

Securities Fraud Litigation Policy

The Securities Fraud Litigation Policy (the “Policy”) sets forth the roles, responsibilities, processes and evaluative criteria that the West Virginia Investment Management Board (“WVIMB”) will use in analyzing and managing securities fraud litigation matters.

Proofs of Claim Monitoring

The WVIMB shall utilize the services of a qualified custodial bank for purposes of monitoring and managing the timely filing of proofs of claim in securities fraud litigation matters in respect of investments held by the WVIMB from time to time. Such custodial bank shall be responsible for the timely and effective filing of proofs of claim in all actions involving securities held on behalf of the WVIMB. WVIMB staff shall be responsible for monitoring the timely and effective filing of proofs of claim by the WVIMB’s custodial bank.

Identification of Potential Securities Fraud Matters

1. In addition to the routine filing of proofs of claim as described above, the WVIMB will consider and assess whether and under what circumstances it may choose to become more actively involved in securities fraud litigation from time to time. To this end, the WVIMB adopts the policies and procedures set forth below. Staff will utilize analysis and information from a variety of sources to monitor and evaluate potential securities fraud litigation matters, including but not limited to: (a) print and electronic publications; (b) Internet sites; (c) cooperative arrangements with other institutional investors; (d) information provided to the WVIMB by the WVIMB custodial bank and its advisors and fund managers; (e) information prepared by law firms specializing in securities fraud litigation; and (f) any other recognized and reliable source of information on such matters. To assist in this process, the WVIMB Legal Committee will engage no more than three law firms specializing in securities fraud litigation to regularly analyze the WVIMB portfolio for the express purpose of advising the WVIMB of potential securities fraud litigation matters that meet the criteria for further action

as outlined below. From these sources, the WVIMB staff, with the advice and assistance of WVIMB General Counsel, will identify, on an ongoing basis, newly filed securities fraud cases and potential securities fraud cases that appear to have legal merit.

2. Securities fraud matters that are determined to have potential legal merit will be analyzed by the WVIMB staff to determine whether the WVIMB held the securities in question during the time period involving possible fraud. If it appears from such an analysis that the WVIMB securities holding qualifies for membership in the affected class, the WVIMB staff will calculate the approximate level of losses that the WVIMB experienced.
3. Securities fraud matters with legal merit will not be considered for more active involvement by the WVIMB staff unless:
 - 3.1. There is a significant loss to the WVIMB or there is substantial evidence of fraud or wrong doing so egregious that it carries potential criminal implications for the wrongdoer, and
 - 3.2. There is a substantial likelihood of the recovery of significant amounts of the loss suffered by the WVIMB.
4. If the conditions in Section 3 above are satisfied, the WVIMB staff will make an assessment and recommendation as to whether to undertake an active role in pending or potential securities fraud litigation by considering additional criteria and factors, which factors and criteria shall include but may not be limited to the following:
 - 4.1. The size of the claim and the likely degree of recovery versus the time and costs involved in pursuing the matter actively.
 - 4.2. The investment manager's evaluation, if any, of the business merits of the claim (i.e., the extent to which the manager believes there was wrongdoing).
 - 4.3. Staffing constraints that might make it difficult for the WVIMB to effectively pursue the case actively, either as a lead plaintiff or through an independent lawsuit.

- 4.4. The investment manager's opinion on the potential impact on the portfolio of possible trading restrictions arising from the acquisition of inside information in the litigation.
- 4.5. A legal analysis of the system's or investment manager's files and any related materials for any unique issue or defenses to which the WVIMB might be subject to in the particular case.
- 4.6. The effectiveness and availability of potential witnesses.
- 4.7. The ability of the investment manager to respond to requested discovery.
- 4.8. The effectiveness of potential alternatives for recovering the value of the claim, such as corporate governance actions or less costly methods of monitoring the litigation.
- 4.9. Whether the active involvement of the WVIMB will add value to the potential resolution or management of the case.
- 4.10. Whether any other institutional investors are members of the class, and the extent to which they plan to become actively involved.
- 4.11. The overall impact to the WVIMB portfolio of active claims management may also be taken into consideration in addition to the factors involved in a single case (e.g., the deterrence of future fraud from pursuit of claims against corporate bad actors or culpable auditors that are unlikely to be pressured without active case management by a knowledgeable lead plaintiff; introduction of competition between law firms to lower the size of legal fee awards taken out of recoveries; raising the standard for acceptable recoveries in class actions; and fostering changes in corporate culture that are likely to benefit shareholders).

Management of Securities Fraud Matters

5. If the WVIMB staff determines, based on the criteria set forth in section 4 of this policy statement, that a matter is worth pursuing, staff will submit the matter to the Legal Committee of the Board. The submission will contain a recommendation from staff identifying the matter as a case where the WVIMB should either:
 - 5.1. Seek "lead" plaintiff status;

- 5.2. Opt out of the class and pursue an independent securities litigation action; or
- 5.3. File for “lead” plaintiff with the understanding and agreement that the WVIMB will partner with another institutional investor in carrying out the “lead” plaintiff responsibilities.

If the WVIMB staff decides that it is not in the best interest of the WVIMB to pursue lead plaintiff status or an independent action, WVIMB staff may recommend other options, including but not limited to the following:

- 5.4 Attempting to get a larger claimant to become lead plaintiff.
 - 5.5 Monitor the case from the sidelines.
 - 5.6 Write letters to the court and/or lead plaintiff to bring up issues being ignored.
 - 5.7 File a motion to support particular lead plaintiff or lead counsel candidates.
 - 5.8 File a motion of appearance and more actively monitor the case.
 - 5.9 Attempt to negotiate an agreement with lead counsel that will require them to keep the WVIMB informed of case developments, allow WVIMB access to discovery upon request and allow WVIMB to participate in settlement negotiations or be consulted on a settlement.
 - 5.10 Wait until settlement with the option to object to a poor settlement or excessive fees.
 - 5.11 File amicus briefs.
6. The Legal Committee may authorize the initiation of securities fraud litigation, or such other action as it determines to be appropriate and in the best interests of the WVIMB and its constituents. The Legal Committee will provide a full report to the Board of Trustees at its next meeting of any and all staff recommendations in respect of securities fraud litigation matters, and of any and all actions taken by the Legal Committee in respect thereof.
 7. Upon the approval of action in a securities fraud matter by the Legal Committee, the Legal Committee shall select legal counsel to represent WVIMB, either in the WVIMB’s capacity as lead plaintiff or in such other capacity as may be authorized and approved by the Legal

Committee. Legal Counsel, in such case, shall be selected from a list of no more than ten (10) pre-approved qualified securities litigation firms. Factors the Legal Committee shall consider in its selection process shall include but may not be limited to: fees, other clients represented, and particular expertise or familiarity with the issues presented in the particular case. The Legal Committee may select a qualified law firm not on the pre-approved list if it believes that such selection is in the best interest of the WVIMB.

8. Staff and General Counsel shall monitor and manage any and all securities fraud matters in which the WVIMB takes an active role from time to time, and shall promptly report all significant developments respecting same to the Legal Committee.
9. The authority to settle, withdraw from or otherwise terminate a securities fraud litigation matter initiated by the WVIMB pursuant to this Policy shall rest with the Legal Committee, but the Legal Committee may delegate such authority to the Executive Director or General Counsel from time to time, in its discretion.