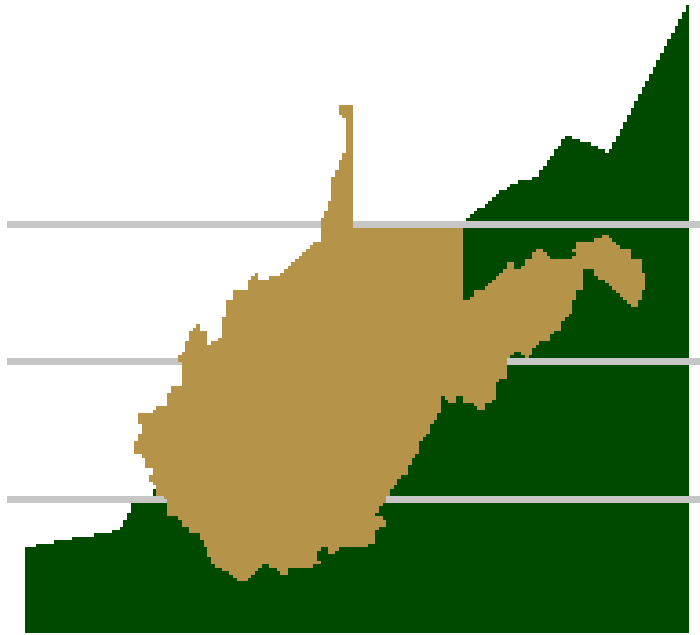

West Virginia Investment Management Board



2000 Annual Report

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Introduction

West Virginia Investment Management Board

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

*Phone: (304) 345-2672
Fax: (304) 345-5939
Web: www.wvimb.org*

October 13, 2000

Dear Fellow West Virginians:

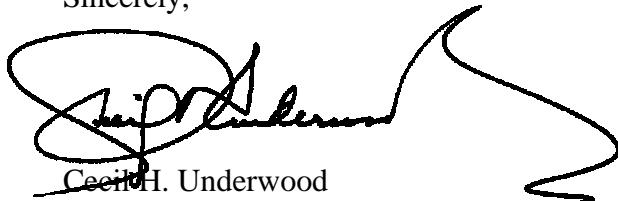
On behalf of the Board of Trustees, I am pleased to present the West Virginia Investment Management Board's comprehensive Annual Financial Report for the fiscal year ending June 30, 2000. Beyond providing information on the financial status and investment activities of the plans, this report is one of 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. Please note that information about the Investment Management Board may also be accessed electronically at our web site, www.wvimb.org.

As of this writing, the State will have been a participant in the stock market for over two full years. It has been fortuitous, because bonds, the asset class we were previously limited to, have been poor performers for most of that period. By contrast, stocks have performed well, adding over \$400,000,000 to our portfolio. Therefore, it is with a sense of satisfaction and completeness that I announce that the target allocations to stocks for the pension plans will be reached sometime this fall. It has been a gradual, but I think, prudent process.

During this past year, the Board of Trustees' membership has seen the reappointment of Roger Hunter, an attorney experienced in finance, and David Haney of the West Virginia Education Association, to six-year terms. Additionally, Patrick Kelly, an attorney with previous experience on the Board, has been appointed to complete the unexpired term of David Gardner who, along with Stephen Maxwell, resigned due to other commitments. I continue to be impressed by the diligence and prudence of my fellow Trustees. It is my privilege to work with them.

Lastly, I wish to thank the staff of the West Virginia Investment Management Board for their dedicated service. I am pleased, as are the other members of the Board, with their professionalism, commitment to our mission, and customer focus.

Sincerely,



Cecil H. Underwood
Governor of the State of West Virginia
Chairman, Board of Trustees

West Virginia Investment Management Board

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

*Phone: (304) 345-2672
Fax: (304) 345-5939
Web: www.wvimb.org*

October 13, 2000

Dear Board Members:

In fiscal year 2000, the Investment Management Board added \$398,064,000 in investment value to the Consolidated Pension Fund. Moreover, stocks made a significant difference. Since we began investing in stocks in February 1998, stocks have added an incremental value for the Consolidated Pension Fund of \$406,447,153 over what the same assets would have earned if invested solely in fixed income securities. On an annualized basis, that represents an incremental improvement of 7.91 percent over what we would have earned if we had remained in bonds only. The stock allocation in the Consolidated Pension Fund increased from 35.5 percent to 48.1 percent during the fiscal year.

In the Consolidated Fund, the West Virginia Investment Management Board added \$104,760,000 in value. We do not, however, consider return the primary objective for this Fund. Since it is the source of operating cash for the State and some political subdivisions, the primary objective for the Consolidated Fund is preservation of principal. That goal was achieved.

Even when we should be happy about our short-term performance, as long-term investors, it is always with some trepidation that it is discussed. This is, however, an annual report and it is appropriate to review the events for the fiscal year ending June 30, 2000.

First, a word about the financial markets in the past year. The fiscal year ending June 30, 2000, was a year of volatility for financial markets. After the market boomed in the fall and early winter of 1999 and 2000, it dropped on March 10 and continued to decline for the next two months. The boom in 1999, however, ignored large sectors of the market. It was driven principally by the euphoria over perceived potential in new technologies. Many other sectors of the market were discounted. The disparity between these "technology stocks" and other stocks was staggering. In the months following March 10, however, the discrepancy began to disappear somewhat. Those who had maintained broad market exposure did not suffer as badly as those who invested excessively in technology. Technology, however, was not to be denied. After weeding out many of the weaker players, technology stocks began to take off again in June with the NASDAQ ending with a 47.65 percent return for the fiscal year. The recovery in technology, however, was not as broad or as robust as it was during the mid-year boom. For example, the S&P 500 return for the fiscal year ending June 30 dipped to 7.3 percent from a one-year return at December 31, 1999, of 21.09 percent. While some stocks were faltering, bonds, on the other hand, saw a fairly dramatic recovery from a return of -0.8 percent for the Salomon Broad Investment Grade Index for the year ending December 31, 1999, to a return of 4.5 percent for the

year ending June 30, 2000. A cooling economy eased inflation fears and brought a halt to Federal Reserve interest rate increases. Moreover, federal deficit reductions caused decreases in Treasury Bond issuances which further drove bond prices up.

In this economic environment, the West Virginia Investment Management Board was able to meet the actuarial interest rate assumptions for all but one of the retirement plans it manages, and that one, the State Police Retirement System, only missed its interest rate assumption by one tenth of one percent. The Board was only able to do so, however, because of extraordinary performance in its international stock portfolio. With a domestic stock return of 8.2 percent and a bond return of 4.5 percent, the 29.5 percent return the WVIMB received from its international portfolio was critical, underscoring the benefits of broad market diversification for this fiscal year.

As noted, it is difficult for a long-term investor to focus only on short-term performance, good or bad. Unfortunately, with only a little more than a two-year history of investing in stocks, and much of that period at very low levels, long-term performance is not particularly meaningful. As an alternative, a discussion of the structure of the investment program is more enlightening.

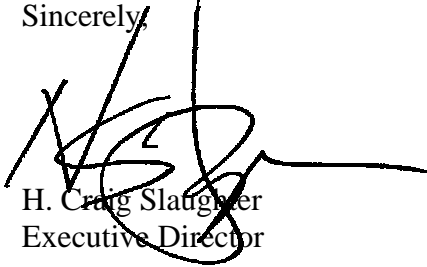
The investment program is, in many ways, analogous to an onion. The whole is really a collection of layers. As one peels one layer off, one always sees another, smaller, but critical layer beneath. At the whole-onion level, the Investment Management Board has constructed a target portfolio with an allocation to the three major asset classes, stocks, bonds and cash, in the following corresponding percentages, 60 percent, 37 percent, and 3 percent. As one peels off the outer layer, however, one sees that stocks, for example, have been further subdivided into three portfolios—domestic large company stocks, domestic non-large company stocks, and international stocks, making up approximately 50 percent, 25 percent and 25 percent, respectively, of the total stock pool. As one peels another layer, we see that each of these stock portfolios is the aggregate of the work of four professional money managers. Similarly, the fixed income portfolio is a combination of three professional money managers. All together, they create a broad, diversified portfolio, although each manager, to varying degrees, is limited to a well-defined segment of the market. Consequently, there may be a fairly wide disparity in the performance of individual managers. For example, the large company stock portfolio has four individual managers with returns ranging from 3 percent to 24.4 percent for the year ending June 30, 2000. The aggregate return, however, was 8.5 percent. A wide disparity may exist between asset classes, also. While the fixed income portfolio only had a return of 4.5 percent for the year, the international portfolio returned 29.5 percent. The aggregate return for the Consolidated Pension Fund was 7.9 percent. Next year, however, the manager that had a return of 3 percent may be the one bringing in 24.4 percent or the international portfolio may be the big loser and fixed income the savior. It is difficult to predict who or what asset class will outperform from one year to the next. Diversification obviates the unpredictable nature of managers and asset markets, smoothing the performance from one year to the next.

Board Members
Page 3 of 3
October 13, 2000

Finally, the Investment Management Board is pleased with the addition of Mr. T. J. Carlson to the staff as Chief Investment Officer. Mr. Carlson comes from the Iowa Public Employees' Retirement System, which has a long history of investing in stocks, as well as other investment vehicles. His knowledge about the processes involved in managing sophisticated investment programs is a great enhancement to our staff.

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

Sincerely,

A handwritten signature in black ink, appearing to read "H. Craig Slaughter", with a long horizontal line extending to the right.

H. Craig Slaughter
Executive Director

The Organization

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. Javins, 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

Joseph M. Tyree, Representative

Retired, Department of Public Safety

Michael T. Baylous, Committee Member

Trooper, West Virginia State Police

Barrington D. Gore, Committee Member

Sergeant, West Virginia State Police

West Virginia State Police Retirement System

Steven P. Owens, Representative

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

Judges' Retirement System

Vacant, Representative

*By statute, the Consolidated Public Retirement Board and the West Virginia Workers' Compensation Commission are responsible for appointing a representative for each plan who may select a committee of up to three individuals. The representative and committee members work with the Investment Management Board to develop the investment policy for their respective plan. They are appointed on an annual basis.

STAFF MEMBERS

Executive Staff —

H. Craig Slaughter, Executive Director
Matthew E. Jones, Chief Financial Officer
T. J. Carlson, Chief Investment 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
Milly Torman, Secretary/Receptionist

Technology —

John Cole, Director of Technology
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 into 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, adding four members from the private sector including an attorney experienced in financial matters and a Certified Public Accountant. In the fall of 1990, the Legislature took a huge leap forward by creating a staff for the 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 Principles*. 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 20 percent of the Consolidated Pension Fund portfolio to be invested in 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 applies 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.

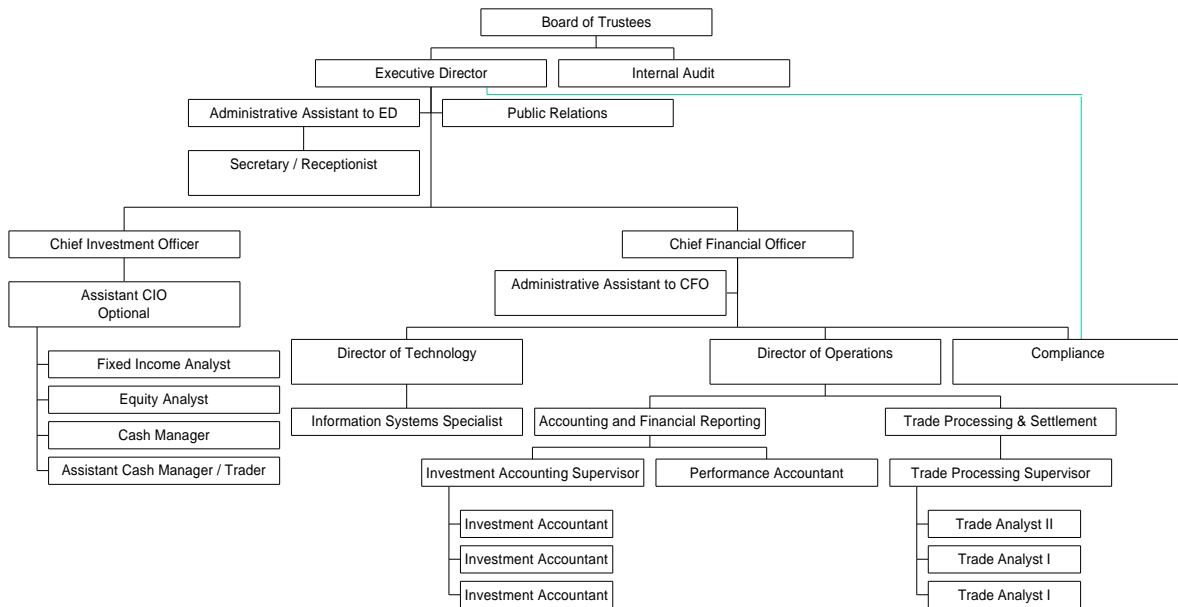
ADMINISTRATIVE MANDATE

Governance of the West Virginia Investment Management Board (WVIMB) 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 their respective plans' beneficiaries. The representatives and committee members do not have a vote, but have the right to be heard at meetings of the Board of Trustees 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 principal 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 ad hoc revisions to its philosophy and policies in reaction to either speculation or short-term market fluctuations. In order to preserve this long-term view, the Board has adopted the following formal review schedule:

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 whether a more aggressive or more conservative approach is warranted, on an individual plan-by-plan basis.

Investment Objectives

The Board, at its annual meeting...shall review, establish and modify, if necessary, the investment objectives of the individual participant plans, as incorporated in the investment policy statements of the respective trusts so as to provide for the financial security of the trust funds giving consideration to the following: (1) Preservation 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.

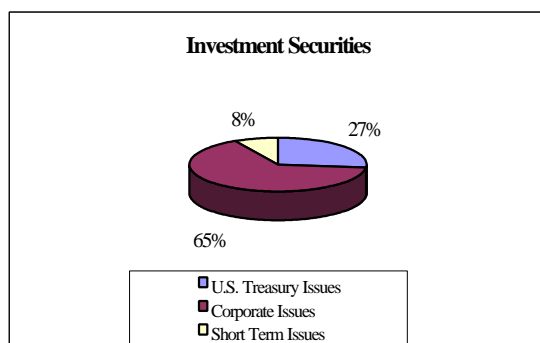
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 1999	\$ 163,342
Net increase from operations	11,699
Income distributions to unitholders	(11,668)
Net increase from unit transactions	<u>2,627</u>
Net Assets - June 30, 2000	<u>\$ 166,000</u>

Investment Securities (in 000s)

	<u>Fair Value</u>
U.S. Treasury Issues	\$ 43,875
Corporate Issues	107,803
Short Term Issues	<u>13,292</u>
Total	<u>\$ 164,970</u>

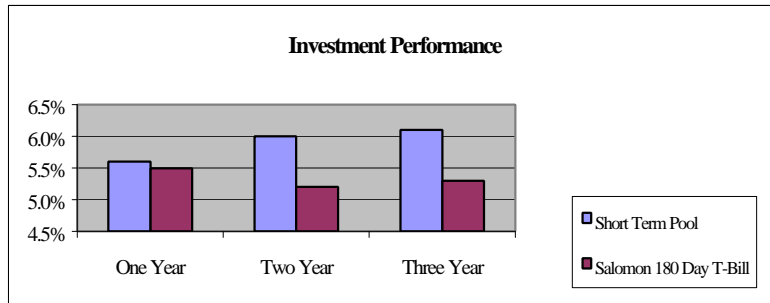


Short-Term Fixed Income Pool (continued)

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 withdrawals.

	Short-Term Fixed Income Pool	Salomon 180 Day T-Bill
One Year	5.6%	5.5%
Two Year	6.0%	5.2%
Three Year	6.1%	5.3%



Rates of return are net of fees.

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 having 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 combined for the following financial highlights.

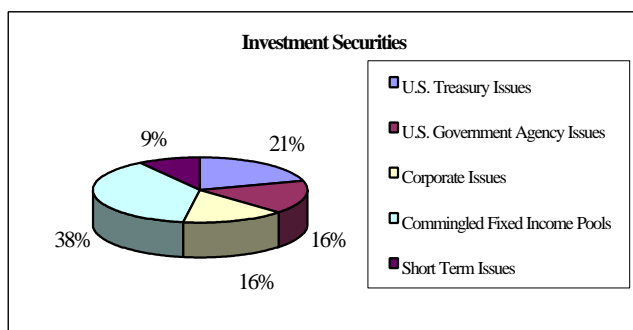
Progression of Net Assets (in 000s)

Net Assets - June 30, 1999	\$ 2,935,213
Net increase from operations	111,993
Income distributions to unitholders	(96,422)
Net decrease from unit transactions	<u>(453,110)</u>
Net Assets - June 30, 2000	<u><u>\$ 2,497,674</u></u>

Fixed Income Pool (continued)

Investment Securities (in 000s)

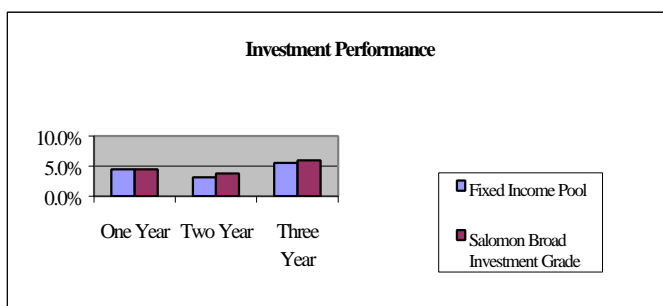
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 580,930
U.S. Government Agency Issues	464,877
Corporate Issues	440,791
Commingled Fixed Income Pools	1,077,821
Short Term Issues	<u>267,829</u>
Total	<u>\$ 2,832,248</u>



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	4.5%	4.5%
Two Year	3.1%	3.8%
Three Year	5.5%	6.0%



Rates of return are net of fees.

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 managing 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	Quantitative 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.	16.67%	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

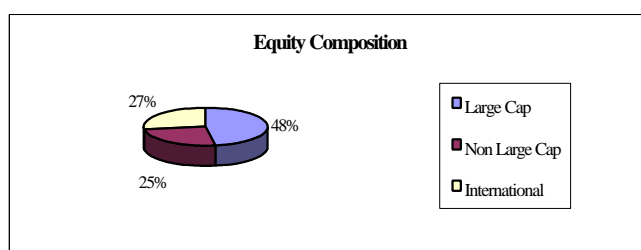
Equity Pool (continued)

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 combined in the following financial highlights as follows:

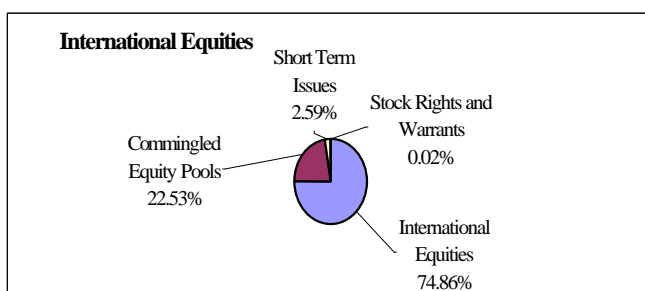
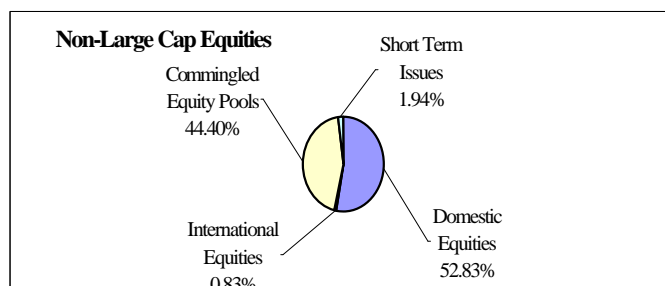
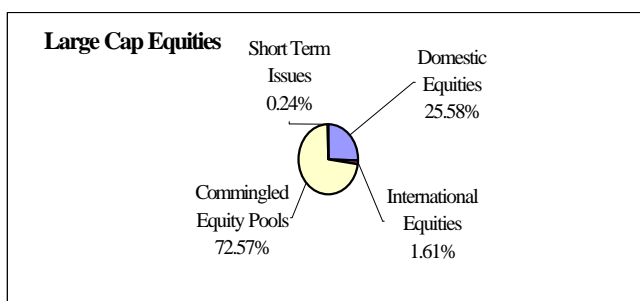
<i>Composite</i>	<i>Individual Pools per Audited Financial Statements</i>
Large Cap	S&P 500 Index Qualified Pool S&P 500 Index Nonqualified Pool Large Cap Domestic Pool
Non-Large Cap	Non-Large Cap Domestic Pool
International	International Qualified Pool International Nonqualified Pool International Equity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

Progression of Net Assets (in 000s)	Large Cap	Non-Large Cap	International
Net Assets - June 30, 1999	\$ 979,369	\$ 374,249	\$ 376,497
Net increase from operations	89,701	42,901	131,216
Net increase from unit transactions	178,069	228,692	203,524
Net Assets - June 30, 2000	<u>\$ 1,247,139</u>	<u>\$ 645,842</u>	<u>\$ 711,237</u>



Equity Pool (continued)

Investment Securities (in 000s)	Large Cap	Non-Large Cap	International
	Fair Value	Fair Value	Fair Value
Domestic Equities	\$ 318,553	\$ 345,165	\$ -
International Equities	20,095	5,449	528,769
Commingled Equity Pools	903,870	290,109	159,164
Short Term Issues	2,995	12,666	18,260
Stock Rights and Warrants	-	-	117
Total	<u>\$ 1,245,513</u>	<u>\$ 653,389</u>	<u>\$ 706,310</u>



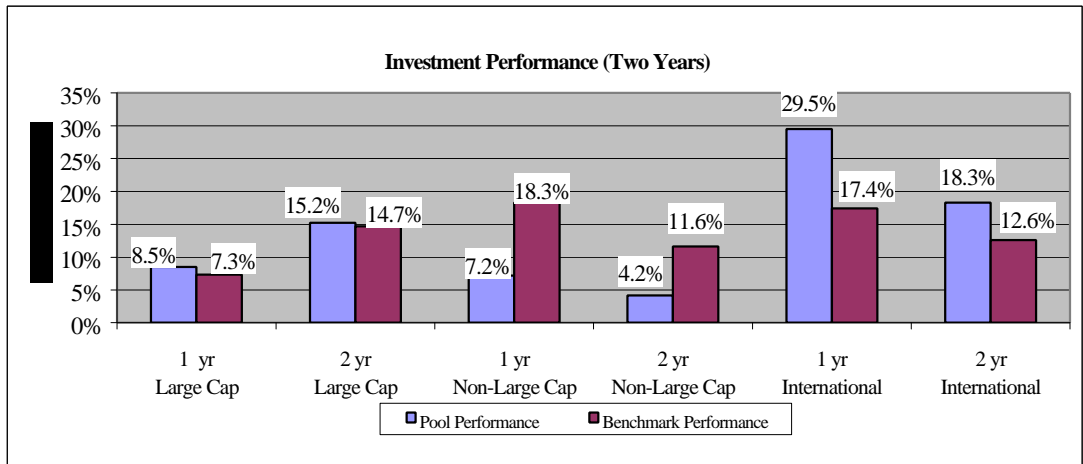
Equity Pool (continued)

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 withdrawals.

Investment Performance

	Large Cap		Non-Large Cap		International	
	1 yr	2 yr	1 yr	2 yr	1 yr	2 yr
Pool Performance	8.5%	15.2%	7.2%	4.2%	29.5%	18.3%
Benchmark Performance	7.3%	14.7%	18.3%	11.6%	17.4%	12.6%
Benchmark	S&P 500		Russell 2500		MSCI EAFE	



Rates of return are net of fees.

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, with a floor of five percent per annum. 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, 2023. As of June 30, 2000, the debt outstanding totaled \$147,904,000, and the annual rate of return, net of fees, was 7.3%.

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 Non-Large 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.

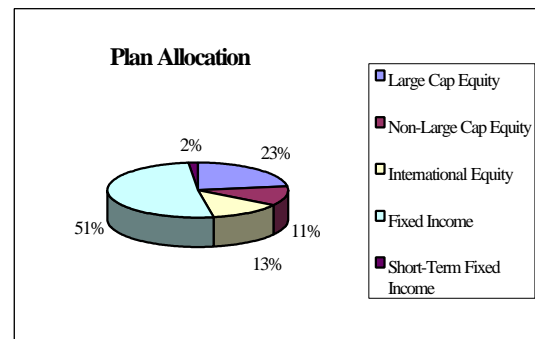
Death, Disability and Retirement Fund for Deputy Sheriffs (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 32,584
Contributions	4,038
Withdrawals	<u>(110)</u>
Net	3,928
Investment income	818
Net unrealized appreciation	<u>1,914</u>
June 30, 2000	<u><u>\$ 39,244</u></u>

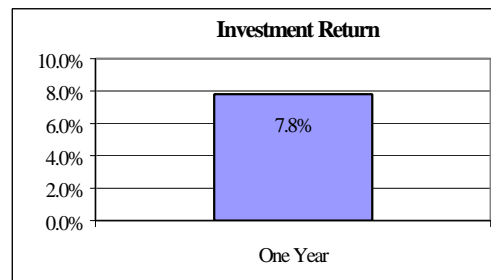
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 8,918	23%
Non-Large Cap Equity	4,479	11%
International Equity	5,187	13%
Fixed Income	20,015	51%
Short-Term Fixed Income	<u>645</u>	<u>2%</u>
Total	<u><u>\$ 39,244</u></u>	<u>100%</u>



Investment Performance

Investment Return
One Year 7.8%



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 withdrawals.

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 Non-Large 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.

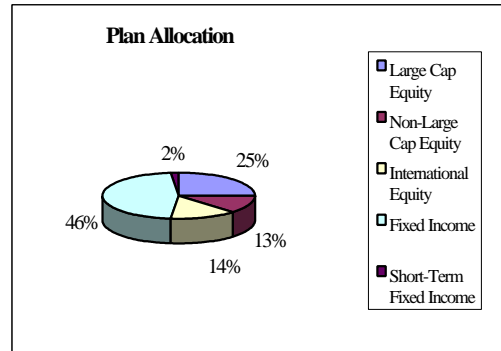
Judge's Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 37,328
Contributions	5,803
Withdrawals	<u>(3,270)</u>
Net	2,533
Investment income	825
Net unrealized appreciation	<u>2,305</u>
June 30, 2000	<u><u>\$ 42,991</u></u>

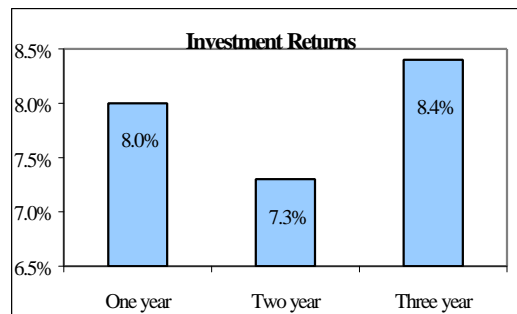
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 10,723	25%
Non-Large Cap Equity	5,376	13%
International Equity	6,093	14%
Fixed Income	20,036	46%
Short-Term Fixed Income	<u>763</u>	<u>2%</u>
Total	<u><u>\$ 42,991</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	8.0%
Two year	7.3%
Three year	8.4%



Rates of return 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.

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 Non-Large 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.

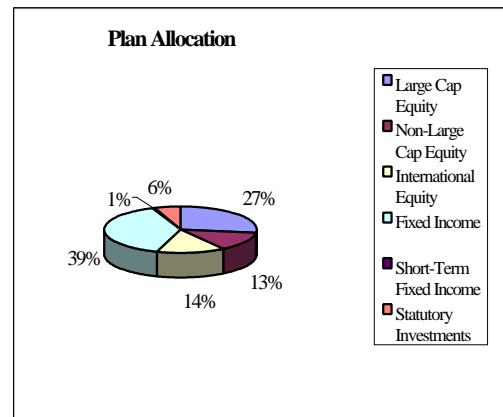
Public Employees' Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 2,493,771
Contributions	122,716
Withdrawals	<u>(128,591)</u>
Net	(5,875)
Investment income	44,265
Net unrealized appreciation	<u>160,747</u>
June 30, 2000	<u><u>\$ 2,692,908</u></u>

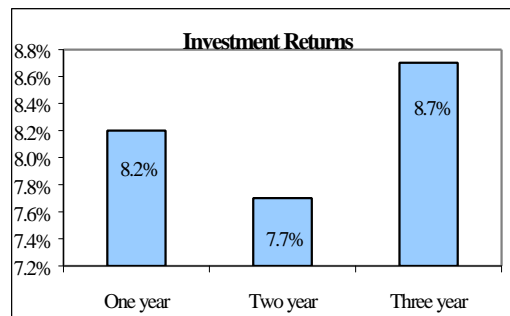
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 731,960	27%
Non-Large Cap Equity	362,899	13%
International Equity	387,052	14%
Fixed Income	1,047,534	39%
Short-Term Fixed Income	14,735	1%
Statutory Investments	148,728	6%
Total	<u><u>\$ 2,692,908</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	8.2%
Two year	7.7%
Three year	8.7%



Rates of return 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.

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 Non-Large 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.

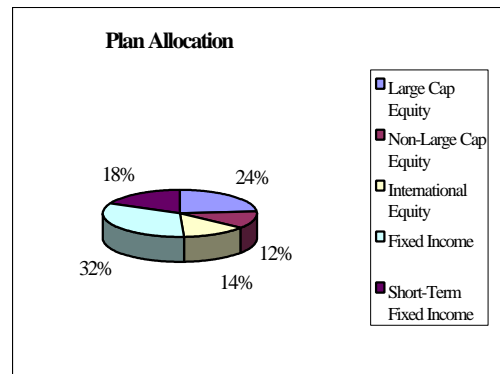
Public Safety Death Disability and Retirement Plan (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 75,783
Contributions	18,993
Withdrawals	<u>(15,660)</u>
Net	3,333
Investment income	1,493
Net unrealized appreciation	<u>4,131</u>
June 30, 2000	<u><u>\$ 84,740</u></u>

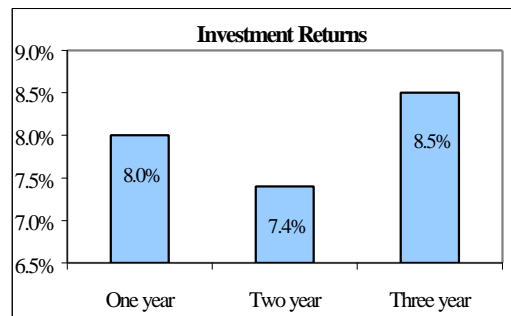
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 19,977	24%
Non-Large Cap Equity	10,120	12%
International Equity	11,562	14%
Fixed Income	27,823	32%
Short-Term Fixed Income	<u>15,258</u>	<u>18%</u>
Total	<u><u>\$ 84,740</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	8.0%
Two year	7.4%
Three year	8.5%



Rates of return 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.

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 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 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 Non-Large 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.

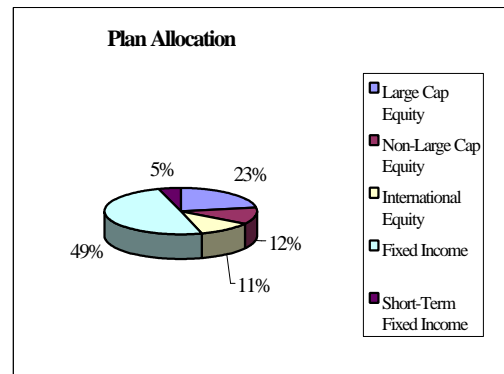
State Police Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 5,011
Contributions	2,009
Withdrawals	<u>(55)</u>
Net	1,954
Investment income	150
Net unrealized appreciation	<u>305</u>
June 30, 2000	<u><u>\$ 7,420</u></u>

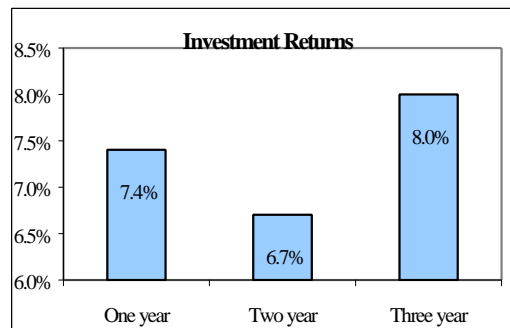
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 1,671	23%
Non-Large Cap Equity	859	12%
International Equity	850	11%
Fixed Income	3,685	49%
Short-Term Fixed Income	<u>355</u>	<u>5%</u>
Total	<u><u>\$ 7,420</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	7.4%
Two year	6.7%
Three year	8.0%



Rates of return 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 Non-Large 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.

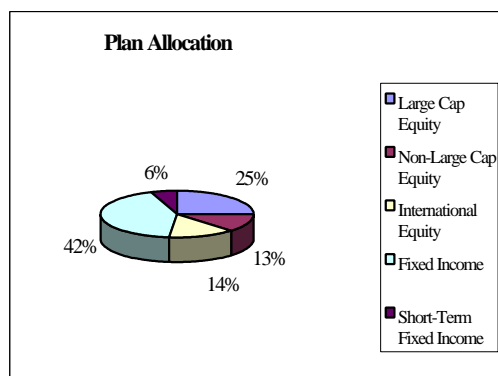
Teachers Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 896,885
Contributions	269,879
Withdrawals	<u>(233,700)</u>
Net	36,179
Investment income	19,189
Net unrealized appreciation	<u>53,532</u>
June 30, 2000	<u><u>\$ 1,005,785</u></u>

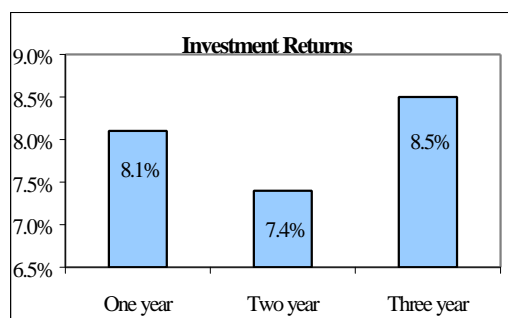
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 250,953	25%
Non-Large Cap Equity	125,769	13%
International Equity	144,039	14%
Fixed Income	428,408	42%
Short-Term Fixed Income	<u>56,616</u>	<u>6%</u>
Total	<u><u>\$ 1,005,785</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	8.1%
Two year	7.4%
Three year	8.5%



Rates of return 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.

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.
- 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 Non-Large 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 was a 20 percent allocation, which is the maximum 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.

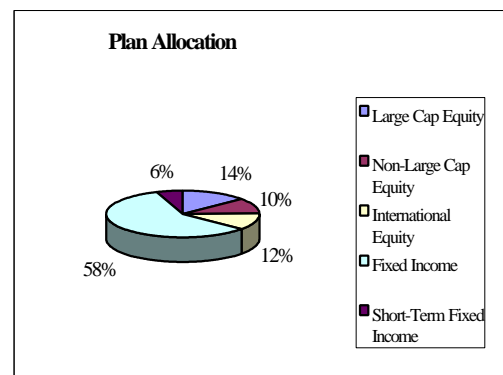
Workers' Compensation Fund I

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 698,007
Contributions	418,798
Withdrawals	<u>(454,246)</u>
Net	(35,448)
Investment income	20,262
Net unrealized appreciation	<u>36,342</u>
June 30, 2000	<u><u>\$ 719,163</u></u>

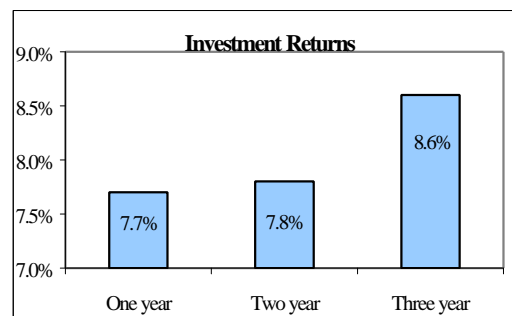
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 100,717	14%
Non-Large Cap Equity	74,903	10%
International Equity	83,951	12%
Fixed Income	418,859	58%
Short-Term Fixed Income	<u>40,733</u>	<u>6%</u>
Total	<u><u>\$ 719,163</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	7.7%
Two year	7.8%
Three year	8.6%



Rates of return 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.

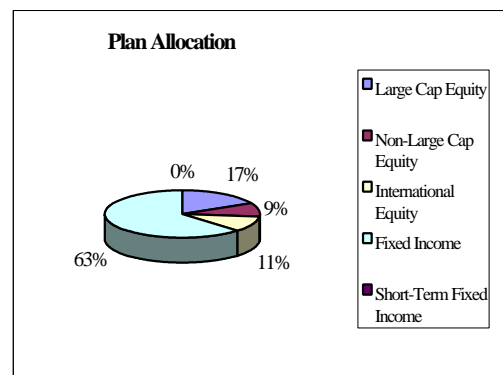
Workers' Compensation Fund II

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 411,678
Contributions	-
Withdrawals	-
Net	-
Investment Income	10,143
Net unrealized appreciation	20,008
June 30, 2000	<u>\$ 441,829</u>

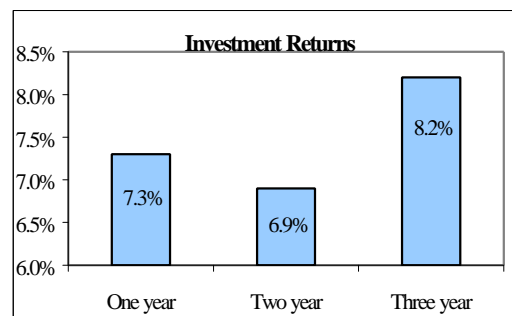
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 76,959	17%
Non-Large Cap Equity	41,597	9%
International Equity	47,698	11%
Fixed Income	275,565	63%
Short-Term Fixed Income	10	0%
Total	<u>\$ 441,829</u>	<u>100%</u>



Investment Performance

Investment Returns	
One year	7.3%
Two year	6.9%
Three year	8.2%



Rates of return 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.

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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 Non-Large Cap Equity	5.0%
International Equity	5.0%
Total Equity	20.0%
Domestic Fixed Income	75.0%
Cash and Cash Equivalents	5.0%

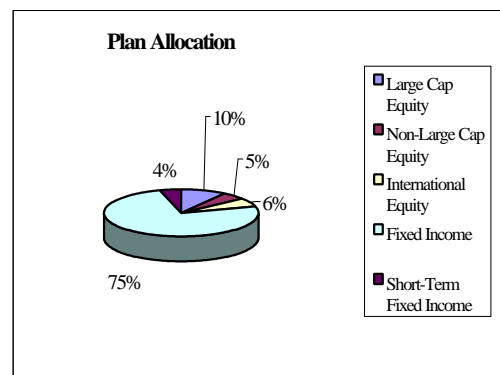
Pneumoconiosis Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 301,193
Contributions	6,149
Withdrawals	<u>(9,113)</u>
Net	(2,964)
Investment income	8,969
Net unrealized appreciation	<u>10,265</u>
June 30, 2000	<u><u>\$ 317,463</u></u>

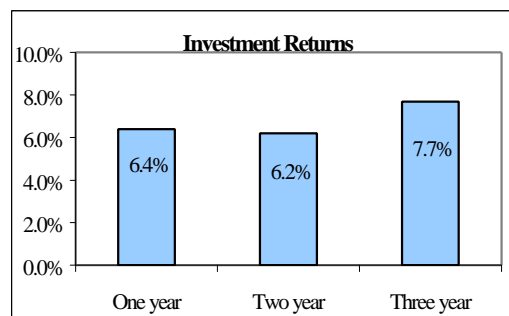
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 30,311	10%
Non-Large Cap Equity	15,464	5%
International Equity	19,847	6%
Fixed Income	237,686	75%
Short-Term Fixed Income	<u>14,155</u>	<u>4%</u>
Total	<u><u>\$ 317,463</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	6.4%
Two year	6.2%
Three year	7.7%



Rates of return 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.

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 Non-Large 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

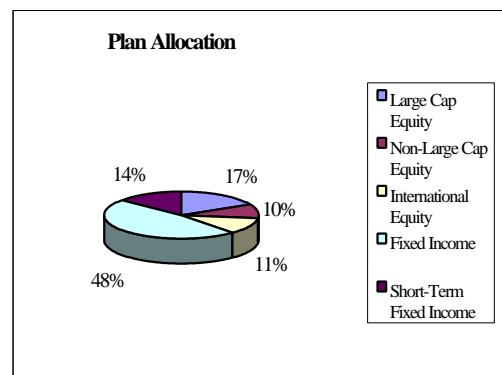
Workers' Compensation Employers Excess Liability Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 7,649
Contributions	615
Withdrawals	<u>(292)</u>
Net	323
Investment income	205
Net unrealized appreciation	<u>459</u>
June 30, 2000	<u><u>\$ 8,636</u></u>

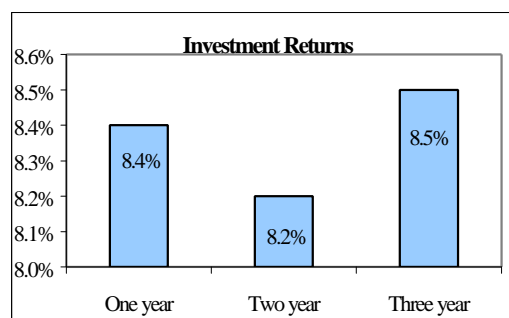
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 1,506	17%
Non-Large Cap Equity	846	10%
International Equity	989	11%
Fixed Income	4,104	48%
Short-Term Fixed Income	<u>1,191</u>	<u>14%</u>
Total	<u><u>\$ 8,636</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One year	8.4%
Two year	8.2%
Three year	8.5%



Rates of return 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.

Wildlife Endowment Fund

Creation

The Wildlife Endowment Fund was created in 1998.

Investment Objectives

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

Asset Allocation

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

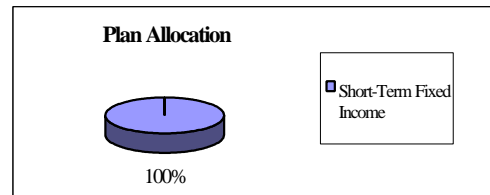
Wildlife Endowment Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ 20,409
Contributions	372
Withdrawals	<u>(1,011)</u>
Net	(639)
Investment income	1,263
Net unrealized appreciation	<u>(122)</u>
June 30, 2000	<u><u>\$ 20,911</u></u>

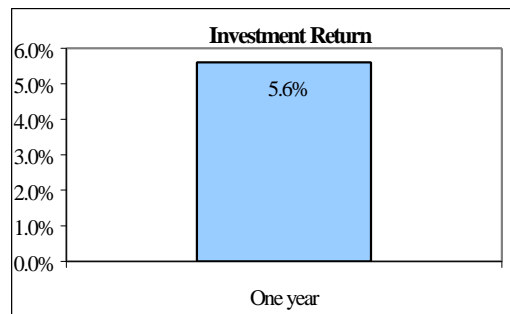
Asset Allocation

	Asset Value (in 000s)	Percentage
Short-Term Fixed Income	<u>20,911</u>	100%
Total	<u><u>\$ 20,911</u></u>	100%



Investment Performance

Investment Return	
One year	5.6%



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 withdrawals.

West Virginia Prepaid Tuition Trust Fund

Participation

The West Virginia Prepaid Tuition Trust Fund (Fund) became a participant in the Consolidated Pension Fund in July 1999.

Investment Objectives

The investment objectives for the West Virginia Prepaid Tuition Trust Fund are set by the trustees of the Fund.

The Fund investment objectives are as follows:

- Generate long-term returns that over a market cycle (usually three to five years) will equal or exceed, after fees, the liquidity requirements to meet the obligations of the Fund.
- To exceed the interest rate assumption of 8.5 percent per annum, net of fees.

Asset Allocation

The WVIMB has adopted the West Virginia Prepaid Tuition Trust Fund's asset allocation plan and invest these assets under the following broad asset allocation guidelines. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Non-Large 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 per state law, until the 60 percent equity target has been reached.

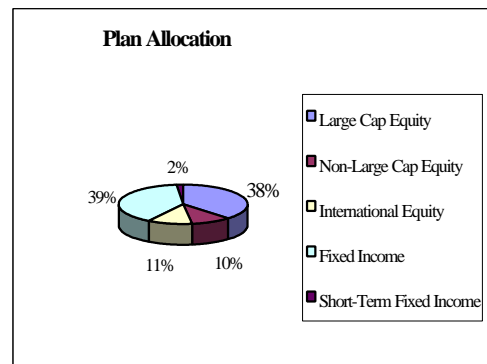
West Virginia Prepaid Tuition Trust Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 1999	\$ -
Contributions	32,519
Withdrawals	<u>-</u>
Net	32,519
Investment income	509
Net unrealized appreciation	<u>2,473</u>
June 30, 2000	<u><u>\$ 35,501</u></u>

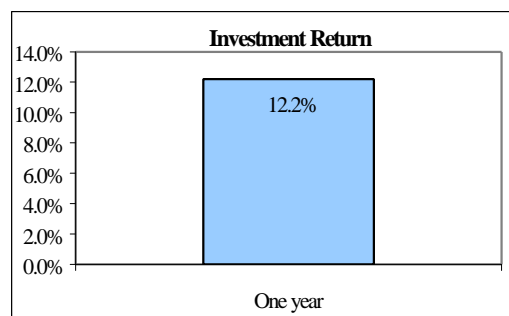
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	13,445	38%
Non-Large Cap Equity	3,499	10%
International Equity	3,971	11%
Fixed Income	13,959	39%
Short-Term Fixed Income	<u>627</u>	<u>2%</u>
Total	<u><u>35,501</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Return	
One year	12.2%



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 withdrawals.

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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 interest income and realized gains and losses.

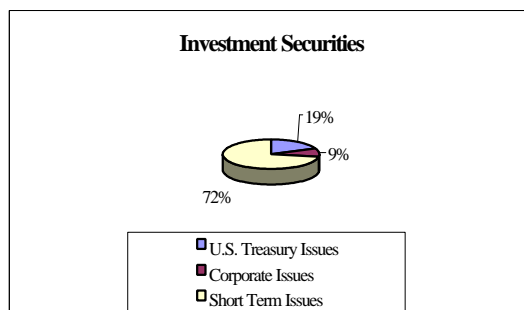
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 1999	\$ 759,597
Net increase from operations	44,444
Income distributions to unitholders	(44,430)
Net increase from unit transactions	<u>169,342</u>
Net Assets - June 30, 2000	<u>\$ 928,953</u>

Investment Securities (in 000s)

	<u>Amortized Cost</u>	<u>Percentage</u>
U.S. Treasury Issues	\$ 172,583	19%
Corporate Issues	85,559	9%
Short Term Issues	<u>668,815</u>	<u>72%</u>
Total	<u>\$ 926,957</u>	<u>100%</u>

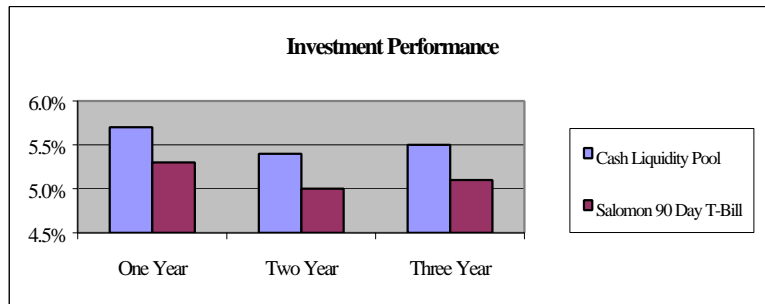


Cash Liquidity Pool (continued)

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 withdrawals.

	Cash Liquidity Pool	Salomon 90 Day T-Bill
One Year	5.7%	5.3%
Two Year	5.4%	5.0%
Three Year	5.5%	5.1%



Rates of return are net of fees.

Government Money Market Pool

Objectives

The Government Money Market Pool 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 per 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 that includes interest income and realized gains and losses.

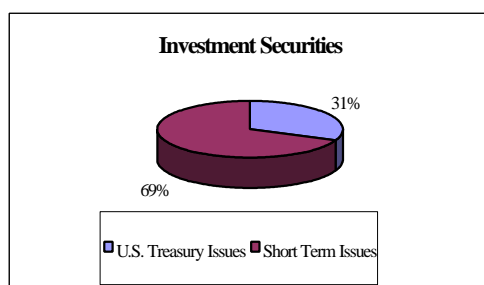
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 1999	\$ 286,599
Net increase from operations	8,811
Income distributions to unitholders	(8,805)
Net decrease from unit transactions	<u>(162,766)</u>
Net Assets - June 30, 2000	<u>\$ 123,839</u>

Investment Securities (in 000s)

	<u>Amortized Cost</u>	<u>Percentage</u>
U.S. Treasury Issues	\$ 39,716	31%
Short Term Issues	<u>86,582</u>	<u>69%</u>
Total	<u>\$ 126,298</u>	<u>100%</u>

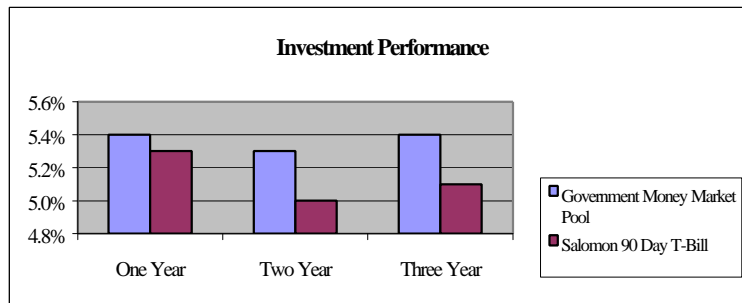


Government Money Market Pool (continued)

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 withdrawals.

	Government Money Market Pool	Salomon 90 Day T-Bill
One Year	5.4%	5.3%
Two Year	5.3%	5.0%
Three Year	5.4%	5.1%



Rates of return are net of fees.

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.

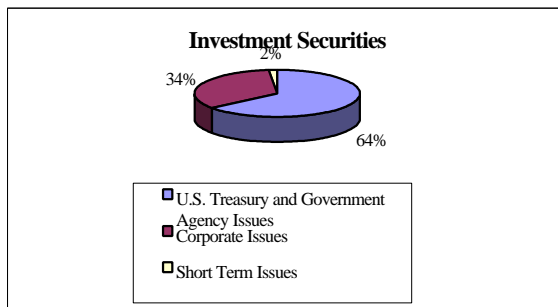
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 1999	\$	245,778
Net increase from operations		18,157
Income distributions to unitholders		(20,683)
Net increase from unit transactions		98,371
Net Assets - June 30, 2000	\$	<u>341,623</u>

Investment Securities (in 000s)

	<u>Fair Value</u>	<u>Percentage</u>
U.S. Treasury and Government Agency Issues	\$ 217,843	64%
Corporate Issues	113,677	34%
Short Term Issues	5,873	2%
Total	<u>\$ 337,393</u>	<u>100%</u>

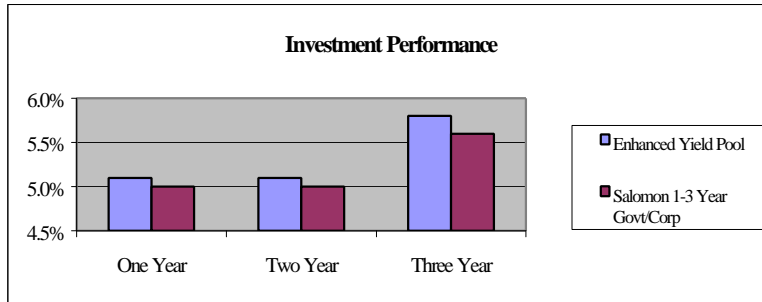


Enhanced Yield Pool (continued)

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 withdrawals.

	Enhanced Yield Pool	Salomon 1-3 Year Govt/Corp
One Year	5.1%	5.0%
Two Year	5.1%	5.0%
Three Year	5.8%	5.6%



Rates of return are net of fees.

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 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, 2000 Net Asset Value (in \$000s)
<hr/>	
<i>Single Agency Pools</i>	
Municipal Bond Commission	\$175,412
Department of Transportation	129,289
Lottery Defeasance	7,357
School Fund	1,533
EDA Insurance	447
<i>Special Purpose Pools</i>	
Loss Amortization	98,814
Loans	124,920

Audited Financial Statements

West Virginia
*Investment Management Board*_____

Audited Financial Statements
Consolidated Pension Fund
Consolidated Fund

June 30, 2000

West Virginia Investment Management Board
Audited Financial Statements
June 30, 2000

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Consolidated Fund

Independent Auditors' Report

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**Consolidated
Pension
Fund**



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 managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 2000, and the related statements of operations and changes in net assets 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 auditing standards generally accepted in the United States of America. 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 managed by the WVIMB as of June 30, 2000, and the results of their operations and changes in their net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

September 1, 2000



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

Statement of Assets and Liabilities

June 30, 2000

(Dollars in thousands, except Investment Unit Data)

Assets	<u>Short-Term Fixed Income</u>	<u>Fixed Income</u>
Investment securities:		
At amortized cost	\$ 164,805	\$ 1,784,361
At fair value	\$ 164,970	\$ 1,754,427
Cash		
Receivables:		
Accrued interest	1,048	15,929
Investments sold	-	846
Dividends	-	-
Foreign taxes withheld	-	-
Total assets	166,018	1,771,202
Liabilities		
Accrued expenses	18	102
Payable for investments purchased	-	351,217
Net foreign exchange forward contracts	-	-
Total liabilities	18	351,319
Net assets at value	\$ 166,000	\$ 1,419,883
Net assets		
Paid-in capital	\$ 164,413	\$ 1,427,727
Accumulated undistributed net investment income	926	7,596
Accumulated undistributed net realized gain (loss)	496	14,494
Accumulated undistributed net realized loss from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	165	(29,934)
Unrealized net depreciation of translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 166,000	\$ 1,419,883
Investment unit data:		
Units outstanding	16,560,780	146,136,169
Net asset value, unit price	\$10.02	\$9.72

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>
\$ 673,243	\$ 410,964	\$ 588,089	\$ 128,541
\$ 681,088	\$ 396,733	\$ 739,373	\$ 164,497
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
681,088	396,733	739,373	164,497
20	10	17	1
-	-	-	-
-	-	-	-
20	10	17	1
\$ 681,068	\$ 396,723	\$ 739,356	\$ 164,496
\$ 679,682	\$ 390,461	\$ 588,419	\$ 107,386
2,108	25,923	(347)	4,350
(8,567)	(5,430)	-	16,804
-	-	-	-
7,845	(14,231)	151,284	35,956
-	-	-	-
\$ 681,068	\$ 396,723	\$ 739,356	\$ 164,496
67,509,660	39,045,823	49,631,584	10,925,272
\$10.09	\$10.16	\$14.90	\$15.06

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

Statement of Assets and Liabilities (Continued)

June 30, 2000

(Dollars in thousands, except Investment Unit Data)

	Large Cap Domestic	Non-Large Cap Domestic
Assets		
Investment securities:		
At amortized cost	\$ 317,031	\$ 619,690
At fair value	\$ 341,643	\$ 653,389
Cash	-	-
Receivables:		
Accrued interest	-	-
Investments sold	7,362	17,622
Dividends	202	288
Foreign taxes withheld	9	1
Total assets	349,216	671,300
Liabilities		
Accrued expenses	124	331
Payable for investments purchased	5,805	25,127
Net foreign exchange forward contracts	-	-
Total liabilities	5,929	25,458
Net assets at value	\$ 343,287	\$ 645,842
Net assets		
Paid-in capital	\$ 303,960	\$ 566,090
Accumulated undistributed net investment income	3,631	12,290
Accumulated undistributed net realized gain (loss)	11,084	33,763
Accumulated undistributed net realized loss from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	24,612	33,699
Unrealized net depreciation of translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 343,287	\$ 645,842
Investment unit data:		
Units outstanding	29,116,696	59,111,708
Net asset value, unit price	\$11.79	\$10.93

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ 106,422	\$ 24,722	\$ 486,204	\$ 147,904
\$ 126,584	\$ 32,580	\$ 547,146	\$ 147,904
-	-	3,522	-
-	-	-	824
-	-	9,139	-
-	-	706	-
-	-	230	-
<u>126,584</u>	<u>32,580</u>	<u>560,743</u>	<u>148,728</u>
1	-	524	(1)
-	-	8,135	-
-	-	10	-
<u>1</u>	<u>-</u>	<u>8,669</u>	<u>(1)</u>
<u>\$ 126,583</u>	<u>\$ 32,580</u>	<u>\$ 552,074</u>	<u>\$ 148,729</u>
\$ 112,928	\$ 24,950	\$ 404,174	
(876)	(445)	5,881	
(5,631)	217	101,018	
-	-	(19,649)	
20,162	7,858	64,972	
-	-	(4,322)	
<u>\$ 126,583</u>	<u>\$ 32,580</u>	<u>\$ 552,074</u>	
10,076,520	2,343,710	35,129,742	
<u>\$12.56</u>	<u>\$13.90</u>	<u>\$15.72</u>	

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

Schedule of Investments in Securities

June 30, 2000

(Dollars in thousands, except Share Data)

Security Name	Coupon	Maturity	Par Value or Shares	Amortized Cost	Fair Value
FIXED INCOME SECURITIES					
Short-Term Fixed Income					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	4.500%	09/30/2000	\$ 14,000	\$ 13,940	\$ 13,941
U.S. Treasury Note	5.750	11/15/2000	30,000	29,946	29,934
Total U.S. Treasury Issues	26.6%			43,886	43,875
<i>Corporate Issues</i>					
Corporate Bonds					
Household Finance Corp	6.892A	06/21/2001	5,000	4,999	5,011
Cargill Inc	6.410A	01/22/2002	7,500	7,499	7,536
Fleet National Bank	6.516A	02/01/2002	7,500	7,493	7,528
Merrill Lynch & Co Inc	6.973A	03/25/2002	8,300	8,312	8,259
General Motors Accept Corp	6.500A	04/29/2002	6,000	6,000	6,028
First Union Corp	6.820A	05/09/2002	10,000	9,999	9,995
US Bancorp	6.776A	06/07/2002	7,900	7,901	7,898
Chrysler Financial Corp	6.788A	08/08/2002	5,000	5,000	5,038
Mellon Financial Co	7.130A	09/16/2002	10,000	10,020	10,082
CIT Group Holdings Inc	6.640A	10/01/2002	6,000	6,007	6,059
Total Corporate Bonds				73,230	73,434
Corporate Asset Backed Issues					
Navistar Financials	6.750	03/15/2002	1,084	1,090	1,084
WFS Financial Owner Trust	5.650	11/20/2002	8,686	8,631	8,613
Case Equipment Loan Trust	6.450	03/15/2004	913	917	911
Discover Cards Master Trust I	7.001A	10/16/2004	8,955	8,974	8,980
Gracechurch Card Funding PLC	6.831A	11/15/2004	10,000	10,000	10,006
Circuit City Credit Card Master Trust	6.375	08/15/2005	4,000	4,004	3,996
EQCC Home Equity Loan Trust	6.840	09/15/2011	717	719	717
Saxon Asset Securities Trust	6.200	04/25/2017	57	57	57
Advanta Mortgage Loan Trust	7.100	04/25/2020	5	5	5
Total Corporate Asset Backed Issues				34,397	34,369
Total Corporate Issues	65.3%			107,627	107,803
<i>Short-term Issues</i>					
Prudential Securities Repurchase Agreement	6.850	07/03/2000	13,292	13,292	13,292
Total Short-term Issues	8.1%			13,292	13,292
Total Short-Term Fixed Income				\$ 164,805	\$ 164,970

*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, 2000

(Dollars in thousands, except Share Data)

Security Name	Coupon	Maturity	Par Value or Shares	Amortized Cost	Fair Value
Fixed Income					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	5.875%	11/15/2004	\$ 52,250	\$ 51,155	\$ 51,491
U.S. Treasury Note	6.500	02/15/2010	76,000	76,035	78,601
U.S. Treasury Strip-Prin	0.000	11/15/2021	172,200	49,337	46,664
U.S. Treasury Bond	8.000	11/15/2021	69,200	80,179	83,657
U.S. Treasury Strip-Prin	0.000	08/15/2025	156,300	37,041	34,766
U.S. Treasury Bond	6.000	02/15/2026	18,240	18,968	17,861
U.S. Treasury Bond	6.375	08/15/2027	76,650	83,790	78,937
U.S. Treasury Bond	6.125	11/15/2027	58,325	61,073	58,197
U.S. Treasury Inflation Protection Note	3.625	04/15/2028	129,133	127,737	123,080
U.S. Treasury Bond	6.125	08/15/2029	7,600	7,528	7,676
Total U.S. Treasury Issues	33.1%			592,843	580,930
<i>U.S. Government Agency Issues</i>					
U.S. Government Agency Bonds					
FNMA Benchmark Bonds	7.125	02/15/2005	25,000	24,994	25,101
FNMA Benchmark Notes	7.250	01/15/2010	25,000	25,014	25,252
Total U.S. Government Agency Bonds				50,008	50,353
U.S. Government Agency Mortgage Backed Issues					
FHLMC Mortgage Pools	Various	Various	135,495	128,756	129,499
FNMA Mortgage Pools	Various	Various	165,918	158,461	159,019
GNMA Mortgage Pools	Various	Various	95,721	93,424	92,424
Total U.S. Government Agency Mortgage Backed Issues				380,641	380,942
U.S. Government Agency CMO's					
Student Loan Marketing Association	6.444A	04/25/2006	21,642	21,562	21,547
Student Loan Marketing Association	6.694A	10/26/2011	8,800	8,800	8,646
FHLMC-CMO	7.000	01/25/2021	3,486	3,476	3,389
Total U.S. Government Agency CMO's				33,838	33,582
Total U.S. Government Agency Issues	26.5%			464,487	464,877
<i>Corporate Issues</i>					
U.S. Corporate Bonds					
Raytheon Co	6.300	08/15/2000	16,525	16,527	16,505
TRW Inc	6.450	06/15/2001	15,000	14,999	14,783
Lehman Brother Holding	6.913A	09/04/2001	20,000	20,000	20,006
Enron Corp	7.250A	09/10/2001	10,000	10,000	9,991
Vodafone AirTouch PLC	6.962A	12/19/2001	10,000	9,994	10,036
International Paper Co	7.670A	07/08/2002	10,000	10,000	9,992

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Coupon	Maturity	Par Value or Shares	Amortized Cost	Fair Value
Ford Motor Credit Co	6.968A	03/17/2003	20,000	20,000	19,975
AEP Resources Inc	6.500	12/01/2003	5,000	4,868	4,764
AT&T Corp	6.750	04/01/2004	1,250	1,246	1,223
Bear Stearns Companies Inc	7.625	02/01/2005	10,000	9,965	9,891
Merrill Lynch & Co Inc	7.000	03/15/2006	15,000	15,569	14,625
RJR Nabisco Inc	7.750	05/15/2006	20,000	19,920	17,817
RJR Nabisco Inc	7.875	05/15/2009	20,000	19,737	17,248
Goldman Sachs Group Inc	7.800	01/28/2010	10,000	9,956	9,909
Bank of Tokyo-Mitsubishi	8.400	04/15/2010	10,000	9,992	10,098
Loews Corp	7.625	06/01/2023	15,000	14,582	13,271
GE Global Insurance Holding Corp	7.000	02/15/2026	15,000	14,866	13,567
TCI Communications Inc	7.875	02/15/2026	10,000	10,537	9,755
British Aerospace Finance Inc	7.500	07/01/2027	15,000	14,892	14,120
J Seagram & Sons	7.600	12/15/2028	10,000	10,594	9,551
Pepsi Bottling Group Inc	7.000	03/01/2029	10,000	9,933	9,033
Dow Chemical Co	7.375	11/01/2029	15,000	14,832	14,544
Lockheed Martin Corp	8.500	12/01/2029	10,000	9,962	10,098
Ford Holdings Inc	9.300	03/01/2030	10,000	11,934	11,158
Tennessee Valley Authority	7.125	05/01/2030	10,000	9,850	10,003
Time Warner Entertainment Co	8.375	07/15/2033	7,500	7,764	7,561
Norfolk Southern Corp	7.050	05/01/2037	15,000	16,108	14,660
News America Holdings Inc	7.750	12/01/2045	12,500	11,430	10,851
Abbey National Cap Trust I	8.963	12/29/2049	10,000	10,063	9,918
IBJ Preferred Capital Co LLC	8.790A	12/29/2049	15,000	15,187	13,611
Total U.S. Corporate Bonds				375,307	358,564
Corporate Asset Backed Issues					
Nissan Auto Rec Owner Trust	6.730	05/15/2002	15,000	14,999	14,944
First Plus Home Loan Trust	7.640	07/10/2022	5,250	5,249	5,240
Home Loan Trust RFC	7.490	07/25/2022	6,250	6,246	6,224
Residential Funding Mortgage Sec	6.810A	01/25/2024	17,620	17,570	16,229
CS First Boston Meeting Secs Corp	7.590	07/25/2026	20,000	19,986	19,797
Total Corporate Asset Backed Issues				64,050	62,434
Corporate CMO's					
Westpac Securitization Trust 1998-1G	4.225A	07/19/2029	19,845	19,845	19,793
Total Corporate CMO's				19,845	19,793
Total Corporate Issues	25.1%			459,202	440,791

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, 2000

(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>					
Morgan Stanley Dean Witter Repurchase Agreement	6.820	07/03/2000	7,938	7,938	7,938
Prudential Securities Repurchase Agreement	6.850	07/03/2000	126,708	126,708	126,708
Whirlpool Corp Commercial Paper	0.000	07/06/2000	20,000	19,981	19,981
JB Hunt Transp. Serv Commercial Paper	0.000	07/07/2000	15,000	14,982	14,982
PHH Corp Commercial Paper	0.000	07/14/2000	20,000	19,951	19,951
Time Warner Entertain Co Comm Paper	0.000	07/20/2000	20,000	19,928	19,928
Conagra Inc Commercial Paper	0.000	07/21/2000	20,000	19,925	19,925
US West Cap Fund Comm Paper 144A	0.000	07/24/2000	20,000	19,911	19,911
Nabisco Inc Commercial Paper	0.000	07/31/2000	18,611	18,505	18,505
Total Short-term Issues	15.3%			<u>267,829</u>	<u>267,829</u>
Total Fixed Income				<u>\$ 1,784,361</u>	<u>\$ 1,754,427</u>
Fixed Income Qualified					
<i>Commingled Fixed Income Pools</i>					
Barclay's Global Investors Qualified Mortgage Index			6,170,054	\$ 130,589	\$ 135,710
Barclay's Global Investors Qualified Intermediate Corp			17,633,812	376,281	383,904
Barclay's Global Investors Qualified Long Corp			6,973,443	166,373	161,474
Total Commingled Fixed Income Pools	100.0%			<u>673,243</u>	<u>681,088</u>
Total Fixed Income Qualified				<u>\$ 673,243</u>	<u>\$ 681,088</u>
Fixed Income Nonqualified					
<i>Commingled Fixed Income Pools</i>					
Barclay's Global Investors Nonqualified Mortgage Index			4,200,031	\$ 80,919	\$ 79,074
Barclay's Global Investors Nonqualified Intermediate Corp			15,752,214	240,317	233,801
Barclay's Global Investors Nonqualified Long Corp			5,754,700	89,728	83,858
Total Commingled Fixed Income Pools	100.0%			<u>410,964</u>	<u>396,733</u>
Total Fixed Income Nonqualified				<u>\$ 410,964</u>	<u>\$ 396,733</u>

*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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
EQUITY SECURITIES			
S&P 500 Index Qualified			
<i>Commingled Equity Pools</i>			
State Street Global Advisors' S&P 500 Index Qualified	2,996,763	\$ 588,089	\$ 739,373
Total Commingled Equity Pools	100.0%	588,089	739,373
Total S&P 500 Index Qualified		\$ 588,089	\$ 739,373
S&P 500 Index Nonqualified			
<i>Commingled Equity Pools</i>			
State Street Global Advisors' S&P 500 Index Nonqualified	2,603,579	\$ 128,541	\$ 164,497
Total Commingled Equity Pools	100.0%	128,541	164,497
Total S&P 500 Index Nonqualified		\$ 128,541	\$ 164,497
Large Cap Domestic			
<i>Equities</i>			
Domestic Equities			
AMFM Inc	56,000	\$ 3,680	\$ 3,864
AT&T	34,878	1,819	1,110
AT&T-Liberty Media	303,000	5,742	7,386
AT&T-Wireless Group	138,300	4,226	3,734
Agilent Technologies, Inc	65,185	4,941	4,807
ALLTEL Corp	110,385	7,855	6,837
America Online Inc	2,195	162	116
American Express	22,332	1,115	1,164
American General Finance Corp	87,310	4,719	5,326
American Home Products Corp	22,926	973	1,347
American International Group Inc	17,041	1,778	2,002
Amgen Inc	17,828	1,109	1,252
Applied Materials Inc	85,799	7,037	7,776
Bank of America Corp	24,336	1,240	1,056
Baxter International Inc	97,385	5,915	6,847
Bell Atlantic Corp	22,009	1,287	1,121
Bell South Corp	28,528	1,291	1,216
Bristol-Myers Squibb Company	126,083	6,898	7,344
Chase Manhattan Corp	211,598	10,577	9,747
Cisco Systems Inc	194,596	7,478	12,369
Citigroup Inc	167,978	8,711	10,152
Coca-Cola Company	34,445	1,836	1,979
Conoco Inc	312,200	7,553	6,868
Corning Inc	2,975	724	803
Dell Computer Corp	2,747	131	136
Walt Disney Company	31,287	931	1,214

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
EMC Corp	98,164	3,937	7,559
Exxon Mobil Corp	29,787	2,171	2,338
Freddie Mac	149,430	6,848	6,052
Federal National Mortgage Assn	19,024	1,160	995
GTE Corp	129,156	8,494	8,040
General Electric Company	59,376	2,081	3,110
Hewlett-Packard Company	12,626	778	1,577
Home Depot Inc	152,963	7,296	7,639
Honeywell International Inc	131,300	6,972	4,423
Intel Corp	112,908	10,060	15,094
International Business Machs	18,394	2,015	2,015
Johnson & Johnson	21,167	1,516	2,156
Kerr-McGee Corp	89,000	5,466	5,246
Kimberly Clark Corp	112,820	6,138	6,473
Kohl's Corp	80,800	2,905	4,495
Eli Lilly and Company	19,505	1,386	1,948
Lucent Technologies	2,349	145	138
MBNA Corp	91,300	2,249	2,477
McGraw-Hill Companies Inc	127,485	6,141	6,884
MediaOne Group Inc	44,000	3,296	2,918
Medtronic Inc	20,469	1,145	1,020
Merck & Co Inc	29,516	1,885	2,262
Microsoft Corp	71,342	6,306	5,707
Minnesota Mining & Manufacturing Co	79,595	7,390	6,582
Montana Power Company	181,200	7,950	6,433
Morgan Stanley Dean Witter Co	85,950	4,642	7,155
Motorola Inc	261,228	11,811	7,837
National Semiconductor Corp	100,670	5,200	5,940
Nortel Networks	16,036	1,038	1,104
Oracle Corp	72,756	4,797	6,116
PECO Energy Company	162,925	6,368	6,568
PMC-Sierra Inc	10,000	1,419	1,777
Pfizer Inc	321,130	10,268	15,414
Pitney Bowes Inc	168,330	9,043	6,733
Proctor & Gamble Company	21,277	1,770	1,218
SBC Communications Inc	42,156	2,198	1,823
Schering-Plough Corp	110,300	5,367	5,570
Sun Microsystems Inc	1,478	69	134
Texas Instruments Inc	6,870	349	472
Time Warner Inc	68,346	5,661	5,194
Tyco International Ltd	212,348	8,564	10,060
United Technologies Corp	31,000	1,817	1,825
Wal-Mart Stores	47,341	2,410	2,701
Wells Fargo Company	27,908	1,105	1,095
Williams Companies Inc	201,646	8,112	8,406
WorldCom Inc	3,620	188	166
Yahoo! Inc	738	108	91
Total Domestic Equities		297,762	318,553

*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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Foreign Equities-Developed Markets			
Nokia Oyj Corp	227,800	6,694	11,404
Pharmacia Corp	40,077	1,841	2,072
Royal Dutch Petroleum Company	28,509	1,554	1,755
Vodafone AirTouch PLC	116,500	6,185	4,864
Total Foreign Equities-Developed Markets		16,274	20,095
Total Equities	99.1%	314,036	338,648
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	2,994,859	2,995	2,995
Total Short-term Issues	0.9%	2,995	2,995
Total Large Cap Domestic		\$ 317,031	\$ 341,643
Non-Large Cap Domestic			
<i>Commingled Equity Pools</i>			
Dimensional Fund Advisors 4-10 Value Series	33,079	\$ 301,632	\$ 290,109
Total Commingled Equity Pools	44.4%	301,632	290,109
<i>Equities</i>			
Domestic Equities			
ABC Bancorp	7,240	77	70
ADE Corp	6,200	125	119
AMB Property Corp	12,800	303	292
AMR Corp	18,800	519	497
ATMI Inc	12,000	543	558
Abgenix Inc	13,100	356	1,570
Accredo Health Inc	48,800	1,613	1,687
ADAC Laboratories	16,500	214	396
Adaptec Inc	11,300	425	257
Advanced Fibre Comm. Inc	18,700	794	847
ADVO Inc	20,700	374	864
Aeroflex Inc	57,800	2,420	2,872
Advanced Micro Devices Inc	6,900	327	533
Advent Software Inc	79,500	2,424	5,128
Affiliated Computer Services Inc	9,600	376	318
Affiliated Managers Group Inc	64,100	2,766	2,916
Airgas Inc	21,900	190	125
AirGate PCS Inc	4,000	282	210
Albany International Corp	52,322	813	759
Albemarle Corp	34,100	736	673
Alkermes Inc	16,000	266	754
Allegiance Telecom Inc	6,950	397	445
Alliance Pharmaceutical Corp	9,100	59	102

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Allmerica Financial Corp	5,800	334	304
Allscripts Inc	1,100	71	25
ALZA Corp	4,600	173	272
American Eagle Outfitters Inc	20,100	788	281
American Management Systems	15,300	511	502
American Power Conversion Corp	7,200	189	294
American Tower Corp	10,200	268	425
AmeriSource Health Corp	44,400	941	1,376
AmerUs Life Holdings Inc	16,700	384	344
Anaren Microwave Inc	34,725	2,320	4,557
Andrew Corp	5,300	133	178
Anixter International Inc	21,100	423	559
AnswerThink Consulting Group Inc	29,100	532	484
Apache Corp	5,700	213	335
Applebee's International Inc	13,500	430	409
Applied Micro Circuits Corp	4,300	472	425
Archstone Communities Trust	17,300	361	364
Argosy Gaming Company	32,800	432	471
Arrow Electronics Inc	24,900	549	772
Arrow International Inc	3,600	130	121
Ashland Inc	6,900	244	242
Atlas Air Inc	9,800	299	352
Atmel Corp	8,400	345	310
Atwood Oceanics Inc	38,550	1,526	1,711
Aurora Biosciences Corp	34,400	1,157	2,346
Avalongbay Communities Inc	12,800	468	534
Avis Rent A Car Inc	31,900	711	598
Avista Corp	6,400	133	112
Avnet Inc	7,540	380	447
Avocent Corp	29,100	1,264	1,229
AXYS Pharmaceuticals Inc	16,100	119	96
Aztar Corp	52,200	596	809
BISYS Group Inc	19,900	1,066	1,224
BMC Software Inc	7,600	276	277
BancFirst Corp	8,100	266	255
Banco Frances SA	21,600	414	467
BancorpSouth Inc	6,600	108	93
Banc West Corp	44,000	807	723
Bank United Corp	22,900	745	806
Banknorth Group Inc	10,500	153	161
C.R. Bard Inc	5,100	198	245
BEA Systems Inc	10,600	300	524
Bear Stearns Companies Inc	20,700	849	862
Beasley Broadcast Group Inc	5,900	87	80
Beckman Coulter Inc	4,500	275	263
Becton, Dickinson & Company	9,300	238	267
Bed Bath & Beyond Inc	4,000	147	145
Beringer Wine Estate Holdings Inc	10,600	381	374
Biomet Inc	11,900	409	457

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Black & Decker Corp	6,700	334	263
Boise Cascade Corp	11,300	431	292
Borders Group Inc	16,200	267	252
Borg-Warner Automotive Inc	24,000	971	843
Boston Properties Inc	9,200	342	355
Bowater Inc	8,100	376	357
Briggs & Stratton Corp	10,800	515	370
Broadbase Software Inc	7,600	224	233
BroadWing Inc	8,000	227	208
Brooks Automation Inc	1,700	125	109
Brunswick Corp	20,300	358	336
Burns International Services	27,000	269	337
C&D Technologies Inc	2,500	142	141
CDW Computer Center Inc	6,400	151	400
CPB Inc	10,100	221	252
CSG Systems International Inc	9,500	397	533
CV Therapeutics Inc	500	30	35
Cabletron Systems Inc	8,900	373	225
Cable Design Technologies Corp	11,900	217	405
Cabot Corp	10,400	306	283
Calico Commerce Inc	15,000	419	244
Calpine Corp	13,700	363	890
Cambrex Corp	5,400	175	243
Cambridge Technology Partners	20,900	345	182
Capitol Federal Financial	42,700	441	472
Caraustar Industries Inc	15,200	330	230
Cardinal Health Inc	7,700	316	570
Carrier Access Corp	3,900	198	206
Celeritek Inc	55,950	3,074	2,283
Centex Construction Products	14,300	537	324
Century Bancorp Inc	7,000	116	87
Cephalon Inc	11,300	377	677
Charles River Laboratories	6,000	96	133
Charter One Financial Inc	2,084	43	48
Chemed Corp	24,500	715	691
Chieftain International Inc	16,400	278	313
CIENA Corp	2,800	152	467
Circle International Group	16,300	326	410
Citizens Banking Corp	3,900	71	63
City National Corp	7,400	212	257
Cleveland-Cliffs Inc	13,100	411	338
Kenneth Cole Productions Inc	900	35	36
Columbia Banking System Inc	19,038	245	233
Comdisco Inc	16,600	480	370
Comerica Inc	6,300	294	283

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Commerce Group Inc	16,500	492	487
Commercial Bankshares Inc	840	17	15
Commercial Metals Company	24,700	696	679
CommScope Inc	11,900	438	488
Companhia Paranaense	71,100	509	662
Conectiv Inc	34,100	788	531
Conexant Systems Inc	7,700	678	374
Constellation Energy Group	6,600	198	215
Continental Airlines Inc	7,400	281	348
Copper Mountain Networks Inc	2,600	119	229
Cost Plus, Inc. California	79,500	2,557	2,281
Covenant Transport Inc	15,900	218	127
Annuity and Life Re (Holding) Ltd	24,900	610	610
Crane Co	28,300	659	688
Credence Systems Corp	30,700	1,562	1,694
Cree Inc	11,700	371	1,562
Critical Path Inc	6,500	407	379
Crompton Corp	31,800	398	390
Cross Timbers Oil Company	25,100	299	555
Cullen/Frost Bankers Inc	30,400	813	800
Cummins Engine Company Inc	16,300	744	444
Cypress Semiconductor Corp	21,200	661	896
Cytec Industries Inc	20,900	579	516
Cytec Corp	69,800	1,972	3,726
DQE Inc	14,800	599	585
D.R. Horton Inc	41,500	528	563
Dain Rauscher Corp	11,800	746	779
Darden Restaurants Inc	11,100	209	180
Davox Corp	43,500	486	563
Deere & Company	3,100	132	115
Delta Air Lines Inc	3,500	173	177
Deluxe Corporation	26,100	672	615
DENTSPLY International Inc	4,300	132	132
Devon Energy Corp	3,476	142	195
Devry Inc	11,200	250	296
Diamond Tech Partners Inc	1,700	135	150
Digital Microwave Corp.	21,300	668	812
Digital Insight Corp.	28,200	1,592	959
Walt Disney Company	8,200	162	98
Ditech Communications Corp.	26,000	1,326	2,459
Documentum, Inc.	56,750	2,948	5,072
Dollar Thrifty Automotive Group	32,700	607	603
Dollar Tree Stores, Inc.	8,550	208	338
Doral Financial Corp.	58,500	854	669
Doubleclick, Inc.	4,500	423	172
Downey Financial Corp.	25,300	575	734
Dura Automotive Systems, Inc.	58,400	694	631
Dura Pharmaceuticals, Inc.	21,300	264	306
Dynergy, Inc.	7,100	438	485

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
EEX Corp.	58,100	249	309
EOG Resources, Inc.	21,600	451	724
E.piphany, Inc.	2,700	241	289
E-Tek Dynamics, Inc.	700	51	185
RenaissanceRe Holdings Ltd.	11,200	366	488
Eaton Corp.	2,900	219	194
EchoStar Communications Corp.	8,000	288	265
A.G. Edwards, Inc.	37,800	1,202	1,474
Edwards Lifesciences Corp.	10,700	162	198
El Paso Electric Company	66,000	712	738
El Paso Energy Corp.	11,900	441	606
Electronics for Imaging, Inc.	12,500	442	316
Triton Energy Limited	6,600	122	259
Emmis Communications Corp.	78,100	2,884	3,231
Energy East Corp.	43,200	1,077	824
Energizer Holdings, Inc.	3,300	77	60
Enersis SA	27,900	611	556
Equitable Resources, Inc.	18,600	829	897
Equity Office Properties Trust	17,800	450	496
Exar Corp.	30,950	1,598	2,698
Exelixis, Inc.	36,250	590	1,210
Exodus Communications, Inc.	12,400	351	571
Extreme Networks, Inc.	3,000	339	316
FMC Corp.	5,500	307	319
FVNB Corp.	1,900	63	64
Fair, Isaac & Company, Inc.	6,500	260	286
Fairfield Communities, Inc.	37,200	450	293
Family Dollar Stores	18,100	380	354
Finish Line, Inc.	47,400	385	388
First Citizens BancShares, Inc.	5,350	357	318
First Health Group Corp.	9,100	290	299
FirstFed Financial Corp.	38,000	559	537
Fleming Companies, Inc.	50,200	645	656
Fluor Corp.	10,800	370	342
Forest Laboratories, Inc.	3,400	276	343
4Kids Entertainment, Inc.	13,600	368	354
Freeport-McMoRan Copper & Gold	20,800	355	192
GSI Lumonics, Inc. Gartner Group, Inc.	82,650	2,063	2,903
Gartner Group, Inc.	14,200	202	170
GelTex Pharmaceuticals, Inc.	10,500	201	215
Gene Logic, Inc.	25,000	1,005	892
General Cable Corp.	72,800	578	592
General Growth Properties, Inc.	7,800	248	248
General Semiconductor, Inc.	18,600	362	274
Genesco, Inc.	45,200	558	726

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Gentex Corp.	9,700	230	244
Genuine Parts Company	14,000	294	280
Genuity, Inc.	28,700	276	263
Genzyme Corp.	10,000	407	594
Genzyme Corp.-Surgical Products	12,900	101	128
Georgia Gulf Corp.	14,100	355	293
Gerber Scientific, Inc.	32,000	592	368
W.R. Grace & Co.	74,600	1,021	919
Granite Construction, Inc.	20,700	511	507
Great Lakes Chemical Corp.	7,100	210	224
Great Lakes REIT, Inc.	21,000	332	357
Grove Property Trust	29,100	383	473
GTECH Holdings Corp.	26,200	566	594
Haemonetics Corp.	6,300	125	132
Hain Celestial Group, Inc.	83,600	2,539	3,067
Handleman Company	45,800	593	573
Handspring, Inc.	1,600	32	43
Hanmi Financial Corp.	9,246	121	127
John H. Harland Company	45,500	738	680
Harman International Industry	4,300	267	262
Harris Corp.	12,400	396	406
Health Management Association, Inc.	13,900	170	182
Helix Technology Corp.	16,900	631	659
Helmerich & Payne, Inc.	21,400	695	800
Homestore.com, Inc.	13,900	604	406
Hot Topic, Inc.	17,400	540	557
Howmet International, Inc.	7,300	121	153
Huaneng Power International	36,600	510	487
Hudson United Bancorp	10,722	307	241
ITC Deltacom, Inc.	103,250	3,132	2,304
ITT Educational Services, Inc.	12,300	251	216
IBasis, Inc.	43,800	1,419	1,886
ITT Industries, Inc.	19,400	669	589
IDEXX Laboratories, Inc.	7,900	174	181
Imation Corp.	17,500	528	514
Independence Community Bank	47,500	613	629
Informix Corp.	82,100	648	611
Integrated Device Technology	6,000	134	359
Integrated Silicon Solution	97,350	2,488	3,699
Internet Pictures Corp.	8,549	160	129
Intimate Brands, Inc.	10,360	227	207
Investment Technology Group, Inc.	41,800	1,454	1,651
Iomega Corp.	96,200	362	385
Iron Mountain, Inc.	10,400	329	354
IT Group, Inc.	57,400	664	280
i2 Technologies, Inc.	1,400	194	146
IVAX Corp.	24,100	375	985
JLG Industries, Inc.	37,700	435	448
Jacobs Engineering Group, Inc.	32,900	1,138	1,075

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
KLM Royal Dutch Airlines	15,300	423	406
K-V Pharmaceutical Company	4,500	132	122
Kansas City Power & Light Company	6,700	168	151
Keithley Instruments, Inc.	10,100	655	880
Kellwood Company	24,600	506	520
Kennametal, Inc.	17,300	456	371
Kerr-McGee Corp.	8,000	393	472
Keynote Systems, Inc.	6,500	357	459
KeySpan Corp.	21,400	633	658
Kilroy Realty Corp.	20,200	451	524
Kimco Realty Corp.	12,800	486	525
Kinder Morgan, Inc.	8,100	182	280
King Pharmaceuticals, Inc.	10,650	339	467
Knight Ridder, Inc.	7,200	374	383
Kopin Corp.	41,800	1,035	2,895
Kulicke & Soffa Industries, Inc.	35,300	1,968	2,096
LNR Property Corp.	40,400	793	795
LTX Corp.	33,050	880	1,155
Laboratory Corp. of Amer. Holdings	8,260	557	637
Lafarge Corp.	9,800	338	206
Lance, Inc.	12,500	153	113
Landry's Seafood Restaurants	28,000	250	238
Lattice Semiconductor Corp.	13,000	687	899
Learning Tree International	33,900	1,808	2,076
Legg Mason, Inc.	5,800	238	290
Lennar Corp.	35,400	686	717
Leucadia Nataional Corp.	26,900	617	614
Liberty Property Trust	20,900	488	542
LightPath Technologies, Inc.	52,750	2,321	2,100
Liz Clairborne, Inc.	11,400	441	402
London Pacific Group Limited	52,200	748	679
Lone Star Steakhouse & Saloon	34,000	285	344
LookSmart, Ltd.	5,000	94	93
MBIA, Inc.	12,000	607	578
M.D.C. Holdings, Inc.	20,300	418	378
MDU Resources Group, Inc.	22,100	492	478
MEMC Electronic Materials, Inc.	20,600	438	371
MGC Communications, Inc.	10,100	584	605
MRV Communications, Inc.	1,000	68	67
Macrovision Corp.	52,800	1,429	3,375
Macromedia, Inc.	5,000	405	483
Mallinckrodt, Inc.	25,100	829	1,089
Mandalay Resort Group	18,000	398	360
Manpower, Inc.	47,100	1,485	1,507
Manufacturers' Services Ltd.	3,300	53	68
Manugistics Group, Inc.	79,700	2,866	3,726

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Marine Drilling Companies, Inc.	119,000	1,977	3,332
Mark IV Industries, Inc.	33,300	690	695
Martin Marietta Materials, Inc.	2,800	151	113
Maxtor Corp.	27,100	286	286
McClatchy Company	24,800	876	822
McCormick & Company, Inc.	6,100	199	198
McLeodUSA, Inc.	15,300	229	317
Mead Corp.	8,600	314	219
MedQuist, Inc.	39,300	1,358	1,336
Mercantile Bankshares Corp.	10,400	349	310
Mercury Computer Systems, Inc.	36,100	1,429	1,166
Meritor Automotive, Inc.	7,700	137	85
Mesa Air Group, Inc.	33,500	214	185
Methode Electronics, Inc.	7,400	400	286
Metris Companies, Inc.	4,350	114	109
Micros Systems, Inc.	5,500	265	102
Midcoast Energy Resources, Inc.	5,600	91	88
Milacron, Inc.	25,400	354	368
Herman Miller, Inc.	10,300	266	267
Minerals Technology, Inc.	7,600	337	350
Robert Mondavi Corp.	6,300	218	193
The MONY Group, Inc.	26,200	842	886
Mueller Industries, Inc.	10,400	331	291
Murphy Oil Corp.	4,600	240	273
Musicland Stores Corp.	10,100	125	75
Myriad Genetics, Inc.	11,300	1,278	1,673
NBTY, Inc.	37,400	481	238
NCO Group, Inc.	14,200	544	328
NVR, Inc.	10,600	484	604
National City Corp.	16,400	292	280
National Discount Brokers Group, Inc.	71,300	2,939	2,273
National Fuel Gas Company	3,500	175	171
National Semiconductor Corp.	7,700	512	454
Navistar International Corp.	7,400	339	230
Network Associates, Inc.	9,400	266	192
Netegrity, Inc.	22,400	1,480	1,687
Netro Corp.	1,600	88	92
Newport Corp.	52,400	2,121	5,626
NextCard, Inc.	6,900	160	59
Noble Affiliates, Inc.	31,100	795	1,158
Nortek, Inc.	26,900	769	531
Northeast Optic Network, Inc.	24,200	1,385	1,491
Northrop Grumman Corp.	1,700	134	113
Northwestern Corp.	29,400	694	680
NOVA Corp.	9,300	236	260
Novellus Systems, Inc.	9,800	370	554
Oakley, Inc.	50,300	545	578
Old Republic International Corp.	56,800	968	937
On Assignment, Inc.	44,900	1,315	1,369

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Oshkosh Truck Corp.	5,900	166	211
Outback Steakhouse, Inc.	10,700	297	313
PC Connection, Inc.	26,400	1,130	1,505
PE Corp.-Celera Genomics	1,500	136	140
P.F. Changs China Bistro, Inc.	1,200	38	38
PMI Group, Inc.	13,750	537	653
PPG Industries, Inc.	9,800	463	434
PRI Automation, Inc.	32,500	1,284	2,125
Pacific Century Financial Corp.	103,500	2,068	1,514
Pacific Sunwear of California	32,750	812	614
PacificCare Health Systems, Inc.	13,000	743	782
Packaging Corp. of America	9,000	94	91
Pall Corp.	24,800	521	459
Park Place Entertainment Corp.	14,300	174	174
PathoGenesis Corp.	5,200	98	135
Patterson Energy, Inc.	103,200	2,784	2,941
Paxar Corp.	30,700	300	353
Payless ShoeSource, Inc.	5,400	265	277
Pegasystems, Inc.	9,500	94	48
Pegasus Communications Corp.	15,700	539	770
People's Bank	28,000	586	515
Peoples Energy Corp.	17,700	585	573
Pepsi Bottling Group, Inc.	42,300	1,079	1,235
Pericom Semiconductor Corp.	36,300	1,726	2,468
PerkinElmer, Inc.	2,700	181	179
Pharmacyclics, Inc.	28,350	979	1,729
Phone.com, Inc.	1,700	240	111
Pinnacle West Capital Corp.	37,600	1,131	1,274
Pioneer-Standard Electronics	29,700	363	438
Plexus Corp.	31,550	2,317	3,565
Polaris Industries, Inc.	4,100	147	131
PolyMedica Corp.	46,800	1,737	2,024
Pomeroy Computer Resources, Inc.	4,400	96	65
Praxair, Inc.	6,500	223	243
Precision Castparts Corp.	700	32	32
Prime Hospitality Corp.	66,800	669	630
Princeton National Bancorp, Inc.	5,600	87	69
Profit Recovery Group International, Inc.	17,250	517	287
ProLogis Trust	13,500	295	289
Public Service Company New Mexico	22,400	436	346
Pulte Corp.	30,500	630	660
Quantum Corp-Hard Disk Drive	117,200	1,143	1,297
RGS Energy Group, Inc.	17,900	475	398
Radiant Systems, Inc.	300	6	7
Radio One, Inc.	37,150	705	1,098
Radio One, Inc.-Class D	74,300	1,588	1,639
Rational Software Corp.	31,600	1,625	2,937
Raymond James Financial, Inc.	33,900	676	763

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Reinsurance Group of America	41,395	1,305	1,247
Reliance Steel & Aluminum Company	8,550	201	164
REMEC, Inc.	12,100	532	507
Rent-A-Center, Inc.	31,200	693	702
Respironics, Inc.	12,200	155	220
RJ Reynolds Tobacco Holdings	47,100	1,404	1,316
Riggs National Corp.	50,500	692	638
Robbins & Myers, Inc.	18,400	408	420
Robert Half International, Inc.	7,800	253	222
Rollins Truck Leasing Corp.	8,700	100	60
Rowman Companies, Inc.	18,800	401	571
Ruby Tuesday, Inc.	14,000	137	176
Rudolph Technologies, Inc.	1,700	61	66
Russell Corp.	17,800	363	356
Ryder System, Inc.	38,400	737	727
The Ryland Group, Inc.	32,700	752	723
SBA Communications Corp.	62,400	2,082	3,241
SCI Systems, Inc.	8,000	332	314
SEI Investments Company	9,600	301	382
St. Jude Medical, Inc.	4,200	151	193
Salton, Inc.	20,300	532	749
Sanmina Corp.	7,000	413	599
Schweitzer-Mauduit International, Inc.	12,500	172	156
Scientific-Atlanta, Inc.	3,300	182	246
E.W. Scripps Company	6,500	317	320
Seacoast Banking Corp.	6,200	173	167
Seagate Technology, Inc.	4,900	165	270
Security Capital Group, Inc.	89,500	1,398	1,522
Semtech Corp.	10,100	446	772
Sigma-Aldrich Corp.	7,000	248	205
Silicon Storage Technology	12,200	482	1,077
Silicon Valley Bancshares	12,600	382	537
Silicon Valley Group, Inc.	17,400	473	450
SkyWest, Inc.	14,500	438	537
Software.com, Inc.	6,300	528	818
Southwest Securities Group	21,800	642	812
SpeedFam-IPEC, Inc.	6,900	142	125
Spherion Corp.	6,200	128	110
Springs Industries, Inc.	13,100	526	419
StanCorp Financial Group, Inc.	11,000	370	353
Standard Pacific Corp.	66,300	718	663
Staples, Inc.	8,400	159	129
Starwood Hotels & Resorts, Inc.	8,800	256	287
Stillwater Mining Company	17,000	456	474
Sturm, Ruger & Company, Inc.	32,300	322	287
Suiza Foods Corp.	7,600	308	371
Sun Communities, Inc.	25,900	829	866
Sunoco, Inc.	8,400	265	247
Supertex, Inc.	28,750	1,347	1,445

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Swift Transportation Company, Inc.	27,600	438	386
Symantec Corp.	2,900	225	156
Syncor International Corp.	10,300	462	742
Synopsys, Inc.	3,600	196	124
TCF Financial Corp.	36,600	990	940
TRW, Inc.	3,300	179	143
TelCom Semiconductor, Inc.	31,500	1,418	1,264
Telephone & Data Systems	7,400	777	742
Teligent, Inc.	4,800	240	113
Temple-Inland, Inc.	8,200	532	344
Tenet Healthcare Corp.	9,800	201	265
Teradyne, Inc.	3,100	132	228
TETRA Technologies, Inc.	8,300	78	118
Texas Regional Bancshares, Inc.	4,100	109	104
Three-Five Systems, Inc.	29,500	1,065	1,741
Tidewater, Inc.	16,500	511	594
Timberland Company	9,400	587	666
Time Warner Telecom, Inc.	3,100	153	200
Toll Brothers, Inc.	104,750	2,126	2,147
Tollgrade Communications, Inc.	23,850	1,979	3,160
Too, Inc.	26,900	583	684
Topps Company, Inc.	50,100	447	576
Toro Company	20,100	659	662
Tosco Corporation	23,500	614	665
Trans World Entertainment Corp.	28,000	336	340
TranSwitch Corp.	52,250	2,307	4,033
Triangle Pharmaceuticals, Inc.	5,600	104	51
Trigon Healthcare, Inc.	11,900	552	614
Trinity Industries, Inc.	20,900	647	387
Tucker Anthony Sutro	14,900	227	268
Tut Systems, Inc.	30,950	2,008	1,776
Tweeter Home Entertainment Group	60,900	1,876	1,850
UAL Corp.	15,600	994	908
UGI Corp.	13,700	270	281
USX-U.S. Steel Group	6,500	208	121
US Unwired, Inc.	17,100	212	222
Ultramar Diamond Shamrock Corp.	47,100	1,160	1,169
Umpqua Holdings Corp.	2,100	19	17
Unicorn Corp.	11,300	407	437
Union Pacific Resources Group	22,400	257	493
UnionBancorp, Inc.	3,500	54	39
Unisys Corp.	5,900	159	86
United Asset Management Corp.	29,800	604	697
United Natural Foods, Inc.	8,600	135	118
U.S. Industries, Inc.	33,900	475	411
United Stationers, Inc.	15,300	375	495

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
UnitedGlobalCom, Inc.	3,300	183	154
Universal Corp.	16,300	287	344
Universal Health Services, Inc.	12,900	686	845
USFreightways Corp.	9,100	393	224
UtiliCorp United, Inc.	35,700	715	710
Valassis Communications, Inc.	11,100	364	423
Valence Technology, Inc.	26,100	445	481
Valero Energy Corp.	29,900	917	942
Veeco Instruments, Inc.	2,994	139	219
Ventana Medial Systems, Inc.	2,700	66	63
VeriSign, Inc.	1,705	197	301
Vertex Pharmaceuticals, Inc.	10,200	538	1,075
Viatel, Inc.	3,700	170	106
Viad Corp.	10,100	261	275
Viant Corp.	9,200	334	273
Vignette Corp.	24,100	1,032	1,254
Vishay Intertechnology, Inc.	14,650	396	555
Visible Genetics, inc.	19,500	1,032	880
Vista Bancorp, Inc.	9,109	152	128
VoiceStream Wireless Corp.	3,000	409	349
Vulcan Materials	5,700	255	243
Waddell & Reed Financial, Inc.	18,600	313	610
Washington Gas Light Company	11,200	293	270
Wausau-Mosinee Paper Corp.	12,700	181	109
Wellman, Inc.	6,200	96	100
Wells Fargo Company	1	0	0
Werner Enterprises, Inc.	22,300	378	258
Westell Technologies, Inc.	12,600	336	189
Western Resources, Inc.	47,400	733	735
Western Wireless Corp.	8,700	325	474
Westvaco Corp.	16,000	401	397
Weyerhaeuser Company	6,300	312	271
Whirlpool Corp.	8,800	456	411
Whitehall Jewelers, Inc.	14,500	277	270
Wild Oats Markets, Inc.	28,250	403	355
Young & Rubican, Inc.	6,900	293	395
Zale Corp.	6,600	244	241
Everest Re Group Ltd.	16,200	522	533
Teekay Shipping Corp.	20,300	662	667
Total Domestic Equities		300,616	345,165
Foreign Equities-Developed Markets			
Advanced Energy Industries, Inc.	27,600	1,087	1,627
Core Laboratories N.V.	90,650	2,575	2,629
Total Foreign Equities-Developed Markets		3,662	4,256
Foreign Equities-Emerging Markets			
Banco de Galicia y Buenos Aire	13,691	206	203

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Banco Latinoamericano de Exp	19,700	492	545
Espirito Santo Financial Group	24,700	416	445
Total Foreign Equities-Emerging Markets		1,114	1,193
Total Equities	53.7%	305,392	350,614
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	12,666,497	12,666	12,666
Total Short-term Issues	1.9%	12,666	12,666
Total Non-Large Cap Domestic		\$ 619,690	\$ 653,389
International Qualified			
<i>Commingled Equity Pools</i>			
International Value Equity Group Trust-Silchester	6,377,843	\$ 106,422	\$ 126,584
Total Commingled Equity Pools	100.0%	106,422	126,584
Total International Qualified		\$ 106,422	\$ 126,584
International Nonqualified			
<i>Commingled Equity Pools</i>			
International Value Equity Trust-Silchester	1,550,147	\$ 24,722	\$ 32,580
Total Commingled Equity Pools	100.0%	24,722	32,580
Total International Nonqualified		\$ 24,722	\$ 32,580
International Equity			
<i>Foreign Equities</i>			
Foreign Equities-Developed Markets			
Dixons Group PLC	389,054	\$ 1,829	\$ 1,575
Safeway PLC	513,391	1,880	1,996
Amvescap PLC	451,918	3,910	7,183
Alcatel	53,595	1,659	3,564
British Telecommunications PLC	108,100	1,763	1,397
Celltech Group PLC	95,591	1,902	1,847
Diageo PLC	953,645	8,198	8,534
Kingfisher PLC	463,369	4,042	4,206
British Aerospace PLC	1,421,446	8,516	8,856
Nycomed Amersham PLC	334,586	2,941	3,326

*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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Williams PLC	461,000	2,218	2,668
Misys PLC	82,900	786	687
Independent Newspapers PLC	142,000	561	514
Unilever PLC	891,423	6,433	5,372
Ballard Power Systems, Inc.	4,384	128	394
National Power PLC	37,516	236	238
Bank of Montreal	77,700	2,912	3,317
United Utilities PLC	127,242	1,221	1,273
Royal & Sun Alliance Insurance	392,900	2,272	2,540
Prudential Corp. PLC	125,011	1,823	1,831
Vodafone AirTouch PLC	1,337,271	4,151	5,422
Railtrack Group PLC	283,465	3,693	4,389
Reckitt Benckiser PLC	184,000	2,139	2,043
Granada Group PLC	285,545	2,771	2,808
Royal Bank of Scotland Group	354,300	4,871	5,907
BP Amoco PLC	527,000	4,207	5,055
SSL International PLC	98,000	1,032	1,056
Shell Transport & Trading Co.	438,004	3,337	3,685
Standard Chartered PLC	169,101	2,293	2,102
BG Group PLC	437,000	2,656	2,817
AstraZeneca Group PLC	137,977	5,821	6,442
Alberta Energy Company, Ltd.	98,300	3,446	3,974
Ballard Power Systems, Inc.	7,033	361	637
Canadian National Railway Co.	134,900	3,392	3,930
ECI Telecommunications Ltd	73,300	2,152	2,620
Petro-Canada	168,400	2,831	3,148
Petroleum Geo-Services ASA	158,200	2,957	2,699
Elan Corp. PLC	33,098	1,405	1,603
Telefonaktiebolaget LM Ericson	134,200	1,264	2,684
Global Telesystems Group, Inc.	189,300	3,991	2,284
Axa	26,360	3,607	4,144
Assicurazioni Generali	150,400	4,786	5,145
Christian Dior SA	7,226	910	1,635
Banque Nationale de Paris	87,758	7,585	8,428
Thomson CSF	17,208	705	676
Castorama Dubois	14,900	3,679	3,677
DCC PLC	117,400	916	1,037
Iberdrola SA	141,689	2,017	1,823
ENI SpA	739,051	3,810	4,260
Hudson's Bay Company	266,800	2,811	2,832
Huhtamaki	17,300	579	541
Lagardere SCA	22,903	940	1,746
Fresenius AG	17,400	3,605	3,962
Nestle SA	3,696	6,939	7,380
Pernod-Ricard SA	47,200	2,468	2,563
Pirelli SpA	677,000	1,940	1,777
Renault SA	61,617	2,740	2,795
Parmalat Finanziaria SpA	3,832,000	4,699	5,396
Riunione Adriatica di Sicurtà	437,640	3,792	4,795

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Aventis	223,366	12,140	16,270
Merck KgaA	73,364	2,308	2,223
Swatch Group AG	1,873	1,296	2,376
Scor	14,115	744	613
SGL Carbon AG	41,184	3,487	2,735
Schneider Electric SA	51,600	3,479	3,589
Schweizerische Rueckversicheru	3,692	7,371	7,507
Usinor SA	101,169	1,409	1,232
Total Fina SA	5,985	779	916
Veba AG	89,745	4,428	4,395
Pechiney SA	49,519	2,289	2,062
Bank Austria AG	43,300	2,260	2,105
ING Group NV	114,432	6,656	7,719
Bayer AG	107,187	4,507	4,167
Metsa Serla Oyj	296,800	2,580	2,192
Prosegur, CIA de Seguridad SA	147,730	1,732	1,724
Novo Nordisk A/S	25,900	3,743	4,397
Nutreco Holding NV	46,500	1,704	1,772
Unique International NV	41,200	963	985
Sampo Insurance Company, Inc.	21,200	941	858
Autoliv, Inc.	107,000	2,964	2,616
Koninklijke Ahold NV	89,800	2,572	2,638
Endesa SA	81,454	1,923	1,575
Altana AG	18,158	1,408	1,436
Baloise Holding Ltd.	3,300	3,016	3,269
ERGO Versicherungs Gruppe AG	18,592	1,933	2,097
Nordic Baltic Holding AB	1,228,596	7,513	9,249
Akzo Nobel NV	86,068	3,556	3,649
Aixtron AG	8,162	626	1,120
Jenoptik AG	295,652	6,260	8,451
Alstom	298,066	8,098	8,040
Intershop Communications AG	2,331	742	1,051
PSI AG	16,471	679	378
Banca Nazionale del Lavoro	590,100	2,035	2,075
Swisscom AG	5,100	1,909	1,762
Man AG	43,832	1,593	1,339
Gas Natural SDG SA	30,941	568	554
Repsol SA	158,147	3,245	3,142
Investor AB	180,400	2,344	2,461
Vivendi	21,900	1,919	1,929
Agfa Gevaert NV	86,300	1,787	1,973
Credit Lyonnais	81,906	3,384	3,886
Bank of Ireland	343,000	2,002	2,157
Telefonica SA	214,592	4,112	4,600
QIAGEN, NV	15,631	2,548	2,711
Systematics AG	55,945	3,266	3,118
Viatel, Inc.	50,300	1,786	1,437
Fomento de Construcciones	94,000	2,008	1,773
Amadeus Global Travel Dist SA	270,603	2,798	3,081
Dresdner Bank AG	79,800	3,384	3,300

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Dexia	17,485	2,481	2,666
Accor SA	27,600	1,042	1,129
Nokia Oyj	77,515	1,627	3,948
United Pan-Europe Comm.	66,900	2,412	1,746
Koninklijke Philips Electronic	210,321	5,692	9,899
ASM Lithography Holding NV	48,666	1,914	2,088
Telefonaktiebolaget LM	141,632	1,814	2,798
Vestas Wind Systems A/S	26,226	988	961
Getronics NV	144,700	2,401	2,227
Amada Company Ltd	107,000	850	906
Acom Co. Ltd.	22,500	1,689	1,889
Australia & New Zealand Bankin	399,652	2,751	3,058
Belluna Company Ltd.	900	21	27
Bank of East Asia	1,178,000	2,856	2,750
Westpac Banking Corp. Limited	266,000	1,841	1,914
Trend Micro, Inc.	3,000	491	494
Kyorin Pharmaceutical Company	83,000	2,982	3,437
Canon, Inc.	43,000	1,873	2,136
Chugai Pharmaceutical Company	34,000	671	641
DDI Corp.	430	3,422	4,127
Dainippon Pharmaceutical Co.	34,000	303	452
First Pacific Company, Ltd.	3,168,000	2,145	1,077
Fuji Photo Film	70,000	2,539	2,859
Furukawa Electric Co. Ltd.	48,000	658	1,000
Hitachi Limited	200,000	2,160	2,879
Isetan Company Ltd.	314,000	2,822	3,841
Keyence Corp.	10	3	3
Kyocera Corp.	7,800	1,372	1,320
Lai Sun Hotels International	1,985,000	758	99
Marubeni Corp.	932,000	3,412	3,201
Marui Company Ltd.	65,000	1,191	1,242
Matsushita Electric Works Ltd.	82,000	921	1,014
Credit Saison Co. Ltd.	22,400	498	519
Mitsubishi Estate Co. Limited	74,000	890	869
News Corp. Ltd.	228,200	1,431	2,748
NEC Corp.	147,000	3,907	4,606
Nippon Telegraph & Telephone	277	4,147	3,675
Nippon Sheet Glass Co. Ltd.	70,000	769	971
Nikon Corp.	24,000	886	888
Nippon COMSYS Corp.	14,000	282	297
Nippon Television Network	2,000	1,004	1,299
Omron Corp.	89,000	2,262	2,412
Orix Corp.	17,540	1,916	2,583
Oversea-Chinese Banking Corp.	137,000	953	944
Sailor Pen Company Ltd.	213,000	3,104	3,808
Samsung Electronics	21,787	4,638	7,155
Sanyo Electric Co. Ltd.	115,000	933	1,032
Sekisui House Ltd.	23,000	224	212
Sharp Corp.	36,000	625	635
Shiseido Company Ltd.	66,000	906	1,019

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, 2000

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Sony Corp.	6,800	409	634
Square Company Ltd.	50	7	4
Sumitomo Corp.	267,000	3,022	2,997
Tokyo Seimitsue Company Ltd.	19,300	2,414	2,579
Tokyo Electron Limited	13,000	1,369	1,776
Tokyu Corp.	762,000	3,157	3,757
Toshiba Corp.	83,000	953	935
TOTO, Ltd.	206,000	1,461	1,578
Tsugami Corp.	67,000	384	333
United Overseas Bank Ltd.	483,088	3,376	3,160
Yaskawa Electric Corp.	74,000	536	882
Partner Communications Co.	211,900	2,052	2,013
Renaissance Energy Ltd.	185,200	1,961	1,797
SK Telecom Company Ltd.	90,300	1,346	3,279
Talisman Energy, Inc.	183,700	5,161	6,085
Total Foreign Equities-Developed Markets		434,407	483,248
Foreign Equities-Emerging Markets			
Companhia Brasileira de	37,400	710	1,201
Grupo Elektra SA de CV	2,021,000	973	2,032
Grupo Financiero Banamex	660,000	1,696	2,776
Samsung Electronics	29,488	3,161	5,691
Embratel Participacoes SA	70,500	1,431	1,666
Grupo Televisa SA	30,800	1,137	2,123
China Telecom (Hong Kong) Ltd.	594,000	2,206	5,238
HSBC Holdings PLC	247,600	2,748	2,827
Li & Fung Ltd.	680,000	678	3,402
Cheung Kong Holdings Ltd.	303,000	2,749	3,352
Hutchison Whampoa Ltd.	91,500	1,249	1,150
L.G. Chemical Ltd.	40,900	1,367	812
Philippine Long Distance Tel	79,300	1,950	1,421
Wheelock and Company Ltd.	2,514,000	2,676	1,645
Petroleo Brasileiro SA	72,900	1,249	2,150
Pohang Iron & Steel Co. Ltd.	76,000	2,621	1,824
Tele Cemtro Oeste Celular	136,200	1,470	1,634
Tele Norte Leste Participacoes	131,035	1,774	3,096
Videsh Sanchar Nigam Ltd.	94,800	1,590	1,481
Total Foreign Equities-Emerging Markets		33,435	45,521
Total Foreign Equities	96.7%	467,842	528,769
Stock Rights and Warrants			
Nippon Television Network	180	102	117
Dexia-Rights	17,485	-	-
Total Stock Rights and Warrants	0.0%	102	117

*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, 2000

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	18,259,843	18,260	18,260
Total Short-term Issues	3.3%	18,260	18,260
Total International Equity		\$ 486,204	\$ 547,146
STATUTORY INVESTMENTS			
Statutory Investments*			
<i>Investment</i>			
WV Regional Jail Authority 6.77% adjustable rate maturing 8/31/23		\$ 147,904	\$ 147,904
Total Investment		147,904	147,904
Total Statutory Investments		\$ 147,904	\$ 147,904

**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**

Statement of Operations

Year Ended June 30, 2000

(Dollars in thousands)

	Short-Term Fixed Income	Fixed Income
Investment income		
Interest income	\$ 11,855	\$ 85,776
Dividend income	-	-
Less withholding tax	-	-
Commission recapture	-	-
Net accretion (amortization)	274	10,905
	12,129	96,681
Expenses		
Investment advisor fees	(264)	(1,335)
Trustee fees	(2)	(13)
Custodian bank fees	(8)	(43)
Management fees	(33)	(257)
Fiduciary bond fees	(3)	(25)
Professional service fees	(13)	(104)
	(323)	(1,777)
Total expenses	(323)	(1,777)
Investment income, net	11,806	94,904
Realized and unrealized gain (loss) from investment securities		
Net realized gain (loss) on investments	(250)	(35,229)
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	143	14,417
Net increase in the fair value of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments	(107)	(20,812)
Net increase in net assets from operations	\$ 11,699	\$ 74,092

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>
\$ -	\$ 21,682	\$ -	\$ -
-	-	-	2,005
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>21,682</u>	<u>-</u>	<u>2,005</u>
(95)	(49)	(39)	(11)
(8)	(3)	(6)	(2)
-	-	-	-
(156)	(64)	(105)	(41)
(15)	(6)	(10)	(4)
(63)	(26)	(42)	(17)
<u>(337)</u>	<u>(148)</u>	<u>(202)</u>	<u>(75)</u>
(337)	21,534	(202)	1,930
(6,246)	(5,421)	-	16,804
-	-	-	-
31,296	(2,925)	44,681	(4,832)
-	-	-	-
<u>25,050</u>	<u>(8,346)</u>	<u>44,681</u>	<u>11,972</u>
<u>\$ 24,713</u>	<u>\$ 13,188</u>	<u>\$ 44,479</u>	<u>\$ 13,902</u>

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

Statement of Operations (Continued)

Year Ended June 30, 2000
(Dollars in thousands)

	Large Cap Domestic	Non-Large Cap Domestic
Investment income		
Interest income	\$ —	\$ 10
Dividend income	3,317	10,898
Less withholding tax	(13)	(2)
Commission recapture	47	115
Net accretion (amortization)	—	—
	3,351	11,021
Expenses		
Investment advisor fees	(570)	(1,286)
Trustee fees	(2)	(4)
Custodian bank fees	(20)	(72)
Management fees	(37)	(69)
Fiduciary bond fees	(4)	(7)
Professional service fees	(15)	(28)
	(648)	(1,466)
Total expenses		
Investment income, net	2,703	9,555
Realized and unrealized gain (loss) from investment securities		
Net realized gain (loss) on investments	10,897	35,538
Net realized loss from foreign currency transactions	—	—
Net increase (decrease) in the fair value of investments	17,720	(2,192)
Net increase in the fair value of assets and liabilities in foreign currencies	—	—
	28,617	33,346
Net gain (loss) from investments		
Net increase in net assets from operations	\$ 31,320	\$ 42,901

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ -	\$ -	\$ 110	\$ 10,596
-	-	6,436	-
-	-	(518)	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>6,028</u>	<u>10,596</u>
(646)	(273)	(2,347)	-
(1)	-	(3)	(1)
-	-	(348)	-
(15)	(5)	(56)	(27)
(2)	(1)	(5)	(3)
(6)	(2)	(22)	(11)
<u>(670)</u>	<u>(281)</u>	<u>(2,781)</u>	<u>(42)</u>
(670)	(281)	3,247	10,554
302	190	90,229	-
-	-	(15,678)	-
7,925	1,906	39,446	-
-	-	4,600	-
<u>8,227</u>	<u>2,096</u>	<u>118,597</u>	<u>-</u>
<u>\$ 7,557</u>	<u>\$ 1,815</u>	<u>\$ 121,844</u>	<u>\$ 10,554</u>

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

Statement of Changes in Net Assets

Year Ended June 30, 2000

(Dollars in thousands, except for Unit Transactions)

	Short-Term Fixed Income	Fixed Income
Operations		
Investment income, net	\$ 11,806	\$ 94,904
Net realized gain (loss) from investments	(250)	(35,229)
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	143	14,417
Net increase in the translation of assets and liabilities in foreign countries	-	-
Net increase (decrease) in net assets from operations	11,699	74,092
Distributions to unitholders		
Investment income, net	(11,668)	(96,422)
Net realized gain (loss) on investments	-	-
Total distributions	(11,668)	(96,422)
Fund unit transactions		
Proceeds from sale of units	1,132,513	241,548
Reinvestment of distributions	11,668	96,422
	1,144,181	337,970
Amount paid for repurchase of units	(1,141,554)	(511,245)
Net increase (decrease) in net assets from fund unit transactions	2,627	(173,275)
Contributions		
Withdrawals		
Increase (decrease) in net assets	2,658	(195,605)
Net assets, beginning of period	163,342	1,615,488
Net assets, end of period	\$ 166,000	\$ 1,419,883
Fund unit transactions		
Units sold	112,835,596	25,083,612
Units issued from reinvestment of distributions	1,159,622	10,009,340
	113,995,218	35,092,952
Units repurchased	(113,637,545)	(52,993,860)
Net increase (decrease) in fund units	357,673	(17,900,908)

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>
\$ (337)	\$ 21,534	\$ (202)	\$ 1,930
(6,246)	(5,421)	-	16,804
-	-	-	-
31,296	(2,925)	44,681	(4,832)
-	-	-	-
<u>24,713</u>	<u>13,188</u>	<u>44,479</u>	<u>13,902</u>
-	-	-	-
-	-	-	-
-	-	-	-
3,374	96,006	134,794	22,521
-	-	-	-
<u>3,374</u>	<u>96,606</u>	<u>134,794</u>	<u>22,521</u>
(278,489)	(100,726)	(245)	(73,783)
<u>(275,115)</u>	<u>(4,720)</u>	<u>134,549</u>	<u>(51,262)</u>
-	-	-	-
-	-	-	-
<u>(250,402)</u>	<u>8,468</u>	<u>179,028</u>	<u>(37,360)</u>
931,470	388,255	560,328	201,856
<u>\$ 681,068</u>	<u>\$ 396,723</u>	<u>\$ 739,356</u>	<u>\$ 164,496</u>
342,957	9,695,830	9,567,366	1,594,804
-	-	-	-
<u>342,957</u>	<u>9,695,830</u>	<u>9,567,366</u>	<u>1,594,804</u>
(28,312,961)	(10,168,104)	(16,520)	(5,119,182)
<u>(27,970,004)</u>	<u>(472,274)</u>	<u>9,550,846</u>	<u>(3,524,378)</u>

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

Statement of Changes in Net Assets (Continued)

Year Ended June 30, 2000

(Dollars in thousands, except for Unit Transactions)

	Large Cap Domestic	Non-Large Cap Domestic
Operations		
Investment income, net	\$ 2,703	\$ 9,555
Net realized gain (loss) from investments	10,897	35,538
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	17,720	(2,192)
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	31,320	42,901
Distributions to unitholders		
Investments income, net	-	-
Net realized gain (loss) on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	94,782	230,367
Reinvestment of distributions	-	-
	94,782	230,367
Amount paid for repurchase of units	-	(1,675)
Net increase (decrease) in net assets from fund unit transactions	94,782	228,692
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	126,102	271,593
Net assets, beginning of period	217,185	374,249
Net assets, end of period	\$ 343,287	\$ 645,842
Fund unit transactions		
Units sold	8,210,911	22,613,992
Units issued from reinvestment of distributions	-	-
	8,210,911	22,613,992
Units repurchased	-	(154,458)
Net increase (decrease) in fund units	8,210,911	22,459,534

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ (670)	\$ (281)	\$ 3,247	\$ 10,554
302	190	90,229	-
-	-	(15,678)	-
7,925	1,906	39,446	-
-	-	4,600	-
<u>7,557</u>	<u>1,815</u>	<u>121,844</u>	<u>10,554</u>
-	-	-	-
-	-	-	-
-	-	-	-
23,924	794	181,120	-
-	-	-	-
<u>23,924</u>	<u>794</u>	<u>181,120</u>	<u>-</u>
(453)	(986)	(875)	-
<u>23,471</u>	<u>(192)</u>	<u>180,245</u>	<u>-</u>
-	-	-	-
-	-	-	(13,778)
31,028	1,623	302,089	(3,224)
<u>95,555</u>	<u>30,957</u>	<u>249,985</u>	<u>151,953</u>
<u>\$ 126,583</u>	<u>\$ 32,580</u>	<u>\$ 552,074</u>	<u>\$ 148,729</u>
2,057,404	59,051	13,188,640	-
-	-	-	-
<u>2,057,404</u>	<u>59,051</u>	<u>13,188,640</u>	<u>-</u>
(38,277)	(74,880)	(77,113)	-
<u>2,019,127</u>	<u>(15,829)</u>	<u>13,111,527</u>	<u>-</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, Wildlife Endowment Fund, and the Prepaid Tuition Trust 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 Silchester International Investors’ Value Equity Group Trust. This pool is expected to produce investment returns that exceed the Morgan Stanley Capital International’s Europe Australasia Far East (free) (EAFE) Index by 200 basis points on an annualized basis over rolling three- to five-year periods, net of fees. Only “qualified” participants (as defined by the *Internal Revenue Code*) 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 Financial Corporation 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. Risk associated with such contracts include movement in the value of the foreign currency related to the U.S. dollar and the ability of the counterparty to perform. These contracts have relatively short durations and are valued at the prevailing market exchange rates at month end. An unrealized gain or loss is recorded as the difference between the amount valued at month end and the amount to be received or paid at the expiration date. The unrealized gain or loss is reclassified to realized gain or loss when the contract expires.

Asset-Backed Securities – Certain portfolios invest in various asset-backed securities, mortgage-backed securities, and structured corporate debt. The securities are reported at fair value. They are included in the totals of government securities and corporate securities, depending on the issuer, in the disclosure of custodial credit risk. The portfolios invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

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 Short-Term Fixed Income Pool and the Fixed Income Pool (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 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, 2023.

NOTE 4 FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 2000, the International Equity pool held the following open foreign exchange 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	Euro Currency Unit	07/03/2000	900,000	\$ 857,520	–	\$ 862,083	\$ (4,563)
Long	Euro Currency Unit	07/03/2000	982,620	936,240	–	935,651	589
Long	Euro Currency Unit	07/03/2000	476,525	454,033	–	449,935	4,098
Short	Canadian Dollar	07/05/2000	–	88,072	130,518	88,229	(157)
Long	Euro Currency Unit	07/05/2000	273,594	260,680	–	261,282	(602)
Short	Japanese Yen	07/05/2000	–	3,682	390,150	3,671	11
Short	Japanese Yen	07/05/2000	–	1,860	197,034	1,854	6
Long	Swedish Krona	07/05/2000	12,035,021	1,362,364	–	1,373,077	(10,713)
Short	Canadian Dollar	07/06/2000	–	71,456	105,862	71,561	(105)
Short	British Pound	07/07/2000	–	789,397	520,968	788,199	1,198
Long	Euro Currency Unit	07/17/2000	190,424	181,436	–	181,998	(562)
Short	Euro Currency Unit	07/31/2000	–	898,258	939,109	894,783	3,475
Short	Euro Currency Unit	07/31/2000	–	221,390	235,651	224,529	(3,139)
				<u>\$ 6,126,388</u>		<u>\$ 6,136,852</u>	<u>\$ (10,464)</u>

NOTE 5 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, 2000, 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	\$ 1,089,682	\$ –	\$ –	\$ 1,089,682	\$ 1,089,682
Corporate bonds	548,594	–	–	548,594	548,594
Common and preferred stocks	1,218,148	–	–	1,218,148	1,218,148
Repurchase agreements	147,938	–	–	147,938	147,938
Commercial paper	133,183	–	–	133,183	133,183
Total Categorized	<u>\$ 3,137,545</u>	<u>\$ –</u>	<u>\$ –</u>	<u>3,137,545</u>	<u>3,137,545</u>
Uncategorized:					
Commingled pools				2,464,885	2,464,885
Statutory investments				<u>147,904</u>	<u>147,904</u>
Total Investments				<u>\$ 5,750,334</u>	<u>\$ 5,750,334</u>

NOTE 6 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$6,225,513,454 and \$6,562,155,504, respectively, for U.S. government obligations; purchases and sales of corporate securities are \$2,849,504,778 and \$2,099,234,962.

Consolidated Fund



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 Fund managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 2000, and the related statements of operations and changes in net assets 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 auditing standards generally accepted in the United States of America. 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 managed by the WVIMB as of June 30, 2000, and the results of their operations and changes in their net assets for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

September 1, 2000



**Consolidated Fund
West Virginia Investment Management Board**

Statement of Assets and Liabilities

June 30, 2000

(Dollars in thousands, except Investment Unit Data)

	Cash Liquidity	Government Money Market	Enhanced Yield	Loss Amortization
Assets				
Investment securities:				
At amortized cost	\$ 926,957	\$ 126,298	\$ -	\$ -
At fair value	-	-	337,393	98,814
Cash	-	-	-	-
Receivables:				
Accrued interest	4,024	548	4,234	-
Investments sold	-	-	-	-
Other	-	-	-	-
Total assets	930,981	126,846	341,627	98,814
Liabilities				
Accrued expenses	10	(10)	4	-
Payable for investments purchased	2,018	3,017	-	-
Total liabilities	2,028	3,007	4	-
Net assets at value	\$ 928,953	\$ 123,839	\$ 341,623	\$ 98,814
Net assets				
Paid-in capital	\$ 928,952	\$ 123,836	\$ 342,946	\$ 183,415
Accumulated undistributed net				
Investment income	1	3	1,718	-
Accumulated undistributed net				
realized loss	-	-	(288)	(103,583)
Unrealized net appreciation				
(depreciation) of investments	-	-	(2,753)	18,982
Net assets at value	\$ 928,953	\$ 123,839	\$ 341,623	\$ 98,814
Investment unit data:				
Units outstanding	928,952,035	123,835,542	3,410,116	183,415,000
Net asset value, unit price	\$1.00	\$1.00	\$100.18	\$0.54

See accompanying notes to financial statements.

<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>
\$ 124,469	\$ 179,968	\$ 128,997	\$ -	\$ -	\$ 447
-	-	-	7,357	1,533	-
12	-	-	-	-	-
335	1,145	295	-	-	-
-	-	-	-	-	-
109	-	-	-	-	-
<u>124,925</u>	<u>181,113</u>	<u>129,292</u>	<u>7,357</u>	<u>1,533</u>	<u>447</u>
5	2	3	-	-	-
-	5,699	-	-	-	-
<u>5</u>	<u>5,701</u>	<u>3</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 124,920</u>	<u>\$ 175,412</u>	<u>\$ 129,289</u>	<u>\$ 7,357</u>	<u>\$ 1,533</u>	<u>\$ 447</u>

\$ 124,920
-
-
-
<u>\$ 124,920</u>

124,919,914
\$1.00

Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
Cash Liquidity					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	6.000%	08/15/2000	\$ 8,000	\$ 8,006	\$ 7,999
U.S. Treasury Note	5.750	10/31/2000	3,000	2,995	2,995
U.S. Treasury Note	4.000	10/31/2000	4,000	3,973	3,971
U.S. Treasury Note	5.750	11/15/2000	9,000	8,988	8,980
U.S. Treasury Note	5.625	11/30/2000	10,000	9,978	9,974
U.S. Treasury Note	5.500	12/31/2000	3,500	3,486	3,485
U.S. Treasury Note	4.625	12/31/2000	30,000	29,709	29,742
U.S. Treasury Note	5.375	02/15/2001	10,000	9,946	9,934
U.S. Treasury Note	5.000	02/28/2001	17,000	16,844	16,843
U.S. Treasury Note	5.625	02/28/2001	20,000	19,900	19,900
U.S. Treasury Note	4.875	03/31/2001	24,500	24,212	24,209
U.S. Treasury Note	6.250	04/30/2001	7,000	6,987	6,986
Total U.S. Treasury Issues	15.6%			145,024	145,018
<i>U.S. Government Agency Issues</i>					
U.S. Government Agency Bonds					
Federal Home Loan Bank	5.500	07/14/2000	1,000	1,000	1,000
Federal Home Loan Bank	5.875	09/07/2000	3,000	2,999	2,997
Federal Home Loan Bank	5.970	12/01/2000	4,000	3,998	3,986
Federal National Mortgage Assn	5.900	12/01/2000	1,690	1,685	1,683
Federal Home Loan Bank	5.375	03/02/2001	5,000	4,958	4,952
Federal Home Loan Bank	6.500	03/20/2001	4,200	4,198	4,187
Federal Farm Credit Bank	5.570	03/23/2001	3,765	3,725	3,729
Federal National Mortgage Assn	6.570	04/26/2001	5,000	4,996	4,984
Total U.S. Government Agency Bonds				27,559	27,518
Total U.S. Government Agency Issues	3.0%			27,559	27,518
<i>Corporate Issues</i>					
U.S. Corporate Bonds					
Wal-Mart Stores	9.100	07/15/2000	5,000	5,006	4,996
John Deere Capital Corp	6.390	09/18/2000	1,000	1,000	998
CIT Group Inc	5.000	10/06/2000	11,000	10,960	10,938
Fleet Credit Card LLC	6.450	10/30/2000	2,050	2,051	2,046
Newell Rubbermaid Inc	6.000	11/22/2000	4,000	3,991	3,981
Donnelley & Sons	9.125	12/01/2000	5,000	5,052	5,040
AT&T Capital Corp	6.875	01/16/2001	3,380	3,371	3,369
IBM Credit Corp	5.180	02/05/2001	10,000	9,916	9,886
Barclays Bank	6.685	02/20/2001	10,000	9,988	9,997
General Motors Acceptance Corp	5.400	02/26/2001	8,000	7,931	7,898
General Electric Capital Corp	5.920	04/03/2001	6,500	6,461	6,447

A-Adjustable rate security.

*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, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
General Motors Acceptance Corp	5.350	05/04/2001	10,000	9,838	9,832
Vodafone AirTouch PLC	6.962 A	12/19/2001	10,000	9,994	10,036
Total U.S. Corporate Bonds				85,559	85,464
Total Corporate Issues	9.2%			85,559	85,464
Short-Term Issues					
Morgan Stanley Dean Witter Repurchase Agreement	6.820	07/03/2000	52,000	52,000	52,000
Prudential Securities Repurchase Agreement	6.850	07/03/2000	53,411	53,411	53,411
General Motors Acceptance Corp Commercial Paper	0.000	07/03/2000	5,000	4,998	4,998
Hertz Corp Commercial Paper	0.000	07/03/2000	5,000	4,998	4,998
Coca Cola Enterprises Commercial Paper 144A	0.000	07/05/2000	10,000	9,993	9,993
Baker Hughes Inc Comm Paper 144A	0.000	07/05/2000	15,000	14,988	14,988
Deer & Co Commercial Paper	0.000	07/05/2000	5,000	4,996	4,996
Homeside Lending Inc Comm Paper	0.000	07/05/2000	5,000	4,996	4,996
General Electric Capital Corp Commercial Paper	0.000	07/05/2000	20,000	19,985	19,985
Merrill Lynch & Company Inc Commercial Paper	0.000	07/05/2000	5,000	4,996	4,996
Morgan Stanley Dean Witter Commercial Paper	0.000	07/05/2000	3,000	2,998	2,998
Prudential Funding Corp Comm Paper	0.000	07/05/2000	5,000	4,996	4,996
General Electric Capital Corp Commercial Paper	0.000	07/06/2000	3,000	2,997	2,997
Federal National Mortgage Assn Discount Note	0.000	07/06/2000	3,000	2,997	2,998
Ford Motor Credit Company Commercial Paper	0.000	07/06/2000	3,000	2,997	2,997
Budget Funding Corp Comm Paper	0.000	07/06/2000	10,000	9,990	9,990
Hertz Corp Commercial Paper	0.000	07/06/2000	10,000	9,991	9,991
Metlife Funding Inc Comm Paper	0.000	07/06/2000	5,000	4,995	4,995
Prudential Funding Corp Comm Paper	0.000	07/07/2000	5,000	4,995	4,995
Ford Motor Credit Company Commercial Paper	0.000	07/07/2000	5,000	4,995	4,995
Deutsche Bank Financial Comm Paper	0.000	07/07/2000	7,800	7,791	7,791
CSW Credit Inc Commercial Paper	0.000	07/07/2000	10,000	9,989	9,989
Daimler Chrysler Na Holdings Commercial Paper	0.000	07/07/2000	5,000	4,994	4,994
Smithkline Beecham Commercial Paper	0.000	07/07/2000	10,000	9,989	9,989
Bavaria Universal Funding Commercial Paper AB 144A	0.000	07/10/2000	3,000	2,995	2,995
Kitty Hawk Funding Corp Commercial Paper 144A	0.000	07/10/2000	5,000	4,991	4,991

A-Adjustable rate security.

**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, 2000
(Dollars in thousands)

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Amortized Cost</u>	<u>Fair Value*</u>
Merrill Lynch & Company Inc Commercial Paper	0.000	07/10/2000	3,000	2,995	2,995
Wal-Mart Stores Inc Comm Paper 144A	0.000	07/11/2000	5,000	4,991	4,991
Hertz Corp Commercial Paper	0.000	07/11/2000	5,000	4,991	4,991
Goldman Sachs Group LP Comm Paper	0.000	07/12/2000	5,000	4,991	4,991
Amsterdam Funding Corp Commercial Paper 144A	0.000	07/12/2000	5,000	4,990	4,990
BellSouth Telecomm Inc Comm Paper	0.000	07/12/2000	10,000	9,980	9,980
Old Line Funding Corp Commercial Paper 144A	0.000	07/12/2000	5,000	4,990	4,990
SwedBank Commercial Paper	0.000	07/13/2000	5,000	4,990	4,990
SBC Communications Inc Commercial Paper 144A	0.000	07/13/2000	10,000	9,978	9,978
Windmill Funding Corp Commercial Paper 144A	0.000	07/13/2000	5,000	4,989	4,989
Credit Suisse First Boston Inc Commercial Paper 144A	0.000	07/14/2000	10,000	9,977	9,977
National Rural Utilities Co-op Commercial Paper	0.000	07/14/2000	5,000	4,988	4,988
CIT Group Holdings Inc Comm Paper	0.000	07/17/2000	5,000	4,986	4,986
Sheffield Receivables Commercial Paper AB 144A	0.000	07/17/2000	5,000	4,985	4,985
Volkswagen of America Commercial Paper 144A	0.000	07/17/2000	10,000	9,971	9,971
General Electric Capital Corp Commercial Paper	0.000	07/18/2000	5,000	4,985	4,985
Goldman Sachs Group LP Comm Paper	0.000	07/18/2000	5,000	4,984	4,984
Homeside Lending Inc Comm Paper	0.000	07/19/2000	5,000	4,984	4,984
Eastman Kodak Commercial Paper	0.000	07/20/2000	10,000	9,967	9,967
National Rural Utilities Co-op Commercial Paper	0.000	07/20/2000	5,000	4,983	4,983
Coca Cola Co Commercial Paper	0.000	07/20/2000	10,000	9,965	9,965
Colgate Palmolive Co Commercial Paper	0.000	07/21/2000	10,000	9,966	9,966
CIT Group Holdings Inc Comm Paper	0.000	07/21/2000	5,000	4,982	4,982
Bell Atlantic Financial Services Commercial Paper	0.000	07/24/2000	10,000	9,958	9,958
Daimler Chrysler Na Holdings Commercial Paper	0.000	07/24/2000	5,000	4,979	4,979
Morgan Stanley Dean Witter Commercial Paper	0.000	07/24/2000	5,000	4,980	4,980
American Greetings Corp Comm Paper	0.000	07/25/2000	10,000	9,956	9,956
Caterpillar Financial Services Commercial Paper	0.000	07/26/2000	5,000	4,977	4,977
Motorola Inc Commercial Paper	0.000	07/27/2000	10,000	9,952	9,952
General Motors Acceptance Corp Commercial Paper	0.000	07/27/2000	5,000	4,976	4,976
Bell Atlantic Network Funding Commercial Paper	0.000	07/31/2000	10,000	9,945	9,945

A-Adjustable rate security.

**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, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
AT&T Corp Commercial Paper	0.000	08/02/2000	10,000	9,942	9,942
Salomon Smith Barney Holdings Commercial Paper	0.000	08/02/2000	10,000	9,942	9,942
Corporate Asset Funding Co Commercial Paper 144A	0.000	08/03/2000	10,000	9,940	9,940
BMW US Capital Corp Comm Paper	0.000	08/04/2000	10,000	9,938	9,938
Corporate Asset Funding Co Commercial Paper 144A	0.000	08/07/2000	10,000	9,932	9,932
Cardinal Health Inc Comm Paper 144A	0.000	08/08/2000	10,000	9,931	9,931
American Honda Finance Comm Paper	0.000	08/10/2000	5,000	4,963	4,963
Bell Atlantic Financial Services Commercial Paper	0.000	08/11/2000	10,000	9,924	9,924
Wal-Mart Stores Inc Comm Paper 144A	0.000	08/15/2000	10,000	9,918	9,918
Ciesco LP Commercial Paper	0.000	08/17/2000	10,000	9,914	9,914
Commerzbank AG Yankee CD	0.000	08/22/2000	10,000	9,999	9,999
Daimler Chrysler Na Holdings Commercial Paper	0.000	08/28/2000	15,000	14,840	14,840
Federal National Mortgage Association Discount Note	0.000	08/31/2000	5,000	4,949	4,947
Caterpillar Inc Commercial Paper	0.000	08/31/2000	10,000	9,889	9,845
DuPont El de Nemours Co Comm Paper	0.000	09/11/2000	10,000	9,868	9,836
BMW US Capital Corp Comm Paper	0.000	09/14/2000	10,000	9,863	9,832
Salomon Smith Barney Holdings Commercial Paper	0.000	09/15/2000	10,000	9,861	9,841
Motorola Inc Commercial Paper	0.000	09/29/2000	10,000	9,835	9,793
Dresdner Bank AG Yankee CD	6.620	03/01/2001	10,000	9,965	9,965
Societte Generale Yankee CD	7.335	05/18/2001	10,000	10,010	10,011
Total Short-Term Issues	72.2%			668,815	668,646
Total Cash Liquidity				<u>\$ 926,957</u>	<u>\$ 926,646</u>
Government Money Market					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	5.000%	02/28/2001	\$10,000	\$ 9,909	\$ 9,908
U.S. Treasury Note	5.625	02/28/2001	10,000	9,950	9,950
U.S. Treasury Note	4.875	03/31/2001	10,000	9,891	9,881
U.S. Treasury Note	5.250	05/31/2001	2,000	1,973	1,978
U.S. Treasury Note	6.500	05/31/2001	8,000	7,993	8,000
Total U.S. Treasury Issues	31.4%			39,716	39,717

A-Adjustable rate security.

**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, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
<i>Short-Term Issues</i>					
Morgan Stanley Dean Witter Repurchase Agreement	6.820	07/03/2000	45,900	45,900	45,900
Prudential Securities Repurchase Agreement	6.850	07/03/2000	40,682	40,682	40,682
Total Short-Term Issues	68.6%			86,582	86,582
Total Government Money Market				\$ 126,298	\$ 126,299
<i>Enhanced Yield</i>					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	6.000%	08/15/2000	\$ 2,000	\$ 2,000	\$ 2,000
U.S. Treasury Note	6.125	09/30/2000	3,000	3,003	2,998
U.S. Treasury Note	5.750	10/31/2000	1,500	1,496	1,498
U.S. Treasury Note	5.625	11/30/2000	2,000	1,992	1,995
U.S. Treasury Note	5.375	02/15/2001	7,000	6,992	6,954
U.S. Treasury Note	6.375	03/31/2001	1,500	1,498	1,499
U.S. Treasury Note	6.500	05/31/2001	10,000	10,004	10,000
U.S. Treasury Note	6.625	06/30/2001	12,500	12,589	12,516
U.S. Treasury Note	6.625	07/31/2001	10,000	10,114	10,012
U.S. Treasury Note	7.875	08/15/2001	2,000	2,044	2,029
U.S. Treasury Note	5.875	10/31/2001	15,000	14,859	14,883
U.S. Treasury Note	6.250	02/28/2002	1,500	1,538	1,495
U.S. Treasury Note	6.625	04/30/2002	10,000	10,008	10,031
U.S. Treasury Note	5.875	09/30/2002	20,000	20,026	19,778
U.S. Treasury Bond	11.625	11/15/2002	2,000	2,263	2,220
U.S. Treasury Note	6.250	02/15/2003	2,800	2,823	2,790
U.S. Treasury Note	5.750	04/30/2003	5,000	4,890	4,920
U.S. Treasury Note	5.750	08/15/2003	20,000	19,906	19,659
U.S. Treasury Note	7.250	08/15/2004	10,000	10,194	10,339
Total U.S. Treasury Issues	40.8%			138,239	137,616
<i>U.S. Government Agency Issues</i>					
U.S. Government Agency Bonds					
Federal National Mortgage Assn	5.880	07/17/2000	3,000	2,999	3,000
Federal Home Loan Bank	5.620	08/10/2000	5,000	5,000	4,996
Federal National Mortgage Assn	5.970	10/02/2000	5,000	5,000	4,998
Federal Home Loan Bank	4.945	11/20/2000	5,000	5,000	4,977
Federal Home Loan Bank	5.970	12/11/2000	5,000	5,001	4,980
Federal National Mortgage Assn	5.720	03/13/2001	3,000	2,987	2,976
Federal National Mortgage Assn	6.160	04/03/2001	5,000	5,021	4,970
Federal National Mortgage Assn	6.690	08/07/2001	3,500	3,501	3,487
Federal Home Loan Bank	6.330	10/09/2001	3,000	2,997	2,976
Federal Farm Credit Bank	6.375	11/01/2001	3,000	3,007	2,976

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
Federal Home Loan Mortgage Corp	6.800	04/08/2002	3,000	2,998	2,990
Federal National Mortgage Assn	6.590	05/16/2002	6,000	5,993	5,957
Federal National Mortgage Assn	6.060	10/08/2002	5,400	5,427	5,290
Federal National Mortgage Assn	5.890	11/06/2002	5,000	4,983	4,877
Federal National Mortgage Assn	5.980	11/12/2002	5,470	5,462	5,344
Federal Home Loan Bank	5.785	04/23/2003	5,000	4,987	4,841
Federal Home Loan Bank	5.775	05/01/2003	5,000	4,996	4,837
Federal Farm Credit Bank	5.700	06/18/2003	2,000	2,016	1,925
Federal Home Loan Bank	5.600	09/02/2003	4,000	4,025	3,830
Total U.S. Government Agency Bonds				81,400	80,227
Total U.S. Government Agency Issues	23.8%			81,400	80,227
Corporate Issues					
U.S. Corporate Bonds					
Sara Lee Corp	5.750	07/14/2000	1,000	1,000	1,000
Household Finance Corp	6.650	08/14/2000	1,500	1,501	1,499
Bear Stearns Company, Inc	6.750	08/15/2000	1,000	1,001	1,000
Merrill Lynch & Company, Inc	6.375	10/17/2000	2,000	2,000	1,996
Penske Truck Leasing	6.650	11/01/2000	2,500	2,504	2,498
Dow Jones & Company, Inc	5.750	12/01/2000	2,000	1,992	1,990
Chase Manhattan Corp	5.150	12/15/2000	4,000	4,000	3,966
Public Service Company of Colorado	6.600	02/01/2001	1,500	1,496	1,495
Household Finance Corp	6.450	03/15/2001	5,000	4,986	4,960
Bank of America Corp	6.650	05/01/2001	2,500	2,526	2,491
Sears Roebuck Acceptance Corp	6.670	05/01/2001	1,000	996	996
General Electric Capital Corp	6.350	09/15/2001	3,500	3,495	3,467
International Lease Finance Company	5.500	01/15/2002	5,000	5,003	4,891
Ford Motor Credit Company	8.200	02/15/2002	410	419	414
M & I Bank Northeast	7.250	03/22/2002	3,500	3,497	3,497
Wal-Mart Stores	6.750	05/15/2002	1,000	1,009	996
CIT Group, Inc	7.375	03/15/2003	2,000	1,980	1,988
National Rural Utilities Co-op	5.200	10/21/2003	2,000	1,886	1,877
General Motors Acceptance Corp	6.550	11/17/2003	1,500	1,477	1,454
General Electric Capital Corp	7.250	05/03/2004	2,300	2,299	2,306
General Motors Acceptance Corp	7.500	05/10/2004	3,000	3,031	2,991
Total U.S. Corporate Bonds				48,098	47,772
Corporate Asset Backed Issues					
Premier Auto Trust	5.630	08/06/2001	144	144	144
Ford Credit Auto Owner Trust	5.310	11/15/2001	4,000	3,998	3,986
Navistar Financials	5.550	02/15/2002	237	236	236
Union Acceptance Corp	6.050	06/10/2002	395	396	395
Ford Credit Auto Owner Trust	5.800	06/15/2002	1,500	1,493	1,485
Capital Auto Rec Asset Trust	5.580	06/15/2002	3,875	3,867	3,835

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
John Deere Owner Trust	5.940	10/15/2002	300	298	296
Premier Auto Trust	5.690	11/08/2002	2,500	2,504	2,470
Citibank Credit Card Master Trust	5.750	01/15/2003	3,535	3,544	3,504
WFS Financial Owner Trust	5.550	02/20/2003	485	481	479
Premier Auto Trust	5.780	04/08/2003	2,500	2,521	2,454
Premier Auto Trust	6.270	04/08/2003	270	269	267
Arcadia Automobile Rec Trust	6.300	07/15/2003	2,300	2,295	2,275
Key Auto Finance Trust	5.630	07/15/2003	3,000	3,000	2,966
Discover Card Master Trust	5.800	09/16/2003	4,000	4,015	3,966
Onyx Acceptance Auto Trust	6.820	11/15/2003	4,000	3,999	3,971
WFS Financial Owner Trust	5.700	11/20/2003	11,000	10,820	10,702
Arcadia Automobile Rec Trust	6.900	12/15/2003	6,018	6,016	5,981
Union Acceptance Corp	5.840	01/08/2004	3,700	3,689	3,654
Onyx Acceptance Auto Trust	6.020	04/15/2004	2,000	1,946	1,953
Prime Credit Card Master Trust	6.700	07/15/2004	415	415	413
Onyx Acceptance Auto Trust	7.000	11/15/2004	1,615	1,600	1,605
Discover Card Master Trust	5.650	11/16/2004	960	945	934
Union Acceptance Corp	6.410	05/10/2005	1,000	992	990
Proffitt's Credit Card	6.500	12/15/2005	2,000	1,993	1,977
Sears Credit Acc Master Trust	6.450	10/16/2006	5,000	5,060	4,967
Total Corporate Asset Backed Issues				66,536	65,905
Total Corporate Issues	33.7%			114,634	113,677
Short-Term Issues					
Prudential Securities Repurchase Agreement	6.850	07/03/2000	5,873	5,873	5,873
Total Short-Term Issues	1.7%			5,873	5,873
Total Enhanced Yield				\$ 340,146	\$ 337,393
Loss Amortization					
U.S. Treasury Issues					
U.S. Treasury Strip-Int	0.000%	02/15/2005	\$22,000	\$ 15,257	\$ 16,594
U.S. Treasury Strip-Int	0.000	08/15/2005	31,000	19,520	22,685
U.S. Treasury Strip-Int	0.000	02/15/2010	20,000	8,395	11,091
U.S. Treasury Strip-Int	0.000	11/15/2011	80,300	31,246	39,850
Total U.S. Treasury Issues	91.3%			74,418	90,220
U.S. Government Agency Issues					
U.S. Government Agency Bonds					
Resolution Funding Corp.	0.000	10/15/2019	30,115	5,414	8,594
Total U.S. Government Agency Bonds				5,414	8,594

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par Value</u>	<u>Amortized Cost</u>	<u>Fair Value*</u>
Total U.S. Government Agency Issues	8.7%			5,414	8,594
Total Loss Amortization				\$ 79,832	\$ 98,814
Loans					
<i>Short-Term Issues</i>					
Prudential Securities Repurchase Agreement	6.850%	07/03/2000	\$ 15,118	\$ 15,118	\$ 15,118
Total Short-term Issues	12.1%			15,118	15,118
<i>Loans and Mortgages</i>					
FHA/VA Mortgages					
Charleston NB	7.750	11/01/2003	15	15	15
Charleston NB	7.750	03/01/2004	3	3	3
Charleston NB	7.000	05/01/2004	68	68	68
Charleston NB	8.250	05/01/2004	24	24	24
Charleston NB	8.250	08/01/2004	53	53	53
Charleston NB	9.000	12/01/2004	9	9	9
Charleston NB	7.000	03/01/2005	84	84	84
Charleston NB	8.000	08/01/2005	114	114	114
Charleston NB	9.000	02/01/2006	41	41	41
Charleston NB	8.750	05/01/2006	39	39	39
Charleston NB	8.500	07/01/2006	81	81	81
Charleston NB	8.750	10/01/2006	48	48	48
Charleston NB	8.000	04/01/2007	125	125	125
Charleston NB	8.500	03/01/2008	456	456	456
Charleston NB	9.500	09/01/2008	65	65	65
Citizens NB	7.000	06/01/2003	7	7	7
Citizens NB	7.750	11/01/2003	12	12	12
Citizens NB	8.250	04/01/2004	17	17	17
Citizens NB	8.000	09/01/2007	162	162	162
Citizens NB	8.500	11/01/2007	174	174	174
Citizens NB	8.750	05/01/2008	54	54	54
Citizens NB	9.000	07/01/2008	25	26	26
Citizens NB	10.000	09/01/2009	24	24	24
Home (Atlantic)	7.750	02/01/2004	80	80	80
Home (Atlantic)	7.000	08/01/2003	4	4	4
Home (Atlantic)	8.250	04/01/2004	47	47	47
Home (Atlantic)	9.500	03/01/2005	15	15	15
Home (Atlantic)	9.000	02/01/2006	65	65	65
Home (Atlantic)	8.000	04/01/2007	321	321	321
Home (Atlantic)	8.750	05/01/2008	473	473	473
Home (Atlantic)	10.000	10/01/2009	80	80	80
Home (Atlantic)	10.500	10/01/2009	27	28	28
Home (Atlantic)	11.500	11/01/2009	7	7	7
Home (Atlantic)	8.500	08/01/2014	453	453	453

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
Huntington	7.000	08/01/2003	36	36	36
Huntington	9.500	11/01/2003	10	10	10
Huntington	8.250	02/01/2004	15	15	15
Huntington	9.000	01/01/2006	24	24	24
Huntington	8.000	04/01/2007	28	28	28
Huntington	8.500	01/01/2008	98	98	98
Kissell	7.000	06/01/2001	1	1	1
Kissell	7.000	10/01/2003	86	86	86
Kissell	7.750	12/01/2003	17	17	17
Kissell	8.250	06/01/2004	43	43	43
Kissell	9.500	11/01/2004	12	12	12
Kissell	9.000	03/01/2006	32	32	32
Kissell	8.750	05/01/2006	24	24	24
Kissell	8.500	06/01/2006	18	18	18
Kissell	8.000	09/01/2007	296	296	296
Kissell	8.500	01/01/2008	294	294	294
Mason (Peoples)	8.500	12/01/2006	89	89	89
Mason (Peoples)	8.000	07/01/2007	8	8	8
Mason (Peoples)	10.500	12/01/2009	27	27	27
OVV (FFSL)	8.500	09/01/2005	45	45	45
OVV (FFSL)	9.000	11/01/2005	8	8	8
OVV Mortgages	8.000	08/01/2001	2	2	2
OVV Mortgages	7.000	04/01/2003	50	50	50
OVV Mortgages	7.000	08/01/2003	7	7	7
OVV Mortgages	7.750	10/01/2003	14	14	14
OVV Mortgages	8.250	07/01/2004	27	27	27
OVV Mortgages	9.000	03/01/2006	48	48	48
OVV Mortgages	8.750	07/01/2006	56	56	56
OVV Mortgages	8.000	07/01/2007	107	107	107
OVV Mortgages	8.500	07/01/2008	430	430	430
OVV Mortgages	9.500	10/01/2008	26	26	26
Total FHA/VA Mortgages				5,252	5,252
WVEDA SB409 Loans					
Ravens Metal	5.006	05/30/2001	5	5	5
Hartley Oil #1	5.270	09/07/2001	90	90	90
Electro Quip	5.324	10/15/2001	4	4	4
Columbia WV	5.570	09/15/2002	587	587	587
Hartley Oil #2	4.590	04/14/2003	51	51	51
Twelve-O-Six	5.283	12/27/2003	62	62	62
WV Electric Supply	5.298	01/15/2004	144	144	144
Kanawha Stone	4.981	07/15/2004	112	112	112
Alkahn #2	5.200	08/15/2004	206	206	206
Gabriel Brothers	5.779	05/15/2005	174	174	174
D&D Inc. #2	5.014	06/30/2005	316	316	316

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
SDR Plastics #2	5.089	03/01/2007	375	375	375
Cogar Mining	5.683	03/15/2008	115	115	115
Rayon Drive (Pksb Dev)	5.050	07/15/2008	520	520	520
Smith Services	5.141	12/30/2008	164	164	164
WV Air Center	5.160	08/18/2011	1,344	1,344	1,344
Fox Grocery	3.995	11/12/2011	569	569	569
Bidco 1 (Parkway Enterprises)	5.950	04/01/2012	1,256	1,257	1,257
Bidco 2 (Parkway Enterprises)	5.950	04/01/2012	1,256	1,257	1,257
SDR Plastics #3	5.110	10/30/2012	873	873	873
Geary Securities	5.215	12/31/2013	478	478	478
D & D Inc #1	5.014	06/30/2015	795	795	795
Total WVEDA SB409 Loans				9,498	9,498
EDA 93 Loans					
Swanson Plating	7.000	02/15/2005	342	342	342
Allegheny Dimension	7.000	11/30/2006	581	581	581
Twelve-O-Six	7.000	03/30/2011	1,603	1,603	1,603
Total EDA 93 Loans				2,526	2,526
Job/Industrial Program					
SCSM #2	6.375	12/11/2003	4,430	4,430	4,430
Bruce Hardwood-New	7.125	09/30/2005	5,551	5,551	5,551
Bruce Hardwood-3	7.125	09/30/2005	1,785	1,785	1,785
Winfield Industries-Equipment	8.250	11/06/2005	1,919	1,918	1,918
Precision Coil	5.813	07/20/2006	2,357	2,357	2,357
Bruce Hardwood R/E	7.125	09/01/2006	9,989	9,989	9,989
Baker	4.500	09/25/2006	3,195	3,195	3,195
D & D Inc	7.250	11/30/2006	214	214	214
Ruskin	6.780	03/10/2007	2,074	2,074	2,074
American Woodmark R/E	4.500	08/01/2007	3,235	3,235	3,235
Checker Motors	4.500	04/30/2008	6,842	6,842	6,842
Desco Corp #1	6.375	08/01/2008	1,389	1,389	1,389
Desco Corp #2	6.375	09/15/2008	2,902	2,902	2,902
Pratt & Whitney	5.200	12/10/2008	2,525	2,525	2,525
Parkline	6.500	11/20/2009	5,289	5,289	5,289
Arcata Graphics	8.500	12/04/2009	11,291	11,290	11,290
Winfield Industries R/E	8.250	11/06/2010	2,024	2,024	2,024
Variform (Restructured)	7.070	04/15/2012	2,134	2,134	2,134
Federal Group	5.350	09/30/2018	4,744	4,743	4,743
Coldwater Creek	5.910	06/01/2019	6,462	6,461	6,461
PA Fashions	6.000	01/12/2020	4,193	4,193	4,193
Total Job/Industrial Program				84,540	84,540

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
Small Development Loans					
South Street Apartments	9.500	03/01/2011	150	150	150
Cedarwood I	9.500	04/01/2011	177	177	177
Parkridge I	9.500	04/01/2011	162	162	162
Highland Heights	9.500	06/01/2011	180	180	180
Linwood	9.500	10/01/2011	182	182	182
Mountainview Apartments	9.500	11/01/2011	182	182	182
Parkridge II	9.500	03/01/2012	170	170	170
Hunters Ridge I	9.500	03/01/2012	182	182	182
Hollister Townhouses	9.500	03/01/2012	175	175	175
Hunters Ridge II	9.500	03/01/2012	182	182	182
Riverview Apartments	9.500	03/01/2012	165	165	165
Harrison Avenue	9.500	04/01/2012	180	180	180
Wildwood Manor II	9.500	04/01/2012	186	186	186
Rupert Apartment	9.500	04/01/2012	183	183	183
Cedarwood II	9.500	04/01/2012	187	187	187
Spruce Villa	9.500	04/01/2012	182	182	182
Pines Apartments	9.500	05/01/2012	190	190	190
Ona Apartments	9.500	05/01/2012	199	199	199
Wayne Apartments	9.500	05/01/2012	183	183	183
Green Valley	9.500	07/01/2012	178	178	178
Woodland Heights	9.500	08/01/2012	186	186	186
Athens Terrace	9.500	10/01/2012	175	175	175
Total Small Development Loans				3,936	3,936
New Small Development Loans					
Fife Street #1	6.500	09/01/2010	339	339	339
Fife Street #2	6.500	09/01/2010	507	507	507
Santangelo	9.000	12/01/2011	19	19	19
Hewes/Walnut	9.000	12/01/2016	307	306	306
Franklin Professional Building	6.500	05/01/2017	42	42	42
Fifth Avenue Apartments	6.500	02/01/2018	1,374	1,374	1,374
Mayer Manor	7.500	05/01/2018	139	138	138
Bolton Street Rental	6.500	10/01/2026	320	320	320
Old Post Office Square	6.500	05/01/2027	227	227	227
Bland's Apartments	7.500	04/01/2028	233	233	233
Virginian Apartments	7.250	07/01/2028	232	232	232
Robinson Development	8.500	09/01/2028	181	181	181
Total New Small Development Loans				3,918	3,918
Sheltered Housing Loans					
Frank Lawson	7.340	09/01/2017	4	4	4
Veronica Bowles	7.340	09/01/2017	24	24	24
Shirley Thrift	7.340	10/01/2017	23	23	23

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
Cleo Triggs	7.340	10/01/2017	27	27	27
Muriel Mitchell	7.340	10/01/2017	26	26	26
Ashton Moore	7.340	11/01/2017	15	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				167	167
Senate Bill 409					
SB409	10.685	11/15/2013	50	50	50
SB409	10.585	12/15/2013	202	202	202
SB409	10.755	12/15/2013	145	145	145
SB409	10.815	12/15/2013	13	13	13
SB409	10.855	12/15/2013	186	187	187
SB409	10.965	12/15/2013	114	114	114
SB409	11.075	12/15/2013	44	44	44
SB409	11.965	12/15/2013	53	53	53
SB409	12.125	12/15/2013	178	178	178
Total Senate Bill 409				986	986
Tax Reappraisal	6.230	06/30/2000	863	863	863
Total Loans and Mortgages				111,686	111,686
Reserve for uncollectible loans				(2,335)	(2,335)
Loans and Mortgages, net of reserve for uncollectible loans 87.9%				109,351	109,351
Total Loans				\$ 124,469	\$ 124,469
Municipal Bond Commission					
<i>U.S. Treasury Issues</i>					
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	130	130
U.S. Treasury Strip-Int.	0.000	08/15/2000	80	79	79
U.S. Treasury Strip-Int.	0.000	08/15/2000	24	24	24
U.S. Treasury Note	6.125	09/30/2000	10	10	10
U.S. Treasury Note	9.125	09/30/2000	16	16	16
State & Local Government	0.000	10/01/2000	279	279	279
State & Local Government	0.000	10/01/2000	115	115	115
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

A-Adjustable rate security.

**-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, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
State & Local Government	5.610	10/01/2000	22	22	22
State & Local Government	5.690	10/01/2000	39	40	39
State & Local Government	6.150	10/01/2000	77	77	77
U.S. Treasury Note	5.750	10/31/2000	529	539	528
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	3,870	3,875
U.S. Treasury Strip-Int	0.000	11/15/2000	1,046	1,013	1,024
U.S. Treasury Note	5.625	11/30/2000	39	40	39
State & Local Government	4.570	02/01/2001	13	13	13
U.S. Treasury Strip-Int	0.000	02/15/2001	1,410	1,334	1,363
U.S. Treasury Strip-Int	0.000	02/15/2001	20	20	19
U.S. Treasury Note	7.750	02/15/2001	16	16	16
U.S. Treasury Note	6.275	03/31/2001	13	13	13
U.S. Treasury Note	6.375	03/31/2001	10	10	10
State & Local Government	0.000	04/01/2001	79	79	79
State & Local Government	0.000	04/01/2001	575	576	575
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	5.520	04/01/2001	10	10	10
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	13	12
U.S. Treasury Note	6.250	04/30/2001	4,006	4,214	3,998
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	202	206
U.S. Treasury Bond	13.125	05/15/2001	28	29	30
U.S. Treasury Bond	13.125	05/15/2001	508	566	536
U.S. Treasury Note	6.500	05/31/2001	747	791	747
State & Local Government	4.088	06/01/2001	1,273	1,273	1,273
U.S. Treasury Note	6.625	06/30/2001	79	80	79
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	77	70	72
U.S. Treasury Strip-Int	0.000	08/15/2001	24	23	22
U.S. Treasury Note	6.375	09/30/2001	18	18	18
State & Local Government	0.000	10/01/2001	96	96	96
State & Local Government	0.000	10/01/2001	24	24	24
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	31	31	31
State & Local Government	5.520	10/01/2001	17	17	17

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
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	607	558
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	339	347
U.S. Treasury Bond	15.750	11/15/2001	5	5	6
U.S. Treasury Note	5.875	11/30/2001	20	22	20
U.S. Treasury Strip-Int	0.000	02/15/2002	1,269	1,099	1,155
U.S. Treasury Strip-Int	0.000	02/15/2002	20	18	18
U.S. Treasury Bond	14.250	02/15/2002	18	20	20
U.S. Treasury Note	6.625	03/31/2002	14	14	14
State & Local Government	4.117	04/01/2002	518	518	518
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	4,894	4,380
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	215	225
U.S. Treasury Note	7.500	05/15/2002	563	642	573
U.S. Treasury Note	6.500	05/31/2002	790	888	791
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	2,384	2,324
U.S. Treasury Strip-Prin	0.000	08/15/2002	617	615	539
U.S. Treasury Strip-Int	0.000	08/15/2002	58	49	51
U.S. Treasury Strip-Int	0.000	08/15/2002	24	22	21
U.S. Treasury Note	5.875	09/30/2002	18	18	18
State & Local Government	0.000	10/01/2002	64	64	64
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
State & Local Government	5.670	10/01/2002	8	8	8
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	496	525
U.S. Treasury Bond	11.625	11/15/2002	23	29	26
U.S. Treasury Strip-Prin	0.000	02/15/2003	10	8	8
U.S. Treasury Strip-Int	0.000	02/15/2003	5,930	5,683	5,050
U.S. Treasury Strip-Int	0.000	02/15/2003	35	30	30

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
U.S. Treasury Note	6.250	02/15/2003	29	29	29
U.S. Treasury Bond	10.750	02/15/2003	162	158	178
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	5.670	04/01/2003	558	558	558
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	203	160	170
U.S. Treasury Strip-Int	0.000	05/15/2003	834	834	700
U.S. Treasury Bond	10.750	05/15/2003	6	6	7
U.S. Treasury Bond	10.750	05/15/2003	607	794	674
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	245	247
U.S. Treasury Strip-Int	0.000	08/15/2003	496	489	410
U.S. Treasury Strip-Int	0.000	08/15/2003	230	195	190
State & Local Government	0.000	10/01/2003	31	31	31
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	5.670	10/01/2003	6	6	6
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	875	950
U.S. Treasury Bond	11.875	11/15/2003	5	5	6
U.S. Treasury Strip-Int	0.000	02/15/2004	6,139	5,824	4,922
U.S. Treasury Strip-Int	0.000	02/15/2004	28	23	22
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	611	611	611
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	104	113
U.S. Treasury Bond	12.375	05/15/2004	11	13	13
U.S. Treasury Bond	12.375	05/15/2004	676	1,000	813
State & Local Government	5.400	06/01/2004	1,518	1,518	1,518
U.S. Treasury Strip-Int	0.000	08/15/2004	343	336	267
U.S. Treasury Strip-Int	0.000	08/15/2004	38	31	30
State & Local Government	5.110	10/01/2004	33	33	33
State & Local Government	5.730	10/01/2004	4	4	4
State & Local Government	5.580	11/01/2004	39	39	39
U.S. Treasury Strip-Int	0.000	11/15/2004	966	656	741
U.S. Treasury Bond	11.625	11/15/2004	6	7	7
U.S. Treasury Strip-Int	0.000	02/15/2005	5,352	5,325	4,037
U.S. Treasury Strip-Int	0.000	02/15/2005	28	22	21
State & Local Government	5.160	04/01/2005	3,829	3,829	3,829

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
State & Local Government	5.810	04/01/2005	664	664	664
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	77	85
U.S. Treasury Bond	12.000	05/15/2005	759	1,203	938
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	174	129
U.S. Treasury Strip-Int	0.000	08/15/2005	26	17	19
U.S. Treasury Strip-Int	0.000	08/15/2005	960	726	703
State & Local Government	5.920	10/01/2005	2	2	2
State & Local Government	5.590	11/01/2005	29	29	29
U.S. Treasury Strip-Int	0.000	11/15/2005	12	8	9
U.S. Treasury Strip-Int	0.000	02/15/2006	5,610	5,602	3,979
State & Local Government	6.010	04/01/2006	722	722	722
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	71	80
U.S. Treasury Note	6.875	05/15/2006	834	1,171	858
U.S. Treasury Strip-Int	0.000	08/15/2006	25	15	17
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	9	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	34	37
U.S. Treasury Note	6.625	05/15/2007	894	1,301	913
U.S. Treasury Strip-Int	0.000	08/15/2007	25	14	16
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	59	33	37
U.S. Treasury Strip-Int	0.000	05/15/2008	924	924	572
U.S. Treasury Strip-Int	0.000	08/15/2008	25	13	15
U.S. Treasury Strip-Int	0.000	11/15/2008	6	3	4
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	539
U.S. Treasury Strip-Int	0.000	08/15/2009	30	14	17
U.S. Treasury Strip-Int	0.000	02/15/2010	10	5	6
U.S. Treasury Strip-Int	0.000	05/15/2010	932	932	509
U.S. Treasury Strip-Int	0.000	08/15/2010	25	11	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	478
U.S. Treasury Strip-Int	0.000	08/15/2011	30	12	15
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	451
U.S. Treasury Strip-Int	0.000	08/15/2012	25	9	12
U.S. Treasury Strip-Int	0.000	02/15/2013	10	4	5
U.S. Treasury Strip-Int	0.000	05/15/2013	941	941	425
U.S. Treasury Strip-Int	0.000	08/15/2013	30	10	13
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	409

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000

(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
U.S. Treasury Strip-Int	0.000	08/15/2014	30	9	13
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	389
U.S. Treasury Strip-Int	0.000	08/15/2015	30	9	12
U.S. Treasury Strip-Int	0.000	02/15/2016	5	1	2
U.S. Treasury Bond	7.250	05/15/2016	980	2,108	1,080
U.S. Treasury Strip-Int	0.000	08/15/2016	35	9	13
U.S. Treasury Strip-Int	0.000	02/15/2017	5	1	2
U.S. Treasury Bond	8.750	05/15/2017	1,055	2,612	1,329
U.S. Treasury Strip-Int	0.000	08/15/2017	30	7	11
U.S. Treasury Strip-Int	0.000	02/15/2018	5	1	2
U.S. Treasury Bond	9.125	05/15/2018	1,138	2,994	1,488
U.S. Treasury Strip-Int	0.000	08/15/2018	35	8	12
U.S. Treasury Strip-Int	0.000	02/15/2019	5	1	2
U.S. Treasury Strip-Int	0.000	08/15/2019	35	7	11
Total U.S. Treasury Issues	86.3%			155,162	140,776
<i>U.S. Government Agency Issues</i>					
Resolution Funding Corp	0.000	10/15/2000	155	153	152
Resolution Funding Corp	0.000	04/15/2001	739	714	704
Resolution Funding Corp	0.000	10/15/2001	135	127	125
Resolution Funding Corp	0.000	04/15/2002	774	713	690
Resolution Funding Corp	0.000	10/15/2002	112	101	97
Resolution Funding Corp	0.000	04/15/2003	807	706	672
Resolution Funding Corp	0.000	10/15/2003	88	75	71
Resolution Funding Corp	0.000	04/15/2004	848	702	662
Resolution Funding Corp	0.000	10/15/2004	61	49	47
Resolution Funding Corp	0.000	04/15/2005	891	699	656
Resolution Funding Corp	0.000	10/15/2005	30	23	21
Resolution Funding Corp	0.000	04/15/2006	941	694	650
Total U.S. Government Agency Bonds				4,756	4,547
Total U.S. Government Agency Issues	2.6%			4,756	4,547
<i>Short-Term Issues</i>					
Prudential Securities Repurchase Agreement	6.850	07/03/2000	8,382	8,382	8,382
U.S. Treasury Bill	0.000	08/31/2000	3,765	3,728	3,730
U.S. Treasury Bill	0.000	09/28/2000	339	335	334
U.S. Treasury Bill	0.000	11/30/2000	1,950	1,908	1,902
U.S. Treasury Bill	0.000	05/31/2001	1,950	1,899	1,900
U.S. Treasury Bill	0.000	11/29/2001	1,950	1,899	1,900
U.S. Treasury Bill	0.000	12/03/2001	1,949	1,899	1,899
Total Short-Term Issues	11.1%			20,050	20,047
Total Municipal Bond Commission				\$ 179,968	\$ 165,370

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	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	\$ 54,583	\$ 54,583	\$ 54,583
Flex Repurchase Agreement	5.430	04/30/2002	74,414	74,414	74,414
Total U.S. Corporate Bonds				128,997	128,997
Total Corporate Issues	100.0%			128,997	128,997
Total Department of Transportation				\$ 128,997	\$ 128,997
Lottery Defeasance					
<i>U.S. Treasury Issues</i>					
Treasury Investment Growth	0.000%	08/15/2000	\$ 130	\$ 129	\$ 129
U.S. Treasury Strip-Int	0.000	08/15/2000	307	303	305
U.S. Treasury Coupon Under Book	0.000	11/15/2000	222	214	217
U.S. Treasury Strip-Int	0.000	11/15/2000	167	162	164
U.S. Treasury Strip-Int	0.000	02/15/2001	425	400	411
U.S. Treasury Strip-Int	0.000	05/15/2001	175	160	166
Coupon Treasury Receipt	0.000	08/15/2001	130	119	121
U.S. Treasury Strip-Int	0.000	08/15/2001	307	275	287
Principal Treasury Receipt	0.000	11/15/2001	100	89	92
U.S. Treasury Strip-Int	0.000	11/15/2001	289	253	266
U.S. Treasury Strip-Int	0.000	02/15/2002	425	362	387
U.S. Treasury Strip-Int	0.000	05/15/2002	175	145	157
Certificate Accrual Treasury	0.000	08/15/2002	130	110	114
U.S. Treasury Strip-Int	0.000	08/15/2002	307	249	271
Principal Treasury Receipt	0.000	11/15/2002	222	174	192
U.S. Treasury Strip-Int	0.000	11/15/2002	167	136	145
U.S. Treasury Strip-Int	0.000	02/15/2003	425	328	362
U.S. Treasury Strip-Int	0.000	05/15/2003	175	131	147
Principal Treasury Receipt	0.000	08/15/2003	130	101	107
U.S. Treasury Strip-Int	0.000	08/15/2003	307	225	254
Certificate Accrual Treasury	0.000	11/15/2003	142	106	114
U.S. Treasury Strip-Int	0.000	11/15/2003	247	177	201
U.S. Treasury Strip-Int	0.000	02/15/2004	425	297	341
U.S. Treasury Strip-Int	0.000	05/15/2004	175	119	138
Certificate Accrual Treasury	0.000	08/15/2004	15	10	11
Treasury Investment Growth	0.000	08/15/2004	130	93	100
U.S. Treasury Strip-Int	0.000	08/15/2004	292	194	227
U.S. Treasury Coupon Under Book	0.000	11/15/2004	222	142	167
U.S. Treasury Strip-Int	0.000	11/15/2004	167	114	128
U.S. Treasury Strip-Int	0.000	02/15/2005	425	269	321
U.S. Treasury Coupon Under Book	0.000	05/15/2005	175	107	128
Coupon Treasury Receipt	0.000	08/15/2005	130	86	93

A-Adjustable rate security.

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Consolidated Fund
West Virginia Investment Management Board

Schedule of Investments in Securities (Continued)

June 30, 2000
(Dollars in thousands)

Security Name	Coupon	Maturity	Par Value	Amortized Cost	Fair Value*
U.S. Treasury Strip-Int	0.000	08/15/2005	307	185	225
U.S. Treasury Strip-Int	0.000	11/15/2005	289	171	208
U.S. Treasury Strip-Int	0.000	02/15/2006	90	53	64
Principal Treasury Receipt	0.000	05/15/2006	100	55	68
U.S. Treasury Coupon Under Book	0.000	05/15/2006	110	61	75
Treasury Investment Growth	0.000	08/15/2006	130	79	87
U.S. Treasury Strip-Int	0.000	08/15/2006	27	16	19
U.S. Treasury Strip-Int	0.000	11/15/2006	167	96	113
U.S. Treasury Strip-Int	0.000	02/15/2007	63	34	42
Treasury Investment Growth	0.000	08/15/2007	130	73	82
U.S. Treasury Strip-Int	0.000	08/15/2007	27	14	18
U.S. Treasury Strip-Int	0.000	11/15/2007	25	13	16
Coupon Treasury Receipt	0.000	08/15/2008	130	68	77
Total U.S. Treasury Issues	100.0%			6,697	7,357
Total Lottery Defeasance				\$ 6,697	\$ 7,357
School Fund					
<i>Short-Term Issues</i>					
Prudential Securities Repurchase Agreement	6.850%	07/03/2000	\$ 1,533	\$ 1,533	\$ 1,533
Total Short-Term Issues	100.0%			1,533	1,533
Total School Fund				\$ 1,533	\$ 1,533
EDA Insurance					
<i>Short-Term Issues</i>					
U.S. Treasury Bill	0.000%	12/21/2000	\$ 460	\$ 447	\$ 447
Total Short-Term Issues	100.0%			447	447
Total EDA Insurance				\$ 447	\$ 447

A-Adjustable rate security.

*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, 2000

(Dollars in thousands)

	Cash Liquidity	Government Money Market	Enhanced Yield	Loss Amortization
Investment income				
Interest income	\$ 23,162	\$ 9,292	\$ 21,949	\$ -
Net accretion (amortization)	22,445	78	(365)	6,520
Provision for losses on real estate owned	-	-	-	-
	45,607	9,370	21,584	6,520
Expenses				
Investment advisor fees	(317)	(56)	(151)	-
Trustee fees	(8)	(4)	(3)	-
Custodian bank fees	(29)	(6)	(11)	-
Management fees	(394)	(206)	(153)	-
Fiduciary bond fees	(16)	(8)	(6)	-
Professional service fees	(72)	(38)	(28)	-
Loan servicer fees	-	-	-	-
Total expenses	(836)	(318)	(352)	-
Investment income, net	44,771	9,052	21,232	6,520
Realized and unrealized gain (loss) on investment securities				
Net realized gain (loss) on investments	(327)	(241)	(288)	-
Net increase (decrease) in the fair value of investments	-	-	(2,787)	(981)
Net gain (loss) on investments	(327)	(241)	(3,075)	(981)
Net increase in net assets from operations	\$ 44,444	\$ 8,811	\$ 18,157	\$ 5,539

See accompanying notes to financial statements.

<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>
\$ 8,793	\$ 6,849	\$ 11,728	\$ -	\$ 86	\$ -
-	266	-	668	(6)	24
(64)	-	-	-	-	-
<u>8,729</u>	<u>7,115</u>	<u>11,728</u>	<u>668</u>	<u>80</u>	<u>24</u>
-	-	-	-	-	-
(1)	-	-	-	-	-
-	-	-	-	-	-
(69)	(30)	(65)	(2)	-	-
(2)	-	-	-	-	-
(12)	-	-	-	-	-
(3)	-	-	-	-	-
(87)	(30)	(65)	(2)	-	-
<u>8,642</u>	<u>7,085</u>	<u>11,663</u>	<u>666</u>	<u>80</u>	<u>24</u>
(63)	-	-	-	-	-
-	-	-	(289)	1	-
<u>(63)</u>	<u>-</u>	<u>-</u>	<u>(289)</u>	<u>1</u>	<u>-</u>
<u>\$ 8,579</u>	<u>\$ 7,085</u>	<u>\$ 11,663</u>	<u>\$ 377</u>	<u>\$ 81</u>	<u>\$ 24</u>

Consolidated Fund
West Virginia Investment Management Board

Statement of Changes in Net Assets

Year Ended June 30, 2000

(Dollars in thousands, except for Unit Transactions)

	<u>Cash Liquidity</u>	<u>Government Money Market</u>	<u>Enhanced Yield</u>	<u>Loss Amortization</u>
Operations				
Investment income, net	\$ 44,771	\$ 9,052	\$ 21,232	\$ 6,520
Net realized gain (loss) on investments	(327)	(241)	(288)	-
Net increase (decrease) in the fair value of investments	-	-	(2,787)	(981)
Net increase in net assets from operations	44,444	8,811	18,157	5,539
Distributions to unitholders				
Investment income, net	(44,757)	(9,048)	(20,683)	-
Net realized (gain) loss on investments	327	243	-	-
Total distributions	(44,430)	(8,805)	(20,683)	-
Fund unit transactions				
Proceeds from sale of units	4,580,739	535,755	185,287	-
Reinvestment of distributions	44,430	8,805	20,683	-
	<u>4,625,169</u>	<u>544,560</u>	<u>205,970</u>	<u>-</u>
Amount paid for repurchase of units	(4,455,827)	(707,326)	(107,599)	-
Net increase (decrease) in net assets from fund unit transactions	169,342	(162,766)	98,371	-
Contributions				
	-	-	-	-
Withdrawals				
	-	-	-	-
Increase (decrease) in net assets	169,356	(162,760)	95,845	5,539
Net assets, beginning of period	<u>759,597</u>	<u>286,599</u>	<u>245,778</u>	<u>93,275</u>
Net assets, end of period	\$ 928,953	\$ 123,839	\$ 341,623	\$ 98,814
Fund unit transactions				
Units sold	4,580,739,097	535,755,358	1,843,986	-
Units issued from reinvestment of distributions	44,430,251	8,804,758	206,307	-
	<u>4,625,169,348</u>	<u>544,560,116</u>	<u>2,050,293</u>	<u>-</u>
Units repurchased	(4,455,827,256)	(707,326,213)	(1,075,645)	-
Net increase (decrease) in fund units	<u>169,342,092</u>	<u>(162,766,097)</u>	<u>974,648</u>	<u>-</u>

See accompanying notes to financial statements.

<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>
\$ 8,642 (63)	\$ 7,085 -	\$ 11,663 -	\$ 666 -	\$ 80 -	\$ 24 -
-	-	-	(289)	1	-
8,579	7,085	11,663	377	81	24
(8,642)	-	-	-	-	-
(269)	-	-	-	-	-
(8,911)	-	-	-	-	-
-	-	-	-	-	-
8,911	-	-	-	-	-
8,911	-	-	-	-	-
(23,664)	-	-	-	-	-
(14,753)	-	-	-	-	-
-	32,880	110,000	3	454	-
-	(58,551)	(170,770)	(1,427)	(462)	(27)
(15,085)	(18,586)	(49,107)	(1,047)	73	(3)
140,005	193,998	178,396	8,404	1,460	450
<u>\$ 124,920</u>	<u>\$ 175,412</u>	<u>\$ 129,289</u>	<u>\$ 7,357</u>	<u>\$ 1,533</u>	<u>\$ 447</u>
-					
8,911,124					
8,911,124					
(23,664,558)					
(14,753,434)					

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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 that 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 based on management’s evaluation of losses in the current loan portfolio, which includes an assessment of economic conditions, changes in the nature of the loan portfolio, loan loss experience and other relevant factors. While management uses the best information available to make such evaluations, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluations. Additions are made to the allowance through periodic provisions charged to income and recovery of principle on loans previously charged-off. Losses of principle are charged directly to the allowance when a loss actually occurs or when a determination is made that a specific loss is probable.

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	\$ 180,782
Sheltered Housing (WVHDF)-Cleo Triggs	26,960
Sheltered Housing (WVHDF)-Veronica Bowles	24,213
Sheltered Housing (WVHDF)-Ashton Moore	15,420
Total	<u>\$ 247,375</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 is determined based on their discounted cash flows. Income from these loans is recognized on a cash basis after the principal has been fully collected. The June 30, 2000, financial statements include the following information:

Recorded investment in impaired loans	\$ 845,268
Reserve for uncollectible loans	(590,000)
Net carrying value	<u>\$ 255,268</u>

The average recorded investment in impaired loans during the fiscal year ended June 30, 2000 was approximately \$878,362. No income was recognized during the fiscal year ended June 30, 2000. Interest income of \$69,977 would have been recognized had the loans performed in accordance with the original terms.

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

Balance at June 30, 1999	\$ 2,335,000
Provisions for loan losses	-
Charge-offs	-
Recoveries	-
Balance at June 30, 2000	<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 counterparty's trust department or agent but not in the Investment Management Board's name.

Investments at June 30, 2000, 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	\$ 713,295	\$ -	\$ -	\$ 713,295	\$ 698,649
Corporate bonds	328,233	-	-	328,233	328,138
Commercial paper	558,455	-	-	558,455	558,288
Repurchase agreements	222,899	-	-	222,899	222,899
Total Categorized	<u>\$ 1,822,882</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 1,822,882	\$ 1,807,974
Uncategorized:					
Investments in loans and mortgages				109,351	109,351
Total Investments				<u>\$ 1,932,233</u>	<u>\$ 1,917,325</u>

NOTE 5 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$798,594,976 and \$777,764,008, respectively, for U.S. government obligations; purchases and sales of corporate securities were \$311,913,975 and \$309,954,619.

West Virginia
Investment Management Board_____

Audited Financial Statements

June 30, 2000

West Virginia Investment Management Board

Audited Financial Statements

June 30, 2000

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Independent Auditors' Report

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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 financial position of the West Virginia Investment Management Board (the WVIMB) as of June 30, 2000, 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 auditing standards generally accepted in the United States of America. 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, 2000, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

KPMG LLP

September 1, 2000



West Virginia Investment Management Board

Statement of Financial Position

June 30, 2000

Assets

Current assets:

Cash and cash equivalents	\$3,520,765
Investment service fees receivable	1,159,118
Prepaid expenses	148,515
Dividend receivable	18,464
Total current assets	<u>4,846,862</u>

Property & equipment

Equipment	961,925
Office furniture	134,472
Leasehold improvements	10,437
Less accumulated depreciation	(960,109)
Property & equipment, net	<u>146,725</u>

Other assets

	162,491
Total assets	<u><u>\$5,156,078</u></u>

Liabilities and fund equity

Current liabilities:

Accounts payable and accrued expenses	\$1,999,554
---------------------------------------	-------------

Fund equity:

Contributed capital	2,452,053
Retained earnings	704,471

Total fund equity	<u>3,156,524</u>
Total liabilities and fund equity	<u><u>\$5,156,078</u></u>

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, 2000

Operating revenues:		
Investment service fees		\$10,443,444
	Total operating revenues	10,443,444
Operating expenses:		
Advisor fees		(7,430,774)
Custodian fees		(534,009)
Trustee fees		(61,250)
Fiduciary bond expense		(121,909)
Professional service fees		(473,870)
Loan service fees		(4,031)
Administrative expenses		(1,974,362)
	Total operating expenses	(10,600,205)
	Operating loss	(156,761)
Nonoperating revenues:		
Dividend income		181,888
	Total nonoperating revenues	181,888
	Net income	25,127
	Retained earnings at beginning of year	679,344
	Retained earnings at end of year	\$ 704,471

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 2000

Cash flows from operating activities		
Cash received from customers	\$ 10,251,811	
Cash paid to suppliers	(8,504,110)	
Cash paid to employees	(1,051,935)	
	<hr/>	
Net cash provided by operating activities	695,766	
Cash flows from investing activities		
Dividends on investments	173,365	
	<hr/>	
Net cash provided by investing activities	173,365	
Cash flows from capital and related financing activities		
Purchase of equipment	(42,910)	
	<hr/>	
Net cash used from capital and related financing activities	(42,910)	
	Increase in cash and cash equivalents	826,221
Cash and cash equivalents at beginning of year	2,694,544	
	<hr/>	
Cash and cash equivalents at end of year	\$3,520,765	
<hr/>		
Reconciliation of operating loss to net cash provided		
by operating activities:		
Operating loss	<hr/>	
	\$(156,761)	
Adjustments to reconcile operating loss to net cash provided		
by operating activities:		
Depreciation	227,658	
Changes in assets and liabilities:		
Increase in investment service fees receivable	(191,633)	
Increase in prepaid expenses	(23,210)	
Decrease in other assets	22,951	
Increase in accounts payable and accrued expenses	816,761	
	<hr/>	
Total adjustments	852,527	
	<hr/>	
Net cash provided by operating activities	\$ 695,766	
	<hr/>	

See accompanying notes to financial statements.

West Virginia Investment Management Board
Notes to Financial Statements
June 30, 2000

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 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 investment service 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 one time 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, 1999 to June 30, 2000 totaled \$116,436.

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

Year ending June 30:

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

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, 1999, to June 30, 2000, totaled \$78,310. 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 uncategorized. At June 30, 2000, 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.