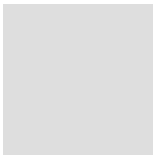
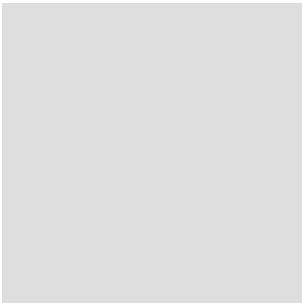
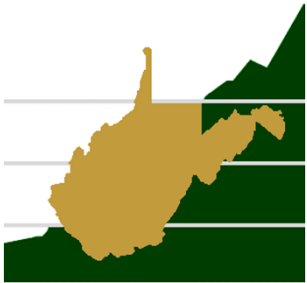


West Virginia Investment Management Board

Financial Statements

December 31, 2025



Financial Statements – Unaudited

December 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

December 31, 2025

Portable Alpha Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Portable Alpha Pool

Statement of Net Position - Unaudited

December 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Alternative risk premia funds	\$ 2,644,770
Commingled equity fund	2,865,027
Fixed income investments	876,104
Money market mutual fund	948,245
Cash	44,820
Cash due from broker	12,124
Receivables:	
Interest and dividends	8,802
Investments sold	1,476
	<hr/>
Total assets	7,401,368

Liabilities

Investments in derivative instruments at fair value	16,408
Accrued expenses	733
Payable for investments purchased	2,972
	<hr/>
Total liabilities	20,113
	<hr/>
Net position	\$ 7,381,255
	<hr/> <hr/>

Unit data

Units outstanding	88,325,977
Net position, unit price	\$ 83.57
	<hr/> <hr/>

See accompanying notes to financial statements.

Portable Alpha Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 18,361	\$ 794,157
Interest and dividends	<u>6,316</u>	<u>28,816</u>
Total investment income	24,677	822,973
Expenses		
Investment advisor fees	(114)	(647)
Custodian bank fees	(3)	(14)
Management and other allocated fees	(173)	(1,030)
Professional service fees - direct	<u>(13)</u>	<u>(115)</u>
Total expenses	<u>(303)</u>	<u>(1,806)</u>
Net investment income	24,374	821,167
Unit transactions		
Proceeds from sale of units	107,117	110,014
Amount paid for repurchase of units	<u>-</u>	<u>(498,156)</u>
Net increase (decrease) from unit transactions	<u>107,117</u>	<u>(388,142)</u>
Increase in net position	131,491	433,025
Net position, beginning of period	<u>7,249,764</u>	<u>6,948,230</u>
Net position, end of period	<u><u>\$ 7,381,255</u></u>	<u><u>\$ 7,381,255</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.

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

- Futures contracts are valued at the last settlement price established each day by the exchange on which they are traded. 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

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 December 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 December 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 December 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value
Futures contracts:			
Equity index futures long	\$ (16,408)	\$ 289,494	\$ 4,619,354

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 December 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)	\$ 117,326	\$ -	\$ -	\$ 117,326
Certificates of deposit	-	8,414	-	8,414
Commercial paper	-	150,791	-	150,791
Commingled equity fund	2,865,027	-	-	2,865,027
Corporate ABS	-	55,588	-	55,588
Foreign corporate bonds	-	3,840	-	3,840
Foreign government bonds	-	1,003	-	1,003
Money market mutual fund	948,245	-	-	948,245
U.S. corporate bonds	-	24,038	-	24,038
U.S. Government agency bonds	-	37,490	-	37,490
U.S. Treasury issues	-	594,940	-	594,940
Total	<u>\$ 3,930,598</u>	<u>\$ 876,104</u>	<u>\$ -</u>	<u>\$ 4,806,702</u>
ARP funds				<u>2,527,444</u>
Total				<u>\$ 7,334,146</u>

Liabilities	Level 1	Level 2	Level 3	Total
Futures contracts	<u>\$ (16,408)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (16,408)</u>

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

ARP Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 590,496	Daily, Monthly	2 to 30 days
Multi-Premia (b)	1,493,873	Weekly, Biweekly, Monthly	3 to 30 days
Relative-Value (c)	443,075	Biweekly, Monthly	6 to 60 days
	<u>\$ 2,527,444</u>		

- (a) Directional funds employ various techniques to forecast the direction of segments of the market and then invest in either long or short positions. The segments may be geographic economies, industry sectors, currency, or asset class. The investments may be in physical securities or derivatives. The strategies may be trend-following or mean-reverting and may be specific to that segment or universally applied across them.
- (b) Multi-premia funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through allocation adjustments based on market opportunities. Risk is managed through a variety of quantitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. Investments representing approximately 25 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.

Portable Alpha Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

- (c) Relative-value funds maintain positions in which the investment thesis is predicated on the realization of a valuation discrepancy in the relationship between multiple securities. Managers employ a variety of fundamental and quantitative techniques to establish investment insights, and security types range broadly across equity, fixed income, derivative or other security types. Fixed income strategies are typically quantitatively driven to measure the existing relationship between instruments and, in some cases, identify attractive positions in which the risk-adjusted spread between these instruments represents an attractive opportunity. 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 December 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 3,116,094
Public Employees' Retirement System	2,828,449
West Virginia Retiree Health Benefit Trust Fund	623,247
State Police Death, Disability and Retirement Fund	247,991
State Police Retirement System	122,306
Deputy Sheriffs Retirement System	115,748
Judges' Retirement System	98,680
Municipal Policemen's or Firemen's Pension and Relief Funds	85,090
Emergency Medical Services Retirement System	69,038
Wildlife Endowment Fund	22,749
West Virginia State Parks and Recreation Endowment Fund	19,857
Municipal Police Officers' and Firefighters' Retirement System	18,744
Natural Resources Police Officer Retirement System	11,030
Berkeley County Development Authority	2,232
Total	<u>\$ 7,381,255</u>

Financial Statements - Unaudited

December 31, 2025

Large Cap Domestic Equity Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Large Cap Domestic Equity Pool

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

Assets

Investments, at fair value:	
Commingled equity fund	\$ 385,902
Money market mutual fund	<u>2</u>
Total assets	385,904

Liabilities

Accrued expenses	<u>26</u>
Net position	<u>\$ 385,878</u>

Unit data

Units outstanding	4,624,824
Net position, unit price	<u>\$ 83.44</u>

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 226	\$ 40,063
Dividends	<u>1</u>	<u>9</u>
Total investment income	227	40,072
Expenses		
Investment advisor fees	(3)	(15)
Custodian bank fees	-	(1)
Management and other allocated fees	<u>(10)</u>	<u>(56)</u>
Total expenses	<u>(13)</u>	<u>(72)</u>
Net investment income	214	40,000
Unit transactions		
Proceeds from sale of units	10,416	11,951
Amount paid for repurchase of units	<u>(10,408)</u>	<u>(58,850)</u>
Net increase (decrease) from unit transactions	<u>8</u>	<u>(46,899)</u>
Increase (decrease) in net position	222	(6,899)
Net position, beginning of period	<u>385,656</u>	<u>392,777</u>
Net position, end of period	<u><u>\$ 385,878</u></u>	<u><u>\$ 385,878</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.

Large Cap Domestic Equity Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses - The WVIMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The WVIMB pays all expenses on behalf of the Pool. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

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

Assets	Level 1	Level 2	Level 3	Total
Commingled equity fund	\$ 385,902	\$ -	\$ -	\$ 385,902
Money market mutual fund	2	-	-	2
Total	<u>\$ 385,904</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 385,904</u>

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 124,257
Revenue Shortfall Reserve Fund - Part B	75,054
West Virginia Department of Environmental Protection Agency	74,677
Revenue Shortfall Reserve Fund	38,379
Coal Workers' Pneumoconiosis Fund	30,557
Public Employees Insurance Agency	13,700
Workers' Compensation Self-Insured Employer Security Risk Pool	8,162
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	6,776
Board of Risk and Insurance Management	6,734
Workers' Compensation Uninsured Employers' Fund	3,294
West Virginia Department of Environmental Protection Trust	2,902
Municipal Policemen's or Firemen's Pension and Relief Funds	1,386
Total	<u>\$ 385,878</u>

Financial Statements - Unaudited

December 31, 2025

Non-Large Cap Domestic Equity Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Non-Large Cap Domestic Equity Pool

Statement of Net Position - Unaudited

December 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Equity investments	\$ 1,016,816
Money market mutual fund	37,467
Securities lending collateral	138,192
Receivables:	
Dividends and other investment income	356
Investments sold	<u>14,304</u>
Total assets	1,207,135

Liabilities

Cash overdraft	118
Accrued expenses	1,157
Payable for investments purchased	7,662
Payable upon return of securities loaned	<u>138,192</u>
Total liabilities	<u>147,129</u>
Net position	<u><u>\$ 1,060,006</u></u>

Unit data

Units outstanding	15,701,277
Net position, unit price	<u><u>\$ 67.51</u></u>

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 8,438	\$ 25,716
Dividends	812	5,319
Securities lending income	<u>510</u>	<u>3,011</u>
Total investment income	9,760	34,046
Expenses		
Investment advisor fees	(450)	(2,569)
Custodian bank fees	(4)	(26)
Management and other allocated fees	(25)	(165)
Securities lending expenses	<u>(471)</u>	<u>(2,745)</u>
Total expenses	<u>(950)</u>	<u>(5,505)</u>
Net investment income	8,810	28,541
Unit transactions		
Proceeds from sale of units	963	10,896
Amount paid for repurchase of units	<u>(30,927)</u>	<u>(155,486)</u>
Net decrease from unit transactions	<u>(29,964)</u>	<u>(144,590)</u>
Decrease in net position	(21,154)	(116,049)
Net position, beginning of period	<u>1,081,160</u>	<u>1,176,055</u>
Net position, end of period	<u><u>\$ 1,060,006</u></u>	<u><u>\$ 1,060,006</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.*

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. The WVIMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Changes in Net Position as a net increase (decrease) in fair value of investments.

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

Expenses - The WVIMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the individual pools based on asset size. The WVIMB pays all expenses on behalf of the Pool. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

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

Assets	Level 1	Level 2	Level 3	Total
Domestic common stock	\$ 900,352	\$ -	\$ -	\$ 900,352
Foreign common stock	116,464	-	-	116,464
Money market mutual fund	37,467	-	-	37,467
Securities lending collateral	-	138,192	-	138,192
Total	<u>\$ 1,054,283</u>	<u>\$ 138,192</u>	<u>\$ -</u>	<u>\$ 1,192,475</u>

NOTE 4. SECURITIES LENDING

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

	Fair Value
Securities on loan	\$ 272,024
Collateral received:	
Cash	\$ 138,192
Non-cash	142,073
Total collateral received	<u>\$ 280,265</u>

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

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 5. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Berkeley County Development Authority	\$ 426,253
Board of Risk and Insurance Management	386,216
Coal Workers' Pneumoconiosis Fund	84,144
Deputy Sheriffs Retirement System	33,177
Emergency Medical Services Retirement System	17,474
Judges' Retirement System	16,583
Municipal Police Officers' and Firefighters' Retirement System	15,706
Municipal Policemen's or Firemen's Pension and Relief Funds	13,324
Natural Resources Police Officer Retirement System	11,776
Public Employees Insurance Agency	10,489
Public Employees' Retirement System	10,239
Revenue Shortfall Reserve Fund	9,344
Revenue Shortfall Reserve Fund - Part B	5,244
State Police Death, Disability and Retirement Fund	4,297
State Police Retirement System	3,078
Teachers' Retirement System	2,646
West Virginia Department of Environmental Protection Agency	2,461
West Virginia Department of Environmental Protection Trust	1,843
West Virginia Retiree Health Benefit Trust Fund	1,493
West Virginia State Parks and Recreation Endowment Fund	1,143
Wildlife Endowment Fund	965
Workers' Compensation Old Fund	946
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	458
Workers' Compensation Self-Insured Employer Security Risk Pool	404
Workers' Compensation Uninsured Employers' Fund	303
Total	<u>\$ 1,060,006</u>

Financial Statements - Unaudited

December 31, 2025

International Qualified Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

International Qualified Pool

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

Assets

Investment in commingled equity fund at fair value	\$ 1,418,771
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Liabilities

Accrued expenses	<u>64</u>
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Net position	<u><u>\$ 1,418,707</u></u>
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Unit data

Units outstanding	10,485,274
Net position, unit price	<u><u>\$ 135.30</u></u>

See accompanying notes to financial statements.

International Qualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 56,117	\$ 155,869
Expenses		
Investment advisor fees	(606)	(3,427)
Management and other allocated fees	<u>(32)</u>	<u>(191)</u>
Total expenses	<u>(638)</u>	<u>(3,618)</u>
Net investment income	55,479	152,251
Unit transactions		
Proceeds from sale of units	42	4,815
Amount paid for repurchase of units	<u>(11)</u>	<u>(4,644)</u>
Net increase from unit transactions	<u>31</u>	<u>171</u>
Increase in net position	55,510	152,422
Net position, beginning of period	<u>1,363,197</u>	<u>1,266,285</u>
Net position, end of period	<u>\$ 1,418,707</u>	<u>\$ 1,418,707</u>

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

International Qualified Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (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

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 December 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

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 December 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 659,049
Public Employees' Retirement System	597,250
State Police Death, Disability and Retirement Fund	52,489
State Police Retirement System	25,742
Deputy Sheriffs Retirement System	24,368
Judges' Retirement System	20,808
Municipal Policemen's or Firemen's Pension and Relief Funds	18,262
Emergency Medical Services Retirement System	14,482
Municipal Police Officers' and Firefighters' Retirement System	3,938
Natural Resources Police Officer Retirement System	2,319
Total	<u>\$ 1,418,707</u>

Financial Statements - Unaudited

December 31, 2025

International Nonqualified Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

International Nonqualified Pool

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

Assets

Investment in commingled equity fund at fair value	\$	229,178
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Liabilities

Accrued expenses		<u>10</u>
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Net position	\$	<u>229,168</u>
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Unit data

Units outstanding		1,877,339
Net position, unit price	\$	<u>122.07</u>

See accompanying notes to financial statements.

International Nonqualified Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 9,443	\$ 25,625
Expenses		
Investment advisor fees	(110)	(626)
Management and other allocated fees	<u>(5)</u>	<u>(30)</u>
Total expenses	<u>(115)</u>	<u>(656)</u>
Net investment income	9,328	24,969
Unit transactions		
Proceeds from sale of units	2,356	6,791
Amount paid for repurchase of units	<u>(2,351)</u>	<u>(6,764)</u>
Net increase from unit transactions	<u>5</u>	<u>27</u>
Increase in net position	9,333	24,996
Net position, beginning of period	<u>219,835</u>	<u>204,172</u>
Net position, end of period	<u>\$ 229,168</u>	<u>\$ 229,168</u>

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

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

The Pool invests in a commingled equity fund, specifically The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the MSCI Europe Australasia Far East Index (MSCI EAFE) by 200 basis points over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*). Silchester invests in a diversified portfolio of equity securities of companies incorporated in any country other than the United States, with limited exposure to emerging markets and no unreasonable concentration exposure to any single issuer or country. Redemptions from Silchester can be made monthly with ten business days advance written notice. Redemptions will generally be made within seven business days following month end. Subscriptions and redemptions may be subject to anti-dilution levies to offset costs such as stamp duty, brokerage commissions, foreign exchange costs, bid-offer spreads, and market impact charges.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Expenses - The 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 December 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

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 December 31, 2025:

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	\$ 134,319
Workers' Compensation Old Fund	27,532
Revenue Shortfall Reserve Fund - Part B	16,689
West Virginia Department of Environmental Protection Agency	16,493
Revenue Shortfall Reserve Fund	8,546
Coal Workers' Pneumoconiosis Fund	6,751
Wildlife Endowment Fund	4,903
West Virginia State Parks and Recreation Endowment Fund	4,248
Public Employees Insurance Agency	3,071
Workers' Compensation Self-Insured Employer Security Risk Pool	1,803
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,497
Board of Risk and Insurance Management	1,467
Workers' Compensation Uninsured Employers' Fund	726
West Virginia Department of Environmental Protection Trust	642
Berkeley County Development Authority	481
Total	<u>\$ 229,168</u>

Financial Statements - Unaudited

December 31, 2025

International Equity Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

International Equity Pool

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

Assets

Investments, at fair value:	
Equity investments	\$ 3,367,750
Money market mutual fund	57,629
Securities lending collateral	30,746
Cash (restricted: \$6,872)	12,123
Receivables:	
Dividends and other investment income	18,188
Investments sold	<u>8,356</u>
Total assets	3,494,792

Liabilities

Accrued capital gains taxes	5,325
Accrued expenses	4,644
Payable for investments purchased	5,631
Payable upon return of securities loaned	<u>30,746</u>
Total liabilities	<u>46,346</u>
Net position	<u>\$ 3,448,446</u>

Unit data

Units outstanding	55,118,534
Net position, unit price	<u><u>\$ 62.56</u></u>

See accompanying notes to financial statements.

International Equity Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 123,948	\$ 433,348
Dividends	6,679	34,188
Securities lending income	<u>166</u>	<u>1,570</u>
Total investment income	130,793	469,106
Expenses		
Investment advisor fees	(1,411)	(8,197)
Custodian bank fees	(129)	(834)
Management and other allocated fees	(79)	(474)
Securities lending expenses	<u>(118)</u>	<u>(1,046)</u>
Total expenses	<u>(1,737)</u>	<u>(10,551)</u>
Net investment income	129,056	458,555
Unit transactions		
Proceeds from sale of units	4,122	44,474
Amount paid for repurchase of units	<u>(48,923)</u>	<u>(334,355)</u>
Net decrease from unit transactions	<u>(44,801)</u>	<u>(289,881)</u>
Increase in net position	84,255	168,674
Net position, beginning of period	<u>3,364,191</u>	<u>3,279,772</u>
Net position, end of period	<u><u>\$ 3,448,446</u></u>	<u><u>\$ 3,448,446</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 Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

The Pool invests in the equities of international companies. The objective of the Pool is to outperform the international equity market as measured by the MSCI All Country World Index Ex U.S. (MSCI ACWI ex U.S.) over a full market cycle (three- to five-years), net of external investment management fees. Assets are managed by Acadian Asset Management, Axiom International Investors, LSV Asset Management, Numeric Investors, and Oberweis Asset Management.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

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 December 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 December 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 3,345,799	\$ -	\$ -	\$ 3,345,799
Money market mutual fund	57,629	-	-	57,629
Preferred stock	21,951	-	-	21,951
Securities lending collateral	-	30,746	-	30,746
Total	<u>\$ 3,425,379</u>	<u>\$ 30,746</u>	<u>\$ -</u>	<u>\$ 3,456,125</u>

International Equity Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. SECURITIES LENDING

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

	<u>Fair Value</u>
Securities on loan	\$ 85,863
Collateral received:	
Cash	\$ 30,746
Non-cash	<u>60,503</u>
Total collateral received	<u>\$ 91,249</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.

NOTE 5. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,385,013
Public Employees' Retirement System	1,256,100
West Virginia Retiree Health Benefit Trust Fund	273,642
State Police Death, Disability and Retirement Fund	109,733
Workers' Compensation Old Fund	56,429
State Police Retirement System	54,100
Deputy Sheriffs Retirement System	51,231
Judges' Retirement System	43,669
Municipal Policemen's or Firemen's Pension and Relief Funds	38,266
Revenue Shortfall Reserve Fund - Part B	33,712
West Virginia Department of Environmental Protection Agency	33,561
Emergency Medical Services Retirement System	30,410
Revenue Shortfall Reserve Fund	17,288
Coal Workers' Pneumoconiosis Fund	13,831
Wildlife Endowment Fund	9,951
West Virginia State Parks and Recreation Endowment Fund	8,682
Municipal Police Officers' and Firefighters' Retirement System	8,285
Public Employees Insurance Agency	6,108
Natural Resources Police Officer Retirement System	4,873
Workers' Compensation Self-Insured Employer Security Risk Pool	3,691
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,061
Board of Risk and Insurance Management	3,045
Workers' Compensation Uninsured Employers' Fund	1,486
West Virginia Department of Environmental Protection Trust	1,300
Berkeley County Development Authority	979
Total	<u>\$ 3,448,446</u>

Financial Statements - Unaudited

December 31, 2025

Short-Term Fixed Income Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Short-Term Fixed Income Pool

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

Assets

Investments, at amortized cost:

U.S. Government agency bonds	\$	124,895
U.S. Treasury issues		24,972
Repurchase agreement		20,768
Interest receivable		<u>5</u>

Total assets 170,640

Liabilities

Accrued expenses		<u>26</u>
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Net position \$ 170,614

Unit data

Units outstanding		170,613,732
Net position, unit price	\$	<u><u>1.00</u></u>

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Interest	\$ 615	\$ 4,578
Expenses		
Investment advisor fees	(8)	(55)
Custodian bank fees	<u>(1)</u>	<u>(4)</u>
Total expenses	<u>(9)</u>	<u>(59)</u>
Net investment income	606	4,519
Distributions to unitholders	(606)	(4,519)
Unit transactions		
Proceeds from sale of units	138,788	858,727
Reinvestment of distributions	606	4,519
Amount paid for repurchase of units	<u>(164,980)</u>	<u>(975,127)</u>
Net decrease from unit transactions	<u>(25,586)</u>	<u>(111,881)</u>
Decrease in net position	(25,586)	(111,881)
Net position, beginning of period	<u>196,200</u>	<u>282,495</u>
Net position, end of period	<u><u>\$ 170,614</u></u>	<u><u>\$ 170,614</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.*

Short-Term Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB reports its investments at amortized cost provided such amounts approximate fair value in accordance with GASB Statements No. 72 and No. 79. The basic premise underlying the use of the amortized cost method of valuation is that high-quality, short-term debt securities held until maturity will eventually return to their amortized cost value regardless of any current disparity between the amortized cost value and market value as such securities would not ordinarily be expected to fluctuate significantly in value. The Pool values its securities at amortized cost so long as the deviation between the amortized cost and current market value remains minimal and results in the computation of a share price that represents fairly the stable net position value per share of \$1. Refer to Note 3 for further discussion and presentation of the reporting requirements under GASB Statement No. 72.

Repurchase Agreements - In connection with transactions in repurchase agreements, it is the WVIMB's policy that its designated custodian or mutual third party take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the WVIMB may be delayed or limited.

Investment Transactions - Investment transactions are accounted for on a trade date basis. Interest income, including the accretion of discounts and amortization of premiums, is accrued daily as earned.

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Expenses - The WVIMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. The Pool is only charged for its direct investment-related costs. The WVIMB pays all expenses on behalf of the Pool.

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

Assets	Level 1	Level 2	Level 3	Total
Repurchase agreement	\$ -	\$ 20,768	\$ -	\$ 20,768
U.S. Government agency bonds	-	124,895	-	124,895
U.S. Treasury issues	-	24,972	-	24,972
Total	\$ -	\$ 170,635	\$ -	\$ 170,635

Short-Term Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 4. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 68,892
Workers' Compensation Old Fund	35,733
Public Employees' Retirement System	25,732
Teachers' Retirement System	11,599
Coal Workers' Pneumoconiosis Fund	8,954
Workers' Compensation Self-Insured Employer Security Risk Pool	2,543
Board of Risk and Insurance Management	2,294
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	2,269
Deputy Sheriffs Retirement System	2,065
State Police Retirement System	2,030
Emergency Medical Services Retirement System	1,830
Municipal Police Officers' and Firefighters' Retirement System	1,245
Workers' Compensation Uninsured Employers' Fund	1,216
Municipal Policemen's or Firemen's Pension and Relief Funds	1,112
West Virginia State Parks and Recreation Endowment Fund	1,008
State Police Death, Disability and Retirement Fund	1,001
Natural Resources Police Officer Retirement System	430
Judges' Retirement System	428
Wildlife Endowment Fund	184
Public Employees Insurance Agency	23
West Virginia Department of Environmental Protection Agency	18
Revenue Shortfall Reserve Fund - Part B	4
West Virginia Retiree Health Benefit Trust Fund	2
Berkeley County Development Authority	1
West Virginia Department of Environmental Protection Trust	1
Total	<u>\$ 170,614</u>

Financial Statements - Unaudited

December 31, 2025

Total Return Fixed Income Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Total Return Fixed Income Pool

Statement of Net Position - Unaudited

December 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:	
Fixed income investments	\$ 2,853,088
Derivative instruments	4,273
Equity investments	11,913
Money market mutual fund	35,860
Securities lending collateral	85,548
Cash	48
Cash due from broker, net	4,800
Advance on investments in commingled fund	50,000
Receivables:	
Interest, dividends, and other investment income	21,575
Investments sold	<u>2,071</u>
Total assets	3,069,176

Liabilities

Investments in derivative instruments at fair value	1,596
Accrued expenses	1,202
Payable for investments purchased	626
Payable upon return of securities loaned	<u>85,548</u>
Total liabilities	<u>88,972</u>
Net position	<u><u>\$ 2,980,204</u></u>

Unit data

Units outstanding	155,871,368
Net position, unit price	<u><u>\$ 19.12</u></u>

See accompanying notes to financial statements.

Total Return Fixed Income Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (9,940)	\$ 42,609
Interest and dividends	12,992	65,916
Securities lending income	<u>384</u>	<u>1,780</u>
Total investment income	3,436	110,305
Expenses		
Investment advisor fees	(369)	(2,673)
Custodian bank fees	(8)	(63)
Management and other allocated fees	(71)	(419)
Professional service fees - direct	(2)	(24)
Securities lending expenses	<u>(343)</u>	<u>(1,592)</u>
Total expenses	<u>(793)</u>	<u>(4,771)</u>
Net investment income	2,643	105,534
Unit transactions		
Proceeds from sale of units	87,798	347,330
Amount paid for repurchase of units	<u>(87,547)</u>	<u>(116,814)</u>
Net increase from unit transactions	<u>251</u>	<u>230,516</u>
Increase in net position	2,894	336,050
Net position, beginning of period	<u>2,977,310</u>	<u>2,644,154</u>
Net position, end of period	<u><u>\$ 2,980,204</u></u>	<u><u>\$ 2,980,204</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.*

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

The main objective of the Pool is to generate investment income, provide stability, and enhance diversification, but not at the expense of total return. The Pool's investment objective is to outperform the Bloomberg U.S. Universal Bond Index over three- to five-year periods, net of external investment management fees. Pool assets were managed by Dodge & Cox, Franklin Templeton Investments (Franklin), and Western Asset Management Company (Western) through October 20, 2025. On October 17, 2025, Northern Trust Transition Management was engaged to transition assets of the Western portfolio to existing manager Dodge & Cox, as well as new managers Lord Abbett & Co. (Lord Abbett), and Red Cedar Investment Management (Red Cedar), according to pre-determined target asset allocations. Pool assets continue to be managed by Dodge & Cox and Franklin, with Lord Abbett and Red Cedar becoming effective on November 3, 2025.

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 and commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Futures and options 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.
- 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

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

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 equity index futures contracts where the underlying asset is a stock index and fixed income futures contracts where the underlying asset is an interest-bearing security. Futures contracts are classified as derivative instruments herein. Index futures may be used to gain exposure to a specific market index while fixed income futures may be used to enhance portfolio yields or manage portfolio duration. Both index and fixed income futures contracts may be used 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.

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

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Structured 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 December 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 currently include foreign currency forward, futures, and options contracts. Prior to October 2025, derivative instruments held also included 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 December 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments
Forwards:		
Foreign currency forward contracts	\$ (137)	\$ (646)
Futures contracts:		
Equity index futures short	581	496
Fixed income futures long	(1,054)	3,579
Fixed income futures short	39	(6,998)
Options contracts:		
Equity index options purchased	3,248	(738)
Fixed income options purchased	-	(7,416)
Fixed income options written	-	6,645
Interest rate swaptions purchased	-	196
Interest rate swaptions written	-	(190)
Swaps:		
Credit default swaps protection buyer	-	(12)
Credit default swaps protection seller	-	(189)
Interest rate swaps	-	(1,195)
Total return swaps	-	843
Total	<u>\$ 2,677</u>	<u>\$ (5,625)</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 December 31, 2025:

<u>Derivative Type</u>	<u>Derivative Assets Subject to a MA</u>	<u>Derivatives Available for Offset</u>	<u>Non-Cash Collateral Received</u>	<u>Cash Collateral Received</u>	<u>Net Exposure</u>
Foreign currency forward contracts	\$ 151	\$ (151)	\$ -	\$ -	\$ -

Foreign currency forward contracts 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 December 31, 2025:

<u>Derivative Type</u>	<u>Counterparty Rating</u>	<u>Fair Value</u>
Foreign currency forward contracts	A	\$ 58
Foreign currency forward contracts	BBB	245

Interest Rate Risk

Derivative instruments held by the Pool that are subject to interest rate risk include fixed income futures contracts. As of December 31, 2025, all of the Pool's investments in fixed income futures contracts have maturities less than one year.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. DERIVATIVE INSTRUMENTS (continued)

Foreign Currency Risk

The Pool holds certain derivative instruments that are denominated in foreign currencies and thus exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of derivative instruments in foreign currencies as of December 31, 2025, are as follows:

Currency	Foreign Currency Forward Contracts
Australian Dollar	\$ 20
British Pound	7
Canadian Dollar	9
Euro Currency Unit	(146)
Indian Rupee	(94)
Japanese Yen	67
Total foreign denominated derivatives	<u>\$ (137)</u>

NOTE 4. FAIR VALUE MEASUREMENTS

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

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

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

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 December 31, 2025. The Pool's investments in commingled 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	\$ -	\$ -	\$ 3,077	\$ 3,077
Corporate ABS	-	180,712	-	180,712
Corporate CMO	-	19,405	-	19,405
Corporate preferred securities	11,746	-	-	11,746
Fixed income exchange traded funds	381,490	-	-	381,490
Foreign ABS	-	-	804	804
Foreign corporate bonds	-	299,763	-	299,763
Foreign currency forward contracts	-	303	-	303
Foreign equity investments	167	-	-	167
Foreign government bonds	-	153,452	732	154,184
Futures contracts	722	-	-	722
Money market mutual fund	35,860	-	-	35,860
Municipal bonds	-	27,649	-	27,649
Options contracts purchased	3,248	-	-	3,248
Securities lending collateral	-	85,548	-	85,548
U.S. corporate bonds	-	418,986	-	418,986
U.S. Government agency CMO	-	84,628	-	84,628
U.S. Government agency CMO IO	-	22,084	-	22,084
U.S. Government agency MBS	-	944,505	-	944,505
U.S. Treasury issues	-	233,519	-	233,519
U.S. Treasury inflation protected securities	-	22,464	-	22,464
Total	<u>\$ 433,233</u>	<u>\$ 2,493,018</u>	<u>\$ 4,613</u>	<u>\$ 2,930,864</u>
Commingled fund				59,818
Total				<u>\$ 2,990,682</u>

Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (440)	\$ -	\$ (440)
Futures contracts	(1,156)	-	-	(1,156)
Total	<u>\$ (1,156)</u>	<u>\$ (440)</u>	<u>\$ -</u>	<u>\$ (1,596)</u>

The Pool's commingled fund investment was measured at the NAV as of December 31, 2025 and is reported in fixed income investments on the Statement of Net Position. This fund will invest in a broad range of credit sectors, including the corporate, sovereign, municipal, and structured product sectors, to provide economies of scale and efficiencies in establishing and managing a diversified portfolio that would be otherwise difficult to achieve. The Pool's investment in this fund is subject to withdrawal restrictions.

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 December 31, 2025:

	Fair Value
Securities on loan	\$ 241,419
Collateral received:	
Cash	\$ 85,548
Non-cash	162,010
Total collateral received	<u>\$ 247,558</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.

NOTE 6. ADVANCE ON INVESTMENTS IN COMMINGLED FUND

The subscription terms of certain commingled funds may require contributions to be received in advance of the subscription date. Prior to December 31, 2025, the IMB funded \$50,000 to a commingled fund that had a subscription date of January 2, 2026. As of December 31, 2025, this amount has been recorded as an advance on investments on the Statement of Net Position.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 7. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 846,842
Public Employees' Retirement System	769,614
Revenue Shortfall Reserve Fund	261,278
Revenue Shortfall Reserve Fund - Part B	222,194
Workers' Compensation Old Fund	204,113
West Virginia Retiree Health Benefit Trust Fund	183,344
West Virginia Department of Environmental Protection Agency	101,263
State Police Death, Disability and Retirement Fund	70,204
Public Employees Insurance Agency	65,566
Coal Workers' Pneumoconiosis Fund	50,116
State Police Retirement System	35,434
Deputy Sheriffs Retirement System	33,104
Judges' Retirement System	28,689
Municipal Policemen's or Firemen's Pension and Relief Funds	25,310
Emergency Medical Services Retirement System	19,845
Workers' Compensation Self-Insured Employer Security Risk Pool	13,375
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	11,096
Board of Risk and Insurance Management	11,028
Wildlife Endowment Fund	6,675
West Virginia State Parks and Recreation Endowment Fund	5,812
Workers' Compensation Uninsured Employers' Fund	5,390
Municipal Police Officers' and Firefighters' Retirement System	5,368
Natural Resources Police Officer Retirement System	3,111
West Virginia Department of Environmental Protection Trust	777
Berkeley County Development Authority	656
Total	<u>\$ 2,980,204</u>

Financial Statements - Unaudited

December 31, 2025

Core Fixed Income Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Core Fixed Income Pool

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

Assets

Investments, at fair value:	
Fixed income investments	\$ 2,533,432
Derivative instruments	498
Money market mutual fund	20,639
Securities lending collateral	98,456
Cash due from broker	1,753
Receivables:	
Interest, dividends, and other investment income	19,241
Investments sold	59,899
	<hr/>
Total assets	2,733,918

Liabilities

Investments in derivative instruments at fair value	224
Cash overdraft	2,585
Accrued expenses	1,014
Payable for investments purchased	7,976
Payable upon return of securities loaned	98,456
	<hr/>
Total liabilities	110,255
	<hr/>
Net position	\$ 2,623,663
	<hr/>

Unit data

Units outstanding	197,838,315
Net position, unit price	\$ 13.26
	<hr/>

See accompanying notes to financial statements.

Core Fixed Income Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (13,656)	\$ 29,829
Interest and dividends	8,888	49,420
Securities lending income	<u>350</u>	<u>2,029</u>
Total investment income (loss)	(4,418)	81,278
Expenses		
Investment advisor fees	(273)	(1,657)
Custodian bank fees	(4)	(29)
Management and other allocated fees	(63)	(353)
Securities lending expenses	<u>(305)</u>	<u>(1,816)</u>
Total expenses	<u>(645)</u>	<u>(3,855)</u>
Net investment income (loss)	(5,063)	77,423
Unit transactions		
Proceeds from sale of units	134,023	379,410
Amount paid for repurchase of units	<u>(459)</u>	<u>(9,030)</u>
Net increase from unit transactions	<u>133,564</u>	<u>370,380</u>
Increase in net position	128,501	447,803
Net position, beginning of period	<u>2,495,162</u>	<u>2,175,860</u>
Net position, end of period	<u><u>\$ 2,623,663</u></u>	<u><u>\$ 2,623,663</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.*

Core Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The WVIMB reports its investments at fair value in accordance with GASB Statement No. 72. Refer to Note 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 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.

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.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. The WVIMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Changes in Net Position as a net increase (decrease) in fair value of investments.

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 U.S. Treasury futures contracts, which are a type of fixed income futures and classified as derivative instruments herein. The underlying assets of such futures are U.S. Treasury bonds and notes. 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 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 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.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

Expenses - The 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 December 31, 2025.

NOTE 3. DERIVATIVE INSTRUMENTS

Derivative instruments held in the Pool are limited to fixed income futures. These futures are not designated as hedging instruments under GASB Statement No. 53; they are used to implement portfolio strategy, capture valuation opportunities, and to exploit market inefficiencies. 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 December 31, 2025:

Derivative Type	Fair Value	Net Increase (Decrease) in Fair Value of Investments	Notional Value
Futures contracts:			
Fixed income futures long	\$ (224)	\$ 321	\$ 364,498
Fixed income futures short	498	(237)	(73,284)
Total	<u>\$ 274</u>	<u>\$ 84</u>	<u>\$ 291,214</u>

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 4. FAIR VALUE MEASUREMENTS

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

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

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

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

Assets	Level 1	Level 2	Level 3	Total
Corporate ABS	\$ -	\$ 272,894	\$ -	\$ 272,894
Corporate CMO	-	99,800	-	99,800
Corporate CMO IO	-	73	-	73
Corporate CMO PO	-	14	-	14
Foreign corporate bonds	-	217,859	-	217,859
Foreign government bonds	-	15,551	-	15,551
Futures contracts	498	-	-	498
Money market mutual fund	20,639	-	-	20,639
Municipal bonds	-	6,029	-	6,029
Securities lending collateral	-	98,456	-	98,456
U.S. corporate bonds	-	400,210	-	400,210
U.S. Government agency CMO	-	120,347	-	120,347
U.S. Government agency CMO IO	-	881	-	881
U.S. Government agency CMO PO	-	1,434	-	1,434
U.S. Government agency MBS	-	546,370	-	546,370
U.S. Treasury issues	-	851,970	-	851,970
Total	\$ 21,137	\$ 2,631,888	\$ -	\$ 2,653,025
Liabilities	Level 1	Level 2	Level 3	Total
Futures contracts	\$ (224)	\$ -	\$ -	\$ (224)

Core 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 December 31, 2025:

	Fair Value
Securities on loan	\$ 521,546
Collateral received:	
Cash	\$ 98,456
Non-cash	435,199
Total collateral received	<u>\$ 533,655</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.

NOTE 6. SCHEDULE OF PARTICIPATION

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

Participant	Account Value
Teachers' Retirement System	\$ 938,683
Public Employees' Retirement System	852,029
West Virginia Retiree Health Benefit Trust Fund	185,430
Revenue Shortfall Reserve Fund	112,073
Revenue Shortfall Reserve Fund - Part B	95,547
Workers' Compensation Old Fund	88,831
State Police Death, Disability and Retirement Fund	71,220
West Virginia Department of Environmental Protection Agency	44,220
State Police Retirement System	35,995
Deputy Sheriffs Retirement System	33,639
Judges' Retirement System	29,144
Public Employees Insurance Agency	28,051
Municipal Policemen's or Firemen's Pension and Relief Funds	25,823
Coal Workers' Pneumoconiosis Fund	21,642
Emergency Medical Services Retirement System	20,476
Wildlife Endowment Fund	6,814
West Virginia State Parks and Recreation Endowment Fund	6,036
Workers' Compensation Self-Insured Employer Security Risk Pool	5,794
Municipal Police Officers' and Firefighters' Retirement System	5,578
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,828
Board of Risk and Insurance Management	4,799
Natural Resources Police Officer Retirement System	3,183
Workers' Compensation Uninsured Employers' Fund	2,357
West Virginia Department of Environmental Protection Trust	807
Berkeley County Development Authority	664
Total	<u>\$ 2,623,663</u>

Financial Statements - Unaudited

December 31, 2025

TIPS Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

TIPS Pool

Statement of Net Position - Unaudited

December 31, 2025

(Amounts in thousands, except unit data)

Assets

Investments, at fair value:

U.S. Treasury inflation protected securities \$ 319,119

Money market mutual fund 117

Receivables:

Interest, dividends, and other investment income 1,370

Investments sold 6,035

Total assets 326,641

Liabilities

Accrued expenses 36

Payable for investments purchased 5,981

Total liabilities 6,017

Net position \$ 320,624

Unit data

Units outstanding 21,802,106

Net position, unit price \$ 14.71

See accompanying notes to financial statements.

TIPS Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income (loss)		
Net increase (decrease) in fair value of investments	\$ (1,140)	\$ 9,651
Interest and dividend income	335	3,043
Securities lending income	<u>8</u>	<u>51</u>
Total investment income (loss)	(797)	12,745
Expenses		
Investment advisor fees	(3)	(32)
Custodian bank fees	1	(1)
Management and other allocated fees	(8)	(75)
Securities lending expenses	<u>(1)</u>	<u>(7)</u>
Total expenses	<u>(11)</u>	<u>(115)</u>
Net investment income (loss)	(808)	12,630
Unit transactions		
Proceeds from sale of units	6,906	21,192
Amount paid for repurchase of units	<u>(248,892)</u>	<u>(252,683)</u>
Net decrease from unit transactions	<u>(241,986)</u>	<u>(231,491)</u>
Decrease in net position	(242,794)	(218,861)
Net position, beginning of period	<u>563,418</u>	<u>539,485</u>
Net position, end of period	<u><u>\$ 320,624</u></u>	<u><u>\$ 320,624</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.*

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.

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 December 31, 2025.

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 December 31, 2025:

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 117	\$ -	\$ -	\$ 117
U.S. TIPS	-	319,119	-	319,119
Total	<u>\$ 117</u>	<u>\$ 319,119</u>	<u>\$ -</u>	<u>\$ 319,236</u>

NOTE 4. SECURITIES LENDING

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

	Fair Value
Securities on loan	\$ 106,818
Collateral received:	
Cash	\$ -
Non-cash	109,337
Total collateral received	<u>\$ 109,337</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

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 December 31, 2025:

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 103,377
Workers' Compensation Old Fund	84,316
Revenue Shortfall Reserve Fund - Part B	63,058
Public Employees Insurance Agency	32,301
Coal Workers' Pneumoconiosis Fund	20,678
Workers' Compensation Self-Insured Employer Security Risk Pool	5,523
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,585
Board of Risk and Insurance Management	4,557
Workers' Compensation Uninsured Employers' Fund	2,229
Total	<u>\$ 320,624</u>

Financial Statements - Unaudited

December 31, 2025

Private Markets Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Private Markets Pool

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

Assets

Investments, at fair value:	
Alternative investments	\$ 6,139,199
Equity investments	204,893
Fixed income investments	13,809
Money market mutual fund	168,382
Securities lending collateral	17,282
Cash	6,037
Receivables:	
Income distributions from real estate limited partnerships and funds	3,471
Interest, dividends, and other investment income	1,649
Investments sold	<u>67</u>
Total assets	6,554,789

Liabilities

Accrued expenses	858
Payable for investments purchased	73
Payable upon return of securities loaned	<u>17,282</u>
Total liabilities	<u>18,213</u>
Net position	<u><u>\$ 6,536,576</u></u>

Unit data

Units outstanding	201,479,035
Net position, unit price	<u><u>\$ 32.44</u></u>

See accompanying notes to financial statements.

Private Markets Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 7,262	\$ 9,869
Income from partnerships and funds	8,234	55,401
Interest and dividends	1,742	6,229
Fund closing interest	631	794
Securities lending income	46	286
	<u>17,915</u>	<u>72,579</u>
Total investment income	17,915	72,579
Expenses		
Investment advisor fees	(84)	(505)
Custodian bank fees	(2)	(14)
Management and other allocated fees	(155)	(935)
Professional service fees - direct	(150)	(847)
Management fees - external, net	(598)	(2,033)
Fund closing costs	(2)	(2,133)
Securities lending expenses	(31)	(236)
	<u>(1,022)</u>	<u>(6,703)</u>
Total expenses	(1,022)	(6,703)
Net investment income	16,893	65,876
Unit transactions		
Proceeds from sale of units	27,860	115,431
Amount paid for repurchase of units	(9,800)	(32,825)
	<u>18,060</u>	<u>82,606</u>
Net increase from unit transactions	18,060	82,606
Increase in net position	34,953	148,482
Net position, beginning of period	<u>6,501,623</u>	<u>6,388,094</u>
Net position, end of period	<u><u>\$ 6,536,576</u></u>	<u><u>\$ 6,536,576</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.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

The objective of the Pool is to provide for long-term growth of participants' assets and risk-reduction through diversification. The Pool primarily holds the WVIMB's investments in private credit & income funds, private equity funds, real estate investment trusts (REITs), and real estate limited partnerships and funds. Franklin Park, StepStone Group, and Verus have been retained by the WVIMB to provide consulting services related to the selection of limited partnerships and funds. Publicly traded assets are managed by CBRE Investment Management and Security Capital Research & Management.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

- Investments in private credit & income funds, private equity partnerships, real estate limited partnerships and funds, and other private funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the WVIMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value as of December 31, 2025.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Equity securities that trade in non-U.S. markets are valued in U.S. dollars using period end spot market exchange rates as supplied by the Pool's custodian.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

Investments made with cash are reported at fair value on the Statement of Net Position. Securities loaned remain on the Statement of Net Position. The WVIMB has the right under the lending agreement to recover the securities from the borrower on demand. The WVIMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. Securities lending income and expenses are recorded in the Statement of Changes in Net Position. The WVIMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Changes in Net Position as a net increase (decrease) in fair value of investments.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Use of Estimates - The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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

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

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

Expenses - The WVIMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. Direct investment-related costs include fees charged by external managers, reported net of rebates, that are outside of their respective partnership or fund, the custodian bank, legal counsel, and the consultant. Other expenses are allocated to the individual pools based on asset size.

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

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. Accordingly, no provision for U.S. federal and state income taxes is required as of December 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 December 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	\$ 43,485	\$ -	\$ -	\$ 43,485
Money market mutual fund	168,382	-	-	168,382
Securities lending collateral	-	17,282	-	17,282
U.S. common stock	151,142	-	-	151,142
U.S. corporate bonds	-	13,809	-	13,809
U.S. preferred stock	10,266	-	-	10,266
Total	<u>\$ 373,275</u>	<u>\$ 31,091</u>	<u>\$ -</u>	<u>\$ 404,366</u>
Private credit & income funds				1,295,144
Private equity partnerships				2,521,290
Real estate limited partnerships and funds				2,322,765
Total				<u>\$ 6,543,565</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 December 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)	\$ 441,910	\$ 170,168	2026 to 2032	N/A	N/A
Core Private Credit (c)	666,544	128,800	2031	Quarterly	45 days
Specialty & Opportunistic Credit (d)	186,690	148,481	2026 to 2029	N/A	N/A
Private equity partnerships:					
Corporate Finance - Buyout (e)	1,633,273	562,998	2025 to 2035	N/A	N/A
Corporate Finance - Distressed Debt (f)	6,854	16,263	2026	N/A	N/A
Corporate Finance - Growth Equity (g)	170,419	96,844	2027 to 2034	N/A	N/A
Corporate Finance - Hard Assets (h)	179,082	29,425	2026 to 2034	N/A	N/A
Corporate Finance - Mezzanine (i)	2,323	278	N/A	N/A	N/A
Corporate Finance - Structured Capital (j)	58,503	32,322	2026 to 2032	N/A	N/A
Corporate Finance - Turnaround (k)	105,013	119,525	2026 to 2036	N/A	N/A
Venture Capital (l)	365,823	36,211	2026 to 2034	N/A	N/A
Real estate limited partnerships and funds:					
Core (m)	1,138,101	-	N/A	Quarterly	45-90 days
Opportunistic (n)	428,329	171,669	2026 to 2034	N/A	N/A
Value (o)	756,335	478,702	2026 to 2068	N/A	N/A
Total	<u>\$ 6,139,199</u>	<u>\$ 1,991,686</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.

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

- (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.
- (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 December 31, 2025:

	Fair Value
Securities on loan	\$ 32,098
Collateral received:	
Cash	\$ 17,282
Non-cash	15,834
Total collateral received	<u>\$ 33,116</u>

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

Private Markets Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 5. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 2,687,491
Public Employees' Retirement System	2,443,130
West Virginia Retiree Health Benefit Trust Fund	537,794
State Police Death, Disability and Retirement Fund	213,973
State Police Retirement System	105,537
Deputy Sheriffs Retirement System	99,878
Judges' Retirement System	85,148
Municipal Policemen's or Firemen's Pension and Relief Funds	73,422
Workers' Compensation Old Fund	68,130
Emergency Medical Services Retirement System	59,577
Revenue Shortfall Reserve Fund - Part B	50,719
Wildlife Endowment Fund	19,631
West Virginia State Parks and Recreation Endowment Fund	17,138
Coal Workers' Pneumoconiosis Fund	16,708
Municipal Police Officers' and Firefighters' Retirement System	16,178
West Virginia Department of Environmental Protection Agency	15,059
Natural Resources Police Officer Retirement System	9,519
Workers' Compensation Self-Insured Employer Security Risk Pool	4,463
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,705
Board of Risk and Insurance Management	3,686
West Virginia Department of Environmental Protection Trust	1,965
Berkeley County Development Authority	1,925
Workers' Compensation Uninsured Employers' Fund	1,800
Total	<u>\$ 6,536,576</u>

Financial Statements - Unaudited

December 31, 2025

Hedge Fund Pool

Financial Statements - Unaudited December 31, 2025

Table of Contents

Statement of Net Position	1
Statement of Changes in Net Position	2
Notes to Financial Statements	3

Hedge Fund Pool

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

Assets

Investments, at fair value:	
Hedge funds	\$ 3,359,391
Money market mutual fund	557
Receivables:	
Dividends	1
Investment funds redeemed	<u>726</u>
Total assets	3,360,675

Liabilities

Accrued expenses	<u>280</u>
Net position	<u>\$ 3,360,395</u>

Unit data

Units outstanding	126,869,984
Net position, unit price	<u>\$ 26.49</u>

See accompanying notes to financial statements.

Hedge Fund Pool

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

	<u>Month</u>	<u>Year To Date</u>
Investment income		
Net increase in fair value of investments	\$ 57,952	\$ 231,279
Dividend income	<u>1</u>	<u>3</u>
Total investment income	57,953	231,282
Expenses		
Professional service fees - direct	(39)	(280)
Custodian bank fees	-	(1)
Management and other allocated fees	<u>(79)</u>	<u>(470)</u>
Total expenses	<u>(118)</u>	<u>(751)</u>
Net investment income	57,835	230,531
Unit transactions		
Proceeds from sale of units	120,574	146,077
Amount paid for repurchase of units	<u>(120,457)</u>	<u>(145,789)</u>
Net increase from unit transactions	<u>117</u>	<u>288</u>
Increase in net position	57,952	230,819
Net position, beginning of period	<u>3,302,443</u>	<u>3,129,576</u>
Net position, end of period	<u><u>\$ 3,360,395</u></u>	<u><u>\$ 3,360,395</u></u>

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

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

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

- Investments in hedge funds are securities for which market quotations are not readily available. The WVIMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. These investments are redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the WVIMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the WVIMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The WVIMB believes that the net asset value of such investments is a reasonable estimate of fair value as of December 31, 2025.

Hedge Fund Pool

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

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 557	\$ -	\$ -	\$ 557
Hedge funds				3,359,391
Total				\$ 3,359,948

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

Hedge Fund Strategies	Fair Value	Redemption Frequency	Redemption Notice Period
Directional (a)	\$ 597,991	Monthly, Quarterly	5 to 65 days
Equity long/short (b)	627,583	Quarterly	45 to 180 days
Event-driven (c)	522,374	Quarterly, Annually	60 to 180 days
Long-biased (d)	120,898	Monthly	90 days
Multi-strategy (e)	333,348	Monthly, Quarterly	60 days
Relative-value (f)	1,139,321	Weekly, Quarterly	5 to 90 days
	\$ 3,341,515		
In liquidation (g)	17,876		
Total	\$ 3,359,391		

- (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 29 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 76 percent of the fair value of the investments in this strategy are subject to maximum withdrawal restrictions.
- (c) Event-driven funds maintain positions in companies currently or prospectively involved in various corporate transactions including, but not limited to, mergers, restructurings, financial distress, tender offers, shareholder buybacks, debt exchanges, security issuance or other capital structure adjustments. Security types can range from most senior in the capital structure to most junior or subordinated, and frequently involve additional derivative securities. Event-driven exposure includes a combination of sensitivities to equity markets, credit markets and company-specific developments. All investments in this strategy are subject to maximum withdrawal restrictions.
- (d) Long-biased funds employ analytical techniques in which the investment thesis is predicated on assessment of the valuation characteristics on the underlying companies with the goal of identifying undervalued companies. Long-biased strategies may vary the investment level or the level of long exposure over market cycles, but the primary distinguishing characteristic is that the manager maintains consistent long exposure.
- (e) Multi-strategy funds combine several strategies within the same fund in order to provide diversification benefits to reduce return volatility and decrease asset-class and single-strategy risks. These funds typically add incremental returns through active allocation adjustments based on market opportunities. Risk is managed through a combination of quantitative and qualitative constraints including, but not limited to, active risk, liquidity risk, currency risk, manager risk, derivatives risk, and leverage risk. All investments in this strategy are subject to maximum withdrawal restrictions.

Hedge Fund Pool

Notes to Financial Statements

(Amounts in thousands)

NOTE 3. FAIR VALUE MEASUREMENTS (continued)

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

NOTE 4. SCHEDULE OF PARTICIPATION

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

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,215,921
Public Employees' Retirement System	1,103,672
West Virginia Retiree Health Benefit Trust Fund	243,143
Workers' Compensation Old Fund	138,609
State Police Death, Disability and Retirement Fund	96,735
West Virginia Department of Environmental Protection Agency	81,700
Revenue Shortfall Reserve Fund	75,003
Revenue Shortfall Reserve Fund - Part B	69,052
Public Employees Insurance Agency	53,118
State Police Retirement System	47,715
Deputy Sheriffs Retirement System	45,156
Judges' Retirement System	38,496
Coal Workers' Pneumoconiosis Fund	33,993
Municipal Policemen's or Firemen's Pension and Relief Funds	33,194
Emergency Medical Services Retirement System	26,936
Workers' Compensation Self-Insured Employer Security Risk Pool	9,079
Wildlife Endowment Fund	8,876
West Virginia State Parks and Recreation Endowment Fund	7,748
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	7,538
Board of Risk and Insurance Management	7,492
Municipal Police Officers' and Firefighters' Retirement System	7,314
Natural Resources Police Officer Retirement System	4,304
Workers' Compensation Uninsured Employers' Fund	3,664
West Virginia Department of Environmental Protection Trust	1,066
Berkeley County Development Authority	871
Total	<u>\$ 3,360,395</u>