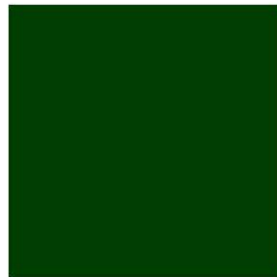
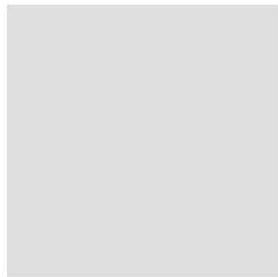
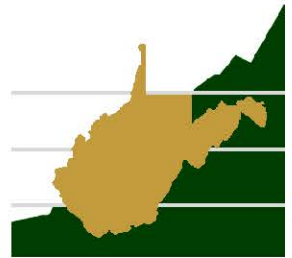
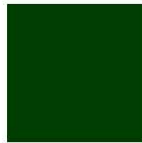


# West Virginia Investment Management Board

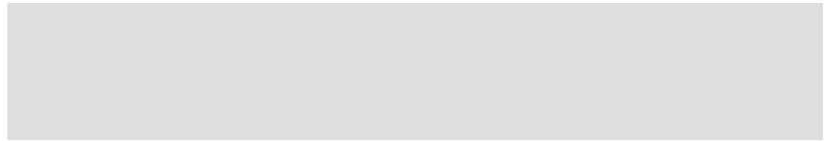
2016 AUDITED FINANCIAL STATEMENTS







AUDITED FINANCIAL  
STATEMENTS



INVESTMENT POOLS  
Year Ended June 30, 2016

# Table of Contents

---

## **Investment Pools Audited Financial Statements**

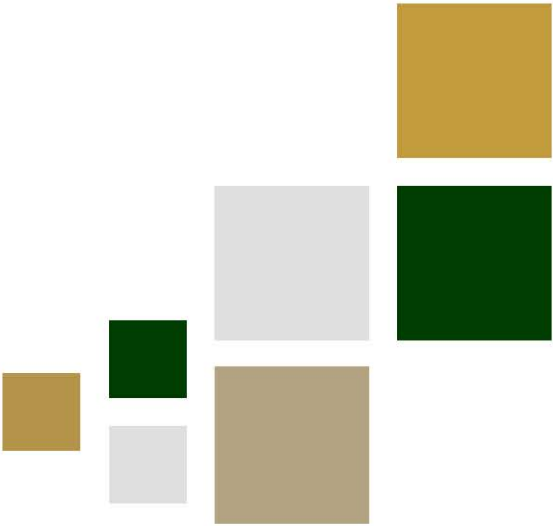
Large Cap Domestic Equity Pool .....	A
Non-Large Cap Domestic Equity Pool.....	B
International Qualified Pool .....	C
International Nonqualified Pool .....	D
International Equity Pool.....	E
Short-Term Fixed Income Pool.....	F
Total Return Fixed Income Pool .....	G
Opportunistic Debt Pool.....	H
Core Fixed Income Pool.....	I
TIPS Pool .....	J
TRS Annuity Pool .....	K
Private Equity Pool.....	L
Real Estate Pool .....	M
Hedge Fund Pool.....	N

## **Administrative Fund Audited Financial Statements**

AUDITED FINANCIAL STATEMENTS  
June 30, 2016

A

LARGE CAP DOMESTIC EQUITY POOL



# Large Cap Domestic Equity Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report

Statement of Assets and Liabilities A-1

Schedule of Investments A-2

Statement of Operations A-11

Statement of Changes in Net Assets A-12

Notes to Financial Statements A-13



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# Large Cap Domestic Equity Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$2,906,173), including securities on loan of \$798,386 (Note 6)	\$	3,703,860
Cash		44
Cash pledged as collateral for futures contracts		2,607
Receivables:		
Investments sold		113,862
Dividends		3,728
Securities lending income		99
Unrealized appreciation on futures contracts (Note 7)		<u>3,026</u>
<b>Total assets</b>		<b>3,827,226</b>

### Liabilities

Accrued expenses		1,132
Payable for investments purchased		3,823
Payable upon return of securities loaned (Note 6)		<u>530,481</u>
<b>Total liabilities</b>		<b><u>535,436</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>3,291,790</u></u></b>

### Unit data

Units outstanding		140,280,496
Net asset value, unit price	<b>\$</b>	<b><u><u>23.47</u></u></b>

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
<b>Common Stock</b>			
<i>Basic Materials</i>			
Air Products and Chemicals Inc	16,300	\$ 1,385	\$ 2,315
Albemarle Corporation	9,600	761	761
Alcoa Inc	116,400	1,411	1,079
Avery Dennison Corp	69,400	4,262	5,188
Ball Corporation	83,000	4,820	6,000
CF Industries Holdings Inc	23,000	547	554
Dow Chemical Company	189,900	7,787	9,440
Eastman Chemical Company	13,600	484	923
Ecolab Inc	85,800	6,611	10,176
EI DuPont de Nemours & Co	73,900	2,805	4,789
FMC Corporation	12,500	466	579
Freeport-McMoran Inc	103,700	3,095	1,155
International Paper Company	34,300	924	1,454
Intl Flavors & Fragrances Inc	29,900	2,736	3,769
LyondellBasell Industries NV	173,700	12,927	12,927
Martin Marietta Materials Inc	15,200	2,208	2,918
Monsanto Company	36,900	3,128	3,816
Newmont Mining Corp	107,100	4,060	4,190
Nucor Corporation	39,300	1,805	1,942
Owens-Illinois Inc	14,700	382	265
PPG Industries Inc	24,700	1,296	2,573
Praxair Inc	24,000	2,284	2,697
Sealed Air Corporation	43,200	1,672	1,986
Sherwin-Williams Co	10,100	1,439	2,966
The Mosaic Company	29,600	1,587	775
Vulcan Materials Company	100,600	9,138	12,108
WestRock Company	20,730	813	806
<i>Total Basic Materials - 3.0%</i>		80,833	98,151
<i>Capital Goods</i>			
3M Co	72,200	7,739	12,644
Acuity Brands Inc	21,200	5,300	5,257
Alaska Air Group Inc	36,200	2,395	2,110
Allegion PLC	59,566	3,525	4,136
American Airlines Group Inc	82,600	3,728	2,338
Ametek Inc	61,900	3,046	2,862
Automatic Data Processing Inc	134,600	7,706	12,366
Boeing Company	69,700	6,356	9,052
C. H. Robinson Worldwide Inc	50,800	3,517	3,772
Caterpillar Inc	49,300	3,480	3,737
Cintas Corp	65,600	3,436	6,437
CSX Corp	80,200	1,499	2,092
Cummins Inc	14,200	1,011	1,597
Danaher Corp	69,500	4,260	7,020
Deere & Company	25,100	1,464	2,034
Delta Air Lines	251,000	9,130	9,144
Dover Corp	13,400	559	929
Dun & Bradstreet Corp	3,500	283	426
Eaton Corp PLC	38,469	2,186	2,298
Emerson Electric Co	54,200	2,624	2,827
Expeditors Intl of Washington	52,400	2,323	2,570
Fastenal Company	69,200	2,690	3,072
FedEx Corp	21,100	2,000	3,203
Flowserve Corp	12,900	505	583
Fluor Corporation	33,400	1,735	1,646
General Dynamics Corp	103,400	11,717	14,397
General Electric Company	1,309,981	31,357	41,238
Honeywell International Inc	75,600	4,872	8,794
Illinois Tool Works Inc	39,800	2,712	4,146
Ingersoll-Rand PLC	21,400	825	1,363
Iron Mountain Inc	19,544	518	778
Jacobs Engineering Group Inc	11,500	534	573
JB Hunt Transport Services Inc	8,600	706	696

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Kansas City Southern	9,700	1,078	874
L-3 Communications Hldgs Inc	6,700	520	983
Lockheed Martin Corp	100,500	15,145	24,941
Masco Corporation	276,400	7,559	8,552
Neilsen Holdings PLC	75,700	3,487	3,934
Norfolk Southern Corp	24,800	1,516	2,111
Northrop Grumman Corp	90,500	10,519	20,116
PACCAR Inc	31,000	1,299	1,608
Parker-Hannifin Corporation	12,200	826	1,318
Pentair PLC	16,609	683	968
Pitney Bowes Inc	54,500	1,074	970
Quanta Services Inc	72,300	1,664	1,672
Raytheon Company	124,500	11,781	16,926
Republic Services Inc	181,400	7,072	9,308
Robert Half International Inc	12,400	336	473
Rockwell Automation Inc	10,800	706	1,240
Rockwell Collins Inc	19,300	1,351	1,643
Roper Technologies Inc	53,900	7,234	9,193
Ryder System Inc	5,300	251	324
Snap-On Inc	43,700	5,687	6,897
Southwest Airlines Co	296,700	7,999	11,634
Stanley Black & Decker Inc	42,377	3,772	4,713
Stericycle Inc	12,600	1,165	1,312
Textron Inc	23,400	492	856
TransDigm Group Inc	9,500	2,528	2,505
Tyco International Plc	37,800	926	1,610
Union Pacific Corp	76,000	3,988	6,631
United Continental Holdings	70,600	3,527	2,897
United Parcel Service Inc	63,400	4,664	6,829
United Rentals Inc	8,900	1,039	597
United Technologies Corp	66,000	5,177	6,768
Verisk Analytics Inc	22,200	1,756	1,800
W.W. Grainger Inc	4,900	695	1,114
Waste Management Inc	85,600	4,242	5,673
Xylem Inc	63,700	2,341	2,844
<i>Total Capital Goods - 10.6%</i>		259,837	347,971
<i>Communication Services</i>			
AT&T Inc	702,381	22,886	30,350
CenturyLink Inc	47,743	1,573	1,385
Frontier Communications Corp	409,986	2,343	2,025
Level 3 Communications Inc	25,900	1,232	1,334
Verizon Communications	452,649	18,976	25,276
<i>Total Communication Services - 1.8%</i>		47,010	60,370
<i>Consumer Discretionary</i>			
Advance Auto Parts Inc	14,100	2,235	2,279
Amazon.com Inc	54,300	19,653	38,858
AutoNation Inc	6,200	248	291
AutoZone Inc	14,000	8,121	11,114
Bed Bath & Beyond Inc	13,900	639	601
Best Buy Co Inc	24,100	898	737
Borg-Warner Inc	20,200	760	596
CarMax Inc	16,800	414	824
Carnival Corp	107,100	4,742	4,734
CBS Corp	34,758	794	1,892
Charter Communications Inc	1	-	-
Chipotle Mexican Grill Inc	2,600	1,013	1,047
Coach Inc	98,100	3,797	3,997
Comcast Corp	498,050	16,418	32,468
Darden Restaurants Inc	47,700	2,498	3,021
Delphi Automotive PLC	140,900	7,751	8,820
Discovery Communications Inc	33,800	758	825
Dollar General Corp	23,800	1,247	2,237
Dollar Tree Inc	20,936	1,039	1,973

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

*(Amounts in thousands, except share data)*

Description	Shares or Par Value	Cost	Fair Value
DR Horton Inc	179,500	4,606	5,651
eBay Inc	183,200	3,739	4,289
Expedia Inc	26,450	2,226	2,812
Foot Locker Inc	26,700	1,701	1,465
Ford Motor Company	329,800	3,800	4,146
Fortune Brands Home & Security	25,200	1,423	1,461
Garmin Ltd	10,900	469	462
General Motors Co	118,200	4,187	3,345
Genuine Parts Company	19,500	1,269	1,974
Goodyear Tire & Rubber Co	214,700	6,353	5,509
H&R Block Inc	50,600	1,392	1,164
Hanesbrands Inc	31,000	1,060	779
Harley-Davidson Inc	16,900	575	766
Harman Intl Industries Inc	6,500	297	467
Hasbro Inc	74,800	5,262	6,282
Home Depot Inc	240,100	14,825	30,658
Interpublic Group of Co Inc	187,500	3,408	4,331
Johnson Controls Inc	54,500	1,707	2,412
Kohl's Corporation	14,800	812	561
L Brands Inc	174,100	13,393	11,687
Leggett & Platt Inc	35,600	1,251	1,820
Lennar Corporation	25,100	814	1,157
LKQ Corporation	50,700	1,633	1,607
Lowe's Companies Inc	167,700	8,170	13,277
Macys Inc	28,000	592	941
Marriott International Inc	71,780	4,564	4,770
Mattel Inc	238,500	7,278	7,463
McDonald's Corporation	140,500	13,555	16,908
Michael Kors Holdings Ltd	25,600	1,794	1,267
Mohawk Industries Inc	25,800	4,497	4,896
Netflix Inc	157,900	12,780	14,445
Newell Rubbermaid Inc	169,399	5,852	8,228
News Corporation	41,975	354	480
Nike Inc	279,200	12,414	15,412
Nordstrom Inc	11,800	531	449
Omnicom Group Inc	32,800	1,990	2,673
O'Reilly Automotive Inc	68,700	10,945	18,625
Priceline Group Inc	7,210	6,088	9,001
PulteGroup Inc	31,100	364	606
PVH Corp	6,600	800	622
Ralph Lauren Corp	5,300	559	475
Ross Stores Inc	84,800	3,184	4,807
Royal Caribbean Cruises Ltd	89,100	6,601	5,983
Scripps Networks Interactive	16,700	912	1,040
Signet Jewelers Ltd	7,500	907	618
Staples Inc	57,600	1,184	497
Starbucks Corp	359,200	16,163	20,518
Starwood Hotels & Resorts Inc	14,700	619	1,087
Target Corp	83,500	5,280	5,830
TEGNA Inc	20,200	240	468
The Gap Inc	19,000	459	403
Tiffany & Co	10,400	510	631
Time Warner Inc	68,400	2,720	5,030
TJX Companies Inc	71,700	2,606	5,537
Tractor Supply Company	34,800	2,961	3,173
TripAdvisor Inc	10,950	398	704
Twenty-First Century Fox	127,800	2,491	3,464
Ulta Salon Cosmetics & Frag	5,200	1,061	1,267
Under Armour Inc	115,005	4,109	4,401
Urban Outfitters Inc	9,000	277	248
VF Corp	132,700	6,838	8,160
Viacom Inc	30,300	1,189	1,257
Walt Disney Company	253,300	15,374	24,778
Whirlpool Corporation	6,300	516	1,050
Wyndham Worldwide Corporation	9,600	158	684

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Wynn Resorts Limited	7,700	763	698
Yum Brands Inc	56,700	3,371	4,702
<i>Total Consumer Discretionary - 13.3%</i>		323,245	438,692
<i>Consumer Staples</i>			
Altria Group Inc	457,820	17,106	31,571
Archer-Daniels-Midland Co	49,300	1,473	2,114
Brown Forman Corp	69,800	5,924	6,963
Campbell Soup Co	118,800	6,708	7,904
Church & Dwight Company Inc	19,300	1,656	1,986
Clorox Company	94,700	9,236	13,106
Coca-Cola Company	439,600	15,257	19,927
Colgate-Palmolive Co	91,700	4,519	6,712
ConAgra Foods Inc	91,200	2,919	4,360
Constellation Brands Inc	130,900	8,654	21,651
Costco Wholesale Corp	94,500	10,335	14,840
CVS Health Corp	244,176	13,872	23,377
Dr Pepper Snapple Group Inc	142,100	9,485	13,731
Estee Lauder Companies Inc	51,800	3,401	4,715
General Mills Inc	143,200	6,630	10,213
Hershey Company	11,700	649	1,328
Hormel Foods Corp	229,400	6,861	8,396
JM Smucker Company	28,400	3,014	4,328
Kellogg Company	87,600	6,106	7,153
Kimberly Clark Corporation	107,700	10,119	14,807
Kraft Heinz Co	58,766	2,619	5,200
Kroger Co	486,300	10,260	17,891
McCormick & Company Inc	71,100	5,877	7,584
Mead Johnson Nutrition Co	15,509	603	1,407
Molson Coors Brewing Co	32,100	2,190	3,246
Mondelez International Inc	253,100	8,203	11,519
Monster Beverage Corp	12,533	1,149	2,014
PepsiCo Inc	198,364	14,967	21,015
Philip Morris Intl Inc	173,300	11,955	17,628
Procter & Gamble Company	293,532	20,073	24,853
Reynolds American Inc	439,986	13,873	23,728
Sysco Corp	107,000	4,156	5,429
Tyson Foods Inc	187,100	9,769	12,496
Walgreen Boots Alliance Inc	153,000	8,964	12,740
Wal-Mart Stores Inc	129,600	7,724	9,463
Whole Foods Market Inc	28,000	893	897
<i>Total Consumer Staples - 12.0%</i>		267,199	396,292
<i>Energy</i>			
Anadarko Petroleum Corp	44,900	2,948	2,391
Apache Corporation	58,300	4,259	3,246
Baker Hughes Inc	36,609	1,810	1,652
Cabot Oil & Gas Corporation	39,900	513	1,027
Chesapeake Energy Corp	393,000	2,801	1,682
Chevron Corporation	181,400	16,689	19,016
Cimarex Energy Co	30,800	3,360	3,675
Columbia Pipeline Group Inc	37,300	510	951
Concho Resources Inc	19,100	1,769	2,278
ConocoPhillips	104,700	5,443	4,565
Devon Energy Corporation	43,700	2,448	1,584
Diamond Offshore Drilling Inc	6,100	588	148
EOG Resources Inc	52,900	3,302	4,413
EQT Corp	14,500	733	1,123
Exxon Mobil Corporation	546,594	41,300	51,238
First Solar Inc	57,100	3,369	2,768
FMC Technologies Inc	22,400	730	597
Halliburton Company	72,400	2,487	3,279
Helmerich & Payne Inc	26,100	1,484	1,752
Hess Corp	22,900	1,285	1,376
Kinder Morgan Inc	154,128	5,896	2,885

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Marathon Oil Corp	70,000	1,447	1,051
Marathon Petroleum Corporation	65,900	1,810	2,502
Murphy Oil Corporation	15,500	747	492
National-Oilwell Varco Inc	32,600	1,513	1,097
Newfield Exploration Company	106,400	4,062	4,701
Noble Energy Inc	53,300	2,099	1,912
Occidental Petroleum Corp	95,300	7,281	7,201
ONEOK Inc	17,200	556	816
Phillips 66	133,740	9,374	10,611
Pioneer Natural Resources Co	21,200	2,446	3,206
Range Resources Corporation	16,100	935	695
Schlumberger Ltd	143,042	10,251	11,312
Southwestern Energy Company	33,700	1,367	424
Spectra Energy Corp	59,300	1,333	2,172
Tesoro Corporation	91,500	7,371	6,855
Transocean Ltd	245,300	3,459	2,917
Valero Energy Corporation	211,300	11,383	10,776
Williams Companies Inc	56,700	1,702	1,226
Total Energy - 5.5%		172,860	181,612
<i>Financial Services</i>			
Affiliated Managers Group Inc	4,900	1,001	690
AFLAC Inc	54,000	2,814	3,897
Allstate Corp	205,700	9,569	14,389
American Express Co	68,300	3,327	4,150
American International Group	182,400	8,543	9,647
American Tower Corporation	58,300	4,200	6,623
Ameriprise Financial Inc	14,800	613	1,330
Aon PLC	26,600	1,507	2,906
Apartment Investment & Mgmt Co	81,200	2,672	3,586
Arthur J Gallagher & Co	30,300	1,456	1,442
Assurant Inc	51,100	3,827	4,410
Avalonbay Communities Inc	45,400	6,861	8,190
Bank of America Corporation	1,173,977	17,451	15,579
Bank of New York Mellon Corp	200,900	7,447	7,805
BB&T Corporation	72,000	2,195	2,564
Berkshire Hathaway Inc	219,596	21,771	31,795
BlackRock Inc	13,888	3,595	4,757
Boston Properties Inc	12,800	1,017	1,688
Capital One Financial Corp	57,400	3,238	3,645
CBRE Group Inc	23,700	424	628
Charles Schwab Corp	273,700	6,478	6,927
CHUBB Ltd	62,595	6,051	8,182
Cincinnati Financial Corp	98,800	5,917	7,399
Citigroup Inc	261,960	13,177	11,104
Citizens Financial Group Inc	63,300	1,335	1,265
CME Group Inc	116,700	9,291	11,367
Comerica Inc	16,400	546	675
Crown Castle Intl Corporation	46,300	3,068	4,696
Digital Realty Trust Inc	37,200	3,526	4,054
Discover Financial Services	113,100	4,620	6,061
E*Trade Financial Corporation	159,720	4,159	3,752
Equifax Inc	89,800	6,339	11,530
Equinix Inc	35,629	10,519	13,814
Equity Residential	118,600	7,615	8,169
Essex Property Trust Inc	27,500	5,496	6,272
Extra Space Storage Inc	97,700	8,670	9,041
Federal Realty Investment Trst	29,100	4,434	4,818
Fifth Third Bancorp	114,700	1,682	2,018
Franklin Resources Inc	30,400	1,023	1,014
General Growth Properties Inc	52,500	1,149	1,566
Goldman Sachs Group Inc	45,400	7,034	6,746
Hartford Financial Services Gp	214,600	8,546	9,524
HCP Inc	41,700	1,491	1,475
Host Hotels & Resorts Inc	61,662	828	1,000

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Huntington Bancshares Inc	340,600	3,398	3,045
Intercontinental Exchange Inc	31,631	6,561	8,096
Invesco Limited	36,300	714	927
JP Morgan Chase & Co	461,853	21,716	28,700
KeyCorp	72,000	616	796
Kimco Realty Corporation	182,300	4,681	5,721
Legg Mason Inc	8,700	270	257
Leucadia National Corporation	31,600	805	548
Lincoln National Corp	19,500	559	756
Loews Corp	24,900	893	1,023
M & T Bank Corporation	29,001	3,209	3,429
Macerich Company	38,800	2,821	3,313
Marsh & McLennan Cos Inc	156,200	6,022	10,693
MasterCard Inc	151,700	9,224	13,359
MetLife Inc	92,700	3,837	3,692
Moody's Corp	49,900	3,393	4,676
Morgan Stanley	127,400	3,879	3,310
Nasdaq Inc	92,900	3,977	6,008
Navient Corporation	27,800	156	332
Northern Trust Corp	41,400	2,666	2,743
PayPal Holdings Inc	200,400	5,859	7,317
People's United Financial Inc	252,500	4,005	3,702
PNC Financial Services Group	60,700	4,294	4,940
Principal Financial Group Inc	23,500	671	966
Progressive Corp	335,500	10,253	11,239
Prologis Inc	85,100	3,369	4,173
Prudential Financial Inc	43,400	2,557	3,096
Public Storage	53,200	11,203	13,597
Realty Income Corp	87,900	5,249	6,097
Regions Financial Corp	128,100	872	1,090
S&P Global Inc	83,800	5,104	8,988
Simon Property Group Inc	43,916	6,100	9,525
SL Green Realty Corp	9,200	1,233	980
State Street Corp	33,100	1,687	1,785
SunTrust Banks Inc	75,800	2,473	3,114
Synchrony Financial	74,147	2,234	1,874
T Rowe Price Group Inc	20,700	1,150	1,510
Torchmark Corporation	52,700	2,270	3,258
Total System Services Inc	135,200	6,384	7,180
Travelers Cos Inc	89,100	7,556	10,606
UDR Inc	98,300	3,528	3,629
Unum Group	26,600	621	846
US Bancorp	263,900	8,511	10,643
Ventas Inc	28,400	1,349	2,068
Visa Inc	326,500	11,184	24,217
Vornado Realty Trust	15,940	1,100	1,596
Wells Fargo & Company	698,500	25,552	33,060
Welltower Inc	30,000	1,706	2,285
Western Union Company	40,200	603	771
Weyerhaeuser Company	65,879	1,481	1,961
Willis Towers Watson PLC	14,321	1,765	1,780
XL Group PLC	111,600	3,629	3,717
Zions Bancorporation	39,700	968	998
<i>Total Financial Services - 17.2%</i>		452,439	566,222
<i>Health Care</i>			
Abbott Laboratories	124,300	3,736	4,886
AbbVie Inc	139,000	5,279	8,605
Aetna Inc	124,329	8,329	15,184
Agilent Technologies Inc	29,600	787	1,313
Alexion Pharmaceuticals Inc	24,800	3,098	2,896
Allergan PLC	89,069	18,719	20,583
AmerisourceBergen Corp	90,700	5,910	7,194
Amgen Inc	86,277	8,307	13,127
Anthem Inc	117,100	11,478	15,380

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Baxter International Inc	46,345	1,465	2,096
Becton Dickinson & Company	58,708	6,354	9,956
Biogen Inc	18,500	2,548	4,474
Boston Scientific Corp	221,000	2,751	5,165
Bristol-Myers Squibb Company	146,142	4,944	10,749
Cardinal Health Inc	108,200	6,839	8,441
Celgene Corporation	103,000	6,946	10,159
Centene Corp	14,100	883	1,006
Cerner Corporation	25,100	835	1,471
CIGNA Corporation	126,200	10,564	16,152
CR Bard Inc	19,400	2,738	4,562
DaVita HealthCare Partners Inc	13,500	543	1,044
DENTSPLY SIRONA Inc	119,100	6,984	7,389
Edwards Lifesciences Corp	131,200	9,260	13,085
Eli Lilly and Company	140,500	7,944	11,064
Endo International PLC	19,500	1,577	304
Express Scripts Holding Co	53,568	2,957	4,060
Gilead Sciences Inc	199,800	9,601	16,667
HCA Holdings Inc	25,200	1,854	1,941
Henry Schein Inc	43,100	6,731	7,620
Hologic Inc	23,100	797	799
Humana Inc	12,500	828	2,248
Illumina Inc	12,300	2,168	1,727
Intuitive Surgical Inc	4,000	1,559	2,646
Johnson & Johnson	334,500	24,742	40,575
Laboratory Corp of Amer Hldgs	8,500	717	1,107
Mallinckrodt PLC	8,800	643	535
McKesson Corp	21,700	2,279	4,050
Medtronic PLC	151,176	11,344	13,118
Merck & Co Inc	237,880	9,555	13,704
Mylan NV	37,900	2,250	1,639
Patterson Companies Inc	7,600	207	364
PerkinElmer Inc	63,000	2,889	3,302
Perrigo Co PLC	12,900	2,035	1,170
Pfizer Inc	678,737	16,633	23,898
Quest Diagnostics Inc	12,700	690	1,034
Regeneron Pharmaceuticals Inc	25,400	9,836	8,870
St Jude Medical Inc	25,000	1,033	1,950
Stryker Corporation	35,900	2,457	4,302
Thermo Fisher Scientific Inc	104,100	10,413	15,382
UnitedHealth Group Inc	152,000	9,994	21,462
Universal Health Services Inc	34,400	3,899	4,613
Varian Medical Systems Inc	9,100	407	748
Vertex Pharmaceuticals Inc	31,700	2,920	2,727
Waters Corporation	20,500	2,109	2,883
Zimmer Biomet Holdings Inc	16,000	957	1,926
Zoetis Inc	104,199	4,278	4,945
<i>Total Health Care - 12.4%</i>		287,600	408,297
<i>Technology</i>			
Accenture PLC	109,900	9,497	12,451
Activision Blizzard Inc	370,300	11,823	14,675
Adobe Systems Inc	106,600	7,659	10,211
Akamai Technologies Inc	15,100	533	845
Alliance Data Systems Corp	5,200	1,336	1,019
Alphabet Inc	70,278	32,414	49,039
Amphenol Corp	29,100	855	1,668
Analog Devices Inc	25,600	851	1,450
Apple Inc	805,600	43,220	77,015
Applied Materials Inc	125,100	1,955	2,999
Autodesk Inc	19,600	603	1,061
Broadcom LTD	114,753	11,438	17,833
CA Inc	24,200	456	794
Cisco Systems Inc	452,500	9,612	12,982
Citrix Systems Inc	21,100	1,166	1,690

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Cognizant Tech Solutions Corp	61,700	2,242	3,532
Corning Inc	90,000	1,520	1,843
CSRA Inc	12,300	318	288
Electronic Arts Inc	199,200	11,421	15,091
EMC Corporation	202,700	4,256	5,507
F5 Networks Inc	5,400	734	615
Facebook Inc	349,600	23,532	39,952
Fidelity Ntl Information Svcs	104,300	4,851	7,685
Fiserv Inc	168,200	8,706	18,288
FLIR Systems Inc	12,700	355	393
Global Payments Inc	34,217	2,536	2,442
Harris Corporation	37,000	2,544	3,087
Hewlett Packard Enterprise	139,800	2,658	2,554
HP Inc	152,400	2,636	1,913
IBM Corporation	75,000	10,283	11,384
Intel Corporation	612,200	15,805	20,080
Intuit Inc	69,200	4,901	7,723
Juniper Networks Inc	293,400	7,813	6,599
KLA-Tencor Corporation	14,500	595	1,062
Lam Research Corporation	46,950	3,152	3,947
Linear Technology Corp	21,200	685	986
Microchip Technology Inc	43,700	1,827	2,218
Micron Technology Inc	89,800	967	1,236
Microsoft Corporation	1,144,702	39,064	58,574
Motorola Solutions Inc	75,218	5,025	4,962
NetApp Inc	27,800	889	684
NVIDIA Corporation	249,000	6,718	11,705
Oracle Corporation	264,200	7,216	10,814
Paychex Inc	104,900	4,801	6,242
Qorvo Inc	10,800	886	597
Qualcomm Inc	124,500	6,539	6,669
Red Hat Inc	51,000	3,110	3,703
Salesforce.com Inc	56,700	2,265	4,503
Seagate Technology PLC	26,600	763	648
Skyworks Solutions Inc	16,000	1,474	1,012
Symantec Corporation	50,600	835	1,039
TE Connectivity Ltd	29,900	1,203	1,708
Teradata Corporation	14,300	540	359
Texas Instruments Inc	94,800	3,307	5,939
VeriSign Inc	72,500	5,599	6,268
Western Digital Corp	25,920	1,199	1,225
Xerox Corporation	83,895	714	796
Xilinx Inc	106,100	4,573	4,894
Yahoo! Inc	73,600	1,586	2,764
<i>Total Technology - 15.2%</i>		346,061	499,262
<i>Utilities</i>			
AES Corporation	61,900	843	773
AGL Resources Inc	19,400	1,021	1,280
Alliant Energy Corp	19,300	766	766
Ameren Corporation	108,900	4,761	5,835
American Electric Power Co Inc	104,200	5,218	7,303
American Water Works Co Inc	60,200	4,278	5,088
CenterPoint Energy Inc	36,900	572	886
CMS Energy Corporation	171,700	5,339	7,874
Consolidated Edison Inc	63,900	4,029	5,140
Dominion Resources Inc	56,500	2,894	4,403
DTE Energy Company	77,400	5,163	7,672
Duke Energy Corp	63,907	3,797	5,483
Edison International	73,100	3,825	5,678
Entergy Corporation	15,500	1,167	1,261
Eversource Energy	84,296	4,029	5,049
Exelon Corp	94,347	3,763	3,430
FirstEnergy Corp	35,238	1,482	1,230
NextEra Energy Inc	95,600	6,942	12,466

See accompanying notes to financial statements.



# Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
NiSource Inc	207,100	2,937	5,492
NRG Energy Inc	31,400	785	471
PG&E Corp	79,800	3,892	5,101
Pinnacle West Capital Corp	49,300	3,219	3,996
PPL Corporation	221,300	7,396	8,354
Public Service Enterprise Grp	97,400	3,616	4,540
SCANA Corporation	97,900	6,305	7,407
Sempra Energy	80,500	6,260	9,179
Southern Company	123,500	5,258	6,623
TECO Energy Inc	180,000	4,728	4,975
WEC Energy Group Inc	137,307	6,270	8,966
Xcel Energy Inc	162,000	5,520	7,256
<i>Total Utilities - 4.8%</i>		116,075	153,977
Total Common Stock - 95.8%		2,353,159	3,150,846
<b>Money Market Mutual Funds</b>			
Dreyfus Cash Management Institutional Fund	11,748,519	11,749	11,749
Dreyfus Treasury Prime Cash Management Institutional Fund	10,784,243	10,784	10,784
Total Money Market Mutual Funds - 0.7%		22,533	22,533
<b>Investments made with Cash Collateral for Securities Loaned</b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds: Prime - Institutional Shares	23,906	23,906	23,906
Federated Money Market Management - Institutional Shares	23,306	23,306	23,306
Fidelity Institutional Money Market Prime Money Market Portfolio	18,203	18,203	18,203
Invesco Government Liquidity Funds Assets Portfolio	19,248	19,248	19,248
Morgan Stanley Institutional Liquidity Funds Government Portfolio	436	436	436
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	25,355	25,355	25,355
<i>Total Money Market Mutual Funds - 3.4%</i>		110,454	110,454
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	35,337	35,337	35,337
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	3,170	3,170	3,170
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	114,571	114,571	114,571
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	5,923	5,923	5,923
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	21,894	21,894	21,894
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	7,042	7,042	7,042
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	22,634	22,634	22,634
ING Bank NV, 0.55% Due 7/1/2016	10,200	10,200	10,200
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	4,154	4,154	4,154
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	13,882	13,882	13,882
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	3,868	3,868	3,868
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	20,371	20,371	20,371
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	5,369	5,369	5,369
Societe Generale, 0.4% Due 7/1/2016	37,425	37,425	37,425
Societe Generale, 0.51% Due 8/4/2016	8,642	8,642	8,642
<i>Total Repurchase Agreements - 9.6%</i>		314,482	314,482
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	22,618	22,618	22,618
Credit Agricole CIB, 0.31% Due 7/1/2016	20,354	20,354	20,354
HSBC Bank PLC, 0.35% Due 7/1/2016	20,807	20,807	20,807
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	22,490	22,490	22,490
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	19,276	19,276	19,276
<i>Total Time Deposits - 3.0%</i>		105,545	105,545
Total Investments made with Cash Collateral for Securities Loaned - 12.6%		530,481	530,481
Total Investments - 112.5%		\$ 2,906,173	\$ 3,703,860

See accompanying notes to financial statements.

# Large Cap Domestic Equity Pool

---

## Statement of Operations Year Ended June 30, 2016 *(Amounts in thousands)*

### Investment income

Dividends	\$ 68,887
Net securities lending income	<u>532</u>
<b>Total investment income</b>	<b>69,419</b>

### Expenses

Investment advisor fees	(3,824)
Trustee fees	(10)
Custodian bank fees	(100)
Management fees	(885)
Fiduciary bond fees	(5)
Professional service fees	<u>(161)</u>
<b>Total expenses</b>	<b><u>(4,985)</u></b>

**Investment income, net** 64,434

### Realized and unrealized gain (loss) from investments

Net realized gain (loss) from:	
Investments	137,518
Futures contracts	<u>(773)</u>
	136,745
Net change in unrealized appreciation (depreciation) on:	
Investments	(73,284)
Futures contracts	<u>3,229</u>
	<u>(70,055)</u>
<b>Net gain from investments</b>	<b><u>66,690</u></b>

**Net increase in net assets from operations** \$ 131,124

*See accompanying notes to financial statements.*

# Large Cap Domestic Equity Pool

---

## Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

### Operations

Investment income, net	\$	64,434
Net realized gain from investments		136,745
Net change in unrealized appreciation (depreciation) on investments		<u>(70,055)</u>

**Net increase in net assets from operations** 131,124

### Unit transactions

Proceeds from sale of units		157,584
Amount paid for repurchase of units		<u>(416,410)</u>

**Net decrease in net assets from unit transactions** (258,826)

**Decrease in net assets** (127,702)

**Net assets, beginning of year** 3,419,492

**Net assets, end of year** \$ 3,291,790

### Unit data

Units sold		7,035,351
Units repurchased		<u>(18,454,936)</u>

**Net decrease in units** (11,419,585)

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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.

# 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.
- 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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.

**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.

**Security Loans** - The IMB, through its lending 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 collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received. The required percentage for cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned. The required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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. The IMB also continues to receive 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.

# Large Cap Domestic Equity Pool

---

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

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

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.

**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 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, 2016.

**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.

# Large Cap Domestic Equity Pool

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

### NOTE 3. INVESTMENT RISK DISCLOSURES

#### Credit Risk

The Pool is exposed to credit risk from certain investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Foreign corporate bonds	A	A	\$ 3,156	0.1%
Foreign government bonds	Aa	A	10	0.0
Money market mutual funds	Aaa	AAA	132,987	3.6
Time deposits	P-1	A-1	105,546	2.8
U.S. corporate bonds	A	A	12,246	0.3
U.S. Government agency bonds	Aaa	AA	3,335	0.1
U.S. Government agency MBS	Aaa	AA	109,742	2.9
U.S. Treasury bonds	Aaa	AA	32,119	0.9
Total rated investments			399,141	10.7
Common stock			3,322,262	89.3
Total investments			\$ 3,721,403	100.0%

This table includes investments received as collateral for repurchase agreements with a fair value of \$332,025 as compared to the amortized cost of the repurchase agreements of \$314,482.

#### Concentration of 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

#### Custodial Credit Risk

At June 30, 2016, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102 percent and the collateral is held in the name of the IMB. All remaining securities are held by the IMB's custodian in the name of the IMB.

#### Interest Rate Risk

The Pool is exposed to interest rate risk from certain investments made with cash collateral for securities loaned. The weighted average maturity for investments made with cash collateral for securities loaned is not to exceed 90 days. The following table provides the weighted average maturities (WAM) for applicable investments made with cash collateral for securities loaned as of June 30, 2016.

Investment Type	Fair Value	WAM (days)
Repurchase agreements	\$ 314,482	2
Time deposits	105,545	1
Total	\$ 420,027	1

#### Foreign Currency Risk

The Pool is exposed to no or minimal foreign currency risk.

# Large Cap Domestic Equity Pool

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

### 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, 2016:

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	\$ 3,026		\$ -

The table below presents the impact of the derivative financial instruments recorded in the Statement of Operations for the year ended June 30, 2016:

Derivative Type	Statement of Operations Location	Realized Gain (Loss)	Statement of Operations Location	Change in Unrealized Appreciation (Depreciation)
Equity contracts	Net realized loss from futures contracts	\$ (773)	Change in unrealized appreciation (depreciation) on futures contracts	\$ 3,229

The Pool's open futures contracts outstanding at June 30, 2016, as disclosed in Note 7, is indicative of the volume of futures activity for the year ended June 30, 2016.

### 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:



# Large Cap Domestic Equity Pool

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

### NOTE 5. 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 3,150,846	\$ -	\$ -	\$ 3,150,846
Futures contracts	3,026	-	-	3,026
Investments made with cash collateral for securities loaned	110,454	420,027	-	530,481
Money market mutual funds	22,533	-	-	22,533
Total	<u>\$ 3,286,859</u>	<u>\$ 420,027</u>	<u>\$ -</u>	<u>\$ 3,706,886</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### NOTE 6. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2016.

	Fair Value
Securities on loan	<u>\$ 798,386</u>
Collateral received:	
Cash	\$ 530,481
Non-cash	<u>297,962</u>
Total collateral received	<u>\$ 828,443</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 and Liabilities.

# Large Cap Domestic Equity Pool

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

### NOTE 7. FUTURES CONTRACTS

At June 30, 2016, open positions in futures contracts were as follows:

<u>Expiration</u>	<u>Open Contracts</u>	<u>Position</u>	<u>Notional Value at June 30, 2016</u>	<u>Notional Value Upon Entering Contract</u>	<u>Unrealized Appreciation (Depreciation)</u>
Sept 2016	1,049 S&P 500	Long	<u>\$ 109,631</u>	<u>\$ 106,605</u>	<u>\$ 3,026</u>

At June 30, 2016, the Pool had pledged cash of \$2,607 to cover margin requirements on open futures contracts.

### 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, 2016, was 0.22 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, 2016, was 0.01 percent.

### NOTE 9. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance (a):</b>	
Net asset value at June 30, 2015	\$ 22.54
Income from investment operations:	
Net investment income	0.44
Net realized and unrealized gain on investment transactions	0.49
Total from investment operations	<u>0.93</u>
Net asset value at June 30, 2016	<u>\$ 23.47</u>
<b>Total Return (b)</b>	4.1%
<b>Supplemental Data:</b>	
Ratio to average net assets (c):	
Expenses	0.15%
Net investment income	1.93%
Portfolio turnover rate	36.57%

- (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, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,386,945
Public Employees' Retirement System	1,208,724
Workers' Compensation Old Fund	157,082
West Virginia Retiree Health Benefit Trust Fund	130,999
State Police Death, Disability and Retirement Fund	121,456
Revenue Shortfall Reserve Fund - Part B	46,537
Deputy Sheriff's Retirement System	37,009
Judges' Retirement System	35,736
State Police Retirement System	29,775
Coal Workers' Pneumoconiosis Fund	29,399
Public Employees Insurance Agency	20,772
West Virginia Department of Environmental Protection Agency	19,089
Board of Risk and Insurance Management	15,710
Emergency Medical Services Retirement System	12,643
West Virginia Prepaid Tuition Trust Fund	12,169
Wildlife Endowment Fund	11,736
Workers' Compensation Self-Insured Employer Security Risk Pool	6,496
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,968
West Virginia Department of Environmental Protection Trust	2,013
Berkeley County Development Authority	1,307
Workers' Compensation Uninsured Employers' Fund	1,298
Municipal Police Officers' and Firefighters' Retirement System	642
Municipal Policemen's or Firemen's Pension and Relief Funds	285
Total	<u>\$ 3,291,790</u>

### NOTE 11. SUBSEQUENT EVENTS

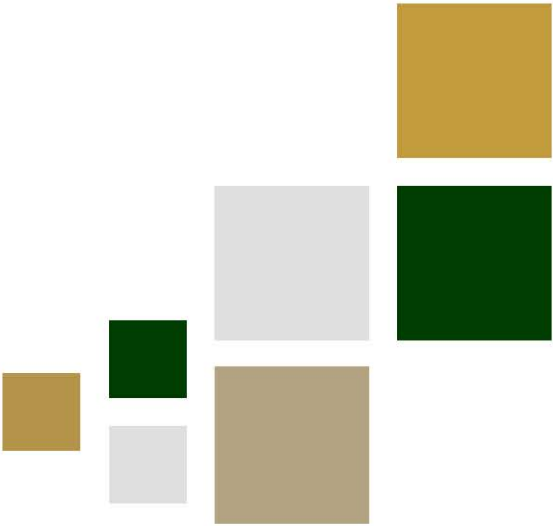
The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.



AUDITED FINANCIAL STATEMENTS  
June 30, 2016

B

NON-LARGE CAP DOMESTIC EQUITY POOL



# Non-Large Cap Domestic Equity Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	B-1
Schedule of Investments	B-2
Statement of Operations	B-7
Statement of Changes in Net Assets	B-8
Notes to Financial Statements	B-9



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

September 9, 2016

# Non-Large Cap Domestic Equity Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$1,107,240), including securities on loan of \$422,464 (Note 5)	\$	1,141,869
Receivables:		
Investments sold		18,904
Dividends		972
Securities lending income		<u>66</u>
<b>Total assets</b>		<b>1,161,811</b>

### Liabilities

Accrued expenses		190
Payable for investments purchased		10,252
Payable upon return of securities loaned (Note 5)		<u>369,258</u>
<b>Total liabilities</b>		<b><u>379,700</u></b>

**Net assets** \$ 782,111

### Unit data

Units outstanding		28,623,278
Net asset value, unit price	\$	<u><u>27.32</u></u>

See accompanying notes to financial statements.



# Non-Large Cap Domestic Equity Pool

## Schedule of Investments

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
<b>Common Stock</b>			
<i>Basic Materials</i>			
Axalta Coating Systems Ltd	234,380	\$ 6,707	\$ 6,218
Cabot Corporation	23,909	1,142	1,092
Clearwater Paper Corp	10,764	428	704
Dominion Diamond Corp	117,328	1,706	1,037
Global Brass & Copper Holdings	16,750	477	457
Kaiser Aluminum Corp	57,392	4,596	5,189
Martix Service Co	29,331	473	484
Mercer International Inc	209,300	2,934	1,670
Nevsun Resources LTD	435,474	1,678	1,280
Olympic Steel	13,534	345	370
PolyOne Corporation	156,460	4,873	5,514
Reliance Steel & Aluminum Co	68,918	4,907	5,300
Ryerson Holding Corp	55,631	764	974
Summit Materials Inc	182,790	3,683	3,740
Trinseo SA	88,676	3,639	3,807
WR Grace & Co	80,995	6,286	5,930
<i>Total Basic Materials - 5.6%</i>		44,638	43,766
<i>Capital Goods</i>			
Acco Brands Corp	37,038	326	383
Aegion Corp	249,312	4,543	4,864
Allegiant Travel Company	37,322	7,306	5,654
AO Smith Corp	59,970	4,518	5,284
Atlas Air Worldwide Holdings	6,240	267	258
Babcock & Wilcox Enterprises	22,737	487	334
Brink's Company	87,769	2,645	2,501
Builders Firstsource Inc	565,350	7,241	6,360
BWX Technologies	79,445	2,720	2,842
Comfort Systems USA Inc	48,463	1,068	1,578
EMCOR Group Inc	108,650	4,604	5,352
Flowserve Corp	89,800	4,299	4,056
Hawaiian Holdings Inc	46,227	918	1,755
HD Supply Holdings Inc	222,490	6,732	7,747
Huntington Ingalls Industries	29,417	1,495	4,943
IHS Inc	55,410	5,617	6,406
Knoll Inc	269,830	6,231	6,551
Lennox International Inc	46,920	4,966	6,691
MasTec Inc	83,641	1,642	1,867
Meritor Inc	110,619	1,348	796
Middleby Corporation	46,705	4,990	5,383
Miller Herman Inc	35,025	878	1,047
Myers Industries Inc	16,673	233	240
MYR Group Inc	115,191	3,140	2,774
Old Dominion Freight Line Inc	99,140	6,413	5,979
Owens Corning Inc	83,098	3,608	4,281
Quanta Services Inc	148,632	3,348	3,436
REX American Resources Corp	21,925	1,268	1,312
SkyWest Inc	82,495	1,606	2,183
Snap-On Inc	49,355	7,743	7,789
Spirit AeroSystems Holdings	75,209	3,327	3,234
TransDigm Group Inc	15,285	2,001	4,031
Wabash National Corporation	352,360	4,729	4,475
WESCO International Inc	18,951	1,079	976
<i>Total Capital Goods - 15.8%</i>		113,336	123,362
<i>Communication Services</i>			
EarthLink Holdings Corp	458,961	3,078	2,937
FairPoint Communications	165,370	2,220	2,428
MagicJack VocalTec Ltd	127,396	1,060	801
<i>Total Communication Services - 0.8%</i>		6,358	6,166
<i>Consumer Discretionary</i>			
Aaron's Inc	53,241	1,941	1,165

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Big Lots Inc	78,649	3,968	3,941
Bravo Brio Restaurant Group	65,033	773	533
Carrols Restaurant Group Inc	26,870	327	320
Cooper Tire & Rubber Company	120,140	3,654	3,583
Dana Holding Corporation	50,530	1,067	534
Ethan Allen Interiors Inc	117,871	3,800	3,894
Francesca's Holding Corp	100,539	1,834	1,111
Gannett Co Inc	110,106	1,614	1,521
Goodyear Tire & Rubber Co	72,677	2,296	1,865
Hertz Global Holdings Inc	51,357	577	569
Interpublic Group of Co Inc	250,720	5,559	5,792
Jack in the Box Inc	68,150	4,635	5,855
La-Z-Boy Inc	16,227	387	451
Lear Corporation	19,202	1,162	1,954
Lions Gate Entertainment Corp	142,810	3,118	2,889
LKQ Corporation	237,140	7,725	7,517
Lululemon Athletica	58,810	3,432	4,344
Movado Group Inc	63,285	1,614	1,372
MSG Networks Inc	143,662	2,515	2,204
New Media Investment Group Inc	203,973	3,542	3,686
Nexstar Broadcasting Group	120,370	5,564	5,727
Nord Anglia Education Inc	174,295	3,651	3,685
NVR Inc	377	443	671
Rent-A-Center Inc	172,451	2,254	2,118
RetailMeNot Inc	194,095	1,642	1,496
Sonic Corporation	155,192	4,335	4,198
Strayer Education Inc	9,716	487	477
Time Inc	252,072	3,653	4,149
Ulta Salon Cosmetics & Frag	26,435	2,773	6,441
Vail Resorts Inc	50,955	5,000	7,044
Visteon Corporation	10,656	820	701
<i>Total Consumer Discretionary - 11.7%</i>		86,162	91,807
<i>Consumer Staples</i>			
Aramark	260,280	8,442	8,699
Avon Products Inc	190,733	814	721
Dean Foods Company	251,043	4,407	4,541
Ingredion Inc	2,759	291	357
Medifast Inc	51,090	1,645	1,700
Nu Skin Enterprises Inc	19,367	752	895
Omega Protein Corporation	62,653	1,304	1,252
Pinnacle Foods Inc	28,310	1,279	1,310
Sanderson Farms Inc	4,489	401	389
<i>Total Consumer Staples - 2.5%</i>		19,335	19,864
<i>Energy</i>			
Archrock Inc	88,389	788	833
Atwood Oceanics Inc	277,594	4,460	3,475
Bill Barrett Corporation	104,076	780	665
Bristow Group Inc	32,061	463	366
Cosan Lte	87,494	483	570
DHT Holdings Inc	623,045	3,514	3,134
Diamond Offshore Drilling Inc	15,028	369	366
Dril-Quip Inc	19,240	1,152	1,124
Ensco PLC	310,259	5,145	3,013
Euronav NV	304,733	3,267	2,794
Nabors Industries Ltd	89,137	957	896
Noble Corp plc	94,567	1,349	779
Oceaneering International Inc	31,412	993	938
Oil States International Inc	160,577	5,450	5,280
Pioneer Energy Services Corp	79,809	357	367
Renewable Energy Group Inc	39,698	340	351
Rowan Companies PLC	273,563	4,828	4,831
Superior Energy Services, Inc	49,271	962	907

See accompanying notes to financial statements.

## Non-Large Cap Domestic Equity Pool

### Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Tsakos Energy Navigation Ltd	90,568	870	425
<i>Total Energy - 4.0%</i>		36,527	31,114
<i>Financial Services</i>			
Affiliated Managers Group Inc	37,475	6,340	5,275
Altisource Portfolio Solutions	69,144	1,908	1,925
American Financial Group Inc	35,524	2,420	2,626
Ashford Hospitality Trust	754,759	6,035	4,053
Aspen Insurance Holdings Ltd	108,100	3,954	5,014
Assurant Inc	122,963	7,561	10,613
Assured Guaranty Ltd	200,340	5,468	5,083
Axis Capital Hldgs Ltd	20,611	865	1,134
Berkshire Hills Bancorp Inc	84,309	2,057	2,270
Brandywine Realty Trust	53,657	632	901
Care Capital Properties Inc	41,851	1,120	1,097
CBL & Associates Properties	383,070	6,867	3,566
Central Pacific Financial Corp	168,569	3,966	3,978
Colony Starwood Homes	66,450	1,968	2,021
Coresite Realty Corporation	47,973	2,524	4,255
CoStar Group Inc	37,365	6,671	8,170
Customers Bancorp Inc	27,036	612	679
Evercore Partners Inc	28,141	1,267	1,244
Everest Re Group Ltd	32,978	3,527	6,024
Farmer Mac	57,569	1,907	2,005
Federated National Holding Co	13,035	374	248
First NBC Bank Holding Company	41,834	849	702
First Potomac Realty Trust	80,259	816	738
First Republic Bank	76,850	3,031	5,379
FirstService Corporation	13,917	482	638
Flagstar Bancorp Inc	210,284	3,852	5,133
GAMCO Investors Inc	14,029	477	460
Gaming and Leisure Properties	63,293	2,080	2,182
Genworth Financial Inc	599,311	2,395	1,546
Great Western Bancorp Inc	116,655	2,916	3,679
Green Dot Corporation	19,844	439	456
Hanover Insurance Group Inc	35,335	3,076	2,990
HCI Group Inc	80,081	3,517	2,185
Hersha Hospitality Trust	238,788	6,234	4,095
Highwoods Properties, Inc	15,330	640	809
Hospitality Properties Trust	189,016	5,154	5,444
Jones Lang LaSalle Inc	34,395	3,182	3,352
KCG Holdings Inc	25,577	343	340
LaSalle Hotel Properties	24,124	592	569
Liberty Property Trust	26,246	758	1,042
Mack-Cali Realty Corp	195,736	3,958	5,285
MGIC Investments Corp	181,646	1,732	1,081
MSCI Inc	82,370	5,804	6,352
National Storage Affiliates	229,520	4,566	4,779
Navient Corporation	200,681	2,563	2,398
Northrim BanCorp Inc	3,537	95	93
Old Republic International Cor	281,617	5,135	5,432
Popular Inc	37,408	1,068	1,096
Radian Group Inc	88,502	1,093	922
Raymond James Financial Inc	114,430	4,595	5,641
Reinsurance Group of America I	58,297	4,209	5,654
RLJ Lodging Trust	105,293	2,432	2,259
Ryman Hospitality Properties	93,300	4,387	4,726
Select Income	87,936	2,134	2,285
Senior Housing Prop Trust	62,473	1,153	1,301
STAG Industrial Inc	139,052	2,859	3,311
Starwood Property Trust Inc	287,240	5,973	5,952
Summit Hotel Properties	392,990	4,240	5,203
Synovus Financial Corp	22,708	666	658
Taubman Centers Inc	62,905	4,395	4,668
TCF Financial Corporation	88,269	1,208	1,117

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
THL Credit Inc	239,097	2,922	2,661
Total System Services Inc	161,130	5,396	8,558
TransUnion	180,880	5,810	6,049
Universal Insurance Holdings	55,135	1,011	1,024
Validus Holdings Limited	112,607	4,214	5,472
Voya Financial Inc	160,018	3,846	3,962
Waddell & Reed Financial Inc	16,924	593	291
Walker & Dunlop Inc	81,418	2,007	1,855
WP Glimcher Inc	335,655	3,452	3,756
Xenia Hotels & Resorts Inc	172,838	2,653	2,900
<i>Total Financial Services - 28.2%</i>		205,045	220,661
<i>Health Care</i>			
Acorda Therapeutics Inc	50,452	1,669	1,287
Air Methods Corporation	44,091	1,552	1,580
Align Technology	86,615	4,859	6,977
Alkermes PLC	122,280	5,030	5,285
Amedisys Inc	9,015	351	455
Ariad Pharmaceuticals Inc	699,524	4,288	5,169
BioTelemetry Inc	56,230	923	917
DexCom Inc	120,795	7,805	9,583
Emergent Biosolutions Inc	132,105	4,113	3,715
Enanta Pharmaceuticals Inc	12,348	336	272
Five Prime Therapeutics Inc	63,492	2,886	2,625
Jazz Pharmaceuticals PLC	65,453	9,978	9,249
Luminex Corporation	25,895	509	524
Magellan Health Services Inc	9,776	661	643
Merrimack Pharmaceuticals	558,340	5,567	3,009
Mettler-Toledo International I	25,837	4,875	9,428
Nektar Therapeutics	93,200	1,405	1,326
Neurocrine Biosciences Inc	120,475	4,701	5,476
Orthofix International NV	24,511	965	1,039
Pacira Pharmaceuticals Inc	120,050	6,826	4,049
Quest Diagnostics Inc	123,130	8,463	10,024
Repliegn Corp	12,470	353	341
Steris PLC	123,345	8,642	8,480
Team Health Holdings Inc	123,770	6,524	5,034
United Therapeutics Corp	32,241	3,043	3,415
Vanda Pharmaceuticals Inc	76,907	860	861
Wright Medical Group NV	288,086	6,592	5,004
<i>Total Health Care - 13.5%</i>		103,776	105,767
<i>Technology</i>			
Alpha & Omega Semiconductor	61,422	701	856
Aspen Technology Inc	116,603	4,567	4,692
AVG Technologies NV	67,748	1,338	1,287
Black Box Corporation	40,230	807	526
Celestica Inc	262,633	2,786	2,442
Criteo SA - ADR	85,770	3,772	3,939
CyberArk Software Ltd	83,220	4,002	4,044
DHI Group Inc	37,243	320	232
Extreme Networks Inc	408,465	1,556	1,385
Fleetmatics Group PLC	45,640	2,044	1,978
Fortinet Inc	211,240	6,183	6,673
Genpact Limited	68,150	1,378	1,829
IAC/InterActive Corporation	27,338	1,945	1,539
Insight Enterprises Inc	13,787	310	358
Kulicke & Soffa Industries Inc	82,257	1,030	1,001
Microsemi Corporation	146,274	5,032	4,780
MicroStrategy Incorporated	2,045	305	358
NeuStar Inc	79,262	1,990	1,863
ON Semiconductor Corp	848,130	7,650	7,481
QLIK Technologies Inc	145,640	3,227	4,308
Sabre Corporation	201,260	5,376	5,392
Sanmina Corp	76,872	1,663	2,061

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Shopify Inc	67,510	2,016	2,077
Splunk Inc	129,820	6,921	7,034
Take-Two Interactive Software	108,117	3,496	4,100
Teradata Corporation	40,408	939	1,013
Teradyne Inc	75,889	1,424	1,494
VeriFone Systems Inc	240,750	6,445	4,464
Vishay Intertechnology Inc	327,004	4,145	4,052
Web.com Group Inc	183,931	4,029	3,344
<i>Total Technology - 11.1%</i>		87,397	86,602
<i>Utilities</i>			
El Paso Electric Company	55,170	2,006	2,608
Great Plains Energy Inc	167,936	4,638	5,105
NorthWestern Corporation	7,440	446	469
NRG Energy Inc	152,310	1,890	2,283
PNM Resources Inc	111,800	2,549	3,962
Portland General Electric Co	83,353	2,746	3,678
Southwest Gas Corporation	41,871	2,273	3,296
UGI Corporation	136,033	4,307	6,150
Vectren Corp	78,806	2,753	4,151
<i>Total Utilities - 4.1%</i>		23,608	31,702
Total Common Stock - 97.3%		726,182	760,811
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 1.5%	11,799,891	11,800	11,800
<b><u>Investments made with Cash Collateral for Securities Loaned</u></b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds: Prime - Institutional Shares	16,641	16,641	16,641
Federated Money Market Management - Institutional Shares	16,223	16,223	16,223
Fidelity Institutional Money Market Prime Money Market Portfolio	12,671	12,671	12,671
Invesco Government Liquidity Funds Assets Portfolio	13,398	13,398	13,398
Morgan Stanley Institutional Liquidity Funds Government Portfolio	304	304	304
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	17,649	17,649	17,649
<i>Total Money Market Mutual Funds - 9.8%</i>		76,886	76,886
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	24,597	24,597	24,597
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	2,206	2,206	2,206
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	79,750	79,750	79,750
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	4,123	4,123	4,123
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	15,240	15,240	15,240
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	4,902	4,902	4,902
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	15,755	15,755	15,755
ING Bank NV, 0.55% Due 7/1/2016	7,100	7,100	7,100
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	2,891	2,891	2,891
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	9,663	9,663	9,663
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	2,693	2,693	2,693
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	14,180	14,180	14,180
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	3,737	3,737	3,737
Societe Generale, 0.4% Due 7/1/2016	26,051	26,051	26,051
Societe Generale, 0.51% Due 8/4/2016	6,016	6,016	6,016
<i>Total Repurchase Agreements - 28.0%</i>		218,904	218,904
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	15,744	15,744	15,744
Credit Agricole CIB, 0.31% Due 7/1/2016	14,168	14,168	14,168
HSBC Bank PLC, 0.35% Due 7/1/2016	14,483	14,483	14,483
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	15,655	15,655	15,655
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	13,418	13,418	13,418
<i>Total Time Deposits - 9.4%</i>		73,468	73,468
Total Investments made with Cash Collateral for Securities Loaned - 37.4%		369,258	369,258
Total Investments - 146.0%		\$ 1,107,240	\$ 1,141,869

See accompanying notes to financial statements.

# Non-Large Cap Domestic Equity Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Dividends, net of foreign withholding taxes (\$1)	\$ 11,805
Net securities lending income	<u>535</u>
<b>Total investment income</b>	12,340

**Expenses**

Investment advisor fees	(962)
Trustee fees	(2)
Custodian bank fees	(39)
Management fees	(205)
Fiduciary bond fees	(1)
Professional service fees	<u>(40)</u>
<b>Total expenses</b>	<u>(1,249)</u>

**Investment income, net** 11,091

**Realized and unrealized loss from investments**

Net realized loss from investments	(16,409)
Net change in unrealized appreciation (depreciation) on investments	<u>(67,447)</u>
<b>Net loss from investments</b>	<u>(83,856)</u>

**Net decrease in net assets from operations** \$ (72,765)

*See accompanying notes to financial statements.*

## Non-Large Cap Domestic Equity Pool

---

### Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

#### Operations

Investment income, net	\$ 11,091
Net realized loss from investments	(16,409)
Net change in unrealized appreciation (depreciation) on investments	<u>(67,447)</u>

**Net decrease in net assets from operations** (72,765)

#### Unit transactions

Proceeds from sale of units	70,211
Amount paid for repurchase of units	<u>(26,763)</u>

**Net increase in net assets from unit transactions** 43,448

**Decrease in net assets** (29,317)

**Net assets, beginning of year** 811,428

**Net assets, end of year** \$ 782,111

#### Unit data

Units sold	2,691,030
Units repurchased	<u>(955,605)</u>

**Net increase in units** 1,735,425

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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.
- 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.
- 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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.

**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.

**Security Loans** - The IMB, through its lending 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 collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received. The required percentage for cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned. The required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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. The IMB also continues to receive 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.

# Non-Large Cap Domestic Equity Pool

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

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

**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 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, 2016.

**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 Pool is exposed to credit risk from investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase.

The following table provides information on the weighted average credit ratings of the Pool's investments as of June 30, 2016.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Foreign corporate bonds	A	A	\$ 2,198	0.2%
Foreign government bonds	Aa	A	7	0.0
Money market mutual funds	Aaa	AAA	88,686	7.7
Time deposits	P-1	A-1	73,468	6.4
U.S. corporate bonds	A	A	8,524	0.7
U.S. Government agency bonds	Aaa	AA	2,322	0.2
U.S. Government agency MBS	Aaa	AA	76,389	6.6
U.S. Treasury bonds	Aaa	AA	22,357	1.9
Total rated investments			273,951	23.7
Common stock			880,130	76.3
Total investments			\$ 1,154,081	100.0%

This table includes investments received as collateral for repurchase agreements with a fair value of \$231,116 as compared to the amortized cost of the repurchase agreements of \$218,904.

#### Concentration of 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

# Non-Large Cap Domestic Equity Pool

---

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

### NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

#### Custodial Credit Risk

At June 30, 2016, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102 percent and the collateral is held in the name of the IMB. All remaining securities are held by the IMB's custodian in the name of the IMB.

#### Interest Rate Risk

The Pool is exposed to interest rate risk from certain investments made with cash collateral for securities loaned. The weighted average maturity for investments made with cash collateral for securities loaned is not to exceed 90 days. The maturity of floating rate notes is assumed to be the next interest reset date. The following table provides the weighted average maturities (WAM) for applicable investments made with cash collateral for securities loaned as of June 30, 2016.

Investment Type	Fair Value	WAM (days)
Repurchase agreements	\$ 218,904	2
Time deposits	73,468	1
Total	<u>\$ 292,372</u>	<u>1</u>

#### Foreign Currency Risk

The Pool is exposed to no or minimal foreign currency 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.

# Non-Large Cap Domestic Equity 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 760,811	\$ -	\$ -	\$ 760,811
Investments made with cash collateral for securities loaned	76,886	292,372	-	369,258
Money market mutual fund	11,800	-	-	11,800
Total	<u>\$ 849,497</u>	<u>\$ 292,372</u>	<u>\$ -</u>	<u>\$ 1,141,869</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2016.

Securities on loan	<u>Fair Value</u> \$ 422,464
Collateral received:	
Cash	\$ 369,258
Non-cash	62,214
Total collateral received	<u>\$ 431,472</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 and 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, 2016, was 0.15 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, 2016, was 0.10 percent.

# Non-Large Cap Domestic Equity Pool

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

### NOTE 7. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance (a):</b>	
Net asset value at June 30, 2015	\$ 30.18
Income from investment operations:	
Net investment income	0.40
Net realized and unrealized loss on investment transactions	(3.26)
Total from investment operations	(2.86)
Net asset value at June 30, 2016	\$ 27.32
<b>Total Return (b)</b>	-9.5%
<b>Supplemental Data:</b>	
Ratio to average net assets (c):	
Expenses	0.16%
Net investment income	1.44%
Portfolio turnover rate	89.54%

- (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, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 330,567
Public Employees' Retirement System	287,306
Workers' Compensation Old Fund	36,940
West Virginia Retiree Health Benefit Trust Fund	31,019
State Police Death, Disability and Retirement Fund	29,329
Revenue Shortfall Reserve Fund - Part B	10,895
Deputy Sheriff's Retirement System	8,752
Judges' Retirement System	8,575
Coal Workers' Pneumoconiosis Fund	7,022
State Police Retirement System	6,001
Public Employees Insurance Agency	4,992
West Virginia Department of Environmental Protection Agency	4,421
Board of Risk and Insurance Management	3,716
West Virginia Prepaid Tuition Trust Fund	3,013
Emergency Medical Services Retirement System	2,979
Wildlife Endowment Fund	2,780
Workers' Compensation Self-Insured Employer Security Risk Pool	1,551
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	940
West Virginia Department of Environmental Protection Trust	476
Berkeley County Development Authority	312
Workers' Compensation Uninsured Employers' Fund	306
Municipal Police Officers' and Firefighters' Retirement System	151
Municipal Policemen's or Firemen's Pension and Relief Funds	68
Total	\$ 782,111

# Non-Large Cap Domestic Equity Pool

---

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

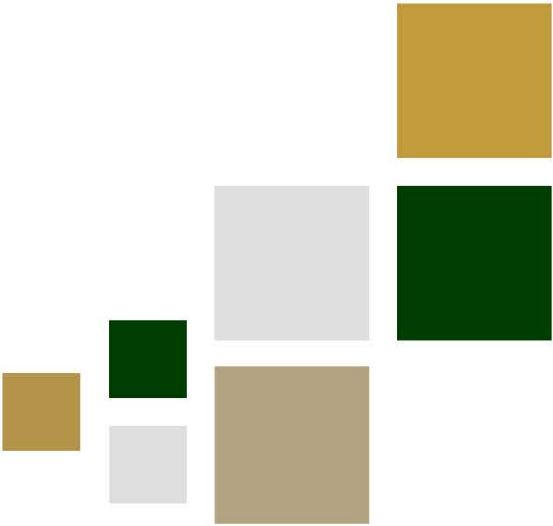
### **NOTE 9. SUBSEQUENT EVENTS**

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



INTERNATIONAL QUALIFIED POOL



# International Qualified Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	C-1
Schedule of Investments	C-2
Statement of Operations	C-3
Statement of Changes in Net Assets	C-4
Notes to Financial Statements	C-5





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# International Qualified Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investment at fair value (cost \$381,372)	\$	1,208,025
---	----	-----------

### Liabilities

Accrued expenses		<u>48</u>
------------------	--	-----------

<b>Net assets</b>	<b>\$</b>	<b><u>1,207,977</u></b>
-------------------	-----------	-------------------------

### Unit data

Units outstanding		20,968,354
-------------------	--	------------

Net asset value, unit price	\$	<u>57.61</u>
-----------------------------	----	--------------

See accompanying notes to financial statements.

## International Qualified Pool

### Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Investment in Other Fund</u></b>			
The Silchester International Investors International Value Equity Group Trust - 100.0%	12,085,877	\$ 381,372	\$ 1,208,025
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, 2016.

	Percent of Fair Value
Japan	25.1 %
United Kingdom	19.4
Switzerland	10.3
France	10.1
Hong Kong	6.7
South Korea	5.3
Singapore	3.7
Thailand	3.1
Finland	2.0
Brazil	1.9
China	1.9
Taiwan	1.6
Denmark	1.4
Germany	1.2
Sweden	1.0
Turkey	1.0
Netherlands	0.7
Norway	0.7
Italy	0.6
Malaysia	0.6
Belgium	0.5
Greece	0.5
Spain	0.5
Mexico	0.2
Total	100.0 %

*See accompanying notes to financial statements.*

# International Qualified Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

<b>Investment income</b>	\$	-
<b>Expenses</b>		
Investment advisor fees		(6,323)
Trustee fees		(4)
Management fees		(329)
Fiduciary bond fees		(2)
Professional service fees		<u>(65)</u>
	<b>Total expenses</b>	<u>(6,723)</u>
	<b>Investment loss, net</b>	(6,723)
<b>Realized and unrealized gain (loss) from investment</b>		
Net realized gain from investment		4,356
Net change in unrealized appreciation (depreciation) on investment		<u>(100,293)</u>
	<b>Net loss from investment</b>	<u>(95,937)</u>
	<b>Net decrease in net assets from operations</b>	<u><u>\$ (102,660)</u></u>

*See accompanying notes to financial statements.*

## International Qualified Pool

---

### Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

#### Operations

Investment loss, net	\$ (6,723)
Net realized gain from investment	4,356
Net change in unrealized appreciation (depreciation) on investment	<u>(100,293)</u>

**Net decrease in net assets from operations** (102,660)

#### Unit transactions

Proceeds from sale of units	4,358
Amount paid for repurchase of units	<u>(3,961)</u>

**Net increase in net assets from unit transactions** 397

**Decrease in net assets** (102,263)

**Net assets, beginning of year** 1,310,240

**Net assets, end of year** \$ 1,207,977

#### Unit data

Units sold	75,861
Units repurchased	<u>(69,101)</u>

**Net increase in units** 6,760

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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 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, 2016.

**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, 2016, was \$1,208,025. 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.

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

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### **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 \$25 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, 2016, was 0.51 percent.



# International Qualified Pool

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

### NOTE 6. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance (a):</b>	
Net asset value at June 30, 2015	\$ 62.51
Income from investment operations:	
Net investment loss	(0.32)
Net realized and unrealized loss on investment transactions	(4.58)
Total from investment operations	(4.90)
Net asset value at June 30, 2016	\$ 57.61
<b>Total Return (b)</b>	-7.8%
<b>Supplemental Data:</b>	
Ratio to average net assets (c):	
Expenses	0.54%
Net investment loss	-0.54%
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, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 594,432
Public Employees' Retirement System	512,339
State Police Death, Disability and Retirement Fund	52,215
Deputy Sheriff's Retirement System	15,596
Judges' Retirement System	15,247
State Police Retirement System	12,443
Emergency Medical Services Retirement System	5,314
Municipal Police Officers' and Firefighters' Retirement System	269
Municipal Policemen's or Firemen's Pension and Relief Funds	122
Total	\$ 1,207,977

### NOTE 8. SUBSEQUENT EVENTS

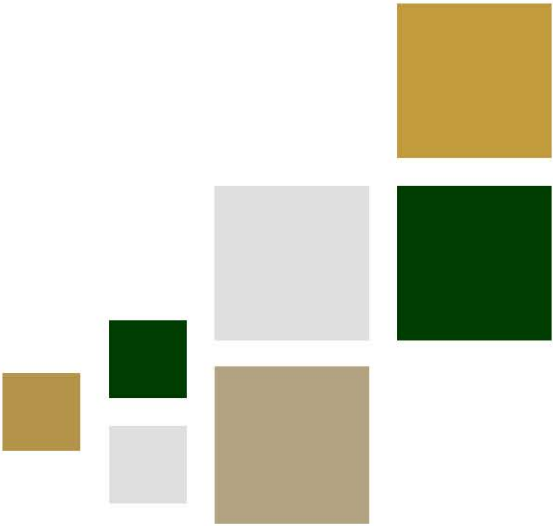
The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.



AUDITED FINANCIAL STATEMENTS  
June 30, 2016

D

INTERNATIONAL NONQUALIFIED POOL



# International Nonqualified Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	D-1
Schedule of Investments	D-2
Statement of Operations	D-3
Statement of Changes in Net Assets	D-4
Notes to Financial Statements	D-5



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# International Nonqualified Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investment at fair value (cost \$74,184)	\$	141,311
--	----	---------

### Liabilities

Accrued expenses		<u>5</u>
------------------	--	----------

<b>Net assets</b>	<b>\$</b>	<b><u>141,306</u></b>
-------------------	-----------	-----------------------

### Unit data

Units outstanding		2,667,901
-------------------	--	-----------

Net asset value, unit price	\$	<u>52.97</u>
-----------------------------	----	--------------

See accompanying notes to financial statements.

# International Nonqualified Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Investment in Other Fund</u></b>			
The Silchester International Investors International Value Equity Trust - 100.0%	1,351,387	\$ 74,184	\$ 141,311
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, 2016.

	Percent of Fair Value
Japan	25.2 %
United Kingdom	19.5
Switzerland	10.3
France	10.1
Hong Kong	6.7
South Korea	5.2
Singapore	3.7
Thailand	3.1
Finland	2.0
Brazil	1.9
China	1.9
Taiwan	1.6
Denmark	1.3
Germany	1.2
Sweden	1.0
Turkey	1.0
Netherlands	0.7
Norway	0.7
Italy	0.6
Malaysia	0.6
Belgium	0.5
Greece	0.5
Spain	0.5
Mexico	0.2
Total	100.0 %

*See accompanying notes to financial statements.*

# International Nonqualified Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

<b>Investment income</b>	\$	-
<b>Expenses</b>		
Investment advisor fees		(895)
Management fees		(39)
Professional service fees		<u>(8)</u>
	<b>Total expenses</b>	<u>(942)</u>
	<b>Investment loss, net</b>	(942)
<b>Realized and unrealized gain (loss) from investment</b>		
Net realized gain from investment		431
Net change in unrealized appreciation (depreciation) on investment		<u>(11,779)</u>
	<b>Net loss from investment</b>	<u>(11,348)</u>
	<b>Net decrease in net assets from operations</b>	<u><u>\$ (12,290)</u></u>

*See accompanying notes to financial statements.*



# International Nonqualified Pool

---

## Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

### Operations

Investment loss, net	\$	(942)
Net realized gain from investment		431
Net change in unrealized appreciation (depreciation) on investment		<u>(11,779)</u>

**Net decrease in net assets from operations** (12,290)

### Unit transactions

Proceeds from sale of units		2,198
Amount paid for repurchase of units		<u>(2,151)</u>

**Net increase in net assets from unit transactions** 47

**Decrease in net assets** (12,243)

**Net assets, beginning of year** 153,549

**Net assets, end of year** \$ 141,306

### Unit data

Units sold		39,984
Units repurchased		<u>(39,123)</u>

**Net increase in units** 861

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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 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, 2016.

**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, 2016, was \$141,311. 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.

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

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### **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 \$25 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, 2016 was 0.62 percent.

# International Nonqualified Pool

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

### NOTE 6. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance (a):</b>	
Net asset value at June 30, 2015	\$ 57.57
Income from investment operations:	
Net investment loss	(0.35)
Net realized and unrealized loss on investment transactions	(4.25)
Total from investment operations	(4.60)
Net asset value at June 30, 2016	\$ 52.97
<b>Total Return (b)</b>	-8.0%
<b>Supplemental Data:</b>	
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, 2016.

<u>Participant</u>	<u>Account Value</u>
West Virginia Retiree Health Benefit Trust Fund	\$ 48,963
Workers' Compensation Old Fund	42,953
Revenue Shortfall Reserve Fund - Part B	12,096
Coal Workers' Pneumoconiosis Fund	10,198
Public Employees Insurance Agency	8,533
Board of Risk and Insurance Management	4,892
Wildlife Endowment Fund	4,395
West Virginia Department of Environmental Protection Agency	3,405
West Virginia Prepaid Tuition Trust Fund	3,037
West Virginia Department of Environmental Protection Trust	748
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	721
Berkeley County Development Authority	536
Workers' Compensation Uninsured Employers' Fund	498
Workers' Compensation Self-Insured Employer Security Risk Pool	331
Total	\$ 141,306

### NOTE 8. SUBSEQUENT EVENTS

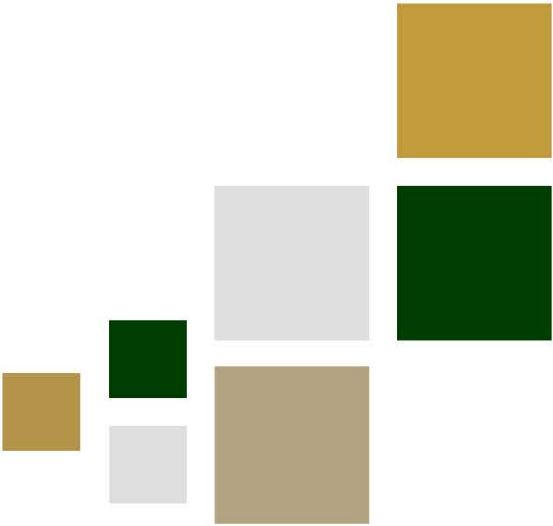
The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.



AUDITED FINANCIAL STATEMENTS  
June 30, 2016

E

INTERNATIONAL EQUITY POOL



# International Equity Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	E-1
Schedule of Investments	E-2
Statement of Operations	E-29
Statement of Changes in Net Assets	E-30
Notes to Financial Statements	E-31





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# International Equity Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$3,267,887), including securities on loan of \$343,560 (Note 5)	\$	3,024,934
Cash denominated in foreign currencies (cost \$16,370)		16,307
Receivables:		
Investments sold		24,960
Dividends		8,632
Reclaimable foreign taxes withheld		3,098
Securities lending income		240
Unrealized appreciation on foreign currency contracts (Note 6)		<u>68</u>
<b>Total assets</b>		<b>3,078,239</b>

### Liabilities

Accrued expenses		4,664
Accrued capital gains taxes		849
Payable for investments purchased		26,541
Payable upon return of securities loaned (Note 5)		189,568
Unrealized depreciation on foreign currency contracts (Note 6)		63
Other		<u>8</u>
<b>Total liabilities</b>		<b><u>221,693</u></b>
<b>Net assets</b>	<b>\$</b>	<b><u><u>2,856,546</u></u></b>

### Unit data

Units outstanding		121,667,357
Net asset value, unit price	\$	<u><u>23.48</u></u>

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
<b>Common Stock</b>			
<i>Argentina</i>			
Nortel Inversora SA - ADR - 0.1%	101,540	\$ 2,095	\$ 2,876
<i>Australia</i>			
APN Outdoor Group Ltd	35,406	156	182
Aristocrat Leisure Ltd	191,400	1,765	1,967
Arrium Ltd	5,091,200	7,292	83
ASG Group Ltd	274,530	170	186
Ausdrill Ltd	615,106	1,674	330
Australian Pharmaceutical Ind	546,962	480	684
Challenger Ltd	954,600	3,636	6,134
Cochlear Ltd	29,613	2,219	2,674
Collins Foods Ltd	56,903	195	180
CSR Ltd	754,133	2,032	2,044
Domino's Pizza Enterprises Ltd	51,700	1,568	2,623
Downer EDI Ltd	1,262,727	4,627	3,573
Evolution Mining Ltd	1,176,100	1,758	2,040
GBST Holdings Ltd	122,133	392	376
Genworth Mortgage Insurance	28,647	56	59
Hansen Technologies Ltd	54,422	118	137
Harvey Norman Holdings Ltd	1,422,700	4,242	4,884
IDP Education Ltd	111,787	346	343
Infomedia Ltd	189,268	196	82
LendLease Group	579,300	5,425	5,435
Macquarie Group Ltd	79,400	1,549	4,073
Metals X Ltd	50,066	41	52
Metcash Ltd	2,228,700	6,268	3,153
Mineral Resources Ltd	476,100	4,410	2,946
National Australia Bank Ltd	276,913	7,224	5,243
Orica Ltd	231,500	3,962	2,125
Orora Ltd	510,104	866	1,048
OZ Minerals	93,801	375	395
Pacific Brands Ltd	194,911	110	166
Pact Group Holdings Ltd	110,354	382	495
Perseus Mining Ltd	204,436	61	79
Premier Investment Ltd	67,000	865	711
Primary Health Care Ltd	951,300	4,381	2,798
Qantas Airways Ltd	1,964,863	5,414	4,126
Ramelius Resources Ltd	383,922	112	124
Regis Resources Ltd	183,264	316	467
Reject Shop Ltd	13,439	112	122
Resolute Mining Ltd	287,303	141	275
Sandfire Resources NL	16,659	78	65
Seven Group Holdings Ltd	374,000	2,637	1,674
SG Fleet Group Ltd	26,428	56	72
Sirtex Medical Ltd	7,923	217	151
SmartGroup Corp Ltd	23,413	56	100
SMS Management Technology Ltd	43,667	160	53
Southern Cross Media Group	2,069,100	3,378	1,918
Treasury Wine Estates	247,600	1,591	1,702
Vita Group Ltd	115,553	149	354
Vocus Communications Ltd	295,800	1,782	1,877
Watpac Ltd	59,913	54	37
Webjet Ltd	19,278	84	102
<i>Total Australia - 2.5%</i>		85,178	70,519
<i>Austria</i>			
CA Immobilien Anlagen AG	14,881	269	248
Erste Group Bank AG	494,136	14,683	11,149
Kapsch TrafficCom AG	2,703	89	101
OMV AG	238,000	9,096	6,667
Porr AG	8,315	257	225
S Immo AG	7,552	74	70
S&T AG	7,726	61	62

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Voestalpine AG	221,400	7,938	7,384
Wienerberger AG	5,320	89	74
<i>Total Austria - 0.9%</i>		<u>32,556</u>	<u>25,980</u>
<i>Belgium</i>			
Agfa Gevaert NV	19,867	56	64
Befimmo SCA	4,560	269	293
Bekaert NV	73,413	2,991	3,178
bpost SA	3,063	78	78
CFE	1,201	150	109
Delhaize Le Lion SA	109,900	6,613	11,541
D'Ieteren SA NV	6,982	311	301
Econocom GROUP SA	9,094	104	104
GIMV NV	5,198	256	294
Intervest Offices	2,352	59	67
Ion Beam Applications	22,600	896	1,063
Melexis NV	2,374	148	148
Mobistar SA	2,554	54	59
Retail Estates	626	53	55
Sioen Industries NV	6,131	90	128
Sofina SA	2,245	281	296
<i>Total Belgium - 0.6%</i>		<u>12,409</u>	<u>17,778</u>
<i>Bermuda</i>			
BW Offshore Ltd	667,330	208	14
China Yuchai International Ltd	188,252	3,169	2,037
Clear Media Ltd	46,000	37	40
Cosan Ltd	38,088	217	248
Credicorp Ltd	29,600	3,553	4,568
Emperor International Holdings	362,000	106	72
Fairwood Holdings Limited	16,500	56	64
First Pacific Company Ltd	14,872,314	8,902	10,774
Labixiaoxin Snacks Group Ltd	2,144,000	1,389	177
Le Saunda Holdings Ltd	264,000	118	56
NewOcean Energy Holdings Ltd	352,000	138	115
North Atlantic Drilling Ltd	14,505	95	98
Pacific Andes International	992,000	53	19
Petra Diamonds Limited	134,693	209	209
Playmates Holdings Ltd	147,000	183	192
Skyworth Digital Holdings Ltd	12,578,000	6,407	10,279
Soundwill Holdings Ltd	32,500	60	53
Valuetronics Holdings Ltd	252,700	94	97
Varitronix International Ltd	951,000	876	503
Vostok New Ventures Ltd	20,458	148	114
Yue Yuen Industrial Holdings	3,221,500	8,694	12,727
<i>Total Bermuda - 1.5%</i>		<u>34,712</u>	<u>42,456</u>
<i>Brazil</i>			
Ambev SA	905,300	3,955	5,383
Banco do Brasil SA	2,022,501	18,139	10,846
Cia de Ferro Ligas da Bahia	48,900	116	116
CIA Paranaense De Energia	336,280	3,688	2,103
CIA Saneamento de Minas Gerais	14,700	108	136
Companhia de Concessoes Rodov	774,000	3,482	4,059
Companhia Paranaense - ADR	755,350	9,389	6,783
Cosan SA Industrial e Comercio	364,700	2,787	3,792
Embraer SA - ADR	525,738	13,579	11,419
Estacio Participacoes SA	2,070,800	9,390	10,962
FII BTG Pactual Corp Office Fd	15,753	582	436
Itau Unibanco Holding SA - ADR	661,300	5,706	6,243
JBS SA	2,823,800	11,442	8,814
Kroton Educacional SA	2,266,600	5,567	9,622
Light SA	455,100	4,006	1,601
Lojas Renner SA	747,800	3,931	5,530
Marfrig Frigorificos e Comerci	6,467,785	17,016	11,346

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Mills Estruturas E Servicos	3,734,046	5,494	5,000
MRV Engenharia e Participacoes	1,366,400	4,323	4,610
Petroleo Brasileiro SA - ADR	1,682,985	18,317	10,787
Telefonica Brasil - ADR	495,689	6,250	6,741
Telefonica Brasil SA	76,700	630	1,053
Tim Participacoes SA - ADR	702,450	9,268	7,411
Totvs SA	1	-	-
Viver Incorporadora e Construc	30,474	4,813	16
<i>Total Brazil - 4.7%</i>		161,978	134,809
<i>Canada</i>			
Aecon Group Inc	46,100	522	624
AGF Management Limited	39,100	160	151
Agrium Inc	85,000	8,581	7,650
Air Canada	515,500	4,877	3,529
Alacer Gold Corporation	449,847	938	1,067
Americas Silver Corporation	232,000	65	65
Andrew Peller Ltd	2,900	61	62
Argonaut Gold Inc	95,600	84	280
Artis Real Estate Investment	18,900	195	196
BCE Inc	136,000	5,927	6,403
Birchcliff Energy Ltd	72,000	380	381
Bonavista Energy Corporation	115,500	282	293
Canadian Imperial Bank	103,400	6,667	7,726
Canadian Tire Corporation Ltd	98,200	7,774	10,643
Canfor Pulp Products Inc	34,536	385	275
Capstone Mining Corp	131,500	69	86
Cascades Inc	82,400	585	581
CCL Industries Inc	9,500	1,233	1,645
Celestica Inc	491,200	3,252	4,546
Centerra Gold Inc	253,500	1,354	1,503
Cipher Pharmaceuticals Inc	24,100	203	125
Cogeco Communications Inc	66,100	3,041	3,451
Cogeco Inc	2,503	102	108
Cott Corporation	173,000	1,931	2,415
Dollarama Inc	37,900	2,200	2,632
Dominion Diamond Corp	20,163	302	177
Dorel Industries Inc	3,600	100	95
Dream Industrial Real Estate	31,100	171	209
Dream Office Real Estate Inv	9,300	153	133
Enerflex Ltd	69,300	641	570
Enerplus Corp	26,200	139	172
Ensign Energy Services Inc	319,300	4,002	1,782
Entertainment One Ltd	543,059	2,899	1,252
Extencare Inc	37,800	251	237
FirstService Corporation	27,200	812	1,238
Genworth MI Canada Inc	124,300	3,581	3,172
Granite Oil Corp	10,400	58	64
Granite Real Estate Investment	1,272	33	38
Hardwoods Distribution Inc	4,800	62	58
High Arctic Energy Services	38,714	175	121
Industrial Alliance Life Ins	3,400	113	106
Intertape Polymer Group Inc	23,900	316	388
Just Energy Group Inc	16,800	115	101
Laurentian Bank of Canada	83,174	2,496	3,089
Linamar Corporation	8,400	302	298
Lucara Diamond Corporation	170,900	264	458
Macro Enterprises Inc	22,400	114	28
Magellan Aerospace Corp	10,700	86	148
Magna International Inc	181,900	5,191	6,352
Maple Leaf Foods Inc	96,900	2,195	2,059
Martinrea International Inc	16,300	182	100
Merus Labs International Inc	116,300	157	148
Metro Inc	19,500	305	676
Morguard Real Estate Inv Trust	5,300	56	60

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
National Bank of Canada	183,600	4,727	6,247
Nevsun Resources Ltd	27,900	96	81
Newmarket Gold Inc	48,300	139	141
North American Energy Partners	19,864	116	56
Northern Blizzard Resources In	22,400	56	82
Parex Resources Inc	267,400	1,890	2,576
Parkland Fuel Corporation	5,100	85	88
Premium Brands Holdings Corp	16,800	467	704
Pure Industrial Real Estate	76,500	300	303
Quebecor Inc	69,000	1,954	1,967
Reitmans (Canada) Ltd	4,400	24	15
Richmont Mines Inc	11,894	54	110
RMP Energy Inc	53,000	61	51
Rogers Communications Inc	88,000	3,393	3,544
Rogers Sugar Inc	56,419	216	257
Shaw Communications Inc	366,200	8,815	6,993
ShawCor Ltd	2,700	71	67
Stornoway Diamond Corp	163,500	127	120
Stuart Olson Inc	9,500	57	43
Teck Corporation	299,800	7,795	3,927
Teranga Gold Corporation	132,000	55	117
Theratechnologies Inc	28,500	63	59
Torstar Corporation	7,300	40	9
Total Energy Services Inc	9,300	103	93
Transcontinental Inc	239,200	3,637	3,225
Uni-Select Inc	72,600	1,466	1,831
Western Energy Services Corp	15,300	141	39
Westjet Airlines Ltd	349,100	1,360	5,666
Wi-Lan Inc	54,700	132	138
Yellow Pages Ltd/Canada	9,241	179	130
<i>Total Canada - 4.1%</i>		113,758	118,445
<i>Cayman Islands</i>			
Alibaba Group Holding Ltd - ADR	100,960	7,969	8,029
ArtGo Holdings Ltd	113,000	22	13
Aupu Group Holding Company Ltd	364,000	108	122
Baidu Inc - ADR	26,820	4,733	4,429
Belle International Holdings	8,539,000	7,225	4,997
Bosideng International Holding	64,496,200	13,487	5,487
Central China Real Estate Ltd	159,000	51	30
Cheung Kong Property Holdings	361,000	2,193	2,252
China Aoyuan Property Group	297,000	60	65
China Cord Blood Corp	82,481	379	474
China Fordoo Holdings Ltd	196,000	95	59
China King Highway Holdings	41,389	101	108
China Lodging Group Ltd - ADR	2,768	78	101
China Maple Leaf Educational	2,890,000	2,021	2,593
China Mengniu Dairy Co	1,324,000	2,811	2,301
China Resources Cement Holding	7,580,000	5,165	2,423
China Shanshui Cement Group	3,932,000	2,724	3,188
China Wood Optimization Ltd	252,000	72	98
Chow Tai Fook Jewellery Group	13,548,000	13,105	9,710
Chun Sing Engineering Holdings	90,000	18	25
CNQC International Holdings	167,500	63	67
Country Garden Holdings Co	12,114,000	4,747	5,090
Ctrip.com International - ADR	79,300	2,796	3,267
Easy One Financial Group Ltd	455,200	69	4
FIH Mobile Ltd	6,766,000	3,215	2,172
Geely Automobile Holdings Ltd	6,755,000	3,724	3,648
Hengan International Group	328,500	3,171	2,740
Huajin International Holdings	158,000	59	59
Huaxi Holdings Co Ltd	254,000	85	107
Ju Teng International Hldgs	158,000	89	63
Kingboard Laminates Holding	3,250,500	2,844	1,990
Kingdom Holding	260,000	60	42

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Lifestyle International Hldngs	8,322,500	14,444	13,946
Peak Sport Products Ltd	808,000	219	242
Pico Far East Holdings Ltd	404,000	99	114
Powerlong Real Estate Holdings	387,000	67	77
QinQin Foodstuffs Group	65,700	93	93
Real Nutriceutical Group	138,000	40	13
Sands China Ltd	692,400	2,643	2,316
Sky Light Holdings Ltd	326,000	100	37
Suchuang Gas Corporation Ltd	20,000	7	6
Sunny Optical Tech	470,000	1,348	1,645
Tencent Holdings Ltd	798,200	9,947	18,119
Top Spring International Hldgs	77,500	40	28
Universal Health International	7,162,000	2,894	411
WH Group Ltd	2,977,000	2,292	2,333
Yingde Gases	15,521,000	11,424	5,642
Yongsheng Advanced Materials	75,000	19	14
<i>Total Cayman Islands - 3.9%</i>		129,015	110,789
<i>Chile</i>			
Embotelladora Andina SA - ADR	5,529	124	117
Empresa Nacional de Telecomuni	469,908	4,072	4,256
Enersis Chile SA	66,740,183	7,028	7,820
Sociedad Quimica Minera Chile - ADR	411,961	7,342	10,184
<i>Total Chile - 0.8%</i>		18,566	22,377
<i>China</i>			
Air China Ltd	3,365,000	2,807	2,299
Bank of China Ltd	17,159,000	5,669	6,834
Baoye Group Company Ltd	72,000	61	48
China Bluechemical Ltd	5,766,000	3,338	1,011
China Construction Bank Corp	13,071,000	9,883	8,626
China Minsheng Banking Corp	3,942,599	4,111	3,801
China Pet & Chem Cor (Sinopec)	12,868,000	9,175	9,289
China Railway Construction Ltd	5,528,000	5,620	6,890
Chongqing Machinery & Electric	7,926,000	1,644	828
Dongfeng Motor Group Company	15,312,000	21,001	15,948
Great Wall Motor Company Ltd	4,573,500	3,984	3,785
Harbin Power Equipment Company	224,000	105	82
PICC Property & Casualty Co	2,758,000	6,046	4,309
Ping An Insurance Co	893,000	4,629	3,931
Shanghai Pharmaceuticals	2,528,500	5,184	5,567
Sinopharm Medicine Holding Co	982,000	3,773	4,677
Weiqiao Textile Company Ltd	3,867,708	4,944	2,926
Zhuzhou CRRC Times Electric Co	497,500	2,927	2,732
<i>Total China - 2.9%</i>		94,901	83,583
<i>Colombia</i>			
Bancolombia SA - ADR	41,600	1,560	1,453
Grupo Aval Acciones y Valores - ADR	994,900	10,987	8,009
<i>Total Colombia - 0.3%</i>		12,547	9,462
<i>Cyprus</i>			
Globaltrans Investment PLC - GDR - 0.2%	1,371,900	10,052	5,378
<i>Czech Republic</i>			
CEZ	162,300	5,652	2,759
Telefonica 02 Czech Republic	659,500	6,763	5,871
<i>Total Czech Republic - 0.3%</i>		12,415	8,630
<i>Denmark</i>			
Alk-Abello A/S	2,479	412	433
Chemometec A/S	8,475	56	43
Danske Bank A/S	211,300	5,929	5,534
DFDS A/S	70,635	2,660	3,091
Genmab A/S	17,853	1,471	3,226

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
H Lundbeck A/S	79,000	2,721	2,947
H+H International A/S	4,575	49	46
NKT Holdings A/S	32,443	1,960	1,634
PER Aarsleff A/S	9,491	223	206
Ringkjoebing Landbobank Akties	253	57	52
Rockwool Intl A/S	3,297	593	595
Royal Unibrew A/S	32,599	1,208	1,451
Schouw & Co A/S	2,691	114	149
SimCorp A/S	29,500	1,554	1,443
Solar A/S	1,132	60	52
TDC A/S	100,200	753	488
<i>Total Denmark - 0.7%</i>		19,820	21,390
<i>Egypt</i>			
Commercial International Bank - 0.1%	363,635	1,783	1,631
<i>Finland</i>			
Atria Oyj	6,308	68	63
Cargotec Corporation	111,474	4,450	4,510
Cramo Oyj	10,959	218	225
Finnair Oyj	34,123	173	158
F-Secure Oyj	19,175	58	57
HKScan Oyj	57,843	338	199
Huhtamaki	57,200	1,669	2,363
Lassila & Tikanoja Oyj	16,768	326	310
Neste Oil Oyj	210,200	4,146	7,503
Oriola-Kd Oyj	14,643	70	66
Outokumpu Technology	234,200	1,030	1,052
Suominen Oyj	8,366	42	37
TietoEnator Oyj	146,000	3,618	3,980
UPM-Kymmene Oyj	356,100	6,163	6,488
Valmet Corporation	68,600	928	911
<i>Total Finland - 1.0%</i>		23,297	27,922
<i>France</i>			
Altran Technologies SA	9,353	125	124
Atos Origin	69,600	5,492	5,763
Aubay	5,260	116	120
Axa	428,700	10,894	8,480
BNP Paribas	156,900	10,162	6,930
Bonduelle SA	5,883	156	142
Cegedim SA	2,135	78	65
Collectis SA	32,200	1,236	867
Chargeurs	58,361	434	646
Coface SA	53,820	631	365
Compagnie des Alpes	8,169	146	169
Credit Agricole SA	620,500	5,407	5,211
Criteo SA - ADR	3,132	143	144
Derichebourg SA	30,479	116	78
Devoteam SA	1,348	49	64
Electricite de France (EDF)	470,800	14,672	5,738
Esso SAF	1,647	119	73
EuropaCorp	6,245	37	26
Exel Industries SA	687	55	60
Flamel Technologies SA - ADR	39,686	420	426
Groupe Crit	5,487	259	366
Groupe FNAC SA	11,799	594	637
Guerbet	6,682	328	408
Innate Pharma SA	8,051	94	93
Ipsos	28,612	852	812
Ispen SA	21,638	1,023	1,332
Le Belier	4,797	110	212
Lectra	16,080	167	247
MGI Coutier	23,350	331	532
Neopost SA	58,500	4,576	1,350

See accompanying notes to financial statements.



# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Nexity	45,600	2,187	2,315
Paris Orleans SA	8,493	198	203
Plastivaloire	530	42	54
Renault SA	61,800	5,163	4,699
Sanofi-Synthelabo SA	291,000	24,776	24,221
SCOR SE	152,600	3,648	4,548
SEB SA	19,000	1,879	2,299
Societe Generale	183,300	9,489	5,745
Sopra Group	11,300	1,479	1,168
STEF-TFE	3,729	241	264
Synergie SA	4,015	75	115
Technicolor	37,513	258	234
Teleperformance	27,000	1,749	2,309
Thales SA	41,500	2,822	3,458
Total SA	390,500	21,175	18,819
Trigano SA	9,468	223	547
Ubisoft Entertainment SA	20,329	544	745
Valeo SA	74,700	1,031	3,330
Vetoquinol SA	402	21	16
<i>Total France - 4.1%</i>		135,822	116,569
<i>Germany</i>			
ADVA AG Optical Networking	24,972	204	213
Allianz AG	67,400	9,038	9,569
Aurelius AG	41,444	2,004	2,427
BASF AG	81,800	5,492	6,238
Bauer AG	2,865	58	39
Bayer AG	122,800	13,835	12,278
Bechtle AG	7,943	597	833
Bet-At-Home.com AG	1,208	44	92
Carl Zeiss Meditec AG	2,870	110	116
Cenit AG	2,678	40	57
Centrotec Sustainable AG	9,470	219	139
Daimler AG	209,600	17,902	12,462
Deutsche Bank AG	378,700	17,765	5,185
Deutsche Beteiligungs AG	18,164	604	531
Deutsche Euroshop AG	41,651	2,084	1,902
Deutsche Wohnen AG-BR	93,000	2,592	3,154
Dialog Semiconductor PLC	23,689	1,127	706
DIC Asset AG	5,979	51	57
Duerr AG	1,676	126	127
E.On AG	252,600	7,276	2,533
ELMOS Semiconductor AG	15,908	247	196
Evotec AG	54,948	219	232
Francotyp-Postalia Holding AG	6,815	41	29
Gerresheimer AG	19,030	1,246	1,459
GFT Technologies AG	7,372	190	146
Grammer AG	2,211	89	89
H&R AG	11,110	113	151
Hochtief AG	24,800	2,674	3,188
Homag Group AG	1,793	56	72
Hornbach Baumarkt Aktiengesell	6,636	262	179
Hypoport AG	6,028	394	573
K+S AG	177,400	3,756	3,615
KION Group AG	10,109	556	488
Kloeckner & Company AG	100,688	1,135	1,110
Koenig & Bauer AG	20,269	494	1,029
Kontron AG	8,993	56	28
Krones AG	13,268	1,329	1,397
Leifheit AG	2,023	117	123
Leoni AG	10,644	292	291
Merck KGaA	59,500	5,152	6,019
Metro AG	224,500	6,608	6,851
Muenchener Rueckversicherungs	45,600	7,822	7,612
Nordex SE	20,760	316	586

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Norma Group SE	2,052	98	97
Pfeiffer Vacuum Technology AG	3,185	305	298
Publity AG	1,177	53	39
Rheinmetall AG	9,497	599	561
Rhoen-Klinikum AG	60,543	1,765	1,771
Salzgitter AG	3,681	119	97
Sartorius AG	1,268	93	93
SHW AG	3,403	103	101
Siemens AG	126,200	12,710	12,872
Sixt SE	11,500	522	587
Software AG	89,392	2,543	3,033
Stada Arzneimittel AG	157,955	7,727	8,149
Stratec Biomedical AG	2,631	135	152
Suedzucker AG	4,871	106	107
Surteco SE	2,265	90	52
Talanx AG	171,300	5,912	5,068
TLG Immobilien AG	49,582	813	1,040
TUI AG	77,902	1,289	880
Verbio Vereinigte BioEnergie	48,347	277	285
VIB Vermoegen AG	5,600	104	121
Volkswagen AG	55,300	7,067	7,397
Washtec AG	4,732	118	165
Wuestenrot & Wuerttembergische	2,854	54	52
Xing AG	1,164	199	221
<i>Total Germany - 4.8%</i>		157,133	137,359
<i>Greece</i>			
Alapis Holding Ind & Commer	46,477	1,132	2
Hellenic Telecommunication Org	684,559	6,157	6,137
<i>Total Greece - 0.2%</i>		7,289	6,139
<i>Hong Kong</i>			
AIA Group Ltd	1,306,200	6,284	7,804
Beijing Enterprises Holdings	607,000	3,697	3,427
China Everbright Ltd	1,836,000	4,573	3,526
China Merchants Holdings Intl	600,000	2,157	1,593
China Mobile (Hong Kong) Ltd	2,031,000	23,241	23,208
China National Materials Co	275,000	59	59
China Overseas Land & Invstmnt	1,778,000	5,777	5,615
China Resources Power	2,110,000	5,759	3,144
Dah Chong Hong Holdings Ltd	138,000	63	65
Fountain Set (Holdings) Ltd	1,118,000	187	130
Fushan Intl Energy Group Ltd	5,912,000	1,964	1,052
Guangnan Holdings Ltd	290,000	66	32
Hong Kong Ferry Company	27,000	35	30
Lai Sun Development	7,346,000	192	113
Lippo Limited	104,000	56	60
Liu Chong Hing Investment Ltd	38,000	64	45
Luk Fook Holdings	4,430,000	12,743	9,765
PCCW Ltd	7,129,000	4,580	4,778
S&C Engine Group Ltd	244,939	356	364
Sinotruk Hong Kong Ltd	60,000	39	26
Sun Hung Kai & Company	100,000	59	58
Truly International Holdings	246,000	54	118
<i>Total Hong Kong - 2.3%</i>		72,005	65,012
<i>Hungary</i>			
Magyar Telekom	1,833,240	7,371	2,877
OTP Bank Nyrt	130,380	2,654	2,914
Richter Gedeon Nyrt	160,918	2,393	3,200
<i>Total Hungary - 0.3%</i>		12,418	8,991
<i>India</i>			
Apollo Tyres Ltd	1,774,900	4,415	3,984
Bharti Infratel Ltd	608,008	3,948	3,108

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
HDFC Bank Ltd	301,073	4,978	6,088
HDFC Bank Ltd - ADR	17,370	670	1,152
ICICI Bank Ltd	818,145	3,057	2,916
ICICI Bank Ltd - ADR	356,900	2,818	2,563
Indiabulls Housing Finance Ltd	551,500	2,010	5,483
ITC Ltd	324,930	1,733	1,774
Jubilant Life Sciences Ltd	583,900	3,405	2,716
Maruti Suzuki India Ltd	72,144	2,373	4,476
McLeod Russel India Ltd	15,692	95	45
PC Jeweller Ltd	56,352	308	322
Reliance Infrastructure Ltd	2,004,029	16,508	16,204
Rural Electrification Corp	1,522,000	5,776	3,911
Tata Motors Ltd - ADR	182,100	4,852	6,313
Ultra Tech Cement Ltd	81,922	3,124	4,140
United Phosphorus Ltd	466,279	4,092	3,800
Zee Entertainment Enterprises	766,822	3,697	5,186
<i>Total India - 2.6%</i>		67,859	74,181
<i>Indonesia</i>			
Bank Rakyat Indonesia	6,331,700	4,706	5,176
Energi Mega Persada Tbk	18,920,300	147	72
Indofood Sukses Mak Tbk	4,579,000	2,553	2,513
Jakarta Int'l Hotels & Dev	6,806	1	-
Matahari Department Store Tbk	2,654,800	3,414	4,019
PT Bank Pembangunan Daerah Jaw	3,510,100	241	299
PT Japfa Comfeed Indonesia TBK	1,894,300	120	160
PT Lautan Luas Tbk	405,900	30	11
PT Telekomunikasi Indonesia	10,999,700	3,140	3,313
PT XL Axiata Tbk	45,366,162	14,039	12,601
<i>Total Indonesia - 1.0%</i>		28,391	28,164
<i>Ireland</i>			
ICON PLC	7,563	307	529
Paddy Power Betfair PLC	13,773	1,279	1,454
Smurfit Kappa Group PLC	182,700	4,062	4,019
UDG Healthcare PLC	11,311	90	89
<i>Total Ireland - 0.2%</i>		5,738	6,091
<i>Israel</i>			
Bayside Land Corporation Ltd	221	75	75
Big Shopping Centers Ltd	3,980	225	232
Ceragon Networks Ltd	17,784	30	29
CyberArk Software Ltd	3,905	187	190
Delek Automotive Systems Ltd	13,886	152	116
El Al Israel Airlines	320,164	168	213
Enzymotec Ltd	5,466	52	46
Formula Systems Ltd	1,102	37	36
Hilan Ltd	10,634	143	143
Inrom Construction Industries	26,620	66	81
Internet Gold Golden Lines	537	6	7
Israel Discount Bank	3,903,007	7,322	6,719
Joel Jerusalem Oil Exploration	1,446	58	56
Melisron Ltd	3,234	131	130
Orbotech Ltd	217,357	4,700	5,553
Plus500 Ltd	94,031	897	821
Teva Pharmaceutical Ltd	171,700	6,922	8,627
Wix.com Ltd	1,250	38	38
<i>Total Israel - 0.8%</i>		21,209	23,112
<i>Italy</i>			
Amplifon SpA	42,549	254	398
Ascopiave SpA	271,001	694	813
Autostrada Torino-Midland SpA	5,468	92	59
Banca Ifis SpA	39,266	844	792
Banca Mediolanum SPA	21,623	145	147

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Biesse SpA	49,851	627	625
Brembo SpA	68,319	2,943	3,750
Buzzi Unicem SpA	18,285	309	318
Cerved Information Solutions	9,506	76	75
CIR SpA	68,112	97	73
Cofide-Compagnia Finanziaria	96,920	76	37
Danieli SpA	9,216	126	128
Datalogic SPA	3,351	59	54
DiaSorin	8,439	419	516
Digital Brothers SpA	38,118	447	281
El En SpA	12,388	103	188
Elica SpA	45,886	117	92
Emak SpA	67,425	84	53
Enel SpA	1,920,200	9,210	8,490
Engineering Ingegneria Info	4,611	278	337
ERG SpA	47,453	644	540
Esprinet SpA	63,960	680	366
FNM SpA	50,605	32	25
Immobiliare Grande Disbribuzio	142,952	122	117
Iren SpA	38,018	57	59
Italmobiliare SpA	10,585	386	358
La Doria SpA	41,219	268	517
Mediobanca SpA	651,100	6,400	3,729
Prysmian SpA	60,252	1,271	1,315
Recordati SpA	31,593	590	948
Reno de Medici SpA	434,168	180	143
Reply SpA	802	53	102
SAES Getters Spa	5,531	74	69
Saras SpA	538,003	1,072	932
Servizi Italia SpA	4,188	24	17
Sesa SpA	6,842	119	107
Sogefi SpA	107,316	463	157
Vittoria Assicurazioni SpA	8,735	125	84
<i>Total Italy - 0.9%</i>		29,560	26,811
<i>Japan</i>			
Adastria Holdings Co	101,500	2,412	3,997
Aderans Company Ltd	22,600	218	111
Ahresty Corporation	84,300	680	571
Aichi Bank Ltd	5,700	311	240
Airport Facilities Co Ltd	7,500	64	36
Akita Bank Ltd	19,000	60	54
Amiyai Tei Co Ltd	6,300	239	268
Amuse Inc	66,000	1,039	1,217
Anabuki Kosan Inc	51,000	162	120
Arakawa Chemical Industries	22,700	208	208
Arata Corporation	3,700	81	80
ARC Land Sakamoto Co Ltd	40,600	390	448
Arealink Co Ltd	28,650	335	366
Asahi Broadcasting Corp	10,700	82	65
Asahi Intecc Co Ltd	44,100	1,914	2,139
Asahi Kasei Corp	642,000	3,825	4,431
Asahi Net Inc	53,200	246	233
Asanuma Corporation	84,000	174	172
Aska Pharmaceutical Company	80,400	709	1,342
Astellas Pharma Inc	415,700	6,103	6,483
Bando Chemical Industries Ltd	47,000	188	226
BML Inc	7,900	287	361
Brother Industries Ltd	266,300	3,655	2,824
Bunka Shutter Co Ltd	59,000	395	470
Canon Marketing Japan Inc	3,000	53	54
Central Glass Company Ltd	172,000	685	736
Central Sports Co Ltd	7,000	125	162
Century Leasing System Inc	158,600	2,018	5,078
Chiba Kogyo Bank Ltd	19,400	143	70

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Chimney Co Ltd	21,600	322	574
Chiyoda Integre Company	47,000	1,063	865
Chubu Shiryō Company	6,700	56	47
Chugoku Marine Paints Ltd	12,000	81	73
CKD Corporation	352,700	3,184	2,603
Cleanup Corp	5,000	42	37
Coca-Cola West Company	2,000	40	56
Computer Engineering & Consult	9,921	93	132
Corona Corporation	13,600	148	134
CTI Engineering Company Ltd	43,100	523	346
DA Consortium Inc	22,400	144	250
Dai Nippon Toryo Co Ltd	190,000	314	350
Daifuku Co Ltd	111,700	1,846	1,979
Daiichi Jitsugyo Company Ltd	31,000	148	133
Daiichi Kigenso Kagaku-Kyogyo	2,900	80	77
Daiken Corporation	37,000	115	117
Daikyo Inc	461,000	739	665
Daito Bank Ltd	230,000	244	386
Daito Pharmaceutical Co Ltd	31,460	464	859
Daiwa Industries Ltd	19,900	173	170
Daiwabo Company Ltd	656,000	1,243	1,388
Data Communication System Co	16,100	323	298
DCM Japan Holdings Co Ltd	69,100	503	589
Doutor Nichires Holdings Co	82,300	1,417	1,433
DyDo Drinco Inc	6,700	281	359
Eco's Co Ltd	9,700	105	117
Edion Corporation	51,300	397	422
Eighteenth Bank Ltd	28,000	85	68
Eizo Nannao Corporation	51,700	1,645	1,374
Falco Holdings Co Ltd	10,600	145	139
Ferrotec Corporation	56,600	417	794
Fidea Holdings Co Ltd	173,900	333	227
Foster Electric Company Ltd	27,800	535	433
Fuji Kiko Co Ltd	11,000	47	35
Fuji Oil Company Ltd	316,900	4,653	5,869
Fuji Pharmaceutical Co Ltd	3,900	75	86
Fuji Soft ABC Incorporated	6,300	147	148
Fujikura Kasei Company Ltd	35,700	191	191
Fujikura Ltd	1,390,000	7,274	6,341
Fujishoji Company Ltd	4,500	56	46
Fujitsu Frontech Ltd	29,500	312	274
Fujitsu General Ltd	3,000	45	66
Fukoku Company Ltd	25,100	241	176
Fukuda Corporation	43,000	322	436
Fukuda Denshi Company Ltd	1,000	56	58
Fukui Computer Holdings Inc	5,400	43	111
Funai Electric Company Ltd	20,900	236	183
Furusato Industries Ltd	17,600	234	212
FuRyu Corporation	2,400	59	62
Fuso Pharmaceutical Industries	95,000	294	254
Futaba Industrial Company	60,500	303	283
Future Architect Inc	45,800	306	333
G-7 Holdings Inc	13,800	196	160
Gakken Company Ltd	25,000	57	61
Gakkyusha Co Ltd	5,000	56	56
GEO Corporation	274,800	3,349	3,680
GMO Cloud KK	5,000	57	51
Gourmet Navigator Inc	7,700	189	222
Grandy House Corporation	17,600	58	54
Gunma Bank Ltd	665,800	3,005	2,401
Hagihara Industries Inc	5,200	86	128
Hakuto Co Ltd	16,000	174	133
Handsman Co Ltd	2,400	57	58
Happinet Corporation	34,200	360	285
Hard Off Corporation Co Ltd	24,300	239	294

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Hazama Ando Corp	292,700	1,156	1,615
Heiwa Corporation	284,300	5,080	5,734
Heiwa Real Estate Co Ltd	5,500	64	69
Hiday Hidaka Corp	3,600	95	87
Hioki E. E. Corporation	4,900	107	92
Hirata Corporation	8,900	357	576
Hitachi Zosen Fukui Corp	3,440	45	40
Hodogaya Chemical Company Ltd	20,000	36	53
Hokko Chemical Industry Co Ltd	14,000	58	38
Hokuriku Electrical Construct	23,500	238	162
Ichigo Real Estate Investment	301	230	235
Ichiken Co Ltd	44,000	149	112
Ichinen Holdings Co Ltd	18,300	172	164
Iida Group Holdings Co Ltd	105,000	2,076	2,132
Inaba Seisakusho Co Ltd	38,200	472	498
I-Net Corp	12,200	117	124
Infocom Corporation	30,700	314	470
Information Ser Interntl Dent	16,500	318	256
Intage Holdings Inc	400	6	6
Ishihara Sangyo Kaisha Ltd	45,000	45	26
Isuzu Motors Ltd	641,900	8,168	7,812
IT Holdings Corporation	64,400	1,117	1,472
ITC Networks Corporation	4,400	56	55
ITFOR Inc	12,600	53	60
Itochu Corp	363,400	2,569	4,391
Itochu Enex Company Ltd	20,500	138	180
Itoki Corp	118,100	719	649
Iwai Cosmo Holdings Inc	73,300	846	603
Iwasaki Electric Company Ltd	404,000	888	532
JAC Recruitment Co Ltd	62,100	970	1,040
JAFCO Company	33,300	1,248	817
Japan Airlines Co Ltd	164,100	5,517	5,266
Japan Foundation Engineering	14,800	69	49
Japan Lifeline Co Ltd	55,100	1,212	2,218
Japan Logistics Fund Inc	72	155	168
Japan Securities Finance Co	15,800	61	59
JEOL Ltd	22,000	110	84
Jimoto Holdings Inc	65,400	114	90
JK Holdings Co Ltd	7,400	40	33
J-Oil Mills Inc	142,000	454	469
Joshin Denki Co Ltd	14,000	111	117
Kaga Electronics Company	57,400	683	647
Kajima Corp	256,000	1,511	1,767
Kanematsu Corporation	252,000	402	395
Kanematsu Electronics Ltd	6,600	117	116
Kappa Create Co Ltd	23,700	238	296
Kasai Kogyo Co Ltd	55,800	534	501
Kato Deka Kogyo Co Ltd	11,000	64	107
KDDI Corporation	213,400	1,899	6,475
Keihanshin Real Estate Company	87,100	495	431
Keihin Corporation	334,000	3,821	5,089
Kenko Mayonnaise Co Ltd	7,400	148	206
Kinki Nippon Tourist Co Ltd	428,000	770	592
Kirindo Holdings Co Ltd	32,000	362	284
KI-Star Real Estate Co Ltd	7,900	204	184
Kitagawa Iron Works Co Ltd	201,000	495	327
Kita-Nippon Bank Ltd	3,400	87	83
Kitano Construction Corp	54,000	133	133
Kohnan Shoji Co Ltd	18,200	192	336
Koito Manufacturing Company	46,100	2,108	2,101
Komatsu Wall Industry Co Ltd	7,300	171	107
Komeri Co Ltd	2,200	56	57
Konishi Company Ltd	20,200	199	259
Kosaido Co Ltd	22,700	121	67
Krosaki Harima Corporation	73,000	153	169

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
KRS Corporation	22,700	369	584
Kura Corporation	35,500	998	2,083
Kurabo Industries Ltd	28,000	60	49
Kusuri No Aoki Co Ltd	27,600	1,381	1,789
KYB Co Ltd	1,012,000	3,996	3,245
Kyodo Printing Co Ltd	68,000	195	208
Kyorin Co Ltd	9,900	189	193
Kyoritsu Printing Co Ltd	51,900	131	148
Kyowa Exeo Corporation	239,500	2,146	2,974
Kyowa Leather Cloth Co Ltd	45,200	252	353
Kyudenko Corporation	125,600	2,803	3,710
Leopalace21 Corporation	381,100	2,172	2,656
Lion Corporation	192,000	2,853	3,154
Maezawa Kasei Industries Co	4,000	43	39
Marubeni Corporation	873,700	4,774	3,913
Marubun Corporation	39,500	231	224
Marudai Food Company Ltd	27,000	104	128
Maruka Machinery Co Ltd	6,600	103	72
Matsui Construction Co Ltd	32,000	187	337
Matsumotokiyoshi Holdings Co	89,300	1,906	4,339
Matsuya Foods Company Ltd	9,300	177	246
MAX Company Ltd	6,000	70	68
Megmilk Snow Brand Co Ltd	80,400	1,759	2,802
Meiji Electric Industries Co	11,600	116	111
Meisei Industrial Co Ltd	87,100	380	374
Meiwa Estate Company Ltd	18,100	85	98
Melco Holdings Inc	2,900	60	59
Menicon Co Ltd	15,000	483	428
Mie Bank Ltd	25,000	57	43
Mikuni Corporation	20,000	74	57
Miraca Holdings Inc	74,800	2,164	3,223
Miroku Jyoho Service Co Ltd	84,200	525	1,193
Misumi Group Inc	123,100	1,751	2,199
Mitani Corporation	3,800	80	103
Mito Securities Company Ltd	95,700	382	215
Mitsubishi Gas Chemical Co	1,384,200	7,429	7,165
Mitsubishi Research Institute	5,700	180	174
Mitsubishi Tokyo Finl Grp Inc	1,324,600	6,530	5,886
Mitsuboshi Belting Co Ltd	37,000	244	287
Mitsui High - Tec Inc	60,200	437	367
Mitsui Home Company Ltd	7,000	34	30
Mitsui Matsushima Co Ltd	56,000	55	56
Mitsuuroko Company Ltd	7,600	39	37
Mixi Inc	13,200	431	540
Mizuho Financial Grp Inc	4,906,800	10,435	7,093
Mochida Pharmaceutical Company	17,400	1,197	1,399
Money Square Holdings Inc	11,600	154	96
Monogatari Corporation	10,000	419	508
Mori Trust Sogo Reit Inc	36	62	68
Morinaga Milk Industry Company	114,000	343	791
MTI Ltd	118,100	574	752
Namura Shipbuilding Company	9,100	54	50
NEC Networks & System Int	10,800	243	191
Net One Systems Co Ltd	54,500	314	313
New Japan Radio Co Ltd	112,000	592	402
Nexon Co Ltd	104,100	1,593	1,529
Nichi Iko Pharmaceutical Co	23,800	487	481
Nichias Corp	8,000	61	61
Nichiban Company Ltd	52,000	259	390
Nichiha Corp	64,000	764	1,004
Nichirei Corporation	187,000	1,610	1,712
Nichireki Co Ltd	32,000	299	198
Nichirin Co Ltd	24,400	306	300
Nihon Eslead Corp	13,000	130	127
Nihon Tokushu Toryo Co Ltd	5,400	32	55

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Nihon Trim Co Ltd	13,300	891	918
Nihon Unisys Ltd	5,100	41	63
Nihon Yamamura Glass Co Ltd	188,000	285	279
Nipon Piston Ring Co Ltd	15,700	312	210
Nippon Chemical Industrial Co	181,000	318	346
Nippon Chemiphar Co Ltd	19,000	97	85
Nippon Flour Mills Company Ltd	99,000	476	770
Nippon Pillar Packing Co Ltd	26,700	221	239
Nippon Road Company Ltd	40,000	207	153
Nippon Seisen Co Ltd	50,000	249	197
Nippon Signal Co Ltd	29,000	274	225
Nippon Systemware Co Ltd	23,300	203	237
Nippon Telegraph & Telephone	447,100	10,467	20,919
Nippon Television Network	272,000	4,496	4,454
Nishimatsuya Chain Co Ltd	49,800	470	703
Nissan Motor Co Ltd	1,051,700	9,653	9,410
Nissan Tokyo Sales Holdings	39,200	173	82
Nisshinbo Industries Inc	639,900	7,132	5,757
Nittan Valve Co Ltd	15,400	58	47
Nittetsu Mining Company	30,000	141	96
Nitto Kogyo Corporation	42,800	858	527
Nitto Kohki Co Ltd	6,200	114	131
Nittoc Construction Co Ltd	27,600	116	105
Noritz Corporation	6,300	106	112
North Pacific Bank Ltd	705,600	3,211	1,905
Novarese Inc	13,300	128	108
NTT DoCoMo	197,600	3,026	5,329
NuFlare Technology Inc	2,700	127	128
Obayashi Corporation	143,700	1,387	1,520
Obayashi Road Corporation	16,700	110	104
Odelic Co Ltd	1,600	52	55
Oenon Holdings	22,000	41	43
Ohashi Technica Inc	23,800	241	282
Oita Bank Ltd	153,000	599	438
Okamura Corp	21,600	218	214
Open House Co Ltd	119,400	2,306	3,226
Origin Electric Co Ltd	113,000	431	285
Osaka Organic Chemical Ind	10,000	59	52
Osaki Electric Company	17,000	115	131
Paltac Corp	73,100	1,102	1,476
PanaHome Corporation	7,000	56	55
Paramount Bed Holdings Co Ltd	4,200	171	212
Pepper Food Service Co Ltd	4,900	57	55
Proto Corporation	2,900	42	34
Raito Kogyo Co Ltd	5,300	47	55
Renaissance Inc	10,500	113	118
Resona Holdings Inc	2,641,100	13,848	9,577
Rheon Automatic Machinery	18,000	98	95
Ricoh Company Ltd	533,600	5,415	4,598
Right On Co Ltd	26,500	370	345
Rock Field Co Ltd	7,000	75	103
Round One Corp	55,500	339	445
Royal Holdings Company Ltd	16,000	292	284
Saint Marc Holdings Co Ltd	10,800	308	326
Saizeriya Company Ltd	22,700	384	404
Sakai Ovex Co Ltd	54,000	94	75
San-Ai Oil Co Ltd	40,000	240	226
Sanbio Co Ltd	24,000	406	402
Sanko Metal Industries Co	33,000	94	92
Sankyo Tateyama Inc	47,000	855	660
Sanoh Industrial Company Ltd	24,800	173	132
Sansha Electric Manufacturing	8,800	68	41
Sanyo Chemical Industries Ltd	9,000	70	69
Sanyo Shokai Ltd	225,000	561	421
Scroll Corporation	48,400	175	177

See accompanying notes to financial statements.



# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Seika Corporation	114,000	294	269
Seikitokyu Kogyo Co Ltd	40,000	193	188
Seiko Epson Corporation	283,600	5,045	4,514
Seino Holdings Corporation Ltd	330,000	1,730	3,008
Sekisui Plastics Co Ltd	39,000	129	121
Senshu Electric Co Ltd	1,800	22	28
Shikoku Bank Ltd	27,000	56	53
Shimamura Co Ltd	18,700	2,219	2,767
Shinagawa Refractories Company	35,000	77	65
Shin-Etsu Polymer Company Ltd	88,300	445	514
Shinnihon Corporation	68,300	309	445
Shinoken	36,600	969	978
Shinsho Corporation	17,000	38	27
Shizuoka Gas Company Ltd	44,500	274	312
Showa Sangyo Co Ltd	59,000	212	250
SIA Reit Inc	18	66	75
Sinanen Company Ltd	18,000	70	69
Sinko Industires Ltd	10,000	118	111
Sintokogio Ltd	6,600	58	49
SK-Electronics Co Ltd	3,800	64	32
SKY Perfect JSAT Corp	745,300	3,975	3,422
Softbank Technology Corp	13,600	211	259
Sourcenext Corporation	48,800	210	216
SRA Holdings Inc	23,800	377	456
Star Flyer Inc	2,400	101	71
Starts Corporation Inc	4,100	86	81
Stella Chemifa Corp	36,900	972	1,257
Studio Alice Co Ltd	16,500	334	387
Suminoe Textile Co Ltd	75,000	208	140
Sumitomo Corporation	501,600	6,753	5,009
Sumitomo Mitsui Financial Grp	236,600	7,417	6,748
Sumitomo Rubber Industries Ltd	437,200	6,421	5,809
Suncall Corporation	12,000	77	52
Systema Corp	89,900	802	1,217
Takaoka Toko Holdings Co Ltd	7,600	122	123
Takara Printing Co Ltd	20,000	253	250
Takashima & Co Ltd	13,000	29	20
Takiron Co Ltd	47,000	239	209
Takisawa Machine Tool Co Ltd	78,000	153	93
Takuma Co Ltd	120,000	933	1,060
Tayca Corporation	86,000	357	409
Teikoku Sen I Co Ltd	4,600	53	58
Tenma Corporation	6,800	90	101
Tera Probe Inc	19,100	218	130
T-Gaia Corporation	44,000	551	616
The Bank of Kochi Ltd	38,000	56	37
The Nagano Bank Ltd	96,000	173	179
TKC Corporation	11,100	282	290
Toa Road Corp	20,000	81	52
Toagosei Company Ltd	301,000	2,621	2,752
Tocalo Co Ltd	3,400	74	55
Tochigi Bank Ltd	119,000	533	408
TOENEC Corporation	45,000	301	228
Togami Electric Manufacturing	18,000	82	66
Toho Bank Ltd	26,000	98	80
Toho Pharmaceutical Co Ltd	186,700	4,325	4,479
Tokai Holdings Corp	145,200	600	924
Tokai Rika Company Ltd	232,100	4,574	3,389
Token Corporation	7,100	418	556
Tokyo Rakutechi Company Ltd	7,000	29	32
Tokyo Sangyo Company Ltd	8,800	32	29
Tokyo Seimitsue Company Ltd	157,200	2,978	3,627
Tokyo Steel Manufacturing	17,900	108	97
Tokyo Tekko Company Ltd	14,000	62	50
Tokyu Conctruction Co Ltd	27,800	234	252

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
TOLI Corporation	22,000	60	62
Tomoku Co Ltd	26,000	83	72
Tonami Transportation Company	40,000	148	102
Top REIT Inc	31	116	126
Toppan Forms Co Ltd	8,000	74	82
Toridoll.corporation	5,500	112	147
Torii Pharmaceutical Co Ltd	12,900	294	299
Toukei Computer Co Ltd	7,000	108	122
Towa Bank Ltd	310,000	291	239
Towa Pharmaceutical Co Ltd	44,900	3,089	2,333
Toyo Engineering Corp	210,000	628	692
Toyo Kohan Company Ltd	35,000	160	83
Toyo Machinery & Metal Co	78,800	422	270
Toyo Securities Co Ltd	206,000	654	384
Toyoda Gosei Company Ltd	271,600	5,323	4,794
Trans Cosmos Inc	2,000	51	57
Tsukuba Bank, Ltd.	123,500	415	327
Tsuruha Holdings Inc	23,600	2,050	2,846
TV Tokyo Holdings Corporation	17,100	313	335
TYK Corp	15,000	37	22
TYO Inc	72,800	127	116
Ube Industries Ltd	2,765,000	4,844	4,528
Uchida Yoko Company	216,000	654	958
Ulvac Inc	166,700	3,852	5,062
Unizo Holdings Company Ltd	39,500	2,092	1,555
USC Corporation	23,000	442	349
Usen Corp	11,200	43	33
V Technology Co Ltd	15,800	868	1,793
Vital-KSK Holdings Inc	7,300	56	69
Warabeya Nichiyo Co Ltd	8,200	159	151
WDB Holdings	8,200	89	63
W-Scope Corporation	57,600	1,128	1,346
Yachiyo Industry Company Ltd	11,700	102	95
Ya-Man Ltd	3,300	62	65
Yamanashi Chuo Bank	12,000	54	42
Yamaya Corporation	4,300	91	69
Yamazen Corporation	36,000	315	285
Yellow Hat Ltd	2,900	56	64
Yokohama Rubber Company Ltd	252,000	2,710	3,124
Yuasa Trading Co	20,600	416	421
Yume No Machi Souzou linkai	2,700	48	51
Yurtec Corporation	48,000	376	326
Yusen Air & Sea Service Co	3,600	42	36
Zenkoku Hosho Co Ltd	34,900	1,004	1,259
Zenrin Co Ltd	2,400	58	47
Zuken Inc	5,300	56	47
<i>Total Japan - 13.3%</i>		355,927	381,024
<i>Korea</i>			
Aekyung Petrochemical Co Ltd	1,082	57	89
Amorepacific Corporation	10,984	3,584	4,115
Anapass Inc	3,127	43	35
Asia Paper Manufacturing Co	2,100	44	37
BGF Retail Co Ltd	18,028	2,674	3,342
BS Financial Group Inc	342,600	-	2,400
Daeduck Electronics Company	8,028	53	50
Daegu Energy Co Ltd	13,940	75	75
Daehan Steel Co Ltd	31,774	276	225
Daesung Holdings Co Ltd	3,210	27	26
DK UIL Co Ltd	11,356	111	96
Dong Ah Tire & Rubber Company	2,620	44	61
Dongwon Development Co	86,803	183	331
GMB Korea Corp	4,580	39	22
Hana Financial Group	515,826	19,481	10,412
Husteel Co Ltd	3,111	57	37

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Hyundai Mobis	71,744	17,617	15,696
Hyundai Motor Company	21,672	3,387	2,549
Industrial Bank of Korea	473,400	6,897	4,583
Jahwa Eletronice Co Ltd	4,433	55	47
KB Financial Group Inc	199,029	8,131	5,633
Kia Motors Corporation	444,020	23,272	16,653
Korea Aerospace Industries Ltd	22,027	1,391	1,400
Korea Electric Power Corp	138,400	6,799	7,257
Korea Flange Co Ltd	2,494	52	30
KT&G Corporation	73,200	5,425	8,675
Kunsul Chemical Ind	1,320	36	40
Kyungchang Industrial Co Ltd	7,381	81	35
LG Chemical Ltd	19,748	4,709	4,458
LG Telecom Ltd	644,200	5,551	6,096
Neowiz Holdings Corp	4,225	51	52
NHN Corporation	7,112	3,814	4,384
Posco	38,777	12,781	6,783
RedcapTour Co Ltd	1,861	41	29
Saeron Automotive Corp	4,160	43	29
Sam Young Electronics Co Ltd	4,090	36	43
Sam-A Pharmaceutical Co Ltd	3,721	59	59
Samsung Card Co	2,874	90	104
Samsung Electronics Co Ltd	36,535	40,060	45,199
Sewon Precision Industry Co	3,159	98	51
Shinhan Financial Group	506,704	19,463	16,716
SK Telecom Company Ltd	56,500	7,643	10,571
Unick Corporation	208	1	1
Visang Education Inc	5,354	59	53
<i>Total Korea - 6.3%</i>		194,390	178,579
<i>Liechtenstein</i>			
VP Bank AG - 0.0%	854	85	77
<i>Luxembourg</i>			
Adecoagro SA	349,894	2,782	3,838
Aperam	31,088	1,100	1,090
B&M European Value Retail SA	87,928	298	300
Stabilus SA	1,156	61	55
Ternium - ADR	607,500	11,466	11,579
<i>Total Luxembourg - 0.6%</i>		15,707	16,862
<i>Malaysia</i>			
AMMB Holdings Bhd	2,283,300	3,858	2,515
Carlsberg Brewery Malaysia Bhd	52,100	169	171
Gadang Holding Bhd	177,700	83	90
Genting Malaysia Bhd	3,872,300	4,040	4,274
Guinness Anchor Bhd	19,000	67	71
Insas Bhd	10,700	2	2
JCY International Bhd	1,577,000	317	235
K&N Kenanga Holding Bhd	302,500	60	37
Kimlun Corporation Bhd	149,600	55	67
KSL Holdings Bhd	93,800	64	26
Land & General Bhd	65,932	12	6
Malaysia Bldg Society Bhd	5,041,100	2,862	900
Malaysian Pacific Industries	38,500	45	72
NTPM Holdings Bhd	272,700	59	57
Padini Holdings Bhd	373,700	155	220
Scientex Bhd	77,000	209	238
Shell Refining Company	131,800	97	99
Sunway Construction Group Bhd	215,300	64	85
Ta Ann Holdings Bhd	170,200	160	139
Tenage Nasional Bhd	3,937,500	12,638	13,771
Top Glove Corporation Bhd	327,300	286	373
UOA Development Bhd	106,400	58	58
VS Industry Bhd	2,346,500	465	687

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
WTK Holdings Bhd	523,900	165	138
<i>Total Malaysia - 0.9%</i>		25,990	24,331
<i>Mexico</i>			
Alfa SA A Shares	2,536,300	5,041	4,328
Alsa SAB de CV	542,800	1,729	2,045
America Movil SAB de CV	6,373,000	6,427	3,876
Cemex SAB de CV - ADR	2,972,372	20,262	18,340
Fomento Economico Mexicano SAB - ADR	55,400	5,125	5,124
Gruma SA	162,400	2,296	2,322
Grupo Aeromexico Sab De CV	116,562	183	239
Grupo Financiero Banorte	1,078,600	5,936	5,994
Industrias Bachoco	25,957	116	106
Macquarie Mexico Real Estate	8,964,222	14,676	11,661
OHL Mexico SAB de CV	1,472,800	3,357	1,780
Prologis Property Mexico SA	376,408	554	604
TF Administradora Industrial S	7,178,875	13,317	12,024
Urbi Desarrollos Urbanos SA	18,713,415	8,415	1
<i>Total Mexico - 2.4%</i>		87,434	68,444
<i>Netherlands</i>			
Accell Group NV	27,448	538	567
Aegon NV	1,187,300	8,873	4,656
AMG Advanced Metallurgical	47,556	427	652
Arcadis NV	6,498	98	98
BE Semiconductor Industries	75,270	2,042	2,046
Beter Bed Holding NV	2,352	54	52
BinckBank NV	130,196	1,216	651
Corbion NV	2,406	55	58
Delta Lloyd NV	150,800	2,622	533
Koninklijke Ahold NV	288,400	4,288	6,376
Koninklijke Philips Electronic	155,600	4,960	3,871
Nieuwe Steen Investments NV	75,220	314	301
Ordina NV	72,839	121	125
Tetragon Financial Group Ltd	785	8	8
TNT NV	712,600	3,139	2,914
Vastned Retail	2,555	113	104
Yandex NV-A	269,000	4,237	5,878
<i>Total Netherlands - 1.0%</i>		33,105	28,890
<i>New Zealand</i>			
Air New Zealand Ltd	43,010	79	64
Chorus Ltd	402,320	943	1,209
Fletcher Building Ltd	964,900	4,637	5,896
New Zealand Refining Company	113,049	252	196
Nuplex Industries Ltd	94,020	247	352
Restaurant Brands New Zealand	16,844	59	65
<i>Total New Zealand - 0.3%</i>		6,217	7,782
<i>Norway</i>			
ABG Sundal Collier ASA	55,778	42	36
Aker ASA	5,683	137	145
Austevoll Seafood	50,762	325	423
Bakkafrost P/F	33,386	676	1,255
Det Norske Oljeselskap ASA	11,523	139	140
DNB Holding ASA	642,300	7,459	7,626
Kongsberg Automotive Holdings	484,722	405	316
Kvaerner ASA	374,086	519	340
Salmar ASA	4,504	131	133
Sparebank 1 Nord-Norge	40,353	227	190
Sparebanken 1 SMN	22,291	197	124
StatoilHydro ASA	281,300	7,399	4,844
TGS Nopec Geophysical Company	7,980	129	130
Yara International ASA	160,200	7,008	5,050
<i>Total Norway - 0.7%</i>		24,793	20,752

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
<i>Pakistan</i>			
Nishat Mills Ltd - 0.2%	4,997,940	6,035	5,150
<i>Panama</i>			
Copa Holdings - 0.4%	246,000	21,265	12,856
<i>Philippines</i>			
Cebu Air Inc	44,040	90	92
Metropolitan Bank & Trust Co	3,063,390	4,676	5,883
SM Investments Corporation	199,950	3,283	4,110
<i>Total Philippines - 0.4%</i>		<u>8,049</u>	<u>10,085</u>
<i>Poland</i>			
Asseco Poland SA	9,354	144	123
KGHM Polska Miedz	145,800	4,936	2,429
Neuca SA	1,164	91	101
Tauron Polska Energia SA	3,607,200	4,356	2,586
<i>Total Poland - 0.2%</i>		<u>9,527</u>	<u>5,239</u>
<i>Qatar</i>			
Al Khaleej Takaful Group	5,246	59	35
National Leasing	11,214	55	54
Qatar Fuel QSC	4,974	213	206
United Development Company	21,242	140	112
<i>Total Qatar - 0.0%</i>		<u>467</u>	<u>407</u>
<i>Russia</i>			
Gazprom - ADR	2,601,050	21,619	11,263
Gazprom PAO	513,580	1,149	1,122
Lukoil PJSC - ADR	700,106	36,003	29,215
Magmit	23,308	4,791	3,288
MMC Norilsk Nickel - ADR	297,400	5,060	3,952
Mobile TeleSystems	2,767,861	9,568	10,532
Mobile TeleSystems - ADR	482,195	5,998	3,993
NovaTek OAO - GDR	36,715	3,493	3,745
Rostelecom - ADR	184,400	3,775	1,586
Sberbank of Russia	1,864,300	2,782	3,882
Sberbank of Russia - ADR	1,477,708	12,696	12,891
Sberbank of Russia - GDR	175,000	2,131	1,528
Sistema JSFC - GDR	166,200	4,541	1,251
<i>Total Russia - 3.1%</i>		<u>113,606</u>	<u>88,248</u>
<i>Singapore</i>			
Best World International Ltd	324,000	275	277
China Aviation Oil Singapore	107,700	93	98
China SunSine Chemical Holding	44,400	15	13
Chip Eng Seng Corporation Ltd	514,800	361	243
CSE Global Ltd	54,000	30	18
DBS Group Holdings Ltd	461,900	4,897	5,409
Ezra Holdings Ltd	2,531,800	192	137
Frasers Commercial Trust	56,400	59	53
Fu Yu Corp	1,574,400	230	223
Hock Lian Seng Holdings	130,900	40	34
Hong Leong Asia Ltd	1,164,000	2,220	644
Innovalues Ltd	451,500	179	340
Singapore O&G Ltd	63,700	29	39
Sino Grandness Food Industry	235,400	114	108
Sunningdale Tech Ltd	130,460	113	102
UMS Holdings Ltd	403,750	187	175
United Engineers Limited	91,300	145	149
Vallianz Holdings Ltd	1,748,800	58	49
Venture Corp Ltd	144,800	870	891
Yangzijiang Shipbuilding	6,217,800	4,487	4,135
Yanlord Land Group Ltd	690,500	561	582
<i>Total Singapore - 0.5%</i>		<u>15,155</u>	<u>13,719</u>

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
<i>South Africa</i>			
Anglogold Ashanti Ltd	236,259	3,714	4,317
Astral Foods Ltd	161,900	2,256	1,399
Barclays Africa Group Ltd	373,777	5,387	3,677
Blue Label Telecoms Ltd	77,045	66	97
Clover Industries Ltd	26,856	42	34
FirstRand Ltd	1,121,952	4,524	3,435
Foschini Ltd	334,693	3,813	3,177
Holdspport Ltd	9,431	42	38
Imperial Holdings Ltd	315,300	2,432	3,218
JSE Ltd	30,264	326	382
Liberty Holdings Ltd	29,092	402	240
MTN Group Ltd	617,342	9,590	6,025
Naspers Ltd	68,088	5,763	10,414
Peregrine Holdings Ltd	336,794	773	676
Reunert Ltd	18,160	86	78
Super Group Ltd	30,134	77	81
Telkom South Africa Ltd	70,121	325	317
Wilson Bayly Holmes-OVCON	79,353	668	682
<i>Total South Africa - 1.3%</i>		40,286	38,287
<i>Spain</i>			
Almirall SA	31,513	559	469
Banco Santander Ctrl Hisp SA	965,900	7,552	3,680
Corporacion Financiera Alba SA	419	17	17
Distribuidora Internacional de	896,111	4,730	5,179
Ence Energia Y Celulosa SA	24,473	59	58
Faes Farma SA	59,449	183	194
Gamesa Corporation Tecnologica	148,200	2,818	2,913
Gas Natural SDG SA	323,900	6,770	6,356
Iberdrola SA	944,200	5,093	6,385
Inmobiliaria Colonial SA	110,613	80	80
Intl Consolidated Airlines	542,800	4,251	2,685
Mapfire SA	3,230,700	11,345	7,028
Papeles y Cartones de Europa	50,328	280	266
Prosegur Compania de Seguridad	55,300	323	332
Repsol SA	282,500	7,856	3,581
<i>Total Spain - 1.4%</i>		51,916	39,223
<i>Sweden</i>			
Acando AB	20,214	46	38
Avanza Bank Holding AB	7,743	315	295
Axfood AB	20,306	297	387
B&B Tools AB	13,257	254	266
Bilia AB	10,688	152	262
BioGaia AB	4,223	106	114
Boliden AB	357,132	5,487	6,862
Bonava AB	6,428	82	77
Bure Equity AB	21,604	187	182
Bygghmax Group AB	19,928	175	151
Catella AB	21,714	42	48
CellaVision AB	28,043	183	197
Clas Ohlson AB	17,858	326	304
Creades	1,501	36	34
Dios Fastigheter AB	48,880	404	346
Duni AB	26,184	342	334
Evolution Gaming Group	39,000	1,005	1,167
Granges AB	17,671	148	152
Haldex AB	7,720	73	73
HiQ International AB	22,809	113	132
Hufvudstaden AB	7,005	107	109
IAR Systems Group AB	2,862	37	53
Investment AB Oresund	308	3	4
KappAhl Holding AB	35,320	174	155
L E Lunderforetagen AB	22,375	989	1,264

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Lindab International AB	7,828	66	60
Medivir AB-B SHS	32,867	452	214
Moberg Pharma AB	9,464	73	41
MQ Holding AB	139,031	613	525
Mycronic AB	286,424	2,042	2,121
NCC AB	6,428	126	148
Nolato AB	2,091	51	55
Nordea AB	736,900	8,762	6,166
Nordnet AB	26,094	112	80
Peab AB	73,478	595	553
Saab AB	62,900	2,162	1,946
Scandi Standard AB	32,719	191	233
Securitas AB	137,600	1,618	2,100
Skandinaviska Enskilda Banken	567,300	4,626	4,884
Swedish Orphan Biovitrum AB	214,907	2,910	2,607
Telefonaktiebolaget LM	855,000	8,174	6,489
Telia AB	1,642,900	12,046	7,702
Tethys Oil AB	33,861	289	256
Unibet Group PLC	189,800	2,196	1,732
Vitrolife AB	17,703	434	972
<i>Total Sweden - 1.8%</i>		<u>58,621</u>	<u>51,890</u>
<i>Switzerland</i>			
AFG Arbonia-Forster Holdi-BR	5,216	91	74
Also Holding	788	59	58
APG SGA SA	250	104	102
Aryzta AG	118,335	5,437	4,353
Ascom Holding AG	10,446	186	166
Autoneum Holding AG	897	172	210
Bachem Holding AG	3,143	212	255
Baloise Holding Ltd	94,000	7,679	10,440
Bobst Group AG	8,084	385	402
Bucher Industries AG	422	101	99
Burkhalter Holding AG	47	5	6
Calida Holding AG	5,631	182	177
Coltene Holding AG	3,181	212	225
Credit Suisse Group	788,000	20,948	8,339
EFG International AG	9,152	120	35
Emmi AG	1,636	634	997
Feintool International Holding	835	88	79
Forbo Holding AG	775	626	920
Galenica AG	2,977	2,681	4,006
Georg Fischer AG	8,888	4,479	7,089
Gurit Holding AG	185	103	116
Huber & Suhner AG	1,596	70	86
Implen AG	10,793	726	711
Interroll Holding AG	51	26	48
Kaba Holding AG	255	157	178
Kardex AG	3,486	210	311
Komax Holding AG	3,285	504	679
Kudelski SA - BR	46,819	729	930
Liechtenstein Landesbank-BR	1,447	57	53
Logitech International SA	4,115	66	67
Lonza Group AG	11,931	1,083	1,974
Metall Zug AG	57	151	163
Mobilezone Holding AG	10,449	143	135
Mobimo Holding AG	2,401	536	546
Oriflame Holdings AG	11,546	243	292
Rieter Holding AG	1,193	248	244
Siegfried Holding AG	579	102	111
Straumann AG	450	177	177
Swiss Life Holding	65,330	10,498	15,015
Swiss Re Ltd	200,800	14,658	17,468
Tamedia AG	684	91	115
Tecan Group AG	6,061	740	944

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Temenos Group AG	39,100	1,855	1,947
UBS Group AG	442,200	7,739	5,706
Valiant Holding AG	2,809	291	270
Vontobel Holding AG	5,086	230	220
Zehnder Group AG	15,494	657	601
Zurich Financial Services AG	36,000	10,448	8,847
<i>Total Switzerland - 3.4%</i>		96,939	95,986
<i>Taiwan</i>			
Advanced Semiconductor Engr	2,110,000	2,269	2,397
AU Optronics Corp - ADR	352,688	1,337	1,231
Catcher Technology Co Ltd	434,000	4,561	3,195
Compal Electronics Inc	7,983,938	6,227	5,012
Compeq Manufacturing Co	5,706,000	3,308	3,025
CTBC Financial Holding Co Ltd	5,241,000	2,822	2,738
Gigabyte Technology Company	2,968,000	2,206	3,519
Hon Hai Precision Industry Co	3,430,250	8,930	8,773
King Yuan Electronics Co Ltd	4,182,000	2,966	3,701
Largan Precision Co Ltd	24,400	1,514	2,228
MediaTek Inc	835,000	6,186	6,316
Micro-Star International Co	3,722,000	4,917	6,819
Pegatron Corp	3,269,000	6,399	6,871
President Chain Store Corp	633,000	4,558	4,925
Primax Electronics Ltd	2,944,000	3,569	3,838
Taiwan Semiconductor - ADR	719,900	12,517	18,883
<i>Total Taiwan - 2.9%</i>		74,286	83,471
<i>Thailand</i>			
Advanced Information Tech	52,600	55	43
Airports of Thailand Public Co	173,100	1,732	1,921
AP Thailand PCL	523,000	103	109
Bangchak Petroleum PCL	4,953,500	3,498	4,511
Bangkok Bank Public Company	1,288,000	5,840	5,810
Bangkok Dusit Medical Services	3,398,500	2,079	2,311
Cal-Comp Electronics PCL	716,900	72	55
Forth Corp PCL	257,700	55	60
Hana Microelectronics PCL	172,600	173	145
Hwafong Rubber Thailand Public	729,400	119	104
IMPACT Growth Real Estate Inv	148,800	54	62
Jasmine Broadband Internet	30,247,700	8,037	9,038
Kasikornbank PCL	818,900	3,829	3,962
KGI Securities Thailand PCL	1,745,700	208	162
Krung Thai Bank PCL	8,788,600	2,776	4,077
Lalin Property Public Company	774,100	109	89
M.K. Real Estate Development	1,090,700	137	133
MFEC PCL	176,400	42	23
Padaeng Industry Public Co Ltd	116,300	59	40
PTT PLC	346,200	3,448	3,084
SNC Former Public Company Ltd	251,000	119	107
Star Petroleum Refining PCL	2,188,200	697	595
Supalai Public Company Ltd	6,574,300	3,430	4,471
Synnex Thailand PCL-NVDR	405,300	58	74
Thai Nakarin Hospital PCL	64,000	45	70
Thai Union Group Public Co	3,426,500	2,012	2,145
Thanachart Capital	3,963,600	4,271	3,948
<i>Total Thailand - 1.7%</i>		43,057	47,149
<i>Turkey</i>			
AkBank TAS	2,551,213	6,951	7,301
Akfen Gayrimenkul Yatirim Ortak	99,432	69	48
Akis Gayrimenkul Yatirim AS	63,720	62	65
Alarko Gayrimenkul Yatirim	14,095	163	148
Albaraka Turk Katilim Bankasi	126,091	59	58
Anadolu Anonim Turk Sigorta	133,840	85	80
Anadolu Cam Sanayii AS	288,920	195	207

See accompanying notes to financial statements.



# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
BIM Birlesik Magazalar AS	97,005	1,753	1,891
EGE Seramik Sanayi ve Ticaret	48,540	65	67
Emlak Konut Gayrimenkul Yatiri	15,491,723	15,174	15,407
Haci Omer Sabanci Holding	905,500	3,155	2,966
Is Gayrimenkul Yatirim Ortaklig	184,561	100	108
Koc Holding AS	988,106	4,356	4,508
Sasa Polyester Sany AS	16,670	12	21
Selcuk Exza Deposu Ticaret AS	2,124,209	3,513	2,031
Sinpas Gayrimenkul Yatirim O	306,068	69	67
Tav Havalimanlari Holding AS	495,400	3,881	2,124
Tekfen Holding AS	11,056	27	28
Torunlar Gayrimenkul Yatirim	54,387	99	95
Turkiye Garanti Bankasi AS	2,187,850	7,438	5,767
Turkiye Halk Bankasi	794,700	4,429	2,360
Turkiye Vakiflar Bankasi T-D	6,258,538	10,852	9,816
Vakif Gayrimenkul Yatirim Ort	73,197	57	57
<i>Total Turkey - 1.9%</i>		62,564	55,220
<i>United Arab Emirates</i>			
Emaar Properties PJSC	3,270,307	5,266	5,520
NCC (TABREED)	291,611	116	111
<i>Total United Arab Emirates - 0.2%</i>		5,382	5,631
<i>United Kingdom</i>			
3I Group PLC	886,500	6,135	6,488
888 Holdings PLC	604,915	1,838	1,656
Abcam PLC	146,064	1,135	1,503
Aberdeen Asset Management PLC	758,301	3,128	2,832
Admiral Group PLC	122,300	3,028	3,319
Advanced Medical Solutions	32,158	70	84
Aggreko PLC	213,067	3,501	3,640
Aldermore Group PLC	29,961	98	48
AMEC PLC	217,200	3,636	1,423
Arcos Dorados Holdings Inc	1,662,566	7,808	7,930
AstraZeneca Group PLC	172,900	9,297	10,325
Atlassian Corporation PLC	6,666	124	173
Auto Trader Group	122,300	599	578
Aviva PLC	490,300	3,777	2,582
Avon Rubber PLC	12,937	157	147
Awilco Drilling PLC	13,849	305	53
Barclays PLC	1,730,100	9,061	3,206
Barratt Developments PLC	596,700	3,972	3,234
Bellway plc	113,900	4,020	2,890
Berkeley Group Holdings PLC	109,814	4,224	3,704
Big Yellow Group PLC	5,842	60	61
Bodycote PLC	29,948	206	206
Booker Group PLC	34,102	79	79
BP Amoco PLC	2,259,600	18,947	13,235
British Aerospace PLC	2,249,500	12,690	15,757
BT Group PLC	618,300	1,785	3,389
Cairn Energy PLC	522,100	1,512	1,449
Capital & Regional PLC	146,889	160	104
Capital Shopping Centres Group	21,659	82	84
Carillion PLC	55,029	173	172
Centamin	293,590	406	518
Centrica PLC	2,025,400	9,611	6,106
Character Group PLC	9,043	68	57
Chesnara PLC	14,131	71	52
Computacenter PLC	482,984	1,733	4,762
Costain Group PLC	11,999	69	51
Cranswick PLC	4,134	127	115
Crest Nicholson Holdings	560,231	4,901	2,666
Creston PLC	20,744	41	24
CVS Group PLC	22,201	158	232
Dart Group PLC	72,795	433	513

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Davis Service Group PLC	97,024	1,642	1,580
DCC PLC	31,600	2,770	2,782
De La Rue PLC	7,603	56	52
Debenhams PLC	3,859,503	4,081	2,853
Dechra Pharmaceuticals PLC	68,450	880	1,072
Derwent London PLC	1,918	66	67
Domino's Pizza Group PLC	231,569	887	1,029
EasyJet PLC	225,600	4,736	3,275
EMIS Group PLC	17,165	225	212
Faroe Petroleum PLC	209,096	444	190
FDM Guoup Holdings PLC	6,877	58	41
Fidessa Group PLC	9,358	321	246
FirstGroup PLC	159,294	213	214
Galliford Try PLC	24,540	300	299
Game Digital PLC	22,991	120	21
Genel Energy PLC	83,485	156	156
Genus PLC	11,816	258	247
GlaxoSmithKline PLC	317,400	7,620	6,808
Go Ahead Group PLC	2,378	86	62
Greggs PLC	44,647	639	579
Halfords Group PLC	230,171	1,673	989
Halma PLC	14,098	189	192
Hargreaves Services PLC	30,020	227	72
Henderson Group PLC	208,100	589	587
Hikma Pharmaceuticals PLC	58,804	1,263	1,938
HomeServe PLC	10,917	78	77
HSBC Holdings PLC	1,289,500	12,199	8,031
Hunting PLC	150,747	1,687	967
ICAP PLC	17,508	96	98
IG Group Holdings PLC	225,700	2,587	2,442
Imagination Technologies Group	61,147	154	159
Inchcape PLC	151,731	1,778	1,274
Indivior PLC	512,105	1,482	1,719
Informa PLC	24,498	233	239
Inland Homes PLC	233,328	243	186
Inmarsat PLC	23,442	251	252
Intermediate Capital Goup PLC	155,724	1,283	1,021
ITE Group PLC	2,888,101	8,162	5,521
J Sainsbury PLC	2,883,059	13,275	8,953
JD Sports Fashion PLC	156,097	2,213	2,406
John Wood Group PLC	11,077	90	102
Johnson Service Group PLC	38,470	40	46
Jupiter Fund Management	18,176	88	89
Kainos Group PLC	14,313	52	25
Ladbrokes PLC	46,063	69	69
Lamprell PLC	195,992	495	187
Lloyds TSB Group PLC	5,570,000	6,794	4,025
Londonmetric Property PLC	34,099	68	68
Lookers PLC	126,926	275	182
Luxfer Holdings PLC - ADR	5,987	79	72
Mail.ru Group Ltd - GDR	89,990	2,060	1,638
Man Group PLC	60,003	93	93
Marshalls PLC	214,593	903	682
Marston's PLC	1,286,900	3,285	2,317
McBride PLC	150,306	307	313
Meggitt PLC	541,307	2,844	2,937
MFI Furniture Group PLC	44,959	228	231
Michael Page International	44,469	175	177
Micro Focus International PLC	156,814	3,625	3,381
Mimecast Ltd	10,419	88	104
Mitie Group PLC	578,700	2,805	1,919
Mondi PLC	319,836	4,617	5,964
Moneysupermarket.com Group PLC	806,647	3,198	2,922
Morgan Advanced Materials PLC	38,626	119	120
Morgan Sindall PLC	22,524	301	198

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
NETeller PLC	489,000	2,878	2,542
Novae Group PLC	30,998	335	311
Old Mutual PLC	2,679,100	7,307	7,174
Ophir Energy PLC	26,954	28	28
Paragon Group Companies PLC	37,093	120	120
Pedragon PLC	604,269	351	225
Pennon Group PLC	9,833	124	124
Persimmon plc	30,900	626	598
Qinetiq PLC	1,609,114	5,967	4,784
Rank Group PLC	47,771	195	137
Redefine International PLC	202,937	122	123
Redrow PLC	478,900	3,267	2,013
Regus PLC	43,088	194	166
ReneSola Ltd - ADR	53,382	75	66
Renew Holdings PLC	76,870	294	338
Rentokil Initial PLC	150,545	321	389
Restaurant Group PLC	42,281	163	163
Ricardo PLC	11,765	120	116
Rightmove PLC	38,632	1,946	1,884
Rotork PLC	80,790	235	234
Royal Dutch Shell B Shares	688,900	20,904	18,989
RPC Group PLC	56,783	591	595
Safestore Holdings PLC	173,998	596	859
Savills PLC	101,617	1,313	833
Scapa Group	63,044	174	222
SEGRO	125,771	736	697
Senior PLC	63,925	172	176
Shaftesbury PLC	6,619	78	78
Smiths Group PLC	199,100	2,658	3,069
Soco International PLC	25,553	59	49
Softcat PLC	87,442	417	388
Sports Direct International	31,444	132	134
St Ives PLC	72,820	222	80
Stagecoach Group PLC	35,082	109	108
Standard Chartered PLC	442,461	8,236	3,339
Trinity Mirror plc	22,491	55	26
Tullett Prebon PLC	77,326	417	314
Unite Group PLC	44,853	470	372
Vertu Motors PLC	540,886	510	304
Vesuvius PLC	365,100	1,727	1,400
Weir Group PLC	81,700	1,498	1,574
WH Sith PLC	6,561	163	138
William Morrison Supermarkets	2,730,313	9,661	6,840
WNS Holdings Ltd - ADR	40,338	916	1,089
WS Atkins PLC	12,738	273	226
<i>Total United Kingdom - 8.9%</i>		303,898	255,650
<i>United States</i>			
Cognizant Tech Solutions A	84,600	3,871	4,842
DHT Holdings Inc	50,955	256	256
Eros International PLC	5,439	88	88
<i>Total United States - 0.2%</i>		4,215	5,186
Total Common Stock - 95.9%		2,961,422	2,736,592
<b><u>Preferred Stock</u></b>			
<i>Brazil</i>			
Alpargatas SA	2,619,800	6,053	8,553
Banco Bradesco SA	832,964	6,384	6,547
Banco do Estado do Rio Grande	825,000	5,076	2,199
Bradespar SA	72,300	149	200
Centrais Elect de Sata Catarin	155,600	4,108	641
CIA Paranaense De Energia	898,153	11,578	8,192
Companhia Brasileira de Distri	1,087,860	17,316	15,861
Companhia Energetica de Minas	624,000	4,007	1,418

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Petroleo Brasileiro SA	1,878,200	11,253	5,522
<i>Total Brazil - 1.7%</i>		65,924	49,133
<i>Germany</i>			
Biotest AG	27,112	469	413
Draegerwerk AG	563	68	34
Hornbach Holding AG & Co KGaA	953	89	65
KSB AG	102	63	35
Villeroy & Boch AG	12,715	204	191
<i>Total Germany - 0.0%</i>		893	738
<i>Korea</i>			
Hyundai Motor Company - 0.3%	116,549	8,762	9,562
<i>Russia</i>			
Surgutneftegas - 0.3%	14,268,800	9,925	8,578
<i>South Africa</i>			
Absa Bank Ltd - 0.0%	505	40	26
Total Preferred Stock - 2.3%		85,544	68,037
<b><u>Rights</u></b>			
<i>Australia</i>			
Vocus Communications Ltd - 0.0%	33,236	-	-
<i>Bermuda</i>			
BW Offshore Ltd - 0.0%	8,332,709	743	80
<i>Chile</i>			
Empresa Nacional de Tele - OSA - 0.0%	128,769	-	124
<i>Malaysia</i>			
Malaysia Building Society - 0.0%	564,300	90	13
Total Rights - 0.0%		833	217
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 1.1%	30,520,254	30,520	30,520
<b><u>Investments made with Cash Collateral for Securities Loaned</u></b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds - Institutional Shares	8,543	8,543	8,543
Federated Money Market Management - Institutional Shares	8,329	8,329	8,329
Fidelity Institutional Money Market Prime Money Market Portfolio	6,505	6,505	6,505
Invesco Government Liquidity Funds Assets Portfolio	6,878	6,878	6,878
Morgan Stanley Institutional Liquidity Funds Government Portfolio	156	156	156
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	9,061	9,061	9,061
<i>Total Money Market Mutual Funds - 1.4%</i>		39,472	39,472
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	12,628	12,628	12,628
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	1,133	1,133	1,133
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	40,942	40,942	40,942
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	2,116	2,116	2,116
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	7,824	7,824	7,824
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	2,516	2,516	2,516
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	8,088	8,088	8,088
ING Bank NV, 0.55% Due 7/1/2016	3,645	3,645	3,645
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	1,484	1,484	1,484
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	4,961	4,961	4,961
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	1,382	1,382	1,382
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	7,280	7,280	7,280
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	1,919	1,919	1,919
Societe Generale, 0.4% Due 7/1/2016	13,374	13,374	13,374

See accompanying notes to financial statements.

# International Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares or Par Value	Cost	Fair Value
Societe Generale, 0.51% Due 8/4/2016	3,088	3,088	3,088
<i>Total Repurchase Agreements - 3.9%</i>		112,380	112,380
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	8,082	8,082	8,082
Credit Agricole CIB, 0.31% Due 7/1/2016	7,274	7,274	7,274
HSBC Bank PLC, 0.35% Due 7/1/2016	7,435	7,435	7,435
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	8,037	8,037	8,037
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	6,888	6,888	6,888
<i>Total Time Deposits - 1.3%</i>		37,716	37,716
Total Investments made with Cash collateral for Securities Loaned - 5.2%		189,568	189,568
Total Investments - 105.9%		\$ 3,267,887	\$ 3,024,934

See accompanying notes to financial statements.

# International Equity Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Dividends, net of foreign withholding taxes (\$5,663)	\$ 88,900
Net securities lending income	<u>2,605</u>
<b>Total investment income</b>	<b>91,505</b>

**Expenses**

Investment advisor fees	(16,070)
Trustee fees	(8)
Custodian bank fees	(1,371)
Management fees	(724)
Fiduciary bond fees	(4)
Professional service fees	<u>(142)</u>
<b>Total expenses</b>	<b><u>(18,319)</u></b>
<b>Investment income, net</b>	<b>73,186</b>

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

Net realized loss from:	
Investments, net of foreign capital gains taxes (\$96)	(33,922)
Foreign currency transactions	<u>(69,879)</u>
	(103,801)
Net change in unrealized appreciation (depreciation) on:	
Investments, net of change in accrued foreign capital gains taxes (\$128)	(252,092)
Translation of assets and liabilities in foreign currencies	<u>48,875</u>
	(203,217)
<b>Net loss from investments and foreign currency</b>	<b><u>(307,018)</u></b>
<b>Net decrease in net assets from operations</b>	<b><u><u>\$ (233,832)</u></u></b>

*See accompanying notes to financial statements.*

# International Equity Pool

---

## Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

### Operations

Investment income, net	\$ 73,186
Net realized loss from investments and foreign currency transactions	(103,801)
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	<u>(203,217)</u>
<b>Net decrease in net assets from operations</b>	<b>(233,832)</b>

### Unit transactions

Proceeds from sale of units	455,899
Amount paid for repurchase of units	<u>(124,353)</u>
<b>Net increase in net assets from unit transactions</b>	<b><u>331,546</u></b>

**Increase in net assets** 97,714

**Net assets, beginning of year** 2,758,832

**Net assets, end of year** \$ 2,856,546

### Unit data

Units sold	19,759,219
Units repurchased	<u>(5,172,819)</u>
<b>Net increase in units</b>	<b><u><u>14,586,400</u></u></b>

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 Oberweis Asset Management, Inc (Oberweis). 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 FASB's ASC 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.
- 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.
- 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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.

**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.

**Security Loans** - The IMB, through its lending agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for international securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received. The required percentage for cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is 105 percent unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. The required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment

# International Equity Pool

---

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

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

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. The IMB also continues to receive 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 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 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, 2016.

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.

# International 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

#### Credit Risk

The Pool is exposed to credit risk from investments made with cash collateral for securities loaned. This risk is limited by requiring minimum ratings on debt instruments. Long-term debt instruments must be rated A or better by Moody's or Standard & Poor's at the time of purchase. Short-term debt instruments must be rated P-1 by Moody's or A-1 by Standard & Poor's at the time of purchase.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Foreign corporate bonds	A	A	\$ 1,127	0.0%
Foreign government bonds	Aa	A	4	0.0
Money market mutual funds	Aaa	AAA	69,992	2.4
Time deposits	P-1	A-1	37,717	1.2
U.S. corporate bonds	A	A	4,376	0.1
U.S. Government agency bonds	Aaa	AA	1,192	0.0
U.S. Government agency MBS	Aaa	AA	39,216	1.3
U.S. Treasury bonds	Aaa	AA	11,478	0.4
Total rated investments			<u>165,102</u>	<u>5.4</u>
Common stock			2,797,848	92.4
Preferred stock			68,037	2.2
Rights			217	0.0
Total investments			<u>\$ 3,031,204</u>	<u>100.0%</u>

This table includes investments received as collateral for repurchase agreements with a fair value of \$118,650 as compared to the amortized cost of the repurchase agreements of \$112,380.

#### Concentration of 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

#### Custodial Credit Risk

At June 30, 2016, the Pool held no securities that were subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102 percent and the collateral is held in the name of the IMB. All remaining securities are held by the IMB's custodian in the name of the IMB.

#### Interest Rate Risk

The Pool is exposed to interest rate risk from certain investments made with cash collateral for securities loaned. The weighted average maturity for investments made with cash collateral for securities loaned is not to exceed 90 days. The following table provides the weighted average maturities (WAM) for applicable investments made with cash collateral for securities loaned as of June 30, 2016.

## International Equity Pool

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

#### NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

Investment Type	Fair Value	WAM (days)
Repurchase agreements	\$ 112,380	2
Time deposits	37,716	1
Total	<u>\$ 150,096</u>	<u>1</u>

#### Foreign Currency Risk

The Pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2016 are as follows:

Currency	Investments	Cash	Total	Percent of Total Investments and Cash
Australian Dollar	\$ 70,519	\$ 1,384	\$ 71,903	2.4%
Brazil Real	134,558	1,156	135,714	4.5
British Pound	251,332	2,256	253,588	8.3
Canadian Dollar	114,574	211	114,785	3.8
Chilean Peso	12,200	685	12,885	0.4
Czech Koruna	8,630	368	8,998	0.3
Danish Krone	21,390	1,390	22,780	0.7
Egyptian Pound	1,631	(20)	1,611	0.1
Emirati Dirham	5,631	5	5,636	0.2
Euro Currency Unit	423,512	504	424,016	13.8
Hong Kong Dollar	277,680	776	278,456	9.2
Hungarian Forint	8,991	135	9,126	0.3
Indian Rupee	64,154	697	64,851	2.1
Indonesian Rupiah	28,164	132	28,296	0.9
Israeli Shekel	16,429	49	16,478	0.5
Japanese Yen	381,024	2,588	383,612	12.6
Malaysian Ringgit	24,344	207	24,551	0.8
Mexican Peso	44,979	383	45,362	1.5
New Taiwan Dollar	63,355	1,166	64,521	2.1
New Zealand Dollar	7,782	3	7,785	0.3
Norwegian Krone	20,899	28	20,927	0.7
Pakistan Rupee	5,150	-	5,150	0.2
Philippine Peso	10,085	1	10,086	0.3
Polish Zloty	5,239	-	5,239	0.2
Qatari Riyal	407	16	423	0.0
Singapore Dollar	13,817	105	13,922	0.5
South African Rand	38,313	94	38,407	1.3
South Korean Won	188,612	1,479	190,091	6.3
Swedish Krona	52,296	1	52,297	1.7
Swiss Franc	95,697	-	95,697	3.1
Thailand Baht	47,149	1	47,150	1.6
Turkish Lira	55,220	507	55,727	1.8
Total	<u>\$ 2,493,763</u>	<u>\$ 16,307</u>	<u>\$ 2,510,070</u>	<u>82.5%</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 is \$531,171 or 17.5 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 2,736,592	\$ -	\$ -	\$ 2,736,592
Foreign currency contracts	-	68	-	68
Investments made with cash collateral for securities loaned	39,472	150,096	-	189,568
Preferred stock	68,037	-	-	68,037
Rights	217	-	-	217
Money market mutual fund	30,520	-	-	30,520
Total	<u>\$ 2,874,838</u>	<u>\$ 150,164</u>	<u>\$ -</u>	<u>\$ 3,025,002</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency contracts	<u>\$ -</u>	<u>\$ (63)</u>	<u>\$ -</u>	<u>\$ (63)</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2016.

	Fair Value
Securities on loan	<u>\$ 343,560</u>
Collateral received:	
Cash	\$ 189,568
Non-cash	184,110
Total collateral received	<u>\$ 373,678</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 and Liabilities.

### NOTE 6. FOREIGN CURRENCY CONTRACTS

At June 30, 2016, 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 Vs. Japanese Yen	6/30/2016	7/6/2016	5,018	\$ 6,709	689,140	\$ 6,717	\$ (8)
Long	Danish Krone	6/29/2016	7/1/2016	118	18		18	-
Long	Danish Krone Vs. Australian Dollar	6/30/2016	7/4/2016	844	126	169	126	-
Long	Egyptian Pound	5/26/2016	7/12/2016	180	20		20	-
Long	Euro Currency Unit	6/30/2016	7/6/2016	1,263	1,404		1,401	3
Long	Euro Currency Unit	6/30/2016	7/1/2016	859	954		951	3
Long	Euro Currency Unit	6/30/2016	7/1/2016	296	329		327	2
Long	Euro Currency Unit Vs. Australian Dollar	6/30/2016	7/6/2016	12	13	18	13	-
Long	Euro Currency Unit Vs. British Pound	6/29/2016	7/1/2016	13	15	11	15	-
Long	Euro Currency Unit Vs. Japanese Yen	6/30/2016	7/6/2016	3,052	3,390	349,932	3,411	(21)
Long	Hong Kong Dollar Vs. British Pound	6/29/2016	7/4/2016	243	31	23	31	-
Long	Hong Kong Dollar Vs. British Pound	6/30/2016	7/4/2016	300	39	29	39	-
Long	Indian Rupee	6/30/2016	7/1/2016	27,374	406		407	(1)
Long	Israeli Shekel Vs. Australian Dollar	6/30/2016	7/4/2016	876	227	305	227	-
Long	Japanese Yen	6/28/2016	7/1/2016	23,254	227		226	1
Long	Japanese Yen Vs. Australian Dollar	6/30/2016	7/6/2016	906	9	12	9	-
Long	Norwegian Krone Vs. Australian Dollar	6/30/2016	7/4/2016	3,050	364	489	364	-
Long	South African Rand	6/24/2016	7/1/2016	1,392	95		92	3
Long	South African Rand	6/27/2016	7/1/2016	10,959	748		710	38
Long	South Korean Won	6/29/2016	7/1/2016	1,169,889	1,016		1,013	3
Long	Swiss Franc Vs. Hong Kong Dollar	6/30/2016	7/6/2016	429	440	3,406	439	1
Long	Thailand Baht	6/30/2016	7/6/2016	139,928	3,982		3,995	(13)
Long	Thailand Baht	6/30/2016	7/6/2016	65,304	1,858		1,864	(6)
Short	Australian Dollar	6/29/2016	7/1/2016		378	509	379	(1)
Short	Canadian Dollar	6/29/2016	7/5/2016		471	611	471	-
Short	Chilean Peso	6/29/2016	7/1/2016		456	301,513	455	1
Short	Chilean Peso	6/30/2016	7/5/2016		824	546,803	826	(2)
Short	Danish Krone	6/29/2016	7/1/2016		2,059	13,785	2,058	1
Short	Euro Currency Unit	6/29/2016	7/1/2016		144	129	144	-
Short	Hong Kong Dollar	6/30/2016	7/5/2016		38	293	38	-
Short	Indian Rupee	6/28/2016	7/1/2016		15	1,010	15	-
Short	Indian Rupee	6/29/2016	7/5/2016		18	1,215	18	-
Short	Indian Rupee	6/30/2016	7/5/2016		18	1,211	18	-
Short	Indonesian Rupiah	6/29/2016	7/11/2016		862	11,309,509	856	6
Short	Indonesian Rupiah	6/30/2016	7/1/2016		72	953,734	72	-
Short	Indonesian Rupiah	6/30/2016	7/12/2016		1,114	14,661,953	1,110	4
Short	Japanese Yen	6/30/2016	7/5/2016		413	42,578	415	(2)
Short	Malaysian Ringgit	6/28/2016	7/1/2016		12	49	12	-

(Continued)

# International Equity Pool

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

### NOTE 6. FOREIGN CURRENCY CONTRACTS (continued)

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)	
Short	Malaysian Ringgit	6/29/2016	7/5/2016		44	176	44	-
Short	Malaysian Ringgit	6/30/2016	7/5/2016		54	216	53	1
Short	South Korean Won	6/29/2016	7/1/2016		2,839	3,280,116	2,848	(9)
Short	South Korean Won	6/30/2016	7/5/2016		19	21,696	19	-
Short	Thailand Baht	6/30/2016	7/6/2016		129	4,518	129	-
Short	Thailand Baht	6/30/2016	7/6/2016		343	12,031	342	1
					<u>\$ 32,742</u>		<u>\$ 32,737</u>	<u>\$ 5</u>

### NOTE 7. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with Acadian, Axiom, Brandes, LSV, and Oberweis 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, 2016, was 0.57 percent.

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, 2016, was 0.73 percent.

The fees paid to Brandes are based on a descending scale of fee rates ranging from 0.95 percent annually on the first \$25 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, 2016, was 0.74 percent.

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, 2016, was 0.46 percent.

The fees paid to Oberweis are based on a descending scale of fee rates ranging from 1.0 percent annually on the first \$50 million of assets under management to 0.90 percent annually on assets between \$50 million and \$100 million. For assets greater than \$100 million the fee rate is 0.80 percent annually. The effective fee rate earned by Oberweis for the year ended June 30, 2016, was 0.88 percent.



# International Equity Pool

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

### NOTE 8. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at June 30, 2015	\$	25.76
Income from investment operations:		
Net investment income		0.63
Net realized and unrealized loss on investment and foreign currency transactions		(2.91)
Total from investment operations		(2.28)
Net asset value at June 30, 2016	\$	23.48

**Total Return (b)** -8.9%

#### Supplemental Data:

Ratio to average net assets (c):		
Expenses		0.67%
Net investment income		2.70%
Portfolio turnover rate		36.63%

(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 9. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 1,181,323
Public Employees' Retirement System	1,034,365
Workers' Compensation Old Fund	154,844
West Virginia Retiree Health Benefit Trust Fund	118,113
State Police Death, Disability and Retirement Fund	105,304
Revenue Shortfall Reserve Fund - Part B	46,318
Deputy Sheriff's Retirement System	31,668
Judges' Retirement System	30,934
Coal Workers' Pneumoconiosis Fund	27,440
State Police Retirement System	25,322
West Virginia Department of Environmental Protection Agency	20,247
Public Employees Insurance Agency	18,240
Board of Risk and Insurance Management	15,055
Emergency Medical Services Retirement System	10,797
Wildlife Endowment Fund	10,589
West Virginia Prepaid Tuition Trust Fund	8,990
Workers' Compensation Self-Insured Employer Security Risk Pool	7,818
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	4,284
West Virginia Department of Environmental Protection Trust	1,814
Workers' Compensation Uninsured Employers' Fund	1,142
Berkeley County Development Authority	1,140
Municipal Police Officers' and Firefighters' Retirement System	551
Municipal Policemen's or Firemen's Pension and Relief Funds	248
Total	\$ 2,856,546



# International Equity Pool

---

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

### **NOTE 10. SUBSEQUENT EVENTS**

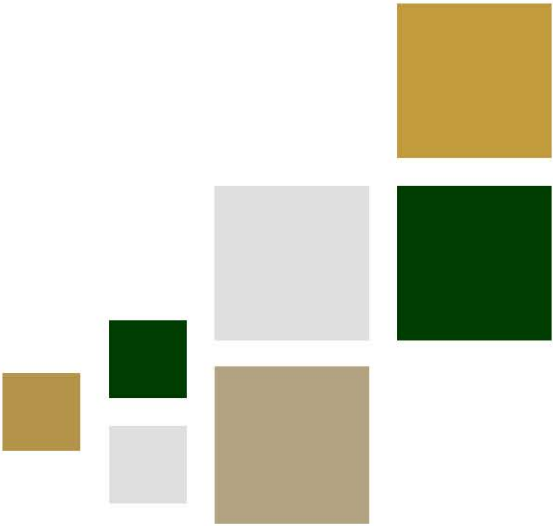
The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.



AUDITED FINANCIAL STATEMENTS  
June 30, 2016

F

SHORT-TERM FIXED INCOME POOL



# Short-Term Fixed Income Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	F-1
Schedule of Investments	F-2
Statement of Operations	F-3
Statement of Changes in Net Assets	F-4
Notes to Financial Statements	F-5



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

## Short-Term Fixed Income Pool

---

### Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

#### Assets

Investments at fair value (cost \$353,163)	\$	353,163
Dividends receivable		<u>1</u>
	<b>Total assets</b>	<b>353,164</b>

#### Liabilities

Cash overdraft		82,160
Accrued expenses		<u>39</u>
	<b>Total liabilities</b>	<b><u>82,199</u></b>
	<b>Net assets</b>	<b><u>\$ 270,965</u></b>

#### Unit data

Units outstanding		270,879,301
Net asset value, unit price	\$	<u>1.00</u>

See accompanying notes to financial statements.

# Short-Term Fixed Income Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Par Value or Shares	Cost	Fair Value
<b><u>U. S. Treasury Bond</u></b>			
United States Treasury, Zero Coupon, Due 7/28/2016 - 27.6%	74,798	\$ 74,786	\$ 74,786
<b><u>U. S. Government Agency Bonds</u></b>			
Federal Home Loan Bank, Zero Coupon, Due 7/19/2016	1,907	1,907	1,907
Federal Home Loan Bank, Zero Coupon, Due 7/21/2016	2,644	2,644	2,644
Federal Home Loan Bank, Zero Coupon, Due 7/26/2016	15,500	15,497	15,497
Federal Home Loan Bank, Zero Coupon, Due 7/27/2016	14,000	13,996	13,996
Federal Home Loan Bank, Zero Coupon, Due 8/16/2016	10,000	9,995	9,995
Federal Home Loan Bank, Zero Coupon, Due 8/18/2016	10,000	9,997	9,997
Federal Home Loan Bank, Zero Coupon, Due 8/19/2016	15,000	14,993	14,993
Federal Home Loan Bank, Zero Coupon, Due 8/22/2016	10,000	9,996	9,996
Federal Home Loan Bank, Zero Coupon, Due 8/23/2016	10,000	9,996	9,996
Federal Home Loan Bank, Zero Coupon, Due 8/24/2016	3,073	3,071	3,071
Federal Home Loan Bank, Zero Coupon, Due 8/30/2016	6,589	6,586	6,586
Federal Home Loan Bank, Zero Coupon, Due 9/7/2016	15,840	15,828	15,828
Federal Home Loan Bank, Zero Coupon, Due 9/14/2016	5,000	4,996	4,996
Federal Home Loan Bank, Zero Coupon, Due 12/14/2016	6,000	5,986	5,986
Federal Home Loan Mort Corp, Zero Coupon, Due 10/3/2016	5,000	4,994	4,994
Total U. S. Government Agency Bonds - 48.2%		130,482	130,482
<b><u>Commercial Paper</u></b>			
Abbott Laboratories, Due 7/15/2016	3,000	2,999	2,999
Atlantic Asset Securitization, Due 7/20/2016	2,000	1,999	1,999
Exxon Mobil Corp, Due 7/6/2016	3,000	3,000	3,000
Gotham Funding Corporation, Due 7/13/2016	3,000	3,000	3,000
Gotham Funding Corporation, Due 8/3/2016	3,000	2,999	2,999
Intercontinental Exchange Group, Due 7/14/2016	4,250	4,249	4,249
Macquarie Bank, Due 8/4/2016	3,000	2,998	2,998
Manhattan Asset Funding Co LLC, Due 7/1/2016	3,000	3,000	3,000
Manhattan Asset Funding Co LLC, Due 7/28/2016	3,000	2,999	2,999
Metlife Funding Inc, Due 7/19/2016	4,500	4,499	4,499
National Rural Utilities Co-op, Due 7/11/2016	6,000	5,999	5,999
Nieuw Amsterdam Receivables, Due 8/1/2016	3,000	2,999	2,999
Pfizer Inc, Due 8/1/2016	3,000	2,999	2,999
Toyota Motor Credit Corp, Due 10/4/2016	3,000	2,995	2,995
Wal-Mart Stores Inc, Due 7/5/2016	3,000	3,000	3,000
Working Capital Management Co, Due 7/6/2016	3,000	3,000	3,000
Total Commercial Paper - 19.4%		52,734	52,734
<b><u>Repurchase Agreement</u></b>			
Repurchase Agreement, 0.42% Due 7/1/2016 - 4.8%	13,000	13,000	13,000
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 30.3%	82,160,724	82,161	82,161
<b><u>Liquidating Trust</u></b>			
Residential Capital LLC - 0.0%	54	-	-
Total Investments - 130.3%		\$ 353,163	\$ 353,163

See accompanying notes to financial statements.

## Short-Term Fixed Income Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Interest	\$	439
Securities lending income		3
Dividends		1
		<hr/>

**Total investment income** 443

**Expenses**

Investment advisor fees		(91)
Trustee fee		(1)
Custodian bank fees		(11)
Management fees		(50)
Professional service fees		(11)
		<hr/>

**Total expenses** 

---

(164)

**Investment income, net** 279

**Net realized gain from investments** 

---

15

**Net increase in net assets from operations** 

---

---

\$ 294

*See accompanying notes to financial statements.*



## Short-Term Fixed Income Pool

---

### Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

#### Operations

Investment income, net	\$	279
Net realized gain from investments		<u>15</u>
<b>Net increase in net assets from operations</b>		294

#### Distributions to unitholders

Investment income, net		(279)
------------------------	--	-------

#### Unit transactions

Proceeds from sale of units		1,604,019
Reinvestment of distributions		279
Amount paid for repurchase of units		<u>(1,603,064)</u>
<b>Net increase in net assets from unit transactions</b>		<u>1,234</u>

**Increase in net assets** 1,249

**Net assets, beginning of year** 269,716

**Net assets, end of year** \$ 270,965

#### Unit data

Units sold		1,604,019,075
Units issued from reinvestment of distributions		279,307
Units repurchased		<u>(1,603,064,597)</u>
<b>Net increase in units</b>		<u><u>1,233,785</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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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 provided such amount 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 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, 2016.

**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, 2016.

Investment Type	Moody's	S&P	Carrying Value	Percent of Total Investments
Commercial paper	P-1	A-1	\$ 52,734	14.9%
Money market mutual fund	Aaa	AAA	82,161	23.2
U.S. Government agency bonds	P-1	A-1	130,482	37.0
U.S. Treasury bonds	Aaa	AA	88,046	24.9
Total investments			\$ 353,423	100.0%

This table includes U.S. Treasury notes received as collateral for a repurchase agreement with a fair value of \$13,260 as compared to the amortized cost of the repurchase agreement of \$13,000.

#### 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

#### Custodial Credit Risk

At June 30, 2016, 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 applicable asset types in the Pool as of June 30, 2016.

Investment Type	Carrying Value	WAM (days)
Commercial paper	\$ 52,734	22
Money market mutual fund	82,161	N/A
Repurchase agreement	13,000	1
U.S. Government agency bonds	130,482	55
U.S. Treasury bond	74,786	28
Total applicable investments	\$ 353,163	39

#### 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Commercial paper	\$ -	\$ 52,734	\$ -	\$ 52,734
Money market mutual fund	82,161	-	-	82,161
Repurchase agreement	-	13,000	-	13,000
U.S. Government agency bonds	-	130,482	-	130,482
U.S. Treasury bonds	-	74,786	-	74,786
Total	\$ 82,161	\$ 271,002	\$ -	\$ 353,163

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### 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, 2016, 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, 2015	\$	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, 2016	\$	1.00

**Total Return (c)** 0.2%

##### Supplemental Data:

Ratio to average net assets (d):		
Expenses		0.09%
Net investment income		0.16%
Weighted average days to maturity		39
Maximum weighted average investment maturity per Board guidelines		60 days
Money market yield (e)		0.30%

- (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, 2016. The balances do not include undistributed gains. To the extent the Pool has undistributed realized gains or accumulated realized losses, the net asset value of the Pool may be higher or lower than the total below.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 104,030
Revenue Shortfall Reserve Fund	75,030
Workers' Compensation Old Fund	43,590
State Police Death, Disability and Retirement Fund	13,286
Coal Workers' Pneumoconiosis Fund	10,886
Public Employees' Retirement System	7,511
Board of Risk and Insurance Management	6,641
Workers' Compensation Self-Insured Employer Security Risk Pool	1,913
West Virginia Department of Environmental Protection Agency	1,808
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	1,240
Workers' Compensation Uninsured Employers' Fund	1,093
West Virginia Prepaid Tuition Trust Fund	1,003
State Police Retirement System	894
Deputy Sheriff's Retirement System	775
Emergency Medical Services Retirement System	407
Judges' Retirement System	371
Municipal Police Officers' and Firefighters' Retirement System	121
Public Employees Insurance Agency	103
Wildlife Endowment Fund	78
West Virginia Retiree Health Benefit Trust Fund	67
Revenue Shortfall Reserve Fund - Part B	24
Berkeley County Development Authority	5
Municipal Policemen's or Firemen's Pension and Relief Funds	3
Total	<u>\$ 270,879</u>

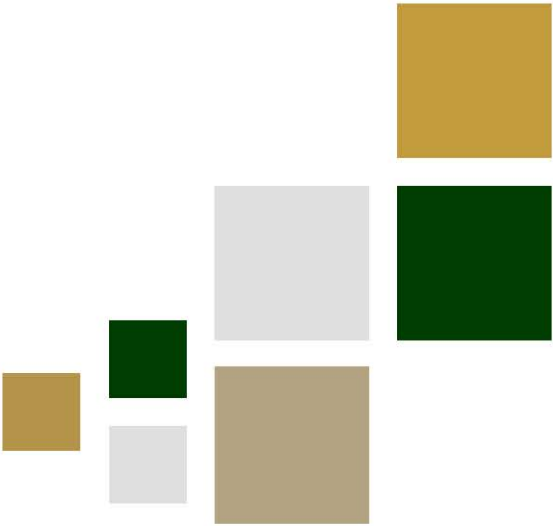
#### NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



TOTAL RETURN FIXED INCOME POOL

# Total Return Fixed Income Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report	
Statement of Assets and Liabilities	G-1
Schedule of Investments	G-2
Statement of Operations	G-17
Statement of Changes in Net Assets	G-18
Notes to Financial Statements	G-19



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# Total Return Fixed Income Pool

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$2,049,047), including securities on loan of \$207,311 (Note 6)	\$	2,149,802
Cash denominated in foreign currencies (cost \$3,154)		3,267
Cash pledged as collateral for derivative contracts		29,833
Cash pledged as collateral for derivative contracts denominated in foreign currencies (cost \$5,114)		5,107
Swap premiums paid (Note 8)		3,175
Unrealized appreciation on futures contracts (Note 7)		5,597
Unrealized appreciation on swap contracts (Note 8)		837
Unrealized appreciation on foreign currency forward contracts (Note 9)		1,054
Receivables:		
Accrued interest		14,897
Investments sold		87,717
Dividends		10
Securities lending income		57
Reclaimable foreign taxes withheld		50
Other		250
		<hr/>
<b>Total assets</b>		<b>2,301,653</b>

### Liabilities

Cash overdraft		1
Accrued expenses		1,569
Distributions payable		4,940
Payable for investments purchased		17,213
Payable upon return of securities loaned (Note 6)		100,663
Swap premiums received (Note 8)		2,963
Unrealized depreciation on futures contracts (Note 7)		7,013
Unrealized depreciation on swap contracts (Note 8)		18,200
Unrealized depreciation on foreign currency forward contracts (Note 9)		4,747
Option contracts written at fair value (premiums received \$1,257)		435
		<hr/>
<b>Total liabilities</b>		<b>157,744</b>
		<hr/>
<b>Net assets</b>	<b>\$</b>	<b>2,143,909</b>

### Unit data

Units outstanding		148,260,641
Net asset value, unit price	<b>\$</b>	<b>14.46</b>

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<b><u>Municipal Bonds</u></b>			
California, 7.5% Due 4/1/2034	10,775	\$ 11,343	\$ 16,344
California, 7.625% Due 3/1/2040	1,600	1,678	2,524
Illinois, 5.665% Due 3/1/2018	4,275	4,315	4,512
Illinois, 5.1% Due 6/1/2033	5,200	4,892	4,992
Los Angeles Unified School District, 6.758% Due 7/1/2034	4,125	4,445	5,946
New Jersey Turnpike Authority, 7.102% Due 1/1/2041	3,790	4,280	5,763
Total Municipal Bonds - 1.9%		30,953	40,081
<b><u>U.S. Treasury Bonds</u></b>			
United States Treasury, 0.625% Due 10/15/2016	9,335	9,335	9,342
United States Treasury, 0.875% Due 1/31/2017	6,250	6,258	6,266
United States Treasury, 0.75% Due 6/30/2017	100	100	100
United States Treasury, 1.0% Due 8/15/2018	21,450	21,498	21,622
United States Treasury, 1.25% Due 11/15/2018	8,000	8,012	8,113
United States Treasury, 0.75% Due 2/15/2019	35,000	34,862	35,068
United States Treasury, 1.375% Due 9/30/2020	110	109	112
United States Treasury, 1.625% Due 11/30/2020	13,105	13,149	13,489
United States Treasury, 1.125% Due 2/28/2021	4,105	4,078	4,134
United States Treasury, 2.875% Due 5/15/2043	1,790	1,886	2,013
United States Treasury, Zero Coupon, Due 11/15/2043	400	135	211
United States Treasury, 3.375% Due 5/15/2044	1,000	1,124	1,232
Total U.S. Treasury Bonds - 4.7%		100,546	101,702
<b><u>U.S. Treasury Inflation Protected Securities</u></b>			
United States Treasury, 0.375% Due 7/15/2025	6,940	6,856	7,213
United States Treasury, 0.625% Due 1/15/2026	30	31	32
United States Treasury, 2.125% Due 2/15/2040	3,460	5,179	5,009
United States Treasury, 0.75% Due 2/15/2042	4,300	4,707	4,565
United States Treasury, 0.75% Due 2/15/2045	2,650	2,383	2,704
United States Treasury, 1.0% Due 2/15/2046	6,450	6,316	7,027
Total U.S. Treasury Inflation Protected Securities - 1.2%		25,472	26,550
<b><u>U.S. Government Agency Bond</u></b>			
Federal National Mortgage Association, Zero Coupon, Due 10/9/2019 - 0.1%	2,810	2,586	2,699
<b><u>U.S. Government Agency MBS</u></b>			
FHLMC Issues, 1.788% - 6.5% Due 1/1/2024 - 3/1/2046	77,449	81,208	82,739
FNMA Issues, 2.372% - 7.0% Due 1/1/2021 - 12/1/2045	159,490	169,176	172,103
Total U.S. Government Agency MBS - 11.9%		250,384	254,842
<b><u>U.S. Government Agency TBA</u></b>			
Federal Home Loan Mortgage Corp, 3.5% Due 8/1/2046	500	526	526
Federal National Mortgage Association, 5.0% Due 7/1/2046	100	111	111
Total U.S. Government Agency CMO - 0.0%		637	637
<b><u>U.S. Government Agency CMO</u></b>			
FHLMC Issues, 0.992% - 6.0% Due 3/15/2034 - 12/15/2043	12,955	14,126	14,048
FNMA Issues, 0.803% - 7.5% Due 8/25/2033 - 12/25/2045	48,121	49,910	50,579
Total U.S. Government Agency CMO - 3.0%		64,036	64,627
<b><u>U.S. Government Agency CMO Interest-Only</u></b>			
FHLMC Issue, 1.795% Due 6/25/2020	773	30	37
GNMA Issues, 0.364% - 1.113% Due 9/16/2044 - 6/16/2056	113,227	6,664	6,482
Total U.S. Government Agency CMO Interest-Only - 0.3%		6,694	6,519

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<b>U.S. Corporate Bonds</b>			
<i>Basic Materials</i>			
Alcoa Inc, 5.87% Due 2/23/2022	1,110	1,129	1,160
Barrick NA Finance LLC, 5.7% Due 5/30/2041	300	291	310
Dow Chemical Company, 9.4% Due 5/15/2039	7,240	10,288	11,321
Freeport-McMoran Inc, 4.0% Due 11/14/2021	620	614	560
Glencore Funding LLC, 2.875% Due 4/16/2020	1,860	1,858	1,748
Reynolds Group Issuer Inc, 6.875% Adj, Due 2/15/2021	1,360	1,360	1,401
Rock-Tenn Co, 4.0% Due 3/1/2023	110	110	115
<i>Total Basic Materials</i>		15,650	16,615
<i>Capital Goods</i>			
BNSF Railway Co 2007-1 P, 5.996% Due 4/1/2024	621	674	723
Burlington NO SF 00-1 TR, 8.251% Due 1/15/2021	174	190	197
Burlington NO SF 06-2 TR, 5.629% Due 4/1/2024	289	309	325
Burlington North Santa Fe, 4.1% Due 6/1/2021	2,075	2,070	2,294
Burlington North Santa Fe, 3.05% Due 9/1/2022	6,600	6,582	7,027
CBC Ammo LLC/CBC Finco, 7.25% Due 11/15/2021	630	606	532
Cemex Finance LLC, 6.0% Due 4/1/2024	950	950	922
Continental Airlines Inc, 9.25% Due 5/10/2017	431	431	455
Continental Airlines Inc, 7.25% Due 11/10/2019	4,037	4,037	4,612
CRH America Inc, 3.875% Due 5/18/2025	4,300	4,290	4,537
Delta Air Lines, 6.821% Due 8/10/2022	1,552	1,552	1,804
Eaton Corp, 4.15% Due 11/2/2042	2,730	2,749	2,940
Florida East Coast Holdings, 6.75% Due 5/1/2019	1,750	1,766	1,741
General Electric Capital Corp, 5.875% Due 1/14/2038	1,230	1,516	1,664
Global Brass and Copper, 9.5% Due 6/1/2019	440	476	462
Lockheed Martin Corp, 4.5% Due 5/15/2036	420	412	469
Union Pacific Railroad Co 07-3, 6.176% Due 1/2/2031	660	702	804
Union Pacific Railroad Co 1999 Pass-Through Trust, 7.6% Due 1/2/2020	334	361	377
Union Pacific Railroad Co 2005 Pass-Through Trust, 5.082% Due 1/2/2029	3,351	3,443	3,740
Vulcan Materials Company, 7.5% Due 6/15/2021	4,840	5,100	5,814
Waste Management Inc, 3.5% Due 5/15/2024	580	579	627
West Corp, 5.375% Due 7/15/2022	1,270	1,229	1,181
<i>Total Capital Goods</i>		40,024	43,247
<i>Communication Services</i>			
AT&T Corp, 8.25% Adj, Due 11/15/2031	2,750	3,283	3,955
AT&T Inc, 3.4% Due 5/15/2025	1,775	1,770	1,816
AT&T Inc, 4.5% Due 5/15/2035	2,130	2,124	2,179
AT&T Inc, 6.55% Due 2/15/2039	925	1,046	1,140
AT&T Inc, 5.35% Due 9/1/2040	4,375	4,829	4,786
AT&T Inc, 4.75% Due 5/15/2046	4,595	4,579	4,709
AT&T Inc, 5.65% Due 2/15/2047	2,950	2,943	3,378
CenturyLink Inc, 5.625% Due 4/1/2020	795	837	825
CenturyLink Inc, 5.8% Due 3/15/2022	605	588	587
Sprint Capital Corp, 6.9% Due 5/1/2019	360	256	344
Sprint Communications, 9.0% Due 11/15/2018	1,680	1,878	1,789
Sprint Communications, 11.5% Due 11/15/2021	680	582	672
Sprint Corp, 7.875% Due 9/15/2023	1,758	1,889	1,437
Sprint Corp, 7.625% Due 2/15/2025	370	371	293
Verizon Communications, 5.15% Due 9/15/2023	3,030	3,211	3,529
Verizon Communications, 6.4% Due 9/15/2033	228	244	291
Verizon Communications, 4.272% Due 1/15/2036	1,936	1,699	1,981
Verizon Communications, 6.55% Due 9/15/2043	14,280	15,062	19,241
<i>Total Communication Services</i>		47,191	52,952
<i>Consumer Discretionary</i>			
21st Century Fox America, 8.45% Due 8/1/2034	400	561	600
21st Century Fox America, 6.4% Due 12/15/2035	2,260	2,621	2,870
21st Century Fox America, 6.65% Due 11/15/2037	2,785	3,003	3,652
CEC Entertainment Inc, 8.0% Due 2/15/2022	580	566	561
Charter Comm Operating LLC/CAP, 4.908% Due 7/23/2025	2,750	2,742	3,007
Charter Comm Operating LLC/CAP, 6.384% Due 10/23/2035	370	370	438

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Charter Comm Operating LLC/CAP, 6.484% Due 10/23/2045	4,140	4,147	4,943
Comcast Corp, 3.375% Due 8/15/2025	410	410	443
Cox Communications Inc, 3.25% Due 12/15/2022	2,925	2,658	2,917
Cox Communications Inc, 2.95% Due 6/30/2023	3,475	3,145	3,349
Dish DBS Corp, 7.875% Due 9/1/2019	760	835	838
Dish DBS Corp, 5.125% Due 5/1/2020	1,330	1,330	1,352
Dollar Tree Inc, 5.75% Due 3/1/2023	480	504	510
Ford Motor Company, 4.75% Due 1/15/2043	1,930	1,926	2,043
Ford Motor Credit Company LLC, 5.75% Due 2/1/2021	1,525	1,544	1,734
Ford Motor Credit Company LLC, 5.875% Due 8/2/2021	6,750	7,420	7,742
Ford Motor Credit Company LLC, 3.664% Due 9/8/2024	470	464	487
General Motors Co, 3.5% Due 10/2/2018	3,000	3,000	3,089
Greenpoint Manufacture Housing, 3.929% Adj, Due 2/20/2032	350	294	308
Greenpoint Manufacture Housing, 3.934% Adj, Due 3/13/2032	675	566	594
Hilton Worldwide Financial LLC, 5.625% Due 10/15/2021	1,400	1,469	1,449
L Brands Inc, 8.5% Due 6/15/2019	530	608	615
Lennar Corporation, 4.5% Due 11/15/2019	2,000	2,041	2,083
Macys Inc, 6.9% Due 4/1/2029	3,000	3,039	3,297
Macys Retail Holdings Inc, 6.65% Due 7/15/2024	4,415	4,243	5,104
Macys Retail Holdings Inc, 6.7% Due 7/15/2034	1,990	2,032	2,144
Macys Retail Holdings Inc, 6.375% Due 3/15/2037	5,475	5,293	5,539
McDonalds Corp, 4.7% Due 12/9/2035	980	977	1,105
McDonalds Corp, 4.875% Due 12/9/2045	1,310	1,310	1,532
Newell Rubbermaid Inc, 4.2% Due 4/1/2026	1,500	1,501	1,626
NVR Inc, 3.95% Due 9/15/2022	100	100	106
Relx Capital Inc, 3.125% Due 10/15/2022	4,951	4,824	5,032
Time Warner Cable Inc, 8.75% Due 2/14/2019	2,890	3,165	3,374
Time Warner Cable Inc, 4.0% Due 9/1/2021	3,665	3,648	3,896
Time Warner Cable Inc, 6.55% Due 5/1/2037	800	806	932
Time Warner Cable Inc, 7.3% Due 7/1/2038	580	673	726
Time Warner Cable Inc, 6.75% Due 6/15/2039	2,400	2,464	2,820
Time Warner Cable Inc, 5.875% Due 11/15/2040	70	75	76
Time Warner Entertainment, 8.375% Due 7/15/2033	780	802	1,057
Time Warner Inc, 7.625% Due 4/15/2031	3,500	4,099	4,801
Time Warner Inc, 7.7% Due 5/1/2032	9,474	11,200	13,227
Toll Brothers Finance Corp, 4.0% Due 12/31/2018	350	356	363
Toll Brothers Finance Corp, 5.875% Due 2/15/2022	610	643	656
United Rentals North America, 5.75% Due 11/15/2024	880	868	887
United Rentals North America, 5.875% Due 9/15/2026	60	60	60
Viacom Inc, 5.85% Due 9/1/2043	2,280	2,266	2,286
<i>Total Consumer Discretionary</i>		96,668	106,270
<i>Consumer Staples</i>			
Altria Group Inc, 2.85% Due 8/9/2022	460	461	482
Altria Group Inc, 10.2% Due 2/6/2039	1,240	1,960	2,298
Altria Group Inc, 5.375% Due 1/31/2044	1,190	1,232	1,526
Anheuser-Busch Inbev Finance Inc, 3.65% Due 2/1/2026	4,260	4,253	4,564
Anheuser-Busch Inbev Finance Inc, 4.7% Due 2/1/2036	3,690	3,660	4,147
Anheuser-Busch Inbev Finance Inc, 4.9% Due 2/1/2046	6,410	6,395	7,511
CVS Health Corp, 4.0% Due 12/5/2023	1,010	1,006	1,117
CVS Health Corp, 6.943% Due 1/10/2030	1,661	1,661	1,996
CVS Health Corp, 5.125% Due 7/20/2045	1,360	1,378	1,687
Kraft Heinz Foods Co, 4.875% Due 2/15/2025	330	352	362
Kraft Heinz Foods Co, 5.2% Due 7/15/2045	1,140	1,139	1,350
Kroger Co, 3.3% Due 1/15/2021	2,150	2,147	2,285
Kroger Co, 3.4% Due 4/15/2022	740	737	792
Mondelez International Inc, 4.0% Due 2/1/2024	1,240	1,240	1,356
Reynolds American Inc, 8.125% Due 6/23/2019	2,680	3,056	3,177
Reynolds American Inc, 5.85% Due 8/15/2045	1,770	1,790	2,262
<i>Total Consumer Staples</i>		32,467	36,912
<i>Energy</i>			
Anadarko Petroleum Corp, 4.85% Due 3/15/2021	2,510	2,514	2,662
Anadarko Petroleum Corp, 5.55% Due 3/15/2026	700	698	773

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
California Resources Corp, 6.0% Due 11/15/2024	770	638	377
Chesapeake Energy Corp, 6.625% Due 8/15/2020	1,560	1,656	1,096
Chesapeake Energy Corp, 5.75% Due 3/15/2023	150	84	96
Cnooc Finance 2015 US, 3.5% Due 5/5/2025	2,430	2,410	2,462
Comstock Resources Inc, 10.0% Due 3/15/2020	2,460	2,464	1,980
Devon Energy Corporation, 5.85% Due 12/15/2025	810	811	894
Devon Energy Corporation, 5.6% Due 7/15/2041	50	51	48
Devon Energy Corporation, 5.0% Due 6/15/2045	950	938	886
Exxon Mobil Corporation, 4.114% Due 3/1/2046	1,250	1,253	1,410
Halliburton Company, 3.8% Due 11/15/2025	1,320	1,318	1,379
Halliburton Company, 4.85% Due 11/15/2035	1,680	1,683	1,819
Halliburton Company, 5.0% Due 11/15/2045	1,950	1,954	2,145
Kerr-McGee Corporation, 6.95% Due 7/1/2024	480	500	555
Kerr-McGee Corporation, 7.875% Due 9/15/2031	1,115	1,251	1,329
Kinder Morgan Energy Partners, 4.25% Due 9/1/2024	6,000	5,979	6,075
Kinder Morgan Energy Partners, 6.5% Due 9/1/2039	3,325	3,740	3,478
Kinder Morgan Energy Partners, 5.0% Due 3/1/2043	2,400	2,433	2,272
Kinder Morgan Energy Partners, 5.4% Due 9/1/2044	2,925	2,747	2,886
Kinder Morgan Inc, 5.625% Due 11/15/2023	2,475	2,326	2,651
Kinder Morgan Inc, 7.8% Due 8/1/2031	469	346	526
Kinder Morgan Inc, 5.55% Due 6/1/2045	4,000	3,335	4,064
Petroleos Mexicanos, 6.875% Due 8/4/2026	1,930	1,927	2,158
Pride International Inc, 6.875% Due 8/15/2020	800	740	764
Schlumberger Holdings Corp, 4.0% Due 12/21/2025	2,190	2,189	2,357
Southern Natural Gas, 5.9% Due 4/1/2017	570	570	585
Transcont Gas Pipe Line, 7.85% Due 2/1/2026	2,190	2,245	2,725
WPX Energy Inc, 8.25% Due 8/1/2023	460	466	461
<i>Total Energy</i>		49,266	50,913
<i>Financial Services</i>			
ACE INA Holdings, 3.35% Due 5/3/2026	460	459	490
ACE INA Holdings, 4.35% Due 11/3/2045	910	925	1,047
ALLY Financial Inc, 8.0% Due 12/31/2018	940	1,028	1,027
ALLY Financial Inc, 8.0% Due 11/1/2031	1,280	1,518	1,482
BAC Capital Trust XI, 6.625% Due 5/23/2036	12,130	11,290	14,844
Bank of America Corp, 5.42% Due 3/15/2017	600	608	617
Bank of America Corp, 5.625% Due 7/1/2020	1,075	1,187	1,209
Bank of America Corp, 5.0% Due 5/13/2021	150	149	168
Bank of America Corp, 3.3% Due 1/11/2023	330	327	340
Bank of America Corp, 4.2% Due 8/26/2024	2,955	2,954	3,055
Bank of America Corp, 4.0% Due 1/22/2025	1,620	1,611	1,651
Bank of America Corp, 4.25% Due 10/22/2026	1,780	1,772	1,846
Bank of America Corp, 5.0% Due 1/21/2044	2,140	2,136	2,475
Boston Properties LP, 3.85% Due 2/1/2023	1,300	1,349	1,391
Boston Properties LP, 3.8% Due 2/1/2024	1,525	1,522	1,637
Capital One Financial Corp, 3.5% Due 6/15/2023	7,270	7,153	7,502
Capital One Financial Corp, 3.75% Due 4/24/2024	3,200	3,158	3,339
CIT Group Inc, 5.25% Due 3/15/2018	400	411	412
CIT Group Inc, 5.5% Due 2/15/2019	770	805	806
Citigroup Inc, 5.5% Due 9/13/2025	1,890	1,956	2,119
Citigroup Inc, 4.45% Due 9/29/2027	1,670	1,663	1,720
Citigroup Inc, 4.65% Due 7/30/2045	1,520	1,518	1,670
Compass Bank, 3.875% Due 4/10/2025	570	557	547
Corp Bond Backed CTF-CCE, 7% Due 5/15/2098	5,000	4,396	5,857
Credit Agricole SA, 8.125%, Perpetual	1,470	1,470	1,460
ERP Operating LP, 4.625% Due 12/15/2021	2,628	2,643	2,968
ERP Operating LP, 3.0% Due 4/15/2023	1,350	1,303	1,386
Goldman Sachs Capital II, 4.0%, Perpetual	2,109	1,733	1,579
Goldman Sachs Group Inc, 4.25% Due 10/21/2025	280	279	289
Goldman Sachs Group Inc, 6.25% Due 2/1/2041	2,410	2,413	3,119
Goldman Sachs Group Inc, 5.15% Due 5/22/2045	2,080	2,076	2,170
Goldman Sachs Group Inc, 4.75% Due 10/21/2045	820	813	904
HSBC Finance Corp, 6.676% Due 1/15/2021	350	345	392
ILFC E-Capital Trust II, 4.23% Due 12/21/2065	4,520	3,958	3,571

See accompanying notes to financial statements.



# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
International Finance Corp, 7.75% Due 12/3/2016 (Indian Rupee)	175,000	2,820	2,602
International Finance Corp, 6.45% Due 10/30/2018 (Indian Rupee)	40,000	633	590
JP Morgan Chase & Co, 3.875% Due 9/10/2024	4,670	4,691	4,835
JP Morgan Chase & Co, 4.95% Due 6/1/2045	1,860	1,852	2,042
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	2,584	2,978
Navient Corp, 6.0% Due 1/25/2017	5,775	5,765	5,847
Navient Corp, 4.625% Due 9/25/2017	2,050	2,072	2,065
Navient Corp, 8.45% Due 6/15/2018	2,450	2,636	2,649
Navient Corp, 5.5% Due 1/15/2019	160	164	160
Navient Corp, 8.0% Due 3/25/2020	780	848	797
Provident Companies Inc, 7.25% Due 3/15/2028	2,225	2,721	2,744
Rio Oil Finance Trust, 9.25% Adj, Due 7/6/2024	14,924	14,504	12,760
Rio Oil Finance Trust, 9.75% Adj, Due 1/6/2027	9,825	9,825	8,302
Santander Holdings USA, 3.45% Due 8/27/2018	1,400	1,399	1,429
State Street Corp, 4.956% Due 3/15/2018	1,840	1,847	1,928
State Street Corp, 3.1% Due 5/15/2023	810	809	838
Teachers Insurance & Annuity, 6.85% Due 12/16/2039	1,230	1,229	1,671
Visa Inc, 4.15% Due 12/14/2035	1,640	1,638	1,855
Visa Inc, 4.3% Due 12/14/2045	3,830	3,824	4,434
Wachovia Capital Trust III, 5.57% Due 12/29/2049	2,050	2,046	2,024
Wells Fargo & Company, 4.48% Due 1/16/2024	190	171	208
Wells Fargo & Company, 4.1% Due 6/3/2026	1,060	1,059	1,134
Wells Fargo & Company, 4.3% Due 7/22/2027	7,965	7,969	8,600
Wells Fargo & Company, 5.375% Due 11/2/2043	810	808	944
Wells Fargo & Company, 4.65% Due 11/4/2044	720	715	759
Wells Fargo & Company, 4.9% Due 11/17/2045	840	834	919
Wells Fargo Capital X, 5.95% Due 12/15/2036	430	411	454
<i>Total Financial Services</i>		143,359	150,657
<i>Health Care</i>			
Aetna Inc, 2.4% Due 6/15/2021	590	590	602
Aetna Inc, 2.8% Due 6/15/2023	150	150	153
Aetna Inc, 3.2% Due 6/15/2026	910	907	936
Alere Inc, 6.5% Due 6/15/2020	1,820	1,862	1,811
Bioscrip Inc, 8.875% Due 2/15/2021	1,600	1,434	1,480
Celgene Corporation, 5.0% Due 8/15/2045	940	937	1,035
CIGNA Corporation, 7.65% Due 3/1/2023	1,925	2,009	2,388
CIGNA Corporation, 7.875% Due 5/15/2027	1,545	1,663	2,137
CIGNA Corporation, 6.15% Due 11/15/2036	3,488	3,614	4,321
DJO Finance Corp, 10.75% Due 4/15/2020	2,000	2,034	1,620
Gilead Sciences Inc, 3.65% Due 3/1/2026	1,170	1,166	1,273
Humana Inc, 3.15% Due 12/1/2022	250	249	257
Humana Inc, 8.15% Due 6/15/2038	730	734	1,058
Humana Inc, 4.625% Due 12/1/2042	220	223	229
Iasis Healthcare/Cap Crp, 8.375% Due 5/15/2019	3,500	3,645	3,362
Medtronic Inc, 3.5% Due 3/15/2025	240	238	262
NY & Presbyterian Hospital, 4.063% Due 8/1/2056	400	400	430
NY & Presbyterian Hospital, 4.763% Due 8/1/2116	300	300	317
Tenet Healthcare Corporation, 5.0% Adj, Due 3/1/2019	970	970	938
UnitedHealth Group Inc, 4.625% Due 7/15/2035	610	610	708
Universal Hospital Service, 7.625% Due 8/15/2020	2,230	1,972	2,049
Valeant Pharmaceuticals, 6.375% Due 10/15/2020	200	177	172
Zoetis Inc, 4.5% Due 11/13/2025	5,300	5,322	5,845
<i>Total Health Care</i>		31,206	33,383
<i>Technology</i>			
Diamond 1 Fin/Diamond 2, 3.48% Due 6/1/2019	3,600	3,600	3,688
Diamond 1 Fin/Diamond 2, 4.42% Due 6/15/2021	10,120	10,147	10,416
Diamond 1 Fin/Diamond 2, 5.45% Due 6/15/2023	3,125	3,124	3,242
Hewlett Packard Enterprise, 3.6% Due 10/15/2020	5,800	5,799	6,054
Intel Corporation, 3.7% Due 7/29/2025	70	70	78

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Micron Technology Inc, 5.25% Due 8/1/2023	140	135	119
Micron Technology Inc, 5.5% Due 2/1/2025	350	333	298
Qualcomm Inc, 4.8% Due 5/20/2045	1,220	1,214	1,280
Xerox Corporation, 6.35% Due 5/15/2018	7,452	7,770	7,968
Xerox Corporation, 4.5% Due 5/15/2021	1,124	1,143	1,137
<i>Total Technology</i>		33,335	34,280
<i>Utilities</i>			
AES Corporation, 8.0% Due 6/1/2020	3,900	3,900	4,544
Dominion Resources Inc, 5.75% Due 10/1/2054	5,050	5,050	5,025
FirstEnergy Corp, 7.375% Due 11/15/2031	1,010	1,240	1,254
Mirant Mid Atlantic Trust, 9.125% Due 6/30/2017	2,366	2,399	2,265
Pacific Gas & Electric, 6.05% Due 3/1/2034	1,300	1,417	1,732
<i>Total Utilities</i>		14,006	14,820
Total U.S. Corporate Bonds - 25.2%		503,172	540,049
<b><u>Bank Loan</u></b>			
Neiman Marcus, 4.25% Due 10/25/2020 - 0.0%	1,045	1,028	936
<b><u>Corporate Asset Backed Issues</u></b>			
Access Group Inc, 1.038% Due 10/25/2035	2,009	1,817	1,717
Babson CLO Ltd, 6.184% Due 7/20/2027	2,750	2,613	2,241
Community Funding CLO Ltd, 5.75% Adj, Due 11/1/2027	2,770	2,770	2,687
Cumberland Park CLO Ltd, 5.634% Due 7/20/2026	1,500	1,369	1,179
Dryden Senior Loan Fund, 6.576% Due 8/15/2028	2,850	2,753	2,450
Magnetite CLO Ltd, 4.033% Due 7/18/2028	1,000	949	862
Morgan Stanley Resecuritization, 0.713% Due 7/26/2045	5,956	5,604	5,350
National Collegiate Student Loan Trust, 0.723% Due 3/26/2029	4,820	4,617	4,370
Neuberger Berman CLO Ltd, 5.878% Due 7/15/2027	2,750	2,582	2,163
Oaktree CLO Ltd, 6.234% Due 10/20/2027	850	698	706
SLM Student Loan Trust, 0.698% Due 7/25/2022	3,840	3,627	3,600
SMB Private Education Loan Trust, 1.642% Due 5/15/2023	2,580	2,568	2,553
SMB Private Education Loan Trust, 4.5% Due 11/15/2025	5,970	4,929	5,299
SMB Private Education Loan Trust, 3.5% Due 12/15/2025	1,850	1,760	1,803
<i>Total Corporate Asset Backed Issues - 1.7%</i>		38,656	36,980
<b><u>Corporate ABS Residual</u></b>			
SMB Private Education Loan Trust, Due 9/18/2046 - 0.3%	3,902	5,346	5,385
<b><u>Corporate CMO</u></b>			
Banc of America Funding Corp, 0.593% Adj, Due 7/27/2018	6,237	6,046	6,100
BBCCRE Trust, 4.563% Adj, Due 8/10/2025	5,940	4,931	5,389
Jamestown CLO Ltd, 7.114% Due 1/15/2028	1,500	1,316	1,274
Lone Star Portfolio Trust, 7.66% Due 9/15/2020	4,309	4,309	4,015
Lone Star Portfolio Trust, 7.342% Due 9/15/2020	4,351	4,351	4,129
Morgan Stanley Mortgage Loan, 2.681% Adj, Due 10/25/2034	626	623	613
Residential Asset Securitization, 4.75% Due 2/25/2019	310	310	314
Waterfall Commercial Mortgage Trust, 4.104% Adj, Due 9/19/2022	5,293	5,293	5,088
Wells Fargo Mortgage Backed, 2.851% Adj, Due 12/25/2034	963	795	957
<i>Total Corporate CMO - 1.3%</i>		27,974	27,879
<b><u>Corporate Preferred Security</u></b>			
Citigroup Capital XIII - 0.5%	401,700	10,758	10,472
<b><u>Foreign Government Bonds</u></b>			
<i>Angola</i>			
Republic of Angola, 9.5% Due 11/12/2025	650	646	644
<i>Argentina</i>			
Province of Neuquen, 8.625% Due 5/12/2028	2,450	2,465	2,572
Province of Salta, 9.5% Due 3/16/2022	2,233	2,209	2,328

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

**June 30, 2016**

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Provincia De Buenos Aire, 9.125% Due 3/16/2024	1,530	1,511	1,683
Republic of Argentina, 6.875% Due 4/22/2021	710	710	757
Republic of Argentina, 7.5% Due 4/22/2026	470	470	508
Republic of Argentina, 7.5% Due 4/22/2026	225	225	243
Republic of Argentina, 7.625% Due 4/22/2046	310	297	335
<i>Total Argentina</i>		7,887	8,426
<i>Armenia</i>			
Republic of Armenia, 7.15% Due 3/26/2025	1,660	1,645	1,685
<i>Azerbaijan</i>			
State Oil Company of the Azer, 4.75% Due 3/13/2023	1,600	1,531	1,530
<i>Brazil</i>			
Nota Do Tesouro Nacional, 10.0% Due 1/1/2017 (Brazil Real)	17,722	7,310	5,433
Nota Do Tesouro Nacional, 10.0% Due 1/1/2023 (Brazil Real)	7,018	1,836	2,005
Nota Do Tesouro Nacional, 10.0% Due 1/1/2025 (Brazil Real)	5,500	989	1,542
Nota Do Tesouro Nacional, 15.882% Adj, Due 8/15/2030 (Brazil Real)	9,700	9,413	9,015
<i>Total Brazil</i>		19,548	17,995
<i>Cameroon</i>			
Republic of Cameroon, 9.5% Due 11/19/2025	2,600	2,560	2,627
<i>Cayman Islands</i>			
Dominican Republic, 8.5% Due 1/2/2020	717	749	755
<i>Colombia</i>			
Bogota Distrito Capital, 9.75% Due 7/26/2028 (Colombian Peso)	3,400,000	1,473	1,189
Republic of Colombia, 4.375% Due 7/12/2021	1,600	1,687	1,718
<i>Total Colombia</i>		3,160	2,907
<i>Dominican Republic</i>			
Dominican Republic, 7.5% Due 5/6/2021	1,600	1,768	1,778
<i>Ecuador</i>			
Republic of Ecuador, 10.5% Due 3/24/2020	950	956	940
<i>El Salvador</i>			
Republic of El Salvador, 7.65% Due 6/15/2035	4,000	4,061	3,560
<i>Ethiopia</i>			
Federal Republic of Ethiopia, 6.625% Due 12/11/2024	1,200	1,085	1,119
<i>Gabon</i>			
Gabonese Republic, 6.95% Due 6/16/2025	2,100	2,029	1,833
<i>Georgia</i>			
Georgian Oil & Gas Corp, 6.75% Due 4/26/2021	2,100	2,079	2,169
Republic of Georgia, 6.875% Due 4/12/2021	1,600	1,694	1,760
<i>Total Georgia</i>		3,773	3,929
<i>Germany</i>			
Bosnia & Herzegovina, 0.625% Adj, Due 12/11/2017 (Deutsche Mark)	357	357	188
Bosnia & Herzegovina, 0.625% Adj, Due 12/11/2021 (Deutsche Mark)	4,308	2,548	2,054
<i>Total Germany</i>		2,905	2,242
<i>Ghana</i>			
Ghana Government Bond, 23.0% Due 8/21/2017 (Ghana Cedi)	7,500	1,899	1,871
Republic of Ghana, 10.75% Due 10/14/2030	2,570	2,642	2,707
		4,541	4,578
<i>Grenada</i>			
Government of Grenada, 7.0% Adj, Due 5/12/2030	3,663	2,093	1,996

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Honduras</i>			
Republic of Honduras, 8.75% Due 12/16/2020	1,100	1,100	1,232
<i>Indonesia</i>			
Republic of Indonesia, 4.875% Due 5/5/2021	3,100	3,219	3,366
<i>Iraq</i>			
Republic of Iraq, 5.8% Due 1/15/2028	7,000	6,050	5,329
<i>Jamaica</i>			
Government of Jamaica, 7.875% Due 7/28/2045	1,700	1,669	1,815
<i>Japan</i>			
Japan Govt CPI Linked, 0.1% Due 9/10/2023 (Japanese Yen)	678,480	5,981	6,977
Japan Govt CPI Linked, 0.1% Due 3/10/2024 (Japanese Yen)	1,441,020	14,507	14,854
Japan Govt CPI Linked, 0.1% Due 9/10/2024 (Japanese Yen)	1,323,350	12,587	13,757
Japan Govt CPI Linked, 0.1% Due 3/10/2025 (Japanese Yen)	1,195,200	10,359	12,431
<i>Total Japan</i>		43,434	48,019
<i>Kazakhstan</i>			
Republic of Kazakhstan, 6.95% Due 7/10/2042	2,000	1,730	2,045
Republic of Kazakhstan, 4.875% Due 10/14/2044	1,125	948	1,091
<i>Total Kazakhstan</i>		2,678	3,136
<i>Kenya</i>			
Kenya Infrastructure Bond, 11.0% Due 9/15/2025 (Kenyan Shilling)	229,450	2,529	2,149
Republic of Kenya, 6.875% Due 6/24/2024	1,000	883	925
<i>Total Kenya</i>		3,412	3,074
<i>Mexico</i>			
Mex Bonos Desarr Fix Rt, 6.5% Due 6/9/2022 (Mexican Peso)	387,710	29,622	21,970
Mex Bonos Desarr Fix Rt, 10.0% Due 12/5/2024 (Mexican Peso)	28,580	2,627	1,986
Mex Bonos Desarr Fix Rt, 7.75% Due 11/13/2042 (Mexican Peso)	92,584	6,045	5,837
Mexican Udibonos, 4.5% Due 12/4/2025 (Mexican Peso)	13,592	810	838
Mexican Udibonos, 4.0% Due 11/15/2040 (Mexican Peso)	75,109	5,885	4,479
<i>Total Mexico</i>		44,989	35,110
<i>Mongolia</i>			
Mongolia International Bond, 5.125% Due 12/5/2022	2,400	2,128	1,967
<i>Mozambique</i>			
Republic of Mozambique, 10.5% Due 1/18/2023	2,768	2,657	1,938
<i>Nigeria</i>			
Central Bank of Nigeria, 0.0% Adj, Due 11/15/2020	2,650	3,666	1,921
<i>Paraguay</i>			
Republic of Paraguay, 4.625% Due 1/25/2023	1,700	1,634	1,768
<i>Russia</i>			
Russia Government Bond-OFZ, 7.5% Due 3/15/2018 (Russian Ruble)	254,400	3,566	3,886
Russia Government Bond-OFZ, 7.0% Due 1/25/2023 (Russian Ruble)	78,470	972	1,148
Russia Government Bond-OFZ, 8.15% Due 2/3/2027 (Russian Ruble)	263,260	3,667	4,125
<i>Total Russia</i>		8,205	9,159
<i>Seychelles</i>			
Republic of Seychelles, 7.0% Adj, Due 1/1/2026	1,677	1,642	1,627
<i>South Africa</i>			
Banque Quest Africanine D, 5.5% Due 5/6/2021	950	940	988
Development Bank of South Africa, 7.175% Adj, Due 12/20/2023	2,906	2,906	2,713
Development Bank of South Africa, 7.175% Adj, Due 12/20/2023	2,906	2,906	2,713
Republic of South Africa, 8.0% Due 12/21/2018 (South African Rand)	70,400	6,624	4,814

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Republic of South Africa, 4.665% Due 1/17/2024	1,700	1,728	1,756
<i>Total South Africa</i>		15,104	12,984
<i>Tunisia</i>			
Banque Cent de Tunisie, 4.5% Due 6/22/2020 (Euro Currency Unit)	350	455	384
Banque Cent de Tunisie, 4.2% Due 3/17/2031 (Japanese Yen)	320,000	2,335	2,371
<i>Total Tunisia</i>		2,790	2,755
<i>Turkey</i>			
Republic of Turkey, 6.75% Due 4/3/2018	3,000	3,134	3,226
Turkey Government Bond, 8.2% Due 11/16/2016 (Turkish Lira)	14,660	5,338	5,094
<i>Total Turkey</i>		8,472	8,320
<i>Uganda</i>			
Uganda Government, 10.25% Due 7/14/2016 (Ugandan Shilling)	1,600,000	474	470
Uganda Government, 10.75% Due 9/8/2016 (Ugandan Shilling)	4,000,000	1,573	1,162
Uganda Government, 16.75% Due 2/23/2017 (Ugandan Shilling)	267,300	80	79
Uganda Government, 14.625% Due 11/1/2018 (Ugandan Shilling)	742,900	204	208
<i>Total Uganda</i>		2,331	1,919
<i>Ukraine</i>			
City of Kyiv, Zero Coupon, Due 9/1/2019	3,000	2,987	2,459
Oschadbank Via SSB#1 PLC, 9.625% Adj, Due 3/20/2025	3,500	3,272	3,349
Ukraine Government, Zero Coupon, Due 5/31/2040	2,400	715	777
<i>Total Ukraine</i>		6,974	6,585
<i>Uruguay</i>			
Republica Orient Uruguay, 3.7% Due 6/26/2037 (Uruguayan Peso)	144,862	5,925	3,759
<i>Venezuela</i>			
Republic of Venezuela, 0.0% Adj, Due 4/15/2020	24,137	4,017	845
Republic of Venezuela, 7.65% Due 4/21/2025	6,200	4,463	2,526
<i>Total Venezuela</i>		8,480	3,371
Total Foreign Government Bonds - 10.2%		237,496	217,698
<b>Foreign Corporate Bonds</b>			
<i>Armenia</i>			
Ardshinvestbank CJSC, 12.0% Due 7/29/2020	1,700	1,699	1,547
<i>Australia</i>			
BHP Billiton Financial USA LTD, 5.0% Due 9/30/2043	930	930	1,081
BHP Billiton Financial USA LTD, 6.75% Adj, Due 10/19/2075	6,685	6,738	7,103
FMG Resources August 2006, 9.75% Due 3/1/2022	520	495	574
<i>Total Australia</i>		8,163	8,758
<i>Austria</i>			
ESAL GMBH, 6.25% Due 2/5/2023	2,400	2,148	2,370
<i>Azerbaijan</i>			
International Bank of Azerbaijan, 5.625% Due 6/11/2019	3,200	3,058	3,129
<i>Bermuda</i>			
NCL Corp Ltd, 5.25% Due 11/15/2019	940	959	949
<i>Brazil</i>			
OI SA, 9.75% Due 9/15/2016 (Brazil Real)	7,612	2,157	362
<i>Canada</i>			
Anadarko Finance Co, 7.5% Due 5/1/2031	556	605	666
Barrick Gold Corporation, 4.1% Due 5/1/2023	433	432	457
Glencore Finance Canada, 5.8% Due 11/15/2016	150	152	152
Glencore Finance Canada, 2.7% Due 10/25/2017	1,340	1,340	1,335
Teck Resources Limited, 5.2% Due 3/1/2042	3,500	1,897	2,292

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Transcanada Trust, 5.625% Due 5/20/2075	5,450	5,443	5,028
Valeant Pharmaceuticals, 6.125% Due 4/15/2025	900	936	722
<i>Total Canada</i>		10,805	10,652
<i>Cayman Islands</i>			
Irsa Norte Finance Ltd, 8.75% Due 5/30/2024	1,536	1,762	1,716
Peru Enhanced Pass-Thru, Zero Coupon, Due 6/2/2025	4,600	3,587	3,638
Petrobras Global Finance, 5.375% Due 1/27/2021	6,325	6,630	5,793
Shelf Drill Hold Ltd, 8.625% Due 11/1/2018	2,310	2,412	1,698
Transocean Inc, 3.0% Due 10/15/2017	990	1,000	997
Vale Overseas Limited, 6.875% Due 11/21/2036	4,432	4,197	4,033
<i>Total Cayman Islands</i>		19,588	17,875
<i>Chile</i>			
Codelco Inc, 4.5% Due 9/16/2025	3,100	3,013	3,245
<i>Colombia</i>			
Ecopetrol SA, 5.375% Due 6/26/2026	720	715	700
Ecopetrol SA, 5.875% Due 5/28/2045	1,480	1,398	1,286
Empresa De Telecomunic, 7.0% Due 1/17/2023 (Colombian Peso)	6,550,000	2,728	1,601
Fideicomiso Pa Costera, 6.25% Due 1/15/2034 (Colombian Peso)	3,200,000	1,016	1,037
<i>Total Colombia</i>		5,857	4,624
<i>Ethiopia</i>			
Ethiopian Railways Corporation, 4.615% Adj, Due 8/2/2021	2,400	2,394	2,239
<i>France</i>			
BNP Paribas, 4.25% Due 10/15/2024	8,400	8,394	8,638
BNP Paribas, 4.375% Due 9/28/2025	4,465	4,425	4,528
BNP Paribas, 7.375% Adj, Perpetual	1,070	1,070	1,048
BPCE SA, 12.5%, Perpetual	3,317	4,329	4,093
Credit Agricole SA, 8.375% Due 12/13/2049	1,840	1,840	2,054
Numericable - SFR SAS, 6.25% Due 5/15/2024	930	938	889
Numericable - SFR SAS, 7.375% Due 5/1/2026	740	740	732
Pernod Ricard SA, 4.45% Due 1/15/2022	1,730	1,750	1,906
<i>Total France</i>		23,486	23,888
<i>Guernsey</i>			
Credit Suisse GP Fund Ltd, 4.875% Due 5/15/2045	1,900	1,894	1,892
<i>India</i>			
Bharti Airtel Ltd, 4.375% Due 6/10/2025	1,410	1,400	1,478
<i>Ireland</i>			
AerCapital Ireland Capital Ltd/A, 4.625% Due 7/1/2022	590	599	604
Ardagh Packaging Fin/Hlds USA, 6.25% Due 1/31/2019	2,090	2,155	2,124
Ardagh Packaging Fin/Hlds USA, 3.653% Due 12/15/2019	200	197	201
<i>Total Ireland</i>		2,951	2,929
<i>Italy</i>			
Intesa Sanpaolo SpA, 5.017% Due 6/26/2024	4,120	4,157	3,772
Telecom Italia SpA, 5.303% Due 5/30/2024	4,330	4,433	4,319
<i>Total Italy</i>		8,590	8,091
<i>Jersey</i>			
UBS Group Funding, 4.125% Due 9/24/2025	940	938	974
<i>Luxembourg</i>			
Actavis Funding SCS, 3.45% Due 3/15/2022	1,650	1,629	1,714
Actavis Funding SCS, 3.8% Due 3/15/2025	3,275	3,265	3,412
Actavis Funding SCS, 4.55% Due 3/15/2035	80	80	82
Convatec Finance International SA, 8.25% Due 1/15/2019	1,770	1,805	1,737
Mallinckrodt International Finance, 3.5% Due 4/15/2018	870	875	846
Millicom International Cellular, 6.625% Due 10/15/2021	1,700	1,701	1,745

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

### Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
Telecom Italia Capital, 7.175% Due 6/18/2019	9,550	10,056	10,768
Telecom Italia Capital, 7.721% Due 6/4/2038	3,425	3,458	3,562
<i>Total Luxembourg</i>		22,869	23,866
<i>Mauritius</i>			
MTN Mauritius Investments, 4.755% Due 11/11/2024	600	600	576
<i>Mexico</i>			
Alfa SA, 5.25% Due 3/25/2024	300	299	320
Cemex SAB DE CV, 6.5% Due 12/10/2019	5,850	5,850	6,238
Cemex SAB DE CV, 7.25% Due 1/15/2021	5,150	5,360	5,434
Cemex SAB DE CV, 6.125% Due 5/5/2025	4,400	4,318	4,279
Petroleos Mexicanos, 4.875% Due 1/18/2024	3,525	3,601	3,574
Petroleos Mexicanos, 4.25% Due 1/15/2025	2,175	2,188	2,095
Petroleos Mexicanos, 6.625% Due 6/15/2035	1,750	2,027	1,804
Petroleos Mexicanos, 6.375% Due 1/23/2045	9,095	8,383	9,140
Petroleos Mexicanos, 5.625% Due 1/23/2046	3,650	3,624	3,327
Red Carreteras Occide, 9.0% Due 6/10/2028 (Mexican Peso)	23,500	1,673	1,311
<i>Total Mexico</i>		37,323	37,522
<i>Netherlands</i>			
Enel Finance International NV, 6.8% Due 9/15/2037	2,475	2,843	3,210
Enel Finance International NV, 6.0% Due 10/7/2039	4,252	4,059	5,025
ING Bank NV, 5.8% Due 9/25/2023	2,170	2,162	2,381
Petrobras Global Finance, 3.0% Due 1/15/2019	700	637	649
Petrobras Global Finance, 4.375% Due 5/20/2023	8,015	7,946	6,510
Petrobras Global Finance, 6.85% Due 6/5/2115	1,480	1,097	1,125
Rabobank Nederland, 4.625% Due 12/1/2023	1,720	1,715	1,814
Rabobank Nederland, 5.25% Due 8/4/2045	1,680	1,673	1,868
Rabobank Nederland, 11.0%, Perpetual	544	593	649
Shell International Finance, 4.375% Due 5/11/2045	1,690	1,687	1,835
<i>Total Netherlands</i>		24,412	25,066
<i>New Zealand</i>			
Myriad International Holdings BV, 6.0% Due 7/18/2020	5,200	5,284	5,675
Myriad International Holdings BV, 5.5% Due 7/21/2025	5,475	5,473	5,694
<i>Total New Zealand</i>		10,757	11,369
<i>Nigeria</i>			
FBN Finance Co BV, 8.0% Due 7/23/2021	2,000	1,712	1,377
Fidelity Bank PLC, 6.875% Due 5/9/2018	2,900	2,792	2,248
<i>Total Nigeria</i>		4,504	3,625
<i>Russia</i>			
Alfa Bank, 7.5% Due 9/26/2019	2,700	2,596	2,943
Russian Agricultural Bank OJSC, 6.0% Due 6/3/2021	2,950	2,955	2,950
Russian Railways via RZD Capital, 5.7% Due 4/5/2022	1,900	1,546	2,040
<i>Total Russia</i>		7,097	7,933
<i>Singapore</i>			
Golden Legacy PTE Ltd, 9.0% Due 4/24/2019	1,800	1,800	1,834
<i>South Africa</i>			
Edcon Ltd, 9.5% Due 3/1/2018 (b)	2,200	1,885	638
<i>Spain</i>			
Telefonica Emisiones SAU, 5.134% Due 4/27/2020	670	621	740
<i>Sri Lanka</i>			
National Savings Bank, 8.875% Due 9/18/2018	1,950	2,007	2,078
<i>Sweden</i>			
Nordea Bank AB, 4.875% Due 5/13/2021	2,980	2,972	3,277

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
<i>Trinidad and Tobago</i>			
Petro Co Trinidad and Tobago Ltd, 6.0% Due 5/8/2022	1,100	1,064	1,062
<i>Turkey</i>			
Yasar Holdings, 8.875% Due 5/6/2020	1,650	1,668	1,745
<i>United Kingdom</i>			
Barclays Bank PLC, 10.18% Due 6/12/2021	1,060	1,349	1,335
Barclays PLC, 4.375% Due 9/11/2024	5,525	5,517	5,341
British Telecom PLC, 9.625% Adj, Due 12/15/2030	1,970	3,009	3,035
Ferrexpo Finance PLC, 10.375% Due 4/7/2019	2,600	2,288	2,159
HSBC Holdings PLC, 5.1% Due 4/5/2021	1,125	1,124	1,241
HSBC Holdings PLC, 4.25% Due 8/18/2025	1,690	1,677	1,705
HSBC Holdings PLC, 4.3% Due 3/8/2026	3,735	3,732	3,950
HSBC Holdings PLC, 6.5% Due 5/2/2036	10,575	11,177	12,697
HSBC Holdings PLC, 5.25% Due 3/14/2044	500	495	528
Imperial Tobacco Finance, 4.25% Due 7/21/2025	6,575	6,480	7,118
Lloyds Banking Group PLC, 4.5% Due 11/4/2024	6,760	6,766	6,858
Lloyds Banking Group PLC, 4.65% Due 3/24/2026	1,950	1,955	1,975
Royal Bank of Scotland Group PLC, 6.125% Due 12/15/2022	10,430	10,303	10,938
Royal Bank of Scotland Group PLC, 6.1% Due 6/10/2023	1,060	1,053	1,084
Royal Bank of Scotland Group PLC, 6.0% Due 12/19/2023	4,130	4,240	4,197
Royal Bank of Scotland Group PLC, 5.125% Due 5/28/2024	5,450	5,409	5,314
Santander UK Group Holdings, 4.75% Due 9/15/2025	1,100	1,097	1,086
Standard Chartered PLC, 5.7% Due 3/26/2044	1,700	1,698	1,730
UBM PLC, 5.75% Due 11/3/2020	2,410	2,389	2,608
Vedanta Resources PLC, 9.5% Due 7/18/2018	1,800	1,864	1,755
<i>Total United Kingdom</i>		<u>73,622</u>	<u>76,654</u>
Total Foreign Corporate Bonds - 13.7%		292,301	292,987
<b><u>Foreign Asset Backed Issues</u></b>			
<i>Cayman Islands</i>			
ALM Loan Funding, 3.228% Due 1/15/2025	1,250	1,210	1,207
Arrowpoint CLO Ltd, 3.406% Due 3/12/2026	900	861	848
Carlyle Global Market Strategy, 3.428% Due 10/15/2025	500	488	486
Madison Park Funding Ltd, 3.388% Due 10/23/2025	510	498	496
Pinnacle Park CLO Ltd, 4.128% Due 4/15/2026	400	389	362
Saratoga Investment Corp, 3.534% Due 10/20/2023	250	242	242
Shackleton CLO Ltd, 3.63% Due 1/13/2025	750	744	727
Venture CDO Ltd, 3.378% Due 4/15/2026	750	732	730
<i>Total Cayman Islands</i>		<u>5,164</u>	<u>5,098</u>
<i>Germany</i>			
Magnus Dritte Immobilienbesitz, 7.25% Due 7/1/2024 (Euro Currency Unit)	1,164	1,582	1,280
Magnus-Relda Holding Vier GMBH, 7.0% Due 10/28/2024 (Euro Currency Unit)	3,201	4,055	3,521
<i>Total Germany</i>		<u>5,637</u>	<u>4,801</u>
<i>Netherlands</i>			
C.S. European Mortgage Capital, 7.165% Adj, Due 7/20/2019 (Euro Currency Unit)	1,686	2,030	1,827
Total Foreign Asset Backed Issues - 0.5%		12,831	11,726
<b><u>Investments in Other Funds</u></b>			
Western Asset Emerging Markets Corporate Credit Portfolio, LLC	2,714,602	30,424	44,753
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			
Western Asset Emerging Markets Local Debt Portfolio, LLC	330,127	4,374	5,488
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			

See accompanying notes to financial statements.



# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
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	2,278,232	34,956	43,567
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	1,628,846	26,060	30,648
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	2,304,890	25,185	32,149
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	5,167,722	50,053	86,342
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	5,778	126	170
Western Asset Structured Product Opportunities, LLC Investment Objective - To maximize total return by investing in structured debt including, but not limited to, mortgage-backed securities, asset-backed securities, and other collateralized debt. Redemption Provisions - Daily	11,916,104	119,161	117,552
Total Investments in Other Funds - 16.9%		290,339	360,669
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 2.1%	45,508,950	45,509	45,509
<b><u>Liquidating Trust</u></b>			
Residential Capital LLC - 0.0%	471	-	-
<b><u>Options Contracts Purchased</u></b>			
<i>Call, strike price, expiration</i>			
3M GBP Libor Option, 98.875, 9/21/2016 (British Pound)	275	-	(39)
3M GBP Libor Option, 99, 9/21/2016 (British Pound)	275	-	(57)
US Treasury 5Yr Option, 122, 7/22/2016	508	208	230
US Treasury 5Yr Option, 123, 7/22/2016	1,208	243	123
US Treasury 10Yr Option, 133, 7/22/2016	440	421	282
<i>Total Calls</i>		872	539
<i>Put, strike price, expiration</i>			
BNP Paribas Swaption (CDX.NA.HY.26), 102, 9/21/2016	9,910,000	162	149
BNP Paribas Swaption (CDX.NA.HY.26), 102, 9/21/2016	9,910,000	145	149
CSFB Swaption (CDX.NA.HY.26), 95, 8/17/2016	22,770,000	63	15
CSFB Swaption (CDX.NA.HY.26), 98, 8/17/2016	4,970,000	26	11
Deutsche Bank Swaption (CDX.NA.HY.26), 98, 8/17/2016	4,970,000	26	11
Euro 90 Day Future Option, 99.125, 7/15/2016	929	73	6
JP Morgan Chase Bank Swaption (CDX.NA.HY.26), 95, 8/17/2016	6,450,000	14	4
JP Morgan Chase Bank Swaption (CDX.NA.HY.26), 95, 8/17/2016	6,410,000	19	4
US Treasury 10Yr Option, 132.25, 7/22/2016	362	109	124
US Treasury 10Yr Option, 132.5, 7/22/2016	407	154	178

See accompanying notes to financial statements.

# Total Return Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value, Shares, Contracts, or Notional Value	Cost	Fair Value
US Treasury 5Yr Option, 118, 7/22/2016	250	3	2
<i>Total Puts</i>		<u>794</u>	<u>653</u>
Total Option Contracts Purchased - 0.1%		1,666	1,192
<b>Investments made with Cash Collateral for Securities Loaned</b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds: Prime - Institutional Shares	4,536	4,536	4,536
Federated Money Market Management - Institutional Shares	4,423	4,423	4,423
Fidelity Institutional Money Market Prime Money Market Portfolio	3,454	3,454	3,454
Invesco Government Liquidity Funds Assets Portfolio	3,653	3,653	3,653
Morgan Stanley Institutional Liquidity Funds Government Portfolio	83	83	83
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	4,811	4,811	4,811
<i>Total Money Market Mutual Funds</i>		<u>20,960</u>	<u>20,960</u>
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	1,124	1,124	1,124
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	788	788	788
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	21,741	21,741	21,741
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	4,295	4,295	4,295
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	734	734	734
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	601	601	601
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	2,634	2,634	2,634
ING Bank NV, 0.55% Due 7/1/2016	6,705	6,705	6,705
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	4,154	4,154	4,154
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	1,336	1,336	1,336
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	3,866	3,866	3,866
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	7,102	7,102	7,102
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	1,640	1,640	1,640
Societe Generale, 0.4% Due 7/1/2016	1,936	1,936	1,936
Societe Generale, 0.51% Due 8/4/2016	1,019	1,019	1,019
<i>Total Repurchase Agreements</i>		<u>59,675</u>	<u>59,675</u>
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	4,292	4,292	4,292
Credit Agricole CIB, 0.31% Due 7/1/2016	3,862	3,862	3,862
HSBC Bank PLC, 0.35% Due 7/1/2016	3,948	3,948	3,948
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	4,268	4,268	4,268
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	3,658	3,658	3,658
<i>Total Time Deposits</i>		<u>20,028</u>	<u>20,028</u>
Total Investments made with Cash Collateral for Securities Loaned - 4.7%		100,663	100,663
Total Investments - 100.3%		<u>\$ 2,049,047</u>	<u>\$ 2,149,802</u>

(a) Pending Bankruptcy

(b) In Default

See accompanying notes to financial statements.

## Total Return Fixed Income Pool

### Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands)*

<u>Type</u>	<u>Description</u>	<u>Expiration Date</u>	<u>Strike Price</u>	<u>Notional or Contracts</u>	<u>Premiums Received</u>	<u>Fair Value</u>
<b><u>Options Contracts Written</u></b>						
Call	US Treasury 5Yr Option	7/22/2016	122.500	(604)	(199)	(137)
Call	US Treasury 10Yr Option	7/22/2016	136.000	(440)	(81)	(27)
Call	US Treasury 10Yr Option	7/22/2016	134.000	(92)	(56)	(27)
Call	3M GBP Libor Option (British Pound)	9/21/2016	99.125	(275)	-	80
Put	BNP Paribas Swaption (CDX.NA.HY.26)	7/20/2016	100.000	(20,170,000)	(169)	(21)
Put	US Treasury Long Bond Option	7/22/2016	161.000	(978)	(453)	(31)
Put	BNP Paribas Swaption (CDX.NA.HY.26)	9/21/2016	99.000	(19,820,000)	(158)	(136)
Put	BNP Paribas Swaption (CDX.NA.HY.26)	9/21/2016	99.000	(19,820,000)	(141)	(136)
Total Options Contracts Written - (0.0%)					<u>\$ (1,257)</u>	<u>\$ (435)</u>

*See accompanying notes to financial statements.*

# Total Return Fixed Income Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Interest, net of withholding taxes (\$42)	\$ 78,146
Dividends	843
Net securities lending income	<u>524</u>
<b>Total investment income</b>	<b>79,513</b>

**Expenses**

Investment advisor fees	(4,985)
Trustee fees	(6)
Custodian bank fees	(178)
Management fees	(609)
Fiduciary bond fees	(4)
Professional service fees	<u>(119)</u>
<b>Total expenses</b>	<u>(5,901)</u>
<b>Investment income, net</b>	<b>73,612</b>

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

Net realized gain (loss) from:	
Investments	28,690
Futures contracts	(4,446)
Options written	5,837
Swaps contracts	(4,074)
Foreign currency transactions	<u>(12,761)</u>
	13,246
Net change in unrealized appreciation (depreciation) on:	
Investments	(10,390)
Futures contracts	(3,949)
Options written	851
Swaps contracts	(17,898)
Translation of assets and liabilities in foreign currencies	<u>206</u>
	<u>(31,180)</u>
<b>Net loss from investments and foreign currency</b>	<u>(17,934)</u>
<b>Net increase in net assets from operations</b>	<u><u>\$ 55,678</u></u>

*See accompanying notes to financial statements.*

## Total Return Fixed Income Pool

---

### Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

#### Operations

Investment income, net	\$ 73,612
Net realized gain from investments and foreign currency transactions	13,246
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies	<u>(31,180)</u>

**Net increase in net assets from operations** 55,678

#### Distributions to unitholders

Investment income, net	(73,612)
------------------------	----------

#### Unit transactions

Proceeds from sale of units	153,788
Reinvestment of distributions	76,135
Amount paid for repurchase of units	<u>(461,699)</u>

**Net decrease in net assets from unit transactions** (231,776)

**Decrease in net assets** (249,710)

**Net assets, beginning of year** 2,393,619

**Net assets, end of year** \$ 2,143,909

#### Unit data

Units sold	10,723,708
Units issued from reinvestment of distributions	5,336,896
Units repurchased	<u>(32,543,438)</u>

**Net decrease in units** (16,482,834)

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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 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.

# Total Return Fixed Income Pool

---

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

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

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.

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.

**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.

**Security Loans** - The IMB, through its lending agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the required collateral is at least 105 percent of the market value of the securities on loan unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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. 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.



# Total Return Fixed Income Pool

---

## Notes to Financial Statements

*(Amounts in thousands, except share data)*

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

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

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

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

**Foreign Currency 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. The IMB 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 pay 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.

# Total Return Fixed Income Pool

---

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

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

**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.

**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. Interest income also includes paydown gains and losses on mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities.

**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 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, 2016.

## Total Return Fixed Income 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

##### 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, 2016.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Bank loan	B	B	\$ 936	0.0%
Corporate asset backed issues	A	A	36,980	1.7
Corporate CMO	Ba	BB	27,879	1.3
Corporate preferred securities	Ba	BB	10,472	0.5
Foreign asset backed issues	A	A	11,726	0.5
Foreign corporate bonds	Baa	BBB	293,586	13.6
Foreign government bonds	Ba	BB	217,700	10.1
Money market mutual funds	Aaa	AAA	66,469	3.1
Municipal bonds	A	A	40,081	1.9
Time deposits	P-1	A-1	20,028	0.9
U.S. corporate bonds	Baa	BBB	542,373	25.2
U.S. Government agency bonds	Aaa	AA	3,332	0.2
U.S. Government agency CMO	Aaa	AA	64,627	3.0
U.S. Government agency CMO interest- only	Aaa	AA	6,519	0.3
U.S. Government agency MBS	Aaa	AA	275,666	12.8
U.S. Government agency TBA	Aaa	AA	637	0.0
U.S. Treasury bonds	Aaa	AA	107,797	5.0
U.S. Treasury inflation-protected securities	Aaa	AA	26,550	1.2
Total rated investments			1,753,358	81.3
Common stock			32,528	1.5
Corporate ABS residual			5,385	0.3
Investments in other funds			360,669	16.8
Options contracts purchased			1,192	0.1
Total investments			\$ 2,153,132	100.0%

This table includes investments received as collateral for repurchase agreements with a fair value of \$63,005 as compared to the amortized cost of the repurchase agreements of \$59,675.

##### 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

##### Custodial Credit Risk

At June 30, 2016, 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, 2016.

Investment Type	Fair Value	Effective Duration (years)
Bank loan	\$ 936	0.1
Corporate asset backed issues	36,980	1.8
Corporate ABS residual	5,385	N/A
Corporate CMO	27,879	1.9
Corporate preferred securities	10,472	0.1
Foreign asset backed issues	11,726	2.4
Foreign corporate bonds	292,987	6.6
Foreign government bonds	217,698	6.0
Investment in other funds	360,669	2.9
Money market mutual funds	66,469	N/A
Municipal Bonds	40,081	10.4
Options contracts purchased	1,192	N/A
Repurchase agreements	59,675	0.0
Time deposits	20,028	0.0
U.S. corporate bonds	540,049	8.3
U.S. Government agency bonds	2,699	3.3
U.S. Government agency CMO	64,627	0.9
U.S. Government agency CMO interest-only	6,519	34.0
U.S. Government agency MBS	254,842	1.7
U.S. Government agency TBA	637	0.0
U.S. Treasury bonds	101,702	3.0
U.S. Treasury inflation-protected securities	26,550	19.5
Total investments	<u>\$ 2,149,802</u>	<u>5.1</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, 2016, the Pool held \$407,958 of these securities. This represents approximately 19 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, a currency swap, and foreign exchange forward contracts. Refer to Notes 7, 8, and 9, 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 \$82,390, or 23 percent, of the commingled investment pools hold substantially all of their investments in foreign currencies. This represents approximately 4 percent of the value of the Pool's securities. The amounts at fair value (in U.S. dollars) of investments and cash denominated in foreign currencies as of June 30, 2016, 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 of Total Investments and Cash
Brazil Real	\$ 18,357	\$ 739	\$ 19,096	0.9%
British Pound	(16)	29	13	0.0
Colombian Peso	3,827	-	3,827	0.2
Deutsche Mark	2,242	-	2,242	0.1
Euro Currency Unit	7,012	4,749	11,761	0.5
Ghana Cedi	1,871	308	2,179	0.1
Indian Rupee	3,192	-	3,192	0.1
Japanese Yen	50,390	1,458	51,848	2.4
Kenyan Shilling	2,149	-	2,149	0.1
Mexican Peso	36,421	-	36,421	1.7
Russian Ruble	9,159	588	9,747	0.4
South African Rand	4,814	192	5,006	0.2
Turkish Lira	5,094	-	5,094	0.2
Ugandan Shilling	1,919	-	1,919	0.1
Uruguayan Peso	3,759	-	3,759	0.2
Zambian Kwacha	-	311	311	0.0
Total	<u>\$ 150,190</u>	<u>\$ 8,374</u>	<u>\$ 158,564</u>	<u>7.2%</u>

This table excludes investments and cash held by the Pool that are denominated in U.S. dollars. The market value of the U.S. dollar denominated investments and cash is \$2,029,009. This represents approximately 93 percent of the value of the Pool's investments and cash.

#### 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.

## 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 fair value of the derivative financial instruments recorded in the Statement of Assets and Liabilities as of June 30, 2016:

Assets	Interest Rate Contracts	Credit Contracts	Currency Contracts	Foreign Exchange Contracts	Total
Investments at fair value	\$ 849	\$ 343	\$ -	\$ -	\$ 1,192
Unrealized appreciation on swap contracts	143	252	442	-	837
Unrealized appreciation on futures contracts	5,597	-	-	-	5,597
Unrealized appreciation on foreign currency forward contracts	-	-	-	1,054	1,054
Total	<u>\$ 6,589</u>	<u>\$ 595</u>	<u>\$ 442</u>	<u>\$ 1,054</u>	<u>\$ 8,680</u>
Liabilities	Interest Rate Contracts	Credit Contracts	Currency Contracts	Foreign Exchange Contracts	Total
Options contracts written at fair value	\$ (142)	\$ (293)	\$ -	\$ -	\$ (435)
Unrealized depreciation on swap contracts	(17,920)	(280)	-	-	(18,200)
Unrealized depreciation on futures contracts	(7,013)	-	-	-	(7,013)
Unrealized depreciation on foreign currency forward contracts	-	-	-	(4,747)	(4,747)
Total	<u>\$ (25,075)</u>	<u>\$ (573)</u>	<u>\$ -</u>	<u>\$ (4,747)</u>	<u>\$ (30,395)</u>

At June 30, 2016, the Pool had pledged cash of \$34,940 to cover margin requirements on open derivative contracts and counterparties had deposited in segregated accounts securities with a value of \$642 in connections with open swap contracts.

For financial reporting purposes, the Pool does not offset derivative assets and derivative liabilities that are subject to netting arrangements in the Statement of Assets and Liabilities. 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, 2016.

Derivative Type	Derivative Assets Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Received	Cash Collateral Received	Net Amount of Derivative Assets
Foreign currency forwards	\$ 77	\$ (44)	\$ -	\$ -	\$ 33
Swaps	511	(17)	(442)	-	52
Total	<u>\$ 588</u>	<u>\$ (61)</u>	<u>\$ (442)</u>	<u>\$ -</u>	<u>\$ 85</u>
Derivative Type	Derivative Liabilities Subject to a MA	Derivatives Available for Offset	Non-Cash Collateral Pledged	Cash Collateral Pledged	Net Amount of Derivative Liabilities
Foreign currency forwards	\$ (834)	\$ 44	\$ -	\$ 260	\$ (530)
Swaps	(17)	17	-	-	-
Total	<u>\$ (851)</u>	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 260</u>	<u>\$ (530)</u>

## 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, 2016:

Realized Gain (Loss) From:	Interest Rate Contracts	Credit Contracts	Currency Contracts	Foreign Exchange Contracts	Total
Investments	\$ (9,490)	\$ (102)	\$ -	\$ -	\$ (9,592)
Futures contracts	(4,446)	-	-	-	(4,446)
Options written	5,278	559	-	-	5,837
Swap contracts	(1,870)	(2,204)	-	-	(4,074)
Foreign currency transactions	-	-	-	(5,438)	(5,438)
Total	<u>\$ (10,528)</u>	<u>\$ (1,747)</u>	<u>\$ -</u>	<u>\$ (5,438)</u>	<u>\$ (17,713)</u>

Net Change in Unrealized Appreciation (Depreciation) From:	Interest Rate Contracts	Credit Contracts	Currency Contracts	Foreign Exchange Contracts	Total
Investments	\$ (528)	\$ (112)	\$ -	\$ -	\$ (640)
Futures contracts	(3,949)	-	-	-	(3,949)
Options written	676	175	-	-	851
Swap contracts	(17,777)	(97)	(24)	-	(17,898)
Translation of assets and liabilities in foreign currency	-	-	4	(6,076)	(6,072)
Total	<u>\$ (21,578)</u>	<u>\$ (34)</u>	<u>\$ (20)</u>	<u>\$ (6,076)</u>	<u>\$ (27,708)</u>

The average volume of financial derivative activity for the year ended June 30, 2016, was as follows:

<b>Average notional value of:</b>	
Foreign currency forward contracts	\$ 123,994
Futures contracts	1,589,079
Option contracts	343,930
Option contracts written	259,335
Swap contracts	826,228

#### 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.



## Total Return Fixed Income Pool

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

#### NOTE 5. FAIR VALUE MEASUREMENTS (continued)

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

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2016. All of the Pool's investments in other funds were valued using the net asset value per share practical expedient, as such they have not been categorized in the fair value hierarchy.

Assets	Level 1	Level 2	Level 3	Total
Bank loan	\$ -	\$ 936	\$ -	\$ 936
Corporate asset backed issues	-	36,980	-	36,980
Corporate ABS residual	-	5,385	-	5,385
Corporate CMO	-	27,879	-	27,879
Corporate preferred security	10,472	-	-	10,472
Foreign asset backed issues	-	11,726	-	11,726
Foreign corporate bonds	-	292,987	-	292,987
Foreign currency forward contracts	-	1,054	-	1,054
Foreign government bonds	-	217,698	-	217,698
Futures contracts	5,597	-	-	5,597
Investments made with cash collateral for securities loaned	20,960	79,703	-	100,663
Money market mutual fund	45,509	-	-	45,509
Municipal bonds	-	40,081	-	40,081
Options contracts purchased	849	343	-	1,192
Swaps	-	837	-	837
U.S. corporate bonds	-	540,049	-	540,049
U.S. Government agency bond	-	2,699	-	2,699
U.S. Government agency CMO	-	64,627	-	64,627
U.S. Government agency CMO interest-only	-	6,519	-	6,519
U.S. Government agency MBS	-	254,842	-	254,842
U.S. Government agency TBA	-	637	-	637
U.S. Treasury bonds	-	101,702	-	101,702
U.S. Treasury inflation protected securities	-	26,550	-	26,550
Total	<u>\$ 83,387</u>	<u>\$ 1,713,234</u>	<u>\$ -</u>	<u>\$ 1,796,621</u>
Investments in other funds				360,669
Total				<u>\$ 2,157,290</u>
Liabilities	Level 1	Level 2	Level 3	Total
Foreign currency forward contracts	\$ -	\$ (4,747)	\$ -	\$ (4,747)
Futures contracts	(7,013)	-	-	(7,013)
Options contracts written	(142)	(293)	-	(435)
Swaps	-	(18,200)	-	(18,200)
Total	<u>\$ (7,155)</u>	<u>\$ (23,240)</u>	<u>\$ -</u>	<u>\$ (30,395)</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.



## 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, 2016.

	Fair Value
Securities on loan	\$ 207,311
Collateral received:	
Cash	\$ 100,663
Non-cash	111,325
Total collateral received	\$ 211,988

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 and Liabilities.

#### NOTE 7. FUTURES CONTRACTS

At June 30, 2016, open positions in futures contracts denominated in U.S. dollars were as follows:

Expiration	Open Contracts	Position	Notional Value at June 30, 2016	Notional Value Upon Entering Contract	Unrealized Appreciation (Depreciation)
Sep 2016	2,092	US Treasury 5 Yr Note Future	\$ 255,567	\$ 251,778	\$ 3,789
Sep 2016	147	US Ultra Bond Future	27,397	25,683	1,714
Dec 2016	(300)	Euro 90 Day Future	(74,494)	(74,314)	(180)
Mar 2017	(1,190)	Euro 90 Day Future	(295,432)	(295,075)	(357)
Sep 2016	(480)	US Long Bond Future	(82,725)	(82,819)	94
Sep 2016	(71)	US Treasury 2 Yr Note Future	(15,572)	(15,465)	(107)
Sep 2016	(271)	US Treasury 10 Yr Note Future	(36,039)	(35,129)	(910)
Sep 2016	(104)	US Treasury 10 Yr Note Future	(15,150)	(14,596)	(554)
Sep 2016	(247)	US Treasury 10 Yr Note Future	(32,847)	(32,727)	(120)
Sep 2016	(146)	US Ultra Bond Future	(27,211)	(25,424)	(1,787)
			\$ (296,506)	\$ (298,088)	\$ 1,582

At June 30, 2016, open positions in futures contracts denominated in foreign currencies were as follows:

Expiration	Open Contracts	Currency	Position	Notional Value at June 30, 2016	Initial Notional Value Local Currency	June 30, 2016 Exchange Rate	Unrealized Appreciation (Depreciation) U.S. Dollars
Sep 2016	(570)	Euro Bund Future	EUR Short	(95,258)	(93,321)	1.1109	\$ (2,152)
Sep 2016	(100)	JPN 10Yr Bond Future	JPY Short	(15,292,000)	(15,205,200)	0.0097	(846)
							\$ (2,998)

## Total Return Fixed Income Pool

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

#### NOTE 8. SWAPS

At June 30, 2016, the open positions in credit default swaps were 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>						
Citigroup Global Markets	CDX.NA.HY.23	12/20/2019	(5.0% Fixed)	\$ 10,903	\$ (690)	\$ (8)
Goldman Sachs	CDX.NA.HY.26	06/20/2021	(5.0% Fixed)	10,090	(133)	(192)
Barclays Capital	CDX.NA.HY.26	06/20/2021	(5.0% Fixed)	11,010	(291)	(63)
<i>Seller Protection</i>						
Deutsche Bank*	Berkshire Hathaway Inc	03/20/2024	1.0% Fixed	2,130	(37)	(17)
Barclays Capital	CDX.NA.HY.25	12/20/2020	5.0% Fixed	2,831	(13)	129
JP Morgan Chase & Co	CDX.NA.IG.25	12/20/2020	1.0% Fixed	6,230	29	20
Citigroup Global Markets	CDX.NA.IG.25	12/20/2020	1.0% Fixed	6,230	15	34
Deutsche Bank*	Fed Republic of Brazil	12/20/2020	1.0% Fixed	981	(146)	69
Total					<u>\$ (1,266)</u>	<u>\$ (28)</u>

At June 30, 2016, the open position in a currency swap was as follows:

Counterparty	Maturity Date	Receiving			Paying			Unrealized Appreciation (Depreciation)
		Notional	Rate	Premiums Paid	Notional	Rate	Premiums Received	
Barclays Capital*	07/01/2024	\$1,632 USD	9.01% Fixed	<u>\$ 1,632</u>	1,200 EUR	7.25% Fixed	<u>\$ (1,631)</u>	<u>\$ 442</u>

Included in the unrealized appreciation (depreciation) amount on the currency swap is unrealized appreciation of \$298 due to the translation of foreign currency to U.S. dollars.

At June 30, 2016, the open positions in interest rate swaps were as follows:

Counterparty	Maturity Date	Receiving		Paying		Notional Value	Premiums Paid (Received)	Unrealized Appreciation (Depreciation)
		Rate	Base	Rate	Base			
Barclays Capital	02/15/2041	0.63% Floating	3M Libor	2.72% Fixed	N/A	\$ 12,804	\$ (22)	\$ (2,343)
Deutsche Bank	02/15/2041	0.63% Floating	3M Libor	2.49% Fixed	N/A	13,332	-	(1,809)
RBS Holdings USA Inc	10/31/2022	0.64% Floating	3M Libor	1.90% Fixed	N/A	49,600	232	(2,614)
Barclays Capital	11/30/2022	0.67% Floating	3M Libor	1.90% Fixed	N/A	200,508	1,265	(10,888)
BNP Paribas	06/13/2021	1.19% Fixed	N/A	0.66% Floating	3M Libor	15,750	-	143
BNP Paribas	06/13/2026	0.66% Floating	3M Libor	1.58% Fixed	N/A	15,720	2	(266)
Total							<u>\$ 1,477</u>	<u>\$ (17,777)</u>

\* Available for offset under a netting provision.

## Total Return Fixed Income Pool

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

#### NOTE 9. FOREIGN CURRENCY FORWARD CONTRACTS

At June 30, 2016, 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 <sup>c</sup>	04/04/2016	07/14/2016	1,120	\$ 1,245		\$ 1,280	\$ (35)
Long	Euro Currency Unit <sup>a</sup>	04/05/2016	07/14/2016	11,920	13,249		13,577	(328)
Long	Euro Currency Unit <sup>c</sup>	05/26/2016	08/12/2016	1,800	2,003		2,019	(16)
Long	Euro Currency Unit <sup>a</sup>	06/28/2016	07/14/2016	5,120	5,691		5,670	21
Long	Ghana Cedi <sup>d,g</sup>	06/30/2016	07/07/2016	1	-		-	-
Long	Japanese Yen <sup>c</sup>	04/04/2016	07/14/2016	1,205	12		11	1
Long	Japanese Yen <sup>c</sup>	06/30/2016	07/01/2016	24,200	236		235	1
Long	Mexican Peso <sup>e</sup>	05/04/2016	08/12/2016	103,575	5,590		5,785	(195)
Long	Mexican Peso <sup>e</sup>	06/20/2016	08/12/2016	17,813	961		950	11
Short	Brazil Real <sup>a</sup>	04/04/2016	07/14/2016		7,696	28,458	8,844	(1,148)
Short	Brazil Real <sup>d,g</sup>	06/06/2016	09/06/2016		4,145	15,000	4,584	(439)
Short	Brazil Real <sup>d,g</sup>	06/10/2016	09/12/2016		4,125	14,500	4,424	(299)
Short	Euro Currency Unit <sup>b</sup>	05/04/2016	08/12/2016		4,793	4,160	4,629	164
Short	Euro Currency Unit <sup>f</sup>	05/05/2016	08/12/2016		5,391	4,700	5,230	161
Short	Euro Currency Unit <sup>c</sup>	05/05/2016	08/12/2016		18,103	15,789	17,569	534
Short	Euro Currency Unit <sup>a,g</sup>	06/08/2016	09/13/2016		1,258	1,100	1,225	33
Short	Euro Currency Unit <sup>c,g</sup>	06/08/2016	09/13/2016		1,715	1,500	1,671	44
Short	Euro Currency Unit <sup>c</sup>	06/14/2016	08/12/2016		1,035	920	1,024	11
Short	Euro Currency Unit <sup>c</sup>	06/29/2016	08/12/2016		1,219	1,100	1,224	(5)
Short	Euro Currency Unit <sup>c,g</sup>	06/30/2016	07/05/2016		68	61	68	-
Short	Japanese Yen <sup>a</sup>	04/05/2016	07/14/2016		7,877	868,320	8,468	(591)
Short	Japanese Yen <sup>c</sup>	05/05/2016	08/12/2016		37,136	3,967,454	38,726	(1,590)
Short	Japanese Yen <sup>c,g</sup>	06/08/2016	09/13/2016		2,406	256,000	2,502	(96)
Short	Japanese Yen <sup>c</sup>	06/17/2016	08/12/2016		250	26,000	254	(4)
Short	Japanese Yen <sup>a</sup>	06/28/2016	07/14/2016		2,084	213,296	2,080	4
Short	Japanese Yen <sup>c</sup>	06/30/2016	07/14/2016		235	24,200	236	(1)
Short	Mexican Peso <sup>e</sup>	06/23/2016	08/12/2016		6,413	117,540	6,344	69
					<u>\$ 134,936</u>		<u>\$ 138,629</u>	<u>\$ (3,693)</u>

Counterparty, Moody's Rating, S&P Rating

a - Barclays PLC, Baa, BBB

b - BNY Mellon, A, A

c - Citigroup Inc, Baa, BBB

d - Deutsche Bank, A, BBB

e - Morgan Stanley, A, BBB

f - UBS AG, Ba, A

g - Available for offset under a netting provision.

# Total Return Fixed Income Pool

## Notes to Financial Statements

(Amounts in thousands, except share data)

### NOTE 10. 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, 2016, 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 year ended June 30, 2016, was 0.62 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, 2016, was 0.25 percent.

### NOTE 11. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at June 30, 2015	\$	14.53
Income from investment operations:		
Net investment income		0.46
Net realized and unrealized loss on investment and foreign currency transactions		(0.07)
Total from investment operations		0.39
Less distributions from net investment income		(0.46)
Net asset value at June 30, 2016	\$	14.46

**Total Return (b)** 2.8%

#### Supplemental Data:

Ratio to average net assets (c):		
Expenses		0.26%
Net investment income		3.22%
Portfolio turnover rate		47.43%

- (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 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 12. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2016. 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.

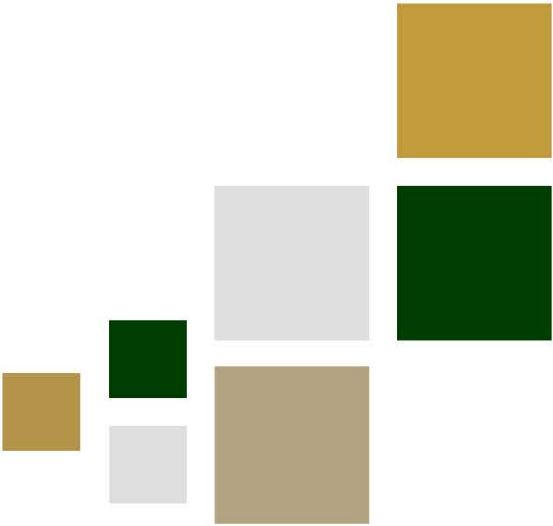
<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 572,691
Public Employees' Retirement System	509,586
Workers' Compensation Old Fund	471,875
Revenue Shortfall Reserve Fund - Part B	143,124
Revenue Shortfall Reserve Fund	86,515
Coal Workers' Pneumoconiosis Fund	57,183
West Virginia Retiree Health Benefit Trust Fund	55,311
State Police Death, Disability and Retirement Fund	50,489
Public Employees Insurance Agency	46,613
West Virginia Department of Environmental Protection Agency	30,391
Board of Risk and Insurance Management	29,183
Judges' Retirement System	15,443
Deputy Sheriff's Retirement System	15,204
State Police Retirement System	13,364
Workers' Compensation Self-Insured Employer Security Risk Pool	12,811
West Virginia Prepaid Tuition Trust Fund	12,647
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	7,535
Emergency Medical Services Retirement System	5,364
Wildlife Endowment Fund	4,960
Workers' Compensation Uninsured Employers' Fund	1,997
West Virginia Department of Environmental Protection Trust	699
Berkeley County Development Authority	550
Municipal Police Officers' and Firefighters' Retirement System	258
Municipal Policemen's or Firemen's Pension and Relief Funds	116
Total	<u>\$ 2,143,909</u>

#### NOTE 13. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



# Opportunistic Debt Pool

---

**Financial Statements - Unaudited  
June 30, 2016**

**Table of Contents**

Independent Auditors' Report	
Statement of Assets and Liabilities	H-1
Schedule of Investments	H-2
Statement of Operations	H-3
Statement of Changes in Net Assets	H-4
Statement of Cash Flows	H-5
Notes to Financial Statements	H-6





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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 Opportunistic Debt Pool, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, and the related statements of operations, changes in net assets and cash flows for the period October 1, 2015 (inception date) to June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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 Opportunistic Debt Pool at June 30, 2016, and the results of its operations, changes in its net assets and its cash flows for the period October 1, 2015 (inception date) to June 30, 2016, in conformity with U.S. generally accepted accounting principles, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

October 5, 2016

# Opportunistic Debt Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$113,211)	\$	114,258
Dividends receivable		<u>1</u>
	<b>Total assets</b>	114,259

### Liabilities

Accrued expenses		<u>13</u>
	<b>Net assets</b>	<u><u>\$ 114,246</u></u>

### Unit data

Units outstanding		11,366,024
Net asset value, unit price	\$	<u><u>10.05</u></u>

See accompanying notes to financial statements.

# Opportunistic Debt Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Direct Lending Funds</u></b>			
AG Mountain Laurel Direct Lending Fund, L.P.		\$ 23,800	\$ 23,670
Investment Objective - To generate current income while preserving capital primarily through investments in senior secured loans to middle market companies domiciled in the U.S.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Opportunistic Debt Pool.			
WV Direct Lending, LLC		89,311	90,488
Investment Objective - To generate current income while preserving capital primarily through investments in senior secured loans to middle market companies domiciled in North America.			
Redemption Provisions - Upon termination of the limited liability company.			
See below for additional information on underlying investments that exceed 5% of net assets of the Opportunistic Debt Pool.			
Total Direct Lending Funds - 99.9%		113,111	114,158
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 0.1%	99,556	100	100
Total Investments - 100.0%		<u>\$ 113,211</u>	<u>\$ 114,258</u>

The following investments held by WV Direct Lending, LLC represent 5% or more of the Opportunistic Debt Pool's Net Assets as of June 30, 2016. Disclosure of the individual names of the borrowers are prohibited by the confidentiality clause in the WV Direct Lending, LLC agreement.

Industry - Percent of Investment	Par Value	Cost	Fair Value
<b><u>Debt Instruments</u></b>			
Aerospace & Defense, 7.5% Due 2/6/2018 - 9.5%	\$ 8,600	\$ 8,443	\$ 8,599
Beverages, 7.5% Due 2/2/2021 - 10.0%	8,998	8,812	9,022
Communication Equipment, 9.0% Due 3/28/2019 - 7.6%	6,800	6,749	6,868
Construction & Engineering, 8.0% Due 12/22/2020 - 10.4%	9,401	9,233	9,420
Diversified Consumer Services, 7.0% Due 1/31/2022 - 8.4%	7,851	7,624	7,617
Hotels, Restaurants & Leisure, 8.75% Due 12/11/2017 - 9.0%	8,194	8,194	8,170
Household Durables, 9.0% Due 6/18/2019 - 7.8%	7,089	7,044	7,102

See accompanying notes to financial statements.

# Opportunistic Debt Pool

---

**Statement of Operations**  
**For the period October 1, 2015 (*inception date*) to June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Dividends	\$ 47
-----------	-------

<b>Total investment income</b>	47
--------------------------------	----

**Expenses**

Custodian bank fees	(1)
---------------------	-----

Management fees	(12)
-----------------	------

Professional service fees	(161)
---------------------------	-------

<b>Total expenses</b>	(174)
-----------------------	-------

<b>Investment loss, net</b>	(127)
-----------------------------	-------

**Unrealized gain from investments**

Net change in unrealized appreciation (depreciation) on investments	1,047
---	-------

<b>Net gain from investments</b>	1,047
----------------------------------	-------

<b>Net increase in net assets from operations</b>	<u>\$ 920</u>
---	---------------

*See accompanying notes to financial statements.*

## Opportunistic Debt Pool

---

**Statement of Changes in Net Assets**  
**For the period October 1, 2015 (*inception date*) to June 30, 2016**  
*(Amounts in thousands, except unit data)*

**Operations**

Investment loss, net	\$ (127)
Net change in unrealized appreciation (depreciation) on investments	<u>1,047</u>
<b>Net increase in net assets from operations</b>	920

**Unit transactions**

Proceeds from sale of units	121,578
Amount paid for repurchase of units	<u>(8,252)</u>
<b>Net increase in net assets from unit transactions</b>	<u>113,326</u>
<b>Increase in net assets</b>	114,246
<b>Net assets, beginning of period</b>	<u>-</u>
<b>Net assets, end of period</b>	<u><u>\$ 114,246</u></u>

**Unit data**

Units sold	12,192,235
Units repurchased	<u>(826,211)</u>
<b>Net increase in units</b>	<u><u>11,366,024</u></u>

*See accompanying notes to financial statements.*

# Opportunistic Debt Pool

---

**Statement of Cash Flows**  
**For the period October 1, 2015 (*inception date*) to June 30, 2016**  
*(Amounts in thousands)*

**Cash flows from operating activities**

Net increase in net assets from operations	\$ 920
Adjustments to reconcile net increase in net assets from operations to net cash used in operating activities:	
Contributions to direct lending funds	(113,111)
Purchases and sales of short-term investment securities, net	(100)
Increase in dividends receivable	(1)
Increase in accrued expenses	13
Net change in unrealized appreciation (depreciation) on investments	<u>(1,047)</u>
<b>Net cash used in operating activities</b>	<b>(113,326)</b>

**Cash flows from financing activities**

Proceeds from units sold	121,578
Paid for repurchase of units	<u>(8,252)</u>
<b>Net cash provided by financing activities</b>	<b><u>113,326</u></b>

**Net change in cash** -

**Cash**

Beginning of period balance	<u>-</u>
End of period balance	<u><u>\$ -</u></u>

*See accompanying notes to financial statements.*

# Opportunistic Debt 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 Opportunistic Debt Pool (Pool) began operations on October 1, 2015.

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

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 middle market direct loans. Assets are managed by Angelo, Gordon & Co. and TCW Asset Management Company. The objective of the Pool is to generate a total net return of 7-9% over a normal market cycle (typically a 5-7 year period), and/or 250 basis points above the return of the Credit Suisse Leveraged Loan Index.

### NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

# Opportunistic Debt 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 direct lending 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. 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, 2016.
- Open-end regulated investment companies are valued at the net asset value of the fund as reported by the fund's administrator.

Investments for which the fair value cannot be determined by one of the above listed processes are valued at fair value as determined in accordance with the 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 direct lending funds are recognized when the 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 investments in other funds are recognized at the time of sale by the average cost method.

**Income from Direct Lending Funds** - Income from direct lending funds is recognized when distributed.

**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 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, 2016.

**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.



# Opportunistic Debt Pool

---

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

### NOTE 3. INVESTMENT RISK DISCLOSURES

#### Credit Risk

The Pool is exposed to credit risk from investments in unrated direct lending funds. This risk is limited by requiring that underlying fund holdings are at least 90 percent collateralized by one or more assets of the issuer. The Pool also holds shares of a money market fund with the highest credit rating.

#### Concentration of Credit Risk

Due to being in the infancy stage of the program, the fund is exposed to concentration of credit risk. Approximately 32 percent of committed capital has been called. As the program becomes fully funded, the concentration of credit risk will be mitigated. Each asset manager is restricted from investing more than 10 percent of the capital commitment in a single issuer for investments that are expected to be held longer than one year. At June 30, 2016, the Pool was in compliance with this restriction.

#### Custodial Credit Risk

At June 30, 2016, the Pool held no securities that were subject to custodial credit risk.

#### Interest Rate Risk

The Pool is exposed to interest rate risk from investments in direct lending funds. The IMB manages interest rate risk of the Pool by requiring at least 80 percent of the fund holdings that mature in more than one year to have variable or floating interest rate structures.

#### Foreign Currency Risk

The investments in direct lending funds might be indirectly exposed to foreign currency 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.

# Opportunistic Debt Pool

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

### NOTE 4. FAIR VALUE MEASUREMENTS (continued)

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2016. All of the Pool's investments in direct lending funds were valued using the net asset value per share practical expedient, as such they have not been categorized in the fair value hierarchy table.

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 100	\$ -	\$ -	\$ 100
Direct lending funds				114,158
Total				\$ 114,258

There were no transfers in or out of Levels 1 and 2 during the period ended June 30, 2016.

### NOTE 5. COMMITMENTS

As of June 30, 2016, the IMB has made commitments to two direct lending funds.

Fund Classification	Total Commitment	Funded Commitment	Unfunded Commitment
Direct lending funds	\$ 350,000	\$ 113,111	\$ 236,889

### NOTE 6. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at October 1, 2015 (inception date)	\$ 10.00
Income from investment operations:	
Net investment loss	(0.02)
Net unrealized gain on investment transactions	0.07
Total from investment operations	0.05
Net asset value at June 30, 2016	\$ 10.05

**Total Return (b)** 0.8%

#### Supplemental Data:

Ratio to average net assets (c):	
Expenses	0.35%
Net investment income	-0.26%
Portfolio turnover rate	0.00%

- (a) Calculation based on the average shares outstanding
- (b) Return data is net of fees from inception-to-date and is not annualized
- (c) All ratios are from inception-to-date annualized and do not reflect the Pool's proportionate share of income and expenses of the underlying investee funds.

# Opportunistic Debt 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, 2016.

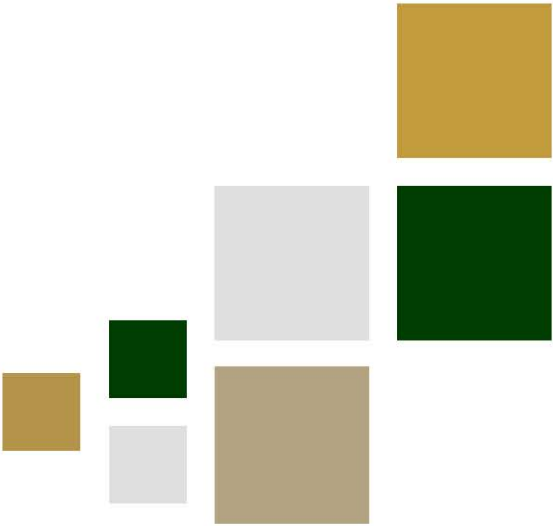
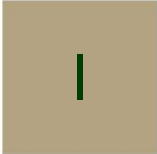
<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 31,268
Public Employees' Retirement System	27,595
Workers' Compensation Old Fund	24,783
Revenue Shortfall Reserve Fund - Part B	7,195
Revenue Shortfall Reserve Fund	4,344
West Virginia Retiree Health Benefit Trust Fund	3,054
Coal Workers' Pneumoconiosis Fund	2,918
State Police Death, Disability and Retirement Fund	2,745
Public Employees Insurance Agency	2,374
West Virginia Department of Environmental Protection Agency	1,606
Board of Risk and Insurance Management	1,555
Deputy Sheriff's Retirement System	854
Judges' Retirement System	825
State Police Retirement System	689
Workers' Compensation Self-Insured Employer Security Risk Pool	643
West Virginia Prepaid Tuition Trust Fund	635
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	398
Emergency Medical Services Retirement System	292
Wildlife Endowment Fund	274
Workers' Compensation Uninsured Employers' Fund	109
West Virginia Department of Environmental Protection Trust	39
Berkeley County Development Authority	30
Municipal Police Officers' and Firefighters' Retirement System	15
Municipal Policemen's or Firemen's Pension and Relief Funds	6
Total	<u>\$ 114,246</u>

### NOTE 8. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2016, through October 5, 2016, 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, 2016



# Core Fixed Income Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Statement of Assets and Liabilities	I-1
Schedule of Investments	I-2
Statement of Operations	I-24
Statement of Changes in Net Assets	I-25
Notes to Financial Statements	I-26



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# Core Fixed Income Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$997,737), including securities on loan of \$74,364 (Note 5)	\$	1,057,990
Receivables:		
Accrued interest		4,664
Investments sold		535
Dividends		5
Securities lending income		15
		<hr/>
<b>Total assets</b>		1,063,209

### Liabilities

Accrued expenses		370
Distributions payable		2,533
Payable for investments purchased		1,434
Payable upon return of securities loaned (Note 5)		65,825
		<hr/>
<b>Total liabilities</b>		70,162
		<hr/>
<b>Net assets</b>	\$	993,047

### Unit data

Units outstanding		87,143,339
Net asset value, unit price	\$	11.40

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<b><u>Municipal Bonds</u></b>			
American Municipal Power-Ohio, 7.499% Due 2/15/2050	580	\$ 593	\$ 855
California, 7.3% Due 10/1/2039	195	248	295
Illinois, 5.1% Due 6/1/2033	350	325	336
Los Angeles Department of Airports, 6.582% Due 5/15/2039	255	328	355
New York St Dorm Authority, 5.6% Due 3/15/2040	260	254	351
Ohio State University, 4.8% Due 6/1/2111	761	753	852
Ohio Univ Gen Receipts Athens, 5.59% Due 12/1/2114	300	300	369
Port Authority NY and NJ, 5.647% Due 11/1/2040	600	600	789
Port Authority NY and NJ, 5.647% Due 11/1/2040	75	91	98
Port Authority NY and NJ, 4.458% Due 10/1/2062	330	330	378
Tennessee Valley Authority, Zero Coupon, Due 11/1/2025	2,500	1,873	2,022
Tennessee Valley Authority, 5.88% Due 4/1/2036	650	808	942
Tennessee Valley Authority, 5.25% Due 9/15/2039	1,198	1,495	1,642
Tennessee Valley Authority, 4.625% Due 9/15/2060	400	395	498
Total Municipal Bonds - 1.0%		8,393	9,782
<b><u>U.S. Treasury Bonds</u></b>			
United States Treasury, 4.625% Due 2/15/2017	6,500	6,562	6,669
United States Treasury, Zero Coupon, Due 2/15/2017	6,122	5,999	6,105
United States Treasury, 3.125% Due 4/30/2017	6,115	6,150	6,246
United States Treasury, 0.625% Due 8/31/2017	10,500	10,481	10,509
United States Treasury, 4.25% Due 11/15/2017	300	312	315
United States Treasury, Zero Coupon, Due 11/15/2017	7,380	7,048	7,321
United States Treasury, Zero Coupon, Due 2/15/2018	3,950	3,732	3,911
United States Treasury, 3.125% Due 5/15/2019	2,590	2,678	2,768
United States Treasury, Zero Coupon, Due 5/15/2019	4,550	4,059	4,453
United States Treasury, Zero Coupon, Due 8/15/2019	2,800	2,626	2,731
United States Treasury, Zero Coupon, Due 11/15/2019	1,000	955	972
United States Treasury, Zero Coupon, Due 2/15/2020	1,920	1,792	1,860
United States Treasury, Zero Coupon, Due 5/15/2020	9,722	8,764	9,376
United States Treasury, Zero Coupon, Due 8/15/2020	5,000	4,396	4,811
United States Treasury, 2.625% Due 11/15/2020	400	408	429
United States Treasury, Zero Coupon, Due 2/15/2021	3,105	2,790	2,958
United States Treasury, 8.125% Due 5/15/2021	1,000	1,204	1,339
United States Treasury, 3.125% Due 5/15/2021	2,000	2,139	2,200
United States Treasury, Zero Coupon, Due 5/15/2021	4,780	4,371	4,539
United States Treasury, Zero Coupon, Due 8/15/2021	2,000	1,807	1,889
United States Treasury, 2.0% Due 10/31/2021	1,000	996	1,047
United States Treasury, Zero Coupon, Due 11/15/2021	5,315	4,557	4,991
United States Treasury, 2.125% Due 12/31/2021	1,000	1,006	1,054
United States Treasury, Zero Coupon, Due 2/15/2022	2,460	2,060	2,295
United States Treasury, Zero Coupon, Due 5/15/2022	4,285	3,746	3,981
United States Treasury, Zero Coupon, Due 8/15/2022	300	256	278
United States Treasury, Zero Coupon, Due 11/15/2022	1,900	1,623	1,750
United States Treasury, 7.125% Due 2/15/2023	1,000	1,207	1,376
United States Treasury, Zero Coupon, Due 2/15/2023	3,910	3,315	3,580
United States Treasury, Zero Coupon, Due 5/15/2023	2,000	1,665	1,820
United States Treasury, Zero Coupon, Due 8/15/2023	730	615	662
United States Treasury, Zero Coupon, Due 5/15/2024	1,100	773	981
United States Treasury, 2.375% Due 8/15/2024	1,400	1,408	1,507
United States Treasury, Zero Coupon, Due 8/15/2024	1,100	782	975
United States Treasury, Zero Coupon, Due 11/15/2024	700	585	631
United States Treasury, Zero Coupon, Due 11/15/2024	550	399	485
United States Treasury, Zero Coupon, Due 2/15/2025	200	124	175
United States Treasury, Zero Coupon, Due 2/15/2026	300	230	256
United States Treasury, Zero Coupon, Due 5/15/2026	850	529	722
United States Treasury, Zero Coupon, Due 8/15/2026	164	124	139
United States Treasury, Zero Coupon, Due 11/15/2026	4,500	2,940	3,777
United States Treasury, Zero Coupon, Due 2/15/2027	16,825	11,983	14,054
United States Treasury, Zero Coupon, Due 8/15/2027	950	566	783
United States Treasury, Zero Coupon, Due 11/15/2027	3,800	2,652	3,115
United States Treasury, Zero Coupon, Due 2/15/2028	2,736	1,718	2,225
United States Treasury, Zero Coupon, Due 5/15/2028	700	502	566
United States Treasury, 5.5% Due 8/15/2028	1,050	1,144	1,501

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
United States Treasury, Zero Coupon, Due 11/15/2028	2,400	1,396	1,919
United States Treasury, Zero Coupon, Due 2/15/2029	2,740	1,765	2,178
United States Treasury, Zero Coupon, Due 5/15/2029	3,150	2,302	2,485
United States Treasury, 6.125% Due 8/15/2029	312	413	477
United States Treasury, Zero Coupon, Due 8/15/2029	2,450	1,687	1,922
United States Treasury, Zero Coupon, Due 11/15/2029	700	391	545
United States Treasury, Zero Coupon, Due 2/15/2030	2,200	1,313	1,702
United States Treasury, Zero Coupon, Due 5/15/2030	1,900	1,126	1,462
United States Treasury, Zero Coupon, Due 8/15/2030	3,100	1,897	2,369
United States Treasury, Zero Coupon, Due 11/15/2030	1,800	1,043	1,368
United States Treasury, 5.375% Due 2/15/2031	1,000	1,251	1,483
United States Treasury, Zero Coupon, Due 2/15/2031	1,050	615	792
United States Treasury, Zero Coupon, Due 5/15/2031	250	149	187
United States Treasury, Zero Coupon, Due 8/15/2031	1,200	707	894
United States Treasury, Zero Coupon, Due 11/15/2031	520	279	385
United States Treasury, Zero Coupon, Due 2/15/2032	900	576	662
United States Treasury, Zero Coupon, Due 8/15/2032	300	187	217
United States Treasury, Zero Coupon, Due 11/15/2032	12,450	7,616	8,960
United States Treasury, Zero Coupon, Due 2/15/2033	950	524	678
United States Treasury, Zero Coupon, Due 5/15/2033	3,400	1,857	2,413
United States Treasury, Zero Coupon, Due 8/15/2033	700	308	493
United States Treasury, Zero Coupon, Due 11/15/2033	12,150	6,997	8,495
United States Treasury, Zero Coupon, Due 2/15/2034	1,250	641	866
United States Treasury, Zero Coupon, Due 5/15/2034	8,050	5,073	5,537
United States Treasury, Zero Coupon, Due 8/15/2034	9,725	6,631	6,637
United States Treasury, Zero Coupon, Due 11/15/2034	850	491	576
United States Treasury, Zero Coupon, Due 2/15/2035	380	216	256
United States Treasury, Zero Coupon, Due 5/15/2035	500	292	334
United States Treasury, 4.5% Due 2/15/2036	1,000	1,196	1,440
United States Treasury, Zero Coupon, Due 5/15/2036	200	81	130
United States Treasury, 4.75% Due 2/15/2037	500	653	744
United States Treasury, 4.375% Due 2/15/2038	1,500	1,738	2,138
United States Treasury, 4.5% Due 5/15/2038	650	831	943
United States Treasury, 4.25% Due 5/15/2039	1,000	1,197	1,398
United States Treasury, 4.375% Due 11/15/2039	1,075	1,380	1,528
<b>Total U.S. Treasury Bonds - 20.2%</b>		<b>180,597</b>	<b>200,740</b>
<b><u>U.S. Treasury Inflation Protected Security</u></b>			
United States Treasury, 0.125% Due 1/15/2022	400	413	431
<b><u>U. S. Government Agency MBS</u></b>			
FHLMC Issues, 2.339% - 10.0% Due 5/1/2017 - 6/1/2043	26,874	28,328	29,106
FNMA Issues, 1.47% - 8.5% Due 12/1/2016 - 7/1/2043	138,037	140,526	148,844
GNMA Issues, 4.375% - 7.5% Due 9/15/2031 - 6/20/2063	8,563	9,650	9,460
<b>Total U. S. Government Agency MBS - 18.9%</b>		<b>178,504</b>	<b>187,410</b>
<b><u>U. S. Government Agency CMO</u></b>			
FHLMC Issues, 0.742% - 26.803% Due 3/15/2018 - 11/15/2046	35,000	36,260	39,452
FNMA Issues, 0.523% - 36.46% Due 1/25/2017 - 5/25/2051	43,976	45,363	48,843
GNMA Issues, 0.737% - 105.865% Due 3/17/2031 - 12/20/2065	39,782	40,521	41,694
<b>Total U. S. Government Agency CMO - 13.1%</b>		<b>122,144</b>	<b>129,989</b>
<b><u>U. S. Government Agency CMO Interest-Only</u></b>			
FHLMC Issues, 1.876% - 7.558% Due 9/15/2024 - 8/15/2040	8,951	727	990
FNMA Issues, 1.529% - 7.447% Due 3/25/2023 - 4/25/2041	13,826	1,530	2,179
GNMA Issues, 5.382% - 7.258% Due 10/20/2032 - 8/16/2039	12,600	1,022	2,060
<b>Total U. S. Government Agency CMO Interest-Only - 0.5%</b>		<b>3,279</b>	<b>5,229</b>
<b><u>U. S. Government Agency CMO Principal-Only</u></b>			
FHLMC Issues, Due 3/15/2020 - 9/15/2043	3,149	2,597	2,869
FNMA Issues, Due 12/1/2024 - 12/25/2043	5,714	4,576	5,026

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
GNMA Issues, Due 1/17/2033 - 12/20/2040	1,214	969	1,107
Total U. S. Government Agency CMO Principal-Only - 0.9%		8,142	9,002
<b><u>U. S. Government Agency Bonds</u></b>			
Federal Home Loan Bank, 5.5% Due 7/15/2036	400	504	577
FICO Strip Principal, Zero Coupon, Due 5/11/2018	3,900	3,800	3,841
FICO Strip Principal, Zero Coupon, Due 9/26/2019	700	592	679
RFCSP Strip Principal, Zero Coupon, Due 10/15/2019	4,900	4,645	4,743
RFCSP Strip Principal, Zero Coupon, Due 7/15/2020	10,590	9,818	10,110
RFCSP Strip Principal, Zero Coupon, Due 10/15/2020	3,000	2,646	2,855
Total U. S. Government Agency Bonds - 2.3%		22,005	22,805
<b><u>U.S. Corporate Bonds</u></b>			
<i>Basic Materials</i>			
Barrick NA Finance LLC, 4.4% Due 5/30/2021	136	142	146
CF Industries Inc, 7.125% Due 5/1/2020	400	460	461
Dow Chemical Company, 8.55% Due 5/15/2019	192	206	228
Dow Chemical Company, 4.125% Due 11/15/2021	327	341	359
Dow Chemical Company, 3.0% Due 11/15/2022	326	335	335
Dow Chemical Company, 3.5% Due 10/1/2024	200	198	212
Ecolab Inc, 5.5% Due 12/8/2041	540	620	673
EI DuPont de Nemours & Co, 5.6% Due 12/15/2036	320	359	383
EI DuPont de Nemours & Co, 4.9% Due 1/15/2041	90	89	100
Freeport-McMoran Inc, 2.15% Due 3/1/2017	534	533	530
Freeport-McMoran Inc, 3.875% Due 3/15/2023	227	173	199
Freeport-McMoran Inc, 5.4% Due 11/14/2034	307	298	244
Monsanto Company, 4.7% Due 7/15/2064	91	90	83
Nucor Corporation, 5.85% Due 6/1/2018	857	906	921
Nucor Corporation, 4.0% Due 8/1/2023	90	90	96
PPG Industries Inc, 9.0% Due 5/1/2021	625	700	800
Praxair Inc, 1.25% Due 11/7/2018	300	300	301
The Mosaic Company, 3.75% Due 11/15/2021	613	626	651
The Mosaic Company, 4.875% Due 11/15/2041	33	32	33
Union Carbide Corp, 7.5% Due 6/1/2025	250	279	313
<i>Total Basic Materials</i>		6,777	7,068
<i>Capital Goods</i>			
ABB Finance USA Inc, 1.625% Due 5/8/2017	81	81	81
ABB Finance USA Inc, 2.875% Due 5/8/2022	117	115	122
ABB Finance USA Inc, 4.375% Due 5/8/2042	278	291	316
American Airlines 2013-2, 4.95% Due 1/15/2023	386	386	420
American Airlines PT TRS 11-1, 5.25% Due 1/31/2021	75	75	80
Amern Airline 16-2 A PTT, 3.65% Due 6/15/2028	170	170	176
Arrow Electronics Inc, 6.875% Due 6/1/2018	615	646	663
Arrow Electronics Inc, 4.0% Due 4/1/2025	124	123	127
Arrow Electronics Inc, 7.5% Due 1/15/2027	225	242	273
BAE Systems Holdings Inc, 6.375% Due 6/1/2019	255	276	287
BAE Systems Holdings Inc, 3.8% Due 10/7/2024	227	226	239
Boeing Company, 4.875% Due 2/15/2020	230	232	259
Boeing Company, 2.85% Due 10/30/2024	300	296	317
Boeing Company, 6.125% Due 2/15/2033	150	166	203
Burlington North Santa Fe, 5.65% Due 5/1/2017	225	227	234
Burlington North Santa Fe, 3.45% Due 9/15/2021	456	464	494
Burlington North Santa Fe, 3.05% Due 9/1/2022	234	233	249
Burlington North Santa Fe, 3.85% Due 9/1/2023	300	299	334
Burlington North Santa Fe, 3.4% Due 9/1/2024	500	499	544
Burlington North Santa Fe, 7.29% Due 6/1/2036	80	87	114
Caterpillar Financial Services, 5.45% Due 4/15/2018	280	287	301
Caterpillar Financial Services, 7.15% Due 2/15/2019	395	404	454
Caterpillar Inc, 5.3% Due 9/15/2035	50	62	60
Continental Airlines Inc, 4.0% Due 10/29/2024	92	92	97
CRH America Inc, 3.875% Due 5/18/2025	209	209	221
CSX Corp, 6.25% Due 3/15/2018	640	666	693
CSX Corp, 7.375% Due 2/1/2019	200	203	230

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
CSX Corp, 4.25% Due 6/1/2021	335	346	367
CSX Corp, 3.95% Due 5/1/2050	170	168	170
Danaher Corp, 3.9% Due 6/23/2021	275	275	302
Deere & Company, 2.6% Due 6/8/2022	179	179	184
Deere & Company, 7.125% Due 3/3/2031	165	223	237
Deere & Company, 3.9% Due 6/9/2042	77	76	82
Delta Air Lines, 4.95% Due 5/23/2019	72	72	76
Delta Air Lines 2011-1, 5.3% Due 4/15/2019	41	41	44
Delta Air Lines 2012-1A, 4.75% Due 5/7/2020	128	128	136
Eaton Corporation, 7.625% Due 4/1/2024	325	393	414
FedEx Corp, 3.2% Due 2/1/2025	170	170	177
FedEx Corp, 3.25% Due 4/1/2026	139	139	145
FedEx Corp, 3.9% Due 2/1/2035	96	96	98
General Electric Capital Corp, 5.625% Due 5/1/2018	915	931	992
General Electric Capital Corp, 6.0% Due 8/7/2019	698	717	800
General Electric Capital Corp, 5.5% Due 1/8/2020	486	516	555
General Electric Capital Corp, 4.375% Due 9/16/2020	128	128	143
General Electric Capital Corp, 5.875% Due 1/14/2038	200	148	270
Honeywell International Inc, 5.3% Due 3/1/2018	205	217	220
Illinois Tool Works Inc, 3.9% Due 9/1/2042	640	634	688
Ingersoll-Rand GL Hld Co, 4.25% Due 6/15/2023	162	162	180
John Deere Capital Corp, 1.2% Due 10/10/2017	128	128	128
John Deere Capital Corp, 1.3% Due 3/12/2018	400	400	402
John Deere Capital Corp, 5.75% Due 9/10/2018	233	238	257
John Deere Capital Corp, 3.4% Due 9/11/2025	163	163	176
Lockheed Martin Corp, 4.25% Due 11/15/2019	305	311	334
Lockheed Martin Corp, 3.1% Due 1/15/2023	163	162	172
Lockheed Martin Corp, 4.07% Due 12/15/2042	336	328	358
Norfolk Southern Corp, 2.903% Due 2/15/2023	738	739	762
Norfolk Southern Corp, 3.95% Due 10/1/2042	103	103	106
Northrop Grumman Corp, 5.05% Due 8/1/2019	490	509	542
Parker-Hannifin Corp, 3.3% Due 11/21/2024	139	139	150
Penske Truck Leasing/PTL, 3.375% Due 3/15/2018	615	624	630
Penske Truck Leasing/PTL, 3.375% Due 2/1/2022	250	244	255
Pitney Bowes Inc, 5.6% Due 3/15/2018	100	102	106
Precision Castparts Corp, 3.25% Due 6/15/2025	485	484	517
Raytheon Company, 3.15% Due 12/15/2024	81	81	88
Republic Services Inc, 5.5% Due 9/15/2019	360	382	402
Republic Services Inc, 3.55% Due 6/1/2022	309	308	334
Roper Technologies Inc, 3.0% Due 12/15/2020	160	160	165
Ryder System Inc, 2.5% Due 3/1/2017	78	78	79
Ryder System Inc, 3.5% Due 6/1/2017	96	96	98
Ryder System Inc, 2.5% Due 3/1/2018	80	81	81
Ryder System Inc, 2.65% Due 3/2/2020	193	193	195
Ryder System Inc, 2.875% Due 9/1/2020	164	164	167
Union Pacific Corp, 4.163% Due 7/15/2022	358	361	403
Union Pacific Corp, 2.95% Due 1/15/2023	43	43	46
Union Pacific Corp, 4.3% Due 6/15/2042	50	50	55
Union Pacific Corp, 4.821% Due 2/1/2044	494	489	597
Union Pacific Corp, 4.15% Due 1/15/2045	150	148	164
Union Pacific RR Co, 2.695% Due 5/12/2027	468	468	469
United Air 2016-1 AA PTT, 3.1% Due 7/7/2028	235	235	239
United Technologies Corp, 3.1% Due 6/1/2022	106	106	113
United Technologies Corp, 5.4% Due 5/1/2035	170	169	210
United Technologies Corp, 4.5% Due 6/1/2042	143	141	164
United Technologies Corp, 4.15% Due 5/15/2045	240	240	264
UNP RR CO 2003 PASS TRUST, 4.698% Due 1/2/2024	53	52	57
UPS of America Inc, 8.375% Due 4/1/2020	125	140	157
UPS of America Inc, 8.375% Due 4/1/2030	230	291	344
W.W. Grainger Inc, 3.75% Due 5/15/2046	249	248	257
Waste Management Inc, 4.75% Due 6/30/2020	622	625	697
Waste Management Inc, 2.4% Due 5/15/2023	123	123	125
<i>Total Capital Goods</i>		22,962	24,733
<i>Communication Services</i>			
AT&T Inc, 5.5% Due 2/1/2018	370	375	394

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
AT&T Inc, 4.6% Due 2/15/2021	400	438	438
AT&T Inc, 3.875% Due 8/15/2021	765	795	824
AT&T Inc, 3.8% Due 3/15/2022	300	319	319
AT&T Inc, 3.0% Due 6/30/2022	285	285	292
AT&T Inc, 6.3% Due 1/15/2038	600	576	721
AT&T Inc, 6.0% Due 8/15/2040	750	798	876
AT&T Inc, 5.35% Due 9/1/2040	1,374	1,376	1,503
AT&T Inc, 4.3% Due 12/15/2042	64	50	62
AT&T Inc, 4.35% Due 6/15/2045	156	159	151
Centel Capital Corp, 9.0% Due 10/15/2019	200	215	231
Verizon Communications, 2.625% Due 2/21/2020	140	137	145
Verizon Communications, 4.5% Due 9/15/2020	353	353	392
Verizon Communications, 5.15% Due 9/15/2023	355	397	413
Verizon Communications, 3.5% Due 11/1/2024	573	570	609
Verizon Communications, 5.05% Due 3/15/2034	693	692	769
Verizon Communications, 4.862% Due 8/21/2046	818	618	894
Verizon Communications, 4.522% Due 9/15/2048	230	178	239
Verizon Communications, 5.012% Due 8/21/2054	165	152	174
Verizon Communications, 4.672% Due 3/15/2055	276	266	279
<i>Total Communication Services</i>		8,749	9,725
<i>Consumer Discretionary</i>			
21st Century Fox America, 7.25% Due 5/18/2018	64	66	71
21st Century Fox America, 8.875% Due 4/26/2023	450	477	613
21st Century Fox America, 7.75% Due 1/20/2024	150	167	196
21st Century Fox America, 7.3% Due 4/30/2028	250	251	331
21st Century Fox America, 6.65% Due 11/15/2037	125	133	164
Amazon.com Inc, 3.8% Due 12/5/2024	804	811	901
American Honda Finance, 7.625% Due 10/1/2018	500	532	569
Bed Bath & Beyond Inc, 3.749% Due 8/1/2024	125	125	127
Bed Bath & Beyond Inc, 4.915% Due 8/1/2034	45	45	42
CBS Corp, 3.7% Due 8/15/2024	509	506	532
Charter Communications Operating LLC/CAP, 4.464% Due 7/23/2022	327	327	351
Comcast Cable Communications Holdings, 9.455% Due 11/15/2022	775	863	1,105
Comcast Cable Holdings, 10.125% Due 4/15/2022	240	288	325
Comcast Corp, 6.5% Due 1/15/2017	200	201	206
Comcast Corp, 3.375% Due 2/15/2025	285	285	307
Comcast Corp, 4.2% Due 8/15/2034	158	157	174
Cox Communications Inc, 5.875% Due 12/1/2016	200	203	203
Cox Communications Inc, 3.85% Due 2/1/2025	500	499	504
Daimler Finance NA LLC, 2.95% Due 1/11/2017	300	300	303
Daimler Finance NA LLC, 2.375% Due 8/1/2018	227	227	232
Daimler Finance NA LLC, 2.25% Due 7/31/2019	300	302	308
Daimler Finance NA LLC, 2.25% Due 3/2/2020	150	150	153
Daimler Finance NA LLC, 3.5% Due 8/3/2025	300	299	321
Discovery Communications, 4.375% Due 6/15/2021	165	176	177
Discovery Communications, 4.95% Due 5/15/2042	385	400	334
eBay Inc, 2.6% Due 7/15/2022	1,247	1,185	1,235
ERAC USA Finance LLC, 6.7% Due 6/1/2034	365	438	484
ERAC USA Finance LLC, 5.625% Due 3/15/2042	72	77	87
Ford Motor Company, 6.625% Due 10/1/2028	400	463	506
Ford Motor Credit Company LLC, 2.24% Due 6/15/2018	248	248	250
Ford Motor Credit Company LLC, 2.375% Due 3/12/2019	1,200	1,197	1,217
Ford Motor Credit Company LLC, 2.597% Due 11/4/2019	300	300	307
General Motors Financial Co, 3.1% Due 1/15/2019	120	120	123
General Motors Financial Co, 3.2% Due 7/13/2020	227	227	230
Historic TW Inc, 9.15% Due 2/1/2023	945	1,084	1,270
Home Depot Inc, 2.0% Due 6/15/2019	303	302	311
Home Depot Inc, 2.625% Due 6/1/2022	536	530	561
Home Depot Inc, 3.0% Due 4/1/2026	130	129	138
Hyundai Capital America, 2.4% Due 10/30/2018	160	162	162
Johnson Controls Inc, 5.0% Due 3/30/2020	500	511	547
Johnson Controls Inc, 4.25% Due 3/1/2021	80	80	86
Johnson Controls Inc, 3.625% Due 7/2/2024	69	69	73
Lowe's Companies Inc, 3.375% Due 9/15/2025	230	229	251
Lowe's Companies Inc, 7.11% Due 5/15/2037	195	231	277

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Lowe's Companies Inc, 4.65% Due 4/15/2042	217	216	253
Macys Retail Holdings Inc, 7.45% Due 7/15/2017	300	312	318
Macys Retail Holdings Inc, 3.625% Due 6/1/2024	376	376	371
Macys Retail Holdings Inc, 4.5% Due 12/15/2034	94	76	83
NBC Universal Media LLC, 4.375% Due 4/1/2021	350	360	392
NBC Universal Media LLC, 5.95% Due 4/1/2041	175	175	235
Starbucks Corp, 2.7% Due 6/15/2022	211	211	223
Target Corp, 3.5% Due 7/1/2024	257	256	285
Target Corp, 2.5% Due 4/15/2026	585	585	600
TCI Communications Inc, 7.875% Due 2/15/2026	100	101	143
The Gap Inc, 5.95% Due 4/12/2021	229	221	239
Time Warner Cable Inc, 6.75% Due 7/1/2018	150	156	164
Time Warner Cable Inc, 8.75% Due 2/14/2019	300	332	350
Time Warner Cable Inc, 7.3% Due 7/1/2038	300	332	376
Time Warner Entertainment, 8.375% Due 7/15/2033	550	655	745
Time Warner Inc, 4.75% Due 3/29/2021	220	237	247
Time Warner Inc, 3.55% Due 6/1/2024	275	275	292
Toyota Motor Credit Corp, 2.15% Due 3/12/2020	500	500	514
Viacom Inc, 3.875% Due 12/15/2021	177	175	187
Viacom Inc, 3.125% Due 6/15/2022	340	333	339
Viacom Inc, 4.85% Due 12/15/2034	388	360	362
Walt Disney Company, 3.75% Due 6/1/2021	330	353	366
<i>Total Consumer Discretionary</i>		21,969	23,748
<i>Consumer Staples</i>			
Anheuser-Busch, 8.2% Due 1/15/2039	255	361	406
Anheuser-Busch Inbev Finance, 1.9% Due 2/1/2019	105	106	107
Anheuser-Busch Inbev Finance, 3.3% Due 2/1/2023	664	662	700
Anheuser-Busch Inbev Finance, 3.7% Due 2/1/2024	297	312	320
Anheuser-Busch Inbev Finance, 4.7% Due 2/1/2036	1,043	1,034	1,172
Brown Forman Corp, 4.5% Due 7/15/2045	182	179	208
Bunge Limited Finance Co, 8.5% Due 6/15/2019	373	385	436
Bunge NA Finance LP, 5.9% Due 4/1/2017	54	53	56
Cargill Inc, 7.35% Due 3/6/2019	250	262	289
Cargill Inc, 4.307% Due 5/14/2021	191	196	210
Cargill Inc, 3.3% Due 3/1/2022	485	484	513
Coca-Cola Company, 3.3% Due 9/1/2021	104	104	113
ConAgra Foods Inc, 3.2% Due 1/25/2023	171	172	176
Costco Wholesale Corp, 2.25% Due 2/15/2022	122	122	126
CVS Health Corp, 2.125% Due 6/1/2021	458	457	464
CVS Health Corp, 3.5% Due 7/20/2022	216	216	233
CVS Health Corp, 2.875% Due 6/1/2026	370	367	378
CVS Health Corp, 5.926% Due 1/10/2034	222	222	257
Diageo Investment Corp, 2.875% Due 5/11/2022	290	289	305
Dr Pepper Snapple Group Inc, 2.0% Due 1/15/2020	388	387	390
General Mills Inc, 5.65% Due 2/15/2019	470	488	522
General Mills Inc, 3.15% Due 12/15/2021	50	52	53
Kellogg Company, 1.75% Due 5/17/2017	115	115	116
Kellogg Company, 3.25% Due 5/21/2018	333	336	345
Kimberly Clark Corporation, 7.5% Due 11/1/2018	250	264	286
Kraft Foods Group Inc, 6.125% Due 8/23/2018	435	473	477
Kraft Foods Group Inc, 5.375% Due 2/10/2020	169	186	190
Kraft Foods Group Inc, 3.5% Due 6/6/2022	365	370	388
Kraft Foods Group Inc, 5.0% Due 6/4/2042	103	102	118
Kraft Heinz Foods Co, 3.5% Due 7/15/2022	485	484	515
Kraft Heinz Foods Co, 3.95% Due 7/15/2025	423	423	460
Kroger Co, 6.15% Due 1/15/2020	760	806	875
Kroger Co, 7.5% Due 4/1/2031	250	315	350
Mondelez International Inc, 4.0% Due 2/1/2024	500	500	547
PepsiCo Inc, 7.9% Due 11/1/2018	171	185	198
PepsiCo Inc, 3.1% Due 7/17/2022	181	181	193
PepsiCo Inc, 2.75% Due 4/30/2025	300	299	310
PepsiCo Inc, 4.45% Due 4/14/2046	308	326	359
Tyson Foods Inc, 3.95% Due 8/15/2024	235	234	254
Walgreen Boots Alliance Inc, 3.1% Due 9/15/2022	227	226	234
Walgreens Boots Alliance, 3.1% Due 6/1/2023	83	83	85

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Walgreens Boots Alliance, 3.45% Due 6/1/2026	184	183	189
Walgreens Boots Alliance, 4.5% Due 11/18/2034	89	88	93
Wal-Mart Stores Inc, 7.55% Due 2/15/2030	350	419	534
Wal-Mart Stores Inc, 5.25% Due 9/1/2035	354	334	465
Wal-Mart Stores Inc, 5.0% Due 10/25/2040	71	85	89
Wal-Mart Stores Inc, 4.75% Due 10/2/2043	250	248	308
Wal-Mart Stores Inc, 4.3% Due 4/22/2044	303	301	354
<i>Total Consumer Staples</i>		14,476	15,766
<i>Energy</i>			
Anadarko Petroleum Corp, 8.7% Due 3/15/2019	300	303	342
Anadarko Petroleum Corp, 6.95% Due 6/15/2019	285	293	316
ANR Pipeline Co, 9.625% Due 11/1/2021	240	286	315
Apache Corporation, 3.25% Due 4/15/2022	185	181	190
Apache Corporation, 4.75% Due 4/15/2043	153	153	157
Boardwalk Pipelines LP, 5.95% Due 6/1/2026	106	105	111
Buckeye Partners LP, 2.65% Due 11/15/2018	100	100	101
Buckeye Partners LP, 4.875% Due 2/1/2021	200	207	210
Buckeye Partners LP, 4.35% Due 10/15/2024	215	216	213
Buckeye Partners LP, 5.85% Due 11/15/2043	35	35	34
Burlington Resources, 8.2% Due 3/15/2025	180	232	235
Cenovus Energy Inc, 3.0% Due 8/15/2022	200	188	183
Chevron Corp, 2.419% Due 11/17/2020	880	880	908
Chevron Corp, 2.566% Due 5/16/2023	500	500	511
Chevron Corp, 3.191% Due 6/24/2023	190	190	202
ConocoPhillips, 5.2% Due 5/15/2018	501	520	536
ConocoPhillips, 6.65% Due 7/15/2018	294	311	320
ConocoPhillips, 5.75% Due 2/1/2019	100	100	110
ConocoPhillips Company, 3.35% Due 11/15/2024	225	193	232
Devon Energy Corporation, 6.3% Due 1/15/2019	495	532	536
Devon Energy Corporation, 3.25% Due 5/15/2022	244	243	237
Devon Energy Corporation, 4.75% Due 5/15/2042	157	156	141
Diamond Offshore Drilling Inc, 4.875% Due 11/1/2043	200	166	142
Energy Transfer Partners LP, 3.6% Due 2/1/2023	170	169	163
Energy Transfer Partners LP, 4.05% Due 3/15/2025	257	257	252
Energy Transfer Partners LP, 4.75% Due 1/15/2026	220	219	226
Enterprise Products Operations, 6.5% Due 1/31/2019	140	155	157
Enterprise Products Operations, 2.85% Due 4/15/2021	470	470	486
Enterprise Products Operations, 3.35% Due 3/15/2023	109	112	112
Enterprise Products Operations, 3.9% Due 2/15/2024	192	192	203
Enterprise Products Operations, 3.75% Due 2/15/2025	125	125	130
Enterprise Products Operations, 3.7% Due 2/15/2026	123	123	128
Enterprise Products Operations, 5.75% Due 3/1/2035	485	579	535
EOG Resources Inc, 4.4% Due 6/1/2020	340	358	368
EOG Resources Inc, 4.1% Due 2/1/2021	200	211	217
Exxon Mobil Corporation, 2.397% Due 3/6/2022	770	770	790
Freeport-McMoran Oil & Gas, 6.5% Due 11/15/2020	268	282	269
Gulf South Pipeline, 4.0% Due 6/15/2022	285	280	273
Halliburton Company, 6.15% Due 9/15/2019	360	376	409
Halliburton Company, 3.5% Due 8/1/2023	340	351	353
Halliburton Company, 7.45% Due 9/15/2039	100	98	138
Hess Corp, 7.3% Due 8/15/2031	250	326	287
Magellan Midstream Partners, 6.55% Due 7/15/2019	330	368	373
Magellan Midstream Partners, 3.2% Due 3/15/2025	164	164	163
Magellan Midstream Partners, 5.15% Due 10/15/2043	225	232	240
Marathon Oil Corp, 6.0% Due 10/1/2017	200	206	207
Marathon Oil Corp, 5.9% Due 3/15/2018	110	114	114
Marathon Oil Corp, 2.8% Due 11/1/2022	323	220	293
Marathon Petroleum Corporation, 3.625% Due 9/15/2024	386	385	379
Nabors Industries Inc, 5.0% Due 9/15/2020	176	187	166
Nabors Industries Inc, 4.625% Due 9/15/2021	570	587	523
Noble Energy Inc, 3.9% Due 11/15/2024	226	225	230
Occidental Petroleum Corp, 2.7% Due 2/15/2023	425	421	432
Occidental Petroleum Corp, 3.5% Due 6/15/2025	220	219	232
OneOk Partners LP, 6.65% Due 10/1/2036	75	85	78
Petroleos Mexicanos, 6.375% Due 2/4/2021	274	274	298

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Petroleos Mexicanos, 6.875% Due 8/4/2026	220	220	246
Plains All American Pipeline, 2.6% Due 12/15/2019	85	85	83
Plains All American Pipeline, 3.6% Due 11/1/2024	250	250	235
Plains All American Pipeline, 4.65% Due 10/15/2025	285	285	288
Plains All American Pipeline, 4.9% Due 2/15/2045	195	195	174
Spectra Energy Capital, 6.2% Due 4/15/2018	445	449	473
Spectra Energy Capital, 6.75% Due 7/15/2018	160	155	171
Spectra Energy Capital, 8.0% Due 10/1/2019	450	481	517
Spectra Energy Partners, 4.75% Due 3/15/2024	500	499	550
Sunoco Logistics Partner, 4.65% Due 2/15/2022	450	471	469
Sunoco Logistics Partner, 5.3% Due 4/1/2044	50	52	49
Texas Eastern Transmission, 6.0% Due 9/15/2017	350	366	367
Valero Energy Corporation, 9.375% Due 3/15/2019	200	236	239
Valero Energy Corporation, 6.125% Due 2/1/2020	300	334	339
<i>Total Energy</i>		19,308	19,706
<i>Financial Services</i>			
ACE INA Holdings, 3.15% Due 3/15/2025	300	300	313
African Development Bank, 8.8% Due 9/1/2019	1,000	1,171	1,216
AIG Sunamer Global Finance X, 6.9% Due 3/15/2032	110	115	143
Allstate Corp, 3.15% Due 6/15/2023	140	140	149
American Express Co, 7.0% Due 3/19/2018	595	617	650
American Express Co, 3.625% Due 12/5/2024	104	104	107
American Express Credit Co, 1.8% Due 7/31/2018	261	261	263
American Express Credit Co, 2.25% Due 5/5/2021	267	269	272
American International Group, 4.125% Due 2/15/2024	618	631	652
Ameriprise Financial Inc, 4.0% Due 10/15/2023	300	299	325
Ameritech Capital Funding, 6.45% Due 1/15/2018	70	71	75
Bank of America, 2.05% Due 12/7/2018	1,125	1,125	1,141
Bank of America Corp, 6.875% Due 4/25/2018	650	659	710
Bank of America Corp, 5.65% Due 5/1/2018	2,100	2,104	2,250
Bank of America Corp, 5.625% Due 7/1/2020	190	191	214
Bank of America Corp, 5.0% Due 5/13/2021	775	784	868
Bank of America Corp, 4.125% Due 1/22/2024	211	224	227
Bank of America Corp, 4.0% Due 4/1/2024	204	203	218
Bank of America Corp, 3.95% Due 4/21/2025	298	297	303
Bank of America Corp, 3.875% Due 8/1/2025	291	290	309
Bank of New York Mellon, 4.6% Due 1/15/2020	115	115	127
Bank of New York Mellon, 3.65% Due 2/4/2024	333	332	364
Bank of New York Mellon, 3.25% Due 9/11/2024	500	522	532
Barclays PLC, 3.25% Due 1/12/2021	400	401	399
BB&T Corporation, 6.85% Due 4/30/2019	225	224	258
BB&T Corporation, 2.05% Due 5/10/2021	515	514	523
Berkshire Hathaway Finance, 5.4% Due 5/15/2018	300	310	324
Berkshire Hathaway Finance, 3.0% Due 5/15/2022	295	300	315
Berkshire Hathaway Finance, 4.3% Due 5/15/2043	208	206	231
BlackRock Inc, 6.25% Due 9/15/2017	500	509	532
BlackRock Inc, 3.375% Due 6/1/2022	200	199	217
BlackRock Inc, 3.5% Due 3/18/2024	160	162	174
Blackstone Holdings Financial, 5.875% Due 3/15/2021	550	549	644
Blackstone Holdings Financial, 4.75% Due 2/15/2023	230	227	257
Blackstone Holdings Financial, 4.45% Due 7/15/2045	107	106	108
Boston Properties LP, 3.125% Due 9/1/2023	350	328	360
Boston Properties LP, 3.8% Due 2/1/2024	398	397	427
Capital One Financial Corp, 3.5% Due 6/15/2023	1,560	1,558	1,610
Capital One Financial Corp, 3.2% Due 2/5/2025	242	241	244
Charles Schwab Corp, 3.225% Due 9/1/2022	500	506	532
Chubb Corp, 5.75% Due 5/15/2018	228	245	247
Citigroup Inc, 1.75% Due 5/1/2018	240	238	241
Citigroup Inc, 2.4% Due 2/18/2020	485	484	490
Citigroup Inc, 2.7% Due 3/30/2021	310	310	316
Citigroup Inc, 5.5% Due 9/13/2025	577	577	647
Citigroup Inc, 7.0% Due 12/1/2025	490	523	614
Citigroup Inc, 3.7% Due 1/12/2026	1,150	1,149	1,211
Citigroup Inc, 4.3% Due 11/20/2026	300	299	309
Citigroup Inc, 8.125% Due 7/15/2039	195	191	304

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
CME Group Inc, 3.0% Due 9/15/2022	300	299	318
CME Group Inc, 3.0% Due 3/15/2025	316	315	330
CNA Financial Corp, 3.95% Due 5/15/2024	170	171	179
Comerica Bank, 5.2% Due 8/22/2017	250	251	260
Commonwealth, 6.65% Due 1/15/2018	430	411	449
Commonwealth REIT, 5.875% Due 9/15/2020	325	322	361
Credit Suisse GP Fund Ltd, 3.8% Due 9/15/2022	250	250	251
Deutsche Bank AG London, 1.875% Due 2/13/2018	223	223	222
Discover Bank, 3.2% Due 8/9/2021	500	499	509
Equifax Inc, 2.3% Due 6/1/2021	148	148	150
ERP Operating LP, 4.625% Due 12/15/2021	326	343	368
Fifth Third Bancorp, 2.875% Due 7/27/2020	199	200	207
FMR LLC, 6.45% Due 11/15/2039	250	248	326
Goldman Sachs Group Inc, 5.95% Due 1/18/2018	345	356	368
Goldman Sachs Group Inc, 2.625% Due 1/31/2019	255	257	261
Goldman Sachs Group Inc, 7.5% Due 2/15/2019	980	1,024	1,121
Goldman Sachs Group Inc, 5.375% Due 3/15/2020	1,130	1,202	1,257
Goldman Sachs Group Inc, 6.0% Due 6/15/2020	590	623	673
Goldman Sachs Group Inc, 2.75% Due 9/15/2020	106	106	108
Goldman Sachs Group Inc, 2.625% Due 4/25/2021	61	61	62
Goldman Sachs Group Inc, 5.25% Due 7/27/2021	138	138	156
Goldman Sachs Group Inc, 4.0% Due 3/3/2024	174	174	186
Goldman Sachs Group Inc, 3.75% Due 2/25/2026	195	195	205
Goldman Sachs Group Inc, 6.75% Due 10/1/2037	140	144	173
HCP Inc, 2.625% Due 2/1/2020	570	570	575
HCP Inc, 4.2% Due 3/1/2024	66	66	68
HCP Inc, 3.875% Due 8/15/2024	227	226	228
HCP Inc, 3.4% Due 2/1/2025	184	183	178
HSBC USA Inc, 2.35% Due 3/5/2020	449	449	449
HSBC USA Inc, 2.75% Due 8/7/2020	494	494	498
Huntington Bancshares Inc, 3.15% Due 3/14/2021	99	99	103
Huntington National Bank, 2.875% Due 8/20/2020	250	249	257
Jackson National Life Global, 2.25% Due 4/29/2021	430	430	436
Jefferies Group LLC, 5.125% Due 4/13/2018	340	340	356
Jefferies Group LLC, 6.875% Due 4/15/2021	590	662	670
Jefferies Group LLC, 6.45% Due 6/8/2027	330	289	367
Keycorp, 2.9% Due 9/15/2020	84	84	87
Keycorp, 5.1% Due 3/24/2021	550	596	619
Legg Mason Inc, 4.75% Due 3/15/2026	111	111	117
Liberty Mutual Group Inc, 5.0% Due 6/1/2021	625	665	690
Lincoln National Corp, 4.85% Due 6/24/2021	384	402	425
Lincoln National Corp, 4.2% Due 3/15/2022	94	94	101
Manuf & Traders Trust Co, 6.625% Due 12/4/2017	715	719	763
Marsh & McLennan Cos Inc, 2.35% Due 9/10/2019	244	244	249
Marsh & McLennan Cos Inc, 2.35% Due 3/6/2020	285	285	291
Mass Mutual Global Funding, 2.5% Due 10/17/2022	211	210	214
Met Life Global Funding I, 1.5% Due 1/10/2018	178	178	179
Met Life Global Funding I, 2.3% Due 4/10/2019	545	548	558
MetLife Inc, 3.6% Due 11/13/2025	288	288	302
Morgan Stanley, 5.95% Due 12/28/2017	1,115	1,132	1,186
Morgan Stanley, 6.625% Due 4/1/2018	650	657	704
Morgan Stanley, 5.625% Due 9/23/2019	1,310	1,288	1,453
Morgan Stanley, 2.65% Due 1/27/2020	100	100	102
Morgan Stanley, 5.75% Due 1/25/2021	115	115	131
Morgan Stanley, 3.7% Due 10/23/2024	278	278	291
MUFG Americas Holdings Corp, 3.0% Due 2/10/2025	467	465	475
National City Bank, 5.8% Due 6/7/2017	850	851	884
National Retail Property Inc, 4.0% Due 11/15/2025	401	402	425
National Rural Utilities Co-op, 5.45% Due 2/1/2018	195	204	208
National Rural Utilities Co-op, 10.375% Due 11/1/2018	410	458	495
Nationwide Mutual Insurance, 9.375% Due 8/15/2039	615	740	935
New York Life Global Fdg, 2.15% Due 6/18/2019	732	731	750
Northern Trust Company, 6.5% Due 8/15/2018	250	261	277
Pacific Life Global Funding, 5.0% Due 5/15/2017	400	400	411
PNC Bank NA, 6.875% Due 4/1/2018	250	258	273
PNC Bank NA, 2.7% Due 11/1/2022	400	400	404

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
PNC Financial Services Group, 3.9% Due 4/29/2024	118	118	127
PNC Funding Corp, 5.625% Due 2/1/2017	300	303	307
PNC Funding Corp, 5.125% Due 2/8/2020	160	160	179
Pricoa Global Funding 1, 1.6% Due 5/29/2018	150	150	151
Principal Financial Group Inc, 1.85% Due 11/15/2017	52	52	52
Principal Life Global Funding II, 2.25% Due 10/15/2018	353	353	360
Progressive Corp, 4.35% Due 4/25/2044	362	361	414
Prudential Financial Inc, 2.35% Due 8/15/2019	250	250	255
Prudential Financial Inc, 5.9% Due 3/17/2036	188	217	226
Prudential Financial Inc, 4.6% Due 5/15/2044	62	62	67
Prudential Insurance Company, 8.3% Due 7/1/2025	650	761	867
Realty Income Corp, 3.25% Due 10/15/2022	285	286	292
Reliance Stand Life II, 3.05% Due 1/20/2021	206	206	213
Royal Bank of Canada, 2.5% Due 1/19/2021	575	574	594
Simon Property Group LP, 4.375% Due 3/1/2021	275	299	305
Simon Property Group LP, 3.75% Due 2/1/2024	585	587	638
Simon Property Group LP, 3.375% Due 10/1/2024	325	324	349
Southtrust Bank, 7.69% Due 5/15/2025	400	450	522
State Street Corp, 3.1% Due 5/15/2023	539	532	558
State Street Corp, 2.65% Due 5/19/2026	300	300	306
SunTrust Banks Inc, 2.35% Due 11/1/2018	630	633	640
TD Ameritrade Holding Co, 2.95% Due 4/1/2022	164	164	171
Toronto-Dominion Bank, 1.95% Due 1/22/2019	145	145	147
Toronto-Dominion Bank, 2.125% Due 4/7/2021	462	461	470
Travelers PPTY Casualty, 7.75% Due 4/15/2026	410	473	565
US Bank NA, 2.8% Due 1/27/2025	294	293	306
Ventas Realty LP, 3.75% Due 5/1/2024	59	59	62
Ventas Realty LP/CAP Corp, 4.25% Due 3/1/2022	185	193	200
Ventas Realty LP/CAP Corp, 3.25% Due 8/15/2022	109	110	113
Visa Inc, 2.8% Due 12/14/2022	310	310	327
Wachovia Corp, 5.75% Due 6/15/2017	775	779	808
Wells Fargo & Company, 2.15% Due 1/30/2020	500	499	508
Wells Fargo & Company, 2.55% Due 12/7/2020	813	812	837
Wells Fargo & Company, 4.6% Due 4/1/2021	425	433	475
Wells Fargo & Company, 4.48% Due 1/16/2024	209	202	229
Wells Fargo & Company, 3.0% Due 4/22/2026	168	167	171
Wells Fargo & Company, 4.1% Due 6/3/2026	323	323	345
Wells Fargo & Company, 4.65% Due 11/4/2044	307	305	324
Wells Fargo & Company, 4.9% Due 11/17/2045	247	245	270
Welltower Inc, 3.75% Due 3/15/2023	310	309	321
<i>Total Financial Services</i>		60,018	63,717
<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	200
AbbVie Inc, 3.2% Due 11/6/2022	76	76	79
AbbVie Inc, 4.5% Due 5/14/2035	141	140	147
Abbvie Inc, 4.3% Due 5/14/2036	448	446	457
Actavis Inc, 3.25% Due 10/1/2022	164	163	168
Aetna Inc, 2.8% Due 6/15/2023	120	120	123
Aetna Inc, 4.25% Due 6/15/2036	92	92	95
Aetna Inc, 6.75% Due 12/15/2037	490	630	665
Aetna Inc, 4.5% Due 5/15/2042	71	68	75
Allergan Inc, 3.375% Due 9/15/2020	206	213	215
Amgen Inc, 5.7% Due 2/1/2019	210	213	233
Amgen Inc, 2.2% Due 5/22/2019	285	290	292
Amgen Inc, 3.875% Due 11/15/2021	610	649	665
Amgen Inc, 3.125% Due 5/1/2025	255	254	266
Amgen Inc, 4.95% Due 10/1/2041	200	198	220
Amgen Inc, 4.663% Due 6/15/2051	123	128	129
Anthem Inc, 4.65% Due 8/15/2044	314	313	334
Baxalta Inc, 3.6% Due 6/23/2022	81	81	84
Baxter International Inc, 4.25% Due 3/15/2020	146	154	159
Bayer US Finance LLC, 3.375% Due 10/8/2024	200	198	208
Becton Dickinson & Company, 3.734% Due 12/15/2024	98	98	106
Biogen Inc, 6.875% Due 3/1/2018	105	114	114

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Biogen Inc, 3.625% Due 9/15/2022	297	297	315
Cardinal Health Inc, 2.4% Due 11/15/2019	225	225	231
Cardinal Health Inc, 3.75% Due 9/15/2025	182	182	198
Celgene Corporation, 3.95% Due 10/15/2020	250	262	270
Celgene Corporation, 3.25% Due 8/15/2022	294	294	304
Celgene Corporation, 3.625% Due 5/15/2024	75	75	78
Express Scripts Holding Co, 3.5% Due 6/15/2024	180	179	186
Forest Laboratories Inc, 5.0% Due 12/15/2021	173	183	194
Gilead Sciences Inc, 4.4% Due 12/1/2021	265	289	299
Gilead Sciences Inc, 3.25% Due 9/1/2022	131	131	140
Gilead Sciences Inc, 3.65% Due 3/1/2026	145	148	158
Gilead Sciences Inc, 4.6% Due 9/1/2035	300	303	334
GlaxoSmithKline Capital Inc, 6.375% Due 5/15/2038	275	311	393
Johnson & Johnson, 2.05% Due 3/1/2023	575	574	589
Johnson & Johnson, 3.55% Due 3/1/2036	330	328	365
Laboratory Corp of America Holdings, 4.0% Due 11/1/2023	200	202	214
Laboratory Corp of America Holdings, 3.6% Due 2/1/2025	291	291	302
Medco Health Solutions, 7.125% Due 3/15/2018	690	733	753
Medtronic Inc, 3.5% Due 3/15/2025	290	288	316
Medtronic Inc, 4.375% Due 3/15/2035	167	166	189
Merck & Company Inc, 2.35% Due 2/10/2022	122	122	126
Novartis Capital Corp, 3.4% Due 5/6/2024	313	311	342
Pfizer Inc, 4.65% Due 3/1/2018	205	213	218
Pfizer Inc, 6.2% Due 3/15/2019	700	773	791
Roche Holdings Inc, 2.875% Due 9/29/2021	500	509	532
Stryker Corporation, 3.5% Due 3/15/2026	56	56	59
Teva Pharm Finance IV BV, 3.65% Due 11/10/2021	201	206	213
Thermo Fisher Scientific Inc, 3.0% Due 4/15/2023	131	130	134
UnitedHealth Group Inc, 4.7% Due 2/15/2021	115	125	130
UnitedHealth Group Inc, 2.875% Due 3/15/2022	65	67	68
UnitedHealth Group Inc, 3.75% Due 7/15/2025	315	314	346
UnitedHealth Group Inc, 6.875% Due 2/15/2038	380	526	555
Zoetis Inc, 3.25% Due 2/1/2023	470	458	479
<i>Total Health Care</i>		14,387	15,140
<i>Technology</i>			
Apple Inc, 1.0% Due 5/3/2018	313	313	314
Apple Inc, 2.15% Due 2/9/2022	529	529	539
Apple Inc, 2.85% Due 2/23/2023	244	244	256
Apple Inc, 2.4% Due 5/3/2023	284	284	289
Apple Inc, 3.2% Due 5/13/2025	311	310	330
Apple Inc, 4.5% Due 2/23/2036	202	201	227
Cisco Systems Inc, 4.45% Due 1/15/2020	125	125	138
Cisco Systems Inc, 2.45% Due 6/15/2020	125	125	130
Cisco Systems Inc, 2.9% Due 3/4/2021	99	99	105
Cisco Systems Inc, 2.95% Due 2/28/2026	130	135	138
Cisco Systems Inc, 5.5% Due 1/15/2040	300	294	393
Diamond 1 Finance/Diamond 2, 5.45% Due 6/15/2023	316	316	328
HP Inc, 3.75% Due 12/1/2020	49	49	52
HP Inc, 4.375% Due 9/15/2021	297	297	320
HP Inc, 6.0% Due 9/15/2041	122	122	117
IBM Corporation, 7.625% Due 10/15/2018	330	348	377
IBM Corporation, 8.375% Due 11/1/2019	460	533	565
IBM Corporation, 4.0% Due 6/20/2042	508	403	538
Intel Corporation, 3.3% Due 10/1/2021	236	236	256
Intel Corporation, 3.1% Due 7/29/2022	220	224	236
Intel Corporation, 3.7% Due 7/29/2025	143	143	159
Intuit Inc, 5.75% Due 3/15/2017	863	876	891
Microsoft Corporation, 3.625% Due 12/15/2023	120	120	133
Microsoft Corporation, 3.5% Due 2/12/2035	221	219	229
Microsoft Corporation, 3.75% Due 5/1/2043	500	493	506
National Semiconductor, 6.6% Due 6/15/2017	430	448	453
Oracle Corporation, 5.75% Due 4/15/2018	250	252	271
Oracle Corporation, 5.0% Due 7/8/2019	400	403	444
Oracle Corporation, 2.95% Due 5/15/2025	385	383	400
Oracle Corporation, 6.5% Due 4/15/2038	605	668	824

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Oracle Corporation, 5.375% Due 7/15/2040	270	274	326
Oracle Corporation, 4.375% Due 5/15/2055	385	383	404
Texas Instruments Inc, 1.75% Due 5/1/2020	165	165	168
Xerox Corporation, 5.625% Due 12/15/2019	183	184	196
<i>Total Technology</i>		10,198	11,052
<i>Utilities</i>			
AGL Capital Corporation, 5.25% Due 8/15/2019	400	410	438
AGL Capital Corporation, 3.5% Due 9/15/2021	353	350	375
AGL Capital Corporation, 5.875% Due 3/15/2041	120	120	146
Alabama Power Co, 6.125% Due 5/15/2038	303	375	402
American Water Capital Corp, 3.4% Due 3/1/2025	227	227	246
American Water Capital Corp, 6.593% Due 10/15/2037	300	348	434
Appalachian Power Company, 5.95% Due 5/15/2033	250	233	291
Arizona Public Service, 2.2% Due 1/15/2020	56	56	57
Arizona Public Service, 5.05% Due 9/1/2041	175	203	216
Arizona Public Service, 4.5% Due 4/1/2042	103	102	119
Atmos Energy Corp, 8.5% Due 3/15/2019	150	150	177
Atmos Energy Corp, 4.125% Due 10/15/2044	142	142	155
Baltimore Gas & Electric Co, 2.8% Due 8/15/2022	278	277	288
Berkshire Hathaway Energy, 3.5% Due 2/1/2025	121	121	131
Berkshire Hathaway Energy, 6.125% Due 4/1/2036	125	153	166
Boston Gas Company, 4.487% Due 2/15/2042	85	85	92
Centerpoint Energy Inc, 6.5% Due 5/1/2018	310	328	336
Centerpoint Energy Resources, 4.5% Due 1/15/2021	300	323	326
Cleveland Electric Illuminating Co, 7.88% Due 11/1/2017	300	311	324
Cleveland Electric Illuminating Co, 8.875% Due 11/15/2018	225	234	262
Commonwealth Edison, 4.6% Due 8/15/2043	300	299	353
Connecticut Light and Power, 5.65% Due 5/1/2018	435	460	470
Cons Edison Co of NY, 5.1% Due 6/15/2033	200	208	230
Cons Edison Co of NY, 6.3% Due 8/15/2037	150	160	200
Cons Edison Co of NY, 5.5% Due 12/1/2039	350	340	441
Consumers Energy Company, 6.7% Due 9/15/2049	394	455	460
Dominion Gas Holdings LLC, 2.8% Due 11/15/2020	97	97	100
Dominion Resources Inc, 6.4% Due 6/15/2018	465	479	507
Dominion Resources Inc, 2.75% Due 9/15/2022	50	50	51
Dominion Resources Inc, 4.9% Due 8/1/2041	64	63	70
DTE Electric Company, 3.9% Due 6/1/2021	310	326	341
DTE Electric Company, 2.65% Due 6/15/2022	53	53	55
DTE Energy Company, 2.4% Due 12/1/2019	113	113	115
DTE Energy Company, 3.3% Due 6/15/2022	192	192	202
DTE Energy Company, 3.5% Due 6/1/2024	120	120	127
Duke Energy Carolinas, 7.0% Due 11/15/2018	250	267	284
Duke Energy Carolinas, 4.3% Due 6/15/2020	211	211	235
Duke Energy Carolinas, 3.9% Due 6/15/2021	210	222	232
Duke Energy Carolinas, 6.0% Due 1/15/2038	71	92	95
Duke Energy Corp, 3.55% Due 9/15/2021	176	177	188
Duke Energy Florida Inc, 6.4% Due 6/15/2038	280	318	399
Duke Energy Ohio Inc, 5.45% Due 4/1/2019	395	399	439
Duke Energy Progress Inc, 5.3% Due 1/15/2019	200	203	220
Duke Energy Progress Inc, 2.8% Due 5/15/2022	83	83	87
Duke Energy Progress Inc, 4.1% Due 3/15/2043	150	149	164
Duke Energy Progress Inc, 4.15% Due 12/1/2044	161	160	177
Entergy Gulf States LA, 6.0% Due 5/1/2018	380	398	412
Exelon Generation Co LLC, 2.95% Due 1/15/2020	97	97	100
Exelon Generation Co LLC, 4.0% Due 10/1/2020	288	288	307
Exelon Generation Co LLC, 5.75% Due 10/1/2041	86	86	89
Florida Power & Light, 3.25% Due 6/1/2024	500	499	537
Florida Power & Light, 4.95% Due 6/1/2035	250	291	304
Florida Power & Light, 5.96% Due 4/1/2039	335	364	465
Indiana Michigan Power, 7.0% Due 3/15/2019	145	153	165
John Sevier Comb Cycle, 4.626% Due 1/15/2042	1,095	1,138	1,282
Kansas City Power & Light, 6.375% Due 3/1/2018	280	297	301
Kansas City Power & Light, 5.3% Due 10/1/2041	385	383	457
Kentucky Utilities Company, 3.25% Due 11/1/2020	170	178	181
Massachusetts Electric, 5.9% Due 11/15/2039	182	181	228

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(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	534
Nevada Power Company, 6.5% Due 8/1/2018	355	380	393
Nevada Power Company, 7.125% Due 3/15/2019	300	313	346
Nevada Power Company, 5.375% Due 9/15/2040	51	51	63
Nextera Energy Capital, 6.0% Due 3/1/2019	125	125	139
Niagara Mohawk Power, 4.881% Due 8/15/2019	100	100	109
NiSource Finance Corp, 6.4% Due 3/15/2018	299	316	324
NiSource Finance Corp, 5.45% Due 9/15/2020	299	320	338
Northern States Power- Minn, 6.25% Due 6/1/2036	360	387	499
Northern States Power- Minn, 5.35% Due 11/1/2039	64	64	84
Nstar Electric Co, 2.375% Due 10/15/2022	200	198	206
Ohio Power Company, 6.05% Due 5/1/2018	205	203	221
Oncor Electric Delivery, 6.8% Due 9/1/2018	615	649	683
Pacific Gas & Electric, 8.25% Due 10/15/2018	605	666	697
Pacific Gas & Electric, 3.25% Due 9/15/2021	49	49	53
Pacific Gas & Electric, 3.5% Due 6/15/2025	156	155	170
Pacific Gas & Electric, 6.35% Due 2/15/2038	420	571	570
PacifiCorp, 5.5% Due 1/15/2019	350	355	385
PacifiCorp, 6.1% Due 8/1/2036	316	353	425
Pennsylvania Electric Co, 6.05% Due 9/1/2017	210	216	221
Potomac Electric Power, 5.4% Due 6/1/2035	180	211	213
Potomac Electric Power, 7.9% Due 12/15/2038	455	615	714
PPL Capital Funding Inc, 4.2% Due 6/15/2022	120	125	131
Progress Energy Inc, 7.75% Due 3/1/2031	100	119	140
PSEG Power LLC, 4.15% Due 9/15/2021	656	674	700
Public Service Colorado, 3.2% Due 11/15/2020	45	45	48
Public Service Electric & Gas, 5.375% Due 11/1/2039	169	176	218
Public Service Oklahoma, 5.15% Due 12/1/2019	213	221	237
Public Service Oklahoma, 4.4% Due 2/1/2021	137	136	150
San Diego Gas & Electric, 5.35% Due 5/15/2040	27	27	35
Sempra Energy, 9.8% Due 2/15/2019	450	500	542
Sempra Energy, 2.875% Due 10/1/2022	105	105	107
Sempra Energy, 4.05% Due 12/1/2023	137	137	148
Sierra Pacific Power Co, 3.375% Due 8/15/2023	98	98	106
South Carolina E & G, 4.5% Due 6/1/2064	55	54	57
Southern Cal Edison, 6.05% Due 3/15/2039	250	248	342
Southern Cal Edison, 5.5% Due 3/15/2040	170	167	220
Southern Calif Gas Co, 3.2% Due 6/15/2025	285	284	306
Southern Calif Gas Co, 5.75% Due 11/15/2035	375	472	480
Southern Company, 1.95% Due 9/1/2016	130	130	130
Southwestern Electric Power, 6.45% Due 1/15/2019	115	118	128
Southwestern Public Service, 8.75% Due 12/1/2018	288	310	337
Teco Finance Inc, 5.15% Due 3/15/2020	570	619	633
Virginia Electric & Power Co, 5.4% Due 4/30/2018	490	493	526
Virginia Electric & Power Co, 3.45% Due 2/15/2024	71	71	77
Virginia Electric & Power Co, 4.45% Due 2/15/2044	105	113	121
Wisconsin Electric Power, 1.7% Due 6/15/2018	300	300	302
Wisconsin Electric Power, 2.95% Due 9/15/2021	11	11	12
Wisconsin Electric Power, 3.1% Due 6/1/2025	272	272	289
Xcel Energy Inc, 4.7% Due 5/15/2020	45	45	50
<i>Total Utilities</i>		<u>27,448</u>	<u>30,010</u>
Total U.S. Corporate Bonds - 22.2%		206,292	220,665
<b>Corporate Asset Backed Issues</b>			
Academic Loan Funding Trust, 1.253% Due 12/27/2022	205	205	204
Ally Auto Receivables Trust, 1.03% Due 9/20/2017	320	320	320
Ally Auto Receivables Trust, 1.2% Due 8/15/2018	1,161	1,161	1,163
American Credit Acceptance Receivables Trust, 1.33% Due 11/10/2016	16	16	16
American Homes 4 Rent, 3.786% Due 10/17/2024	2,195	2,215	2,355
American Homes 4 Rent, 5.149% Due 10/17/2024	1,260	1,260	1,347
American Homes 4 Rent, 6.231% Due 10/17/2024	200	217	213
American Homes 4 Rent, 3.678% Due 12/17/2024	1,507	1,507	1,617
American Homes 4 Rent, 5.04% Due 12/17/2024	323	323	343
American Homes 4 Rent, 3.467% Due 4/17/2025	1,799	1,798	1,903
American Homes 4 Rent, 4.407% Due 4/17/2025	418	416	425

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
American Homes 4 Rent, 3.732% Due 10/17/2025	782	782	844
American Homes 4 Rent, 5.036% Due 10/17/2025	136	136	144
AmeriCredit Auto Receivables, 1.42% Due 10/8/2019	1,285	1,285	1,287
AmeriCredit Auto Receivables, 1.81% Due 10/8/2020	952	952	960
AmeriCredit Auto Receivables, 1.6% Due 11/9/2020	233	233	234
Angel Oak Mortgage Trust, 4.5% Due 11/25/2045	520	518	521
Axis Equipment Finance Receivables, 1.9% Due 3/20/2018	376	376	376
B2R Mortgage Trust, 2.524% Due 5/15/2048	317	317	319
B2R Mortgage Trust, 3.336% Due 11/15/2048	1,274	1,274	1,314
BCC Funding Corp, 2.224% Due 9/20/2018	670	670	669
Blue Elephant Loan Trust, 3.12% Due 12/15/2022	240	240	240
BXG Receivables Note Trust, 2.66% Due 7/2/2019	126	126	126
CarNow Auto Receivables Trust, 1.69% Due 1/15/2020	407	407	407
CFC LLC, 1.44% Due 11/16/2020	339	339	337
CFC LLC, 1.75% Due 6/15/2021	209	209	208
Chase Funding Mortgage Loan, 5.192% Adj, Due 11/25/2034	372	359	386
Chase Funding Mortgage Loan, 4.277% Due 11/25/2034	315	297	321
Colony American Finance Ltd, 2.544% Due 6/15/2048	664	664	665
Concord Funding Company LLC, 3.145% Due 1/15/2017	1,250	1,250	1,251
Consumer Credit Origination, 2.82% Due 8/15/2017	102	102	102
CPS Auto Trust, 1.11% Due 2/15/2017	200	200	200
CPS Auto Trust, 2.52% Due 3/15/2017	156	156	156
CPS Auto Trust, 1.31% Due 5/15/2017	255	255	254
CPS Auto Trust, 1.82% Due 6/15/2017	86	86	86
CPS Auto Trust, 1.49% Due 7/17/2017	386	386	385
CPS Auto Trust, 3.77% Due 10/15/2018	140	140	136
CPS Auto Trust, 4.35% Due 1/15/2019	150	150	145
CPS Auto Trust, 4.0% Due 4/15/2019	100	100	95
CPS Auto Trust, 4.63% Due 8/16/2021	516	516	501
Credit Acceptance Auto Loan, 1.55% Due 10/15/2021	386	386	386
Credit Acceptance Auto Loan, 2.4% Due 2/15/2023	806	806	811
Drive Auto Receivables Trust, 2.12% Due 4/15/2017	408	408	409
Drive Auto Receivables Trust, 4.12% Due 11/15/2018	294	294	294
Drive Auto Receivables Trust, 1.59% Due 12/17/2018	676	676	676
Drive Auto Receivables Trust, 3.84% Due 1/15/2019	640	640	635
DT Auto Owner Trust, 2.0% Due 9/16/2019	2,651	2,651	2,659
DT Auto Owner Trust, 1.75% Due 11/15/2019	3,135	3,135	3,135
Exeter Auto Receivables Trust, 1.32% Due 2/15/2017	216	216	216
Fifth Third Auto Trust, 0.96% Due 3/15/2017	180	180	180
First Investors Auto Owner Trust, 1.59% Due 12/16/2019	384	384	384
Firstkey Lending Trust, 2.553% Due 7/9/2019	813	814	818
Firstkey Lending Trust, 3.417% Due 8/9/2019	481	484	490
Flagship Credit Auto Trust, 1.43% Due 10/17/2017	178	178	178
Flagship Credit Auto Trust, 2.84% Due 6/17/2018	178	178	177
Flagship Credit Auto Trust, 3.95% Due 11/17/2018	88	88	89
Ford Credit Auto Lease Trust, 0.89% Due 9/15/2017	96	96	96
Ford Credit Auto Lease Trust, 1.1% Due 11/15/2017	88	88	88
GLC Trust, 3.0% Due 3/15/2018	371	370	365
GLC II Trust, 4.0% Due 9/18/2017	360	360	354
GLS Auto Receivables Trust, 2.73% Due 10/15/2020	1,109	1,109	1,109
GLS Auto Receivables Trust, 2.25% Due 12/15/2020	508	507	507
Go Financial Auto Securitization, 1.81% Due 3/15/2018	210	210	210
Gold Key Resorts LLC, 3.22% Due 7/15/2020	359	359	357
Honda Auto Receivables Owner, 0.77% Due 5/18/2017	182	182	182
LV Tower 52 Issuer LLC, 5.5% Due 7/15/2019	1,267	1,267	1,237
MarketPlace Loan Trust, 3.25% Due 9/17/2017	229	228	228
MarketPlace Loan Trust, 3.25% Due 12/18/2017	407	406	407
Nationstar HECM Loan Trust, 3.844% Due 5/25/2018	284	284	284
Nationstar HECM Loan Trust, 2.883% Due 11/25/2025	828	828	828
NCUA Guaranteed Notes, 0.795% Adj, Due 12/7/2020	88	88	88
New Residential Advance Receivables Trust, 2.315% Due 8/15/2016	1,000	1,000	999
New Residential Advance Receivables Trust, 3.6% Due 8/15/2016	350	350	349
New Residential Advance Receivables Trust, 4.679% Due 8/15/2018	321	321	324
NRPL Trust, 3.75% Due 10/25/2057	842	865	827
Ocwen Master Advance Receivables Trust, 4.1% Due 9/17/2046	657	656	657
Ocwen Master Advance Receivables Trust, 3.211% Due 11/15/2047	2,824	2,824	2,836

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
OneMain Financial Issuance Trust, 2.47% Due 12/18/2017	1,377	1,377	1,380
OneMain Financial Issuance Trust, 2.57% Due 10/18/2018	1,750	1,750	1,749
OneMain Financial Issuance Trust, 3.19% Due 3/18/2026	1,151	1,151	1,163
Oportun Funding III LLC, 3.69% Due 7/8/2021	952	952	952
Park Place Securities Inc, 1.391% Due 10/25/2034	15	14	15
PFS Tax Lien Trust, 1.44% Due 9/17/2018	143	143	142
Progreso Receivables Funding, 3.625% Due 3/8/2018	883	883	881
Progreso Receivables Funding, 3.5% Due 7/8/2019	1,000	1,000	1,001
Progreso Receivables Funding, 3.0% Due 7/28/2020	401	401	394
Progress Residential Trust, 2.74% Due 6/12/2020	1,131	1,130	1,147
Progress Residential Trust, 3.138% Due 6/12/2020	503	503	506
Residential Asset Mortgage Products, 0.753% Due 3/25/2036	361	318	357
RMAT, 3.75% Due 5/25/2055	272	272	270
Santander Drive Auto Receivables Trust, 1.93% Due 9/17/2019	132	132	131
Santander Drive Auto Receivables Trust, 1.84% Due 11/18/2019	19	19	19
Santander Drive Auto Receivables Trust, 1.97% Due 3/16/2021	108	108	107
Saxon Asset Securities Trust, 4.795% Due 6/25/2033	81	81	82
Selene Non-Performing Loans, 2.981% Due 5/25/2017	110	110	109
Springcastle SPV, 2.7% Due 5/25/2023	1,477	1,477	1,482
Springcastle SPV, 4.61% Due 10/25/2027	550	550	551
Springleaf Funding Trust, 2.41% Due 6/15/2017	991	991	991
Springleaf Funding Trust, 3.16% Due 5/15/2019	1,153	1,153	1,160
Springleaf Funding Trust, 3.62% Due 8/15/2019	272	272	266
Sunset Mortgage Loan Company, 3.721% Due 11/16/2017	566	565	563
Tidewater Auto Receivables Trust, 1.4% Due 9/15/2016	19	19	19
Truman Capital Mortgage Loan, 3.125% Due 4/25/2053	1	1	1
Vericrest Opportunity Loan, 4.375% Due 11/25/2018	739	738	742
Vericrest Opportunity Loan, 3.5% Due 6/26/2045	1,572	1,571	1,561
Vericrest Opportunity Loan, 3.5% Due 6/26/2045	612	612	607
Vericrest Opportunity Loan, 3.375% Due 10/25/2054	178	178	177
Vericrest Opportunity Loan, 3.5% Due 2/25/2055	463	463	460
Vericrest Opportunity Loan, 3.5% Due 2/25/2055	835	837	831
Vericrest Opportunity Loan, 3.375% Due 2/25/2055	526	526	521
Vericrest Opportunity Loan, 3.5% Due 3/25/2055	736	737	729
Vericrest Opportunity Loan, 3.875% Adj, Due 4/26/2055	404	403	403
Vericrest Opportunity Loan, 3.375% Due 8/27/2057	912	911	906
Vericrest Opportunity Loan, 3.625% Due 10/25/2057	527	527	525
Vericrest Opportunity Loan, 3.375% Due 10/25/2058	820	829	811
Westlake Automobile Receivable, 1.57% Due 6/17/2019	1,297	1,297	1,297
<b>Total Corporate Asset Backed Issues - 7.2%</b>		<b>70,880</b>	<b>71,452</b>
<b>Corporate CMO</b>			
A10 Securitization, 2.4% Due 11/15/2025	6	6	6
A10 Securitization, 1.72% Due 4/15/2033	170	170	169
A10 Securitization, 2.1% Due 4/15/2034	588	588	586
Ajax Mortgage Loan Trust, 3.875% Due 7/25/2060	389	388	385
American Tower Trust I, 1.551% Due 3/15/2018	380	381	381
ARLP Securitization Trust, 3.967% Due 5/25/2055	875	875	855
ASG Resecuritization Trust, 2.346% Adj, Due 3/26/2037	352	343	349
ASG Resecuritization Trust, 2.511% Adj, Due 6/26/2037	116	106	115
Banc of America Alternative Loan Trust, 5.0% Due 9/25/2018	73	73	74
Banc of America Alternative Loan Trust, 5.5% Due 2/25/2019	73	71	73
Banc of America Alternative Loan Trust, 5.5% Due 9/25/2019	64	64	62
Banc of America Alternative Loan Trust, 5.5% Due 9/25/2033	147	132	148
Banc of America Alternative Loan Trust, 6.0% Due 1/25/2034	149	145	153
Banc of America Alternative Loan Trust, 6.0% Due 1/25/2034	230	223	236
Banc of America Commercial Mortgage, 4.727% Due 7/10/2043	89	89	89
Banc of America Commercial Mortgage, 5.889% Due 7/10/2044	137	137	137
Banc of America Funding Corp, 5.5% Due 10/25/2034	223	221	228
Banc of America Funding Corp, 3.082% Adj, Due 12/20/2034	74	74	73
Banc of America Funding Corp, 5.076% Adj, Due 2/26/2035	150	155	151
Banc of America Merrill Lynch, 2.959% Due 12/10/2030	187	191	196
Banc of America Merrill Lynch, 4.354% Adj, Due 8/15/2034	350	334	342
Banc of America Mortgage Securities, 5.0% Due 4/25/2019	16	16	16
Banc of America Mortgage Securities, 6.5% Due 9/25/2032	48	47	49

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Banc of America Mortgage Securities, 3.181% Adj, Due 4/25/2033	59	58	59
Banc of America Mortgage Securities, 3.275% Adj, Due 6/25/2033	130	130	130
Banc of America Mortgage Securities, 3.198% Adj, Due 4/25/2034	334	332	332
Banc of America Mortgage Securities, 5.5% Due 4/25/2034	88	89	88
Bank of America Corp, 5.75% Due 9/20/2034	192	171	199
BB-UBS Trust, 2.892% Due 6/5/2020	1,000	1,014	1,024
BB-UBS Trust, 3.43% Due 11/5/2024	1,100	1,092	1,171
BCAP LLC Trust, 5.5% Due 11/26/2034	244	232	252
BCAP LLC Trust, 3.019% Adj, Due 4/26/2035	29	29	28
BCAP LLC Trust, 2.379% Adj, Due 5/26/2037	172	171	171
BCAP LLC Trust, 1.439% Adj, Due 9/11/2038	357	357	336
BCAP LLC Trust, 2.563% Adj, Due 7/26/2045	633	639	628
Bear Stearns Adjustable Rate Mortgage, 2.93% Adj, Due 7/25/2033	128	129	128
Bear Stearns Adjustable Rate Mortgage, 3.367% Adj, Due 5/25/2034	51	51	51
Bear Stearns Adjustable Rate Mortgage, 2.38% Adj, Due 8/25/2035	184	178	185
Bear Stearns Alt-A Trust, 1.093% Due 7/25/2034	353	345	335
Bear Stearns Commercial Mortgage, 5.537% Due 10/12/2041	116	115	117
CAM Mortgage Trust, 3.5% Due 7/15/2064	446	446	446
Chase Mortgage Finance Corp, 3.044% Adj, Due 2/25/2037	313	307	312
Chase Mortgage Finance Corp, 2.899% Adj, Due 2/25/2037	100	100	99
Chase Mortgage Finance Corp, 3.143% Adj, Due 7/25/2037	195	182	193
Citi Held for Asset Issuance, 1.85% Due 12/15/2021	344	344	343
Citigroup Commercial Mortgage, 2.11% Due 1/12/2018	355	357	357
Citigroup Mortgage Loan Trust, 5.25% Due 10/25/2033	96	80	97
Citigroup Mortgage Loan Trust, 2.647% Adj, Due 8/25/2034	73	73	70
Citigroup Mortgage Loan Trust, 2.762% Adj, Due 2/25/2035	44	44	43
Citigroup Mortgage Loan Trust, 5.5% Due 5/25/2035	193	193	198
Citigroup Mortgage Loan Trust, 6.0% Due 6/25/2036	304	286	308
Citigroup Mortgage Loan Trust, 4.0% Due 11/25/2036	198	198	198
Citigroup Mortgage Loan Trust, 4.5% Due 12/25/2036	295	296	297
Citigroup Mortgage Loan Trust, 2.971% Adj, Due 11/25/2038	319	319	317
Cobalt CMBS Commercial Mortgag, 5.223% Due 8/15/2048	128	129	129
COMM Mortgage Trust, 1.247% Due 8/13/2016	330	330	327
COMM Mortgage Trust, 3.796% Due 8/10/2024	1,000	1,025	1,100
COMM Mortgage Trust, 3.759% Due 8/10/2025	625	642	685
Countrywide Home Loans, 4.5% Due 6/25/2019	61	60	62
Credit Suisse Mortgage Trust, 2.496% Adj, Due 7/27/2037	122	122	123
Credit Suisse Mortgage Trust, 1.449% Due 6/28/2047	477	454	457
CS First Boston Mortgage Securities, 3.131% Adj, Due 6/25/2033	264	255	261
CS First Boston Mortgage Securities, 5.25% Due 11/25/2033	317	309	320
CS First Boston Mortgage Securities, 5.5% Due 9/25/2034	221	232	231
CS First Boston Mortgage Securities, 5.5% Due 12/25/2034	250	261	260
Deutsche ALT-A Securities Inc, 5.85% Adj, Due 2/25/2020	84	83	85
FHLMC Multifamily Structured, 3.151% Due 11/25/2025	969	997	1,053
GCAT, 3.75% Due 7/25/2020	776	779	772
GMAC Mortgage Corp Loan Trust, 5.0% Due 1/25/2020	54	54	55
GMAC Mortgage Corp Loan Trust, 3.126% Adj, Due 10/19/2033	286	277	282
GMAC Mortgage Corp Loan Trust, 5.5% Due 10/25/2033	147	144	147
GMAC Mortgage Corp Loan Trust, 3.173% Adj, Due 12/19/2033	623	615	612
GMAC Mortgage Corp Loan Trust, 6.5% Due 1/25/2035	163	167	168
GS Mortgage Securities Trust, 2.318% Due 1/10/2018	489	493	493
GS Mortgage Securities Trust, 2.706% Due 12/10/2019	433	439	443
GSMPS Mortgage Loan Trust, 6.0% Due 9/25/2034	171	165	175
GSMPS Mortgage Loan Trust, 0.803% Due 3/25/2035	345	230	291
GSMPS Mortgage Loan Trust, 0.953% Due 6/25/2035	28	25	26
GSR Mortgage Loan Trust, 5.5% Due 1/25/2037	35	30	33
Household Home Equity Loan Trust, 0.648% Due 3/20/2036	55	50	55
Household Home Equity Loan Trust, 1.648% Due 11/20/2036	155	139	155
IMPAC CMB Trust, 1.053% Due 5/25/2035	176	163	171
IMPAC Secured Assets Corp, 5.5% Due 8/25/2033	338	319	341
IMPAC Secured Assets Corp, 0.803% Due 5/25/2036	279	244	250
IMPAC Secured Assets Corp, 0.803% Due 8/25/2036	249	236	243
JP Morgan Chase Commercial Mortgage, 5.588% Adj, Due 8/12/2037	65	65	65
JP Morgan Chase Commercial Mortgage, 5.552% Due 5/12/2045	69	69	69
JP Morgan Chase Commercial Mortgage, 5.399% Due 5/15/2045	98	97	97
JP Morgan Chase Commercial Mortgage, 0.597% Due 5/15/2047	262	239	261

See accompanying notes to financial statements.



# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
JP Morgan Mortgage Trust, 2.705% Adj, Due 11/25/2033	420	417	421
JP Morgan Mortgage Trust, 3.022% Adj, Due 8/25/2034	543	519	544
JP Morgan Mortgage Trust, 2.916% Adj, Due 2/25/2035	287	287	291
JP Morgan Mortgage Trust, 2.827% Adj, Due 7/25/2035	372	373	371
Ladder Capital Commercial Mortgage, 3.985% Due 2/15/2028	461	470	503
LB-UBS Commercial Mortgage Trust, 5.43% Due 2/15/2040	324	330	329
MASTR Adjustable Rate Mortgage, 2.924% Adj, Due 11/21/2034	569	565	578
MASTR Asset Securitization, 5.5% Due 9/25/2033	26	23	26
MASTR Asset Securitization, 5.25% Due 12/25/2033	429	442	443
MASTR Reperforming Loan Trust, 0.803% Due 5/25/2035	481	334	378
Merrill Lynch Mortgage Investment, 1.073% Due 10/25/2028	141	134	134
Merrill Lynch Mortgage Investment, 0.913% Due 4/25/2029	183	172	171
Merrill Lynch Mortgage Investment, 1.413% Due 4/25/2029	178	149	169
Merrill Lynch Mortgage Investment, 1.601% Due 8/25/2029	195	183	186
Merrill Lynch Mortgage Investment, 3.125% Adj, Due 7/25/2033	73	72	67
Merrill Lynch Mortgage Investment, 2.756% Adj, Due 8/25/2034	123	121	125
Merrill Lynch Mortgage Investment, 2.515% Adj, Due 12/25/2034	292	286	292
Morgan Stanley BAML Trust, 3.669% Due 1/15/2021	1,000	1,020	1,065
Morgan Stanley Capital I Trust, 4.054% Due 6/15/2021	340	341	358
Morgan Stanley Capital I Trust, 5.82% Adj, Due 6/11/2042	241	240	249
Morgan Stanley Mortgage Loan, 5.685% Adj, Due 4/25/2034	136	138	143
Morgan Stanley Re-REMIC Trust, 2.0% Due 9/27/2017	389	389	386
Morgan Stanley Re-REMIC Trust, 0.25% Due 3/27/2019	400	351	356
Morgan Stanley Re-REMIC Trust, 1.0% Due 4/27/2019	145	144	143
NCUA Guaranteed Notes, 2.9% Due 10/29/2020	61	61	61
NCUA Guaranteed Notes, 2.65% Due 10/29/2020	115	115	115
NCUA Guaranteed Notes, 1.006% Adj, Due 12/8/2020	549	549	550
NCUA Guaranteed Notes, 2.4% Due 12/8/2020	189	189	191
Oak Hill Advisors Residential Loan Trust, 3.721% Adj, Due 7/25/2055	501	501	498
PFP III, 1.884% Adj, Due 10/14/2017	276	276	274
PFP III, 3.684% Adj, Due 4/14/2018	235	235	231
PFP III, 4.434% Adj, Due 4/14/2018	195	195	192
Pretium Mortgage Credit Partn, 3.75% Due 7/27/2030	854	853	852
Prime Mortgage Trust, 6.0% Due 2/25/2034	106	108	110
RAIT Trust, 1.692% Due 12/15/2031	154	154	152
RAIT Trust, 1.792% Due 12/15/2031	296	296	295
RBSCF Trust, 3.26% Due 2/11/2023	531	538	554
RBSSP Resecuritization Trust, 6.5% Due 2/26/2036	373	383	394
RBSSP Resecuritization Trust, 4.0% Due 5/26/2037	51	50	50
Residential Accredit Loans, 15.675% Due 10/25/2017	18	18	19
Residential Accredit Loans, 1.103% Due 7/25/2033	218	197	197
Residential Accredit Loans, 5.5% Due 8/25/2033	809	809	810
Residential Accredit Loans, 5.75% Due 10/25/2033	249	235	261
Residential Accredit Loans, 5.5% Due 5/25/2034	1,118	884	1,135
Resource Capital Corp, 3.442% Due 6/15/2018	307	307	289
Resource Capital Corp, 1.842% Due 8/15/2032	160	160	158
Salomon Brothers Mortgage Securities, 3.95% Due 4/25/2032	49	44	49
Salomon Brothers Mortgage Securities, 2.74% Adj, Due 9/25/2033	204	198	202
Senior Homeowner as Program, 4.0% Due 5/25/2053	745	739	737
Sequoia Mortgage Trust, 1.048% Due 12/20/2034	834	799	804
Springleaf Mortgage Loan Trust, 1.27% Due 6/25/2058	126	126	126
Springleaf Mortgage Loan Trust, 2.31% Due 6/25/2058	414	414	414
Springleaf Mortgage Loan Trust, 3.14% Due 6/25/2058	288	288	288
Springleaf Mortgage Loan Trust, 3.79% Due 6/25/2058	286	286	286
Springleaf Mortgage Loan Trust, 1.78% Adj, Due 12/25/2065	1,487	1,481	1,486
Springleaf Mortgage Loan Trust, 3.52% Adj, Due 12/25/2065	498	491	498
Springleaf Mortgage Loan Trust, 4.48% Adj, Due 12/25/2065	1,500	1,462	1,498
Structured Adjustable Rate Mortgage, 5.5% Due 10/25/2033	306	300	312
Structured Adjustable Rate Mortgage, 2.658% Adj, Due 12/25/2033	107	106	106
Structured Adjustable Rate Mortgage, 5.54% Due 12/25/2033	507	489	521
Structured Adjustable Rate Mortgage, 5.55% Adj, Due 3/25/2034	282	273	285
Structured Asset Mortgage Investment, 1.148% Due 3/19/2034	772	747	743
Structured Asset Mortgage Investment, 1.108% Due 10/19/2034	384	351	365
Structured Asset Securities Co, 3.45% Due 2/25/2032	184	172	183
Structured Asset Securities Co, 5.264% Adj, Due 11/25/2033	53	52	53
Structured Asset Securities Co, 5.0% Due 5/25/2035	40	31	40

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Thornburg Mortgage Securities, 1.093% Due 9/25/2043	412	391	395
Thornburg Mortgage Securities, 2.228% Adj, Due 12/25/2044	176	178	174
UBS-BAMLL Trust, 3.663% Due 6/10/2022	578	585	613
UBS-Barclays Commercial Mortgage, 3.244% Due 3/10/2023	229	234	243
V Mortgage LLC, 3.875% Adj, Due 4/25/2054	194	194	194
Vendee Mortgage Trust, 6.75% Due 6/15/2026	382	399	443
Vendee Mortgage Trust, 6.75% Due 6/15/2028	339	378	403
Vericrest Opportunity Loan, 3.125% Due 9/25/2043	859	858	852
Vericrest Opportunity Loan, 4.25% Due 9/25/2043	368	361	354
VNO Mortgage Trust, 2.996% Due 11/15/2022	544	553	571
WAMU Mortgage Pass-Through Certificates, 5.5% Due 8/25/2019	124	124	126
WAMU Mortgage Pass-Through Certificates, 2.426% Adj, Due 8/25/2033	96	94	96
WAMU Mortgage Pass-Through Certificates, 2.479% Adj, Due 8/25/2033	119	118	120
WAMU Mortgage Pass-Through Certificates, 2.523% Adj, Due 9/25/2033	383	379	385
WAMU Mortgage Pass-Through Certificates, 2.585% Adj, Due 9/25/2033	127	124	123
WAMU Mortgage Pass-Through Certificates, 5.25% Due 10/25/2033	600	556	623
WAMU Mortgage Pass-Through Certificates, 2.785% Adj, Due 6/25/2034	105	98	106
WAMU Mortgage Pass-Through Certificates, 2.785% Adj, Due 6/25/2034	262	261	264
WAMU Mortgage Pass-Through Certificates, 5.5% Due 6/25/2034	398	390	415
WAMU Mortgage Pass-Through Certificates, 5.0% Due 7/25/2034	156	160	162
Wells Fargo Mortgage Backed, 2.615% Adj, Due 11/25/2033	235	234	235
Wells Fargo Mortgage Backed, 2.728% Adj, Due 2/25/2034	144	144	143
Wells Fargo Mortgage Backed, 2.774% Adj, Due 9/25/2034	557	525	557
Wells Fargo Mortgage Backed, 2.877% Adj, Due 10/25/2034	306	293	304
Wells Fargo Mortgage Backed, 2.979% Adj, Due 10/25/2034	171	166	172
Wells Fargo Mortgage Backed, 2.979% Adj, Due 10/25/2034	118	108	120
Wells Fargo Mortgage Backed, 2.952% Adj, Due 12/25/2034	241	228	242
Wells Fargo Mortgage Backed, 2.979% Adj, Due 12/25/2034	142	132	146
Wells Fargo Mortgage Backed, 2.952% Adj, Due 12/25/2034	161	153	163
Wells Fargo Mortgage Backed, 2.979% Adj, Due 12/25/2034	142	141	146
Wells Fargo Mortgage Backed, 3.013% Adj, Due 3/25/2035	855	867	873
Wells Fargo Mortgage Backed, 2.869% Adj, Due 6/25/2035	68	65	69
Wells Fargo Re-REMIC Trust, 1.75% Due 4/20/2017	19	19	19
WF-RBS Commercial Mortgage Trust, 4.375% Due 5/15/2021	600	603	663
WF-RBS Commercial Mortgage Trust, 3.44% Due 1/15/2022	400	402	430
<b>Total Corporate CMO - 5.9%</b>		<b>57,101</b>	<b>58,738</b>
<b>Corporate CMO Interest-Only</b>			
Bear Stearns Commercial Mortgage, 0.393% Adj, Due 6/11/2041	450	6	-
CD Commercial Mortgage Trust, 0.022% Adj, Due 1/15/2046	7,401	9	-
CD Commercial Mortgage Trust, 0.576% Adj, Due 12/11/2049	23,470	200	37
Commercial Mortgage Trust, 1.901% Adj, Due 8/15/2045	889	53	72
LB-UBS Commercial Mortgage Trust, 0.341% Adj, Due 2/15/2041	3,808	22	-
ML-CFC Commercial Mortgage Trust, 0.79% Adj, Due 12/12/2049	9,645	108	18
Morgan Stanley Capital I Trust, 0.63% Adj, Due 12/15/2043	9,384	121	10
Morgan Stanley Capital I Trust, 0.38% Adj, Due 2/12/2044	31,169	49	30
Morgan Stanley Mortgage Loan, 5.5% Due 8/25/2034	2,264	267	468
Washington Mutual Mortgage Pass-Through, 5.5% Due 5/25/2035	375	33	78
<b>Total Corporate CMO Interest-Only - 0.1%</b>		<b>868</b>	<b>713</b>
<b>Corporate CMO Principal-Only</b>			
MASTR Resecuritization Trust, Due 5/28/2035	78	44	61
Structured Asset Mortgage Investment, Due 7/25/2032	60	52	56
Washington Mutual Mortgage Pass-Through, Due 7/25/2033	102	76	83
<b>Total Corporate CMO Principal-Only - 0.0%</b>		<b>172</b>	<b>200</b>
<b>Foreign Government Bonds</b>			
<i>Canada</i>			
Nova Scotia Province, 9.25% Due 3/1/2020	200	231	251
Quebec Province, 6.35% Due 1/30/2026	900	1,056	1,185
<b>Total Canada</b>		<b>1,287</b>	<b>1,436</b>

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<i>Colombia</i>			
Republic of Colombia, 5.0% Due 6/15/2045	234	232	243
<i>Israel</i>			
Aid-Israel, Zero Coupon, Due 8/15/2023	1,635	1,412	1,425
Aid-Israel, Zero Coupon, Due 8/15/2024	1,000	791	847
<i>Total Israel</i>		2,203	2,272
<i>Mexico</i>			
United Mexican States, 3.5% Due 1/21/2021	294	293	310
United Mexican States, 4.0% Due 10/2/2023	578	576	622
United Mexican States, 3.6% Due 1/30/2025	815	814	852
United Mexican States, 4.75% Due 3/8/2044	364	359	392
United Mexican States, 5.55% Due 1/21/2045	162	161	194
United Mexican States, 5.75% Due 10/12/2110	326	315	360
<i>Total Mexico</i>		2,518	2,730
<i>Poland</i>			
Republic of Poland, 4.0% Due 1/22/2024	162	161	175
<i>South Africa</i>			
Republic of South Africa, 5.375% Due 7/24/2044	377	371	395
Total Foreign Government Bonds - 0.7%		6,772	7,251
<b>Foreign Corporate Bonds</b>			
<i>Australia</i>			
AUST & NZ Banking Group NY, 1.45% Due 5/15/2018	250	250	251
BHP Billiton Financial USA LTD, 3.85% Due 9/30/2023	146	146	159
BHP Billiton Financial USA LTD, 5.0% Due 9/30/2043	81	81	94
Macquarie Group LTD, 6.25% Due 1/14/2021	712	760	814
Westpac Banking Corp, 4.875% Due 11/19/2019	406	406	449
<i>Total Australia</i>		1,643	1,767
<i>Canada</i>			
Agrium Inc, 4.125% Due 3/15/2035	97	96	94
Agrium Inc, 5.25% Due 1/15/2045	379	377	407
Air Canada 2013-1A PTT, 4.125% Due 5/15/2025	233	233	240
Alberta Energy Company Ltd, 8.125% Due 9/15/2030	200	247	222
Anadarko Finance Co, 7.5% Due 5/1/2031	400	490	479
Bank of Montreal, 2.55% Due 11/6/2022	620	615	641
Bank of Nova Scotia, 2.45% Due 3/22/2021	136	136	140
Bank of Nova Scotia, 2.8% Due 7/21/2021	214	214	223
Canadian Natural Resources Ltd, 5.7% Due 5/15/2017	300	306	309
Canadian Natural Resources Ltd, 5.9% Due 2/1/2018	615	627	650
Canadian Pacific Railroad Co, 7.125% Due 10/15/2031	500	656	700
Canadian Pacific Railroad Co, 4.8% Due 9/15/2035	485	483	553
CDP Financial, 4.4% Due 11/25/2019	500	542	550
Cenovus Energy Inc, 6.75% Due 11/15/2039	267	337	280
Cenovus Energy Inc, 4.45% Due 9/15/2042	153	152	122
Encana Corp, 6.5% Due 5/15/2019	100	104	106
Petro-Canada, 6.05% Due 5/15/2018	447	452	481
Petro-Canada, 6.8% Due 5/15/2038	225	234	293
Potash Corp-Saskatchewan, 3.25% Due 12/1/2017	500	506	513
Rogers Communications Inc, 4.1% Due 10/1/2023	259	259	288
Rogers Communications Inc, 8.75% Due 5/1/2032	300	386	424
Royal Bank of Canada, 1.875% Due 2/5/2020	485	485	491
Suncor Energy Inc, 6.5% Due 6/15/2038	200	263	258
Thomson Reuters Corp, 4.7% Due 10/15/2019	150	150	162
Thomson Reuters Corp, 3.95% Due 9/30/2021	380	389	405
Thomson Reuters Corp, 4.5% Due 5/23/2043	147	144	146
Toronto-Dominion Bank, 2.25% Due 11/5/2019	260	260	267
Total Capital Canada LTD, 2.75% Due 7/15/2023	1,152	1,171	1,184
Trans-Canada Pipelines, 6.5% Due 8/15/2018	250	250	274
Trans-Canada Pipelines, 7.125% Due 1/15/2019	400	437	450
Trans-Canada Pipelines, 3.75% Due 10/16/2023	300	306	321

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Trans-Canada Pipelines, 7.625% Due 1/15/2039	50	50	70
<i>Total Canada</i>		11,357	11,743
<i>Cayman Islands</i>			
Hutch Whampoa Int 11 Ltd, 4.625% Due 1/13/2022	200	204	223
Hutch Whampoa Int 12 II, 2.0% Due 11/8/2017	336	336	339
Noble Holding International, 3.95% Due 3/15/2022	45	42	31
Noble Holding International, 6.2% Due 8/1/2040	330	388	201
Petrobras Global Finance, 7.875% Due 3/15/2019	150	166	155
Transocean Inc, 6.5% Due 11/15/2020	544	546	483
Transocean Inc, 8.125% Due 12/15/2021	416	379	352
Transocean Inc, 5.05% Due 10/15/2022	125	123	88
<i>Total Cayman Islands</i>		2,184	1,872
<i>China</i>			
ICBC, 3.231% Due 11/13/2019	1,000	1,000	1,039
<i>Colombia</i>			
Ecopetrol SA, 4.125% Due 1/16/2025	167	166	151
<i>France</i>			
BPCE SA, 1.625% Due 1/26/2018	500	499	502
Electricite De France, 2.15% Due 1/22/2019	194	193	198
Orange SA, 2.75% Due 2/6/2019	365	365	376
Orange SA, 9.0% Adj, Due 3/1/2031	230	297	356
Total Capital International SA, 1.55% Due 6/28/2017	112	112	113
Total Capital International SA, 3.75% Due 4/10/2024	200	206	220
Total Capital SA, 2.125% Due 8/10/2018	170	170	173
<i>Total France</i>		1,842	1,938
<i>Germany</i>			
Deutsche Bank AG London, 2.95% Due 8/20/2020	110	110	109
Deutsche Bank AG London, 3.375% Due 5/12/2021	175	175	176
Deutsche Bank AG London, 3.7% Due 5/30/2024	333	332	331
<i>Total Germany</i>		617	616
<i>Italy</i>			
Eni SpA, 5.7% Due 10/1/2040	250	249	262
<i>Japan</i>			
Bank Tokyo - Mitsubishi UFJ, 2.35% Due 9/8/2019	600	600	614
Bank Tokyo - Mitsubishi UFJ, 2.75% Due 9/14/2020	300	300	311
Nippon Telegraph & Telephone, 1.4% Due 7/18/2017	67	67	67
Nomura Holdings Inc, 6.7% Due 3/4/2020	94	95	109
<i>Total Japan</i>		1,062	1,101
<i>Luxembourg</i>			
Actavis Funding SCS, 3.45% Due 3/15/2022	105	105	109
Covidien International, 2.95% Due 6/15/2023	340	352	354
Schlumberger Investment, 2.4% Due 8/1/2022	540	509	548
Tyco International Finance, 3.9% Due 2/14/2026	154	153	166
<i>Total Luxembourg</i>		1,119	1,177
<i>Mexico</i>			
America Movil SAB DE CV, 5.0% Due 3/30/2020	300	321	332
America Movil SAB DE CV, 3.125% Due 7/16/2022	426	429	437
Petroleos Mexicanos, 4.875% Due 1/18/2024	98	98	99
Petroleos Mexicanos, 4.25% Due 1/15/2025	74	74	71
Petroleos Mexicanos, 4.5% Due 1/23/2026	563	562	542
Petroleos Mexicanos, 5.5% Due 6/27/2044	109	111	98
Petroleos Mexicanos, 6.375% Due 1/23/2045	212	210	213
<i>Total Mexico</i>		1,805	1,792
<i>Netherlands</i>			
Airbus Group Finance BV, 2.7% Due 4/17/2023	214	214	222
Deutsche Telekom International Finance, 6.75% Due 8/20/2018	200	208	223

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Deutsche Telekom International Finance, 6.0% Due 7/8/2019	635	641	712
Deutsche Telekom International Finance, 8.75% Adj, Due 6/15/2030	170	221	256
Enel Finance International NV, 5.125% Due 10/7/2019	700	700	773
Heineken NV, 1.4% Due 10/1/2017	250	250	251
Heineken NV, 3.4% Due 4/1/2022	250	251	268
Koninklijke Philips NV, 5.75% Due 3/11/2018	80	83	86
Koninklijke Philips NV, 3.75% Due 3/15/2022	370	389	397
Koninklijke Philips NV, 7.2% Due 6/1/2026	180	213	228
Mylan NV, 3.95% Due 6/15/2026	231	229	234
Rabobank Nederland, 3.375% Due 1/19/2017	82	82	83
Rabobank Nederland, 3.875% Due 2/8/2022	645	658	701
Rabobank Nederland, 4.375% Due 8/4/2025	250	250	261
Rabobank Nederland, 5.8% Due 9/30/2110	300	290	363
Shell International Finance, 4.3% Due 9/22/2019	285	285	310
Shell International Finance, 4.375% Due 3/25/2020	290	289	319
Shell International Finance, 3.25% Due 5/11/2025	485	484	509
Shell International Finance, 2.875% Due 5/10/2026	653	651	663
Shell International Finance, 6.375% Due 12/15/2038	140	146	190
Shell International Finance, 4.0% Due 5/10/2046	631	620	644
Siemens Financieringsmat, 6.125% Due 8/17/2026	470	507	622
<i>Total Netherlands</i>		7,661	8,315
<i>Norway</i>			
Statoil ASA, 3.15% Due 1/23/2022	350	350	367
Statoil ASA, 2.45% Due 1/17/2023	130	130	132
Statoil ASA, 2.65% Due 1/15/2024	204	204	206
Statoil ASA, 3.25% Due 11/10/2024	239	238	252
<i>Total Norway</i>		922	957
<i>Spain</i>			
Telefonica Emisiones SAU, 3.192% Due 4/27/2018	210	210	216
Telefonica Emisiones SAU, 5.134% Due 4/27/2020	358	388	395
Telefonica Emisiones SAU, 5.462% Due 2/16/2021	117	117	133
<i>Total Spain</i>		715	744
<i>Sweden</i>			
Nordea Bank AB, 4.25% Due 9/21/2022	655	675	692
Skandinaviska Enskilda, 1.75% Due 3/19/2018	242	241	243
Stadshypotek AB, 1.875% Due 10/2/2019	332	331	337
Svenska Handelsbanken AB, 3.125% Due 7/12/2016	494	494	494
Svenska Handelsbanken AB, 2.875% Due 4/4/2017	463	463	469
<i>Total Sweden</i>		2,204	2,235
<i>Switzerland</i>			
Credit Suisse New York, 3.0% Due 10/29/2021	400	409	410
Credit Suisse New York, 3.625% Due 9/9/2024	250	249	259
<i>Total Switzerland</i>		658	669
<i>United Kingdom</i>			
Aon PLC, 4.0% Due 11/27/2023	315	321	337
Aon PLC, 3.875% Due 12/15/2025	125	125	132
Barclays PLC, 3.65% Due 3/16/2025	254	253	244
BG Energy Capital PLC, 5.125% Due 10/15/2041	200	197	226
BP Capital Markets PLC, 3.245% Due 5/6/2022	377	377	396
BP Capital Markets PLC, 2.75% Due 5/10/2023	282	280	284
BP Capital Markets PLC, 3.994% Due 9/26/2023	189	189	205
BP Capital Markets PLC, 3.814% Due 2/10/2024	219	219	235
British Telecom PLC, 5.95% Due 1/15/2018	275	275	294
British Telecom PLC, 2.35% Due 2/14/2019	200	200	204
British Telecom PLC, 9.625% Adj, Due 12/15/2030	145	186	223
Diageo Capital PLC, 4.828% Due 7/15/2020	402	408	452
Enesco PLC, 4.7% Due 3/15/2021	315	325	262
Enesco PLC, 5.2% Due 3/15/2025	83	83	58
HSBC Bank PLC, 1.5% Due 5/15/2018	521	518	518
HSBC Bank PLC, 4.125% Due 8/12/2020	389	388	418
HSBC Bank PLC, 4.75% Due 1/19/2021	300	300	331

See accompanying notes to financial statements.

# Core Fixed Income Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
HSBC Holdings PLC, 3.6% Due 5/25/2023	375	379	383
Lloyds Bank PLC, 1.75% Due 3/16/2018	325	325	324
Lloyds Bank PLC, 2.7% Due 8/17/2020	500	500	509
Santander UK PLC, 2.5% Due 3/14/2019	466	465	471
Standard Chartered PLC, 5.2% Due 1/26/2024	500	500	521
State Grid Overseas Investment, 3.125% Due 5/22/2023	600	596	624
Vodafone Group PLC, 2.95% Due 2/19/2023	369	362	370
<i>Total United Kingdom</i>		7,771	8,021
Total Foreign Corporate Bonds - 4.5%		42,975	44,399
<b><u>Foreign Asset Backed Issues</u></b>			
<i>Cayman Islands</i>			
Carlyle Global Market Strategy, 2.528% Due 7/15/2019	650	650	642
N-Star Real Estate CDO LTD, 5.453% Due 7/25/2019	202	202	204
<i>Total Cayman Islands</i>		852	846
<i>Ireland</i>			
Trafigura Securitisation Finance, 1.392% Due 10/15/2021	957	957	947
Total Foreign Asset Backed Issues - 0.2%		1,809	1,793
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 2.2%	21,566,284	21,566	21,566
<b><u>Liquidating Trust</u></b>			
Residential Capital LLC - 0.0%	263	-	-
<b><u>Investments made with Cash Collateral for Securities Loaned</u></b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds: Prime - Institutional Shares	2,966	2,966	2,966
Federated Money Market Management - Institutional Shares	2,892	2,892	2,892
Fidelity Institutional Money Market Prime Money Market Portfolio	2,259	2,259	2,259
Invesco Government Liquidity Funds Assets Portfolio	2,388	2,388	2,388
Morgan Stanley Institutional Liquidity Funds Government Portfolio	54	54	54
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	3,146	3,146	3,146
<i>Total Money Market Mutual Funds</i>		13,705	13,705
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	4,385	4,385	4,385
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	393	393	393
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	14,216	14,216	14,216
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	735	735	735
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	2,717	2,717	2,717
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	874	874	874
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	2,809	2,809	2,809
ING Bank NV, 0.55% Due 7/1/2016	1,266	1,266	1,266
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	515	515	515
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	1,723	1,723	1,723
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	480	480	480
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	2,528	2,528	2,528
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	666	666	666
Societe Generale, 0.4% Due 7/1/2016	4,644	4,644	4,644
Societe Generale, 0.51% Due 8/4/2016	1,072	1,072	1,072
<i>Total Repurchase Agreements</i>		39,023	39,023
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	2,806	2,806	2,806
Credit Agricole CIB, 0.31% Due 7/1/2016	2,526	2,526	2,526
HSBC Bank PLC, 0.35% Due 7/1/2016	2,582	2,582	2,582
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	2,791	2,791	2,791
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	2,392	2,392	2,392
<i>Total Time Deposits</i>		13,097	13,097
Total Investments made with Cash Collateral for Securities Loaned - 6.6%		65,825	65,825
Total Investments - 106.5%		\$ 997,737	\$ 1,057,990

See accompanying notes to financial statements.

## Core Fixed Income Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Interest	\$	33,761
Dividends		42
Net securities lending income		<u>115</u>

**Total investment income** 33,918

**Expenses**

Investment advisor fees		(1,435)
Trustee fees		(3)
Custodian bank fees		(76)
Management fees		(272)
Fiduciary bond fees		(2)
Professional service fees		<u>(54)</u>

**Total expenses** (1,842)

**Investment income, net** 32,076

**Realized and unrealized gain from investments**

Net realized gain from investments		4,331
Net change in unrealized appreciation (depreciation) on investments		<u>23,519</u>

**Net gain from investments** 27,850

**Net increase in net assets from operations** \$ 59,926

*See accompanying notes to financial statements.*

## Core Fixed Income Pool

---

**Statement of Changes in Net Assets**  
**Year Ended June 30, 2016**  
*(Amounts in thousands, except unit data)*

**Operations**

Investment income, net	\$	32,076
Net realized gain from investments		4,331
Net change in unrealized appreciation (depreciation) on investments		<u>23,519</u>

**Net increase in net assets from operations** 59,926

**Distributions to unitholders**

Investment income, net		(32,076)
------------------------	--	----------

**Unit transactions**

Proceeds from sale of units		89,714
Reinvestment of distributions		32,428
Amount paid for repurchase of units		<u>(224,926)</u>

**Net decrease in net assets from unit transactions** (102,784)

**Decrease in net assets** (74,934)

**Net assets, beginning of year** 1,067,981

**Net assets, end of year** \$ 993,047

**Unit data**

Units sold		8,075,992
Units issued from reinvestment of distributions		2,914,655
Units repurchased		<u>(20,192,238)</u>

**Net decrease in units** (9,201,591)

*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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 reports its investments at fair value in accordance with the FASB's ASC 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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.

**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.

**Security Loans** - The IMB, through its lending agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income. For international securities, the required collateral is at least 105 percent of the market value of the securities on loan unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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. 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.

# Core Fixed Income Pool

---

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

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

**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. Interest income also includes paydown gains and losses on mortgage-backed securities, collateralized mortgage obligations, and asset-backed securities.

**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 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, 2016.

**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.

## Core 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, 2016.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Corporate asset backed issues	Aa	AA	\$ 71,452	6.7%
Corporate CMO	A	A	58,738	5.5
Corporate CMO interest-only	Ba	AAA	713	0.1
Corporate CMO principal-only	B	AA	200	0.0
Foreign asset backed issues	Aa	AA	1,793	0.2
Foreign corporate bonds	A	A	44,793	4.2
Foreign government bonds	Aa	A	7,252	0.7
Money market mutual funds	Aa	AAA	35,271	3.3
Municipal bonds	Aa	AA	9,782	0.9
Time deposits	P-1	A-1	13,097	1.2
U.S. corporate bonds	A	A	222,175	21.1
U.S. Government agency bonds	Aaa	AA	23,219	2.2
U.S. Government agency CMO	Aaa	AA	129,989	12.3
U.S. Government agency CMO interest-only	Aaa	AA	5,229	0.5
U.S. Government agency CMO principal-only	Aaa	AA	9,002	0.8
U.S. Government agency MBS	Aaa	AA	201,029	19.0
U.S. Treasury bonds	Aaa	AA	204,730	19.3
U.S. Treasury inflation protected security	Aaa	AA	431	0.0
Total rated investments			1,038,895	98.0
Common stock			21,270	2.0
Total investments			\$ 1,060,165	100.0%

This table includes investments received as collateral for repurchase agreements with a fair value of \$41,198 as compared to the amortized cost of the repurchase agreements of \$39,023.

##### 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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

##### Custodial Credit Risk

At June 30, 2016, 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. All remaining securities are held by the IMB's custodian in the name of the IMB.

## Core 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, 2016.

Investment Type	Fair Value	Effective Duration (years)
Corporate asset backed issues	\$ 71,452	2.1
Corporate CMO	58,738	2.5
Corporate CMO interest-only	713	(17.4)
Corporate CMO principal-only	200	4.2
Foreign asset backed issues	1,793	0.1
Foreign corporate bonds	44,399	5.7
Foreign government bonds	7,251	9.0
Money market mutual funds	35,271	N/A
Municipal bonds	9,782	14.4
Repurchase agreements	39,023	0.0
Time deposits	13,097	0.0
U.S. corporate bonds	220,665	6.3
U.S. Government agency bonds	22,805	3.8
U.S. Government agency CMO	129,989	3.0
U.S. Government agency CMO interest-only	5,229	5.9
U.S. Government agency CMO principal-only	9,002	7.2
U.S. Government agency MBS	187,410	4.4
U.S. Treasury bonds	200,740	8.5
U.S. Treasury inflation protected security	431	3.4
Total investments	<u>\$ 1,057,990</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, 2016, the Pool held \$464,526 of these securities. This represents approximately 44 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Corporate asset backed issues	\$ -	\$ 71,452	\$ -	\$ 71,452
Corporate CMO	-	58,738	-	58,738
Corporate CMO interest - only	-	713	-	713
Corporate CMO principal - only	-	200	-	200
Foreign asset backed issues	-	1,793	-	1,793
Foreign corporate bonds	-	44,399	-	44,399
Foreign government bonds	-	7,251	-	7,251
Investments made with cash collateral for securities loaned	13,705	52,120	-	65,825
Money market mutual fund	21,566	-	-	21,566
Municipal bonds	-	9,782	-	9,782
U.S. corporate bonds	-	220,665	-	220,665
U.S. Government agency bonds	-	22,805	-	22,805
U.S. Government agency CMO	-	129,989	-	129,989
U.S. Government agency CMO interest-only	-	5,229	-	5,229
U.S. Government agency CMO principal-only	-	9,002	-	9,002
U.S. Government agency MBS	-	187,410	-	187,410
U.S. Treasury bonds	-	200,740	-	200,740
U.S. Treasury inflation protected security	-	431	-	431
Total	<u>\$ 35,271</u>	<u>\$ 1,022,719</u>	<u>\$ -</u>	<u>\$ 1,057,990</u>

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

# 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, 2016.

	Fair Value
Securities on loan	\$ 74,364
Collateral received:	
Cash	\$ 65,825
Non-cash	10,251
Total collateral received	<u>\$ 76,076</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 and 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, 2016, was 0.14 percent.

### NOTE 7. FINANCIAL HIGHLIGHTS

<b>Per Unit Operating Performance (a):</b>	
Net asset value at June 30, 2015	\$ 11.08
Income from investment operations:	
Net investment income	0.35
Net realized and unrealized gain on investment transactions	0.32
Total from investment operations	<u>0.67</u>
Less distributions from net investment income	<u>(0.35)</u>
Net asset value at June 30, 2016	<u>\$ 11.40</u>
<b>Total Return (b)</b>	6.1%
<b>Supplemental Data:</b>	
Ratio to average net assets (c):	
Expenses	0.18%
Net investment income	3.12%
Portfolio turnover rate	16.79%

- (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

# 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, 2016. 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.

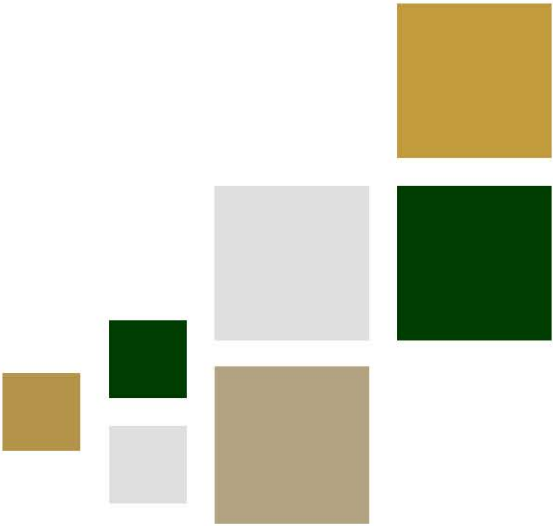
<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 262,479
Public Employees' Retirement System	234,334
Workers' Compensation Old Fund	218,456
Revenue Shortfall Reserve Fund - Part B	64,967
Revenue Shortfall Reserve Fund	39,278
Coal Workers' Pneumoconiosis Fund	26,109
West Virginia Retiree Health Benefit Trust Fund	25,335
State Police Death, Disability and Retirement Fund	24,291
Public Employees Insurance Agency	21,171
West Virginia Department of Environmental Protection Agency	13,865
West Virginia Prepaid Tuition Trust Fund	13,391
Board of Risk and Insurance Management	13,308
Deputy Sheriff's Retirement System	7,116
Judges' Retirement System	7,052
State Police Retirement System	6,128
Workers' Compensation Self-Insured Employer Security Risk Pool	5,814
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,450
Emergency Medical Services Retirement System	2,489
Wildlife Endowment Fund	2,327
Workers' Compensation Uninsured Employers' Fund	913
West Virginia Department of Environmental Protection Trust	333
Berkeley County Development Authority	252
Municipal Police Officers' and Firefighters' Retirement System	135
Municipal Policemen's or Firemen's Pension and Relief Funds	54
Total	<u>\$ 993,047</u>

### NOTE 9. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



# TIPS Pool

---

## **Audited Financial Statements June 30, 2016**

### **Table of Contents**

Independent Auditors' Report

Statement of Assets and Liabilities J-1

Schedule of Investments J-2

Statement of Operations J-3

Statement of Changes in Net Assets J-4

Notes to Financial Statements J-5



Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# TIPS Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$363,693), including securities on loan of \$53,761 (Note 5)	\$	374,749
Receivables:		
Accrued interest		1,259
Investments sold		14,451
Securities lending income		<u>6</u>
<b>Total assets</b>		<b>390,465</b>

### Liabilities

Accrued expenses		42
Payable for investments purchased		<u>1,850</u>
<b>Total liabilities</b>		<b><u>1,892</u></b>

**Net assets**      \$      **388,573**

### Unit data

Units outstanding		34,540,611
Net asset value, unit price	\$	<u><u>11.25</u></u>

See accompanying notes to financial statements.

# TIPS Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Par Value or Shares	Cost	Fair Value
<b><u>U.S. Treasury Inflation-Protected Securities</u></b>			
United States Treasury, 2.625% Due 7/15/2017	4,375	\$ 5,220	\$ 5,259
United States Treasury, 1.625% Due 1/15/2018	4,922	5,768	5,835
United States Treasury, 0.125% Due 4/15/2018	17,774	18,659	18,679
United States Treasury, 1.375% Due 7/15/2018	4,997	5,733	5,816
United States Treasury, 2.125% Due 1/15/2019	4,628	5,414	5,534
United States Treasury, 0.125% Due 4/15/2019	17,846	18,367	18,613
United States Treasury, 1.875% Due 7/15/2019	5,230	6,178	6,343
United States Treasury, 1.375% Due 1/15/2020	6,424	7,398	7,592
United States Treasury, 0.125% Due 4/15/2020	17,850	18,292	18,653
United States Treasury, 1.25% Due 7/15/2020	9,955	11,401	11,739
United States Treasury, 1.125% Due 1/15/2021	11,422	12,794	13,367
United States Treasury, 0.125% Due 4/15/2021	5,712	5,895	5,910
United States Treasury, 0.625% Due 7/15/2021	12,492	13,626	13,959
United States Treasury, 0.125% Due 1/15/2022	13,846	14,855	14,925
United States Treasury, 0.125% Due 7/15/2022	14,510	15,824	15,439
United States Treasury, 0.125% Due 1/15/2023	14,632	15,601	15,383
United States Treasury, 0.375% Due 7/15/2023	14,633	14,939	15,569
United States Treasury, 0.625% Due 1/15/2024	14,637	15,318	15,724
United States Treasury, 0.125% Due 7/15/2024	14,637	14,479	14,908
United States Treasury, 2.375% Due 1/15/2025	7,648	10,931	11,602
United States Treasury, 0.25% Due 1/15/2025	14,637	14,913	15,024
United States Treasury, 0.375% Due 7/15/2025	14,637	14,559	15,213
United States Treasury, 2.0% Due 1/15/2026	5,866	7,766	8,325
United States Treasury, 0.625% Due 1/15/2026	13,209	13,651	14,013
United States Treasury, 2.375% Due 1/15/2027	4,796	6,657	6,991
United States Treasury, 1.75% Due 1/15/2028	4,970	6,143	6,639
United States Treasury, 3.625% Due 4/15/2028	3,242	6,138	6,642
United States Treasury, 2.5% Due 1/15/2029	4,932	6,506	6,971
United States Treasury, 3.875% Due 4/15/2029	3,974	7,604	8,339
United States Treasury, 3.375% Due 4/15/2032	1,708	3,004	3,376
United States Treasury, 2.125% Due 2/15/2040	2,693	3,661	3,899
United States Treasury, 2.125% Due 2/15/2041	3,497	4,507	5,042
United States Treasury, 0.75% Due 2/15/2042	6,347	6,822	6,738
United States Treasury, 0.625% Due 2/15/2043	4,767	4,497	4,829
United States Treasury, 1.375% Due 2/15/2044	7,317	8,077	8,681
United States Treasury, 0.75% Due 2/15/2045	8,217	7,897	8,384
United States Treasury, 1.0% Due 2/15/2046	4,284	4,472	4,667
		<hr/>	<hr/>
Total U.S. Treasury Inflation-Protected Securities - 96.4%		363,566	374,622
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 0.0%	127,149	127	127
		<hr/>	<hr/>
Total Investments - 96.4%		\$ 363,693	\$ 374,749
		<hr/>	<hr/>

See accompanying notes to financial statements.

# TIPS Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Interest	\$	5,133
Dividends		1
Net securities lending income		77
		<hr/>

**Total investment income** 5,211

**Expenses**

Investment advisor fees		(104)
Trustee fees		(1)
Custodian bank fees		(16)
Management fees		(112)
Fiduciary bond fees		(1)
Professional service fees		(22)
		<hr/>

**Total expenses** (256)

**Investment income, net** 4,955

**Realized and unrealized gain from investments**

Net realized gain from investments		710
Net change in unrealized appreciation (depreciation) on investments		11,414
		<hr/>

**Net gain from investments** 12,124

**Net increase in net assets from operations** \$ 17,079

*See accompanying notes to financial statements.*

# TIPS Pool

---

## Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

### Operations

Investment income, net	\$	4,955
Net realized gain from investments		710
Net change in unrealized appreciation (depreciation) on investments		<u>11,414</u>

**Net increase in net assets from operations** 17,079

### Unit transactions

Proceeds from sale of units		27,739
Amount paid for repurchase of units		<u>(85,778)</u>

**Net decrease in net assets from unit transactions** (58,039)

**Decrease in net assets** (40,960)

**Net assets, beginning of year** 429,533

**Net assets, end of year** \$ 388,573

### Unit data

Units sold		2,577,911
Units repurchased		<u>(7,864,148)</u>

**Net decrease in units** (5,286,237)

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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 lending 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 cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities of at least 102 percent of the market value of the securities loaned plus accrued income. Cash collateral received, if any, is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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. 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 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, 2016.

**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, 2016.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Money market mutual fund	Aaa	AAA	\$ 127	0.0%
U.S. Treasury inflation-protected securities	Aaa	AA	374,622	100.0
Total investments			\$ 374,749	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, 2016, the Pool was in compliance with this restriction and is not exposed to concentration of credit risk.

#### Custodial Credit Risk

At June 30, 2016, 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 applicable asset types in the Pool as of June 30, 2016.

Investment Type	Fair Value	Real Modified Duration (years)
Money market mutual fund	\$ 127	N/A
U.S. Treasury inflation-protected securities	374,622	7.9
Total investments	\$ 374,749	7.9

#### 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, 2016:

Assets	Level 1	Level 2	Level 3	Total
Money market mutual fund	\$ 127	\$ -	\$ -	\$ 127
U.S. Treasury inflation-protected securities	-	374,622	-	374,622
Total	\$ 127	\$ 374,622	\$ -	\$ 374,749

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### NOTE 5. SECURITIES LENDING

The following table presents the amounts of various accounts related to securities lending at June 30, 2016.

	Fair Value
Securities on loan	\$ 53,761
Collateral received:	
Cash	\$ -
Non-cash	54,862
Total collateral received	\$ 54,862

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 and 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, 2016, was 0.02 percent.

### NOTE 7. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at June 30, 2015	\$	10.79
Income from investment operations:		
Net investment income		0.13
Net realized and unrealized gain on investment transactions		0.33
Total from investment operations		<u>0.46</u>
Net asset value at June 30, 2016	\$	<u>11.25</u>

**Total Return (b)** 4.3%

#### Supplemental Data:

Ratio to average net assets (c):		
Expenses		0.06%
Net investment income		1.18%
Portfolio turnover rate		20.98%

(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, 2016.

<u>Participant</u>	<u>Account Value</u>
Workers' Compensation Old Fund	\$ 132,676
Revenue Shortfall Reserve Fund	130,548
Revenue Shortfall Reserve Fund - Part B	59,019
Coal Workers' Pneumoconiosis Fund	25,066
Public Employees Insurance Agency	17,854
Board of Risk and Insurance Management	13,368
Workers' Compensation Self-Insured Employer Security Risk Pool	5,523
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	3,423
Workers' Compensation Uninsured Employers' Fund	1,096
Total	<u>\$ 388,573</u>

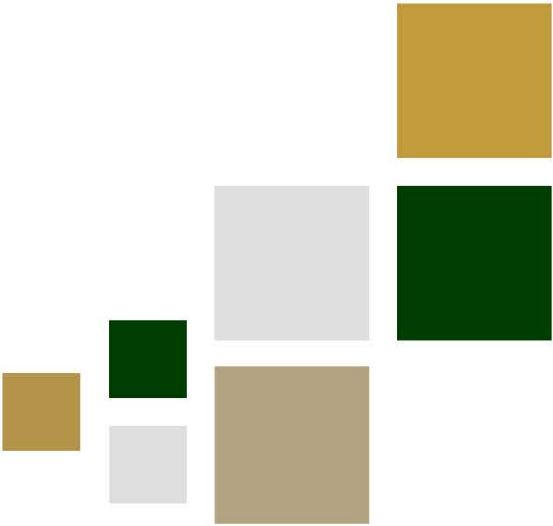
**Notes to Financial Statements**  
*(Amounts in thousands, except share data)*

**NOTE 9. SUBSEQUENT EVENTS**

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



# TRS Annuity Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report

Statement of Assets and Liabilities K-1

Statement of Operations K-2

Statement of Changes in Net Assets K-3

Notes to Financial Statements K-4





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# TRS Annuity Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands)

<b>Assets</b>		\$	-
<b>Liabilities</b>			
Accrued expenses			<u>135</u>
	<b>Net assets</b>	\$	<u><u>(135)</u></u>

See accompanying notes to financial statements.

# TRS Annuity Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

<b>Investment income</b>	\$	-
<b>Expenses</b>		
Professional service fees		<u>(670)</u>
	<b>Total expenses</b>	<u>(670)</u>
	<b>Investment loss, net</b>	<u>(670)</u>
	<b>Net decrease in net assets from operations</b>	<u><u>\$ (670)</u></u>

*See accompanying notes to financial statements.*

## TRS Annuity Pool

---

**Statement of Changes in Net Assets**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Operations**

Investment loss, net \$ (670)

**Capital transactions**

Contributions by TRS 631

**Increase in net assets from capital transactions** 631

**Decrease in net assets** (39)

**Net assets, beginning of year** (96)

**Net assets, end of year** \$ (135)

*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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 case is presently set for trial in September, 2016. 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.

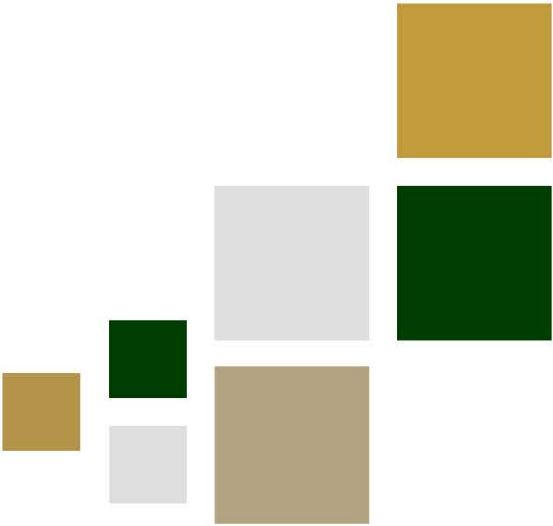
**Distributions to Participants** - The Pool does not routinely distribute dividends of net investment income or net realized gains.

**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 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, 2016.

### NOTE 3. SUBSEQUENT EVENTS

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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, 2016



# Private Equity Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report	
Statement of Assets and Liabilities	L-1
Schedule of Investments	L-2
Statement of Operations	L-13
Statement of Changes in Net Assets	L-14
Statement of Cash Flows	L-15
Notes to Financial Statements	L-16





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

October 5, 2016

# Private Equity Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$1,170,772)	\$	1,436,496
Dividends receivable		<u>11</u>
	<b>Total assets</b>	1,436,507

### Liabilities

Accrued expenses		<u>209</u>
	<b>Net assets</b>	<u><u>\$ 1,436,298</u></u>

### Unit data

Units outstanding		76,551,414
Net asset value, unit price	\$	<u><u>18.76</u></u>

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Private Equity Partnerships</u></b>			
<i>Corporate Finance - Buyout Funds</i>			
Advent International GPE VI - A, L.P.		\$ 19,419	\$ 29,030
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Advent International GPE VIII - B, L.P. (a)		-	(119)
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Altaris Health Partners III, L.P.		12,806	15,903
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 December 2023.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Carlyle Partners V, L.P.		21,648	23,728
Investment Objective - To generate superior, long-term capital appreciation through privately negotiated equity and equity related investments. Contractual termination date is in May 2018.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
CenterOak Equity Fund I, L.P. (b)		116	(1,443)
Investment Objective - To make control equity investments in small and lower middle market U.S. companies, primarily in the industrial growth, business services and consumer sectors. This regionally focused Fund concentrates on the South and Southwestern U.S. Contractual termination date is in December 2025.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Court Square Capital Partners III, L.P.		13,655	12,494
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 October 2023.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Franklin Park International Fund 2013, L.P. 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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		7,371	7,952
Franklin Park International Fund 2014, L.P. 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 January 2029. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		6,341	8,035
Franklin Park International Fund 2015, L.P. 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 January 2030. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		1,292	1,070
Franklin Park International Fund 2016, L.P. 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 January 2031. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		448	427
Hellman & Friedman Capital Partners VII, L.P. 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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		29,930	40,752
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		27,316	33,973

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
JFL Equity Investors IV, 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 March 2026. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		9,361	8,855
LS Power Equity Partners III, L.P. 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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		11,366	12,112
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		27,784	30,928
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		20,406	12,600
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		39,259	32,797

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<p>NGP Natural Resources XI, L.P.</p> <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 2024.</p> <p>Redemption Provisions - Upon termination of the partnership.</p> <p>No underlying investments exceed 5% of net assets of the Private Equity Pool.</p>		10,475	11,104
<p>Odyssey Investment Partners Fund IV, L.P.</p> <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.</p> <p>Redemption Provisions - Upon termination of the partnership.</p> <p>No underlying investments exceed 5% of net assets of the Private Equity Pool.</p>		14,583	24,122
<p>Odyssey Investment Partners Fund V, L.P.</p> <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 July 2024.</p> <p>Redemption Provisions - Upon termination of the partnership.</p> <p>No underlying investments exceed 5% of net assets of the Private Equity Pool.</p>		7,097	5,275
<p>Riverside Fund IV, L.P.</p> <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.</p> <p>Redemption Provisions - Upon termination of the partnership.</p> <p>No underlying investments exceed 5% of net assets of the Private Equity Pool.</p>		14,207	19,526
<p>Riverside Fund V, L.P.</p> <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.</p> <p>Redemption Provisions - Upon termination of the partnership.</p> <p>No underlying investments exceed 5% of net assets of the Private Equity Pool.</p>		23,060	15,325

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Siris Partners III, L.P. Investment Objective - To make control equity investment in middle-market technology and telecom companies. Contractual termination date is February 2025. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		6,304	5,425
Thoma Bravo Discover Fund, L.P. Investment Objective - To invest in lower middle market software and technology enabled services companies based in the United States. Contractual termination date is in December 2025. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		2,936	2,672
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		17,545	28,924
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		35,370	39,593
Thoma Bravo Fund XII, 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 March 2026. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		2,213	1,950
Vista Equity Partners Fund VI, L.P. Investment Objective - To make control buyout investments in upper-middle market and large enterprise software and technology-enabled service companies. Contractual termination date will be determined upon fund final closing date. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		3,599	3,496

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Vista Foundation Fund III, L.P. (c)		-	(67)
Investment Objective - To make control buyout and minority growth equity investments in lower-middle market enterprise software companies. Contractual termination date will be determined upon fund final closing date.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Wellspring Capital Partners V, L.P.		40,508	54,854
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Welsh, Carson, Anderson & Stowe XI, L.P.		25,211	32,408
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Wicks Capital Partners Fund IV, L.P.		17,851	13,609
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
<i>Total Corporate Finance - Buyout Funds</i>		469,477	527,310
<i>Corporate Finance - Distressed Debt</i>			
Castlelake II, L.P.		24,080	43,115
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Castlelake III, L.P.		37,016	44,167
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 February 2020.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			

*See accompanying notes to financial statements.*



# Private Equity Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Shares	Cost	Fair Value
Clearlake Capital III, L.P.		36,731	46,081
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
Clearlake Capital IV, L.P.		14,099	13,914
Investment Objective - To make special situation equity and debt investment in middle market U.S. companies, providing capital for growth, balance sheet restructuring, or recapitalizations. Contractual termination date is in September 2025.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
H.I.G. Bayside Debt & LBO Fund II, L.P.		35,413	40,726
Investment Objective - To invest in distressed debt obligations and other securities of distressed lower middle market companies. Contractual termination date is in June 2017.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
<i>Total Corporate Finance - Distressed Debt</i>		147,339	188,003
<i>Corporate Finance - Growth Equity</i>			
LLR Equity Partners III, L.P.		15,408	25,837
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
TA XI, L.P.		27,932	37,645
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
<i>Total Corporate Finance - Growth Equity</i>		43,340	63,482
<i>Corporate Finance - Mezzanine</i>			
Insight Equity Mezzanine I, L.P.		7,943	6,231
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			

See accompanying notes to financial statements.

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Levine Leichtman Capital Partners V, L.P.		30,190	30,791
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 in March 2024.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
PineBridge Structured Capital Partners III, L.P.		1,340	1,455
Investment Objective - To make debt and preferred equity investments in small and middle market companies. Contractual termination date is in March 2023.			
Redemption Provisions - Upon termination of the partnership.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
<i>Total Corporate Finance - Mezzanine</i>		39,473	38,477
<i>Corporate Finance - Turnaround</i>			
Insight Equity II, L.P.		21,619	32,819
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
KPS Special Situations Fund III (Supplemental), L.P.		23,169	23,947
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			
KPS Special Situations Fund IV, L.P.		2,268	2,818
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.			
No underlying investments exceed 5% of net assets of the Private Equity Pool.			

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		24,559	24,818
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 May 2024. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		7,520	6,331
<i>Total Corporate Finance - Turnaround</i>		79,135	90,733
<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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		20,166	26,842
Franklin Park Venture Fund Series 2009, 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 2024. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		17,672	32,200
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		14,957	20,798
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		18,184	36,559

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		17,447	29,843
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		13,901	17,512
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. No underlying investments exceed 5% of net assets of the Private Equity Pool.		13,679	15,757
Franklin Park Venture Fund Series 2015, 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 2030. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		3,959	3,697
Franklin Park Venture Fund Series 2016, 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 2031. Redemption Provisions - Upon termination of the partnership. No underlying investments exceed 5% of net assets of the Private Equity Pool.		98	95
<i>Total Venture Capital</i>		120,063	183,303
Total Private Equity Partnerships - 76.0%		898,827	1,091,308
<b><u>Multiple Strategy Hedge Fund</u></b>			
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.	95,023	103,187	172,646
Total Multiple Strategy Hedge Fund - 12.0%		103,187	172,646

*See accompanying notes to financial statements.*

# Private Equity Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Investment in Other Fund</u></b>			
State Street Global Advisors Russell 3000 Index Non-Lending Fund	5,506,886	117,401	121,185
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 - 8.4%		117,401	121,185
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 3.6%	51,357,358	51,357	51,357
Total Investments - 100.0%		<u>\$ 1,170,772</u>	<u>\$ 1,436,496</u>

(a) As of June 30, 2016 the general partner of Advent International GPE VIII - B, L.P. had not called any commitments from limited partners. The negative fair value reflects the IMB's share of fees and expenses.

(b) As of June 30, 2016 the general partner of CenterOak Equity Fund I, 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, 2016.

(c) As of June 30, 2016 the general partner of Vista Foundation Fund III, L.P. had not called any commitments from limited partners. The negative fair value reflects the IMB's share of fees and expenses.

*See accompanying notes to financial statements.*

# Private Equity Pool

---

## Statement of Operations Year Ended June 30, 2016 *(Amounts in thousands)*

### Investment income

Income distributions from limited partnerships	\$	10,557
Dividends		73
Fund closing income		<u>11</u>

**Total investment income** 10,641

### Expenses

Trustee fees		(4)
Custodian bank fees		(3)
Management fees		(362)
Fiduciary bond fees		(2)
Professional service fees		(896)
Management fees - external		<u>(205)</u>

**Total expenses** (1,472)

**Investment income, net** 9,169

### Realized and unrealized gain (loss) from investments

Net realized gain from investments		162,466
Net change in unrealized appreciation (depreciation) on investments		<u>(75,617)</u>

**Net gain from investments** 86,849

**Net increase in net assets from operations** \$ 96,018

*See accompanying notes to financial statements.*

# Private Equity Pool

---

**Statement of Changes in Net Assets**  
**Year Ended June 30, 2016**  
*(Amounts in thousands, except unit data)*

**Operations**

Investment income, net	\$	9,169
Net realized gain from investments		162,466
Net change in unrealized appreciation (depreciation) on investments		<u>(75,617)</u>

**Net increase in net assets from operations** 96,018

**Unit transactions**

Proceeds from sale of units		75,082
Amount paid for repurchase of units		<u>(138,803)</u>

**Net decrease in net assets from unit transactions** (63,721)

**Increase in net assets** 32,297

**Net assets, beginning of year** 1,404,001

**Net assets, end of year** \$ 1,436,298

**Unit data**

Units sold		4,306,692
Units repurchased		<u>(8,028,116)</u>

**Net decrease in units** (3,721,424)

*See accompanying notes to financial statements.*

# Private Equity Pool

---

## Statement of Cash Flows Year Ended June 30, 2016 (Amounts in thousands)

### Cash flows from operating activities

Net increase in net assets from operations	\$	96,018
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:		
Contributions to limited partnerships		(229,739)
Purchase of investments		(155,000)
Distributions from limited partnerships		193,868
Proceeds from disposition of investments		240,000
Purchases and sales of short-term investment securities, net		5,400
Decrease in receivable for partnership distributions		588
Increase in dividends receivable		(9)
Increase in accrued expenses		32
Net realized gain from investments		(162,466)
Net change in unrealized appreciation (depreciation) on investments		75,617

**Net cash provided by operating activities** 64,309

### Cash flows from financing activities

Proceeds from units sold		75,082
Paid for repurchase of units		(138,803)

**Net cash used in financing activities** (63,721)

**Net change in cash** 588

### Cash (overdraft)

Beginning balance		(588)
Ending balance	\$	-

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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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 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, 2016.
- 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 that are outside of their respective private equity partnership or other private fund, the custodian bank, legal counsel, and the consultant. Other expenses are allocated to the individual pools based on asset size. The IMB pays all expenses on behalf of the Pool. In addition to these direct and allocated expenses, the Pool bears certain expenses indirectly, such as fees of other investment funds in which the Pool invests that are reflected in the reported net asset value of such funds.

**Income Taxes** - The IMB is a public corporation organized under laws of the State of West Virginia and exempt from U.S. federal and state taxation. In accordance with FASB 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, 2016.

# 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 the hedge fund might be indirectly exposed to foreign currency risk, credit risk, interest rate risk, and/or custodial credit risk. The commingled investment fund is held in an account in the name of the IMB. 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, 2016, 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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2016. All of the Pool's investments in private equity partnerships and its investment in a multiple strategy hedge fund were valued using the net asset value per share practical expedient, as such they have not been categorized in the fair value hierarchy table.

# Private 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
Investment in other fund	\$ 121,185	\$ -	\$ -	\$ 121,185
Money market mutual fund	51,357	-	-	51,357
Total	<u>\$ 172,542</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,542</u>
Private equity partnerships				1,091,308
Multiple strategy hedge fund				172,646
Total				<u>\$ 1,436,496</u>

There were no transfers in or out of Levels 1, 2, and 3 during the year ended June 30, 2016.

### NOTE 5. COMMITMENTS

As of June 30, 2016, the IMB had made commitments to fifty-eight private equity general partnerships.

Partnership Classification	Total Commitment	Funded Commitment	Unfunded Commitment
Corporate finance - buyout funds	\$ 1,274,000	\$ 615,449	\$ 658,551
Corporate finance - distressed debt	210,000	167,445	42,555
Corporate finance - growth equity	80,000	75,214	4,786
Corporate finance - mezzanine	90,000	38,778	51,222
Corporate finance - turnaround	200,000	105,327	94,673
Venture capital	220,500	129,640	90,860
Total	<u>\$ 2,074,500</u>	<u>\$ 1,131,853</u>	<u>\$ 942,647</u>

### NOTE 6. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at June 30, 2015	\$ 17.49
Income from investment operations:	
Net investment income	0.12
Net realized and unrealized gain on investment transactions	1.15
Total from investment operations	<u>1.27</u>
Net asset value at June 30, 2016	<u>\$ 18.76</u>

**Total Return (b)** 7.3%

#### Supplemental Data:

Ratio to average net assets (c):	
Expenses	0.10%
Net investment income	0.67%
Portfolio turnover rate	28.94%

- (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, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 669,655
Public Employees' Retirement System	582,482
West Virginia Retiree Health Benefit Trust Fund	63,161
State Police Death, Disability and Retirement Fund	58,643
Deputy Sheriff's Retirement System	17,840
Judges' Retirement System	17,387
State Police Retirement System	14,287
Emergency Medical Services Retirement System	6,091
Wildlife Endowment Fund	5,672
Berkeley County Development Authority	634
Municipal Police Officers' and Firefighters' Retirement System	309
Municipal Policemen's or Firemen's Pension and Relief Funds	137
Total	<u>\$ 1,436,298</u>

### NOTE 8. SUBSEQUENT EVENTS

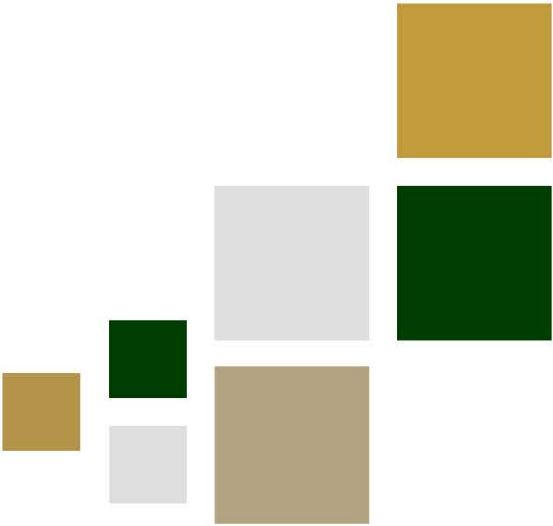
The IMB has performed an evaluation of events subsequent to June 30, 2016, through October 5, 2016, the date the Pool's financial statements were available for issuance. The IMB has determined that there were no significant subsequent events which have not been recognized in the Pool's financial statements that require disclosure.



AUDITED FINANCIAL STATEMENTS  
June 30, 2016

M

REAL ESTATE POOL



# Real Estate Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report	
Statement of Assets and Liabilities	M-1
Schedule of Investments	M-2
Statement of Operations	M-10
Statement of Changes in Net Assets	M-11
Statement of Cash Flows	M-12
Notes to Financial Statements	M-13





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

October 5, 2016

# Real Estate Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$1,301,674), including securities on loan of \$38,762 (Note 5)	\$ 1,541,401
Receivables:	
Investments sold	1,616
Interest	103
Income distributions from real estate limited partnerships and funds	5,524
Dividends	1,091
Reclaimable foreign taxes withheld	29
Securities lending income	<u>8</u>
<b>Total assets</b>	<b>1,549,772</b>

### Liabilities

Accrued expenses	962
Payable for investments purchased	620
Payable upon return of securities loaned (Note 5)	<u>33,244</u>
<b>Total liabilities</b>	<b><u>34,826</u></b>
<b>Net assets</b>	<b><u><u>\$ 1,514,946</u></u></b>

### Unit data

Units outstanding	105,243,389
Net asset value, unit price	<u><u>\$ 14.39</u></u>

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<b>Real Estate Limited Partnerships and Funds</b>			
<i>Core Funds</i>			
CIM VI-1, LLC		\$ 28,454	\$ 37,270
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 April 2022.			
Redemption Provisions - Upon termination of partnership.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
Harrison Street Core Property Fund, L.P.		57,645	67,066
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
Invesco Core Real Estate - U.S.A., L.P.		142,807	188,716
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
CCCP First Mortgage II, L.P.		20,206	20,356
Investment Objective - To invest in senior, floating-rate first mortgage loans secured by commercial real estate properties. Contractual termination date is in June 2020.			
Redemption Provisions - Upon termination of partnership.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
Quadrant Fund I, LLC		2,033	1,613
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 Real Estate Pool.			
RREEF America REIT II, Inc.		154,107	200,255
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
UBS Trumbull Property Fund		111,475	139,161
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
UBS Trumbull Property Income Fund		82,894	99,414
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
<i>Total Core Funds</i>		599,621	753,851
<i>Opportunistic Funds</i>			
Blackstone RE Partners Europe III, L.P.		10,614	13,773
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		35,296	38,185
CIM VIII, LLC Investment Objective - To acquire various property types in urban locations across the United States and create value through redeveloping and repositioning assets. Contractual termination date is in July 2023. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		12,665	15,499
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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		19,429	23,913
Kennedy Wilson Real Estate Fund V, 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 September 2022. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		18,105	18,513
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 April 2019. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		1,877	3,253
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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		15,339	20,172
Lone Star Real Estate Fund IV, L.P. Investment Objective - To invest in distressed global commercial real estate debt and equity investments. Contractual termination date is in April 2023. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		6,724	6,764
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 2019. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		-	2,186
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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		4,924	6,911

*See accompanying notes to financial statements.*

# Real Estate Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Lone Star Fund IX, 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 July 2022. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		13,908	14,492
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 March 2021. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		-	12,596
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 2021. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		23,100	31,941
Woodbourne Canada Partners III, L.P. Investment Objective - To build and acquire a diversified real estate portfolio in Canada with a primary focus on multi-residential assets including senior housing and other purpose built properties in fragmented sectors. Contractual termination date is in November 2023. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		3,126	2,288
<i>Total Opportunistic Funds</i>		165,107	210,486
<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 2025. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		42,761	46,915
ABR Chesapeake Investors V-b, L.P. (a) Investment Objective - To invest in moderately leveraged real estate assets generally valued between \$10 million and \$30 million in the value-add sector across the U.S. Estimated contractual termination date is in December 2027. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		(62)	(62)
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 December 2020. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		27,381	32,596
AG Core Plus Realty Fund IV, 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 January 2025. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		11,245	11,493

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
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 August 2020. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		22,335	26,005
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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		12,713	13,936
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. No underlying investments exceed 5% of net assets of the Real Estate Pool.		24,216	30,701
DRA Growth & Income Fund VIII, 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 2023. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		42,435	43,701
Equus Investment Partnership X, 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 October 2022. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		9,143	8,820
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 in March 2022. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		35,521	39,435
Madison International Real Estate Liquidity Fund VI, 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 in June 2024. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		5,745	7,150
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 October 2021. Redemption Provisions - Upon termination of partnership. No underlying investments exceed 5% of net assets of the Real Estate Pool.		37,850	38,844

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
PCCP Credit VI, L.P.		23,603	23,392
Investment Objective - To invest in senior, floating-rate first mortgage loans secured by commercial real estate properties. Contractual termination date is in January 2020.			
Redemption Provisions - Upon termination of partnership.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
RCG Longview Debt Fund IV, L.P.		4,666	2,117
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
Rubenstein Properties Fund II, L.P.		25,157	25,252
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.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
Rubenstein Properties Fund III, L.P. (b)		-	(69)
Investment Objective - To invest in value-added office real estate opportunities across the eastern United States. Contractual termination date is in January 2027.			
Redemption Provisions - Upon termination of partnership.			
No underlying investments exceed 5% of net assets of the Real Estate Pool.			
<i>Total Value Funds</i>		324,709	350,226
Total Real Estate Limited Partnerships and Funds - 87.0%		1,089,437	1,314,563
<b>Common Stock</b>			
<i>Australia</i>			
GPT Group	103,529	375	417
Mirvac Group	577,543	868	869
Scentre Group	471,516	1,529	1,727
Vicinity Centres	306,045	686	757
Westfield Corp	148,659	1,028	1,179
<i>Total Australia - 0.3%</i>		4,486	4,949
<i>Cayman Islands</i>			
Cheung Kong Property Holdings - 0.1%	155,000	1,044	967
<i>France</i>			
Gecina SA	7,602	996	1,035
ICADE	3,798	336	269
Klepierre	43,313	1,859	1,918
Unibail-Rodamco	7,656	1,839	1,987
<i>Total France - 0.3%</i>		5,030	5,209
<i>Germany</i>			
Deutsche Wohnen AG-BR	9,469	225	321
LEG Immobilien AG	16,563	1,132	1,544
Vonovia SE	5,931	176	216
<i>Total Germany - 0.1%</i>		1,533	2,081
<i>Hong Kong</i>			
Henderson Land Development Co	25,300	119	142
Link REIT	257,600	1,427	1,753
Sun Hung Kai Properties Ltd	122,393	1,747	1,468
<i>Total Hong Kong - 0.2%</i>		3,293	3,363
<i>Japan</i>			
Daito Trust Construct Co Ltd	2,800	394	454
GLP-J-REIT	309	332	391
Invincible Investment Corp	99	71	63
Japan Real Estate Inv Corp	13	71	80

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Japan Retail Fund Inv Corp	689	1,328	1,760
Kenedix Realty Investment Corp	120	584	717
Mitsubishi Estate Co Ltd	90,537	1,921	1,653
Mitsui Fudosan Co Ltd	66,500	1,398	1,511
Mori Hills REIT Investment	365	446	574
Nippon Prologis REIT Inc	447	891	1,094
Orix Jreit Inc	402	547	695
Sumitomo Realty & Development	20,000	587	537
<i>Total Japan - 0.6%</i>		8,570	9,529
<i>Netherlands</i>			
Eurocommercial Properties NV	9,778	411	418
Nieuwe Steen Investments NV	66,844	353	268
<i>Total Netherlands - 0.0%</i>		764	686
<i>Spain</i>			
Hispania Activos Inmobiliarios - 0.0%	9,353	128	109
<i>Sweden</i>			
Hufvudstaden AB - 0.0%	24,432	301	381
<i>United Kingdom</i>			
British Land Company PLC	48,307	511	392
Derwent London PLC	7,582	180	265
Great Portland Estates PLC	52,759	314	442
Hammerson PLC	60,475	444	435
Land Securities Group PLC	135,650	1,843	1,884
Safestore Holdings PLC	45,272	124	223
<i>Total United Kingdom - 0.2%</i>		3,416	3,641
<i>United States</i>			
Alexandria Real Estate Equitie	16,640	1,514	1,723
Apartment Investment & Mgmt Co	20,578	770	909
Avalonbay Communities Inc	19,835	2,983	3,578
Boston Properties Inc	7,035	840	928
Brixmor Property Group Inc	21,845	536	578
Chesapeake Lodging Trust	11,935	296	277
Columbia Property Trust Inc	15,535	361	332
Coresite Realty Corporation	3,025	246	268
CubeSmart	33,500	926	1,034
CyrusOne Inc	3,200	167	178
DCT Industrial Trust Inc	18,125	565	871
DDR Corp	111,625	1,816	2,025
Digital Realty Trust Inc	21,675	1,665	2,362
Douglas Emmett Inc	31,925	939	1,134
Duke Realty Corp	17,415	367	464
Equinix Inc	3,525	1,313	1,367
Equity Commonwealth	6,300	182	184
Equity Residential	70,435	4,544	4,852
Essex Property Trust Inc	4,193	900	956
Gaming & Leisure Properties	28,400	932	979
General Growth Properties Inc	132,139	3,243	3,940
HCP Inc	31,870	1,143	1,128
Healthcare Realty Trust Inc	20,000	491	700
Healthcare Trust of America	21,767	539	704
Highwoods Properties Inc	10,210	389	539
Hospitality Properties Trust	11,625	308	335
Host Hotels & Resorts Inc	115,785	1,940	1,877
Hudson Pacific Properties	31,175	858	910
Kilroy Realty Corporation	17,900	926	1,187
Kimco Realty Corporation	87,425	2,136	2,743
Liberty Property Trust	22,965	768	912
Macerich Company	8,395	632	717
MGM Growth Properties LLC	15,803	349	422
Paramount Group Inc	26,400	474	421

See accompanying notes to financial statements.



## Real Estate Pool

### Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
Pebblebrook Hotel Trust	32,235	969	846
Prologis Inc	77,901	2,979	3,820
Public Storage	16,175	3,091	4,134
QTS Realty Trust Inc	7,100	367	397
Regency Centers Corp	17,315	1,208	1,450
RLJ Lodging Trust	9,050	177	194
Senior Housing Prop Trust	60,770	1,104	1,266
Simon Property Group Inc	34,120	5,466	7,401
SL Green Realty Corp	17,300	1,597	1,842
Sovran Self Storage, Inc	4,775	491	501
Spirit Realty Capital Inc	100,462	1,102	1,283
Sun Communities Inc	20,625	1,310	1,581
Sunstone Hotel Investors Inc	45,097	586	544
UDR Inc	33,500	843	1,237
VEREIT Inc	130,900	1,383	1,327
Vornado Realty Trust	37,215	3,440	3,726
Weingarten Realty Investors	14,700	555	600
Welltower Inc	57,972	3,656	4,416
<i>Total United States - 5.2%</i>		66,382	78,099
Total Common Stock - 7.0%		94,947	109,014
<b><u>U.S. Preferred Stock</u></b>			
Alexandria Real Estate Equitie	6,950	178	184
American Homes 4 Rent	28,750	719	721
American Homes 4 Rent	40,175	1,004	1,055
Apartment Investment & Mgmt Co	34,000	854	921
Apartment Investment & Mgmt Co	575	15	14
Ashford Hospitality Trust	13,000	307	326
CBL & Associates Properties	7,400	183	184
Corporate Office Properties	11,075	287	287
CubeSmart	3,350	88	86
DDR Corp	2,725	71	71
Digital Realty Trust Inc	9,525	267	276
General Growth Properties Inc	28,600	757	766
Hersha Hospitality Trust	11,325	283	286
Kilroy Realty Corporation	4,150	108	110
Kilroy Realty Corporation	8,350	212	215
LaSalle Hotel Properties	17,400	435	451
National Retail Property Inc	3,650	96	96
Pebblebrook Hotel Trust	30,350	770	769
Penn Real Estate Invest Tst	13,825	359	365
Penn Real Estate Invest Tst	250	6	7
PS Business Parks Inc	300	8	8
Public Storage	650	18	18
Regency Centers Corp	16,100	416	419
Regency Centers Corp	450	11	12
Sabra Health Care REIT Inc	1,400	35	37
Saul Centers Inc	3,250	82	86
Senior Housing Prop Trust	2,100	53	55
SL Green Realty Corp	21,300	546	557
STAG Industrial Inc	1,450	38	37
Sunstone Hotel Investors Inc	8,450	211	223
Sunstone Hotel Investors Inc	4,350	109	114
Taubman Centers Inc	16,550	418	430
Taubman Centers Inc	2,825	72	73
Terreno Realty Corp	800	20	21
Urstadt Biddle Properties Inc	42,925	1,070	1,150
Urstadt Biddle Properties Inc	38,900	973	1,070
Vornado Realty Trust	2,850	72	75
Welltower Inc	3,300	85	86
WP Glimcher Inc	42,000	1,084	1,106
Total U.S. Preferred Stock - 0.8%		12,320	12,767

See accompanying notes to financial statements.

# Real Estate Pool

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

Description	Par Value or Shares	Cost	Fair Value
<b>U.S. Corporate Bonds</b>			
Alexandria Real Estate Equitie, 4.6% Due 4/1/2022	94	99	102
CBL & Associates, 5.25% Due 12/1/2023	210	198	199
Equity One, Inc, 3.75% Due 11/15/2022	48	48	49
First Industrial LP, 7.5% Due 12/1/2017	123	131	131
Government Properties In, 3.75% Due 8/15/2019	299	303	307
Highwoods Realty LP, 7.5% Due 4/15/2018	1,000	1,088	1,091
Mack-Cali Realty LP, 7.75% Due 8/15/2019	69	76	78
Prologis LP, 4.0% Due 1/15/2018	1,000	1,022	1,033
Regency Centers LP, 6.0% Due 6/15/2020	65	72	74
Senior Housing Prop Trust, 3.25% Due 5/1/2019	2,087	2,081	2,096
Senior Housing Prop Trust, 6.75% Due 4/15/2020	795	874	874
Senior Housing Prop Trust, 6.75% Due 12/15/2021	24	26	27
SL Green Realty Corp, 7.75% Due 3/15/2020	1,521	1,735	1,778
SL Green Realty Corp, 4.5% Due 12/1/2022	27	28	28
Ventas Realty LP/CAP Corp, 2.0% Due 2/15/2018	215	215	216
Total U.S. Corporate Bonds - 0.5%		7,996	8,083
<b>Money Market Mutual Fund</b>			
Dreyfus Cash Management Institutional Fund - 4.2%	63,729,879	63,730	63,730
<b>Investments made with Cash Collateral for Securities Loaned</b>			
<i>Money Market Mutual Funds</i>			
Blackrock Cash Funds: Prime - Institutional Shares	1,498	1,498	1,498
Federated Money Market Management - Institutional Shares	1,461	1,461	1,461
Fidelity Institutional Money Market Prime Money Market Portfolio	1,141	1,141	1,141
Invesco Government Liquidity Funds Assets Portfolio	1,206	1,206	1,206
Morgan Stanley Institutional Liquidity Funds Government Portfolio	27	27	27
Morgan Stanley Institutional Liquidity Funds Prime Portfolio	1,589	1,589	1,589
<i>Total Money Market Mutual Funds - 0.5%</i>		6,922	6,922
<i>Repurchase Agreements</i>			
Barclays Bank PLC, 0.38% Due 7/1/2016	2,215	2,215	2,215
BNP Paribas Securities Corp, 0.38% Due 7/1/2016	199	199	199
Cantor Fitzgerald Securities Inc, 0.47% Due 7/1/2016	7,180	7,180	7,180
Citigroup Global Markets Inc, 0.46% Due 7/1/2016	371	371	371
Citigroup Global Markets Inc, 0.39% Due 7/6/2016	1,372	1,372	1,372
Deutsche Bank Securities Inc, 0.45% Due 7/1/2016	441	441	441
Deutsche Bank Securities Inc, 0.7% Due 7/5/2016	1,419	1,419	1,419
ING Bank NV, 0.55% Due 7/1/2016	639	639	639
Mizuho Securities USA Inc, 0.38% Due 7/1/2016	260	260	260
Mizuho Securities USA Inc, 0.4% Due 7/1/2016	870	870	870
Morgan, Stanley & Co. LLC, 0.56% Due 8/2/2016	242	242	242
Morgan, Stanley & Co. LLC, 0.68% Due 9/29/2016	1,277	1,277	1,277
Morgan, Stanley & Co. LLC, 0.73% Due 10/3/2016	336	336	336
Societe Generale, 0.4% Due 7/1/2016	2,345	2,345	2,345
Societe Generale, 0.51% Due 8/4/2016	542	542	542
<i>Total Repurchase Agreements - 1.3%</i>		19,708	19,708
<i>Time Deposits</i>			
BNP Paribas, 0.28% Due 7/1/2016	1,417	1,417	1,417
Credit Agricole CIB, 0.31% Due 7/1/2016	1,276	1,276	1,276
HSBC Bank PLC, 0.35% Due 7/1/2016	1,304	1,304	1,304
Nordea Bank Finland PLC, 0.28% Due 7/1/2016	1,409	1,409	1,409
Svenska Handelsbanken AB, 0.3% Due 7/1/2016	1,208	1,208	1,208
<i>Total Time Deposits - 0.4%</i>		6,614	6,614
Total Investments made with Cash Collateral for Securities Loaned - 2.2%		33,244	33,244
Total Investments - 101.7%		\$ 1,301,674	\$ 1,541,401

(a) As of June 30, 2016, the general partner of ABR Chesapeake Investors V-b, L.P., had not called any commitments from limited partners. The negative cost and fair value reflects rebated management fees that the IMB paid in July 2016.

(b) As of June 30, 2016, the general partner of Rubenstein Properties Fund III, L.P., had not called any commitments from limited partners. The negative fair value reflects the IMB's share of fees and expenses.

See accompanying notes to financial statements.

# Real Estate Pool

---

## Statement of Operations Year Ended June 30, 2016 *(Amounts in thousands)*

### Investment income

Interest	\$	457
Income distributions from real estate limited partnerships and funds		49,938
Dividends, net of foreign withholding taxes (\$54)		6,768
Fund closing interest		1,184
Net securities lending income		49

**Total investment income** 58,396

### Expenses

Investment advisor fees		(1,128)
Trustee fees		(4)
Custodian bank fees		(79)
Management fees		(382)
Fiduciary bond fees		(2)
Professional service fees		(540)
Management fees - external		(3,625)
Fund closing costs		(86)

**Total expenses** (5,846)

**Investment income, net** 52,550

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

Net realized gain (loss) from:		
Investments		34,651
Foreign currency transactions		(1,533)
		<u>33,118</u>

Net change in unrealized appreciation (depreciation) on:		
Investments		59,483
Translation of assets and liabilities in foreign currencies		2,196
		<u>61,679</u>

**Net gain from investments and foreign currency** 94,797

**Net increase in net assets from operations** \$ 147,347

*See accompanying notes to financial statements.*

## Real Estate Pool

---

### Statement of Changes in Net Assets

Year Ended June 30, 2016

(Amounts in thousands, except unit data)

#### Operations

Investment income, net	\$	52,550
Net realized gain from investments and foreign currency transactions		33,118
Net change in unrealized appreciation (depreciation) on investments and translation of assets and liabilities in foreign currencies		<u>61,679</u>
<b>Net increase in net assets from operations</b>		147,347

#### Unit transactions

Proceeds from sale of units		86,733
Amount paid for repurchase of units		<u>(208,681)</u>
<b>Net decrease in net assets from unit transactions</b>		<u>(121,948)</u>
<b>Increase in net assets</b>		25,399
<b>Net assets, beginning of year</b>		<u>1,489,547</u>
<b>Net assets, end of year</b>	\$	<u><u>1,514,946</u></u>

#### Unit data

Units sold		6,426,992
Units repurchased		<u>(15,758,646)</u>
<b>Net decrease in units</b>		<u><u>(9,331,654)</u></u>

See accompanying notes to financial statements.

# Real Estate Pool

## Statement of Cash Flows Year Ended June 30, 2016 (Amounts in thousands)

### Cash flows from operating activities

Net increase in net assets from operations	\$	147,347
Adjustments to reconcile net increase in net assets from operations to net cash provided by operating activities:		
Contributions to real estate limited partnerships and funds		(217,205)
Purchase of investments		(111,620)
Distributions from real estate limited partnerships and funds		152,673
Proceeds from disposition of investments		276,562
Purchases and sales of short-term investment securities, net		(26,146)
Net disbursement from foreign currency contracts		(20)
Increase in receivable for investments sold		(620)
Decrease in reclaimable foreign taxes withheld		6
Decrease in interest receivable		496
Increase in income distributions from real estate limited partnerships and funds		(5,524)
Increase in dividends receivable		(85)
Increase in securities lending income receivable		(5)
Increase in accrued expenses		356
Increase in payable for investments purchased		247
Net amortization		287
Net realized gain from investments		(34,651)
Net realized loss from foreign currency transactions		1,533
Net change in unrealized appreciation (depreciation) on investments		(59,483)
Net change in unrealized appreciation (depreciation) on the translation of investments in foreign currencies		(2,200)
		<u>(2,200)</u>
<b>Net cash provided by operating activities</b>		<b>121,948</b>

### Cash flows from financing activities

Proceeds from units sold		86,733
Amount paid for repurchase of units		(208,681)
		<u>(208,681)</u>
<b>Net cash used in financing activities</b>		<b>(121,948)</b>

**Net change in cash** -

### Cash

Beginning balance		-
Ending balance	\$	<u><u>-</u></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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 investment trusts (REITs) and real estate limited partnerships and funds. Courtland Partners, Ltd. has been retained by the IMB to provide consulting services for the real estate limited partnerships and funds. The REITs are managed by 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 FASB's ASC 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 real estate limited 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, 2016.
- Equity securities are valued at the last sale price or official closing price reported in the market in which they are primarily traded.
- Equity securities that trade in non-U.S. markets are valued in U.S. Dollars using period end spot market exchange rates as supplied by the Pool's custodian.
- 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.
- Repurchase agreements and time deposits are valued at amortized cost, provided such amount approximates fair value.

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.

**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.

**Security Loans** - The IMB, through its lending agent, the Bank of New York Mellon, loans securities to various brokers on a temporary basis. Each transaction for international and domestic securities is secured by collateral based on the market value of the securities loaned. The required collateral percentage varies based on the type of collateral received and the type of security loaned. For U.S. securities, the required percentage of cash collateral and non-cash collateral consisting of debt obligations and securities issued by the United States Government or its agencies or instrumentalities is at least 102 percent of the market value of the securities loaned plus accrued income, if applicable. For international securities, the required percentage is 105 percent unless the foreign securities loaned are denominated and payable in U.S. Dollars, then the collateral shall be at least 102 percent of the market value of the securities loaned. Loans of equity securities may also be collateralized by equity securities and the required percentage of non-cash collateral consisting of equity securities is at least 107 percent of the market value of the securities loaned. Cash collateral received is invested in repurchase agreements, money market mutual funds, and time deposits. Such investments, except for repurchase transactions, are made at the risk of the Pool and, as such, the Pool is liable for investment losses. The lending agent contractually indemnifies the IMB for any repurchase agreement investment losses. Investments made with cash are reported at fair value on the Statement of 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

# Real Estate Pool

---

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

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

services. The income earned by the IMB is reported in the Statement of Operations as net securities lending income. 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.

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.



# Real Estate Pool

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

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

**Expenses** - The IMB's Trustees adopt an annual budget and fee schedule for services to be provided to all of the investment pools under its management. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. Direct investment-related costs include fees charged by external managers that are outside of their respective real estate partnership, 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 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, 2016.

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, 2016.

Investment Type	Moody's	S&P	Fair Value	Percent of Total Investments
Foreign corporate bonds	A	A	\$ 198	0.0%
Foreign government bonds	Aa	A	1	0.0
Money market mutual funds	Aaa	AAA	70,652	4.6
Time deposits	P-1	A-1	6,614	0.4
U.S. corporate bonds	Baa	BBB	8,850	0.6
U.S. Government agency bonds	Aaa	AA	209	0.0
U.S. Government agency MBS	Aaa	AA	6,878	0.4
U.S. preferred stock	Baa	BB	12,767	0.8
U.S. Treasury bonds	Aaa	AA	2,013	0.1
Total rated investments			108,182	6.9
Common stock			119,757	7.8
Real estate limited partnerships and funds			1,314,563	85.3
Total investments			\$ 1,542,502	100.0%

This table includes investments received as collateral for repurchase agreements with a fair value of \$20,809 as compared to the amortized cost of the repurchase agreements of \$19,708.

# Real Estate Pool

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

### NOTE 3. INVESTMENT RISK DISCLOSURES (continued)

#### Concentration of Credit Risk

The Pool's investments in real estate limited partnerships and funds might be indirectly exposed to concentration of credit risk.

#### Custodial Credit Risk

At June 30, 2016, the Pool held no securities that were directly subject to custodial credit risk. Repurchase agreements, when held, are collateralized to a minimum of 102 percent and the collateral is held in the name of the IMB. All remaining securities, except for the investments in real estate limited partnerships and funds, are held by the IMB's custodian in the name of the IMB. The investments in real estate limited 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 following table provides the weighted average effective duration for the various asset types in the Pool as of June 30, 2016.

Investment Type	Fair Value	Effective Duration (years)
Common stock	\$ 109,014	N/A
Money market mutual funds	70,652	N/A
Real estate limited partnerships and funds	1,314,563	N/A
Repurchase agreements	19,708	0.0
Time deposits	6,614	0.0
U.S. corporate bonds	8,083	2.5
U.S. preferred stock	12,767	2.2
Total	\$ 1,541,401	1.0

Investments in real estate limited partnerships and funds and common stocks do not have an effective duration.

#### Foreign Currency Risk

The Pool has real estate investment trusts and real estate limited partnerships and funds that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts at fair value (in U.S. dollars) of investments denominated in foreign currencies as of June 30, 2016, are as follows:

Currency	Investments	Percent of Total Investments
Australian Dollar	\$ 4,949	0.3%
British Pound	3,641	0.2
Canadian Dollar	2,288	0.1
Euro Currency Unit	60,042	3.9
Hong Kong Dollar	4,331	0.3
Japanese Yen	9,529	0.6
Swedish Krona	381	0.0
Total	\$ 85,161	5.4%

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 is \$1,456,240. This represents approximately 95 percent of the value of the Pool's investments.

# Real Estate 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 with redemption terms that are not short term.

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

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. The table that follows sets forth information about the level within the fair value hierarchy at which the Pool's assets and liabilities are measured at June 30, 2016. All of the Pool's investments in real estate limited partnerships and funds were valued using the net asset value per share practical expedient, as such they have not been categorized in the fair value hierarchy table.

Assets	Level 1	Level 2	Level 3	Total
Common stock	\$ 109,014	\$ -	\$ -	\$ 109,014
Investments made with cash collateral for securities loaned	6,922	26,322	-	33,244
Money market mutual fund	63,730	-	-	63,730
U.S. corporate bonds	-	8,083	-	8,083
U.S. preferred stock	12,767	-	-	12,767
Total	\$ 192,433	\$ 34,405	\$ -	\$ 226,838
Real estate limited partnerships and funds				1,314,563
Total				\$ 1,541,401

There were no transfers in or out of Levels 1, 2, and 3 during the year ended June 30, 2016.

## 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, 2016.

	Fair Value
Securities on loan	\$ 38,762
Collateral received:	
Cash	\$ 33,244
Non-cash	7,145
Total collateral received	\$ 40,389

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 and Liabilities.

#### NOTE 6. COMMITMENTS

As of June 30, 2016, the IMB has made commitments to forty-three real estate limited partnerships and funds.

Partnership Classification	Total Commitment	Funded Commitment	Unfunded Commitment
Core funds	\$ 605,000	\$ 550,206	\$ 54,794
Opportunistic funds	542,409	254,448	287,961
Value funds	689,000	368,521	320,479
Total	\$ 1,836,409	\$ 1,173,175	\$ 663,234

#### NOTE 7. FOREIGN CURRENCY CONTRACTS

At June 30, 2016, 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	6/30/2016	7/1/2016	242	\$ 180	\$ 180	-	
Short	British Pound	6/29/2016	7/1/2016		221	165	-	
Short	British Pound	6/30/2016	7/5/2016		133	100	-	
					\$ 534	\$ 534	\$ -	

#### NOTE 8. INVESTMENT ADVISORY FEES

The IMB has approved investment advisory agreements with CBRE and SCRMM 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 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, 2016, was 0.62 percent.

# Real Estate Pool

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

### NOTE 8. INVESTMENT ADVISORY FEES (continued)

From July 1, 2015, to February 29, 2016, the fees paid to SCRM were 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 was 0.60 percent annually. Effective March 1, 2016, the fees paid to SCRM 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 0.55 percent annually on assets between \$100 million and \$125 million. For assets greater than \$125 million the fee rate is 0.50 percent annually. The effective fee rate earned by SCRM for the year ended June 30, 2016, was 0.70 percent.

### NOTE 9. FINANCIAL HIGHLIGHTS

#### Per Unit Operating Performance (a):

Net asset value at June 30, 2015	\$	13.00
Income from investment operations:		
Net investment income		0.49
Net realized and unrealized gain on investment and foreign currency transactions		0.90
Total from investment operations		<u>1.39</u>
Net asset value at June 30, 2016	\$	<u>14.39</u>

**Total Return (b)** 10.8%

#### Supplemental Data:

Ratio to average net assets (c):		
Expenses		0.40%
Net investment income		3.62%
Portfolio turnover rate		23.57%

- (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 10. SCHEDULE OF PARTICIPATION

The following schedule provides the value of participants' accounts in the Pool at June 30, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 713,179
Public Employees' Retirement System	610,902
West Virginia Retiree Health Benefit Trust Fund	64,582
State Police Death, Disability and Retirement Fund	63,514
Deputy Sheriff's Retirement System	18,288
Judges' Retirement System	17,323
State Police Retirement System	14,145
Emergency Medical Services Retirement System	6,096
Wildlife Endowment Fund	5,819
Berkeley County Development Authority	656
Municipal Police Officers' and Firefighters' Retirement System	305
Municipal Policemen's or Firemen's Pension and Relief Funds	137
Total	<u>\$ 1,514,946</u>

# Real Estate Pool

---

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

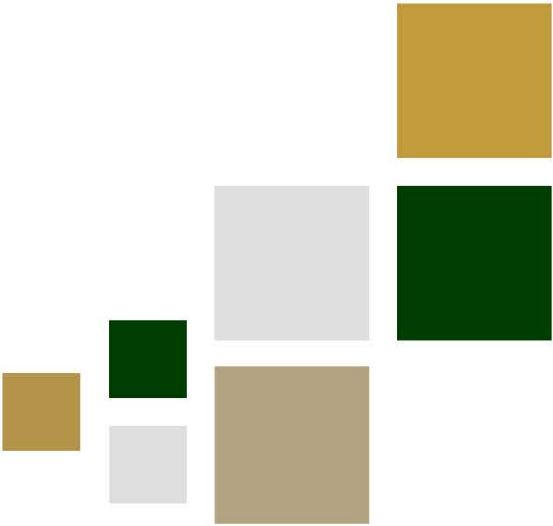
### **NOTE 11. SUBSEQUENT EVENTS**

The IMB has performed an evaluation of events subsequent to June 30, 2016, through October 5, 2016, 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, 2016

N

HEDGE FUND POOL



# Hedge Fund Pool

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report	
Statement of Assets and Liabilities	N-1
Schedule of Investments	N-2
Statement of Operations	N-7
Statement of Changes in Net Assets	N-8
Statement of Cash Flows	N-9
Notes to Financial Statements	N-10





Ernst & Young LLP  
One Commerce Square  
Suite 700  
2005 Market Street  
Philadelphia, PA 19103

Tel: +1 215 448 5000  
Fax: +1 215 448 5500  
ey.com

## 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, which comprise the statement of assets and liabilities, including the schedule of investments, as of June 30, 2016, 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 established by the Financial Accounting Standards Board; 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.

### 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, 2016, 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, as described in Note 1.

### Basis of Accounting

As more fully described in Note 1, these financial statements were prepared in conformity with U.S. generally accepted accounting principles established by the Financial Accounting Standards Board, which is a basis of accounting other than generally accepted accounting principles for state and local governments established by the Government Accounting Standards Board. Our opinion is not modified with respect to this matter.

*Ernst & Young LLP*

September 9, 2016

# Hedge Fund Pool

---

## Statement of Assets and Liabilities

June 30, 2016

(Amounts in thousands, except unit data)

### Assets

Investments at fair value (cost \$1,253,615)	\$	1,508,463
Advance on investment in other fund (Note 5)		75,000
Receivables:		
Investment funds redeemed		14,866
Accrued interest		63
Dividends		16
		<hr/>
<b>Total assets</b>		1,598,408

### Liabilities

Accrued expenses		<hr/> 131
<b>Net assets</b>	\$	<u><u>1,598,277</u></u>

### Unit data

Units outstanding		120,354,355
Net asset value, unit price	\$	<u><u>13.28</u></u>

See accompanying notes to financial statements.

# Hedge Fund Pool

## Schedule of Investments

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
<b><u>Hedge Funds</u></b>			
<i>Directional Funds</i>			
Brevan Howard Fund Limited		\$ 38,256	\$ 53,464
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	56,700
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	16,779
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	41,855
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.			
<i>Total Directional Funds</i>		125,780	168,798
<i>Equity Long/Short Funds</i>			
MW Eureka Fund		46,001	77,252
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.			
PFM Diversified Offshore Fund		55,000	71,614
Investment Objective - To generate attractive risk-adjusted capital appreciation by employing a variety of strategies primarily focused in liquid equity markets.			
Redemption Provisions - Every three years with 45 days prior written notice and subject to maximum withdrawal restrictions.			
A detail of the underlying investments is not available.			

*See accompanying notes to financial statements.*

# Hedge Fund Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Scopia PX International, Ltd. 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.		50,000	56,229
<i>Total Equity Long/Short Funds</i>		151,001	205,095
<i>Event Driven Fund</i>			
Pershing Square International, Ltd. 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 - Quarterly with 65 days prior written notice subject to maximum withdrawal restrictions. A detail of the underlying investments is not available.		22,500	28,052
<i>Long Biased Fund</i>			
Elementum NatCat Offshore Fund Ltd. 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.		40,000	47,287
<i>Multiple Strategy Funds</i>			
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	57,035
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.		96,842	102,007
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.		57,918	91,420

*See accompanying notes to financial statements.*

# Hedge Fund Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
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	105,170
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.		25,414	45,905
HBK Multi-Strategy Offshore Fund, Ltd. Investment Objective - To deliver attractive absolute returns with relatively low volatility and low correlation to major market indices. Redemption Provisions - Quarterly with 90 days prior written notice. A detail of the underlying investments is not available.		100,000	100,278
Hudson Bay International Fund, Ltd. Investment Objective - To deliver an attractive rate of return by employing a variety of multiple absolute return strategies. Redemption Provisions - Quarterly with 65 days prior written notice. A detail of the underlying investments is not available.		80,000	76,847
Magnetar Capital Fund II, Ltd. 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.		59,246	69,301
OZ Asia Overseas Fund, Ltd. 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.		30,268	44,629
Perry Partners International, Inc. 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.		33,842	41,165

*See accompanying notes to financial statements.*

# Hedge Fund Pool

## Schedule of Investments (continued)

**June 30, 2016**

*(Amounts in thousands, except share data)*

Description	Shares	Cost	Fair Value
Pine River Fund, Ltd. 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.		80,000	92,290
Shepherd Investments International, Ltd. 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.		804	928
Tenor Opportunity Fund, Ltd. 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.		40,000	51,541
Winton Futures Fund, Ltd. 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.		35,000	43,567
<i>Total Multiple Strategy Funds</i>		769,334	922,083
<i>Relative Value Funds</i>			
KLS Diversified Fund Ltd. Investment Objective - To deliver high risk-adjusted absolute returns with low volatility and low correlation to equity and bond markets. Redemption Provisions - Monthly with 60 days prior written notice. A detail of the underlying investments is not available.		70,000	67,435
Menta Global Offshore Ltd. Investment Objective - To deliver consistent superior performance with controlled risk and low correlation to broad market indices through a disciplined, research-driven investment approach. Redemption Provisions - Monthly with 45 days prior written notice. A detail of the underlying investments is not available.		75,000	69,713
<i>Total Relative Value Funds</i>		145,000	137,148
Total Hedge Funds - 94.4%		1,253,615	1,508,463

*See accompanying notes to financial statements.*

# Hedge Fund Pool

---

## Schedule of Investments (continued)

June 30, 2016

(Amounts in thousands, except share data)

<u>Description</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<b><u>Money Market Mutual Fund</u></b>			
Dreyfus Cash Management Institutional Fund - 0.0%	20	-	- *
Total Investments - 94.4%		<u>\$ 1,253,615</u>	<u>\$ 1,508,463</u>

\* - Value is less than \$1,000

See accompanying notes to financial statements.

# Hedge Fund Pool

---

**Statement of Operations**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Investment income**

Interest	\$	7
Dividends		20
		<hr/>
		27

**Total investment income** 27

**Expenses**

Trustee fees		(5)
Custodian bank fees		(1)
Management fees		(419)
Fiduciary bond fees		(2)
Professional service fees		(497)
		<hr/>

**Total expenses** (924)

**Investment loss, net** (897)

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

Net realized gain from investments		9,417
Net change in unrealized appreciation (depreciation) on investments		(85,479)
		<hr/>

**Net loss from investments** (76,062)

**Net decrease in net assets from operations** \$ (76,959)

*See accompanying notes to financial statements.*



## Hedge Fund Pool

---

**Statement of Changes in Net Assets**  
**Year Ended June 30, 2016**  
*(Amounts in thousands, except unit data)*

**Operations**

Investment loss, net	\$ (897)
Net realized gain from investments	9,417
Net change in unrealized appreciation (depreciation) on investments	<u>(85,479)</u>
<b>Net decrease in net assets from operations</b>	<b>(76,959)</b>

**Unit transactions**

Proceeds from sale of units	103,349
Amount paid for repurchase of units	<u>(90,846)</u>
<b>Net increase in net assets from unit transactions</b>	<b><u>12,503</u></b>

**Decrease in net assets** (64,456)

**Net assets, beginning of year** 1,662,733

**Net assets, end of year** \$ 1,598,277

**Unit data**

Units sold	7,701,429
Units repurchased	<u>(6,668,415)</u>
<b>Net increase in units</b>	<b><u><u>1,033,014</u></u></b>

*See accompanying notes to financial statements.*

# Hedge Fund Pool

---

**Statement of Cash Flows**  
**Year Ended June 30, 2016**  
*(Amounts in thousands)*

**Cash flows from operating activities**

Net decrease in net assets from operations	\$	(76,959)
Adjustments to reconcile net decrease in net assets from operations to net cash used in operating activities:		
Purchase of investment funds		(90,000)
Proceeds from redemption of investment funds		53,582
Purchases and sales of short-term investment securities, net		15,035
Increase in accrued interest		(7)
Increase in dividends receivable		(13)
Increase in receivable for investment funds redeemed		(5,198)
Decrease in advance on investments in other funds		15,000
Decrease in accrued expenses		(5)
Net realized gain from investments		(9,417)
Net change in unrealized appreciation (depreciation) on investments		85,479
		<hr/>
<b>Net cash used in operating activities</b>		<b>(12,503)</b>

**Cash flows from financing activities**

Proceeds from units sold		103,349
Amount paid for repurchase of units		(90,846)
		<hr/>
<b>Net cash provided by financing activities</b>		<b>12,503</b>
		<hr/>
<b>Net change in cash</b>		<b>-</b>

**Cash**

Beginning balance		-
Ending balance	\$	-
		<hr/> <hr/>

*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.

The Pool is considered an investment company under U.S. Generally Accepted Accounting Principles (GAAP) and follows the accounting and reporting guidance applicable to investment companies as defined by the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 946 – Financial Services – 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 FASB's ASC 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, 2016.
- 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 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, 2016.

**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, 2016, 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.

U.S. GAAP does not require the Pool to categorize within the fair value hierarchy table investments for which fair value is measured using the net asset value per share practical expedient. All of the Pool's investments in hedge funds were valued using the net asset value per share practical expedient. As these are the only investments in the Pool, a fair value hierarchy table is not presented.

There were no transfers in or out of Levels 1 and 2 during the year ended June 30, 2016.

### **NOTE 5. ADVANCE ON INVESTMENT IN OTHER FUND**

On June 27, 2016, the IMB funded \$75 million to FCOI II Holdings L.P. As of June 30, 2016, this amount has been recorded as an advance on investment in other fund. The subscription terms of the aforementioned fund requires contributions to be received in advance of the July 1, 2016 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, 2015	\$	13.93
Income from investment operations:		
Net investment loss		(0.01)
Net realized and unrealized loss on investment transactions		(0.64)
Total from investment operations		(0.65)
Net asset value at June 30, 2016	\$	13.28

**Total Return (b)** -4.7%

#### Supplemental Data:

Ratio to average net assets (c):		
Expenses		0.06%
Net investment loss		-0.06%
Portfolio turnover rate		3.45%

- (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, 2016.

<u>Participant</u>	<u>Account Value</u>
Teachers' Retirement System	\$ 664,889
Public Employees' Retirement System	580,641
West Virginia Retiree Health Benefit Trust Fund	66,295
State Police Death, Disability and Retirement Fund	57,311
Coal Workers' Pneumoconiosis Fund	50,216
Public Employees Insurance Agency	36,014
Board of Risk and Insurance Management	28,793
West Virginia Department of Environmental Protection Agency	26,213
Deputy Sheriff's Retirement System	18,794
Judges' Retirement System	18,232
State Police Retirement System	15,033
Workers' Compensation Self-Insured Employer Security Risk Pool	10,936
Workers' Compensation Self-Insured Employer Guaranty Risk Pool	7,433
Emergency Medical Services Retirement System	6,354
Wildlife Endowment Fund	5,922
Workers' Compensation Uninsured Employers' Fund	2,383
West Virginia Department of Environmental Protection Trust	1,683
Berkeley County Development Authority	666
Municipal Police Officers' and Firefighters' Retirement System	323
Municipal Policemen's or Firemen's Pension and Relief Funds	146
Total	\$ 1,598,277

# Hedge Fund Pool

---

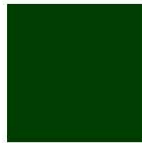
## **Notes to Financial Statements** *(Amounts in thousands, except share data)*

### **NOTE 8. SUBSEQUENT EVENTS**

The IMB has performed an evaluation of events subsequent to June 30, 2016, through September 9, 2016, 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  
Year Ended June 30, 2016



AUDITED FINANCIAL STATEMENTS  
June 30, 2016



# Administrative Fund

---

## Audited Financial Statements June 30, 2016

### Table of Contents

Independent Auditors' Report	
Management's Discussion and Analysis	i
Statement of Net Position	1
Statement of Revenues, Expenses, and Changes in Net Position	2
Statement of Cash Flows	3
Notes to Financial Statements	4



Ernst & Young LLP  
900 United Center  
500 Virginia Street East  
Charleston, WV 25301

Tel: +1 304 343 8971  
Fax: +1 304 357 5994  
ey.com

## Report of Independent Auditors

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 (the Fund), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as 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 opinions 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 respective financial position of the West Virginia Investment Management Board Administrative Fund as of June 30, 2016, 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 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, 2016, 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, 2016

# 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, 2016. 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 \$45.5 million, as compared to \$46.4 million for the previous fiscal year. The change primarily results from a decrease in advisor fees attributed to lower assets under management. Average assets of the investment pools managed by the IMB decreased by \$236 million from the previous year.
- Fees paid to outside investment advisors decreased by \$1.5 million over the previous year as a result of a decrease in assets under management. The average expense ratio for investment advisor fees across all pools was 21.6 basis points for the year, as compared to 22.2 basis points for the previous year.
- Custodian bank fees increased by \$43,000 from the previous year, largely as a result of an increase in the amount of international assets under custody and an increase in the number of transactions in foreign markets.
- Fees for professional services increased by \$549,000, primarily attributable to an increase in legal fees related to the ongoing litigation.
- Administrative expenses increased by \$9,000, or 0.2 percent, from the previous year. The expense ratio for administrative expenses was 2.6 basis points of average net assets, which is consistent with the prior year. Salaries increased by \$30,000 from \$2,402,000 to \$2,432,000. In total, administrative expenses were \$1.1 million lower than the expenses included in the fiscal year budget approved by the Board of Trustees.
- Dividend income increased from 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, 2016, were \$12.9 million, and were mostly comprised of cash and cash equivalents and receivables for investment service fees. This was \$312,000 lower than the previous year.

Total liabilities as of June 30, 2016, were \$8.5 million, consisting of invoices payable and accrued liabilities for investment management and consulting fees, custodial fees, and administrative expenses. This was \$321,000 lower 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.

<b>Table 1</b> <b>Net Position and Assets Under Management</b> <b>(In thousands)</b>	<b>2016</b>	<b>2015</b>
Cash and cash equivalents	\$ 3,853	\$ 3,880
Receivables	8,677	8,931
Other assets	<u>396</u>	<u>427</u>
Total assets	12,926	13,238
Total liabilities	<u>(8,498)</u>	<u>(8,819)</u>
Net position	<u>\$ 4,428</u>	<u>\$ 4,419</u>
Composition of net position:		
Net investment in capital assets	\$ 328	\$ 344
Unrestricted	4,100	4,075
Assets under management at June 30	\$ 16,724,159	\$ 17,143,319

<b>Table 2</b> <b>Changes in Net Position</b> <b>(In thousands)</b>	<b>2016</b>	<b>2015</b>	<b>Percentage Change</b>
Investment service fees	\$ 45,542	\$ 46,392	-1.8%
Expenses			
Advisor fees	(35,842)	(37,297)	-3.9%
Custodian fees	(1,867)	(1,824)	2.4%
Trustee fees	(50)	(50)	0.0%
Fiduciary bond expense	(26)	(26)	0.0%
Professional service fees	(3,357)	(2,808)	19.6%
Administrative expenses	<u>(4,393)</u>	<u>(4,384)</u>	0.2%
Operating (loss)/income	7	3	n/a
Nonoperating revenues	<u>2</u>	<u>1</u>	n/a
(Decrease)/increase in net position	9	4	n/a
Net position – beginning of year	<u>4,419</u>	<u>4,415</u>	0.1%
Net position – end of year	<u>\$ 4,428</u>	<u>\$ 4,419</u>	0.2%



# Administrative Fund

---

## Management's Discussion and Analysis

### **CAPITAL ASSETS**

The IMB Administrative Fund made acquisitions of capital assets totaling \$66,200 during the current fiscal year. The June 30, 2016 work in progress balance of \$24,000 relates to the development of two software solutions that are scheduled to be completed in fiscal year 2017. There were no disposals.

### **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](http://www.wvimb.org).

# Administrative Fund

---

## Statement of Net Position June 30, 2016

### Assets

#### Current assets:

Cash and cash equivalents	\$ 3,852,980
Accounts receivable	8,677,317
Prepaid expenses	67,415
Dividend receivable	<u>382</u>

**Total current assets** 12,598,094

#### Capital assets:

Equipment	455,304
Office furniture	218,749
Other depreciable property	121,190
Leasehold improvements	260,360
Work in progress	24,000
Less accumulated depreciation	<u>(751,301)</u>

**Total capital assets (net of accumulated depreciation)** 328,302

**Total assets** 12,926,396

### Liabilities

#### Current liabilities:

Accounts payable and accrued expenses	<u>8,498,737</u>
---------------------------------------	------------------

**Total current liabilities** 8,498,737

**Total liabilities** 8,498,737

### Net position

Net investment in capital assets	328,302
Unrestricted	<u>4,099,357</u>

**Total net position** \$ 4,427,659

*See accompanying notes to financial statements.*

## Administrative Fund

---

### Statement of Revenues, Expenses, and Changes in Net Position Year Ended June 30, 2016

#### Operating revenues

Investment service fees	<u>\$ 45,541,696</u>
-------------------------	----------------------

<b>Total operating revenues</b>	<u>45,541,696</u>
---------------------------------	-------------------

#### Operating expenses

Advisor fees	35,841,705
Custodian fees	1,866,827
Trustee fees	50,000
Fiduciary bond expenses	25,875
Professional service fees	3,357,201
Administrative expenses	<u>4,393,689</u>

<b>Total operating expenses</b>	<u>45,535,297</u>
---------------------------------	-------------------

<b>Operating income</b>	6,399
-------------------------	-------

#### Nonoperating revenues

Dividend income	<u>2,104</u>
-----------------	--------------

<b>Total nonoperating revenues</b>	<u>2,104</u>
------------------------------------	--------------

<b>Increase in net position</b>	8,503
---------------------------------	-------

Net position, beginning of year	<u>4,419,156</u>
---------------------------------	------------------

<b>Net position, end of year</b>	<u><u>\$ 4,427,659</u></u>
----------------------------------	----------------------------

*See accompanying notes to financial statements.*

## Administrative Fund

---

### Statement of Cash Flows Year Ended June 30, 2016

#### Cash flows from operating activities

Cash received from customers	\$ 45,795,361
Cash paid to suppliers	(42,311,365)
Cash paid to employees	<u>(3,430,496)</u>

**Net cash provided by operating activities** 53,500

#### Cash flows from capital and related financing activities

Construction and acquisition of capital assets	<u>(82,699)</u>
--	-----------------

**Net cash used for capital and related financing activities** (82,699)

#### Cash flows from investing activities

Dividends on investments	<u>1,760</u>
--------------------------	--------------

**Net cash provided by investing activities** 1,760

**Net decrease in cash and cash equivalents** (27,439)

**Cash and cash equivalents, beginning of year** 3,880,419

**Cash and cash equivalents, end of year** \$ 3,852,980

#### Reconciliation of operating income to net cash used on operating activities:

Operating income	\$ 6,399
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	98,749
Change in assets and liabilities:	
Decrease in accounts receivable	253,665
Decrease in prepaid expenses	15,124
Decrease in accounts payable and accrued expenses	<u>(320,437)</u>

**Total adjustments** 47,101

**Net cash used on operating activities** \$ 53,500

*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.

**Fair Value Measurements** - GASB has issued Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015. The IMB Administrative Fund adopted this standard, which categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The IMB Administrative Fund's cash equivalents are invested in an institutional Treasury Money Market fund valued at \$3,852,780 as of June 30, 2016, using quoted market prices (Level 1 inputs).

**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, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, not being depreciated:				
Work in progress	\$ 7,500	\$ 62,547	\$ (46,047)	\$ 24,000
Total capital assets, not being depreciated	<u>7,500</u>	<u>62,547</u>	<u>(46,047)</u>	<u>24,000</u>
Capital assets, being depreciated:				
Office equipment	455,304	-	-	455,304
Office furniture	218,749	-	-	218,749
Other depreciable property	54,990	66,200	-	121,190
Leasehold improvements	260,360	-	-	260,360
Total capital assets, being depreciated	<u>989,403</u>	<u>66,200</u>	<u>-</u>	<u>1,055,603</u>
Less accumulated depreciation for:				
Office equipment	(409,598)	(21,633)	-	(431,231)
Office furniture	(127,312)	(11,074)	-	(138,386)
Other depreciable property	(31,391)	(18,065)	-	(49,456)
Leasehold improvements	(84,251)	(47,977)	-	(132,228)
Total accumulated depreciation	<u>(652,552)</u>	<u>(98,749)</u>	<u>-</u>	<u>(751,301)</u>
Capital assets, net	<u>\$ 344,351</u>	<u>\$ 29,998</u>	<u>\$ (46,047)</u>	<u>\$ 328,302</u>

Depreciation expense of \$98,749 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 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. The IMB shall receive a refund if the actual amount is less than the base year 2012 amount. Rent expense for the year ended June 30, 2016 totaled \$230,463.

The following is a schedule of future minimum rental payments required under this lease.

Fiscal years ending June 30:

2017	235,599
2018	235,599
2019	235,599
2020	117,800
Total	<u>\$ 824,597</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, 2016 totaled \$239,061. 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, 2016 were \$102,883.

### NOTE 6. CASH AND INVESTMENT RISK

At June 30, 2016, 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.