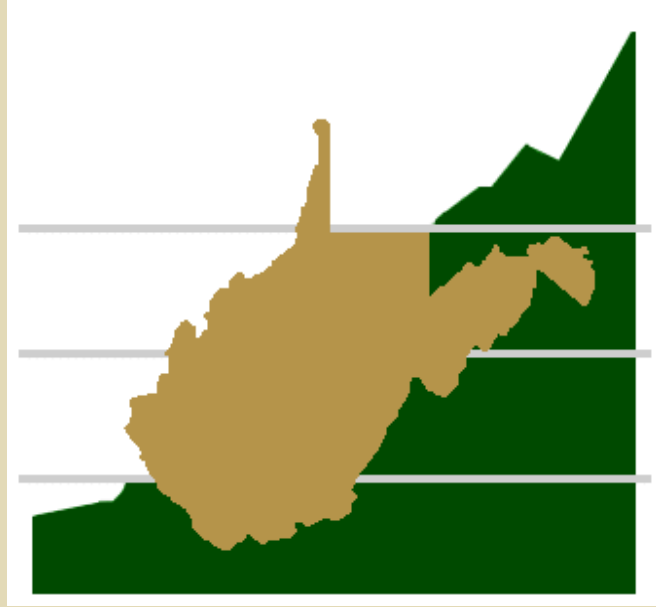


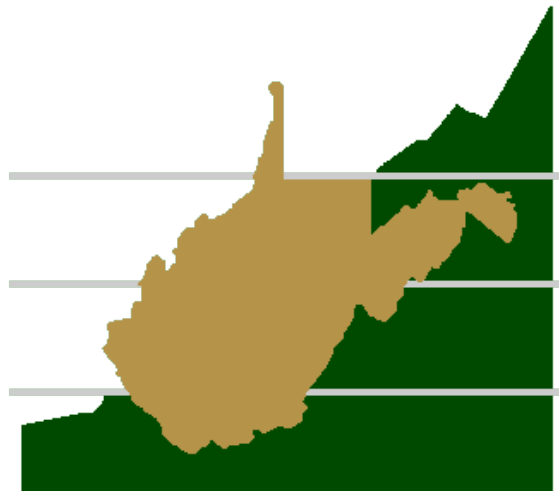
2014 Annual Report



**West Virginia
Investment Management Board**

Annual Report

Year Ended June 30, 2014



*Our mission is to exercise our best independent judgment
in providing prudent and professional investment
management for the exclusive benefit of the beneficiaries.*

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Administrative Fund

Definition of Terms and Abbreviations

The following terms and abbreviations are used throughout the West Virginia Investment Management Board's Annual Report and are listed here to help with the overall understanding and readability of this document.

Allocation Committee	A three-member committee that includes the Executive Director, the Chief Investment Officer, and the Board named investment consultant, authorized to modify the Strategic Allocation from time to time, subject to the allocation range limits.
Board	The thirteen-member Board of Trustees that governs the West Virginia Investment Management Board.
Cap	Abbreviation for "capitalization," referring to the size of the investment market for that particular asset style.
IMB	The "West Virginia Investment Management Board" including its Trustees, plan Representatives, Committee Members, and staff.
Neutral Target	The absolute percentage weighting assigned to an asset class or the secondary components within an allocation to which rebalancing should ultimately occur in the absence of an Allocation Committee modification.
Participant Plan (Participant)	A specific group of assets entrusted to the West Virginia Investment Management Board. Retirement plans, endowments, and insurance trusts, for example, are all Participant Plans.
Policy Allocation	The allocation between the three major asset classes – global equity, fixed income, and cash – whose purpose is to serve as return generators, or diversifiers, or some combination of both.
Pool	Refers to the specific investment pool created and operated by the West Virginia Investment Management Board for a specific investment asset class.
Range Allocation	The Board has placed ranges (Allocation Ranges) around the Strategic Allocation in order to maintain appropriate risk controls. Allocation decisions made by the Allocation Committee are defined as the Range Allocation.
Strategic Allocation	Represents allocations to secondary components of the three major asset classes defined in the Policy Allocation. For example, large cap, small cap, value, growth, etc. Allocations to these secondary components generally represent longer-term beliefs about the relative attractiveness between different segments within an asset class.

The following terms and abbreviations refer to the investment performance benchmarks used for comparison purposes in the Investment Objectives and Financial Highlights section.

S&P 500	Standard & Poor's 500 is a stock market index based on the market capitalizations of 500 large companies having common stock listed on the New York Stock Exchange or NASDAQ.
Russell 2500/ Russell 3000	The Russell 2500 is an index of the 2,500 smallest companies in the Russell Investments' Russell 3000 index which is a broad market index comprised of 3,000 publicly held U.S. companies.

Definition of Terms and Abbreviations

MSCI EAFE	A stock market index that is designed to measure the equity market performance of developed markets outside of the U.S. & Canada. It is maintained by MSCI Barra, formerly Morgan Stanley Capital International. The EAFE acronym stands for Europe, Australasia and Far East.
MSCI ACWI	A market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The “ ex U.S. ” qualifier indicates that the index excludes the United States markets. The “ IMI ” qualifier further limits the index to investable markets. It is maintained by MSCI Barra, formerly Morgan Stanley Capital International.
Citigroup 90-Day Treasury Bill	An unmanaged index representing monthly return equivalents of yield averages of the last 3 month Treasury Bill issues.
Barclays Capital Universal	The index covers U.S. dollar-denominated, taxable bonds that are rated either investment-grade or below investment-grade.
Barclays Capital U.S. Aggregate	A market capitalization weighted index that includes most U. S. traded investment grade bonds.
Barclays Capital U.S. TIPS	An index that measures the performance of U.S. Treasury Inflation Protected Securities.
HRFI FoF	Hedge Fund Research, Inc.’s composite index of fund of funds.
NCREIF	National Council of Real Estate Investment Fiduciaries’ property index.

Introduction

Message from Chairman

September 9, 2014

Dear Fellow West Virginians:

On behalf of the trustees of the West Virginia Investment Management Board, I am pleased to present the Board's Annual Financial Report for the fiscal year ending June 30, 2014. Please note that additional information about the Investment Management Board may be accessed electronically on its website, www.wvimb.org.

The fiscal year ending June 30, 2014, was an excellent year for the Investment Management Board even though much of the world continues to struggle with the aftermath of the credit crisis of 2008. The Investment Management Board was able to return 17.9 percent (using the Public Employees' Retirement System as a proxy for all long-term assets) for the fiscal year, capping off the 13.1 percent return it produced in fiscal year 2013. More importantly, however, is the 7.8 percent annualized return the Investment Management Board has generated over the last ten years ending June 30, 2014. This exceeds the target rate of return assumed by the actuary for the defined benefit pension plans. Significantly, all participant plans experienced better than expected returns, beating their target rates of return in all cases.

As for the future, although it appears that the United States is beginning to work its way out of the recession, globally it will likely take many years to recover from the credit crisis of 2008, creating significant challenges for the Investment Management Board in achieving its performance targets. It is important to remind ourselves, however, that the time horizon for the majority of assets entrusted to the Investment Management Board is long-term.

I wish to thank fellow trustees and the staff for their dedicated service. I commend the Board on its professionalism, commitment to the mission, and customer service.

Sincerely,



Earl Ray Tomblin
Governor of the State of West Virginia
Chairman of the Board of Trustees

Message from Executive Director

September 9, 2014

It is with great pleasure that I submit the Annual Report of the West Virginia Investment Management Board (IMB). The IMB is considered an internal service fund of the State of West Virginia for financial reporting purposes and, as such, the significant financial information contained in the report is also included in the State of West Virginia's comprehensive annual financial report. The information presented in this report is the responsibility of the management of the IMB, and sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements, supporting schedules, and statistical tables. The report is also designed to comply with the reporting requirements of Chapter 12, Article 6, Section 6 of the *West Virginia Code*, as amended. This report is divided into the following sections:

- **Organization** – Contains general information regarding trustees and staff, history of the IMB, statutory mandate, administrative mandate, and investment philosophy.
- **Investment Objectives and Financial Highlights** – Outlines the more specific objectives and performance of each of the investment pools.
- **Participant Plans** – Contains a brief description of each of the participant plans whose assets are entrusted to the IMB.
- **Audited Financial Statements** – Contains the independent auditor's report, the financial statements and notes thereto, and required supplementary information regarding the investment pools administered by the IMB and the IMB's Administrative Fund.

Please note that the audited financial statements are presented separately for each pool. The separate presentation clarifies that the independent auditor is issuing their audit opinion on each pool individually and not as a collective whole.

As an investment organization, the IMB's constant focus is the performance of its investments as it seeks to satisfy the investment needs of the beneficiaries of the participant plans entrusted to it. To a large extent, each participant plan's performance is a function of the assets in which it invests. As such, a review of asset class performance for the year may be helpful.

A number of factors led to a strong year in virtually all asset classes. The first half of the fiscal year saw improvement in economic fundamentals and increasing confidence among investors in the Federal Reserve's ability to manage a tapering of its quantitative easing policy. Elsewhere, loose monetary policy helped lift Europe and emerging markets seemed to regain their footing after what may have been an overreaction in fiscal year 2013. The second half of the year saw the US markets stumble initially over Federal Reserve policy uncertainty and particularly bad winter weather. Meanwhile, geopolitical tensions in various corners of the world demonstrated how interrelated global markets can be. The world seemed to shrug off these initial concerns, however, with the US stock market finishing the fiscal year up 25.2 percent (Russell 3000) while international markets were up 21.8 percent for the fiscal year (MSCI All Country World ex US, net¹). Fixed income and real estate were also up at 5.2 percent (Barclay's Universal) and 11.2 percent (NCREIF), respectively.

The IMB's relative performance in each asset class was generally very good in fiscal year 2013. The best relative performance came from the international equity portfolio which outperformed its benchmark by 2.8 percent. The US equity and fixed income portfolios were pedestrian by comparison, but still outperformed their respective benchmarks by 0.6 percent. The private equity portfolio is still somewhat immature, so comparisons to benchmarks are problematic, but it certainly helped diversify risk in the portfolio, an important goal. The real estate and hedge fund portfolios provide an alternative to fixed income as diversifying assets. They both have served that purpose well, adding value relative to fixed income, especially in the past year. While their primary role in the portfolio is diversification of fixed income, both have also outperformed their benchmarks for the past fiscal year and extended periods.

Message from Executive Director

The majority of assets managed by the IMB are for participants with longer time horizons. These include the defined benefit pension plans, some employment security plans and other trust assets. Still others, like Revenue Shortfall Reserve Funds A and B, have shorter time horizons of varying degrees.

Defined benefit pension plans make up approximately 80 percent of the IMB's total assets. For general comparison purposes, the IMB uses the Public Employees' Retirement System (PERS) as a proxy for the other pension plans because of its similarity to other statewide public pension plans throughout the nation. As of June 30, 2014, the return for PERS was up 17.9 percent net of expenses for the fiscal year. Of greater significance is the longer-term performance. In that regard, over the ten-year period ending June 30, 2014, the IMB's annualized return was 7.8 percent versus the policy benchmark of 6.9 percent. This represents millions of dollars in value added by trustees and staff. The other defined benefit pension plans enjoyed similar returns for the fiscal year ending June 30, 2014, ranging from 18.0 percent for the Judges' Retirement System to 17.0 percent for the Municipal Police Officers' and Firefighters' Retirement System. Since asset allocations are virtually the same for each plan, differences in the returns for the various pension plans are a function of the differences in the timing of cash flows into and out of each plan and relative levels of cash equivalent securities necessary to make benefit payments. Other trust assets, including the Wildlife Endowment Fund, the West Virginia Retiree Health Benefit Trust Fund and WVDEP Trust Fund, have similar asset allocations to the defined benefit pension plans and returned 17.8, 17.8 and 18.1 percent respectively.

With regard to employment security assets, the reader will note a significant difference in returns from defined benefit plans. This is, primarily, a function of differences in the time horizon and liquidity needs, which vary quite significantly by plan. This leads to a wide divergence in the respective plans' allocations to various asset classes. As a result, the returns for employment security assets for the fiscal year ending June 30, 2014, range from 10.3 percent for the Public Employees' Insurance Agency to 2.2 percent for the Access West Virginia Fund.

Specific data on the returns and objectives of each Participant Plan may be found in the pages that follow. Note that since last year, the only strategic change made to the portfolios was to increase equity allocations, where circumstances allowed, at the expense of fixed income. This reflects a longer-term assessment of the relative attractiveness of fixed income given the current low level of interest rates. In addition, note that the IMB was able to convince the Legislature to allow it greater latitude in investing by passing legislation that eliminated restrictions on investable asset classes, subject to the prudent investor standard of care.

As an investor, the IMB's capacity to generate return on assets is largely a function of growth in the world capital markets. Diversification helps smooth the volatility in capital markets, but growth is the engine of returns. While a recovery appears to be on the horizon for the US economy, the rest of the developed world is wrestling with geopolitical issues that complicate its path forward. In addition, both have varying degrees of structural problems related to aging populations and societal commitments that are a drain on resources. The emerging markets of the world have excellent prospects for growth, but the path forward is less certain. The IMB looks to these markets for growth, but with a cautious eye. In short, the world is full of challenges for an investor. The staff looks forward to helping trustees meet the challenges as fiscal year 2015 unfolds.

Sincerely,



Craig Slaughter, JD, CFA
Executive Director

ⁱ The benchmark index, referenced in the Equity Pool Section of the Annual Report, is blended benchmarks across time to reflect the changing allocations in the portfolio. The MSCI All Country World ex US, net, is used here for simplicity and consistency in a discussion of international market returns.

Organization

Board of Trustees – Fiscal Year 2014

Earl Ray Tomblin, Chairman

Governor of the State of West Virginia

Steve Antoline

Businessman

G. Kurt Dettinger

Member in Steptoe & Johnson, PLLC

Glen B. Gainer III

Auditor of the State of West Virginia

Judy Hale

David A. Haney

Executive Director of the West Virginia Education Association

Roger D. Hunter

General Counsel, James C. Justice Companies, Inc.

David H. McKinley

President and Managing Director of McKinley | Carter Wealth Services

John D. Perdue

Treasurer of the State of West Virginia

Marie L. Prezioso

Senior Vice President, Manager WV Public Finance, Piper Jaffray & Co.

Jack Rossi

Member in Arnett Foster Toothman, PLLC

Steven L. Smith

Administrator of the West Virginia Laborers Trust Funds

Randall E. Snider

President and Chief Executive Officer of Community Bank

Representatives and Committee Members – Fiscal Year 2014

Deputy Sheriff's Retirement System

David D. Gentry, Representative
Terry L. Miller, Committee Member
J. Scott Gittings, Committee Member

Judges' Retirement System

John Henning, Representative

Public Employees' Retirement System

Patricia Hamilton, Representative
Denise Gould, Committee Member
Melissa G. Smith, Committee Member

State Police Death, Disability and Retirement Fund

William J. Scott, Representative

State Police Retirement System

Scott Pettry, Representative

Teachers' Retirement System

Tony Lautar, Jr., Representative
Robert L. Brown, Committee Member
Dale Lee, Committee Member

Emergency Medical Services Retirement System

Mark Kerns, Representative
Harold Wayne Harmon, Committee Member

Coal Workers' Pneumoconiosis Fund

Melinda Kiss, Representative
Cheri Harpold, Committee Member

Workers' Compensation Old Fund and Coal Workers' Pneumoconiosis Fund

Melinda Kiss, Representative
Cheri Harpold, Committee Member
William Lane, Committee Member

By statute, the Consolidated Public Retirement Board and the West Virginia Offices of the Insurance Commissioner are responsible for appointing a representative for each plan who may select a committee of up to three individuals. The Representative and Committee Members work with the Investment Management Board to develop the investment policy for their respective plan. They are appointed on an annual basis.

Staff Members – Fiscal Year 2014

Executive Staff

Craig Slaughter, J.D., CFA, Executive Director

Matthew Jones, CPA, CCM, CGMA, Chief Financial Officer / Chief Operating Officer

Kristy Watson, CFA, Chief Investment Officer

Investments Division

Rod Livingston, CFA, CAIA, CCM, MBA, Senior Investment Officer

Tom Sauvageot, CAIA, MBA, Fixed Income and Real Estate Investment Officer

Jim Herrington, CFA, CAIA, MBA/MSM, Private and Public Equity Investment Officer

Operations Division

Roger Summerfield, CPA, Director of Operations

Steve Frenchik, CPA, MBA, Financial Reporting Manager

Brian DuBois, Senior Investment Accountant

Linda Davis, Trade Analyst

Crystal Hunt, Investment Accountant

David McCormick, Investment Accountant

Aaron Souza, Investment Accountant

James Atkins, CPA, CAIA, Senior Alternative Investment Analyst

Mika Pierson, CPA, Alternative Investment Analyst

Annie Kerns, MBA, Investment Accountant

Support Staff

Jo Ann Harrison, CAP, Administrative Assistant to the Executive Director

Jane Heitz, Secretary / Receptionist

Shane Jividen, CPA, Human Resources and Office Administrator

Milly Torman, Administrative Assistant to the Chief Investment Officer

Technology Division

John Cole, Director of Technology

Darius Walker, MSCE, Senior Network Engineer

Rick Greathouse, CompTIA A+, Network Administrator

Rebecca King, CPA-Inactive, Enterprise Information Architect

Internal Audit

Melissa Petit, CPA, CIA, CIDA, CISA, MBA, Director of Internal Audit

Tabitha Crist, CPA, Internal Audit Associate

Organizational History

The West Virginia Investment Management Board came into existence in the spring of 1997 after years of hard work modernizing the State's investment management structure. This structural modernization was widely acknowledged as a necessary precursor to the passage of a constitutional referendum to allow investment in stocks. The risks were perceived to be too great to be managed by anything but a modern, professional entity.

Although the West Virginia Investment Management Board's predecessors, the West Virginia State Board of Investments and the West Virginia Trust Fund, Inc., brought about vast improvements, each had significant shortcomings. However, with the creation of the West Virginia Investment Management Board, the State achieved a balance between control and independence that helps foster efficient and prudent investment management of long-term assets well into the future.

The beginning of the modern era in investment management by the State goes back to the late 1970s with the consolidation of the investment authority for the State's defined benefit plans, employment security plans, and other assets into a newly created West Virginia State Board of Investments. One of the goals of the legislation was to achieve economies of scale by commingling like assets.

Significantly, this newly created West Virginia Board of Investments was staffed by the State Treasury and the board itself was made up of the State's Governor, Treasurer, and Auditor.

Although a step in the right direction, the initial West Virginia State Board of Investments lacked proper or sufficient control features. After a few problems in the 1980s, principally involving its short-term pool, the Consolidated Fund, the board was expanded to seven members, adding four members from the private sector including an attorney experienced in financial matters and a Certified Public Accountant.

In the fall of 1990, the Legislature took a huge leap forward by creating a staff for the West Virginia State Board of Investments separate from the staff of the Treasury. This provided clear accountability to the Board of Investments – something that did not exist previously. Other very important control features included: (1) a statutory requirement for an Internal Auditor, (2) an annual external audit by a certified public accounting firm, and (3) monthly reporting requirements to government leaders in accordance with generally accepted accounting principles. This last feature dictated that all pools with a weighted average maturity in excess of 90 days must be marked-to-market (carried at market value), something that had not been done in the 1980s.

At the same time, the West Virginia Board of Investments made its first tepid step towards a diversified portfolio to be invested in stocks domiciled in the United States. Although it made some initial stock purchases in 1993, which were subsequently liquidated at a gain, the statute was challenged and the West Virginia Supreme Court ruled that investing in equities was unconstitutional.

In 1996, in an effort to satisfy the constitutional strictures, the Legislature carved out the pension and employment security funds with long time horizons and placed them in a trust to be managed by a new entity called the West Virginia Trust Fund, Inc. The creation of the trust as a vehicle to allow investment in stocks was also challenged and was struck down, failing to satisfy the constitutional concerns of the Supreme Court. It did, however, bring about three very important changes. The Legislature, demonstrating impeccable managerial foresight, granted the West Virginia Trust Fund, Inc. control over its own budget. With the same foresight, the Legislature imposed personal fiduciary liability on the board and staff of the West Virginia Trust Fund, Inc. Of no less importance was the creation of representative roles for members of the retirement systems and employment security systems.

With the failure of the West Virginia Trust Fund, Inc., it and the West Virginia State Board of Investments were replaced in 1997 by a new entity, the present day West Virginia Investment Management Board. The basic modernization process was complete. All of the improvements made in the Board of Investments and the West Virginia Trust Fund, Inc. were incorporated into the new entity.

The Legislature, for policy reasons, transferred the Consolidated Fund on July 8, 2005 to a newly created West Virginia Board of Treasury Investments, chaired by the State Treasurer. This was widely perceived as a policy move to ensure direct governmental oversight of State general and special revenue funds. The West Virginia Investment Management Board continues to manage the retirement funds, the employment security funds, and other assets with long time horizons.

In 2007, the Legislature expanded the investable universe of assets, increasing the allowable allocation to public equity and international securities, while also providing for a significant allocation to "alternative investments," loosely defined as hedge funds and private equity. Then, in 2014, the Legislature eliminated the percentage limitations on allowable asset classes or securities, joining most of its peers in recognizing the prudent investor standard of care is the most effective control on investor behavior for institutions.

Statutory Mandate

The West Virginia Investment Management Board was created during the 1997 legislative session and is cited as the *West Virginia Investment Management Board Act* (the Act). The legislative findings of the Act make it clear that the West Virginia Investment Management Board was intended to be a professional, apolitical, financial management organization dedicated to the interests of the State's teachers, public employees and workers in general. The Act was intended to give the West Virginia Investment Management Board "...the authority to develop, implement and maintain an efficient and modern system for the investment and management of the State's money." In order to accomplish this purpose, the Act further stated that the West Virginia Investment Management Board must "...operate as an independent board with its own full-time staff of financial professionals immune to changing political climates..." [West Virginia Code §12-6-1(a)(b)] The Act also mandates that the assets contributed by the public employee and employer to the 401(a) Plans and the assets of the Workers' Compensation Fund and the Coal Workers' Pneumoconiosis Fund, are "declared to be irrevocable trusts, available for no use or purpose other than for the benefit of those public employees...workers, miners and their beneficiaries..." [West Virginia Code §12-6-1(c)(d)] The West Virginia Investment Management Board is further "empowered by this Article to act as Trustee of the irrevocable trusts created by this Article, and to manage and invest other state funds." [West Virginia Code §12-6-1a(f)]

The standard of care mandated by the Statute is that codified in the "Uniform Prudent Investor Act," Article 6C of Chapter 44 of the *West Virginia Code*. The West Virginia Investment Management Board is further subject to the following requirements:

- (a) *Trustees shall discharge their duties with respect to the 401(a) Plans for the exclusive purpose of providing benefits to participants and their beneficiaries;*
- (b) *Trustees shall diversify fund investments so as to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so;*
- (c) *Trustees shall defray reasonable expenses of investing and operating the funds under management;*
- (d) *Trustees shall discharge their duties in accordance with the trust documents and instruments governing the trusts or other funds under the management insofar as the documents and instruments are consistent with provisions of this Article; and*
- (e) *The duties of the Board apply only with respect to those assets deposited with or otherwise held by it. [West Virginia Code §12-6-11]*

Administrative Mandate

Governance of the West Virginia Investment Management Board is vested, by statute, in a thirteen-member Board of Trustees. Three members of the Board serve by virtue of their office: the Governor, the Auditor, and the Treasurer. The other ten are appointed by the Governor and confirmed by the Senate. All appointees must have experience in pension management, institutional management or financial markets. In addition, one must be an attorney experienced in finance and investment matters and another must be a Certified Public Accountant. Only six of the ten appointed Trustees may be from the same political party. The Governor serves as Chairman of the Board. A Vice-Chairman is elected by the Trustees. A Secretary, who need not be a member of the Board, is also elected by the Trustees to keep a record of the proceedings of the Board.

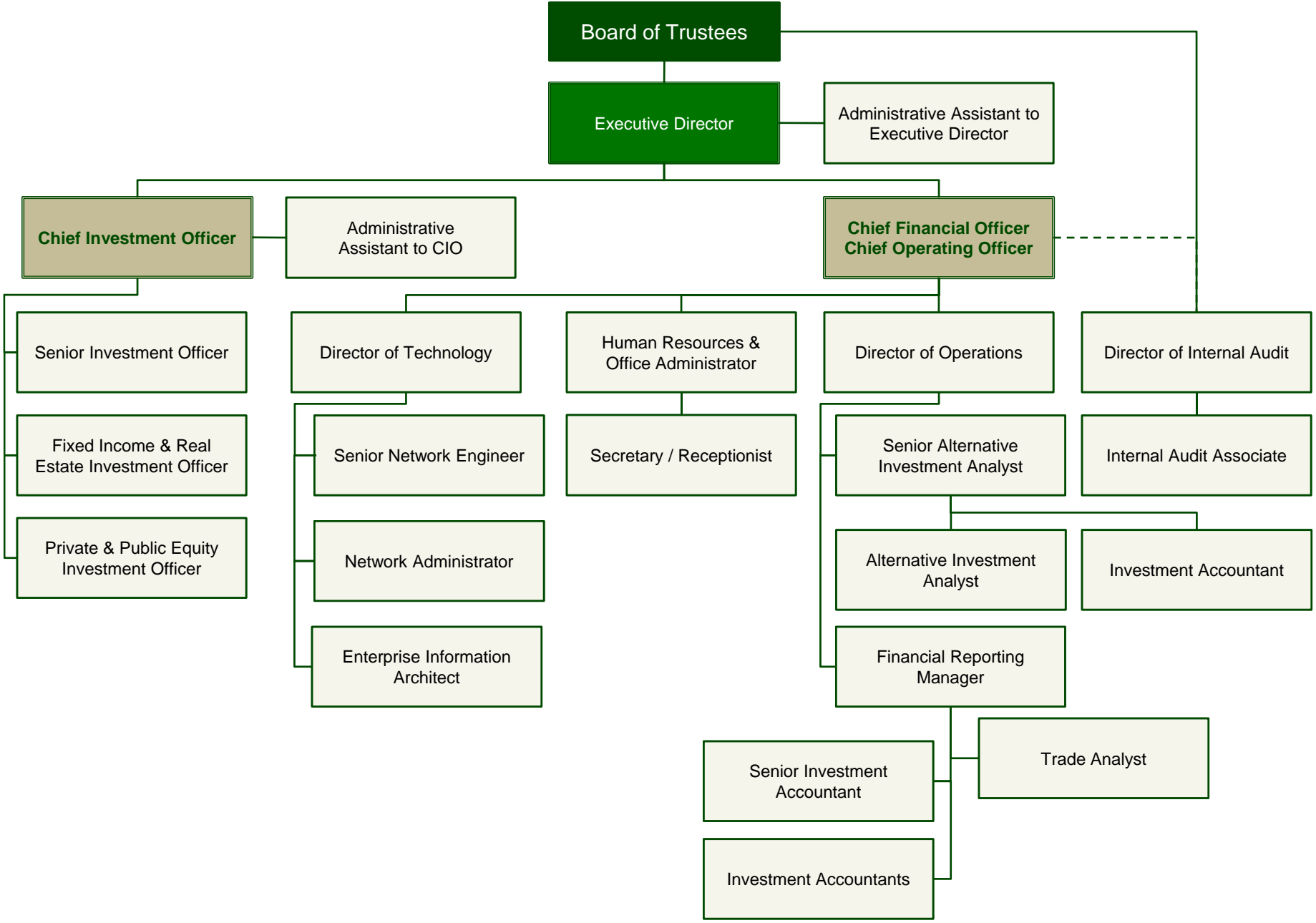
A member of each defined benefit retirement plan is designated by the Consolidated Public Retirement Board to represent the Participant Plans' interests. Likewise, the West Virginia Insurance Commission designates a representative for the Coal Workers' Pneumoconiosis Fund and the Workers' Compensation Old Fund. Each of the Representatives may designate up to three persons to comprise a committee representing their respective plan's beneficiaries. The Representatives and Committee Members do not have a vote but have the right to be heard at the annual meetings of the Board and are subject to the same code of conduct and requirements of confidentiality that apply to the Trustees.

The day-to-day management of the West Virginia Investment Management Board is delegated to the Executive Director who is appointed by the Board and serves at its will and pleasure. The Executive Director acts as an advisor to the Board on all matters.

The staff of the West Virginia Investment Management Board is divided into two principal divisions—Investments and Operations.

The Operations Division is focused on providing the back office support necessary for the organization to function on a day-to-day basis. The Investments Division is structured to devote its time and resources to staying current with new developments and research in the investment field and being prepared to apply this knowledge to the investment of assets for the West Virginia Investment Management Board. See the organization chart on the following page.

Organization Chart



Investment Philosophy

The primary objective of the investment pools is to provide benefits to its participants and beneficiaries. Based on general beliefs about the investment return available from a well-diversified, prudently invested portfolio, the Board has adopted specific investment objectives for each Participant Plan.

In order to achieve a specified real rate of return, the Board relies on the prevailing financial theory, which currently is an investment strategy utilizing an appropriate long-term diversified asset allocation model. A prudently allocated investment program possesses a certain level of diversification, which produces risk reduction. In terms of level of impact, diversification should be considered along the following lines: (1) asset classes (stocks, bonds, cash, non-traditional, etc.), (2) geography/country, (3) industry, and (4) maturity. Asset allocation modeling takes into consideration specific unique circumstances of each Participant Plan, such as size, liquidity needs, and financial condition (funded status) as well as general business conditions. The factors mentioned here are not intended to be limiting; rather, they are outlined as a general indication of the importance of diversification to proper asset allocation. The Board determines the proper allocation among asset classes and managers based on advice and analysis provided by staff and/or external investment consultants.

The Board recognizes that even though its investments are subject to short-term volatility, it is critical that the Board maintain the appropriate time horizon for each Participant Plan. This prevents ad hoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations. In order to preserve this long-term view, the Board has adopted the following formal review schedule:

<u>Agenda Item</u>	<u>Review Schedule</u>
Investment Performance	Quarterly
Investment Policy	Every Year
Policy Asset Allocation	Every Three Years
Strategic Asset Allocation	Every Three Years
Allocation Ranges	Every Three Years
Asset Allocation Review for Each Participant Plan	At Least Every Three Years

The Board may hire investment managers to implement its objectives. These managers will be given specific tactical roles within the overall strategic investment plan. Depending on their assignments, the managers may be judged on some or all of the following: (1) consistency of philosophy, style and key personnel, (2) performance relative to an appropriate index or proxy group, and (3) ability to add incremental value after costs. The Board and staff shall monitor performance and supervise all fund managers.

In determining its philosophy towards risk, the Board considers, in addition to its fiduciary obligations and statutory requirements, each entity's purpose and characteristics, financial condition, liquidity needs, sources and level of contributions, income and general business conditions. Based upon these many factors, the Board identifies whether a more aggressive or more conservative approach is warranted for each Participant Plan.

INVESTMENT OBJECTIVES

"The Board, at its annual meeting...shall review, establish and modify, if necessary, the investment objectives of the individual participant plans, as incorporated in the investment policy statements of the respective trusts so as to provide for the financial security of the trust funds giving consideration to the following: (1) Preservation of Capital; (2) Diversification; (3) Risk Tolerance; (4) Rate of Return; (5) Stability; (6) Turnover; (7) Liquidity; and (8) Reasonable Costs of Fees." [West Virginia Code §12-6-12g]

PARTICIPANT PLANS

The Board's objective is to manage the Participant Plans' moneys in an efficient and economical manner, managing risk as it seeks to achieve the specific goals set out in each Participant Plan's investment program.

Investment Objectives & Financial Highlights

Equity Pool

OBJECTIVES

The main objective for the Equity Pool is to provide for long-term growth for all participants. The Equity Pool is comprised of separate strategic asset classes which, when taken in aggregate, enable adequate diversification. Separate investment pools have been established for each investment style or to comply with specific legal and accounting requirements. The strategic asset classes, the Neutral Target allocations to additional sub-components of the strategic asset classes, as well as the approved Allocation Ranges within which the Allocation Committee can operate, are outlined below:

Category	Strategic Allocation	Allocation Range
U.S. Equity	25.0%	+/- 5% (20% to 30%)
International Equity	25.0%	+/- 5% (20% to 30%)
Total Equity Pool	50.0%	+/- 5% (45% to 55%)

Note: Each Participant Plan has its own unique Strategic Allocation. The above example is for clarification purposes only.

Category	Neutral Target*	Allocation Range
U.S. Large Cap vs. U.S. Non-Large Cap	Large = 1 minus Non-Large Non-Large = Russell 2500/Russell 3000	0.5 to 2.5 times benchmark Sum must equal 100
U.S. Non-Large Value vs. U.S. Non-Large Growth	Value vs. Growth Percentage in Russell 2500	0.5 to 2.5 times benchmark Sum must equal 100
International Large vs. International Small vs. Emerging Markets	Large vs. Small vs. Emerging Percentage in MSCI ACWI ex U.S. (IMI)	0.5 to 2.5 times benchmark Sum must equal 100

** The Neutral Target is established based on the listed indices and is reset, subject to Allocation Committee decisions, based on these index weights every June 30.*

MANAGEMENT STRUCTURE

The equity pools are managed by the following firms, in accordance with a particular investment style.

Manager	Style
Large Cap Domestic Equity Pool	
State Street Global Advisors	Index Core
INTECH Investment Management, LLC	Quantitative Core
Non-Large Cap Domestic Equity Pool	
Westfield Capital Management	Growth at a Reasonable Price
AJO	Relative Value
International Qualified and International Nonqualified Pools	
<i>Developed Markets</i>	
Silchester International Investors	All Country, Value
International Equity Pool	
<i>Developed Markets</i>	
LSV Asset Management	All Country, Relative Value
<i>Small Capitalization</i>	
Pictet Asset Management Limited	All Country, Growth at a Reasonable Price
Acadian Asset Management, LLC	All Country, Quantitative Core
<i>Emerging Markets</i>	
Brandes Investment Partners, L.P.	Emerging Market, Value
Axiom International Investors, LLC	Emerging Market, Growth at a Reasonable Price

Equity Pool

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the equity pools and are included in Section II of this report. Financial Highlights for each pool are presented below.

Composite	Individual Pools per Audited Financial Statements
U.S. Large Cap	Large Cap Domestic Equity Pool
U.S. Non-Large Cap	Non-Large Cap Domestic Equity Pool
International	International Qualified Pool International Nonqualified Pool International Equity Pool

Condensed Statement of Assets and Liabilities

	Large Cap Domestic Equity	Non-Large Cap Domestic Equity
Investments	\$ 3,114,581	\$ 1,154,207
Payable upon return of securities loaned	(17,058)	(76,478)
Cash	510	-
Receivable for investments sold	6,128	19,282
Payable for investments purchased	(9,324)	(21,228)
Other assets and liabilities	2,718	600
Net assets - June 30, 2014	\$ 3,097,555	\$ 1,076,383

Condensed Statement of Assets and Liabilities

	International Qualified	International Nonqualified	International Equity
Investments	\$ 1,303,151	\$ 153,093	\$ 2,846,080
Payable upon return of securities loaned	-	-	(94,256)
Cash	-	-	13,895
Receivable for investments sold	-	-	5,119
Payable for investments purchased	-	-	(11,907)
Foreign currency contracts	-	-	(22)
Other assets and liabilities	(58)	(7)	5,514
Net assets - June 30, 2014	\$ 1,303,093	\$ 153,086	\$ 2,764,423

Equity Pool

FINANCIAL HIGHLIGHTS (continued in \$000s)

Investments	Large Cap Domestic Equity		Non-Large Cap Domestic Equity	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Domestic equities sector exposure:				
Basic Materials	\$ 112,465	3.6%	\$ 107,876	9.3%
Capital Goods	300,377	9.6	153,260	13.3
Communications Services	55,643	1.8	2,209	0.2
Consumer Discretionary	489,054	15.7	149,546	13.0
Consumer Staples	291,467	9.4	10,262	0.9
Energy	260,726	8.4	86,102	7.5
Financial Services	477,604	15.4	250,103	21.6
Health Care	458,193	14.7	141,539	12.3
Technology	492,976	15.8	115,446	10.0
Utilities	132,674	4.3	47,126	4.1
Total domestic equities	3,071,179	98.7	1,063,469	92.2
Futures	247	0.0	-	0.0
Short-term issues	26,098	0.8	14,262	1.2
Investments made with cash collateral for securities loaned	17,057	0.5	76,476	6.6
Total	\$ 3,114,581	100.0%	\$ 1,154,207	100.0%

Investments	International Qualified		International Nonqualified	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Investments in other funds	\$ 1,303,151	100.0%	\$ 153,093	100.0%

Investments	International Equity	
	Fair Value	Percent of Securities
International equities country exposure:		
Australia	\$ 88,773	3.1%
Brazil	183,650	6.5
Canada	116,988	4.1
Cayman Islands	62,777	2.2
China	89,050	3.1
France	123,680	4.3
Germany	124,849	4.4
Hong Kong	54,152	1.9
India	106,585	3.7
Japan	321,535	11.3
Korea	207,656	7.3
Mexico	68,794	2.4
Russia	102,293	3.6
Switzerland	86,527	3.0
Taiwan	57,741	2.0
Turkey	61,288	2.2
United Kingdom	290,343	10.2
All others (none greater than 2%)	560,805	19.8
Total international equities	2,707,486	95.1
Short-term issues	44,341	1.6
Investments made with cash collateral for securities loaned	94,253	3.3
Total	\$ 2,846,080	100.0%

Equity Pool

FINANCIAL HIGHLIGHTS (continued in \$000s)

Progression of Net Assets

	Large Cap Domestic Equity	Non-Large Cap Domestic Equity
Net assets - June 30, 2013	\$ 2,403,280	\$ 844,102
Net increase from operations	598,635	230,646
Net increase from unit transactions	95,640	1,635
Net assets - June 30, 2014	<u>\$ 3,097,555</u>	<u>\$ 1,076,383</u>

Progression of Net Assets

	International Qualified	International Nonqualified	International Equity
Net assets - June 30, 2013	\$ 1,036,686	\$ 122,091	\$ 2,129,214
Net increase from operations	265,993	30,946	547,732
Net increase from unit transactions	414	49	87,477
Net assets - June 30, 2014	<u>\$ 1,303,093</u>	<u>\$ 153,086</u>	<u>\$ 2,764,423</u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Large Cap Domestic Equity		Non-Large Cap Domestic Equity	
	Actual	S&P 500	Actual	Russell 2500
One-year	25.0%	24.6%	27.9%	25.6%
Three-year	16.5%	16.6%	16.0%	15.5%
Five-year	19.1%	18.8%	23.0%	21.6%
Ten-year	7.9%	7.8%	10.5%	9.8%

Period	International Qualified		International Nonqualified		International Equity	
	Actual	MSCI EAFE	Actual	MSCI EAFE	Actual	MSCI ACWI ex U.S. (IMI)*
One-year	25.7%	24.1%	25.4%	24.1%	25.1%	22.5%
Three-year	13.3%	8.6%	13.0%	8.6%	6.0%	6.3%
Five-year	15.9%	12.3%	15.6%	12.3%	13.6%	11.6%
Ten-year	11.2%	7.4%	10.9%	7.4%	8.8%	8.2%

*Prior to January 2014, the International Equity Pool index was the MSCI ACWI ex U.S. (Standard).

Equity Pool

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Equity Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International Qualified	International Nonqualified	International Equity
Investment advisor fees	5.4	33.0	51.9	61.9	59.4
Trustee fees	0.0*	0.0*	0.0*	0.0*	0.0*
Custodian bank fees	0.3	0.5	0.0*	0.0*	5.0
Management fees	2.8	2.8	2.8	2.8	2.8
Fiduciary bond fees	0.0*	0.0*	0.0*	0.0*	0.0*
Professional service fees	0.5	0.6	0.6	0.6	0.6
Total	9.0	36.9	55.3	65.3	67.8

* Expense Ratio rounds to less than 0.1 basis points.

Trading Costs	Large Cap Domestic Equity	Non-Large Cap Domestic Equity	International Equity	Total
Net commission costs (in \$000s)	\$ 1,014	\$ 1,206	\$ 2,217	\$ 4,437
Domestic equity commission rate (cents per share)	2.2	1.5		
International equity commission rate (basis points per dollar volume)			10.4	

Short-Term Fixed Income Pool

OBJECTIVES

The Short-Term Fixed Income Pool was created to maintain sufficient liquidity to meet the daily disbursements requested by the Plans and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses and while earning a small return above inflation. The Short-Term Fixed Income Pool is structured as a money market fund where the goal is a stable dollar value per share, thus, preserving principal. The risk factors on this pool are low and managed through numerous maturity restrictions, diversification guidelines, and credit limits. The participants are paid on an income basis that includes interest income net of expenses.

MANAGEMENT STRUCTURE

The Short-Term Fixed Income Pool is managed by JPMorgan Investment Advisors, Inc.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the Short-Term Fixed Income Pool are included in Section II of this report. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$ 339,016
Other assets and liabilities, net	54
Net assets - June 30, 2014	<u>\$ 339,070</u>

Investments

	Fair Value	Percent of Securities
U.S. Treasury issues	\$ 55,553	16.4%
U.S. government agency issues	114,269	33.7
Commercial paper	84,989	25.1
Repurchase agreement	84,205	24.8
Total	<u>\$ 339,016</u>	<u>100.0%</u>

Progression of Net Assets

Net assets - June 30, 2013	\$ 319,205
Net increase from operations	31
Income distributions to unitholders	(18)
Net increase from unit transactions	19,852
Net assets - June 30, 2014	<u>\$ 339,070</u>

Short-Term Fixed Income Pool

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Actual	Citigroup 90 Day Treasury Bill*
One-year	0.1%	0.1%
Three-year	0.1%	0.2%
Five-year	0.1%	0.2%
Ten-year	1.8%	1.7%

**Prior to January 2014, the Short-Term Fixed Income Pool index was the Citigroup 90 Day Treasury Bill plus 15 basis points.*

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Short-Term Fixed Income Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratios (in basis points)

Investment advisor fees	5.0
Trustee fees	0.0*
Custodian bank fees	0.4
Management fees	3.0
Fiduciary bond fees	0.0*
Professional service fees	0.6
Total	<u>9.0</u>

* Expense Ratio rounds to less than 0.1 basis points.

Fixed Income Pool

OBJECTIVES

The main objectives for the Fixed Income Pool are to generate investment income, provide stability, and enhance diversification, but not at the expense of total return. Separate investment pools have been established for particular investment styles. Individually, these pools are the Total Return Fixed Income Pool and the Core Fixed Income Pool. The Strategic Allocation for the total Fixed Income Pool, the Neutral Target for the respective allocations to the Core Fixed Income and Total Return Fixed Income Pools, as well as the approved Allocation Ranges within which the Allocation Committee can operate, are outlined below:

Investment Pools	Strategic Allocation	Allocation Range
Core Fixed Income Pool	--	--
Total Return Fixed Income Pool	--	--
Total Fixed Income Pools	20.0%	+/- 5% (15% to 25%)

Note: Each Participant Plan has its own unique Strategic Allocation. The above example is for clarification purposes only.

Participant Plans	Neutral Target	Allocation Range
All plans except Prepaid Tuition Trust	50% Total Return Income Pool 50% Core Fixed Income Pool	+/- 20% (30% to 70%) +/- 20% (30% to 70%)
Prepaid Tuition Trust	100% Core Fixed Income Pool	N/A

MANAGEMENT STRUCTURE

The fixed income pools are managed by the following firms, in accordance with a particular investment style.

Manager	Style
Total Return Fixed Income Pool	
Western Asset Management Company	Core Plus Fixed Income
Dodge & Cox	Core Plus Fixed Income
Franklin Templeton Investments	Emerging Markets Fixed Income
Core Fixed Income Pool	
JPMorgan Investment Advisors, Inc.	Core Fixed Income

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the fixed income pools and are included in Section II of this report. Financial Highlights for each pool are presented below.

Condensed Statement of Assets and Liabilities	Total Return Fixed Income	Core Fixed Income
Investments	\$ 2,302,100	\$ 1,064,491
Payable upon return of securities loaned	(23,882)	(34,418)
Cash	24,442	-
Receivable for investments sold	4,165	461
Payable for investments purchased	(7,794)	(2,045)
Other assets and liabilities	6,140	2,634
Net assets - June 30, 2014	\$ 2,305,171	\$ 1,031,123

Fixed Income Pool

FINANCIAL HIGHLIGHTS (continued in \$000s)

Investments	Total Return Fixed Income		Core Fixed Income	
	Fair Value	Percentage of Securities	Fair Value	Percentage of Securities
Corporate asset backed issues	\$ 73,955	3.2%	\$ 42,858	4.0%
Corporate CMO	71,065	3.1	110,094	10.3
Corporate preferred security	10,512	0.5	-	0.0
Foreign asset backed issues	17,691	0.8	3,394	0.3
Foreign corporate bonds	245,728	10.7	41,750	3.9
Foreign currency forward contracts	318	0.0	-	0.0
Foreign government bonds	192,350	8.4	10,356	1.0
Futures contracts	(1,659)	(0.1)	-	0.0
Investments in other funds	418,593	18.2	-	0.0
Investments made with cash collateral for securities loaned	23,881	1.0	34,417	3.2
Municipal bonds	53,510	2.3	8,378	0.8
Option contracts purchased	341	0.0	-	0.0
Option contracts written	(279)	0.0	-	0.0
Short-term issues	37,727	1.6	33,771	3.2
Swaps	(6,191)	(0.3)	-	0.0
U.S. corporate bonds	571,567	24.8	203,346	19.1
U.S. government agency bonds	2,469	0.1	24,449	2.3
U.S. government agency CMO	101,007	4.4	186,060	17.5
U.S. government agency MBS	291,708	12.7	200,083	18.8
U.S. Treasury issues	197,807	8.6	165,535	15.6
Total	\$ 2,302,100	100.0%	\$ 1,064,491	100.0%

Progression of Net Assets

	Total Return Fixed Income	Core Fixed Income
Net assets - June 30, 2013	\$ 2,312,832	\$ 1,277,767
Net increase from operations	142,064	47,479
Income distributions to unitholders	(61,598)	(37,373)
Net decrease from unit transactions	(88,127)	(256,750)
Net assets - June 30, 2014	\$ 2,305,171	\$ 1,031,123

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Total Return Fixed Income		Core Fixed Income	
	Actual	Barclays Capital Universal*	Actual	Barclays Capital U.S. Aggregate
One-year	6.4%	5.2%	4.4%	4.4%
Three-year	5.0%	4.2%	4.3%	3.7%
Five-year	7.6%	5.6%	5.8%	4.9%
Ten-year	6.1%	5.3%	N/A	N/A

*Prior to April 2008, the Total Return Fixed Income Pool index was a custom index.

Fixed Income Pool

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Fixed Income Pools' expenses for the operating period, divided by the average net assets, are as follows:

Expense Ratios (in basis points)	Total Return Fixed Income	Core Fixed Income
Investment advisor fees	20.6	15.0
Trustee fees	0.0*	0.0*
Custodian bank fees	0.5	0.7
Management fees	2.8	2.8
Fiduciary bond fees	0.0*	0.0*
Professional service fees	0.6	0.6
Total	24.5	19.1

* Expense Ratio rounds to less than 0.1 basis points.

TIPS Pool

OBJECTIVES

The objectives for the TIPS Pool are to enhance diversification, mitigate the risk of inflation, generate investment income, and to provide a relatively stable investment.

MANAGEMENT STRUCTURE

The TIPS Pool is managed by State Street Global Advisors.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the TIPS Pool are included in Section II of this report. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$	601,271
Receivable for investments sold		101,602
Payable for investments purchased		(100,645)
Other assets and liabilities		2,244
Net assets - June 30, 2014	\$	<u>604,472</u>

Investments

	Fair Value	Percent of Securities
U.S. Treasury inflation protected issues	\$ 601,027	100.0%
Short-term issues	244	0.0
Total	\$ 601,271	100.0%

Progression of Net Assets

Net assets - June 30, 2013	\$	657,094
Net increase from operations		25,397
Net decrease from unit transactions		(78,019)
Net assets - June 30, 2014	\$	<u>604,472</u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of investment advisor fees.

Period	Actual	Barclays Capital U.S. TIPS
One-year	4.5%	4.5%
Three-year	3.6%	3.6%

TIPS Pool

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The TIPS Pool's expenses for the operating period, divided by the average net assets, are as follows:

Expense Ratios (in basis points)

Investment advisor fees	2.3
Trustee fees	0.0*
Custodian bank fees	0.3
Management fees	2.8
Fiduciary bond fees	0.0*
Professional service fees	0.6
Total	<u>6.0</u>

* Expense Ratio rounds to less than 0.1 basis points.

Special Purpose Pool

The Board operates one special purpose pool: **TRS ANNUITY POOL**

HISTORY (in \$000s)

The Pool held an investment contract issued by the Variable Annuity Life Insurance Company (VALIC) strictly for the benefit of the Teachers Retirement System (TRS). On December 10, 2008, the IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan administered solely by the Consolidated Public Retirement System, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The final amount transferred under the contract was \$248,293.

The IMB initially requested the immediate redemption of the entire balance but VALIC denied the request, claiming the amounts were subject to withdrawal restrictions. Effective April 23, 2009, the IMB, while reserving its rights under the contract, executed the appropriate forms with VALIC to elect to withdraw funds under the Five Year Equal Annual Installment method. By making this election the guaranteed minimum annual yield of 4.5 percent became the fixed rate for this contract. The first four withdrawals of \$55,058 each occurred on May 4, 2009, 2010, 2011 and 2012. The final withdrawal of \$55,191 occurred on May 8, 2013. On that date, all remaining income, net of all management fees, was distributed to TRS and all units of ownership in the Pool were redeemed.

In response to VALIC's denial to allow the IMB to liquidate the contract in its entirety, the IMB sued VALIC and the litigation is ongoing. The outcome of the litigation is unknown and accordingly the IMB has not accrued any potential revenues from the case. There are ongoing legal fees associated with this litigation and these expenses are accrued to the Pool. The funding for the payment of these expenses results from contributions by the TRS into the TRS Annuity Pool. No other management fees are charged to the Pool and none have been charged since the final withdrawal on May 8, 2013. Amounts recovered pursuant to the litigation, if any, will be recorded in the TRS Annuity Pool and distributed to the TRS. Once the case is resolved the TRS Annuity Pool will be closed.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the TRSA are included in Section II of this report. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Assets	\$	-
Accrued expenses		(17)
Net assets - June 30, 2014	\$	(17)

Progression of Net Assets

Net assets - June 30, 2013	\$	(94)
Net decrease from operations		(311)
Net increase from capital transactions		388
Net assets - June 30, 2014	\$	(17)

Alternatives Pool

OBJECTIVES

The main objective for the Alternatives Pool is to provide diversification and risk reduction benefits for its participants' assets. Secondly, the Alternatives Pool should provide for long-term growth of its participants' assets.

The Alternatives Pool is comprised of one asset class, private equity, and one management style, hedge funds. Both are intended to enhance diversification when added to the total portfolio assets. Separate investment pools have been established for private equity and hedge funds.

The Private Equity Pool is comprised of the following categories and target range allocations as of June 30, 2014:

Category	Target Range
Corporate Finance	90-100%
Venture Capital	0-10%
U.S.	80-100%
Non-U.S.	0-20%

The Hedge Fund Pool's strategies are comprised of the following strategic categories and target range allocations as of June 30, 2014:

Category	Target Range	Allocation Range
Core		
Relative Value	30-40%	25-55%
Event Driven	15-25%	10-40%
Long-Short Equity	20-30%	15-45%
Directional	10-20%	5-25%
Supplemental		
Long Biased	0-10%	0-15%
Private Equity	0-3%	0-5%
Private Credit	0-3%	0-5%
Real Assets	0-3%	0-5%

MANAGEMENT STRUCTURE

The selection of investments in the Hedge Fund and Private Equity Pools are made by each pool's subcommittee which includes the Executive Director, the Chief Investment Officer, the Chief Financial Officer/Chief Operating Officer, and two members selected from the Board. Investment recommendations are jointly made by the appropriate investment officer and the investment consultant to the subcommittee. The investment consultants are Franklin Park Associates, LLC for the Private Equity Pool and Albourne America, LLC for the Hedge Fund Pool.

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements are prepared for each of the alternative pools and are included in Section II of this report. Financial Highlights for each pool are presented below.

Condensed Statement of Assets and Liabilities	Private Equity	Hedge Fund
Investments	\$ 1,355,246	\$ 1,344,169
Advance on investments in other funds	-	90,000
Investment funds redeemed	-	130,942
Other assets and liabilities	(188)	(118)
Net assets - June 30, 2014	<u>\$ 1,355,058</u>	<u>\$ 1,564,993</u>

Alternatives Pool

FINANCIAL HIGHLIGHTS (continued in \$000s)

Investments	Private Equity		Hedge Fund	
	Fair Value	Percent of Securities	Fair Value	Percent of Securities
Hedge funds	\$ 462,724	34.1%	\$ 1,344,025	100.0%
Investment in other funds	64,906	4.8	-	0.0
Private equity partnerships	784,620	57.9	-	0.0
Short-term issue	42,996	3.2	144	0.0
Total	\$ 1,355,246	100.0%	\$ 1,344,169	100.0%

Progression of Net Assets

	Private Equity	Hedge Fund
Net assets - June 30, 2013	\$ 1,155,164	\$ 1,340,097
Net increase from operations	234,090	115,393
Net increase (decrease) from unit transactions	(34,196)	109,503
Net assets - June 30, 2014	\$ 1,355,058	\$ 1,564,993

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of external investment management and/or partnership fees and expenses.

Period	Private Equity		Hedge Fund	
	Actual	Russell 3000 plus 300 basis points*	Actual	HFRI FoF plus 100 basis points**
One-year	19.8%	N/A	8.6%	4.8%
Three-year	14.5%	N/A	6.2%	4.5%
Five-year	15.8%	23.6%	7.3%	4.4%

* Prior to January 2014, the Private Equity Pool index was the S&P 500 plus 500 basis points.

** Prior to January 2014, the Hedge Fund index was LIBOR plus 400 basis points.

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Private Equity Pool and Hedge Fund Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratio (in basis points)	Private Equity	Hedge Fund
Investment advisor fees	0.1	N/A
Trustee fees	0.0*	0.0*
Custodian bank fees	0.0*	0.0*
Management fees	2.8	2.8
Fiduciary bond fees	0.0*	0.0*
External fees/Fund closing costs	1.8	N/A
Professional service fees	7.0	3.7
Total	11.7	6.5

* Expense Ratio rounds to less than 0.1 basis points.

Real Estate Pool

OBJECTIVES

The main objective for the Real Estate Pool is to provide diversification and risk reduction benefits for its participants' assets. Secondly, the Real Estate Pool should provide for long-term growth of its participants' assets.

The Real Estate Pool is comprised of three categories. The target range allocations as of June 30, 2014, are as follows:

Category	Target	Allocation Range
Core	50%	+/- 20% (30% to 70%)
Value-Added	30%	+/- 20% (10% to 50%)
Opportunistic	20%	+/- 10% (10% to 30%)

MANAGEMENT STRUCTURE

The selection of investments in the Real Estate Pool is made by the Pool's subcommittee which includes the Executive Director, the Chief Investment Officer, the Chief Financial Officer/Chief Operating Officer, and two members selected from the Board. Investment recommendations are jointly made by the real estate investment officer and Courtland Partners, Ltd, the investment consultant to the subcommittee. The public real estate investments are managed by the following firms, in accordance with a particular investment style.

Manager	Style
CBRE Clarion Securities, LLC	Global Real Estate Investment Securities
European Investors, Inc.	Global Real Estate Investment Securities
Security Capital Research & Management Inc.	U.S. Debt and Equity Real Estate Securities

FINANCIAL HIGHLIGHTS (in \$000s)

Audited financial statements for the Real Estate Pool are included in Section II of this report. Financial Highlights are presented below.

Condensed Statement of Assets and Liabilities

Investments	\$ 1,280,775
Payable upon return of securities loaned	(1,790)
Cash	398
Receivable for investments sold	434
Payable for investments purchased	(6,481)
Foreign currency contracts	1
Other assets and liabilities	1,686
Net assets - June 30, 2014	\$ 1,275,023

Investments

	Fair Value	Percent of Securities
Corporate bonds	\$ 103,785	8.1%
Equity securities	294,287	23.0
Investments made with cash collateral for securities loaned	1,790	0.1
Private real estate partnerships and funds	811,041	63.3
Short-term issues	69,872	5.5
Total	\$ 1,280,775	100.0%

Real Estate Pool

FINANCIAL HIGHLIGHTS (continued in \$000s)

Progression of Net Assets

Net assets - June 30, 2013	\$	978,411
Net increase from operations		118,777
Net increase from unit transactions		177,835
Net assets - June 30, 2014	\$	<u>1,275,023</u>

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of external investment management and/or partnership fees and expenses.

Period	Actual	NCREIF plus 100 basis points
One-year	10.7%	N/A
Three-year	9.6%	N/A
Five-year	9.7%	8.9%

EXPENSES

The IMB charges each investment pool for its direct investment-related expenses, such as investment advisor fees, custodian bank fees, and some professional service fees, and an allocated share of other expenses. The Real Estate Pool's expenses for the year, divided by the average net assets, are as follows:

Expense Ratio (in basis points)

Investment advisor fees	23.8
Trustee fees	0.0*
Custodian bank fees	0.7
Management fees	2.8
Fiduciary bond fees	0.0*
External fees/Fund closing costs	5.7
Professional service fees	4.8
Total	<u>37.8</u>

* Expense Ratio rounds to less than 0.1 basis points.

Participant Plans

Participant Plans Overview

FINANCIAL HIGHLIGHTS (in \$000s)

Plan Balances as of June 30, 2014

	Assets	Percent of Total	Page Reference
Pension Assets			
Deputy Sheriff's Retirement System	\$ 161,491	1.0%	31
Emergency Medical Services Retirement System	53,343	0.3	33
Judges' Retirement System	165,239	1.0	35
Municipal Police Officers' and Firefighters' Retirement System	1,150	0.0	37
Municipal Policemen's or Firemen's Pension and Relief Funds	1,404	0.0	39
Public Employees' Retirement System	5,629,812	33.4	40
State Police Death, Disability and Retirement Fund	601,077	3.6	42
State Police Retirement System	120,572	0.7	44
Teachers' Employers Contribution Collection Account	-	0.0	46
Teachers' Retirement System	6,655,376	39.3	46
Insurance Assets			
AccessWV	2,487	0.0	48
Board of Risk and Insurance Management	147,378	0.9	50
Coal Workers' Pneumoconiosis Fund	269,556	1.6	52
Public Employees Insurance Agency	214,210	1.3	54
West Virginia Retiree Health Benefit Trust Fund	584,257	3.5	56
Workers' Compensation Old Fund	1,197,954	7.0	58
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	15,707	0.1	60
Workers' Compensation Self-Insured Employer Security Risk Pool	7,165	0.0	62
Workers' Compensation Uninsured Employers' Fund	10,704	0.1	64
Endowment Assets			
Revenue Shortfall Reserve Fund	477,831	2.8	66
Revenue Shortfall Reserve Fund - Part B	381,423	2.3	68
West Virginia Department of Environmental Protection Agency	40,871	0.2	70
West Virginia Department of Environmental Protection Trust	8,717	0.1	72
West Virginia Prepaid Tuition Trust Fund	77,100	0.5	74
Wildlife Endowment Fund	52,488	0.3	76
Total	\$ 16,877,312	100.0%	

Deputy Sheriff's Retirement System

HISTORY

The Deputy Sheriff's Retirement System (DSRS) was created in 1998.

LIQUIDITY NEEDS

DSRS currently has positive net cash flows.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Preserve the current well-funded position while not subjecting DSRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for DSRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$250,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from DSRS.*

Deputy Sheriff's Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 134,410
Contributions	10,113
Withdrawals	(7,423)
Net	2,690
Investment income	655
Net appreciation	23,736
June 30, 2014	\$ 161,491

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 32,947	20.4%
Non-Large Cap Domestic	11,449	7.1
International Qualified	15,281	9.5
International Equity	29,604	18.3
Short-Term Fixed Income	496	0.3
Total Return Fixed Income*	16,288	10.1
Core Fixed Income*	7,009	4.3
TIPS	1,401	0.9
Private Equity	15,527	9.6
Real Estate	14,771	9.1
Hedge Fund	16,718	10.4
Total	\$ 161,491	100.0%

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.4%	7.5%
Five-year	13.5%	7.5%
Ten-year	7.8%	7.5%

Emergency Medical Services Retirement System

HISTORY

The Emergency Medical Services Retirement System (EMSRS) was created by the *Emergency Medical Services Retirement System Act* effective January 1, 2008, under *West Virginia Code §16-5V-4*. EMSRS members with benefits earned in the Public Employees' Retirement System (PERS) transferred their full membership and benefits under PERS to EMSRS on the effective date.

LIQUIDITY NEEDS

EMSRS is expected to be in a positive net cash flow position for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Maintain adequate liquidity to satisfy benefit payments while not subjecting EMSRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for EMSRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$25,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from EMSRS.*

Emergency Medical Services Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	42,603
Contributions		4,420
Withdrawals		(1,553)
Net		<u>2,867</u>
Investment income		214
Net appreciation		7,659
June 30, 2014	\$	<u><u>53,343</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 10,916	20.5%
Non-Large Cap Domestic	3,755	7.0
International Qualified	4,850	9.1
International Equity	9,851	18.5
Short-Term Fixed Income	345	0.6
Total Return Fixed Income*	5,434	10.2
Core Fixed Income*	2,336	4.4
TIPS	396	0.7
Private Equity	5,393	10.1
Real Estate	4,853	9.1
Hedge Fund	5,214	9.8
Total	<u><u>\$ 53,343</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.4%	7.5%
Five-year	13.4%	7.5%

Judges' Retirement System

HISTORY

The Judges' Retirement System (JRS) was created in 1949.

LIQUIDITY NEEDS

JRS currently has slightly negative net cash flows.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting JRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for JRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$500,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from JRS.*

Judges' Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	141,476
Contributions		3,130
Withdrawals		(4,629)
Net		(1,499)
Investment income		669
Net appreciation		24,593
June 30, 2014	\$	165,239

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 33,599	20.3%
Non-Large Cap Domestic	11,772	7.1
International Qualified	16,213	9.8
International Equity	30,063	18.2
Short-Term Fixed Income	218	0.1
Total Return Fixed Income*	16,522	10.0
Core Fixed Income*	7,120	4.3
TIPS	1,441	0.9
Private Equity	16,136	9.8
Real Estate	15,185	9.2
Hedge Fund	16,970	10.3
Total	\$ 165,239	100.0%

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	18.0%	7.5%
Three-year	10.4%	7.5%
Five-year	13.5%	7.5%
Ten-year	7.8%	7.5%

Municipal Police Officers' and Firefighters' Retirement System

HISTORY

Municipal Police Officers' and Firefighters' Retirement System (MPFRS) was created in 2010 for the purpose of providing retirement benefits for municipal police officers and paid professional firefighters hired into covered employment by participating municipalities on or after January 1, 2010.

LIQUIDITY NEEDS

There are no anticipated liquidity needs at this time.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Maintain adequate liquidity to satisfy benefit payments while not subjecting MPFRS to an undue level of risk.

ASSET ALLOCATION

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash	\$0	

Municipal Police Officers' and Firefighters' Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	504
Contributions		523
Withdrawals		(3)
Net		520
Investment income		3
Net appreciation		123
June 30, 2014	\$	1,150

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 230	20.0%
Non-Large Cap Domestic	76	6.6
International Qualified	100	8.7
International Equity	202	17.6
Short-Term Fixed Income	52	4.5
Total Return Fixed Income*	112	9.7
Core Fixed Income*	49	4.3
TIPS	8	0.7
Private Equity	112	9.7
Real Estate	101	8.8
Hedge Fund	108	9.4
Total	\$ 1,150	100.0%

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.0%	7.5%
Three-year	10.7%	7.5%

Municipal Policemen’s or Firemen’s Pension and Relief Funds

HISTORY

West Virginia Code §8-22-22 offers municipalities the ability to invest Policemen’s or Firemen’s Pension and Relief funds established under West Virginia Code §8-22 in the investment pools operated by the IMB. Collectively all municipal plans will be grouped in this section and referred to as the Municipal Policemen’s or Firemen’s Pension and Relief Funds. The IMB received monies from the first municipality on July 17, 2013.

MUNICIPAL RETIREMENT PLANS INVESTMENT ALLOCATIONS

The IMB investment staff has created various model allocations that utilize percentage mixes of the investment pools operated by the IMB. The models can be found in the tables below. The IMB will work with the municipal retirement plan’s authorized party to determine the appropriate investment model based on information provided by the plan and Municipal Pensions Oversight Board that includes, but is not limited to, actuarial studies, cash flow projections, etc.

The potential investment models include:

Investment Type	Investment Allocation Percentages					
	Model A	Model B	Model C	Model D	Model E	Model F
Equity	55	70	50	65	35	55
Fixed Income	15	30	30	35	35	45
TIPS*	0	0	0	0	0	0
Hedge Fund	10	0	10	0	10	0
Private Equity	10	0	5	0	10	0
Real Estate	10	0	5	0	10	0
Cash	TBD	TBD	TBD	TBD	TBD	TBD

* Treasury Inflation Protected Securities

The following IMB Investment Pools may be used for these Investment Types. The weighting and allocation of the Pools within each Investment Type is determined by the IMB Board of Trustees as expressed in the IMB Investment Policy Statement.

- | | |
|--|---|
| <ol style="list-style-type: none"> 1. Equity <ol style="list-style-type: none"> a. Large Cap Domestic Equity b. Non-Large Cap Domestic Equity c. International Qualified d. International Equity 2. Fixed Income <ol style="list-style-type: none"> a. Total Return Fixed Income* b. Core Fixed Income* 3. Treasury Inflation Protected Securities <ol style="list-style-type: none"> a. TIPS | <ol style="list-style-type: none"> 4. Hedge Fund <ol style="list-style-type: none"> a. Hedge Fund 5. Private Equity <ol style="list-style-type: none"> a. Private Equity 6. Real Estate <ol style="list-style-type: none"> a. Real Estate 7. Cash <ol style="list-style-type: none"> a. Short-Term Fixed Income (Exact allocations to be determined based on plan needs.) |
|--|---|

SUMMARY OF PLAN BALANCES (in \$000s)

There is currently one municipality investing with the IMB. The Town of Belle is invested under Model A with a June 30, 2014, balance of \$1,404.

Public Employees' Retirement System

HISTORY

The Public Employees' Retirement System (PERS) was created in 1961.

LIQUIDITY NEEDS

PERS is expected to have modest liquidity needs of approximately 1.0 percent to 2.0 percent per year for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting PERS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PERS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$19,000,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from PERS.*

Public Employees' Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 4,848,377
Contributions	267,482
Withdrawals	(350,070)
Net	<u>(82,588)</u>
Investment income	22,849
Net appreciation	841,174
June 30, 2014	<u><u>\$ 5,629,812</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 1,145,321	20.2%
Non-Large Cap Domestic	400,856	7.1
International Qualified	556,196	9.9
International Equity	1,018,952	18.1
Short-Term Fixed Income	14,398	0.3
Total Return Fixed Income*	558,951	9.9
Core Fixed Income*	241,787	4.3
TIPS	49,161	0.9
Private Equity	549,804	9.8
Real Estate	517,214	9.2
Hedge Fund	577,172	10.3
Total	<u><u>\$ 5,629,812</u></u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.5%	7.5%
Five-year	13.6%	7.5%
Ten-year	7.8%	7.5%

State Police Death, Disability and Retirement Fund

HISTORY

The State Police Death, Disability and Retirement Fund (SPDDRF) was created in 1925.

LIQUIDITY NEEDS

SPDDRF is now a closed plan and is expected to experience an increasingly negative cash flow position in the near future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting SPDDRF to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for SPDDRF. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$3,200,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from SPDDRF.*

State Police Death, Disability and Retirement Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 520,323
Contributions	27,868
Withdrawals	<u>(37,985)</u>
Net	(10,117)
Investment income	2,355
Net appreciation	88,516
June 30, 2014	<u><u>\$ 601,077</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 125,777	20.9%
Non-Large Cap Domestic	42,199	7.0
International Qualified	58,706	9.8
International Equity	107,924	18.0
Short-Term Fixed Income	542	0.1
Total Return Fixed Income*	59,807	9.9
Core Fixed Income*	25,575	4.3
TIPS	4,507	0.7
Private Equity	54,936	9.1
Real Estate	55,283	9.2
Hedge Fund	65,821	11.0
Total	<u><u>\$ 601,077</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.5%	7.5%
Five-year	13.6%	7.5%
Ten-year	7.8%	7.5%

State Police Retirement System

HISTORY

The State Police Retirement System (SPRS) was created in 1994.

LIQUIDITY NEEDS

SPRS is expected to be in a positive net cash flow position for the foreseeable future.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting SPRS to an undue level of risk.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for SPRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$75,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from SPRS.*

State Police Retirement System

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 96,092
Contributions	7,679
Withdrawals	(956)
Net	<u>6,723</u>
Investment income	482
Net appreciation	17,275
June 30, 2014	<u><u>\$ 120,572</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 24,634	20.5%
Non-Large Cap Domestic	8,466	7.0
International Qualified	10,985	9.1
International Equity	22,187	18.4
Short-Term Fixed Income	1,011	0.8
Total Return Fixed Income*	12,251	10.2
Core Fixed Income*	5,278	4.4
TIPS	893	0.7
Private Equity	11,232	9.3
Real Estate	10,947	9.1
Hedge Fund	12,688	10.5
Total	<u><u>\$ 120,572</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.9%	7.5%
Three-year	10.4%	7.5%
Five-year	13.4%	7.5%
Ten-year	7.8%	7.5%

Teachers' Retirement System & Teachers' Employers Contribution Collection Account

HISTORY

The Teachers' Retirement System (TRS) was created in 1941. It was closed to new members in 1991, but reopened to first-time hires as of July 1, 2005. Employees hired from 1991 through June 30, 2005, joined the Teachers' Defined Contribution Plan (TDC). In the spring of 2008, more than 78 percent of the participants in the Teachers' Defined Contribution Plan elected to transfer their TDC account balance to TRS and become participants in TRS. This transfer occurred in July 2008.

The Teachers' Employers Contribution Collection Account (TECCA) was a holding account for temporary reserve cash and this account was dissolved as of June 30, 2014.

TRS LIQUIDITY NEEDS

TRS has a net negative cash flow position, and will likely continue to have substantial liquidity needs of at least 10 percent per year beginning in plan year 2014.

TRS INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and not subjecting TRS to an undue level of risk.

TRS ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for TRS. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash (included in Fixed Income above)	\$35,000,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from TRS.*

Teachers' Retirement System & Teachers' Employers Contribution Collection Account

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance	TRS	TECCA
June 30, 2013	\$ 5,717,583	\$ -
Contributions	608,301	342,690
Withdrawals	(673,258)	(342,692)
Net	(64,957)	(2)
Investment income	26,357	1
Net appreciation	976,393	1
June 30, 2014	<u>\$ 6,655,376</u>	<u>\$ -</u>

Asset Allocation

	TRS	
	Amount	Percent of Total
Large Cap Domestic	\$ 1,324,099	19.9%
Non-Large Cap Domestic	463,970	7.0
International Qualified	640,632	9.6
International Equity	1,178,932	17.7
Short-Term Fixed Income	168,607	2.5
Total Return Fixed Income*	643,611	9.7
Core Fixed Income*	275,801	4.1
TIPS	57,015	0.9
TRS Annuity	(17)	0.0
Private Equity	637,022	9.6
Real Estate	598,156	9.0
Hedge Fund	667,548	10.0
Total	<u>\$ 6,655,376</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for the TECCA plan.

Period	TRS		TECCA
	Actual	Target	Actual
One-year	17.9%	7.5%	0.0%
Three-year	10.4%	7.5%	0.0%
Five-year	13.3%	7.5%	0.1%
Ten-year	7.5%	7.5%	N/A

HISTORY

AccessWV (AWV) is a health plan created by West Virginia statute to provide health insurance to West Virginians who have been unable to find or who have been denied health insurance in the private market because of a medical condition. Only a portion of the plan is invested with the IMB. As a result of the passage of the *Federal Patient Protection and Affordable Care Act* in March 2010, this organization is expected to cease operations in December 2014.

LIQUIDITY NEEDS

AWV will need their assets in their entirety, as they will cease operations in December 2014.

INVESTMENT OBJECTIVES

To achieve maximum liquidity.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for AWV. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	0.0%	0.0%
International Equity	0.0%	0.0%
Private Equity	0.0%	0.0%
Fixed Income	0.0%	0.0%
TIPS	0.0%	0.0%
Hedge Funds	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash	100.0%	100.0%

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	2,434
Contributions		-
Withdrawals		-
Net		-
Investment income		30
Net appreciation		23
June 30, 2014	\$	2,487

Asset Allocation

	Amount	Percent of Total
Short-Term Fixed Income	\$ 2,487	100.0%

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	2.2%
Three-year	3.2%

Board of Risk and Insurance Management Fund

HISTORY

The Board of Risk and Insurance Management (BRIM) is a State entity charged with providing insurance coverage to all State agencies, as well as cities, counties, and non-profit organizations throughout West Virginia under the provisions of Senate Bill 3. BRIM also provides a coal mine subsidence reinsurance program that allows homeowners and businesses to obtain insurance coverage up to \$75,000 for collapses and damage caused by underground coal mines.

LIQUIDITY NEEDS

According to representatives of the Plan, there may be some current liquidity needs in the next few fiscal years, not to exceed 10 percent in any given year. BRIM requires a cash reserve account for collateral purposes amounting to approximately 15 percent of the funds for investment. This amount is held in the Consolidated Fund, which is administered by the West Virginia Board of Treasury Investments and utilized at BRIM's discretion.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet the cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for BRIM. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	10.0%	15.0%
International Equity	10.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	80.0%	35.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	\$0	5.0%

Board of Risk and Insurance Management Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 139,875
Contributions	-
Withdrawals	(6,000)
Net	<u>(6,000)</u>
Investment income	1,711
Net appreciation	11,792
June 30, 2014	<u><u>\$ 147,378</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 16,904	11.5%
Non-Large Cap Domestic	5,566	3.8
International Nonqualified	5,303	3.6
International Equity	16,614	11.3
Short-Term Fixed Income	7,214	4.9
Total Return Fixed Income*	36,014	24.4
Core Fixed Income*	15,649	10.6
TIPS	14,783	10.0
Hedge Fund	29,331	19.9
Total	<u><u>\$ 147,378</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	10.0%
Three-year	6.5%
Five-year	9.0%

Coal Workers' Pneumoconiosis Fund

HISTORY

The Coal Workers' Pneumoconiosis Fund (CWPF) was formed in 1974 to provide insurance coverage to coal operators for their potential liability under the *Federal Coal Mine Health and Safety Act of 1969*. Upon termination of the West Virginia Workers' Compensation Commission, the assets and liabilities of CWPF remained with the State for administration of the run-off of the liabilities incurred during the years of operation. Effective January 1, 2006, insurance coverage for liabilities incurred under the *Federal Coal Mine Health and Safety Act of 1969* will be provided by private insurance carriers and is no longer available through the State.

LIQUIDITY NEEDS

Liquidity needs are actuarially determined based on the run-off of liabilities, which are assessed annually.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the actuarial interest rate assumption of 5.0 percent per annum, net of fees.
- Preserve the current surplus position.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for CWPF. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	15.0%	15.0%
International Equity	15.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	70.0%	35.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	0.0%	5.0%

Coal Workers' Pneumoconiosis Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 261,636
Contributions	242
Withdrawals	(17,703)
Net	<u>(17,461)</u>
Investment income	3,134
Net appreciation	22,247
June 30, 2014	<u><u>\$ 269,556</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 30,726	11.3%
Non-Large Cap Domestic	10,443	3.9
International Nonqualified	10,966	4.1
International Equity	30,039	11.1
Short-Term Fixed Income	12,064	4.5
Total Return Fixed Income*	65,783	24.4
Core Fixed Income*	28,496	10.6
TIPS	27,200	10.1
Hedge Fund	53,839	20.0
Total	<u><u>\$ 269,556</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	10.1%	5.0%
Three-year	6.4%	5.0%
Five-year	8.8%	5.0%
Ten-year	5.8%	5.0%

Public Employees Insurance Agency

HISTORY

The Public Employees Insurance Agency (PEIA) is a State entity charged with providing health insurance coverage to eligible public employees.

LIQUIDITY NEEDS

PEIA projects net cash outflows from operations every year going forward. This anticipated high liquidity requirement within a three-year time horizon indicates a substantial allocation to cash is appropriate. PEIA currently manages part of its cash allocation and invests this amount with the West Virginia Board of Treasury Investments. The IMB collaborates with management at PEIA to monitor combined cash levels.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet the cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for PEIA. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	10.0%	15.0%
International Equity	10.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	80.0%	40.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	\$0*	0.0%

** Not all cash is invested with the IMB.*

Public Employees Insurance Agency

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 194,215
Contributions	-
Withdrawals	-
Net	-
Investment income	2,532
Net appreciation	17,463
June 30, 2014	<u>\$ 214,210</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 24,196	11.4%
Non-Large Cap Domestic	8,411	3.9
International Nonqualified	10,742	5.0
International Equity	22,061	10.3
Short-Term Fixed Income	5	0.0
Total Return Fixed Income*	59,332	27.7
Core Fixed Income*	25,381	11.8
TIPS	21,473	10.0
Hedge Fund	42,609	19.9
Total	<u>\$ 214,210</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	10.3%
Three-year	6.9%
Five-year	8.8%

West Virginia Retiree Health Benefit Trust Fund

HISTORY

The West Virginia Retiree Health Benefit Trust Fund (RHBTF) was created under *West Virginia Code §5-16D* for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan.

LIQUIDITY NEEDS

RHBTF assets managed by the IMB are expected to be long-term in nature and have no liquidity needs as deemed by PEIA, which administers these assets. Short-term projected cash needs for RHBTF are calculated by PEIA and held in reserve in PEIA cash accounts.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Exceed the investment return assumption of 7.5 percent per annum, net of fees.
- To provide stable, long term growth of assets, while seeking to minimize the risk of loss.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for RHBTF. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
TIPS	0.0%	0.0%
Hedge Funds	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash	\$0*	

* Cash levels to be reviewed as needed, at least annually, collaboratively with management staff from PEIA.

West Virginia Retiree Health Benefit Trust Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 495,926
Contributions	-
Withdrawals	-
Net	-
Investment income	2,545
Net appreciation	85,786
June 30, 2014	<u>\$ 584,257</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 120,106	20.5%
Non-Large Cap Domestic	41,500	7.1
International Nonqualified	53,117	9.1
International Equity	109,001	18.7
Short-Term Fixed Income	15	0.0
Total Return Fixed Income*	59,850	10.2
Core Fixed Income*	25,670	4.4
TIPS	4,535	0.8
Private Equity	59,423	10.2
Real Estate	53,582	9.2
Hedge Fund	57,458	9.8
Total	<u>\$ 584,257</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	17.8%
Three-year	10.1%
Five-year	11.3%

Workers' Compensation Old Fund

HISTORY

Formed in January 2006, the Workers' Compensation Old Fund (Old Fund) assumed responsibility for payment of all workers' compensation claims and liabilities incurred by the former West Virginia Workers' Compensation Commission prior to July 1, 2005. After July 1, 2005, workers' compensation claims or liabilities incurred are covered by private insurance carriers.

LIQUIDITY NEEDS

Statutorily pledged personal income tax, policy surcharges, and severance transfers appear to be sufficient to pay expected claims and claim-related expenses. The Old Fund should maintain a flat to slightly positive net cash flow position until it is fully funded (at which time, pledged legislative transfers will cease, resulting in a sharp decline in net cash inflows). Liquidity needs for short-term cash (amount necessary for approximately 12 months' worth of anticipated claims) will continue to be reviewed annually with the West Virginia Offices of the Insurance Commissioner. Currently, a cash balance is held in the Old Fund in an amount equal to: 10 percent of the Old Fund's asset value or \$50 million, whichever is lesser, in anticipation of a potential settlement program payout.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Preservation of principal and minimization of volatility, while still achieving some investment earnings growth adjusted for inflation.
- Provide adequate liquidity to meet cash flow requirements.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Old Fund. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	15.0%	15.0%
International Equity	15.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	70.0%	60.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash (included in Fixed Income above)	\$50,000,000*	

** Cash levels to be reviewed as needed, at least annually, collaboratively with management staff from the West Virginia Offices of the Insurance Commissioner.*

Workers' Compensation Old Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 1,036,241
Contributions	194,497
Withdrawals	(129,767)
Net	<u>64,730</u>
Investment income	17,448
Net appreciation	79,535
June 30, 2014	<u><u>\$ 1,197,954</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 136,653	11.4%
Non-Large Cap Domestic	45,275	3.8
International Nonqualified	46,151	3.9
International Equity	133,408	11.1
Short-Term Fixed Income	125,351	10.5
Total Return Fixed Income*	413,652	34.5
Core Fixed Income*	178,398	14.9
TIPS	119,066	9.9
Total	<u><u>\$ 1,197,954</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	9.2%
Three-year	5.9%
Five-year	8.3%

Workers' Compensation Self-Insured Employer Guaranty Risk Pool

HISTORY

The Workers' Compensation Self-Insured Guaranty Risk Pool (Self-Insured Pool) was established on January 1, 2006, for the purpose of paying the workers' compensation claims of defaulted self-insured employers occurring on or after July 1, 2004. It consists of those funds transferred, and any future funds collected, as provided by law.

LIQUIDITY NEEDS

As all current and active self-insured employers are required to provide a bond, security, or other collateral to the West Virginia Offices of the Insurance Commissioner in the event of a deteriorating financial condition, it is anticipated that the liquidity position of this fund should remain stable. A small cash reserve will be held in the event of an unforeseen emergency, as is possible with an insurance program of this kind.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Self-Insured Pool. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	15.0%	15.0%
International Equity	15.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	70.0%	35.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	0.0%	5.0%

Workers' Compensation Self-Insured Employer Guaranty Risk Pool

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 14,487
Contributions	81
Withdrawals	(306)
Net	<u>(225)</u>
Investment income	178
Net appreciation	1,267
June 30, 2014	<u><u>\$ 15,707</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 1,790	11.3%
Non-Large Cap Domestic	594	3.8
International Nonqualified	791	5.0
International Equity	1,615	10.3
Short-Term Fixed Income	710	4.5
Total Return Fixed Income*	3,843	24.5
Core Fixed Income*	1,644	10.5
TIPS	1,583	10.1
Hedge Fund	3,137	20.0
Total	<u><u>\$ 15,707</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	10.0%
Three-year	6.4%
Five-year	5.1%

Workers' Compensation Self-Insured Employer Security Risk Pool

HISTORY

The Workers' Compensation Self-Insured Security Risk Pool (Security Pool) was established on January 1, 2006, and initially funded with the IMB in March 2014, for the purpose of paying the workers' compensation claims of defaulted self-insured employers with dates of injury occurring prior to July 1, 2004, provided that the default of the self-insured employer took place on or after the creation of the Security Pool on January 1, 2006. It consists of those funds transferred, and any future funds collected, as provided by law.

LIQUIDITY NEEDS

It is anticipated that the Security Pool will have a net cash inflow over the next five years. A small cash reserve will be held in the event of an unforeseen emergency, as is possible with an insurance program of this kind.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Security Pool. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	15.0%	15.0%
International Equity	15.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	70.0%	35.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	0.0%	5.0%

Workers' Compensation Self-Insured Employer Security Risk Pool

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	-
Contributions		7,044
Withdrawals		(94)
Net		<u>6,950</u>
Investment income		15
Net appreciation		200
June 30, 2014	\$	<u><u>7,165</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 813	11.3%
Non-Large Cap Domestic	281	3.9
International Nonqualified	359	5.0
International Equity	735	10.3
Short-Term Fixed Income	357	5.0
Total Return Fixed Income*	1,733	24.2
Core Fixed Income*	743	10.4
TIPS	720	10.0
Hedge Fund	1,424	19.9
Total	<u>\$ 7,165</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

Investment returns are not reported for periods of less than one year.

Workers' Compensation Uninsured Employers' Fund

HISTORY

The Workers' Compensation Uninsured Employers' Fund (Uninsured Fund) was established January 1, 2006, to provide for the benefit of injured workers, whose employers failed to provide mandatory workers' compensation coverage. The Uninsured Fund received initial funding of \$5 million by proclamation of the Governor.

LIQUIDITY NEEDS

There are minimal liquidity needs projected at this time as cash inflows (premiums) are expected to be sufficiently above cash outflows (claims) for the near future. A small cash reserve will be held in the event of an unforeseen emergency, as is possible with an insurance program of this kind.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Uninsured Fund. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	15.0%	15.0%
International Equity	15.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	70.0%	30.0%
TIPS	0.0%	10.0%
Hedge Fund	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	0.0%	10.0%

Workers' Compensation Uninsured Employers' Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 9,749
Contributions	2,017
Withdrawals	(2,017)
Net	-
Investment income	106
Net appreciation	849
June 30, 2014	<u>\$ 10,704</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 1,223	11.5%
Non-Large Cap Domestic	399	3.7
International Nonqualified	537	5.0
International Equity	1,101	10.3
Short-Term Fixed Income	1,045	9.8
Total Return Fixed Income*	2,235	20.9
Core Fixed Income*	957	8.9
TIPS	1,074	10.0
Hedge Fund	2,133	19.9
Total	<u>\$ 10,704</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	9.8%
Three-year	6.3%
Five-year	4.7%

Revenue Shortfall Reserve Fund

HISTORY

The Revenue Shortfall Reserve Fund (Reserve Fund), created under *West Virginia Code §11B-2-20*, is funded from state surplus revenues accrued, if any, during the most recent fiscal year. The first 50 percent of all such surplus revenues are deposited into the Reserve Fund within 60 days of the end of each fiscal year. The deposit of surplus revenue into the Reserve Fund becomes discretionary when the balance in the Reserve Fund meets or exceeds 13 percent of the state's General Revenue Fund Budget for the expiring fiscal year. The West Virginia Legislature is authorized to make an appropriation from the Reserve Fund for revenue shortfalls, for emergency revenue needs caused by acts of God or natural disasters, or for other fiscal needs.

LIQUIDITY NEEDS

The Reserve Fund is intended to be co-managed between the IMB and the West Virginia Board of Treasury Investments. A cash account of \$100 million must be invested throughout the life of the Reserve Fund in cash with the West Virginia Board of Treasury Investments. Any assets in excess of \$100 million will be invested with the IMB. The West Virginia State Budget Office will monitor these asset balances and will direct both the IMB and the West Virginia Board of Treasury Investments when the transfer of funds is necessary from one to the other.

Future cash outflows are uncertain. The assets may be withdrawn, in whole or in part, at any time as directed by the West Virginia Legislature or by executive order. Historically, cash outflows in similar state funds created for similar purposes have had withdrawals reimbursed by the State within each fiscal year.

INVESTMENT OBJECTIVES (for the assets managed by the IMB)

The investment objective is to provide for preservation of principal and minimization of volatility. There is no specifically identified target rate of return, as the Reserve Fund is a perpetual, endowment-like fund with no anticipated or scheduled liabilities.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Reserve Fund. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	0.0%	0.0%
International Equity	0.0%	0.0%
Private Equity	0.0%	0.0%
Fixed Income	100.0%	50.0%
TIPS	0.0%	50.0%
Hedge Fund	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash	\$0*	

* Statutory cash requirements of \$100 million will be invested by the West Virginia Board of Treasury Investments.

Revenue Shortfall Reserve Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 446,073
Contributions	8,751
Withdrawals	-
Net	8,751
Investment income	6,395
Net appreciation	16,612
June 30, 2014	\$ 477,831

Asset Allocation

	Amount	Percent of Total
Short Term Fixed Income	\$ 2	0.0%
Total Return Fixed Income*	166,305	34.8
Core Fixed Income*	71,072	14.9
TIPS	240,452	50.3
Total	\$ 477,831	100.0%

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	5.1%
Three-year	4.1%
Five-year	7.3%

Revenue Shortfall Reserve Fund – Part B

HISTORY

The Revenue Shortfall Reserve Fund - Part B (Reserve Fund - Part B), created under *West Virginia Code §11B-2-20*, was funded using the entire balance of the assets in the former Tobacco Settlement Medical Trust Fund. The West Virginia Legislature is authorized and may make expenditures from the Reserve Fund - Part B for the purposes set forth in *West Virginia Code §4-11A-3* or in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

LIQUIDITY NEEDS

The Reserve Fund - Part B is intended to experience no cash outflows, but this is not entirely certain, as the West Virginia Legislature may appropriate a qualified expenditure as noted above. Cash inflows are expected to be minimal and emanate from insurance tax payments.

INVESTMENT OBJECTIVES

The investment objective is to provide for stable, long-term growth of assets, while seeking to minimize risk of loss. There is no specifically identified rate of return target as the Reserve Fund - Part B is a perpetual, endowment-like fund with no anticipated or scheduled liabilities.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Reserve Fund - Part B. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	10.0%	15.0%
International Equity	10.0%	15.0%
Private Equity	0.0%	0.0%
Fixed Income	80.0%	55.0%
TIPS	0.0%	15.0%
Hedge Funds	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash	\$0	

Revenue Shortfall Reserve Fund – Part B

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 348,811
Contributions	-
Withdrawals	-
Net	-
Investment income	6,512
Net appreciation	26,100
June 30, 2014	<u>\$ 381,423</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 29,515	7.7%
Non-Large Cap Domestic	10,184	2.7
International Nonqualified	13,054	3.4
International Equity	26,790	7.0
Short-Term Fixed Income	22	0.0
Total Return Fixed Income*	171,119	44.9
Core Fixed Income*	73,243	19.2
TIPS	57,496	15.1
Total	<u>\$ 381,423</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees. A target rate of return has not been set for this plan.

Period	Actual
One-year	9.4%
Three-year	6.2%
Five-year	9.5%

West Virginia Department of Environmental Protection Agency

HISTORY

The West Virginia Department of Environmental Protection Agency (DEP Agency) was established in 1991, for the primary purpose of protecting the environment and the health and welfare of the public, including providing for the long-term maintenance of certain water control facilities. The DEP Agency has established reserve funds for reclamation efforts related to these areas of responsibility.

LIQUIDITY NEEDS

There are no liquidity needs for the DEP Agency anticipated through fiscal year 2018. After 2018, the DEP Agency anticipates that liquidity needs may increase to fund reclamation activities.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Provide adequate liquidity to meet the cash flow requirements.
- Given the expected infinite life of the fund, allow for growth of assets in an amount at least equal to expected inflation.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the DEP Agency. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	20.0%	20.0%
International Equity	20.0%	20.0%
Private Equity	0.0%	0.0%
Fixed Income	60.0%	40.0%
TIPS	0.0%	0.0%
Hedge Funds	0.0%	20.0%
Real Estate	0.0%	0.0%
Cash	\$0	

West Virginia Department of Environmental Protection Agency

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	-
Contributions		38,710
Withdrawals		-
Net		<u>38,710</u>
Investment income		228
Net appreciation		1,933
June 30, 2014	\$	<u>40,871</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 5,934	14.5%
Non-Large Cap Domestic	1,913	4.7
International Nonqualified	2,375	5.8
International Equity	5,187	12.7
Short-Term Fixed Income	2,943	7.2
Total Return Fixed Income*	10,499	25.7
Core Fixed Income*	4,489	11.0
Hedge Fund	7,531	18.4
Total	<u>\$ 40,871</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

Investment returns are not reported for periods of less than one year.

West Virginia Department of Environmental Protection Trust

HISTORY

The West Virginia Department of Environmental Protection Trust (DEP Trust) was established on January 29, 2010, for the primary purpose of protecting the environment and the health and welfare of the public, including providing for the long-term maintenance of certain water control facilities. The DEP Trust seeks to provide an economical way by which funds contributed for that purpose may be invested and managed. The sole trustee of the DEP Trust is the Treasurer of the State of West Virginia. The beneficiary of the DEP Trust is the West Virginia Department of Environmental Protection. The DEP Trust began investing funds with the IMB on May 27, 2011.

LIQUIDITY NEEDS

There are limited liquidity needs for the DEP Trust going forward, based on historical actual needs incurred by the DEP Trust, adjusted for inflation.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Meet or exceed 7.0 percent per annum. This is the discount rate by the DEP Trust and the Federal Office of Surface Mining in determining the amount of assets invested in the DEP Trust.
- Achieve long-term growth by investing the DEP Trust in a well-diversified portfolio.
- Achieve a real rate of return that is high enough to protect the purchasing power of the DEP Trust.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the DEP Trust. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	35.0%	35.0%
International Equity	30.0%	28.0%
Private Equity	0.0%	0.0%
Fixed Income	35.0%	27.0%
TIPS	0.0%	10.0%
Hedge Funds	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash	\$0	

West Virginia Department of Environmental Protection Trust

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$	7,383
Contributions		-
Withdrawals		-
Net		-
Investment income		58
Net appreciation		1,276
June 30, 2014	\$	<u>8,717</u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 2,291	26.4%
Non-Large Cap Domestic	789	9.1
International Nonqualified	809	9.3
International Equity	1,650	18.9
Short-Term Fixed Income	4	0.0
Total Return Fixed Income*	1,617	18.5
Core Fixed Income*	691	7.9
TIPS	866	9.9
Total	<u>\$ 8,717</u>	<u>100.0%</u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. The actual rate of return is net of fees.

Period	Actual	Target
One-year	18.1%	7.0%
Three-year	10.0%	7.0%

West Virginia Prepaid Tuition Trust Fund

HISTORY

The West Virginia Prepaid Tuition Trust Fund (Tuition Trust) was established in 1997 with the objective of enhancing and improving higher education in the State. This is accomplished by providing individuals and organizations a means for paying future college tuition and fees in advance at a rate set at current levels.

LIQUIDITY NEEDS

There are rising liquidity needs for the Tuition Trust. Benefits and expenses will exceed receipts from participants' monthly payments on prepaid tuition contracts at an increasing rate in future years. Under normal economic conditions and funding scenarios the Tuition Trust's assets are expected to be depleted by 2020.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Meet or exceed actuarial interest rate assumption of 5.6 percent per annum, net of fees.
- Generate long-term, net of fee, returns that exceed liquidity needs.
- Build and maintain an actuarial surplus at a level recommended by the actuaries.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the Tuition Trust. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	30.0%
International Equity	16.0%	16.0%
Private Equity	0.0%	0.0%
Fixed Income	54.0%	54.0%
Hedge Fund	0.0%	0.0%
Real Estate	0.0%	0.0%
Cash (included in Fixed Income above)	\$1,000,000*	

** IMB Staff has authority to change the cash allocation plus or minus 10 percent, as necessary, in consultation with the appropriate representative(s) from the Tuition Trust.*

West Virginia Prepaid Tuition Trust Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 76,701
Contributions	-
Withdrawals	(9,250)
Net	<u>(9,250)</u>
Investment income	1,276
Net appreciation	8,373
June 30, 2014	<u><u>\$ 77,100</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 18,820	24.4%
Non-Large Cap Domestic	4,666	6.1
International Nonqualified	4,117	5.3
International Equity	8,476	11.0
Short-Term Fixed Income	1,005	1.3
Core Fixed Income*	40,016	51.9
Total	<u><u>\$ 77,100</u></u>	<u><u>100.0%</u></u>

* Balance includes the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	13.7%	5.6%
Three-year	8.3%	5.6%
Five-year	12.3%	5.6%
Ten-year	7.5%	5.6%

Wildlife Endowment Fund

HISTORY

The Wildlife Endowment Fund (WEF) was created in 1986 to supplement the Division of Natural Resources' annual budget in support of various statewide projects.

LIQUIDITY NEEDS

The liquidity needs of the WEF will be set on an annual basis and determined by a separate Wildlife Endowment Board as established by West Virginia State Code.

INVESTMENT OBJECTIVES

The investment objectives are as follows:

- Achieve a total rate of return of at least 6.0 percent per annum, net of fees.
- Provide adequate liquidity to meet cash flow requirements.

ASSET ALLOCATION

Based upon a determination of the appropriate risk tolerance, the Board adopted the following broad asset allocation guidelines for the assets managed for the WEF. Policy and Strategic Allocations are established on a market value basis.

Asset Class	Policy Allocation	Strategic Allocation
Domestic Equity	30.0%	27.5%
International Equity	30.0%	27.5%
Private Equity	0.0%	10.0%
Fixed Income	40.0%	15.0%
Hedge Fund	0.0%	10.0%
Real Estate	0.0%	10.0%
Cash	\$0	

Wildlife Endowment Fund

FINANCIAL HIGHLIGHTS (in \$000s)

Progression of Plan Balance

June 30, 2013	\$ 45,838
Contributions	643
Withdrawals	(2,001)
Net	<u>(1,358)</u>
Investment income	229
Net appreciation	7,779
June 30, 2014	<u><u>\$ 52,488</u></u>

Asset Allocation

	Amount	Percent of Total
Large Cap Domestic	\$ 10,773	20.6%
Non-Large Cap Domestic	3,719	7.1
International Nonqualified	4,765	9.1
International Equity	9,770	18.6
Short-Term Fixed Income	103	0.2
Total Return Fixed Income*	5,379	10.2
Core Fixed Income*	2,302	4.4
TIPS	391	0.7
Private Equity	5,330	10.2
Real Estate	4,802	9.1
Hedge Fund	5,154	9.8
Total	<u><u>\$ 52,488</u></u>	<u><u>100.0%</u></u>

* Balances include the distribution declared by the pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

INVESTMENT PERFORMANCE

The IMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals. Actual rates of return are net of fees.

Period	Actual	Target
One-year	17.8%	6.0%
Three-year	10.3%	6.0%
Five-year	13.5%	6.0%
Ten-year	7.7%	6.0%

Audited Financial Statements

Investment Pools

Audited Financial Statements

June 30, 2014

Large Cap Domestic Equity Pool

Large Cap Domestic Equity Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Large Cap Domestic Equity Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Large Cap Domestic Equity Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Large Cap Domestic Equity Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$2,228,451), including securities on loan of \$21,774 (Note 6)	\$	3,114,334
Cash		22
Cash pledged as collateral for futures contracts		488
Receivables:		
Investments sold		6,128
Dividends		3,085
Securities lending income		10
Unrealized appreciation on futures contracts (Note 7)		247
		<hr/>
Total assets		3,124,314

Liabilities

Accrued expenses		377
Payable for investments purchased		9,324
Payable upon return of securities loaned (Note 6)		17,058
		<hr/>
Total liabilities		26,759
		<hr/>
Net assets	\$	3,097,555

Analysis of net assets

Paid-in capital	\$	1,233,884
Accumulated undistributed net investment income		449,003
Accumulated undistributed net realized gain from investments		528,538
Unrealized net appreciation of investments		886,130
		<hr/>
Net assets	\$	3,097,555

Unit data

Units outstanding		148,982,865
Net asset value, unit price	\$	20.79

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Common Stock			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	20,900	\$ 1,713	\$ 2,688
Airgas Inc	11,500	905	1,252
Alcoa Inc	250,200	3,241	3,725
Allegheny Technologies Inc	8,800	236	397
Ball Corporation	43,000	2,118	2,695
Bemis Company Inc	9,800	265	398
CF Industries Holdings Inc	7,100	1,034	1,708
Dow Chemical Company	151,300	5,249	7,786
Eastman Chemical Company	13,400	399	1,170
Ecolab Inc	119,500	8,819	13,305
El DuPont de Nemours Co	104,000	4,258	6,806
FMC Corporation	49,700	3,144	3,538
Freeport-McMoRan Copper & Gold	91,800	3,070	3,351
International Paper Company	39,000	939	1,968
Intl Flavors & Fragrances Inc	11,800	664	1,231
LyondellBasell Industries NV	153,100	8,573	14,950
MeadWestvaco Corp	15,600	307	690
Monsanto Company	72,800	6,025	9,081
Newmont Mining Corp	43,200	2,071	1,099
Nucor Corporation	27,600	1,214	1,359
Owens-Illinois Inc	14,700	382	509
PPG Industries Inc	65,000	7,515	13,660
Praxair Inc	33,400	3,309	4,437
Sealed Air Corporation	24,300	569	830
Sherwin-Williams Co	22,500	2,890	4,655
Sigma-Aldrich Corporation	39,000	3,337	3,958
The Mosiac Company	29,600	1,587	1,464
United States Steel Corp	117,500	3,147	3,060
Vulcan Materials Company	10,900	568	695
<i>Total Basic Materials - 3.6%</i>		77,548	112,465
<i>Capital Goods</i>			
3M Co	91,900	9,162	13,164
ADT Corp	17,700	430	618
Allegion PLC	48,466	1,755	2,747
Ametek Inc	21,300	983	1,114
Avery Dennison Corp	8,800	262	451
Boeing Company	161,800	16,867	20,586
C. H. Robinson Worldwide Inc	12,100	705	772
Caterpillar Inc	66,100	4,819	7,183
Cintas Corp	76,400	3,997	4,854
CSX Corp	89,200	1,518	2,748
Cummins Inc	15,400	965	2,376
Danaher Corp	58,800	2,804	4,629
Deere & Company	44,400	2,859	4,020
Dover Corp	57,600	3,593	5,239
Eaton Corp PLC	45,969	2,576	3,548
Emerson Electric Co	72,800	3,545	4,831
Expeditors Intl of Washington	18,000	654	795
Fastenal Company	23,700	598	1,173
FedEx Corp	42,000	4,389	6,358
Flowserve Corp	48,800	1,933	3,628
Fluor Corporation	14,200	737	1,092
General Dynamics Corp	64,400	5,863	7,506
General Electric Company	1,257,075	27,160	33,036
Honeywell International	97,200	5,497	9,035
Illinois Tool Works Inc	51,400	2,876	4,501
Ingersoll-Rand PLC	92,300	3,464	5,770
Iron Mountain Inc	15,055	350	534
Jacobs Engineering Group Inc	19,100	975	1,018
Joy Global Inc	9,500	845	585
Kansas City Southern	9,700	1,092	1,043
L-3 Communications Holdings Inc	65,600	6,627	7,921

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Lockheed Martin Corp	97,400	12,887	15,655
Masco Corporation	29,800	387	662
Norfolk Southern Corp	36,200	2,362	3,730
Northrop Grumman Corp	106,400	11,380	12,729
PACCAR Inc	31,400	1,270	1,973
Pall Corporation	9,800	388	837
Parker-Hannifin Corporation	12,900	753	1,622
Pentair PLC	58,309	3,703	4,205
Pitney Bowes Inc	118,800	2,988	3,281
Precision Castparts Corp	15,100	2,256	3,811
Quanta Services Inc	18,500	406	640
Raytheon Company	143,100	11,841	13,201
Republic Services Inc	32,400	959	1,230
Robert Half International Inc	12,400	336	592
Rockwell Automation Inc	20,700	1,705	2,591
Rockwell Collins Inc	17,400	991	1,360
Roper Industries Inc	57,100	6,073	8,337
Ryder System Inc	4,100	139	361
Snap-On Inc	32,400	2,426	3,840
Stanley Black & Decker Inc	14,077	747	1,236
Stericycle Inc	25,800	2,598	3,055
Textron Inc	23,900	451	915
Tyco International Ltd	52,200	1,275	2,380
Union Pacific Corp	181,800	9,730	18,135
United Parcel Service Inc	101,000	7,904	10,369
United Technologies Corp	84,800	6,426	9,790
W.W. Grainger Inc	5,000	643	1,271
Waste Management Inc	83,000	3,149	3,713
Xerox Corporation	393,695	4,005	4,898
Xylem Inc	27,700	890	1,083
<i>Total Capital Goods - 9.7%</i>		220,968	300,377
<i>Communication Services</i>			
AT&T Inc	563,429	17,188	19,923
CenturyLink Inc	48,143	1,552	1,743
Crown Castle Intl Corporation	73,300	4,456	5,443
Frontier Communications Corp	204,886	1,305	1,197
Verizon Communications	548,649	22,385	26,845
Windstream Corp	49,400	489	492
<i>Total Communication Services - 1.8%</i>		47,375	55,643
<i>Consumer Discretionary</i>			
Amazon.com Inc	36,500	6,788	11,854
AutoNation Inc	5,100	177	304
AutoZone Inc	10,700	4,776	5,738
Bed Bath & Beyond Inc	31,500	1,739	1,807
Best Buy Co Inc	102,600	3,940	3,182
Borg-Warner Inc	55,600	2,688	3,625
Cablevision Systems Corp	19,400	456	342
CarMax Inc	19,500	481	1,014
Carnival Corp	39,100	1,313	1,472
CBS Corp	232,000	8,163	14,416
Chipotle Mexican Grill Inc	10,400	4,991	6,162
Coach Inc	24,500	921	838
Comcast Corp	513,950	13,938	27,589
Darden Restaurants Inc	11,600	380	537
Delphi Automotive PLC	198,300	10,373	13,631
Delta Air Lines	317,900	9,060	12,309
DIRECTV	40,300	1,390	3,426
Discovery Communications Inc	75,000	4,460	5,571
Dollar General Corp	33,300	1,749	1,910
Dollar Tree Inc	87,400	4,568	4,760
DR Horton Inc	23,900	277	587
Expedia Inc	8,050	203	634
Family Dollar Stores Inc	8,600	302	569

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Ford Motor Company	425,300	4,844	7,332
Fossil Group Inc	4,500	605	470
GameStop Corp	13,100	413	530
Gannett Co Inc	20,200	296	632
Gap Inc	21,200	413	881
Garmin Ltd	67,100	3,327	4,086
General Motors Co	114,900	4,144	4,171
Genuine Parts Company	13,400	635	1,177
Goodyear Tire & Rubber Co	206,900	4,775	5,748
Graham Holdings Co	3,200	1,918	2,298
Harley-Davidson Inc	25,800	1,101	1,802
Harman Intl Industries Inc	53,500	5,272	5,748
Hasbro Inc	31,500	1,369	1,671
Home Depot Inc	300,900	14,674	24,361
Interpublic Group of Co Inc	178,900	2,694	3,490
Johnson Controls Inc	56,700	1,592	2,831
Kohl's Corporation	17,800	963	938
L Brands Inc	104,600	4,957	6,136
Leggett & Platt Inc	11,200	155	384
Lennar Corporation	14,800	279	621
Lowe's Companies Inc	261,800	6,873	12,564
Macys Retail Holdings Inc	33,200	713	1,926
Marriott International Inc	31,680	1,327	2,031
Mattel Inc	105,800	3,693	4,123
McDonald's Corporation	110,900	8,316	11,172
McGraw-Hill Financial Inc	176,600	10,615	14,663
Michael Kors Holdings Ltd	86,300	7,862	7,650
Mohawk Industries Inc	5,300	750	733
Neilsen Holdings NV	135,900	6,055	6,579
Netflix Inc	35,600	9,628	15,685
Newell Rubbermaid Inc	129,300	2,674	4,007
News Corporation	318,175	4,792	5,708
Nike Inc	89,700	4,529	6,956
Nordstrom Inc	12,600	471	856
Omnicom Group Inc	38,300	1,782	2,728
O'Reilly Automotive Inc	60,100	6,899	9,051
PetSmart Inc	20,500	1,368	1,226
Priceline.com Inc	8,710	6,984	10,478
PulteGroup Inc	31,100	364	627
PVH Corp	7,200	873	840
Ralph Lauren Corp	5,300	518	852
Ross Stores Inc	42,200	2,191	2,791
Scripps Networks Interactive	29,100	1,832	2,361
Southwest Airlines Co	441,500	6,453	11,859
Staples Inc	57,600	1,184	624
Starbucks Corp	99,100	4,640	7,668
Starwood Hotels & Resorts Inc	17,200	732	1,390
Target Corp	56,200	2,832	3,257
Tiffany & Co	9,300	398	932
Time Warner Cable Inc	106,500	9,682	15,687
Time Warner Inc	237,300	10,799	16,670
TJX Companies Inc	236,000	9,357	12,543
Tractor Supply Company	41,100	2,834	2,482
TripAdvisor Inc	14,150	615	1,538
Twenty-First Century Fox Inc	484,800	11,562	17,041
Under Armour Inc	51,000	2,470	3,034
Urban Outfitters Inc	9,000	277	305
VF Corp	169,000	8,305	10,647
Viacom Inc	144,200	9,150	12,506
Wal-Mart Stores Inc	201,000	11,575	15,089
Walt Disney Company	219,200	9,187	18,794
Whirlpool Corporation	6,900	518	961
Wyndham Worldwide Corporation	18,100	682	1,371
Wynn Resorts Limited	39,900	7,466	8,282

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Yum Brands Inc	39,200	1,746	3,183
<i>Total Consumer Discretionary - 15.8%</i>		341,132	489,054
<i>Consumer Staples</i>			
Altria Group Inc	394,620	10,343	16,550
Archer-Daniels-Midland Co	105,800	3,707	4,667
Avon Products Inc	38,400	1,109	561
Brown Forman Corp	52,600	3,003	4,953
Campbell Soup Co	15,600	531	715
Clorox Company	77,200	6,317	7,056
Coca-Cola Company	339,400	9,973	14,377
Coca-Cola Enterprises Inc	125,600	4,255	6,001
Colgate-Palmolive Co	142,900	6,905	9,743
ConAgra Foods Inc	37,000	888	1,098
Constellation Brands Inc	129,500	5,670	11,413
Costco Wholesale Corp	117,200	11,386	13,497
CVS Caremark Corp	238,276	10,621	17,959
Dr Pepper Snapple Group Inc	17,200	405	1,008
Estee Lauder Companies Inc	22,800	805	1,693
General Mills Inc	196,600	9,009	10,329
Hershey Company	112,700	9,374	10,974
Hormel Foods Corp	75,700	2,850	3,736
JM Smucker Company	55,100	5,195	5,872
Kellogg Company	102,700	6,212	6,747
Keurig Green Mountain Inc	10,900	1,221	1,358
Kimberly Clark Corporation	131,300	11,038	14,603
Kraft Foods Group Inc	54,866	1,913	3,289
Kroger Co	277,700	10,033	13,727
Lorillard Inc	95,200	4,125	5,804
McCormick & Company Inc	26,600	1,396	1,904
Mead Johnson Nutrition Co	17,509	584	1,631
Molson Coors Brewing Co	13,900	671	1,031
Mondelez International	149,000	3,143	5,604
Monster Beverage Corporation	11,500	789	817
PepsiCo Inc	172,464	11,249	15,408
Philip Morris Intl Inc	166,320	9,392	14,022
Procter & Gamble Company	339,332	21,537	26,668
Reynolds American Inc	106,700	4,648	6,439
Safeway Inc	158,300	4,566	5,436
Sysco Corp	52,000	1,355	1,947
Tyson Foods Inc	244,700	7,339	9,186
Walgreen Co	166,800	7,738	12,365
Whole Foods Market Inc	33,100	1,056	1,279
<i>Total Consumer Staples - 9.4%</i>		212,351	291,467
<i>Energy</i>			
Anadarko Petroleum Corp	44,400	2,595	4,860
Apache Corporation	34,900	3,198	3,512
Baker Hughes Inc	48,109	2,511	3,582
Cabot Oil & Gas Corporation	317,000	9,261	10,822
Cameron International Corp	19,300	719	1,307
Chesapeake Energy Corp	168,100	4,330	5,225
Chevron Corporation	222,455	19,354	29,042
Cimarex Energy Co	15,600	2,214	2,238
ConocoPhillips	156,580	8,322	13,424
CONSOL Energy Inc	66,900	2,905	3,082
Denbury Resources Inc	33,200	520	613
Devon Energy Corporation	34,000	2,191	2,700
Diamond Offshore Drilling Inc	6,100	588	303
EnSCO PLC	20,500	1,160	1,139
EOG Resources Inc	67,200	4,342	7,853
EQT Corp	90,300	6,464	9,653
Exxon Mobil Corporation	628,894	45,939	63,317
FMC Technologies Inc	20,600	621	1,258
Halliburton Company	85,200	2,908	6,050

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Helmerich & Payne Inc	66,500	6,696	7,721
Hess Corp	23,300	1,236	2,304
Kinder Morgan Inc	59,528	1,975	2,158
Marathon Oil Corp	61,800	1,331	2,467
Marathon Petroleum Corporation	47,350	2,354	3,697
Murphy Oil Corporation	15,600	753	1,037
Nabors Industries Ltd	48,100	1,131	1,413
National-Oilwell Varco Inc	57,500	2,983	4,735
Newfield Exploration Company	11,400	720	504
Noble Corp plc	22,300	802	748
Noble Energy Inc	33,400	1,359	2,587
Occidental Petroleum Corp	79,100	6,359	8,118
ONEOK Inc	57,100	3,012	3,887
Peabody Energy Corp	23,900	826	391
Phillips 66	81,740	3,860	6,574
Pioneer Natural Resources Co	14,600	1,301	3,355
QEP Resources Inc	15,700	380	542
Range Resources Corporation	35,800	2,742	3,113
Rowan Companies PLC	11,000	273	351
Schlumberger Ltd	128,697	9,007	15,180
Southwestern Energy Company	76,300	3,318	3,471
Spectra Energy Corp	86,400	2,265	3,670
Tansocean Ltd	29,400	1,406	1,324
Tesoro Corporation	12,000	249	704
Valero Energy Corporation	98,100	3,949	4,915
Williams Companies Inc	99,300	3,150	5,780
<i>Total Energy - 8.4%</i>		183,579	260,726
<i>Financial Services</i>			
Ace Ltd	43,800	3,167	4,542
Affiliated Managers Group Inc	4,900	1,006	1,006
AFLAC Inc	127,300	7,007	7,924
Allstate Corp	226,900	9,397	13,324
American Express Co	131,900	7,378	12,513
American International Group	128,700	4,445	7,024
American Tower Corporation	34,900	1,666	3,140
Ameriprise Financial Inc	71,400	4,392	8,568
Aon PLC	76,900	4,839	6,928
Apartment Investment & Management Co	11,700	163	378
Assurant Inc	56,900	3,163	3,730
Avalonbay Communities Inc	10,600	1,059	1,507
Bank of America Corporation	1,529,377	21,580	23,507
Bank of New York Mellon Corp	100,200	3,238	3,755
BB&T Corporation	122,000	3,927	4,810
Berkshire Hathaway Inc	229,596	20,011	29,058
BlackRock Inc	11,088	2,237	3,544
Boston Properties Inc	13,200	964	1,560
Capital One Financial Corp	65,700	3,350	5,427
CBRE Group Inc	24,300	312	779
Charles Schwab Corp	304,900	6,335	8,211
Chubb Corp	50,000	3,674	4,609
Cincinnati Financial Corp	47,900	1,726	2,301
Citigroup Inc	266,360	13,185	12,546
CME Group Inc	141,600	10,208	10,047
Comerica Inc	58,200	2,444	2,919
Discover Financial Services	185,000	6,800	11,466
Dun & Bradstreet Corp	6,900	650	760
E*Trade Financial Corporation	245,920	4,672	5,228
Equifax Inc	67,100	2,957	4,867
Equity Residential	29,000	1,229	1,827
Essex Property Trust Inc	5,600	972	1,035
Fifth Third Bancorp	196,700	3,144	4,200
Franklin Resources Inc	35,900	1,118	2,076
General Growth Properties Inc	43,100	913	1,015
Genworth Financial Inc	146,700	1,632	2,553

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Goldman Sachs Group Inc	37,000	4,920	6,195
H&R Block Inc	24,300	482	815
Hartford Financial Services Gp	168,000	4,378	6,016
HCP Inc	39,400	1,382	1,630
Health Care REIT Inc	27,300	1,432	1,711
Host Hotels & Resorts Inc	65,162	812	1,434
Hudson City Bancorp Inc	42,700	636	420
Huntington Bancshares Inc	239,200	1,907	2,282
Intercontinental Exchange Inc	54,731	10,472	10,339
Invesco Limited	38,400	698	1,450
JP Morgan Chase & Co	414,953	16,602	23,910
KeyCorp	255,300	2,905	3,658
Kimco Realty Corporation	36,200	463	832
Legg Mason Inc	8,700	270	446
Leucadia National Corporation	27,400	706	718
Lincoln National Corp	102,300	3,816	5,262
Loews Corp	24,800	860	1,091
M & T Bank Corporation	34,800	3,461	4,317
Macerich Company	12,300	848	821
Marsh & McLennan Cos Inc	173,700	5,992	9,001
MasterCard Inc	191,200	8,091	14,047
MetLife Inc	98,900	3,765	5,495
Moody's Corp	60,100	2,981	5,268
Morgan Stanley	130,300	3,716	4,213
Nasdaq OMX Group Inc	86,100	2,709	3,325
Navient Corporation	239,300	3,312	4,238
Northern Trust Corp	19,600	1,011	1,259
People's United Financial Inc	229,700	3,327	3,485
Plum Creek Timber Co Inc	15,300	515	690
PNC Financial Services	58,200	3,399	5,183
Principal Financial Group Inc	53,000	1,944	2,675
Progressive Corp	151,900	3,539	3,852
Prologis Inc	44,400	1,358	1,824
Prudential Financial Inc	47,400	2,680	4,208
Public Storage	20,600	2,485	3,530
Regions Financial Corp	171,000	1,256	1,816
Simon Property Group Inc	27,716	2,625	4,609
State Street Corp	52,900	2,833	3,558
SunTrust Banks Inc	52,900	1,301	2,119
T Rowe Price Group Inc	23,300	1,217	1,967
Torchmark Corporation	68,400	4,078	5,603
Travelers Cos Inc	90,800	6,175	8,542
Unum Group	91,100	2,536	3,167
US Bancorp	312,500	9,351	13,538
Ventas Inc	25,400	1,269	1,628
Visa Inc	129,700	16,320	27,329
Vornado Realty Trust	15,040	1,071	1,605
Wells Fargo & Company	624,200	19,310	32,808
Western Union Company	113,100	1,833	1,961
Weyerhaeuser Company	52,167	1,239	1,726
XL Group PLC	25,000	469	818
Zions Bancorporation	16,500	339	486
<i>Total Financial Services - 15.4%</i>		346,056	477,604
<i>Health Care</i>			
Abbott Laboratories	132,800	3,606	5,432
Abbvie Inc	240,300	8,378	13,563
Actavis Inc.	81,300	9,912	18,134
Aetna Inc	216,229	12,958	17,532
Agilent Technologies Inc	76,500	3,635	4,394
Alexion Pharmaceuticals Inc	17,500	1,771	2,734
Allergan Inc	26,400	1,846	4,467
AmerisourceBergen Corp	178,000	9,976	12,933
Amgen Inc	105,977	7,530	12,544
Baxter International Inc	62,500	3,716	4,519

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Becton Dickinson & Company	59,600	5,644	7,051
Biogen Idec Inc	42,300	5,715	13,338
Boston Scientific Corp	908,400	9,829	11,600
Bristol-Myers Squibb Company	290,742	10,334	14,104
Cardinal Health Inc	142,000	8,615	9,736
CareFusion Corporation	138,300	4,923	6,134
Celgene Corporation	179,400	9,172	15,407
Cerner Corporation	25,600	708	1,320
CIGNA Corporation	202,500	14,544	18,624
Covidien PLC	39,800	1,918	3,589
CR Bard Inc	17,800	2,127	2,546
DaVita HealthCare Partners Inc	15,400	486	1,114
DENTSPLY International Inc	23,700	914	1,122
Edwards Lifesciences Corp	8,600	702	738
Eli Lilly and Company	86,700	3,426	5,390
Express Scripts Holding Co	133,668	8,021	9,267
Forest Laboratories Inc	42,800	2,720	4,237
Gilead Sciences Inc	276,800	9,677	22,949
Hospira Inc	17,000	641	873
Humana Inc	87,300	9,010	11,150
Intuitive Surgical Inc	3,400	1,067	1,400
Johnson & Johnson	374,200	25,451	39,149
Laboratory Corp of America Holdings	44,200	4,141	4,526
McKesson Corp	68,100	9,671	12,681
Medtronic Inc	114,600	4,845	7,307
Merck & Co Inc	363,080	14,102	21,004
Mylan Inc	174,200	5,114	8,982
Patterson Companies Inc	32,700	1,232	1,292
PerkinElmer Inc	60,700	2,439	2,843
Perrigo Co PLC	41,200	6,103	6,005
Pfizer Inc	1,058,037	23,240	31,403
Quest Diagnostics Inc	19,000	1,001	1,115
Regeneron Pharmaceuticals Inc	6,700	1,502	1,893
St Jude Medical Inc	106,200	5,957	7,354
Stryker Corporation	26,200	1,354	2,209
Tenet Healthcare Corporation	9,175	230	431
Thermo Fisher Scientific Inc	134,200	11,679	15,836
UnitedHealth Group Inc	194,700	11,251	15,917
Varian Medical Systems Inc	17,300	1,082	1,438
Vertex Pharmaceuticals Inc	20,200	1,524	1,913
Waters Corporation	7,100	423	742
WellPoint Inc	116,700	9,464	12,558
Zimmer Holdings Inc	21,700	1,536	2,254
Zoetis Inc	43,399	1,374	1,400
<i>Total Health Care - 14.8%</i>		318,236	458,193
<i>Technology</i>			
Accenture PLC	71,200	4,490	5,756
Adobe Systems Inc	82,800	3,338	5,991
Akamai Technologies Inc	15,800	448	965
Alliance Data Systems Corp	35,700	9,230	10,041
Altera Corporation	26,800	673	932
Amphenol Corp	13,800	568	1,329
Analog Devices Inc	27,000	855	1,460
Apple Inc	923,100	40,459	85,784
Applied Materials Inc	277,400	4,290	6,255
Autodesk Inc	60,100	2,580	3,388
Automatic Data Processing Inc	169,200	9,861	13,414
Avago Technologies LTD	69,100	4,739	4,980
Broadcom Corp	49,200	1,520	1,826
CA Inc	94,900	2,707	2,727
Cisco Systems Inc	452,100	8,890	11,235
Citrix Systems Inc	16,500	699	1,032
Cognizant Tech Solutions Corp	184,600	7,746	9,029
Computer Sciences Corp	28,400	1,358	1,795

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Corning Inc	118,700	1,982	2,605
eBay Inc	102,500	3,156	5,131
Electronic Arts Inc	56,900	1,217	2,041
EMC Corporation	181,100	3,218	4,770
F5 Networks Inc	16,300	1,949	1,816
Facebook Inc	377,200	21,882	25,382
Fidelity National Information Services	204,100	9,075	11,172
First Solar Inc	6,200	800	441
Fiserv Inc	157,700	6,661	9,512
FLIR Systems Inc	80,600	2,337	2,799
Google Inc	75,600	24,630	43,846
Harris Corporation	56,900	3,853	4,310
Hewlett-Packard Company	231,100	7,694	7,783
IBM Corporation	94,700	12,222	17,166
Intel Corporation	454,100	9,708	14,032
Intuit Inc	83,800	5,452	6,748
Jabil Circuit Inc	15,400	195	322
Juniper Networks Inc	90,900	2,225	2,231
KLA-Tencor Corporation	14,600	543	1,061
Lam Research Corporation	14,250	433	963
Linear Technology Corp	58,100	2,309	2,735
Microchip Technology Inc	17,300	504	844
Micron Technology Inc	676,600	11,735	22,294
Microsoft Corporation	954,402	26,092	39,799
Motorola Solutions Inc	89,827	5,243	5,980
NetApp Inc	71,800	2,647	2,622
NVIDIA Corporation	50,600	546	938
Oracle Corporation	303,800	7,454	12,313
Paychex Inc	92,100	3,534	3,828
Qualcomm Inc	186,300	10,322	14,755
Red Hat Inc	16,700	563	923
Salesforce.com Inc	61,100	2,000	3,549
SanDisk Corporation	20,100	704	2,099
Seagate Technology PLC	66,100	2,463	3,756
Symantec Corporation	56,600	888	1,296
TE Connectivity Ltd	63,100	2,703	3,902
Teradata Corporation	14,300	540	575
Texas Instruments Inc	120,200	3,762	5,744
Total System Services Inc	75,900	2,121	2,384
VeriSign Inc	90,500	4,367	4,417
Western Digital Corp	84,600	5,410	7,809
Xilinx Inc	76,100	3,087	3,600
Yahoo! Inc	419,700	11,507	14,744
<i>Total Technology - 15.9%</i>		334,184	492,976
<i>Utilities</i>			
AES Corporation	91,500	1,246	1,423
AGL Resources Inc	77,400	3,689	4,259
Ameren Corporation	86,400	3,102	3,532
American Electric Power Co Inc	66,700	2,638	3,720
CenterPoint Energy Inc	37,400	535	955
CMS Energy Corporation	159,000	3,840	4,953
Consolidated Edison Inc	25,400	1,187	1,467
Dominion Resources Inc	130,300	7,465	9,319
DTE Energy Company	111,100	6,833	8,651
Duke Energy Corp	112,007	6,740	8,310
Edison International	77,500	3,801	4,504
Entergy Corporation	22,200	1,588	1,822
Exelon Corp	121,847	4,802	4,445
FirstEnergy Corp	36,238	1,557	1,258
Integrus Energy Group Inc	6,600	237	469
NextEra Energy Inc	143,700	10,126	14,726
NiSource Inc	220,800	6,601	8,686
Northeast Utilities	42,296	1,521	1,999
NRG Energy Inc	129,100	2,976	4,803

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
PG&E Corp	41,500	1,759	1,993
Pinnacle West Capital Corp	9,400	342	544
Potomac Electric Power	19,800	288	544
PPL Corporation	147,500	4,563	5,241
Public Service Enterprise Grp	119,500	4,230	4,874
SCANA Corporation	12,300	458	662
Sempra Energy	170,900	12,560	17,895
Southern Company	89,900	3,381	4,080
TECO Energy Inc	17,200	242	318
Wisconsin Energy Corporation	114,100	4,154	5,354
Xcel Energy Inc	57,800	1,405	1,868
<i>Total Utilities - 4.3%</i>		103,866	132,674
Total Common Stock - 99.1%		2,185,295	3,071,179
<u>Short-term Issues</u>			
Dreyfus Cash Management Institutional Fund	15,432,551	15,433	15,433
Dreyfus Treasury Prime Cash Management Institutional Fund	10,665,047	10,665	10,665
Total Short-term Issues - 0.8%		26,098	26,098
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		16,993	16,993
Mellon SL DBT II Liquidating Fund		65	64
Total Investments Made with Cash Collateral for Securities Loaned - 0.6%		17,058	17,057
Total Investments - 100.5%		\$ 2,228,451	\$ 3,114,334

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Dividends	\$ 54,405
Net securities lending income	<u>83</u>
Total investment income	54,488

Expenses

Investment advisor fees	(1,448)
Trustee fees	(9)
Custodian bank fees	(86)
Management fees	(761)
Fiduciary bond fees	(4)
Professional service fees	<u>(150)</u>
Total expenses	<u>(2,458)</u>

Investment income, net 52,030

Realized and unrealized gain from investments

Net realized gain from:	
Investments	197,506
Futures contracts	<u>1,623</u>
	199,129
Net change in unrealized appreciation (depreciation) on:	
Investments	347,086
Futures contracts	<u>390</u>
	<u>347,476</u>
Net gain from investments	<u>546,605</u>

Net increase in net assets from operations \$ 598,635

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	52,030
Net realized gain from investments		199,129
Net change in unrealized appreciation (depreciation) on investments		<u>347,476</u>

Net increase in net assets from operations 598,635

Unit transactions

Proceeds from sale of units		366,214
Amount paid for repurchase of units		<u>(270,574)</u>

Net increase in net assets from unit transactions 95,640

Increase in net assets 694,275

Net assets, beginning of year 2,403,280

Net assets, end of year \$ 3,097,555

Unit data

Units sold		19,373,752
Units repurchased		<u>(14,858,952)</u>

Net increase in units 4,514,800

See accompanying notes to financial statements.

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool's objective is to exceed, net of external investment management fees, the S&P 500 Stock Index over three- to five-year periods. Assets are managed by INTECH Investment Management, LLC (INTECH) and State Street Global Advisors (SSgA).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 5 for further discussion and presentation of the reporting requirements under ASC 820.

Fair value of the Pool's portfolio securities is determined 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. If no sales have been recorded within the five days preceding the date of the financial statement date, the fair value of the securities is determined in accordance with approved procedures.

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

Futures Contracts - A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the IMB is required to pledge to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker on a daily basis for the fluctuations of the underlying securities or index. The IMB records futures at fair market value as determined by the exchange on which they are traded. Gains or losses on open futures positions are unrealized. These gains or losses become realized when the position is closed.

Stock index futures may be used to provide immediate exposure to fluctuations in the market values of the stocks in the underlying index and to provide liquidity for cash flows.

The market risk associated with holding stock index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Investment risk associated with these futures contracts arises because the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The IMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

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

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

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

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool holds equity securities of U.S. companies, exchange traded stock index futures, and money market funds with the highest credit rating. These types of securities are exposed to no or minimal credit risk, interest rate risk, custodial credit risk, or foreign currency risk. The Pool is restricted from investing more than 5 percent of the value of the Pool in any one company. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

NOTE 4. DERIVATIVE FINANCIAL INSTRUMENTS

Futures contracts are the only derivative financial instruments held in the Pool. These derivative financial instruments are not designated as hedging instruments under ASC 815; they are used to provide immediate exposure to fluctuations in the market values of the stocks in the underlying index and to provide liquidity for cash flows. The primary underlying risk exposure managed by using these derivative financial instruments is market risk. See Note 2 for discussion on the risks associated with investing in these derivatives.

The table below presents the fair value of the derivative financial instruments recorded in the Statement of Assets and Liabilities as of June 30, 2014:

Derivative Type	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Equity contracts	Unrealized appreciation on futures contracts	\$ 247		\$ -

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The table below presents the impact of the derivative financial instruments recorded in the Statement of Operations for the year ended June 30, 2014:

Derivative Type	Statement of Operations Location	Realized Gain (Loss)	Statement of Operations Location	Change in Unrealized Appreciation (Depreciation)
Equity contracts	Net realized gain from futures contracts	\$ 1,623	Change in unrealized appreciation (depreciation) on futures contracts	\$ 390

The Pool's open futures contracts outstanding at June 30, 2014, as disclosed in Note 7, is indicative of the volume of futures activity for the year ended June 30, 2014.

NOTE 5. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 3,071,179	\$ -	\$ -	\$ 3,071,179
Futures contracts	247	-	-	247
Investments made with cash collateral for securities loaned	-	17,057	-	17,057
Short-term issues	26,098	-	-	26,098
Total	\$ 3,097,524	\$ 17,057	\$ -	\$ 3,114,581

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 6. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$ 21,774		
Collateral received:	Cost	Fair Value	Unrealized Depreciation
Cash	\$ 17,058	\$ 17,057	\$ (1)
Non-cash		5,552	
Total		\$ 22,609	

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 7. FUTURES CONTRACTS

At June 30, 2014, open positions in futures contracts were as follows:

Expiration	Open Contracts	Position	Notional Value at June 30, 2014	Notional Value Upon Entering Contract	Unrealized Appreciation (Depreciation)
Sept 2014	169 S&P 500	Long	\$ 16,498	\$ 16,251	\$ 247

At June 30, 2014, the Pool had pledged cash of \$488 to cover margin requirements on open futures contracts.

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 8. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with INTECH and SSgA to manage the investments of the Pool. These agreements provide for quarterly payments, based on average end of month assets under management, to the investment advisors. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to INTECH consist of a base fee of 0.05 percent annually of the net assets under management and a performance incentive fee that is earned when the actual investment return exceeds the return of the S&P 500 over rolling three-year periods. The maximum fee allowable under the agreement is 0.70 percent annually of the net assets under management. The effective fee rate earned by INTECH for the year ended June 30, 2014, was 0.09 percent.

The fees paid to SSgA include a base fee of 0.02 percent annually on the first \$50 million of net assets under management and a base fee of 0.01 percent annually on the assets over \$50 million. The effective fee rate earned by SSgA for the year ended June 30, 2014, was 0.01 percent.

NOTE 9. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 16.64
Income from investment operations:	
Net investment income	0.36
Net realized and unrealized gain on investment transactions	3.79
Total from investment operations	<u>4.15</u>
Net asset value at June 30, 2014	<u>\$ 20.79</u>
Total Return (b)	25.0%
Supplemental Data:	
Net assets, end of period	\$ 3,097,555
Ratio to average net assets (c):	
Expenses	0.09%
Net investment income	1.90%
Portfolio turnover rate	43.93%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year

Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,324,099
Public Employees' Retirement System	1,145,321
Workers' Compensation Old Fund	136,653
State Police Death, Disability and Retirement Fund	125,777
West Virginia Retiree Health Benefit Trust Fund	120,106
Judges' Retirement System	33,599
Deputy Sheriff's Retirement System	32,947
Coal Workers' Pneumoconiosis Fund	30,726
Revenue Shortfall Reserve Fund - Part B	29,515
State Police Retirement System	24,634
Public Employees Insurance Agency	24,196
West Virginia Prepaid Tuition Trust Fund	18,820
Board of Risk and Insurance Management	16,904
Emergency Medical Services Retirement System	10,916
Wildlife Endowment Fund	10,773
West Virginia Department of Environmental Protection Agency	5,934
West Virginia Department of Environmental Protection Trust	2,291
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,790
Workers' Compensation Uninsured Employers' Fund	1,223
Workers' Compensation Self-Insured Employer Security Risk Pool	813
Municipal Policemen's or Firemen's Pension and Relief Funds	288
Municipal Police Officers' and Firefighters' Retirement System	230
Total	<u>\$ 3,097,555</u>

NOTE 11. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Non-Large Cap Domestic Equity Pool

Non-Large Cap Domestic Equity Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Non-Large Cap Domestic Equity Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Non-Large Cap Domestic Equity Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Non-Large Cap Domestic Equity Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$973,661), including securities on loan of \$76,427 (Note 5)	\$	1,154,207
Receivables:		
Investments sold		19,282
Dividends		882
Securities lending income		65
Foreign tax withholding		1
		<u>1</u>
Total assets		1,174,437

Liabilities

Accrued expenses		348
Payable for investments purchased		21,228
Payable upon return of securities loaned (Note 5)		76,478
		<u>76,478</u>
Total liabilities		98,054
Net assets	\$	<u>1,076,383</u>

Analysis of net assets

Paid-in capital	\$	446,926
Accumulated undistributed net investment income		61,492
Accumulated undistributed net realized gain from investments		387,925
Accumulated undistributed net realized loss from foreign currency transactions		(506)
Unrealized net appreciation of investments		180,546
		<u>180,546</u>
Net assets	\$	<u>1,076,383</u>

Unit data

Units outstanding		37,656,491
Net asset value, unit price	\$	<u>28.58</u>

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

*****Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Common Stock			
<i>Basic Materials</i>			
Axiall Corp	83,870	\$ 3,824	\$ 3,965
Commercial Metals Company	75,610	1,360	1,309
Crown Holdings Inc	97,230	3,101	4,838
Cytec Industries Inc	70,720	5,050	7,455
Domtar Corporation	124,120	5,210	5,319
Eagle Materials Inc	80,810	7,005	7,619
Ferro Corporation	201,700	2,045	2,533
Huntsman Corp	452,170	9,980	12,706
Martin Marietta Materials Inc	44,475	4,326	5,873
Packaging Corp of America	150,590	5,711	10,766
PolyOne Corporation	202,010	6,815	8,513
Reliance Steel & Aluminum Co	34,100	2,521	2,514
Resolute Forest Products	374,700	5,709	6,287
Rockwood Holdings Inc	102,620	6,194	7,798
RPM Inc	145,230	6,645	6,707
Scotts Miracle-Gro Co	98,160	4,581	5,581
United States Steel Corp	310,800	7,811	8,093
<i>Total Basic Materials - 10.0%</i>		87,888	107,876
<i>Capital Goods</i>			
Alliant Techsystems Inc	48,800	2,761	6,535
Avis Budget Group Inc	44,620	2,464	2,663
BE Aerospace Inc	79,125	2,759	7,318
Comfort Systems USA Inc	211,400	3,529	3,340
Drew Industries	100,700	5,018	5,036
Engility Holdings Inc	145,800	5,866	5,578
Exelis Inc	367,200	4,376	6,235
Genesee & Wyoming Inc	118,360	11,113	12,428
Hawaiian Holdings Inc	336,800	3,556	4,618
Hubbell Inc	62,330	4,016	7,676
Huntington Ingalls Industries	66,290	3,370	6,270
IHS Inc	61,010	5,787	8,277
JetBlue Airways Corp	266,200	2,167	2,888
Lincoln Electric Holdings Inc	108,660	7,337	7,593
Meritor Inc	189,200	2,447	2,467
Nortek Inc	19,700	1,425	1,768
Oshkosh Corporation	47,600	1,201	2,643
Patrick Industries Inc	44,000	1,289	2,050
Robert Half International Inc	165,790	6,381	7,915
SPX Corporation	37,200	3,605	4,025
Timken Company	186,630	9,736	12,661
TransDigm Group Inc	31,460	3,225	5,262
Trinity Industries Inc	145,600	5,576	6,366
United Rentals Inc	77,870	3,461	8,155
URS Corp	156,800	7,092	7,189
WESCO International Inc	72,980	4,701	6,304
<i>Total Capital Goods - 14.2%</i>		114,258	153,260
<i>Communication Services</i>			
FairPoint Communications - 0.2%	158,140	2,047	2,209
<i>Consumer Discretionary</i>			
Alaska Air Group Inc	57,390	5,415	5,455
Arrow Electronics Inc	48,900	2,578	2,954
Asbury Automotive Group Inc	47,520	3,205	3,267
Brinker International Inc	35,460	1,739	1,725
Finish Line Inc	213,800	5,678	6,358
Flextronics International Ltd	228,500	1,911	2,529
Foot Locker Inc	164,300	7,141	8,333
Gentex Corporation	34,720	872	1,010
Global Cash Access Holdings	580,700	4,252	5,168
Goodyear Tire & Rubber Co	90,000	2,492	2,500

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Harman Intl Industries Inc	61,162	4,067	6,571
ITT Educational Services Inc	108,800	3,895	1,816
Jarden Corporation	149,730	6,299	8,886
Lear Corporation	79,500	4,812	7,101
Nexstar Broadcasting	103,220	4,456	5,327
Nord Anglia Education Inc	93,100	1,577	1,704
NVR Inc	2,200	2,589	2,531
Outerwall Inc	112,000	7,641	6,647
Pandora Media Inc	157,820	3,194	4,656
Providence Service Corporation	47,200	1,355	1,727
Service Corp	375,570	6,074	7,782
Signet Jewelers Ltd	74,810	3,346	8,273
Smith & Wesson Holding Corp	446,990	5,042	6,499
Tempur-Pedic International	88,610	3,869	5,290
Tower International Inc	208,270	4,442	7,673
TRW Automotive Holdings Co	27,200	2,412	2,435
Ulta Salon Cosmetics & Frag	50,230	4,714	4,592
Urban Outfitters Inc	212,790	8,200	7,205
WABCO Holdings Inc	70,325	6,346	7,512
Williams Sonoma Inc	83,870	3,481	6,020
<i>Total Consumer Discretionary - 13.9%</i>		123,094	149,546
<i>Consumer Staples</i>			
Cal-Maine Foods Inc	15,900	1,006	1,182
Rite Aid Corp	283,600	1,952	2,033
Sanderson Farms Inc	72,500	6,766	7,047
<i>Total Consumer Staples - 1.0%</i>		9,724	10,262
<i>Energy</i>			
Argan Inc	126,600	4,096	4,721
Canadian Solar Inc	79,500	2,435	2,485
CONSOL Energy Inc	227,670	8,279	10,489
Denbury Resources Inc	382,540	6,223	7,062
Gran Tierra Energy Inc	337,800	2,380	2,743
Green Plains Renewable Energy	134,400	3,035	4,418
GulfMark Offshore Inc	56,100	2,393	2,535
Parker Drilling Company	640,800	4,390	4,178
PBF Energy Inc	219,900	6,915	5,860
Pioneer Energy Services Corp	160,800	2,168	2,820
Rowan Companies PLC	232,630	8,070	7,428
SM Energy Company	86,900	6,136	7,308
SunPower Corporation	60,520	2,395	2,480
Targa Resources Corp	47,500	4,675	6,630
Tesoro Corporation	225,510	6,190	13,231
Unit Corporation	24,900	1,593	1,714
<i>Total Energy - 8.0%</i>		71,373	86,102
<i>Financial Services</i>			
Allied World Assurance Co Hold	89,460	2,225	3,401
American Financial Group Inc	123,070	5,654	7,330
Aspen Insurance Holdings Ltd	180,500	6,603	8,198
Assurant Inc	115,380	4,062	7,563
Axis Capital Holdings Ltd	137,690	5,647	6,097
Berkley WR Corporation	118,900	5,278	5,506
Brandywine Realty Trust	228,500	3,014	3,565
CBL & Associates Properties	196,700	4,068	3,737
CBOE Holdings Inc	101,360	5,109	4,988
Cedar Realty Trust Inc	346,400	2,028	2,165
Comerica Inc	94,430	2,701	4,737
DuPont Fabros Technology Inc	264,900	6,265	7,142
E*Trade Financial Corporation	89,200	1,984	1,896
Endurance Specialty Holdings Ltd	135,200	7,009	6,975
Equity Lifestyle Properties	92,400	3,526	4,080

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Everest Re Group Ltd	53,700	5,514	8,618
FBL Financial Group Inc	7,830	346	360
First Republic Bank	148,760	4,957	8,180
FirstService Corporation	122,320	5,428	6,188
Genworth Financial Inc	941,110	11,664	16,375
Gladstone Investment Group	17,540	145	130
Greenlight Capital Re	214,100	6,131	7,052
Hanover Insurance Group Inc	117,900	6,846	7,445
Hospitality Properties Trust	276,400	7,597	8,403
iShares	49,848	5,065	5,147
Jones Lang LaSalle Inc	93,950	8,992	11,874
Lakeland Financial Corp	142,090	4,757	5,422
Manning & Napier Inc	146,310	2,873	2,525
Montpelier Re Holdings Ltd	44,100	1,403	1,409
PartnerRe Ltd	68,300	6,405	7,459
Platinum Underwriters Holdings Ltd	118,900	7,020	7,711
Popular Inc	121,600	4,128	4,156
Radian Group Inc	494,900	7,180	7,329
Raymond James Financial Inc	154,800	5,573	7,853
Reinsurance Group of America I	97,210	7,018	7,670
RLJ Lodging Trust	286,170	6,609	8,267
Ryman Hospitality	148,600	6,803	7,155
Starwood Property Trust Inc	245,350	4,966	5,832
Symetra Financial Corporation	85,400	1,604	1,942
United Insurance Holdings Corp	120,300	2,182	2,076
Validus Holdings Limited	203,600	7,619	7,786
Waddell & Reed Financial Inc	85,600	4,082	5,358
Wilshire Bancorp Inc	292,200	1,987	3,001
<i>Total Financial Services - 23.2%</i>		210,067	250,103
<i>Health Care</i>			
Acadia Pharmaceuticals Inc	194,040	4,033	4,383
Aegerion Pharmaceuticals Inc	213,010	10,547	6,835
Align Technology	97,760	5,265	5,478
Allscripts Healthcare Solution	497,380	7,731	7,983
Brookdale Senior Living Inc	188,650	5,950	6,290
Community Health Systems Inc	221,420	9,753	10,046
Covance Inc	69,640	5,083	5,960
Cubist Pharmaceuticals Inc	181,960	9,554	12,704
Herbalife Ltd	44,500	2,552	2,872
ICON PLC	59,100	2,310	2,784
IDEXX Laboratories Inc	37,410	3,586	4,997
Jazz Pharmaceuticals PLC	66,615	10,250	9,793
Magellan Health Services Inc	31,500	1,812	1,961
Medivation Inc	61,660	3,863	4,753
Mettler-Toledo International I	36,000	5,462	9,114
MWI Veterinary Supply, Inc	37,080	5,793	5,265
Myriad Genetics Inc	85,500	2,070	3,328
Omnicare Inc	42,500	1,747	2,829
Orthofix International NV	133,000	4,498	4,821
PDL BioPharma Inc	740,200	4,927	7,165
PharMerica Corporation	83,300	2,117	2,382
Spectranetics Corp	231,760	5,703	5,303
United Therapeutics Corp	64,100	4,066	5,672
Wright Medical Group Inc	280,920	7,754	8,821
<i>Total Health Care - 13.1%</i>		126,426	141,539
<i>Technology</i>			
Aruba Networks Inc	246,210	4,838	4,314
Avnet Inc	69,600	2,345	3,084
Cirrus Logic Inc	58,300	1,311	1,326
Concur Technologies	42,255	2,987	3,944
FleetCor Technologies Inc	40,960	1,556	5,399

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Infoblox Inc	158,390	3,746	2,083
Informatica Corporation	115,990	3,878	4,135
Ingram Micro Inc	417,960	9,221	12,209
Insight Enterprises Inc	72,100	2,134	2,216
Inteliquent Inc	350,100	2,960	4,856
JDS Uniphase Corporation	116,860	1,701	1,457
Juniper Networks Inc	177,170	4,331	4,348
Lexmark International Inc	174,800	7,395	8,418
Manhattan Associates Inc	41,100	776	1,415
Net 1 UEPS Technologies Inc	408,000	4,296	4,643
NXP Semiconductor NV	49,370	1,579	3,267
Palo Alto Networks Inc	63,610	5,115	5,334
Polycom Inc	318,400	3,939	3,990
QLIK Technologies Inc	216,670	4,718	4,901
QLogic Corporation	690,200	7,809	6,964
ServiceNow Inc	136,260	7,016	8,443
Skyworks Solutions Inc	60,760	1,417	2,853
Total System Services Inc	184,550	4,730	5,797
United Online Inc	91,700	1,036	954
VeriFone Holdings Inc	247,500	6,336	9,096
<i>Total Technology - 10.7%</i>		97,170	115,446
<i>Utilities</i>			
CMS Energy Corporation	175,200	4,879	5,457
El Paso Electric Company	183,500	5,696	7,379
Kansas City Power & Light	133,300	2,941	3,582
MYR Group Inc	111,030	2,800	2,812
Pike Electric Corporation	143,290	1,250	1,284
PNM Resources Inc	78,100	1,275	2,291
Portland General Electric Co	224,400	7,394	7,780
UGI Corporation	174,800	8,302	8,827
Vectren Corp	181,400	6,337	7,714
<i>Total Utilities - 4.5%</i>		40,874	47,126
Total Common Stock - 98.8%		882,921	1,063,469
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 1.3%	14,262,155	14,262	14,262
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		76,188	76,188
Mellon SL DBT II Liquidating Fund		290	288
Total Investments Made with Cash Collateral for Securities Loaned - 7.1%		76,478	76,476
Total Investments - 107.2%		\$ 973,661	\$ 1,154,207

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Dividends, net of foreign withholding taxes (\$3)	\$ 14,580
Net securities lending income	<u>1,362</u>
Total investment income	15,942

Expenses

Investment advisor fees	(3,207)
Trustee fees	(3)
Custodian bank fees	(49)
Management fees	(270)
Fiduciary bond fees	(2)
Professional service fees	<u>(54)</u>
Total expenses	<u>(3,585)</u>

Investment income, net 12,357

Realized and unrealized gain from investments

Net realized gain from investments	158,935
Net change in unrealized appreciation (depreciation) on investments	<u>59,354</u>

Net gain from investments 218,289

Net increase in net assets from operations \$ 230,646

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	12,357
Net realized gain from investments		158,935
Net change in unrealized appreciation (depreciation) on investments		<u>59,354</u>

Net increase in net assets from operations 230,646

Unit transactions

Proceeds from sale of units		92,900
Amount paid for repurchase of units		<u>(91,265)</u>

Net increase in net assets from unit transactions 1,635

Increase in net assets 232,281

Net assets, beginning of year 844,102

Net assets, end of year \$ 1,076,383

Unit data

Units sold		3,532,884
Units repurchased		<u>(3,650,288)</u>

Net decrease in units (117,404)

See accompanying notes to financial statements.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool invests in the equities of small- to mid-sized companies and its objective is to exceed, net of external investment management fees, the Russell 2500 Index over three- to five-year periods. Assets are managed by AJO and Westfield Capital Management (Westfield).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined 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. If no sales have been recorded within the five days preceding the date of the financial statement date, the fair value of the securities is determined in accordance with approved procedures.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

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

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

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

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

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

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

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

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

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

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool holds equity securities of U.S. companies and money market funds with the highest credit rating. These types of securities are exposed to no or minimal credit risk, interest rate risk, custodial credit risk, or foreign currency risk. The Pool is restricted from investing more than 5 percent of the value of the Pool in any one company. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 1,063,469	\$ -	\$ -	\$ 1,063,469
Investments made with cash collateral for securities loaned	-	76,476	-	76,476
Short-term issue	14,262	-	-	14,262
Total	<u>\$ 1,077,731</u>	<u>\$ 76,476</u>	<u>\$ -</u>	<u>\$ 1,154,207</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$ 76,427		
Collateral received:	Cost	Fair Value	Unrealized Depreciation
Cash	<u>\$ 76,478</u>	\$ 76,476	<u>\$ (2)</u>
Non-cash		1,933	
Total		<u>\$ 78,409</u>	

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 6. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with AJO and Westfield to manage the investments of the Pool. These agreements provide for quarterly payments, based on average end of month assets under management, to the investment advisors. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to AJO consist of a base fee of 0.05 percent annually of the net assets under management and a performance incentive fee that is earned when the actual investment return exceeds the return of the Russell 2500 Value index over rolling three-year periods. The maximum fee allowable under the agreement is 1.25 percent annually of the net assets under management. The effective fee rate earned by AJO for the year ended June 30, 2014, was 0.32 percent.

The fees paid to Westfield include a base fee of 0.10 percent annually of net assets under management and a performance incentive fee that is earned when the actual investment return exceeds the return of the Russell 2500 Growth index over rolling three-year periods. The maximum fee allowable under the agreement is 1.00 percent annually of the net assets under management. The effective fee rate earned by Westfield for the year ended June 30, 2014, was 0.34 percent.

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 7. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 22.35
Income from investment operations:	
Net investment income	0.33
Net realized and unrealized gain on investment transactions	5.90
Total from investment operations	6.23
Net asset value at June 30, 2014	\$ 28.58
 Total Return (b)	27.8%
 Supplemental Data:	
Net assets, end of period	\$ 1,076,383
Ratio to average net assets (c):	
Expenses	0.37%
Net investment income	1.27%
Portfolio turnover rate	119.53%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year

NOTE 8. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 463,970
Public Employees' Retirement System	400,856
Workers' Compensation Old Fund	45,275
State Police Death, Disability and Retirement Fund	42,199
West Virginia Retiree Health Benefit Trust Fund	41,500
Judges' Retirement System	11,772
Deputy Sheriff's Retirement System	11,449
Coal Workers' Pneumoconiosis Fund	10,443
Revenue Shortfall Reserve Fund - Part B	10,184
State Police Retirement System	8,466
Public Employees Insurance Agency	8,411
Board of Risk and Insurance Management	5,566
West Virginia Prepaid Tuition Trust Fund	4,666
Emergency Medical Services Retirement System	3,755
Wildlife Endowment Fund	3,719
West Virginia Department of Environmental Protection Agency	1,913
West Virginia Department of Environmental Protection Trust	789
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	594
Workers' Compensation Uninsured Employers' Fund	399
Workers' Compensation Self-Insured Employer Security Risk Pool	281
Municipal Policemen's or Firemen's Pension and Relief Funds	100
Municipal Police Officers' and Firefighters' Retirement System	76
Total	\$ 1,076,383

Non-Large Cap Domestic Equity Pool

Notes to Financial Statements *(Amounts in thousands, except share data)*

NOTE 9. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

International Qualified Pool

International Qualified Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board International Qualified Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board International Qualified Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

International Qualified Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investment at fair value (cost \$385,316) \$ 1,303,151

Liabilities

Accrued expenses 58

Net assets \$ 1,303,093

Analysis of net assets

Paid-in capital \$ 395,501
Accumulated undistributed net investment loss (43,644)
Accumulated undistributed net realized gain from investments 33,401
Unrealized net appreciation of investment 917,835

Net assets \$ 1,303,093

Unit data

Units outstanding 20,954,735
Net asset value, unit price \$ 62.19

See accompanying notes to financial statements.

International Qualified Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<u>Investment in Other Fund</u>			
Silchester International Investors International Value Equity Group Trust - 100.0%	12,210,789	\$ 385,316	\$ 1,303,151
Investment Objective - To achieve desired exposure to publicly traded equity securities of companies ordinarily incorporated in countries other than the United States.			
Redemption Provisions - Monthly on the first business day.			
No underlying investments exceed 5% of net assets of the International Qualified Pool.			

The Silchester International Investors International Value Equity Group Trust had investments in the following countries at June 30, 2014.

	Percent of Market Value
Japan	27.1 %
Great Britain	19.0
Switzerland	11.6
France	9.6
South Korea	5.4
Hong Kong	5.0
Netherlands	4.8
Singapore	3.2
Belgium	2.2
Greece	1.4
China	1.3
Finland	1.3
Thailand	1.2
Italy	1.1
Taiwan	1.0
Sweden	0.9
Denmark	0.8
Norway	0.8
Portugal	0.6
Germany	0.5
Spain	0.4
Austria	0.4
Mexico	0.2
Malaysia	0.2
Total	100.0 %

See accompanying notes to financial statements.

International Qualified Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income	\$	-
Expenses		
Investment advisor fees		(6,211)
Trustee fees		(4)
Management fees		(333)
Fiduciary bond fees		(2)
Professional service fees		<u>(66)</u>
	Total expenses	<u>(6,616)</u>
	Investment loss, net	(6,616)
Realized and unrealized gain from investment		
Net realized gain from investment		4,227
Net change in unrealized appreciation (depreciation) on investment		<u>268,382</u>
	Net gain from investments	<u>272,609</u>
	Net increase in net assets from operations	<u>\$ 265,993</u>

See accompanying notes to financial statements.

International Qualified Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment loss, net	\$ (6,616)
Net realized gain from investment	4,227
Net change in unrealized appreciation (depreciation) on investment	<u>268,382</u>

Net increase in net assets from operations 265,993

Unit transactions

Proceeds from sale of units	759
Amount paid for repurchase of units	<u>(345)</u>

Net increase in net assets from unit transactions 414

Increase in net assets 266,407

Net assets, beginning of year 1,036,686

Net assets, end of year \$ 1,303,093

Unit data

Units sold	13,311
Units repurchased	<u>(5,975)</u>

Net increase in units 7,336

See accompanying notes to financial statements.

International Qualified Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

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 in accordance with the IMB's established procedures.

International Qualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool invests in a collective trust fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2014, was \$1,303,151. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

International Qualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in other fund	\$ -	\$ 1,303,151	\$ -	\$ 1,303,151

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. INVESTMENT ADVISORY FEES

The IMB has approved an investment advisory agreement with Silchester to manage the investments of the Pool. The Pool pays these advisory fees, based on end of month assets under management, by redeeming shares from the commingled fund managed by Silchester.

The fees paid to Silchester are based on a descending scale of fee rates ranging from 1.0 percent annually on the first \$10 million of assets under management to 0.55 percent annually on assets between \$50 million and \$75 million. For assets greater than \$75 million the fee rate is 0.50 percent. The effective fee rate earned by Silchester for the year ended June 30, 2014, was 0.51 percent.

International Qualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 49.49
Income from investment operations:	
Net investment loss	(0.32)
Net realized and unrealized gain on investment transactions	13.02
Total from investment operations	12.70
Net asset value at June 30, 2014	\$ 62.19
Total Return (b)	25.6%
Supplemental Data:	
Net assets, end of period	\$ 1,303,093
Ratio to average net assets (c):	
Expenses	0.55%
Net investment loss	-0.55%
Portfolio turnover rate	0.00%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee fund.

NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 640,632
Public Employees' Retirement System	556,196
State Police Death, Disability and Retirement Fund	58,706
Judges' Retirement System	16,213
Deputy Sheriff's Retirement System	15,281
State Police Retirement System	10,985
Emergency Medical Services Retirement System	4,850
Municipal Policemen's or Firemen's Pension and Relief Funds	130
Municipal Police Officers' and Firefighters' Retirement System	100
Total	\$ 1,303,093

NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

International Nonqualified Pool

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International Nonqualified Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board International Nonqualified Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board International Nonqualified Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

International Nonqualified Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investment at fair value (cost \$75,112)	\$	153,093
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Liabilities

Accrued expenses		<u>7</u>
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Net assets	\$	<u>153,086</u>
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Analysis of net assets

Paid-in capital	\$	52,271
Accumulated undistributed net investment loss		(5,796)
Accumulated undistributed net realized gain from investments		28,630
Unrealized net appreciation of investment		<u>77,981</u>

Net assets	\$	<u>153,086</u>
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Unit data

Units outstanding		2,666,167
Net asset value, unit price	\$	<u>57.42</u>

See accompanying notes to financial statements.

International Nonqualified Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<u>Investment in Other Fund</u>			
Silchester International Investors International Value Equity Trust - 100.0%	1,368,238	\$ 75,112	\$ 153,093
Investment Objective - To achieve desired exposure to publicly traded equity securities of companies ordinarily incorporated in countries other than the United States.			
Redemption Provisions - Monthly on the first business day.			
No underlying investments exceed 5% of net assets of the International Nonqualified Pool.			

The Silchester International Investors International Value Equity Trust had investments in the following countries at June 30, 2014.

	Percent of Market Value
Japan	27.2 %
Great Britain	19.0
Switzerland	11.6
France	9.6
South Korea	5.4
Hong Kong	5.0
Netherlands	4.8
Singapore	3.2
Belgium	2.2
Greece	1.3
China	1.3
Finland	1.3
Thailand	1.2
Italy	1.1
Taiwan	1.0
Sweden	0.9
Norway	0.8
Denmark	0.8
Portugal	0.6
Germany	0.5
Spain	0.4
Austria	0.4
Mexico	0.3
Malaysia	0.1
Total	100.0 %

See accompanying notes to financial statements.

International Nonqualified Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income	\$	-
Expenses		
Investment advisor fees		(873)
Management fees		(39)
Professional service fees		<u>(8)</u>
	Total expenses	<u>(920)</u>
	Investment loss, net	(920)
Realized and unrealized gain from investment		
Net realized gain from investment		409
Net change in unrealized appreciation (depreciation) on investment		<u>31,457</u>
	Net gain from investments	<u>31,866</u>
	Net increase in net assets from operations	<u><u>\$ 30,946</u></u>

See accompanying notes to financial statements.

International Nonqualified Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment loss, net	\$	(920)
Net realized gain from investment		409
Net change in unrealized appreciation (depreciation) on investment		<u>31,457</u>

Net increase in net assets from operations 30,946

Unit transactions

Proceeds from sale of units		13,153
Amount paid for repurchase of units		<u>(13,104)</u>

Net increase in net assets from unit transactions 49

Increase in net assets 30,995

Net assets, beginning of year 122,091

Net assets, end of year \$ 153,086

Unit data

Units sold		251,200
Units repurchased		<u>(250,266)</u>

Net increase in units 934

See accompanying notes to financial statements.

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool invests in The Silchester International Investors International Value Equity Trust (Silchester). The Pool's objective is to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East Index by 200 basis points on an annualized basis over three- to five-year periods, net of external investment management fees. The Pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

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 in accordance with the IMB's established procedures.

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool invests in a collective trust fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2014, was \$153,093. This investment, although denominated in U.S. dollars, is exposed to foreign currency risk through the underlying investments. The Pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

<u>Assets</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investment in other fund	\$ -	\$ 153,093	\$ -	\$ 153,093

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. INVESTMENT ADVISORY FEES

The IMB has approved an investment advisory agreement with Silchester to manage the investments of the Pool. The Pool pays these advisory fees, based on end of month assets under management, by redeeming shares from the commingled fund managed by Silchester.

The fees paid to Silchester are based on a descending scale of fee rates ranging from 1.0 percent annually on the first \$10 million of assets under management to 0.55 percent annually on assets between \$50 million and \$75 million. For assets greater than \$75 million the fee rate is 0.50 percent. The effective fee rate earned by Silchester for the year ended June 30, 2014 was 0.61 percent.

International Nonqualified Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 45.81
Income from investment operations:	
Net investment loss	(0.35)
Net realized and unrealized gain on investment transactions	11.96
Total from investment operations	11.61
Net asset value at June 30, 2014	\$ 57.42
Total Return (b)	25.3%
Supplemental Data:	
Net assets, end of period	\$ 153,086
Ratio to average net assets (c):	
Expenses	0.65%
Net investment loss	-0.65%
Portfolio turnover rate	0.00%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee fund.

NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	\$ 53,117
Workers' Compensation Old Fund	46,151
Revenue Shortfall Reserve Fund - Part B	13,054
Coal Workers' Pneumoconiosis Fund	10,966
Public Employees Insurance Agency	10,742
Board of Risk and Insurance Management	5,303
Wildlife Endowment Fund	4,765
West Virginia Prepaid Tuition Trust Fund	4,117
West Virginia Department of Environmental Protection Agency	2,375
West Virginia Department of Environmental Protection Trust	809
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	791
Workers' Compensation Uninsured Employers' Fund	537
Workers' Compensation Self-Insured Employer Security Risk Pool	359
Total	\$ 153,086

NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

International Equity Pool

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International Equity Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board International Equity Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board International Equity Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

International Equity Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$2,534,239), including securities on loan of \$91,143 (Note 5)	\$ 2,846,080
Cash denominated in foreign currencies (cost \$13,833)	13,919
Receivables:	
Investments sold	5,119
Dividends	7,283
Reclaimable foreign taxes withheld	3,272
Securities lending income	110
Unrealized appreciation on foreign currency contracts (Note 6)	<u>4</u>
Total assets	2,875,787

Liabilities

Cash overdraft	24
Accrued expenses	4,299
Accrued capital gains taxes	852
Payable for investments purchased	11,907
Payable upon return of securities loaned (Note 5)	94,256
Unrealized depreciation on foreign currency contracts (Note 6)	<u>26</u>
Total liabilities	<u>111,364</u>
Net assets	<u><u>\$ 2,764,423</u></u>

Analysis of net assets

Paid-in capital	\$ 1,301,667
Accumulated undistributed net investment income	440,934
Accumulated undistributed net realized gain from investments	649,460
Accumulated undistributed net realized gain from foreign currency transactions	61,318
Unrealized net appreciation of investments	326,452
Unrealized net depreciation on translation of assets and liabilities in foreign currencies	<u>(15,408)</u>
Net assets	<u><u>\$ 2,764,423</u></u>

Unit data

Units outstanding	99,166,932
Net asset value, unit price	<u><u>\$ 27.88</u></u>

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Common Stock			
<i>Argentina</i>			
Nortel Inversora SA - ADR 0.1%	101,540	\$ 2,095	\$ 2,588
<i>Australia</i>			
Adelaide Brighton Ltd	55,277	200	180
ALS Ltd	194,605	2,028	1,627
APN News & Media Ltd	93,055	58	68
Arrium Ltd	2,545,600	6,194	1,910
Atlas Iron Ltd	1,124,405	1,111	669
Ausdrill Ltd	615,106	1,674	496
Australian Pharmaceutical Ind	221,234	128	123
Australian Worldwide Explora	50,751	72	86
BC Iron Ltd	192,495	873	581
Boart Longyear Group	934,400	2,866	163
BT Investment Management Ltd	13,731	85	84
Cabcharge Australia Ltd	11,816	45	45
Carsales.com	263,658	2,322	2,635
Challenger Ltd	1,793,860	7,686	12,597
CSR Ltd	182,699	586	602
Downer EDI Ltd	1,203,418	4,599	5,134
GBST Holdings Ltd	80,764	213	240
Hills Holdings Ltd	69,719	113	114
Leighton Holdings Ltd	56,188	958	1,046
Lend Lease Corporation Ltd	784,900	7,433	9,712
Maca Ltd	19,159	47	34
Macquarie Group Ltd	133,264	2,600	7,500
Metcash Ltd	1,384,300	5,153	3,449
Mincor Resources NL	46,446	41	36
Mineral Resources Ltd	610,995	5,830	5,530
Mount Gibson Iron Ltd	1,466,056	1,313	955
National Australia Bank Ltd	256,400	6,832	7,933
NRW Holdings Ltd	103,531	91	90
Ozforex Group Ltd	209,070	546	521
Primary Health Care Ltd	951,300	4,381	4,076
Resolute Mining Ltd	342,005	206	199
Ridley Corporation Ltd	44,972	37	34
Rio Tinto Ltd	173,344	9,402	9,704
SAI Global Ltd	240,372	1,080	1,159
Seven Group Holdings Ltd	382,287	2,699	2,674
Southern Cross Media Group	1,404,000	2,857	1,418
Super Cheap Auto Group Ltd	224,628	1,926	1,794
Tassal Group Ltd	195,142	680	711
TFS Corporation Ltd	121,834	109	190
Tiger Resources Ltd	254,846	86	77
Titan Energy Services Ltd	117,285	312	224
Virtus Health Pty Ltd	273,786	1,637	2,109
Watpac Ltd	59,913	54	46
Western Areas NL	45,312	187	198
<i>Total Australia - 3.2%</i>		87,350	88,773
<i>Austria</i>			
C.A.T. Oil AG	12,792	342	329
CA Immobilien Anlagen AG	23,484	408	445
Erste Group Bank AG	460,167	14,432	14,882
EVN AG	2,885	44	42
Flughafen Wien AG	1,739	135	162
OMV AG	238,000	9,096	10,753
Porr AG	616	43	46
Raiffeisen Bank International	94,334	3,314	3,011
S Immo AG	5,368	36	44
Semperit AG	2,120	105	130
Voestalpine AG	168,100	6,089	7,999
Wienerberger AG	5,320	89	89

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Zumtobel AG	13,184	218	308
<i>Total Austria - 1.4%</i>		34,351	38,240
<i>Belgium</i>			
Agfa Gevaert NV	19,867	56	58
Banque Nationale de Belgique	17	66	82
Barco NV	35,900	2,343	2,858
Bekaert NV	8,839	367	330
bpost SA	70,668	1,776	1,785
CFE	3,237	267	335
Deceuninck NV	48,716	142	133
Delhaize Le Lion SA	135,800	8,171	9,187
Exmar NV	21,560	323	350
Melexis NV	6,559	232	291
Resilux	642	85	91
Sioen Industries NV	3,057	35	44
<i>Total Belgium - 0.6%</i>		13,863	15,544
<i>Bermuda</i>			
Archer Ltd	81,577	150	146
BW Offshore Ltd	535,405	760	785
China Yuchai International Ltd	169,330	2,896	3,593
Clear Media Ltd	46,000	37	44
Cosan Ltd	479,900	7,525	6,507
Credicorp Ltd	34,100	4,166	5,302
Dickson Concepts Ltd	1,628,500	1,191	992
Emperor International Holdings	362,000	106	82
First Pacific Company Ltd	14,492,314	8,578	16,193
Fly Leasing Ltd - ADR	16,210	240	235
Haier Electronics Group	1,106,000	2,658	2,890
Jinhui Shipping & Transport	9,360	43	28
Labixiaoxin Snacks Group Ltd	5,070,000	3,284	1,302
Le Saunda Holdings Ltd	80,000	37	40
Nine Dragons Paper Holdings	4,057,000	3,341	2,759
Playmates Holdings Ltd	130,000	182	164
Skyworth Digital Holdings Ltd	10,242,000	5,147	4,890
Valuetronics Holdings Ltd	126,000	44	40
Varitronix International Ltd	783,000	784	738
Vostok Nafta Investment	17,305	137	137
Wang On Group	9,180,000	179	274
Yue Yuen Industrial Holdings	1,682,000	3,440	5,632
<i>Total Bermuda - 1.9%</i>		44,925	52,773
<i>Brazil</i>			
Ambev SA - ADR	316,700	2,426	2,230
Banco do Brasil SA	862,601	9,697	9,725
Bematech SA	137,000	472	556
Centrais Eletricas Brasileiras - ADR	2,010,000	13,033	5,869
CETIP SA	294,183	3,539	4,198
CIA Paranaense De Energia	198,080	2,402	2,112
Companhia Brasileira de	92,700	4,506	4,295
Companhia de Saneamento	622,800	3,496	6,654
Companhia Paranaense - ADR	302,160	4,690	4,626
Embraer SA - ADR	489,228	12,804	17,823
FII BTG Pactual Corp Office Fd	3,484	190	194
Itau Unibanco Holding SA - ADR	503,580	6,801	7,241
JBS SA	1,228,400	4,185	4,236
Kroton Educacional SA	280,000	2,969	7,871
Light SA	479,900	4,214	4,694
Localiza Rent A Car	152,700	2,446	2,525
Marfrig Frigorificos e Comerci	5,861,685	17,750	15,850
Petroleo Brasileiro SA - ADR	1,489,712	30,869	23,072
Telefonica Brasil - ADR	577,869	8,130	11,852
Tim Participacoes SA - ADR	322,541	6,004	9,363
Vale SA - ADR	143,900	2,808	1,904

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Viver Incorporadora e Construr <i>Total Brazil - 5.3%</i>	3,047,346	4,813 148,244	180 147,070
<i>Canada</i>			
SN Plus Inc	12,300	47	47
Advantage Oil & Gas Ltd	23,600	94	159
Agrium Inc	74,400	5,713	6,828
Altus Group Ltd	22,340	297	481
Bankers Petroleum Ltd	57,600	218	369
Birchcliff Energy Ltd	18,800	156	249
Canadian Imperial Bank	103,400	6,667	9,426
Canadian Tire Corporation Ltd	93,800	6,595	9,015
Canam Group Inc	34,200	395	430
Canfor Pulp Products Inc	34,536	385	409
Cascades Inc	20,000	121	124
Celestica Inc	532,700	3,449	6,712
Centerra Gold Inc	74,700	360	472
Cipher Pharmaceuticals Inc	19,000	133	157
Clearwater Seafoods Inc	16,870	124	138
Cogeco Cable Inc	57,400	2,601	3,184
Cogeco Inc	1,600	72	83
Contrans Group Inc	10,224	134	137
Dominion Diamond Corp	39,425	549	571
Eagle Energy Trust	9,979	74	61
Easyhome Ltd	3,500	46	66
Enercare Inc	4,000	44	46
Enerflex Ltd	2,900	45	55
Enerplus Corp	9,200	201	232
Ensign Energy Services Inc	236,500	3,573	3,679
Entertainment One Ltd	231,300	1,214	1,226
Extencicare Inc	48,300	324	334
Genworth MI Canada Inc	131,100	3,799	4,678
Gluskin Sheff & Associates	13,200	280	395
Great Canadian Gaming Corp	16,200	216	260
High Arctic Energy Services	38,714	175	194
Horizon North Logistics Inc	17,900	122	129
InnVest Real Estate Investment	8,600	40	43
Jean Coutu Group	5,200	90	111
KP Tissue Inc	2,458	41	36
Laurentian Bank of Canada	105,974	3,543	4,961
Linamar Corporation	13,700	492	810
Lucara Diamond Corporation	120,200	179	292
Macro Enterprises Inc	22,400	114	103
Magellan Aerospace Corp	10,700	86	118
Magna International Inc	91,400	4,635	9,856
Mandalay Resources Corp	51,000	36	52
McCoy Corporation	13,700	92	83
Metro Inc	114,700	5,392	7,104
National Bank of Canada	183,600	4,727	7,801
New Flyer Industries Inc	4,100	41	47
North American Energy Partners	19,864	116	160
Parex Resources Inc	80,124	494	944
Petroamerica Oil Corp	691,797	210	237
Precision Drilling Corporation	293,900	3,060	4,169
Rocky Mountain Dealerships	7,600	85	79
Rogers Communications Inc	88,000	3,393	3,548
Savanna Energy Services Corp	20,300	149	161
Shaw Communications Inc	332,500	7,903	8,541
Sherritt International Company	304,200	1,815	1,234
Teck Corporation	191,900	6,308	4,389
Torstar Corporation	7,300	40	55
Transcontinental Inc	239,200	3,638	3,366
Trinidad Drilling Ltd	32,600	316	371
Uni-Select Inc	8,600	228	224
Western Energy Services Corp	5,000	44	52

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Western Forest Products Inc	75,000	155	157
Westjet Airlines Ltd	276,800	34	6,809
Yellow Media Ltd	22,138	428	378
Zargon Oil & Gas Ltd	40,111	297	351
<i>Total Canada - 4.2%</i>		86,444	116,988
<i>Cayman Islands</i>			
Baidu Inc - ADR	17,520	2,825	3,273
Bauhaus International Holdings	110,000	39	36
Bosideng International Holding	75,966,200	15,885	11,370
Cecep Costin New Materials	88,000	47	35
Chaoda Modern Agriculture Ltd	19,491,636	12,313	1,852
China Cord Blood Corp	68,817	278	380
China King Highway Holdings	13,244	43	54
China Shanshui Cement Group	3,932,000	2,724	1,385
China ZhengTong Auto Services	2,226,300	1,712	1,247
GCL-Poly Energy Holdings Ltd	8,586,000	2,887	2,869
Ginko International Company	143,000	2,475	2,476
Goodbaby International Holding	2,610,000	1,283	1,286
Hengan International Group	326,000	3,312	3,432
Kingboard Laminates Holding	3,250,500	2,844	1,237
Lifestyle International Hldngs	632,000	1,231	1,238
New Oriental Education & Techn - ADR	79,900	2,065	2,123
PNG Resources Holdings Ltd	4,552,000	69	29
Sands China Ltd	395,200	3,039	2,986
Silicon Motion Technology - ADR	12,428	173	254
Tencent Holdings Ltd	572,000	5,178	8,724
Xinyi Glass Holdings Co Ltd	2,202,000	1,340	1,293
Xinyuan Real Estate Co Ltd - ADR	46,516	319	196
Yestar International Holding	150,000	39	81
Yingde Gases	13,750,500	12,738	14,921
<i>Total Cayman Islands - 2.3%</i>		74,858	62,777
<i>Chile</i>			
Banco Santander Chile - ADR - 0.1%	109,400	2,309	2,894
<i>China</i>			
Bank of China Ltd	17,159,000	5,669	7,682
China Bluechemical Ltd	5,766,000	3,338	3,147
China Construction Bank Corp	8,611,100	6,798	6,511
China Longyuan Power Group	1,611,000	2,069	1,748
China Minsheng Banking Corp	3,942,600	4,111	3,571
China Pet & Chem Cor (Sinopec)	15,522,000	10,409	14,800
China Railway Construction Ltd	5,277,500	5,126	4,644
China South Locomotive	5,982,000	4,422	4,500
Chongqing Machinery & Electric	7,926,000	1,644	1,105
Dongfeng Motor Group Company	8,248,000	11,443	14,771
Great Wall Motor Company Ltd	1,090,500	2,889	4,052
Guangdong Electric Power	272,600	161	158
Harbin Power Equipment Company	3,886,000	4,295	2,357
Luthai Textile Co Ltd	65,400	80	88
Ping An Insurance Co	843,000	6,488	6,526
Shanghai Electric Group Co	13,088,000	5,453	5,269
Shanghai Jin Jiang	298,000	82	79
Shanghai Pharmaceuticals	2,316,500	4,637	4,818
Sichuan Expressway Company Ltd	136,000	41	44
Weiqiao Textile Company Ltd	6,452,208	8,248	3,180
<i>Total China - 3.2%</i>		87,403	89,050
<i>Cyprus</i>			
Globaltrans Investment PLC - GDR	534,110	5,589	6,116
TCS Group Holdings PLC - GDR	540,720	5,893	3,542
<i>Total Cyprus - 0.3%</i>		11,482	9,658

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<i>Czech Republic</i>			
CEZ	162,300	5,652	4,898
Telefonica O2 Czech Republic	659,500	11,381	9,342
<i>Total Czech Republic - 0.5%</i>		<u>17,033</u>	<u>14,240</u>
<i>Denmark</i>			
Alk-Abello A/S	380	36	59
Auriga Industries A/S	4,282	147	219
Bang & Olufsen A/S	7,976	88	100
Bavarian Nordic A/S	11,356	163	259
D/S Norden A/S	54,789	1,949	1,838
DFDS A/S	1,873	145	167
FLSmidth & Co A/S	46,635	2,755	2,605
H Lundbeck A/S	14,290	312	352
Jyske Bank A/S	21,745	1,202	1,234
NKT Holdings A/S	13,874	753	953
Pandora A/S	21,102	1,017	1,618
Per Aarsleff A/S	248	40	49
Rockwool Intl A/S	1,492	236	275
Schouw & Co A/S	2,691	114	132
SimCorp A/S	60,906	945	2,097
<i>Total Denmark - 0.4%</i>		<u>9,902</u>	<u>11,957</u>
<i>Finland</i>			
Cargotec Corporation	51,934	2,216	1,980
Caverion Corporation	9,958	93	105
Cramo Oyj	14,364	305	349
HKScan Oyj	29,314	156	159
Lassila & Tikanoja Oyj	4,258	86	88
TietoEnator Oyj	171,000	4,238	5,060
Tikkurila Oyj	2,748	71	75
Valmet Corporation	278,970	3,200	3,338
<i>Total Finland - 0.4%</i>		<u>10,365</u>	<u>11,154</u>
<i>France</i>			
Actia Group	7,717	42	56
Air France-KLM	24,148	294	304
Alstom SA	201,400	6,705	7,342
Alten	6,731	302	320
Altran Technologies SA	257,167	2,156	2,747
Axa	343,200	8,663	8,202
Bigben Interactive	10,054	102	95
BNP Paribas	93,300	6,860	6,329
Bonduelle SCA	1,510	38	44
Canal Plus	11,272	93	96
Chargeurs	45,476	350	339
Credit Agricole Nord de France	3,667	78	84
Credit Agricole SA	510,196	3,980	7,195
Etablissements Maurel et Prom	57,720	962	989
EuropaCorp	7,006	42	39
Gameloft SE	161,546	1,575	1,491
Groupe Crit	2,844	117	171
Groupe FNAC SA	1,002	52	52
Haulotte Group	16,090	286	281
Heurtey Petrochem SA	878	42	44
Ingenico SA	24,011	1,259	2,089
Interparfums SA	6,010	172	221
Ispen SA	8,125	352	367
Jacquet Metal Service	5,409	94	114
Korian-Medica	3,094	-	118
Lagardere SCA	49,963	1,800	1,627
Le Belier	4,797	110	171
Lectra	12,867	125	136
Metropole Television	35,660	806	724
MGI Coutier	2,335	331	467

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Montupet	8,299	356	707
Neopost SA	82,569	6,302	6,184
Norbert Dentressangle	1,642	224	241
Orpea	3,998	214	280
PSB Industries	767	42	50
Renault SA	78,200	6,533	7,070
Sanofi-Synthelabo SA	78,900	5,478	8,381
SCOR SE	152,600	3,648	5,248
Sechilienne SA	1,579	44	40
Soc Ind D'Aviations Latecoere	7,838	146	123
Societe Generale	77,400	4,889	4,054
Societe Television Francaise 1	123,886	2,340	2,029
Sopra Group	1,356	121	148
STEF-TFE	538	36	42
Synergie SA	4,015	75	106
Technicolor	72,528	470	586
Teleperformance	53,938	2,090	3,305
Thales SA	99,500	6,766	6,018
Total SA	232,600	14,724	16,809
Trigano SA	6,472	135	156
Ubisoft Entertainment SA	178,881	2,090	3,294
Valeo SA	92,044	5,033	12,362
Vetoquinol SA	951	49	47
Vivendi Universal	167,000	4,549	4,086
<i>Total France - 4.5%</i>		104,142	123,620
<i>Germany</i>			
Aareal Bank AG	61,205	1,688	2,821
ADVA AG Optical Networking	20,747	110	90
Aixtron AG	168,646	2,359	2,441
Allgeier SE	7,985	179	189
Allianz AG	67,400	9,038	11,231
BASF AG	60,900	2,832	7,090
Baywa-Bayerische Warenvermit	1,645	85	91
Bechtle AG	6,020	406	516
Bertrandt AG	296	45	47
Cenit AG	2,678	40	45
Centrotec Sustainable AG	6,852	173	171
Daimler AG	76,400	7,354	7,155
Deutsche Bank AG	143,100	10,083	5,034
Deutsche Beteiligungs AG	2,243	63	66
Dialog Semiconductor PLC	128,388	2,519	4,452
E.On AG	252,600	7,276	5,215
ELMOS Semiconductor AG	11,364	155	228
FrancoTyp-Postalia Holding AG	6,815	41	44
Freenet AG	297,000	4,672	9,446
Gerresheimer AG	49,694	3,272	3,428
GFT Technologies AG	3,613	43	49
Gildemeister AG	11,470	367	399
Homag Group AG	1,498	37	49
Homborner AG	7,009	75	76
Indus Holdings AG	4,096	155	203
Jenoptik AG	18,040	315	294
Kloeckner & Company AG	6,250	103	94
Krones AG	3,867	338	383
Kuka AG	4,727	222	286
Leoni AG	19,645	1,335	1,563
MorphoSys AG	20,835	962	1,954
Muenchener Rueckversicherungs	45,600	7,822	10,108
MUT Aero Engines Holding AG	27,655	2,111	2,544
Nemetschek AG	844	80	81
Nordex SE	55,178	817	1,226
Pfeiffer Vacuum Technology AG	20,403	1,776	2,250
Rheinmetall AG	24,598	1,496	1,741
Rhoen-Klinikum AG	57,794	1,662	1,909

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
RWE AG	138,800	8,663	5,961
Sixt SE	2,005	71	82
Stada Arzneimittel AG	157,955	7,727	7,523
Stroeer Media AG	5,205	91	115
Suedzucker AG	138,600	3,811	2,799
Surteco SE	2,265	90	93
TUI AG	263,029	3,163	4,430
Volkswagen AG	55,300	7,067	14,295
Vossloh AG	21,778	2,050	1,851
Wacker Neuson SE	6,860	118	161
<i>Total Germany - 4.4%</i>		<u>104,957</u>	<u>122,319</u>
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,132	3
Bank of Greece	1,664	35	32
OPAP SA	218,115	3,429	3,882
Piraeus Bank SA	1,100,380	2,591	2,441
<i>Total Greece - 0.2%</i>		<u>7,187</u>	<u>6,358</u>
<i>Hong Kong</i>			
ALA Group Ltd	1,082,400	4,792	5,440
Beijing Enterprises Holdings	664,000	4,150	6,284
Bonjour Holdings Ltd	970,200	197	151
Champion Real Estate Inv Trust	167,000	71	78
Champion Technology Holdings	1,852,000	37	41
Cheung Kong Holdings Ltd	361,000	4,559	6,405
China Mobile (Hong Kong) Ltd	1,852,500	17,561	17,974
CNOOC Ltd	1,320,000	2,674	2,371
Dah Sing Financial Group	28,000	173	148
Econtext Asia Ltd	73,000	54	28
Emperor Watch & Jewellery Ltd	27,870,000	2,662	1,870
Fushan Intl Energy Group Ltd	5,912,000	1,964	1,213
Global Bio-Chem Technology	1,824,000	429	79
Jingwei Textile Machinery	68,000	45	60
Liu Chong Hing Investment Ltd	90,000	165	107
Luk Fook Holdings	3,346,000	10,621	9,800
S&C Engine Group Ltd	15,819	42	50
Shenzhen Expressway Company	186,000	81	99
Techtronic Industries Co Ltd	609,500	1,584	1,954
<i>Total Hong Kong - 2.0%</i>		<u>51,861</u>	<u>54,152</u>
<i>Hungary</i>			
Magyar Telekom	3,864,270	15,829	5,863
Richter Gedeon Nyrt	465,350	8,011	8,934
<i>Total Hungary - 0.5%</i>		<u>23,840</u>	<u>14,797</u>
<i>India</i>			
Grasim Industries Ltd - GDR	19,100	1,033	1,092
HDFC Bank Ltd - ADR	139,800	4,691	6,545
ICICI Bank Ltd	179,454	3,394	4,231
ICICI Bank Ltd - ADR	38,100	1,545	1,901
Indiabulls Housing Finance Ltd	954,400	3,479	6,031
Indian Oil Corporation Ltd	1,595,398	7,313	9,141
ITC Ltd	675,438	3,231	3,650
Maruti Suzuki India Ltd	87,445	2,288	3,547
McLeod Russel India Ltd	346,493	2,094	1,829
Reliance Infrastructure Ltd	1,176,595	10,633	15,132
Rural Electrification Corp	1,522,000	5,776	9,092
Tata Chemicals Ltd	2,074,788	10,521	11,862
Tata Motors Ltd - ADR	182,100	4,852	7,113
Ultra Tech Cement Ltd	63,076	2,209	2,718
United Phosphorus Ltd	3,293,157	7,842	18,696
Zee Entertainment Enterprises	820,878	3,384	4,005
<i>Total India - 3.9%</i>		<u>74,285</u>	<u>106,585</u>

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<i>Indonesia</i>			
Bank Rakyat Indonesia	5,306,900	3,819	4,622
Energi Mega Persada Tbk	18,920,300	147	150
Indofood Sukses Mak Tbk	4,723,600	2,690	2,670
Jakarta Int'l Hotels & Dev	15,706	2	2
Lippo Cikarang PT	196,000	83	115
PT XL Axiata Tbk	11,421,870	4,580	4,914
<i>Total Indonesia - 0.5%</i>		11,321	12,473
<i>Ireland</i>			
Circle Oil PLC	264,020	92	100
Greencore Group PLC	479,541	1,786	2,178
ICON PLC	7,563	307	356
Irish Life & Permanent Group	398,100	6,377	42
Smurfit Kappa Group PLC	68,799	1,174	1,574
<i>Total Ireland - 0.2%</i>		9,736	4,250
<i>Israel</i>			
Airport Cith Ltd	4,930	43	49
Discount Investment Corp	26,790	205	214
Elco Holdings	3,239	37	36
Enzymotec Ltd	3,147	84	43
Internet Gold Golden Lines	537	6	6
Israel Discount Bank	2,058,700	4,390	3,492
Lumenis Ltd	11,512	130	112
Orbotech Ltd	40,724	552	618
Teva Pharmaceutical Ltd	171,700	6,922	9,084
<i>Total Israel - 0.5%</i>		12,369	13,654
<i>Italy</i>			
A2A SpA	526,298	590	607
ACEA SpA	15,134	157	222
Amplifon SpA	17,651	94	111
Ascopiave SpA	226,679	583	621
Astaldi SpA	19,448	193	221
Autostrada Torino-Midland SpA	5,468	92	87
Banca Ifis SpA	18,281	280	340
Banco Popolare Societa Coop	106,508	2,512	1,754
Biesse SpA	13,493	108	163
Brembo SpA	17,994	562	657
Carraro SpA	20,302	79	69
Cementerie del Tirreno	67,193	386	503
CIR SpA	70,430	116	106
Cofide-Compagnia Finanziaria	96,920	76	69
Credito Emiliano SpA	254,244	1,967	2,273
Delclima	51,646	81	105
Elica SpA	66,261	170	147
Emak SpA	133,973	166	164
Enel SpA	1,614,200	7,873	9,402
Engineering Ingegneria Info	2,727	155	168
ENI SpA	424,300	11,514	11,607
ERG SpA	32,864	447	507
Esprinet SpA	42,097	446	437
Eurotech SpA	12,764	43	36
FNM SpA	154,227	77	125
Immobiliare Grande Distribuzio	26,702	46	47
Impregilo SpA	103,374	670	508
Iren SpA	100,744	152	156
Italcementi SpA	28,225	327	267
Italmobiliare SpA	10,528	404	405
La Doria SpA	41,219	268	341
Mediaset SpA	117,143	591	571
Recordati SpA	12,749	172	214
Reno de Medici SpA	191,414	79	77
Reply SpA	2,213	146	171

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Safilo Group SpA	112,608	2,089	2,458
Saras SpA	46,782	81	64
Servizi Italia SpA	30,852	180	198
Sesa SpA	3,600	59	63
Sogefi SpA	71,075	401	386
Unipol Gruppo Finanziario SpA	8,965	48	51
Vittoria Assicurazioni SpA	8,735	125	116
<i>Total Italy - 1.3%</i>		<u>34,605</u>	<u>36,594</u>
<i>Japan</i>			
77 Bank Ltd	539,000	2,489	2,841
Achille Corporation	23,000	37	34
Aeon Fantasy Co Ltd	2,600	39	33
Ahresty Corporation	19,300	156	167
Aichi Toyota Motor Company Ltd	2,000	35	39
Ain Pharmaciez Inc	96,600	4,504	4,658
Airport Facilities Co Ltd	7,500	64	52
Aizawa Securities Company Ltd	10,900	78	61
Alpine Electronics Inc	22,500	299	317
Amiyai Tei Co Ltd	2,100	75	66
Amuse Inc	2,500	47	50
Anabuki Kosan Inc	37,000	116	124
Arakawa Chemical Industries	22,700	208	300
ARC Land Sakamoto Co Ltd	16,100	290	342
AS One Corporation	1,900	42	59
Asahi Kasei Corp	1,215,000	7,239	9,295
Asahi Net Inc	37,300	181	191
Aska Pharmaceutical Company	69,300	575	817
Autobacs Seven Company Ltd	5,700	91	96
Bando Chemical Industries Ltd	47,000	188	193
BML Inc	5,600	194	217
Bookoff Corp	5,400	36	44
Brother Industries Ltd	266,300	3,655	4,613
Bunka Shutter Co Ltd	41,000	243	356
CAC Corp	29,500	263	338
Canon Marketing Japan Inc	4,600	66	86
Central Glass Company Ltd	63,000	215	232
Century Leasing System Inc	158,600	2,018	5,354
Chimney Co Ltd	18,900	227	403
Chiyoda Integre Company	16,000	288	245
Chudenko Corporation	5,800	94	91
Chuetsu Pulp & Paper Company	130,000	245	246
Chugoku Marine Paints Ltd	8,000	50	58
CKD Corporation	34,000	360	328
Cleanup Corp	5,000	42	45
Coca-Cola West Company	39,199	801	676
Cocokara Fine Holdings Inc	80,100	2,067	2,435
Corona Corporation	13,600	148	153
Cosmos Initia Co Ltd	5,800	37	31
CTI Engineering Company Ltd	15,400	150	171
CyberAgent Inc	62,770	1,566	2,540
Daiichi Jitsugyo Company Ltd	32,000	146	151
Daiichi Kigenso Kagaku-Kyogyo	3,300	82	91
Dainichiseika Color & Chem	36,000	153	171
Dainippon Screen Mfg Co Ltd	255,000	1,213	1,191
Daiseki Company Ltd	79,660	1,373	1,427
Daito Bank Ltd	196,000	203	238
Daito Pharmaceutical Co Ltd	14,500	208	259
Daiwabo Company Ltd	435,000	829	846
DC Co Ltd	7,000	51	36
Denyo Company Ltd	3,800	45	59
Disco Corp	22,300	1,221	1,497
Don Quijote Co Ltd	34,300	1,447	1,913
Doutor Nichires Holdings Co	48,500	824	859
Dowa Holdings Co Ltd	74,000	683	698

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
DyDo Drinco Inc	2,900	114	133
Dynam Japan Holdings Co Ltd	177,600	380	530
Edion Corporation	95,400	646	662
Eidai Co Ltd	42,000	224	202
Eiken Chemical Company Ltd	10,200	190	177
Eizo Nannao Corporation	51,700	1,645	1,373
Elematec Corporation	5,300	83	100
ESPEC Corp	10,500	85	92
Fuji Soft ABC Incorporated	2,000	41	44
Fujikura Kasei Company Ltd	35,700	191	186
Fujitsu Frontech Ltd	18,500	197	225
Fukoku Company Ltd	13,700	128	134
Fukuda Corporation	24,000	110	132
Fukuda Denshi Company Ltd	2,000	112	116
Fukushima Industries Corp	5,800	87	93
Furusato Industries Ltd	9,800	119	123
Fuso Pharmaceutical Industries	51,000	166	164
GEO Corporation	180,000	1,846	1,567
Glory Ltd	91,700	2,329	2,987
Goldcrest Company Ltd	82,600	2,079	1,814
Gunze Ltd	31,000	83	89
Hamakyorex Co Ltd	1,500	43	45
Hankyu REIT Inc	26	141	142
Happinet Corporation	6,400	53	106
Hard Off Corporation Co Ltd	9,600	76	83
Hazama Ando Corp	291,100	1,020	1,756
Heiwa Corporation	185,200	3,125	4,111
Higashi-Nippon Bank Ltd	17,000	37	43
Hirano Tecseed Co	21,000	227	209
Hitachi Capital Corporation	122,000	2,770	3,413
Hitachi Zosen Fukui Corp	6,500	84	86
Hokuetsu Industries Co Ltd	25,000	127	144
H-One Company Ltd	4,300	40	35
Hoshizaki Electric Company Ltd	50,496	981	2,517
IKK Inc	5,500	42	45
Inaba Seisakusho Co Ltd	3,400	38	50
Inabata & Company Ltd	5,200	54	49
I-Net Corp	5,000	36	42
Infocom Corporation	17,000	151	156
IT Holdings Corporation	37,000	554	636
Itochu Corp	425,300	3,006	5,462
Itochu Enex Company Ltd	8,000	57	57
Itochu Techno-Science Corp	49,800	1,979	2,165
Itoki Corp	84,800	488	654
Iwai Cosmo Holdings Inc	27,800	350	322
Iwasaki Electric Company Ltd	23,000	55	54
Japan Aviation Electronics Ind	18,000	320	387
Japan Digital Laboratory Co	4,600	56	81
Japan Hotel REIT Investment	3,051	1,236	1,605
Japan Petroleum Exploration Co	43,200	1,650	1,802
Japan Vilene Company Ltd	12,000	70	68
JBCC Holdings Inc	8,000	63	64
JK Holdings Co Ltd	7,400	40	40
J-Oil Mills Inc	72,000	208	234
JSR Corporation	117,986	2,106	2,024
JTEKT Corporation	177,400	1,739	2,989
JVC Kenwood Holdings	136,900	308	288
JX Holdings Inc	778,200	4,990	4,164
Kaga Electronics Company	57,400	683	695
Kaken Pharmaceutical Co Ltd	221,900	3,406	4,696
Kanamoto Co Ltd	76,100	2,034	3,031
Kandenko Co Ltd	47,000	292	273
Kanematsu Corporation	170,000	262	305
Kato Sangyo Company Ltd	14,000	266	315
Kato Works Co Ltd	15,000	97	107

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Kawasaki Kisen Kaisha Ltd	239,000	547	500
KDDI Corporation	172,900	4,617	10,546
Keihanshin Real Estate Company	12,600	69	68
Keihin Corporation	224,300	2,368	3,565
Kinki Nippon Tourist Co Ltd	174,000	302	333
Kissei Pharmaceutical Co Ltd	28,700	664	687
Kitano Construction Corp	32,000	75	81
Komatsu Wall Industry Co Ltd	5,500	128	146
Konishi Company Ltd	5,600	104	119
Konoike Transport Co Ltd	26,800	440	497
KRS Corporation	8,200	82	85
Ku Holdings Company Ltd	10,800	72	69
Kura Corporation	12,600	263	341
Kuroda Electric Co Ltd	36,100	564	557
Kyodo Printing Co Ltd	56,000	152	189
Kyokuyo Co Ltd	33,000	89	85
Kyorin Co Ltd	24,800	523	510
Kyowa Exeo Corporation	239,500	2,147	3,409
Kyowa Leather Cloth Co Ltd	29,200	132	141
Kyudenko Corporation	71,000	499	691
LAC Co Ltd	5,500	33	32
Leopalace21 Corporation	296,400	1,723	1,527
Macnica Inc	1,800	48	60
Maeda Road Construction Co Ltd	19,000	324	329
Marubeni Corporation	544,000	2,695	3,979
Marubun Corporation	22,800	125	141
Marusan Securities Co Ltd	13,500	108	108
Matsumotokiyoshi Holdings Co	172,700	3,687	5,975
Matsuya Foods Company Ltd	4,600	85	86
Mediceo Paltac Holdings Co	24,600	323	349
MegaChips Corp	58,300	808	808
Megmilk Snow Brand Co Ltd	145,800	2,664	1,894
Melco Holdings Inc	11,600	211	236
MID REIT Inc	19	43	44
Mikuni Corporation	20,000	74	80
Miraca Holdings Inc	92,500	2,991	4,483
Mitani Corporation	8,800	185	208
Mito Securities Company Ltd	26,000	124	100
Mitsubishi Research Institute	2,000	39	46
Mitsubishi Tokyo Finl Grp Inc	1,324,600	6,530	8,120
Mitsuboshi Belting Co Ltd	27,000	152	166
Mitsui & Company Ltd	375,200	6,277	6,015
Mitsui Engineering & Shipbuild	50,000	95	112
Mitsui Home Company Ltd	7,000	34	33
Mitsui Mining Company Ltd	117,400	146	136
Mitsui Sugar Co Ltd	62,000	224	234
Mitsuuroko Company Ltd	7,600	39	46
Mizuho Financial Grp Inc	4,906,800	10,435	10,075
Mochida Pharmaceutical Company	6,900	441	495
Morinaga Milk Industry Company	172,000	518	620
MTI Ltd	29,600	222	251
Musashi Seimitsu Industry Co	62,900	1,504	1,578
Nabtesco Corp	117,900	2,496	2,607
NAFCO Company Ltd	2,500	36	41
New Japan Radio Co Ltd	14,000	57	59
Nichiha Corp	22,900	304	258
Nichirei Corporation	693,500	3,209	3,327
Nichireki Co Ltd	7,000	74	76
Nihon Eslead Corp	34,800	372	352
Nihon Tokushu Toryo Co Ltd	13,100	77	74
Nihon Unisys Ltd	26,400	210	227
Nipon Piston Ring Co Ltd	21,000	39	39
Nippon Flour Mills Company Ltd	109,000	524	580
Nippon Hume Corp	36,000	321	243
Nippon Pillar Packing Co Ltd	5,900	43	48

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Nippon Prologis REIT Inc	709	1,032	1,653
Nippon Road Company Ltd	14,000	70	79
Nippon Seisen Co Ltd	21,000	94	98
Nippon Signal Co Ltd	66,000	534	610
Nippon Suisan Kaisha Ltd	160,200	465	495
Nippon Telegraph & Telephone	212,800	9,540	13,272
Nippon Television Network	272,000	4,496	4,715
Nishio Rent All Company Ltd	9,500	246	404
Nissan Tokyo Sales Holdings	70,000	309	214
Nittetsu Mining Company	8,000	38	34
Nitto Kogyo Corporation	21,800	370	480
Nittoc Construction Co Ltd	37,100	147	138
Nojima Corporation	58,400	442	398
Nomura Real Estate Holdings	90,400	2,151	1,711
North Pacific Bank Ltd	705,600	3,211	3,044
Novarese Inc	13,300	128	125
NTT DoCoMo	440,000	6,738	7,523
Ohashi Technica Inc	19,500	183	193
Oita Bank Ltd	29,000	106	105
Okasan Holdings Inc	9,000	73	75
Okinawa Electric Power Company	5,800	193	207
Onoken Company Ltd	17,000	224	192
Otsuka Holdings Co Ltd	275,700	8,339	8,545
Pack Corporation	2,100	39	42
Paltac Corp	27,800	364	391
Panasonic Informations Systems	8,500	254	244
Pasona Group Inc	22,600	169	140
PIA Corporation	100	2	2
Pioneer Corporation	51,100	107	112
Plenus Co Ltd	40,600	911	935
Pocket Card Company Ltd	6,100	42	51
Pola Orbis Holdings Inc	66,300	1,860	2,677
Prima Meat Packers Ltd	31,000	58	79
Resona Holdings Inc	2,087,200	10,811	12,156
Rheon Automatic Machinery	18,000	98	81
Riken Keiki Co Ltd	9,300	75	98
Riso Kagaku Corporation	1,700	38	48
Rohto Pharmaceutical Company	20,000	284	311
Round One Corp	24,900	206	159
Ryoden Trading Co Ltd	8,000	58	60
Ryosan Company Ltd	25,800	519	538
Saint Marc Holdings Co Ltd	2,100	107	113
Sakai Chemical Industry Co	11,000	37	35
Sakai Moving Service Co Ltd	5,200	167	175
San-Ai Oil Co Ltd	32,000	166	241
Sanko Metal Industries Co	13,000	36	30
Sankyo Tateyama Inc	11,400	226	230
Sanshin Electronics Co Ltd	15,300	99	124
Sanyo Denki Co Ltd	9,000	58	64
Sanyo Shokai Ltd	49,000	135	111
Sapporo Holdings Ltd	111,341	427	448
Satori Electric Company Ltd	6,400	41	45
Seika Corporation	50,000	120	134
Seikagaku Corporation	10,700	137	132
Seiko Epson Corporation	42,600	902	1,812
Seino Holdings Corporation Ltd	330,000	1,730	3,746
Sekisui Plastics Co Ltd	27,000	73	76
Senshu Electric Co Ltd	3,100	37	47
Senshukai Company Ltd	22,800	196	197
Shikibo Ltd	67,000	89	78
Shinagawa Refractories Company	35,000	77	79
Shindengen Electric Manufact	69,000	350	386
Shinko Electric Industries	69,700	601	634
ShinMaywa Industries Ltd	19,000	144	168
Shinsho Corporation	17,000	38	41

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Shizuoka Gas Company Ltd	27,400	161	188
Showa Sangyo Co Ltd	33,000	108	120
SKY Perfect JSAT Corp	603,800	3,143	3,540
Sogo Medical Co Ltd	2,000	76	90
Sojitz Corp	63,600	121	112
SRA Holdings Inc	12,500	154	193
Starts Corporation Inc	8,100	110	129
Studio Alice Co Ltd	4,200	58	61
Sumitomo Corporation	697,400	9,388	9,418
Sumitomo Forestry Company Ltd	6,800	80	83
Sumitomo Metal Mining Co Ltd	326,900	4,216	5,308
Sumitomo Mitsui Financial Grp	236,600	7,417	9,912
Sumitomo Osaka Coment Co Ltd	145,000	587	551
Suncall Corporation	12,000	77	81
Sundrug Co Ltd	54,800	2,024	2,440
Sun-Wa Technos Corp	9,300	80	90
Suzuken Company Ltd	3,300	114	123
Systema Corp	24,700	180	183
T. Rad Company	18,000	55	49
Taihei Dengyo Kaisha Ltd	15,000	103	111
Taiko Pharmaceutical Co	25,200	488	385
Takaoka Toko Holdings Co Ltd	10,500	201	153
Takara Leben Company Ltd	85,500	292	309
Takebishi Corp	5,600	42	47
Takiron Co Ltd	19,000	89	108
Takuma Co Ltd	84,000	653	546
Tamura Corporation	66,000	172	246
TDK Corporation	65,900	2,668	3,090
Teikoku Sen I Co Ltd	22,200	239	469
Tenma Corporation	10,300	136	161
Toa Road Corp	20,000	81	82
Toagosei Company Ltd	602,000	2,621	2,710
Tochigi Bank Ltd	10,000	40	43
Toei Company Ltd	13,000	76	70
Toell Co Ltd	15,900	81	100
TOENEC Corporation	10,000	61	57
Toho Bank Ltd	12,000	37	44
Toho Pharmaceutical Co Ltd	13,300	220	268
Tokai Holdings Corp	41,900	141	173
Tokushu Tokai Paper Co Ltd	20,000	40	45
Tokyo Sangyo Company Ltd	11,400	41	46
Tokyo Steel Manufacturing	339,400	1,687	1,772
Tokyo Tatemono Company Ltd	248,700	1,519	2,300
Tokyo Theatres Co Inc	95,000	153	138
Tomoku Co Ltd	26,000	83	74
Toppan Forms Co Ltd	8,000	74	80
Torii Pharmaceutical Co Ltd	1,500	39	47
Tosoh Corporation	11,000	44	53
Toukei Computer Co Ltd	3,100	46	44
Towa Pharmaceutical Co Ltd	6,000	281	244
Toyo Kohan Company Ltd	39,000	178	229
Toyo Machinery & Metal Co	78,800	422	410
Toyo Securities Co Ltd	11,000	41	34
Trust Tech Inc	6,800	83	114
TV Tokyo Holdings Corporation	2,200	36	35
TYK Corp	15,000	37	30
Uchida Yoko Company	158,000	436	591
Ulvac Inc	34,100	610	726
USC Corporation	3,300	50	51
Usen Corp	11,200	43	47
Valor Company Ltd	4,400	64	73
VT Holdings Co Ltd	15,000	75	86
Wakachiku Construction Company	94,000	127	124
Welchia Holdings Co Ltd	1,000	61	61
Wellnet Corporation	31,300	530	538

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
West Japan Railway Company	155,100	6,881	6,829
Wowow Inc	1,200	39	46
Yahagi Construction Co Ltd	23,600	188	194
Yambiko Corporation	1,400	56	55
Yodogawa Steel Works Ltd	512,000	2,194	2,269
Yokogawa Electric Corp	155,300	1,649	1,964
Yokohama Rubber Company Ltd	504,000	2,710	4,358
Yuasa Funashoku Co Ltd	18,000	42	47
Yuasa Trading Co	206,000	416	447
Zenkoku Hoshu Co Ltd	24,600	596	669
<i>Total Japan - 11.6%</i>		267,895	321,535
<i>Korea</i>			
Asia Paper Manufacturing Co	2,100	44	43
AUK Corp	25,060	59	49
BS Financial Group Inc	616,150	3,088	9,074
China Great Star International	50,579	90	187
CJ Home Shopping Co Ltd	6,930	2,632	2,503
Daeduck GDS Company Ltd	2,580	43	31
Daegu Energy Co Ltd	13,940	75	84
Daehan Flour Mills Company Ltd	273	45	46
Daesung Holdings Co Ltd	3,210	27	33
Daou Data Corp	13,456	55	68
DAP Co Ltd	8,438	43	39
Dong Ah Tire & Rubber Company	2,620	44	53
Dong-A Hwasung Co Ltd	13,049	86	85
Dongwon Development Co	9,710	172	237
Eugene Investment & Securities	15,830	42	35
GMB Korea Corp	4,580	39	35
Hana Financial Group	354,090	15,937	13,124
Hanwha Corporation	16,040	612	410
Hwasung Industrial Co Ltd	4,210	41	45
Hynix Semiconductor Inc	140,370	3,838	6,735
Hyundai Livart Co Ltd	2,650	43	68
Hyundai Mobis	49,916	13,015	14,011
Hyundai Motor Company	33,119	6,799	7,512
Hyundai Securities Co Ltd	100,730	871	588
Industrial Bank of Korea	473,400	6,897	6,316
KB Financial Group Inc	272,796	11,517	9,490
KC Tech Co Ltd	8,035	56	48
Keyang Electric Machinery Co	31,880	100	139
Kia Motors Corporation	131,370	7,167	7,349
Kiswire Ltd	1,040	36	41
KT Corporation	146,200	4,858	4,414
KT&G Corporation	73,200	5,425	6,475
Kumkang Kind Co Ltd	70	3	4
Kunsul Chemical Ind	1,320	36	59
Kyungchang Industrial Co Ltd	3,979	36	55
LG Chemical Ltd	17,827	4,912	5,215
Lotte Chilsung Beverage Co	468	415	813
Lotte Confectionery Co Ltd	3,197	4,150	6,105
Neowiz Games Corp	2,910	48	48
Nice Information & Telecom	11,850	182	227
NVH Korea Inc	7,227	42	36
Paradise Co Ltd	120,417	2,813	4,451
Posco	61,627	22,139	18,516
RedcapTour Co Ltd	1,861	41	40
Saeron Automotive Corp	4,160	43	43
Sam Young Electronics Co Ltd	4,090	37	46
Samsung Electronics Co Ltd	23,426	23,648	30,608
Samyang Corporation	930	39	47
Sejong Industrial Company Ltd	2,420	42	41
Sewon Precision Industry Co	1,200	37	36
Shinhan Financial Group	402,540	15,107	18,639
Shinsegae Food Co Ltd	496	41	34

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
SK Gas Company Ltd	483	33	47
SK Holdings Co Ltd	31,400	2,830	5,664
SK Telecom Company Ltd	56,500	7,643	13,207
Tongyang Life Insurance	8,050	84	78
Unick Corporation	208	1	1
Zeus Co Ltd	2,863	42	46
<i>Total Korea - 7.0%</i>		168,240	193,473
<i>Luxembourg</i>			
Adecoagro SA	748,040	5,923	7,061
Aperam	9,778	166	330
Samsonite International SA	479,400	1,272	1,580
<i>Total Luxembourg - 0.3%</i>		7,361	8,971
<i>Malaysia</i>			
Cahya Mata Sarawak Bhd	254,400	154	296
Genting Malaysia Bhd	1,266,600	1,470	1,657
Insas Bhd	10,700	2	4
Land & General Bhd	860,700	151	147
LBS Bina Group Bhd	64,200	36	34
Malaysia Bldg Society Bhd	5,041,100	3,665	3,407
Malaysian Pacific Industries	190,600	224	302
Matrix Concepts Holdings Bhd	32,300	42	42
Muhibbah Engineering	152,400	134	142
Pelikan International Corp	194,500	41	92
Protasco Bhd	226,200	120	139
Scientex Bhd	19,900	36	37
TA Enterprise Bhd	164,800	42	44
Unisem (M) Berhad	100,200	44	46
WTK Holdings Bhd	320,700	131	140
<i>Total Malaysia - 0.2%</i>		6,292	6,529
<i>Mexico</i>			
Alsea SAB de CV	776,000	2,374	2,792
America Movil SAB de CV	8,539,300	9,039	8,853
America Movil SAB de CV - ADR	550,123	11,941	11,415
Cemex SAB de CV - ADR	1,420,982	11,093	18,800
Desarrolladora Homex SA	6,208,785	9,069	754
Gruma SA	36,118	295	432
Grupo Aeromexico Sab De CV	91,947	127	158
Grupo Financiero Banorte	767,100	4,193	5,487
Grupo Televisa SA - GDR	172,200	4,077	5,908
Industrias Bachoco	15,852	58	71
Macquarie Mexico Real Estate	5,994,340	10,578	12,425
Urbi Desarrollos Urbanos SA	18,713,415	8,415	1,699
<i>Total Mexico - 2.5%</i>		71,259	68,794
<i>Netherlands</i>			
Aegon NV	1,187,300	8,873	10,362
BE Semiconductor Industries	3,774	60	67
BinckBank NV	95,042	989	1,203
Constellium NV	24,998	516	801
Delta Lloyd NV	150,800	3,505	3,828
Eurocommercial Properties NV	1,674	83	83
Exact Holding	1,261	40	45
Koninklijke Ahold NV	488,215	6,932	9,164
Koninklijke Philips Electronic	208,100	6,633	6,603
Koninklijke Ten Cate	12,533	389	336
Nutreco Holding NV	30,625	867	1,353
TKH Group NV	60,458	2,048	2,062
TNT NV	712,600	3,139	3,366
TomTom NV	133,733	963	1,045
USG People NV	120,729	1,619	1,836
Wereldhave NV	6,009	539	559
<i>Total Netherlands - 1.5%</i>		37,195	42,713

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<i>New Zealand</i>			
Chorus Ltd	402,320	943	611
Nuplex Industries Ltd	52,454	149	141
Telecom Corp of New Zealand	2,301,752	3,827	5,401
Trade Me Ltd	500,632	1,651	1,525
<i>Total New Zealand - 0.3%</i>		6,570	7,678
<i>Norway</i>			
Austevoll Seafood	25,234	155	166
Bakkafrost P/F	14,748	237	287
Cermaq ASA	8,132	112	112
Det Norske Oljeselskap (DNO)	458,456	1,620	1,762
DNB Holding ASA	458,100	5,306	8,376
Dolphin Group ASA	43,506	45	44
Hurtigruten Group ASA	76,596	57	52
Kongsberg Automotive Holdings	96,518	80	112
Kongsberg Gruppen ASA	1,736	38	39
Kvaerner ASA	58,055	123	119
Sparebanken 1 SMN	27,006	238	239
StatoilHydro ASA	363,400	9,559	11,157
TGS Nopec Geophysical Company	68,967	1,177	2,204
Veidekke ASA	286,857	2,626	3,226
Yara International ASA	160,200	7,008	8,023
<i>Total Norway - 1.3%</i>		28,381	35,918
<i>Pakistan</i>			
Nishat Mills Ltd - 0.2%	4,997,940	6,035	5,669
<i>Panama</i>			
Banco Latinoamericano de Exp - 0.3%	286,032	4,525	8,487
<i>Philippines</i>			
Alliance Global Group Inc	2,287,500	1,543	1,525
Metropolitan Bank & Trust Co	2,533,743	3,688	5,073
SM Investments Corporation	180,671	2,847	3,377
<i>Total Philippines - 0.4%</i>		8,078	9,975
<i>Poland</i>			
Enea SA	10,846	57	56
Energa SA	100,599	625	685
Fabryki Mebli Forte SA	5,447	59	88
KGHM Polska Miedz	108,800	3,622	4,459
Netia SA	58,952	99	101
Powszechna Kasa Oszczednosci	420,708	5,094	5,223
Zespol Elektrowni Patnow	12,280	108	105
<i>Total Poland - 0.4%</i>		9,664	10,717
<i>Portugal</i>			
Altri SGPS SA	102,006	332	292
Portucel SA	28,305	108	133
Semapa-Sociedade de Inv e Ges	18,311	186	259
Sonae	327,459	479	538
Zon Optimus SGPS SA	250,377	1,858	1,645
<i>Total Portugal - 0.1%</i>		2,963	2,867
<i>Qatar</i>			
Qatar National Bank - 0.1%	62,188	2,804	2,789
<i>Russia</i>			
Gazprom - ADR	1,795,700	17,708	15,711
Lukoil - ADR	541,417	32,109	32,374
MMC Norilsk Nickel - ADR	412,394	7,138	8,170
Mobile TeleSystems - ADR	300,000	4,559	5,922
Rostelecom - ADR	184,400	3,775	2,784
RusHydro - ADR	3,255,643	9,881	6,407

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Sberbank of Russia	1,997,288	5,577	4,956
Sberbank of Russia - ADR	933,710	9,930	9,496
Sberbank of Russia - GDR	175,000	2,131	1,780
Sistema JSFC - GDR	166,200	4,541	5,119
<i>Total Russia - 3.4%</i>		97,349	92,719
<i>Singapore</i>			
Asia Food & Properties Ltd	80,000	36	35
Boustead Singapore Ltd	39,000	54	59
ComfortDelGro Corporation	1,039,000	1,289	2,084
CSE Global Ltd	453,000	255	222
DBS Group Holdings Ltd	742,000	7,866	9,970
Frasers Commercial Trust	161,000	166	175
Haw Par Corporation Ltd	585,200	2,330	4,014
Hiap Hoe Ltd	55,000	36	40
Hong Leong Asia Ltd	1,164,000	2,220	1,480
Mapletree Industrial Trust	93,000	104	107
Suntec REIT	1,165,000	1,281	1,691
UMS Holdings Ltd	373,750	173	163
Wee Hur Holdings Ltd	140,000	37	41
XinRen Aluminum Holdings Ltd	302,000	121	126
<i>Total Singapore - 0.7%</i>		15,968	20,207
<i>South Africa</i>			
Aspen Pharmacare Holdings	197,202	3,703	5,540
Astral Foods Ltd	161,900	2,256	1,857
Barclays Africa Group Ltd	373,777	5,387	5,674
Group Five Ltd	12,329	55	48
Imperial Holdings Ltd	245,700	1,165	4,619
Metropolitan Holdings Ltd	1,806,100	2,975	4,456
MTN Group Ltd	623,803	10,851	13,134
Naspers Ltd	62,466	4,238	7,351
Omnia Holdings Ltd	2,758	49	60
Sibanye Gold Ltd	116,656	186	313
Sibanye Gold Ltd - ADR	55,657	313	614
Telkom South Africa Ltd	28,977	106	124
Woolworths Holdings Ltd	353,635	2,243	2,598
<i>Total South Africa - 1.7%</i>		33,527	46,388
<i>Spain</i>			
ACS Actividades Construction	101,454	3,814	4,639
Banco Santander Ctrl Hisp SA	516,500	5,718	5,396
Ence Energia Y Celulosa SA	58,355	234	153
Gamesa Corporation Tecnologica	251,246	2,441	3,137
Iberdrola SA	944,200	5,236	7,217
Papeles y Cartones de Europa	29,204	157	162
Repsol SA	282,500	7,856	7,449
Tubacex SA	21,468	109	107
Unipapel SA	7,619	144	184
<i>Total Spain - 1.0%</i>		25,709	28,444
<i>Sweden</i>			
B&B Tools AB	11,940	195	273
Bilia AB	209	-	6
Boliden AB	264,800	3,726	3,840
Creades	1,501	36	40
Dios Fastigheter AB	7,240	60	63
Duni AB	18,430	229	289
Eniro AB	11,350	90	76
Eolus Vind AB	8,331	40	44
FinnvedenBulten AB	3,864	43	46
Haldex AB	12,868	168	159
Intrum Justitia AB	22,290	590	665
Investment AB Oresund	2,095	42	47
JM AB	7,354	252	273

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Kungsleden AB	28,708	208	216
L E Lundergforetagen AB	23,094	1,008	1,113
Lindab International AB	3,847	49	45
Modern Times Group	62,151	2,530	2,670
MQ Holding AB	34,015	128	171
NCC AB	50,078	1,550	1,724
New Wave Group AB	7,640	39	47
Nolato AB	2,091	51	48
Nordea AB	604,100	7,260	8,521
Nordnet AB	20,429	84	98
Securitas AB	392,586	4,616	4,654
Skandinaviska Enskilda Banken	567,300	4,626	7,578
SSAB AB	163,002	1,174	1,515
Telia AB	1,021,600	7,758	7,459
Vitrolife AB	8,361	116	137
<i>Total Sweden - 1.5%</i>		<u>36,668</u>	<u>41,817</u>
<i>Switzerland</i>			
Ascom Holding AG	6,730	129	114
Austriamicrosystems AG	4,076	439	677
Autoneum Holding AG	318	56	64
Baloise Holding Ltd	83,100	6,352	9,792
Bellvue Group AG	2,349	43	35
BKW SA	41,838	1,925	1,543
Calida Holding AG	6,603	214	267
Charles Voegelé Holding AG	8,643	158	180
Coltene Holding AG	1,610	104	104
Comet Holding AG	748	375	539
Credit Suisse Group	250,700	7,857	7,169
Emmi AG	704	227	255
Forbo Holding AG	775	626	826
Galenica AG	653	574	638
Gategroup Holding AG	9,045	266	246
Georg Fischer AG	9,531	4,876	6,830
Gurit Holding AG	191	95	97
Helvetia Patria Holding	2,062	986	947
Implenia AG	2,292	164	154
Interroll Holding AG	100	51	59
Intershop Holding AG	177	66	70
Komex Holding AG	2,587	372	432
Kudelski SA - BR	26,479	376	464
Kuoni Reisen Holding AG	8,429	2,925	3,260
Lem Holding SA	49	36	42
Logitech International SA	16,701	172	218
Lonza Group AG	11,931	1,083	1,298
Novartis AG	131,100	5,355	11,871
Orior AG	1,845	104	115
Schweiter Technologies AG	444	328	321
Siegfried Holding AG	624	109	114
Swiss Life Holding	46,108	5,826	10,934
Swiss Re Ltd	188,500	13,336	16,771
Swissquote Group Holding SA	2,306	93	88
Tecan Group AG	756	81	86
U-Blox AG	4,502	487	597
Unaxis Holding AG	76,723	1,133	1,112
Valora Holding AG	487	125	126
Verwaltungs und Privat Bank AG	854	85	77
Walter Meier AG	573	42	31
Zehnder Group AG	1,566	75	67
Zurich Financial Services AG	26,200	7,503	7,897
<i>Total Switzerland - 3.1%</i>		<u>65,229</u>	<u>86,527</u>
<i>Taiwan</i>			
AU Optronics Corp - ADR	236,296	838	990
Compal Electronics Inc	4,379,938	4,091	3,579

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
CTBC Financial Holding Co Ltd	7,829,994	4,754	5,219
Gigabyte Technology Company	2,968,000	2,206	4,756
Hermes Microvision Inc	82,000	2,412	3,254
Hiwin Technologies Corp	377,000	3,432	4,653
King Yuan Electronics Co Ltd	4,182,000	2,966	3,929
Largan Precision Co Ltd	61,000	2,324	4,862
MediaTek Inc	412,000	4,762	6,968
Pegatron Corp	1,309,000	2,427	2,499
Powertech Technology Inc	832,000	1,528	1,505
Siliconware Precision Industry - ADR	100,702	682	827
Taiwan Semiconductor - ADR	518,600	7,728	11,093
Wistron Corporation	3,952,462	4,282	3,607
<i>Total Taiwan - 2.1%</i>		44,432	57,741
<i>Thailand</i>			
Bangchak Petroleum PCL	4,887,800	3,436	4,443
Hana Microelectronics PCL	243,600	228	251
Kasikornbank PCL	839,800	3,802	5,279
KCE Electronics PCL	310,800	197	338
Krung Thai Bank PCL	8,788,600	2,776	5,660
MFEC PCL	176,400	42	40
PTT PLC	235,900	2,533	2,311
Ratchaburi Electricity PCL	85,300	138	143
Siamgas & Petrochemical PCL	65,300	42	34
SVI PCL	657,800	86	90
Thanachart Capital PCL	3,963,600	4,271	4,305
TPI Polene PCL	229,000	91	90
<i>Total Thailand - 0.8%</i>		17,642	22,984
<i>Turkey</i>			
Alarko Gayrimenkul Yatirim	14,095	163	133
Alarko Holding AS	18,627	43	42
Anadolu Anonim Turk Sigorta	59,709	37	40
Arcelik AS	579,169	3,367	3,524
AYGAZ AS	2,044,914	8,147	8,738
Cimsa Cimento Danayi ve Ticare	5,637	37	36
EGE Seramik Sanayi ve Ticaret	48,540	65	68
Eregli Demir Ve Celik Fabrik	1,319,028	1,783	2,358
Haci Omer Sabanci Holding	1,332,830	4,992	6,217
Kordsa Global Endustriyel IP	45,423	85	81
Selcuk Exza Deposu Ticaret AS	4,945,004	5,915	5,271
Soda Sanayii	77,478	104	137
Tav Havalimanlari Holding AS	409,349	3,045	3,253
Turkiye Garanti Bankasi AS	3,208,076	11,582	12,543
Turkiye Halk Bankasi	632,800	3,844	4,745
Turkiye Vakiflar Bankasi T-D	4,904,200	9,576	11,495
Ulker Biskuvi Sanayi AS	294,789	2,015	2,468
Vestel Elektronik Sanayi ve	103,083	95	139
<i>Total Turkey - 2.2%</i>		54,895	61,288
<i>United Arab Emirates</i>			
Emaar Properties PJSC - 0.1%	1,527,094	1,605	3,497
<i>United Kingdom</i>			
3I Group PLC	399,221	2,850	2,743
888 Holdings PLC	71,773	183	147
Afen PLC	2,234,595	5,139	5,540
Aga Rangemaster Group	84,221	193	222
Alent PLC	324,200	1,533	2,030
AMEC PLC	259,000	4,336	5,381
Anglo American PLC	439,004	10,496	10,736
AstraZeneca Group PLC	241,100	10,645	17,894
Aveva Group PLC	60,226	1,838	2,099
Aviva PLC	1,017,600	7,839	8,882
Awilco Drilling PLC	20,376	437	465

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Bank of Georgia Holdings PLC	13,829	456	556
Barclays PLC	1,730,100	9,061	6,295
Barratt Developments PLC	442,336	857	2,826
BBA Aviation PLC	426,273	1,274	2,252
Betfair Group PLC	14,392	232	252
Bloomsbury Publishing PLC	16,400	47	50
BP Amoco PLC	2,259,600	18,947	19,894
British Aerospace PLC	1,524,400	7,505	11,284
British Polythene Industries	6,695	80	75
Britvic PLC	161,687	1,631	2,011
BT Group PLC	1,488,200	4,296	9,794
Cable & Wireless Communication	333,413	273	281
Card Factory PLC	655,857	2,477	2,310
Centamin	1,352,994	1,192	1,469
Chesnara PLC	41,253	203	226
Clinigen Group PLC	4,210	39	27
Close Brothers Group PLC	60,692	1,244	1,326
Computacenter PLC	539,100	1,644	5,521
Consort Medical PLC	10,525	153	172
CSR PLC	36,157	397	366
CSR PLC - ADR	2,114	94	86
CVS Group PLC	9,042	39	51
Daily Mail & General Trust PLC	128,248	755	1,824
Dairy Crest Group PLC	5,657	49	46
Dart Group PLC	16,962	72	60
Davis Service Group PLC	5,025	89	84
Debenhams PLC	2,434,400	2,503	2,849
Dechra Pharmaceuticals PLC	42,580	494	527
Derwent London PLC	48,632	1,231	2,228
Development Securities PLC	9,880	38	36
Domino Printing Sciences	125,974	1,296	1,292
E2V Technologies PLC	29,194	70	83
Enquest PLC	749,005	1,466	1,808
Faroe Petroleum PLC	209,096	444	443
Foxtons Group PLC	375,487	1,707	1,928
GlaxoSmithKline PLC	390,600	9,698	10,445
Global Ship Lease Inc	23,271	125	96
Go Ahead Group PLC	11,284	365	457
Grainger PLC	233,929	764	841
Halfords Group PLC	629,737	4,360	5,091
Hargreaves Services PLC	5,622	82	73
Hays PLC	319,681	635	799
Henderson Group PLC	718,117	2,763	2,940
Hikma Pharmaceuticals PLC	61,903	1,293	1,776
Home Retail Group	259,253	937	784
Homeserve PLC	23,289	95	128
HSBC Bank PLC	81,070	1,243	1,783
Hunting PLC	235,320	2,658	3,452
IG Group Holdings PLC	242,730	1,223	2,438
Informa PLC	343,104	1,607	2,810
Innovation Group PLC	377,424	210	219
Intermediate Capital Goup PLC	191,132	1,425	1,276
International Personal Finance	261,603	982	2,628
ISG PLC	26,321	114	135
J D Weatherspoon PLC	12,453	147	168
J Sainsbury PLC	1,464,800	7,455	7,902
Jazztel PLC	133,665	1,099	1,903
JKX Oil & Gas PLC	34,734	42	34
Jupiter Fund Management	37,285	237	255
KBC Advanced Technologies	56,414	112	121
Lamprell PLC	154,383	386	410
Legal & General Group PLC	637,900	1,341	2,458
Lookers PLC	46,079	95	105
Luxfer Holdings PLC - ADR	7,386	145	140
Mail.ru Group Ltd - GDR	101,673	3,547	3,599

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Marshalls PLC	41,968	120	123
Marston's PLC	893,188	2,333	2,213
McBride PLC	25,080	45	41
Melrose Industries PLC	541,574	1,915	2,409
Mitchells & Butlers PLC	456,593	2,387	3,042
Mondi PLC	272,700	2,663	4,952
Moneysupermarket.com Group PLC	1,213,355	3,074	3,907
Morgan Sindall PLC	17,554	226	256
NETeller PLC	57,784	337	395
Old Mutual PLC	2,232,400	5,255	7,546
Pace Micro Technology PLC	75,244	584	457
Pedragon PLC	238,784	143	118
Photo-Me International PLC	25,568	56	61
Polar Capital Holdings PLC	8,816	72	76
Polypipe Group PLC	390,111	1,598	1,668
Premier Farnell PLC	597,610	1,928	2,081
Premier Oil PLC	1,152,519	6,183	6,580
Raven Russia Ltd	31,618	40	41
Redde PLC	45,559	52	47
Renew Holdings PLC	57,622	196	233
Ricardo PLC	26,904	274	295
Royal Dutch Shell B Shares	694,300	20,609	30,183
RPS Group PLC	382,281	945	1,817
Safestore Holdings PLC	137,750	456	513
Salamander Energy PLC	475,812	930	1,139
Savills PLC	8,821	91	95
Scapa Group	20,662	42	44
Soco International PLC	157,334	1,088	1,110
Speedy Hire PLC	63,245	67	57
Spirax-Sarco Engineering	42,328	990	1,978
St Ives PLC	15,935	48	59
St Modwen Properties PLC	18,261	103	112
St. James Place PLC	22,341	81	291
Staffline Group PLC	22,447	226	346
Standard Chartered PLC	263,610	5,946	5,382
STV Group PLC	7,141	37	44
Tesco PLC	1,735,900	8,604	8,435
Thorntons PLC	65,700	131	120
Trifast PLC	40,496	54	87
Unite Group PLC	11,889	76	80
Vertu Motors PLC	60,709	58	55
Vesuvius PLC	365,100	1,727	2,863
William Morrison Supermarkets	1,990,200	8,993	6,241
Wincanton PLC	24,500	51	58
WNS Holdings Ltd - ADR	29,082	622	558
WS Atkins PLC	17,626	368	398
<i>Total United Kingdom - 10.8%</i>		<u>234,853</u>	<u>290,343</u>
<i>United States</i>			
Cognizant Tech Solutions A - 0.2%	128,000	4,474	6,260
<i>Total Common Stock - 95.7%</i>		<u>2,324,540</u>	<u>2,642,838</u>
<u>Preferred Stock</u>			
<i>Brazil</i>			
Banco Bradesco SA	522,200	7,777	7,593
Banco do Estado do Rio Grande	650,700	4,660	3,174
Centrais Elect de Sata Catarin	155,600	4,108	1,097
Centrais Eletricas Brasileiras	347,700	3,661	1,656
CIA Paranaense De Energia	399,900	7,685	6,147
Companhia Energetica de Minas	448,600	3,617	3,285
Eletropaulo Metropolitana SA	78,900	340	385
Petroleo Brasileiro SA	779,300	8,861	6,113
Vale SA	596,400	12,577	7,130
<i>Total Brazil - 1.3%</i>		<u>53,286</u>	<u>36,580</u>

See accompanying notes to financial statements.

International Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<i>Germany</i>			
Draegerwerk AG	19,202	2,006	2,064
Hornbach Holdings AG	953	89	98
KSB AG	102	63	74
Sixt SE	3,437	83	112
Villeroy & Boch AG	9,180	149	182
<i>Total Germany - 0.1%</i>		<u>2,390</u>	<u>2,530</u>
<i>Italy</i>			
Unipol Gruppo Finanziario SpA - 0.1%	323,655	2,125	1,677
<i>Korea</i>			
Hyundai Motor Company - 0.5%	94,722	4,540	14,183
<i>Russia</i>			
Surgutneftegas - 0.3%	11,643,500	8,636	9,574
<i>South Africa</i>			
Absa Bank Ltd - 0.0%	505	40	39
Total Preferred Stock - 2.3%		71,017	64,583
<u>Rights</u>			
<i>France</i>			
Bighen Interactive	10,054	1	1
Interparfums SA	6,010	79	59
<i>Total France - 0.0%</i>		<u>80</u>	<u>60</u>
<i>Portugal</i>			
Mota Engil Africa - 0.0%	15,321	5	5
Total Rights - 0.0%		85	65
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 1.6%	44,341,414	44,341	44,341
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		93,898	93,898
Mellon SL DBT II Liquidating Fund		358	355
Total Investments Made with Cash collateral for Securities Loaned - 3.4%		<u>94,256</u>	<u>94,253</u>
Total Investments - 103.0%		<u>\$ 2,534,239</u>	<u>\$ 2,846,080</u>

See accompanying notes to financial statements.

International Equity Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Dividends, net of foreign withholding taxes (\$6,081)	\$ 76,399
Interest	2
Net securities lending income	<u>1,169</u>
Total investment income	77,570

Expenses

Investment advisor fees	(14,762)
Trustee fees	(8)
Custodian bank fees	(1,231)
Management fees	(693)
Fiduciary bond fees	(4)
Professional service fees	<u>(142)</u>
Total expenses	(16,840)
Investment income, net	60,730

**Realized and unrealized gain (loss) from
investments and foreign currency**

Net realized gain (loss) from:	
Investments, net of foreign capital gains taxes (\$178)	179,464
Foreign currency transactions	<u>(17,951)</u>
	161,513
Net change in unrealized appreciation (depreciation) on:	
Investments, net of accrued foreign capital gains taxes (\$852)	247,124
Translation of assets and liabilities in foreign currencies	<u>78,365</u>
	325,489
Net gain from investments and foreign currency	<u>487,002</u>
Net increase in net assets from operations	<u>\$ 547,732</u>

See accompanying notes to financial statements.

International Equity Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	60,730
Net realized gain from investments and foreign currency transactions		161,513
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies		<u>325,489</u>
Net increase in net assets from operations		547,732

Unit transactions

Proceeds from sale of units		300,822
Amount paid for repurchase of units		<u>(213,345)</u>
Net increase in net assets from unit transactions		<u>87,477</u>

Increase in net assets 635,209

Net assets, beginning of year 2,129,214

Net assets, end of year \$ 2,764,423

Unit data

Units sold		12,000,018
Units repurchased		<u>(8,279,336)</u>
Net increase in units		<u><u>3,720,682</u></u>

See accompanying notes to financial statements.

International Equity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined 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. If no sales have been recorded within the five days preceding the date of the financial statement date, the fair value of the securities is determined in accordance with approved procedures.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.
- Equity securities that trade in non-U.S. markets are valued in U.S. dollars using period end spot market exchange rates as supplied by the Pool's custodian.

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

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, Bank of New York Mellon, 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.

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

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

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

International Equity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 managers, as listed in Note 1, enter into such contracts to correspond to investment transactions trading in foreign currencies. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations and are valued at the prevailing market exchange rates at month end. An unrealized gain or loss is recorded as the difference between the amount valued at month end and the amount to be received or paid at the settlement date. The unrealized gain or loss is reclassified to realized gain or loss when the contract settles.

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

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

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

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

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for U.S. federal or state income taxes is required as of June 30, 2014.

In certain foreign countries the Pool's dividend income and capital gains may be taxable. Taxes on dividend income are generally withheld from the payments and as a result there is no provision recorded for these taxes. In certain cases there may be a full or partial reclaim available for the withheld taxes. Capital gains taxes, if any, on sales of securities may be assessed and paid concurrent with the sale or upon the filing of a return with the taxing authority. In countries where the IMB is liable for capital gains taxes, the IMB will estimate and accrue a capital gains tax liability for unrealized gains on securities held in such countries. The outstanding reclaims and accrued capital gains taxes are reported on the Statement of Assets and Liabilities. Dividend income is reported net of withheld taxes on the Statement of Operations. Net realized gain (loss) from investments and net change in unrealized appreciation (depreciation) on investments are reported net of capital gains taxes on the Statement of Operations.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool is exposed to no or minimal credit risk, interest rate risk, or custodial credit risk. The Pool is restricted from investing more than 5 percent of the value of the Pool in any one company. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk. The Pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The IMB Investment Policy Statement limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2014, the IMB was in compliance with this limitation. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2014 are as follows:

Currency	Investments	Cash	Total	Percent
Australian Dollar	\$ 90,022	\$ 674	\$ 90,696	3.2%
Brazil Real	95,376	1,232	96,608	3.4
British Pound	280,040	379	280,419	9.8
Canadian Dollar	115,598	423	116,021	4.1
Czech Koruna	14,240	1	14,241	0.5
Danish Krone	11,957	-	11,957	0.4
Emirati Dirham	3,497	-	3,497	0.1
Euro Currency Unit	435,175	924	436,099	15.3
Hong Kong Dollar	235,280	658	235,938	8.2
Hungarian Forint	14,797	1	14,798	0.5
Indian Rupee	89,933	1,126	91,059	3.2
Indonesian Rupiah	12,473	92	12,565	0.4
Israeli Shekel	12,876	103	12,979	0.5
Japanese Yen	321,007	3,116	324,123	11.3
Malaysian Ringgit	6,529	98	6,627	0.2
Mexican Peso	32,670	-	32,670	1.1
New Taiwan Dollar	47,308	1,960	49,268	1.7
New Zealand Dollar	7,678	108	7,786	0.3
Norwegian Krone	37,343	38	37,381	1.3
Pakistan Rupee	5,669	-	5,669	0.2
Philippine Peso	9,975	30	10,005	0.3
Polish Zloty	10,717	9	10,726	0.4
Qatari Riyal	2,789	-	2,789	0.1
Singapore Dollar	20,246	1,220	21,466	0.8
South African Rand	49,744	404	50,148	1.8
South Korean Won	207,761	951	208,712	7.3
Swedish Krona	41,954	245	42,199	1.5
Swiss Franc	86,527	22	86,549	3.0
Thailand Baht	22,984	4	22,988	0.8
Turkish Lira	61,288	101	61,389	2.1
Total	<u>\$ 2,383,453</u>	<u>\$ 13,919</u>	<u>\$ 2,397,372</u>	<u>83.8%</u>

This table excludes cash and investments held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated investments and cash is \$462,603 or 16.2 percent.

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price). ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 2,642,838	\$ -	\$ -	\$ 2,642,838
Foreign currency contracts	-	4	-	4
Investments made with cash collateral for securities loaned	-	94,253	-	94,253
Preferred stock	64,583	-	-	64,583
Rights	65	-	-	65
Short-term issue	44,341	-	-	44,341
Total	<u>\$ 2,751,827</u>	<u>\$ 94,257</u>	<u>\$ -</u>	<u>\$ 2,846,084</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency contracts	<u>\$ -</u>	<u>\$ (26)</u>	<u>\$ -</u>	<u>\$ (26)</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$ 91,143		
Collateral received:	Cost	Fair Value	Unrealized Depreciation
Cash	<u>\$ 94,256</u>	<u>\$ 94,253</u>	<u>\$ (3)</u>
Non-cash		<u>3,017</u>	
Total		<u>\$ 97,270</u>	

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. SECURITIES LENDING (continued)

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 6. FOREIGN CURRENCY CONTRACTS

At June 30, 2014, open foreign currency contracts are as follows:

Position	Foreign Currency	Trade Date	Settlement Date	Receivable		Payable		Unrealized Appreciation (Depreciation)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	Australian Dollar	06/30/2014	07/03/2014	94	\$ 89		\$ 89	\$ -
Long	Brazil Real	06/27/2014	07/01/2014	17,172	7,791		7,814	(23)
Long	Brazil Real	06/27/2014	07/01/2014	2	1		1	-
Long	Brazil Real	06/30/2014	07/01/2014	2	1		1	-
Long	British Pound	06/26/2014	07/01/2014	114	195		195	-
Long	Euro Currency Unit	06/30/2014	07/02/2014	1,051	1,439		1,435	4
Short	Euro Currency Unit	06/27/2014	07/01/2014		306	224	307	(1)
Short	Indian Rupee	06/26/2014	07/02/2014		426	25,633	426	-
Short	Japanese Yen	06/26/2014	07/01/2014		657	66,706	659	(2)
Short	Japanese Yen	06/30/2014	07/02/2014		140	14,154	140	-
Short	New Taiwan Dollar	06/27/2014	07/01/2014		406	12,117	406	-
Short	New Taiwan Dollar	06/27/2014	07/01/2014		29	856	29	-
Short	New Taiwan Dollar	06/30/2014	07/02/2014		74	2,201	74	-
					<u>\$ 11,554</u>		<u>\$ 11,576</u>	<u>\$ (22)</u>

NOTE 7. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with Acadian, Axiom, Brandes, LSV, and Pictet to manage the investments of the Pool. These agreements provide for quarterly payments, based on average end of month assets under management, to the investment advisors. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to Acadian are based on a descending scale of fee rates ranging from 0.70 percent annually on the first \$100 million of assets under management and 0.50 percent annually for assets greater than \$100 million. The effective fee rate earned by Acadian for the year ended June 30, 2014, was 0.60 percent.

From July 1, 2013, to September 30, 2013, the fees paid to Axiom were based on a descending scale of fee rates ranging from 1.0 percent annually on the first \$25 million of assets under management to 0.90 percent annually on assets between \$25 million and \$100 million. For assets greater than \$100 million the fee rate was 0.80 percent annually. Effective October 1, 2013, the fees paid to Axiom are based on a descending scale of fee rates ranging from 1.0 percent annually on the first \$25 million of assets under management to 0.70 percent annually on assets between \$125 million and \$175 million. For assets greater than \$175 million the fee rate is 0.60 percent annually. The effective fee rate earned by Axiom for the year ended June 30, 2014, was 0.75 percent.

The fees paid to Brandes are based on a descending scale of fee rates ranging from 1.15 percent annually on the first \$10 million of assets under management to 0.80 percent annually on assets between \$50 million and \$150 million. For assets greater than \$150 million the fee rate is 0.70 percent annually. The effective fee rate earned by Brandes for the year ended June 30, 2014, was 0.75 percent.

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 7. INVESTMENT ADVISORY FEES (continued)

The fees paid to LSV are based on a descending scale of fee rates ranging from 0.75 percent annually on the first \$25 million of assets under management to 0.55 percent annually on assets between \$50 million and \$100 million. For assets greater than \$100 million the fee rate is 0.45 percent annually. The effective fee rate earned by LSV for the year ended June 30, 2014, was 0.46 percent.

The fees paid to Pictet are based on a two-tier scale of fee rates that are 0.70 percent annually on the first \$100 million of assets under management and 0.60 percent annually for assets greater than \$100 million. The effective fee rate earned by Pictet for the year ended June 30, 2014, was 0.64 percent.

NOTE 8. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$	22.31
Income from investment operations:		
Net investment income		0.62
Net realized and unrealized gain on investment transactions		4.33
Net realized loss from foreign currency transactions		(0.18)
Net increase in the translation of assets and liabilities in foreign currencies		0.80
Total from investment operations		<u>5.57</u>
Net asset value at June 30, 2014	\$	<u>27.88</u>

Total Return (b) 25.0%

Supplemental Data:

Net assets, end of period	\$	2,764,423
Ratio to average net assets (c):		
Expenses		0.68%
Net investment income		2.44%
Portfolio turnover rate		43.51%

(a) Calculation based on the average shares outstanding

(b) Return data is net of fees for the full fiscal year

(c) All ratios are for the fiscal year

International Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 9. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,178,932
Public Employees' Retirement System	1,018,952
Workers' Compensation Old Fund	133,408
West Virginia Retiree Health Benefit Trust Fund	109,001
State Police Death, Disability and Retirement Fund	107,924
Judges' Retirement System	30,063
Coal Workers' Pneumoconiosis Fund	30,039
Deputy Sheriff's Retirement System	29,604
Revenue Shortfall Reserve Fund - Part B	26,790
State Police Retirement System	22,187
Public Employees Insurance Agency	22,061
Board of Risk and Insurance Management	16,614
Emergency Medical Services Retirement System	9,851
Wildlife Endowment Fund	9,770
West Virginia Prepaid Tuition Trust Fund	8,476
West Virginia Department of Environmental Protection Agency	5,187
West Virginia Department of Environmental Protection Trust	1,650
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,615
Workers' Compensation Uninsured Employers' Fund	1,101
Workers' Compensation Self-Insured Employer Security Risk Pool	735
Municipal Policemen's or Firemen's Pension and Relief Funds	261
Municipal Police Officers' and Firefighters' Retirement System	202
Total	<u>\$ 2,764,423</u>

NOTE 10. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Short-Term Fixed Income Pool

Short-Term Fixed Income Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Short-Term Fixed Income Pool (the “Pool”), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Short-Term Fixed Income Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Short-Term Fixed Income Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$339,016)	\$	339,016
Accrued interest		<u>105</u>
Total assets		339,121

Liabilities

Accrued expenses		<u>51</u>
Net assets	\$	<u><u>339,070</u></u>

Analysis of net assets

Paid-in capital	\$	339,005
Accumulated undistributed net realized gain from investments		<u>65</u>
Net assets	\$	<u><u>339,070</u></u>

Unit data

Units outstanding		339,005,350
Net asset value, unit price	\$	<u><u>1.00</u></u>

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
U. S. Treasury Issues			
United States Treasury, Zero Coupon, Due 7/3/2014	5,000	\$ 5,000	\$ 5,000
United States Treasury, Zero Coupon, Due 7/24/2014	15,000	15,000	15,000
United States Treasury, Zero Coupon, Due 8/7/2014	5,000	5,000	5,000
United States Treasury, 4.25% Due 8/15/2014	5,000	5,026	5,026
United States Treasury, 0.5% Due 8/15/2014	2,500	2,501	2,501
United States Treasury, Zero Coupon, Due 9/4/2014	5,000	4,999	4,999
United States Treasury, 0.25% Due 9/15/2014	5,000	5,002	5,002
United States Treasury, 0.25% Due 9/30/2014	5,000	5,003	5,003
United States Treasury, Zero Coupon, Due 10/2/2014	5,000	4,999	4,999
United States Treasury, 2.38% Due 10/31/2014	3,000	3,023	3,023
Total U. S. Treasury Issues - 16.4%		55,553	55,553
U. S. Government Agency Issues			
Federal Farm Credit Bank, 0.1% Due 6/2/2015	2,500	2,500	2,500
Federal Home Loan Bank, Zero Coupon, Due 7/2/2014	43,000	43,000	43,000
Federal Home Loan Bank, Zero Coupon, Due 7/16/2014	6,550	6,550	6,550
Federal Home Loan Bank, Zero Coupon, Due 7/18/2014	5,000	5,000	5,000
Federal Home Loan Bank, 0.08% Due 7/28/2014	2,000	2,000	2,000
Federal Home Loan Bank, Zero Coupon, Due 8/6/2014	6,000	5,999	5,999
Federal Home Loan Bank, 0.1% Due 9/11/2014	1,500	1,500	1,500
Federal Home Loan Bank, Zero Coupon, Due 9/26/2014	9,000	8,998	8,998
Federal Home Loan Bank, Zero Coupon, Due 10/3/2014	5,000	4,999	4,999
Federal Home Loan Bank, Zero Coupon, Due 10/8/2014	4,000	3,999	3,999
Federal Home Loan Bank, Zero Coupon, Due 10/17/2014	9,000	8,998	8,998
Federal Home Loan Bank, Zero Coupon, Due 11/5/2014	6,000	5,998	5,998
Federal Home Loan Bank, Zero Coupon, Due 11/26/2014	3,230	3,229	3,229
Federal Home Loan Bank, 0.1% Due 3/20/2015	2,500	2,500	2,500
Federal Home Loan Mort Corp, Zero Coupon, Due 10/15/2014	7,000	6,999	6,999
Federal National Mortgage Assn, 0.13% Due 9/11/2014	2,000	2,000	2,000
Total U. S. Government Agency Issues - 33.7%		114,269	114,269
Commercial Paper			
ABN AMRO Funding USA LLC, Due 7/11/2014	4,000	4,000	4,000
Alpine Securitization, Due 8/11/2014	3,000	2,999	2,999
Bank of Nova Scotia NY, Due 8/5/2014	7,000	6,999	6,999
Bank of Tokyo Mitsubishi, Due 8/8/2014	7,000	6,999	6,999
BMW US Capital LLC, Due 7/10/2014	4,000	4,000	4,000
Credit Agricole North America, Due 8/6/2014	6,000	5,999	5,999
Deutsche Bank Finl LLC, Due 9/29/2014	6,000	5,996	5,996
Fairway Finance Corporation, Due 7/2/2014	7,000	7,000	7,000
Govco LLC, Due 8/11/2014	8,000	7,999	7,999
Nieuw Amsterdam Receivables, Due 7/7/2014	7,000	7,000	7,000
Nordea Bank AB, Due 7/1/2014	5,000	5,000	5,000
Sheffield Receivables Corp, Due 8/4/2014	7,000	6,999	6,999
Societe Generale NA, Due 7/9/2014	5,000	5,000	5,000
Toronto-Dominion Holdings USA, Due 7/1/2014	7,000	7,000	7,000
Wells Fargo & Co, Due 8/22/2014	2,000	1,999	1,999
Total Commercial Paper - 25.1%		84,989	84,989
Repurchase Agreement			
Repurchase Agreement, 0.05% Due 7/1/2014 -24.8%	84,205	84,205	84,205
Short-term Issue			
Dreyfus Cash Management Institutional Fund - 0.0%	315	- *	- *
Liquidating Trust			
Residential Capital LLC - 0.0%	54	-	-
Total Investments - 100.0%		\$ 339,016	\$ 339,016

* - Value is less than \$1,000

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Interest	\$ 245
Securities lending income	<u>1</u>
Total investment income	246

Expenses

Investment advisor fees	(125)
Trustee fee	(1)
Custodian bank fees	(11)
Management fees	(74)
Professional service fees	<u>(15)</u>
Total expenses	<u>(226)</u>

Investment income, net 20

Net realized gain from investments 11

Net increase in net assets from operations \$ 31

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	20
Net realized gain from investments		<u>11</u>
Net increase in net assets from operations		31

Distributions to unitholders

Investment income, net		(18)
------------------------	--	------

Unit transactions

Proceeds from sale of units		1,882,172
Reinvestment of distributions		18
Amount paid for repurchase of units		<u>(1,862,338)</u>
Net increase in net assets from unit transactions		<u>19,852</u>

Increase in net assets 19,865

Net assets, beginning of year 319,205

Net assets, end of year \$ 339,070

Unit data

Units sold		1,882,172,344
Units issued from reinvestment of distributions		18,259
Units repurchased		<u>(1,862,338,143)</u>
Net increase in units		<u><u>19,852,460</u></u>

See accompanying notes to financial statements.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The main objective of the Pool is to maintain sufficient liquidity to fund withdrawals by the participant plans and to invest cash contributions until such time as the money can be transferred to other asset classes without sustaining capital losses. JP Morgan Investment Advisors, Inc. (JPM) manages the Pool. The Pool's investment objective, net of external investment management fees, is to meet or exceed the Citigroup ninety-day T-bill Index plus fifteen basis points.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined as follows:

- All securities are valued at amortized cost which approximates fair value. The basic premise underlying the use of the amortized cost method of valuation is that high-quality, short-term debt securities held until maturity will eventually return to their amortized cost value, regardless of any current disparity between the amortized cost value and market value, and would not ordinarily be expected to fluctuate significantly in value. 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 current net asset value per share of the fund.

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

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

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

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

Interest Income - Interest income is recognized as earned on the accrual method. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security.

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

Distributions to Participants - The net investment income of the Pool is declared as a dividend and distributed daily to the participants based upon their pro rata participation in the Pool. The distributions of net investment income are credited to the participants' accounts in the form of dividend reinvestments in the Pool and are presented first as distributions to participants, and then as reinvestment of distributions on the Statement of Changes in Net Assets. The Pool does not routinely distribute dividends of net realized gains.

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES

Credit Risk

The IMB limits the exposure to credit risk in the Pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A-1 by Standard & Poor's and P-1 by Moody's. Additionally, the Pool must have at least 15 percent of its assets in United States Treasury issues.

The following table provides information on the weighted average credit ratings of the Pool's investments as of June 30, 2014.

Investment Type	Moody's	S&P	Carrying Value	Percent
Commercial paper	P-1	A-1	\$ 84,989	25.0%
U.S. Government agency issues	P-1	A-1	114,269	33.6
U.S. Treasury issues	P-1	A-1	141,285	41.4
Total rated investments			<u>\$ 340,543</u>	<u>100.0%</u>

This table includes U.S. Treasury notes received as collateral for a repurchase agreement with a fair value of \$85,732 as compared to the amortized cost of the repurchase agreement of \$84,205.

Concentration of Credit Risk

The Pool is restricted from investing more than 5 percent of the value of the Pool in any one corporate name. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2014, the Pool held no investments that were subject to custodial credit risk. Repurchase agreements are collateralized at 102 percent and the collateral is held in the name of the IMB. All remaining investments are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The weighted average maturity of the investments of the Pool is not to exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Pool as of June 30, 2014.

Investment Type	Carrying Value	WAM (days)
Commercial paper	\$ 84,989	27
Repurchase agreement	84,205	1
U.S. Government agency issues	114,269	46
U.S. Treasury issues	55,553	53
Total investments	<u>\$ 339,016</u>	<u>31</u>

Foreign Currency Risk

The Pool has no investments that are subject to foreign currency risk.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investments in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 84,989	\$ -	\$ 84,989
Repurchase agreement	-	84,205	-	84,205
U.S. Government agency issues	-	114,269	-	114,269
U.S. Treasury issues	-	55,553	-	55,553
Total	\$ -	\$ 339,016	\$ -	\$ 339,016

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. INVESTMENT ADVISORY FEES

The IMB has approved an investment advisory agreement with JPM to manage the investments of the Pool. This agreement provides for quarterly payments, based on average daily assets under management, to the investment advisor. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to JPM are based on a two-tier scale of fee rates that are 0.05 percent annually on the first \$300 million of assets under management and 0.04 percent annually for assets greater than \$300 million. The effective fee rate earned by JPM for the year ended June 30, 2014, was 0.05 percent.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$	1.00
Income from investment operations:		
Net investment income (b)		-
Net realized gain (loss) on investment transactions (b)		-
Total from investment operations		-
Less distributions from net investment income (b)		-
Net asset value at June 30, 2014	\$	1.00

Total Return (c) 0.0%

Supplemental Data:

Net assets, end of period	\$	339,070
Ratio to average net assets (d):		
Expenses		0.09%
Net investment income		0.01%
Weighted average days to maturity		31
Maximum weighted average investment maturity per Board guidelines		60 days
Money market yield (e)		0.02%

- (a) Calculation based on the average shares outstanding
- (b) Per share amount is less than \$0.01, amount is rounded for reporting purposes
- (c) Return data is net of fees for the full fiscal year
- (d) All ratios are for the fiscal year
- (e) The money market yield represents the rate of income, net of expenses, earned over the past month divided by average shares outstanding and is not intended to indicate future performance. The return is annualized over a 365-day year, assuming no reinvestment of earnings.

Short-Term Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 168,607
Workers' Compensation Old Fund	125,351
Public Employees' Retirement System	14,398
Coal Workers' Pneumoconiosis Fund	12,064
Board of Risk and Insurance Management	7,214
West Virginia Department of Environmental Protection Agency	2,943
AccessWV	2,487
Workers' Compensation Uninsured Employers' Fund	1,045
State Police Retirement System	1,011
West Virginia Prepaid Tuition Trust Fund	1,005
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	710
State Police Death, Disability and Retirement Fund	542
Deputy Sheriff's Retirement System	496
Workers' Compensation Self-Insured Employer Security Risk Pool	357
Emergency Medical Services Retirement System	345
Judges' Retirement System	218
Wildlife Endowment Fund	103
Municipal Police Officers' and Firefighters' Retirement System	52
Revenue Shortfall Reserve Fund - Part B	22
West Virginia Retiree Health Benefit Trust Fund	15
Municipal Policemen's or Firemen's Pension and Relief Funds	9
Public Employees Insurance Agency	5
West Virginia Department of Environmental Protection Trust	4
Revenue Shortfall Reserve Fund	2
Total	<u>\$ 339,005</u>

NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Total Return Fixed Income Pool

Total Return Fixed Income Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Total Return Fixed Income Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Total Return Fixed Income Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Total Return Fixed Income Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$2,105,893), including securities on loan of \$110,806 (Note 6)	\$	2,309,911
Cash denominated in foreign currencies (cost \$445)		522
Cash pledged as collateral for derivative contracts		22,313
Cash pledged as collateral for derivative contracts denominated in foreign currencies (cost \$1,599)		1,607
Swap premiums paid (Note 8)		1,632
Unrealized appreciation on futures contracts (Note 7)		736
Unrealized appreciation on swap contracts (Note 8)		92
Unrealized appreciation on foreign currency forward contracts (Note 10)		590
Receivables:		
Accrued interest		15,548
Investments sold		4,165
Dividends		1
Securities lending income		20
Foreign tax withholding		23
Other		250
Total assets		2,357,410

Liabilities

Accrued expenses		1,627
Distributions payable		5,302
Payable for investments purchased		7,794
Payable upon return of securities loaned (Note 6)		23,882
Swap premiums received (Note 8)		4,405
Unrealized depreciation on futures contracts (Note 7)		2,395
Unrealized depreciation on swap contracts (Note 8)		6,283
Unrealized depreciation on foreign currency forward contracts (Note 10)		272
Option contracts written at fair value (premiums received \$508) (Note 9)		279
Total liabilities		52,239
Net assets	\$	2,305,171

Analysis of net assets

Paid-in capital	\$	1,692,059
Accumulated undistributed net realized gain from investments		402,175
Accumulated undistributed net realized gain from foreign currency transactions		14,126
Unrealized net appreciation of investments		196,188
Unrealized net appreciation on translation of assets and liabilities in foreign currencies		623
Net assets	\$	2,305,171

Unit data

Units outstanding		154,144,294
Net asset value, unit price	\$	14.95

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<u>Municipal Bonds</u>			
California, 7.5% Due 4/1/2034	13,675	\$ 14,444	\$ 19,466
California, 7.63% Due 3/1/2040	1,600	1,680	2,360
California, 7.6% Due 11/1/2040	1,600	2,155	2,419
Illinois, 4.96% Due 3/1/2016	6,050	6,178	6,436
Illinois, 5.37% Due 3/1/2017	6,600	6,600	7,223
Illinois, 5.67% Due 3/1/2018	4,275	4,360	4,772
Los Angeles Unified School District, 6.76% Due 7/1/2034	4,125	4,465	5,525
New Jersey Turnpike Authority, 7.1% Due 1/1/2041	3,790	4,301	5,309
Total Municipal Bonds - 2.3%		44,183	53,510
<u>U.S. Treasury Bonds</u>			
United States Treasury, 0.25% Due 9/15/2015	220	220	220
United States Treasury, 0.25% Due 12/15/2015	18,000	17,955	18,003
United States Treasury, 0.38% Due 1/15/2016	34,000	33,999	34,053
United States Treasury, 0.38% Due 2/15/2016	4,500	4,503	4,505
United States Treasury, 1.5% Due 7/31/2016	360	367	367
United States Treasury, 0.88% Due 1/31/2017	20,000	20,112	20,089
United States Treasury, 0.63% Due 2/15/2017	17,000	16,912	16,958
United States Treasury, 0.75% Due 3/15/2017	10,000	9,987	10,000
United States Treasury, 0.75% Due 6/30/2017	100	101	100
United States Treasury, 1.38% Due 6/30/2018	380	381	381
United States Treasury, 1.38% Due 7/31/2018	420	419	421
United States Treasury, 1.25% Due 11/30/2018	1,170	1,160	1,159
United States Treasury, 1.5% Due 2/28/2019	13,250	13,171	13,228
United States Treasury, 1.63% Due 4/30/2019	260	261	260
United States Treasury, 1.63% Due 8/15/2022	1,820	1,818	1,728
United States Treasury, 2.5% Due 5/15/2024	1,450	1,441	1,448
United States Treasury, Zero Coupon, Due 11/15/2043	109,930	34,422	39,378
United States Treasury, 3.63% Due 2/15/2044	20,120	20,766	21,233
Total U.S. Treasury Bonds - 8.0%		177,995	183,531
<u>U.S. Treasury Inflation Protected Securities</u>			
United States Treasury, 0.38% Due 7/15/2023	5,000	5,011	5,195
United States Treasury, 2.13% Due 2/15/2040	3,460	5,238	4,831
United States Treasury, 0.75% Due 2/15/2042	4,300	4,675	4,250
Total U.S. Treasury Inflation Protected Securities - 0.6%		14,924	14,276
<u>U.S. Government Agency Bond</u>			
Federal National Mortgage Assn, Zero Coupon, Due 10/9/2019	2,810	2,457	2,469
<u>U.S. Government Agency MBS</u>			
FHLMC Issues, 2.53% - 6.5% Due 1/1/2024 - 1/1/2042	98,781	105,881	108,318
FNMA Issues, 2.45% - 7.0% Due 11/1/2015 - 5/1/2044	166,806	178,947	182,502
Total U.S. Government Agency MBS - 12.6%		284,828	290,820
<u>U.S. Government Agency TBA</u>			
Federal National Mortgage Assn, 5.0% Due 7/1/2044	800	882	888
<u>U.S. Government Agency CMO</u>			
FHLMC Issues, 0.65% - 6.46% Due 3/15/2034 - 12/15/2043	21,723	23,094	23,134
FNMA Issues, 0.5% - 7.5% Due 3/25/2037 - 12/25/2045	60,483	62,794	63,122
GNMA Issue, 3.0% Due 8/20/2043	4,101	3,203	3,261
Total U.S. Government Agency CMO - 3.9%		89,091	89,517

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
U.S. Government Agency CMO Interest-Only			
FHLMC Issues, 1.36% - 1.82% Due 4/25/2020 - 6/25/2020	4,718	223	263
GNMA Issues, 0.86% - 1.38% Due 9/16/2044 - 9/16/2055	168,030	11,564	11,227
Total U.S. Government Agency CMO Interest-Only - 0.5%		11,787	11,490
U.S. Corporate Bonds			
<i>Basic Materials</i>			
Cliffs Natural Resources, 3.95% Due 1/15/2018	630	629	638
Cliffs Natural Resources, 4.8% Due 10/1/2020	980	958	959
Dow Chemical Company, 8.55% Due 5/15/2019	4,069	4,608	5,230
Dow Chemical Company, 9.4% Due 5/15/2039	7,240	10,408	11,864
Freeport-McMoRan Copper & Gold, 3.1% Due 3/15/2020	1,780	1,723	1,798
Rock-Tenn Co, 3.5% Due 3/1/2020	510	508	525
Rock-Tenn Co, 4.0% Due 3/1/2023	110	109	113
Ryerson Inc/Joseph TR, 9.0% Due 10/15/2017	2,860	3,081	3,060
Ryerson Inc/Joseph TR, 11.25% Due 10/15/2018	1,360	1,519	1,516
Vulcan Materials Company, 6.5% Due 12/1/2016	382	382	423
Vulcan Materials Company, 7.5% Due 6/15/2021	2,925	2,925	3,462
<i>Total Basic Materials</i>		26,850	29,588
<i>Capital Goods</i>			
American Airlines, 6.13% Due 7/15/2018	2,180	2,291	2,311
BNSF Railway Co 2007-1 P, 6.0% Due 4/1/2024	758	835	834
Burlington NO SF 00-1 TR, 8.25% Due 1/15/2021	244	277	291
Burlington NO SF 06-2 TR, 5.63% Due 4/1/2024	353	384	398
Burlington North Santa Fe, 4.7% Due 10/1/2019	850	848	961
Burlington North Santa Fe, 4.1% Due 6/1/2021	7,075	7,053	7,630
Burlington North Santa Fe, 3.05% Due 9/1/2022	6,600	6,577	6,583
Cemex Finance LLC, 6.0% Due 4/1/2024	950	950	989
Eaton Corp, 1.5% Due 11/2/2017	1,050	1,049	1,051
Eaton Corp, 2.75% Due 11/2/2022	2,750	2,742	2,663
Eaton Corp, 4.15% Due 11/2/2042	2,730	2,750	2,642
Jack Cooper Holdings Corp, 9.25% Due 6/1/2020	1,500	1,660	1,650
John Deere Capital Corp, 5.35% Due 4/3/2018	1,550	1,556	1,760
Union Pacific Corp, 4.16% Due 7/15/2022	4,812	4,862	5,245
Union Pacific RR Co 07-3, 6.18% Due 1/2/2031	733	788	859
UNP RR Co 1999 Pass Trust, 7.6% Due 1/2/2020	445	498	522
UNP RR Co 2005 Pass Trust, 5.08% Due 1/2/2029	3,745	3,879	4,189
Waste Management Inc, 3.5% Due 5/15/2024	640	639	644
Xerox Corporation, 6.4% Due 3/15/2016	8,525	8,790	9,312
Xerox Corporation, 6.35% Due 5/15/2018	7,452	8,085	8,659
<i>Total Capital Goods</i>		56,513	59,193
<i>Communication Services</i>			
AT&T Corp, 8.0% Due 11/15/2031	2,750	3,321	4,038
AT&T Inc, 6.55% Due 2/15/2039	925	1,052	1,146
AT&T Inc, 5.35% Due 9/1/2040	3,000	3,338	3,263
Sprint Capital Corp, 8.75% Due 3/15/2032	680	799	785
Sprint Communications, 6.0% Due 12/1/2016	5,350	5,261	5,825
Sprint Corp, 7.88% Due 9/15/2023	150	155	167
Verizon Communications, 3.45% Due 3/15/2021	550	564	568
Verizon Communications, 5.15% Due 9/15/2023	5,855	6,127	6,552
Verizon Communications, 4.15% Due 3/25/2024	3,215	3,215	3,357
Verizon Communications, 6.4% Due 9/15/2033	830	863	1,017
Verizon Communications, 6.55% Due 9/15/2043	13,815	14,155	17,385
<i>Total Communication Services</i>		38,850	44,103
<i>Consumer Discretionary</i>			
21st Century Fox America, 8.45% Due 8/1/2034	400	571	572
21st Century Fox America, 6.4% Due 12/15/2035	2,260	2,642	2,815
21st Century Fox America, 6.65% Due 11/15/2037	2,785	3,013	3,536
Comcast Cable Communication, 8.88% Due 5/1/2017	2,615	2,905	3,180
Comcast Corp, 6.3% Due 11/15/2017	2,700	2,950	3,139
Comcast Corp, 5.88% Due 2/15/2018	2,000	2,161	2,306

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Continental Airlines Inc, 9.25% Due 5/10/2017	755	755	849
Continental Airlines Inc, 7.25% Due 11/10/2019	4,668	4,668	5,462
Cox Communications Inc, 9.38% Due 1/15/2019	9,995	11,867	12,944
Cox Communications Inc, 3.25% Due 12/15/2022	2,925	2,590	2,864
Cox Communications Inc, 2.95% Due 6/30/2023	3,475	3,068	3,299
Daimler Finance NA LLC, 1.3% Due 7/31/2015	2,340	2,338	2,359
Delta Air Lines, 6.82% Due 8/10/2022	1,822	1,822	2,136
Ford Motor Company, 4.75% Due 1/15/2043	1,190	1,159	1,203
General Motors Co, 3.5% Due 10/2/2018	3,000	3,000	3,068
Greenpoint Manufacture Housing, 2.91% Adj, Due 3/18/2029	1,125	926	997
Greenpoint Manufacture Housing, 3.53% Adj, Due 6/19/2029	450	361	392
Greenpoint Manufacture Housing, 3.65% Adj, Due 2/20/2030	400	320	348
Greenpoint Manufacture Housing, 3.65% Adj, Due 2/20/2032	525	440	481
Greenpoint Manufacture Housing, 3.65% Adj, Due 3/13/2032	850	713	765
Hyundai Capital America, 2.13% Due 10/2/2017	460	460	467
Macys Retail Holdings Inc, 6.65% Due 7/15/2024	4,415	4,214	5,458
Macys Retail Holdings Inc, 6.9% Due 4/1/2029	3,000	3,043	3,752
Macys Retail Holdings Inc, 6.7% Due 7/15/2034	1,990	2,034	2,509
Macys Retail Holdings Inc, 6.38% Due 3/15/2037	4,100	3,884	5,098
Nordstrom Inc, 6.25% Due 1/15/2018	4,775	5,089	5,512
NVR Inc, 3.95% Due 9/15/2022	100	100	101
Reed Elsevier Capital, 8.63% Due 1/15/2019	1,428	1,688	1,807
Reed Elsevier Capital, 3.13% Due 10/15/2022	6,451	6,240	6,362
Seneca Gaming Corp, 8.25% Due 12/1/2018	1,090	1,166	1,158
Time Warner Cable Inc, 8.75% Due 2/14/2019	8,890	10,317	11,401
Time Warner Cable Inc, 8.25% Due 4/1/2019	1,075	1,226	1,362
Time Warner Cable Inc, 4.0% Due 9/1/2021	4,065	4,041	4,342
Time Warner Cable Inc, 5.5% Due 9/1/2041	230	228	257
Time Warner Entertainment, 8.38% Due 7/15/2033	2,960	3,048	4,343
Time Warner Inc, 7.63% Due 4/15/2031	3,500	4,148	4,809
Time Warner Inc, 7.7% Due 5/1/2032	9,474	11,325	13,156
Viacom Inc, 5.85% Due 9/1/2043	2,280	2,265	2,619
Wal-Mart Stores Inc, 5.8% Due 2/15/2018	610	623	703
<i>Total Consumer Discretionary</i>		113,408	127,931
<i>Consumer Staples</i>			
Altria Group Inc, 4.0% Due 1/31/2024	1,060	1,054	1,089
Altria Group Inc, 10.2% Due 2/6/2039	1,240	1,990	2,105
Altria Group Inc, 5.38% Due 1/31/2044	590	588	646
CVS Caremark Corp, 4.0% Due 12/5/2023	1,610	1,603	1,685
CVS Caremark Corp, 6.94% Due 1/10/2030	1,798	1,798	2,174
Kroger Co, 6.4% Due 8/15/2017	220	225	252
Kroger Co, 3.3% Due 1/15/2021	2,150	2,145	2,201
Kroger Co, 3.4% Due 4/15/2022	1,240	1,234	1,257
Lorillard Tobacco Company, 8.13% Due 6/23/2019	2,680	2,841	3,341
Mondelez International, 4.0% Due 2/1/2024	1,840	1,840	1,906
Reynolds American Inc, 6.75% Due 6/15/2017	2,330	2,338	2,675
Reynolds American Inc, 3.25% Due 11/1/2022	690	689	666
Reynolds Group Issuer Inc, 7.13% Adj, Due 4/15/2019	400	406	418
Reynolds Group Issuer Inc, 9.88% Due 8/15/2019	1,920	2,141	2,126
Reynolds Group Issuer Inc, 6.88% Adj, Due 2/15/2021	1,360	1,360	1,468
Wm Wrigley Jr Company, 2.9% Due 10/21/2019	890	893	913
Wm Wrigley Jr Company, 3.38% Due 10/21/2020	310	310	321
<i>Total Consumer Staples</i>		23,455	25,243
<i>Energy</i>			
Atwood Oceanics Inc, 6.5% Due 2/1/2020	1,410	1,514	1,503
El Paso LLC, 7.8% Due 8/1/2031	469	342	509
Hercules Offshore Inc, 10.25% Due 4/1/2019	1,660	1,844	1,822
Kerr-McGee Corporation, 7.88% Due 9/15/2031	1,115	1,261	1,575
Southern Natural Gas, 5.9% Due 4/1/2017	570	570	641
<i>Total Energy</i>		5,531	6,050

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Financial Services</i>			
American Express Co, 6.15% Due 8/28/2017	1,250	1,253	1,430
American Express Co, 6.8% Due 9/1/2066	200	207	220
American International Group, 5.85% Due 1/16/2018	910	908	1,039
BAC Capital Trust XI, 6.63% Due 5/23/2036	12,130	11,258	13,720
Bank of America Corp, 6.5% Due 8/1/2016	410	410	454
Bank of America Corp, 5.42% Due 3/15/2017	600	629	660
Bank of America Corp, 6.88% Due 4/25/2018	8,890	8,886	10,474
Bank of America Corp, 2.6% Due 1/15/2019	1,320	1,320	1,336
Bank of America Corp, 7.63% Due 6/1/2019	6,150	6,887	7,596
Bank of America Corp, 5.63% Due 7/1/2020	260	300	299
Bank of America Corp, 5.0% Due 5/13/2021	150	149	167
Bank of America Corp, 3.3% Due 1/11/2023	290	286	286
Bank of America Corp, 4.0% Due 4/1/2024	1,600	1,596	1,633
Bank of America Corp, 5.0% Due 1/21/2044	2,640	2,634	2,801
Bank of America Corp, 4.88% Due 4/1/2044	1,230	1,229	1,269
Boston Properties LP, 5.88% Due 10/15/2019	2,450	2,512	2,861
Boston Properties LP, 5.63% Due 11/15/2020	4,600	4,918	5,293
Boston Properties LP, 3.8% Due 2/1/2024	1,525	1,521	1,542
Capital One Financial Corp, 4.75% Due 7/15/2021	3,250	3,233	3,616
Capital One Financial Corp, 3.5% Due 6/15/2023	7,270	7,125	7,294
CIT Group Inc, 5.5% Due 2/15/2019	770	830	834
Citigroup Inc, 5.0% Due 9/15/2014	645	645	651
Citigroup Inc, 3.95% Due 6/15/2016	2,160	2,178	2,279
Citigroup Inc, 6.13% Due 11/21/2017	4,660	4,837	5,330
Citigroup Inc, 5.5% Due 9/13/2025	1,240	1,241	1,383
Corp Bond Backed CTF-CCE, 0.0% Adj, Due 5/15/2098	5,000	3,831	4,675
Countrywide Financial Corp, 6.25% Due 5/15/2016	2,550	2,476	2,783
ERP Operating LP, 4.63% Due 12/15/2021	4,400	4,433	4,843
ERP Operating LP, 3.0% Due 4/15/2023	1,350	1,291	1,317
Ford Motor Credit Company LLC, 5.63% Due 9/15/2015	2,375	2,384	2,513
Ford Motor Credit Company LLC, 8.13% Due 1/15/2020	2,140	2,615	2,732
Ford Motor Credit Company LLC, 5.75% Due 2/1/2021	8,650	8,802	10,062
Ford Motor Credit Company LLC, 5.88% Due 8/2/2021	2,625	2,902	3,082
General Electric Capital Corp, 1.63% Due 7/2/2015	570	573	577
General Electric Capital Corp, 5.5% Due 1/8/2020	2,030	2,124	2,353
General Electric Capital Corp, 4.38% Due 9/16/2020	3,590	3,630	3,965
General Electric Capital Corp, 4.63% Due 1/7/2021	2,550	2,623	2,840
General Electric Capital Corp, 4.65% Due 10/17/2021	3,290	3,527	3,659
General Electric Capital Corp, 6.38% Due 11/15/2067	4,410	4,312	4,917
Glitnir BankI HF, 6.69% Due 6/15/2016 (a)	5,000	6	1
Glitnir BankI HF, 7.45% Perpetual (a)	600	1	8
Goldman Sachs Capital II, 4.0% Due 12/29/2049	3,960	3,041	3,168
Goldman Sachs Group Inc, 6.15% Due 4/1/2018	3,680	3,681	4,220
Goldman Sachs Group Inc, 6.25% Due 2/1/2041	2,810	2,813	3,428
HSBC Finance Corp, 6.68% Due 1/15/2021	350	343	419
ILFC E-Capital Trust II, 6.25% Due 12/21/2065	4,520	3,709	4,520
JP Morgan Chase & Co, 5.13% Due 9/15/2014	40	40	40
JP Morgan Chase & Co, 5.15% Due 10/1/2015	400	399	421
JP Morgan Chase & Co, 3.38% Due 5/1/2023	6,605	6,576	6,483
JP Morgan Chase & Co, 3.63% Due 5/13/2024	390	388	392
Legg Mason Inc, 5.5% Adj, Due 5/21/2019	5,900	5,855	6,819
Lehman Bros CAP TR VII, 6.5% Adj, Due 7/19/2017 (a)	110	-	-
Lehman Bros CAP TR VII, 6.5% Adj, Due 12/28/2017 (a)	8,860	-	-
Lehman Bros CAP TR VII, 5.86% Perpetual (a)	4,430	-	-
MetLife Inc, 6.4% Due 12/15/2036	2,790	2,575	3,118
Morgan Stanley, 6.63% Due 4/1/2018	360	365	421
Navient Corp, 3.88% Due 9/10/2015	4,810	4,862	4,906
Navient Corp, 6.0% Due 1/25/2017	5,775	5,730	6,273
Navient Corp, 4.63% Due 9/25/2017	1,100	1,128	1,159
Northern Trust Corp, 3.95% Due 10/30/2025	1,060	1,059	1,102
Rio Oil Finance Trust, 6.25% Due 7/6/2024	10,000	10,000	10,503
Santander Holdings USA, 3.45% Due 8/27/2018	1,400	1,398	1,484
State Street Corp, 4.96% Due 3/15/2018	1,980	1,994	2,172

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
State Street Corp, 3.1% Due 5/15/2023	810	809	795
Teachers Insurance & Annuity, 6.85% Due 12/16/2039	1,230	1,228	1,640
Toll Brothers Finance Corp, 4.0% Due 12/31/2018	350	360	361
Toll Brothers Finance Corp, 5.88% Due 2/15/2022	610	653	663
Wachovia Capital Trust III, 5.57% Due 12/29/2049	2,290	2,285	2,221
Wells Fargo & Company, 4.48% Due 1/16/2024	1,190	1,044	1,260
Wells Fargo & Company, 4.1% Due 6/3/2026	1,060	1,059	1,074
Wells Fargo & Company, 5.38% Due 11/2/2043	810	808	891
Wells Fargo Capital X, 5.95% Due 12/15/2036	1,040	992	1,062
<i>Total Financial Services</i>		177,716	195,809
<i>Health Care</i>			
Abbvie Inc, 2.9% Due 11/6/2022	1,660	1,651	1,605
Amgen Inc, 4.5% Due 3/15/2020	1,290	1,290	1,398
Boston Scientific Corp, 6.4% Due 6/15/2016	6,415	6,605	7,074
Boston Scientific Corp, 6.0% Due 1/15/2020	2,835	3,177	3,296
CIGNA Corporation, 8.5% Due 5/1/2019	1,399	1,652	1,789
CIGNA Corporation, 7.65% Due 3/1/2023	1,925	2,028	2,385
CIGNA Corporation, 7.88% Due 5/15/2027	1,545	1,677	2,012
CIGNA Corporation, 6.15% Due 11/15/2036	3,488	3,620	4,305
DJO FIN LLC/DJO Finance Corp, 9.75% Due 10/15/2017	1,000	1,064	1,048
HCA Inc, 6.5% Due 2/15/2016	9,425	9,705	10,144
Health Net Inc, 6.38% Due 6/1/2017	2,850	2,788	3,131
Humana Inc, 7.2% Due 6/15/2018	2,030	2,067	2,411
Humana Inc, 3.15% Due 12/1/2022	310	309	304
Humana Inc, 8.15% Due 6/15/2038	730	734	1,058
Iasis Healthcare/Cap Corp, 8.38% Due 5/15/2019	3,500	3,731	3,732
Jaguar Holding Co I, 9.38% Due 10/15/2017	1,100	1,154	1,139
Lantheus Medical Imaging, 9.75% Due 5/15/2017	1,850	1,854	1,922
WellPoint Inc, 1.25% Due 9/10/2015	400	400	403
WellPoint Inc, 5.88% Due 6/15/2017	260	259	292
WellPoint Inc, 7.0% Due 2/15/2019	6,233	6,976	7,519
<i>Total Health Care</i>		52,741	56,967
<i>Technology</i>			
Hewlett-Packard Company, 3.3% Due 12/9/2016	4,300	4,295	4,525
Hewlett-Packard Company, 5.5% Due 3/1/2018	726	798	821
KLA-Tencor Corporation, 6.9% Due 5/1/2018	4,900	5,559	5,765
National Semiconductor, 6.6% Due 6/15/2017	2,580	2,628	2,987
<i>Total Technology</i>		13,280	14,098
<i>Utilities</i>			
AES Corporation, 8.0% Due 6/1/2020	6,400	6,400	7,696
Calpine Corp, 7.88% Due 1/15/2023	1,998	1,998	2,228
NRG Rema LLC, 9.24% Due 7/2/2017	1,533	1,552	1,585
Pacific Gas & Electric, 6.05% Due 3/1/2034	870	884	1,076
<i>Total Utilities</i>		10,834	12,585
Total U.S. Corporate Bonds - 24.8%		519,178	571,567
Corporate Asset Backed Issues			
Access Group Inc, 0.73% Due 7/25/2035	3,306	2,930	2,922
Access Group Inc, 0.63% Due 10/25/2035	2,652	2,373	2,367
Ace Securities Corp, 1.13% Due 12/25/2034	2,378	2,189	2,315
Bear Stearns Asset Backed Sec, 16.5% Due 12/25/2035	1,317	1,531	1,545
Chase Issuance Trust, 0.54% Adj, Due 10/16/2017	11,700	11,700	11,709
CIT Group Securitization Corp, 7.65% Due 5/15/2026	1,696	1,766	1,763
Countrywide Alternative Loan, 0.85% Due 2/25/2036	6,775	4,982	5,281
Fieldstone Mortgage Investment, 2.1% Due 10/25/2035	2,963	2,409	2,444
Lehman XS Trust, 0.37% Due 4/25/2046	3,682	2,454	2,704
M&T Bank Auto Receivables Trust, Due 10/15/2020 (b)	5,944	3,180	2,722
National Collegiate Student Ln, 0.42% Due 3/26/2029	4,820	4,220	4,386
NC State Education Assist Authority, 1.13% Due 7/25/2030	11,400	10,850	11,537
Nelnet Student Loan Trust, 1.11% Adj, Due 3/22/2032	10,700	9,725	10,073

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Pegasus Aviation Lease Sec, 8.37% Due 3/25/2030	500	336	144
Security Nat'l Mortgage Loan Trust, 6.21% Adj, Due 2/25/2036	3,066	2,866	2,860
SLM Student Loan Trust, 3.31% Adj, Due 5/15/2017	8,790	8,789	9,183
Total Corporate Asset Backed Issues - 3.2%		72,300	73,955
<u>Corporate CMO</u>			
American Home Mortgage Assets, 0.34% Due 12/25/2046	5,062	3,629	3,595
Banc of America Mortgage Sec, 5.16% Adj, Due 12/1/2034	1,466	1,405	1,455
Banc of America Mortgage Sec, 2.68% Adj, Due 4/25/2035	496	485	435
Bear Stearns Adj Rate Mortgage, 2.23% Due 12/25/2046	1,002	922	894
CD Commercial Mortgage Trust, 5.4% Adj, Due 12/11/2049	890	698	747
Citigroup Commercial Mortgage Trust, 5.48% Due 10/15/2049	490	493	496
COMM Mortgage Trust, 5.38% Due 12/10/2016	1,460	1,474	1,475
Countrywide Alternative Loan, 2.55% Adj, Due 12/25/2035	1,318	1,310	1,099
Countrywide Alternative Loan, 0.65% Due 4/25/2036	6,456	4,305	4,321
Countrywide Home Loans, 2.47% Adj, Due 6/20/2036	730	729	661
Credit Suisse Mortgage Trust, 5.75% Adj, Due 1/15/2049	500	484	505
GE Business Loan Trust, 0.53% Due 11/15/2034	1,638	1,380	1,430
GMAC Commercial Mortgage Sec, 5.35% Due 11/10/2045	1,090	1,051	1,063
GS Mortgage Securities Trust, 5.62% Due 11/10/2039	1,150	1,179	1,190
Indymac India Mortgage Loan Trust, 2.78% Adj, Due 9/25/2037	1,244	1,239	1,187
JP Morgan Chase Commercial Mortgage, 5.5% Adj, Due 2/12/2017	2,670	2,660	2,666
JP Morgan Chase Commercial Mortgage, 5.41% Due 5/15/2017	1,210	1,070	1,061
JP Morgan Chase Commercial Mortgage, 3.75% Due 6/15/2019	1,180	1,180	1,180
JP Morgan Mortgage Trust, 2.74% Adj, Due 8/25/2035	1,059	1,042	1,013
LB-UBS Commercial Mortgage Trust, 6.33% Adj, Due 7/15/2040	1,010	1,059	1,057
MASTR Adjustable Rate Mortgage, 2.61% Adj, Due 1/25/2036	648	636	641
MASTR Reperforming Loan Trust, 7.0% Due 8/25/2034	60	61	62
Merrill Lynch Mortgage Invest, 2.57% Adj, Due 12/25/2034	18	18	18
Merrill Lynch Mortgage Trust, 5.8% Adj, Due 8/12/2043	1,160	1,175	1,193
ML-CFC Commercial Mortgage Trust, 5.49% Due 9/12/2016	1,630	1,661	1,676
ML-CFC Commercial Mortgage Trust, 6.19% Adj, Due 10/12/2017	1,100	1,070	1,068
Morgan Stanley Mortgage Loan, 2.47% Adj, Due 10/25/2034	994	989	984
Morgan Stanley Mortgage Loan, 2.54% Adj, Due 6/25/2037	2,941	2,947	1,906
Residential Asset Securitization, 4.75% Due 2/25/2019	831	833	852
Structured Adjustable Rate Mortgage, 2.39% Adj, Due 8/25/2034	2,212	2,102	2,189
Structured Asset Mortgage Investment, 0.36% Due 8/25/2036	10,030	8,007	8,009
Wachovia Bank Commercial Mortgage Trust, 5.63% Adj, Due 10/15/2048	970	977	995
WAMU Mortgage Pass-Through Certificate, 2.39% Adj, Due 8/25/2035	975	960	976
WAMU Mortgage Pass-Through Certificate, 2.38% Adj, Due 12/25/2035	1,205	1,188	1,166
WAMU Mortgage Pass-Thru Cert, 2.05% Adj, Due 11/25/2036	132	132	116
WAMU Mortgage Pass-Thru Cert, 2.05% Adj, Due 12/25/2036	502	501	437
WAMU Mortgage Pass-Thru Cert, 2.38% Adj, Due 2/25/2037	2,832	2,273	2,508
Washington Mutual Mortgage Pas, 1.06% Adj, Due 4/25/2046	6,357	5,087	5,076
Washington Mutual Mortgage Pas, 1.08% Adj, Due 8/25/2046	4,364	2,748	2,987
Wells Fargo Mortgage Backed, 2.61% Adj, Due 12/25/2034	1,600	1,315	1,630
Wells Fargo Mortgage Backed, 2.62% Adj, Due 4/25/2036	150	150	146
WF-RBS Commercial Mortgage Trust, 4.61% Adj, Due 12/15/2022	980	885	945
Total Corporate CMO - 2.7%		63,509	63,110
<u>Corporate CMO Interest-Only</u>			
Countrywide Alternative Loan, 5.35% Due 4/25/2036	15,062	2,263	2,244
Lehman Mortgage Trust, 6.43% Due 12/25/2036	22,532	5,182	5,711
Total Corporate CMO Interest-Only - 0.3%		7,445	7,955
<u>Corporate Preferred Security</u>			
Citigroup Capital XIII - 0.5%	380	10,161	10,512

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Foreign Government Bonds			
<i>Angola</i>			
Republic of Angola, 6.57% Due 12/20/2023	3,100	3,100	3,100
Republic of Angola, 6.58% Due 12/20/2023	3,100	3,100	3,100
<i>Total Angola</i>		6,200	6,200
<i>Argentina</i>			
Province of Neuquen, 7.88% Due 4/26/2021	2,975	2,950	2,938
Province of Salta, 9.5% Due 3/16/2022	3,009	2,969	2,949
<i>Total Argentina</i>		5,919	5,887
<i>Azerbaijan</i>			
State Oil Co Of The Azer, 4.75% Due 3/13/2023	1,600	1,515	1,592
<i>Brazil</i>			
Nota Do Tesouro Nacional, 10.0% Due 1/1/2017 (Brazil Real)	4,649	1,968	2,039
Nota Do Tesouro Nacional, 14.05% Adj, Due 8/15/2030 (Brazil Real)	8,800	9,026	9,896
Nota Do Tesouro Nacional, 6.0% Due 8/15/2050 (Brazil Real)	3,270	3,534	3,534
<i>Total Brazil</i>		14,528	15,469
<i>El Salvador</i>			
Republic of El Salvador, 7.65% Due 6/15/2035	3,000	3,090	3,245
<i>Georgia</i>			
Republic of Georgia, 6.88% Due 4/12/2021	1,400	1,506	1,586
<i>Germany</i>			
Bosnia & Herzegovina, 1.13% Adj, Due 12/11/2021 (Deutsche Mark)	5,000	2,914	2,905
<i>Ghana</i>			
Ghana Government Bond, 21.0% Due 10/26/2015 (Ghana New Cedi)	4,600	1,546	1,323
<i>Honduras</i>			
Republic of Honduras, 8.75% Due 12/16/2020	1,100	1,100	1,226
<i>Iraq</i>			
Republic of Iraq, 5.8% Due 1/15/2028	7,000	5,954	6,300
<i>Italy</i>			
Buoni Poliennali Del Tes, 3.75% Due 5/1/2021 (Euro Currency Unit)	10,770	15,857	16,353
<i>Japan</i>			
Japan Government CPI Linked, 0.1% Due 3/10/2024 (Japanese Yen)	2,034,000	21,770	21,804
<i>Kenya</i>			
Kenya Infrastructure Bond, 11.0% Due 9/15/2025 (Kenyan Shilling)	184,450	2,082	2,094
<i>Lithuania</i>			
Republic of Lithuania, 7.38% Due 2/11/2020	4,000	4,777	4,900
<i>Mexico</i>			
Mex Bonos Desarr Fix Rt, 6.5% Due 6/9/2022 (Mexican Peso)	16,780	1,309	1,375
Mex Bonos Desarr Fix Rt, 8.5% Due 11/18/2038 (Mexican Peso)	5,600	523	526
Mex Bonos Desarr Fix Rt, 7.75% Due 11/13/2042 (Mexican Peso)	64,284	5,585	5,611
Mexican Udibonos, 4.0% Due 11/15/2040 (Mexican Peso)	66,704	5,364	5,803
<i>Total Mexico</i>		12,781	13,315
<i>Mongolia</i>			
Mongolia Intl Bond, 5.13% Due 12/5/2022	2,000	1,746	1,740
<i>Mozambique</i>			
Republic Of Mozambique, 6.31% Due 9/11/2020	3,200	3,002	3,232
<i>New Zealand</i>			
New Zealand Government, 3.0% Due 4/15/2020 (New Zealand Dollar)	8,430	6,857	6,931

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Nigeria</i>			
Central Bank of Nigeria, 0.0% Adj, Due 11/15/2020	2,650	4,252	4,108
Nigeria Government, 10.0% Due 7/23/2030 (Nigerian Naira)	170,000	859	880
Nigeria Treasury, Zero Coupon, Due 4/9/2015 (Nigerian Naira)	290,000	1,652	1,601
Nigeria Treasury, Zero Coupon, Due 5/21/2015 (Nigerian Naira)	120,000	672	663
Nigeria Treasury, Zero Coupon, Due 6/4/2015 (Nigerian Naira)	100,000	556	553
<i>Total Nigeria</i>		7,991	7,805
<i>Paraguay</i>			
Republic of Paraguay, 4.63% Due 1/25/2023	1,700	1,618	1,727
<i>Poland</i>			
Poland Government Bond, 4.0% Due 10/25/2023 (Polish Zloty)	14,030	4,672	4,819
Republic of Poland, 4.0% Due 1/22/2024	3,390	3,364	3,517
<i>Total Poland</i>		8,036	8,336
<i>Russia</i>			
Alfa Bank (Alfa Bond), 7.5% Due 9/26/2019	1,450	1,540	1,495
Russian Agricultural Bank OJSC, 6.0% Due 6/3/2021	2,950	2,957	2,965
Russian Federation, 7.5% Due 3/31/2030	1,370	1,597	1,587
<i>Total Russia</i>		6,094	6,047
<i>Rwanda</i>			
Republic of Rwanda, 6.63% Due 5/2/2023	1,600	1,494	1,656
<i>Serbia</i>			
Serbia Treasury Bonds, 10.0% Due 10/17/2016 (Serbian Dinar)	115,000	1,332	1,326
<i>Seychelles</i>			
Republic of Seychelles, 5.0% Due 1/1/2026	303	268	280
<i>South Africa</i>			
Republic of South Africa, 8.0% Due 12/21/2018 (South African Rand)	45,700	4,555	4,365
Republic of South Africa, 2.25% Due 1/31/2038 (South African Rand)	12,347	1,173	1,313
<i>Total South Africa</i>		5,728	5,678
<i>Spain</i>			
Kingdom of Spain, 4.0% Due 3/6/2018	5,500	5,487	5,878
<i>Tanzania</i>			
United Republic of Tanzania, 6.33% Due 3/9/2020	750	780	799
<i>Tunisia</i>			
Banque Cent de Tunisie, 4.5% Due 6/22/2020 (Euro Currency Unit)	2,300	2,941	3,254
Banque Cent de Tunisie, 4.2% Due 3/17/2031 (Japanese Yen)	200,000	1,494	1,499
<i>Total Tunisia</i>		4,435	4,753
<i>Turkey</i>			
Republic of Turkey, 6.75% Due 4/3/2018	6,000	6,551	6,774
Republic of Turkey, 5.75% Due 3/22/2024	3,000	2,978	3,278
Turkey Government Bond, 4.0% Due 4/29/2015 (Turkish Lira)	8,157	4,180	3,890
<i>Total Turkey</i>		13,709	13,942
<i>Uganda</i>			
Uganda Government Bond, 10.75% Due 9/8/2016 (Ugandan Shilling)	4,000,000	1,489	1,426
<i>Ukraine</i>			
City of Kyiv, 8.0% Due 11/6/2015	2,600	2,083	2,367
Oschadbank Via SSB #1 PLC, 8.25% Due 3/10/2016	4,000	3,529	3,621
Oschadbank Via SSB #1 PLC, 8.88% Due 3/20/2018	2,200	1,827	1,914
<i>Total Ukraine</i>		7,439	7,902
<i>Uruguay</i>			
Republica Orient Uruguay, 3.7% Due 6/26/2037 (Uruguay Peso)	59,385	2,765	2,643

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Venezuela</i>			
Republic of Venezuela, 0.0% Adj, Due 4/15/2020	10,000	2,934	2,200
Republic of Venezuela, 7.65% Due 4/21/2025	5,000	3,495	3,850
<i>Total Venezuela</i>		6,429	6,050
Total Foreign Government Bonds - 8.3%		188,238	192,350
<u>Foreign Corporate Bonds</u>			
<i>Australia</i>			
Asciano Finance, 3.13% Due 9/23/2015	4,890	4,888	4,991
BHP Billiton Financial USA LTD, 5.0% Due 9/30/2043	930	930	1,028
FMG Resources Aug 2006, 8.25% Due 11/1/2019	1,140	1,264	1,241
National Australia Bank Ltd, 1.6% Due 8/7/2015	750	750	760
<i>Total Australia</i>		7,832	8,020
<i>Austria</i>			
ESAL GMBH, 6.25% Due 2/5/2023	1,800	1,633	1,764
<i>Canada</i>			
Anadarko Finance Co, 7.5% Due 5/1/2031	556	609	757
Barrick Gold Corporation, 4.1% Due 5/1/2023	1,380	1,378	1,374
Glencore Finance Canada, 2.05% Due 10/23/2015	1,420	1,422	1,436
Glencore Finance Canada, 5.8% Due 11/15/2016	310	338	341
Glencore Finance Canada, 2.7% Due 10/25/2017	1,340	1,341	1,375
Novelis Inc, 8.75% Due 12/15/2020	1,510	1,685	1,676
Postmedia Network Inc, 12.5% Due 7/15/2018	2,380	2,568	2,523
<i>Total Canada</i>		9,341	9,482
<i>Cayman Islands</i>			
Irsa Norte Finance Ltd, 8.75% Due 5/30/2024	1,361	1,598	1,613
Longfor Properties, 6.75% Due 1/29/2023	400	354	378
Mizuho Fin Grp Cayman 3, 4.6% Due 3/27/2024	1,520	1,516	1,602
Peru Enhanced Pass-Thru, Zero Coupon, Due 6/2/2025	4,600	3,248	3,254
Petrobras Intl Fin Co, 3.88% Due 1/27/2016	1,050	1,063	1,083
Petrobras Intl Fin Co, 5.38% Due 1/27/2021	12,400	13,227	12,924
Shelf Drill Hold Ltd, 8.63% Due 11/1/2018	2,310	2,487	2,472
Transocean Inc, 2.5% Due 10/15/2017	990	994	1,011
Vale Overseas Limited, 6.88% Due 11/21/2036	2,812	2,799	3,113
<i>Total Cayman Islands</i>		27,286	27,450
<i>Colombia</i>			
Ecopetrol SA, 5.88% Due 5/28/2045	1,070	1,063	1,107
Empresa De Telecomunic, 7.0% Due 1/17/2023 (Colombian Peso)	3,600,000	1,654	1,772
Masisa, 9.5% Due 5/5/2019	1,100	1,100	1,194
<i>Total Colombia</i>		3,817	4,073
<i>France</i>			
BNP Paribas, 2.38% Due 9/14/2017	660	659	676
BPCE SA, 12.5% Perpetual	3,317	4,329	4,544
Credit Agricole SA, 8.38% Due 12/13/2049	3,340	3,340	3,945
Lafarge SA, 6.5% Due 7/15/2016	7,250	7,413	7,939
Pernod Ricard SA, 2.95% Due 1/15/2017	650	651	676
Pernod Ricard SA, 4.45% Due 1/15/2022	1,730	1,756	1,844
<i>Total France</i>		18,148	19,624
<i>Georgia</i>			
Georgian Oil & Gas Corp, 6.88% Due 5/16/2017	1,500	1,556	1,584
<i>Hong Kong</i>			
Yuexiu Property Co Ltd, 4.5% Due 1/24/2023	2,600	2,322	2,372
<i>India</i>			
Intl Finance Corp, 7.75% Due 12/3/2016 (Indian Rupee)	175,000	2,827	2,938

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Ireland</i>			
Ardagh Packaging Fin/Holdings USA, 6.25% Due 1/31/2019	2,090	2,200	2,142
Ardagh Packaging Fin/MP HD USA, 7.38% Due 10/15/2017	850	902	897
Ardagh Packaging Finance, 7.38% Due 10/15/2017	580	615	612
Perrigo Co PLC, 4.0% Due 11/15/2023	580	578	589
<i>Total Ireland</i>		4,295	4,240
<i>Italy</i>			
Enel Spa, 8.75% Due 9/24/2073	1,550	1,537	1,825
Intesa Sanpaolo Spa, 5.02% Due 6/26/2024	4,120	4,164	4,169
Telecom Italia Spa, 5.3% Due 5/30/2024	2,330	2,330	2,339
<i>Total Italy</i>		8,031	8,333
<i>Kazakhstan</i>			
Kazmunaygas National Co, 11.75% Due 1/23/2015	3,000	3,162	3,167
<i>Korea</i>			
Export-Import Bank Korea, 4.0% Due 1/11/2017	4,675	4,670	4,991
<i>Luxembourg</i>			
ArcelorMittal, 5.0% Adj, Due 2/25/2017	60	59	63
Convatec Finance Intl SA, 8.25% Due 1/15/2019	1,770	1,828	1,810
Intelsat Jackson Holdings, 7.25% Due 10/15/2020	2,090	2,265	2,252
Mallinckrodt International Fin, 3.5% Due 4/15/2018	1,250	1,266	1,244
Telecom Italia Capital, 7.18% Due 6/18/2019	11,550	12,530	13,355
Telecom Italia Capital, 7.72% Due 6/4/2038	3,425	3,459	3,947
<i>Total Luxembourg</i>		21,407	22,671
<i>Mexico</i>			
Alfa SA, 5.25% Due 3/25/2024	300	299	313
Cemex SAB DE CV, 6.5% Due 12/10/2019	5,850	5,850	6,267
Petroleos Mexicanos, 6.38% Due 1/23/2045	6,705	6,702	7,786
Red Carreteras Occide, 9.0% Due 6/10/2028 (Mexican Peso)	9,000	597	660
<i>Total Mexico</i>		13,448	15,026
<i>Netherlands</i>			
Bharti Airtel International, 5.13% Due 3/11/2023	1,650	1,520	1,690
Deutsche Telekom International Fin, 5.75% Due 3/23/2016	1,635	1,631	1,769
Enel Finance International NV, 6.8% Due 9/15/2037	1,500	1,581	1,830
Enel Finance International NV, 6.0% Due 10/7/2039	4,252	4,052	4,845
ING Bank NV, 5.8% Due 9/25/2023	2,170	2,161	2,445
Petrobras Global Finance, 4.38% Due 5/20/2023	9,165	9,067	8,826
Rabobank Nederland, 4.63% Due 12/1/2023	1,720	1,714	1,818
Rabobank Nederland, 11.0% Perpetual	544	593	730
Schaeffler Finance BV, 7.75% Due 2/15/2017	2,150	2,423	2,424
<i>Total Netherlands</i>		24,742	26,377
<i>New Zealand</i>			
ANZ New Zealand International, 1.85% Due 10/15/2015	800	800	812
Myriad International Holdings BV, 6.0% Due 7/18/2020	4,250	4,265	4,686
<i>Total New Zealand</i>		5,065	5,498
<i>Nigeria</i>			
Fidelity Bank PLC, 6.88% Due 5/9/2018	2,400	2,289	2,256
<i>Russia</i>			
RusHydro, 7.88% Due 10/28/2015 (Russian Ruble)	50,000	1,513	1,442
Russian Railways via RZD Capital, 8.3% Due 4/2/2019 (Russian Ruble)	50,000	1,555	1,398
<i>Total Russia</i>		3,068	2,840
<i>Singapore</i>			
Golden Legacy PTE Ltd, 9.0% Due 4/24/2019	1,400	1,400	1,476

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Spain</i>			
BBVA US Senior SA Uniper, 4.66% Due 10/9/2015	1,070	1,075	1,119
Telefonica Emisiones SAU, 6.22% Due 7/3/2017	250	244	283
Telefonica Emisiones SAU, 5.13% Due 4/27/2020	670	600	748
<i>Total Spain</i>		1,919	2,150
<i>Sri Lanka</i>			
National Savings Bank, 8.88% Due 9/18/2018	2,150	2,261	2,435
<i>Sweden</i>			
Nordea Bank AB, 4.88% Due 5/13/2021	2,980	2,969	3,235
<i>Switzerland</i>			
Credit Suisse New York, 2.3% Due 5/28/2019	2,120	2,116	2,123
<i>United Kingdom</i>			
British Telecom PLC, 9.63% Adj, Due 12/15/2030	1,970	3,107	3,138
Ferrexpo Finance PLC, 7.88% Due 4/7/2016	1,700	1,634	1,632
Franshion Development LT, 6.75% Due 4/15/2021	1,500	1,526	1,594
HSBC Holdings PLC, 5.1% Due 4/5/2021	1,125	1,123	1,278
HSBC Holdings PLC, 6.5% Due 5/2/2036	10,575	11,208	12,990
HSBC Holdings PLC, 5.25% Due 3/14/2044	500	495	535
Rosneft Finance SA, 7.88% Due 3/13/2018	2,820	2,748	3,218
Royal Bank of Scotland Grp PLC, 5.0% Due 10/1/2014	330	328	333
Royal Bank of Scotland Grp PLC, 2.55% Due 9/18/2015	360	360	367
Royal Bank of Scotland Grp PLC, 6.13% Due 12/15/2022	10,340	10,179	11,309
Royal Bank of Scotland Grp PLC, 6.1% Due 6/10/2023	1,060	1,052	1,160
Royal Bank of Scotland Grp PLC, 6.0% Due 12/19/2023	2,890	2,957	3,125
Royal Bank of Scotland Grp PLC, 5.13% Due 5/28/2024	4,240	4,207	4,305
Royal Bank of Scotland Grp PLC, 7.65% Perpetual	200	215	242
Royal Bank of Scotland Grp PLC, 7.64% Perpetual	400	400	428
Sinopec GRP Oversea 2012, 2.75% Due 5/17/2017	6,000	6,163	6,175
Sinopec Grp Oversea 2014, 4.38% Due 4/10/2024	1,980	1,975	2,050
Standard Chartered PLC, 5.7% Due 3/26/2044	2,300	2,298	2,411
UBM PLC, 5.75% Due 11/3/2020	3,330	3,290	3,584
Vedanta Resources PLC, 9.5% Due 7/18/2018	1,500	1,644	1,729
<i>Total United Kingdom</i>		56,909	61,603
Total Foreign Corporate Bonds - 10.7%		232,513	245,728
<u>Foreign Asset Backed Issues</u>			
<i>Cayman Islands</i>			
ALM Loan Funding, 2.83% Due 1/15/2025	1,250	1,203	1,211
Arrowpoint CLO Ltd, 2.98% Due 3/12/2026	900	854	852
Carlyle Global Market Strategy, 3.72% Due 5/15/2025	1,400	1,335	1,334
Carlyle Global Market Strategy, 3.03% Due 10/15/2025	1,000	972	981
Cent CLO LP, 3.73% Due 7/27/2026	500	470	470
Hildene CLO LTD, 3.93% Due 7/19/2026	250	238	238
LCM Ltd Partnership, 3.83% Due 7/15/2026	450	435	435
Madison Park Funding Ltd, 2.98% Due 10/23/2025	2,000	1,943	1,959
Neuberger Berman CLO Ltd, 3.08% Due 10/15/2025	500	483	488
Northwoods Capital Ltd, 2.98% Due 4/15/2025	500	484	484
Octagon Investment Partners XI, 3.08% Due 4/15/2026	500	494	493
Pinnacle Park CLO Ltd, 3.73% Due 4/15/2026	400	387	387
Saratoga Investment Corp, 3.13% Due 10/20/2023	500	479	486
Shackleton CLO Ltd, 3.23% Due 1/13/2025	2,600	2,572	2,553
Venture CDO Ltd, 3.33% Due 7/15/2025	1,300	1,288	1,296
Venture CDO Ltd, 2.98% Due 4/15/2026	2,250	2,186	2,183
Whitehorse Ltd, 3.23% Due 11/24/2025	200	194	198
<i>Total Cayman Islands</i>		16,017	16,048

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Germany</i>			
Magnus Dritte Immobilienbesitz, 7.25% Due 7/1/2024 (Euro Currency Unit)	1,200	1,631	1,643
Total Foreign Asset Backed Issues - 0.8%		17,648	17,691
Investments in Other Funds			
Western Asset Opportunistic Non-Dollar Hedged Portfolio, LLC Investment Objective - To maximize total return by investing in fixed income securities that are rated investment grade at time of purchase. Redemption Provisions - Daily	1,727,741	37,343	49,025
Western Asset Opportunistic US Dollar High Yield Securities Portfolio, LLC Investment Objective - To maximize total return by investing in fixed income securities that are rated below investment grade at time of purchase. Redemption Provisions - Daily	572,540	12,494	17,298
Western Asset Floating Rate High Income Fund, LLC Investment Objective - To maximize total return by investing in U.S. dollar-denominated loans, loan participations and below investment grade fixed income securities. Redemption Provisions - Daily	1,709,853	21,077	32,677
Western Asset US Enhanced Cash, LLC Investment Objective - To maximize total return by investing in investment grade fixed income securities. Redemption Provisions - Daily	3,526,453	33,903	40,265
Western Asset Opportunistic Asian Securities Portfolio, LLC Investment Objective - To maximize total return by investing in debt and fixed income securities of Asian issuers. Redemption Provisions - Daily	3,996,173	43,665	53,717
Western Asset Mortgage Backed Securities Portfolio, LLC Investment Objective - To maximize total return by investing in debt securities issued or guaranteed by the U.S. government. Redemption Provisions - Daily	2,785,337	44,563	48,771
Western Asset Non-U.S. Inflation Linked Securities Portfolio, LLC Investment Objective - To maximize total return by investing in inflation linked securities of non-U.S. issuers (70%) and U.S. issuers (30%). Redemption Provisions - Daily	275,810	4,355	4,976
Western Asset Emerging Markets Local Debt Portfolio, LLC Investment Objective - To maximize total return by investing in lower rated debt and other fixed income securities of non-U.S. issuers. Redemption Provisions - Daily	1,593,862	21,123	30,660
Western Asset Opportunistic Structured Securities Portfolio, LLC Investment Objective - To maximize total return by investing in primarily investment grade asset backed fixed income securities. Redemption Provisions - Daily	5,648,271	54,708	91,248
Western Asset Emerging Markets Corporate Credit Portfolio, LLC Investment Objective - To maximize total return by investing in U.S. dollar-denominated fixed income securities of non-U.S. issuers in developing markets. Redemption Provisions - Daily	2,966,666	33,256	49,956
Total Investments in Other Funds - 18.2%		306,487	418,593

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 1.6%	37,726,968	37,727	37,727
<u>Liquidating Trust</u>			
Residential Capital LLC - 0.0%	471	-	-
<u>Options Contracts Purchased</u>			
<i>Call, strike price, expiration</i>			
EUR 4YR MID-CRV Option, 97.5, 9/12/2014	414	32	10
Euro 90 Day Future Option, 99.625, 3/16/2015	915	163	183
US Treasury 5Yr Note Option, 119.75, 7/25/2014	275	35	56
US Treasury Option, 139, 7/25/2014	110	21	36
<i>Total Calls</i>		251	285
<i>Put, strike price, expiration</i>			
Credit Suisse First Boston Swaption (CDX.NA.IG.22), 72.5, 8/20/2014	24,900,000	32	15
Credit Suisse First Boston Swaption (CDX.NA.IG.22), 72.5, 8/20/2014	24,900,000	25	15
EUR 1YR MID-CRV Option, 98.75, 9/12/2014	1,036	166	6
EUR 1YR MID-CRV Option, 98.875, 9/12/2014	1,036	120	13
EUR 3YR MID-CRV Option, 97, 7/11/2014	207	19	1
US Treasury 10YR Options, 123, 7/25/2014	119	45	6
<i>Total Puts</i>		407	56
Total Option Contracts Purchased - 0.0%		658	341
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		23,791	23,791
Mellon SL DBT II Liquidating Fund		91	90
Total Investments Made with Cash Collateral for Securities Loaned - 1.0%		23,882	23,881
Total Investments - 100.2%		\$ 2,105,893	\$ 2,309,911
(a) Pending Bankruptcy			
(b) Residual Equity Tranche			

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands)

Type	Description	Expiration Date	Strike Price	Notional or Contracts	Premiums Received	Fair Value
<u>Options Contracts Written</u>						
Call	Credit Suisse First Boston Swaption (CDX.NA.IG.22)	8/20/2014	57.500	(24,900,000)	\$ (15)	\$ (26)
Call	Credit Suisse First Boston Swaption (CDX.NA.IG.22)	8/20/2014	60.000	(24,900,000)	(20)	(42)
Call	Euro 90 Day Future Option	3/16/2015	99.750	(915)	(20)	(29)
Call	US Treasury Option	7/25/2014	138.000	(110)	(37)	(69)
Put	Credit Suisse First Boston Swaption (CDX.NA.IG.22)	8/20/2014	85.000	(24,900,000)	(12)	(6)
Put	Credit Suisse First Boston Swaption (CDX.NA.IG.22)	8/20/2014	85.000	(24,900,000)	(10)	(6)
Put	EUR 1YR MID-CRV Option	9/12/2014	99.000	(1,036)	(271)	(32)
Put	Euro 90 Day Future Option	3/16/2015	99.500	(915)	(123)	(69)
Total Options Contracts Written - (0.0%)					<u>\$ (508)</u>	<u>\$ (279)</u>

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Interest, net of withholding taxes (\$30)	\$ 67,088
Dividends	3
Net securities lending income	<u>177</u>
Total investment income	67,268

Expenses

Investment advisor fees	(4,756)
Trustee fees	(7)
Custodian bank fees	(123)
Management fees	(649)
Fiduciary bond fees	(4)
Professional service fees	<u>(131)</u>
Total expenses	<u>(5,670)</u>
Investment income, net	61,598

Realized and unrealized gain (loss) from investments and foreign currency

Net realized gain (loss) from:	
Investments	39,739
Futures contracts	1,850
Options written	972
Swaps contracts	(135)
Foreign currency transactions	<u>(1,187)</u>
	41,239
Net change in unrealized appreciation (depreciation) on:	
Investments	59,085
Futures contracts	(15,371)
Options written	279
Swaps contracts	(6,179)
Translation of assets and liabilities in foreign currencies	<u>1,413</u>
	<u>39,227</u>
Net gain from investments and foreign currency	<u>80,466</u>
Net increase in net assets from operations	<u><u>\$ 142,064</u></u>

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	61,598
Net realized gain from investments and foreign currency transactions		41,239
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies		<u>39,227</u>
Net increase in net assets from operations		142,064

Distributions to unitholders

Investment income, net		(61,598)
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Unit transactions

Proceeds from sale of units		326,256
Reinvestment of distributions		58,824
Amount paid for repurchase of units		<u>(473,207)</u>
Net decrease in net assets from unit transactions		<u>(88,127)</u>

Decrease in net assets (7,661)

Net assets, beginning of year 2,312,832

Net assets, end of year \$ 2,305,171

Unit data

Units sold		22,387,034
Units issued from reinvestment of distributions		4,022,461
Units repurchased		<u>(32,378,203)</u>
Net decrease in units		<u><u>(5,968,708)</u></u>

See accompanying notes to financial statements.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The main objective of this Pool is to earn superior returns with low volatility by actively investing in the extended fixed income markets. Dodge & Cox (DAC), Franklin Templeton Investments (FTI), and Western Asset Management Company (Western) manage the Pool. The Pool's investment objective, net of external investment management fees, is to meet or exceed the Barclays Capital Universal Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 5 for further discussion and presentation of the reporting requirements under ASC 820.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined 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.
- Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded.
- Credit default, interest rate, and currency swap values are based on market values received from third parties or are determined by valuation models.
- Foreign currency forward contracts are valued at the difference between the forward contract amount and the month-end forward exchange rate.

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

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

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

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

Option Contracts - The IMB may purchase or write equity, bond, currency, or index option contracts that have recognized liquidity and are actively traded on major exchanges or are executed with major dealers. These option contracts give the purchaser (seller) of the contract the right to buy (call) or sell (put) the security, or settle cash for an index option, underlying the contract at an agreed upon price (strike price) during or at the conclusion of a specified period of time.

Premiums paid upon the purchase of an option contract are recorded as an asset and subsequently adjusted to market value. Upon exercising a purchased option, a gain or loss is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, minus premiums paid. If the option expires unexercised, a loss is recognized in the amount of the premiums paid for the option.

Premiums received when option contracts are written are recorded as a liability and subsequently adjusted to market value. If a written option contract expires unexercised, a gain is recorded equal to the amount of the premiums received. The difference between the premiums received and the amount paid to effect a closing transaction is also recorded as a gain or loss. When a written option is exercised, a gain or loss is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, minus premiums received.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically of the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

Futures Contracts - A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. Upon entering into a financial futures contract, the IMB is required to pledge to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker for the fluctuations of the underlying securities or index. The IMB records futures at fair market value. Gains or losses on open futures positions are unrealized. These gains or losses become realized when the position is closed.

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

The market risk associated with holding interest rate and stock index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Investment risk associated with these futures contracts arises because the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The IMB's managers generally only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk of a counterparty default and generally require an initial margin deposit of cash or securities.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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. Fair values are based on market values received from third parties or are determined by valuation models. Credit default swap agreements are marked-to-market daily and the change, if any, is recorded as unrealized gain or loss. Upfront payments received or made by the Pool on credit default swap agreements are amortized over the expected life of the agreement. 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, as realized gains or losses.

In accordance with its principal investment strategy, the Pool enters into credit default swaps as a seller of protection primarily to gain exposure similar to the high yield bond market. 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 Pool 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 Pool could be required to make as a seller of credit protection if a credit event occurs. As the seller of protection, the Pool receives periodic premium payments from the counterparty and may also receive or pay an upfront premium adjustment to the stated periodic premium.

The quoted market prices and resulting market values for credit default swap agreements on securities and credit indices serve as an indicator of the current status of the payment/performance risk and represent the likelihood of an expected liability (or profit) for the credit derivative had the notional amount of the swap agreement been closed/sold as of the period end. Increasing market values, in absolute terms when compared to the notional amount of the swap, represent a deterioration of the referenced entity's credit soundness and a greater likelihood or risk of default or other credit event occurring as defined under the terms of the agreement.

Interest Rate Swaps - Interest rate swaps represent agreements between counterparties to exchange cash flows based on the difference between two interest rates, applied to a notional principal amount for a specified period. Interest rate swaps do not involve the exchange of principal between the parties. Interest is paid or received periodically. Fair values are based on market values received from third parties or are determined by valuation models.

Currency Swaps - Currency swaps represent agreements between counterparties to exchange principal and interest payments in one currency for principal and interest payments of another currency. Fair values are based on market values received from third parties or are determined by valuation models.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Asset-Backed Securities - The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

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

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

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

Interest Income - Interest income is recognized as earned on the accrual method. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reflected in the Statement of Operations in the year of the change.

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

Distributions to Participants - The monthly net investment income of the Pool is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets. The Pool does not routinely distribute dividends of net realized gains.

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES

Credit Risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2014.

Investment Type	Moody's	S&P	Fair Value	Percent of Assets
Corporate asset backed issues	Baa2	A	\$ 73,955	3.2%
Corporate CMO	Caa1	B	63,110	2.7
Corporate CMO interest-only	C1	Not Rated	7,955	0.4
Corporate preferred security	Ba1	BB	10,512	0.5
Foreign asset backed issues	A2	A	17,691	0.8
Foreign corporate bonds	Baa3	BBB	245,728	10.6
Foreign government bonds	Baa2	BBB	192,350	8.3
Municipal bonds	A1	A	53,510	2.3
Short-term issue	Aaa	AAA	37,727	1.7
U.S. corporate bonds	Baa2	BBB	571,567	24.8
U.S. Government agency bonds	Aaa	AA	2,469	0.1
U.S. Government agency CMO	Aaa	AA	89,517	3.9
U.S. Government agency CMO interest-only	Aaa	AA	11,490	0.5
U.S. Government agency MBS	Aaa	AA	290,820	12.6
U.S. Government agency TBA	Aaa	AA	888	0.0
U.S. Treasury bonds	Aaa	AA	183,531	7.9
U.S. Treasury inflation-protected securities	Aaa	AA	14,276	0.6
Total rated investments			\$ 1,867,096	80.9%

Unrated investments include investments in other funds valued at \$418,593, investments made with cash collateral for securities loaned valued at \$23,881, and option contracts purchased valued at \$341. These unrated investments represent 19.1 percent of the fair value of the Pool's investments.

Concentration of Credit Risk

The Pool is restricted from investing more than 5 percent of the value of the Pool in any one corporate name. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2014, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized at 102 percent and the collateral is held in the name of the IMB. Investments in commingled funds are held in an account in the name of the IMB. All remaining securities are held by the IMB's custodian in the name of the IMB.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2014.

Investment Type	Fair Value	Effective Duration (years)
Corporate asset backed issues	\$ 73,955	1.4
Corporate CMO	63,110	1.5
Corporate CMO interest-only	7,955	25.7
Foreign asset backed issues	17,691	0.7
Foreign corporate bonds	245,728	6.0
Foreign government bonds	192,350	6.5
Investments in other funds	418,593	4.2
Investments made with cash collateral	23,881	0.0
Municipal bonds	53,510	9.0
Short-term issue	37,727	0.0
U.S. corporate bonds	571,567	6.3
U.S. Government agency bonds	2,469	5.3
U.S. Government agency CMO	89,517	2.4
U.S. Government agency CMO interest-only	11,490	(1.3)
U.S. Government agency MBS	290,820	2.2
U.S. Government agency TBA	888	2.2
U.S. Treasury bonds	183,531	10.5
U.S. Treasury inflation-protected securities	14,276	17.5
Total investments	<u>\$ 2,299,058</u>	<u>5.2</u>

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2014, the Pool held \$462,892 of these securities. This represents approximately 20 percent of the value of the Pool's securities.

Foreign Currency Risk

The Pool has foreign government bonds and foreign corporate bonds that are denominated in foreign currencies and are exposed to foreign currency risks. The Pool also has foreign denominated futures contracts and foreign exchange forward contracts. Refer to Notes 7 and 10, respectively, for details on these contracts. Additionally, the Pool has indirect exposure to foreign currency risk through its ownership interests in certain of the commingled investment pools. Approximately \$186,841, or 45 percent, of the commingled investment pools hold substantially all of their investments in foreign currencies. This represents approximately 8 percent of the value of the Pool's securities. The IMB Investment Policy Statement limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2014 the IMB was in compliance with this limitation. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2014, are as follows:

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

Currency	Investments	Cash	Total	Percent
Brazil Real	\$ 15,469	\$ 82	\$ 15,551	0.7%
British Pound	-	467	467	0.0
Colombian Peso	1,772	-	1,772	0.1
Euro Currency Unit	21,251	859	22,110	0.8
German Mark	2,905	-	2,905	0.1
Ghanaian Cedi	1,323	-	1,323	0.1
Indian Rupee	2,938	-	2,938	0.1
Japanese Yen	23,303	447	23,750	1.0
Kenyan Shilling	2,094	-	2,094	0.1
Mexican Peso	13,975	104	14,079	0.6
New Zealand Dollar	6,931	-	6,931	0.3
Nigerian Naira	3,697	3	3,700	0.2
Polish Zloty	4,819	-	4,819	0.2
Russian Ruble	2,840	-	2,840	0.1
Serbian Dinar	1,326	-	1,326	0.1
South African Rand	5,678	167	5,845	0.3
Turkish Lira	3,890	-	3,890	0.2
Ugandan Shilling	1,426	-	1,426	0.1
Uruguayan Peso	2,643	-	2,643	0.1
Total	<u>\$ 118,280</u>	<u>\$ 2,129</u>	<u>\$ 120,409</u>	<u>5.2%</u>

This table excludes investments held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated investments and cash is \$2,213,944. This represents approximately 95 percent of the value of the Pool's investments.

NOTE 4. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments held in the Pool may include foreign exchange contracts, futures, options, credit default swaps, interest rate swaps, and currency swaps. None of these derivative financial instruments are designated as hedging instruments under ASC 815; they are used to implement portfolio strategy, capture valuation opportunities, and to exploit market inefficiencies. The primary risks managed by using these derivative financial instruments include interest rate, foreign exchange rate, and market price risks. See Note 2 for additional information on the Pool's purpose for entering into derivatives and for discussion on the risks associated with investing in these derivatives.

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

The table below presents the fair value of the derivative financial instruments recorded in the Statement of Assets and Liabilities as of June 30, 2014:

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Derivative Type	Asset Derivatives		Liability Derivatives	
	Statement of Assets and Liabilities Location	Fair Value	Statement of Assets and Liabilities Location	Fair Value
Interest rate contracts	Investments at fair value	\$ 341	Option contracts written at fair value	\$ (279)
Interest rate contracts		-	Unrealized depreciation on swap contracts	(5,836)
Credit Contracts	Unrealized appreciation on swap contracts	92	Unrealized depreciation on swap contracts	(447)
Interest rate contracts	Unrealized appreciation on futures contracts	736	Unrealized depreciation on futures contracts	(2,395)
Foreign exchange contracts	Unrealized appreciation on foreign currency forward contracts	590	Unrealized depreciation on foreign currency forward contracts	(272)
Total		<u>\$ 1,759</u>		<u>\$ (9,229)</u>

At June 30, 2014, the Pool had pledged cash of \$23,920 to cover margin requirements on open derivative contracts.

The following table presents the Pool's derivative assets and liabilities net of amounts available for offset under a netting provision and net of related collateral pledged or received by the Pool as of June 30, 2014.

Derivative Type	Derivative Assets Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Assets
Swap	\$ 92	\$ 92	\$ -	\$ -	\$ 92

Derivative Type	Derivative Liabilities Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Liabilities
Foreign Currency Forwards	\$ (84)	\$ (84)	\$ -	\$ -	\$ (84)

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The table below presents the impact of the derivative financial instruments recorded in the Statement of Operations for the year ended June 30, 2014:

Derivative Type	Statement of Operations Location	Realized Gain (Loss)	Statement of Operations Location	Change in Unrealized Appreciation (Depreciation)
Interest rate contracts			Net change in the unrealized appreciation (depreciation) on investments	
	Net realized gain from investments	\$ (759)		\$ (308)
Interest rate contracts			Net change in the unrealized appreciation (depreciation) on futures contracts	
	Net realized gain from futures contracts	1,850		(15,371)
Interest rate contracts			Net change in the unrealized appreciation (depreciation) on options written	
	Net realized gain from options written	972		279
Interest rate contracts			Net change in the unrealized appreciation (depreciation) on swap contracts	
	Net realized loss from swap contracts	(46)		(5,836)
Credit contracts			Net change in the unrealized appreciation (depreciation) on swap contracts	
	Net realized loss from swap contracts	(89)		(355)
Currency contracts			Net change in the unrealized appreciation (depreciation) on swap contracts	
		-		12
Foreign exchange contracts			Net change in unrealized appreciation (depreciation) on translation of assets and liabilities in foreign currencies	
	Net realized loss from foreign currency transactions	(2,207)		1,027
Total		<u>\$ (279)</u>		<u>\$ (20,552)</u>

The Pools' derivative financial instruments outstanding as of June 30, 2014, as disclosed in the financial statements and notes thereto, is indicative of the volume of activity during the year ended June 30, 2014.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 5. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. FAIR VALUE MEASUREMENTS (continued)

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Corporate asset backed issues	\$ -	\$ 73,955	\$ -	\$ 73,955
Corporate CMO	-	63,110	-	63,110
Corporate CMO interest-only	-	7,955	-	7,955
Corporate preferred security	10,512	-	-	10,512
Foreign asset backed issues	-	17,691	-	17,691
Foreign corporate bonds	-	245,728	-	245,728
Foreign currency forward contracts	-	590	-	590
Foreign government bonds	-	192,350	-	192,350
Futures contracts	736	-	-	736
Investments in other funds	-	418,593	-	418,593
Investments made with cash collateral for securities loaned	-	23,881	-	23,881
Municipal bonds	-	53,510	-	53,510
Options contracts purchased	311	30	-	341
Short-term issue	37,727	-	-	37,727
Swaps	-	92	-	92
U.S. corporate bonds	-	571,567	-	571,567
U.S. Government agency bond	-	2,469	-	2,469
U.S. Government agency CMO	-	89,517	-	89,517
U.S. Government agency CMO interest-only	-	11,490	-	11,490
U.S. Government agency MBS	-	290,820	-	290,820
U.S. Government agency TBA	-	888	-	888
U.S. Treasury bonds	-	183,531	-	183,531
U.S. Treasury inflation protected securities	-	14,276	-	14,276
Total	<u>\$ 49,286</u>	<u>\$ 2,262,043</u>	<u>\$ -</u>	<u>\$ 2,311,329</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (272)	\$ -	\$ (272)
Futures contracts	(2,395)	-	-	(2,395)
Options contracts written	(199)	(80)	-	(279)
Swaps	-	(6,283)	-	(6,283)
Total	<u>\$ (2,594)</u>	<u>\$ (6,635)</u>	<u>\$ -</u>	<u>\$ (9,229)</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$	110,806		
Collateral received:		Cost	Fair Value	Unrealized Depreciation
Cash	\$	<u>23,882</u>	\$ 23,881	<u>\$ (1)</u>
Non-cash			<u>92,742</u>	
Total			<u>\$ 116,623</u>	

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 7. FUTURES CONTRACTS

At June 30, 2014, open positions in futures contracts denominated in U.S. dollars were as follows:

Expiration	Open Contracts		Position	Notional Value at June 30, 2014	Notional Value Upon Entering Contract	Unrealized Appreciation (Depreciation)
Dec 2015	346	Euro 90 Day Future	Long	\$ 85,691	\$ 85,601	\$ 90
Sep 2014	344	US Treasury 5 Yr Note Future	Long	41,095	40,961	134
Sep 2014	331	US Ultra Bond Future	Long	49,629	49,118	511
Mar 2015	(1,331)	Euro 90 Day Future	Short	(331,569)	(331,290)	(279)
Jun 2018	(336)	Euro 90 Day Future	Short	(81,497)	(81,236)	(261)
Sep 2018	(34)	Euro 90 Day Future	Short	(8,237)	(8,230)	(7)
Sep 2014	(343)	US Long Bond Future	Short	(47,055)	(46,652)	(403)
Sep 2014	(7)	US Treasury 2 Yr Note Future	Short	(1,537)	(1,538)	1
Sep 2014	(4,849)	US Treasury 10 Yr Note Future	Short	(606,958)	(606,267)	(691)
				<u>\$ (900,438)</u>	<u>\$ (899,533)</u>	<u>\$ (905)</u>

At June 30, 2014, open positions in futures contracts denominated in foreign currencies were as follows:

Expiration	Open Contracts		Currency	Position	Notional Value at June 30, 2014 Local Currency	Initial Notional Value in Local Currency	June 30, 2014 Exchange Rate	Unrealized Appreciation (Depreciation)
Sep 2014	(187)	Euro Bund Future	EUR	Short	(27,491)	(27,101)	1.3692	\$ (534)
Sep 2014	(42)	JPN 10Yr Bond Future	JPY	Short	(6,117,300)	(6,095,010)	0.0099	(220)
					<u>(6,144,791)</u>	<u>(6,122,111)</u>		<u>\$ (754)</u>

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 8. SWAPS

At June 30, 2014, the open positions in credit default swaps are as follows:

Counterparty	Underlying Company / Credit Index	Termination Date	Interest Rate Receive (Pay)	Notional Value	Upfront Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
<i>Buyer Protection</i>						
Barclays Capital	CDX.NA.HY.22	06/20/2019	(5.0% Fixed)	\$ 5,170	\$ (352)	\$ (96)
BNP Paribas	CDX.NA.HY.22	06/20/2019	(5.0% Fixed)	9,861	(819)	(34)
Citigroup Global Markets	CDX.NA.HY.22	06/20/2019	(5.0% Fixed)	21,501	(1,545)	(317)
<i>Seller Protection</i>						
Deutsche Bank	Berkshire Hathaway Inc	03/20/2024	1.0% Fixed	2,690	(58)	92
Total				<u>\$ 39,222</u>	<u>\$ (2,774)</u>	<u>\$ (355)</u>

At June 30, 2014, the open position in an interest rate swap is as follows:

Counterparty	Notional Value	Maturity Date	Receiving			Paying			Unrealized Appreciation (Depreciation)
			Rate	Type	Base	Rate	Type	Base	
Barclays Capital	<u>\$ 102,250</u>	11/15/2043	0.22%	Floating	3M Libor	2.22%	Fixed	N/A	<u>\$ (5,836)</u>

At June 30, 2014, the open position in a currency swap is as follows:

Counterparty	Maturity Date	Receiving			Paying			Unrealized Appreciation (Depreciation)
		Notional	Rate	Premiums Paid	Notional	Rate	Premiums Received	
Barclays Capital	07/01/2024	<u>\$ 1,632 USD</u>	9.01% Fixed	<u>\$ 1,632</u>	<u>1,200 EUR</u>	7.25% Fixed	<u>\$ (1,631)</u>	<u>\$ -</u>

Included in the unrealized appreciation (depreciation) amount on the currency swap is unrealized depreciation of \$(12) due to the translation of foreign currency to U.S. dollars.

NOTE 9. OPTION CONTRACTS WRITTEN

A summary of the activity in option contracts written positions for the year ended June 30, 2014, is as follows:

	Puts		Calls	
	Number of Contracts	Premiums Received	Number of Contracts	Premiums Received
Options outstanding at June 30, 2013	(561)	\$ (202)	(322)	\$ (225)
Options written	(60,504,063)	(1,217)	(60,510,421)	(1,551)
Options closed	2,433	900	8,060	1,305
Options expired	10,700,240	103	10,701,658	379
Options outstanding at June 30, 2014	<u>(49,801,951)</u>	<u>\$ (416)</u>	<u>(49,801,025)</u>	<u>\$ (92)</u>

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 10. FOREIGN CURRENCY FORWARD CONTRACTS

At June 30, 2014, open foreign currency forward contracts were as follows:

Position	Foreign Currency	Trade Date	Settlement Date	Receivable		Payable		Unrealized Appreciation (Depreciation)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	Euro Currency Unit ^c	06/09/2014	08/14/2014	5,800	\$ 7,942		\$ 7,909	\$ 33
Long	Japanese Yen ^c	06/27/2014	07/01/2014	3,780	37		37	-
Long	Mexican Peso ^d	05/06/2014	08/14/2014	133,952	10,292		10,217	75
Long	Polish Zloty ^c	06/25/2014	08/14/2014	8,309	2,728		2,724	4
Short	Euro Currency Unit ^b	05/06/2014	08/14/2014		5,791	4,160	5,696	95
Short	Euro Currency Unit ^c	05/07/2014	08/14/2014		22,188	15,929	21,814	374
Short	Euro Currency Unit ^c	05/19/2014	08/14/2014		6,308	4,600	6,299	9
Short	Euro Currency Unit ^c	05/22/2014	08/14/2014		2,600	1,900	2,602	(2)
Short	Euro Currency Unit ^{a, f}	06/11/2014	09/22/2014		3,114	2,300	3,150	(36)
Short	Euro Currency Unit ^{c, f}	06/11/2014	09/22/2014		3,387	2,500	3,424	(37)
Short	Japanese Yen ^c	06/06/2014	08/14/2014		10,739	1,098,344	10,846	(107)
Short	Japanese Yen ^{c, f}	06/11/2014	09/22/2014		1,510	154,000	1,521	(11)
Short	Japanese Yen ^c	06/12/2014	08/14/2014		5,412	552,240	5,453	(41)
Short	Japanese Yen ^c	06/13/2014	08/14/2014		5,528	562,907	5,558	(30)
Short	Polish Zloty ^c	06/25/2014	08/14/2014		2,720	8,309	2,728	(8)
					\$ 90,296		\$ 89,978	\$ 318

Counterparty, Moody's Rating, S&P Rating

a - Barclays PLC, A3, A

b - BNY Mellon, A1, A

c - Citigroup Inc, Baa2, A

d - Morgan Stanley, Baa2, A

e - UBS AG, A2, A

f - Available for offset under a netting provision

NOTE 11. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with DAC, FTI, and Western to manage the investments of the Pool. These agreements provide for quarterly payments, based on average end of month assets under management, to the investment advisors. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to DAC are based on a descending scale of fee rates ranging from 0.40 percent annually on the first \$10 million of assets under management to 0.12 percent annually on assets between \$125 million and \$700 million. For assets greater than \$700 million the fee rate is 0.10 percent annually. The effective fee rate earned by DAC for the year ended June 30, 2014, was 0.12 percent.

The fees paid to FTI are based on a descending scale of fee rates ranging from 0.70 percent annually on the first \$100 million of assets under management to 0.50 percent annually on assets between \$100 million and \$200 million. For assets greater than \$200 million the fee rate is 0.40 percent annually. The effective fee rate earned by FTI for the period ended June 30, 2014, was 0.63 percent.

The fees paid to Western are based on a descending scale of fee rates ranging from 0.40 percent annually on the first \$500 million of assets under management to 0.10 percent annually on assets between \$1.5 billion and \$2 billion. For assets greater than \$2 billion the fee rate is 0.05 percent annually. The maximum fee allowable under the agreement is 0.25 percent annually of the net assets under management. The effective fee rate earned by Western for the year ended June 30, 2014, was 0.25 percent.

Total Return Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 12. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$	14.45
Income from investment operations:		
Net investment income		0.39
Net realized and unrealized gain on investment transactions		0.50
Net realized loss from foreign currency transactions		(0.01)
Net increase in the translation of assets and liabilities in foreign currencies		0.01
Total from investment operations		0.89
Less distributions from net investment income		(0.39)
Net asset value at June 30, 2014	\$	14.95

Total Return (b) 6.4%

Supplemental Data:

Net assets, end of period	\$	2,305,171
Ratio to average net assets (c):		
Expenses		0.24%
Net investment income		2.66%
Portfolio turnover rate		60.79%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee funds.

Total Return Fixed Income Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 13. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014. The balances do not include the distribution declared by the Pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 642,133
Public Employees' Retirement System	557,667
Workers' Compensation Old Fund	412,703
Revenue Shortfall Reserve Fund - Part B	170,726
Revenue Shortfall Reserve Fund	165,925
Coal Workers' Pneumoconiosis Fund	65,632
West Virginia Retiree Health Benefit Trust Fund	59,713
State Police Death, Disability and Retirement Fund	59,670
Public Employees Insurance Agency	59,197
Board of Risk and Insurance Management	35,931
Judges' Retirement System	16,484
Deputy Sheriff's Retirement System	16,251
State Police Retirement System	12,223
West Virginia Department of Environmental Protection Agency	10,475
Emergency Medical Services Retirement System	5,421
Wildlife Endowment Fund	5,368
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,834
Workers' Compensation Uninsured Employers' Fund	2,230
Workers' Compensation Self-Insured Employer Security Risk Pool	1,729
West Virginia Department of Environmental Protection Trust	1,612
Municipal Policemen's or Firemen's Pension and Relief Funds	135
Municipal Police Officers' and Firefighters' Retirement System	112
Total	<u>\$ 2,305,171</u>

NOTE 14. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Core Fixed Income Pool

Core Fixed Income Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Core Fixed Income Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Core Fixed Income Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Core Fixed Income Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$1,019,442), including securities on loan of \$38,342 (Note 5)	\$	1,064,491
Receivables:		
Accrued interest		5,554
Investments sold		461
Dividends		1
Securities lending income		4
		<hr/>
Total assets		1,070,511

Liabilities

Accrued expenses		284
Distributions payable		2,641
Payable for investments purchased		2,045
Payable upon return of securities loaned (Note 5)		34,418
		<hr/>
Total liabilities		39,388

Net assets \$ 1,031,123

Analysis of net assets

Paid-in capital	\$	903,704
Accumulated undistributed net realized gain from investments		82,370
Unrealized net appreciation of investments		45,049
		<hr/>
Net assets	<u><u>\$</u></u>	<u>1,031,123</u>

Unit data

Units outstanding		92,554,795
Net asset value, unit price	<u><u>\$</u></u>	<u>11.14</u>

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<u>Municipal Bonds</u>			
American Municipal Power-Ohio, 7.5% Due 2/15/2050	580	\$ 593	\$ 803
California, 7.3% Due 10/1/2039	195	250	277
Illinois, 5.1% Due 6/1/2033	350	323	352
Los Angeles Dept of Airports, 6.58% Due 5/15/2039	255	331	319
New York St Dorm Authority, 5.6% Due 3/15/2040	260	254	316
Ohio State University, 4.8% Due 6/1/2111	761	753	784
Port Authority NY and NJ, 5.65% Due 11/1/2040	600	600	716
Port Authority NY and NJ, 4.46% Due 10/1/2062	405	405	415
Tennessee Valley Authority, Zero Coupon, Due 11/1/2025	2,500	1,760	1,680
Tennessee Valley Authority, 5.88% Due 4/1/2036	650	818	841
Tennessee Valley Authority, 5.25% Due 9/15/2039	1,198	1,512	1,454
Tennessee Valley Authority, 4.63% Due 9/15/2060	400	395	421
		<hr/>	<hr/>
Total Municipal Bonds - 0.8%		7,994	8,378
<u>U.S. Treasury Bonds</u>			
United States Treasury, 4.0% Due 2/15/2015	600	613	615
United States Treasury, 4.63% Due 2/15/2017	6,500	6,755	7,163
United States Treasury, Zero Coupon, Due 2/15/2017	6,122	5,620	6,002
United States Treasury, 3.13% Due 4/30/2017	6,715	6,842	7,149
United States Treasury, 8.88% Due 8/15/2017	9,360	10,931	11,650
United States Treasury, Zero Coupon, Due 8/15/2017	500	468	485
United States Treasury, 4.25% Due 11/15/2017	600	661	664
United States Treasury, Zero Coupon, Due 11/15/2017	7,380	6,591	7,111
United States Treasury, 3.5% Due 2/15/2018	2,500	2,660	2,708
United States Treasury, Zero Coupon, Due 2/15/2018	3,950	3,479	3,780
United States Treasury, 2.38% Due 5/31/2018	1,000	1,041	1,043
United States Treasury, Zero Coupon, Due 8/15/2018	1,900	1,748	1,793
United States Treasury, 3.75% Due 11/15/2018	5,000	5,388	5,500
United States Treasury, 1.38% Due 11/30/2018	2,000	2,008	1,994
United States Treasury, 3.13% Due 5/15/2019	2,590	2,737	2,778
United States Treasury, Zero Coupon, Due 5/15/2019	4,550	3,749	4,195
United States Treasury, Zero Coupon, Due 8/15/2019	2,800	2,521	2,560
United States Treasury, Zero Coupon, Due 5/15/2020	7,522	6,328	6,704
United States Treasury, Zero Coupon, Due 8/15/2020	8,550	6,945	7,546
United States Treasury, 2.13% Due 8/31/2020	2,700	2,711	2,728
United States Treasury, 2.13% Due 1/31/2021	500	502	502
United States Treasury, Zero Coupon, Due 2/15/2021	3,105	2,664	2,695
United States Treasury, 8.13% Due 5/15/2021	1,000	1,279	1,392
United States Treasury, 3.13% Due 5/15/2021	4,700	5,153	5,018
United States Treasury, Zero Coupon, Due 5/15/2021	2,900	2,567	2,493
United States Treasury, 2.13% Due 8/15/2021	4,500	4,383	4,497
United States Treasury, Zero Coupon, Due 11/15/2021	8,000	6,481	6,744
United States Treasury, 2.0% Due 2/15/2022	4,000	4,130	3,938
United States Treasury, Zero Coupon, Due 2/15/2022	2,460	1,934	2,055
United States Treasury, Zero Coupon, Due 5/15/2022	600	492	497
United States Treasury, Zero Coupon, Due 8/15/2022	300	243	246
United States Treasury, 7.13% Due 2/15/2023	1,000	1,261	1,377
United States Treasury, Zero Coupon, Due 2/15/2023	540	432	434
United States Treasury, Zero Coupon, Due 5/15/2023	1,500	1,179	1,195
United States Treasury, Zero Coupon, Due 5/15/2024	1,100	707	844
United States Treasury, Zero Coupon, Due 8/15/2024	1,100	719	835
United States Treasury, Zero Coupon, Due 11/15/2024	250	148	188
United States Treasury, Zero Coupon, Due 2/15/2025	200	114	149
United States Treasury, Zero Coupon, Due 2/15/2026	300	218	214
United States Treasury, Zero Coupon, Due 5/15/2026	850	481	601
United States Treasury, 6.75% Due 8/15/2026	125	157	178
United States Treasury, Zero Coupon, Due 8/15/2026	164	117	115
United States Treasury, Zero Coupon, Due 11/15/2026	4,500	2,709	3,115
United States Treasury, 6.63% Due 2/15/2027	1,000	1,313	1,418
United States Treasury, Zero Coupon, Due 2/15/2027	16,825	11,245	11,525
United States Treasury, Zero Coupon, Due 8/15/2027	950	516	638
United States Treasury, Zero Coupon, Due 11/15/2027	4,000	2,623	2,655
United States Treasury, Zero Coupon, Due 2/15/2028	2,736	1,587	1,797
United States Treasury, Zero Coupon, Due 5/15/2028	500	328	325

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
United States Treasury, 5.5% Due 8/15/2028	1,050	1,155	1,374
United States Treasury, Zero Coupon, Due 11/15/2028	2,400	1,280	1,526
United States Treasury, Zero Coupon, Due 2/15/2029	2,740	1,647	1,724
United States Treasury, Zero Coupon, Due 5/15/2029	150	77	93
United States Treasury, 6.13% Due 8/15/2029	312	425	435
United States Treasury, Zero Coupon, Due 8/15/2029	2,150	1,409	1,324
United States Treasury, Zero Coupon, Due 11/15/2029	700	358	427
United States Treasury, Zero Coupon, Due 2/15/2030	1,100	541	664
United States Treasury, Zero Coupon, Due 5/15/2030	1,900	1,045	1,135
United States Treasury, Zero Coupon, Due 8/15/2030	900	431	532
United States Treasury, Zero Coupon, Due 11/15/2030	1,150	578	673
United States Treasury, 5.38% Due 2/15/2031	1,000	1,277	1,313
United States Treasury, Zero Coupon, Due 2/15/2031	1,050	572	609
United States Treasury, Zero Coupon, Due 5/15/2031	250	141	143
United States Treasury, Zero Coupon, Due 8/15/2031	500	266	284
United States Treasury, Zero Coupon, Due 11/15/2031	520	263	293
United States Treasury, Zero Coupon, Due 2/15/2032	900	544	501
United States Treasury, Zero Coupon, Due 11/15/2032	1,450	761	784
United States Treasury, Zero Coupon, Due 2/15/2033	600	294	321
United States Treasury, Zero Coupon, Due 5/15/2033	2,200	1,088	1,167
United States Treasury, Zero Coupon, Due 8/15/2033	700	289	368
United States Treasury, Zero Coupon, Due 11/15/2033	2,150	958	1,119
United States Treasury, Zero Coupon, Due 2/15/2034	1,250	595	644
United States Treasury, Zero Coupon, Due 5/15/2034	500	194	255
United States Treasury, Zero Coupon, Due 8/15/2034	450	230	227
United States Treasury, Zero Coupon, Due 11/15/2034	850	470	426
United States Treasury, Zero Coupon, Due 2/15/2035	380	203	188
United States Treasury, Zero Coupon, Due 5/15/2035	500	276	245
United States Treasury, 4.5% Due 2/15/2036	1,000	1,210	1,215
United States Treasury, Zero Coupon, Due 5/15/2036	200	74	95
United States Treasury, 4.75% Due 2/15/2037	500	664	629
United States Treasury, 5.0% Due 5/15/2037	1,075	1,434	1,395
United States Treasury, 4.38% Due 2/15/2038	1,000	1,148	1,194
United States Treasury, 4.5% Due 5/15/2038	300	406	365
Total U.S. Treasury Bonds - 16.1%		157,781	165,535
<u>U. S. Government Agency MBS</u>			
FHLMC Issues, 1.93% - 10.0% Due 10/1/2016 - 6/1/2043	34,667	36,592	37,338
FNMA Issues, 0.49% - 8.5% Due 12/1/2016 - 7/1/2043	144,938	147,922	151,762
GNMA Issues, 4.38% - 7.5% Due 9/15/2031 - 6/20/2063	9,875	11,146	10,983
Total U. S. Government Agency MBS - 19.4%		195,660	200,083
<u>U. S. Government Agency CMO</u>			
FHLMC Issues, 0.45% - 28.13% Due 3/15/2018 - 11/15/2046	42,329	43,919	46,169
FNMA Issues, 0.22% - 38.27% Due 1/25/2017 - 5/25/2051	63,525	65,710	69,129
GNMA Issues, 0.45% - 110.22% Due 5/16/2020 - 2/20/2064	46,527	47,725	49,077
Total U. S. Government Agency CMO - 15.9%		157,354	164,375
<u>U. S. Government Agency CMO Interest-Only</u>			
FHLMC Issues, 1.94% - 7.85% Due 9/15/2024 - 8/15/2040	16,815	1,471	1,991
FNMA Issues, 1.56% - 7.75% Due 10/25/2014 - 4/25/2041	23,059	2,502	3,300
GNMA Issues, 5.5% - 7.55% Due 10/20/2032 - 8/20/2039	25,171	2,124	3,706
Total U. S. Government Agency CMO Interest-Only - 0.9%		6,097	8,997
<u>U. S. Government Agency CMO Principal-Only</u>			
FHLMC Issues, Due 3/15/2020 - 9/15/2043	4,969	4,123	4,399
FNMA Issues, Due 12/1/2024 - 12/25/2043	7,835	6,253	6,722
GNMA Issues, Due 1/17/2033 - 12/20/2040	1,808	1,441	1,567
Total U. S. Government Agency CMO Principal-Only - 1.2%		11,817	12,688

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
U. S. Government Agency Bonds			
FannieMae STRIPS, Zero Coupon, Due 11/15/2021	745	524	616
Federal Farm Credit Bank, 5.13% Due 11/15/2018	646	691	744
Federal Home Loan Bank, 5.5% Due 7/15/2036	400	511	512
Federal National Mortgage Assn, Zero Coupon, Due 7/5/2014	2,300	2,299	2,300
FICO Strip Principal, Zero Coupon, Due 5/11/2018	3,900	3,696	3,682
FICO Strip Principal, Zero Coupon, Due 9/26/2019	700	540	631
RFCSP Strip Principal, Zero Coupon, Due 10/15/2019	4,900	4,503	4,421
RFCSP Strip Principal, Zero Coupon, Due 7/15/2020	10,200	9,129	8,939
RFCSP Strip Principal, Zero Coupon, Due 10/15/2020	3,000	2,496	2,604
Total U. S. Government Agency Bonds - 2.4%		24,389	24,449
U.S. Corporate Bonds			
<i>Basic Materials</i>			
Barrick NA Finance LLC, 4.4% Due 5/30/2021	208	222	218
CRH America Inc, 6.0% Due 9/30/2016	254	266	282
Dow Chemical Company, 8.55% Due 5/15/2019	192	215	247
Dow Chemical Company, 4.25% Due 11/15/2020	64	64	70
Dow Chemical Company, 4.13% Due 11/15/2021	589	620	632
Ecolab Inc, 5.5% Due 12/8/2041	540	623	630
EI DuPont de Nemours Co, 6.0% Due 7/15/2018	608	672	710
EI DuPont de Nemours Co, 5.6% Due 12/15/2036	320	361	379
EI DuPont de Nemours Co, 4.9% Due 1/15/2041	125	123	136
Freeport-McMoRan Copper & Gold, 2.15% Due 3/1/2017	534	532	545
Freeport-McMoRan Copper & Gold, 3.88% Due 3/15/2023	227	228	226
Freeport-McMoRan Copper & Gold, 5.45% Due 3/15/2043	87	87	90
Monsanto Company, 5.13% Due 4/15/2018	160	161	180
Monsanto Company, 2.75% Due 7/15/2021	207	207	207
Monsanto Company, 4.2% Due 7/15/2034	78	77	79
Monsanto Company, 4.7% Due 7/15/2064	121	120	121
Nucor Corporation, 5.85% Due 6/1/2018	857	955	983
Nucor Corporation, 4.0% Due 8/1/2023	90	90	93
PPG Industries Inc, 7.4% Due 8/15/2019	260	289	317
PPG Industries Inc, 9.0% Due 5/1/2021	625	725	819
Praxair Inc, 5.2% Due 3/15/2017	510	529	565
Praxair Inc, 1.25% Due 11/7/2018	300	300	294
The Mosaic Company, 3.75% Due 11/15/2021	613	630	638
The Mosaic Company, 4.88% Due 11/15/2041	33	33	34
Union Carbide Corp, 7.5% Due 6/1/2025	250	284	318
<i>Total Basic Materials</i>		8,413	8,813
<i>Capital Goods</i>			
ABB Finance USA Inc, 1.63% Due 5/8/2017	81	81	82
ABB Finance USA Inc, 2.88% Due 5/8/2022	117	115	116
ABB Finance USA Inc, 4.38% Due 5/8/2042	278	291	284
ADT Corp, 3.5% Due 7/15/2022	105	105	96
ADT Corp, 4.13% Due 6/15/2023	535	549	494
BAE Systems Holdings Inc, 5.2% Due 8/15/2015	195	200	204
BAE Systems Holdings Inc, 6.38% Due 6/1/2019	255	289	294
Boeing Company, 4.88% Due 2/15/2020	230	232	262
Boeing Company, 6.13% Due 2/15/2033	150	167	193
Burlington North Santa Fe, 5.65% Due 5/1/2017	225	233	253
Burlington North Santa Fe, 4.7% Due 10/1/2019	350	350	396
Burlington North Santa Fe, 3.45% Due 9/15/2021	106	106	110
Burlington North Santa Fe, 3.05% Due 9/1/2022	234	233	233
Burlington North Santa Fe, 3.85% Due 9/1/2023	300	299	313
Burlington North Santa Fe, 7.29% Due 6/1/2036	80	87	107
Caterpillar Financial Services, 5.85% Due 9/1/2017	820	846	933
Caterpillar Financial Services, 5.45% Due 4/15/2018	280	295	319
Caterpillar Financial Services, 7.15% Due 2/15/2019	395	410	486
Caterpillar Inc, 5.3% Due 9/15/2035	50	63	58
CSX Corp, 6.25% Due 3/15/2018	640	695	744
CSX Corp, 7.38% Due 2/1/2019	200	205	245
CSX Corp, 4.25% Due 6/1/2021	335	350	365
Danaher Corp, 3.9% Due 6/23/2021	275	275	295

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Deere & Company, 2.6% Due 6/8/2022	179	179	175
Deere & Company, 7.13% Due 3/3/2031	165	229	227
Deere & Company, 3.9% Due 6/9/2042	77	76	73
Eaton Corporation, 7.63% Due 4/1/2024	325	407	415
Honeywell International, 5.3% Due 3/1/2018	205	231	233
Illinois Tool Works Inc, 3.9% Due 9/1/2042	640	634	603
Ingersoll-Rand GL Holdings Co, 4.25% Due 6/15/2023	162	162	170
John Deere Capital Corp, 1.2% Due 10/10/2017	128	128	128
John Deere Capital Corp, 1.3% Due 3/12/2018	400	399	396
John Deere Capital Corp, 5.75% Due 9/10/2018	233	243	270
Lockheed Martin Corp, 4.25% Due 11/15/2019	305	314	337
Lockheed Martin Corp, 4.07% Due 12/15/2042	336	328	324
Norfolk Southern Corp, 2.9% Due 2/15/2023	738	739	719
Norfolk Southern Corp, 3.95% Due 10/1/2042	103	103	97
Northrop Grumman Corp, 5.05% Due 8/1/2019	490	520	546
Penske Truck Leasing/PTL, 3.38% Due 3/15/2018	615	634	645
Pitney Bowes Inc, 5.6% Due 3/15/2018	100	104	112
Republic Services Inc, 5.5% Due 9/15/2019	360	395	413
Republic Services Inc, 3.55% Due 6/1/2022	309	308	319
Ryder System Inc, 3.6% Due 3/1/2016	180	180	188
Ryder System Inc, 2.5% Due 3/1/2017	158	158	163
Ryder System Inc, 3.5% Due 6/1/2017	96	96	102
Union Pacific Corp, 4.16% Due 7/15/2022	358	362	390
Union Pacific Corp, 2.95% Due 1/15/2023	43	43	43
Union Pacific Corp, 4.3% Due 6/15/2042	50	50	51
Union Pacific Corp, 4.82% Due 2/1/2044	494	489	540
United Technologies Corp, 6.13% Due 2/1/2019	696	775	822
United Technologies Corp, 3.1% Due 6/1/2022	106	106	107
United Technologies Corp, 5.4% Due 5/1/2035	170	169	202
United Technologies Corp, 4.5% Due 6/1/2042	143	141	150
UNP RR CO 2003 PASS TRUST, 4.7% Due 1/2/2024	64	62	71
UPS of America Inc, 8.38% Due 4/1/2020	125	148	163
UPS of America Inc, 8.38% Due 4/1/2030	230	299	336
Waste Management Inc, 7.38% Due 3/11/2019	437	503	534
Waste Management Inc, 4.75% Due 6/30/2020	622	627	695
Xerox Corporation, 6.75% Due 2/1/2017	191	201	217
Xerox Corporation, 2.95% Due 3/15/2017	230	231	240
Xerox Corporation, 5.63% Due 12/15/2019	350	353	402
<i>Total Capital Goods</i>		17,602	18,500
<i>Communication Services</i>			
AT&T Inc, 5.5% Due 2/1/2018	370	381	419
AT&T Inc, 4.45% Due 5/15/2021	500	506	549
AT&T Inc, 3.88% Due 8/15/2021	765	806	814
AT&T Inc, 6.3% Due 1/15/2038	600	575	726
AT&T Inc, 5.35% Due 9/1/2040	1,374	1,376	1,495
AT&T Inc, 4.3% Due 12/15/2042	64	49	61
AT&T Inc, 4.35% Due 6/15/2045	156	160	148
Centel Capital Corp, 9.0% Due 10/15/2019	200	222	243
Crown Castle Towers LLC, 3.21% Due 8/15/2015	350	351	356
GTE Corporation, 8.75% Due 11/1/2021	250	291	331
GTP Acquisition Partners, 4.35% Due 6/15/2041	606	606	627
Verizon Communications, 2.5% Due 9/15/2016	136	136	140
Verizon Communications, 4.5% Due 9/15/2020	353	353	388
Verizon Communications, 6.4% Due 9/15/2033	676	675	828
Verizon Communications, 5.05% Due 3/15/2034	693	692	740
Verizon Communications, 7.35% Due 4/1/2039	400	390	534
Verizon Communications, 6.55% Due 9/15/2043	100	122	126
Verizon New England Inc, 7.88% Due 11/15/2029	330	378	421
Verizon Pennsylvania LLC, 8.35% Due 12/15/2030	400	441	521
<i>Total Communication Services</i>		8,510	9,467
<i>Consumer Discretionary</i>			
21st Century Fox America, 7.25% Due 5/18/2018	64	68	77
21st Century Fox America, 8.88% Due 4/26/2023	450	483	607
21st Century Fox America, 7.75% Due 1/20/2024	150	170	192

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
21st Century Fox America, 7.3% Due 4/30/2028	250	252	316
21st Century Fox America, 6.65% Due 11/15/2037	125	133	159
American Airlines 2013-2, 4.95% Due 1/15/2023	446	446	483
American Airlines PT TRS 11-1, 5.25% Due 1/31/2021	96	96	104
Arrow Electronics Inc, 3.38% Due 11/1/2015	140	142	144
Arrow Electronics Inc, 6.88% Due 6/1/2018	615	676	712
Arrow Electronics Inc, 7.5% Due 1/15/2027	225	244	278
CBS Corp, 5.75% Due 4/15/2020	53	53	61
Comcast Cable Comm Holdings, 9.46% Due 11/15/2022	775	884	1,126
Comcast Cable Holdings, 10.13% Due 4/15/2022	240	302	335
Comcast Corp, 4.95% Due 6/15/2016	95	98	103
Comcast Corp, 6.5% Due 1/15/2017	200	205	227
Continental Airlines Inc, 4.0% Due 10/29/2024	103	103	105
Cox Communications Inc, 5.45% Due 12/15/2014	72	73	74
Cox Communications Inc, 5.88% Due 12/1/2016	200	217	221
Daimler Finance NA LLC, 2.95% Due 1/11/2017	300	300	312
Daimler Finance NA LLC, 2.38% Due 8/1/2018	227	227	233
Daimler Finance NA LLC, 2.25% Due 7/31/2019	300	304	302
Delta Air Lines, 4.95% Due 5/23/2019	98	98	107
Delta Air Lines 2011-1, 5.3% Due 4/15/2019	53	53	59
Delta Air Lines 2012-1A, 4.75% Due 5/7/2020	157	157	170
Directv Holdings/Fing, 4.6% Due 2/15/2021	400	400	437
Directv Holdings/Fing, 3.8% Due 3/15/2022	300	286	310
Directv Holdings/Fing, 6.0% Due 8/15/2040	750	740	863
Discovery Communications, 4.38% Due 6/15/2021	165	180	179
Discovery Communications, 4.95% Due 5/15/2042	100	99	102
Gap Inc, 5.95% Due 4/12/2021	243	231	281
Historic TW Inc, 9.15% Due 2/1/2023	945	1,117	1,309
Home Depot Inc, 2.0% Due 6/15/2019	303	302	303
Home Depot Inc, 4.4% Due 4/1/2021	405	450	454
Johnson Controls Inc, 5.0% Due 3/30/2020	500	517	557
Johnson Controls Inc, 4.25% Due 3/1/2021	80	81	86
Johnson Controls Inc, 3.63% Due 7/2/2024	69	69	69
Kohl's Corporation, 6.25% Due 12/15/2017	90	91	104
Lowe's Companies Inc, 7.11% Due 5/15/2037	195	232	260
Lowe's Companies Inc, 4.65% Due 4/15/2042	217	216	228
Macys Retail Holdings Inc, 7.45% Due 7/15/2017	300	335	352
Macys Retail Holdings Inc, 3.63% Due 6/1/2024	470	470	468
NBC Universal Media LLC, 4.38% Due 4/1/2021	350	364	386
NBC Universal Media LLC, 5.95% Due 4/1/2041	175	175	215
Target Corp, 3.5% Due 7/1/2024	257	256	260
Target Corp, 7.0% Due 1/15/2038	148	187	207
TCI Communications Inc, 7.88% Due 2/15/2026	100	101	140
Time Warner Cable Inc, 6.75% Due 7/1/2018	150	161	177
Time Warner Cable Inc, 8.75% Due 2/14/2019	300	354	385
Time Warner Cable Inc, 7.3% Due 7/1/2038	300	333	404
Time Warner Entertainment, 8.38% Due 3/15/2023	225	290	304
Time Warner Entertainment, 8.38% Due 7/15/2033	325	389	477
Time Warner Inc, 4.75% Due 3/29/2021	220	243	244
Time Warner Inc, 3.55% Due 6/1/2024	275	275	273
Viacom Inc, 4.5% Due 3/1/2021	340	365	371
Viacom Inc, 3.88% Due 12/15/2021	177	175	185
Viacom Inc, 4.25% Due 9/1/2023	300	297	315
Viacom Inc, 7.88% Due 7/30/2030	380	436	511
Wal-Mart Stores Inc, 7.55% Due 2/15/2030	350	425	498
Wal-Mart Stores Inc, 5.25% Due 9/1/2035	425	400	492
Wal-Mart Stores Inc, 4.75% Due 10/2/2043	250	248	270
Wal-Mart Stores Inc, 4.3% Due 4/22/2044	303	301	306
Walt Disney Company, 3.75% Due 6/1/2021	330	362	355
<i>Total Consumer Discretionary</i>		17,737	19,644
 <i>Consumer Staples</i>			
Anheuser-Busch, 7.75% Due 1/15/2019	580	640	717
Anheuser-Busch, 8.2% Due 1/15/2039	255	366	390
Bunge Limited Finance Co, 8.5% Due 6/15/2019	373	392	469
Bunge NA Finance LP, 5.9% Due 4/1/2017	54	52	60

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Cargill Inc, 7.35% Due 3/6/2019	250	270	301
Cargill Inc, 4.31% Due 5/14/2021	106	103	116
Cargill Inc, 3.3% Due 3/1/2022	485	484	484
Coca-Cola Company, 4.88% Due 3/15/2019	100	100	114
Coca-Cola Company, 3.3% Due 9/1/2021	104	104	108
ConAgra Foods Inc, 3.2% Due 1/25/2023	300	303	289
CVS Caremark Corp, 5.93% Due 1/10/2034	236	236	269
CVS Caremark Corp, 6.13% Due 9/15/2039	735	741	915
Diageo Investment Corp, 2.88% Due 5/11/2022	290	289	289
Dr Pepper Snapple Group Inc, 2.0% Due 1/15/2020	388	386	380
General Mills Inc, 5.65% Due 2/15/2019	470	500	545
General Mills Inc, 3.15% Due 12/15/2021	50	53	51
Kellogg Company, 1.75% Due 5/17/2017	115	115	116
Kellogg Company, 3.25% Due 5/21/2018	333	339	351
Kimberly Clark Corporation, 7.5% Due 11/1/2018	250	276	308
Kraft Foods Group Inc, 6.13% Due 8/23/2018	435	508	505
Kraft Foods Group Inc, 5.38% Due 2/10/2020	384	444	437
Kraft Foods Group Inc, 3.5% Due 6/6/2022	150	149	154
Kraft Foods Group Inc, 5.0% Due 6/4/2042	103	102	110
Kroger Co, 6.15% Due 1/15/2020	760	830	892
Kroger Co, 7.5% Due 4/1/2031	250	320	329
Mondelez International, 4.0% Due 2/1/2024	500	499	518
PepsiCo Inc, 7.9% Due 11/1/2018	171	195	213
<i>Total Consumer Staples</i>		8,796	9,430
<i>Energy</i>			
Anadarko Petroleum Corp, 8.7% Due 3/15/2019	300	305	387
Anadarko Petroleum Corp, 6.95% Due 6/15/2019	285	298	349
ANR Pipeline, 9.63% Due 11/1/2021	240	300	338
Apache Corporation, 4.75% Due 4/15/2043	153	153	160
Burlington Resources Inc, 8.2% Due 3/15/2025	180	242	245
Cameron International Corp, 1.6% Due 4/30/2015	79	79	80
Centerpoint Energy Resources, 6.13% Due 11/1/2017	300	331	343
Chevron Corp, 3.19% Due 6/24/2023	190	190	193
ConocoPhillips, 5.2% Due 5/15/2018	501	539	564
ConocoPhillips, 6.65% Due 7/15/2018	294	326	351
ConocoPhillips, 5.75% Due 2/1/2019	100	99	116
ConocoPhillips, 6.0% Due 1/15/2020	940	1,007	1,118
Devon Energy Corporation, 6.3% Due 1/15/2019	495	559	581
Devon Energy Corporation, 3.25% Due 5/15/2022	244	243	246
Devon Energy Corporation, 4.75% Due 5/15/2042	157	156	163
Enterprise Products Oper, 6.5% Due 1/31/2019	140	166	166
Enterprise Products Oper, 3.9% Due 2/15/2024	192	192	199
EOG Resources Inc, 5.63% Due 6/1/2019	200	202	233
EOG Resources Inc, 4.4% Due 6/1/2020	340	367	376
Halliburton Company, 6.15% Due 9/15/2019	360	385	430
Halliburton Company, 3.25% Due 11/15/2021	340	365	352
Halliburton Company, 7.45% Due 9/15/2039	100	98	145
Hess Corp, 7.3% Due 8/15/2031	250	333	332
Magellan Midstream Partners, 6.55% Due 7/15/2019	330	392	392
Magellan Midstream Partners, 5.15% Due 10/15/2043	225	232	247
Marathon Oil Corp, 6.0% Due 10/1/2017	200	214	229
Marathon Oil Corp, 5.9% Due 3/15/2018	110	119	126
Nabors Industries Inc, 5.0% Due 9/15/2020	351	382	394
Nabors Industries Inc, 4.63% Due 9/15/2021	200	213	217
Occidental Petroleum Corp, 4.1% Due 2/1/2021	115	123	125
Occidental Petroleum Corp, 2.7% Due 2/15/2023	310	311	301
PC Financial Partnership, 5.0% Due 11/15/2014	180	182	183
Plains Exploration & Prod Co, 6.5% Due 11/15/2020	410	439	458
Spectra Energy Capital, 6.2% Due 4/15/2018	445	454	511
Spectra Energy Capital, 6.75% Due 7/15/2018	160	151	184
Spectra Energy Capital, 8.0% Due 10/1/2019	450	497	568
Spectra Energy Partners, 4.75% Due 3/15/2024	500	499	542
Texas Eastern Transmission, 6.0% Due 9/15/2017	350	392	391
Valero Energy Corporation, 6.13% Due 2/1/2020	300	352	355
<i>Total Energy</i>		11,887	12,690

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<i>Financial Services</i>			
African Development Bank, 8.8% Due 9/1/2019	1,000	1,270	1,283
AIG Sunamer Global Fin X, 6.9% Due 3/15/2032	110	116	147
Allstate Corp, 3.15% Due 6/15/2023	140	140	140
American Express Co, 7.0% Due 3/19/2018	595	640	708
American Honda Finance, 7.63% Due 10/1/2018	500	558	616
American International Group, 4.88% Due 6/1/2022	250	271	278
American International Group, 4.13% Due 2/15/2024	228	228	240
Ameriprise Financial Inc, 4.0% Due 10/15/2023	300	299	316
Ameritech Capital Funding, 6.45% Due 1/15/2018	70	73	80
Aon Corporation, 3.5% Due 9/30/2015	121	121	125
Associates Corp NA, 6.95% Due 11/1/2018	225	206	269
Bank of America Corp, 6.5% Due 8/1/2016	500	500	554
Bank of America Corp, 5.63% Due 10/14/2016	250	253	274
Bank of America Corp, 6.4% Due 8/28/2017	1,100	1,130	1,257
Bank of America Corp, 6.88% Due 4/25/2018	650	668	766
Bank of America Corp, 5.65% Due 5/1/2018	2,100	2,108	2,380
Bank of America Corp, 5.63% Due 7/1/2020	190	192	219
Bank of America Corp, 5.0% Due 5/13/2021	775	787	865
Bank of America Corp, 4.1% Due 7/24/2023	211	211	219
Bank of America Corp, 4.0% Due 4/1/2024	204	203	208
Bank of New York Mellon, 4.6% Due 1/15/2020	115	115	128
Bank of New York Mellon, 3.65% Due 2/4/2024	333	332	343
BB&T Corporation, 3.2% Due 3/15/2016	365	371	380
BB&T Corporation, 4.9% Due 6/30/2017	800	776	874
BB&T Corporation, 6.85% Due 4/30/2019	225	223	273
Berkshire Hathaway Fin, 5.4% Due 5/15/2018	300	320	343
Berkshire Hathaway Fin, 3.0% Due 5/15/2022	295	302	297
Berkshire Hathaway Fin, 4.3% Due 5/15/2043	208	206	207
Berkshire Hathaway Inc, 1.9% Due 1/31/2017	190	190	195
BlackRock Inc, 6.25% Due 9/15/2017	500	523	576
BlackRock Inc, 3.38% Due 6/1/2022	360	358	372
Blackstone Holdings Financial, 5.88% Due 3/15/2021	550	548	639
Blackstone Holdings Financial, 4.75% Due 2/15/2023	230	226	251
Boston Properties LP, 3.13% Due 9/1/2023	350	323	340
Boston Properties LP, 3.8% Due 2/1/2024	398	397	402
Capital One Financial Corp, 5.5% Due 6/1/2015	200	192	209
Capital One Financial Corp, 4.75% Due 7/15/2021	400	397	445
Capital One Financial Corp, 3.5% Due 6/15/2023	1,160	1,141	1,164
Charles Schwab Corp, 3.23% Due 9/1/2022	500	508	504
Chubb Corp, 5.75% Due 5/15/2018	48	55	55
Citigroup Inc, 6.38% Due 8/12/2014	150	150	151
Citigroup Inc, 6.01% Due 1/15/2015	202	204	208
Citigroup Inc, 4.59% Due 12/15/2015	563	569	593
Citigroup Inc, 6.13% Due 11/21/2017	555	539	635
Citigroup Inc, 8.5% Due 5/22/2019	470	499	601
Citigroup Inc, 5.38% Due 8/9/2020	700	756	802
Citigroup Inc, 3.38% Due 3/1/2023	269	268	268
Citigroup Inc, 5.5% Due 9/13/2025	577	577	644
Citigroup Inc, 7.0% Due 12/1/2025	490	528	600
Citigroup Inc, 8.13% Due 7/15/2039	350	343	525
CME Group Inc, 3.0% Due 9/15/2022	300	299	299
CNA Financial Corp, 5.85% Due 12/15/2014	250	252	256
CNA Financial Corp, 6.5% Due 8/15/2016	285	295	317
CNA Financial Corp, 5.88% Due 8/15/2020	170	170	199
Comerica Bank, 5.2% Due 8/22/2017	250	252	277
Commonwealth, 6.65% Due 1/15/2018	430	391	469
Commonwealth REIT, 5.88% Due 9/15/2020	325	320	354
Corp Andina De Fomento, 3.75% Due 1/15/2016	532	534	553
Countrywide Financial Corp, 6.25% Due 5/15/2016	600	610	655
Duke Realty LP, 6.75% Due 3/15/2020	335	396	399
ERAC USA Finance LLC, 6.7% Due 6/1/2034	365	442	457
ERAC USA Finance LLC, 5.63% Due 3/15/2042	72	77	81
ERP Operating LP, 4.63% Due 12/15/2021	545	583	600
Fifth Third Bancorp, 3.63% Due 1/25/2016	455	460	475
Fifth Third Bancorp, 2.3% Due 3/1/2019	130	130	131

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
FMR LLC, 6.45% Due 11/15/2039	250	248	314
Ford Motor Credit Company LLC, 4.21% Due 4/15/2016	220	220	232
Ford Motor Credit Company LLC, 1.7% Due 5/9/2016	208	208	211
Ford Motor Credit Company LLC, 2.38% Due 3/12/2019	1,200	1,196	1,206
General Electric Capital Corp, 5.63% Due 9/15/2017	400	397	453
General Electric Capital Corp, 5.63% Due 5/1/2018	915	948	1,048
General Electric Capital Corp, 6.0% Due 8/7/2019	2,435	2,533	2,884
General Electric Capital Corp, 5.5% Due 1/8/2020	1,695	1,734	1,965
General Electric Capital Corp, 4.38% Due 9/16/2020	445	444	491
General Electric Capital Corp, 5.88% Due 1/14/2038	200	147	243
Goldman Sachs Group Inc, 3.63% Due 2/7/2016	415	415	433
Goldman Sachs Group Inc, 6.25% Due 9/1/2017	145	141	165
Goldman Sachs Group Inc, 5.95% Due 1/18/2018	345	371	392
Goldman Sachs Group Inc, 6.15% Due 4/1/2018	535	539	614
Goldman Sachs Group Inc, 2.9% Due 7/19/2018	255	255	263
Goldman Sachs Group Inc, 7.5% Due 2/15/2019	2,980	3,204	3,637
Goldman Sachs Group Inc, 5.38% Due 3/15/2020	450	447	510
Goldman Sachs Group Inc, 6.0% Due 6/15/2020	590	638	688
Goldman Sachs Group Inc, 5.25% Due 7/27/2021	138	138	155
Goldman Sachs Group Inc, 4.0% Due 3/3/2024	174	173	177
Goldman Sachs Group Inc, 6.75% Due 10/1/2037	140	144	168
HCP Inc, 3.75% Due 2/1/2019	105	105	112
HCP Inc, 2.63% Due 2/1/2020	465	465	465
HCP Inc, 4.2% Due 3/1/2024	66	66	68
Health Care REIT Inc, 5.25% Due 1/15/2022	310	345	348
HSBC Finance Corp, 5.5% Due 1/19/2016	300	307	321
Jefferies Group LLC, 5.13% Due 4/13/2018	340	340	373
Jefferies Group LLC, 8.5% Due 7/15/2019	590	631	738
Jefferies Group LLC, 6.45% Due 6/8/2027	330	285	374
Key Bank NA, 5.8% Due 7/1/2014	350	350	350
Keycorp, 5.1% Due 3/24/2021	550	614	623
Liberty Mutual Group Inc, 5.0% Due 6/1/2021	625	679	687
Lincoln National Corp, 4.85% Due 6/24/2021	384	409	427
Lincoln National Corp, 4.2% Due 3/15/2022	94	94	100
Manufacturers & Traders Trust Co, 6.63% Due 12/4/2017	715	724	832
Mass Mutual Global Funding, 3.13% Due 4/14/2016	145	151	151
Mass Mutual Global Funding, 2.5% Due 10/17/2022	211	210	203
Met Life Global Funding I, 1.5% Due 1/10/2018	178	177	177
Met Life Global Funding I, 3.65% Due 6/14/2018	1,000	999	1,064
Met Life Global Funding I, 1.88% Due 6/22/2018	545	544	547
Morgan Stanley, 5.45% Due 1/9/2017	800	815	881
Morgan Stanley, 5.95% Due 12/28/2017	1,115	1,156	1,269
Morgan Stanley, 6.63% Due 4/1/2018	650	665	760
Morgan Stanley, 5.63% Due 9/23/2019	1,310	1,277	1,507
Morgan Stanley, 5.75% Due 1/25/2021	115	116	134
National City Bank, 5.8% Due 6/7/2017	850	853	958
National Rural Utilities Co-op, 5.45% Due 2/1/2018	195	214	221
National Rural Utilities Co-op, 10.38% Due 11/1/2018	410	495	552
Nationwide Mutual Insurance, 9.38% Due 8/15/2039	615	743	957
New York Life Global Fdg, 2.15% Due 6/18/2019	732	731	736
Northern Trust Company, 6.5% Due 8/15/2018	250	271	294
Pacific Life Global Funding, 5.0% Due 5/15/2017	400	400	419
PNC Bank NA, 6.88% Due 4/1/2018	250	266	295
PNC Bank NA, 2.7% Due 11/1/2022	400	400	386
PNC Financial Services, 3.9% Due 4/29/2024	118	118	120
PNC Funding Corp, 5.25% Due 11/15/2015	300	300	318
PNC Funding Corp, 5.63% Due 2/1/2017	300	313	332
PNC Funding Corp, 5.13% Due 2/8/2020	160	160	183
Pricoa Global Funding I, 1.6% Due 5/29/2018	150	150	147
Principal Financial Group Inc, 1.85% Due 11/15/2017	52	52	52
Principal LFE GLB FND II, 1.0% Due 12/11/2015	47	47	47
Principal LFE GLB FND II, 2.25% Due 10/15/2018	353	352	356
Principal Life Global, 5.05% Due 3/15/2015	500	489	516
Progressive Corp, 4.35% Due 4/25/2044	362	361	367
Prudential Insurance Company, 8.3% Due 7/1/2025	650	778	886
Simon Property Group LP, 5.63% Due 8/15/2014	50	50	50

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Simon Property Group LP, 6.13% Due 5/30/2018	455	503	529
Simon Property Group LP, 7.38% Due 6/15/2018	166	173	200
Simon Property Group LP, 5.65% Due 2/1/2020	275	290	321
Simon Property Group LP, 3.75% Due 2/1/2024	385	383	396
Southtrust Bank, 7.69% Due 5/15/2025	400	458	491
State Street Corp, 3.1% Due 5/15/2023	539	530	529
SunTrust Banks Inc, 3.6% Due 4/15/2016	630	633	660
Travelers PPTY Casualty, 7.75% Due 4/15/2026	410	483	562
Ventas Realty LP, 1.55% Due 9/26/2016	141	141	142
Ventas Realty LP, 3.75% Due 5/1/2024	59	59	59
Ventas Realty LP/CAP Corp, 4.75% Due 6/1/2021	185	201	203
Wachovia Corp, 5.75% Due 6/15/2017	775	788	876
WEA Finance/WT Fin Aust, 6.75% Due 9/2/2019	658	695	820
Wells Fargo & Company, 5.63% Due 12/11/2017	865	870	984
Wells Fargo & Company, 4.6% Due 4/1/2021	425	437	473
Wells Fargo & Company, 4.48% Due 1/16/2024	209	201	221
Wells Fargo & Company, 4.1% Due 6/3/2026	323	323	327
Wells Fargo Bank NA, 0.56% Due 3/15/2016	850	818	851
<i>Total Financial Services</i>		68,714	75,086
<i>Health Care</i>			
Abbvie Inc, 1.75% Due 11/6/2017	283	283	285
Abbvie Inc, 2.9% Due 11/6/2022	196	195	190
Actavis Inc., 3.25% Due 10/1/2022	164	163	161
Aetna Inc, 6.75% Due 12/15/2037	490	638	651
Aetna Inc, 4.5% Due 5/15/2042	71	68	72
Amgen Inc, 6.15% Due 6/1/2018	285	313	331
Amgen Inc, 5.7% Due 2/1/2019	210	216	243
Amgen Inc, 3.45% Due 10/1/2020	610	597	638
Amgen Inc, 4.95% Due 10/1/2041	200	198	210
Amgen Inc, 5.65% Due 6/15/2042	103	103	117
Baxter International Inc, 1.85% Due 6/15/2018	214	214	214
Baxter International Inc, 4.25% Due 3/15/2020	250	270	272
Baxter International Inc, 2.4% Due 8/15/2022	127	127	120
Celgene Corporation, 3.95% Due 10/15/2020	250	268	264
Celgene Corporation, 3.25% Due 8/15/2022	294	294	293
Celgene Corporation, 3.63% Due 5/15/2024	75	75	75
Express Scripts Holding Co, 3.5% Due 6/15/2024	180	179	178
Gilead Sciences Inc, 4.4% Due 12/1/2021	265	297	291
GlaxoSmithKline Cap Inc, 6.38% Due 5/15/2038	275	313	356
Medco Health Solutions, 7.13% Due 3/15/2018	690	780	815
Medtronic Inc, 4.45% Due 3/15/2020	360	407	399
Mylan Inc, 1.8% Due 6/24/2016	144	144	146
Novartis Capital Corp, 3.4% Due 5/6/2024	313	311	317
Pfizer Inc, 4.65% Due 3/1/2018	205	223	228
Pfizer Inc, 6.2% Due 3/15/2019	700	824	831
Teva Pharm Fin IV BV, 3.65% Due 11/10/2021	445	459	457
UnitedHealth Group Inc, 4.7% Due 2/15/2021	180	202	200
UnitedHealth Group Inc, 6.88% Due 2/15/2038	380	534	515
Zoetis Inc, 3.25% Due 2/1/2023	470	455	465
<i>Total Health Care</i>		9,150	9,334
<i>Technology</i>			
Apple Inc, 1.0% Due 5/3/2018	313	312	306
Apple Inc, 2.85% Due 5/6/2021	608	607	613
Apple Inc, 2.4% Due 5/3/2023	284	284	268
Cisco Systems Inc, 4.45% Due 1/15/2020	250	249	277
Cisco Systems Inc, 2.9% Due 3/4/2021	99	99	101
Cisco Systems Inc, 5.5% Due 1/15/2040	300	294	349
eBay Inc, 3.25% Due 10/15/2020	1,110	1,098	1,149
EMC Corporation, 2.65% Due 6/1/2020	410	409	413
Hewlett-Packard Company, 3.75% Due 12/1/2020	300	298	314
Hewlett-Packard Company, 4.38% Due 9/15/2021	297	297	318
Hewlett-Packard Company, 6.0% Due 9/15/2041	122	122	140
IBM Corporation, 7.63% Due 10/15/2018	330	362	408
IBM Corporation, 8.38% Due 11/1/2019	460	573	602

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
IBM Corporation, 1.63% Due 5/15/2020	696	692	671
IBM Corporation, 4.0% Due 6/20/2042	508	400	488
Intel Corporation, 3.3% Due 10/1/2021	456	455	472
Intuit Inc, 5.75% Due 3/15/2017	863	910	964
Microsoft Corporation, 3.63% Due 12/15/2023	120	119	125
Microsoft Corporation, 3.75% Due 5/1/2043	500	493	464
National Semiconductor, 6.6% Due 6/15/2017	430	485	498
Oracle Corporation, 5.75% Due 4/15/2018	250	255	287
Oracle Corporation, 5.0% Due 7/8/2019	400	406	456
Oracle Corporation, 6.5% Due 4/15/2038	605	671	780
Oracle Corporation, 5.38% Due 7/15/2040	270	274	307
<i>Total Technology</i>		10,164	10,770
<i>Utilities</i>			
AGL Capital Corporation, 5.25% Due 8/15/2019	400	416	453
AGL Capital Corporation, 3.5% Due 9/15/2021	353	349	367
AGL Capital Corporation, 5.88% Due 3/15/2041	120	120	147
Alabama Power Co, 6.13% Due 5/15/2038	303	379	387
American Water Cap Corp, 6.59% Due 10/15/2037	300	350	398
Appalachian Power Company, 5.95% Due 5/15/2033	250	232	291
Arizona Public Service, 5.05% Due 9/1/2041	175	204	197
Arizona Public Service, 4.5% Due 4/1/2042	103	102	108
Atmos Energy Corp, 6.35% Due 6/15/2017	875	961	1,004
Atmos Energy Corp, 8.5% Due 3/15/2019	150	150	192
Baltimore Gas & Electric Co, 2.8% Due 8/15/2022	278	277	273
Berkshire Hathaway Energy, 6.13% Due 4/1/2036	125	155	155
Boston Gas Company, 4.49% Due 2/15/2042	85	85	87
Centerpoint Energy Inc, 6.5% Due 5/1/2018	310	346	363
Cleveland Electric Illum, 7.88% Due 11/1/2017	300	326	360
Cleveland Electric Illum, 8.88% Due 11/15/2018	225	241	286
Commonwealth Edison, 4.6% Due 8/15/2043	300	299	322
Connecticut Light and Power, 5.65% Due 5/1/2018	435	487	493
Cons Edison Co of NY, 5.1% Due 6/15/2033	200	209	224
Cons Edison Co of NY, 6.3% Due 8/15/2037	150	160	195
Cons Edison Co of NY, 5.5% Due 12/1/2039	350	340	415
Consumers Energy Company, 6.7% Due 9/15/2049	394	456	479
Detroit Edison Company, 3.9% Due 6/1/2021	310	332	335
Detroit Edison Company, 2.65% Due 6/15/2022	53	53	52
Dominion Resources Inc, 6.4% Due 6/15/2018	465	493	545
Dominion Resources Inc, 5.2% Due 8/15/2019	50	54	57
Dominion Resources Inc, 4.9% Due 8/1/2041	64	63	67
DTE Energy Company, 3.5% Due 6/1/2024	120	120	121
Duke Energy Carolinas, 7.0% Due 11/15/2018	250	279	303
Duke Energy Carolinas, 4.3% Due 6/15/2020	211	211	233
Duke Energy Carolinas, 3.9% Due 6/15/2021	210	226	228
Duke Energy Carolinas, 6.0% Due 1/15/2038	71	93	91
Duke Energy Corp, 3.55% Due 9/15/2021	176	177	184
Duke Energy Florida Inc, 6.4% Due 6/15/2038	280	320	375
Duke Energy Ohio Inc, 5.45% Due 4/1/2019	395	402	455
Duke Energy Progress Inc, 5.3% Due 1/15/2019	200	206	229
Duke Energy Progress Inc, 2.8% Due 5/15/2022	83	83	83
Duke Energy Progress Inc, 4.1% Due 3/15/2043	150	149	148
Entergy Gulf States LA, 6.0% Due 5/1/2018	380	416	429
Exelon Generation Co LLC, 4.0% Due 10/1/2020	288	288	304
Exelon Generation Co LLC, 5.75% Due 10/1/2041	86	86	95
Florida Power & Light, 3.25% Due 6/1/2024	500	499	504
Florida Power & Light, 5.95% Due 10/1/2033	120	148	151
Florida Power & Light, 4.95% Due 6/1/2035	250	294	282
Florida Power & Light, 5.96% Due 4/1/2039	335	365	430
Georgia Power Company, 5.25% Due 12/15/2015	200	201	213
Indiana Michigan Power, 7.0% Due 3/15/2019	145	158	176
John Sevier Comb Cycle, 4.63% Due 1/15/2042	1,128	1,175	1,178
Kansas City Power & Light, 6.38% Due 3/1/2018	280	317	323
Kansas City Power & Light, 5.3% Due 10/1/2041	385	383	430
Kentucky Utilities Company, 3.25% Due 11/1/2020	170	182	177
Massachusetts Electric, 5.9% Due 11/15/2039	182	181	223

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Midamerican Energy Co, 3.7% Due 9/15/2023	485	484	508
Nevada Power Company, 6.5% Due 8/1/2018	355	402	420
Nevada Power Company, 7.13% Due 3/15/2019	300	321	367
Nevada Power Company, 5.38% Due 9/15/2040	51	51	60
Nextera Energy Capital, 1.2% Due 6/1/2015	39	39	39
Nextera Energy Capital, 6.0% Due 3/1/2019	125	125	146
Niagara Mohawk Power, 4.88% Due 8/15/2019	100	100	112
NiSource Finance Corp, 6.4% Due 3/15/2018	750	837	862
NiSource Finance Corp, 5.45% Due 9/15/2020	299	329	342
Northern States Power- Minn, 6.25% Due 6/1/2036	360	388	471
Northern States Power- Minn, 5.35% Due 11/1/2039	64	64	76
Nstar Electric Co, 2.38% Due 10/15/2022	200	198	190
Ohio Power Company, 6.05% Due 5/1/2018	205	201	236
Oncor Electric Delivery, 6.8% Due 9/1/2018	615	678	731
Pacific Gas & Electric, 8.25% Due 10/15/2018	605	716	756
Pacific Gas & Electric, 3.25% Due 9/15/2021	49	49	51
Pacific Gas & Electric, 6.35% Due 2/15/2038	420	580	533
PacifiCorp, 5.5% Due 1/15/2019	350	359	403
PacifiCorp, 6.1% Due 8/1/2036	316	355	403
Pennsylvania Electric Co, 6.05% Due 9/1/2017	210	226	238
Potomac Electric Power, 5.4% Due 6/1/2035	180	213	204
Potomac Electric Power, 7.9% Due 12/15/2038	455	623	705
PPL Capital Funding Inc, 4.2% Due 6/15/2022	120	126	128
Progress Energy Inc, 7.75% Due 3/1/2031	100	120	141
PSEG Power LLC, 5.13% Due 4/15/2020	504	513	564
PSEG Power LLC, 4.15% Due 9/15/2021	152	152	161
Public Service Colorado, 3.2% Due 11/15/2020	45	45	46
Public Service Electric & Gas, 5.38% Due 11/1/2039	169	176	202
Public Service Oklahoma, 5.15% Due 12/1/2019	213	226	240
Public Service Oklahoma, 4.4% Due 2/1/2021	137	136	150
San Diego Gas & Electric, 5.35% Due 5/15/2040	27	27	32
Sempra Energy, 6.5% Due 6/1/2016	100	100	110
Sempra Energy, 9.8% Due 2/15/2019	450	533	598
Sempra Energy, 2.88% Due 10/1/2022	105	105	103
Sempra Energy, 4.05% Due 12/1/2023	137	137	145
Sierra Pacific Power Co, 3.38% Due 8/15/2023	98	98	100
South Carolina E & G, 4.5% Due 6/1/2064	55	54	56
Southern Cal Edison, 4.15% Due 9/15/2014	100	100	101
Southern Cal Edison, 6.05% Due 3/15/2039	250	248	319
Southern Cal Edison, 5.5% Due 3/15/2040	170	167	205
Southern California Gas Co, 5.75% Due 11/15/2035	375	478	468
Southern Company, 1.95% Due 9/1/2016	130	130	133
Southwestern Electric Power, 6.45% Due 1/15/2019	115	120	136
Southwestern Public Service, 8.75% Due 12/1/2018	288	326	368
Teco Finance Inc, 5.15% Due 3/15/2020	570	643	644
Virginia Electric & Power Co, 5.4% Due 4/30/2018	490	497	557
Virginia Electric & Power Co, 3.45% Due 2/15/2024	71	71	73
Wisconsin Electric Power, 1.7% Due 6/15/2018	300	300	301
Wisconsin Electric Power, 2.95% Due 9/15/2021	11	11	11
Xcel Energy Inc, 4.7% Due 5/15/2020	45	45	50
<i>Total Utilities</i>		<u>27,620</u>	<u>29,612</u>
Total U.S. Corporate Bonds - 19.7%		188,593	203,346
Corporate Asset Backed Issues			
Academic Loan Funding Trust, 0.95% Due 12/27/2022	307	307	310
Ally Auto Receivables Trust, 1.55% Due 10/15/2014	23	23	23
American Credit Acceptance Rec, 1.64% Due 5/15/2015	90	90	91
American Credit Acceptance Rec, 1.45% Due 12/15/2015	392	392	394
American Credit Acceptance Rec, 1.32% Due 2/15/2017	575	575	576
Americredit Auto Receivables, 0.51% Due 6/8/2014	32	32	32
Americredit Auto Receivables, 1.05% Due 11/10/2014	70	70	70
Americredit Auto Receivables, 0.62% Due 7/8/2015	155	155	155
Americredit Auto Receivables, 0.49% Due 4/8/2016	19	19	19
Ascentium Equipment Receivable, 1.83% Due 9/15/2019	105	105	105
Bank of America Auto Trust, 0.78% Due 3/15/2015	120	120	120

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Bayview Opportunity Master Trust, 3.23% Adj, Due 3/28/2033	897	897	900
BXG Receivables Note Trust, 2.66% Due 7/2/2019	222	222	222
California Republic Auto Receivables Trust, 1.18% Due 3/15/2016	306	306	308
Carnow Auto Receivables Trust, 1.16% Due 10/16/2017	129	129	129
CFC LLC, 1.65% Due 7/17/2017	288	288	289
Chase Funding Mortgage Loan, 4.5% Due 11/25/2034	94	94	94
Chase Funding Mortgage Loan, 5.3% Adj, Due 11/25/2034	500	477	515
Chase Funding Mortgage Loan, 4.28% Due 11/25/2034	459	422	464
CNH Equipment Trust, 2.04% Due 10/17/2016	199	198	200
CNH Equipment Trust, 0.94% Due 5/15/2017	108	108	109
Concord Funding Company LLC, 2.42% Due 2/15/2015	500	500	500
Concord Funding Company LLC, 3.15% Due 1/15/2017	1,250	1,250	1,250
CPS Auto Trust, 3.68% Due 5/16/2016	133	134	136
CPS Auto Trust, 4.21% Due 9/15/2016	183	183	189
CPS Auto Trust, 2.78% Due 11/15/2016	117	117	119
CPS Auto Trust, 1.11% Due 2/15/2017	825	823	823
CPS Auto Trust, 2.52% Due 3/15/2017	551	551	559
CPS Auto Trust, 1.82% Due 6/15/2017	284	284	287
Credit Acceptance Auto Loan, 1.52% Due 3/16/2020	453	453	455
Exeter Automobile Receivables, 1.29% Due 12/15/2015	115	115	115
Exeter Automobile Receivables, 1.3% Due 6/15/2017	163	163	163
Exeter Automobile Receivables, 1.49% Due 11/15/2017	636	636	639
Exeter Automobile Receivables, 1.29% Due 5/15/2018	721	721	723
First Investors Auto Owner Trust, 1.47% Due 5/15/2018	112	112	112
Flagship Credit Auto Trust, 1.32% Due 4/15/2016	451	451	452
GMAT Trust, 3.72% Adj, Due 2/25/2044	427	427	428
HLSS Servicer Advance Receivables, 1.15% Due 5/15/2015	498	498	498
HLSS Servicer Advance Receivables, 1.99% Due 10/15/2015	438	438	442
HLSS Servicer Advance Receivables, 1.5% Due 1/15/2016	599	599	599
HLSS Servicer Advance Receivables, 1.74% Due 1/15/2016	186	186	186
Honda Auto Receivables Owner, 0.97% Due 3/16/2016	68	68	68
Honda Auto Receivables Owner, 0.77% Due 5/18/2017	310	310	310
Huntington Auto Trust, 0.81% Due 5/15/2015	149	149	149
Huntington Auto Trust, 1.01% Due 1/15/2016	60	60	60
Huntington Auto Trust, 1.31% Due 11/15/2016	400	400	403
Hyundai Auto Receivables Trust, 1.63% Due 7/15/2015	240	240	241
LV Tower 52 Issuer LLC, 5.5% Due 6/15/2018	1,054	1,054	1,056
Macquarie Equipment Fdg Trust, 0.61% Due 10/20/2014	233	233	233
Nationstar Agency Advance Fdg, 1.0% Due 2/17/2015	337	337	336
Nationstar Agency Advance Fdg, 1.89% Due 2/15/2018	168	168	164
NCUA Guaranteed Notes, 0.5% Adj, Due 12/7/2020	139	139	139
Normandy Mortgage Loan Trust, 4.95% Due 9/16/2043	2,890	2,890	2,890
NYMT Residential LLC, 4.85% Adj, Due 9/25/2018	1,313	1,313	1,313
Ondeck Asset Securitization, 3.15% Due 5/17/2018	651	651	651
Park Place Securities Inc, 1.09% Due 10/25/2034	642	615	638
PFS Tax Lien Trust, 1.44% Due 9/17/2018	354	354	356
Progreso Receivables Funding I, 4.0% Due 7/9/2018	1,000	994	988
Progreso Receivables Funding I, 3.5% Due 7/8/2019	1,000	1,000	1,000
Residential Asset Mortgage Prod, 0.49% Due 10/25/2035	227	227	225
Residential Asset Mortgage Prod, 0.45% Due 3/25/2036	993	951	946
Santander Drive Auto Rec Trust, 2.06% Due 7/15/2014	15	15	15
Santander Drive Auto Rec Trust, 1.08% Due 4/15/2016	30	30	30
Santander Drive Auto Rec Trust, 0.83% Due 12/15/2016	76	76	77
Santander Drive Auto Rec Trust, 2.39% Due 6/15/2017	300	300	301
Saxon Asset Securities Trust, 4.8% Adj, Due 6/25/2033	184	185	186
Selene Non-Performing Loans, 2.98% Adj, Due 5/25/2017	306	306	306
SNAAC Auto Receivables Trust, 1.14% Due 10/15/2015	59	59	59
Springcastle SPV, 3.75% Due 4/5/2021	1,164	1,162	1,174
Springleaf Funding Trust, 2.58% Due 3/15/2016	3,250	3,248	3,274
Springleaf Funding Trust, 2.41% Due 6/15/2017	1,400	1,400	1,402
Springleaf Mortgage Loan Trust, 2.67% Due 9/25/2057	216	216	220
Springleaf Mortgage Loan Trust, 6.0% Due 9/25/2057	650	606	694
Stanwich Mortgage Loan Trust, 2.98% Due 10/16/2015	620	620	621
Stanwich Mortgage Loan Trust, 2.98% Due 9/15/2042	119	119	119
Stanwich Mortgage Loan Trust, 2.98% Due 10/18/2042	2	2	2
Tidewater Auto Receivables Trust, 1.4% Due 9/15/2016	585	585	585

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Vericrest Opportunity Loan, 3.25% Due 5/25/2017	735	735	735
Vericrest Opportunity Loan, 3.63% Adj, Due 10/27/2053	1,116	1,116	1,125
Vericrest Opportunity Loan, 3.63% Adj, Due 11/25/2053	1,109	1,109	1,118
Vericrest Opportunity Loan, 3.13% Adj, Due 4/27/2054	2,500	2,496	2,496
Wells Fargo Mortgage Backed Se, 2.62% Adj, Due 3/25/2035	1,385	1,405	1,408
Westgate Resorts, 4.5% Due 9/20/2015	343	343	347
Westgate Resorts, 3.0% Due 1/20/2025	420	420	423
Westgate Resorts, 2.5% Due 3/20/2025	174	174	175
Total Corporate Asset Backed Issues - 4.2%		42,550	42,858
Corporate CMO			
A10 Securitization, 3.49% Due 4/15/2024	396	396	397
A10 Securitization, 2.4% Due 11/15/2025	514	514	516
A10 Securitization, 1.72% Due 4/15/2033	344	344	344
American General Mortgage Loan, 5.15% Due 3/25/2040	46	46	46
American General Mortgage Loan, 5.75% Due 9/25/2048	315	309	315
American Tower Trust I, 1.55% Due 3/15/2018	380	382	378
ASG Resecuritization Trust, 4.75% Adj, Due 5/24/2036	400	400	407
ASG Resecuritization Trust, 4.75% Adj, Due 5/24/2036	112	112	113
ASG Resecuritization Trust, 2.07% Adj, Due 3/26/2037	749	739	748
ASG Resecuritization Trust, 2.06% Adj, Due 6/26/2037	407	355	400
ASG Resecuritization Trust, 6.0% Due 6/28/2037	352	352	358
Banc of America Alternative Loan Trust, 5.0% Due 9/25/2018	207	208	210
Banc of America Alternative Loan Trust, 5.5% Due 2/25/2019	188	182	194
Banc of America Alternative Loan Trust, 5.5% Due 9/25/2019	150	149	157
Banc of America Alternative Loan Trust, 5.5% Due 9/25/2033	209	188	218
Banc of America Alternative Loan Trust, 5.5% Due 11/25/2033	89	88	90
Banc of America Alternative Loan Trust, 6.0% Due 1/25/2034	210	204	222
Banc of America Alternative Loan Trust, 6.0% Due 1/25/2034	350	338	365
Banc of America Commercial Mortgage, 4.73% Due 7/10/2043	600	582	616
Banc of America Commercial Mortgage, 5.89% Due 7/10/2044	980	977	1,057
Banc of America Commercial Mortgage, 5.37% Due 9/10/2045	660	622	696
Banc of America Commercial Mortgage, 5.12% Due 10/10/2045	221	221	230
Banc of America Commercial Mortgage, 5.63% Due 7/10/2046	680	672	730
Banc of America Funding Corp, 5.5% Due 10/25/2034	463	459	486
Banc of America Funding Corp, 5.11% Adj, Due 12/20/2034	100	99	100
Banc of America Funding Corp, 5.19% Adj, Due 2/26/2035	364	378	372
Banc of America Merrill Lynch, 2.96% Due 12/10/2030	187	192	185
Banc of America Mortgage Sec, 0.6% Due 8/25/2018	82	80	80
Banc of America Mortgage Sec, 5.0% Due 4/25/2019	50	51	51
Banc of America Mortgage Sec, 6.5% Due 9/25/2032	102	101	107
Banc of America Mortgage Sec, 2.62% Adj, Due 4/25/2033	117	116	120
Banc of America Mortgage Sec, 5.5% Due 5/25/2033	353	358	373
Banc of America Mortgage Sec, 2.66% Adj, Due 6/25/2033	193	193	195
Banc of America Mortgage Sec, 2.69% Adj, Due 4/25/2034	518	514	526
Banc of America Mortgage Sec, 5.5% Due 4/25/2034	417	431	429
Bank of America Corp, 5.75% Due 9/20/2034	268	237	289
BB-UBS Trust, 2.89% Due 6/5/2020	1,000	1,020	982
BB-UBS Trust, 3.43% Due 11/5/2024	1,100	1,091	1,091
BCAP LLC Trust, 5.5% Due 11/26/2034	475	452	490
BCAP LLC Trust, 4.98% Adj, Due 4/26/2035	97	98	97
BCAP LLC Trust, 1.99% Adj, Due 5/26/2037	463	460	464
BCAP LLC Trust, 5.75% Due 6/26/2037	191	189	195
BCAP LLC Trust, 2.1% Adj, Due 7/26/2045	916	920	922
Bear Stearns Adj Rate Mortgage, 2.29% Adj, Due 7/25/2033	179	179	180
Bear Stearns Adj Rate Mortgage, 2.98% Adj, Due 5/25/2034	91	92	91
Bear Stearns Adj Rate Mortgage, 2.15% Adj, Due 8/25/2035	275	266	279
Bear Stearns Alt-A Trust, 0.79% Due 7/25/2034	572	556	548
Bear Stearns Commercial Mortgage, 5.47% Due 6/11/2041	29	29	29
Bear Stearns Commercial Mortgage, 5.54% Due 10/12/2041	289	274	314
Cam Mortgage Trust, 2.6% Adj, Due 5/15/2048	474	474	474
Chase Mortgage Finance Corp, 2.5% Adj, Due 2/25/2037	494	484	496
Chase Mortgage Finance Corp, 2.57% Adj, Due 2/25/2037	128	128	128
Chase Mortgage Finance Corp, 2.59% Adj, Due 7/25/2037	287	266	287
Citigroup Commercial Mortgage, 2.11% Due 1/12/2018	380	387	387

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Citigroup Commercial Mortgage, 4.83% Adj, Due 5/15/2043	400	400	411
Citigroup Mortgage Loan Trust, 5.25% Due 10/25/2033	165	137	169
Citigroup Mortgage Loan Trust, 2.61% Adj, Due 8/25/2034	98	98	95
Citigroup Mortgage Loan Trust, 2.61% Adj, Due 2/25/2035	150	149	151
Citigroup Mortgage Loan Trust, 5.5% Due 5/25/2035	269	268	277
Citigroup Mortgage Loan Trust, 6.0% Due 6/25/2036	614	569	639
Citigroup Mortgage Loan Trust, 4.0% Due 11/25/2036	1,176	1,189	1,211
Citigroup Mortgage Loan Trust, 4.5% Due 12/25/2036	1,254	1,275	1,293
Citigroup Mortgage Loan Trust, 2.75% Adj, Due 11/25/2038	612	611	617
Cobalt CMBS Commercial Mortgage, 5.22% Due 8/15/2048	235	247	251
Commercial Mortgage Trust, 1.05% Adj, Due 6/11/2019	1,411	1,410	1,412
Commercial Mortgage Trust, 4.98% Due 5/10/2043	1,000	983	1,024
Countrywide Home Loans, 4.5% Due 6/25/2019	165	161	170
Countrywide Home Loans, 5.0% Due 10/25/2033	380	367	397
Countrywide Home Loans, 5.25% Due 4/25/2034	643	633	674
Credit Suisse Mortgage Trust, 1.05% Due 4/15/2016	673	673	673
Credit Suisse Mortgage Trust, 3.25% Due 7/27/2037	410	411	407
Credit Suisse Mortgage Trust, 5.86% Due 3/15/2039	500	499	531
Credit Suisse Mortgage Trust, 1.15% Adj, Due 2/27/2047	252	251	251
Credit Suisse Mortgage Trust, 1.15% Due 6/28/2047	928	923	888
Credit Suisse Mortgage Trust, 3.57% Adj, Due 6/25/2050	300	290	298
CS First Boston Mortgage Sec, 2.73% Adj, Due 6/25/2033	339	326	340
CS First Boston Mortgage Sec, 5.25% Due 11/25/2033	573	559	587
CS First Boston Mortgage Sec, 5.5% Due 9/25/2034	394	415	431
CS First Boston Mortgage Sec, 5.5% Due 12/25/2034	475	496	514
CS First Boston Mortgage Sec, 4.73% Due 7/15/2037	400	399	412
DBRR Trust, 0.85% Due 11/25/2015	534	534	534
DBRR Trust, 0.95% Due 9/25/2045	6	6	6
Deutsche ALT-A Securities Inc, 5.75% Adj, Due 2/25/2020	168	166	173
Deutsche Mortgage Securities, 0.28% Adj, Due 4/26/2037	71	71	70
Federal Home Loan Mortgage, 3.0% Due 6/15/2043	1,000	844	910
First Horizon Mortgage Ps Thru, 4.5% Due 9/25/2018	138	137	138
GCCFC Commercial Mortgage Trust, 4.86% Adj, Due 1/10/2015	210	209	214
GE Commercial Mortgage Corp, 4.83% Due 6/10/2048	1,000	1,001	1,018
GE Commercial Mortgage Corp, 4.85% Due 6/10/2048	500	501	506
GMAC Commercial Mortgage Sec, 5.24% Due 11/10/2045	1,725	1,629	1,795
GMAC Mortgage Corp Loan Trust, 5.0% Due 1/25/2020	122	123	126
GMAC Mortgage Corp Loan Trust, 2.92% Adj, Due 10/19/2033	439	423	438
GMAC Mortgage Corp Loan Trust, 5.0% Due 10/25/2033	252	243	262
GMAC Mortgage Corp Loan Trust, 5.0% Due 11/25/2033	392	363	405
GMAC Mortgage Corp Loan Trust, 2.86% Adj, Due 12/19/2033	850	838	859
GMAC Mortgage Corp Loan Trust, 6.5% Due 1/25/2035	295	303	309
Government National Mortgage, 0.6% Adj, Due 11/20/2059	1,179	1,177	1,180
GS Mortgage Securities Trust, 2.32% Due 1/10/2018	489	498	494
GS Mortgage Securities Trust, 2.71% Due 12/10/2019	468	480	475
GS Mortgage Securities Trust, 5.55% Due 4/10/2038	1,000	954	1,057
GSR Mortgage Loan Trust, 6.0% Due 9/25/2034	368	353	383
GSR Mortgage Loan Trust, 0.5% Due 3/25/2035	435	283	381
GSR Mortgage Loan Trust, 0.65% Due 6/25/2035	55	50	53
GSR Mortgage Loan Trust, 5.5% Due 1/25/2037	60	53	61
Household Home Equity Loan Trust, 0.32% Due 1/20/2036	255	229	254
Household Home Equity Loan Trust, 0.31% Due 3/20/2036	212	195	210
Household Home Equity Loan Trust, 0.36% Due 3/20/2036	139	126	137
Household Home Equity Loan Trust, 1.36% Due 11/20/2036	327	287	327
IMPAC CMB Trust, 0.45% Due 5/25/2035	266	239	265
IMPAC Secured Assets Corp, 5.5% Due 8/25/2033	467	440	489
IMPAC Secured Assets Corp, 0.5% Due 5/25/2036	342	297	339
IMPAC Secured Assets Corp, 0.5% Due 8/25/2036	511	461	504
JP Morgan Chase Commercial Mortgage, 5.57% Adj, Due 8/12/2037	700	705	723
JP Morgan Chase Commercial Mortgage, 5.55% Due 5/12/2045	487	504	523
JP Morgan Chase Commercial Mortgage, 5.4% Due 5/15/2045	936	877	1,008
JP Morgan Chase Commercial Mortgage, 0.31% Due 5/15/2047	338	338	337
JP Morgan Mortgage Trust, 2.55% Adj, Due 11/25/2033	691	686	691
JP Morgan Mortgage Trust, 2.57% Adj, Due 8/25/2034	889	849	889
JP Morgan Mortgage Trust, 2.97% Adj, Due 2/25/2035	440	440	444
JP Morgan Mortgage Trust, 2.66% Adj, Due 7/25/2035	565	566	581

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
JP Morgan Re-REMIC, 1.87% Adj, Due 8/26/2035	222	222	222
Ladder Capital Commercial Mortgage, 3.99% Due 2/15/2028	461	472	468
Lake Country Mortgage Loan Trust, 0.5% Due 7/25/2034	164	157	163
LB-UBS Commercial Mortgage Trust, 5.16% Due 1/15/2016	300	294	316
LB-UBS Commercial Mortgage Trust, 5.43% Due 2/15/2040	329	360	361
MASTR Adjustable Rate Mortgage, 2.64% Adj, Due 11/21/2034	953	946	973
MASTR Asset Securitization, 5.5% Due 9/25/2033	57	50	58
MASTR Asset Securitization, 5.25% Due 12/25/2033	648	667	683
MASTR Reperforming Loan Trust, 0.5% Due 5/25/2035	604	411	508
Merrill Lynch Mortgage Invest, 0.77% Due 10/25/2028	239	226	237
Merrill Lynch Mortgage Invest, 0.61% Due 4/25/2029	290	270	280
Merrill Lynch Mortgage Invest, 0.83% Due 4/25/2029	267	221	260
Merrill Lynch Mortgage Invest, 1.05% Due 8/25/2029	314	292	310
Merrill Lynch Mortgage Invest, 2.58% Adj, Due 7/25/2033	111	109	114
Merrill Lynch Mortgage Invest, 2.47% Adj, Due 8/25/2034	188	184	194
Merrill Lynch Mortgage Invest, 2.15% Adj, Due 12/25/2034	417	407	410
Morgan Stanley BAML Trust, 3.67% Due 1/15/2021	1,000	1,027	1,051
Morgan Stanley Capital I Trust, 4.05% Due 6/15/2021	340	342	366
Morgan Stanley Capital I Trust, 5.83% Adj, Due 6/11/2042	250	250	279
Morgan Stanley Mortgage Loan, 5.69% Adj, Due 4/25/2034	204	207	216
Morgan Stanley Re-REMIC Trust, 2.0% Due 9/27/2017	1,384	1,384	1,392
Morgan Stanley Re-REMIC Trust, 0.25% Due 3/27/2019	400	309	342
Morgan Stanley Re-REMIC Trust, 1.0% Due 4/27/2019	300	296	302
Morgan Stanley Re-REMIC Trust, 4.97% Due 4/16/2040	26	26	26
NCUA Guaranteed Notes, 2.65% Due 1/1/2018	3,404	3,408	3,494
NCUA Guaranteed Notes, 2.9% Due 10/29/2020	1,500	1,564	1,556
NCUA Guaranteed Notes, 0.71% Adj, Due 12/8/2020	722	722	727
NCUA Guaranteed Notes, 2.4% Due 12/8/2020	297	297	302
Northstar Mortgage Trust, 1.35% Adj, Due 4/25/2015	578	578	578
Prime Mortgage Trust, 6.0% Due 2/25/2034	164	168	172
RBSCF Trust, 3.26% Due 2/11/2023	531	540	517
RBSSP Resecuritization Trust, 6.5% Due 2/26/2036	476	476	513
RBSSP Resecuritization Trust, 4.0% Due 5/26/2037	230	228	235
RCMC, 5.62% Due 12/15/2018	568	568	585
Residential Accredit Loans, 16.3% Due 10/25/2017	71	71	74
Residential Accredit Loans, 0.8% Due 7/25/2033	310	279	290
Residential Accredit Loans, 5.5% Due 8/25/2033	725	725	741
Residential Accredit Loans, 5.75% Due 10/25/2033	345	324	363
Residential Accredit Loans, 5.5% Due 5/25/2034	1,625	1,337	1,664
Salomon Brothers Mortgage Sec, 3.95% Adj, Due 4/25/2032	99	89	98
Salomon Brothers Mortgage Sec, 2.62% Adj, Due 9/25/2033	377	366	385
Senior Homeowner as Program, 4.0% Due 5/25/2053	1,138	1,124	1,121
Sequoia Mortgage Trust, 0.46% Due 12/20/2034	1,268	1,202	1,210
Springleaf Mortgage Loan Trust, 2.22% Due 10/25/2057	544	544	551
Springleaf Mortgage Loan Trust, 6.0% Due 10/25/2057	600	583	628
Springleaf Mortgage Loan Trust, 4.05% Adj, Due 1/25/2058	521	520	543
Springleaf Mortgage Loan Trust, 5.45% Due 1/25/2058	1,000	990	1,049
Springleaf Mortgage Loan Trust, 1.27% Due 6/25/2058	364	364	363
Springleaf Mortgage Loan Trust, 2.31% Due 6/25/2058	414	414	404
Springleaf Mortgage Loan Trust, 3.14% Due 6/25/2058	288	288	286
Springleaf Mortgage Loan Trust, 3.79% Due 6/25/2058	286	286	288
Springleaf Mortgage Loan Trust, 1.57% Due 12/25/2059	776	776	775
Springleaf Mortgage Loan Trust, 2.66% Due 12/25/2059	308	308	308
Springleaf Mortgage Loan Trust, 3.56% Due 12/25/2059	235	235	240
Springleaf Mortgage Loan Trust, 4.44% Due 12/25/2059	177	177	183
Springleaf Mortgage Loan Trust, 5.3% Due 12/25/2059	121	121	125
Springleaf Mortgage Loan Trust, 1.78% Adj, Due 12/25/2065	2,850	2,826	2,844
Springleaf Mortgage Loan Trust, 3.52% Adj, Due 12/25/2065	498	483	509
Springleaf Mortgage Loan Trust, 4.48% Adj, Due 12/25/2065	1,500	1,436	1,544
Structured Adjustable Rate Mortgage, 5.5% Due 10/25/2033	436	427	446
Structured Adjustable Rate Mortgage, 3.62% Adj, Due 12/25/2033	157	156	158
Structured Adjustable Rate Mortgage, 5.54% Due 12/25/2033	733	707	754
Structured Adjustable Rate Mortgage, 5.55% Adj, Due 3/25/2034	425	411	441
Structured Adjustable Rate Mortgage, 4.69% Adj, Due 2/25/2035	578	584	581
Structured Asset Mortgage Inv, 0.86% Due 3/19/2034	1,200	1,158	1,179
Structured Asset Mortgage Inv, 0.49% Adj, Due 10/19/2034	516	470	491

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Structured Asset Securities Co, 3.45% Due 2/25/2032	236	220	235
Structured Asset Securities Co, 0.65% Due 6/25/2033	158	152	156
Structured Asset Securities Co, 5.45% Adj, Due 11/25/2033	99	97	102
Structured Asset Securities Co, 5.0% Due 5/25/2035	83	64	84
Thornburg Mortgage Securities, 0.79% Due 9/25/2043	407	378	400
Thornburg Mortgage Securities, 2.02% Adj, Due 12/25/2044	290	292	291
TIAA Seasoned Commercial Mortgage, 5.56% Adj, Due 8/15/2039	674	675	685
UBS-BAMLL Trust, 3.66% Due 6/10/2022	578	587	584
UBS-Barclays Commercial Mortgage, 3.24% Due 3/10/2023	229	235	230
Vendee Mortgage Trust, 6.75% Due 6/15/2026	534	560	617
Vendee Mortgage Trust, 6.75% Due 6/15/2028	454	510	519
VNO Mortgage Trust, 3.0% Due 11/15/2022	544	555	540
Wachovia Bank Commercial Mortgage Trust, 5.22% Due 1/15/2041	198	202	198
Wachovia Bank Commercial Mortgage Trust, 5.9% Adj, Due 5/15/2043	1,349	1,304	1,430
WAMU Mortgage Pass-Through Certificate, 5.5% Due 8/25/2019	295	294	305
WAMU Mortgage Pass-Through Certificate, 2.3% Adj, Due 8/25/2033	141	137	142
WAMU Mortgage Pass-Through Certificate, 2.41% Adj, Due 8/25/2033	177	176	179
WAMU Mortgage Pass-Through Certificate, 2.42% Adj, Due 9/25/2033	543	537	554
WAMU Mortgage Pass-Through Certificate, 2.44% Adj, Due 9/25/2033	198	194	201
WAMU Mortgage Pass-Through Certificate, 5.25% Due 10/25/2033	987	915	1,013
WAMU Mortgage Pass-Through Certificate, 2.38% Adj, Due 6/25/2034	161	150	164
WAMU Mortgage Pass-Through Certificate, 2.38% Adj, Due 6/25/2034	403	401	411
WAMU Mortgage Pass-Through Certificate, 5.5% Due 6/25/2034	680	663	713
WAMU Mortgage Pass-Through Certificate, 5.0% Due 7/25/2034	327	336	344
Wells Fargo Mortgage Backed, 2.49% Adj, Due 11/25/2033	366	365	366
Wells Fargo Mortgage Backed, 2.49% Adj, Due 2/25/2034	204	205	207
Wells Fargo Mortgage Backed, 2.61% Adj, Due 9/25/2034	890	836	909
Wells Fargo Mortgage Backed, 2.64% Adj, Due 10/25/2034	382	362	384
Wells Fargo Mortgage Backed, 2.61% Adj, Due 10/25/2034	294	286	298
Wells Fargo Mortgage Backed, 2.61% Adj, Due 10/25/2034	202	186	209
Wells Fargo Mortgage Backed, 2.61% Adj, Due 12/25/2034	415	391	424
Wells Fargo Mortgage Backed, 2.56% Adj, Due 12/25/2034	206	187	209
Wells Fargo Mortgage Backed, 2.61% Adj, Due 12/25/2034	277	262	284
Wells Fargo Mortgage Backed, 2.56% Adj, Due 12/25/2034	206	203	210
Wells Fargo Mortgage Backed, 2.62% Adj, Due 6/25/2035	109	104	110
Wells Fargo Mortgage Loan Trust, 2.85% Adj, Due 8/27/2037	828	830	833
Wells Fargo Re-REMIC Trust, 1.75% Due 4/20/2017	375	375	376
WF-RBS Commercial Mortgage Trust, 4.38% Due 5/15/2021	600	604	657
WF-RBS Commercial Mortgage Trust, 3.44% Due 1/15/2022	400	403	414
Total Corporate CMO - 10.5%		103,863	108,098
Corporate CMO Interest-Only			
Bear Stearns Commercial Mortgage, 0.93% Adj, Due 6/11/2041	12,084	186	61
CD Commercial Mortgage Trust, 0.09% Adj, Due 1/15/2046	62,084	158	60
CD Commercial Mortgage Trust, 0.56% Adj, Due 12/11/2049	36,773	323	313
Commercial Mortgage Trust, 2.09% Adj, Due 8/15/2045	998	97	107
LB-UBS Commercial Mortgage Trust, 0.53% Adj, Due 2/15/2041	22,659	189	110
ML-CFC Commercial Mortgage Trust, 0.26% Adj, Due 12/12/2049	14,525	144	170
Morgan Stanley Capital I Trust, 0.68% Adj, Due 12/15/2043	13,333	173	142
Morgan Stanley Capital I Trust, 0.39% Adj, Due 2/12/2044	33,677	145	157
Morgan Stanley Mortgage Loan, 5.5% Due 8/25/2034	3,241	387	380
Washington Mutual MSC Mortgage, 5.5% Due 5/25/2035	504	43	107
Total Corporate CMO Interest-Only - 0.2%		1,845	1,607
Corporate CMO Principal-Only			
MASTR Resecuritization Trust, Due 5/28/2035	206	116	165
Structured Asset Mortgage Inv, Due 7/25/2032	102	80	93
Washington Mutual MSC Mortgage, Due 7/25/2033	146	97	131
Total Corporate CMO Principal-Only - 0.0%		293	389
Foreign Government Bonds			
<i>Canada</i>			
Nova Scotia Province, 9.25% Due 3/1/2020	200	245	267

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued) June 30, 2014 (Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Quebec Province, 6.35% Due 1/30/2026	900	1,081	1,130
<i>Total Canada</i>		1,326	1,397
<i>Israel</i>			
Aid-Israel, Zero Coupon, Due 3/15/2018	5,000	4,653	4,723
Aid-Israel, Zero Coupon, Due 2/15/2022	2,500	2,128	2,033
<i>Total Israel</i>		6,781	6,756
<i>Mexico</i>			
United Mexican States, 3.5% Due 1/21/2021	294	292	305
United Mexican States, 4.0% Due 10/2/2023	578	576	607
United Mexican States, 4.75% Due 3/8/2044	364	359	371
United Mexican States, 5.55% Due 1/21/2045	162	161	184
United Mexican States, 5.75% Due 10/12/2110	326	315	346
<i>Total Mexico</i>		1,703	1,813
<i>Poland</i>			
Republic of Poland, 4.0% Due 1/22/2024	162	161	168
<i>South Africa</i>			
Republic of South Africa, 5.88% Due 9/16/2025	200	197	222
Total Foreign Government Bonds - 1.0%		10,168	10,356
<u>Foreign Corporate Bonds</u>			
<i>Australia</i>			
AUST & NZ Banking Group, 3.25% Due 3/1/2016	200	200	208
AUST & NZ Banking Group NY, 1.88% Due 10/6/2017	250	254	255
BHP Billiton Financial USA LTD, 6.5% Due 4/1/2019	720	790	866
BHP Billiton Financial USA LTD, 3.85% Due 9/30/2023	146	146	153
BHP Billiton Financial USA LTD, 5.0% Due 9/30/2043	81	81	90
Macquarie Bank Ltd, 2.0% Due 8/15/2016	500	502	509
Macquarie Bank Ltd, 5.0% Due 2/22/2017	575	584	627
Macquarie Group LTD, 7.3% Due 8/1/2014	560	561	563
Macquarie Group LTD, 7.63% Due 8/13/2019	475	482	576
Macquarie Group LTD, 6.25% Due 1/14/2021	237	235	272
National Australia Bank, 3.0% Due 7/27/2016	500	499	521
Rio Tinto Fin USA Ltd, 3.5% Due 11/2/2020	51	51	53
Rio Tinto Fin USA Ltd, 3.75% Due 9/20/2021	588	587	619
Westpac Banking Corp, 4.88% Due 11/19/2019	406	406	457
<i>Total Australia</i>		5,378	5,769
<i>Bermuda</i>			
Weatherford Bermuda, 6.5% Due 8/1/2036	231	260	275
Weatherford Bermuda, 6.75% Due 9/15/2040	300	331	368
<i>Total Bermuda</i>		591	643
<i>Canada</i>			
Air Canada 2013-1A PTT, 4.13% Due 5/15/2025	259	259	262
Alberta Energy Company Ltd, 8.13% Due 9/15/2030	200	251	275
Anadarko Finance Co, 7.5% Due 5/1/2031	400	497	545
Bank of Montreal, 2.55% Due 11/6/2022	620	613	600
Bank of Nova Scotia, 4.38% Due 1/13/2021	214	214	237
Barrick Gold Corporation, 3.85% Due 4/1/2022	405	416	403
Canadian Natural Resources Ltd, 5.7% Due 5/15/2017	300	319	336
Canadian Natural Resources Ltd, 5.9% Due 2/1/2018	615	641	701
Canadian Pacific Railroad Co, 7.13% Due 10/15/2031	500	670	661
CDP Financial, 4.4% Due 11/25/2019	500	565	556
Cenovus Energy Inc, 6.75% Due 11/15/2039	210	274	273
Cenovus Energy Inc, 4.45% Due 9/15/2042	210	208	208
Encana Corp, 6.5% Due 5/15/2019	100	106	119
Petro-Canada, 6.05% Due 5/15/2018	447	457	517
Petro-Canada, 6.8% Due 5/15/2038	225	234	298
Potash Corp-Saskatchewan, 3.25% Due 12/1/2017	500	515	528
Rogers Communications Inc, 4.1% Due 10/1/2023	259	259	270
Rogers Communications Inc, 8.75% Due 5/1/2032	300	392	421

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Suncor Energy Inc, 6.5% Due 6/15/2038	200	267	257
Talisman Energy, 7.75% Due 6/1/2019	475	540	588
Talisman Energy, 5.85% Due 2/1/2037	55	63	60
Talisman Energy, 6.25% Due 2/1/2038	60	66	70
Talisman Energy, 5.5% Due 5/15/2042	335	329	363
Thomson Reuters Corp, 4.7% Due 10/15/2019	150	150	166
Thomson Reuters Corp, 3.95% Due 9/30/2021	380	392	398
Thomson Reuters Corp, 4.5% Due 5/23/2043	147	144	140
Total Capital Canada LTD, 2.75% Due 7/15/2023	107	107	104
Trans-Canada Pipelines, 6.5% Due 8/15/2018	250	249	297
Trans-Canada Pipelines, 7.13% Due 1/15/2019	400	465	487
Trans-Canada Pipelines, 3.75% Due 10/16/2023	300	307	310
Trans-Canada Pipelines, 7.63% Due 1/15/2039	50	50	73
<i>Total Canada</i>		10,019	10,523
<i>Cayman Islands</i>			
Hutch Whampoa Int 11 Ltd, 4.63% Due 1/13/2022	200	205	216
Hutch Whampoa Int 12 II, 2.0% Due 11/8/2017	336	335	339
Noble Holding International, 3.95% Due 3/15/2022	45	45	46
Noble Holding International, 6.2% Due 8/1/2040	330	391	379
Petrobras Intl Fin Co, 7.88% Due 3/15/2019	150	177	175
Petrobras Intl Fin Co, 6.75% Due 1/27/2041	320	367	330
Transocean Inc, 6.5% Due 11/15/2020	960	965	1,110
Transocean Inc, 3.8% Due 10/15/2022	125	120	124
<i>Total Cayman Islands</i>		2,605	2,719
<i>France</i>			
Electricite De France, 2.15% Due 1/22/2019	194	192	195
Orange SA, 2.75% Due 2/6/2019	365	365	374
Orange SA, 9.0% Adj, Due 3/1/2031	230	302	346
Total Capital International SA, 1.55% Due 6/28/2017	112	112	114
Total Capital SA, 2.13% Due 8/10/2018	170	170	173
Total Capital SA, 4.13% Due 1/28/2021	200	221	217
<i>Total France</i>		1,362	1,419
<i>Germany</i>			
Deutsche Bank AG London, 3.7% Due 5/30/2024	333	332	333
<i>Italy</i>			
Eni SpA, 5.7% Due 10/1/2040	250	249	284
<i>Japan</i>			
Bank Tokyo - Mitsubishi UFJ, 3.85% Due 1/22/2015	356	356	363
Nippon Telegraph & Telephone, 1.4% Due 7/18/2017	67	67	67
Nomura Holdings Inc, 5.0% Due 3/4/2015	195	198	200
Nomura Holdings Inc, 6.7% Due 3/4/2020	94	95	113
<i>Total Japan</i>		716	743
<i>Luxembourg</i>			
Actavis Funding SCS, 3.85% Due 6/15/2024	173	172	175
Schlumberger Investment, 2.4% Due 8/1/2022	540	500	520
<i>Total Luxembourg</i>		672	695
<i>Mexico</i>			
America Movil SAB DE CV, 5.0% Due 3/30/2020	300	332	333
America Movil SAB DE CV, 3.13% Due 7/16/2022	426	430	419
Petroleos Mexicanos, 4.88% Due 1/18/2024	98	97	105
Petroleos Mexicanos, 6.38% Due 1/23/2045	212	210	246
<i>Total Mexico</i>		1,069	1,103
<i>Netherlands</i>			
Deutsche Telekom Int Fin, 6.75% Due 8/20/2018	200	215	237
Deutsche Telekom Int Fin, 6.0% Due 7/8/2019	635	644	745
Deutsche Telekom Int Fin, 8.75% Adj, Due 6/15/2030	170	225	249
Eads Finance B.V., 2.7% Due 4/17/2023	214	214	206

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Enel Finance International NV, 5.13% Due 10/7/2019	700	699	788
Heineken NV, 1.4% Due 10/1/2017	250	250	250
Heineken NV, 3.4% Due 4/1/2022	250	252	253
ING Bank NV, 1.38% Due 3/7/2016	600	599	607
Koninklijke Philips NV, 5.75% Due 3/11/2018	80	86	91
Koninklijke Philips NV, 3.75% Due 3/15/2022	370	396	389
Koninklijke Philips NV, 7.2% Due 6/1/2026	180	217	226
Rabobank Nederland, 3.38% Due 1/19/2017	82	82	87
Rabobank Nederland, 4.5% Due 1/11/2021	219	219	241
Rabobank Nederland, 3.88% Due 2/8/2022	426	423	451
Rabobank Nederland, 5.8% Due 9/30/2110	300	290	336
Shell International Fin, 4.3% Due 9/22/2019	285	284	317
Shell International Fin, 4.38% Due 3/25/2020	290	289	323
Shell International Fin, 6.38% Due 12/15/2038	140	146	184
Siemens Financieringsmat, 6.13% Due 8/17/2026	470	512	584
<i>Total Netherlands</i>		6,042	6,564
<i>Norway</i>			
Statoil ASA, 3.15% Due 1/23/2022	350	349	358
Statoil ASA, 2.45% Due 1/17/2023	130	130	125
Statoil ASA, 2.65% Due 1/15/2024	204	204	196
<i>Total Norway</i>		683	679
<i>Spain</i>			
Telefonica Emisiones SAU, 6.42% Due 6/20/2016	500	522	550
Telefonica Emisiones SAU, 3.19% Due 4/27/2018	210	210	219
Telefonica Emisiones SAU, 5.88% Due 7/15/2019	350	388	406
Telefonica Emisiones SAU, 5.46% Due 2/16/2021	117	117	133
<i>Total Spain</i>		1,237	1,308
<i>Sweden</i>			
Nordea Bank AB, 4.88% Due 5/13/2021	355	354	385
Skandinaviska Enskilda, 1.75% Due 3/19/2018	242	241	242
Stadshypotek AB, 1.88% Due 10/2/2019	332	331	328
Svenska Handelsbanken AB, 3.13% Due 7/12/2016	494	494	517
Svenska Handelsbanken AB, 2.88% Due 4/4/2017	463	463	484
<i>Total Sweden</i>		1,883	1,956
<i>Switzerland</i>			
UBS AG Stamford CT, 5.88% Due 12/20/2017	175	177	200
UBS AG Stamford CT, 5.75% Due 4/25/2018	100	104	115
<i>Total Switzerland</i>		281	315
<i>United Kingdom</i>			
Barclays Bank PLC, 3.75% Due 5/15/2024	647	647	649
BG Energy Capital PLC, 5.13% Due 10/15/2041	200	197	221
BP Capital Markets PLC, 3.25% Due 5/6/2022	377	377	382
BP Capital Markets PLC, 2.75% Due 5/10/2023	282	279	271
BP Capital Markets PLC, 3.99% Due 9/26/2023	189	189	199
BP Capital Markets PLC, 3.81% Due 2/10/2024	219	219	226
British Telecom PLC, 5.95% Due 1/15/2018	275	275	315
British Telecom PLC, 2.35% Due 2/14/2019	200	200	202
British Telecom PLC, 9.63% Adj, Due 12/15/2030	145	190	231
Diageo Capital PLC, 4.83% Due 7/15/2020	402	411	453
Enesco PLC, 4.7% Due 3/15/2021	315	329	343
HSBC Bank PLC, 1.5% Due 5/15/2018	521	515	517
HSBC Bank PLC, 4.13% Due 8/12/2020	389	387	421
HSBC Bank PLC, 4.75% Due 1/19/2021	300	300	334
HSBC Holdings PLC, 4.88% Due 1/14/2022	350	361	393
Standard Chartered PLC, 5.2% Due 1/26/2024	500	500	533
State Grid Overseas Inv, 3.13% Due 5/22/2023	600	594	584
Vodafone Group PLC, 5.45% Due 6/10/2019	369	378	423
<i>Total United Kingdom</i>		6,348	6,697
Total Foreign Corporate Bonds - 4.0%		39,467	41,750

See accompanying notes to financial statements.

Core Fixed Income Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<u>Foreign Asset Backed Issues</u>			
<i>Cayman Islands</i>			
Carlyle Global Market Strategy, 2.13% Due 7/15/2019	867	867	867
N-Star Real Estate CDO LTD, 2.0% Due 3/25/2019	1,076	1,076	1,077
N-Star Real Estate CDO LTD, 5.15% Due 7/25/2019	250	249	248
<i>Total Cayman Islands</i>		2,192	2,192
<i>Ireland</i>			
Trafigura Securitisation Fin, 2.55% Due 4/15/2015	1,190	1,190	1,202
Total Foreign Asset Backed Issues - 0.3%		3,382	3,394
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 3.3%	33,770,583	33,771	33,771
<u>Liquidating Trust</u>			
Residential Capital LLC - 0.0%	263	-	-
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		34,287	34,287
Mellon SL DBT II Liquidating Fund		131	130
Total Investments Made with Cash Collateral for Securities Loaned - 3.3%		34,418	34,417
Total Investments - 103.2%		\$ 1,019,442	\$ 1,064,491

See accompanying notes to financial statements.

Core Fixed Income Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Interest	\$	39,459
Dividends		8
Net securities lending income		<u>64</u>

Total investment income 39,531

Expenses

Investment advisor fees		(1,694)
Trustee fees		(4)
Custodian bank fees		(75)
Management fees		(318)
Fiduciary bond fees		(2)
Professional service fees		<u>(65)</u>

Total expenses (2,158)

Investment income, net 37,373

Realized and unrealized gain (loss) from investments

Net realized gain from investments		13,463
Net change in unrealized appreciation (depreciation) on investments		<u>(3,357)</u>

Net gain from investments 10,106

Net increase in net assets from operations \$ 47,479

See accompanying notes to financial statements.

Core Fixed Income Pool

Statement of Changes in Net Assets
Year Ended June 30, 2014
(Amounts in thousands, except unit data)

Operations

Investment income, net	\$ 37,373
Net realized gain from investments	13,463
Net change in unrealized appreciation (depreciation) on investments	<u>(3,357)</u>
Net increase in net assets from operations	47,479

Distributions to unitholders

Investment income, net	(37,373)
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Unit transactions

Proceeds from sale of units	128,791
Reinvestment of distributions	37,147
Amount paid for repurchase of units	<u>(422,688)</u>
Net decrease in net assets from unit transactions	<u>(256,750)</u>

Decrease in net assets (246,644)

Net assets, beginning of year 1,277,767

Net assets, end of year \$ 1,031,123

Unit data

Units sold	11,678,145
Units issued from reinvestment of distributions	3,369,580
Units repurchased	<u>(38,312,485)</u>
Net decrease in units	<u><u>(23,264,760)</u></u>

See accompanying notes to financial statements.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The main objective of this Pool is to generate investment income, provide stability and diversification, but not at the expense of total return. JP Morgan Investment Advisors, Inc. (JPM) manages this Pool. This Pool's investment objective, net of external investment management fees, is to meet or exceed the Barclays Capital U.S. Aggregate Index.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB invests funds of the State and its component units, all of which are government entities. The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined as follows:

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

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

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically of the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

Asset-Backed Securities - The Pool invests in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The Pool invests in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

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

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

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

Interest Income - Interest income is recognized as earned on the accrual method. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. The amortization of asset-backed securities considers the effect of prepayments on the life of the security. Historical prepayment speeds are obtained from market data vendors and are updated annually. The effect of changing prepayment assumptions is reflected in the Statement of Operations in the year of the change.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Distributions to Participants - The monthly net investment income is declared as a dividend on the last day of the month and distributed to the participants of the Pool on the first day of the following month. Distributions are paid in the form of reinvestments in the Pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets. The Pool does not routinely distribute dividends of net realized gains.

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

Credit Risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2014.

Investment Type	Moody's	S&P	Fair Value	Percent of Assets
Corporate asset backed issues	A2	AA	\$ 42,858	4.0%
Corporate CMO	A2	AA	108,098	10.2
Corporate CMO interest-only	Ba3	AAA	1,607	0.2
Corporate CMO principal-only	Ba2	AA	389	0.0
Foreign asset backed issues	Aa1	AA	3,394	0.3
Foreign corporate bonds	A2	A	41,750	3.9
Foreign government bonds	Aa2	AA	10,356	1.0
Municipal bonds	Aa2	AA	8,378	0.8
Short-term issue	Aaa	AAA	33,771	3.2
U.S. Corporate bonds	A3	A	203,346	19.1
U.S. Government agency bonds	Aaa	AA	24,449	2.3
U.S. Government agency CMO	Aaa	AA	164,375	15.4
U.S. Government agency CMO interest-only	Aaa	AA	8,997	0.8
U.S. Government agency CMO principal-only	Aaa	AA	12,688	1.2
U.S. Government agency MBS	Aaa	AA	200,083	18.8
U.S. Treasury issues	Aaa	AA	165,535	15.6
Total rated investments			\$ 1,030,074	96.8%

Unrated securities include investments made with cash collateral for securities loaned valued at \$34,417 or 3.2 percent of the fair value of the Pool's investments.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

Concentration of Credit Risk

The Pool is restricted from investing more than 5 percent of the value of the Pool in any one corporate name. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2014, the Pool held no securities that were subject to custodial credit risk. All securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2014.

Investment Type	Fair Value	Effective Duration (years)
Corporate asset backed issues	\$ 42,858	1.3
Corporate CMO	108,098	2.1
Corporate CMO interest-only	1,607	(4.0)
Corporate CMO principal-only	389	2.8
Foreign asset backed issues	3,394	0.0
Foreign corporate bonds	41,750	6.3
Foreign government bonds	10,356	6.6
Investments made with cash collateral for securities loaned	34,417	0.0
Municipal bonds	8,378	14.6
Short-term issue	33,771	0.0
U.S. Corporate bonds	203,346	6.3
U.S. Government agency bonds	24,449	5.2
U.S. Government agency CMO	164,375	3.5
U.S. Government agency CMO interest-only	8,997	1.8
U.S. Government agency CMO principal-only	12,688	6.8
U.S. Government agency MBS	200,083	4.8
U.S. Treasury issues	165,535	7.6
Total investments	<u>\$ 1,064,491</u>	<u>4.9</u>

The Pool invests in commercial and residential mortgage-backed securities, asset-backed securities, and collateralized mortgage obligations. The cash flows from these securities are based on the payment of the underlying collateral. The effective duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2014, the Pool held \$542,489 of these securities. This represents approximately 51 percent of the value of the Pool's securities.

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Corporate asset backed issues	\$ -	\$ 42,858	\$ -	\$ 42,858
Corporate CMO	-	108,098	-	108,098
Corporate CMO interest - only	-	1,607	-	1,607
Corporate CMO principal - only	-	389	-	389
Foreign asset backed issues	-	3,394	-	3,394
Foreign corporate bonds	-	41,750	-	41,750
Foreign government bonds	-	10,356	-	10,356
Investments made with cash collateral for securities loaned	-	34,417	-	34,417
Municipal bonds	-	8,378	-	8,378
Short-term issue	33,771	-	-	33,771
U.S. Corporate bonds	-	203,346	-	203,346
U.S. Government agency bonds	-	24,449	-	24,449
U.S. Government agency CMO	-	164,375	-	164,375
U.S. Government agency CMO interest-only	-	8,997	-	8,997
U.S. Government agency CMO principal-only	-	12,688	-	12,688
U.S. Government agency MBS	-	200,083	-	200,083
U.S. Treasury issues	-	165,535	-	165,535
Total	<u>\$ 33,771</u>	<u>\$ 1,030,720</u>	<u>\$ -</u>	<u>\$ 1,064,491</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$	38,342		
Collateral received:		Cost	Fair Value	Unrealized Depreciation
Cash	\$	34,418	\$	34,417
Non-cash				5,282
Total			\$	39,699

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 6. INVESTMENT ADVISORY FEES

The IMB has approved an investment advisory agreement with JPM to manage the investments of the Pool. This agreement provides for quarterly payments, based on average end of month assets under management, to the investment advisor. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to JPM consist of a base fee of 0.075 percent annually of the net assets under management and a performance incentive fee that is earned when the actual investment return exceeds the return of the Barclays Capital US Aggregate index over rolling three-year periods. The maximum fee allowable under the agreement is 0.15 percent annually of the net assets under management. The effective fee rate earned by JPM for the year ended June 30, 2014, was 0.15 percent.

NOTE 7. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 11.03
Income from investment operations:	
Net investment income	0.37
Net realized and unrealized gain on investment transactions	0.11
Total from investment operations	0.48
Less distributions from net investment income	(0.37)
Net asset value at June 30, 2014	\$ 11.14
Total Return (b)	4.4%
Supplemental Data:	
Net assets, end of period	\$ 1,031,123
Ratio to average net assets (c):	
Expenses	0.19%
Net investment income	3.28%
Portfolio turnover rate	17.14%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year

Core Fixed Income Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 8. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014. The balances do not include the distribution declared by the Pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 275,096
Public Employees' Retirement System	241,170
Workers' Compensation Old Fund	177,942
Revenue Shortfall Reserve Fund - Part B	73,056
Revenue Shortfall Reserve Fund	70,890
West Virginia Prepaid Tuition Trust Fund	39,914
Coal Workers' Pneumoconiosis Fund	28,423
West Virginia Retiree Health Benefit Trust Fund	25,605
State Police Death, Disability and Retirement Fund	25,509
Public Employees Insurance Agency	25,316
Board of Risk and Insurance Management	15,609
Judges' Retirement System	7,102
Deputy Sheriff's Retirement System	6,991
State Police Retirement System	5,264
West Virginia Department of Environmental Protection Agency	4,477
Emergency Medical Services Retirement System	2,330
Wildlife Endowment Fund	2,297
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,640
Workers' Compensation Uninsured Employers' Fund	954
Workers' Compensation Self-Insured Employer Security Risk Pool	741
West Virginia Department of Environmental Protection Trust	689
Municipal Policemen's or Firemen's Pension and Relief Funds	59
Municipal Police Officers' and Firefighters' Retirement System	49
Total	<u>\$ 1,031,123</u>

NOTE 9. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

TIPS Pool

TIPS Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board TIPS Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board TIPS Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

TIPS Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$592,198), including securities on loan of \$217,711 (Note 5)	\$	601,271
Receivables:		
Accrued interest		2,301
Investments sold		101,602
Securities lending income		9
		<hr/>
Total assets		705,183

Liabilities

Accrued expenses		66
Payable for investments purchased		100,645
		<hr/>
Total liabilities		100,711
		<hr/>
Net assets	\$	604,472

Analysis of net assets

Paid-in capital	\$	530,430
Accumulated undistributed net investment income		20,158
Accumulated undistributed net realized gain from investments		44,811
Unrealized net appreciation of investments		9,073
		<hr/>
Net assets	\$	604,472

Unit data

Units outstanding		55,017,636
Net asset value, unit price	\$	10.99

See accompanying notes to financial statements.

TIPS Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
U.S. Treasury Inflation-Protected Securities			
United States Treasury, 1.88% Due 7/15/2015	8,355	\$ 10,442	\$ 10,578
United States Treasury, 2.0% Due 1/15/2016	8,976	11,088	11,308
United States Treasury, 0.13% Due 4/15/2016	46,063	50,573	50,795
United States Treasury, 2.5% Due 7/15/2016	8,937	11,068	11,391
United States Treasury, 2.38% Due 1/15/2017	7,740	9,652	9,958
United States Treasury, 0.13% Due 4/15/2017	23,231	25,230	25,093
United States Treasury, 2.63% Due 7/15/2017	6,819	8,565	8,736
United States Treasury, 1.63% Due 1/15/2018	7,279	8,714	8,990
United States Treasury, 0.13% Due 7/15/2018	26,287	27,813	27,861
United States Treasury, 1.38% Due 7/15/2018	7,390	8,657	8,881
United States Treasury, 2.13% Due 1/15/2019	6,845	8,202	8,516
United States Treasury, 0.13% Due 4/15/2019	29,504	30,670	30,746
United States Treasury, 1.88% Due 7/15/2019	7,734	9,308	9,669
United States Treasury, 1.38% Due 1/15/2020	9,500	10,982	11,427
United States Treasury, 1.25% Due 7/15/2020	14,723	16,985	17,548
United States Treasury, 1.13% Due 1/15/2021	16,892	18,845	19,843
United States Treasury, 0.63% Due 7/15/2021	18,475	20,144	20,475
United States Treasury, 0.13% Due 1/15/2022	45,478	48,665	47,970
United States Treasury, 0.13% Due 7/15/2022	21,460	23,685	22,279
United States Treasury, 0.13% Due 1/15/2023	21,640	23,165	22,160
United States Treasury, 0.38% Due 7/15/2023	21,641	21,759	22,487
United States Treasury, 0.63% Due 1/15/2024	45,647	47,573	48,082
United States Treasury, 2.38% Due 1/15/2025	11,311	16,320	17,244
United States Treasury, 2.0% Due 1/15/2026	8,676	11,426	12,217
United States Treasury, 2.38% Due 1/15/2027	12,143	17,074	17,531
United States Treasury, 1.75% Due 1/15/2028	7,379	9,010	9,620
United States Treasury, 3.63% Due 4/15/2028	5,010	9,666	10,322
United States Treasury, 2.5% Due 1/15/2029	7,294	9,612	10,171
United States Treasury, 3.88% Due 4/15/2029	6,051	11,781	12,762
United States Treasury, 3.38% Due 4/15/2032	2,433	4,322	4,698
United States Treasury, 2.13% Due 2/15/2040	12,150	16,495	16,964
United States Treasury, 2.13% Due 2/15/2041	5,230	6,627	7,263
United States Treasury, 0.75% Due 2/15/2042	9,506	10,357	9,395
United States Treasury, 0.63% Due 2/15/2043	7,050	6,507	6,611
United States Treasury, 1.38% Due 2/15/2044	10,205	10,972	11,436
Total U.S. Treasury Inflation-Protected Securities - 99.4%		591,954	601,027
Short-term Issue			
Dreyfus Cash Management Institutional Fund - 0.0%	244,099	244	244
Total Investments - 99.4%		\$ 592,198	\$ 601,271

See accompanying notes to financial statements.

TIPS Pool

Statement of Operations
Year Ended June 30, 2014
(Amounts in thousands)

Investment income

Interest	\$	12,316
Net securities lending income		<u>134</u>
Total investment income		12,450

Expenses

Investment advisor fees		(145)
Trustee fees		(2)
Custodian bank fees		(19)
Management fees		(176)
Fiduciary bond fees		(1)
Professional service fees		<u>(36)</u>
Total expenses		<u>(379)</u>

Investment income, net 12,071

Realized and unrealized gain from investments

Net realized gain from investments		705
Net change in unrealized appreciation (depreciation) on investments		<u>12,621</u>
Net gain from investments		<u>13,326</u>

Net increase in net assets from operations \$ 25,397

See accompanying notes to financial statements.

TIPS Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	12,071
Net realized gain from investments		705
Net change in unrealized appreciation (depreciation) on investments		<u>12,621</u>

Net increase in net assets from operations 25,397

Unit transactions

Proceeds from sale of units		59,171
Amount paid for repurchase of units		<u>(137,190)</u>

Net decrease in net assets from unit transactions (78,019)

Decrease in net assets (52,622)

Net assets, beginning of year 657,094

Net assets, end of year \$ 604,472

Unit data

Units sold		5,604,089
Units repurchased		<u>(13,034,189)</u>

Net decrease in units (7,430,100)

See accompanying notes to financial statements.

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool invests in Treasury Inflation-Protected Securities (TIPS) and its objective is to match the performance of the Barclay's Capital U.S. TIPS Bond Index on an annualized basis over rolling three-year to five-year periods, gross of fees. Assets are managed by State Street Global Advisors (SSgA).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined 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 primarily by dealer quotes.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

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

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned plus accrued income. Cash collateral received, if any, is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically of the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

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

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

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

Interest Income - Interest income is recognized as earned on the accrual method. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security. For TIPS, the principal amount is adjusted monthly to keep pace with inflation. Interest is accrued based on the adjusted principal amount. The adjustments to principal due to inflation are reflected as increases or decreases to interest income.

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

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

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

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

Credit Risk

The IMB limits the exposure to credit risk in the Pool by primarily investing in U.S. Treasury inflation protected securities. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2014.

Investment Type	Moody's	S&P	Fair Value	Percent of Assets
Short-term issue	Aaa	AAA	\$ 244	0.0%
U.S. Treasury inflation-protected securities	Aaa	AA	601,027	100.0
Total rated investments			\$ 601,271	100.0%

Concentration of Credit Risk

The Pool is restricted from investing more than 5 percent of the value of the Pool in any one corporate name. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2014, the Pool held no securities that were subject to custodial credit risk. All securities are held by the IMB's custodian in the name of the IMB.

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the real modified duration of the investments in the Pool. The following table provides the weighted average real modified duration for the various asset types in the Pool as of June 30, 2014.

Investment Type	Fair Value	Real Modified Duration (years)
Short-term issue	\$ 244	0.0
U.S. Treasury inflation-protected securities	601,027	7.8
Total investments	\$ 601,271	7.8

Foreign Currency Risk

None of the securities held by the Pool are exposed to foreign currency risk.

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities.

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

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Short-term issue	\$ 244	\$ -	\$ -	\$ 244
U.S. Treasury inflation-protected securities	-	601,027	-	601,027
Total	\$ 244	\$ 601,027	\$ -	\$ 601,271

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$ 217,711		
Collateral received:	Cost	Fair Value	Unrealized Depreciation
Cash	\$ -	\$ -	\$ -
Non-cash		226,592	
Total		\$ 226,592	

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. INVESTMENT ADVISORY FEES

The IMB has approved an investment advisory agreement with SSgA to manage the investments of the Pool. This agreement provides for quarterly payments, based on average end of month assets under management, to the investment advisor. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to SSgA include a base fee of 0.03 percent annually on the first \$200 million of net assets under management and a base fee of 0.02 percent annually on the assets over \$200 million. The effective fee rate earned by SSgA for the year ended June 30, 2014, was 0.02 percent.

NOTE 7. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$	10.52
Income from investment operations:		
Net investment income		0.21
Net realized and unrealized gain on investment transactions		0.26
Total from investment operations		<u>0.47</u>
Net asset value at June 30, 2014	\$	<u>10.99</u>

Total Return (b) 4.4%

Supplemental Data:

Net assets, end of period	\$	604,472
Ratio to average net assets (c):		
Expenses		0.06%
Net investment income		1.92%
Portfolio turnover rate		56.43%

(a) Calculation based on the average shares outstanding

(b) Return data is net of fees for the full fiscal year

(c) All ratios are for the fiscal year

TIPS Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 8. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014. The balances do not include the dividend declared by the Pool on the last day of the month and reinvested to the participant's account on the first day of the following month.

<u>Participant</u>	<u>Account Value</u>
Revenue Shortfall Reserve Fund	\$ 240,452
Workers' Compensation Old Fund	119,066
Revenue Shortfall Reserve Fund - Part B	57,496
Teachers' Retirement System	57,015
Public Employees' Retirement System	49,161
Coal Workers' Pneumoconiosis Fund	27,200
Public Employees Insurance Agency	21,473
Board of Risk and Insurance Management	14,783
West Virginia Retiree Health Benefit Trust Fund	4,535
State Police Death, Disability and Retirement Fund	4,507
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,583
Judges' Retirement System	1,441
Deputy Sheriff's Retirement System	1,401
Workers' Compensation Uninsured Employers' Fund	1,074
State Police Retirement System	893
West Virginia Department of Environmental Protection Trust	866
Workers' Compensation Self-Insured Employer Security Risk Pool	720
Emergency Medical Services Retirement System	396
Wildlife Endowment Fund	391
Municipal Policemen's or Firemen's Pension and Relief Funds	11
Municipal Police Officers' and Firefighters' Retirement System	8
Total	<u>\$ 604,472</u>

NOTE 9. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

TRS Annuity Pool

TRS Annuity Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board TRS Annuity Pool (the "Pool"), which comprise the statement of assets and liabilities as of June 30, 2014, and the related statements of operations and changes in net assets for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board TRS Annuity Pool at June 30, 2014, and the results of its operations and changes in its net assets for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

TRS Annuity Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets	\$	-
Liabilities		
Accrued expenses		<u>17</u>
Net assets	<u>\$</u>	<u>(17)</u>
Analysis of net assets		
Paid-in capital	\$	388
Accumulated undistributed net investment loss		<u>(405)</u>
Net assets	<u>\$</u>	<u>(17)</u>

See accompanying notes to financial statements.

TRS Annuity Pool

Statement of Changes in Net Assets
Year Ended June 30, 2014
(Amounts in thousands)

Operations

Investment loss, net \$ (311)

Capital transactions

Contributions by TRS 388

Increase in net assets from capital transactions 388

Increase in net assets 77

Net assets, beginning of year (94)

Net assets, end of year \$ (17)

See accompanying notes to financial statements.

TRS Annuity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool held an investment contract issued by the Variable Annuity Life Insurance Company (VALIC) strictly for the benefit of the Teachers Retirement System (TRS). On December 10, 2008, the IMB assumed responsibility for this investment as part of the restructuring of the Teachers Defined Contribution (TDC) plan, a separate retirement plan administered solely by the Consolidated Public Retirement System, whereby certain TDC participants elected to transfer the ownership of their individual TDC retirement accounts to the TRS in exchange for current participation in the TRS defined benefit plan. The final amount transferred under the contract was \$248,293.

The IMB initially requested the immediate redemption of the entire balance but VALIC denied the request, claiming the amounts were subject to withdrawal restrictions. Effective April 23, 2009, the IMB, while reserving its rights under the contract, executed the appropriate forms with VALIC to elect to withdraw funds under the Five Year Equal Annual Installment method. By making this election the guaranteed minimum annual yield of 4.5 percent became the fixed rate for this contract. The first four withdrawals of \$55,058 each occurred on May 4, 2009, 2010, 2011 and 2012. The final withdraw of \$55,191 occurred on May 8, 2013. On that date, all remaining income, net of all management fees, was distributed to TRS and all units of ownership in the Pool were redeemed.

TRS Annuity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY (continued)

In response to VALIC's denial to allow the IMB to liquidate the contract in its entirety, the IMB sued VALIC and the litigation is ongoing. The outcome of the litigation is unknown and accordingly the IMB has not accrued any potential revenues from the case. There are ongoing legal fees associated with this litigation and these expenses are accrued to the Pool. The funding for the payment of these expenses results from contributions by the TRS into the TRS Annuity Pool. No other management fees are charged to the Pool and none have been charged since the final withdrawal on May 8, 2013. Amounts recovered pursuant to the litigation, if any, will be recorded in the TRS Annuity Pool and distributed to the TRS. Once the case is resolved the TRS Annuity Pool will be closed.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The investment contract held by this Pool was the sole investment of the Pool and it was fully redeemed on May 8, 2013. However, the Pool is to be kept open so that all on-going expenses associated with the investment contract can be properly reported and charged to the TRS.

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

NOTE 3. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Private Equity Pool

Private Equity Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Private Equity Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Private Equity Pool at June 30, 2014, and the results of its operations, changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Private Equity Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$1,024,167)	\$	1,355,246
Cash		12
Dividends receivable		<u>1</u>
Total assets		1,355,259

Liabilities

Accrued expenses		<u>201</u>
Net assets	\$	<u><u>1,355,058</u></u>

Analysis of net assets

Paid-in capital	\$	831,663
Accumulated undistributed net investment loss		(511)
Accumulated undistributed net realized gain from investments		192,827
Unrealized net appreciation of investments		<u>331,079</u>
Net assets	\$	<u><u>1,355,058</u></u>

Unit data

Units outstanding		88,613,592
Net asset value, unit price	\$	<u><u>15.29</u></u>

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<u>Private Equity Partnerships</u>			
<i>Corporate Finance - Buyout Funds</i>			
Advent International GPE VI - A, L.P.		\$ 29,334	\$ 45,885
Investment Objective - To provide risk capital for, and make investments in the securities of, privately held and publicly listed companies primarily in Europe and North America. Contractual termination date is in March 2018.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Altaris Health Partners III, L.P.		2,656	3,548
Investment Objective - To make growth equity investments in control and non-control environments in small and lower middle market companies within the healthcare industry. Contractual termination date is in March 2023.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Carlyle Partners V, L.P.		32,570	45,666
Investment Objective - To generate superior, long-term capital appreciation through privately negotiated equity and equity related investments. Contractual termination date is in December 2018.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Court Square Capital Partners III, L.P.		7,883	7,488
Investment Objective - To make leveraged acquisitions of mature, upper middle market companies in the U.S., primarily in the business services, general industrial, healthcare, and telecom & technology sectors. Contractual termination date is in May 2023.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Franklin Park International Fund 2013, L.P.		3,476	3,142
Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets by investing in funds outside of the United States, Canada, and western Europe. Contractual termination date is in February 2028.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Hellman & Friedman Capital Partners VII, L.P.		23,708	26,136
Investment Objective - To make investments, both domestically and internationally, in public and private companies seeking long-term capital appreciation. Contractual termination date is in June 2021.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
JFL Equity Investors III, L.P. Investment Objective - To seek long-term capital appreciation by acquiring, holding, and disposing of securities involved in or connected with defense, aerospace, marine, or engineering industries. Contractual termination date is in September 2020. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		12,716	16,000
LS Power Equity Partners III, L.P. <i>(a)</i> Investment Objective - To acquire and operate electric power generation and transmission assets in the United States through multi-asset acquisitions. Contractual termination date is in February 2024. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		419	(383)
Mason Wells Buyout Fund III, L.P. Investment Objective - To deliver superior risk-adjusted investment returns by applying the Mason Wells Value Creation System to drive improvements to operating and financial performance at portfolio companies. Contractual termination date is in August 2020. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		25,295	22,111
Natural Gas Partners IX, L.P. Investment Objective - To generate long-term capital gains through equity investments in companies engaged in the energy and resource related industries, with an emphasis on privately negotiated equity investments in North American oil and gas companies. Contractual termination date is in December 2017. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		24,921	41,084
NGP Natural Resources X, L.P. Investment Objective - To generate long-term capital gains through equity investments in companies engaged in the energy, water, and food and agriculture sectors, with an emphasis on privately negotiated equity investments in North American oil and gas companies. Contractual termination date is in December 2021. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		31,203	37,012

(a) As of June 30, 2014, the general partner of LS Power Equity Partners III, L.P., had not called any commitments from limited partners for the purpose of making investments. Therefore, the IMB had only funded commitments for fees and expenses. As such, a negative fair value is reflected at June 30, 2014.

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Odyssey Investment Partners Fund IV, L.P. Investment Objective - To seek long-term capital appreciation by principally pursuing control oriented equity and equity related investments in middle market companies located primarily in the United States. Contractual termination date is in August 2018. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		18,833	17,801
Riverside Fund IV, L.P. Investment Objective - To pursue and add value to control investments in small, profitable healthcare and technology companies primarily in the United States through financial and operational improvements and to grow the companies both organically and through add-on acquisitions. Contractual termination date is in December 2019. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		23,090	26,611
Riverside Fund V, L.P. Investment Objective - To pursue and add value to control investments in small, profitable healthcare and technology companies primarily in the United States through financial and operational improvements and to grow the companies both organically and through add-on acquisitions. Contractual termination date is in May 2022. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		8,351	4,588
Thoma Bravo Fund X, L.P. Investment Objective - To seek long-term capital appreciation by acquiring, holding, and disposing of securities involved in or connected with enterprise and infrastructure software, financial and business services, and education. Contractual termination date is in December 2021. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		20,973	25,200
Thoma Bravo Fund XI, L.P. Investment Objective - To seek long-term capital appreciation by acquiring, holding, and disposing of securities involved in or connected with application, infrastructure and security software, with a secondary focus on business, media and technology-enabled services. Contractual termination date is in May 2024. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		1,280	1,255

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Wellspring Capital Partners V, L.P. Investment Objective - To target under-managed or underperforming companies possessing strong core franchises and solid fundamentals in the consumer products, manufacturing, retail, distribution, and business and consumer service industries. Contractual termination date is in June 2021. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		18,863	15,856
Welsh, Carson, Anderson & Stowe XI, L.P. Investment Objective - To provide capital to domestic or foreign corporations, partnerships and joint ventures and to assist in developing the business of those enterprises. Contractual termination date is in May 2020. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		31,128	45,707
Wicks Capital Partners Fund IV, L.P. Investment Objective - To invest in and build middle market businesses in selected segments of the information, education and media industries. Contractual termination date is in October 2022. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		14,902	17,422
<i>Total Corporate Finance - Buyout Funds</i>		331,601	402,129
<i>Corporate Finance - Distressed Debt</i>			
Castlelake II, L.P. Investment Objective - To pursue an opportunistic distressed investment strategy, with a primary focus of acquiring assets such as non-performing loan portfolios, aviation assets, corporate debt, and other distressed assets. Contractual termination date is in July 2018. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		36,999	47,310
Castlelake III, L.P. Investment Objective - To pursue an opportunistic distressed investment strategy, with a primary focus of acquiring assets such as non-performing loan portfolios, aviation assets, corporate debt, and other distressed assets. Contractual termination date is in July 2018. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		11,682	11,567
Clearlake Capital III, L.P. Investment Objective - To make special situation investments in small and middle market companies, specifically distressed debt, rescue financing, growth capital, and turnaround investments. Contractual termination date is in October 2022. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		18,300	22,335
<i>Total Corporate Finance - Distressed Debt</i>		66,981	81,212

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
<i>Corporate Finance - Growth Equity</i>			
LLR Equity Partners III, L.P.		26,785	35,332
Investment Objective - To provide investors with substantial long-term capital gains by investing in a diversified portfolio of equity securities. Contractual termination date is in July 2018.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
TA XI, L.P.		22,815	26,584
Investment Objective - To achieve capital appreciation with relatively modest risk by originating investments in profitable, middle-market companies in growth industries. Contractual termination date is in July 2020.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
<i>Total Corporate Finance - Growth Equity</i>		49,600	61,916
<i>Corporate Finance - Mezzanine</i>			
Insight Equity Mezzanine I, L.P.		7,436	7,653
Investment Objective - To invest in mezzanine securities issued by companies in which Insight is also an equity sponsor. Contractual termination date is in February 2019.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Levine Leichtman Capital Partners V, L.P.		5,243	4,378
Investment Objective - To make debt and equity investments in middle market companies which typically provide both elements of current income and equity appreciation. Contractual termination date is ten years from the final close.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
<i>Total Corporate Finance - Mezzanine</i>		12,679	12,031
<i>Corporate Finance - Turnaround</i>			
H.I.G. Bayside Debt & LBO Fund II, L.P.		25,426	24,956
Investment Objective - To invest in distressed debt obligations and other securities of distressed lower middle market companies. Contractual termination date is in May 2016.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			
Insight Equity II, L.P.		23,545	26,617
Investment Objective - To acquire underperforming, operationally challenged, or financially distressed small and middle market businesses and to seek to reorganize operations and strategy to restore profitability and growth. Contractual termination date is in October 2018.			
Redemption Provisions - Upon termination of the partnership.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
KPS Special Situations Fund III (Supplemental), L.P. Investment Objective - Seek to invest alongside KPS Special Situations Fund III, L.P. and KPS Special Situations Fund III (A), L.P., to make controlling equity and equity-related investments in underperforming or distressed companies engaged in manufacturing, transportation, and service industries that need immediate and significant change. Contractual termination date is in November 2017. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		23,191	31,393
KPS Special Situations Fund IV, L.P. Investment Objective - To make controlling equity and equity-related investments in underperforming or distressed companies engaged in manufacturing, transportation, and service industries that need immediate and significant change. Contractual termination date is May 2026. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		3,285	3,285
Platinum Equity Capital Partners II, L.P. Investment Objective - To make private investments in equity, equity oriented or debt securities that offer equity-like returns, of underperforming companies to generate capital appreciation. Contractual termination date is in August 2018. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		27,404	34,796
Sycamore Partners II, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in February 2028. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		2,280	2,607
<i>Total Corporate Finance - Turnaround</i>		105,131	123,654
<i>Venture Capital</i>			
Franklin Park Venture Fund Series 2008, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in March 2023. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		19,867	26,633
Franklin Park Venture Fund Series 2009, L.P. Investment Objective - To target underperforming middle market retail and consumer companies. Contractual termination date is May 2024. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		17,587	32,316

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Franklin Park Venture Fund Series 2010, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in January 2025. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		11,426	14,872
Franklin Park Venture Fund Series 2011, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in January 2026. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		13,116	15,862
Franklin Park Venture Fund Series 2012, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in January 2027. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		8,964	9,858
Franklin Park Venture Fund Series 2013, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in February 2028. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		3,040	2,912
Franklin Park Venture Fund Series 2014, L.P. Investment Objective - To realize long-term compounded returns in excess of those available through conventional investments in the public equity markets. Contractual termination date is in January 2029. Redemption Provisions - Upon termination of the partnership. A detail of the underlying investments is not available.		1,231	1,225
<i>Total Venture Capital</i>		75,231	103,678
Total Private Equity Partnerships - 57.9%		641,223	784,620
<u>Multiple Strategy Hedge Fund</u>			
Bridgewater All Weather Portfolio II, LTD Investment Objective - To seek to provide attractive returns with relatively limited risks, with no material bias to perform better or worse in any particular type of economic environment. Redemption Provisions - Monthly on the first business day A detail of the underlying investments is not available.	259,702	282,015	462,724
Total Multiple Strategy Hedge Fund - 34.1%		282,015	462,724

See accompanying notes to financial statements.

Private Equity Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

<u>Description</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<u>Investment in Other Fund</u>			
State Street Global Advisors Russell 3000 Index Non-Lending Fund	3,237,370	57,933	64,906
Investment Objective - To match the return of the Russell 3000 Index.			
Redemption Provisions - Daily			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Total Investment in Other Fund - 4.8%		57,933	64,906
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 3.2%	42,996,047	42,996	42,996
Total Investments - 100.0%		<u>\$ 1,024,167</u>	<u>\$ 1,355,246</u>

See accompanying notes to financial statements.

Private Equity Pool

Statement of Operations Year Ended June 30, 2014 *(Amounts in thousands)*

Investment income

Income distributions from limited partnerships	\$	7,344
Dividends		16
Fund closing income		<u>20</u>

Total investment income 7,380

Expenses

Trustee fees		(4)
Custodian bank fees		(3)
Management fees		(354)
Fiduciary bond fees		(2)
Professional service fees		(885)
Fund closing costs		(25)
Management fees - external		<u>(214)</u>

Total expenses (1,487)

Investment income, net 5,893

Realized and unrealized gain from investments

Net realized gain from investments		126,122
Net change in unrealized appreciation (depreciation) on investments		<u>102,075</u>

Net gain from investments 228,197

Net increase in net assets from operations \$ 234,090

See accompanying notes to financial statements.

Private Equity Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	5,893
Net realized gain from investments		126,122
Net change in unrealized appreciation (depreciation) on investments		<u>102,075</u>

Net increase in net assets from operations 234,090

Unit transactions

Proceeds from sale of units		122,328
Amount paid for repurchase of units		<u>(156,524)</u>

Net decrease in net assets from unit transactions (34,196)

Increase in net assets 199,894

Net assets, beginning of year 1,155,164

Net assets, end of year \$ 1,355,058

Unit data

Units sold		9,197,788
Units repurchased		<u>(10,988,909)</u>

Net decrease in units (1,791,121)

See accompanying notes to financial statements.

Private Equity Pool

Statement of Cash Flows
Year Ended June 30, 2014
(Amounts in thousands)

Cash flows from operating activities

Net increase in net assets from operations	\$ 234,090
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:	
Contributions to limited partnerships	(177,400)
Purchase of investments	(105,000)
Distributions from limited partnerships	163,343
Proceeds from disposition of investments	130,000
Purchases and sales of short-term investment securities, net	17,377
Decrease in dividends receivable	2
Decrease in accrued expenses	(7)
Net realized gain from investments	(126,122)
Net change in unrealized appreciation (depreciation) on investments	<u>(102,075)</u>
Net cash provided by operating activities	34,208

Cash flows from financing activities

Proceeds from units sold	122,328
Paid for repurchase of units	<u>(156,524)</u>
Net cash used in financing activities	<u>(34,196)</u>
Net change in cash	12

Cash

Beginning balance	<u>-</u>
Ending balance	<u><u>\$ 12</u></u>

See accompanying notes to financial statements.

Private Equity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool holds investments in private equity funds, a hedge fund, and a commingled investment fund. Franklin Park Associates, LLC has been retained by the IMB to provide consulting services for the private equity funds. The hedge fund is managed by Bridgewater Associates, LP and the commingled investment fund is managed by State Street Global Advisors.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Private Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio investments is determined as follows:

- Investments in private equity partnerships and other private funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the general partners approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the IMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of June 30, 2014.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

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

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

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

Investment Gains and Losses - Gains and losses on investments in partnerships are recognized when the partnership has realized its interest in a portfolio company and we have sufficient information as to the amount and date of the distribution. Gains and losses on the sale of other investments are recognized at the time of sale by the average cost method.

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

Income from Partnerships - Income from private equity partnerships and other private funds is recognized when distributed to the partners.

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Private Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool holds limited partnerships, shares of a hedge fund, a commingled investment fund, and a money market fund with the highest credit rating. The investments in limited partnerships and a hedge fund might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. The Pool is restricted from investing more than 10 percent of the IMB's total private equity exposure in a single fund. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities 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.

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Corporate finance - buyout funds	\$ -	\$ -	\$ 402,129	\$ 402,129
Corporate finance - distressed debt	-	-	81,212	81,212
Corporate finance - growth equity	-	-	61,916	61,916
Corporate finance - mezzanine	-	-	12,031	12,031
Corporate finance - turnaround	-	-	123,654	123,654
Investment in other fund	-	64,906	-	64,906
Multiple strategy hedge fund	-	-	462,724	462,724
Short-term issue	42,996	-	-	42,996
Venture capital	-	-	103,678	103,678
Total	\$ 42,996	\$ 64,906	\$ 1,247,344	\$ 1,355,246

Private Equity Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

The reconciliation of the beginning and ending balances of Level 3 investments for the year ended June 30, 2014, was as follows:

	Corporate finance - buyout funds	Corporate finance - distressed debt	Corporate finance - growth equity	Corporate finance - mezzanine
Balance at June 30, 2013	\$ 354,938	\$ 37,401	\$ 55,428	\$ 6,340
Net realized gain	67,623	746	5,471	240
Net change in unrealized appreciation (depreciation)	18,946	10,201	2,262	(985)
Contributions	87,972	34,410	6,300	7,073
Distributions	(127,350)	(1,546)	(7,545)	(637)
Sales	-	-	-	-
Balance at June 30, 2014	<u>\$ 402,129</u>	<u>\$ 81,212</u>	<u>\$ 61,916</u>	<u>\$ 12,031</u>

	Corporate finance - turnaround	Multiple strategy hedge fund	Venture capital	Total
Balance at June 30, 2013	\$ 106,467	\$ 472,217	\$ 62,205	\$ 1,094,996
Net realized gain	12,990	30,578	5,543	123,191
Net change in unrealized appreciation (depreciation)	5,118	39,929	19,629	95,100
Contributions	18,226	-	23,419	177,400
Distributions	(19,147)	-	(7,118)	(163,343)
Sales	-	(80,000)	-	(80,000)
Balance at June 30, 2014	<u>\$ 123,654</u>	<u>\$ 462,724</u>	<u>\$ 103,678</u>	<u>\$ 1,247,344</u>

The total change in unrealized appreciation (depreciation) included in the Statement of Operations attributable to Level 3 investments still held at June 30, 2014, includes the following:

Corporate finance - buyout funds	\$ 18,946
Corporate finance - distressed debt	10,201
Corporate finance - growth equity	2,262
Corporate finance - mezzanine	(985)
Corporate finance - turnaround	5,118
Multiple strategy hedge fund	39,929
Venture capital	19,629
Total	<u>\$ 95,100</u>

Private Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. COMMITMENTS

The IMB, with the assistance of its consultant, began implementing its plan to invest in private equity partnerships in February 2008. As of June 30, 2014, the IMB had made commitments to forty-two private equity general partnerships.

Partnership Classification	Total Commitment	Funded Commitment	Unfunded Commitment
Corporate finance - buyout funds	\$ 884,000	\$ 402,423	\$ 481,577
Corporate finance - distressed debt	120,000	66,981	53,019
Corporate finance - growth equity	80,000	62,214	17,786
Corporate finance - mezzanine	50,000	12,454	37,546
Corporate finance - turnaround	250,000	129,348	120,652
Venture capital	173,000	78,602	94,398
Total	<u>\$ 1,557,000</u>	<u>\$ 752,022</u>	<u>\$ 804,978</u>

NOTE 6. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$ 12.78
Income from investment operations:	
Net investment income	0.06
Net realized and unrealized gain on investment transactions	2.45
Total from investment operations	<u>2.51</u>
Net asset value at June 30, 2014	<u>\$ 15.29</u>

Total Return (b) 19.7%

Supplemental Data:

Net assets, end of period	\$ 1,355,058
Ratio to average net assets (c):	
Expenses	0.12%
Net investment income	0.46%
Portfolio turnover rate	22.94%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year.
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee funds.

Private Equity Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 637,022
Public Employees' Retirement System	549,804
West Virginia Retiree Health Benefit Trust Fund	59,423
State Police Death, Disability and Retirement Fund	54,936
Judges' Retirement System	16,136
Deputy Sheriff's Retirement System	15,527
State Police Retirement System	11,232
Emergency Medical Services Retirement System	5,393
Wildlife Endowment Fund	5,330
Municipal Policemen's or Firemen's Pension and Relief Funds	143
Municipal Police Officers' and Firefighters' Retirement System	112
Total	<u>\$ 1,355,058</u>

NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Real Estate Pool

Real Estate Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Real Estate Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Real Estate Pool at June 30, 2014, and the results of its operations, changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Real Estate Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$1,118,215), including securities on loan of \$2,434 (Note 5)	\$	1,280,775
Cash		391
Cash denominated in foreign currencies (cost \$7)		7
Receivables:		
Investments sold		434
Foreign tax withholding		39
Interest		1,304
Dividends		1,216
Securities lending income		3
Unrealized gain on foreign currency contracts (Note 7)		1
		<hr/>
Total assets		1,284,170

Liabilities

Accrued expenses		876
Payable for investments purchased		6,481
Payable upon return of securities loaned (Note 5)		1,790
		<hr/>
Total liabilities		9,147
		<hr/>
Net assets	\$	1,275,023

Analysis of net assets

Paid-in capital	\$	991,661
Accumulated undistributed net investment income		55,741
Accumulated undistributed net realized gain from investments		65,050
Accumulated undistributed net realized gain from foreign currency transactions		10
Unrealized net appreciation of investments		163,012
Unrealized net depreciation on translation of assets and liabilities in foreign currencies		(451)
		<hr/>
Net assets	\$	1,275,023

Unit data

Units outstanding		108,523,950
Net asset value, unit price	\$	11.75

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Private Real Estate Partnerships and Funds			
<i>Core Funds</i>			
CIM VI-1, LLC		\$ 29,691	\$ 30,704
Investment Objective - To invest in substantially stabilized core real estate and real estate related assets located in urban areas that are experiencing positive transition due to urbanization trends. Contractual termination date is in December 2019.			
Redemption Provisions - Upon termination of partnership.			
A detail of the underlying investments is not available.			
Harrison Street Core Property Fund, L.P.		50,000	56,568
Investment Objective - To invest primarily in a core portfolio of properties related to education, healthcare, and storage sectors of the commercial real estate market. No contractual termination date.			
Redemption Provisions - Quarterly subject to the terms of the fund's governing documents and available liquidity.			
A detail of the underlying investments is not available.			
Invesco Core Real Estate - U.S.A., L.P.		30,000	49,183
Investment Objective - The Fund will invest in core properties located in the United States. No contractual termination date.			
Redemption Provisions - Quarterly with 90 days written notice.			
A detail of the underlying investments is not available.			
CCCP First Mortgage II, L.P.		35,955	35,860
Investment Objective - To invest in senior, floating-rate first mortgage loans secured by commercial real estate properties. Contractual termination date is in December 2019.			
Redemption Provisions - Upon termination of partnership.			
A detail of the underlying investments is not available.			
Quadrant Fund I, LLC		15,000	14,655
Investment Objective - To achieve a highly stable dividend yield and attractive total return by investing in real estate assets on a relative value basis across private and public, debt and equity investments. No contractual termination date.			
Redemption Provisions - Quarterly on the last business day.			
No underlying investments exceed 5% of net assets of the Private Real Estate Pool.			
RREEF America REIT II, Inc.		130,000	157,958
Investment Objective - To invest in a portfolio of income producing core real estate properties diversified by property type and geographically in the United States. No contractual termination date.			
Redemption Provisions - Quarterly with 45 days written notice.			
A detail of the underlying investments is not available.			
UBS Trumbull Property Fund		50,000	68,834
Investment Objective - To invest in a portfolio of core equity investments in income producing real property diversified by property type and geographically in the United States. No contractual termination date.			
Redemption Provisions - Quarterly with 60 days written notice.			
A detail of the underlying investments is not available.			
UBS Trumbull Property Income Fund		50,000	57,991
Investment Objective - To provide investors with a positive total return in excess of the rate of inflation in all market conditions on a rolling three to five year period. No contractual termination date.			
Redemption Provisions - Quarterly with 60 days written notice.			
A detail of the underlying investments is not available.			
<i>Total Core Funds</i>		390,646	471,753
<i>Opportunistic Funds</i>			
Blackstone RE Partners Europe III, L.P.		15,051	20,689
Investment Objective - To invest in a broad range of real estate and real estate related investments in Europe. Contractual termination date is in December 2018.			
Redemption Provisions - Upon termination of partnership.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Blackstone RE Partners Europe IV, L.P. Investment Objective - To invest in a broad range of real estate and real estate related investments in Europe. Contractual termination date is in March 2025. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		10,497	10,977
Kennedy Wilson Real Estate Fund IV, L.P. Investment Objective - To seek targeted real estate investment in opportunistic and value-add strategies located primarily in the western United States. Contractual termination date is in May 2019. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		40,580	44,270
Lone Star Real Estate Fund II, L.P. Investment Objective - To invest in distressed global commercial real estate debt and equity investments. Contractual termination date is in December 2017. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		5,512	8,872
Lone Star Real Estate Fund III, L.P. Investment Objective - To invest in distressed global commercial real estate debt and equity investments. Contractual termination date is in October 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		6,300	6,230
Lone Star Fund VII, L.P. Investment Objective - To invest in global real estate investments in distressed loans and securities, with a focus on single family and residential assets. Contractual termination date is in December 2017. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		1,414	5,144
Lone Star Fund VIII, L.P. Investment Objective - To invest in global real estate investments in distressed loans and securities, with a focus on single family and residential assets. Contractual termination date is in May 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		8,112	9,304
Oaktree Real Estate Opportunities Fund V, L.P. Investment Objective - To target distressed real estate debt and equity investments that provide an opportunity for substantial long-term capital appreciation and current income. Contractual termination date is in December 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		20,000	27,472
Oaktree Real Estate Opportunities Fund VI, L.P. Investment Objective - To target distressed real estate debt and equity investments that provide an opportunity for substantial long-term capital appreciation and current income. Contractual termination date is in August 2022. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		21,000	21,141
<i>Total Opportunistic Funds</i>		128,466	154,099
<i>Value Funds</i>			
ABR Chesapeake Investors IV, L.P. Investment Objective - To generate a 14% net return to investors through the acquisition of moderately leveraged real estate assets generally valued between \$10 million and \$30 million in the value-add sector. Contractual termination date is in September 2020. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		26,292	27,624

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
AG Core Plus Realty Fund III, L.P. Investment Objective - To invest in core plus equity real estate investments primarily located in the U.S. that provide opportunities to enhance and stabilize returns, and to generate a gross return ranging from 13-15%. Contractual termination date is in February 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		28,244	36,841
BPG Investment Partnership IX, L.P. Investment Objective -To invest in a broad range of real estate assets in the U.S. in which value can be enhanced through intense operations and asset management, and to generate an internal rate of return in excess of 12%, net of fees, costs, and carried interest. Contractual termination date is in February 2019. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		13,412	13,335
Bristol Value II, L.P. Investment Objective -To invest in properties and other real estate-related investments with high return value-added potential and achieve a leveraged internal rate of return of 14-18%. Contractual termination date is in January 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		6,732	7,234
DRA Growth & Income Fund VII, LLC Investment Objective - To capitalize on inefficiencies in real estate markets and to make real estate investments that provide value-add opportunities expected to provide investors a 12-15% rate of return on their investments. Contractual termination date is in December 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		29,538	32,599
Madison International Real Estate Liquidity Fund V, L.P. Investment Objective - To acquire illiquid ownership interests in core-quality properties within the United States and Europe with long-term cash flow profiles and limited lease expiration risks. Contractual termination date is eight years from the final closing. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		18,609	24,912
Mesa West Real Estate Income Fund II, L.P. Investment Objective - To originate and service first mortgage and mezzanine loans on middle-market, value-added and traditional commercial real estate assets in the United States. Contractual termination date is in December 2017. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		9,320	16,213
Mesa West Real Estate Income Fund III, L.P. Investment Objective - To originate and service first mortgage and mezzanine loans on middle-market, value-added and traditional commercial real estate assets in the United States. Contractual termination date is in March 2021. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		13,861	13,390
RCG Longview Debt Fund IV, L.P. Investment Objective - To generate attractive risk-adjusted returns by capitalizing on inefficiencies in the commercial real estate lending marketplace by making debt and debt-like investments in real estate assets. Contractual termination date is in December 2016. Redemption Provisions - Upon termination of partnership. A detail of the underlying investments is not available.		10,268	8,023

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Rubenstein Properties Fund II, L.P.		5,100	5,018
Investment Objective - To invest in value-added office real estate opportunities across the eastern United States. Contractual termination date is in April 2024.			
Redemption Provisions - Upon termination of partnership.			
A detail of the underlying investments is not available.			
<i>Total Value Funds</i>		161,376	185,189
Total Private Real Estate Partnerships and Funds - 63.6%		680,488	811,041
Common Stock			
<i>Australia</i>			
CFS Retail Property Trust	109,957	210	212
Federation Centres	106,400	217	250
Goodman Group	99,711	379	475
GPT Group	109,000	334	395
Investa Office Fund	58,954	158	189
Mirvac Group	284,085	423	479
Scentre Group	173,036	507	523
Stockland	262,876	970	963
Westfield Corp	45,019	454	304
<i>Total Australia - 0.3%</i>		3,652	3,790
<i>Bermuda</i>			
Hongkong Land Holdings	163,084	1,020	1,088
Kerry Properties Ltd	142,000	661	497
Shangri-La Asia Ltd	240,416	544	377
<i>Total Bermuda - 0.2%</i>		2,225	1,962
<i>Canada</i>			
Boardwalk	2,900	154	178
Canadian	3,500	129	151
RioCan	49,238	1,207	1,262
<i>Total Canada - 0.1%</i>		1,490	1,591
<i>Cayman Islands</i>			
China Resources Land Ltd	63,300	124	116
Lifestyle International Holdings	310,000	704	607
<i>Total Cayman Islands - 0.1%</i>		828	723
<i>China</i>			
Guangzhou R&F Properties Corp - 0.0%	148,600.00	228	183
<i>France</i>			
Fonciere des Regions	1,382.00	106	150
Gecina SA	1,320.00	166	192
ICADE	9,680.00	929	1,038
Klepierre	14,380.00	542	733
Mercialys	4,920.00	105	115
Unibail-Rodamco	6,269.00	1,337	1,824
<i>Total France - 0.3%</i>		3,185	4,052
<i>Germany</i>			
Gafgah SA	16,278.00	263	296
LEG Immobilien AG	5,350.00	322	360
<i>Total Germany - 0.1%</i>		585	656
<i>Hong Kong</i>			
China Overseas Land & Investment	150,000.00	307	364
Hang Lung Properties Ltd	172,000.00	757	530
Hysan Development Company	154,471.00	564	723
Link REIT	46,600.00	172	251
New World Development Co Ltd	82,000.00	95	93
Sino Land Company Ltd.	48,648.00	75	80
Sun Hung Kai Properties Ltd	82,193.00	1,169	1,127
Swire Properties Limited	101,900.00	301	298

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Wharf Holdings Ltd	37,124.00	248	267
<i>Total Hong Kong - 0.3%</i>		3,688	3,733
<i>Japan</i>			
Activia Properties Inc	17.00	128	150
AEON Mall Company Ltd	28,600.00	593	754
Daiwa House Industry Co Ltd	46,500.00	539	964
GLP-J-REIT	98.00	99	110
Hulic Company Limited	8,360.00	100	110
Japan Real Estate Investment Corp	76.00	356	443
Japan Retail Fund Investment Corp	239.00	437	537
Kenedix Realty Investment Corp	38.00	153	207
Mitsubishi Estate Co Ltd	67,537.00	1,229	1,667
Mitsui Fudosan Co Ltd	79,500.00	1,546	2,681
Nippon Prologis REIT Inc	105.00	190	245
Orix Jreit Inc	80.00	101	112
Sumitomo Realty & Development	28,100.00	937	1,206
Tokyo Tatemono Company Ltd	21,100.00	122	195
United Urban Investment Corp	161.00	205	260
<i>Total Japan - 0.8%</i>		6,735	9,641
<i>Netherlands</i>			
Corio NV	1,590.00	66	81
Eurocommercial Properties NV	3,341.00	131	165
Nieuwe Steen Investments NV	39,640.00	213	250
<i>Total Netherlands - 0.0%</i>		410	496
<i>Singapore</i>			
CapitaCommercial Trust	231,000.00	246	315
CapitaLand Ltd	222,000.00	629	570
City Developments Ltd	66,000.00	582	542
Global Logistic Properties	212,700.00	406	461
Suntec REIT	159,000.00	207	231
Wing Tai Holdings Ltd	118,938.00	155	188
<i>Total Singapore - 0.2%</i>		2,225	2,307
<i>Spain</i>			
Melia International SA	43,600	368	535
Merlin Properties Socimi SA	22,100	301	292
<i>Total Spain - 0.1%</i>		669	827
<i>Sweden</i>			
Castellum AB	37,907	475	672
Fabege AB	2,700	34	38
Hufvudstaden AB	10,032	120	141
<i>Total Sweden - 0.1%</i>		629	851
<i>Switzerland</i>			
PSP Swiss Property AG - 0.0%	2,319	212	218
<i>Thailand</i>			
Central Pattana Public Company - 0.0%	333,500	154	504
<i>United Kingdom</i>			
British Land Company PLC	40,256	366	484
Capital & Counties Properties	56,145	322	313
Derwent London PLC	23,640	554	1,083
Great Portland Estates PLC	97,274	546	1,071
Hammerson PLC	78,301	525	777
Land Securities Group PLC	87,986	1,060	1,559
Safestore Holdings PLC	34,000	69	127
Shaftesbury PLC	20,833	136	234
Unite Group PLC	10,781	75	73
<i>Total United Kingdom - 0.4%</i>		3,653	5,721

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<i>United States</i>			
Alexandria Real Estate Equities	116,600	5,705	6,172
American Campus Communities	15,500	575	593
American Homes 4 Rent-A	28,700	467	510
American Realty Capital Prop	112,700	2,056	2,230
Apartment Investment & Management Co	124,663	3,608	4,023
Avalonbay Communities Inc	54,010	7,056	7,680
BioMed Realty Trust Inc	163,950	3,331	3,579
Boston Properties Inc	57,300	5,901	6,772
Brandywine Realty Trust	135,450	2,083	2,113
Brixmor Property Group Inc	50,050	1,107	1,149
Campus Crest Communities Inc	59,600	1,494	1,523
CBL & Associates Properties	172,600	3,748	4,118
CubeSmart	117,650	1,927	2,155
DCT Industrial Trust Inc	26,800	206	220
DDR Corp	271,290	4,894	5,338
Douglas Emmett Inc	53,410	1,288	1,507
Duke Realty Corp	280,495	4,643	5,193
EastGroup Properties Inc	22,400	1,418	1,439
Equity Lifestyle Properties	40,300	1,754	1,780
Equity One, Inc	18,900	422	446
Equity Residential	133,750	7,537	8,425
Essex Property Trust Inc	22,321	3,426	4,127
Extended Stay America Inc	3,000	65	69
Extra Space Storage Inc	13,420	605	715
Federal Realty Investment Trust	24,900	2,669	3,011
General Growth Properties Inc	230,894	4,678	5,488
Glimcher Realty Trust	232,600	5,792	5,820
HCP Inc	143,600	6,043	5,942
Health Care REIT Inc	117,737	7,061	7,379
Healthcare Realty Trust Inc	10,700	263	272
Healthcare Trust of America	12,700	146	153
Highwoods Properties Inc	4,500	147	189
Hilton Worldwide Holdings	13,000	276	303
Host Hotels & Resorts Inc	295,040	5,217	6,494
Hyatt Hotels Corp	26,500	1,569	1,616
Inland Real Estate Corp	80,700	2,159	2,148
Kilroy Realty Corporation	36,180	1,791	2,253
Kimco Realty Corporation	254,130	5,405	5,944
LaSalle Hotel Properties	86,700	2,436	2,671
Lexington Realty Trust	17,900	207	197
Liberty Property Trust	12,600	416	478
Macerich Company	82,530	4,851	5,509
Pebblebrook Hotel Trust	184,200	4,601	4,903
Plum Creek Timber Co Inc	13,800	611	622
Post Properties Inc	5,700	238	305
Prologis Inc	251,456	9,333	10,332
PS Business Parks Inc	42,600	954	1,060
Public Storage	47,530	7,452	8,144
Ramco-Gershenson Properties	6,400	101	106
Realty Income Corp	1,300	54	58
Regency Centers Corp	97,020	3,025	3,343
Retail Opportunity Investments	46,450	695	731
RLJ Lodging Trust	76,700	1,888	2,216
Senior Housing Prop Trust	91,850	2,096	2,200
Simon Property Group Inc	107,810	15,023	17,926
SL Green Realty Corp	26,550	2,217	2,905
Spirit Realty Capital Inc	33,600	361	382
Starwood Hotels & Resorts Inc	9,300	629	752
Strategic Hotel Capital Inc	13,600	115	159
Sunstone Hotel Investors Inc	151,150	1,944	2,257
Tanger Factory Outlet Centers	3,140	82	110
Taubman Centers Inc	110,770	4,645	5,224
UDR Inc	134,910	3,293	3,862
Urstadt Biddle Properties Inc	94,200	2,328	2,394

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Ventas Inc	72,647	4,457	4,657
Vornado Realty LP	56,800	1,553	1,450
Vornado Realty Trust	127,350	7,608	9,172
Washington Prime Group	11,425	147	214
Weingarten Realty Investors	96,090	2,457	2,667
<i>Total United States - 16.9%</i>		194,349	215,894
Total Common Stock - 19.9%		224,917	253,149
<u>U.S. Preferred Stocks</u>			
Apartment Investment & Management Co	183,900	4,598	4,734
Ashford Hospitality Trust	13,000	307	332
CBL & Associates Properties	373,350	9,161	9,464
Commonwealth REIT	99,800	2,405	2,573
Equity Lifestyle Properties	90,150	2,274	2,275
Glimcher Realty Trust	108,965	2,615	2,778
Hudson Pacific Properties	575,350	14,579	15,306
Saul Centers Inc	95,400	2,385	2,404
STAG Industrial Inc	45,750	1,150	1,263
Total U.S. Preferred Stocks - 3.2%		39,474	41,129
<u>Rights</u>			
<i>Cayman Islands</i>			
Lifestyle Properties Development	15,500	-	2
<i>Hong Kong</i>			
Sun Hung Kai Properties Ltd	5,080	-	7
Total Rights - 0.0%		-	9
<u>U.S. Corporate Bonds</u>			
Brandywine Operation Partners, 5.7% Due 5/1/2017	2,120	2,316	2,337
Commonwealth, 5.75% Due 11/1/2015	1,351	1,379	1,394
Commonwealth, 6.25% Due 8/15/2016	7,425	7,757	7,864
Commonwealth, 6.25% Due 6/15/2017	5,000	5,166	5,366
DDR Corp, 5.5% Due 5/1/2015	2,492	2,574	2,587
DDR Corp, 9.63% Due 3/15/2016	2,772	2,983	3,172
Equity One, Inc, 6.0% Due 9/15/2016	400	414	439
Equity One, Inc, 6.25% Due 1/15/2017	622	692	691
ERP Operating LP, 5.75% Due 6/15/2017	727	821	821
HCP Inc, 6.0% Due 3/1/2015	2,163	2,235	2,239
HCP Inc, 5.63% Due 5/1/2017	1,437	1,608	1,604
Health Care REIT Inc, 3.63% Due 3/15/2016	12,000	11,948	12,541
Health Care REIT Inc, 6.2% Due 6/1/2016	6,947	7,517	7,623
Hospitality Properties Trust, 5.13% Due 2/15/2015	3,290	3,325	3,306
Hospitality Properties Trust, 6.3% Due 6/15/2016	6,950	7,252	7,424
Kilroy Realty Corporation, 5.0% Due 11/3/2015	2,212	2,246	2,334
Kimco Realty Corporation, 5.7% Due 5/1/2017	376	421	420
Mack-Cali Realty LP, 5.13% Due 1/15/2015	2,180	2,223	2,228
Mack-Cali Realty LP, 5.8% Due 1/15/2016	5,000	5,302	5,326
Mid-America Apartments LP, 5.5% Due 10/1/2015	6,759	7,102	7,145
Mid-America Apartments LP, 6.05% Due 9/1/2016	2,925	3,187	3,202
Reckson Operating Partnership, 5.88% Due 8/15/2014	6,586	6,600	6,623
Reckson Operating Partnership, 6.0% Due 3/31/2016	13,370	13,906	14,388
Regency Centers LP, 5.88% Due 6/15/2017	1,093	1,230	1,229
Senior Housing Prop Trust, 6.75% Due 4/15/2020	795	912	918
SL Green Realty Corp, 7.75% Due 3/15/2020	466	558	564
Total U.S. Corporate Bonds - 8.1%		101,674	103,785
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 5.5%	69,871,920	69,872	69,872

See accompanying notes to financial statements.

Real Estate Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

<u>Description</u>	<u>Par Value or Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<u>Investments Made with Cash Collateral for Securities Loaned</u>			
BNY Mellon Securities Lending Overnight Fund		1,783	1,783
Mellon SL DBT II Liquidating Fund		<u>7</u>	<u>7</u>
Total Investments Made with Cash Collateral for Securities Loaned - 0.1%		<u>1,790</u>	<u>1,790</u>
Total Investments - 100.4%		<u>\$ 1,118,215</u>	<u>\$ 1,280,775</u>

See accompanying notes to financial statements.

Real Estate Pool

Statement of Operations Year Ended June 30, 2014 (Amounts in thousands)

Investment income

Interest	\$	4,436
Income distributions from private real estate partnerships and funds		10,674
Dividends, net of foreign withholding taxes (\$66)		11,950
Fund closing interest		969
Net securities lending income		55

Total investment income 28,084

Expenses

Investment advisor fees		(2,635)
Trustee fees		(4)
Custodian bank fees		(78)
Management fees		(311)
Fiduciary bond fees		(2)
Professional service fees		(538)
Management fees - external		(316)
Fund closing costs		(315)

Total expenses (4,199)

Investment income, net 23,885

Realized and unrealized gain (loss) from investments and foreign currency

Net realized gain (loss) from:		
Investments		21,157
Foreign currency transactions		(177)
		<u>20,980</u>

Net change in unrealized appreciation (depreciation) on:		
Investments		73,103
Translation of assets and liabilities in foreign currencies		809
		<u>73,912</u>

Net gain from investments and foreign currency 94,892

Net increase in net assets from operations \$ 118,777

See accompanying notes to financial statements.

Real Estate Pool

Statement of Changes in Net Assets

Year Ended June 30, 2014

(Amounts in thousands, except unit data)

Operations

Investment income, net	\$	23,885
Net realized gain from investments and foreign currency transactions		20,980
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies		<u>73,912</u>
Net increase in net assets from operations		118,777

Unit transactions

Proceeds from sale of units		197,209
Amount paid for repurchase of units		<u>(19,374)</u>
Net increase in net assets from unit transactions		<u>177,835</u>
Increase in net assets		296,612
Net assets, beginning of year		<u>978,411</u>
Net assets, end of year	\$	<u><u>1,275,023</u></u>

Unit data

Units sold		18,214,307
Units repurchased		<u>(1,812,504)</u>
Net increase in units		<u><u>16,401,803</u></u>

See accompanying notes to financial statements.

Real Estate Pool

Statement of Cash Flows Year Ended June 30, 2014 (Amounts in thousands)

Cash flows from operating activities

Net increase in net assets from operations	\$	118,777
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Contributions to private real estate partnerships and funds		(214,773)
Purchase of investments		(257,640)
Distributions from private real estate partnerships and funds		80,644
Proceeds from disposition of investments		217,394
Purchases and sales of short-term investment securities, net		(32,514)
Net disbursement from foreign currency contracts		(4)
Increase in receivable for investments sold		(285)
Increase in foreign tax withholding receivable		(16)
Decrease in interest receivable		139
Increase in dividends receivable		(132)
Increase in securities lending income receivable		(1)
Increase in accrued expenses		112
Increase in payable for investments purchased		3,635
Net amortization		2,119
Net realized gain from investments		(21,157)
Net realized loss from foreign currency transactions		177
Net change in unrealized appreciation (depreciation) on investments		(73,103)
Net change in unrealized appreciation (depreciation) on the translation of assets and liabilities in foreign currencies		(809)
		<u>(809)</u>
Net cash used in operating activities		(177,437)

Cash flows from financing activities

Proceeds from units sold		197,209
Amount paid for repurchase of units		(19,374)
		<u>(19,374)</u>
Net cash provided by financing activities		177,835
		<u>177,835</u>
Net change in cash		398

Cash

Beginning balance		-
Ending balance	\$	<u>398</u>

See accompanying notes to financial statements.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

The Pool holds the IMB's investments in real estate funds, real estate limited partnerships and real estate investment trusts (REITs). Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for the real estate funds and limited partnerships. The REITs are managed by European Investors, Inc. (EII), CBRE Clarion Securities, LLC (CBRE), and Security Capital Research & Management Inc. (SCRM).

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined as follows:

- Investments in private real estate partnerships and funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the general partners or fund administrators approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the IMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of June 30, 2014.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded. If no sales have been recorded within the five days preceding the date of the financial statement date, the fair value of the securities is determined in accordance with approved procedures.
- 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.
- 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 IMB's established procedures.

Security Loans - The IMB, through its agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the collateral is at least 105 percent of the market value of the securities on loan. Cash collateral received is invested in the BNY Institutional Cash Reserves Trust, specifically the BNY Mellon Securities Lending Overnight Fund, and the Mellon GSL Reinvestment Trust, specifically of the Mellon SL DBT II Liquidating Fund. Such investments are made at the risk of the Pool and, as such, the Pool is liable for investment losses. Investments made with cash are reported at fair value on the Statement of Assets and Liabilities. Securities loaned remain on the Statement of Assets and Liabilities and Schedule of Investments. The IMB receives compensation in the form of loan premium fees and income from the investment of the cash collateral. Expenses related to the lending of securities are rebates paid by the lending agent to brokers and the lending agent's fees for its services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. Unrealized gains or losses resulting from changes in the value of the investment of cash collateral are reported as part of the change in unrealized appreciation or depreciation of investments. The IMB also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the Statement of Operations as a change in unrealized appreciation or depreciation on investments.

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

- 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.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Foreign Currency 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 managers, as listed in Note 1, enter into such contracts to correspond to investment transactions trading in foreign currencies. Risks associated with such contracts include movement in the value of the foreign currency relative to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations and are valued at the prevailing market exchange rates at month end. An unrealized gain or loss is recorded as the difference between the amount valued at month end and the amount to be received or paid at the settlement date. The unrealized gain or loss is reclassified to realized gain or loss when the contract settles.

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

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

Investment Gains and Losses - Gains and losses on investments in real estate funds are recognized when the real estate fund has realized its interest in a portfolio holding and we have sufficient information as to the amount and date of the distribution. Gains and losses on the sale of other investments are recognized at the time of sale by the average cost method.

Interest Income - Interest income is recognized as earned on the accrual method. Discounts and premiums on securities purchased are amortized over the life of the respective securities using the scientific method of amortization. This method maintains a constant book yield over the life of the security.

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

Income from Partnerships - Income from real estate partnerships is recognized when distributed to the partners.

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

In certain foreign countries the Pool's dividend income and capital gains may be taxable. Such taxes are generally withheld from the payments of these types of income and as a result there is no provision recorded for these taxes. In certain cases there may be a full or partial reclaim available for the withheld taxes. The outstanding reclaims are reported on the Statement of Assets and Liabilities. Dividend income is reported net of withheld taxes on the Statement of Operations.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

NOTE 3. INVESTMENT RISK DISCLOSURES

Credit Risk

The IMB limits the exposure to credit risk in the Pool by maintaining at least an average rating of investment grade as defined by the Nationally Recognized Statistical Rating Organizations. The following table provides the weighted average credit ratings of the rated assets in the Pool as of June 30, 2014.

Investment Type	Moody's	S&P	Fair Value	Percent of Assets
Short-term issue	Aaa	AAA	\$ 69,872	5.5
U.S. corporate bonds	Baa3	BBB	103,785	8.1%
Total rated investments			\$ 173,657	13.6%

Unrated securities include equity securities valued at \$294,287, investments made with cash collateral for securities loaned valued at \$1,790, and private real estate partnerships and funds valued at \$811,041. These unrated securities represent 86.4 percent of the fair value of the pool's investments.

Concentration of Credit Risk

The Pool's investments in private real estate partnerships and funds might be indirectly exposed to concentration of credit risk.

Custodial Credit Risk

At June 30, 2014, the Pool held no securities that were directly subject to custodial credit risk. All securities, except for the investments in private real estate partnerships and funds, are held by the IMB's custodian in the name of the IMB. The investments in private real estate partnerships and funds might be indirectly exposed to custodial credit risk.

Interest Rate Risk

The IMB monitors interest rate risk of the Pool by evaluating the effective duration of the investments in the Pool. The weighted average effective duration for U.S. corporate bonds was 1.6 years as of June 30, 2014. All remaining investments do not have an effective duration.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

Foreign Currency Risk

The Pool has real estate investment trusts, private real estate partnerships and funds, and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The IMB Investment Policy Statement limits the amount of international securities to no more than 30 percent of the total assets managed by the IMB. At June 30, 2014, the IMB was in compliance with this limitation. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2014, are as follows:

Currency	Investments	Cash	Total	Percent
Australian Dollar	\$ 3,790	\$ -	\$ 3,790	0.3%
British Pound	5,721	4	5,725	0.4
Canadian Dollar	1,591	-	1,591	0.1
Euro Currency Unit	37,692	3	37,695	3.0
Hong Kong Dollar	5,520	-	5,520	0.4
Japanese Yen	9,641	-	9,641	0.8
Singapore Dollar	2,307	-	2,307	0.2
Swedish Krona	851	-	851	0.1
Swiss Franc	218	-	218	0.0
Thailand Baht	504	-	504	0.0
Total	\$ 67,835	\$ 7	\$ 67,842	5.3%

This table excludes investments held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated investments and cash is \$1,213,331. This represents approximately 95 percent of the value of the Pool's investments.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities 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.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 253,149	\$ -	\$ -	\$ 253,149
Core funds	-	-	471,753	471,753
Foreign currency contracts	-	1	-	1
Investments made with cash collateral for securities loaned	-	1,790	-	1,790
Opportunistic funds	-	-	154,099	154,099
Rights	9	-	-	9
Short-term issue	69,872	-	-	69,872
U.S. corporate bonds	-	103,785	-	103,785
U.S. preferred stock	41,129	-	-	41,129
Value funds	-	-	185,189	185,189
Total	<u>\$ 364,159</u>	<u>\$ 105,576</u>	<u>\$ 811,041</u>	<u>\$ 1,280,776</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

The reconciliation of the beginning and ending balances of Level 3 investments for the year ended June 30, 2014 was as follows:

	Core funds	Opportunistic funds	Value funds	Total
Balance at June 30, 2013	\$ 348,971	\$ 115,346	\$ 142,982	\$ 607,299
Net realized gain	507	9,238	4,650	14,395
Net change in unrealized appreciation	36,655	6,816	11,747	55,218
Contributions	100,095	54,655	60,023	214,773
Distributions	(14,475)	(31,956)	(34,213)	(80,644)
Balance at June 30, 2014	<u>\$ 471,753</u>	<u>\$ 154,099</u>	<u>\$ 185,189</u>	<u>\$ 811,041</u>

The total change in unrealized appreciation (depreciation) included in the Statement of Operations attributable to Level 3 investments still held at June 30, 2014, includes the following:

Core funds	\$ 36,655
Opportunistic funds	6,816
Value funds	11,747
Total	<u>\$ 55,218</u>

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2014.

Fair value of securities on loan	\$	2,434		
Collateral received:		Cost	Fair Value	Unrealized Depreciation
Cash	\$	<u>1,790</u>	\$ 1,790	<u>\$ -</u>
Non-cash			821	
Total			<u>\$ 2,611</u>	

The Bank of New York Mellon (BNYM), as agent for the IMB, loans the IMB's securities to various counterparties. These transactions are executed under Master Securities Lending Agreements (MSLA) which permit BNYM 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 a MSLA on a net payment basis. The IMB has elected not to offset the fair value of the securities on loan against the liability for the return of the collateral on the Statement of Assets & Liabilities.

NOTE 6. COMMITMENTS

The IMB, with the assistance of its consultant, began implementing its plan to invest in real estate in February 2008. As of June 30, 2014, the IMB has made commitments to twenty-four real estate investment funds/partnerships.

Partnership Classification	Total Commitment	Funded Commitment	Unfunded Commitment
Core funds	\$ 615,000	\$ 390,955	\$ 224,045
Opportunistic funds	258,400	151,754	106,646
Value funds	471,000	165,693	305,307
Total	<u>\$ 1,344,400</u>	<u>\$ 708,402</u>	<u>\$ 635,998</u>

NOTE 7. FOREIGN CURRENCY CONTRACTS

At June 30, 2014, open foreign currency contracts are as follows:

Position	Foreign Currency	Trade Date	Settlement Date	Receivable		Payable		Unrealized Appreciation (Depreciation)
				(in foreign currency)	(in U. S. dollars)	(in foreign currency)	(in U. S. dollars)	
Long	British Pound	6/27/2014	7/2/2014	221	<u>\$ 303</u>	<u>\$ 302</u>	<u>\$ 1</u>	

NOTE 8. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with EII, CBRE, and SCRIM to manage the publicly traded real estate investment trusts of the Pool. These agreements provide for quarterly payments, based on average end of month assets under management, to the investment advisors. The IMB makes these payments and the Pool transfers funds to the IMB to facilitate the payments.

The fees paid to EII are based on a descending scale of fee rates ranging from 1.00 percent annually on the first \$10 million of assets under management to 0.90 percent annually on assets between \$10 million and \$30 million. For assets greater than \$30 million the fee rate is 0.75 percent annually. The effective fee rate earned by EII for the year ended June 30, 2014, was 0.91 percent.

Real Estate Pool

Notes to Financial Statements

(Amounts in thousands, except share data)

NOTE 8. INVESTMENT ADVISORY FEES (continued)

The fees paid to CBRE are based on a descending scale of fee rates ranging from 0.65 percent annually on the first \$50 million of assets under management to 0.55 percent annually on assets between \$50 million and \$100 million. For assets greater than \$100 million the fee rate is 0.45 percent annually. The effective fee rate earned by CBRE for the year ended June 30, 2014, was 0.65 percent.

The fees paid to SCRM are based on a descending scale of fee rates ranging from 0.75 percent annually on the first \$50 million of assets under management to 0.65 percent annually on assets between \$50 million and \$100 million. For assets greater than \$100 million the fee rate is 0.60 percent annually. The effective fee rate earned by SCRM for the year ended June 30, 2014, was 0.63 percent.

NOTE 9. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):

Net asset value at June 30, 2013	\$	10.62
Income from investment operations:		
Net investment income		0.24
Net realized and unrealized gain on investments		0.88
Net increase in the translation of assets and liabilities in foreign currencies		0.01
Total from investment operations		<u>1.13</u>
Net asset value at June 30, 2014	\$	<u>11.75</u>

Total Return (b) 10.6%

Supplemental Data:

Net assets, end of period	\$	1,275,023
Ratio to average net assets (c):		
Expenses		0.38%
Net investment income		2.15%
Portfolio turnover rate		28.04%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee funds.

Real Estate Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 598,156
Public Employees' Retirement System	517,214
State Police Death, Disability and Retirement Fund	55,283
West Virginia Retiree Health Benefit Trust Fund	53,582
Judges' Retirement System	15,185
Deputy Sheriff's Retirement System	14,771
State Police Retirement System	10,947
Emergency Medical Services Retirement System	4,853
Wildlife Endowment Fund	4,802
Municipal Policemen's or Firemen's Pension and Relief Funds	129
Municipal Police Officers' and Firefighters' Retirement System	101
Total	<u>\$ 1,275,023</u>

NOTE 11. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements

June 30, 2014

Hedge Fund Pool

Hedge Fund Pool

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

We have audited the accompanying financial statements of The West Virginia Investment Management Board Hedge Fund Pool (the "Pool"), which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2014, and the related statements of operations, changes in net assets and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Pool's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Pool's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The West Virginia Investment Management Board Hedge Fund Pool at June 30, 2014, and the results of its operations, changes in its net assets and its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

September 9, 2014

Hedge Fund Pool

Statement of Assets and Liabilities

June 30, 2014

(Amounts in thousands, except unit data)

Assets

Investments at fair value (cost \$1,058,379)	\$	1,344,169
Advance on investments in other funds (Note 5)		90,000
Receivables:		
Investment funds redeemed		130,942
Accrued interest		40
Dividends		2
		<u>2</u>
Total assets		1,565,153

Liabilities

Accrued expenses		<u>160</u>
Net assets	\$	<u>1,564,993</u>

Analysis of net assets

Paid-in capital	\$	1,216,094
Accumulated undistributed net investment loss		(5,224)
Accumulated undistributed net realized gain from investments		68,333
Unrealized net appreciation of investments		285,790
		<u>285,790</u>
Net assets	\$	<u>1,564,993</u>

Unit data

Units outstanding		118,980,080
Net asset value, unit price	\$	<u>13.15</u>

See accompanying notes to financial statements.

Hedge Fund Pool

Schedule of Investments

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Hedge Funds			
<i>Directional Funds</i>			
Brevan Howard Fund Limited		\$ 38,256	\$ 53,130
Investment Objective - To generate consistent long-term appreciation through active leveraged trading and investment on a global basis.			
Redemption Provisions - Monthly with 90 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Bridgewater Pure Alpha Ltd.		38,624	61,093
Investment Objective - To achieve substantial capital appreciation in a wide range of asset classes using proprietary investment systems.			
Redemption Provisions - Monthly with 5 days prior written notice.			
A detail of the underlying investments is not available.			
Bridgewater Pure Alpha Major Markets, Ltd.		13,900	17,244
Investment Objective - To achieve substantial capital appreciation in a wide range of asset classes using proprietary investment systems.			
Redemption Provisions - Monthly with 5 days prior written notice.			
A detail of the underlying investments is not available.			
Graham Global Investment Fund II, Ltd.		35,000	32,195
Investment Objective - To achieve long-term capital appreciation through professionally managed trading in derivative instruments of global fixed income, foreign exchange, commodities, and other stock indices.			
Redemption Provisions - Monthly with 3 days prior written notice.			
A detail of the underlying investments is not available.			
Winton Futures Fund, Ltd.		35,000	38,420
Investment Objective - To deliver long-term capital appreciation through compound growth.			
Redemption Provisions - Monthly with 3 days prior written notice.			
A detail of the underlying investments is not available.			
<i>Total Directional Funds</i>		160,780	202,082
<i>Equity Long/Short Funds</i>			
MW Eureka Fund		55,000	77,070
Investment Objective - To provide investors with above average absolute returns primarily through investing and trading in equities and equity related instruments.			
Redemption Provisions - Monthly with 30 days prior written notice.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Hedge Fund Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
PFM Diversified Offshore Fund		55,000	69,966
Investment Objective - To generate attractive risk-adjusted capital appreciation by employing a variety of strategies primarily focused in liquid equity markets.			
Redemption Provisions - Eighty-five percent lockup until January 2015, then every three years with 45 days prior written notice and subject to maximum withdrawal restrictions.			
A detail of the underlying investments is not available.			
Scopia PX International, Ltd.		50,000	55,641
Investment Objective - To identify investment opportunities that will yield attractive rates of return, regardless of market direction.			
Redemption Provisions - Quarterly with 60 days prior written notice, subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
<i>Total Equity Long/Short Funds</i>		160,000	202,677
<i>Event Driven Fund</i>			
Pershing Square International, Ltd.		30,000	49,601
Investment Objective - To invest in long and short investment opportunities that exhibit significant valuation discrepancies between current trading prices and intrinsic business value.			
Redemption Provisions - Hard lockup until September 2013, then quarterly with 65 days prior written notice subject to maximum withdrawal restrictions.			
A detail of the underlying investments is not available.			
<i>Total Event Driven Fund</i>		30,000	49,601
<i>Long Biased Funds</i>			
Elementum NatCat Offshore Fund Ltd.		40,000	42,260
Investment Objective - To achieve long-term capital appreciation through investment in a portfolio of natural catastrophe-linked securities, derivatives, and other instruments.			
Redemption Provisions - Monthly with 90 days prior written notice.			
A detail of the underlying investments is not available.			
VICIS Capital Fund (International)		14,405	750
The IMB has elected to withdraw from the VICIS Capital fund. Our redemption has been requested and proceeds will be paid to us as investments are liquidated.			
<i>Total Long Biased Funds</i>		54,405	43,010
<i>Multiple Strategy Funds</i>			
AllBlue Limited		58,048	85,023
Investment Objective - To provide consistent long-term appreciation of assets through active investment in a diversified portfolio.			
Redemption Provisions - Monthly on the first business day with 33 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Hedge Fund Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Anchorage Capital Partners Offshore, Ltd. Investment Objective - To earn superior risk-adjusted returns while emphasizing preservation of capital. Redemption Provisions - Annually with 90 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		40,000	57,497
AQR Delta Offshore Fund V, Ltd. Investment Objective - To produce high, risk-adjusted returns while targeting a low, long-term correlation to traditional markets. Redemption Provisions - Semi-monthly with 15 days prior written notice. A detail of the underlying investments is not available.		26,807	28,008
CQS Diversified Fund (SPC) Ltd. SPA II Investment Objective - To target an absolute return of 10-15% with limited volatility through investments in several hedge fund strategies within the CQS group. Redemption Provisions - Monthly with 95 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		86,842	92,157
Davidson Kempner International, Ltd. Investment Objective - To achieve capital appreciation. Redemption Provisions - Quarterly with 60 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		57,917	88,912
Double Black Diamond, Ltd. Investment Objective - To produce returns substantially in excess of those derived from risk-free investments without a substantial increase in overall risk. Redemption Provisions - Quarterly with 60 days prior written notice subject to maximum withdrawal provisions. A detail of the underlying investments is not available.		90,000	105,099
GoldenTree Offshore Fund, Ltd. Investment Objective - To achieve superior risk-adjusted total returns through investments in public and private non-investment grade and nonrated debt securities. Redemption Provisions - Quarterly with 90 days prior written notice subject to provisions on maximum withdrawals. A detail of the underlying investments is not available.		31,280	52,641

See accompanying notes to financial statements.

Hedge Fund Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Highbridge Capital Corporation		653	1,215
Investment Objective - To attain consistent capital appreciation with low volatility through arbitrage and absolute return investment strategies in the global equity and corporate debt securities markets.			
Redemption Provisions - Redemption has been requested and proceeds will be paid subject to provisions on maximum withdrawals and upon liquidation of investments.			
A detail of the underlying investments is not available.			
Magnetar Capital Fund II, Ltd.		59,246	75,554
Investment Objective - To achieve superior risk-adjusted returns.			
Redemption Provisions - Quarterly with 90 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
OZ Asia Overseas Fund, Ltd.		40,000	48,971
Investment Objective - To achieve consistent, absolute returns with low volatility primarily by seeking to exploit pricing inefficiencies in equity debt securities of Asian companies.			
Redemption Provisions - Annually with 45 days prior written notice.			
A detail of the underlying investments is not available.			
Perry Partners International, Inc.		51,394	79,198
Investment Objective - To achieve positive annual returns accompanied by a low level of beta and volatility in correlation relative to equity markets.			
Redemption Provisions - Quarterly with 90 days prior written notice subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Pine River Fund, Ltd.		80,000	95,353
Investment Objective - To generate superior risk-adjusted returns by investing and trading in global markets, primarily employing relative value strategies.			
Redemption Provisions - Quarterly with 45 days prior written notice, subject to provisions on maximum withdrawals.			
A detail of the underlying investments is not available.			
Shepherd Investments International, Ltd.		862	979
Investment Objective - To achieve an attractive rate of return, relative to the level of risk assumed.			
Redemption Provisions - Redemption has been requested and proceeds will be paid subject to provisions on maximum withdrawals and upon liquidation of investments.			
A detail of the underlying investments is not available.			

See accompanying notes to financial statements.

Hedge Fund Pool

Schedule of Investments (continued)

June 30, 2014

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Tenor Opportunity Fund, Ltd.		30,001	36,048
Investment Objective - To generate attractive risk-adjusted returns by employing a variety of strategies primarily focused on convertible arbitrage.			
Redemption Provisions - Quarterly with 60 days prior written notice subject to to maximum withdrawal provisions.			
A detail of the underlying investments is not available.			
<i>Total Multiple Strategy Funds</i>		653,050	846,655
Total Hedge Funds - 85.9%		1,058,235	1,344,025
<u>Short-term Issue</u>			
Dreyfus Cash Management Institutional Fund - 0.0%	144,187	144	144
Total Investments - 85.9%		\$ 1,058,379	\$ 1,344,169

See accompanying notes to financial statements.

Hedge Fund Pool

Statement of Changes in Net Assets
Year Ended June 30, 2014
(Amounts in thousands, except unit data)

Operations

Investment loss, net	\$ (890)
Net realized gain from investments	38,171
Net change in unrealized appreciation (depreciation) on investments	<u>78,112</u>

Net increase in net assets from operations 115,393

Unit transactions

Proceeds from sale of units	132,141
Amount paid for repurchase of units	<u>(22,638)</u>

Net increase in net assets from unit transactions 109,503

Increase in net assets 224,896

Net assets, beginning of year 1,340,097

Net assets, end of year \$ 1,564,993

Unit data

Units sold	10,220,167
Units repurchased	<u>(1,820,321)</u>

Net increase in units 8,399,846

See accompanying notes to financial statements.

Hedge Fund Pool

Statement of Cash Flows
Year Ended June 30, 2014
(Amounts in thousands)

Cash flows from operating activities

Net increase in net assets from operations	\$	115,393
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:		
Purchase of investment funds		(95,000)
Proceeds from redemption of investment funds		158,315
Purchases and sales of short-term investment securities, net		453
Increase in accrued interest		(18)
Increase in dividends receivable		(2)
Increase in receivable for investment funds redeemed		(82,367)
Increase in advance on investments in other funds		(90,000)
Increase in accrued expenses		6
Net realized gain from investments		(38,171)
Net change in unrealized appreciation (depreciation) on investments		<u>(78,112)</u>
Net cash used in operating activities		(109,503)

Cash flows from financing activities

Proceeds from units sold		132,141
Amount paid for repurchase of units		<u>(22,638)</u>
Net cash provided by financing activities		<u>109,503</u>

Net change in cash -

Cash

Beginning balance		-
Ending balance	\$	<u><u>-</u></u>

See accompanying notes to financial statements.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 1. DESCRIPTION OF THE ENTITY

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

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

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

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

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

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

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

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

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Investment Valuation - The IMB reports its investments at fair value in accordance with the Financial Accounting Standards Board's Accounting Standards Codification Topic 820 (ASC 820). Refer to Note 4 for further discussion and presentation of the reporting requirements under ASC 820.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value of the Pool's portfolio securities is determined as follows:

- Investments in hedge funds are not securities for which market quotations are readily available. The IMB has concluded that the net asset value reported by the underlying funds approximates the fair value of these investments and consequently these investments are carried at net asset value as a practical expedient for fair market value. These investments are redeemable with the fund at net asset value under the original terms of the agreements and operations of the underlying fund. However, it is possible that these redemption rights may be restricted or eliminated by the funds in the future in accordance with the underlying fund agreements. Due to the nature of the investments held by the funds, changes in market conditions and the economic environment may significantly impact the net asset value of the funds and, consequently, the fair value of the IMB's interests in the funds. Although a secondary market exists for these investments, it is not active and individual transactions are typically not observable. When transactions do occur in this limited secondary market, they may occur at discounts to the reported net asset value. It is therefore reasonably possible that if the IMB were to sell these investments in the secondary market a buyer may require a discount to the reported net asset value, and the discount could be significant. The IMB believes that the net asset value of such investments is a reasonable estimate of fair value as of June 30, 2014.
- Open-end regulated investment companies or other commingled investment funds are valued at the net asset value of the fund as reported by the fund's administrator.

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

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

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

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

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

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

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

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB Accounting Standards Codification (ASC) 740 Income Taxes, the IMB has considered and assessed the impact of uncertain tax positions and determined that it has no such positions and therefore there is no impact on the Pool's financial statements. Accordingly, no provision for income taxes is required as of June 30, 2014.

Indemnifications - In the normal course of business, the IMB has entered into contracts that provide a variety of indemnifications. Any exposure to the Pool under these arrangements would involve future claims that may be made against the IMB. The Pool's maximum exposure under these arrangements is unknown. No such claims have occurred, nor are they expected to occur therefore the IMB expects the risk of loss to be remote.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 3. INVESTMENT RISK DISCLOSURES

The Pool holds shares in hedge funds and shares of a money market fund with the highest credit rating. The investments in hedge funds might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. The Pool is restricted from investing more than 10 percent of the value of the Pool with any single manager. At June 30, 2014, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

NOTE 4. FAIR VALUE MEASUREMENTS

ASC 820 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. Fair value of an investment is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., the exit price).

ASC 820 established a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical financial instruments (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under ASC 820 are:

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

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

Level 3 Unobservable pricing inputs for assets and liabilities 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.

The table below summarizes the valuation of the investment securities in accordance with ASC 820 fair value hierarchy levels as of June 30, 2014:

Assets	Level 1	Level 2	Level 3	Total
Directional funds	\$ -	\$ -	\$ 202,082	\$ 202,082
Equity long/short funds	-	-	202,677	202,677
Event driven fund	-	-	49,601	49,601
Long biased funds	-	-	43,010	43,010
Multiple strategy funds	-	-	846,655	846,655
Short-term issue	144	-	-	144
Total	\$ 144	\$ -	\$ 1,344,025	\$ 1,344,169

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2014.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

The reconciliation of the beginning and ending balances of Level 3 investments for the year ended June 30, 2014, was as follows:

	Directional funds	Equity long/short funds	Event driven fund
Balance at June 30, 2013	\$ 182,512	\$ 185,482	\$ 38,408
Net realized gain (loss)	-	-	-
Net change in unrealized appreciation	9,570	17,195	11,193
Purchases	10,000	-	-
Sales	-	-	-
Net transfers in/(out) of Level 3	-	-	-
Balance at June 30, 2014	<u>\$ 202,082</u>	<u>\$ 202,677</u>	<u>\$ 49,601</u>

	Long biased funds	Multiple strategy funds	Total
Balance at June 30, 2013	\$ 43,284	\$ 841,371	\$ 1,291,057
Net realized gain (loss)	(1,675)	39,846	38,171
Net change in unrealized appreciation	1,942	38,212	78,112
Purchases	-	85,000	95,000
Sales	(541)	(157,774)	(158,315)
Net transfers in/(out) of Level 3	-	-	-
Balance at June 30, 2014	<u>\$ 43,010</u>	<u>\$ 846,655</u>	<u>\$ 1,344,025</u>

The total change in unrealized appreciation (depreciation) included in the Statement of Operations attributable to Level 3 investments still held at June 30, 2014, includes the following:

Directional funds	\$ 9,570
Equity long/short funds	17,195
Event driven fund	11,193
Long biased funds	1,942
Multiple strategy funds	65,190
Total	<u>\$ 105,090</u>

NOTE 5. ADVANCE ON INVESTMENTS IN OTHER FUNDS

On June 25, 2014, the IMB funded \$60 million to Hudson Bay International Fund Ltd. and \$30 million to HBK Multi-Strategy Offshore Fund Ltd. As of June 30, 2014, these amounts have been recorded as an advance on investments in other funds. The subscription terms of the aforementioned funds require contributions to be received in advance of the July 1, 2014, subscription day.

Hedge Fund Pool

Notes to Financial Statements (Amounts in thousands, except share data)

NOTE 6. FINANCIAL HIGHLIGHTS

Per Unit Operating Performance (a):	
Net asset value at June 30, 2013	\$ 12.12
Income from investment operations:	
Net investment loss	(0.01)
Net realized and unrealized gain on investment transactions	1.04
Total from investment operations	1.03
Net asset value at June 30, 2014	\$ 13.15
Total Return (b)	8.5%
Supplemental Data:	
Net assets, end of period	\$ 1,564,993
Ratio to average net assets (c):	
Expenses	0.06%
Net investment loss	-0.06%
Portfolio turnover rate	6.91%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees for the full fiscal year
- (c) All ratios are for the fiscal year and do not reflect the Pool's proportionate share of income and expenses of the underlying investee funds.

NOTE 7. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2014.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 667,548
Public Employees' Retirement System	577,172
State Police Death, Disability and Retirement Fund	65,821
West Virginia Retiree Health Benefit Trust Fund	57,458
Coal Workers' Pneumoconiosis Fund	53,839
Public Employees Insurance Agency	42,609
Board of Risk and Insurance Management	29,331
Judges' Retirement System	16,970
Deputy Sheriff's Retirement System	16,718
State Police Retirement System	12,688
West Virginia Department of Environmental Protection Agency	7,531
Emergency Medical Services Retirement System	5,214
Wildlife Endowment Fund	5,154
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,137
Workers' Compensation Uninsured Employers' Fund	2,133
Workers' Compensation Self-Insured Employer Security Risk Pool	1,424
Municipal Policemen's or Firemen's Pension and Relief Funds	138
Municipal Police Officers' and Firefighters' Retirement System	108
Total	\$ 1,564,993

Hedge Fund Pool

Notes to Financial Statements *(Amounts in thousands, except share data)*

NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2014, through September 9, 2014, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.

Audited Financial Statements
Administrative Fund

Audited Financial Statements

June 30, 2014

Administrative Fund

Administrative Fund

Audited Financial Statements June 30, 2014

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Report of Independent Auditors

To the Board of Trustees
The West Virginia Investment Management Board

Report on the Financial Statements

We have audited the accompanying financial statements of The West Virginia Investment Management Board Administrative Fund (IMB), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the IMB's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the West Virginia Investment Management Board Administrative Fund as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis of Presentation

As described in Note 1, the financial statements present only the Administrative Fund of the West Virginia Investment Management Board and do not include the financial position and results of operations of the West Virginia Investment Management Board for any of their investment pools. These financial statements do not purport to, and do not, present fairly the financial position of the West Virginia Investment Management Board for any of their investment pools at June 30, 2014, and changes in its financial position, and, where applicable, cash flows thereof, for the year ended in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis on pages i-iii be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Ernst + Young LLP

September 9, 2014

Administrative Fund

Management's Discussion and Analysis

This discussion and analysis of the West Virginia Investment Management Board's (IMB) financial performance provides an overview of the IMB's administrative financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the IMB Administrative Fund basic financial statements, which follow this discussion. The IMB operates investment pools and issues separate audited financial statements on the investment pools.

FINANCIAL HIGHLIGHTS

- The IMB is required by law to charge a fee sufficient to cover the cost of providing investment management services. Investment service fee revenues were \$45 million, as compared to \$41 million for the previous fiscal year. The change primarily results from an increase in fees attributed to higher assets under management. Assets of the investment pools managed by the IMB increased by \$2.3 billion from the previous year.
- Fees paid to outside investment advisors increased by \$3.1 million over the previous year as a result of an increase in assets under management. This was partially offset by a decrease in performance-based incentive fees. The average expense ratio for investment advisor fees across all pools was 22.9 basis points for the year, as compared to 23.3 basis points for the previous year.
- Custodian bank fees increased by \$376,000 from the previous year, largely as a result of an increase in the amount of international assets under custody, an increase in the number of transactions in foreign markets, and a slight increase in contractual rates charged by the custodian bank.
- Fees for professional services decreased by \$197,000, primarily attributable to a reduction in legal fees.
- Administrative expenses increased by \$262,000, or 6.4 percent, from the previous year. The expense ratio for administrative expenses was 2.8 basis points of average net assets, as compared to 2.9 basis points in the prior year. Salaries increased by \$32,000 from \$2,316,000 to \$2,348,000. In total, administrative expenses were \$736,000 lower than the expenses included in the fiscal year budget approved by the Board of Trustees.
- Dividend income was consistent with the prior year.

THE FINANCIAL REPORTS

This financial report consists of three financial statements: the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. These statements include all assets and liabilities of the IMB Administrative Fund using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting takes into account all revenues and expenses regardless of when cash is received or paid. These statements give an overall perspective of the IMB Administrative Fund's financial position and the changes in the financial position during the current fiscal year.

The Statement of Net Position presents the IMB Administrative Fund's assets and liabilities, with the difference between the two reported as net position. The Statement of Revenues, Expenses, and Changes in Net Position describes how the IMB Administrative Fund's net position changed during the fiscal year. The Statement of Cash Flows identifies the sources of cash received by the IMB Administrative Fund and how that cash was used in the IMB Administrative Fund's activities during the year. The ending cash presented in this statement is a significant portion of the IMB Administrative Fund's assets as reported in the Statement of Net Position. This statement also contains a reconciliation of the operating loss as reported in the Statement of Revenues, Expenses, and Changes in Net Position to the cash provided by the IMB Administrative Fund's operating activities during the year.

Administrative Fund

Management's Discussion and Analysis

FINANCIAL ANALYSIS

The IMB Administrative Fund's total assets as of June 30, 2014, were \$12.7 million, and were mostly comprised of cash and cash equivalents and receivables for investment service fees. This was \$100,000 higher than the previous year.

Total liabilities as of June 30, 2014, were \$8.3 million, consisting of invoices payable and accrued liabilities for investment management and consulting fees, custodial fees, and administrative expenses. This was \$200,000 higher than the previous year.

These minor changes can be attributed to fluctuations in the timing of receipts and disbursements made in the normal course of business.

Table 1 Net Position and Assets Under Management (In thousands)	2014	2013
Cash and cash equivalents	\$ 4,012	\$ 4,125
Receivables	8,123	7,998
Other assets	<u>539</u>	<u>443</u>
Total assets	12,674	12,566
Total liabilities	<u>(8,259)</u>	<u>(8,148)</u>
Net position	<u>\$ 4,415</u>	<u>\$ 4,418</u>
Composition of net position:		
Net investment in capital assets	\$ 443	\$ 352
Unrestricted	3,972	4,066
Assets under management at June 30	\$ 16,885,496	\$ 14,588,678

Table 2 Changes in Net Position (In thousands)	2014	2013	Percentage Change
Investment service fees	\$ 44,910	\$ 41,383	8.5%
Expenses			
Advisor fees	(35,873)	(32,769)	9.5%
Custodian fees	(1,676)	(1,300)	28.9%
Trustee fees	(50)	(51)	-2.0%
Fiduciary bond expense	(26)	(29)	-10.3%
Professional service fees	(2,920)	(3,117)	-6.3%
Administrative expenses	<u>(4,369)</u>	<u>(4,107)</u>	<u>6.4%</u>
Operating (loss)/income	(4)	10	n/a
Non-operating revenues	<u>1</u>	<u>1</u>	<u>n/a</u>
(Decrease)/increase in net position	(3)	11	n/a
Net position – beginning of year	<u>4,418</u>	<u>4,407</u>	<u>0.2%</u>
Net position – end of year	<u>\$ 4,415</u>	<u>\$ 4,418</u>	<u>-0.1%</u>

Administrative Fund

Management's Discussion and Analysis

CAPITAL ASSETS

The IMB Administrative Fund made acquisitions of capital assets totaling \$161,952 during the current fiscal year. This included \$89,830 of additions to construction in progress, which had a prior fiscal year balance of \$145,471. This \$235,301 balance of construction in progress was placed in service during the fiscal year. Also, there were disposals of fully depreciated capital assets totaling \$76,017.

CONTACTING THE IMB

This financial report is designed to provide its readers with a general overview of the IMB Administrative Fund's finances. If you have any questions about this report or need additional information including the audited financial statements of the IMB Investment Pools, contact the IMB at 500 Virginia Street, East, Suite 200, Charleston, WV 25301-2164, or visit us at www.wvimb.org.

Administrative Fund

Statement of Net Position June 30, 2014

Assets

Current assets:

Cash and cash equivalents	\$ 4,012,329
Accounts receivable	8,122,482
Prepaid expenses	96,605
Dividend receivable	<u>36</u>

Total current assets 12,231,452

Capital assets:

Equipment	477,992
Office furniture	222,445
Other depreciable property	54,990
Leasehold improvements	260,360
Less accumulated depreciation	<u>(573,047)</u>

Total capital assets (net of accumulated depreciation) 442,740

Total assets 12,674,192

Liabilities

Current liabilities:

Accounts payable and accrued expenses	<u>8,259,017</u>
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Total current liabilities 8,259,017

Total liabilities 8,259,017

Net position

Net investment in capital assets	442,740
Unrestricted	<u>3,972,435</u>

Total net position \$ 4,415,175

See accompanying notes to financial statements.

Administrative Fund

Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2014

Operating revenues

Investment service fees	<u>\$ 44,910,723</u>
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Total operating revenues	<u>44,910,723</u>
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Operating expenses

Advisor fees	35,873,459
Custodian fees	1,676,264
Trustee fees	50,000
Fiduciary bond expenses	25,875
Professional service fees	2,919,833
Administrative expenses	<u>4,368,762</u>

Total operating expenses	<u>44,914,193</u>
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Operating loss	(3,470)
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Nonoperating revenues

Dividend income	<u>520</u>
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Total nonoperating revenues	<u>520</u>
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Decrease in net position	(2,950)
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Net position, beginning of year	<u>4,418,125</u>
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Net position, end of year	<u><u>\$ 4,415,175</u></u>
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See accompanying notes to financial statements.

Administrative Fund

Statement of Cash Flows Year Ended June 30, 2014

Cash flows from operating activities

Cash received from customers	\$ 44,786,167
Cash paid to suppliers	(41,343,067)
Cash paid to employees	<u>(3,393,861)</u>

Net cash provided by operating activities 49,239

Cash flows from capital and related financing activities

Construction and acquisition of capital assets	<u>(161,952)</u>
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Net cash used for capital and related financing activities (161,952)

Cash flows from investing activities

Dividends on investments	<u>529</u>
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Net cash provided by investing activities 529

Net decrease in cash and cash equivalents (112,184)

Cash and cash equivalents, beginning of year 4,124,513

Cash and cash equivalents, end of year \$ 4,012,329

Reconciliation of operating loss to net cash provided by operating activities:

Operating loss	\$ (3,470)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	71,238
Change in assets and liabilities:	
Increase in accounts receivable	(124,556)
Increase in prepaid expenses	(5,444)
Increase in accounts payable and accrued expenses	<u>111,471</u>

Total adjustments 52,709

Net cash provided by operating activities \$ 49,239

See accompanying notes to financial statements.

Administrative Fund

Notes to Financial Statements

NOTE 1. NATURE OF ORGANIZATION

The West Virginia Investment Management Board (IMB) was organized on April 25, 1997, as a public corporation 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 Pneumoconiosis funds, and certain other state government funds. The IMB has established distinct investment pools to efficiently invest the entrusted funds. Separate financial statements are issued for these investment pools. The IMB Administrative Fund's financial statements are included as an internal service fund of the State of West Virginia in the State's financial statements and are presented as a blended component unit.

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the IMB Administrative Fund conform to accounting principles generally accepted in the United States of America. The following is a summary of significant accounting policies.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash held in checking and money market accounts. Management believes the IMB Administrative Fund is not exposed to any significant credit or market risk on cash and cash equivalents. Cash equivalents are maintained with a financial institution in an institutional Treasury Money Market Fund which has an average maturity of less than 90 days.

Capital Assets - Purchased assets, when they meet the thresholds defined in the capitalization policy, are recorded at cost. Threshold requirements are \$2,500 for office equipment, furniture, fixtures, computer hardware, and software, and \$10,000 for buildings, building improvements, land improvements, infrastructure, and leasehold improvements. Land is capitalized irrespective of cost.

Depreciation on purchased assets is provided for over the estimated useful lives of the assets, ranging from three years to ten years using the straight-line method. Leasehold improvements are amortized over the life of the lease.

Revenues and Expenses - The IMB's Board of Trustees adopts an annual budget and fee schedule for services to be provided to the investment pools. Revenues of the IMB Administrative Fund are derived from the allocation of fees to the investment pools per the fee schedule. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. Revenues and expenses are recorded when earned or incurred in accordance with the economic resources measurement focus and the accrual basis of accounting. The carrying value of investment service fees receivable approximates its fair value.

Income Taxes - The IMB is a public corporation organized under laws of the State of West Virginia and is exempt from federal and state taxation. Accordingly, the IMB Administrative Fund financial statements have been prepared recognizing that the IMB is not subject to federal or state income taxes.

Administrative Fund

Notes to Financial Statements

NOTE 3. CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2014 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Construction in progress	\$ 145,471	\$ 89,830	\$ (235,301)	\$ -
Total capital assets, not being depreciated	<u>145,471</u>	<u>89,830</u>	<u>(235,301)</u>	<u>-</u>
Capital assets, being depreciated:				
Office equipment	528,426	566	(51,000)	477,992
Office furniture	155,473	66,972	-	222,445
Other depreciable property	54,990	-	-	54,990
Leasehold improvements	45,492	239,885	(25,017)	260,360
Total capital assets, being depreciated	<u>784,381</u>	<u>307,423</u>	<u>(76,017)</u>	<u>1,015,787</u>
Less accumulated depreciation for:				
Office equipment	(410,715)	(36,731)	51,000	(396,446)
Office furniture	(112,224)	(7,710)	-	(119,934)
Other depreciable property	(9,395)	(10,998)	-	(20,393)
Leasehold improvements	(45,492)	(15,799)	25,017	(36,274)
Total accumulated depreciation	<u>(577,826)</u>	<u>(71,238)</u>	<u>76,017</u>	<u>(573,047)</u>
Capital assets, net	<u>\$ 352,026</u>	<u>\$ 326,015</u>	<u>\$ (235,301)</u>	<u>\$ 442,740</u>

Depreciation expense of \$71,238 was charged to the investment management activity and is included in the administrative expenses.

NOTE 4. OPERATING LEASES

On July 9, 2012, the IMB executed an amendment to renew its long-term lease, originally dated August 26, 2002, and previously amended on December 7, 2006, for a period of seven years beginning on January 1, 2013, at a monthly cost of \$18,971. Effective November 1, 2013, the monthly cost increased to \$19,633.25 based on actual square footage calculations. Under the original and amended lease, beginning on January 1, 2013, and continuing throughout the term, the IMB shall pay as additional rent a portion of the increase in utility costs and taxes over the base year 2012 amounts. Rent expense for the year ended June 30, 2014 totaled \$242,850.

The following is a schedule of future minimum rental payments required under this lease.

Fiscal years ending June 30:

2015	\$ 235,599
2016	235,599
2017	235,599
2018	235,599
2019	235,599
2020	117,800
Total	<u>\$ 1,295,795</u>

Administrative Fund

Notes to Financial Statements

NOTE 5. EMPLOYEE BENEFIT PLANS

Retirement - The IMB provides a defined contribution money purchase pension plan (Pension Plan) covering all of its employees. An employee becomes eligible to participate in the Pension Plan on the earlier of the January 1 or July 1 coinciding with or following the employee's hire date. The Pension Plan is solely funded by the IMB, which contributes 10 percent of each covered employee's salary. Contributions for the year ended June 30, 2014, totaled \$232,886. The plan provides for a five-year vesting schedule with vesting increasing 20 percent per year.

Healthcare - On November 1, 2011, the IMB established the Defined Contribution Medical Plan (the Plan). The Plan is maintained for the exclusive benefit of employees and is a medical reimbursement plan under *Internal Revenue Service Code Section 105(h)*. The Plan identifies the IMB as the Plan Administrator and authorizes the IMB to amend the Plan as needed.

On November 1 of each plan year, the IMB determines an amount to credit each eligible employee that is allocated to a Health Reimbursement Arrangement (HRA) account for each participant. Current annual credits are \$2,500 for single employees and \$5,000 for employees with qualifying spouses or dependents. These credits are to be used to reimburse participants for out-of-pocket medical expenses not covered by any other source. Medical Expenses shall be defined under *Internal Revenue Service Code Section 213(d)*. Any amount remaining in a participant's HRA account at the end of the plan year shall be credited to the participant's account for the following year, in addition to the annual contribution. Upon separation from employment or retirement, a former employee or dependent will not continue to receive the annual credit but may use the remaining continued balance accumulated in the HRA account.

The IMB may at its discretion, through resolution of its Board of Trustees, discontinue funding the annual credits or terminate the Plan at any time without liability for such discontinuance or termination.

Contributions made to the Plan by the IMB for the year ended June 30, 2014 were \$108,333.

NOTE 6. CASH AND INVESTMENT RISK

At June 30, 2014, all of the IMB Administrative Fund's cash equivalents are invested in an institutional Treasury Money Market fund. This investment fund is rated Aaa by Moody's and AAA by Standard & Poor's and has no significant custodial credit risk or interest rate risk. The investment fund invests in U.S. Treasuries and is not exposed to a concentration of credit risk or any foreign currency risk. Cash balances are held in a FDIC insured bank account, the balance of which is below the \$250,000 insurance limit at all times.