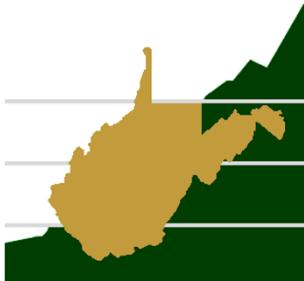


West Virginia Investment Management Board

Financial Statements

February 28, 2023



Financial Statements – Unaudited

February 28, 2023

Order of Presentation

Portable Alpha

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

Private Markets

Hedge Fund

Financial Statements - Unaudited

February 28, 2023

Portable Alpha Pool

Financial Statements - Unaudited February 28, 2023

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Portable Alpha Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Alternative risk premia funds	\$ 1,950,741
Commingled equity fund	1,693,266
Fixed income investments	796,215
Money market mutual fund	483,125
Cash with brokers for derivative contracts	3,759
Receivable for interest and dividends	4,097
	<hr/>
Total assets	4,931,203

Liabilities

Investments in derivative instruments at fair value	11,914
Accrued expenses	467
Payable for investments purchased	83,500
	<hr/>
Total liabilities	95,881
	<hr/>
Net position	\$ 4,835,322

Unit data

Units outstanding	102,961,631
Net position, unit price	<hr/> <hr/> \$ 46.96

See accompanying notes to financial statements.

Portable Alpha Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (134,304)	\$ 269,608
Interest and dividends	3,058	25,382
Total investment income (loss)	(131,246)	294,990
Expenses		
Investment advisor fees	(88)	(717)
Custodian bank fees	(2)	(17)
Management and other allocated fees	(127)	(1,061)
Professional service fees - direct	(13)	(105)
Total expenses	(230)	(1,900)
Net investment income (loss)	(131,476)	293,090
Unit transactions		
Proceeds from sale of units	2,647	453,777
Amount paid for repurchase of units	(76,332)	(661,958)
Net decrease from unit transactions	(73,685)	(208,181)
Increase (decrease) in net position	(205,161)	84,909
Net position, beginning of period	5,040,483	4,750,413
Net position, end of period	\$ 4,835,322	\$ 4,835,322

**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.*

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

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 Portable Alpha 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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool's objective is to exceed, net of external investment management fees, the S&P 500 Index over three- to five-year periods. The Pool has three main components: 1) a domestic large capitalization equity beta replication manager and the related margin account, 2) a portfolio of alternative risk premia funds, and 3) a domestic large capitalization equity index manager. Russell Investments Implementation Services, LLC (Russell) is the equity beta replication manager. Russell primarily trades S&P 500 futures contracts and invests the margin account in fixed income securities and a money market mutual fund. Albourne America, LLC has been retained by the IMB to provide consulting services for the portfolio of alternative risk premia funds. Alternative risk premia funds are similar to hedge funds, but are fully systematic, fully transparent to investors, charge no performance fees, and are highly liquid. The remainder of the Pool's assets are invested in the BlackRock Equity Index Fund B (BlackRock). BlackRock uses a replication indexing approach to achieve investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Stock Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 4 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Futures contracts are valued at the last settlement price established each day by the exchange on which they are traded.
- Fixed income securities are valued according to prices furnished by independent pricing services to the Pool's custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Investments in alternative risk premia funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. 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 IMB's interests in the funds. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of February 28, 2023.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

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 market risk associated with holding equity 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. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 February 28, 2023.

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments held in the Pool are limited to equity index futures. These futures are not designated as hedging instruments under GASB Statement No. 53; they are used to obtain S&P 500 market exposure. See Notes 1 and 2 for additional information on the Pool's purpose for entering into derivatives and for discussion on the risks associated with investing in these derivatives.

The table below presents the fair value, the fiscal year to date net increase (decrease) in fair value, and the notional amount of derivative financial instruments outstanding as of and for the period ended February 28, 2023:

<u>Derivative Type</u>	<u>Fair Value</u>	<u>Net Increase (Decrease) in Fair Value of Investments</u>	<u>Notional Value</u>
Futures contracts:			
Equity index futures long	<u>\$ (11,914)</u>	<u>\$ 159,430</u>	<u>\$ 3,342,203</u>

NOTE 4. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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.

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at February 28, 2023. All of the Pool's investments in alternative risk premia funds (ARP) were valued using the NAV. As such, they have not been categorized in the fair value hierarchy.

Assets	Level 1	Level 2	Level 3	Total
Certificates of deposit	\$ -	\$ 35,376	\$ -	\$ 35,376
Commercial paper	-	235,104	-	235,104
Commingled equity fund	1,693,266	-	-	1,693,266
Corporate asset backed issues	-	10,340	-	10,340
Foreign corporate bonds	-	14,504	-	14,504
Money market mutual fund	483,125	-	-	483,125
U.S. corporate bonds	-	20,740	-	20,740
U.S. Government agency bonds	-	51,073	-	51,073
U.S. Treasury bonds	-	284,529	-	284,529
U.S. Treasury inflation protected securities	-	144,549	-	144,549
Total	<u>\$ 2,176,391</u>	<u>\$ 796,215</u>	<u>\$ -</u>	<u>\$ 2,972,606</u>
Alternative risk premia funds				1,950,741
Total				<u>\$ 4,923,347</u>

Liabilities	Level 1	Level 2	Level 3	Total
Futures contracts	<u>\$ (11,914)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,914)</u>

The following table presents information on investments measured at the NAV as of February 28, 2023:

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 364,808	Monthly	10 to 30 days
Multi-Premia (b)	1,454,821	Daily, Weekly, Semimonthly, Monthly	2 to 60 days
Relative-Value (c)	131,112	Monthly	30 days
	<u>\$ 1,950,741</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Multi-premia funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through allocation adjustments based on market opportunities. Risk is managed through a variety of quantitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 6 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

Portable Alpha Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

(c) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity.

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,071,692
Public Employees' Retirement System	1,869,609
West Virginia Retiree Health Benefit Trust Fund	408,576
State Police Death, Disability and Retirement Fund	176,158
State Police Retirement System	70,200
Deputy Sheriff's Retirement System	70,068
Judges' Retirement System	61,898
Municipal Policemen's or Firemen's Pension and Relief Funds	41,842
Emergency Medical Services Retirement System	27,043
Wildlife Endowment Fund	16,224
Municipal Police Officers' and Firefighters' Retirement System	7,126
West Virginia State Parks and Recreation Endowment Fund	6,985
Natural Resources Police Officer Retirement System	5,997
Berkeley County Development Authority	1,904
Total	<u>\$ 4,835,322</u>

Financial Statements - Unaudited

February 28, 2023

Large Cap Domestic Equity Pool

Financial Statements - Unaudited February 28, 2023

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Large Cap Domestic Equity Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value \$ 293,770

Liabilities

Accrued expenses 19

Net position \$ 293,751

Unit data

Units outstanding 6,307,001

Net position, unit price \$ 46.58

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (7,346)	\$ 17,434
Interest and dividends	-	4
Total investment income (loss)	(7,346)	17,438
Expenses		
Investment advisor fees	(2)	(15)
Custodian bank fees	-	(1)
Management and other allocated fees	(8)	(65)
Total expenses	(10)	(81)
Net investment income (loss)	(7,356)	17,357
Unit transactions		
Proceeds from sale of units	9,448	42,374
Amount paid for repurchase of units	(635)	(74,798)
Net increase (decrease) from unit transactions	8,813	(32,424)
Increase (decrease) in net position	1,457	(15,067)
Net position, beginning of period	292,294	308,818
Net position, end of period	\$ 293,751	\$ 293,751

**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

(Amounts in thousands)

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 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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool's objective is to equal or exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. The Pool invests in the BlackRock Equity Index Fund B (BlackRock). BlackRock uses a replication indexing approach to achieve investment results that correspond generally to the price and yield performance, before fees and expenses, of the S&P 500 Stock Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Open-end regulated investment companies and other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator. Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the IMB's established procedures.

Investment Transactions - Investment transactions are accounted for on a trade date basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	\$ 293,770	\$ -	\$ -	\$ 293,770

Large Cap Domestic Equity Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 108,872
Revenue Shortfall Reserve Fund - Part B	45,027
West Virginia Department of Environmental Protection Agency	40,816
Coal Workers' Pneumoconiosis Fund	25,885
Board of Risk and Insurance Management	22,470
Public Employees Insurance Agency	17,499
Revenue Shortfall Reserve Fund	16,765
Workers' Compensation Self-Insured Employer Security Risk Pool	6,152
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,613
West Virginia Department of Environmental Protection Trust	2,900
Workers' Compensation Uninsured Employers' Fund	2,055
Municipal Policemen's or Firemen's Pension and Relief Funds	697
Total	<u>\$ 293,751</u>

Financial Statements - Unaudited

February 28, 2023

Non-Large Cap Domestic Equity Pool

Financial Statements - Unaudited February 28, 2023

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Non-Large Cap Domestic Equity Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Equity investments	\$ 1,045,982
Money market mutual fund	42,882
Securities lending collateral	154,689
Cash	1
Receivables:	
Investments sold	39,990
Dividends and other investment income	618
	<hr/>
Total assets	1,284,162

Liabilities

Accrued expenses	1,954
Payable for investments purchased	13,064
Payable upon return of securities loaned	154,689
	<hr/>
Total liabilities	169,707
	<hr/>
Net position	\$ 1,114,455

Unit data

Units outstanding	20,885,544
Net position, unit price	\$ 53.36

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 7,658	\$ 215,774
Dividends	585	7,220
Securities lending income	562	3,671
Total investment income	8,805	226,665
Expenses		
Investment advisor fees	(1,108)	(5,500)
Custodian bank fees	(4)	(26)
Management and other allocated fees	(30)	(215)
Securities lending expenses	(512)	(3,316)
Total expenses	(1,654)	(9,057)
Net investment income	7,151	217,608
Unit transactions		
Proceeds from sale of units	839	102,076
Amount paid for repurchase of units	(8,914)	(59,032)
Net increase (decrease) from unit transactions	(8,075)	43,044
Increase (decrease) in net position	(924)	260,652
Net position, beginning of period	1,115,379	853,803
Net position, end of period	\$ 1,114,455	\$ 1,114,455

**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

Notes to Financial Statements

(Amounts in thousands)

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 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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool's objective is to exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets are managed by Cooper Creek Partners Management LLC and Westfield Capital Management, LLC.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Foreign Currency - Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars at exchange rates reported by the Pool's custodian on the following basis:

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

Securities Lending - The IMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for U.S. securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received. The required percentage for cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned. The required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality, maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses.

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The IMB has the right under the lending agreement to recover the securities from the borrower on demand. 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. 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 Changes in Net Position as a net increase (decrease) in fair value of investments.

Foreign Currency Spot Contracts - A foreign currency contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The IMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. 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 that mirror foreign market settlement cycles and are valued at the prevailing market exchange rates at month end.

Investment Transactions - Investment transactions are accounted for on a trade date basis. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 U.S. federal or state income taxes is required as of February 28, 2023.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In certain foreign countries, the Pool's dividend income and capital gains may be taxable. Taxes on dividend income are generally withheld from the payments 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. Capital gains taxes, if any, on sales of securities may be assessed and paid concurrent with the sale or upon the filing of a return with the taxing authority. In countries where the IMB is liable for capital gains taxes, the IMB will estimate and accrue a capital gains tax liability for unrealized gains on securities held in such countries. The outstanding reclaims and accrued capital gains taxes, when applicable, are reported on the Statement of Net Position. Dividend income is reported net of non-reclaimable taxes withheld on the Statement of Changes in Net Position. The net increase (decrease) in fair value of investments is reported net of capital gains taxes on the Statement of Changes in Net Position.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Domestic common stock	\$ 959,392	\$ -	\$ -	\$ 959,392
Foreign common stock	86,590	-	-	86,590
Money market mutual fund	42,882	-	-	42,882
Securities lending collateral	154,689	-	-	154,689
Total	<u>\$ 1,243,553</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,243,553</u>

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at February 28, 2023:

	Fair Value
Securities on loan	\$ 305,896
Collateral received:	
Cash	\$ 154,689
Non-cash	163,069
Total collateral received	\$ 317,758

NT, as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under a Securities Lending Authorization Agreement (SLAA) which permits NT under certain circumstances, such as defaults, to offset amounts payable to the same counterparty against amounts to be received and thus create one single net payment due to or from the counterparty. The amounts listed in the above table represent all securities loaned which are subject to the SLAA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Net Position.

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

Participant	Account Value
Teachers' Retirement System	\$ 455,833
Public Employees' Retirement System	410,537
West Virginia Retiree Health Benefit Trust Fund	81,169
State Police Death, Disability and Retirement Fund	38,859
Workers' Compensation Old Fund	22,739
Deputy Sheriff's Retirement System	15,202
State Police Retirement System	15,151
Judges' Retirement System	13,452
Revenue Shortfall Reserve Fund - Part B	9,405
Municipal Policemen's or Firemen's Pension and Relief Funds	9,350
West Virginia Department of Environmental Protection Agency	8,439
Emergency Medical Services Retirement System	5,858
Coal Workers' Pneumoconiosis Fund	5,408
Board of Risk and Insurance Management	4,621
Wildlife Endowment Fund	3,600
Public Employees Insurance Agency	3,583
Revenue Shortfall Reserve Fund	3,467
Municipal Police Officers' and Firefighters' Retirement System	1,506
West Virginia State Parks and Recreation Endowment Fund	1,290
Natural Resources Police Officer Retirement System	1,289
Workers' Compensation Self-Insured Employer Security Risk Pool	1,285
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	963
West Virginia Department of Environmental Protection Trust	611
Workers' Compensation Uninsured Employers' Fund	428
Berkeley County Development Authority	410
Total	\$ 1,114,455

Financial Statements - Unaudited

February 28, 2023

International Qualified Pool

Financial Statements - Unaudited February 28, 2023

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International Qualified Pool

Statement of Net Position - Unaudited
February 28, 2023
(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value \$ 1,265,504

Liabilities

Accrued expenses 65

Net position \$ 1,265,439

Unit data

Units outstanding 14,063,347

Net position, unit price \$ 89.98

See accompanying notes to financial statements.

International Qualified Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (11,500)	\$ 143,560
Expenses		
Investment advisor fees	(542)	(3,964)
Management and other allocated fees	<u>(33)</u>	<u>(244)</u>
Total expenses	<u>(575)</u>	<u>(4,208)</u>
Net investment income (loss)	(12,075)	139,352
Unit transactions		
Proceeds from sale of units	978	16,235
Amount paid for repurchase of units	<u>(946)</u>	<u>(76,008)</u>
Net increase (decrease) from unit transactions	<u>32</u>	<u>(59,773)</u>
Increase (decrease) in net position	(12,043)	79,579
Net position, beginning of period	<u>1,277,482</u>	<u>1,185,860</u>
Net position, end of period	<u>\$ 1,265,439</u>	<u>\$ 1,265,439</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

Notes to Financial Statements (Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool invests in a commingled equity fund, specifically The Silchester International Investors International Value Equity Group Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East Index (MSCI EAFE) 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. Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. Subscriptions and redemptions may be subject to anti-dilution levies to offset costs such as stamp duty, brokerage commissions, foreign exchange costs, bid-offer spreads, and market impact charges.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Commingled investment funds are valued on the last business day of each month at the net asset value of the fund as reported by the fund's administrator. Investments for which the fair value cannot be determined are valued at fair value in accordance with the IMB's established procedures.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

International Qualified Pool

Notes to Financial Statements

(Amounts in thousands)

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of the investment fund in which the Pool invests that are reflected in the reported net asset value of such fund.

Income Taxes - 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 February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The investment in Silchester is valued using the NAV. As Silchester is the only investment in the Pool, a fair value hierarchy table is not presented.

International Qualified Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	595,559
Public Employees' Retirement System	537,765
State Police Death, Disability and Retirement Fund	50,621
State Police Retirement System	20,019
Deputy Sheriff's Retirement System	20,005
Judges' Retirement System	17,701
Municipal Policemen's or Firemen's Pension and Relief Funds	12,291
Emergency Medical Services Retirement System	7,734
Municipal Police Officers' and Firefighters' Retirement System	2,036
Natural Resources Police Officer Retirement System	1,708
Total	<u>\$ 1,265,439</u>

Financial Statements - Unaudited

February 28, 2023

International Nonqualified Pool

Financial Statements - Unaudited February 28, 2023

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International Nonqualified Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value	\$	194,664
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Liabilities

Accrued expenses		<u>10</u>
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Net position	\$	<u>194,654</u>
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Unit data

Units outstanding		2,382,109
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Net position, unit price	\$	<u>81.71</u>
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See accompanying notes to financial statements.

International Nonqualified Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands, except unit data)

	Month	Year To Date
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (1,774)	\$ 21,789
Expenses		
Investment advisor fees	(96)	(707)
Management and other allocated fees	(6)	(38)
Total expenses	(102)	(745)
Net investment income (loss)	(1,876)	21,044
Unit transactions		
Proceeds from sale of units	3,709	29,475
Amount paid for repurchase of units	(3,703)	(39,440)
Net increase (decrease) from unit transactions	6	(9,965)
Increase (decrease) in net position	(1,870)	11,079
Net position, beginning of period	196,524	183,575
Net position, end of period	\$ 194,654	\$ 194,654

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

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool invests in a commingled equity fund, specifically The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East 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*). Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten days advance written notice. Redemptions will generally be made within seven business days following month-end. Subscriptions and redemptions may be subject to anti-dilution levies to offset costs such as stamp duty, brokerage commissions, foreign exchange costs, bid-offer spreads, and market impact charges.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Commingled investment funds are valued on the last business day of each month at the net asset value of the fund as reported by the fund's administrator. Investments for which the fair value cannot be determined are valued at fair value in accordance with the IMB's established procedures.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

International Nonqualified Pool

Notes to Financial Statements

(Amounts in thousands)

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of the investment fund in which the Pool invests that are reflected in the reported net asset value of such fund.

Income Taxes - 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 February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The investment in Silchester is valued using the NAV. As Silchester is the only investment in the Pool, a fair value hierarchy table is not presented.

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	106,516
Workers' Compensation Old Fund	30,227
Revenue Shortfall Reserve Fund - Part B	12,463
West Virginia Department of Environmental Protection Agency	11,193
Coal Workers' Pneumoconiosis Fund	7,170
Board of Risk and Insurance Management	6,338
Public Employees Insurance Agency	4,869
Revenue Shortfall Reserve Fund	4,630
Wildlife Endowment Fund	4,610
West Virginia State Parks and Recreation Endowment Fund	1,752
Workers' Compensation Self-Insured Employer Security Risk Pool	1,709
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,285
West Virginia Department of Environmental Protection Trust	787
Workers' Compensation Uninsured Employers' Fund	573
Berkeley County Development Authority	532
Total	<u>\$ 194,654</u>

Financial Statements - Unaudited

February 28, 2023

International Equity Pool

**Financial Statements - Unaudited
February 28, 2023**

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International Equity Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Equity investments	\$ 2,872,924
Money market mutual fund	65,418
Securities lending collateral	146,677
Cash (restricted: \$694)	5,606
Receivables:	
Investments sold	144,806
Dividends and other investment income	16,863
	<hr/>
Total assets	3,252,294

Liabilities

Accrued expenses	3,107
Payable for investments purchased	7,237
Payable upon return of securities loaned	146,677
	<hr/>
Total liabilities	157,021
	<hr/>
Net position	\$ 3,095,273

Unit data

Units outstanding	84,846,473
Net position, unit price	<u><u>\$ 36.48</u></u>

See accompanying notes to financial statements.

International Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (99,791)	\$ 139,625
Interest and dividends	3,509	55,937
Securities lending income	546	3,188
Total investment income (loss)	(95,736)	198,750
 Expenses		
Investment advisor fees	(1,283)	(9,838)
Custodian bank fees	(131)	(914)
Management and other allocated fees	(83)	(642)
Securities lending expenses	(513)	(2,734)
Total expenses	(2,010)	(14,128)
Net investment income (loss)	(97,746)	184,622
 Unit transactions		
Proceeds from sale of units	1,384	400,704
Amount paid for repurchase of units	(196,425)	(284,213)
Net increase (decrease) from unit transactions	(195,041)	116,491
Increase (decrease) in net position	(292,787)	301,113
Net position, beginning of period	3,388,060	2,794,160
Net position, end of period	\$ 3,095,273	\$ 3,095,273

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

International Equity Pool

Notes to Financial Statements

(Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool invests in the equities of international companies. The objective of the Pool is to outperform the international equity market as measured by the Morgan Stanley Capital International's All Country World Free Ex US Index over a full market cycle (three- to five-years), net of external investment management fees. Assets are managed by Acadian Asset Management, LLC, Axiom International Investors, LLC, LSV Asset Management, Numeric Investors LLC, and Oberweis Asset Management, Inc.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Equity securities and exchange traded funds (ETF) are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Open-end regulated investment companies and other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Equity securities that trade in non-U.S. markets are valued in U.S. dollars using period end spot market exchange rates as supplied by the Pool's custodian.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Cash - Cash consists of cash on deposit with financial institutions. Balances subject to withdrawal restrictions are noted parenthetically on the Statement of Net Position.

International Equity Pool

Notes to Financial Statements

(Amounts in thousands)

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 Pool's custodian on the following basis:

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

Securities Lending - The IMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for international securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received. The required percentage for cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is 105 percent unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. The required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned.

Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality, maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses.

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The IMB has the right under the lending agreement to recover the securities from the borrower on demand. 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. 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 Changes in Net Position as a net increase (decrease) in fair value of investments.

Foreign Currency Spot Contracts - A foreign currency contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The IMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. 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 that mirror foreign market settlement cycles and are valued at the prevailing market exchange rates at month end.

Investment Transactions - Investment transactions are accounted for on a trade date basis. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

International Equity Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 U.S. federal or state income taxes is required as of February 28, 2023.

In certain foreign countries, the Pool's dividend income and capital gains may be taxable. Taxes on dividend income are generally withheld from the payments 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. Capital gains taxes, if any, on sales of securities may be assessed and paid concurrent with the sale or upon the filing of a return with the taxing authority. In countries where the IMB is liable for capital gains taxes, the IMB will estimate and accrue a capital gains tax liability for unrealized gains on securities held in such countries. The outstanding reclaims and accrued capital gains taxes, when applicable, are reported on the Statement of Net Position. Dividend income is reported net of non-reclaimable taxes withheld on the Statement of Changes in Net Position. The net increase (decrease) in fair value of investments is reported net of capital gains taxes on the Statement of Changes in Net Position.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 2,807,628	\$ -	\$ -	\$ 2,807,628
ETF	47,084	-	-	47,084
Money market mutual fund	65,418	-	-	65,418
Preferred stock	18,200	-	-	18,200
Rights	12	-	-	12
Securities lending collateral	146,677	-	-	146,677
Total	<u>\$ 3,085,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,085,019</u>

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at February 28, 2023:

	Fair Value
Securities on loan	\$ 174,828
Collateral received:	
Cash	\$ 146,677
Non-cash	37,984
Total collateral received	<u>\$ 184,661</u>

NT, as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under a Securities Lending Authorization Agreement (SLAA) which permits NT under certain circumstances, such as defaults, to offset amounts payable to the same counterparty against amounts to be received and thus create one single net payment due to or from the counterparty. The amounts listed in the above table represent all securities loaned which are subject to the SLAA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Net Position.

International Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,269,924
Public Employees' Retirement System	1,148,040
West Virginia Retiree Health Benefit Trust Fund	220,534
State Police Death, Disability and Retirement Fund	107,313
Workers' Compensation Old Fund	59,691
Deputy Sheriff's Retirement System	42,516
State Police Retirement System	42,502
Judges' Retirement System	37,705
Municipal Policemen's or Firemen's Pension and Relief Funds	25,967
Revenue Shortfall Reserve Fund - Part B	25,664
West Virginia Department of Environmental Protection Agency	22,466
Emergency Medical Services Retirement System	16,403
Coal Workers' Pneumoconiosis Fund	14,052
Board of Risk and Insurance Management	12,528
Revenue Shortfall Reserve Fund	9,719
Wildlife Endowment Fund	9,642
Public Employees Insurance Agency	9,500
Municipal Police Officers' and Firefighters' Retirement System	4,255
Natural Resources Police Officer Retirement System	3,614
West Virginia State Parks and Recreation Endowment Fund	3,506
Workers' Compensation Self-Insured Employer Security Risk Pool	3,388
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,570
West Virginia Department of Environmental Protection Trust	1,483
Workers' Compensation Uninsured Employers' Fund	1,155
Berkeley County Development Authority	1,136
Total	<u>\$ 3,095,273</u>

Financial Statements - Unaudited

February 28, 2023

Short-Term Fixed Income Pool

**Financial Statements - Unaudited
February 28, 2023**

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Short-Term Fixed Income Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at amortized cost:

U.S. Treasury and government agency bonds	\$	86,924
Commercial paper		4,993
Repurchase agreement		17,202
Receivable for interest and dividends		<u>2</u>

Total assets 109,121

Liabilities

Accrued expenses		14
Other payable		<u>5</u>

Total liabilities 19

Net position \$ 109,102

Unit data

Units outstanding		109,102,362
Net position, unit price	\$	<u><u>1.00</u></u>

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income	\$ 498	\$ 3,350
Expenses		
Investment advisor fees	(6)	(55)
Custodian bank fees	-	(4)
	Total expenses	(59)
	Net investment income	3,291
Distributions to unitholders	(492)	(3,291)
Unit transactions		
Proceeds from sale of units	71,079	1,143,128
Reinvestment of distributions	492	3,291
Amount paid for repurchase of units	(89,942)	(1,182,736)
	Net decrease from unit transactions	(36,317)
	Decrease in net position	(36,317)
	Net position, beginning of period	145,419
	Net position, end of period	\$ 109,102
	\$ 109,102	\$ 109,102

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

Short-Term Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

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 (Board), consisting of thirteen members, governs the IMB. The Governor, the State Auditor, and the State Treasurer are ex officio members of the Board. 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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The main objective of the Pool is to maintain sufficient liquidity to meet the daily disbursements requested by participants and to invest any contributions until the time the money is transferred to other IMB operated investment pools without sustaining capital losses while earning a small return above inflation. The Pool's benchmark, net of external investment management fees, is the FTSE 3 Month US T-Bill Index. JP Morgan Investment Advisors, Inc. manages the Pool.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at amortized cost provided such amounts approximate fair value in accordance with GASB Statements No. 72 and No. 79. 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. The Pool values its securities at amortized cost so long as the deviation between the amortized cost and current market value remains minimal and results in the computation of a share price that represents fairly the stable net position value per share of \$1. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Repurchase Agreements - In connection with transactions in repurchase agreements, it is the IMB's policy that its designated custodian or mutual third party 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. Interest income, including the accretion of discounts and amortization of premiums, is accrued daily as earned. Dividend income is recognized on the ex-dividend date.

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.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Unit Valuation and Participant Transactions – The unit price of the Pool is calculated daily by dividing the net position of the Pool by the number of outstanding units. Managements' policy is for the Pool to maintain a stable unit price of \$1 per unit. If the calculated unit price rounds to \$1, then participant transactions are executed at this price.

Distributions to Participants – Daily net investment income is declared as a dividend and distributed to the participants of the Pool on the last day of the month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to unitholders and reinvestment of distributions as presented on the Statement of Changes in Net Position. The Pool does not distribute net investment losses.

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. The Pool is only charged for its direct investment-related costs. The IMB pays all expenses on behalf of the Pool.

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 investments in accordance with GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 4,993	\$ -	\$ 4,993
Repurchase agreement	-	17,202	-	17,202
U.S. Government agency bonds	-	64,957	-	64,957
U.S. Treasury bonds	-	21,967	-	21,967
Total	\$ -	\$ 109,119	\$ -	\$ 109,119

Short-Term Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	39,175
Revenue Shortfall Reserve Fund	32,470
Board of Risk and Insurance Management	8,834
Coal Workers' Pneumoconiosis Fund	7,993
West Virginia Retiree Health Benefit Trust Fund	7,123
Public Employees' Retirement System	4,217
Workers' Compensation Self-Insured Employer Security Risk Pool	2,146
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,732
West Virginia State Parks and Recreation Endowment Fund	1,425
Workers' Compensation Uninsured Employers' Fund	839
Municipal Policemen's or Firemen's Pension and Relief Funds	702
Municipal Police Officers' and Firefighters' Retirement System	540
State Police Retirement System	461
State Police Death, Disability and Retirement Fund	438
Deputy Sheriff's Retirement System	252
Wildlife Endowment Fund	248
Natural Resources Police Officer Retirement System	141
Judges' Retirement System	139
Emergency Medical Services Retirement System	123
Teachers' Retirement System	90
Berkeley County Development Authority	14
Total	<u>\$ 109,102</u>

Financial Statements - Unaudited

February 28, 2023

Total Return Fixed Income Pool

Financial Statements - Unaudited February 28, 2023

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Total Return Fixed Income Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Fixed income investments	\$ 2,217,892
Derivative instruments	58,170
Equity investments	13,084
Money market mutual fund	67,773
Securities lending collateral	85,083
Cash (restricted: \$921)	16,272
Cash due from broker	4,206
Receivables:	
Interest, dividends, and other investment income	18,486
Investments sold	<u>232,616</u>
Total assets	2,713,582

Liabilities

Investments in derivative instruments at fair value	40,616
Securities sold short at fair value	7,418
Accrued expenses	1,045
Payable for investments purchased	80,847
Payable upon return of securities loaned	<u>85,083</u>
Total liabilities	<u>215,009</u>
Net position	<u>\$ 2,498,573</u>

Unit data

Units outstanding	159,719,506
Net position, unit price	<u><u>\$ 15.64</u></u>

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net decrease in fair value of investments	\$ (73,329)	\$ (82,823)
Interest and dividends	8,698	66,188
Securities lending income	345	2,487
Total investment loss	(64,286)	(14,148)
 Expenses		
Investment advisor fees	(451)	(3,491)
Custodian bank fees	(12)	(83)
Management and other allocated fees	(67)	(518)
Securities lending expenses	(321)	(2,282)
Total expenses	(851)	(6,374)
Net investment loss	(65,137)	(20,522)
 Unit transactions		
Proceeds from sale of units	126,965	405,604
Amount paid for repurchase of units	(2,645)	(641,744)
Net increase (decrease) from unit transactions	124,320	(236,140)
Increase (decrease) in net position	59,183	(256,662)
Net position, beginning of period	2,439,390	2,755,235
Net position, end of period	\$ 2,498,573	\$ 2,498,573

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

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The main objective of the Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg Barclays U.S. Universal Bond Index over three- to five-year periods, net of external investment management fees. Dodge & Cox, Franklin Templeton Investments, and Western Asset Management Company manage the Pool.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 4 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Fixed income securities are valued according to prices furnished by independent pricing services to the Pool's custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies, commingled debt funds, and other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded.
- Credit default, interest rate, and total return swaps are valued at the last settlement price established each day by the exchange on which they are traded, are based on market values received from third parties, or are determined by valuation models.
- Foreign currency forward contracts are valued at the prevailing market exchange rates at month-end.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash - Cash consists of cash on deposit with financial institutions. Balances subject to withdrawal restrictions are noted parenthetically on the Statement of Net Position.

Cash Due to/from Broker - The Pool records restricted cash, if any, on the Statement of Net Position as Cash due to/from broker. These amounts are reported net and include cash balances required by brokers for collateral on derivative contracts, variation margin on futures and centrally cleared swaps, and forward-settling mortgage-backed securities.

Foreign Currency - Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars at exchange rates reported by the Pool's custodian on the following basis:

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

Option Contracts - The IMB may purchase or write 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.

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

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

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

Securities Lending - The IMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the required collateral is at least 105 percent of the market value of the securities on loan unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned.

Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality, maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The IMB has the right under the lending agreement to recover the securities from the borrower on demand. 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. 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 Changes in Net Position as a net increase (decrease) in 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.

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

The market risk associated with holding interest rate 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 Contracts – A foreign currency contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The IMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. The IMB enters into forward 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. Spot contracts have relatively short durations that mirror foreign market settlement cycles, while forward contracts are often entered into with durations up to 3- to 4-months. Foreign currency contracts are valued at the prevailing market exchange rates at month end.

Credit Default Swaps - Credit default swaps are agreements between counterparties to transfer the credit risk of referenced debt securities. The buyer of the credit default swap gains protection against a negative credit event such as a default or credit rating downgrade and the seller assumes the credit risk and is obligated to pay upon the occurrence of such an event. Credit default swap agreements are marked-to-market daily. Upfront payments received or made by the Pool on credit default swap agreements are capitalized. Periodic payments received or paid are recorded as interest income. Payments received or made as a result of a credit event or termination of the contract are recognized, net of a proportional amount of the upfront payment, in net increase (decrease) in fair value of investments.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Credit default swaps are instruments which allow for the full or partial transfer of third party credit risk, with respect to a particular entity or entities, from one counterparty to the other. A seller of credit default swaps is selling credit protection or assuming credit risk with respect to the underlying entity or entities. If a credit event occurs, as defined under the terms of the swap agreement, the seller of protection will either (i) pay to the buyer of protection an amount equal to the notional amount of the swap and take delivery of the referenced obligation or underlying securities comprising the referenced index or (ii) pay a net settlement amount in the form of cash or securities equal to the notional amount of the swap less the recovery value of the referenced obligation or underlying securities comprising the referenced index. The Notional Principal reflects the maximum potential amount the seller of protection could be required to pay if a credit event occurs. The seller of protection receives periodic premium payments from the counterparty and may also receive or pay an upfront premium adjustment to the stated periodic premium.

Interest Rate Swaps - Interest rate swaps are agreements between counterparties to exchange cash flows based on the difference between a fixed and floating interest rate, applied to a notional principal amount for a specified period. Upfront payments received or made by the Pool on interest rate swap agreements are capitalized. Interest is paid or received periodically.

Total Return Swaps - Total return swaps are agreements in which one party makes payments based on a fixed or variable rate, while the other party makes payments based on the total return of an underlying referenced instrument, applied to a notional principal amount for a specified period. The underlying referenced instrument can be either a security or market index. A total return swap allows the party receiving the total return to obtain exposure to the underlying referenced instrument without actually owning the underlying position.

Structured Securities - The Pool invests in various collateralized mortgage obligations (CMO), including interest-only and/or principal-only tranches, asset-backed securities, mortgage-backed securities (MBS), and structured corporate debt. 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. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 U.S. federal or state income taxes is required as of February 28, 2023.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In certain foreign countries, the Pool's interest income and capital gains may be taxable. Taxes on interest income are generally withheld from the payments 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. Capital gains taxes, if any, on sales of securities may be assessed and paid concurrent with the sale or upon the filing of a return with the taxing authority. In countries where the IMB is liable for capital gains taxes, the IMB will estimate and accrue a capital gains tax liability for unrealized gains on securities held in such countries. The outstanding reclaims and accrued capital gains taxes, when applicable, are reported on the Statement of Net Position. Interest income is reported net of non-reclaimable taxes withheld on the Statement of Changes in Net Position. The net increase (decrease) in fair value of investments is reported net of capital gains taxes on the Statement of Changes in Net Position.

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments held in the Pool include foreign currency forward contracts, futures, options, credit default swaps, interest rate swaps, and total return swaps. None of these derivative financial instruments are designated as hedging instruments under GASB Statement No. 53; 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 and for discussion on the risks associated with investing in these derivatives.

The Pool, through its investment managers, is a party to International Swap and Derivative Association, Inc. (ISDA) Master Agreements (MA) that may allow the netting of counterparty's obligations against those of the Pool in the event of a default by the counterparty. The Pool is required to disclose the positions held at period-end that were entered into pursuant to agreements that allow for such netting.

The table below presents the fair value and the net increase (decrease) in fair value as of and for the period ended February 28, 2023:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments
Forwards:		
Foreign currency forward contracts	\$ (2,050)	\$ (3,569)
Futures contracts:		
Fixed income futures long	(4,625)	(63,235)
Fixed income futures short	4,198	26,041
Options contracts:		
Fixed income options purchased	4,123	(19,787)
Fixed income options written	(5,257)	36,407
Credit default swaptions purchased	118	(176)
Credit default swaptions written	(91)	459
Interest rate swaptions purchased	215	(3,799)
Interest rate swaptions written	(197)	6,709
Swaps:		
Credit default swaps protection buyer	(380)	(3,307)
Credit default swaps protection seller	41	384
Interest rate swaps	21,459	2,056
Total return swaps	-	(2,041)
Total	\$ 17,554	\$ (23,858)

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Credit Risk

For financial reporting purposes, the Pool does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Net Position. The following table presents the Pool's derivative assets net of amounts available for offset under a netting provision and net of related collateral received by the Pool as of February 28, 2023:

Derivative Type	Derivative Assets Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Exposure
Foreign currency					
forward contracts	\$ 150	\$ (150)	\$ -	\$ -	\$ -
Swaptions	333	(288)	-	-	45
Swaps	41	(41)	-	-	-
Total	<u>\$ 524</u>	<u>\$ (479)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45</u>

Foreign currency forward contracts, certain swaps, and swaptions are exposed to counterparty credit risk. The IMB reviews available ratings from Standard & Poor's, Moody's, and Fitch and reports the rating indicative of the greatest degree of risk.

The following table provides the credit ratings for the Pool's derivative investments that are subject to counterparty credit risk as of February 28, 2023:

Derivative Type	Counterparty Rating	Fair Value
Foreign currency forward contracts	A	\$ 183
Foreign currency forward contracts	BBB	93
Credit default swaptions purchased	BBB	118
Interest rate swaptions purchased	A	215
Credit default swaps protection seller	A	41

Interest Rate Risk

The following table provides the time to maturity for investment derivatives that are subject to interest rate risk as of February 28, 2023:

Derivative Type	Investment Maturities (in years)				
	Fair Value	Under-1	1-5	6-10	10+
Futures contracts:					
Fixed income futures long	\$ (4,625)	\$ (4,625)	\$ -	\$ -	\$ -
Fixed income futures short	4,198	2,937	1,261	-	-
Options contracts:					
Fixed income options purchased	4,123	4,123	-	-	-
Fixed income options written	(5,257)	(5,257)	-	-	-
Interest rate swaptions purchased	215	215	-	-	-
Interest rate swaptions written	(197)	(197)	-	-	-
Swaps:					
Interest rate swaps	21,459	-	(21,023)	12,364	30,118
Total	<u>\$ 19,916</u>	<u>\$ (2,804)</u>	<u>\$ (19,762)</u>	<u>\$ 12,364</u>	<u>\$ 30,118</u>

Interest rate swaps are highly sensitive to changes in interest rates. The following tables provide detailed information on derivative financial instruments that are highly sensitive to interest rate changes.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

At February 28, 2023, the open positions in interest rate swaps denominated in U.S. dollars were as follows:

Maturity Date	Reference Rate	Notional	Fair Value
7/11/2024	Receive Fixed 1.32%, Pay Floating SOFR	\$ 266,705	\$ (13,621)
7/11/2027	Receive Fixed 1.60%, Pay Floating SOFR	46,560	(4,574)
3/16/2027	Receive Fixed 3.55%, Pay Floating SOFR	126,320	(2,828)
8/15/2028	Receive Floating SOFR, Pay Fixed 1.13%	34,164	4,617
8/15/2028	Receive Floating SOFR, Pay Fixed 1.22%	15,197	1,987
2/15/2047	Receive Floating SOFR, Pay Fixed 1.52%	19,934	6,043
5/15/2047	Receive Floating SOFR, Pay Fixed 1.63%	22,165	6,356
8/15/2047	Receive Floating SOFR, Pay Fixed 1.65%	37,433	10,638
7/11/2052	Receive Floating SOFR, Pay Fixed 1.78%	9,460	2,583
7/11/2032	Receive Floating SOFR, Pay Fixed 1.80%	24,730	3,599
3/18/2032	Receive Floating SOFR, Pay Fixed 2.00%	7,385	944
2/15/2029	Receive Floating SOFR, Pay Fixed 2.85%	13,001	694
2/15/2048	Receive Floating SOFR, Pay Fixed 3.05%	6,533	358
5/15/2032	Receive Floating SOFR, Pay Fixed 3.22%	36,392	1,287
9/30/2029	Receive Floating SOFR, Pay Fixed 3.25%	8,857	274
4/30/2029	Receive Floating SOFR, Pay Fixed 3.27%	75,466	2,361
6/30/2029	Receive Floating SOFR, Pay Fixed 3.85%	3,285	(3)
		\$ 753,587	\$ 20,715

At February 28, 2023, the open positions in interest rate swaps denominated in foreign currencies were as follows:

Maturity Date	Reference Rate	Notional (USD)	Fair Value
7/20/2029	Receive Fixed 7.44%, Pay Floating MXN TIE	\$ 21,814	\$ (1,737)
7/18/2029	Receive Fixed 7.45%, Pay Floating MXN TIE	20,957	(1,658)
4/19/2047	Receive Floating JPY TONAR plus 0.06%, Pay Fixed 0.79%	40,087	4,139
		\$ 82,858	\$ 744

Reference Index Definitions:

SOFR: Secured Overnight Financing Rate

MXN TIE: Mexican Interbank Deposit Rate

JPY TONAR: Bank of Japan Unsecured Overnight Call Rate

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Foreign Currency Risk

The Pool has foreign currency forward contracts, futures contracts, and swap contracts that are denominated in foreign currencies and exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of derivative investments in foreign currencies as of February 28, 2023, are as follows:

Currency	Foreign Currency Forward Contracts	Futures Contracts	Swap Contracts	Total
Australian Dollar	\$ 48	\$ (731)	\$ -	\$ (683)
British Pound	19	(40)	-	(21)
Canadian Dollar	2	-	-	2
Chinese Yuan Renminb	(24)	-	-	(24)
Euro Currency Unit	(30)	2,119	(26)	2,063
Indonesian Rupiah	(252)	-	-	(252)
Japanese Yen	1	269	4,139	4,409
Mexican Peso	(1,814)	-	(3,395)	(5,209)
Total foreign denominated derivatives	(2,050)	1,617	718	285
U.S. Dollar	-	(2,044)	20,402	18,358
Total	\$ (2,050)	\$ (427)	\$ 21,120	\$ 18,643

NOTE 4. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at February 28, 2023. The Pool's investments in commingled debt funds were valued using the net asset value per share, as such they have not been categorized in the fair value hierarchy.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

Assets	Level 1	Level 2	Level 3	Total
Bank Loans	\$ -	\$ 2,674	\$ -	\$ 2,674
Corporate ABS residual	-	1,390	-	1,390
Corporate asset backed issues	-	50,152	-	50,152
Corporate CMO	-	66,171	-	66,171
Corporate preferred securities	10,984	-	-	10,984
Foreign asset backed issues	-	75,800	-	75,800
Foreign corporate bonds	-	333,159	-	333,159
Foreign currency forward contracts	-	276	-	276
Foreign equity investments	710	-	-	710
Foreign government bonds	-	202,240	-	202,240
Futures contracts	5,030	-	-	5,030
Money market mutual fund	67,773	-	-	67,773
Municipal bonds	-	20,103	-	20,103
Options contracts purchased	4,123	333	-	4,456
Repurchase agreement	-	20,000	-	20,000
Securities lending collateral	85,083	-	-	85,083
Swaps	-	48,408	-	48,408
U.S. corporate bonds	-	463,455	-	463,455
U.S. Government agency CMO	-	70,711	-	70,711
U.S. Government agency CMO interest-only	-	3,911	-	3,911
U.S. Government agency MBS	-	409,634	-	409,634
U.S. Government agency TBAs	-	14,894	-	14,894
U.S. Treasury bonds	-	322,641	-	322,641
U.S. Treasury inflation protected securities	-	5,965	-	5,965
Total	<u>\$ 173,703</u>	<u>\$ 2,111,917</u>	<u>\$ -</u>	<u>\$ 2,285,620</u>
Commingled debt funds				156,382
Total				<u>\$ 2,442,002</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (2,326)	\$ -	\$ (2,326)
Futures contracts	(5,457)	-	-	(5,457)
Options contracts written	(5,257)	(288)	-	(5,545)
Securities sold short	-	(7,418)	-	(7,418)
Swaps	-	(27,288)	-	(27,288)
Total	<u>\$ (10,714)</u>	<u>\$ (37,320)</u>	<u>\$ -</u>	<u>\$ (48,034)</u>

The Pool's investments in commingled debt funds were measured at the NAV as of February 28, 2023. These commingled debt funds invest in certain niche sectors, particularly those that are not a significant percentage to the Pool, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would be otherwise difficult to achieve. These funds offer daily liquidity.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at February 28, 2023:

	Fair Value
Securities on loan	\$ 152,316
Collateral received:	
Cash	\$ 85,083
Non-cash	72,567
Total collateral received	\$ 157,650

NT, as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under a Securities Lending Authorization Agreement (SLAA) which permits NT under certain circumstances, such as defaults, to offset amounts payable to the same counterparty against amounts to be received and thus create one single net payment due to or from the counterparty. The amounts listed in the above table represent all securities loaned which are subject to the SLAA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Net Position.

NOTE 6. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

Participant	Account Value
Teachers' Retirement System	\$ 774,397
Public Employees' Retirement System	702,768
Workers' Compensation Old Fund	201,508
Revenue Shortfall Reserve Fund - Part B	172,499
West Virginia Retiree Health Benefit Trust Fund	150,573
Revenue Shortfall Reserve Fund	90,724
State Police Death, Disability and Retirement Fund	65,094
West Virginia Department of Environmental Protection Agency	60,391
Coal Workers' Pneumoconiosis Fund	47,765
Public Employees Insurance Agency	46,540
Board of Risk and Insurance Management	42,723
State Police Retirement System	27,104
Deputy Sheriff's Retirement System	26,634
Judges' Retirement System	23,448
Municipal Policemen's or Firemen's Pension and Relief Funds	16,481
Workers' Compensation Self-Insured Employer Security Risk Pool	11,387
Emergency Medical Services Retirement System	10,372
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	8,571
Wildlife Endowment Fund	6,436
Workers' Compensation Uninsured Employers' Fund	3,825
Municipal Police Officers' and Firefighters' Retirement System	2,857
West Virginia State Parks and Recreation Endowment Fund	2,362
Natural Resources Police Officer Retirement System	2,294
West Virginia Department of Environmental Protection Trust	1,088
Berkeley County Development Authority	732
Total	\$ 2,498,573

Financial Statements - Unaudited

February 28, 2023

Core Fixed Income Pool

Financial Statements - Unaudited February 28, 2023

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Core Fixed Income Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:		
Fixed income investments	\$	1,077,346
Money market mutual fund		11,451
Securities lending collateral		61,806
Receivables:		
Interest, dividends, and other investment income		4,907
Investments sold		120
Other		310
		<hr/>
Total assets		1,155,940

Liabilities

Accrued expenses		405
Payable for investments purchased		27,890
Payable upon return of securities loaned		61,806
		<hr/>
Total liabilities		90,101
		<hr/>
Net position	\$	1,065,839

Unit data

Units outstanding		93,242,927
Net position, unit price	\$	11.43

See accompanying notes to financial statements.

Core Fixed Income Pool

Statement of Change in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net decrease in fair value of investments	\$ (27,309)	\$ (47,308)
Interest and dividends	2,867	21,933
Securities lending income	226	1,243
Total investment loss	(24,216)	(24,132)
Expenses		
Investment advisor fees	(134)	(1,023)
Custodian bank fees	(4)	(24)
Management and other allocated fees	(28)	(221)
Securities lending expenses	(214)	(1,154)
Total expenses	(380)	(2,422)
Net investment loss	(24,596)	(26,554)
Unit transactions		
Proceeds from sale of units	56,713	184,879
Amount paid for repurchase of units	(1,212)	(281,131)
Net increase (decrease) from unit transactions	55,501	(96,252)
Increase (decrease) in net position	30,905	(122,806)
Net position, beginning of period	1,034,934	1,188,645
Net position, end of period	\$ 1,065,839	\$ 1,065,839

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

Core Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The main objective of the Pool is to generate investment income, provide stability, and enhance diversification but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg Barclays U.S. Aggregate Bond Index over three- to five-year periods, net of external investment management fees. JP Morgan Investment Advisors, Inc. manages this Pool.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Fixed income securities are valued according to prices furnished by independent pricing services to the Pool's custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Core Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Securities Lending - The IMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities and foreign securities denominated in U.S. Dollars, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income.

Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality, maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses.

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The IMB has the right under the lending agreement to recover the securities from the borrower on demand. 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. 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 Changes in Net Position as a net increase (decrease) in fair value of investments.

Structured Securities - The Pool invests in various collateralized mortgage obligations (CMO), including interest-only and/or principal-only tranches, asset-backed securities, mortgage-backed securities (MBS), and structured corporate debt. 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. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of February 28, 2023.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Corporate asset backed issues	\$ -	\$ 123,462	\$ -	\$ 123,462
Corporate CMO	-	77,033	-	77,033
Corporate CMO interest-only	-	128	-	128
Corporate CMO principal-only	-	24	-	24
Foreign asset backed issues	-	2,431	-	2,431
Foreign corporate bonds	-	79,022	-	79,022
Foreign government bonds	-	2,697	-	2,697
Money market mutual fund	11,451	-	-	11,451
Municipal bonds	-	8,492	-	8,492
Securities lending collateral	61,806	-	-	61,806
U.S. corporate bonds	-	178,782	-	178,782
U.S. Government agency CMO	-	89,506	-	89,506
U.S. Government agency CMO interest-only	-	1,480	-	1,480
U.S. Government agency CMO principal-only	-	1,862	-	1,862
U.S. Government agency MBS	-	192,258	-	192,258
U.S. Treasury bonds	-	320,169	-	320,169
Total	<u>\$ 73,257</u>	<u>\$ 1,077,346</u>	<u>\$ -</u>	<u>\$ 1,150,603</u>

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at February 28, 2023:

	Fair Value
Securities on loan	\$ 80,397
Collateral received:	
Cash	\$ 61,806
Non-cash	21,123
Total collateral received	\$ 82,929

NT, as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under a Securities Lending Authorization Agreement (SLAA) which permits NT under certain circumstances, such as defaults, to offset amounts payable to the same counterparty against amounts to be received and thus create one single net payment due to or from the counterparty. The amounts listed in the above table represent all securities loaned which are subject to the SLAA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Net Position.

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

Participant	Account Value
Teachers' Retirement System	\$ 329,226
Public Employees' Retirement System	298,775
Workers' Compensation Old Fund	86,631
Revenue Shortfall Reserve Fund - Part B	74,173
West Virginia Retiree Health Benefit Trust Fund	64,445
Revenue Shortfall Reserve Fund	38,725
State Police Death, Disability and Retirement Fund	27,694
West Virginia Department of Environmental Protection Agency	25,921
Coal Workers' Pneumoconiosis Fund	20,532
Public Employees Insurance Agency	20,023
Board of Risk and Insurance Management	18,398
State Police Retirement System	11,564
Deputy Sheriff's Retirement System	11,357
Judges' Retirement System	9,979
Municipal Policemen's or Firemen's Pension and Relief Funds	7,041
Workers' Compensation Self-Insured Employer Security Risk Pool	4,896
Emergency Medical Services Retirement System	4,436
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,685
Wildlife Endowment Fund	2,750
Workers' Compensation Uninsured Employers' Fund	1,645
Municipal Police Officers' and Firefighters' Retirement System	1,232
Natural Resources Police Officer Retirement System	980
West Virginia State Parks and Recreation Endowment Fund	951
West Virginia Department of Environmental Protection Trust	468
Berkeley County Development Authority	312
Total	\$ 1,065,839

Financial Statements - Unaudited

February 28, 2023

TIPS Pool

Financial Statements - Unaudited February 28, 2023

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TIPS Pool

Statement of Net Position - Unaudited
February 28, 2023
(Amounts in thousands, except unit data)

Assets

Investment in commingled bond fund at fair value \$ 396,494

Liabilities

Accrued expenses 32

Net position \$ 396,462

Unit data

Units outstanding 31,089,931

Net position, unit price \$ 12.75

See accompanying notes to financial statements.

TIPS Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net decrease in fair value of investments	\$ (5,534)	\$ (11,971)
Dividend income	-	3
	(5,534)	(11,968)
Expenses		
Investment advisor fees	(6)	(47)
Custodian bank fees	-	(1)
Management and other allocated fees	(10)	(89)
	(16)	(137)
	Net investment loss	(12,105)
Unit transactions		
Proceeds from sale of units	5,968	9,679
Amount paid for repurchase of units	(39)	(41,840)
	5,929	(32,161)
	Increase (decrease) in net position	(44,266)
	Net position, beginning of period	440,728
	Net position, end of period	396,462
	\$ 396,462	\$ 396,462

**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 (Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool was established to offer an additional level of diversification over and above nominal fixed income securities in an attempt to mitigate the risk of inflation. The main objective for the Pool is to generate a return that exceeds the rate of inflation over a market cycle, to provide investment income and stability of principal, and to diversify interest rate exposure. The Pool's performance is measured against the Bloomberg Barclays U.S. Treasury Inflation Protection Index on an annualized basis over rolling three- to five-year periods, gross of fees. The Pool invests in the BlackRock U.S. Treasury Inflation Protected Securities Fund B (BlackRock). BlackRock invests primarily in a portfolio of debt securities with the objective of closely approximating the total rate of return for all outstanding U.S. Treasury Inflation Protected Securities with a maturity of one year or greater.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator. Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the IMB's established procedures.

Investment Transactions - Investment transactions are accounted for on a trade date basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

TIPS Pool

Notes to Financial Statements (Amounts in thousands)

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 establishes 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 GASB Statement No. 72 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 GASB Statement No. 72 fair value hierarchy levels as of February 28, 2023:

Assets	Level 1	Level 2	Level 3	Total
Commingled bond fund	\$ 396,494	\$ -	\$ -	\$ 396,494

TIPS Pool

Notes to Financial Statements *(Amounts in thousands)*

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 129,540
Revenue Shortfall Reserve Fund - Part B	110,638
Workers' Compensation Old Fund	83,766
Public Employees Insurance Agency	25,376
Coal Workers' Pneumoconiosis Fund	19,909
Board of Risk and Insurance Management	17,391
Workers' Compensation Self-Insured Employer Security Risk Pool	4,729
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,538
Workers' Compensation Uninsured Employers' Fund	1,575
Total	<u>\$ 396,462</u>

Financial Statements - Unaudited

February 28, 2023

Private Markets Pool

Financial Statements - Unaudited February 28, 2023

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Private Markets Pool

Statement of Net Position - Unaudited
February 28, 2023
(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Alternative investments	\$ 5,764,246
Equity investments	219,870
Fixed income investments	15,339
Money market mutual fund	118,344
Securities lending collateral	40,272
Cash	31
Receivables:	
Investments sold	1,125
Income distributions from real estate limited partnerships and funds	45
Interest, dividends, and other investment income	772
	<hr/>
Total assets	6,160,044

Liabilities

Accrued expenses	976
Payable for investments purchased	2,616
Payable upon return of securities loaned	40,272
	<hr/>
Total liabilities	43,864
	<hr/>
Net position	\$ 6,116,180
	<hr/> <hr/>

Unit data

Units outstanding	202,510,419
Net position, unit price	\$ 30.20
	<hr/> <hr/>

See accompanying notes to financial statements.

Private Markets Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net decrease in fair value of investments	\$ (4,063)	\$ (115,665)
Income from partnerships and funds	5,794	80,135
Interest and dividends	762	9,838
Fund closing interest	76	311
Securities lending income	159	565
Total investment income (loss)	2,728	(24,816)
Expenses		
Investment advisor fees	(107)	(807)
Custodian bank fees	(2)	(21)
Management and other allocated fees	(160)	(1,323)
Professional service fees - direct	(118)	(1,004)
Management fees - external	(155)	(4,670)
Fund closing costs	-	(1,097)
Securities lending expenses	(143)	(355)
Total expenses	(685)	(9,277)
Net investment income (loss)	2,043	(34,093)
Unit transactions		
Proceeds from sale of units	65,981	455,208
Amount paid for repurchase of units	(37,384)	(393,710)
Net increase from unit transactions	28,597	61,498
Increase in net position	30,640	27,405
Net position, beginning of period	6,085,540	6,088,775
Net position, end of period	\$ 6,116,180	\$ 6,116,180

**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 Markets Pool

Notes to Financial Statements

(Amounts in thousands)

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 Markets 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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The objective of the Pool is to enhance the diversification and stability of the portfolio, while generating a higher level of income than generally available in the public fixed income markets and to provide for long-term growth of participants' assets and risk-reduction through diversification. The Pool primarily holds the IMB's investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds. Franklin Park, StepStone Group LP, and Verus have been retained by the IMB to provide consulting services related to the selection of limited partnerships and funds. Publicly traded assets are managed by CBRE Investment Management and Security Capital Research & Management Inc.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. 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 IMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of February 28, 2023.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Equity securities that trade in non-U.S. markets are valued in U.S. Dollars using period end spot market exchange rates as supplied by the Pool's custodian.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Fixed income securities are valued according to prices furnished by independent pricing services to the Pool's custodian. These services determine the security prices by a number of methods including, but not limited to, dealer quotes, live market trading levels when available, live feeds of trade execution data, spreads over U.S. Treasury securities, and other models and formulae appropriate to the specific security type.
- Open-end regulated investment companies and other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Foreign Currency - Amounts denominated in or expected to settle in foreign currencies are translated into U.S. dollars at exchange rates reported by the Pool's custodian on the following basis:

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

Securities Lending - The IMB, through its lending agent, Northern Trust (NT), loans securities of the Pool to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income, if applicable. For international securities, the required percentage is 105 percent unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. Loans of equity securities may also be collateralized by equity securities and the required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned.

Cash collateral received is invested in the West Virginia Custom Account (Cash Collateral Account). The Cash Collateral Account's investment objective is to maximize current income to the extent consistent with the preservation of capital and maintenance of liquidity. The Cash Collateral Account seeks to maintain a constant net asset value of \$1.00 per share by following strict credit quality, maturity, liquidity, and diversification requirements. Except for underlying repurchase agreement transactions, the Pool is liable for investment losses in the Cash Collateral Account. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses.

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The IMB has the right under the lending agreement to recover the securities from the borrower on demand. 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. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. 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 Changes in Net Position as a net increase (decrease) in fair value of investments.

Foreign Currency Spot Contracts - A foreign currency contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The IMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. 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 that mirror foreign market settlement cycles and are valued at the prevailing market exchange rates at month end.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Transactions - Investment transactions are accounted for on a trade date basis. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Income from Partnerships - Income from private equity partnerships, real estate partnerships, private credit & income funds, and other private funds are recognized when distributed to the partners.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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. Direct investment-related costs include fees charged by external managers that are outside of their respective partnership or fund, the custodian bank, legal counsel, and the consultant. Other expenses are allocated to the individual pools based on asset size.

The IMB pays all expenses on behalf of the Pool. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 U.S. federal and state income taxes is required as of February 28, 2023.

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 Net Position. Dividend income is reported net of non-reclaimable taxes withheld on the Statement of Changes in Net Position.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 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 GASB Statement No. 72 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 with redemption terms that are not short term.

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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at February 28, 2023. All of the Pool's investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds were valued using the NAV. As such, they have not been categorized in the fair value hierarchy table.

Assets	Level 1	Level 2	Level 3	Total
Foreign common stock	\$ 36,800	\$ -	\$ -	\$ 36,800
Money market mutual fund	118,344	-	-	118,344
Rights	70	-	-	70
Securities lending collateral	40,272	-	-	40,272
U.S. common stock	171,779	-	-	171,779
U.S. corporate bonds	-	15,339	-	15,339
U.S. preferred stock	11,221	-	-	11,221
Total	<u>\$ 378,486</u>	<u>\$ 15,339</u>	<u>\$ -</u>	<u>\$ 393,825</u>
Private credit & income funds				828,315
Private equity partnerships				2,662,829
Real estate limited partnerships and funds				2,273,102
Total				<u>\$ 6,158,071</u>

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

The following table presents information on investments measured at the NAV as of February 28, 2023:

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private credit & income funds:					
Commercial Debt (b)	\$ 474,837	\$ 162,318	2026 to 2029	N/A	N/A
Real Estate Debt (c)	353,478	228,543	2023 to 2031	Quarterly	45 days
Private equity partnerships:					
Corporate Finance - Buyout (d)	1,679,771	525,495	2023 to 2035	N/A	N/A
Corporate Finance - Distressed Debt (e)	34,781	16,263	2023	N/A	N/A
Corporate Finance - Growth Equity (f)	138,649	58,382	2023 to 2031	N/A	N/A
Corporate Finance - Hard Assets (g)	141,982	22,264	2023 to 2028	N/A	N/A
Corporate Finance - Mezzanine (h)	1,829	480	N/A	N/A	N/A
Corporate Finance - Structured Capital (i)	73,431	26,963	2023 to 2028	N/A	N/A
Corporate Finance - Turnaround (j)	112,993	66,235	2024 to 2032	N/A	N/A
Venture Capital (k)	479,393	54,798	2023 to 2034	N/A	N/A
Real estate limited partnerships and funds:					
Core (l)	1,287,826	7,500	N/A	Quarterly	45-60 days
Opportunistic (m)	278,113	307,784	2023 to 2034	N/A	N/A
Value (n)	707,163	621,397	2023 to 2033	Quarterly	90 days
Total	<u>\$ 5,764,246</u>	<u>\$ 2,098,422</u>			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Commercial Debt funds seek to generate income while preserving capital through investments primarily in senior-secured loans to business enterprises.
- (c) Real Estate Debt funds seek to generate income while preserving capital through investments in real estate mortgage and debt investments.
- (d) Corporate Finance - Buyout funds acquire controlling or influential interests in companies.
- (e) Corporate Finance - Distressed Debt funds acquire the debt of companies experiencing operational or financial distress usually converting the debt to equity and exercising control of the business.
- (f) Corporate Finance - Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (g) Corporate Finance - Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (h) Corporate Finance - Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (i) Corporate Finance - Structured Capital funds combine common equity, preferred equity, fixed-income, and/or customized debt instruments to offer capital appreciation with downside protection.
- (j) Corporate Finance - Turnaround funds acquire the debt and or equity of companies experiencing operational or financial distress in order to radically reorganize and improve the business.
- (k) Venture Capital funds make investments in early stage through late stage companies, frequently start-ups in technology or healthcare.
- (l) Core funds are more conservative real estate investments that use a very modest level of financing to acquire and hold high-quality, stable properties typically located in major markets. Assets within these strategies tend to have high occupancy rates, higher credit tenants, and staggered lease terms, with a number of long-term leases expiring in five-to-ten years.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

- (m) Opportunistic funds have higher risk/return profiles and have broad strategies to achieve these types of returns. Common strategies are properties that need significant rehabilitation or a total redevelopment to transition to a different type of property (for example, converting an office building to condominiums). It may also include new development, distressed debt strategies, and more complex transactions, as well as a more traditional value-add strategy that is financed with a higher amount of leverage.
- (n) Value funds typically use more leverage than core funds and target higher return opportunities by acquiring properties that the manager believes they can add value through capital renovations to the physical facility or enhanced leasing and management activities. Most of these properties have in-place cash flow, which is expected to increase as the business plans are implemented. This could include making physical improvements to the asset that will allow it to command higher rents, increasing efforts to lease vacant space at the property to quality tenants, or improving the management of the property and thereby increasing customer satisfaction or lowering operating expenses where possible.

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at February 28, 2023:

	Fair Value
Securities on loan	\$ 56,445
Collateral received:	
Cash	\$ 40,272
Non-cash	18,251
Total collateral received	<u>\$ 58,523</u>

NT, as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under a Securities Lending Authorization Agreement (SLAA) which permits NT under certain circumstances, such as defaults, to offset amounts payable to the same counterparty against amounts to be received and thus create one single net payment due to or from the counterparty. The amounts listed in the above table represent all securities loaned which are subject to the SLAA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Net Position.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,565,741
Public Employees' Retirement System	2,317,213
West Virginia Retiree Health Benefit Trust Fund	464,303
State Police Death, Disability and Retirement Fund	218,042
State Police Retirement System	86,290
Deputy Sheriff's Retirement System	86,208
Workers' Compensation Old Fund	80,128
Judges' Retirement System	76,277
Municipal Policemen's or Firemen's Pension and Relief Funds	52,115
Emergency Medical Services Retirement System	33,337
Revenue Shortfall Reserve Fund - Part B	23,658
Wildlife Endowment Fund	20,133
Coal Workers' Pneumoconiosis Fund	18,996
Board of Risk and Insurance Management	16,828
West Virginia Department of Environmental Protection Agency	10,657
Municipal Police Officers' and Firefighters' Retirement System	8,793
Public Employees Insurance Agency	8,098
West Virginia State Parks and Recreation Endowment Fund	7,671
Natural Resources Police Officer Retirement System	7,363
Workers' Compensation Self-Insured Employer Security Risk Pool	4,528
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,404
West Virginia Department of Environmental Protection Trust	2,554
Berkeley County Development Authority	2,324
Workers' Compensation Uninsured Employers' Fund	1,519
Total	<u>\$ 6,116,180</u>

Financial Statements - Unaudited

February 28, 2023

Hedge Fund Pool

Financial Statements - Unaudited February 28, 2023

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Hedge Fund Pool

Statement of Net Position - Unaudited

February 28, 2023

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:

Hedge funds

\$ 2,513,350

Money market mutual fund

17

Receivables:

Investment funds redeemed

7,517

Interest and dividends

135

Total assets

2,521,019

Liabilities

Accrued expenses

207

Net position

\$ 2,520,812

Unit data

Units outstanding

130,371,415

Net position, unit price

\$ 19.34

See accompanying notes to financial statements.

Hedge Fund Pool

Statement of Changes in Net Position - Unaudited
Period Ended February 28, 2023*
(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 1,370	\$ 121,321
Interest and dividend income	-	630
	<u>1,370</u>	<u>121,951</u>
Expenses		
Professional service fees - direct	(38)	(325)
Custodian bank fees	(1)	(1)
Management and other allocated fees	(65)	(540)
	<u>(104)</u>	<u>(866)</u>
Net investment income	1,266	121,085
Unit transactions		
Proceeds from sale of units	6,812	312,240
Amount paid for repurchase of units	(6,714)	(208,924)
	<u>98</u>	<u>103,316</u>
Net increase from unit transactions	98	103,316
Increase in net position	1,364	224,401
Net position, beginning of period	<u>2,519,448</u>	<u>2,296,411</u>
Net position, end of period	<u>\$ 2,520,812</u>	<u>\$ 2,520,812</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

Notes to Financial Statements

(Amounts in thousands)

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.

The IMB accounts for the Pool under U.S. Generally Accepted Accounting Principles (GAAP) for governments as prescribed by the Governmental Accounting Standards Board (GASB), using the economic resources measurement focus and the accrual basis of accounting.

The Pool was established to hold the IMB's investments in hedge funds. The objective of the Pool is to reduce risk through diversification of participants' assets. The primary performance benchmark is the Hedge Funds Research, Inc. Fund of Funds Composite Index plus 100 Basis points. The secondary benchmark is the FTSE 3 Month US T-Bill Index plus 500 basis points. Albourne America, LLC has been retained by the IMB to provide consulting services for this investment strategy.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Fair value of the Pool's portfolio securities is determined on the last business day of each month as follows:

- Investments in hedge funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. 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 IMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of February 28, 2023.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the IMB's established procedures.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investment Transactions - Investment transactions are accounted for on a trade date basis. Interest income is recognized on the accrual basis. Dividend income is recognized on the ex-dividend date.

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.

Unit Valuation and Participant Transactions - The unit price of the Pool is calculated on the last business day of the month by dividing the net position of the Pool by the number of outstanding units. Participant accounts undergo a monthly rebalancing process to maintain their defined asset allocation. Participant transactions that occur as part of the rebalancing process are executed as a purchase or redemption on the first business day of each month using the prior month end unit price.

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

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. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

Income Taxes - 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 February 28, 2023.

NOTE 3. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 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).

GASB Statement No. 72 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 GASB Statement No. 72 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 with redemption terms that are not short term.

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

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share (NAV) as a practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at February 28, 2023. All of the Pool's investments in hedge funds were valued using the NAV. As such, they have not been categorized in the fair value hierarchy.

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 17	\$ -	\$ -	\$ 17
Hedge funds				2,513,350
Total				<u>\$ 2,513,367</u>

The following table presents information on investments measured at the NAV as of February 28, 2023:

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 247,994	Monthly, Quarterly	5 to 30 days
Equity long/short (b)	446,710	Quarterly	45 to 90 days
Event-driven (c)	139,231	Quarterly	180 days
Long-biased (d)	77,400	Monthly	90 days
Multi-strategy (e)	1,312,856	Monthly, Quarterly, Semiannually	45 to 90 days
Relative-value (f)	246,960	Weekly, Quarterly	5 to 60 days
	<u>\$ 2,471,151</u>		
In liquidation (g)	42,199		
Total	<u>\$ 2,513,350</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Equity long/short funds involve taking long positions in stocks that are expected to increase in value and short positions in stocks that are expected to decrease in value. Investments representing approximately 66 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. The sole fund in this investment strategy is subject to maximum withdrawal restrictions.
- (d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.
- (e) Multi-strategy funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 84 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

Hedge Fund Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

- (f) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. Investments representing approximately 59 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (g) Funds currently in liquidation are no longer managed to a defined strategy. As the remaining underlying assets of these funds are monetized, their proceeds are distributed to shareholders. The timing of these future distributions is unknown.

NOTE 4. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at February 28, 2023:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 949,732
Public Employees' Retirement System	857,676
West Virginia Retiree Health Benefit Trust Fund	171,930
Workers' Compensation Old Fund	133,594
State Police Death, Disability and Retirement Fund	80,719
West Virginia Department of Environmental Protection Agency	47,384
Public Employees Insurance Agency	36,004
State Police Retirement System	31,939
Deputy Sheriff's Retirement System	31,911
Coal Workers' Pneumoconiosis Fund	31,676
Judges' Retirement System	28,235
Board of Risk and Insurance Management	28,045
Revenue Shortfall Reserve Fund - Part B	26,297
Municipal Policemen's or Firemen's Pension and Relief Funds	19,292
Emergency Medical Services Retirement System	12,339
Workers' Compensation Self-Insured Employer Security Risk Pool	7,551
Wildlife Endowment Fund	7,452
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	5,678
Municipal Police Officers' and Firefighters' Retirement System	3,253
West Virginia State Parks and Recreation Endowment Fund	2,838
Natural Resources Police Officer Retirement System	2,725
Workers' Compensation Uninsured Employers' Fund	2,533
West Virginia Department of Environmental Protection Trust	1,148
Berkeley County Development Authority	861
Total	<u>\$ 2,520,812</u>