

**This following information is excerpted from Form N-Q for the unaudited period ending September 30, 2011.**

**For a copy of the complete Form N-Q go to:**

**<http://sec.gov/Archives/edgar/data/1007226/000119312511324440/d261960dnq.htm>.**



PORTFOLIO OF INVESTMENTS  
WESMARK WEST VIRGINIA MUNICIPAL BOND FUND

September 30, 2011 (Unaudited)

Shares/Principal Amount		Value
<b>MUNICIPAL BONDS-97.1%</b>		
<b>Idaho-0.9%</b>		
\$835,000	Idaho Housing & Finance Association Revenue Bonds, 4.375%, 7/1/2025	\$846,732
<b>Ohio-0.8%</b>		
205,000	County of Monroe, Ohio, General Obligation Bonds, 4.900%, 12/1/2017	201,802
500,000	Toledo City School District General Obligation Unlimited Bonds, 5.000%, 12/1/2027	518,265
		<u>720,067</u>
<b>Pennsylvania-1.8%</b>		
1,170,000	New Kensington Municipal Sanitary Authority Revenue Bonds, Series B, 4.100%, 12/1/2026	1,170,515
500,000	Pennsylvania Higher Educational Facilities Authority Revenue Bonds (University of Pittsburgh Medical Center), 3.150%, 5/15/2016	529,050
		<u>1,699,565</u>
<b>Texas-1.7%</b>		
500,000	City of Dallas, Texas Waterworks & Sewer System Revenue Bonds, 5.000%, 10/1/2029	532,485
1,000,000	Harris County Texas Municipal Utility District No. 368 General Obligation Bonds, 5.500%, 9/1/2036	1,079,570
		<u>1,612,055</u>
<b>Virginia-0.8%</b>		
765,000	Virginia Housing Development Authority Revenue Bonds, 4.500%, 7/1/2024	780,545
<b>West Virginia-91.1%</b>		
1,170,000	Berkeley County, West Virginia, Board of Education General Obligation Unlimited Bonds, 3.375%, 5/1/2022	1,229,144
455,000	Berkeley County, West	

Shares/Principal Amount		Value
\$825,000	Berkeley County, West Virginia, Building Commission Lease Revenue Bonds (Judicial Center Project), Series A, 4.700%, 12/1/2024, (NATL-RE)	\$859,931
250,000	Berkeley County, West Virginia, Public Service District Revenue Bonds, 4.250%, 12/1/2024	256,988
	Berkeley County, West Virginia, Public Service Sewer District Revenue Bonds:	
470,000	Series A, 4.700%, 10/1/2016	471,856
815,000	Series A, 5.000%, 10/1/2022	810,232
400,000	Series A, 4.650%, 10/1/2025	385,252
700,000	Series A, 4.650%, 3/1/2037	570,500
135,000	Series B, 4.800%, 10/1/2025	131,775
575,000	Braxton County, West Virginia, Board of Education General Obligation Unlimited Bonds (Public Schools), 5.000%, 5/1/2022, (FSA)	647,139
	Calhoun County, West Virginia, Board of Education General Obligation Unlimited Bonds (Public Schools):	
195,000	3.600%, 6/1/2024	204,405
205,000	3.750%, 6/1/2025	214,643
215,000	3.850%, 6/1/2026	224,339
	Charles Town, West Virginia, Waterworks & Sewer System Revenue Bonds (Combination):	
200,000	Series A, 3.400%, 10/1/2014	207,022
205,000	Series A, 3.600%, 10/1/2015	214,463
200,000	Series A, 3.800%, 10/1/2016	209,192
1,200,000	Charleston, West Virginia, Urban Renewal Authority Lease Revenue Bonds, 5.300%, 12/15/2022	1,227,288
895,000	City of Buckhannon, West Virginia, Commercial Development Revenue Bonds, Series A, 4.400%, 8/1/2025	884,000



Virginia, Building Commission Lease Revenue Bonds (County Facility Project), 4.750%, 12/1/2019	480,225		City of Kingwood, West Virginia, Sewer System Revenue Bonds:	
		150,000	3.000%, 10/1/2013	151,678
		150,000	3.500%, 10/1/2016	153,936
		230,000	4.000%, 10/1/2020	234,161
		1,000,000	Clarksburg, West Virginia, Water Revenue Bonds, 5.250%, 9/1/2019, (NATL-RE FGIC)	1,035,510
		800,000	County of Greenbrier, West Virginia, Tax Increment Revenue Bonds, 4.500%, 6/1/2013	797,688



Shares/Principal Amount		Value
	Fairmont State College, West Virginia, College Revenue Bonds:	
\$1,000,000	Series 2003-A, 5.250%, 6/1/2022	\$1,028,840
1,460,000	Series 2003-A, 5.000%, 6/1/2032	1,487,083
	Fairmont, West Virginia, Waterworks Revenue Bonds:	
500,000	Series 1999, 5.250%, 7/1/2017, (AMBAC)	501,575
1,235,000	Series 1999, 5.000%, 7/1/2019, (AMBAC)	1,235,543
1,240,000	Grant County, West Virginia, County Commission Hospital Revenue Bonds (Grant Memorial Hospital), Series C, 5.350%, 10/1/2019, (FSA)	1,243,137
	Marshall County, West Virginia, Board of Education General Obligation Unlimited Bonds (Public Schools):	
1,175,000	5.000%, 5/1/2021, (NATL-RE)	1,316,505
1,000,000	5.000%, 5/1/2022, (NATL-RE)	1,113,850
1,000,000	Mason County, West Virginia, Pollution Control Revenue Bonds (Appalachian Power Co. Project), Series L, 5.500%, 10/1/2022	1,000,920
	Monongalia County, West Virginia, Building Commission Hospital Revenue Bonds (Monongalia General Hospital):	
1,015,000	Series A, 5.250%, 7/1/2020	1,051,814
500,000	Series A, 5.000%, 7/1/2030	464,870
525,000	Series A, 5.250%, 7/1/2035	485,436
500,000	Morgantown, West Virginia, Revenue Bonds, 3.000%, 12/1/2016	529,660
125,000	Ohio County, West Virginia, Board of Education General Obligation Unlimited Bonds, 5.000%, 6/1/2013, (MBIA)	125,354

Parkersburg, West

Shares/Principal Amount		Value
\$2,000,000	Preston County Board of Education General Obligation Unlimited Bonds, 4.000%, 5/1/2026	\$2,120,820
1,195,000	Putnam County, West Virginia, Building Commission Lease Revenue Bonds (County Service Building Project), Series A, 5.375%, 12/1/2023	1,312,218
1,310,000	Randolph County, West Virginia, County Commission Health System Revenue Bonds (Davis Health System, Inc.), Series A, 5.200%, 11/1/2015	1,362,636
180,000	Weirton, West Virginia, Municipal Hospital Building Commission Revenue Bonds (Weirton Medical Center), Series A, 5.250%, 12/1/2011	180,169
	West Liberty State College, West Virginia, Revenue Bonds (Dormitory):	
190,000	Series A, 4.800%, 6/1/2012	193,105
1,240,000	Series A, 6.000%, 6/1/2023	1,301,132
900,000	Series A, 6.125%, 6/1/2028	938,367
	West Virginia Building Commission Lease Revenue Bonds (West Virginia Regional Jail):	
1,000,000	Series A, 5.250%, 7/1/2012, (AMBAC)	1,027,280
1,145,000	Series A, 5.375%, 7/1/2018	1,239,234
3,000,000	Series A, 5.375%, 7/1/2021, (AMBAC)	3,151,770
	West Virginia Economic Development Authority Lease Revenue Bonds (Correctional Juvenile & Public):	
180,000	5.000%, 6/1/2026	185,272
315,000	5.000%, 6/1/2026	327,959
1,000,000	Series A, 5.500%, 6/1/2016	1,044,420
1,630,000	West Virginia Economic Development Authority Lease Revenue Bonds (Correctional Juvenile Safety), Series A, 5.000%,	



	Virginia, Waterworks & Sewer System Revenue Bonds:	
500,000	Series A, 5.000%, 8/1/2019, (NATL-RE FGIC)	526,405
500,000	Series A, 4.500%, 8/1/2022, (NATL-RE FGIC)	511,425
600,000	Pleasants County, West Virginia, Board of Education General Obligation Unlimited Bonds (Public Schools), 4.000%, 5/1/2026	626,694

	6/1/2029	1,681,378
1,000,000	West Virginia Economic Development Authority Lease Revenue Bonds (Correctional Juvenile), 4.000%, 6/1/2023	1,048,160
580,000	West Virginia Economic Development Authority Lease Revenue Bonds (Department of Environmental Protection), 4.750%, 11/1/2012	604,725



Shares/Principal Amount		Value
	West Virginia Economic Development Authority Lease Revenue Bonds (State Energy Savings Project):	
\$920,000	4.500%, 6/1/2020	\$971,989
860,000	4.750%, 6/1/2022	908,960
	West Virginia Economic Development Authority Lease Revenue Bonds (State Office Building & Parking Lot):	
260,000	Series A, 3.000%, 8/1/2014	273,317
150,000	Series A, 3.000%, 8/1/2015	158,727
570,000	West Virginia Economic Development Authority Lease Revenue Bonds (West Virginia Facilities), Series A, 5.000%, 3/1/2019	603,601
1,000,000	West Virginia Economic Development Authority Lease Revenue Bonds (West Virginia University Foundation Waterfront), Series B, 5.000%, 7/15/2022	1,019,960
	West Virginia Economic Development Authority Revenue Bonds:	
500,000	5.500%, 6/1/2017	522,210
1,000,000	3.750%, 6/15/2023	1,021,580
500,000	Series B, 5.000%, 7/15/2019	511,855
1,500,000	West Virginia Higher Education Governing Board University Revenue Bonds (Marshall University), 5.000%, 5/1/2023	1,658,325
	West Virginia Higher Education Policy Commission Revenue Bonds (Higher Education Facilities):	
235,000	Series A, 3.750%, 4/1/2019	249,824
405,000	Series A, 4.000%, 4/1/2020	434,836
485,000	Series A, 5.000%, 4/1/2026	528,728
190,000	Series B, 5.000%, 4/1/2016	207,651
2,315,000	Series B, 5.000%, 4/1/2018	2,516,961
2,805,000	Series B, 5.000%, 4/1/2024	2,968,307
2,000,000	West Virginia Higher Education Policy Commission Revenue Bonds (University Facilities), Series A, 5.000%, 4/1/2012	2,043,200
1,000,000	West Virginia Higher Education Policy	

Shares/Principal Amount		Value
\$1,000,000	West Virginia Hospital Finance Authority Revenue Bonds (ARCS Improvement), Series D, 5.375%, 6/1/2028	\$1,068,730
300,000	West Virginia Hospital Finance Authority Revenue Bonds (United Hospital Center, Inc. Project), Series A, 4.500%, 6/1/2026	292,749
	West Virginia School Building Authority Excess Lottery Revenue Bonds:	
450,000	4.125%, 7/1/2017	503,145
450,000	4.250%, 7/1/2018	506,871
200,000	Series B, 3.000%, 7/1/2018	212,288
2,000,000	West Virginia School Building Authority Lottery Revenue Bonds (Capital Improvement), 5.250%, 7/1/2012	2,069,960
810,000	West Virginia State Road General Obligation Bonds, 5.000%, 6/1/2024	879,709
	West Virginia University Revenue Bonds (West Virginia University Project):	
1,000,000	Series A, 5.500%, 4/1/2016, (MBIA)	1,168,280
500,000	Series B, 5.000%, 10/1/2021	535,635
1,000,000	Series C, 5.000%, 10/1/2026	1,048,010
1,275,000	Series C, 5.000%, 10/1/2027	1,332,502
500,000	Series C, 5.000%, 10/1/2034, (FSA)	517,660
2,000,000	Series C, 5.000%, 10/1/2034	2,062,060
	West Virginia Water Development Authority Infrastructure Revenue Bonds:	
2,000,000	Series A, 4.400%, 10/1/2018	2,065,440
250,000	Series A, 5.000%, 10/1/2028	258,257
1,090,000	West Virginia Water Development Authority Infrastructure Revenue Bonds (West Virginia Infrastructure Jobs Program), Series A,	



	Commission, Revenue	
	Bonds, 5.000%, 4/1/2029	1,027,280
1,070,000	West Virginia Hospital Finance Authority Lease Revenue Bonds (Veterans Nursing Home), 5.500%, 3/1/2019	1,075,917

	4.750%, 10/1/2023	1,167,848
500,000	West Virginia Water Development Authority Revenue Bonds (Loan Program), Series A-1, 5.250%, 11/1/2023	520,320
	West Virginia Water Development Authority Revenue Bonds (Loan Program II): Series A-II, 5.000%, 11/1/2025	1,051,020
1,000,000		
900,000	Series A-II, 4.250%, 11/1/2026	915,129
500,000	Series B, 5.250%, 11/1/2023, (AMBAC)	522,905
1,000,000	Series B, 5.000%, 11/1/2029	1,028,900



Shares/Principal Amount		Value
	West Virginia Water Development Authority Revenue Bonds (Loan Program IV):	
\$500,000	Series A, 5.000%, 11/1/2019, (FSA)	\$543,855
1,000,000	Series B-IV, 5.125%, 11/1/2024	1,060,370
650,000	Series B-IV, 4.750%, 11/1/2035	662,019
395,000	West Virginia, General Obligation Unlimited Bonds (Capital Appreciation Infrastructure), Series A, Zero Coupon, 11/1/2021	298,217
500,000	West Virginia, General Obligation Unlimited Bonds (State Road), 5.000%, 6/1/2021	551,865
	Wheeling, West Virginia, Waterworks & Sewer System Revenue Bonds:	
700,000	Series A, 3.500%, 6/1/2016	743,239
500,000	Series A, 4.250%, 6/1/2026, (FSA)	514,880
500,000	Series A, 4.750%, 6/1/2036, (FSA)	515,760
		<u>85,889,974</u>
<b>TOTAL MUNICIPAL BONDS</b>		
(Cost \$88,787,144)		<u>91,548,938</u>
<b>SHORT TERM INVESTMENTS-1.6%</b>		
	<b>Mutual Funds-1.6%</b>	
1,469,614	Federated U.S. Treasury Cash Reserve Fund 7-Day Yield 0.002% (at net asset value)	1,469,614
<b>TOTAL SHORT TERM INVESTMENTS</b>		
(Cost \$1,469,614)		<u>1,469,614</u>
<b>TOTAL INVESTMENTS-98.7%</b>		
(Cost \$90,256,758)		<u>93,018,552</u>
<b>OTHER ASSETS AND LIABILITIES</b>		
<b>-NET<sup>(1)</sup>-1.3%</b>		<u>1,255,555</u>
<b>NET ASSETS-100.0%</b>		<u><u>\$94,274,107</u></u>

<sup>(1)</sup> Assets, other than investments in securities, less liabilities.

Note: The categories of investments are shown as a percentage of net assets at September 30, 2011.

The following acronyms are used throughout this portfolio:

Insurers:  
AMBAC - AMBAC Indemnity Corp.  
FGIC - Financial Guaranty Insurance Co.  
FSA - Financial Security Assurance, Inc.  
MBIA - MBIA Insurance Co.

See accompanying Notes to Quarterly Portfolio of Investments.



**Notes to Quarterly Portfolio of Investments  
September 30, 2011 (unaudited)**

**1. Organization**

WesMark Funds (the “Trust”) is registered under the Investment Company Act of 1940, as amended (the “Act”), as an open-end management investment company. The Trust consists of five portfolios (individually referred to as the “Fund”, or collectively as the “Funds”) which are presented herein:

<b>Portfolio Name</b>	<b>Diversification</b>	<b>Investment Objective</b>
WesMark Small Company Growth Fund (“Small Company Growth Fund”)	Diversified	To achieve capital appreciation
WesMark Growth Fund (“Growth Fund”)	Diversified	To achieve capital appreciation
WesMark Balanced Fund (“Balanced Fund”)	Diversified	To achieve capital appreciation and income
WesMark Government Bond Fund (“Government Bond Fund”)	Diversified	To achieve high current income consistent with preservation of capital
WesMark West Virginia Municipal Bond Fund (“West Virginia Municipal Bond Fund”)	Non-diversified	To achieve current income which is exempt from federal income tax and income taxes imposed by the State of West Virginia

The assets of each Fund are segregated and a shareholder’s interest is limited to the Fund in which shares are held. Each Fund pays its own expenses.

**2. Significant Accounting Policies**

The following is a summary of significant accounting policies consistently followed by the Funds in the preparation of their financial statements. These policies are in conformity with generally accepted accounting principles (“GAAP”) in the United States of America.

The accompanying financial statements were prepared in accordance with GAAP in the United States, which require the use of estimates made by management of the Funds. Actual results could differ from those estimated.

**Investment Valuation** – In calculating its net asset value (NAV), the Funds generally value investments as follows:

- >> Equity securities listed on an exchange or traded through a regulated market system are valued at their last reported sale price or official closing price on their principal exchange or market.
- >> Fixed-income securities acquired with remaining maturities greater than 60 days are fair valued using price evaluations provided by a pricing service approved by the Board of Trustees (the “Trustees”).
- >> Fixed-income securities acquired with remaining maturities of 60 days or less are valued at their cost (adjusted for the accretion of any discount or amortization of any premium).
- >> Shares of other mutual funds are valued based upon their reported NAVs.

If the Funds cannot obtain a price or price evaluation from a pricing service for an investment, the Funds may attempt to value the investment based upon the mean of bid and asked quotations or fair value the investment based on price evaluations, from one or more dealers. If any price, quotation, price evaluation or other pricing source is not readily available when the NAV is calculated, the Funds use the fair value of



the investment determined in accordance with the procedures described below. There can be no assurance that the Funds could purchase or sell an investment at the price used to calculate the Funds' NAVs.

### Fair Valuation and Significant Events Procedures

The Trustees have authorized the use of pricing services to provide evaluations of the current fair value of certain investments for purposes of calculating the NAV. Factors considered by pricing services in evaluating an investment include the yields or prices of investments of comparable quality, coupon, maturity, call rights and other potential prepayments, terms and type, reported transactions, indications as to values from dealers, and general market conditions. The Funds normally use mid evaluations (a price evaluation indicative of a price between the bid and asked prices for an investment) for fixed-income securities. In the event that market quotations and price evaluations are not available for an investment, the fair value of the investment is determined in accordance with procedures adopted by the Trustees.

The Trustees also have adopted procedures requiring an investment to be priced at its fair value whenever the Adviser determines that a significant event affecting the value of the investment has occurred between the time as of which the price of the investment would otherwise be determined and the time as of which the NAV is computed. An event is considered significant if there is both an affirmative expectation that the investment's value will change in response to the event and a reasonable basis for quantifying the resulting change in value. Examples of significant events that may occur after the close of the principal market on which a security is traded, or after the time of a price evaluation provided by a pricing service or a dealer, include:

- With respect to securities traded in foreign markets, significant trends in U.S. equity markets or in the trading of foreign securities index futures or options contracts;
- With respect to price evaluations of fixed-income securities determined before the close of regular trading on the NYSE, actions by the Federal Reserve Open Market Committee and other significant trends in U.S. fixed-income markets;
- Political or other developments affecting the economy or markets in which an issuer conducts its operations or its securities are traded; and
- Announcements concerning matters such as acquisitions, recapitalizations, litigation developments, a natural disaster affecting the issuer's operations or regulatory changes or market developments affecting the issuer's industry.

The Funds may seek to obtain more current quotations or price evaluations from alternative pricing sources. If a reliable alternative pricing source is not available, the Funds will determine the fair value of the investment using another method approved by the Trustees.

Fair value is defined as the price that a Fund would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market of the investment. A three-tier hierarchy has been established to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, for example, the risk inherent in a particular valuation technique used to measure fair value including such a pricing model and/or the risk inherent in the inputs to the valuation technique. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The three-tier hierarchy is summarized in the three broad Levels listed below:



- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Funds have the ability to access at the measurement date.
- Level 2 – Observable inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield curves, default rates and similar data.
- Level 3 – Unobservable inputs for the asset or liability, to the extent relevant observable inputs are not available, representing the Funds’ own assumptions about the assumptions a market participant would use in valuing the asset or liability, and would be based on the best information available.

The following is a summary of the inputs used as of September 30, 2011, in valuing the Funds’ investments carried at value:

**WesMark Small Company Growth Fund**

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks	\$55,218,115	\$-	\$-	\$55,218,115
Short Term Investments	5,242,312	-	-	5,242,312
<b>Total</b>	<b>\$60,460,427</b>	<b>\$-</b>	<b>\$-</b>	<b>\$60,460,427</b>

**WesMark Growth Fund**

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks	\$222,288,610	\$-	\$-	\$222,288,610
Short Term Investments	8,661,123	-	-	8,661,123
<b>Total</b>	<b>\$230,949,733</b>	<b>\$-</b>	<b>\$-</b>	<b>\$230,949,733</b>

**WesMark Balanced Fund**

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Common Stocks	\$33,270,991	\$-	\$-	\$33,270,991
Exchange Traded Funds	767,905	-	-	767,905
Preferred Stocks	1,736,190	-	-	1,736,190
Corporate Bonds	-	10,442,680	-	10,442,680
U.S. Government Agency - Collateralized Mortgage Obligations	-	211,350	-	211,350
U.S. Government Agency - Mortgage Backed Securities	-	3,490,607	-	3,490,607
U.S. Government Agency Securities	-	3,253,899	-	3,253,899
Municipal Bonds	-	6,106,713	-	6,106,713
Short Term Investments	1,783,180	-	-	1,783,180
<b>Total</b>	<b>\$37,558,266</b>	<b>\$23,505,249</b>	<b>\$-</b>	<b>\$61,063,515</b>



**WesMark Government Bond Fund**

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Corporate Bonds	\$-	\$1,329,054	\$-	\$1,329,054
U.S. Government Agency - Collateralized Mortgage Obligations	-	60,416,116	-	60,416,116
U.S. Government Agency - Mortgage Backed Securities	-	121,402,953	-	121,402,953
U.S. Government Agency Securities	-	23,895,231	-	23,895,231
Municipal Bonds	-	45,979,966	-	45,979,966
Short Term Investments	6,849,678	-	-	6,849,678
<b>Total</b>	<b>\$6,849,678</b>	<b>\$253,023,320</b>	<b>\$-</b>	<b>\$259,872,998</b>

**Other Financial Instruments**

Assets	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Delayed Delivery Commitments	\$-	\$3,137,813	\$-	\$3,137,813
<b>Total</b>	<b>\$-</b>	<b>\$3,137,813</b>	<b>\$-</b>	<b>\$3,137,813</b>

**WesMark West Virginia Municipal Bond Fund**

Investments in Securities at Value*	Level 1 - Quoted Prices	Level 2 - Other Significant Observable Inputs	Level 3 - Significant Unobservable Inputs	Total
Municipal Bonds	\$-	\$91,548,938	\$-	\$91,548,938
Short Term Investments	1,469,614	-	-	1,469,614
<b>Total</b>	<b>\$1,469,614</b>	<b>\$91,548,938</b>	<b>\$-</b>	<b>\$93,018,552</b>

All securities of the Funds were valued using either Level 1 or Level 2 inputs during the nine months ended September 30, 2011. Thus a reconciliation of assets in which significant unobservable inputs (Level 3) were used is not applicable for the Funds.

There were no significant transfers into and out of Level 1 and 2 during the period. It is the Funds' policy to recognize transfers into and out of all levels at the end of the reporting period.

\*For detailed descriptions of sector and/or geography classifications, see the accompanying Portfolio of Investments.

**Recent Accounting Pronouncement** – In May 2011, the FASB issued ASU No. 2011-04 “Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements” in GAAP and the International Financial Reporting Standards (“IFRSs”). ASU No. 2011- 04 amends FASB ASC Topic 820, Fair Value Measurements and Disclosures, to establish common requirements for measuring fair value and for disclosing information about fair value measurements in accordance with GAAP and IFRSs. ASU No. 2011-04 is effective for fiscal years beginning after December 15, 2011 and for interim periods within those fiscal years. Management is currently evaluating the impact these amendments may have on the Funds’ financial statements.

**Investment Income, Expenses and Distributions** – Investment transactions are accounted for on a trade-date basis. Realized gains and losses from investment transactions are recorded on an identified cost basis. Interest income and expenses are accrued daily. Dividend income and distributions to shareholders are recorded on the ex-dividend date. Foreign dividends are recorded on the ex-dividend date or when the Fund is informed of the ex-dividend date. Distributions of net investment income, if any, for the Small Company Growth Fund and



Growth Fund are declared and paid quarterly. Distributions of net investment income for the Balanced Fund are declared and paid monthly, and distributions of net investment income for the Government Bond Fund and West Virginia Municipal Bond Fund are declared daily and paid monthly. Non-cash dividends included in dividend income, if any, are recorded at fair value.

**Premium and Discount Amortization/Paydown Gains and Losses** – All premiums and discounts on fixed-income securities are amortized/accreted for financial statement purposes. Gains and losses realized on principal payment of mortgage-backed securities (paydown gains and losses) are classified as part of investment income.

**When-Issued and Delayed Delivery Transactions** – The Funds may engage in when-issued or delayed delivery transactions. The Funds record when-issued securities on the trade date and maintain security positions such that sufficient liquid assets will be available to make payment for the securities purchased. Securities purchased on a when-issued or delayed delivery basis are marked to market daily and begin earning interest on the settlement date. Losses may occur on these transactions due to changes in market conditions or the failure of counterparties to perform under the contract.

**Restricted Securities** – Restricted securities are securities that either: (a) cannot be offered for public sale without first being registered, or being able to take advantage of an exemption from registration, under the Securities Act of 1933; or (b) are subject to contractual restrictions on public sales. In some cases, when a security cannot be offered for public sale without first being registered, the issuer of the restricted security has agreed to register such securities for resale, at the issuer’s expense, either upon demand by the Funds or in connection with another registered offering of the securities. Many such restricted securities may be resold in the secondary market in transactions exempt from registration. Restricted securities may be determined to be liquid under criteria established by the Trustees. The Funds will not incur any registration costs upon such resales. The Funds’ restricted securities are valued at the price provided by dealers in the secondary market or, if no market prices are available, at the fair value as determined in accordance with procedures established by and under the general supervision of the Trustees.

**3. Unrealized Appreciation/(Depreciation)**

At September 30, 2011 the cost of investments and net unrealized appreciation/(depreciation) for federal income tax purposes were as follows:

<b>Small Company Growth Fund</b>	
Aggregate tax cost	\$61,570,187
Gross unrealized appreciation	5,966,197
Gross unrealized depreciation	(7,075,957)
Net unrealized depreciation	(\$1,109,760)

<b>Growth Fund</b>	
Aggregate tax cost	\$246,373,880
Gross unrealized appreciation	17,297,033
Gross unrealized depreciation	(32,721,180)
Net unrealized depreciation	(\$15,424,147)

<b>Balanced Fund</b>	
Aggregate tax cost	\$57,247,222
Gross unrealized appreciation	6,172,156
Gross unrealized depreciation	(2,323,689)
Net unrealized appreciation	\$3,848,467

<b>Government Bond Fund</b>	
Aggregate tax cost	\$249,607,807
Gross unrealized appreciation	10,329,844
Gross unrealized depreciation	(64,653)
Net unrealized appreciation	\$10,265,191

<b>West Virginia Municipal Bond Fund</b>	
Aggregate tax cost	\$90,077,216



Gross unrealized appreciation	3,365,883
Gross unrealized depreciation	(424,547)
Net unrealized appreciation	\$2,941,336

**4. Concentration Risk**

Since the West Virginia Municipal Bond Fund invests a substantial portion of its assets in issuers located in one state, it will be more susceptible to factors adversely affecting issuers of that state than would be a comparable tax-exempt mutual fund that invests nationally. In order to reduce the credit risk associated with such factors a majority of the securities in the portfolio were backed by letters of credit, bond insurance of various financial institutions, or financial guaranty assurance agencies. Additionally, the Funds may invest a portion of their assets in securities of companies that are deemed by the Funds' management to be classified in similar business sectors. The economic developments within a particular sector may have an adverse effect on the ability of issuers to meet their obligations. Additionally, economic developments may have an effect on the liquidity and volatility of portfolio securities.