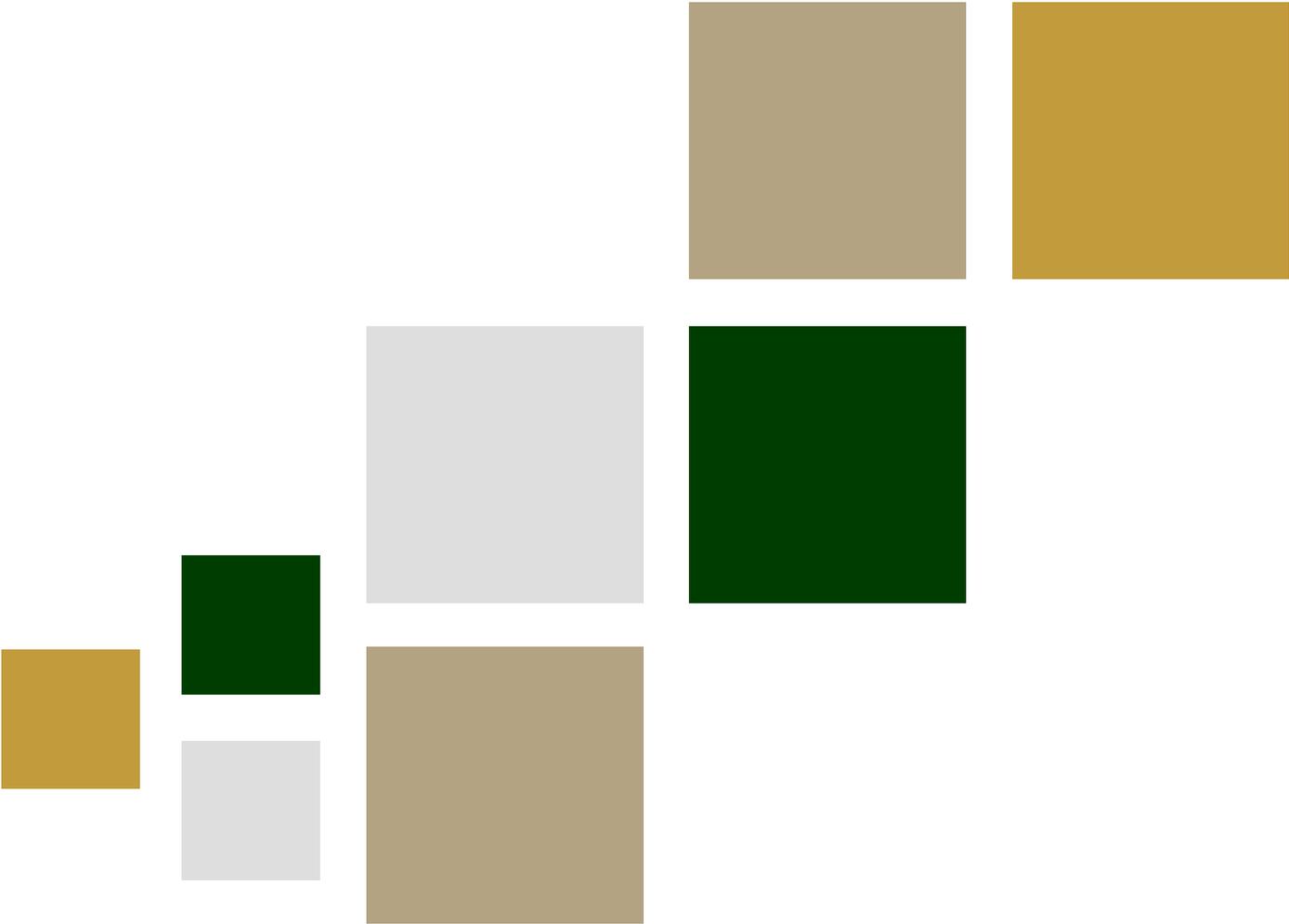
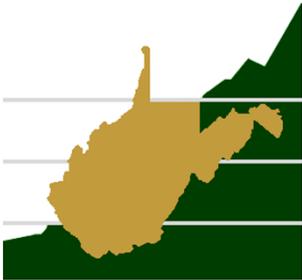


West Virginia Investment Management Board

Financial Statements

January 31, 2025



Financial Statements – Unaudited

January 31, 2025

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

January 31, 2025

Portable Alpha Pool

Financial Statements - Unaudited January 31, 2025

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Portable Alpha Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Alternative risk premia funds	\$ 2,158,381
Commingled equity fund	2,860,288
Fixed income investments	884,578
Money market mutual fund	620,778
Cash due from broker	28,354
Receivables:	
Interest and dividends	7,800
Investments sold	11,608
	<hr/>
Total assets	6,571,787

Liabilities

Investments in derivative instruments at fair value	36,171
Cash overdraft	72
Accrued expenses	762
Payable for investments purchased	18,028
	<hr/>
Total liabilities	55,033

Net position \$ 6,516,754

Unit data

Units outstanding	89,873,010
Net position, unit price	<u><u>\$ 72.51</u></u>

See accompanying notes to financial statements.

Portable Alpha Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 177,079	\$ 555,922
Interest and dividends	3,999	40,500
Total investment income	181,078	596,422
Expenses		
Investment advisor fees	(101)	(692)
Custodian bank fees	(2)	(13)
Management and other allocated fees	(167)	(1,109)
Professional service fees - direct	(14)	(104)
Total expenses	(284)	(1,918)
Net investment income	180,794	594,504
Unit transactions		
Proceeds from sale of units	16,520	245,582
Amount paid for repurchase of units	(35,837)	(154,751)
Net increase (decrease) from unit transactions	(19,317)	90,831
Increase in net position	161,477	685,335
Net position, beginning of period	6,355,277	5,831,419
Net position, end of period	\$ 6,516,754	\$ 6,516,754

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 (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 has been retained by the WVIMB 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 Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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 (RIC) 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 (ARP) funds are generally securities for which market quotations are not readily available. The WVIMB 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 WVIMB's interests in the funds. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value as of January 31, 2025.

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 WVIMB's established procedures.

Cash Due to/from Broker - The Pool records cash amounts due to or from brokers on the Statement of Net Position as Cash due to/from broker. Such amounts are required by brokers for margin on centrally cleared futures, considered restricted, and reported net.

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 WVIMB is required to pledge collateral 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 WVIMB'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.

Structured Securities - The Pool invests in asset-backed securities (ABS) 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.

Portable Alpha 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 WVIMB'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 WVIMB 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 WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

NOTE 3. DERIVATIVE INSTRUMENTS

Derivative 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 instruments outstanding as of and for the period ended January 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value
Futures contracts:			
Equity index futures long	\$ (36,171)	\$ 241,086	\$ 3,610,014

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 January 31, 2025. The Pool's investments in ARP funds that were valued using the NAV, except for those that are a RIC, have not been categorized in the fair value hierarchy.

Assets	Level 1	Level 2	Level 3	Total
ARP fund (RIC)	\$ 118,926	\$ -	\$ -	\$ 118,926
Certificates of deposit	-	1,250	-	1,250
Commercial paper	-	283,376	-	283,376
Commingled equity fund	2,860,288	-	-	2,860,288
Corporate ABS	-	44,897	-	44,897
Foreign corporate bonds	-	13,974	-	13,974
Money market mutual fund	620,778	-	-	620,778
U.S. corporate bonds	-	29,810	-	29,810
U.S. Government agency bonds	-	18,023	-	18,023
U.S. Treasury issues	-	493,248	-	493,248
Total	<u>\$ 3,599,992</u>	<u>\$ 884,578</u>	<u>\$ -</u>	<u>\$ 4,484,570</u>
ARP funds				2,039,455
Total				<u>\$ 6,524,025</u>
Liabilities	Level 1	Level 2	Level 3	Total
Futures contracts	<u>\$ (36,171)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36,171)</u>

The following table presents information on investments measured at the NAV as of January 31, 2025:

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 434,944	Daily, Monthly	1 to 30 days
Multi-Premia (b)	1,202,709	Daily, Weekly, Biweekly, Monthly	2 to 30 days
Relative-Value (c)	401,802	Biweekly, Monthly	6 to 60 days
	<u>\$ 2,039,455</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.

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. Investments representing approximately 20 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

NOTE 5. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,756,628
Public Employees' Retirement System	2,510,006
West Virginia Retiree Health Benefit Trust Fund	547,822
State Police Death, Disability and Retirement Fund	223,899
State Police Retirement System	103,853
Deputy Sheriff's Retirement System	99,436
Judges' Retirement System	85,968
Municipal Policemen's or Firemen's Pension and Relief Funds	72,280
Emergency Medical Services Retirement System	57,070
Wildlife Endowment Fund	20,214
West Virginia State Parks and Recreation Endowment Fund	14,341
Municipal Police Officers' and Firefighters' Retirement System	14,129
Natural Resources Police Officer Retirement System	9,189
Berkeley County Development Authority	1,919
Total	<u>\$ 6,516,754</u>

Financial Statements - Unaudited

January 31, 2025

Large Cap Domestic Equity Pool

Financial Statements - Unaudited January 31, 2025

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Large Cap Domestic Equity Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value \$ 360,479

Liabilities

Accrued expenses 27

Net position \$ 360,452

Unit data

Units outstanding 4,950,911

Net position, unit price \$ 72.81

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 9,763	\$ 37,091
Dividends	-	2
	9,763	37,093
Expenses		
Investment advisor fees	(2)	(15)
Custodian bank fees	-	(1)
Management and other allocated fees	(9)	(61)
	(11)	(77)
	9,752	37,016
Unit transactions		
Proceeds from sale of units	9,953	21,129
Amount paid for repurchase of units	(12,944)	(32,766)
	(2,991)	(11,637)
	6,761	25,379
	353,691	335,073
	\$ 360,452	\$ 360,452

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 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 Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 WVIMB'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 WVIMB'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 WVIMB 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 WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	\$ 360,479	\$ -	\$ -	\$ 360,479

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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 119,721
West Virginia Department of Environmental Protection Agency	66,396
Revenue Shortfall Reserve Fund - Part B	57,671
Revenue Shortfall Reserve Fund	35,109
Coal Workers' Pneumoconiosis Fund	29,165
Public Employees Insurance Agency	19,024
Board of Risk and Insurance Management	12,427
Workers' Compensation Self-Insured Employer Security Risk Pool	7,490
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	6,085
West Virginia Department of Environmental Protection Trust	3,376
Workers' Compensation Uninsured Employers' Fund	2,884
Municipal Policemen's or Firemen's Pension and Relief Funds	1,104
Total	<u>\$ 360,452</u>

Financial Statements - Unaudited

January 31, 2025

Non-Large Cap Domestic Equity Pool

Financial Statements - Unaudited January 31, 2025

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Non-Large Cap Domestic Equity Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Equity investments	\$ 1,240,690
Money market mutual fund	43,827
Securities lending collateral	68,987
Cash	296
Receivables:	
Dividends and other investment income	433
Investments sold	1,084
	<hr/>
Total assets	1,355,317

Liabilities

Accrued expenses	3,117
Payable for investments purchased	8,192
Payable upon return of securities loaned	68,987
	<hr/>
Total liabilities	80,296
	<hr/>
Net position	\$ 1,275,021

Unit data

Units outstanding	18,283,977
Net position, unit price	\$ 69.73

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 45,595	\$ 173,062
Dividends	537	6,275
Securities lending income	351	2,256
Total investment income	46,483	181,593
Expenses		
Investment advisor fees	(752)	(5,624)
Custodian bank fees	(4)	(32)
Management and other allocated fees	(32)	(217)
Professional service fees - direct	-	(3)
Securities lending expenses	(318)	(2,033)
Total expenses	(1,106)	(7,909)
Net investment income	45,377	173,684
Unit transactions		
Proceeds from sale of units	2,690	19,774
Amount paid for repurchase of units	(2,653)	(58,300)
Net increase (decrease) from unit transactions	37	(38,526)
Increase in net position	45,414	135,158
Net position, beginning of period	1,229,607	1,139,863
Net position, end of period	\$ 1,275,021	\$ 1,275,021

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 and Westfield Capital Management.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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 WVIMB's established procedures.

Securities Lending - The WVIMB, 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. 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 capital is preserved and liquidity is maintained. 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 WVIMB for any repurchase agreement investment losses.

Non-Large Cap Domestic Equity 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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.

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.

Expenses - The WVIMB'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 WVIMB 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 WVIMB 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 January 31, 2025.

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.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

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

The table below summarizes the valuation of the investment securities in accordance with GASB Statement No. 72 fair value hierarchy levels as of January 31, 2025:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic common stock	\$ 1,106,699	\$ -	\$ -	\$ 1,106,699
Foreign common stock	133,991	-	-	133,991
Money market mutual fund	43,827	-	-	43,827
Securities lending collateral	-	68,987	-	68,987
Total	<u>\$ 1,284,517</u>	<u>\$ 68,987</u>	<u>\$ -</u>	<u>\$ 1,353,504</u>

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2025:

	<u>Fair Value</u>
Securities on loan	\$ 263,996
Collateral received:	
Cash	\$ 68,987
Non-cash	<u>204,419</u>
Total collateral received	<u>\$ 273,406</u>

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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.

Non-Large Cap Domestic 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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 512,489
Public Employees' Retirement System	466,276
West Virginia Retiree Health Benefit Trust Fund	101,174
State Police Death, Disability and Retirement Fund	41,748
Workers' Compensation Old Fund	22,717
State Police Retirement System	19,120
Deputy Sheriff's Retirement System	18,330
Judges' Retirement System	15,882
Municipal Policemen's or Firemen's Pension and Relief Funds	13,523
Revenue Shortfall Reserve Fund - Part B	10,874
West Virginia Department of Environmental Protection Agency	10,816
Emergency Medical Services Retirement System	9,718
Revenue Shortfall Reserve Fund	6,659
Coal Workers' Pneumoconiosis Fund	5,527
Wildlife Endowment Fund	3,797
Public Employees Insurance Agency	3,324
West Virginia State Parks and Recreation Endowment Fund	2,599
Municipal Police Officers' and Firefighters' Retirement System	2,519
Board of Risk and Insurance Management	2,182
Natural Resources Police Officer Retirement System	1,687
Workers' Compensation Self-Insured Employer Security Risk Pool	1,411
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,136
West Virginia Department of Environmental Protection Trust	628
Workers' Compensation Uninsured Employers' Fund	531
Berkeley County Development Authority	354
Total	<u>\$ 1,275,021</u>

Financial Statements - Unaudited

January 31, 2025

International Qualified Pool

Financial Statements - Unaudited January 31, 2025

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International Qualified Pool

Statement of Net Position - Unaudited
January 31, 2025
(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value \$ 1,117,975

Liabilities

Accrued expenses 56

Net position \$ 1,117,919

Unit data

Units outstanding 10,482,606

Net position, unit price \$ 106.65

See accompanying notes to financial statements.

International Qualified Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 35,507	\$ 44,783
Expenses		
Investment advisor fees	(480)	(3,463)
Management and other allocated fees	(28)	(205)
Total expenses	(508)	(3,668)
Net investment income	34,999	41,115
Unit transactions		
Proceeds from sale of units	3,205	12,410
Amount paid for repurchase of units	(3,176)	(72,219)
Net increase (decrease) from unit transactions	29	(59,809)
Increase (decrease) in net position	35,028	(18,694)
Net position, beginning of period	1,082,891	1,136,613
Net position, end of period	\$ 1,117,919	\$ 1,117,919

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's International Qualified Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 MSCI Europe Australasia Far East Index (MSCI EAFE) by 200 basis points 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 business 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 WVIMB 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 WVIMB'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.

International Qualified 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 WVIMB'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 WVIMB 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 WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 519,673
Public Employees' Retirement System	472,509
State Police Death, Disability and Retirement Fund	42,205
State Police Retirement System	19,577
Deputy Sheriff's Retirement System	18,745
Judges' Retirement System	16,206
Municipal Policemen's or Firemen's Pension and Relief Funds	13,837
Emergency Medical Services Retirement System	10,771
Municipal Police Officers' and Firefighters' Retirement System	2,664
Natural Resources Police Officer Retirement System	1,732
Total	<u>\$ 1,117,919</u>

Financial Statements - Unaudited

January 31, 2025

International Nonqualified Pool

Financial Statements - Unaudited January 31, 2025

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International Nonqualified Pool

Statement of Net Position - Unaudited
January 31, 2025
(Amounts in thousands, except unit data)

Assets

Investment in commingled equity fund at fair value \$ 180,785

Liabilities

Accrued expenses 9

Net position \$ 180,776

Unit data

Units outstanding 1,876,861

Net position, unit price \$ 96.32

See accompanying notes to financial statements.

International Nonqualified Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands, except unit data)

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 5,765	\$ 7,494
Expenses		
Investment advisor fees	(90)	(648)
Management and other allocated fees	<u>(5)</u>	<u>(34)</u>
Total expenses	<u>(95)</u>	<u>(682)</u>
Net investment income	5,670	6,812
Unit transactions		
Proceeds from sale of units	1,762	15,771
Amount paid for repurchase of units	<u>(1,757)</u>	<u>(30,740)</u>
Net increase (decrease) from unit transactions	<u>5</u>	<u>(14,969)</u>
Increase (decrease) in net position	5,675	(8,157)
Net position, beginning of period	<u>175,101</u>	<u>188,933</u>
Net position, end of period	<u>\$ 180,776</u>	<u>\$ 180,776</u>

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

International Nonqualified Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's International Nonqualified Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 MSCI Europe Australasia Far East Index (MSCI EAFE) by 200 basis points 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 business 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 WVIMB 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 WVIMB'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.

International Nonqualified 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 WVIMB'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 WVIMB 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 WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	\$ 104,632
Workers' Compensation Old Fund	23,293
West Virginia Department of Environmental Protection Agency	12,269
Revenue Shortfall Reserve Fund - Part B	11,197
Revenue Shortfall Reserve Fund	6,817
Coal Workers' Pneumoconiosis Fund	5,663
Wildlife Endowment Fund	3,861
Public Employees Insurance Agency	3,690
West Virginia State Parks and Recreation Endowment Fund	2,739
Board of Risk and Insurance Management	2,414
Workers' Compensation Self-Insured Employer Security Risk Pool	1,454
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,174
West Virginia Department of Environmental Protection Trust	655
Workers' Compensation Uninsured Employers' Fund	552
Berkeley County Development Authority	366
Total	<u>\$ 180,776</u>

Financial Statements - Unaudited

January 31, 2025

International Equity Pool

**Financial Statements - Unaudited
January 31, 2025**

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International Equity Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Equity investments	\$ 2,884,292
Money market mutual fund	55,215
Securities lending collateral	92,794
Cash (restricted: \$5,498)	19,833
Receivables:	
Dividends and other investment income	13,513
Investments sold	22,862
	<hr/>
Total assets	3,088,509

Liabilities

Accrued capital gains taxes	772
Accrued expenses	5,153
Payable for investments purchased	21,059
Payable upon return of securities loaned	92,794
	<hr/>
Total liabilities	119,778
	<hr/>
Net position	\$ 2,968,731

Unit data

Units outstanding	63,883,771
Net position, unit price	\$ 46.47

See accompanying notes to financial statements.

International Equity Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 78,179	\$ 116,143
Dividends	2,439	37,250
Securities lending income	241	1,510
Total investment income	80,859	154,903
Expenses		
Investment advisor fees	(1,222)	(8,673)
Custodian bank fees	(126)	(886)
Management and other allocated fees	(74)	(535)
Professional service fees - direct	(1)	(3)
Securities lending expenses	(208)	(1,290)
Total expenses	(1,631)	(11,387)
Net investment income	79,228	143,516
Unit transactions		
Proceeds from sale of units	37,463	78,978
Amount paid for repurchase of units	(186)	(357,801)
Net increase (decrease) from unit transactions	37,277	(278,823)
Increase (decrease) in net position	116,505	(135,307)
Net position, beginning of period	2,852,226	3,104,038
Net position, end of period	\$ 2,968,731	\$ 2,968,731

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

International Equity Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's International Equity Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 MSCI All Country World Index Ex U.S. (MSCI ACWI ex U.S.) over a full market cycle (three- to five-years), net of external investment management fees. Assets are managed by Acadian Asset Management, Axiom International Investors, LSV Asset Management, Numeric Investors, and Oberweis Asset Management.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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 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 WVIMB'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 WVIMB, 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 capital is preserved and liquidity is maintained. 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 WVIMB 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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 WVIMB 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. 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.

International Equity 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 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 WVIMB'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 WVIMB 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 WVIMB 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 January 31, 2025.

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 WVIMB is liable for capital gains taxes, the WVIMB 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 in the 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 January 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 2,869,359	\$ -	\$ -	\$ 2,869,359
Money market mutual fund	55,215	-	-	55,215
Preferred stock	14,913	-	-	14,913
Rights	20	-	-	20
Securities lending collateral	-	92,794	-	92,794
Total	<u>\$ 2,939,507</u>	<u>\$ 92,794</u>	<u>\$ -</u>	<u>\$ 3,032,301</u>

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2025:

	Fair Value
Securities on loan	\$ 139,120
Collateral received:	
Cash	\$ 92,794
Non-cash	53,825
Total collateral received	<u>\$ 146,619</u>

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,191,290
Public Employees' Retirement System	1,079,691
West Virginia Retiree Health Benefit Trust Fund	236,495
State Police Death, Disability and Retirement Fund	96,447
Workers' Compensation Old Fund	51,881
State Police Retirement System	45,249
Deputy Sheriff's Retirement System	43,290
Judges' Retirement System	37,340
Municipal Policemen's or Firemen's Pension and Relief Funds	31,872
West Virginia Department of Environmental Protection Agency	26,364
Revenue Shortfall Reserve Fund - Part B	25,998
Emergency Medical Services Retirement System	25,546
Revenue Shortfall Reserve Fund	15,926
Coal Workers' Pneumoconiosis Fund	12,710
Wildlife Endowment Fund	8,581
Public Employees Insurance Agency	8,404
West Virginia State Parks and Recreation Endowment Fund	6,268
Municipal Police Officers' and Firefighters' Retirement System	6,177
Board of Risk and Insurance Management	5,562
Natural Resources Police Officer Retirement System	4,016
Workers' Compensation Self-Insured Employer Security Risk Pool	3,335
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,700
West Virginia Department of Environmental Protection Trust	1,494
Workers' Compensation Uninsured Employers' Fund	1,267
Berkeley County Development Authority	828
Total	<u>\$ 2,968,731</u>

Financial Statements - Unaudited

January 31, 2025

Short-Term Fixed Income Pool

Financial Statements - Unaudited January 31, 2025

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Short-Term Fixed Income Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at amortized cost:		
U.S. Government agency bonds	\$	112,134
U.S. Treasury issues		19,976
Repurchase agreement		37,078
Cash		1
Interest receivable		13
		<hr/>
	Total assets	169,202

Liabilities

Accrued expenses		38
		<hr/>
	Net position	<u><u>\$ 169,164</u></u>

Unit data

Units outstanding		169,164,040
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 January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Interest	\$ 729	\$ 6,589
Expenses		
Investment advisor fees	(8)	(67)
Custodian bank fees	(1)	(5)
Total expenses	(9)	(72)
Net investment income	720	6,517
Distributions to unitholders	(720)	(6,517)
Unit transactions		
Proceeds from sale of units	139,759	903,915
Reinvestment of distributions	720	6,517
Amount paid for repurchase of units	(250,368)	(1,004,741)
Net decrease from unit transactions	(109,889)	(94,309)
Decrease in net position	(109,889)	(94,309)
Net position, beginning of period	279,053	263,473
Net position, end of period	\$ 169,164	\$ 169,164

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's Short-Term Fixed Income Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 WVIMB 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 Financial Times Stock Exchange (FTSE) 3 Month U.S. T-Bill Index. JP Morgan Investment Advisors manages the Pool.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 as such securities 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 WVIMB'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 WVIMB 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.

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. Management's 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 WVIMB'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 WVIMB pays all expenses on behalf of the Pool.

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Repurchase agreement	\$ -	\$ 37,078	\$ -	\$ 37,078
U.S. Government agency bonds	-	112,134	-	112,134
U.S. Treasury issues	-	19,976	-	19,976
Total	\$ -	\$ 169,188	\$ -	\$ 169,188

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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 63,885
Workers' Compensation Old Fund	35,017
Public Employees' Retirement System	27,270
Teachers' Retirement System	12,962
Coal Workers' Pneumoconiosis Fund	8,574
Board of Risk and Insurance Management	5,581
Workers' Compensation Self-Insured Employer Security Risk Pool	2,478
State Police Retirement System	2,106
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,093
Deputy Sheriff's Retirement System	1,971
Emergency Medical Services Retirement System	1,830
State Police Death, Disability and Retirement Fund	1,068
Workers' Compensation Uninsured Employers' Fund	1,038
Municipal Police Officers' and Firefighters' Retirement System	918
West Virginia State Parks and Recreation Endowment Fund	817
Municipal Policemen's or Firemen's Pension and Relief Funds	579
Natural Resources Police Officer Retirement System	431
Wildlife Endowment Fund	334
Judges' Retirement System	119
West Virginia Department of Environmental Protection Agency	84
West Virginia Retiree Health Benefit Trust Fund	4
Public Employees Insurance Agency	3
Revenue Shortfall Reserve Fund - Part B	1
West Virginia Department of Environmental Protection Trust	1
Total	<u>\$ 169,164</u>

Financial Statements - Unaudited

January 31, 2025

Total Return Fixed Income Pool

Financial Statements - Unaudited January 31, 2025

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Total Return Fixed Income Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Fixed income investments	\$ 2,813,774
Derivative instruments	39,393
Equity investments	13,329
Money market mutual fund	132,579
Securities lending collateral	89,116
Cash (restricted: \$669)	15,280
Receivables:	
Interest, dividends, and other investment income	21,879
Investments sold	40,423
	<hr/>
Total assets	3,165,773

Liabilities

Investments in derivative instruments at fair value	26,152
Securities sold short at fair value	31,622
Cash due to broker, net	6,682
Accrued expenses	2,100
Payable for investments purchased	324,671
Payable upon return of securities loaned	89,116
	<hr/>
Total liabilities	480,343
	<hr/>
Net position	\$ 2,685,430

Unit data

Units outstanding	151,655,888
Net position, unit price	<hr/> <hr/> \$ 17.71

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 17,344	\$ 33,323
Interest and dividends	11,758	76,184
Securities lending income	257	2,013
Total investment income	29,359	111,520
Expenses		
Investment advisor fees	(485)	(3,376)
Custodian bank fees	(12)	(87)
Management and other allocated fees	(69)	(478)
Securities lending expenses	(238)	(1,831)
Total expenses	(804)	(5,772)
Net investment income	28,555	105,748
Unit transactions		
Proceeds from sale of units	5,676	110,402
Amount paid for repurchase of units	(5,593)	(58,086)
Net increase from unit transactions	83	52,316
Increase in net position	28,638	158,064
Net position, beginning of period	2,656,792	2,527,366
Net position, end of period	\$ 2,685,430	\$ 2,685,430

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's Total Return Fixed Income Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 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 WVIMB 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 investments 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 WVIMB'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 cash amounts due to or from brokers on the Statement of Net Position as Cash due to/from broker. Such amounts are required by brokers for collateral on certain derivative instruments and/or on forward-settling mortgage-backed securities, considered restricted, and reported net.

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 WVIMB, 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 capital is preserved and liquidity is maintained. 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 WVIMB 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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.

Option Contracts - The WVIMB 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.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 WVIMB 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 WVIMB maintains sufficient levels of cash or cash equivalents to meet cash flow obligations.

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 WVIMB is required to pledge collateral 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 WVIMB'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 WVIMB enters into foreign currency spot contracts that correspond to investment transactions trading in foreign currencies and to repatriate income. The WVIMB 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.

Repurchase Agreements - In connection with transactions in repurchase agreements, it is the WVIMB'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 WVIMB may be delayed or limited.

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 any combination of collateralized mortgage obligations (CMO), including interest-only (IO) and/or principal-only (PO) tranches, asset-backed securities (ABS), mortgage-backed securities (MBS), forward-settling MBS that are commonly known as to-be-announced securities (TBAs), 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 WVIMB'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 WVIMB 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 WVIMB 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 January 31, 2025.

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 WVIMB is liable for capital gains taxes, the WVIMB 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 INSTRUMENTS

Derivative 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 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 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 table below presents the fair value and the net increase (decrease) in fair value of derivative instruments as of and for the period ended January 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments
Forwards:		
Foreign currency forward contracts	\$ (1,352)	\$ 4,264
Futures contracts:		
Fixed income futures long	(6,310)	(14,374)
Fixed income futures short	9,900	17,366
Options contracts:		
Fixed income options purchased	3,952	(5,513)
Fixed income options written	(3,847)	10,540
Credit default swaptions purchased	-	(276)
Credit default swaptions written	-	284
Interest rate swaptions purchased	-	(137)
Interest rate swaptions written	-	137
Swaps:		
Credit default swaps protection buyer	-	(9)
Credit default swaps protection seller	6,278	1,461
Interest rate swaps	3,912	4,895
Total return swaps	708	1,656
Total	\$ 13,241	\$ 20,294

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE INSTRUMENTS (continued)

Credit Risk

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 a 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.

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 January 31, 2025:

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	\$ 856	\$ (490)	\$ -	\$ (280)	\$ 86
Swaps	718	(10)	(494)	-	214
Total	<u>\$ 1,574</u>	<u>\$ (500)</u>	<u>\$ (494)</u>	<u>\$ (280)</u>	<u>\$ 300</u>

Foreign currency forward contracts, certain swaps, and swaptions are exposed to counterparty credit risk. The WVIMB 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 instruments that are subject to counterparty credit risk as of January 31, 2025:

Derivative Type	Counterparty Rating	Fair Value
Foreign currency forward contracts	A	\$ 129
Foreign currency forward contracts	BBB	872

Interest Rate Risk

The following table provides the time to maturity for derivative instruments that are subject to interest rate risk as of January 31, 2025:

Derivative Type	Investment Maturities (in years)				
	Fair Value	Under-1	1-5	6-10	10+
Futures contracts:					
Fixed income futures long	\$ (6,310)	\$ (6,310)	\$ -	\$ -	\$ -
Fixed income futures short	9,900	9,900	-	-	-
Options contracts:					
Fixed income options purchased	3,952	3,299	653	-	-
Fixed income options written	(3,847)	(3,847)	-	-	-
Interest rate swaps	3,912	-	333	(1,837)	5,416
Total	<u>\$ 7,607</u>	<u>\$ 3,042</u>	<u>\$ 986</u>	<u>\$ (1,837)</u>	<u>\$ 5,416</u>

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE INSTRUMENTS (continued)

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

At January 31, 2025, the open positions in interest rate swaps denominated in U.S. dollars were as follows:

Maturity Date	Reference Rate	Notional	Fair Value
3/18/2030	Receive Fixed 3.65%, Pay Floating SOFR	\$ 261,363	\$ (4,903)
1/17/2028	Receive Fixed 4.10%, Pay Floating SOFR	72,372	136
5/15/2032	Receive Floating SOFR, Pay Fixed 3.22%	59,282	3,276
3/18/2055	Receive Floating SOFR, Pay Fixed 3.51%	65,449	5,537
11/30/2031	Receive Floating SOFR, Pay Fixed 4.06%	171,371	280
1/17/2036	Receive Floating SOFR, Pay Fixed 4.22%	17,026	(121)
		\$ 646,863	\$ 4,205

At January 31, 2025, the open positions in interest rate swaps denominated in foreign currencies were as follows:

Maturity Date	Reference Rate	Notional (USD)	Fair Value
12/1/2034	Receive Fixed 8.72%, Pay Floating MXN TIE	\$ 23,052	\$ (490)
11/19/2029	Receive Fixed 8.83%, Pay Floating MXN TIE	16,994	29
11/16/2029	Receive Fixed 8.90%, Pay Floating MXN TIE	35,369	168
		\$ 75,415	\$ (293)

Reference Rate Index Definitions:

SOFR: Secured Overnight Financing Rate

MXN TIE: Mexican Interbank Deposit Rate

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 instruments in foreign currencies as of January 31, 2025, are as follows:

Currency	Foreign Currency Forward Contracts	Futures Contracts	Swap Contracts	Total
Australian Dollar	\$ (15)	\$ (336)	\$ -	\$ (351)
Brazilian Real	(1,841)	-	-	(1,841)
British Pound	(13)	(312)	-	(325)
Canadian Dollar	7	-	-	7
Euro Currency Unit	237	-	-	237
Indian Rupee	6	-	-	6
Japanese Yen	147	945	-	1,092
Mexican Peso	118	-	(293)	(175)
South African Rand	2	-	-	2
Total foreign denominated derivatives	(1,352)	297	(293)	(1,348)
U.S. Dollar	-	3,293	11,191	14,484
Total	\$ (1,352)	\$ 3,590	\$ 10,898	\$ 13,136

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

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 January 31, 2025. The Pool's investments in commingled debt funds were valued using the NAV, and 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	\$ -	\$ -	\$ 3,509	\$ 3,509
Corporate ABS residual	-	1,085	-	1,085
Corporate ABS	-	93,617	-	93,617
Corporate CMO	-	104,580	-	104,580
Corporate preferred securities	11,995	-	-	11,995
Foreign ABS	-	122,728	962	123,690
Foreign corporate bonds	-	271,738	-	271,738
Foreign currency forward contracts	-	1,001	-	1,001
Foreign equity investments	249	-	-	249
Foreign government bonds	-	220,147	745	220,892
Futures contracts	11,755	-	-	11,755
Money market mutual fund	132,579	-	-	132,579
Municipal bonds	-	13,267	-	13,267
Options contracts purchased	3,952	-	-	3,952
Repurchase agreement	-	101,000	-	101,000
Securities lending collateral	-	89,116	-	89,116
Swaps	-	22,685	-	22,685
U.S. corporate bonds	-	307,735	-	307,735
U.S. Government agency CMO	-	96,598	-	96,598
U.S. Government agency CMO IO	-	10,046	-	10,046
U.S. Government agency MBS	-	573,149	-	573,149
U.S. Government agency TBAs	-	309,478	-	309,478
U.S. Treasury issues	-	371,451	-	371,451
U.S. Treasury inflation protected securities	-	33,247	-	33,247
Total	<u>\$ 160,530</u>	<u>\$ 2,742,668</u>	<u>\$ 5,216</u>	<u>\$ 2,908,414</u>
Commingled debt funds				179,777
Total				<u>\$ 3,088,191</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (2,353)	\$ -	\$ (2,353)
Futures contracts	(8,165)	-	-	(8,165)
Options contracts written	(3,847)	-	-	(3,847)
Securities sold short	-	(31,622)	-	(31,622)
Swaps	-	(11,787)	-	(11,787)
Total	<u>\$ (12,012)</u>	<u>\$ (45,762)</u>	<u>\$ -</u>	<u>\$ (57,774)</u>

The Pool's investments in commingled debt funds were measured at the NAV as of January 31, 2025. 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 January 31, 2025:

	Fair Value
Securities on loan	\$ 231,752
Collateral received:	
Cash	\$ 89,116
Non-cash	149,202
Total collateral received	\$ 238,318

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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 January 31, 2025:

Participant	Account Value
Teachers' Retirement System	\$ 798,342
Public Employees' Retirement System	722,566
Revenue Shortfall Reserve Fund - Part B	201,791
Workers' Compensation Old Fund	201,787
Revenue Shortfall Reserve Fund	177,585
West Virginia Retiree Health Benefit Trust Fund	163,198
West Virginia Department of Environmental Protection Agency	75,850
State Police Death, Disability and Retirement Fund	64,306
Coal Workers' Pneumoconiosis Fund	48,985
Public Employees Insurance Agency	42,180
State Police Retirement System	30,350
Deputy Sheriff's Retirement System	28,672
Judges' Retirement System	25,291
Municipal Policemen's or Firemen's Pension and Relief Funds	21,780
Board of Risk and Insurance Management	20,859
Emergency Medical Services Retirement System	16,174
Workers' Compensation Self-Insured Employer Security Risk Pool	12,536
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	10,086
Wildlife Endowment Fund	6,096
Workers' Compensation Uninsured Employers' Fund	4,734
West Virginia State Parks and Recreation Endowment Fund	4,243
Municipal Police Officers' and Firefighters' Retirement System	3,946
Natural Resources Police Officer Retirement System	2,596
West Virginia Department of Environmental Protection Trust	906
Berkeley County Development Authority	571
Total	\$ 2,685,430

Financial Statements - Unaudited

January 31, 2025

Core Fixed Income Pool

Financial Statements - Unaudited January 31, 2025

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Core Fixed Income Pool

Statement of Net Position - Unaudited
January 31, 2025
(Amounts in thousands, except unit data)

Assets

Investments, at fair value:		
Fixed income investments	\$	2,216,132
Money market mutual fund		30,044
Securities lending collateral		108,311
Cash		1,174
Receivables:		
Interest, dividends, and other investment income		18,098
Investments sold		44
		<hr/>
Total assets		2,373,803

Liabilities

Accrued expenses		1,219
Payable for investments purchased		4,734
Payable upon return of securities loaned		108,311
		<hr/>
Total liabilities		114,264
		<hr/>
Net position	\$	2,259,539

Unit data

Units outstanding		182,342,707
Net position, unit price	\$	12.39

See accompanying notes to financial statements.

Core Fixed Income Pool

Statement of Change in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 6,659	\$ 8,536
Interest and dividends	8,329	54,495
Securities lending income	363	2,822
Total investment income	15,351	65,853
Expenses		
Investment advisor fees	(267)	(1,907)
Custodian bank fees	(4)	(29)
Management and other allocated fees	(57)	(397)
Securities lending expenses	(342)	(2,649)
Total expenses	(670)	(4,982)
Net investment income	14,681	60,871
Unit transactions		
Proceeds from sale of units	64,575	160,353
Amount paid for repurchase of units	(513)	(47,397)
Net increase from unit transactions	64,062	112,956
Increase in net position	78,743	173,827
Net position, beginning of period	2,180,796	2,085,712
Net position, end of period	\$ 2,259,539	\$ 2,259,539

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's Core Fixed Income Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 U.S. Aggregate Bond Index over three- to five-year periods, net of external investment management fees. JP Morgan Investment Advisors manages this Pool.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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.

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 WVIMB's established procedures.

Core Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Securities Lending - The WVIMB, 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. 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 capital is preserved and liquidity is maintained. 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 WVIMB 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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 (IO) and/or principal-only (PO) tranches, asset-backed securities (ABS), 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 WVIMB'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 WVIMB pays all expenses on behalf of the Pool.

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Corporate ABS	\$ -	\$ 250,133	\$ -	\$ 250,133
Corporate CMO	-	96,779	-	96,779
Corporate CMO IO	-	93	-	93
Corporate CMO PO	-	1,491	-	1,491
Foreign ABS	-	2,394	-	2,394
Foreign corporate bonds	-	194,487	-	194,487
Foreign government bonds	-	7,896	-	7,896
Money market mutual fund	30,044	-	-	30,044
Municipal bonds	-	8,375	-	8,375
Securities lending collateral	-	108,311	-	108,311
U.S. corporate bonds	-	403,531	-	403,531
U.S. Government agency CMO	-	123,883	-	123,883
U.S. Government agency CMO IO	-	1,077	-	1,077
U.S. Government agency CMO PO	-	1,587	-	1,587
U.S. Government agency MBS	-	517,817	-	517,817
U.S. Treasury issues	-	606,589	-	606,589
Total	\$ 30,044	\$ 2,324,443	\$ -	\$ 2,354,487

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 January 31, 2025:

	Fair Value
Securities on loan	\$ 175,508
Collateral received:	
Cash	\$ 108,311
Non-cash	72,890
Total collateral received	\$ 181,201

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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 January 31, 2025:

Participant	Account Value
Teachers' Retirement System	\$ 798,085
Public Employees' Retirement System	730,902
West Virginia Retiree Health Benefit Trust Fund	163,441
Revenue Shortfall Reserve Fund - Part B	87,123
Workers' Compensation Old Fund	85,798
Revenue Shortfall Reserve Fund	76,157
State Police Death, Disability and Retirement Fund	64,077
West Virginia Department of Environmental Protection Agency	47,459
State Police Retirement System	30,490
Deputy Sheriff's Retirement System	28,802
Judges' Retirement System	25,352
Public Employees Insurance Agency	22,575
Municipal Policemen's or Firemen's Pension and Relief Funds	21,812
Coal Workers' Pneumoconiosis Fund	20,808
Emergency Medical Services Retirement System	17,408
Board of Risk and Insurance Management	8,869
Wildlife Endowment Fund	6,030
Workers' Compensation Self-Insured Employer Security Risk Pool	5,343
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,311
Municipal Police Officers' and Firefighters' Retirement System	4,284
West Virginia State Parks and Recreation Endowment Fund	4,279
Natural Resources Police Officer Retirement System	2,618
Workers' Compensation Uninsured Employers' Fund	2,028
West Virginia Department of Environmental Protection Trust	915
Berkeley County Development Authority	573
Total	\$ 2,259,539

Financial Statements - Unaudited

January 31, 2025

TIPS Pool

Financial Statements - Unaudited January 31, 2025

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TIPS Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:

U.S. Treasury inflation protected securities \$ 527,284

Money market mutual fund 1,625

Receivables:

Interest, dividends, and other investment income 975

Investments sold 24,554

Total assets 554,438

Liabilities

Accrued expenses 49

Payable for investments purchased 26,016

Total liabilities 26,065

Net position \$ 528,373

Unit data

Units outstanding 38,147,709

Net position, unit price \$ 13.85

See accompanying notes to financial statements.

TIPS Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income		
Net increase in fair value of investments	\$ 5,716	\$ 11,555
Interest and dividend income	502	3,106
Securities lending income	6	45
Total investment income	6,224	14,706
Expenses		
Investment advisor fees	(5)	(38)
Custodian bank fees	(1)	(2)
Management and other allocated fees	(14)	(94)
Securities lending expenses	(1)	(12)
Total expenses	(21)	(146)
Net investment income	6,203	14,560
Unit transactions		
Proceeds from sale of units	456	4,531
Amount paid for repurchase of units	(441)	(4,411)
Net increase from unit transactions	15	120
Increase in net position	6,218	14,680
Net position, beginning of period	522,155	513,693
Net position, end of period	\$ 528,373	\$ 528,373

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's TIPS Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 1-10 Year Treasury Inflation Protected Securities (TIPS) Index on an annualized basis over rolling three- to five-year periods, gross of fees. Assets are managed by Northern Trust Investments.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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.

Investments for which the fair value cannot be determined are valued at fair value as determined in accordance with the WVIMB's established procedures.

Securities Lending - The WVIMB, 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 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.

TIPS Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash collateral, if 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 capital is preserved and liquidity is maintained. 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 WVIMB 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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.

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 WVIMB'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 WVIMB pays all expenses on behalf of the Pool.

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

TIPS 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 January 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 1,625	\$ -	\$ -	\$ 1,625
U.S. TIPS	-	527,284	-	527,284
Total	\$ 1,625	\$ 527,284	\$ -	\$ 528,909

NOTE 4. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at January 31, 2025:

	Fair Value
Securities on loan	\$ 75,976
Collateral received:	
Cash	\$ -
Non-cash	77,935
Total collateral received	\$ 77,935

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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.

TIPS 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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 252,404
Revenue Shortfall Reserve Fund - Part B	129,243
Workers' Compensation Old Fund	83,388
Public Employees Insurance Agency	23,098
Coal Workers' Pneumoconiosis Fund	20,253
Board of Risk and Insurance Management	8,687
Workers' Compensation Self-Insured Employer Security Risk Pool	5,185
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,164
Workers' Compensation Uninsured Employers' Fund	1,951
Total	<u>\$ 528,373</u>

Financial Statements - Unaudited

January 31, 2025

Private Markets Pool

Financial Statements - Unaudited January 31, 2025

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Private Markets Pool

Statement of Net Position - Unaudited

January 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Alternative investments	\$ 5,890,893
Equity investments	196,048
Fixed income investments	14,807
Money market mutual fund	136,811
Securities lending collateral	11,987
Cash	569
Receivables:	
Interest, dividends, and other investment income	876
Investments sold	165
	<hr/>
Total assets	6,252,156

Liabilities

Accrued expenses	934
Payable for investments purchased	271
Payable upon return of securities loaned	11,987
	<hr/>
Total liabilities	13,192
	<hr/>
Net position	\$ 6,238,964

Unit data

Units outstanding	200,519,467
Net position, unit price	<hr/> <hr/> \$ 31.11

See accompanying notes to financial statements.

Private Markets Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	Month	Year To Date
Investment income (loss)		
Net decrease in fair value of investments	\$ (11,532)	\$ (8,230)
Income from partnerships and funds	19,153	78,020
Interest and dividends	873	8,429
Fund closing interest	-	530
Securities lending income	40	455
Total investment income	8,534	79,204
Expenses		
Investment advisor fees	(82)	(581)
Custodian bank fees	(4)	(21)
Management and other allocated fees	(161)	(1,122)
Professional service fees - direct	(132)	(1,030)
Management fees - external, net	(1,004)	(2,650)
Fund closing costs	(1)	(503)
Securities lending expenses	(29)	(374)
Total expenses	(1,413)	(6,281)
Net investment income	7,121	72,923
Unit transactions		
Proceeds from sale of units	17,553	57,751
Amount paid for repurchase of units	(55,265)	(178,957)
Net decrease from unit transactions	(37,712)	(121,206)
Decrease in net position	(30,591)	(48,283)
Net position, beginning of period	6,269,555	6,287,247
Net position, end of period	\$ 6,238,964	\$ 6,238,964

**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 (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's Private Markets Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 provide for long-term growth of participants' assets and risk-reduction through diversification. The Pool primarily holds the WVIMB'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, and Verus have been retained by the WVIMB 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments 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 securities for which market quotations are not readily available. The WVIMB 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 WVIMB'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 WVIMB 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 WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value as of January 31, 2025.
- 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 WVIMB'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 WVIMB, 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 capital is preserved and liquidity is maintained. 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 WVIMB 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 WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB 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 WVIMB 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.

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 WVIMB'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, reported net of rebates, 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 WVIMB 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 WVIMB 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 January 31, 2025.

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 January 31, 2025. 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, and as such, they have not been categorized in the fair value hierarchy table.

Assets	Level 1	Level 2	Level 3	Total
Foreign common stock	\$ 38,231	\$ -	\$ -	\$ 38,231
Money market mutual fund	136,811	-	-	136,811
Securities lending collateral	-	11,987	-	11,987
U.S. common stock	147,932	-	-	147,932
U.S. corporate bonds	-	14,807	-	14,807
U.S. preferred stock	9,885	-	-	9,885
Total	<u>\$ 332,859</u>	<u>\$ 26,794</u>	<u>\$ -</u>	<u>\$ 359,653</u>
Private credit & income funds				1,074,423
Private equity partnerships				2,580,901
Real estate limited partnerships and funds				2,235,569
Total				<u>\$ 6,250,546</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 January 31, 2025:

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private credit & income funds:					
Core Debt (b)	\$ 602,021	\$ 204,165	2029 to 2031	Quarterly	45 days
Opportunistic Debt (c)	203,033	166,393	2026 to 2031	N/A	N/A
Specialty Credit (d)	269,369	152,044	2025 to 2032	N/A	N/A
Private equity partnerships:					
Corporate Finance - Buyout (e)	1,742,740	521,470	2025 to 2035	N/A	N/A
Corporate Finance - Distressed Debt (f)	23,343	16,263	2025	N/A	N/A
Corporate Finance - Growth Equity (g)	146,122	84,447	2025 to 2034	N/A	N/A
Corporate Finance - Hard Assets (h)	130,169	34,523	2025 to 2033	N/A	N/A
Corporate Finance - Mezzanine (i)	2,077	480	N/A	N/A	N/A
Corporate Finance - Structured Capital (j)	69,026	47,634	2025 to 2032	N/A	N/A
Corporate Finance - Turnaround (k)	103,456	87,784	2025 to 2036	N/A	N/A
Venture Capital (l)	363,968	41,232	2026 to 2034	N/A	N/A
Real estate limited partnerships and funds:					
Core (m)	1,155,926	-	N/A	Quarterly	45-90 days
Opportunistic (n)	378,350	210,323	2025 to 2034	N/A	N/A
Value (o)	701,293	460,955	2025 to 2068	N/A	N/A
Total	<u>\$ 5,890,893</u>	<u>\$ 2,027,713</u>			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Core debt funds are primarily senior-secured commercial loans that are on the more conservative end of the spectrum of the private credit market. This may also include funds that invest in senior real estate mortgages and other debt that is structured such that it is considered to have a core risk/return profile. The returns on core private credit investments are expected to be derived from contractual income.
- (c) Opportunistic debt funds is a broad classification that includes different types of debt strategies that have the highest risk-return profile in the private credit market. This may include strategies that invest in distressed debt, complex capital solutions, special situation loans, or market dislocations. It also includes specialized financing to specific industries that are underserved by the general debt markets. The returns on these assets are generally derived from both contractual income and an equity component.
- (d) Specialty credit funds typically invest in asset-backed loans collateralized by commercial or consumer receivables, assets, or loans, as well as other specialty types of commercial loans. This also includes real estate debt funds that invest in mezzanine or other subordinated real estate debt, and/or target higher risk properties than a typical core fund. Specialty Credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (e) Corporate Finance - Buyout funds acquire controlling or influential interests in companies.
- (f) 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.
- (g) Corporate Finance - Growth Equity funds invest in companies to expand or restructure operations, enter new markets, or finance an acquisition.
- (h) Corporate Finance – Hard Assets funds acquire controlling or influential interests in companies operating in natural resources or infrastructure.
- (i) Corporate Finance - Mezzanine funds acquire or issue subordinated debentures frequently in businesses controlled by the General Partner, but in another fund.
- (j) Corporate Finance – Structured Capital funds combine common equity, preferred equity, fixed-income, and/or customized debt instruments to offer capital appreciation with downside protection.

Private Markets Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

- (k) 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.
- (l) Venture Capital funds make investments in early stage through late stage companies, frequently start-ups in technology or healthcare.
- (m) 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.
- (n) 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.
- (o) 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 January 31, 2025:

	<u>Fair Value</u>
Securities on loan	\$ 18,480
Collateral received:	
Cash	\$ 11,987
Non-cash	<u>7,205</u>
Total collateral received	<u>\$ 19,192</u>

NT, as agent for the WVIMB, loans the WVIMB'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 WVIMB 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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,579,547
Public Employees' Retirement System	2,345,458
West Virginia Retiree Health Benefit Trust Fund	512,618
State Police Death, Disability and Retirement Fund	209,511
State Police Retirement System	97,179
Deputy Sheriff's Retirement System	93,046
Judges' Retirement System	80,444
Workers' Compensation Old Fund	70,098
Municipal Policemen's or Firemen's Pension and Relief Funds	67,633
Emergency Medical Services Retirement System	53,356
Revenue Shortfall Reserve Fund - Part B	24,320
Wildlife Endowment Fund	18,916
Coal Workers' Pneumoconiosis Fund	17,043
West Virginia Department of Environmental Protection Agency	13,483
West Virginia State Parks and Recreation Endowment Fund	13,419
Municipal Police Officers' and Firefighters' Retirement System	13,219
Natural Resources Police Officer Retirement System	8,598
Board of Risk and Insurance Management	7,271
Workers' Compensation Self-Insured Employer Security Risk Pool	4,377
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,531
West Virginia Department of Environmental Protection Trust	2,444
Berkeley County Development Authority	1,793
Workers' Compensation Uninsured Employers' Fund	1,660
Total	<u>\$ 6,238,964</u>

Financial Statements - Unaudited

January 31, 2025

Hedge Fund Pool

Financial Statements - Unaudited January 31, 2025

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Hedge Fund Pool

Statement of Net Position - Unaudited
January 31, 2025
(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Hedge funds	\$ 3,022,345
Money market mutual fund	3,234
Receivables:	
Dividends	6
Investment funds redeemed	<u>725</u>
Total assets	3,026,310

Liabilities

Accrued expenses	<u>258</u>
Net position	<u>\$ 3,026,052</u>

Unit data

Units outstanding	127,009,453
Net position, unit price	<u><u>\$ 23.83</u></u>

See accompanying notes to financial statements.

Hedge Fund Pool

Statement of Changes in Net Position - Unaudited
Period Ended January 31, 2025*
(Amounts in thousands)

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 56,466	\$ 233,995
Dividend income	<u>6</u>	<u>169</u>
Total investment income	56,472	234,164
Expenses		
Professional service fees - direct	(52)	(311)
Custodian bank fees	-	(1)
Management and other allocated fees	<u>(77)</u>	<u>(517)</u>
Total expenses	<u>(129)</u>	<u>(829)</u>
Net investment income	56,343	233,335
Unit transactions		
Proceeds from sale of units	16,087	31,714
Amount paid for repurchase of units	<u>(17,099)</u>	<u>(140,902)</u>
Net decrease from unit transactions	<u>(1,012)</u>	<u>(109,188)</u>
Increase in net position	55,331	124,147
Net position, beginning of period	<u>2,970,721</u>	<u>2,901,905</u>
Net position, end of period	<u><u>\$ 3,026,052</u></u>	<u><u>\$ 3,026,052</u></u>

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

Hedge Fund Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (WVIMB) 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 WVIMB. 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 WVIMB 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 WVIMB's Hedge Fund Pool (Pool). They do not reflect activity of the other investment pools under the control of the WVIMB or the Administrative Fund of the WVIMB, 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 WVIMB or any of the investment pool participants.

The WVIMB 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 WVIMB'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 Financial Times Stock Exchange (FTSE) 3 Month U.S. T-Bill Index plus 500 basis points. Albourne America has been retained by the WVIMB to provide consulting services for this investment strategy.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB 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 investments is determined on the last business day of each month as follows:

- Investments in hedge funds are securities for which market quotations are not readily available. The WVIMB 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 WVIMB'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 WVIMB 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 WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value as of January 31, 2025.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

- Open-end regulated investment companies 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 WVIMB's established procedures.

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 WVIMB'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 WVIMB 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 WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for income taxes is required as of January 31, 2025.

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 January 31, 2025. All of the Pool's investments in hedge funds were valued using the NAV, and as such, they have not been categorized in the fair value hierarchy.

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 3,234	\$ -	\$ -	\$ 3,234
Hedge funds				3,022,345
Total				\$ 3,025,579

The following table presents information on investments measured at the NAV as of January 31, 2025:

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 496,919	Monthly, Quarterly	5 to 65 days
Equity long/short (b)	578,780	Quarterly	45 to 90 days
Event-driven (c)	467,003	Quarterly, Annually	60 to 180 days
Long-biased (d)	103,938	Monthly	90 days
Multi-strategy (e)	313,088	Monthly, Quarterly	60 days
Relative-value (f)	1,041,650	Weekly, Quarterly	5 to 90 days
	\$ 3,001,378		
In liquidation (g)	20,967		
Total	\$ 3,022,345		

- (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. Investments representing approximately 26 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (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 74 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. All investments in this strategy are 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. All 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 73 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 January 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,134,859
Public Employees' Retirement System	1,031,842
West Virginia Retiree Health Benefit Trust Fund	225,507
Workers' Compensation Old Fund	138,774
State Police Death, Disability and Retirement Fund	92,171
West Virginia Department of Environmental Protection Agency	71,080
State Police Retirement System	42,749
Deputy Sheriff's Retirement System	40,931
Judges' Retirement System	35,388
Public Employees Insurance Agency	34,514
Coal Workers' Pneumoconiosis Fund	33,741
Revenue Shortfall Reserve Fund - Part B	32,094
Municipal Policemen's or Firemen's Pension and Relief Funds	29,754
Emergency Medical Services Retirement System	23,406
Board of Risk and Insurance Management	14,401
Workers' Compensation Self-Insured Employer Security Risk Pool	8,664
Wildlife Endowment Fund	8,323
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	6,991
West Virginia State Parks and Recreation Endowment Fund	5,902
Municipal Police Officers' and Firefighters' Retirement System	5,813
Natural Resources Police Officer Retirement System	3,782
Workers' Compensation Uninsured Employers' Fund	3,287
West Virginia Department of Environmental Protection Trust	1,290
Berkeley County Development Authority	789
Total	<u>\$ 3,026,052</u>