	730
Capital One Bank USA NA	6.500	10.704	06/13/2013	100	96	105
Capital One Financial Corp	7.380	5.321	05/23/2014	295	306	325
Capital One Financial Corp	5.500	10.399	06/01/2015	200	175	218
Capital One Financial Corp	6.750	4.905	09/15/2017	1,055	1,144	1,260
Capital One Financial Corp	4.750	4.860	07/15/2021	400	397	439
Cargill Inc	7.350	5.427	03/06/2019	250	277	318
Cargill Inc	4.310	4.716	05/14/2021	106	103	118
Cargill Inc	3.300	3.343	03/01/2022	485	483	500
Caterpillar Financial Services	5.850	4.754	09/01/2017	820	861	984
Caterpillar Financial Services	5.450	3.907	04/15/2018	280	302	336
Caterpillar Financial Services	7.150	6.150	02/15/2019	395	416	518
CBS Corp	5.750	5.766	04/15/2020	53	53	62
Cellco Partnership/Verizon Wir	8.500	3.044	11/15/2018	220	290	301
Centel Capital Corp	9.000	6.495	10/15/2019	200	229	233
Centerpoint Energy Houston	5.750	5.100	01/15/2014	185	187	199
Centerpoint Energy Houston	7.000	5.151	03/01/2014	185	191	204
Centerpoint Energy Inc	6.500	3.256	05/01/2018	310	364	372
Centerpoint Energy Resources	5.950	3.744	01/15/2014	165	171	176
Centerpoint Energy Resources	6.130	2.810	11/01/2017	300	350	352
Charles Schwab Corp	4.950	1.865	06/01/2014	500	530	538
Cisco Systems Inc	5.500	4.491	02/22/2016	210	217	244
Cisco Systems Inc	4.450	4.555	01/15/2020	250	248	289
Cisco Systems Inc	5.500	5.644	01/15/2040	300	294	369
Citigroup Inc	6.380	6.536	08/12/2014	295	294	316
Citigroup Inc	6.010	3.809	01/15/2015	300	316	321
Citigroup Inc	4.750	4.876	05/19/2015	87	87	91
Citigroup Inc	4.590	3.858	12/15/2015	563	576	586
Citigroup Inc	6.000	5.589	08/15/2017	1,865	1,897	2,022
Citigroup Inc	6.130	7.048	11/21/2017	555	531	600
Citigroup Inc	8.500	6.861	05/22/2019	470	510	576
Citigroup Inc	5.380	5.507	08/09/2020	300	297	322
Citigroup Inc	7.000	6.049	12/01/2025	490	533	570
Citigroup Inc	8.130	8.310	07/15/2039	350	343	464
Cleveland Electric Illum	7.880	5.053	11/01/2017	300	340	375
Cleveland Electric Illum	8.880	7.005	11/15/2018	225	247	297
CME Group Inc	5.750	1.735	02/15/2014	507	541	548
CNA Financial Corp	5.850	3.764	12/15/2014	250	263	269
CNA Financial Corp	6.500	4.776	08/15/2016	285	304	322
CNA Financial Corp	5.880	5.917	08/15/2020	170	170	186
Coca-Cola Company	3.630	3.725	03/15/2014	100	100	105
Coca-Cola Company	4.880	4.993	03/15/2019	100	99	119
Coca-Cola Company	3.300	3.310	09/01/2021	104	104	111
Coca-Cola Refresh USA	4.250	2.511	03/01/2015	250	261	273
Comcast Cable Comm Holdings	9.460	7.136	11/15/2022	775	904	1,131
Comcast Cable Holdings	10.130	5.959	04/15/2022	240	314	354
Comcast Corp	5.900	4.628	03/15/2016	625	652	722
Comcast Corp	4.950	3.412	06/15/2016	95	100	107
Comcast Corp	6.500	5.409	01/15/2017	200	209	238
Comerica Bank	5.200	4.930	08/22/2017	250	253	278
Commonwealth REIT	6.650	9.689	01/15/2018	430	374	466
Commonwealth REIT	5.880	6.166	09/15/2020	325	319	339
Connecticut Light and Power	5.650	2.391	05/01/2018	435	513	520
ConocoPhillips	5.200	3.086	05/15/2018	501	558	597
ConocoPhillips	6.650	3.716	07/15/2018	294	341	363
ConocoPhillips	5.750	5.911	02/01/2019	100	99	123
ConocoPhillips	6.000	4.520	01/15/2020	940	1,029	1,195
Cons Edison Co of NY	5.100	4.756	06/15/2033	200	209	224
Cons Edison Co of NY	6.300	5.749	08/15/2037	150	161	204
Cons Edison Co of NY	5.500	5.713	12/01/2039	350	340	439
Consumers Energy Company	6.700	5.661	09/15/2049	394	457	509

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Corp Andina De Fomento	3.750	3.542	01/15/2016	532	536	554
Countrywide Financial Corp	6.250	5.331	05/15/2016	600	619	617
Cox Communications Inc	5.450	3.845	12/15/2014	225	234	248
Cox Communications Inc	5.880	2.193	12/01/2016	200	231	231
Credit Suisse New York	5.000	2.419	05/15/2013	200	205	207
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	235	234
Credit Suisse USA Inc	4.880	6.376	01/15/2015	250	241	269
Credit Suisse USA Inc	5.130	3.775	08/15/2015	680	707	743
Credit Suisse USA Inc	5.850	4.663	08/16/2016	400	417	451
Credit Suisse USA Inc	7.130	5.535	07/15/2032	275	328	349
CRH America Inc	6.000	3.793	09/30/2016	254	276	280
Crown Castle Towers LLC	3.210	3.009	08/15/2015	350	352	357
CSX Corp	6.250	3.733	03/15/2018	640	722	771
CSX Corp	7.380	6.722	02/01/2019	200	207	256
CSX Corp	4.250	3.511	06/01/2021	335	354	369
CVS Pass Through Trust	5.930	6.000	01/10/2034	248	248	281
CVS Pass Through Trust	6.130	6.066	09/15/2039	735	741	906
Daimler Finance NA LLC	6.500	4.189	11/15/2013	610	629	657
Daimler Finance NA LLC	2.950	2.988	01/11/2017	300	300	310
Danaher Corp	3.900	3.903	06/23/2021	275	275	310
Dell Inc	5.650	4.846	04/15/2018	317	330	372
Dell Inc	5.880	3.475	06/15/2019	550	632	657
Delta Air Lines 2010 -2A	4.950	4.950	05/23/2019	124	124	130
Delta Air Lines 2011-1	5.300	5.300	04/15/2019	69	69	73
Detroit Edison Company	3.900	2.752	06/01/2021	310	338	348
Deutsche Bank AG London	2.380	2.409	01/11/2013	435	435	437
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	222	239
Deutsche Telekom Int Fin	6.000	5.652	07/08/2019	635	648	757
Deutsche Telekom Int Fin	8.750	A 5.629	06/15/2030	170	230	235
Devon Energy Corporation	6.300	3.229	01/15/2019	495	585	610
Devon Energy Corporation	3.250	3.320	05/15/2022	244	243	247
Devon Energy Corporation	4.750	4.806	05/15/2042	157	156	164
Diageo Capital PLC	5.200	1.199	01/30/2013	200	205	206
Diageo Capital PLC	4.830	4.387	07/15/2020	402	414	473
Diageo Finance BV	5.500	2.553	04/01/2013	265	271	276
Diageo Investment Corp	2.880	2.917	05/11/2022	290	289	295
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	822
Discovery Communications	4.950	5.000	05/15/2042	100	99	105
DnB Boligkredit AS	2.100	2.193	10/14/2015	300	299	305
Dominion Resources Inc	6.400	4.717	06/15/2018	465	506	568
Dominion Resources Inc	5.200	3.297	08/15/2019	50	56	59
Dominion Resources Inc	4.900	4.999	08/01/2041	64	63	72
Dow Chemical Company	7.600	2.207	05/15/2014	235	259	263
Dow Chemical Company	5.900	2.031	02/15/2015	335	369	375
Dow Chemical Company	8.550	5.720	05/15/2019	417	484	552
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	292	324
Duke Energy Carolinas	4.300	4.304	06/15/2020	211	211	243
Duke Energy Carolinas	3.900	2.696	06/15/2021	210	230	235
Duke Energy Corp	3.550	3.552	09/15/2021	116	116	124
Duke Energy Ohio Inc	5.450	5.010	04/01/2019	395	405	480
DuPont EI de Nemours Co	6.000	3.208	07/15/2018	608	702	753
DuPont EI de Nemours Co	5.600	4.670	12/15/2036	320	363	410
DuPont EI de Nemours Co	4.900	4.987	01/15/2041	125	123	145
Eaton Corporation	7.630	4.412	04/01/2024	325	420	451
eBay Inc	3.250	3.426	10/15/2020	1,110	1,095	1,166
Ecolab Inc	5.500	4.517	12/08/2041	540	626	630
Encana Corp	6.500	5.141	05/15/2019	100	108	121
Enel Finance International NV	5.130	5.144	10/07/2019	700	699	661
Eni SpA	5.700	5.741	10/01/2040	250	249	260
Entergy Gulf States LA	6.000	3.328	05/01/2018	380	434	446

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
EOG Resources Inc	5.630	5.356	06/01/2019	200	203	242
EOG Resources Inc	4.400	2.949	06/01/2020	340	375	383
Erac USA Finance Company	2.250	2.317	01/10/2014	286	286	288
ERP Operating-LP	4.630	4.673	12/15/2021	85	85	93
Exelon Generation Co LLC	5.350	1.710	01/15/2014	360	381	382
Exelon Generation Co LLC	4.000	4.013	10/01/2020	288	288	299
Exelon Generation Co LLC	5.750	5.778	10/01/2041	86	86	100
Federal Home Loan Bank	5.500	3.658	07/15/2036	400	517	550
Fifth Third Bancorp	3.630	2.956	01/25/2016	455	465	480
Florida Power & Light	5.950	4.176	10/01/2033	120	150	157
Florida Power & Light	5.960	5.307	04/01/2039	335	366	451
Florida Power Corp	6.400	5.331	06/15/2038	280	322	384
FMR LLC	6.450	6.504	11/15/2039	250	248	290
Ford Motor Credit Company LLC	4.210	4.207	04/15/2016	220	220	230
France Telecom	4.380	2.478	07/08/2014	700	727	738
France Telecom	8.500	5.593	03/01/2031	230	307	316
Freeport-McMoRan Copper & Gold Gap Inc	2.150	2.317	03/01/2017	534	530	526
Gap Inc	5.950	6.848	04/12/2021	243	229	251
General Electric Capital Corp	5.900	5.926	05/13/2014	1,500	1,499	1,626
General Electric Capital Corp	5.500	3.739	06/04/2014	675	698	729
General Electric Capital Corp	2.250	2.266	11/09/2015	675	675	684
General Electric Capital Corp	5.630	5.803	09/15/2017	400	396	457
General Electric Capital Corp	5.630	4.504	05/01/2018	1,290	1,361	1,466
General Electric Capital Corp	6.000	5.091	08/07/2019	2,435	2,567	2,859
General Electric Capital Corp	5.500	5.614	01/08/2020	1,320	1,311	1,511
General Electric Capital Corp	4.380	4.424	09/16/2020	445	443	480
General Electric Capital Corp	5.880	8.520	01/14/2038	200	145	227
General Electric Company	5.250	4.384	12/06/2017	605	629	706
General Mills Inc	5.200	4.836	03/17/2015	100	101	111
General Mills Inc	5.650	4.103	02/15/2019	470	512	571
Georgia Power Company	5.250	5.030	12/15/2015	200	201	228
Glaxosmithkline Cap Inc	4.380	3.625	04/15/2014	215	218	230
Glaxosmithkline Cap Inc	6.380	5.354	05/15/2038	275	314	376
Goldman Sachs Group Inc	5.150	2.636	01/15/2014	300	312	310
Goldman Sachs Group Inc	3.630	3.576	02/07/2016	415	416	409
Goldman Sachs Group Inc	5.750	5.226	10/01/2016	50	51	53
Goldman Sachs Group Inc	6.250	7.134	09/01/2017	290	279	308
Goldman Sachs Group Inc	5.950	5.036	01/18/2018	200	209	209
Goldman Sachs Group Inc	6.150	5.861	04/01/2018	535	542	559
Goldman Sachs Group Inc	7.500	5.619	02/15/2019	2,980	3,288	3,385
Goldman Sachs Group Inc	5.380	5.493	03/15/2020	450	447	458
Goldman Sachs Group Inc	6.000	5.227	06/15/2020	240	252	252
Goldman Sachs Group Inc	5.250	5.257	07/27/2021	138	138	137
Goldman Sachs Group Inc	6.750	6.519	10/01/2037	140	144	138
Goldman Sachs Group LP	8.000	3.407	03/01/2013	210	217	218
GTE Corporation	6.840	3.750	04/15/2018	200	232	246
GTE Corporation	8.750	5.975	11/01/2021	250	299	356
GTP Acquisition Partners	4.350	4.387	06/15/2041	606	606	635
Halliburton Company	6.150	4.627	09/15/2019	360	394	448
Halliburton Company	7.450	7.646	09/15/2039	100	98	145
HCP Inc	3.750	3.828	02/01/2019	105	105	105
Hewlett-Packard Company	6.130	2.327	03/01/2014	375	399	403
Hewlett-Packard Company	4.750	1.527	06/02/2014	105	112	111
Hewlett-Packard Company	5.400	4.620	03/01/2017	280	289	310
Hewlett-Packard Company	4.380	4.398	09/15/2021	492	491	499
Hewlett-Packard Company	6.000	6.010	09/15/2041	485	484	528
Historic TW Inc	9.150	6.369	02/01/2023	945	1,146	1,302
Home Depot Inc	5.400	5.920	03/01/2016	500	491	576
Honeywell International	5.400	3.475	03/15/2016	360	384	415
Honeywell International	5.300	1.677	03/01/2018	205	246	245
HSBC Bank PLC	1.630	1.673	07/07/2014	364	364	364
HSBC Bank PLC	3.500	3.518	06/28/2015	116	116	121
HSBC Bank PLC	3.100	3.108	05/24/2016	229	229	236
HSBC Bank PLC	4.130	4.199	08/12/2020	389	387	406
HSBC Bank PLC	4.750	4.761	01/19/2021	300	300	327

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
HSBC Bank USA	4.630	3.425	04/01/2014	320	327	333
HSBC Finance Corp	4.750	7.304	07/15/2013	17	17	18
HSBC Finance Corp	0.720	7.423	01/15/2014	500	448	487
HSBC Finance Corp	5.000	7.419	06/30/2015	455	424	486
HSBC Finance Corp	5.500	4.032	01/19/2016	300	315	325
HSBC Holdings PLC	4.880	4.389	01/14/2022	350	363	383
IBM Corp	1.950	2.071	07/22/2016	168	167	174
IBM Corp	7.630	5.057	10/15/2018	330	376	440
IBM Corp	8.380	3.316	11/01/2019	460	612	662
IBM Corp	8.000	5.720	10/15/2038	300	393	513
Indiana Michigan Power	7.000	4.840	03/15/2019	145	163	183
Intel Corporation	3.300	3.328	10/01/2021	456	455	485
Intuit Inc	5.750	3.577	03/15/2017	863	944	997
Jackson National Life Global	5.380	2.699	05/08/2013	500	512	518
Jefferies Group Inc	5.130	5.082	04/13/2018	340	341	323
Jefferies Group Inc	8.500	6.829	07/15/2019	590	644	625
Jefferies Group Inc	6.450	8.192	06/08/2027	330	281	305
John Deere Capital Corp	5.100	1.753	01/15/2013	185	189	190
John Deere Capital Corp	5.750	4.607	09/10/2018	233	247	284
John Deere Capital Corp	2.250	2.292	04/17/2019	166	166	170
John Sevier Comb Cycle	4.630	4.275	01/15/2042	1,158	1,209	1,307
Johnson Controls Inc	5.000	4.342	03/30/2020	500	522	581
Johnson Controls Inc	4.250	4.101	03/01/2021	80	81	87
Kansas City Power and Light	5.300	5.343	10/01/2041	385	383	430
KCP&L Greater Missouri	11.880	2.285	07/01/2012	270	272	272
Kellogg Company	4.250	3.896	03/06/2013	100	100	103
Kellogg Company	1.750	1.864	05/17/2017	115	114	115
Kellogg Company	3.250	2.783	05/21/2018	333	341	357
Kellogg Company	3.130	3.224	05/17/2022	174	173	175
Key Bank NA	5.800	5.972	07/01/2014	350	349	377
Keycorp	6.500	1.971	05/14/2013	200	208	210
Keycorp	5.100	3.462	03/24/2021	325	365	367
Kimberly Clark Corporation	7.500	4.845	11/01/2018	250	286	338
Kohl's Corporation	6.250	5.839	12/15/2017	90	92	109
Kraft Foods Group Inc	3.500	3.608	06/06/2022	150	149	153
Kraft Foods Group Inc	5.000	5.046	06/04/2042	103	102	107
Kraft Foods Inc	6.500	3.328	08/11/2017	900	1,034	1,090
Kraft Foods Inc	6.130	5.169	08/23/2018	435	457	525
Kraft Foods Inc	5.380	4.838	02/10/2020	734	759	868
Kroger Co	7.500	3.797	01/15/2014	278	294	307
Kroger Co	6.400	6.119	08/15/2017	100	101	121
Kroger Co	6.150	4.222	01/15/2020	760	853	929
Kroger Co	7.500	5.003	04/01/2031	250	326	325
Lincoln National Corp	4.850	4.867	06/24/2021	89	89	93
Lincoln National Corp	4.200	4.200	03/15/2022	94	94	94
Lockheed Martin Corp	4.250	3.666	11/15/2019	305	316	343
Lockheed Martin Corp	5.720	5.765	06/01/2040	300	298	360
Lowe's Companies Inc	7.110	5.609	05/15/2037	195	234	262
Lowe's Companies Inc	4.650	4.676	04/15/2042	217	216	228
Macquarie Group	7.300	4.640	08/01/2014	560	590	595
Macquarie Group	7.630	7.269	08/13/2019	475	484	515
Macquarie Group	6.250	6.395	01/14/2021	237	235	240
Macys Retail Holdings Inc	7.450	3.417	07/15/2017	300	356	367
Manitoba Province	2.130	2.165	04/22/2013	43	43	44
Manuf & Traders Trust Co	6.630	6.111	12/04/2017	715	730	840
Marathon Oil Corp	6.000	3.633	10/01/2017	200	223	236
Marathon Oil Corp	5.900	3.517	03/15/2018	110	124	129
Mass Mutual Global Funding	3.630	2.407	07/16/2012	350	351	351
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	149
Massachusetts Electric	5.900	5.924	11/15/2039	182	181	239
Medco Health Solutions	7.130	3.921	03/15/2018	485	565	601
Merrill Lynch & Company Inc	6.400	5.451	08/28/2017	1,100	1,147	1,169
Merrill Lynch & Company Inc	6.880	6.034	04/25/2018	650	677	714
Met Life Global Funding I	2.500	2.011	01/11/2013	915	918	924

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Met Life Global Funding I	5.130	3.306	04/10/2013	600	609	621
Met Life Global Funding I	5.130	3.070	06/10/2014	200	208	215
Met Life Global Funding I	3.650	3.670	06/14/2018	1,000	999	1,060
Metlife Institutional Funding	1.370	1.368	04/04/2014	250	250	251
Microsoft Corporation	1.630	1.717	09/25/2015	360	359	372
Monsanto Company	5.130	5.008	04/15/2018	160	161	190
Monumental Global Funding	5.500	4.142	04/22/2013	100	101	104
Morgan Stanley	5.300	4.052	03/01/2013	550	555	561
Morgan Stanley	4.750	8.248	04/01/2014	250	235	247
Morgan Stanley	6.000	4.818	05/13/2014	825	843	839
Morgan Stanley	4.200	4.209	11/20/2014	331	331	326
Morgan Stanley	5.450	4.660	01/09/2017	800	826	782
Morgan Stanley	6.250	7.603	08/28/2017	430	405	432
Morgan Stanley	5.950	6.578	12/28/2017	685	665	683
Morgan Stanley	6.630	5.923	04/01/2018	650	672	660
Morgan Stanley	5.630	6.198	09/23/2019	1,310	1,266	1,250
Morgan Stanley	5.750	5.667	01/25/2021	115	116	108
National Australia Bank	2.500	2.500	01/08/2013	500	500	505
National Australia Bank	2.750	2.778	09/28/2015	200	200	205
National Australia Bank	3.000	3.060	07/27/2016	500	499	515
National Bank of Canada	1.650	1.659	01/30/2014	451	451	459
National City Bank	5.800	5.680	06/07/2017	850	854	974
National Rural Utilities Co-op	2.630	2.677	09/16/2012	60	60	60
National Rural Utilities Co-op	5.450	2.605	02/01/2018	195	224	232
National Rural Utilities Co-op	10.380	4.907	11/01/2018	410	531	598
National Semiconductor	6.600	2.140	06/15/2017	430	521	534
Nationwide Mutual Insurance	9.380	7.512	08/15/2039	615	747	808
NBC Universal	5.150	3.184	04/30/2020	200	227	232
NBC Universal	4.380	4.528	04/01/2021	150	148	165
NBC Universal	5.950	5.969	04/01/2041	175	175	208
Nevada Power Company	6.500	2.997	08/01/2018	355	425	440
Nevada Power Company	7.130	5.401	03/15/2019	300	329	386
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	295
New York Life Global Fdg	3.000	2.610	05/04/2015	515	521	541
News America Inc	7.250	5.514	05/18/2018	64	70	78
News America Inc	8.880	7.610	04/26/2023	450	489	573
News America Inc	7.750	5.876	01/20/2024	150	173	182
News America Inc	7.300	7.225	04/30/2028	250	252	286
News America Inc	6.650	6.115	11/15/2037	125	134	144
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	114
NiSource Finance Corp	6.400	3.049	03/15/2018	750	882	883
NiSource Finance Corp	5.450	3.637	09/15/2020	299	337	340
Nissan Motor Acceptance	4.500	2.640	01/30/2015	500	524	533
Noble Holding International	3.950	3.979	03/15/2022	45	45	46
Nomura Holdings Inc	5.000	2.878	03/04/2015	195	206	204
Nomura Holdings Inc	6.700	6.403	03/04/2020	200	204	221
Nordea Bank AB	4.880	4.938	05/13/2021	355	353	346
Norfolk Southern Corp	7.250	5.354	02/15/2031	575	702	794
Northern States Power- Minn	6.250	5.620	06/01/2036	360	390	497
Northern States Power- Minn	5.350	5.363	11/01/2039	64	64	81
Northern Trust Company	6.500	4.266	08/15/2018	250	280	305
Northern Trust Corp	5.500	4.130	08/15/2013	102	104	108
Northrop Grumman Corp	5.050	3.698	08/01/2019	490	531	571
Nova Scotia Province	9.250	4.643	03/01/2020	200	259	295
Nucor Corporation	5.750	4.303	12/01/2017	242	259	290
Nucor Corporation	5.850	2.905	06/01/2018	615	714	749
Ohio Power Company	6.050	6.649	05/01/2018	205	199	246
Oncor Electric Delivery	6.800	4.100	09/01/2018	615	705	733
Ontario (Province Of)	0.950	0.957	05/26/2015	1,945	1,945	1,949
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	527
Oracle Corporation	4.950	0.926	04/15/2013	125	129	130
Oracle Corporation	5.750	5.177	04/15/2018	250	257	303

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Oracle Corporation	5.000	4.688	07/08/2019	400	407	478
Oracle Corporation	6.500	5.656	04/15/2038	605	674	824
Oracle Corporation	5.380	5.278	07/15/2040	270	274	329
Oversea-Chinese Banking	1.630	1.694	03/13/2015	598	597	599
Paccar Financial Corp	1.550	1.168	09/29/2014	230	232	234
Pacific Gas & Electric Corp	8.250	3.561	10/15/2018	605	764	818
Pacific Gas & Electric Corp	3.250	3.312	09/15/2021	49	49	52
Pacific Life Global Funding	5.150	4.554	04/15/2013	170	171	176
Pacific Life Global Funding	5.000	4.976	05/15/2017	400	400	423
PacifiCorp	5.500	4.874	01/15/2019	350	362	421
PacifiCorp	6.100	5.153	08/01/2036	316	357	420
Parker-Hannifin Corp	3.500	3.059	09/15/2022	600	623	643
PC Financial Partnership	5.000	2.386	11/15/2014	180	191	195
Pennsylvania Electric Co	6.050	3.448	09/01/2017	210	236	242
Pepsico Inc	7.900	4.259	11/01/2018	171	206	229
Petro-Canada	6.050	5.383	05/15/2018	447	462	528
Petro-Canada	6.800	6.466	05/15/2038	225	234	283
Pfizer Inc	4.650	2.187	03/01/2018	205	232	237
PG&E Corp	5.750	5.875	04/01/2014	150	150	163
Pharmacia Corporation	6.500	4.660	12/01/2018	700	772	892
Philips Electronics NV	5.750	3.507	03/11/2018	80	89	94
Philips Electronics NV	7.200	4.879	06/01/2026	180	222	244
Pitney Bowes Inc	4.880	2.626	08/15/2014	200	210	209
Pitney Bowes Inc	5.600	4.431	03/15/2018	100	106	102
Pitney Bowes Inc	6.250	5.189	03/15/2019	240	254	247
PNC Bank NA	6.880	4.989	04/01/2018	250	274	300
PNC Funding Corp	5.250	5.109	11/15/2015	300	301	334
PNC Funding Corp	5.630	3.845	02/01/2017	300	323	336
PNC Funding Corp	5.130	5.150	02/08/2020	160	160	185
Potash Corp-Saskatchewan	3.750	2.830	09/30/2015	500	515	536
Potomac Electric Power	7.900	5.749	12/15/2038	335	432	546
PPG Industries Inc	7.400	4.939	08/15/2019	260	298	326
PPG Industries Inc	9.000	6.096	05/01/2021	625	748	858
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	134
Praxair Inc	4.380	4.446	03/31/2014	200	200	213
Praxair Inc	5.200	3.733	03/15/2017	510	543	600
Prcoa Global Funding I	5.450	5.499	06/11/2014	350	350	375
Principal Life Global	5.050	8.354	03/15/2015	500	460	537
Principal Life Inc Fdg	5.100	3.519	04/15/2014	400	411	424
Progress Energy Carolina	5.300	4.589	01/15/2019	200	208	241
Progress Energy Carolina	2.800	2.826	05/15/2022	83	83	85
Progress Energy Inc	6.050	6.115	03/15/2014	150	150	163
Progress Energy Inc	7.750	5.834	03/01/2031	100	122	143
Prudential Insurance Company	8.300	5.843	07/01/2025	650	795	867
PSEG Power LLC	5.130	4.780	04/15/2020	504	515	568
PSEG Power LLC	4.150	4.161	09/15/2021	152	152	161
Public Service Colorado	3.200	3.247	11/15/2020	45	45	49
Public Service Electric & Gas	5.380	5.083	11/01/2039	169	176	215
Public Service Oklahoma	5.150	5.186	12/01/2019	118	118	137
Public Service Oklahoma	4.400	4.494	02/01/2021	137	136	153
Quebec Province	6.350	4.145	01/30/2026	900	1,105	1,260
Rabobank Nederland	3.200	3.310	03/11/2015	500	499	516
Rabobank Nederland	2.130	2.177	10/13/2015	114	114	115
Rabobank Nederland	4.500	4.534	01/11/2021	219	218	232
Rabobank Nederland	3.880	3.970	02/08/2022	426	423	425
Rabobank Nederland	5.800	6.007	09/30/2110	300	290	309
Rabobank Nederland Utrec	3.380	3.394	01/19/2017	82	82	84
Republic Services Inc	5.500	3.442	09/15/2019	360	407	420
Republic Services Inc	3.550	3.583	06/01/2022	309	308	313
Rio Tinto Fin USA Ltd	8.950	2.510	05/01/2014	605	677	693
Rio Tinto Fin USA Ltd	3.500	3.593	11/02/2020	51	51	54
Rio Tinto Fin USA Ltd	3.750	3.781	09/20/2021	588	587	628
Royal Bank of Canada	2.300	2.357	07/20/2016	855	853	883
Ryder System Inc	3.600	3.623	03/01/2016	180	180	190

A - Adjustable rate security.

See accompanying notes to financial statements.



## Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Ryder System Inc	2.500	2.534	03/01/2017	158	158	159
Ryder System Inc	3.500	3.533	06/01/2017	96	96	101
SabMiller PLC	5.500	2.683	08/15/2013	500	517	525
San Diego Gas & Electric	5.350	5.359	05/15/2040	27	27	35
Sempra Energy	8.900	4.599	11/15/2013	347	368	385
Sempra Energy	6.500	6.539	06/01/2016	100	100	119
Sempra Energy	9.800	5.169	02/15/2019	450	566	632
Shell International Fin	1.880	1.916	03/25/2013	75	75	76
Shell International Fin	4.000	3.739	03/21/2014	575	578	611
Shell International Fin	3.100	3.115	06/28/2015	73	73	78
Shell International Fin	4.300	4.343	09/22/2019	285	284	331
Shell International Fin	4.380	4.434	03/25/2020	290	289	339
Shell International Fin	6.380	6.026	12/15/2038	140	146	194
Siemens Financieringsmat	6.130	5.126	08/17/2026	470	517	594
Simon Property Group LP	6.750	6.414	05/15/2014	140	141	153
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	294	375
Simon Property Group LP	6.130	5.748	05/30/2018	140	143	167
Simon Property Group LP	7.380	6.200	06/15/2018	166	176	207
Simon Property Group LP	5.650	4.549	02/01/2020	275	294	324
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	338
Southern Cal Edison	5.500	5.634	03/15/2040	170	167	215
Southern Company	4.150	3.107	05/15/2014	500	510	529
Southern Company	1.950	1.982	09/01/2016	130	130	133
Southtrust Bank NA	7.690	5.873	05/15/2025	400	465	484
Southwestern Electric Power	6.450	5.261	01/15/2019	115	123	140
Southwestern Public Service	8.750	5.352	12/01/2018	288	341	391
Spectra Energy Capital	6.200	5.539	04/15/2018	445	459	523
Spectra Energy Capital	6.750	8.473	07/15/2018	160	147	187
Spectra Energy Capital	8.000	5.666	10/01/2019	450	512	586
Stadshypotek AB	1.450	1.457	09/30/2013	697	697	703
Staples Inc	9.750	6.070	01/15/2014	325	343	366
State Street Corp	4.300	3.344	05/30/2014	500	509	533
Statoil ASA	3.130	2.280	08/17/2017	692	720	744
Statoil ASA	3.150	3.172	01/23/2022	350	349	365
SunTrust Banks Inc	5.250	2.676	11/05/2012	371	375	378
SunTrust Banks Inc	3.600	3.282	04/15/2016	630	637	654
Svenska Handelsbanken AB	3.130	3.127	07/12/2016	494	494	510
Svenska Handelsbanken AB	2.880	2.895	04/04/2017	463	463	469
Talisman Energy	7.750	4.568	06/01/2019	475	564	593
Talisman Energy	5.500	5.629	05/15/2042	450	442	462
Target Corp	7.000	5.065	01/15/2038	440	561	631
TCI Communications Inc	7.880	7.698	02/15/2026	100	101	133
Telecom Italia Capital	4.950	4.108	09/30/2014	400	407	390
Telecom Italia Capital	7.000	8.462	06/04/2018	100	93	100
Telefonica Emisiones SAU	5.860	3.741	02/04/2013	200	203	201
Telefonica Emisiones SAU	6.420	4.065	06/20/2016	500	544	491
Telefonica Emisiones SAU	6.220	5.139	07/03/2017	300	314	289
Telefonica Emisiones SAU	5.880	5.877	07/15/2019	50	50	47
Telefonica Emisiones SAU	5.460	5.462	02/16/2021	117	117	104
Teva Pharm Fin IV BV	3.650	3.175	11/10/2021	445	462	466
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	35
Thomson Reuters Corp	4.700	4.744	10/15/2019	150	150	171
Time Warner Cable Inc	8.250	4.378	02/14/2014	730	776	816
Time Warner Cable Inc	6.750	4.658	07/01/2018	150	166	182
Time Warner Cable Inc	8.750	4.412	02/14/2019	300	375	397
Time Warner Cable Inc	7.300	6.397	07/01/2038	300	334	382
Time Warner Entertainment	8.380	4.362	03/15/2023	225	302	302
Time Warner Entertainment	8.380	6.560	07/15/2033	325	392	449
Toronto-Dominion Bank	2.200	2.140	07/29/2015	1,350	1,352	1,404
Total Capital SA	2.300	2.129	03/15/2016	540	543	560
Toyota Motor Credit Corp	3.200	2.095	06/17/2015	70	72	74
Toyota Motor Credit Corp	2.000	2.110	09/15/2016	2,950	2,937	3,005

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Trans-Canada Pipelines	6.500	6.574	08/15/2018	250	249	315
Trans-Canada Pipelines	7.130	3.903	01/15/2019	220	261	284
Trans-Canada Pipelines	3.800	2.870	10/01/2020	300	321	328
Trans-Canada Pipelines	7.630	7.632	01/15/2039	50	50	74
Transocean Inc	6.500	6.390	11/15/2020	960	967	1,111
Travelers PPTY Casualty	7.750	5.666	04/15/2026	410	491	562
Tyco International Finance	8.500	4.733	01/15/2019	495	600	654
Tyco/Tyco International Fin SA	7.000	4.057	12/15/2019	200	238	253
UBS AG Stamford CT	3.880	3.970	01/15/2015	500	499	516
UBS AG Stamford CT	5.880	5.576	12/20/2017	300	304	330
UBS AG Stamford CT	5.750	4.472	04/25/2018	100	107	110
Union Carbide Corp	7.500	5.809	06/01/2025	250	288	302
Union Pacific Corp	4.160	4.011	07/15/2022	358	362	402
Union Pacific Corp	5.780	4.235	07/15/2040	310	388	388
United Mexican States	6.380	3.627	01/16/2013	630	641	650
United Mexican States	4.750	4.839	03/08/2044	564	556	572
United Mexican States	5.750	5.959	10/12/2110	326	315	347
United Technologies Corp	6.130	3.413	02/01/2019	696	807	863
United Technologies Corp	3.100	3.109	06/01/2022	106	106	110
United Technologies Corp	5.400	5.468	05/01/2035	170	169	201
United Technologies Corp	4.500	4.576	06/01/2042	143	141	153
UNP RR CO 2003 PASS TRUST	4.700	5.675	01/02/2024	81	77	88
UPS of America Inc	8.380	4.731	04/01/2020	125	155	176
UPS of America Inc	8.380	5.178	04/01/2030	230	306	341
US Bancorp	2.880	2.977	11/20/2014	450	449	471
US Bancorp	2.450	2.059	07/27/2015	456	461	473
US Bancorp	4.130	4.000	05/24/2021	275	278	308
Verizon Communications	5.550	3.794	02/15/2016	165	175	190
Verizon Communications	5.500	4.897	02/15/2018	720	741	852
Verizon Communications	8.750	4.820	11/01/2018	345	419	472
Verizon Communications	8.950	5.546	03/01/2039	170	250	275
Verizon Communications	7.350	7.564	04/01/2039	400	390	570
Verizon Maryland Inc	7.150	7.864	05/01/2023	400	379	418
Verizon New England Inc	7.880	6.381	11/15/2029	330	381	415
Verizon Pennsylvania	8.350	7.266	12/15/2030	400	444	531
Verizon Virginia Inc	4.630	4.968	03/15/2013	375	374	386
Viacom Inc	4.500	3.263	03/01/2021	340	372	379
Viacom Inc	3.880	4.076	12/15/2021	177	174	189
Viacom Inc	7.880	6.380	07/30/2030	380	440	506
Virginia Electric & Power Co	5.400	4.990	04/30/2018	490	500	589
Vodafone Group	5.750	6.019	03/15/2016	200	198	231
Vodafone Group	5.450	4.869	06/10/2019	369	382	443
Volkswagen Intl Fin NV	1.630	1.728	08/12/2013	100	100	101
Wachovia Bank NA	0.800	3.037	03/15/2016	850	781	817
Wachovia Corp	5.500	4.296	05/01/2013	1,400	1,415	1,460
Wachovia Corp	5.250	2.817	08/01/2014	102	107	109
Wachovia Corp	5.750	5.126	06/15/2017	775	796	899
Wachovia Corp	5.750	5.586	02/01/2018	775	780	898
Wal-Mart Stores Inc	7.550	5.479	02/15/2030	350	431	523
Wal-Mart Stores Inc	5.250	5.736	09/01/2035	425	399	504
Waste Management Inc	7.380	3.803	03/11/2019	437	529	555
Waste Management Inc	4.750	4.596	06/30/2020	622	628	700
WEA Finance/WT Fin Aust	6.750	5.450	09/02/2019	658	708	783
WellPoint Inc	5.880	5.235	06/15/2017	500	514	592
Wells Fargo & Company	5.000	7.000	11/15/2014	100	96	107
Wells Fargo & Company	3.680	3.008	06/15/2016	390	400	413
Wells Fargo & Company	5.630	5.429	12/11/2017	865	872	1,003
Wells Fargo & Company	4.600	4.319	04/01/2021	380	388	418
Wells Fargo Bank NA	4.750	2.821	02/09/2015	565	593	601
Westpac Banking Corp	4.200	2.749	02/27/2015	345	358	369
Westpac Banking Corp	4.880	4.884	11/19/2019	406	406	444
Wisconsin Electric Power	6.000	0.833	04/01/2014	257	281	282
Wisconsin Electric Power	2.950	3.070	09/15/2021	11	11	12
Wyeth	5.500	1.972	02/01/2014	190	201	205
Xcel Energy Inc	4.700	4.741	05/15/2020	45	45	52

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Xerox Corporation	6.750	4.601	02/01/2017	191	208	224
Xerox Corporation	2.950	2.732	03/15/2017	230	232	232
Xerox Corporation	5.630	5.438	12/15/2019	350	354	398
XTO Energy Inc	5.500	1.534	06/15/2018	310	381	382
<i>Total Corporate Bonds</i>					250,353	269,484
<i>Corporate Asset Backed Issues</i>						
AH Mortgage Advance Trust	2.980	3.000	03/13/2013	753	753	754
AH Mortgage Advance Trust	3.370	3.400	05/10/2013	2,334	2,334	2,339
AH Mortgage Advance Trust	2.230	2.250	05/10/2013	723	723	722
AH Mortgage Advance Trust	3.720	3.750	03/13/2014	1,575	1,575	1,579
Ally Auto Receivables Trust	1.110	1.115	11/15/2013	920	920	923
Ally Auto Receivables Trust	1.450	1.458	05/15/2014	140	140	140
Ally Auto Receivables Trust	1.550	1.576	10/15/2014	357	357	361
Ally Auto Receivables Trust	1.380	1.393	01/15/2015	285	285	287
American Credit Acceptance Rec	1.960	1.970	01/15/2014	192	192	192
American Credit Acceptance Rec	3.040	3.060	10/15/2015	320	320	320
Americredit Auto Receivables	1.660	1.669	03/17/2014	15	15	15
Americredit Auto Receivables	1.050	1.057	11/10/2014	123	123	123
Americredit Auto Receivables	0.840	0.849	11/10/2014	527	527	527
Americredit Auto Receivables	1.140	1.156	04/08/2015	445	445	446
Banc of America Auto Trust	1.310	1.315	07/15/2014	132	132	132
Banc of America Auto Trust	1.940	1.954	06/15/2017	510	510	517
Bank of America Auto Trust	0.780	0.783	03/15/2015	295	295	295
Bank of America Auto Trust	3.520	3.555	06/15/2016	145	145	147
Bank of America Auto Trust	2.180	2.198	02/15/2017	310	310	314
Carmax Auto Owner Trust	1.560	1.572	07/15/2014	121	121	121
Carnow Auto Receivables Trust	2.090	2.102	08/15/2013	440	440	440
Chase Funding Mortgage Loan	4.500	6.133	11/25/2034	374	368	381
Chase Funding Mortgage Loan	5.350 A	7.604	11/25/2034	500	468	444
Chase Funding Mortgage Loan	4.280	8.710	11/25/2034	660	604	619
Chrysler Financial Auto Sec	2.820	2.842	01/15/2016	27	27	27
CNH Equipment Trust	1.540	1.552	07/15/2014	46	46	46
CNH Equipment Trust	0.650	0.651	07/15/2015	354	354	354
CNH Equipment Trust	1.200	1.209	05/16/2016	375	375	377
CNH Equipment Trust	2.040	2.055	10/17/2016	256	256	263
CNH Equipment Trust	0.940	0.945	05/15/2017	328	328	329
CPS Auto Trust	3.680	2.514	05/16/2016	369	377	377
CPS Auto Trust	4.210	4.249	09/15/2016	478	478	492
CPS Auto Trust	2.780	2.802	11/15/2016	361	361	361
Ford Credit Auto Owner Trust	2.790	2.811	08/15/2013	13	13	13
Ford Credit Auto Owner Trust	4.500	4.548	07/15/2014	300	300	306
Honda Auto Receivables Trust	2.310	2.329	05/15/2013	8	8	8
Honda Auto Receivables Trust	0.770	0.774	03/16/2015	189	189	189
Honda Auto Receivables Trust	3.300	3.329	09/15/2015	250	250	252
Honda Auto Receivables Trust	0.970	0.972	03/16/2016	68	68	68
Huntington Auto Trust	0.810	0.822	05/15/2015	308	308	308
Huntington Auto Trust	1.010	1.016	01/15/2016	400	400	401
Huntington Auto Trust	1.310	1.313	11/15/2016	400	400	404
Hyuandai Auto Receivables Trst	0.970	0.984	11/15/2013	302	302	303
Hyuandai Auto Receivables Trst	1.630	1.638	07/15/2015	400	400	407
Hyuandai Auto Receivables Trust	0.720	0.726	03/15/2016	346	346	346
John Deere Owner Trust	1.290	1.296	01/15/2016	365	365	367
John Deere Owner Trust	1.960	1.974	04/16/2018	285	285	291
LAI Vehicle Lease Securitizat	2.550	2.672	09/15/2016	301	301	301
Mercedes-Benz Auto Rec Trust	1.420	1.433	07/15/2013	129	129	130
Mercedes-Benz Auto Rec Trust	0.850	0.853	03/15/2014	273	273	274
NCUA Guaranteed Notes	0.590 A	0.589	12/07/2020	238	238	239
Newcastle Investment Trust	2.450	2.446	12/10/2033	231	231	233
Nissan Auto Receivables Trust	0.870	0.878	07/15/2014	332	332	333
Nissan Auto Receivables Trust	1.310	1.319	09/15/2016	300	300	302
Park Place Securities Inc	0.860	1.181	10/25/2034	932	886	884
Residential Asset Mtg Prod	0.580	11.213	10/25/2035	600	577	518
Residential Asset Mtg Prod	0.540	9.435	03/25/2036	1,300	1,133	1,116
Residential Asset Sec Corp	0.610	6.263	10/25/2035	476	473	459

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Santander Drive Auto Rec Trust	2.060	2.070	08/15/2013	157	157	157
Santander Drive Auto Rec Trust	1.080	1.084	04/15/2016	132	132	132
Santander Drive Auto Rec Trust	2.390	1.421	06/15/2017	400	406	409
Saxon Asset Securities Trust	4.790 A	4.566	06/25/2033	289	293	289
Springleaf Mortgage Loan Trust	2.670	2.594	09/25/2057	442	442	442
Springleaf Mortgage Loan Trust	6.000	7.970	09/25/2057	650	589	568
Toyota Auto Rec Owner Trust	0.770	0.775	04/15/2014	598	598	598
Trafigura Securitisation Fin	2.640	2.653	04/15/2015	1,190	1,190	1,190
USAA Auto Owner Trust	2.530	2.544	07/15/2015	295	295	299
Westgate Resorts	4.500	4.378	09/20/2015	1,301	1,301	1,301
Westlake Auto Receivables Trst	1.080	1.083	07/15/2013	60	60	60
Westlake Auto Receivables Trst	1.490	1.496	06/16/2014	303	303	303
<i>Total Corporate Asset Backed Issues</i>					28,977	28,964
<i>Corporate CMO</i>						
A10 Securitization	3.490	3.518	04/15/2024	1,000	1,000	1,001
AH Mortgage Advance Trust	3.270	3.306	09/15/2013	1,334	1,334	1,343
AH Mortgage Advance Trust	6.900	7.000	09/15/2013	500	500	513
American General Mortgage Loan	5.150	3.581	03/25/2040	503	511	514
American General Mortgage Loan	5.750	4.067	09/25/2048	1,525	1,533	1,538
American General Mortgage Loan	5.750	4.878	09/25/2048	1,100	1,104	1,119
American General Mortgage Loan	5.750	8.297	09/25/2048	1,300	1,253	1,332
ASG Resecuritization Trust	5.190 A	5.154	05/24/2036	400	400	388
ASG Resecuritization Trust	5.190 A	9.837	05/24/2036	755	722	747
ASG Resecuritization Trust	0.430 A	0.950	10/28/2036	353	343	345
ASG Resecuritization Trust	2.670 A	6.768	03/26/2037	1,263	1,203	1,243
ASG Resecuritization Trust	3.670 A	13.358	06/26/2037	758	618	755
ASG Resecuritization Trust	6.000	9.714	06/28/2037	991	980	1,011
Banc of Amer Altern Loan Trust	5.000	4.723	09/25/2018	441	442	452
Banc of Amer Altern Loan Trust	5.500	7.384	02/25/2019	412	395	420
Banc of Amer Altern Loan Trust	5.500	5.566	09/25/2019	281	280	285
Banc of Amer Altern Loan Trust	5.500	8.324	09/25/2033	293	262	298
Banc of Amer Altern Loan Trust	5.500	5.699	11/25/2033	335	332	344
Banc of Amer Altern Loan Trust	6.000	6.644	01/25/2034	323	314	337
Banc of Amer Altern Loan Trust	6.000	6.659	01/25/2034	520	502	544
Banc of America Commercial Mtg	5.410	2.846	09/10/2016	450	491	495
Banc of America Commercial Mtg	4.670	5.024	07/10/2043	400	397	435
Banc of America Commercial Mtg	4.730	7.964	07/10/2043	600	549	615
Banc of America Commercial Mtg	5.890	6.051	07/10/2044	1,000	996	1,123
Banc of America Commercial Mtg	5.370	10.517	09/10/2045	660	568	732
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	682	784
Banc of America Funding Corp	5.500	5.704	10/25/2034	731	724	749
Banc of America Funding Corp	5.040 A	5.429	12/20/2034	217	215	214
Banc of America Funding Corp	5.370 A	4.608	02/26/2035	892	926	940
Banc of America Mortgage Sec	0.690	1.655	08/25/2018	253	249	243
Banc of America Mortgage Sec	5.000	3.903	04/25/2019	146	149	149
Banc of America Mortgage Sec	6.500	6.781	09/25/2032	221	219	233
Banc of America Mortgage Sec	3.090 A	3.244	04/25/2033	320	318	321
Banc of America Mortgage Sec	5.500	4.676	05/25/2033	813	824	835
Banc of America Mortgage Sec	3.050 A	3.046	06/25/2033	306	306	299
Banc of America Mortgage Sec	3.130 A	3.255	04/25/2034	946	939	923
Banc of America Mortgage Sec	5.500	2.968	04/25/2034	1,400	1,458	1,434
Bank of America Corp	5.750	10.175	09/20/2034	419	370	442
BCAP LLC Trust	5.500 A	4.975	08/26/2012	253	253	252
BCAP LLC Trust	5.500	7.003	11/26/2034	987	937	1,005
BCAP LLC Trust	5.020 A	4.375	04/26/2035	365	368	357
BCAP LLC Trust	1.040	3.735	01/26/2036	410	374	387
BCAP LLC Trust	5.250	5.230	05/26/2037	66	66	65
BCAP LLC Trust	4.930 A	5.789	05/26/2037	964	951	938
BCAP LLC Trust	5.750	6.038	06/26/2037	677	669	684
BCAP LLC Trust	3.890 A	3.113	07/26/2045	1,125	1,143	1,055
Bear Stearns Adj Rate Mortgage	4.980 A	4.826	07/25/2033	298	298	296
Bear Stearns Adj Rate Mortgage	5.080 A	4.819	05/25/2034	268	270	266
Bear Stearns Adj Rate Mortgage	2.220 A	2.833	08/25/2035	449	435	433

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Bear Stearns Commercial Mtg	5.450 A	4.655	03/11/2039	235	238	262
Bear Stearns Commercial Mtg	0.230 A	6.415	06/11/2041	14,281	215	206
Bear Stearns Commercial Mtg	5.470	2.094	06/11/2041	500	527	534
Bear Stearns Commercial Mtg	5.540	10.089	10/12/2041	300	263	341
Chase Mortgage Finance Corp	5.000	3.291	03/25/2018	240	247	246
Chase Mortgage Finance Corp	2.850 A	3.235	02/25/2037	854	838	851
Chase Mortgage Finance Corp	2.810 A	2.880	02/25/2037	204	203	201
Chase Mortgage Finance Corp	3.030 A	4.302	07/25/2037	542	504	486
Citicorp Mortgage Securities	5.500	3.155	06/25/2034	684	714	718
Citigroup Commercial Mortgage	4.830 A	4.789	05/15/2043	400	400	417
Citigroup Mortgage Loan Trust	5.250	15.896	10/25/2033	398	328	407
Citigroup Mortgage Loan Trust	5.070 A	4.786	08/25/2034	205	205	208
Citigroup Mortgage Loan Trust	2.610 A	2.726	02/25/2035	347	345	346
Citigroup Mortgage Loan Trust	5.500	5.480	05/25/2035	402	401	393
Citigroup Mortgage Loan Trust	6.000	9.864	06/25/2036	886	813	924
Citigroup Mortgage Loan Trust	4.000	2.841	11/25/2036	2,809	2,860	2,882
Citigroup Mortgage Loan Trust	4.500	2.848	12/25/2036	3,007	3,089	3,101
Citigroup Mortgage Loan Trust	3.030 A	2.470	11/25/2038	954	958	947
Citigroup/Deutsche Bank Commer	0.080 A	1.589	01/15/2046	72,609	204	155
Citigroup/Deutsche Bank Commer	0.150 A	7.947	12/11/2049	41,388	359	324
Commercial Mortgage Pass-Thru	4.980	9.224	05/10/2043	1,000	914	1,091
Countrywide Home Loans	4.500	5.608	06/25/2019	420	409	428
Countrywide Home Loans	5.250	5.252	09/25/2033	106	105	106
Countrywide Home Loans	5.000	6.294	10/25/2033	774	736	770
Countrywide Home Loans	5.250	5.884	04/25/2034	1,561	1,522	1,613
Credit Suisse Mortgage Capital	5.500	5.500	10/27/2035	95	95	95
Credit Suisse Mortgage Capital	3.250	3.164	07/27/2037	957	959	959
Credit Suisse Mortgage Capital	4.430 A	3.729	10/26/2037	157	157	154
Credit Suisse Mortgage Capital	5.660	5.700	03/15/2039	500	499	547
Credit Suisse Mortgage Capital	1.240 A	1.843	02/27/2047	1,548	1,544	1,544
Credit Suisse Mortgage Capital	1.240 A	1.502	06/28/2047	140	140	139
Credit Suisse Mortgage Capital	4.250 A	8.360	06/25/2050	300	280	274
CS First Boston Mortgage Sec	2.960 A	3.855	06/25/2033	498	479	460
CS First Boston Mortgage Sec	5.250	6.159	11/25/2033	1,249	1,218	1,290
CS First Boston Mortgage Sec	5.500	3.185	09/25/2034	675	711	706
CS First Boston Mortgage Sec	5.500	3.906	12/25/2034	748	784	789
CS First Boston Mortgage Sec	18.180 A	19.572	06/25/2035	90	88	90
CS First Boston Mortgage Sec	4.730	4.846	07/15/2037	400	399	418
CW Capital Cobalt	5.220	2.745	08/15/2048	245	269	266
Deutsche ALT-A Sec Inc Mtg	5.610 A	5.867	02/25/2020	277	275	286
Deutsche Mortgage Securities	0.370 A	8.629	04/26/2037	410	408	397
First Horizon Mortgage Ps Thru	4.500	4.426	09/25/2018	523	522	533
Fontainebleau Miami Beach Trst	2.890	2.898	05/05/2017	841	841	853
GE Capital Commercial Mortgage	4.830	4.279	06/10/2048	1,000	1,013	1,020
GE Capital Commercial Mortgage	4.850	4.385	06/10/2048	500	506	502
GMAC Commercial Mortgage Sec	5.240	10.435	11/10/2045	1,810	1,560	1,959
GMAC Mortgage Corp Loan Trust	5.000	4.356	01/25/2020	292	296	300
GMAC Mortgage Corp Loan Trust	3.040 A	3.974	10/19/2033	793	763	791
GMAC Mortgage Corp Loan Trust	5.000	6.078	10/25/2033	434	418	430
GMAC Mortgage Corp Loan Trust	5.000	8.437	11/25/2033	862	797	899
GMAC Mortgage Corp Loan Trust	2.990 A	3.303	12/19/2033	1,237	1,219	1,222
GMAC Mortgage Corp Loan Trust	6.500	5.698	01/25/2035	543	558	557
Greenwich Capital Comm Funding	4.860 A	5.694	01/10/2015	210	206	213
GS Mortgage Securities Corp	5.550	9.296	04/10/2038	1,000	894	1,105
GSR Mortgage Loan Trust	6.000	7.170	09/25/2034	714	685	749
GSR Mortgage Loan Trust	0.590	7.799	03/25/2035	556	355	455
GSR Mortgage Loan Trust	0.740	4.046	06/25/2035	238	215	225
GSR Mortgage Loan Trust	5.500	10.943	01/25/2037	98	83	95
Household Home Equity Loan Tst	0.510	4.344	01/20/2035	198	175	184
Household Home Equity Loan Tst	0.730	5.112	01/20/2035	395	343	355
Household Home Equity Loan Tst	0.400	4.295	01/20/2036	409	357	375
Household Home Equity Loan Tst	0.390	3.110	03/20/2036	352	318	332
Household Home Equity Loan Tst	0.440	1.595	03/20/2036	235	212	215
Household Home Equity Loan Tst	5.600	5.193	03/20/2036	422	422	426
Household Home Equity Loan Tst	1.440	4.164	11/20/2036	530	460	497

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
IMPAC CMB Trust	0.540	3.005	05/25/2035	422	379	397
IMPAC Secured Assets Corp	5.500	6.771	08/25/2033	662	623	701
IMPAC Secured Assets Corp	0.590	3.145	05/25/2036	527	454	487
IMPAC Secured Assets Corp	0.590	6.131	08/25/2036	896	786	805
JP Morgan Chase Commercial Mtg	5.590 A	2.220	07/12/2014	700	743	749
JP Morgan Chase Commercial Mtg	5.370 A	4.225	08/12/2037	700	721	697
JP Morgan Chase Commercial Mtg	4.400	2.085	01/12/2039	700	724	728
JP Morgan Chase Commercial Mtg	5.550	3.506	05/12/2045	500	537	559
JP Morgan Chase Commercial Mtg	5.400	9.292	05/15/2045	950	833	1,073
JP Morgan Chase Commercial Mtg	0.390	5.263	05/15/2047	800	743	741
JP Morgan Mortgage Trust	2.650 A	2.786	11/25/2033	1,172	1,163	1,160
JP Morgan Mortgage Trust	2.800 A	3.838	08/25/2034	1,538	1,468	1,489
JP Morgan Mortgage Trust	5.010 A	4.947	02/25/2035	1,000	1,001	989
JP Morgan Mortgage Trust	4.440 A	3.637	02/25/2035	131	132	131
JP Morgan Mortgage Trust	2.850 A	2.795	07/25/2035	887	888	857
JP Morgan Re-REMIC	4.340 A	4.188	08/26/2035	474	474	463
Lake Country Mortgage Loan Tst	0.590	2.185	07/25/2034	611	585	588
LB-UBS Commercial Mortgage Tst	5.160	7.515	01/15/2016	300	282	332
LB-UBS Commercial Mortgage Tst	4.370	2.169	03/15/2036	598	619	625
LB-UBS Commercial Mortgage Tst	0.150 A	6.775	02/15/2041	24,472	233	276
Master Adjustable Rate Mtgage	2.700 A	5.232	11/21/2034	252	248	252
Master Adjustable Rate Mtgage	2.700 A	2.869	11/21/2034	1,350	1,337	1,305
Master Reperforming Loan Trust	0.590	6.936	05/25/2035	781	525	608
Master Resecuritization Trust	13.630	27.582	05/28/2035	456	254	356
MASTR Asset Securitization	5.500	10.908	09/25/2033	130	115	136
MASTR Asset Securitization	5.250	3.842	12/25/2033	1,093	1,129	1,150
Merrill Lynch Mortgage Invest	2.720 A	3.320	07/25/2033	192	188	193
Merrill Lynch Mortgage Trust	5.660 A	5.341	05/12/2039	260	263	294
Merrill Lynch/Countrywide Comm	0.200 A	6.933	12/12/2049	15,520	192	192
MLCC Mortgage Investors Inc	0.990	3.562	04/25/2029	395	330	362
MLCC Mortgage Investors Inc	1.470	3.336	08/25/2029	419	389	387
MLCC Mortgage Investors Inc	2.640 A	2.982	08/25/2034	297	291	287
MLCC Mortgage Investors Inc	2.330 A	2.773	12/25/2034	620	605	619
Morgan Stanley Capital I	4.050	3.906	06/15/2021	340	343	367
Morgan Stanley Capital I	5.660 A	5.628	06/11/2042	250	251	289
Morgan Stanley Capital I	0.130 A	6.988	12/15/2043	15,844	198	222
Morgan Stanley Capital I	0.230 A	12.958	02/12/2044	43,542	350	306
Morgan Stanley Capital Inc	0.990 A	5.832	01/25/2035	81	71	80
Morgan Stanley Mortgage Loan	5.670 A	5.257	04/25/2034	333	338	339
Morgan Stanley Mortgage Loan	5.500	23.487	08/25/2034	4,450	537	541
Morgan Stanley Reremic Trust	2.000	1.853	09/27/2017	2,472	2,479	2,467
Morgan Stanley Reremic Trust	0.250	6.841	03/27/2019	400	270	266
Morgan Stanley Re-REMIC Trust	4.970	2.440	04/16/2040	1,400	1,451	1,470
Morgan Stanley Re-REMIC Trust	3.000	2.636	07/17/2056	197	197	198
Morgan Stanley Re-REMIC Trust	5.000	3.110	07/17/2056	1,450	1,473	1,479
NCUA Guaranteed Notes	2.650	2.866	01/01/2018	3,477	3,458	3,637
NCUA Guaranteed Notes	2.900	1.547	10/29/2020	1,100	1,174	1,166
NCUA Guaranteed Notes	0.800 A	0.800	12/08/2020	894	894	898
NCUA Guaranteed Notes	2.400	2.461	12/08/2020	473	472	484
Prime Mortgage Trust	6.000	5.261	02/25/2034	273	280	288
RBSSP Resecuritization Trust	6.500	3.789	02/26/2036	598	610	635
RBSSP Resecuritization Trust	4.000	4.230	05/26/2037	441	438	437
Residential Accredit Loans	16.120	16.529	10/25/2017	161	162	182
Residential Accredit Loans	0.890	3.187	07/25/2033	457	410	394
Residential Accredit Loans	5.500	5.536	08/25/2033	647	647	668
Residential Accredit Loans	5.750	7.409	10/25/2033	501	470	521
Residential Accredit Loans	5.500	13.881	05/25/2034	1,551	1,088	1,407
Residential Funding Mtg Sec I	5.500	1.445	05/25/2022	911	923	918
Salomon Brothers Mortgage Sec	3.950 A	9.679	04/25/2032	210	181	178
Salomon Brothers Mortgage Sec	2.740 A	3.440	09/25/2033	675	655	657
Springleaf Mortgage Loan Trust	4.050 A	4.006	01/25/2058	1,008	1,006	1,023
Springleaf Mortgage Loan Trust	5.450	5.625	01/25/2058	1,000	989	1,000
Structured Asset Investment	0.510 A	7.463	06/25/2035	291	288	277
Structured Asset Mortgage Inv	0.000	8.871	07/25/2032	172	119	168
Structured Asset Mortgage Inv	0.900 A	2.099	10/19/2034	613	556	538

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Structured Asset Securities Co	3.450	5.138	02/25/2032	310	286	284
Structured Asset Securities Co	0.740	7.864	06/25/2033	537	494	516
Structured Asset Securities Co	5.500	6.017	10/25/2033	694	679	702
Structured Asset Securities Co	5.270 A	5.623	11/25/2033	201	198	211
Structured Asset Securities Co	5.030 A	5.138	12/25/2033	250	249	250
Structured Asset Securities Co	5.540	6.371	12/25/2033	1,216	1,168	1,186
Structured Asset Securities Co	5.550 A	6.291	03/25/2034	583	563	586
Structured Asset Securities Co	4.690 A	4.481	02/25/2035	1,027	1,037	1,015
Structured Asset Securities Co	5.000	13.553	05/25/2035	183	141	181
Thornburg Mtg Securities Trust	0.880	2.358	09/25/2043	685	637	657
TIAA Seasoned Commercial Mtg	5.620 A	5.079	08/15/2039	2,500	2,518	2,685
Vendee Mortgage Trust	6.750	5.797	06/15/2026	719	755	852
Vendee Mortgage Trust	6.750	4.201	06/15/2028	594	673	692
Vericrest Opportunity Loan	4.210	4.250	03/25/2049	336	336	336
Volt 12-RPL1 LLC	4.950	5.000	03/25/2049	2,371	2,370	2,370
Wachovia Bank Comm Mtg Trst	5.210	2.725	01/15/2041	652	687	693
Wachovia Bank Comm Mtg Trst	5.730 A	8.065	05/15/2043	1,440	1,338	1,623
WAMU Mortgage Pass-Through Cer	5.500	5.566	08/25/2019	546	544	571
WAMU Mortgage Pass-Through Cer	2.440 A	3.076	08/25/2033	231	225	226
WAMU Mortgage Pass-Through Cer	2.480 A	2.634	08/25/2033	256	253	254
WAMU Mortgage Pass-Through Cer	2.460 A	2.692	09/25/2033	885	875	889
WAMU Mortgage Pass-Through Cer	2.540 A	2.838	09/25/2033	339	331	341
WAMU Mortgage Pass-Through Cer	5.250	7.957	10/25/2033	2,095	1,955	2,196
WAMU Mortgage Pass-Through Cer	16.390	15.773	11/25/2033	213	215	219
WAMU Mortgage Pass-Through Cer	0.640	2.696	03/25/2034	186	182	182
WAMU Mortgage Pass-Through Cer	2.590 A	4.065	06/25/2034	250	232	248
WAMU Mortgage Pass-Through Cer	2.590 A	2.663	06/25/2034	624	621	616
WAMU Mortgage Pass-Through Cer	5.500	6.196	06/25/2034	853	823	873
WAMU Mortgage Pass-Through Cer	5.000	3.468	07/25/2034	608	627	632
Washington Mutual MSC Mortgage	0.000	17.440	07/25/2033	207	135	164
Washington Mutual MSC Mortgage	5.500	45.091	05/25/2035	681	60	116
Wells Fargo Mortgage Backed	4.750	4.542	12/25/2018	816	816	846
Wells Fargo Mortgage Backed	5.000	3.504	01/25/2020	277	284	283
Wells Fargo Mortgage Backed	5.000	3.931	11/25/2020	237	240	248
Wells Fargo Mortgage Backed	4.440 A	4.577	11/25/2033	769	766	775
Wells Fargo Mortgage Backed	4.730 A	2.608	12/25/2033	256	258	258
Wells Fargo Mortgage Backed	4.970 A	4.732	02/25/2034	426	427	433
Wells Fargo Mortgage Backed	2.670 A	4.115	09/25/2034	1,449	1,358	1,444
Wells Fargo Mortgage Backed	2.720 A	3.804	10/25/2034	569	540	567
Wells Fargo Mortgage Backed	2.690 A	3.403	10/25/2034	499	485	492
Wells Fargo Mortgage Backed	2.690 A	4.979	10/25/2034	343	314	341
Wells Fargo Mortgage Backed	2.670 A	4.186	12/25/2034	712	671	712
Wells Fargo Mortgage Backed	2.840 A	6.535	12/25/2034	341	305	346
Wells Fargo Mortgage Backed	2.670 A	4.017	12/25/2034	475	450	474
Wells Fargo Mortgage Backed	2.840 A	3.600	12/25/2034	341	335	348
Wells Fargo Mortgage Backed	2.690 A	3.785	06/25/2035	183	174	175
Wells Fargo Mortgage Loan Trst	2.850 A	2.725	08/27/2037	483	483	474
WF-RBS Commercial Mortgage Tst	4.380	4.266	05/15/2021	600	605	660
WF-RBS Commercial Mortgage Tst	3.440	3.324	01/15/2022	400	404	420
<i>Total Corporate CMO</i>					<u>141,476</u>	<u>147,302</u>
Total Corporate Issues - 35.8%					420,806	445,750
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund - 3.0%				36,755,510	36,756	36,756
Total Investment Securities - 99.3%					<u>\$ 1,143,455</u>	<u>\$ 1,232,992</u>
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund					\$ 15,627	\$ 15,627
Mellon SL DBT II Liquidating Fund					276	268
Total Collateral for Securities Loaned					<u>\$ 15,903</u>	<u>\$ 15,895</u>

A - Adjustable rate security.

See accompanying notes to financial statements.

## Core Fixed Income Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 4,577	\$ 52,406
Dividends	3	11
Net amortization	(955)	(9,251)
Securities lending income	10	121
<b>Total investment income</b>	3,635	43,287
<b>Expenses</b>		
Investment advisor fees	(162)	(1,653)
Trustee fees	-	(3)
Custodian bank fees	(5)	(57)
Management fees	(30)	(337)
Fiduciary bond fees	(1)	(5)
Professional service fees	(6)	(64)
Securities lending agent fees	(2)	(20)
Securities lending borrower rebates	(1)	(8)
<b>Total expenses</b>	(207)	(2,147)
<b>Investment income, net</b>	3,428	41,140
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	579	10,295
Net increase in the fair value of investments	6,672	40,477
<b>Net gain from investments</b>	7,251	50,772
<b>Net increase in net assets from operations</b>	\$ 10,679	\$ 91,912

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 3,428	\$ 41,140
Net realized gain from investments	579	10,295
Net increase in the fair value of investments	6,672	40,477
<b>Net increase in net assets from operations</b>	10,679	91,912
<b>Distributions to unitholders</b>		
Investment income, net	(3,428)	(41,140)
<b>Unit transactions</b>		
Proceeds from sale of units	35,568	161,060
Reinvestment of distributions	3,091	42,184
	38,659	203,244
Amount paid for repurchase of units	(4)	(202,425)
<b>Net increase in net assets from unit transactions</b>	38,655	819
<b>Increase in net assets</b>	45,906	51,591
<b>Net assets, beginning of period</b>	1,195,700	1,190,015
<b>Net assets, end of period</b>	\$ 1,241,606	\$ 1,241,606
<b>Unit data</b>		
Units sold	3,147,373	14,416,853
Units issued from reinvestment of distributions	273,510	3,780,117
	3,420,883	18,196,970
Units repurchased	(354)	(18,128,739)
<b>Net increase in units</b>	3,420,529	68,231

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

# Core Fixed Income Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The main objective of this Pool is to generate investment income, provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. manages this Pool. This Pool's investment performance, net of external investment management fees, is expected to meet or exceed the Barclays Capital U.S. Aggregate index.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in debt securities are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# Core Fixed Income Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

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

**Security Loans** - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Cash collateral received is reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments in Securities. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as securities lending income. The agent fees and broker rebates are reported as expenses, and unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the net increase or decrease in the fair value of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as net increase or decrease in the fair value of investments.

**Asset-Backed Securities** - The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

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

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

**Investment Gains and Losses** - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method.

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

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

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

**Distributions to Participants** - The monthly net investment income is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets. The Pool does not routinely distribute dividends of net realized gains.

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

# Core Fixed Income Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

**Income Taxes** - In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of May 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 May 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate issues	\$ -	\$ 445,750	\$ -	\$ 445,750
Municipal bonds	-	4,851	-	4,851
Regulated investment companies	-	36,756	-	36,756
Securities lending collateral funds	-	15,895	-	15,895
U.S. government agency issues	-	464,986	-	464,986
U.S. Treasury issues	-	280,649	-	280,649
Total	<u>\$ -</u>	<u>\$ 1,248,887</u>	<u>\$ -</u>	<u>\$ 1,248,887</u>

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

Fair value of securities on loan	\$	140,298		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Cash	\$	<u>15,903</u>	\$ 15,895	\$ (8)
Non-cash			<u>127,265</u>	
Total			<u>\$ 143,160</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		0.39
Net realized and unrealized gain on investment transactions		<u>0.47</u>
Total from investment operations		0.86
Less distributions from net investment income		<u>(0.39)</u>
Net asset value at May 31, 2012	\$	<u>11.37</u>

**Time-weighted Total Return \*** 7.9%

#### Supplemental Data:

Net assets, end of period	\$	1,241,606
Ratio to average net assets:		
Expenses **		0.19%
Net investment income **		3.76%
Portfolio turnover rate		20.56%

\* 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 May 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	\$ 316,067
Public Employees' Retirement System	310,782
Workers' Compensation Old Fund	200,596
Revenue Shortfall Reserve Fund - Part B	75,755
Revenue Shortfall Reserve Fund	73,867
West Virginia Retiree Health Benefit Trust	57,140
Coal Workers' Pneumoconiosis Fund	41,426
West Virginia Prepaid Tuition Trust Fund	39,297
Public Employees Insurance Agency	39,198
State Police Death, Disability and Retirement Fund	31,954
Board of Risk and Insurance Management	22,295
Judges' Retirement System	9,193
Deputy Sheriff's Retirement System	8,458
State Police Retirement System	5,729
Wildlife Endowment Fund	2,876
Emergency Medical Services Retirement System	2,629
Workers' Compensation Self-Insured Guaranty Risk Pool	1,784
Workers' Compensation Uninsured Employers' Fund	1,475
West Virginia Department of Environmental Protection Trust	608
AccessWV	471
Municipal Police Officers' and Firefighters' Retirement System	6
Total	<u>\$ 1,241,606</u>

**Financial Statements - Unaudited**

**May 31, 2012**





# TIPS Pool

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## Financial Statements - Unaudited May 31, 2012

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# TIPS Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	748,333
Collateral for securities loaned at fair value (Note 4)		1,591
Receivables:		
Accrued interest		3,329
Investments sold		12,582
Securities lending income		31
		<hr/>
<b>Total assets</b>		765,866

### Liabilities

Accrued expenses		73
Dividends payable		5,405
Payable for investments purchased		12,593
Payable upon return of securities loaned (Note 4)		1,592
		<hr/>
<b>Total liabilities</b>		19,663

**Net assets** \$ 746,203

### Analysis of net assets

Paid-in capital	\$	659,471
Accumulated undistributed net realized gain from investments		25,905
Unrealized net appreciation of investments		60,827
		<hr/>
<b>Net assets</b>	<u><u>\$</u></u>	<u>746,203</u>

### Unit data

Units outstanding		66,942,041
Net asset value, unit price	\$	11.15
		<hr/> <hr/>

See accompanying notes to financial statements.

# TIPS Pool

## Schedule of Investments in Securities - Unaudited

May 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	1.880 %	(0.605) %	07/15/2013	18,420	\$ 23,649	\$ 23,743
United States Treasury	2.000	(0.463)	01/15/2014	18,904	24,410	24,547
United States Treasury	1.250	(0.454)	04/15/2014	14,279	15,973	16,084
United States Treasury	2.000	(0.419)	07/15/2014	18,012	23,050	23,386
United States Treasury	1.630	(0.267)	01/15/2015	16,921	21,340	21,751
United States Treasury	0.500	(0.400)	04/15/2015	19,905	21,617	21,985
United States Treasury	1.880	(0.212)	07/15/2015	15,774	19,818	20,387
United States Treasury	2.000	(0.072)	01/15/2016	15,628	19,418	20,122
United States Treasury	0.130	(0.731)	04/15/2016	36,018	38,692	39,209
United States Treasury	2.500	(0.034)	07/15/2016	16,045	20,128	21,050
United States Treasury	2.380	0.130	01/15/2017	13,895	17,438	18,408
United States Treasury	0.130	(1.313)	04/15/2017	15,166	(16,429)	16,246
United States Treasury	2.630	0.154	07/15/2017	12,242	15,255	16,234
United States Treasury	1.630	0.262	01/15/2018	13,067	15,393	16,503
United States Treasury	1.380	0.293	07/15/2018	13,266	15,035	16,282
United States Treasury	2.130	0.403	01/15/2019	12,312	14,631	15,948
United States Treasury	1.880	0.447	07/15/2019	13,886	16,407	18,070
United States Treasury	1.380	0.532	01/15/2020	17,055	19,225	21,272
United States Treasury	1.250	0.592	07/15/2020	26,432	29,246	32,655
United States Treasury	1.130	0.853	01/15/2021	30,359	32,546	36,974
United States Treasury	0.630	0.152	07/15/2021	33,176	35,208	37,939
United States Treasury	0.130	(0.364)	01/15/2022	38,586	40,805	41,723
United States Treasury	2.380	1.098	01/15/2025	20,410	28,555	33,151
United States Treasury	2.000	1.156	01/15/2026	15,609	19,946	23,359
United States Treasury	2.380	1.203	01/15/2027	12,734	16,746	19,726
United States Treasury	1.750	1.242	01/15/2028	13,268	15,564	18,494
United States Treasury	3.630	1.328	04/15/2028	11,628	21,885	25,848
United States Treasury	2.500	1.267	01/15/2029	13,145	16,624	19,809
United States Treasury	3.880	1.348	04/15/2029	13,917	26,790	31,822
United States Treasury	3.380	1.387	04/15/2032	4,371	7,588	9,270
United States Treasury	2.130	1.531	02/15/2040	8,424	10,126	12,915
United States Treasury	2.130	1.442	02/15/2041	15,862	19,190	24,134
United States Treasury	0.750	0.726	02/15/2042	7,897	8,068	8,577
Total U.S. Treasury Issues - 100.2%					686,795	747,623
<b><u>Short-term Issues</u></b>						
Dreyfus Cash Management Institutional Fund - 0.1%				710	710	710
Total Investment Securities - 100.3%					\$ 687,505	\$ 748,333
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund					\$ 1,565	\$ 1,565
Mellon SL DBT II Liquidating Fund					27	26
Total Collateral for Securities Loaned					\$ 1,592	\$ 1,591

See accompanying notes to financial statements.

# TIPS Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 899	\$ 11,786
Dividends	-	1
Net accretion	4,511	6,117
Securities lending income	39	309
<b>Total investment income</b>	5,449	18,213
 <b>Expenses</b>		
Investment advisor fees	(13)	(167)
Trustee fees	(1)	(3)
Custodian bank fees	(2)	(19)
Management fees	(18)	(237)
Fiduciary bond fees	-	(3)
Professional service fees	(4)	(44)
Securities lending agent fees	(6)	(56)
Securities lending borrower rebates	(1)	(2)
<b>Total expenses</b>	(45)	(531)
<b>Investment income, net</b>	5,404	17,682
 <b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	1,218	25,679
Net increase in the fair value of investments	5,738	54,944
<b>Net gain from investments</b>	6,956	80,623
<b>Net increase in net assets from operations</b>	\$ 12,360	\$ 98,305

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 5,404	\$ 17,682
Net realized gain from investments	1,218	25,679
Net increase in the fair value of investments	5,738	54,944
<b>Net increase in net assets from operations</b>	12,360	98,305
<b>Distributions to unitholders</b>		
Investment income, net	(5,404)	(17,682)
<b>Unit transactions</b>		
Proceeds from sale of units	2,284	108,000
Reinvestment of distributions	2,940	18,269
	5,224	126,269
Amount paid for repurchase of units	(2,249)	(352,382)
<b>Net increase (decrease) in net assets from unit transactions</b>	2,975	(226,113)
<b>Increase (decrease) in net assets</b>	9,931	(145,490)
<b>Net assets, beginning of period</b>	736,272	891,693
<b>Net assets, end of period</b>	\$ 746,203	\$ 746,203
<b>Unit data</b>		
Units sold	206,872	10,132,399
Units issued from reinvestment of distributions	266,129	1,737,686
	473,001	11,870,085
Units repurchased	(203,666)	(32,848,816)
<b>Net increase (decrease) in units</b>	269,335	(20,978,731)

*\*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.

# TIPS 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, 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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Regulated investment companies	\$ -	\$ 710	\$ -	\$ 710
Securities lending collateral funds	-	1,591	-	1,591
U.S. Treasury issues	-	747,623	-	747,623
Total	\$ -	\$ 749,924	\$ -	\$ 749,924

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

### NOTE 4. SECURITIES LENDING

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

Fair value of securities on loan	\$	521,548		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	1,592	\$ 1,591	\$ (1)
Non-cash			530,647	
Total			\$ 532,238	



# TIPS Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$	10.14
Income from investment operations:		
Net investment income		0.23
Net realized and unrealized gain on investment transactions		1.01
Total from investment operations		1.24
Less distributions from net investment income		(0.23)
Net asset value at May 31, 2012	\$	11.15

**Time-weighted Total Return \*** 12.2%

**Supplemental Data:**

Net assets, end of period	\$	746,203
Ratio to average net assets:		
Expenses **		0.06%
Net investment income **		2.28%
Portfolio turnover rate		24.78%

\* 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 May 31, 2012.

Participant	Account Value
Revenue Shortfall Reserve Fund	\$ 212,444
Teachers' Retirement System	130,720
Public Employees' Retirement System	114,874
Workers' Compensation Old Fund	96,652
Revenue Shortfall Reserve Fund - Part B	50,514
West Virginia Retiree Health Benefit Trust	45,978
Public Employees Insurance Agency	27,986
Coal Workers' Pneumoconiosis Fund	26,699
Board of Risk and Insurance Management	14,203
State Police Death, Disability and Retirement Fund	12,033
Judges' Retirement System	3,287
Deputy Sheriff's Retirement System	3,021
State Police Retirement System	2,007
Access WV	1,108
Workers' Compensation Self-Insured Guaranty Risk Pool	1,101
Wildlife Endowment Fund	1,040
Workers' Compensation Uninsured Employers' Fund	940
Emergency Medical Services Retirement System	906
West Virginia Department of Environmental Protection Trust	686
Municipal Police Officers' and Firefighters' Retirement System	4
Total	\$ 746,203



**Financial Statements - Unaudited**

**May 31, 2012**



# TRS Annuity Pool

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## Financial Statements - Unaudited May 31, 2012

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# TRS Annuity Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost	\$	52,902
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### Liabilities

Accrued expenses		<u>27</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>52,875</u></b>
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### Analysis of net assets

Paid-in capital	\$	28,414
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Accumulated undistributed net investment income		<u>24,461</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>52,875</u></b>
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### Unit data

Units outstanding		4,545,053
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Net asset value, unit price	\$	<u>11.63</u>
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See accompanying notes to financial statements.

# TRS Annuity Pool

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## Schedule of Investments in Securities - Unaudited

May 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 - 100.1%	52,901,711	\$ 52,902	\$ 52,902

See accompanying notes to financial statements.

## TRS Annuity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 224	\$ 4,110
<b>Expenses</b>		
Management fees	(3)	(30)
Professional service fees	<u>(1)</u>	<u>(57)</u>
<b>Total expenses</b>	<u>(4)</u>	<u>(87)</u>
<b>Investment income, net</b>	<u>220</u>	<u>4,023</u>
<b>Net increase in net assets from operations</b>	<u>\$ 220</u>	<u>\$ 4,023</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

### Statement of Changes in Net Assets - Unaudited

Period Ended May 31, 2012\*

*(Amounts in thousands, except unit data)*

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 220	\$ 4,023
<b>Unit transactions</b>		
Proceeds from sale of units	5	65
Amount paid for repurchase of units	(55,058)	(55,058)
<b>Net decrease in assets from unit transactions</b>	(55,053)	(54,993)
<b>Decrease in net assets</b>	(54,833)	(50,970)
<b>Net assets, beginning of period</b>	107,708	103,845
<b>Net assets, end of period</b>	\$ 52,875	\$ 52,875
<b>Unit data</b>		
Units sold	501	5,873
Units repurchased	(4,752,451)	(4,752,451)
<b>Net decrease in units</b>	(4,751,950)	(4,746,578)

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

## TRS Annuity Pool

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

	Month	Year To Date
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 220	\$ 4,023
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:		
Purchase of investment securities	(224)	(4,110)
Sale of investment securities	55,058	55,058
Increase (decrease) in accrued expenses	(1)	22
<b>Net cash provided by operating activities</b>	55,053	54,993
<b>Cash flows from financing activities</b>		
Proceeds from units sold	5	65
Paid for repurchase of units	(55,058)	(55,058)
<b>Net cash used in financing activities</b>	(55,053)	(54,993)
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

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

# TRS Annuity Pool

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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, 2011, and 2012. Final payment will be received on May 4, 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 May 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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Annuity Contracts	\$ -	\$ -	\$ 52,902	\$ 52,902

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

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended May 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	4,110
Sales	(55,058)
Net transfers in/(out) of Level 3	-
Balance at May 31, 2012	\$ 52,902

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2011	\$ 11.18
Net investment income from investment operations	0.45
Net asset value at May 31, 2012	\$ 11.63

**Time-weighted Total Return \*** 4.0%

#### Supplemental Data:

Net assets, end of period	\$ 52,875
Ratio to average net assets:	
Expenses **	0.09%
Net investment income **	4.33%
Portfolio turnover rate	4.05%

\* 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**

**May 31, 2012**





# Private Equity Pool

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## Financial Statements - Unaudited May 31, 2012

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# Private Equity Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,071,730
Dividends receivable		<u>3</u>
<b>Total assets</b>		<b>1,071,733</b>

### Liabilities

Accrued expenses		<u>200</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,071,533</u></u></b>

### Analysis of net assets

Paid-in capital	\$	867,016
Accumulated undistributed net investment loss		(4,958)
Accumulated undistributed net realized loss from investments		(39,731)
Unrealized net appreciation of investments		<u>249,206</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,071,533</u></u></b>

### Unit data

Units outstanding		91,007,400
Net asset value, unit price	\$	<u><u>11.77</u></u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited

**May 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.		\$ 29,767	\$ 36,947
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, L.P.		28,961	32,511
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.		13,850	15,739
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.		10,682	12,142
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.		5,236	5,000
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.		2,804	2,644
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 2012, L.P.		641	641
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.			

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**May 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
H.I.G. Bayside Debt & LBO Fund II, L.P. 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.		21,260	22,259
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.		8,571	7,923
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.		12,989	12,275
Insight Equity Mezzanine I, 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	1,416
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.		15,182	13,461
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.		16,223	16,418
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.		29,144	33,990

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited

**May 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.		12,638	10,238
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 American oil and gas companies. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		37,523	48,083
NGP Natural Resources X, L.P. Investment Objective - To generate long-term capital gains through equity investments in companies engaged in the energy, water, and food and agriculture sectors, with an emphasis on privately negotiated equity investments in North American oil and gas companies. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		3,656	3,656
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	21,124
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.		32,336	46,069
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.		24,039	24,003

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**May 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
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	15,068
Thoma Bravo Fund X, L.P. Investment Objective - To seek long-term capital appreciation by acquiring, holding, and disposing of securities involved in or connected with enterprise and infrastructure software, financial and business services, and education. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		5,409	5,302
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.		10,681	9,645
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.		29,043	31,803
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.		4,666	3,854
Total Partnerships - 40.3%		390,015	432,211
<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.	390,872	399,532	606,542
Total Investments in Other Funds - 56.6%		399,532	606,542

*See accompanying notes to financial statements.*

# Private Equity Pool

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

May 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>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 3.1%	32,977,197	32,977	32,977
Total Investment Securities - 100.0%		<u>\$ 822,524</u>	<u>\$ 1,071,730</u>

See accompanying notes to financial statements.

# Private Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Dividends	\$ 3	\$ 26
Fund closing income	<u>14</u>	<u>14</u>
<b>Total investment income</b>	17	40
<b>Expenses</b>		
Trustee fees	-	(3)
Custodian bank fees	(1)	(3)
Management fees	(25)	(289)
Fiduciary bond fees	-	(4)
Professional service fees	(76)	(800)
Fund closing costs	<u>(37)</u>	<u>(105)</u>
<b>Total expenses</b>	<u>(139)</u>	<u>(1,204)</u>
<b>Investment loss, net</b>	(122)	(1,164)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	886	73,502
Net increase in the fair value of investments	<u>8,684</u>	<u>70,614</u>
<b>Net gain from investments</b>	<u>9,570</u>	<u>144,116</u>
<b>Net increase in net assets from operations</b>	<u>\$ 9,448</u>	<u>\$ 142,952</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 May 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (122)	\$ (1,164)
Net realized gain from investments	886	73,502
Net increase in the fair value of investments	8,684	70,614
<b>Net increase in net assets from operations</b>	9,448	142,952
<b>Unit transactions</b>		
Proceeds from sale of units	1,266	81,081
Amount paid for repurchase of units	(1,160)	(173,668)
<b>Net increase (decrease) in net assets from unit transactions</b>	106	(92,587)
<b>Increase in net assets</b>	9,554	50,365
<b>Net assets, beginning of period</b>	1,061,979	1,021,168
<b>Net assets, end of period</b>	\$ 1,071,533	\$ 1,071,533
<b>Unit data</b>		
Units sold	108,511	7,365,159
Units repurchased	(99,397)	(16,168,086)
<b>Net increase (decrease) in units</b>	9,114	(8,802,927)

*\*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 May 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	\$ 9,448	\$ 142,952
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(19,075)	(169,285)
Proceeds from disposition of investment securities	2,086	261,996
Purchases and sales of short-term investment securities, net	17,008	993
Decrease in dividends receivable	1	-
Increase (decrease) in accrued expenses	(4)	47
Net realized gain from investments	(886)	(73,502)
Net increase in the fair value of investments	(8,684)	(70,614)
<b>Net cash provided by (used in) operating activities</b>	(106)	92,587
<b>Cash flows from financing activities</b>		
Proceeds from units sold	1,266	81,081
Paid for repurchase of units	(1,160)	(173,668)
<b>Net cash provided by (used in) financing activities</b>	106	(92,587)
<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 \$1,038,753 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 May 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 May 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 May 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ -	\$ 606,542	\$ 606,542
Partnerships	-	-	432,211	432,211
Regulated investment companies	-	32,977	-	32,977
Total	<u>\$ -</u>	<u>\$ 32,977</u>	<u>\$ 1,038,753</u>	<u>\$ 1,071,730</u>

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

The reconciliation of the beginning and ending balances of Level 3 investments for the period ended May 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)	63,359	10,143
Net change in unrealized appreciation/(depreciation)	37,916	32,698
Purchases	-	169,285
Sales	(230,000)	(31,996)
Net transfers in/(out) of Level 3	-	-
Balance at May 31, 2012	<u>\$ 606,542</u>	<u>\$ 432,211</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 May 31, 2012 the IMB had made commitments to twenty-six private equity general partnerships totaling \$967,000. The IMB had funded \$409,063 of these commitments at May 31, 2012, leaving unfunded commitments of \$557,937.

# 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	1.55
Total from investment operations	1.54
Net asset value at May 31, 2012	<u>\$ 11.77</u>

**Time-weighted Total Return \*** 15.1%

#### Supplemental Data:

Net assets, end of period	\$1,071,533
Ratio to average net assets:	
Expenses **	0.13%
Net investment income **	-0.12%
Portfolio turnover rate	16.97%

\* 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 May 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 522,414
Public Employees' Retirement System	459,088
State Police Death, Disability and Retirement Fund	48,451
Judges' Retirement System	13,351
Deputy Sheriff's Retirement System	12,210
State Police Retirement System	8,133
Wildlife Endowment Fund	4,203
Emergency Medical Services Retirement System	3,666
Municipal Police Officers' and Firefighters' Retirement System	17
Total	<u>\$ 1,071,533</u>

**Financial Statements - Unaudited**

**May 31, 2012**





# Real Estate Pool

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## Financial Statements - Unaudited May 31, 2012

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# Real Estate Pool

## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	609,467
Collateral for securities loaned at fair value (Note 4)		2,616
Cash denominated in foreign currencies (cost \$1)		1
Receivables:		
Investments sold		198
Foreign tax withholding		12
Interest		1,159
Dividends		149
Securities lending income		11
		<u>11</u>
<b>Total assets</b>		<b>613,613</b>

### Liabilities

Accrued expenses		482
Payable for investments purchased		2,423
Payable upon return of securities loaned (Note 4)		2,617
		<u>2,617</u>
<b>Total liabilities</b>		<b>5,522</b>
		<u>5,522</u>
<b>Net assets</b>	<b>\$</b>	<b>608,091</b>
		<u><u>608,091</u></u>

### Analysis of net assets

Paid-in capital	\$	541,528
Accumulated undistributed net investment income		14,173
Accumulated undistributed net realized gain from investments		23,775
Accumulated undistributed net realized gain from foreign currency transactions		273
Unrealized net appreciation of investments		28,476
Unrealized net depreciation on translation of assets and liabilities in foreign currencies		(134)
		<u>(134)</u>
<b>Net assets</b>	<b>\$</b>	<b>608,091</b>
		<u><u>608,091</u></u>

### Unit data

Units outstanding		64,719,324
Net asset value, unit price	\$	9.40
		<u><u>9.40</u></u>

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments in Securities - Unaudited

May 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 invest in core plus equity real estate investments primarily located in the U.S. that provide opportunities to enhance and stabilize returns, and to generate a gross return ranging from 13% - 15%. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		\$ 10,500	\$ 10,535
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.		5,955	7,816
BPG Investment Partnership IX, L.P. Investment Objective - To invest in a broad range of real estate assets in the U.S. in which value can be enhanced through intense operations and asset management, and to generate an internal rate of return in excess of 12%, net of fees, costs, and carried interest. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		10,759	10,759
CIM VI-1, LLC To invest in substantially stabilized core real estate and real estate related assets located in urban areas that are experiencing positive transition due to urbanization trends. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		104	104
DRA Growth & Income Fund VII, LLC 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.		5,151	5,129
Invesco Core Real Estate - U.S.A., L.P. 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	39,206
Kennedy Wilson Real Estate Fund IV, L.P. Investment Objective - To seek targeted real estate investment in opportunistic and value-add strategies located primarily in the western United States. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		16,617	16,683
Lone Star Real Estate Fund II, L.P. 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.		5,640	5,623
Lone Star Fund VII, L.P. 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.		6,080	6,900
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.		21,137	22,000

See accompanying notes to financial statements.

# Real Estate Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
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.		20,000	19,470
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	12,497
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 by making debt and debt-like investments in real estate assets. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		28,690	26,182
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	36,423
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	56,811
Total Investments in Other Funds - 45.4%		255,633	276,138
<b>Real Estate Investment Trusts</b>			
<i>Australia</i>			
CFS Retail Property Trust	91,957	169	168
Dexus Property Group	271,500	211	248
Goodman Group	90,405	279	296
GPT Group	120,880	345	380
Investa Office Fund	52,100	118	136
Mirvac Group	44,800	57	53
Stockland	167,100	613	517
Westfield Group	89,600	893	790
Westfield Retail Trust	107,590	204	284
Total Australia - 0.5%		2,889	2,872
<i>Bermuda</i>			
Great Eagle Holdings Ltd	15,000	44	37
Hongkong Land Holdings	155,084	933	868
Kerry Properties Ltd	186,800	950	744
Shangri-La Asia Ltd	240,416	544	473
Total Bermuda - 0.3%		2,471	2,122
<i>Brazil</i>			
Sonae Sierra Brasil - 0.0%	3,800	46	54
<i>Canada</i>			
Boardwalk	11,900	548	674
Brookfield Properties Corp	42,500	705	711
Calloway	6,200	141	173
Canadian	3,000	100	114
Cominar Real Estate Investment	2,600	52	59
Primaris Retail	2,500	46	55

See accompanying notes to financial statements.

# Real Estate Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
RioCan	42,263	1,006	1,089
<i>Total Canada - 0.5%</i>		2,598	2,875
<i>Cayman Islands</i>			
Agile Property Holdings Ltd	205,000	251	238
China Resources Land Ltd	76,000	149	143
Country Garden Holdings Co	626,060	266	235
Evergrande Real Estate Group	269,876	163	148
Lifestyle International Hldngs	310,000	704	671
Longfor Properties	55,000	78	85
<i>Total Cayman Islands - 0.2%</i>		1,611	1,520
<i>China</i>			
Guangzhou R&F Properties Corp - 0.0%	185,000	284	244
<i>France</i>			
Fonciere des Regions	1,706	128	110
ICADE	6,810	716	526
Klepierre	14,634	519	453
Societe Immobiliere de Locatio	860	106	84
Unibail-Rodamco	7,164	1,447	1,183
<i>Total France - 0.4%</i>		2,916	2,356
<i>Germany</i>			
GSW Immobilien AG - 0.0%	4,914	137	171
<i>Hong Kong</i>			
China Overseas Land & Invstmnt	320,000	654	669
Hang Lung Properties Ltd	270,000	1,133	861
Hysan Development Company	193,192	705	762
Link REIT	83,600	259	321
Sino Land Company Ltd.	131,612	196	182
Sun Hung Kai Properties Ltd	47,552	724	539
Wharf Hldgs Ltd	76,720	465	401
<i>Total Hong Kong - 0.6%</i>		4,136	3,735
<i>Japan</i>			
AEON Mall Company Ltd	26,000	593	510
Daiwa House Industry Co Ltd	42,000	458	536
Japan Real Estate Inv Corp	29	262	256
Japan Retail Fund Inv Corp	75	105	118
Kenedix Realty Investment Corp	22	79	72
Mitsubishi Estate Co Ltd	75,137	1,285	1,168
Mitsui Fudosan Co Ltd	84,600	1,518	1,411
Nippon Accommodations Fund	12	78	78
Nippon Building Fund Inc	9	86	82
Nomura Real Estate Holdings	7,100	130	111
Sumitomo Realty & Development	4,000	83	84
Tokyo Tatemono Company Ltd	45,000	156	145
United Urban Investment Corp	56	59	60
<i>Total Japan - 0.8%</i>		4,892	4,631
<i>Netherlands</i>			
Corio NV - 0.0%	5,234	291	217
<i>Singapore</i>			
CapitaCommercial Trust	257,000	273	245
CapitaLand Ltd	305,804	854	603
CapitaMall Trust	112,000	164	158
City Developments Ltd	66,000	582	510
Global Logistic Properties	184,600	289	298
Keppel Land Ltd	41,000	108	91
Wing Tai Holdings Ltd	176,000	230	176
<i>Total Singapore - 0.3%</i>		2,500	2,081

See accompanying notes to financial statements.

## Real Estate Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
<i>Spain</i>			
Melia International SA - 0.0%	60,000	506	276
<i>Sweden</i>			
Castellum AB	28,288	342	317
Hufvudstaden AB	6,780	71	68
Total Sweden - 0.1%		413	385
<i>Thailand</i>			
Central Pattana Public Company - 0.1%	325,200	301	465
<i>United Kingdom</i>			
British Land Company PLC	24,416	191	182
Derwent London PLC	30,740	722	825
Great Portland Estates PLC	74,974	387	436
Hammerson PLC	107,370	706	689
Land Securities Group PLC	88,805	942	969
Safestore Holdings PLC	33,000	66	58
SEGRO	46,242	182	152
Shaftesbury PLC	33,433	218	260
Total United Kingdom - 0.6%		3,414	3,571
<i>United States</i>			
Alexandria Real Estate Equity	6,200	446	424
American Campus Communities	8,300	252	364
Apartment Investment & Mgmt Co	98,450	2,456	2,665
Apartment Investment & Mgmt Co - Preferred Stock	315,000	7,881	8,033
Ashford Hospitality Trust - Preferred Stock	13,000	307	316
Avalonbay Communities Inc	32,350	4,163	4,521
BioMed Realty Trust Inc	59,250	1,094	1,069
Boston Properties Inc	44,700	4,251	4,601
Brandywine Realty Trust - Preferred Stock	16,702	415	421
BRE Properties Inc	34,100	1,649	1,679
CBL & Associates Properties - Preferred Stock	198,350	4,828	4,955
Colonial Properties Trust	86,200	1,803	1,828
Commonwealth REIT - Preferred Stock	75,000	1,852	1,920
Corporate Office Properties	63,550	1,461	1,399
DDR Corp	50,700	607	704
DDR Corp - Preferred Stock	100,000	2,495	2,501
Douglas Emmett Inc	14,000	266	300
Duke Realty Corp - Preferred Stock	480,000	12,528	12,624
Equity Lifestyle Properties - Preferred Stock	100,000	2,523	2,588
Equity Residential	123,950	7,070	7,573
Essex Property Trust Inc	9,100	1,104	1,369
Extra Space Storage Inc	51,150	1,326	1,451
Federal Realty Investment Trst	16,100	1,405	1,582
General Growth Properties Inc	206,384	3,248	3,457
Glimcher Realty Trust - Preferred Stock	215,000	5,160	5,362
HCP Inc	126,350	5,034	5,160
Health Care REIT	75,400	4,028	4,182
Highwoods Properties Inc	4,400	141	142
Host Hotels & Resorts Inc	263,700	4,102	4,024
Hudson Pacific Properties - Preferred Stock	500,000	12,593	13,150
Kilroy Realty Corporation	6,000	268	275
Kimco Realty Corporation	17,600	322	316
Liberty Property Trust	10,800	349	374
Macerich Company	47,900	2,487	2,733
Mack-Cali Realty Corp	83,950	2,327	2,287
Pebblebrook Hotel Trust	4,200	83	92
Post Properties Inc	7,000	292	339
Prologis Inc	189,331	5,924	6,055
Public Storage	46,150	6,009	6,159
Regency Centers Corp	55,550	2,334	2,434
Simon Property Group	77,820	9,666	11,480

See accompanying notes to financial statements.

# Real Estate Pool

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

May 31, 2012

*(Amounts in thousands, except share data)*

<u>Security Name</u>	<u>Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
SL Green Realty Corp	52,350	3,716	3,927
SL Green Realty Corp - Preferred Stock	389,000	9,741	9,881
STAG Industrial Inc - Preferred Stock	45,750	1,150	1,176
Starwood Hotels & Resorts Inc	37,850	2,016	2,000
Tanger Factory Outlet Centers	5,300	125	164
Taubman Centers Inc	9,400	445	686
Taubman Centers Inc - Preferred Stock	41,000	1,035	1,053
UDR Inc	135,450	3,395	3,508
Ventas Inc	92,500	4,802	5,441
Vornado Realty Trust	33,400	2,703	2,736
<i>Total United States - 27.0%</i>		<u>155,677</u>	<u>163,480</u>
Total Real Estate Investment Trusts - 31.4%		185,082	191,055
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 4.9%	29,884,077	29,884	29,884

*(Continued)*

*See accompanying notes to financial statements.*

# Real Estate Pool

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

May 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
Colonial Realty LP	6.250 %	3.959 %	06/15/2014	9,793	\$ 10,228	\$ 10,392
Colonial Realty LP	5.500	4.489	10/01/2015	6,759	6,968	7,136
Colonial Realty LP	6.050	4.951	09/01/2016	2,000	2,083	2,169
Commonwealth REIT	5.750	4.215	11/01/2015	1,226	1,285	1,279
Commonwealth REIT	6.250	4.845	08/15/2016	4,000	4,211	4,234
Commonwealth REIT	6.250	5.024	06/15/2017	5,000	5,269	5,374
Corporate Office Property LP	4.250	4.469	04/15/2030	19,518	18,993	18,958
DDR Corp	9.630	4.919	03/15/2016	2,772	3,218	3,375
Equity One, Inc	6.000	4.272	09/15/2016	400	427	443
Health Care REIT	3.630	3.886	03/15/2016	12,000	11,891	12,261
Health Care REIT	6.200	4.217	06/01/2016	1,100	1,180	1,218
Hospitality Properties Trust	5.130	4.362	02/15/2015	1,440	1,468	1,498
Kilroy Realty Corporation	5.000	3.817	11/03/2015	2,212	2,295	2,362
Prolgois LP	5.630	4.078	11/15/2015	2,560	2,686	2,775
Prolgois LP	5.750	4.069	04/01/2016	6,000	6,355	6,539
Prolgois LP	2.630	2.671	05/15/2038	11,500	11,401	11,558
Reckson Operating Partnership	5.880	4.083	08/15/2014	6,586	6,833	6,918
Reckson Operating Partnership	6.000	4.561	03/31/2016	7,250	7,613	7,714
Rouse Company	5.380	5.375	11/26/2013	4,701	4,701	4,748
Senior Housing Prop Trust	4.300	4.627	01/15/2016	1,435	1,420	1,439
Total Corporate Bonds - 18.5%					110,525	112,390
Total Investment Securities - 100.2%					\$ 581,124	\$ 609,467
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund					\$ 2,572	\$ 2,572
Mellon SL DBT II Liquidating Fund					45	44
Total Collateral for Securities Loaned					\$ 2,617	\$ 2,616

See accompanying notes to financial statements.



## Real Estate Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 430	\$ 1,977
Operating	125	1,447
Dividends, net of foreign withholding taxes	465	3,884
Fund closing interest	-	108
Net amortization	(69)	(317)
Securities lending income	-	6
Securities lending borrower premiums	12	37
	<b>963</b>	<b>7,142</b>
<b>Expenses</b>		
Investment advisor fees	(176)	(1,072)
Trustee fees	-	(1)
Custodian bank fees	(6)	(74)
Management fees	(14)	(119)
Fiduciary bond fees	(1)	(2)
Professional service fees	(35)	(460)
Management fees - external	(75)	(300)
Securities lending agent fees	(3)	(8)
	<b>(310)</b>	<b>(2,036)</b>
	<b>Investment income, net</b>	<b>5,106</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain from:		
Investments	77	2,073
Foreign currency transactions	4	148
Net increase (decrease) in the fair value of:		
Investments	(3,162)	19,314
Translation of assets and liabilities in foreign currencies	(804)	(1,371)
	<b>(3,885)</b>	<b>20,164</b>
	<b>Net gain (loss) from investments and foreign currency</b>	<b>20,164</b>
	<b>Net increase (decrease) in net assets from operations</b>	<b>25,270</b>
	<b>\$ (3,232)</b>	<b>\$ 25,270</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 May 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 653	\$ 5,106
Net realized gain from investments	77	2,073
Net realized gain from foreign currency transactions	4	148
Net increase (decrease) in the fair value of investments	(3,162)	19,314
Net decrease in the translation of assets and liabilities in foreign currencies	(804)	(1,371)
	<b>(3,232)</b>	<b>25,270</b>
<b>Unit transactions</b>		
Proceeds from sale of units	5,673	336,384
Amount paid for repurchase of units	-	(1,394)
	<b>5,673</b>	<b>334,990</b>
	<b>2,441</b>	<b>360,260</b>
	<b>605,650</b>	<b>247,831</b>
	<b>\$ 608,091</b>	<b>\$ 608,091</b>
	<b>608,091</b>	<b>608,091</b>
<b>Unit data</b>		
Units sold	600,521	37,226,164
Units repurchased	-	(156,003)
	<b>600,521</b>	<b>37,070,161</b>
	<b>600,521</b>	<b>37,070,161</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 Cash Flows - Unaudited**  
**Period Ended May 31, 2012\***  
*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Cash flows from operating activities</b>		
Net increase (decrease) in net assets from operations	\$ (3,232)	\$ 25,270
Adjustments to reconcile net increase (decrease) in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(29,762)	(387,518)
Proceeds from disposition of investment securities	3,794	58,514
Purchases and sales of short-term investment securities, net	17,111	(12,873)
Increase in receivable for investments sold	(175)	(90)
Decrease in foreign tax withholding receivable	3	-
Decrease (increase) in interest receivable	185	(1,159)
Decrease (increase) in dividends receivable	71	(5)
Increase in securities lending receivable	(5)	(9)
Increase in accrued expenses	2	305
Increase in payable for investments purchased	2,379	2,423
Net amortization	69	317
Net realized gain from investments	(77)	(2,073)
Net realized gain from foreign currency transactions	(4)	(148)
Net decrease (increase) in the fair value of investments	3,162	(19,314)
Net decrease in the translation of assets and liabilities in foreign currencies	804	1,371
<b>Net cash used in operating activities</b>	<b>(5,675)</b>	<b>(334,989)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	5,673	336,384
Amount paid for repurchase of units	-	(1,394)
<b>Cash provided by financing activities</b>	<b>5,673</b>	<b>334,990</b>
<b>Net change in cash</b>	<b>(2)</b>	<b>1</b>
<b>Cash</b>		
Beginning balance	3	-
Ending balance	<b>\$ 1</b>	<b>\$ 1</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

## 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 \$276,138 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 May 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 May 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 May 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Corporate Bonds	\$ -	\$ 112,390	\$ -	\$ 112,390
Real estate investment trusts	191,055	-	-	191,055
Regulated investment companies	-	29,884	-	29,884
Investments in other funds	-	-	276,138	276,138
Securities lending collateral funds	-	2,616	-	2,616
Total	<u>\$ 191,055</u>	<u>\$ 144,890</u>	<u>\$ 276,138</u>	<u>\$ 612,083</u>

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

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

	<u>Investments in other funds</u>
Balance at June 30, 2011	\$ 175,132
Net realized gain/(loss)	1,789
Net change in unrealized appreciation/(depreciation)	15,889
Purchases	93,670
Sales	(10,342)
Net transfers in/(out) of Level 3	-
Balance at May 31, 2012	<u>\$ 276,138</u>

## Real Estate 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 May 31, 2012.

Fair value of securities of loan	\$	2,491
Initial collateral received:	<u>Cost</u>	<u>Fair Value</u>
Cash	<u>\$ 2,617</u>	<u>\$ 2,616</u>
Non-cash		<u>-</u>
Total		<u>\$ 2,616</u>

#### 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 \$545,000 to seventeen real estate investment funds/partnerships. The IMB had funded \$255,957 of these commitments at May 31, 2012, leaving unfunded commitments of \$289,043.

#### NOTE 6. FOREIGN CURRENCY FORWARD CONTRACTS

At May 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	Canadian Dollar	05/31/2012	06/05/2012	40	\$ 39		\$ 39	\$ -
Long	Canadian Dollar	05/31/2012	06/05/2012	27	26		26	-
Short	Euro Currency Unit	05/29/2012	06/01/2012		1	1	1	-
Short	Euro Currency Unit	05/30/2012	06/04/2012		6	5	6	-
Short	Euro Currency Unit	05/31/2012	06/05/2012		8	7	8	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	27	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	15	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	30	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	11	-	-
Short	Japanese Yen	05/31/2012	06/01/2012		-	25	-	-
Short	Singapore Dollar	05/29/2012	06/01/2012		14	17	14	-
Short	Singapore Dollar	05/30/2012	06/04/2012		7	9	7	-
					<u>\$ 101</u>		<u>\$ 101</u>	<u>\$ -</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 to the Pool.



# Real Estate Pool

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## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 7. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2011	\$ 8.96
Income from investment operations:	
Net investment income	0.11
Net realized and unrealized gain on investment transactions	0.36
Net decrease in the translation of assets and liabilities in foreign currencies	(0.03)
Total from investment operations	0.44
Net asset value at May 31, 2012	\$ 9.40

**Time-weighted Total Return \*** 4.9%

**Supplemental Data:**

Net assets, end of period	\$ 608,091
Ratio to average net assets:	
Expenses **	0.54%
Net investment income **	1.35%
Portfolio turnover rate	15.18%

\* 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 8. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 296,419
Public Employees' Retirement System	260,577
State Police Death, Disability and Retirement Fund	27,663
Judges' Retirement System	7,527
Deputy Sheriff's Retirement System	6,903
State Police Retirement System	4,562
Wildlife Endowment Fund	2,374
Emergency Medical Services Retirement System	2,056
Municipal Police Officers' and Firefighters' Retirement System	10
Total	\$ 608,091



**Financial Statements - Unaudited**

**May 31, 2012**



# Hedge Fund Pool

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## Financial Statements - Unaudited May 31, 2012

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# Hedge Fund Pool

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## Statement of Assets and Liabilities - Unaudited

May 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,094,762
Receivables:		
Investments sold		10,620
Accrued interest		14
		<u>14</u>
<b>Total assets</b>		<b>1,105,396</b>

### Liabilities

Accrued expenses		<u>161</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,105,235</u></u></b>

### Analysis of net assets

Paid-in capital	\$	999,428
Accumulated undistributed net investment loss		(3,367)
Accumulated undistributed net realized gain from investments		8,452
Unrealized net appreciation of investments		<u>100,722</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,105,235</u></u></b>

### Unit data

Units outstanding		100,836,997
Net asset value, unit price	\$	<u><u>10.96</u></u>

See accompanying notes to financial statements.

# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited

May 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	\$ 68,150
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	40,141
Investment Objective - To produce high, risk-adjusted returns while targeting a low, long-term correlation to traditional markets.			
Redemption Provisions - Semi-monthly with 15 days prior written notice.			
A detail of the underlying investments is not available.			
Anchorage Capital Partners Offshore, Ltd.		30,000	30,595
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	51,743
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 Ltd.		38,624	55,382
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, Ltd.		13,900	14,894
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	32,079
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)

May 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	72,586
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	60,453
GoldenTree 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	40,744
Graham Global Investment Fund II, 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	26,304
Highbridge Capital Corporation 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 - 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.		49,831	51,334
Ivory Offshore Flagship Fund, Ltd. 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	39,235

*See accompanying notes to financial statements.*



## Hedge Fund Pool

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

May 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Magnetar Capital Fund II, Ltd. 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	74,962
MW Eureka Fund 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 30 days prior written notice. A detail of the underlying investments is not available.		45,000	48,235
M&G Episode Inc. 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	28,215
O'Connor Global Multi-Strategy Alpha, Ltd. 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	69,081
OZ Asia Overseas Fund, Ltd. 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	42,174
Perry Partners International, Inc. 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	65,896
Pershing Square International, Ltd. Investment Objective - To invest in long and short investment opportunities that exhibit significant valuation discrepancies between current trading prices and intrinsic business value. Redemption Provisions - Hard lockup until September 2013, then quarterly with 65 days prior written notice subject to maximum withdrawal restrictions. A detail of the underlying investments is not available.		30,000	32,998

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

May 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	44,033
Shepherd Investments International, Ltd. 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.		3,386	3,360
Taconic Opportunity Offshore Fund Ltd. 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	64,045
Tenor Opportunity Fund, Ltd. 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.		29,999	30,924
VICIS Capital Fund (International) 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	4,920
Total Investment in Other Funds - 98.9%		991,761	1,092,483
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 0.2%	2,278,725	2,279	2,279
Total Investment Securities 99.1%		<u>\$ 994,040</u>	<u>\$ 1,094,762</u>

See accompanying notes to financial statements.

# Hedge Fund Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 1	\$ 13
Dividends	<u>1</u>	<u>5</u>
<b>Total investment income</b>	2	18
<b>Expenses</b>		
Trustee fees	-	(3)
Custodian bank fees	-	(1)
Management fees	(27)	(310)
Fiduciary bond fees	-	(4)
Professional service fees	<u>(68)</u>	<u>(499)</u>
<b>Total expenses</b>	<u>(95)</u>	<u>(817)</u>
<b>Investment loss, net</b>	(93)	(799)
<b>Realized and unrealized loss from investments</b>		
Net realized loss from investments	-	(521)
Net decrease in the fair value of investments	<u>(14,509)</u>	<u>(1,125)</u>
<b>Net loss from investments</b>	<u>(14,509)</u>	<u>(1,646)</u>
<b>Net decrease in net assets from operations</b>	<u>\$ (14,602)</u>	<u>\$ (2,445)</u>

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

## Hedge Fund Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (93)	\$ (799)
Net realized loss from investments	-	(521)
Net decrease in the fair value of investments	(14,509)	(1,125)
<b>Net decrease in net assets from operations</b>	(14,602)	(2,445)
<b>Unit transactions</b>		
Proceeds from sale of units	67	60,038
Amount paid for repurchase of units	-	(25,281)
<b>Net increase in net assets from unit transactions</b>	67	34,757
<b>Increase (decrease) in net assets</b>	(14,535)	32,312
<b>Net assets, beginning of period</b>	1,119,770	1,072,923
<b>Net assets, end of period</b>	\$ 1,105,235	\$ 1,105,235
<b>Unit data</b>		
Units sold	6,050	5,546,900
Units repurchased	-	(2,321,162)
<b>Net increase in units</b>	6,050	3,225,738

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

	<b>Month</b>	<b>Year To Date</b>
<b>Cash flows from operating activities</b>		
Net decrease in net assets from operations	\$ (14,602)	\$ (2,445)
Adjustments to reconcile net decrease in net assets from operations net cash used in operating activities:		
Purchase of investment securities	-	(152,500)
Proceeds from disposition of investment securities	-	46,761
Purchases and sales of short-term investment securities, net	-	1,892
Increase in accrued interest receivable	(2)	(14)
Decrease in dividends receivable	-	2
Decrease in receivable for investments sold	-	39,844
Decrease in advance on investment in other funds	-	30,000
Increase in accrued expenses	28	57
Net realized loss from investments	-	521
Net decrease in the fair value of investments	14,509	1,125
	<b>(67)</b>	<b>(34,757)</b>
<b>Cash flows from financing activities</b>		
Proceeds from units sold	67	60,038
Amount paid for repurchase of units	-	(25,281)
	<b>67</b>	<b>34,757</b>
<b>Net change in cash</b>	<b>-</b>	<b>-</b>
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

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

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(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 \$1,092,483 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 May 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.

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**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 May 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 May 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ -	\$ 1,092,483	\$ 1,092,483
Regulated investment companies	-	2,279	-	2,279
Total	<u>\$ -</u>	<u>\$ 2,279</u>	<u>\$ 1,092,483</u>	<u>\$ 1,094,762</u>

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

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

	<u>Investments in other funds</u>
Balance at June 30, 2011	\$ 988,390
Net realized loss	(521)
Net change in unrealized depreciation	(1,125)
Purchase	152,500
Sales	(46,761)
Net transfers in/(out) of Level 3	-
Balance at May 31, 2012	<u>\$ 1,092,483</u>



# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 4. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance:</b>	
Net asset value at June 30, 2011	\$ 10.99
Income from investment operations:	
Net investment loss	(0.01)
Net realized and unrealized loss on investment transactions	(0.02)
Total from investment operations	(0.03)
Net asset value at May 31, 2012	<u>\$ 10.96</u>
<b>Time-weighted Total Return *</b>	-0.3%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 1,105,235
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

### NOTE 5. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 449,536
Public Employees' Retirement System	396,331
West Virginia Retiree Health Benefit Trust	82,545
Coal Workers' Pneumoconiosis Fund	50,973
State Police Death, Disability and Retirement Fund	43,006
Board of Risk and Insurance Management	26,623
Public Employees Insurance Agency	16,858
Judges' Retirement System	11,470
Deputy Sheriff's Retirement System	10,523
State Police Retirement System	6,754
Wildlife Endowment Fund	3,817
Emergency Medical Services Retirement System	3,076
Workers' Compensation Self-Insured Guaranty Risk Pool	1,942
Workers' Compensation Uninsured Employers' Fund	1,765
Municipal Police Officers' and Firefighters' Retirement System	16
Total	<u>\$ 1,105,235</u>