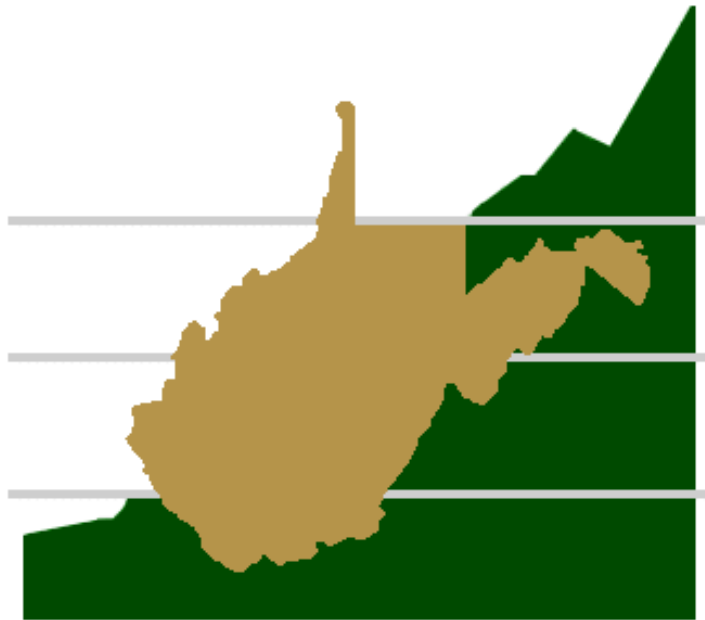

West Virginia Investment Management Board



2005 Annual Report

Table of Contents

Introduction

Message From Chairman	1
Message From Executive Director	2

Organization

Board Of Trustees	5
Representatives And Committee Members1	6
Staff Members.....	7
History	8
Statutory Mandate.....	10
Administrative Mandate	11
Investment Philosophy.....	13

Investment Objectives and Financial Highlights

Short-Term Fixed Income Pool	15
Dedicated Fixed Income Pool	17
Fixed Income Pool	18
Equity Pool	21
Cash Liquidity Pool	27
Government Money Market Pool	29
Enhanced Yield Pool	31
Special Purpose Pools	33
Participant Directed Accounts	34

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	47
Pneumoconiosis Fund	49
Workers' Compensation Employers Excess Liability Fund	51
Wildlife Endowment Fund	53
West Virginia Prepaid Tuition Trust Fund including the West Virginia Prepaid Tuition Trust Escrow Account	55
Tobacco Settlement Medical Trust Fund	58
Board of Risk and Insurance Management Fund	60

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

September 1, 2005

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, 2005. Please note that additional information about the Investment Management Board can be accessed electronically at its website, www.wvimb.org.

This is the first year I have had the privilege of presiding over the Investment Management Board as its chairman. It was functioning well prior to my tenure as chairman and I am pleased to announce it has continued to do so. For fiscal year 2005, the return on long-term assets was 10.7 percent net of expenses (using the Public Employees' Retirement System as a proxy for all long-term assets).

It was a relatively active year on the legislative front, with two significant pieces of legislation enacted. Although this legislation will not take effect until the upcoming fiscal year, they are both worth mentioning. House Bill 2984 reopened the Teachers' Defined Benefit Pension Plan to all new hires effective July 1, 2005. With this change, the assets of the Teachers' Retirement System will now be expanding rather than contracting. Senate Bill 558 brought about the second significant change. This bill created the West Virginia Board of Treasury Investments to concentrate on the short-term assets that make up the general revenue and special revenue accounts in the State of West Virginia, allowing the Investment Management Board to focus all of its energy on the complex investment problems associated with longer-term assets.

With staggered, six-year terms, the Board is constantly being renewed while retaining its historical continuity. In fiscal year 2005, however, the only departure was due to the retirement of William T. Tracy. Mr. Tracy served with distinction through the Board's many permutations since 1989. His replacement, Charles S. Smith, is a certified public accountant with the firm of Smith, Cochran & Hicks, PLLC, with broad financial experience.

Finally, I wish to thank the staff of the Investment Management Board for its dedicated service. I am pleased, as are the other trustees, with their professionalism, commitment to our mission, and customer service.

Very truly yours,



Joe Manchin III
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

September 1, 2005

Dear Trustees:

It is with great pleasure that I submit the Annual Report of the West Virginia Investment Management Board (IMB). The IMB is considered an internal service fund of the State of West Virginia for financial reporting purposes and, as such, the significant financial information contained in this report is also included in the State of West Virginia's comprehensive annual financial report. The information presented in this report is the responsibility of the management of the IMB, and sufficient internal accounting controls exist to provide reasonable assurance regarding the safekeeping of assets and fair presentation of the financial statements, supporting schedules, and statistical tables. The report is also designed to comply with the reporting requirements of Chapter 12, Article 6, Section 6 of the *West Virginia Code*, as amended. This report is divided into the following sections:

- The Organization section, which contains general information regarding the trustees and staff, history of the IMB, statutory mandate, and investment philosophy.
- The Investment Objectives and Financial Highlights section, which outlines the more specific objectives and performance of each of the investment pools.
- The Participant Plans section, which contains a brief description of each of the participants in the long-term investment pools.
- The Audited Financial Statements, which contain the independent auditor's report, the financial statements and notes thereto, and supplementary information regarding the funds administered by the IMB.

As an investment organization, the IMB's constant focus is the performance of its investment portfolio. As of June 30, 2005, the IMB returned 10.7 percent net of expenses for the fiscal year (using the Public Employees' Retirement System as a proxy for the other systems due to its similarity to other statewide public plans throughout the nation). This return represents value added by the IMB's trustees and staff of 1.4 percent over the policy benchmark, which represents a market portfolio made up of 60 percent publicly traded stocks and 40 percent publicly traded bonds. As you well know, of greater significance is the longer-term performance. In that regard, over the three years ending June 30, 2005, the IMB's return was 10.2 percent versus the policy benchmark of 9.1 percent. Over the five years ending June 30, 2005, the IMB's return was 5.3 percent, a full 2.4 percentage points better than the policy benchmark, representing hundreds of millions of dollars in value added by the trustees and staff. While the focus of the IMB's investment program is tailored to the needs of the particular assets under management, it is

Annual Report
Page 2 of 3
September 1, 2005

satisfying to note that over the last five years the IMB's performance ranks nationally in the top 10 percent of statewide public pension plans.

The majority of assets managed by the IMB are participants with longer time horizons. These include the defined benefit pension plans, employment security plans and other trust assets. Specifically, for the defined benefit pension plans, the returns for the fiscal year ending June 30, 2005, ranged from 10.6 percent for the Teachers' Retirement System, Public Safety Retirement System, State Police Retirement System, and Deputy Sheriffs' Retirement System to 10.7 percent for the Public Employees' Retirement System and the Judges Retirement System. 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. Other trust assets, including the Wildlife Endowment Fund and Prepaid Tuition Trust Fund, returned 10.7 to 10.8 percent.

With regard to employment security assets, the reader will note a significant difference in returns. Although the difference in the timing of cash flows is a factor in the differences in the returns of these insurance assets, the difference in the respective plans' allocation to stocks plays a much greater role. Only 20 percent of the Pneumoconiosis Fund is allocated to stocks while the Workers' Compensation Employers' Excess Liability Fund has an allocation of 40 percent. Even more conservative is the 10 percent allocation to stocks in the Workers' Compensation Fund. As a result, the return for the fiscal year ending June 30, 2005, ranged from 5.5 percent for the Workers' Compensation Fund to 9.3 percent for the Workers' Compensation Employers' Excess Liability Fund. Herein, the plans with long time horizons, as a group, are generally referred to as the "participant plans." Specific data on returns and objectives on all of the participant plans may be found in the pages that follow.

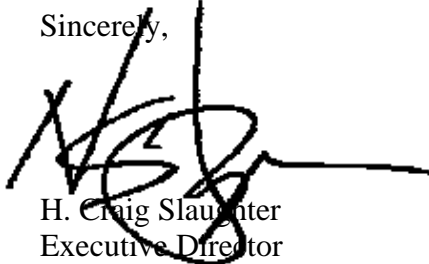
The IMB's primary short-term investment vehicle and the principle source of operating cash for the State and some of its political subdivisions, the Consolidated Fund, added \$57,634,000 in value over the course of the fiscal year. Since the Consolidated Fund is primarily made up of general and special 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 2005, the goal of preserving the assets in the Consolidated Fund was achieved.

While measuring performance is a useful means of evaluating progress, the goal of the IMB is much broader. It could be encapsulated in one sentence that makes up the core of the applicable standard of care found in Chapter 44, Article 6C, Section 2 of the *West Virginia Code*: "A trustee shall invest and manage trust assets as a prudent investor would, by considering the purposes, terms, distribution requirements and other circumstances of the trust." I have spent a lot of time thinking about this phrase in the past year as I have attempted to educate constituent groups on the IMB's processes. I have tried many times to say it in different ways, but have always been thwarted. There is really no better way to say it more succinctly. Some elaboration,

Annual Report
Page 3 of 3
September 1, 2005

however, may be helpful. Note that the quote above discusses the trustee in the context of “an investor,” not just any person. This clearly implies that the trustee is assumed to be one who makes decisions with the knowledge of a professional. In doing so, the standard insists that the professional must act prudently and only after due consideration of all of the relevant issues that may bear upon trust assets. Taken as a whole, this standard requires prudent, professional action tailored to the specific needs of the trust assets. It does not contemplate a boilerplate approach to investing. It is not a recipe, but a statement of principles that can be applied equally as well in any situation. That is as it should be, as no group of assets is entirely alike. As your staff, we are dedicated to ensuring that your actions as trustees satisfy this standard of care and that all actions are in the best interests of the beneficiaries.

Sincerely,

A handwritten signature in black ink, appearing to read 'HCS', with a long horizontal line extending to the right.

H. Craig Slaughter
Executive Director

HCS:jah

Organization

BOARD OF TRUSTEES

Joe Manchin III, 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

Charles S. Smith

Managing Partner in the accounting firm of Smith, Cochran & Hicks, PLLC

REPRESENTATIVES AND COMMITTEE MEMBERS¹

Public Employees' Retirement System

Fredric Thomas, Representative

Keith Chapman, Committee Member

Patricia Hamilton, Committee Member

Teachers' Retirement System

Tony Lautar, Jr., Representative

Robert L. Brown, Committee Member

Workers' Compensation Fund and Pneumoconiosis Fund

J. Chris Howat, Representative

Eric Cole, Committee Member

Department of Public Safety, Death, Disability and Retirement Fund (Safety Plan "A")

Vacant, Representative

West Virginia State Police Retirement System

Vacant, Representative

Deputy Sheriffs' Retirement System

David D. Gentry, Representative

Terry Miller, Committee Member

Paul O'Dell, Jr., Committee Member

Judges' Retirement System

Vacant, Representative

¹By 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 Watson, Chief Investment Officer

Operations Division —

Roger Summerfield, Director of Operations

Brian DuBois, Investment Accountant Supervisor

Brian Thaxton, Investment Accountant

Leigh Ann Moore, Investment Accountant

Betty Hammack, Investment Accountant

Julie Thompson, Performance Accountant

Linda Davis, Trade Analyst

Investment Division —

Tom Sauvageot, Fixed Income Investment Officer

Rodney Livingston, Public Equity Investment Officer

Support Staff —

Jo Ann Harrison, Administrative Assistant to the Executive Director

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 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 be managed by anything but a modern, professional entity.

Although the West Virginia Investment Management Board's predecessors, the West Virginia State Board of Investments and the West Virginia Trust Fund, Inc., brought about vast improvements, each had shortcomings. However, with the creation of the West Virginia Investment Management Board, the State achieved the ideal balance between control and independence that will allow efficient and prudent investment management of long-term assets well into the future.

The beginning of the modern era in investment management by the State goes back to the late 1970's with the consolidation of investment authority for the State's defined benefit plans, employment security plans, and other assets into a newly created **West Virginia State Board of Investments**. One of the goals of the legislation was to achieve efficiencies that size brings by commingling like assets.

Significantly, this newly created West Virginia Board of Investments was staffed by the State Treasury and the board itself was made up of the State's Governor, Treasurer, and Auditor.

Although a step in the right direction, the initial West Virginia State Board of Investments lacked proper or sufficient control features. After a few problems in the 1980s, principally involving its short-term pool, 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 West Virginia State Board of Investments separate from the staff of the Treasury. This provided clear accountability to the Board of Investments - something that did not exist previously.

Other very important control features included: (1) a statutory requirement for an Internal Auditor, (2) an annual external audit by a nationally-recognized accounting firm, and (3) monthly reporting requirements to government leaders in accordance with GAAP (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 (carried at market value), something that had not been done in the 1980s.

At the same time, the West Virginia State Board of Investments made its first tepid step towards a diversified portfolio to be invested in stocks domiciled in the United States. Although it made some initial stock purchases in 1993 (that were subsequently liquidated at a gain), the statute was challenged and the West Virginia Supreme Court ruled that investing in equities was unconstitutional.

Then, in 1996, in an ill-fated effort to satisfy the constitutional strictures, the Legislature carved out the pension and employment security funds with long time horizons 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 did bring about three 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 failure of the West Virginia Trust Fund, Inc., it and the West Virginia State Board of Investments were replaced in 1997 by a new entity, the present day **West Virginia Investment Management Board**. The basic 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.

Finally, the 2005 Legislature, for policy reasons, transferred the Consolidated Fund on July 8, 2005 to a newly created **West Virginia Board of Treasury Investments**, chaired by the Treasurer. This was widely perceived as a policy move to ensure direct governmental oversight of state general and special revenue funds. The West Virginia Investment Management Board continues to manage the retirement funds, the employment security funds, and other assets with long time horizons.

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 IMB 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 IMB "...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 IMB 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 IMB 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 IMB 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.

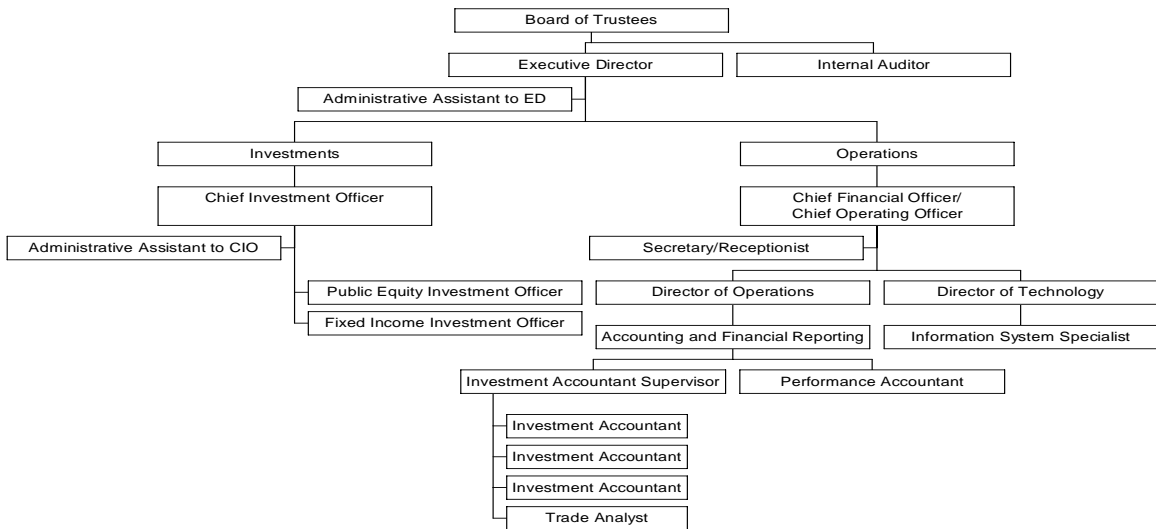
ADMINISTRATIVE MANDATE

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 IMB 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 plan's 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 IMB.

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, the Board has 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 with 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 account’s owner.

*Investment Objectives and
Financial Highlights*

Short-Term Fixed Income Pool

Objectives

The Short-Term Fixed Income 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 net of expenses.

Management Structure

The Short-Term Fixed Income Pool is managed by J. P. Morgan Investment Advisors, Inc.

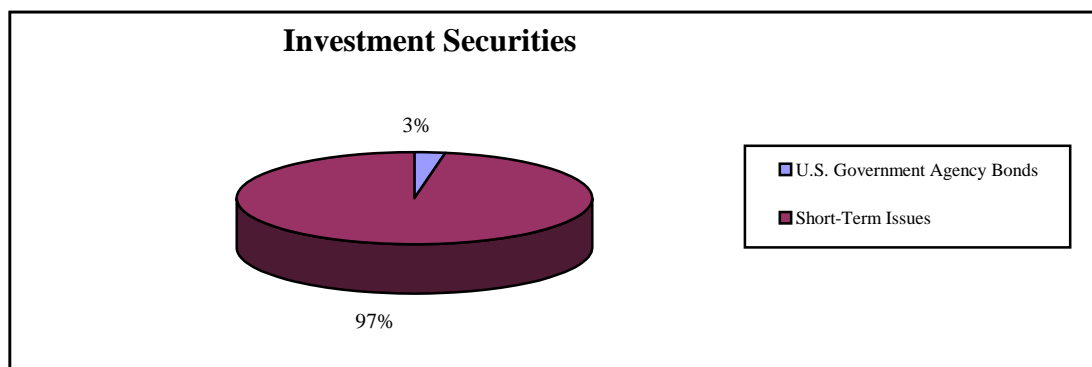
Financial Highlights

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

Net Assets - June 30, 2004	\$	142,393
Net increase from operations		3,433
Income distributions to unitholders		(3,436)
Net increase from unit transactions		256,145
Net Assets - June 30, 2005	\$	<u>398,535</u>

Investment Securities (in \$000's)

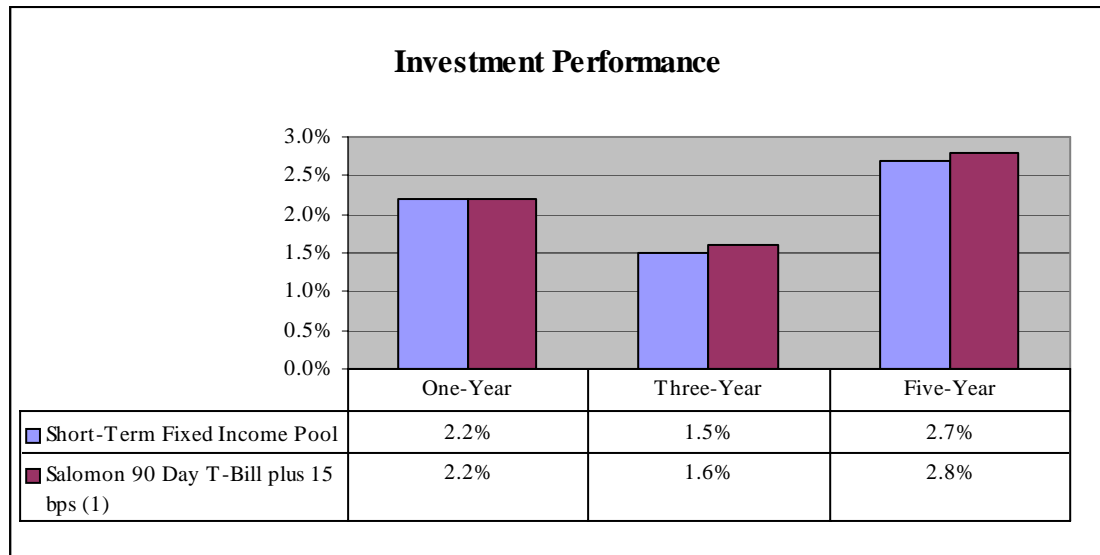
	Carrying Value
U.S. Government Agency Bonds	\$ 11,450
Short-Term Issues	387,009
Total	\$ <u>398,459</u>



Short-Term Fixed Income Pool (continued)

Investment Performance

The IMB 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 five year value is 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 from that date forward.

Rates of return are net of investment manager fees.

Expenses

The IMB 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:

<u>Expense Category</u>	<u>Expense Ratio (in basis points)</u>
Investment advisor fees	4.2
Trustee fees	0.1
Custodian bank fees	0.8
Management fees	2.5
Fiduciary bond fees	0.0
Professional service fees	0.7
Total expenses	<u><u>8.3</u></u>

Dedicated Fixed Income Pool

Objectives

The Dedicated Fixed Income Pool was created to hold high quality, low risk fixed income securities with laddered maturities timed to meet the projected cash flow needs of the State's Workers' Compensation Fund. The Workers' Compensation Fund was the sole participant of this pool. As a result of a revised asset allocation study, the Dedicated Fixed Income Pool was closed on October 5, 2004, and the assets of the pool's sole participant, the Workers' Compensation Fund, were transferred to other asset classes.

Management Structure

The Dedicated Fixed Income Pool was managed by Banc One Investment Advisors Corporation.

Financial Highlights

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

Net Assets - June 30, 2004	\$ 831,706
Net increase from operations	4,881
Income distributions to unitholders	(4,629)
Net decrease from unit transactions	<u>(831,958)</u>
Net Assets - June 30, 2005	<u><u>\$ -</u></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
Barclays Global Investors	40%	Passive Customized Blend

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 individually reported in the audited financial statements and have been combined in the financial highlights as follows:

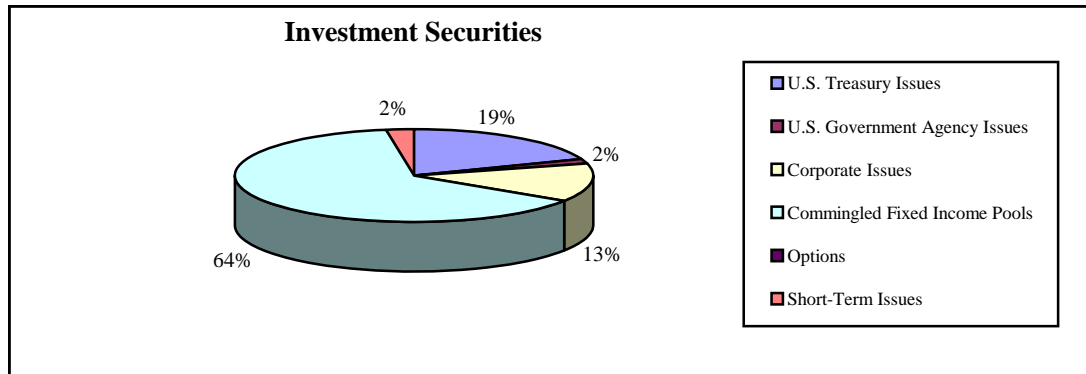
Progression of Net Assets (in \$000's)

Net Assets - June 30, 2004	\$	2,052,377
Net increase from operations		219,459
Income distributions to unitholders		(69,929)
Net increase from unit transactions		1,028,008
Net Assets - June 30, 2005	\$	<u>3,229,915</u>

Fixed Income Pool (continued)

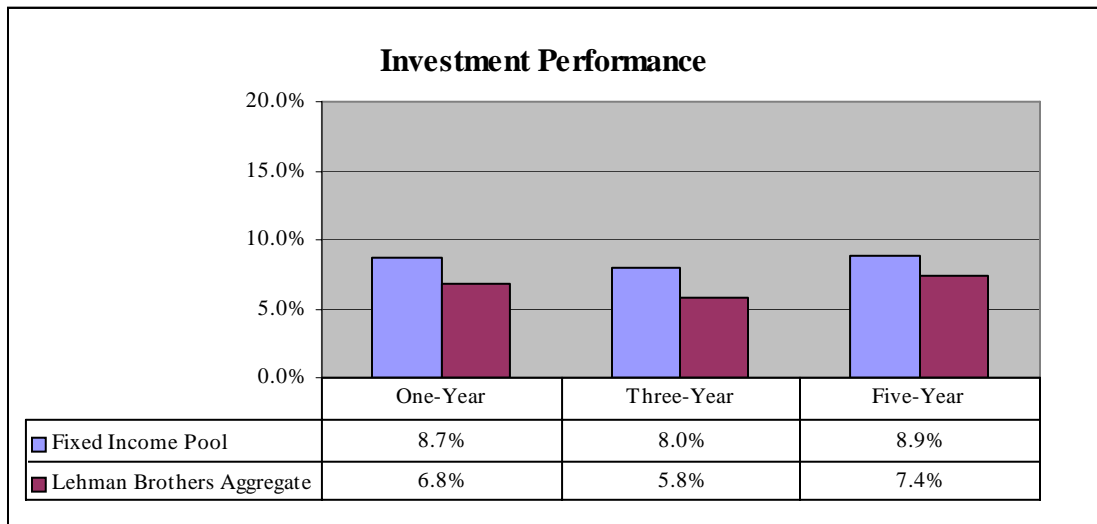
Investment Securities (in \$000's)

	Fair Value
U.S. Treasury Issues	\$ 618,761
U.S. Government Agency Issues	56,868
Corporate Issues	431,403
Commingled Fixed Income Pools	2,062,152
Options	1
Short-Term Issues	79,990
Total	<u>\$ 3,249,175</u>



Investment Performance

The IMB 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 IMB 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:

<u>Expense Category</u>	<u>Expense Ratio (in basis points)</u>
Investment advisor fees	7.8
Trustee fees	0.1
Custodian bank fees	0.2
Management fees	2.6
Fiduciary bond fees	0.0
Professional service fees	0.7
Total expenses	<u>11.4</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 strategic allocations:

Equity Class	Strategic Allocation
Domestic Large Capitalization	40.0%
Domestic Non-Large Capitalization-Core	5.0%
Domestic Non-Large Capitalization-Growth	5.0%
Domestic Non-Large Capitalization-Value	20.0%
International-Developed Markets	15.0%
International-Small Capitalization	9.0%
International-Emerging Markets	6.0%

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>Style</i>
<u>Domestic Large Capitalization</u>	
State Street Global Advisors	Passive Core
Enhanced Investment Technologies, LLC	Quantitative Core
<u>Non-Large Capitalization</u>	
Domestic Non-Large Cap Value	
Brandywine Asset Management	Structured Value
Aronson + Johnson + Ortiz, LP	Relative Value
Domestic Non-Large Cap Core	
Westfield Capital Management	Small/Mid Cap Growth
Wellington Management Company, LLP	Core
<u>International</u>	
Developed Markets	
Silchester International Investors	Developed Country, Bottom-up Value
TT International	Developed Country, Top-down
LSV Asset Management	All Country, Quantitative Value
Wasatch Advisors, Inc.	All Country, Bottom-up Growth
Emerging Markets	
Capital International, Inc.	Emerging Market Growth

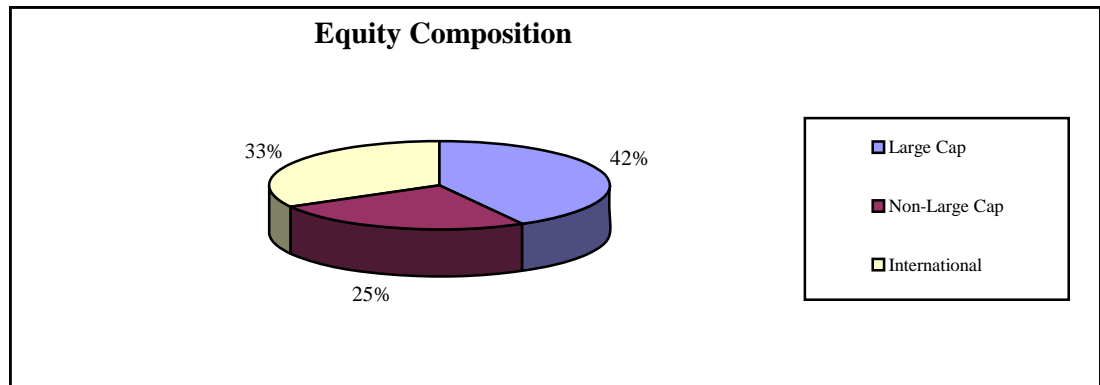
Equity Pool (continued)

Financial Highlights

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

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

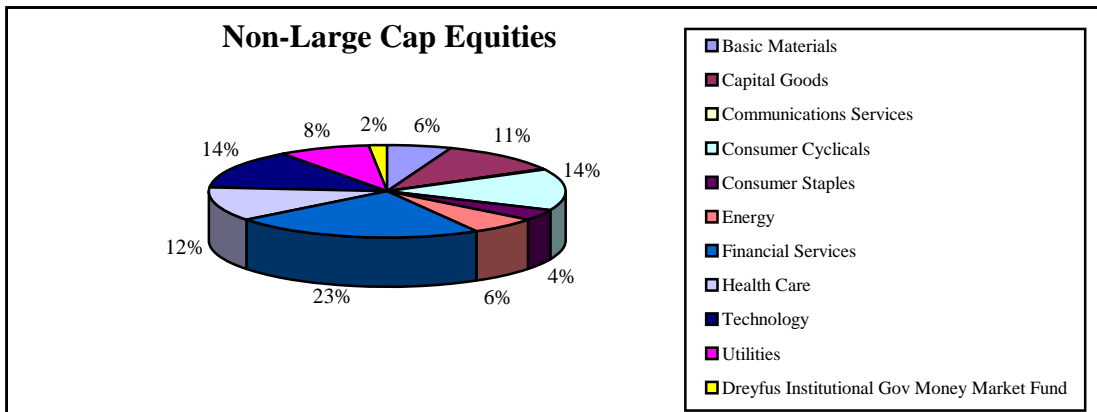
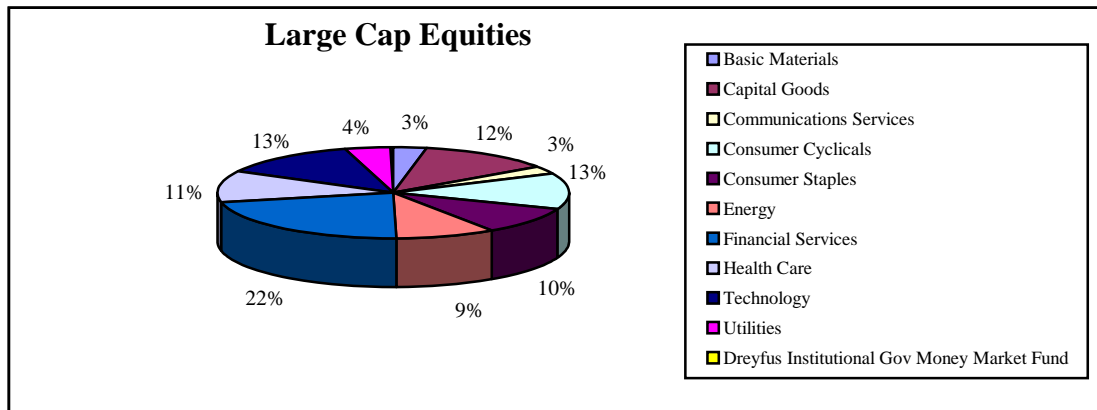
Progression of Net Assets (in \$000's)	Large Cap	Non-Large Cap	International
Net Assets - June 30, 2004	\$ 1,205,123	\$ 846,629	\$ 1,016,774
Net increase from operations	99,840	126,099	158,947
Income distributions to unitholders	-	-	-
Net increase/decrease from unit transactions	195,871	(77,623)	5,093
Net Assets - June 30, 2005	<u>\$ 1,500,834</u>	<u>\$ 895,105</u>	<u>\$ 1,180,814</u>



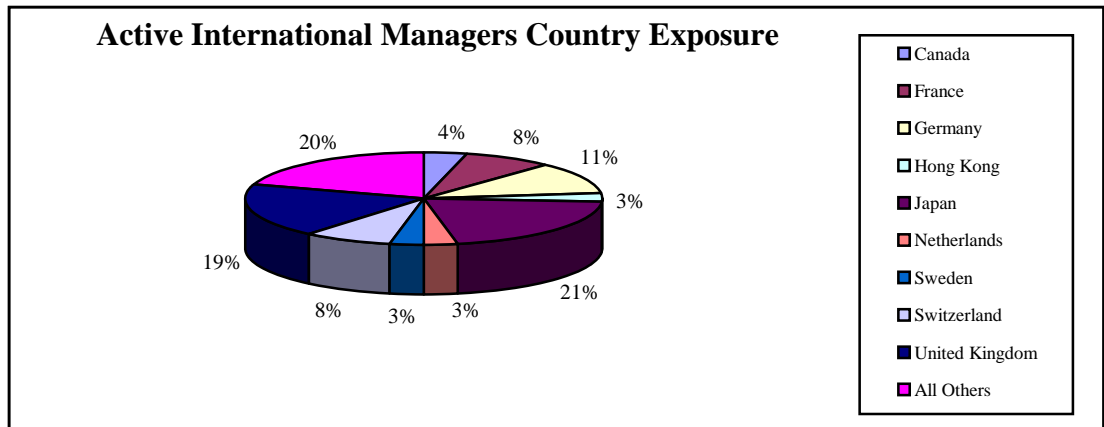
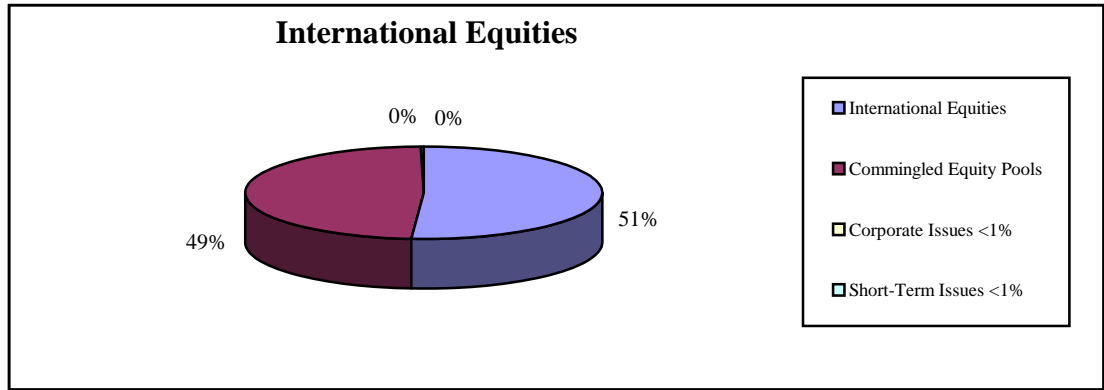
Equity Pool (continued)

Investment Securities (in \$000's)

	Fair Value		
	Large Cap	Non-Large Cap	International
Domestic Equities	\$ 1,494,881	\$ 881,328	\$ -
International Equities	-	-	594,895
Commingled Equity Pools	-	-	566,464
Corporate Issues	-	-	20
Short-Term Issues	5,294	15,336	4,389
Total	\$ 1,500,175	\$ 896,664	\$ 1,165,768

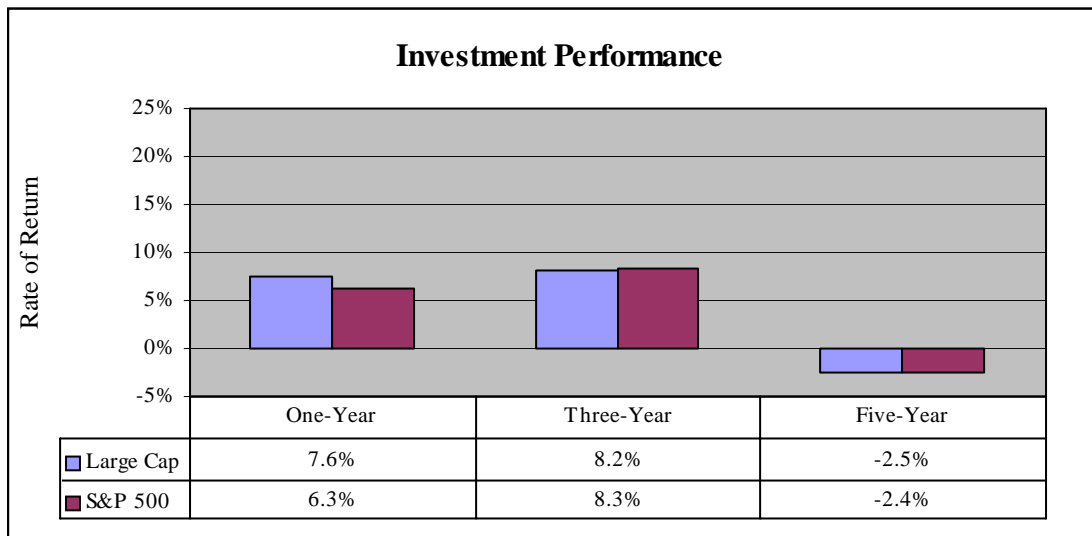


Equity Pool (continued)

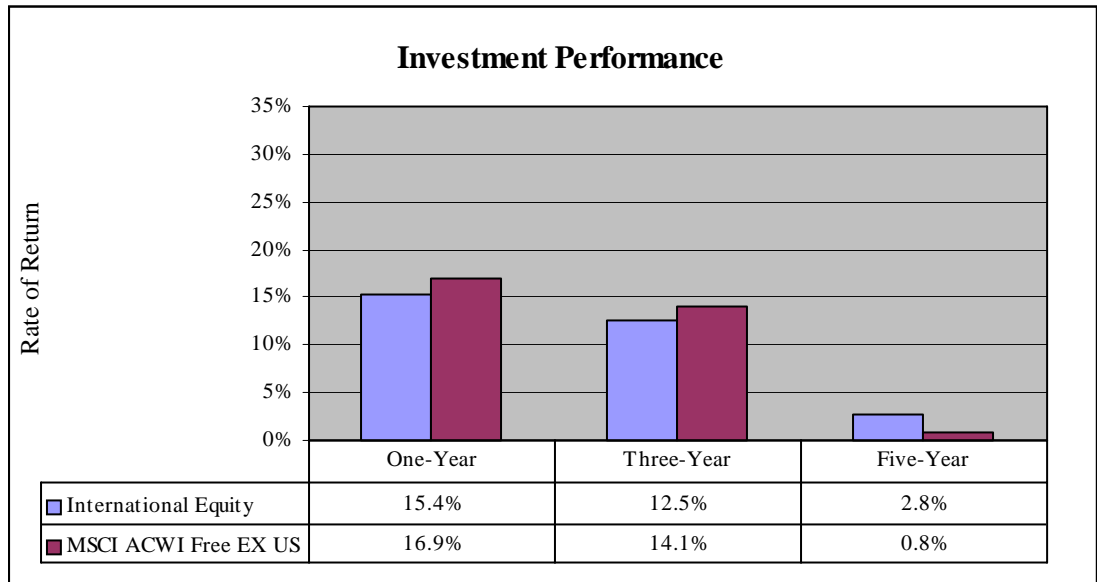
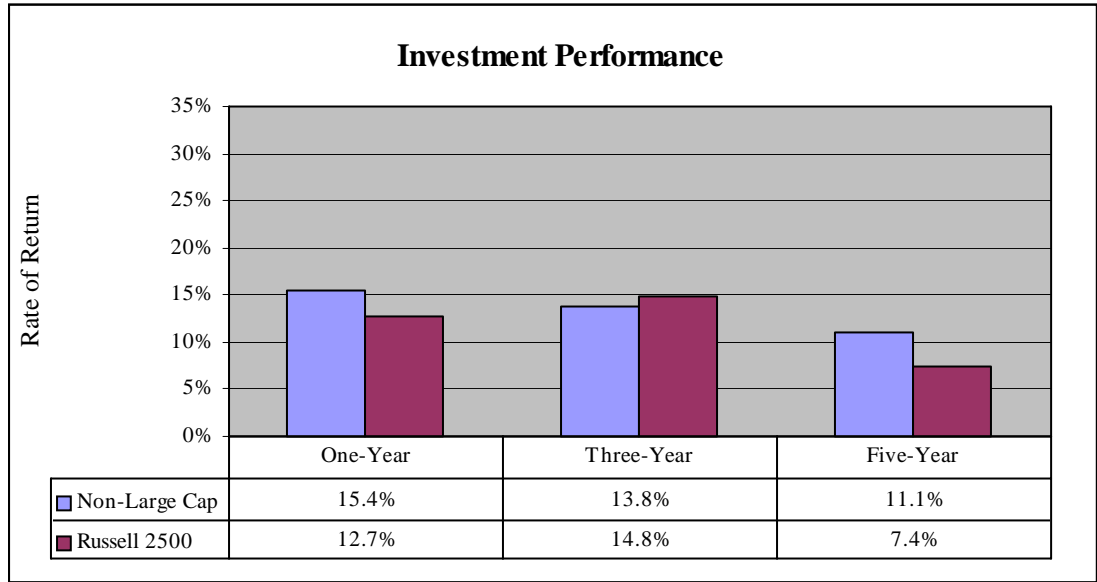


Investment Performance

The IMB 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.



Equity Pool (continued)



Rates of return are net of investment manager fees.

Equity Pool (continued)

Expenses

The IMB 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:

<u>Expense Category</u>	Expense Ratios (in basis points)		
	<u>Large Cap</u>	<u>Non-Large Cap</u>	<u>International</u>
Investment advisor fees	17.2	39.0	44.8
Trustee fees	0.1	0.1	0.1
Custodian bank fees	0.4	0.7	2.5
Management fees	2.6	2.8	2.5
Fiduciary bond fees	0.0	0.0	0.0
Professional service fees	0.7	0.8	0.7
Total expenses	<u>21.0</u>	<u>43.4</u>	<u>50.6</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 net of expenses.

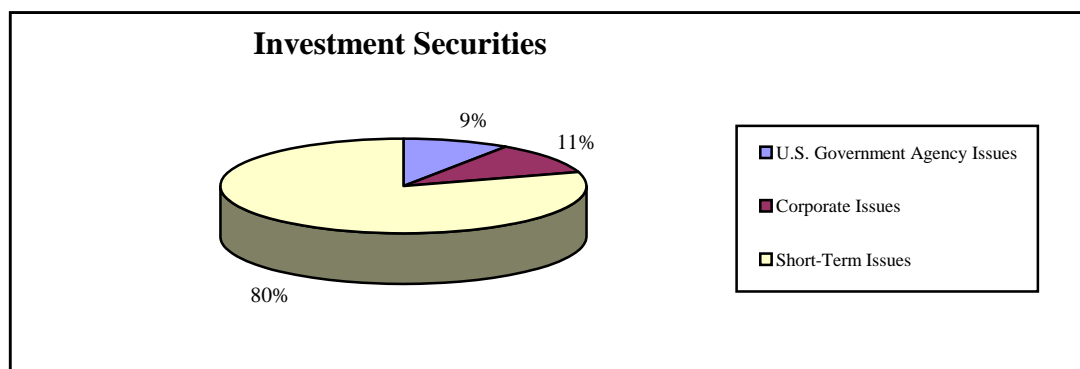
Financial Highlights

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

Net Assets - June 30, 2004	\$	1,395,950
Net increase from operations		34,555
Income distributions to unitholders		(34,684)
Net increase from unit transactions		209,897
Net Assets - June 30, 2005	\$	<u>1,605,718</u>

Investment Securities (in \$000's)

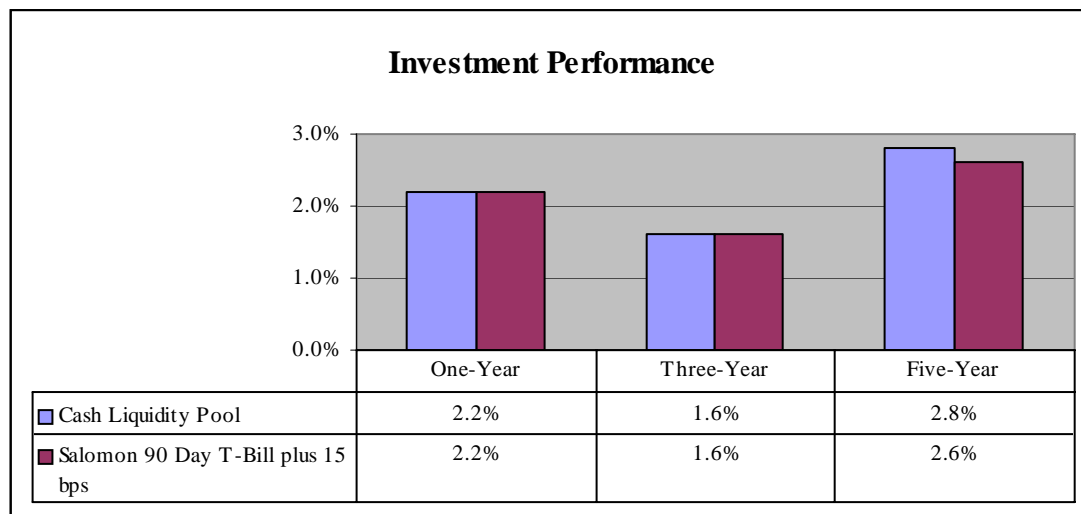
	Carrying Value
U.S. Government Agency Issues	\$ 147,955
Corporate Issues	170,560
Short-Term Issues	1,260,493
Total	<u>\$ 1,579,008</u>



Cash Liquidity Pool (continued)

Investment Performance

The IMB 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 IMB 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	4.0
Trustee fees	0.1
Custodian bank fees	0.4
Management fees	3.1
Fiduciary bond fees	0.0
Professional service fees	0.6
Total expenses	<u>8.2</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 net of expenses.

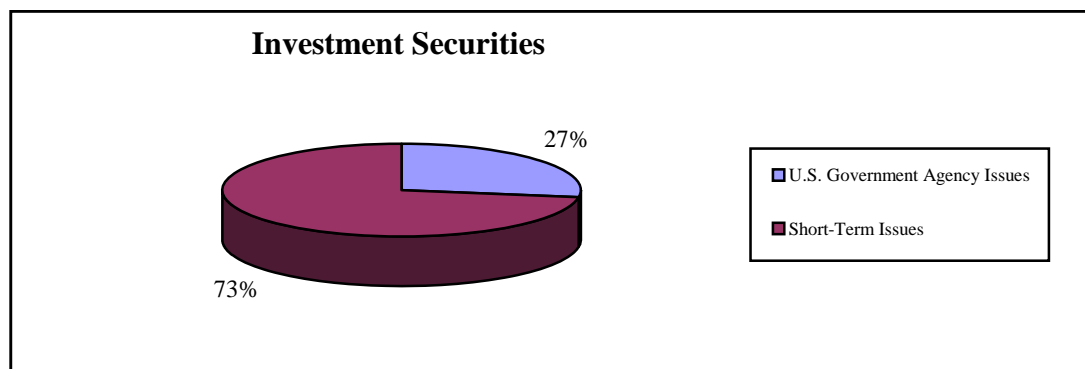
Financial Highlights

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

Net Assets - June 30, 2004	\$	151,118
Net increase from operations		3,602
Income distributions to unitholders		(3,601)
Net increase from unit transactions		3,901
Net Assets - June 30, 2005	\$	<u>155,020</u>

Investment Securities (in \$000's)

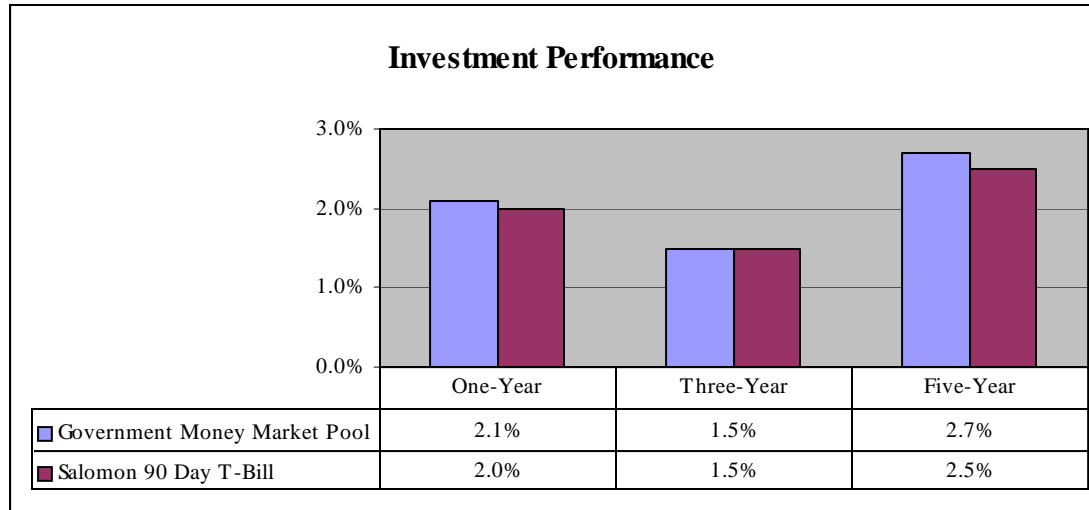
	Carrying Value
U.S. Government Agency Issues	\$ 42,571
Short-Term Issues	112,249
Total	\$ <u>154,820</u>



Government Money Market Pool (continued)

Investment Performance

The IMB 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 IMB 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	3.5
Trustee fees	0.1
Custodian bank fees	0.5
Management fees	4.1
Fiduciary bond fees	0.1
Professional service fees	0.8
Total expenses	<u><u>9.1</u></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.

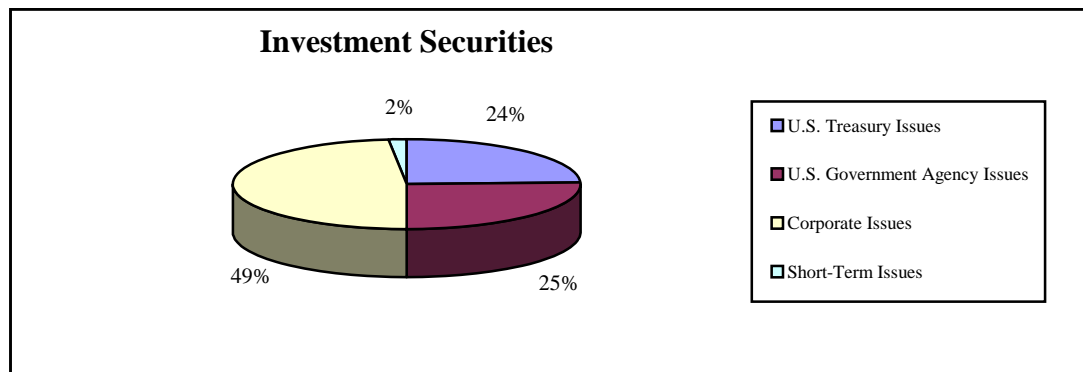
Financial Highlights

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

Net Assets - June 30, 2004	\$	353,075
Net increase from operations		6,749
Income distributions to unitholders		(9,087)
Net decrease from unit transactions		(89,719)
Net Assets - June 30, 2005	\$	<u>261,018</u>

Investment Securities (in \$000's)

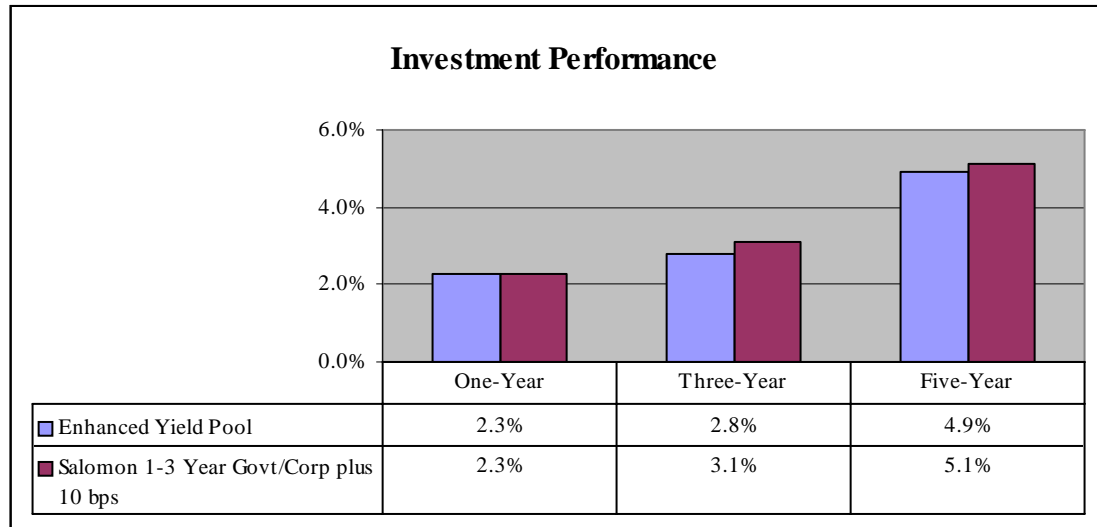
	Fair Value
U.S. Treasury Issues	\$ 66,467
U.S. Government Agency Issues	69,202
Corporate Issues	131,623
Short-Term Issues	4,362
Total	\$ <u>271,654</u>



Enhanced Yield Pool (continued)

Investment Performance

The IMB 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 IMB charges each investment pool for its direct investment-related expense and an allocated share of other expenses. The Enhanced Yield 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	6.9
Trustee fees	0.1
Custodian bank fees	0.2
Management fees	5.0
Fiduciary bond fees	0.0
Professional service fees	0.9
Total expenses	<u>13.1</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.

Pool	June 30, 2005 Net Asset Value (in \$000's)
<i>Special Purpose Pools</i>	
Loss Amortization	\$149,205
Loans	\$140,121

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, 2005 Net Asset Value (in \$000's)
<i>Single Agency Pools</i>	
Municipal Bond Commission	\$50,195
Lottery Defeasance	\$ 1,665
School Fund	\$ 1,430
EDA Insurance	\$ 454
EDA-AW	\$ 1,835

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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.
- To preserve the current well-funded position while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the IMB'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)	\$250,000

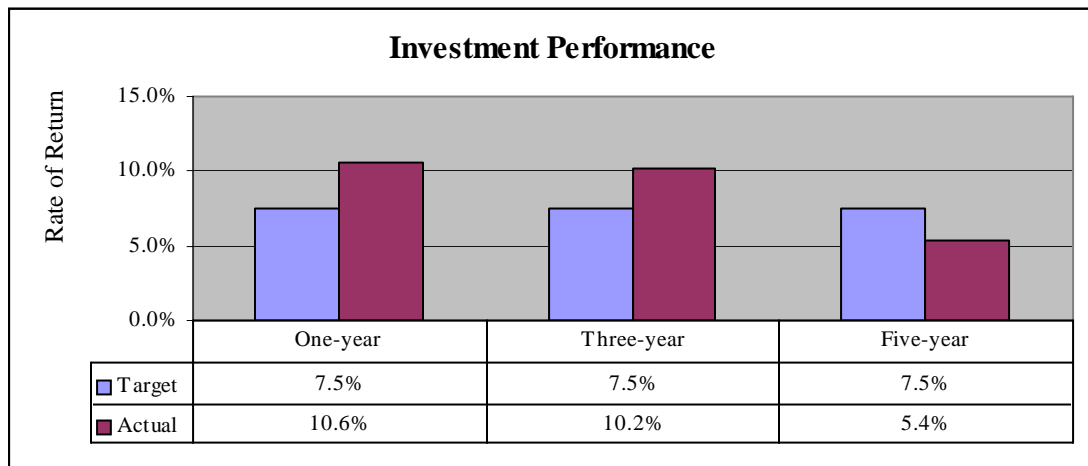
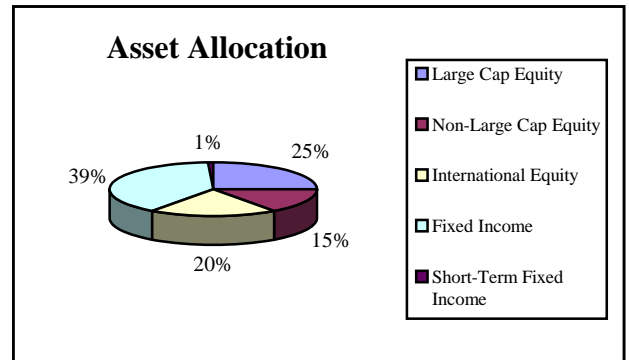
Death, Disability and Retirement Fund for Deputy Sheriffs' (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 59,029
Contributions	4,725
Withdrawals	(1,995)
Net	<u>2,730</u>
Investment income	596
Net unrealized appreciation	5,857
June 30, 2005	<u><u>\$ 68,212</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 17,197
Non-Large Cap Equity	10,344
International Equity	13,558
Fixed Income	26,499
Short-Term Fixed Income	614
Total	<u><u>\$ 68,212</u></u>



Rate of return is net of all fees.

The IMB 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 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.
- To 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 IMB'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

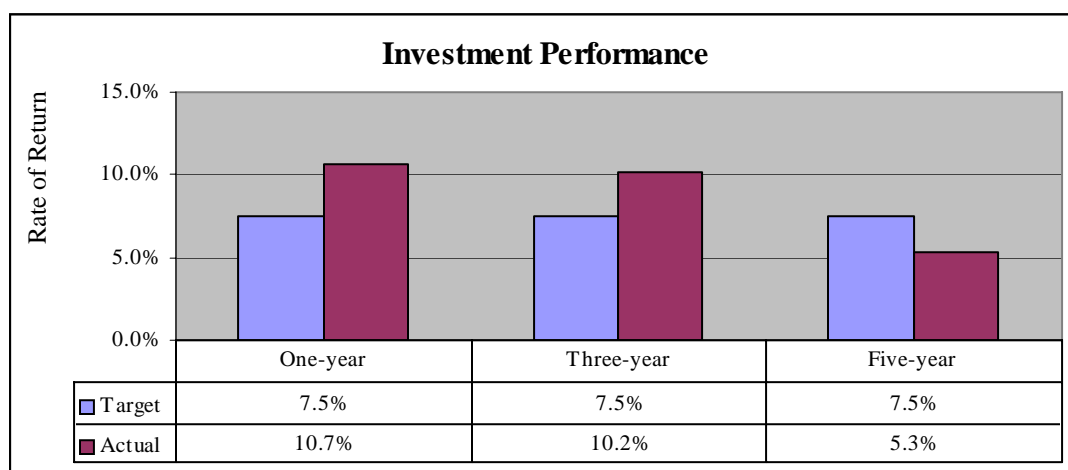
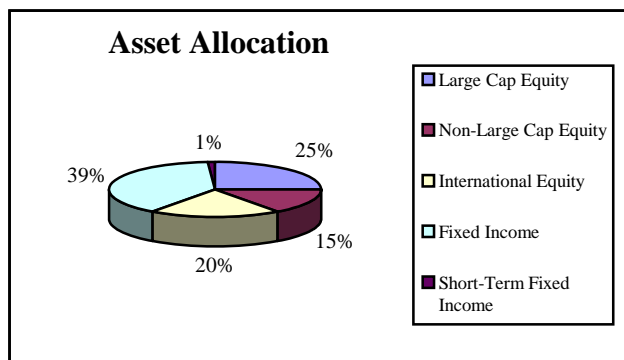
Judges' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 63,540
Contributions	7,248
Withdrawals	(3,020)
Net	<u>4,228</u>
Investment income	649
Net unrealized appreciation	6,340
June 30, 2005	<u><u>\$ 74,757</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 19,018
Non-Large Cap Equity	11,477
International Equity	14,768
Fixed Income	29,123
Short-Term Fixed Income	371
Total	<u><u>\$ 74,757</u></u>



Rates of return are net of all fees.

The IMB 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.
- To 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 IMB'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

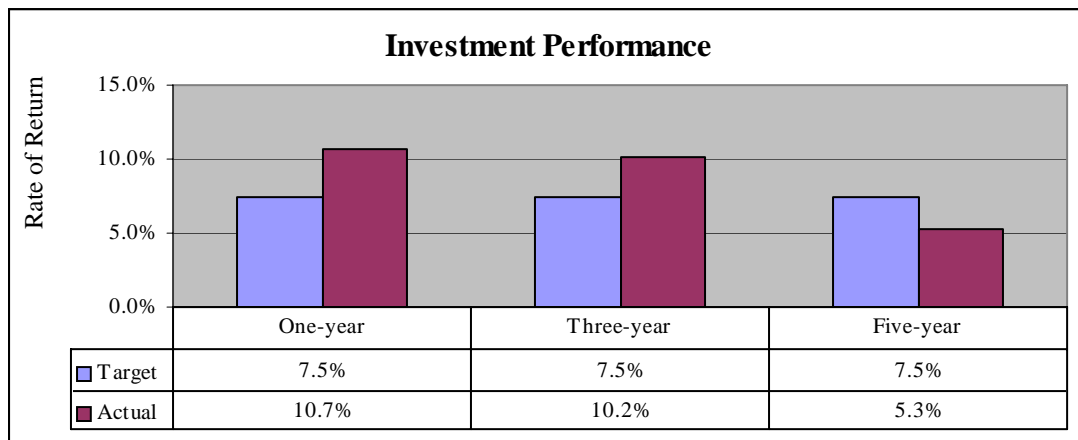
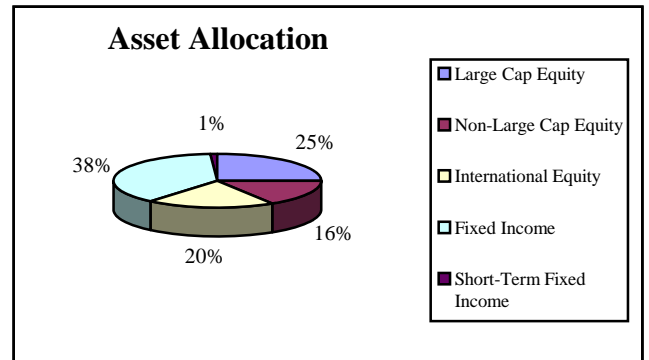
Public Employees' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 3,086,754
Contributions	169,650
Withdrawals	(186,089)
Net	<u>(16,439)</u>
Investment income	30,251
Net unrealized appreciation	299,821
June 30, 2005	<u><u>\$ 3,400,387</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 861,722
Non-Large Cap Equity	523,160
International Equity	691,254
Fixed Income	1,302,812
Short-Term Fixed Income	21,439
Total	<u><u>\$ 3,400,387</u></u>



Rates of return are net of all fees.

The IMB 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.
- To 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 IMB'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)	\$2,000,000

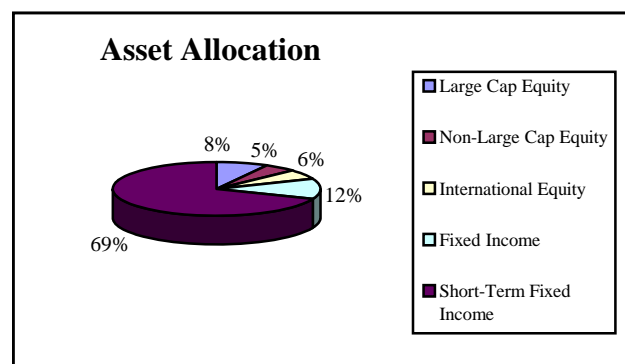
Public Safety Death, Disability and Retirement Fund (continued)

Progression of Plan Balance

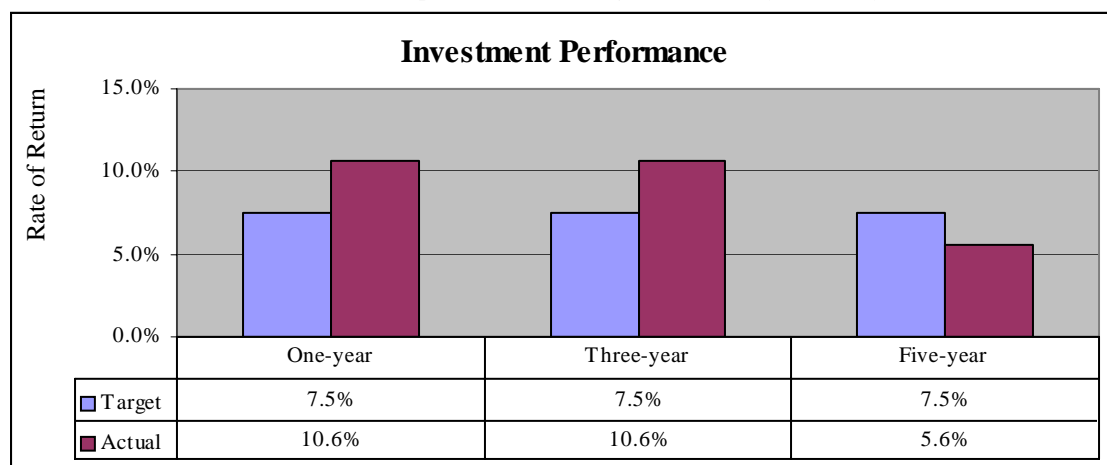
	(in \$000's)
June 30, 2004	\$ 117,950
Contributions	254,107
Withdrawals	<u>(22,515)</u>
Net	231,592
Investment income	1,102
Net unrealized appreciation	<u>10,565</u>
June 30, 2005	<u><u>\$ 361,209</u></u>

Asset Allocation (actual) *

	Asset Value (in \$000's)
Large Cap Equity	\$ 28,669
Non-Large Cap Equity	17,408
International Equity	22,791
Fixed Income	41,558
Short-Term Fixed Income	250,783
Total	<u><u>\$ 361,209</u></u>



*Allocation percentages reflect a significant contribution of cash made to the Plan on June 30, 2005. Target asset allocation levels were met upon investment of these moneys on July 6, 2005.



Rates of return are net of all fees.

The IMB 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.
- To preserve the current surplus position while not subjecting the Plan to an undue level of risk.

Asset Allocation

Based upon the IMB'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

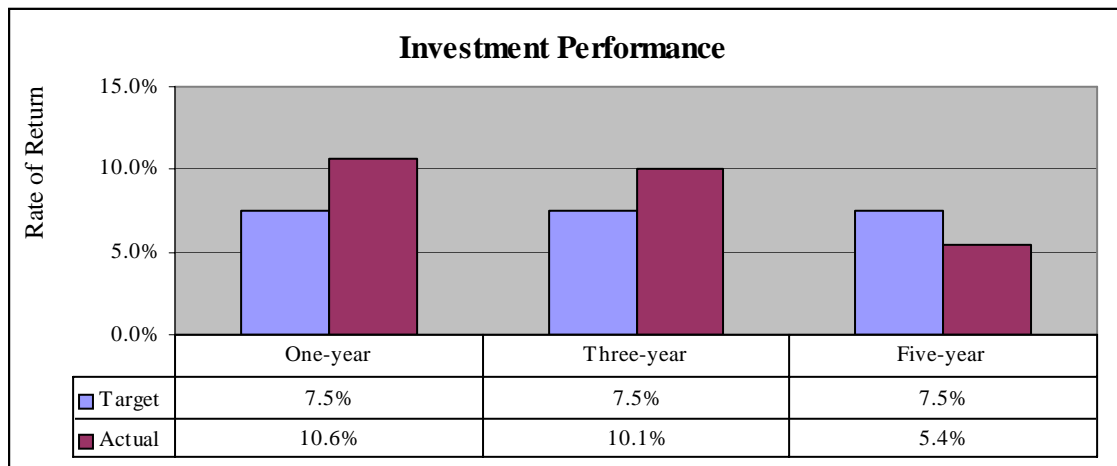
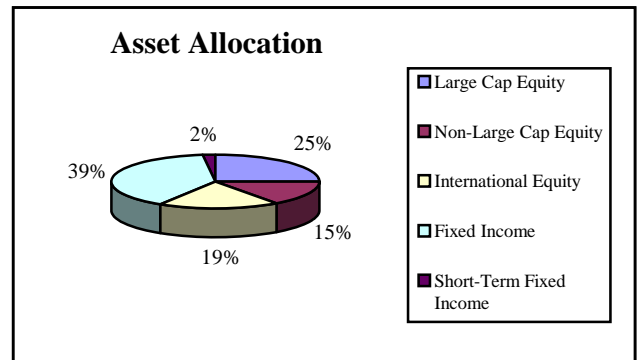
State Police Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 19,750
Contributions	3,286
Withdrawals	(10)
Net	<u>3,276</u>
Investment income	211
Net unrealized appreciation	2,060
June 30, 2005	<u><u>\$ 25,297</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 6,376
Non-Large Cap Equity	3,756
International Equity	4,872
Fixed Income	9,793
Short-Term Fixed Income	500
Total	<u><u>\$ 25,297</u></u>



Rates of return are net of all fees.

The IMB 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.
- To 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 IMB'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)	\$22,000,000

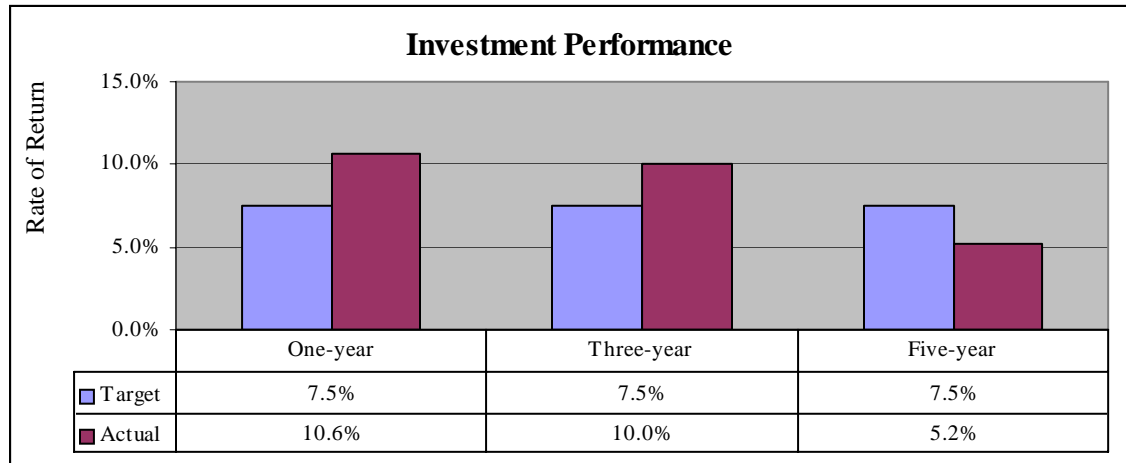
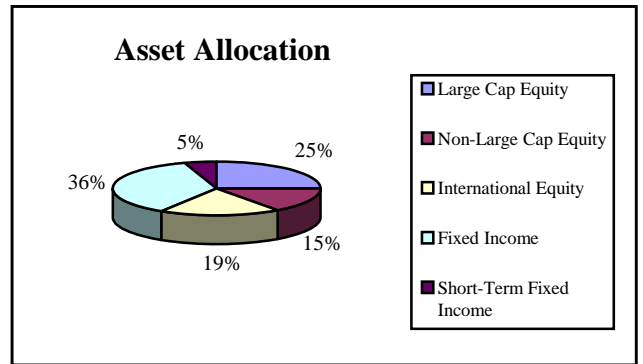
Teachers' Retirement System (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 1,391,895
Contributions	405,330
Withdrawals	(345,385)
Net	<u>59,945</u>
Investment income	13,612
Net unrealized appreciation	132,786
June 30, 2005	<u><u>\$ 1,598,238</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 404,839
Non-Large Cap Equity	232,606
International Equity	308,684
Fixed Income	575,648
Short-Term Fixed Income	76,461
Total	<u><u>\$ 1,598,238</u></u>



Rates of return are net of all fees.

The IMB 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

Creation

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

Investment Objectives

The Plan's investment objectives are as follows:

- To exceed the actuarial interest rate assumption of 5.0 percent per annum, net of fees.
- To provide adequate liquidity to meet cash flow requirements.

Asset Allocation

The asset allocation for this participant was revised in the current year. The new allocation, effective October 4, 2004, restructured the Plan from a dedicated fixed income portfolio that was previously constructed to meet the specific cash flow needs of the fund, to the asset allocation detailed below. The investment performance return detailed on the next page incorporates the effect of both of these allocations for the one-year period. The current asset allocation is based upon the IMB's determination of the appropriate risk tolerances for the Plan, and accordingly, the Board has adopted the following broad asset allocation guidelines for the assets managed for the Workers' Compensation Fund. (Policy targets have been established on a market value basis.)

Asset Class	Policy Target
Domestic Large Cap Equity	4.0%
Domestic Non-Large Cap Equity	3.0%
International Equity	3.0%
Total Equity	10.0%
Domestic Fixed Income	80.5% - 86.5%
Cash and Cash Equivalents *	9.5% - 3.5%

* *Cash levels to be managed as needed, collaboratively with management staff from Workers' Compensation Commission.*

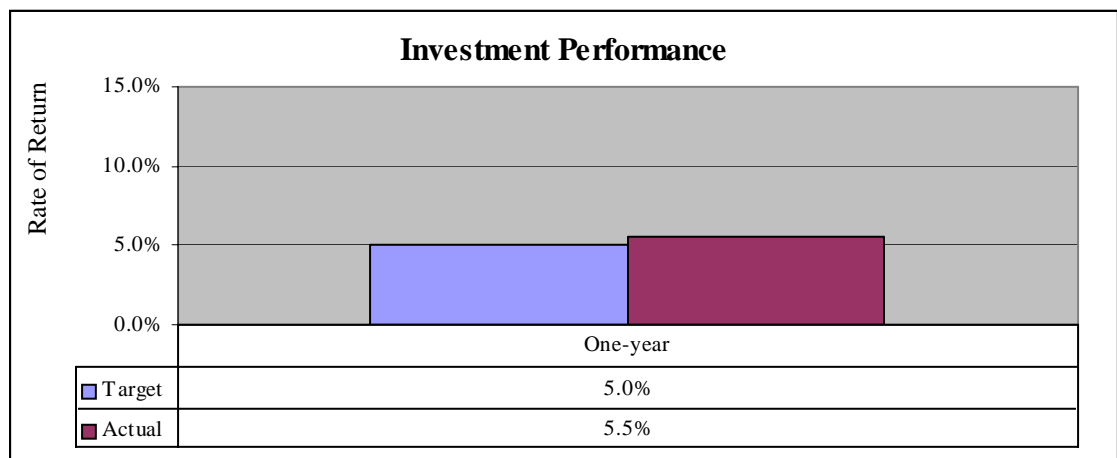
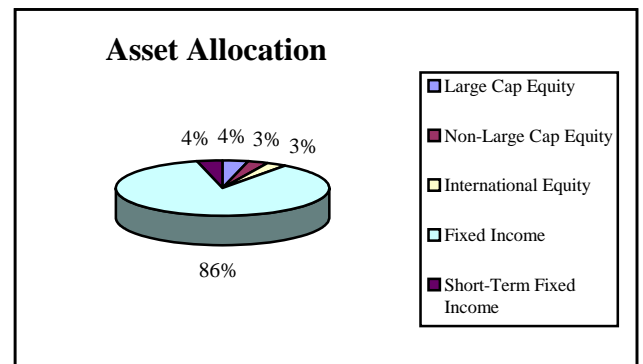
Workers' Compensation Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 831,706
Contributions	556,430
Withdrawals	(471,245)
Net	<u>85,185</u>
Investment income	18,199
Net unrealized appreciation	33,169
June 30, 2005	<u><u>\$ 968,259</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 40,696
Non-Large Cap Equity	24,478
International Equity	31,078
Fixed Income	836,922
Short-Term Fixed Income	35,085
Total	<u><u>\$ 968,259</u></u>



Rates of return are net of all fees.

The IMB 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 5.0 percent per annum, net of fees.
- To preserve the Fund's current surplus position.

Asset Allocation

Based upon the IMB'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%

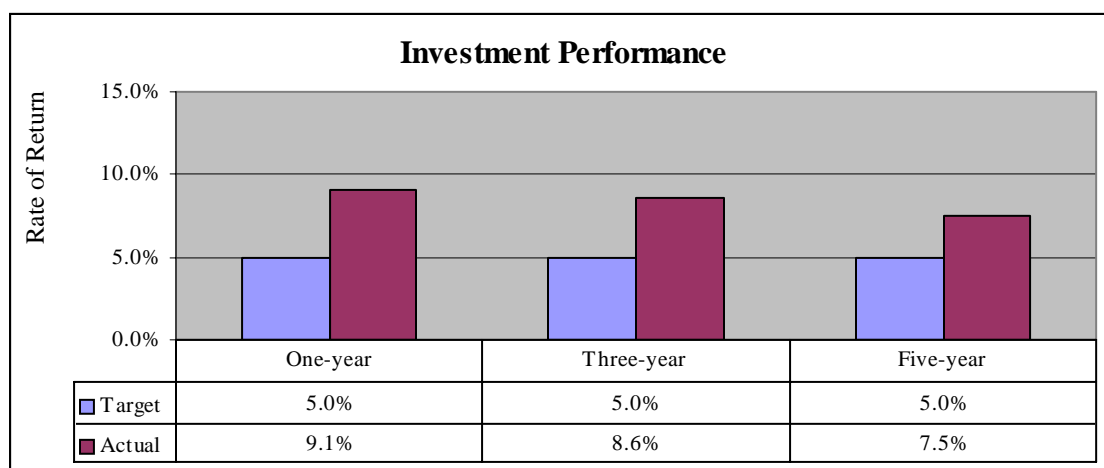
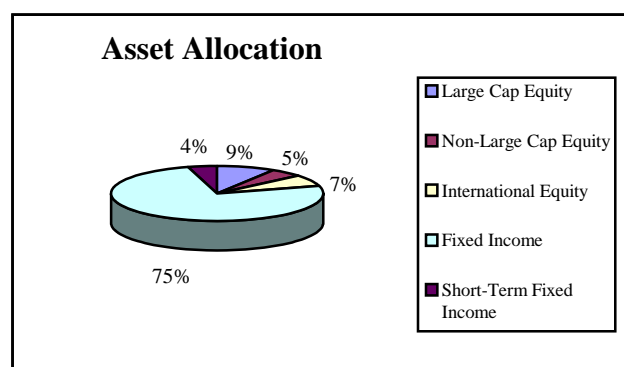
Pneumoconiosis Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 228,104
Contributions	8,939
Withdrawals	<u>(10,429)</u>
Net	(1,490)
Investment income	4,541
Net unrealized appreciation	<u>16,107</u>
June 30, 2005	<u><u>\$ 247,262</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 22,169
Non-Large Cap Equity	12,510
International Equity	16,429
Fixed Income	185,199
Short-Term Fixed Income	10,955
Total	<u><u>\$ 247,262</u></u>



Rates of return are net of all fees.

The IMB 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 5.0 percent per annum, net of fees.
- To provide adequate liquidity to meet cash flow requirements.

Asset Allocation

Based upon the IMB'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

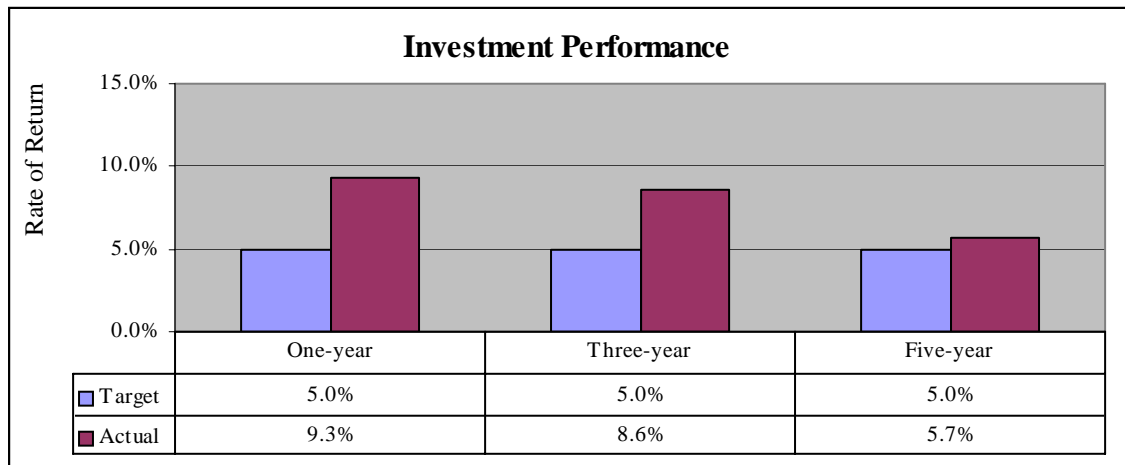
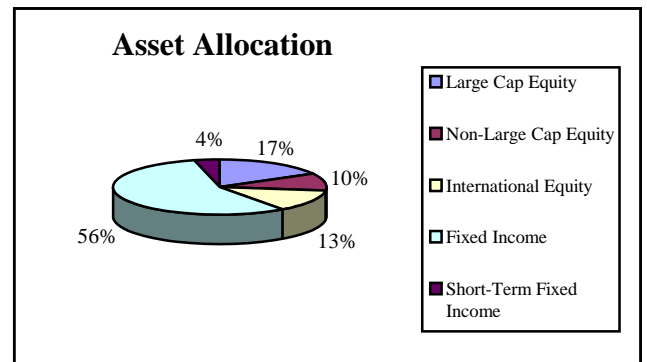
Workers' Compensation Employers Excess Liability Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 18,498
Contributions	7,331
Withdrawals	<u>(1,265)</u>
Net	6,066
Investment income	436
Net unrealized appreciation	<u>1,622</u>
June 30, 2005	<u><u>\$ 26,622</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 4,631
Non-Large Cap Equity	2,591
International Equity	3,424
Fixed Income	14,838
Short-Term Fixed Income	<u>1,138</u>
Total	<u><u>\$ 26,622</u></u>



Rates of return are net of all fees.

The IMB 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.
- To 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%

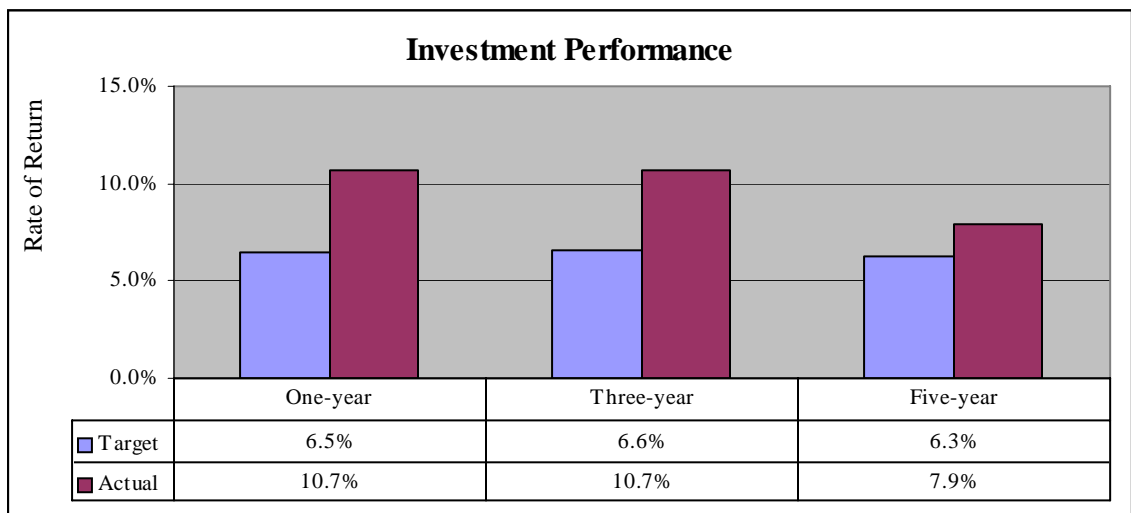
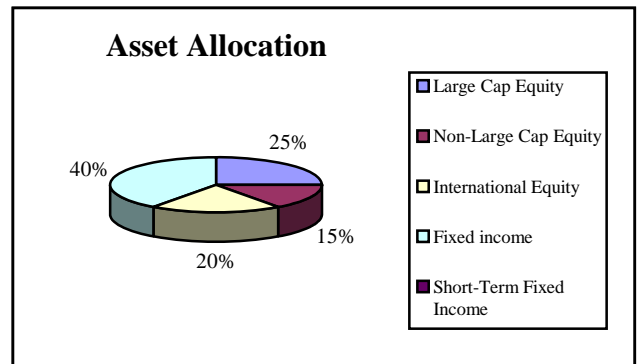
Wildlife Endowment Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 30,718
Contributions	595
Withdrawals	-
Net	595
Investment income	305
Net unrealized appreciation	3,019
June 30, 2005	\$ 34,637

Asset Allocation

	Asset Value (in \$000's)
Large Cap Equity	\$ 8,765
Non-Large Cap Equity	5,270
International Equity	6,794
Fixed income	13,747
Short-Term Fixed Income	61
Total	\$ 34,637



Rates of return are net of all fees.

The IMB 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 including the West Virginia Prepaid Tuition Trust Escrow Account

Creation

The Prepaid Tuition Trust Fund was established in 1997 with the objective of enhancing and improving higher education in the state of West Virginia. This is accomplished by providing individuals and organizations a means for paying future college tuition and fees in advance at a rate set today.

Effective March 2003, the Prepaid Tuition Trust Fund was closed to new contracts unless the Legislature authorizes the Fund to reopen. The Prepaid Tuition Trust Escrow Account was created in 2003 to guarantee payment of existing prepaid tuition plan contracts for a period of 10 years ending June 30, 2013.

Investment Objectives

The investment objectives for the West Virginia Prepaid Tuition Trust Fund and the West Virginia Prepaid Tuition Escrow Account are as follows:

- To meet or exceed the actuarial interest rate assumption of 7.25 percent per annum, net of fees.
- To generate long-term, net of fee, returns that exceed the Plan's liquidity needs.
- To build and maintain an actuarial surplus at a level recommended by the actuaries.

Asset Allocation

The IMB 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

The West Virginia Prepaid Tuition Trust Escrow Account is mandated by law to be 100 percent invested in Fixed Income Securities.

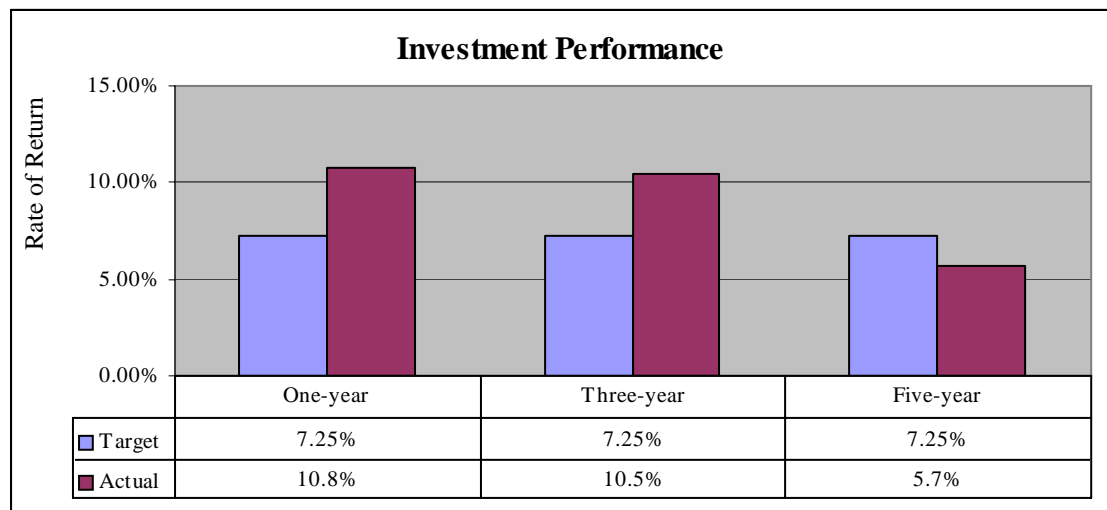
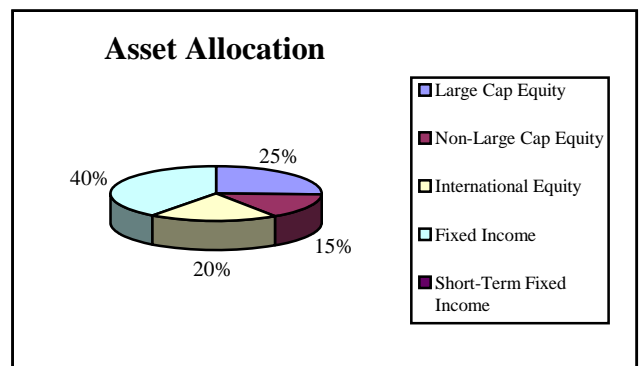
West Virginia Prepaid Tuition Trust Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 81,843
Contributions	-
Withdrawals	(1,220)
Net	<u>(1,220)</u>
Investment income	799
Net unrealized appreciation	7,884
June 30, 2005	<u><u>\$ 89,306</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 22,691
Non-Large Cap Equity	13,625
International Equity	17,543
Fixed Income	35,437
Short-Term Fixed Income	10
Total	<u><u>\$ 89,306</u></u>



Rates of return are net of all fees.

The IMB 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.

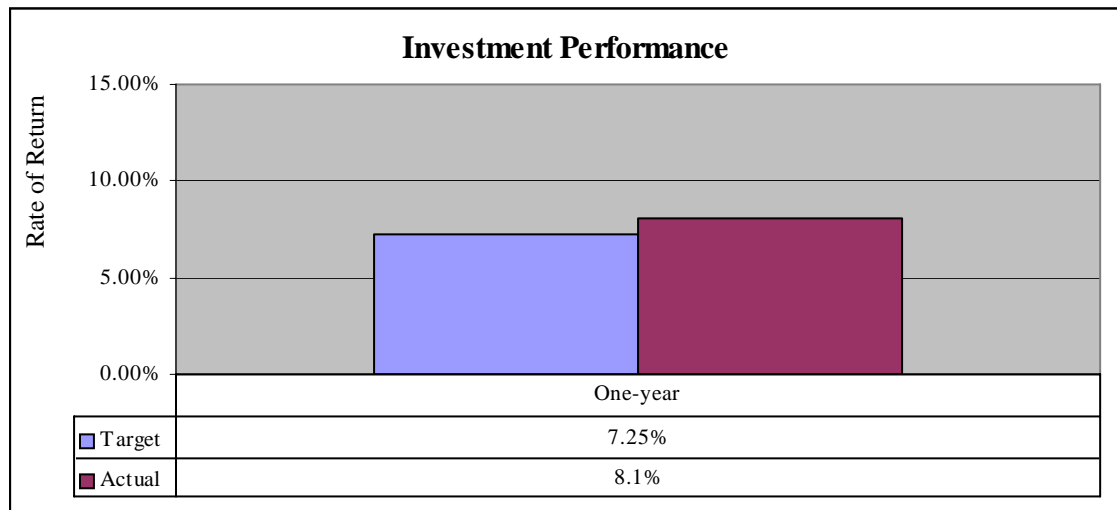
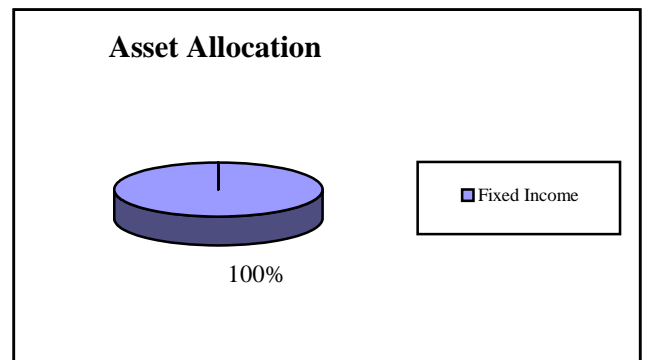
West Virginia Prepaid Tuition Trust Escrow Account (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 499
Contributions	500
Withdrawals	-
Net	<u>500</u>
Investment income	18
Net unrealized appreciation	40
June 30, 2005	<u><u>\$ 1,057</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Fixed Income	\$ 1,057
Total	<u><u>\$ 1,057</u></u>



Rates of return are net of all fees.

The IMB 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 (Plan) 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 Plan is to stabilize the State's health related programs and delivery systems. The funds 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%

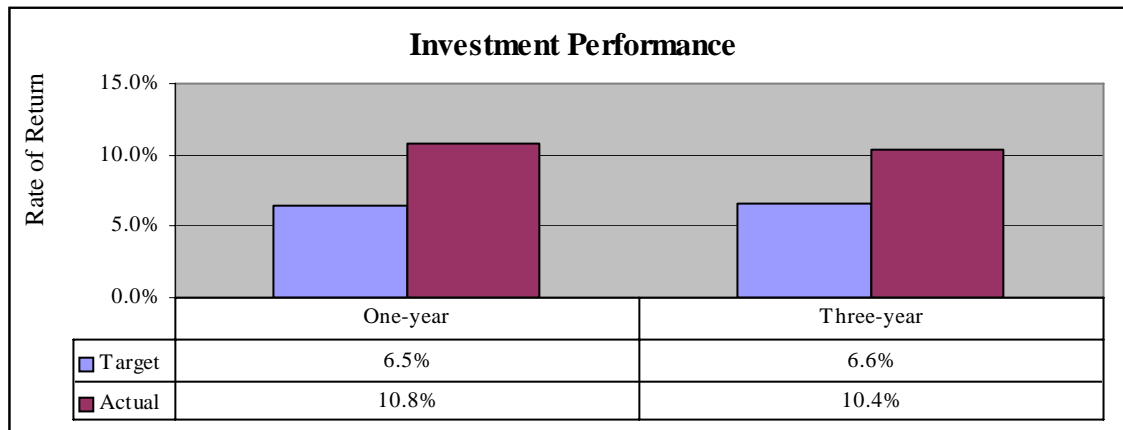
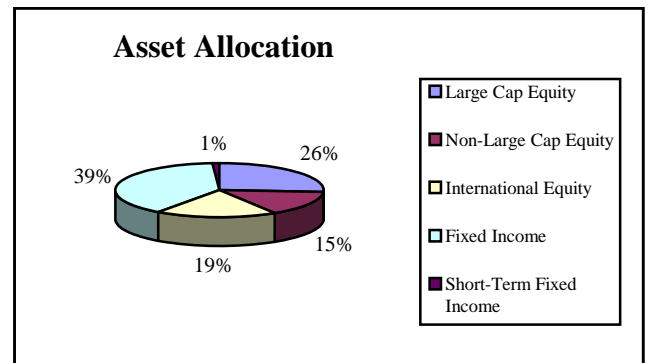
Tobacco Settlement Medical Trust Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ 164,720
Contributions	29,410
Withdrawals	-
Net	<u>29,410</u>
Investment income	1,713
Net unrealized appreciation	17,139
June 30, 2005	<u><u>\$ 212,982</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 55,700
Non-Large Cap Equity	32,359
International Equity	39,867
Fixed Income	84,089
Short-Term Fixed Income	967
Total	<u><u>\$ 212,982</u></u>



Rates of return are net of all fees.

The IMB 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.

Board of Risk and Insurance Management Fund

Creation

The West Virginia Board of Risk and Insurance Management (BRIM) is a state entity charged with providing insurance coverage to all state agencies. Additionally, BRIM provides these services to cities, counties, and non-profit organizations throughout the State under the provisions of Senate Bill #3. BRIM also provides a coal mine subsidence reinsurance program that allows homeowners and businesses to obtain insurance coverage up to \$75,000 for collapses and damage caused by underground coal mines.

Investment Objectives

The Plan's investment objective is as follows:

- To achieve a total rate of return of at least 4.9 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 Board of Risk and Insurance Management 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	80.0%
Cash and Cash Equivalents	0.0%

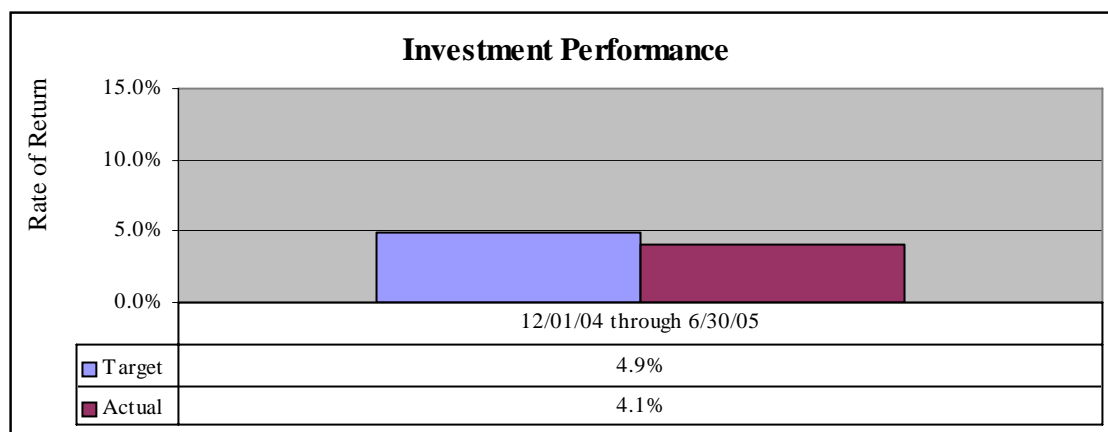
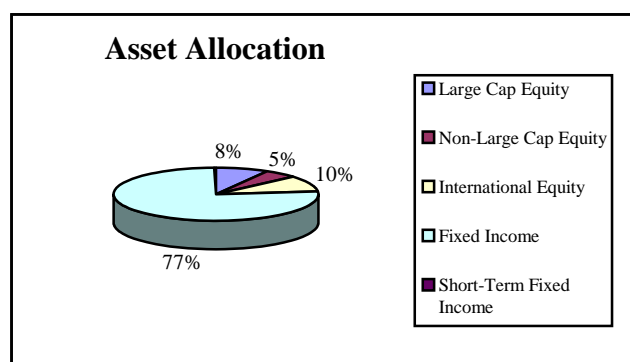
Board of Risk and Insurance Management Fund (continued)

Progression of Plan Balance

	(in \$000's)
June 30, 2004	\$ -
Contributions	98,024
Withdrawals	-
Net	<u>98,024</u>
Investment income	820
Net unrealized appreciation	2,996
June 30, 2005	<u><u>\$ 101,840</u></u>

Asset Allocation (actual)

	Asset Value (in \$000's)
Large Cap Equity	\$ 8,360
Non-Large Cap Equity	5,519
International Equity	9,754
Fixed Income	78,052
Short-Term Fixed Income	155
Total	<u><u>\$ 101,840</u></u>



Rates of return are net of all fees.

The IMB 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, 2005

West Virginia

Investment Management Board

Audited Financial Statements

June 30, 2005

Table of Contents

Independent Auditors' Report

Statement of Assets and Liabilities 1

Schedule of Investments in Securities 9

Statement of Operations 56

Statement of Changes in Net Assets 64

Notes to Financial Statements 72

Financial Highlights 89

Other Financial Information 91



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Independent Auditors' Report

Board of Trustees
West Virginia Investment Management Board:

We have audited the accompanying statements of assets and liabilities, including the schedules of investments in securities, of the individual investment pools managed by the West Virginia Investment Management Board (the WVIMB) as of June 30, 2005 and the related statements of operations and changes in net assets for the year then ended, except for the Dedicated Fixed Income Pool, which is for the period from July 1, 2004 to October 5, 2004 (date of liquidation), and the EDA – AW Pool, which is for the period from September 1, 2004 (date of inception) to June 30, 2005. These financial statements are the responsibility of the WVIMB's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WVIMB's internal control over financial reporting. Accordingly, we express no such opinion. 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 audits provide 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, 2005 and the results of their operations and changes in their net assets for the year then ended, except for the Dedicated Fixed Income Pool, which is for the period from July 1, 2004 to October 5, 2005 (date of liquidation), and the EDA – AW Pool, which is for the period from September 1, 2004 (date of inception) to June 30, 2005, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included on pages 89-91 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

Pittsburgh, Pennsylvania
August 26, 2005

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West Virginia Investment Management Board

Statement of Assets and Liabilities

June 30, 2005

(Dollars in thousands, except Investment Unit Data)

	Large Cap Domestic	Non-Large Cap Domestic
Assets		
Investment securities:		
At amortized cost		
At fair value	\$ 1,500,175	\$ 896,664
Cash	3	12
Collateral for securities loaned, at fair value (Note 6)	105,387	122,149
Receivables:		
Accrued interest	-	-
Investments sold	7,699	7,873
Dividends	1,729	643
Securities lending income	8	30
Foreign tax withholding	-	-
Unrealized gain on foreign currency exchange contracts (Note 9)	-	-
Total assets	1,615,001	1,027,371
Liabilities		
Accrued expenses	1,559	491
Dividends payable	-	-
Payable for investments purchased	7,221	9,622
Payable upon return of securities loaned (Note 6)	105,387	122,149
Due to broker - variation margin	-	4
Total liabilities	114,167	132,266
Net assets at value	\$ 1,500,834	\$ 895,105
Net assets		
Paid-in capital	\$ 1,243,109	\$ 334,431
Accumulated undistributed		
net investment income (loss)	72,572	166,304
Accumulated undistributed		
net realized gain (loss) from investments	33,332	239,954
Accumulated undistributed net realized		
gain from foreign currency transactions	-	-
Unrealized net appreciation (depreciation)		
of investments	151,821	154,416
Unrealized net depreciation on translation		
of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 1,500,834	\$ 895,105
Investment unit data:		
Units outstanding	143,403,684	48,579,531
Net asset value, unit price	\$10.47	\$18.43

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ 350,543	\$ 28,392	\$ 786,833
-	-	15,517
-	-	93,210
-	-	-
-	-	5,623
-	-	1,367
-	-	57
-	-	494
-	-	163
<u>350,543</u>	<u>28,392</u>	<u>903,264</u>
174	1	608
-	-	-
-	-	7,392
-	-	93,210
-	-	-
<u>174</u>	<u>1</u>	<u>101,210</u>
<u>\$ 350,369</u>	<u>\$ 28,391</u>	<u>\$ 802,054</u>
\$ 165,331	\$ 3,838	\$ 644,389
(7,902)	(479)	50,980
(1,979)	8,812	(60,615)
-	-	63,950
194,919	16,220	114,188
-	-	(10,838)
<u>\$ 350,369</u>	<u>\$ 28,391</u>	<u>\$ 802,054</u>
14,199,099	1,210,645	57,169,597
<u>\$24.68</u>	<u>\$23.45</u>	<u>\$14.03</u>

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

June 30, 2005

(Dollars in thousands, except Investment Unit Data)

	Short-Term Fixed Income	Fixed Income
Assets		
Investment securities:		
At amortized cost	\$ 398,459	
At fair value		\$ 1,918,134
Cash	-	-
Collateral for securities loaned, at fair value (Note 6)	68,826	570,388
Receivables:		
Accrued interest	95	12,026
Investments sold	-	-
Dividends	2	2
Securities lending income	3	68
Foreign tax withholding	-	-
Unrealized gain on foreign currency exchange contracts (Note 9)	-	-
Total assets	467,385	2,500,618
Liabilities		
Accrued expenses	24	684
Dividends payable	-	4,859
Payable for investments purchased	-	25,357
Payable upon return of securities loaned (Note 6)	68,826	570,388
Due to broker - variation margin	-	378
Total liabilities	68,850	601,666
Net assets at value	\$ 398,535	\$ 1,898,952
Net assets		
Paid-in capital	\$ 398,538	\$ 1,603,533
Accumulated undistributed net investment income (loss)	-	-
Accumulated undistributed net realized gain (loss) from investments	(3)	209,569
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	-	85,850
Unrealized net appreciation on translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 398,535	\$ 1,898,952
Investment unit data:		
Units outstanding	398,538,486	156,620,865
Net asset value, unit price	\$1.00	\$12.12

See accompanying notes to financial statements.

<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 800,406	\$ 530,635
-	-
-	-
-	-
-	-
-	-
-	-
<u>800,406</u>	<u>530,635</u>
50	28
-	-
-	-
-	-
<u>50</u>	<u>28</u>
<u>\$ 800,356</u>	<u>\$ 530,607</u>
\$ 571,406	\$ 481,142
737	(223)
180,253	35,120
-	-
47,960	14,568
-	-
<u>\$ 800,356</u>	<u>\$ 530,607</u>
53,972,388	60,622,396
<u>\$14.83</u>	<u>\$8.75</u>

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

June 30, 2005

(Dollars in thousands, except Investment Unit Data)

	Cash Liquidity	Government Money Market
Assets		
Investment securities:		
At amortized cost	\$ 1,579,008	\$ 154,820
At fair value		
Cash	-	-
Collateral for securities loaned, at fair value (Note 6)	296,948	17,901
Receivables:		
Accrued interest	1,880	206
Investments sold	24,887	-
Dividends	8	2
Securities lending income	31	2
Foreign tax withholding	-	-
Unrealized gain on foreign currency exchange contracts (Note 9)	-	-
Total assets	1,902,762	172,931
Liabilities		
Accrued expenses	96	10
Dividends payable	-	-
Payable for investments purchased	-	-
Payable upon return of securities loaned (Note 6)	296,948	17,901
Due to broker - variation margin	-	-
Total liabilities	297,044	17,911
Net assets at value	\$ 1,605,718	\$ 155,020
Net assets		
Paid-in capital	\$ 1,605,847	\$ 155,019
Accumulated undistributed net investment income (loss)	1	1
Accumulated undistributed net realized gain (loss) from investments	(130)	-
Accumulated undistributed net realized gain from foreign currency transactions	-	-
Unrealized net appreciation (depreciation) of investments	-	-
Unrealized net appreciation on translation of assets and liabilities in foreign currencies	-	-
Net assets at value	\$ 1,605,718	\$ 155,020
Investment unit data:		
Units outstanding	1,605,846,998	155,018,998
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>
\$ 271,654	\$ 149,205	\$ 139,777
-	-	30
102,694	-	-
2,410	-	279
-	-	-
-	-	39
11	-	-
-	-	-
-	-	-
<u>376,769</u>	<u>149,205</u>	<u>140,125</u>
27	-	4
761	-	-
12,269	-	-
102,694	-	-
-	-	-
<u>115,751</u>	<u>-</u>	<u>4</u>
<u>\$ 261,018</u>	<u>\$ 149,205</u>	<u>\$ 140,121</u>
\$ 265,998	\$ 183,415	\$ 140,121
-	-	-
(2,588)	(36,224)	-
-	-	-
(2,392)	2,014	-
-	-	-
<u>\$ 261,018</u>	<u>\$ 149,205</u>	<u>\$ 140,121</u>
2,622,422	183,415,000	140,121,266
<u>\$99.53</u>	<u>\$0.81</u>	<u>\$1.00</u>

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

June 30, 2005

(Dollars in thousands, except Investment Unit Data)

	Municipal Bond Commission	Lottery Defeasance
Assets		
Investment securities:		
At amortized cost	\$ 49,782	
At fair value		\$ 1,665
Cash	-	-
Collateral for securities loaned, at fair value (Note 6)	-	-
Receivables:		
Accrued interest	414	-
Investments sold	-	-
Dividends	-	-
Securities lending income	-	-
Foreign tax withholding	-	-
Unrealized gain on foreign currency exchange contracts (Note 9)	-	-
Total assets	50,196	1,665
Liabilities		
Accrued expenses	1	-
Dividends payable	-	-
Payable for investments purchased	-	-
Payable upon return of securities loaned (Note 6)	-	-
Due to broker - variation margin	-	-
Total liabilities	1	-
Net assets at value	\$ 50,195	\$ 1,665

See accompanying notes to financial statements.

<u>School Fund</u>	<u>EDA Insurance</u>	<u>EDA-AW</u>
\$ 1,427	\$ 454	\$ 1,801
-	-	-
-	-	-
-	-	34
-	-	-
3	-	-
-	-	-
-	-	-
<u>1,430</u>	<u>454</u>	<u>1,835</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,430</u>	<u>454</u>	<u>1,835</u>
<u>\$ 1,430</u>	<u>\$ 454</u>	<u>\$ 1,835</u>

West Virginia Investment Management Board
Schedule of Investments in Securities
June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Large Cap Domestic				
<i>Equities</i>				
<i>Basic Materials</i>				
Air Products and Chemicals Inc		16,800	\$ 993	\$ 1,013
Allegheny Technologies Inc		8,600	198	190
Ball Corporation		43,100	1,822	1,550
Dow Chemical Company		26,900	1,279	1,198
duPont EI de Nemours Co		28,200	1,306	1,213
Eastman Chemical Company		31,100	1,622	1,715
Ecolab Inc		63,900	2,189	2,068
Engelhard Corporation		139,000	3,983	3,968
Georgia-Pacific Corp		52,600	1,373	1,673
Great Lakes Chemical Corp		3,600	126	113
Hercules Inc		35,000	511	495
International Paper Company		2,765	113	84
Intl Flavors & Fragrances Inc		21,600	870	782
Louisiana-Pacific Corporation		86,800	1,545	2,134
MeadWestvaco Corp		45,500	1,500	1,276
Monsanto Company		80,595	4,387	5,067
Newmont Mining Corp		25,000	1,015	976
Nucor Corporation		99,600	5,659	4,544
Pactiv Corporation		9,500	238	205
Phelps Dodge Corporation		27,300	2,055	2,525
Plum Creek Timber Co Inc		57,300	2,086	2,080
PPG Industries Inc		21,900	1,501	1,374
Praxair Inc		14,200	634	662
Rohm & Haas Company		39,500	1,671	1,830
Sealed Air Corporation		38,019	737	1,893
Sigma-Aldrich Corporation		20,800	1,229	1,166
Temple-Inland Inc		12,900	405	479
United States Steel Corp		33,400	840	1,148
Weyerhaeuser Company		6,700	438	426
			42,325	43,847
<i>Capital Goods</i>				
3M Co		126,390	9,925	9,138
American Power Conversion Corp		32,700	815	771
American Standard Companies		71,900	2,216	3,014
Apollo Group		3,000	226	235
Avery Dennison Corp		21,500	1,243	1,139
Bemis Company Inc		8,800	244	234
Boeing Company		53,700	2,961	3,544
Burlington Northern Santa Fe		176,300	6,899	8,300
Caterpillar Inc		4,110	399	392
Cendant Corp		228,344	4,208	5,108
Cintas Corp		6,700	273	259
Computer Sciences Corp		31,500	1,605	1,377
Cooper Industries Ltd		9,300	586	594

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.

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
CSX Corp		24,600	1,006	1,049
Cummins Engine Company Inc		24,500	1,677	1,828
Danaher Corp		112,076	5,593	5,866
Deere & Company		4,000	276	262
Donnelley & Sons		47,900	1,626	1,653
Dover Corp		4,100	120	149
Eaton Corporation		12,600	855	755
Emerson Electric Co		24,200	1,277	1,516
Equifax Inc		92,900	2,407	3,317
FedEx Corp		43,700	4,105	3,540
Fluor Corporation		9,700	499	559
General Dynamics Corp		67,300	6,404	7,372
General Electric Company		1,222,775	41,095	42,369
Goodrich BF Company		21,900	732	897
Grainger WW Inc		32,200	1,952	1,764
Honeywell International Inc		35,509	1,239	1,301
Illinois Tool Works Inc		29,700	2,666	2,366
Ingersoll-Rand Company		2,500	185	178
ITT Industries Inc		13,400	1,123	1,308
Lockheed Martin Corp		115,139	6,916	7,469
Masco Corporation		171,400	5,782	5,444
Molex Inc		3,700	95	96
Network Appliance Inc		80,100	2,395	2,264
Norfolk Southern Corp		76,700	2,640	2,375
Northrop Grumman Corp		26,000	1,444	1,437
PACCAR Inc		20,000	1,528	1,360
Pall Corporation		14,700	397	446
Parker-Hannifin Corporation		24,200	1,606	1,501
Pitney Bowes Inc		22,600	1,019	984
Raytheon Company		63,000	2,461	2,465
Robert Half International Inc		23,200	645	579
Rockwell Automation Inc		60,500	3,017	2,947
Rockwell Collins		85,800	2,451	4,091
Ryder System Inc		21,400	1,072	783
Southwest Airlines Co		37,900	544	528
Symbol Technologies Inc		56,700	797	560
Textron Inc		74,465	4,955	5,648
Tyco International Ltd		230,467	4,723	6,730
Union Pacific Corp		21,500	1,413	1,393
United Parcel Service Inc		207,700	14,861	14,365
United Technologies Corp		129,100	4,851	6,629
Vulcan Materials		19,000	1,098	1,235
Waters Corporation		8,100	376	301
			173,523	183,784
<i>Communication Services</i>				
ALLTEL Corporation		36,000	2,056	2,242
AT&T Corp		172,000	3,311	3,275
BellSouth Corporation		275,300	7,821	7,315
CIENA Corporation		13,000	37	27
Citizens Communications Co		109,600	1,559	1,473

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.*

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
L-3 Communications Hldgs Inc		4,700	345	360
Nextel Communications Inc		86,900	2,502	2,808
SBC Communications Inc		230,800	6,339	5,482
Sprint Corporation		170,649	3,140	4,282
Verizon Communications		461,544	17,378	15,946
			44,488	43,210
<i>Consumer Cyclical</i>				
AutoNation Inc		34,800	670	714
AutoZone Inc		31,829	2,916	2,943
Bed Bath & Beyond Inc		7,000	265	292
Best Buy Co Inc		1,000	58	69
Big Lots Inc		12,600	147	167
Black & Decker Corporation		55,500	4,232	4,987
Brunswick Corporation		31,300	1,485	1,356
Carnival Corp		36,100	1,831	1,969
Centex Corporation		5,200	315	367
Circuit City Stores		50,800	714	878
Coach Inc		2,200	59	74
Comcast Corp		128,968	3,579	3,955
Cooper Tire & Rubber Company		3,700	78	69
Costco Wholesale Corp		41,400	1,941	1,852
CVS Corp		73,200	1,711	2,128
Darden Restaurants Inc		141,700	4,276	4,673
Dillard's Inc		87,700	2,235	2,054
Disney Walt Company		342,900	8,947	8,634
Dollar General Corporation		62,000	1,225	1,262
Eastman Kodak Co		61,400	1,813	1,649
eBay Inc		57,320	2,684	1,892
Family Dollar Stores		5,400	135	141
Federated Dept Stores Inc		88,400	4,079	6,478
Ford Motor Company		118,314	1,408	1,212
Fortune Brands Inc		40,700	2,746	3,614
Gannett Co Inc		38,000	3,087	2,703
Gap Inc		104,900	2,254	2,072
Genuine Parts Company		70,200	3,014	2,885
Goodyear Tire & Rubber Co		184,300	2,301	2,746
Harley-Davidson Inc		13,400	749	665
Harrah's Entertainment Inc		23,700	1,519	1,708
Hasbro Inc		92,700	1,357	1,927
Hilton Hotels Corp		212,200	3,961	5,061
Home Depot Inc		308,296	10,421	11,993
Johnson Controls Inc		29,000	1,712	1,634
Jones Apparel Group Inc		6,300	221	196
KB Home		37,000	1,998	2,821
Kohl's Corporation		44,600	2,138	2,494
Leggett & Platt Inc		62,800	1,813	1,669
Limited Inc		75,800	1,814	1,624
Liz Claiborne Inc		93,100	3,782	3,702
Lowe's Corp Inc		29,900	1,714	1,741
Marriott International Inc		17,900	1,131	1,221

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.

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Mattel Inc		8,400	152	154
May Department Stores Co		20,780	806	835
McDonald's Corporation		246,700	6,223	6,846
McGraw-Hill Companies Inc		107,500	4,820	4,757
Meredith Corp		10,600	540	520
New York Times Company		12,100	532	377
Newell Rubbermaid Inc		64,000	1,485	1,526
News Corp		144,900	2,645	2,344
Nike Inc		51,292	3,783	4,442
Nordstrom Inc		55,700	2,910	3,786
Omnicom Group Inc		29,600	2,631	2,364
Penney JC & Company		18,600	744	978
Pulte Corporation		26,400	1,846	2,224
Reebok International Ltd		65,100	2,912	2,723
Sears Holding Corp		24,030	3,531	3,601
Sherwin-Williams Co		130,000	4,421	6,122
Stanley Works		102,800	4,276	4,682
Staples Inc		194,927	3,037	4,150
Starbucks Corp		59,300	3,298	3,063
Starwood Hotels & Resorts Inc		103,100	5,042	6,039
Target Corp		44,900	2,250	2,443
Time Warner Inc		538,796	7,970	9,003
TJX Companies Inc		180,500	3,971	4,395
Toys R Us Inc		83,100	1,973	2,200
Tribune Company		5,500	238	193
Univision Communications Inc		6,300	193	174
VF Corp		29,291	1,551	1,676
Viacom Inc		186,045	6,805	5,957
Wendys International Inc		3,200	152	152
Yum Brands Inc		19,900	934	1,036
			176,206	191,053
<i>Consumer Staples</i>				
Alberto Culver Company		23,600	1,109	1,023
Albertson's Inc		27,200	669	562
Altria Group Inc		158,576	8,219	10,254
Anheuser-Busch Company Inc		96,200	4,740	4,401
Archer-Daniels-Midland Co		107,600	2,217	2,300
Avon Products Inc		41,900	1,633	1,586
Brown Forman Corp		42,100	2,127	2,545
Campbell Soup Co		25,400	745	782
Clorox Company		97,350	5,632	5,424
Coca-Cola Company		279,900	12,821	11,686
Coca-Cola Enterprises		194,700	4,231	4,285
Colgate-Palmolive Co		63,700	3,352	3,179
ConAgra Foods Inc		91,800	2,461	2,126
General Mills Inc		9,300	425	435
Gillette Company		135,500	5,345	6,860
Heinz HJ Company		29,097	1,029	1,031
Hershey Foods Corp		54,600	2,895	3,391
Kellogg Company		98,100	4,333	4,360

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.

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Kimberly Clark Corporation		20,800	1,306	1,302
Kroger Co		55,000	1,071	1,047
Loews Corp		52,000	3,532	4,030
McCormick & Company Inc		104,200	3,708	3,405
Molson Coors Brewing Co		55,400	4,153	3,435
Pepsi Bottling Group Inc		181,288	4,877	5,187
Pepsico Inc		187,498	8,610	10,112
Proctor & Gamble Company		324,300	15,332	17,107
Reynolds American Inc		30,100	2,291	2,372
Safeway Inc		3,400	65	77
Sara Lee Corp		145,400	3,189	2,880
Supervalu Inc		18,000	572	587
Sysco Corp		33,400	1,173	1,209
UST Inc		59,500	2,692	2,717
Walgreen Co		39,300	1,611	1,807
Wal-Mart Stores		447,900	23,294	21,589
Wrigley Wm Jr Company		37,500	2,555	2,582
			144,014	147,675
<i>Energy</i>				
Amerada Hess Corp		69,400	5,152	7,392
Anadarko Petroleum Corp		23,700	1,526	1,947
Apache Corporation		15,100	789	975
Ashland Inc		11,300	667	812
Baker Hughes Inc		48,900	1,976	2,502
BJ Services Company		19,000	953	997
Burlington Resources Inc		157,400	6,276	8,695
ChevronTexaco Corp		158,530	6,958	8,865
ConocoPhillips		101,100	4,587	5,812
Devon Energy Corporation		132,400	5,177	6,710
EOG Resources Inc		38,100	1,401	2,164
Exxon Mobil Corporation		784,105	35,122	45,063
Halliburton Company		76,925	1,807	3,679
Kerr-McGee Corporation		57,734	3,214	4,406
Marathon Oil Corp		37,100	1,664	1,980
Nabors Industries Ltd		10,500	514	637
Noble Corp		3,300	203	203
Occidental Petroleum Corp		95,580	5,231	7,353
Rowan Companies Inc		3,600	108	107
Schlumberger Ltd		20,000	1,225	1,519
Sunoco Inc		56,100	3,109	6,377
Transocean Inc		118,700	5,580	6,406
Unocal Corp		37,852	1,596	2,462
Valero Energy Corporation		114,300	4,875	9,042
			99,710	136,105
<i>Financial Services</i>				
ACE Ltd		27,142	852	1,217
AFLAC Inc		122,843	4,142	5,317
Allstate Corp		173,085	7,145	10,342
Ambac Financial Group Inc		25,059	1,790	1,748
American Express		193,670	8,572	10,309

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.*

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
American International Grp Inc		312,086	18,810	18,132
AmSouth Bancorporation		120,500	2,917	3,133
Aon Corporation		9,400	194	235
Apartment Investment & Mgmt Co		42,000	1,569	1,719
Archstone-Smith Trust		63,600	2,284	2,456
Bank of America Corporation		583,296	22,056	26,604
Bank of New York Co Inc		79,800	2,370	2,297
BB&T Corp		210,300	8,147	8,406
Bear Stearns Companies Inc		56,600	4,858	5,883
Block H&R Inc		2,800	138	163
Capital One Financial Corp		60,400	2,876	4,833
Chubb Corp		73,300	5,331	6,275
CIGNA Corporation		69,500	4,953	7,439
Cincinnati Financial Corp		45,707	1,819	1,808
Citigroup Inc		621,583	24,840	28,736
Comerica Inc		60,007	3,472	3,468
Compass Bancshares Inc		28,400	1,311	1,278
Countrywide Financial Corp		191,798	5,417	7,405
Equity Office Properties Trust		40,800	1,253	1,350
Equity Residential Prop Trust		48,900	1,644	1,800
Federal Home Loan Mort Corp		72,574	4,350	4,734
Federal National Mortgage Assn		82,075	5,976	4,793
Federated Investors Inc		9,900	289	297
Fifth Third Bancorp		42,200	2,132	1,737
First Horizon National Corp		1,900	82	80
Franklin Resources Inc		56,500	3,815	4,349
Golden West Financial Corp		34,600	2,034	2,228
Goldman Sachs Group Inc		25,300	2,687	2,581
Hartford Financial Services Gp		61,440	3,732	4,594
Huntington Bancshares Inc		48,800	1,158	1,178
JPMorgan Chase & Co		429,367	13,667	15,165
KeyCorp		25,800	863	855
Lehman Brothers Holdings Inc		76,600	6,842	7,605
Lincoln National Corp		41,214	1,572	1,934
M & T Bank Corporation		28,400	2,904	2,987
Marsh & McLennan Co Inc		12,900	378	357
Marshall & Ilsley Corp		17,000	721	756
MBIA Inc		12,100	610	718
MBNA Corporation		64,973	1,282	1,700
Mellon Financial Corp		1,000	29	29
Merrill Lynch & Company Inc		95,099	4,018	5,231
MetLife Inc		86,560	3,133	3,890
MGIC Investments Corp		23,442	1,512	1,529
Moody's Corp		42,400	1,745	1,906
Morgan Stanley Dean Witter Co		54,780	2,776	2,874
National City Corporation		82,800	2,943	2,825
North Fork Bancorporation Inc		111,400	3,112	3,129
Northern Trust Corp		29,800	1,277	1,359
PNC Financial Services Group		27,900	1,166	1,519
Principal Financial Group Inc		112,661	3,864	4,720

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.

See accompanying notes to financial statements.

West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)
June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Progressive Corp		18,100	1,668	1,788
ProLogis Trust		36,000	1,431	1,449
Providian Financial Corp		222,433	1,770	3,921
Prudential Financial Inc		57,700	3,165	3,789
Regions Financial Corp		168,303	5,607	5,702
SAFECO Corp		32,800	1,571	1,782
Schwab Charles Corp		88,700	994	1,001
Simon Property Group		19,600	1,275	1,421
SLM Corp		48,900	2,439	2,484
Sovereign Bancorp Inc		16,700	365	373
St Paul Travelers Co Inc		8,200	296	324
State Street Corp		8,300	401	400
SunTrust Banks Inc		85,900	5,839	6,205
Synovus Financial Corp		98,800	2,753	2,833
T Rowe Price Associates Inc		24,900	1,456	1,559
Torchmark Corporation		18,200	1,011	950
UnumProvident Corp		50,400	884	923
US Bancorp		127,579	3,629	3,725
Wachovia Corporation		286,765	12,796	14,224
Washington Mutual Inc		113,500	4,186	4,618
WellPoint Inc		120,020	5,181	8,358
Wells Fargo & Company		125,600	6,693	7,734
XL Capital Ltd		5,200	388	387
Zions Bancorporation		30,200	2,026	2,221
			<u>287,253</u>	<u>328,183</u>
<i>Health Care</i>				
Abbott Laboratories		101,200	4,124	4,960
Aetna Inc		71,200	4,448	5,897
AmerisourceBergen Corp		84,900	5,116	5,871
Amgen Inc		170,820	9,136	10,328
Applera Corp - Applied Biosys		6,100	127	120
Bard CR Inc		57,900	2,545	3,851
Bausch & Lomb Inc		59,300	2,711	4,922
Baxter International Inc		36,200	1,183	1,343
Becton Dickinson & Company		41,400	2,257	2,172
Biogen Idec Inc		20,600	1,171	710
Biomet Inc		34,000	1,614	1,177
Bristol-Myers Squibb Company		184,277	4,426	4,603
Cardinal Health Inc		39,600	2,561	2,280
Caremark Rx Inc		6,400	254	285
Express Scripts Inc		8,400	394	420
Fisher Scientific Intl Inc		30,500	1,778	1,979
Genzyme Corporation		4,600	282	276
Gilead Sciences Inc		9,400	314	414
Guidant Corp		35,800	2,369	2,409
HCA Inc		23,000	1,264	1,303
Health Management Assoc Inc		29,900	764	783
Hospira Inc		14,300	531	558
Humana Inc		138,900	3,366	5,520
IMS Health Inc		179,900	3,763	4,456

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Johnson & Johnson		374,695	21,297	24,355
King Pharmaceuticals Inc		48,700	494	507
Laboratory Corp of Amer Hldgs		13,200	633	659
Lilly Eli and Company		29,100	1,806	1,621
Manor Care Inc		13,200	489	524
McKesson HBOC Inc		139,700	5,117	6,257
Medco Health Solutions Inc		25,400	1,315	1,355
MedImmune Inc		28,900	762	772
Medtronic Inc		129,000	6,007	6,681
Merck & Co Inc		226,300	10,076	6,970
Mylan Laboratories Inc		14,300	256	275
Pfizer Inc		944,044	29,771	26,037
Quest Diagnostics Inc		25,400	1,176	1,353
Schering-Plough Corporation		94,300	1,750	1,797
St Jude Medical Inc		135,096	4,430	5,892
Stryker Corporation		22,800	997	1,084
Tenet Healthcare Corporation		47,100	534	577
Unitedhealth Group Inc		224,192	6,635	11,689
Watson Pharmaceuticals Inc		29,300	894	866
Wyeth		58,165	2,450	2,588
Zimmer Holdings Inc		17,500	1,394	1,333
			154,781	169,829
<i>Technology</i>				
Adobe Systems Inc		31,200	815	893
Advanced Micro Devices Inc		93,000	1,616	1,613
Affiliated Computer Svcs Inc		4,600	273	235
Altera Corporation		84,500	1,440	1,673
Analog Devices Inc		1,300	51	49
Apple Computer Inc		95,600	3,349	3,519
Applied Materials Inc		12,900	233	209
Autodesk Inc		67,800	2,171	2,328
Automatic Data Processing Inc		156,465	6,382	6,567
Avaya Inc		6,200	100	52
BMC Software Inc		128,900	2,491	2,314
Broadcom Corp		1,550	48	55
Cisco Systems Inc		667,590	10,057	12,738
Citrix Systems Inc		80,400	1,246	1,742
Computer Associates Inter		14,900	445	409
Comverse Technology Inc		15,900	366	376
Corning Inc		19,010	239	316
Dell Inc		290,355	9,155	11,457
Electronic Arts Inc		20,460	1,119	1,158
Electronic Data Systems Corp		23,600	484	454
EMC Corporation		276,400	2,285	3,789
First Data Corp		34,890	1,469	1,400
Fiserv Inc		25,300	858	1,085
Freescale Semiconductor Inc		41,493	520	879
Hewlett-Packard Company		102,700	2,003	2,414
Intel Corporation		794,200	16,456	20,665
International Business Machs		225,300	17,504	16,717

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Intuit Inc		24,600	1,064	1,110
Jabil Circuit Inc		56,600	1,151	1,739
KLA-Tencor Corporation		6,100	282	266
Lexmark International Inc		6,500	555	421
Linear Technology Corp		19,800	758	727
LSI Logic Corporation		22,700	218	193
Lucent Technologies Inc		5,536	-	4
Maxim Integrated Products Inc		1,500	64	57
Mercury Interactive Corp		2,600	117	100
Micron Technology Inc		16,300	179	166
Microsoft Corporation		1,208,902	30,608	30,029
Motorola Inc		344,600	4,059	6,292
National Semiconductor Corp		156,200	2,780	3,441
NCR Corporation		165,300	3,903	5,805
Novellus Systems Inc		9,000	228	222
NVIDIA Corporation		71,000	1,639	1,897
Oracle Corporation		533,625	6,468	7,044
PerkinElmer Inc		3,900	81	74
PMC-Sierra Inc		36,400	410	340
QLogic Corporation		117,600	4,126	3,630
Qualcomm Inc		251,490	9,145	8,302
Sabre Holdings Corporation		14,700	328	293
Siebel Systems Inc		54,900	554	489
Sun Microsystems Inc		65,000	359	242
SunGard Data Systems Inc		20,600	707	725
Symantec Corporation		96,300	2,333	2,094
Texas Instruments Inc		209,600	6,262	5,884
Thermo Electron Corporation		86,900	2,615	2,335
Veritas Software Corporation		84,500	1,978	2,062
Xerox Corporation		205,779	2,311	2,838
Xilinx Inc		7,900	256	201
Yahoo! Inc		193,158	5,459	6,693
			174,172	190,821
<i>Utilities</i>				
AES Corporation		4,800	61	79
Allegheny Energy Inc		194,000	2,125	4,893
Ameren Corporation		20,200	1,062	1,117
American Electric Power Co Inc		24,200	837	892
CenturyTel Inc		38,500	1,258	1,333
Cinergy Corp		13,700	570	614
CMS Energy Corporation		17,400	239	262
Consolidated Edison Inc		18,100	820	848
Constellation Energy Group		9,600	418	554
Dominion Resources Inc		58,000	3,724	4,257
DTE Energy Company		11,400	508	533
Duke Energy Corp		62,800	1,592	1,867
Edison International		60,100	1,925	2,437
El Paso Corporation		1,300	13	15
Entergy Corporation		52,500	2,929	3,966
Exelon Corp		182,200	6,478	9,352

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
FirstEnergy Corp		42,700	1,794	2,054
FPL Group Inc		20,700	782	871
KeySpan Corporation		13,200	523	537
Kinder Morgan Inc		16,200	966	1,348
NICOR Inc		13,700	511	564
PG&E Corp		71,093	2,160	2,669
Pinnacle West Capital Corp		17,200	768	765
PPL Corporation		8,100	436	481
Public Service Enterprise Grp		21,600	986	1,314
Sempra Energy		92,400	3,634	3,817
Southern Company		116,000	3,538	4,022
TECO Energy Inc		37,600	654	711
TXU Corp		88,800	4,514	7,378
Xcel Energy Inc		42,200	763	824
			<u>46,588</u>	<u>60,374</u>
Total Equities	99.6%		1,343,060	1,494,881
<i>Short-Term Issues</i>				
Dreyfus Cash Management Institutional Fund		5,293,608	5,294	5,294
Total Short-Term Issues	0.4%		<u>5,294</u>	<u>5,294</u>
Total Large Cap Domestic			<u>\$ 1,348,354</u>	<u>\$ 1,500,175</u>
Non-Large Cap Domestic				
<i>Equities</i>				
<i>Basic Materials</i>				
Agrium Inc		92,600	\$ 1,065	\$ 1,816
AptarGroup Inc		5,400	269	274
Bowater Inc		14,200	501	460
Cabot Corporation		12,200	279	403
Caraustar Industries Inc		34,200	464	359
Carpenter Technology Corp		8,700	386	451
Cleveland-Cliffs Inc		19,300	431	1,115
CONSOL Energy Inc		106,300	3,860	5,696
Cytec Industries Inc		15,600	730	621
Eagle Materials Inc		9,700	625	898
Eastman Chemical Company		16,700	984	921
Ferro Corporation		5,800	130	115
Fuller HB Company		34,700	1,164	1,182
Glatfelter PH Company		20,800	293	258
Hercules Inc		138,100	1,584	1,954
Huntsman Corp		10,100	235	205
Lafarge Corporation		72,800	2,885	4,546
Lubrizol Corporation		63,500	2,026	2,668
Lyondell Chemical Co		8,400	219	222
Massey Energy Company		154,700	6,105	5,835
Methanex Corporation		53,500	621	881

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Minerals Technology Inc		5,300	264	326
Mueller Industries Inc		15,600	494	423
OM Group Inc		10,100	249	249
Oregon Steel Mills Inc		95,300	1,634	1,640
Peabody Energy Corp		91,300	2,067	4,751
Potlatch Corporation		6,500	265	340
Quanex Corporation		37,900	1,947	2,009
RPM Inc		53,500	963	977
Ryerson Tull Inc		106,700	1,642	1,523
Schweitzer-Mauduit Intl Inc		32,100	726	999
Silgan Holdings Inc		27,400	1,177	1,541
Southern Peru Copper Corp		7,600	305	326
Steel Dynamics Inc		70,600	2,441	1,853
United States Steel Corp		86,900	2,381	2,987
Wellman Inc		139,900	1,912	1,426
Worthington Industries Inc		74,100	1,284	1,171
			<u>44,607</u>	<u>53,421</u>
<i>Capital Goods</i>				
Actuant Corp		124,900	4,147	5,988
Acuity Brands Inc		13,200	337	339
Axiom Corporation		10,100	227	211
AGCO Corporation		96,500	1,904	1,845
Airtran Holdings		40,800	412	377
Ametek Inc		169,800	4,233	7,106
aQuantive Inc		77,000	857	1,364
Arkansas Best Corporation		9,000	285	286
Astec Industries Inc		5,700	126	132
BearingPoint Inc		65,500	365	480
Briggs & Stratton Corporation		60,200	2,154	2,084
Brightpoint Inc		73,900	990	1,640
Building Materials Hldg Corp		5,300	200	367
Central Freight Lines Inc		32,300	169	85
CNF Inc		14,300	668	642
Cummins Engine Company Inc		21,700	1,555	1,619
Delta Air Lines Inc		63,000	243	237
Deluxe Corporation		93,000	3,689	3,776
Dollar Thrifty Automotive Grp		42,900	1,306	1,629
Equifax Inc		57,800	1,638	2,064
ESCO Technologies Inc		8,100	397	816
Esterline Technologies Corp		3,100	119	124
ExpressJet Holdings Inc		188,500	2,432	1,604
Fleetwood Enterprises Inc		57,100	729	580
FTI Consulting Inc		45,700	970	955
FuelCell Energy Inc		18,700	256	191
Gardner Denver Inc		8,200	311	288
Genesee & Wyoming Inc		12,200	340	332
Graco Inc		43,450	880	1,480
GrafTech Int'l Ltd		50,000	523	215
Greif Inc		32,400	1,809	1,980
Harland John H Co		68,400	1,925	2,599

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Harsco Corporation		5,900	269	322
HNI Corp		41,800	2,051	2,138
Hubbell Inc		16,800	732	741
Hughes Supply Inc		10,500	260	295
IDEX Corporation		107,100	4,235	4,135
IKON Office Solutions Inc		131,900	1,185	1,254
Knight Transportation Inc		33,500	854	815
LECG Corp		141,800	2,766	3,015
Lennox International Inc		16,600	336	351
Lincoln Educational Services		9,900	195	200
Manitowoc Co Inc		6,200	259	254
Mettler-Toledo International		4,300	226	200
Monster Worldwide Inc		157,700	3,707	4,523
Moog Inc		8,725	168	275
MTS Systems Corp		7,600	217	255
Navistar International Corp		31,900	1,057	1,021
NCI Building Systems Inc		5,200	164	171
NCO Group Inc		30,171	687	653
Overnite Corp		7,900	255	340
Precision Castparts Corp		4,300	109	335
Regal-Beloit Corp		10,100	309	295
Reliance Steel & Aluminum Co		50,100	1,808	1,857
Republic Services Inc		188,100	4,882	6,773
Resources Connection Inc		42,600	539	990
Rofin-Sinar Tech Inc		7,000	220	230
Rogers Corp		9,100	404	369
Ryder System Inc		92,100	3,163	3,371
School Specialty Inc		12,000	350	558
Simpson Manufacturing Co		11,700	254	357
SkyWest Inc		55,000	899	1,000
SPX Corporation		23,900	847	1,099
Stewart & Stevenson Services		10,100	207	229
Teledyne Technologies Inc		300	9	10
Teleflex Inc		5,000	254	297
Texas Industries Inc		9,600	612	540
Timken Company		91,500	2,384	2,114
United Rentals Inc		34,200	557	691
Universal Forest Products Inc		17,000	320	705
USG Corporation		3,800	151	162
Valassis Communications Inc		5,500	145	204
Walter Industries Inc		55,400	2,096	2,227
Waste Connections Inc		111,900	2,823	4,173
Watco Inc		6,600	243	281
Watson Wyatt & Co Holdings		19,900	431	510
Werner Enterprises Inc		43,100	828	846
WESCO International Inc		10,800	360	339
West Corp		5,800	144	223
Yellow Roadway Corp		21,500	863	1,092
York International		39,200	985	1,490
			83,015	97,760

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>Communication Services</i>				
Amdocs Ltd		7,300	149	193
Arris Group Inc		68,400	477	596
Commonwealth Telephone Entrp		26,800	1,214	1,123
General Communications Inc		65,100	608	643
Nextel Partners Inc		10,200	119	257
PanAmSat Holding Corp		11,300	203	232
Premiere Global Services Inc		43,300	425	489
UbiquiTel Inc		39,100	274	319
			3,469	3,852
<i>Consumer Cyclical</i>				
Aaron Rents Inc		17,300	391	431
Abercrombie & Fitch Co		58,900	2,513	4,046
AC Moore Arts & Crafts Inc		40,700	838	1,287
ADVO Inc		19,050	501	607
American Axle & Manufacturing		77,200	2,042	1,951
American Greetings Corp		62,575	1,156	1,658
Ameristar Casinos Inc		24,000	506	626
AnnTaylor Stores Corporation		4,200	101	102
ArvinMeritor Inc		67,700	1,296	1,204
Autoliv Inc		57,600	2,266	2,523
Bandag Inc		8,500	373	391
Bandag Inc Non Voting Shares		1,600	53	65
Barnes & Noble Inc		52,800	838	2,049
Beazer Homes USA Inc		12,600	342	720
Blockbuster Inc		116,400	1,237	1,062
Blyth Inc		23,600	723	662
Bob Evans Farms Inc		32,600	928	761
Borders Group Inc		70,500	1,340	1,784
Borg-Warner Automotive Inc		53,000	1,738	2,845
Brown Shoe Company Inc		17,200	514	673
Buckle Inc		20,300	405	900
Burlington Coat Factory		41,900	678	1,787
Cato Corporation		15,900	229	328
CBRL Group Inc		8,800	352	342
CEC Entertainment Inc		58,100	1,941	2,445
Charming Shoppes Inc		109,139	805	1,018
Children's Place Retail Stores		22,100	914	1,031
Christopher & Banks Corp		28,300	531	517
Citadel Broadcasting Co		22,200	261	254
CKE Restaurants Inc		82,300	1,180	1,146
Claire's Stores Inc		12,700	255	305
Cole Kenneth Productions Inc		13,700	423	426
Consolidated Graphics Inc		23,600	1,224	962
Cooper Tire & Rubber Company		65,400	1,338	1,214
CSK Auto Corporation		42,200	621	704
Cumulus Media Inc		23,300	383	274
Dana Corporation		140,900	1,381	2,115
Darden Restaurants Inc		61,400	1,521	2,025
Delphi Automotive Systems Corp		14,100	70	66

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Dex Media Inc		25,200	604	615
DiamondRock Hospitality Co		17,200	181	194
DR Horton Inc		28,866	314	1,086
DSW Inc		9,100	211	227
Ethan Allen Interiors Inc		34,300	1,157	1,149
Foot Locker Inc		113,400	3,062	3,087
Furniture Brands International		51,500	1,347	1,113
Genesco Inc		21,200	387	786
Group 1 Automotive Inc		22,100	779	531
GTECH Holdings Corporation		67,400	1,799	1,971
Guitar Center Inc		29,900	810	1,745
Handleman Company		124,100	2,608	2,049
Hovnanian Enterprises Inc		17,900	813	1,167
Jack in the Box Inc		81,900	2,599	3,106
Journal Communications Inc		14,100	228	237
Journal Register Company		77,100	1,422	1,350
KB Home		31,700	1,386	2,416
Kellwood Company		26,100	897	702
K-Swiss Inc		74,300	2,098	2,403
La Quinta Corp		44,600	353	416
Landry's Seafood Restaurants		10,100	292	304
La-Z-Boy Inc		49,000	1,093	714
Lear Corporation		40,700	1,546	1,481
Lin TV Corp		37,900	701	526
Linens 'n Things Inc		29,700	732	703
MarineMax, Inc		4,700	145	147
MDC Holdings Inc		29,770	1,536	2,449
Meritage Corporation		21,000	959	1,670
Michaels Stores Inc		35,200	870	1,456
New York & Company Inc		19,000	376	400
Panera Bread Company		8,100	329	503
Pantry Inc		47,300	1,602	1,832
Papa John's International Inc		15,500	428	620
Payless ShoeSource Inc		58,500	996	1,123
Petsmart Inc		74,800	2,047	2,270
PF Changs China Bistro Inc		42,800	1,824	2,524
Phillips Van Heusen Corp		44,600	1,201	1,458
Pixar		24,600	1,088	1,231
Rare Hospitality International		15,300	354	466
Regal Entertainment Group		16,200	313	306
Regent Communications Inc		42,800	257	251
Rent-A-Center Inc		22,950	678	535
Russell Corporation		30,780	592	629
Ryan's Restaurant Group Inc		25,000	346	350
SCP Pool Corp		8,200	272	288
ShopKo Stores Inc		27,945	310	679
Sirius Satellite Radio Inc		62,400	467	404
Skechers USA Inc		47,600	647	679
Sonic Automotive Inc		27,800	627	591
Stage Stores Inc		61,800	1,917	2,694

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Standard Pacific Corp		83,195	4,206	7,317
Stanley Works		11,000	493	501
Stride Rite Corp		44,600	519	615
Superior Industries Intl Inc		25,000	852	593
Talbots Inc		13,300	331	432
Timberland Company		69,100	2,173	2,676
Titan International Inc		100,500	1,452	1,405
Toll Brothers Inc		5,100	376	518
Toro Company		16,600	525	641
TRW Automotive Holdings Co		128,600	2,789	3,152
Tupperware Corporation		73,200	1,450	1,711
United Auto Group Inc		9,700	277	289
Warner Music Group Corp		13,200	223	214
WCI Communities Inc		17,200	464	551
Weight Watchers Int'l Inc		37,700	1,568	1,946
Whirlpool Corporation		19,200	1,135	1,346
Williams Sonoma Inc		88,600	2,543	3,506
WMS Industries, Inc		9,900	334	334
Wolverine World Wide Inc		55,400	1,184	1,330
Zale Corporation		47,400	1,042	1,502
Zumiez Inc		600	11	17
			105,755	129,535
<i>Consumer Staples</i>				
BJ's Wholesale Club Inc		21,900	369	712
Bunge Limited		14,500	662	919
Chiquita Brands International		103,900	2,334	2,853
Corinthian Colleges Inc		56,700	751	724
Del Monte Foods Co		200,500	1,871	2,159
Energizer Holdings Inc		33,500	2,021	2,083
Flowers Foods Inc		28,600	941	1,011
Hormel Foods Corp		8,200	209	241
Ingram Micro Inc		244,900	3,889	3,835
Loews Corp		45,300	1,244	1,509
NBTY Inc		63,100	1,497	1,637
Nu Skin Enterprises Inc		64,700	991	1,508
Ruddick Corp		117,200	2,059	2,992
Sensient Technologies Corp		44,200	938	911
Smithfield Foods Inc		107,800	2,974	2,940
Spectrum Brands Inc		15,800	211	521
Supervalu Inc		20,000	455	652
Tempur-Pedic International		199,800	4,644	4,432
Universal Corporation		24,000	1,050	1,051
Wild Oats Markets Inc		57,950	716	664
			29,826	33,354
<i>Energy</i>				
Alliance Resource Partners LP		6,400	377	474
Berry Petroleum Co		6,000	326	317
Cabot Oil & Gas Corporation		29,950	565	1,039
Cal Dive International Inc		4,600	230	241
Cheniere Energy Inc		8,100	234	252

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Chesapeake Energy Corp		340,400	3,349	7,761
Cimarex Energy Co		50,900	1,421	1,981
Denbury Resources Inc		107,800	2,131	4,287
Encore Acquisition Co		21,900	503	898
Energy Partners, Ltd		13,100	346	343
Frontier Oil Corp		84,400	1,424	2,477
Giant Industries Inc		58,000	1,673	2,088
Houston Exploration Co		49,700	2,057	2,637
Kerr-McGee Corporation		11,082	541	846
National-Oilwell Varco Inc		11,373	224	541
Newfield Exploration Company		7,500	141	299
NRG Energy Inc		66,500	2,258	2,500
Offshore Logistics Inc		8,200	168	269
Oil States International Inc		37,900	867	954
OMI Corp		109,600	2,183	2,083
Penn Virginia Corp		12,600	600	563
PetroKazakhstan Inc		52,500	1,578	1,920
Pioneer Natural Resources Co		112,200	3,834	4,721
Plains Exploration & Prod Co		100	2	4
Pogo Producing Co		43,100	1,948	2,238
Premcor Inc		4,800	269	356
Range Resources Corporation		16,200	237	436
Remington Oil & Gas Corp		10,900	382	389
Smith International Inc		66,400	3,737	4,230
St. Mary Land & Exploration		16,700	478	484
Stone Energy Corporation		25,200	984	1,232
Teekay Shipping Corporation		24,000	734	1,054
Tidewater Inc		6,200	201	236
Unit Corporation		22,900	1,060	1,008
Veritas DGC Inc		74,100	710	2,056
Vintage Petroleum Inc		43,200	969	1,316
Whiting Petroleum Corp		45,300	1,292	1,645
			<u>40,033</u>	<u>56,175</u>
<i>Financial Services</i>				
1st Source Corp		2,100	48	48
21st Century Insurance Grp		86,700	1,200	1,287
Acadia Realty		25,500	237	476
Accredited Home Lenders Hldg		44,600	1,572	1,962
Advanta Corp		18,200	424	513
Affiliated Managers Group Inc		8,700	458	594
Alfa Corp		54,554	732	803
Allmerica Financial Corp		17,100	489	634
AMCORE Financial Inc		29,200	710	872
Ameqy Bancorp Inc		188,800	3,375	4,225
American Capital Strategies		22,200	572	802
American Financial Group		72,100	1,848	2,417
American Nat'l Insurance Co		14,777	1,404	1,683
AmeriCredit Corp		51,000	1,217	1,301
AmerUs Group Company		37,000	983	1,778
Anchor BanCorp Wisconsin Inc		21,300	544	645

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Anthracite Capital Inc		16,100	180	191
Arch Capital Group Ltd		50,800	1,773	2,289
Aspen Insurance Holdings Ltd		17,900	479	493
Assurant Inc		31,700	1,083	1,144
Astoria Financial Corporation		16,050	411	457
Axis Capital Hldgs Ltd		47,300	1,327	1,339
BancFirst Corporation		22,600	1,133	1,966
Banco Latinoamericano de Exp		90,200	1,711	1,619
BancorpSouth Inc		63,100	1,359	1,489
Bank of Hawaii Corp		46,600	1,474	2,365
Boston Properties Inc		5,900	294	413
Capital Automotive		25,900	918	988
CapitalSource Inc		93,000	1,949	1,826
CB Richard Ellis Grp Inc		55,600	1,915	2,439
Chemical Financial Corp		23,684	743	784
Chittenden Corporation		2,750	68	75
City National Corporation		78,700	4,332	5,644
Colonial BancGroup Inc		192,200	3,229	4,240
Commerce Bancshares Inc		20,055	945	1,011
Commerce Group Inc		64,300	2,472	3,994
Commercial Federal Corporation		25,715	563	866
Community Bank System Inc		28,400	627	693
CompuCredit Corporation		13,100	407	449
Conseco Inc		52,900	1,043	1,154
Corus Bankshares Inc		24,865	580	1,380
Countrywide Financial Corp		24,798	385	957
Delphi Financial Group Inc		26,300	980	1,161
Direct General Corp		20,700	635	385
Downey Financial Corporation		55,900	2,993	4,092
East West Bancorp Inc		114,500	2,284	3,846
Eaton Vance Corp		76,500	1,554	1,829
Edwards AG Inc		59,000	2,271	2,664
Endurance Specialty Hldg Ltd		57,200	2,145	2,163
Enterprise Financial Svcs Corp		1,200	23	28
Equity One, Inc		21,200	480	481
FBL Financial Group Inc		25,860	546	714
First American Financial Corp		151,500	4,271	6,081
First BanCorp		43,400	1,764	1,742
First Citizens BancShares Inc		10,550	1,153	1,525
First Commonwealth Financial		6,800	88	93
First Community Bancorp		6,900	200	328
First Marblehead Corp		9,700	351	340
First National of Nebraska Inc		25	117	121
FirstFed Financial Corporation		48,400	2,188	2,885
Forest City Enterprises		22,500	1,558	1,598
Gallagher Arthur J & Co		74,200	2,245	2,013
GATX Corp		86,600	2,356	2,988
Gold Banc Corp Inc		38,700	549	563
Great American Finl Resources		44,100	720	874
Greater Bay Bancorp		15,100	325	398

A - Adjustable rate security.

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Hancock Holding Company		26,100	575	898
Highwoods Properties, Inc		33,500	958	997
Hilb Rogal and Hamilton Co		18,600	634	640
Hospitality Properties Trust		11,400	487	502
HRPT Properties Trust		60,700	721	755
Hudson United Bancorp		56,400	2,028	2,036
Independence Community Bank		72,300	1,633	2,670
Independent Bank Corp		5,000	109	141
IndyMac Bancorp Inc		177,400	5,327	7,226
Infinity Property & Casualty		75,900	2,370	2,647
International Bancshares Corp		1,778	42	50
Investment Technology Grp Inc		96,900	1,409	2,037
IPC Holdings Ltd		5,600	187	222
Irwin Financial Corp		26,700	662	592
iStar Financial Inc		33,900	1,217	1,410
Jack Henry & Associates Inc		11,500	218	211
Jones Lang LaSalle Inc		39,600	1,061	1,751
LandAmerica Financial Grp Inc		51,300	2,072	3,046
LaSalle Hotel Properties		24,600	466	807
Mack-Cali Realty Corp		4,600	185	208
MAF Bancorp Inc		17,900	701	763
MainSource Financial Grp Inc		18,532	323	335
MBIA Inc		5,300	208	314
Mercury General Corp		45,400	2,303	2,475
Montpelier Re Hldgs Ltd		20,300	783	702
Municipal Mortgage & Equity		32,800	764	852
Nasdaq Stock Market Inc		25,200	415	475
NBT Bancorp Inc		29,404	633	695
Nelnet, Inc		27,000	939	898
Newcastle Investment Corp		5,500	157	166
Novastar Financial Inc		4,400	206	172
Nuveen Investments		28,400	944	1,068
Odyssey Re Holdings Corp		60,800	1,384	1,501
Ohio Casualty Corp		36,400	788	880
Old Second Bancorp Inc		10,800	230	314
Pacific Continental Corp		2,600	31	39
Platinum Underwriters Hldg Ltd		87,800	2,674	2,794
PMI Group Inc		67,700	2,149	2,639
Protective Life Corporation		67,300	1,961	2,841
Provident Bankshares Corp		25,900	766	826
Providian Financial Corp		74,600	895	1,315
PS Business Parks Inc		18,300	670	813
Radian Group Inc		59,000	2,748	2,786
Raymond James Financial Inc		11,000	268	311
Realty Income Corp		18,200	429	456
Redwood Trust Inc		2,900	169	150
Regency Centers Corp		5,200	268	297
Reinsurance Group of America		74,937	2,700	3,485
Republic Bancorp Inc		66,187	767	991
Riverview Bancorp Inc		9,800	203	209

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
S&T Bancorp Inc		9,600	285	347
Saul Centers Inc		12,500	308	454
SCBT Financial Corp		9,365	270	296
Scottish Re Group Ltd		26,000	571	630
Seacoast Banking Corp		9,640	113	190
Signature Bank		12,000	315	293
Sky Financial Group Inc		47,837	1,186	1,348
St Joe Company		26,800	1,260	2,185
StanCorp Financial Group Inc		26,900	1,729	2,060
Stewart Information Svcs Corp		62,300	2,108	2,617
SVB Financial Group		39,500	1,729	1,892
Taylor Capital Group Inc		3,600	76	141
Thomas Properties Group Inc		18,700	224	234
TierOne Corp		53,200	1,159	1,443
Trammell Crow Company		70,300	1,560	1,704
Triad Guaranty Inc		13,803	618	696
Trico Bancshares		6,000	82	134
Trustmark Corp		53,700	1,427	1,571
UICI		85,230	1,805	2,537
UMB Financial Corp		15,000	727	855
UnionBanCal Corporation		14,900	596	997
United America Indemnity Ltd		12,000	230	206
United Bankshares Inc		35,039	1,073	1,248
UnumProvident Corp		17,100	286	313
U-Store-It		21,000	342	400
Ventas Inc		26,000	478	785
Washington Federal Inc		81,287	1,595	1,912
Webster Financial Corporation		121,100	4,574	5,654
WestCorp		7,700	304	404
Wilmington Trust Corporation		55,700	1,948	2,006
Wintrust Financial Corp		97,700	4,770	5,115
Wright Express Corp		29,900	516	552
Zenith National Insurance Corp		28,500	1,504	1,934
			164,614	202,778
<i>Health Care</i>				
Abgenix Inc		24,400	274	209
Advanced Medical Optics Inc		114,000	4,447	4,531
Advisory Board Company		15,100	503	737
Albany Molecular Research Inc		3,000	46	42
Alkermes Inc		12,900	187	171
Allscripts Healthcare Solution		29,700	241	493
Alpharma Inc		70,800	938	1,024
Amylin Pharmaceuticals Inc		32,700	729	684
Applera Corp - Celera Genomics		44,100	479	484
Apria Healthcare Group Inc		46,000	1,342	1,593
Arena Pharmaceuticals Inc		29,400	169	201
Arrow International Inc		8,500	167	271
AtheroGenics Inc		20,900	241	334
BioMarin Pharmaceutical Inc		41,700	268	312
Biovail Corp		58,500	1,113	908

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Celgene Corporation		249,600	4,648	10,159
Cephalon Inc		8,300	382	330
Cerner Corporation		10,500	454	714
Charles River Laboratories		21,700	1,002	1,047
Conmed Corporation		11,700	237	360
Coventry Health Care Inc		5,800	313	410
CV Therapeutics Inc		21,100	483	473
Cytokinetics Inc		27,600	244	192
Cytyc Corporation		160,200	3,307	3,534
Dade Behring Hldg Inc		29,900	1,707	1,944
Diagnostic Products Corp		26,500	1,144	1,254
Eclipsys Corp		13,700	160	193
Edwards Lifesciences Corp		29,400	1,151	1,265
Exelixis Inc		24,126	186	179
Genesis HealthCare Corp		30,600	1,257	1,416
Haemonetics Corporation		17,800	478	723
Health Net Inc		134,700	3,719	5,140
Human Genome Science Inc		50,100	636	580
Humana Inc		62,900	1,291	2,500
ICOS Corporation		12,400	302	262
IDEXX Laboratories Inc		21,400	1,178	1,334
IDX Systems Corporation		4,700	82	142
Inamed Corporation		34,100	2,121	2,285
Incyte Corp		88,900	676	636
Invacare Corp		5,000	174	222
Kindred Healthcare Inc		31,300	1,107	1,240
Kinetic Concepts Inc		78,200	5,066	4,692
King Pharmaceuticals Inc		259,800	2,695	2,707
Kosan Biosciences Inc		24,400	205	129
K-V Pharmaceutical Company		9,025	131	151
LifePoint Hospitals Inc		14,300	472	723
Magellan Health Services Inc		37,400	1,175	1,321
Manor Care Inc		164,600	4,189	6,540
Medicines Company		149,400	3,784	3,485
Mentor Corporation		23,300	951	966
Millennium Pharmaceuticals		30,500	346	283
NDCHealth Corporation		29,200	500	525
Neurogen Corporation		7,200	129	49
NPS Pharmaceuticals Inc		15,100	420	171
Omnicare Inc		158,100	6,046	6,708
Onyx Pharmaceuticals Inc		6,300	233	150
OSI Pharmaceuticals Inc		11,500	587	470
Owens & Minor Inc		37,300	819	1,207
PacifiCare Health Systems Inc		116,600	4,362	8,331
Perrigo Company		4,000	46	56
Per-Se Technologies Inc		31,200	397	656
Pharmacopeia Drug Discovery		11,300	80	46
PSS World Medical Inc		24,400	264	304
Regeneron Pharmaceuticals Inc		32,400	398	272
Respironics Inc		9,600	201	347

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Rigel Pharmaceuticals Inc		4,500	85	90
Santarus Inc		339,000	3,597	1,390
SurModics Inc		40,500	1,214	1,756
Symbion Inc		14,100	263	336
Triad Hospitals Inc		106,500	3,849	5,819
Universal Health Services Inc		54,500	2,458	3,389
Vertex Pharmaceuticals Inc		26,000	353	438
Watson Pharmaceuticals Inc		60,900	1,611	1,800
Zoll Medical Corporation		14,800	468	377
ZymoGenetics Inc		44,200	835	778
			87,812	106,990
<i>Technology</i>				
Activision Inc		9,900	96	164
Alliance Data Systems Corp		131,700	4,475	5,342
Altiris Inc		15,400	285	226
Amphenol Corp		39,700	1,062	1,595
Arrow Electronics Inc		109,600	2,761	2,977
Aspect Communications Corp		15,200	238	171
ATMI Inc		111,800	2,898	3,243
Avnet Inc		217,200	3,435	4,894
Axcelis Technologies Inc		94,000	724	645
Benchmark Electronics Inc		28,900	945	879
BISYS Group Inc		93,500	1,348	1,397
Black Box Corporation		3,700	154	131
CheckFree Corporation		72,800	1,773	2,480
CommScope Inc		78,700	1,269	1,370
Comtech Telecommunication Corp		52,200	1,624	1,703
Concur Technologies		224,400	2,253	2,363
Convergys Corp		214,700	3,024	3,053
Credence Systems Corporation		39,800	361	360
Cree Inc		17,700	410	451
CSG Systems International Inc		14,800	288	281
Diebold Inc		6,200	304	280
DST Systems Inc		27,100	1,252	1,268
EarthLink Inc		299,700	2,875	2,595
Electronics for Imaging Inc		16,300	334	343
Emageon Inc		7,200	105	101
Emulex Corporation		22,300	324	407
Enterasys Networks Inc		1,351	-	1
Extreme Networks Inc		25,100	150	102
Fair Isaac & Company Inc		54,900	1,950	2,004
Fairchild Semiconductor Corp		84,200	1,239	1,242
Hutchinson Technology Inc		41,100	1,495	1,583
Hyperion Solutions Corporation		16,700	500	672
Intergraph Corporation		51,900	1,660	1,788
Komag, Inc		4,700	138	133
Lam Research Corporation		63,600	1,827	1,841
Macromedia Inc		9,100	195	348
ManTech International Corp		31,900	949	990
Maximus Inc		17,800	546	628

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
McAfee, Inc		36,100	972	945
MedQuist Inc		6,260	102	83
MEMC Electronic Materials Inc		247,300	2,320	3,900
Micrel Inc		24,300	277	280
MicroStrategy Incorporated		3,500	159	186
OmniVision Technologies Inc		53,400	692	726
ON Semiconductor Corp		217,000	881	998
Open Solutions Inc		22,900	501	465
Parametric Technology Corp		29,400	195	188
Perot Systems Corporation		17,100	212	243
Polycom Inc		322,600	5,782	4,810
Power Integrations Inc		136,500	2,466	2,944
Powerwave Technologies Inc		38,600	299	394
Quest Software Inc		42,500	528	579
Red Hat Inc		46,400	419	608
Reynolds and Reynolds Company		21,300	550	576
Roper Industries Inc		46,200	2,349	3,297
RSA Security Inc		162,400	2,240	1,864
Sabre Holdings Corporation		116,600	2,455	2,326
Salesforce.com Inc		34,000	500	696
Sapient Corp		47,900	377	380
Satyam Computer Services Ltd		90,200	1,947	2,345
Scientific-Atlanta Inc		181,500	5,296	6,038
Semtech Corporation		196,700	3,332	3,275
SERENA Software Inc		38,900	766	751
Sigmatel Incorporated		29,600	679	508
Silicon Storage Technology		61,900	455	249
Sirf Technology Holdings, Inc		1,100	18	19
Sonus Networks Inc		282,000	1,113	1,345
SRA International Inc		160,800	2,607	5,583
Sybase Inc		9,300	178	171
Take-Two Interactive Software		36,700	890	934
Tech Data Corporation		56,800	2,107	2,079
Tektronix Inc		17,700	375	412
Thermo Electron Corporation		177,200	3,685	4,761
THQ Inc		14,000	331	410
Transaction Systems Architects		177,200	3,102	4,364
Trident Microsystems Inc		14,900	241	338
United Online Inc		247,100	2,587	2,681
ValueClick, Inc		78,700	930	970
Varian Semiconductor Equipment		106,600	3,096	3,944
Western Digital Corp		332,000	3,705	4,455
			106,982	122,171
<i>Utilities</i>				
AGL Resources Inc		72,300	1,915	2,794
Alliant Energy Corp		112,300	2,341	3,161
Atmos Energy Corp		102,800	2,611	2,961
CenturyTel Inc		75,100	2,590	2,601
CMS Energy Corporation		67,300	845	1,014
Dobson Communications Corp		158,500	384	675

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
DPL Inc		118,700	1,947	3,258
Duquesne Light Holdings Inc		72,600	1,115	1,356
Energen Corporation		79,000	2,162	2,769
Energy East Corporation		75,300	2,106	2,182
Great Plains Energy Inc		101,300	3,013	3,230
Hawaiian Electric Inds Inc		75,700	1,717	2,029
IDACORP Inc		35,800	996	1,097
MDU Resources Group Inc		158,600	3,801	4,468
National Fuel Gas Company		80,700	2,183	2,333
New Jersey Resources Corp		3,600	139	174
NICOR Inc		11,700	435	482
Northeast Utilities		239,800	4,231	5,002
NorthWestern Corporation		6,500	167	205
NSTAR		100,000	2,432	3,083
OGE Energy Corp		106,000	2,415	3,068
ONEOK Inc		97,100	1,973	3,170
Peoples Energy Corporation		9,900	434	430
PEPCO Holdings		100,900	1,862	2,416
Pinnacle West Capital Corp		8,500	359	378
PNM Resources		82,900	1,677	2,388
Puget Energy Inc		54,400	1,230	1,272
SCANA Corporation		43,300	1,554	1,849
Sierra Pacific Resources		123,167	1,131	1,533
South Jersey Industries Inc		1,000	39	61
UGI Corporation		155,100	2,602	4,327
Unisource Energy Corporation		14,800	466	455
Vectren Corp		25,500	610	733
Westar Energy Inc		78,100	1,728	1,877
WGL Holdings Inc		45,700	1,273	1,537
Wisconsin Energy Corporation		75,200	2,683	2,933
WPS Resources Corp		35,400	1,629	1,991
			<u>60,795</u>	<u>75,292</u>
Total Equities	98.3%		726,908	881,328
Short-Term Issues				
Dreyfus Cash Management Institutional Fund		15,217,035	15,217	15,217
Futures Cash Collateral **		59	59	59
United States Treasury Bill **		60	60	60
Total Short-Term Issues	1.7%		<u>15,336</u>	<u>15,336</u>
Total Non-Large Cap Domestic			<u>\$ 742,244</u>	<u>\$ 896,664</u>

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
International Qualified				
<i>Commingled Equity Pools</i>				
International Value Equity Group Trust - Silchester		8,714,572	\$ 155,624	\$ 350,543
Total Commingled Equity Pools	100.0%		155,624	350,543
Total International Qualified			<u>\$ 155,624</u>	<u>\$ 350,543</u>
International Nonqualified				
<i>Commingled Equity Pools</i>				
International Value Equity Trust - Silchester		665,708	\$ 12,172	\$ 28,392
Total Commingled Equity Pools	100.0%		12,172	28,392
Total International Nonqualified			<u>\$ 12,172</u>	<u>\$ 28,392</u>
International Equity				
<i>Commingled Equity Pools</i>				
Capital International Inc Emerging Markets Growth Fund		2,388,907	\$ 140,017	\$ 187,529
Total Commingled Equity Pools	23.8%		140,017	187,529
Equities				
<i>Australia</i>				
Ancor Limited		306,345	1,706	1,565
BHP Billiton Ltd		92,199	1,181	1,275
BlueScope Steel Ltd		205,600	1,266	1,290
Coca-Cola Amatil Ltd		97,733	572	588
Commonwealth Bk of Australia		51,100	1,091	1,478
CSR Ltd		544,500	924	1,112
David Jones Ltd		578,300	979	829
Foster's Brewing Group Ltd		222,316	928	902
OneSteel Ltd		434,500	928	878
Orica Ltd		73,637	905	999
Qantas Airways Limited		281,600	701	723
Telstra Corporation Ltd		428,402	1,592	1,652
			12,773	13,291
<i>Austria (Euro)</i>				
OMV AG		3,000	712	1,307
<i>Belgium (Euro)</i>				
Fortis		38,000	907	1,056
Option NV		29,490	821	1,019
Tessenderlo Chemie NV		21,400	846	697
			2,574	2,772

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>Brazil</i>				
Gol Linhas Aereas Inteligentes - ADR		69,500	1,431	2,089
Petroleo Brasileiro SA - ADR		48,000	1,540	2,210
Submarino SA - ADR		51,900	830	774
			3,801	5,073
<i>Canada</i>				
Allen-Vanguard Corp		120,000	350	396
Alliance Atlantis Comm Corp		78,750	1,678	1,852
Angiotech Pharmaceuticals Inc		168,250	2,987	2,317
BCE Inc		72,100	1,595	1,707
Canadian Imperial Bank		30,000	1,613	1,856
Fairmont Hotels & Resorts Inc		50,800	1,385	1,761
Home Capital Group Inc		74,575	1,493	2,223
Mega Blocks		147,975	2,214	2,900
National Bank of Canada		35,200	1,204	1,564
Neurochem Inc - ADR		77,725	1,173	781
Norbord Inc		80,300	765	687
Quebecor Printing Inc		51,900	1,155	1,017
Sobbeys Inc		24,000	720	798
Sun Life Financial Inc		54,200	1,578	1,826
WestJet Airlines Ltd		121,500	1,222	1,354
			21,132	23,039
<i>Cayman Islands</i>				
Ninetowns Digital World Trade - ADR		88,050	915	608
O2Micro International Ltd - ADR		69,675	750	977
			1,665	1,585
<i>Denmark</i>				
Danske Bank A/S		26,800	692	807
Tele Danmark A/S		67,547	2,596	2,897
			3,288	3,704
<i>Finland (Euro)</i>				
Elcoteq Network		41,900	777	824
Nokia Oyj		212,111	3,263	3,557
Rautaruukki Oyj		72,200	687	1,080
Sampo Insurance Company Inc		63,700	674	993
UPM-Kymmene Oyj		171,216	3,642	3,290
			9,043	9,744
<i>France (Euro)</i>				
Academia Group		7,300	448	248
Assurance Generales de France		16,500	1,017	1,352
BNP Paribas		38,700	2,515	2,657
CNP Assurances		21,000	1,338	1,345
Eruofins Scientific		22,950	782	756
Foncia Groupe		28,318	734	748
France Telecom SA		173,326	4,789	5,070
JC Decaux SA		46,500	1,042	1,179
Michelin CGDE		27,100	1,438	1,652
Neopost SA		25,560	1,639	2,251
Orpea		87,430	2,511	3,879
PSA Peugeot Citroen		20,200	1,282	1,198
Renault SA		80,701	7,031	7,122

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Rodriguez Group		29,100	1,491	1,528
Schneider Electric SA		21,725	1,647	1,640
Societe Generale		20,200	1,811	2,058
Suez SA		40,300	1,100	1,094
Total Fina SA		43,620	9,334	10,261
			41,949	46,038
<i>Germany (Euro)</i>				
Allianz AG		66,465	8,243	7,642
AWD Holding AG		92,000	3,189	3,868
BASF AG		36,700	2,089	2,444
Bayer AG		147,898	4,687	4,940
Bayerische Motoren Werke AG		77,504	3,485	3,540
Bijou Brigitte Accessoires AG		16,300	1,752	3,019
Commerzbank AG		158,387	3,386	3,444
Continental AG		62,100	4,317	4,480
DaimlerChrysler AG		25,300	1,062	1,029
E.On AG		79,352	6,853	7,078
Fresenius AG		13,200	1,073	1,514
Man AG		34,600	1,209	1,438
Porsche AG		5,973	3,790	4,495
Puma AG		13,570	3,572	3,363
RWE AG		80,890	4,692	5,227
Salzgitter AG		55,400	830	1,506
Techem AG		55,910	1,532	2,369
ThyssenKrupp AG		71,700	1,392	1,249
			57,153	62,645
<i>Greece (Euro)</i>				
Public Power Corp		35,600	867	890
<i>Hong Kong</i>				
Bonjour Holdings Ltd		2,246,000	966	1,084
China Netcom Group Corp		1,166,500	1,449	1,696
CNOOC Ltd		2,491,500	1,362	1,490
CNPC Hong Kong Ltd		4,350,000	683	694
Esprit Holding Ltd		350,000	1,776	2,533
Far East Consortium Intl Ltd		2,756,000	799	1,161
Johnson Electric Hldg Ltd		985,500	972	906
Li Ning Company		773,000	360	368
Linmark Group Ltd		957,300	321	274
Moulin International Hldgs Ltd		1,052,000	773	1
Orient Overseas Int'l Ltd		243,100	789	1,063
Peace Mark Ltd		5,978,300	1,274	1,596
PetroChina Co Ltd - ADR		19,500	1,029	1,432
Swire Pacific Limited		91,000	748	805
Techtronic Industries Co Ltd		729,100	1,424	1,843
Varitronix International Ltd		783,000	784	685
Wumart Stores Inc		1,154,275	2,134	1,856
			17,643	19,487

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See accompanying notes to financial statements.

West Virginia Investment Management Board
Schedule of Investments in Securities (Continued)
June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>India</i>				
HDFC Bank Limited		203,150	2,611	2,963
Hexaware Technologies Ltd		225,000	758	697
Hotel Leelaventure LTD		158,925	745	687
Mahanagar Telephone Nigam Ltd - ADR		93,500	696	592
Pantaloon Retail India Ltd		52,000	1,157	1,648
Sun Pharmaceutical Industry		59,040	742	784
			6,709	7,371
<i>Ireland (Euro)</i>				
Fyffes PLC		183,100	514	548
Icon PLC - ADR		55,250	1,924	1,914
United Drug PLC		697,574	2,812	2,998
			5,250	5,460
<i>Israel</i>				
Bank Leumi Le-Israel		349,100	709	898
<i>Italy (Euro)</i>				
Capitalia SpA		973,390	3,372	5,456
CIR SpA		208,094	418	576
ENI SpA		85,100	1,875	2,195
ERG SpA		101,400	810	1,963
Finmeccanica SpA		1,061,100	989	992
Riunione Adriatica di Sicurta		56,100	1,064	1,093
			8,528	12,275
<i>Japan</i>				
Acom Co Ltd		14,500	913	930
Alps Electric Co Ltd		37,000	445	567
Asahi Breweries Ltd		69,100	690	824
Citizen Electronics Co Ltd		35,000	1,782	1,804
Credit Saison Co Ltd		59,800	1,832	1,991
Daiichi Pharmaceutical Co Ltd		55,300	945	1,225
Disco Corp		36,375	1,409	1,517
Elpida Memory Inc		40,200	1,701	1,299
en-Japan		650	1,087	2,962
Fanuc Ltd		66,700	4,391	4,244
Fuji Pharmaceutical Co Ltd		22,200	305	225
Gulliver International Co Ltd		17,030	1,742	2,373
Hitachi Construction Machinery		259,300	3,557	3,096
Hokkaido Electric Power Co		60,100	1,080	1,231
Hokuetsu Paper Mills Ltd		134,000	711	709
Ichiyoshi Securities Co Ltd		102,000	787	948
Inpex Corp		327	1,806	1,853
INTEC Inc		115,100	1,270	1,215
Joyo Bank Ltd		269,000	1,064	1,316
Kansai Electric Power Co		118,300	2,346	2,381
Kibun Food Chemifa Co Ltd		74,495	1,778	1,882
Komatsu Ltd		147,000	1,144	1,142
Kurabo Industries Ltd		400,000	810	996
Kyokuyo Co Ltd		256,000	437	615
Kyorin Pharmaceutical Company		55,000	768	663

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
Kyushu Electric Power Co Inc		76,400	1,401	1,662
Maeda Road Construction Co Ltd		49,000	339	350
Marubeni Corporation		1,054,000	3,109	3,624
Marusan Securities Co Ltd		131,000	719	880
Mercian Corp		355,000	755	980
Milbon Co Ltd		48,000	1,264	1,464
Mitsubishi Chemical Corp		282,000	903	827
Mitsui & Company Ltd		623,000	5,529	5,903
Mitsui Fudosan Co Ltd		105,000	1,231	1,180
Mitsui Sumitomo Insurance Co		375,000	3,383	3,381
Mizuho Financial Grp Inc		1,942	7,249	8,798
Murata Manufacturing Co Ltd		64,200	3,306	3,273
Musashino Bank Ltd		31,240	1,340	1,345
Nakanishi Inc		11,785	1,017	1,187
NEC Electronics Corp		56,300	2,754	2,540
Net One Systems Co Ltd		753	1,926	1,943
Nihon Chouzai Co Ltd		14,675	570	404
Nihon Dempa Kogyo Co Ltd		38,500	809	1,011
Nihon Unisys Ltd		46,700	358	465
Nippon Telegraph & Telephone		300	1,248	1,286
Nissan Motor Co Ltd		191,600	2,072	1,899
Nissin Co Ltd		813,600	1,410	1,527
Nitto Denko Corporation		27,600	1,508	1,584
NIWS Co Ltd		1,130	1,638	1,489
Orix Corporation		21,700	2,492	3,259
Osaka Gas Co Ltd		440,000	1,244	1,386
Park24 Co Ltd		168,400	2,479	3,343
Rengo Co Ltd		171,000	750	912
Ricoh Company Ltd		110,000	1,796	1,720
Sawai Pharmaceutical Co Ltd		56,000	1,752	1,693
Secom Co Ltd		38,000	1,635	1,636
Shohkoh Fund & Co Ltd		740	144	173
SMC Corporation		47,000	5,184	5,132
Sony Corporation		66,400	2,721	2,289
Star Micronics Co Ltd		106,000	850	1,151
Sugi Pharmacy Co Ltd		27,000	829	809
Sumitomo Bakelite Co Ltd		131,000	784	849
Taisho Pharmaceutical Co Ltd		14,000	261	273
Takeuchi Mfg Co Ltd		18,200	700	706
Tanabe Seiyaku Co Ltd		127,000	1,152	1,226
Tokai Tokyo Securities Co Ltd		310,000	837	934
Tokyo Broadcasting System Inc		77,900	1,483	1,291
Toyota Motor Corp		202,600	7,687	7,259
Trend Micro Inc		31,000	1,066	1,105
Yahoo Japan Corporation		667	1,488	1,402
			117,972	125,558
<i>Malaysia</i>				
Commerce Asset Hldg Berhad		963,000	1,176	1,280
Kuala Lumpur Kepong Berhad		399,200	720	720
			1,896	2,000

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>Mexico</i>				
Alfa SA		186,400	677	1,058
Desarrolladora Homex SA - ADR		121,000	2,602	3,318
Telefonos de Mexico SA		873,200	714	823
			3,993	5,199
<i>Netherlands (Euro)</i>				
Aegon NV		82,300	911	1,067
Akzo Nobel NV		13,800	588	544
ASM International NV (US\$)		51,280	683	816
ING Groep NV		86,600	2,187	2,450
Koninklijke (Royal) KPN NV		86,600	725	728
Koninklijke Ahold NV		457,569	3,819	3,767
Qiagen NV - ADR		167,000	1,767	1,927
Royal Dutch Petroleum Co		129,085	8,020	8,439
			18,700	19,738
<i>New Zealand</i>				
Fletcher Building Ltd		174,400	660	839
Pumpkin Patch Ltd		794,979	1,593	1,659
			2,253	2,498
<i>Norway</i>				
Norsk Hydro ASA		14,300	1,009	1,312
Statoil ASA		259,600	4,650	5,301
			5,659	6,613
<i>Portugal (Euro)</i>				
Energias de Portugal SA		267,300	773	673
<i>Puerto Rico</i>				
Doral Financial Corporation (US\$)		67,400	2,536	1,115
<i>Russia</i>				
Lukoil - ADR		29,200	932	1,074
Mobile TeleSystems - ADR		79,500	2,521	2,675
			3,453	3,749
<i>Singapore</i>				
City Developments Ltd		371,000	1,593	1,649
Creative Technology Ltd		3,100	35	20
Fraser and Neave Ltd		17,900	150	167
Fu Yu Corp		1,255,000	705	416
HTL International Holdings Ltd		1,419,250	1,123	1,161
LMA International NV		1,571,350	813	745
MFS Technology Limited		2,440,000	1,295	897
Neptune Orient Lines Ltd		269,000	574	603
SembCorp Industries Ltd		399,080	572	631
Unisteel Technology Ltd		1,475,000	1,156	1,486
Venture Corp Ltd		41,000	449	389
			8,465	8,164
<i>South Africa</i>				
African Bank Investments Ltd		401,200	857	1,124
Imperial Holdings Ltd		51,847	678	795
			1,535	1,919

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>South Korea</i>				
Hana Bank		58,310	1,513	1,563
INI Steel Co		66,200	721	906
Kookmin Bank		24,540	810	1,117
LG Cable Ltd		51,200	791	1,092
Poongsan Corp		67,500	731	780
Samsung Electronics		2,470	1,170	1,181
SK Corp		15,300	688	811
			<u>6,424</u>	<u>7,450</u>
<i>Spain (Euro)</i>				
Endesa SA		95,800	1,820	2,251
Indra Sistemas SA		133,000	1,781	2,636
Red Electrica de Espana		93,825	1,736	2,600
Repsol SA		88,800	1,892	2,275
Union Electrica Fenosa SA		31,400	832	958
			<u>8,061</u>	<u>10,720</u>
<i>Sweden</i>				
Atlas Copco AB		203,771	2,492	3,236
Bilia AB		56,200	793	943
Elekta AB		83,280	1,965	3,455
Nordea AB		239,900	1,895	2,181
Skandinaviska Enskilda Banken		175,639	3,096	2,924
Telefonaktiebolaget LM		1,424,608	4,301	4,579
Volvo AB		85,168	3,566	3,468
			<u>18,108</u>	<u>20,786</u>
<i>Switzerland</i>				
Actelion Ltd		18,325	1,755	1,904
Ciba Specialty Chemicals AG		1,117	69	65
Holcim Ltd		70,902	4,002	4,317
Logitech International SA		69,600	1,625	2,238
Rieter Holding AG		3,200	859	887
SALA Burgess Electronics AG		3,090	1,803	2,232
Saurer AG		15,500	803	968
SEZ Holding AG		66,725	1,535	1,620
Sika AG		1,400	812	874
St Galler Kantonalbank		3,300	716	829
Straumann AG		14,600	3,028	3,043
Syngenta AG		33,701	3,214	3,470
UBS AG		122,161	7,341	9,536
Verwaltungs und Privat Bank AG		6,000	788	880
Zurich Financial Services AG		31,285	5,119	5,392
			<u>33,469</u>	<u>38,255</u>
<i>Taiwan</i>				
Advanced Semiconductor Engr		2,126,000	1,523	1,594
ChungHsin Electric & Machinery		1,117,000	456	503
Chunghwa Telecom Co Ltd - ADR		43,800	785	939
Zyxel Communications Corp		820,000	1,736	1,948
			<u>4,500</u>	<u>4,984</u>

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Shares	Cost	Fair Value*
<i>United Kingdom</i>				
Alliance & Leicester PLC		64,900	1,033	1,018
Ark Therapeutics Group PLC		450,000	623	831
Arriva PLC		106,100	830	1,036
Aviva PLC		188,000	1,855	2,096
Barclays PLC		279,600	2,743	2,784
BHP Billiton PLC		321,066	4,225	4,098
Bloomsbury Publishing PLC		325,000	1,491	2,185
Bradford & Bingley PLC		202,000	1,045	1,186
Britannic PLC		113,000	795	1,030
British Aerospace PLC		1,355,463	6,418	6,973
British Airways PLC		1,131,923	5,456	5,346
British American Tobacco PLC		167,882	2,565	3,238
BT Group PLC		610,000	1,995	2,515
Cairn Energy PLC		138,500	3,700	3,346
Carnival PLC		56,760	2,423	3,222
Carphone Warehouse PLC		1,016,200	2,987	3,356
CSR PLC		250,000	1,664	1,734
Dixons Group PLC		378,700	1,111	1,066
FirstGroup PLC		134,000	725	791
GlaxoSmithKline PLC		30,500	653	739
HBOS		68,000	918	1,049
InterContinental Hotels Group		189,808	3,129	2,397
Kelda Group PLC		120,100	1,105	1,504
Lloyds TSB Group PLC		304,100	2,374	2,578
Mitchells & Butlers PLC		173,500	817	1,039
Northern Foods PLC		290,100	781	822
Northumbrian Water Group PLC		309,700	796	1,248
O2 PLC		1,878,776	2,495	4,588
Old Mutual PLC		664,700	1,315	1,454
Reuters Group PLC		491,434	3,796	3,479
Rolls-Royce Group PLC		1,136,742	4,865	5,853
Sanctuary Group PLC		1,030,775	817	347
Scottish Power PLC		198,600	1,509	1,767
Shanks Group PLC		393,400	810	1,021
Shell Transport & Trading Co		345,900	2,601	3,365
SkyePharma PLC		1,510,000	1,612	1,502
SOCO International PLC		327,000	1,965	3,502
Standard Chartered PLC		495,348	7,425	9,056
Tate & Lyle PLC		100,800	677	862
Taylor Woodrow Plc		135,700	751	821
Ted Baker PLC		134,750	1,273	1,209
TT Electronics PLC		261,500	802	853
United Utilities PLC		139,200	1,374	1,647
Virgin Mobile Hldgs PLC		465,150	2,197	2,151
Xstrata PLC		492,853	8,722	9,514
Vodafone AirTouch PLC		3,149,198	8,250	7,677
			107,513	119,895
Total Equities	75.6%		539,106	594,895

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

<u>Security Name</u>	<u>% of Pool</u>	<u>Shares</u>	<u>Cost</u>	<u>Fair Value*</u>
<i>Corporate Issues</i>				
<i>South Africa</i>				
Lereko Mobility, 5% Debentures, Due 10/1/2010		4,053	10	20
Total Corporate Issues	0.0%		10	20
<i>Short-Term Issues</i>				
Dreyfus Cash Management Institutional Fund		4,389,369	4,389	4,389
Total Short-Term Issues	0.6%		4,389	4,389
Total International Equity			\$ 683,522	\$ 786,833

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Short-Term Fixed Income							
<i>U. S. Government Agency Bonds</i>							
Federal Home Loan Mort Corp		7.000 %	2.850 %	07/15/2005	\$ 500	\$ 501	\$ 501
Federal National Mortgage Assn		3.140 A	3.179	08/17/2005	5,000	5,000	5,000
Federal Home Loan Banks		3.148 A	3.214	05/16/2006	3,000	2,998	2,999
Federal National Mortgage Assn		2.060	3.746	06/30/2006	3,000	2,951	2,947
Total U. S. Government Agency Bonds	2.9%					11,450	11,447
<i>Short-Term Issues</i>							
Banc of America Securities LLC Repurchase Agreement		3.300	3.300	07/01/2005	99,000	99,000	99,000
Morgan Stanley Dean Witter Repurchase Agreement		3.250	3.250	07/01/2005	60,000	60,000	60,000
Goldman Sachs Repurchase Agreement		3.350	3.350	07/01/2005	99,000	99,000	99,000
United States Treasury Bill		0.000	2.769	07/07/2005	60,000	59,973	59,973
Kitty Hawk Funding Corp		0.000	3.171	07/11/2005	7,000	6,994	6,994
ING Funding LLC		0.000	3.105	07/15/2005	5,000	4,994	4,994
Galaxy Funding Inc		0.000	3.127	07/19/2005	4,000	3,994	3,994
Fairway Finance Corp		0.000	3.156	07/21/2005	2,500	2,496	2,496
Atlantis One Funding		0.000	3.198	08/04/2005	6,000	5,982	5,982
Spintab Swedmortgage AB		0.000	3.208	08/05/2005	7,000	6,978	6,978
Sheffield Receivables		0.000	3.278	09/02/2005	2,000	1,989	1,973
Federal National Mortgage Assn		0.000	3.197	09/07/2005	7,000	6,958	6,956
CAFCO LLC		0.000	3.394	09/12/2005	6,500	6,456	6,446
Charta LLC		0.000	3.365	09/12/2005	5,000	4,967	4,957
Federal National Mortgage Assn		0.000	3.297	10/05/2005	5,034	4,991	4,989
Suntrust Bank		3.350	3.350	10/25/2005	6,000	6,000	6,000
Societe Generale NA		0.000	3.492	12/08/2005	6,000	5,909	5,897
JP Morgan Capital Prime Money Market Fund			3.150		328,493	328	328
Total Short-Term Issues	97.1%					387,009	386,957
Total Short-Term Fixed Income						\$ 398,459	\$ 398,404
Fixed Income							
<i>Commingled Fixed Income Pools</i>							
Western Asset High Yield Fund					16,018,728	\$ 165,590	\$ 166,274
Western Asset Opportunistic Emerging Market					2,008,144	46,109	48,814
Western Asset Mortgage Backed Portfolio LLC					21,459,481	218,200	221,483
Western Asset Strategic EMD LLC					15,979,831	243,524	294,540
Total Commingled Fixed Income Pools	38.1%					673,423	731,111
<i>U. S. Treasury Issues</i>							
United States Treasury Note		2.500 %	2.891 %	09/30/2006	\$ 99,660	99,186	98,364
United States Treasury Note		3.000	3.190	12/31/2006	1,730	1,725	1,715

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
United States Treasury Inflation Protection Note		3.375	0.347	01/15/2007	74	77	76
United States Treasury Note		3.000	3.718	02/15/2008	53,590	52,636	52,738
United States Treasury Note		3.375	3.463	02/15/2008	134,150	133,858	133,211
United States Treasury Inflation Protection Note		0.875	0.929	04/15/2010	92,685	92,557	90,423
United States Treasury Inflation Protection Note		2.000	1.712	01/15/2014	23,017	23,289	23,715
United States Treasury Inflation Protection Note		2.000	1.785	07/15/2014	4,810	4,854	4,957
United States Treasury Note		4.000	4.136	02/15/2015	28,490	28,183	28,601
United States Treasury Strip - Prin		0.000	4.814	11/15/2021	3,220	1,478	1,587
United States Treasury Strip - Prin		0.000	5.781	02/15/2023	9,890	3,623	4,601
United States Treasury Inflation Protection Bond		2.375	2.000	01/15/2025	63,519	65,700	69,553
United States Treasury Strip - Prin		0.000	5.047	11/15/2026	1,740	600	688
United States Treasury Strip - Prin		0.000	5.625	08/15/2027	1,740	510	667
United States Treasury Bond		5.250	4.641	11/15/2028	38,600	41,931	44,101
United States Treasury Inflation Protection Bond		3.875	1.807	04/15/2029	864	1,208	1,215
United States Treasury Bond		6.250	4.684	05/15/2030	41,805	51,347	54,464
United States Treasury Bond		5.375	4.977	02/15/2031	6,850	7,240	8,085
Total U. S. Treasury Issues	32.3%					610,002	618,761
<i>U. S. Government Agency Issues</i>							
U. S. Government Agency Bonds							
Federal Home Loan Bank		2.750	2.796	05/15/2006	2,270	2,269	2,248
Federal National Mortgage Assn		3.310	3.454	01/26/2007	3,990	3,981	3,957
Federal Home Loan Bank		3.500	3.403	11/15/2007	3,010	3,017	2,981
Federal Home Loan Bank		4.125	4.197	04/18/2008	2,000	1,996	2,015
Federal National Mortgage Assn		3.875	3.916	07/15/2008	3,970	3,965	3,970
Student Loan Marketing Assn		4.270 A	4.270	04/01/2009	4,150	4,150	4,079
Federal Home Loan Bank		4.375	4.418	03/17/2010	2,120	2,116	2,155
Federal Home Loan Mort Corp		4.125	4.145	07/12/2010	1,770	1,768	1,778
Federal National Mortgage Assn		2.800	2.808	03/01/2019	2,100	2,098	2,087
Federal National Mortgage Assn		3.000	3.000	04/26/2019	6,040	6,040	6,003
Government Natl Mortgage Assn		3.660 A	3.677	08/20/2031	249	249	250
Total U.S. Government Agency Bonds						31,649	31,523
U. S. Government Agency Mortgage Backed Issues							
FNMA Mortgage Pools		5.000	5.052	08/01/2033	24,900	24,814	24,900
Total U. S. Government Agency Mortgage Backed Issues						24,814	24,900
U. S. Government Agency CMOs							
Federal Home Loan Mort Corp		7.000	7.003	01/25/2021	444	442	445
Total U. S. Government Agency CMOs						442	445
Total U. S. Government Agency Issues	3.0%					56,905	56,868

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
<i>Corporate Issues</i>							
U. S. Corporate Bonds							
Korea Deposit Insurance		2.500	2.299	12/11/2005	1,800	1,802	1,982
British Telecom PLC		7.875	7.913	12/15/2005	5,000	4,999	5,088
TXU Energy Co		3.920 A	3.937	01/17/2006	540	540	540
Toyota Motor Credit Corp		2.800	2.800	01/18/2006	2,310	2,310	2,297
Countrywide Home Loan		3.420 A	3.420	02/17/2006	2,230	2,230	2,230
Pacific Gas & Electric Corp		3.910 A	3.910	04/03/2006	144	144	144
SBC Communications Inc		5.750	2.684	05/02/2006	1,810	1,856	1,836
Tyco International Group SA		5.800	9.726	08/01/2006	1,125	1,081	1,145
Sprint Capital Corp		4.780 A	3.985	08/17/2006	2,990	3,017	3,012
General Motors Acceptance Corp		6.125	7.647	09/15/2006	1,590	1,563	1,591
Liberty Media Corp		4.910 A	4.785	09/17/2006	2,623	2,628	2,639
Republic of Italy		4.375	3.177	10/25/2006	2,645	2,686	2,663
FirstEnergy Corp		5.500	3.876	11/15/2006	1,770	1,808	1,800
Northrop Grumman Corp		4.079	3.415	11/16/2006	1,100	1,110	1,097
Bank Of America Corp		5.250	5.173	02/01/2007	1,900	1,902	1,939
General Motors Acceptance Corp		6.125	7.439	02/01/2007	5,465	5,359	5,427
Household Finance Corporation		7.875	6.422	03/01/2007	2,700	2,761	2,859
General Motors Acceptance Corp		6.150	7.508	04/05/2007	110	108	109
Comcast Cable Communication		8.375	4.600	05/01/2007	2,000	2,131	2,146
Kraft Foods Inc		5.250	3.349	06/01/2007	3,000	3,105	3,058
General Motors Acceptance Corp		6.125	7.522	08/28/2007	6,800	6,614	6,730
Merrill Lynch & Company Inc		3.375	3.386	09/14/2007	1,505	1,505	1,490
ChevronTexaco Capital Co		3.500	3.721	09/17/2007	1,000	995	990
CIT Group Holdings		5.750	5.763	09/25/2007	120	120	124
General Motors Acceptance Corp		6.311	7.103	11/30/2007	1,450	1,425	1,405
General Motors Acceptance Corp		4.375	4.415	12/10/2007	610	609	571
Ford Motor Credit Company		4.950	7.540	01/15/2008	7,260	6,833	6,925
Dominion Resources Inc		4.125	4.153	02/15/2008	280	280	279
US Bancorp		3.125	3.167	03/15/2008	1,620	1,618	1,577
Diageo Capital PLC		3.375	3.540	03/20/2008	3,280	3,266	3,217
Dryden Investor Trust		7.157	6.704	07/23/2008	653	658	682
Niagra Mohawk Power Corp		7.750	4.736	10/01/2008	2,600	2,833	2,857
General Motors Nova Fin		6.850	6.889	10/15/2008	4,710	4,705	4,440
Tyco International Group SA		6.125	10.558	11/01/2008	160	141	169
Sprint Capital Corp		6.125	8.326	11/15/2008	2,220	2,079	2,339
Waste Management Inc		6.500	4.785	11/15/2008	3,488	3,672	3,705
First Chicago		6.375	6.162	01/30/2009	700	705	749
Chase Manhattan Corporation		6.000	5.627	02/15/2009	310	314	328
Bank One Corp		6.000	6.131	02/17/2009	1,200	1,195	1,265
Atlantic Richfield Co		5.900	4.235	04/15/2009	1,345	1,423	1,434
Clear Channel Communications		4.250	5.336	05/15/2009	1,140	1,097	1,098
General Motors Acceptance Corp		5.625	8.389	05/15/2009	4,960	4,515	4,645
Caterpillar Fin Serv Crp		4.500	4.559	06/15/2009	1,265	1,262	1,277
Electronic Data Systems		7.150	6.127	10/15/2009	2,430	2,520	2,615
Ford Motor Credit Company		7.375	8.459	10/28/2009	12,825	12,329	12,532
Dominion Resources Inc		5.125	5.202	12/15/2009	900	897	924
General Motors Acceptance Corp		7.750	8.706	01/19/2010	2,510	2,421	2,454
European Investment Bank		4.000	4.025	03/03/2010	5,330	5,324	5,343

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Southern Natural Gas Co		8.875	6.489	03/15/2010	510	559	559
Ford Motor Credit Company		7.875	7.531	06/15/2010	3,990	4,043	3,943
Household Finance Corporation		8.000	6.765	07/15/2010	2,130	2,241	2,458
JPMorgan Chase & Co		4.500	4.539	11/15/2010	2,200	2,196	2,216
Dominion Resources Inc		4.750	4.773	12/15/2010	280	280	282
Raytheon Company		6.000	5.004	12/15/2010	18	19	19
United Mexican States		8.375	6.899	01/14/2011	7,960	8,486	9,266
Bank Of America Corp		7.400	4.284	01/15/2011	1,560	1,797	1,785
Union Pacific Corp		6.650	5.135	01/15/2011	1,530	1,640	1,702
Ford Motor Credit Company		7.375	7.594	02/01/2011	715	708	696
Wal-Mart Stores		4.125	4.195	02/15/2011	3,340	3,328	3,323
Anadarko Finance Co		6.750	5.169	05/01/2011	4,500	4,854	5,000
Sonat Inc		7.625	7.444	07/15/2011	2,730	2,754	2,750
Sara Lee Corp		6.250	4.890	09/15/2011	860	922	922
Bristol-Myers Squibb Company		5.750	5.691	10/01/2011	2,560	2,568	2,739
Household Finance Corporation		6.375	5.707	10/15/2011	120	124	131
Tyco International Group SA		6.375	8.607	10/15/2011	2,690	2,401	2,959
Kraft Foods Inc		5.625	4.602	11/01/2011	2,480	2,618	2,629
Bank One Corporation		5.900	6.087	11/15/2011	3,235	3,203	3,489
FirstEnergy Corp		6.450	6.602	11/15/2011	280	278	306
DaimlerChrysler NA Holdings		7.300	6.090	01/15/2012	3,100	3,300	3,464
Goldman Sachs Group Inc		6.600	6.556	01/15/2012	2,710	2,716	3,012
Lehman Brothers Holdings		6.625	5.436	01/18/2012	3,480	3,705	3,887
Boeing Capital Corp		6.500	5.117	02/15/2012	340	366	380
Dynegy Holdings Inc		8.750	8.606	02/15/2012	2,080	2,095	2,267
Commonwealth Edison		6.150	4.735	03/15/2012	2,000	2,161	2,211
Weyerhaeuser Company		6.750	5.600	03/15/2012	2,030	2,156	2,234
Morgan Stanley Dean Witter Co		6.600	5.476	04/01/2012	3,615	3,842	4,005
Apache Corporation		6.250	4.583	04/15/2012	1,895	2,077	2,116
Union Pacific Corp		6.500	5.180	04/15/2012	1,210	1,300	1,342
XTO Energy Inc		7.500	4.796	04/15/2012	625	722	719
Time Warner Inc		6.875	4.868	05/01/2012	2,010	2,242	2,268
AT&T Corp Wireless Services		8.125	5.710	05/01/2012	480	545	575
Household Finance Corporation		7.000	5.660	05/15/2012	20	21	23
Verizon Global Funding Corp		6.875	4.979	06/15/2012	90	100	102
Viacom Inc		5.625	5.645	08/15/2012	540	539	552
Seariver Maritime Inc		0.000	3.908	09/01/2012	3,180	2,410	2,334
Verizon Global Funding Corp		7.375	5.135	09/01/2012	1,050	1,190	1,227
Wells Fargo & Company		5.125	4.707	09/01/2012	140	144	146
Dominion Resources Inc		5.700	5.555	09/17/2012	1,010	1,019	1,065
Exelon Corp		4.750	4.637	10/01/2012	1,200	1,208	1,223
Detroit Edison Company		5.200	5.223	10/15/2012	630	629	655
BellSouth Corporation		4.750	4.787	11/15/2012	450	449	452
Raytheon Company		5.500	5.334	11/15/2012	40	40	42
Waste Management Inc		6.375	5.111	11/15/2012	1,730	1,863	1,889
Household Finance Corporation		6.375	6.462	11/27/2012	440	438	485
International Business Machs		4.750	4.464	11/29/2012	3,360	3,420	3,424
JP Morgan Chase & Co		5.750	5.268	01/02/2013	1,590	1,637	1,704
Boeing Capital Corp		5.800	5.277	01/15/2013	315	325	343
General Electric Capital Corp		5.450	5.054	01/15/2013	1,050	1,076	1,114

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
ASIF Global Financing		4.900	4.776	01/17/2013	1,860	1,874	1,887
General Electric Company		5.000	4.831	02/01/2013	5,910	5,972	6,102
Tenet Healthcare Corporation		7.375	7.700	02/01/2013	429	421	424
HCA Inc		6.250	5.974	02/15/2013	2,320	2,359	2,371
TXU Energy Co		7.000	7.000	03/15/2013	560	560	624
Ontario Electricity		7.450	4.404	03/31/2013	3,950	4,733	4,742
Raytheon Company		5.375	5.463	04/01/2013	410	408	427
XTO Energy Inc		6.250	4.760	04/15/2013	490	537	530
Sara Lee Corp		3.875	5.328	06/15/2013	550	499	512
Deutsche Telekom Int Fin		5.250	5.301	07/22/2013	2,155	2,148	2,237
Intelsat Ltd		6.500	8.190	11/01/2013	450	405	364
Altria Group Inc		7.000	6.419	11/04/2013	970	1,006	1,082
DaimlerChrysler NA Holdings		6.500	6.504	11/15/2013	1,200	1,200	1,301
Eastman Kodak Co		7.250	6.567	11/15/2013	2,055	2,144	2,161
Telecom Italia Capital		5.250	5.287	11/15/2013	585	584	594
Tyco International Group SA		6.000	4.798	11/15/2013	5,800	6,276	6,308
Cleveland Electric Illum		5.650	5.733	12/15/2013	240	239	252
International Paper Company		5.500	5.159	01/15/2014	1,320	1,351	1,348
Export Import Bk Korea		5.250	5.344	02/10/2014	855	849	885
HCA Inc		5.750	6.633	03/15/2014	1,030	971	1,025
Citigroup Inc		5.000	4.900	09/15/2014	6,750	6,799	6,905
General Electric Capital Corp		3.670 A	3.668	09/15/2014	5,400	5,401	5,430
JPMorgan Chase & Co		5.125	5.030	09/15/2014	1,350	1,359	1,381
SBC Communications Inc		5.100	5.115	09/15/2014	1,140	1,139	1,166
Telecom Italia Capital		4.950	4.995	09/30/2014	1,090	1,086	1,079
CodeLco Inc		4.750	4.899	10/15/2014	1,020	1,009	1,008
Comcast Corp		6.500	5.693	01/15/2015	9,440	9,987	10,523
HCA Inc		6.375	6.715	01/15/2015	3,030	2,958	3,144
Oncor Electric Delivery		6.375	6.472	01/15/2015	540	536	599
Hydro-Quebec		7.500	5.062	04/01/2016	470	564	592
RaboBank Capital Fund Trust		5.254	5.163	10/21/2016	480	484	492
Tennessee Valley Authority		6.250	4.935	12/15/2017	1,220	1,368	1,433
El Paso Corp		0.000	4.778	02/28/2021	160	76	86
Delta Air Lines		6.718	6.666	01/02/2023	1,628	1,633	1,709
WMX Technologies Inc		7.100	6.889	08/01/2026	2,110	2,159	2,450
Altria Group Inc		7.750	7.158	01/15/2027	2,330	2,480	2,798
Tyco International Group SA		6.875	5.810	01/15/2029	2,470	2,797	2,948
Conoco Inc		6.950	6.525	04/15/2029	5,065	5,322	6,363
Lockheed Martin Corp		8.500	8.535	12/01/2029	675	673	975
Tennessee Valley Authority		7.125	7.246	05/01/2030	2,140	2,110	2,935
Ford Motor Company		7.450	8.079	07/16/2031	3,350	3,122	2,797
El Paso Corporation		7.800	11.200	08/01/2031	800	566	778
United Mexican States		8.300	6.581	08/15/2031	4,340	5,264	5,403
Kraft Foods Inc		6.500	5.721	11/01/2031	2,000	2,211	2,333
FirstEnergy Corp		7.375	6.850	11/15/2031	5,930	6,304	7,249
El Paso Corporation		7.750	7.814	01/15/2032	1,080	1,072	1,053
Southern Natural Gas Co		8.000	9.183	03/01/2032	1,450	1,279	1,649
General Motors Corp		0.000	6.440	03/06/2032	206	3,788	3,847
Devon Energy Corporation		7.950	6.128	04/15/2032	6,470	8,010	8,510
Waste Management Inc		7.750	7.781	05/15/2032	770	767	977

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
El Paso Natural Gas		8.375	8.455	06/15/2032	1,470	1,457	1,710
United Mexican States		7.500	8.010	04/08/2033	20,939	19,749	24,028
General Motors Corp		8.375	8.550	07/15/2033	2,430	2,385	2,029
Time Warner Entertainment Co		8.375	8.068	07/15/2033	7,500	7,755	9,954
Pacific Gas & Electric Corp		6.050	5.912	03/01/2034	3,650	3,718	4,022
Tennessee Valley Authority		4.650	4.658	06/15/2035	2,030	2,027	2,033
IBJ Preferred Capital Co LLC		8.790 A	8.571	12/29/2049	6,380	6,416	7,039
Rabobank Capital Fund Trust		5.260	5.155	12/29/2049	230	234	237
Total U. S. Corporate Bonds						363,849	383,040
Corporate Asset Backed Issues							
M&I Auto Loan Trust		2.310	2.323	02/20/2008	2,552	2,552	2,538
Systems 2001 Asset Trust		6.664	6.076	09/15/2013	2,854	2,923	3,112
MSHLC		3.504 A	3.530	07/25/2017	2,564	2,564	2,565
Pegasus Aviation Lease Sec		8.370	17.655	07/25/2017	500	304	333
IndyMac Residential Asset Sec		4.750	4.397	02/25/2019	13,390	13,478	13,395
CS First Boston Mtg Secs Corp		7.590	7.615	07/25/2026	2,294	2,287	2,288
Structured Asset Securities Co		7.750	6.384	02/25/2028	2,083	2,126	2,175
Asset Securitization Corp		6.920	5.693	02/14/2029	6,134	6,233	6,211
Commercial Mortgage Accept Co		6.570	6.062	12/15/2030	9,400	9,487	9,827
Commercial Mortgage Lease		6.746	5.249	06/20/2031	4,709	5,081	5,245
Asset Securitization Corp		7.066	4.940	02/14/2043	600	678	674
Total Corporate Asset Backed Issues						47,713	48,363
Total Corporate Issues	22.4%					411,562	431,403
<i>Futures Commissions</i>							
US Treasury 5Yr Note Future		0.000	0.000	09/30/2005	1	7	-
US Treasury 10Yr Note Future		0.000	0.000	09/30/2005	(3)	16	-
Total Futures Commissions	0.0%					23	-
<i>Options Purchased</i>							
US Treasury 5 Yr Note Option				08/26/05	-	1	1
Total Options Purchased	0.0%					1	1
<i>Short-Term Issues</i>							
Merrill Lynch & Co Inc Repurchase Agreement		3.200	3.200	07/01/2005	77,400	77,400	77,400
Federal National Mortgage Assn **		0.000	3.489	12/05/2005	1,950	1,921	1,921
Dreyfus Cash Management Institutional Fund			3.036		669,254	669	669
Total Short-Term Issues	4.2%					79,990	79,990
Total Fixed Income						<u>\$ 1,831,906</u>	<u>\$ 1,918,134</u>

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Fixed Income Qualified							
<i>Commingled Fixed Income Pools</i>							
Barclay's Global Investors Qualified Intermediate Corp					5,039,718	\$ 131,299	\$ 159,948
Barclay's Global Investors Qualified 7-10 Yr TB Index					29,380,582	304,210	320,417
Barclay's Global Investors Qualified US TIPS Fund					23,342,496	316,937	320,041
Total Commingled Fixed Income	100.0%					752,446	800,406
Total Fixed Income Qualified						<u>\$ 752,446</u>	<u>\$ 800,406</u>
Fixed Income Nonqualified							
<i>Commingled Fixed Income Pools</i>							
Barclay's Global Investors Non-Qualified Intermediate Corp					4,904,895	\$ 100,369	\$ 106,053
Barclay's Global Investors Non-Qualified 7-10 Yr TB Index					19,380,914	205,448	212,427
Barclay's Global Investors Non-Qualified US TIPS Fund					15,346,966	210,250	212,155
Total Commingled Fixed Income Pools	100.0%					516,067	530,635
Total Fixed Income Nonqualified						<u>\$ 516,067</u>	<u>\$ 530,635</u>
Cash Liquidity							
<i>U. S. Government Agency Bonds</i>							
Federal Home Loan Bank		1.520 %	2.951 %	07/22/2005	\$ 5,000	\$ 4,996	\$ 4,993
Federal National Mortgage Assn		3.360 A	3.380	07/26/2005	18,000	18,000	17,996
Federal Home Loan Mort Corp		1.500	2.345	08/15/2005	7,500	7,492	7,477
Federal National Mortgage Assn		3.140	3.179	08/17/2005	15,000	14,999	14,999
Federal Home Loan Bank		2.090 A	3.105	10/05/2005	20,000	19,997	19,998
Federal Farm Credit Bank		3.267 A	3.260	03/01/2006	16,000	16,002	16,005
Federal Home Loan Bank		3.363 A	3.414	03/28/2006	20,000	19,993	20,000
Federal Home Loan Bank		2.500	3.504	03/30/2006	5,000	4,963	4,965
Federal Home Loan Bank		3.115 A	3.151	05/10/2006	10,000	9,997	9,986
Federal Home Loan Bank		3.148 A	3.214	05/16/2006	15,000	14,991	14,996
Federal National Mortgage Assn		2.060	3.746	06/30/2006	16,800	16,525	16,505
Total U. S. Government Agency Bonds	9.4%					147,955	147,920
<i>Corporate Bonds</i>							
K2 LLC		3.274 A	3.307	07/25/2005	8,000	8,000	8,000
BNP Paribas		3.204 A	3.253	08/23/2005	15,000	14,999	14,994
Sigma Finance Inc		3.210 A	3.201	09/15/2005	20,000	20,000	20,000
Unicredito Italiano NY		3.405 A	3.425	09/26/2005	10,000	10,000	9,998
General Electric Company		3.211 A	3.150	10/24/2005	1,200	1,200	1,200
Citigroup Inc		6.750	2.754	12/01/2005	11,150	11,334	11,282
Toyota Motor Credit Corp		3.300 A	3.300	01/09/2006	10,000	10,000	10,000
General Electric Capital Corp		3.410 A	3.161	02/03/2006	10,000	10,015	10,014
General Electric Capital Corp		3.420 A	3.185	02/06/2006	7,000	7,010	7,010
Wells Fargo & Company		3.190 A	3.175	02/15/2006	15,000	15,002	15,002

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Calyon Corp Investment Bank		3.240 A	3.270	02/23/2006	8,000	7,999	7,998
Dorada Finance Inc		3.500	3.505	03/10/2006	10,000	9,997	9,969
Links Finance LLC		3.140 A	3.127	04/13/2006	20,000	20,004	20,009
Bank of America		3.310 A	3.310	06/07/2006	25,000	25,000	24,996
Total Corporate Bonds	10.8%					170,560	170,472
<i>Short-Term Issues</i>							
Morgan Stanley Dean Witter Repurchase Agreement		3.050	3.050	07/01/2005	25,000	25,000	25,000
Goldman Sachs Repurchase Agreement		3.340	3.340	07/01/2005	15,050	15,050	15,050
Goldman Sachs Repurchase Agreement		3.350	3.350	07/01/2005	101,000	101,000	101,000
Variable Funding Capital		0.000	3.216	07/01/2005	25,000	25,000	25,000
Barclays Bank PLC		3.020	3.020	07/05/2005	15,000	15,000	15,000
American Express Centurion		3.090	3.090	07/06/2005	20,000	20,000	20,000
Goldman Sachs Group LP		0.000	3.198	07/06/2005	2,035	2,034	2,034
Windmill Funding Corporation		0.000	3.109	07/06/2005	9,140	9,136	9,136
United States Treasury Bill		0.000	2.740	07/07/2005	120,000	119,946	119,946
Kitty Hawk Funding Corp		0.000	3.171	07/11/2005	30,000	29,974	29,974
Federal Home Loan Bank		0.000	3.011	07/13/2005	8,113	8,105	8,105
Federal Home Loan Bank		0.000	3.151	07/15/2005	35,000	34,958	34,958
ING Funding LLC		0.000	3.105	07/15/2005	35,000	34,958	34,958
Unicredit Delaware Inc		0.000	3.111	07/15/2005	15,000	14,982	14,982
Dorada Finance Inc		0.000	3.117	07/18/2005	15,000	14,978	14,978
Grampian Funding LLC		0.000	3.106	07/18/2005	25,000	24,964	24,964
Galaxy Funding Inc		0.000	3.127	07/19/2005	16,000	15,975	15,975
Mont Blanc Capital Corp		0.000	3.253	07/20/2005	15,000	14,975	14,975
Fairway Finance Corp		0.000	3.156	07/21/2005	9,646	9,629	9,629
Goldman Sachs Group LP		0.000	3.294	07/21/2005	25,000	24,955	24,955
Banque National De Paris		3.070	3.070	07/25/2005	24,000	24,000	24,000
United States Treasury Bill		0.000	2.881	07/28/2005	25,000	24,947	24,947
Harris Trust & Savings		3.300 A	3.314	08/01/2005	13,000	13,000	13,000
First Tennessee Bank		3.130	3.130	08/02/2005	17,000	17,000	17,000
United States Treasury Bill		0.000	2.891	08/04/2005	15,000	14,960	14,960
Spintab Swedmortgage AB		0.000	3.208	08/05/2005	23,000	22,930	22,930
Banque et Caisse d'Epargne		0.000	3.236	08/09/2005	15,177	15,125	15,125
Bear Stearns Company Inc		0.000	3.229	08/09/2005	15,000	14,948	14,948
HSBC USA Inc		0.000	3.245	08/15/2005	25,000	24,900	24,900
United States Treasury Bill		0.000	3.053	08/15/2005	25,000	24,906	24,906
Galaxy Funding Inc		0.000	3.381	08/16/2005	15,000	14,936	14,936
CIT Group Inc		0.000	3.232	08/17/2005	17,500	17,428	17,428
Natexis Banque NY		2.980	2.980	08/18/2005	15,000	15,000	15,000
Federal Home Loan Bank		0.000	3.272	08/19/2005	26,000	25,886	25,886
Beta Finance Inc		0.000	3.271	08/22/2005	25,000	24,884	24,884
Galaxy Funding Inc		0.000	3.271	08/22/2005	11,375	11,322	11,322
United States Treasury Bill		0.000	2.930	08/25/2005	25,000	24,890	24,890
Toyota Motor Credit Corp		0.000	3.151	08/29/2005	13,000	12,934	12,934
Federal Home Loan Mort Corp		0.000	3.088	08/30/2005	15,000	14,924	14,917
K2 LLC		0.000	3.151	08/30/2005	15,000	14,923	14,767
United States Treasury Bill		0.000	2.973	09/01/2005	50,000	49,749	49,736
Scaldis Capital LLC		0.000	3.312	09/02/2005	20,000	19,886	19,834

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Sheffield Receivables		0.000	3.278	09/02/2005	13,000	12,927	12,828
Federal National Mortgage Assn		0.000	3.197	09/07/2005	21,000	20,876	20,868
CAFCO LLC		0.000	3.394	09/12/2005	33,500	33,274	33,222
Charta LLC		0.000	3.365	09/12/2005	18,500	18,376	18,341
Morgan Stanley Dean Witter		0.000	3.437	09/19/2005	25,000	24,813	24,781
Thunder Bay Funding Inc		0.000	3.426	09/19/2005	25,000	24,814	24,788
Atlantis One Funding		0.000	3.436	09/20/2005	25,000	24,811	24,790
Westpac Capital Corp		0.000	3.318	10/14/2005	20,000	19,811	19,682
Suntrust Bank		3.350	3.350	10/25/2005	34,000	34,000	34,000
Federal National Mortgage Assn		0.000	3.447	11/10/2005	15,000	14,815	14,811
Societe Generale NA		0.000	3.492	12/08/2005	24,000	23,638	23,587
Dreyfus Cash Management Institutional Fund			3.036		3,424,950	3,425	3,425
JP Morgan Capital Prime Money Market Fund			3.150		816,327	816	816
Total Short-Term Issues	79.8%					1,260,493	1,259,808
Total Cash Liquidity						\$ 1,579,008	\$ 1,578,200

Government Money Market

U. S. Government Agency Bonds

Federal National Mortgage Assn		3.190 A %	3.380 %	07/26/2005	\$ 4,000	\$ 4,000	\$ 3,999
Federal Home Loan Bank		1.750	2.883	08/15/2005	3,060	3,056	3,053
Federal Home Loan Mort Corp		1.500	2.345	08/15/2005	2,500	2,497	2,492
Federal Home Loan Bank		5.600	2.408	09/08/2005	3,000	3,018	3,009
Federal Home Loan Mort Corp		2.875	3.264	09/15/2005	2,700	2,698	2,697
Federal Home Loan Bank		3.035 A	3.105	10/05/2005	5,000	4,999	5,000
Federal Home Loan Mort Corp		2.150	3.089	10/28/2005	2,500	2,493	2,486
Federal Home Loan Bank		2.500	3.021	12/15/2005	1,325	1,322	1,317
Federal Home Loan Bank		2.250	3.020	12/15/2005	475	473	471
Federal Farm Credit Bank		3.267 A	3.260	03/01/2006	5,000	5,001	5,002
Federal Home Loan Bank		2.500	3.504	03/30/2006	3,545	3,519	3,520
Federal Home Loan Bank		3.115 A	3.151	05/10/2006	2,000	1,999	1,997
Federal Home Loan Bank		3.148 A	3.213	05/16/2006	5,000	4,997	4,998
Federal Home Loan Bank		3.280 A	3.306	06/12/2006	2,500	2,499	2,499
Total U. S. Government Agency Bonds	27.5%					42,571	42,540

Short-Term Issues

Goldman Sachs Repurchase Agreement		2.700	2.700	07/01/2005	39,950	39,950	39,950
Federal Home Loan Mort Corp		0.000	3.096	07/06/2005	4,625	4,623	4,623
Federal Home Loan Mort Corp		0.000	3.048	07/11/2005	5,000	4,996	4,996
Federal Home Loan Bank		0.000	3.097	07/13/2005	7,500	7,492	7,492
Federal Home Loan Mort Corp		0.000	3.093	07/19/2005	1,450	1,448	1,448
Federal Home Loan Mort Corp		0.000	3.116	07/26/2005	1,400	1,397	1,397
Federal Home Loan Bank		0.000	3.106	07/27/2005	5,000	4,989	4,989
United States Treasury Bill		0.000	2.891	08/04/2005	5,000	4,987	4,987
Federal Home Loan Bank		0.000	3.189	08/08/2005	2,965	2,955	2,955
Federal Home Loan Mort Corp		0.000	3.199	08/09/2005	2,035	2,028	2,028
United States Treasury Bill		0.000	2.901	08/11/2005	5,000	4,984	4,984

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Federal Home Loan Mort Corp		0.000	3.188	08/15/2005	1,584	1,578	1,578
United States Treasury Bill		0.000	3.053	08/15/2005	5,000	4,981	4,981
Federal Home Loan Bank		0.000	3.312	08/24/2005	7,500	7,463	7,463
United States Treasury Bill		0.000	2.970	08/25/2005	5,000	4,978	4,978
United States Treasury Bill		0.000	3.014	09/01/2005	5,000	4,975	4,974
Federal Home Loan Mort Corp		0.000	3.374	09/20/2005	5,000	4,963	4,962
Federal Home Loan Bank		0.000	3.287	10/12/2005	2,500	2,477	2,476
Dreyfus Cash Management Treasury Institutional Fund			2.632		985,190	985	985
Total Short-Term Issues	72.5%					112,249	112,246
Total Government Money Market						\$ 154,820	\$ 154,786
Enhanced Yield							
<i>U. S. Treasury Issues</i>							
United States Treasury Note		2.375 %	1.852 %	08/15/2006	\$ 2,500	\$ 2,514	\$ 2,468
United States Treasury Note		2.625	2.283	11/15/2006	2,000	2,009	1,974
United States Treasury Note		3.750	3.729	03/31/2007	13,890	13,895	13,915
United States Treasury Note		2.750	2.860	08/15/2007	2,550	2,544	2,504
United States Treasury Note		3.000	3.586	11/15/2007	5,945	5,866	5,861
United States Treasury Inflation Protection Note		3.625	0.855	01/15/2008	18,630	19,923	19,719
United States Treasury Note		3.000	2.797	02/15/2008	8,500	8,543	8,365
United States Treasury Note		3.375	3.705	02/15/2008	7,200	7,141	7,150
United States Treasury Note		3.750	3.641	05/15/2008	4,500	4,513	4,511
Total U. S. Treasury Issues	24.5%					66,948	66,467
<i>U. S. Government Agency Bonds</i>							
Federal National Mortgage Assn		5.875	5.053	02/02/2006	935	939	945
Federal National Mortgage Assn		5.875	5.065	02/14/2006	818	822	828
Federal National Mortgage Assn		6.625	5.095	03/21/2006	262	265	267
Federal Home Loan Bank		2.875	2.692	08/15/2006	10,335	10,356	10,214
Student Loan Marketing Assn		3.500	3.537	09/30/2006	2,315	2,314	2,293
Federal National Mortgage Assn		2.375	2.876	02/15/2007	6,640	6,587	6,478
Federal National Mortgage Assn		3.625	3.988	03/15/2007	5,520	5,487	5,508
Federal Farm Credit Bank		3.250	3.049	06/15/2007	7,970	8,000	7,884
Federal Home Loan Bank		3.625	3.864	06/20/2007	12,340	12,285	12,295
Federal National Mortgage Assn		3.000	3.142	08/15/2007	10,045	10,016	9,876
Federal National Mortgage Assn		3.125	3.908	12/15/2007	3,500	3,436	3,442
Federal National Mortgage Assn		3.250	4.090	01/15/2008	3,940	3,861	3,875
Federal National Mortgage Assn		5.750	3.827	02/15/2008	5,070	5,311	5,297
Total U. S. Government Agency Bonds	25.5%					69,679	69,202
<i>Corporate Issues</i>							
U. S. Corporate Bonds							
Associates Corp NA		6.000	5.196	07/15/2005	100	100	100
C & P Telephone		6.125	5.989	07/15/2005	100	100	100
JPMorgan Chase & Co		6.500	5.088	08/01/2005	600	601	601

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See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Bear Stearns Companies Inc		6.875	5.360	10/01/2005	650	652	655
US Bancorp		6.750	5.598	10/15/2005	260	261	262
Chase Manhattan Corporation		6.000	5.517	11/01/2005	700	701	705
Morgan JP & Co Inc		6.250	5.567	12/15/2005	265	266	268
Dean Witter Discovery & Co		6.300	5.333	01/15/2006	877	881	888
Dow Chemical Company		8.625	6.489	04/01/2006	120	122	124
American General Finance Corp		5.875	2.377	07/14/2006	2,000	2,071	2,037
Countrywide Home Loan		5.500	2.925	08/01/2006	5,000	5,136	5,075
JPMorgan Chase & Co		5.625	2.820	08/15/2006	2,270	2,340	2,310
Coca-Cola Enterprises		2.500	2.573	09/15/2006	3,000	2,997	2,947
First National Bank of Boston		7.375	5.570	09/15/2006	200	204	208
Textron Financial Corp		2.690	2.690	10/03/2006	3,500	3,500	3,441
Korea Development Bank		5.250	3.097	11/16/2006	4,595	4,727	4,662
Diageo Finance BV		3.000	3.011	12/15/2006	2,160	2,160	2,121
Hewlett-Packard Company		5.750	3.834	12/15/2006	1,000	1,027	1,023
Verizon Wireless Capital		5.375	3.075	12/15/2006	3,650	3,769	3,720
Washington Mutual Inc		5.625	3.248	01/15/2007	3,765	3,898	3,848
Nationwide Building Society		2.625	2.689	01/30/2007	3,450	3,447	3,377
Marshall & Ilsley Corp		2.625	2.690	02/09/2007	5,350	5,345	5,241
Boeing Capital Corp		5.750	3.236	02/15/2007	2,925	3,040	3,004
US Bank NA		2.400	2.440	03/12/2007	4,300	4,297	4,196
Pfizer Inc		2.500	2.534	03/15/2007	2,500	2,499	2,437
GlaxoSmithKline Cap PLC		2.375	2.394	04/16/2007	5,000	4,998	4,855
John Deere Capital Corp		3.625	3.719	05/25/2007	2,575	2,571	2,552
Praxair Inc		4.750	4.021	07/15/2007	2,650	2,687	2,681
UnitedHealth Grp Inc		3.375	3.486	08/15/2007	2,470	2,464	2,432
Credit Suisse FB USA Inc		4.625	3.885	01/15/2008	2,000	2,035	2,022
Goldman Sachs Group Inc		4.125	4.269	01/15/2008	1,580	1,575	1,579
HBOS Treasury Services		3.800	3.810	01/30/2008	1,170	1,170	1,163
Bear Stearns Companies Inc		4.000	3.930	01/31/2008	3,050	3,055	3,037
PNC Funding Corp		4.200	4.326	03/10/2008	2,500	2,492	2,501
HSBC Finance Corp		4.125	4.437	03/11/2008	1,720	1,706	1,716
Morgan Stanley Dean Witter Co		3.625	4.213	04/01/2008	1,385	1,364	1,364
Gannett Company Inc		4.125	4.259	06/15/2008	2,385	2,376	2,382
Total U. S. Corporate Bonds						82,634	81,634
Corporate Asset Backed Issues							
Daimler Chrysler Auto Trust		3.780	5.084	02/06/2007	42	42	42
Capital Auto Rec Asset Trust		1.440	1.452	02/15/2007	1,751	1,751	1,741
Nissan Auto Rec Owner Trust		2.230	2.246	03/15/2007	3,381	3,381	3,365
Volkswagen Auto Loan Trust		2.270	2.281	10/22/2007	4,925	4,925	4,874
Chase Manhattan Auto Owner Tr		2.260	2.274	11/15/2007	4,000	4,000	3,980
Nissan Auto Rec Owner Trust		2.010	2.024	11/15/2007	3,000	3,000	2,953
John Deere Owner Trust		2.320	2.340	12/17/2007	4,000	4,000	3,976
Honda Auto Recev Owner Trust		2.400	2.420	02/21/2008	5,675	5,675	5,596
Capital One Auto Finance Trust		5.400	4.621	05/15/2008	264	265	265
Americredit Automobile Rec		5.370	4.797	06/12/2008	169	170	169
World Omni Master Owner Trust		3.290 A	3.313	12/15/2008	5,650	5,650	5,653
M&I Auto Loan Trust		2.970	3.198	04/20/2009	1,500	1,495	1,479

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

June 30, 2005

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Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Chase Manhattan Auto Owner Tr		3.970	4.004	06/15/2009	2,000	2,000	2,000
Wachovia Auto Owner Trust		4.060	4.099	09/21/2009	1,250	1,250	1,250
Sears Credit Acc Master Trust		6.450	4.312	11/17/2009	75	75	75
USAA Auto Owner Trust		4.170	4.214	02/15/2011	1,510	1,510	1,510
Harley Davidson Motorcycle		2.760	2.779	05/15/2011	6,750	6,750	6,634
GS Auto Loan Trust		2.650	3.253	05/16/2011	3,185	3,150	3,104
WFS Financial Owner Trust		2.810	4.039	08/22/2011	1,350	1,325	1,314
Vanderbilt Mortgage Finance		6.080	4.995	12/07/2015	9	9	9
Total Corporate Asset Backed Issues						50,423	49,989
Total Corporate Issues		48.4%				133,057	131,623
<i>Short-Term Issues</i>							
Lehman Brothers Repurchase Agreement		4.060	4.060	07/01/2005	4,362	4,362	4,362
Total Short-Term Issues		1.6%				4,362	4,362
Total Enhanced Yield						\$ 274,046	\$ 271,654
Loss Amortization							
<i>U. S. Treasury Issues</i>							
U. S. Treasury Strip - Prin		0.000 %	4.087 %	08/15/2011	\$ 188,557	\$ 147,191	\$ 149,205
Total U. S. Treasury Issues		100.0%				147,191	149,205
Total Loss Amortization						\$ 147,191	\$ 149,205
Loans							
<i>Loans and Mortgages</i>							
Intergovernmental Loans							
Tax Reappraisal		1.690 %		06/30/2006	\$ 55	\$ 55	\$ 55
WVEDA Revolving Loan		3.030		04/30/2015	110,975	110,975	110,975
WVEDA Non-Recourse Loan		3.000		06/30/2022	14,970	14,970	14,970
Total Intergovernmental Loans						126,000	126,000
FHA/VA Mortgages							
Charleston NB		8.000		04/01/2007	10	10	10
Charleston NB		8.500		03/01/2008	44	44	44
Charleston NB		8.750		10/01/2006	3	3	3
Charleston NB		9.500		09/01/2008	12	12	12
Kissell		8.000		09/01/2007	33	33	33
Kissell		8.500		01/01/2008	23	23	23
OVV Mortgages		8.500		07/01/2008	27	27	27
OVV Mortgages		9.500		10/01/2008	12	12	12
Home (Atlantic)		8.000		04/01/2007	34	34	34
Home (Atlantic)		8.500		08/01/2014	47	47	47

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.

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
Home (Atlantic)		8.750		05/01/2008	39	39	39
Kissell		8.500		06/01/2006	3	3	3
Mason (Peoples)		8.500		12/01/2006	6	6	6
Total FHA/VA Mortgages						293	293
Total Loans and Mortgages						126,293	126,293
Reserve for uncollectable loans						3,038	3,038
Loans and Mortgages, net of reserve for uncollectable loans						123,255	123,255
<i>Short-Term Issues</i>							
Dreyfus Cash Management Institutional Fund			3.036 %		16,522,234	16,522	16,522
Total Short-Term Issues						16,522	16,522
Total Loans						\$ 139,777	\$ 139,777
Municipal Bond Commission							
<i>U. S. Treasury Issues</i>							
State & Local Government		6.240 %	6.240 %	07/01/2005	\$ 1,270	\$ 1,270	\$ 1,270
United States Treasury Strip - Prin		0.000	0.578	08/15/2005	178	178	177
United States Treasury Strip - Int		0.000	6.238	08/15/2005	1	1	1
United States Treasury Strip - Int		0.000	5.542	08/15/2005	960	954	956
State & Local Government		1.930	1.930	10/01/2005	158	158	158
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	8.437	11/15/2005	12	12	12
State & Local Government		6.250	6.250	01/01/2006	16	16	16
United States Treasury Strip - Int		0.000	0.014	02/15/2006	5,600	5,599	5,487
State & Local Government		2.160	2.160	04/01/2006	9,618	9,618	9,618
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	8.177	05/15/2006	114	106	111
United States Treasury Note		6.875	0.002	05/15/2006	834	884	858
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	8.481	11/15/2006	9	8	9
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	50	53
United States Treasury Note		6.625	0.001	05/15/2007	894	1,005	942
State & Local Government		6.280	6.280	07/01/2007	1,464	1,464	1,464
United States Treasury Strip - Int		0.000	8.821	11/15/2007	8	6	7
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	48	53

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.

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
United States Treasury Strip - Int State & Local Government		0.000	0.000	05/15/2008	924	924	833
United States Treasury Strip - Int State & Local Government		6.230	6.230	07/01/2008	1,571	1,571	1,571
United States Treasury Strip - Int State & Local Government		0.000	9.018	11/15/2008	6	4	5
United States Treasury Strip - Int State & Local Government		6.160	6.160	01/01/2009	6	6	6
United States Treasury Strip - Int State & Local Government		0.000	0.000	05/15/2009	927	927	805
United States Treasury Strip - Int 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	782
United States Treasury Strip - Int		0.000	0.000	05/15/2011	934	934	750
United States Treasury Strip - Int		0.000	0.000	05/15/2012	938	938	721
United States Treasury Strip - Int		0.000	0.000	05/15/2013	941	941	691
United States Treasury Strip - Int		0.000	0.000	05/15/2014	963	963	674
United States Treasury Strip - Int		0.000	0.000	05/15/2015	973	973	652
United States Treasury Bond		7.250	0.001	05/15/2016	980	1,752	1,255
United States Treasury Bond		8.750	0.001	05/15/2017	1,055	2,151	1,515
United States Treasury Bond		9.125	0.001	05/15/2018	1,138	2,475	1,703
Total U. S. Treasury Issues	97.2%					48,404	44,691
<i>U. S. Government Agency Bonds</i>							
Resolution Funding Corp		0.000	5.178	10/15/2005	30	30	30
Resolution Funding Corp		0.000	5.328	04/15/2006	941	903	914
Total U. S. Government Agency Bonds	1.9%					933	944
<i>Short-Term Issues</i>							
United States Treasury Bill		0.000	5.455	09/29/2005	340	335	337
United States Treasury Bill		0.000	0.000	11/03/2005	110	110	109
Total Short-Term Issues	0.9%					445	446
Total Municipal Bond Commission						\$ 49,782	\$ 46,081
Lottery Defeasance							
<i>U. S. Treasury Issues</i>							
Coupon Treasury Receipt		0.000 %	8.189 %	08/15/2005	\$ 130	\$ 129	\$ 129
United States Treasury Strip - Int		0.000	10.159	08/15/2005	307	303	306
United States Treasury Strip - Int		0.000	9.976	11/15/2005	289	279	286
United States Treasury Strip - Int		0.000	9.655	02/15/2006	90	85	88
Principal Treasury Receipt		0.000	10.556	05/15/2006	100	91	97
U.S. Treasury Coupon Under Book		0.000	10.377	05/15/2006	110	101	107
Treasury Investment Growth		0.000	8.179	08/15/2006	130	119	125
United States Treasury Strip - Int		0.000	8.927	08/15/2006	27	25	26
United States Treasury Strip - Int		0.000	8.895	11/15/2006	167	148	159
United States Treasury Strip - Int		0.000	9.388	02/15/2007	63	54	59
Treasury Investment Growth		0.000	8.169	08/15/2007	130	110	120

A - Adjustable rate security.

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

See accompanying notes to financial statements.

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

June 30, 2005

(Dollars in thousands, except Share Data)

Security Name	% of Pool	Coupon	Yield	Maturity	Par Value or Shares	Amortized Cost	Fair Value*
United States Treasury Strip - Int		0.000	8.927	08/15/2007	27	22	25
United States Treasury Strip - Int		0.000	9.288	11/15/2007	25	20	23
Coupon Treasury Receipt		0.000	8.160	08/15/2008	130	101	115
Total U. S. Treasury Issues	100.0%					1,587	1,665
Total Lottery Defeasance						\$ 1,587	\$ 1,665
School Fund							
<i>Short-Term Issues</i>							
Dreyfus Cash Management Institutional Fund			3.036 %		1,426,543	\$ 1,427	\$ 1,427
Total Short-Term Issues	100.0%					1,427	1,427
Total School Fund						\$ 1,427	\$ 1,427
EDA Insurance							
<i>Short-Term Issues</i>							
United States Treasury Bill		0.000 %	3.120 %	12/15/2005	\$ 460	\$ 454	\$ 453
Total Short-Term Issues	100.0%					454	453
Total EDA Insurance						\$ 454	\$ 453
EDA - AW							
<i>U. S. Treasury Issues</i>							
United States Treasury Bond		6.250 %	4.929 %	08/15/2023	\$ 1,445	\$ 1,672	\$ 1,801
Total U. S. Treasury Issues	100.0%					1,672	1,801
Total EDA-AW						\$ 1,672	\$ 1,801

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.

See accompanying notes to financial statements.

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West Virginia Investment Management Board

Statement of Operations

Year Ended June 30, 2005

(Dollars in thousands)

	Large Cap Domestic	Non-Large Cap Domestic
Investment income		
Interest income	\$ -	\$ 1
Dividend income	25,983	12,898
Less withholding tax	(9)	(4)
Securities lending income	1,454	2,079
Shareholder litigation proceeds	12	120
Commission recapture	278	105
Net accretion (amortization)	-	2
Provision for uncollectable loans	-	-
Total investment income	27,718	15,201
Expenses		
Investment advisor fees	(2,276)	(3,557)
Trustee fees	(8)	(6)
Custodian bank fees	(49)	(60)
Management fees	(344)	(253)
Fiduciary bond fees	(3)	(2)
Professional service fees	(96)	(71)
Litigation fees	(5)	-
Securities lending agent fees	(18)	(79)
Securities lending borrower rebates	(1,382)	(1,748)
Total expenses	(4,181)	(5,776)
Investment income (loss), net	23,537	9,425
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	87,952	101,549
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	(11,649)	15,125
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	76,303	116,674
Net increase in net assets from operations	\$ 99,840	\$ 126,099

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ -	\$ -	\$ (53)
-	-	16,768
-	-	(1,353)
-	-	1,789
-	-	-
-	-	192
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>17,343</u>
(1,827)	(248)	(2,891)
(2)	-	(4)
-	-	(280)
(84)	(7)	(191)
(1)	-	(2)
(24)	(2)	(54)
-	-	(4)
-	-	(191)
-	-	(1,034)
<u>(1,938)</u>	<u>(257)</u>	<u>(4,651)</u>
(1,938)	(257)	12,692
952	136	28,467
-	-	22,340
46,250	3,671	68,154
-	-	(21,520)
<u>47,202</u>	<u>3,807</u>	<u>97,441</u>
<u>\$ 45,264</u>	<u>\$ 3,550</u>	<u>\$ 110,133</u>

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2005

(Dollars in thousands)

	Short-Term Fixed Income	Dedicated Fixed Income
Investment income		
Interest income	\$ 1,564	\$ 4,847
Dividend income	28	1,309
Less withholding tax	-	-
Securities lending income	552	1,637
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	1,938	(2,586)
Provision for uncollectable loans	-	-
Total investment income	4,082	5,207
Expenses		
Investment advisor fees	(66)	-
Trustee fees	(1)	(2)
Custodian bank fees	(13)	(4)
Management fees	(39)	(67)
Fiduciary bond fees	-	(1)
Professional service fees	(11)	(18)
Litigation fees	-	-
Securities lending agent fees	(13)	(47)
Securities lending borrower rebates	(503)	(1,502)
Total expenses	(646)	(1,641)
Investment income (loss), net	3,436	3,566
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	(3)	(2,190)
Foreign currency transactions	-	-
Net increase (decrease) in the fair value of:		
Investments	-	3,505
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	(3)	1,315
Net increase in net assets from operations	\$ 3,433	\$ 4,881

See accompanying notes to financial statements.

<u>Fixed Income</u>	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 56,590	\$ -	\$ -
13,732	-	-
-	-	-
14,468	-	-
-	-	-
-	-	-
(2,985)	-	-
-	-	-
<u>81,805</u>	<u>-</u>	<u>-</u>
(1,995)	(94)	(47)
(9)	(5)	(2)
(43)	-	-
(433)	(206)	(89)
(4)	(2)	(1)
(122)	(58)	(25)
(4)	-	-
(327)	-	-
<u>(12,823)</u>	<u>-</u>	<u>-</u>
<u>(15,760)</u>	<u>(365)</u>	<u>(164)</u>
66,045	(365)	(164)
19,047	78,916	14,343
-	-	-
70,224	(31,379)	2,792
-	-	-
<u>89,271</u>	<u>47,537</u>	<u>17,135</u>
<u>\$ 155,316</u>	<u>\$ 47,172</u>	<u>\$ 16,971</u>

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2005

(Dollars in thousands)

	Cash Liquidity	Government Money Market
Investment income		
Interest income	\$ 17,405	\$ 1,912
Dividend income	76	11
Less withholding tax	-	-
Securities lending income	5,087	611
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	18,144	1,801
Provision for uncollectable loans	-	-
Total investment income	40,712	4,335
Expenses		
Investment advisor fees	(629)	(62)
Trustee fees	(8)	(1)
Custodian bank fees	(55)	(9)
Management fees	(493)	(72)
Fiduciary bond fees	(3)	(1)
Professional service fees	(94)	(14)
Litigation fees	-	-
Securities lending agent fees	(109)	(12)
Securities lending borrower rebates	(4,632)	(563)
Total expenses	(6,023)	(734)
Investment income (loss), net	34,689	3,601
Realized and unrealized gain (loss) from investments and foreign currency		
Net realized gain (loss) from:		
Investments	(134)	1
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	(134)	1
Net increase in net assets from operations	\$ 34,555	\$ 3,602

See accompanying notes to financial statements.

<u>Enhanced Yield</u>	<u>Loss Amortization</u>	<u>Loans</u>
\$ 10,082	\$ -	\$ 3,598
-	-	284
-	-	-
1,766	-	-
-	-	-
-	-	-
(1,491)	5,836	-
-	-	(2,326)
<u>10,357</u>	<u>5,836</u>	<u>1,556</u>
(209)	-	-
(2)	-	(1)
(5)	-	-
(151)	-	(53)
(1)	-	-
(29)	-	(10)
-	-	-
(44)	-	-
<u>(1,603)</u>	<u>-</u>	<u>-</u>
<u>(2,044)</u>	<u>-</u>	<u>(64)</u>
8,313	5,836	1,492
(1,439)	-	-
-	-	-
(125)	5,400	-
-	-	-
<u>(1,564)</u>	<u>5,400</u>	<u>-</u>
<u>\$ 6,749</u>	<u>\$ 11,236</u>	<u>\$ 1,492</u>

West Virginia Investment Management Board

Statement of Operations (Continued)

Year Ended June 30, 2005

(Dollars in thousands)

	Municipal Bond Commission	Lottery Defeasance
Investment income		
Interest income	\$ 2,109	\$ -
Dividend income	-	-
Less withholding tax	-	-
Securities lending income	-	-
Shareholder litigation proceeds	-	-
Commission recapture	-	-
Net accretion (amortization)	(122)	197
Provision for uncollectable loans	-	-
Total investment income	1,987	197
Expenses		
Investment advisor fees	-	-
Trustee fees	-	-
Custodian bank fees	-	-
Management fees	(17)	-
Fiduciary bond fees	-	-
Professional service fees	-	-
Litigation fees	-	-
Securities lending agent fees	-	-
Securities lending borrower rebates	-	-
Total expenses	(17)	-
Investment income (loss), net	1,970	197
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	-	(149)
Translation of assets and liabilities in foreign currencies	-	-
Net gain (loss) from investments and foreign currency	-	(149)
Net increase in net assets from operations	\$ 1,970	\$ 48

See accompanying notes to financial statements.

<u>School Fund</u>	<u>EDA Insurance</u>	<u>EDA-AW</u>
\$ -	\$ -	\$ 75
27	-	-
-	-	-
-	-	-
-	-	-
-	9	(6)
-	-	-
<u>27</u>	<u>9</u>	<u>69</u>
-	-	-
-	-	-
-	-	(1)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	(1)
<u>27</u>	<u>9</u>	<u>68</u>
-	-	-
-	-	-
-	1	129
-	-	-
<u>-</u>	<u>1</u>	<u>129</u>
<u>\$ 27</u>	<u>\$ 10</u>	<u>\$ 197</u>

West Virginia Investment Management Board

Statement of Changes in Net Assets

Year Ended June 30, 2005

(Dollars in thousands, except for Unit Transactions)

	Large Cap Domestic	Non-Large Cap Domestic
Operations		
Investment income (loss), net	\$ 23,537	\$ 9,425
Net realized gain (loss) from investments	87,952	101,549
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	(11,649)	15,125
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase in net assets from operations	99,840	126,099
Distributions to unitholders		
Investment income, net	-	-
Net realized gain (loss) on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	225,893	74,977
Reinvestment of distributions	-	-
	225,893	74,977
Amount paid for repurchase of units	(30,022)	(152,600)
Net increase (decrease) in net assets from fund unit transactions	195,871	(77,623)
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	295,711	48,476
Net assets, beginning of period	1,205,123	846,629
Net assets, end of period	\$ 1,500,834	\$ 895,105
Fund unit transactions		
Units sold	22,719,174	4,578,899
Units issued from reinvestment of distributions	-	-
	22,719,174	4,578,899
Units repurchased	(2,961,972)	(9,056,504)
Net increase (decrease) in fund units	19,757,202	(4,477,605)

See accompanying notes to financial statements.

<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
\$ (1,938)	\$ (257)	\$ 12,692
952	136	28,467
-	-	22,340
46,250	3,671	68,154
-	-	(21,520)
<u>45,264</u>	<u>3,550</u>	<u>110,133</u>
-	-	-
-	-	-
-	-	-
3,871	3,007	60,537
-	-	-
<u>3,871</u>	<u>3,007</u>	<u>60,537</u>
(3,761)	(2,998)	(55,563)
110	9	4,974
-	-	-
-	-	-
<u>45,374</u>	<u>3,559</u>	<u>115,107</u>
304,995	24,832	686,947
<u>\$ 350,369</u>	<u>\$ 28,391</u>	<u>\$ 802,054</u>
174,888	133,560	4,831,259
-	-	-
<u>174,888</u>	<u>133,560</u>	<u>4,831,259</u>
(170,132)	(133,146)	(4,212,383)
<u>4,756</u>	<u>414</u>	<u>618,876</u>

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

Year Ended June 30, 2005

(Dollars in thousands, except for Unit Transactions)

	Short-Term Fixed Income	Dedicated Fixed Income
Operations		
Investment income (loss), net	\$ 3,436	\$ 3,566
Net realized gain (loss) from investments	(3)	(2,190)
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	-	3,505
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase in net assets from operations	3,433	4,881
Distributions to unitholders		
Investment income, net	(3,436)	(4,629)
Net realized gain (loss) on investments	-	-
Total distributions	(3,436)	(4,629)
Fund unit transactions		
Proceeds from sale of units	1,686,633	132,872
Reinvestment of distributions	3,436	4,629
	1,690,069	137,501
Amount paid for repurchase of units	(1,433,924)	(969,459)
Net increase (decrease) in net assets from fund unit transactions	256,145	(831,958)
Contributions		
	-	-
Withdrawals		
	-	-
Increase (decrease) in net assets	256,142	(831,706)
Net assets, beginning of period	142,393	831,706
Net assets, end of period	\$ 398,535	\$ -
Fund unit transactions		
Units sold	1,686,633,174	13,332,635
Units issued from reinvestment of distributions	3,436,114	464,417
	1,690,069,288	13,797,052
Units repurchased	(1,433,923,914)	(97,247,738)
Net increase (decrease) in fund units	256,145,374	(83,450,686)

See accompanying notes to financial statements.

<u>Fixed Income</u>	<u>Fixed Income Qualified</u>	<u>Fixed Income Nonqualified</u>
\$ 66,045	\$ (365)	\$ (164)
19,047	78,916	14,343
-	-	-
70,224	(31,379)	2,792
-	-	-
<u>155,316</u>	<u>47,172</u>	<u>16,971</u>
(69,929)	-	-
-	-	-
<u>(69,929)</u>	<u>-</u>	<u>-</u>
658,428	69,389	437,386
65,070	-	-
<u>723,498</u>	<u>69,389</u>	<u>437,386</u>
(128,301)	(33,279)	(40,685)
<u>595,197</u>	<u>36,110</u>	<u>396,701</u>
-	-	-
-	-	-
<u>680,584</u>	<u>83,282</u>	<u>413,672</u>
1,218,368	717,074	116,935
<u>\$ 1,898,952</u>	<u>\$ 800,356</u>	<u>\$ 530,607</u>
55,736,489	4,813,427	51,189,042
5,496,336	-	-
<u>61,232,825</u>	<u>4,813,427</u>	<u>51,189,042</u>
(10,830,252)	(2,299,278)	(4,764,900)
<u>50,402,573</u>	<u>2,514,149</u>	<u>46,424,142</u>

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

Year Ended June 30, 2005

(Dollars in thousands, except for Unit Transactions)

	Cash Liquidity	Government Money Market
Operations		
Investment income (loss), net	\$ 34,689	\$ 3,601
Net realized gain (loss) from investments	(134)	1
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 in net assets from operations	34,555	3,602
Distributions to unitholders		
Investment income, net	(34,688)	(3,600)
Net realized gain (loss) on investments	4	(1)
Total distributions	(34,684)	(3,601)
Fund unit transactions		
Proceeds from sale of units	7,409,869	427,401
Reinvestment of distributions	34,684	3,601
	7,444,553	431,002
Amount paid for repurchase of units	(7,234,656)	(427,101)
Net increase (decrease) in net assets from fund unit transactions	209,897	3,901
Contributions	-	-
Withdrawals	-	-
Increase (decrease) in net assets	209,768	3,902
Net assets, beginning of period	1,395,950	151,118
Net assets, end of period	\$ 1,605,718	\$ 155,020
Fund unit transactions		
Units sold	7,409,869,122	427,401,304
Units issued from reinvestment of distributions	34,683,521	3,600,459
	7,444,552,643	431,001,763
Units repurchased	(7,234,656,169)	(427,100,755)
Net increase (decrease) in fund units	209,896,474	3,901,008

See accompanying notes to financial statements.

<u>Enhanced Yield</u>	<u>Loss Amortization</u>	<u>Loans</u>
\$ 8,313	\$ 5,836	\$ 1,492
(1,439)	-	-
-	-	-
(125)	5,400	-
-	-	-
<u>6,749</u>	<u>11,236</u>	<u>1,492</u>
(9,087)	-	(1,492)
-	-	-
<u>(9,087)</u>	<u>-</u>	<u>(1,492)</u>
18,385	-	2,021
8,326	-	1,492
<u>26,711</u>	<u>-</u>	<u>3,513</u>
(116,430)	-	(3,472)
<u>(89,719)</u>	<u>-</u>	<u>41</u>
-	-	-
-	-	-
<u>(92,057)</u>	<u>11,236</u>	<u>41</u>
353,075	137,969	140,080
<u>\$ 261,018</u>	<u>\$ 149,205</u>	<u>\$ 140,121</u>
182,547	-	2,021,485
83,226	-	1,492,774
<u>265,773</u>	<u>-</u>	<u>3,514,259</u>
(1,163,120)	-	(3,473,403)
<u>(897,347)</u>	<u>-</u>	<u>40,856</u>

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

Year Ended June 30, 2005

(Dollars in thousands, except for Unit Transactions)

	Municipal Bond Commission	Lottery Defeasance
Operations		
Investment income (loss), net	\$ 1,970	\$ 197
Net realized gain (loss) from investments	-	-
Net realized gain from foreign currency transactions	-	-
Net increase (decrease) in the fair value of investments	-	(149)
Net increase in the translation of assets and liabilities in foreign currencies	-	-
Net increase in net assets from operations	1,970	48
Distributions to unitholders		
Investment income, net	-	-
Net realized gain (loss) on investments	-	-
Total distributions	-	-
Fund unit transactions		
Proceeds from sale of units	-	-
Reinvestment of distributions	-	-
Net increase (decrease) in net assets from fund unit transactions	-	-
Amount paid for repurchase of units	-	-
Contributions	15,742	-
Withdrawals	(42,198)	(1,426)
Increase (decrease) in net assets	(24,486)	(1,378)
Net assets, beginning of period	74,681	3,043
Net assets, end of period	\$ 50,195	\$ 1,665

See accompanying notes to financial statements.

<u>School Fund</u>	<u>EDA Insurance</u>	<u>EDA-AW</u>
\$ 27	\$ 9	\$ 68
-	-	-
-	-	-
-	1	129
-	-	-
<u>27</u>	<u>10</u>	<u>197</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>
420	-	1,683
<u>(402)</u>	<u>(13)</u>	<u>(45)</u>
45	(3)	1,835
<u>1,385</u>	<u>457</u>	<u>-</u>
<u>\$ 1,430</u>	<u>\$ 454</u>	<u>\$ 1,835</u>

West Virginia Investment Management Board

Notes to Financial Statements

NOTE 1. DESCRIPTION OF THE ENTITY

The West Virginia Investment Management Board (IMB) 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 IMB. 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 IMB 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 IMB and do not reflect any other assets or liabilities of the various pool participants or the IMB.

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

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. Enhanced Investment Technologies and State Street Global Advisors manage assets of this pool.

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 (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' 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. LSV Asset Management, TT International Investment Management, and Wasatch Advisors Inc. manage assets of this pool, and a portion of the assets are 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 Country World Free Ex US Index over rolling three- to five-year periods, net of fees.

NOTE 1. DESCRIPTION OF THE ENTITY (Continued)

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. JP Morgan Investment Advisor's, Inc. is the manager of this pool.

Dedicated Fixed Income – As of October 5, 2004, the Dedicated Fixed Income Pool was closed and the assets of the pool's sole participant, the Workers' Compensation Fund, were transferred to other investment pools.

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. Western Asset Management Company manages this pool.

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 this 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 this pool. This pool exists for participants who are not "qualified" (as defined by the *Internal Revenue Code*).

Consolidated Fund

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 comprise 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 JP Morgan Investment Advisors, Inc. 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 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 Standish Mellon Asset Management.

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 IMB 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.

NOTE 1. DESCRIPTION OF THE ENTITY (Continued)

Participant Directed Accounts - The remaining pools (Municipal Bond Commission, Lottery Defeasance, School Fund, EDA Insurance, and EDA-AW) are maintained for individual State agencies with specific investment needs. Each agency has 100 percent ownership of the underlying investments in its pool and is solely responsible for the investment decisions in accordance with the legal restrictions applicable to those assets. The Board serves in a custodial capacity and has no discretion over the investment decisions for these pools. The EDA-AW account was established on September 1, 2004.

NOTE 2. SUBSEQUENT EVENT

The 2005 West Virginia State Legislature passed Senate Bill 558 creating the West Virginia Treasury Investment Board effective July 8, 2005, for the purpose of overseeing the assets of the five pools comprising the Consolidated Fund and the assets of each of the participant directed accounts. The IMB transferred the assets of these pools and accounts to the West Virginia Treasury Investment Board on July 8, 2005.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The IMB 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, 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 IMB 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 IMB has elected to follow all Financial Accounting Standards 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 IMB'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 IMB 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 IMB 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

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Option Contracts - The IMB 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 IMB'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 instrument 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 does not correlate perfectly with movements of the underlying instrument due to certain market distortions. To limit its exposure to these risks, the IMB has established limits on the value and use of option contracts.

The IMB 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 IMB maintains sufficient levels of cash or cash equivalents to meet cash flow obligations.

Security Loans - The IMB 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 IMB receives a portion of the income from the investment of the collateral. The IMB 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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 IMB invests in futures contracts in the Non-Large Cap Domestic Equity pool and the Fixed Income pool. Upon entering into a financial futures contract, the IMB 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 IMB 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 IMB 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 IMB 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. Risks 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.

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.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment Gains and Losses - Gains and losses on the sale of investment securities are recognized at the time of sale by the average cost method. The calculation of realized gains and losses is independent of the calculation of the net increase or decrease in the fair value of investments. Realized gains and losses on investments held in more than one fiscal year and sold in the current year may have been recognized as an increase or decrease in the fair value of investments reported in the prior year.

Interest Income - Interest income is recognized as earned on the accrual method with one exception. The cash received method of income recognition is used for the interest on the WVEDA Non-Recourse Loan held by the Loan Pool. Under this method income is recognized when received.

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. At June 30, 2005, the Loan Pool had an allowance for uncollectable loans of \$3,038,326.

Distributions to Participants - The monthly net income of the Dedicated Fixed Income, the Fixed Income, and the Enhanced Yield pools are declared as dividends on the last day of the month 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. The distributions of net investment income 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 IMB's Trustees adopt an annual budget and fee schedule for services to be provided to the respective pools. Each pool is charged for its direct investment-related cost and for its allocated share of other expenses. These other expenses are allocated to the pools based on asset size. Certain pools cannot be charged expenses or must be charged a reduced expense. The IMB pays all expenses on behalf of the pools.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes - The IMB 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 IMB is not subject to federal or state income taxes.

NOTE 4. INVESTMENT RISK DISCLOSURES

Large Cap Domestic

This pool holds equity securities of U. S. companies and money market funds with the highest credit rating. These types of securities are not exposed to credit risk, interest rate risk, custodial credit risk, or foreign currency risk. At June 30, 2005, this pool did not hold securities of any one issuer in excess of 5% of the value of the pool in accordance with West Virginia statutes.

Non-Large Cap Domestic

This pool holds equity securities of U. S. companies and money market funds with the highest credit rating. These types of securities are not exposed to credit risk, interest rate risk, custodial credit risk, or foreign currency risk. At June 30, 2005, this pool did not hold securities of any one issuer in excess of 5% of the value of the pool in accordance with West Virginia statutes.

International Qualified

This pool holds an institutional mutual fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2005, was \$350,542,583. This investment, although denominated in U. S. dollars, is exposed to foreign currency risk. This pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

International Nonqualified

This pool holds an institutional mutual fund that invests in equities denominated in foreign currencies. The value of this investment at June 30, 2005, was \$28,391,772. This investment, although denominated in U. S. dollars, is exposed to foreign currency risk. This pool is not exposed to credit risk, interest rate risk, custodial credit risk, or concentration of credit risk.

International Equity

This pool is not exposed to credit risk, interest rate risk, or custodial credit risk. At June 30, 2005, this pool did not hold securities of any one issuer in excess of 5% of the value of the pool in accordance with West Virginia statutes. This pool has both equity securities and cash that are denominated in foreign currencies and are exposed to foreign currency risks. The amounts (in U. S dollars) of the securities and cash denominated in foreign currencies are as follows:

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Currency	Equity Securities	Cash	Total
Australian Dollar	\$ 13,290,915	\$ 375,288	\$ 13,666,203
British Pound	119,895,302	4,400,463	124,295,765
Canadian Dollar	22,258,200	(200,893)	22,057,307
Danish Krone	3,703,655	27,130	3,730,785
Euro	167,604,540	5,158,260	172,762,800
Hong Kong Dollar	18,055,400	79,195	18,134,595
Indian Rupee	6,778,060	-	6,778,060
Israeli Shekel	897,903	40,690	938,593
Japanese Yen	125,558,543	2,073,923	127,632,466
Malaysian Ringgit	1,999,387	18,153	2,017,540
Mexican New Peso	1,880,790	36,933	1,917,723
New Zealand Dollar	2,497,951	23,218	2,521,169
Norwegian Krone	6,613,326	60,396	6,673,722
Singapore Dollar	8,163,959	212,569	8,376,528
South African Rand	1,939,123	45,969	1,985,092
South Korean Won	7,451,118	281,961	7,733,079
Swedish Krona	20,786,351	569,873	21,356,224
Swiss Franc	38,254,942	1,635,215	39,890,157
Taiwan Dollar	4,045,024	678,239	4,723,263
Total	\$ 571,674,489	\$ 15,516,582	\$587,191,071

This pool also has \$187,529,201 invested in an institutional mutual fund that invests in equities of foreign countries. The value of this investment, although denominated in U. S. dollars, is exposed to foreign currency risk.

Short-Term Fixed Income

Credit risk

The IMB limits the exposure to credit risk in the Short-Term Fixed Income pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A1 by Standard & Poor's and P1 by Moody's. Additionally, the pool must have at least 15% of its assets in United States Treasury issues.

The following table provides information on the weighted average credit ratings of the Short-Term Fixed Income pool's investments.

Security Type	Moody's	S&P	Carrying Value	Percent of Assets
U. S. Treasury bills	Aaa	AAA	\$ 59,972,698	15.1%
Commercial paper	P1	A-1	50,759,260	12.7%
Agency discount notes	P1	A-1	11,949,276	3.0%
Agency bonds	Aaa	AAA	11,449,771	2.9%
Certificates of deposit	P1	A-1	6,000,000	1.5%
Money market funds	Aaa	AAA	328,493	0.1%
Total rated investments			\$ 140,459,498	35.3%

Unrated securities include repurchase agreements of \$258,000,000. Acceptable collateral for the repurchase agreements include U. S. Treasury and government agency securities, all of which carry the highest credit rating.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Concentration of credit risk

West Virginia statutes prohibit the Short-Term Fixed Income pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2005, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk

At June 30, 2005, the Short-Term Fixed Income pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. Securities lending collateral that is reported in the Statement of Assets and Liabilities is invested in the lending agent's money market fund.

Interest rate risk

The weighted average maturity of the investments of the Short-Term Fixed Income pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Short-Term pool.

Security Type	Carrying Value	WAM (days)
Repurchase agreements	\$ 258,000,000	1
US Treasury bills	59,972,698	7
Commercial paper	50,759,260	53
Agency discount notes	11,949,276	81
Agency bonds	11,449,771	114
Certificates of deposit	6,000,000	117
Money market funds	328,493	1
Total assets	<u>\$ 398,459,498</u>	<u>16</u>

Foreign currency risk

The Short-Term Fixed Income pool has no securities that are subject to foreign currency risk.

Fixed Income

Credit risk

The IMB limits the exposure to credit risk in the Fixed Income pool by requiring all corporate bonds to be rated B or higher at the time of purchase. Convertible bonds must be rated Baa or higher by Standard & Poor's or BBB or higher by Moody's. The following table provides the weighted average credit ratings of the asset types in the Fixed Income pool.

Security Type	Moody's	S&P	Fair Value	Percent of Assets
U. S. Treasury bonds and notes	Aaa	AAA	\$ 618,760,671	32.3%
Corporate bonds and notes	A	BBB	383,042,334	20.0%
Agency bonds	Aaa	AAA	56,867,431	3.0%
Corporate asset backed securities	Aaa	AAA	48,360,941	2.5%
Agency discount notes	P1	A-1	1,920,805	0.1%
Money market funds	Aaa	AAA	669,254	0.0%
Total rated investments			<u>\$ 1,109,621,436</u>	<u>57.9%</u>

Unrated securities include commingled investment pools of \$731,111,900 and repurchase agreements of \$77,400,000. Acceptable collateral for the repurchase agreements include U. S. Treasury and government agency securities, all of which carry the highest credit rating. At June 30, 2005, the ratings of the following securities had dropped below a rating of B: Dynegy Holdings (Caa, CCC), El Paso Corporation (Caa), Intelsat (Caa) and Sonat (Caa). The value of these securities at June 30, 2005 was \$7,298,775. This

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

represents approximately 0.4% of the pool. The IMB continues to monitor the credit worthiness of these companies.

Concentration of credit risk

West Virginia statutes prohibit the Fixed Income pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2005, the Fixed Income pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk

At June 30, 2005, the Fixed Income pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. Securities lending collateral that is reported in the Statement of Assets and Liabilities is invested in the lending agent's money market fund.

Interest rate risk

The IMB monitors interest rate risk of the Fixed Income pool by assessing the modified duration of the investments in the pool. The following table provides the weighted average modified duration for the various asset types in the Fixed Income pools.

Security Type	Fair Value	Modified Duration (years)
Commingled investment pools	\$ 731,111,900	4.4
U. S. Treasury notes and bonds	618,760,671	5.6
Corporate notes and bonds	383,042,334	6.6
Repurchase agreements	77,400,000	0.0
Agency bonds	56,867,431	7.2
Corporate asset backed securities	48,360,941	3.7
Agency discount notes	1,920,805	0.4
Money market fund	669,254	0.0
Total assets	<u>\$ 1,918,133,336</u>	<u>5.1</u>

The Fixed Income pool invests in commercial and residential mortgage-backed and asset-backed securities. The cash flows from these securities are based on the payment of the underlying collateral. The modified duration and yield to maturity of these securities are dependent on estimated prepayment assumptions that consider historical experience, market conditions and other criteria. Actual prepayments may vary with changes in interest rates. Rising interest rates often result in a slower rate of prepayments while declining rates tend to lead to faster prepayments. As a result, the fair values of these securities are highly sensitive to interest rate changes. At June 30, 2005, the Fixed Income pool held \$259,008,821 of these securities. This represents approximately 8 % of the value of the fixed income pools.

Foreign currency risk

The Fixed Income pool has no securities that are exposed to foreign currency risk.

Fixed Income Qualified

This pool holds positions in institutional mutual funds with a combined value of \$800,406,349 at June 30, 2005, that invest in U. S. Treasury obligations and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.9 years. This pool is not exposed to custodial credit risk, concentration of credit risk, or foreign currency risk.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Fixed Income Nonqualified

This pool holds positions in institutional mutual funds with a combined value of \$530,634,965 at June 30, 2005, that invest in U. S. Treasury obligations and corporate bonds. The mutual funds are unrated. The weighted average modified duration of the underlying securities is 5.9 years. This pool is not exposed to custodial credit risk, concentration of credit risk, or foreign currency risk.

Cash Liquidity

Credit risk

The IMB limits the exposure to credit risk in the Cash Liquidity pool by requiring all corporate bonds to be rated AA or higher. Commercial paper must be rated A1 by Standard & Poor's and P1 by Moody's. Additionally, the pool must have at least 15% of its assets in United States Treasury issues.

The following table provides information on the weighted average credit ratings of the Cash Liquidity pool's investments.

Security Type	Moody's	S&P	Carrying Value	Percent of Assets
Commercial paper	P1	A-1	\$ 598,241,394	37.9%
U. S. Treasury bills	Aaa	AAA	259,397,648	16.4%
Corporate notes	Aaa	AAA	155,559,323	9.9%
Certificates of deposit	P1	A-1	152,998,937	9.7%
Agency bonds	Aaa	AAA	147,955,465	9.4%
Agency discount notes	P1	A-1	119,564,248	7.6%
Money market funds	Aaa	AAA	4,241,278	0.3%
Total rated investments			<u>\$ 1,437,958,293</u>	<u>91.2%</u>

Unrated securities include repurchase agreements of \$141,050,000. Acceptable collateral for the repurchase agreements include U. S. Treasury and government agency securities, all of which carry the highest credit rating.

Concentration of credit risk

West Virginia statutes prohibit the Cash Liquidity pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2005, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk

At June 30, 2005, the Cash Liquidity pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. Securities lending collateral that is reported in the Statement of Assets and Liabilities is invested in the lending agent's money market fund.

Interest rate risk

The weighted average maturity of the investments of the Cash Liquidity pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Cash Liquidity pool.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Security Type	Carrying Value	WAM
Commercial paper	\$ 598,241,394	49
U. S. Treasury bills	259,397,648	30
Corporate notes	155,559,323	53
Certificates of deposit	152,998,937	42
Agency bonds	147,955,465	88
Repurchase agreements	141,050,000	1
Agency discount notes	119,564,248	52
Money market funds	4,241,278	1
Total assets	\$ 1,579,008,293	45

Foreign currency risk

The Cash Liquidity pool has no securities that are subject to foreign currency risk.

Government Money Market**Credit risk**

The IMB limits the exposure to credit risk in the Government Money Market pool by limiting the pool to U. S. Treasury issues, U. S. government agency issues, money market funds investing in U. S. Treasury issues and U. S. government agency issues, and repurchase agreements collateralized by U. S. Treasury issues and U. S. government agency issues. None of the government agency issues held by the pool have the explicit guarantee of the U. S. Treasury; however, they are all rated Aaa by Moody's and AAA by Standard & Poor's. Agency discount notes held by the pool are rated P1 by Moody's and A-1 by Standard & Poor's.

Concentration of credit risk

West Virginia statutes prohibit the Government Money Market pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2005, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk

At June 30, 2005, the Government Money Market pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. Securities lending collateral that is reported in the Statement of Assets and Liabilities is invested in the lending agent's money market fund.

Interest rate risk

The weighted average maturity of the investments of the Government Money Market pool cannot exceed 60 days. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Government Money Market pool.

Security Type	Carrying Value	WAM (days)
Agency discount notes	\$ 46,409,362	32
Agency bonds	42,571,144	75
Repurchase agreements	39,950,000	1
U. S. Treasury bills	24,903,836	48
Money market funds	985,190	1
Total assets	\$ 154,819,532	38

Foreign currency risk

The Government Money Market pool has no securities that are subject to foreign currency risk.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Enhanced Yield

Credit risk

The IMB limits the exposure to credit risk in the Enhanced Yield pool by requiring all corporate bonds to be rated A or higher. Commercial paper must be rated A1 by Standard & Poor's and P1 by Moody's. Additionally, the pool must have at least 15% of its assets in United States Treasury issues.

The following table provides information on the weighted average credit ratings of the Enhanced Yield pool's investments.

Security Type	Moody's	S&P	Fair Value	Percent of Assets
Corporate notes	A	AA	\$ 81,631,581	30.0%
Agency bonds	Aaa	AAA	69,203,277	25.5%
U. S. Treasury notes	Aaa	AAA	66,466,539	24.5%
Corporate asset backed securities	Aaa	AAA	49,990,408	18.4%
Total rated investments			<u>\$ 267,291,805</u>	<u>98.4%</u>

Unrated securities include repurchase agreements of \$4,362,262. Acceptable collateral for the repurchase agreements include U. S. Treasury and government agency securities, all of which carry the highest credit rating.

Concentration of credit risk

West Virginia statutes prohibit the Enhanced Yield pool from investing more than 5% of its assets in securities issued by a single private corporation or association. At June 30, 2005, the pool did not have investments in any one private corporation or association that represented more than 5% of assets.

Custodial credit risk

At June 30, 2005, the Enhanced Yield pool held no securities that were subject to custodial credit risk. Repurchase agreements are collateralized at 102% and the collateral is held in the name of the IMB. Securities lending collateral that is reported in the Statement of Assets and Liabilities is invested in the lending agent's money market fund.

Interest rate risk

The weighted average maturity of the investments of the Enhanced Yield pool cannot exceed two years. The maturity of floating rate notes is assumed to be the next interest rate reset date. The following table provides the weighted average maturities (WAM) for the various asset types in the Enhanced Yield pool.

Security Type	Fair Value	WAM (years)
Corporate notes	\$ 81,631,581	1.7
Agency bonds	69,203,277	1.9
U. S. Treasury notes	66,466,539	2.3
Corporate asset backed securities	49,990,408	1.1
Repurchase agreement	4,362,262	0.0
Total assets	<u>\$ 271,654,067</u>	<u>1.7</u>

Foreign currency risk

The Enhanced Yield pool has no securities that are subject to foreign currency risk.

NOTE 4. INVESTMENT RISK DISCLOSURES (Continued)

Loss Amortization

This pool holds a U. S. Treasury strip valued at \$149,205,000 that matures on August 15, 2011. The IMB's investment policy does not specifically address maturity restrictions as a means of managing its exposure to fair value losses in this pool arising from increasing interest rates. However, it is the intent of the IMB to hold this security to maturity. This security is not subject to credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

Loans

This pool holds intergovernmental loans, single-family mortgage loans, and an interest in a money market fund with the highest credit rating. The loans are not rated by any nationally recognized statistical rating organization; however as there is the potential for defaults, they are exposed to credit risk. The IMB addresses the risk by evaluating the need for and establishing a reserve for uncollectible accounts. Refer to Note 3 (page 77) and Note 5 (page 86) for further explanation. The pool is not exposed to custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

Municipal Bond Commission

This account only holds securities issued by the U. S. Treasury or government agencies. The securities are purchased with specific maturities timed to match bond interest or principal payments. These securities are valued at amortized cost in accordance with GASB 31 and thus are not exposed to interest rate risk. These securities are not exposed to credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

Lottery Defeasance

This account holds only U. S. Treasury securities with maturities timed to match lottery winner payouts. These securities are not exposed to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

School Fund

The assets of this account are invested in a money market mutual fund with the highest credit rating. This account is not exposed to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

EDA Insurance

This account holds a U. S. Treasury bill valued at \$453,000 that matures on December 15, 2005. The Economic Development Authority's investment policy limits this account to holding only U. S. Treasury securities with six-month maturities. This security is not exposed to credit risk, custodial credit risk, concentration of credit risk, interest rate risk, or foreign currency risk.

EDA-AW

This account only holds a U. S. Treasury bond valued at \$1,801,000 that matures on August 15, 2023. The Economic Development Authority's investment policy limits this account to holding only U. S. Treasury securities with twenty-year maturities at time of purchase. This security is not exposed to credit risk, custodial credit risk, concentration of credit risk, or foreign currency risk.

NOTE 5. RELATED PARTY TRANSACTIONS

The IMB is required by law to enter into certain investment transactions with other state entities. At June 30, 2005, the IMB'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 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, 2005, was \$55,391. The current note 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 IMB to make available on a revolving basis up to \$175,000,000 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 for the year ended June 30, 2005, was 3.03%. 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, 2005, the outstanding balance was \$110,974,838.

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 IMB. 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, 2005, \$14,970,000 of principal is outstanding.

Due to the uncertain collectibility of this loan, the IMB has elected to use the cash received method of income recognition for this loan. Under this method, income is recognized when it is collected. Additionally, a reserve of \$3,038,326 has been accrued against this loan.

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 2003 interest deferred	\$	146,959
Fiscal year 2004 interest deferred		451,031
Fiscal year 2005 interest deferred		449,410
Total interest deferred	\$	<u>1,047,400</u>

NOTE 6. SECURITIES LENDING

At June 30, 2005, the fair value of securities on loan and the collateral held by the pools of the IMB are as follows:

	Fair Value of Securities on Loan	Collateral Held
Large Cap Domestic	\$ 102,219,113	\$ 105,387,382
Non-Large Cap Domestic	117,692,878	122,153,685
International Equity	88,490,372	93,210,321
Short-Term Fixed Income	67,444,060	68,825,625
Fixed Income	661,654,174	674,199,995
Cash Liquidity	325,507,255	332,034,886
Government Money Market	24,543,703	25,037,735
Enhanced Yield	107,588,209	109,470,209
Total	<u>\$ 1,495,139,764</u>	<u>\$ 1,530,319,838</u>

Of the collateral held, \$1,377,503,000 was received as cash. The collateral received as cash is invested in the Mellon GSL DBT II Collateral Fund.

NOTE 7. FUTURES CONTRACTS

At June 30, 2005, open positions in futures contracts are as follows:

Expiration	Open Contracts	Position	Value Upon Entering Contract	Value at June 30, 2005	Net Gain (Loss)
<i>Non-Large Cap Domestic Equity Pool</i>					
Sept 2005	11 S&P Mid 400	Long	\$ 743,925	\$ 757,185	\$ 13,260
Sept 2005	22 Russell Mini	Long	1,348,738	1,414,820	66,082
			<u>\$ 2,092,663</u>	<u>\$ 2,172,005</u>	<u>\$ 79,342</u>
<i>Fixed Income Pool</i>					
Sept 2005	1,434 US 5YR T Note	Long	\$ 155,851,133	\$ 156,149,163	\$ 298,030
Sept 2005	(3,161) US 10YR T Note	Short	(357,823,693)	(358,674,719)	(851,026)
Sept 2005	67 US Treasury Bond	Long	7,789,563	7,956,250	166,687
			<u>\$(194,182,997)</u>	<u>\$(194,569,306)</u>	<u>\$ (386,309)</u>

At June 30, 2005, the Non-Large Cap pool and the Fixed Income pool have pledged cash and securities valued at \$119,000 and \$1,921,000, respectively, to cover initial margin requirements on open futures contracts.

At June 30, 2005, the net variation margin payables of \$4,000 from the Non-Large Cap pool and \$378,000 from the Fixed Income pool represent one day's settlement on open futures contracts.

NOTE 8. OPTION CONTRACTS

At June 30, 2005, open option contracts held in the Fixed Income pool were as follows:

Position	Description	Maturity	Strike Price	Number of Contracts	Premiums Paid	Value at June 30, 2005
<i>Put Options</i>						
Long	UST 5YR	8/26/2005	104.000	49	\$ 1,011	\$ 766
					<u>\$ 1,011</u>	<u>\$ 766</u>

NOTE 9. FOREIGN EXCHANGE FORWARD CONTRACTS

At June 30, 2005, the International Equity pool held the following open foreign currency forward contracts:

Position	Foreign Currency	Inception Date	Expiration Date	Receivable		Payable		Unrealized appreciation (depreciation)
				(in foreign currency)	(in U.S. dollars)	(in foreign currency)	(in U.S. dollars)	
Long/Cover	Euro	6/30/2005	7/1/2005	33,746	\$ 40,855		\$ 40,880	\$ (25)
Long/Cover	Japanese Yen	6/29/2005	7/1/2005	9,206,732	83,086		83,865	(779)
Long/Cover	Swiss Franc	6/29/2005	7/1/2005	306,697	239,401		239,963	(562)
Long/Cover	British Pound	6/28/2005	7/1/2005	25,395	45,519		46,291	(772)
Short/Cover	Euro	6/29/2005	7/1/2005		437,288	363,710	440,325	(3,037)
Short/Cover	Japanese Yen	6/30/2005	7/1/2005		17,566	1,950,000	17,598	(32)
Short/Cover	South Korean Won	6/30/2005	7/1/2005		282,152	291,407,004	281,961	191
Short/Cover	Swedish Krona	6/29/2005	7/1/2005		237,351	1,863,701	238,662	(1,311)
Long/Cover	Canadian Dollar	6/30/2005	7/5/2005	261,240	213,292		213,397	(105)
Long/Hedge	Euro	6/3/2005	7/7/2005	2,350,000	2,845,713		2,889,962	(44,249)
Long/Hedge	Euro	6/23/2005	7/7/2005	760,000	920,316		915,419	4,897
Long/Hedge	Euro	6/7/2005	7/11/2005	1,940,000	2,349,550		2,347,617	1,933
Short/Hedge	Swedish Krona	6/10/2005	7/14/2005		2,818,000	21,232,503	2,720,941	97,059
Long/Hedge	Euro	6/21/2005	7/15/2005	8,291,000	10,042,681		10,067,629	(24,948)
Long/Hedge	Euro	6/20/2005	7/15/2005	4,815,000	5,832,289		5,848,838	(16,549)
Short/Hedge	Euro	6/15/2005	7/15/2005		31,838,664	26,400,000	31,977,660	(138,996)
Short/Hedge	Euro	6/10/2005	7/15/2005		10,058,820	8,282,000	10,031,780	27,040
Long/Hedge	Japanese Yen	6/30/2005	7/21/2005	247,058,754	2,233,986		2,237,000	(3,014)
Short/Hedge	Japanese Yen	6/16/2005	7/21/2005		16,450,000	1,789,760,000	16,183,595	266,405
					<u>\$ 86,986,529</u>		<u>\$ 86,823,383</u>	<u>\$ 163,146</u>

NOTE 10. INVESTMENT TRANSACTIONS

Purchases and sales of U.S. government securities and corporate securities (excluding short-term securities) for the year ended June 30, 2005, were as follows:

Pool	U.S. Government Securities		Corporate Securities	
	Purchases	Sales	Purchases	Sales
Large Cap Domestic	\$ -	\$ -	\$ 1,974,122,077	\$ 1,755,852,263
Non-Large Cap Domestic	-	-	669,591,655	732,674,106
International Equity	-	-	913,419,295	896,434,022
Short-Term Fixed Income	16,469,971	13,325,000	-	11,564,000
Dedicated Fixed Income	-	579,276,800	-	-
Fixed Income	2,924,182,035	2,857,468,668	677,137,385	189,775,233
Fixed Qualified	-	-	519,667,888	483,922,468
Fixed Nonqualified	-	-	698,326,392	301,771,843
Cash Liquidity	287,507,843	321,151,337	232,252,676	269,139,100
Government Money Market	76,355,921	76,811,641	-	-
Enhanced Yield	168,367,305	123,874,114	48,101,725	135,107,514
Municipal Bond Commission	12,551,281	32,460,046	-	-
Lottery Defeasance	-	1,426,200	-	-
EDA-AW	1,678,232	-	-	-
Total	<u>\$ 3,487,112,588</u>	<u>\$ 4,005,793,806</u>	<u>\$ 5,732,619,093</u>	<u>\$ 4,776,240,549</u>

FINANCIAL HIGHLIGHTS

West Virginia Investment Management Board
Financial Highlights
For the Period July 1, 2004 through June 30, 2005

	<u>Large Cap Domestic</u>	<u>Non-Large Cap Domestic</u>	<u>International Qualified</u>	<u>International Nonqualified</u>	<u>International Equity</u>
Net asset value, beginning of period	\$ 9.75	\$ 15.96	\$ 21.49	\$ 20.52	\$ 12.15
Net investment income (loss)	0.18	0.17	(0.14)	(0.21)	0.22
Net realized and unrealized gain (loss) on investment transactions	0.54	2.30	3.33	3.14	1.64
Net realized loss from foreign currency transactions	-	-	-	-	0.39
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	(0.37)
Total from investment operations	0.72	2.47	3.19	2.93	1.88
Less distributions	-	-	-	-	-
Net asset value, end of period	<u>\$ 10.47</u>	<u>\$ 18.43</u>	<u>\$ 24.68</u>	<u>\$ 23.45</u>	<u>\$ 14.03</u>
Fiscal year to date time-weighted total return (net of fees, not annualized)	7.5%	15.4%	14.9%	14.3%	15.5%
Supplemental Data:					
Expenses (year to date annualized)	0.21%	0.43%	0.59%	0.96%	0.46%
Net investment income (year to date annualized)	1.78%	1.03%	-0.59%	-0.96%	1.68%
Portfolio turnover rate	71.99%	75.25%	0.00%	0.00%	93.84%

	<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	\$ 13.94	\$ 8.24	\$ 1.00	\$ 1.00	\$ 100.31
Income from investment operations:					
Net investment income (loss)	-	-	0.02	0.02	2.79
Net realized and unrealized gain (loss) on investment transactions	0.89	0.51	-	-	(0.58)
Net realized loss from foreign currency transactions	-	-	-	-	-
Net increase in the translation of assets and liabilities in foreign currencies	-	-	-	-	-
Total from investment operations	0.89	0.51	0.02	0.02	2.21
Less distributions	-	-	(0.02)	(0.02)	(2.99)
Net asset value, end of period	<u>\$ 14.83</u>	<u>\$ 8.75</u>	<u>\$ 1.00</u>	<u>\$ 1.00</u>	<u>\$ 99.53</u>
Fiscal year to date total return (net of fees, not annualized)	6.4%	6.4%	2.1%	2.1%	2.3%
Supplemental Data:					
Expenses (year to date annualized)	0.05%	0.05%	0.08%	0.09%	0.13%
Net investment income (year to date annualized)	-0.05%	-0.05%	2.21%	2.06%	2.74%
Portfolio turnover rate	62.76%	84.92%	0.00%	0.00%	77.85%

<u>Short-Term Fixed Income</u>	<u>Dedicated Fixed Income</u>	<u>Fixed Income</u>
\$ 1.00	\$ 9.97	\$ 11.47
0.02	0.03	0.48
-	0.02	0.67
-	-	-
-	-	-
0.02	0.05	1.15
<u>(0.02)</u>	<u>(10.02)</u>	<u>(0.50)</u>
<u>\$ 1.00</u>	<u>\$ -</u>	<u>\$ 12.12</u>
2.2%	0.5% *	10.3%
0.08%	0.04%	0.16%
2.19%	1.57%	4.01%
0.00%	N/A **	111.75%

*Through September 30, 2004

**Portfolio was liquidated October 5, 2004

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**OTHER
FINANCIAL INFORMATION**

West Virginia Investment Management Board

Schedule of Participation

June 30, 2005

(Dollars in thousands)

The following schedule details the participation in the various pools exclusive of those pools comprising the Consolidated Fund or Participant Directed Accounts. The participant balances for the Fixed Income pool do not include the dividend declared by the pool on the last day of the month and reinvested to the participant's accounts on the first day of the following month. This schedule provides supplemental information and is not required disclosure for financial statements prepared in accordance with generally accepted accounting principles.

	Large Cap Domestic	Non-Large Cap Domestic	International Qualified	International Nonqualified	International Equity
Judges' Retirement System	\$ 19,018	\$ 11,477	\$ 4,751		\$ 10,016
Public Employees' Retirement System	861,722	523,160	229,869		461,384
Teachers' Retirement System	404,839	232,606	101,558		207,126
Public Safety Retirement System	28,669	17,408	8,193		14,598
State Police Retirement System	6,377	3,757	1,557		3,315
WV Deputy Sheriffs' Retirement System	17,197	10,344	4,441		9,117
Workers' Compensation EELF	4,631	2,591		\$ 1,047	2,377
Workers' Compensation Fund	40,696	24,478		2,476	28,602
Pneumoconiosis	22,169	12,510		5,140	11,289
Wildlife Endowment Fund	8,765	5,270		2,164	4,630
Prepaid Tuition Trust Fund	22,691	13,626		5,587	11,956
Prepaid Tuition Trust Escrow Fund	-	-		-	-
Tobacco Settlement Trust	55,700	32,359		11,500	28,368
Board of Risk & Insurance Management	8,360	5,519		477	9,276
Total Amount	\$ 1,500,834	\$ 895,105	\$ 350,369	\$ 28,391	\$ 802,054

	Short-Term Fixed Income	Fixed Income	Fixed Income Qualified	Fixed Income Nonqualified	Totals (Memorandum Only)
Judges' Retirement System	\$ 371	\$ 17,404	\$ 11,675		\$ 74,712
Public Employees' Retirement System	21,439	776,132	524,695		3,398,401
Teachers' Retirement System	76,461	341,498	233,277		1,597,365
Public Safety Retirement System	250,782	25,439	16,053		361,142
State Police Retirement System	500	5,851	3,927		25,284
WV Deputy Sheriffs' Retirement System	614	15,729	10,729		68,171
Workers' Compensation EELF	1,138	8,432		\$ 6,384	26,600
Workers' Compensation Fund	35,085	470,278		365,440	967,055
Pneumoconiosis	10,955	111,067		73,848	246,978
Wildlife Endowment Fund	61	8,184		5,543	34,617
Prepaid Tuition Trust Fund	10	21,123		14,260	89,253
Prepaid Tuition Trust Escrow Fund	-	635		421	1,056
Tobacco Settlement Trust	967	50,199		33,761	212,854
Board of Risk & Insurance Management	155	46,981		30,950	101,718
Total Amount	\$ 398,538	\$ 1,898,952	\$ 800,356	\$ 530,607	

West Virginia
Investment Management Board_____

Audited Financial Statements

June 30, 2005

West Virginia

Investment Management Board

Audited Financial Statements

June 30, 2005

Table of Contents

<i>Management's Discussion and Analysis</i>	i
<i>Independent Auditors' Report</i>	
<i>Statement of Net Assets</i>	1
<i>Statement of Revenues, Expenses, and Changes in Net Assets</i>	2
<i>Statement of Cash Flows</i>	3
<i>Notes to Financial Statements</i>	4

West Virginia Investment Management Board

Management's Discussion and Analysis

This discussion and analysis of the West Virginia Investment Management Board's (IMB) financial performance provides an overview of the Board's financial activities for the fiscal year ended June 30, 2005. Please read it in conjunction with the basic financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The IMB is required by law to charge a fee sufficient to cover the cost of providing investment management services. Investment service fee revenues were \$17.6 million as compared to \$15.8 million for the prior fiscal year. The change primarily results from increased fees charged to cover additional investment advisor and administrative costs.
- Fees paid to outside investment advisors increased by \$1.6 million over the prior year as a result of higher performance based fees for large cap domestic equity investment advisors and an increase in the asset base of certain investment pools. Average net assets of managed investment pools increased by \$1.5 billion over the previous year.
- Administrative expenses increased by \$165,000 from the prior year. Expenses with significant changes from the prior year are:
 - Personnel costs increased \$145,000,
 - Investment system maintenance increased by \$27,000,
 - Spending for office and computer supplies increased by \$11,000,
 - Travel expense declined by \$13,000.
- Nonoperating revenues for the year were \$76,000. This was \$49,000 higher than the prior year. This increase is primarily a result of the increase 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 IMB 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 IMB's financial position and the changes in the financial position during the current fiscal year.

The Statement of Net Assets presents the IMB'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 IMB's net assets changed during the fiscal year. The Statement of Cash Flows identifies the sources of cash received by the IMB and how that cash was used in the IMB's activities during the year. The ending cash presented in this statement is a significant portion of the IMB's assets as reported in the Statement of Net Assets. This statement also contains a

reconciliation of the operating loss as reported in the Statement of Revenues, Expenses, and Changes in Net Assets to the cash provided in the IMB's operating activities during the year.

FINANCIAL ANALYSIS

The IMB's total assets as of June 30, 2005, were \$7.8 million, and were mostly comprised of cash and cash equivalents and receivables for investment service fees. Total assets increased by \$1.5 million from June 30, 2004. This increase is primarily a result of the higher fee revenue for the fourth quarter of the fiscal year.

Total liabilities as of June 30, 2005 were \$4.1 million, consisting of invoices payable and accrued liabilities for external investment management fees, custodial fees, and administrative expenses. This is \$1.4 million higher than the liabilities reported at June 30, 2004 and is a result of higher investment advisor fees payable.

Table 1 Net Assets (In thousands)	2005	2004
Cash and cash equivalents	\$ 4,116	\$ 3,810
Receivables	3,609	2,364
Other assets	<u>70</u>	<u>153</u>
Total assets	7,795	6,327
Total liabilities	<u>(4,127)</u>	<u>(2,724)</u>
Net assets	<u>\$ 3,668</u>	<u>\$ 3,603</u>
<i>Composition of net assets:</i>		
Invested in capital assets	\$ 37	\$ 66
Unrestricted	3,631	3,537

Table 2 Changes in Net Assets (In thousands)	2005	2004
Investment service fees	\$ 17,633	\$ 15,767
Expenses		
Advisor fees	(13,902)	(12,294)
Custodian fees	(516)	(462)
Trustee fees	(50)	(54)
Fiduciary bond expense	(25)	(25)
Professional service fees	(633)	(586)
Administrative expenses	<u>(2,518)</u>	<u>(2,353)</u>
Operating income	(11)	(7)
Nonoperating revenues	<u>76</u>	<u>27</u>
Increase in net assets	65	20
Net assets – beginning of year	<u>3,603</u>	<u>3,583</u>
Net assets – end of year	<u>\$ 3,668</u>	<u>\$ 3,603</u>

CAPITAL ASSETS

There was no capital asset activity other than depreciation of existing assets during the year ended June 30, 2005.

CONTACTING THE IMB

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



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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), an internal service fund of the state of West Virginia, as of June 30, 2005 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the WVIMB's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts of 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, 2005 and the changes in its net assets 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 Government 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

Pittsburgh, Pennsylvania
August 26, 2005

West Virginia Investment Management Board

Statement of Net Assets

June 30, 2005

Assets

Current assets:

Cash and cash equivalents	\$4,116,148
Accounts receivable	3,600,048
Prepaid expenses	25,737
Dividend receivable	9,091

Total current assets 7,751,024

Noncurrent assets

Deposits	1,998
Prepaid insurance	4,806

Capital assets:

Equipment	1,001,117
Office furniture	125,245
Leasehold improvements	45,492
Less accumulated depreciation	<u>(1,134,695)</u>

Total capital assets (net of accumulated depreciation) 37,159

Total noncurrent assets 43,963

Total assets 7,794,987

Liabilities

Current liabilities:

Accounts payable and accrued expenses	<u>4,126,672</u>
---------------------------------------	------------------

Total current liabilities 4,126,672

Total liabilities 4,126,672

Net assets

Invested in capital assets	37,159
Unrestricted	<u>3,631,156</u>

Total net assets \$3,668,315

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, 2005

Operating revenues:		
Investment service fees		\$17,633,083
	Total operating revenues	17,633,083
Operating expenses:		
Advisor fees		13,902,215
Custodian fees		515,601
Trustee fees		50,000
Fiduciary bond expense		24,822
Professional service fees		620,374
Shareholder litigation fees		13,362
Administrative expenses		2,517,704
	Total operating expenses	17,644,078
	Operating loss	(10,995)
Nonoperating revenues:		
Dividend income		76,598
Other income		3
	Total nonoperating revenues	76,601
	Increase in net assets	65,606
	Net assets, beginning of year	3,602,709
	Net assets, end of year	\$3,668,315

See accompanying notes to financial statements.

West Virginia Investment Management Board

Statement of Cash Flows

For the Year Ended June 30, 2005

Cash flows from operating activities	
Cash received from customers	\$16,397,323
Cash paid to suppliers	(14,427,334)
Cash paid to employees	(1,733,802)
Net cash provided by operating activities	<u>236,187</u>
Cash flows from investing activities	
Dividends on investments	70,424
Net cash provided by investing activities	<u>70,424</u>
Cash flows from capital and related financing activities	<u>-</u>
Net cash used in capital and related financing activities	<u>-</u>
Net increase in cash and cash equivalents	306,611
Cash and cash equivalents at beginning of year	<u>3,809,537</u>
Cash and cash equivalents at end of year	<u>\$4,116,148</u>
Reconciliation of operating loss to net cash provided	
by operating activities:	
Operating loss	\$ (10,995)
Adjustments to reconcile operating loss to net cash provided	
by operating activities:	
Depreciation	28,756
Changes in assets and liabilities:	
Increase in accounts receivable	(1,235,760)
Decrease in prepaid expenses	51,921
Increase in accounts payable and accrued expenses	<u>1,402,265</u>
Total adjustments	<u>247,182</u>
Net cash provided by operating activities	<u>\$ 236,187</u>

See accompanying notes to financial statements.

West Virginia Investment Management Board

Notes to Financial Statements

June 30, 2005

Note 1. Nature of Organization

The West Virginia Investment Management Board (the IMB) 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 IMB has established distinct investment pools to efficiently invest the entrusted funds. Separate financial statements are issued for these investment pools. The IMB's financial statements are included as an internal service fund of the State of West Virginia in the State's financial statements.

A Board of Trustees, consisting of thirteen members, governs the IMB. 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 IMB conform to accounting principles generally accepted in the United States of America. 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 IMB 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 3 years to 5 years using the straight-line method. Leasehold improvements are amortized over the life of the lease.

Revenues and Expenses - The IMB's Board of Trustees adopts an annual budget and fee schedule for services to be provided to the investment pools. Revenues of the IMB 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 IMB 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 IMB 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 IMB is not subject to federal or state income taxes.

Note 3. Capital Assets

Capital assets activity for the fiscal year ended June 30, 2005 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated:				
Office equipment	\$ 1,001,117	\$ -	\$ -	\$ 1,001,117
Office furniture	125,245	-	-	125,245
Leasehold improvements	45,492	-	-	45,492
Total capital assets, being depreciated	1,171,854	-	-	1,171,854
Less accumulated depreciation for:				
Office equipment	(973,809)	(12,895)	-	(986,704)
Office furniture	(118,482)	(6,763)	-	(125,245)
Leasehold improvements	(13,648)	(9,098)	-	(22,746)
Total accumulated depreciation	(1,105,939)	(28,756)	-	(1,134,695)
Capital assets, net	\$ 65,915	\$ (28,756)	\$ -	\$ 37,159

Depreciation expense of \$28,756 was charged to the investment management activity and is included in the administrative expenses.

Note 4. Operating Leases

On August 26, 2002, the IMB 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 IMB 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 July 1, 2004 to June 30, 2005, totaled \$177,199. Seven months prior to the expiration of the lease, the IMB 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:

2006	\$ 181,620
2007	\$ 186,276
2008	\$ 93,138

Note 5. Employee Benefit Plan

The IMB 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 employee's hire date. Required contributions are 10% of each covered employee's compensation. Contributions for the period from July 1, 2004 to June 30, 2005, totaled \$127,079. The plan provides for a five-year vesting schedule with vesting increasing 20% per year.

Note 6. Investment Risk

At June 30, 2005, all of the IMB's cash equivalents are invested in an institutional Treasury Money Market fund. This fund is rated Aaa by Moody's and AAA by Standard and Poor's. This fund has no significant custodial credit risk or interest rate risk. The fund invests in U. S. Treasuries and thus is not exposed to a concentration of credit risk nor any foreign currency risk.