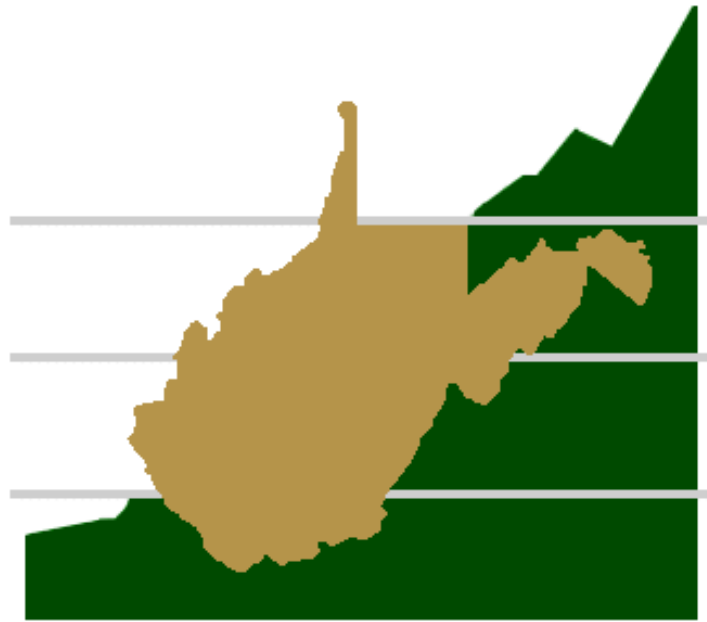

West Virginia Investment Management Board



2003 Annual Report

Table of Contents

Introduction

Message From The Chairman	
Executive Director's Report	

The Organization

Board Of Trustees	4
Representatives And Committee Members	5
Staff Members.....	6
History	7
Statutory Mandate.....	9
Administrative Mandate	10
Investment Philosophy.....	12

Investment Objectives and Financial Highlights

Short-Term Fixed Income Pool	15
Fixed Income Pool	17
Equity Pool	20
Cash Liquidity Pool	25
Government Money Market Pool	27
Enhanced Yield Pool	29
Special Purpose Pools	31
Participant Directed Accounts	32

Participant Plans

Death, Disability and Retirement Fund for Deputy Sheriffs'	35
Judges' Retirement System	37
Public Employees' Retirement System	39
Public Safety Death, Disability and Retirement Fund	41
State Police Retirement System	43
Teachers' Retirement System	45
Workers' Compensation Fund I, II and III	47
Pneumoconiosis Fund	51
Workers' Compensation Employers Excess Liability Fund	53
Wildlife Endowment Fund	55
West Virginia Prepaid Tuition Trust Fund	57
Tobacco Settlement Medical Trust Fund	59

Audited Financial Statements

Introduction

West Virginia Investment Management Board

500 Virginia Street, East, Suite 200
Charleston, West Virginia 25301

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

June 30, 2003

Dear Fellow West Virginians:

On behalf of the Board of Trustees of the West Virginia Investment Management Board, I am pleased to present the Board's Annual Financial Report for the fiscal year ending June 30, 2003. Further information about the Investment Management Board can be accessed electronically at its website, www.wvimb.org.

Over the past year, the economy and stock market have continued to struggle, but the Investment Management Board has fared relatively well in what has become an extended bear market. The Board's adherence to a disciplined, fundamental approach and the time-proven principle of diversification has helped it preserve assets while many similar investors were losing assets. Recently, an upsurge in the stock market provided a boost to everyone. Let us hope that this upsurge in the last quarter of the fiscal year is a portent of better things to come.

During this past year, it has been a privilege to work with the Trustees of the Investment Management Board. Steve L. Angel, Richard E. Boyle, Jr., Glen B. Gainer III, Samme L. Gee, Carlyle D. Farnsworth, David A. Haney, Roger D. Hunter, Patrick D. Kelly, John D. Perdue, John T. Poffenbarger, Marie L. Prezioso and William T. Tracy have shown the diligence and prudence demanded of persons acting in a fiduciary capacity for their fellow citizens. Note that I recently reappointed Carlyle D. Farnsworth and Patrick D. Kelly to six-year terms ending 2009.

I wish to thank the staff of the West Virginia Investment Management Board for its 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

500 Virginia Street, East, Suite 200
Charleston, West Virginia 25301

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

August 8, 2003

Dear Board Members:

Fiscal year 2003 ended on a high note, something few investors have experienced lately. In relative terms, the Investment Management Board's portfolio continues to perform well versus the market and its peers. For the first time in three years, though, absolute returns are even better—a welcome change.

The Investment Management Board's primary short-term investment vehicle and the principal source of operating cash for the state and some of its political subdivisions, the Consolidated Fund, added \$63,151,000 in value over the course of the fiscal year. Since the Consolidated Fund is primarily made up of general and special revenue accounts, preservation of principal, not return, is the primary objective of the Fund. This goal is managed by the risk limitations on the portfolios making up the Fund. In fiscal year 2003, the goal of preserving the assets in the Consolidated Fund was achieved.

The remaining assets of the Investment Management Board are those of participants with long time horizons. These 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 2003, the performance of the Participant Plans was positive on both an absolute basis and relative basis.

Fiscal year 2003 was interesting as usual, with many market ups and downs. In the end, the tone was up as stocks finished the fiscal year with an extremely strong quarter. The final quarter of the fiscal year saw the S&P 500 up 15.4 percent, the Dow Jones Industrial Average up 13.1 percent and the NASDAQ up 21 percent. Those are incredible returns for one quarter alone. They were enough to lift stock returns into positive territory for the fiscal year. After what everyone has been through over the last two years, that was welcome news. With all the euphoria over stocks in the last quarter, the real star of fiscal year 2003, however, was forgotten. Fixed-income performed very well, again, with the Salomon's Broad Investment Grade Index up 10.5 percent for the year.

With fixed-income holding strong through the year, and stocks putting in a strong fourth quarter, the Investment Management Board performed reasonably well on an absolute basis. The one-

year returns for the defined benefit pension plans ranged from 4.8 percent for the State Police Retirement Plan to 5.7 percent for the Public Safety Retirement Plan. Most of the plans returned 4.8 to 4.9 percent. Note that differences in returns for the various pension plans are a function of the differences in the timing of cash flows into and out of each plan and relative levels of cash equivalent securities necessary to make benefit payments. Returns for insurance assets ranged from 2.7 percent in the Workers' Compensation Fund to 11.0 percent for the Pneumoconiosis Plan. The difference in timing of cash flows is a factor in the differences in returns of insurance assets, but the difference in the respective plan's allocation to stocks plays a much greater role. For example, only 20 percent of the Pneumoconiosis Fund is allocated to stocks while the Workers' Compensation Fund has a much higher percentage. This was a long-term strategic decision based upon the relative needs of each plan. Returns for all of the Participant Plans can be found in the pages that follow.

In a fiscal year-end report, it is natural to talk about the performance for one year, even though it is a short time period. That is why it is also important to revisit the principles upon which the portfolio was founded. First, and foremost, is the recognition that the plans have long time horizons. Consequently, the focus should be on performance over ten-, fifteen- and twenty-year periods as opposed to relatively short-term, one-year and two-year periods. As a long-term investor, the inevitable ups and downs in the market from year to year are of relatively little consequence. In fact, they are expected. Because of this long-term perspective, it is important that one not get caught up in the day-to-day volatility inherent in the markets. The Board, however, also recognizes the potential for change and that trends may hold true for extended periods. Finally, investing is always a risky proposition. The goal is to control the risk and maximize the return for the level of risk one is willing to assume.

With these principles in mind, in 1998, the Investment Management Board constructed a portfolio that is more diversified than the average institutional portfolio, favors a value style of investing, and minimizes transaction costs. The result is a slightly more conservative portfolio than the average. Unwilling to sit on its hands, the Board made incremental changes in fiscal year 2003, tilting even further towards a value style of investing, deemphasizing the large cap stock portfolio in favor of smaller companies, and taking a more active approach to investing, generally. One other important change unrelated to the market environment was revisions to the Workers' Compensation Fund asset allocation. With its long-term funding uncertain, the Board modified the asset allocation to create a dedicated fixed-income portfolio with maturities structured to match cash out-flows over the next two and one-half years. This step was taken to provide a window of time in which the state could work out a solution to its Workers' Compensation issues.

A year ago, the headlines were focused on corporate fraud. With the passage of reform legislation in the form of the Sarbanes-Oxley Bill, and the Iraq situation, the headlines have turned away from these issues. That doesn't mean that corporate fraud no longer exists, but the

Board Members
Page 3 of 3
August 8, 2003

worst is probably behind us. There will probably always be some level of fraud, but reform will help, along with a more attentive shareholder. In many respects the shareholder holds the key. Meanwhile, the Federal Reserve has continued to lower rates to combat the economic slowdown we have experienced. Federal Reserve Chairman, Alan Greenspan, has even raised the specter of deflation although he is quick to point out that it is unlikely. While things may look better going forward, the pitfalls are many and varied.

As we move forward into the future, the conservative nature of the portfolio will, in all likelihood, cause it to underperform its peers on occasion. In periods when stocks are up, the Board's overall portfolio may perform less well than its peers because its allocation to stocks is more conservative. Moreover, there may be periods when the value style is out of favor, as in the late '90s. The Investment Management Board, however, 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 be 'H. Craig Slaughter', with a long horizontal line 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 of 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, Public Finance Office of Ferris, Baker Watts, Inc.,
Charleston, West Virginia

William T. Tracy
Partner in the accounting firm of Hess, Stewart & Campbell

REPRESENTATIVES AND COMMITTEE MEMBERS¹

Public Employees' Retirement System

Fredric 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

West Virginia State Police Retirement System

Adam W. Scott, Representative

Senior Trooper, West Virginia State Police

Deputy Sheriffs' Retirement System

David D. Gentry, Representative

Retired Deputy Sheriff

Judges' Retirement System

Vacant, Representative

1. 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

Kristy Newkirk, Chief Investment Officer

Operations Division —

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 Division —

Robert Crossen, Fixed Income Investment Officer

Vacant, Public Equity Investment Officer

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 at the time into a long-term pool, the Consolidated Pension Fund, and a short-term pool, the Consolidated Fund. 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. 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. The changing dynamics of the types of monies that the State has to invest dictated the need for a revised fund structure with an elimination of the term Consolidated Pension Fund as the longer term investment option. The statute was revised during the 2001 session of the West Virginia Legislature to specifically clarify that any monies could be invested in any of the investment pools established by the West Virginia Investment Management Board. The Consolidated Fund still exists and represents the investment pools established for the investment of those monies currently needed to fund state government operations or those monies that are required by other statutory provisions to be invested in the Consolidated Fund.

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 assets then grouped as the Consolidated Pension Fund and placed them 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.

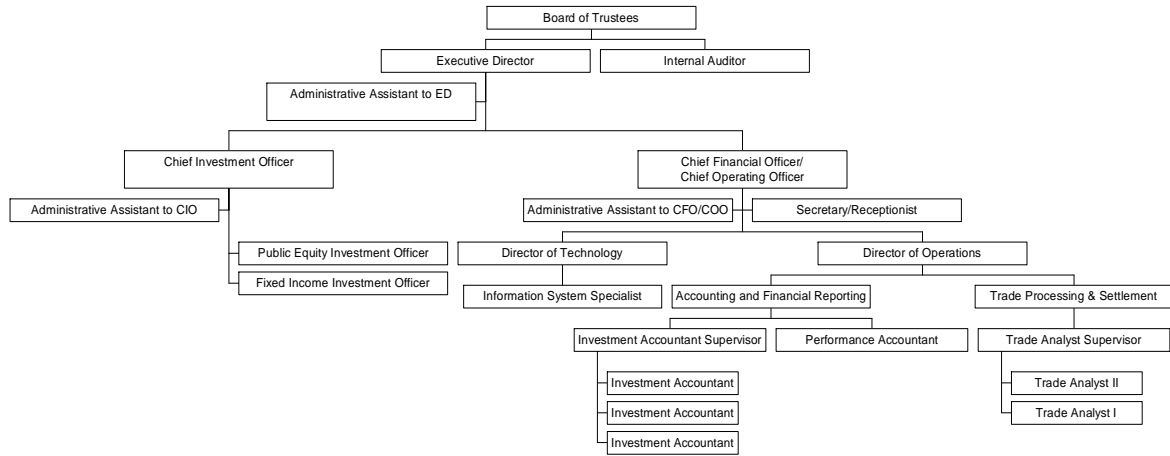
ADMINISTRATIVE MANDATE

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 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 other investment pools is to provide benefits to its participants and beneficiaries. 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
Investment Policy	Every Year
Broad Asset Allocation	Every Three Years
Within-Class Asset Allocation	Every Three Years

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.

Participant Plans

The Board's objective is to manage the Participant Plans' moneys in an efficient and economical manner, managing risk as it seeks to achieve the specific goals set out in each Participant Plans' investment program.

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.

Participant Directed Accounts

The Board acts as custodian of certain assets which must be invested in accordance to specific legal requirements. The Board does not have control or authority over the investment decisions related to these funds. Accordingly, the Board's investment objective for these accounts is to timely execute the investment decisions as directed by the accounts owner.

*Investment Objectives and
Financial Highlights*

Short-Term Fixed Income Pool

Objectives

The Short-Term Pool was created to maintain sufficient liquidity to meet the daily disbursements requested by the Participant Plans and to invest any contributions until the time the money is transferred to other asset classes without sustaining capital losses while earning a small return above inflation. The portfolio is structured as a money market fund where the goal is a stable dollar value per share, thus preserving principal. The risk factor on this portfolio is low and managed through numerous maturity restrictions, diversification guidelines, and credit limits. The participants are paid on an income basis that includes interest income and realized gains and losses.

Management Structure

The Short-Term Fixed Income Pool is managed by Banc One Investment Advisors Corporation (as of May 23, 2003). This pool was previously managed by Fischer, Francis, Trees & Watts.

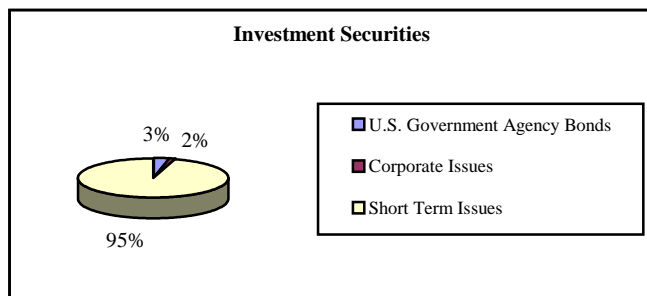
Financial Highlights

Progression of Net Assets (in \$000's)

Net Assets - June 30, 2002	\$ 178,998
Net increase from operations	3,323
Income distributions to unitholders	(4,077)
Net increase from unit transactions	284,775
Net Assets - June 30, 2003	<u>\$ 463,019</u>

Investment Securities (in \$000's)

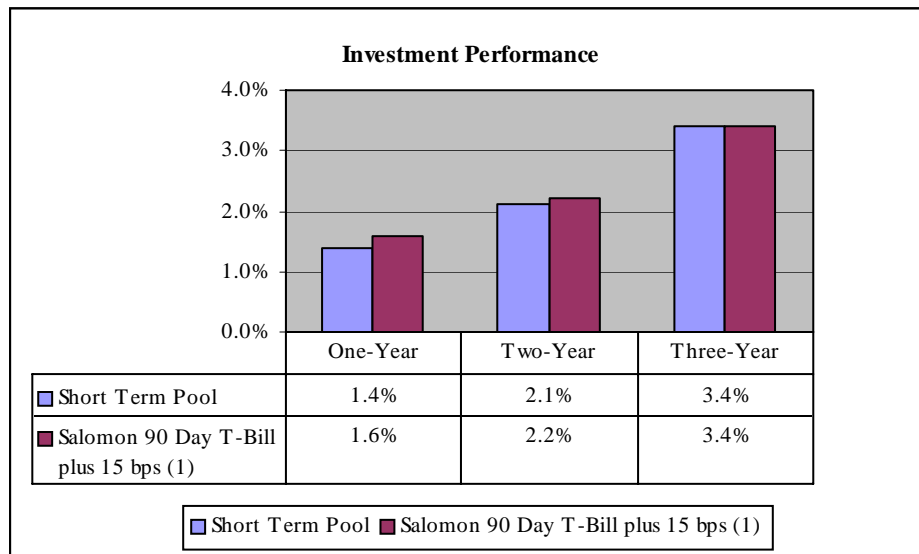
	<u>Fair Value</u>
U.S. Government Agency Bonds	\$ 15,002
Corporate Issues	7,177
Short Term Issues	<u>443,395</u>
Total	<u>\$ 465,574</u>



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.



(1) The two and three year values are a blend of the Salomon 180 day T-Bill plus 20 basis points through June 30, 2002 and the Salomon 90 day T-Bill plus 15 basis points for Fiscal Year 2003.

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 Short-Term Fixed Income Pool's expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	13.0
Trustee fees	0.0
Custodian bank fees	0.1
Management fees	1.6
Fiduciary bond fees	0.0
Professional service fees	0.4
Total expenses	<u>15.1</u>

Fixed Income Pool

Objectives

The main objective of 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	60%	Core Plus
Hoisington Investment Management	10%	Macroeconomic/duration
Barclays Global Investors	30%	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 Nonqualified Pool. These pools are combined for the following financial highlights.

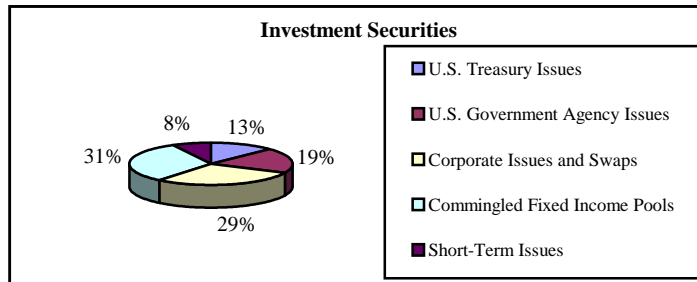
Progression of Net Assets (in \$000's)

Net Assets - June 30, 2002	\$ 2,129,788
Net increase from operations	288,661
Income distributions to unitholders	(54,940)
Net decrease from unit transactions	<u>(365,656)</u>
Net Assets - June 30, 2003	<u><u>\$ 1,997,853</u></u>

Fixed Income Pool (continued)

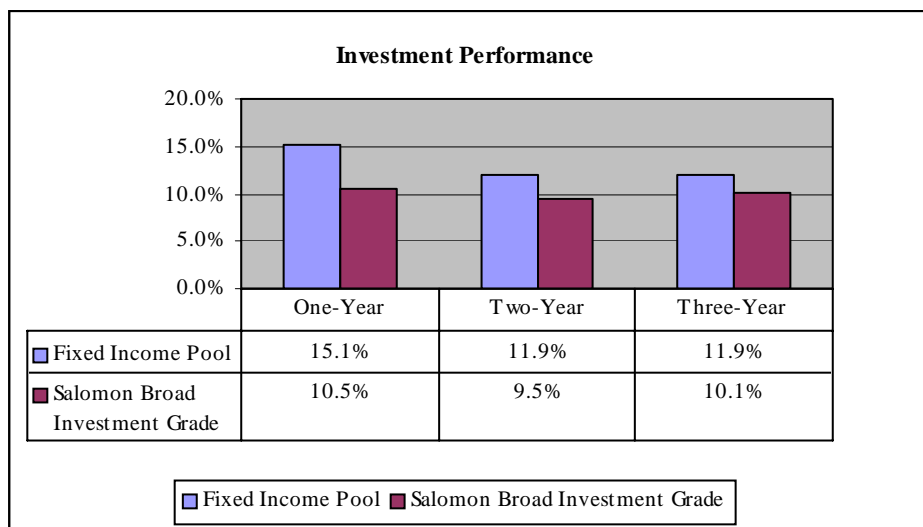
Investment Securities (in \$000's)

	Fair Value
U.S. Treasury Issues	\$ 300,868
U.S. Government Agency Issues	456,580
Corporate Issues and Swaps	680,974
Commingled Fixed Income Pools	739,675
Short-Term Issues	186,489
Total	<u>\$ 2,364,586</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.



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 Fixed Income Pool's expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	11.1
Trustee fees	0.1
Custodian bank fees	0.1
Management fees	3.1
Fiduciary bond fees	0.0
Professional service fees	0.8
Total expenses	<u>15.2</u>

Equity Pool

Objectives

The main objective for the Equity Pool is to provide for long-term growth for all participants.

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	40.0%
Domestic Non-Large Capitalization	30.0%
International	30.0%

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	60.00 %	Passive Core
Chartwell Investment Partners	20.00 %	Concentrated Value
Alliance Capital Management, LP	20.00 %	Concentrated Growth
<i>Non-Large Capitalization</i>		
Transition Manager (1)	33.33 %	Structured Value
Aronson + Johnson + Ortiz, LP	33.33 %	Relative Value
Westfield Capital Management	16.67 %	Small Cap Growth
Wellington Management Company, LLP	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

(1) The previous manager of this style was terminated effective May 23, 2003, and was replaced with Brandywine Asset Management effective July 1, 2003. In the interim period the account is being managed by a transition manager. The style allocation percentage was also changed on this date. Previously, the style allocation percentage was 50% Structured Value and 16.66% Relative Value.

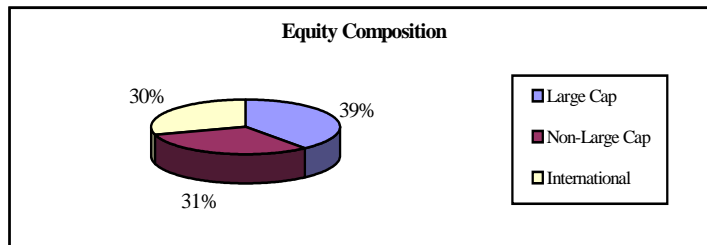
Equity Pool (continued)

Financial Highlights

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

<i>Composite</i>	<i>Individual Pools per Audited Financial Statements</i>
Large Cap	S&P 500 Index Qualified Pool (closed October 3, 2002) S&P 500 Index Nonqualified Pool (closed September 5, 2002) Large Cap Domestic Pool
Non-Large Cap	Non-Large Cap Domestic Pool
International	International Qualified Pool International Nonqualified Pool International Equity Pool

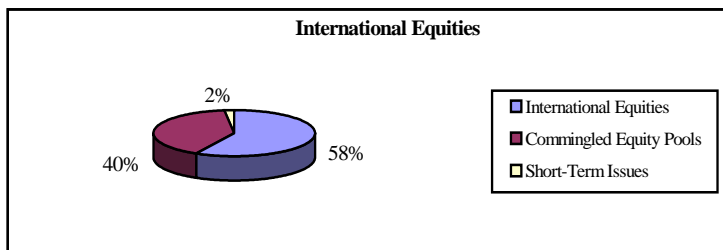
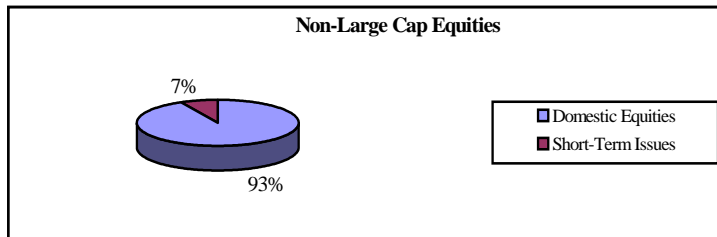
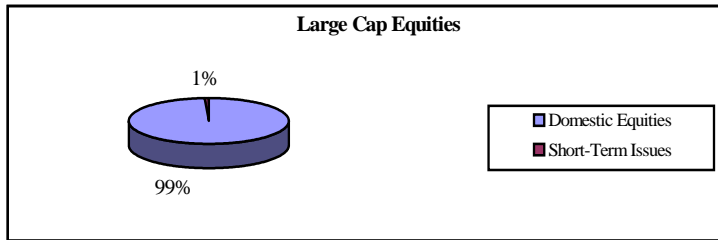
Progression of Net Assets (in \$000's)	Large Cap	Non-Large Cap	International
Net Assets - June 30, 2002	\$ 1,342,446	\$ 828,679	\$ 793,601
Net increase/decrease from operations	(29,535)	4,968	(21,031)
Net increase/decrease from unit transactions	(171,475)	79,412	96,276
Net Assets - June 30, 2003	<u>\$ 1,141,436</u>	<u>\$ 913,059</u>	<u>\$ 868,846</u>



Equity Pool (continued)

Investment Securities (in \$000's)

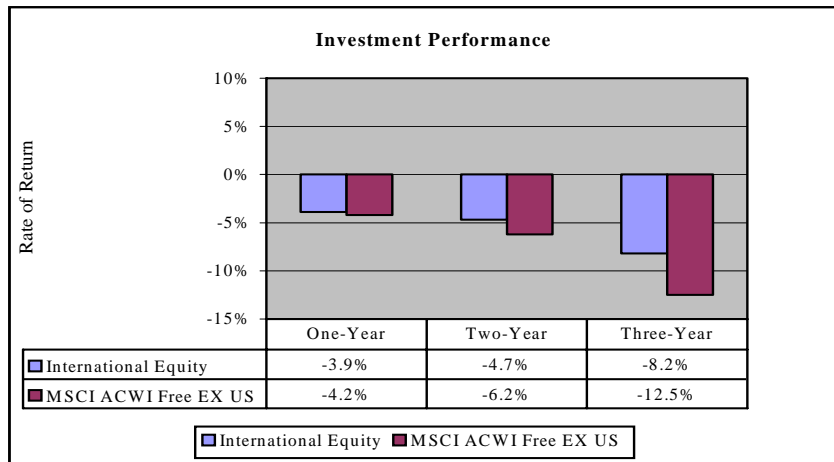
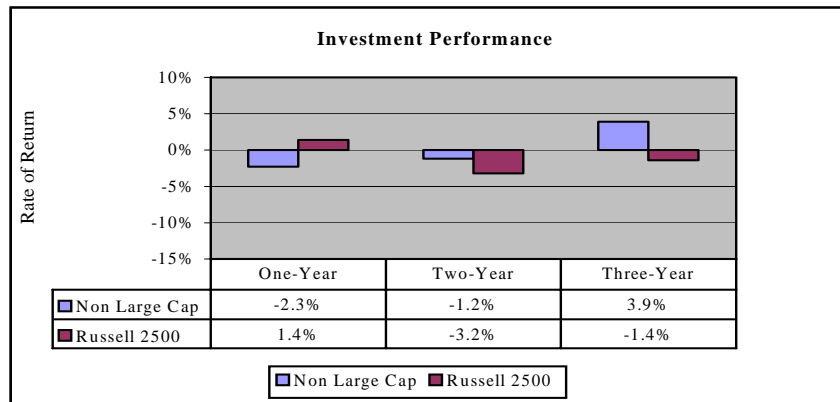
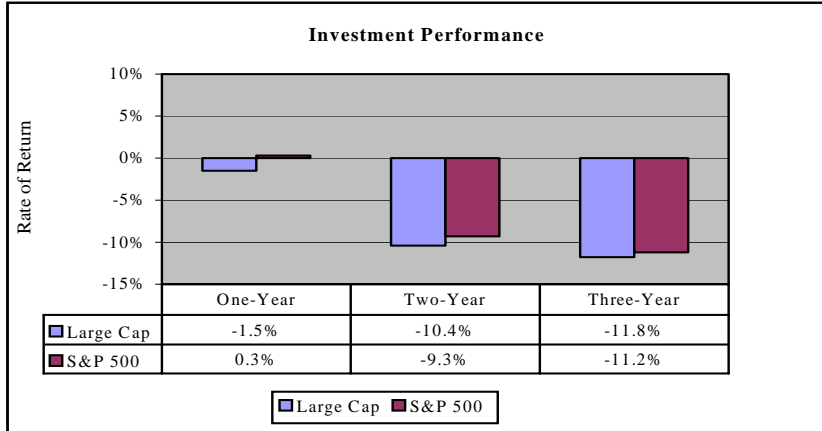
	Large Cap	Non-Large Cap	International
Domestic Equities	\$ 1,060,988	\$ 816,512	\$ -
International Equities	-	-	483,732
Commingled Equity Pools	-	-	338,047
Short-Term Issues	7,919	65,319	16,319
Total	<u>\$ 1,068,907</u>	<u>\$ 881,831</u>	<u>\$ 838,098</u>



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.



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 Equity Pool's expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratios (in basis points)		
	Large Cap	Non-Large Cap	International
Investment advisor fees	5.5	40.9	47.0
Trustee fees	0.1	0.1	0.1
Custodian bank fees	0.4	0.5	2.6
Management fees	3.5	3.6	3.6
Fiduciary bond fees	0.0	0.0	0.0
Professional service fees	0.9	0.9	0.9
Total expenses	<u>10.4</u>	<u>46.0</u>	<u>54.2</u>

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.

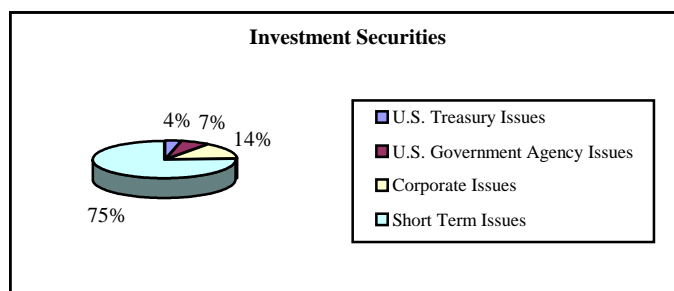
Financial Highlights

Progression of Net Assets (in \$000's)

Net Assets - June 30, 2002	\$ 1,065,376
Net increase from operations	16,844
Income distributions to unitholders	(16,841)
Net decrease from unit transactions	(44,293)
Net Assets - June 30, 2003	<u>\$ 1,021,086</u>

Investment Securities (in \$000's)

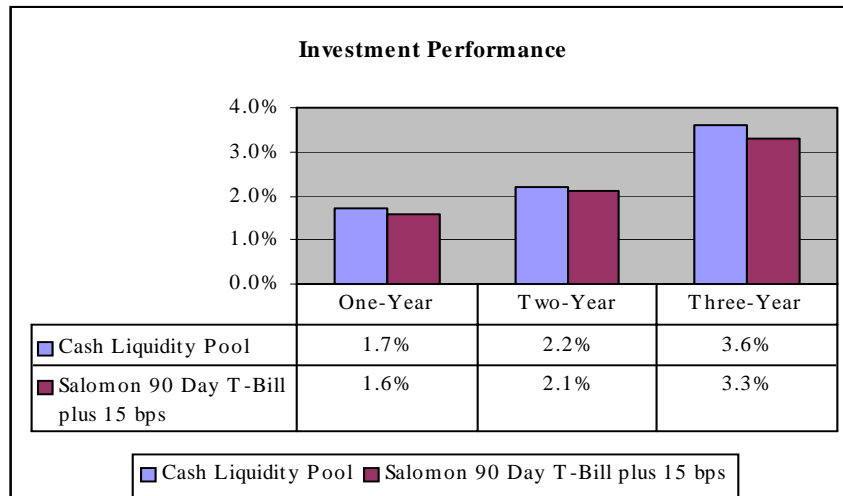
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 37,418
U.S. Government Agency Issues	67,845
Corporate Issues	146,229
Short Term Issues	789,300
Total	<u>\$ 1,040,792</u>



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.



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 Cash Liquidity Pool's expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	4.1
Trustee fees	0.1
Custodian bank fees	0.1
Management fees	4.3
Fiduciary bond fees	0.0
Professional service fees	0.8
Total expenses	<u>9.4</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.

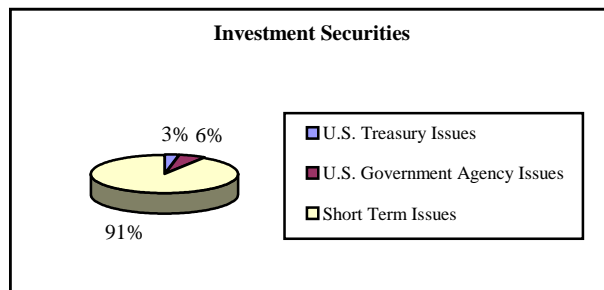
Financial Highlights

Progression of Net Assets (in \$000's)

Net Assets - June 30, 2002	\$ 145,235
Net increase from operations	2,339
Income distributions to unitholders	(2,352)
Net decrease from unit transactions	(7,250)
Net Assets - June 30, 2003	<u>\$ 137,972</u>

Investment Securities (in \$000's)

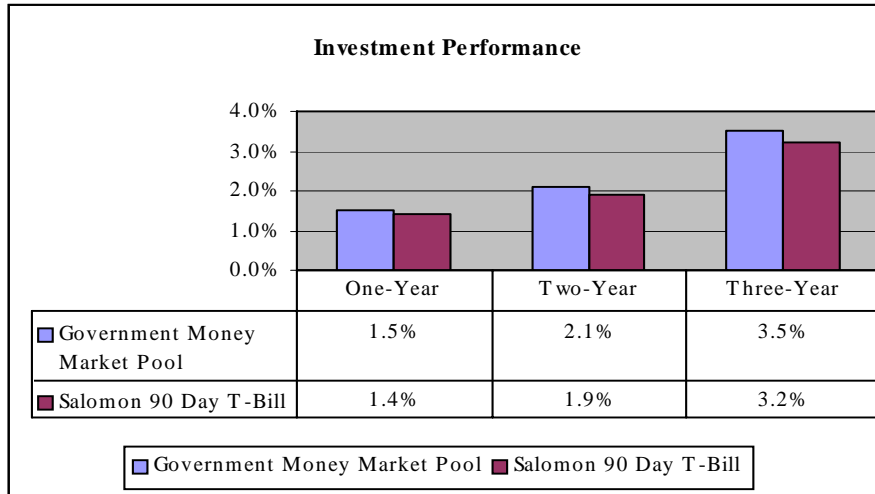
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 5,044
U.S. Government Agency Issues	9,504
Short Term Issues	<u>147,003</u>
Total	<u>\$ 161,551</u>



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.



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 Government Money Market Pool’s expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	3.1
Trustee fees	0.1
Custodian bank fees	0.4
Management fees	5.4
Fiduciary bond fees	0.1
Professional service fees	1.0
Total expenses	<u>10.1</u>

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 strikes a monthly Net Asset Value unit price and is structured to allow participants monthly withdrawals and deposits. The risk factor on this portfolio is slightly higher than the Cash Liquidity Pool.

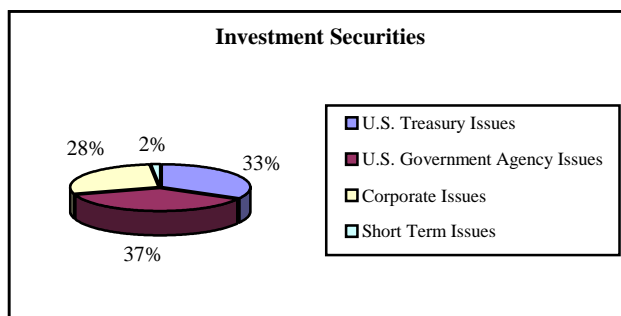
Financial Highlights

Progression of Net Assets (in \$000's)

Net Assets - June 30, 2002	\$ 336,669
Net increase from operations	18,776
Income distributions to unitholders	(15,463)
Net increase from unit transactions	43,085
Net Assets - June 30, 2003	<u>\$ 383,067</u>

Investment Securities (in \$000's)

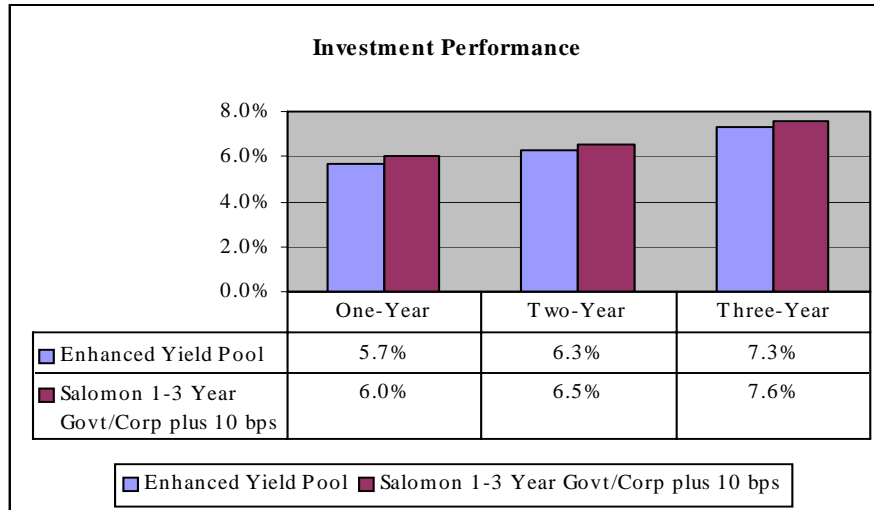
	<u>Fair Value</u>
U.S. Treasury Issues	\$ 125,050
U.S. Government Agency Issues	141,858
Corporate Issues	105,788
Short Term Issues	6,651
Total	<u>\$ 379,347</u>



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.



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 Enhanced Pool's expenses for the year divided by the average net assets are as follows:

Expense Category	Expense Ratio (in basis points)
Investment advisor fees	6.8
Trustee fees	0.1
Custodian bank fees	0.3
Management fees	4.3
Fiduciary bond fees	0.0
Professional service fees	0.8
Total expenses	<u>12.3</u>

Special Purpose Pools

Objectives

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 the Cash Liquidity Pool), 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, 2003 Net Asset Value (in \$000's)
<i>Special Purpose Pools</i>	
Loss Amortization	\$141,734
Loans	133,768

Participant Directed Accounts

Objectives

The Participant Directed Accounts 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 custodian on these accounts.

Pool	June 30, 2003 Net Asset Value (in \$000's)
<i>Single Agency Pools</i>	
Municipal Bond Commission	\$92,842
Department of Transportation	34,400
Lottery Defeasance	4,449
School Fund	1,807
EDA Insurance	458

THIS PAGE INTENTIONALLY LEFT BLANK

Participant 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$225,000

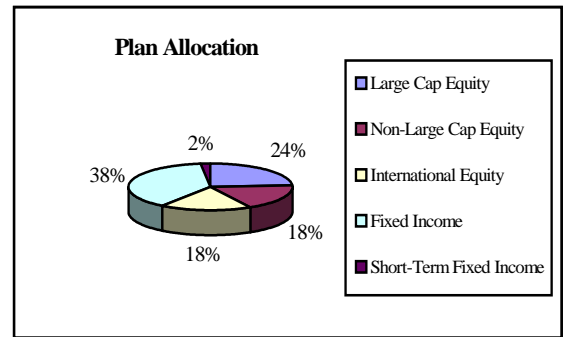
Death, Disability and Retirement Fund for Deputy Sheriffs' (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 43,946
Contributions	3,749
Withdrawals	(1,298)
Net	<u>2,451</u>
Investment income	471
Net unrealized appreciation	<u>1,898</u>
June 30, 2003	<u><u>\$ 48,766</u></u>

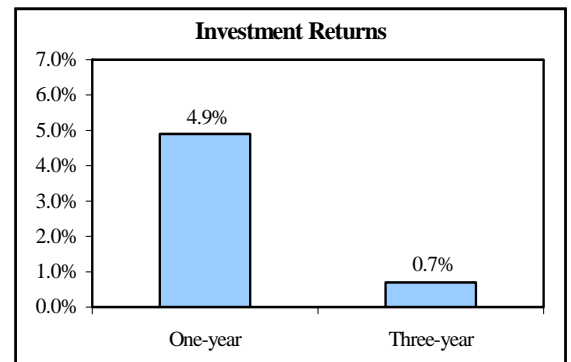
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 11,770	24%
Non-Large Cap Equity	8,991	18%
International Equity	8,881	18%
Fixed Income	18,468	38%
Short-Term Fixed Income	656	2%
Total	<u><u>\$ 48,766</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.9%
Three-year	0.7%



Rate of return is net of all 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 6.5 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.
- 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 Judges' Retirement System. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$525,000

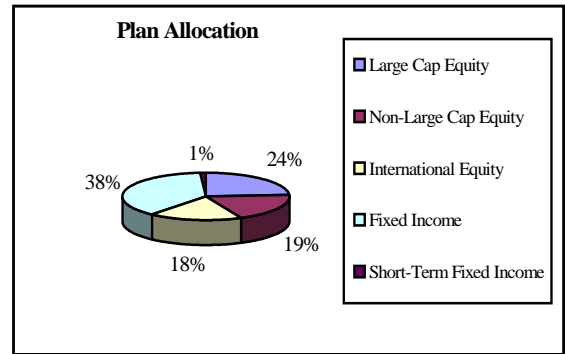
Judges' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 47,622
Contributions	5,733
Withdrawals	(3,190)
Net	<u>2,543</u>
Investment income	511
Net unrealized appreciation	2,103
June 30, 2003	<u><u>\$ 52,779</u></u>

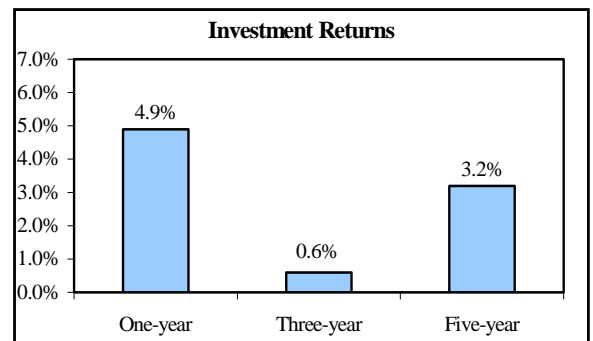
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 12,940	24%
Non-Large Cap Equity	9,805	19%
International Equity	9,701	18%
Fixed Income	19,935	38%
Short-Term Fixed Income	398	1%
Total	<u><u>\$ 52,779</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.9%
Three-year	0.6%
Five-year	3.2%



Rates of return are net of all 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 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.
- 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$19,500,000

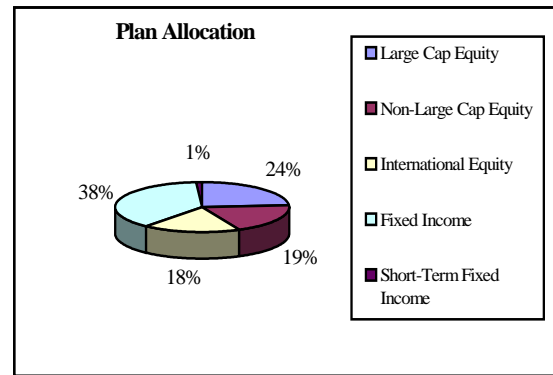
Public Employees' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 2,585,250
Contributions	148,210
Withdrawals	(162,709)
Net	<u>(14,499)</u>
Investment income	27,081
Net unrealized appreciation	98,058
June 30, 2003	<u><u>\$ 2,695,890</u></u>

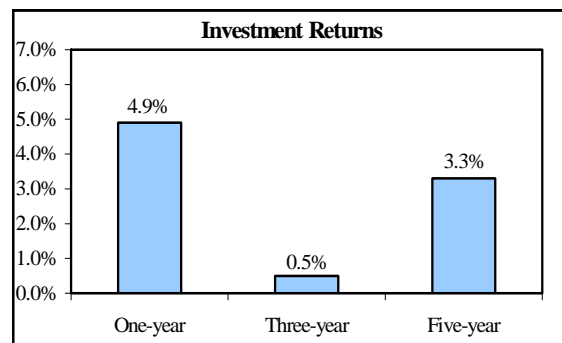
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 647,067	24%
Non-Large Cap Equity	507,391	19%
International Equity	497,187	18%
Fixed Income	1,021,762	38%
Short-Term Fixed Income	22,483	1%
Total	<u><u>\$ 2,695,890</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.9%
Three-year	0.5%
Five-year	3.3%



Rates of return are net of all 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 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.
- 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 Safety Death, Disability and Retirement Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$3,000,000

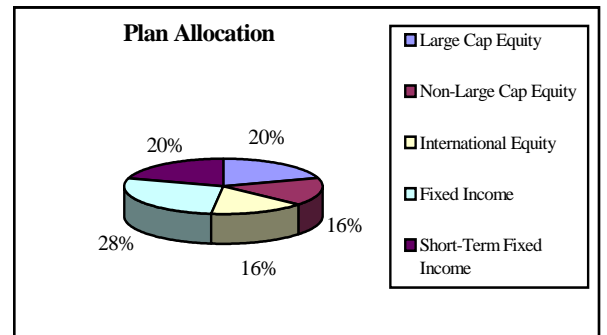
Public Safety Death, Disability and Retirement Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 88,699
Contributions	24,735
Withdrawals	<u>(19,950)</u>
Net	4,785
Investment income	921
Net unrealized appreciation	<u>2,992</u>
June 30, 2003	<u><u>\$ 97,397</u></u>

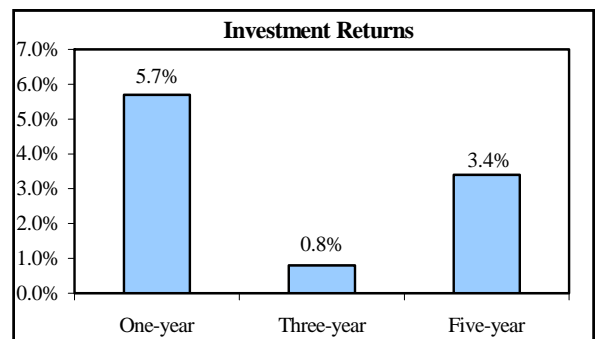
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 19,376	20%
Non-Large Cap Equity	16,050	16%
International Equity	15,119	16%
Fixed Income	27,085	28%
Short-Term Fixed Income	<u>19,767</u>	<u>20%</u>
Total	<u><u>\$ 97,397</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	5.7%
Three-year	0.8%
Five-year	3.4%



Rates of return are net of all 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$50,000

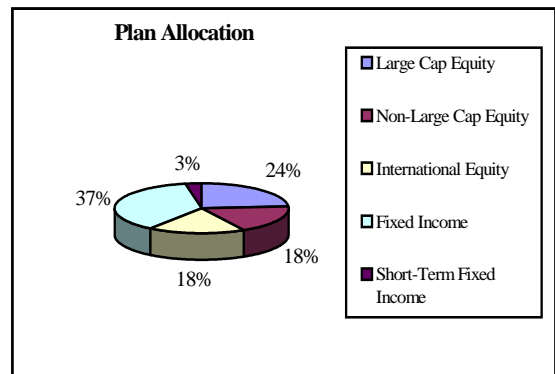
State Police Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 11,644
Contributions	2,501
Withdrawals	(150)
Net	<u>2,351</u>
Investment income	132
Net unrealized appreciation	626
June 30, 2003	<u><u>\$ 14,753</u></u>

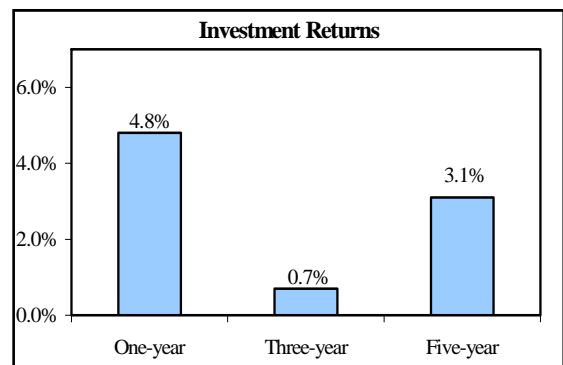
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 3,585	24%
Non-Large Cap Equity	2,589	18%
International Equity	2,590	18%
Fixed Income	5,476	37%
Short-Term Fixed Income	513	3%
Total	<u><u>\$ 14,753</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.8%
Three-year	0.7%
Five-year	3.1%



Rates of return are net of all 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 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.
- 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$35,250,000

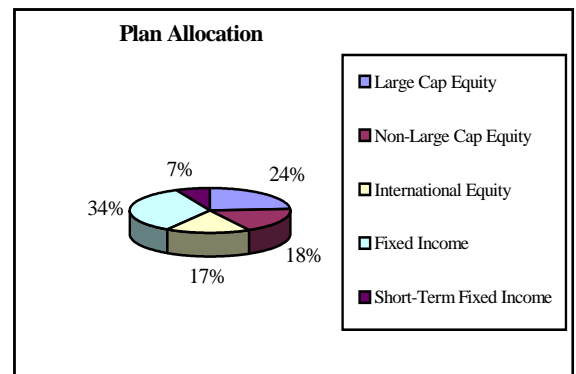
Teachers' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 1,058,558
Contributions	344,705
Withdrawals	(296,510)
Net	<u>48,195</u>
Investment income	11,008
Net unrealized appreciation	40,535
June 30, 2003	<u><u>\$ 1,158,296</u></u>

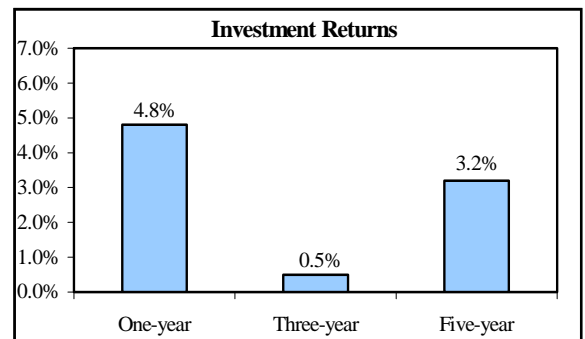
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 275,155	24%
Non-Large Cap Equity	204,828	18%
International Equity	204,732	17%
Fixed Income	395,124	34%
Short-Term Fixed Income	78,457	7%
Total	<u><u>\$ 1,158,296</u></u>	100%



Investment Performance

Investment Returns	
One-year	4.8%
Three-year	0.5%
Five-year	3.2%



Rates of return are net of all 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, II and III

Creation

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

Investment Objectives

The Plan's investment objective is as follows:

- To meet all projected cash flow needs as determined by the West Virginia Bureau of Employment Programs Worker's Compensation Division through June 2006.

Asset Allocation

The asset allocation for this participant was revised in the current year. The new allocation is a Fixed Income portfolio constructed to provide investment maturities to coincide with the Plan's projected cash flow needs. As of June 30, 2003, the Plan's asset base was in transition to become 100% cash in order to fund the new structured Fixed Income portfolio. This new portfolio was constructed with an inception date of July 15, 2003.

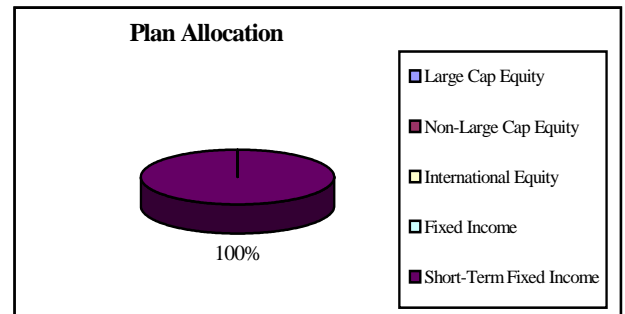
Workers' Compensation Fund I

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 461,790
Contributions	369,526
Withdrawals	(586,532)
Net	<u>(217,006)</u>
Interfund transfer to Workers Compensation Fund III	(153,592)
Investment income	3,708
Net unrealized depreciation	(32,010)
June 30, 2003	<u><u>\$ 62,890</u></u>

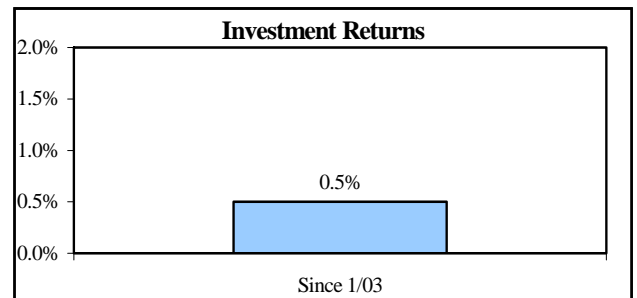
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ -	0%
Non-Large Cap Equity	-	0%
International Equity	-	0%
Fixed Income	-	0%
Short-Term Fixed Income	62,890	100%
Total	<u>\$ 62,890</u>	<u>100%</u>



Investment Performance

Investment Returns	
Since 1/03	0.5%



Rates of return are net of all 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.

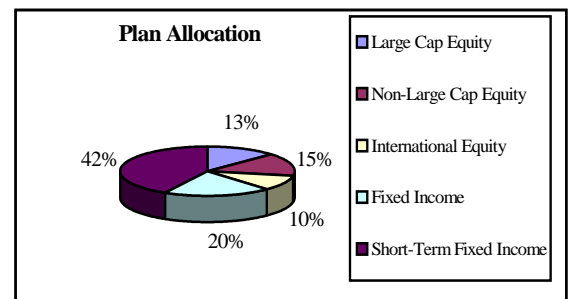
Workers' Compensation Fund II

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 433,141
Contributions	-
Withdrawals	-
Net	-
Investment income	4,760
Net unrealized appreciation	15,980
June 30, 2003	<u>\$ 453,881</u>

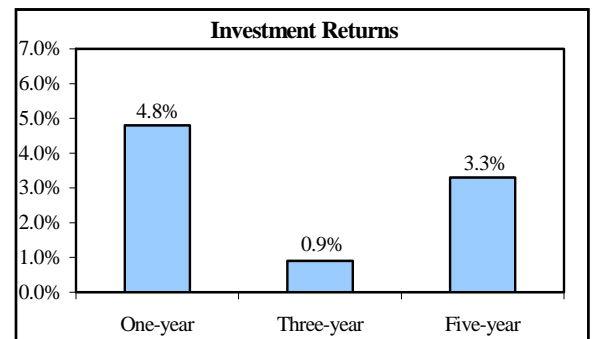
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 60,265	13%
Non-Large Cap Equity	67,620	15%
International Equity	42,543	10%
Fixed Income	91,406	20%
Short-Term Fixed Income	192,047	42%
Total	<u>\$ 453,881</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.8%
Three-year	0.9%
Five-year	3.3%



Rates of return are net of all 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.

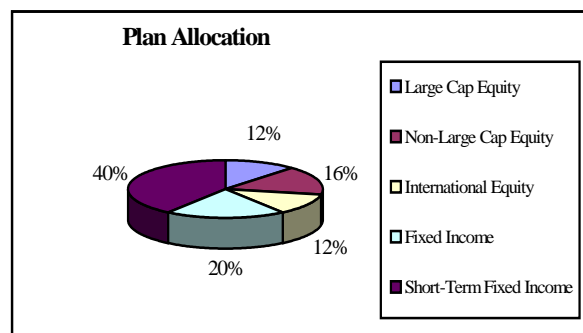
Workers' Compensation Fund III

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ -
Contributions	-
Withdrawals	-
Net	-
Interfund transfer from Workers Compensation Fund I	153,592
Investment income	721
Net unrealized appreciation	14,438
June 30, 2003	<u>\$ 168,751</u>

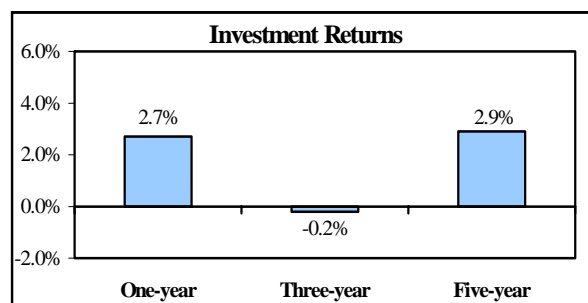
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 21,119	12%
Non-Large Cap Equity	26,874	16%
International Equity	19,674	12%
Fixed Income	34,318	20%
Short-Term Fixed Income	66,766	40%
Total	<u>\$ 168,751</u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	2.7%
Three-year	-0.2%
Five-year	2.9%



Rates of return are net of all 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.

Pneumoconiosis Fund

Creation

The Pneumoconiosis Fund (the Plan) was formed in 1974 to provide Coal Operators insurance coverage 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	8.0%
Domestic Non-Large Cap Equity	6.0%
International Equity	6.0%
Total Equity	20.0%
Domestic Fixed Income	75.0%
Cash and Cash Equivalents	5.0%

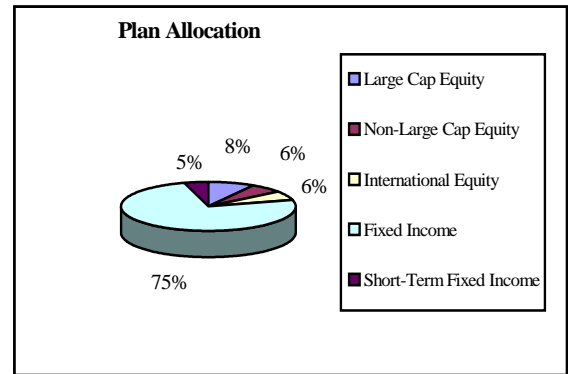
Pneumoconiosis Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 353,749
Contributions	5,613
Withdrawals	(8,685)
Net	<u>(3,072)</u>
Investment income	7,547
Net unrealized appreciation	31,334
June 30, 2003	<u><u>\$ 389,558</u></u>

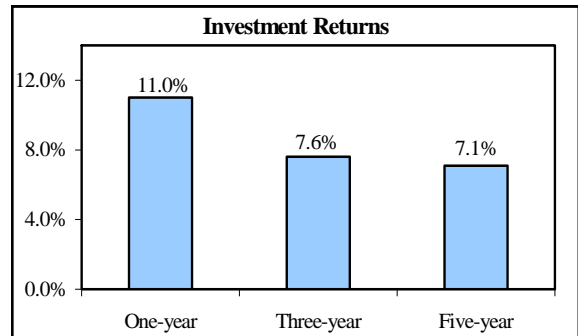
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 33,009	8%
Non-Large Cap Equity	24,304	6%
International Equity	24,328	6%
Fixed Income	290,210	75%
Short-Term Fixed Income	17,707	5%
Total	<u><u>\$ 389,558</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	11.0%
Three-year	7.6%
Five-year	7.1%



Rates of return are net of all 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	16.0%
Domestic Non-Large Cap Equity	12.0%
International Equity	12.0%
Total Equity	40.0%
Domestic Fixed Income	60.0%
Cash (included in FI above)	\$1,250,000

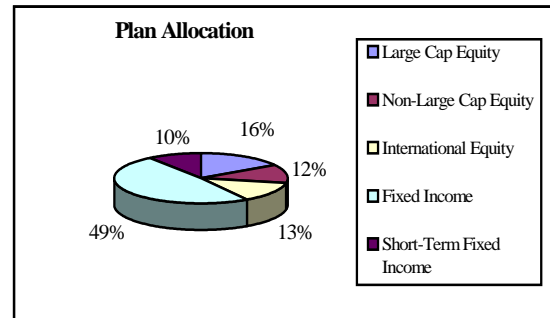
Workers' Compensation Employers Excess Liability Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 9,713
Contributions	2,745
Withdrawals	(42)
Net	<u>2,703</u>
Investment income	162
Net unrealized appreciation	683
June 30, 2003	<u><u>\$ 13,261</u></u>

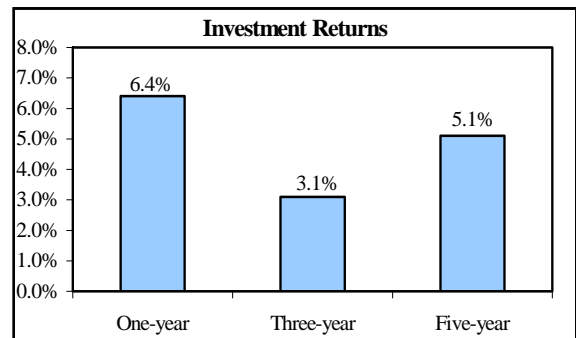
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 2,164	16%
Non-Large Cap Equity	1,609	12%
International Equity	1,711	13%
Fixed Income	6,493	49%
Short-Term Fixed Income	1,284	10%
Total	<u><u>\$ 13,261</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	6.4%
Three-year	3.1%
Five-year	5.1%



Rates of return are net of all 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 of 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	0.0%

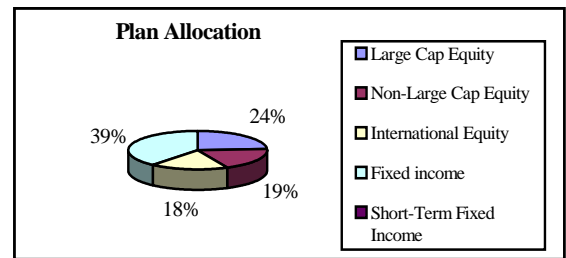
Wildlife Endowment Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 22,492
Contributions	793
Withdrawals	(308)
Net	<u>485</u>
Investment income	247
Net unrealized appreciation	<u>1,122</u>
June 30, 2003	<u><u>\$ 24,346</u></u>

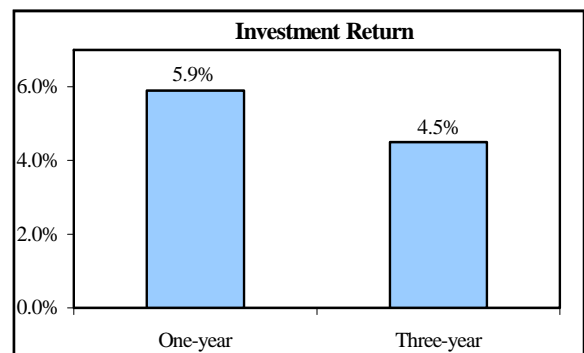
Asset Allocation

	Asset Value (in \$000's) Percentage	
Large Cap Equity	\$ 5,926	24%
Non-Large Cap Equity	4,531	19%
International Equity	4,445	18%
Fixed income	9,404	39%
Short-Term Fixed Income	40	0%
Total	<u><u>\$ 24,346</u></u>	<u>100%</u>



Investment Performance

Investment Return	
One-year	5.9%
Three-year	4.5%



Rates of return are net of all 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

Creation

The West Virginia Prepaid Tuition Trust Fund (Plan) became a participant in the investment pools 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 Plan's 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 7.25 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	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash (included in FI above)	\$10,000

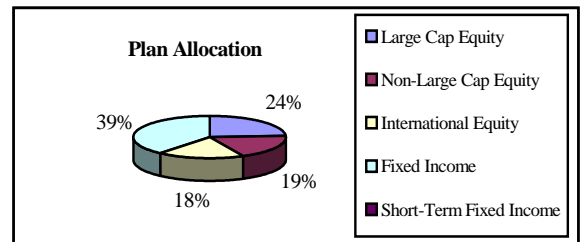
West Virginia Prepaid Tuition Trust Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 57,235
Contributions	3,330
Withdrawals	(100)
Net	<u>3,230</u>
Investment income	630
Net unrealized appreciation	2,825
June 30, 2003	<u><u>\$ 63,920</u></u>

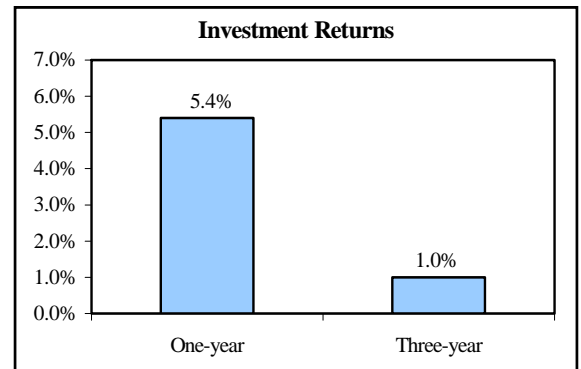
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 15,593	24%
Non-Large Cap Equity	11,882	19%
International Equity	11,718	18%
Fixed Income	24,717	39%
Short-Term Fixed Income	10	0%
Total	<u><u>\$ 63,920</u></u>	<u>100%</u>



Investment Performance

Investment Return	
One-year	5.4%
Three-year	1.0%



Rates of return are net of all 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.

Tobacco Settlement Medical Trust Fund

Creation

The Tobacco Settlement Medical Trust Fund was established in 1999 and began participating in the investment pools on August 1, 2001. Prior to this date, these funds were invested as part of the Consolidated Fund. The main objective of the Tobacco Settlement Medical Trust is to stabilize the States' health related programs and delivery systems. They are also intended to be used "for the purpose of educating the public about the health risks associated with tobacco usage and for the establishment of a program designed to reduce and stop the use of tobacco by the citizens of this state and in particular by teenagers".

Investment Objectives:

The Plan's investment objective is as follows:

- To achieve a total real rate of return of at least 4.0 percent per annum, net of fees.

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 Tobacco Settlement Medical Trust Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	24.0%
Domestic Non-Large Cap Equity	18.0%
International Equity	18.0%
Total Equity	60.0%
Domestic Fixed Income	40.0%
Cash and Cash Equivalents	0.0%

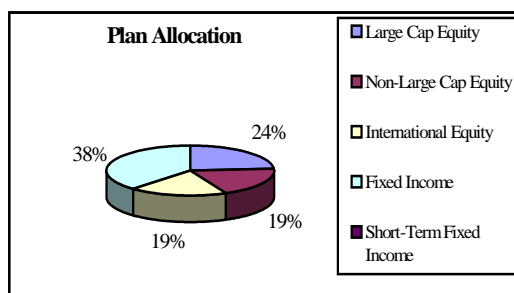
Tobacco Settlement Medical Trust Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2002	\$ 99,672
Contributions	32,151
Withdrawals	-
Net	<u>32,151</u>
Investment income	1,117
Net unrealized appreciation	<u>6,786</u>
June 30, 2003	<u><u>\$ 139,726</u></u>

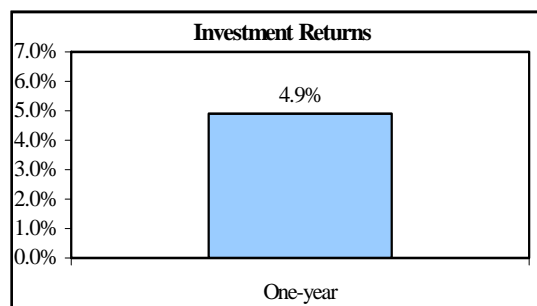
Asset Allocation (actual)

	Asset Value (in \$000's)	Percentage
Large Cap Equity	\$ 33,467	24%
Non-Large Cap Equity	26,586	19%
International Equity	26,216	19%
Fixed Income	53,456	38%
Short-Term Fixed Income	1	0%
Total	<u><u>\$ 139,726</u></u>	<u>100%</u>



Investment Performance

Investment Returns	
One-year	4.9%



Rates of return are net of all 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.

Audited Financial Statements

***West Virginia
Investment Management Board***_____

Investment Pools

Audited Financial Statements

June 30, 2003

West Virginia

Investment Management Board

Audited Financial Statements
June 30, 2003

Table of Contents

<i>Statement of Assets and Liabilities</i>	1
<i>Schedule of Investments in Securities</i>	9
<i>Statement of Operations</i>	50
<i>Statement of Changes in Net Assets</i>	58
<i>Notes to Financial Statements</i>	66
<i>Supplemental Financial Information</i>	74



One Mellon 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 managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 2003 and the related statements of operations and changes in net assets for the year then ended, except for the S&P 500 Index Nonqualified Pool which is for the period from July 1, 2002 to September 5, 2002 (date of liquidation) and the S&P 500 Index Qualified Pool which is for the period from July 1, 2002 to October 3, 2002 (date of liquidation). These financial statements are the responsibility of the WVIMB's management. Our responsibility is to express an opinion on these financial statements based on our 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 managed by the WVIMB as of June 30, 2002 and the results of their operations and changes in their net assets for the year then ended, except for the S&P 500 Index Nonqualified Pool which is for the period from July 1, 2002 to September 5, 2002 (date of liquidation) and the S&P 500 Index Qualified Pool which is for the period from July 1, 2002 to October 3, 2002 (date of liquidation), in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 74 and 75 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

KPMG LLP

August 4, 2003



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 Assets and Liabilities

June 30, 2003

(Dollars in thousands, except Investment Unit Data)

	Large Cap Domestic	Non-Large Cap Domestic
Assets		
Investment securities:		
At amortized cost		
At fair value	\$ 1,068,907	\$ 881,831
Cash	-	3
Collateral for securities loaned, at fair value (Note 4)	36,758	21,583
Receivables:		
Accrued interest	-	-
Investments sold	76,059	37,952
Dividends	1,409	551
Securities lending income	2	15
Foreign tax withholding	-	-
Due from broker - variation margin	-	-
Total assets	1,183,135	941,935
Liabilities		
Accrued expenses	347	786
Payable for investments purchased	4,594	6,479
Payable upon return of securities loaned (Note 4)	36,758	21,583
Unrealized loss on foreign currency exchange contracts (Note 8)	-	-
Due to broker - variation margin	-	28
Total liabilities	41,699	28,876
Net assets at value	\$ 1,141,436	\$ 913,059
Net assets		
Paid-in capital	\$ 1,173,660	\$ 713,256
Accumulated undistributed net investment income (loss)	31,787	148,944
Accumulated undistributed net realized gain (loss) from investments	(138,901)	(11,055)
Accumulated undistributed net realized gain		
from foreign currency transactions	-	-
Unrealized net appreciation of investments	74,890	61,914
Unrealized net appreciation on translation		
of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 1,141,436	\$ 913,059
Investment unit data:		
Units outstanding	140,183,519	74,782,124
Net asset value, unit price	\$8.14	\$12.21

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ 226,324	\$ 44,110	\$ 567,664
-	-	8,412
-	-	60,449
-	-	-
-	-	37,256
-	-	526
-	-	116
-	-	442
-	-	-
226,324	44,110	674,865
119	4	532
-	-	15,061
-	-	60,449
-	-	288
-	-	-
119	4	76,330
\$ 226,205	\$ 44,106	\$ 598,535
\$ 165,139	\$ 23,018	\$ 694,402
(4,347)	(1,812)	29,430
(3,551)	8,314	(168,378)
-	-	3,582
68,964	14,586	22,137
-	-	17,362
226,205	44,106	598,535
\$ 226,205	\$ 44,106	\$ 598,535
14,189,974	2,506,858	61,842,561
\$15.94	\$17.59	\$9.68

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

June 30, 2003

(Dollars in thousands, except Investment Unit Data)

	Short-Term Fixed Income	Fixed Income
Assets		
Investment securities:		
At amortized cost	\$ 465,568	
At fair value		\$ 1,770,201
Cash	-	224
Collateral for securities loaned, at fair value (Note 4)	-	354,260
Receivables:		
Accrued interest	84	10,250
Investments sold	5,020	79,002
Dividends	-	130
Securities lending income	-	28
Foreign tax withholding	-	-
Due from broker - variation margin	-	218
Total assets	470,672	2,214,313
Liabilities		
Accrued expenses	68	870
Payable for investments purchased	7,585	455,685
Payable upon return of securities loaned (Note 4)	-	354,260
Unrealized loss on foreign currency exchange contracts (Note 8)	-	-
Due to broker - variation margin	-	-
Total liabilities	7,653	810,815
Net assets at value	\$ 463,019	\$ 1,403,498
Net assets		
Paid-in capital	\$ 463,019	\$ 1,150,118
Accumulated undistributed net investment income (loss)	-	3,627
Accumulated undistributed net realized gain (loss) from investments	-	131,230
Accumulated undistributed net realized gain		
from foreign currency transactions	-	-
Unrealized net appreciation of investments	-	118,523
Unrealized net appreciation on translation		
of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 463,019	\$ 1,403,498
Investment unit data:		
Units outstanding	463,019,108	118,713,054
Net asset value, unit price	\$1.00	\$11.82

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 444,157	\$ 150,228
-	-
-	-
-	-
-	-
-	-
-	-
<u>444,157</u>	<u>150,228</u>
21	9
-	-
-	-
-	-
-	-
<u>21</u>	<u>9</u>
<u>\$ 444,136</u>	<u>\$ 150,219</u>
\$ 266,087	\$ 61,017
1,359	35,646
74,540	21,418
-	-
102,150	32,138
-	-
<u>\$ 444,136</u>	<u>\$ 150,219</u>
32,009,804	10,738,088
<u>\$13.88</u>	<u>\$13.99</u>

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

June 30, 2003

(Dollars in thousands, except Investment Unit Data)

	Cash Liquidity	Government Money Market
Assets		
Investment securities:		
At amortized cost	\$ 1,040,717	\$ 161,528
At fair value		
Cash	(17)	-
Collateral for securities loaned, at fair value (Note 4)	163,420	25,553
Receivables:		
Accrued interest	1,359	29
Investments sold	7,015	-
Dividends	9	-
Securities lending income	15	2
Foreign tax withholding	-	-
Due from broker - variation margin	-	-
Total assets	1,212,518	187,112
Liabilities		
Accrued expenses	55	7
Payable for investments purchased	27,957	23,580
Payable upon return of securities loaned (Note 4)	163,420	25,553
Unrealized loss on foreign currency exchange contracts (Note 8)	-	-
Due to broker - variation margin	-	-
Total liabilities	191,432	49,140
Net assets at value	\$ 1,021,086	\$ 137,972
Net assets		
Paid-in capital	\$ 1,021,086	\$ 137,968
Accumulated undistributed net investment income (loss)	(2)	4
Accumulated undistributed net realized gain (loss) from investments	2	-
Accumulated undistributed net realized gain		
from foreign currency transactions	-	-
Unrealized net appreciation of investments	-	-
Unrealized net appreciation on translation		
of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 1,021,086	\$ 137,972
Investment unit data:		
Units outstanding	1,021,085,700	137,967,426
Net asset value, unit price	\$1.00	\$1.00

See accompanying notes to financial statements.

<u>Enhanced Yield</u>	<u>Loss Amortization</u>	<u>Loans</u>
\$ 379,347	\$ 141,734	\$ 133,291
10,195	-	29
187,664	-	-
3,736	-	452
-	-	-
-	-	-
17	-	-
-	-	-
-	-	-
580,959	141,734	133,772
33	-	4
10,195	-	-
187,664	-	-
-	-	-
-	-	-
197,892	-	4
\$ 383,067	\$ 141,734	\$ 133,768
\$ 370,953	\$ 183,415	\$ 133,794
1,201	-	(26)
-	(80,318)	-
-	-	-
10,913	38,637	-
-	-	-
\$ 383,067	\$ 141,734	\$ 133,768
3,677,781	183,415,000	133,793,735
\$104.16	\$0.77	\$1.00

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

June 30, 2003

(Dollars in thousands, except Investment Unit Data)

	Municipal Bond Commission	Department of Transportation
Assets		
Investment securities:		
At amortized cost	\$ 92,130	\$ 34,273
At fair value		
Cash	-	-
Collateral for securities loaned, at fair value (Note 4)	-	-
Receivables:		
Accrued interest	714	128
Investments sold	-	-
Dividends	-	-
Securities lending income	-	-
Foreign tax withholding	-	-
Due from broker - variation margin	-	-
Total assets	92,844	34,401
Liabilities		
Accrued expenses	2	1
Payable for investments purchased	-	-
Payable upon return of securities loaned (Note 4)	-	-
Unrealized loss on foreign currency exchange contracts (Note 8)	-	-
Due to broker - variation margin	-	-
Total liabilities	2	1
Net assets at value	\$ 92,842	\$ 34,400

See accompanying notes to financial statements.

<u>Lottery Defeasance</u>	<u>School Fund</u>	<u>EDA Insurance</u>
\$ 4,449	\$ 1,807	\$ 458
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>4,449</u>	<u>1,807</u>	<u>458</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>\$ 4,449</u>	<u>\$ 1,807</u>	<u>\$ 458</u>

West Virginia Investment Management Board

Schedule of Investments in Securities

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
EQUITY SECURITIES			
Large Cap Domestic			
<i>Equities</i>			
<i>Basic Materials</i>			
Alcoa Inc	248,145	\$ 5,735	\$ 6,328
duPont EI de Nemours Co	17,100	748	712
Freeport-McMoRan Copper & Gold	88,400	1,488	2,166
PPG Industries Inc	12,689	728	644
Praxair Inc	60,000	3,116	3,606
Rohm & Haas Company	16,600	623	515
		<u>12,438</u>	<u>13,971</u>
<i>Capital Goods</i>			
3M Co	54,945	6,894	7,087
Accenture Ltd	260,995	4,201	4,721
American Standard Companies	18,100	1,271	1,338
Apollo Group	13,000	510	803
Automatic Data Processing Inc	66,365	2,467	2,247
Boeing Company	13,161	546	452
Cendant Corp	93,244	1,253	1,708
Convergys Corp	150,000	2,453	2,400
Danaher Corp	11,388	707	775
Deere & Company	54,900	2,339	2,509
Deluxe Corporation	17,300	694	775
Dover Corp	15,200	446	455
Ecolab Inc	7,702	177	197
Emerson Electric Co	21,600	1,101	1,104
First Data Corp	57,490	2,009	2,382
Fiserv Inc	33,200	1,126	1,184
General Electric Company	1,341,690	41,945	38,480
Honeywell International Inc	61,367	1,986	1,648
Illinois Tool Works Inc	14,700	970	968
International Paper Company	135,465	5,073	4,840
KLA-Tencor Corporation	47,800	1,911	2,221
Lockheed Martin Corp	40,939	2,616	1,948
Monsanto Company	2,644	42	57
Northrop Grumman Corporation	135,835	12,554	11,721
Paychex Inc	28,189	742	829
Pitney Bowes Inc	112,535	4,110	4,322
Rockwell Collins	49,200	931	1,212
Scientific-Atlanta Inc	31,800	642	758
Sealed Air Corporation	39,419	591	1,879
Textron Inc	10,465	412	408
Tyco International Ltd	149,967	1,920	2,846
United Technologies Corp	74,300	4,963	5,263
Vulcan Materials	7,600	307	282
Waste Management Inc	164,100	3,594	3,953
Xerox Corporation	99,879	784	1,058
		<u>114,287</u>	<u>114,830</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
<i>Communication Services</i>			
AT&T Corp	43,300	203	355
BellSouth Corporation	238,400	6,892	6,349
Motorola Inc	232,800	2,663	2,195
Nextel Communications Inc	137,500	965	2,485
SBC Communications Inc	268,900	7,799	6,870
Sprint Corporation	63,698	596	917
Verizon Communications	268,995	10,152	10,612
		29,270	29,783
<i>Consumer Cyclical</i>			
AOL Time Warner Inc	437,096	6,082	7,033
AutoZone Inc	38,629	2,669	2,935
Bed Bath & Beyond Inc	21,800	676	846
Best Buy Co Inc	29,900	949	1,313
Brunswick Corporation	11,600	255	290
CVS Corp	20,235	581	567
Clear Channel Communications	204,400	7,141	8,665
Comcast Corp	90,568	1,701	2,733
Comcast Corp - Nonvoting	334,473	9,981	9,696
Darden Restaurants Inc	2,800	61	53
Delphi Automotive Systems Corp	31,600	315	273
Dillard's Inc	11,134	255	150
Dollar General Corporation	25,000	429	457
Eastman Kodak Co	117,800	3,451	3,222
ebay Inc	43,700	2,637	4,545
Federated Dept Stores Inc	65,200	2,091	2,403
Ford Motor Company	392,214	4,611	4,310
Gap Inc	65,000	790	1,219
Hasbro Inc	145,700	2,133	2,548
Home Depot Inc	190,096	5,841	6,296
International Game Technology	2,700	208	276
Jones Apparel Group Inc	100,241	3,377	2,933
KB Home	48,300	2,275	2,994
Kohl's Corporation	171,700	9,017	8,822
Kroger Co	55,000	1,071	917
Leggett & Platt Inc	14,700	331	301
Limited Inc	741,947	11,414	11,500
Lowe's Corporation Inc.	100,200	4,006	4,304
Masco Corporation	186,875	3,876	4,457
Mattel Inc	20,100	378	380
Meredith Corp	23,800	1,046	1,047
Newell Rubbermaid Inc	325,985	8,639	9,128
Nike Inc	25,392	1,280	1,358
PACCAR Inc	8,700	334	589
RadioShack Corp	41,774	923	1,099
Reebok International Ltd	56,100	1,721	1,887
Sherwin-Williams Co	98,700	2,761	2,653
Staples Inc	35,085	586	644
VF Corp	8,291	320	282
Viacom Inc	411,951	16,762	17,986

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Wal-Mart Stores	547,629	27,581	29,391
Walgreen Co	9,300	314	280
Yum Brands Inc	17,000	492	503
		151,361	163,285
<i>Consumer Staples</i>			
Altria Group Inc	371,356	16,267	16,874
Anheuser-Busch Company Inc	158,900	7,871	8,112
Archer-Daniels-Midland Co	126,230	1,436	1,625
Avon Products Inc	10,893	504	678
Campbell Soup Co	155,000	3,455	3,798
Clorox Company	15,550	599	663
Coca-Cola Company	164,000	7,800	7,611
Colgate-Palmolive Co	81,000	4,187	4,694
Disney Walt Company	22,900	358	452
Fortune Brands Inc	16,500	859	861
Gillette Company	79,400	2,611	2,530
Heinz HJ Company	24,197	842	798
Hershey Foods Corp	34,800	2,580	2,424
Pepsi Bottling Group Inc	21,088	521	422
Pepsico Inc	178,898	7,836	7,961
Proctor & Gamble Company	196,900	17,088	17,560
Sara Lee Corp	58,900	1,104	1,108
Winn-Dixie Stores Inc	20,100	332	247
		76,250	78,418
<i>Energy</i>			
BJ Services Company	16,500	556	616
Burlington Resources Inc	20,909	737	1,131
ChevronTexaco Corp	116,115	8,533	8,384
ConocoPhillips	195,125	9,519	10,693
Exxon Mobil Corporation	555,765	20,585	19,958
Halliburton Company	399,345	8,232	9,185
Marathon Oil Corp	23,300	565	614
Occidental Petroleum Corp	28,180	763	945
Sunoco Inc	65,000	2,465	2,453
Unocal Corp	18,352	599	527
		52,554	54,506
<i>Financial Services</i>			
ACE Ltd	262,474	8,062	9,000
AFLAC Inc	114,943	3,591	3,534
Allstate Corp	129,785	4,279	4,627
Ambac Financial Group Inc	21,259	1,237	1,408
American Express	99,870	3,521	4,176
American International Grp Inc	410,786	24,910	22,667
AmSouth Bancorporation	27,100	605	592
Aon Corporation	20,293	482	489
Bank of America Corporation	225,445	14,992	17,817
Bank One Corporation	104,600	4,042	3,889
Bear Stearns Companies Inc	18,404	1,081	1,333
Block H&R Inc	600	27	26
CIGNA Corporation	8,800	792	413

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Capital One Financial Corp	52,300	2,203	2,572
Charter One Financial Inc	57,745	1,730	1,800
Chubb Corp	41,400	2,537	2,484
Citigroup Inc	811,683	27,809	34,740
Comerica Inc	29,007	1,651	1,349
Countrywide Financial Corp	9,100	462	633
Federal Home Loan Mort Corp	2,074	129	105
Federal National Mortgage Assn	159,675	11,576	10,768
Fifth Third Bancorp	28,900	1,394	1,659
FleetBoston Financial Corp	174,700	3,916	5,190
Franklin Resources Inc	19,700	676	770
Golden West Financial Corp	7,500	493	600
Goldman Sachs Group Inc	31,000	2,726	2,596
Hartford Financial Services Gp	246,940	11,619	12,436
JP Morgan Chase & Co	182,700	4,745	6,245
Lehman Brothers Holdings Inc	46,900	2,578	3,118
Lincoln National Corp	345,374	10,410	12,306
MBIA Inc	11,100	550	541
MBNA Corporation	684,033	13,079	14,255
MGIC Investments Corp	19,342	1,143	902
Marsh & McLennan Companies Inc	7,900	313	403
Mellon Financial Corp	33,095	880	918
Merrill Lynch & Company Inc	237,699	10,733	11,096
MetLife Inc	77,960	2,160	2,208
Morgan Stanley Dean Witter Co	15,500	637	663
National City Corporation	45,700	1,412	1,495
North Fork Bancorporation Inc	20,313	800	692
Northern Trust Corp	16,665	664	693
PNC Financial Services Group	27,700	1,155	1,352
Principal Financial Group Inc	26,961	774	869
Progressive Corp	51,100	3,695	3,735
Providian Financial Corp	338,633	1,604	3,136
Prudential Financial Inc	27,300	901	919
Schwab Charles Corp	102,898	921	1,038
Simon Property Group	900	32	35
Torchmark Corporation	9,100	330	339
US Bancorp	402,824	8,050	9,869
UnumProvident Corp	399,085	5,417	5,352
Wachovia Corporation	112,100	4,029	4,480
Washington Mutual Inc	272,325	10,213	11,247
Wells Fargo Company	264,045	12,481	13,308
Zions Bancorporation	22,800	952	1,154
		237,200	260,041
<i>Health Care</i>			
Abbott Laboratories	70,100	2,903	3,068
Allergan Inc	18,300	1,173	1,411
Amgen Inc	237,600	10,502	15,667
Anthem Inc	25,710	1,634	1,984
Bard CR Inc	44,200	2,425	3,152
Baxter International Inc	194,925	4,807	5,068

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Boston Scientific Corp	73,500	4,594	4,491
Bristol-Myers Squibb Company	145,577	3,411	3,952
Cardinal Health Inc	41,600	2,528	2,675
Chiron Corp	23,100	787	1,013
Forest Laboratories Inc	35,488	1,292	1,943
Genzyme Corporation	22,200	722	929
Guidant Corp	56,800	2,055	2,521
IMS Health Inc	21,600	342	389
Johnson & Johnson	397,325	21,718	20,542
Lilly Eli and Company	122,500	7,720	8,449
Manor Care Inc	69,339	1,523	1,734
McKesson HBOC Inc	21,461	707	767
Medtronic Inc	163,611	7,161	7,848
Merck & Co Inc	207,200	10,568	12,546
Pfizer Inc	1,072,719	34,664	36,633
Quintiles Transnational Corp	133,200	1,313	1,887
St Jude Medical Inc	21,008	790	1,208
Tenet Healthcare Corporation	36,681	1,748	427
Unitedhealth Group Inc	254,426	9,945	12,785
Watson Pharmaceuticals Inc	44,700	1,088	1,805
Wellpoint Health Networks Inc	24,300	1,700	2,048
Wyeth	35,200	1,377	1,603
		141,197	158,545
<i>Technology</i>			
Altera Corporation	90,600	1,122	1,489
Analog Devices Inc	27,400	660	954
Cisco Systems Inc	904,100	16,218	15,180
Citrix Systems Inc	151,200	2,120	3,078
Computer Associates Inter	72,600	1,050	1,618
Dell Computer Corporation	458,935	11,701	14,612
EMC Corporation	239,700	1,745	2,510
Hewlett-Packard Company	657,525	10,601	14,005
Intel Corporation	969,600	20,616	20,177
International Business Machs	246,890	17,320	20,368
Jabil Circuit Inc	118,300	2,223	2,614
Lexmark International Inc	52,800	3,178	3,737
Linear Technology Corp	29,000	821	939
Maxim Integrated Products Inc	127,600	5,054	4,351
Microsoft Corporation	1,365,102	34,796	35,001
National Semiconductor Corp	14,300	240	282
Nokia Oyj Corp	357,700	6,851	5,877
NVIDIA Corporation	10,500	130	241
Oracle Corporation	228,425	2,259	2,743
QLogic Corporation	55,425	2,227	2,674
Sanmina Corporation	22,800	95	144
Solelectron Corp	177,800	722	665
SunGard Data Systems Inc	21,058	494	546
Tektronix Inc	32,600	557	704
Veritas Software Corporation	183,200	4,471	5,280
Xilinx Inc	55,700	1,251	1,409

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Yahoo! Inc	39,914	671	1,305
		149,193	162,503
<i>Transportation</i>			
Burlington Northern Santa Fe	28,700	844	816
FedEx Corp	67,400	3,325	4,181
NICOR Inc	24,700	790	917
United Parcel Service Inc	56,900	3,438	3,625
		8,397	9,539
<i>Utilities</i>			
Allegheny Energy Inc	116,700	1,014	986
CenturyTel Inc	27,300	827	951
Cinergy Corp	35,500	1,196	1,306
Dominion Resources Inc	8,900	479	572
Duke Energy Corp	68,100	1,703	1,359
Edison International	31,100	398	511
Entergy Corporation	22,200	939	1,172
FirstEnergy Corp	98,534	3,148	3,789
Kinder Morgan Inc	6,000	244	328
PG&E Corp	29,293	407	620
PPL Corporation	11,073	366	476
Peoples Energy Corporation	44,500	1,718	1,909
Public Service Enterprise Grp	19,395	670	819
Sempra Energy	19,100	412	545
TXU Corp	9,972	430	224
		13,951	15,567
Total Equities	99.3%	986,098	1,060,988
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	7,918,933	7,919	7,919
Total Short-term Issues	0.7%	7,919	7,919
Total Large Cap Domestic		\$ 994,017	\$ 1,068,907
Non-Large Cap Domestic			
<i>Equities</i>			
<i>Basic Materials</i>			
Agrium Inc	83,100	\$ 1,015	\$ 911
Albemarle Corporation	34,100	736	954
Boise Cascade Corporation	25,900	632	619
Cabot Corporation	12,200	279	350
Cambrex Corporation	7,200	249	166
Caraustar Industries Inc	42,300	595	339
Cleveland-Cliffs Inc	18,100	515	323
Commercial Metals Company	79,900	1,219	1,421
Crompton Corporation	75,000	556	529
Cytec Industries Inc	52,700	1,334	1,781

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Engelhard Corporation	30,000	652	743
FMC Corporation	8,000	140	181
Ferro Corporation	12,100	273	273
Freeport-McMoRan Copper & Gold	30,400	744	745
Fuller HB Company	10,200	234	225
Glatfelter PH Company	25,000	398	369
IMC Global Inc	16,600	175	111
Longview Fibre Co	83,300	672	683
MacDermid Inc	46,400	968	1,220
Minerals Technology Inc	30,500	1,304	1,484
Pactiv Corporation	22,900	465	451
Quanex Corporation	24,500	757	728
RPM Inc	21,600	211	297
Rayonier Inc	9,300	298	307
Rock-Tenn Co	48,200	652	817
Steel Dynamics Inc	120,000	1,738	1,655
Stillwater Mining Company	26,800	666	138
Universal Corporation	27,500	1,016	1,163
Universal Forest Products Inc	29,000	529	607
		19,022	19,590
<i>Capital Goods</i>			
ADTRAN Inc	23,300	861	1,203
Advisory Board Company	10,400	324	419
Alliance Data Systems Corp	36,900	708	863
Allied Waste Industries Inc	105,500	946	1,060
Ametek Inc	11,900	447	436
Apollo Group	60,500	1,904	3,043
AptarGroup Inc	17,200	566	619
Briggs & Stratton Corporation	21,900	866	1,106
Career Education Corp	56,800	1,939	3,879
Catalina Marketing Corp	39,700	722	701
Certegy Inc	9,500	225	264
CheckFree Corporation	119,000	1,843	3,332
Convergys Corp	70,100	1,159	1,122
Deluxe Corporation	14,600	518	654
Education Management Corp	4,000	148	212
Engineered Support Systems Inc	3,800	142	158
Equifax Inc	11,000	214	286
ESCO Technologies Inc	6,500	237	286
FLIR Systems Inc	7,400	170	223
Fisher Scientific Intl Inc	19,800	582	691
Flowserve Corp	99,900	1,740	1,965
GenCorp Inc	65,500	518	582
Graco Inc	53,200	1,449	1,702
Granite Construction Inc	56,400	1,014	1,081
Harland John H Co	24,200	581	633
Hon Industries Inc	38,200	876	1,165
Hovnanian Enterprises Inc	21,900	729	1,291
ITT Educational Services Inc	20,500	500	600
IDEX Corporation	10,200	345	370

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
IKON Office Solutions Inc	484,700	4,065	4,314
Lydall Inc	21,600	312	231
M/I Schottenstein Homes Inc	32,900	1,124	1,404
Manufacturers' Services Ltd	20,500	113	99
Moog Inc	10,730	330	373
NCI Building Systems Inc	31,200	551	521
NCO Group Inc	35,600	648	639
NACCO Industries Inc	27,900	1,446	1,644
NDCHealth Corporation	138,300	1,891	2,538
ON Semiconductor	10,700	28	29
Owens-Illinois Inc	78,500	557	1,081
PRG-Schultz Intl Inc	85,200	829	504
Paxar Corporation	29,000	284	319
Plantronics Inc	94,300	1,909	2,043
Precision Castparts Corp	24,000	607	746
Rayovac Corporation	41,800	620	541
Republic Services Inc	120,800	2,405	2,739
Resources Connection Inc	29,300	576	699
Scientific-Atlanta Inc	85,600	1,516	2,041
Service Corp	460,180	1,781	1,781
Shaw Group Inc	56,300	647	678
Simpson Manufacturing Company	6,900	255	253
Technitrol Inc	11,400	175	172
Tecumseh Products Company	20,430	879	783
Thermo Electron Corporation	141,200	2,441	2,968
Triumph Group Inc	23,000	620	648
URS Corp	43,300	654	843
United Stationers Inc	39,200	1,176	1,405
Varian Inc	11,900	350	409
Viad Corp	25,600	590	573
Vicor Corporation	8,900	76	86
Walter Industries Inc	62,400	713	733
Waste Connections Inc	63,700	2,269	2,233
Watson Wyatt & Co Holdings	57,300	1,207	1,328
Watts Industries Inc	18,335	314	327
Woodward Governor Company	28,600	1,308	1,230
York International	15,300	377	358
		57,916	69,259
<i>Communication Services</i>			
Citizens Communications Co	143,800	1,362	1,854
General Communications Inc	39,200	336	343
InterDigital Communications	24,400	538	571
Nextel Partners Inc	17,300	110	127
Qwest Communications Intl Inc	50,100	154	239
Sirius Satellite Radio Inc	332,500	613	562
		3,113	3,696
<i>Consumer Cyclical</i>			
AC Moore Arts & Crafts Inc	23,000	391	463
AFC Enterprises Inc	15,200	411	249
Aaron Rents Inc	46,600	1,082	1,202

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Abercrombie & Fitch Co	112,400	2,196	3,193
ADVO Inc	20,700	667	919
American Axle & Manufacturing	21,300	535	509
American Eagle Outfitters Inc	15,500	235	285
American Greetings Corp	82,175	1,381	1,614
ArvinMeritor Inc	5,775	137	117
Autoliv Inc	86,400	1,874	2,340
Aztar Corporation	138,330	2,029	2,228
Bally Total Fitness Holdings	14,300	113	129
Bandag Inc	1,600	53	56
Barnes & Noble Inc	130,100	2,768	2,999
Beazer Homes USA Inc	19,000	1,157	1,586
Borg-Warner Automotive Inc	5,800	311	374
Brinker International Inc	10,700	260	385
Brown Shoe Company Inc	27,800	724	828
Burlington Coat Factory	118,300	1,875	2,118
CBRL Group Inc	22,500	879	874
California Pizza Kitchen Inc	3,000	62	65
Callaway Golf Company	87,500	1,210	1,157
Centex Corporation	4,200	171	327
Centex Construction Products	8,600	325	345
Choice Hotels Intl Inc	59,100	1,208	1,614
Claire's Stores Inc	27,700	634	702
Cole Kenneth Productions Inc	1,900	45	37
Cooper Tire & Rubber Company	199,300	3,075	3,506
Cost Plus Inc California	83,750	2,192	2,987
DR Horton Inc	13,800	164	388
Dana Corporation	209,600	1,796	2,423
Dillard's Inc	218,120	2,847	2,938
Dollar Tree Stores Inc	81,300	1,926	2,583
Dura Automotive Systems Inc	88,500	947	893
Tommy Hilfiger Corporation	40,800	641	377
Entravision Communications Crp	148,400	1,825	1,684
Fluor Corporation	16,300	407	548
Foot Locker Inc	57,500	653	762
Footstar Inc	91,500	732	1,189
Gart Sports Company	3,700	105	105
Genesco Inc	19,800	394	350
GTECH Holdings Corporation	15,500	434	584
Guitar Center Inc	27,800	643	808
Handleman Company	107,100	1,731	1,714
J Jill Group Inc	15,700	227	263
JAKKS Pacific Inc	25,400	324	337
KB Home	37,900	1,822	2,349
Lear Corporation	30,700	1,188	1,413
Leapfrog Enterprises Inc	101,100	2,729	3,216
Lee Enterprises Inc	9,300	319	349
Liz Claiborne Inc	10,500	314	370
MDC Holdings Inc	15,400	573	743
Marvel Enterprises Inc	34,900	684	667

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
McClatchy Company	8,900	434	513
Meritage Corporation	22,300	988	1,098
Monster Worldwide Inc	44,200	767	872
Movie Gallery Inc	58,000	1,026	1,081
NVR Inc	2,400	110	986
OfficeMax Inc	46,600	272	305
Pacific Sunwear of California	53,100	1,052	1,279
Panera Bread Company	8,700	271	348
Papa John's International Inc	31,600	890	888
Pep Boys	106,685	1,000	1,441
Phillips Van Heusen Corp	60,000	796	818
Pier 1 Imports Inc	17,600	353	359
Polaris Industries Inc	11,900	555	731
Polo Ralph Lauren Corporation	14,800	346	382
Pulte Corporation	24,100	1,538	1,486
Quiksilver Inc	2,100	26	35
Rare Hospitality International	20,200	565	656
Regent Communications Inc	89,300	528	548
Rent-A-Center Inc	10,200	527	773
Ross Stores Inc	10,200	334	438
Royal Caribbean Cruises	66,500	1,519	1,540
Russell Corporation	157,280	3,059	2,988
Ryland Group Inc	23,400	923	1,624
Scripps EW Company	33,900	2,432	3,008
ShopKo Stores Inc	171,900	2,207	2,235
Shuffle Master Inc	37,900	706	1,106
Standard Pacific Corp	61,395	1,992	2,036
Superior Industries Intl Inc	14,000	588	584
Timberland Company	33,600	1,596	1,776
Too Inc	15,400	359	312
Tower Automotive	102,300	1,029	374
United Rentals Inc	181,300	2,121	2,518
Watsco Inc	41,300	658	684
Wellman Inc	153,900	1,699	1,724
Wet Seal Inc	26,300	260	277
Williams Sonoma Inc	74,000	1,879	2,161
Wolverine World Wide Inc	8,200	158	158
Zale Corporation	57,900	2,010	2,316
		<u>88,998</u>	<u>102,719</u>
<i>Consumer Staples</i>			
Aramark Corporation	16,100	373	361
Chiquita Brands International	47,100	591	683
Constellation Brands Inc	31,300	688	983
Dean Foods Company	14,550	394	458
DIMON Inc	26,900	173	193
Duane Reade Inc	34,110	605	503
Energizer Holdings Inc	24,200	467	760
Fresh Del Monte Produce Inc	47,400	998	1,218
Hain Celestial Group Inc	31,400	678	501
Hughes Supply Inc	50,350	1,586	1,747

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
International Multifoods Corp	38,700	814	887
Nu Skin Enterprises Inc	59,200	589	619
PF Changs China Bistro Inc	55,200	1,775	2,716
Pathmark Stores Inc	62,800	447	463
Schweitzer-Mauduit Intl Inc	17,000	303	410
Sensient Technologies Corp	30,500	612	701
Sonic Corporation	11,200	258	284
Stewart Enterprises Inc	281,200	964	1,209
Supervalu Inc	84,600	1,892	1,804
Valassis Communications Inc	25,100	668	646
Wild Oats Markets Inc	35,950	438	395
Winn-Dixie Stores Inc	78,400	1,001	965
		16,314	18,506
<i>Energy</i>			
Amerada Hess Corp	12,200	561	600
Atwood Oceanics Inc	11,800	418	320
Cabot Oil & Gas Corporation	18,200	429	502
Cal Dive International Inc	12,700	250	277
Chesapeake Energy Corp	346,500	2,599	3,500
Cimarex Energy Co	5,900	89	140
Cooper Cameron Corp	56,400	2,817	2,841
Forest Oil Corp	6,500	137	163
Frontier Oil Corp	3,300	53	50
Helmerich & Payne Inc	93,900	2,480	2,742
Houston Exploration Co	65,200	1,992	2,262
Massey Energy Company	40,500	387	533
National Fuel Gas Company	24,500	596	638
Newfield Exploration Company	13,000	487	488
Oceanenergy International Inc	21,500	522	549
Offshore Logistics Inc	85,600	1,834	1,862
OMI Corporation	106,800	669	658
Patina Oil & Gas Corporation	42,325	922	1,361
Plains Exploration & Prod Co	16,600	156	179
Southwestern Energy Company	119,900	1,753	1,800
Sunoco Inc	35,800	1,338	1,351
Tesoro Petroleum Corporation	224,900	1,691	1,547
Tidewater Inc	8,400	273	247
Varco International Inc	206,300	3,480	4,043
Veritas DGC Inc	79,300	593	912
Vintage Petroleum Inc	12,000	129	135
XTO Energy Inc	29,400	378	591
		27,033	30,291
<i>Financial Services</i>			
Acadia Realty	25,700	212	235
Affiliated Managers Group Inc	21,600	1,115	1,317
AMCORE Financial Inc	25,300	585	588
American Capital Strategies	28,100	695	703
American Financial Group	23,500	566	536
AmeriCredit Corp	33,500	471	286
AmerUs Group Company	94,800	2,335	2,672

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Arch Capital Group Ltd	25,400	852	881
Associated Banc-Corp	23,550	735	862
Astoria Financial Corporation	54,000	1,268	1,508
BancFirst Corporation	12,900	520	666
BancorpSouth Inc	63,600	1,357	1,326
Bank of Hawaii Corp	22,800	571	756
Bay View Capital Corporation	50,800	362	294
Boston Properties Inc	5,200	222	228
Brookfield Properties Corp	32,500	609	691
Central Pacific Financial Corp	27,900	471	773
Chelsea Property Group Inc	29,700	983	1,197
City National Corporation	8,100	346	361
Clark Inc	14,600	259	174
Commerce Group Inc	35,500	1,082	1,285
Commercial Federal Corporation	130,815	2,762	2,773
Community Bank System Inc	2,800	103	106
Corrections Corp of America	89,200	1,803	2,259
Corus Bankshares Inc	20,500	939	987
Countrywide Financial Corp	9,700	469	675
Dime Community Bancshares	44,800	909	1,135
Doral Financial Corporation	43,600	720	1,947
Downey Financial Corporation	15,500	625	640
E*Trade Group Inc	155,500	1,281	1,322
East West Bancorp Inc	65,600	2,086	2,370
Edwards AG Inc	46,900	1,578	1,604
FBL Financial Group Inc	76,760	1,532	1,547
FNB Corporation	3,137	79	95
Federated Investors Inc	26,800	710	735
Fidelity National Finl Inc	56,425	1,001	1,736
First American Financial Corp	156,500	4,114	4,124
First Citizens BancShares Inc	5,450	471	550
First Community Bancorp	7,700	210	238
First Niagara Finl Grp	75,793	857	1,055
First Republic Bank	19,200	479	511
FirstFed Financial Corporation	59,300	1,466	2,093
Flagstar Bancorp Inc	69,000	478	1,687
Fremont General Corporation	158,100	1,850	2,166
Gallagher Arthur J & Co	13,800	419	375
General Growth Properties Inc	11,700	519	731
Hancock Holding Company	12,000	471	561
Hanmi Financial Corporation	8,300	126	145
Hawthorne Financial Corp	700	24	24
Hibernia Corp	139,100	2,058	2,526
Horace Mann Educators Corp	11,300	174	182
Hudson United Bancorp	44,600	1,364	1,523
IPC Holdings Ltd	26,200	834	878
Istar Financial Inc	20,100	682	734
Independence Community Bank	47,300	815	1,331
Independent Bank Corp	5,600	117	126
IndyMac Bancorp Inc	119,800	2,754	3,045

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Investment Technology Grp Inc	15,000	380	279
Kimco Realty Corporation	14,000	519	531
LNR Property Corporation	55,800	1,496	2,087
LandAmerica Financial Grp Inc	62,300	2,524	2,959
MBIA Inc	12,800	461	624
MB Financial Inc	2,000	76	80
New Century Financial Corp	29,100	776	1,264
Novastar Financial Inc	6,800	164	406
Odyssey Re Holdings Corp	59,200	1,017	1,249
Old Republic International Cor	41,900	798	1,436
Old Second Bancorp Inc	3,200	121	135
PMI Group Inc	63,700	1,698	1,710
PS Business Parks Inc	22,200	692	784
Peoples Bancorp Inc	13,000	296	331
Philadelphia Cons Hldg Corp	46,200	1,507	1,850
Platinum Underwriters Hldg Ltd	59,300	1,419	1,609
Protective Life Corporation	74,600	1,939	1,996
Providian Financial Corp	61,700	324	571
Public Storage Inc	10,500	348	356
R&G Financial Corp	45,700	966	1,357
Regency Centers Corp	15,700	521	549
Reinsurance Group of America	54,895	1,714	1,762
RenaissanceRe Holdings Ltd	62,600	1,676	2,850
Riggs National Corporation	25,200	362	384
Rouse Company	18,700	588	712
Standard & Poor's Dep Receipts	3,037,400	299,118	296,541
Saul Centers Inc	11,500	266	294
Saxon Capital Inc	17,300	298	299
Seacoast Banking Corp	9,400	94	162
Shurgard Storage Centers Inc	9,700	298	321
Silicon Valley Bancshares	41,300	1,036	983
Sky Financial Group Inc	40,500	790	881
Southwest Bancorp of Texas Inc	72,500	2,304	2,357
Sovereign Bancorp Inc	112,200	1,228	1,756
StanCorp Financial Group Inc	39,800	1,792	2,078
State Financial Serv Corp	5,400	119	119
Staten Island Bancorp Inc	53,600	631	1,044
Stewart Information Svcs Corp	64,400	1,443	1,794
Sun Communities Inc	18,200	615	715
Taylor Capital Group Inc	2,400	50	50
Thornburg Mortgage Inc	18,300	359	452
Trico Bancshares	3,000	75	76
UICI	135,900	1,847	2,048
UnionBanCal Corporation	15,400	518	637
Value Line Inc	1,400	64	69
Ventas Inc	17,100	222	259
Washington Federal Inc	61,891	1,183	1,433
Webster Financial Corporation	47,800	1,595	1,807
Willis Group Holdings Ltd	45,900	1,464	1,411
		392,286	407,332

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
<i>Health Care</i>			
Abgenix Inc	13,700	138	143
Advanced Medical Optics Inc	22,100	221	377
Alpharma Inc	50,000	716	1,080
American Pharmaceutical Partn	32,200	627	1,092
Applera Corp - Celera Genomics	27,500	315	284
Arrow International Inc	5,900	218	263
AtheroGenics Inc	20,800	172	311
Bard CR Inc	59,600	3,828	4,250
Beckman Coulter Inc	19,500	663	792
Bio-Rad Laboratories Inc	15,000	714	830
Biogen Inc	70,300	2,107	2,669
CV Therapeutics Inc	6,900	298	205
Caremark Rx Inc	120,600	2,039	3,097
Celgene Corporation	89,300	1,731	2,709
Cephalon Inc	9,000	414	369
Community Health Systems Inc	137,900	3,114	2,660
Conmed Corporation	15,500	306	285
Connetics Corporation	15,100	214	226
Covance Inc	13,300	248	241
Coventry Health Care Inc	20,900	536	965
Cross Country Healthcare Inc	214,900	2,837	2,828
CTI Molecular Imaging Inc	118,400	2,741	2,208
Cytoc Corporation	34,800	348	367
Diagnostic Products Corp	10,100	374	415
Eclipsys Corp	9,800	59	103
Encysive Pharmaceuticals Inc	20,200	141	97
Exelixis Inc	51,326	434	354
Express Scripts Inc	43,700	2,387	2,990
Genzyme Corporation	32,262	320	67
Gilead Sciences Inc	8,700	234	483
Haemonetics Corporation	13,900	323	260
Health Net Inc	61,400	1,703	2,023
Humana Inc	585,625	7,552	8,843
Human Genome Science Inc	29,200	399	369
IDX Systems Corporation	4,800	76	75
IDEXX Laboratories Inc	19,300	573	643
Incyte Genomics Inc	54,300	458	264
InterMune Inc	700	20	11
Invacare Corp	8,500	279	281
K-V Pharmaceutical Company	6,950	142	197
Kendle International Inc	34,300	416	212
King Pharmaceuticals Inc	195,600	3,166	2,887
Kos Pharmaceuticals Inc	4,000	109	94
Kosan Biosciences Inc	11,900	106	69
Lincare Holdings Inc	95,500	3,106	3,019
Manor Care Inc	120,600	2,583	3,016
Maximus Inc	48,600	1,112	1,343
Medicines Company	8,000	66	156
Mid Atlantic Medical Svcs Inc	7,400	292	387

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Neurogen Corporation	12,600	226	60
OSI Pharmaceuticals Inc	14,300	391	460
Omnicare Inc	10,800	350	365
Owens & Minor Inc	76,700	1,432	1,714
PSS World Medical Inc	41,500	312	238
PacifiCare Health Systems Inc	27,300	734	1,347
Per-Se Technologies Inc	14,900	144	165
Perrigo Company	40,300	458	630
Pharmacopeia Inc	9,500	239	78
QLT PhotoTherapeutics Inc	133,500	1,720	1,695
Regeneron Pharmaceuticals Inc	28,000	494	441
Respironics Inc	30,100	1,025	1,121
SangStat Medical Corporation	5,900	72	77
Sola International Inc	32,700	480	569
Sunrise Assisted Living Inc	22,500	536	504
Telik Inc	15,931	155	255
TriZetto Group Inc	17,500	163	105
US Oncology Inc	196,700	1,617	1,454
United Therapeutics Corp	138,467	2,403	2,996
Vertex Pharmaceuticals Inc	11,600	186	170
Viasys Healthcare Inc	12,700	202	263
VISX Incorporated	40,100	583	696
Watson Pharmaceuticals Inc	9,200	216	371
Zoll Medical Corporation	8,200	256	273
		65,369	72,956
<i>Technology</i>			
3Com Corporation	48,200	219	225
ASM International NV	91,900	1,512	1,367
ATMI Inc	19,900	441	497
Activision Inc	26,050	261	335
Advanced Fibre Comm Inc	200,500	3,298	3,284
Agile Software Corporation	64,000	1,014	617
American Management Systems	56,300	851	806
Amkor Technology Inc	22,200	202	292
Amphenol Corp	7,200	305	337
Anixter International Inc	17,600	454	412
Arrow Electronics Inc	116,500	1,739	1,775
Avnet Inc	70,600	861	895
Benchmark Electronics Inc	25,700	541	791
Black Box Corporation	16,000	772	578
Cabot Microelectronics Corp	10,200	518	514
Ceridian Corp	187,000	3,050	3,173
Citrix Systems Inc	50,100	1,022	1,020
Concur Technologies	187,000	1,792	1,891
Cree Inc	38,900	696	632
Cymer Inc	14,300	413	459
Dendrite International Inc	32,600	393	417
DoubleClick Inc	316,500	2,937	2,928
Embarcadero Technologies Inc	1,700	12	12
Emulex Corporation	13,600	254	310

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
Exar Corporation	27,300	333	426
Extreme Networks Inc	42,500	226	224
Fairchild Semiconductor Corp	37,800	441	483
Gartner Group Inc	115,700	1,276	877
Gartner Group Inc - Class B	11,600	139	87
Hutchinson Technology Inc	22,400	597	741
Hyperion Solutions Corporation	25,400	529	857
Insight Enterprises Inc	55,400	455	554
Integrated Circuit Systems Inc	43,500	1,004	1,366
Intersil Corporation	20,300	460	540
Iomega Corporation	86,200	984	914
i2 Technologies Inc	374,000	434	378
LSI Logic Corporation	32,100	163	227
Lattice Semiconductor Corp	38,300	299	318
Macromedia Inc	38,300	794	805
Manhattan Associates Inc	7,400	147	192
Maxtor Corporation	168,464	1,096	1,265
McData Corp	26,600	214	385
Micrel Inc	31,000	331	322
National Semiconductor Corp	12,800	182	252
Network Associates Inc	20,000	426	254
Perot Systems Corporation	16,300	182	185
Polycom Inc	180,400	1,895	2,500
Power Integrations Inc	90,300	1,178	2,195
QLogic Corporation	5,200	247	251
Quantum Corporation	39,700	497	161
RSA Security Inc	145,300	1,640	1,565
RF Micro Devices Inc	58,900	354	348
Red Hat Inc	60,700	369	458
Reynolds and Reynolds Company	12,600	297	360
Roper Industries Inc	8,300	305	309
SRA International Inc	77,400	2,044	2,477
SanDisk Corporation	31,200	670	1,266
Semtech Corporation	171,400	2,602	2,442
Silicon Storage Technology	13,500	123	57
Siliconix Inc	600	21	22
Storage Technology Corp	27,500	523	708
Sybase Inc	57,400	691	798
Synopsys Inc	47,500	2,203	2,942
Take-Two Interactive Software	33,500	664	949
Tech Data Corporation	88,400	2,275	2,365
Tekelec	32,600	288	367
UTStarcom Inc	23,800	507	848
Varian Semiconductor Equipment	117,400	2,157	3,495
Verity Inc	34,700	644	441
VeriSign Inc	82,200	970	1,134
WebMethods Inc	63,700	565	517
Western Digital Corp	37,100	157	382
		58,155	64,576

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
<i>Transportation</i>			
Airtran Holdings	93,700	470	981
CNF Inc	11,600	398	294
ExpressJet Holdings Inc	99,400	1,142	1,501
JetBlue Airways Corp	11,000	285	462
Kansas City Southern	23,000	358	277
Teekay Shipping Corporation	27,100	1,099	1,163
Ryder System Inc	87,200	1,992	2,234
Werner Enterprises Inc	14,733	210	312
Yellow Corporation	24,200	617	564
		6,571	7,788
<i>Utilities</i>			
AGL Resources Inc	10,400	230	265
Alliant Energy Corp	114,900	2,307	2,187
Avista Corporation	71,000	906	1,005
Black Hills Corporation	8,200	229	252
Cleco Corporation	57,200	1,045	991
Calpine Corp	107,500	621	710
DPL Inc	24,300	573	387
El Paso Electric Company	65,400	781	806
Energen Corporation	45,600	1,476	1,518
Energy East Corporation	56,600	1,362	1,175
Equitable Resources Inc	17,400	719	709
Northeast Utilities	41,300	754	691
NSTAR	14,000	545	638
ONEOK Inc	67,500	1,507	1,325
PNM Resources	31,500	815	843
PPL Corporation	13,800	464	593
Pinnacle West Capital Corp	59,300	1,905	2,221
Sierra Pacific Resources	127,467	1,203	757
UGI Corporation	57,000	1,129	1,807
Unisource Energy Corporation	48,900	1,221	919
		19,792	19,799
Total Equities	92.6%	754,569	816,512
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	65,203,601	65,204	65,204
United States Treasury Bill **	50	50	50
United States Treasury Bill **	30	30	30
United States Treasury Bill **	25	25	25
United States Treasury Bill **	10	10	10
Total Short-term Issues	7.4%	65,319	65,319
Total Non-Large Cap Domestic		\$ 819,888	\$ 881,831

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name		Shares	Cost	Fair Value*
International Qualified				
<i>Commingled Equity Pools</i>				
International Value Equity Group Trust - Silchester		8,811,782	\$ 157,360	\$ 226,324
Total Commingled Equity Pools	100.0%		157,360	226,324
Total International Qualified			<u>\$ 157,360</u>	<u>\$ 226,324</u>
International Nonqualified				
<i>Commingled Equity Pools</i>				
International Value Equity Trust - Silchester		1,614,729	\$ 29,524	\$ 44,110
Total Commingled Equity Pools	100.0%		29,524	44,110
Total International Nonqualified			<u>\$ 29,524</u>	<u>\$ 44,110</u>
International Equity				
<i>Commingled Equity Pools</i>				
Capital International Inc Emerging Markets Growth Fund		1,426,141	\$ 78,095	\$ 67,613
Total Commingled Equity Pools	11.9%		78,095	67,613
<i>Equities</i>				
<i>Australia</i>				
BHP Billiton Ltd		334,700	1,939	1,939
Cochlear Limited		14,600	312	316
News Corporation Ltd		1,442,900	10,115	10,838
QBE Insurance Grp Ltd		452,500	2,368	2,828
			<u>14,734</u>	<u>15,921</u>
<i>Brazil</i>				
Empresa Brasileira		125,900	2,280	2,405
<i>Canada</i>				
Great-West Lifeco Inc		154,800	4,379	4,443
Inco Ltd		54,400	1,144	1,142
Molson Inc		197,300	4,093	5,299
Talisman Energy Inc		181,300	7,257	8,206
			<u>16,873</u>	<u>19,090</u>
<i>China - Shanghai</i>				
China Telecom Corp Ltd		5,580,000	1,225	1,281
<i>Denmark</i>				
Tele Danmark A/S		149,811	4,039	4,480

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
<i>Finland</i>			
Nokia Oyj	508,079	7,922	8,367
<i>France</i>			
Axa	388,100	5,482	6,021
Christian Dior SA	20,911	820	836
Credit Agricole SA	474,195	8,432	9,012
PSA Peugeot Citroen	101,376	4,700	4,924
Societe Television Francaise 1	227,900	5,995	7,014
Technip	56,000	4,561	4,900
		29,990	32,707
<i>Germany</i>			
Bayer AG	366,092	7,814	8,484
DaimlerChrysler AG	97,100	3,288	3,367
Deutsche Bank AG	51,313	2,803	3,315
Deutsche Boerse AG	58,300	2,265	3,088
Deutsche Lufthansa AG	173,700	2,202	2,035
Deutsche Telekom AG	406,898	5,004	6,196
Infineon Technologies AG	455,600	4,326	4,405
Medion AG	94,771	3,515	4,081
Muenchener Rueckversicherungs	43,368	3,354	4,421
Porsche AG	16,200	5,387	6,865
Siemens AG	88,181	3,824	4,319
		43,782	50,576
<i>Hong Kong</i>			
Cheung Kong Holdings Ltd	194,000	1,236	1,167
CNOOC Ltd	4,351,000	5,000	6,417
HSBC Holdings PLC	203,476	2,254	2,414
		8,490	9,998
<i>Italy</i>			
ENI SpA	416,924	5,749	6,305
Saipem	513,000	3,059	3,841
Telecom Italia Mobile	1,559,500	7,609	7,683
		16,417	17,829
<i>Japan</i>			
Advantest Corporation	11,100	486	492
Canon Inc	282,000	11,299	12,940
Dai Nippon Printing Co Ltd	454,900	5,089	4,811
Daiwa Securities Co Ltd	234,000	1,304	1,345
Fuji Photo Film	43,000	1,224	1,243
Hitachi Ltd	277,000	1,153	1,174
Honda Motor Co Ltd	129,300	4,813	4,900
Kao Corporation	13,000	272	242
Konica Corporation	623,400	5,303	7,097
Kyocera Corporation	20,600	1,183	1,179
Mitsubishi Heavy Industries	440,000	1,087	1,140
Murata Manufacturing Co Ltd	50,800	2,107	1,997
Nikko Securities Company Ltd	394,000	1,573	1,582
Nippon Telegraph & Telephone	2,006	7,279	7,869
Nomura Securities Co Ltd	336,000	3,756	4,264

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
NTT DoCoMo	3,804	7,877	8,237
Omron Corporation	78,900	1,293	1,331
Pioneer Corporation	120,300	2,503	2,705
Rohm Company Ltd	18,100	1,836	1,973
Secom Co Ltd	38,500	1,201	1,129
Seiko Epson Corporation	60,000	1,786	1,784
Takeda Chemical Industries	133,700	5,481	4,933
TDK Corporation	65,800	3,215	3,250
THK Co Ltd	45,000	585	606
Tokyo Electron Ltd	24,900	999	1,180
Toyota Motor Corp	239,200	6,027	6,195
Yahoo Japan Corporation	328	2,232	5,327
Yamaha Corporation	137,300	1,947	1,882
		<u>84,910</u>	<u>92,807</u>
<i>Korea</i>			
Daishin Securities Company	40,370	773	700
Samsung Electronics	14,840	4,467	4,410
		<u>5,240</u>	<u>5,110</u>
<i>Netherlands</i>			
ING Groep NV	142,527	2,083	2,476
Koninklijke Ahold NV	167,236	1,404	1,388
Koninklijke Philips Electronic	372,093	6,247	7,076
Royal Dutch Petroleum Co	158,228	6,863	7,344
		<u>16,597</u>	<u>18,284</u>
<i>Norway</i>			
Frontline Ltd	259,100	3,486	3,697
<i>Singapore</i>			
DBS Group Holdings Ltd	102,000	652	597
Singapore Press Holdings Ltd	23,000	260	239
		<u>912</u>	<u>836</u>
<i>Spain</i>			
Amadeus Global Travel Dist SA	683,700	3,566	3,918
Banco Santander Ctrl Hisp SA	700,989	5,045	6,142
Iberdrola SA	157,206	2,448	2,722
Sogetel SA	296,800	3,259	5,596
		<u>14,318</u>	<u>18,378</u>
<i>Sweden</i>			
Autoliv Inc	165,700	4,036	4,461
Eniro AB	440,800	3,114	3,772
Modern Times Group	266,500	2,358	4,095
Volvo AB	124,900	2,716	2,746
		<u>12,224</u>	<u>15,074</u>
<i>Switzerland</i>			
Adecco SA	61,900	2,626	2,550
Alcon Inc	61,600	2,299	2,815
Credit Suisse Group	385,595	8,499	10,148
Nestle SA	37,346	8,000	7,706
Serono SA	10,810	6,169	6,352

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Shares	Cost	Fair Value*
UBS AG	215,352	9,812	11,979
Zurich Financial Services AG	30,722	2,668	3,663
		40,073	45,213
<i>Taiwan</i>			
Compal Electronics Inc	958,000	1,329	1,284
Nan Ya Plastics Corporation	1,176,000	1,336	1,274
Winbond Electronics Corp	340,000	176	168
		2,841	2,726
<i>United Kingdom</i>			
Abbey National PLC	411,353	3,043	3,194
Anglo American PLC	350,883	5,160	5,356
AstraZeneca Group PLC	245,233	8,043	9,834
Barclays PLC	1,252,200	8,414	9,298
British American Tobacco PLC	125,130	1,263	1,420
British Sky Broadcasting Gp PLC	861,603	8,307	9,547
Capita Group PLC	791,600	3,127	2,952
EMI Group PLC	2,351,600	5,017	4,734
HBOS	830,802	8,703	10,755
HSBC Holdings PLC	793,620	8,989	9,377
Kingfisher PLC	556,741	1,936	2,547
mm02 PLC	4,427,040	3,655	4,146
Nycomed Amersham PLC	475,700	3,261	3,570
Pearson PLC	270,800	2,467	2,529
Royal Bank of Scotland Group	495,903	11,657	13,911
Royal & Sun Alliance Insurance	1,021,643	1,830	2,339
Smith & Nephew PLC	549,492	3,287	3,158
Standard Chartered PLC	436,573	4,780	5,302
Tesco PLC	23,577	79	85
Vodafone AirTouch PLC	4,631,479	8,600	9,056
Willis Group Holdings Ltd	190,000	5,635	5,843
		107,253	118,953
Total Equities	85.2%	433,606	483,732
<i>Short-term Issues</i>			
Dreyfus Institutional Government Money Market Fund	16,319,003	16,319	16,319
Total Short-term Issues	2.9%	16,319	16,319
Total International Equity		<u>\$ 528,020</u>	<u>\$ 567,664</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
FIXED INCOME SECURITIES						
Short-Term Fixed Income						
<i>U. S. Government Agency Bonds</i>						
Federal National Mortgage Assn	1.300 %	1.300 %	06/28/2004	\$ 5,000	\$ 5,000	\$ 5,001
Federal National Mortgage Assn	1.250	1.250	07/07/2004	5,000	5,000	5,001
Federal National Mortgage Assn	1.180	1.190	07/27/2004	5,000	5,000	5,000
Total U. S. Government Agency Bonds	3.3%				15,000	15,002
<i>Corporate Issues</i>						
Corporate Bonds						
Associates Corp NA	5.750	1.120	11/01/2003	935	949	949
General Electric Capital Corp	6.810	1.093	11/03/2003	1,566	1,596	1,596
Salomon Smith Barney Holdings	6.630	1.279	11/15/2003	4,050	4,130	4,134
Total Corporate Bonds					6,675	6,679
Corporate Asset Backed Issues						
Associates Auto Rec Trust	7.300	7.408	01/15/2004	271	271	272
Sears Credit Acc Master Trust	6.200	1.904	07/16/2007	226	227	226
Total Corporate Asset Backed Issues					498	498
Total Corporate Issues	1.5%				7,173	7,177
<i>Short-term Issues</i>						
United States Treasury Bill	0.000	1.137	07/03/2003	15,000	14,999	14,999
United States Treasury Bill	0.000	1.081	07/10/2003	3,000	2,999	2,999
United States Treasury Bill	0.000	0.832	07/17/2003	21,000	20,992	20,992
United States Treasury Bill	0.000	0.766	07/24/2003	13,000	12,994	12,994
United States Treasury Bill	0.000	0.857	08/28/2003	12,000	11,984	11,984
United States Treasury Bill	0.000	0.838	09/04/2003	7,500	7,489	7,489
Merrill Lynch Premier Institutional Money Market Fund		1.059		371,938,069	371,938	371,938
Total Short-Term Issues	95.2%				443,395	443,395
Total Short-Term Fixed Income					\$ 465,568	\$ 465,574
Fixed Income						
<i>Commingled Fixed Income Pools</i>						
Western Asset Strategic EMD LLC				1,729,027	\$ 16,560	\$ 24,289
Western Asset Opportunistic Emerging Market				2,626,623	33,382	47,193
Western Asset US Dollar High Yield LLC				6,073,211	63,893	73,808
Total Commingled Fixed Income Pools	8.2%				113,835	145,290

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
U. S. Treasury Issues						
United States Treasury Note	3.375 %	3.172 %	04/30/2004	\$ 10,200	10,217	10,399
United States Treasury Note	4.625	2.084	05/15/2006	3,140	3,361	3,405
United States Treasury Note	2.875	3.235	05/15/2008	20	20	20
United States Treasury Strip - Prin	0.000	5.944	11/15/2021	90,950	31,005	37,104
United States Treasury Strip - Prin	0.000	5.814	08/15/2025	124,300	34,984	41,330
United States Treasury Strip - Prin	0.000	5.047	11/15/2026	1,740	543	541
United States Treasury Strip - Prin	0.000	5.625	08/15/2027	1,740	456	521
United States Treasury Bond	6.375	5.692	08/15/2027	4,365	4,753	5,470
United States Treasury Strip - Prin	0.000	5.624	11/15/2027	22,476	5,805	6,665
United States Treasury Bond	6.125	5.786	11/15/2027	43,525	45,439	52,992
United States Treasury Inflation Protection Bond	3.625	3.680	04/15/2028	74,007	73,315	90,092
United States Treasury Bond	5.250	4.804	11/15/2028	3,789	4,033	4,125
United States Treasury Inflation Protection Bond	3.875	3.059	04/15/2029	2,259	2,584	2,877
United States Treasury Bond	6.125	6.195	08/15/2029	7,600	7,532	9,289
United States Treasury Bond	5.375	5.421	02/15/2031	31,998	31,782	36,038
Total U. S. Treasury Issues	17.0%				255,829	300,868
U. S. Government Agency Issues						
U. S. Government Agency Bonds						
FNMA	2.250	2.270	05/15/2006	20	20	20
FHLB	1.875	1.853	06/15/2006	1,900	1,901	1,904
FHLB	4.875	2.719	11/15/2006	5,200	5,559	5,692
FNMA Benchmark Notes	7.250	7.241	01/15/2010	22,010	22,021	27,220
FNMA Note	5.375	5.866	11/15/2011	650	629	731
FNMA Bond	7.250	5.560	05/15/2030	6,940	8,566	9,149
GNMA	1.504 A	1.500	08/20/2031	1,180	1,181	1,184
Total U.S. Government Agency Bonds					39,877	45,900
U. S. Government Agency Mortgage Backed Issues						
FHLMC Mortgage Pools	7.500	6.834	10/01/2026	39,100	41,611	41,544
FNMA Mortgage Pools	6.135	5.411	05/23/2021	150,700	157,428	157,341
GNMA Mortgage Pools	6.438	5.972	04/11/2028	192,337	201,872	202,026
Total U. S. Government Agency Mortgage Backed Issues					400,911	400,911
U. S. Government Agency CMOs						
Student Loan Marketing Assn	1.680 A	1.682	10/26/2011	8,800	8,800	8,543
FHLMC - CMO	7.000	7.079	01/25/2021	1,191	1,187	1,226
Total U. S. Government Agency CMOs					9,987	9,769
Total U. S. Government Agency Issues	25.8%				450,775	456,580
Corporate Issues						
U. S. Corporate Bonds						
Tyco International Group SA	1.749 A	12.969	07/30/2003	190	188	190
Security Capital Group	7.750	2.395	11/15/2003	870	887	890

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Redwood Capital II Ltd	4.114 A	4.290	01/01/2004	700	700	699
AT&T Corp	7.500	7.654	04/01/2004	1,250	1,249	1,296
Atlas Reinsurance PLC	3.485 A	3.654	01/07/2005	250	250	252
Bear Stearns Companies Inc	7.625	7.714	02/01/2005	10,000	9,987	10,941
Korea Deposit Insurance	2.500	2.299	12/11/2005	2,500	2,512	2,816
British Telecom PLC	7.875	7.913	12/15/2005	5,000	4,996	5,695
Toyota Motor Credit Corp	2.800	2.800	01/18/2006	2,310	2,310	2,353
Republic of Italy	2.500	2.576	03/31/2006	1,990	1,986	2,030
SBC Communications Inc	5.750	2.684	05/02/2006	1,810	1,961	1,998
Wells Fargo & Company	1.270 A	1.270	06/12/2006	3,110	3,110	3,108
Bear Stearns Co Inc	1.300 A	1.305	06/19/2006	900	900	899
Tyco International Group SA	5.800	9.726	08/01/2006	1,125	1,010	1,162
Bank Of America Corp	5.250	5.173	02/01/2007	3,200	3,208	3,516
Household Finance Corporation	7.875	6.422	03/01/2007	2,700	2,826	3,182
Comcast Cable Communication	8.375	4.600	05/01/2007	2,000	2,263	2,360
Kraft Foods Inc	5.250	3.349	06/01/2007	3,000	3,208	3,251
ChevronTexaco Capital Co	3.500	3.721	09/17/2007	1,000	991	1,039
CIT Group Holdings	5.750	5.763	09/25/2007	2,400	2,399	2,617
Kredit Fuer Wiederaufbau	3.375	3.385	01/23/2008	5,330	5,328	5,528
JP Morgan Chase & Co	4.000	4.068	02/01/2008	1,190	1,187	1,246
Dominion Resources Inc	4.125	4.153	02/15/2008	280	280	293
US Bancorp	3.125	3.167	03/15/2008	1,620	1,617	1,634
Diageo Capital PLC	3.375	3.540	03/20/2008	3,280	3,257	3,352
Dryden Investor Trust	7.157	6.704	07/23/2008	920	931	1,017
Pitney Bowes Credit Corp	5.750	5.886	08/15/2008	4,500	4,473	5,079
Niagra Mohawk Power Corp	7.750	4.736	10/01/2008	5,100	5,807	6,110
General Motors Nova Fin	6.850	6.889	10/15/2008	4,710	4,702	4,946
Tyco International Group SA	6.125	10.558	11/01/2008	160	132	167
Sprint Capital Corp	6.125	8.326	11/15/2008	2,220	2,012	2,409
Waste Management Inc	6.500	5.357	11/15/2008	1,468	1,545	1,678
Ford Motor Credit Company	5.800	7.381	01/12/2009	1,080	1,004	1,073
First Chicago	6.375	6.162	01/30/2009	700	707	803
Chase Manhattan Corporation	6.000	5.627	02/15/2009	310	316	349
Bank One Corp	6.000	6.131	02/17/2009	1,200	1,193	1,357
Atlantic Richfield Co	5.900	4.235	04/15/2009	1,345	1,459	1,544
DTE Energy Company	6.650	4.300	04/15/2009	3,000	3,358	3,456
RJR Nabisco Inc	7.875	8.035	05/15/2009	10,600	10,521	11,051
Wal-Mart Stores	6.875	3.987	08/10/2009	6,000	6,931	7,222
Ford Motor Credit Company	7.375	7.516	10/28/2009	370	367	388
Dominion Resources Inc	5.125	5.202	12/15/2009	900	896	970
Ford Motor Credit Company	7.875	8.045	06/15/2010	3,610	3,577	3,868
Household Finance Corporation	8.000	6.765	07/15/2010	2,130	2,275	2,642
Calpine Corp	8.625	13.561	08/15/2010	180	140	135
United Mexican States	8.375	7.863	01/14/2011	5,310	5,462	6,361
Ford Motor Credit Company	7.375	7.594	02/01/2011	715	706	739
Calpine Corp	8.500	13.847	02/15/2011	150	113	113
Anderson Exploration Ltd	6.750	5.189	03/15/2011	360	395	413
Caterpillar Inc	6.550	4.860	05/01/2011	1,320	1,464	1,560
Sonat Inc	7.625	7.444	07/15/2011	2,730	2,759	2,484
Sara Lee Corp	6.250	4.890	09/15/2011	3,300	3,600	3,819

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Devon Financing Corp ULC	6.875	4.984	09/30/2011	100	113	117
Bristol-Myers Squibb Company	5.750	5.691	10/01/2011	3,980	3,995	4,429
Conoco Funding Co	6.350	6.372	10/15/2011	870	869	1,016
Household Finance Corporation	6.375	5.707	10/15/2011	120	125	136
Tyco International Group SA	6.375	8.598	10/15/2011	2,690	2,338	2,892
Kraft Foods Inc	5.625	4.591	11/01/2011	2,500	2,677	2,719
Peco Energy	5.950	4.735	11/01/2011	2,000	2,166	2,270
Bank One Corporation	5.900	6.087	11/15/2011	5,100	5,038	5,764
FirstEnergy Corp	6.450	6.602	11/15/2011	1,020	1,010	1,119
Daimlerchrysler NA Hldg	7.300	6.090	01/15/2012	4,300	4,642	4,850
Goldman Sachs Group Inc	6.600	6.556	01/15/2012	7,150	7,170	8,309
XL Capital PLC	6.500	5.969	01/15/2012	2,380	2,464	2,722
Lehman Brothers Holdings	6.625	5.436	01/18/2012	6,150	6,645	7,210
Dynegy Holdings Inc	8.750	8.604	02/15/2012	2,340	2,360	2,176
Citigroup Inc	6.000	5.995	02/21/2012	5,120	5,122	5,824
Target Corp	5.875	5.181	03/01/2012	3,590	3,761	4,057
JP Morgan Chase & Co	6.625	6.670	03/15/2012	1,940	1,934	2,238
Weyerhaeuser Company	6.750	6.840	03/15/2012	970	964	1,101
MeadWestvaco Corp	6.850	6.237	04/01/2012	1,600	1,665	1,847
Morgan Stanley Dean Witter Co	6.600	5.476	04/01/2012	3,615	3,894	4,208
Apache Corporation	6.250	4.583	04/15/2012	2,140	2,396	2,492
Bank Of America Corp	6.250	6.282	04/15/2012	2,600	2,594	3,012
Union Pacific Corp	6.500	5.180	04/15/2012	2,740	2,993	3,169
Household Finance Corporation	7.000	5.660	05/15/2012	20	22	24
General Electric Capital Corp	6.000	5.951	06/15/2012	1,920	1,926	2,167
Verizon Global Funding Corp	6.875	4.979	06/15/2012	90	102	106
SBC Communications Inc	5.875	6.081	08/15/2012	300	296	338
Viacom Inc	5.625	5.645	08/15/2012	1,500	1,498	1,666
Citigroup Inc	5.625	5.181	08/27/2012	1,630	1,682	1,796
Seariver Maritime Inc	0.000	3.908	09/01/2012	3,180	2,230	2,171
Verizon Global Funding Corp	7.375	5.135	09/01/2012	3,980	4,625	4,854
Wells Fargo Company	5.125	4.707	09/01/2012	6,150	6,340	6,589
Dominion Resources Inc	5.700	5.554	09/17/2012	1,150	1,162	1,262
Anadarko Petroleum Corp	5.000	4.923	10/01/2012	9,000	9,051	9,489
Peco Energy	4.750	4.637	10/01/2012	1,200	1,210	1,256
ConocoPhillips	4.750	4.763	10/15/2012	4,660	4,656	4,925
Detroit Edison Company	5.200	5.223	10/15/2012	630	629	679
Waste Management Inc	6.375	5.111	11/15/2012	1,730	1,891	1,967
PDVSA Finance Ltd	8.500	9.275	11/16/2012	3,110	2,978	2,846
Household Finance Corporation	6.375	6.462	11/27/2012	440	437	502
International Business Machs	4.750	4.464	11/29/2012	3,780	3,862	3,971
JP Morgan Chase & Co	5.750	5.462	01/02/2013	3,500	3,574	3,826
General Electric Company	5.000	5.048	02/01/2013	3,250	3,238	3,433
Tenet Healthcare Corporation	7.375	7.482	02/01/2013	229	227	221
Morgan Stanley Dean Witter Co	5.300	5.349	03/01/2013	2,550	2,541	2,710
TXU Energy Co	7.000	7.000	03/15/2013	560	560	620
Ontario Electricity	7.450	4.404	03/31/2013	7,950	9,853	10,177
Liberty Media Corp	5.700	5.749	05/15/2013	805	802	818
Cox Communications Inc	4.625	4.706	06/01/2013	690	686	692
Verizon Global Funding Corp	4.375	4.557	06/01/2013	540	532	538

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
General Motors Corp	7.125	7.220	07/15/2013	400	397	398
Comcast Corp	6.500	6.463	01/15/2015	3,940	3,951	4,431
Oncor Electric Delivery	6.375	6.472	01/15/2015	540	536	613
Hydro-Quebec	7.500	5.062	04/01/2016	3,800	4,663	4,916
PDVSA Finance Ltd	7.400	12.654	08/15/2016	340	230	277
Tennessee Valley Authority	6.250	4.935	12/15/2017	7,640	8,669	8,951
El Paso Corp	0.000	4.778	02/28/2021	5,250	2,281	2,297
Delta Air Lines	6.718	6.666	01/02/2023	1,849	1,855	2,003
Loews Corp	7.625	7.889	06/01/2023	9,090	8,851	9,432
General Motors Corp	8.250	8.332	07/15/2023	890	883	887
United Mexican States	11.500	8.620	05/15/2026	13,330	17,135	19,874
WMX Technologies Inc	7.100	6.889	08/01/2026	3,060	3,134	3,499
Altria Group Inc	7.750	7.109	01/15/2027	3,000	3,218	3,216
British Aerospace Finance Inc	7.500	7.563	07/01/2027	5,625	5,586	6,404
Tyco International Group SA	6.875	9.583	01/15/2029	200	149	202
Pepsi Bottling Group Inc	7.000	5.794	03/01/2029	3,300	3,828	4,018
Phillips Petroleum Co	7.000	5.326	03/30/2029	315	388	381
Conoco Inc	6.950	6.574	04/15/2029	4,750	4,970	5,715
Quebec Providence Canada	7.500	6.475	09/15/2029	4,310	4,864	5,671
Dow Chemical Company	7.375	7.468	11/01/2029	2,730	2,701	3,187
Lockheed Martin Corp	8.500	8.535	12/01/2029	1,060	1,056	1,441
Ford Holdings Inc	9.300	7.641	03/01/2030	10,000	11,877	10,477
Tennessee Valley Authority	7.125	7.246	05/01/2030	3,060	3,017	3,975
Verizon Global Funding Corp	7.750	5.818	12/01/2030	440	556	557
British Telecom PLC	8.875	8.938	12/15/2030	5,000	4,968	6,823
Worldcom Inc	8.250	0.064	05/15/2031	4,406	4,328	1,300
El Paso Corporation	7.800	14.266	08/01/2031	580	323	489
Conoco Funding Co	7.250	6.674	10/15/2031	295	316	371
Kraft Foods Inc	6.500	5.721	11/01/2031	2,000	2,217	2,198
AT&T Corp	8.500	7.746	11/15/2031	240	261	272
FirstEnergy Corp	7.375	7.111	11/15/2031	1,160	1,197	1,299
El Paso Corporation	7.750	7.814	01/15/2032	1,550	1,539	1,306
Southern Natural Gas Co	8.000	9.181	03/01/2032	1,450	1,276	1,568
General Electric Capital Corp	6.750	6.844	03/15/2032	3,650	3,607	4,269
Sprint Capital Corp	8.750	10.023	03/15/2032	5,100	4,491	6,105
Weyerhaeuser Company	7.375	7.484	03/15/2032	650	642	747
Williams Companies Inc	8.750	8.882	03/15/2032	2,350	2,318	2,444
Devon Energy Corporation	7.950	6.125	04/15/2032	440	548	566
Waste Management Inc	7.750	7.781	05/15/2032	940	937	1,178
El Paso Natural Gas	8.375	8.455	06/15/2032	1,470	1,457	1,558
Credit Suisse FB USA Inc	7.125	7.204	07/15/2032	2,220	2,199	2,677
Detroit Edison Company	6.350	6.401	10/15/2032	1,020	1,013	1,163
General Motors Corp	8.375	8.502	07/15/2033	1,900	1,874	1,871
Time Warner Entertainment Co	8.375	8.068	07/15/2033	7,500	7,759	9,702
Norfolk Southern Corp	7.050	6.518	05/01/2037	950	1,019	1,106
Anheuser-Busch Company Inc	6.500	6.592	05/01/2042	3,100	3,060	3,634
News America Holdings Inc	7.750	8.493	12/01/2045	8,260	7,558	9,826

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Abbey National Cap Trust I	8.963	8.902	12/29/2049	5,000	5,031	7,173
IBJ Preferred Capital Co LLC	8.790 A	8.571	12/29/2049	6,380	6,436	6,412
Total U. S. Corporate Bonds					420,169	456,299
Corporate Asset Backed Issues						
Daimler Chrysler Mstr Owner Tr	1.240 A	1.243	05/15/2007	2,630	2,630	2,632
Americredit Automobile Rec	1.330 A	1.392	09/12/2007	4,000	4,008	4,005
Option One Mortgage Securities	1.328 A	1.331	04/26/2009	2,968	2,968	2,968
Option One Mortgage Securities	1.418 A	1.405	01/26/2010	4,047	4,051	4,051
Pass Thru Amort Credit Card Tr	1.890	1.897	06/18/2012	6,317	6,317	6,309
CSFB Mortgage Securities Corp	1.350 A	1.408	04/15/2013	900	899	900
Systems 2001 Asset Trust	6.664	6.076	09/15/2013	3,677	3,786	4,140
Wachovia Bank Commercial Mort	1.480 A	1.485	03/15/2015	7,797	7,797	7,797
EQCC Trust	1.335 A	1.327	04/25/2016	2,099	2,100	2,100
Merrill Lynch Mort Investors	1.265 A	1.251	07/25/2016	552	552	552
Citigroup Home Equity Loan Tr	1.305 A	1.309	09/26/2016	5,781	5,781	5,781
Pegasus Aviation Lease Sec	8.370	17.655	07/25/2017	2,500	1,437	1,118
Granite Mortgages PLC	1.519 A	1.485	01/20/2020	2,400	2,402	2,401
First Plus Home Loan Trust	7.640	7.747	07/10/2022	2,436	2,435	2,435
Advanta Revolving Home Equity	1.285 A	1.305	08/25/2024	1,406	1,405	1,404
CS First Boston Mtg Secs Corp	7.590	7.606	07/25/2026	8,083	8,063	8,341
Irwin Home Equity	1.535 A	1.540	02/25/2028	6,281	6,281	6,266
Structured Asset Securities Co	7.750	6.393	02/25/2028	4,600	4,805	5,346
Countrywide Asset-Backed Cert	1.420 A	1.476	05/15/2028	4,926	4,907	4,918
Countrywide Asset-Backed Cert	1.530 A	1.555	11/15/2028	4,484	4,477	4,490
Asset Securitization Corp	6.920	5.708	02/14/2029	6,999	7,199	7,578
ABSC Long Beach Home Eq Loan	1.318 A	1.293	08/21/2030	1,715	1,716	1,716
Commercial Mortgage Accept Co	6.570	6.064	12/15/2030	9,400	9,578	10,562
Bayview Financial Acquisition	1.315 A	1.461	07/25/2031	3,476	3,463	3,472
Countrywide Asset-Backed Cert	1.295 A	1.355	10/25/2031	37	37	37
Bayview Financial Acquisition	1.365 A	1.369	04/25/2032	7,254	7,254	7,238
Countrywide Asset-Backed Cert	1.305 A	1.308	04/25/2032	5,082	5,082	5,092
Amortizing Residential Coll Tr	1.345 A	1.409	05/25/2032	8,147	8,140	8,145
Household Home Equity Loan Tr	1.554 A	1.487	07/20/2032	6,283	6,302	6,288
CDC Mortgage Capital Trust	1.345 A	1.349	08/25/2032	6,605	6,605	6,605
Structured Asset Sec Corp	1.535 A	1.611	08/25/2032	10,400	10,386	10,442
Merrill Lynch Mort Investors	1.405 A	1.349	09/25/2032	2,384	2,386	2,387
Countrywide Asset-Backed Cert	1.725 A	1.743	12/25/2032	8,859	8,857	8,906
Centex Home Equity	1.475 A	1.479	12/25/2032	11,517	11,517	11,551
Wachovia Asset Securitization	1.465 A	1.469	12/25/2032	12,100	12,100	12,142
Bayview Financial Acquisition	1.585 A	1.590	01/25/2033	9,457	9,457	9,488
CSFB Mortgage Securities Corp	1.935 A	1.943	03/25/2033	5,478	5,478	5,478
Residential Asset Mort Product	1.375 A	1.377	03/25/2033	385	385	385
Residential Asset Sec Corp	1.600	1.605	04/25/2033	6,498	6,498	6,498
Conseco Finance	1.410 A	1.414	05/15/2033	328	328	328
Ameritrust Mortgage Securities	1.405 A	1.409	06/04/2033	4,400	4,400	4,408
Renaissance Home Equity Loan	1.465 A	1.469	06/25/2033	3,154	3,154	3,165

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Heller Financial Comm Mtg	7.750	5.516	01/17/2034	1,500	1,668	1,840
EMC Mortgage Loan Trust	1.685 A	1.694	02/25/2041	9,424	9,416	9,424
Total Corporate Asset Backed Issues					218,507	221,129
Corporate CMO's						
Westpac Securitization Trust 1998-1G	1.469 A	1.472	07/19/2029	6,296	6,296	6,304
Total Corporate CMOs					6,296	6,304
Total Corporate Issues	38.6%				644,972	683,732
Futures Commissions						
US Treasury 5 Yr Note Future Sep 2003				-	1	-
US Treasury 10 Yr Note Future Sep 2003				-	6	-
US Treasury Bond Future Sep 2003				-	4	-
Total Futures Commissions	0.0%				11	-
Short-term Issues						
Federal National Mortgage Assn **	0.000	1.245	10/22/2003	1,900	1,893	1,895
Kraft Foods Inc	2.080 A	2.085	02/26/2004	1,900	1,900	1,913
JPM Swap Cash Collateral #	0.000	0.000	12/05/2012	1,300	1,300	1,300
Futures Cash Collateral **	0.000	0.000		2,800	2,800	2,800
Dreyfus Institutional Government Money Market Fund		0.846		178,581,105	178,581	178,581
Total Short-term Issues	10.6%				186,474	186,489
Swaps						
JP Morgan Chase & Co. Interest Rate Swap			12/05/2012	21,000	-	(1,491)
Goldman Sachs Interest Rate Swap			12/04/2012	18,000	-	(1,267)
Total Swaps	-0.2%				-	(2,758)
Total Fixed Income					<u>\$ 1,651,896</u>	<u>\$ 1,770,201</u>
Fixed Income Qualified						
Commingled Fixed Income Pools						
Barclay's Global Investors Qualified Mortgage Index				3,131,646	\$ 71,860	\$ 88,911
Barclay's Global Investors Qualified Intermediate Corp				9,094,786	208,046	271,669
Barclay's Global Investors Qualified Long Corp				2,439,046	62,101	83,577
Total Commingled Fixed Income Pools	100.0%				342,007	444,157
Total Fixed Income Qualified					<u>\$ 342,007</u>	<u>\$ 444,157</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Fixed Income Nonqualified						
<i>Commingled Fixed Income Pools</i>						
Barclay's Global Investors Non-Qualified Mortgage Index				1,237,332	\$ 25,015	\$ 30,040
Barclay's Global Investors Non-Qualified Intermediate Corp				4,511,948	71,880	91,913
Barclay's Global Investors Non-Qualified Long Corp				1,310,375	21,195	28,275
Total Commingled Fixed Income Pools	100.0%				118,090	150,228
Total Fixed Income Nonqualified					\$ 118,090	\$ 150,228
Cash Liquidity						
<i>U. S. Treasury Issues</i>						
United States Treasury Note	3.875 %	1.362 %	07/31/2003	\$ 5,000	\$ 5,010	\$ 5,014
United States Treasury Note	3.625	1.404	08/31/2003	5,000	5,018	5,023
United States Treasury Note	2.750	1.423	09/30/2003	3,000	3,010	3,015
United States Treasury Note	2.750	1.407	10/31/2003	3,000	3,013	3,020
United States Treasury Note	4.250	1.397	11/15/2003	5,000	5,053	5,062
United States Treasury Note	3.000	1.222	01/31/2004	3,000	3,031	3,036
United States Treasury Note	4.750	1.214	02/15/2004	5,000	5,110	5,119
United States Treasury Note	3.000	1.201	02/29/2004	5,000	5,059	5,069
United States Treasury Note	3.625	1.265	03/31/2004	3,000	3,053	3,060
Total U. S. Treasury Issues	3.6%				37,357	37,418
<i>U. S. Government Agency Bonds</i>						
Federal Home Loan Bank	2.500	1.879	11/14/2003	10,000	10,023	10,057
Federal Home Loan Mort Corp	3.250	1.393	12/15/2003	5,000	5,042	5,051
Federal Home Loan Bank	5.375	1.325	01/05/2004	5,000	5,103	5,112
Federal Home Loan Bank	1.290	1.290	04/13/2004	7,000	7,000	7,010
Federal Home Loan Bank	1.400	1.400	05/12/2004	7,000	7,000	7,002
Federal Home Loan Bank	3.375	1.198	05/14/2004	5,000	5,094	5,101
Federal Home Loan Bank	1.350	1.350	06/09/2004	5,000	5,000	5,004
Federal Home Loan Bank	1.250	1.250	07/02/2004	6,500	6,500	6,507
Federal National Mortgage Assn	1.250	1.250	07/07/2004	5,000	5,000	5,001
Federal National Mortgage Assn	1.180	1.184	07/27/2004	12,000	11,999	12,000
Total U. S. Government Agency Bonds	6.5%				67,761	67,845
<i>Corporate Bonds</i>						
General Motors Acceptance Corp	1.630 A	1.630	08/04/2003	25,000	25,000	24,996
Colgate-Palmolive Company	6.020	1.819	08/15/2003	9,000	9,046	9,052
General Electric Capital Corp	6.750	1.949	09/11/2003	3,000	3,028	3,032
Proctor & Gamble Company	5.250	1.929	09/15/2003	6,375	6,418	6,430
Abbey National Treasury Serv	1.345 A	1.317	10/14/2003	7,000	7,001	7,000
CC USA Inc	1.084 A	1.084	10/28/2003	14,000	14,000	14,000
Associates Corp NA	5.750	1.456	11/01/2003	8,400	8,520	8,526
Paine Webber Group Inc	6.450	1.380	12/01/2003	7,800	7,964	7,968

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
CIT Group Holdings Inc	1.480 A	1.480	12/05/2003	20,000	20,000	19,997
Citigroup Inc	5.700	1.478	02/06/2004	2,500	2,563	2,567
Associates Corp NA	5.500	1.365	02/15/2004	5,000	5,128	5,136
General Electric Capital Corp	1.700 A	1.151	03/25/2004	12,000	12,016	12,002
Wells Fargo Bank NA	1.290 A	1.290	04/15/2004	13,500	13,500	13,498
General Electric Capital Corp	1.224 A	1.074	05/20/2004	6,000	6,008	6,006
Household Finance Corporation	1.630 A	1.630	05/28/2004	6,000	6,000	6,019
Total Corporate Bonds	14.0%				146,192	146,229
Short Term Issues						
Merrill Lynch Premier Institutional Money Market Fund		1.059		314,827,745	314,828	314,828
Nations Cash Reserves Capital Fund		1.061		10,119,478	10,119	10,119
United States Treasury Bill	0.000	1.153	07/03/2003	3,000	3,000	3,000
Westpac Trust Securities Ltd	0.000	1.263	07/07/2003	10,000	9,998	9,998
Triple A One Funding Corp	0.000	1.116	07/10/2003	10,000	9,997	9,997
United States Treasury Bill	0.000	0.981	07/10/2003	38,500	38,491	38,491
Federal Home Loan Mort Corp	0.000	1.126	07/11/2003	12,000	11,996	11,996
Societe Generale NA	0.000	1.261	07/15/2003	7,916	7,912	7,912
United States Treasury Bill	0.000	1.010	07/17/2003	32,000	31,986	31,986
Preferred Receivables Funding	0.000	1.015	07/23/2003	7,000	6,996	6,996
United States Treasury Bill	0.000	0.766	07/24/2003	7,000	6,997	6,997
United States Treasury Bill	0.000	1.067	07/31/2003	3,000	2,997	2,997
Old Line Funding Corp	0.000	1.066	08/04/2003	18,000	17,982	17,982
Credit Lyonnais NA	0.000	1.271	08/07/2003	12,800	12,784	12,784
United States Treasury Bill	0.000	1.083	08/07/2003	9,000	8,990	8,990
Asset Securitization	0.000	0.964	08/13/2003	15,000	14,983	14,983
Federal National Mortgage Assn	0.000	1.097	08/13/2003	8,210	8,199	8,199
duPont EI de Nemours Co	0.000	1.189	08/14/2003	15,000	14,979	14,979
Westpac Trust Securities Ltd	0.000	0.965	08/14/2003	7,100	7,092	7,092
Giro Funding US Corp	0.000	0.975	08/15/2003	8,000	7,990	7,990
Galaxy Funding Inc	0.000	0.965	08/18/2003	16,000	15,980	15,980
United States Treasury Bill	0.000	0.797	08/21/2003	3,000	2,997	2,997
HBOS Treasury Services	0.000	1.220	08/22/2003	15,000	14,974	14,974
Triple A One Funding Corp	0.000	1.016	08/22/2003	5,049	5,042	5,042
New Center Asset Trust	0.000	1.220	08/26/2003	16,000	15,970	15,970
Nationwide Bldg Society	0.000	1.210	08/27/2003	15,000	14,972	14,972
Danske Corporation	0.000	0.965	08/28/2003	9,200	9,186	9,186
United States Treasury Bill	0.000	0.848	08/28/2003	21,200	21,171	21,171
RWE AG	0.000	0.965	08/29/2003	15,000	14,977	14,977
United States Treasury Bill	0.000	1.078	09/04/2003	3,000	2,994	2,995
United States Treasury Bill	0.000	0.803	09/18/2003	13,000	12,977	12,976
Royal Bank of Canada NY	0.978 A	1.009	09/22/2003	8,500	8,499	8,498
WestDeutsche Landesbank	1.024 A	1.064	09/22/2003	12,000	11,999	11,999
Alliance & Leicester PLC	0.000	0.915	09/23/2003	16,000	15,966	15,963
Bank of Ireland	0.000	1.047	09/25/2003	16,000	15,961	15,958
Danske Corporation	0.000	1.057	09/30/2003	9,000	8,976	8,975
Svenska Handelsbank Inc	0.000	1.057	10/01/2003	16,000	15,957	15,957
Barclays Bank PLC NY	1.156 A	1.201	12/12/2003	7,500	7,498	7,502

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Rabobank Nederland NV NY	1.270 A	1.290	05/24/2004	15,000	14,997	14,995
Barclays Bank PLC NY	1.049 A	1.069	06/28/2004	10,000	9,998	9,897
Total Short-term Issues	75.9%				789,407	789,300
Total Cash Liquidity					\$ 1,040,717	\$ 1,040,792
Government Money Market						
<i>U. S. Treasury Issues</i>						
United States Treasury Note	3.000 %	1.491 %	11/30/2003	\$ 5,000	\$ 5,031	\$ 5,044
Total U. S. Treasury Issues	3.1%				5,031	5,044
<i>U. S. Government Agency Bonds</i>						
Federal Home Loan Bank	1.400	1.400	05/12/2004	5,000	5,000	5,001
Federal Home Loan Bank	1.250	1.250	07/02/2004	3,000	3,000	3,003
Federal Home Loan Bank	1.180	1.180	07/27/2003	1,500	1,500	1,500
Total U. S. Government Agency Bonds	5.9%				9,500	9,504
<i>Short-term Issues</i>						
UBS LIR Govt Securities Fund		0.819		70,002,756	70,003	70,003
Federal National Mortgage Assn	0.000	1.081	07/09/2003	20,000	19,995	19,995
Federal Home Loan Bank	0.000	0.974	07/18/2003	3,600	3,598	3,598
United States Treasury Bill	0.000	1.037	08/14/2003	10,000	9,988	9,988
Federal National Mortgage Assn	0.000	0.985	08/19/2003	3,500	3,495	3,495
Federal Home Loan Mort Corp	0.000	1.159	08/28/2003	10,000	9,982	9,982
Federal Home Loan Mort Corp	0.000	1.150	09/12/2003	10,000	9,977	9,984
United States Treasury Bill	0.000	0.843	09/18/2003	10,000	9,982	9,982
Federal National Mortgage Assn	0.000	0.996	09/24/2003	10,000	9,977	9,976
Total Short-term Issues	91.0%				146,997	147,003
Total Government Money Market					\$ 161,528	\$ 161,551
Enhanced Yield						
<i>U. S. Treasury Issues</i>						
United States Treasury Note	4.250 %	4.479 %	11/15/2003	\$ 1,330	\$ 1,329	\$ 1,347
United States Treasury Note	4.750	4.480	02/15/2004	820	821	839
United States Treasury Note	5.875	2.921	02/15/2004	7,700	7,840	7,936
United States Treasury Note	3.625	3.168	03/31/2004	1,000	1,003	1,020
United States Treasury Note	7.250	5.611	05/15/2004	27,000	27,371	28,460
United States Treasury Note	6.000	4.496	08/15/2004	2,700	2,744	2,849
United States Treasury Note	7.250	6.701	08/15/2004	10,000	10,058	10,694

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
United States Treasury Note	7.875	3.699	11/15/2004	29,370	30,996	32,059
United States Treasury Note	6.750	3.862	05/15/2005	1,000	1,052	1,102
United States Treasury Note	2.000	1.593	05/15/2006	21,000	21,239	21,223
United States Treasury Note	3.000	3.049	11/15/2007	8,500	8,483	8,771
United States Treasury Note	3.000	2.797	02/15/2008	8,500	8,574	8,750
Total U. S. Treasury Issues	33.0%				121,510	125,050
U. S. Government Agency Bonds						
Federal National Mortgage Assn	5.280	4.422	10/06/2003	105	105	106
Federal National Mortgage Assn	5.450	4.422	10/10/2003	105	105	106
Federal National Mortgage Assn	5.500	6.409	12/01/2003	600	598	611
Federal National Mortgage Assn	5.510	4.439	01/12/2004	350	352	358
Federal Farm Credit Bank	5.400	4.537	01/23/2004	1,210	1,216	1,240
Federal National Mortgage Assn	5.450	3.697	02/05/2004	1,300	1,313	1,334
Federal Home Loan Bank	5.620	4.949	02/25/2004	725	728	747
Federal Home Loan Mort Corp	6.645	3.331	03/10/2004	155	159	161
Federal Home Loan Bank	5.485	3.213	03/23/2004	430	437	444
Federal Home Loan Bank	6.750	4.539	04/05/2004	100	102	104
Federal Home Loan Bank	4.875	4.506	04/16/2004	4,525	4,538	4,663
Federal National Mortgage Assn	5.625	3.467	05/14/2004	15,000	15,275	15,589
Federal National Mortgage Assn	6.000	3.315	05/17/2004	100	102	104
Federal Farm Credit Bank	5.930	4.721	05/28/2004	100	101	104
Federal Home Loan Mort Corp	6.485	4.535	06/24/2004	125	127	132
Federal Home Loan Bank	4.750	3.850	06/28/2004	6,060	6,113	6,281
Federal Home Loan Bank	7.360	4.844	07/01/2004	500	512	531
Federal National Mortgage Assn	7.400	4.758	07/01/2004	100	103	106
Federal Home Loan Bank	7.700	3.761	09/20/2004	250	262	270
Federal Home Loan Bank	6.250	3.715	11/15/2004	575	594	615
Federal Home Loan Bank	3.875	3.748	12/15/2004	150	150	156
Federal Home Loan Mort Corp	7.930	4.877	01/20/2005	90	94	99
Federal Home Loan Bank	7.125	4.080	02/15/2005	700	733	765
Federal Home Loan Mort Corp	3.875	4.123	02/15/2005	24,000	23,907	24,990
Federal National Mortgage Assn	7.875	4.752	02/24/2005	1,250	1,311	1,383
Federal National Mortgage Assn	7.490	4.974	03/02/2005	160	166	176
Federal Home Loan Bank	7.590	4.974	03/10/2005	740	771	817
Federal National Mortgage Assn	7.650	4.965	03/10/2005	625	652	690
Federal National Mortgage Assn	7.350	4.995	03/28/2005	245	255	270
Federal National Mortgage Assn	6.770	4.410	09/01/2005	250	262	277
Federal Home Loan Bank	2.500	2.341	12/15/2005	32,000	32,121	32,652
Federal National Mortgage Assn	5.875	5.053	02/02/2006	935	953	1,031
Federal National Mortgage Assn	5.875	5.065	02/14/2006	818	834	903
Federal National Mortgage Assn	6.675	5.095	03/21/2006	262	272	295
Federal Home Loan Mort Corp	2.375	2.140	04/15/2006	8,420	8,473	8,555
Federal Home Loan Mort Corp	4.875	3.314	03/15/2007	14,500	15,283	15,886
Federal National Mortgage Assn	4.250	3.532	07/15/2007	10,000	10,268	10,751
Federal Home Loan Mort Corp	5.750	3.195	04/15/2008	7,500	8,345	8,556
Total U. S. Government Agency Bonds	37.4%				137,692	141,858

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
<i>Corporate Issues</i>						
U. S. Corporate Bonds						
Countrywide Funding Corp	6.680	3.779	07/14/2003	112	112	112
Marshall & Ilsley Corp	6.375	3.401	07/15/2003	350	350	350
Anheuser-Busch Company Inc	6.750	3.371	08/01/2003	190	191	191
Household Finance Corporation	6.250	6.194	08/15/2003	765	765	769
Associates Corp NA	6.080	7.713	09/29/2003	1,000	996	1,012
Carnival Corp	6.150	8.007	10/01/2003	300	299	303
Lehman Brothers Holdings Inc	7.250	4.260	10/15/2003	100	101	102
National Rural Utilities Co-op	5.200	7.154	10/21/2003	2,000	1,989	2,024
General Motors Acceptance Corp	6.550	7.053	11/17/2003	1,500	1,497	1,526
Sears Roebuck Acceptance	6.560	4.019	11/20/2003	275	278	280
CIT Group Holdings Inc	5.570	7.851	12/08/2003	1,500	1,486	1,525
Diageo PLC	0.000	6.223	01/06/2004	3,500	3,392	3,473
Bear Stearns Companies Inc	6.625	4.331	01/15/2004	60	61	62
GTE North Inc	6.000	3.655	01/15/2004	140	142	143
Bell Atlantic New Jersey	5.875	3.889	02/01/2004	1,000	1,011	1,026
Wells Fargo Company	9.125	5.398	02/01/2004	450	460	470
Mellon Financial Co	6.000	4.860	03/01/2004	1,000	1,007	1,032
Bear Stearns Companies Inc	6.150	4.554	03/02/2004	1,000	1,010	1,032
General Electric Capital Corp	7.250	7.256	05/03/2004	2,300	2,300	2,413
General Motors Acceptance Corp	7.500	7.187	05/10/2004	3,000	3,008	3,130
Countrywide Funding Corp	5.250	4.336	06/15/2004	1,090	1,099	1,129
Merrill Lynch & Company Inc	5.350	5.350	06/15/2004	4,825	4,825	5,013
First Bank System Inc	8.000	4.266	07/02/2004	190	197	202
National Rural Utilities	5.250	5.312	07/15/2004	3,000	2,998	3,124
Household Finance Corporation	8.000	6.397	08/01/2004	700	712	747
Countrywide Funding Corp	6.770	4.535	08/11/2004	270	276	285
Alabama Power Co	4.875	4.938	09/01/2004	1,800	1,799	1,873
Beneficial Corporation	6.625	6.674	09/27/2004	500	500	525
Textron Financial Corp	7.125	5.427	12/09/2004	600	614	641
Quebec Providence Canada	8.625	4.852	01/19/2005	475	501	527
Goldman Sachs Group Inc	7.500	5.077	01/28/2005	250	259	273
GTE North Inc	6.400	5.112	02/15/2005	600	612	642
Newcourt Credit Group Inc	6.875	6.613	02/16/2005	500	502	536
Ford Motor Credit Company	7.500	6.395	03/15/2005	2,200	2,239	2,338
Lehman Brothers Holdings Inc	8.750	5.431	03/15/2005	1,310	1,380	1,460
General Electric Capital Corp	8.850	5.462	04/01/2005	600	633	674
Nations Bank Corp	7.625	5.130	04/15/2005	200	208	221
Norwest Financial Inc	7.500	5.151	04/15/2005	2,770	2,880	3,054
Citicorp	7.625	4.855	05/01/2005	625	655	692
Lehman Brothers Inc	11.625	5.660	05/15/2005	500	552	586
National City Corporation	7.200	5.352	05/15/2005	125	129	137
Commercial Credit Company	6.500	5.146	06/01/2005	425	435	462
Norwest Corp	6.500	5.127	06/01/2005	122	125	133
Wachovia Corp	6.800	4.879	06/01/2005	560	579	613
ALCOA Inc	6.125	4.733	06/15/2005	1,460	1,498	1,585
Morgan Stanley Dean Witter Co	7.750	4.985	06/15/2005	1,651	1,735	1,840
Washington Mutual Fin	8.250	5.094	06/15/2005	500	529	558
Associates Corp NA	6.000	5.196	07/15/2005	100	102	108

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Bear Stearns Companies Inc	6.250	5.257	07/15/2005	1,000	1,019	1,087
C & P Telephone	6.125	5.989	07/15/2005	100	100	109
JP Morgan Chase & Co	6.500	5.088	08/01/2005	600	617	657
Goldman Sachs Group Inc	7.625	5.270	08/17/2005	1,080	1,131	1,217
Bear Stearns Companies Inc	6.875	5.360	10/01/2005	650	671	720
US Bancorp	6.750	5.598	10/15/2005	260	266	287
Chase Manhattan Corporation	6.000	5.517	11/01/2005	700	707	767
Morgan JP & Co Inc	6.250	5.567	12/15/2005	265	269	293
Dean Witter Discovery & Co	6.300	5.333	01/15/2006	877	897	966
Dow Chemical Company	8.625	6.489	04/01/2006	120	126	138
American General Finance Corp	5.875	2.377	07/14/2006	5,000	5,509	5,522
First Union Corporation	7.500	5.749	07/15/2006	2,400	2,516	2,777
First National Bank of Boston	7.375	5.570	09/15/2006	200	210	229
US Bancorp	3.125	3.167	03/15/2008	5,000	4,991	5,045
Total U. S. Corporate Bonds					68,057	70,767
Corporate Asset Backed Issues						
Americredit Automobile Rec	5.130	3.777	07/06/2004	233	235	236
Honda Auto Receivables	6.620	5.111	07/15/2004	23	23	23
Ford Credit Auto Owner Trust	6.770	3.829	10/15/2004	1,300	1,309	1,326
Daimler Chrysler Auto Trust	6.110	4.951	11/08/2004	379	379	381
Ford Credit Auto Owner Trust	6.580	3.413	11/15/2004	200	202	203
Nissan Auto Receivables Owner	7.270	3.768	11/15/2004	79	79	80
Onyx Acceptance Auto Trust	7.000	7.707	11/15/2004	342	341	342
Daimler Chrysler Auto Trust	7.230	4.791	01/06/2005	272	274	278
World Omni Auto Rec Trust	5.300	5.080	02/20/2005	207	207	208
Ford Credit Auto Owner Trust	5.360	4.608	06/15/2005	924	929	950
Onyx Acceptance Auto Trust	4.650	4.703	06/15/2005	875	875	880
USAA Auto Owner Trust	6.980	4.029	06/15/2005	108	109	110
Capital One Auto Finance Trust	4.830	4.881	09/15/2005	2,613	2,612	2,652
MBNA Master Credit Card Trust	5.250	5.231	02/15/2006	649	649	655
Daimler Chrysler Auto Trust	5.400	4.322	03/06/2006	635	643	658
Americredit Automobile Rec	5.960	7.044	03/12/2006	216	215	216
Household Automotive Trust	6.650	5.075	04/17/2006	459	463	464
BMW Vehicle Owner Trust	5.110	4.516	05/25/2006	150	151	155
Union Acceptance Corp	5.870	5.003	09/08/2006	727	732	733
Americredit Automobile Rec	4.230	4.271	10/06/2006	1,670	1,670	1,724
Nissan Auto Rec Owner Trust	5.350	4.097	10/15/2006	695	703	719
American Express Master Trust	5.600	4.383	11/15/2006	250	252	259
Discover Card Master Trust I	5.300	4.769	11/15/2006	150	151	155
Americredit Automobile Rec	7.290	4.563	12/12/2006	1,250	1,276	1,281
Capital Auto Rec Asset Trust	5.000	4.131	12/15/2006	150	151	155
Peoplefirst.com Auto Rec	7.405	5.634	12/15/2006	743	752	745
Capital One Master Trust	5.430	3.418	01/15/2007	107	108	109
Chase Credit Card Master Trust	6.660	4.472	01/15/2007	405	416	428
MBNA Master Credit Card Trust	6.550	3.905	01/15/2007	220	226	233
Daimler Chrysler Auto Trust	3.780	5.059	02/06/2007	100	98	104
Capital Auto Rec Asset Trust	1.440	1.452	02/15/2007	5,000	4,999	4,991
Nissan Auto Rec Owner Trust	4.800	4.168	02/15/2007	300	303	313

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*			
Toyota Auto Rec Owner Trust	6.800	4.935	04/15/2007	775	782	793			
Toyota Auto Rec Owner Trust	7.210	4.584	04/15/2007	706	716	724			
Household Automotive Trust	7.430	5.931	04/17/2007	2,307	2,349	2,406			
Household Automotive Trust	7.160	4.149	05/17/2007	500	513	524			
Chase Manhattan Auto Owner Tr	6.260	4.470	06/15/2007	295	300	304			
Mellon Auto Grantor Trust	6.390	4.953	07/15/2007	44	45	46			
World Omni Auto Rec Trust	5.510	4.453	07/20/2007	225	228	232			
WFS Financial Owner Trust	7.410	4.451	09/20/2007	199	203	206			
Chase Manhattan Auto Owner Tr	5.070	4.744	02/15/2008	140	141	146			
Capital One Auto Finance Trust	5.400	4.658	05/15/2008	600	607	635			
Harley-Davidson Eaglemark	7.180	4.216	05/15/2008	1,547	1,573	1,603			
Onyx Acceptance Auto Trust	5.230	4.398	05/15/2008	1,035	1,050	1,082			
Americredit Automobile Rec	5.370	4.896	06/12/2008	475	481	494			
Sears Credit Acc Master Trust	5.250	3.646	10/16/2008	100	101	102			
Sears Credit Acc Master Trust	5.650	4.127	03/17/2009	1,138	1,152	1,178			
Sears Credit Acc Master Trust	6.450	4.350	11/17/2009	360	371	384			
Green Tree Recreational	6.840	5.813	03/15/2010	959	977	977			
Mellon Residential Funding	5.945	4.482	02/25/2011	155	156	156			
Vanderbilt Mortgage Finance	6.280	4.765	03/07/2013	50	50	50			
Vanderbilt Mortgage Finance	6.080	5.016	12/07/2015	100	101	105			
Oakwood Mortgage Investors Inc	7.765	5.463	05/15/2017	218	222	224			
UCFC Home Equity Loan	6.490	4.311	04/15/2024	489	491	497			
Home Loan Trust RFC	8.050	5.813	08/25/2025	115	116	117			
Residential Funding Mort Sec	7.210	5.246	12/25/2025	124	126	129			
Green Tree Home Equity Loan Tr	7.120	4.492	07/15/2030	138	141	141			
Total Corporate Asset Backed Issues					34,524	35,021			
Total Corporate Issues					27.8%	102,581	105,788		
Short-term Issues									
Merrill Lynch Premier Institutional Money Market Fund		1.059		6,651,113	6,651	6,651			
Total Short-term Issues					1.8%	6,651	6,651		
Total Enhanced Yield					\$	368,434	\$	379,347	
Loss Amortization									
U. S. Treasury Issues									
U. S. Treasury Strip - Int	0.000 %	8.077 %	02/15/2005	\$	22,000	\$	19,348	\$	21,605
U. S. Treasury Strip - Int	0.000	9.237	08/15/2005		31,000		25,594		30,147
U. S. Treasury Strip - Int	0.000	9.228	02/15/2010		20,000		11,005		16,272
U. S. Treasury Strip - Int	0.000	8.474	11/15/2011		80,300		40,081		60,011
Total U. S. Treasury Issues					90.3%	96,028	128,035		

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
<i>U. S. Government Agency Issues</i>						
U. S. Government Agency Bonds Resolution Funding Corp	0.000	9.097	10/15/2019	30,115	7,069	13,699
Total U. S. Government Agency Bonds					7,069	13,699
Total U. S. Government Agency Issues	9.7%				7,069	13,699
Total Loss Amortization					\$ 103,097	\$ 141,734
Loans						
<i>Loans and Mortgages</i>						
Intergovernmental Loans						
Tax Reappraisal	6.340 %		06/30/2003	\$ 167	\$ 167	\$ 167
WVEDA Revolving Loan	5.030		07/31/2011	107,334	107,334	107,334
WVEDA Non-recourse Loan	3.000		06/30/2022	15,000	15,000	15,000
Total Intergovernmental Loans					122,501	122,501
FHA/VA Mortgages						
Charleston NB	7.000		05/01/2004	3	3	3
Charleston NB	8.000		04/01/2007	42	42	42
Charleston NB	8.500		03/01/2008	132	132	132
Charleston NB	8.750		10/01/2006	6	6	6
Charleston NB	9.000		02/01/2006	7	7	7
Charleston NB	9.500		09/01/2008	26	26	26
Huntington	8.000		04/01/2007	6	6	6
Huntington	8.250		02/01/2004	2	2	2
Huntington	8.500		01/01/2008	35	35	35
Huntington	9.000		01/01/2006	7	7	7
Huntington	9.500		11/01/2003	4	4	4
Kissell	7.000		10/01/2003	1	1	1
Kissell	7.750		12/01/2003	1	1	1
Kissell	8.000		09/01/2007	85	85	85
Kissell	8.250		06/01/2004	6	6	6
Kissell	8.500		01/01/2008	120	120	120
Kissell	9.000		03/01/2006	8	8	8
Kissell	9.500		11/01/2004	2	2	2
OVB Mortgages	7.750		10/01/2003	1	1	1
OVB Mortgages	8.000		07/01/2007	20	20	20
OVB Mortgages	8.250		07/01/2004	3	3	3
OVB Mortgages	8.500		07/01/2008	103	103	103
OVB Mortgages	8.750		07/01/2006	12	12	12
OVB Mortgages	9.000		03/01/2006	13	13	13
OVB Mortgages	9.500		10/01/2008	18	18	18
Charleston NB	8.000		08/01/2005	37	37	37
Charleston NB	8.250		08/01/2004	8	8	8
Charleston NB	8.500		07/01/2006	11	11	11

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Charleston NB	8.750		05/01/2006	10	10	10
OVB (FFSL)	8.500		09/01/2005	9	9	9
OVB (FFSL)	9.000		11/01/2005	4	4	4
Home (Atlantic)	8.000		04/01/2007	105	105	105
Home (Atlantic)	8.250		04/01/2004	4	4	4
Home (Atlantic)	8.500		08/01/2014	174	174	174
Home (Atlantic)	8.750		05/01/2008	182	182	182
Home (Atlantic)	9.000		02/01/2006	8	8	8
Home (Atlantic)	9.500		03/01/2005	5	5	5
Home (Atlantic)	10.000		10/01/2009	13	13	13
Home (Atlantic)	10.500		10/01/2009	21	21	21
Kissell	8.500		06/01/2006	10	10	10
Mason (Peoples)	8.000		07/01/2007	3	3	3
Mason (Peoples)	8.500		12/01/2006	28	28	28
Total FHA/VA Mortgages					1,295	1,295
Total Loans and Mortgages	92.9%				123,796	123,796
Short-term Issues						
Merrill Lynch Premier Institutional Money Market Fund		1.059 %		9,495,047	9,495	9,495
Total Short-term Issues	7.1%				9,495	9,495
Total Loans					\$ 133,291	\$ 133,291

Municipal Bond Commission

U. S. Treasury Issues

State & Local Government	0.000 %	0.000 %	07/01/2003	\$ 1,167	\$ 1,167	\$ 1,167
United States Treasury Strip - Prin	0.000	6.600	08/15/2003	300	298	300
United States Treasury Strip - Int	0.000	0.080	08/15/2003	471	471	470
United States Treasury Strip - Int	0.000	5.395	08/15/2003	230	229	230
United States Treasury Note	3.630	0.250	08/31/2003	98	99	98
State & Local Government	0.000	0.000	10/01/2003	31	31	31
State & Local Government	5.560	5.560	10/01/2003	1,749	1,749	1,749
State & Local Government	5.560	5.560	10/01/2003	2,273	2,273	2,273
State & Local Government	5.560	5.560	10/01/2003	527	527	527
State & Local Government	5.560	5.560	10/01/2003	1,219	1,219	1,219
State & Local Government	5.050	5.050	10/01/2003	63	63	63
State & Local Government	5.570	5.570	10/01/2003	1,515	1,515	1,515
State & Local Government	5.680	5.680	10/01/2003	7	7	7
State & Local Government	5.670	5.670	10/01/2003	6	6	6
State & Local Government	5.560	5.560	11/01/2003	47	47	47
United States TreasuryBond	11.880	8.829	11/15/2003	5	5	5
United States Treasury Strip - Int	0.000	8.706	11/15/2003	1,166	1,129	1,162
State & Local Government	0.000	0.000	01/01/2004	50	50	50
United States Treasury Note	5.880	6.121	02/15/2004	30	30	31
United States Treasury Strip - Int	0.000	1.608	02/15/2004	6,129	6,068	6,090

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
United States Treasury Strip - Int	0.000	5.528	02/15/2004	28	27	28
United States Treasury Note	3.000	0.780	02/29/2004	33	33	33
State & Local Government	5.690	5.690	04/01/2004	611	611	611
State & Local Government	5.690	5.690	04/01/2004	957	957	957
State & Local Government	5.070	5.070	04/01/2004	3,525	3,525	3,525
State & Local Government	5.570	5.570	05/01/2004	3,278	3,278	3,278
United States TreasuryBond	12.380	7.724	05/15/2004	11	11	12
United States Treasury Strip - Int	0.000	8.340	05/15/2004	143	133	142
United States Treasury Bond	12.380	0.004	05/15/2004	676	749	743
State & Local Government	5.400	5.400	06/01/2004	1,518	1,518	1,518
State & Local Government	1.470	1.471	07/01/2004	1,215	1,215	1,215
United States Treasury Strip - Int	0.000	0.018	08/15/2004	318	318	314
United States Treasury Strip - Int	0.000	5.406	08/15/2004	38	36	38
United States Treasury Note	2.130	0.956	08/31/2004	1,838	1,863	1,861
State & Local Government	5.110	5.110	10/01/2004	33	33	33
State & Local Government	5.730	5.730	10/01/2004	4	4	4
State & Local Government	5.580	5.580	11/01/2004	39	39	39
United States TreasuryBond	11.630	8.876	11/15/2004	6	6	7
United States Treasury Strip - Int	0.000	9.057	11/15/2004	966	855	951
State & Local Government	6.260	6.260	01/01/2005	19	19	19
United States Treasury Strip - Int	0.000	0.100	02/15/2005	5,337	5,328	5,241
United States Treasury Strip - Int	0.000	5.600	02/15/2005	28	26	27
State & Local Government	5.810	5.810	04/01/2005	664	664	664
State & Local Government	5.160	5.160	04/01/2005	3,829	3,829	3,829
State & Local Government	5.590	5.590	05/01/2005	3,495	3,495	3,495
United States Treasury Strip - Int	0.000	8.133	05/15/2005	114	98	111
United States Treasury Bond	12.000	0.003	05/15/2005	759	929	911
State & Local Government	5.430	5.430	06/01/2005	1,618	1,618	1,618
State & Local Government	6.240	6.240	07/01/2005	1,270	1,270	1,270
United States Treasury Strip - Prin	0.000	0.510	08/15/2005	178	176	173
United States Treasury Strip - Int	0.000	6.238	08/15/2005	1	1	1
United States Treasury Strip - Int	0.000	5.539	08/15/2005	960	855	934
State & Local Government	5.920	5.920	10/01/2005	2	2	2
State & Local Government	5.590	5.590	11/01/2005	29	29	29
United States Treasury Strip - Int	0.000	8.426	11/15/2005	12	10	12
State & Local Government	6.250	6.250	01/01/2006	16	16	16
United States Treasury Strip - Int	0.000	0.012	02/15/2006	5,600	5,598	5,376
State & Local Government	6.010	6.010	04/01/2006	722	722	722
State & Local Government	5.580	5.580	05/01/2006	3,725	3,725	3,725
United States Treasury Strip - Int	0.000	8.166	05/15/2006	114	91	109
United States Treasury Note	6.880	0.002	05/15/2006	834	999	956
State & Local Government	6.260	6.260	07/01/2006	1,362	1,362	1,362
State & Local Government	5.570	5.570	11/01/2006	16	16	16
United States Treasury Strip - Int	0.000	8.470	11/15/2006	9	7	8
State & Local Government	6.270	6.270	01/01/2007	13	13	13
State & Local Government	5.560	5.560	05/01/2007	3,971	3,971	3,971
United States Treasury Strip - Int	0.000	7.469	05/15/2007	57	43	52
United States Treasury Note	6.630	0.001	05/15/2007	894	1,123	1,046
State & Local Government	6.280	6.280	07/01/2007	1,464	1,464	1,464
United States Treasury Strip - Int	0.000	8.816	11/15/2007	8	5	7

A - Adjustable rate security.

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

*** Denotes assets pledged for initial margin requirements on open futures contracts.*

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
State & Local Government	6.270	6.270	01/01/2008	10	10	10
United States Treasury Strip - Int	0.000	7.529	05/15/2008	59	41	52
United States Treasury Strip - Int	0.000	0.000	05/15/2008	924	924	818
State & Local Government	6.230	6.230	07/01/2008	1,571	1,571	1,571
United States Treasury Strip - Int	0.000	9.018	11/15/2008	6	4	5
State & Local Government	6.160	6.160	01/01/2009	6	6	6
United States Treasury Strip - Int	0.000	0.000	05/15/2009	927	927	784
State & Local Government	6.090	6.090	07/01/2009	1,686	1,686	1,686
United States Treasury Strip - Int	0.000	0.000	05/15/2010	932	932	749
United States Treasury Strip - Int	0.000	0.000	05/15/2011	934	934	715
United States Treasury Strip - Int	0.000	0.000	05/15/2012	938	938	679
United States Treasury Strip - Int	0.000	0.000	05/15/2013	941	941	644
United States Treasury Strip - Int	0.000	0.000	05/15/2014	963	963	621
United States Treasury Strip - Int	0.000	0.000	05/15/2015	973	973	592
United States Treasury Bond	7.250	0.001	05/15/2016	980	1,894	1,304
United States Treasury Bond	8.750	0.001	05/15/2017	1,055	2,335	1,580
United States Treasury Bond	9.130	0.001	05/15/2018	1,138	2,682	1,765
Total U. S. Treasury Issues	94.9%				87,459	83,109
U. S. Government Agency Bonds						
Resolution Funding Corp	0.000	4.988	10/15/2003	88	87	88
Resolution Funding Corp	0.000	5.058	04/15/2004	848	815	840
Resolution Funding Corp	0.000	5.098	10/15/2004	61	57	60
Resolution Funding Corp	0.000	5.128	04/15/2005	891	814	869
Resolution Funding Corp	0.000	5.178	10/15/2005	30	27	29
Resolution Funding Corp	0.000	5.328	04/15/2006	941	813	894
Total U. S. Government Agency Bonds	2.9%				2,613	2,780
Short Term Issues						
United States Treasury Bill	0.000	6.451	08/28/2003	1,741	1,723	1,723
United States Treasury Bill	0.000	5.455	09/25/2003	339	335	338
Total Short Term Issues	2.2%				2,058	2,061
Total Municipal Bond Commission					<u>\$ 92,130</u>	<u>\$ 87,950</u>
Department of Transportation						
Corporate Bonds						
Flex Repurchase Agreement	4.445 %	4.481 %	06/30/2004	\$ 34,273	<u>\$ 34,273</u>	<u>\$ 34,273</u>
Total Corporate Bonds	100.0%				<u>34,273</u>	<u>34,273</u>
Total Department of Transportation					<u>\$ 34,273</u>	<u>\$ 34,273</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

Security Name	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Lottery Defeasance						
<i>U. S. Treasury Issues</i>						
Principal Treasury Receipt	0.000 %	8.188 %	08/15/2003	\$ 130	\$ 129	\$ 130
United States Treasury Strip - Int	0.000	10.156	08/15/2003	307	303	307
Certificate Accrual Treasury	0.000	8.944	11/15/2003	142	137	141
United States Treasury Strip - Int	0.000	10.183	11/15/2003	247	238	246
United States Treasury Strip - Int	0.000	10.151	02/15/2004	425	400	422
United States Treasury Strip - Int	0.000	10.286	05/15/2004	175	160	173
Certificate Accrual Treasury	0.000	10.347	08/15/2004	15	13	15
Treasury Investment Growth	0.000	8.188	08/15/2004	130	119	128
United States Treasury Strip - Int	0.000	10.155	08/15/2004	292	261	289
US Treasury Coupon Under Book	0.000	10.377	11/15/2004	222	193	217
United States Treasury Strip - Int	0.000	8.894	11/15/2004	167	148	164
United States Treasury Strip - Int	0.000	10.151	02/15/2005	425	362	417
US Treasury Coupon Under Book	0.000	10.377	05/15/2005	175	145	170
Coupon Treasury Receipt	0.000	8.189	08/15/2005	130	110	126
United States Treasury Strip - Int	0.000	10.159	08/15/2005	307	249	299
United States Treasury Strip - Int	0.000	9.976	11/15/2005	289	229	279
United States Treasury Strip - Int	0.000	9.655	02/15/2006	90	70	86
Principal Treasury Receipt	0.000	10.556	05/15/2006	100	74	94
US Treasury Coupon Under Book	0.000	10.377	05/15/2006	110	82	104
Treasury Investment Growth	0.000	8.179	08/15/2006	130	101	122
United States Treasury Strip - Int	0.000	8.927	08/15/2006	27	21	26
United States Treasury Strip - Int	0.000	8.895	11/15/2006	167	125	157
United States Treasury Strip - Int	0.000	9.388	02/15/2007	63	45	59
Treasury Investment Growth	0.000	8.169	08/15/2007	130	93	117
United States Treasury Strip - Int	0.000	8.927	08/15/2007	27	19	25
United States Treasury Strip - Int	0.000	9.288	11/15/2007	25	17	23
Coupon Treasury Receipt	0.000	8.160	08/15/2008	130	86	113
Total U. S. Treasury Issues	100.0%				3,929	4,449
Total Lottery Defeasance					<u>\$ 3,929</u>	<u>\$ 4,449</u>
School Fund						
<i>Short-term Issues</i>						
Merrill Lynch Premier Institutional Money Market Fund		1.059 %		1,806,839	\$ 1,807	\$ 1,807
Total Short-term Issues	100.0%				1,807	1,807
Total School Fund					<u>\$ 1,807</u>	<u>\$ 1,807</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

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

June 30, 2003

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>Coupon</u>	<u>Yield</u>	<u>Maturity</u>	<u>Par Value or Shares</u>	<u>Amortized Cost</u>	<u>Fair Value*</u>
EDA Insurance						
<i>Short-term Issues</i>						
U. S. Treasury Bill	0.000 %	0.865 %	12/18/2003	\$ 460	\$ 458	\$ 458
Total Short-term Issues	100.0%				458	458
Total EDA Insurance					<u>\$ 458</u>	<u>\$ 458</u>

A - Adjustable rate security.

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

** Denotes assets pledged for initial margin requirements on open futures contracts.

Denotes assets pledged as collateral on interest rate swap contracts.

See accompanying notes to financial statements.

THIS PAGE LEFT BLANK INTENTIONALLY

West Virginia Investment Management Board

Statement of Operations

Year Ended June 30, 2003

(Dollars in thousands)

	S&P 500 Index Qualified	S&P 500 Index Nonqualified
Investment income		
Interest income	\$ -	\$ -
Dividend income	-	-
Less withholding tax	-	-
Securities lending income	-	-
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	-	-
Total investment income	-	-
Expenses		
Investment advisor fees	(12)	(1)
Trustee fees	(1)	-
Custodian bank fees	-	-
Management fees	(33)	(8)
Fiduciary bond fees	(2)	(1)
Professional service fees	(8)	(2)
Securities lending agent fees	-	-
Securities lending borrower rebates	-	-
Total expenses	(56)	(12)
Investment income (loss), net	(56)	(12)
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	(206,385)	(82,277)
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	136,359	59,480
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	(70,026)	(22,797)
Net increase (decrease) in net assets from operations	\$ (70,082)	\$ (22,809)

See accompanying notes to financial statements.

	Large Cap Domestic	Non-Large Cap Domestic	International Qualified	International Nonqualified
\$	-	\$ -	\$ -	\$ -
	18,369	52,588	-	-
	(11)	9	-	-
	285	157	-	-
	1	15	-	-
	1,006	176	-	-
	-	1	-	-
	<u>19,650</u>	<u>52,946</u>	<u>-</u>	<u>-</u>
	(617)	(3,276)	(1,143)	(416)
	(9)	(7)	(2)	(1)
	(50)	(43)	-	-
	(360)	(291)	(67)	(22)
	(1)	(3)	(1)	-
	(92)	(74)	(17)	(6)
	(4)	(63)	-	-
	(227)	128	-	-
	<u>(1,360)</u>	<u>(3,629)</u>	<u>(1,230)</u>	<u>(445)</u>
	18,290	49,317	(1,230)	(445)
	(85,144)	(16,701)	262	6,326
	-	-	-	-
	130,210	(27,648)	5,994	(6,813)
	-	-	-	-
	<u>45,066</u>	<u>(44,349)</u>	<u>6,256</u>	<u>(487)</u>
\$	<u><u>63,356</u></u>	<u><u>4,968</u></u>	<u><u>5,026</u></u>	<u><u>(932)</u></u>

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2003

(Dollars in thousands)

	International Equity	Short-Term Fixed Income
Investment income		
Interest income	\$ 612	\$ 881
Dividend income	13,773	2,406
Less withholding tax	(1,057)	-
Securities lending income	857	-
Shareholder litigation proceeds	-	-
Commission recapture	154	-
Net accretion (amortization)	-	349
Total investment income	14,339	3,636
Expenses		
Investment advisor fees	(2,151)	(292)
Trustee fees	(5)	(1)
Custodian bank fees	(209)	(3)
Management fees	(197)	(36)
Fiduciary bond fees	(2)	-
Professional service fees	(50)	(9)
Securities lending agent fees	(183)	-
Securities lending borrower rebates	81	-
Total expenses	(2,716)	(341)
Investment income (loss), net	11,623	3,295
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	(135,706)	70
Foreign currency transactions	54,691	-
Net increase (decrease) in the fair value of:		
Investments	53,550	(42)
Translation of assets and liabilities in foreign currencies	(9,283)	-
Net gain (loss) from investments and foreign currency	(36,748)	28
Net increase (decrease) in net assets from operations	\$ (25,125)	\$ 3,323

See accompanying notes to financial statements.

<u>Fixed Income</u>	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 49,249	\$ -	\$ -
2,532	-	-
-	-	-
6,215	-	-
-	-	-
-	-	-
3,901	-	-
<u>61,897</u>	<u>-</u>	<u>-</u>
(2,213)	(57)	(24)
(11)	(3)	(2)
(12)	-	-
(441)	(142)	(65)
(5)	(2)	(1)
(112)	(36)	(16)
(158)	-	-
(5,369)	-	-
<u>(8,321)</u>	<u>(240)</u>	<u>(108)</u>
53,576	(240)	(108)
46,798	53,458	22,743
-	-	-
108,857	1,943	1,634
-	-	-
<u>155,655</u>	<u>55,401</u>	<u>24,377</u>
<u>\$ 209,231</u>	<u>\$ 55,161</u>	<u>\$ 24,269</u>

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2003

(Dollars in thousands)

	Cash Liquidity	Government Money Market
Investment income		
Interest income	\$ 10,749	\$ 629
Dividend income	8,293	443
Less withholding tax	-	-
Securities lending income	2,463	612
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	(1,582)	1,305
Total investment income	19,923	2,989
Expenses		
Investment advisor fees	(444)	(53)
Trustee fees	(8)	(2)
Custodian bank fees	(7)	(7)
Management fees	(458)	(91)
Fiduciary bond fees	(4)	(1)
Professional service fees	(83)	(16)
Securities lending agent fees	(65)	(17)
Securities lending borrower rebates	(2,160)	(538)
Total expenses	(3,229)	(725)
Investment income (loss), net	16,694	2,264
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	150	75
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	-	-
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	150	75
Net increase (decrease) in net assets from operations	\$ 16,844	\$ 2,339

See accompanying notes to financial statements.

<u>Enhanced Yield</u>	<u>Loss Amortization</u>	<u>Loans</u>
\$ 18,461	\$ -	\$ 5,333
141	-	132
-	-	-
2,801	-	-
-	-	-
-	-	-
(3,772)	8,426	-
<u>17,631</u>	<u>8,426</u>	<u>5,465</u>
(236)	-	-
(3)	-	(1)
(9)	-	-
(149)	-	(48)
(1)	-	-
(27)	-	(9)
(69)	-	-
(2,452)	-	-
<u>(2,946)</u>	<u>-</u>	<u>(58)</u>
<u>14,685</u>	<u>8,426</u>	<u>5,407</u>
680	-	4
-	-	-
3,411	11,355	-
-	-	-
<u>4,091</u>	<u>11,355</u>	<u>4</u>
<u>\$ 18,776</u>	<u>\$ 19,781</u>	<u>\$ 5,411</u>

West Virginia Investment Management Board
Statement of Operations (Continued)
Year Ended June 30, 2003
(Dollars in thousands)

	Municipal Bond Commission	Department of Transportation
Investment income		
Interest income	\$ 3,505	\$ 2,566
Dividend income	-	-
Less withholding tax	-	-
Securities lending income	-	-
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	279	-
Total investment income	3,784	2,566
Expenses		
Investment advisor fees	-	-
Trustee fees	-	-
Custodian bank fees	-	-
Management fees	(22)	(12)
Fiduciary bond fees	-	-
Professional service fees	-	-
Securities lending agent fees	-	-
Securities lending borrower rebates	-	-
Total expenses	(22)	(12)
Investment income (loss), net	3,762	2,554
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	-	-
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	-	-
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	-	-
Net increase (decrease) in net assets from operations	\$ 3,762	\$ 2,554

See accompanying notes to financial statements.

<u>Lottery Defeasance</u>	<u>School Fund</u>	<u>EDA Insurance</u>
\$ -	\$ -	\$ -
-	25	-
-	-	-
-	-	-
-	-	-
414	-	7
<u>414</u>	<u>25</u>	<u>7</u>
-	-	-
-	-	-
-	-	-
(1)	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>(1)</u>	<u>-</u>	<u>-</u>
<u>413</u>	<u>25</u>	<u>7</u>
-	-	-
-	-	-
(119)	-	-
-	-	-
<u>(119)</u>	<u>-</u>	<u>-</u>
<u>\$ 294</u>	<u>\$ 25</u>	<u>\$ 7</u>

West Virginia Investment Management Board

Statement of Changes in Net Assets

Year Ended June 30, 2003

(Dollars in thousands, except for Unit Transactions)

	S&P 500 Index Qualified	S&P 500 Index Nonqualified
Operations		
Investment income (loss), net	\$ (56)	\$ (12)
Net realized gain (loss) from investments	(206,385)	(82,277)
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	136,359	59,480
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	(70,082)	(22,809)
Distributions to unitholders		
Investment income, net	-	-
Net realized gain on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	8,193	-
Reinvestment of distributions	-	-
	8,193	-
Amount paid for repurchase of units	(688,512)	(225,556)
Net increase (decrease) in net assets from fund unit transactions	(680,319)	(225,556)
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	(750,401)	(248,365)
Net assets, beginning of period	750,401	248,365
Net assets, end of period	\$ -	\$ -
Fund unit transactions		
Units sold	789,556	-
Units issued from reinvestment of distributions	-	-
	789,556	-
Units repurchased	(73,086,962)	(23,611,429)
Net increase (decrease) in fund units	(72,297,406)	(23,611,429)

See accompanying notes to financial statements.

	Large Cap Domestic	Non-Large Cap Domestic	International Qualified	International Nonqualified
\$	18,290	\$ 49,317	\$ (1,230)	\$ (445)
	(85,144)	(16,701)	262	6,326
	-	-	-	-
	130,210	(27,648)	5,994	(6,813)
	-	-	-	-
	<u>63,356</u>	<u>4,968</u>	<u>5,026</u>	<u>(932)</u>
	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	-	-	-	-
	958,595	220,408	19,816	15,893
	-	-	-	-
	<u>958,595</u>	<u>220,408</u>	<u>19,816</u>	<u>15,893</u>
	(224,195)	(140,996)	(3,034)	(38,546)
	<u>734,400</u>	<u>79,412</u>	<u>16,782</u>	<u>(22,653)</u>
	-	-	-	-
	<u>797,756</u>	<u>84,380</u>	<u>21,808</u>	<u>(23,585)</u>
	343,680	828,679	204,397	67,691
	<u>1,141,436</u>	<u>913,059</u>	<u>226,205</u>	<u>44,106</u>
	127,242,051	21,293,756	1,411,615	1,019,027
	-	-	-	-
	<u>127,242,051</u>	<u>21,293,756</u>	<u>1,411,615</u>	<u>1,019,027</u>
	(29,307,623)	(12,749,608)	(210,378)	(2,410,643)
	<u>97,934,428</u>	<u>8,544,148</u>	<u>1,201,237</u>	<u>(1,391,616)</u>

West Virginia Investment Management Board
Statement of Changes in Net Assets (Continued)

Year Ended June 30, 2003

(Dollars in thousands, except for Unit Transactions)

	International Equity	Short-Term Fixed Income
Operations		
Investment income (loss), net	\$ 11,623	\$ 3,295
Net realized gain (loss) from investments	(135,706)	70
Net realized gain from foreign currency transactions	54,691	-
Net increase (decrease) in the fair value of investments	53,550	(42)
Net increase in the translation of assets and liabilities in foreign currencies	(9,283)	-
Net increase (decrease) in net assets from operations	(25,125)	3,323
Distributions to unitholders		
Investment income, net	-	(3,605)
Net realized gain on investments	-	(472)
Total distributions	-	(4,077)
Fund unit transactions		
Proceeds from sale of units	213,582	1,687,874
Reinvestment of distributions	-	4,076
	213,582	1,691,950
Amount paid for repurchase of units	(111,435)	(1,407,175)
Net increase (decrease) in net assets from fund unit transactions	102,147	284,775
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	77,022	284,021
Net assets, beginning of period	521,513	178,998
Net assets, end of period	\$ 598,535	\$ 463,019
Fund unit transactions		
Units sold	23,561,632	1,687,874,268
Units issued from reinvestment of distributions	-	4,075,575
	23,561,632	1,691,949,843
Units repurchased	(12,219,291)	(1,407,175,083)
Net increase (decrease) in fund units	11,342,341	284,774,760

See accompanying notes to financial statements.

<u>Fixed Income</u>	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 53,576	\$ (240)	\$ (108)
46,798	53,458	22,743
-	-	-
108,857	1,943	1,634
-	-	-
<u>209,231</u>	<u>55,161</u>	<u>24,269</u>
(54,940)	-	-
-	-	-
<u>(54,940)</u>	<u>-</u>	<u>-</u>
278,470	41,267	29,842
54,940	-	-
<u>333,410</u>	<u>41,267</u>	<u>29,842</u>
(274,474)	(316,606)	(179,095)
<u>58,936</u>	<u>(275,339)</u>	<u>(149,253)</u>
-	-	-
-	-	-
<u>213,227</u>	<u>(220,178)</u>	<u>(124,984)</u>
1,190,271	664,314	275,203
<u>\$ 1,403,498</u>	<u>\$ 444,136</u>	<u>\$ 150,219</u>
25,473,703	3,062,449	2,264,114
4,927,955	-	-
30,401,658	3,062,449	2,264,114
(23,997,381)	(25,334,054)	(13,833,490)
<u>6,404,277</u>	<u>(22,271,605)</u>	<u>(11,569,376)</u>

West Virginia Investment Management Board
Statement of Changes in Net Assets (Continued)

Year Ended June 30, 2003

(Dollars in thousands, except for Unit Transactions)

	Cash Liquidity	Government Money Market
Operations		
Investment income (loss), net	\$ 16,694	\$ 2,264
Net realized gain (loss) from investments	150	75
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	16,844	2,339
Distributions to unitholders		
Investment income, net	(16,693)	(2,267)
Net realized gain on investments	(148)	(85)
Total distributions	(16,841)	(2,352)
Fund unit transactions		
Proceeds from sale of units	6,304,921	371,946
Reinvestment of distributions	16,841	2,352
	6,321,762	374,298
Amount paid for repurchase of units	(6,366,055)	(381,548)
Net increase (decrease) in net assets from fund unit transactions	(44,293)	(7,250)
Contributions		
Withdrawals		
Increase (decrease) in net assets	(44,290)	(7,263)
Net assets, beginning of period	1,065,376	145,235
Net assets, end of period	\$ 1,021,086	\$ 137,972
Fund unit transactions		
Units sold	6,304,920,513	371,945,546
Units issued from reinvestment of distributions	16,840,187	2,351,156
	6,321,760,700	374,296,702
Units repurchased	(6,366,054,680)	(381,547,768)
Net increase (decrease) in fund units	(44,293,980)	(7,251,066)

See accompanying notes to financial statements.

<u>Enhanced Yield</u>	<u>Loss Amortization</u>	<u>Loans</u>
\$ 14,685	\$ 8,426	\$ 5,407
680	-	4
-	-	-
3,411	11,355	-
-	-	-
<u>18,776</u>	<u>19,781</u>	<u>5,411</u>
(14,783)	-	(5,433)
(680)	-	(4)
<u>(15,463)</u>	<u>-</u>	<u>(5,437)</u>
68,202	-	16,000
<u>15,463</u>	<u>-</u>	<u>5,437</u>
83,665	-	21,437
<u>(40,580)</u>	<u>-</u>	<u>(5,972)</u>
<u>43,085</u>	<u>-</u>	<u>15,465</u>
-	-	-
<u>46,398</u>	<u>19,781</u>	<u>15,439</u>
336,669	121,953	118,329
<u>\$ 383,067</u>	<u>\$ 141,734</u>	<u>\$ 133,768</u>
654,884	-	16,000,000
<u>148,514</u>	<u>-</u>	<u>5,437,502</u>
803,398	-	21,437,502
<u>(390,718)</u>	<u>-</u>	<u>(5,973,201)</u>
<u>412,680</u>	<u>-</u>	<u>15,464,301</u>

West Virginia Investment Management Board
Statement of Changes in Net Assets (Continued)

Year Ended June 30, 2003

(Dollars in thousands, except for Unit Transactions)

	<u>Municipal Bond Commission</u>	<u>Department of Transportation</u>
Operations		
Investment income (loss), net	\$ 3,762	\$ 2,554
Net realized gain (loss) from investments	-	-
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase (decrease) in net assets from operations	3,762	2,554
Distributions to unitholders		
Investment income, net	-	-
Net realized gain on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	-	-
Reinvestment of distributions	-	-
Amount paid for repurchase of units	-	-
Net increase (decrease) in net assets from fund unit transactions	-	-
Contributions	17,841	-
Withdrawals	(47,104)	(57,161)
Increase (decrease) in net assets	(25,501)	(54,607)
Net assets, beginning of period	118,343	89,007
Net assets, end of period	\$ 92,842	\$ 34,400

See accompanying notes to financial statements.

<u>Lottery Defeasance</u>	<u>School Fund</u>	<u>EDA Insurance</u>
\$ 413	\$ 25	\$ 7
-	-	-
-	-	-
(119)	-	-
-	-	-
<u>294</u>	<u>25</u>	<u>7</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
-	789	-
(1,426)	(460)	(5)
(1,132)	354	2
<u>5,581</u>	<u>1,453</u>	<u>456</u>
<u>\$ 4,449</u>	<u>\$ 1,807</u>	<u>\$ 458</u>

THIS PAGE LEFT BLANK INTENTIONALLY

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 and investment management services to designated State pension funds, the State's Workers Compensation and Pneumoconiosis funds, the State's operating funds, and other State and local government funds.

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 Investment Management Board operates on a fiscal year that begins July 1 and ends June 30.

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

A brief description of the individual pools follows:

S&P 500 Index Qualified - The objective of this pool was to provide a passive equity index management style. Funds in this pool were invested in the State Street Global Advisors' S&P 500 Flagship NL 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*) invested in this pool. This pool was closed on October 3, 2002.

S&P 500 Index Nonqualified - The objective of this pool was to provide a passive equity index management style. Funds in this pool were invested in the State Street Global Advisors' S&P 500 Common Trust Fund pool which invests in common stocks of those companies listed in the Standard & Poors 500 Index. This pool existed for participants who were not "qualified" (as defined by the *Internal Revenue Code*). This pool was closed on September 5, 2002.

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 State Street Global Advisors.

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 managed by Aronson + Johnson + Ortiz, Brandywine Asset Management, Wellington Management Company, and Westfield Capital Management.

International Qualified - Funds of this pool are invested in Silchester International Investors' Value Equity Group Trust. This pool is expected to produce investment returns that exceed the Morgan Stanley Capital International's Europe Australasia Far East (free) (EAFE) Index by 200 basis points on an annualized basis over rolling three- to five-year periods, net of fees. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in this pool.

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

International Equity - This pool invests in the equities of international companies. This pool is co-managed by Mastholm Asset Management 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 All CountryWorld Free Ex US Index over rolling three- to five-year periods, net of fees.

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. Bank One Investment Advisors 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, but not at the expense of total return. This pool is co-managed on an active basis by Hoisington Investment Management Company and Western Asset Management Company.

Fixed Income Qualified - The main objective of this core bond pool is to generate investment income, provide stability and diversification, but not at the expense of total return. Barclays Global Investors manages funds for this passive corporate and mortgage domestic fixed income pool. Only "qualified participants" (as defined by the *Internal Revenue Code*) may invest in this pool.

Fixed Income Nonqualified - The main objective of this core bond pool is to generate investment income, provide stability and diversification, but not at the expense of total return. Barclays Global Investors manages funds for this passive corporate and mortgage domestic fixed income pool. This pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

NOTE 1. DESCRIPTION OF ENTITY (Continued)

The Consolidated Fund is a statutory term for the collective investment of those monies currently needed to fund state governmental operations, participation by local governments, or those monies that are required by other statutory provisions to be invested in the Consolidated Fund. The following five investment pools are established for the Consolidated Fund.

Cash Liquidity - This pool consists of the operating funds of the State, funds held in trust by State agencies, and funds from local governments who desire the opportunity to invest with the State. Its purpose is to provide for the investment of all surplus funds and supply the daily cash needs of the State. The pool is co-managed by Bank One Investment Advisors and UBS Global Asset Management.

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, money market funds that are limited to holding U. S. Government and Agency Obligations, or repurchase agreements. The pool is managed by UBS Global Asset Management.

Enhanced Yield - This pool consists of the operating funds of the State that are not immediately needed to fund the State's liquidity requirements. The pool is managed by Mellon Bond Associates.

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 Investment Management Board serves in a custodial capacity and has no discretion over the investment decisions for these pools.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Investment Management Board conform to accounting principles generally accepted in the United States of America. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

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 Short-Term Fixed Income, 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. Futures and option contracts are valued at the last settlement price established each day by the exchange on which they are traded. Investments in commingled investment pools are valued at the reported unit values of the individual funds. Commissions on the purchases of securities by the Investment Management Board are a component of the security price quoted by the seller and 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 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.

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

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

The Investment Management Board isolates that portion of the results of operations resulting from changes in foreign exchange rates on investments from the fluctuations arising from market prices of securities held.

Reported net realized foreign exchange gains and losses arise from sales of portfolio securities, sales and maturities of short-term securities, sales of foreign currencies, currency gains and losses realized between the trade and settlement dates on securities transactions, and the difference between the amounts of dividends, interest, and foreign withholding taxes recorded and the United States dollar equivalent of the amounts actually received or paid. Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities including investments in securities at month end, resulting from changes in the exchange rate.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Option Contracts - The Investment Management Board may purchase or write equity, bond, currency, or index option contracts that have recognized liquidity and are actively traded on major exchanges or are executed with major dealers. These option contracts give the purchaser of the contract the right to buy (call) or sell (put) the security, or settle cash for an index option, underlying the contract at an agreed upon price (strike price) during or at the conclusion of a specified period of time.

Premiums paid upon the purchase of an option contract are recorded as an asset and subsequently adjusted to market value. Upon exercising a purchased option, a gain is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, less premiums paid. If the option expires unexercised, a loss is recognized in the amount of the premiums paid for the option.

Premiums received when option contracts are written are recorded as a liability and subsequently adjusted to market value. If a written option contract expires unexercised, a gain is recorded equal to the amount of the premiums received. The difference between the premiums received and the amount paid to effect a closing transaction is also recorded as a gain or loss. When a written option is exercised, a loss is recorded equal to the difference between the market value of the underlying instrument and the strike price of the option, less premiums received.

One of the Investment Management Board's fixed income managers uses written option contracts to enhance investment returns and reduce portfolio convexity when implied volatility is high. Purchased option contracts are used to increase portfolio convexity when implied volatility is low, to implement certain yield curve strategies, or to hedge sector exposure.

When writing put options, there is risk that a loss may be incurred if the market price of the underlying instruments decreases and the option is exercised. This loss is determined by market conditions and cannot be specifically limited. The risk associated with writing call options is the loss of potential profit if the market price of the security increases and the option is exercised. Purchased put or call options bear the risk of loss of the premium paid if market conditions are not favorable to exercise the option. There may also be risk that the value of the option contract doesn't correlate perfectly with movements of the underlying instrument due to certain market distortions. To limit its exposure to these risks, the Investment Management Board has established limits on the value and use of option contracts.

The Investment Management Board limits its exposure to credit by only buying or selling options traded on major exchanges, or executed with major dealers. There is a risk of the inability to enter into a closing transaction if a liquid secondary market does not exist. The Investment Management Board maintains sufficient levels of cash or cash equivalents to meet cash flow obligations.

Security Loans - The Investment Management Board through its agent, Mellon Bank, loans securities to various brokers on a temporary basis. Each transaction for U.S. securities is secured by initial collateral of at least 102% of the market value of the securities loaned. For international securities, the collateral is at least 105% of the market value of the securities on loan. Cash collateral received is invested in the Mellon GSL DBT II Collateral Fund. The Investment Management Board receives a portion of the income from the investment of the collateral. The Investment Management Board also continues to receive interest or dividends on the securities loaned. Gains or losses in the fair value of the securities loaned that may occur during the term of the loans are reflected in the various investment pools.

Futures Contracts - A futures contract is an agreement between a buyer or a seller and the clearinghouse of a futures exchange in which the parties agree to buy or sell a commodity, financial instrument or index at a specified future date and price. The Investment Management Board invests in financial futures contracts in the Fixed Income Pool and the Russell 2000 index futures in the Non-Large Cap Domestic Equity Pool. Upon entering into a financial futures contract, the Investment Management Board is required to pledge to the broker an amount of cash, U.S. government securities, or other assets, equal to a certain percentage of the contract amount (initial margin deposit). Cash (variation margin) is received from or paid to the broker each day for the daily fluctuations of the underlying securities or index. The Investment Management Board records the cash received or paid for the variation margin as a realized gain or loss.

Interest rate futures may be used to enhance portfolio yields, to hedge an existing position, or as an alternative investment of cash. Stock index futures may be used to provide immediate exposure to fluctuations in the market exposure of the stocks in the underlying index and to provide liquidity for cash flows.

The market risk associated with holding interest rate and stock index futures results from changes in the market value of the contractual positions due to changes in the value of the underlying instruments or indices. Hedging risk associated with these futures contracts arises because the value of the futures contracts may not correlate perfectly with changes in the values of the underlying instruments or indices due to market distortions. The Investment Management Board limits its exposure to these risks by establishing and monitoring limits on the type and total value of futures contracts that may be held.

Other risks associated with futures contracts are liquidity risk and credit risk. Liquidity risk arises when there is insufficient trading in a particular futures contract. Credit risk arises from the potential inability of counterparties to meet the terms of the contracts. The Investment Management Board requires its managers to only utilize futures contracts that are traded on major exchanges or are executed with major dealers. The major exchanges assume the risk that a counterparty will not settle and generally require an initial margin deposit of cash or securities.

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 relative 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.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest Rate Swaps - Interest rate swaps represent an agreement between counterparties to exchange cash flows based on the difference between two interest rates, applied to a notional principal amount for a specified period. Interest rate swaps do not involve the exchange of principal between the parties. Interest is paid or received periodically.

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. The portfolios invest in these securities to enhance yields on investments. Changes in market interest rates affect the cash flows of these securities and may result in changes in fair value. The overall return or yield on these securities depends on the changes in the interest and principal payment pattern and market value of the underlying assets.

Investment Transactions - Investment transactions are accounted for on a trade date basis.

Use of Estimates - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 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, with one exception, is recognized as earned on the accrual method. Interest income on the WVEDA Non-recourse Loan held in the Loan pool is accounted for on the cash received method. Refer to Note 3 for details of this loan and the effects of using the collection method.

Dividend Income - Dividend income is recognized on the 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 mortgage-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.

Allowance for Loan Losses - The allowance for loan losses is available to absorb future loan losses. The allowance is increased by provisions charged against operations and reduced by charge-offs (losses), net of recoveries. The provision is based on several factors including: analytical reviews of loan loss experience in relationship to outstanding loans; a continuing review of problem loans and overall portfolio quality, including analysis of the quality of the underlying collateral; and management's judgment on the impact of current and expected economic conditions on the portfolio. In management's opinion no allowance for loan loss is needed at June 30, 2003.

Distributions to Participants - The monthly net income of the Fixed Income and the Enhanced Yield pools are declared as dividends 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 pools 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 Short-Term Fixed Income, the Cash Liquidity, and the Government Money Market pools are declared as dividends and distributed daily to the participants based upon their pro rata participation in the pools. 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 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.

Expenses - The Investment Management Board's Trustees adopt an annual budget and fee schedule for services to be provided to the respective investment pools. Each investment portfolio is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the investment portfolios based on asset size. Certain investment portfolios cannot be charged expenses or must be charged a reduced expense. The Investment Management Board pays all expenses on behalf of the pools.

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

NOTE 3. RELATED PARTY TRANSACTIONS

The Investment Management Board is required by law to enter into certain investment transactions with other state entities. At June 30, 2003, the Investment Management Board's intergovernmental investments included:

1. The "Tax reappraisal loan" represents an obligation of the West Virginia Property Valuation Training and Procedures Commission. The original loan was \$5,701,896.26 and was used to fund property reappraisals by various counties. This loan's interest rate may be renegotiated every three years until repaid. The outstanding principal balance and accrued interest at June 30, 2003 was \$168,238. This was paid off on July 1, 2003 with the issuance of a new note that bears interest at 1.69%.

2. The "WVEDA Revolving loan" is an obligation of the West Virginia Economic Development Authority (WVEDA). The terms of this loan program provide for the Investment Management Board to make available on a revolving basis up to \$150,000,000 for the WVEDA to use to fund economic development initiatives. The interest rate is reset on July 1 of each year and is based on the twelve month return of the Cash Liquidity pool. The rate at June 30, 2003 was 5.03%. The rate has a 1% annual adjustment cap. The WVEDA makes monthly principal and interest payments calculated on a one hundred twenty month amortization of the outstanding balance. At June 30, 2003 the outstanding balance was \$107,334,000.

3. The "WVEDA Non-recourse loan" represents an obligation of the WVEDA. This loan was entered into on April 9, 2002. The terms of this loan allow for the WVEDA to borrow through June 29, 2012, up to \$25,000,000 from the Investment Management Board. The funds borrowed by the WVEDA are to be loaned, without recourse, to the West Virginia Enterprise Advancement Corporation, (WVEAC), for investment in the West Virginia Enterprise Capital Fund, to fund certain venture capital initiatives. The loan earns interest at 3% which is fixed for the term of the loan. The WVEDA is required to make annual principal payments of \$10,000 plus accrued interest for the first ten years. However, in the event the WVEDA has not received any returns from their investment with the WVEAC, these payments may be deferred during the first ten years. Beginning June 30, 2013, the WVEDA is expected to make principal and interest payments sufficient to repay all outstanding principal and accrued interest in full by June 30, 2022. At June 30, 2003, \$15,000,000 of principal is outstanding.

Due to the uncertain collectibility of the interest on this loan, the Investment Management Board has elected in fiscal year 2003 to use the cash received method of income recognition for this loan. Under this method, income is recognized when it is collected. As of June 30, 2002, \$97,398 of interest income had been accrued. During the fiscal year ended June 30, 2003, \$29,632 of interest accrued in the prior year was received. The effect of the accounting change for recognizing income on this loan was to reverse \$67,766 of prior years income through the current year Statement of Operations.

The following progression details the amount of interest that has not been recognized as income and the expected receipt of which has been deferred in accordance with the provisions of the loan.

Fiscal year 2002 interest deferred	\$ 67,766
Fiscal year 2003 interest deferred	451,232
Total interest deferred	<u>\$ 518,998</u>

NOTE 4. SECURITIES LENDING

At June 30, 2003, the fair value of securities on loan and the collateral held by the pools of the Investment Management Board are as follows. Of the collateral held, \$849,686,222 was received as cash. The cash collateral is invested in the Mellon GSL DBT II Collateral Fund and is reported on the Statement of Assets and Liabilities. Other forms of collateral include letters of credit and U. S. Government obligations held by third party custodians.

	Fair Value of Securities on Loan	Collateral Held
Non-Large Cap Domestic	\$ 20,256,267	\$ 21,582,636
Large Cap Domestic	35,234,224	36,757,735
International Equity	57,490,086	60,448,987
Fixed Income	356,943,135	364,901,347
Cash Liquidity	171,418,018	174,884,575
Government Money Market	25,025,045	25,552,500
Enhanced Yield	<u>199,181,367</u>	<u>203,129,281</u>
Investment Management Board Total	<u>\$ 865,548,142</u>	<u>\$ 887,257,060</u>

NOTE 5. SWAPS

At June 30, 2003, the Fixed Income pool held the following interest rate swaps:

Counterparty	Face Value	Maturity Date	Interest Rate		Net Interest Receivable (Payable)
			Receiving	Paying	
JP Morgan Chase & Company	\$ 21,000,000	12/05/2012	1.339%	4.680%	\$ (51,627)
Goldman Sachs	<u>18,000,000</u>	12/04/2012	1.340%	4.680%	<u>(45,873)</u>
	<u>\$ 39,000,000</u>				<u>\$ (97,500)</u>

NOTE 6. FUTURES CONTRACTS

At June 30, 2003, open positions in futures contracts are as follows:

Expiration	Open Contracts	Position	Value Upon Entering Contract	Value at June 30, 2003	Net Unrealized Gain (Loss)
<i>Non-Large Cap Domestic Equity Pool</i>					
Sept 2003	34 S&P MidCap	Long	\$ 8,202,500	\$ 8,163,400	\$ (39,100)
Sept 2003	21 Russell 2000	Long	4,690,339	4,708,200	17,861
			<u>\$ 12,892,839</u>	<u>\$ 12,871,600</u>	<u>\$ (21,239)</u>
<i>Fixed Income Pool</i>					
Sept 2003	12 10YR Govt	Long	\$ 1,392,469	\$ 1,378,875	\$ (13,594)
Sept 2003	172 5YR T-Note	Long	20,054,047	19,801,500	(252,547)
Sept 2003	-1,132 10YR T-Note	Short	(133,910,371)	(132,939,250)	971,121
Sept 2003	862 US Treasury Bond	Long	103,267,104	101,150,313	(2,116,791)
			<u>\$ (9,196,751)</u>	<u>\$ (10,608,562)</u>	<u>\$ (1,411,811)</u>

At June 30, 2003, the Investment Management Board has pledged U. S. Treasury Bills, a FNMA Discount Note, and cash with a combined market value of \$4,810,169 to cover initial margin requirements on open futures contracts.

At June 30, 2003, the net variation margin receivable of \$189,687 represented one day's settlement on open futures contracts.

NOTE 7. OPTION CONTRACTS WRITTEN

	Puts		Calls	
	Number of Contracts	Premiums Received	Number of Contracts	Premiums Received
Options outstanding at June 30, 2002	-	\$ -	(387)	\$ (247,285)
Options written	-	-	(5,962)	(362,700)
Options closed	-	-	317	188,572
Options expired	-	-	6,032	421,413
Options outstanding at June 30, 2003	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>

NOTE 8. FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 2003, 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	Australian Dollar	7/1/2003	113,022	\$ 75,798		\$ 75,246	\$ 552
Long	Japanese Yen	7/1/2003	141,810,051	1,181,012		1,187,987	(6,975)
Long	Swedish Krona	7/1/2003	7,066,986	882,827		881,345	1,482
Short	British Pound	7/1/2003		1,736,889	1,045,072	1,724,526	12,363
Short	Euro Currency Unit	7/1/2003		1,366,342	1,194,846	1,372,101	(5,759)
Short	Japanese Yen	7/1/2003		18,631	2,245,050	18,697	(66)
Long	Australian Dollar	7/2/2003	2,108,720	1,414,213		1,403,037	11,176
Long	Euro Currency Unit	7/2/2003	2,356,438	2,706,016		2,690,699	15,317
Long	Swedish Krona	7/2/2003	17,891,532	2,235,059		2,232,173	2,886
Long	Canadian Collar	7/2/2003	1,193,066	878,062		884,690	(6,628)
Long	Japanese Yen	7/2/2003	27,980,206	233,023		233,909	(886)
Short	British Pound	7/2/2003		6,774,430	4,100,000	6,765,615	8,815
Short	Euro Currency Unit	7/2/2003		5,738,500	5,000,000	5,741,750	(3,250)
Short	Japanese Yen	7/2/2003		3,000,000	359,910,000	2,997,377	2,623
Short	Swiss Franc	7/2/2003		2,700,000	3,656,340	2,699,302	698
Short	British Pound	7/2/2003		502,246	304,894	503,121	(875)
Short	Swiss Franc	7/2/2003		5,089,066	6,873,649	5,074,489	14,577
Short	Japanese Yen	7/2/2003		58,643	7,050,600	58,719	(76)
Long	Australian Dollar	7/3/2003	1,153,920	773,877		774,789	(912)
Long	Canadian Collar	7/3/2003	920,676	677,590		679,561	(1,971)
Long	Euro Currency Unit	7/3/2003	551,011	632,753		632,819	(66)
Long	Japanese Yen	7/3/2003	54,690,933	455,473		456,008	(535)
Long	Swedish Krona	7/3/2003	5,597,658	699,275		698,974	301
Long	British Pound	7/9/2003	8,210,000	13,538,471		13,770,633	(232,162)
Short	Euro Currency Unit	7/9/2003		13,732,077	11,745,351	13,483,933	248,144
Long	Euro Currency Unit	7/9/2003	17,460,783	20,045,381		20,685,790	(640,409)
Short	British Pound	7/9/2003		20,680,000	12,500,000	20,612,775	67,225
Short	Japanese Yen	7/18/2003		6,476,684	750,000,000	6,250,510	226,174
				<u>\$ 114,302,338</u>		<u>\$ 114,590,575</u>	<u>\$ (288,237)</u>

NOTE 9. INVESTMENT TRANSACTIONS

For the year ended June 30, 2003, purchases and sales of investment securities (excluding short term securities) were \$6,321,137,824 and \$6,439,057,598 respectively, for U.S. government obligations; purchases and sales of corporate securities were \$5,250,926,483 and \$5,785,248,210.

NOTE 10. 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, 2003, by security type and level of risk category as defined by Statement No. 3 of the Governmental Accounting Standards Board are as follows:

Security Type	Category 1 (\$000's)	Category 2 (\$000's)	Category 3 (\$000's)	Carrying Value (\$000's)	Fair Value (\$000's)
U.S. Government and agency obligations	\$ 1,033,929	\$ -	\$ -	\$ 1,033,929	\$ 1,029,919
Corporate bonds	953,233	-	-	953,233	953,174
Commercial paper	258,674	-	-	258,674	258,667
Common and preferred stocks	2,248,251	-	-	2,248,251	2,248,251
Total Categorized	\$ 4,494,087	\$ -	\$ -	\$ 4,494,087	\$ 4,490,011
Uncategorized:					
Institutional mutual funds				1,147,725	1,147,725
Money market mutual funds				982,861	982,861
Security lending short term collateral pool				849,686	849,686
Interest rate swaps				(2,758)	(2,758)
Investments in loans and mortgages				123,796	123,796
Guaranteed investment contract				34,273	34,273
				\$ 7,629,670	\$ 7,625,594

Supplemental Financial Information

West Virginia Investment Management Board
Supplemental Financial Information
For the Period July 1, 2002 through June 30, 2003

	<u>S&P 500 Index Qualified</u>	<u>S&P 500 Index Nonqualified</u>	<u>Large Cap Domestic</u>	<u>Non-Large Cap Domestic</u>	<u>International Qualified</u>
Net asset value, beginning of period	\$ 10.38	\$ 10.52	\$ 8.13	\$ 12.51	\$ 15.74
Net investment income (loss)	-	-	0.14	0.67	(0.09)
Net realized and unrealized gain (loss) on investment transactions	(1.93)	(1.23)	(0.13)	(0.97)	0.29
Net realized loss from foreign currency transactions	-	-	-	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	-
Total from investment operations	(1.93)	(1.23)	0.02	(0.30)	0.20
Less distributions	(8.45)	(9.29)	-	-	-
Net asset value, end of period	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8.14</u>	<u>\$ 12.21</u>	<u>\$ 15.94</u>
Total return (time-weighted) ***	-16.2% *	-7.4% **	-0.4%	-2.3%	1.3%
Supplemental Data:					
Expenses ****	0.05%	0.04%	0.12%	0.46%	0.62%
Net investment income ****	-0.05%	-0.04%	1.89%	6.16%	-0.62%
Portfolio turnover rate	3.74%	0.00%	122.59%	162.92%	0.00%

	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>	<u>Cash Liquidity</u>	<u>Government Money Market</u>	<u>Enhanced Yield</u>
Net asset value, beginning of period	\$ 12.24	\$ 12.34	\$ 1.00	\$ 1.00	\$ 103.11
Income from investment operations:					
Net investment income (loss)	-	-	0.02	0.01	4.43
Net realized and unrealized gain (loss) on investment transactions	1.64	1.65	-	-	1.28
Net realized loss from foreign currency transactions	-	-	-	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	-
Total from investment operations	1.64	1.65	0.02	0.01	5.71
Less distributions	-	-	(0.02)	(0.01)	(4.66)
Net asset value, end of period	<u>\$ 13.88</u>	<u>\$ 13.99</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 104.16</u>
Total return (time-weighted) ***	13.3%	13.3%	1.6%	1.4%	5.6%
Supplemental Data:					
Expenses ****	0.05%	0.05%	0.09%	0.10%	0.12%
Net investment income ****	-0.05%	-0.05%	1.57%	1.34%	4.25%
Portfolio turnover rate	9.04%	0.61%	0.00%	0.00%	10.50%

* Through September 30, 2002

** Through August 31, 2002

*** Not annualized for periods less than one year.

**** Annualized for periods less than one year.

<u>International Nonqualified</u>	<u>International Equity</u>	<u>Short-Term Fixed Income</u>	<u>Fixed Income</u>
\$ 17.36	\$ 10.33	\$ 1.00	\$ 10.60
(0.13)	0.20	0.01	0.43
0.36	(1.60)	-	1.23
-	0.91	-	-
-	(0.16)	-	-
0.23	(0.65)	0.01	1.66
-	-	(0.01)	(0.44)
<u>\$ 17.59</u>	<u>\$ 9.68</u>	<u>\$ 1.00</u>	<u>\$ 11.82</u>

1.2%	-6.3%	1.4%	16.1%
------	-------	------	-------

0.81%	0.49%	0.15%	0.20%
-------	-------	-------	-------

-0.81%	2.17%	1.47%	3.82%
--------	-------	-------	-------

0.00%	198.27%	0.00%	55.99%
-------	---------	-------	--------

West Virginia
Investment Management Board_____

Audited Financial Statements

June 30, 2003

West Virginia Investment Management Board

Audited Financial Statements

June 30, 2003

Table of Contents

Management's Discussion and Analysis.....i

Independent Auditors' Report

Audited Financial Statements

Statement of Net Assets1

Statement of Revenues, Expenses, and Changes in Net Assets2

Statement of Cash Flows3

Notes to Financial Statements.....4

West Virginia Investment Management Board

Management's Discussion and Analysis

This discussion and analysis of the West Virginia Investment Management Board's (WVIMB) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2003. Please read it in conjunction with the basic financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The WVIMB is required by law to charge a fee sufficient to cover the cost of providing investment management services. Investment service fee revenues were \$14.4 million as compared to \$12.5 million for the prior fiscal year. The change primarily results from increased fees charged to cover additional investment advisor and administrative costs. These increases were partially offset by a decrease in the amount paid for custodial banking services.
- Fees paid to outside investment advisors increased by \$1.9 million over the prior year as a result of higher performance based fees for fixed income investment advisors and an increase in the asset base of certain investment pools.
- Administrative expenses had a net increase of \$106,000 over the prior year. Primary factors for the net increase are:
 - Health insurance costs increased \$32,000, and,
 - Occupancy costs increased \$30,000 as a result of relocating the WVIMB's offices.
- Custodial bank fees were reduced by \$140,000 from the prior year. This is primarily attributable to a full year of negotiated fee reductions associated with securities lending that began in December 2001.
- Fiduciary bond costs were \$115,000 less than the previous year as a result of the WVIMB's inability to renew its blanket faithful performance bond.
- The WVIMB's June 30, 2003 net asset balance of \$3.6 million represents an increase of \$120,000 during the fiscal year.
- Nonoperating revenues for the year were \$51,000. This was \$27,000 less than the prior year. This decrease is a result of the decline in market interest rates.

THE FINANCIAL REPORTS

This financial report consists of three financial statements: the Statement of Net Assets, the Statement of Revenues, Expenses, and Changes in Net Assets, and the Statement of Cash Flows. These statements include all assets and liabilities of the WVIMB using the economic resources measurement focus and the accrual basis of accounting. The accrual basis of accounting takes into account all revenues and expenses regardless of when cash is received or paid. These statements give an overall perspective of the WVIMB's financial position and the changes in the financial position during the current fiscal year.

The Statement of Net Assets presents the WVIMB's assets and liabilities, with the difference between the two reported as net assets. The Statement of Revenues, Expenses, and Changes in Net Assets describes how the WVIMB's net assets changed during the fiscal year. The Statement of Cash Flows identifies the sources of cash received by the WVIMB and how that cash was used in the WVIMB's activities during the year. The ending cash presented in this statement is a significant portion of the WVIMB's assets as reported in the Statement of Net Assets. This statement also contains a reconciliation of the operating income as reported in the Statement of Revenues, Expenses, and Changes in Net Assets to the cash used in the WVIMB's operating activities during the year.

FINANCIAL ANALYSIS

The WVIMB's total assets as of June 30, 2003 were \$6.8 million. This was mostly comprised of cash and cash equivalents, and receivables for investment service fees. Total assets increased by \$701,000 over June 30, 2002. This increase is a result of the additional fee revenue for accrued external investment management fees and administrative expenses.

Total liabilities as of June 30, 2003 were \$3.2 million, consisting of invoices payable and accrued liabilities for external investment management fees, custodial fees, and administrative expenses. This is \$582,000 higher than the liabilities reported at June 30, 2002. This increase is a result of the additional amounts owed for external investment management services.

Table 1 Net Assets (In thousands)	2003	2002
Cash and cash equivalents	\$ 3,918	\$ 3,773
Receivables	2,750	2,223
Other assets	<u>126</u>	<u>96</u>
Total assets	6,794	6,092
Total liabilities	<u>(3,211)</u>	<u>(2,629)</u>
Net assets	<u>\$ 3,583</u>	<u>\$ 3,463</u>
<i>Composition of net assets:</i>		
Invested in capital assets	\$ 96	\$ 46
Unrestricted	3,487	3,417

Table 2 Changes in Net Assets (In thousands)	2003	2002
Investment service fees	\$ 14,354	\$ 12,461
Expenses		
Advisor fees	(10,944)	(9,010)
Custodian fees	(340)	(480)
Trustee fees	(55)	(69)
Fiduciary bond expense	(25)	(140)
Professional service fees	(556)	(510)
Administrative expenses	<u>(2,365)</u>	<u>(2,259)</u>
Operating income (loss)	69	(7)
Nonoperating income	<u>51</u>	<u>78</u>
Increase in net assets	120	71
Net assets – beginning of year	<u>3,463</u>	<u>3,392</u>
Net assets – end of year	<u>\$ 3,583</u>	<u>\$ 3,463</u>

CAPITAL ASSETS

The relocation of the WVIMB's offices in January 2003 required the acquisition of a new uninterruptible power supply unit, telecommunication systems, and other leasehold improvements. The total acquisition cost of capital assets was \$86,246.

CONTACTING THE WVIMB

This financial report is designed to provide its readers with a general overview of the WVIMB's finances. If you have any questions about this report, or need additional information, contact the WVIMB at 500 Virginia Street, East, Suite 200, Charleston, WV 25301-2164, or visit us on the World Wide Web at www.wvimb.org.



One Mellon 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 net assets of the West Virginia Investment Management Board (the WVIMB), a component unit of the state of West Virginia, as of June 30, 2003 and the related statements of revenues, expenses, and changes in net assets 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, 2003 and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages i, ii, and iii is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

KPMG LLP

August 4, 2003



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 Net Assets

June 30, 2003

Assets

Current assets:

Cash and cash equivalents	\$3,918,338
Accounts receivable	2,750,484
Prepaid expenses	24,632
Dividend receivable	2,454
Total current assets	<u>6,695,908</u>

Noncurrent assets

Deposits	1,726
Capital assets:	
Equipment	1,001,117
Office furniture	125,245
Leasehold improvements	45,492
Less accumulated depreciation	<u>(1,075,390)</u>
Total capital assets (net of accumulated depreciation)	<u>96,464</u>
Total noncurrent assets	<u>98,190</u>

Total assets 6,794,098

Liabilities

Current liabilities:

Accounts payable and accrued expenses	<u>3,210,817</u>
Total current liabilities	<u>3,210,817</u>

Total liabilities 3,210,817

Net assets

Invested in capital assets	96,465
Unrestricted	<u>3,486,816</u>
Total net assets	<u>\$3,583,281</u>

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Revenues, Expenses, and Changes in Net Assets

For the Year Ended June 30, 2003

Operating revenues:		
Investment service fees		\$14,354,281
	Total operating revenues	14,354,281
Operating expenses:		
Advisor fees		10,944,421
Custodian fees		340,479
Trustee fees		54,500
Fiduciary bond expense		24,966
Professional service fees		555,871
Administrative expenses		2,365,198
	Total operating expenses	14,285,435
	Operating income	68,846
Nonoperating revenues:		
Dividend income		43,471
Gain on disposal of capital assets		7,576
	Total nonoperating revenues	51,047
	Increase in net assets	119,893
	Net assets, beginning of year	3,463,388
	Net assets, end of year	\$3,583,281

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 2003

Cash flows from operating activities	
Cash received from customers	\$13,826,429
Cash paid to suppliers	(12,059,714)
Cash paid to employees	(1,588,849)
Net cash provided by operating activities	<u>177,866</u>
Cash flows from investing activities	
Dividends on investments	45,433
Net cash provided by investing activities	<u>45,433</u>
Cash flows from capital and related financing activities	
Acquisition of capital assets	(86,246)
Proceeds from sale of capital assets	7,800
Net cash used in capital and related financing activities	<u>(78,446)</u>
Net increase in cash and cash equivalents	144,853
Cash and cash equivalents at beginning of year	3,773,485
Cash and cash equivalents at end of year	<u>\$3,918,338</u>
Reconciliation of operating profit to net cash provided	
by operating activities:	
Operating income	<u>\$68,846</u>
Adjustments to reconcile operating income to net cash provided	
by operating activities:	
Depreciation	35,433
Changes in assets and liabilities:	
Increase in accounts receivable	(527,852)
Decrease in prepaid expenses	19,775
Increase in accounts payable and accrued expenses	581,664
Total adjustments	<u>109,020</u>
Net cash provided by operating activities	<u>\$177,866</u>

See accompanying notes to financial statements.

West Virginia Investment Management Board
Notes to Financial Statements
June 30, 2003

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 and investment management services to designated State pension funds, the State's Workers' Compensation and Pneumoconiosis funds, other trust assets, the State's operating funds, and other State and local government funds. The WVIMB has established distinct investment pools to efficiently invest the entrusted funds. Separate financial statements are issued for these investment pools. The WVIMB's financial statements are included as a blended component unit of the State of West Virginia in the States' financial statements.

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 accounting principles generally accepted in the United States of America. The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 investment pools. Revenues of the WVIMB are derived from the allocation of fees to the pools per the fee schedule. Each investment pool is charged for its direct investment related cost and for its allocated share of other expenses. Certain investment pools cannot be charged expenses or must be charged a reduced expense due to previous contracts or statutory requirements. Revenues and expenses are recorded when earned or incurred in accordance with the economic resources measurement focus and 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 applies all applicable GASB pronouncements, and has elected to apply only those FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not 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. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2003 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Office equipment	\$ 967,902	\$ 40,754	\$ (7,539)	\$ 1,001,117
Office furniture	129,718	-	(4,473)	125,245
Leasehold improvements	10,437	45,492	(10,437)	45,492
Total capital assets, being depreciated	1,108,057	86,246	(22,449)	1,171,854
Less accumulated depreciation for:				
Office equipment	(957,834)	(9,444)	7,540	(959,738)
Office furniture	(94,605)	(20,745)	4,247	(111,103)
Leasehold improvements	(9,742)	(5,244)	10,437	(4,549)
Total accumulated depreciation	(1,062,181)	(35,433)	22,224	(1,075,390)
Capital assets, net	<u>\$ 45,876</u>	<u>\$ 50,813</u>	<u>\$ (225)</u>	<u>\$ 96,464</u>

Depreciation expense of \$35,433 was charged to the investment management activity.

Note 4. 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 commenced on November 15, 1997, and the monthly rent expense was \$9,703. This lease expired on November 15, 2002, but was continued until December 31, 2002 at the same monthly rental rate. Rent expense for the period July 1, 2002 to December 31, 2002 totaled \$58,218.

On August 26, 2002, the WVIMB entered into a long-term lease for office space for a term of five years. The lease is cancelable after the third year by paying the landlord a one-time payment of \$93,140 for the unamortized portion of the actual tenant improvement allowance. The lease commenced on January 1, 2003, and the monthly rent expense for years 1-3 is \$14,747. For years 4-5, the monthly rent expense is \$15,523. Under the lease terms, beginning on January 1, 2004, and continuing throughout the term, the WVIMB shall pay as additional rent a portion of the increase in utility costs and taxes over the base year 2003 amounts. Rent expense for the period January 1, 2003 to June 30, 2003 totaled \$88,482. Seven months prior to the expiration of the lease, the WVIMB may extend the lease for an additional three years at the then existing fair market rental rate.

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

Fiscal Year ending June 30:

2004	\$176,964
2005	176,964
2006	181,620
2007	186,276
2008	93,138

Note 5. Employee Benefit Plan

The WVIMB provides a defined contribution 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. Required contributions are 10% of each covered employee's compensation. Contributions for the period from July 1, 2002 to June 30, 2003, totaled \$117,398. The plan provides for a five-year vesting schedule with vesting increasing 20% per year.

Note 6. 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, 2003, all of the WVIMB's cash equivalents are invested in an institutional Treasury Money Market fund and are in the unclassified risk category.

Note 7. 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.