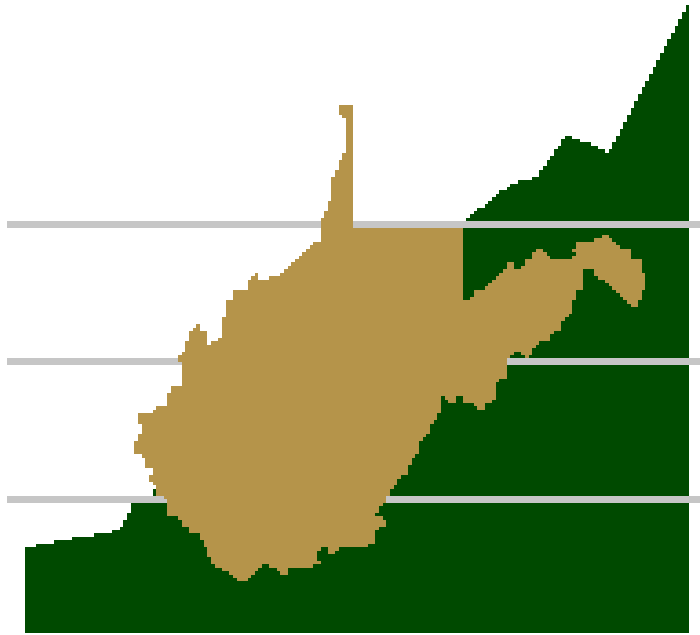

West Virginia Investment Management Board



2000 Annual Report

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Audited Financial Statements

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:

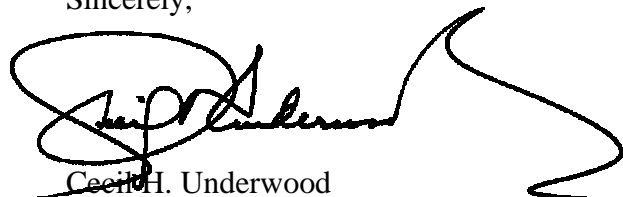
On behalf of the Board of Trustees, I am pleased to present the West Virginia Investment Management Board's comprehensive Annual Financial Report for the fiscal year ending June 30, 2000. Beyond providing information on the financial status and investment activities of the plans, this report is one of 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.

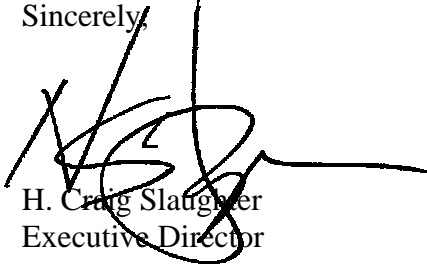
The investment program is, in many ways, analogous to an onion. The whole is really a collection of layers. As one peels one layer off, one always sees another, smaller, but critical layer beneath. At the whole-onion level, the Investment Management Board has constructed a target portfolio with an allocation 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.

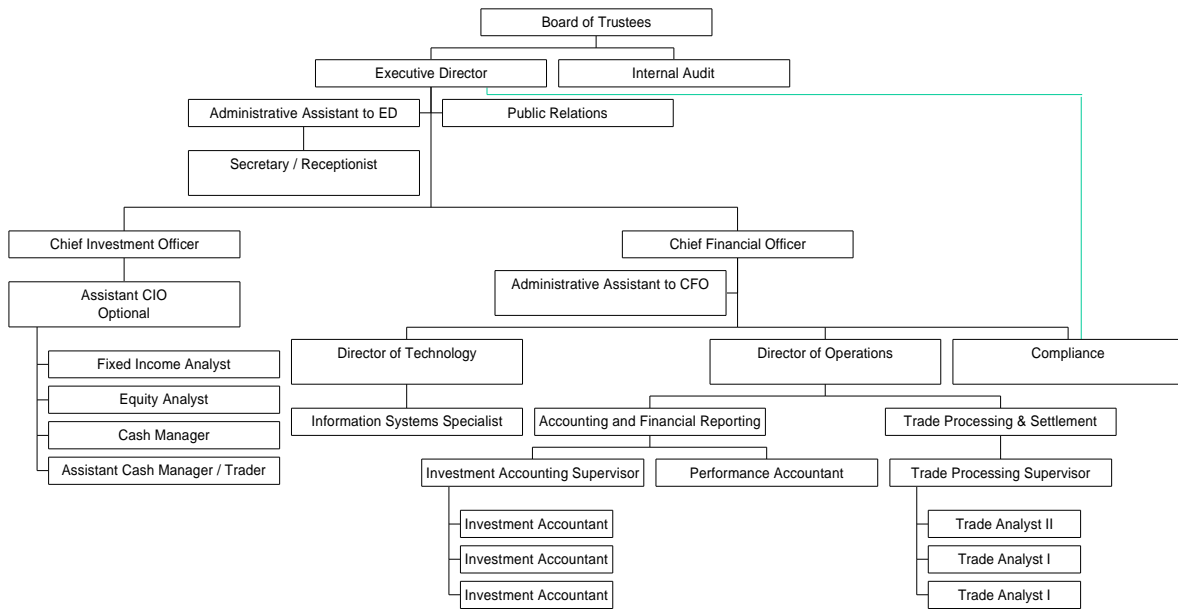
ADMINISTRATIVE MANDATE

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.

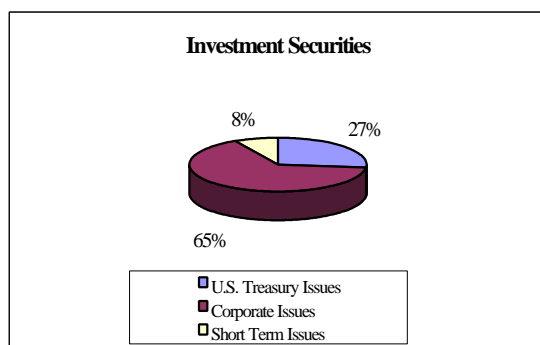
Financial Highlights

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> |

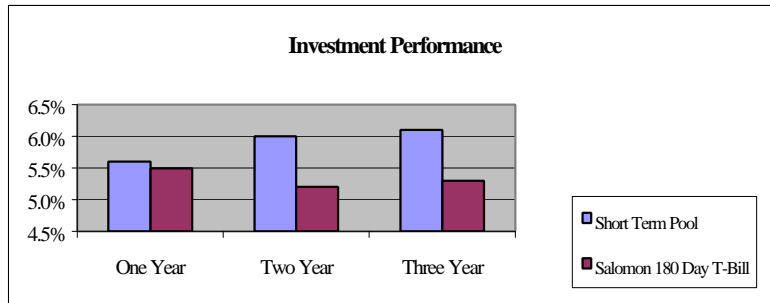


Short-Term Fixed Income Pool (continued)

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.

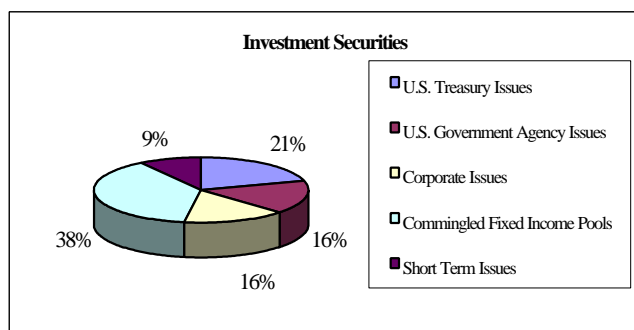
Progression of Net Assets (in 000s)

| | |
|-------------------------------------|---------------------|
| 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>\$ 2,497,674</u> |

Fixed Income Pool (continued)

Investment Securities (in 000s)

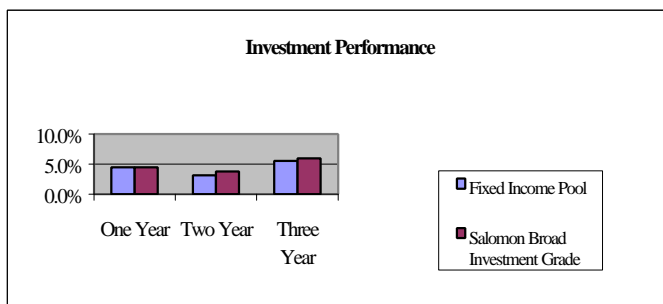
| | <u>Fair Value</u> |
|-------------------------------|---------------------|
| U.S. Treasury Issues | \$ 580,930 |
| U.S. Government Agency Issues | 464,877 |
| Corporate Issues | 440,791 |
| Commingled Fixed Income Pools | 1,077,821 |
| Short Term Issues | <u>267,829</u> |
| Total | <u>\$ 2,832,248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

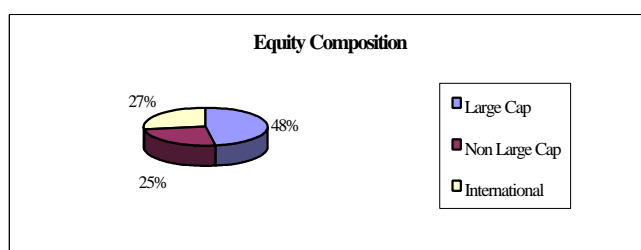
Equity Pool (continued)

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:

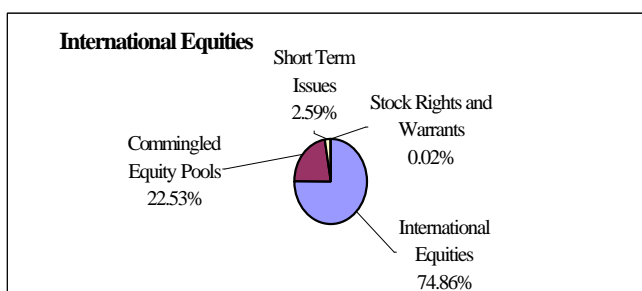
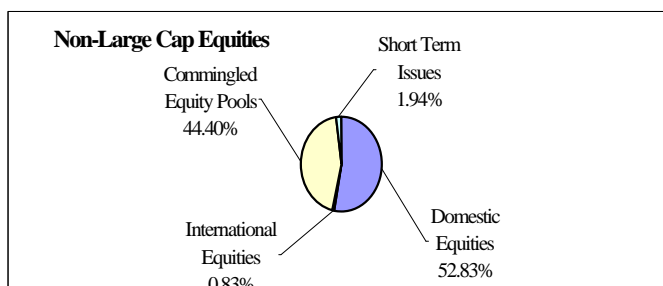
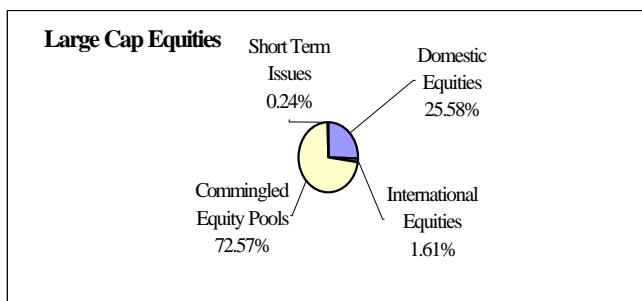
| <i>Composite</i> | <i>Individual Pools per Audited Financial Statements</i> |
|------------------|--|
| Large Cap | S&P 500 Index Qualified Pool S&P 500 Index Nonqualified Pool Large Cap Domestic Pool |
| Non-Large Cap | Non-Large Cap Domestic Pool |
| International | International Qualified Pool International 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 | \$ 1,245,513 | \$ 653,389 | \$ 706,310 |



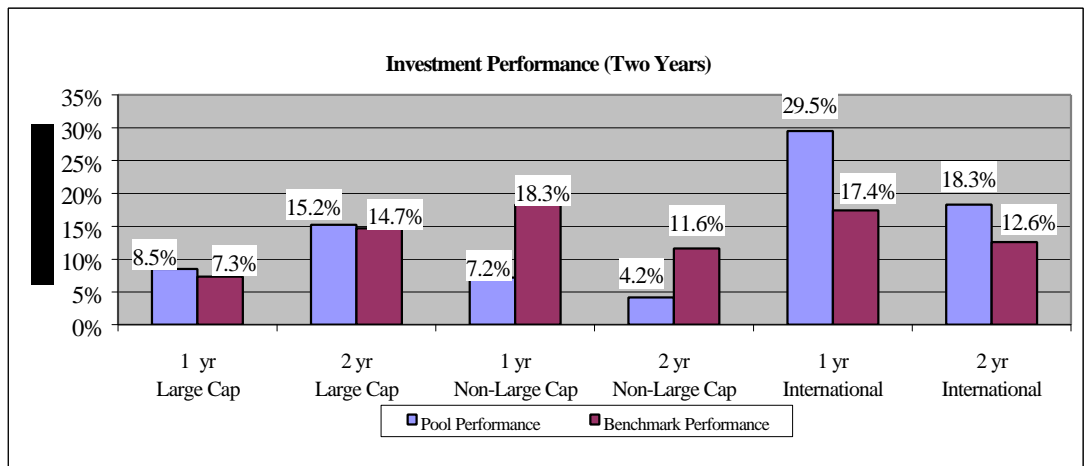
Equity Pool (continued)

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.

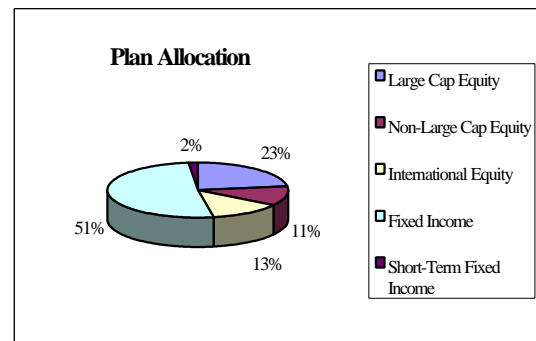
Death, Disability and Retirement Fund for Deputy Sheriffs (continued)

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> |

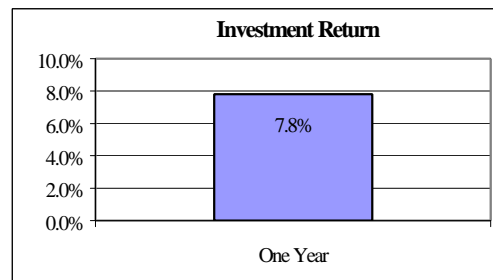
Asset Allocation (actual)

| | 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.

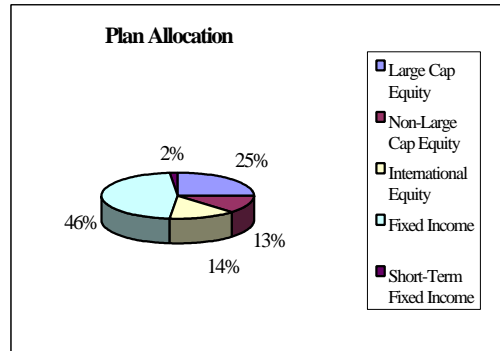
Judge's Retirement System (continued)

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> |

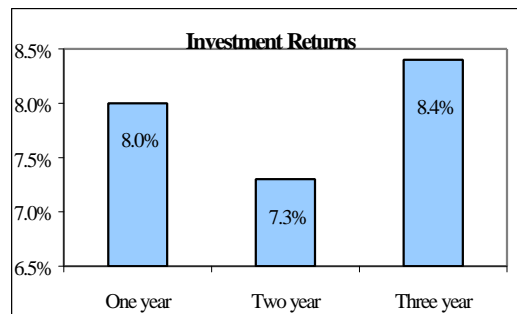
Asset Allocation (actual)

| | 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.

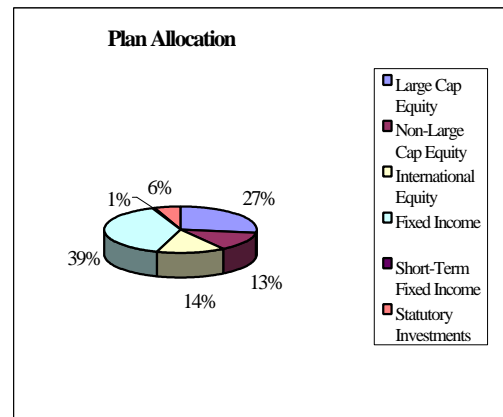
Public Employees' Retirement System (continued)

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> |

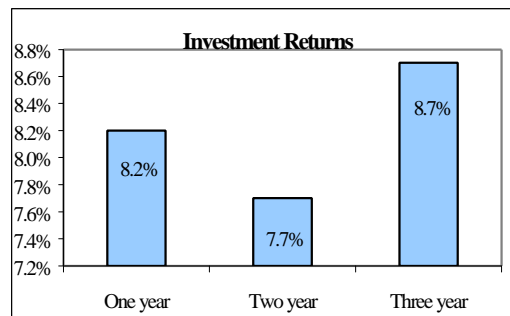
Asset Allocation (actual)

| | 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.

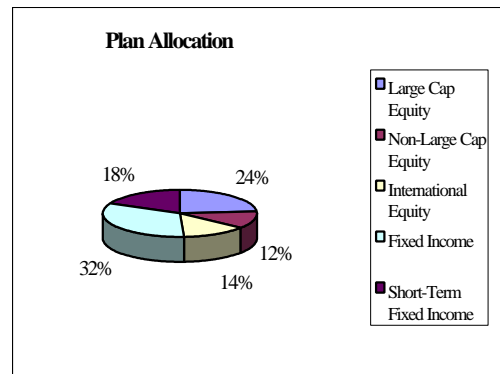
Public Safety Death Disability and Retirement Plan (continued)

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> |

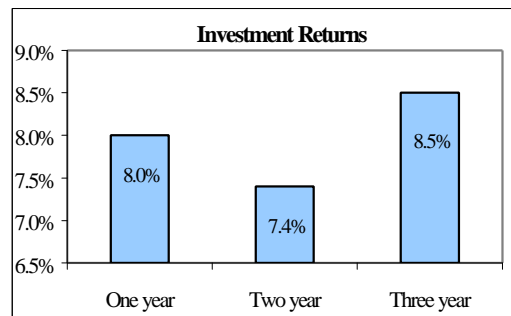
Asset Allocation (actual)

| | 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.

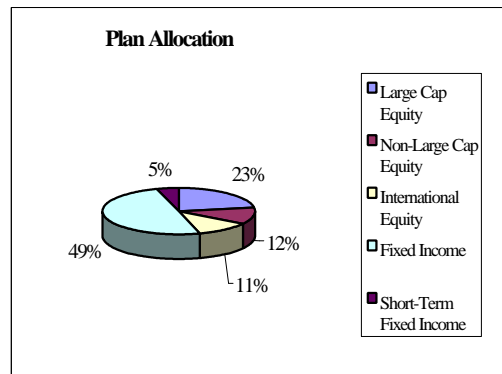
State Police Retirement System (continued)

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> |

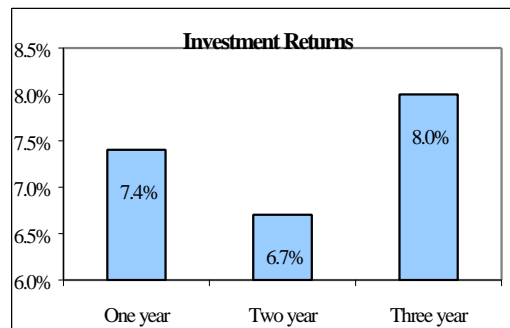
Asset Allocation (actual)

| | 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.

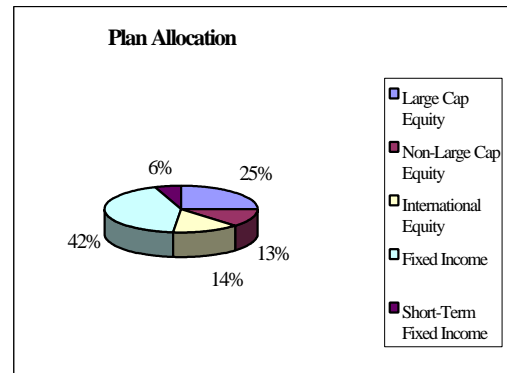
Teachers Retirement System (continued)

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> |

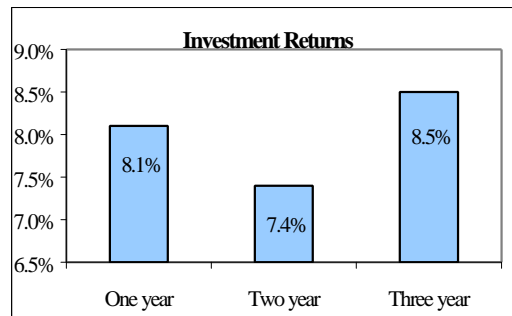
Asset Allocation (actual)

| | 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.

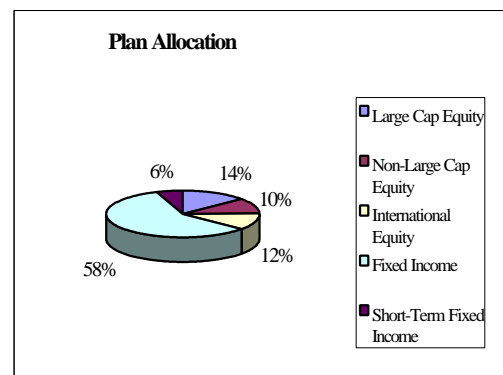
Workers' Compensation Fund I

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> |

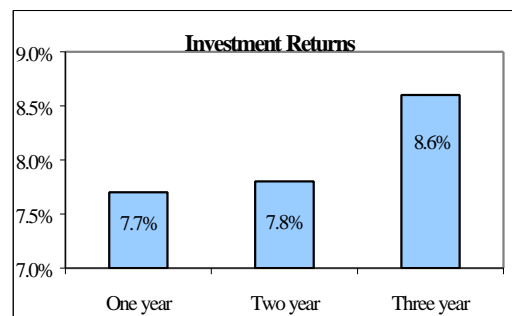
Asset Allocation (actual)

| | 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.

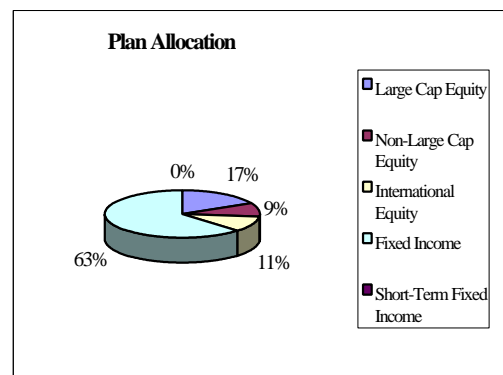
Workers' Compensation Fund II

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> |

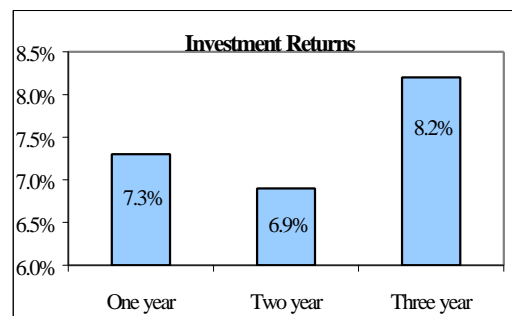
Asset Allocation (actual)

| | 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% |

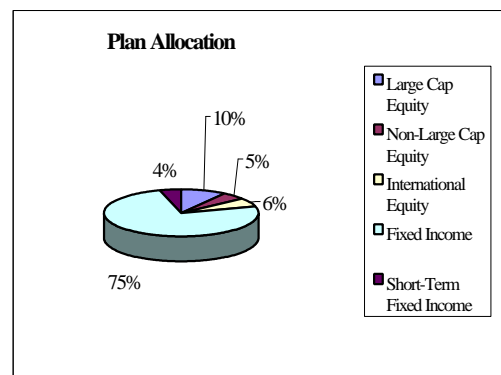
Pneumoconiosis Fund (continued)

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> |

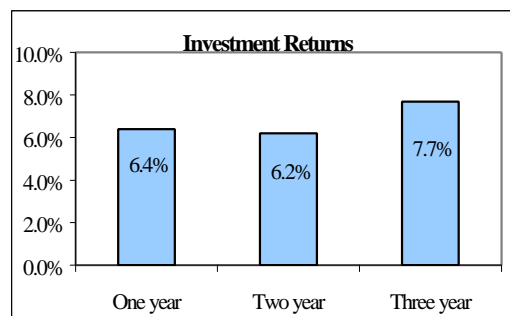
Asset Allocation (actual)

| | 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> | 4% |
| Total | <u><u>\$ 317,463</u></u> | <u>100%</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 |

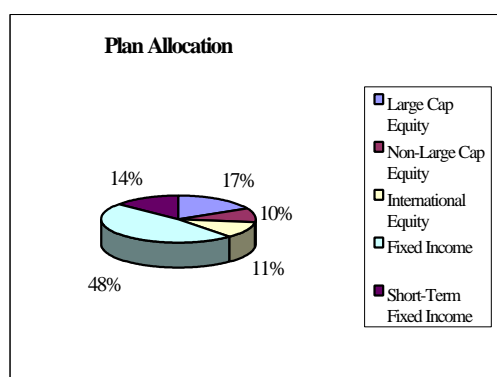
Workers' Compensation Employers Excess Liability Fund (continued)

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> |

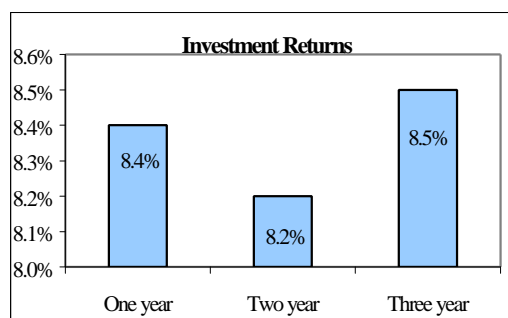
Asset Allocation (actual)

| | 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.

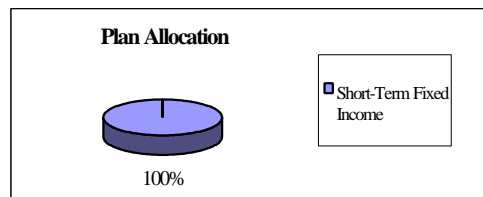
Wildlife Endowment Fund (continued)

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> |

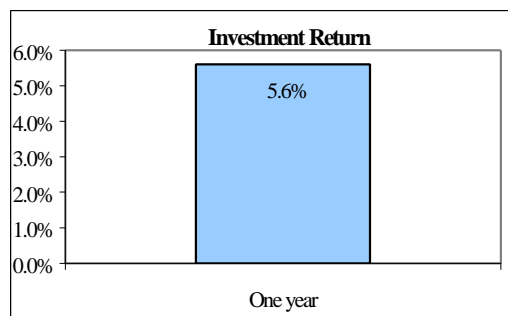
Asset Allocation

| | 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.

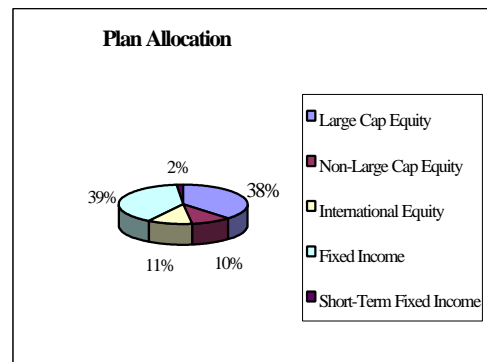
West Virginia Prepaid Tuition Trust Fund (continued)

Progression of Plan Balance

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

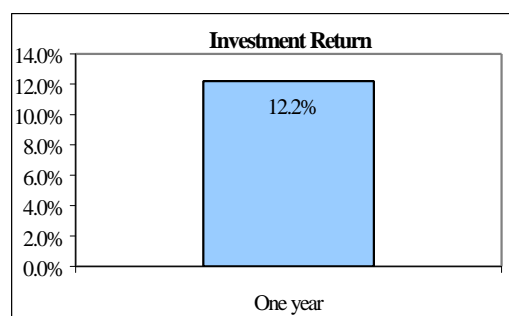
Asset Allocation (actual)

| | 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 | 627 | 2% |
| 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.

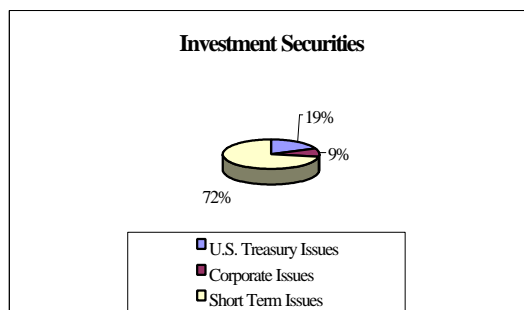
Financial Highlights

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> |

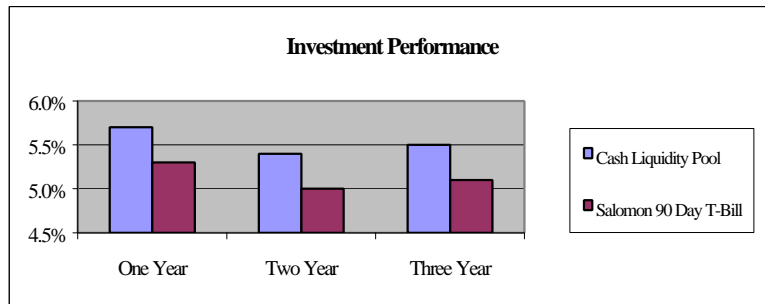


Cash Liquidity Pool (continued)

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.

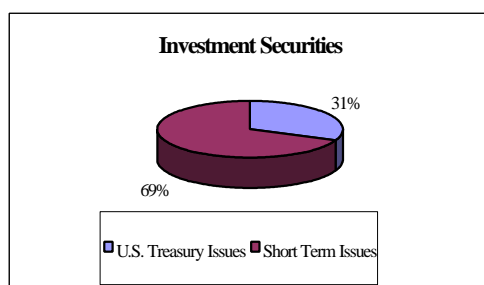
Financial Highlights

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> |

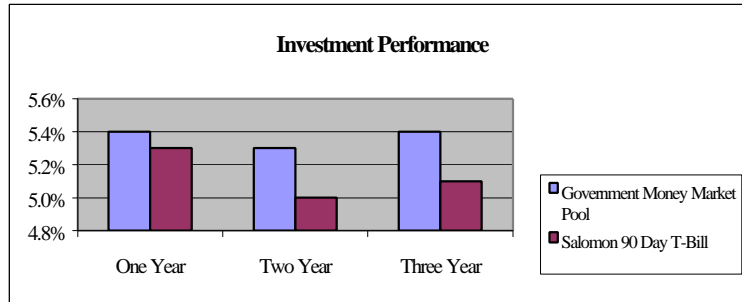


Government Money Market Pool (continued)

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.

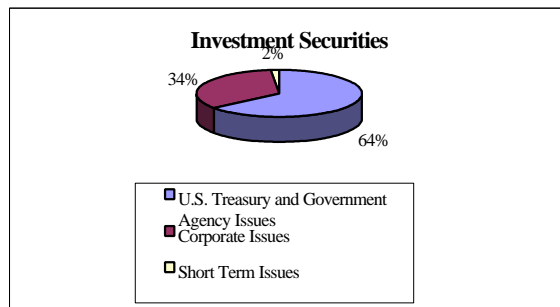
Financial Highlights

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> |

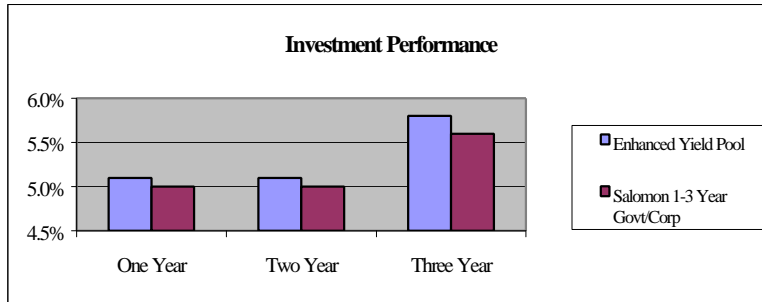


Enhanced Yield Pool (continued)

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 | | |
| 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)

| Security Name | Coupon | Maturity | Par Value | Amortized Cost | Fair Value* |
|--|--------|------------|-----------|-------------------|-------------|
| 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.

**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* |
|-------------------------------------|--------|------------|-----------|-------------------|-------------|
| 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.

**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* |
|--|--------|------------|-----------|-------------------|-------------|
| 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.

*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> |
|--|---------------|-----------------|------------------|---------------------------|--------------------|
| 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.

**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* |
|------------------------|--------|------------|-----------|-------------------|-------------|
| 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.

**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* |
|-------------------------------|--------|------------|-----------|-------------------|-------------|
| 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.

**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* |
|-----------------------------------|--------|------------|-----------|-------------------|-------------|
| 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.

**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* |
|--|--------|------------|-----------|-------------------|-------------------|
| 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.

**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 | 5.630 | 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.

**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* |
|--------------------------|--------|------------|-----------|-------------------|-------------|
| 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.

**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 | 5.810 | 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.

**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* |
|---|--------------|------------|-----------|-------------------|-------------------|
| 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.

**-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* |
|---|--------|------------|-----------|-------------------|-------------------|
| 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.

**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* |
|--|--------|------------|-----------|-------------------|-------------|
| 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 |
| \$ 124,920 | \$ 175,412 | \$ 129,289 | \$ 7,357 | \$ 1,533 | \$ 447 |
| - | | | | | |
| 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 | <u>(590,000)</u> |
| 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

Audited Financial Statements

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| Notes to Financial Statements..... | 4 |



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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 |
| | |
| Reconciliation of operating loss to net cash provided | |
| by operating activities: | |
| Operating loss | \$(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/> <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.