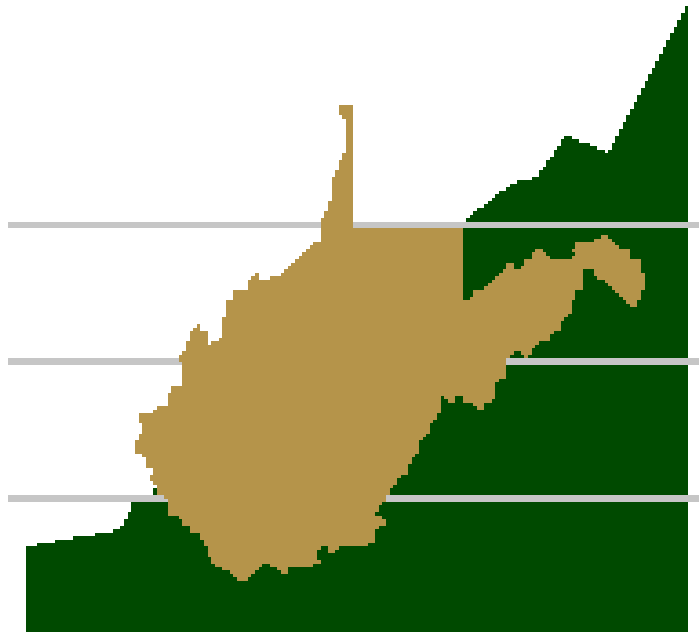

West Virginia Investment Management Board



1999 Annual Report

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Introduction

West Virginia Investment Management Board

One Cantley Drive • Suite 3
Charleston, West Virginia 25314

Phone: (304) 345-2672

Fax: (304) 345-5939

December 15, 1999

Dear Fellow West Virginians:

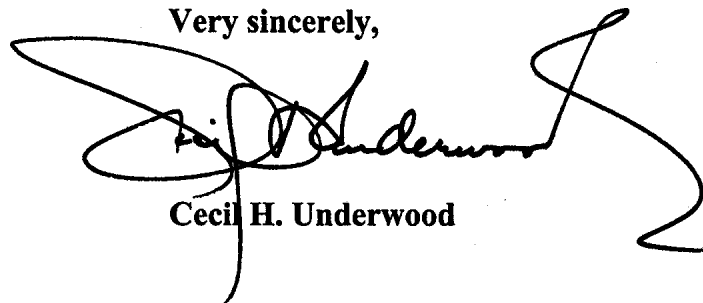
On behalf of the Board of Trustees, I am pleased to present the West Virginia Investment Management Board's comprehensive annual financial report for the fiscal year ending June 30, 1999. Beyond providing information on the financial status and investment activities of the Plan, this report is one of our most important vehicles for communicating with the public. Toward that end, it is our hope that you find the report format easy to use and the information to be relevant.

As most of you know, with the Constitutional Referendum of September 30, 1997, the State was finally allowed to invest in the stock market. We entered the stock market in early 1998, thus, I am happy to present a report that incorporates the first full year of stock exposure in our investment portfolio. As with the stock market at large, our return on stocks has been excellent. Of course, there is always a down side and, in this case, it is the fact that we had only limited exposure to the stock market during that period. We are building exposure; however, I am confident that our patience will be rewarded in future years.

During this past year, the Board of Trustees' membership changed with the addition of Stephen H. Maxwell to fill a vacancy. Stephen comes to the Board with experience in the banking industry. He currently serves as Director of Finance at Salem-Teikyo University.

Thanks to the West Virginia Investment Management Board staff for their dedicated service. I am continually impressed, as are the other members of the Board, with their professionalism, commitment to our mission, and the customer focus displayed by all of the employees at the West Virginia Investment Management Board. Their extra effort is greatly appreciated.

Very sincerely,

A large, stylized handwritten signature in black ink, appearing to read "Cecil H. Underwood". The signature is written over the printed name below it.

Cecil H. Underwood

West Virginia Investment Management Board

*One Cantley Drive xSuite 3
Charleston, West Virginia 25314*

*Phone: (304) 345-2672
Fax: (304) 345-5939*

December 17, 1999

Dear Board Members:

The financial markets in fiscal year 1999 and the performance of the portfolios of the West Virginia Investment Management Board were, like every year, interesting. The highlights for the year include:

- Near collapse of financial markets in the late summer and fall of 1998.
- Total earnings for fiscal year 1999 of over \$320 million capping the Consolidated Pension Fund at \$4.98 billion. The fund generated a total return of 7 percent, net of expenses.
- An increase in stock market exposure in the Consolidated Pension Fund from approximately 15 percent at the beginning of the fiscal year to 35.5 percent by the end of the fiscal year.
- The initial implementation of the Board's investment plan with the hiring of 14 new managers.
- The adoption of an organizational plan that will set the stage for the Board to develop into one of the premier public funds in the nation.

First, a word about the investment environment. The late summer and early fall of 1998 saw the culmination of the deterioration in international markets with the near collapse of Long-Term Capital Management, a much ballyhooed hedge fund. Long-Term Capital Management was only saved by a bail-out engineered by the Federal Reserve and some of the large investment banks. While the shock to the world markets was tremendous, large U.S. companies shrugged it off and turned in another stellar year with a return of 22.8 percent for the S&P 500. This return was not enjoyed by smaller stocks as evidenced by the return for the Russell 2000 Index, a paltry 1.5 percent. The international markets took a little longer, but stocks in the developed countries began to take off in October producing a 25.7 percent return for that and the ensuing two quarters. Initially, the domestic fixed income markets profited handsomely from the world's flight to quality and low inflation domestically as 30-year U.S. Treasury Bond yields hit their lowest point in recent history at 5.12 percent. While that was great at the time, rates had nowhere to go but up and that is just what happened in February 1999 when inflation fears caused rates to rise. They have risen ever since and, consequently, bonds have continued to depreciate in value.

In this context, total returns for the various Consolidated Pension Fund participants ranged from 6 percent to 8 percent, while in the aggregate the Consolidated Pension Fund return was 7 percent. (The difference relates to respective plan participants' timing with regard to contributions and withdrawals, and their respective allocations to cash, stocks and bonds).

Unfortunately, for most of the year, over 80 percent of the portfolio, was invested in fixed-income securities, which returned only 1.7 percent. The good news is that stocks in the aggregate did relatively well with a portfolio return of 11.4 percent.

I would be remiss if I did not note that the performance of the various assets lagged their policy benchmarks. There are a number of points to make in this regard. First, in a period of transition, the timing of cash flows into a particular asset class will have an inordinate impact on the return for the period. This is particularly evident with the fixed income portfolio, as we made a long-term strategic decision to restructure the portfolio exactly when bonds began to deteriorate in value. Thus, we were stuck selling into a falling market. I emphasize, however, that the impact of this is short-term in nature. Another example is with domestic equity. We made a strategic decision to invest some of our assets in smaller companies with a value orientation. While this share of the market has proven very successful in the long run, the past few years have been very difficult. Again, the long-term rewards should outweigh the short-term pain. The second explanation for performance is bad decisions by money managers. Our fixed income managers were bullish on bonds in the latter part of this year believing the Federal Reserve's concerns over inflation to be overblown. In the short-run, this has clearly been the wrong call. We think the long run story to be significantly different.

In that context, I turn to two questions that you would likely ask:

1. *Can the WVIMB avoid price swings in the market?* Unfortunately, but emphatically, no. It is not possible to consistently time the market. You may guess correctly once or twice, but there is no quicker way to lose your money than to try to do this as a long-term strategy.
2. *If we cannot avoid these market swings, is there a way to cushion their impact?* Yes. That is what diversification is all about and it is a foundation of the investment philosophy of the West Virginia Investment Management Board. By spreading investments around the world and between various asset classes, the WVIMB can "smooth" the volatility that must be accepted in order to achieve its long-term goals. For example, the poor performance in fixed income securities has been counter balanced to some extent by the excellent performance in domestic stocks.

Completion of the Board's investment plan was a major accomplishment. It involved intense work for more than a year on the part of Trustees, staff and our consultant. We completed the asset/liability analysis and asset allocation in fiscal year 1998. The result is a target allocation of 60 percent stocks and 40 percent bonds for most plans. Details for each may be found in the following pages. The investment strategy represents a balanced approach with implementation geared towards keeping costs to a minimum. Thus, we have indexed the efficient portions of the portfolio at very low costs while utilizing active money managers where the opportunity to add value presented itself, most significantly in the smaller capitalized markets and internationally. The restructuring of our fixed income portfolio completed the investment plan. The Board now has on retainer sixteen professional money managers for the Consolidated Pension Fund and two for the Consolidated Fund. The number provides effective diversification of risks with economies of scale to limit costs.

The culmination of the year was the adoption of an organizational plan to lead us into the future. The principal element to the plan was the transference of all operational functions in the Investment Division to the Operations Division. This will allow the Investment Division to

focus its energy on adding value to the plan by analyzing the investment markets and developing strategies to enhance performance.

We look forward to the future and the opportunity to add value to the assets entrusted to us.

Sincerely,

H. Craig Slaughter
Executive Director

HCS:jad

The Organization

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BOARD OF TRUSTEES

Cecil H. Underwood, Chairman

Governor of the State of West Virginia

John T. Poffenbarger, Vice-Chairman

General Counsel, West Virginia Department of Administration

Samme L. Gee, Secretary

Partner in the law firm of Jackson & Kelly

Stephen L. Angel

Director of Field Services for the West Virginia Federation of Teachers

Carlyle D. Farnsworth

Retired. Former President of United National Bank in Wheeling, West Virginia

Glen B. Gainer III

Auditor for the State of West Virginia

David A. Haney

Executive Director of the West Virginia Education Association

Roger D. Hunter

Partner in the law firm of Neely & Hunter

Patrick D. Kelly

Partner in the law firm of Steptoe & Johnson

John D. Perdue

Treasurer of the State of West Virginia

Marie L. Prezioso

Senior Vice President and Manager, Charleston West Virginia Public Finance Office of Ferris, Baker Watts, Inc.

William T. Tracy

Partner with the accounting firm of Hess, Stewart & Campbell

Vacant

REPRESENTATIVES AND COMMITTEE MEMBERS*

Public Employees' Retirement System

Richard Shelton, Representative

Association Consultant for the West Virginia Association of Counties and PERSA spokesman

Lowell J. Craddock, Committee Member

State President of Public Service Retirees

Frederic W. Thomas, Committee Member

General Accounting Supervisor for the West Virginia Department of Transportation

Teachers' Retirement System

Tony Lautar, Jr., Representative

Mentally Impaired Specialist, Wood County Schools, Parkersburg, West Virginia

Kenneth C. Legg, Committee Member

Executive Secretary for the West Virginia School Service Personnel Association

Thomas J. Vogel, Committee Member

Communications Specialist for the West Virginia Education Association

Workers' Compensation Fund and Pneumoconiosis Fund

Melinda Ashworth-Kiss, Representative

Director of Financial Services for the West Virginia Bureau of Employment Programs Workers' Compensation Division

Kimberly R. Garrett, Committee Member

Director of Financial Accounting for the West Virginia Bureau of Employment Programs Workers' Compensation Division

Department of Public Safety, Death, Disability and Retirement Fund

Robert J. Strobbe, Representative

First Lieutenant, West Virginia State Police

Danny C. Sears, Committee Member

Sergeant, West Virginia State Police

David G. Williams, Committee Member

Sergeant, West Virginia State Police

West Virginia State Police Retirement System

Steven P. Owens, Representative

Trooper, West Virginia State Police

David M. Lee, Committee Member

Senior Trooper, West Virginia State Police

Deputy Sheriffs' Retirement System

Rodney A. Miller, Representative

Chief Deputy, Boone County Sheriff's Office

Kim C. Bohrer, Committee Member

Sergeant, Berkeley County Sheriff's Department

Terry L. Miller, Committee Member

Lieutenant, Wood County Sheriff's Department

Patrick R. Mull, Committee Member

Chief Deputy, Marshall County Sheriff's Department

*By statute, the Consolidated Public Retirement Board and the West Virginia Workers Compensation Commission is responsible for appointing a representative from each plan who in turn selects a committee for each plan of up to three individuals. The Committee works with the Investment Management Board to develop investment policy for its particular plan.

STAFF MEMBERS

Executive Staff —

H. Craig Slaughter, Executive Director

Matthew E. Jones, Chief Financial Officer

Operations —

Roger Summerfield, Director of Operations

Accounting

Brian DuBois, Investment Accounting Supervisor

Brian Thaxton, Investment Accountant

Leigh Ann Moore, Investment Accountant

Betty Hammack, Investment Accountant

Julie Thompson, Performance Accountant

Trade Processing and Settlement —

Denise Baker, Trade Processing Supervisor

Linda Davis, Trade Analyst

Karin Smith, Trade Analyst

Investment —

Jason Stansfield, Investment Officer

Compliance —

Melinda Adamson, Compliance Analyst

Support Staff —

Jo Ann Durbin, Administrative Assistant to the Executive Director

Felicia Thomas, Administrative Assistant to the Chief Financial Officer

Technology —

John Cole, Technology Director

Rick Greathouse, Information Systems Specialist

Internal Audit —

Melissa Petit, Internal Audit Associate

HISTORY

The West Virginia Investment Management Board (WVIMB) came into existence in the spring of 1997 after years of hard work modernizing the State's investment management structure. This structural modernization was widely perceived as a necessary precursor to the passage of a constitutional referendum to allow investment in stocks. The risks in stocks were perceived to be too great to allow anything but a modern, professional entity to manage. Although the West Virginia Investment Management Board's predecessors, the Board of Investments and the West Virginia Trust Fund, Inc., brought about vast improvements, they fell short in one or more areas. With the West Virginia Investment Management Board, the State achieved the ideal balance between control and independence that will allow efficient and prudent investment management well into the future.

The beginning of the modern era in the State's investment management goes back to the late 70s with the consolidation of investment authority for the State's defined benefit plans, employment security plans, and other assets in the Board of Investments. One of the goals of the legislation was to achieve efficiencies that size brings by commingling like assets into a long-term pool, the Consolidated Pension Fund, and a short-term pool, the Consolidated Fund. The State Treasurer, under this legislative mandate, was the staff agency for the Board of Investments, and the Board itself was made up of the Treasurer, the Governor, and the State Auditor. Although the commingling of the Consolidated Fund was accomplished to the extent practical, the commingling of the assets intended for the Consolidated Pension Fund did not occur for over ten years.

Although a step in the right direction, the initial Board of Investments did not include enough control features. After a few problems in the 1980s, principally involving the Consolidated Fund, the Board was expanded to seven members, four members from the private sector and included an attorney experienced in financial matters and a Certified Public Accountant. In the fall of 1990, the Legislature took a huge leap forward by creating a staff for the Board of Investments separate from the Treasury. This provided clear accountability; something that did not exist previously, as the staff for the Board was controlled by the Treasurer, who was in turn elected by the people. Other very important control features included a statutory requirement for an Internal Auditor, an annual external audit by a nationally-recognized accounting firm, and monthly reporting requirements to government leaders, in accordance with *Generally Accepted Accounting Principals*. This last feature dictated that all pools with a weighted average maturity in excess of 90 days must be marked-to-market, something that had not been done in the 80s. At the same time, the Board made its first tepid step towards a diversified portfolio by statutorily allowing twenty percent of the Consolidated Pension Fund portfolio to be invested in common stock domiciled in the United States.

Although the Board made some initial stock purchases in 1993 (that were subsequently liquidated at a gain), the statute was challenged and the court ruled that it was unconstitutional. In an ill-fated effort to satisfy the constitutional strictures, the Legislature carved out the Consolidated Pension Fund and placed it in a trust to be managed by a new entity called the West Virginia Trust Fund, Inc. While the creation of the trust did not satisfy the constitutional concerns of the State Supreme Court, it brought a couple of very important changes. The Legislature, demonstrating incredible managerial foresight, granted the West Virginia Trust Fund, Inc. control over its own budget. With

the same impeccable foresight, however, the Legislature imposed personal fiduciary liability on its Board and staff. Of no less importance was the creation of representative roles for members of the retirement systems and employment security systems. With the merger of the Board of Investments and the West Virginia Trust Fund, Inc. in 1997, the West Virginia Investment Management Board was created and the modernization process was complete. All of the improvements made in the Board of Investments and the West Virginia Trust Fund, Inc. were incorporated into the new entity.

The modernization of the investment management structure has worked well. Two other states passed constitutional referendums to allow stock investment the year before West Virginia accomplished the goal. Both are lagging behind West Virginia in implementation. Fiduciary responsibility demands professionalism. The West Virginia Investment Management Board is dedicated to applying prudent, modern, and professional management to the investment process.

STATUTORY MANDATE

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

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

- (a) Trustees shall discharge their duties with respect to the Consolidated Pension Plan for the exclusive purpose of providing benefits to participants and their beneficiaries;
- (b) Trustees shall diversify fund investments so as to minimize the risk of large losses unless, under the circumstances, it is clearly prudent not to do so;
- (c) Trustees shall defray reasonable expenses of investing and operating the funds under management; and
- (d) Trustees shall discharge their duties in accordance with the trust documents and instruments, governing the trust fund or other funds under the management insofar as such documents and instruments are consistent with provisions of this Article; *West Virginia Code* §12-6-11.

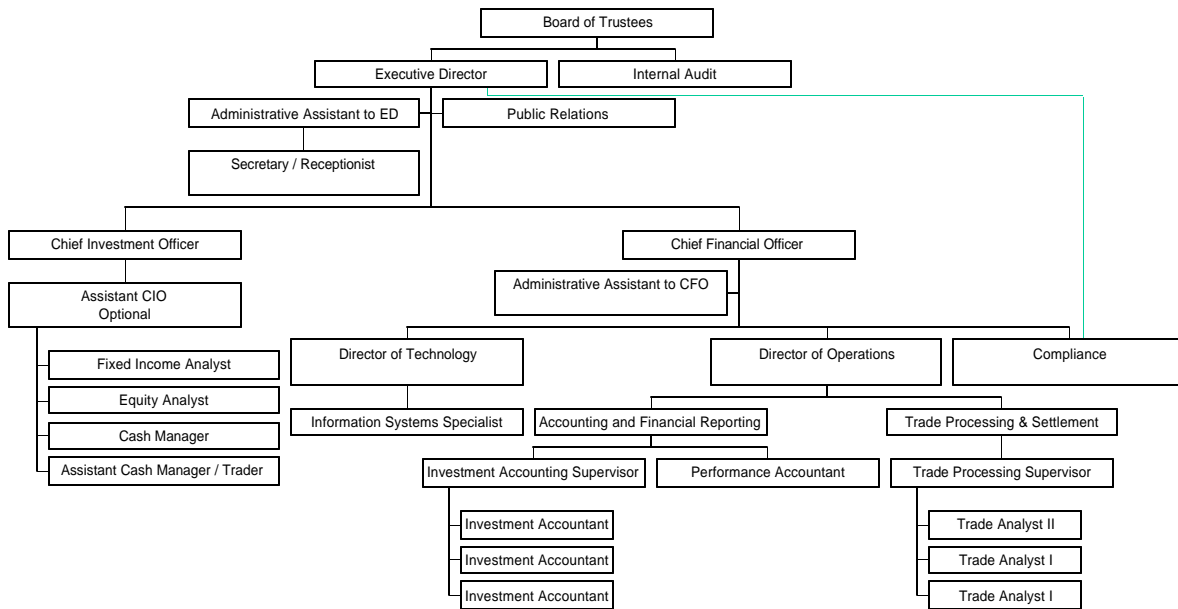
ADMINISTRATIVE MANDATE

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

A member of each defined benefit retirement plan participating in the Consolidated Pension Fund is designated by the Consolidated Public Retirement Board to represent the plan's interests. Likewise, the West Virginia Workers' Compensation Commission designates a representative to the WVIMB for the Pneumoconiosis Fund and the Workers' Compensation Funds. Each of the representatives may designate up to three persons to comprise a committee representing the plans' beneficiaries. The representatives and committee members do not have a vote, but have the right to be heard and are subject to the same code of conduct and requirements of confidentiality that apply to the trustees.

The day-to-day management of the West Virginia Investment Management Board is delegated to the Executive Director, who is appointed by the Board and serves at its will and pleasure. The Executive Director acts as an advisor to the Board on all matters pertaining to its business and, with the approval of the Board, contracts for professional services and employs the remaining staff needed to operate the West Virginia Investment Management Board.

The staff of the Board is divided into two principle divisions—Operations and Investments. See organization chart on following page.



The Operations Division is focused on providing the back office support necessary for the organization to function on a day-to-day basis. The Investment Division is structured to allow it to devote its time and resources to staying current with new developments and research in the investment field and being prepared to apply this knowledge to the investment of assets for the WVIMB.

INVESTMENT PHILOSOPHY

The primary objective of the Consolidated Fund is to provide liquid investment alternatives for the State, State agencies, the Municipal Bond Commission and local governments.

The primary objective of the Consolidated Pension Fund is to provide benefits to its participants and beneficiaries. In order to do so, it must accumulate and maintain the liquid financial reserves necessary to fulfill this obligation. Liquid financial reserves shall be obtained from two sources: (i) contributions from the State of West Virginia and its participants, and (ii) return on investments. For purposes of developing this Investment Policy, the Board assumes at this time that the stream of contributions from the State and participants will continue in the future and remain an important source of funding for the Consolidated Pension Fund. Equally important to the level of contributions, in terms of total dollar impact, is the return on investment of the assets of the Consolidated Pension Fund managed by the WVIMB. Based on general beliefs about the long-term investment return available from a well-diversified, prudently invested portfolio, the Board has adopted specific investment objectives for each individual plan.

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

The Board recognizes that even though its investments are subject to short-term volatility, it is critical that a long-term investment focus be maintained. This prevents adhoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations. In order to preserve this long-term view, the Board has adopted the following formal review schedule:

Agenda Item	Review Schedule
Investment Performance	Quarterly
Broad Asset Allocation	Every Three Years
Within-Class Asset Allocation	Every Three Years
Investment Policy	Every Year

The Board may hire Investment Managers to implement its objectives. These Managers will be given specific tactical roles within the overall strategic investment plan. Depending on their assignments, the managers may be judged on some or all of the following:

(i) consistency of philosophy, style and key personnel, (ii) performance relative to an appropriate index or proxy group, and (iii) ability to add incremental value after costs. The Board shall monitor performance and supervise all Fund Managers.

In determining its philosophy towards risk, the Board considers, in addition to its fiduciary obligations and statutory requirements, each entity's purpose and characteristics, financial condition, liquidity needs, sources and level of contributions, income and general business conditions. Based upon these many factors, the Board identifies where either a more aggressive or more conservative approach is warranted, on an individual plan-by-plan basis.

Investment Objectives

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

Consolidated Fund

The Board's objective is to manage the state's money in an efficient and economical manner. Realizing the majority of the funds are for operating expenses of the state, they have designed an investment strategy that addresses the short-term liquidity needs of the various pools and participants, limiting risk but still allowing for the higher total rate of return.

Consolidated Pension Fund

The Board's objective is to manage the Participant Plans' moneys in an efficient and economical manner, managing risk as it seeks to earn a consistent rate of return equaling at least the actuary's assumption on each Participant Plan, so long as the WVIMB deems that rate to be reasonable and achievable.

***Consolidated Pension Fund –
Investment Objectives and Financial
Highlights***

Short-Term Fixed Income Pool

Objectives

The main objective for the Short-Term Fixed Income Pool is to maintain sufficient liquidity to fund any withdrawals requested by the Participant Plans in the Consolidated Pension Fund and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses. The weighted average maturity shall have a target of 180 days and shall not exceed 270 days. The maximum maturity of securities held shall be two years.

Management Structure

The Short-Term Fixed Income Pool is the sole commingled investment pool used to manage the Consolidated Pension Funds' Short-Term Pool investment policy objective. The Short-Term Fixed Income Pool is managed by Fischer, Francis, Trees & Watts.

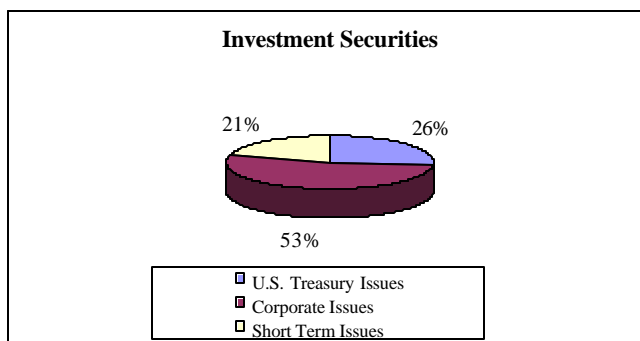
Financial Highlights

Progression of Net Assets (in \$000s)

Net Assets - June 30, 1998	\$ 127,747
Net increase from operations	10,963
Net increase from unit transactions	<u>24,632</u>
Net Assets - June 30, 1999	<u><u>\$ 163,342</u></u>

Investment Securities (in \$000s)

	<u>Fair Value</u>
U.S. Treasury Issues	\$ 42,079
Corporate Issues	86,354
Short Term Issues	<u>33,190</u>
Total	<u><u>\$ 161,623</u></u>

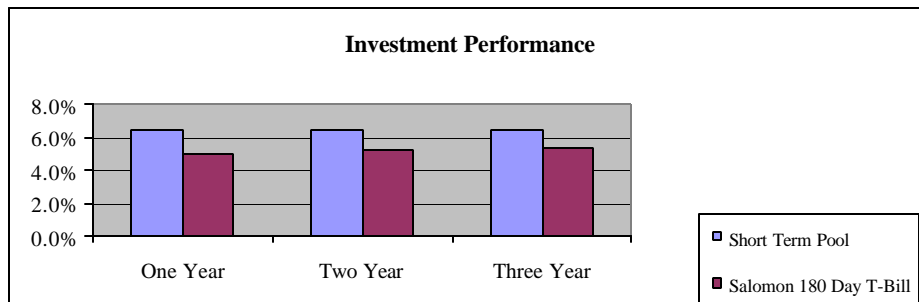


Short-Term Fixed Income Pool (continued)

Investment Performance

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

	Short Term Pool	Salomon 180 Day T-Bill
One Year	6.5%	5.0%
Two Year	6.5%	5.2%
Three Year	6.5%	5.4%



Rates of return are gross of any fees.

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

One Year	6.4%
Two Years	6.4%
Three Years	6.3%

Fixed Income Pool

Objectives

The main objective for the Fixed Income Pool, which, in the aggregate, comprises a core bond portfolio, is to generate investment income, provide stability and diversification within the Consolidated Pension Fund, but not at the expense of total return.

Management Structure

The Fixed Income Pool is co-managed by the following firms, each of whom have a specific investment style which, in the aggregate, comprises the core Fixed Income Pool.

<i>Manager</i>	<i>%</i>	<i>Style</i>
Western Asset Management	45%	Active Core
Hoisington Investment Management	10%	Macroeconomic/duration
Barclays Global Investors	45%	Passive Corporate & Mortgage

Financial Highlights

Three separate investment pools have been established to comply with specific legal and accounting requirements. Individually, these pools, as reflected on the audited financial statements, are the Fixed Income Pool, the Fixed Income Qualified Pool, and the Fixed Income Non-Qualified Pool. These pools are composited for the following Financial Highlights.

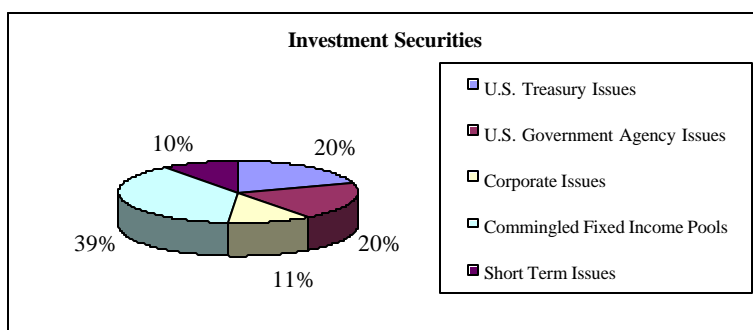
Progression of Net Assets (in \$000s)

Net Assets - June 30, 1998	\$ 4,145,013
Net increase from operations	89,951
Net decrease from unit transactions	<u>(1,299,751)</u>
Net Assets - June 30, 1999	<u>\$ 2,935,213</u>

Fixed Income Pool (continued)

Investment Securities (in \$000s)

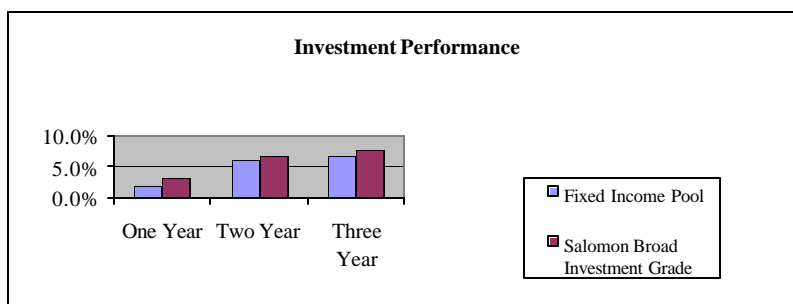
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 689,803
U.S. Government Agency Issues	694,102
Corporate Issues	392,339
Commingled Fixed Income Pools	1,319,857
Short Term Issues	<u>361,155</u>
Total	<u><u>\$ 3,457,256</u></u>



Investment Performance

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.

	Fixed Income Pool	Salomon Broad Investment Grade
One Year	1.7%	3.1%
Two Year	6.1%	6.8%
Three Year	6.8%	7.8%



Rates of return are gross of any fees.

Fixed Income Pool (continued)

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

One Year	1.7%
Two Years	6.1%
Three Years	6.7%

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Equity Pool

Objectives

The main objective for the Equity Pool is to provide for growth within the Consolidation Pension Fund.

Management Structure

The Equity Pool is comprised of three separate sub-asset classes, which, when taken in aggregate, enable adequate diversification. These sub-asset classes are listed in the table below with their target allocation ranges:

Equity Class	Target Range
Domestic Large Capitalization	50.0%
Domestic Non-Large Capitalization	25.0%
International	25.0%

Each of these subclasses have multiple investment managers, each of whom manage in accordance with a particular investment style. These managers are as follows:

<i>Manager</i>	<i>%/\$</i>	<i>Style</i>
<i>Domestic Large Capitalization</i>		
State Street Global Advisors	80.0%	Passive Core
Chartwell Investment Partners	10.0%	Concentrated Value
Alliance Capital Management, L.P.	10.0%	Concentrated Growth
Q.E. D. Investments, L.L.C.	\$50 million	Quantative Core
<i>Non-Large Capitalization</i>		
Dimensional Fund Advisors, Inc.	50.0%	Structured Value
Aronson + Partners	16.66%	Relative Value
Loomis, Sayles & Company, L.P.	16.66%	Small Cap Growth
Wellington Management Company, L.L.P.	16.67%	Core
<i>International</i>		
Silchester International Investors	25%	Developed country, bottom-up value
TT International	25%	Developed country, top-down
Mastholm Asset Management	25%	Developed country, bottom-up, growth
Jacobs Asset Management	25%	Blended developed and emerging market bottom-up aggressive value

Equity Pool (continued)

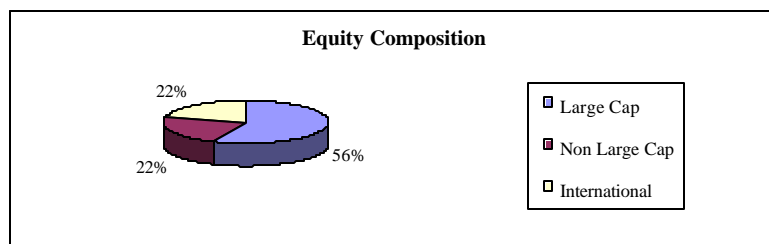
Financial Highlights

Separate investment pools have been established to comply with specific legal and accounting requirements. These pools are individually reported in the audited financial statements and have been composed in the following financial highlights as follows:

<i>Composite</i>	<i>Individual Pools per Audited Financial Statements</i>
Large Cap	S&P 500 Index Qualified Pool S&P 500 Index Non-Qualified Pool Large Cap Domestic Pool
Non-Large Cap	Non-Large Cap Domestic Pool
International	International Qualified Pool International Non-Qualified Pool International Equity Pool

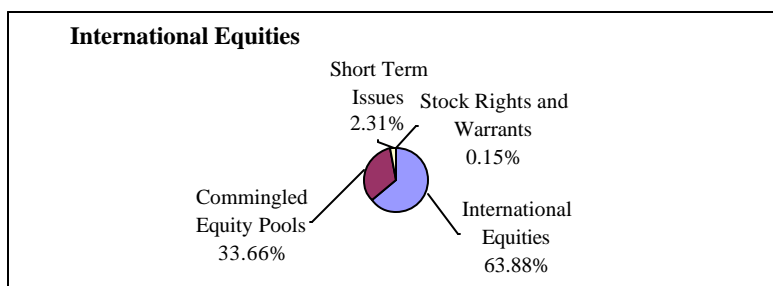
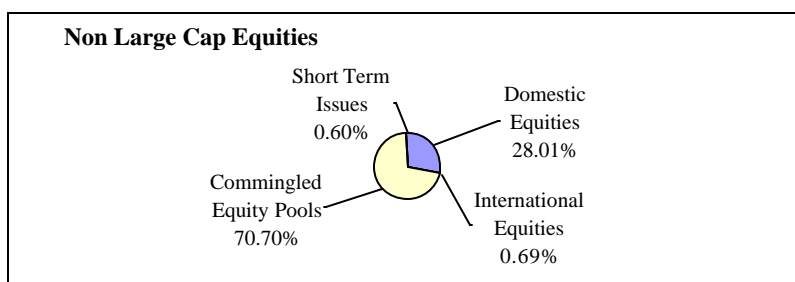
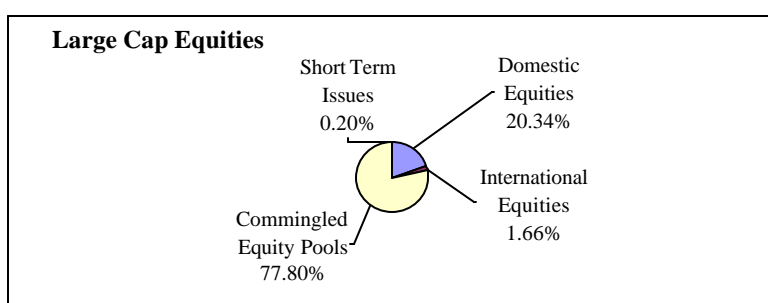
Progression of Net Assets (in \$000s)	Large Cap	Non Large Cap	International
Net Assets - June 30, 1998	\$ 243,235	\$ 110,951	\$ 53,412
Net increase from operations	142,437	39,900	36,304
Net increase from unit transactions	593,697	223,398	286,781
Net Assets - June 30, 1999	<u>\$ 979,369</u>	<u>\$ 374,249</u>	<u>\$ 376,497</u>

Percentage of Total Equity Investment	56%	22%	22%
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Equity Pool (continued)

Investment Securities (in \$000s)	Large Cap	Non Large Cap	International
	Fair Value	Fair Value	Fair Value
Domestic Equities	\$ 199,321	\$ 104,895	\$ -
International Equities	16,301	2,569	240,087
Commingled Equity Pools	762,204	264,568	126,525
Short Term Issues	1,916	2,234	8,681
Stock Rights and Warrants	-	-	573
Total	<u>\$ 979,742</u>	<u>\$ 374,266</u>	<u>\$ 375,866</u>

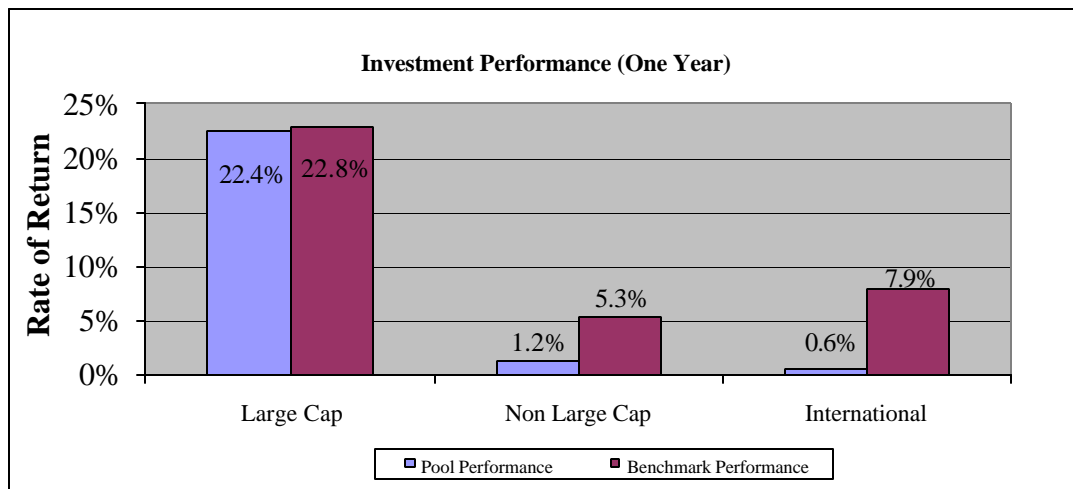


Equity Pool (continued)

Investment Performance (One Year)

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

	Large Cap	Non Large Cap	International
Pool Performance	22.4%	1.2%	0.6%
Benchmark Performance	22.8%	5.3%	7.9%
Benchmark	S&P 500	Russel 2500	MSCI EAFE



Rates of return are gross of any fees.

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

	Large Cap	Non Large Cap	International
One Year	22.2%	1.2%	0.2%

Statutory Investment Pool

Objectives

This pool holds investments which the West Virginia Investment Management Board acquired by directive of the West Virginia Legislature.

Investment Holdings

West Virginia Code §12-6-20(b), enacted by the West Virginia State Legislature in April 1998, committed the Public Employees' Retirement System to invest in the West Virginia Regional Jail and Correctional Facility Authority. Under the terms of this legislation, the investment shall earn a rate of return equal to the annualized rate of return earned by the core fixed income portfolios of the Public Employees' Retirement System over the previous five years, plus one tenth of one percent. The rate of return shall be calculated quarterly. The Legislature has designated specific funds to repay this obligation. Equal annual payments are to be repaid to ensure the total repayment by August 31, 2003. As of June 30, 1999, the debt outstanding totaled \$150,000,000. The Pool's annual rate of return as of June 30, 1999 was 5.8%.

Consolidated Pension Plans

Death, Disability and Retirement Fund for Deputy Sheriffs

Creation

The Death, Disability and Retirement Fund for Deputy Sheriffs (the Plan) was established in 1998. Initial contributions were received on August 31, 1998.

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 7.5 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Preserve the current well-funded position while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Death, Disability and Retirement Fund for Deputy Sheriffs. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalentents	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

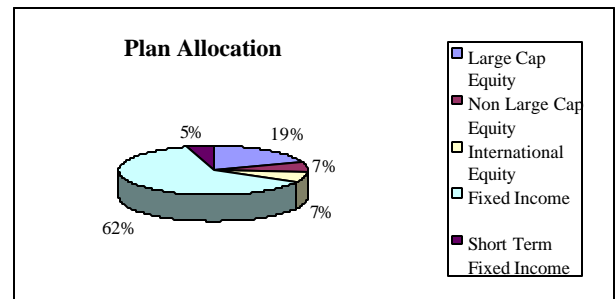
Death, Disability and Retirement Fund for Deputy Sheriffs (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ -
Contributions	31,807
Withdrawals	-
Net	<u>31,807</u>
Investment income	242
Net unrealized appreciation	535
June 30, 1999	<u>\$ 32,584</u>

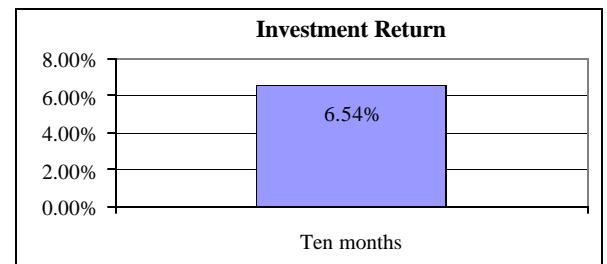
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 6,271	19%
Non Large Cap Equity	2,293	7%
International Equity	2,321	7%
Fixed Income	20,143	62%
Short Term Fixed Income	1,556	5%
Total	<u>\$ 32,584</u>	<u>100%</u>



Investment Performance

Investment Return	
Ten months	6.54%



Rate of return is net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Judges' Retirement System

Creation

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

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 8.0 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Judges' Retirement System. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalent	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

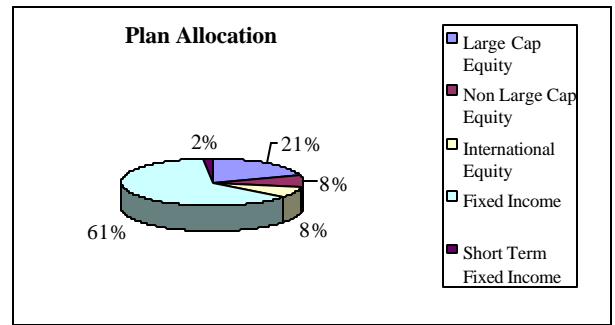
Judge's Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 32,129
Contributions	5,811
Withdrawals	<u>(2,825)</u>
Net	2,986
Investment income	1,508
Net unrealized appreciation	<u>705</u>
June 30, 1999	<u><u>\$ 37,328</u></u>

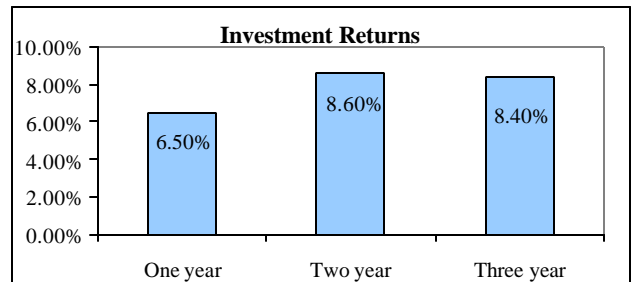
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 7,715	21%
Non Large Cap Equity	2,897	8%
International Equity	2,825	8%
Fixed Income	23,259	61%
Short Term Fixed Income	632	2%
Total	<u><u>\$ 37,328</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	6.50%
Two year	8.60%
Three year	8.40%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Public Employees' Retirement System

Creation

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

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 8.0 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Public Employees' Retirement System. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

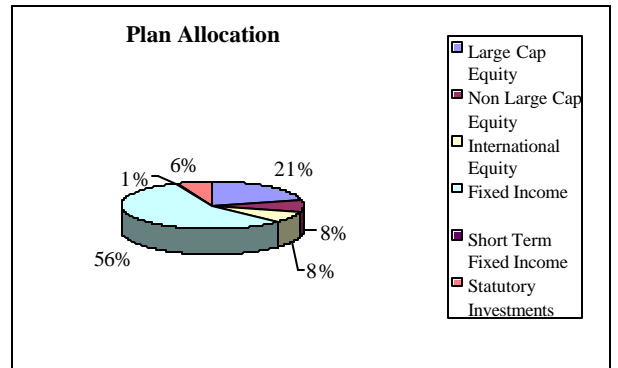
Public Employees' Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 2,360,876
Contributions	119,441
Withdrawals	<u>(152,124)</u>
Net	(32,683)
Investment income	101,300
Net unrealized appreciation	<u>64,278</u>
June 30, 1999	<u><u>\$ 2,493,771</u></u>

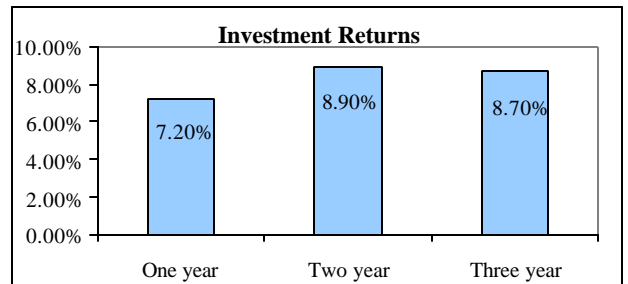
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 534,614	21%
Non Large Cap Equity	200,448	8%
International Equity	198,128	8%
Fixed Income	1,395,111	56%
Short Term Fixed Income	13,517	1%
Statutory Investments	<u>151,953</u>	<u>6%</u>
Total	<u><u>\$ 2,493,771</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	7.20%
Two year	8.90%
Three year	8.70%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Public Safety Death, Disability and Retirement Fund

Creation

The Public Safety Death, Disability and Retirement Fund (the Plan) was created in 1925.

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 8.0 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments and while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Public Safety, Death and Disability Retirement Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

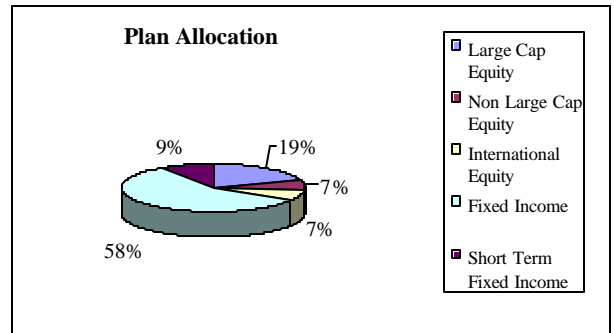
Public Safety Death Disability and Retirement Plan (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 67,413
Contributions	16,551
Withdrawals	<u>(12,675)</u>
Net	3,876
Investment income	2,897
Net unrealized appreciation	<u>1,597</u>
June 30, 1999	<u>\$ 75,783</u>

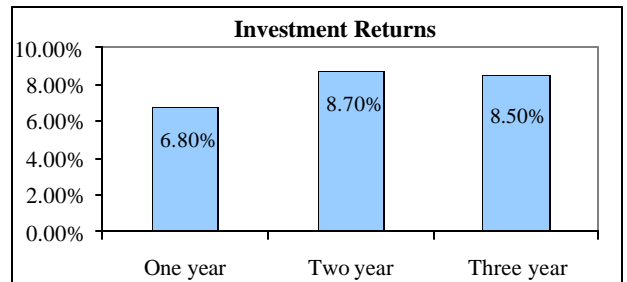
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 14,696	19%
Non Large Cap Equity	5,549	7%
International Equity	5,555	7%
Fixed Income	42,929	58%
Short Term Fixed Income	<u>7,054</u>	<u>9%</u>
Total	<u>\$ 75,783</u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	6.80%
Two year	8.70%
Three year	8.50%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

State Police Retirement System

Creation

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

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 8.0 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Preserve the current surplus position while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the State Police Retirement System. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

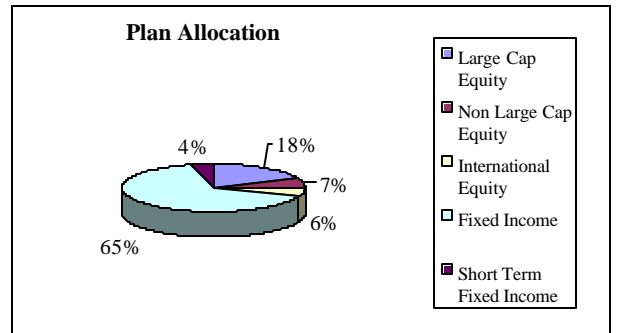
State Police Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 3,364
Contributions	1,451
Withdrawals	<u>(43)</u>
Net	1,408
Investment income	178
Net unrealized appreciation	<u>61</u>
June 30, 1999	<u><u>\$ 5,011</u></u>

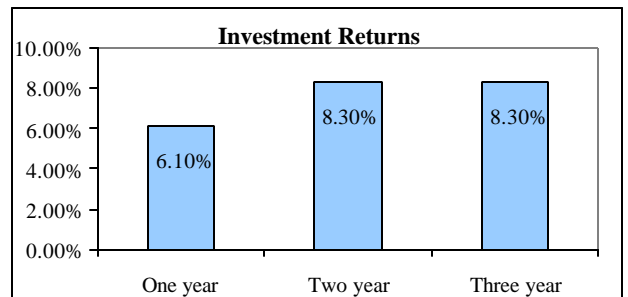
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 915	18%
Non Large Cap Equity	342	7%
International Equity	316	6%
Fixed Income	3,224	65%
Short Term Fixed Income	214	4%
Total	<u><u>\$ 5,011</u></u>	100%



Investment Performance

Investment Returns	
One year	6.10%
Two year	8.30%
Three year	8.30%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdrawals.

Teachers' Retirement System

Creation

The Teachers' Retirement System (the Plan) was created in 1941.

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 8.0 percent per annum, net of fees.
- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Reduce the unfunded liability while maintaining adequate liquidity to satisfy benefit payments while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Teachers' Retirement System. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalent	Residual

The equity allocation will be invested in 20 percent annual increments, per state law, until the 60 percent equity target has been reached.

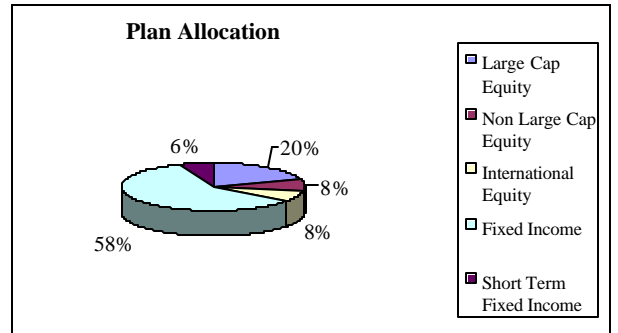
Teachers Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 799,439
Contributions	266,578
Withdrawals	<u>(222,834)</u>
Net	43,744
Investment income	17,886
Net unrealized appreciation	<u>35,816</u>
June 30, 1999	<u><u>\$ 896,885</u></u>

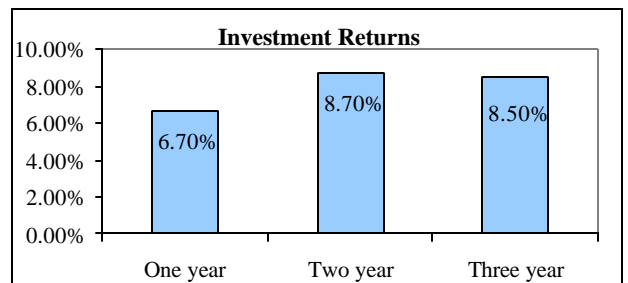
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 181,387	20%
Non Large Cap Equity	68,136	8%
International Equity	67,357	8%
Fixed Income	526,727	58%
Short Term Fixed Income	<u>53,278</u>	<u>6%</u>
Total	<u><u>\$ 896,885</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	6.70%
Two year	8.70%
Three year	8.50%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Workers' Compensation Fund I and II

Creation

The Workers' Compensation Fund (the Plan) was formed in 1913.

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 6.5 percent per annum, net of fees.
- Maximize the long-term growth in GASB surplus.
- Maintain adequate liquidity to fund operational cash flows.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Workers' Compensation Fund I and II. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Small Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	30.0%
Cash and Cash Equivalents	10.0%

The initial equity investment will be a 20 percent allocation, which is the largest equity allocation allowed in the first year, per state law. Subsequent to that initial allocation, at least an incremental 10 percent annual allocation will be funded until the 60 percent equity target has been reached.

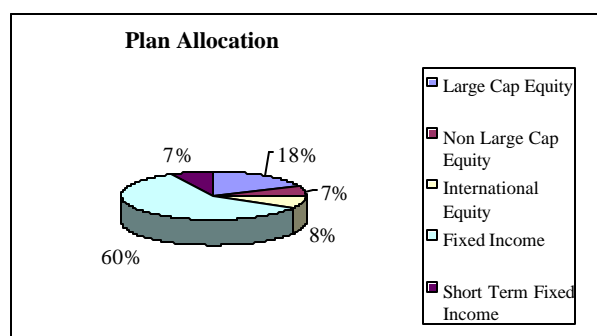
Workers' Compensation Fund I

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 737,363
Contributions	389,068
Withdrawals	<u>(482,897)</u>
Net	(93,829)
Investment income	33,173
Net unrealized appreciation	<u>21,300</u>
June 30, 1999	<u>\$ 698,007</u>

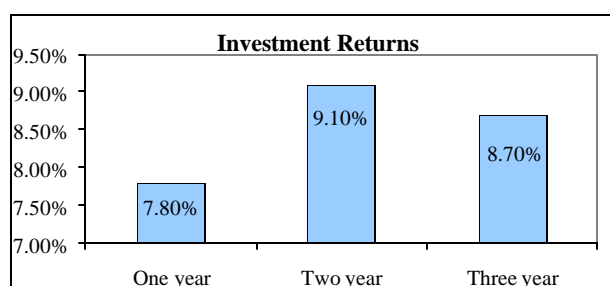
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 128,840	18%
Non Large Cap Equity	50,326	7%
International Equity	54,507	8%
Fixed Income	412,485	60%
Short Term Fixed Income	<u>51,849</u>	<u>7%</u>
Total	<u>\$ 698,007</u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	7.80%
Two year	9.10%
Three year	8.70%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

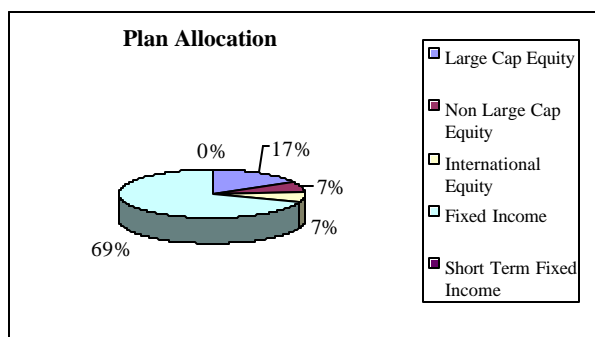
Workers' Compensation Fund II

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 386,354
Contributions	-
Withdrawals	-
Net	-
Investment Income	17,696
Net unrealized appreciation	7,628
June 30, 1999	<u>\$ 411,678</u>

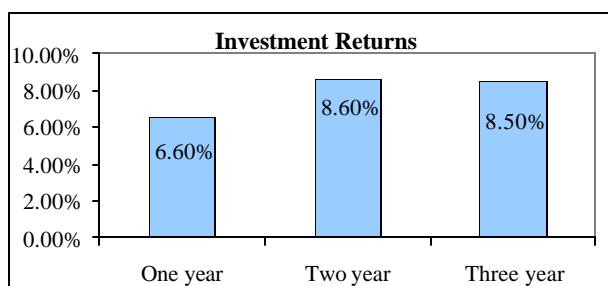
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 69,905	17%
Non Large Cap Equity	27,469	7%
International Equity	27,914	7%
Fixed Income	286,380	69%
Short Term Fixed Income	10	0%
Total	<u>\$ 411,678</u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	6.60%
Two year	8.60%
Three year	8.50%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

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Pneumoconiosis Fund

Creation

The Pneumoconiosis Fund (the Plan) was formed in 1974 to provide for insurance coverage to coal operators for their potential liability under the Federal Coal Mine Health and Safety Act of 1969.

Investment Objectives

The Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 6.5 percent per annum, net of fees.
- Preserve the Fund's current surplus position.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Pneumoconiosis Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	10.0%
Domestic Small Cap Equity	5.0%
International Equity	5.0%
Total Equity	20.0%
Domestic Fixed Income	75.0%
Cash and Cash Equivalents	5.0%

Since the equity allocation is being invested in 20 percent annual increments, per state law, the Pneumoconiosis Fund will achieve its 20 percent equity target in the first year.

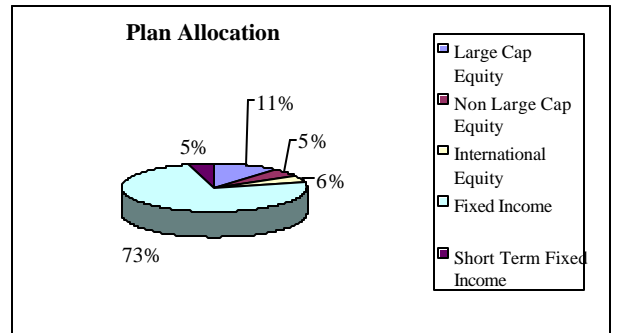
Pneumoconiosis Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 286,952
Contributions	6,287
Withdrawals	<u>(9,037)</u>
Net	(2,750)
Investment income	13,408
Net unrealized appreciation	<u>3,583</u>
June 30, 1999	<u>\$ 301,193</u>

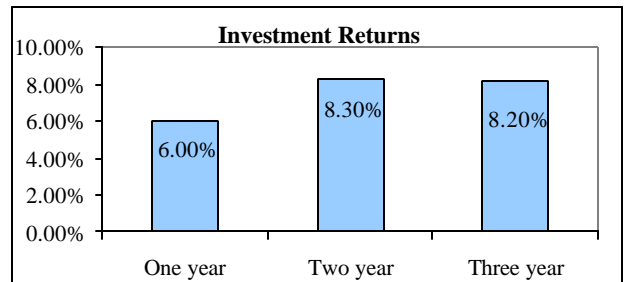
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 33,453	11%
Non Large Cap Equity	16,023	5%
International Equity	16,841	6%
Fixed Income	221,315	73%
Short Term Fixed Income	<u>13,561</u>	<u>5%</u>
Total	<u>\$ 301,193</u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	6.00%
Two year	8.30%
Three year	8.20%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Workers' Compensation Employers Excess Liability Fund

Creation

The Workers' Compensation Employers Excess Liability Fund (the Plan) was created in 1983 to provide insurance for employers who are liable for any excess damages not covered by regular Workers' Compensation. This is a voluntary fund with limited participation.

Investment Objectives

The Total Plan investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 6.5 percent per annum, net of fees.
- Provide adequate liquidity to meet cash flow requirements.

Asset Allocation

Based upon the WVIMB's determination of the appropriate risk tolerance for the Plan, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Workers' Compensation Employers Excess Liability Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	20.0%
Domestic Small Cap Equity	10.0%
International Equity	10.0%
Total Equity	40.0%
Domestic Fixed Income	Determined by Staff
Cash and Cash Equivalents	Determined by Staff

The equity allocation will be invested in 20 percent annual increments, per state law, until the 40 percent equity target has been reached.

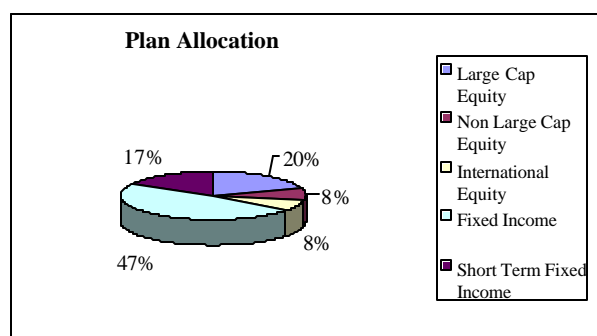
Workers' Compensation Employers Excess Liability Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ 6,469
Contributions	657
Withdrawals	<u>(24)</u>
Net	633
Investment income	312
Net unrealized appreciation	<u>235</u>
June 30, 1999	<u><u>\$ 7,649</u></u>

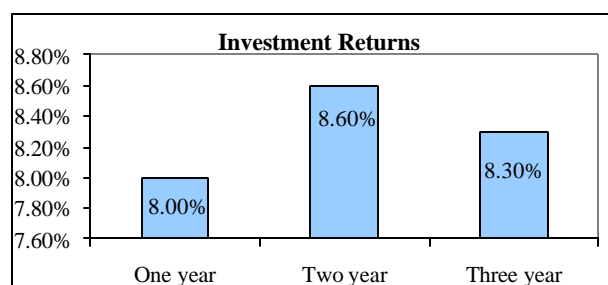
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 1,573	20%
Non Large Cap Equity	591	8%
International Equity	583	8%
Fixed Income	3,639	47%
Short Term Fixed Income	<u>1,263</u>	<u>17%</u>
Total	<u><u>\$ 7,649</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	8.00%
Two year	8.60%
Three year	8.30%



Rate of returns are net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

Wildlife Endowment Fund

Creation

The Wildlife Endowment Fund was created in 1998.

Investment Objectives

The investment objectives for the Endowment Fund have not yet been specifically identified.

Asset Allocation

The asset allocation of the Endowment Fund remains to be determined.

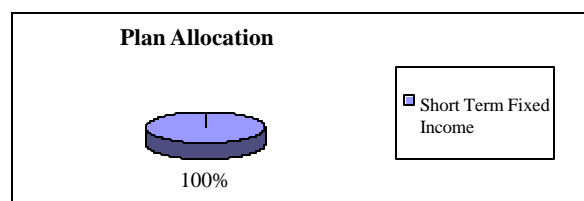
Wildlife Endowment Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1998	\$ -
Contributions	19,921
Withdrawals	(697)
Net	<u>19,224</u>
Investment income	996
Net unrealized appreciation	189
June 30, 1999	<u>\$ 20,409</u>

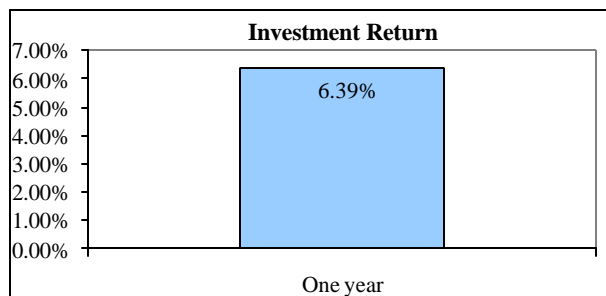
Asset Allocation

	Asset Value (in 000s)	Percentage
Short Term Fixed Income	20,409	100%
Total	<u>\$ 20,409</u>	<u>100%</u>



Investment Performance

Investment Return	
One year	6.39%



Rate of return is net of fees.

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

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***Consolidated Fund – Investment
Objectives and Financial Highlights***

Cash Liquidity Pool

Objectives

The Cash Liquidity Pool was created to invest the majority of the state and local government operating funds. The objective of the portfolio is to maintain sufficient liquidity to meet the daily disbursement needs of the state and participants while earning a small return above inflation. The portfolio is structured as a money market fund with the goal being the preservation of principal. The risk factor on this portfolio is low and managed through numerous maturity restrictions, diversification guidelines, and credit limits. The participants are paid on an income basis that includes only realized gains and losses.

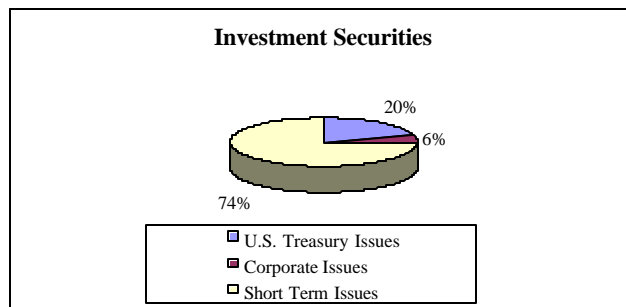
Financial Highlights

Progression of Net Assets (in \$000s)

Net Assets - June 30, 1998	\$ 566,777
Net increase from operations	34,192
Net increase from unit transactions	<u>158,628</u>
Net Assets - June 30, 1999	<u><u>\$ 759,597</u></u>

Investment Securities (in \$000s)

	<u>Amortized Cost</u>
U.S. Treasury Issues	\$ 151,113
Corporate Issues	46,517
Short Term Issues	<u>560,074</u>
Total	<u><u>\$ 757,704</u></u>

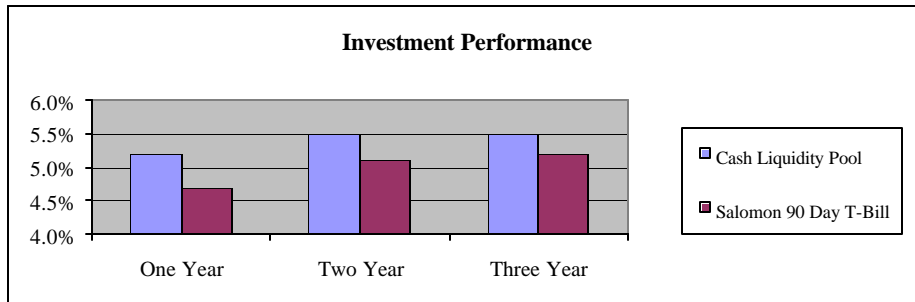


Cash Liquidity Pool (continued)

Investment Performance

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

	Cash Liquidity Pool	Salomon 90 Day T-Bill
One Year	5.2%	4.7%
Two Year	5.5%	5.1%
Three Year	5.5%	5.2%



Rates of return are gross of any fees.

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

One Year	5.1%
Two Years	5.3%
Three Years	5.4%

Government Money Market Pool

Objectives

The Government Money Market Fund was created to invest moneys of the State in U.S. Government securities. The objective of the portfolio is to maintain sufficient liquidity to meet the daily disbursements of the participants while earning a small return above inflation. The portfolio is structured as a money market fund with the goal being a stable dollar value a share thus preserving capital. The risk factor on this portfolio is low and managed through maturity restrictions. The default risk has been practically eliminated through the purchase of securities which the market considers default free. The participants are paid on an income basis which includes only realized gains and losses.

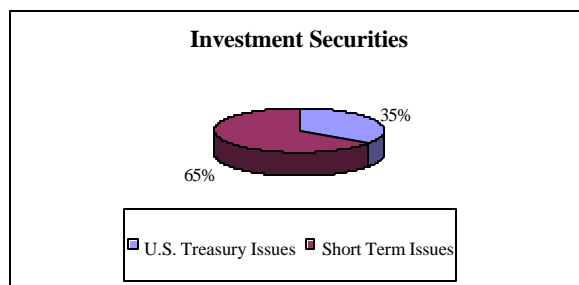
Financial Highlights

Progression of Net Assets (in \$000s)

Net Assets - June 30, 1998	\$ 138,430
Net increase from operations	13,280
Net increase from unit transactions	<u>134,889</u>
Net Assets - June 30, 1999	<u><u>\$ 286,599</u></u>

Investment Securities (in \$000s)

	<u>Amortized Cost</u>
U.S. Treasury Issues	\$ 100,740
Short Term Issues	<u>184,144</u>
Total	<u><u>\$ 284,884</u></u>

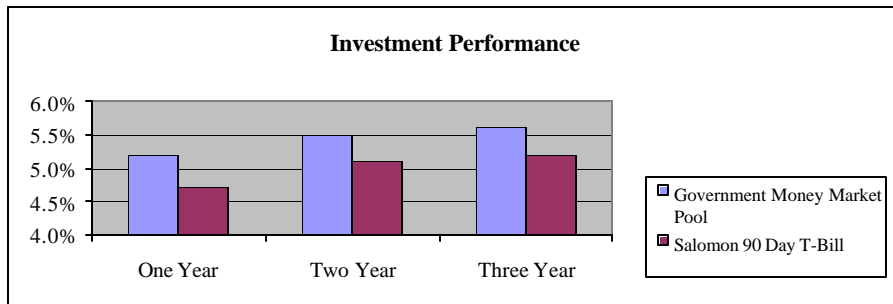


Government Money Market Pool (continued)

Investment Performance

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

	Government Money Market Pool	Salomon 90 Day T-Bill
One Year	5.2%	4.7%
Two Year	5.5%	5.1%
Three Year	5.6%	5.2%



Rates of return are gross of any fees.

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

One Year	5.1%
Two Years	5.4%
Three Years	5.5%

Enhanced Yield Pool

Objectives

The Enhanced Yield Pool was created to invest restricted moneys of the State which have a perceived longer term investment horizon. The goal of the portfolio is to earn an incremental return over the Cash Liquidity Pool with an objective of capital growth rather than current income. The portfolio is structured as a mutual fund and is restricted to monthly withdrawals and deposits. The risk factor on this portfolio is slightly higher than the Cash Liquidity Pool.

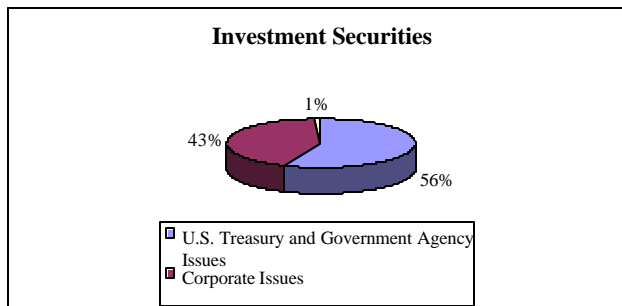
Financial Highlights

Progression of Net Assets (in \$000s)

Net Assets - June 30, 1998	\$	268,573
Net increase from operations		12,051
Net decrease from unit transactions		(34,846)
Net Assets - June 30, 1999	\$	<u>245,778</u>

Investment Securities (in \$000s)

	Fair Value
U.S. Treasury and Government Agency Issues	\$ 136,793
Corporate Issues	103,543
Short Term Issues	2,404
Total	\$ <u>242,740</u>

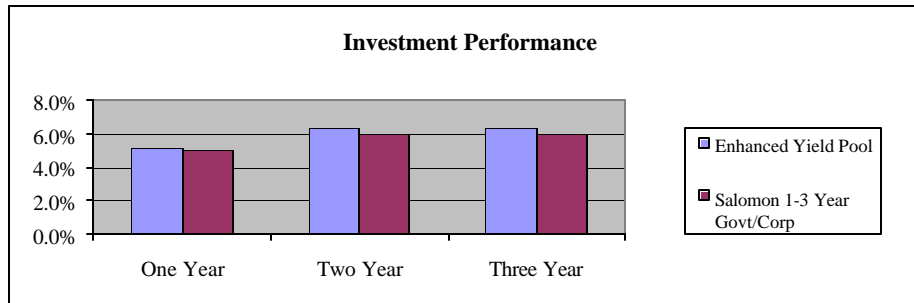


Enhanced Yield Pool (continued)

Investment Performance

The WVIMB calculates total rates of return using the time-weighted rate of return methodology. The time-weighted method determines the rate of return exclusive of the effects of participant contributions or withdraws.

	Enhanced Yield Pool	Salomon 1-3 Year Govt/Corp
One Year	5.2%	5.1%
Two Year	6.3%	6.0%
Three Year	6.3%	6.0%



Rates of return are gross of any fees.

The WVIMB adopts an annual fee schedule for services to be provided to the Consolidated Pension Fund's respective investment pools. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses.

Investment rates of return net of fees:

One Year	5.2%
Two Years	6.1%
Three Years	6.2%

Single Agency Funds and Special Purpose Pools

Objectives

The Single Agency Funds are portfolios set up for individual agencies that cannot commingle their moneys with other investors. The Board does not set objectives for these pools as the purchase of specific securities is made for the agency at their request. The Board acts only as an advisor and custodian on these accounts.

The Board operates two special purpose pools: the Loss Amortization Pool and the Loan Pool.

Loss Amortization This pool was created to account for those participant claims on the general operating funds of the State of West Virginia (the State) which exceeded the underlying assets of the other pools. This excess of participant claims on net assets over underlying assets occurred as a result of the distributions of earnings to participants in various investment pools, mainly the Unrestricted Pool (predecessor to Cash Liquidity), in excess of the true investment income experience of the pools, principally in 1987 and 1988.

Loans This pool is comprised of loans made by the State. The \$1 unit price is utilized for accounting purposes only. The State is the sole participant in this pool.

Pool	June 30, 1999 (in \$000s)
<i>Single Agency Pools</i>	
Municipal Bond Commission	\$193,998
Department of Transportation	178,396
Lottery Defeasance	8,404
School Fund	1,460
EDA Insurance	450
<i>Special Purpose Pools</i>	
Loss Amortization	93,275
Loans	140,005

Audited Financial Statements

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West Virginia
*Investment Management Board*_____

Audited Financial Statements
Consolidated Pension Fund
Consolidated Fund

June 30, 1999

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West Virginia Investment Management Board

Audited Financial Statements

June 30, 1999

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Consolidated Fund

Independent Auditors' Report

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One Mellon Bank Center
Pittsburgh, PA 15219

Telephone 412 391 9710
Fax 412 391 8963

Independent Auditors' Report

Board of Trustees
West Virginia Investment Management Board:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments in securities, of the individual investment pools comprising the Consolidated Pension Fund listed below, managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 1999, and the related statements of operations and changes in net assets for each of the periods listed below:

Short-Term Fixed Income Pool – statements of operations and changes in net assets for the year ended June 30, 1999.

Fixed Income Pool – statements of operations and changes in net assets for the year ended June 30, 1999

Fixed Income Qualified Pool – statements of operations and changes in net assets for the period from April 5, 1999 (commencement of operations), to June 30, 1999.

Fixed Income Nonqualified Pool – statement of operations and changes in net assets for the year ended June 30, 1999

S&P 500 Index Qualified Pool – statements of operations and changes in net assets for the year ended June 30, 1999.

S&P 500 Index Nonqualified Pool – statements of operations and changes in net assets for the year ended June 30, 1999.

Large Cap Domestic Pool – statements of operations and changes in net assets for the period from February 1, 1999 (commencement of operations), to June 30, 1999.

Non-Large Cap Domestic Pool – statements of operations and changes in net assets for the year ended June 30, 1999.

International Qualified Pool – statements of operations and changes in net assets for the year ended June 30, 1999.

International Nonqualified Pool – statements of operations and changes in net assets for the period from October 1, 1998 (commencement of operations), to June 30, 1999





Board of Trustees
West Virginia Investment Management Board
Page 2

International Equity Pool – statements of operations and changes in net assets for the period from October 1, 1998 (commencement of operations), to June 30, 1999.

Statutory Investments Pool – statements of operations and changes in net assets for the period from September 1, 1998 (commencement of operations), to June 30, 1999.

These financial statements are the responsibility of the WVIMB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the individual investment pools comprising the Consolidated Pension Fund listed above, managed by the WVIMB as of June 30, 1999, and the results of their operations and changes in their net assets for each of the periods listed above in conformity with generally accepted accounting principles.

KPMG LLP

Pittsburgh, Pennsylvania
September 1, 1999



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**Consolidated Pension Fund
West Virginia Investment Management Board**

Statement of Assets and Liabilities

June 30, 1999

(Dollars in thousands, except Investment Unit Data)

	<u>Short-Term Fixed Income</u>	<u>Fixed Income</u>
Assets		
Investment securities:		
At amortized cost	\$ 161,601	\$ 2,181,750
At fair value	<u>\$ 161,623</u>	<u>\$ 2,137,399</u>
Cash	-	-
Receivables:		
Accrued interest	1,737	16,357
Investments sold	-	73,928
Dividends	-	-
Foreign taxes withheld	-	-
Net foreign exchange forward contracts	-	-
Total assets	<u>163,360</u>	<u>2,227,684</u>
Liabilities		
Accrued expenses	18	123
Payable for investments purchased	-	612,073
Total liabilities	<u>18</u>	<u>612,196</u>
Net assets at value	<u>\$ 163,342</u>	<u>\$ 1,615,488</u>
Net assets		
Paid-in capital	\$ 161,786	\$ 1,601,002
Accumulated undistributed net investment income	788	9,114
Accumulated undistributed net realized gain (loss)	746	49,723
Accumulated undistributed net realized gain (loss) from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	22	(44,351)
Unrealized net appreciation (depreciation) on translation of assets and liabilities in foreign currencies	-	-
Net assets at value	<u>\$ 163,342</u>	<u>\$ 1,615,488</u>
Investment unit data:		
Units outstanding	16,203,107	164,037,077
Net asset value, unit price	<u>\$10.00</u>	<u>\$9.85</u>

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>	<u>S&P 500 Index Qualified</u>	<u>S&P 500 Index Nonqualified</u>
\$ 955,014	\$ 399,600	\$ 453,740	\$ 161,073
<u>\$ 931,563</u>	<u>\$ 388,294</u>	<u>\$ 560,343</u>	<u>\$ 201,861</u>
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
<u>931,563</u>	<u>388,294</u>	<u>560,343</u>	<u>201,861</u>
93	39	15	5
-	-	-	-
<u>93</u>	<u>39</u>	<u>15</u>	<u>5</u>
<u>\$ 931,470</u>	<u>\$ 388,255</u>	<u>\$ 560,328</u>	<u>\$ 201,856</u>
\$ 954,797	\$ 395,181	\$ 453,870	\$ 158,648
2,445	4,389	(145)	2,420
(2,321)	(9)	-	-
-	-	-	-
(23,451)	(11,306)	106,603	40,788
-	-	-	-
<u>\$ 931,470</u>	<u>\$ 388,255</u>	<u>\$ 560,328</u>	<u>\$ 201,856</u>
95,479,664	39,518,097	40,080,738	14,449,650
<u>\$9.76</u>	<u>\$9.82</u>	<u>\$13.98</u>	<u>\$13.97</u>

Consolidated Pension Fund
West Virginia Investment Management Board
Statement of Assets and Liabilities (Continued)

June 30, 1999

(Dollars in thousands, except Investment Unit Data)

	<u>Large Cap Domestic</u>	<u>Non-Large Cap Domestic</u>
Assets		
Investment securities:		
At amortized cost	\$ 210,646	\$ 338,375
At fair value	\$ 217,538	\$ 374,266
Cash	-	-
Receivables:		
Accrued interest	-	-
Investments sold	7,266	1,791
Dividends	201	77
Foreign taxes withheld	5	1
Net foreign exchange forward contracts	-	-
Total assets	<u>225,010</u>	<u>376,135</u>
Liabilities		
Accrued expenses	51	161
Payable for investments purchased	7,774	1,725
Total liabilities	<u>7,825</u>	<u>1,886</u>
Net assets at value	<u>\$ 217,185</u>	<u>\$ 374,249</u>
Net assets		
Paid-in capital	\$ 209,178	\$ 337,398
Accumulated undistributed net investment income	928	2,735
Accumulated undistributed net realized gain (loss)	187	(1,775)
Accumulated undistributed net realized gain (loss) from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) on investments	6,892	35,891
Unrealized net appreciation (depreciation) on translation of assets and liabilities in foreign currencies	-	-
Net asset at value	<u>\$ 217,185</u>	<u>\$ 374,249</u>
Investment unit data:		
Units outstanding	20,905,785	36,652,174
Net asset value, unit price	<u>\$10.39</u>	<u>\$10.21</u>

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ 83,327	\$ 25,009	\$ 233,302	\$ 150,000
<u>\$ 95,564</u>	<u>\$ 30,961</u>	<u>\$ 249,341</u>	<u>\$ 150,000</u>
-	-	-	-
-	-	-	1,956
-	-	7,315	-
-	-	389	-
-	-	128	-
-	-	557	-
<u>95,564</u>	<u>30,961</u>	<u>257,730</u>	<u>151,956</u>
9	4	285	3
-	-	7,460	-
<u>9</u>	<u>4</u>	<u>7,745</u>	<u>3</u>
<u>\$ 95,555</u>	<u>\$ 30,957</u>	<u>\$ 249,985</u>	<u>\$ 151,953</u>
\$ 89,457	\$ 25,142	\$ 223,929	
(206)	(164)	2,634	
(5,933)	27	10,789	
-	-	(3,971)	
12,237	5,952	25,526	
-	-	(8,922)	
<u>\$ 95,555</u>	<u>\$ 30,957</u>	<u>\$ 249,985</u>	
8,057,393	2,359,539	22,018,215	
<u>\$11.86</u>	<u>\$13.12</u>	<u>\$11.35</u>	

Consolidated Pension Fund
West Virginia Investment Management Board

Schedule of Investments in Securities

June 30, 1999

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
FIXED INCOME SECURITIES					
Short-Term Fixed Income					
<i>U. S. Treasury Issues</i>					
U. S. Treasury Note	5.375%	01/31/2000	\$ 42,000	\$ 42,125	\$ 42,079
Total U. S. Treasury Issues	26.0%			42,125	42,079
<i>Corporate Issues</i>					
Corporate Bonds					
Associate Corp North America	6.750	10/15/1999	2,000	2,003	2,007
Chrysler Financial Corp	9.500	12/15/1999	2,000	2,030	2,033
Beneficial Corp	7.990	02/17/2000	1,940	1,955	1,965
International Lease Finance	6.160	03/01/2000	3,000	2,995	3,007
Associates Corp North America	7.780	03/01/2000	3,000	3,032	3,038
Quebec Province Canada	9.125	03/01/2000	1,000	1,018	1,023
Heller Financial	5.625	03/15/2000	1,000	994	998
Norwest Financial Inc	7.250	03/15/2000	1,000	1,010	1,012
J P Morgan & Co	5.875	05/01/2000	4,000	3,997	4,003
Bell Atlantic Financial	6.250	06/01/2000	2,000	1,999	2,006
American General Finance Corp	9.625	07/15/2000	2,000	2,057	2,071
Fleet Financial Group	5.066A	07/28/2000	5,000	5,002	4,997
Merrill Lynch & Co Inc	6.450	08/30/2000	2,000	2,024	2,012
First Usa Bank	6.375	10/23/2000	1,590	1,591	1,597
First Union National Bank	5.228A	11/13/2000	5,000	5,011	5,004
Bank America Corp	5.175A	03/05/2001	5,000	4,995	4,993
Ford Motor Credit Co	5.206A	09/03/2001	5,000	5,004	4,996
Total Corporate Bonds				46,717	46,762
Corporate Asset Backed Issues					
Caterpillar Financial Asset Trust	5.750	09/25/2001	4,027	4,029	4,014
Navistar Financials	6.750	03/15/2002	2,946	2,975	2,988
Cal Infra Southern Cal Edison	6.150	06/25/2002	5,411	5,437	5,418
Discover Card Master Trust I	6.550	02/18/2003	4,000	4,027	4,029
Fleet Master Trust	6.050	08/01/2003	4,000	4,039	4,009
Case Equipment Loan Trust	6.450	03/15/2004	3,430	3,456	3,462
Circuit City Credit Card Master Trust	6.375	08/15/2005	4,000	4,021	4,032
EQCC Home Equity Loan Trust	6.840	09/15/2011	3,579	3,611	3,641
Saxon Asset Securities Trust	6.200	04/25/2017	5,300	5,289	5,298
Advanta Mortgage Loan Trust	7.100	04/25/2020	2,684	2,689	2,701
Total Corporate Asset Backed Issues				39,573	39,592
Total Corporate Issues	53.4%			86,290	86,354

A – Adjustable rate security.
See accompanying notes to financial statements.

Consolidated Pension Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<i>Short-term Issues</i>					
Prudential Securities Repurchase Agreement	5.050	07/01/1999	13,193	13,193	13,193
Chase Manhat Bank USA Na CD	5.365	05/22/2000	10,000	9,996	9,998
UBS AG Stamford CT	5.340	05/24/2000	10,000	9,997	9,999
Total Short-term Issues	20.6%			33,186	33,190
Total Short-Term Fixed Income				<u>\$ 161,601</u>	<u>\$ 161,623</u>
Fixed Income					
<i>U. S. Treasury Issues</i>					
U. S. Treasury Note	5.625%	12/31/2002	\$ 30,000	\$ 31,036	\$ 29,967
U. S. Treasury Inflation Protection Note	3.625	01/15/2008	87,423	87,071	84,937
U. S. Treasury Strip – Prin	0.000	05/15/2020	134,000	41,716	36,235
U. S. Treasury Strip – Prin	0.000	11/15/2021	211,000	57,020	52,277
U. S. Treasury Strip – Prin	0.000	08/15/2025	167,000	37,373	33,844
U. S. Treasury Bond	6.000	02/15/2026	50,000	52,027	48,789
U. S. Treasury Bond	6.375	08/15/2027	193,570	213,014	198,349
U. S. Treasury Bond	6.125	11/15/2027	54,825	57,649	54,457
U. S. Treasury Inflation Protection Note	3.625	04/15/2028	145,881	144,260	137,652
U. S. Treasury Bond	5.250	11/15/2028	15,000	13,156	13,296
Total U. S. Treasury Issues	32.3%			734,322	689,803
<i>U. S. Government Agency Issues</i>					
U. S. Government Agency Mortgage Backed Issues					
FHLMC Mortgage Pools	various	various	277,253	270,427	273,426
FNMA Mortgage Pools	various	various	292,938	287,501	290,543
GNMA Mortgage Pools	various	various	89,941	88,321	88,292
Total U. S. Government Agency Mortgage Backed Issues				646,249	652,261
U. S. Government Agency CMOs					
Student Loan Marketing Assn	5.489A	04/25/2006	28,806	28,822	28,689
Student Loan Marketing Assn	5.739A	10/26/2011	8,800	8,800	8,800
FHLMC – CMO	7.000	01/25/2021	4,404	4,392	4,352
Total U. S. Government Agency CMOs				42,014	41,841
Total U. S. Government Agency Issues	32.5%			688,263	694,102

A – Adjustable rate security.
See accompanying notes to financial statements.

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West Virginia Investment Management Board
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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<i>Corporate Issues</i>					
U. S. Corporate Bonds					
Dean Witter Discovery & Co	5.441A	03/01/2000	15,150	15,156	15,142
Public Service Electric & Gas	6.000	05/01/2000	15,000	14,973	14,995
General Motors Acceptance Corp	9.625	05/15/2000	5,000	5,064	5,150
Ford Motor Credit Co	6.375	10/06/2000	20,000	20,139	20,053
TRW Inc	6.450	06/15/2001	15,000	14,999	14,999
Pennsylvania Power & Light Co	7.750	05/01/2002	5,000	5,164	5,174
AT&T Corp	6.750	04/01/2004	1,250	1,245	1,269
Merrill Lynch & Co Inc	7.000	03/15/2006	15,000	15,649	15,209
RJR Nabisco Inc	7.750	05/15/2006	20,000	19,910	19,819
RJR Nabisco Inc	7.875	05/15/2009	20,000	19,717	19,433
Geico Corp	9.150	09/15/2021	15,000	16,353	16,466
Loews Corp	7.625	06/01/2023	15,000	14,575	14,427
GE Global Ins Holding Corp	7.000	02/15/2026	15,000	14,865	14,664
TCI Communications Inc	7.875	02/15/2026	15,000	15,814	15,808
British Aerospace Finance Inc	7.500	07/01/2027	15,000	14,891	15,280
J Seagram & Sons	7.600	12/15/2028	20,000	21,200	19,255
Pepsi Bottling Group Inc	7.000	03/01/2029	10,000	9,932	9,391
Ford Holdings Inc	9.300	03/01/2030	10,000	11,951	12,233
Time Warner Entertainment Co	8.375	07/15/2033	7,500	7,766	8,155
Norfolk Southern Corp	7.050	05/01/2037	15,000	16,115	15,243
News America Holdings Inc	7.750	12/01/2045	22,500	20,570	21,202
IBJ Preferred Capital Co LLC	8.790A	12/29/2049	15,000	15,203	12,525
SB Treasury Co LLC	9.400A	12/29/2049	10,000	10,215	9,824
Total U. S. Corporate Bonds				321,466	315,716
<i>Corporate Asset Backed Issues</i>					
First Plus Home Loan Trust	7.640	07/10/2022	5,250	5,249	5,379
Home Loan Trust RFC	7.490	07/25/2022	6,250	6,246	6,377
Residential Funding Mort Sec	6.810A	01/25/2024	17,620	17,538	16,987
CS First Boston Mtg Secs Corp	7.590	07/25/2026	20,000	19,989	20,451
Total Corporate Asset Backed Issues				49,022	49,194
<i>Corporate CMOs</i>					
Westpac Securitization Trust 1998-1G	5.140A	07/19/2029	27,522	27,522	27,429
Total Corporate CMOs				27,522	27,429
Total Corporate Issues	18.4%			398,010	392,339

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<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value</u>
<i>Short-term Issues</i>					
Morgan Stanley Dean Witter Repurchase Agreement	4.950	07/01/1999	94,348	94,348	94,348
Lehman Brothers Repurchase Agreement	4.970	07/01/1999	140,000	140,000	140,000
Prudential Securities Repurchase Agreement	5.050	07/01/1999	126,807	126,807	126,807
Total Short-term Issues	16.8%			<u>361,155</u>	<u>361,155</u>
Total Fixed Income				<u>\$ 2,181,750</u>	<u>\$ 2,137,399</u>
Fixed Income Qualified					
Commingled Fixed Income Pools					
Barclay's Global Investors Qualified Mortgage Index			9,009,072	\$ 190,676	\$ 188,457
Barclay's Global Investors Qualified Intermediate Corp			23,145,946	494,248	485,802
Barclay's Global Investors Qualified Long Corp			11,294,480	270,090	257,304
Total Commingled Fixed Income Pools	100.0%			<u>955,014</u>	<u>931,563</u>
Total Fixed Income Qualified				<u>\$ 955,014</u>	<u>\$ 931,563</u>
Fixed Income Nonqualified					
Commingled Fixed Income Pools					
Barclay's Global Investors Non-Qualified Mortgage Index			4,374,164	\$ 79,781	\$ 78,469
Barclay's Global Investors Non-Qualified Intermediate Corp			14,147,427	206,906	202,359
Barclay's Global Investors Non-Qualified Long Corp			7,491,879	112,913	107,466
Total Commingled Fixed Income Pools	100.0%			<u>399,600</u>	<u>388,294</u>
Total Fixed Income Nonqualified				<u>\$ 399,600</u>	<u>\$ 388,294</u>

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West Virginia Investment Management Board
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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
EQUITY SECURITIES			
S&P 500 Index Qualified			
<i>Commingled Equity Pools</i>			
State Street Global Advisors' S&P 500 Index Qualified	2,436,126	\$ 453,740	\$ 560,343
Total Commingled Equity Pools	100%	<u>453,740</u>	<u>560,343</u>
Total S&P 500 Index Qualified		<u>\$ 453,740</u>	<u>\$ 560,343</u>
S&P 500 Index Nonqualified			
<i>Commingled Equity Pools</i>			
State Street Global Advisors' S&P 500 Index Nonqualified	3,387,736	\$ 161,073	\$ 201,861
Total Commingled Equity Pools	100.0%	<u>161,073</u>	<u>201,861</u>
Total S&P 500 Index Nonqualified		<u>\$ 161,073</u>	<u>\$ 201,861</u>
Large Cap Domestic			
<i>Equities</i>			
Domestic Equities			
AK Steel Holding Corp	140,000	\$ 3,506	\$ 3,150
AT&T Corp	84,442	4,494	4,713
AT&T Corp - Liberty Media	78,600	2,127	2,889
Abbott Laboratories	23,570	1,116	1,069
America Online Inc	8,993	1,045	989
American Home Products Corp	108,303	6,701	6,214
American International Group Inc	2,703	310	317
Ameritech Corp	16,810	1,117	1,236
Associates First Capital Corp	61,700	2,594	2,723
Bank of America Corp	1,823	124	134
Bank One Corp	2,226	125	133
Baxter International Inc	64,000	4,360	3,880
Bell Atlantic Corp	22,799	1,309	1,490
BellSouth Corp	30,781	1,391	1,420
Bowater Inc	79,000	4,213	3,743
Bristol-Myers Squibb Co	36,643	2,354	2,581
Chancellor Media Corporation	21,700	1,022	1,196
Chase Manhattan Corp	42,447	3,140	3,672
Cisco Systems Inc	59,064	3,294	3,810
Citigroup Inc	67,127	2,704	3,189
Coca-Cola Co	16,310	1,063	1,011
Compaq Computer Corp	5,431	145	129
Dell Computer Corp	122,717	5,580	4,541
Delphi Automotive Systems Corp	8,226	10	152
Walt Disney Co	37,511	1,229	1,156

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Dow Chemical Co	22,000	2,788	2,791
E.I. Du Pont de Nemours and Co	15,600	922	1,066
EMC Corp	43,900	2,556	2,415
Exxon Corp	26,650	1,975	2,055
Freddie Mac	44,000	2,587	2,552
Federal National Mortgage Assn	54,445	3,528	3,716
Ford Motor Co	93,166	5,760	5,258
GTE Corp	17,219	1,131	1,300
Gap Inc	51,750	2,304	2,607
General Electric Co	23,750	2,427	2,684
General Motors Corp	11,770	997	777
Gillette Co	21,889	1,159	897
Hewlett-Packard Co	16,311	1,179	1,639
Home Depot Inc	59,712	3,616	3,848
Illinova Corp	186,685	4,206	5,087
Intel Corp	77,306	4,801	4,600
International Business Machs	14,948	1,406	1,932
Johnson & Johnson	17,562	1,596	1,721
Kimberly Clark Corp	70,675	3,958	4,028
Kohl's Corp	20,500	1,411	1,576
Kroger Co	47,400	1,449	1,324
Eli Lilly and Co	4,296	354	308
Lowe's Corp	40,100	2,378	2,273
Lucent Technologies Inc	46,710	2,403	3,150
MBNA Corp	78,000	1,945	2,389
MCI WorldCom Inc	65,673	5,559	5,652
Masco Corp	138,000	4,031	3,985
McDonald's Corp	26,450	1,119	1,088
McKesson HBOC Inc	36,400	2,504	1,172
MediaOne Group Inc	35,300	2,501	2,625
Merck & Co Inc	27,493	2,068	2,024
Microsoft Corp	57,300	4,725	5,168
Mobil Corp	12,831	1,197	1,267
Montana Power Co	62,075	4,906	4,376
Morgan Stanley Dean Witter	38,905	3,780	3,993
Pepsico Inc	28,139	1,060	1,089
Pfizer Inc	22,563	2,967	2,459
Philip Morris	41,682	1,545	1,675
Pitney Bowes Inc	71,000	4,626	4,562
Proctor & Gamble Co	18,591	1,698	1,659
Rohm & Haas Co	51,885	2,269	2,225
SBC Communications Inc	28,272	1,530	1,640
Schering-Plough Corp	54,035	2,904	2,836
Time Warner Inc	36,879	2,456	2,678
Tyco International Ltd	61,500	4,563	5,827
USX-Marathon Group	107,000	2,919	3,484

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
U.S. Bancorp	129,000	4,297	4,305
Vodafone AirTouch plc	6,800	1,340	1,339
Wal-Mart Stores	83,717	3,718	4,039
Warner-Lambert Co	35,699	2,485	2,467
Wells Fargo Co	27,240	1,083	1,164
Williams Companies Inc	51,900	2,295	2,209
Xerox Corp	81,000	4,588	4,784
Total Domestic Equities		194,642	199,321
Foreign Equities - Developed Markets			
BCE Inc	89,000	3,939	4,389
Cable & Wireless Plc	112,640	4,201	4,463
Nokia Oyj Corp	65,300	4,740	5,979
Royal Dutch Petroleum Co	24,400	1,208	1,470
Total Foreign Equities - Developed Markets		14,088	16,301
Total Equities	99.1%	208,731	215,622
<i>Short-term Issues</i>			
Short-term securities	1,915,983	1,916	1,916
Total Short-term Issues	0.9%	1,916	1,916
Total Large Cap Domestic		<u>\$ 210,646</u>	<u>\$ 217,538</u>
Non-Large Cap Domestic			
<i>Commingled Equity Pools</i>			
Dimensional Fund Advisors 4-10 Value Series	25,938,030	\$ 239,923	\$ 264,568
Total Commingled Equity Pools	70.7%	239,923	264,568
<i>Equities</i>			
Domestic Equities			
AK Steel Holding Corp	7,200	154	162
ARM Financial Grp	15,700	221	133
Abacus Direct Corp	6,700	450	613
Activision Inc	6,000	71	87
ADAC Laboratories	6,100	69	44
Adaptec Inc	13,900	354	491
Adobe Systems Inc	2,400	115	197
Advanced Fibre Comm Inc	13,200	139	206

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Advent Software Inc	8,500	523	569
Affiliated Computer Svcs Inc	3,300	149	167
Agribands Freight Corp	7,400	262	293
Airborne Freight Corp	1,500	60	42
Airgas Inc	2,700	32	33
Airtran Holdings	12,800	68	74
Albany International Corp	4,200	94	88
Albemarle Corp	6,100	143	141
Alkermes Inc	14,100	362	326
Allegheny Energy Inc	7,400	239	237
Allegiance Telecom Inc	700	26	38
Alliance Pharmaceutical Corp	3,500	10	9
Alliant Techsystems Inc	5,500	460	476
Allmerica Financial Corp	1,800	99	109
Altera Corp	4,800	124	177
Amazon.com Inc	1,000	126	125
America West Holdings Corp	11,700	246	221
Amercian Eagle Outfitters Inc	2,500	121	114
American Financial Group	1,800	63	61
American Heritage Life Insurance	3,900	94	96
American Management Systems	10,900	357	349
American Medical Security Grp	5,400	63	47
American Standard Co	2,700	91	130
AmeriSource Health Corp	8,100	260	207
AnnTaylor Stores Corp	16,700	698	752
ANTEC Corp	5,300	138	170
Apache Corp	15,100	502	589
Apple Computer Inc	3,100	105	144
Applied Micro Circuits Corp	9,900	387	814
Ariba, Inc	400	9	39
Ask Jeeves Inc	50	1	1
Aspen Technology Inc	700	8	8
Atlantic Coast Airlines Hldg	600	11	11
Atlas Air Inc	7,400	209	239
Atmel Corp	14,600	284	382
Atwood Oceanics Inc	19,700	585	616
AutoImmune Inc	9,100	21	22
Avalonbay Communities Inc	3,000	95	111
Avant! Corp	3,400	43	43
Avis Rent A Car Inc.	9,900	296	288
Avnet Inc	1,500	66	70
AXYS Pharmaceuticals Inc	5,100	21	17
BISYS Group Inc	6,000	331	351
BancFirst Corp	3,000	102	103
BancorpSouth Inc	900	16	16
BancWest Corp	3,400	155	126
Bandag Inc	900	30	31
Bank United Corporation	3,500	139	141
Banta Corp	12,700	290	267

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Barnes Grp	6,300	135	137
Beckman Coulter Inc	4,000	208	195
Bed Bath & Beyond Inc	12,200	391	470
Bergen Brunswig Corp	12,800	327	221
Beringer Wine Estate Hldgs Inc	800	32	33
W. R. Berkley Corp	2,600	66	65
Big Flower Hldgs Inc	3,600	89	115
Bindley Western Industries	11,600	272	268
Biogen Inc	2,600	128	167
Biomatrix Inc	11,100	396	239
Black & Decker Corp	2,100	103	133
Boise Cascade	10,900	455	467
Borg-Warner Automotive Inc	3,600	197	198
Bowne & Co	16,500	286	221
Briggs & Stratton Corp	5,800	315	335
Brinker International Inc	2,200	61	60
Broad National Bancorp	3,000	74	76
Brown Shoe Co Inc	8,500	136	185
Brunswick Corp	3,500	73	98
C&D Technologies Inc	2,800	67	86
CCB Financial Corp	3,300	192	174
CDW Computer Centers Inc	3,200	136	141
CMP Group Inc	13,700	273	359
CPB Inc	6,000	119	159
CTS Corp	4,100	217	287
Cabot Industrial Trust	5,900	119	125
Calpine Corp	10,400	432	562
Cambrex Corp	1,300	31	34
Canandaigua Brands Inc	1,600	76	84
Capital Re Corp	7,800	136	125
Caprock Communications Corp	14,800	326	599
Caraustar Industries Inc	10,800	284	267
Cardinal Health Inc	400	28	26
Carrier Access Corp	800	32	35
Cascade Corporation	5,800	70	81
CellStar Corp	17,300	138	136
Centex Corp	9,200	375	346
Centex Construction Products	7,100	265	242
Central Garden & Pet Company	4,200	56	43
Central Newspapers Inc	20,600	724	773
Century Bancorp Inc	1,600	29	31
Century Telephone Enterprises	2,400	101	95
Cephalon Inc	3,700	39	64
Checkfree Holdings Corporation	700	21	19
Chesapeake Corp	4,000	139	150

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Chittenden Corporation	2,698	77	84
Citadel Communications Corp	14,000	391	507
Citation Corporation	4,400	65	71
City National Corp	11,700	418	438
Clarify Inc	9,300	325	384
Cleveland-Cliffs Inc	4,600	171	149
Coachman Industries	8,400	162	195
Columbia Banking Systems Inc	3,380	57	52
COMAIR Holdings Inc	4,600	115	96
Commerce Bancshares Inc	2,400	98	97
Commercial Bancshares Inc	500	11	11
Commercial Metals Co	5,500	132	157
CommScope Inc	3,900	93	120
Concentric Network Corp	8,600	306	342
Com21 Inc	1,100	17	19
Concord Communications Inc	6,900	389	311
Conectiv Inc	16,000	395	391
Cooper Tire & Rubber Co	20,700	444	489
Adolph Coors Co	2,300	109	114
Copper Mountain Networks Inc	5,000	313	386
Cordant Technologies Inc	3,800	121	172
Cost Plus Inc	18,750	638	853
Covenant Transport Inc	4,300	65	68
Coventry Health Care Inc	5,200	70	57
Annuity and Life Re (Hldg) Ltd	22,100	550	496
Credence Systems Corp	5,700	158	212
Cree Research Inc	10,400	590	800
Cross Timbers Oil Co	4,900	39	73
Crown Castle Intl Corp	2,100	37	44
XL Capital Ltd	1,464	86	83
Cullen/Frost Bankers Inc	11,400	311	314
Cummins Engine Co Inc	3,900	179	223
Cumulus Media Inc	17,050	305	373
Cypress Semiconductor Corp	25,500	265	437
Cytec Industries Inc	5,800	160	183
The DII Group Inc	4,400	134	164
D.R. Horton Inc.	13,100	222	218
DST Systems Inc	2,200	114	138
DSP Communications	24,600	614	710
Flextronics International Ltd	4,100	169	228
Darden Restaurants Inc	14,300	311	312
Data Processing Resources Corp	10,100	174	239
Delphi Financial Group Inc	2,958	146	106
Deluxe Corp	4,100	143	159
Department 56 Inc	4,000	132	108
Desert Community Bank	500	12	14
DeVry Inc	3,500	81	78
Dime Bancorp Inc	16,600	394	334
Dollar General Corp	6,975	177	202

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Dollar Thrifty Automotive Grp	14,000	270	325
Dollar Tree Stores Inc	2,900	100	128
Doral Financial Corp	13,800	257	238
Dril-Quip Inc	1,000	19	23
PartnerRe Ltd	7,200	291	269
Dycom Industries Inc	21,500	901	1,204
Eagle Geophysical Inc	611	2	1
Earthgrains Co	7,200	174	186
Renaissance Holdings Ltd	8,100	261	300
Eaton Corp	1,200	82	110
A.G. Edwards Inc	13,400	452	432
El Paso Electric Co	8,300	67	74
Triton Energy Ltd	1,700	21	18
Emulex Corp	5,600	382	623
Energy East Corp	15,900	418	413
Enron Oil & Gas Co	12,400	243	251
Entercom Communications Corp	13,000	412	556
Esterline Technologies Corp	9,100	163	131
eToys Inc	3,900	231	159
EVEREN Capital Corp	5,700	123	170
Everest Reinsurance Hldgs Inc	13,200	431	431
Exodus Communications Inc	600	48	72
FVNB Corporation	600	20	18
Family Dollar Stores	11,000	254	264
Fidelity National Finl Inc	4,800	125	96
Financial Security Assurance	3,100	170	161
FINOVA Group Inc	12,600	620	663
First American Financial Corp	14,200	324	254
First Citizens Bancshares Inc	800	65	65
First Commerce Bancshares Inc	1,300	33	32
First Commerce Bancshares Inc	3,200	82	76
First Merchants Corp	700	16	17
FirstFed Financial Corp	23,300	409	449
Flowers Industries Inc	4,000	100	87
Footstar Inc	3,900	136	145
Freedom Securities Corp	4,100	68	70
Frontier Insurance Group Inc	8,200	103	126
GPU Inc	5,600	232	236
Galileo International Inc	2,600	117	139
GelTex Pharmaceuticals Inc	1,400	24	25
General Cable Corp	7,700	132	123
General Communications Inc	6,000	30	41
Genesys Telecommunications Lab	33,800	609	845
Genzyme Corp	9,400	390	456
Genzyme Corp Surgical Prod. Div.	6,039	25	27

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Georgia-Pacific Timber	8,700	231	220
Gilead Sciences Inc	1,700	69	89
Global Telesystems Group Inc	600	46	49
Golden State Vinters Inc	5,100	49	31
GoTo .com Inc	1,000	15	28
W.R. Grace & Co	9,100	137	173
Great Lakes REIT Inc	5,400	86	88
GreenPoint Financial Corp	11,300	384	371
Group 1 Automotive Inc.	1,400	34	29
Grove Property Trust	9,800	121	127
GTECH Holdings Corp	6,800	175	160
Haemonetics Corp	2,400	43	48
Hambrecht & Quist Grp	7,900	280	291
Hanmi Bank	3,809	53	60
M. A. Hanna Co	2,900	47	48
John H. Harland Co	16,200	272	323
Hartford Life Inc	3,800	181	200
Hayes Lammerz International	4,400	140	129
HealthSouth Corp	5,100	60	76
Helix Technology Corp	5,400	99	129
Heller Financial	6,100	158	170
Jack Henry & Associates Inc	3,400	124	133
Hi/Fn Inc	8,300	304	632
Hollywood Entertainment Corp	5,700	123	112
Horace Mann Educators Corp	3,400	87	92
Hudson United Bancorp	5,700	184	179
Human Genome Science	2,600	110	103
IBP Inc	15,900	370	378
ICG Communications Inc	3,900	71	83
ICOS Corp	13,300	431	543
IDEC Pharmaceuticals Corp	9,600	503	740
ISS Group Inc	10,800	402	408
ITC Deltacom Inc	17,200	382	482
ITT Educational Services Inc	3,600	108	93
IDEXX Laboratories Inc	5,100	125	119
Immunex Corp	1,000	90	127
IMRglobal Corp	1,900	37	36
Interim Services Inc	4,500	95	93
InterVoice Inc	24,600	253	355
Intimate Brands Inc	3,780	168	179
Ionics Inc	1,000	29	36
Iron Mountain Inc	3,800	112	109
Jacobs Engineering Group Inc	16,600	657	631
Jeffries Group Inc	3,700	84	107
KLA-Tencor Corp	5,800	273	376
Kaydon Corp	2,000	62	67
Kennametal Inc	3,500	86	109
Kerr - McGee Corp	1,000	46	50
Kilroy Realty Corp	6,500	151	158

*A – Adjustable rate security.
See accompanying notes to financial statements.*

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Kimco Realty Corp	4,700	183	187
Knight Ridder Inc	6,700	331	369
LNR Property Corp	17,500	337	374
LTC Properties Inc	3,000	37	39
La-Z-Boy Inc	1,500	31	35
Labor Ready Inc	22,400	614	728
Lafarge Corp	9,800	338	347
Lam Research Corp	2,100	64	98
Lamar Advertising Co	800	26	33
Lance Inc	3,500	54	55
LandAmerica Financial Grp Inc	2,800	140	81
Landstar System Inc	3,100	133	112
Laser Vision Centers Inc	12,100	688	762
Lattice Semiconductor Corp	6,100	291	380
Legg Mason Inc	5,300	158	204
Lennar Corp	1,300	30	31
Libbey Inc	1,800	58	52
Liberty Property Trust	7,900	182	197
LifePoint Hospitals Inc	1,800	19	24
Linens 'n Things Inc	15,950	686	698
Lone Star Industries Inc	7,600	276	285
Lone Star Steakhouse & Saloon	3,800	35	37
The Lubrizol Corp	7,700	219	210
Luby's Inc	8,600	132	129
M.D.C. Holdings Inc	13,400	274	288
MDU Resources Group Inc	10,600	245	242
MMc Networks Inc	600	24	27
M.S. Carriers Inc	1,200	36	36
Macromedia Inc	9,700	380	342
Mallinckrodt Inc	15,600	542	567
Manpower Inc	9,800	228	222
Marine Drilling Co Inc	45,100	643	617
Marshall Industries	8,100	142	291
Mastech Corporation	7,400	100	138
McClatchy Co	9,300	325	308
Mead Corp	3,300	101	138
MedQuist Inc	22,400	742	980
Mercantile Bankshares Corp	3,800	136	134
Merchants Bancshares Inc	500	11	11
Mercury Interactive Corp	23,500	801	831
Meritor Automotive Inc	13,300	263	339
Mesa Air Group Inc	8,500	58	64
Mesaba Holdings Inc	8,800	130	112
Metris Companies Inc	21,300	703	868
Metzler Group Inc	8,000	263	221
MicroAge Inc	8,300	132	32

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Microchip Technology Inc	8,400	296	398
Micron Electronics Inc	6,100	75	61
Midas Inc	9,500	316	270
Midamerican Energy Holdings Co	16,300	516	564
Millennium Pharmaceuticals	1,000	35	36
Minerals Technology Inc	1,200	59	67
MiniMed Inc	7,200	375	554
Minnesota Power Inc	1,900	39	38
Mobius Management Systems Inc	7,100	82	58
Mohawk Industries Inc	4,000	113	121
Robert Mondavi Corp	600	20	22
Morgan Keegan Inc	15,300	255	290
Musieland Stores Corp	10,100	125	96
NCO Group Inc	3,800	118	144
NCR Corp	6,700	289	327
NACCO Industries Inc	1,300	110	95
Nalco Chemical Company	6,500	220	337
National Fuel Gas Company	4,700	228	228
National RV Holdings Inc	9,400	254	228
Nautica Enterprises Inc	900	14	15
Navistar International Corp	8,300	384	415
Newpark Resources Inc	3,000	21	27
NextCard Inc	2,800	86	95
Niagara Mohawk Holdings Inc	28,800	408	463
NICOR Inc	1,600	61	61
99 Cents Only Stores	15,500	693	774
Noble Affiliates Inc	9,500	206	268
Nordson Corp	900	54	55
Northwestern Corp	6,100	158	147
Novellus Systems Inc	1,900	105	130
Oak Industries Inc	5,000	193	219
Ocean Energy Inc	6,300	62	61
Ocwen Financial Corp	20,100	175	178
Old Kent Financial Corp	7,035	301	294
Old Republic Internaional Corp	7,700	151	133
ONEOK Inc	3,000	91	95
Optical Coating Laboratory Inc	9,800	453	819
OshKosh B'Gosh Inc	6,300	95	133
Osteotech Inc	12,100	405	348
Outback Steakhouse Inc	3,700	121	145
Owens & Minor Inc	10,400	137	114
Owens Corning	2,600	83	89
PMI Group Inc	5,900	282	370
PRI Automation Inc	18,200	501	660
PSS World Medical Inc	6,800	80	76
PACCAR Inc	2,400	130	128
Pacific Century Financial Corp	20,000	449	431
Pacific Sunwear of California	44,850	982	1,093
PacifiCare Health Systems Inc	2,600	187	187

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
PairGain Technologies Inc	22,900	352	263
Pall Corp	2,700	56	60
Papa John's International Inc	1,700	73	76
Parexel International Corp	4,800	90	64
Park Electrochemical Corp	8,700	219	250
Parker-Hannifin Corporation	1,300	58	59
PathoGenesis Corporation	2,000	28	28
Pegasystems Inc	3,700	21	38
Pegasus Communications Corp	3,100	107	122
Pegasus Systems Inc	500	17	19
PennzEnergy Co	3,300	49	55
Pennzoil-Quaker State Co	14,700	207	220
Pentair Inc	2,900	120	133
Peoples Energy Corp	3,700	136	139
Personnel Grp of America	27,300	258	273
Pharmacyclics Inc	12,150	305	340
Pilgrims's Pride Corp	13,500	256	405
Pinnacle West Capital Corp	3,900	151	157
Polaris Industries Inc	3,200	108	139
Policy Management Systems Corp	1,900	68	57
Pomeroy Computer Resources Inc	4,400	96	61
Potomac Electric Power Co	4,500	106	132
Power Integrations Inc	13,700	564	1,002
Powerwave Technologies Inc	14,200	386	458
T. Rowe Price Associates Inc	2,900	90	111
Princeton National Bancorp Inc	3,700	61	56
Profit Recovery Group Intl Inc	20,600	769	975
Proxim Inc	9,550	482	554
Public Service Co New Mexico	7,600	141	151
Pulitzer Inc	1,800	73	87
Pulte Corp	9,300	211	214
QRS Corp	5,500	442	429
Qualcomm Inc	1,300	143	186
Quest Diagnostics Inc	5,600	105	153
Quorum Health Grp Inc	15,200	191	191
Rare Hospitality International	2,300	53	59
Rational Software Corp	11,500	352	379
Reinsurance Group of America	7,900	325	278
Reinsurance Group of America-Nonvoting	3,500	106	117
Reliance Group Holdings Inc	12,900	146	96
Reliance Steel & Aluminum Co	5,700	201	222
Rent-A-Center Inc	11,700	340	281
Republic Security Finl Corp	1,600	14	13
Resource America Inc	400	4	6
Respironics Inc	3,200	43	48
Reynolds and Reynolds Co	7,500	155	175

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Rochester Gas & ElectricCorp	11,300	300	300
Rollins Truck Leasing Corp	8,700	100	97
Roslyn Bancorp Inc	5,330	96	92
Rowan Co Inc	4,500	54	82
Ruby Tuesday Inc	7,000	137	133
Ryan's Family Steak Houses Inc	22,100	273	257
Ryerson Tull Inc	8,400	187	189
The Ryland Grp Inc	5,300	136	157
SBA Communications Corp	3,600	32	35
SCI Systems Inc	8,200	313	388
SDL Inc	12,700	413	649
SPS Technologies Inc	3,100	136	116
Safety-Kleen Corp	1,300	20	23
St Paul Bancorp Inc	400	10	10
Salton Inc	5,400	194	270
Sawtek Inc	12,800	520	587
SCANA Corp	7,400	205	173
Scholastic Corporation	900	12	13
Schweitzer-Mauduit Intl Inc	10,700	150	156
Security First Technologies Co	4,600	175	208
Seitel Inc	9,500	93	154
Semtech Corp	2,700	116	141
Sequent Computer Systems Inc	12,400	153	220
Shared Medical Systems Corp	1,300	69	85
ShopKo Stores Inc	7,300	247	266
Sierra Health Services Inc	4,700	86	68
Sierra Pacific Resources	3,600	129	131
Simon Property Group	1,200	35	30
SkyWest Inc	5,000	133	125
SkyTel Communications Inc	1,600	31	34
Snyder Communications Inc	4,900	150	160
Sodexo Marriot Services Inc	3,000	69	58
SoftNet Systems Inc.	9,200	340	256
Software.com Inc.	1,200	18	28
Southwest Securities Grp	1,000	57	72
Springs Industries Inc	5,200	210	227
Starwood Hotels & Resorts Inc	3,800	118	116
Staten Island Bancorp Inc	17,000	315	306
Steris Corp	1,900	32	37
Sterling Software Inc	10,300	260	272
Stewart Information Svcs Corp	12,800	228	270
Stillwater Mining Co	3,200	89	104
Sun Communities Inc	6,600	225	234
Swift Transportation Co Inc	11,550	225	254
Syncor International Corp	700	21	25
Synopsys Inc	5,400	244	298
TCF Financial Corp	3,800	108	106
TCI Music Inc	2,200	72	78
TNP Enterprises Inc	7,500	256	272

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
TV Guide Inc	600	21	22
Team Financial Inc	1,300	15	14
Tech Data Corporation	2,100	77	80
Tecumseh Products Co	5,300	280	321
Temple-Inland Inc	6,600	468	453
TETRA Technologies Inc	1,800	13	17
Texas Regional Bancshares Inc	1,600	43	44
Thomas & Betts Corp	2,800	116	132
Time Warner Telecom Inc	1,500	37	44
The Timken Co	4,000	88	78
Toll Brothers Inc	3,900	82	84
Tower Automotive	29,000	731	738
Trammell Crow Co	6,500	126	107
Trans World Entertainment Corp	4,800	67	54
Transportation Technologies Inc	14,100	239	187
TranSwitch Corp	22,400	628	1,061
Triad Hospitals Inc	1,800	18	24
Trico Bancshares	600	11	11
Trigon Healthcare Inc	4,300	156	156
Trinity Industries Inc	9,700	332	325
UAL Corp	3,800	282	246
USG Corp	2,300	133	129
USX-U.S. Steel Group	7,500	203	203
U.S. Xpress Enterprises Inc	3,700	54	40
Ultramar Diamond Shamrock Corp	17,200	390	375
Umpqua Holdings Corp	500	5	5
Union Pacific Resources Group	8,400	76	137
UnionBanCal Corp	6,600	223	238
UnionBancorp Inc	1,900	27	29
United Asset Management Corp	5,500	126	125
United Dominion Industries	4,000	92	97
United Illuminating Co	6,900	274	293
United Natural Foods Inc	3,600	88	89
United Stationers Inc	4,300	73	95
United Technologies Corp	2,108	133	152
Universal Corp	2,200	67	63
UNOVA Inc	3,800	57	60
USFreightways Corporation	4,700	193	218
USWeb Corporation	2,700	70	60
UtiliCorp United Inc	7,800	180	190
Varlen Corp	5,800	135	235
Ventana Medical Systems Inc	5,700	119	109
Vertex Pharmaceuticals Inc	3,300	71	80
Viatel Inc	8,600	255	483
Viant Corporation	500	8	17
Vignette Corp	600	34	45

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Consolidated Pension Fund
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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
VideoServer Inc	2,500	21	24
Visible Genetics Inc	16,400	309	264
Vista Bancorp Inc	2,575	48	49
Vitesse Semiconductor Corp	1,700	77	115
VoiceStream Wireless Corp	2,800	53	80
Washington Federal Inc	14,230	328	319
Waters Corporation	4,800	238	255
Wausau-Mosinee Paper Corp	4,600	78	83
Wellman Inc	1,500	17	24
Wellpoint Health Networks Inc	2,700	215	229
Western Wireless Corp	10,400	243	281
Westinghouse Air Brake Co	2,500	54	65
Westvaco Corp	2,900	62	84
Witco Corp	500	8	10
Xilinx Inc	3,200	112	183
Xomed Surgical Products	15,200	701	740
York International	7,600	295	325
Young & Rubicam Inc	5,000	188	227
Total Domestic Equities		94,187	104,895
Foreign Equities - Developed Markets			
Advanced Energy Industries Inc	22,300	698	905
The Laser Center Inc	21,200	693	1,018
TransCanada Pipelines Ltd	4,600	63	64
Total Foreign Equities - Developed Markets		1,454	1,987
Foreign Equities - Emerging Markets			
Banco de Galicia y Buenos Aire	15,100	279	306
Radica Games Ltd	2,300	35	21
Espirito Santo Financial Group	15,500	263	255
Total Foreign Equities - Emerging Markets		577	582
Total Equities	28.7%	96,218	107,464
Short-term Issues			
Short-term securities	2,233,944	2,234	2,234
Total Short-term Issues	0.6%	2,234	2,234
Total Non-Large Cap Domestic		\$ 338,375	\$ 374,266

*A – Adjustable rate security.
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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
International Qualified			
<i>Commingled Equity Pools</i>			
International Value Equity Group Trust - Silchester	5,118,586	\$ 83,094	\$ 95,116
Malaysia Index - State Street Global Advisors'	64,169	233	448
Total Commingled Equity Pools	100.0%	<u>83,327</u>	<u>95,564</u>
Total International Qualified		<u>\$ 83,327</u>	<u>\$ 95,564</u>
International Nonqualified			
<i>Commingled Equity Pools</i>			
International Value Equity Trust - Silchester	1,575,313	\$ 25,009	\$ 30,961
Total Commingled Equity Pools	100.0%	<u>25,009</u>	<u>30,961</u>
Total International Nonqualified		<u>\$ 25,009</u>	<u>\$ 30,961</u>
International Equity			
<i>Foreign Equities</i>			
Foreign Equities - Developed Markets			
Amvescap Plc	149,600	\$ 966	\$ 1,333
British Telecommunications Plc	175,251	2,819	2,939
Reuters Group Plc	158,563	2,332	2,088
British Aerospace Plc	104,000	691	675
British American Tobacco Plc	203,245	1,755	1,913
Glaxo Wellcome Plc	37,267	1,146	1,034
Granada Group Plc	109,100	1,557	2,027
Misys Plc	75,800	655	653
Britannic Plc	100,537	2,152	1,523
PowerGen Plc	113,700	1,575	1,222
Irish Permanent Plc	64,518	970	682
Burmah Castrol Plc	629	12	12
Centrica Plc	301,500	616	710
Peninsular & Oriental Steam Na	73,900	1,118	1,112
Prudential Corp Plc	161,984	2,468	2,383
Vodafone Group Plc	233,008	3,974	4,584
Scotia Holdings Plc	99,813	195	179
Skyepharma Plc	761,000	1,008	594
Somerfield Plc	207,800	1,429	974
Standard Chartered Plc	107,463	1,359	1,748

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
WPP Group Plc	194,032	1,388	1,633
BCE Inc	38,900	1,661	1,918
MIH Ltd	15,100	276	400
Teleglobe Inc	28,300	927	842
ECI Telecommunications Ltd	26,200	914	870
Telefonaktiebolaget LM Ericson	41,200	1,127	1,357
CGI Group	19,400	343	407
Mondadori Editore SPA	90,100	1,006	1,561
Bouygues SA	6,000	1,310	1,586
Banque Nationale de Paris	906	81	76
Cap Gemini Sa	6,500	974	1,022
Etablissemments Economiques	3,785	233	207
Castorama Dubois	11,167	2,686	2,649
Celsius AB	45,200	759	570
Indra Sistemas SA	70,500	713	760
Christian Dior SA	6,037	630	984
Alcatel	11,741	1,511	1,653
Essilor International SA	9,057	3,731	2,831
Telefonaktiebolaget LM	63,602	1,725	2,042
HypoVereinsbank	11,700	743	760
Huhtamaki	22,000	737	801
I.F.I. Istitute Finanziario	73,135	1,039	1,037
KLM	34,100	984	965
Karstadt AG	4,135	1,822	1,987
Suez Lyonnaise des Eaux	2,834	475	511
Lagardere SCA	32,893	1,385	1,225
Pohjola Group Insurance-B	10,600	537	544
Renault SA	23,819	946	1,037
Roche Holding AG	200	2,300	2,055
Swatch Group AG	2,266	1,441	1,524
Schmalbach Lubeca AG	3,405	530	534
Scor	21,795	1,282	1,081
Societe Generale	18,397	3,424	3,243
Sodexho Alliance SA	11,648	2,458	2,006
Elf Aquitaine SA	14,741	2,194	2,164
Schweizerische Rueckversicheru	433	860	824
Telecom Italia Mobile	321,439	1,447	1,184
Telefonica SA	70,322	3,357	3,388
Usinor SA	92,800	1,291	1,383
Pechiney SA	23,405	883	1,006
VNU NV	41,115	1,673	1,643
Bank Austria AG	20,200	1,079	1,063
Getronics NV	16,900	666	650
Novartis AG	1,414	2,355	2,064
ING Group NV	20,000	1,103	1,083
Metsa Serla Oyj	138,900	1,086	1,180
Stora Enso Oyj	83,700	735	898
Laidlaw Inc	189,500	1,328	1,398
Berliner Kraft-und Licht	85,101	1,976	1,312

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(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Koninklijke Ahold NV	25,248	834	870
ProSieben Media AG	19,100	947	867
Bulgari Spa	72,000	496	484
Telecom Italia SPA	571,300	5,775	5,940
Societe BIC SA	45,060	2,772	2,377
Baloise Holding Ltd	1,584	1,548	1,292
Modern Times Group	38,300	871	833
Rheinmetall AG	26,500	540	476
Helsingin Puhelin Oyj	27,900	1,308	1,324
Gruppo Editoriale L'Espresso	35,400	484	573
Corporcion Bancaria de Espana	48,500	1,132	1,105
Tabacalera SA	68,700	1,368	1,389
Heineken NV	53,676	3,028	2,749
Akzo Nobel NV	54,568	2,243	2,296
Superdiplo SA	28,600	682	634
Mannesmann AG	3,658	531	546
Banco Pastor SA	14,539	787	742
Gretag Imaging Group	7,100	721	686
Barry Callebaut AG	6,283	1,362	962
UBS AG	2,000	690	597
Koninklijke KPN NV	19,000	825	892
Luxottica Group SA	43,100	698	671
Software AG	21,300	694	681
Transportes Azkar SA	1,360	17	14
Sonera Group Oyj	52,500	1,048	1,148
Class Editori SPA	115,800	578	926
Fortum Corp	164,300	914	795
United Pan-Europe Com	8,300	320	450
Nokia Oyj	64,799	4,108	5,681
Preussag AG	9,800	534	527
Koninklijke Philips Electronic	52,389	4,255	5,168
Wolters Kluwer NV	23,843	1,147	949
Sanofi-Synthelabo SA	112,912	4,854	4,792
Investor AB	57,200	680	640
Tele Danmark A/S	44,089	2,620	2,163
STMicroelectronics	20,838	1,104	1,388
Meto AG	10,400	53	52
Aiwa Co Ltd	31,000	891	1,024
Acom	21,600	1,513	1,864
Amcor Ltd	191,000	1,021	1,060
Belluna Co Ltd	51,000	1,166	1,466
Natsteel Electronics Ltd	225,000	695	985
Fuji Seal Inc	4,500	432	624
Benesse Corp	7,800	776	847
Able Inc	18,000	783	922

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<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Trend Micro Inc	5,000	757	843
Fujitsu Support & Service Inc	9,000	533	1,362
NTT Mobile Communications	31	431	420
Singapore Press Holdings Ltd	33,000	393	562
Kadokawa Shoten Publishing Co	2,700	310	551
Funai Electric Co Ltd	3,600	605	714
DDI Corp	189	888	1,176
Daiwa Securities Co Ltd	264,000	1,317	1,745
Dairy Farm Intl Holdings Ltd	836,000	1,007	1,003
First Pacific Co Ltd	880,000	712	749
Fuji Bank Ltd	126,000	996	878
Fuji Photo Film	27,000	999	1,021
Fujitsu Limited	73,000	1,202	1,468
Hikari Tsushin Inc.	3,800	725	1,174
Hitachi Ltd	109,000	1,010	1,022
Hongkong Electric Holdings Ltd	300,500	1,006	968
Hosiden Corporation	25,000	551	539
Japan Tobacco Inc	100	1,080	1,107
Kaneka Corp	49,000	422	461
Kojima Co Ltd	24,700	496	822
Kim Eng Holdings Ltd	301,000	277	281
Nokia Oyj Corp	15,300	683	1,401
Meiwa Estate Co Ltd	24,600	761	1,026
Matsushita Comm Industrial Co	16,000	1,147	1,143
Mitsukoshi Ltd	183,000	717	795
Murata Manufacturing Co Ltd	25,000	1,194	1,644
The News Corp Ltd	189,100	1,062	1,439
New World Development Co Ltd	155,000	480	464
Nintendo Co Ltd	24,900	3,189	3,499
Nippon System Development	12,600	330	749
Nikko Securities Co Ltd	155,000	910	1,000
NEC Corp	97,000	1,125	1,206
Nippon Sheet Glass Co Ltd	245,000	848	872
Nikon Corp	51,000	649	834
Nippon Steel Corporation	684,000	1,644	1,588
Olympus Optical Co Ltd	44,000	628	650
Quantas Airways Ltd	186,630	588	616
Rohm Co Ltd	9,000	1,019	1,409
Ryohin Keikaku Co Ltd	2,900	298	729
SMC Corp	8,100	837	907
Softbank Corp	4,700	537	952
Sangetsu Co Ltd	18,000	342	383
Secom Co Ltd	10,000	875	1,041
Shin-Etsu Chemical Co Ltd	38,000	1,058	1,271
Shionogi & Co Ltd	198,000	1,665	1,565
Singapore Airlines Ltd	32,000	286	305
Skylark Co Ltd	25,000	290	537
Sundrug Co Ltd	11,300	382	532
Sony Corp	7,200	659	776

*A – Adjustable rate security.
See accompanying notes to financial statements.*

Consolidated Pension Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
THK Co Ltd	40,000	799	925
TDK Corp	10,000	752	914
Takeda Chemical Industries	35,000	1,319	1,622
Takefuji Corp	10,300	785	1,064
Television Broadcast Ltd	190,000	754	891
Tokyo Electron Ltd	7,000	485	475
Toyo Seikan Kaisha Ltd	78,000	1,610	1,752
Mazda Motor Corp	111,000	579	637
United Overseas Bank Ltd	137,000	980	958
Wing Tai Holdings Ltd	373,000	424	493
Power Corp of Canada	39,300	707	752
QLT PhotoTherapeutics Inc	13,000	305	715
Total Foreign Equities - Developed Markets		202,192	214,171
Foreign Equities - Emerging Markets			
Companhia Brasileira de Distribuicas Grupo Pao	22,000	349	411
Banco do Estado de Sao Paulo	16,100,000	695	687
ESG Re Ltd	64,800	1,229	972
Fomento Economico Mexicano SA	162,200	394	648
Grupo Elektra SA de CV	1,793,000	839	1,046
ForSoft Ltd	91,900	931	701
Telecomunicacoes de Sao Paulo	5,260,000	648	624
Embratel Participacoes SA	20,600	275	286
Grupo Televisa SA	20,600	670	923
Samsung Electronics	38,182	1,774	1,968
Korea Telecom Corp	43,826	1,393	1,753
Hellenic Telecommunication Org	69,100	1,546	1,479
Magyar Tavkozlesi Rt	36,200	1,000	996
China Telecom (Hong Kong) Ltd	290,000	664	805
Johnson Electric Holdings Ltd	108,500	392	447
Siam Commercial Bank	456,635	332	650
Cheung Kong Holdings Ltd	299,000	2,400	2,659
Dao Heng Bank Group Ltd	203,500	484	913
Guangdong Kelon Electrical Holdings	452,000	342	527
Li & Fung Ltd	502,000	1,001	1,203
Wheelock & Co Ltd	614,000	768	843
Petroleo Brasileiro SA	39,600	642	609
Pohang Iron & Steel Co Ltd	46,886	1,290	1,577
Tele Norte Leste Participacoes SA	98,600	1,191	1,830
Telekomunikacja Polska SA	111,100	495	779
Videsh Sanchar Nigam Ltd	47,700	484	580
Total Foreign Equities - Emerging Markets		22,228	25,916
Total Foreign Equities	96.3%	224,420	240,087

*A – Adjustable rate security.
See accompanying notes to financial statements.*

Consolidated Pension Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands, except Share Data)

<u>Security Name</u>		<u>Shares</u>	<u>Cost</u>	<u>Fair Value*</u>
<i>Stock Rights and Warrants</i>				
Vivendi Rights		9,774	-	11
Singapore Airlines LTD Warrants		40,400	125	204
Siam Commercial Bank Warrants		556,360	74	358
Total Stock Rights and Warrants	0.2%		199	573
<i>Short-term Issues</i>				
Short-term securities		48,666,789	8,683	8,681
Total Short-term Issues	3.5%		8,683	8,681
Total International Equity			<u>\$ 233,302</u>	<u>\$ 249,341</u>

STATUTORY INVESTMENTS

Statutory Investments

<i>Investments</i>				
WV Regional Jail Authority				
7.38% adjustable rate maturing 8/31/23			\$ 150,000	\$ 150,000
Total Investments	100.0%		150,000	150,000
Total Statutory Investments			<u>\$ 150,000</u>	<u>\$ 150,000</u>

* The fair value is not determined for Statutory Investments. The fair value reported equals amortized cost.

A – Adjustable rate security.
See accompanying notes to financial statements.

Consolidated Pension Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands, except Share Data)

Consolidated Pension Fund
West Virginia Investment Management Board
Statement of Operations (Continued)
Year Ended June 30, 1999
(Dollars in thousands)

	Short-Term Fixed Income	Fixed Income
Investment income		
Interest income	\$ 9,880	\$ 185,299
Dividend income	-	-
Less withholding taxes	-	-
Commission recapture	-	-
Net accretion	52	4,198
	9,932	189,497
 Expenses		
Investment advisor fees	(239)	(1,556)
Trustee fees	(1)	(36)
Custodian bank fees	(7)	(105)
Management fees	(18)	(587)
Fiduciary bond fees	(2)	(61)
Professional service fees	(6)	(198)
Total expenses	(273)	(2,543)
Investment income, net	9,659	186,954
 Realized and unrealized gain (loss) on investment securities		
Net realized gain (loss) on investments	1,647	17,129
Net realized gain (loss) from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(343)	(83,879)
Net increase (decrease) in the fair value of assets and liabilities in foreign currencies	-	-
Net gain (loss) on investments	1,304	(66,750)
 Net increase (decrease) in net assets from operations	\$ 10,963	\$ 120,204

See accompanying notes to financial statements.

Fixed Income Qualified	Fixed Income Nonqualified	S&P 500 Index Qualified	S&P 500 Index Nonqualified
\$ 2,147	\$ 4,251	\$ -	\$ -
-	-	-	2,106
-	-	-	-
391	177	-	-
<u>2,538</u>	<u>4,428</u>	<u>-</u>	<u>2,106</u>
(29)	(12)	(35)	(15)
(3)	(1)	(4)	(2)
-	-	-	-
(42)	(18)	(61)	(25)
(5)	(2)	(6)	(3)
(14)	(6)	(21)	(8)
<u>(93)</u>	<u>(39)</u>	<u>(127)</u>	<u>(53)</u>
2,445	4,389	(127)	2,053
(2,321)	(9)	-	-
-	-	-	-
(23,451)	(11,306)	96,042	36,462
-	-	-	-
<u>(25,772)</u>	<u>(11,315)</u>	<u>96,042</u>	<u>36,462</u>
<u>\$ (23,327)</u>	<u>\$ (6,926)</u>	<u>\$ 95,915</u>	<u>\$ 38,515</u>

**Consolidated Pension Fund
West Virginia Investment Management Board**

Statement of Operations (Continued)

Year Ended June 30, 1999

(Dollars in thousands)

	Large Cap Domestic	Non-Large Cap Domestic
Investment income		
Interest income	\$ 10	\$ 2
Dividend income	1,009	2,977
Less withholding taxes	(6)	-
Commission recapture	1	13
Net accretion	-	-
	1,014	2,992
 Expenses		
Investment advisor fees	(60)	(169)
Trustee fees	(1)	(2)
Custodian bank fees	(8)	(24)
Management fees	(12)	(39)
Fiduciary bond fees	(1)	(4)
Professional service fees	(4)	(13)
	(86)	(251)
Total expenses		
Investment income, net	928	2,741
 Realized and unrealized gain (loss) on investment securities		
Net realized gain (loss) on investments	187	(1,775)
Net realized gain (loss) from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	6,892	38,934
Net increase (decrease) in the fair value of assets and liabilities in foreign currencies	-	-
Net gain (loss) on investments	7,079	37,159
 Net increase (decrease) in net assets from operations	\$ 8,007	\$ 39,900

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ -	\$ -	\$ 452	\$ 6,319
-	-	3,391	-
-	-	(229)	-
-	-	-	-
-	-	126	-
<u>-</u>	<u>-</u>	<u>3,740</u>	<u>6,319</u>
(295)	(160)	(927)	-
(1)	-	(2)	(1)
-	-	(136)	-
(8)	(3)	(29)	(16)
(1)	-	(3)	(2)
(3)	(1)	(9)	(6)
<u>(308)</u>	<u>(164)</u>	<u>(1,106)</u>	<u>(25)</u>
<u>(308)</u>	<u>(164)</u>	<u>2,634</u>	<u>6,294</u>
(5,933)	27	10,789	-
-	-	(3,971)	-
10,674	5,952	25,526	-
-	-	(8,922)	-
<u>4,741</u>	<u>5,979</u>	<u>23,463</u>	<u>-</u>
<u>\$ 4,433</u>	<u>\$ 5,815</u>	<u>\$ 26,056</u>	<u>\$ 6,294</u>

Consolidated Pension Fund
West Virginia Investment Management Board
Statement of Changes in Net Assets
Year Ended June 30, 1999

(Dollars in thousands, except for Unit Transactions)

	Short-Term Fixed Income	Fixed Income
Operations		
Investment income, net	\$ 9,659	\$ 186,954
Net realized gain (loss) on investments	1,647	17,129
Net realized gain (loss) from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(343)	(83,879)
Net increase (decrease) in the fair value of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	10,963	120,204
Distributions to participants from		
Investment income, net	(9,480)	(198,049)
Net realized gain on investments	-	-
Total distributions	(9,480)	(198,049)
Fund unit transactions		
Proceeds from sale of units	1,034,064	135,849
Reinvestment of distributions	9,480	198,049
	1,043,544	333,898
Amount paid for repurchase of units	(1,009,432)	(2,785,578)
Net increase (decrease) in net assets from fund unit transactions	34,112	(2,451,680)
Contributions	-	-
Withdrawals	-	-
Increase (decrease) in net assets	35,595	(2,529,525)
Net assets, beginning of year	127,747	4,145,013
Net assets, end of year	\$ 163,342	\$ 1,615,488
Fund unit transactions		
Units sold	102,713,039	13,281,684
Units issued from reinvestment of distributions	939,621	19,228,974
	103,652,660	32,510,658
Units repurchased	(100,256,115)	(271,964,443)
Net increase (decrease) in fund units	3,396,545	(239,453,785)

See accompanying notes to financial statements.

Fixed Income Qualified	Fixed Income Nonqualified	S&P 500 Index Qualified	S&P 500 Index Nonqualified
\$ 2,445	\$ 4,389	\$ (127)	\$ 2,053
(2,321)	(9)	-	-
-	-	-	-
(23,451)	(11,306)	96,042	36,462
-	-	-	-
(23,327)	(6,926)	95,915	38,515
-	-	-	-
-	-	-	-
-	-	-	-
954,802	395,181	299,974	92,223
-	-	-	-
954,802	395,181	299,974	92,223
(5)	-	(3,733)	(3,945)
954,797	395,181	296,241	88,278
-	-	-	-
-	-	-	-
931,470	388,255	392,156	126,793
-	-	168,172	75,063
\$ 931,470	\$ 388,255	\$ 560,328	\$ 201,856
95,480,214	39,518,138	25,510,061	8,122,320
-	-	-	-
95,480,214	39,518,138	25,510,061	8,122,320
(1)	(41)	(297,463)	(314,368)
95,480,213	39,518,097	25,212,598	7,807,952

Consolidated Pension Fund
West Virginia Investment Management Board
Statement of Changes in Net Assets (Continued)
Year Ended June 30, 1999

(Dollars in thousands, except for Unit Transactions)

	Large Cap Domestic	Non-Large Cap Domestic
Operations		
Investment income, net	\$ 928	\$ 2,741
Net realized gain (loss) on investments	187	(1,775)
Net realized gain (loss) from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	6,892	38,934
Net increase (decrease) in the fair value of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	8,007	39,900
Distributions to unitholders		
Investment income, net	-	-
Net realized gain on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	209,908	225,041
Reinvestment of distributions	-	-
	209,908	225,041
Amount paid for repurchase of units	(730)	(1,643)
Net increase (decrease) in net assets from fund unit transactions	209,178	223,398
Contributions		
	-	-
Withdrawals		
	-	-
Total increase (decrease) in net assets	217,185	263,298
Net assets, beginning of year	-	110,951
Net assets, end of year	\$ 217,185	\$ 374,249
Fund unit transactions		
Units sold	20,981,250	25,814,590
Units issued from reinvestment of distributions	-	-
	20,981,250	25,814,590
Units repurchased	(75,465)	(198,432)
Net increase (decrease) in fund units	20,905,785	25,616,158

See accompanying notes to financial statements.

International Qualified	International Nonqualified	International Equity	Statutory Investments
\$ (308)	\$ (164)	\$ 2,634	\$ 6,294
(5,933)	27	10,789	-
-	-	(3,971)	-
10,674	5,952	25,526	-
-	-	(8,922)	-
4,433	5,815	26,056	6,294
-	-	-	-
-	-	-	-
-	-	-	-
83,667	25,142	225,335	-
-	-	-	-
83,667	25,142	225,335	-
(45,957)	-	(1,406)	-
37,710	25,142	223,929	-
-	-	-	150,000
-	-	-	(4,341)
42,143	30,957	249,985	151,953
53,412	-	-	-
<u>\$ 95,555</u>	<u>\$ 30,957</u>	<u>\$ 249,985</u>	<u>\$ 151,953</u>
8,075,424	2,359,539	22,152,403	-
-	-	-	-
8,075,424	2,359,539	22,152,403	-
(5,099,309)	-	(134,188)	-
<u>2,976,116</u>	<u>2,359,539</u>	<u>22,018,215</u>	-

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Consolidated Pension Fund
West Virginia Investment Management Board
Notes to Financial Statements

NOTE 1 DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (Investment Management Board) was organized on April 25, 1997, as a public corporation created by *West Virginia Code* §12-6-1 to provide prudent fiscal administration, investment, and management of certain public pension funds, the Workers' Compensation and Pneumoconiosis funds and other funds (collectively referred to as the Consolidated Pension Fund) and the State's operating funds (collectively referred to as Consolidated Fund). A Board of Trustees, consisting of thirteen members, governs the Investment Management Board. The Governor, the State Auditor, and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints Trustees for a term of six years.

The accompanying financial statements reflect only the investments and investment transactions of the investment pools established for the investment of the Consolidated Pension Fund and do not reflect any other assets or liabilities of the various pool participants, the Investment Management Board, or the Consolidated Fund.

The investment pools managed by the Investment Management Board have been established to provide for the investment of funds of the Public Employees' Retirement System, Teachers' Retirement System, Public Safety Retirement System, State Police Retirement System, West Virginia Deputy Sheriffs' Retirement System, Judges' Retirement System, Workers' Compensation Fund I, Workers' Compensation Fund II, Workers' Compensation Excess Liability Fund, Pneumoconiosis Fund, and Wildlife Endowment Fund.

A brief description of the individual pools within the fund follows:

Short-Term Fixed Income – The main objective of this 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. The weighted average maturity shall have a target of 180 days and shall not exceed 270 days. The maximum maturity of securities held shall be two years (731 days). For asset-backed securities, the maturity shall be defined as the average life of the security. Fischer Francis Trees & Watts is the advisor to this pool.

Fixed Income – The main objective of this core bond pool is to generate investment income, provide stability and diversification within the Consolidated Pension Fund, but not at the expense of total return. There are no maturity restrictions for this pool. This pool is co-advised by Western Asset Company and Hoisington Investment Management Company.

Fixed Income Qualified – Barclays Global Investors manages funds for this passive corporate and mortgage domestic fixed income pool. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in this pool.

Fixed Income Nonqualified – Barclays Global Investors manages funds for this passive corporate and mortgage domestic fixed income pool. This pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

S&P 500 Index Qualified – Funds in this pool are invested in the State Street Global Advisors' S&P 500 Index pool which invests in common stocks of those companies listed in the Standard & Poors 500 Index. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in this pool.

S&P 500 Index Nonqualified – Funds in this pool are invested in the State Street Global Advisors' S&P 500 Index pool, which invests in common stocks of those companies listed in the Standard & Poors 500 Index. This pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

Large Cap Domestic – The pool's objective is to equal or exceed the S&P 500 Stock Index over a three- to five-year period. Assets of this pool are actively managed by Alliance Capital Management, Chartwell Investment Partners, and Q.E.D. Investments.

Non-Large Cap Domestic – This pool invests in the equities of small- to mid-sized companies and its objective is to equal or exceed the Russell 2500 Index over a three- to five-year period. Assets of this pool are actively managed by Loomis, Sayles, & Company, Aronson + Partners, Wellington Management Company, and passively managed by Dimensional Fund Advisors.

International Qualified – Funds of this pool are invested in State Street Global Advisors' Malaysia Index pool and Silchester International Investors' Value Equity Group Trust. This pool is expected to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australia Far East (EAFE) Index by 200 basis points on an annualized basis over rolling three- to five-year periods, net of fees. Only qualified participants may invest in this pool.

International Nonqualified – Funds of this pool are invested in Silchester International Investors' International Value Equity Trust. This pool is expected to produce investment returns that exceed the Morgan Stanley Capital International's EAFE Index by 200 basis points on an annualized basis over rolling three- to five-year periods, net of fees. This pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

International Equity – This pool invests in the equities of international companies. This pool is co-managed by Mastholm Asset Management, Jacobs Asset Management, and TT International Investment Management companies. The objective of the International Equity is to exceed Morgan Stanley Capital International's EAFE Index over rolling three- to five-year periods, net of fees.

Statutory Investments – This pool holds investments which the Investment Management Board acquired by directive of the West Virginia State Legislature.

NOTE 2

SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – Investments in securities owned are carried at market value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The difference between cost and market value is reflected as unrealized appreciation (depreciation) of investments. Commissions on the purchase of securities are included in the investment cost.

Governmental Accounting Standards Board (GASB) Statement Number 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting" – The Investment Management Board has elected to follow all Financial Accounting Standard Board Statements and Interpretations, APB Opinions, and ARBs, except those that conflict with or contradict GASB pronouncements.

Foreign Currency – Amounts denominated in or expected to settle in foreign currencies are translated into United States dollars at exchange rates reported by Mellon Bank on the following basis:

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

The Investment Management Board 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 United States 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 Exchange Forward Contracts – A foreign exchange forward contract is an agreement between two parties to exchange different currencies at a specified exchange rate at an agreed upon future date. The International Equity pools' investment managers enter into such contracts to hedge the assets and liabilities related to securities denominated in a foreign currency. 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 expiration date. The unrealized gain or loss is reclassified to realized gain or loss when the contract expires.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 Transactions – Investment transactions are accounted for on a trade date basis.

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. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

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

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

Amortization – 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 reported in the Statement of Operations in the year of the change.

Distribution to Participants – The monthly net income of the fixed income pools is declared as a dividend and distributed to the participants of the pools 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.

Expenses – The Investment Management Board's Trustees adopt an annual budget and fee schedule for services to be provided to the Consolidated Fund and Consolidated Pension Fund and their respective investment pools. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated by dividing the total between the Consolidated Pension Fund and the Consolidated Fund with the divided cost being further allocated to the investment pools within each of these fund groups based on asset size. The Investment Management Board pays all expenses.

Income Taxes – The Investment Management Board is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the Investment Management Board is not subject to federal or state income taxes.

NOTE 3 INVESTMENT POOL RESTRUCTURING

On September 17, 1998, the EAFE Index Qualified Pool purchased shares of State Street Global Advisors' Malaysia Index. The pool's name was changed to International Qualified to reflect the additional holdings of this pool. Effective October 1, 1998, the pool sold its remaining shares of State Street Global Advisors' EAFE Index and invested the balance with Silchester International Investors' International Value Equity Group Trust.

NOTE 4 STATUTORY INVESTMENTS

West Virginia Code §12-6-20(b), enacted by the West Virginia State Legislature in April 1998, committed the Public Employees' Retirement System to invest in the West Virginia Regional Jail and Correctional Facility Authority. Under the terms of this legislation, the investment shall earn a rate of return equal to the annualized rate of return earned by the core fixed income portfolios of the Public Employees' Retirement System over the previous five years, plus one tenth of one percent. The rate of return shall be calculated quarterly. The Legislature has designated specific funds to repay this obligation. Equal annual payments are to be repaid to ensure the total repayment by August 31, 2003.

NOTE 5 PARTICIPATION IN INTERNATIONAL INDEX FUNDS AND MANAGED POOL

Effective October 1, 1998, the Investment Management Board invested in two international index funds managed by Silchester International Investors. Qualified participants, as defined by the *Internal Revenue Code*, invest in Silchester's International Value Equity Group Trust and nonqualified participants invest in their International Value Equity Trust. The index funds are being accounted for within the International Qualified and International Nonqualified pools.

An International Equity pool was established on October 1, 1998 to account for the purchase of international securities managed by Mastholm Asset Management, Jacobs Asset Management, and TT International Investment Management companies.

NOTE 6 PARTICIPATION IN MANAGED LARGE-CAP DOMESTIC EQUITY POOL

On February 1, 1999, the Large-cap Domestic Equity pool was established. Active managers include Alliance Capital Management Corporation, Chartwell Investment Partners, and QED Investments.

NOTE 7 PARTICIPATION IN FIXED INCOME QUALIFIED AND NONQUALIFIED POOLS

On April 5, 1999, the Fixed Income Qualified and Nonqualified pools were established. Barclays Global Investors is responsible for managing these domestic bond portfolios which are expected to produce investment returns that match a custom index of 80 percent Lehman Corporate and 20 percent Lehman Mortgage-Backed Securities.

NOTE 8 FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 1999, the International Equity pool held the following open foreign currency forward contracts:

Position	Foreign Currency	Expiration Date	Receivable		Payable		Unrealized Appreciation (Depreciation)
			(In foreign currency)	(In U.S. dollars)	(In foreign currency)	(In U.S. dollars)	
Long	Japanese Yen	07/01/99	84,721,000	\$ 699,796	-	\$ 700,000	\$ (204)
Short	Euro Currency Unit	07/01/99	-	299,263	289,255	298,337	926
Short	Danish Krone	07/01/99	-	679,070	4,892,498	677,905	1,165
Short	Japanese Yen	07/01/99	-	621,054	75,333,882	622,258	(1,204)
Long	Euro Currency Unit	07/02/99	512,929	529,035	-	529,907	(872)
Long	Japanese Yen	07/02/99	121,736,212	1,005,541	-	1,010,259	(4,718)
Long	Swedish Krona	07/02/99	268,421	31,625	-	31,687	(62)
Long	British Pound	07/02/99	409,980	646,230	-	649,695	(3,465)
Short	Euro Currency Unit	07/02/99	-	26,376	25,501	26,302	74
Short	Danish Krone	07/02/99	-	352,515	2,545,615	352,720	(205)
Short	Japanese Yen	07/02/99	-	469,304	56,551,125	467,112	2,192
Short	Japanese Yen	07/02/99	-	17,685	2,151,475	17,689	(4)
Short	Norwegian Krone	07/02/99	-	177,909	1,402,899	178,014	(105)
Short	Euro Currency Unit	07/06/99	-	72,885	70,721	72,941	(56)
Short	Canadian Dollar	07/06/99	-	713,203	1,052,688	714,648	(1,445)
Short	British Pound	07/06/99	-	871,160	553,094	871,814	(654)
Short	Thailand Baht	07/12/99	-	54,617	2,000,000	54,220	397
Short	Thailand Baht	07/12/99	-	562,771	20,800,000	563,888	(1,117)
Long	Japanese Yen	07/14/99	1,263,387,500	10,435,581	-	10,600,000	(164,419)
Long	Japanese Yen	07/14/99	1,218,747,000	10,066,850	-	10,200,000	(133,150)
Short	Hong Kong Dollar	07/14/99	-	773,236	6,000,000	773,280	(44)
Short	Hong Kong Dollar	07/14/99	-	901,911	7,000,000	902,160	(249)
Short	Hong Kong Dollar	07/14/99	-	631,468	4,900,000	631,512	(44)
Short	Japanese Yen	07/14/99	-	665,004	80,000,000	660,800	4,204
Short	Japanese Yen	07/14/99	-	20,439,189	2,420,000,000	19,989,200	449,989
Short	Japanese Yen	07/14/99	-	250,208	30,000,000	247,800	2,408
Short	British Pound	07/21/99	-	17,825,360	11,200,000	17,654,000	171,360
Long	Euro Currency Unit	07/30/99	108,982	112,404	-	112,720	(316)
Long	Euro Currency Unit	07/30/99	678,324	699,623	-	703,218	(3,595)
Short	Euro Currency Unit	07/30/99	-	527,858	509,958	525,971	1,887
Short	Euro Currency Unit	07/30/99	-	22,929,280	22,000,000	22,690,800	238,480
				<u>\$ 94,088,011</u>		<u>\$ 93,530,857</u>	<u>\$ 557,154</u>

NOTE 9 RISK CATEGORIZATION

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, investments are classified as to level of risk by the three categories described below:

Category 1 includes investments that are insured or registered, or for which the securities are held by the Investment Management Board or its agent in the Investment Management Board's name.

Category 2 includes investments that are uninsured and unregistered, or for which the securities are held by the counterparty's trust department or agent in the Investment Management Board's name.

Category 3 includes uninsured and unregistered investments held by the counterparty's trust department or agent but not in the Investment Management Board's name.

Investments at June 30, 1999, by security type and level of risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board are as follows:

Security Type	Category 1 (\$000's)	Category 2 (\$000's)	Category 3 (\$000's)	Carrying Value (\$000's)	Fair Value (\$000's)
U.S. Government and agency obligations	\$1,425,984	-	-	\$1,425,984	\$1,425,984
Corporate bonds	498,690	-	-	498,690	498,690
Common and preferred stocks	563,746	-	-	563,746	563,746
Repurchase Agreements	374,348	-	-	374,348	374,348
Total Categorized	2,862,768			2,862,768	2,862,768
Uncategorized:					
Commingled pools				2,485,985	2,485,985
Statutory investments				150,000	150,000
Total Investments				\$5,498,753	\$5,498,753

NOTE 10 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$11,904,268,811 and \$13,396,119,125, respectively, for U.S. government obligations; purchases and sales of corporate securities are \$3,212,215,551 and \$1,543,302,676.

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One Mellon Bank Center
Pittsburgh, PA 15219

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Independent Auditors' Report

Board of Trustees
West Virginia Investment Management Board:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments in securities, of the individual investment pools comprising the Consolidated Fund managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 1999, and the related statements of operations and changes in net assets for the year then ended, except for the Municipal Bond Restricted Pool which is presented for the period from July 1, 1998, to August 13, 1998 (date of liquidation). These financial statements are the responsibility of the WVIMB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the individual investment pools comprising the Consolidated Fund listed above, managed by the WVIMB as of June 30, 1999, and the results of their operations and changes in their net assets for each of the periods listed above, in conformity with generally accepted accounting principles.

KPMG LLP

September 1, 1999



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Consolidated Fund
West Virginia Investment Management Board
Statement of Assets And Liabilities
June 30, 1999

(Dollars in thousands, except Investment Unit Data)

	Cash Liquidity	Government Money Market	Enhanced Yield
Assets			
Investment securities:			
At amortized cost	\$ 757,704	\$ 284,884	
At fair value			\$ 242,740
Cash	-	-	-
Other assets	-	-	-
Receivables:			
Accrued interest	2,975	1,182	3,066
Investments sold	-	15,187	-
Other receivables	-	-	-
Total assets	760,679	301,253	245,806
Liabilities			
Accrued expenses	78	28	28
Payable for investments purchased	1,004	14,626	-
Total liabilities	1,082	14,654	28
Net assets at value	\$ 759,597	\$ 286,599	\$ 245,778
Net assets			
Paid-in capital	\$ 759,610	\$ 286,602	\$ 244,575
Accumulated undistributed net investment income	(13)	(1)	1,169
Accumulated undistributed net realized gain (loss)	-	(2)	-
Unrealized net appreciation of investments	-	-	34
Net assets at value	\$ 759,597	\$ 286,599	\$ 245,778
Investment unit data:			
Units outstanding	759,609,943	286,601,639	2,435,468
Net asset value, unit price	\$1.00	\$1.00	\$100.92

See accompanying notes to financial statements.

<u>Loss Amortization</u>	<u>Loans</u>	<u>Municipal Bond Commission</u>	<u>Department of Transportation</u>	<u>Lottery Defeasance</u>	<u>School Fund</u>	<u>EDA Insurance</u>
\$ 93,275	\$ 136,462	\$ 203,879	\$ 177,546	\$ 8,404	\$ 1,458	\$ 450
-	1,010	-	-	-	-	-
-	824	-	-	-	-	-
-	1,600	1,112	854	-	2	-
-	-	-	-	-	-	-
-	855	-	-	-	-	-
<u>93,275</u>	<u>140,751</u>	<u>204,991</u>	<u>178,400</u>	<u>8,404</u>	<u>1,460</u>	<u>450</u>
-	379	3	4	-	-	-
-	367	10,990	-	-	-	-
-	746	10,993	4	-	-	-
<u>\$ 93,275</u>	<u>\$ 140,005</u>	<u>\$ 193,998</u>	<u>\$ 178,396</u>	<u>\$ 8,404</u>	<u>\$ 1,460</u>	<u>\$ 450</u>
\$ 183,415	\$ 139,673					
-	-					
(110,103)	332					
19,963	-					
<u>\$ 93,275</u>	<u>\$ 140,005</u>					
183,415,000	139,673,348					
<u>\$0.51</u>	<u>\$1.00</u>					

Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Cash Liquidity					
<i>U. S. Treasury Issues</i>					
U. S. Treasury Note	5.750%	09/30/1999	\$ 20,000	\$ 20,054	\$ 20,041
U. S. Treasury Note	7.750	12/31/1999	10,000	10,123	10,128
U. S. Treasury Note	6.375	01/15/2000	14,000	14,121	14,092
U. S. Treasury Note	7.125	02/29/2000	20,000	20,276	20,253
U. S. Treasury Note	5.500	03/31/2000	27,500	27,621	27,560
U. S. Treasury Note	5.500	04/15/2000	13,700	13,743	13,724
U. S. Treasury Note	6.375	05/15/2000	10,000	10,125	10,091
U. S. Treasury Note	6.250	05/31/2000	3,500	3,530	3,528
U. S. Treasury Note	5.375	06/30/2000	8,500	8,500	8,505
Total U.S. Treasury Issues	16.9%			128,093	127,922
<i>U. S. Government Agency Issues</i>					
U. S. Government Agency Bonds					
Federal Home Loan Bank	4.860	01/14/2000	3,000	3,001	2,990
Federal Home Loan Bank	5.575	03/03/2000	5,000	5,022	5,003
Federal Home Loan Bank	5.160	03/08/2000	5,000	4,998	4,989
Federal Farm Credit Bank	5.000	04/03/2000	5,000	4,997	4,982
Federal Farm Credit Bank	5.070	04/07/2000	5,000	5,002	4,985
Total U. S. Government Agency Bonds				23,020	22,949
Total U. S. Government Agency Issues	3.0%			23,020	22,949
<i>Corporate Issues</i>					
U. S. Corporate Bonds					
Sears Roebuck Co	5.540	07/15/1999	1,400	1,400	1,400
Northwest Financial Inc	6.000	08/01/1999	2,000	2,001	2,001
Duke Power Co	6.250	08/12/1999	1,000	1,001	1,001
International Lease Finance Co	6.500	08/15/1999	2,000	2,004	2,003
Diago Plc	6.500	09/15/1999	1,100	1,103	1,103
TCI Communications Inc	6.375	09/15/1999	4,000	4,010	4,009
Wachovia Bank NC	5.840	11/29/1999	1,000	1,003	1,001
Colgate-Palmolive Co	6.860	12/01/1999	2,900	2,921	2,914
Pacificorp Medium Term Note	7.070	01/25/2000	4,000	4,044	4,027
Bell South Telecommunications	6.500	02/01/2000	1,000	1,006	1,004
Sherwin-Williams Co	6.250	02/01/2000	3,000	3,018	3,016
Caterpillar Financial Services	5.800	03/15/2000	2,500	2,510	2,500
Avco Financial Services	5.500	04/01/2000	2,500	2,504	2,495
General Electric Capital Corp	6.660	05/01/2000	6,590	6,638	6,642
General Motors Acceptance Corp	9.625	05/15/2000	10,000	10,353	10,299

* The fair value is not determined for loans in the Loan Pool. The fair value reported equals amortized cost. See accompanying notes to financial statements.

Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
South Carolina E & G	6.000	06/15/2000	1,000	1,001	1,001
Total U. S. Corporate Bonds				46,517	46,416
Total Corporate Issues	6.2%			46,517	46,416
<i>Short-term Issues</i>					
Repurchase Agreement Morgan Stanley Dean Witter	4.950	07/01/1999	19,733	19,733	19,733
Repurchase Agreement Prudential Securities	5.050	07/01/1999	75,405	75,405	75,405
FHLMC Discount Notes	0.000	07/01/1999	10,000	10,000	10,000
Ford Motor Credit Co Commercial Paper	0.000	07/02/1999	10,000	9,999	9,999
Bellsouth Telecomm Inc Commercial Paper	0.000	07/02/1999	6,150	6,149	6,149
Morgan JP & Co Inc Commercial Paper	0.000	07/07/1999	3,000	2,998	2,998
Merrill Lynch & Co Inc Commercial Paper	0.000	07/06/1999	5,000	4,997	4,997
Pharmacia & Upjohn Inc Commercial Paper	0.000	07/06/1999	10,000	9,993	9,993
Bell Atlantic Finl SVCS Commercial Paper	0.000	07/08/1999	10,000	9,990	9,990
Ford Motor Credit Co Commercial Paper	0.000	07/08/1999	5,000	4,995	4,995
Bear Stearns Co Inc Commercial Paper	0.000	07/08/1999	5,000	4,995	4,995
American Express Credit Commercial Paper	0.000	07/09/1999	5,000	4,995	4,995
Merrill Lynch & Co Inc Commercial Paper	0.000	07/09/1999	5,000	4,995	4,995
AT & T Corp Commercial Paper	0.000	07/09/1999	10,000	9,988	9,988
Procter & Gamble Co Commercial Paper	0.000	07/12/1999	10,000	9,984	9,984
Salomon Smith Barney Holdings Commercial Paper	0.000	07/12/1999	3,000	2,996	2,996
General Motors Acceptance Corp Commercial Paper	0.000	07/12/1999	3,000	2,996	2,996
Bear Stearns Co Inc Commercial Paper	0.000	07/12/1999	3,500	3,495	3,495
Albertson's Inc Commercial Paper	0.000	07/13/1999	10,000	9,982	9,982
Heinz HJ Co Commercial Paper	0.000	07/14/1999	10,000	9,983	9,983
Bear Stearns Co Inc Commercial Paper	0.000	07/14/1999	3,000	2,995	2,995
Warner-Lambert Co Commercial Paper	0.000	07/15/1999	10,000	9,980	9,980
Morgan JP & Co Inc Commercial Paper	0.000	07/15/1999	3,000	2,994	2,994
Ford Motor Credit Co Commercial Paper	0.000	07/16/1999	5,000	4,990	4,990
Corp Asset Funding Co Commercial Paper	0.000	07/16/1999	10,000	9,978	9,978
FNMA Discount Notes Commercial Paper	0.000	07/16/1999	10,000	9,980	9,980
Bellsouth Telecomm Inc Commercial Paper	0.000	07/19/1999	5,000	4,987	4,987
American Honda Finance Commercial Paper	0.000	07/19/1999	3,000	2,993	2,993
General Electric Capital Corp Commercial Paper	0.000	07/19/1999	3,000	2,993	2,993
Ford Motor Credit Co Commercial Paper	0.000	07/20/1999	3,000	2,992	2,992
IBM Credit Corp Commercial Paper	0.000	07/20/1999	10,000	9,974	9,974
American Honda Finance Commercial Paper	0.000	07/20/1999	5,000	4,987	4,987
FNMA Discount Notes	0.000	07/22/1999	10,000	9,972	9,972
General Motors Acceptance Corp Commercial Paper	0.000	07/22/1999	5,000	4,986	4,986
CSC Enterprises Commercial Paper	0.000	07/22/1999	5,000	4,985	4,985
General Electric Capital Corp Commercial Paper	0.000	07/22/1999	5,000	4,986	4,986
Morgan Stanley Dean Witter	0.000	07/23/1999	5,000	4,985	4,985
Homeside Lending Inc Commercial Paper	0.000	07/26/1999	5,000	4,982	4,982
Gap Inc Commercial Paper	0.000	07/26/1999	10,000	9,965	9,965
Ford Motor Credit Co Commercial Paper	0.000	07/28/1999	5,000	4,981	4,981
Ameritech Capital Funding Corp Commercial Paper	0.000	07/28/1999	10,000	9,961	9,961
American Honda Finance Commercial Paper	0.000	07/28/1999	5,000	4,981	4,981
Motorola Credit Corp Commercial Paper	0.000	07/29/1999	10,000	9,961	9,961

* The fair value is not determined for loans in the Loan Pool. The fair value reported equals amortized cost. See accompanying notes to financial statements.

Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Merrill Lynch & Co Inc Commercial Paper	0.000	07/30/1999	3,000	2,988	2,988
Metlife Funding Inc Commercial Paper	0.000	07/30/1999	5,000	4,979	4,979
General Electric Capital Corp Commercial Paper	0.000	07/30/1999	5,000	4,981	4,981
Daimler Chrysler Na Commercial Paper	0.000	08/02/1999	5,000	4,978	4,978
Merrill Lynch & Co Inc Commercial Paper	0.000	08/03/1999	5,000	4,977	4,977
Salomon Smith Barney Holdings Commercial Paper	0.000	08/03/1999	10,000	9,954	9,954
IBM Credit Corp Commercial Paper	0.000	08/04/1999	5,000	4,976	4,976
Prudential Funding Corp Commercial Paper	0.000	08/05/1999	5,000	4,977	4,977
Xerox Corporation Commercial Paper	0.000	08/06/1999	4,367	4,345	4,345
Salomon Smith Barney Holdings Commercial Paper	0.000	08/09/1999	5,000	4,974	4,974
CSC Enterprises Commercial Paper	0.000	08/09/1999	5,000	4,973	4,973
International Lease Finance Co Commercial Paper	0.000	08/09/1999	5,000	4,974	4,974
Salomon Smith Barney Holdings Commercial Paper	0.000	08/11/1999	5,000	4,971	4,971
Daimler Chrysler Na Commercial Paper	0.000	08/13/1999	5,000	4,971	4,971
Homeside Lending Inc Commercial Paper	0.000	08/16/1999	10,000	9,934	9,934
Morgan Stanley Dean Witter Commercial Paper	0.000	08/16/1999	5,000	4,969	4,969
Credit Suisse First Boston Inc Commercial Paper	0.000	08/17/1999	5,000	4,968	4,968
General Motors Acceptance Corp Commercial Paper	0.000	08/19/1999	5,000	4,967	4,967
Morgan JP & Co Inc Commercial Paper	0.000	08/20/1999	5,000	4,965	4,965
Daimler Chrysler Na Commercial Paper	0.000	08/23/1999	5,000	4,964	4,939
General Motors Acceptance Corp Commercial Paper	0.000	08/24/1999	5,000	4,963	4,939
Prudential Funding Corp Commercial Paper	0.000	08/25/1999	3,000	2,978	2,964
Caterpillar Financial Services Commercial Paper	0.000	08/27/1999	5,000	4,961	4,939
Morgan Stanley Dean Witter Commercial Paper	0.000	08/30/1999	5,000	4,958	4,949
Federal Home Loan Mort Corp	0.000	09/10/1999	10,000	9,902	9,899
National Rural Utilities Co Commercial Paper	0.000	09/09/1999	5,000	4,952	4,928
National Rural Utilities Co Commercial Paper	0.000	09/13/1999	5,000	4,947	4,946
Salomon Smith Barney Holdings Commercial Paper	0.000	09/13/1999	5,000	4,948	4,939
Morgan JP & Co Inc Commercial Paper	0.000	09/16/1999	5,000	4,946	4,937
Prudential Funding Corp Commercial Paper	0.000	09/20/1999	5,000	4,943	4,937
Campbell Soup Co Commercial Paper	0.000	09/21/1999	10,000	9,889	9,757
Morgan JP & Co Inc Commercial Paper	0.000	09/22/1999	10,000	9,887	9,837
FHLMC Discount Notes	0.000	11/02/1999	5,000	4,918	4,911
Federal Home Loan Mort Corp	0.000	11/04/1999	5,000	4,913	4,910
Federal Home Loan Mort Corp	0.000	12/10/1999	3,000	2,932	2,930
Canadian IMP Bank Comm NY Commercial Paper	0.000	04/12/2000	5,000	4,996	4,998
Total Short-term Issues	73.9%			560,074	559,736
Total Cash Liquidity				<u>\$ 757,704</u>	<u>\$ 757,023</u>

Government Money Market

U. S. Treasury Issues

U. S. Treasury Note	5.750%	09/30/1999	\$ 10,000	\$ 10,028	\$ 10,020
U. S. Treasury Note	5.625	10/31/1999	10,000	10,027	10,019

* The fair value is not determined for loans in the Loan Pool. The fair value reported equals amortized cost. See accompanying notes to financial statements.

Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
U. S. Treasury Note	5.625	11/30/1999	10,000	10,041	10,023
U. S. Treasury Note	5.625	12/31/1999	20,000	20,059	20,047
U. S. Treasury Note	7.125	02/29/2000	20,000	20,275	20,253
U. S. Treasury Note	5.500	03/31/2000	10,000	10,042	10,022
U. S. Treasury Note	6.875	03/31/2000	10,000	10,143	10,120
U. S. Treasury Note	5.375	05/15/2000	10,000	10,125	10,091
Total U.S. Treasury Issues	35.4%			100,740	100,595
Short-term Issues					
United States Treasury Bills	0.000	12/30/1999	15,000	14,627	14,634
Lehman Brothers Repurchase Agreement	4.960	07/01/1999	125,000	125,000	125,000
Prudential Securities Repurchase Agreement	5.050	07/01/1999	44,517	44,517	44,517
Total Short-term Issues	64.6%			184,144	184,151
Total Government Money Market				<u>\$ 284,884</u>	<u>\$ 284,746</u>
Enhanced Yield					
U. S. Treasury Issues					
U. S. Treasury Note	5.875%	08/31/1999	\$ 5,150	\$ 5,153	\$ 5,160
U. S. Treasury Note	6.875	08/31/1999	2,000	2,002	2,007
U. S. Treasury Note	6.375	01/15/2000	4,000	4,009	4,026
U. S. Treasury Note	6.875	03/31/2000	1,500	1,503	1,518
U. S. Treasury Note	6.750	04/30/2000	2,000	2,004	2,023
U. S. Treasury Note	6.125	07/31/2000	1,000	995	1,007
U. S. Treasury Note	6.000	08/15/2000	2,000	2,001	2,013
U. S. Treasury Note	6.250	08/31/2000	5,000	4,994	5,049
U. S. Treasury Note	6.125	09/30/2000	6,000	6,025	6,052
U. S. Treasury Note	5.750	10/31/2000	1,500	1,484	1,507
U. S. Treasury Note	5.625	11/30/2000	2,000	1,974	2,005
U. S. Treasury Note	6.375	03/31/2001	1,500	1,495	1,522
U. S. Treasury Note	6.625	06/30/2001	2,500	2,501	2,550
U. S. Treasury Note	6.250	02/28/2002	1,500	1,559	1,523
U. S. Treasury Note	11.625	11/15/2002	2,000	2,364	2,355
Total U. S. Treasury Issues	16.6%			40,063	40,317
U. S. Government Agency Issues					
U. S. Government Agency Bonds					
Federal National Mortgage Assn	5.810	10/01/1999	5,000	5,000	5,004
Federal National Mortgage Assn	5.780	11/29/1999	5,000	4,997	5,007
Federal National Mortgage Assn	5.340	01/24/2000	5,000	4,996	4,994
Federal National Mortgage Assn	5.880	07/17/2000	3,000	2,975	3,008
Federal Home Loan Bank	5.620	08/10/2000	5,000	5,002	4,999

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Consolidated Fund
West Virginia Investment Management Board
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June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Federal National Mortgage Assn	5.970	10/02/2000	5,000	5,000	5,019
Federal Home Loan Bank	4.945	11/20/2000	5,000	4,998	4,946
Federal Home Loan Bank	5.970	12/11/2000	5,000	5,004	5,014
Federal National Mortgage Assn	5.720	03/13/2001	3,000	2,969	2,997
Federal National Mortgage Assn	6.160	04/03/2001	5,000	5,046	5,030
Federal National Mortgage Assn	6.690	08/07/2001	3,500	3,501	3,562
Federal Home Loan Bank	6.330	10/09/2001	3,000	2,995	3,035
Federal Farm Credit Bank	6.375	11/01/2001	3,000	3,011	3,040
Federal Home Loan Mort Corp	6.800	04/08/2002	3,000	2,997	3,077
Federal National Mortgage Assn	6.590	05/16/2002	6,000	5,990	6,124
Federal National Mortgage Assn	6.060	10/08/2002	5,400	5,438	5,408
Federal National Mortgage Assn	5.890	11/06/2002	5,000	4,977	4,982
Federal National Mortgage Assn	5.980	11/12/2002	5,470	5,459	5,465
Federal Home Loan Bank	5.785	04/23/2003	5,000	4,983	4,942
Federal Home Loan Bank	5.775	05/01/2003	5,000	4,995	4,939
Federal Farm Credit Bank	5.700	06/18/2003	2,000	2,021	1,970
Federal Home Loan Bank	5.600	09/02/2003	4,000	4,032	3,914
Total U. S. Government Agency Bonds				96,386	96,476
Total U. S. Government Agency Issues 39.7%				96,386	96,476
Corporate Issues					
U. S. Corporate Bonds					
Pitney Bowes Credit Corp	6.540	07/15/1999	1,000	1,000	1,000
Pepsico Inc	6.250	09/01/1999	1,000	999	1,001
Banker Trust NY Corp	6.000	09/30/1999	3,000	2,999	3,003
Bellsouth Telecommunications	6.500	02/01/2000	4,000	4,014	4,016
Caterpillar Financial Services	5.800	03/15/2000	6,500	6,495	6,499
Dean Witter Discovery & Co	6.250	03/15/2000	2,000	1,997	2,005
General Electric Capital Corp	5.760	04/24/2000	5,000	4,996	5,003
General Motors Acceptance Corp	6.625	04/24/2000	3,200	3,193	3,222
Mellon Financial Co	6.300	06/01/2000	2,500	2,501	2,506
Citigroup Inc	6.125	06/15/2000	1,000	999	1,002
Sears Roebuck Acceptance Corp	6.500	06/15/2000	1,500	1,494	1,508
Sara Lee Corp	5.750	07/14/2000	1,000	995	998
Household Finance Corp	6.650	08/14/2000	1,500	1,507	1,507
Bear Stearns Co Inc	6.750	08/15/2000	1,000	1,005	1,005
Merrill Lynch & Co Inc	6.375	10/17/2000	2,000	2,001	2,010
Penske Truck Leasing	6.650	11/01/2000	2,500	2,514	2,519
Dow Jones & Co Inc	5.750	12/01/2000	2,000	1,974	1,995
Chase Manhattan Corp	5.150	12/15/2000	4,000	3,999	3,941
Public Service Co of Colorado	6.600	02/01/2001	1,500	1,491	1,508
Household Finance Corp	6.450	03/15/2001	5,000	4,966	5,015
Beneficial Corp	6.590	03/23/2001	1,500	1,489	1,508
BankAmerica Corp	6.650	05/01/2001	2,500	2,555	2,523
Sears Roebuck Acceptance Corp	6.670	05/01/2001	1,000	992	1,007

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Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
General Electric Capital Corp	6.350	09/15/2001	3,500	3,492	3,524
International Lease Finance Co	5.500	01/15/2002	5,000	5,004	4,878
Wal-Mart Stores	6.750	05/15/2002	1,000	1,014	1,017
Total U. S. Corporate Bonds				65,685	65,720
Corporate Asset Backed Issues					
Toyota Grantor Trust	6.300	07/20/2001	101	101	100
Ford Credit Auto Owner Trust	5.310	11/15/2001	4,000	3,994	3,969
Union Acceptance Corp	6.050	06/10/2002	1,300	1,306	1,296
Captial Auto Rec Asset Trust	5.580	06/15/2002	2,500	2,497	2,485
Premier Auto Trust	5.690	11/08/2002	2,500	2,507	2,483
Citibank Credit Card Master Trust	5.750	01/15/2003	3,535	3,561	3,520
MBNA Master Credit Card Trust	6.600	01/15/2003	3,500	3,553	3,531
Premier Auto Trust	5.780	04/08/2003	2,500	2,531	2,492
Aracdia Automobile Rec Trust	6.300	07/15/2003	2,300	2,294	2,294
Key Auto Finance Trust	5.630	07/15/2003	3,000	3,000	2,978
Discover Card Master Trust	5.800	09/16/2003	4,000	4,036	3,985
Union Acceptance Corp	5.840	01/08/2004	3,700	3,686	3,685
Sears Credit Acc Master Trust	6.450	10/16/2006	5,000	5,102	5,005
Total Corporate Asset Backed Issues				38,168	37,823
Total Corporate Issues	42.7%			103,853	103,543
Short-term Issues					
Prudential Securities Repurchase Agreement	5.050	07/01/1999	2,404	2,404	2,404
Total Short-term Issues	1.0%			2,404	2,404
Total Enhanced Yield				<u>\$ 242,706</u>	<u>\$ 242,740</u>
Loss Amortization					
U. S. Treasury Issues					
U. S. Treasury Strip - Int	0.000%	02/15/2005	\$ 22,000	\$ 14,096	\$ 15,825
U. S. Treasury Strip - Int	0.000	08/15/2005	31,000	17,834	21,629
U. S. Treasury Strip - Int	0.000	02/15/2010	20,000	7,671	10,465
U. S. Treasury Strip - Int	0.000	11/15/2011	80,300	28,757	37,275
Total U. S. Treasury Issues	91.3%			68,358	85,194

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Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
<i>U. S. Government Agency Issues</i>					
U. S. Government Agency Bonds Resolution Funding Corp	0.000	10/15/2019	30,115	4,954	8,081
Total U. S. Government Agency Bonds				4,954	8,081
Total U. S. Government Agency Issues	8.7%			4,954	8,081
Total Loss Amortization				<u>\$ 73,312</u>	<u>\$ 93,275</u>
Loans					
<i>Short-term Issues</i>					
Prudential Securities Repurchase Agreement	5.050%	07/01/1999	\$ 1,472	\$ 1,472	\$ 1,472
Treasurer's Higher Education	2.350	06/03/2000	367	367	367
Total Short-term Issues	1.3%			1,839	1,839
<i>Loans and Mortgages</i>					
FHA/VA Mortgages					
Charleston NB	7.750	11/01/2003	34	34	34
Charleston NB	7.750	03/01/2004	4	4	4
Charleston NB	7.000	05/01/2004	128	128	128
Charleston NB	8.250	05/01/2004	29	29	29
Charleston NB	8.250	08/01/2004	64	64	64
Charleston NB	9.000	12/01/2004	21	21	21
Charleston NB	7.000	03/01/2005	135	135	135
Charleston NB	8.000	08/01/2005	137	137	137
Charleston NB	9.000	02/01/2006	67	67	67
Charleston NB	8.750	05/01/2006	55	55	55
Charleston NB	8.500	07/01/2006	125	125	125
Charleston NB	8.750	10/01/2006	107	107	107
Charleston NB	8.000	04/01/2007	187	187	187
Charleston NB	8.500	03/01/2008	579	579	579
Charleston NB	9.500	09/01/2008	75	75	75
Citizens NB	7.000	06/01/2003	18	18	18
Citizens NB	7.750	11/01/2003	15	15	15
Citizens NB	8.250	04/01/2004	20	20	20
Citizens NB	8.000	09/01/2007	194	194	194
Citizens NB	8.500	11/01/2007	240	240	240
Citizens NB	8.750	05/01/2008	61	61	61
Citizens NB	9.000	07/01/2008	31	31	31
Citizens NB	9.500	02/01/2009	1	1	1
Citizens NB	10.000	09/01/2009	26	26	26
Home (Atlantic)	7.000	02/01/2004	136	136	136
Home (Atlantic)	7.750	08/01/2003	6	6	6

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Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Home (Atlantic)	8.250	04/01/2004	85	85	85
Home (Atlantic)	9.500	03/01/2005	19	19	19
Home (Atlantic)	9.000	02/01/2006	91	91	91
Home (Atlantic)	8.000	04/01/2007	389	389	389
Home (Atlantic)	8.750	05/01/2008	574	574	574
Home (Atlantic)	10.000	10/01/2009	86	86	86
Home (Atlantic)	10.500	10/01/2009	29	29	29
Home (Atlantic)	11.500	11/01/2009	8	8	8
Home (Atlantic)	8.500	08/01/2014	609	609	609
Huntington	8.750	03/01/2001	4	4	4
Huntington	7.000	08/01/2003	54	54	54
Huntington	7.750	08/01/2003	8	8	8
Huntington	9.500	11/01/2003	12	12	12
Huntington	8.250	02/01/2004	18	18	18
Huntington	9.000	01/01/2006	39	39	39
Huntington	8.000	04/01/2007	36	36	36
Huntington	8.500	01/01/2008	140	140	140
Kissell	7.000	06/01/2001	6	6	6
Kissell	7.000	10/01/2003	134	134	134
Kissell	7.750	12/01/2003	22	22	22
Kissell	8.250	06/01/2004	53	53	53
Kissell	9.500	11/01/2004	15	15	15
Kissell	9.000	03/01/2006	37	37	37
Kissell	8.750	05/01/2006	39	39	39
Kissell	8.500	06/01/2006	23	23	23
Kissell	8.000	09/01/2007	367	367	367
Kissell	8.500	01/01/2008	397	397	397
Mason (Peoples)	8.750	04/01/2006	6	6	6
Mason (Peoples)	8.500	12/01/2006	101	101	101
Mason (Peoples)	8.000	07/01/2007	22	22	22
Mason (Peoples)	10.500	12/01/2009	32	32	32
OVB (FFSL)	8.500	09/01/2005	66	66	66
OVB (FFSL)	9.000	11/01/2005	9	9	9
OVB Mortgages	8.000	08/01/2001	3	3	3
OVB Mortgages	7.000	04/01/2003	92	92	92
OVB Mortgages	7.000	08/01/2003	9	9	9
OVB Mortgages	7.750	10/01/2003	19	19	19
OVB Mortgages	8.250	07/01/2004	36	36	36
OVB Mortgages	9.000	03/01/2006	56	56	56
OVB Mortgages	8.750	07/01/2006	69	69	69
OVB Mortgages	8.000	07/01/2007	132	132	132
OVB Mortgages	8.500	07/01/2008	531	531	531
OVB Mortgages	9.500	10/01/2008	28	28	28
Total FHA/VA Mortgages				7,000	7,000
WVEDA SB409 Loans					
National Church #1	5.028	07/15/1999	2	2	2
National Church #2	5.028	07/15/1999	1	1	1
National Church #3	5.028	07/15/1999	1	1	1

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Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Swanson Plating	4.938	08/30/1999	6	6	6
Woodcraft Supply	4.938	09/15/1999	3	3	3
SDR Plastics #1	5.460	11/18/1999	37	37	37
Homer Laughlin #1	5.530	12/15/1999	18	18	18
Soles Electric	5.430	01/15/2000	17	17	17
Woody Forest Prod	5.160	02/15/2000	18	18	18
Ravens Metal	5.006	05/30/2001	12	12	12
Hartley Oil #1	5.270	09/07/2001	164	164	164
Electro Quip	5.000	10/15/2001	12	12	12
Columbia WV	5.570	09/15/2002	801	801	801
Hartley Oil #2	5.230	04/14/2003	70	70	70
Twelve-O-Six	5.283	12/27/2003	79	79	79
WV Electric Supply	5.298	01/15/2004	182	182	182
Kanawha Stone	4.981	07/15/2004	138	138	138
Alkahn #2	5.200	08/15/2004	252	252	252
Gabriel Brothers	5.180	05/15/2005	207	207	207
D & D Inc #2	5.014	06/30/2005	374	374	374
SDR Plastics #2	5.089	03/01/2007	429	429	429
Cogar Mining	5.160	03/15/2008	127	127	127
Rayon Drive (Pksb Dev)	5.050	07/15/2008	575	575	575
Smith Services	5.100	12/30/2008	181	181	181
WV Air Center	5.160	08/18/2011	1,433	1,433	1,433
Fox Grocery	5.460	11/12/2011	621	621	621
Bidco 1 (Parkway Enterprises)	5.950	04/01/2012	1,340	1,340	1,340
Bidco 2 (Parkway Enterprises)	5.950	04/01/2012	1,340	1,340	1,340
SDR Plastics #3	5.110	10/30/2012	927	927	927
Geary Securities	5.030	12/31/2013	504	504	504
D & D Inc #1	5.014	06/30/2015	833	833	833
Total WVEDA SB409 Loans				10,704	10,704
EDA 93 Loans					
Swanson Plating	6.500	02/15/2005	415	415	415
Allegheny Dimension	6.250	11/30/2006	665	665	665
Twelve-O-Six	6.500	03/30/2011	1,729	1,729	1,729
Total EDA 93 Loans				2,809	2,809
Job/Industrial Program					
Precision Coil	6.250	07/20/1999	2,732	2,732	2,732
SCSM #3	8.250	03/30/2002	4,544	4,544	4,544
SCSM #2	6.000	12/11/2003	5,707	5,707	5,707
Bruce Hardwood - Equipment	6.750	09/30/2005	12,664	12,664	12,664
Bruce Hardwood - New	6.750	09/30/2005	5,551	5,551	5,551
Bruce Hardwood - 3	6.750	09/30/2005	1,785	1,785	1,785
Winfield Industries - Equipment	8.500	11/06/2005	2,242	2,242	2,242

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Consolidated Fund
West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

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(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Hartley Oil	8.000	04/05/2006	6	6	6
Bruce Hardwood R/E	6.750	09/01/2006	9,989	9,989	9,989
Baker	4.500	09/25/2006	3,195	3,195	3,195
D & D Inc	8.000	11/30/2006	244	244	244
Ruskin	6.780	03/10/2007	2,349	2,349	2,349
American Woodmark R/E	4.500	08/01/2007	3,604	3,604	3,604
Checker Motors	4.500	04/30/2008	7,671	7,671	7,671
Desco Corp #1	6.375	08/01/2008	1,601	1,601	1,601
Desco Corp #2	6.375	09/15/2008	3,312	3,312	3,312
Pratt & Whitney	3.900	12/10/2008	2,875	2,875	2,875
Parkline	6.500	11/20/2009	5,447	5,447	5,447
Arcata Graphics	6.500	12/04/2009	11,986	11,986	11,986
Winfield Industries R/E	8.500	11/06/2010	2,170	2,170	2,170
Variform (Restructured)	7.070	04/15/2012	2,243	2,243	2,243
Federal Group	5.350	09/30/2018	4,904	4,904	4,904
Coldwater Creek	5.910	06/01/2019	6,650	6,650	6,650
Total Job/Industrial Program				103,471	103,471
Small Development Loans					
South Street Apartments	9.500	03/01/2011	158	158	158
Cedarwood I	9.500	04/01/2011	186	186	186
Parkridge I	9.500	04/01/2011	170	170	170
Highland Heights	9.500	06/01/2011	189	189	189
Linwood	9.500	10/01/2011	190	190	190
Mountainview Apartments	9.500	11/01/2011	191	191	191
Parkridge II	9.500	03/01/2012	177	177	177
Hunters Ridge I	9.500	03/01/2012	191	191	191
Hollister Townhouses	9.500	03/01/2012	182	182	182
Hunters Ridge II	9.500	03/01/2012	191	191	191
Riverview Apartments	9.500	03/01/2012	172	172	172
Harrison Avenue	9.500	04/01/2012	188	188	188
Wildwood Manor II	9.500	04/01/2012	194	194	194
Rupert Apartment	9.500	04/01/2012	191	191	191
Cedarwood II	9.500	04/01/2012	195	195	195
Spruce Villa	9.500	04/01/2012	190	190	190
Pines Apartments	9.500	05/01/2012	198	198	198
Ona Apartments	9.500	05/01/2012	207	207	207
Wayne Apartments	9.500	05/01/2012	190	190	190
Green Valley	9.500	07/01/2012	186	186	186
Woodland Heights	9.500	08/01/2012	194	194	194
Athens Terrace	9.500	10/01/2012	182	182	182
Total Small Development Loans				4,112	4,112

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West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

June 30, 1999

(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
New Small Development Loans					
Fife Street #1	6.500	09/01/2010	405	405	405
Fife Street #2	6.500	09/01/2010	506	506	506
Santangelo	9.000	12/01/2011	20	20	20
Hewes/Walnut	9.000	12/01/2016	309	309	309
Franklin Professional Building	6.500	05/01/2017	48	48	48
Fifth Avenue Apartments	6.500	02/01/2018	1,412	1,412	1,412
Mayer Manor	7.500	05/01/2018	142	142	142
Bolton Street Rental	6.500	10/01/2026	324	324	324
Old Post Office Square	6.500	05/01/2027	230	230	230
Bland's Apartments	7.500	04/01/2028	239	239	239
Virginian Apartments	7.250	07/01/2028	234	234	234
DP Building	8.000	08/01/2028	188	188	188
Robinson Development	8.500	09/01/2028	182	182	182
Total New Small Development Loans				4,239	4,239
Sheltered Housing Loans					
Frank Lawson	7.340	09/01/2017	6	6	6
Sylvia Meadows	7.340	09/01/2017	24	24	24
Veronica Bowles	7.340	09/01/2017	25	25	25
Shirley Thrift	7.340	10/01/2017	24	24	24
Cleo Triggs	7.340	10/01/2017	28	28	28
Muriel Mitchell	7.340	10/01/2017	27	27	27
Ashton Moore	7.340	11/01/2017	16	16	16
Dosha Moore	7.340	11/01/2017	27	27	27
Thelma Thomas	7.340	04/01/2019	20	20	20
Total Sheltered Housing Loans				197	197
Mortgage Program I, II, III					
OVB(Atl Fin)I	12.625	07/01/1999	43	43	43
OVB(Atl Fin)I	11.875	07/01/1999	33	33	33
OVB(Traders)III	12.750	07/01/1999	75	75	75
OVB(Traders)II	12.250	04/01/2000	2	2	2
OVB, Martinsburg (Citizens)	12.625	04/01/2000	64	64	64
Total Mortgage Program I, II, III				217	217
Senate Bill 409					
SB409	10.685	11/15/2013	59	59	59
SB409	10.585	12/15/2013	247	247	247
SB409	10.755	12/15/2013	151	151	151
SB409	10.815	12/15/2013	14	14	14
SB409	10.855	12/15/2013	275	275	275

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West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)

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(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
SB409	10.965	12/15/2013	145	145	145
SB409	11.075	12/15/2013	46	46	46
SB409	11.965	12/15/2013	96	96	96
SB409	12.125	12/15/2013	226	226	226
Total Senate Bill 409				1,259	1,259
Tax Reappraisal	6.230	06/30/2000	1,661	1,661	1,661
Morris Square Building	6.030	11/08/2001	1,289	1,289	1,289
Total Loans and Mortgages				136,958	136,958
Reserve for uncollectable loans			(2,335)	(2,335)	(2,335)
Loans and Mortgages, net of reserve for uncollectable loans	98.7%			134,623	134,623
Total Loans				\$ 136,462	\$ 136,462
Municipal Bond Commission					
<i>U. S. Treasury Issues</i>					
State & Local Government	4.460%	07/01/1999	\$ 588	\$ 588	\$ 588
State & Local Government	0.721	08/01/1999	971	971	971
U. S. Treasury Strip - Int	0.000	08/15/1999	96	95	95
U. S. Treasury Note	5.750	09/30/1999	15	15	15
U. S. Treasury Note	7.125	09/30/1999	239	240	240
State & Local Government	0.000	10/01/1999	1,474	1,474	1,474
State & Local Government	0.691	10/01/1999	28	28	28
State & Local Government	4.460	10/01/1999	352	352	352
State & Local Government	5.600	10/01/1999	37	37	37
State & Local Government	6.030	10/01/1999	70	70	70
U. S. Treasury Note	7.500	10/31/1999	485	497	489
State & Local Government	0.000	11/01/1999	34	34	34
State & Local Government	5.450	11/01/1999	69	69	69
U. S. Treasury Strip - Int	0.000	11/15/1999	1,129	1,095	1,109
U. S. Treasury Note	7.875	11/15/1999	4	4	4
U. S. Treasury Note	7.750	11/30/1999	34	35	34
State & Local Government	0.000	12/01/1999	24	24	24
State & Local Government	4.540	02/01/2000	31	31	31
U. S. Treasury Strip - Prin	0.000	02/15/2000	1,145	1,103	1,110
U. S. Treasury Strip - Int	0.000	02/15/2000	1,548	1,465	1,500
U. S. Treasury Note	8.500	02/15/2000	10	10	10
U. S. Treasury Note	5.500	03/31/2000	2,379	2,396	2,384
U. S. Treasury Note	6.875	03/31/2000	37	37	37
State & Local Government	0.000	04/01/2000	181	181	181

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West Virginia Investment Management Board
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(Dollars in thousands)

Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
State & Local Government	2.052	04/01/2000	20	20	20
State & Local Government	4.401	04/01/2000	680	680	680
State & Local Government	4.620	04/01/2000	2,528	2,528	2,528
State & Local Government	5.500	04/01/2000	15	15	15
State & Local Government	5.670	04/01/2000	24	24	24
State & Local Government	6.110	04/01/2000	41	41	41
U. S. Treasury Note	6.750	04/30/2000	3,654	3,859	3,697
State & Local Government	4.589	05/01/2000	609	609	609
State & Local Government	5.520	05/01/2000	2,536	2,536	2,536
U. S. Treasury Strip - Int	0.000	05/15/2000	2,055	1,964	1,964
U. S. Treasury Note	8.875	05/15/2000	206	222	212
U. S. Treasury Note	6.250	05/31/2000	711	752	717
State & Local Government	0.000	06/01/2000	1,239	1,239	1,239
U. S. Treasury Note	5.875	06/30/2000	73	73	73
State & Local Government	4.560	08/01/2000	1,022	1,022	1,022
U. S. Treasury Strip - Prin	0.000	08/15/2000	131	124	124
U. S. Treasury Strip - Int	0.000	08/15/2000	104	95	98
U. S. Treasury Note	6.125	09/30/2000	26	26	26
State & Local Government	0.000	10/01/2000	366	366	366
State & Local Government	0.225	10/01/2000	24	24	24
State & Local Government	4.760	10/01/2000	132	132	132
State & Local Government	5.510	10/01/2000	29	29	29
State & Local Government	5.520	10/01/2000	16	16	16
State & Local Government	5.610	10/01/2000	22	22	22
State & Local Government	5.690	10/01/2000	39	39	39
State & Local Government	6.150	10/01/2000	77	77	77
U. S. Treasury Note	5.750	10/31/2000	529	570	531
State & Local Government	5.550	11/01/2000	64	64	64
State & Local Government	5.820	11/01/2000	23	23	23
U. S. Treasury Strip - Prin	0.000	11/15/2000	3,958	3,643	3,680
U. S. Treasury Strip - Int	0.000	11/15/2000	1,046	931	973
U. S. Treasury Note	5.625	11/30/2000	17	18	17
State & Local Government	4.570	02/01/2001	13	13	13
U. S. Treasury Strip - Int	0.000	02/15/2001	1,430	1,239	1,310
U. S. Treasury Note	7.750	02/15/2001	16	16	17
U. S. Treasury Note	6.375	03/31/2001	23	23	23
State & Local Government	0.000	04/01/2001	166	166	166
State & Local Government	4.940	04/01/2001	2,771	2,771	2,771
State & Local Government	5.510	04/01/2001	16	16	16
State & Local Government	5.620	04/01/2001	733	733	733
State & Local Government	5.710	04/01/2001	25	25	25
State & Local Government	6.180	04/01/2001	42	42	42
State & Local Government	6.420	04/01/2001	12	12	12
U. S. Treasury Note	6.250	04/30/2001	4,006	4,463	4,057
State & Local Government	5.550	05/01/2001	2,701	2,701	2,701
State & Local Government	5.860	05/01/2001	639	639	639
U. S. Treasury Strip - Int	0.000	05/15/2001	217	186	196
U. S. Treasury Bond	13.125	05/15/2001	536	663	607

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West Virginia Investment Management Board
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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
U. S. Treasury Note	6.500	05/31/2001	747	840	760
State & Local Government	4.088	06/01/2001	1,273	1,273	1,273
U. S. Treasury Note	6.625	06/30/2001	79	81	81
State & Local Government	4.580	08/01/2001	653	653	653
U. S. Treasury Strip - Prin	0.000	08/15/2001	10	9	9
U. S. Treasury Strip - Int	0.000	08/15/2001	101	86	90
U. S. Treasury Note	6.375	09/30/2001	18	18	18
State & Local Government	0.000	10/01/2001	106	106	106
State & Local Government	1.153	10/01/2001	25	25	25
State & Local Government	3.499	10/01/2001	17	17	17
State & Local Government	3.978	10/01/2001	33	33	33
State & Local Government	5.030	10/01/2001	112	112	112
State & Local Government	5.520	10/01/2001	17	17	17
State & Local Government	5.520	10/01/2001	31	31	31
State & Local Government	5.630	10/01/2001	18	18	18
State & Local Government	5.710	10/01/2001	1,827	1,827	1,827
State & Local Government	6.210	10/01/2001	2,766	2,766	2,766
State & Local Government	6.433	10/01/2001	3,506	3,506	3,506
State & Local Government	6.460	10/01/2001	1,264	1,264	1,264
State & Local Government	6.463	10/01/2001	3,072	3,072	3,072
U. S. Treasury Note	6.250	10/31/2001	560	642	568
State & Local Government	5.550	11/01/2001	59	59	59
State & Local Government	5.900	11/01/2001	17	17	17
U. S. Treasury Strip - Int	0.000	11/15/2001	377	313	331
U. S. Treasury Bond	15.750	11/15/2001	5	6	6
U. S. Treasury Note	5.875	11/30/2001	20	23	20
U. S. Treasury Strip - Int	0.000	02/15/2002	1,289	1,024	1,115
U. S. Treasury Bond	14.250	02/15/2002	18	21	22
U. S. Treasury Note	6.625	03/31/2002	14	14	14
State & Local Government	5.060	04/01/2002	3,005	3,005	3,005
State & Local Government	5.445	04/01/2002	1,586	1,586	1,586
State & Local Government	5.520	04/01/2002	39	39	39
State & Local Government	5.530	04/01/2002	17	17	17
State & Local Government	5.640	04/01/2002	793	793	793
U. S. Treasury Note	6.625	04/30/2002	4,366	5,183	4,482
State & Local Government	5.550	05/01/2002	2,881	2,881	2,881
State & Local Government	5.930	05/01/2002	677	677	677
U. S. Treasury Strip - Int	0.000	05/15/2002	251	198	214
U. S. Treasury Note	7.500	05/15/2002	563	684	591
U. S. Treasury Note	6.500	05/31/2002	790	940	808
State & Local Government	5.380	06/01/2002	1,342	1,342	1,342
U. S. Treasury Note	6.250	06/30/2002	2,331	2,409	2,369
U. S. Treasury Strip - Prin	0.000	08/15/2002	617	614	518
U. S. Treasury Strip - Int	0.000	08/15/2002	82	65	69
U. S. Treasury Note	5.875	09/30/2002	18	18	18
State & Local Government	0.000	10/01/2002	95	95	95
State & Local Government	5.070	10/01/2002	89	89	89
State & Local Government	5.530	10/01/2002	99	99	99
State & Local Government	5.540	10/01/2002	33	33	33
State & Local Government	5.650	10/01/2002	13	13	13

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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
State & Local Government	5.560	11/01/2002	53	53	53
State & Local Government	5.970	11/01/2002	9	9	9
U. S. Treasury Strip - Int	0.000	11/15/2002	603	457	502
U. S. Treasury Bond	11.625	11/15/2002	23	32	27
U. S. Treasury Strip - Prin	0.000	02/15/2003	10	8	8
U. S. Treasury Strip - Int	0.000	02/15/2003	5,965	5,630	4,855
U. S. Treasury Note	6.250	02/15/2003	29	29	30
U. S. Treasury Bond	10.750	02/15/2003	162	157	188
State & Local Government	5.060	04/01/2003	3,252	3,252	3,252
State & Local Government	5.540	04/01/2003	41	41	41
State & Local Government	5.550	04/01/2003	17	17	17
State & Local Government	5.660	04/01/2003	863	863	863
State & Local Government	5.560	05/01/2003	3,075	3,075	3,075
State & Local Government	6.010	05/01/2003	719	719	719
U. S. Treasury Strip - Int	0.000	05/15/2003	1,037	981	832
U. S. Treasury Bond	10.750	05/15/2003	613	866	717
State & Local Government	5.380	06/01/2003	1,427	1,427	1,427
U. S. Treasury Strip - Prin	0.000	08/15/2003	300	230	238
U. S. Treasury Strip - Int	0.000	08/15/2003	726	672	574
State & Local Government	5.050	10/01/2003	63	63	63
State & Local Government	5.560	10/01/2003	5,768	5,768	5,768
State & Local Government	5.570	10/01/2003	1,515	1,515	1,515
State & Local Government	5.680	10/01/2003	7	7	7
State & Local Government	5.560	11/01/2003	47	47	47
U. S. Treasury Strip - Int	0.000	11/15/2003	1,166	804	909
U. S. Treasury Bond	11.875	11/15/2003	5	6	6
U. S. Treasury Strip - Int	0.000	02/15/2004	6,167	5,775	4,732
U. S. Treasury Note	5.875	02/15/2004	30	30	30
State & Local Government	5.070	04/01/2004	3,525	3,525	3,525
State & Local Government	5.690	04/01/2004	957	957	957
State & Local Government	5.570	05/01/2004	3,278	3,278	3,278
U. S. Treasury Strip - Int	0.000	05/15/2004	143	96	108
U. S. Treasury Bond	12.375	05/15/2004	687	1,096	874
State & Local Government	5.400	06/01/2004	1,518	1,518	1,518
U. S. Treasury Strip - Int	0.000	08/15/2004	381	363	284
State & Local Government	5.110	10/01/2004	33	33	33
State & Local Government	5.580	11/01/2004	39	39	39
U. S. Treasury Strip - Int	0.000	11/15/2004	966	600	708
U. S. Treasury Bond	11.625	11/15/2004	6	7	8
U. S. Treasury Strip - Int	0.000	02/15/2005	5,380	5,341	3,870
State & Local Government	5.160	04/01/2005	3,829	3,829	3,829
State & Local Government	5.590	05/01/2005	3,495	3,495	3,495
U. S. Treasury Strip - Int	0.000	05/15/2005	114	71	81
U. S. Treasury Bond	12.000	05/15/2005	759	1,294	984
State & Local Government	5.430	06/01/2005	1,618	1,618	1,618
U. S. Treasury Strip - Prin	0.000	08/15/2005	178	173	124
U. S. Treasury Strip - Int	0.000	08/15/2005	986	703	688
State & Local Government	5.590	11/01/2005	29	29	29

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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
U. S. Treasury Strip - Int	0.000	11/15/2005	12	7	8
U. S. Treasury Strip - Int	0.000	02/15/2006	5,610	5,601	3,793
State & Local Government	5.580	05/01/2006	3,725	3,725	3,725
U. S. Treasury Strip - Int	0.000	05/15/2006	114	66	76
U. S. Treasury Note	6.875	05/15/2006	834	1,228	878
U. S. Treasury Strip - Int	0.000	08/15/2006	25	14	16
State & Local Government	5.570	11/01/2006	16	16	16
U. S. Treasury Strip - Int	0.000	11/15/2006	9	5	6
U. S. Treasury Strip - Int	0.000	02/15/2007	15	8	10
State & Local Government	5.560	05/01/2007	3,971	3,971	3,971
U. S. Treasury Strip - Int	0.000	05/15/2007	57	32	36
U. S. Treasury Note	6.625	05/15/2007	894	1,360	931
U. S. Treasury Strip - Int	0.000	08/15/2007	25	13	15
U. S. Treasury Strip - Int	0.000	11/15/2007	8	4	5
U. S. Treasury Strip - Int	0.000	02/15/2008	10	5	6
U. S. Treasury Strip - Int	0.000	05/15/2008	983	955	577
U. S. Treasury Strip - Int	0.000	08/15/2008	25	12	14
U. S. Treasury Strip - Int	0.000	11/15/2008	6	3	3
U. S. Treasury Strip - Int	0.000	02/15/2009	10	5	6
U. S. Treasury Strip - Int	0.000	05/15/2009	927	927	510
U. S. Treasury Strip - Int	0.000	08/15/2009	30	13	16
U. S. Treasury Strip - Int	0.000	02/15/2010	10	4	5
U. S. Treasury Strip - Int	0.000	05/15/2010	932	932	480
U. S. Treasury Strip - Int	0.000	08/15/2010	25	10	13
U. S. Treasury Strip - Int	0.000	02/15/2011	10	4	5
U. S. Treasury Strip - Int	0.000	05/15/2011	934	934	450
U. S. Treasury Strip - Int	0.000	08/15/2011	30	11	14
U. S. Treasury Strip - Int	0.000	02/15/2012	10	4	5
U. S. Treasury Strip - Int	0.000	05/15/2012	938	938	421
U. S. Treasury Strip - Int	0.000	08/15/2012	25	8	11
U. S. Treasury Strip - Int	0.000	02/15/2013	10	3	4
U. S. Treasury Strip - Int	0.000	05/15/2013	941	941	395
U. S. Treasury Strip - Int	0.000	08/15/2013	30	9	12
U. S. Treasury Strip - Int	0.000	02/15/2014	10	3	4
U. S. Treasury Strip - Int	0.000	05/15/2014	963	963	378
U. S. Treasury Strip - Int	0.000	08/15/2014	30	9	12
U. S. Treasury Strip - Int	0.000	02/15/2015	5	1	2
U. S. Treasury Strip - Int	0.000	05/15/2015	973	973	358
U. S. Treasury Strip - Int	0.000	08/15/2015	30	8	11
U. S. Treasury Strip - Int	0.000	02/15/2016	5	1	2
U. S. Treasury Bond	7.250	05/15/2016	980	2,179	1,078
U. S. Treasury Strip - Int	0.000	08/15/2016	35	9	12
U. S. Treasury Strip - Int	0.000	02/15/2017	5	1	2
U. S. Treasury Bond	8.750	05/15/2017	1,055	2,705	1,332
U. S. Treasury Strip - Int	0.000	08/15/2017	30	7	10
U. S. Treasury Strip - Int	0.000	02/15/2018	5	1	2
U. S. Treasury Bond	9.125	05/15/2018	1,138	3,098	1,492
U. S. Treasury Strip - Int	0.000	08/15/2018	35	7	10
U. S. Treasury Strip - Int	0.000	02/15/2019	5	1	1
U. S. Treasury Strip - Int	0.000	08/15/2019	35	7	10
Total U.S. Treasury Issues	87.0%			177,334	161,103

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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
<i>U.S. Government Agency Issues</i>					
U. S. Government Agency Bonds					
Resolution Funding Corp	0.000	10/15/1999	173	171	170
Resolution Funding Corp	0.000	04/15/2000	708	685	679
Resolution Funding Corp	0.000	10/15/2000	155	146	145
Resolution Funding Corp	0.000	04/15/2001	739	683	669
Resolution Funding Corp	0.000	10/15/2001	135	122	119
Resolution Funding Corp	0.000	04/15/2002	774	682	655
Resolution Funding Corp	0.000	10/15/2002	112	96	92
Resolution Funding Corp	0.000	04/15/2003	807	673	644
Resolution Funding Corp	0.000	10/15/2003	88	71	68
Resolution Funding Corp	0.000	04/15/2004	848	667	634
Resolution Funding Corp	0.000	10/15/2004	61	47	44
Resolution Funding Corp	0.000	04/15/2005	891	665	630
Resolution Funding Corp	0.000	10/15/2005	30	22	21
Resolution Funding Corp	0.000	04/15/2006	941	658	625
Total U.S. Government Agency Bonds				5,388	5,195
Total U.S. Government Agency Issues	2.6%			5,388	5,195
<i>Short Term Issues</i>					
U. S. Treasury Bill	0.000	07/01/1999	2,673	2,673	2,673
U. S. Treasury Bill	0.000	08/26/1999	3,761	3,727	3,736
U. S. Treasury Bill	0.000	09/16/1999	24	24	24
U. S. Treasury Bill	0.000	09/30/1999	340	335	336
U. S. Treasury Bill	0.000	11/26/1999	3,491	3,408	3,423
U. S. Treasury Bill	0.000	06/01/2000	1,949	1,899	1,899
U. S. Treasury Bill	0.000	06/01/2000	1,544	1,493	1,493
U. S. Treasury Bill	0.000	11/30/2000	1,950	1,899	1,899
U. S. Treasury Bill	0.000	05/31/2001	1,950	1,900	1,900
U. S. Treasury Bill	0.000	11/29/2001	1,950	1,900	1,900
U. S. Treasury Bill	0.000	12/03/2001	1,949	1,899	1,899
Total Short Term Issues	10.4%			21,157	21,182
Total Municipal Bond Commission				\$ 203,879	\$ 187,480

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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
Department of Transportation					
<i>Corporate Issues</i>					
U. S. Corporate Bonds					
Flex Repurchase Agreement	5.520%	07/15/2001	\$ 177,546	\$ 177,546	\$ 177,546
Total U. S. Corporate Bonds				177,546	177,546
Total Corporate Issues	100.0%			177,546	177,546
Total Department of Transportation				<u>\$ 177,546</u>	<u>\$ 177,546</u>
Lottery Defeasance					
<i>U. S. Treasury Issues</i>					
Treasury Investment Growth	0.000%	08/15/1999	\$ 130	\$ 129	\$ 129
U. S. Treasury Coupon Under Book	0.000	08/15/1999	280	276	279
U. S. Treasury Strip – Int	0.000	08/15/1999	27	27	27
U. S. Treasury Coupon Under Book	0.000	11/15/1999	365	352	358
U. S. Treasury Strip – Int	0.000	11/15/1999	25	24	25
Coupon Treasury Receipt	0.000	02/15/2000	362	340	350
U. S. Treasury Strip – Int	0.000	02/15/2000	63	60	61
U. S. Treasury Coupon Under Book	0.000	05/15/2000	175	160	167
Treasury Investment Growth	0.000	08/15/2000	130	119	122
U. S. Treasury Strip – Int	0.000	08/15/2000	307	275	289
U. S. Treasury Coupon Under Book	0.000	11/15/2000	222	193	206
U. S. Treasury Strip – Int	0.000	11/15/2000	167	148	155
U. S. Treasury Strip – Int	0.000	02/15/2001	425	362	389
U. S. Treasury Strip – Int	0.000	05/15/2001	175	145	158
Coupon Treasury Receipt	0.000	08/15/2001	130	110	115
U. S. Treasury Strip – Int	0.000	08/15/2001	307	249	273
Principal Treasury Receipt	0.000	11/15/2001	100	81	87
U. S. Treasury Strip – Int	0.000	11/15/2001	289	229	253
U. S. Treasury Strip – Int	0.000	02/15/2002	425	328	367
U. S. Treasury Strip – Int	0.000	05/15/2002	175	131	149
Certificate Accrual Treasury	0.000	08/15/2002	130	101	108
U. S. Treasury Strip – Int	0.000	08/15/2002	307	225	258
Principal Treasury Receipt	0.000	11/15/2002	222	158	182
U. S. Treasury Strip – Int	0.000	11/15/2002	167	125	139
U. S. Treasury Strip – Int	0.000	02/15/2003	425	297	346
U. S. Treasury Strip – Int	0.000	05/15/2003	175	119	140
Principal Treasury Receipt	0.000	08/15/2003	130	93	102
U. S. Treasury Strip – Int	0.000	08/15/2003	307	204	243
Certificate Accrual Treasury	0.000	11/15/2003	142	97	109
U. S. Treasury Strip – Int	0.000	11/15/2003	247	160	193
U. S. Treasury Strip – Int	0.000	02/15/2004	425	269	326
U. S. Treasury Strip – Int	0.000	05/15/2004	175	107	132
Certificate Accrual Treasury	0.000	08/15/2004	15	9	11
Treasury Investment Growth	0.000	08/15/2004	130	86	96

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Security Name	Coupon	Maturity Date	Par Value	Amortized Cost	Fair Value*
U. S. Treasury Strip - Int	0.000	08/15/2004	292	176	218
U. S. Treasury Coupon Under Book	0.000	11/15/2004	222	129	160
U. S. Treasury Strip - Int	0.000	11/15/2004	167	105	122
U. S. Treasury Strip - Int	0.000	02/15/2005	425	244	306
U. S. Treasury Coupon Under Book	0.000	05/15/2005	175	97	122
Coupon Treasury Receipt	0.000	08/15/2005	130	80	89
U. S. Treasury Strip - Int	0.000	08/15/2005	307	167	214
U. S. Treasury Strip - Int	0.000	11/15/2005	289	155	198
U. S. Treasury Strip - Int	0.000	02/15/2006	90	48	61
Principal Treasury Receipt	0.000	05/15/2006	100	49	65
U. S. Treasury Coupon Under Book	0.000	05/15/2006	110	55	72
Treasury Investment Growth	0.000	08/15/2006	130	73	84
U. S. Treasury Strip - Int	0.000	08/15/2006	27	14	18
U. S. Treasury Strip - Int	0.000	11/15/2006	167	88	108
U. S. Treasury Strip - Int	0.000	02/15/2007	63	31	40
Treasury Investment Growth	0.000	08/15/2007	130	68	78
U. S. Treasury Strip - Int	0.000	08/15/2007	27	13	17
U. S. Treasury Strip - Int	0.000	11/15/2007	25	12	15
Coupon Treasury Receipt	0.000	08/15/2008	130	63	73
Total U. S. Treasury Issues	100.0%			7,455	8,404
Total Lottery Defeasance				\$ 7,455	\$ 8,404
School Fund					
<i>U. S. Treasury Issues</i>					
U. S. Treasury Bond	8.250%	05/15/2005	\$ 216	\$ 222	\$ 221
Total U. S. Treasury Issues	15.1%			222	221
<i>Short-term Issues</i>					
Prudential Securities Repurchase Agreement	5.050	07/01/1999	1,237	1,237	1,237
Total Short-term Issues	84.9%			1,237	1,237
Total School Fund				\$ 1,459	\$ 1,458
EDA Insurance					
<i>Short-term Issues</i>					
U. S. Treasury Bill	0.000%	12/16/1999	\$ 460	\$ 450	\$ 450
Total Short-term Issues	100.0%			450	450
Total EDA Insurance				\$ 450	\$ 450

* The fair value is not determined for loans in the Loan Pool. The fair value reported equals amortized cost. See accompanying notes to financial statements.

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**Consolidated Fund
West Virginia Investment Management Board**

Statement of Operations

Year Ended June 30, 1999

(Dollars in thousands)

	Cash Liquidity	Government Money Market	Enhanced Yield	Loss Amortization
Investment income				
Interest income	\$ 18,692	\$ 14,274	\$ 13,632	\$ -
Net accretion (amortization)	16,334	(729)	625	5,987
Adjustment to provision for loan losses	-	-	-	-
	35,026	13,545	14,257	5,987
Expenses				
Investment advisor fees	(319)	(145)	(115)	-
Trustee fees	(8)	(3)	(4)	-
Custodian bank fees	(24)	(7)	(9)	-
Management fees	(399)	(166)	(188)	-
Fiduciary bond fees	(13)	(6)	(6)	-
Professional service fees	(28)	(12)	(13)	-
Loan service fees	-	-	-	-
Total expenses	(791)	(339)	(335)	-
Investment income, net	34,235	13,206	13,922	5,987
Realized and unrealized gain (loss) on investment securities				
Net realized gain (loss) on investments	(43)	74	323	-
Net increase (decrease) in the fair value of investments	-	-	(2,194)	(5,869)
Net gain (loss) on investments	(43)	74	(1,871)	(5,869)
Net increase in net assets from operations	\$ 34,192	\$ 13,280	\$ 12,051	\$ 118

See accompanying notes to financial statements.

Loans	Municipal Bond Restricted	Municipal Bond Commission	Department of Transportation	Lottery Defeasance	School Fund	EDA Insurance
\$ 9,395	\$ 650	\$ 6,092	\$ 10,335	\$ -	\$ 69	\$ -
-	(17)	205	715	738	(1)	22
296	-	-	-	-	-	-
<u>9,691</u>	<u>633</u>	<u>6,297</u>	<u>11,050</u>	<u>738</u>	<u>68</u>	<u>22</u>
-	(7)	-	-	-	-	-
(2)	-	-	-	-	-	-
(5)	-	-	-	(1)	-	-
(94)	(9)	(28)	(60)	(2)	-	-
(3)	-	-	-	-	-	-
(7)	(1)	-	-	-	-	-
(4)	-	-	-	-	-	-
<u>(115)</u>	<u>(17)</u>	<u>(28)</u>	<u>(60)</u>	<u>(3)</u>	<u>-</u>	<u>-</u>
<u>9,576</u>	<u>616</u>	<u>6,269</u>	<u>10,990</u>	<u>735</u>	<u>68</u>	<u>22</u>
(630)	562	-	-	-	-	-
-	(518)	-	-	(347)	(4)	-
<u>(630)</u>	<u>44</u>	<u>-</u>	<u>-</u>	<u>(347)</u>	<u>(4)</u>	<u>-</u>
<u>\$ 8,946</u>	<u>\$ 660</u>	<u>\$ 6,269</u>	<u>\$ 10,990</u>	<u>\$ 388</u>	<u>\$ 64</u>	<u>\$ 22</u>

Consolidated Fund
West Virginia Investment Management Board
Statement of Changes in Net Assets
Year Ended June 30, 1999

(Dollars in thousands, except Investment Unit Data)

	<u>Cash Liquidity</u>	<u>Government Money Market</u>	<u>Enhanced Yield</u>	<u>Loss Amortization</u>
Operations				
Investment income, net	\$ 34,235	\$ 13,206	\$ 13,922	\$ 5,987
Net realized gain (loss) on investments	(43)	74	323	-
Net decrease in the fair value of investments	-	-	(2,194)	(5,869)
Net increase in net assets from operations	<u>34,192</u>	<u>13,280</u>	<u>12,051</u>	<u>118</u>
Distributions to participants from				
Investment income, net	(34,245)	(13,206)	(13,699)	-
Net realized (gain) loss on investments	43	(76)	(369)	-
Total distributions	<u>(34,202)</u>	<u>(13,282)</u>	<u>(14,068)</u>	<u>-</u>
Fund unit transactions				
Proceeds from sale of units	4,113,537	711,998	31,559	-
Reinvestment of distributions	34,202	13,282	14,068	-
	<u>4,147,739</u>	<u>725,280</u>	<u>45,627</u>	<u>-</u>
Amount paid for repurchase of units	(3,954,909)	(577,109)	(66,405)	-
	<u>(3,954,909)</u>	<u>(577,109)</u>	<u>(66,405)</u>	<u>-</u>
Net increase (decrease) in net assets from fund unit transactions	192,830	148,171	(20,778)	-
Contributions				
	-	-	-	-
Withdrawals				
	-	-	-	-
Increase (decrease) in net assets	<u>192,820</u>	<u>148,169</u>	<u>(22,795)</u>	<u>118</u>
Net assets, beginning of year	566,777	138,430	268,573	93,157
Net assets, end of year	<u>\$ 759,597</u>	<u>\$ 286,599</u>	<u>\$ 245,778</u>	<u>\$ 93,275</u>
Fund unit transactions				
Units sold	4,113,537,169	711,997,748	308,690	-
Units issued from reinvestment of distributions	34,202,293	13,282,035	141,251	-
	<u>4,147,739,462</u>	<u>725,279,783</u>	<u>449,941</u>	<u>-</u>
Units repurchased	(3,954,909,476)	(577,108,615)	(651,581)	-
Net increase (decrease) in fund units	<u>192,829,986</u>	<u>148,171,168</u>	<u>(201,640)</u>	<u>-</u>

See accompanying notes to financial statements.

<u>Loans</u>	<u>Municipal Bond Restricted</u>	<u>Municipal Bond Commission</u>	<u>Department of Transportation</u>	<u>Lottery Defeasance</u>	<u>School Fund</u>	<u>EDA Insurance</u>
\$ 9,576	\$ 616	\$ 6,269	\$ 10,990	\$ 735	\$ 68	\$ 22
(630)	562	-	-	-	-	-
-	(518)	-	-	(347)	(4)	-
<u>8,946</u>	<u>660</u>	<u>6,269</u>	<u>10,990</u>	<u>388</u>	<u>64</u>	<u>22</u>
(9,576)	-	-	-	-	-	-
962	-	-	-	-	-	-
<u>(8,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,650	-	-	-	-	-	-
8,614	-	-	-	-	-	-
<u>17,264</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(45,591)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(28,327)	-	-	-	-	-	-
-	5,227	50,929	220,000	3	468	-
-	(98,398)	(49,413)	(52,594)	(1,426)	(485)	(33)
<u>(27,995)</u>	<u>(92,511)</u>	<u>7,785</u>	<u>178,396</u>	<u>(1,035)</u>	<u>47</u>	<u>(11)</u>
168,000	92,511	186,213	-	9,439	1,413	461
<u>\$ 140,005</u>	<u>\$ -</u>	<u>\$ 193,998</u>	<u>\$ 178,396</u>	<u>\$ 8,404</u>	<u>\$ 1,460</u>	<u>\$ 450</u>
8,650,000						
8,613,765						
<u>17,263,765</u>						
<u>(45,590,844)</u>						
<u>(28,327,079)</u>						

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Consolidated Fund
West Virginia Investment Management Board
Notes to Financial Statements

NOTE 1 DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (Investment Management Board) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration, investment, and management of certain public pension funds, the Workers' Compensation and Pneumoconiosis funds and other funds (collectively referred to as Consolidated Pension Fund) and the State's operating funds (collectively referred to as Consolidated Fund). A Board of Trustees, consisting of thirteen members, governs the Investment Management Board. The Governor, the State Auditor, and the State Treasurer are ex officio members of the Board of Trustees. The Governor appoints Trustees for a term of six years.

The accompanying financial statements reflect only the investment balances and transactions of the investment pools established for the investment of the Consolidated Fund and do not reflect any other assets or liabilities of the various pool participants, the Investment Management Board, or the Consolidated Pension Fund.

A brief description of the individual pools within the Fund follows:

Cash Liquidity – This pool consists of the operating funds of the State, funds held in trust by State agencies, and funds from local governments who desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and supply the daily cash needs of the State. The pool is limited to securities with remaining maturities of not greater than 397 days, and the weighted-average-maturity of the securities in the portfolio may not exceed 90 days.

Government Money Market – This investment pool restricts its investments to U.S. Government Obligations, select U.S. Government Agency Obligations or repurchase agreements. The pool is limited to securities with remaining maturities of 397 days or less, and the weighted-average-maturity of the securities in the portfolio may not exceed 90 days.

Enhanced Yield – This pool consists of the operating funds of the State which the Board's staff have determined are not immediately needed to fund the State's liquidity requirements. The pool is limited to securities with remaining maturities of not greater than five years, and the weighted-average-maturity of the securities in the portfolio may not exceed two years. For asset-backed securities, the maturity shall be defined as the average life of the security.

Loss Amortization – This pool was created to account for those participant claims on the general operating funds of the State which exceeded the underlying assets of the other pools. This excess of participant claims on net assets over underlying assets occurred as a result of the distributions of earnings to participants in various Investment Management Board investment pools, principally the Unrestricted Pool (predecessor to Cash Liquidity), in excess of the true investment income experience of the pools, principally in 1987 and 1988.

Loans – This pool is comprised of loans made by the State. The \$1 unit price is utilized for accounting purposes only. The State is the sole participant in this pool.

The remaining pools, (Municipal Bond Commission, Department of Transportation, Lottery Defeasance, School Fund, and EDA Insurance), are maintained for individual State agencies with specific investment needs. Each agency has a 100 percent ownership of the underlying investments in its pools.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The Investment Management Board is the investment vehicle of the State and its component units, all of which are government entities. The Investment Management Board carries its investments at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. The Cash Liquidity, the Government Money Market, the Loans, the Municipal Bond Commission, the Department of Transportation, and the EDA Insurance pools are, as permissible under Government Accounting Standards Board (GASB) Statement Number 31, carried at amortized cost. Commissions on the purchases of securities by the Investment Management Board are generally an unidentified component of the security price quoted by the seller and are included in the investment cost or carrying value.

Governmental Accounting Standards Board Statement Number 20, ‘Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting’ – The Investment Management Board has elected to follow all Financial Accounting Standard Board Statements and Interpretations, APB Opinions, and ARBs, except those that conflict with or contradict GASB pronouncements.

Use of Estimates – The preparation of financial statements in conformity with generally accepted accounting principles 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 Transactions – Investment transactions are accounted for on a trade date basis.

Investment Gains and Losses – Gains and losses on the sales 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.

Amortization – 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.

Allowance for Loan Losses – The allowance for loan losses is available to absorb future loan losses. The allowance is increased by provisions charged against operations and reduced by charge-offs (losses), net of recoveries. The provision is based on several factors including: analytical reviews of loan loss experience in relationship to outstanding loans; a continuing review of problem loans and overall portfolio quality, including analysis of the quality of the underlying collateral; and management’s judgment on the impact of current and expected economic conditions on the portfolio.

Expenses – The Investment Management Board’s Trustees adopt an annual budget and fee schedule for services to be provided to the Consolidated Fund and Consolidated Pension Fund and their respective investment pools. Each investment pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated by dividing the total between the Consolidated Pension Fund and the Consolidated Fund with the divided cost being further allocated to the investment pools within each of these fund groups based on asset size. Certain investment pools in the Consolidated Fund cannot be charged expenses or must be charged a reduced expense due to previous contracts or statutory requirements. These pools allocated cost are redistributed to other pools within the Consolidated Fund. The Investment Management Board pays all expenses.

Income Taxes – The Investment Management Board is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the Investment Management Board is not subject to federal or state income taxes.

Distributions to Participants – The net income of the Cash Liquidity and Government Money Market pools are declared as a dividend and distributed daily to the participants based upon their pro rata participation in the pool. For these pools, the distributions of net investment income and net realized gains 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 monthly net income of the Enhanced Yield Pool is declared as a dividend 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 net income of the Loan Pool is determined monthly and distributed to the participant on the last day of the month. Distributions are paid in the form of reinvestments in the pool and have been included in distributions to participants and reinvestment of distributions as presented on the Statement of Changes in Net Assets.

The monthly net income of the Loss Amortization Pool is used to reduce the undistributed net losses recorded in this portfolio.

NOTE 3 LOANS

Nonaccrual Loans – In accordance with the Investment Management Board’s rules and regulations, the following loans, that are delinquent by sixty days or more, have been placed in nonaccrual status:

	<u>Principal Balance</u>
New Small Development (WVHDF) – Robinson Development	\$ 182,247
Sheltered Housing (WVHDF) – Cleo Triggs	28,132
Sheltered Housing (WVHDF) – Ashton Moore	<u>16,322</u>
Total	<u>\$ 226,701</u>

Impaired Loans – Effective October 1, 1995, the Fife Street Apartments loan was restructured into two loans. These new loans carry the same interest rate as the original loan, but the payment terms have changed. Management has reservations regarding the ultimate collectibility of the restructured loans. Therefore, the Investment Management Board has adopted the accounting treatment required by Financial Accounting Standards Board Statement No. 114, “Accounting by Creditors for Impairment of a Loan.” The allowance for loan loss on these loans will be determined based on their discounted cash flows. Income from these loans will be recognized on a cash basis after the principal has been fully collected. The June 30, 1999, financial statements include the following information:

Recorded investment in impaired loans	\$ 911,457
Reserve for uncollectible loans	<u>(590,000)</u>
Net carrying value	<u>\$ 321,457</u>

The average recorded investment in impaired loans during the fiscal year ended June 30, 1999 was approximately \$950,487. No income was recognized during the fiscal year ended June 30, 1999.

Allowance for Loan Losses – Changes in the Allowance for loan losses are as follows:

Balance at June 30, 1998	\$2,631,311
Adjustment to provision for loan losses	<u>(296,311)</u>
Balance at June 30, 1999	<u>\$2,335,000</u>

NOTE 4 RISK CATEGORIZATION

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, investments are classified as to level of risk by the three categories described below:

Category 1 includes investments that are insured or registered, or for which the securities are held by the Investment Management Board or its agent in the Investment Management Board’s name.

Category 2 includes investments that are uninsured and unregistered, or for which the securities are held by the counter party’s trust department or agent in the Investment Management Board’s name.

Category 3 includes uninsured and unregistered investments held by the counter party’s trust department or agent but not in the Investment Management Board’s name.

Investments at June 30, 1999, by security type and level of risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board are as follows:

Security Type	Category 1 (\$000’s)	Category 2 (\$000’s)	Category 3 (\$000’s)	Carrying Value (\$000’s)	Fair Value (\$000’s)
U.S. Government and agency obligations	\$ 752,160	\$ -	\$ -	\$ 752,160	\$ 735,348
Corporate bonds	327,606	-	-	327,606	327,505
Commercial paper	422,298	-	-	422,298	421,973
Repurchase agreements	269,768	-	-	269,768	269,768
Certificates of deposit	367	-	-	367	367
Total Categorized	<u>\$ 1,772,199</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 1,772,199	\$ 1,754,961
Uncategorized: Investments in loans and mortgages				<u>134,623</u>	<u>134,623</u>
Total Investments				<u>\$ 1,906,822</u>	<u>\$ 1,889,584</u>

NOTE 5 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$636,596,427 and \$740,846,770, respectively, for U.S. government obligations; purchases and sales of corporate securities were \$340,788,428 and \$120,366,620.

West Virginia Investment Management Board

Audited Financial Statements

June 30, 1999

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One Mellon Bank Center
Pittsburgh, PA 15219

Telephone 412 391 9710
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Independent Auditors' Report

Board of Trustees
West Virginia Investment Management Board:

We have audited the accompanying statement of financial position of the West Virginia Investment Management Board (the WVIMB) as of June 30, 1999, and the related statements of revenues, expenses, and changes in retained earnings and cash flows for the year then ended. These financial statements are the responsibility of the WVIMB's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the WVIMB as of June 30, 1999, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.

KPMG LLP

September 1, 2000



West Virginia Investment Management Board

Statement of Financial Position

June 30, 1999

Assets

Current assets:

Cash and cash equivalents	\$2,694,544
Investment service fees receivable	967,485
Prepaid expenses	125,304
Dividend receivable	9,942
Total current assets	3,797,275

Property & equipment

Equipment	955,915
Office furniture	97,572
Leasehold improvements	10,437
Less accumulated depreciation	(732,451)
Property & equipment, net	331,473

Other assets

	185,442
Total assets	\$4,314,190

Liabilities and fund equity

Current liabilities:

Accounts payable and accrued expenses	\$1,182,793
---------------------------------------	-------------

Fund equity:

Contributed capital	2,452,053
Retained earnings	679,344
Total fund equity	3,131,397

Total liabilities and fund equity	\$4,314,190
--	--------------------

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Revenues, Expenses, and Changes in Retained Earnings

For the Year Ended June 30, 1999

Revenues:

Investment service fees	\$6,757,431
Dividend income	<u>122,996</u>
Total revenues	6,880,427

Expenses:

Advisor fees	(4,070,638)
Custodian fees	(299,516)
Trustee fees	(69,000)
Fiduciary bond expense	(115,838)
Professional service fees	(493,441)
Loan service fees	(3,182)
Administrative expenses	<u>(1,827,465)</u>
Total expenses	(6,879,080)

Revenues in excess of expenses 1,347

Retained earnings at beginning of year 677,997
Retained earnings at end of year \$679,344

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 1999

Cash flows from operating activities	
Revenues in excess of expenses	\$ 1,347
Adjustments to reconcile revenues in excess of expenses to net cash provided by operating activities:	
Depreciation	352,097
Increase in administrative fees receivable	(483,427)
Increase in prepaid expenses	(1,310)
Decrease in dividends receivable	946
Decrease in other assets	114,990
Increase in accounts payable and accrued expenses	125,205
Net cash provided by operating activities	<u>109,848</u>
Cash flows from capital and related financing activities	
Purchase of equipment	<u>(48,036)</u>
Net cash used from capital and related financing activities	<u>(48,036)</u>
Increase in cash and cash equivalents	61,812
Cash and cash equivalents at beginning of year	<u>2,632,732</u>
Cash and cash equivalents at end of year	<u><u>\$2,694,544</u></u>

See accompanying notes to financial statements.

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West Virginia Investment Management Board

Notes to Financial Statements

June 30, 1999

Note 1. Nature of Organization

The West Virginia Investment Management Board (the WVIMB) was organized on April 25, 1997, as a public corporation created by West Virginia Code §12-6-1 to provide prudent fiscal administration, investment, and management of certain public pension funds, the Workers' Compensation and Pneumoconiosis funds and other funds (collectively referred to as Consolidated Pension Fund) and the State's operating funds (collectively referred to as Consolidated Fund). The WVIMB issues separate financial statements for the Consolidated Pension Fund and the Consolidated Fund which include the investment pools therein.

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

Note 2. Significant Accounting Policies

The accounting and reporting policies of the WVIMB conform to generally accepted accounting principles. The preparation of the financial statements in conformity with generally accepted accounting principles 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. 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 WVIMB 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.

Property & Equipment - Purchased equipment is recorded at cost. Donated equipment is recorded at estimated fair value at date of donation. Depreciation on purchased and donated assets is provided for over the estimated useful lives of the assets ranging from 2.4 years to 5 years using the straight-line method. Leasehold improvements are amortized over the life of the lease.

Revenues and Expenses - The WVIMB's Board of Trustees adopt an annual budget and fee schedule for services to be provided to the Consolidated Fund and Consolidated Pension Fund, (the funds), and their respective investment pools. Revenues of the WVIMB are derived from the allocation of fees to the funds and the related pools per the fee schedule. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses. These other expenses are allocated by dividing the total between the Consolidated Pension Fund and the Consolidated Fund with the divided cost being further

West Virginia Investment Management Board

Notes to Financial Statements (continued)

allocated to the investment pools within each of these fund groups based on asset size. Certain investment pools in the Consolidated Fund cannot be charged expenses or must be charged a reduced expense due to previous contracts or statutory requirements. Such costs are redistributed to other pools within the Consolidated Fund based on asset size. Revenues and expenses are recorded when earned or incurred in accordance with the accrual basis of accounting. The carrying value of administrative fees receivable approximates its fair value.

GASB Statement Number 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting" - The WVIMB has elected to follow all FASB Statements and Interpretations, APB Opinions, and ARBs, except those that conflict with or contradict GASB pronouncements.

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and exempt from federal and state taxation. Accordingly, the financial statements have been prepared recognizing that the WVIMB is not subject to federal or state income taxes.

Note 3. Operating Leases

On October 6, 1997, the WVIMB entered into a long-term lease for office space for a term of five years. The lease is cancelable after the fourth year by paying the landlord a onetime payment of \$18,038. The lease commenced on November 15, 1997, and the monthly rent expense is \$9,703. Rent expense for the period July 1, 1998 to June 30, 1999 totaled \$116,436.

The following is a schedule by years of future minimum rental payments required under this lease:

Year ending June 30:

2000	116,436
2001	116,436
2002	116,436
2003	43,664

West Virginia Investment Management Board

Notes to Financial Statements (continued)

Note 4. Employee Benefit Plan

The WVIMB provides a money purchase pension plan covering all of its employees. An employee becomes eligible to participate in the plan on the earlier of the January 1 or July 1 coinciding with or following the employees hire date. Contributions are 10% of each covered employee's compensation. Contributions for the period from July 1, 1998 to June 30, 1999 totaled \$71,636. For employees hired after October 31, 1996 the plan provides for a five year vesting schedule with vesting increasing 20% per year. All persons employed as of October 31, 1996, the Execution Date of the Plan, are 100% vested.

Note 5. Risk Categorization

In accordance with GASB Statement Number 3, investments held by an entity are classified into three risk categories or if the investment is a pooled investment it is unclassified. At June 30, 1999 all of the WVIMB's cash equivalents are invested in an institutional Treasury Money Market fund and are in the unclassified risk category.

Note 6. Commitments and Contingencies

In the ordinary course of business, the WVIMB has various outstanding commitments and contingent liabilities that are not reflected in the accompanying financial statements. In addition, the WVIMB is involved in certain claims and legal actions arising in the ordinary course of business. The outcome of these claims and legal actions are not presently determinable; however, in the opinion of the WVIMB's management, after consultation with legal counsel, the ultimate disposition of these matters will not have a material adverse effect on the financial statements.

The WVIMB as part of its risk management practice carries insurance through the State Board of Risk and Insurance Management for property and liability coverage and through an outside insurance carrier for fiduciary liability coverage.

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