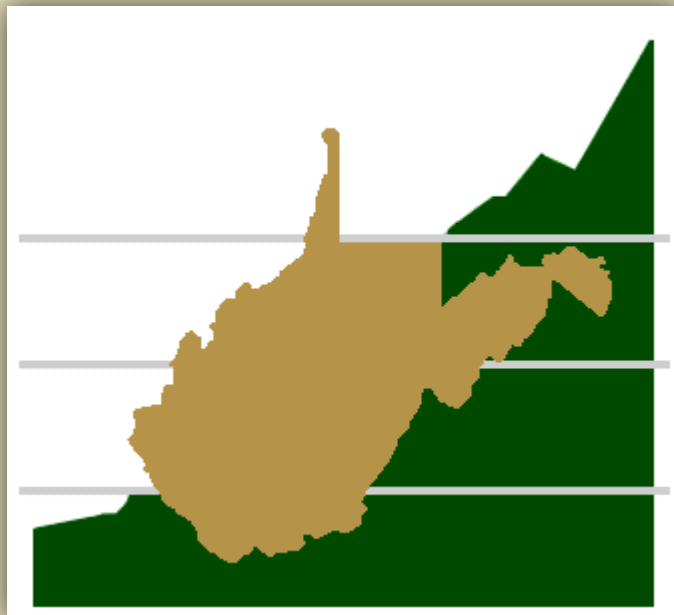


**West Virginia**

**Investment Management Board**



**Financial Statements**

**October 31, 2012**



# West Virginia Investment Management Board

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## **Financial Statements – Unaudited**

October 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**

**October 31, 2012**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	11
Statement of Changes in Net Assets	12
Notes to Financial Statements	13

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,148,135
Collateral for securities loaned at fair value (Note 5)		16,475
Cash		47
Cash pledged as collateral for derivative contracts		581
Receivables:		
Dividends		2,394
Securities lending income		11
		<u>11</u>
<b>Total assets</b>		<b>2,167,643</b>

### Liabilities

Accrued expenses		835
Payable upon return of securities loaned (Note 5)		19,556
Unrealized loss on futures contracts (Note 6)		135
		<u>135</u>
<b>Total liabilities</b>		<b>20,526</b>
<b>Net assets</b>	<b>\$</b>	<b><u>2,147,117</u></b>

### Analysis of net assets

Paid-in capital	\$	1,210,198
Accumulated undistributed net investment income		363,090
Accumulated undistributed net realized gain from investments		208,162
Accumulated undistributed net realized loss from foreign currency transactions		(17)
Unrealized net appreciation of investments		365,684
		<u>365,684</u>
<b>Net assets</b>	<b>\$</b>	<b><u>2,147,117</u></b>

### Unit data

Units outstanding		148,589,338
Net asset value, unit price	\$	<u>14.45</u>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited October 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	21,900	\$ 1,701	\$ 1,698
Airgas Inc	52,500	4,091	4,671
Alcoa Inc	86,400	1,058	740
Allegheny Technologies Inc	8,800	236	232
Ball Corporation	53,400	1,665	2,287
Bemis Company Inc	8,600	218	284
CF Industries Holdings Inc	16,100	2,071	3,304
Cliffs Natural Resources Inc	11,700	567	424
Dow Chemical Company	237,900	6,859	6,970
Eastman Chemical Company	43,400	1,879	2,571
Ecolab Inc	137,700	8,123	9,584
EI DuPont de Nemours Co	190,100	7,555	8,463
FMC Corporation	51,900	2,396	2,778
Freeport-McMoRan Copper & Gold	79,800	2,681	3,103
International Paper Company	78,500	2,023	2,813
Intl Flavors & Fragrances Inc	6,900	292	446
LyondellBasell Industries NV	86,300	4,237	4,608
MeadWestvaco Corp	13,500	234	401
Monsanto Company	68,600	4,916	5,904
Newmont Mining Corp	41,500	2,091	2,265
Nucor Corporation	49,700	2,056	1,994
Owens-Illinois Inc	65,800	1,533	1,282
PPG Industries Inc	50,100	3,985	5,866
Praxair Inc	35,800	3,233	3,802
Sealed Air Corporation	14,700	291	238
Sherwin-Williams Co	48,900	6,276	6,972
Sigma-Aldrich Corporation	34,500	2,258	2,421
The Mosaic Company	22,900	1,284	1,199
Titanium Metals Corp	9,000	86	105
United States Steel Corp	12,000	543	245
Vulcan Materials Company	25,800	1,127	1,186
<i>Total Basic Materials - 4.1%</i>		77,565	88,856
<i>Capital Goods</i>			
3M Co	55,100	4,160	4,827
Avery Dennison Corp	66,800	2,029	2,163
Boeing Company	56,900	3,326	4,008
C. H. Robinson Worldwide Inc	13,200	769	796
Caterpillar Inc	143,000	11,251	12,128
Cintas Corp	61,300	2,214	2,563
Cooper Industries PLC	33,100	2,160	2,481
CSX Corp	91,100	1,419	1,865
Cummins Inc	32,100	2,616	3,004
Danaher Corp	53,200	2,137	2,752
Deere & Company	32,800	1,658	2,802
Dover Corp	15,200	610	885
Eaton Corporation	41,100	1,449	1,941
Emerson Electric Co	61,700	2,639	2,988
Expeditors Intl of Washington	18,900	670	692
Fastenal Company	152,100	5,845	6,799
FedEx Corp	29,600	2,269	2,723
Flowserve Corp	28,200	3,013	3,821
Fluor Corporation	14,500	722	810
General Dynamics Corp	45,400	2,736	3,091
General Electric Company	1,624,775	34,011	34,218
Honeywell International Inc	139,600	6,392	8,549
Illinois Tool Works Inc	103,200	5,448	6,329
Ingersoll-Rand PLC	163,000	6,976	7,666
Iron Mountain Inc	13,400	350	464
Jacobs Engineering Group Inc	10,100	449	390
Joy Global Inc	8,500	789	531
L-3 Communications Hldgs Inc	16,800	1,241	1,240
Lockheed Martin Corp	62,300	4,837	5,836

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Masco Corporation	259,100	3,301	3,910
Norfolk Southern Corp	27,900	1,330	1,712
Northrop Grumman Corp	25,500	1,378	1,752
PACCAR Inc	33,400	1,256	1,449
Pall Corporation	47,000	2,372	2,959
Parker-Hannifin Corporation	21,500	1,410	1,691
Pentair LTD	18,668	690	789
Precision Castparts Corp	12,300	1,424	2,129
Quanta Services Inc	18,500	406	480
Raytheon Company	98,400	5,149	5,566
Republic Services Inc	24,400	670	692
Robert Half International Inc	112,300	3,127	3,020
Rockwell Automation Inc	31,900	1,782	2,267
Rockwell Collins Inc	12,200	629	654
Roper Industries Inc	53,300	4,352	5,819
RR Donnelley & Sons Company	17,500	294	175
Ryder System Inc	4,100	139	185
Snap-On Inc	32,500	2,121	2,513
Stanley Black & Decker Inc	49,677	2,959	3,443
Textron Inc	130,400	3,124	3,287
Tyco International Ltd	42,800	846	1,150
Union Pacific Corp	73,300	5,790	9,018
United Parcel Service Inc	77,800	4,872	5,699
United Technologies Corp	70,700	4,601	5,526
W.W. Grainger Inc	30,400	5,081	6,123
Waste Management Inc	42,700	1,357	1,398
<i>Total Capital Goods - 9.4%</i>		174,645	201,768
<i>Communication Services</i>			
AT&T Inc	1,046,629	30,892	36,203
CenturyLink Inc	167,766	6,043	6,439
Crown Castle Intl Corporation	114,100	6,533	7,616
Frontier Communications Corp	87,886	733	416
Metropcs Communications Inc	29,700	282	303
Sprint Nextel Corporation	444,100	2,157	2,465
Verizon Communications Inc	367,149	12,692	16,390
Windstream Corp	49,400	489	470
<i>Total Communication Services - 3.3%</i>		59,821	70,302
<i>Consumer Discretionary</i>			
Abercrombie & Fitch Co	7,600	250	232
ADT Corp	21,400	539	888
Amazon.com Inc	30,500	4,109	7,103
Apollo Group Inc	7,600	506	153
AutoNation Inc	2,700	49	120
AutoZone Inc	11,600	2,874	4,350
Bed Bath & Beyond Inc	24,600	1,093	1,419
Best Buy Co Inc	23,100	897	351
Big Lots Inc	46,500	1,721	1,355
Borg-Warner Inc	10,400	653	685
Cablevision Systems Corp	21,200	526	369
CarMax Inc	19,700	439	665
Carnival Corp	44,300	1,484	1,678
CBS Corp	273,900	6,220	8,874
Chipotle Mexican Grill Inc	8,100	2,446	2,062
Coach Inc	43,600	2,190	2,444
Comcast Corp	421,950	9,241	15,834
Darden Restaurants Inc	11,700	353	616
DIRECTV	52,700	1,690	2,695
Discovery Communications Inc	62,900	2,779	3,712
Dollar Tree Inc	145,300	6,389	5,793
DR Horton Inc	204,800	2,799	4,293
eBay Inc	153,300	4,954	7,398
Expedia Inc	67,450	2,647	3,989
Family Dollar Stores Inc	29,000	1,563	1,913

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Ford Motor Company	325,800	3,044	3,636
Fossil Inc	4,500	605	392
GameStop Corp	9,100	243	208
Gannett Co Inc	115,400	1,549	1,950
Gap Inc	173,000	5,113	6,180
Genuine Parts Company	40,700	2,156	2,547
Goodyear Tire & Rubber Co	24,300	394	277
Harley-Davidson Inc	102,800	4,255	4,807
Harman Intl Industries Inc	11,800	476	495
Hasbro Inc	9,600	346	346
Home Depot Inc	306,800	12,990	18,831
International Game Technology	25,500	547	327
Interpublic Group of Co Inc	89,100	861	900
JC Penney Company Inc	20,400	636	490
Johnson Controls Inc	57,400	1,535	1,478
Kohl's Corporation	17,700	953	943
Leggett & Platt Inc	11,200	155	297
Limited Brands Inc	138,500	4,095	6,633
Lowe's Companies Inc	411,200	10,593	13,315
Macy's Inc	175,500	5,754	6,681
Marriott International Inc	173,080	6,317	6,314
Mattel Inc	100,600	2,908	3,700
McDonald's Corporation	159,800	11,610	13,871
McGraw-Hill Companies Inc	66,500	2,410	3,676
Netflix Inc	4,700	826	372
Newell Rubbermaid Inc	194,800	3,371	4,021
News Corp	198,000	2,810	4,738
Nike Inc	94,100	8,273	8,599
Nordstrom Inc	18,100	713	1,028
Omnicom Group Inc	85,300	3,904	4,087
O'Reilly Automotive Inc	98,000	7,904	8,413
PetSmart Inc	18,000	1,241	1,195
Priceline.com Inc	13,710	5,708	7,866
PulteGroup Inc	170,400	1,260	2,955
Ralph Lauren Corp	5,500	504	845
Ross Stores Inc	185,300	7,442	11,294
Scripps Networks Interactive	35,500	1,871	2,156
Southwest Airlines Co	122,200	1,118	1,078
Staples Inc	74,600	1,426	859
Starbucks Corp	152,700	5,845	7,009
Starwood Hotels & Resorts Inc	49,400	2,374	2,561
Target Corp	111,200	5,917	7,089
Tiffany & Co	10,200	436	645
Time Warner Cable Inc	40,500	2,623	4,016
Time Warner Inc	95,900	2,724	4,169
TJX Companies Inc	358,700	12,206	14,933
TripAdvisor Inc	91,750	3,011	2,779
Urban Outfitters Inc	24,400	699	872
VF Corp	31,700	3,957	4,960
Viacom Inc	58,700	1,856	3,011
Walt Disney Company	282,200	11,181	13,862
Washington Post Company	400	184	133
Whirlpool Corporation	6,400	444	625
Wyndham Worldwide Corporation	109,400	4,951	5,514
Wynn Resorts Limited	6,400	534	775
Yum Brands Inc	174,600	9,323	12,241
<i>Total Consumer Discretionary - 15.0%</i>		254,592	321,985
<i>Consumer Staples</i>			
Altria Group Inc	438,320	10,120	13,939
Archer-Daniels-Midland Co	64,500	1,718	1,731
Avon Products Inc	38,200	1,147	592
Beam Inc	53,400	2,875	2,967
Brown Forman Corp	47,000	1,940	3,011
Campbell Soup Co	15,800	521	557

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Clorox Company	11,700	714	846
Coca-Cola Company	513,600	14,236	19,096
Coca-Cola Enterprises Inc	24,600	547	773
Colgate-Palmolive Co	50,600	4,210	5,311
ConAgra Foods Inc	70,600	1,691	1,966
Constellation Brands Inc	13,400	215	474
Costco Wholesale Corp	41,200	2,721	4,055
CVS Caremark Corp	231,876	8,383	10,759
Dean Foods Company	122,600	1,752	2,065
Dr Pepper Snapple Group Inc	25,200	753	1,080
Estee Lauder Companies Inc	28,400	844	1,750
General Mills Inc	54,200	1,846	2,172
Hershey Company	12,500	583	861
HJ Heinz Company	26,700	1,145	1,536
Hormel Foods Corp	11,200	202	331
JM Smucker Company	9,500	565	814
Kellogg Company	21,300	1,067	1,114
Kimberly Clark Corporation	60,800	4,007	5,074
Kraft Foods Group Inc	70,466	2,314	3,203
Kroger Co	48,000	1,186	1,211
Lorillard Inc	26,700	2,580	3,097
McCormick & Company Inc	30,000	1,503	1,849
Mead Johnson Nutrition Co	101,109	6,245	6,234
Molson Coors Brewing Co	12,500	597	539
Mondelez International Inc-A	220,800	4,518	5,862
Monster Beverage Corporation	94,500	5,836	4,219
Pepsico Inc	162,364	9,844	11,242
Philip Morris Intl Inc	322,720	17,978	28,580
Proctor & Gamble Company	359,732	21,716	24,908
Reynolds American Inc	78,800	2,225	3,281
Safeway Inc	89,600	1,639	1,461
Sysco Corp	49,100	1,198	1,526
Tyson Foods Inc	25,200	343	424
Walgreen Co	74,100	2,628	2,611
Wal-Mart Stores Inc	247,700	13,101	18,582
Whole Foods Market Inc	30,300	1,693	2,872
<i>Total Consumer Staples - 9.5%</i>		160,946	204,575
<i>Energy</i>			
Anadarko Petroleum Corp	42,000	2,199	2,890
Apache Corporation	32,800	3,042	2,713
Baker Hughes Inc	36,609	1,658	1,536
Cabot Oil & Gas Corporation	25,600	666	1,203
Cameron International Corp	21,100	756	1,069
Chesapeake Energy Corp	46,000	1,208	932
Chevron Corporation	331,555	27,364	36,551
ConocoPhillips	159,880	7,321	9,249
CONSOL Energy Inc	20,200	838	710
Denbury Resources Inc	122,400	1,995	1,876
Devon Energy Corporation	31,400	2,017	1,828
Diamond Offshore Drilling Inc	6,100	588	422
EnscO PLC	23,000	1,291	1,330
EOG Resources Inc	24,300	2,105	2,831
EQT Corp	13,300	567	806
Exxon Mobil Corporation	868,094	61,923	79,144
FMC Technologies Inc	38,900	1,396	1,591
Halliburton Company	77,500	1,990	2,502
Helmerich & Payne Inc	9,300	396	445
Hess Corp	25,800	1,310	1,348
Kinder Morgan Inc	359,896	12,160	12,492
Marathon Oil Corp	119,900	2,674	3,604
Marathon Petroleum Corporation	56,750	1,847	3,117
Murphy Oil Corporation	16,400	897	984
Nabors Industries Ltd	31,800	629	429
National-Oilwell Varco Inc	107,700	6,640	7,937

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Newfield Exploration Company	11,400	720	309
Noble Corp	30,900	1,101	1,166
Noble Energy Inc	15,100	1,038	1,435
Occidental Petroleum Corp	68,300	5,204	5,393
ONEOK Inc	100,100	2,738	4,735
Peabody Energy Corp	24,200	900	675
Phillips 66	92,540	2,537	4,364
Pioneer Natural Resources Co	47,800	3,717	5,050
QEP Resources Inc	15,700	380	455
Range Resources Corporation	13,400	689	876
Rowan Companies PLC	11,000	273	349
Schlumberger Ltd	115,411	7,247	8,025
Southwestern Energy Company	29,900	1,222	1,038
Spectra Energy Corp	213,300	5,449	6,158
Tesoro Corporation	32,100	670	1,211
Valero Energy Corporation	46,000	900	1,339
Williams Companies Inc	249,000	6,465	8,713
WPX Energy Inc	27,600	338	468
<i>Total Energy - 10.8%</i>		187,065	231,298
<i>Financial Services</i>			
Ace Ltd	35,500	2,068	2,792
AFLAC Inc	64,200	2,712	3,196
Allstate Corp	118,900	4,000	4,754
American Express Co	136,100	5,527	7,618
American International Group	144,900	4,564	5,061
American Tower Corporation	85,600	4,834	6,445
Ameriprise Financial Inc	62,000	2,650	3,619
Aon PLC	31,300	1,317	1,689
Apartment Investment & Mgmt Co	59,600	1,441	1,591
Assurant Inc	16,400	568	620
Avalonbay Communities Inc	11,100	1,123	1,505
Bank of America Corporation	1,403,877	19,306	13,084
Bank of New York Mellon Corp	123,000	3,778	3,039
BB&T Corporation	325,900	9,420	9,435
Berkshire Hathaway Inc	187,196	14,405	16,164
BlackRock Inc	26,788	4,740	5,081
Boston Properties Inc	12,700	885	1,350
Capital One Financial Corp	100,600	4,665	6,053
CBRE Group Inc	27,900	358	503
Charles Schwab Corp	239,300	3,425	3,250
Chubb Corp	25,800	1,362	1,986
Cincinnati Financial Corp	116,900	4,196	4,657
Citigroup Inc	316,760	14,504	11,844
CME Group Inc	41,300	2,388	2,310
Comerica Inc	142,100	4,293	4,236
Discover Financial Services	208,800	4,945	8,561
E*Trade Financial Corporation	49,620	584	415
Equifax Inc	93,300	3,949	4,669
Equity Residential	41,700	1,939	2,394
Federated Investors Inc	62,900	1,377	1,462
Fifth Third Bancorp	203,300	2,442	2,953
First Horizon National Corp	162,068	1,406	1,509
Franklin Resources Inc	18,100	1,695	2,313
Genworth Financial Inc	42,700	535	254
Goldman Sachs Group Inc	37,900	4,855	4,639
H&R Block Inc	200,800	3,213	3,554
Hartford Financial Services Gp	35,500	883	771
HCP Inc	55,000	1,973	2,439
Health Care REIT Inc	41,700	2,180	2,478
Host Hotels & Resorts Inc	257,762	3,781	3,727
Hudson City Bancorp Inc	267,800	2,107	2,272
Huntington Bancshares Inc	305,800	1,753	1,956
Intercontinental Exchange Inc	5,900	594	773
Invesco Limited	223,700	4,764	5,440

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
JP Morgan Chase & Co	499,753	18,298	20,830
KeyCorp	77,900	561	656
Kimco Realty Corporation	72,800	1,126	1,421
Legg Mason Inc	12,300	382	313
Leucadia National Corporation	18,400	463	418
Lincoln National Corp	89,000	1,963	2,206
Loews Corp	25,400	863	1,074
M & T Bank Corporation	13,900	1,108	1,447
Marsh & McLennan Cos Inc	178,800	5,164	6,085
MasterCard Inc	20,100	6,061	9,265
MetLife Inc	89,300	3,222	3,169
Moody's Corp	42,200	1,253	2,032
Morgan Stanley	127,200	3,566	2,211
Nasdaq OMX Group Inc	9,500	208	226
Northern Trust Corp	39,900	1,954	1,907
NYSE Euronext	21,100	605	522
People's United Financial Inc	48,200	648	580
Plum Creek Timber Co Inc	26,800	990	1,177
PNC Financial Services Group	71,300	3,854	4,150
Principal Financial Group Inc	26,800	662	738
Progressive Corp	81,600	1,455	1,820
Prologis Inc	82,074	2,530	2,814
Prudential Financial Inc	47,500	2,290	2,710
Public Storage	27,200	2,951	3,771
Regions Financial Corp	873,300	5,603	5,694
Simon Property Group Inc	45,902	5,084	6,987
SLM Corp	88,100	1,052	1,549
State Street Corp	53,200	2,397	2,371
SunTrust Banks Inc	96,400	2,246	2,622
T Rowe Price Group Inc	42,400	2,278	2,751
Torchmark Corporation	72,400	2,956	3,663
Travelers Cos Inc	45,100	2,196	3,199
Unum Group	23,200	430	470
US Bancorp	350,000	9,531	11,623
Ventas Inc	32,100	1,672	2,031
Visa Inc	111,200	11,360	15,430
Vornado Realty Trust	14,840	1,046	1,190
Wells Fargo & Company	679,500	18,819	22,892
Western Union Company	90,300	1,528	1,149
Weyerhaeuser Company	178,167	4,311	4,933
XL Group PLC	25,200	438	623
Zions Bancorporation	14,800	289	318
<i>Total Financial Services - 15.6%</i>		298,917	335,498
<i>Health Care</i>			
Abbott Laboratories	172,800	9,505	11,318
Aetna Inc	44,500	1,456	1,944
Agilent Technologies Inc	65,300	2,226	2,350
Alexion Pharmaceuticals Inc	64,800	6,243	5,857
Allergan Inc	31,000	2,092	2,788
AmerisourceBergen Corp	22,100	519	872
Amgen Inc	93,977	5,784	8,128
Baxter International Inc	65,800	3,667	4,121
Becton Dickinson & Company	17,600	1,231	1,332
Biogen Idec Inc	52,900	4,677	7,311
Boston Scientific Corp	119,300	1,017	613
Bristol-Myers Squibb Company	214,442	5,471	7,130
Cardinal Health Inc	29,800	891	1,226
CareFusion Corporation	19,300	435	513
Celgene Corporation	67,900	4,206	4,980
Cerner Corporation	13,900	735	1,059
CIGNA Corporation	23,900	757	1,219
Coventry Health Care Inc	11,100	243	484
Covidien PLC	79,000	4,217	4,341
CR Bard Inc	20,900	1,994	2,010

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
DaVita Inc	29,500	2,657	3,319
DENTSPLY International Inc	12,200	392	449
Edwards Lifesciences Corp	34,000	3,112	2,952
Eli Lilly and Company	96,400	3,582	4,688
Express Scripts Holding Co	120,668	6,501	7,427
Forest Laboratories Inc	19,000	565	640
Gilead Sciences Inc	113,800	4,956	7,645
Hospira Inc	13,000	476	399
Humana Inc	16,500	759	1,225
Intuitive Surgical Inc	16,000	6,946	8,676
Johnson & Johnson	360,600	22,361	25,538
Laboratory Corp of Amer Hldgs	8,000	553	678
Life Technologies Corp	14,300	629	699
McKesson Corp	31,200	2,242	2,911
Medtronic Inc	93,500	3,541	3,888
Merck & Co Inc	417,580	14,635	19,054
Mylan Inc	54,700	1,041	1,386
Patterson Companies Inc	20,900	665	698
PerkinElmer Inc	81,600	2,069	2,524
Perrigo Company	10,000	1,028	1,149
Pfizer Inc	1,197,483	25,147	29,781
Quest Diagnostics Inc	14,100	727	814
St Jude Medical Inc	25,900	980	991
Stericycle Inc	7,600	430	720
Stryker Corporation	50,500	2,534	2,656
Tenet Healthcare Corporation	9,575	208	226
Thermo Fisher Scientific Inc	30,700	1,407	1,875
UnitedHealth Group Inc	173,700	6,850	9,727
Varian Medical Systems Inc	15,900	798	1,061
Waters Corporation	7,100	423	581
Watson Pharmaceuticals Inc	11,200	503	963
WellPoint Inc	28,300	1,525	1,735
Zimmer Holdings Inc	29,900	1,741	1,920
<i>Total Health Care - 10.2%</i>		179,349	218,591
<i>Technology</i>			
Accenture PLC	105,600	6,202	7,118
Adobe Systems Inc	126,400	3,973	4,301
Advanced Micro Devices Inc	437,900	2,102	898
Akamai Technologies Inc	44,100	1,328	1,675
Altera Corporation	26,800	673	817
Amphenol Corp	30,500	1,477	1,834
Analog Devices Inc	33,000	1,048	1,291
Apple Inc	144,100	33,515	85,786
Applied Materials Inc	108,300	1,352	1,148
Autodesk Inc	83,900	2,773	2,672
Automatic Data Processing Inc	138,000	6,751	7,975
BMC Software Inc	36,600	1,406	1,490
Broadcom Corp	42,000	1,309	1,325
CA Inc	241,900	6,082	5,445
Cisco Systems Inc	1,177,600	21,826	20,190
Citrix Systems Inc	28,600	1,361	1,767
Cognizant Tech Solutions Corp	42,200	1,925	2,813
Computer Sciences Corp	12,600	634	384
Corning Inc	128,400	2,139	1,509
Dell Inc	324,300	4,943	2,997
Dun & Bradstreet Corp	32,100	2,227	2,601
Electronic Arts Inc	30,500	595	377
EMC Corporation	185,300	3,146	4,525
F5 Networks Inc	42,400	5,011	3,502
Fidelity Ntl Information Svcs	62,200	1,813	2,045
First Solar Inc	5,400	752	131
Fiserv Inc	44,100	2,666	3,301
FLIR Systems Inc	12,700	355	247
Google Inc	38,100	20,280	25,919

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Harris Corporation	70,100	3,114	3,209
Hewlett-Packard Company	166,100	6,281	2,300
IBM	209,200	25,756	40,696
Intel Corporation	818,000	18,724	17,693
Intuit Inc	27,300	1,020	1,622
Jabil Circuit Inc	69,200	1,358	1,200
JDS Uniphase Corporation	20,600	116	200
Juniper Networks Inc	45,200	1,120	749
KLA-Tencor Corporation	127,300	6,068	5,926
Lam Research Corporation	17,400	498	616
Lennar Corporation	111,200	2,567	4,167
Linear Technology Corp	20,100	554	628
LSI Corporation	214,300	1,282	1,468
Microchip Technology Inc	15,300	430	480
Micron Technology Inc	81,000	587	439
Microsoft Corporation	1,125,002	29,345	32,108
Molex Inc	43,700	1,067	1,134
Motorola Solutions Inc	72,127	3,444	3,728
NetApp Inc	30,000	926	807
NVIDIA Corporation	53,900	553	645
Oracle Corporation	349,144	7,965	10,851
Paychex Inc	106,700	3,338	3,459
Pitney Bowes Inc	17,600	395	253
Qualcomm Inc	253,000	12,423	14,828
Red Hat Inc	108,800	5,525	5,350
SAIC Inc	23,400	441	257
Salesforce.com Inc	12,200	1,124	1,781
SanDisk Corporation	20,600	555	861
Seagate Technology PLC	178,600	5,034	4,881
Symantec Corporation	58,000	865	1,055
TE Connectivity Ltd	42,300	1,443	1,361
Teradata Corporation	39,700	2,004	2,712
Teradyne Inc	139,800	2,046	2,044
Texas Instruments Inc	118,900	3,184	3,340
Total System Services Inc	78,500	1,465	1,765
VeriSign Inc	80,100	3,094	2,969
Western Digital Corp	37,700	1,198	1,290
Xerox Corporation	117,495	1,001	757
Xilinx Inc	21,400	547	701
Xylem Inc	15,400	424	374
Yahoo! Inc	91,300	1,577	1,537
<i>Total Technology - 17.6%</i>		300,122	378,324
<i>Utilities</i>			
AES Corporation	269,500	3,424	2,816
AGL Resources Inc	10,700	427	437
Ameren Corporation	88,500	2,653	2,910
American Electric Power Co Inc	40,500	1,226	1,800
CenterPoint Energy Inc	37,900	510	821
CMS Energy Corporation	83,700	1,407	2,036
Consolidated Edison Inc	33,300	1,538	2,011
Dominion Resources Inc	62,000	2,565	3,272
DTE Energy Company	28,200	1,331	1,751
Duke Energy Corp	151,507	8,642	9,952
Edison International	104,200	4,329	4,889
Entergy Corporation	19,000	1,412	1,379
Exelon Corp	71,547	3,145	2,560
FirstEnergy Corp	60,132	2,531	2,749
Integrus Energy Group Inc	19,300	921	1,043
NextEra Energy Inc	107,700	6,188	7,545
NiSource Inc	76,600	1,400	1,951
Northeast Utilities	26,896	797	1,057
NRG Energy Inc	19,600	461	423
PG&E Corp	53,900	2,294	2,292
Pinnacle West Capital Corp	14,600	543	773

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

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

*(Amounts in thousands, except share data)*

Security Name	Shares	Cost	Fair Value
Potomac Electric Power	19,800	288	393
PPL Corporation	48,300	1,366	1,428
Public Service Enterprise Grp	42,900	1,453	1,375
SCANA Corporation	75,400	3,333	3,701
Sempra Energy	98,800	6,091	6,891
Southern Company	106,900	3,942	5,007
TECO Energy Inc	17,200	242	307
Wisconsin Energy Corporation	93,500	2,579	3,597
Xcel Energy Inc	120,200	2,792	3,389
<i>Total Utilities - 3.7%</i>		<u>69,830</u>	<u>80,555</u>
Total Equity Securities - 99.2%		1,762,852	2,131,752
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 0.8%	16,383,080	16,383	16,383
Total Investment Securities - 100.0%		<u>\$ 1,779,235</u>	<u>\$ 2,148,135</u>
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 16,352	\$ 16,352
Mellon SL DBT II Liquidating Fund		125	123
Mellon GSL DBT II Liquidating Trust		3,079	-
Total Collateral for Securities Loaned		<u>\$ 19,556</u>	<u>\$ 16,475</u>

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

## Statement of Operations - Unaudited

Period Ended October 31, 2012\*

*(Amounts in thousands)*

	Month	Year To Date
<b>Investment income</b>		
Dividends	\$ 2,906	\$ 14,856
Securities lending income	4	17
Securities lending borrower premiums	9	42
Net shareholder litigation proceeds	14	14
Commission recapture	-	3
	2,933	14,932
<b>Expenses</b>		
Investment advisor fees	(193)	(800)
Trustee fees	-	(2)
Custodian bank fees	(4)	(22)
Management fees	(55)	(217)
Fiduciary bond fees	(1)	(2)
Professional service fees	(11)	(42)
Securities lending agent fees	(2)	(9)
Futures commission expense	(1)	(4)
	(267)	(1,098)
	<b>2,666</b>	<b>13,834</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	4,832	34,323
Foreign currency transactions	-	(17)
Net increase (decrease) in the fair value of investments	(51,601)	41,744
	<b>(46,769)</b>	<b>76,050</b>
<b>Net increase (decrease) in net assets from operations</b>	<b>\$ (44,103)</b>	<b>\$ 89,884</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.*

## Large Cap Domestic Equity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 2,666	\$ 13,834
Net realized gain from investments	4,832	34,323
Net realized loss from foreign currency transactions	-	(17)
Net increase (decrease) in the fair value of investments	(51,601)	41,744
<b>Net increase (decrease) in net assets from operations</b>	(44,103)	89,884
<b>Unit transactions</b>		
Proceeds from sale of units	2	53,322
Amount paid for repurchase of units	(25,620)	(65,836)
<b>Net decrease in net assets from unit transactions</b>	(25,618)	(12,514)
<b>Increase (decrease) in net assets</b>	(69,721)	77,370
<b>Net assets, beginning of period</b>	2,216,838	2,069,747
<b>Net assets, end of period</b>	\$ 2,147,117	\$ 2,147,117
<b>Unit data</b>		
Units sold	135	3,795,594
Units repurchased	(1,737,290)	(4,549,899)
<b>Net decrease in units</b>	(1,737,155)	(754,305)

*\*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.*

# 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 October 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 October 31, 2012:

Derivatives not designated as hedging instruments under ASC 815	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities	Fair Value	Statement of Assets and Liabilities	Fair Value
	Location		Location	
Equity contracts		\$ -	Unrealized loss on futures contracts	\$ (135)

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 October 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	\$ 617	Net increase (decrease) in the fair value of investments	\$ (339)

### 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,131,752	\$ -	\$ -	\$ 2,131,752
Regulated investment companies	-	16,383	-	16,383
Securities lending collateral funds	-	16,475	-	16,475
Total	<u>\$ 2,131,752</u>	<u>\$ 32,858</u>	<u>\$ -</u>	<u>\$ 2,164,610</u>

Liabilities	Level 1	Level 2	Level 3	Total
Futures	\$ (135)	\$ -	\$ -	\$ (135)

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

### NOTE 5. SECURITIES LENDING

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

Fair value of securities on loan	\$ 19,850		
Initial collateral received:	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	<u>\$ 19,556</u>	\$ 16,475	<u>\$ (3,081)</u>
Non-cash		827	
Total		<u>\$ 17,302</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 October 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 October 2012, the pool has recorded, but not distributed \$2,368 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 October 31, 2012, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Value at October 31, 2012</u>	<u>Value Upon Entering Contract</u>	<u>Unrealized Gain (Loss)</u>
Dec 2012	129 S&P 500	Long	<u>\$ 9,074</u>	<u>\$ 9,209</u>	<u>\$ (135)</u>

At October 31, 2012, the Pool had pledged cash of \$581 to cover margin requirements on open futures contracts.

### NOTE 7. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 13.86
Income from investment operations:	
Net investment income	0.09
Net realized and unrealized gain on investment transactions	0.50
Total from investment operations	0.59
Net asset value at October 31, 2012	<u>\$ 14.45</u>

**Time-weighted Total Return \*** 4.3%

#### Supplemental Data:

Net assets, end of period	\$ 2,147,117
Ratio to average net assets:	
Expenses **	0.15%
Net investment income **	1.93%
Portfolio turnover rate	16.81%

\* 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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 954,591
Public Employees' Retirement System	818,035
State Police Death, Disability and Retirement Fund	87,912
Workers' Compensation Old Fund	71,536
West Virginia Retiree Health Benefit Trust	57,987
Revenue Shortfall Reserve Fund - Part B	24,699
Judges' Retirement System	23,695
Deputy Sheriff's Retirement System	21,944
Coal Workers' Pneumoconiosis Fund	19,184
West Virginia Prepaid Tuition Trust Fund	18,221
State Police Retirement System	15,011
Board of Risk and Insurance Management	9,782
Wildlife Endowment Fund	7,571
Public Employees Insurance Agency	6,842
Emergency Medical Services Retirement System	6,745
West Virginia Department of Environmental Protection Trust	1,802
Workers' Compensation Self-Insured Guaranty Risk Pool	830
Workers' Compensation Uninsured Employers' Fund	687
Municipal Police Officers' and Firefighters' Retirement System	43
Total	<u>\$ 2,147,117</u>



**Financial Statements - Unaudited**

**October 31, 2012**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	6
Statement of Changes in Net Assets	7
Notes to Financial Statements	8

# Non-Large Cap Domestic Equity Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	756,327
Collateral for securities loaned at fair value (Note 4)		44,645
Cash		707
Receivables:		
Investments sold		2,970
Dividends		1,181
Securities lending income		37
Foreign tax withholding		1
		<u>1</u>
<b>Total assets</b>		<b>805,868</b>

### Liabilities

Accrued expenses		828
Payable for investments purchased		1,308
Payable upon return of securities loaned (Note 4)		46,784
		<u>48,920</u>
<b>Total liabilities</b>		<b>48,920</b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>756,948</u></u></b>

### Analysis of net assets

Paid-in capital	\$	508,097
Accumulated undistributed net investment income		42,210
Accumulated undistributed net realized gain from investments		127,881
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		79,266
		<u>79,266</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>756,948</u></u></b>

### Unit data

Units outstanding		40,657,946
Net asset value, unit price	\$	<u><u>18.62</u></u>

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments in Securities - Unaudited

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<b>Equity Securities</b>			
<i>Basic Materials</i>			
A. Schulman Inc	195,000	\$ 4,138	\$ 5,006
Ashland Inc New	23,100	1,596	1,644
Boise Inc	584,200	4,495	4,901
Celanese Corp	83,360	2,369	3,167
Coeur d'Alene Mines Corp	69,400	1,698	2,145
Crown Holdings Inc	174,810	5,229	6,686
Cytec Industries Inc	73,220	5,002	5,039
Domtar Corporation	41,900	3,246	3,342
Georgia Gulf Corporation	78,480	2,442	2,777
Huntsman Corp	231,400	3,518	3,480
Packaging Corp of America	111,690	3,092	3,939
PH Glatfelter Company	256,200	3,994	4,563
Schweitzer-Mauduit Intl Inc	103,500	3,466	3,626
TPC Group Inc	59,900	2,369	2,694
Westlake Chemical Corporation	47,100	2,142	3,582
<i>Total Basic Materials - 7.5%</i>		48,796	56,591
<i>Capital Goods</i>			
Aegean Marine Petroleum Networ	462,200	2,866	2,501
AGCO Corporation	93,300	3,938	4,246
Alliant Techsystems Inc	108,700	6,148	6,227
Applied Industrial Tech Inc	59,400	1,810	2,411
BE Aerospace Inc	115,145	3,162	5,192
Beacon Roofing Supply Inc	70,010	1,919	2,264
Crane Company	96,410	3,416	4,047
EMCOR Group Inc	59,300	1,691	1,907
Gardner Denver Inc	67,200	5,067	4,659
Harsco Corporation	82,300	2,219	1,645
Hubbell Inc	86,450	5,014	7,238
IDEX Corporation	136,210	4,061	5,793
KBR Inc	82,700	2,064	2,304
Landstar System Inc	107,360	4,277	5,432
Lennox International Inc	42,400	1,848	2,122
Lihua International Inc	84,300	736	368
Meritor Inc	305,500	1,545	1,350
Orbital Sciences Corp	124,500	1,708	1,668
Oshkosh Corporation	128,800	3,251	3,861
Owens Corning Inc	118,140	3,558	3,968
PHH Corp	171,300	2,951	3,565
Timken Company	201,690	8,584	7,965
Toro Company	47,300	1,742	1,997
TransDigm Group Inc	48,520	4,344	6,463
Trinity Industries Inc	58,300	1,551	1,824
United Rentals Inc	123,870	3,363	5,037
URS Corp	75,400	2,952	2,524
Waste Connections Inc	216,130	5,776	7,096
WESCO International Inc	107,970	4,761	7,005
<i>Total Capital Goods - 14.9%</i>		96,322	112,679
<i>Consumer Discretionary</i>			
Aaron's Inc	120,600	3,189	3,718
Alaska Air Group Inc	57,200	1,696	2,187
American Eagle Outfitters Inc	417,250	7,523	8,708
Ann Inc	119,800	3,122	4,213
Apollo Group Inc	98,600	3,558	1,980
Arctic Cat Inc	91,000	3,505	3,301
Capella Education Company	143,400	4,026	4,477
Cooper Tire & Rubber Company	92,400	1,591	1,860
Foot Locker Inc	269,750	5,443	9,037
Hertz Global Holdings Inc	334,100	4,061	4,434
Hot Topic Inc	164,000	1,713	1,391

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Interpublic Group of Co Inc	429,900	4,586	4,342
Leapfrog Enterprises Inc	152,400	1,523	1,347
Lear Corporation	62,400	2,714	2,658
Manchester United Plc	201,060	2,756	2,531
Michael Kors Holdings Ltd	68,930	2,612	3,770
NVR Inc	3,304	2,567	2,986
O'Reilly Automotive Inc	35,100	1,641	3,013
PetMed Express Inc	173,900	1,822	1,896
Signet Jewelers Ltd	147,040	5,602	7,611
Smith & Wesson Holding Corp	443,500	4,389	4,253
Stage Stores Inc	73,700	1,695	1,806
Thor Industries Inc	47,100	1,698	1,791
Tractor Supply Company	36,530	3,138	3,514
TRW Automotive Holdings Co	38,300	1,664	1,781
US Airways Group Inc	140,900	1,711	1,716
WABCO Holdings Inc	34,500	1,690	2,021
Whirlpool Corporation	35,700	2,522	3,487
Williams Sonoma Inc	145,430	5,471	6,723
<i>Total Consumer Discretionary - 13.5%</i>		89,228	102,552
<i>Consumer Staples</i>			
Alliance One International Inc	320,000	970	973
Dean Foods Company	129,000	1,303	2,172
Ralcorp Holdings Inc	125,910	7,247	9,089
<i>Total Consumer Staples - 1.6%</i>		9,520	12,234
<i>Energy</i>			
Alon USA Energy Inc	122,300	1,737	1,606
Delek US Holdings Inc	64,200	1,680	1,653
Denbury Resources Inc	402,850	6,195	6,176
EPL Oil & Gas Inc	93,600	1,615	2,026
Getty Realty Corporation	116,200	2,134	2,128
Gran Tierra Energy Inc	321,100	1,640	1,631
Helix Energy Solutions Group I	210,400	3,594	3,638
HollyFrontier Corp	85,400	3,502	3,299
Nabors Industries Ltd	283,800	3,731	3,828
Patterson-UTI Energy Inc	98,500	1,363	1,594
Power-One Inc	284,600	1,763	1,150
Rowan Companies PLC	179,520	6,306	5,693
Tesoro Corporation	486,980	11,464	18,365
VAALCO Energy Inc	447,600	3,418	3,657
Western Refining Inc	144,700	2,768	3,599
<i>Total Energy - 7.9%</i>		52,910	60,043
<i>Financial Services</i>			
Allied World Assurance Co Hold	60,300	4,447	4,842
American Capital Ltd	149,100	1,640	1,758
Aspen Insurance Holdings Ltd	57,700	1,668	1,867
Associated Banc-Corp	129,700	1,710	1,672
Assurant Inc	142,500	4,693	5,388
Axis Capital Hldgs Ltd	45,100	1,692	1,634
Banco Latinoamericano Export	219,300	4,033	4,934
Calamos Asset Management Inc	78,500	788	848
CapitalSource Inc	751,600	5,117	5,945
CBL & Associates Properties	79,400	1,636	1,776
City National Corporation	85,800	4,396	4,384
Comerica Inc	320,100	8,604	9,542
Commonwealth REIT	234,300	4,738	3,212
CoreLogic Inc	94,600	1,984	2,251
East West Bancorp Inc	129,900	2,422	2,766
Everest Re Group Ltd	112,945	10,313	12,543
First Republic Bank	154,050	4,776	5,292
Genworth Financial Inc	313,150	1,669	1,866

See accompanying notes to financial statements.



# Non-Large Cap Domestic Equity Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Greenlight Capital Re	67,400	1,736	1,721
H&R Block Inc	99,900	1,605	1,768
Hospitality Properties Trust	205,200	4,498	4,744
Huntington Bancshares Inc	942,800	5,570	6,029
Jefferies Group Inc	117,100	1,707	1,668
Jones Lang LaSalle Inc	147,910	11,559	11,499
Lazard Ltd	212,000	5,629	6,246
Lender Processing Services Inc	132,600	3,521	3,197
Maiden Holdings Ltd	239,400	2,132	2,023
Montpelier Re Hldgs Ltd	244,700	5,067	5,596
National Health Investors Inc	43,500	1,540	2,323
Nelnet Inc	57,600	1,252	1,406
Netspend Holdings Inc	176,500	1,553	1,890
PartnerRe Ltd	31,800	2,292	2,576
Penn Real Estate Invest Tst	116,100	1,691	1,919
Piper Jaffray Co Inc	105,500	2,924	2,833
Platinum Underwriters Hldg Ltd	50,300	2,287	2,233
Popular Inc	204,700	3,349	3,957
PrivateBancorp Inc	101,400	1,705	1,641
ProAssurance Corporation	28,800	1,998	2,575
PS Business Parks Inc	46,800	2,455	3,001
Raymond James Financial Inc	160,570	5,538	6,124
Reinsurance Group of America I	109,900	6,565	5,816
RenaissanceRe Holdings Ltd	62,800	4,927	5,109
Republic Bancorp Inc	38,600	712	835
SEI Investments Company	82,400	1,679	1,800
Sunstone Hotel Investors Inc	162,600	1,674	1,606
Washington Federal Inc	118,600	1,922	1,990
Wilshire Bancorp Inc	741,600	4,178	4,828
<i>Total Financial Services - 22.7%</i>		159,591	171,473
<i>Health Care</i>			
Alkermes PLC	169,750	3,185	3,144
Community Health Systems Inc	216,400	4,099	5,934
Conceptus Inc	88,510	1,726	1,668
Coventry Health Care Inc	251,130	6,706	10,959
Cubist Pharmaceuticals Inc	73,790	3,313	3,166
DENTSPLY International Inc	222,630	7,709	8,202
Elan Corporation PLC	385,360	3,290	4,162
Gentiva Health Services Inc	229,900	1,847	2,154
GNC Holdings Inc	63,300	2,392	2,448
Hologic Inc	251,480	4,716	5,186
IDEXX Laboratories Inc	50,493	3,957	4,857
Magellan Health Services Inc	56,900	2,760	2,854
Medifast Inc	102,500	2,862	2,616
Mettler-Toledo International I	41,670	5,808	7,058
Myriad Genetics Inc	127,800	2,761	3,345
Owens & Minor Inc	119,790	3,647	3,410
PDL BioPharma Inc	635,700	3,749	4,733
Sun Healthcare Group Inc	402,300	2,719	3,407
Tenet Healthcare Corporation	87,075	1,632	2,055
Volcano Corporation	59,840	1,638	1,713
Warner Chilcott PLC	134,800	1,793	1,560
<i>Total Health Care - 11.2%</i>		72,309	84,631
<i>Technology</i>			
Alliance Data Systems Corp	72,500	5,201	10,371
Amdocs Ltd	112,600	3,333	3,724
Amkor Technology Inc	313,500	1,680	1,354
Brocade Communications Systems	328,800	1,616	1,743
CACI International Inc	69,600	3,539	3,510
Cbeyond Inc	203,000	1,589	1,555
Concur Technologies	23,800	1,714	1,577

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Coresite Realty Corporation	125,200	3,323	2,846
First Solar Inc	144,700	3,097	3,516
FleetCor Technologies Inc	123,390	3,394	5,850
Fortinet Inc	278,040	6,308	5,386
Huntington Ingalls Corporation	105,400	4,356	4,467
IHS Inc	59,330	4,930	5,007
Informatica Corporation	174,640	8,735	4,738
Ingram Micro Inc	116,400	2,297	1,769
Jabil Circuit Inc	112,200	2,492	1,946
JDS Uniphase Corporation	318,720	3,634	3,090
Kulicke & Soffa Industries Inc	181,700	1,596	1,864
LSI Corporation	326,600	2,345	2,237
Net 1 UEPS Technologies Inc	232,500	2,966	2,058
NeuStar Inc	59,100	1,554	2,162
Neutral Tandem Inc	235,500	2,536	1,090
Nuance Communications Inc	304,720	5,598	6,786
NXP Semiconductor NV	276,970	5,677	6,719
QLIK Technologies Inc	209,600	4,036	3,859
Riverbed Technology	99,420	1,512	1,836
SAIC Inc	178,800	2,036	1,965
Sanmina-SCI Corporation	137,000	1,560	1,217
Skyworks Solutions Inc	174,850	3,838	4,090
Tech Data Corporation	95,100	4,216	4,214
Unisys Corporation	256,900	5,166	4,380
United Online Inc	873,000	4,986	4,679
<i>Total Technology - 14.7%</i>		110,860	111,605
<i>Utilities</i>			
Alliant Energy Corp	125,900	4,371	5,628
American Water Works Co Inc	158,800	3,798	5,834
El Paso Electric Company	45,000	1,053	1,530
MYR Group Inc	58,900	1,190	1,246
NV Energy Inc	202,800	3,319	3,855
OGE Energy Corp	45,600	1,684	2,626
Pinnacle West Capital Corp	115,300	4,974	6,107
PNM Resources Inc	184,400	2,318	4,086
Portland General Electric Co	129,000	2,602	3,530
<i>Total Utilities - 4.6%</i>		25,309	34,442
Total Equity Securities - 98.6%		664,845	746,250
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.3%	10,076,291	10,077	10,077
Total Investment Securities - 99.9%		\$ 674,922	\$ 756,327
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 44,312	\$ 44,312
Mellon SL DBT II Liquidating Fund		341	333
Mellon GSL DBT II Liquidating Trust		2,131	-
Total Collateral for Securities Loaned		\$ 46,784	\$ 44,645

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Statement of Operations - Unaudited

Period Ended October 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 2,048	\$ 5,267
Securities lending income	9	27
Securities lending borrower premiums	36	260
Net shareholder litigation proceeds	-	121
Commission recapture	3	6
<b>Total investment income</b>	2,096	5,681
<b>Expenses</b>		
Investment advisor fees	(171)	(900)
Trustee fees	(1)	(1)
Custodian bank fees	(2)	(9)
Management fees	(19)	(74)
Fiduciary bond fees	(1)	(1)
Professional service fees	(3)	(14)
Securities lending agent fees	(6)	(42)
<b>Total expenses</b>	(203)	(1,041)
<b>Investment income, net</b>	1,893	4,640
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	4,228	13,114
Net increase (decrease) in the fair value of investments	(14,129)	23,574
<b>Net gain (loss) from investments</b>	(9,901)	36,688
<b>Net increase (decrease) in net assets from operations</b>	\$ (8,008)	\$ 41,328

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

## Non-Large Cap Domestic Equity Pool

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### Statement of Changes in Net Assets - Unaudited

**Period Ended October 31, 2012\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 1,893	\$ 4,640
Net realized gain from investments	4,228	13,114
Net increase (decrease) in the fair value of investments	(14,129)	23,574
<b>Net increase (decrease) in net assets from operations</b>	(8,008)	41,328
<b>Unit transactions</b>		
Proceeds from sale of units	26	24,261
Amount paid for repurchase of units	(6,596)	(6,836)
<b>Net increase (decrease) in net assets from unit transactions</b>	(6,570)	17,425
<b>Increase (decrease) in net assets</b>	(14,578)	58,753
<b>Net assets, beginning of period</b>	771,526	698,195
<b>Net assets, end of period</b>	\$ 756,948	\$ 756,948
<b>Unit data</b>		
Units sold	1,382	1,363,681
Units repurchased	(350,615)	(364,112)
<b>Net increase (decrease) in units</b>	(349,233)	999,569

*\*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 October 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 746,250	\$ -	\$ -	\$ 746,250
Regulated investment companies	-	10,077	-	10,077
Securities lending collateral funds	-	44,645	-	44,645
Total	<u>\$ 746,250</u>	<u>\$ 54,722</u>	<u>\$ -</u>	<u>\$ 800,972</u>

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

### NOTE 4. SECURITIES LENDING

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

Fair value of securities of loan	\$	45,645		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>46,784</u>	\$ 44,645	<u>\$ (2,139)</u>
Non-cash			-	
Total			<u>\$ 44,645</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 October 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 October 2012, the pool has recorded, but not distributed \$1,895 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, 2012	\$ 17.61
Income from investment operations:	
Net investment income	0.11
Net realized and unrealized gain on investment transactions	0.90
Total from investment operations	1.01
Net asset value at October 31, 2012	\$ 18.62
<b>Time-weighted Total Return *</b>	5.8%
<b>Supplemental Data:</b>	
Net assets, end of period	\$ 756,948
Ratio to average net assets:	
Expenses **	0.41%
Net investment income **	1.89%
Portfolio turnover rate	25.19%

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

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

### NOTE 6. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 335,368
Public Employees' Retirement System	289,704
State Police Death, Disability and Retirement Fund	31,606
Workers' Compensation Old Fund	25,390
West Virginia Retiree Health Benefit Trust	20,718
Revenue Shortfall Reserve Fund - Part B	8,844
Judges' Retirement System	8,400
Deputy Sheriff's Retirement System	7,792
Coal Workers' Pneumoconiosis Fund	6,836
State Police Retirement System	5,316
West Virginia Prepaid Tuition Trust Fund	4,708
Board of Risk and Insurance Management	3,563
Wildlife Endowment Fund	2,677
Public Employees Insurance Agency	2,445
Emergency Medical Services Retirement System	2,382
West Virginia Department of Environmental Protection Trust	643
Workers' Compensation Self-Insured Guaranty Risk Pool	294
Workers' Compensation Uninsured Employers' Fund	246
Municipal Police Officers' and Firefighters' Retirement System	16
Total	\$ 756,948



**Financial Statements - Unaudited**

**October 31, 2012**



# International Qualified Pool

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

### **Table of Contents**

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6

# International Qualified Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	886,822
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### Liabilities

Accrued expenses		<u>51</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>886,771</u></b>
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### Analysis of net assets

Paid-in capital	\$	379,864
Accumulated undistributed net investment loss		(33,346)
Accumulated undistributed net realized gain from investments		27,044
Unrealized net appreciation of investments		<u>513,209</u>

<b>Net assets</b>	<b>\$</b>	<b><u>886,771</u></b>
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### Unit data

Units outstanding		20,627,871
Net asset value, unit price	\$	<u>42.99</u>

See accompanying notes to financial statements.

# International Qualified Pool

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## Schedule of Investments in Securities - Unaudited

October 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%	12,130,842	\$ 373,613	\$ 886,822
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 October 31, 2012\***  
*(Amounts in thousands)*

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(382)	(1,475)
Trustee fees	-	(1)
Management fees	(22)	(84)
Fiduciary bond fees	(1)	(1)
Professional service fees	(4)	(16)
	<u>(409)</u>	<u>(1,577)</u>
<b>Total expenses</b>		
	(409)	(1,577)
<b>Investment loss, net</b>		
	(409)	(1,577)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	221	828
Net increase in the fair value of investments	11,249	85,738
	<u>11,470</u>	<u>86,566</u>
<b>Net gain from investments</b>		
	11,470	86,566
<b>Net increase in net assets from operations</b>	<u>\$ 11,061</u>	<u>\$ 84,989</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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### Statement of Changes in Net Assets - Unaudited

**Period Ended October 31, 2012\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (409)	\$ (1,577)
Net realized gain from investments	221	828
Net increase in the fair value of investments	11,249	85,738
<b>Net increase in net assets from operations</b>	11,061	84,989
<b>Unit transactions</b>		
Proceeds from sale of units	26	97
<b>Increase in net assets from unit transactions</b>	26	97
<b>Increase in net assets</b>	11,087	85,086
<b>Net assets, beginning of period</b>	875,684	801,685
<b>Net assets, end of period</b>	\$ 886,771	\$ 886,771
<b>Unit data</b>		
Units sold	585	2,390
<b>Increase in units</b>	585	2,390

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

## International Qualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 11,061	\$ 84,989
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Proceeds from disposition of investment securities	382	1,475
Increase in accrued expenses	1	5
Net realized gain from investments	(221)	(828)
Net increase in the fair value of investments	(11,249)	(85,738)
	<u>(26)</u>	<u>(97)</u>
<b>Net cash used in operating activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from units sold	<u>26</u>	<u>97</u>
	<u>26</u>	<u>97</u>
<b>Net cash provided by financing activities</b>		
	-	-
<b>Net change in cash</b>		
<b>Cash</b>		
Beginning balance	<u>-</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

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



# International Qualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

# International Qualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

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

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

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

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

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

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ 886,822	\$ -	\$ 886,822

There were no transfers in or out of Levels 1 and 2 during the period ended October 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, 2012	\$	38.87
Income from investment operations:		
Net investment loss		(0.08)
Net realized and unrealized gain on investment transactions		4.20
Total from investment operations		4.12
Net asset value at October 31, 2012	\$	42.99

**Time-weighted Total Return \*** 10.6%

#### Supplemental Data:

Net assets, end of period	\$	886,771
Ratio to average net assets:		
Expenses **		0.56%
Net investment income **		-0.56%
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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 435,508
Public Employees' Retirement System	379,704
State Police Death, Disability and Retirement Fund	41,378
Judges' Retirement System	10,950
Deputy Sheriff's Retirement System	9,994
State Police Retirement System	6,346
Emergency Medical Services Retirement System	2,868
Municipal Police Officers' and Firefighters' Retirement System	23
Total	\$ 886,771



**Financial Statements - Unaudited**

**October 31, 2012**



# International Nonqualified Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6

# International Nonqualified Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	96,689
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### Liabilities

Accrued expenses		<u>6</u>
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<b>Net assets</b>	<b>\$</b>	<b><u>96,683</u></b>
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### Net assets

Paid-in capital	\$	42,196
Accumulated undistributed net investment loss		(4,354)
Accumulated undistributed net realized gain from investments		28,040
Unrealized net appreciation of investments		<u>30,801</u>

<b>Net assets</b>	<b>\$</b>	<b><u>96,683</u></b>
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### Unit data

Units outstanding		2,424,987
Net asset value, unit price	\$	<u>39.87</u>

See accompanying notes to financial statements.



# International Nonqualified Pool

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## Schedule of Investments in Securities - Unaudited October 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%	1,258,191	<u>\$ 65,888</u>	<u>\$ 96,689</u>
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 October 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>	\$ -	\$ -
<b>Expenses</b>		
Investment advisor fees	(53)	(208)
Management fees	(2)	(9)
Professional service fees	<u>(1)</u>	<u>(2)</u>
<b>Total expenses</b>	<u>(56)</u>	<u>(219)</u>
<b>Investment loss, net</b>	(56)	(219)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	17	60
Net increase in the fair value of investments	<u>1,277</u>	<u>9,384</u>
<b>Net gain from investments</b>	<u>1,294</u>	<u>9,444</u>
<b>Net increase in net assets from operations</b>	<u>\$ 1,238</u>	<u>\$ 9,225</u>

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

## International Nonqualified Pool

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### Statement of Changes in Net Assets - Unaudited

**Period Ended October 31, 2012\***

*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (56)	\$ (219)
Net realized gain from investments	17	60
Net increase in the fair value of investments	1,277	9,384
<b>Net increase in net assets from operations</b>	1,238	9,225
<b>Unit transactions</b>		
Proceeds from sale of units	180	430
Amount paid for repurchase of units	(178)	(420)
<b>Net increase in net assets from unit transactions</b>	2	10
<b>Increase in net assets</b>	1,240	9,235
<b>Net assets, beginning of period</b>	95,443	87,448
<b>Net assets, end of period</b>	\$ 96,683	\$ 96,683
<b>Unit data</b>		
Units sold	4,591	11,415
Units repurchased	(4,522)	(11,134)
<b>Net increase in units</b>	69	281

*\*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 October 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 1,238	\$ 9,225
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Proceeds from disposition of investment securities	54	208
Increase in accrued expenses	-	1
Net realized gain from investments	(17)	(60)
Net increase in the fair value of investments	(1,277)	(9,384)
<b>Net cash used in operating activities</b>	<b>(2)</b>	<b>(10)</b>
<b>Cash flows from financing activities</b>		
Proceeds from sale of units	180	430
Amount paid for repurchase of units	(178)	(420)
<b>Cash provided by financing activities</b>	<b>2</b>	<b>10</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 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 October 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 October 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	<u>\$ -</u>	<u>\$ 96,689</u>	<u>\$ -</u>	<u>\$ 96,689</u>

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

# International Nonqualified Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$	36.07
Income from investment operations:		
Net investment loss		(0.09)
Net realized and unrealized gain on investment transactions		3.89
Total from investment operations		3.80
Net asset value at October 31, 2012	\$	39.87

**Time-weighted Total Return \*** 10.6%

#### Supplemental Data:

Net assets, end of period	\$	96,683
Ratio to average net assets:		
Expenses **		0.72%
Net investment income **		-0.72%
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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 33,338
West Virginia Retiree Health Benefit Trust	26,456
Revenue Shortfall Reserve Fund - Part B	10,922
Coal Workers' Pneumoconiosis Fund	9,064
Board of Risk and Insurance Management	4,783
West Virginia Prepaid Tuition Trust Fund	4,314
Wildlife Endowment Fund	3,455
Public Employees Insurance Agency	2,995
West Virginia Department of Environmental Protection Trust	667
Workers' Compensation Self-Insured Guaranty Risk Pool	367
Workers' Compensation Uninsured Employers' Fund	322
Total	\$ 96,683





**Financial Statements - Unaudited**

**October 31, 2012**



# International Equity Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	12
Statement of Changes in Net Assets	13
Notes to Financial Statements	14

# International Equity Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,124,928
Collateral for securities loaned at fair value (Note 4)		111,492
Cash		5,619
Cash denominated in foreign currencies (cost \$40,117)		40,119
Receivables:		
Investments sold		86,240
Dividends		6,606
Securities lending income		89
Foreign tax withholding		1,870
Unrealized gain on foreign currency forward contracts (Note 5)		15
		<hr/>
<b>Total assets</b>		<b>2,376,978</b>

### Liabilities

Accrued expenses		2,515
Payable for investments purchased		1,138
Payable upon return of securities loaned (Note 4)		114,817
Unrealized loss on foreign currency forward contracts (Note 5)		482
		<hr/>
<b>Total liabilities</b>		<b>118,952</b>
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,258,026</b>

### Analysis of net assets

Paid-in capital	\$	1,454,246
Accumulated undistributed net investment income		341,265
Accumulated undistributed net realized gain from investments		363,669
Accumulated undistributed net realized gain from foreign currency transactions		93,041
Unrealized net appreciation of investments		5,854
Unrealized net depreciation on translation of assets and liabilities in foreign currencies		(49)
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,258,026</b>

### Unit data

Units outstanding		106,052,444
Net asset value, unit price	\$	21.29

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments in Securities - Unaudited October 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	\$ 707
Nortel Inversora SA	123,040	2,538	1,334
<i>Total Argentina - 0.1%</i>		4,072	2,041
<i>Australia</i>			
Arrium Ltd	2,545,600	6,194	2,072
Boart Longyear Group	934,400	2,866	1,415
Caltex Australia Ltd	278,000	2,781	4,912
Downer EDI Ltd	720,314	2,422	2,681
DUET Group	936,257	1,381	2,029
Flight Centre Ltd	56,257	1,228	1,552
Goodman Fielder Ltd	3,139,617	3,417	1,905
Lend Lease Corporation Ltd	554,833	4,709	4,988
Macquarie Group Ltd	248,100	5,498	8,207
Medusa Mining Ltd	395,521	2,457	2,502
Metcash Ltd	1,190,600	4,610	4,519
Monadelphous Group Ltd	110,720	2,290	2,423
National Australia Bank Ltd	516,400	13,760	13,810
Rio Tinto Ltd	90,700	7,511	5,355
SAI Global Limited	707,228	3,538	2,977
Southern Cross Media Group	285,367	940	308
Wotif.com Holdings Ltd	486,687	2,024	2,347
<i>Total Australia - 2.8%</i>		67,626	64,002
<i>Austria</i>			
Andritz AG	60,633	2,950	3,651
Erste Group Bank AG	588,657	17,478	14,779
OMV AG	257,400	9,837	9,406
Voestalpine AG	139,000	4,807	4,377
<i>Total Austria - 1.4%</i>		35,072	32,213
<i>Belgium</i>			
Barco NV	35,900	2,343	2,466
Delhaize Le Lion SA	146,000	8,784	5,581
D'leteren SA NV	65,846	3,174	3,183
KBC Groep NV	113,900	5,008	2,673
Mobistar SA	41,308	2,545	1,092
Tessenderlo Chemie NV	65,300	2,990	1,891
ThromboGenics NV	12,304	526	588
<i>Total Belgium - 0.8%</i>		25,370	17,474
<i>Bermuda</i>			
China Yuchai International Ltd	226,207	3,831	3,135
Credicorp Ltd	21,690	2,187	2,805
Dickson Concepts Ltd	1,628,500	1,191	841
First Pacific Company Ltd	10,890,314	4,430	12,127
Peoples Food Holdings Ltd	13,272,000	10,065	9,573
Skworth Digital Holdings Ltd	5,046,000	2,429	2,728
Varitronix International Ltd	783,000	784	284
Yue Yuen Industrial Holdings	1,682,000	3,440	5,806
<i>Total Bermuda - 1.7%</i>		28,357	37,299
<i>Brazil</i>			
Banco Bradesco SA	199,100	2,567	2,621
Banco do Brasil SA	859,601	10,900	9,175
Banco do Estado do Rio Grande - Preferred Stock	650,700	4,660	5,144
Banco Santander Brasil SA	1,162,160	13,891	7,903
BR Malls Participacoes	239,400	2,910	3,149
Centrais Elect de Sata Catarin - Preferred Stock	155,600	4,108	2,279
Centrais Eletricas Brasileiras	1,096,430	10,839	6,096
Centrais Eletricas Brasileiras - Preferred Stock	347,700	3,661	2,766
CETIP	205,400	3,031	2,367
CIA Paranaense De Energia	198,080	2,402	2,376

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
CIA Paranaense De Energia - Preferred Stock	355,000	7,061	5,246
Companhia de Bebidas das Amer	80,600	2,846	3,288
Companhia de Saneamento	207,600	3,496	8,792
Companhia Energetica de Minas - Preferred Stock	236,300	3,045	2,828
Companhia Paranaense	148,020	2,928	2,185
Ecorodovias Infra E Log	295,700	2,504	2,584
Embraer SA	559,428	13,046	15,614
Gerdau SA	308,400	3,107	2,711
Inpar SA	2,577,740	4,582	1,562
Itau Unibanco Holding SA	448,010	7,519	6,532
Kroton Educacional SA	77,300	1,155	1,546
Localiza Rent A Car	111,500	1,846	1,955
Marcopolo SA - Preferred Stock	527,000	2,334	3,092
Marfrig Frigorificos e Comerci	926,285	7,548	4,791
Petroleo Brasileiro SA	938,482	26,452	19,433
Petroleo Brasileiro SA - Preferred Stock	602,800	8,052	6,176
Telefonica Brasil	316,589	2,915	6,971
Tim Participacoes SA	977,911	18,205	16,996
Vale SA	262,100	6,722	4,802
Vale SA - Preferred Stock	503,000	11,332	9,006
Viver Incorporadora e Construt - Rights	451,744	-	51
<i>Total Brazil - 7.5%</i>		195,664	170,037
<i>Canada</i>			
Agrium Inc	74,400	5,713	7,829
Canadian Imperial Bank	103,400	6,667	8,127
Canadian Tire Corporation Ltd	84,300	6,088	6,027
Celestica Inc	597,200	3,867	4,332
Cogeco Cable Inc	55,900	2,514	2,134
Ensign Energy Services Inc	278,400	4,186	4,159
Genworth MI Canada Inc	89,100	2,443	1,824
Laurentian Bank of Canada	83,174	2,496	3,699
Lundin Mining Corporation	788,900	2,861	4,104
Magna International Inc	166,000	8,418	7,374
Metro Inc	111,900	4,980	6,596
National Bank of Canada	91,800	4,727	7,089
Pacific Rubiales Energy Corp	120,500	2,979	2,832
Precision Drilling Corporation	410,600	4,276	2,937
Rogers Communications Inc	117,000	4,511	5,132
Sherritt International Company	604,400	3,606	2,612
Teck Corporation	213,300	7,011	6,765
Transcontinental Inc	239,200	3,637	2,465
Westjet Airlines LTD	275,500	3,515	4,975
<i>Total Canada - 4.0%</i>		84,495	91,012
<i>Cayman Islands</i>			
Anton Oilfield Services Group	5,490,000	1,428	1,658
Baidu Inc	21,010	2,567	2,242
Belle International Holdings	1,546,500	2,834	2,881
Bosideng International Holding	17,048,000	4,715	5,411
Chaoda Modern Agriculture Ltd	19,491,636	12,313	448
Daphne International Holdings	2,046,000	1,979	2,468
Hengan International Group	225,000	2,280	2,050
Kingboard Laminates Holding	3,250,500	2,844	1,384
Lee & Man Paper Manufacturing	2,763,000	1,474	1,451
Longking Holdings Ltd	10,369,000	3,897	2,435
Tencent Holdings Ltd	82,300	2,189	2,910
Xinyi Glass Holdings Co Ltd	6,780,000	3,649	3,806
Yingde Gases	11,795,500	11,016	11,187
<i>Total Cayman Islands - 1.8%</i>		53,185	40,331
<i>Chile</i>			
Sociedad Quimica Minera Chile - 0.1%	51,300	3,088	2,968

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>China</i>			
Bank of China Ltd	17,159,000	5,669	7,063
China Bluechemical Ltd	5,766,000	3,338	3,653
China Coal Energy Co	4,320,000	3,855	4,292
China Construction Bank Corp	8,157,100	6,522	6,147
China Merchants Bank	986,500	2,196	1,843
China Pet & Chem Cor (Sinopec)	9,946,000	8,318	10,564
China South Locomotive	3,167,000	2,280	2,460
Chongqing Machinery & Electric	7,926,000	1,644	1,207
Dongfang Electric Corp Ltd	633,000	1,108	1,060
Dongfeng Motor Group Company	2,208,000	3,171	2,735
Great Wall Motor Company Ltd	2,162,500	1,599	5,943
Harbin Power Equipment Company	3,886,000	4,295	3,214
Jiangxi Copper Company Ltd	1,101,000	3,066	2,848
PetroChina Company Ltd	15,380	2,164	2,088
Ping An Insurance Co	523,000	4,082	4,143
Shanghai Electric Group Co	7,214,000	3,142	2,932
Sichuan Xinhua Winshare	6,391,000	1,553	3,431
Sinotrans Ltd	35,607,000	6,371	5,513
Weichai Power Co Ltd	196,000	673	694
Weiqiao Textile Company Ltd	12,431,908	15,893	4,860
<i>Total China - 3.4%</i>		80,939	76,690
<i>Cyprus</i>			
Globaltrans Investment PLC - 0.1%	124,132	2,276	2,296
<i>Czech Republic</i>			
Telefonica O2 Czech Republic - 0.3%	325,580	7,552	6,478
<i>Denmark</i>			
D/S Norden A/S	72,461	2,516	1,913
SimCorp A/S	16,429	2,149	3,593
<i>Total Denmark - 0.2%</i>		4,665	5,506
<i>Egypt</i>			
Eastern Tobacco - 0.1%	167,015	2,483	2,511
<i>Finland</i>			
Huhtamaki	83,737	921	1,416
OKO Bank PLC	393,000	4,548	5,347
TietoEnator Oyj	171,000	4,238	3,279
<i>Total Finland - 0.4%</i>		9,707	10,042
<i>France</i>			
Altran Technologies SA	276,022	1,931	1,855
Axa	343,200	8,663	5,454
BNP Paribas	93,300	6,860	4,692
Compagnie Generale de Geophy	104,231	3,017	3,405
Credit Agricole SA	510,196	3,980	3,840
Etablissements Maurel et Prom	97,843	1,740	1,362
Ingenico SA	84,373	3,874	4,465
Ipsos	86,044	2,875	3,023
Sanofi-Synthelabo SA	201,100	13,960	17,673
SCOR SE	230,693	5,683	6,155
Teleperformance	96,944	3,225	2,931
Total SA	232,600	14,724	11,700
Valeo SA	156,451	6,963	6,873
Vivendi Universal	498,500	13,577	10,196
<i>Total France - 3.7%</i>		91,072	83,624
<i>Germany</i>			
ADVA AG Optical Networking	311,903	2,030	1,750
Aixtron AG	140,463	1,838	1,849
Allianz AG	67,400	9,038	8,355
BASF AG	98,300	4,572	8,143

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Bayer AG	69,300	3,695	6,034
Deutsche Bank AG	96,600	8,016	4,377
Deutsche Post AG	316,500	4,693	6,273
Dialog Semiconductor PLC	197,999	3,809	3,936
Draegerwerk AG - Preferred Stock	28,199	2,797	2,758
E.On AG	252,600	7,276	5,738
Fielmann AG	25,182	2,508	2,451
Freenet AG	266,800	3,976	4,410
Fuchs Petrolub AG - Preferred Stock	55,402	1,403	3,910
Krones AG	49,262	2,547	2,904
Muenchener Rueckversicherungs	41,500	7,059	6,668
MUT Aero Engines Holding AG	44,375	3,273	3,725
Pfeiffer Vacuum Technology AG	33,636	2,626	3,430
Rheinmetall AG	1,081	64	52
RWE AG	138,800	8,663	6,341
TUI AG	273,342	2,405	2,561
Volkswagen AG	68,000	8,689	13,252
<i>Total Germany - 4.4%</i>		90,977	98,917
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,132	2
Alpha Bank AE	91,300	2,833	213
Hellenic Petroleum SA	43,638	608	342
<i>Total Greece - 0.0%</i>		4,573	557
<i>Hong Kong</i>			
AAC Technologies Holdings Inc.	851,500	2,618	3,043
Beijing Enterprises Holdings	452,000	2,551	2,919
Cheung Kong Holdings Ltd	361,000	4,559	5,333
China Mobile (Hong Kong) Ltd	1,483,000	14,154	16,447
Citic Pacific Ltd	2,143,000	4,154	2,732
CNOOC Ltd	2,466,000	5,402	5,123
Emperor Watch & Jewellery Ltd	27,870,000	2,662	2,661
Esprit Holding Ltd	897,400	1,280	1,167
Esprit Holdings - Rights	448,700	-	120
Fushan Intl Energy Group Ltd	5,912,000	1,964	2,067
Galaxy Entertainment Group	885,000	1,959	3,043
Global Bio-Chem Technology	1,824,000	429	212
SmarTone Telecommunications	654,500	1,285	1,323
<i>Total Hong Kong - 2.0%</i>		43,017	46,190
<i>Hungary</i>			
Magyar Telekom - 0.3%	3,864,270	15,829	7,159
<i>India</i>			
Ashok Leyland Ltd	7,454,200	3,756	3,249
Aurobindo Pharma	752,050	2,904	2,215
Grasim Industries Limited	87,125	4,714	5,369
HDFC Bank Ltd	93,100	2,978	3,481
ICICI Bank Ltd	107,600	3,925	4,223
Indiabulls Financial Services	954,400	3,479	4,434
Indian Oil Corporation Ltd	1,918,516	9,752	9,290
ITC Limited	534,421	2,428	2,807
Maruti Suzuki India Ltd	133,500	3,345	3,568
McLeod Russel India Ltd	346,493	2,094	1,949
Reliance Infrastructure Ltd	1,734,335	17,594	15,137
Rural Electrification Corp	1,097,800	3,920	4,395
Tata Motors Ltd	196,100	4,858	4,736
<i>Total India - 2.9%</i>		65,747	64,853
<i>Indonesia</i>			
Bank Rakyat Indonesia	3,957,500	2,795	3,049
Indofood Sukses Mak TBK	4,483,500	2,449	2,661
Semen Gresik (Persero) TBK	2,651,400	3,015	4,113

See accompanying notes to financial statements.



# International Equity Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Timah Tbk PT	15,752,500	3,295	2,345
<i>Total Indonesia - 0.5%</i>		11,554	12,168
<i>Ireland</i>			
Irish Life & Permanent Group	398,100	6,377	13
Total Produce PLC	82,700	92	52
<i>Total Ireland - 0.0%</i>		6,469	65
<i>Israel</i>			
Bank Leumi Le-Israel	976,800	3,243	3,142
Bezeq Israeli Telecommunicatio	795,078	1,063	969
Israel Discount Bank	1,644,552	3,628	2,319
Partner Communications Company	472,472	8,118	2,760
Syneron Medical Ltd	259,721	2,711	2,410
Teva Pharmaceutical Ltd	171,700	6,922	6,972
<i>Total Israel - 0.8%</i>		25,685	18,572
<i>Italy</i>			
De'Longhi SPA	149,270	1,627	1,986
Enel SpA	1,147,900	5,994	4,314
ENI SpA	424,300	11,514	9,737
Finmeccanica SpA	276,900	4,130	1,371
Mediolanum SPA	620,472	2,897	3,039
Parmalat SpA	1,915,155	3,799	4,338
Pirelli & Company SpA	263,201	2,134	3,047
Prysmian SpA	153,014	2,417	2,942
Sorin SPA	890,186	1,794	2,089
<i>Total Italy - 1.5%</i>		36,306	32,863
<i>Japan</i>			
77 Bank Ltd	724,000	3,198	2,754
Aeon Delight Company Ltd	92,651	1,620	1,903
Anritsu Corporation	177,000	2,296	2,219
Asahi Kasei Corp	1,215,000	7,239	6,673
Brother Industries Ltd	266,300	3,655	2,505
Century Leasing System Inc	214,200	2,725	4,245
Coca-Cola West Company	135,200	2,409	2,069
Cocokara Fine Holdings Inc	80,100	2,067	2,694
Daiseki Company Ltd	110,660	2,134	1,491
Disco Corp	41,000	2,091	2,018
Don Quijote Co Ltd	64,200	2,245	2,526
Eizo Nannao Corporation	51,700	1,645	810
Foster Electric Company Ltd	129,700	2,052	1,884
GEO Corporation	1,800	1,846	2,020
Hanwa Company Ltd	600,000	3,094	2,094
Heiwa Corporation	127,000	2,154	1,992
Hitachi Capital Corporation	67,400	608	1,292
Hitachi Metals Ltd	156,000	1,596	1,458
Hoshizaki Electric Company Ltd	88,296	1,463	2,400
Itochu Corp	425,300	3,006	4,251
Japan Petroleum Exploration Co	67,300	2,695	2,530
JSR Corporation	141,586	2,492	2,423
JTEKT Corporation	371,100	3,433	2,786
JVC Kenwood Holdings	625,500	2,459	2,215
JX Holdings Inc	778,200	4,990	4,138
KDDI Corporation	130,000	6,942	10,084
Keihin Corporation	160,500	1,387	1,932
Konica Corporation	430,000	3,048	2,851
Kyorin Co Ltd	129,600	2,475	2,737
Kyowa Exeo Corporation	239,500	2,147	2,508
Marubeni Corporation	824,800	4,086	5,335
Matsumotokiyoshi Holdings Co	167,400	3,080	4,025
Megmilk Snow Brand Co Ltd	110,800	2,142	1,869
Miraca Holdings Inc	156,600	4,522	6,612
Mitsubishi Tokyo Finl Grp Inc	1,043,900	4,687	4,715

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Mitsui & Company Ltd	300,600	5,139	4,231
Mizuho Financial Grp Inc	3,823,500	8,077	5,979
Musashi Seimitsu Industry Co	109,631	2,588	2,291
Nabtesco Corp	76,000	1,526	1,413
Nichirei Corporation	668,000	3,135	3,677
Nippon Electric Glass Co Ltd	317,000	1,604	1,610
Nippon Telegraph & Telephone	212,800	9,540	9,678
North Pacific Bank Ltd	705,600	3,211	1,819
NTT DoCoMo	4,400	6,738	6,457
Otsuka Holdings Co Ltd	284,800	8,607	8,762
Pola Orbis Holdings Inc	177,700	4,730	5,585
Sankyo Company Ltd	48,400	2,199	2,189
Sapporo Holdings Ltd	902,341	3,428	2,517
Seino Holdings Corporation Ltd	330,000	1,730	1,899
Shimadzu Corporation	271,000	2,311	1,821
Shionogi & Co Ltd	581,700	8,218	9,636
Sumitomo Corporation	783,000	10,541	10,658
Sumitomo Mitsui Financial Grp	222,200	6,901	6,794
Sundrug Co Ltd	62,500	1,754	2,298
Toagosei Company Ltd	602,000	2,621	2,448
Tokyo Tatemono Company Ltd	752,700	2,775	3,089
Toshiba Plant Sys & Ser Corp	135,695	1,532	1,835
Toyo Suisan Kaisha Ltd	155,000	3,220	3,857
UBIC Inc	6,350	695	541
United Urban Investment Corp	2,458	2,722	2,952
Yaskawa Electric Corporation	260,000	1,953	1,861
Yodogawa Steel Works Ltd	512,000	2,194	1,646
Yokogawa Electric Corp	179,200	1,568	2,036
Yokohama Rubber Company Ltd	504,000	2,710	3,525
<i>Total Japan - 9.7%</i>		213,695	219,162
<i>Korea</i>			
BS Financial Group Inc	613,210	3,133	6,944
Halla Climate Control Corp	253,560	5,488	4,720
Hana Financial Group	175,280	6,605	5,103
Hyundai Motor Co Ltd	27,020	5,597	5,562
Hyundai Motor Company	226,742	10,871	13,888
Hyundai Securities Co Ltd	163,070	1,409	1,252
Industrial Bank of Korea (IBK)	473,400	6,897	5,209
KB Financial Group Inc	319,296	13,450	10,863
Kia Motors Corporation	48,550	2,789	2,698
Korea Exchange Bank	614,000	7,325	4,256
KT Corporation	231,500	7,692	7,843
LG Chemical Ltd	11,635	3,631	3,265
Lotte Chilsung Beverage Co	5,094	4,505	6,656
Lotte Confectionery Co Ltd	3,207	4,137	4,620
NHN Corporation	5,839	1,171	1,352
Posco	71,647	17,750	14,167
Samsung Electronics Co Ltd	21,395	18,472	25,699
Samsung Engineering Co	7,401	1,538	967
Samsung Heavy Industries	91,500	3,290	2,798
Shinhan Financial Group	343,080	12,516	11,781
SK Holdings Co Ltd	31,400	2,829	4,376
SK Telecom Company Ltd	56,500	7,643	7,952
<i>Total Korea - 6.7%</i>		148,738	151,971
<i>Luxembourg</i>			
Termium - 0.3%	340,380	6,843	6,988
<i>Malaysia</i>			
Astro Malaysia Holdings BHD	162,300	161	144
Axiata Group Berhad	1,634,100	2,739	3,503
<i>Total Malaysia - 0.2%</i>		2,900	3,647

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Mexico</i>			
Alfa SA A Shares	4,245,000	2,520	7,832
America Movil	352,033	8,460	8,903
Cemex SAB de CV	1,380,201	10,301	12,477
Fibra Uno Administracion SA	1,985,044	3,246	5,232
Fomento Economico Mexicano SAB	40,930	3,017	3,709
Grupo Financiero Banorte	647,000	2,871	3,596
Grupo Mexico SAB de CV	1,515,800	4,504	4,859
Grupo Televisa MM	1,368,013	5,172	6,221
Grupo Televisa SA	197,100	4,271	4,454
<i>Total Mexico - 2.5%</i>		44,362	57,283
<i>Netherlands</i>			
Aegon NV	879,800	7,090	4,911
ASM International NV	60,991	1,682	1,928
Delta Lloyd NV	150,800	3,505	2,507
Koninklijke (Royal) KPN NV	447,500	6,341	2,825
Koninklijke Ahold NV	809,900	10,615	10,309
Koninklijke DSM NV	85,600	3,181	4,394
Nutreco Holding NV	105,018	6,287	7,859
<i>Total Netherlands - 1.5%</i>		38,701	34,733
<i>New Zealand</i>			
Chorus Ltd	402,320	943	1,118
Telecom Corp of New Zealand	2,902,120	4,998	5,738
<i>Total New Zealand - 0.3%</i>		5,941	6,856
<i>Norway</i>			
DNB Holding ASA	425,700	4,781	5,309
Marine Harvest	4,266,166	3,127	3,348
StatoilHydro ASA	272,900	7,018	6,735
Stolt-Nielsen Ltd	96,500	2,011	1,766
TGS Nopec Geophysical Company	116,865	1,551	3,971
Veidekke ASA	272,143	2,467	2,264
<i>Total Norway - 1.0%</i>		20,955	23,393
<i>Pakistan</i>			
Nishat Mills Ltd - 0.1%	1,831,640	2,114	1,146
<i>Panama</i>			
Banco Latinoamericano de Exp	604,261	9,560	13,596
Copa Holdings	30,100	2,039	2,794
<i>Total Panama - 0.7%</i>		11,599	16,390
<i>Philippines</i>			
Metropolitan Bank & Trust Co	1,705,589	2,909	3,933
SM Investments Corporation	75,940	1,375	1,480
<i>Total Philippines - 0.2%</i>		4,284	5,413
<i>Poland</i>			
KGHM Polska Miedz - 0.2%	108,800	3,622	5,476
<i>Russia</i>			
Gazprom	1,761,450	18,111	16,126
Lukoil	431,347	25,789	25,980
Magnit	94,940	2,679	3,370
MMC Norilsk Nickel	432,400	7,135	6,633
Mobile TeleSystems	300,000	4,559	5,142
NovaTek OAO	12,561	1,451	1,432
OAo TMK	54,209	668	804
RusHydro	2,764,953	9,186	6,659
Sberbank	1,487,406	4,748	4,358
Sberbank of Russia	564,530	6,625	6,599
<i>Total Russia - 3.4%</i>		80,951	77,103

See accompanying notes to financial statements.

# International Equity Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
<i>Singapore</i>			
ComfortDelGro Corporation	1,681,000	1,885	2,329
DBS Group Holdings Ltd	498,000	4,545	5,674
Flextronics International Ltd	2,435,960	12,319	14,055
Haw Par Corporation Ltd	532,000	2,330	2,843
Hong Leong Asia Ltd	1,164,000	2,220	1,612
Suntec REIT	2,501,000	2,721	3,290
<i>Total Singapore - 1.3%</i>		26,020	29,803
<i>South Africa</i>			
Aspen Pharmacare Holdings	160,932	2,552	2,923
Astral Foods Ltd	161,900	2,256	1,781
Barloworld Ltd	241,790	2,506	1,953
Clicks Group Ltd	393,886	2,323	2,707
FirstRand Ltd	984,293	2,859	3,256
Imperial Holdings Ltd	446,714	3,510	10,115
Metropolitan Holdings Ltd	1,806,100	2,975	4,354
MTN Group Ltd	1,209,268	19,251	21,733
Nampak Ltd	1,512,700	3,119	5,025
<i>Total South Africa - 2.4%</i>		41,351	53,847
<i>Spain</i>			
Banco Santander Ctrl Hisp SA	704,700	7,801	5,286
Repsol SA	282,500	7,856	5,645
Viscofan SA	80,858	2,988	3,912
<i>Total Spain - 0.7%</i>		18,645	14,843
<i>Sweden</i>			
Boliden AB	401,900	5,631	7,020
Meda AB	285,290	2,383	2,917
NCC AB	151,400	2,745	2,832
<i>Total Sweden - 0.6%</i>		10,759	12,769
<i>Switzerland</i>			
Aryzta AG	46,777	2,257	2,336
Baloise Holding Ltd	73,300	4,946	6,124
BKW SA	55,573	2,820	2,142
Credit Suisse Group	168,500	7,301	3,907
Informa PLC	630,247	2,952	4,063
Kudelski SA - BR	234,475	1,775	2,568
Kuoni Reisen Holding AG	11,927	3,854	3,185
Novartis AG	218,500	8,925	13,152
Partners Group Holding AG	15,029	1,530	3,181
Swiss Re Ltd	84,100	4,499	5,812
Zurich Financial Services AG	32,700	7,603	8,059
<i>Total Switzerland - 2.4%</i>		48,462	54,529
<i>Taiwan</i>			
Asustek Computer Inc	495,000	4,787	5,304
Chinatrust Financial Holding	5,780,625	3,885	3,186
Chipbond Technology Corp	2,950,000	3,772	4,999
Compal Electronics Inc	18,272,938	16,498	11,510
Gigabyte Technology Company	2,968,000	2,206	2,449
Hon Hai Precision Industry Co	1,530,700	4,185	4,648
Lite-On-It Corp	2,760,715	2,565	2,315
MediaTek Inc	183,000	1,910	2,033
Powertech Technology Inc	1,594,000	2,928	2,477
Simple Technology Co Ltd	232,800	1,433	1,148
Taiwan Semiconductor	432,800	5,710	6,882
Wistron Corporation	3,764,250	4,282	3,614
<i>Total Taiwan - 2.2%</i>		54,161	50,565
<i>Thailand</i>			
Bangchak Petroleum Public Co	4,887,800	3,436	4,186
Kasikornbank Public Co Ltd	732,000	2,958	4,275

See accompanying notes to financial statements.

# International Equity Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Krung Thai Bank Public Co Ltd	14,508,325	4,583	8,568
PTT PLC	293,100	3,170	3,041
<i>Total Thailand - 0.9%</i>		14,147	20,070
<i>Turkey</i>			
AkBank TAS	315,700	1,318	1,520
Arcelik AS	405,395	1,878	2,677
AYGAZ AS	1,499,385	6,445	6,902
Ford Otomotiv Sanayi AS	455,900	4,306	4,675
Koza Altin Isletmeleri AS	97,035	1,461	2,109
Selcuk Exza Deposu Ticaret AS	3,454,524	4,463	4,139
Türkiye Garanti Bankasi AS	2,337,860	8,642	11,152
Türkiye Halk Bankasi	505,800	3,236	4,453
Türkiye Sinai Kalkinma Bank	1,076,814	1,093	1,236
Türkiye Vakiflar Bankasi T-D	4,234,600	4,474	9,958
<i>Total Turkey - 2.2%</i>		37,316	48,821
<i>United Arab Emirates</i>			
Air Arabia	49,680,491	9,983	9,238
DP World Ltd	217,626	2,297	2,581
Emaar Properties PJSC	1,331,239	1,345	1,308
<i>Total United Arab Emirates - 0.6%</i>		13,625	13,127
<i>United Kingdom</i>			
Afren PLC	1,448,449	3,004	3,213
AstraZeneca Group PLC	371,500	16,402	17,222
Aveva Group PLC	84,671	2,311	2,715
Aviva PLC	814,200	6,345	4,347
Babcock International Group	187,117	1,950	2,948
Barclays PLC	1,596,100	9,291	5,850
Barratt Developments PLC	1,158,357	2,244	3,538
BBA Aviation PLC	859,723	2,570	2,798
BP Amoco PLC	2,259,600	18,947	16,138
British Aerospace PLC	1,680,000	8,271	8,450
BT Group PLC	2,806,600	8,101	9,608
Cable & Wireless Communication	7,168,000	4,198	4,329
Computacenter PLC	900,800	3,344	5,326
Cookson Group PLC	365,100	3,453	3,426
Daily Mail & General Trust PLC	430,414	2,534	3,309
Debenhams PLC	2,434,400	2,503	4,695
Derwent London PLC	100,955	2,556	3,354
Domino Printing Sciences	223,163	2,296	1,949
Enquest PLC	1,133,610	2,165	2,117
GlaxoSmithKline PLC	192,200	3,909	4,293
HSBC Bank Plc	73,700	1,243	1,368
Hunting PLC	240,686	2,175	2,902
IG Group Holdings PLC	445,870	2,246	3,128
Inchcape PLC	603,600	2,657	3,909
International Personal Finance	561,079	2,106	3,137
ITV PLC	2,833,100	3,463	3,950
J Sainsbury PLC	1,464,800	7,455	8,368
Jazztel PLC	366,351	2,298	2,426
Legal & General Group PLC	2,319,500	4,876	5,007
Mail.ru Group Ltd	89,455	3,366	2,985
Marston's PLC	893,188	2,333	1,764
Melrose PLC	1,400,896	4,191	5,439
Mitchells & Butlers PLC	667,946	3,306	3,524
Mondi PLC	561,400	4,122	6,168
Moneysupermarket.com Group PLC	1,172,245	2,632	2,531
Old Mutual PLC	2,645,600	6,228	7,331
Premier Farnell PLC	771,881	2,408	2,058
Premier Oil PLC	428,114	2,011	2,419
Royal & Sun Alliance Insurance	1,524,400	2,770	2,758
Royal Dutch Shell B Shares	776,900	22,533	27,417
RPS Group PLC	710,282	1,757	2,677

See accompanying notes to financial statements.

# International Equity Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Cost	Fair Value
Spectris PLC	124,609	1,683	3,469
Spirax-Sarco Engineering	80,737	1,819	2,517
Spirent Communicatios PLC	1,179,076	2,095	2,730
St. James Place PLC	511,047	1,851	3,269
Tesco PLC	1,502,700	7,332	7,743
Thomas Cook Group	959,500	3,433	317
Vodafone Group PLC	1,538,500	3,118	4,170
William Morrison Supermarkets	1,471,000	6,997	6,349
<i>Total United Kingdom - 10.6%</i>		220,898	241,455
<i>United States</i>			
AsiaInfo-Linkage Inc	645,677	6,992	6,457
Cognizant Tech Solutions A	41,800	2,842	2,786
First Cash Finl Svcs Inc	50,800	2,030	2,269
Southern Copper Corporation	77,500	2,546	2,953
<i>Total United States - 0.6%</i>		14,410	14,465
Total Equities - 92.5%		2,080,279	2,089,723
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 1.6%	35,205,071	35,205	35,205
Total Investment Securities - 94.1%		\$ 2,115,484	\$ 2,124,928
<b><u>Collateral for Securities Loaned</u></b>			
BNY Mellon Securities Lending Overnight Fund		\$ 110,659	\$ 110,659
Mellon SL DBT II Liquidating Fund		853	833
Mellon GSL DBT II Liquidating Trust		3,305	-
Total Collateral for Securities Loaned		\$ 114,817	\$ 111,492

See accompanying notes to financial statements.

# International Equity Pool

## Statement of Operations - Unaudited

Period Ended October 31, 2012\*

*(Amounts in thousands)*

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Dividends, net of foreign withholding taxes	\$ 1,909	\$ 21,606
Interest	3	5
Securities lending income	25	79
Securities lending borrower premiums	81	395
Commission recapture	1	2
<b>Total investment income</b>	2,019	22,087
<b>Expenses</b>		
Investment advisor fees	(1,117)	(4,320)
Trustee fees	(1)	(2)
Custodian bank fees	(73)	(301)
Management fees	(56)	(217)
Fiduciary bond fees	(1)	(2)
Professional service fees	(10)	(41)
Securities lending agent fees	(16)	(70)
<b>Total expenses</b>	(1,274)	(4,953)
<b>Investment income, net</b>	745	17,134
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain (loss) from:		
Investments	23,355	6,954
Foreign currency transactions	1,786	(610)
Net increase (decrease) in the fair value of:		
Investments	(14,135)	111,538
Translation of assets and liabilities in foreign currencies	(8,043)	30,253
<b>Net gain from investments and foreign currency</b>	2,963	148,135
<b>Net increase in net assets from operations</b>	\$ 3,708	\$ 165,269

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 745	\$ 17,134
Net realized gain from investments	23,355	6,954
Net realized gain (loss) from foreign currency transactions	1,786	(610)
Net increase (decrease) in the fair value of investments	(14,135)	111,538
Net increase (decrease) in the translation of assets and liabilities in foreign currencies	(8,043)	30,253
	<b>3,708</b>	<b>165,269</b>
<b>Unit transactions</b>		
Proceeds from sale of units	129	182,321
Amount paid for repurchase of units	(13,210)	(16,077)
	<b>(13,081)</b>	<b>166,244</b>
	<b>(9,373)</b>	<b>331,513</b>
	<b>2,267,399</b>	<b>1,926,513</b>
	<b>\$ 2,258,026</b>	<b>\$ 2,258,026</b>
<b>Unit data</b>		
Units sold	6,045	9,177,928
Units repurchased	(621,465)	(763,086)
	<b>(615,420)</b>	<b>8,414,842</b>

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



# International Equity Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in equity securities are carried at fair value, which is determined by a third party pricing service based on quoted market prices. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions. Foreign currency forward contracts are valued at either spot or forward month-end exchange rates. Commissions on the purchases of securities by the IMB are a component of the security price quoted by the seller and are included in the investment cost.

# International Equity Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

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

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

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

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

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

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

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

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

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

# International Equity Pool

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## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

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

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

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

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

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

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

Assets	Level 1	Level 2	Level 3	Total
Equity securities	\$ 2,089,723	\$ -	\$ -	\$ 2,089,723
Regulated investment companies	-	35,205	-	35,205
Foreign currency forward contracts	-	15	-	15
Securities lending collateral funds	-	111,492	-	111,492
Total	<u>\$ 2,089,723</u>	<u>\$ 146,712</u>	<u>\$ -</u>	<u>\$ 2,236,435</u>

Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (482)	\$ -	\$ (482)

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

#### NOTE 4. SECURITIES LENDING

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

Fair value of securities on loan	\$	108,104		
Initial collateral received:		Cost	Fair Value	Unrealized loss
Cash	\$	<u>114,817</u>	\$ 111,492	<u>\$ (3,325)</u>
Non-cash			-	
Total			<u>\$ 111,492</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 October 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 October 2012, the pool has recorded, but not distributed \$5,953 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 October 31, 2012, open foreign currency forward contracts are as follows:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized Gain (Loss)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	Australian Dollar	10/31/2012	11/01/2012	3	\$ 3		\$ 3	\$ -
Long	Brazil Real	10/31/2012	11/05/2012	452	222		222	-
Long	British Pound vs. Japanese Yen	10/30/2012	11/01/2012	18	29	2,335	29	-
Long	British Pound vs. Japanese Yen	10/31/2012	11/02/2012	177	286	22,816	285	1
Long	Japanese Yen vs. Euro Currency Unit	10/30/2012	11/01/2012	66,047	826	643	834	(8)
Long	Japanese Yen vs. Euro Currency Unit	10/31/2012	11/01/2012	20,553	257	198	257	-
Long	Japanese Yen vs. Euro Currency Unit	10/31/2012	11/02/2012	82,647	1,034	797	1,033	1
Long	Norwegian Krone	10/31/2012	11/01/2012	6	1		1	-
Long	Polish Zloty	10/31/2012	11/02/2012	4	1		1	-
Long	Swedish Krona	10/31/2012	11/01/2012	15	2		2	-
Short	Australian Dollar	10/29/2012	11/01/2012		5,408	5,236	5,430	(22)
Short	Brazil Real	10/29/2012	11/01/2012		3,304	6,721	3,310	(6)
Short	British Pound	10/29/2012	11/01/2012		16,074	10,035	16,167	(93)
Short	Canadian Dollar	10/29/2012	11/01/2012		6,319	6,326	6,330	(11)
Short	Canadian Dollar	10/30/2012	11/01/2012		896	896	896	-
Short	Euro Currency Unit	10/29/2012	11/01/2012		20,611	15,984	20,712	(101)
Short	Euro Currency Unit	10/30/2012	11/01/2012		681	525	681	-
Short	Hong Kong Dollar	10/29/2012	11/01/2012		3,736	28,954	3,736	-
Short	Hong Kong Dollar	10/30/2012	11/01/2012		539	4,179	539	-
Short	Japanese Yen	10/29/2012	11/01/2012		6,952	554,812	6,941	11
Short	South Korean Won	10/30/2012	11/01/2012		38	41,606	38	-
Short	South Korean Won	10/31/2012	11/02/2012		9	10,046	9	-
Short	Mexican Peso	10/29/2012	11/01/2012		1,804	23,590	1,802	2
Short	New Zealand Dollar	10/29/2012	11/01/2012		371	453	373	(2)
Short	Norwegian Krone	10/29/2012	11/01/2012		2,148	12,407	2,173	(25)
Short	Swedish Krona	10/29/2012	11/01/2012		4,146	27,742	4,181	(35)
Short	Swiss Franc	10/29/2012	11/01/2012		22,113	20,720	22,251	(138)
Short	Swiss Franc	10/31/2012	11/01/2012		10	9	10	-
Short	Thailand Baht	10/29/2012	11/01/2012		1,528	47,021	1,534	(6)
Short	Thailand Baht	10/29/2012	11/01/2012		320	9,846	321	(1)
Short	Turkish Lira	10/30/2012	11/01/2012		2,167	3,894	2,170	(3)
Short	South African Rand	10/25/2012	11/01/2012		4,416	38,685	4,447	(31)
					<u>\$ 106,251</u>		<u>\$ 106,718</u>	<u>\$ (467)</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, 2012	\$ 19.73
Income from investment operations:	
Net investment income	0.16
Net realized and unrealized gain on investment transactions	1.12
Net realized loss from foreign currency transactions	(0.01)
Net increase in the translation of assets and liabilities in foreign currencies	0.29
Total from investment operations	1.56
Net asset value at October 31, 2012	\$ 21.29

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

**Supplemental Data:**

Net assets, end of period	\$ 2,258,026
Ratio to average net assets:	
Expenses **	0.69%
Net investment income **	2.41%
Portfolio turnover rate	16.34%

\* 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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,007,997
Public Employees' Retirement System	862,784
State Police Death, Disability and Retirement Fund	93,308
Workers' Compensation Old Fund	75,394
West Virginia Retiree Health Benefit Trust	62,253
Revenue Shortfall Reserve Fund - Part B	26,946
Judges' Retirement System	24,938
Deputy Sheriff's Retirement System	23,427
Coal Workers' Pneumoconiosis Fund	20,037
State Police Retirement System	16,478
Board of Risk and Insurance Management	10,257
West Virginia Prepaid Tuition Trust Fund	8,323
Wildlife Endowment Fund	8,013
Public Employees Insurance Agency	7,465
Emergency Medical Services Retirement System	7,351
West Virginia Department of Environmental Protection Trust	1,389
Workers' Compensation Self-Insured Guaranty Risk Pool	900
Workers' Compensation Uninsured Employers' Fund	720
Municipal Police Officers' and Firefighters' Retirement System	46
Total	\$ 2,258,026

**Financial Statements - Unaudited**

**October 31, 2012**





# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Notes to Financial Statements	5

# Short-Term Fixed Income Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost	\$	238,591
Cash		1
Accrued interest receivable		97
		<hr/>

**Total assets** 238,689

### Liabilities

Accrued expenses		34
Payable for investments purchased		4,998
		<hr/>

**Total liabilities** 

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5,032

**Net assets** 

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\$ 233,657

### Analysis of net assets

Paid-in capital	\$	233,607
Accumulated undistributed net realized gain from investments		50
		<hr/>

**Net assets** 

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\$ 233,657

### Unit data

Units outstanding		233,605,326
Net asset value, unit price	\$	1.00
		<hr/> <hr/>

See accompanying notes to financial statements.

# Short-Term Fixed Income Pool

## Schedule of Investments in Securities - Unaudited October 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	2.880 %	0.122 %	01/31/2013	2,500	\$ 2,517	\$ 2,517
United States Treasury	1.380	0.208	03/15/2013	2,000	2,009	2,009
United States Treasury	1.000	0.192	07/15/2013	6,000	6,034	6,034
Total U. S. Treasury Issues - 4.5%					10,560	10,560
<b><u>U. S. Government Agency Issues</u></b>						
Federal Farm Credit Bank	0.150	0.194	02/06/2013	1,000	1,000	1,000
Federal Home Loan Bank	0.160	0.174	11/13/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.380	0.420	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 Bank	0.160	0.182	04/17/2013	1,000	1,000	1,000
Federal Home Loan Bank	0.280	0.248	09/05/2013	2,000	2,001	2,001
Federal National Mortgage Assn	4.750	0.179	11/19/2012	1,317	1,320	1,320
Federal National Mortgage Assn	1.750	0.177	05/07/2013	3,000	3,024	3,023
Total U. S. Government Agency Issues - 5.3%					12,345	12,345
<b><u>Short-term Issues</u></b>						
Alpine Securitization	0.000	0.203	11/19/2012	3,000	3,000	3,000
Bank of Tokyo Mitsubishi	0.000	0.365	01/11/2013	2,000	1,999	1,999
Barclays US Funding Corp	0.000	0.162	11/01/2012	5,000	5,000	5,000
Deutsche Bank Finl LLC	0.000	0.223	01/08/2013	4,000	3,998	3,998
Federal Farm Credit Bank	0.000	0.112	11/21/2012	15,000	14,999	14,999
Federal Home Loan Bank	0.000	0.086	11/02/2012	5,000	5,000	5,000
Federal Home Loan Bank	0.000	0.127	11/07/2012	6,000	6,000	6,000
Federal Home Loan Bank	0.000	0.127	11/13/2012	1,000	1,000	1,000
Federal Home Loan Bank	0.000	0.162	11/16/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.000	0.122	11/21/2012	2,000	2,000	2,000
Federal Home Loan Bank	0.000	0.129	11/30/2012	1,000	1,000	1,000
Federal Home Loan Bank	0.000	0.142	12/14/2012	3,000	2,999	2,999
Federal Home Loan Bank	0.000	0.142	01/16/2013	5,000	4,999	4,999
Federal Home Loan Bank	0.000	0.157	04/12/2013	3,000	2,998	2,998
Federal Home Loan Bank	0.000	0.213	05/21/2013	3,500	3,496	3,497
Federal Home Loan Mort Corp	0.000	0.122	11/05/2012	7,000	7,000	7,000
Federal Home Loan Mort Corp	0.000	0.142	01/28/2013	5,000	4,998	4,998
Federal National Mortgage Assn	0.000	0.076	11/02/2012	20,000	20,000	20,000
Federal National Mortgage Assn	0.000	0.129	12/05/2012	8,000	7,999	7,999
Federal National Mortgage Assn	0.000	0.162	02/06/2013	4,000	3,998	3,999
Mizuho Funding LLC	0.000	0.243	01/16/2013	4,000	3,998	3,998
Nordea NA Inc	0.000	0.208	11/06/2012	4,000	4,000	4,000
Rabobank USA Fin Corp	0.000	0.284	01/10/2013	4,000	3,998	3,998
Repurchase Agreement	0.280	0.280	11/01/2012	54,217	54,217	54,217
Sheffield Receivables	0.000	0.304	11/06/2012	2,500	2,500	2,500
Societe Generale NA	0.000	0.254	11/07/2012	3,000	3,000	3,000
Svenska Handelsbanken Inc	0.000	0.213	01/04/2013	3,000	2,999	2,999
UBS Finance (DE) LLC	0.000	0.294	11/07/2012	2,500	2,500	2,500
United States Treasury	0.000	0.056	11/01/2012	10,000	10,000	10,000
United States Treasury	0.000	0.106	12/06/2012	5,000	4,999	4,999
United States Treasury	0.000	0.089	01/03/2013	3,000	3,000	3,000
United States Treasury	0.000	0.105	01/10/2013	10,000	9,998	9,998
United States Treasury	0.000	0.148	01/31/2013	5,000	4,998	4,999
United States Treasury	0.000	0.188	10/17/2013	1,000	996	996
Total Short-Term Issues - 92.3%					215,686	215,689
Total Investment Securities - 102.1%					\$ 238,591	\$ 238,594

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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### Statement of Operations - Unaudited

Period Ended October 31, 2012\*

(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 37	\$ 141
Net amortization	<u>(6)</u>	<u>(23)</u>
<b>Total investment income</b>	31	118
<b>Expenses</b>		
Investment advisor fees	(10)	(42)
Custodian bank fees	(1)	(4)
Management fees	(7)	(27)
Professional service fees	<u>(1)</u>	<u>(5)</u>
<b>Total expenses</b>	<u>(19)</u>	<u>(78)</u>
<b>Investment income, net</b>	<u>12</u>	<u>40</u>
<b>Net increase in net assets from operations</b>	<u>\$ 12</u>	<u>\$ 40</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 October 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 12	\$ 40
<b>Distributions to unitholders</b>		
Investment income, net	(12)	(40)
<b>Unit transactions</b>		
Proceeds from sale of units	203,778	668,689
Reinvestment of distributions	12	40
	203,790	668,729
Amount paid for repurchase of units	(119,285)	(800,084)
	84,505	(131,355)
<b>Net increase (decrease) in net assets from unit transactions</b>	<b>84,505</b>	<b>(131,355)</b>
<b>Increase (decrease) in net assets</b>	<b>84,505</b>	<b>(131,355)</b>
<b>Net assets, beginning of period</b>	<b>149,152</b>	<b>365,012</b>
<b>Net assets, end of period</b>	<b>\$ 233,657</b>	<b>\$ 233,657</b>
<b>Unit data</b>		
Units sold	203,778,960	668,688,172
Units issued from reinvestment of distributions	12,172	40,289
	203,791,132	668,728,461
Units repurchased	(119,286,117)	(800,084,767)
	84,505,015	(131,356,306)
<b>Net increase (decrease) in units</b>	<b>84,505,015</b>	<b>(131,356,306)</b>

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

# Short-Term Fixed Income Pool

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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 October 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Short-term issues	\$ -	\$ 215,686	\$ -	\$ 215,686
U.S. government agency issues	-	12,345	-	12,345
U.S. Treasury issues	-	10,560	-	10,560
Total	<u>\$ -</u>	<u>\$ 238,591</u>	<u>\$ -</u>	<u>\$ 238,591</u>

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

#### NOTE 4. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 1.00
Income from investment operations:	
Net investment income*	-
Net realized gain (loss) on investment transactions*	-
Total from investment operations	<u>-</u>
Less distributions from net investment income*	<u>-</u>
Net asset value at October 31, 2012	<u>\$ 1.00</u>

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

##### Supplemental Data:

Net assets, end of period	\$ 233,657
Ratio to average net assets:	
Expenses ***	0.09%
Net investment income ***	0.05%
Weighted average days to maturity	44
Maximum weighted average investment maturity per Board guidelines	60 days
Money market yield ****	0.06%

\* 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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 99,871
Teachers' Employers Contribution Collection Account	58,720
Teachers' Retirement System	25,006
Public Employees' Retirement System	17,279
Coal Workers' Pneumoconiosis Fund	12,164
Public Employees Insurance Agency	9,357
Board of Risk and Insurance Management	6,728
West Virginia Prepaid Tuition Trust Fund	1,014
Workers' Compensation Uninsured Employers' Fund	936
Workers' Compensation Self-Insured Guaranty Risk Pool	593
State Police Retirement System	552
Deputy Sheriff's Retirement System	535
Judges' Retirement System	214
Revenue Shortfall Reserve Fund	200
Emergency Medical Services Retirement System	171
State Police Death, Disability and Retirement Fund	123
Wildlife Endowment Fund	86
Municipal Police Officers' and Firefighters' Retirement System	24
Revenue Shortfall Reserve Fund - Part B	17
West Virginia Retiree Health Benefit Trust	15
West Virginia Department of Environmental Protection Trust	1
AccessWV	1
Total	<u>\$ 233,607</u>



**Financial Statements - Unaudited**

**October 31, 2012**



# Total Return Fixed Income Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Options Contracts Written	9
Statement of Operations	10
Statement of Changes in Net Assets	11
Notes to Financial Statements	12

# Total Return Fixed Income Pool

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

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	2,289,849
Collateral for securities loaned at fair value (Note 5)		32,156
Cash denominated in foreign currencies (cost \$1,951)		2,062
Cash pledged as collateral for derivative contracts		414
Cash pledged as collateral for derivative contracts denominated in foreign currencies (cost \$820)		809
Unrealized gain on futures contracts (Note 6)		267
Unrealized gain on foreign currency forward contracts (Note 8)		116
Receivables:		
Accrued interest		15,406
Investments sold		3,829
Dividends		7
Securities lending income		21
Other		451
		<hr/>
<b>Total assets</b>		<b>2,345,387</b>

### Liabilities

Cash overdraft		14,650
Accrued expenses		1,011
Dividends payable		4,215
Payable for investments purchased		273
Payable upon return of securities loaned (Note 5)		33,777
Unrealized loss on futures contracts (Note 6)		559
Unrealized loss on foreign currency forward contracts (Note 8)		548
Option contracts written		79
		<hr/>
<b>Total liabilities</b>		<b>55,112</b>
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,290,275</b>

### Analysis of net assets

Paid-in capital	\$	1,723,982
Accumulated undistributed net investment income		914
Accumulated undistributed net realized gain from investments		333,082
Accumulated undistributed net realized gain from foreign currency transactions		14,719
Unrealized net appreciation of investments		218,036
Unrealized net depreciation on translation of assets and liabilities in foreign currencies		(458)
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,290,275</b>

### Unit data

Units outstanding		156,317,089
Net asset value, unit price	\$	14.65

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments in Securities - Unaudited

October 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 %	7.338 %	04/01/2034	16,575	\$ 16,855	\$ 22,340	
California	7.550	6.884	04/01/2039	6,840	7,391	9,540	
California	7.300	7.353	10/01/2039	2,155	2,141	2,893	
California	7.630	7.196	03/01/2040	1,600	1,682	2,237	
County of Carroll KY	0.260 A	1.118	10/01/2032	4,800	4,060	3,874	
Illinois State	4.960	3.643	03/01/2016	7,550	7,860	8,245	
Illinois State	5.370	5.365	03/01/2017	6,600	6,600	7,324	
Illinois State	5.670	5.058	03/01/2018	4,275	4,394	4,871	
Los Angeles Unified Sch Dist	6.760	6.026	07/01/2034	6,625	7,195	8,809	
New Jersey Turnpike Authority	7.100	6.018	01/01/2041	7,790	8,872	11,235	
Pennsylvania St Higher Ed Assn	0.740 A	1.068	05/01/2046	8,125	7,225	7,555	
Pennsylvania St Higher Ed Assn	0.780 A	1.007	05/01/2046	2,750	2,475	2,554	
Total Municipal Bonds - 4.0%						76,750	91,477
<b><u>U. S. Treasury Issues</u></b>							
United States Treasury	0.500	0.186	11/30/2012	12,000	12,003	12,003	
United States Treasury	0.630	0.215	04/30/2013	8,300	8,317	8,319	
United States Treasury	0.500	0.163	05/31/2013	15,000	15,029	15,028	
United States Treasury	0.380	0.256	07/31/2013	13,000	13,012	13,017	
United States Treasury	0.750	0.231	08/15/2013	47,000	47,192	47,202	
United States Treasury	0.500	0.204	10/15/2013	15,000	15,042	15,041	
United States Treasury	0.250	0.231	10/31/2013	31,000	31,006	31,011	
United States Treasury	0.250	0.341	09/15/2015	220	219	219	
United States Treasury	0.250	0.408	10/15/2015	630	627	628	
United States Treasury	1.500	1.481	06/30/2016	580	580	601	
United States Treasury	1.000	0.948	08/31/2016	4,140	4,148	4,215	
United States Treasury	0.750	0.575	06/30/2017	600	605	602	
United States Treasury	0.500	0.678	07/31/2017	3,460	3,431	3,431	
United States Treasury	1.250	1.027	04/30/2019	58,360	59,174	59,162	
United States Treasury	1.000	1.061	09/30/2019	56,340	56,112	55,904	
United States Treasury	2.000	2.128	02/15/2022	1,200	1,187	1,243	
United States Treasury	1.750	1.530	05/15/2022	63,717	64,958	64,344	
United States Treasury	1.630	1.788	08/15/2022	3,520	3,468	3,501	
United States Treasury	2.000	1.808	01/15/2026	26,670	31,652	41,158	
United States Treasury	4.380	3.584	05/15/2040	9,370	10,602	12,348	
United States Treasury	4.380	4.263	05/15/2041	1,540	1,568	2,033	
United States Treasury	3.130	3.123	11/15/2041	13,590	13,595	14,422	
United States Treasury	2.750	2.811	08/15/2042	1,540	1,521	1,509	
Total U. S. Treasury Issues - 17.8%						395,048	406,941
<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	5.720	3.185	10/13/2037	84,025	91,599	92,293	
FNMA Issues	5.820	3.192	10/30/2031	207,733	224,594	229,347	
<i>Total U. S. Government Agency MBS</i>						316,193	321,640
<i>U. S. Government Agency CMO</i>							
Federal Home Loan Mortgage	1.230 A	7.362	04/25/2020	4,099	260	281	
Federal Home Loan Mortgage	1.680 A	7.785	06/25/2020	4,309	376	414	
Federal Home Loan Mortgage	1.510 A	7.226	08/25/2020	38,015	2,830	3,209	
Federal Home Loan Mortgage	1.010	0.000	03/15/2034	125	-	126	
Federal Home Loan Mortgage	6.000	2.181	05/15/2036	734	835	851	
Federal National Mortgage Assn	7.000	3.155	11/25/2040	14,674	16,238	16,594	
Federal National Mortgage Assn	5.500	2.182	04/25/2042	2,700	2,992	3,031	
Federal National Mortgage Assn	6.500	2.758	09/25/2042	49	53	58	
Federal National Mortgage Assn	6.500	4.979	12/25/2042	2,171	2,376	2,528	
Federal National Mortgage Assn	7.500	5.102	12/25/2045	2,324	2,615	2,848	
<i>Total U. S. Government Agency CMO</i>						28,575	29,940
Total U. S. Government Agency Issues - 15.4%						344,768	351,580

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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) October 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>						
AES Corporation	8.000	8.000	06/01/2020	6,400	6,400	7,392
Ally Financial Inc	4.500	5.537	02/11/2014	17,420	17,199	17,943
American Express Co	6.150	6.072	08/28/2017	1,250	1,254	1,519
American Express Co	6.800	6.550	09/01/2066	1,360	1,410	1,477
American International Group	4.250	4.448	09/15/2014	3,200	3,189	3,387
American International Group	5.850	5.922	01/16/2018	910	907	1,063
American International Group	8.250	4.801	08/15/2018	5,900	6,916	7,665
Amgen Inc	4.500	4.506	03/15/2020	1,290	1,290	1,459
Anadarko Finance Co	7.500	6.559	05/01/2031	1,240	1,364	1,693
Anadarko Petroleum Corp	6.380	6.076	09/15/2017	740	749	897
ANZ National (Intl) LTD	1.850	1.872	10/15/2015	800	799	814
AOL Time Warner Inc	7.630	6.150	04/15/2031	4,500	5,226	6,454
AOL Time Warner Inc	7.700	5.911	05/01/2032	9,474	11,419	13,883
Asciano Finance	3.130	3.158	09/23/2015	4,890	4,886	4,984
ASIF Global Financing XIX	4.900	4.777	01/17/2013	510	510	514
AT&T Corp	8.000	6.053	11/15/2031	2,750	3,350	4,272
AT&T Inc	5.500	5.575	02/01/2018	5,076	5,059	6,168
AT&T Inc	6.550	5.509	02/15/2039	925	1,056	1,275
AT&T Inc	5.350	4.605	09/01/2040	5,000	5,581	6,132
BAC Capital Trust XI	6.630	7.268	05/23/2036	15,130	14,014	17,400
Bank of America Corp	6.500	6.500	08/01/2016	410	410	477
Bank of America Corp	5.420	3.544	03/15/2017	600	645	651
Bank of America Corp	7.630	5.211	06/01/2019	8,535	9,670	10,823
Bank of America Corp	5.000	5.091	05/13/2021	150	149	169
BBVA US Senior SA Uniper	4.660	4.283	10/09/2015	4,600	4,648	4,645
BNP Paribas	2.380	2.403	09/14/2017	1,260	1,258	1,269
BNSF Railway Co 2007-1 P	6.000	4.731	04/01/2024	901	1,001	1,081
Boston Properties LP	5.880	5.323	10/15/2019	4,950	5,107	5,944
Boston Properties LP	5.630	4.370	11/15/2020	4,600	4,988	5,526
Boston Scientific Corp	6.400	4.792	06/15/2016	9,415	9,912	10,864
Boston Scientific Corp	6.000	6.466	01/15/2020	500	487	593
BP Capital Markets PLC	3.130	3.187	10/01/2015	3,010	3,005	3,217
Burlington NO SF 00-1 TR	8.250	3.811	01/15/2021	309	359	382
Burlington NO SF 06-2 TR	5.630	3.991	04/01/2024	435	478	508
Burlington North Santa Fe	4.700	4.757	10/01/2019	850	847	991
Burlington North Santa Fe	4.100	4.153	06/01/2021	7,075	7,048	7,905
Burlington North Santa Fe	3.050	3.099	09/01/2022	6,600	6,573	6,887
Calpine Corp	7.880	7.875	01/15/2023	2,500	2,500	2,763
Canada Pacific Railroad Co	5.750	5.922	01/15/2042	1,950	1,904	2,405
Capital One Financial Corp	6.750	4.407	09/15/2017	6,882	7,578	8,470
Capital One Financial Corp	4.750	4.838	07/15/2021	3,250	3,230	3,729
Chesapeake Energy Corp	8.500	8.879	12/02/2017	552	545	552
CIGNA Corporation	8.500	4.320	05/01/2019	3,399	4,197	4,532
CIGNA Corporation	7.650	6.814	03/01/2023	1,925	2,042	2,415
CIGNA Corporation	7.880	6.865	05/15/2027	1,545	1,687	2,060
CIGNA Corporation	6.150	5.839	11/15/2036	3,488	3,625	4,355
CIGNA Corporation	5.880	5.921	03/15/2041	1,135	1,128	1,404
Citigroup Inc	5.000	4.901	09/15/2014	6,750	6,762	7,145
Citigroup Inc	3.950	3.505	06/15/2016	2,160	2,193	2,334
Citigroup Inc	6.130	5.112	11/21/2017	15,745	16,443	18,676
Citigroup Inc	6.880	6.929	03/05/2038	3,460	3,438	4,609
Comcast Cable Communication	8.880	4.655	05/01/2017	2,615	3,058	3,430
Comcast Corp	6.500	4.573	01/15/2017	4,500	4,828	5,490
Comcast Corp	6.300	3.377	11/15/2017	2,700	3,063	3,353
Comcast Corp	5.880	3.492	02/15/2018	2,000	2,228	2,441
Comcast Corp	6.400	5.508	05/15/2038	2,600	2,916	3,425
Continental Airlines Inc	9.250	9.250	05/10/2017	1,071	1,071	1,170
Continental Airlines Inc	7.250	7.250	11/10/2019	5,257	5,257	6,072
Corp Bond Backed CTF-CCE	0.000	7.000	05/15/2098	5,000	3,416	4,700
Countrywide Financial Corp	6.250	7.951	05/15/2016	2,550	2,418	2,811
Cox Communications Inc	9.380	4.732	01/15/2019	11,495	14,331	16,055
Credit Agricole SA	8.380	8.375	12/13/2049	3,740	3,740	3,805
CVS Caremark Corp	6.940	7.044	01/10/2030	1,899	1,899	2,401

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*See accompanying notes to financial statements.*



# Total Return Fixed Income Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value	
Daimler Finance NA LLC	1.300	1.362	07/31/2015	2,340	2,336	2,357	
Delta Air Lines	6.820	6.823	08/10/2022	1,987	1,987	2,221	
Deutsche Telekom Int Fin	5.750	5.903	03/23/2016	1,635	1,627	1,871	
Dow Chemical Company	8.550	5.415	05/15/2019	6,709	7,853	9,098	
Dow Chemical Company	9.400	5.987	05/15/2039	7,240	10,498	12,232	
El Paso Corporation	7.800	11.253	08/01/2031	469	339	558	
El Paso Corporation	7.750	7.814	01/15/2032	222	221	265	
ERP Operating-LP	4.630	4.504	12/15/2021	4,400	4,439	5,039	
Export-Import Bank Korea	4.000	4.043	01/11/2017	6,675	6,664	7,302	
Ford Motor Credit Company	5.630	5.308	09/15/2015	9,200	9,276	10,063	
Ford Motor Credit Company	5.750	5.750	02/01/2021	10,300	10,300	11,768	
Ford Motor Credit Company	4.250	4.361	09/20/2022	1,820	1,804	1,886	
General Electric Capital Corp	1.630	1.106	07/02/2015	570	578	580	
General Electric Capital Corp	5.500	4.532	01/08/2020	7,755	8,209	9,226	
General Electric Capital Corp	4.380	4.185	09/16/2020	3,550	3,595	3,972	
General Electric Capital Corp	4.630	4.118	01/07/2021	2,550	2,639	2,885	
General Electric Capital Corp	4.650	3.474	10/17/2021	2,000	2,180	2,263	
General Electric Capital Corp	6.380	3.936	11/15/2067	4,910	4,837	5,254	
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	4.000	5.513	12/29/2049	3,960	3,028	3,130	
Goldman Sachs Group Inc	6.150	6.141	04/01/2018	3,680	3,682	4,309	
Goldman Sachs Group Inc	6.250	6.241	02/01/2041	2,810	2,813	3,336	
Greenpoint Manufacture Housing	2.980	A	4.504	03/18/2029	950	769	786
Greenpoint Manufacture Housing	3.710	A	5.478	06/19/2029	475	380	390
Greenpoint Manufacture Housing	3.710	A	5.429	02/20/2030	500	400	409
Greenpoint Manufacture Housing	3.730	A	5.007	02/20/2032	800	671	641
Greenpoint Manufacture Housing	3.720	A	3.782	03/13/2032	1,100	922	920
Groupe BPCE	12.500	9.578		P	3,317	4,329	3,792
HCA Inc	6.250	6.253	02/15/2013	5,300	5,300	5,376	
HCA Inc	6.750	5.618	07/15/2013	1,400	1,411	1,447	
HCA Inc	5.750	5.637	03/15/2014	3,300	3,305	3,449	
HCA Inc	6.380	3.610	01/15/2015	5,295	5,602	5,692	
HCA Inc	6.500	5.063	02/15/2016	6,200	6,465	6,781	
Health Net Inc	6.380	7.210	06/01/2017	2,850	2,758	2,971	
Hewlett-Packard Company	3.300	3.346	12/09/2016	4,300	4,292	4,383	
HSBC Finance Corp	6.380	6.462	11/27/2012	440	440	442	
HSBC Finance Corp	6.680	7.080	01/15/2021	990	965	1,171	
HSBC Holdings PLC	5.100	5.128	04/05/2021	3,125	3,119	3,685	
HSBC Holdings PLC	6.500	6.137	05/02/2036	10,725	11,199	13,131	
HSBC Holdings PLC	6.500	6.601	09/15/2037	490	484	602	
Humana Inc	7.200	6.671	06/15/2018	2,030	2,080	2,513	
Humana Inc	8.150	8.095	06/15/2038	730	734	1,009	
Hyundai Capital America	2.130	2.154	10/02/2017	460	459	462	
ICICI Bank Limited	6.380	6.614	04/30/2022	484	433	489	
ILFC E-Capital Trust II	6.250	3.297	12/21/2065	4,520	3,935	3,752	
John Deere Capital Corp	5.350	5.235	04/03/2018	1,550	1,558	1,859	
JP Morgan Chase & Co	5.750	5.268	01/02/2013	1,590	1,591	1,604	
JP Morgan Chase & Co	5.130	5.030	09/15/2014	40	40	43	
JP Morgan Chase & Co	5.150	5.330	10/01/2015	790	786	871	
JP Morgan Chase & Co	4.950	4.276	03/25/2020	5,565	5,800	6,392	
JP Morgan Chase & Co	4.350	3.935	08/15/2021	4,875	5,024	5,449	
Kerr-McGee Corporation	6.950	5.912	07/01/2024	490	532	645	
Kerr-McGee Corporation	7.880	6.593	09/15/2031	1,665	1,893	2,289	
Kinder Morgan Energy Partners	5.000	6.163	12/15/2013	940	928	983	
Kinder Morgan Energy Partners	6.000	6.219	02/01/2017	1,610	1,597	1,905	
KLA-Tencor Corporation	6.900	3.149	05/01/2018	4,900	5,822	5,906	
Kroger Co	6.400	5.641	08/15/2017	220	227	267	
Kroger Co	3.400	3.466	04/15/2022	1,240	1,233	1,323	
Lafarge SA	6.200	4.490	07/09/2015	6,175	6,439	6,669	
Lafarge SA	6.500	5.318	07/15/2016	7,250	7,534	7,984	
Legg Mason Inc	5.500	5.682	05/21/2019	5,900	5,842	6,482	
Lehman Bros CAP TR VII	0.000	N	N/A	110	-	-	
Lehman Bros CAP TR VII	0.000	N	N/A	8,860	-	-	
Lehman Bros CAP TR VII	0.000	N	N/A	4,430	-	-	

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*See accompanying notes to financial statements.*

# Total Return Fixed Income Pool

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

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Lorillard Tobacco Company	8.130	6.688	06/23/2019	2,680	2,884	3,447
Macy's Inc	6.900	6.746	04/01/2029	3,000	3,045	3,658
Macys Retail Holdings Inc	6.650	7.294	07/15/2024	6,415	6,092	8,000
Macys Retail Holdings Inc	6.700	6.501	07/15/2034	1,990	2,036	2,439
Macys Retail Holdings Inc	6.380	6.832	03/15/2037	4,100	3,878	5,059
Merrill Lynch & Company Inc	6.880	6.887	04/25/2018	8,890	8,885	10,734
MetLife Inc	6.400	7.089	12/15/2036	2,790	2,569	3,033
MMC Corporation Berhad	6.250	4.223	01/15/2018	4,775	5,222	5,754
Morgan Stanley	6.630	6.224	04/01/2018	360	367	419
National Australia Bank Ltd	1.600	1.622	08/07/2015	750	750	762
National Semiconductor	6.600	5.898	06/15/2017	2,580	2,652	3,202
News America Inc	6.400	5.095	12/15/2035	2,260	2,658	2,898
News America Inc	6.650	5.993	11/15/2037	2,785	3,020	3,677
Nordea Bank AB	4.880	4.938	05/13/2021	2,980	2,967	3,153
NVR Inc	3.950	3.971	09/15/2022	100	100	104
Pacific Gas & Electric Corp	6.050	5.913	03/01/2034	870	884	1,164
Pacific Life Global Funding	5.150	5.161	04/15/2013	450	450	459
Pernod Ricard SA	2.950	2.890	01/15/2017	650	652	686
Pernod Ricard SA	4.450	4.214	01/15/2022	1,730	1,761	1,941
Petrobras Intl Fin Co	3.880	3.061	01/27/2016	1,050	1,076	1,115
Petrobras Intl Fin Co	5.380	4.230	01/27/2021	5,275	5,692	5,982
Rabobank Nederland	11.000	10.092		544	593	728
Reed Elsevier Capital	8.630	4.178	01/15/2019	6,550	8,126	8,778
Reynolds American Inc	6.750	6.619	06/15/2017	2,330	2,342	2,816
Reynolds American Inc	3.250	3.266	11/01/2022	690	689	698
Reynolds Group Holdings	7.130	A 6.775	04/15/2019	400	407	426
Reynolds Group Holdings	6.880	A 6.875	02/15/2021	1,360	1,360	1,445
Rock-Tenn Co	3.500	3.589	03/01/2020	540	537	557
Rock-Tenn Co	4.000	4.076	03/01/2023	280	278	288
Royal Bank of Scotland Grp PLC	5.000	7.737	10/01/2014	880	838	905
Royal Bank of Scotland GRP PLC	2.550	2.570	09/18/2015	360	360	369
Royal Bank of Scotland Grp PLC	7.640	7.640		600	600	503
Royal Bank of Scotland PLC	4.380	4.419	03/16/2016	3,225	3,221	3,510
Royal Bank of Scotland PLC	5.630	5.850	08/24/2020	6,000	5,916	7,040
Royal Bank of Scotland PLC	6.130	6.175	01/11/2021	1,325	1,321	1,603
Southern Natural Gas Co	5.900	5.897	04/01/2017	570	570	668
Sprint Capital Corp	6.900	7.819	05/01/2019	1,025	978	1,115
Sprint Capital Corp	8.750	7.015	03/15/2032	680	804	802
Sprint Nextel Corporation	6.000	6.744	12/01/2016	8,075	7,862	8,681
Sprint Nextel Corporation	7.000	6.713	08/15/2020	150	153	165
State Street Corp	4.960	4.727	03/15/2018	1,980	2,001	2,207
Student Loan Marketing Assn	3.880	3.875	09/10/2015	1,240	1,240	1,277
Student Loan Marketing Assn	6.000	6.327	01/25/2017	5,775	5,706	6,267
Student Loan Marketing Assn	8.450	8.318	06/15/2018	5,225	5,254	6,210
Teachers Insurance & Annuity	6.850	6.860	12/16/2039	1,230	1,228	1,703
Telecom Italia Capital	5.250	5.095	11/15/2013	2,825	2,829	2,910
Telecom Italia Capital	6.170	6.017	06/18/2014	4,375	4,384	4,640
Telecom Italia Capital	7.000	5.598	06/04/2018	3,880	4,137	4,428
Telecom Italia Capital	7.170	7.026	06/18/2019	2,900	2,923	3,328
Telefonica Emisiones SAU	6.220	7.136	07/03/2017	250	241	270
Telefonica Emisiones SAU	5.130	7.366	04/27/2020	670	585	675
Tenet Healthcare Corporation	8.880	9.625	07/01/2019	250	241	279
Time Warner Cable Inc	8.750	4.806	02/14/2019	9,990	12,102	13,730
Time Warner Cable Inc	8.250	4.876	04/01/2019	975	1,154	1,319
Time Warner Cable Inc	4.000	4.095	09/01/2021	4,065	4,037	4,516
Time Warner Cable Inc	5.500	5.558	09/01/2041	230	228	268
Time Warner Entertainment	8.380	8.068	07/15/2033	3,050	3,144	4,531
TNK-BP Finance SA	7.880	8.692	03/13/2018	2,820	2,723	3,349
Union Pacific Corp	4.160	4.011	07/15/2022	4,812	4,870	5,479
Union Pacific RR Co 07-3	6.180	4.877	01/02/2031	787	853	953
United Business Media LT	5.750	5.979	11/03/2020	3,330	3,282	3,496
UNP RR Co 1999 Pass Trust	7.600	3.775	01/02/2020	580	661	694
UNP RR Co 2005 Pass Trust	5.080	4.328	01/02/2029	4,116	4,288	4,677
Vale Overseas Ltd	6.880	6.914	11/21/2036	2,812	2,799	3,461
Vedanta Resources PLC	8.750	8.751	01/15/2014	952	952	1,000

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See accompanying notes to financial statements.

# Total Return Fixed Income Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Vulcan Materials Company	6.500	6.521	12/01/2016	2,850	2,848	3,135
Vulcan Materials Company	7.500	7.500	06/15/2021	2,925	2,925	3,305
Wachovia Capital Trust	5.570	5.635	12/29/2049	2,290	2,285	2,273
Wachovia Corp	5.630	6.046	10/15/2016	1,050	1,035	1,223
Wachovia Corp	5.750	4.263	02/01/2018	7,280	7,781	8,786
Wal-Mart Stores Inc	5.800	5.143	02/15/2018	610	628	759
WellPoint Inc	1.250	1.264	09/10/2015	400	400	404
WellPoint Inc	5.880	5.980	06/15/2017	260	259	308
WellPoint Inc	7.000	4.134	02/15/2019	6,250	7,231	7,964
Wells Fargo Capital X	5.950	6.338	12/15/2036	3,280	3,123	3,326
Xerox Corporation	6.400	4.485	03/15/2016	8,525	9,030	9,734
Xerox Corporation	6.350	3.960	05/15/2018	7,452	8,329	8,733
XStrata Finance Canada	1.800	1.777	10/23/2015	1,310	1,311	1,313
XStrata Finance Canada	2.450	2.491	10/25/2017	1,190	1,188	1,187
<i>Total Corporate Bonds</i>					665,700	746,411
<i>Corporate Asset Backed Issues</i>						
EDUCAP Student Loan Asset Back	1.780 A	11.377	06/25/2038	4,523	4,487	3,958
Education Funding Capital Trst	1.710 A	3.281	12/15/2042	900	507	880
Hertz Vehicle Financing LLC	5.290	5.350	03/25/2016	1,600	1,600	1,752
Lehman XZ Trust	0.430	13.563	04/25/2046	4,163	2,570	2,610
NC State Education Authority	1.220	1.703	07/25/2030	11,400	10,776	11,197
Nelnet Student Loan Trust	0.900 A	1.879	03/22/2032	10,700	9,636	9,262
Pegasus Aviation Lease Sec	8.370	16.049	03/25/2030	500	328	135
Public Service New Hampshire	6.480	5.468	05/01/2015	101	103	102
SLM Student Loan Trust	3.310 A	3.336	05/15/2017	8,790	8,789	9,263
<i>Total Corporate Asset Backed Issues</i>					38,796	39,159
<i>Corporate CMO</i>						
Banc of America Mortgage Sec	5.310 A	6.487	12/01/2034	2,654	2,542	2,616
Banc of America Mortgage Sec	3.130 A	3.435	04/25/2035	729	714	628
Bear Stearns Adj Rate Mortgage	2.430	4.074	12/25/2046	1,339	1,239	986
Countrywide Alternative Loan T	2.750 A	2.882	12/25/2035	1,683	1,673	1,214
Countrywide Home Loans	2.900 A	2.892	06/20/2036	924	924	690
Indymac Inda Mtg Loan Trust	3.440 A	3.417	09/25/2037	1,440	1,439	1,272
IndyMac Residential Asset Sec	4.750	4.333	02/25/2019	1,787	1,795	1,842
JP Morgan Mortgage Trust	3.030 A	3.388	08/25/2035	1,347	1,325	1,169
MASTR ARM Trust	2.960 A	3.266	01/25/2036	908	891	829
MASTR Performing Loan Trust	7.000	6.338	08/25/2034	72	73	73
MLCC Mortgage Investors Inc	2.700 A	3.063	12/25/2034	29	29	29
Morgan Stanley Mortgage Loan	2.830 A	2.896	10/25/2034	1,193	1,187	1,135
Morgan Stanley Mortgage Loan	2.770 A	2.681	06/25/2037	3,797	3,806	1,992
WAMU Mortgage Pass-Through Cer	2.480 A	2.765	08/25/2035	1,255	1,235	1,133
WAMU Mortgage Pass-Through Cer	2.480 A	2.872	10/25/2035	264	263	260
WAMU Mortgage Pass-Through Cer	2.500 A	2.737	12/25/2035	1,587	1,566	1,446
Washington Mutual Mortgage	2.300 A	2.368	11/25/2036	165	164	131
Washington Mutual Mortgage	2.310 A	2.311	12/25/2036	627	626	475
Washington Mutual Mortgage	2.710 A	17.667	02/25/2037	545	307	423
Washington Mutual Mortgage	2.580 A	2.778	03/01/2037	179	177	128
Wells Fargo Mortgage Backed	2.620 A	6.548	12/25/2034	2,310	1,903	2,340
Wells Fargo Mortgage Backed	2.720 A	3.151	04/25/2036	201	200	174
<i>Total Corporate CMO</i>					24,078	20,985
<i>Corporate Preferred Securities</i>						
Citigroup Capital XIII	0.000	1.694		314	8,345	8,735
Total Corporate Issues - 35.6%					736,919	815,290
<b>Foreign Government Bonds</b>						
Mex Bonos Desarr Fix Rt - 0.3%	6.500	5.639	06/09/2022	82,742	6,845	6,768

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)

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Investments in Other Funds</b>						
Western Asset High Yield Portfolio					18,930	17,598
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					14,021	16,640
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 International Investment Grade Securities Portfolio, LLC					41,976	50,801
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	87,364
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	43,164
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	55,377
Investment Objective - To maximize total return by investing in debt and fixed income securities of Asian issuers.						
Redemption Provisions - Daily						
Western Asset Mortgage Backed Securities Portfolio, LLC					50,000	51,625
Investment Objective - To maximize total return by investing in debt securities issued or guaranteed by the U.S. government.						
Redemption Provisions - Daily						
Western Asset Non-U.S. Inflation Linked Securities Portfolio, LLC					4,909	5,139
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 Emerging Markets Local Debt Portfolio, LLC					23,724	34,716
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	77,458
Investment Objective - To maximize total return by investing in primarily investment grade asset backed fixed income securities.						
Redemption Provisions - Daily						
Western Asset Emerging Markets Corporate Credit Portfolio, LLC					22,282	37,222
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 - 20.8%					368,993	477,104
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund - 6.1%				140,460,042	140,460	140,460

*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)

**October 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b><u>Option Contracts Purchased</u></b>						
<i>Put, strike price, expiration</i>						
US Treasury 10Yr Note Option, 132.50, November 2012						
					245	229
Total Investment Securities - 100.0%					<u>\$ 2,070,028</u>	<u>\$ 2,289,849</u>
<b><u>Collateral for Securities Loaned</u></b>						
BNY Mellon Securities Lending Overnight Fund						
					\$ 31,916	\$ 31,916
Mellon SL DBT II Liquidating Fund						
					246	240
Mellon SGSL DBT II Liquidating Trust						
					1,615	-
Total Collateral for Securities Loaned					<u>\$ 33,777</u>	<u>\$ 32,156</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

October 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>
Put	US Treasury 10 Yr Note Option	11/23/2012	131.000	(458)	<u>\$ (84)</u>	<u>\$ (79)</u>
Total Option Contracts Written - (0.0%)					<u>\$ (84)</u>	<u>\$ (79)</u>

*See accompanying notes to financial statements.*

## Total Return Fixed Income Pool

### Statement of Operations - Unaudited

Period Ended October 31, 2012\*

(Amounts in thousands)

	Month	Year To Date
<b>Investment income</b>		
Interest	\$ 5,801	\$ 23,304
Dividends	284	1,000
Net amortization	(1,440)	(6,422)
Securities lending income	23	76
Securities lending borrower premiums	1	7
Net shareholder litigation proceeds	-	239
	<b>4,669</b>	<b>18,204</b>
<b>Expenses</b>		
Investment advisor fees	(356)	(1,450)
Trustee fees	-	(2)
Custodian bank fees	(5)	(22)
Management fees	(56)	(234)
Fiduciary bond fees	(1)	(2)
Professional service fees	(11)	(47)
Securities lending agent fees	(3)	(12)
Futures commission expense	(1)	(32)
	<b>(433)</b>	<b>(1,801)</b>
	<b>4,236</b>	<b>16,403</b>
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain from:		
Investments	417	5,918
Foreign currency transactions	-	735
Net increase (decrease) from:		
Investments	13,215	65,909
Translation of assets and liabilities in foreign currencies	(334)	(563)
	<b>13,298</b>	<b>71,999</b>
	<b>17,534</b>	<b>88,402</b>
	<b>\$ 17,534</b>	<b>\$ 88,402</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 October 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 4,236	\$ 16,403
Net realized gain from investments	417	5,918
Net realized gain from foreign currency transactions	-	735
Net increase in the fair value of investments	13,215	65,909
Net decrease in the translation of assets and liabilities in foreign currencies	(334)	(563)
<b>Net increase in net assets from operations</b>	<b>17,534</b>	<b>88,402</b>
<b>Distributions to unitholders</b>		
Investment income, net	(4,215)	(16,332)
<b>Unit transactions</b>		
Proceeds from sale of units	690	41,964
Reinvestment of distributions	3,347	18,061
	4,037	60,025
Amount paid for repurchase of units	(94,461)	(151,345)
<b>Net decrease in net assets from unit transactions</b>	<b>(90,424)</b>	<b>(91,320)</b>
<b>Decrease in net assets</b>	<b>(77,105)</b>	<b>(19,250)</b>
<b>Net assets, beginning of period</b>	<b>2,367,380</b>	<b>2,309,525</b>
<b>Net assets, end of period</b>	<b>\$ 2,290,275</b>	<b>\$ 2,290,275</b>
<b>Unit data</b>		
Units sold	47,371	2,914,338
Units issued from reinvestment of distributions	229,797	1,255,474
	277,168	4,169,812
Units repurchased	(6,484,952)	(10,448,994)
<b>Net decrease in units</b>	<b>(6,207,784)</b>	<b>(6,279,182)</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 October 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 October 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	\$ 229	Option contracts written	\$ (79)
Fixed income / Interest rate contracts	Unrealized gain on futures contracts	267	Unrealized loss on futures contracts	(559)
Foreign exchange contracts	Unrealized gain on foreign currency forward contracts	116	Unrealized loss on foreign currency forward contracts	(548)
Total		<u>\$ 612</u>		<u>\$ (1,186)</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 October 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	\$ (2,377)	Net increase (decrease) in the fair value of investments	\$ 564
Foreign exchange contracts	Net realized gain (loss) from foreign currency transactions	524	Net increase (decrease) in the fair value of translation of assets and liabilities in foreign currencies	(372)
Total		<u>\$ (1,853)</u>		<u>\$ 192</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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Commingled funds	\$ -	\$ 477,104	\$ -	\$ 477,104
Corporate issues	-	806,555	-	806,555
Foreign currency forward contracts	-	116	-	116
Foreign government bonds	-	6,768	-	6,768
Futures	267	-	-	267
Municipal bonds	-	91,477	-	91,477
Options	229	-	-	229
Preferred Securities	8,735	-	-	8,735
Regulated investment companies	-	140,460	-	140,460
Securities lending collateral funds	-	32,156	-	32,156
U.S. government agency issues	-	351,580	-	351,580
U.S. Treasury issues	-	406,941	-	406,941
Total	<u>\$ 9,231</u>	<u>\$ 2,313,157</u>	<u>\$ -</u>	<u>\$ 2,322,388</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (548)	\$ -	\$ (548)
Futures	(559)	-	-	(559)
Options	(79)	-	-	(79)
Total	<u>\$ (638)</u>	<u>\$ (548)</u>	<u>\$ -</u>	<u>\$ (1,186)</u>

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

Fair value of securities on loan	\$	278,885		
Initial collateral received:				
		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Cash	\$	<u>33,777</u>	\$ 32,156	<u>\$ (1,621)</u>
Non-cash			250,902	
Total			<u>\$ 283,058</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 October 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 October 2012, the pool has recorded, but not distributed \$914 of net securities lending income.

#### NOTE 6. FUTURES CONTRACTS

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

Expiration	Open Contracts	Position	Value at October 31, 2012	Value Upon Entering Contract	Unrealized Gain (Loss)
Dec 2012	(20) US Ultra Bond Future	Short	\$ (3,302)	\$ (3,335)	\$ 33
Dec 2012	(167) US Treasury 2 Yr Note Future	Short	(36,795)	(36,813)	18
Dec 2012	(452) US Long Bond Future	Short	(67,489)	(67,680)	191
Dec 2012	(746) US Treasury 5 Yr Note Future	Short	(92,691)	(92,573)	(118)
Dec 2012	(2,455) US Treasury 10 Yr Note Future	Short	(326,592)	(326,152)	(440)
Jun 2014	(231) Euro 90 Day Future	Short	(57,479)	(57,478)	(1)
Jun 2013	231 Euro 90 Day Future	Long	57,554	57,549	5
			<u>\$ (526,794)</u>	<u>\$ (526,482)</u>	<u>\$ (312)</u>

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

Expiration	Open Contracts	Currency	Position	Value at October 31, 2012 Local Currency	Initial Value in Local Currency	October 31, 2012 Exchange Rate	Unrealized Gain (Loss)
Dec 2012	14 Euro Bond Future	Euro	Long	<u>2,570</u>	<u>2,555</u>	1.2958	<u>\$ 20</u>

At October 31, 2012, the Pool had pledged cash of \$1,223 and securities of \$3,812 to cover margin requirements on open futures contracts.



## Total Return Fixed Income Pool

### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 7. OPTION CONTRACTS

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

	Puts		Calls	
	Number of Contracts	Premiums (Received)/Paid	Number of Contracts	Premiums (Received)/Paid
Options outstanding at June 30, 2011	-	\$ -	(181)	\$ (90)
Options written	(1,055)	(179)	(257)	(84)
Options closed	597	95	320	152
Options expired	-	-	118	22
Options outstanding at October 31, 2012	(458)	\$ (84)	-	\$ -

#### NOTE 8. FOREIGN CURRENCY FORWARD CONTRACTS

At October 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	08/07/2012	11/16/2012	133,952	\$ 10,218		\$ 10,102	\$ 116
Short	Euro Currency Unit	08/08/2012	11/16/2012		5,984	4,829	6,259	(275)
Short	Euro Currency Unit	08/09/2012	11/16/2012		5,118	4,160	5,391	(273)
					\$ 21,320		\$ 21,752	\$ (432)

#### NOTE 9. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 14.20
Income from investment operations:	
Net investment income	0.10
Net realized and unrealized gain on investment transactions	0.45
Total from investment operations	0.55
Less distributions from net investment income	(0.10)
Net asset value at October 31, 2012	\$ 14.65

**Time-weighted Total Return \*** 3.9%

##### Supplemental Data:

Net assets, end of period	\$ 2,290,275
Ratio to average net assets:	
Expenses **	0.23%
Net investment income **	2.11%
Portfolio turnover rate	23.43%

\* 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 October 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	\$ 622,523
Public Employees' Retirement System	576,736
Workers' Compensation Old Fund	379,425
Revenue Shortfall Reserve Fund	151,405
Revenue Shortfall Reserve Fund - Part B	144,378
West Virginia Retiree Health Benefit Trust	102,785
Coal Workers' Pneumoconiosis Fund	76,166
Public Employees Insurance Agency	73,755
State Police Death, Disability and Retirement Fund	61,472
Board of Risk and Insurance Management	39,443
Judges' Retirement System	16,638
Deputy Sheriff's Retirement System	16,101
State Police Retirement System	11,123
Wildlife Endowment Fund	5,485
Emergency Medical Services Retirement System	5,016
Workers' Compensation Self-Insured Guaranty Risk Pool	3,340
Workers' Compensation Uninsured Employers' Fund	2,434
West Virginia Department of Environmental Protection Trust	1,112
AccessWV	906
Municipal Police Officers' and Firefighters' Retirement System	32
Total	<u>\$ 2,290,275</u>



**Financial Statements - Unaudited**

**October 31, 2012**



# Core Fixed Income Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	20
Statement of Changes in Net Assets	21
Notes to Financial Statements	22

# Core Fixed Income Pool

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

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,225,990
Cash		1,541
Collateral for securities loaned at fair value (Note 4)		37,184
Receivables:		
Accrued interest		7,222
Investments sold		552
Dividends		2
Securities lending income		6
Other		118
		<hr/>
<b>Total assets</b>		1,272,615

### Liabilities

Accrued expenses		666
Dividends payable		3,413
Payable for investments purchased		2,005
Payable upon return of securities loaned (Note 4)		37,191
		<hr/>
<b>Total liabilities</b>		43,275
		<hr/>
<b>Net assets</b>	\$	<u>1,229,340</u>

### Analysis of net assets

Paid-in capital	\$	1,064,593
Accumulated undistributed net realized gain from investments		68,079
Unrealized net appreciation of investments		96,668
		<hr/>
<b>Net assets</b>	\$	<u>1,229,340</u>

### Unit data

Units outstanding		107,344,387
Net asset value, unit price	\$	<u>11.45</u>

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited October 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	\$ 787
California	7.300	5.268	10/01/2039	195	252	262
Illinois	5.100	5.763	06/01/2033	350	322	346
Los Angeles Dept of Airports	6.580	4.557	05/15/2039	255	334	333
New York St Dorm Authority	5.600	5.787	03/15/2040	260	253	326
Ohio State University	4.800	4.853	06/01/2111	761	753	867
Port Authority NY and NJ	5.650	5.647	11/01/2040	600	600	739
Port Authority NY and NJ	4.460	4.458	10/01/2062	405	405	408
Tennessee Valley Authority	0.000	3.210	11/01/2025	1,000	661	674
Tennessee Valley Authority	5.880	3.791	04/01/2036	350	463	493
Tennessee Valley Authority	5.250	5.275	09/15/2039	98	98	131
Tennessee Valley Authority	4.630	4.693	09/15/2060	400	395	490
Total Municipal Bonds - 0.5%					5,130	5,856
<b><u>U. S. Treasury Issues</u></b>						
United States Treasury	1.750	0.170	04/15/2013	500	504	504
United States Treasury	3.130	0.178	04/30/2013	500	507	507
United States Treasury	3.380	0.185	07/31/2013	1,500	1,536	1,535
United States Treasury	0.250	0.212	10/31/2013	500	500	500
United States Treasury	1.750	0.235	01/31/2014	500	509	509
United States Treasury	1.250	(1.472)	04/15/2014	500	566	563
United States Treasury	11.250	0.514	02/15/2015	900	1,119	1,124
United States Treasury	4.000	0.529	02/15/2015	600	647	650
United States Treasury	0.000	2.704	02/15/2015	150	141	149
United States Treasury	0.000	0.628	05/15/2016	500	489	491
United States Treasury	0.000	3.089	08/15/2016	5,300	4,717	5,191
United States Treasury	3.130	3.241	10/31/2016	8,700	8,663	9,586
United States Treasury	0.000	2.257	11/15/2016	3,120	2,849	3,045
United States Treasury	3.250	3.132	12/31/2016	10,560	10,608	11,723
United States Treasury	4.630	3.056	02/15/2017	6,500	6,907	7,607
United States Treasury	0.000	3.277	02/15/2017	6,122	5,324	5,955
United States Treasury	3.250	2.910	03/31/2017	11,600	11,762	12,929
United States Treasury	3.130	2.432	04/30/2017	6,715	6,912	7,456
United States Treasury	2.750	2.382	05/31/2017	2,280	2,316	2,498
United States Treasury	8.880	3.187	08/15/2017	9,360	11,707	12,980
United States Treasury	4.750	2.707	08/15/2017	18,645	20,342	22,223
United States Treasury	0.000	2.162	08/15/2017	500	451	483
United States Treasury	4.250	1.181	11/15/2017	600	690	704
United States Treasury	0.000	3.493	11/15/2017	7,050	5,921	6,775
United States Treasury	2.750	2.731	12/31/2017	15,000	15,014	16,521
United States Treasury	2.630	2.849	01/31/2018	6,000	5,935	6,572
United States Treasury	3.500	1.950	02/15/2018	1,500	1,615	1,711
United States Treasury	0.000	3.537	02/15/2018	3,950	3,281	3,777
United States Treasury	0.000	3.743	08/15/2018	500	403	474
United States Treasury	1.750	1.519	10/31/2018	11,000	11,145	11,529
United States Treasury	1.380	1.286	11/30/2018	9,895	9,946	10,146
United States Treasury	3.130	3.136	05/15/2019	2,090	2,089	2,369
United States Treasury	0.000	4.013	05/15/2019	4,550	3,509	4,237
United States Treasury	0.000	4.021	08/15/2019	300	229	278
United States Treasury	3.380	1.596	11/15/2019	400	447	461
United States Treasury	8.500	3.516	02/15/2020	1,750	2,306	2,653
United States Treasury	0.000	4.006	05/15/2020	4,500	3,337	4,087
United States Treasury	8.750	2.662	05/15/2020	1,400	1,976	2,166
United States Treasury	3.500	1.347	05/15/2020	300	346	349
United States Treasury	0.000	2.984	05/15/2020	18,037	14,407	16,325
United States Treasury	8.750	3.034	08/15/2020	8,550	11,904	13,333
United States Treasury	2.630	1.762	08/15/2020	1,300	1,381	1,429
United States Treasury	0.000	3.413	08/15/2020	8,550	6,564	7,681
United States Treasury	0.000	3.775	11/15/2020	460	340	411
United States Treasury	0.000	2.527	02/15/2021	440	355	389
United States Treasury	8.130	3.524	05/15/2021	1,000	1,337	1,546
United States Treasury	0.000	1.815	05/15/2021	2,600	2,228	2,283
United States Treasury	0.000	3.501	11/15/2021	5,000	3,654	4,313

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) October 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	3.852	02/15/2022	1,250	877	1,069
United States Treasury	7.130	3.585	02/15/2023	1,000	1,302	1,517
United States Treasury	0.000	4.526	05/15/2024	1,100	656	862
United States Treasury	0.000	4.240	08/15/2024	1,100	670	853
United States Treasury	0.000	6.392	11/15/2024	250	139	192
United States Treasury	0.000	6.934	02/15/2025	700	372	532
United States Treasury	6.000	4.435	02/15/2026	400	462	583
United States Treasury	0.000	2.772	02/15/2026	300	208	219
United States Treasury	0.000	4.862	05/15/2026	850	444	615
United States Treasury	6.750	4.073	08/15/2026	625	800	974
United States Treasury	0.000	2.801	08/15/2026	350	239	251
United States Treasury	6.500	4.024	11/15/2026	550	695	842
United States Treasury	0.000	4.130	11/15/2026	5,500	3,093	3,903
United States Treasury	6.630	3.507	02/15/2027	1,000	1,346	1,551
United States Treasury	0.000	3.194	02/15/2027	16,825	10,666	11,820
United States Treasury	6.380	4.079	08/15/2027	400	501	611
United States Treasury	0.000	4.707	08/15/2027	950	477	655
United States Treasury	6.130	4.343	11/15/2027	150	179	225
United States Treasury	0.000	3.122	11/15/2027	4,000	2,491	2,732
United States Treasury	0.000	4.108	02/15/2028	2,550	1,361	1,726
United States Treasury	0.000	4.851	05/15/2028	100	47	67
United States Treasury	5.500	4.534	08/15/2028	1,050	1,163	1,498
United States Treasury	0.000	4.361	11/15/2028	2,400	1,191	1,579
United States Treasury	0.000	3.337	02/15/2029	800	462	521
United States Treasury	0.000	4.554	05/15/2029	150	71	97
United States Treasury	6.130	2.572	08/15/2029	100	148	153
United States Treasury	0.000	2.805	08/15/2029	2,150	1,345	1,378
United States Treasury	0.000	4.399	11/15/2029	700	333	445
United States Treasury	0.000	4.598	02/15/2030	1,100	501	692
United States Treasury	6.250	4.023	05/15/2030	600	767	937
United States Treasury	0.000	3.768	05/15/2030	400	208	249
United States Treasury	0.000	4.619	08/15/2030	900	399	557
United States Treasury	0.000	4.447	11/15/2030	950	430	583
United States Treasury	5.380	4.032	02/15/2031	1,300	1,521	1,874
United States Treasury	0.000	4.920	11/15/2032	1,450	730	827
United States Treasury	0.000	5.399	05/15/2033	2,200	1,043	1,233
United States Treasury	0.000	7.445	08/15/2033	700	275	389
United States Treasury	0.000	7.666	11/15/2033	1,000	383	550
United States Treasury	0.000	3.744	02/15/2034	1,250	560	682
United States Treasury	0.000	7.942	05/15/2034	500	184	270
United States Treasury	0.000	4.755	08/15/2034	450	221	241
United States Treasury	0.000	4.248	11/15/2034	350	181	186
United States Treasury	0.000	3.056	02/15/2035	900	458	473
United States Treasury	4.500	3.144	02/15/2036	1,700	2,077	2,262
United States Treasury	0.000	4.591	05/15/2036	200	69	101
Total U. S. Treasury Issues - 22.8%					251,180	280,303
<b>U. S. Government Agency Issues</b>						
<i>U. S. Government Agency MBS (coupon, yield, and maturity date are weighted averages)</i>						
FHLMC Issues	4.830	2.786	11/17/2033	44,072	46,791	48,181
FNMA Issues	4.360	3.024	03/08/2025	109,856	114,433	122,465
GNMA Issues	6.690	4.370	11/03/2035	2,659	2,869	3,080
<i>Total U. S. Government Agency MBS</i>					164,093	173,726
<i>U. S. Government Agency CMO (coupon, yield, and maturity date are weighted averages)</i>						
FDIC Issues	2.980	3.027	12/06/2020	1,014	1,013	1,067
FHLMC Issues	5.857	4.971	03/22/2034	113,093	87,613	93,566
FNMA Issues	5.574	5.185	06/08/2033	151,157	120,233	129,643
GNMA Issues	7.421	13.246	09/27/2037	70,430	29,181	34,939
<i>Total U. S. Government Agency CMO</i>					238,040	259,215
<i>U. S. Government Agency Bonds</i>						
FannieMae STRIPS	0.000	5.737	11/15/2021	1,000	659	814
Federal Farm Credit Bank	5.130	3.384	11/15/2018	1,000	1,094	1,228

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Federal Home Loan Bank	5.500	3.658	07/15/2036	400	516	556
Federal Home Loan Mortgage	5.500	3.324	08/23/2017	1,100	1,206	1,342
Federal National Mortgage Assn	0.000	2.342	07/05/2014	2,300	2,213	2,267
Federal National Mortgage Assn	5.000	2.195	05/11/2017	3,000	3,361	3,564
Federal National Mortgage Assn	5.380	3.276	06/12/2017	2,000	2,178	2,415
FICO Strip Prin	0.000	1.480	05/11/2018	1,500	1,383	1,385
FICO Strip Prin	0.000	5.655	09/26/2019	700	503	622
RFCO Strip Principal	0.000	1.613	10/15/2019	1,000	899	905
RFCO Strip Principal	0.000	2.265	07/15/2020	4,700	4,002	4,140
<i>Total U. S. Government Agency Bonds</i>					18,014	19,238
Total U. S. Government Agency Issues - 36.8%					420,147	452,179
<b>Corporate Issues</b>						
<i>Corporate Bonds</i>						
ABB Finance USA Inc	1.630	1.772	05/08/2017	81	80	83
ABB Finance USA Inc	2.880	3.129	05/08/2022	117	115	121
ABB Finance USA Inc	4.380	4.568	05/08/2042	58	56	65
Ace Ina Hldg Inc	5.880	3.570	06/15/2014	240	249	260
Ace Ina Hldg Inc	5.600	2.613	05/15/2015	430	461	482
ADT Corp	3.500	3.528	07/15/2022	105	105	107
Aetna Inc	6.750	4.720	12/15/2037	390	506	530
Aetna Inc	4.500	4.766	05/15/2042	71	68	74
AFLAC Inc	8.500	5.066	05/15/2019	100	119	136
AFLAC Inc	6.450	6.488	08/15/2040	108	107	138
African Development Bank	8.800	3.096	09/01/2019	1,000	1,349	1,331
AGL Capital Corporation	4.450	2.753	04/15/2013	260	262	264
AGL Capital Corporation	5.250	4.317	08/15/2019	400	421	480
AGL Capital Corporation	3.500	3.683	09/15/2021	353	348	385
AGL Capital Corporation	5.880	5.887	03/15/2041	120	120	161
Aid-Israel	0.000	2.110	08/15/2017	1,000	904	947
Aid-Israel	0.000	1.950	03/15/2018	5,000	4,505	4,670
AIG Sunamer Global Fin X	6.900	6.417	03/15/2032	110	116	147
Alabama Power Co	6.130	4.406	05/15/2038	303	382	412
Alberta Energy Company Ltd	8.130	5.675	09/15/2030	200	255	279
Allstate Corp	5.000	3.585	08/15/2014	470	481	506
Allstate Life Global Fn Trust	5.380	1.804	04/30/2013	300	305	307
America Movil SAB DE CV	3.130	2.989	07/16/2022	426	431	439
American Airlines PT TRS 11-1	5.250	5.250	01/31/2021	112	112	118
American Airlines PT TRS 11-2	8.630	8.624	10/15/2021	118	118	124
American Express Co	7.000	4.744	03/19/2018	595	658	755
American Express Credit Co	5.880	2.100	05/02/2013	20	20	21
American Express Credit Co	7.300	4.692	08/20/2013	600	612	632
American Express Credit Co	5.130	3.532	08/25/2014	845	868	912
American Express Credit Co	2.800	2.818	09/19/2016	340	340	362
American Honda Finance	2.600	2.601	09/20/2016	410	410	430
American Honda Finance	7.630	4.561	10/01/2018	500	578	635
American Water Cap Corp	6.090	3.499	10/15/2017	300	335	356
American Water Cap Corp	6.590	5.338	10/15/2037	300	352	390
Ameritech Capital Funding	6.450	5.178	01/15/2018	70	74	84
Amgen Inc	6.150	3.425	06/01/2018	285	324	348
Amgen Inc	5.700	5.035	02/01/2019	210	217	253
Amgen Inc	3.450	3.826	10/01/2020	610	594	652
Amgen Inc	4.950	5.002	10/01/2041	200	198	219
Amgen Inc	5.650	5.684	06/15/2042	103	103	126
Anadarko Finance Co	7.500	5.295	05/01/2031	400	503	546
Anadarko Petroleum Corp	7.630	3.498	03/15/2014	130	137	141
Anadarko Petroleum Corp	8.700	8.261	03/15/2019	300	306	409
Anadarko Petroleum Corp	6.950	5.874	06/15/2019	285	302	363
Anheuser-Busch	1.500	1.501	07/14/2014	264	264	269
Anheuser-Busch	7.750	5.154	01/15/2019	580	659	787
Anheuser-Busch	8.200	5.072	01/15/2039	255	370	429
ANR Pipeline	9.630	5.447	11/01/2021	240	311	370
Aon Corporation	3.500	3.605	09/30/2015	121	121	128
Apache Corporation	6.000	1.594	09/15/2013	480	498	503

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Apache Corporation	4.750	4.767	04/15/2043	153	153	181
Appalachian Power Company	5.950	6.624	05/15/2033	250	231	291
Arizona Public Service	4.500	4.557	04/01/2042	103	102	113
Arrow Electronics Inc	6.880	6.098	07/01/2013	175	176	182
Arrow Electronics Inc	3.380	2.440	11/01/2015	140	144	147
Arrow Electronics Inc	6.880	5.965	06/01/2018	235	245	277
Arrow Electronics Inc	7.500	6.484	01/15/2027	225	246	270
ASIF Global Financing XIX	4.900	1.745	01/17/2013	907	913	914
Associates Corp NA	6.950	9.383	11/01/2018	225	200	272
AT&T Corp	8.000	6.187	11/15/2031	41	49	64
AT&T Inc	5.500	4.564	02/01/2018	370	386	450
AT&T Inc	5.600	5.169	05/15/2018	565	576	693
AT&T Inc	5.800	3.067	02/15/2019	200	231	251
AT&T Inc	4.450	4.232	05/15/2021	500	508	595
AT&T Inc	6.300	6.622	01/15/2038	600	575	803
AT&T Inc	5.350	5.341	09/01/2040	1,374	1,376	1,685
Atmos Energy Corp	6.350	2.859	06/15/2017	875	1,006	1,065
Atmos Energy Corp	8.500	8.529	03/15/2019	150	150	199
AUST & NZ Banking Group	3.250	3.339	03/01/2016	200	199	214
BAE Systems Holdings Inc	5.200	2.802	08/15/2015	195	207	214
BAE Systems Holdings Inc	6.380	3.389	06/01/2019	255	300	307
Baltimore Gas & Electric Co	2.800	2.844	08/15/2022	278	277	286
Bank of America Corp	4.900	3.276	05/01/2013	500	504	510
Bank of America Corp	7.380	7.510	05/15/2014	600	599	656
Bank of America Corp	5.130	8.762	11/15/2014	300	280	323
Bank of America Corp	6.500	6.545	08/01/2016	500	499	582
Bank of America Corp	5.630	5.039	10/14/2016	250	255	285
Bank of America Corp	5.650	5.545	05/01/2018	2,100	2,110	2,445
Bank of America Corp	5.630	5.431	07/01/2020	190	192	222
Bank of America Corp	5.000	4.730	05/13/2021	775	790	874
Bank of Nova Scotia	3.400	3.428	01/22/2015	127	127	135
Bank of Nova Scotia	1.650	1.686	10/29/2015	345	345	356
Bank of Nova Scotia	4.380	4.395	01/13/2021	214	214	247
Bank Tokyo - Mitsubishi UFJ	3.850	3.859	01/22/2015	356	356	378
Barclays Bank PLC	5.200	5.227	07/10/2014	400	400	428
Barclays Bank PLC	2.250	2.352	05/10/2017	203	202	210
Barrick NA Finance LLC	4.400	3.338	05/30/2021	208	224	230
Baxter International Inc	2.400	2.449	08/15/2022	127	126	129
BB&T Corporation	5.700	1.547	04/30/2014	340	361	365
BB&T Corporation	3.200	2.245	03/15/2016	365	376	391
BB&T Corporation	4.900	5.999	06/30/2017	800	765	910
BB&T Corporation	6.850	7.048	04/30/2019	225	223	287
BellSouth Corporation	5.200	4.342	09/15/2014	300	305	325
BellSouth Corporation	6.000	5.368	11/15/2034	149	161	173
Berkshire Hathaway Fin	4.600	4.335	05/15/2013	100	100	102
Berkshire Hathaway Fin	5.100	1.733	07/15/2014	600	634	645
Berkshire Hathaway Fin	2.450	2.497	12/15/2015	477	476	502
Berkshire Hathaway Fin	5.400	3.505	05/15/2018	300	328	362
Berkshire Hathaway Fin	3.000	2.666	05/15/2022	295	303	310
Berkshire Hathaway Inc	1.900	1.901	01/31/2017	190	190	196
BG Energy Capital PLC	5.130	5.239	10/15/2041	200	197	242
BHP Billiton Financial USA	5.500	5.577	04/01/2014	200	200	214
BHP Billiton Financial USA	6.500	4.226	04/01/2019	720	811	926
BlackRock Inc	6.250	4.677	09/15/2017	500	534	613
BlackRock Inc	3.380	3.438	06/01/2022	360	358	385
Blackstone Holdings Financial	5.880	5.938	03/15/2021	550	548	614
Blackstone Holdings Financial	4.750	4.984	02/15/2023	230	226	247
BNY Mellon	4.500	2.783	04/01/2013	305	307	310
BNY Mellon	5.130	3.868	08/27/2013	350	354	364
BNY Mellon	2.950	2.978	06/18/2015	500	500	530
BNY Mellon	4.600	4.625	01/15/2020	115	115	134
Boeing Company	5.130	4.019	02/15/2013	100	100	101
Boeing Company	4.880	4.664	02/15/2020	230	233	280
Boeing Company	6.130	5.181	02/15/2033	150	168	202
Boston Gas Company	4.490	4.487	02/15/2042	85	85	93

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
BP Capital Markets PLC	3.630	3.625	05/08/2014	100	100	105
BP Capital Markets PLC	3.880	3.149	03/10/2015	730	742	784
BP Capital Markets PLC	3.250	3.245	05/06/2022	377	377	404
British Telecom PLC	5.950	5.942	01/15/2018	275	275	330
British Telecom PLC	9.630 A	6.540	12/15/2030	145	192	237
Bunge Limited Finance Co	5.880	6.484	05/15/2013	50	50	51
Bunge Limited Finance Co	8.500	7.222	06/15/2019	373	397	481
Bunge NA Finance LP	5.900	7.617	04/01/2017	54	51	61
Burlington North Santa Fe	5.650	4.368	05/01/2017	225	237	268
Burlington North Santa Fe	4.700	4.722	10/01/2019	350	350	408
Burlington North Santa Fe	3.450	3.479	09/15/2021	106	106	114
Burlington North Santa Fe	3.050	3.099	09/01/2022	234	233	244
Burlington North Santa Fe	7.290	6.510	06/01/2036	80	87	112
Burlington Resources Inc	8.200	4.182	03/15/2025	180	249	255
Cameron International Corp	1.600	1.615	04/30/2015	79	79	80
Canadian Natural Resources Ltd	5.700	3.408	05/15/2017	300	329	358
Canadian Natural Resources Ltd	5.900	4.608	02/01/2018	615	652	742
Capital One Bank USA NA	6.500	10.704	06/13/2013	100	98	103
Capital One Financial Corp	7.380	5.321	05/23/2014	295	304	324
Capital One Financial Corp	5.500	10.399	06/01/2015	200	178	222
Capital One Financial Corp	6.750	4.907	09/15/2017	1,055	1,138	1,298
Capital One Financial Corp	4.750	4.860	07/15/2021	400	397	459
Cargill Inc	7.350	5.427	03/06/2019	250	276	317
Cargill Inc	4.310	4.716	05/14/2021	106	103	117
Cargill Inc	3.300	3.343	03/01/2022	485	483	504
Caterpillar Financial Services	5.850	4.754	09/01/2017	820	858	994
Caterpillar Financial Services	5.450	3.907	04/15/2018	280	301	339
Caterpillar Financial Services	7.150	6.153	02/15/2019	395	415	524
Caterpillar Inc	5.300	3.546	09/15/2035	50	64	62
CBS Corp	5.750	5.766	04/15/2020	53	53	64
Celgene Corporation	3.250	3.256	08/15/2022	294	294	303
Cellco Partnership/Verizon Wir	8.500	3.044	11/15/2018	220	286	307
Cenovus Energy Inc	4.450	4.501	09/15/2042	210	208	227
Centel Capital Corp	9.000	6.495	10/15/2019	200	228	239
Centerpoint Energy Inc	6.500	3.256	05/01/2018	310	360	377
Centerpoint Energy Resources	5.950	3.744	01/15/2014	165	169	175
Centerpoint Energy Resources	6.130	2.810	11/01/2017	300	346	365
Charles Schwab Corp	3.230	3.000	09/01/2022	500	510	505
Chubb Corp	5.750	1.792	05/15/2018	48	58	60
Cisco Systems Inc	5.500	4.491	02/22/2016	210	216	243
Cisco Systems Inc	4.450	4.555	01/15/2020	250	248	295
Cisco Systems Inc	5.500	5.644	01/15/2040	300	294	391
Citigroup Inc	6.380	6.536	08/12/2014	295	294	321
Citigroup Inc	6.010	3.809	01/15/2015	300	314	330
Citigroup Inc	4.750	4.876	05/19/2015	87	87	94
Citigroup Inc	4.590	3.859	12/15/2015	563	575	614
Citigroup Inc	6.000	5.593	08/15/2017	33	34	39
Citigroup Inc	6.130	7.054	11/21/2017	555	533	658
Citigroup Inc	8.500	6.870	05/22/2019	470	508	627
Citigroup Inc	5.380	5.507	08/09/2020	300	298	351
Citigroup Inc	7.000	6.049	12/01/2025	490	532	618
Citigroup Inc	8.130	8.310	07/15/2039	350	343	534
Cleveland Electric Illum	7.880	5.053	11/01/2017	300	337	377
Cleveland Electric Illum	8.880	7.005	11/15/2018	225	245	302
CME Group Inc	5.750	1.735	02/15/2014	507	533	540
CME Group Inc	3.000	3.036	09/15/2022	300	299	308
CNA Financial Corp	5.850	3.764	12/15/2014	250	261	272
CNA Financial Corp	6.500	4.776	08/15/2016	285	302	329
CNA Financial Corp	5.880	5.917	08/15/2020	170	170	200
Coca-Cola Company	3.630	3.725	03/15/2014	100	100	104
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	116
Coca-Cola Refresh USA	4.250	2.511	03/01/2015	250	260	270
Comcast Cable Comm Holdings	9.460	7.139	11/15/2022	775	900	1,173
Comcast Cable Holdings	10.130	5.959	04/15/2022	240	311	356

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Comcast Corp	5.900	4.633	03/15/2016	625	649	727
Comcast Corp	4.950	3.412	06/15/2016	95	100	108
Comcast Corp	6.500	5.409	01/15/2017	200	208	244
Comerica Bank	5.200	4.930	08/22/2017	250	253	289
Commonwealth REIT	6.650	9.695	01/15/2018	430	377	479
Commonwealth REIT	5.880	6.166	09/15/2020	325	319	355
Connecticut Light and Power	5.650	2.391	05/01/2018	435	508	517
ConocoPhillips	5.200	3.086	05/15/2018	501	555	601
ConocoPhillips	6.650	3.716	07/15/2018	294	338	376
ConocoPhillips	5.750	5.911	02/01/2019	100	99	125
ConocoPhillips	6.000	4.521	01/15/2020	940	1,024	1,199
Cons Edison Co of NY	5.100	4.756	06/15/2033	200	209	231
Cons Edison Co of NY	6.300	5.749	08/15/2037	150	161	212
Cons Edison Co of NY	5.500	5.713	12/01/2039	350	340	455
Consumers Energy Company	6.700	5.661	09/15/2049	394	457	511
Continental Airlines Inc	4.000	4.000	10/29/2024	106	106	110
Corp Andina De Fomento	3.750	3.542	01/15/2016	532	535	559
Countrywide Financial Corp	6.250	5.332	05/15/2016	600	618	661
Cox Communications Inc	5.450	3.845	12/15/2014	225	232	247
Cox Communications Inc	5.880	2.193	12/01/2016	200	229	236
Credit Suisse New York	5.000	2.419	05/15/2013	200	203	205
Credit Suisse New York	5.500	5.524	05/01/2014	170	170	181
Credit Suisse USA Inc	4.880	6.376	01/15/2015	250	242	270
Credit Suisse USA Inc	5.130	3.775	08/15/2015	680	704	754
CRH America Inc	6.000	3.793	09/30/2016	254	274	285
Crown Castle Towers LLC	3.210	3.009	08/15/2015	350	352	365
CSX Corp	6.250	3.736	03/15/2018	640	717	788
CSX Corp	7.380	6.722	02/01/2019	200	207	256
CSX Corp	4.250	3.511	06/01/2021	335	353	375
CVS Caremark Corp	5.930	6.000	01/10/2034	246	246	300
CVS Caremark Corp	6.130	6.066	09/15/2039	735	741	986
Daimler Finance NA LLC	6.500	4.225	11/15/2013	610	624	646
Daimler Finance NA LLC	2.950	2.988	01/11/2017	300	300	315
Danaher Corp	3.900	3.903	06/23/2021	275	275	310
Deere & Company	2.600	2.629	06/08/2022	179	179	185
Deere & Company	3.900	3.942	06/09/2042	77	76	81
Delta Air Lines 2010 -2A	4.950	4.950	05/23/2019	124	124	134
Delta Air Lines 2011-1	5.300	5.300	04/15/2019	64	64	70
Delta Air Lines 2012-1A	4.750	4.751	05/07/2020	175	175	185
Detroit Edison Company	3.900	2.752	06/01/2021	310	337	353
Detroit Edison Company	2.650	2.668	06/15/2022	53	53	55
Deutsche Bank AG London	2.380	2.409	01/11/2013	435	435	436
Deutsche Bank AG London	3.880	3.962	08/18/2014	305	305	322
Deutsche Telekom Int Fin	6.750	4.691	08/20/2018	200	221	251
Deutsche Telekom Int Fin	6.000	5.653	07/08/2019	635	647	783
Deutsche Telekom Int Fin	8.750 A	5.629	06/15/2030	170	229	262
Devon Energy Corporation	6.300	3.229	01/15/2019	495	580	623
Devon Energy Corporation	3.250	3.320	05/15/2022	244	243	258
Devon Energy Corporation	4.750	4.806	05/15/2042	157	156	178
Diageo Capital PLC	5.200	1.199	01/30/2013	200	202	202
Diageo Capital PLC	4.830	4.387	07/15/2020	402	413	481
Diageo Finance BV	5.500	2.553	04/01/2013	265	268	271
Diageo Investment Corp	2.880	2.917	05/11/2022	290	289	307
Directv Holdings/Fing	4.600	4.608	02/15/2021	400	400	443
Directv Holdings/Fing	6.000	6.098	08/15/2040	750	740	863
Discovery Communications	4.950	5.000	05/15/2042	100	99	113
DnB Boligkredditt AS	2.100	2.193	10/14/2015	300	299	311
Dominion Resources Inc	6.400	4.717	06/15/2018	465	503	582
Dominion Resources Inc	5.200	3.297	08/15/2019	50	56	60
Dominion Resources Inc	4.900	4.999	08/01/2041	64	63	76
Dow Chemical Company	7.600	2.207	05/15/2014	235	254	259
Dow Chemical Company	5.900	2.031	02/15/2015	335	364	373
Dow Chemical Company	8.550	5.720	05/15/2019	417	481	565
Dow Chemical Company	4.250	4.284	11/15/2020	64	64	71
Dow Chemical Company	4.130	4.174	11/15/2021	114	114	125

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Duke Energy Carolinas	7.000	4.034	11/15/2018	250	289	329
Duke Energy Carolinas	4.300	4.304	06/15/2020	211	211	245
Duke Energy Carolinas	3.900	2.696	06/15/2021	210	229	240
Duke Energy Carolinas	6.000	3.980	01/15/2038	71	94	95
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	404	481
Eaton Corporation	7.630	4.412	04/01/2024	325	418	427
eBay Inc	3.250	3.428	10/15/2020	1,110	1,095	1,210
Ecolab Inc	5.500	4.517	12/08/2041	540	625	675
EI DuPont de Nemours Co	6.000	3.208	07/15/2018	608	696	760
EI DuPont de Nemours Co	5.600	4.670	12/15/2036	320	363	417
EI DuPont de Nemours Co	4.900	4.987	01/15/2041	125	123	153
Encana Corp	6.500	5.141	05/15/2019	100	107	125
Enel Finance International NV	5.130	5.144	10/07/2019	700	699	741
Eni SpA	5.700	5.741	10/01/2040	250	249	266
Entergy Gulf States LA	6.000	3.328	05/01/2018	380	431	453
EOG Resources Inc	5.630	5.356	06/01/2019	200	203	247
EOG Resources Inc	4.400	2.949	06/01/2020	340	373	396
Erac USA Finance Company	2.250	2.317	01/10/2014	286	286	289
Erac USA Finance Company	5.630	5.122	03/15/2042	72	77	82
ERP Operating-LP	4.630	3.709	12/15/2021	425	455	487
Exelon Generation Co LLC	5.350	1.710	01/15/2014	360	376	378
Exelon Generation Co LLC	4.000	4.013	10/01/2020	288	288	311
Exelon Generation Co LLC	5.750	5.778	10/01/2041	86	86	99
Fifth Third Bancorp	3.630	2.956	01/25/2016	455	464	490
Florida Power & Light	5.950	4.176	10/01/2033	120	149	162
Florida Power & Light	4.950	3.741	06/01/2035	250	296	300
Florida Power & Light	5.960	5.307	04/01/2039	335	366	467
Florida Power Corp	6.400	5.331	06/15/2038	280	322	397
FMR LLC	6.450	6.504	11/15/2039	250	248	311
Ford Motor Credit Company LLC	4.210	4.207	04/15/2016	220	220	234
France Telecom	4.380	2.482	07/08/2014	700	722	741
France Telecom	8.500	5.593	03/01/2031	230	306	353
Freeport-McMoRan Copper & Gold	2.150	2.317	03/01/2017	534	530	542
Gap Inc	5.950	6.848	04/12/2021	243	229	276
General Electric Capital Corp	5.900	5.926	05/13/2014	1,500	1,499	1,619
General Electric Capital Corp	5.500	3.739	06/04/2014	675	693	726
General Electric Capital Corp	2.250	2.266	11/09/2015	675	675	699
General Electric Capital Corp	5.630	5.809	09/15/2017	400	396	474
General Electric Capital Corp	5.630	4.511	05/01/2018	1,290	1,356	1,532
General Electric Capital Corp	6.000	5.091	08/07/2019	2,435	2,560	2,983
General Electric Capital Corp	5.500	5.614	01/08/2020	1,320	1,311	1,570
General Electric Capital Corp	4.380	4.424	09/16/2020	445	444	498
General Electric Capital Corp	5.880	8.520	01/14/2038	200	145	246
General Electric Company	5.250	4.391	12/06/2017	605	627	717
General Mills Inc	5.200	4.836	03/17/2015	100	101	111
General Mills Inc	5.650	4.103	02/15/2019	470	510	577
Georgia Power Company	5.250	5.030	12/15/2015	200	201	227
Glaxosmithkline Cap Inc	4.380	3.625	04/15/2014	215	217	227
Glaxosmithkline Cap Inc	6.380	5.354	05/15/2038	275	314	397
Goldman Sachs Group Inc	5.150	2.636	01/15/2014	300	309	315
Goldman Sachs Group Inc	3.630	3.576	02/07/2016	415	416	439
Goldman Sachs Group Inc	5.750	5.226	10/01/2016	50	51	57
Goldman Sachs Group Inc	6.250	7.134	09/01/2017	290	280	341
Goldman Sachs Group Inc	5.950	5.036	01/18/2018	200	208	233
Goldman Sachs Group Inc	6.150	5.865	04/01/2018	535	541	627
Goldman Sachs Group Inc	7.500	5.620	02/15/2019	2,980	3,272	3,721
Goldman Sachs Group Inc	5.380	5.493	03/15/2020	450	447	509
Goldman Sachs Group Inc	6.000	5.227	06/15/2020	240	252	282
Goldman Sachs Group Inc	5.250	5.257	07/27/2021	138	138	154
Goldman Sachs Group Inc	6.750	6.519	10/01/2037	140	144	154
Goldman Sachs Group LP	8.000	3.407	03/01/2013	210	213	214
Goodrich Corporation	6.130	1.995	03/01/2019	120	149	149
GTE Corporation	6.840	3.750	04/15/2018	200	230	251
GTE Corporation	8.750	5.975	11/01/2021	250	298	358

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
GTP Acquisition Partners	4.350	4.387	06/15/2041	606	606	638
Halliburton Company	6.150	4.627	09/15/2019	360	392	458
Halliburton Company	3.250	2.161	11/15/2021	215	234	235
Halliburton Company	7.450	7.646	09/15/2039	100	98	156
HCP Inc	3.750	3.828	02/01/2019	105	105	111
Hewlett-Packard Company	6.130	2.327	03/01/2014	375	394	397
Hewlett-Packard Company	4.750	1.527	06/02/2014	105	110	110
Hewlett-Packard Company	5.400	4.620	03/01/2017	280	288	304
Hewlett-Packard Company	3.750	3.843	12/01/2020	300	298	292
Hewlett-Packard Company	4.380	4.398	09/15/2021	492	491	486
Hewlett-Packard Company	6.000	6.010	09/15/2041	485	484	478
Historic TW Inc	9.150	6.369	02/01/2023	945	1,141	1,351
HJ Heinz Company	2.850	2.607	03/01/2022	240	245	246
Home Depot Inc	5.400	5.922	03/01/2016	500	492	576
Honeywell International Inc	5.400	3.475	03/15/2016	360	382	415
Honeywell International Inc	5.300	1.677	03/01/2018	205	243	248
HSBC Bank PLC	1.630	1.673	07/07/2014	364	364	366
HSBC Bank PLC	3.500	3.518	06/28/2015	116	116	123
HSBC Bank PLC	3.100	3.108	05/24/2016	229	229	242
HSBC Bank PLC	4.130	4.199	08/12/2020	389	387	432
HSBC Bank PLC	4.750	4.761	01/19/2021	300	300	347
HSBC Bank USA	4.630	3.425	04/01/2014	320	325	336
HSBC Finance Corp	4.750	7.304	07/15/2013	17	17	17
HSBC Finance Corp	0.590	7.273	01/15/2014	500	461	498
HSBC Finance Corp	5.000	7.441	06/30/2015	455	428	497
HSBC Finance Corp	5.500	4.032	01/19/2016	300	313	333
HSBC Holdings PLC	4.880	4.389	01/14/2022	350	363	406
IBM	1.950	2.071	07/22/2016	168	167	176
IBM	7.630	5.057	10/15/2018	330	373	448
IBM	8.380	3.317	11/01/2019	460	604	661
IBM	4.000	5.503	06/20/2042	508	397	556
Illinois Tool Works Inc	3.900	3.955	09/01/2042	640	634	680
Indiana Michigan Power	7.000	4.840	03/15/2019	145	162	180
Intel Corporation	3.300	3.328	10/01/2021	456	455	500
Intuit Inc	5.750	3.580	03/15/2017	863	938	995
Jackson National Life Global	5.380	2.699	05/08/2013	500	507	513
Jefferies Group Inc	5.130	5.082	04/13/2018	340	341	349
Jefferies Group Inc	8.500	6.831	07/15/2019	590	642	690
Jefferies Group Inc	6.450	8.192	06/08/2027	330	282	346
John Deere Capital Corp	5.100	1.753	01/15/2013	185	186	187
John Deere Capital Corp	1.200	1.242	10/10/2017	128	128	129
John Deere Capital Corp	5.750	4.607	09/10/2018	233	247	289
John Deere Capital Corp	2.250	2.292	04/17/2019	166	166	173
John Sevier Comb Cycle	4.630	4.275	01/15/2042	1,150	1,201	1,304
Johnson Controls Inc	5.000	4.342	03/30/2020	500	521	574
Johnson Controls Inc	4.250	4.101	03/01/2021	80	81	88
Kansas City Power and Light	6.380	2.550	03/01/2018	280	333	337
Kansas City Power and Light	5.300	5.343	10/01/2041	385	383	449
Kellogg Company	4.250	3.896	03/06/2013	100	100	101
Kellogg Company	1.750	1.864	05/17/2017	115	114	117
Kellogg Company	3.250	2.784	05/21/2018	333	341	364
Kellogg Company	3.130	3.224	05/17/2022	174	173	182
Key Bank NA	5.800	5.972	07/01/2014	350	349	376
Keycorp	6.500	1.971	05/14/2013	200	205	206
Keycorp	5.100	3.462	03/24/2021	325	363	385
Kimberly Clark Corporation	7.500	4.845	11/01/2018	250	284	336
Kohl's Corporation	6.250	5.839	12/15/2017	90	92	111
Kraft Foods Group Inc	6.130	1.918	08/23/2018	435	535	539
Kraft Foods Group Inc	5.380	2.373	02/10/2020	384	461	471
Kraft Foods Group Inc	3.500	3.608	06/06/2022	150	149	163
Kraft Foods Group Inc	5.000	5.046	06/04/2042	103	102	120
Kroger Co	7.500	3.797	01/15/2014	278	290	300
Kroger Co	6.400	6.119	08/15/2017	100	101	122
Kroger Co	6.150	4.225	01/15/2020	760	849	937
Kroger Co	7.500	5.003	04/01/2031	250	325	335

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Lincoln National Corp	4.850	3.994	06/24/2021	309	328	343
Lincoln National Corp	4.200	4.200	03/15/2022	94	94	99
Lockheed Martin Corp	4.250	3.666	11/15/2019	305	316	347
Lockheed Martin Corp	5.720	5.765	06/01/2040	300	298	379
Lowe's Companies Inc	7.110	5.609	05/15/2037	195	234	273
Lowe's Companies Inc	4.650	4.676	04/15/2042	217	216	245
Macquarie Bank Ltd	5.000	4.388	02/22/2017	575	589	625
Macquarie Group	7.300	4.641	08/01/2014	560	585	608
Macquarie Group	7.630	7.269	08/13/2019	475	484	561
Macquarie Group	6.250	6.395	01/14/2021	237	235	262
Macys Retail Holdings Inc	7.450	3.417	07/15/2017	300	352	372
Manitoba Province	2.130	2.165	04/22/2013	43	43	43
Manuf & Traders Trust Co	6.630	6.122	12/04/2017	715	729	864
Marathon Oil Corp	6.000	3.633	10/01/2017	200	221	243
Marathon Oil Corp	5.900	3.517	03/15/2018	110	123	134
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	150
Mass Mutual Global Funding	2.500	2.585	10/17/2022	211	209	209
Massachusetts Electric	5.900	5.924	11/15/2039	182	181	241
Medco Health Solutions	7.130	3.921	03/15/2018	485	560	616
Merrill Lynch & Company Inc	6.400	5.452	08/28/2017	1,100	1,144	1,297
Merrill Lynch & Company Inc	6.880	6.034	04/25/2018	650	675	785
Met Life Global Funding I	2.500	2.012	01/11/2013	915	916	918
Met Life Global Funding I	5.130	3.317	04/10/2013	485	489	495
Met Life Global Funding I	5.130	2.455	06/10/2014	315	328	337
Met Life Global Funding I	3.650	3.670	06/14/2018	1,000	999	1,097
Metlife Institutional Funding	1.250	1.254	04/04/2014	250	250	252
Microsoft Corporation	1.630	1.717	09/25/2015	360	359	372
Mondelez International Inc	6.500	3.331	08/11/2017	900	1,024	1,112
Mondelez International Inc	5.380	4.839	02/10/2020	350	361	430
Monsanto Company	5.130	5.008	04/15/2018	160	161	191
Monumental Global Funding	5.500	4.142	04/22/2013	100	101	102
Morgan Stanley	5.300	4.052	03/01/2013	550	552	558
Morgan Stanley	4.750	8.248	04/01/2014	250	239	259
Morgan Stanley	6.000	4.822	05/13/2014	825	839	876
Morgan Stanley	4.200	4.209	11/20/2014	331	331	345
Morgan Stanley	5.450	4.660	01/09/2017	800	824	886
Morgan Stanley	6.250	7.603	08/28/2017	430	407	490
Morgan Stanley	5.950	6.578	12/28/2017	685	666	777
Morgan Stanley	6.630	5.924	04/01/2018	650	671	756
Morgan Stanley	5.630	6.199	09/23/2019	1,310	1,268	1,455
Morgan Stanley	5.750	5.667	01/25/2021	115	116	129
Nabors Industries Inc	9.250	3.889	01/15/2019	195	252	262
National Australia Bank	2.500	2.500	01/08/2013	200	200	201
National Australia Bank	2.750	2.778	09/28/2015	200	200	209
National Australia Bank	3.000	3.060	07/27/2016	500	499	531
National Bank of Canada	1.650	1.659	01/30/2014	451	451	458
National City Bank	5.800	5.680	06/07/2017	850	854	1,011
National Rural Utilities Co-op	5.450	2.605	02/01/2018	195	222	236
National Rural Utilities Co-op	10.380	4.913	11/01/2018	410	524	610
National Semiconductor	6.600	2.140	06/15/2017	430	514	534
Nationwide Mutual Insurance	9.380	7.512	08/15/2039	615	746	892
NBC Universal	5.150	3.184	04/30/2020	200	226	240
NBC Universal	4.380	4.528	04/01/2021	150	148	172
NBC Universal	5.950	5.969	04/01/2041	175	175	218
Nevada Power Company	6.500	2.997	08/01/2018	355	420	451
Nevada Power Company	7.130	5.401	03/15/2019	300	328	393
Nevada Power Company	5.380	5.396	09/15/2040	51	51	64
New York Life Global Fdg	4.650	3.682	05/09/2013	285	286	291
New York Life Global Fdg	3.000	2.610	05/04/2015	515	520	544
News America Inc	7.250	5.514	05/18/2018	64	69	81
News America Inc	8.880	7.615	04/26/2023	450	488	611
News America Inc	7.750	5.876	01/20/2024	150	173	192
News America Inc	7.300	7.225	04/30/2028	250	252	326
News America Inc	6.650	6.115	11/15/2037	125	134	165

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Nextera Energy Capital	1.200	1.242	06/01/2015	39	39	39
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	118
Nippon Telegraph & Telephone	1.400	1.428	07/18/2017	67	67	68
NiSource Finance Corp	6.400	3.049	03/15/2018	750	874	913
NiSource Finance Corp	5.450	3.637	09/15/2020	299	336	355
Nissan Motor Acceptance	4.500	2.640	01/30/2015	500	520	536
Noble Holding International	3.950	3.979	03/15/2022	45	45	48
Nomura Holdings Inc	5.000	2.878	03/04/2015	195	204	206
Nomura Holdings Inc	6.700	6.403	03/04/2020	200	203	231
Nordea Bank AB	4.880	4.938	05/13/2021	355	353	376
Norfolk Southern Corp	2.900	2.882	02/15/2023	738	739	752
Norfolk Southern Corp	3.950	3.950	10/01/2042	103	103	105
Northern States Power- Minn	6.250	5.620	06/01/2036	360	389	508
Northern States Power- Minn	5.350	5.363	11/01/2039	64	64	83
Northern Trust Company	6.500	4.266	08/15/2018	250	278	311
Northern Trust Corp	5.500	4.130	08/15/2013	102	103	106
Northrop Grumman Corp	5.050	3.699	08/01/2019	490	529	571
Nova Scotia Province	9.250	4.643	03/01/2020	200	257	292
Nucor Corporation	5.750	4.303	12/01/2017	242	258	294
Nucor Corporation	5.850	2.906	06/01/2018	615	707	753
Ohio Power Company	6.050	6.649	05/01/2018	205	199	248
Oncor Electric Delivery	6.800	4.102	09/01/2018	615	700	761
Ontario (Province Of)	2.950	2.975	02/05/2015	1,000	999	1,054
Ontario (Province Of)	0.950	0.957	05/26/2015	1,945	1,945	1,964
Ontario (Province Of)	2.700	2.710	06/16/2015	500	500	528
Oracle Corporation	4.950	0.926	04/15/2013	125	127	128
Oracle Corporation	5.750	5.177	04/15/2018	250	257	308
Oracle Corporation	5.000	4.688	07/08/2019	400	407	486
Oracle Corporation	6.500	5.657	04/15/2038	605	673	872
Oracle Corporation	5.380	5.278	07/15/2040	270	274	352
Oversea-Chinese Banking	1.630	1.694	03/13/2015	598	597	604
Paccar Financial Corp	1.550	1.168	09/29/2014	230	232	234
Pacific Gas & Electric Corp	8.250	3.564	10/15/2018	605	755	828
Pacific Gas & Electric Corp	3.250	3.312	09/15/2021	49	49	53
Pacific Life Global Funding	5.150	4.560	04/15/2013	170	170	174
Pacific Life Global Funding	5.000	4.976	05/15/2017	400	400	426
PacifiCorp	5.500	4.874	01/15/2019	350	362	428
PacifiCorp	6.100	5.153	08/01/2036	316	357	433
Parker-Hannifin Corp	3.500	3.059	09/15/2022	600	622	656
PC Financial Partnership	5.000	2.386	11/15/2014	180	189	195
Pennsylvania Electric Co	6.050	3.448	09/01/2017	210	234	244
Pepsico Inc	1.250	1.357	08/13/2017	165	164	167
Pepsico Inc	7.900	4.260	11/01/2018	171	204	233
Petro-Canada	6.050	5.384	05/15/2018	447	461	549
Petro-Canada	6.800	6.466	05/15/2038	225	234	315
Pfizer Inc	4.650	2.187	03/01/2018	205	230	239
PG&E Corp	5.750	5.875	04/01/2014	150	150	160
Pharmacia Corporation	6.500	4.660	12/01/2018	700	768	903
Philips Electronics NV	5.750	3.507	03/11/2018	80	89	97
Philips Electronics NV	7.200	4.879	06/01/2026	180	221	246
Pitney Bowes Inc	4.880	2.626	08/15/2014	200	208	209
Pitney Bowes Inc	5.600	4.431	03/15/2018	100	106	109
PNC Bank NA	6.880	4.989	04/01/2018	250	272	317
PNC Bank NA	2.700	2.701	11/01/2022	400	400	402
PNC Funding Corp	5.250	5.118	11/15/2015	300	301	336
PNC Funding Corp	5.630	3.845	02/01/2017	300	321	349
PNC Funding Corp	5.130	5.150	02/08/2020	160	160	192
Potash Corp-Saskatchewan	3.750	2.830	09/30/2015	500	513	541
Potomac Electric Power	5.400	4.079	06/01/2035	180	215	215
Potomac Electric Power	7.900	5.749	12/15/2038	335	432	547
PPG Industries Inc	7.400	4.939	08/15/2019	260	297	322
PPG Industries Inc	9.000	6.096	05/01/2021	625	744	848
PPL Energy Supply LLC	4.600	4.604	12/15/2021	590	590	646
Praxair Inc	3.950	3.652	06/01/2013	130	130	132

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Praxair Inc	4.380	4.446	03/31/2014	200	200	211
Praxair Inc	5.200	3.733	03/15/2017	510	540	600
Pricoa Global Funding 1	5.450	5.499	06/11/2014	350	350	376
Principal Life Global	5.050	8.354	03/15/2015	500	465	548
Principal Life Inc Fdg	5.100	3.519	04/15/2014	400	409	425
Progress Energy Carolina	5.300	4.589	01/15/2019	200	208	244
Progress Energy Carolina	2.800	2.826	05/15/2022	83	83	87
Progress Energy Inc	6.050	6.115	03/15/2014	150	150	160
Progress Energy Inc	7.750	5.834	03/01/2031	100	121	142
Prudential Insurance Company	8.300	5.843	07/01/2025	650	792	879
PSEG Power LLC	5.130	4.780	04/15/2020	504	515	583
PSEG Power LLC	4.150	4.161	09/15/2021	152	152	166
Public Service Colorado	3.200	3.247	11/15/2020	45	45	50
Public Service Electric & Gas	5.380	5.083	11/01/2039	169	176	218
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	157
Quebec Province	6.350	4.145	01/30/2026	900	1,101	1,220
Rabobank Nederland	3.200	3.310	03/11/2015	500	499	525
Rabobank Nederland	2.130	2.177	10/13/2015	114	114	118
Rabobank Nederland	3.380	3.394	01/19/2017	82	82	88
Rabobank Nederland	4.500	4.534	01/11/2021	219	218	248
Rabobank Nederland	3.880	3.970	02/08/2022	426	423	461
Rabobank Nederland	5.800	6.007	09/30/2110	300	290	356
Republic Services Inc	5.500	3.442	09/15/2019	360	405	427
Republic Services Inc	3.550	3.583	06/01/2022	309	308	327
Rio Tinto Fin USA Ltd	8.950	2.511	05/01/2014	605	662	678
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	637
Royal Bank of Canada	2.300	2.357	07/20/2016	855	853	895
Ryder System Inc	3.600	3.623	03/01/2016	180	180	190
Ryder System Inc	2.500	2.534	03/01/2017	158	158	161
Ryder System Inc	3.500	3.533	06/01/2017	96	96	101
Sabmiller PLC	5.500	2.686	08/15/2013	500	511	520
San Diego Gas & Electric	5.350	5.359	05/15/2040	27	27	35
Sempra Energy	8.900	4.618	11/15/2013	347	362	376
Sempra Energy	6.500	6.539	06/01/2016	100	100	118
Sempra Energy	9.800	5.174	02/15/2019	450	559	639
Sempra Energy	2.880	2.879	10/01/2022	105	105	108
Shell International Fin	1.880	1.916	03/25/2013	75	75	75
Shell International Fin	4.000	3.741	03/21/2014	575	577	604
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	337
Shell International Fin	4.380	4.434	03/25/2020	290	289	343
Shell International Fin	6.380	6.026	12/15/2038	140	146	206
Siemens Financieringsmat	6.130	5.126	08/17/2026	470	516	620
Simon Property Group LP	6.750	6.416	05/15/2014	140	141	151
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	297	376
Simon Property Group LP	6.130	3.184	05/30/2018	455	522	558
Simon Property Group LP	7.380	6.200	06/15/2018	166	175	209
Simon Property Group LP	5.650	4.550	02/01/2020	275	293	331
Southern Cal Edison	4.150	4.153	09/15/2014	100	100	106
Southern Cal Edison	6.050	6.110	03/15/2039	250	248	349
Southern Cal Edison	5.500	5.634	03/15/2040	170	167	223
Southern Company	4.150	3.108	05/15/2014	500	508	527
Southern Company	1.950	1.982	09/01/2016	130	130	135
Southtrust Bank NA	7.690	5.873	05/15/2025	400	464	515
Southwestern Electric Power	6.450	5.261	01/15/2019	115	122	140
Southwestern Public Service	8.750	5.352	12/01/2018	288	338	393
Spectra Energy Capital	6.200	5.546	04/15/2018	445	458	542
Spectra Energy Capital	6.750	8.473	07/15/2018	160	148	190
Spectra Energy Capital	8.000	5.666	10/01/2019	450	509	601
Stadshypotek AB	1.450	1.457	09/30/2013	697	697	703
Stadshypotek AB	1.880	1.938	10/02/2019	332	331	332
Staples Inc	9.750	6.077	01/15/2014	325	339	357

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
State Street Corp	4.300	3.349	05/30/2014	500	507	529
Statoil ASA	3.130	2.282	08/17/2017	692	718	758
Statoil ASA	3.150	3.172	01/23/2022	350	349	377
Suncor Energy Inc	6.500	4.267	06/15/2038	200	269	272
SunTrust Banks Inc	5.250	2.676	11/05/2012	371	371	371
SunTrust Banks Inc	3.600	3.282	04/15/2016	630	636	675
Svenska Handelsbanken AB	3.130	3.127	07/12/2016	494	494	524
Svenska Handelsbanken AB	2.880	2.895	04/04/2017	463	463	489
Talisman Energy	7.750	4.570	06/01/2019	475	560	613
Talisman Energy	5.500	5.629	05/15/2042	450	442	524
Target Corp	7.000	5.065	01/15/2038	440	560	659
TCI Communications Inc	7.880	7.698	02/15/2026	100	101	145
Teco Finance Inc	5.150	2.920	03/15/2020	340	390	398
Telecom Italia Capital	4.950	4.108	09/30/2014	400	406	416
Telecom Italia Capital	7.000	8.462	06/04/2018	100	94	114
Telefonica Emisiones SAU	5.860	3.741	02/04/2013	200	201	202
Telefonica Emisiones SAU	6.420	4.065	06/20/2016	500	539	543
Telefonica Emisiones SAU	6.220	5.141	07/03/2017	300	313	324
Telefonica Emisiones SAU	5.880	5.877	07/15/2019	50	50	53
Telefonica Emisiones SAU	5.460	5.462	02/16/2021	117	117	119
Teva Pharm Fin IV BV	3.650	3.175	11/10/2021	445	461	484
The Mosiac Company	3.750	3.667	11/15/2021	363	365	393
The Mosiac Company	4.880	4.971	11/15/2041	33	33	37
Thomson Reuters Corp	4.700	4.744	10/15/2019	150	150	172
Time Warner Cable Inc	8.250	4.383	02/14/2014	730	765	798
Time Warner Cable Inc	6.750	4.658	07/01/2018	150	165	190
Time Warner Cable Inc	8.750	4.412	02/14/2019	300	371	412
Time Warner Cable Inc	7.300	6.397	07/01/2038	300	334	419
Time Warner Entertainment	8.380	4.362	03/15/2023	225	300	321
Time Warner Entertainment	8.380	6.560	07/15/2033	325	391	483
Toronto-Dominion Bank	2.200	2.140	07/29/2015	1,350	1,352	1,410
Total Capital International SA	1.550	1.589	06/28/2017	112	112	114
Total Capital SA	2.300	2.129	03/15/2016	540	543	566
Total Capital SA	4.130	2.398	01/28/2021	200	226	230
Toyota Motor Credit Corp	3.200	2.095	06/17/2015	70	72	75
Toyota Motor Credit Corp	2.000	2.110	09/15/2016	2,950	2,938	3,059
Trans-Canada Pipelines	6.500	6.574	08/15/2018	250	249	312
Trans-Canada Pipelines	7.130	3.234	01/15/2019	400	487	515
Trans-Canada Pipelines	3.800	2.870	10/01/2020	300	320	338
Trans-Canada Pipelines	7.630	7.632	01/15/2039	50	50	79
Transocean Inc	6.500	6.390	11/15/2020	960	967	1,166
Travelers PPTY Casualty	7.750	5.666	04/15/2026	410	490	578
UBS AG Stamford CT	3.880	3.970	01/15/2015	500	499	530
UBS AG Stamford CT	5.880	5.576	12/20/2017	300	304	355
UBS AG Stamford CT	5.750	4.472	04/25/2018	100	106	118
Union Carbide Corp	7.500	5.809	06/01/2025	250	287	307
Union Pacific Corp	4.160	4.011	07/15/2022	358	362	408
Union Pacific Corp	2.950	2.956	01/15/2023	43	43	45
Union Pacific Corp	5.780	4.235	07/15/2040	310	388	406
Union Pacific Corp	4.300	4.307	06/15/2042	50	50	55
United Mexican States	6.380	3.627	01/16/2013	630	634	637
United Mexican States	4.750	4.839	03/08/2044	364	359	404
United Mexican States	5.750	5.959	10/12/2110	326	315	383
United Technologies Corp	6.130	3.416	02/01/2019	696	800	876
United Technologies Corp	3.100	3.109	06/01/2022	106	106	114
United Technologies Corp	5.400	5.468	05/01/2035	170	169	216
United Technologies Corp	4.500	4.576	06/01/2042	143	141	164
UnitedHealth Group Inc	4.700	2.670	02/15/2021	180	207	209
UnitedHealth Group Inc	6.880	4.161	02/15/2038	380	540	539
UNP RR CO 2003 PASS TRUST	4.700	5.675	01/02/2024	79	75	87
UPS of America Inc	8.380	4.731	04/01/2020	125	153	173
UPS of America Inc	8.380	5.178	04/01/2030	230	305	351
US Bancorp	2.880	2.977	11/20/2014	450	449	471
US Bancorp	2.450	2.059	07/27/2015	456	461	478
US Bancorp	4.130	4.000	05/24/2021	275	277	318

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Verizon Communications Inc	5.550	3.794	02/15/2016	165	174	190
Verizon Communications Inc	5.500	4.897	02/15/2018	720	740	876
Verizon Communications Inc	8.750	4.820	11/01/2018	345	415	481
Verizon Communications Inc	8.950	5.546	03/01/2039	170	250	301
Verizon Communications Inc	7.350	7.564	04/01/2039	400	390	616
Verizon Maryland Inc	7.150	7.864	05/01/2023	400	380	410
Verizon New England Inc	7.880	6.381	11/15/2029	330	381	446
Verizon Pennsylvania	8.350	7.266	12/15/2030	400	443	553
Verizon Virginia Inc	4.630	4.968	03/15/2013	375	375	381
Viacom Inc	4.500	3.263	03/01/2021	340	370	385
Viacom Inc	3.880	4.076	12/15/2021	177	174	194
Viacom Inc	7.880	6.380	07/30/2030	380	440	534
Virginia Electric & Power Co	5.400	4.990	04/30/2018	490	500	597
Vodafone Group	5.750	6.019	03/15/2016	200	198	232
Vodafone Group	5.450	4.869	06/10/2019	369	381	451
Volkswagen Intl Fin NV	1.630	1.728	08/12/2013	100	100	101
Wachovia Bank NA	0.720	2.945	03/15/2016	850	789	837
Wachovia Corp	5.500	4.306	05/01/2013	1,400	1,408	1,435
Wachovia Corp	5.250	2.817	08/01/2014	102	106	109
Wachovia Corp	5.750	5.126	06/15/2017	775	795	927
Wachovia Corp	5.750	5.591	02/01/2018	775	780	935
Wal-Mart Stores Inc	7.550	5.479	02/15/2030	350	430	529
Wal-Mart Stores Inc	5.250	5.736	09/01/2035	425	399	532
Walt Disney Company	3.750	2.223	06/01/2021	330	369	372
Waste Management Inc	7.380	3.806	03/11/2019	437	524	557
Waste Management Inc	4.750	4.596	06/30/2020	622	628	721
WEA Finance/WT Fin Aust	6.750	5.452	09/02/2019	658	706	814
WellPoint Inc	5.880	5.239	06/15/2017	500	512	592
Wells Fargo & Company	5.000	7.000	11/15/2014	100	96	108
Wells Fargo & Company	3.680	3.008	06/15/2016	390	399	423
Wells Fargo & Company	5.630	5.431	12/11/2017	865	872	1,036
Wells Fargo & Company	4.600	4.126	04/01/2021	425	439	489
Wells Fargo Bank NA	4.750	2.821	02/09/2015	565	589	612
Westpac Banking Corp	4.200	2.749	02/27/2015	345	356	371
Westpac Banking Corp	4.880	4.884	11/19/2019	406	406	469
Wisconsin Electric Power	6.000	0.833	04/01/2014	257	276	276
Wisconsin Electric Power	2.950	3.070	09/15/2021	11	11	12
Wyeth LLC	5.500	1.972	02/01/2014	190	198	202
Xcel Energy Inc	4.700	4.741	05/15/2020	45	45	53
Xerox Corporation	6.750	4.601	02/01/2017	191	207	224
Xerox Corporation	2.950	2.732	03/15/2017	230	232	237
Xerox Corporation	5.630	5.438	12/15/2019	350	354	397
XTO Energy Inc	5.500	1.534	06/15/2018	310	376	383
<i>Total Corporate Bonds</i>					253,556	280,478
<i>Corporate Asset Backed Issues</i>						
Academic Laon Funding Trust	1.010	1.061	12/27/2022	518	517	520
AH Mortgage Advance Trust	2.980	3.000	03/13/2013	753	753	757
AH Mortgage Advance Trust	3.370	3.400	05/10/2013	2,334	2,334	2,334
AH Mortgage Advance Trust	2.230	2.250	05/10/2013	723	723	726
AH Mortgage Advance Trust	3.720	3.750	03/13/2014	1,575	1,575	1,618
Ally Auto Receivables Trust	1.110	1.115	11/15/2013	532	532	534
Ally Auto Receivables Trust	1.450	1.458	05/15/2014	52	52	52
Ally Auto Receivables Trust	0.480	0.485	05/15/2014	691	691	691
Ally Auto Receivables Trust	0.450	0.460	07/15/2014	793	793	793
Ally Auto Receivables Trust	1.550	1.576	10/15/2014	357	357	362
Ally Auto Receivables Trust	1.380	1.393	01/15/2015	218	218	220
American Credit Acceptance Rec	1.960	1.970	01/15/2014	25	25	25
American Credit Acceptance Rec	3.040	3.060	10/15/2015	320	320	320
Americredit Auto Receivables	1.050	1.057	11/10/2014	123	123	124
Americredit Auto Receivables	0.840	0.849	11/10/2014	258	258	258
Americredit Auto Receivables	1.140	1.156	04/08/2015	289	289	290
Americredit Auto Receivables	0.490	0.495	04/08/2016	354	354	354
Banc of America Auto Trust	1.310	1.315	07/15/2014	53	53	53
Banc of America Auto Trust	1.940	1.954	06/15/2017	510	510	516

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Bank of America Auto Trust	0.780	0.783	03/15/2015	295	295	297
Bank of America Auto Trust	3.520	3.555	06/15/2016	55	55	55
Bank of America Auto Trust	2.180	2.198	02/15/2017	293	293	295
BXG Receivables Note Trust	2.660	2.675	07/02/2019	325	325	324
Carmax Auto Owner Trust	1.560	1.572	07/15/2014	48	48	48
Carnow Auto Receivables Trust	2.090	2.101	08/15/2013	239	239	239
Chase Funding Mortgage Loan	4.500	6.133	11/25/2034	300	296	305
Chase Funding Mortgage Loan	5.350 A	7.604	11/25/2034	500	471	468
Chase Funding Mortgage Loan	4.280	8.710	11/25/2034	613	565	591
CNH Equipment Trust	0.650	0.651	07/15/2015	354	354	355
CNH Equipment Trust	1.200	1.209	05/16/2016	349	349	351
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	331
CPS Auto Trust	3.680	2.514	05/16/2016	313	319	321
CPS Auto Trust	4.210	4.249	09/15/2016	408	408	427
CPS Auto Trust	2.780	2.802	11/15/2016	271	271	272
CPS Auto Trust	2.520	2.540	03/15/2017	1,152	1,152	1,157
CPS Auto Trust	1.820	1.857	06/15/2017	624	624	624
Credit Acceptance Auto Loan	1.520	1.532	03/16/2020	453	453	453
Exeter Auto Receivables Trust	1.300	1.312	06/15/2017	625	625	625
First Investors Auto Owner Tst	1.470	1.478	05/15/2018	300	300	301
Ford Credit Auto Owner Trust	4.500	4.548	07/15/2014	197	197	200
GE Equipment Transportation	0.470	0.477	05/27/2014	242	242	242
HLSS Servicer Advance Receiv	1.340	1.350	10/15/2013	464	464	464
HLSS Servicer Advance Receiv	1.990	2.000	10/15/2015	438	438	438
Honda Auto Receivables Trust	0.770	0.774	03/16/2015	189	189	190
Honda Auto Receivables Trust	3.300	3.329	09/15/2015	144	144	144
Honda Auto Receivables Trust	0.970	0.972	03/16/2016	68	68	69
Huntington Auto Trust	0.810	0.824	05/15/2015	308	308	310
Huntington Auto Trust	1.010	1.016	01/15/2016	400	400	402
Huntington Auto Trust	1.310	1.313	11/15/2016	400	400	406
Hyuandai Auto Receivables Trst	0.970	0.984	11/15/2013	204	204	204
Hyuandai Auto Receivables Trst	1.630	1.638	07/15/2015	400	400	408
Hyuandai Auto Receivables Trust	0.720	0.726	03/15/2016	346	346	347
John Deere Owner Trust	0.430	0.434	04/15/2014	220	220	220
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	292
LAI Vehicle Lease Securitized	2.550	2.672	09/15/2016	189	188	189
Macquarie Equipment Fdg Trust	0.610	0.614	10/20/2014	1,000	1,000	999
Mercedes-Benz Auto Rec Trust	1.420	1.433	07/15/2013	74	74	74
Mercedes-Benz Auto Rec Trust	0.850	0.853	03/15/2014	273	273	274
Mercedes-Benz Auto Receivables	0.370	0.378	03/15/2014	207	207	207
NCUA Guaranteed Notes	0.570 A	0.569	12/07/2020	224	224	225
Newcastle Investment Trust	2.450	2.446	12/10/2033	194	193	196
Nissan Auto Receivables Trust	0.870	0.878	07/15/2014	196	196	197
Nissan Auto Receivables Trust	1.310	1.319	09/15/2016	300	300	303
Park Place Securities Inc	0.840	1.152	10/25/2034	932	887	911
Residential Asset Mtg Prod	0.550	11.181	10/25/2035	600	589	554
Residential Asset Mtg Prod	0.510	9.403	03/25/2036	1,300	1,175	1,145
Residential Asset Sec Corp	0.580	6.232	10/25/2035	337	337	329
Resort Finance Timeshare	6.250 A	6.330	07/05/2018	1,327	1,327	1,327
Resort Finance Timeshare Recv	5.750 A	5.819	09/05/2018	944	944	944
Santander Drive Auto Rec Trust	2.060	2.070	08/15/2013	123	123	124
Santander Drive Auto Rec Trust	1.080	1.084	04/15/2016	132	132	133
Santander Drive Auto Rec Trust	2.390	1.421	06/15/2017	400	404	410
Santander Drive Auto Recv Trst	0.570	0.574	12/15/2015	158	158	158
Santander Drive Auto Recv Trst	0.830	0.834	12/15/2016	120	120	121
Saxon Asset Securities Trust	4.790 A	4.566	06/25/2033	259	263	259
SNAAC Auto Receivables Trust	1.780	1.794	09/15/2014	194	194	194
Springleaf Mortgage Loan Trust	2.670	2.593	09/25/2057	394	394	399
Springleaf Mortgage Loan Trust	6.000	7.970	09/25/2057	650	592	642
Stanwich Mortgage Loan Trust	2.980	3.000	09/15/2042	843	843	843
Toyota Auto Rec Owner Trust	0.770	0.775	04/15/2014	311	311	311
Trafigura Securitisation Fin	2.610	2.628	04/15/2015	1,190	1,190	1,202
USAA Auto Owner Trust	0.380	0.390	06/15/2015	103	103	103

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
USAA Auto Owner Trust	2.530	2.544	07/15/2015	232	232	234
Westgate Resorts	4.500	4.386	09/20/2015	1,091	1,091	1,102
Westgate Resorts	3.000	2.915	01/20/2025	900	900	902
Westlake Auto Receivables Trst	1.490	1.496	06/16/2014	230	230	231
<i>Total Corporate Asset Backed Issues</i>					38,367	38,594
<i>Corporate CMO</i>						
A10 Securitization	3.490	3.518	04/15/2024	944	944	949
AH Mortgage Advance Trust	3.270	3.306	09/15/2013	1,334	1,334	1,351
AH Mortgage Advance Trust	6.900	7.000	09/15/2013	500	500	500
American General Mortgage Loan	5.150	3.581	03/25/2040	415	421	429
American General Mortgage Loan	5.750	4.067	09/25/2048	1,232	1,235	1,237
American General Mortgage Loan	5.750	4.878	09/25/2048	1,100	1,102	1,111
American General Mortgage Loan	5.750	8.297	09/25/2048	1,300	1,258	1,327
ASG Resecuritization Trust	5.130 A	5.092	05/24/2036	400	400	411
ASG Resecuritization Trust	5.130 A	9.781	05/24/2036	615	592	626
ASG Resecuritization Trust	0.410 A	0.928	10/28/2036	249	242	247
ASG Resecuritization Trust	2.580 A	6.672	03/26/2037	1,139	1,091	1,140
ASG Resecuritization Trust	2.470 A	11.835	06/26/2037	648	533	646
ASG Resecuritization Trust	6.000	9.714	06/28/2037	851	851	875
Banc of Amer Altern Loan Trust	5.000	4.723	09/25/2018	389	390	398
Banc of Amer Altern Loan Trust	5.500	7.384	02/25/2019	372	356	379
Banc of Amer Altern Loan Trust	5.500	5.566	09/25/2019	243	243	247
Banc of Amer Altern Loan Trust	5.500	8.324	09/25/2033	272	243	277
Banc of Amer Altern Loan Trust	5.500	5.699	11/25/2033	275	273	281
Banc of Amer Altern Loan Trust	6.000	6.644	01/25/2034	299	290	311
Banc of Amer Altern Loan Trust	6.000	6.659	01/25/2034	484	467	506
Banc of America Commercial Mtg	5.410	2.847	09/10/2016	450	486	513
Banc of America Commercial Mtg	4.670	5.024	07/10/2043	400	397	438
Banc of America Commercial Mtg	4.730	7.964	07/10/2043	600	555	642
Banc of America Commercial Mtg	5.890	6.051	07/10/2044	1,000	996	1,145
Banc of America Commercial Mtg	5.370	10.517	09/10/2045	660	578	744
Banc of America Commercial Mtg	5.120	5.057	10/10/2045	230	230	257
Banc of America Commercial Mtg	5.630	6.516	07/10/2046	700	684	804
Banc of America Funding Corp	5.500	5.704	10/25/2034	700	694	717
Banc of America Funding Corp	5.060 A	5.445	12/20/2034	205	203	206
Banc of America Funding Corp	5.360 A	4.600	02/26/2035	764	794	811
Banc of America Mortgage Sec	0.660	1.627	08/25/2018	199	195	190
Banc of America Mortgage Sec	5.000	3.903	04/25/2019	110	112	113
Banc of America Mortgage Sec	6.500	6.781	09/25/2032	178	176	188
Banc of America Mortgage Sec	3.090 A	3.242	04/25/2033	299	297	306
Banc of America Mortgage Sec	5.500	4.676	05/25/2033	646	654	666
Banc of America Mortgage Sec	3.130 A	3.126	06/25/2033	283	283	286
Banc of America Mortgage Sec	3.140 A	3.259	04/25/2034	845	839	849
Banc of America Mortgage Sec	5.500	2.968	04/25/2034	1,400	1,456	1,431
Bank of America Corp	5.750	10.175	09/20/2034	380	336	400
BCAP LLC Trust	5.190 A	4.678	05/26/2013	204	204	204
BCAP LLC Trust	5.500	7.003	11/26/2034	802	762	825
BCAP LLC Trust	5.000 A	4.360	04/26/2035	288	290	282
BCAP LLC Trust	1.010	3.704	01/26/2036	329	300	313
BCAP LLC Trust	5.250	5.230	05/26/2037	2	2	2
BCAP LLC Trust	4.930 A	5.789	05/26/2037	867	857	857
BCAP LLC Trust	5.750	6.038	06/26/2037	565	558	576
BCAP LLC Trust	2.690 A	1.956	07/26/2045	1,088	1,105	1,031
Bear Stearns Adj Rate Mortgage	4.990 A	4.836	07/25/2033	273	274	278
Bear Stearns Adj Rate Mortgage	5.090 A	4.826	05/25/2034	227	229	234
Bear Stearns Adj Rate Mortgage	2.240 A	2.854	08/25/2035	404	391	407
Bear Stearns Commercial Mtg	5.450 A	4.655	03/11/2039	235	238	266
Bear Stearns Commercial Mtg	0.250 A	7.828	06/11/2041	13,863	206	191
Bear Stearns Commercial Mtg	5.470	2.094	06/11/2041	431	449	457
Bear Stearns Commercial Mtg	5.540	10.089	10/12/2041	300	267	348
Chase Mortgage Finance Corp	3.000 A	3.378	02/25/2037	754	740	771
Chase Mortgage Finance Corp	2.980 A	3.043	02/25/2037	190	190	194
Chase Mortgage Finance Corp	3.080 A	4.360	07/25/2037	495	460	492
Citicorp Mortgage Securities	5.500	3.155	06/25/2034	604	631	633

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
Citigroup Commercial Mortgage	4.830 A	4.789	05/15/2043	400	400	428
Citigroup Mortgage Loan Trust	5.250	15.896	10/25/2033	337	278	345
Citigroup Mortgage Loan Trust	5.080 A	4.800	08/25/2034	160	160	163
Citigroup Mortgage Loan Trust	2.610 A	2.724	02/25/2035	298	297	304
Citigroup Mortgage Loan Trust	5.500	5.480	05/25/2035	366	366	375
Citigroup Mortgage Loan Trust	6.000	9.864	06/25/2036	850	782	894
Citigroup Mortgage Loan Trust	4.000	2.841	11/25/2036	2,447	2,489	2,522
Citigroup Mortgage Loan Trust	4.500	2.848	12/25/2036	2,660	2,727	2,769
Citigroup Mortgage Loan Trust	3.030 A	2.473	11/25/2038	833	836	850
Citigroup/Deutsche Bank Commer	0.080 A	1.733	01/15/2046	71,620	197	136
Citigroup/Deutsche Bank Commer	0.150 A	7.312	12/11/2049	40,610	343	315
Commercial Mortgage Pass-Thru	4.980	9.224	05/10/2043	1,000	928	1,099
Commercial Mortgage Pass-Thru	1.980 A	2.536	08/15/2045	1,024	127	132
Countrywide Home Loans	4.500	5.608	06/25/2019	324	316	329
Countrywide Home Loans	5.000	6.294	10/25/2033	700	670	725
Countrywide Home Loans	5.250	5.884	04/25/2034	1,262	1,233	1,304
Credit Suisse Mortgage Capital	5.500	5.500	10/27/2035	10	10	10
Credit Suisse Mortgage Capital	3.250	3.164	07/27/2037	864	866	866
Credit Suisse Mortgage Capital	1.450 A	0.920	10/26/2037	74	74	73
Credit Suisse Mortgage Capital	5.670	5.705	03/15/2039	500	499	563
Credit Suisse Mortgage Capital	1.220 A	1.819	02/27/2047	1,288	1,284	1,284
Credit Suisse Mortgage Capital	1.210	7.448	06/28/2047	1,250	1,188	1,188
Credit Suisse Mortgage Capital	3.860 A	7.943	06/25/2050	300	282	289
CS First Boston Mortgage Sec	3.000 A	3.892	06/25/2033	493	474	474
CS First Boston Mortgage Sec	5.250	6.159	11/25/2033	1,041	1,019	1,072
CS First Boston Mortgage Sec	5.500	3.185	09/25/2034	628	661	672
CS First Boston Mortgage Sec	5.500	3.906	12/25/2034	703	736	739
CS First Boston Mortgage Sec	18.250 A	19.643	06/25/2035	43	42	44
CS First Boston Mortgage Sec	4.730	4.846	07/15/2037	400	399	432
CW Capital Cobalt	5.220	2.745	08/15/2048	245	266	275
DBRR Trust	0.950	0.769	09/25/2045	247	247	247
Deutsche ALT-A Sec Inc Mtg	5.620 A	5.877	02/25/2020	250	247	257
Deutsche Mortgage Securities	0.350 A	8.606	04/26/2037	345	345	336
First Horizon Mortgage Ps Thru	4.500	4.426	09/25/2018	418	418	431
Fontainebleau Miami Beach Trst	2.890	2.898	05/05/2017	841	841	867
GE Capital Commercial Mortgage	4.830	4.279	06/10/2048	1,000	1,011	1,053
GE Capital Commercial Mortgage	4.850	4.385	06/10/2048	500	505	496
GMAC Commercial Mortgage Sec	5.240	10.435	11/10/2045	1,810	1,588	2,008
GMAC Mortgage Corp Loan Trust	5.000	4.356	01/25/2020	253	256	260
GMAC Mortgage Corp Loan Trust	3.420 A	4.367	10/19/2033	721	694	742
GMAC Mortgage Corp Loan Trust	5.000	6.078	10/25/2033	391	376	393
GMAC Mortgage Corp Loan Trust	5.000	8.437	11/25/2033	698	646	728
GMAC Mortgage Corp Loan Trust	3.390 A	3.705	12/19/2033	1,165	1,148	1,182
GMAC Mortgage Corp Loan Trust	6.500	5.698	01/25/2035	495	509	510
Greenwich Capital Comm Funding	4.860 A	5.694	01/10/2015	210	206	223
GS Mortgage Securities Corp	5.550	9.300	04/10/2038	1,000	905	1,132
GSR Mortgage Loan Trust	6.000	7.170	09/25/2034	708	679	740
GSR Mortgage Loan Trust	0.560	7.754	03/25/2035	529	339	439
GSR Mortgage Loan Trust	0.710	4.015	06/25/2035	181	164	172
GSR Mortgage Loan Trust	5.500	10.943	01/25/2037	93	79	96
Household Home Equity Loan Tst	0.480	4.310	01/20/2035	186	166	181
Household Home Equity Loan Tst	0.700	5.078	01/20/2035	372	325	344
Household Home Equity Loan Tst	0.370	4.261	01/20/2036	386	340	376
Household Home Equity Loan Tst	0.360	3.078	03/20/2036	329	299	321
Household Home Equity Loan Tst	0.410	1.563	03/20/2036	219	198	210
Household Home Equity Loan Tst	5.600	5.193	03/20/2036	271	271	273
Household Home Equity Loan Tst	1.410	4.130	11/20/2036	494	430	486
IMPAC CMB Trust	0.510	2.973	05/25/2035	398	358	392
IMPAC Secured Assets Corp	5.500	6.772	08/25/2033	611	575	641
IMPAC Secured Assets Corp	0.560	3.113	05/25/2036	494	427	489
IMPAC Secured Assets Corp	0.560	6.100	08/25/2036	812	716	818
JP Morgan Chase Commercial Mtg	5.590 A	2.219	07/12/2014	700	733	751
JP Morgan Chase Commercial Mtg	5.360 A	4.223	08/12/2037	700	718	753
JP Morgan Chase Commercial Mtg	4.400	2.085	01/12/2039	700	717	728
JP Morgan Chase Commercial Mtg	5.550	3.506	05/12/2045	500	534	577

A - Adjustable rate security.

See accompanying notes to financial statements.



# Core Fixed Income Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
JP Morgan Chase Commercial Mtg	5.400	9.292	05/15/2045	950	844	1,096
JP Morgan Chase Commercial Mtg	0.370	5.236	05/15/2047	800	759	762
JP Morgan Mortgage Trust	2.860 A	2.991	11/25/2033	1,070	1,061	1,083
JP Morgan Mortgage Trust	3.010 A	4.064	08/25/2034	1,387	1,324	1,400
JP Morgan Mortgage Trust	5.000 A	4.933	02/25/2035	881	881	906
JP Morgan Mortgage Trust	4.430 A	3.628	02/25/2035	33	33	33
JP Morgan Mortgage Trust	2.980 A	2.928	07/25/2035	817	818	838
JP Morgan Re-REMIC	1.870 A	1.759	08/26/2035	412	412	408
Lake Country Mortgage Loan Tst	0.560	2.155	07/25/2034	524	502	517
LB-UBS Commercial Mortgage Tst	5.160	7.515	01/15/2016	300	284	337
LB-UBS Commercial Mortgage Tst	4.370	2.169	03/15/2036	598	613	624
LB-UBS Commercial Mortgage Tst	0.140 A	5.490	02/15/2041	23,687	215	243
Master Adjustable Rate Mtgage	2.630 A	5.161	11/21/2034	136	135	137
Master Adjustable Rate Mtgage	2.630 A	2.798	11/21/2034	1,350	1,337	1,381
Master Reperforming Loan Trust	0.560	6.895	05/25/2035	740	499	584
Master Resecuritization Trust	13.630	27.582	05/28/2035	386	215	309
MASTR Asset Securitization	5.500	10.908	09/25/2033	108	95	112
MASTR Asset Securitization	5.250	3.842	12/25/2033	1,117	1,151	1,165
Merrill Lynch Mortgage Invest	2.750 A	3.351	07/25/2033	159	155	163
Merrill Lynch Mortgage Trust	5.690 A	5.367	05/12/2039	260	262	299
Merrill Lynch/Countrywide Comm	0.190 A	6.020	12/12/2049	15,402	182	191
MLCC Mortgage Investors Inc	0.900	3.456	04/25/2029	388	325	364
MLCC Mortgage Investors Inc	1.430	3.293	08/25/2029	407	378	393
MLCC Mortgage Investors Inc	2.580 A	2.922	08/25/2034	274	269	278
MLCC Mortgage Investors Inc	2.520 A	2.963	12/25/2034	587	572	604
Morgan Stanley Capital I	4.050	3.906	06/15/2021	340	343	382
Morgan Stanley Capital I	5.650 A	5.623	06/11/2042	250	250	297
Morgan Stanley Capital I	0.130 A	6.046	12/15/2043	14,951	183	209
Morgan Stanley Capital I	0.230 A	12.785	02/12/2044	42,477	319	265
Morgan Stanley Capital Inc	0.960 A	5.799	01/25/2035	43	38	43
Morgan Stanley Mortgage Loan	5.670 A	5.263	04/25/2034	304	309	310
Morgan Stanley Mortgage Loan	5.500	23.487	08/25/2034	4,164	501	494
Morgan Stanley Reremic Trust	2.000	1.853	09/27/2017	2,252	2,257	2,272
Morgan Stanley Reremic Trust	0.250	6.841	03/27/2019	400	277	280
Morgan Stanley Re-REMIC Trust	4.970	2.440	04/16/2040	1,400	1,437	1,479
Morgan Stanley Re-REMIC Trust	3.000	2.636	07/17/2056	72	72	72
Morgan Stanley Re-REMIC Trust	5.000	3.111	07/17/2056	1,450	1,461	1,482
NCUA Guaranteed Notes	2.650	2.866	01/01/2018	3,425	3,406	3,603
NCUA Guaranteed Notes	2.900	1.547	10/29/2020	1,100	1,167	1,172
NCUA Guaranteed Notes	0.770 A	0.770	12/08/2020	858	858	862
NCUA Guaranteed Notes	2.400	2.461	12/08/2020	437	436	448
Northstar Mortgage Trust	1.410	1.467	04/25/2015	818	817	817
Prime Mortgage Trust	6.000	5.261	02/25/2034	250	256	263
RBSSP Resecuritization Trust	6.500	3.789	02/26/2036	579	588	621
RBSSP Resecuritization Trust	4.000	4.230	05/26/2037	398	395	394
Residential Accredit Loans	16.180	16.592	10/25/2017	138	138	156
Residential Accredit Loans	0.860	3.156	07/25/2033	418	375	379
Residential Accredit Loans	5.500	5.536	08/25/2033	661	661	683
Residential Accredit Loans	5.750	7.409	10/25/2033	458	429	476
Residential Accredit Loans	5.500	13.881	05/25/2034	1,587	1,115	1,466
Residential Funding Mtg Sec I	5.500	1.445	05/25/2022	506	509	507
Salomon Brothers Mortgage Sec	3.950 A	9.679	04/25/2032	180	156	177
Salomon Brothers Mortgage Sec	3.100 A	3.813	09/25/2033	621	603	630
Springleaf Mortgage Loan Trust	2.220	2.222	10/25/2057	918	918	923
Springleaf Mortgage Loan Trust	6.000	6.290	10/25/2057	600	583	580
Springleaf Mortgage Loan Trust	4.050 A	4.006	01/25/2058	924	923	952
Springleaf Mortgage Loan Trust	5.450	5.625	01/25/2058	1,000	989	1,054
Springleaf Mortgage Loan Trust	1.570	1.523	12/25/2059	1,289	1,288	1,288
Springleaf Mortgage Loan Trust	2.660	2.640	12/25/2059	308	308	308
Springleaf Mortgage Loan Trust	3.560	3.540	12/25/2059	235	235	235
Springleaf Mortgage Loan Trust	4.440	4.424	12/25/2059	177	177	177
Springleaf Mortgage Loan Trust	5.300	5.299	12/25/2059	121	121	121
Structured Asset Investment	0.480 A	7.432	06/25/2035	213	213	212
Structured Asset Mortgage Inv	0.000	8.871	07/25/2032	161	112	158
Structured Asset Mortgage Inv	0.870 A	2.068	10/19/2034	595	541	565

A - Adjustable rate security.

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments in Securities - Unaudited (continued) October 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	293	271	288
Structured Asset Securities Co	0.710	7.832	06/25/2033	426	394	411
Structured Asset Securities Co	5.500	6.017	10/25/2033	614	601	621
Structured Asset Securities Co	5.330 A	5.679	11/25/2033	163	161	173
Structured Asset Securities Co	4.990 A	5.097	12/25/2033	238	237	244
Structured Asset Securities Co	5.540	6.371	12/25/2033	1,082	1,040	1,078
Structured Asset Securities Co	5.550 A	6.291	03/25/2034	570	551	573
Structured Asset Securities Co	4.690 A	4.481	02/25/2035	1,027	1,037	1,017
Structured Asset Securities Co	5.000	13.553	05/25/2035	160	123	160
Thornburg Mtg Securities Trust	0.850	2.331	09/25/2043	635	591	631
TIAA Seasoned Commercial Mtg	5.580 A	5.044	08/15/2039	2,500	2,515	2,657
UBS-BAMLL Trust	3.660	3.439	06/10/2022	578	589	621
Vendee Mortgage Trust	6.750	5.797	06/15/2026	682	716	805
Vendee Mortgage Trust	6.750	4.201	06/15/2028	564	637	685
Vericrest Opportunity Loan	4.210	4.250	03/25/2049	119	119	120
Volt 12-RPLI LLC	4.950	5.000	03/25/2049	1,902	1,901	1,901
Wachovia Bank Comm Mtg Trust	5.210	2.725	01/15/2041	652	680	691
Wachovia Bank Comm Mtg Trust	5.740 A	8.068	05/15/2043	1,440	1,348	1,653
WAMU Mortgage Pass-Through Cer	5.500	5.566	08/25/2019	500	498	522
WAMU Mortgage Pass-Through Cer	2.320 A	2.953	08/25/2033	213	206	213
WAMU Mortgage Pass-Through Cer	2.460 A	2.612	08/25/2033	237	235	242
WAMU Mortgage Pass-Through Cer	2.450 A	2.682	09/25/2033	828	819	845
WAMU Mortgage Pass-Through Cer	2.540 A	2.837	09/25/2033	330	323	332
WAMU Mortgage Pass-Through Cer	5.250	7.957	10/25/2033	1,828	1,706	1,916
WAMU Mortgage Pass-Through Cer	16.470	15.854	11/25/2033	69	70	70
WAMU Mortgage Pass-Through Cer	0.610	2.667	03/25/2034	132	130	129
WAMU Mortgage Pass-Through Cer	2.580 A	4.056	06/25/2034	225	209	229
WAMU Mortgage Pass-Through Cer	2.580 A	2.654	06/25/2034	562	559	572
WAMU Mortgage Pass-Through Cer	5.500	6.196	06/25/2034	873	844	919
WAMU Mortgage Pass-Through Cer	5.000	3.468	07/25/2034	520	536	536
Washington Mutual MSC Mortgage	0.000	17.440	07/25/2033	162	106	132
Washington Mutual MSC Mortgage	5.500	45.091	05/25/2035	641	56	175
Wells Fargo Mortgage Backed	4.750	4.542	12/25/2018	661	662	684
Wells Fargo Mortgage Backed	5.000	3.504	01/25/2020	245	251	257
Wells Fargo Mortgage Backed	5.000	3.931	11/25/2020	188	191	199
Wells Fargo Mortgage Backed	4.440 A	4.573	11/25/2033	647	643	664
Wells Fargo Mortgage Backed	4.740 A	2.613	12/25/2033	193	194	197
Wells Fargo Mortgage Backed	4.970 A	4.741	02/25/2034	351	352	363
Wells Fargo Mortgage Backed	2.620 A	4.054	09/25/2034	1,340	1,256	1,353
Wells Fargo Mortgage Backed	2.800 A	3.883	10/25/2034	519	492	525
Wells Fargo Mortgage Backed	2.650 A	3.368	10/25/2034	457	444	467
Wells Fargo Mortgage Backed	2.650 A	4.941	10/25/2034	314	288	324
Wells Fargo Mortgage Backed	2.630 A	4.140	12/25/2034	658	620	678
Wells Fargo Mortgage Backed	3.040 A	6.760	12/25/2034	304	272	315
Wells Fargo Mortgage Backed	2.630 A	3.972	12/25/2034	439	416	452
Wells Fargo Mortgage Backed	3.040 A	3.800	12/25/2034	304	298	316
Wells Fargo Mortgage Backed	2.730 A	3.818	06/25/2035	170	162	172
Wells Fargo Mortgage Loan Trst	2.850 A	2.725	08/27/2037	423	423	423
Wells Fargo Reremic Trust	1.750	1.918	04/20/2017	793	790	792
WF-RBS Commercial Mortgage Tst	4.380	4.266	05/15/2021	600	605	688
WF-RBS Commercial Mortgage Tst	3.440	3.324	01/15/2022	400	404	436
<i>Total Corporate CMO</i>					136,498	144,143
Total Corporate Issues - 37.6%					428,421	463,215
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund - 2.0%				24,437,173	24,437	24,437
Total Investment Securities - 99.7%					\$ 1,129,315	\$ 1,225,990
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund					\$ 36,906	\$ 36,906
Mellon SL DBT II Liquidating Fund					285	278
Total Collateral for Securities Loaned					\$ 37,191	\$ 37,184

A - Adjustable rate security.

See accompanying notes to financial statements.



## Core Fixed Income Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 4,344	\$ 17,534
Dividends	2	7
Net amortization	(748)	(2,387)
Securities lending income	10	33
<b>Total investment income</b>	3,608	15,187
<b>Expenses</b>		
Investment advisor fees	(148)	(615)
Trustee fees	-	(1)
Custodian bank fees	(5)	(22)
Management fees	(31)	(124)
Fiduciary bond fees	-	(1)
Professional service fees	(6)	(25)
Securities lending agent fees	(1)	(4)
Securities lending borrower rebates	(2)	(5)
<b>Total expenses</b>	(193)	(797)
<b>Investment income, net</b>	3,415	14,390
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	341	1,678
Net increase (decrease) in the fair value of investments	(857)	9,244
<b>Net gain (loss) from investments</b>	(516)	10,922
<b>Net increase in net assets from operations</b>	\$ 2,899	\$ 25,312

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

	Month	Year To Date
<b>Operations</b>		
Investment income, net	\$ 3,415	\$ 14,390
Net realized gain from investments	341	1,678
Net increase (decrease) in the fair value of investments	(857)	9,244
<b>Net increase in net assets from operations</b>	2,899	25,312
<b>Distributions to unitholders</b>		
Investment income, net	(3,415)	(14,390)
<b>Unit transactions</b>		
Proceeds from sale of units	1,173	42,826
Reinvestment of distributions	2,990	14,122
	4,163	56,948
Amount paid for repurchase of units	(17,109)	(41,736)
<b>Net increase (decrease) in net assets from unit transactions</b>	(12,946)	15,212
<b>Increase (decrease) in net assets</b>	(13,462)	26,134
<b>Net assets, beginning of period</b>	1,242,802	1,203,206
<b>Net assets, end of period</b>	\$ 1,229,340	\$ 1,229,340
<b>Unit data</b>		
Units sold	102,382	3,741,130
Units issued from reinvestment of distributions	261,002	1,235,526
	363,384	4,976,656
Units repurchased	(1,493,308)	(3,658,556)
<b>Net increase (decrease) in units</b>	(1,129,924)	1,318,100

*\*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 October 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 October 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Corporate issues	\$ -	\$ 463,215	\$ -	\$ 463,215
Municipal bonds	-	5,856	-	5,856
Regulated investment companies	-	24,437	-	24,437
Securities lending collateral funds	-	37,184	-	37,184
U.S. government agency issues	-	452,179	-	452,179
U.S. Treasury issues	-	280,303	-	280,303
Total	<u>\$ -</u>	<u>\$ 1,263,174</u>	<u>\$ -</u>	<u>\$ 1,263,174</u>

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

Fair value of securities on loan	\$	116,324		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
Cash	\$	<u>37,191</u>	\$ 37,184	\$ (7)
Non-cash			<u>81,532</u>	
Total			<u>\$ 118,716</u>	

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$	11.35
Income from investment operations:		
Net investment income		0.13
Net realized and unrealized gain on investment transactions		<u>0.10</u>
Total from investment operations		0.23
Less distributions from net investment income		<u>(0.13)</u>
Net asset value at October 31, 2012	\$	<u>11.45</u>

**Time-weighted Total Return \*** 2.1%

#### Supplemental Data:

Net assets, end of period	\$	1,229,340
Ratio to average net assets:		
Expenses **		0.19%
Net investment income **		3.53%
Portfolio turnover rate		5.40%

\* 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 October 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	\$ 317,005
Public Employees' Retirement System	294,394
Workers' Compensation Old Fund	201,881
Revenue Shortfall Reserve Fund	80,516
Revenue Shortfall Reserve Fund - Part B	76,803
West Virginia Retiree Health Benefit Trust	54,680
Coal Workers' Pneumoconiosis Fund	40,632
West Virginia Prepaid Tuition Trust Fund	39,986
Public Employees Insurance Agency	39,234
State Police Death, Disability and Retirement Fund	31,244
Board of Risk and Insurance Management	20,978
Judges' Retirement System	8,494
Deputy Sheriff's Retirement System	8,217
State Police Retirement System	5,802
Wildlife Endowment Fund	2,802
Emergency Medical Services Retirement System	2,511
Workers' Compensation Self-Insured Guaranty Risk Pool	1,776
Workers' Compensation Uninsured Employers' Fund	1,295
West Virginia Department of Environmental Protection Trust	591
AccessWV	482
Municipal Police Officers' and Firefighters' Retirement System	17
Total	<u>\$ 1,229,340</u>





**Financial Statements - Unaudited**

**October 31, 2012**



# TIPS Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Notes to Financial Statements	5

# TIPS Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	763,141
Receivables:		
Accrued interest		2,310
Investments sold		13,231
Securities lending income		<u>26</u>
<b>Total assets</b>		<b>778,708</b>

### Liabilities

Accrued expenses		77
Payable for investments purchased		<u>14,602</u>
<b>Total liabilities</b>		<b><u>14,679</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>764,029</u></u></b>

### Analysis of net assets

Paid-in capital	\$	661,656
Accumulated undistributed net investment income		1,478
Accumulated undistributed net realized gain from investments		32,674
Unrealized net appreciation of investments		<u>68,221</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>764,029</u></u></b>

### Unit data

Units outstanding		67,111,687
Net asset value, unit price	\$	<u><u>11.38</u></u>

See accompanying notes to financial statements.

# TIPS Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value Shares	Amortized Cost	Fair Value
<b>U.S. Treasury Issues</b>						
United States Treasury	2.000 %	(0.570) %	01/15/2014	18,731	\$ 24,053	\$ 24,237
United States Treasury	1.250	(0.550)	04/15/2014	13,948	15,566	15,708
United States Treasury	2.000	(0.600)	07/15/2014	17,383	22,136	22,517
United States Treasury	1.630	(0.442)	01/15/2015	17,198	21,647	22,102
United States Treasury	0.500	(0.459)	04/15/2015	19,424	21,121	21,575
United States Treasury	1.880	(0.405)	07/15/2015	15,223	19,147	19,718
United States Treasury	2.000	(0.175)	01/15/2016	15,082	18,692	19,476
United States Treasury	0.130	(0.796)	04/15/2016	34,760	37,430	38,258
United States Treasury	2.500	(0.128)	07/15/2016	15,485	19,352	20,397
United States Treasury	2.380	0.038	01/15/2017	13,409	16,789	17,872
United States Treasury	0.130	(1.357)	04/15/2017	27,443	29,730	29,871
United States Treasury	2.630	(0.166)	07/15/2017	11,814	14,857	15,789
United States Treasury	1.630	0.185	01/15/2018	12,611	14,880	16,163
United States Treasury	1.380	0.223	07/15/2018	12,803	14,554	15,986
United States Treasury	2.130	0.332	01/15/2019	11,882	14,134	15,606
United States Treasury	1.880	0.375	07/15/2019	13,401	15,872	17,701
United States Treasury	1.380	0.465	01/15/2020	16,459	18,641	20,932
United States Treasury	1.250	0.432	07/15/2020	25,509	28,594	32,160
United States Treasury	1.130	0.782	01/15/2021	29,299	31,656	36,521
United States Treasury	0.630	0.114	07/15/2021	32,017	34,157	37,492
United States Treasury	0.130	(0.339)	01/15/2022	35,479	37,666	39,538
United States Treasury	0.130	(0.746)	07/15/2022	25,614	27,913	28,114
United States Treasury	2.380	1.014	01/15/2025	19,654	27,659	32,886
United States Treasury	2.000	1.081	01/15/2026	15,064	19,395	23,247
United States Treasury	2.380	0.985	01/15/2027	12,289	16,584	19,615
United States Treasury	1.750	1.178	01/15/2028	12,804	15,160	18,491
United States Treasury	3.630	1.310	04/15/2028	10,595	19,929	24,304
United States Treasury	2.500	1.039	01/15/2029	12,686	16,518	19,756
United States Treasury	3.880	1.293	04/15/2029	12,795	24,666	30,194
United States Treasury	3.380	1.306	04/15/2032	4,215	7,371	9,191
United States Treasury	2.130	1.356	02/15/2040	7,984	9,958	12,709
United States Treasury	2.130	1.434	02/15/2041	12,837	15,598	20,303
United States Treasury	0.750	0.509	02/15/2042	19,990	21,552	22,769
Total U.S. Treasury Issues - 99.6%					692,977	761,198
<b>Short-term Issues</b>						
Dreyfus Cash Management Institutional Fund - 0.3%				1,943,040	1,943	1,943
Total Investment Securities - 99.9%					\$ 694,920	\$ 763,141

See accompanying notes to financial statements.

# TIPS Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 815	\$ 3,206
Net accretion (amortization)	3,131	(1,680)
Securities lending income	31	124
<b>Total investment income</b>	3,977	1,650
 <b>Expenses</b>		
Investment advisor fees	(15)	(57)
Trustee fees	-	(1)
Custodian bank fees	(1)	(6)
Management fees	(19)	(75)
Fiduciary bond fees	(1)	(1)
Professional service fees	(3)	(14)
Securities lending agent fees	(4)	(18)
<b>Total expenses</b>	(43)	(172)
<b>Investment income, net</b>	3,934	1,478
 <b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	1,335	4,749
Net increase in the fair value of investments	1,248	15,778
<b>Net gain from investments</b>	2,583	20,527
<b>Net increase in net assets from operations</b>	\$ 6,517	\$ 22,005

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 3,934	\$ 1,478
Net realized gain from investments	1,335	4,749
Net increase in the fair value of investments	1,248	15,778
<b>Net increase in net assets from operations</b>	6,517	22,005
<b>Unit transactions</b>		
Proceeds from sale of units	14,191	19,482
Reinvestment of distributions	-	2,211
	14,191	21,693
Amount paid for repurchase of units	-	(21,044)
<b>Net increase in net assets from unit transactions</b>	14,191	649
<b>Increase in net assets</b>	20,708	22,654
<b>Net assets, beginning of period</b>	743,321	741,375
<b>Net assets, end of period</b>	\$ 764,029	\$ 764,029
<b>Unit data</b>		
Units sold	1,257,294	1,727,930
Units issued from reinvestment of distributions	-	200,063
	1,257,294	1,927,993
Units repurchased	-	(1,896,169)
<b>Net increase in units</b>	1,257,294	31,824

*\*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 TIPS 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 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 October 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Regulated investment companies	\$ -	\$ 1,943	\$ -	\$ 1,943
U.S. Treasury issues	-	761,198	-	761,198
Total	<u>\$ -</u>	<u>\$ 763,141</u>	<u>\$ -</u>	<u>\$ 763,141</u>

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

### NOTE 4. SECURITIES LENDING

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

Fair value of securities on loan	\$	461,028	
Initial collateral received:			
Cash	<u>\$</u>	<u>-</u>	<u>\$</u>
Non-cash		470,481	
Total		<u>\$ 470,481</u>	

# TIPS Pool

## Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

### NOTE 5. FINANCIAL HIGHLIGHTS

**Per Unit Operating Performance:**

Net asset value at June 30, 2012	\$	11.05
Income from investment operations:		
Net investment income		0.02
Net realized and unrealized gain on investment transactions		0.31
Total from investment operations		0.33
Net asset value at October 31, 2012	\$	11.38

**Time-weighted Total Return \*** 3.0%

**Supplemental Data:**

Net assets, end of period	\$	764,029
Ratio to average net assets:		
Expenses **		0.06%
Net investment income **		0.59%
Portfolio turnover rate		10.49%

\* 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 October 31, 2012.

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 232,448
Teachers' Retirement System	130,183
Public Employees' Retirement System	111,948
Workers' Compensation Old Fund	98,011
Revenue Shortfall Reserve Fund - Part B	51,257
West Virginia Retiree Health Benefit Trust	45,739
Public Employees Insurance Agency	28,313
Coal Workers' Pneumoconiosis Fund	26,276
Board of Risk and Insurance Management	13,524
State Police Death, Disability and Retirement Fund	12,148
Judges' Retirement System	3,241
Deputy Sheriff's Retirement System	3,020
State Police Retirement System	2,059
Workers' Compensation Self-Insured Guaranty Risk Pool	1,145
Access WV	1,135
Wildlife Endowment Fund	1,036
Workers' Compensation Uninsured Employers' Fund	941
Emergency Medical Services Retirement System	923
West Virginia Department of Environmental Protection Trust	676
Municipal Police Officers' and Firefighters' Retirement System	6
Total	\$ 764,029



**Financial Statements - Unaudited**

**October 31, 2012**



# TRS Annuity Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6

# TRS Annuity Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at amortized cost \$ 53,884

### Liabilities

Accrued expenses 32

**Net assets** \$ 53,852

### Analysis of net assets

Paid-in capital \$ 28,535

Accumulated undistributed net investment income 25,317

**Net assets** \$ 53,852

### Unit data

Units outstanding 4,555,393

Net asset value, unit price \$ 11.82

*See accompanying notes to financial statements.*



# TRS Annuity Pool

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**Schedule of Investments in Securities - Unaudited**  
**October 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%	53,884,123	\$ 53,884	\$ 53,884

*See accompanying notes to financial statements.*

## TRS Annuity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 200	\$ 791
<b>Expenses</b>		
Management fees	(1)	(5)
Professional service fees	<u>(4)</u>	<u>(55)</u>
<b>Total expenses</b>	<u>(5)</u>	<u>(60)</u>
<b>Investment income, net</b>	<u>195</u>	<u>731</u>
<b>Net increase in net assets from operations</b>	<u>\$ 195</u>	<u>\$ 731</u>

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

## TRS Annuity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 195	\$ 731
<b>Unit transactions</b>		
Proceeds from sale of units	26	98
<b>Increase in assets from unit transactions</b>	26	98
<b>Increase in net assets</b>	221	829
<b>Net assets, beginning of period</b>	53,631	53,023
<b>Net assets, end of period</b>	\$ 53,852	\$ 53,852
<b>Unit data</b>		
Units sold	2,269	8,362
<b>Increase in units</b>	2,269	8,362

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

## TRS Annuity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Cash flows from operating activities</b>		
Net increase in net assets from operations	\$ 195	\$ 731
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(200)	(791)
Decrease in accrued expenses	(21)	(38)
	<u>(26)</u>	<u>(98)</u>
<b>Net cash used in operating activities</b>	(26)	(98)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	<u>26</u>	<u>98</u>
<b>Cash provided by financing activities</b>	<u>26</u>	<u>98</u>
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	<u>-</u>	<u>-</u>
Ending balance	<u>\$ -</u>	<u>\$ -</u>

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

# TRS Annuity Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool holds an investment contract strictly for the benefit of the Teachers Retirement System (TRS). The IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan outside of the IMB, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The contract, issued by the Variable Annuity Life Insurance Company (VALIC), could not be liquidated as part of the restructuring, and was transferred in kind to the IMB on December 10, 2008. The final amount transferred on the contract was \$248,293. Effective April 23, 2009, the IMB elected to liquidate this contract and will receive five equal annual payments of \$55,058. Payments were received on May 4, 2009, 2010, 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., 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 October 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 October 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Annuity Contracts	\$ -	\$ -	\$ 53,884	\$ 53,884

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

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

	Annuity contract
Balance at June 30, 2012	\$ 53,093
Net realized gain/(loss)	-
Net change in unrealized appreciation/(depreciation)	-
Purchases	791
Sales	-
Net transfers in/(out) of Level 3	-
Balance at October 31, 2012	\$ 53,884

### NOTE 4. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 11.66
Net investment income from investment operations	0.16
Net asset value at October 31, 2012	\$ 11.82

**Time-weighted Total Return \*** 1.3%

#### Supplemental Data:

Net assets, end of period	\$ 53,852
Ratio to average net assets:	
Expenses **	0.34%
Net investment income **	4.10%
Portfolio turnover rate	0.00%

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

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





**Financial Statements - Unaudited**

**October 31, 2012**



# Private Equity Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	7
Statement of Changes in Net Assets	8
Statement of Cash Flows	9
Notes to Financial Statements	10

# Private Equity Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,006,441
Dividends receivable		<u>3</u>
<b>Total assets</b>		<b>1,006,444</b>

### Liabilities

Cash overdraft		4,363
Accrued expenses		<u>193</u>
<b>Total liabilities</b>		<b><u>4,556</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,001,888</u></u></b>

### Analysis of net assets

Paid-in capital	\$	759,930
Accumulated undistributed net investment loss		(5,637)
Accumulated undistributed net realized gain from investments		28,094
Unrealized net appreciation of investments		<u>219,501</u>
<b>Net assets</b>	<b>\$</b>	<b><u><u>1,001,888</u></u></b>

### Unit data

Units outstanding		81,857,839
Net asset value, unit price	\$	<u><u>12.24</u></u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments in Securities - Unaudited October 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.		\$ 32,903	\$ 43,391
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.		31,829	34,580
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.			
Clearlake Capital III, L.P.		168	168
Investment Objective - To make special situation investments in small and middle market companies, specifically distressed debt, rescue financing, growth capital, and turnaround investments.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Court Square Capital Partners III, L.P.		207	207
Investment Objective - To make leveraged acquisitions of mature, upper middle market companies in the U.S., primarily in the business services, general industrial, healthcare, and telecom & technology sectors.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Franklin Park Venture Fund Series 2008, L.P.		15,962	19,076
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.		12,725	15,464
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.		7,166	6,910
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)

**October 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
Franklin Park Venture Fund Series 2011, L.P. 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.		4,422	4,878
Franklin Park Venture Fund Series 2012, L.P. 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.		1,492	1,424
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.		23,344	25,288
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.		10,800	9,981
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.		19,899	17,058
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.		4,066	4,309
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.		14,953	13,091

*See accompanying notes to financial statements.*

# Private Equity Pool

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

**October 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
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.		20,881	23,260
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.		21,585	27,613
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.		13,148	11,137
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.		39,140	48,215
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.		9,785	9,447
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.		27,526	33,828

*See accompanying notes to financial statements.*

# Private Equity Pool

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

October 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
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.		32,923	40,825
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.		27,220	27,468
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.		17,300	16,939
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.		13,849	14,353
TPG Credit Strategies Fund II, L.P. Investment Objective - To pursue an opportunistic distressed investment strategy, with a primary focus of acquiring assets such as non-performing loan portfolios, aviation assets, corporate debt, and other distressed assets. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		10,806	10,644
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.		10,798	9,277

*See accompanying notes to financial statements.*



# Private Equity Pool

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

October 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
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.		26,942	33,032
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.		7,114	6,239
Total Partnerships - 50.7%		458,953	508,102
<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.	275,337	281,437	451,789
Total Investments in Other Funds - 45.1%		281,437	451,789
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 4.6%	46,550,313	46,550	46,550
Total Investment Securities - 100.4%		<u>\$ 786,940</u>	<u>\$ 1,006,441</u>

*See accompanying notes to financial statements.*

# Private Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Dividends	\$ 2	\$ 11
Fund closing income	-	121
	<u>2</u>	<u>132</u>
<b>Total investment income</b>	2	132
<b>Expenses</b>		
Trustee fees	-	(1)
Custodian bank fees	-	(1)
Management fees	(25)	(98)
Fiduciary bond fees	(1)	(1)
Professional service fees	(70)	(284)
Fund closing costs	-	(293)
Management fees - external	-	(25)
	<u>(96)</u>	<u>(703)</u>
<b>Total expenses</b>	(96)	(703)
<b>Investment loss, net</b>	(94)	(571)
<b>Realized and unrealized gain (loss) from investments</b>		
Net realized gain from investments	3,239	46,728
Net increase (decrease) in the fair value of investments	7,291	(8,987)
	<u>10,530</u>	<u>37,741</u>
<b>Net gain from investments</b>	10,530	37,741
<b>Net increase in net assets from operations</b>	<u>\$ 10,436</u>	<u>\$ 37,170</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 October 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (94)	\$ (571)
Net realized gain from investments	3,239	46,728
Net increase (decrease) in the fair value of investments	7,291	(8,987)
<b>Net increase in net assets from operations</b>	10,436	37,170
<b>Unit transactions</b>		
Proceeds from sale of units	7,713	33,067
Amount paid for repurchase of units	-	(96,287)
<b>Net increase (decrease) in net assets from unit transactions</b>	7,713	(63,220)
<b>Increase (decrease) in net assets</b>	18,149	(26,050)
<b>Net assets, beginning of period</b>	983,739	1,027,938
<b>Net assets, end of period</b>	\$ 1,001,888	\$ 1,001,888
<b>Unit data</b>		
Units sold	636,846	2,751,755
Units repurchased	-	(8,175,691)
<b>Net increase (decrease) in units</b>	636,846	(5,423,936)

*\*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 October 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	\$ 10,436	\$ 37,170
Adjustments to reconcile net increase in net assets from operations to net cash provided by (used in) operating activities:		
Purchase of investment securities	(15,764)	(67,436)
Proceeds from disposition of investment securities	15,759	140,362
Purchases and sales of short-term investment securities, net	(12,300)	(13,929)
Decrease in receivable for partnership distributions	323	436
Decrease in dividends receivable	-	1
Decrease in accrued expenses	-	(6)
Net realized gain from investments	(3,239)	(46,728)
Net decrease (increase) in the fair value of investments	(7,291)	8,987
<b>Net cash provided by (used in) operating activities</b>	(12,076)	58,857
<b>Cash flows from financing activities</b>		
Proceeds from units sold	7,713	33,067
Paid for repurchase of units	-	(96,287)
<b>Net cash provided by (used in) financing activities</b>	7,713	(63,220)
<b>Net change in cash</b>	(4,363)	(4,363)
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ (4,363)	\$ (4,363)

*\*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 \$959,891 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 October 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 October 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 October 31, 2012:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ -	\$ 451,789	\$ 451,789
Partnerships	-	-	508,102	508,102
Regulated investment companies	-	46,550	-	46,550
Total	<u>\$ -</u>	<u>\$ 46,550</u>	<u>\$ 959,891</u>	<u>\$ 1,006,441</u>

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

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

	<u>Investments in other funds</u>	<u>Partnerships</u>
Balance at June 30, 2012	\$ 549,825	\$ 445,251
Net realized gain	41,427	5,301
Net change in unrealized appreciation/(depreciation)	(19,463)	10,476
Purchases	-	67,436
Sales	(120,000)	(20,362)
Net transfers in/(out) of Level 3	-	-
Balance at October 31, 2012	<u>\$ 451,789</u>	<u>\$ 508,102</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 October 31, 2012 the IMB had made commitments to twenty-nine private equity general partnerships totaling \$1,087,000. The IMB had funded \$494,024 of these commitments at October 31, 2012, leaving unfunded commitments of \$592,976.

# Private Equity Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 11.78
Income from investment operations:	
Net investment loss	(0.01)
Net realized and unrealized gain on investment transactions	0.47
Total from investment operations	0.46
Net asset value at October 31, 2012	\$ 12.24

**Time-weighted Total Return \*** 3.9%

#### Supplemental Data:

Net assets, end of period	\$1,001,888
Ratio to average net assets:	
Expenses **	0.21%
Net investment income **	-0.17%
Portfolio turnover rate	7.09%

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

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

### NOTE 6. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	487,845
Public Employees' Retirement System	427,896
State Police Death, Disability and Retirement Fund	46,889
Judges' Retirement System	12,450
Deputy Sheriff's Retirement System	11,506
State Police Retirement System	7,796
Wildlife Endowment Fund	3,992
Emergency Medical Services Retirement System	3,489
Municipal Police Officers' and Firefighters' Retirement System	25
Total	\$ 1,001,888



**Financial Statements - Unaudited**

**October 31, 2012**



# Real Estate Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	8
Statement of Changes in Net Assets	9
Statement of Cash Flows	10
Notes to Financial Statements	11

# Real Estate Pool

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

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	724,641
Collateral for securities loaned at fair value (Note 4)		2,041
Receivables:		
Investments sold		21
Foreign tax withholding		12
Interest		1,598
Dividends		95
Securities lending income		4
		<u>4</u>
<b>Total assets</b>		<b>728,412</b>

### Liabilities

Cash overdraft		40
Accrued expenses		485
Payable for investments purchased		93
Payable upon return of securities loaned (Note 4)		2,042
		<u>2,660</u>
<b>Total liabilities</b>		<b>2,660</b>
<b>Net assets</b>	<b>\$</b>	<b><u>725,752</u></b>

### Analysis of net assets

Paid-in capital	\$	631,631
Accumulated undistributed net investment income		18,917
Accumulated undistributed net realized gain from investments		29,113
Accumulated undistributed net realized gain from foreign currency transactions		272
Unrealized net appreciation of investments		45,249
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		570
		<u>570</u>
<b>Net assets</b>	<b>\$</b>	<b><u>725,752</u></b>

### Unit data

Units outstanding		74,072,651
Net asset value, unit price	\$	<u>9.80</u>

See accompanying notes to financial statements.

# Real Estate Pool

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

Security Name	Shares	Amortized Cost	Fair Value
<b><u>Investments in Other Funds</u></b>			
ABR Chesapeake Investors IV, L.P. Investment Objective - To generate a 14% net return to investors through the acquisition of moderately leveraged real estate assets generally valued between \$10 million and \$30 million in the value-add sector. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		\$ 15,000	\$ 15,761
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.		15,500	15,782
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.		10,296	13,047
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.		10,018	9,728
CIM VI-1, LLC Investment Objective -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.		1,295	1,229
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.		10,473	10,613
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	40,799
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.		33,057	32,854
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.		5,276	5,563

See accompanying notes to financial statements.

# Real Estate Pool

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

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
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.		9,566	10,722
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.		25,029	26,053
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.		25,000	25,463
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	13,182
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	26,205
RREEF America REIT II, Inc. Investment Objective - To invest in a portfolio of income producing core real estate properties 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	38,055
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	57,966
UBS Trumbull Property Income Fund Investment Objective - To provide investors with a positive total return in excess of the rate of inflation in all market conditions on a rolling three to five year period. Redemption Provisions - Quarterly with 60 days written notice. A detail of the underlying investments is not available.		23,000	23,000
Total Investments in Other Funds - 50.4%		337,200	366,022
<b><u>Equity Securities</u></b>			
<i>Australia</i>			
Centro Retail Australia	123,100	249	275
CFS Retail Property Trust	91,957	169	187
Dexus Property Group	379,200	316	387
Goodman Group	62,305	193	286
GPT Group	137,580	410	508
Investa Office Fund	52,100	118	161
Mirvac Group	168,100	242	262
Stockland	115,000	429	413
Westfield Group	98,000	979	1,083

See accompanying notes to financial statements.

# Real Estate Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
Westfield Retail Trust	192,890	462	620
<i>Total Australia - 0.6%</i>		3,567	4,182
<i>Bermuda</i>			
Great Eagle Holdings Ltd	15,000	44	45
Hongkong Land Holdings	137,284	825	872
Kerry Properties Ltd	185,800	945	922
Shangri-La Asia Ltd	240,416	544	465
<i>Total Bermuda - 0.3%</i>		2,358	2,304
<i>Brazil</i>			
Sonae Sierra Brasil - 0.0%	3,800	46	64
<i>Canada</i>			
Boardwalk	9,100	425	585
Calloway	5,800	132	168
Canadian	3,000	100	125
Cominar Real Estate Investment	2,600	54	62
Primaris Retail	3,700	75	87
RioCan	49,122	1,198	1,339
<i>Total Canada - 0.3%</i>		1,984	2,366
<i>Cayman Islands</i>			
China Resources Land Ltd	76,000	149	174
Country Garden Holdings Co	166,787	67	67
Lifestyle International Hldgs	310,000	704	662
<i>Total Cayman Islands - 0.1%</i>		920	903
<i>China</i>			
Guangzhou R&F Properties Corp - 0.0%	185,000	284	228
<i>France</i>			
Fonciere des Regions	1,782	136	143
ICADE	9,030	881	813
Klepierre	16,080	565	596
Societe Immobiliere de Locatio	860	106	96
Unibail-Rodamco	7,266	1,471	1,637
<i>Total France - 0.5%</i>		3,159	3,285
<i>Germany</i>			
Deutsche Wohnen AG-BR	2,800	44	51
GSW Immobilien AG	5,707	164	235
<i>Total Germany - 0.0%</i>		208	286
<i>Hong Kong</i>			
Cheung Kong Holdings Ltd	13,000	184	192
China Overseas Land & Invstmnt	369,000	781	967
Hang Lung Properties Ltd	247,000	1,046	859
Hysan Development Company	187,371	684	828
Link REIT	118,600	399	590
New World Development Co Ltd	215,100	330	333
Sino Land Company Ltd.	186,612	289	334
Sun Hung Kai Properties Ltd	59,552	899	829
Swire Properties Limitie	42,000	124	130
Wharf Hldgs Ltd	76,720	465	525
<i>Total Hong Kong - 0.8%</i>		5,201	5,587
<i>Japan</i>			
AEON Mall Company Ltd	26,000	593	674
Daiwa House Industry Co Ltd	42,000	458	635
Japan Real Estate Inv Corp	34	305	340
Japan Retail Fund Inv Corp	111	163	202
Kenedix Realty Investment Corp	22	79	75
Mitsubishi Estate Co Ltd	85,137	1,465	1,682

See accompanying notes to financial statements.

## Real Estate Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
Mitsui Fudosan Co Ltd	88,600	1,596	1,788
Nippon Accommodations Fund	12	78	85
Sumitomo Realty & Development	8,700	210	240
Tokyo Tatemono Company Ltd	45,000	156	185
United Urban Investment Corp	56	59	67
<i>Total Japan - 0.8%</i>		5,162	5,973
<i>Netherlands</i>			
Eurocommercial Properties NV - 0.0%	2,341	91	92
<i>Singapore</i>			
CapitaCommercial Trust	257,000	273	331
CapitaLand Ltd	336,804	933	903
CapitaMall Trust	173,000	261	299
City Developments Ltd	66,000	582	620
Global Logistic Properties	116,600	183	246
Keppel Land Ltd	33,000	87	92
Wing Tai Holdings Ltd	118,938	155	169
<i>Total Singapore - 0.4%</i>		2,474	2,660
<i>Spain</i>			
Melia International SA - 0.1%	60,000	506	445
<i>Sweden</i>			
Castellum AB	40,088	493	537
Hufvudstaden AB	8,842	95	112
<i>Total Sweden - 0.1%</i>		588	649
<i>Switzerland</i>			
PSP Swiss Property AG - 0.0%	2,319	214	213
<i>Thailand</i>			
Central Pattana Public Company - 0.1%	250,200	231	580
<i>United Kingdom</i>			
British Land Company PLC	24,416	191	208
Derwent London PLC	26,640	625	885
Great Portland Estates PLC	86,474	465	651
Hammerson PLC	117,922	787	896
Land Securities Group PLC	77,656	837	1,006
Safestore Holdings PLC	33,000	66	58
Shaftesbury PLC	28,833	188	255
<i>Total United Kingdom - 0.5%</i>		3,159	3,959
<i>United States</i>			
Alexandria Real Estate Equity	8,800	640	620
American Campus Communities	14,100	510	639
American Tower Corporation	3,800	257	286
Apartment Investment & Mgmt Co	87,650	2,234	2,339
Ashford Hospitality Trust - Preferred Stock	13,000	307	330
Avalonbay Communities Inc	31,450	4,142	4,264
BioMed Realty Trust Inc	275,550	5,208	5,269
Boston Properties Inc	49,550	4,886	5,267
Brandywine Realty Trust - Preferred Stock	16,702	415	430
BRE Properties Inc	6,400	277	309
Brookfield Properties Corp	25,800	429	398
CBL & Associates Properties - Preferred Stock	218,350	5,326	5,564
Colonial Properties Trust	88,800	1,875	1,921
Commonwealth REIT - Preferred Stock	75,000	1,852	1,975
DDR Corp	44,300	545	680
DDR Corp - Preferred Stock	100,000	2,495	2,527
Douglas Emmett Inc	77,750	1,783	1,823
Duke Realty Corp - Preferred Stock	480,000	12,528	12,451
Equity Lifestyle Properties - Preferred Stock	100,000	2,523	2,685

See accompanying notes to financial statements.



## Real Estate Pool

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

October 31, 2012

(Amounts in thousands, except share data)

Security Name	Shares	Amortized Cost	Fair Value
Equity Residential	124,800	7,209	7,165
Essex Property Trust Inc	9,100	1,104	1,365
Extra Space Storage Inc	43,600	1,254	1,504
Federal Realty Investment Trst	16,900	1,532	1,822
General Growth Properties Inc	126,984	2,111	2,497
Glimcher Realty Trust - Preferred Stock	192,428	4,618	4,870
HCP Inc	105,950	4,498	4,699
Health Care REIT Inc	92,050	5,099	5,471
Highwoods Properties Inc	4,400	141	142
Host Hotels & Resorts Inc	287,600	4,480	4,158
Hudson Pacific Properties - Preferred Stock	500,000	12,593	13,625
Kilroy Realty Corporation	14,900	683	662
Kimco Realty Corporation	103,850	2,017	2,027
Liberty Property Trust	10,800	349	379
Macerich Company	77,800	4,286	4,434
Mack-Cali Realty Corp	86,350	2,367	2,244
Parkway Properties Inc - Preferred Stock	63,000	1,581	1,589
Pebblebrook Hotel Trust	4,200	83	89
Plum Creek Timber Co Inc	5,000	217	220
Post Properties Inc	7,000	292	342
Prologis Inc	177,131	5,693	6,074
Public Storage	48,550	6,428	6,730
Regency Centers Corp	39,400	1,753	1,892
Simon Property Group	22,470	2,217	3,420
Simon Property Group Inc	55,450	7,991	8,440
SL Green Realty Corp	35,350	2,590	2,662
STAG Industrial Inc - Preferred Stock	45,750	1,150	1,258
Starwood Hotels & Resorts Inc	41,300	2,248	2,141
Tanger Factory Outlet Centers	6,400	160	201
Taubman Centers Inc	12,300	666	966
UDR Inc	151,000	3,753	3,665
Urstadt Biddle Properties Inc - Preferred Stock	75,400	1,885	1,944
Ventas Inc	63,550	3,329	4,021
Vornado Realty Trust	49,100	3,990	3,938
<i>Total United States - 21.6%</i>		148,599	156,433
Total Equity Securities - 26.2%		178,751	190,209
<b>Short-term Issues</b>			
Dreyfus Cash Management Institutional Fund - 4.8%	34,989,452.25	34,989	34,989

(Continued)

See accompanying notes to financial statements.

## Real Estate Pool

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

(Amounts in thousands, except share data)

Security Name	Coupon	Yield	Maturity	Par Value, Shares or Contracts	Amortized Cost	Fair Value
<b>Corporate Bonds</b>						
Brandywine Operation Partners	6.000	%	3.207	%	04/01/2016	6,875 \$ 7,491 \$ 7,640
Colonial Realty LP	6.250		3.959		06/15/2014	9,793 10,142 10,505
Colonial Realty LP	5.500		4.489		10/01/2015	6,759 6,944 7,397
Colonial Realty LP	6.050		4.951		09/01/2016	2,000 2,076 2,252
Commonwealth REIT	6.400		3.839		02/15/2015	2,325 2,454 2,536
Commonwealth REIT	5.750		4.215		11/01/2015	1,226 1,279 1,315
Commonwealth REIT	6.250		4.845		08/15/2016	4,000 4,192 4,368
Commonwealth REIT	6.250		5.024		06/15/2017	5,000 5,250 5,479
Corporate Office Property LP	4.250		4.469		04/15/2030	19,518 19,002 20,030
DDR Corp	9.630		4.919		03/15/2016	2,772 3,172 3,439
Equity One, Inc	6.000		4.272		09/15/2016	400 424 455
First Industrial LP	6.420		3.639		06/01/2014	128 133 134
Health Care REIT Inc	3.630		3.886		03/15/2016	12,000 11,902 12,725
Health Care REIT Inc	6.200		4.217		06/01/2016	1,100 1,172 1,262
Hospitality Properties Trust	5.130		4.362		02/15/2015	1,440 1,464 1,519
Hospitality Properties Trust	6.300		3.971		06/15/2016	6,950 7,491 7,655
Kilroy Realty Corporation	5.000		3.817		11/03/2015	2,212 2,286 2,415
Prologis LP	5.630		4.078		11/15/2015	2,560 2,672 2,786
Prologis LP	5.750		4.069		04/01/2016	6,000 6,318 6,596
Prologis LP	2.630		2.671		05/15/2038	11,500 11,402 11,558
Reckson Operating Partnership	5.880		4.083		08/15/2014	6,586 6,787 6,966
Reckson Operating Partnership	6.000		4.548		03/31/2016	7,370 7,705 8,102
Rouse Company	5.380		5.375		11/26/2013	4,701 4,701 4,801
Senior Housing Prop Trust	4.300		4.627		01/15/2016	1,435 1,421 1,486
Total Corporate Bonds - 18.4%						127,880 133,421
Total Investment Securities - 99.8%						\$ 678,820 \$ 724,641
<b>Collateral for Securities Loaned</b>						
BNY Mellon Securities Lending Overnight Fund						\$ 2,026 \$ 2,026
Mellon SL DBT II Liquidating Fund						16 15
Total Collateral for Securities Loaned						\$ 2,042 \$ 2,041

See accompanying notes to financial statements.

## Real Estate Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 551	\$ 2,091
Operating	63	1,160
Dividends, net of foreign withholding taxes	144	2,227
Fund closing interest	-	173
Net amortization	(107)	(383)
Securities lending income	1	3
Securities lending borrower premiums	3	15
	<b>655</b>	<b>5,286</b>
<b>Expenses</b>		
Investment advisor fees	(182)	(724)
Trustee fees	(1)	(1)
Custodian bank fees	(4)	(32)
Management fees	(18)	(69)
Professional service fees	(37)	(146)
Management fees - external	(75)	(150)
Securities lending agent fees	(1)	(3)
Fund closing costs	-	(837)
	<b>(318)</b>	<b>(1,962)</b>
	<b>Investment income, net</b>	<b>3,324</b>
	337	3,324
<b>Realized and unrealized gain (loss) from investments and foreign currency</b>		
Net realized gain from:		
Investments	803	4,014
Foreign currency transactions	4	9
Net increase (decrease) in the fair value of:		
Investments	5,948	4,942
Translation of assets and liabilities in foreign currencies	(161)	358
	<b>6,594</b>	<b>9,323</b>
	<b>Net gain from investments and foreign currency</b>	<b>12,647</b>
	6,931	12,647
	<b>Net increase in net assets from operations</b>	<b>\$ 12,647</b>
	\$ 6,931	\$ 12,647

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

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment income, net	\$ 337	\$ 3,324
Net realized gain from investments	803	4,014
Net realized gain from foreign currency transactions	4	9
Net increase in the fair value of investments	5,948	4,942
Net increase (decrease) in the translation of assets and liabilities in foreign currencies	(161)	358
	<b>6,931</b>	<b>12,647</b>
<b>Unit transactions</b>		
Proceeds from sale of units	42,025	73,021
Amount paid for repurchase of units	-	(109)
	<b>42,025</b>	<b>72,912</b>
	<b>48,956</b>	<b>85,559</b>
	<b>676,796</b>	<b>640,193</b>
	<b>\$ 725,752</b>	<b>\$ 725,752</b>
<b>Unit data</b>		
Units sold	4,330,586	7,534,892
Units repurchased	-	(11,239)
	<b>4,330,586</b>	<b>7,523,653</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 October 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	\$ 6,931	\$ 12,647
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment securities	(40,207)	(132,270)
Proceeds from disposition of investment securities	10,168	69,838
Purchases and sales of short-term investment securities, net	(12,020)	(16,312)
Decrease in receivable for investments sold	244	3,912
Decrease (increase) in foreign tax withholding receivable	(1)	4
Decrease (increase) in interest receivable	491	(440)
Decrease in dividends receivable	930	1,085
Decrease in securities lending receivable	-	2
Decrease in accrued expenses	(6)	(17)
Decrease in payable for investments purchased	(2,108)	(2,444)
Net amortization	107	383
Net realized gain from investments	(803)	(4,014)
Net realized gain from foreign currency transactions	(4)	(9)
Net increase in the fair value of investments	(5,948)	(4,942)
Net decrease (increase) in the translation of assets and liabilities in foreign currencies	161	(358)
<b>Net cash used in operating activities</b>	(42,065)	(72,935)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	42,025	73,021
Amount paid for repurchase of units	-	(109)
<b>Cash provided by financing activities</b>	42,025	72,912
<b>Net change in cash</b>	(40)	(23)
<b>Cash</b>		
Beginning balance	-	(17)
Ending balance	\$ (40)	\$ (40)

*\*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 \$366,022 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 October 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 October 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 October 31, 2012:

Assets	Level 1	Level 2	Level 3	Total
Corporate bonds	\$ -	\$ 133,421	\$ -	\$ 133,421
Equity securities	190,209	-	-	190,209
Regulated investment companies	-	34,989	-	34,989
Investments in other funds	-	-	366,022	366,022
Securities lending collateral funds	-	2,041	-	2,041
Total	<u>\$ 190,209</u>	<u>\$ 170,451</u>	<u>\$ 366,022</u>	<u>\$ 726,682</u>

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

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

	Investments in <u>other funds</u>
Balance at June 30, 2012	\$ 313,063
Net realized gain/(loss)	1,037
Net change in unrealized appreciation/(depreciation)	2,687
Purchases	59,942
Sales	(10,707)
Net transfers in/(out) of Level 3	-
Balance at October 31, 2012	<u>\$ 366,022</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 October 31, 2012.

Fair value of securities of loan	\$	1,934		
Initial collateral received:		<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized loss</u>
Cash	\$	<u>2,042</u>	\$ 2,041	<u>\$ (1)</u>
Non-cash			-	
Total			<u>\$ 2,041</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 \$615,000 to eighteen real estate investment funds/partnerships. The IMB had funded \$341,316 of these commitments at October 31, 2012, leaving unfunded commitments of \$273,684.

#### NOTE 6. FINANCIAL HIGHLIGHTS

##### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$ 9.62
Income from investment operations:	
Net investment income	0.05
Net realized and unrealized gain on investment transactions	0.12
Net increase in the translation of assets and liabilities in foreign currencies	<u>0.01</u>
Total from investment operations	<u>0.18</u>
Net asset value at October 31, 2012	<u>\$ 9.80</u>

**Time-weighted Total Return \*** 1.8%

##### Supplemental Data:

Net assets, end of period	\$ 725,752
Ratio to average net assets:	
Expenses **	0.87%
Net investment income **	1.48%
Portfolio turnover rate	10.90%

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

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

## Real Estate Pool

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### Notes to Financial Statements - Unaudited

*(Amounts in thousands, except share data)*

#### NOTE 7. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	356,430
Public Employees' Retirement System	307,693
State Police Death, Disability and Retirement Fund	33,411
Judges' Retirement System	8,909
Deputy Sheriff's Retirement System	8,278
State Police Retirement System	5,645
Wildlife Endowment Fund	2,839
Emergency Medical Services Retirement System	2,529
Municipal Police Officers' and Firefighters' Retirement System	18
Total	<u>\$ 725,752</u>



**Financial Statements - Unaudited**

**October 31, 2012**



# Hedge Fund Pool

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## Financial Statements - Unaudited October 31, 2012

### Table of Contents

Statement of Assets and Liabilities	1
Schedule of Investments in Securities	2
Statement of Operations	7
Statement of Changes in Net Assets	8
Statement of Cash Flows	9
Notes to Financial Statements	10

# Hedge Fund Pool

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## Statement of Assets and Liabilities - Unaudited

October 31, 2012

(Amounts in thousands, except unit data)

### Assets

Investment securities at fair value	\$	1,193,793
Advance on investment in other funds (Note 4)		30,000
Receivables:		
Investments sold		47,567
Accrued interest		20
Dividends		3
		<u>3</u>
<b>Total assets</b>		1,271,383

### Liabilities

Accrued expenses		<u>157</u>
<b>Net assets</b>	\$	<u><u>1,271,226</u></u>

### Analysis of net assets

Paid-in capital	\$	1,128,136
Accumulated undistributed net investment loss		(3,733)
Accumulated undistributed net realized gain from investments		13,343
Unrealized net appreciation of investments		133,480
		<u>133,480</u>
<b>Net assets</b>	\$	<u><u>1,271,226</u></u>

### Unit data

Units outstanding		112,549,320
Net asset value, unit price	\$	<u><u>11.29</u></u>

See accompanying notes to financial statements.



# Hedge Fund Pool

## Schedule of Investments in Securities - Unaudited October 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	\$ 69,569
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.		29,975	30,114
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.		40,000	43,118
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	53,126
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	55,938
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	15,202
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	33,092
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)

October 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	75,138
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	63,560
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	42,691
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	23,713
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.		3,542	3,755
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.		27,487	30,809

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

October 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.		65,963	70,021
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.		55,000	61,196
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.		-	-
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	71,016
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	42,475
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.		51,394	61,374
Pershing Square International, Ltd. Investment Objective - To invest in long and short investment opportunities that exhibit significant valuation discrepancies between current trading prices and intrinsic business value. Redemption Provisions - Hard lockup until September 2013, then quarterly with 65 days prior written notice subject to maximum withdrawal restrictions. A detail of the underlying investments is not available.		30,000	34,649

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

October 31, 2012

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
PFM Diversified Offshore Fund		45,000	45,347
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 restrictions.			
A detail of the underlying investments is not available.			
Pine River Fund, Ltd.		60,000	65,218
Investment Objective - To generate superior risk-adjusted returns by investing and trading in global markets, primarily employing relative value strategies.			
Redemption Provisions - Quarterly with 45 days prior written notice, subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Scopia PX International, Ltd.		50,000	49,473
Investment Objective - To identify investment opportunities that will yield attractive rates of return, regardless of market direction.			
Redemption Provisions - Quarterly with 60 days prior written notice, subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Shepherd Investments International, Ltd.		2,559	2,465
Investment Objective - To achieve an attractive rate of return, relative to the level of risk assumed.			
Redemption Provisions - Redemption has been requested and proceeds will be paid subject to provisions on maximum withdrawals and upon liquidation of investments.			
A detail of the underlying investments is not available.			
Taconic Opportunity Offshore Fund Ltd.		51,041	57,505
Investment Objective - To provide solid risk-adjusted, absolute returns by focusing on bottom-up, research-driven, probabilistic investing.			
Redemption Provisions - Quarterly with 60 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Tenor Opportunity Fund, Ltd.		30,000	31,519
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 maximum withdrawal provisions.			
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)

**October 31, 2012**

*(Amounts in thousands, except share data)*

Security Name	Shares	Amortized Cost	Fair Value
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	3,959
Winton Futures Fund, Ltd. Investment Objective - To deliver long-term capital appreciation through compound growth. Redemption Provisions - Monthly with 3 days prior written notice. A detail of the underlying investments is not available.		30,000	29,237
Total Investment in Other Funds - 91.7%		1,031,799	1,165,279
<b><u>Short-term Issues</u></b>			
Dreyfus Cash Management Institutional Fund - 2.2%	28,513,899	28,514	28,514
Total Investment Securities 93.9%		\$ 1,060,313	\$ 1,193,793

*See accompanying notes to financial statements.*

# Hedge Fund Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Interest	\$ 1	\$ 5
Dividends	3	9
	<u>4</u>	<u>14</u>
<b>Total investment income</b>	4	14
<b>Expenses</b>		
Trustee fees	-	(1)
Custodian bank fees	(1)	(1)
Management fees	(31)	(125)
Fiduciary bond fees	-	(1)
Professional service fees	(45)	(172)
	<u>(77)</u>	<u>(300)</u>
<b>Total expenses</b>	(77)	(300)
<b>Investment loss, net</b>	(73)	(286)
<b>Realized and unrealized gain from investments</b>		
Net realized gain from investments	279	3,559
Net increase in the fair value of investments	2,206	34,837
	<u>2,485</u>	<u>38,396</u>
<b>Net gain from investments</b>	2,485	38,396
<b>Net increase in net assets from operations</b>	<u>\$ 2,412</u>	<u>\$ 38,110</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 October 31, 2012\***  
*(Amounts in thousands, except unit data)*

	<b>Month</b>	<b>Year To Date</b>
<b>Operations</b>		
Investment loss, net	\$ (73)	\$ (286)
Net realized gain from investments	279	3,559
Net increase in the fair value of investments	2,206	34,837
<b>Net increase in net assets from operations</b>	2,412	38,110
<b>Unit transactions</b>		
Proceeds from sale of units	29,204	34,351
Amount paid for repurchase of units	(53)	(33,908)
<b>Net increase in net assets from unit transactions</b>	29,151	443
<b>Increase in net assets</b>	31,563	38,553
<b>Net assets, beginning of period</b>	1,239,663	1,232,673
<b>Net assets, end of period</b>	\$ 1,271,226	\$ 1,271,226
<b>Unit data</b>		
Units sold	2,590,520	3,057,391
Units repurchased	(4,613)	(3,047,425)
<b>Net increase in units</b>	2,585,907	9,966

*\*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 October 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	\$ 2,412	\$ 38,110
Adjustments to reconcile net increase in net assets from operations net cash used in operating activities:		
Purchase of investment securities	(30,000)	(160,000)
Proceeds from disposition of investment securities	35,559	66,102
Purchases and sales of short-term investment securities, net	(27,487)	(28,036)
Increase in accrued interest receivable	(1)	(5)
Decrease (increase) in dividends receivable	(1)	6
Decrease (increase) in receivable for investments sold	(7,154)	21,805
Decrease in advance on investment in other funds	-	100,000
Increase (decrease) in accrued expenses	6	(29)
Net realized gain from investments	(279)	(3,559)
Net increase in the fair value of investments	(2,206)	(34,837)
<b>Net cash used in operating activities</b>	(29,151)	(443)
<b>Cash flows from financing activities</b>		
Proceeds from units sold	29,204	34,351
Amount paid for repurchase of units	(53)	(33,908)
<b>Net cash provided by financing activities</b>	29,151	443
<b>Net change in cash</b>	-	-
<b>Cash</b>		
Beginning balance	-	-
Ending balance	\$ -	\$ -

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



# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

**Basis of Accounting** - The IMB invests funds of the State and its component units, all of which are government entities. Investments in other funds, which are not publicly traded, are carried at net asset value as a practical expedient for fair market value. The Pool has \$1,165,279 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 October 31, 2012. The investment in the Dreyfus Cash Management Institutional Fund, a regulated investment company money market mutual fund, is valued at \$1.00 per share. This is a reasonable estimate of the fair value and is the basis for current transactions.

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

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

**Investment Gains and Losses** - Gains and losses on the sale of investments in other funds are recognized at the time of sale by the average cost method.

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

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

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

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

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments in other funds	\$ -	\$ -	\$ 1,165,279	\$ 1,165,279
Regulated investment companies	-	28,514	-	28,514
Total	<u>\$ -</u>	<u>\$ 28,514</u>	<u>\$ 1,165,279</u>	<u>\$ 1,193,793</u>

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

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

	<u>Investments in other funds</u>
Balance at June 30, 2012	\$ 1,032,985
Net realized gain	3,559
Net change in unrealized appreciation	34,837
Purchase	160,000
Sales	(66,102)
Net transfers in/(out) of Level 3	-
Balance at October 31, 2012	<u>\$ 1,165,279</u>

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

On October 28, 2012 the IMB funded \$30 million to AQR Capital Management LLC. As of October 31, 2012, this amount has been recorded as an advance on investments in other funds. The terms of AQR Delta Offshore Fund II, Ltd., require subscription amounts to be received at least two days in advance of the subscription day which occurred on November 1, 2012 for the IMB.

# Hedge Fund Pool

## Notes to Financial Statements - Unaudited

(Amounts in thousands, except share data)

### NOTE 5. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance:

Net asset value at June 30, 2012	\$	10.95
Net realized and unrealized gain on investment transactions		0.34
Net asset value at October 31, 2012	\$	<u>11.29</u>

**Time-weighted Total Return \*** 3.1%

#### Supplemental Data:

Net assets, end of period	\$	1,271,226
Ratio to average net assets:		
Expenses **		0.07%
Net investment income **		-0.07%
Portfolio turnover rate		5.77%

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

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

### NOTE 6. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	526,751
Public Employees' Retirement System	457,478
West Virginia Retiree Health Benefit Trust	91,889
Coal Workers' Pneumoconiosis Fund	52,589
State Police Death, Disability and Retirement Fund	50,238
Board of Risk and Insurance Management	27,059
Public Employees Insurance Agency	18,898
Judges' Retirement System	13,324
Deputy Sheriff's Retirement System	12,325
State Police Retirement System	8,460
Wildlife Endowment Fund	4,223
Emergency Medical Services Retirement System	3,784
Workers' Compensation Self-Insured Guaranty Risk Pool	2,295
Workers' Compensation Uninsured Employers' Fund	1,888
Municipal Police Officers' and Firefighters' Retirement System	25
Total	<u>\$ 1,271,226</u>