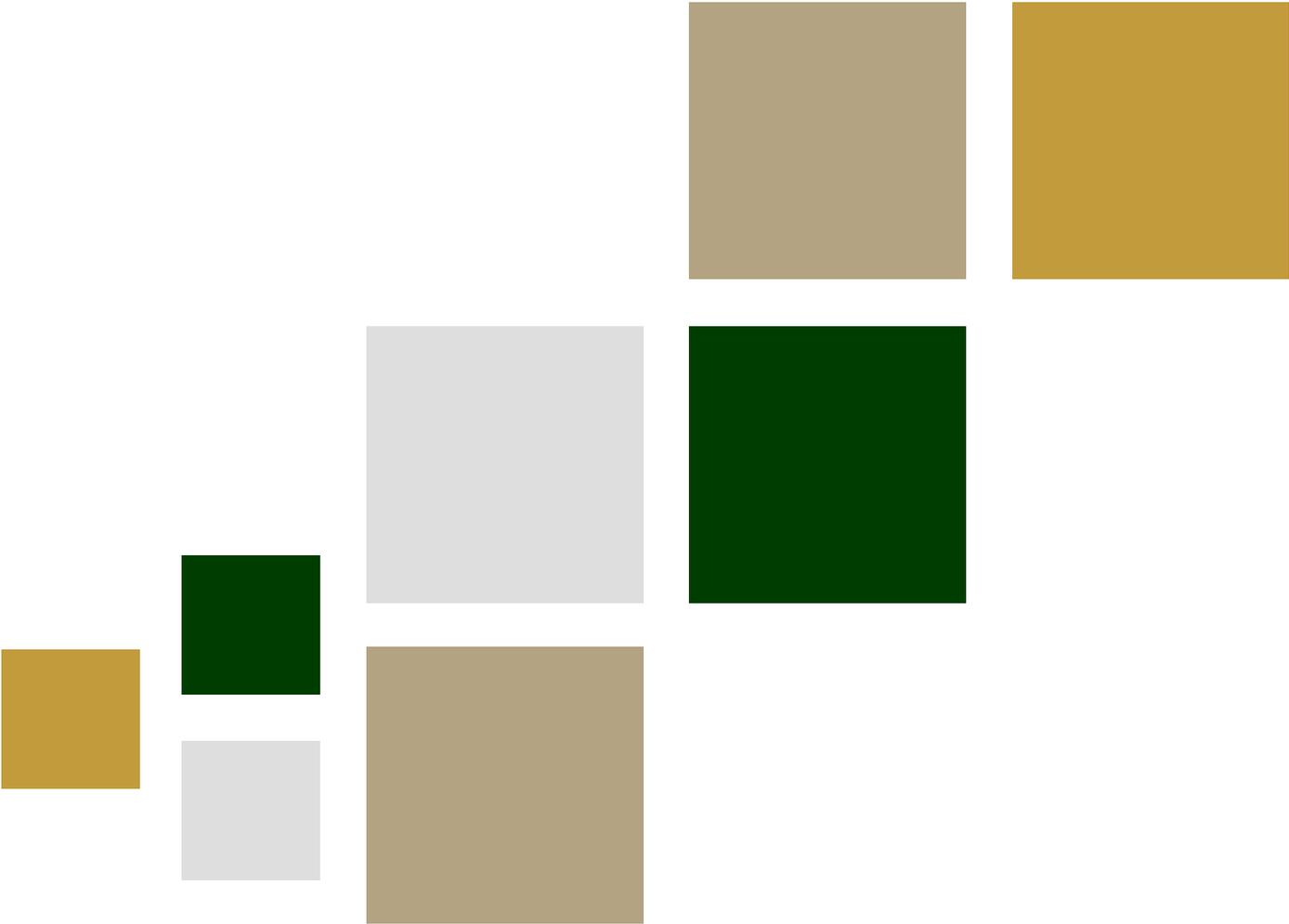
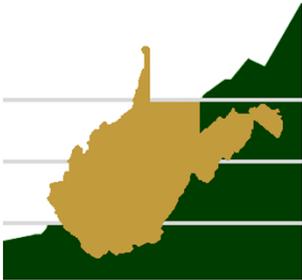


# West Virginia Investment Management Board

## Financial Statements

July 31, 2025





## **Financial Statements – Unaudited**

July 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**

**July 31, 2025**



# Portable Alpha Pool

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## Financial Statements - Unaudited July 31, 2025

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# Portable Alpha Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:	
Alternative risk premia funds	\$ 2,122,730
Commingled equity fund	3,300,256
Fixed income investments	777,379
Derivative instruments	181,264
Money market mutual fund	857,725
Receivables:	
Interest and dividends	8,450
	<hr/>
<b>Total assets</b>	<b>7,247,804</b>

### Liabilities

Cash due to broker	194,863
Accrued expenses	691
Payable for investments purchased	30,924
	<hr/>
<b>Total liabilities</b>	<b>226,478</b>
	<hr/>
<b>Net position</b>	<b>\$ 7,021,326</b>

### Unit data

Units outstanding	92,558,494
Net position, unit price	\$ 75.86

See accompanying notes to financial statements.

## Portable Alpha Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 129,973	\$ 129,973
Interest and dividends	4,733	4,733
<b>Total investment income</b>	134,706	134,706
<b>Expenses</b>		
Investment advisor fees	(107)	(107)
Custodian bank fees	(2)	(2)
Management and other allocated fees	(173)	(173)
Professional service fees - direct	(13)	(13)
<b>Total expenses</b>	(295)	(295)
<b>Net investment income</b>	134,411	134,411
<b>Unit transactions</b>		
Proceeds from sale of units	49	49
Amount paid for repurchase of units	(61,364)	(61,364)
<b>Net decrease from unit transactions</b>	(61,315)	(61,315)
<b>Increase in net position</b>	73,096	73,096
<b>Net position, beginning of period</b>	6,948,230	6,948,230
<b>Net position, end of period</b>	\$ 7,021,326	\$ 7,021,326

*\*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

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## 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. The fair value of Futures contracts is reflected as their unrealized gain or loss.
- 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

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## 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 July 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 the clearing broker on the Statement of Net Position as Cash due to/from broker. Such amounts are required by the broker for margin collateral on centrally cleared futures contracts and are considered restricted.

**Futures Contracts** - A futures contract is an agreement between a buyer or a seller and the central counterparty clearing house (CCP) of a futures trading exchange in which the parties agree to buy or sell a specific asset on a future date at a predetermined price. Futures contracts can be based on a variety of underlying assets, such as physical commodities or financial instruments. The exchanges on which futures trade are regulated and require the use of a CCP who determines margin collateral requirements that are imposed through a clearing broker. Upon entering into a futures contract, the clearing broker requires initial margin to be pledged in the form of cash, U.S. government securities, or other assets equal to a certain percentage of the contract amount. Variation margin is pledged to cover daily changes in the value of the futures contracts held, which is driven by price fluctuations of the underlying asset(s), and is received from or paid to the clearing broker in the form of cash.

The Pool invests in equity index futures contracts where the underlying asset is a stock index and are classified as derivative instruments herein. Index futures may be used to gain exposure to a specific market index or as an alternative investment of cash.

The market risk associated with holding futures results from changes in the market value of the contractual positions due to changes in the value of the underlying asset(s). Investment risk associated with futures contracts arises because the value of the futures may not correlate perfectly with changes in the value of the underlying asset(s) due to market distortions. Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading for a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contract. Standardization required by the exchange on which futures are traded combined with the CCP in their role as a neutral intermediary may reduce or eliminate certain risks. The CCP assumes the risk of counterparty default, thus taking on any credit risk, which is mitigated through the requirement to pledge margin collateral.

**Structured Fixed Income 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.

# Portable Alpha 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 income taxes is required as of July 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 July 31, 2025:

<u>Derivative Type</u>	<u>Fair Value</u>	<u>Net Increase (Decrease) in Fair Value of Investments</u>	<u>Notional Value</u>
Futures contracts:			
Equity index futures long	<u>\$ 181,264</u>	<u>\$ 74,791</u>	<u>\$ 3,940,243</u>

### NOTE 4. FAIR VALUE MEASUREMENTS

GASB Statement No. 72 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

GASB Statement No. 72 establishes a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under GASB Statement No. 72 are:

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities at the reporting date.

Level 2 Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not considered active; observable inputs other than observable quoted prices for the asset or liability; or inputs derived principally from or corroborated by observable market data.

Level 3 Unobservable pricing inputs for assets and liabilities.

# Portable Alpha Pool

## Notes to Financial Statements (Amounts in thousands)

### NOTE 4. 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.

U.S. GAAP does not require the Pool to categorize investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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 July 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)	\$ 115,425	\$ -	\$ -	\$ 115,425
Certificates of deposit	-	8,764	-	8,764
Commercial paper	-	125,138	-	125,138
Commingled equity fund	3,300,256	-	-	3,300,256
Corporate ABS	-	49,198	-	49,198
Foreign corporate bonds	-	9,594	-	9,594
Futures contracts	181,264	-	-	181,264
Money market mutual fund	857,725	-	-	857,725
U.S. corporate bonds	-	14,958	-	14,958
U.S. Government agency bonds	-	40,507	-	40,507
U.S. Treasury issues	-	529,220	-	529,220
Total	<u>\$ 4,454,670</u>	<u>\$ 777,379</u>	<u>\$ -</u>	<u>\$ 5,232,049</u>
ARP funds				<u>2,007,305</u>
Total				<u>\$ 7,239,354</u>

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

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 527,978	Daily, Monthly	2 to 30 days
Multi-Premia (b)	1,061,397	Weekly, Biweekly, Monthly	3 to 30 days
Relative-Value (c)	417,930	Biweekly, Monthly	6 to 60 days
	<u>\$ 2,007,305</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

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## 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 21 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,959,670
Public Employees' Retirement System	2,697,921
West Virginia Retiree Health Benefit Trust Fund	598,708
State Police Death, Disability and Retirement Fund	239,194
State Police Retirement System	114,315
Deputy Sheriff's Retirement System	108,560
Judges' Retirement System	93,196
Municipal Policemen's or Firemen's Pension and Relief Funds	78,628
Emergency Medical Services Retirement System	63,641
Wildlife Endowment Fund	21,570
West Virginia State Parks and Recreation Endowment Fund	17,132
Municipal Police Officers' and Firefighters' Retirement System	16,477
Natural Resources Police Officer Retirement System	10,218
Berkeley County Development Authority	2,096
Total	<u>\$ 7,021,326</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited July 31, 2025

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# Large Cap Domestic Equity Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:		
Commingled equity fund	\$	378,803
Money market mutual fund		7
Cash		<u>5,500</u>
	<b>Total assets</b>	<b>384,310</b>

### Liabilities

Accrued expenses		<u>23</u>
	<b>Net position</b>	<b><u>\$ 384,287</u></b>

### Unit data

Units outstanding		4,999,363
Net position, unit price	\$	<u>76.87</u>

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 8,463	\$ 8,463
<b>Expenses</b>		
Investment advisor fees	(2)	(2)
Management and other allocated fees	<u>(10)</u>	<u>(10)</u>
<b>Total expenses</b>	<u>(12)</u>	<u>(12)</u>
<b>Net investment income</b>	8,451	8,451
<b>Unit transactions</b>		
Amount paid for repurchase of units	<u>(16,941)</u>	<u>(16,941)</u>
<b>Decrease in net assets from unit transactions</b>	<u>(16,941)</u>	<u>(16,941)</u>
<b>Decrease in net position</b>	(8,490)	(8,490)
<b>Net position, beginning of period</b>	<u>392,777</u>	<u>392,777</u>
<b>Net position, end of period</b>	<u>\$ 384,287</u>	<u>\$ 384,287</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.*

# Large Cap Domestic Equity Pool

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## 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 July 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 July 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	\$ 378,803	\$ -	\$ -	\$ 378,803
Money market mutual fund	7	-	-	7
Total	<u>\$ 378,810</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 378,810</u>

# Large Cap Domestic Equity Pool

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 127,649
West Virginia Department of Environmental Protection Agency	70,526
Revenue Shortfall Reserve Fund - Part B	64,293
Revenue Shortfall Reserve Fund	39,320
Coal Workers' Pneumoconiosis Fund	31,187
Public Employees Insurance Agency	21,224
Workers' Compensation Self-Insured Employer Security Risk Pool	8,193
Board of Risk and Insurance Management	7,856
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	6,721
Workers' Compensation Uninsured Employers' Fund	3,223
West Virginia Department of Environmental Protection Trust	2,823
Municipal Policemen's or Firemen's Pension and Relief Funds	1,272
Total	<u>\$ 384,287</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# Non-Large Cap Domestic Equity Pool

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## Financial Statements - Unaudited July 31, 2025

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# Non-Large Cap Domestic Equity Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:	
Equity investments	\$ 1,164,721
Money market mutual fund	53,529
Securities lending collateral	95,249
Receivables:	
Dividends and other investment income	350
Investments sold	2,070
	<hr/>
<b>Total assets</b>	<b>1,315,919</b>

### Liabilities

Accrued expenses	3,382
Payable for investments purchased	4,628
Payable upon return of securities loaned	95,249
	<hr/>
<b>Total liabilities</b>	<b>103,259</b>
	<hr/>
<b>Net position</b>	<b>\$ 1,212,660</b>

### Unit data

Units outstanding	17,819,080
Net position, unit price	\$ 68.05

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 37,008	\$ 37,008
Dividends	410	410
Securities lending income	441	441
<b>Total investment income</b>	37,859	37,859
<b>Expenses</b>		
Investment advisor fees	(873)	(873)
Custodian bank fees	(3)	(3)
Management and other allocated fees	(29)	(29)
Securities lending expenses	(378)	(378)
<b>Total expenses</b>	(1,283)	(1,283)
<b>Net investment income</b>	36,576	36,576
<b>Unit transactions</b>		
Proceeds from sale of units	729	729
Amount paid for repurchase of units	(700)	(700)
<b>Net increase from unit transactions</b>	29	29
<b>Increase in net position</b>	36,605	36,605
<b>Net position, beginning of period</b>	1,176,055	1,176,055
<b>Net position, end of period</b>	\$ 1,212,660	\$ 1,212,660

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

# Non-Large Cap Domestic Equity Pool

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## Notes to Financial Statements

(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

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## 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 July 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 July 31, 2025:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Domestic common stock	\$ 1,048,898	\$ -	\$ -	\$ 1,048,898
Foreign common stock	112,188	-	-	112,188
Master limited partnership	3,635	-	-	3,635
Money market mutual fund	53,529	-	-	53,529
Securities lending collateral	-	95,249	-	95,249
Total	<u>\$ 1,218,250</u>	<u>\$ 95,249</u>	<u>\$ -</u>	<u>\$ 1,313,499</u>

### NOTE 4. SECURITIES LENDING

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

	<u>Fair Value</u>
Securities on loan	\$ 245,373
Collateral received:	
Cash	\$ 95,249
Non-cash	158,575
Total collateral received	<u>\$ 253,824</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

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 484,951
Public Employees' Retirement System	442,521
West Virginia Retiree Health Benefit Trust Fund	97,609
State Police Death, Disability and Retirement Fund	38,963
Workers' Compensation Old Fund	20,942
State Police Retirement System	18,614
Deputy Sheriff's Retirement System	17,707
Judges' Retirement System	15,232
Municipal Policemen's or Firemen's Pension and Relief Funds	13,055
West Virginia Department of Environmental Protection Agency	11,490
Revenue Shortfall Reserve Fund - Part B	10,529
Emergency Medical Services Retirement System	10,338
Revenue Shortfall Reserve Fund	6,460
Coal Workers' Pneumoconiosis Fund	5,086
Wildlife Endowment Fund	3,545
Public Employees Insurance Agency	3,462
West Virginia State Parks and Recreation Endowment Fund	2,802
Municipal Police Officers' and Firefighters' Retirement System	2,672
Natural Resources Police Officer Retirement System	1,662
Workers' Compensation Self-Insured Employer Security Risk Pool	1,340
Board of Risk and Insurance Management	1,265
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,096
Workers' Compensation Uninsured Employers' Fund	526
West Virginia Department of Environmental Protection Trust	451
Berkeley County Development Authority	342
Total	<u>\$ 1,212,660</u>



**Financial Statements - Unaudited**

**July 31, 2025**



# International Qualified Pool

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## Financial Statements - Unaudited July 31, 2025

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# International Qualified Pool

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

**Assets**

Investment in commingled equity fund at fair value \$ 1,264,094

**Liabilities**

Accrued expenses 46

**Net position** \$ 1,264,048

**Unit data**

Units outstanding 10,484,159

Net position, unit price \$ 120.57

*See accompanying notes to financial statements.*

# International Qualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment loss</b>		
Net decrease in fair value of investments	\$ (1,694)	\$ (1,694)
<b>Expenses</b>		
Investment advisor fees	(542)	(542)
Management and other allocated fees	<u>(32)</u>	<u>(32)</u>
<b>Total expenses</b>	<u>(574)</u>	<u>(574)</u>
<b>Net investment loss</b>	(2,268)	(2,268)
<b>Unit transactions</b>		
Proceeds from sale of units	581	581
Amount paid for repurchase of units	<u>(550)</u>	<u>(550)</u>
<b>Net increase from unit transactions</b>	<u>31</u>	<u>31</u>
<b>Decrease in net position</b>	(2,237)	(2,237)
<b>Net position, beginning of period</b>	<u>1,266,285</u>	<u>1,266,285</u>
<b>Net position, end of period</b>	<u><u>\$ 1,264,048</u></u>	<u><u>\$ 1,264,048</u></u>

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

# International Qualified Pool

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## Notes to Financial Statements

(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.

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

# International Qualified Pool

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## 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 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 July 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 investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 586,082
Public Employees' Retirement System	534,290
State Police Death, Disability and Retirement Fund	47,379
State Police Retirement System	22,635
Deputy Sheriff's Retirement System	21,496
Judges' Retirement System	18,455
Municipal Policemen's or Firemen's Pension and Relief Funds	15,822
Emergency Medical Services Retirement System	12,603
Municipal Police Officers' and Firefighters' Retirement System	3,263
Natural Resources Police Officer Retirement System	2,023
Total	<u>\$ 1,264,048</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# International Nonqualified Pool

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## Financial Statements - Unaudited July 31, 2025

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# International Nonqualified Pool

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## Statement of Net Position - Unaudited

July 31, 2025

*(Amounts in thousands, except unit data)*

### Assets

Investment in commingled equity fund at fair value	\$	203,873
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### Liabilities

Accrued expenses		<u>7</u>
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<b>Net position</b>	<b>\$</b>	<b><u>203,866</u></b>
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### Unit data

Units outstanding		1,877,140
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Net position, unit price	\$	<u>108.60</u>
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*See accompanying notes to financial statements.*

# International Nonqualified Pool

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## Statement of Changes in Net Position - Unaudited

Period Ended July 31, 2025\*

(Amounts in thousands, except unit data)

	<u>Month</u>	<u>Year To Date</u>
<b>Investment loss</b>		
Net decrease in fair value of investments	\$ (206)	\$ (206)
<b>Expenses</b>		
Investment advisor fees	(100)	(100)
Management and other allocated fees	<u>(5)</u>	<u>(5)</u>
<b>Total expenses</b>	<u>(105)</u>	<u>(105)</u>
<b>Net investment loss</b>	(311)	(311)
<b>Unit transactions</b>		
Proceeds from sale of units	1,181	1,181
Amount paid for repurchase of units	<u>(1,176)</u>	<u>(1,176)</u>
<b>Net increase from unit transactions</b>	<u>5</u>	<u>5</u>
<b>Decrease in net position</b>	(306)	(306)
<b>Net position, beginning of period</b>	<u>204,172</u>	<u>204,172</u>
<b>Net position, end of period</b>	<u>\$ 203,866</u>	<u>\$ 203,866</u>

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

# International Nonqualified Pool

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## Notes to Financial Statements

(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.

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

# International Nonqualified Pool

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## 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 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 July 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 investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	\$ 119,767
Workers' Compensation Old Fund	25,317
West Virginia Department of Environmental Protection Agency	13,987
Revenue Shortfall Reserve Fund - Part B	12,753
Revenue Shortfall Reserve Fund	7,791
Coal Workers' Pneumoconiosis Fund	6,185
Wildlife Endowment Fund	4,313
Public Employees Insurance Agency	4,208
West Virginia State Parks and Recreation Endowment Fund	3,429
Workers' Compensation Self-Insured Employer Security Risk Pool	1,624
Board of Risk and Insurance Management	1,542
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,333
Workers' Compensation Uninsured Employers' Fund	640
West Virginia Department of Environmental Protection Trust	557
Berkeley County Development Authority	420
Total	<u>\$ 203,866</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# International Equity Pool

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

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# International Equity Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:	
Equity investments	\$ 3,047,077
Money market mutual fund	49,380
Securities lending collateral	52,477
Cash (restricted: \$6,787)	21,434
Receivables:	
Dividends and other investment income	17,943
Investments sold	30,983
	<hr/>
<b>Total assets</b>	<b>3,219,294</b>

### Liabilities

Accrued capital gains taxes	4,724
Accrued expenses	5,614
Payable for investments purchased	17,243
Payable upon return of securities loaned	52,477
	<hr/>
<b>Total liabilities</b>	<b>80,058</b>
	<hr/>
<b>Net position</b>	<b>\$ 3,139,236</b>

### Unit data

Units outstanding	57,132,156
Net position, unit price	\$ 54.95

See accompanying notes to financial statements.

# International Equity Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 26,338	\$ 26,338
Dividends	5,206	5,206
Securities lending income	284	284
<b>Total investment income</b>	31,828	31,828
<b>Expenses</b>		
Investment advisor fees	(1,297)	(1,297)
Custodian bank fees	(169)	(169)
Management and other allocated fees	(78)	(78)
Securities lending expenses	(208)	(208)
<b>Total expenses</b>	(1,752)	(1,752)
<b>Net investment income</b>	30,076	30,076
<b>Unit transactions</b>		
Proceeds from sale of units	358	358
Amount paid for repurchase of units	(170,970)	(170,970)
<b>Net decrease from unit transactions</b>	(170,612)	(170,612)
<b>Decrease in net position</b>	(140,536)	(140,536)
<b>Net position, beginning of period</b>	3,279,772	3,279,772
<b>Net position, end of period</b>	\$ 3,139,236	\$ 3,139,236

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

# International Equity Pool

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## Notes to Financial Statements

(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.

**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.

# International Equity Pool

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## 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 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.

**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.

# International Equity Pool

## Notes to Financial Statements (Amounts in thousands)

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

**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 July 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.

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

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 3,032,369	\$ -	\$ -	\$ 3,032,369
Money market mutual fund	49,380	-	-	49,380
Preferred stock	14,708	-	-	14,708
Securities lending collateral	-	52,477	-	52,477
Total	<u>\$ 3,096,457</u>	<u>\$ 52,477</u>	<u>\$ -</u>	<u>\$ 3,148,934</u>

# International Equity Pool

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## 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 July 31, 2025:

	Fair Value
Securities on loan	\$ 96,225
Collateral received:	
Cash	\$ 52,477
Non-cash	51,809
Total collateral received	\$ 104,286

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 July 31, 2025:

Participant	Account Value
Teachers' Retirement System	\$ 1,255,169
Public Employees' Retirement System	1,143,129
West Virginia Retiree Health Benefit Trust Fund	253,592
State Police Death, Disability and Retirement Fund	101,516
Workers' Compensation Old Fund	53,646
State Police Retirement System	48,521
Deputy Sheriff's Retirement System	46,140
Judges' Retirement System	39,653
Municipal Policemen's or Firemen's Pension and Relief Funds	33,957
West Virginia Department of Environmental Protection Agency	29,874
Revenue Shortfall Reserve Fund - Part B	27,426
Emergency Medical Services Retirement System	27,025
Revenue Shortfall Reserve Fund	16,925
Coal Workers' Pneumoconiosis Fund	13,117
Wildlife Endowment Fund	9,078
Public Employees Insurance Agency	8,983
West Virginia State Parks and Recreation Endowment Fund	7,206
Municipal Police Officers' and Firefighters' Retirement System	6,996
Natural Resources Police Officer Retirement System	4,341
Workers' Compensation Self-Insured Employer Security Risk Pool	3,464
Board of Risk and Insurance Management	3,260
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,841
Workers' Compensation Uninsured Employers' Fund	1,359
West Virginia Department of Environmental Protection Trust	1,138
Berkeley County Development Authority	880
Total	\$ 3,139,236



**Financial Statements - Unaudited**

**July 31, 2025**



# Short-Term Fixed Income Pool

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## Financial Statements - Unaudited July 31, 2025

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# Short-Term Fixed Income Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at amortized cost:		
U.S. Government agency bonds	\$	170,914
U.S. Treasury issues		29,952
Repurchase agreement		41,328
Cash		1
Interest receivable		5
		<hr/>
	<b>Total assets</b>	242,200

### Liabilities

Accrued expenses		41
		<hr/>
	<b>Total liabilities</b>	41

	<b>Net position</b>	<u><u>\$ 242,159</u></u>
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### Unit data

Units outstanding		242,159,260
Net position, unit price	\$	<u><u>1.00</u></u>

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Interest	\$ 1,046	\$ 1,046
<b>Expenses</b>		
Investment advisor fees	(12)	(12)
Custodian bank fees	(1)	(1)
<b>Total expenses</b>	(13)	(13)
<b>Net investment income</b>	1,033	1,033
<b>Distributions to unitholders</b>	(1,033)	(1,033)
<b>Unit transactions</b>		
Proceeds from sale of units	102,864	102,864
Reinvestment of distributions	1,034	1,034
Amount paid for repurchase of units	(144,234)	(144,234)
<b>Net decrease from unit transactions</b>	(40,336)	(40,336)
<b>Decrease in net position</b>	(40,336)	(40,336)
<b>Net position, beginning of period</b>	282,495	282,495
<b>Net position, end of period</b>	\$ 242,159	\$ 242,159

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

# Short-Term Fixed Income Pool

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## Notes to Financial Statements

*(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 July 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 July 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Repurchase agreement	\$ -	\$ 41,328	\$ -	\$ 41,328
U.S. Government agency bonds	-	170,914	-	170,914
U.S. Treasury issues	-	29,952	-	29,952
Total	<u>\$ -</u>	<u>\$ 242,194</u>	<u>\$ -</u>	<u>\$ 242,194</u>

# Short-Term Fixed Income Pool

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 65,746
Teachers' Retirement System	63,815
Workers' Compensation Old Fund	34,586
Board of Risk and Insurance Management	27,574
Public Employees' Retirement System	24,421
Coal Workers' Pneumoconiosis Fund	8,380
Workers' Compensation Self-Insured Employer Security Risk Pool	2,435
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,140
Municipal Policemen's or Firemen's Pension and Relief Funds	2,118
Deputy Sheriff's Retirement System	2,093
State Police Retirement System	1,911
Emergency Medical Services Retirement System	1,701
Municipal Police Officers' and Firefighters' Retirement System	1,537
West Virginia State Parks and Recreation Endowment Fund	1,204
Workers' Compensation Uninsured Employers' Fund	1,115
State Police Death, Disability and Retirement Fund	507
Natural Resources Police Officer Retirement System	453
Judges' Retirement System	292
Wildlife Endowment Fund	126
West Virginia Department of Environmental Protection Trust	2
West Virginia Retiree Health Benefit Trust Fund	2
Public Employees Insurance Agency	1
Total	<u>\$ 242,159</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# Total Return Fixed Income Pool

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## Financial Statements - Unaudited July 31, 2025

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# Total Return Fixed Income Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:	
Fixed income investments	\$ 2,858,138
Derivative instruments	40,028
Equity investments	12,586
Money market mutual fund	110,769
Securities lending collateral	60,521
Cash	9,745
Receivables:	
Interest, dividends, and other investment income	20,655
Investments sold	12,245
	<hr/>
<b>Total assets</b>	<b>3,124,687</b>

### Liabilities

Investments in derivative instruments at fair value	30,276
Securities sold short at fair value	7,426
Cash due to broker, net	5,344
Accrued expenses	2,022
Payable for investments purchased	300,201
Payable upon return of securities loaned	60,521
	<hr/>
<b>Total liabilities</b>	<b>405,790</b>
	<hr/>
<b>Net position</b>	<b>\$ 2,718,897</b>

### Unit data

Units outstanding	147,532,997
Net position, unit price	<u><u>\$ 18.43</u></u>

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income (loss)</b>		
Net decrease in fair value of investments	\$ (10,370)	\$ (10,370)
Interest and dividends	10,568	10,568
Securities lending income	262	262
<b>Total investment income</b>	460	460
 <b>Expenses</b>		
Investment advisor fees	(482)	(482)
Custodian bank fees	(14)	(14)
Management and other allocated fees	(68)	(68)
Securities lending expenses	(233)	(233)
<b>Total expenses</b>	(797)	(797)
<b>Net investment loss</b>	(337)	(337)
 <b>Unit transactions</b>		
Proceeds from sale of units	80,345	80,345
Amount paid for repurchase of units	(5,265)	(5,265)
<b>Net increase from unit transactions</b>	75,080	75,080
<b>Increase in net position</b>	74,743	74,743
<b>Net position, beginning of period</b>	2,644,154	2,644,154
<b>Net position, end of period</b>	\$ 2,718,897	\$ 2,718,897

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

# Total Return Fixed Income Pool

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## Notes to Financial Statements

(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 or at the fair value determined by valuation models employed by the counterparty. The fair value of Futures contracts is reflected as their unrealized gain or loss.
- 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 employed by the counterparty.
- Foreign currency forward contracts are valued using the appropriate market exchange rates and interpolated for maturity dates falling between the reported forward dates on a linear basis at month end. The fair value of foreign currency forward contracts is reflected as their unrealized gain or loss.
- 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

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## Notes to Financial Statements

(Amounts in thousands)

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

**Cash** - Cash consists of cash on deposit with financial institutions.

**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

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## 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 central counterparty clearing house (CCP) of a futures trading exchange in which the parties agree to buy or sell a specific asset on a future date at a predetermined price. Futures contracts can be based on a variety of underlying assets, such as physical commodities or financial instruments. The exchanges on which futures trade are regulated and require the use of a CCP who determines margin collateral requirements that are imposed through a clearing broker. Upon entering into a futures contract, the clearing broker requires initial margin to be pledged in the form of cash, U.S. government securities, or other assets equal to a certain percentage of the contract amount. Variation margin is pledged to cover daily changes in the value of the futures contracts held, which is driven by price fluctuations of the underlying asset(s), and is received from or paid to the clearing broker in the form of cash.

The Pool invests in fixed income futures contracts where the underlying asset is an interest-bearing security and are classified as derivative instruments herein. Fixed income futures may be used to enhance portfolio yields, manage portfolio duration, or as an alternative investment of cash.

The market risk associated with holding futures results from changes in the market value of the contractual positions due to changes in the value of the underlying asset(s). Investment risk associated with futures contracts arises because the value of the futures may not correlate perfectly with changes in the value of the underlying asset(s) due to market distortions. Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading for a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contract. Standardization required by the exchange on which futures are traded combined with the CCP in their role as a neutral intermediary may reduce or eliminate certain risks. The CCP assumes the risk of counterparty default, thus taking on any credit risk, which is mitigated through the requirement to pledge margin collateral.

**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.

**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

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## 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 Fixed Income 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 July 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 July 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments
Forwards:		
Foreign currency forward contracts	\$ 955	\$ 2,388
Futures contracts:		
Fixed income futures long	1,490	(4,935)
Fixed income futures short	(3,753)	3,392
Options contracts:		
Fixed income options purchased	1,569	(2,959)
Fixed income options written	(2,633)	2,636
Swaps:		
Credit default swaps protection buyer	(422)	12
Credit default swaps protection seller	3,081	(127)
Interest rate swaps	9,267	654
Total return swaps	198	329
Total	<u>\$ 9,752</u>	<u>\$ 1,390</u>

## 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 July 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	\$ 991	\$ (232)	\$ -	\$ (607)	\$ 152
Swaps	12,910	(11,860)	(979)	-	71
Total	<u>\$ 13,901</u>	<u>\$ (12,092)</u>	<u>\$ (979)</u>	<u>\$ (607)</u>	<u>\$ 223</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 July 31, 2025:

Derivative Type	Counterparty Rating	Fair Value
Foreign currency forward contracts	A	\$ 101
Foreign currency forward contracts	BBB	1,092

##### Interest Rate Risk

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

Derivative Type	Investment Maturities (in years)				
	Fair Value	Under-1	1-5	6-10	10+
Futures contracts:					
Fixed income futures long	\$ 1,490	\$ 1,159	\$ 331	\$ -	\$ -
Fixed income futures short	(3,753)	(3,753)	-	-	-
Options contracts:					
Fixed income options purchased	1,569	1,569	-	-	-
Fixed income options written	(2,633)	(1,783)	(850)	-	-
Interest rate swaps	9,267	-	513	8,492	262
Total	<u>\$ 5,940</u>	<u>\$ (2,808)</u>	<u>\$ (6)</u>	<u>\$ 8,492</u>	<u>\$ 262</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 July 31, 2025, the open positions in interest rate swaps denominated in U.S. dollars were as follows:

Maturity Date	Reference Rate	Notional	Fair Value
4/28/2028	Receive Fixed 3.30%, Pay Floating SOFR	\$ 195,319	\$ (339)
2/24/2031	Receive Fixed 4.04%, Pay Floating SOFR	262,677	5,882
5/31/2032	Receive Floating SOFR, Pay Fixed 3.49%	248,297	2,609
4/28/2036	Receive Floating SOFR, Pay Fixed 3.85%	45,421	(26)
2/24/2056	Receive Floating SOFR, Pay Fixed 3.99%	37,253	289
		<u>\$ 788,967</u>	<u>\$ 8,415</u>

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

Maturity Date	Reference Rate	Notional (USD)	Fair Value
1/2/2030	Receive Fixed 14.76%, Pay Floating Brazil CDI	\$ 29,553	\$ 852

#### Reference Rate Index Definitions:

SOFR: Secured Overnight Financing Rate

Brazil CDI: Brazilian 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 July 31, 2025, are as follows:

Currency	Foreign Currency Forward Contracts	Futures Contracts	Swap Contracts	Total
Australian Dollar	\$ 25	\$ (83)	\$ -	\$ (58)
Brazilian Real	132	-	852	984
British Pound	53	76	-	129
Canadian Dollar	16	-	-	16
Euro Currency Unit	248	-	-	248
Indian Rupee	208	-	-	208
Japanese Yen	273	309	-	582
Total foreign denominated derivatives	<u>955</u>	<u>302</u>	<u>852</u>	<u>2,109</u>
U.S. Dollar	-	(2,565)	11,272	8,707
Total	<u>\$ 955</u>	<u>\$ (2,263)</u>	<u>\$ 12,124</u>	<u>\$ 10,816</u>

# Total Return Fixed Income Pool

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## 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 investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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 July 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	\$ -	\$ -	\$ 3,181	\$ 3,181
Corporate ABS residual	-	1,005	-	1,005
Corporate ABS	-	122,381	-	122,381
Corporate CMO	-	104,728	-	104,728
Corporate preferred securities	11,462	-	-	11,462
Foreign ABS	-	101,225	834	102,059
Foreign corporate bonds	-	254,831	-	254,831
Foreign currency forward contracts	-	1,193	-	1,193
Foreign equity investments	119	-	-	119
Foreign government bonds	-	198,453	306	198,759
Futures contracts	2,638	-	-	2,638
Money market mutual fund	110,769	-	-	110,769
Municipal bonds	-	17,171	-	17,171
Options contracts purchased	1,569	-	-	1,569
Repurchase agreement	-	58,000	-	58,000
Securities lending collateral	-	60,521	-	60,521
Swaps	-	34,628	-	34,628
U.S. corporate bonds	-	332,341	-	332,341
U.S. Government agency bonds	-	2,589	-	2,589
U.S. Government agency CMO	-	87,957	-	87,957
U.S. Government agency CMO IO	-	9,315	-	9,315
U.S. Government agency MBS	-	589,991	-	589,991
U.S. Government agency TBAs	-	284,004	-	284,004
U.S. Treasury issues	-	499,859	-	499,859
U.S. Treasury inflation protected securities	-	15,707	-	15,707
Total	<u>\$ 126,557</u>	<u>\$ 2,775,899</u>	<u>\$ 4,321</u>	<u>\$ 2,906,777</u>
Commingled debt funds				175,265
Total				<u>\$ 3,082,042</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (238)	\$ -	\$ (238)
Futures contracts	(4,901)	-	-	(4,901)
Options contracts written	(2,633)	-	-	(2,633)
Securities sold short	-	(7,426)	-	(7,426)
Swaps	-	(22,504)	-	(22,504)
Total	<u>\$ (7,534)</u>	<u>\$ (30,168)</u>	<u>\$ -</u>	<u>\$ (37,702)</u>

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

	Fair Value
Securities on loan	\$ 322,011
Collateral received:	
Cash	\$ 60,521
Non-cash	269,249
Total collateral received	\$ 329,770

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 July 31, 2025:

Participant	Account Value
Teachers' Retirement System	\$ 798,143
Public Employees' Retirement System	729,317
Revenue Shortfall Reserve Fund - Part B	210,117
Workers' Compensation Old Fund	196,667
Revenue Shortfall Reserve Fund	185,917
West Virginia Retiree Health Benefit Trust Fund	166,648
West Virginia Department of Environmental Protection Agency	88,999
State Police Death, Disability and Retirement Fund	63,787
Coal Workers' Pneumoconiosis Fund	48,080
Public Employees Insurance Agency	46,343
State Police Retirement System	31,297
Deputy Sheriff's Retirement System	29,332
Judges' Retirement System	25,549
Municipal Policemen's or Firemen's Pension and Relief Funds	22,132
Emergency Medical Services Retirement System	17,306
Workers' Compensation Self-Insured Employer Security Risk Pool	12,630
Board of Risk and Insurance Management	11,965
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	10,376
Wildlife Endowment Fund	6,022
Workers' Compensation Uninsured Employers' Fund	4,981
West Virginia State Parks and Recreation Endowment Fund	4,804
Municipal Police Officers' and Firefighters' Retirement System	4,473
Natural Resources Police Officer Retirement System	2,719
West Virginia Department of Environmental Protection Trust	705
Berkeley County Development Authority	588
Total	\$ 2,718,897



**Financial Statements - Unaudited**

**July 31, 2025**



# Core Fixed Income Pool

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## Financial Statements - Unaudited July 31, 2025

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# Core Fixed Income Pool

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

**Assets**

Investments, at fair value:	
Fixed income investments	\$ 2,314,283
Money market mutual fund	16,581
Securities lending collateral	74,310
Receivables:	
Interest, dividends, and other investment income	19,528
Investments sold	39
Other	11
	<hr/>
<b>Total assets</b>	<b>2,424,752</b>

**Liabilities**

Accrued expenses	1,152
Payable for investments purchased	78,201
Payable upon return of securities loaned	74,310
	<hr/>
<b>Total liabilities</b>	<b>153,663</b>
	<hr/>
<b>Net position</b>	<b>\$ 2,271,089</b>

**Unit data**

Units outstanding	177,237,115
Net position, unit price	\$ 12.81

*See accompanying notes to financial statements.*

## Core Fixed Income Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income (loss)</b>		
Net decrease in fair value of investments	\$ (12,333)	\$ (12,333)
Interest and dividends	7,820	7,820
Securities lending income	282	282
<b>Total investment loss</b>	(4,231)	(4,231)
<b>Expenses</b>		
Investment advisor fees	(284)	(284)
Custodian bank fees	(4)	(4)
Management and other allocated fees	(57)	(57)
Securities lending expenses	(254)	(254)
<b>Total expenses</b>	(599)	(599)
<b>Net investment loss</b>	(4,830)	(4,830)
<b>Unit transactions</b>		
Proceeds from sale of units	102,238	102,238
Amount paid for repurchase of units	(2,179)	(2,179)
<b>Net increase from unit transactions</b>	100,059	100,059
<b>Increase in net position</b>	95,229	95,229
<b>Net position, beginning of period</b>	2,175,860	2,175,860
<b>Net position, end of period</b>	\$ 2,271,089	\$ 2,271,089

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

# Core Fixed Income Pool

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## Notes to Financial Statements (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

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## 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 Fixed Income 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 July 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 July 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Corporate ABS	\$ -	\$ 221,970	\$ 5,400	\$ 227,370
Corporate CMO	-	100,791	-	100,791
Corporate CMO IO	-	87	-	87
Corporate CMO PO	-	16	-	16
Foreign ABS	-	2,477	-	2,477
Foreign corporate bonds	-	204,933	-	204,933
Foreign government bonds	-	10,702	-	10,702
Money market mutual fund	16,581	-	-	16,581
Municipal bonds	-	8,395	-	8,395
Securities lending collateral	-	74,310	-	74,310
U.S. corporate bonds	-	370,916	-	370,916
U.S. Government agency CMO	-	110,222	-	110,222
U.S. Government agency CMO IO	-	989	-	989
U.S. Government agency CMO PO	-	1,488	-	1,488
U.S. Government agency MBS	-	503,435	-	503,435
U.S. Treasury issues	-	772,462	-	772,462
Total	\$ 16,581	\$ 2,383,193	\$ 5,400	\$ 2,405,174

## 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 July 31, 2025:

	Fair Value
Securities on loan	\$ 346,911
Collateral received:	
Cash	\$ 74,310
Non-cash	281,249
Total collateral received	\$ 355,559

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 July 31, 2025:

Participant	Account Value
Teachers' Retirement System	\$ 806,346
Public Employees' Retirement System	736,740
West Virginia Retiree Health Benefit Trust Fund	167,800
Revenue Shortfall Reserve Fund - Part B	89,817
Workers' Compensation Old Fund	84,150
Revenue Shortfall Reserve Fund	79,495
State Police Death, Disability and Retirement Fund	64,625
West Virginia Department of Environmental Protection Agency	38,097
State Police Retirement System	31,660
Deputy Sheriff's Retirement System	29,570
Judges' Retirement System	25,868
Municipal Policemen's or Firemen's Pension and Relief Funds	22,388
Coal Workers' Pneumoconiosis Fund	20,563
Public Employees Insurance Agency	19,946
Emergency Medical Services Retirement System	17,572
Wildlife Endowment Fund	6,037
Workers' Compensation Self-Insured Employer Security Risk Pool	5,398
Board of Risk and Insurance Management	5,108
West Virginia State Parks and Recreation Endowment Fund	4,811
Municipal Police Officers' and Firefighters' Retirement System	4,514
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,430
Natural Resources Police Officer Retirement System	2,745
Workers' Compensation Uninsured Employers' Fund	2,126
West Virginia Department of Environmental Protection Trust	694
Berkeley County Development Authority	589
Total	\$ 2,271,089



**Financial Statements - Unaudited**

**July 31, 2025**



# TIPS Pool

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## Financial Statements - Unaudited July 31, 2025

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# TIPS Pool

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## Statement of Net Position - Unaudited

July 31, 2025

(Amounts in thousands, except unit data)

### Assets

Investments, at fair value:

U.S. Treasury inflation protected securities \$ 542,888

Money market mutual fund 1,692

Receivables:

Interest, dividends, and other investment income 1,036

Investments sold 16,527

**Total assets** 562,143

### Liabilities

Accrued expenses 42

Payable for investments purchased 21,299

**Total liabilities** 21,341

**Net position** \$ 540,802

### Unit data

Units outstanding 37,497,835

Net position, unit price \$ 14.42

See accompanying notes to financial statements.

# TIPS Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 796	\$ 796
Interest and dividend income	520	520
Securities lending income	7	7
<b>Total investment income</b>	1,323	1,323
<b>Expenses</b>		
Investment advisor fees	(6)	(6)
Custodian bank fees	(1)	(1)
Management and other allocated fees	(13)	(13)
Securities lending expenses	(1)	(1)
<b>Total expenses</b>	(21)	(21)
<b>Net investment income</b>	1,302	1,302
<b>Unit transactions</b>		
Proceeds from sale of units	2,252	2,252
Amount paid for repurchase of units	(2,237)	(2,237)
<b>Net increase from unit transactions</b>	15	15
<b>Increase in net position</b>	1,317	1,317
<b>Net position, beginning of period</b>	539,485	539,485
<b>Net position, end of period</b>	\$ 540,802	\$ 540,802

*\*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

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## 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

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## 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 July 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 July 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 1,692	\$ -	\$ -	\$ 1,692
U.S. TIPS	-	542,888	-	542,888
Total	<u>\$ 1,692</u>	<u>\$ 542,888</u>	<u>\$ -</u>	<u>\$ 544,580</u>

### NOTE 4. SECURITIES LENDING

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

	Fair Value
Securities on loan	\$ 88,161
Collateral received:	
Cash	\$ -
Non-cash	90,497
Total collateral received	<u>\$ 90,497</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.

# TIPS Pool

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 263,099
Revenue Shortfall Reserve Fund - Part B	134,437
Workers' Compensation Old Fund	82,376
Public Employees Insurance Agency	24,142
Coal Workers' Pneumoconiosis Fund	20,116
Workers' Compensation Self-Insured Employer Security Risk Pool	5,270
Board of Risk and Insurance Management	4,981
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,315
Workers' Compensation Uninsured Employers' Fund	2,066
Total	<u>\$ 540,802</u>



**Financial Statements - Unaudited**

**July 31, 2025**



# Private Markets Pool

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## Financial Statements - Unaudited July 31, 2025

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# Private Markets Pool

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

**Assets**

Investments, at fair value:	
Alternative investments	\$ 6,089,378
Equity investments	197,250
Fixed income investments	14,406
Money market mutual fund	103,736
Securities lending collateral	12,258
Cash	36
Receivables:	
Income distributions from real estate limited partnerships and funds	803
Interest, dividends, and other investment income	871
Investments sold	98
	<hr/>
<b>Total assets</b>	<b>6,418,836</b>

**Liabilities**

Accrued expenses	911
Payable for investments purchased	240
Payable upon return of securities loaned	12,258
	<hr/>
<b>Total liabilities</b>	<b>13,409</b>
	<hr/>
<b>Net position</b>	<b>\$ 6,405,427</b>

**Unit data**

Units outstanding	199,677,364
Net position, unit price	<u><u>\$ 32.08</u></u>

*See accompanying notes to financial statements.*

## Private Markets Pool

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

	<b>Month</b>	<b>Year To Date</b>
<b>Investment income (loss)</b>		
Net decrease in fair value of investments	\$ (11,956)	\$ (11,956)
Income from partnerships and funds	6,293	6,293
Interest and dividends	833	833
Securities lending income	49	49
<b>Total investment loss</b>	(4,781)	(4,781)
<b>Expenses</b>		
Investment advisor fees	(82)	(82)
Custodian bank fees	(2)	(2)
Management and other allocated fees	(157)	(157)
Professional service fees - direct	(127)	(127)
Management fees - external, net	15	15
Fund closing costs	(2,115)	(2,115)
Securities lending expenses	(44)	(44)
<b>Total expenses</b>	(2,512)	(2,512)
<b>Net investment loss</b>	(7,293)	(7,293)
<b>Unit transactions</b>		
Proceeds from sale of units	30,748	30,748
Amount paid for repurchase of units	(6,122)	(6,122)
<b>Net increase from unit transactions</b>	24,626	24,626
<b>Increase in net position</b>	17,333	17,333
<b>Net position, beginning of period</b>	6,388,094	6,388,094
<b>Net position, end of period</b>	\$ 6,405,427	\$ 6,405,427

*\*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

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## 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 July 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

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## 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

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## 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 July 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 investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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 July 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	\$ 39,270	\$ -	\$ -	\$ 39,270
Money market mutual fund	103,736	-	-	103,736
Securities lending collateral	-	12,258	-	12,258
U.S. common stock	147,394	-	-	147,394
U.S. corporate bonds	-	14,406	-	14,406
U.S. preferred stock	10,586	-	-	10,586
Total	<u>\$ 300,986</u>	<u>\$ 26,664</u>	<u>\$ -</u>	<u>\$ 327,650</u>
Private credit & income funds				1,251,139
Private equity partnerships				2,550,926
Real estate limited partnerships and funds				2,287,313
Total				<u>\$ 6,417,028</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 July 31, 2025:

Strategies	Fair Value	Unfunded Commitments	Contractual Termination Date Range	Redemption Frequency (a)	Redemption Notice Period
Private credit & income funds:					
Asset-Backed Credit (b)	\$ 422,839	\$ 212,842	2026 to 2032	N/A	N/A
Core Private Credit (c)	659,133	121,560	2031	Quarterly	45 days
Specialty & Opportunistic Credit (d)	169,167	160,485	2026 to 2029	N/A	N/A
Private equity partnerships:					
Corporate Finance - Buyout (e)	1,662,831	562,990	2025 to 2035	N/A	N/A
Corporate Finance - Distressed Debt (f)	18,168	16,263	2026	N/A	N/A
Corporate Finance - Growth Equity (g)	170,870	106,193	2025 to 2034	N/A	N/A
Corporate Finance - Hard Assets (h)	176,520	31,529	2026 to 2034	N/A	N/A
Corporate Finance - Mezzanine (i)	2,313	278	N/A	N/A	N/A
Corporate Finance - Structured Capital (j)	57,196	36,181	2025 to 2032	N/A	N/A
Corporate Finance - Turnaround (k)	102,532	121,035	2026 to 2036	N/A	N/A
Venture Capital (l)	360,496	39,243	2026 to 2034	N/A	N/A
Real estate limited partnerships and funds:					
Core (m)	1,156,727	-	N/A	Quarterly	45-90 days
Opportunistic (n)	423,832	183,817	2025 to 2034	N/A	N/A
Value (o)	706,754	477,562	2025 to 2068	N/A	N/A
Total	<u>\$ 6,089,378</u>	<u>\$ 2,069,978</u>			

- (a) Investments without standard redemption frequencies cannot be redeemed until termination of the partnership.
- (b) Asset-backed 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. Asset-backed credit investments are typically in the mid-range of the risk return spectrum of the private credit market.
- (c) Core private credit 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.
- (d) Specialty & opportunistic credit 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.
- (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 July 31, 2025:

	<u>Fair Value</u>
Securities on loan	\$ 28,531
Collateral received:	
Cash	\$ 12,258
Non-cash	17,178
Total collateral received	<u>\$ 29,436</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

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,657,773
Public Employees' Retirement System	2,395,562
West Virginia Retiree Health Benefit Trust Fund	531,645
State Police Death, Disability and Retirement Fund	212,449
State Police Retirement System	101,496
Deputy Sheriff's Retirement System	96,389
Judges' Retirement System	82,751
Municipal Policemen's or Firemen's Pension and Relief Funds	69,823
Workers' Compensation Old Fund	69,152
Emergency Medical Services Retirement System	56,511
Revenue Shortfall Reserve Fund - Part B	25,158
Wildlife Endowment Fund	19,139
Coal Workers' Pneumoconiosis Fund	16,895
West Virginia State Parks and Recreation Endowment Fund	15,219
Municipal Police Officers' and Firefighters' Retirement System	14,636
West Virginia Department of Environmental Protection Agency	13,993
Natural Resources Police Officer Retirement System	9,074
Workers' Compensation Self-Insured Employer Security Risk Pool	4,438
Board of Risk and Insurance Management	4,197
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,641
West Virginia Department of Environmental Protection Trust	1,878
Berkeley County Development Authority	1,861
Workers' Compensation Uninsured Employers' Fund	1,747
Total	<u>\$ 6,405,427</u>

**Financial Statements - Unaudited**

**July 31, 2025**



# Hedge Fund Pool

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## Financial Statements - Unaudited July 31, 2025

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# Hedge Fund Pool

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

**Assets**

Investments in hedge funds at fair value	\$	3,155,385
Investment funds redeemed		<u>750</u>
<b>Total assets</b>		<b>3,156,135</b>

**Liabilities**

Accrued expenses		<u>192</u>
<b>Net position</b>	<b>\$</b>	<b><u><u>3,155,943</u></u></b>

**Unit data**

Units outstanding		126,863,061
Net position, unit price	<b>\$</b>	<b><u><u>24.88</u></u></b>

*See accompanying notes to financial statements.*

## Hedge Fund Pool

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

	<u>Month</u>	<u>Year To Date</u>
<b>Investment income</b>		
Net increase in fair value of investments	\$ 26,368	\$ 26,368
<b>Expenses</b>		
Professional service fees - direct	(39)	(39)
Management and other allocated fees	<u>(79)</u>	<u>(79)</u>
<b>Total expenses</b>	<u>(118)</u>	<u>(118)</u>
<b>Net investment income</b>	26,250	26,250
<b>Unit transactions</b>		
Proceeds from sale of units	5,532	5,532
Amount paid for repurchase of units	<u>(5,415)</u>	<u>(5,415)</u>
<b>Net increase from unit transactions</b>	<u>117</u>	<u>117</u>
<b>Increase in net position</b>	26,367	26,367
<b>Net position, beginning of period</b>	<u>3,129,576</u>	<u>3,129,576</u>
<b>Net position, end of period</b>	<u><u>\$ 3,155,943</u></u>	<u><u>\$ 3,155,943</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

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## 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 July 31, 2025.

# Hedge Fund Pool

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## Notes to Financial Statements (Amounts in thousands)

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

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 July 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 investments whose fair value is measured using the net asset value per share (NAV) as a practical expedient within the fair value hierarchy table. 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. The following table presents information on investments measured at the NAV as of July 31, 2025:

<u>Hedge Fund Strategies</u>	<u>Fair Value</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Directional (a)	\$ 509,378	Monthly, Quarterly	5 to 65 days
Equity long/short (b)	607,196	Quarterly	45 to 180 days
Event-driven (c)	493,015	Quarterly, Annually	60 to 180 days
Long-biased (d)	110,160	Monthly	90 days
Multi-strategy (e)	326,262	Monthly, Quarterly	60 days
Relative-value (f)	1,090,650	Weekly, Quarterly	5 to 90 days
	<u>\$ 3,136,661</u>		
In liquidation (g)	18,724		
Total	<u>\$ 3,155,385</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. Investments representing approximately 27 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 75 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.
- (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 85 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.

# Hedge Fund Pool

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## 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 July 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,182,755
Public Employees' Retirement System	1,078,231
West Virginia Retiree Health Benefit Trust Fund	239,282
Workers' Compensation Old Fund	140,056
State Police Death, Disability and Retirement Fund	95,619
West Virginia Department of Environmental Protection Agency	75,575
State Police Retirement System	45,681
Deputy Sheriff's Retirement System	43,382
Judges' Retirement System	37,245
Public Employees Insurance Agency	36,680
Coal Workers' Pneumoconiosis Fund	34,219
Revenue Shortfall Reserve Fund - Part B	33,968
Municipal Policemen's or Firemen's Pension and Relief Funds	31,426
Emergency Medical Services Retirement System	25,434
Workers' Compensation Self-Insured Employer Security Risk Pool	8,990
Wildlife Endowment Fund	8,614
Board of Risk and Insurance Management	8,499
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	7,376
West Virginia State Parks and Recreation Endowment Fund	6,850
Municipal Police Officers' and Firefighters' Retirement System	6,587
Natural Resources Police Officer Retirement System	4,084
Workers' Compensation Uninsured Employers' Fund	3,538
West Virginia Department of Environmental Protection Trust	1,014
Berkeley County Development Authority	838
Total	<u>\$ 3,155,943</u>