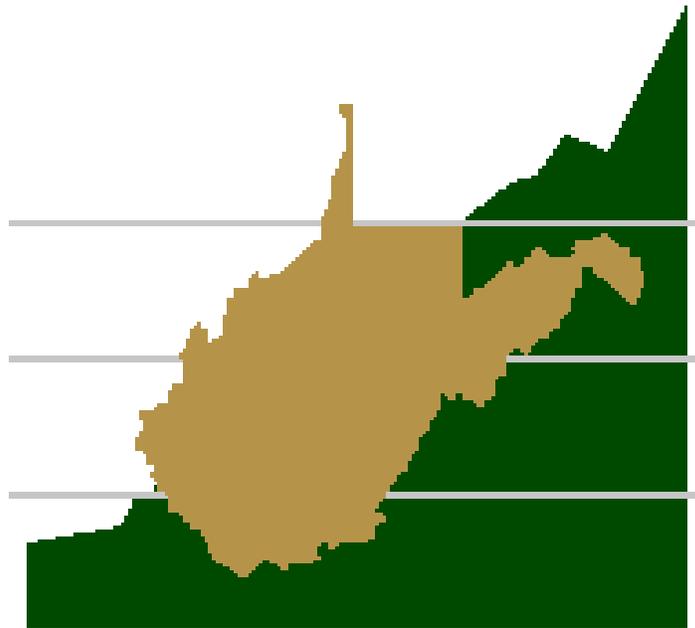

West Virginia Investment Management Board



2001 Annual Report

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Introduction

West Virginia Investment Management Board

*One Cantley Drive · Suite 3
Charleston, West Virginia 25314*

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

October 15, 2001

Dear Fellow West Virginians:

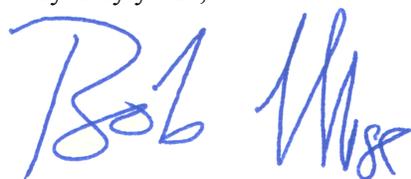
On behalf of the Board of Trustees, I am pleased to present the West Virginia Investment Management Board's Annual Financial Report for the fiscal year ending June 30, 2001. Please note that more information about the Investment Management Board can be accessed electronically at our website, www.wvimb.org.

As of this writing, the State will have been a participant in the stock market for more than three years, reaching its target allocation for the pension plans and employment security plans by midyear. Given the decline in stock markets over the course of the fiscal year, however, these have been trying times. Nevertheless, the Board of Trustees continues to hold firm in its belief that stocks will outperform bonds in the long run. The Board of Trustees also believes that short-term and cyclical developments in the markets can result in relatively short periods of underperformance in stocks. Consequently, only assets with long time horizons are invested in stocks.

I am pleased to announce that the performance of the Investment Management Board was one of the best in the country over the past year and a half. While we did not meet our actuarial targets, the Board's conservative strategy helped it preserve assets when the stock markets were under severe duress. Protecting assets is just as important as growing assets.

During this past year, the Board of Trustees' membership has seen the reappointment of Carlyle D. Farnsworth, Samme L. Gee, Patrick D. Kelly, John T. Poffenbarger, Marie L. Prezioso, and William T. Tracy. In addition, Richard E. Boyle, Jr., an attorney with previous experience at the Tax Department and the Lottery Commission, has been appointed to fill a vacant position on the Board. It is a privilege to work with them. My fellow trustees have shown the diligence and prudence demanded of persons acting in a fiduciary capacity for their fellow citizens. 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.

Very truly yours,



Bob Wise
Governor, State of West Virginia
Chairman, Board of Trustees

West Virginia Investment Management Board

*One Cantley Drive · Suite 3
Charleston, West Virginia 25314*

Phone: (304) 345-2672

Fax: (304) 345-5939

Web: www.wvimb.org

October 15, 2001

Dear Board Members:

Fiscal year 2001 found all investors in the middle of a struggling economy and a bear market for stocks. In the face of this difficult market, the Investment Management Board's portfolio has responded well. In the type of market we have had, everyone stands to lose in the short run, but some lose more than others. The Investment Management Board's portfolio performed as expected, preserving assets while others were losing theirs.

In the Consolidated Fund, the West Virginia Investment Management Board added \$131,622,657 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. This goal is managed by the risk limitations on the portfolios making up the Fund. In fiscal year 2001, the goal of preserving the assets of the Consolidated Fund was achieved.

The remaining assets of the Investment Management Board are those of participants with long time horizons and include the defined benefit pension plans, employment security plans and other trust assets. Herein, these plans are generally referred to as the "Participant Plans." In fiscal year 2001, the Investment Management Board added, in aggregate, \$23,668,022 in value to the Participant Plans in spite of a market under severe duress. While this is disappointing on an absolute basis, it is outstanding on a relative basis.

A discussion of performance has to occur in context. Fiscal year 2001 saw broad domestic market indexes down as much as 45.52 percent for the NASDAQ and 14.87 percent for the S&P. The Dow Jones Industrial Average price change only just managed to break even at .52 percent. A decline in these indexes was, to a large extent, driven by a bursting of the bubble in early 2000 in technology stocks and, to a more limited extent, large domestic stocks. These were the segments of the market that saw the greatest appreciation in stock price during the latter half of the 1990s. By contrast, there are other segments of the markets that were ignored during the late 90s and are now coming to the fore. For example, the Russell 2500 Value Index (a mid- to small-company index of value stocks) saw a return of 25.2 percent for the fiscal year, and the Russell 1000 Value Index (a large company index of value stocks) returned 10.3 percent for the

fiscal year. Not only were domestic markets struggling, but international markets were down as well with the MSCI World Ex-US Index down 23.8 percent. The weakness in international markets was similar to the U.S. in that it was partially a result of a technology bubble. Meanwhile, the Federal Reserve, responding to weakness in the economy, lowered interest rates by 275 basis points over the last half of the fiscal year. Whether or not the US economy was in a recession during the past fiscal year is a point debated by economists. While the manufacturing sector deteriorated throughout the year, retail sales remained surprisingly resilient as the consumer continued to spend. By year-end, the debate was unresolved. In this type of environment, fixed income securities perform very well, and fiscal year 2001 was no exception. The Salomon Broad Investment Grade Index returned 11.3 percent for the period.

In this context, it was practically impossible for the West Virginia Investment Management Board to beat the actuarial interest rate assumptions for the Participant Plans. The one-year returns for the defined benefit pension plans ranged from (0.3) percent for the Public Employees' Retirement System and Teachers' Retirement System to 0.5 percent for the State Police Retirement System. The employment security plans fared better. Their returns ranged from 0.9 percent for the Workers' Compensation Funds to 7.6 percent for the Pneumoconiosis Fund. The employment security plans benefited from a slower transition into stocks or a higher strategic allocation to fixed-income, depending on the plan. Returns for the Participant Plans can be found in the pages that follow.

As a long-term investor, the Investment Management Board is pleased with the return it was able to achieve for the Participant Plans, given the economic environment. While it is possible to fight the economy in the short run, it does not tend to pay off in the long run. As long-term investors, the focus of the Participant Plans and the Investment Management Board is on a time horizon ten and twenty years into the future. In that context, the inevitable ups and downs in the market from year to year are of relatively little consequence. In fact, they are expected. Nevertheless, we also expect to outperform the markets. In fiscal year 2001, we did.

There are four basic portfolios in which the Participant Plans invest: large cap domestic equity, nonlarge cap domestic equity, international equity, and fixed-income. Each of these portfolios outperformed its benchmark index. In fact, the nonlarge cap domestic portfolio beat its benchmark index by 12.3 percent and the international portfolio beat its index by a full 9 percent. Moreover, two of the portfolios had double-digit returns with, again, the nonlarge domestic portfolio returning 14.7 percent and the fixed-income portfolio returning 12 percent. Although the large cap domestic portfolio returned only (14.6) percent and the international portfolio returned (14.8) percent, there are several reasons for the outperformance of the portfolio as a whole. One has to do with luck. The Investment Management Board only reached its target allocation to stocks by mid-year. Consequently, it had a greater allocation to fixed-income during part of the period. Secondly, West Virginia statute limits the portfolio to a 60 percent stock allocation, which is conservative relative to the Investment Management Board's peers. Thirdly, within the stock portfolio, the Board is more broadly diversified than its peers, with a

Letter to Board Members
Page 3 of 3
October 15, 2001

larger percentage of its assets allocated to nonlarge company stocks. Finally, the portfolio has a value stock bias—a strategic decision made by the Board in 1998. As noted above, value stocks have performed extraordinarily well recently. In fact, these stocks are up as much or more as the high-flyers of 1998-99 are down.

As we look forward into the future, be aware that the structure of the portfolio will, in all likelihood, cause it to underperform its peers on occasion. In periods when stocks are up, generally, the Board will suffer from a relative perspective because its allocation to stocks is conservative. Moreover, there will be periods when growth stocks outperform value stocks, as in the late 90s. The Investment Management Board designed the portfolio to outperform in the long run. So far, it has performed as expected. We look forward to more of the same.

Sincerely,

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

H. Craig Slaughter
Executive Director

The Organization

BOARD OF TRUSTEES

Robert E. Wise, Jr., 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, PLLC

Stephen L. Angel

Principal, Blennerhassett Junior High School, Parkersburg, West Virginia

Richard E. Boyle, Jr.

Attorney in the law firm of Kay Casto & Chaney PLLC

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

REPRESENTATIVES AND COMMITTEE MEMBERS*

Public Employees' Retirement System

Frederic W. Thomas, Representative

General Accounting Supervisor for the West Virginia Department of Transportation

Keith Chapman, Committee Member

District Comptroller for the West Virginia Division of Highways

Patricia Hamilton, Committee Member

Executive Director for the West Virginia Association of Counties

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

George J. Spangler, Representative

Retired, First Sergeant, West Virginia State Police

C.T. Smith, Committee Member

First Sergeant, West Virginia State Police

John T. Morrison, Committee Member

Lieutenant, West Virginia State Police

West Virginia State Police Retirement System

Steven P. Owens, Representative

Senior Trooper, West Virginia State Police

Deputy Sheriffs' Retirement System

David D. Gentry, Representative

Retired Deputy Sheriff

Terry L. Miller, Committee Member

Lieutenant, Wood County Sheriffs' Department

John Wriston, Committee Member

Detective, Fayette County Sheriffs' Department

Judges' Retirement System

Judge John L. Marks, Representative

Circuit Court of Harrison County

*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 / Chief Operating Officer

T. J. Carlson, Chief Investment Officer

Operations —

Roger Summerfield, Director of Operations

Accounting —

Brian DuBois, Investment Accountant 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 Analyst Supervisor

Linda Davis, Trade Analyst

Karin Hays, Trade Analyst

Investment —

Kristy Newkirk, Public Equity Investment Officer

Robert Crossen, Fixed Income Investment Officer

Compliance —

Melinda Adamson, Compliance Analyst

Support Staff —

Jo Ann Harrison, Administrative Assistant to the Executive Director

Felicia Thomas, Administrative Assistant to the Chief Financial Officer

Milly Torman, Administrative Assistant to the Chief Investment Officer

Jane Heitz, Secretary/Receptionist

Technology —

John Cole, Director of Technology

Rick Greathouse, Information Systems Specialist

Internal Audit —

Melissa Petit, Internal Auditor

HISTORY

The West Virginia Investment Management Board (WVIMB or Board) 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, 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. 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 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 of the irrevocable trusts 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 401(a) Plans 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;
- (d) Trustees shall discharge their duties in accordance with the trust documents and instruments governing the trusts or other funds under the management insofar as the documents and instruments are consistent with provisions of this Article, and
- (e) The duties of the Board apply only with respect to those assets deposited with or otherwise held by it *West Virginia Code* §12-6-11.

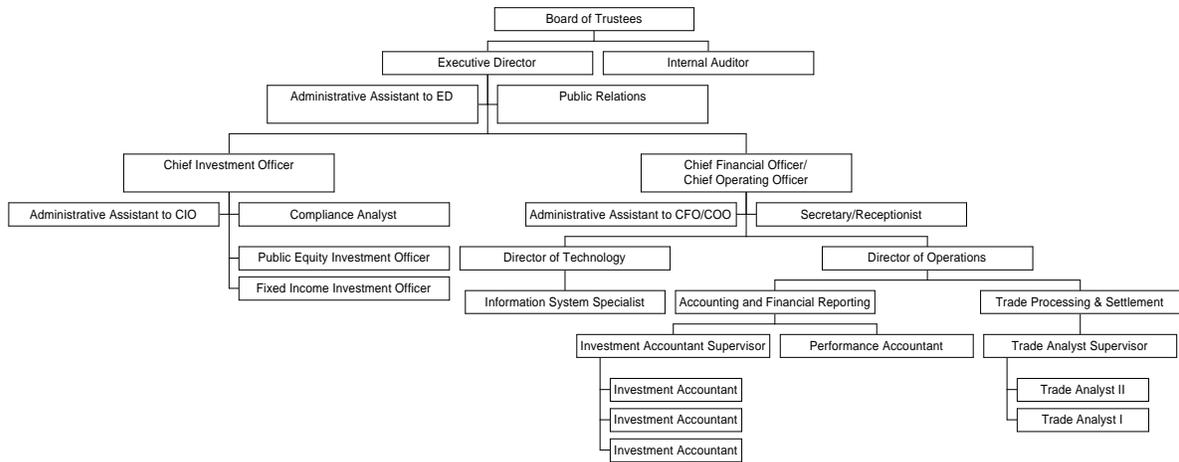
ADMINISTRATIVE MANDATE

Governance of the West Virginia Investment Management Board is vested, by statute, in a thirteen-member Board of Trustees. Three members of the Board serve by virtue of their office: the Governor, the Auditor, and the Treasurer. The other ten are appointed by the Governor and confirmed by the Senate. All appointees must have experience in pension management, institutional management or financial markets. In addition, one must be an attorney experienced in finance and investment matters and another must be a Certified Public Accountant. Only six of the ten appointed Trustees may be from the same political party. The Governor serves as Chairman of the Board. A Vice-Chairman is elected by the Trustees. A Secretary, who need not be a member of the Board, is also elected by the Trustees to keep a record of the proceedings 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 the annual 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 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 of 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 §12-6-12f.

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 participants, 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.

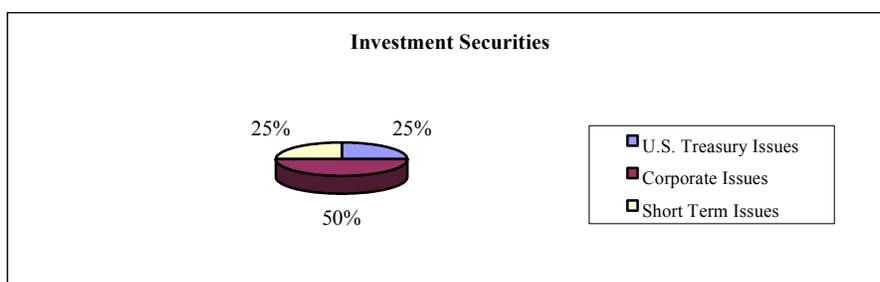
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 2000	\$ 166,000
Net increase from operations	11,775
Income distributions to unitholders	(12,209)
Net decrease from unit transactions	<u>(14,990)</u>
Net Assets - June 30, 2001	<u><u>\$ 150,576</u></u>

Investment Securities (in 000s)

	<u>Fair Value</u>
U.S. Treasury Issues	\$ 37,330
Corporate Issues	75,076
Short Term Issues	<u>37,530</u>
Total	<u><u>\$ 149,936</u></u>

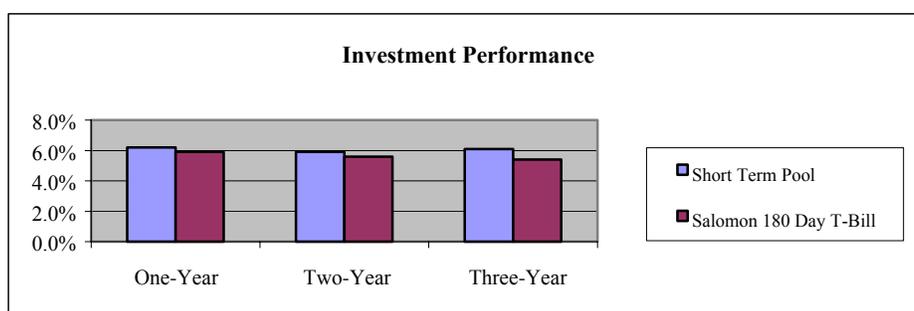


Short-Term Fixed Income Pool (continued)

Investment Performance

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

	Short-Term Fixed Income Pool	Salomon 180 Day T-Bill
One-Year	6.2%	5.9%
Two-Year	5.9%	5.6%
Three-Year	6.1%	5.4%



Rates of return are net of investment manager fees.

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool's expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	13.7
Trustee fees	0.1
Custodian bank fees	0.5
Management fees	2.1
Fiduciary bond fees	0.2
Professional service fees	0.7
Total expenses	17.3

Fixed Income Pool

Objectives

The main objective for the Fixed Income Pool, which, in the aggregate, comprises a core bond portfolio, is to generate investment income, provide stability and diversification, 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.

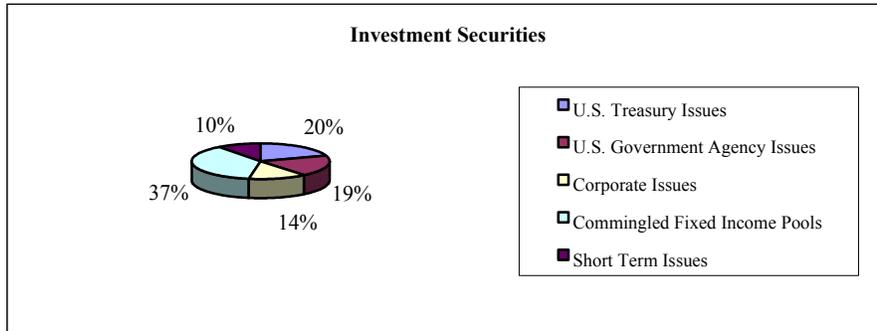
Progression of Net Assets (in 000s)

Net Assets - June 30, 2000	\$ 2,497,674
Net increase from operations	246,793
Income distributions to unitholders	(80,056)
Net decrease from unit transactions	<u>(616,003)</u>
Net Assets - June 30, 2001	<u>\$ 2,048,408</u>

Fixed Income Pool (continued)

Investment Securities (in 000s)

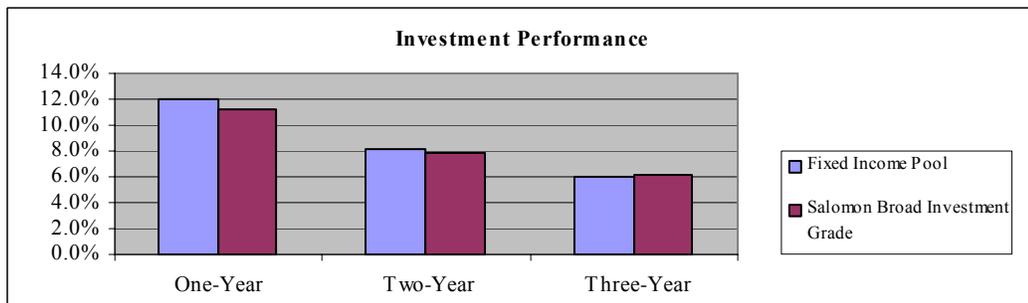
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 474,792
U.S. Government Agency Issues	461,837
Corporate Issues	328,139
Commingled Fixed Income Pools	882,332
Short Term Issues	<u>246,171</u>
Total	<u><u>\$ 2,393,271</u></u>



Investment Performance

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

	Salomon Broad	
	Fixed Income Pool	Investment Grade
One-Year	12.0%	11.3%
Two-Year	8.2%	7.8%
Three-Year	6.0%	6.2%



Rates of return are net of investment manager fees.

Fixed Income Pool (continued)

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool's expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	4.9
Trustee fees	0.1
Custodian bank fees	0.2
Management fees	1.8
Fiduciary bond fees	0.2
Professional service fees	0.6
Total expenses	<u>7.8</u>

Equity Pool

Objectives

The main objective for the Equity Pool is to provide for growth.

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	75.00 %	Passive Core
Chartwell Investment Partners	10.00 %	Concentrated Value
Alliance Capital Management, L.P.	10.00 %	Concentrated Growth
Q.E.D. Investments, L.L.C.	5.00 %	Quantitative Core
<i>Non-Large Capitalization</i>		
Dimensional Fund Advisors, Inc.	50.00 %	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	29.00 %	Developed country, bottom-up value
TT International	29.00 %	Developed country, top-down
Mastholm Asset Management	29.00 %	Developed country, bottom-up, growth
Capital International	13.00 %	Emerging market growth

Equity Pool (continued)

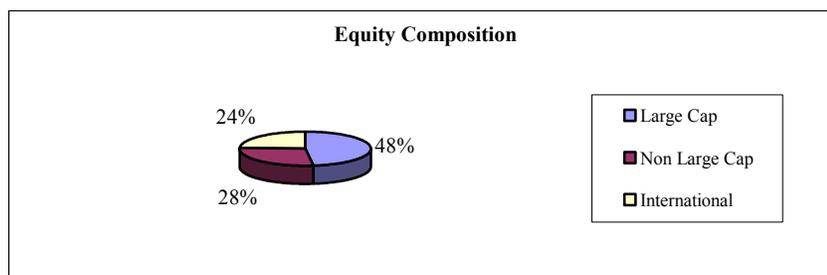
Financial Highlights

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

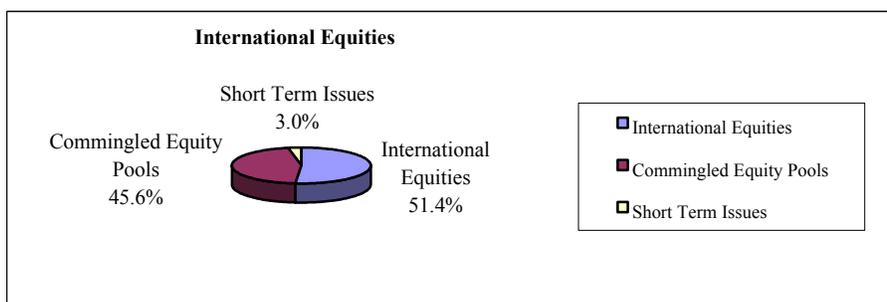
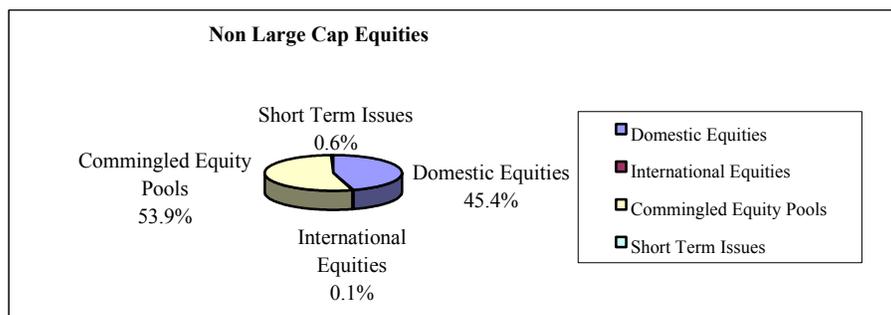
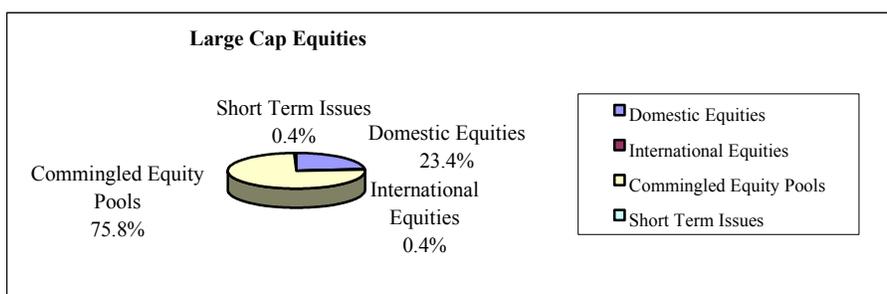
Equity Pool

Progression of Net Assets (in 000s)	Large Cap	Non-Large Cap	International
Net Assets - June 30, 2000	\$ 1,247,139	\$ 645,842	\$ 711,237
Net decrease/increase from operations	(230,929)	108,815	(122,145)
Net increase from unit transactions	466,530	92,043	164,169
Net Assets - June 30, 2001	<u>\$ 1,482,740</u>	<u>\$ 846,700</u>	<u>\$ 753,261</u>



Equity Pool (continued)

Investment Securities (in 000s)	Large Cap	Non Large Cap	International
	Fair Value	Fair Value	Fair Value
Domestic Equities	\$ 346,318	\$ 380,519	\$ -
International Equities	5,671	1,174	384,681
Commingled Equity Pools	1,121,932	451,807	341,231
Short Term Issues	6,587	5,052	22,241
Total	<u>\$ 1,480,508</u>	<u>\$ 838,552</u>	<u>\$ 748,153</u>



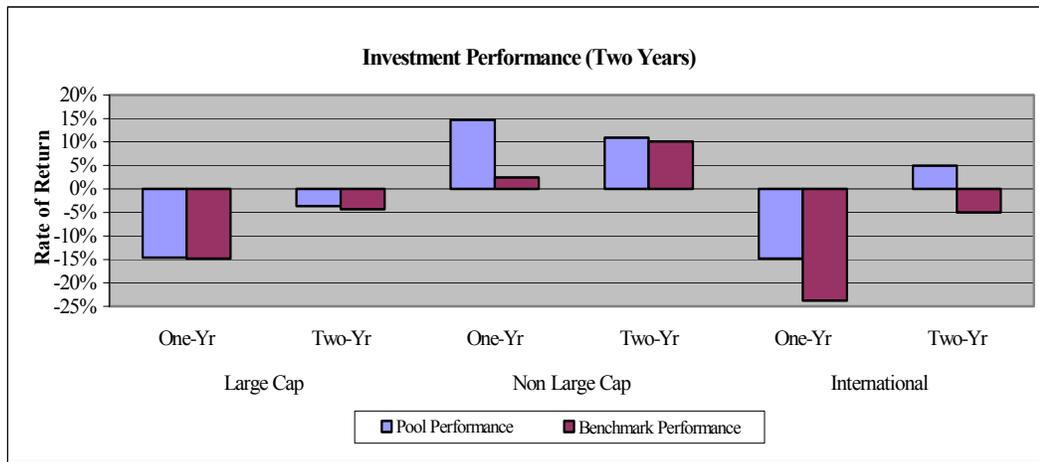
Equity Pool (continued)

Investment Performance

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

Investment Performance

	Large Cap		Non Large Cap		International	
	One-Yr	Two-Yr	One-Yr	Two-Yr	One-Yr	Two-Yr
Pool Performance	-14.6%	-3.7%	14.7%	10.9%	-14.8%	4.9%
Benchmark Performance	-14.8%	-4.4%	2.4%	10.1%	-23.8%	-5.0%
Benchmark	S&P 500		Russell 2500		MSCI ACWI EX US	



Rates of return are net of investment manager fees.

Equity Pool (continued)

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool's expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratios (in basis points)		
	Large Cap	Non Large Cap	International
Investment advisor fees	5.2	33.6	48.6
Trustee fees	0.1	0.1	0.1
Custodian bank fees	0.2	1.0	4.7
Management fees	2.0	1.8	1.9
Fiduciary bond fees	0.2	0.2	0.2
Professional service fees	0.7	0.6	0.7
Total expenses	<u>8.4</u>	<u>37.3</u>	<u>56.2</u>

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, 2001, the debt outstanding totaled \$143,505,000, and the annual rate of return, net of fees, was 6.6%.

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's 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

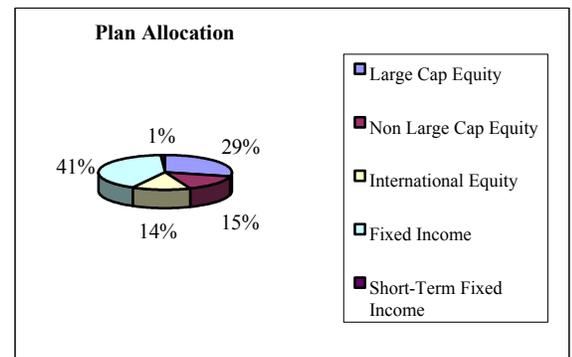
Death, Disability and Retirement Fund for Deputy Sheriffs (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 39,244
Contributions	3,537
Withdrawals	<u>(537)</u>
Net	3,000
Investment income	689
Net unrealized depreciation	<u>(605)</u>
June 30, 2001	<u><u>\$ 42,328</u></u>

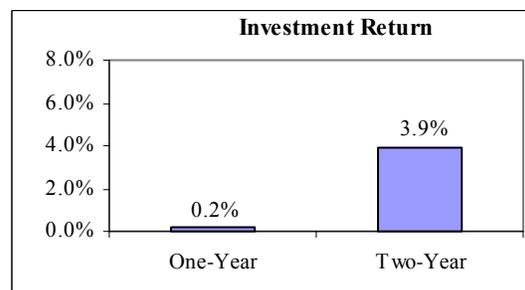
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 12,092	29%
Non Large Cap Equity	6,542	15%
International Equity	5,988	14%
Fixed Income	17,204	41%
Short-Term Fixed Income	<u>502</u>	<u>1%</u>
Total	<u><u>\$ 42,328</u></u>	<u>100%</u>



Investment Performance

Investment Return	
One-Year	0.2%
Two-Year	3.9%



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's 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

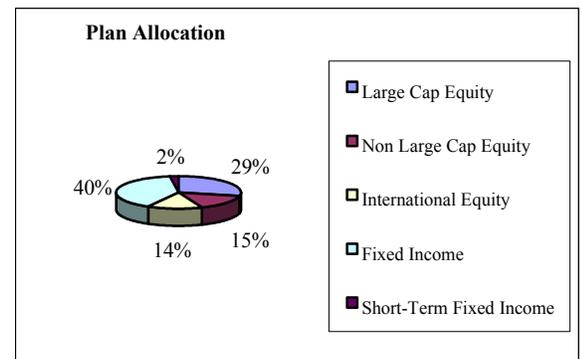
Judge's Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 42,991
Contributions	6,257
Withdrawals	<u>(3,165)</u>
Net	3,092
Investment income	709
Net unrealized depreciation	<u>(759)</u>
June 30, 2001	<u><u>\$ 46,033</u></u>

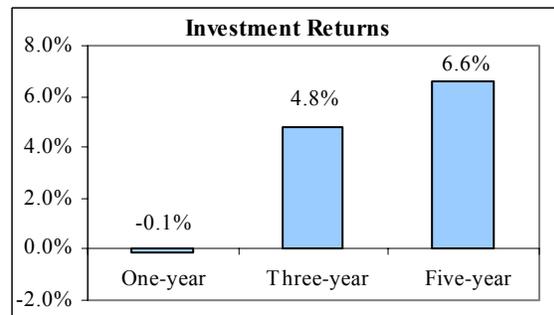
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 13,167	29%
Non Large Cap Equity	7,028	15%
International Equity	6,515	14%
Fixed Income	18,280	40%
Short-Term Fixed Income	<u>1,043</u>	<u>2%</u>
Total	<u><u>\$ 46,033</u></u>	<u><u>100%</u></u>



Investment Performance

Investment Returns	
One-year	-0.1%
Three-year	4.8%
Five-year	6.6%



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.

Public Employees' Retirement System

Creation

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

Investment Objectives

The Plan's 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

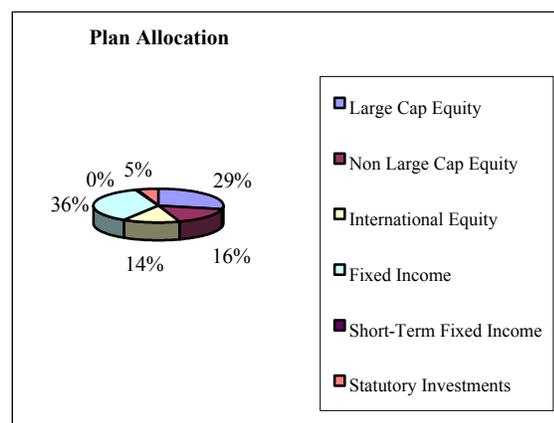
Public Employees' Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 2,692,908
Contributions	131,554
Withdrawals	(138,009)
Net	<u>(6,455)</u>
Investment income	35,722
Net unrealized depreciation	(44,382)
June 30, 2001	<u><u>\$ 2,677,793</u></u>

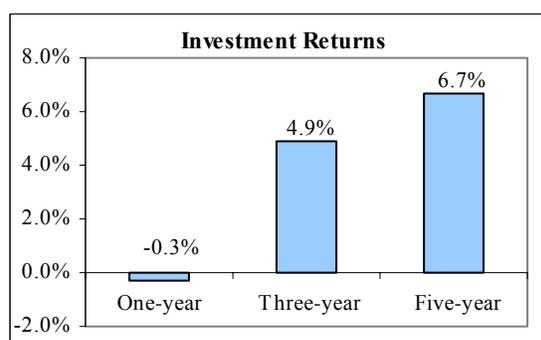
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 756,770	29%
Non Large Cap Equity	437,471	16%
International Equity	385,484	14%
Fixed Income	941,472	36%
Short-Term Fixed Income	12,217	0%
Statutory Investments	144,379	5%
Total	<u><u>\$ 2,677,793</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	-0.3%
Three-year	4.9%
Five-year	6.7%



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's 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

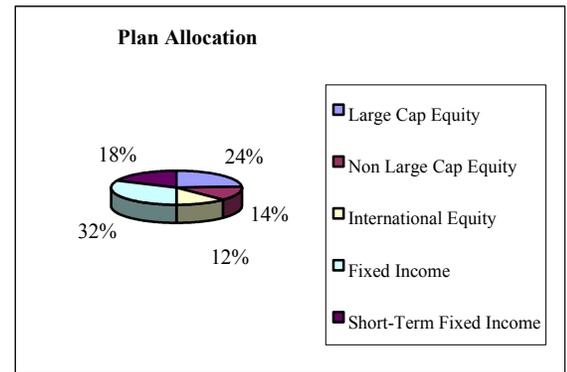
Public Safety Death Disability and Retirement Plan (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 84,740
Contributions	20,467
Withdrawals	<u>(15,790)</u>
Net	4,677
Investment income	1,304
Net unrealized depreciation	<u>(1,493)</u>
June 30, 2001	<u>\$ 89,228</u>

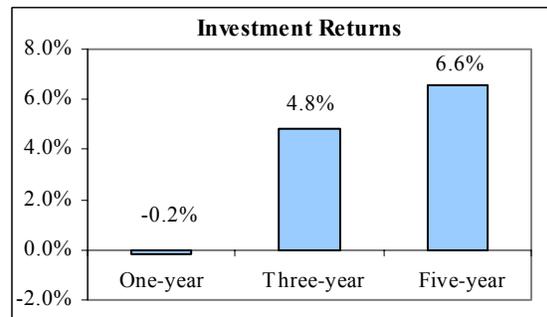
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 21,331	24%
Non Large Cap Equity	12,241	14%
International Equity	11,083	12%
Fixed Income	28,566	32%
Short-Term Fixed Income	16,007	18%
Total	<u>\$ 89,228</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	-0.2%
Three-year	4.8%
Five-year	6.6%



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.

State Police Retirement System

Creation

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

Investment Objectives

The Plan's 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

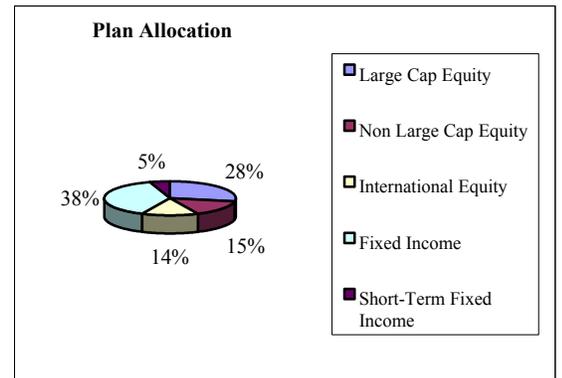
State Police Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 7,420
Contributions	2,389
Withdrawals	(25)
Net	<u>2,364</u>
Investment income	147
Net unrealized depreciation	(106)
June 30, 2001	<u>\$ 9,825</u>

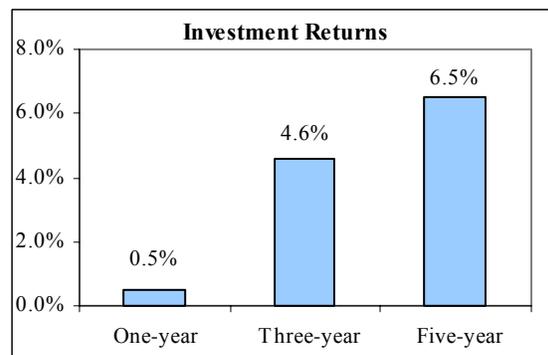
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 2,746	28%
Non Large Cap Equity	1,495	15%
International Equity	1,351	14%
Fixed Income	3,738	38%
Short-Term Fixed Income	495	5%
Total	<u>\$ 9,825</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	0.5%
Three-year	4.6%
Five-year	6.5%



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.

Teachers' Retirement System

Creation

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

Investment Objectives

The Plan's 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

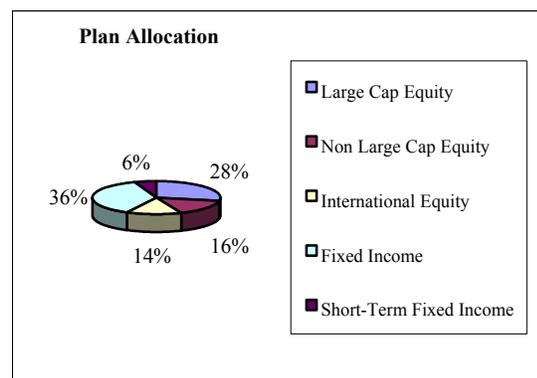
Teachers Retirement System (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$1,005,785
Contributions	300,219
Withdrawals	(252,450)
Net	<u>47,769</u>
Investment income	16,564
Net unrealized depreciation	(18,143)
June 30, 2001	<u><u>\$1,051,975</u></u>

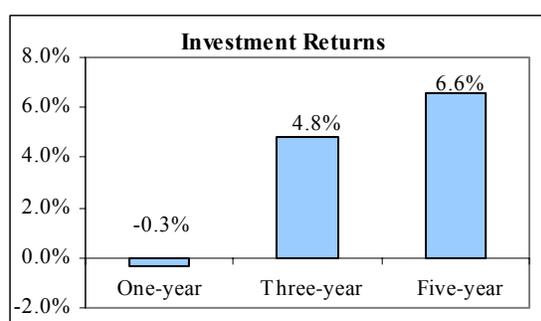
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 294,358	28%
Non Large Cap Equity	164,721	16%
International Equity	147,170	14%
Fixed Income	387,763	36%
Short-Term Fixed Income	57,963	6%
Total	<u><u>\$ 1,051,975</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	-0.3%
Three-year	4.8%
Five-year	6.6%



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 I and II

Creation

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

Investment Objectives

The Plan's 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%

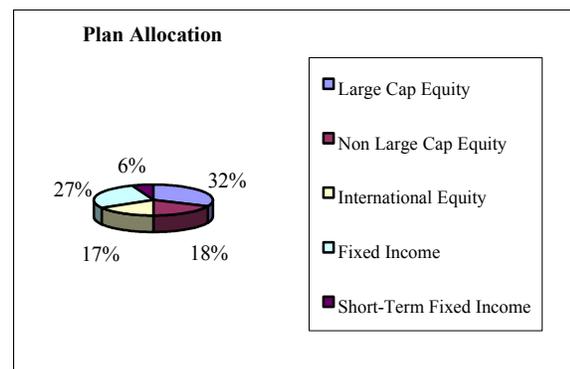
Workers' Compensation Fund I

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 719,163
Contributions	424,401
Withdrawals	(503,573)
Net	<u>(79,172)</u>
Investment income	17,047
Net unrealized depreciation	(12,858)
June 30, 2001	<u><u>\$ 644,180</u></u>

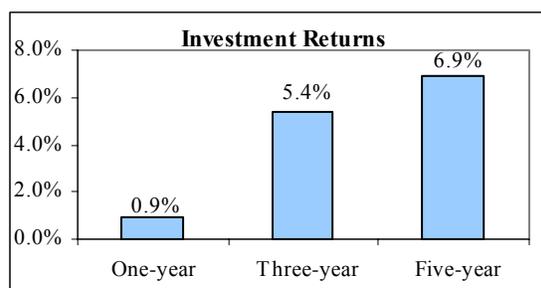
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 204,120	32%
Non Large Cap Equity	118,542	18%
International Equity	106,591	17%
Fixed Income	177,060	27%
Short-Term Fixed Income	37,867	6%
Total	<u><u>\$ 644,180</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	0.9%
Three-year	5.4%
Five-year	6.9%



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.

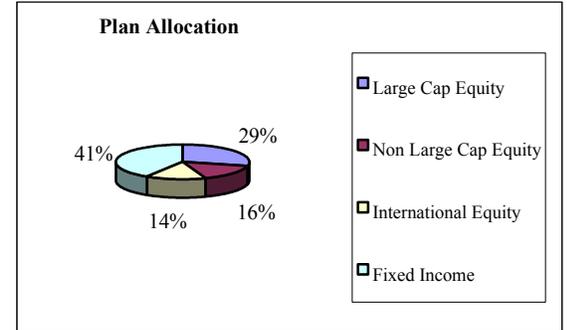
Workers' Compensation Fund II

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 441,829
Contributions	-
Withdrawals	-
Net	-
Investment Income	8,092
Net unrealized depreciation	(4,341)
June 30, 2001	<u>\$ 445,580</u>

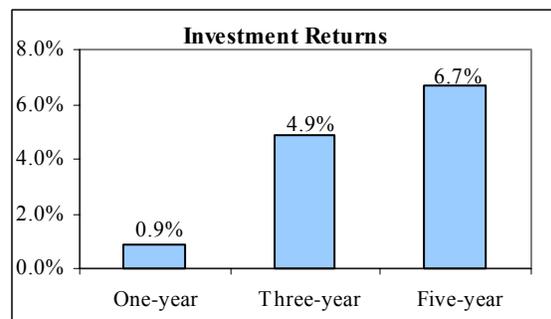
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 127,460	29%
Non Large Cap Equity	70,544	16%
International Equity	63,883	14%
Fixed Income	183,693	41%
Total	<u>\$ 445,580</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	0.9%
Three-year	4.9%
Five-year	6.7%



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.

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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's 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%

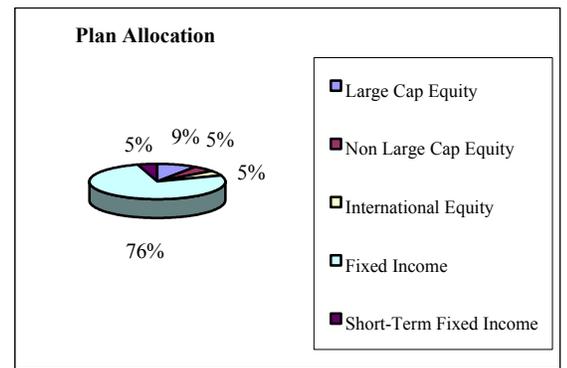
Pneumoconiosis Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 317,463
Contributions	6,386
Withdrawals	(8,135)
Net	<u>(1,749)</u>
Investment income	9,916
Net unrealized appreciation	13,996
June 30, 2001	<u><u>\$ 339,626</u></u>

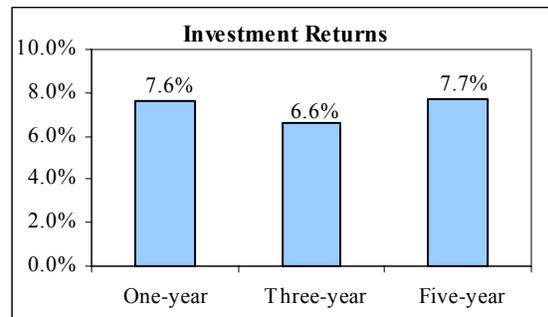
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 31,758	9%
Non Large Cap Equity	17,777	5%
International Equity	16,050	5%
Fixed Income	258,058	76%
Short-Term Fixed Income	15,983	5%
Total	<u><u>\$ 339,626</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	7.6%
Three-year	6.6%
Five-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 Plan's 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

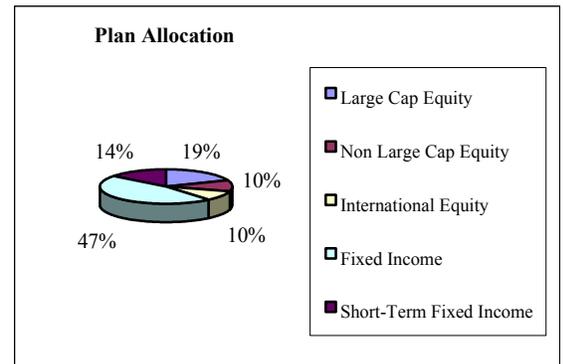
Workers' Compensation Employers Excess Liability Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 8,636
Contributions	681
Withdrawals	(723)
Net	(42)
Investment income	230
Net unrealized appreciation	13
June 30, 2001	<u>\$ 8,837</u>

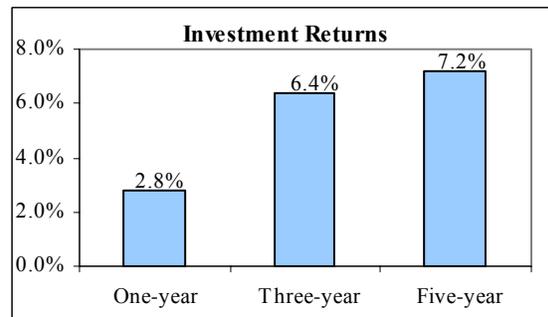
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 1,695	19%
Non Large Cap Equity	907	10%
International Equity	842	10%
Fixed Income	4,127	47%
Short-Term Fixed Income	1,266	14%
Total	<u>\$ 8,837</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	2.8%
Three-year	6.4%
Five-year	7.2%



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.

Wildlife Endowment Fund

Creation

The Wildlife Endowment Fund (the Plan) was created in 1998. The objective for the Wildlife Endowment Fund is to supplement the Division of Natural Resources annual budget in support of various statewide projects.

Investment Objectives

The Plan's investment objectives are as follows:

- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.
- Provide adequate liquidity to meet cash flow requirements.

Asset Allocation

Based upon the Board'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 Wildlife Endowment Fund. (Policy targets have been established on a market value basis.)

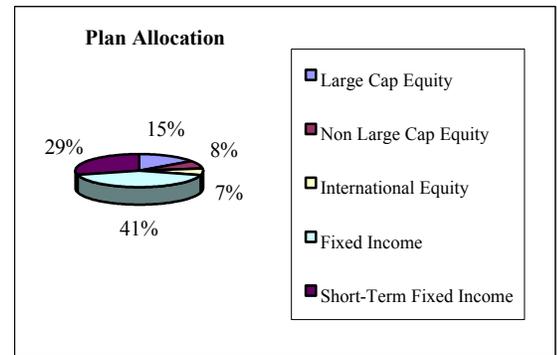
Asset Class	Policy Target
Domestic Large Cap Equity	30.0%
Domestic Non-Large Cap Equity	15.0%
International Equity	15.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	Residual

Wildlife Endowment Fund (continued)

Progression of Plan Balance

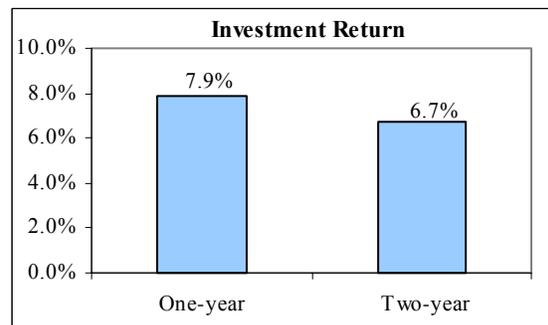
	(in 000s)
June 30, 2000	\$ 20,911
Contributions	431
Withdrawals	(988)
Net	<u>(557)</u>
Investment income	1,162
Net unrealized appreciation	500
June 30, 2001	<u><u>\$ 22,016</u></u>

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 3,333	15%
Non Large Cap Equity	1,672	8%
International Equity	1,479	7%
Fixed Income	9,123	41%
Short-Term Fixed Income	6,409	29%
Total	<u><u>\$ 22,016</u></u>	<u>100%</u>



Investment Performance

Investment Return	
One-year	7.9%
Two-year	6.7%



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 invests 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

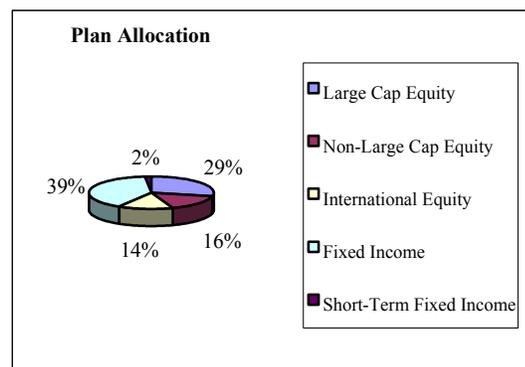
West Virginia Prepaid Tuition Trust Fund (continued)

Progression of Plan Balance

	(in 000s)
June 30, 2000	\$ 35,501
Contributions	12,887
Withdrawals	<u>(37)</u>
Net	12,850
Investment income	685
Net unrealized appreciation	<u>(392)</u>
June 30, 2001	<u><u>\$ 48,644</u></u>

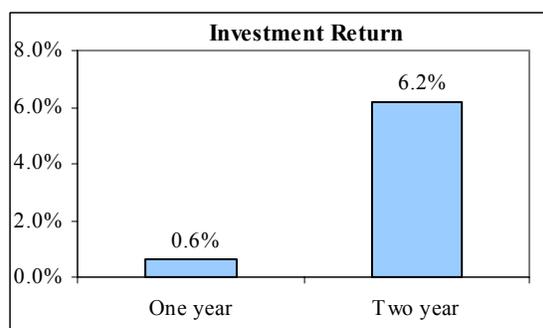
Asset Allocation (actual)

	Asset Value (in 000s)	Percentage
Large Cap Equity	\$ 13,910	29%
Non-Large Cap Equity	7,761	16%
International Equity	6,827	14%
Fixed Income	19,322	39%
Short-Term Fixed Income	824	2%
Total	<u><u>\$ 48,644</u></u>	<u>100%</u>



Investment Performance

Investment Return	
One year	0.6%
Two year	6.2%



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, which includes interest income and realized gains and losses.

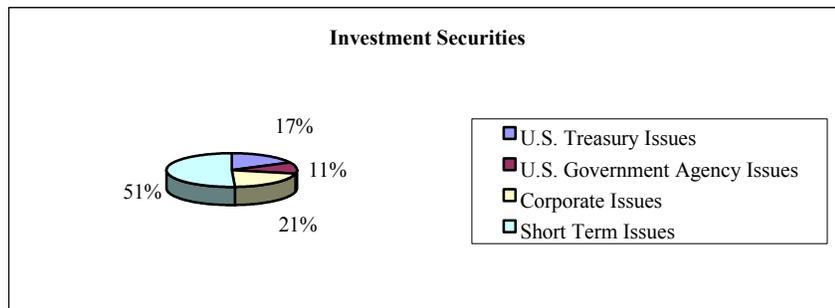
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 2000	\$	928,953
Net increase from operations		57,552
Income distributions to unitholders		(57,552)
Net increase from unit transactions		62,965
Net Assets - June 30, 2001	\$	<u>991,918</u>

Investment Securities (in 000s)

	<u>Amortized Cost</u>
U.S. Treasury Issues	\$ 170,996
U.S. Government Agency Issues	107,690
Corporate Issues	204,734
Short Term Issues	<u>500,383</u>
Total	<u>\$ 983,803</u>

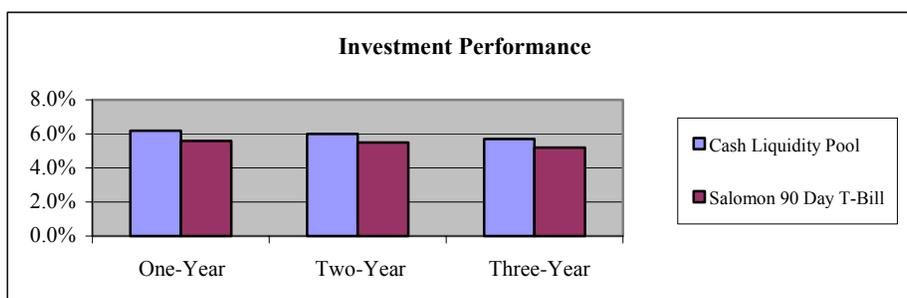


Cash Liquidity Pool (continued)

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	6.2%	5.6%
Two-Year	6.0%	5.5%
Three-Year	5.7%	5.2%



Rates of return are net of investment manager fees.

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool's expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	4.1
Trustee fees	0.1
Custodian bank fees	0.4
Management fees	5.1
Fiduciary bond fees	0.2
Professional service fees	1.0
Total expenses	<u>10.9</u>

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.

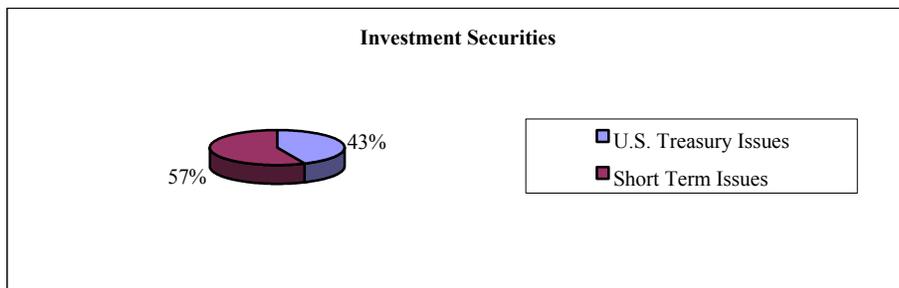
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 2000	\$ 123,839
Net increase from operations	8,662
Income distributions to unitholders	(8,662)
Net increase from unit transactions	17,215
Net Assets - June 30, 2001	<u>\$ 141,054</u>

Investment Securities (in 000s)

	<u>Amortized Cost</u>
U.S. Treasury Issues	\$ 60,612
Short Term Issues	<u>79,555</u>
Total	<u>\$ 140,167</u>

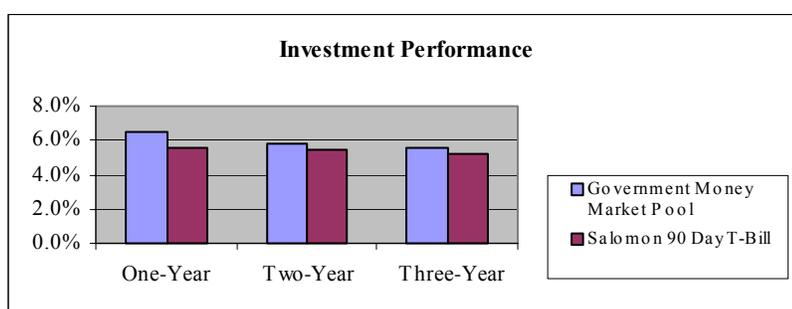


Government Money Market Pool (continued)

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	6.5%	5.6%
Two-Year	5.8%	5.5%
Three-Year	5.6%	5.2%



Rates of return are net of fees.

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool’s expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	3.9
Trustee fees	0.1
Custodian bank fees	0.2
Management fees	7.8
Fiduciary bond fees	0.3
Professional service fees	1.6
Total expenses	13.9

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.

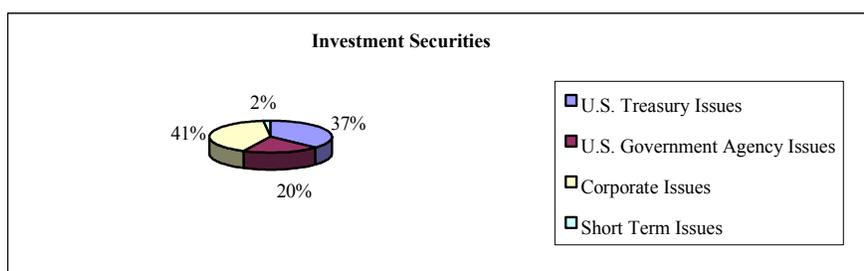
Financial Highlights

Progression of Net Assets (in 000s)

Net Assets - June 30, 2000	\$	341,623
Net increase from operations		30,519
Income distributions to unitholders		(20,629)
Net decrease from unit transactions		(9,689)
Net Assets - June 30, 2001	\$	<u>341,824</u>

Investment Securities (in \$000s)

	Fair Value
U.S. Treasury Issues	\$ 125,621
U.S. Government Agency Issues	69,000
Corporate Issues	138,100
Short Term Issues	7,018
Total	<u>\$ 339,739</u>

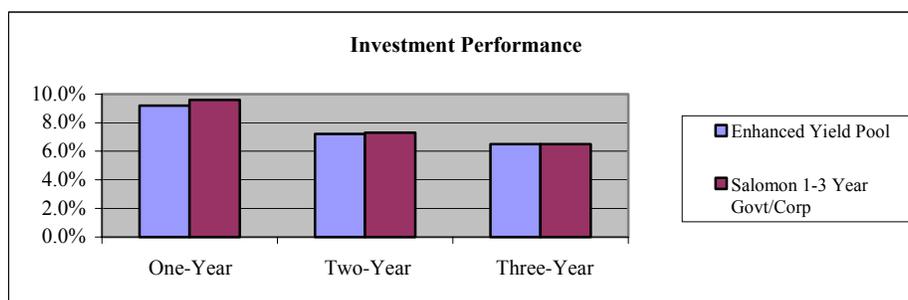


Enhanced Yield Pool (continued)

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	9.2%	9.6%
Two-Year	7.2%	7.3%
Three-Year	6.5%	6.5%



Rates of return are net of investment manager fees.

Expenses

The WVIMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Pool's expenses for the year divided by the average net assets of the pool are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	4.3
Trustee fees	0.1
Custodian bank fees	0.4
Management fees	7.7
Fiduciary bond fees	0.3
Professional service fees	1.5
Total expenses	<u>14.3</u>

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, 2001 Net Asset Value (in \$000s)
<hr/>	
<i>Single Agency Pools</i>	
Municipal Bond Commission	\$158,905
Department of Transportation	55,351
Lottery Defeasance	6,568
School Fund	1,548
EDA Insurance	453
<i>Special Purpose Pools</i>	
Loss Amortization	110,956
Loans	109,853

Audited Financial Statements

West Virginia
*Investment Management Board*_____

Audited Financial Statements
Consolidated Pension Fund
Consolidated Fund

June 30, 2001

West Virginia Investment Management Board
Audited Financial Statements
June 30, 2001

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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, 2001, 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, 2001, 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

August 10, 2001



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
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**Consolidated Pension Fund
West Virginia Investment Management Board**

Statement of Assets and Liabilities

June 30, 2001

(Dollars in thousands, except Investment Unit Data)

Assets	<u>Short-Term Fixed Income</u>	<u>Fixed Income</u>
Investment securities:		
At amortized cost	\$ 149,831	\$ 1,499,236
At fair value	\$ 149,936	\$ 1,510,939
Cash	-	-
Receivables:		
Accrued interest	683	12,592
Investments sold	-	26,258
Dividends	2	76
Foreign taxes withheld	-	-
Unrealized gain on foreign currency exchange contracts (Note 4)	-	-
Total assets	<u>150,621</u>	<u>1,549,865</u>
 Liabilities		
Accrued expenses	45	168
Payable for investments purchased	-	383,581
Total liabilities	<u>45</u>	<u>383,749</u>
Net assets at value	<u>\$ 150,576</u>	<u>\$ 1,166,116</u>
 Net assets		
Paid-in capital	\$ 149,423	\$ 1,115,718
Accumulated undistributed net investment income (loss)	476	5,738
Accumulated undistributed net realized gain (loss)	572	32,957
Accumulated undistributed net realized loss		
from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	105	11,703
Unrealized net depreciation of translation		
of assets and liabilities in foreign currencies	-	-
Net assets at value	<u>\$ 150,576</u>	<u>\$ 1,166,116</u>
 Investment unit data:		
Units outstanding	15,082,516	114,501,142
Net asset value, unit price	<u>\$9.98</u>	<u>\$10.18</u>

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>	<u>S&P 500 Index Qualified</u>	<u>S&P 500 Index Nonqualified</u>
\$ 531,191	\$ 267,248	\$ 814,629	\$ 298,421
\$ 601,042	\$ 281,290	\$ 833,287	\$ 288,645
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
601,042	281,290	833,287	288,645
26	14	32	8
-	-	-	-
26	14	32	8
\$ 601,016	\$ 281,276	\$ 833,255	\$ 288,637
\$ 527,781	\$ 238,368	\$ 815,256	\$ 274,224
1,878	35,881	(659)	7,385
1,506	(7,015)	-	16,804
-	-	-	-
69,851	14,042	18,658	(9,776)
-	-	-	-
\$ 601,016	\$ 281,276	\$ 833,255	\$ 288,637
53,092,377	24,633,725	65,657,150	22,499,539
\$11.32	\$11.42	\$12.69	\$12.83

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

Statement of Assets and Liabilities (Continued)

June 30, 2001

(Dollars in thousands, except Investment Unit Data)

	Large Cap Domestic	Non Large Cap Domestic
Assets		
Investment securities:		
At amortized cost	\$ 370,850	\$ 722,997
At fair value	\$ 358,576	\$ 838,552
Cash	-	-
Receivables:		
Accrued interest	-	-
Investments sold	32,674	21,605
Dividends	350	313
Foreign taxes withheld	-	-
Unrealized gain on foreign currency exchange contracts (Note 4)	-	-
Total assets	391,600	860,470
Liabilities		
Accrued expenses	156	573
Payable for investments purchased	30,596	13,197
Total liabilities	30,752	13,770
Net assets at value	\$ 360,848	\$ 846,700
Net assets		
Paid-in capital	\$ 376,815	\$ 658,133
Accumulated undistributed net investment income (loss)	8,063	44,452
Accumulated undistributed net realized gain (loss)	(11,756)	28,560
Accumulated undistributed net realized loss from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	(12,274)	115,555
Unrealized net depreciation of translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 360,848	\$ 846,700
Investment unit data:		
Units outstanding	35,639,122	67,603,290
Net asset value, unit price	\$10.13	\$12.52

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ 142,363	\$ 49,169	\$ 532,901	\$ 143,505
<u>\$ 179,056</u>	<u>\$ 62,648</u>	<u>\$ 506,449</u>	<u>\$ 143,505</u>
-	-	5,168	-
-	-	-	876
-	-	7,692	-
-	-	661	-
-	-	287	-
-	-	889	-
<u>179,056</u>	<u>62,648</u>	<u>521,146</u>	<u>144,381</u>
91	1	396	2
-	-	9,101	-
<u>91</u>	<u>1</u>	<u>9,497</u>	<u>2</u>
<u>\$ 178,965</u>	<u>\$ 62,647</u>	<u>\$ 511,649</u>	<u>\$ 144,379</u>
\$ 148,300	\$ 49,095	\$ 508,826	
(1,987)	(893)	11,154	
(4,041)	966	68,971	
-	-	(51,720)	
36,693	13,479	(11,615)	
-	-	(13,967)	
<u>\$ 178,965</u>	<u>\$ 62,647</u>	<u>\$ 511,649</u>	
12,984,605	4,124,668	42,754,474	
<u>\$13.78</u>	<u>\$15.19</u>	<u>\$11.97</u>	

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

Schedule of Investments in Securities

June 30, 2001

(Dollars in thousands, except Share Data)

Security Name	Coupon or Yield*	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	5.875%	11/30/2001	\$ 37,000	\$ 37,299	\$ 37,330
Total U.S. Treasury Issues	24.9%			37,299	37,330
<i>Corporate Issues</i>					
Corporate Bonds					
Cargill Inc	4.510A	01/22/2002	7,500	7,499	7,506
Fleet National Bank	4.439A	02/01/2002	7,500	7,497	7,503
General Motors Accept Corp	4.465A	04/29/2002	6,000	5,999	6,005
US Bancorp	4.170A	06/07/2002	7,900	7,899	7,901
Ford Motor Credit Co	4.514A	08/01/2002	10,000	10,000	9,997
Mellon Financial Co	4.219A	09/16/2002	10,000	10,011	10,028
John Deere Capital Corp	4.590A	04/21/2003	3,700	3,695	3,704
Household Finance Corp	5.254A	10/08/2003	6,500	6,500	6,501
Total Corporate Bonds				59,100	59,145
Corporate Asset Backed Issues					
WFS Financial Owner Trust	5.650	11/20/2002	996	992	999
DVI Receivables Corp	6.759	01/12/2003	6,000	6,000	6,057
Standard Credit Cd Master Tr I	8.250	11/07/2003	5,525	5,608	5,575
Discover Card Master Trust I	4.330A	10/16/2004	3,296	3,302	3,300
Total Corporate Asset Backed Issues				15,902	15,931
Total Corporate Issues	50.1%			75,002	75,076
<i>Short-term Issues</i>					
Merrill Lynch Premier Institutional Money Market Fund			37,530	37,530	37,530
Total Short-term Issues	25.0%			37,530	37,530
Total Short-Term Fixed Income				\$ 149,831	\$ 149,936

*-Yield is reported for those securities having no stated coupon.

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Coupon or Yield*	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	\$ 22,250	\$ 21,879	\$ 23,011
U.S. Treasury Note	6.500	02/15/2010	49,500	49,523	53,166
U.S. Treasury Note	5.750	08/15/2010	15,200	15,701	15,552
U.S. Treasury Strip-Prin	5.935*	11/15/2021	134,900	40,979	39,395
U.S. Treasury Bond	8.000	11/15/2021	51,200	59,142	63,776
U.S. Treasury Strip-Prin	5.814*	08/15/2025	136,300	34,207	32,220
U.S. Treasury Bond	6.375	08/15/2027	33,915	36,966	35,950
U.S. Treasury Bond	6.125	11/15/2027	60,825	63,595	62,611
U.S. Treasury Inflation Protection Note	3.625	04/15/2028	84,206	83,313	86,202
U.S. Treasury Bond	6.125	08/15/2029	23,025	24,024	23,849
U.S. Treasury Bond	6.250	05/15/2030	6,300	7,048	6,673
U.S. Treasury Bond	5.375	02/15/2031	34,182	33,688	32,387
Total U.S. Treasury Issues	31.4%			470,065	474,792
<i>U.S. Government Agency Issues</i>					
U.S. Government Agency Bonds					
FNMA Benchmark Bonds	7.125	02/15/2005	25,000	24,996	26,488
FNMA Benchmark Notes	7.250	01/15/2010	25,000	25,014	26,863
Total U.S. Government Agency Bonds				50,010	53,351
U.S. Government Agency Mortgage Backed Issues					
FHLMC Mortgage Pools	6.748**	09/18/2026**	111,563	110,621	110,736
FNMA Mortgage Pools	6.657**	05/13/2020**	156,855	156,388	156,017
GNMA Mortgage Pools	6.902**	08/10/2027**	114,658	115,629	115,067
Total U.S. Government Agency Mortgage Backed Issues				382,638	381,820
U.S. Government Agency CMO's					
Student Loan Marketing Association	4.051A	04/25/2006	15,177	15,175	15,147
Student Loan Marketing Association	4.301A	10/26/2011	8,800	8,800	8,736
FHLMC-CMO	7.000	01/25/2021	2,707	2,700	2,783
Total U.S. Government Agency CMO's				26,675	26,666
Total U.S. Government Agency Issues	30.6%			459,323	461,837
<i>Corporate Issues</i>					
U.S. Corporate Bonds					
Lehman Brother Holding	4.308A	09/04/2001	20,000	20,000	20,006
Enron Corporation	4.368A	09/10/2001	10,000	10,000	10,003
Vodafone AirTouch PLC	3.987A	12/19/2001	10,000	9,998	10,009
International Paper Co	5.604A	07/08/2002	10,000	10,000	10,008
Ford Motor Credit Co	5.518A	04/17/2003	20,000	20,000	20,075

*-Yield is reported for those securities having no stated coupon. **-Weighted average coupon and maturity.
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, 2001

(Dollars in thousands, except Share Data)

Security Name	Coupon or Yield*	Maturity	Par Value or Shares	Amortized Cost	Fair Value
AT&T Corp	6.750	04/01/2004	1,250	1,247	1,286
Bear Stearns Companies Inc	7.625	02/01/2005	10,000	9,972	10,501
British Telecom PLC	7.625	12/15/2005	5,000	4,993	5,253
Merrill Lynch & Co Inc	7.000	03/15/2006	15,000	15,483	15,610
RJR Nabisco Inc	7.875	05/15/2009	20,000	19,758	19,687
Goldman Sachs Group Inc	7.800	01/28/2010	10,000	9,959	10,545
Loews Corp	7.625	06/01/2023	15,000	14,588	14,697
British Aerospace Finance Inc	7.500	07/01/2027	7,500	7,446	7,495
Dow Chemical Co	7.375	11/01/2029	7,500	7,417	7,695
Lockheed Martin Corp	8.500	12/01/2029	4,000	3,985	4,436
Ford Holdings Inc	9.300	03/01/2030	10,000	11,915	11,429
Tennessee Valley Authority	7.125	05/01/2030	10,000	9,853	10,620
British Telecom PLC	8.625	12/15/2030	10,000	9,934	10,851
Worldcom Inc	8.250	05/15/2031	5,000	4,905	4,885
Time Warner Entertainment Co	8.375	07/15/2033	7,500	7,763	8,082
Norfolk Southern Corp	7.050	05/01/2037	15,000	16,100	15,342
News America Holdings Inc	7.750	12/01/2045	12,500	11,432	11,600
Abbey National Cap Trust I	8.963	12/29/2049	10,000	10,063	11,183
IBJ Preferred Capital Co LLC	8.790A	12/29/2049	10,000	10,114	8,897
Total U.S. Corporate Bonds				256,925	260,195
Corporate Asset Backed Issues					
Nissan Auto Rec Owner Trust	6.730	05/15/2002	3,366	3,366	3,371
First Plus Home Loan Trust	7.640	07/10/2022	5,250	5,248	5,472
Home Loan Trust RFC	7.490	07/25/2022	6,250	6,245	6,440
Residential Funding Mortgage Sec	6.810A	01/25/2024	17,620	17,605	17,591
CS First Boston Mtg Secs Corp	7.590	07/25/2026	20,000	19,982	20,740
Total Corporate Asset Backed Issues				52,446	53,614
Corporate CMO's					
Westpac Securitization Trust 1998-1G	4.949A	07/19/2029	14,306	14,306	14,330
Total Corporate CMO's				14,306	14,330
Total Corporate Issues	21.7%			323,677	328,139
Short-term Issues					
Dreyfus Institutional Government Money Market Fund			245,266,617	245,267	245,267
Merrill Lynch Premier Institutional Money Market Fund			903,729	904	904
Total Short-term Issues	16.3%			246,171	246,171
Total Fixed Income				<u>\$ 1,499,236</u>	<u>\$ 1,510,939</u>

*-Yield is reported for those securities having no stated coupon.

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, 2001

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Fixed Income Qualified			
<i>Commingled Fixed Income Pool</i>			
Barclay's Global Investors Qualified Mortgage Index	1,889,985	\$ 104,058	\$ 119,738
Barclay's Global Investors Qualified Intermediate Corp	14,635,850	314,176	357,467
Barclay's Global Investors Qualified Long Corp	4,726,442	112,957	123,837
Total Commingled Fixed Income Pool 100.0%		<u>531,191</u>	<u>601,042</u>
Total Fixed Income Qualified		<u>\$ 531,191</u>	<u>\$ 601,042</u>
Fixed Income Nonqualified			
<i>Commingled Fixed Income Pool</i>			
Barclay's Global Investors Nonqualified Mortgage Index	2,673,178	\$ 53,376	\$ 56,040
Barclay's Global Investors Nonqualified Intermediate Corp	10,051,297	158,098	167,329
Barclay's Global Investors Nonqualified Long Corp	3,495,461	55,774	57,921
Total Commingled Fixed Income Pool 100.0%		<u>267,248</u>	<u>281,290</u>
Total Fixed Income Nonqualified		<u>\$ 267,248</u>	<u>\$ 281,290</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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
EQUITY SECURITIES			
S&P 500 Index Qualified			
<i>Commingled Equity Pool</i>			
State Street Global Advisors' S&P 500 Flagship NL	3,964,295	\$ 814,629	\$ 833,287
Total Commingled Equity Pool	100.0%	814,629	833,287
Total S&P 500 Index Qualified		\$ 814,629	\$ 833,287
S&P 500 Index Nonqualified			
<i>Commingled Equity Pool</i>			
State Street Global Advisors' S&P 500 CTF	5,428,200	\$ 298,421	\$ 288,645
Total Commingled Equity Pool	100.0%	298,421	288,645
Total S&P 500 Index Nonqualified		\$ 298,421	\$ 288,645
Large Cap Domestic			
<i>Equities</i>			
Domestic Equities			
AOL Time Warner Inc	197,634	\$ 10,317	\$ 10,475
AT&T-Liberty Media	280,900	5,321	4,913
AT&T-Wireless Group	221,500	5,932	3,622
Abbott Laboratories	34,841	1,727	1,672
American Express	4,811	230	187
American Home Products Corp	120,899	7,136	7,103
American International Group Inc	36,748	2,817	3,124
Amgen Inc	2,909	185	177
Anheuser-Busch Company Inc	170,215	7,449	7,013
Baker Hughes Inc	209,445	7,279	7,016
Bank of America Corporation	18,972	985	1,139
BellSouth Corporation	43,769	1,921	1,763
Boeing Company	26,000	1,467	1,446
Bristol-Myers Squibb Company	131,679	7,422	6,887
CIGNA Corporation	37,895	3,728	3,631
Cadence Design Systems Inc	394,765	8,157	7,354
Chevron Corporation	16,700	1,461	1,511
Cisco Systems Inc	279,785	10,718	5,092
Citigroup Inc	410,297	18,525	21,680
Coca-Cola Company	50,965	2,683	2,293
Comcast Corporation	85,900	3,743	3,728
ACE Ltd	208,460	7,857	8,149
Constellation Energy Group	95,215	3,958	4,056
Dell Computer Corporation	66,900	1,768	1,749
Delphi Automotive Systems Corp	364,000	5,762	5,799
Disney Walt Company	52,863	1,528	1,527
EI du Pont de Nemours and Co	28,900	1,383	1,394

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
EMC Corporation	99,946	4,934	2,923
El Paso Corporation	27,000	1,700	1,419
Electronic Data Systems Corporation	91,645	5,007	5,728
Emerson Electric Company	19,710	1,247	1,192
Exxon Mobil Corporation	44,040	3,404	3,847
Freddie Mac	168,990	10,835	11,500
Federal National Mortgage Association	21,468	1,522	1,825
General Electric Company	181,577	7,820	8,852
Hartford Financial Services Group	115,865	7,411	7,925
Hewlett-Packard Company	54,947	1,769	1,571
Home Depot Inc	152,321	7,171	7,091
Honeywell International Inc	153,400	7,586	5,367
Intel Corporation	100,478	3,916	2,939
International Business Machs	29,661	3,404	3,352
JP Morgan Chase & Company	4,111	198	183
Johnson & Johnson	48,532	2,477	2,427
Kimberly Clark Corporation	139,765	8,694	7,813
Kohl's Corporation	125,700	5,771	7,885
Lilly Eli and Company	24,990	1,867	1,849
MBNA Company	218,500	6,804	7,210
Marsh & McLennan Companies Inc	78,355	7,978	7,914
Medtronic Inc	30,362	1,497	1,397
Merck & Company Inc	38,969	2,533	2,491
Merrill Lynch & Company Inc	46,200	3,354	2,737
Microsoft Corporation	145,200	9,012	10,600
Micron Technology Inc	74,700	3,573	3,070
Morgan Stanley Dean Witter Co	2,931	204	188
Oracle Corporation	10,838	214	206
Pepsico Inc	35,404	1,640	1,565
PerkinElmer Inc	262,590	7,805	7,229
Pfizer Inc	326,335	11,132	13,070
Pharmacia Corporation	296,403	15,449	13,620
Philip Morris	44,200	2,026	2,243
T Rowe Price Associates Inc	88,995	3,099	3,327
Proctor & Gamble Company	29,517	2,293	1,883
Qwest Communications Intl Inc	6,400	229	204
SBC Communications Inc	242,623	10,826	9,719
Schering-Plough Corporation	147,060	6,646	5,329
Sun Microsystems Inc	13,541	294	213
Texas Instruments Inc	6,350	237	203
Tyco International Ltd	159,568	7,152	8,698
US Bancorp	304,600	6,775	6,942
United Technologies Corporation	61,695	4,599	4,520
Veritas Software Corporation	8,900	504	592
Verizon Communications	49,169	2,731	2,631
Viacom Inc	85,104	4,640	4,404
Wal-Mart Stores	7,819	391	382
Walgreen Company	87,500	3,669	3,015

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Wells Fargo Company	37,673	1,637	1,749
Williams Companies Inc	234,665	9,267	7,732
Check Point Software	20,700	1,195	1,047
Total Domestic Equities		357,597	346,318
Foreign Equities-Developed Markets			
Nokia Oyj Corp	149,000	4,373	3,306
Royal Dutch Petroleum Company	40,581	2,293	2,365
Total Foreign Equities-Developed Markets		6,666	5,671
Total Equities	98.2%	364,263	351,989
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	6,586,965	6,587	6,587
Total Short-term Issues	1.8%	6,587	6,587
Total Large Cap Domestic		\$ 370,850	\$ 358,576
Non large Cap Domestic			
<i>Commingled Equity Pools</i>			
Dimensional Fund Advisors 4-10 Value Series	41,450,165	\$ 376,634	\$ 451,807
Total Commingled Equity Pools	53.9%	376,634	451,807
<i>Equities</i>			
Domestic Equities			
AMB Property Corporation	19,500	471	502
ATMI Inc	13,800	507	414
AXT Inc	51,000	1,601	1,362
Accredo Health Inc	41,325	1,032	1,537
Activision Inc	77,900	1,968	3,058
Acterna Corporation	37,400	360	411
Active Power inc	34,300	842	572
Actrade Financial Tech Ltd	37,700	1,257	891
Axiom Corporation	10,100	318	132
Administaff Inc	65,700	1,419	1,708
Aeroflex Incorporated	16,600	155	174
AdvancePCS	28,300	1,264	1,813
Advanced Energy Industries Inc	46,600	1,643	1,923
Advent Software Inc	24,750	793	1,572
Affiliated Computer Services Inc	16,200	834	1,165
Affiliated Managers Group Inc	36,900	1,780	2,269
Affymetrix Inc	9,700	212	214
Agile Software Corporation	98,400	2,437	1,673
Airgas Inc	13,200	143	157
AirGate PCS Inc	39,300	2,051	2,044
Airtran Holdings	110,900	751	1,137

*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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Albany International Corp	46,200	695	873
Albemarle Corp	34,100	736	790
Alkermes Inc	32,100	871	1,127
Alliance Data Systems Corp	15,500	195	233
Alliance Pharmaceutical Corp	26,100	190	59
Alliant Techsystems Inc	2,100	182	189
Alpha Industries Inc	10,800	258	319
Ambac Financial Group Inc	16,500	758	960
American Eagle Outfitters Inc	11,300	250	398
American Management Systems	15,300	511	361
American Superconductor Corp	31,700	808	818
AmeriCredit Corp	25,100	715	1,304
AmeriPath Inc	86,800	2,136	2,543
AmerUs Group Company	16,700	384	592
Amkor Technology Inc	16,800	354	371
Amylin Pharmaceuticals Inc	15,800	159	178
Anadigics Inc	75,600	1,556	1,739
Anaren Microwave Inc	5,200	88	104
Anchor Gaming	17,500	921	1,131
Andrew Corporation	33,600	631	620
Angiotech Pharmaceuticals Inc	22,400	1,239	1,170
Anixter International Inc	45,100	1,110	1,385
Anthracite Capital Inc	48,700	445	538
University of Phoenix Online	11,100	520	472
Apria Healthcare Group Inc	23,100	596	666
Archstone Communities Trust	23,700	527	611
Arena Pharmaceuticals Inc	29,100	850	887
Argosy Gaming Company	46,100	1,045	1,280
ArvinMeritor Inc	19,375	348	324
Ashland Inc	6,900	244	277
Associated Banc-Corp	25,500	875	918
Astoria Financial Corp	26,400	1,017	1,452
AstroPower Inc	34,900	1,821	1,820
Atlas Air Inc	2,300	70	33
Atwood Oceanics Inc	13,700	565	481
Autodesk Inc	32,200	783	1,201
AutoNation Inc	46,500	337	539
Avant! Corporation	53,400	919	710
AXYS Pharmaceuticals Inc	72,600	427	305
Aztar Corporation	10,700	118	129
BEI Technologies Inc	23,700	824	640
BISYS Group Inc	21,500	640	1,269
BMC Software Inc	13,400	407	302
Ball Corp	25,100	1,166	1,194
BancFirst Corp	8,800	292	354
BancorpSouth Inc	7,600	121	129
Banc West Corp	38,000	783	1,307
Banknorth Group Inc	13,100	268	297
BARRA Inc	19,900	1,068	808
BBVA Banco Frances SA	21,600	414	536

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Beasley Broadcast Group Inc	15,900	210	270
Beckman Coulter Inc	16,200	545	661
Bed Bath & Beyond Inc	12,500	233	390
AH Belo Corporation	28,200	458	531
Berkley WR Corporation	30,600	1,327	1,267
Beverly Enterprises Inc	24,200	220	259
Black Hills Corp	30,600	1,573	1,231
Blockbuster Inc	61,800	1,005	1,128
Boise Cascade Corp	47,600	1,652	1,674
Bone Care International Inc	13,700	211	363
Borg-Warner Automotive Inc	14,800	630	734
Boston Properties Inc	15,000	590	614
Bowater Inc	8,100	376	362
Briggs & Stratton Corp	15,600	717	657
Brinker International Inc	21,700	508	561
BroadWing Inc	13,800	382	337
Brooks Automation Inc	32,100	1,608	1,480
Brown & Brown Inc	8,200	315	344
C&D Technologies Inc	27,000	957	837
Cleco Corporation	25,300	577	576
CMS Energy Corp	16,500	459	460
CPB Inc	10,200	224	302
CSG Systems International Inc	17,200	715	998
CV Therapeutics Inc	19,800	1,006	1,129
Cabletron Systems Inc	11,300	339	258
Cabot Industrial Trust	4,300	86	90
Cabot Oil & Gas Corp	2,500	51	61
Cal Dive International Inc	44,800	1,263	1,102
Callaway Golf Company	13,700	209	216
Cambrex Corporation	6,900	242	349
Caminus Corporation	67,400	1,658	1,818
Capitol Federal Financial	53,100	562	1,026
Caraustar Industries Inc	17,700	359	163
Career Education Corp	38,600	1,660	2,312
Catellus Development Corp	49,000	861	855
Centex Corp	9,200	349	375
Cephalon Inc	9,600	441	677
Charles River Laboratories	49,350	1,198	1,678
Chico's FAS Inc	36,000	969	1,071
Chieftain International Inc	16,400	278	471
Cirrus Logic Inc	54,800	723	1,262
Citizens Banking Corp	6,300	129	184
Cleveland-Cliffs Inc	14,000	429	259
Coach Inc	12,000	324	457
Columbia Banking System Inc	7,012	82	89
Comdisco Inc	87,900	1,264	117
Commerce Bancshares Inc	36,450	1,372	1,345
Commerce Group Inc	30,800	912	1,133
Commerce One Inc	76,800	392	449
Commercial Metals Company	24,700	696	791
Companhia Paranaense	109,400	850	822

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Connectiv Inc	65,900	1,389	1,423
Connetics Corp	15,100	216	114
CONSOL Energy Inc	29,900	781	756
Constellation Brands Inc	8,300	336	340
Constellation Energy Group	6,600	198	281
Continental Airlines Inc	13,200	585	650
Cooper Industries Inc	8,100	342	321
COR Therapeutics Inc	11,100	504	339
Corinthian Colleges Inc	37,400	1,221	1,760
Corvas International Inc	10,200	93	120
Cost Plus Inc California	85,200	2,533	2,556
Countrywide Credit Insurance	30,700	1,340	1,409
Covance Inc	19,800	298	448
Crane Company	22,400	517	694
Credece Systems Corp	11,800	553	286
Crompton Corporation	74,100	850	808
Crown Cork & Seal Co Inc	121,800	1,137	457
Cubist Pharmaceuticals Inc	30,100	828	1,144
Cullen/Frost Bankers Inc	15,800	430	535
Cytec Industries Inc	12,400	324	471
Cytec Corporation	71,350	744	1,645
DDI Corp	66,100	1,409	1,322
DPL Inc	24,600	673	712
DR Horton Inc	27,869	346	633
DaVita Inc	57,200	680	1,163
Deluxe Corp	35,500	998	1,026
DENTSPLY International Inc	25,100	862	1,113
Digimarc Corp	34,100	797	824
Digital Lighwave Inc	33,400	1,197	1,234
Digital Insight Corp	41,300	809	913
Dime Bancorp Inc	33,900	946	1,263
Direct Focus Inc	26,850	781	1,275
Documentum Inc	12,700	548	164
Dole Food Company Inc	57,900	1,100	1,103
Dollar Tree Stores Inc	14,850	345	413
Doral Financial Corp	31,400	459	1,077
Downey Financial Corp	30,900	842	1,460
Duane Reade Inc	6,300	232	205
Dura Automotive Systems Inc	58,400	694	934
DuPont Photomasks Inc	7,100	326	343
EEX Corporation	33,400	143	94
EGL Inc	4,700	94	82
E.piphany Inc	41,750	1,123	424
RenaissanceRe Holdings Ltd	15,500	641	1,148
East West Bancorp Inc	80,300	1,668	2,168
Eaton Corp	5,700	384	400
Eaton Vance Corp	40,300	1,263	1,402
Ebenx Inc	13,200	78	43
Edwards Lifesciences Corp	40,800	755	1,075
eFunds	46,600	1,127	867
El Paso Electric Company	66,000	788	1,055

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Elantec Semiconductor Inc	32,700	1,020	1,105
Electro Scientific Inds Inc	4,400	132	168
Electronics for Imaging Inc	65,300	1,718	1,926
Tommy Hilfiger Corp	46,500	574	651
Triton Energy Limited	25,800	686	845
EMCOR Group Inc	50,900	2,016	1,840
Energy East Corp	43,200	1,077	903
Engelhard Corp	23,200	468	598
Entravision Communications Corp	45,900	516	565
Equity Office Properties Trust	21,400	561	677
Ethan Allen Interiors Inc	9,100	310	296
Exar Corporation	41,600	1,044	822
Exelixis Inc	65,100	1,138	1,235
Express Scripts Inc	14,800	564	814
FNB Corporation	9,300	242	248
Family Dollar Stores	17,000	342	436
Fidelity National Financial Inc	41,300	940	1,015
First American Financial Corp	58,500	1,411	1,108
First Citizens BancShares Inc	5,950	403	646
First Horizon Pharmaceutical	51,800	1,377	1,663
FirstFed Financial Corporation	38,000	559	1,132
Fleming Companies Inc	29,200	387	1,042
Forward Air Corporation	11,800	295	353
Freeport-McMoRan Copper & Gold	101,900	1,488	1,126
FuelCell Energy Inc	56,800	1,782	1,312
Fuller HB Company	3,200	128	160
Furniture Brands International	40,600	929	1,137
Galileo International Inc	42,800	956	1,391
Gallagher Arthur J & Co	15,800	437	411
Gartner Group Inc	28,300	363	311
Gene Logic Inc	46,600	1,154	1,016
General Cable Corp	68,200	631	1,265
General Communications Inc	17,800	162	215
Genesco Inc	72,300	1,970	2,429
Genesis Microchip Inc	66,800	1,695	2,415
Genuine Parts Company	14,000	294	441
Genzyme Corporation-Biosurgery Div	32,762	339	271
Gilead Sciences Inc	13,000	663	756
Golden State Bancorp Inc	43,400	1,197	1,337
Grace WR & Co	223,600	1,532	391
Granite Construction Inc	24,100	413	613
Great Lakes Inc	22,000	349	401
GreenPoint Financial Corp	39,000	935	1,498
Grey Wolf Inc	53,900	364	216
GTECH Holdings Corp	35,300	866	1,254
HNC Software Inc	84,550	2,089	2,114
HS Resources Inc	5,300	174	343
Haemonetics Corp	7,100	145	217
Hain Celestial Group Inc	17,800	523	392
Hancock Holding Company	100	4	4
Handspring Inc	33,500	214	258
Harland John H Co	45,500	738	1,060

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Harrah's Entertainment Inc	17,400	610	614
Harsco Corporation	21,900	634	594
Haverty Furniture Co Inc	7,800	108	117
HealthSouth Corporation	31,300	485	500
Health Management Association Inc	29,900	465	629
Health Net Inc	82,100	1,582	1,429
Heidrick & Struggles International Inc	13,800	393	281
Helix Technology Corp	15,700	586	479
Heller Financial	15,800	558	632
Helmerich & Payne Inc	17,400	656	536
Hibernia Corp	84,500	1,064	1,504
Hollinger International Inc	39,000	580	536
Homestore.com Inc	26,400	958	923
Horizon Offshore Inc	42,800	984	578
Host Marriott Corp	50,700	654	635
Hotel Reservations Network Inc	18,100	492	842
Huaneng Power International	52,700	786	1,271
Humana Inc	38,200	385	376
IDEC Pharmaceuticals Corp	5,700	303	386
I-many Inc	77,900	1,365	1,052
ITC Deltacom Inc	18,200	326	73
ITT Educational Services Inc	20,600	578	927
IDEXX Laboratories Inc	10,400	235	325
IKON Office Solutions Inc	142,500	1,133	1,397
Impco Technologies Inc	25,600	841	905
Independence Community Bank	91,700	1,465	1,810
IndyMacBancorp Inc	46,000	1,172	1,233
Imgram Micro Inc	44,000	538	638
Inktomi Corp	97,300	847	933
Integrated Silicon Solution	80,800	1,387	1,123
International Flavors & Fragrances Inc	14,900	299	374
International Rectifier Corp	6,900	300	235
IntraNet Solutions Inc	40,500	1,462	1,541
Investment Technology Group Inc	31,300	1,010	1,574
Invitrogen Corporation	4,700	325	337
Iron Mountain Inc	9,000	285	404
JLG Industries Inc	8,300	98	103
JNI Corporation	104,100	1,633	1,457
JAKKS Pacific Inc	41,800	607	782
Jefferies Group Inc	37,700	1,006	1,221
Jones Apparel Group Inc	13,200	509	570
K-V Pharmaceutical Company	6,750	132	226
Kansas City Power & Light Co	6,700	168	164
KB Home	32,700	911	987
Keithley Instruments Inc	48,600	1,312	1,035
Kennametal Inc	18,400	473	679
Key Production Co Inc	27,300	591	455
Keynote Systems Inc	11,300	605	124
Kimco Realty Corp	30,100	1,238	1,425
Kinder Morgan Inc	8,100	182	407
King Pharmaceuticals Inc	7,850	264	422

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Knight Ridder Inc	10,100	520	599
LNR Property Corp	34,500	721	1,208
L-3 Communications Holdings Inc	3,900	325	298
Lance Inc	25,100	302	339
Landry's Seafood Restaurants	28,000	250	476
Lear Corporation	44,600	1,283	1,557
Leggett & Platt Inc	16,500	309	363
Legg Mason Inc	7,100	349	353
Liberty Property Trust	36,200	907	1,072
LifePoint Hospitals Inc	3,700	135	164
Lincare Holdings Inc	17,900	516	537
Liz Clairborne Inc	8,700	428	439
Lone Star Steakhouse & Saloon	34,000	285	442
Longs Drug Stores Corp	19,000	517	409
Lubrizol Corp	44,100	1,276	1,369
MBIA Inc	18,000	607	1,002
MDC Holdings Inc	22,330	418	790
MGM Mirage Inc	11,700	295	351
MKS Instruments Inc	57,500	1,521	1,656
MRV Communications Inc	12,500	204	117
Macrovision Corp	26,750	859	1,832
Macromedia Inc	45,700	1,465	823
Mandalay Resort Group	24,300	619	666
Manor Care Inc	24,800	619	787
Manpower Inc	34,700	1,078	1,038
MapInfo Corp	40,700	1,421	895
Massey Energy Company	10,800	95	213
Maxtor Corp	227,664	1,489	1,195
Maximus Inc	3,100	105	124
McClatchy Company	19,500	693	762
McCormick & Company Inc	8,000	321	336
Med-Design Corp	35,700	1,035	1,076
Mercantile Bankshares Corp	13,200	461	517
MeriStar Hospitality Corp	26,200	546	622
Mesa Air Group Inc	26,700	179	330
Metris Companies Inc	6,700	215	226
Microtune Inc	79,900	1,362	1,758
Midas Inc	6,700	94	84
Miller Herman Inc	27,400	727	663
Minerals Technology Inc	8,000	340	343
Mission West Properties Inc	28,800	380	348
Mohawk Industries Inc	13,800	491	486
Mondavi Robert Corp	6,300	256	255
Multex.com Inc	39,100	611	635
Murphy Oil Corp	4,600	240	339
Myriad Genetics Inc	29,300	1,738	1,855
NBTY Inc	31,900	387	397
NVR Inc	6,300	288	932
NACCO Industries Inc	9,100	388	710
National Service Industries Inc	47,400	1,193	1,070
Netegrity Inc	28,075	1,177	842
Neurogen Corp	7,100	134	163

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Newport News Shipbuilding Inc	2,800	167	172
99 Cents Only Stores	31,500	495	943
NiSource Inc	16,500	479	451
Noble Affiliates Inc	5,200	130	184
Nortek Inc	26,900	769	840
Northwestern Corp	53,100	1,288	1,189
NOVA Corp	62,000	1,192	1,950
NSTAR	14,000	545	596
Nucor Corporation	22,900	922	1,120
Nuevo Energy Company	27,900	512	455
Offshore Logistics Inc	25,500	602	485
Old Republic International Corp	57,300	1,092	1,662
ONEOK Inc	49,400	1,171	973
Oshkosh Truck Corp	6,100	174	270
Overseas Shipholding Group Inc	18,700	627	571
PF Changs China Bistro Inc	43,100	1,575	1,633
PMI Group Inc	19,200	916	1,376
PPL Corporation	11,600	387	638
Pacific Century Financial Corp	61,300	1,248	1,581
PacifiCare Health Systems Inc	41,200	1,070	672
Packaging Corp of America	31,200	366	485
Pactiv Corporation	43,100	611	578
Pall Corporation	14,200	298	334
Papa John's International Inc	18,000	507	456
Paxar Corporation	30,700	300	442
Payless ShoeSource Inc	20,000	1,067	1,294
Pemstar Inc	98,400	1,313	1,445
People's Bank	30,200	640	704
Peoples Energy Corp	21,000	782	844
PerkinElmer Inc	14,900	398	410
Perrigo Company	22,300	156	372
Pharmacyclics Inc	5,900	235	200
Pharmaceutical Product Develop	76,800	1,802	2,343
Pharmacopeia Inc	9,300	237	223
Phelps Dodge Corp	6,800	318	282
Pinnacle West Capital Corp	17,600	579	834
Pioneer-Standard Electronics	29,700	363	380
Pixelworks Inc	63,100	1,403	2,255
Plexus Corporation	45,500	1,590	1,502
Polaris Industries Inc	29,300	1,309	1,342
PolyOne Corp	6,500	43	68
Praecis Pharmaceuticals Inc	9,700	137	159
Precision Castparts Corp	29,600	984	1,108
Pride International Inc	17,200	329	327
Profit-Recovery Group International Inc	16,400	162	188
Proxim Inc	17,700	291	250
Public Service Co New Mexico	34,800	711	1,117
Puget Energy Inc	51,500	1,148	1,349
Pulte Corporation	24,300	502	1,036
Quantum Corp-DLT Storage Systems	39,700	497	401
RPM Inc	64,300	573	592
Radian Group Inc	13,200	512	534

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Radio One Inc	10,300	210	227
Rare Hospitality International	14,200	322	321
Rational Software Corp	15,800	403	443
Reckson Assoc Realty Corp	45,500	1,034	1,047
Regeneron Pharmaceuticals Inc	4,000	137	139
Reinsurance Group of American	43,995	1,395	1,667
REMEC Inc	15,250	449	189
Remedy Corp	16,000	542	557
Renal Care Group Inc	11,800	347	388
Rent-A-Center Inc	20,100	483	1,057
Resources Connection Inc	6,200	74	160
Respironics Inc	7,300	109	217
Reynolds and Reynolds Company	58,000	1,227	1,273
Reynolds RJ Tobacco Holdings	8,900	268	486
Robbins & Myers Inc	24,900	557	702
Roper Industries Inc	9,200	339	384
Rowan Companies Inc	18,800	401	415
Rural Cellular Corp	3,600	160	163
Russell Corp	60,600	1,176	1,030
Ryder System Inc	27,700	534	543
Ryland Group Inc	25,400	584	1,285
SCI Systems Inc	13,700	472	349
St. Jude Medical Inc	11,200	574	672
SangStat Medical Corp	5,700	68	93
Schweitzer-Mauduit Intl Inc	15,900	227	375
Scios Inc	6,200	137	155
Scripps EW Company	7,700	388	531
Seacoast Banking Corp	9,100	256	319
Security Capital Group Inc	18,000	271	385
Seitel Inc	30,700	612	402
Sempra Energy	17,200	395	470
Sensient Technologies Corp	8,900	175	183
Sequenom Inc	8,900	230	125
Sigma-Aldrich Corp	5,300	188	205
Silicon Laboratories Inc	39,800	822	880
Silicon Storage Technology	46,500	423	471
Six Flags Inc	37,000	551	778
Sky Financial Group Inc	25,400	485	481
Smithfield Foods Inc	34,200	1,194	1,378
Smurfit-Stone Container Corp	36,800	479	596
Sonic Automotive Inc	60,500	791	1,156
Sonus Networks Inc	8,900	265	208
Southwest Bancorp of Texas Inc	37,700	1,138	1,139
Sovereign Bancorp Inc	68,200	697	887
SpeedFam-IPEC Inc	36,200	454	115
Spieker Properties Inc	11,000	598	659
Spinnaker Exploration Company	58,850	2,138	2,346
StanCorp Financial Group Inc	14,500	524	687
Staten Island Bancorp Inc	46,300	1,090	1,289
Steris Corporation	52,700	980	1,057
Stillwater Mining Company	33,400	982	977
StorageNetworks Inc	8,100	122	138

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Stratos Lightwave Inc	66,180	751	860
Suiza Foods Corp	23,300	1,099	1,237
Sun Communities Inc	20,500	656	725
Sunoco Inc	36,400	1,147	1,333
Swift Transportation Co Inc	8,700	131	168
Sybase Inc	32,900	541	541
Synopsys Inc	13,000	733	629
TCF Financial Corp	16,000	437	741
Tekelec	25,800	737	699
Tektronix Inc	8,700	312	236
Temple-Inland Inc	19,200	1,025	1,023
Tesoro Petroleum Corp	74,200	986	935
Tetra Tech Inc	39,600	1,086	1,077
Texas Biotechnology Corp	7,700	66	65
Texas Regional Bancshares Inc	3,460	84	139
Thermo Electron Corp	21,100	571	465
Tidewater Inc	13,300	412	501
Toll Brothers Inc	44,800	880	1,761
Too Inc	37,800	863	1,036
Toro Company	24,600	794	1,106
Transkaryotic Therapies Inc	12,100	177	356
Travelocity.com	3,500	106	107
Triad Hospitals Inc	29,800	853	878
Triangle Pharmaceuticals Inc	10,500	149	49
Trigon Healthcare Inc	26,600	1,607	1,725
TriQuint Semiconductor Inc	17,300	262	389
Triumph Group Inc	2,000	94	98
TriZetto Group Inc	17,500	162	162
Tucker Anthony Sutro	9,200	141	202
Tweeter Home Entertainment Group	39,500	940	1,394
UGI Corporation	25,900	595	699
USEC Inc	76,600	628	646
US Unwired Inc	39,600	427	420
Ultramar Diamond Shamrock Corp	33,900	834	1,602
Ultratech Stepper Inc	9,400	176	241
Unifi Inc	18,300	193	156
UnionBanCal Corp	19,800	635	667
Unisource Energy Corp	48,900	1,221	1,123
Unit Corporation	49,300	1,054	782
United Natural Foods Inc	27,300	394	572
Universal Health Services Inc	13,800	311	628
USFreightways Corp	14,800	518	437
Valassis Communications Inc	5,400	177	193
Varian Inc	7,700	268	249
Varian Semiconductor Equipment	11,300	657	475
Veeco Instruments Inc	9,894	517	393
Venator Group Inc	24,500	334	375
Verity Inc	59,900	1,313	1,195
Vertex Pharmaceuticals Inc	6,500	286	322
Viad Corp	10,100	261	267
Viasystems Group Inc	109,600	273	330
Vignette Corp	51,100	938	453

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, 2001

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
Vintage Petroleum Inc	3,100	66	58
Visteon Corporation	20,100	330	369
Vulcan Materials	5,700	254	306
WGL Holdings Inc	22,400	605	607
Wabtec Corporation	15,300	206	230
Washington Federal Inc	51,150	1,184	1,254
Watson Wyatt & Co Holdings	18,700	328	437
WebEx Communications	34,900	958	931
Webster Financial Corporation	30,600	944	1,003
Wellman Inc	18,500	284	331
Wellpoint Health Networks Inc	4,800	550	452
Werner Enterprises Inc	32,200	574	781
Wet Seal Inc	26,300	669	910
Whirlpool Corp	10,800	574	675
Whole Foods Market Inc	23,800	538	645
Wild Oats Markets Inc	31,850	431	332
Woodward Governor Company	3,100	130	261
Zoran Corporation	76,600	1,705	2,277
Zoll Medical Corporation	9,300	249	255
Knightsbridge Tankers Ltd	45,300	948	906
Sun International Hotels Ltd	35,100	735	948
Teekay Shipping Corp	20,300	662	812
Total Domestic Equities		340,403	380,519
Foreign Equities-Emerging Markets			
Banco Latinoamericano de Exp	19,700	492	724
Espirito Santo Financial Group	24,700	416	450
Total Foreign Equities-Emerging Markets		908	1,174
Total Equities	45.5%	341,311	381,693
Short-term Issues			
Dreyfus Institutional Government Money Market Fund	5,051,772	5,052	5,052
Total Short-term Issues	0.6%	5,052	5,052
Total Non Large Cap Domestic		\$ 722,997	\$ 838,552
International Qualified			
Commingled Equity Pool			
International Value Equity Group Trust-Silchester	8,168,396	\$ 142,363	\$ 179,056
Total Commingled Equity Pool	100.0%	142,363	179,056
Total International Qualified		\$ 142,363	\$ 179,056

*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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
International Nonqualified			
<i>Commingled Equity Pool</i>			
International Value Equity Trust-Silchester	2,700,250	\$ 49,169	\$ 62,648
Total Commingled Equity Pool	100.0%	49,169	62,648
Total International Nonqualified		\$ 49,169	\$ 62,648
International Equity			
<i>Commingled Equity Pools</i>			
Capital International Emerging Markets Growth Fund	2,064,458	\$ 117,738	\$ 99,527
Total Commingled Equity Pools	19.7%	\$ 117,738	\$ 99,527
<i>Foreign Equities</i>			
Foreign Equities-Developed Markets			
BAA PLC	358,832	3,250	3,331
Amvescap PLC	280,673	3,566	4,875
British Telecommunications PLC	816,531	8,671	5,133
Celltech Group PLC	57,156	1,124	963
Arcadia Group PLC	515,000	1,792	2,072
Diageo PLC	351,000	3,644	3,851
Marks & Spencer PLC	846,804	3,071	3,120
Halifax Group PLC	429,194	4,590	4,962
International Power PLC	1,007,000	3,704	4,245
Pearson PLC	186,000	4,062	3,066
Vodafone AirTouch PLC	1,085,000	3,187	2,404
British Energy PLC	972,000	4,085	3,773
Royal Bank of Scotland Group	169,514	4,037	3,736
J Sainsbury PLC	507,083	3,044	3,161
Shell Transport & Trading Co	197,767	1,666	1,644
Lloyds TSB Group PLC	274,763	2,793	2,750
Tesco PLC	874,000	3,293	3,153
GlaxoSmithKline PLC	143,554	4,009	4,038
Abitibi-Consolidated Inc	65,000	531	497
Precision Drilling Corp	189,600	7,853	5,923
CanWest Global Comm Corp	43,100	400	402
Nexen Inc	45,700	1,188	1,147
Coflexip SA	14,000	1,066	1,054
Open Text Corporation	21,700	725	509
Elan Corporation PLC	185,456	9,433	11,313
Teck Corporation	217,900	2,325	1,859
Assicurazioni Generali	103,900	3,322	3,123
LVMH Moet Hennessy Louis Vuiton	44,800	2,775	2,257
Banca Intesa SpA	1,091,000	4,065	3,852
Banque Nationale de Paris	50,581	4,592	4,402
Coflexip SA	7,600	1,183	1,145
Delhaize Le Lion SA	36,400	2,177	2,153
Draka Holding NV	23,581	1,221	1,192

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Hypo Vereinsbank	62,400	3,630	3,085
IHC Caland NV	24,702	1,195	1,244
Lafarge SA	17,900	1,725	1,531
Lagardere SCA	29,176	2,011	1,373
Recoletos Compania Editorial	180,900	1,329	896
OMV AG	11,300	897	947
Pernod-Ricard SA	12,500	894	876
Pirelli SpA	1,645,000	5,348	4,582
Aventis	112,135	7,270	8,952
Remy Cointreau SA	14,014	450	403
Merck KgaA	99,970	3,305	3,473
Software AG	28,500	1,940	1,863
Vivendi Universal	84,202	5,426	4,908
SAP AG	31,192	6,834	4,329
Koninklijke Wessanen NV	249,600	3,026	2,557
Nutreco Holding NV	49,734	2,163	2,131
Allianz AG	19,500	5,586	5,691
Koninklijke Ahold NV	281,252	8,034	8,810
Telecom Italia SpA	209,501	2,618	1,880
Baloise Holding Ltd	3,150	2,958	3,084
Dassault Systemes SA	25,300	1,169	975
ERGO Versicherungs Gruppe AG	26,907	3,148	3,956
Jenoptik AG	227,438	4,550	5,026
Vendex KBB NV	287,300	4,279	3,649
Unilever NV	72,300	4,299	4,334
Bank of Ireland	311,500	1,940	3,085
Telefonica SA	127,721	2,468	1,574
Fiat SpA	130,400	3,026	2,550
Karstadt AG	124,100	4,401	3,674
Fomento de Construcciones	54,000	1,079	1,029
Celanese AG	47,900	1,072	1,046
Dresdner Bank AG	91,742	3,760	4,190
Accor SA	48,317	2,041	2,039
ASM Lithography Holding NV	76,316	2,496	1,711
UBS AG	34,898	5,086	4,999
Groupe Danone	33,300	4,403	4,570
Koninklijke Philips Electronic	77,034	2,915	2,042
Promotora de Informaciones SA	177,800	2,575	1,897
Fuji Television Network Inc	190	1,220	1,091
Anritsu Corporation	32,000	784	483
Asahi Glass Company Ltd	239,000	1,628	1,983
NTT Mobile Communications	118	2,189	2,051
Japan Medical Dynamic Mkt Inc	35,760	1,055	1,240
BHP Limited	791,089	4,352	4,176
Canon Inc	82,000	3,170	3,310
Capcom Company Ltd	9,500	326	329
Central Japan Railway Co	171	1,046	1,062
Sammy Corporation	25,800	1,190	1,405
Chubu Electric Power Co Inc	128,900	2,474	2,736
Commonwealth Bk of Australia	63,292	1,019	1,098
Daiichi Pharmaceutical Lo Ltd	230,000	5,872	5,315
Dai Nippon Printing Co Ltd	191,000	2,354	2,329

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, 2001

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value
Lawson Inc	73,800	2,494	2,719
Mizuho Holdings Inc	259	1,564	1,203
Fast Retailing Co Ltd	2,200	364	383
ITO EN Ltd	9,000	560	568
Kao Corporation	140,000	3,675	3,476
Kawasaki Heavy Industries Ltd	433,000	724	714
Kawasaki Steel Corp	336,000	395	398
Komori Corporation	93,000	1,397	1,266
Kirin Beverage Corporation	20,000	428	425
Mabuchi Motor Co Ltd	16,000	1,587	1,638
Matsushita Electric Works Ltd	119,000	1,425	1,374
Mitsubishi Estate Co Ltd	141,000	1,429	1,295
Mitsubishi Corporation	301,000	2,159	2,423
Mitsukoshi Ltd	163,407	733	677
Mitsui Fudosan Co Ltd	435,000	4,518	4,683
Nintendo Company Ltd	15,000	2,466	2,727
NEC Corporation	72,000	1,581	972
Nissin Food Products Co Ltd	26,000	618	541
Minebea Co Ltd	78,000	704	513
Nippon COMSYS Corp	46,000	646	623
Nissan Motor Co Ltd	479,000	3,132	3,303
Olympus Optical Co Ltd	77,000	1,152	1,232
Promise Company Ltd	17,500	1,319	1,441
Ricoh Company Ltd	92,000	1,728	1,982
Sekisui Chemical Co Ltd	650,000	2,699	2,687
Seven Eleven Japan Company	24,000	1,160	936
Shionogi & Co Ltd	87,000	1,505	1,812
Sony Corporation	31,200	2,273	2,049
Sumitomo Bank Ltd	248,000	2,256	2,046
Takefuji Corp	96,100	6,958	8,721
Teijin Limited	195,000	1,126	1,095
News Corporation	57,674	567	528
Tokyo Electric Power Co	54,200	1,407	1,402
Tokyu Corporation	641,000	3,059	3,491
Toppan Printing Co Ltd	98,000	1,101	1,007
Toyo Suisan Kaisha Ltd	51,000	526	528
Tostem Corporation	63,000	1,043	1,034
West Japan Railway Company	98	513	531
World Co Ltd	53,000	1,974	1,698
Yamada Denki	12,300	992	1,005
Yamato Transport Co Ltd	97,000	2,066	2,032
Yokogawa Electric Corp	36,000	367	320
Holding di Partecipazioni Ind	287,000	1,172	1,098
Norske Skogindustrier ASA	42,850	711	649
Novo Nordisk A/S	157,273	6,085	6,957
Groupe Bruxelles Lambert SA	33,095	1,904	1,855
Roche Holding AG	29,300	2,254	2,111
Suez SA	230,538	7,308	7,417
Nestle SA	23,272	4,975	4,946
Parmalat Finanziaria SpA	2,385,448	5,852	6,361
ENI SpA	463,481	5,555	5,650
Dexia	174,350	2,515	2,748

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, 2001

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value</u>
QLT Photo Therapeutics Inc	30,500	560	603
Talisman Energy Inc	243,100	7,918	9,251
Thomson Corporation	52,000	1,805	1,754
Vodafone Group PLC	33,000	1,069	738
Total Foreign Equities-Developed Markets		374,542	366,310
Foreign Equities-Emerging Markets			
Korea Telecom Corporation	62,000	1,252	1,363
China Mobile (Hong Kong) Ltd	152,000	763	803
CNOOC Ltd	3,492,000	3,354	3,313
Cheung Kong Holdings Ltd	231,000	2,754	2,517
MTR Corporation Limited	3,056,300	4,675	5,231
Hongkong Electric Holdings Ltd	474,000	1,742	1,823
Hutchison Whampoa Ltd	25,000	286	252
Samsung Electronics	9,390	1,491	1,370
Sun Hung Kai Properties Ltd	106,000	1,088	955
Television Broadcast Ltd	177,000	975	744
Total Foreign Equities-Emerging Markets		18,380	18,371
Total Foreign Equities	76.0%	392,922	384,681
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	22,240,816	22,241	22,241
Total Short-term Issues	4.3%	22,241	22,241
Total International Equity		\$ 532,901	\$ 506,449
STATUTORY INVESTMENTS*			
<i>Investment</i>			
WV Regional Jail Authority 7.41% adjustable rate maturing 8/31/23		\$ 143,505	\$ 143,505
Total Investment	100.0%	143,505	143,505
Total Statutory Investments		\$ 143,505	\$ 143,505

A-Adjustable rate security.

*The fair value is not determined for Statutory Investments. The fair value reported equals amortized cost. See accompanying notes to financial statements.

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

Statement of Operations

Year Ended June 30, 2001
(Dollars in thousands)

	Short-Term Fixed Income	Fixed Income
Investment income		
Interest income	\$ 10,794	\$ 68,690
Dividend income	254	1,721
Less withholding tax	-	-
Commission recapture	-	-
Net accretion (amortization)	1,035	9,114
	12,083	79,525
Expenses		
Investment advisor fees	(257)	(959)
Trustee fees	(1)	(7)
Custodian bank fees	(9)	(36)
Management fees	(39)	(224)
Fiduciary bond fees	(4)	(22)
Professional service fees	(14)	(79)
	(324)	(1,327)
Total expenses		
Investment income (loss), net	11,759	78,198
Realized and unrealized gain (loss) from investment securities		
Net realized gain (loss) on investments	76	18,463
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(60)	41,637
Net decrease in the fair value of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments	16	60,100
Net increase (decrease) in net assets from operations	\$ 11,775	\$ 138,298

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>
\$ -	\$ -	\$ -	\$ -
-	10,093	-	3,105
-	-	-	-
-	-	-	-
-	-	-	-
<u>-</u>	<u>10,093</u>	<u>-</u>	<u>3,105</u>
(78)	(39)	(58)	(17)
(3)	(2)	(6)	(1)
-	-	-	-
(103)	(65)	(171)	(36)
(10)	(6)	(17)	(3)
(36)	(23)	(60)	(13)
<u>(230)</u>	<u>(135)</u>	<u>(312)</u>	<u>(70)</u>
(230)	9,958	(312)	3,035
10,073	(1,585)	-	-
-	-	-	-
62,006	28,273	(132,626)	(45,732)
-	-	-	-
<u>72,079</u>	<u>26,688</u>	<u>(132,626)</u>	<u>(45,732)</u>
<u>\$ 71,849</u>	<u>\$ 36,646</u>	<u>\$ (132,938)</u>	<u>\$ (42,697)</u>

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

Statement of Operations (Continued)

Year Ended June 30, 2001
(Dollars in thousands)

	Large Cap Domestic	Non Large Cap Domestic
Investment income		
Interest income	\$ 14	\$ 9
Dividend income	4,707	34,903
Less withholding tax	(13)	(10)
Commission recapture	500	88
Net accretion (amortization)	—	—
	5,208	34,990
Expenses		
Investment advisor fees	(654)	(2,553)
Trustee fees	(2)	(4)
Custodian bank fees	(23)	(74)
Management fees	(67)	(135)
Fiduciary bond fees	(7)	(14)
Professional service fees	(23)	(48)
Total expenses	(776)	(2,828)
Investment income (loss), net	4,432	32,162
Realized and unrealized gain (loss) from investment securities		
Net realized gain (loss) on investments	(22,840)	(5,203)
Net realized loss from foreign currency transactions	—	—
Net increase (decrease) in the fair value of investments	(36,886)	81,856
Net decrease in the fair value of assets and liabilities in foreign currencies	—	—
Net gain (loss) from investments	(59,726)	76,653
Net increase (decrease) in net assets from operations	\$ (55,294)	\$ 108,815

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>	<u>Statutory Investments</u>
\$ -	\$ -	\$ 171	\$ 9,400
-	-	8,212	-
-	-	(553)	-
-	-	118	-
-	-	-	-
<u>-</u>	<u>-</u>	<u>7,948</u>	<u>9,400</u>
(1,074)	(439)	(2,152)	-
(1)	-	(4)	(1)
-	-	(353)	-
(25)	(6)	(115)	(27)
(2)	(1)	(11)	(3)
(9)	(2)	(40)	(10)
<u>(1,111)</u>	<u>(448)</u>	<u>(2,675)</u>	<u>(41)</u>
(1,111)	(448)	5,273	9,359
1,590	749	(32,047)	-
-	-	(31,783)	-
16,531	5,621	(76,587)	-
-	-	(9,933)	-
<u>18,121</u>	<u>6,370</u>	<u>(150,350)</u>	<u>-</u>
<u>\$ 17,010</u>	<u>\$ 5,922</u>	<u>\$ (145,077)</u>	<u>\$ 9,359</u>

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

Statement of Changes in Net Assets

Year Ended June 30, 2001

(Dollars in thousands, except for Unit Transactions)

	Short-Term Fixed Income	Fixed Income
Operations		
Investment income, net	\$ 11,759	\$ 78,198
Net realized gain (loss) from investments	76	18,463
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(60)	41,637
Net decrease in the translation of assets and liabilities in foreign countries	-	-
Net increase (decrease) in net assets from operations	11,775	138,298
Distributions to unitholders		
Investment income, net	(12,209)	(80,056)
Net realized gain (loss) on investments	-	-
Total distributions	(12,209)	(80,056)
Fund unit transactions		
Proceeds from sale of units	1,139,975	99,523
Reinvestment of distributions	12,209	80,056
	1,152,184	179,579
Amount paid for repurchase of units	(1,167,174)	(491,588)
Net increase (decrease) in net assets from fund unit transactions	(14,990)	(312,009)
Contributions		
Withdrawals		
Increase (decrease) in net assets	(15,424)	(253,767)
Net assets, beginning of period	166,000	1,419,883
Net assets, end of period	\$ 150,576	\$ 1,166,116
Fund unit transactions		
Units sold	113,976,891	10,047,032
Units issued from reinvestment of distributions	1,217,841	7,977,496
	115,194,732	18,024,528
Units repurchased	(116,672,996)	(49,659,555)
Net increase (decrease) in fund units	(1,478,264)	(31,635,027)

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>
\$ (230)	\$ 9,958	\$ (312)	\$ 3,035
10,073	(1,585)	-	-
-	-	-	-
62,006	28,273	(132,626)	(45,732)
-	-	-	-
<u>71,849</u>	<u>36,646</u>	<u>(132,938)</u>	<u>(42,697)</u>
-	-	-	-
-	-	-	-
-	-	-	-
30,726	30,031	228,921	173,000
-	-	-	-
<u>30,726</u>	<u>30,031</u>	<u>228,921</u>	<u>173,000</u>
(182,627)	(182,124)	(2,084)	(6,162)
<u>(151,901)</u>	<u>(152,093)</u>	<u>226,837</u>	<u>166,838</u>
-	-	-	-
-	-	-	-
<u>(80,052)</u>	<u>(115,447)</u>	<u>93,899</u>	<u>124,141</u>
681,068	396,723	739,356	164,496
<u>\$ 601,016</u>	<u>\$ 281,276</u>	<u>\$ 833,255</u>	<u>\$ 288,637</u>
2,871,036	2,812,184	16,177,161	11,989,240
-	-	-	-
<u>2,871,036</u>	<u>2,812,184</u>	<u>16,177,161</u>	<u>11,989,240</u>
(17,288,319)	(17,224,282)	(151,595)	(414,973)
<u>(14,417,283)</u>	<u>(14,412,098)</u>	<u>16,025,566</u>	<u>11,574,267</u>

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

Statement of Changes in Net Assets (Continued)

Year Ended June 30, 2001

(Dollars in thousands, except for Unit Transactions)

	Large Cap Domestic	Non Large Cap Domestic
Operations		
Investment income, net	\$ 4,432	\$ 32,162
Net realized gain (loss) from investments	(22,840)	(5,203)
Net realized loss from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(36,886)	81,856
Net decrease in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	(55,294)	108,815
Distributions to unitholders		
Investments income, net	-	-
Net realized gain (loss) on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	107,403	162,749
Reinvestment of distributions	-	-
	107,403	162,749
Amount paid for repurchase of units	(34,548)	(70,706)
Net increase (decrease) in net assets from fund unit transactions	72,855	92,043
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	17,561	200,858
Net assets, beginning of period	343,287	645,842
Net assets, end of period	\$ 360,848	\$ 846,700
Fund unit transactions		
Units sold	9,654,699	14,523,999
Units issued from reinvestment of distributions	-	-
	9,654,699	14,523,999
Units repurchased	(3,132,273)	(6,032,417)
Net increase (decrease) in fund units	6,522,426	8,491,582

See accompanying notes to financial statements.

International Qualified	International Nonqualified	International Equity	Statutory Investments
\$ (1,111)	\$ (448)	\$ 5,273	\$ 9,359
1,590	749	(32,047)	-
-	-	(31,783)	-
16,531	5,621	(76,587)	-
-	-	(9,933)	-
<u>17,010</u>	<u>5,922</u>	<u>(145,077)</u>	<u>9,359</u>
-	-	-	-
-	-	-	-
-	-	-	-
42,975	27,983	242,303	-
-	-	-	-
<u>42,975</u>	<u>27,983</u>	<u>242,303</u>	<u>-</u>
(7,603)	(3,838)	(137,651)	-
<u>35,372</u>	<u>24,145</u>	<u>104,652</u>	<u>-</u>
-	-	-	-
-	-	-	(13,709)
<u>52,382</u>	<u>30,067</u>	<u>(40,425)</u>	<u>(4,350)</u>
126,583	32,580	552,074	148,729
<u>\$ 178,965</u>	<u>\$ 62,647</u>	<u>\$ 511,649</u>	<u>\$ 144,379</u>
3,470,254	2,039,257	17,068,531	
-	-	-	
<u>3,470,254</u>	<u>2,039,257</u>	<u>17,068,531</u>	
(562,169)	(258,299)	(9,443,799)	
<u>2,908,085</u>	<u>1,780,958</u>	<u>7,624,732</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 the 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 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 Death Disability and Retirement Fund, State Police Retirement System, Death Disability and Retirement Fund for Deputy Sheriffs, Judges' Retirement System, Workers' Compensation Fund I, Workers' Compensation Fund II, Workers' Compensation Excess Liability Fund, Pneumoconiosis Fund, Wildlife Endowment Fund, and the West Virginia 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. 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. This pool is co-advised on an active basis by Western Asset Company and Hoisington Investment Management Company.

Fixed Income Qualified – 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. Barclay's 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 – 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. Barclay's 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 – The objective of this pool is to provide a passive equity index management style. 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 – The objective of this pool is to provide a passive equity index management style. 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’s objective is 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’s objective is 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, and TT International Investment Management companies, with a portion of the assets invested in Capital International Inc.’s Emerging Markets Growth Fund. 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 that the Investment Management Board acquired by directive of the West Virginia State Legislature. Currently, the Public Employee’s Retirement System is the sole investor in this pool.

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.

Repurchase Agreements – In connection with transactions in repurchase agreements, it is the Investment Management Board’s policy that it’s designated custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Investment Management Board may be delayed or limited.

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 patterns and market values 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 is 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, 2001, 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	7/2/01	1,856,170	\$ 1,571,434	–	\$ 1,600,112	\$ (28,678)
Long	Japanese Yen	7/2/01	116,224,916	930,962	–	935,879	(4,917)
Short	British Pound	7/2/01	–	774,469	546,691	768,865	5,604
Short	Euro Currency Unit	7/2/01	–	852,200	1,000,000	846,600	5,600
Short	Euro Currency Unit	7/2/01	–	39	47	39	–
Long	Euro Currency Unit	7/3/01	366,063	309,909	–	310,788	(879)
Long	Japanese Yen	7/3/01	69,892,530	559,839	–	560,868	(1,029)
Long	Canadian Dollar	7/3/01	254,056	167,405	–	167,804	(399)
Long	Euro Currency Unit	7/3/01	287,620	243,499	–	242,978	521
Long	Canadian Dollar	7/3/01	313,926	206,856	–	206,219	637
Short	British Pound	7/3/01	–	542,098	385,218	541,771	327
Short	Japanese Yen	7/3/01	–	5,187	647,700	5,188	(1)
Short	Japanese Yen	7/5/01	–	1,140,527	142,289,877	1,139,742	785
Short	Japanese Yen	7/11/01	–	20,334,728	2,430,000,000	19,464,300	870,428
Short	British Pound	7/19/01	–	419,400	300,000	421,920	(2,520)
Short	British Pound	7/19/01	–	5,955,070	4,300,000	6,047,520	(92,450)
Short	British Pound	7/19/01	–	137,300	100,000	140,640	(3,340)
Short	Japanese Yen	7/25/01	–	23,047,788	2,860,000,000	22,908,600	139,188
				<u>\$ 57,198,710</u>		<u>\$ 56,309,833</u>	<u>\$ 888,877</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, 2001, 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	\$ 973,959	\$ –	\$ –	\$ 973,959	\$ 973,959
Corporate bonds	403,215	–	–	403,215	403,215
Common and preferred stocks	1,118,363	–	–	1,118,363	1,118,363
Total Categorized	<u>\$ 2,495,537</u>	<u>\$ –</u>	<u>\$ –</u>	<u>\$ 2,495,537</u>	<u>\$ 2,495,537</u>
Uncategorized:					
Commingled pools				3,114,883	3,114,883
Statutory investments				143,505	143,505
Total Investments				<u>\$ 5,753,925</u>	<u>\$ 5,753,925</u>

NOTE 6 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$4,484,038,354 and \$5,000,475,439, respectively, for U.S. government obligations; purchases and sales of corporate securities were \$6,322,616,303 and \$6,011,601,292.

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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, 2001, 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, 2001, 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

August 10, 2001



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
A member of KPMG International, a Swiss association.

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Consolidated Fund
West Virginia Investment Management Board

Statement of Assets and Liabilities

June 30, 2001

(Dollars in thousands, except Investment Unit Data)

	Cash Liquidity	Government Money Market	Enhanced Yield	Loss Amortization
Assets				
Investment securities:				
At amortized cost	\$ 983,803	\$ 140,167	\$ -	\$ -
At fair value	-	-	339,739	110,956
Cash	-	-	472	-
Receivables:				
Accrued interest	8,169	896	4,197	-
Investments sold	-	-	-	-
Total assets	991,972	141,063	344,408	110,956
Liabilities				
Accrued expenses	54	9	26	-
Payable for investments purchased	-	-	2,558	-
Total liabilities	54	9	2,584	-
Net assets at value	\$ 991,918	\$ 141,054	\$ 341,824	\$ 110,956
Net assets				
Paid-in capital	\$ 991,917	\$ 141,051	\$ 333,257	\$ 183,415
Accumulated undistributed net investment income	1	3	1,636	-
Accumulated undistributed net realized gain (loss)	-	-	353	(96,480)
Unrealized net appreciation of investments	-	-	6,578	24,021
Net assets at value	\$ 991,918	\$ 141,054	\$ 341,824	\$ 110,956
Investment unit data:				
Units outstanding	991,916,849	141,050,457	3,316,721	183,415,000
Net asset value, unit price	\$1.00	\$1.00	\$103.06	\$0.60

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>
\$ 109,567	\$ 158,033	\$ 55,332	\$ -	\$ -	\$ 453
-	-	-	6,568	1,548	-
49	-	-	-	-	-
37	1,336	21	-	-	-
204	1,438	-	-	-	-
<u>109,857</u>	<u>160,807</u>	<u>55,353</u>	<u>6,568</u>	<u>1,548</u>	<u>453</u>
4	3	2	-	-	-
-	1,899	-	-	-	-
<u>4</u>	<u>1,902</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 109,853</u>	<u>\$ 158,905</u>	<u>\$ 55,351</u>	<u>\$ 6,568</u>	<u>\$ 1,548</u>	<u>\$ 453</u>

\$ 109,853
-
-
-
<u>\$ 109,853</u>

109,853,197
\$1.00

**Consolidated Fund
West Virginia Investment Management Board**

Schedule of Investments in Securities

June 30, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Cash Liquidity					
<i>U.S. Treasury Notes</i>					
U.S. Treasury Note	5.500%	07/31/2001	\$ 9,000	\$ 8,995	\$ 9,013
U.S. Treasury Note	5.500	08/31/2001	25,000	25,025	25,070
U.S. Treasury Note	5.625	09/30/2001	25,000	25,028	25,109
U.S. Treasury Note	5.875	10/31/2001	3,000	3,009	3,020
U.S. Treasury Note	5.875	11/30/2001	10,000	10,069	10,089
U.S. Treasury Note	6.375	01/31/2002	5,000	5,040	5,074
U.S. Treasury Note	6.250	01/31/2002	3,000	3,024	3,043
U.S. Treasury Note	6.250	02/28/2002	13,000	13,209	13,209
U.S. Treasury Note	6.500	02/28/2002	9,000	9,170	9,159
U.S. Treasury Note	6.625	03/31/2002	20,000	20,429	20,406
U.S. Treasury Note	6.375	04/30/2002	28,500	29,045	29,080
U.S. Treasury Note	6.625	04/30/2002	3,000	3,063	3,067
U.S. Treasury Note	6.625	05/31/2002	7,000	7,172	7,171
U.S. Treasury Note	6.250	06/30/2002	3,500	3,585	3,579
U.S. Treasury Note	6.375	06/30/2002	5,000	5,133	5,119
Total U.S. Treasury Notes	17.4%			170,996	171,208
<i>U.S. Government Agency Bonds</i>					
Federal Home Credit Bank	6.070	07/02/2001	3,000	3,000	3,000
Student Loan Marketing Assn	3.901A	08/10/2001	10,000	9,999	10,001
Federal Farm Credit Bank	4.875	09/04/2001	5,000	5,008	5,003
Student Loan Marketing Assn	3.88 A	09/17/2001	20,000	19,997	20,002
Federal National Mortgage Assn	4.625	10/15/2001	10,000	9,947	10,014
Federal Home Loan Bank	6.000	11/15/2001	3,000	3,019	3,022
Federal Home Loan Bank	4.875	01/22/2002	15,000	14,989	15,070
Federal Home Loan Bank	6.750	02/01/2002	15,000	15,150	15,244
Federal National Mortgage Assn	7.500	02/11/2002	15,350	15,554	15,655
Federal National Mortgage Assn	5.375	03/15/2002	3,000	3,016	3,031
Federal Home Loan Bank	4.500	04/04/2002	5,000	5,011	5,023
Federal Home Loan Bank	4.700	04/16/2002	3,000	3,000	3,001
Total U.S. Government Agency Bonds	10.9%			107,690	108,066
<i>U. S. Corporate Bonds</i>					
Airtouch Communications Inc	7.125	07/15/2001	3,000	3,002	3,002
Salomon Smith Barney Holdings	6.650	07/15/2001	1,500	1,500	1,501
Barclays Bank PLC	5.950	07/15/2001	2,000	2,001	2,001
John Deere Capital Corp	7.000	08/06/2001	5,000	4,998	5,012
Mellon Financial Corp	9.250	08/15/2001	7,130	7,173	7,169
Sears Roebuck Acceptance	7.130	09/12/2001	14,470	14,537	14,560

A-Adjustable rate security.

*-Yield is reported for those securities having no stated coupon.

**-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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Sanwa Business Credit	7.250	09/15/2001	6,500	6,534	6,538
Daimler Chrysler NA Holdings	6.630	09/21/2001	11,565	11,574	11,621
Ford Motor Credit Co	5.125	10/15/2001	15,000	14,937	15,003
ABN AMRO Bank NV Chi	6.625	10/31/2001	4,615	4,643	4,649
American Express Credit Corp	6.125	11/15/2001	3,000	2,998	3,020
Chrysler Financial Corp	5.690	11/15/2001	11,730	11,697	11,753
African Dev Bank	7.750	12/15/2001	5,000	5,057	5,073
Vodafone Group PLC	3.987A	12/19/2001	10,000	9,998	10,009
IBM Credit Corp	7.000	01/28/2002	3,600	3,641	3,658
International Lease Finance Co	6.340	02/01/2002	5,000	5,057	5,063
AT&T Capital Corp	6.750	02/04/2002	4,950	4,996	5,009
General Motors Acceptance Corp	6.750	02/07/2002	25,000	25,259	25,321
Chase Manhattan Corp	8.500	02/15/2002	5,000	5,132	5,125
CIT Group Holdings Inc	4.170A	09/13/2002	20,000	20,000	20,006
Wells Fargo & Co	4.369A	10/30/2002	20,000	20,000	20,022
Household Finance Corp	4.406A	05/28/2004	20,000	20,000	20,000
Total U.S. Corporate Bonds	20.8%			204,734	205,115
Short-term Issues					
Bank of America Repurchase Agreement	4.050	07/02/2001	59,570	59,570	59,570
Morgan Stanley Dean Witter Repurchase Agreement	4.090	07/02/2001	91,962	91,962	91,962
Caterpillar Financial Services Comm Paper	4.134	07/02/2001	5,000	4,999	4,999
Merck & Co Inc Commercial Paper	3.936	07/02/2001	20,000	19,998	19,998
Links Finance LLC Commercial Paper	4.833	07/03/2001	5,000	4,999	4,999
Rabobank Nederland NV Comm Paper	4.016	07/05/2001	5,000	4,998	4,998
Deutsche Bank Financial Comm Paper	4.084	07/09/2001	10,000	9,991	9,991
FPL Fuels Inc Commercial Paper	3.980	07/09/2001	20,000	19,983	19,983
Goldman Sachs Group LP Commercial Paper	4.677	07/10/2001	5,000	4,994	4,994
SBC Communications Inc Comm Paper	4.028	07/12/2001	5,000	4,994	4,994
BMW US Capital Corp Comm Paper	3.858	07/12/2001	20,000	19,977	19,977
National Rural Utilities Co-Op Comm Paper	4.004	07/13/2001	5,000	4,993	4,993
General Electric Capital Corp Comm Paper	4.334	07/17/2001	5,000	4,991	4,991
International Lease Finance Co Comm Paper	4.322	07/18/2001	6,023	6,011	6,011
Morgan Stanley Dean Witter Comm Paper	4.023	07/18/2001	20,000	19,965	19,965
Federal Home Loan Mortg Corp Disc Note	4.231	07/19/2001	20,000	19,958	19,958
Texaco Inc Commercial Paper	4.009	07/19/2001	10,000	9,980	9,980
American Honda Finance Commercial Paper	4.303	07/20/2001	5,000	4,989	4,989
Coca Cola Enterprises Commercial Paper	4.034	07/20/2001	5,000	4,990	4,990
EI duPont de Nemours Co Commercial Paper	4.027	07/20/2001	20,000	19,958	19,958
Commerzbank AG Yankee CD	7.075	07/23/2001	10,000	9,997	9,997
Den Norske Bank Commercial Paper	4.335	07/23/2001	5,000	4,987	4,987
Ford Motor Credit Co Commercial Paper	4.022	07/25/2001	5,000	4,987	4,987
Kitty Hawk Funding Corp Commercial Paper	4.324	07/26/2001	5,054	5,039	5,039
Corporate Asset Funding Co Comm Paper	4.055	07/27/2001	19,500	19,444	19,444

A-Adjustable rate security.

*Yield is reported for those securities having no stated coupon.

**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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Morgan Stanley Dean Witter Comm Paper	4.023	07/27/2001	10,000	9,971	9,971
Homeside Lending Inc Commercial Paper	4.094	08/06/2001	5,000	4,980	4,980
UBS Finance (DE) LLC Commercial Paper	4.094	08/06/2001	10,000	9,960	9,960
Federal National Mortg Assn Discount Note	5.206	08/09/2001	5,000	4,972	4,972
Swedbank Commercial Paper	3.946	08/13/2001	9,300	9,257	9,257
Salomon Smith Barney Hold Comm Paper	3.727	08/18/2001	10,000	9,951	9,951
Den Norske Bank Commercial Paper	4.016	08/20/2001	10,000	9,945	9,945
Windmill Funding Corp Commercial Paper	4.044	08/20/2001	5,000	4,972	4,972
JP Morgan Chase & Co Commercial Paper	3.703	08/22/2001	10,000	9,948	9,948
Coca Cola Enterprises Commercial Paper	3.833	08/30/2001	5,000	4,969	4,960
Special Purpose Accts Rec Comm Paper	3.779	09/07/2001	5,000	4,965	4,964
Links Finance LLC Commercial Paper	3.698	09/10/2001	5,000	4,965	4,962
Amsterdam Funding Corp Comm Paper	3.839	09/12/2001	5,000	4,962	4,952
Quincy Capital Corp Commercial Paper	3.829	09/14/2001	5,000	4,961	4,952
Federal National Mortg Assn Discount Note	4.811	02/08/2002	5,000	4,857	4,784
Societe Generale Yankee CD	4.200	05/15/2002	10,000	9,994	9,995
Total Short-term Issues	50.9%			500,383	500,279
Total Cash Liquidity				\$ 983,803	\$ 984,668
Government Money Market					
<i>U.S. Treasury Notes</i>					
U.S. Treasury Note	5.625%	09/30/2001	\$ 10,000	\$ 10,006	\$ 10,044
U.S. Treasury Note	6.375	09/30/2001	10,000	10,041	10,061
U.S. Treasury Note	5.875	10/31/2001	10,000	10,045	10,069
U.S. Treasury Note	5.875	11/30/2001	10,000	10,080	10,089
U.S. Treasury Note	6.375	04/30/2002	10,000	10,194	10,203
U.S. Treasury Note	6.375	06/30/2002	10,000	10,246	10,237
Total U.S. Treasury Notes	43.2%			60,612	60,703
<i>Short-term Issues</i>					
Banc of America Repurchase Agreement	4.050	07/02/2001	31,275	31,275	31,275
Morgan Stanley Dean Witter Repurchase Agreement	4.090	07/02/2001	48,280	48,280	48,280
Total Short-term Issues	56.8%			79,555	79,555
Total Government Money Market				\$ 140,167	\$ 140,258
Enhanced Yield					
<i>U.S. Treasury Issues</i>					
U.S. Treasury Note	5.875%	09/30/2002	\$ 4,500	\$ 4,498	\$ 4,600
U.S. Treasury Bond	11.625	11/15/2002	2,000	2,156	2,197
U.S. Treasury Note	5.625	12/31/2002	7,000	6,933	7,150

A-Adjustable rate security.

*-Yield is reported for those securities having no stated coupon.

**-.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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
U.S. Treasury Note	5.500	01/31/2003	12,600	12,516	12,846
U.S. Treasury Note	6.250	02/15/2003	5,800	5,908	5,984
U.S. Treasury Note	5.500	03/31/2003	2,000	2,041	2,042
U.S. Treasury Note	5.750	04/30/2003	5,000	4,927	5,129
U.S. Treasury Bond	10.750	05/15/2003	4,000	4,459	4,457
U.S. Treasury Note	5.750	08/15/2003	20,000	19,934	20,569
U.S. Treasury Note	4.250	11/15/2003	6,000	5,969	5,976
U.S. Treasury Note	4.750	02/15/2004	3,000	3,020	3,017
U.S. Treasury Note	7.250	05/15/2004	27,000	28,155	28,894
U.S. Treasury Note	7.250	08/15/2004	10,000	10,152	10,734
U.S. Treasury Note	7.875	11/15/2004	8,000	8,718	8,761
U.S. Treasury Note	7.500	02/15/2005	3,000	3,299	3,265
Total U.S. Treasury Issues	37.0%			122,685	125,621
U.S. Government Agency Bonds					
Federal National Mortgage Assn	6.690	08/07/2001	3,500	3,500	3,507
Federal Home Loan Bank	6.330	10/09/2001	3,000	2,999	3,018
Federal Home Loan Bank	6.260	10/29/2001	500	500	504
Federal Home Loan Bank	7.905	11/07/2001	985	989	998
Federal National Mortgage Assn	6.375	01/16/2002	200	200	202
Federal Home Loan Bank	6.000	03/27/2002	500	500	507
Federal Home Loan Mortgage Corp	6.800	04/08/2002	3,000	2,999	3,065
Federal National Mortgage Assn	6.590	05/16/2002	6,000	5,997	6,124
Federal Home Loan Bank	6.670	08/23/2002	135	136	139
Federal National Mortgage Assn	6.060	10/08/2002	5,400	5,415	5,494
Federal National Mortgage Assn	5.890	11/06/2002	6,480	6,456	6,585
Federal National Mortgage Assn	5.980	11/12/2002	5,470	5,465	5,570
Federal Home Loan Bank	6.375	11/15/2002	15,000	15,076	15,413
Federal Home Loan Mortgage Corp	5.630	01/10/2003	200	199	203
Federal Home Loan Bank	5.785	03/17/2003	500	500	509
Federal Home Loan Bank	6.025	03/17/2003	255	256	262
Federal Home Loan Bank	5.785	04/23/2003	5,000	4,992	5,099
Federal Home Loan Bank	5.775	05/01/2003	5,000	4,997	5,100
Federal Farm Credit Bank	5.700	06/18/2003	2,000	2,011	2,040
Federal Home Loan Bank	5.600	09/02/2003	4,000	4,018	4,051
Federal National Mortgage Assn	5.500	12/01/2003	600	588	610
Total U.S. Government Agency Bonds	20.3%			67,793	69,000
Corporate Issues					
U.S. Corporate Bonds					
General Electric Capital Corp	6.350	09/15/2001	3,500	3,499	3,516
International Lease Finance Co	5.500	01/15/2002	5,000	5,001	5,040
M & I Bank Northeast	7.250	03/22/2002	3,500	3,499	3,578

A-Adjustable rate security.

*-Yield is reported for those securities having no stated coupon.

** -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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Wal-Mart Stores	6.750	05/15/2002	1,000	1,005	1,022
Associates Corp NA	6.375	07/15/2002	3,500	3,464	3,566
Associates Corp NA	6.500	08/15/2002	1,700	1,683	1,736
Texton Inc	6.750	09/15/2002	770	786	784
General Electric Capital Corp	6.700	10/01/2002	8,300	8,295	8,523
Beneficial Corp	7.770	11/01/2002	900	924	933
Citicorp	8.625	12/01/2002	1,199	1,222	1,261
Hertz Corp	6.000	01/15/2003	2,030	2,045	2,056
Household Finance Corp	6.875	03/01/2003	2,000	2,037	2,059
Household International	6.125	03/01/2003	1,000	1,004	1,010
General Motors Acceptance Corp	5.800	03/12/2003	2,500	2,500	2,529
CITGroup Inc	7.375	03/15/2003	2,000	1,987	2,070
General Motors Acceptance Corp	7.625	05/05/2003	3,000	3,008	3,134
National Rural Utilities Co-op	6.220	05/05/2003	1,000	1,015	1,021
Savannah Electric & Power Co	5.120	05/15/2003	2,500	2,493	2,494
American General Finance Corp	6.140	06/03/2003	1,000	980	1,021
Ford Motor Credit Co	7.500	06/15/2003	4,000	4,116	4,163
Huntington National Bank	6.750	06/15/2003	2,000	2,059	2,056
Household Finance Corp	6.250	08/15/2003	765	766	783
Associates Corp NA	6.080	09/29/2003	1,000	967	1,023
Carnival Corp Cruise Lines	6.150	10/01/2003	300	289	302
National Rural Utilities Co-op	5.200	10/21/2003	2,000	1,918	1,999
General Motors Acceptance Corp	6.550	11/17/2003	1,500	1,484	1,539
Household International	6.200	12/01/2003	390	396	393
CIT Group Inc	5.570	12/08/2003	1,500	1,425	1,503
Diageo PLC	6.223	01/06/2004	3,500	3,000	3,038
General Electric Capital Corp	7.250	05/03/2004	2,300	2,299	2,401
General Motors Acceptance Corp	7.500	05/10/2004	3,000	3,024	3,145
Merrill Lynch & Company Inc	5.350	06/15/2004	4,825	4,825	4,808
Household Finance Corp	8.000	08/01/2004	700	731	747
Beneficial Corp	6.625	09/27/2004	500	499	507
Newcourt Credit Group Inc	6.875	02/16/2005	500	504	511
Ford Motor Credit Co	7.500	03/15/2005	2,200	2,279	2,286
Total U.S. Corporate Bonds				77,028	78,557
Corporate Asset Backed Issues					
Newcourt Equipment Trust	5.393	02/20/2002	645	637	648
Ford Credit Auto Owner Trust	5.800	06/15/2002	452	451	452
Capital Auto Rec Asset Trust	5.580	06/15/2002	243	243	244
John Deere Owner Trust	5.940	10/15/2002	151	150	151
Premier Auto Trust	5.690	11/08/2002	914	914	916
WFS Financial Owner Trust	5.550	02/20/2003	124	124	125
Premier Auto Trust	5.780	04/08/2003	195	195	196
Premier Auto Trust	6.270	04/08/2003	2,700	2,712	2,725
Ford Credit Auto Owner Trust	6.970	04/15/2003	320	320	323
Arcadia Automobile Rec Trust	6.300	07/15/2003	1,580	1,578	1,590
Key Auto Finance Trust	5.630	07/15/2003	702	702	703

A-Adjustable rate security.

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See accompanying notes to financial statements

Consolidated Fund
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Schedule of Investments in Securities (Continued)

June 30, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Onyx Acceptance Auto Trust	6.820	11/15/2003	3,252	3,252	3,295
WFS Financial Owner Trust	5.700	11/20/2003	11,000	10,919	11,146
Arcadia Automobile Rec Trust	6.900	12/15/2003	5,299	5,298	5,376
Ford Credit Auto Owner Trust	7.150	12/15/2003	525	526	534
Union Acceptance Corp	5.840	01/08/2004	2,472	2,468	2,486
Ford Credit Auto Owner Trust	7.190	03/15/2004	200	209	208
Onyx Acceptance Auto Trust	6.020	04/15/2004	2,000	1,963	2,035
Ford Credit Auto Owner Trust	6.560	05/15/2004	495	512	511
First Security Auto Trust	6.830	07/15/2004	5,000	4,998	5,144
Daimler Chrysler Auto Trust	6.110	11/08/2004	1,000	1,019	1,030
Onyx Acceptance Auto Trust	7.000	11/15/2004	1,615	1,606	1,666
Discover Card Master Trust	5.650	11/16/2004	960	953	972
Daimler Chrysler Auto Trust	7.230	01/06/2005	480	501	499
World Omni Auto Rec Trust	5.300	02/20/2005	1,000	1,004	1,010
Union Acceptance Corp	6.410	05/10/2005	1,000	994	1,020
Ford Credit Auto Owner Trust	5.360	06/15/2005	160	160	161
Proffitt's Credit Card	6.500	12/15/2005	2,000	1,996	2,047
MBNA Master Credit Card Trust	5.250	02/15/2006	205	198	206
Americredit Automobile Rec	5.960	03/12/2006	750	739	764
Household Automotive Trust	6.650	04/17/2006	1,000	1,027	1,033
Union Acceptance Corp	5.870	09/08/2006	1,000	1,020	1,017
Sears Credit Acc Master Trust	6.450	10/16/2006	3,333	3,354	3,387
Peoplefirst.com Auto Rec	7.405	12/15/2006	1,535	1,599	1,601
Household Automotive Trust	7.430	04/17/2007	2,000	2,081	2,112
WFS Financial Owner Trust	7.410	09/20/2007	130	136	136
Harley-Davidson Eaglemark	7.180	05/15/2008	2,000	2,079	2,074
Total Corporate Asset Backed Issues				58,637	59,543
Total Corporate Issues	40.6%			135,665	138,100
Short-term Issues					
Banc of America Repurchase Agreement	4.050	07/02/2001	2,759	2,759	2,759
Morgan Stanley Dean Witter Repurchase Agreement	4.090	07/02/2001	4,259	4,259	4,259
Total Short-term Issues	2.1%			7,018	7,018
Total Enhanced Yield				\$ 333,161	\$ 339,739
Loss Amortization					
U.S. Treasury Issues					
U.S. Treasury Strip-Int	8.077%	02/15/2005	\$ 22,000	\$ 16,514	\$ 18,478
U.S. Treasury Strip-Int	9.237	08/15/2005	31,000	21,365	25,342
U.S. Treasury Strip-Int	9.228	02/15/2010	20,000	9,188	12,507
U.S. Treasury Strip-Int	8.474	11/15/2011	80,300	33,950	45,129
Total U.S. Treasury Issues	91.4%			81,017	101,456

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Schedule of Investments in Securities (Continued)

June 30, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
U.S. Government Agency Issues					
U.S. Government Agency Bonds Resolution Funding Corp	9.097	10/15/2019	30,115	5,918	9,500
Total U.S. Government Agency Bonds				5,918	9,500
Total U.S. Government Agency Issues	8.6%			5,918	9,500
Total Loss Amortization				<u>\$ 86,935</u>	<u>\$ 110,956</u>
Loans					
Short-term Issues					
Banc of America Repurchase Agreement	4.050%	07/02/2001	\$ 2,985	\$ 2,985	\$ 2,985
Morgan Stanley Dean Witter Repurchase Agreement	4.180	07/02/2001	4,607	4,607	4,607
Total Short-term Issues	6.9%			7,592	7,592
Loans and Mortgages					
Intergovernmental Loans					
WVEDA Revolving Loan (Note 3)	6.180A	06/30/2011	98,027	98,027	98,027
Tax Reappraisal	6.340	06/30/2003	495	495	495
Total Intergovernmental Loans				98,522	98,522
FHA/VA Mortgages					
Charleston NB	7.750	11/01/2003	11	11	11
Charleston NB	7.750	03/01/2004	2	2	2
Charleston NB	7.000	05/01/2004	24	24	24
Charleston NB	8.250	05/01/2004	18	18	18
Charleston NB	8.250	08/01/2004	40	40	40
Charleston NB	9.000	12/01/2004	7	7	7
Charleston NB	7.000	03/01/2005	34	34	34
Charleston NB	8.000	08/01/2005	74	74	74
Charleston NB	9.000	02/01/2006	18	18	18
Charleston NB	8.750	05/01/2006	33	33	33
Charleston NB	8.500	07/01/2006	60	60	60
Charleston NB	8.750	10/01/2006	29	29	29
Charleston NB	8.000	04/01/2007	97	97	97
Charleston NB	8.500	03/01/2008	345	345	345
Charleston NB	9.500	09/01/2008	55	55	55
Home (Atlantic)	7.750	02/01/2004	33	33	33
Home (Atlantic)	7.000	08/01/2003	2	2	2
Home (Atlantic)	8.250	04/01/2004	36	36	36
Home (Atlantic)	9.500	03/01/2005	11	11	11
Home (Atlantic)	9.000	02/01/2006	45	45	45
Home (Atlantic)	8.000	04/01/2007	224	224	224

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Schedule of Investments in Securities (Continued)

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(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Home (Atlantic)	8.750	05/01/2008	405	405	405
Home (Atlantic)	10.000	10/01/2009	75	75	75
Home (Atlantic)	10.500	10/01/2009	26	26	26
Home (Atlantic)	11.500	11/01/2009	6	6	6
Home (Atlantic)	8.500	08/01/2014	364	364	364
Huntington	7.000	08/01/2003	16	16	16
Huntington	9.500	11/01/2003	8	8	8
Huntington	8.250	02/01/2004	11	11	11
Huntington	9.000	01/01/2006	19	19	19
Huntington	8.000	04/01/2007	20	20	20
Huntington	8.500	01/01/2008	77	77	77
Kissell	7.000	10/01/2003	43	43	43
Kissell	7.750	12/01/2003	9	9	9
Kissell	8.250	06/01/2004	33	33	33
Kissell	9.500	11/01/2004	10	10	10
Kissell	9.000	03/01/2006	27	27	27
Kissell	8.750	05/01/2006	18	18	18
Kissell	8.500	06/01/2006	14	14	14
Kissell	8.000	09/01/2007	231	231	231
Kissell	8.500	01/01/2008	200	200	200
Mason (Peoples)	8.500	12/01/2006	73	73	73
Mason (Peoples)	8.000	07/01/2007	7	7	7
Mason (Peoples)	10.500	12/01/2009	22	22	22
OVB (FFSL)	8.500	09/01/2005	28	28	28
OVB (FFSL)	9.000	11/01/2005	6	6	6
OVB Mortgages	7.000	04/01/2003	15	15	15
OVB Mortgages	7.000	08/01/2003	5	5	5
OVB Mortgages	7.750	10/01/2003	10	10	10
OVB Mortgages	8.250	07/01/2004	19	19	19
OVB Mortgages	9.000	03/01/2006	25	25	25
OVB Mortgages	8.750	07/01/2006	23	23	23
OVB Mortgages	8.000	07/01/2007	77	77	77
OVB Mortgages	8.500	07/01/2008	309	309	309
OVB Mortgages	9.500	10/01/2008	24	24	24
Total FHA/VA Mortgages				3,453	3,453
Total Loans and Mortgages	93.1%			101,975	101,975
Total Loans				<u>\$ 109,567</u>	<u>\$ 109,567</u>
Municipal Bond Commission					
<i>U.S. Treasury Issues</i>					
State & Local Government	0.000%*	07/01/2001	\$ 1,088	\$ 1,088	\$ 1,088
State & Local Government	4.580	08/01/2001	653	653	653
U.S. Treasury Strip-Prin	6.580*	08/15/2001	10	10	10
U.S. Treasury Strip-Int	8.449*	08/15/2001	77	76	77
U.S. Treasury Strip-Int	4.976*	08/15/2001	24	24	24

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**Consolidated Fund
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Schedule of Investments in Securities (Continued)

June 30, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
State & Local Government	0.000*	09/30/2001	91	91	91
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	18
State & Local Government	3.978	10/01/2001	33	34	34
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
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	572	564
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	7.999*	11/15/2001	377	366	372
U.S. Treasury Bond	15.750	11/15/2001	5	5	5
U.S. Treasury Note	5.875	11/30/2001	40	41	40
U.S. Treasury Note	5.875	11/30/2001	20	21	20
State & Local Government	0.000*	01/01/2002	121	121	121
U.S. Treasury Strip-Int	9.047*	02/15/2002	1,269	1,201	1,240
U.S. Treasury Strip-Int	5.039*	02/15/2002	20	19	20
U.S. Treasury Bond	14.250	02/15/2002	18	19	19
State & Local Government	0.000*	03/31/2002	1,271	1,271	1,271
U.S. Treasury Note	6.250	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	40	40
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	4,606	4,463
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	8.482*	05/15/2002	251	233	242
U.S. Treasury Note	7.500	05/15/2002	563	600	580
U.S. Treasury Note	6.500	05/31/2002	790	837	809
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	2,358	2,384
State & Local Government	0.000*	07/01/2002	1,126	1,126	1,126
U.S. Treasury Strip-Prin	0.151*	08/15/2002	617	616	590
U.S. Treasury Strip-Int	8.550*	08/15/2002	58	53	55
U.S. Treasury Strip-Int	5.034*	08/15/2002	24	23	23
State & Local Government	0.000*	09/30/2002	48	48	48
U.S. Treasury Note	6.875	09/30/2002	18	18	18

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**Consolidated Fund
West Virginia Investment Management Board**

Schedule of Investments in Securities (Continued)

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(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
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	54
State & Local Government	5.970	11/01/2002	9	9	9
U.S. Treasury Strip-Int	8.380*	11/15/2002	603	539	571
U.S. Treasury Bond	11.625	11/15/2002	23	27	25
State & Local Government	0.000*	01/01/2003	87	87	87
U.S. Treasury Strip-Print	6.720*	02/15/2003	10	9	9
U.S. Treasury Strip-Int	1.622*	02/15/2003	5,930	5,770	5,544
U.S. Treasury Strip-Int	6.483*	02/15/2003	35	32	33
U.S. Treasury Note	6.250	02/15/2003	29	29	30
U.S. Treasury Bond	10.750	02/15/2003	162	159	178
State & Local Government	0.000*	03/31/2003	1,342	1,342	1,342
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	8.484*	05/15/2003	203	174	188
U.S. Treasury Strip-Int	0.000*	05/15/2003	834	834	771
U.S. Treasury Bond	10.750	05/15/2003	6	6	7
U.S. Treasury Bond	10.750	05/15/2003	607	729	676
State & Local Government	5.380	06/01/2003	1,427	1,427	1,427
State & Local Government	0.000*	07/01/2003	1,167	1,167	1,167
U.S. Treasury Strip-Print	6.600*	08/15/2003	300	261	274
U.S. Treasury Strip-Int	0.421*	08/15/2003	496	491	453
U.S. Treasury Strip-Int	5.392*	08/15/2003	230	205	210
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	8.691*	11/15/2003	1,166	953	1,053
U.S. Treasury Bond	11.875	11/15/2003	5	5	6
State & Local Government	0.000*	01/01/2004	50	50	50
U.S. Treasury Strip-Int	1.396*	02/15/2004	6,139	5,901	5,460
U.S. Treasury Strip-Int	5.523*	02/15/2004	28	24	25
U.S. Treasury Note	6.875	02/15/2004	30	30	31
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

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Schedule of Investments in Securities (Continued)

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Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
State & Local Government	5.570	05/01/2004	3,278	3,278	3,278
U.S. Treasury Strip-Int	8.327*	05/15/2004	143	113	126
U.S. Treasury Bond	12.375	05/15/2004	11	12	13
U.S. Treasury Bond	12.375	05/15/2004	676	916	814
State & Local Government	5.400	06/01/2004	1,518	1,518	1,518
State & Local Government	1.471	07/01/2004	1,215	1,215	1,215
U.S. Treasury Strip-Int	0.496*	08/15/2004	343	337	297
U.S. Treasury Strip-Int	5.403*	08/15/2004	38	32	33
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	9.056*	11/15/2004	966	717	825
U.S. Treasury Bond	11.625	11/15/2004	6	6	7
State & Local Government	6.260	01/01/2005	19	19	19
U.S. Treasury Strip-Int	0.100*	02/15/2005	5,352	5,330	4,495
U.S. Treasury Strip-Int	5.594*	02/15/2005	28	23	24
State & Local Government	5.160	04/01/2005	3,829	3,829	3,829
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	8.121*	05/15/2005	114	84	94
U.S. Treasury Bond	12.000	05/15/2005	759	1,112	947
State & Local Government	5.430	06/01/2005	1,618	1,618	1,618
State & Local Government	6.240	07/01/2005	1,270	1,270	1,270
U.S. Treasury Strip-Prin	0.450*	08/15/2005	178	174	145
U.S. Treasury Strip-Int	8.308*	08/15/2005	26	19	21
U.S. Treasury Strip-Int	5.536*	08/15/2005	960	766	785
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	8.415*	11/15/2005	12	8	10
State & Local Government	6.250	01/01/2006	16	16	16
U.S. Treasury Strip-Int	0.021*	02/15/2006	5,610	5,604	4,459
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	8.155*	05/15/2006	114	77	89
U.S. Treasury Note	6.875	05/15/2006	834	1,113	899
State & Local Government	6.260	07/01/2006	1,362	1,362	1,362
U.S. Treasury Strip-Int	8.428*	08/15/2006	25	16	19
State & Local Government	5.570	11/01/2006	16	16	16
U.S. Treasury Strip-Int	8.459*	11/15/2006	9	6	7
State & Local Government	6.270	01/01/2007	13	13	13
U.S. Treasury Strip-Int	8.438*	02/15/2007	15	9	11
State & Local Government	5.560	05/01/2007	3,971	3,971	3,971
U.S. Treasury Strip-Int	7.469*	05/15/2007	57	37	42
U.S. Treasury Note	6.250	05/15/2007	894	1,242	960
State & Local Government	6.280	07/01/2007	1,464	1,464	1,464
U.S. Treasury Strip-Int	8.438*	08/15/2007	25	15	18
U.S. Treasury Strip-Int	8.811*	11/15/2007	8	5	6
State & Local Government	6.270	01/01/2008	10	10	10
U.S. Treasury Strip-Int	8.448*	02/15/2008	10	6	7

A-Adjustable rate security.

**Yield is reported for those securities having no stated coupon.*

***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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
U.S. Treasury Strip-Int	7.529*	05/15/2008	59	36	41
U.S. Treasury Strip-Int	0.000*	05/15/2008	924	924	643
State & Local Government	6.230	07/01/2008	1,571	1,571	1,571
U.S. Treasury Strip-Int	8.448*	08/15/2008	25	14	17
U.S. Treasury Strip-Int	9.018*	11/15/2008	6	3	4
State & Local Government	6.160	01/01/2009	6	6	6
U.S. Treasury Strip-Int	8.448*	02/15/2009	10	5	7
U.S. Treasury Strip-Int	0.000*	05/15/2009	927	927	607
State & Local Government	6.090	07/01/2009	1,686	1,686	1,686
U.S. Treasury Strip-Int	8.448*	08/15/2009	30	15	19
U.S. Treasury Strip-Int	8.449*	02/15/2010	10	5	6
U.S. Treasury Strip-Int	0.000*	05/15/2010	932	932	574
U.S. Treasury Strip-Int	8.449*	08/15/2010	25	12	15
U.S. Treasury Strip-Int	8.439*	02/15/2011	10	5	6
U.S. Treasury Strip-Int	0.000*	05/15/2011	934	934	539
U.S. Treasury Strip-Int	8.439*	08/15/2011	30	13	17
U.S. Treasury Strip-Int	8.469*	02/15/2012	10	4	5
U.S. Treasury Strip-Int	0.000*	05/15/2012	938	938	507
U.S. Treasury Strip-Int	8.469*	08/15/2012	25	10	13
U.S. Treasury Strip-Int	8.460*	02/15/2013	10	4	5
U.S. Treasury Strip-Int	0.000*	05/15/2013	941	941	476
U.S. Treasury Strip-Int	8.459*	08/15/2013	30	11	15
U.S. Treasury Strip-Int	8.449*	02/15/2014	10	4	5
U.S. Treasury Strip-Int	0.000*	05/15/2014	963	963	452
U.S. Treasury Strip-Int	8.449*	08/15/2014	30	10	14
U.S. Treasury Strip-Int	8.429*	02/15/2015	5	2	2
U.S. Treasury Strip-Int	0.000*	05/15/2015	973	973	427
U.S. Treasury Strip-Int	8.419*	08/15/2015	30	9	13
U.S. Treasury Strip-Int	8.409*	02/15/2016	5	1	2
U.S. Treasury Bond	7.250	05/15/2016	980	2,037	1,116
U.S. Treasury Strip-Int	8.379*	08/15/2016	35	10	14
U.S. Treasury Strip-Int	8.369*	02/15/2017	5	1	2
U.S. Treasury Bond	8.750	05/15/2017	1,055	2,520	1,369
U.S. Treasury Strip-Int	8.359*	08/15/2017	30	8	11
U.S. Treasury Strip-Int	8.319*	02/15/2018	5	1	2
U.S. Treasury Bond	9.125	05/15/2018	1,138	2,890	1,531
U.S. Treasury Strip-Int	8.299*	08/15/2018	35	9	13
U.S. Treasury Strip-Int	8.259*	02/15/2019	5	1	2
U.S. Treasury Strip-Int	8.269*	08/15/2019	35	8	12
Total U.S. Treasury Issues	92.4%			146,080	136,002
<i>U.S. Government Agency Issues</i>					
Resolution Funding Corp	4.497*	10/15/2001	135	133	133
Resolution Funding Corp	4.608*	04/15/2002	774	747	745
Resolution Funding Corp	4.718*	10/15/2002	112	105	106
Resolution Funding Corp	4.858*	04/15/2003	807	741	741
Resolution Funding Corp	4.988*	10/15/2003	88	79	79

A-Adjustable rate security.

*Yield is reported for those securities having no stated coupon.

**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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Resolution Funding Corp	5.058*	04/15/2004	848	738	737
Resolution Funding Corp	5.098*	10/15/2004	61	52	52
Resolution Funding Corp	5.128*	04/15/2005	891	735	735
Resolution Funding Corp	5.178*	10/15/2005	30	24	24
Resolution Funding Corp	5.328*	04/15/2006	941	731	733
Total U.S. Government Agency Bonds				4,085	4,085
Total U.S. Government Agency Issues	2.6%			4,085	4,085
<i>Short-term Issues</i>					
U.S. Treasury Bill	5.970*	08/30/2001	3,763	3,726	3,654
U.S. Treasury Bill	5.455*	09/27/2001	339	335	330
U.S. Treasury Bill	5.360*	11/29/2001	1,950	1,908	1,900
U.S. Treasury Bill	0.000*	12/03/2001	1,949	1,899	1,899
Total Short-term Issues	5.0%			7,868	7,783
Total Municipal Bond Commission				\$ 158,033	\$ 147,870
Department of Transportation					
<i>Corporate Issues</i>					
Flex Repurchase Agreement	6.500%	12/31/2002	\$ 55,332	\$ 55,332	\$ 55,332
Total Corporate Issues	100.0%			55,332	55,332
Total Department of Transportation				\$ 55,332	\$ 55,332
Lottery Defeasance					
<i>U.S. Treasury Issues</i>					
Coupon Treasury Receipt	8.188%*	08/15/2001	\$ 130	\$ 129	\$ 129
U.S. Treasury Strip-Int	10.157*	08/15/2001	307	303	306
Principal Treasury Receipt	8.992*	11/15/2001	100	97	99
U.S. Treasury Strip-Int	9.977*	11/15/2001	289	279	285
U.S. Treasury Strip-Int	10.173*	02/15/2002	425	399	415
U.S. Treasury Strip-Int	10.285*	05/15/2002	175	160	169
Certificate Accrual Treasury	8.197*	08/15/2002	130	119	124
U.S. Treasury Strip-Int	10.156*	08/15/2002	307	275	293
Principal Treasury Receipt	10.395*	11/15/2002	222	193	209
U.S. Treasury Strip-Int	8.893*	11/15/2002	167	148	158
U.S. Treasury Strip-Int	10.151*	02/15/2003	425	362	397
U.S. Treasury Strip-Int	10.286*	05/15/2003	175	145	162
Principal Treasury Receipt	8.188*	08/15/2003	130	110	118
U.S. Treasury Strip-Int	10.156*	08/15/2003	307	249	280

A-Adjustable rate security.

*.Yield is reported for those securities having no stated coupon.

**-.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, 2001
(Dollars in thousands)

Security Name	Coupon or Yield*	Maturity	Par Value	Amortized Cost	Fair Value**
Certificate Accrual Treasury	8.944*	11/15/2003	142	115	127
U.S. Treasury Strip-Int	10.183*	11/15/2003	247	195	223
U.S. Treasury Strip-Int	10.151*	02/15/2004	425	328	378
U.S. Treasury Strip-Int	10.286*	05/15/2004	175	131	154
Certificate Accrual Treasury	10.347*	08/15/2004	15	11	13
Treasury Investment Growth	8.188*	08/15/2004	130	101	111
U.S. Treasury Strip-Int	10.155*	08/15/2004	292	214	253
U.S. Treasury Coupon Under Book	10.377*	11/15/2004	222	158	187
U.S. Treasury Strip-Int	8.894*	11/15/2004	167	124	143
U.S. Treasury Strip-Int	10.151*	02/15/2005	425	297	357
U.S. Treasury Coupon Under Book	10.377*	05/15/2005	175	118	143
Coupon Treasury Receipt	8.189*	08/15/2005	130	93	105
U.S. Treasury Strip-Int	10.159*	08/15/2005	307	204	251
U.S. Treasury Strip-Int	9.976*	11/15/2005	289	189	233
U.S. Treasury Strip-Int	9.655*	02/15/2006	90	58	72
Principal Treasury Receipt	10.556*	05/15/2006	100	61	77
U.S. Treasury Coupon Under Book	10.377*	05/15/2006	110	67	85
Treasury Investment Growth	8.179*	08/15/2006	130	86	99
U.S. Treasury Strip-Int	8.927*	08/15/2006	27	17	21
U.S. Treasury Strip-Int	8.895*	11/15/2006	167	105	127
U.S. Treasury Strip-Int	9.388*	02/15/2007	63	38	47
Treasury Investment Growth	8.169*	08/15/2007	130	80	93
U.S. Treasury Strip-Int	8.927*	08/15/2007	27	16	20
U.S. Treasury Strip-Int	9.288*	11/15/2007	25	14	18
Coupon Treasury Receipt	8.160*	08/15/2008	130	74	87
Total U.S. Treasury Issues	100.0%			5,862	6,568
Total Lottery Defeasance				\$ 5,862	\$ 6,568
School Fund					
<i>Short-term Issues</i>					
Banc of America Repurchase Agreement	4.170%	07/02/2001	\$ 609	\$ 609	\$ 609
Morgan Stanley Dean Witter Repurchase Agreement	4.180	07/02/2001	939	939	939
Total Short-term Issues	100.0%			1,548	1,548
Total School Fund				\$ 1,548	\$ 1,548
EDA Insurance					
<i>Short-term Issues</i>					
U.S. Treasury Bill	3.464%*	12/20/2001	\$ 460	\$ 453	\$ 452
Total Short-term Issues	100.0%			453	452
Total EDA Insurance				\$ 453	\$ 452

A-Adjustable rate security.

*-Yield is reported for those securities having no stated coupon.

** -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**

Statement of Operations

Year Ended June 30, 2001
(Dollars in thousands)

	<u>Cash Liquidity</u>	<u>Government Money Market</u>	<u>Enhanced Yield</u>	<u>Loss Amortization</u>
Investment income				
Interest income	\$ 31,575	\$ 8,187	\$ 21,156	\$ -
Net accretion (amortization)	26,865	447	(113)	7,103
Reduction (provision) for losses on uncollectible loans	-	-	-	-
	<u>58,440</u>	<u>8,634</u>	<u>21,043</u>	<u>7,103</u>
Expenses				
Investment advisor fees	(393)	(59)	(151)	-
Trustee fees	(6)	(1)	(3)	-
Custodian bank fees	(36)	(3)	(13)	-
Management fees	(491)	(118)	(266)	-
Fiduciary bond fees	(19)	(5)	(10)	-
Professional service fees	(98)	(23)	(53)	-
	<u>(1,043)</u>	<u>(209)</u>	<u>(496)</u>	<u>-</u>
Total expenses				
Investment income, net	<u>57,397</u>	<u>8,425</u>	<u>20,547</u>	<u>7,103</u>
Realized and unrealized gain (loss) on investment securities				
Net realized gain (loss) on investments	155	237	641	-
Net increase in the fair value of investments	-	-	9,331	5,039
	<u>155</u>	<u>237</u>	<u>9,972</u>	<u>5,039</u>
Net gain (loss) on investments				
Net increase in net assets from operations	<u>\$ 57,552</u>	<u>\$ 8,662</u>	<u>\$ 30,519</u>	<u>\$ 12,142</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>
\$ 7,306	\$ 6,385	\$ 7,901	\$ -	\$ 80	\$ -
-	124	-	591	-	26
2,335	-	-	-	-	-
<u>9,641</u>	<u>6,509</u>	<u>7,901</u>	<u>591</u>	<u>80</u>	<u>26</u>
-	-	-	-	-	-
(1)	-	-	-	-	-
-	-	-	-	-	-
(69)	(30)	(37)	(2)	-	-
(2)	-	-	-	-	-
(13)	-	-	-	-	-
<u>(85)</u>	<u>(30)</u>	<u>(37)</u>	<u>(2)</u>	<u>-</u>	<u>-</u>
9,556	6,479	7,864	589	80	26
(1,892)	-	-	-	-	-
-	-	-	46	-	-
<u>(1,892)</u>	<u>-</u>	<u>-</u>	<u>46</u>	<u>-</u>	<u>-</u>
<u>\$ 7,664</u>	<u>\$ 6,479</u>	<u>\$ 7,864</u>	<u>\$ 635</u>	<u>\$ 80</u>	<u>\$ 26</u>

Consolidated Fund
West Virginia Investment Management Board

Statement of Changes in Net Assets

Year Ended June 30, 2001

(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	\$ 57,397	\$ 8,425	\$ 20,547	\$ 7,103
Net realized gain (loss) on investments	155	237	641	-
Net increase in the fair value of investments	-	-	9,331	5,039
Net increase in net assets from operations	<u>57,552</u>	<u>8,662</u>	<u>30,519</u>	<u>12,142</u>
Distributions to unitholders				
Investment income, net	(57,397)	(8,425)	(20,629)	-
Net realized (gain) loss on investments	(155)	(237)	-	-
Total distributions	<u>(57,552)</u>	<u>(8,662)</u>	<u>(20,629)</u>	<u>-</u>
Fund unit transactions				
Proceeds from sale of units	4,930,202	314,973	36,538	-
Reinvestment of distributions	57,551	8,662	20,629	-
	<u>4,987,753</u>	<u>323,635</u>	<u>57,167</u>	<u>-</u>
Amount paid for repurchase of units	(4,924,788)	(306,420)	(66,856)	-
Net increase (decrease) in net assets from fund unit transactions	<u>62,965</u>	<u>17,215</u>	<u>(9,689)</u>	<u>-</u>
Contributions				
	-	-	-	-
Withdrawals				
	-	-	-	-
Increase (decrease) in net assets	<u>62,965</u>	<u>17,215</u>	<u>201</u>	<u>12,142</u>
Net assets, beginning of period	<u>928,953</u>	<u>123,839</u>	<u>341,623</u>	<u>98,814</u>
Net assets, end of period	<u>\$ 991,918</u>	<u>\$ 141,054</u>	<u>\$ 341,824</u>	<u>\$ 110,956</u>
Fund unit transactions				
Units sold	4,930,201,596	314,972,857	361,541	-
Units issued from reinvestment of distributions	57,551,510	8,662,175	202,736	-
	<u>4,987,753,106</u>	<u>323,635,032</u>	<u>564,277</u>	<u>-</u>
Units repurchased	(4,924,788,292)	(306,420,117)	(657,672)	-
Net increase (decrease) in fund units	<u>62,964,814</u>	<u>17,214,915</u>	<u>(93,395)</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>
\$ 9,556 (1,892)	\$ 6,479 -	\$ 7,864 -	\$ 589 -	\$ 80 -	\$ 26 -
-	-	-	46	-	-
7,664	6,479	7,864	635	80	26
(9,556) 1,892 (7,664)	- - -	- - -	- - -	- - -	- - -
-	-	-	-	-	-
7,663	-	-	-	-	-
7,663	-	-	-	-	-
(22,730)	-	-	-	-	-
(15,067)	-	-	-	-	-
-	26,480	109,102	2	459	193
-	(49,466)	(190,904)	(1,426)	(524)	(213)
(15,067)	(16,507)	(73,938)	(789)	15	6
124,920	175,412	129,289	7,357	1,533	447
<u>\$ 109,853</u>	<u>\$ 158,905</u>	<u>\$ 55,351</u>	<u>\$ 6,568</u>	<u>\$ 1,548</u>	<u>\$ 453</u>
-					
7,663,422					
7,663,422					
(22,730,139)					
<u>(15,066,717)</u>					

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Consolidated Fund
West Virginia Investment Management Board

Notes to Financial Statements

NOTE 1 DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (Investment Management Board) was organized on April 25, 1997, as a public corporation created by *West Virginia Code §12-6-1* to provide prudent fiscal administration, investment, and management of certain public pension funds, the Workers' Compensation and Pneumoconiosis funds and other funds (collectively referred to as the Consolidated Pension Fund) and the State's operating funds (collectively referred to as the 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. This pool is co-advised by Bank One Investment Advisors and Brinson Partners, Inc.

Government Money Market – This pool consists of investors who wish to invest in a pool that restricts its investments to U.S. Government Obligations, select U.S. Government Agency Obligations or repurchase agreements. This pool is advised by Brinson Partners, Inc.

Enhanced Yield – This pool consists of the operating funds of the State that are not immediately needed to fund the State's liquidity requirements. This pool is advised by Bank One Investment Advisors.

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.

Participant Directed Accounts – 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 100 percent ownership of the underlying investments in its' pool and is solely responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. The Board serves in a custodial capacity and has no discretion over the investment decisions for these 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 investments of 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. The investments of the remaining pools are carried at fair value, which is determined by a third party pricing service based on asset portfolio pricing models and other sources. 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.

Repurchase Agreements – In connection with transactions in repurchase agreements, it is the Investment Management Board’s policy that its designated custodian take possession of the underlying collateral securities, the fair value of which exceeds the principal amount of the repurchase transaction at all times. If the seller defaults, and the fair value of the collateral declines, realization of the collateral by the Investment Management Board may be delayed or limited.

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.

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. Changes are made to the allowance through income. Losses of principal 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 is 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 is 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

Loan Program Changes - On December 21, 2000, the Investment Management Board sold to the West Virginia Housing Development Fund (WVHDF) all of the loans comprising the Small Development (SDP) and the New Small Development (NSDP) loan programs. The outstanding principal balance of the SDP loans was \$3,859,722. The outstanding principal balance of the NSDP loans sold was \$4,146,882. The NSDP included the Fife Street Apartments loan that had been accounted for as an impaired loan.

On January 17, 2001, the Investment Management Board sold to the WVHDF all of the loans in the Sheltered Housing loan program, all of the SB409 mortgage loans, and that portion of the FHA/VA mortgages that were being serviced by the WVHDF. The loan balances sold on these loans were \$160,062, \$841,317, and \$427,165, respectively. Research done by the buyer's counsel determined that nine of these loans had imperfections in documentation that could potentially cause difficulties in collection or exercising remedies upon default. The Investment Management Board has indemnified the WVHDF for any losses resulting from such imperfections. Note that the Investment Management Board is not indemnifying against credit risk, rather only any loss that results from loan document imperfections. Should any problem result due to deficient loan documents, the Investment Management Board will then expend funds for legal counsel to resolve the imperfection. Management believes that the documents could be corrected without a loss to the Investment Management Board. The total outstanding principal balance at June 30, 2001 was \$90,924. Any loss to the Investment Management Board as a result of the indemnification would be immaterial.

West Virginia Code §12-6-9 (e) directs the Board to make available to the West Virginia Economic Development Authority (EDA) a revolving loan up to \$150,000,000. These funds are to be used by EDA for business and industrial development loans as authorized by the statute. Repayment of this loan is the sole obligation of the EDA. On June 22, 2001, an initial draw in the amount of \$98,027,074.10, was used to pay off all of the existing EDA loans. The statute provides that the EDA may not loan more than \$15,000,000 for any one business or industrial development project. At no time can the ratio of the revolving loan to the underlying loans made by EDA to borrowers from the revolving loan exceed 103%. The interest rate on this loan adjusts annually on July 1, and is set as the twelve month average gross yield before fees of the Investment Management Board's Cash Liquidity Pool. Payments are calculated on a ten year amortization.

Nonaccrual Loans – At June 30, 2001, the Investment Management Board had no loans in nonaccrual status.

Impaired Loans – At June 30, 2001, the Investment Management Board had no loans accounted for as impaired loans. During the fiscal ended June 30, 2001, the Investment Management Board sold one loan that had been accounted for as an impaired loan. A gain of \$26,039 was recognized on the sale. This amount included receipt of previously unrecognized interest income of \$275,495. The loan sold had a reserve for uncollectibility of \$590,000 that was reversed upon the sale.

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

Balance at June 30, 2000	\$ 2,335,000
Provisions (reductions) for loan losses	(2,335,000)
Charge-offs	-
Recoveries	-
Balance at June 30, 2001	<u>\$ -</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, 2001, 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	\$ 839,716	\$ -	\$ -	\$ 839,716	\$ 830,158
Corporate bonds	418,157	-	-	418,157	418,539
Commercial paper	299,073	-	-	299,073	299,041
Repurchase agreements	247,245	-	-	247,245	247,245
Total Categorized	<u>\$1,804,191</u>	<u>\$ -</u>	<u>\$ -</u>	\$ 1,804,191	\$ 1,794,983
Uncategorized: Investments in loans and mortgages				<u>101,975</u>	<u>101,975</u>
Total Investments				<u>\$ 1,906,166</u>	<u>\$ 1,896,958</u>

NOTE 5 INVESTMENT TRANSACTIONS

Purchases and sales of investment securities (excluding short-term securities) were \$708,276,692 and \$620,973,927, respectively, for U.S. government obligations; purchases and sales of corporate securities were \$432,395,686 and \$366,361,431.

West Virginia
Investment Management Board_____

Audited Financial Statements

June 30, 2001

West Virginia Investment Management Board

Audited Financial Statements

June 30, 2001

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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, 2001, 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, 2001, 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

August 10, 2001



KPMG LLP, KPMG LLP, a U.S. limited liability partnership, is
A member of KPMG International, a Swiss association.

West Virginia Investment Management Board

Statement of Financial Position

June 30, 2001

Assets

Current assets:

Cash and cash equivalents	\$	3,600,249
Investment service fees receivable		1,521,727
Prepaid expenses		165,258
Dividend receivable		11,462
		<hr/>
Total current assets		5,298,696

Property & equipment

Equipment		957,296
Office furniture		129,718
Leasehold improvements		10,437
Less accumulated depreciation		(1,015,554)
		<hr/>
Property & equipment, net		81,897

Other assets

		26,818
		<hr/>
Total assets	\$	<u>5,407,411</u>

Liabilities and fund equity

Current liabilities:

Accounts payable and accrued expenses	\$	2,014,747
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Fund equity:

Contributed capital		2,452,053
Retained earnings		940,611
		<hr/>

Total fund equity		3,392,664
		<hr/>
Total liabilities and fund equity	\$	<u>5,407,411</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, 2001

Operating revenues:		
Investment service fees		\$ 12,180,753
	Total operating revenues	12,180,753
Operating expenses:		
Advisor fees		(8,886,228)
Custodian fees		(554,024)
Trustee fees		(45,000)
Fiduciary bond expense		(138,112)
Professional service fees		(512,222)
Administrative expenses		(2,018,839)
	Total operating expenses	(12,154,425)
	Operating profit	26,328
Nonoperating revenues:		
Dividend income		211,392
	Total nonoperating revenues	211,392
Loss on disposal of equipment		(1,580)
	Net income	236,140
	Retained earnings at beginning of year	704,471
	Retained earnings at end of year	\$ 940,611

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 2001

Cash flows from operating activities	
Cash received from customers	\$ 11,818,144
Cash paid to suppliers	(10,659,878)
Cash paid to employees	(1,297,576)
	<hr/>
Net cash used in operating activities	(139,310)
 Cash flows from investing activities	
Dividends on investments	218,394
	<hr/>
Net cash provided by investing activities	218,394
 Cash flows from capital and related financing activities	
Proceeds from sale of equipment	400
	<hr/>
Net cash provided from capital and related financing activities	400
	<hr/>
	Increase in cash and cash equivalents
	79,484
Cash and cash equivalents at beginning of year	3,520,765
	<hr/>
Cash and cash equivalents at end of year	\$ 3,600,249
	<hr/>
Reconciliation of operating profit to net cash provided	
by operating activities:	
Operating profit	\$26,328
	<hr/>
Adjustments to reconcile operating profit to net cash provided	
by operating activities:	
Depreciation	62,848
Changes in assets and liabilities:	
Increase in investment service fees receivable	(362,609)
Increase in prepaid expenses	(16,743)
Decrease in other assets	135,673
Increase in accounts payable and accrued expenses	15,193
	<hr/>
Total adjustments	(165,638)
	<hr/>
Net cash used in operating activities	\$ (139,310)
	<hr/>

See accompanying notes to financial statements.

West Virginia Investment Management Board
Notes to Financial Statements
June 30, 2001

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.

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.

Income Taxes - The WVIMB is a public corporation organized under laws of the State of West Virginia and is 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, 2000 to June 30, 2001 totaled \$116,436.

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

Year ending June 30:

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, 2000, to June 30, 2001, totaled \$98,781. 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, 2001, 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.